UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 98th CONGRESS

SECOND SESSION

VOLUME 130—PART 22

OCTOBER 5, 1984 TO OCTOBER 10, 1984

(PAGES 30291 TO 31773)

GENERAL SERVICES ADMINISTRATION
LAW LIBRARY
CENTRAL OFFICE

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1984

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 98th CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Friday, October 5, 1984*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We thank You, O God, for those who serve this assembly by using their abilities to contribute to the common good. We are grateful for the Members and staff of this House, who as stewards of Your creation, toil for justice and take seriously their responsibilities for the people of our Nation and our world.

Accept, O gracious God, their labor as evidence of a commitment for the right and good. May Your blessing continue to be upon this place that justice will roll down as waters and righteousness like an everflowing stream. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. SOLOMON. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 321, nays 28, answered "present" 8, not voting 75, as follows:

[Roll No. 445]

YEAS—321

Ackerman	Dellums	Hughes
Addabbo	Derrick	Hutto
Akaka	DeWine	Hyde
Albosta	Dixon	Jenkins
Alexander	Dowdy	Johnson
Anderson	Downey	Jones (OK)
Andrews (NC)	Dreier	Jones (TN)
Andrews (TX)	Duncan	Kaptur
Annunzio	Dwyer	Kasich
Anthony	Early	Kastenmeier
Applegate	Eckart	Kazen
Archer	Edgar	Kemp
Aspin	Edwards (AL)	Kennelly
Barnard	Edwards (CA)	Kildee
Barnes	Edwards (OK)	Kindness
Bartlett	English	Kolter
Bateman	Erdreich	Kostmayer
Bates	Evans (IA)	Kramer
Bedell	Evans (IL)	Lagomarsino
Bennett	Fascell	Lantos
Bereuter	Fazio	Latta
Berman	Fiedler	Leach
Bethune	Fish	Leath
Bevill	Flippo	Lehman (FL)
Bilirakis	Florio	Leland
Billey	Foglietta	Levin
Boehlert	Foley	Levitas
Boland	Ford (TN)	Lewis (FL)
Bonker	Fowler	Livingston
Borski	Frank	Lloyd
Bosco	Franklin	Loeffler
Boucher	Frost	Long (LA)
Boxer	Gaydos	Long (MD)
Breaux	Gekas	Lott
Britt	Gephardt	Lowry (WA)
Brooks	Gibbons	Lujan
Brown (CA)	Gilman	Luken
Brown (CO)	Gingrich	Lundine
Broyhill	Glickman	MacKay
Bryant	Gonzalez	Madigan
Burton (CA)	Gradison	Marlenee
Burton (IN)	Gray	Marriott
Carr	Green	Martin (IL)
Chandler	Gregg	Martin (NY)
Chappell	Guarini	Martinez
Clarke	Gunderson	Matsui
Clinger	Hall (IN)	Mavroules
Coats	Hall (OH)	Mazzoli
Coelho	Hall, Ralph	McCandless
Coleman (MO)	Hall, Sam	McCloskey
Coleman (TX)	Hamilton	McCollum
Collins	Hammerschmidt	McDade
Conable	Hance	McHugh
Conte	Hansen (UT)	McKernan
Conyers	Hartnett	McKinney
Corcoran	Hatcher	McNulty
Coyne	Hayes	Michel
Crane, Daniel	Hefner	Miller (CA)
Crane, Philip	Hertel	Mineta
Crockett	Hightower	Minish
D'Amours	Hiler	Moakley
Daniel	Hillis	Molinari
Darden	Hopkins	Mollohan
Daschle	Horton	Montgomery
Daub	Hoyer	Moody
Davis	Hubbard	Moore
de la Garza	Huckaby	Moorhead
Morrison (CT)	Rodino	Studds
Morrison (WA)	Roe	Stump
Murphy	Rogers	Sundquist
Murtha	Rose	Swift
Myers	Rostenkowski	Synar
Natcher	Roth	Tallon
Neal	Roukema	Tauke
Nelson	Rowland	Tauzin
Nichols	Roybal	Taylor
Nielson	Russo	Thomas (CA)
Nowak	Sawyer	Thomas (GA)
Oakar	Scheuer	Torres
Olin	Schneider	Traxler
Ortiz	Schumer	Valentine
Oxley	Seiberling	Vander Jagt
Packard	Sensenbrenner	Vento
Panetta	Sharp	Volkmer
Parris	Shaw	Watkins
Pashayan	Shelby	Weber
Patman	Shumway	Weiss
Patterson	Shuster	Wheat
Paul	Sisisky	Whitley
Pease	Skeen	Whittaker
Pepper	Skelton	Whitten
Petri	Slattery	Williams (MT)
Pickle	Smith (FL)	Wilson
Price	Smith (IA)	Winn
Pritchard	Smith (NE)	Wirth
Pursell	Smith (NJ)	Wise
Quillen	Smith, Robert	Wolf
Rangel	Snowe	Wolpe
Ratchford	Snyder	Wortley
Ray	Solarz	Wright
Regula	Spence	Wyden
Reid	Spratt	Wylie
Richardson	Staggers	Yates
Ridge	Stangeland	Yatron
Rinaldo	Stenholm	Young (FL)
Ritter	Stokes	Young (MO)
Robinson	Stratton	Zschau

NAYS—28

Chappie	Harkin	Roemer
Clay	Hawkins	Sabo
Coughlin	Holt	Schaefer
Craig	Jacobs	Schroeder
Dannemeyer	Kogovsek	Sikorski
Dorgan	Mack	Smith, Denny
Durbin	Markey	Solomon
Emerson	Miller (OH)	Walker
Frenzel	Penny	
Gejdenson	Roberts	

ANSWERED "PRESENT"—8

Dymally	Lehman (CA)	St Germain
Jones (NC)	Mikulski	Vandergriff
LaFalce	Oberstar	

NOT VOTING—75

AuCoin	Carper	Ferraro
Badham	Cheney	Fields
Bellenson	Cooper	Ford (MI)
Biaggi	Courter	Fuqua
Boggs	Dickinson	Garcia
Boner	Dicks	Goodling
Bonior	Dingell	Gore
Broomfield	Donnelly	Gramm
Byron	Dyson	Hansen (ID)
Campbell	Erlenborn	Harrison
Carney	Feighan	Heftel

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Howard	McEwen	Shannon
Hunter	McGrath	Siljander
Ireland	Mica	Simon
Jeffords	Mitchell	Stark
Kleczka	Mrazek	Torricelli
Lent	O'Brien	Towns
Levine	Obey	Udall
Lewis (CA)	Ottinger	Vucanovich
Lipinski	Owens	Walgren
Lowery (CA)	Porter	Waxman
Lungren	Rahall	Weaver
Martin (NC)	Rudd	Whitehurst
McCain	Savage	Williams (OH)
McCurdy	Schulze	Young (AK)

□ 1020

Messrs. WEBER, GEKAS, and WYDEN changed their votes from "present" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 4966. An act to recognize the organization known as the Women's Army Corps Veterans' Association;

H.R. 5504. An act to apportion funds for construction of the National System of Interstate and Defense Highways for fiscal years 1985 and 1986, to revise authorizations for mass transportation, to expand and improve the relocation assistance program, and for other purposes; and

H.R. 5760. An act to declare that the United States holds in trust for the Cocopah Indian Tribe of Arizona certain land in Yuma County, AZ.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 5504) "An act to apportion funds for construction of the National System of Interstate and Defense Highways for fiscal years 1985 and 1986, to revise authorizations for mass transportation, to expand and improve the relocation assistance program, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints

Mr. STAFFORD, Mr. SYMMS, Mr. CHAFEE, Mr. DOMENICI, Mr. ABDNOR, Mr. EVANS, Mr. RANDOLPH, Mr. BENTSEN, Mr. BURDICK, Mr. MOYNIHAN, and Mr. LAUTENBERG for title I; Mr. ROTH, Mr. DURENBERGER, and Mr. SASSER for title II to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the amendments of the House to the bill (S. 2574) "An act to revise and extend title VIII of the Public Health Service Act, relating to nurse education."

The message also announced that the Senate insists upon its amendment to the bill (H.R. 6027) "An act to clarify the application of the Clayton Act to the official conduct of local government, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THURMOND, Mr. HATCH, and Mr. METZENBAUM to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 2518. An act for the relief of Therese Nyuwir Poupele Kpoda;

S. 2565. An act to extend programs under the Head Start Act, and for other purposes;

S. 2947. An act to designate the lock and dam on the Warrior River in Hale County, AL, as the "Armistead I. Selden Lock and Dam";

S. 3021. An act to name the Federal Building in Elkins, WV, the "Jennings Randolph Federal Center"; and

S. Con. Res. 140. Concurrent resolution authorizing the printing of a revised edition of the "Handbook for Small Business" as a Senate document.

The message also announced that pursuant to the provisions of sections 1928a-1928d of title 22, United States Code, as amended, the Vice President appoints Mr. HOLLINGS, Mr. NUNN, and Mr. SPECTER as members of the Senate Delegation to the North Atlantic Assembly Fall Meeting to be held in Brussels, Belgium, November 11-16, 1984.

The message also announced that the Senate insists upon its amendments to the joint resolution (H.J. Res. 648) "Joint resolution making continuing appropriations for the fiscal year 1985, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HATFIELD, Mr. STEVENS, Mr. WEICKER, Mr. MCCLURE, Mr. GARN, Mr. COCHRAN, Mr. ANDREWS, Mr. ABDNOR, Mr. KASTEN, Mr. D'AMATO, Mr. MATTINGLY, Mr. RUDMAN, Mr. SPECTER, Mr. DOMENICI, Mr. STENNIS, Mr. BYRD, Mr. INOUYE, Mr. HOLLINGS, Mr. EAGLETON, Mr. CHILES, Mr. JOHNSTON, Mr. HUDDLESTON, Mr. BURDICK, Mr. LEAHY, Mr. DECONCINI, and Mr. BUMPERS to be the conferees on the part of the Senate.

ANNOUNCEMENT BY THE SPEAKER REGARDING HOUSE JOINT RESOLUTION 648, CONTINUING APPROPRIATIONS

The SPEAKER. Pursuant to the order of the House of September 26, 1984, pertaining to the joint resolution (H.J. Res. 648) making continuing appropriations for the fiscal year 1985, and for other purposes. The House is deemed to have disagreed to the amendments of the Senate and agreed to the conference asked by the Senate and the Speaker to have appointed managers on the part of the House as appointed on that date.

VETERANS' COMPENSATION AMENDMENTS FOR FISCAL YEAR 1985

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5688) to amend title 38, United States Code, to provide a cost-of-living increase for fiscal year 1985 in the rates of compensation paid to veterans with service-connected disabilities and the rates of dependency and indemnity compensation paid to survivors of such veterans, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments with amendments which are at the desk.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Senate amendment: Strike out all after the enacting clause and insert:

SECTION 1. (a) This Act may be cited as the "Veterans' Administration Benefit Rate Increase and Program Improvement Act of 1984".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION

PART A—RATE INCREASES

DISABILITY COMPENSATION

SEC. 101. (a) Section 314 is amended—

(1) by striking out "$64" in subsection (a) and inserting in lieu thereof "$67";

(2) by striking out "$118" in subsection (b) and inserting in lieu thereof "$124";

(3) by striking out "$179" in subsection (c) and inserting in lieu thereof "$187";

(4) by striking out "$258" in subsection (d) and inserting in lieu thereof "$270";

(5) by striking out "$364" in subsection (e) and inserting in lieu thereof "$381";

(6) by striking out "$459" in subsection (f) and inserting in lieu thereof "$481";

(7) by striking out "$579" in subsection (g) and inserting in lieu thereof "$606";

(8) by striking out "$671" in subsection (h) and inserting in lieu thereof "$703";

(9) by striking out "$755" in subsection (i) and inserting in lieu thereof "$790";

(10) by striking out "$1,255" in subsection (j) and inserting in lieu thereof "$1,314";

(11) by striking out "$1,559" and "$2,185" in subsection (k) and inserting in lieu thereof "$1,632" and "$2,288", respectively;

(12) by striking out "$1,559" in subsection (l) and inserting in lieu thereof "$1,632";

(13) by striking out "$1,719" in subsection (m) and inserting in lieu thereof "$1,800";

(14) by striking out "$1,954" in subsection (n) and inserting in lieu thereof "$2,046";

(15) by striking out "$2,185" each place it appears in subsections (o) and (p) and inserting in lieu thereof "$2,288";

(16) by striking out "$938" and "$1,397" in subsection (r) and inserting in lieu thereof "$982" and "$1,463", respectively;

(17) by striking out "$1,404" in subsection (s) and inserting in lieu thereof "$1,470"; and

(18) by striking out "$271" in subsection (t) and inserting in lieu thereof "$284".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

ADDITIONAL COMPENSATION FOR DEPENDENTS

SEC. 102. Section 315(1) is amended—

(1) by striking out "$77" in clause (A) and inserting in lieu thereof "$81";

(2) by striking out "$128" and "$41" in clause (B) and inserting in lieu thereof "$134" and "$43", respectively;

(3) by striking out "$52" and "$41" in clause (C) and inserting in lieu thereof "$54" and "$43", respectively;

(4) by striking out "$62" in clause (D) and inserting in lieu thereof "$65";

(5) by striking out "$139" in clause (E) and inserting in lieu thereof "$146"; and

(6) by striking out "$116" in clause (F) and inserting in lieu thereof "$121".

CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS

SEC. 103. Section 362 is amended by striking out "$338" and inserting in lieu thereof "$354".

DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES

SEC. 104. (a) Subsection (a) of section 411 is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

"Pay grade	Monthly rate	"Pay grade	Monthly rate
E-1	$483	W-4	$692
E-2	497	O-1	610
E-3	509	O-2	630
E-4	542	O-3	674
E-5	557	O-4	713
E-6	570	O-5	786
E-7	598	O-6	886
E-8	630	O-7	958
E-9	[1]659	O-8	1,050
W-1	610	O-9	1,128
W-2	636	O-10	[2]1,234
W-3	653		

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $710.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,324.".

(b) Subsection (b) of such section is amended by striking out "$53" and inserting in lieu thereof "$55".

(c) Subsection (c) of such section is amended by striking out "$139" and inserting in lieu thereof "$146".

(d) Subsection (d) of such section is amended by striking out "$68" and inserting in lieu thereof "$71".

DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 105. Section 413 is amended—

(1) by striking out "$233" in clause (1) and inserting in lieu thereof "$244";

(2) by striking out "$334" in clause (2) and inserting in lieu thereof "$350";

(3) by striking out "$432" in clause (3) and inserting in lieu thereof "$452"; and

(4) by striking out "$432" and "$87" in clause (4) and inserting in lieu thereof "$452" and "$91", respectively.

SUPPLEMENTAL DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 106. Section 414 is amended—

(1) by striking out "$139" in subsection (a) and inserting in lieu thereof "$146";

(2) by striking out "$233" in subsection (b) and inserting in lieu thereof "$244"; and

(3) by striking out "$118" in subsection (c) and inserting in lieu thereof "$124".

EFFECTIVE DATE

SEC. 107. Except as provided in section 108, sections 101 through 106 shall take effect on December 1, 1984.

ALTERNATIVE RATE INCREASES

SEC. 108. (a)(1) If the percentage of the increase in benefit amounts under title II of the Social Security Act that will take effect on December 1, 1984, as a result of a determination under section 215(i) of such Act is not 4.7 percent—

(A) sections 101 through 106 shall not take effect; and

(B) the Administrator of Veterans' Affairs shall (i) compute alternative increased rates and limitations that are equal to those that would be arrived at by increasing, by the same percentage as the percentage by which such benefit amounts will thus be increased, each dollar amount that would have been increased by the amendments that would have been made by such titles, and (ii) effective December 1, 1984, pay benefits under chapters 11 and 13 of title 38, United States Code, in accordance with such alternative increased rates and limitations.

(2) In the computation of alternative increased rates and limitations pursuant to subsection (a), amounts of $.50 or more shall be rounded to the next higher dollar amount and amounts of less than $.50 shall be rounded to the next lower dollar amount.

(b) The Administrator may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

(c) If, under subsection (a), the Administrator is required to compute alternative increased rates and limitations, the Administrator shall publish in the Federal Register, at the same time as the material required by section 215(i)(2)(D) of the Social Security Act (42 U.S.C. 415(i)(2)(D)) is published by reason of a determination under section 215(i) of such Act, such alternative increased rates and limitations and the dollar amounts that would have been increased by the amendments that would have been made by sections 101 through 106.

PART B—COMPENSATION PROGRAM AMENDMENTS

TRIAL WORK PERIOD PILOT PROJECT

SEC. 110. (a)(1) Subchapter VI of chapter 11 is amended by adding at the end the following new sections:

"§ 363. Trial period of work for certain veterans with total disability ratings

"(a) Subject to subsections (c) and (f) of this section, for the purposes of determining whether an unemployable veteran has regained the ability to secure or follow a substantially gainful occupation, any activity performed for remuneration or gain by such veteran (or any activity performed by such veteran that is determined by the Administrator to be activity of a type normally performed for remuneration or gain) during a period of trial work shall be deemed not to have been performed by such veteran during such period.

"(b) If the amount of income earned by a veteran who has completed a period of trial work pursuant to subsection (a) of this section and whose compensation has been reduced is less than $300 in any month during the 12-month period beginning with the month such reduction took effect—

"(1) such veteran's total disability rating shall be restored effective as of the first day of such month; and

"(2) the Administrator shall review the case and determine whether the veteran continues to be an unemployable veteran.

In the event that, upon completion of such a review, the Administrator determines that the veteran is no longer an unemployable veteran, the effective date of the resulting reduction in the veteran's compensation shall, notwithstanding section 3012(b)(6) of this title, be fixed in accordance with the facts.

"(c)(1) In order for a period of trial work to apply in the case of an unemployable veteran, the veteran must, not later than the thirtieth day after the date on which the veteran begins to perform activity described in subsection (a) of this section, notify the Administrator in writing that the veteran desires or intends to perform such activity or has begun to perform such activity, as the case may be, and that the veteran desires to participate in a period of trial work.

"(2) A veteran may participate in no more than one period of trial work under this section.

"(d) The Administrator shall make available to each unemployable veteran, whether or not such veteran is participating in a vocational rehabilitation program under chapter 31 of this title, the counseling and services described in section 1504(a) (2) and (5) of this title. Upon receiving notification from an unemployable veteran under subsection (c)(1) of this section, the Administrator shall notify the veteran in writing about the availability of such counseling and services.

"(e) For the purposes of this section:

"(1) The term 'period of trial work' means, in the case of an unemployable veteran, the 12-month period following the date on which the veteran begins to perform activity described in subsection (a) of this section in connection with the notice provided pursuant to subsection (c) of this section.

"(2) The term 'unemployable veteran' means a veteran who has a service-connected disability, or service-connected disabilities, not rated as total, but who meets the requirements for a total disability rating (other than a rating protected by the first sentence of section 110 of this title) by reason of inability to secure or follow a substantially gainful occupation as a result of such disability or disabilities.

"(f)(1) This section shall take effect on the first day of the fifth full month following the date of the enactment of this section.

"(2) No period of trial work shall apply in the case of a veteran unless such veteran has

provided the notice required by subsection (c)(1) of this section and has performed activity described in subsection (a) of this section in at least 1 month, prior to the thirty-seventh month (or the forty-ninth month, if the Administrator determines that it is in the best interests of veterans and the United States to extend such time) following the month that this section takes effect. The Administrator shall promptly notify the Committees on Veterans' Affairs of the House of Representatives and the Senate of any extension provided under the preceding sentence.

"§ 364. Vocational rehabilitation for certain veterans with total disability ratings

"(a)(1) In the case of each award of a total disability rating that is made, on or after the first day of the fifth full month following the date of the enactment of this section, on the ground that the veteran is an unemployable veteran, the Administrator shall provide to the veteran, at the time that notice of the award is provided to the veteran, notice of the requirements of paragraph (2) of this subsection.

"(2) Each unemployed veteran who has been provided with notice pursuant to paragraph (1) of this subsection shall—

"(A) within 30 days after such notice is mailed to the veteran, submit an application for an evaluation under chapter 31 of this title, and

"(B) if determined to be eligible for such evaluation, cooperate in the conduct of the evaluation and, if the Administrator formulates a vocational rehabilitation program for the veteran in accordance with the provisions of such chapter, pursue such program.

"(b)(1) If the Administrator determines that a veteran has failed to comply substantially with the requirements of subsection (a) of this section and does not determine that mitigating circumstances exist, the Administrator shall—

"(A) provide the veteran with notice that, unless the veteran resumes substantial compliance with such requirements within 60 days after the Administrator provided such notice (or such longer period as the Administrator determines is the shortest period within which it is reasonably feasible for the veteran to resume compliance), the Administrator will conduct a review of the determination that the veteran is an unemployable veteran and the noncompliance shall be considered in such review; and

"(B) unless the veteran has resumed such substantial compliance, conduct such review after such 60 days (or such longer period, if applicable) has expired.

"(2) In the event that, upon a review conducted pursuant to paragraph (1) of this subsection, the Administrator determines that the veteran is no longer an unemployable veteran, nothing in this subsection shall preclude a subsequent award of a total disability rating to the veteran.

"(c) For the purposes of this section, the term 'unemployable veteran' has the same meaning provided in section 363(e)(2) of this title.".

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 362 the following new items:

"363. Trial period of work for certain veterans with total disability ratings.

"364. Vocational rehabilitation for certain veterans with total disability ratings.".

(b)(1) Beginning not later than 90 days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall provide to each veteran who has a service-connected disability, or service-connected disabilities, not rated as total, but who has a total disability rating (other than a rating protected by the first sentence of section 110 of title 38, United States Code) by reason of a determination of inability to secure or follow a substantially gainful occupation as a result of such disability or disabilities (A) information explaining the provisions of section 363 of title 38, United States Code (as added by subsection (a)(1)), (B) a description of the procedure for participating in a period of trial work pursuant to such section 363, (C) information explaining the purposes and availability of and eligibility for, and the procedures for participating in, vocational rehabilitation under chapter 31 of such title, and (D) a summary description of the scope of services and assistance available under that chapter.

(2) In the case of a veteran to whom notice is required to be provided under section 364(a)(1) of such title (as added by subsection (a)(1)), the notice required by paragraph (1) shall be provided together with such notice.

(c) Not later than 39 months after section 363 of title 38, United States Code (as added by subsection (a)(1)), becomes effective, the Administrator shall submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate a report on the results of the first 3 years' implementation of that section, section 364 of such title (as also added by subsection (a)(1)), and subsection (b) of this section. The Administrator shall include in the report the Administrator's assessments of the value (including the cost-effectiveness) and effect of such implementation and any recommendations of the Administrator for administrative and legislative action based on such results and assessments.

TITLE II—VETERANS' ADMINISTRATION REHABILITATION AND EDUCATION PROGRAMS

PART A—RATE INCREASES

RATES OF REHABILITATION SUBSISTENCE ALLOWANCES FOR SERVICE-CONNECTED DISABLED VETERANS

SEC. 201. The table contained in section 1508(b) is amended to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional training:				
Full-time.	$310	$384	$452	$33
Three-quarter time.	233	288	339	25
Half-time.	155	193	227	17
Farm cooperative, apprentice, or other on-job training:				
Full-time.	271	327	377	24
Extended evaluation:				
Full-time.	310	384	452	33
Independent living training:				
Full-time.	310	384	452	33
Three-quarter time.	233	288	339	25
Half-time.	155	193	227	17".

RATES OF GI BILL EDUCATIONAL ASSISTANCE FOR VETERANS

SEC. 202. Chapter 34 is amended—

(1) by amending the table contained in paragraph (1) of section 1682(a) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional training:				
Full-time.	$376	$448	$510	$32
Three-quarter time.	283	336	383	24
Half-time.	188	224	255	17
Cooperative.	304	355	404	23";

(2) by striking out "$342" in section 1682(b) and inserting in lieu thereof "$376";

(3) by amending the table contained in section 1682(c) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Basis	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Full-time.	$304	$355	$404	$23
Three-quarter time.	228	266	303	18
Half-time.	152	178	202	12"; and

(4) by striking out "$76" and "$911" in section 1692(b) and inserting in lieu thereof "$84" and "$1,008", respectively.

RATES OF EDUCATIONAL ASSISTANCE FOR SURVIVORS AND DEPENDENTS

SEC. 203. Chapter 35 is amended—

(1) by striking out "$276" in section 1732(b) and inserting in lieu thereof "$304"; and

(2) by striking out "$342", "$108", "$108", and "$11.44" in section 1742(a) and inserting in lieu thereof "$376", "$119", "$119", and "$12.58", respectively.

RATES OF REPORTING FEES AND OF TRAINING ALLOWANCES FOR APPRENTICESHIP OR OTHER ON-JOB TRAINING

SEC. 204. Chapter 36 is amended—

(1) by striking out "$7" and "$11" in the second sentence of section 1784(c) and inserting in lieu thereof "$9" and "$13", respectively;

(2) by striking out "$342" in section 1786(a)(2) and inserting in lieu thereof "$376";

(3) by amending the table in section 1787(b)(1) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Periods of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months.	$274	$307	$336	$14
Second 6 months.	205	239	267	14
Third 6 months.	136	171	198	14
Fourth and any succeeding 6-month periods.	68	101	131	14"; and

(4) by striking out "$342" in section 1798(b)(3) and inserting in lieu thereof "$376".

EFFECTIVE DATE

SEC. 205. The amendments made by this part shall become effective on October 1, 1984.

PART B—REHABILITATION AND EDUCATION PROGRAM IMPROVEMENTS

TOLLING DELIMITING DATES BY REASON OF DRUG AND ALCOHOL CONDITIONS

SEC. 210. (a) Section 1503(b)(1) is amended—

(1) by inserting "(A)" before "In"; and

(2) by inserting at the end the following new subparagraph:

"(B)(i) Subject to clauses (iii) and (iv) of this subparagraph, in any case in which the Administrator determines that a veteran with qualifying service (as described in clause (iii) of this subparagraph) has been prevented from participating in a vocational rehabilitation program under this chapter within the period of eligibility prescribed in subsection (a) of this section because a condition described in clause (ii) of this subparagraph made it infeasible for such veteran to participate in such a program, the 12-year period of eligibility shall not run during the period of time that such veteran was so prevented from participating in such a program.

"(ii) The condition referred to in clause (i) of this subparagraph is an alcohol or drug dependence or abuse condition of a veteran in a case in which it is determined, under regulations which the Administrator shall prescribe, that—

"(I) such veteran has received recognized treatment for such condition or has participated in a program of rehabilitation for such condition, and

"(II) such condition is sufficiently under control to enable such veteran to participate in a vocational rehabilitation program under this chapter.

"(iii) Subject to the succeeding sentence, qualifying service referred to in clause (i) of this subparagraph is active military, naval, or air service from which the veteran was discharged or released under conditions other than dishonorable. In any case in which the veteran received a discharge other than an honorable discharge, a determination as to whether the veteran was discharged under conditions other than dishonorable shall be made by the Administrator on the basis of a review of the veteran's service record.

"(iv) Clause (i) of this subparagraph applies only if the veteran has filed an application under this paragraph within 1 year after (I) the last date of the period of eligibility otherwise applicable under this section, (II) the termination of the last period of such treatment or such program of rehabilitation, or (III) the date on which final regulations prescribed pursuant to clause (i) of this subparagraph are published in the Federal Register, whichever is the latest.

"(v) The period of time during which, pursuant to clause (i) of this subparagraph, the 12-year period of eligibility does not run shall be limited to the period during which the veteran was receiving treatment or the period of time the veteran was participating in a program of rehabilitation for such condition plus such additional length of time as the veteran demonstrates, to the satisfaction of the Administrator, that the veteran was prevented by such condition from participating in a vocational rehabilitation program under this chapter, but in no event shall such period of time be more than 4 years.

"(vi) When, pursuant to clause (i) of this subparagraph, a period of eligibility does not run for a period of time, such period of eligibility shall again begin to run on the first day, following such condition becoming sufficiently under control to enable such veteran to participate in such a program of vocational rehabilitation, on which it is reasonably feasible, as determined under such regulations, for such veteran to participate in such a program.".

(b) Section 1662(a) is amended—

(1) in paragraph (1)—

(A) by inserting "or because of a condition (and under the circumstances) described in paragraph (4) of this subsection," after "misconduct"; and

(B) by inserting "(except as provided in paragraph (4)(B)(ii) of this subsection)" after "length of time"; and

(C) by inserting "because of such disability," after "sentence"; and

(2) by inserting at the end the following new paragraph:

"(4)(A) A condition referred to in paragraph (1) of this subsection is an alcohol or drug dependence or abuse condition of a veteran with qualifying service (as described in subparagraph (B) of this paragraph) in a case in which it is determined, under regulations which the Administrator shall prescribe, that—

"(i) such veteran has received recognized treatment for such condition or has participated in a program of rehabilitation for such condition, and

"(ii) such condition is sufficiently under control to enable such veteran to pursue such veteran's chosen program of education under this chapter.

"(B) Subject to the succeeding sentence, qualifying service referred to in subparagraph (A) of this paragraph is active military, naval, or air service from which veteran was discharged or released under conditions other than dishonorable. In any case in which the veteran received a discharge other than an honorable discharge, a determination as to whether the veteran was discharged under conditions other than dishonorable shall be made by the Administrator on the basis of a review of the veteran's service record.

"(C)(i) Notwithstanding the provisions of paragraph (1) of this subsection, a veteran may be granted an extension of the applicable delimiting period because of such condition upon application for such extension made within 1 year after (I) the last date of the delimiting period otherwise applicable under this section, (II) the termination of the last period of such treatment or such program of rehabilitation, or (III) the date on which final regulations prescribed pursuant to subparagraph (A) of this paragraph are published in the Federal Register, whichever is the latest.

"(ii) An extension of the applicable delimiting period because of such condition shall be limited to the period of time the veteran was receiving treatment or the period of time the veteran was participating in a program of rehabilitation for such condition plus such additional length of time as the veteran demonstrates, to the satisfaction of the Administrator, that the veteran was prevented by such condition for initiating or completing such program of education, but in no event shall the extension be for more than 4 years. When such extension is granted, the delimiting period with respect to such veteran will again begin running on

the first day, following such condition becoming sufficiently under control to enable such veteran to pursue such veteran's chosen program of education under this chapter, on which it is reasonably feasible, as determined in accordance with such regulations, for such veteran to initiate or resume pursuit of a program of education with educational assistance under this chapter.".

(c) Section 1712(b) is amended—

(1) in paragraph (2)—

(A) by inserting "or because of a condition (and under the circumstances) described in paragraph (3)(A) of this subsection," after "misconduct";

(B) by inserting "(except as provided in paragraph (3)(B)(ii) of this subsection)" after "length of time"; and

(C) by inserting "because of such disability," after "sentence"; and

(2) by inserting at the end the following new paragraph:

"(3)(A) A condition referred to in paragraph (2) of this subsection is an alcohol or drug dependence or abuse condition of an eligible person in a case in which it is determined, under regulations which the Administrator shall prescribe, that—

"(i) such person (I) has received recognized treatment for such condition, or (II) has participated in a program of rehabilitation for such condition, and

"(ii) such condition is sufficiently under control to enable such person to pursue such person's chosen program of education under this chapter.

"(B)(i) Notwithstanding the provisions of paragraph (2) of this subsection, an eligible person may be granted an extension of the applicable delimiting period because of such condition upon application for such extension made within 1 year after (I) the last date of the delimiting period otherwise applicable under this section, (II) the termination of the last period of such treatment or such program of rehabilitation, or (III) the date on which final regulations prescribed pursuant to subparagraph (A) of this paragraph are published in the Federal Register, whichever is the latest.

"(ii) An extension of the applicable delimiting period because of such condition shall be limited to the period of time the eligible person was receiving treatment or the period of time such person was participating in a program of rehabilitation for such condition plus such additional length of time as such person demonstrates, to the satisfaction of the Administrator, that such person was prevented by such condition from initiating or completing such program of education, but in no event shall the extension be for more than 4 years. When such extension is granted, the delimiting period with respect to such person will again begin running on the first day, following such condition becoming sufficiently under control to enable such person to pursue such person's chosen program of education under this chapter, on which it is reasonably feasible, as determined in accordance with such regulations, for such person to initiate or resume pursuit of a program of education with educational assistance under this chapter.".

REPEAL OF REPORTING REQUIREMENT

SEC. 211. Section 1796 is amended by striking out subsection (d).

TERM-BY-TERM CERTIFICATIONS

SEC. 212. Prior to making any changes in the practices, policies, or regulations pertaining to reports by institutions required to be submitted pursuant to section 1784 of title 38, United States Code, as such practices, policies, and regulations were in effect on July 1, 1984, the Administrator shall consult with and obtain the recommendations of the advisory committee established pursuant to section 1792 of such title.

TITLE III—VETERANS' EMPLOYMENT PROGRAMS

VETERANS' READJUSTMENT APPOINTMENTS

SEC. 301. (a) Subsection (b) of section 2014 is amended—

(1) in paragraph (1)—

(A) by striking out "and" at the end of clause (B);

(B) by striking out the period at the end of clause (C) and inserting in lieu thereof a semicolon and "and"; and

(C) by adding at the end the following new clause:

"(D) a veteran given a veteran's readjustment appointment under the authority of this subsection whose employment under the appointment is terminated within 1 year after the date of such appointment shall have the same right to appeal that termination to the Merit Systems Protection Board as a career or career-conditional employee has during the first year of employment."; and

(2) by striking out "1984" and inserting in lieu thereof "1985" in paragraph (2).

(b) The second sentence of subsection (d) of such section is amended by striking out "a semiannual" and inserting in lieu thereof "an annual".

EMERGENCY VETERANS' JOB TRAINING ACT PROGRAM

SEC. 302. (a) Section 5(b)(3)(A) of the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77; 97 Stat. 445) is amended by striking out "60" and inserting in lieu thereof "90".

(b) Section 16 of such Act is amended by striking out "1986" and inserting in lieu thereof "1987".

(c) Section 17 of such Act is amended to read as follows:

"SEC. 17. Assistance may not be paid to an employer under this Act—

"(1) on behalf of a veteran who initially applies for a program of job training under this Act after November 29, 1984; or

"(2) for any such program which begins after September 1, 1985.".

TITLE IV—VETERANS' ADMINISTRATION NON-SERVICE-CONNECTED DISABILITY PENSION

TRIAL WORK PERIOD PILOT PROJECT

SEC. 401. (a)(1) Chapter 15 is amended by adding at the end the following new section:

"**§ 524. Trial work period for pension recipients**

"(a) Subject to subsections (d) and (f) of this section, for purposes of any determination of whether a veteran is permanently and totally disabled for purposes of this chapter, any activity performed for remuneration or gain by a veteran (or any activity performed by a veteran that is determined by the Administrator to be of a type normally performed for remuneration or gain) during a period of trial work shall be deemed not to have been performed by such veteran during such period.

"(b) Notwithstanding any provision of chapter 17 of this title, in the case of a veteran whose pension under section 521 of this title is terminated by reason of income from work or training, the veteran shall retain, during the period of trial work applicable to the veteran, all eligibility for care and services under such chapter (including, as appropriate, drugs and medicines under section 612(h) of this title and special priority with respect to such care and services under section 612(i)(5) of this title) that the veteran would have if the veteran's pension had not been terminated.

"(c)(1) Notwithstanding any provision of chapter 17 of this title, in the case of a veteran whose entitlement to pension under section 521 of this title is terminated by reason of income from work or training either during the veteran's participation in a vocational rehabilitation program under chapter 31 of this title or under a State plan approved under title I of the Rehabilitation Act of 1973 or following the veteran's completion of such a program, the veteran shall retain, until the end of the twelfth month following the termination of either the veteran's entitlement to pension or the veteran's participation in such program, whichever is later, all eligibility for care and services under such chapter 17 (including, as appropriate, drugs and medicines under section 612(h) of this title and special priority with respect to such care and services under section 612(i)(5) of this title) that the veteran would have if the veteran's pension had not been terminated.

"(2) Notwithstanding section 503 of this title, payment of a subsistence or maintenance allowance in connection with a veteran's participation in a vocational rehabilitation program under chapter 31 of this title or under a State plan approved under title I of the Rehabilitation Act of 1973 for any month during which it is necessary for the veteran to reside away from the veteran's permanent residence in order to participate in such program shall not be included in determining, under section 503 of this title, the veteran's annual income for purposes of this chapter.

"(d)(1) In order for a period of trial work to apply in the case of a veteran, the veteran must, not later than the thirtieth day after the date on which the veteran begins to perform activity described in subsection (a) of this section, notify the Administrator in writing that the veteran desires or intends to perform such activity or has begun to perform such activity, as the case may be, and that the veteran desires to participate in a period of trial work.

"(2) A veteran may participate in no more than one period of trial work under this section.

"(3) Except as provided in subsection (c)(2) of this section, no provision of this section shall result in any payment received by a veteran being excluded in determining, under section 503 of this title, the veteran's annual income for purposes of this chapter.

"(e) For purposes of this section:

"(1) The term 'period of trial work' means the 36-month period following the date on which the veteran begins to perform activity described in subsection (a) of this section in connection with the notice provided pursuant to subsection (d)(1) of this section.

"(2) The term 'terminated by reason of income from work or training' means, with respect to disability pension paid to a veteran, terminated as a result of the veteran's receipt of earnings from activity performed for remuneration or gain, but only if the veteran's annual income from sources other than such earnings would, taken alone, not result in the termination of the veteran's disability pension.

"(f)(1) This section shall take effect on the first day of the fifth full month after the date of the enactment of this section.

"(2) No period of trial work shall apply in the case of a veteran unless such veteran has provided the notice required by subsection

(d)(1) of this section and has performed activity described in subsection (a) of this section in at least 1 month prior to the thirty-seventh month (or the forty-ninth month, if the Administrator determines that it is in the best interests of veterans and the United States to extend such time) following the month that this section takes effect. The Administrator shall promptly notify the Committees on Veterans' Affairs of the House of Representatives and the Senate of any extension provided under the preceding sentence.".

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 523 the following new item:

"524. Trial work period for pension recipients.".

(b) Not later than 39 months after section 524 of title 38, United States Code (as added by subsection (a)(1)), becomes effective, the Administrator of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate a report on the results of the first 3 years' implementation of that section. The Administrator shall include in the report the Administrator's assessments of the value (including the cost-effectiveness) and effect of the implementation of that section and any recommendations of the Administrator for administrative and legislative action based on such results and assessments.

REPORT ON MEDICAL EXAMINATIONS OF CERTAIN PENSION RECIPIENTS

SEC. 402. (a) Not later than 28 months after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate a report containing a statistical tabulation of the results of the examinations conducted as described in subsection (b).

(b) In order to prepare the report described in subsection (a) with respect to each veteran who, during the 2-year period beginning on the date of the enactment of this Act, is awarded pension under chapter 15 of title 38, United States Code, and who is considered, under section 502(a) of such title, to be permanently and totally disabled by reason of being 65 years of age or older or becoming unemployable after age 65, the Administrator, not later than 90 days after making such award, shall (1) conduct and the veteran shall undergo a medical examination of the veteran (as though the veteran were applying for compensation under chapter 11 of such title), and (2) determine what, if any, percentage rating would be applicable to the veteran under the schedule of ratings adopted pursuant to section 355 of such title.

TITLE V—OTHER BENEFIT RATE INCREASES

SPECIALLY-ADAPTED HOUSING GRANTS

SEC. 501. Section 802 is amended—

(1) in subsection (a), by striking out "$32,500" and inserting in lieu thereof "$35,750"; and

(2) in subsection (b), by striking out "$5,000" and inserting in lieu thereof "$5,500".

AUTOMOBILE ASSISTANCE

SEC. 502. Section 1902(a) is amended by striking out "$4,400" and inserting in lieu thereof "$4,840".

EFFECTIVE DATES

SEC. 503. The amendments made by sections 501 and 502 shall take effect on July 1, 1985.

SEC. 504. (a) Section 767 is amended by adding at the end the following new subsection:

"(e) Notwithstanding any other provision of this section, any member insured under this section who has served for five continuous years as a member of a uniformed service or the Ready Reserve shall have the option to obtain additional coverage of $5,000, $10,000, or $15,000 if the member—

"(1) submits a written application and proof of good health; and

"(2) complies with such other terms and conditions as may be prescribed by the Administrator.".

(1) in the first sentence, by striking out "$5,000, $10,000, $15,000, $20,000, $25,000, $30,000, or $35,000" and inserting in lieu thereof "$50,000, or any lesser amount divisible by $5,000,";

(2) in the second sentence, by striking out "No" and inserting in lieu thereof "Except as a result of additional coverage obtained under section 767(e) of this title, no"; and

(3) in the last sentence, by inserting "(or $50,000 if the amount above $35,000 was obtained under such section 767(e))" after "$35,000" each place it appears. (c) The amendments made by this section shall take effect January 1, 1985.

TITLE VI—MISCELLANEOUS PROVISIONS

DEFINITION OF VIETNAM ERA

SEC. 601. (a) Section 101(29) is amended to read as follows:

"(29) The term 'Vietnam era' means (A) the period beginning on August 5, 1964, and ending on May 7, 1975, and (B) the period beginning on February 21, 1961, and ending on May 7, 1975, in the case of a veteran who served in the Republic of Vietnam during such period.".

(b) The amendment made by subsection (a) shall take effect on the date of the enactment of this Act or October 1, 1984, whichever is later.

PAYMENT FOR THERAPEUTIC AND REHABILITATIVE ACTIVITIES

SEC. 602. (a) Notwithstanding any other provision of law, no amount of remuneration provided to an individual as a participant in a therapeutic or rehabilitative activity carried out pursuant to section 618 of title 38, United States Code, shall be included in determining annual income for purposes of payments of pension (as defined in section 101(15) of such title).

(b)(1) Subsection (a) shall take effect on October 1, 1984, and shall cease to have effect on December 31, 1987.

(2)(A) In the case of each person who on January 1, 1984, was, or on a subsequent date prior to October 1, 1984, became, a participant in an activity under such section 618 and who either (A) continuously participated in such activity from January 1, 1984, or such subsequent date through September 30, 1984, or (B) terminated such participation for the purpose of entering into more remunerative employment, the Administrator of Veterans' Affairs shall pay to such person, from funds in the Veterans' Administration compensation and pension account, an amount equal to the amount of pension (as so defined) that such person would have been eligible to receive by reason of subsection (a) if it had become effective as of January 1, 1984.

(B) This paragraph shall take effect on October 1, 1984.

(c) Not later than February 1, 1987, the Administrator of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate a report, with respect to fiscal years 1985 and 1986, on the implementation of subsections (a) and (b). Such report shall contain information regarding the numbers of individuals who participated in activities under such section 618, the numbers of such individuals who are in receipt of Veterans' Administration pension, the costs of excluding payments provided for participation in an activity under such section 618 from countable income for Veterans' Administration pension purpose, and the effect of so excluding such payments on the participation of veterans in such activities. Such report shall also include any recommendations of the Administration for legislative or administrative action in light of information contained in the report.

(d) Section 618 is amended by adding at the end the following new subsection:

"(f) Neither a veteran's participation in an activity carried out under this section nor such veteran's receipt of remuneration as a result of such participation shall be considered as a basis for the denial or discontinuance of a total disability rating for purposes of compensation or pension based on the veteran's inability to secure or follow a substantially gainful occupation as a result of disability.".

EFFECTIVE DATE OF REDUCTIONS OF CERTAIN DEPENDENTS' ALLOWANCES

SEC. 603. Section 3012(b) is amended—

(1) by striking out clause (7); and

(2) by redesignating clauses (8), (9), and (10) as clauses (7), (8), and (9), respectively.

SUSPENSIONS OF COMPENSATION AND PENSION PAYMENTS TO CERTAIN INSTITUTIONALIZED VETERANS

SEC. 604. (a) The first sentence of section 3203(b)(1) is amended—

(1) by striking out "by reason of mental illness"; and

(2) by inserting "(excluding the value of the veteran's home unless there is no reasonable likelihood that the veteran will again reside in such home)," after "the veteran's estate".

(b)(1) Paragraph (1) of section 3203(b) is amended—

(A) by designating the first and second sentences as subparagraphs (A) and (B), respectively;

(B) by striking out the comma after "treatment" in subparagraph (A), as so designated, and inserting in lieu thereof "or"; and

(C) by adding at the end the following new subparagraph:

"(C) The Administrator may, pursuant to regulations which the Administrator shall prescribe, waive the discontinuation under this paragraph of payments to a veteran with respect to not more than 60 days of care of the veteran during any calendar year if the Administrator determines that a waiver of such discontinuation is necessary in order to avoid a hardship for the veteran.".

(2) Not later than 60 days after the date of the enactment of this Act, the Administrator shall prescribe regulations pursuant to paragraph (C) of section 3203(b)(1) of title 38, United States Code, as added by subsection (b).

DELETION OF GENDER REFERENCES

SEC. 605. Section 103 is amended—

(1) in subsection (a)—

(A) by striking out "a woman as the widow" and inserting in lieu thereof "an individual as the surviving spouse";

(B) by striking out "she" and inserting in lieu thereof "such individual";

(C) by striking out "him" and "his" and inserting in lieu thereof "such veteran" and "such veteran's", respectively; and

(D) by striking out "widow" and inserting in lieu thereof "surviving spouse";

(2) in subsection (b), by striking out "widow" and inserting in lieu thereof "surviving spouse";

(3) in subsection (c), by striking out "a woman is or was the wife" and inserting in lieu thereof "an individual is or was the spouse"; and

(4) in subsection (d)—

(A) in paragraphs (1) and (2), by striking out "widow of a veteran shall not bar the furnishing of benefits to her as the widow" each place it appears and inserting in lieu thereof "surviving spouse of a veteran shall not bar the furnishing of benefits to that individual as the surviving spouse"; and

(B) by amending paragraph (3) to read as follows:

"(3) If a surviving spouse of a veteran ceases living with another individual and holding out to the public that such surviving spouse is the spouse of such individual, the bar to granting such surviving spouse benefits as the surviving spouse of the veteran shall not apply.".

Amend the title so as to read: "An Act to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans and of dependency and indemnity compensation for surviving spouses and children of veterans, to increase the rates of subsistence and educational assistance allowances for veterans pursuing vocational rehabilitation programs under chapter 31 and for veterans and eligible persons pursuing programs of education or training under chapter 34, 35, or 36, and to establish trial work period pilot projects for certain veterans receiving disability compensation or pension; and for other purposes.".

House Amendments to Senate Amendments: In lieu of the Senate amendment to the text of the bill, insert the following:

SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE

SECTION 1. (a) This Act may be cited as the "Veterans' Benefits Improvement Act of 1984".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION

PART A.—RATE INCREASES

DISABILITY COMPENSATION

SEC. 101. (a) Section 314 is amended—

(1) by striking out "$64" in subsection (a) and inserting in lieu thereof "$66";

(2) by striking out "$118" in subsection (b) and inserting in lieu thereof "$122";

(3) by striking out "$179" in subsection (c) and inserting in lieu thereof "$185";

(4) by striking out "$258" in subsection (d) and inserting in lieu thereof "$266";

(5) by striking out "$364" in subsection (e) and inserting in lieu thereof "$376";

(6) by striking out "$459" in subsection (f) and inserting in lieu thereof "$474";

(7) by striking out "$579" in subsection (g) and inserting in lieu thereof "$598";

(8) by striking out "$671" in subsection (h) and inserting in lieu thereof "$692";

(9) by striking out "$755" in subsection (i) and inserting in lieu thereof "$779";

(10) by striking out "$1,255" in subsection (j) and inserting in lieu thereof "$1,295";

(11) by striking out "$1,559" and "$2,185" in subsection (k) and inserting in lieu thereof "$1,609" and "$2,225", respectively;

(12) by striking out "$1,559" in subsection (l) and inserting in lieu thereof "$1,609";

(13) by striking out "$1,719" in subsection (m) and inserting in lieu thereof "$1,774";

(14) by striking out "$1,954" in subsection (n) and inserting in lieu thereof "$2,017";

(15) by striking out "$2,185" each place it appears in subsections (o) and (p) and inserting in lieu thereof "$2,255";

(16) by striking out "$938" and "$1,397" in subsection (r) and inserting in lieu thereof "$968" and "$1,442", respectively;

(17) by striking out "$1,404" in subsection (s) and inserting in lieu thereof "$1,449"; and

(18) by striking out "$271" in subsection (t) and inserting in lieu thereof "$280";

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85–857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

ADDITIONAL COMPENSATION FOR DEPENDENTS

SEC. 102. Section 315(1) is amended—

(1) by striking out "$77" in clause (A) and inserting in lieu thereof "$79";

(2) by striking out "$128" and "$41" in clause (B) and inserting in lieu thereof "$132" and "$42", respectively;

(3) by striking out "$52" and "$41" in clause (C) and inserting in lieu thereof "$54" and "42", respectively;

(4) by striking out "$62" in clause (D) and inserting in lieu thereof "$64";

(5) by striking out "$139" in clause (E) and inserting in lieu thereof "$143"; and

(6) by striking out "$116" in clause (F) and inserting in lieu thereof "$120".

CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS

SEC. 103. Section 362 is amended by striking out "$338" and inserting in lieu thereof "$349".

DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES

SEC. 104. (a) Subsection (a) of section 411 is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

"Pay grade	Monthly rate	Pay grade	Monthly rate
E-1	$476	W-4	$682
E-2	490	O-1	602
E-3	502	O-2	621
E-4	535	O-3	665
E-5	549	O-4	703
E-6	561	O-5	775
E-7	589	O-6	873
E-8	621	O-7	944
E-9	[1] 649	O-8	1,035
W-1	602	O-9	1,111
W-2	626	O-10	[2] 1,217
W-3	644		

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $700.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,305.".

(b) Subsection (b) of such section is amended by striking out "$53" and inserting in lieu thereof "$55".

(c) Subsection (c) of such section is amended by striking out "$139" and inserting in lieu thereof "$143".

(d) Subsection (d) of such section is amended by striking out "$68" and inserting in lieu thereof "$70".

DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 105. Section 413 is amended—

(1) by striking out "$233" in clause (1) and inserting in lieu thereof "$240";

(2) by striking out "$334" in clause (2) and inserting in lieu thereof "$345";

(3) by striking out "$446"; and

(4) by striking out "$432" and "$87" in clause (4) and inserting in lieu thereof "$446" and "$90", respectively.

SUPPLEMENTAL DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 106. Section 414 is amended—

(1) by striking out "$139" in subsection (a) and inserting in lieu thereof "$143";

(2) by striking out "$233" in subsection (b) and inserting in lieu thereof "$240"; and

(3) by striking out "$118" in subsection (c) and inserting in lieu thereof "$122".

EFFECTIVE DATE

SEC. 107. Sections 101 through 106 shall take effect on December 1, 1984.

PART B—COMPENSATION PROGRAM AMENDMENTS

TRIAL WORK PERIOD AND VOCATIONAL REHABILITATION PILOT PROJECT

SEC. 111. (a)(1) Subchapter VI of chapter 11 is amended by adding at the end the following new section:

"§ 363. Temporary program for trial work periods and vocational rehabilitation for certain veterans with total disability ratings

"(a)(1) The disability rating of a qualified veteran who begins to engage in a substantially gainful occupation during the program period may not be reduced on the basis of the veteran having secured and followed a substantially gainful occupation unless the veteran maintains such an occupation for a period of 12 consecutive months.

"(2) For purposes of this section:

"(A) The term 'qualified veteran' means a veteran who has a service-connected disability, or service-connected disabilities, not rated as total but who has been awarded a rating of total disability by reason of inability to secure or follow a substantially gainful occupation as a result of such disability or disabilities.

"(B) The term 'program period' means the period beginning on February 1, 1985, and ending on January 31, 1989.

"(b) During the program period, the Administrator shall make counseling services described in section 1504(a)(2) of this title and placement and postplacement services described in section 1504(a)(5) of this title available to each qualified veteran (whether or not the veteran is participating in a vocational rehabilitation program under chapter 31 of this title).

"(c)(1)(A) Except as provided in paragraph (4) of this subsection, in the case of each award during the program period of a rating of total disability described in subsection (a)(2)(A) of this section to a veteran, the Administrator shall provide to the vet-

eran, at the time that notice of the award is provided to the veteran, a statement providing—

"(i) notice of the provisions of this section;

"(ii) information explaining the purposes and availability of and eligibility for, and the procedures for pursuing, a vocational rehabilitation program under chapter 31 of this title; and

"(iii) a summary description of the scope of services and assistance available under that chapter.

"(B) After providing the notice required under subparagraph (A) of this paragraph to a veteran, the Administrator shall arrange as promptly as is practical for the veteran to be provided an evaluation in order to make a determination as to whether the achievement of a vocational goal by the veteran is reasonably feasible. Such evaluation shall include a personal interview of the veteran by a Veterans' Administration employee who is trained in vocational counseling. The Administrator shall provide the veteran with reasonable notice of the schedule for the evaluation.

"(2) If the veteran fails, for reasons other than those beyond the veteran's control, to participate in an evaluation under paragraph (1)(B) of this subsection in the manner required by the Administrator in order to make the determination described in that paragraph, the Administrator shall reduce the veteran's disability rating to the rating that would be applicable to the veteran but for the determination of the veteran's inability to secure or follow a substantially gainful occupation. Any such reduction shall remain in effect for the duration of such failure.

"(3)(A) If, after completion of an evaluation under paragraph (1)(B) of this subsection, the Administrator determines that achievement of a vocational goal by the veteran is reasonably feasible, the Administrator shall formulate an individualized written plan of vocational rehabilitation for the veteran under chapter 31 of this title.

"(B) If the Administrator determines that the veteran has failed to pursue (or to continue to pursue) the vocational rehabilitation program described in such plan, the Administrator shall provide the veteran with notice that, if the veteran fails, for reasons other than those beyond the veterans' control, to initiate or resume pursuit of such program within 60 days the Administrator provided such notice (or such longer period as the Administrator determines is the shortest period within which it is reasonably feasible for the veteran to initiate or resume pursuit), the Administrator will provide for the results of the evaluation to be considered in the next scheduled review of the veteran's eligibility for a rating of total disability based on inability to secure or follow a substantially gainful occupation. Unless the veteran initiates or resumes such pursuit within such 60 days (or such longer period, if applicable), the Administrator shall provide for such results to be so considered,

"(4) This subsection does not apply with respect to a veteran as to whom the Administrator determines that an evaluation of vocational rehabilition potential or achievement of a vocational goal is not reasonably feasible.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"363. Temporary program for trail work periods and vocational rehabilitation for certain veterans with total disability ratings.".

(b)(1) Not later than April 1, 1985, the Administrator of Veterans' Affairs shall provide to each veteran described in paragraph (2) a statement providing—

(A) information explaining the provisions of section 363(b) of title 38, United States Code (as added by subsection (a)(1);

(B) information explaining the purposes and availability of and eligibility for, and the procedures for pursuing, a vocational rehabilitation program under chapter 31 of such title; and

(C) a summary description of the scope of services and assistance available under that chapter.

(2)(A) A veteran to whom a statement is to be provided under paragraph (1) is a veteran who has a service-connected disability, or service-connected disabilities, not rated as total but who, as of January 31, 1985, has been awarded a rating of total disability by reason of a determination of inability to secure or follow a substantially gainful occupation as a result of such disability or disabilities.

(B) Notice under paragraph (1) need not be provided to a veteran who has a rating of total disability described in subparagraph (A) which is protected by the first sentence of section 110 of title 38, United States Code.

(C) Not later than April 15, 1988, the Administrator of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the results of the implementation of section 363 of title 38, United States Code (as added by subsection (a)(1)), during the three-year period beginning on February 1, 1985. The report shall include—

(1) information regarding—

(A) the number of veterans with a disability rating of total based on inability to secure or follow a substantially gainful occupation who during such period followed a substantially gainful occupation for a period of 12 consecutive months and the work experience of those veterans and their disablity ratings after completing such 12-month period and (if known) the number of veterans with such a rating who during the period covered by the report followed a substantially gainful occupation but did not maintain employment in it for a period of 12 consecutive months,

(B) the number of veterans who during the period covered by the report were provided with evaluations under subsection (b) of such section,

(C) the number of veterans provided such evaluations for whom a plan of vocational rehabilitation was formulated pursuant to such subsection,

(D) the number of veterans for whom such a plan was formulated who elected, and who did not elect, to pursue a vocational rehabilitation program,

(E) the extent to which those veterans who elected to pursue such a program completed the program, and

(F) the subsequent work experience and disability ratings of the veterans who were provided such evaluations;

(2) a tabulation of the reasons given by such veterans for not electing to pursue such a program by those who did not elect to pursue such a program; and

(3) the Administrator's assessment of the value (including the cost-effectiveness) and effect of such implementation and any recommendations of the Administrator for administrative and legislative action based on such results and assessment.

TECHNICAL AMENDMENT

SEC. 112. (a) Section 335 is amended by striking out "50 per centum" and inserting in lieu thereof "30 percent".

(b) The amendment made by subsection (a) shall take effect as of October 1, 1978.

TITLE II—VETERANS' REHABILITATION, EDUCATION, AND EMPLOYMENT PROGRAMS

PART A—RATE INCREASES

RATES OF REHABILITATION SUBSISTENCE ALLOWANCES FOR VETERANS WITH SERVICE-CONNECTED DISABILITIES

SEC. 201. The table contained in section 1508(b) is amended to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional training:				
Full-time.	$310	$384	$452	$33
Three-quarter time.	233	288	339	25
Half-time.	155	193	227	17
Farm cooperative, apprentice, or other on-job training:				
Full-time.	271	327	377	24
Extended evaluation:				
Full-time.	310	384	452	33
Independent living training:				
Full-time.	310	384	452	33
Three-quarter.	233	288	339	25
Half-time.	155	193	227	17".

RATES OF GI BILL EDUCATIONAL ASSISTANCE FOR VIETNAM-ERA VETERANS

SEC. 202. Chapter 34 is amended as follows:

(1) The table contained in paragraph (1) of section 1682(a) is amended to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional training:				
Full-time.	$376	$448	$510	$32
Three-quarter time.	283	336	383	24
Half-time.	188	224	255	17
Cooperative.	304	355	404	23";

(2) Section 1682(b) is amended by striking out "$342" and inserting in lieu thereof "$376".

(3) The table contained in section 1682(c) is amended to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Basis	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Full-time.	$304	$355	$404	$23
Three-quarter time.	228	266	303	18
Half-time.	152	178	202	12"; and

(4) Section 1692(b) is amended by striking out "$76" and "$911" and inserting in lieu thereof "$84" and "$1,008", respectively.

RATES OF EDUCATIONAL ASSISTANCE FOR SURVIVORS AND DEPENDENTS

SEC. 203. Chapter 35 is amended—

(1) by striking out "$276" in section 1732(b) and inserting in lieu thereof "$304"; and

(2) by striking out "$342", "$108", "$108", and "$11.44" in section 1742(a) and inserting in lieu thereof "$376", "$119", "$119", and "$12.58", respectively.

RATES OF TRAINING ALLOWANCES FOR APPRENTICESHIP OR OTHER ON-JOB TRAINING

SEC. 204. Chapter 36 is amended as follows:

(1) Section 1786(a)(2) is amended by striking out "$342" and inserting in lieu thereof "$376".

(2) The table contained in section 1787(b)(1) is amended to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Periods of training	No dependents	One dependent	Two dependents	More than two dependents
First 6 months.	$274	$307	$336	$14
Second 6 months.	205	239	267	14
Third 6 months.	136	171	198	14
Fourth and any succeeding 6-month periods.	68.	101	131	14"; and

(3) Section 1798(b)(3) is amended by striking out "$342" and inserting in lieu thereof "$376".

EFFECTIVE DATE

SEC. 205. The amendments made by this part shall take effect as of October 1, 1984.

PART B—VETERANS' EMPLOYMENT PROGRAMS

EXTENSION AND REVISION OF VETERANS READJUSTMENT APPOINTMENT PROGRAM

SEC. 211. (a) Subsection (a) of section 2014 is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end the following new paragraph:

"(2) For the purposes of this section, the term 'agency' means a department, agency, or instrumentality in the executive branch.".

(b) Subsection (b) of such section is amended—

(1) in paragraph (1)—

(A) by striking out "GS-7" in clause (A) and inserting in lieu thereof "GS-9".

(B) by striking out "and" at the end of clause (B);

(C) by striking out the period at the of clause (C) and inserting in lieu thereof a semicolon and "and"; and

(D) by adding at the end the following new clause:

"(D) a veteran given an appointment under the authority of this subsection whose employment under the appointment is terminated within one year after the date of such appointment shall have the same right to appeal that termination to the Merit Systems Protection Board as a career or career-conditional employee has during the first year of employment."; and

(2) in paragraph (2), by striking out "September 30, 1984" and inserting in lieu thereof "September 30, 1986".

(c) Subsection (c) of such section is amended—

(1) by striking out "department, agency, and instrumentality in the executive branch" and inserting in lieu thereof "agency"; and

(2) by striking out "such department, agency, or instrumentality" and inserting in lieu thereof "such agency".

(d) Subsections (d) and (e) of such section are amended to read as follows:

"(d) The Office of Personnel Management shall be responsible for the review and evaluation of the implementation of this section and the activities of each agency to carry out the purpose and provisions of this section. The Office shall periodically obtain (on at least an annual basis) information on the implementation of this section by each agency and on the activities of each agency to carry out the purpose and provisions of this section. The information obtained shall include specification of the use and extent of appointments made by each agency under subsection (b) of this section and the results of the plans required under subsection (c) of this section.

"(e)(1) The Office of Personnel Management shall submit to the Congress annually a report on activities carried out under this section. Each such report shall include the following information with respect to each agency:

"(A) The number of appointments made under subsection (b) of this section since the last such report and the grade levels in which such appointments were made.

"(B) The number of individuals receiving appointments under such subsection whose appointments were converted to career or career conditional appointments, or whose employment under such an appointment has terminated, since the last such report, together with a complete listing of categories of causes of appointment terminations and the number of such individuals whose employment has terminated falling into each such category.

"(C) The number of such terminations since the last such report that were initiated by the agency involved and the number of such terminations since the last such report that were initiated by the individual involved.

"(D) A description of the education and training programs in which individuals appointed under such subsection are participating at the time of such report.

"(2) Information shown for an agency under clauses (A) through (D) of paragraph (1) of this subsection—

"(A) shall be shown for all veterans; and

"(B) shall be shown separately (i) for veterans of the Vietnam era who are entitled to disability compensation under the laws administered by the Veterans' Administration or whose discharge or release from active duty was for a disability incurred or aggravated in line of duty, and (ii) for other veterans.".

EXTENSION OF EMERGENCY VETERANS' JOB TRAINING ACT PROGRAM

SEC. 212. (a) Section 5(b)(3)(A) of the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77; 97 Stat. 445) is amended by striking out "60 days" and inserting in lieu thereof "90 days".

(b) Section 16 of such Act is amended by striking out "September 30, 1986" and inserting in lieu thereof "September 30, 1987".

(c) The text of section 17 of such Act is amended to read as follows:

"SEC. 17. Assistance may not be paid to an employer under this Act—

"(1) on behalf of a veteran who initially applies for a program of job training under this Act after February 28, 1985; or

"(2) for any such program which begins after September 1, 1985.".

TITLE III—OTHER BENEFIT RATE INCREASES AND PROGRAM IMPROVEMENTS

VOCATIONAL TRAINING AND HEALTH-CARE ELIGIBILITY PROTECTION FOR PENSION RECIPIENTS

SEC. 301. (a)(1) Subchapter II of chapter 15 is amended by adding at the end the following new sections:

"§ 524. Temporary program of vocational training for certain new pension recipients

"(a)(1) Subject to paragraph (3) of this subsection, in the case of a veteran under the age of 50 who is awarded pension during

the program period, the Administrator shall determine whether the achievement of a vocational goal by the veteran is reasonably feasible. Any such determination shall be made only after evaluation of the veteran's potential for rehabilitation, and any such evaluation shall include a personal interview of the veteran by a Veterans' Administration employee who is trained in vocational counseling. If the veteran fails, for reasons other than those beyond the veteran's control, to participate in the evaluation in the manner required by the Administrator in order to make such determination, the Administrator shall suspend the veteran's pension for the duration of such failure.

"(2) Subject to paragraph (3) of this subsection, if a veteran who is 50 years of age or older and who is awarded pension during the program period applies for vocational training under this section and the Administrator makes a preliminary finding on the basis of information in the application that, with the assistance of a vocational training program under subsection (d) of this section, the veteran has a good potential for achieving employment, the Administrator shall provide the veteran with an evaluation in order to determine whether the achievement of a vocational goal by the veteran is reasonably feasible. Any such evaluation shall include a personal interview by a Veterans' Administration employee trained in vocational counseling.

"(3) Not more than 2,500 veterans may be given evaluations under this subsection during any 12-month period beginning on February 1 of a year.

"(4) For the purposes of this section, the term 'program period' means the period beginning on February 1, 1985, and ending on January 31, 1989.

"(b)(1) If the Administrator, based upon an evaluation under subsection (a) of this section, determines that the achievement of a vocational goal by a veteran is reasonably feasible, the veteran shall be offered and may elect to pursue a vocational training program under this subsection. If the veteran elects to pursue such a program, the program shall be designed in consultation with the veteran in order to meet the veteran's individual needs and shall be set forth in an individualized written plan of vocational rehabilitation of the kind described in section 1507 of this title.

"(2)(A) Subject to subparagraph (B) of this paragraph, a vocational training program under this subsection shall consist of vocationally oriented services and assistance of the kind provided under chapter 31 of this title and such other services and assistance of the kind provided under that chapter as are necessary to enable the veteran to prepare for and participate in vocational training or employment.

"(B) A vocational training program under this subsection—

"(i) may not exceed 24 months unless, based on a determination by the Administrator that an extension is necessary in order for the veteran to achieve a vocational goal identified (before the end of the first 24 months of such program) in the written plan formulated for the veteran, the Administrator grants an extension for a period not to exceed 24 months;

"(ii) may not include the provision of any loan or subsistence allowance or any automobile adaptive equipment of the kind provided under chapter 39 of this title; and

"(iii) may include a program of education at an institution of higher learning (as defined in sections 1652(b) and 1652(f), respectively, of this title) only in a case in which the Administrator determines that the program involved is predominantly vocational in content.

"(3) When a veteran completes a vocational training program under this subsection, the Administrator may provide the veteran with counseling of the kind described in sections 1504(a)(2) of this title, placement and postplacement services of the kind described in section 1504(a)(5) of this title, and training of the kind described in section 1504(a)(6) of this title during a period not to exceed 18 months beginning on the date of such completion.

"(4) A veteran may not begin pursuit of a vocational training program under this subsection after the later of (A) January 31, 1989, or (B) the end of a reasonable period of time, as determined by the Administrator, following either the evaluation of the veteran under subsection (a)(1) of this section or the award of pension to the veteran as described in subsection (a)(2) of this section. Any determination by the Administrator of such a reasonable period of time shall be made pursuant to regulations which the Administrator shall prescribe.

"(c) Notwithstanding subsection (c) of section 525 of this title, a veteran who pursues a vocational training program under subsection (b) of this section shall have the benefit of the provisions of subsection (a) of section 525 of this title beginning at such time as the veteran's entitlement to pension is terminated by reason of income from work or training (as defined in subsection (b) of that section).

"(d) Payments by the Administrator for education, training, and other services and assistance under subsection (b) of this section (other than the services of Veterans' Administration employees) shall be made from the Veterans' Administration appropriations account from which payments for pension are made.

"§ 525. Temporary protection of health-care eligibility

"(a) In the case of a veteran whose entitlement to pension under section 521 of this title is terminated during the program period by reason of income from work or training, the veteran shall retain for a period of three years beginning on the date of such termination all eligibility for care and services under such chapter that the veteran would have had if the veteran's entitlement to pension had not been terminated. Care and services for which such a veteran retains eligibility include, when applicable, drugs and medicines under section 612(h) of this title and special priority with respect to such care and services under section 612(i)(5) of this title.

"(b) For the purposes of this section:

"(1) The term 'terminated by reason of income from work or training' means terminated as a result of the veteran's receipt of earnings from activity performed for remuneration or gain, but only if the veteran's annual income from sources other than such earnings would, taken alone, not result in the termination of the veteran's pension.

"(2) The term 'program period' means the period beginning on February 1, 1985, and ending on January 31, 1989.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 523 the following new items:

"524. Temporary vocational training for certain new pension recipients.
"525. Temporary protection of health-care eligibility.".

(b) Not later than April 15, 1988, the Administrator of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the results of the implementation of sections 524 and 525 of title 38, United States Code (as added by subsection (a)(1)), during the period beginning on February 1, 1985, and ending on January 31, 1988. The report shall include—

(1) information regarding—

(A) the number of veterans who during the period covered by the report were provided with evaluations under paragraphs (1) and (2) of subsection (a) of such section 524,

(B) the number of such veterans for whom a vocational goal was determined to be feasible,

(C) the number of such veterans who elected, and who did not elect, to pursue a vocational training program under subsection (b) of that section,

(D) the extent to which those veterans who elected to pursue such a program completed the program,

(E) the subsequent work and pension-eligibility experience of the veterans who were provided with such evaluations, shown according to their participation in and completion of vocational training programs, and

(F) the number of veterans who received the benefit of such section 525;

(2) a tabulation of the reasons given by such veterans for not electing to pursue such a program by those for whom a vocational goal was determined to be reasonably feasible but who did not elect to pursue such program; and

(3) the Administrator's assessment of the value (including the cost-effectiveness) and effect of such implementation and any recommendations of the Administrator for administrative and legislative action based on such results and assessment.

REPORT ON MEDICAL EXAMINATIONS OF CERTAIN PENSION RECIPIENTS

SEC. 302. (a) Not later than 28 months after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report containing a statistical tabulation of the results of the medical examinations conducted under subsection (b)(1)(A) and the determinations made under subsection (b)(1)(B).

(b)(1) The Administrator—

(A) shall provide for the selection of a sampling of the class of pension recipients described in paragraph (3) to undergo, and each recipient in such sampling shall undergo, a medical examination of the kind provided a veteran under 65 years of age who is applying for pension under section 521 of title 38, United States Code; and

(B) shall determine what, if any, percentage rating would be applicable to the recipient under the schedule of ratings adopted pursuant to section 355 of such title.

(2) The sampling of pension recipients selected under paragraph (1)(A) shall be selected in a manner that is statistically valid for the purpose of estimating the disability ratings of all recipients in the class described in paragraph (3).

(3) The class of pension recipients referred to in paragraphs (1) and (2) are those individuals who, during the two-year period beginning on the date of the enactment of this Act, are awarded pension under section 521 of title 38, United States Code, by reason of being considered, under section 502(a) of such title, to be permanently and

totally disabled by reason of being 65 years of age or older or becoming unemployable after age 65.

PARTICIPATION IN THERAPEUTIC OR REHABILITATIVE ACTIVITIES

SEC. 303. Section 618 is amended by adding at the end the following new subsection:

"(f) Neither a veteran's participation in an activity carried out under this section nor a veteran's receipt of remuneration as a result of such participation may be considered as a basis for the denial or discontinuance of a rating of total disability for purposes of compensation or pension based on the veteran's inability to secure or follow a substantially gainful occupation as a result of disability.".

SPECIALLY ADAPTED HOUSING ASSISTANCE

SEC. 304. (a) Section 802 is amended—

(1) in subsection (a), by striking out "$32,500" and inserting in lieu thereof "$35,500"; and

(2) in subsection (b), by striking out "$5,000" and inserting in lieu thereof "$6,000".

(b) The amendments made by subsection (a) shall take effect on January 1, 1985.

AUTOMOBILE AND ADAPTIVE EQUIPMENT ASSISTANCE

SEC. 305. (a) Section 1902(a) is amended by striking out "$4,400" and inserting in lieu thereof "$5,000".

(b) Subsection (c) of section 1903 is amended to read as follows:

"(c)(1) An eligible person shall not be entitled to adaptive equipment under this chapter for more than two automobiles or other conveyances at any one time or (except as provided in paragraph (2) of this subsection) during any four-year period.

"(2) In a case in which the four-year limitation in paragraph (1) of this subsection precludes an eligible person from being entitled to adaptive equipment under this chapter, if the Administrator determines that, due to circumstances beyond the control of such person, one of the automobiles or other conveyances for which adaptive equipment was provided to such person during the applicable four-year period is no longer available for the use of such person, the Administrator may provide adaptive equipment to such person for an additional automobile or other conveyance during such period. Provision of adaptive equipment under this paragraph is within the discretion of the Administrator. Any action to provide adaptive equipment under this paragraph shall be made pursuant to regulations which the Administrator shall prescribe.".

(c)(1) The amendments made by this section shall take effect on January 1, 1985.

(2) In the case of a person who during the four-year period ending on December 31, 1984, was provided adaptive equipment under chapter 39 of title 38, United States Code, for an automobile or other conveyance and who has such automobile or other conveyance available for use on the date of the enactment of this Act, the first four-year period applicable to such person under subsection (c) of section 1903 of such title (as amended by subsection (a)) shall begin on the most recent date before January 1, 1985, on which such person was provided such equipment.

TITLE IV—MISCELLANEOUS PROVISIONS

REPEAL OF ANNUAL REPORTING REQUIREMENT

SEC. 401. Section 1796 is amended by striking out subsection (d).

SUSPENSION OF COMPENSATION AND PENSION PAYMENTS TO CERTAIN INSTITUTIONALIZED VETERANS; WAIVER

SEC. 402. (a) Section 3203(b)(1) is amended—

(1) by designating the first and second sentences as subparagraphs (A) and (B), respectively;

(2) in subparagraph (A), as so designated—

(A) by striking out the comma after "treatment" in the first sentence and inserting in lieu thereof "or";

(B) by striking out "by reason of mental illness"; and

(C) by inserting "(excluding the value of the veteran's home unless there is no reasonable likelihood that the veteran will again reside in such home)," after "the veteran's estate"; and

(3) by adding at the end the following new subparagraph:

"(C) The Administrator may waive the discontinuance under this paragraph of payments to a veteran with respect to not more than 60 days of care of the veteran during any calendar year if the Administrator determines that the waiver is necessary in order to avoid a hardship for the veteran. Any such waiver shall be made pursuant to regulations which the Administrator shall prescribe.".

(b) The Administrator shall prescribe regulations under subparagraph (C) of section 3203(b)(1) of title 38, United States Code (as added by subsection (a)), not later than 60 days after the date of the enactment of this Act.

In lieu of the Senate amendment to the title of the bill, amend the title so as to read: "An Act to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans and of dependency and indemnity compensation for surviving spouses and children of veterans, to increase the rates of subsistence and educational assistance allowances for veterans pursuing vocational rehabilitation programs under chapter 31 of such title and for veterans and eligible persons pursuing programs of education or training under chapter 34, 35, or 36 of such title, to increase the opportunities for vocational rehabilitation of certain veterans receiving disability compensation, and to provide vocational training opportunities for certain veterans receiving pension; and for other purposes.".

Mr. MONTGOMERY (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments and the proposed House amendments to the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, I yield to the distinguished chairman of the Veterans' Affairs Committee to explain his request.

Mr. MONTGOMERY. Mr. Speaker, the proposed House amendments reflect agreement with the other body on two House-passed bills, H.R. 5398, Veterans' Education and Employment Amendments of 1984, and H.R. 5688, Veterans' Compensation Amendments for Fiscal Year 1985.

I will only take time to outline some of the major provisions of the agreement reached with the other body. The agreement would provide for a 3.2-percent cost-of-living increase in the rates of compensation paid to service-connected disabled veterans and to their eligible dependents effective December 1, 1984. The increase is in accordance with the assumptions contained in the first concurrent budget resolution for fiscal year 1985 approved by the Congress.

The agreement would establish a 4-year pilot program to provide education and training for younger veterans eligible for pension benefits. The committee believes that by providing education and training assistance for vocational purposes we will be able to place some of the younger veterans drawing pension off the pension rolls and back into productive jobs, thus resulting in savings to the Federal Government.

The agreement would also establish a 4-year trial work period for certain 100 percent service-connected disabled veterans who may, with additional education and training assistance, be able to obtain meaningful jobs.

The agreement would increased the specially adapted housing grant from $32,500 to $35,500 effective January 1, 1985, and would increase the automobile adaptive equipment grant from $4,400 to $5,000 effective January 1, 1985. These two special grants are for severely disabled service-connected veterans.

In addition to the agreement reached with the other body on the House-passed compensation bill (H.R. 5688) the proposed amendments also include agreement on education, training and employment provisions contained in H.R. 5398, the Veterans' Education and Employment Amendments of 1984, which passed the House by voice vote on August 6, 1984. I would like to make particular note of certain provisions of the proposed amendments.

The agreement contains a 10-percent increase in the rate of benefits paid to veterans and eligible dependents going to school under the GI bill, and the vocational rehabilitation program, effective October 1, 1984. We had to agree to the 10-percent increase provided in the Senate bill in order to reach agreement on the total package.

The agreement would also make several improvements in the veterans readjustment appointment [VRA] program. First, it would extend by 2 years this very successful program which has allowed for the noncompetitive appointment to Federal civilian jobs of over 200,000 Vietnam era veterans. The House-passed bill would eliminate the 14 year restriction under current law for nondisabled veterans who participate in the program, recognizing that most Vietnam era veterans have pursued further education since leaving service. Eliminating the education

provision does not mean that Vietnam veterans with less than 14 years of education would have been denied jobs. Lifting the restriction means that we recognize many Vietnam veterans have gone on to school following discharge from service, and are now seeking employment in higher level entry positions. We believe we should open up the program so that more Vietnam veterans are eligible to participate. The House-passed bill would also increase the maximum grade level for appointments from GS-7 to GS-11.

The Senate amendments differed significantly from those passed by the House. The other body provided for only a 1 year extension of the program; refused to change the current grade level of appointees from GS-7 and the 14 year education restriction. We were disappointed, Mr. Speaker, that the other body was not willing to agree to all of the provisions of the House-passed bill. With the high unemployment rate of Vietnam era veterans and disabled veterans, I see no reason why we should not do everything we can to get more of them into jobs. The restrictions insisted upon by the other body will exclude many veterans who would otherwise be eligible to obtain employment during the next fiscal year.

We feel strongly, therefore, that additional improvements must be made in the VRA program in order to maximize employment opportunities for Vietnam era veterans, and we plan to pursue these issues again in the next Congress.

The agreement would make improvements in the Emergency Veterans' Job Training Act of 1983, Public Law 98-77. This program got off to a slow start with high veteran interest and participation but very disappointing employer response. Oversight hearings held by the Subcommittee on Education, Training and Employment pinpointed changes that would increase the effectiveness of the program and these were reflected in H.R. 5398, the House-passed bill. First, the House bill would extend from 60 to 90 days the life of a certificate of eligibility furnished to a veteran for the program, thereby relieving a substantial processing burden for the VA and providing more time for veterans to use the certificate. The compromise reached with the other body includes this provision. The House-passed bill would also extend to May 29, 1985, the date which a veteran may apply for participation under Public Law 98-77, and to September 1, 1985, the date by which a veteran must begin an on-the-job training program. The committee feels strongly that because of the slow startup of the program, more time is needed to promote the program and encourage more employer participation. We are also seriously considering amendments to the veteran eligibility requirements and would like to keep the program open to new veterans to allow for these changes. The other body, however, provided only for an extension of the date by which a veteran must begin a training program, thus excluding any new veteran entrants into the program after November 28, 1984. The compromise agreement allows for a 3-month extension, through February 28, 1985, of the date by which a veteran must apply for participation. Our committee will review this in the next Congress and seek a further extension if necessary.

Mr. Speaker, let me specifically comment on those provisions contained in the House-passed bills that were deleted by the other body. Under the House-passed bill the Veterans' Administration would have been required to place upright markers at all graves of veterans and eligible dependents buried in national cemeteries, unless the family of the deceased veteran specifically requested that a flat marker be placed at the gravesite. This provision was supported unanimously by the Veterans' Affairs Committee of the House for several reasons. First, in the Snow Belt areas of the country it is most difficult for families to locate a veteran's grave when there is even a slight snowfall. It presents many difficulties for loved ones to visit graves in these areas of the country.

The administration opposed this provision of the House-passed bill because, as a VA spokesman testified, "Additional maintenance costs over the next 5 years would exceed $700,000." The cost factor is not a valid reason to oppose the placing of upright markers in our national cemeteries. I believe in saving money, and I have provided leadership to bring about savings in various veterans benefit programs since assuming the chairmanship of the committee; however, I strongly believe that if a few dollars more are required to provide and maintain upright markers in cemeteries in lieu of flat markers, we should not quibble over the slight additional cost.

Recently, I led a House congressional delegation to Normandy on the 40th anniversary of D-day. We were very moved by the panoramic sight of row upon row of crosses marking the burial places of the brave men who died while fighting for the freedom of our country and for the freedom of our European allies.

I don't think anyone will dispute the fact that uniform upright markers are much preferred over flat markers in graves honoring our Nation's war dead. I regret the other body would not yield on this issue.

In discussing this matter with the other body it is understood that hearings will be held by both committees next year and we will ask the Veterans' Administration to give the committees better cost data than it previously submitted to the two committees. Given the feeling of the House I think it is predictable that this provision will be on our legislative agenda again next year.

Mr. Speaker, I also regret that the other body did not see fit to accept another provision contained in the House bill that would have increased the maximum amount of coverage under the Servicemen's Group Life Insurance program [SGLI] from $35,000 to $50,000. The Senate amendment did contain a provision to increase the SGLI benefit; however it would have only allowed those individuals who served on active duty—or in a reserve component—for 5 years to elect an additional amount of coverage up to a maximum amount of $50,000. We found ourselves in a position of having to accept a restriction placed in the bill by the other body which was, in our view, inequitable. Younger veterans would have been limited to $35,000 of insurance while those who served on active duty 5 or more years could have elected an additional amount of coverage up to $50,000. I think all of our men and women on active duty should be treated equally; therefore, we could not accept the version passed by the other body and the other body was unable to accept the more liberal House-passed provision.

I assure my colleagues we will be reviewing this question again next year as we plan our legislative agenda for the first session of the 99th Congress.

Mr. Speaker, notwithstanding my strong personal feelings on these two issues, I think the compromise agreement, on balance, is reasonable.

Again, I want to thank my colleague, the gentleman from Arkansas, Mr. HAMMERSCHMIDT, the ranking minority member of the committee; the gentleman from Ohio, Mr. APPLEGATE, the chairman of the Subcommittee on Compensation, Pension and Insurance; the gentleman from Texas, Mr. LEATH, chairman of the Subcommittee on Education, Training and Employment; the gentleman from Ohio, Mr. MCEWEN, the ranking minority member of the Subcommittee on Compensation, Pension and Insurance; the gentleman from New York, Mr. SOLOMON, the ranking minority member of the Subcommittee on Education, Training and Employment and other members of the two subcommittees who worked diligently in helping resolve these issues. Obtaining agreement with the other body was a major effort on the part of everyone involved.

Finally, Mr. Speaker, I want to thank the distinguished chairman of the Senate Veterans' Affairs Committee, Senator SIMPSON, and the very able ranking minority member of the

Senate committee, Senator CRANSTON, for their usual cooperation and understanding. It is always a pleasure to work with these two outstanding members of the other body. I am grateful for the support I received from each of them and from members of their staffs.

There follows a detailed explanation of the differences between the House bill, the Senate amendment and the compromise agreement:

EXPLANATORY STATEMENT OF HOUSE BILL (H.R. 5688), SENATE AMENDMENT (S. 2736), AND COMPROMISE AGREEMENT ON H.R. 5688, THE VETERANS' BENEFITS IMPROVEMENT ACT OF 1984

This document explains the provisions of H.R. 5688 as passed by the House of Representatives (hereinafter referred to as the "House bill"), the provisions of the Senate amendment in the nature of a substitute to the House bill as passed by the Senate (hereinafter referred to as the "Senate amendment"), and the provisions of a compromise on H.R. 5688 as agreed to by the Veterans' Affairs Committees of the House and Senate. The differences between the House bill, the Senate amendment, and the compromise agreement are noted below, except for clerical corrections, conforming changes made necessary by agreements reached between the committees, and minor drafting, technical, and clarifying changes.

TITLE I—DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION

PART A—RATE INCREASES

DISABILITY COMPENSATION

Both the House bill (sections 101 through 103) and the Senate amendment (sections 101 through 103) would amend chapter 11 of title 38, United States Code, relating to compensation for service-connected disability or death, to increase, effective December 1, 1984, the basic rates of service-connected disability compensation for veterans, the rates payable for certain severe disabilities, the dependents' allowances payable to veterans rated 30-percent or more disabled, and the annual clothing allowance for certain disabled veterans. The House bill would increase such rates and allowances by 4.3 percent and the Senate amendment (subject to the alternative-rate-increase provision set forth in section 108 of the Senate amendment, discussed below), by 4.7 percent, with increases rounded to the nearest dollar.

The compromise agreement (sections 101 through 103) would amend chapter 11 to increase, effective December 1, 1984, such rates and allowances by 3.2 percent, with increases rounded to the nearest dollar.

The committees note that this increase is in accordance with the Congressional Budget Office's most recent (August 1984) economic assumption relating to the anticipated increase in the Consumer Price Index from the third quarter of fiscal year 1983 through the third quarter of fiscal year 1984 and the assumptions underlying the First Concurrent Budget Resolution for fiscal year 1985, as approved by the Congress on October 1, 1984.

DEPENDENCY AND INDEMNITY COMPENSATION

Both the House bill (sections 104 through 105) and the Senate amendment (sections 104 through 106) would amend chapter 13 of title 38, relating to dependency and indemnity compensation for service-connected deaths, to increase, effective December 1, 1984, rates of dependency and indemnity compensation (DIC) payable to the surviving spouses and children of veterans whose deaths were service connected. The House bill would increase such rates by 4.3 percent and the Senate amendment (subject to the alternative-rate-increase provision set forth in section 108 of the Senate amendment, discussed below), by 4.7 percent, with increases rounded to the nearest dollar.

The compromise agreement (sections 104 through 106) would amend chapter 13 to increase, effective December 1, 1984, such rates by 3.2 percent, with increases rounded to the nearest dollar.

The justification for this percentage increase is discussed above in connection with the increase provided in disability compensation.

ALTERNATIVE RATE INCREASES

The Senate amendment (section 108), but not the House bill, would provide that, if the December 1984 increase under the Social Security Act is not 4.7 percent, the Administrator for Veterans' Affairs would compute and pay, effective December 1, 1984, in lieu of the 4.7-percent rate increases, alternative increases at the same percentage as rates increased under the Social Security Act.

The compromise agreement does not contain this provision.

PART B—COMPENSATION PROGRAM AMENDMENTS

The House bill (section 111(a)), but not the Senate amendment would amend section 301(3) of title 38, relating to the definition of "chronic diseases" for purposes of service-connected disability compensation, to include in the definition of that term lupus erythematosus, systemic (SLE).

The compromise agreement does not contain this provision.

The committees note that the absence of the provision in the compromise agreement in no way indicates any intent that the VA alter the manner in which SLE is currently evaluated and adjudicated for pruposes of compensation.

MANIFESTATION OF DISEASES

The House bill (section 111(b)), but not the Senate amendment, would amend section 312 of title 38, relating to presumptions with respect to certain diseases and disabilities, to remove the references "to a degree of 10 percentum or more" and "or aggravated by". The removal of the phrase "to a degree of 10 percentum or more" would remove the requirement that the diseases by manifested to a specific minimum measurable degree of disability during the prescribed postservice period and would require only that the disease be shown to exist during those periods. A technical change would eliminate the phrase "or aggravated by" from section 312.

The compromise agreement does not contain these provisions.

TRIAL WORK PERIOD AND VOCATIONAL REHABILITATION PILOT PROJECT

The Senate amendment (section 110), but not the House bill, would further amend chapter 11 of title 38 to establish a 3-year trial work pilot program (which the Administrator could extend to 4 years) for veterans whose service-connected disabilities are rated less than totally disabling but who are assigned service-connected total disability ratings by reason of individual determinations of unemployability ("IU ratings") during the program. Under the pilot program, a veteran with an IU rating would have the opportunity to participate in one 12-month trial work period and would be eligible for certain counseling and placement services. Also, if the veteran were to work after completion of a trial work period and lose the IU rating, the rating would be automatically restored—subject to immediate review—if, in any month during the 12-month period following the veteran's trial work period, the veteran's employment earnings fell below $300. In addition, all veterans with IU ratings would be provided with eligibility for certain counseling, placement, and postplacement services under chapter 31 regardless of whether they are pursuing a chapter 31 program. Not later than 39 months after the pilot program went into effect, the Administrator would be required to report on the results of the first 3 years' experience under the pilot program.

In a free-standing provision of law, the Administrator would be required to provide all IU-rated veterans with information regarding the trial work period and chapter 31.

The Senate amendment would further amend chapter 11 of title 38 to provide that each veteran receiving an IU rating after the fourth full month followng the date of enactment undergo a vocational rehabilitation evaluation under chapter 31 of title 38, if eligible therefor, and pursue a VA vocational rehabilitation progrm if one is developed. In the case of a veteran with such a new IU rating who failed to comply with requirement to participate in the evaluation or the rehabilitation program, the Administrator would be required to provide for a review of the veteran's eligibility for that rating and for the veteran's noncompliance to be considered as part of the review.

The compromise agreement (section 111) contains provisions, derived from these provisions, to add a new section 363, "Temporary program for trial work periods and vocational rehabilitation for certain veterans with total disability ratings", to title 38, to establish a 4-year program—from Fedruayr 1, 1985, through January 31, 1989—providing certain protection for the IU ratings of veterans who wish to try to return to work. Under the compromise agreement, a veteran with and IU rating who regains employment during the 4-year period would not, as a result of doing so, be determined to have regained the ability to follow "a substantially gainful occupation" (the standand used in VA regulations, 38 C.F.R. § 4.16, for deciding whether the veteran is or is not entitled to an IU rating) unless the veteran has maintained that employment for at least 12 consecutive months.

The compromise agreement contains the provisions making counseling, placement, and postplacement services available to all IU-rated veterans and notification provisions requiring that IU-rated veterans be advised about the provisions of the compromise agreement affecting them and about the chapter 31 vocational rehabilitation program.

Regarding new recipients of IU ratings undergoing vocational rehabilitation evaluations, the compromise agreement would establish a program applicable to veterans who receive such ratings during the 4-year period beginning February 1, 1985, and ending January 31, 1989. Under this program, after the Administrator provides the veteran with notice of the IU-rating award and the requirement that the veteran undergo a vocational rehabilitation evaluation, the Administrator, in order to determine

whether achievement of a vocational goal is reasonable feasible, would be required to arrange promptly for a chapter 31 evaluation (to be conducted by a VA employee trained in vocational counseling) and notify the veteran of the schedule for it. Failure of the veteran, for reasons other than those beyond the veteran's control, to participate in the evaluation would result in suspension of the veteran's IU rating for the duration of the failure. If a chapter 31 vocational rehabilitation program is developed for the veteran and the veteran fails to pursue it, the Administrator would notify the veteran that, if for reasons other than those beyond the veteran's control, the veteran were to fail to begin or resume pursuit of the program within 60 days (or within any longer period the Administrator determines is the shortest period within which it would be reasonable feasible for the veteran to begin or resume pursuit), the Administrator would provide for the veteran's evaluation results to be considered in the next scheduled review of the veteran's IU-rating eligibility. If the veteran failed to begin or resume pursuit, the Administrator would be required to provide for the results to be so considered. These provisions would not apply to veterans for whom the Administrator determines that participation in evaluation or achievement of a vocational goal is not feasible.

Not later than April 15, 1988, the Administrator would be required to submit to the committees a report on the first 3 years' experience under this new section of title 38 with particular reference to the program's cost-effectiveness and the extent to which the new provisions contribute to veterans becoming employable and employed.

The committees anticipate that the Administrator, in order to meet the April 15 reporting deadline, will begin preparation of the report well in advance of the end of the first 3 years of the program.

The committees also note that, under current VA procedures, set forth in the Department of Veterans' Benefits Adjudication Procedure Manual (M 21-1, paragraph 55.08), veterans with IU ratings are required to provide annually information regarding their employment. The committees approve of this procedure and note that the compromise agreement provisions relating to veterans with these ratings are designed to fit in with this procedure. Thus, if the Administrator ever intends to eliminate or modify this procedure, the committees direct the Administrator to provide them with reasonable notice of the intention to do so.

TECHNICAL AMENDMENT

The House bill (section 112), but not the Senate amendment, would amend section 335 of title 38, relating to dependents allowances for veterans receiving compensation as a result of a disability incurred or aggravated during peacetime service, to make a technical, conforming change to clarify the VA's authority to continue to pay such allowances to such veterans in the same manner that they are paid to veterans with disabilities incurred or aggravated during wartime service.

The compromise agreement (section 112) contains this provision.

TITLE II—VETERANS' REHABILITATION, EDUCATION, AND EMPLOYMENT PROGRAMS

PART A—RATE INCREASES

The Senate amendment (sections 201 through 205) and sections 101 through 103 of H.R. 5398 as passed by the House on August 6, 1984 (hereinafter referred to as H.R. 5398), would amend chapters 31, 34, 35, and 36 of title 38, United States Code, relating to certain rehabilitation and education programs, to increase rates of all VA education programs, including rehabilitation subsistence allowances for veterans with service-connected disabilities; educational assistance allowances and special supplementary (tutorial) assistance for eligible veterans; training assistance allowances for apprenticeship and other on-job training; and educational assistance and special training allowances for eligible survivors and dependents. The House bill would increase such rates and allowances by 15 percent, effective January 1, 1985, and the Senate amendment by 10 percent, effective October 1, 1984.

The compromise agreement contains the Senate provision.

The Senate amendment, but not the House bill nor H.R. 5398, would amend section 1784(c) of title 38, relating to reporting fees paid to educational institutions to defray the costs to them of reports and certifications required by the VA, to increase the amounts of such fees from $7 to $9 annually for each eligible veteran or eligible person enrolled at an educational institution under chapter 34 or 35 or from $11 to $13 annually for each enrollee receiving advance payment of educational assistance allowances.

The compromise agreement does not contain this provision.

H.R. 5398 (section 101(c)(1)), but not the Senate amendment, would amend section 1774(b) of title 38, relating to reimbursement of expenses to State approving agencies, to increase the allowances for administrative expenses by 15 percent, effective January 1, 1985.

The compromise agreement does not contain this provision.

PART B—VETERANS' EMPLOYMENT PROGRAMS

EXTENSION AND REVISION OF VETERANS READJUSTMENT APPOINTMENTS

Both the Senate amendment (section 301) and H.R. 5398 (section 201) would amend section 2014(b) of title 38, relating to the authority for veterans readjustment appointments, to extend the authority. H.R. 5398 would extend the authority for 3 years, until September 30, 1987, and the Senate amendment for 1 year, until September 30, 1985. Further, H.R. 5398, but not the Senate amendment, would raise the maximum grade level at which appointments may be made from GS-7 to GS-11 and remove the requirement that nonservice-connected disabled Vietnam-era veterans be educationally disadvantaged in order to be eligible for a veterans readjustment appointment. Finally, both the Senate amendment and H.R. 5398 would provide limited appeal rights during the first year of an appointment and provide for annual, instead of semiannual, reports on the program. H.R. 5398 would, in addition, make technical changes in the reporting requirement in order to reflect more accurately how the system of obtaining the information for the report operates in practice.

The compromise agreement (section 211) would extend the veterans readjustment appointment authority for 2 years, until September 30, 1986; raise to GS-9 the maximum grade level at which appointments may be made; provide limited appeal rights; and require an annual, rather than semiannual, report (incorporating the technical changes proposed in H.R. 5398).

EXTENSION OF EMERGENCY VETERANS' JOB TRAINING ACT

Both the Senate amendment (section 302) and H.R. 5398 (section 301) would amend the Emergency Veterans' Job Training Act of 1983, Public Law 98-77, to extend by 6 months, until September 1, 1985, the date by which veterans previously certified must commence a training program under that Act and to extend to 90 days the lifetime of certifications of eligibility furnished to veterans under the Act. In addition, H.R. 5398, but not the Senate amendment, would extend by 6 months, until May 29, 1985, the date by which veterans may apply to participate in the program. Finally, the Senate amendment, but not H.R. 5398, would extend the availability of appropriated funds under the program for one year.

The compromise agreement (section 212) incorporates both the House and Senate provisions except that the application date deadline is extended for 3 months, through February 28, 1985.

OTHER EDUCATION PROVISIONS

The Senate amendment (section 210), but neither the House bill nor H.R. 5398, would amend certain provisions of chapters 31, 34, and 35 of title 38, relating to time limits for completion of programs of education or training, to toll the eligibility period for GI bill and certain other educational benefits and vocational rehabilitation programs for certain veterans and eligible persons who have been prevented from participating in such programs because of alcohol or drug dependence or abuse. In the case of a veteran with a general discharge, an individual determination that the discharge was under conditions other than dishonorable would be required.

The compromise agreement does not contain this provision.

The Senate amendment (section 211), but neither the House bill nor H.R. 5398, would amend section 1796 of title 38, relating to limitations on certain advertising, sales, and enrollment practices, to repeal a Veterans' Administration reporting requirement pertaining to deceptive advertising practices by educational institutions.

The compromise agreement (section 401) contains this provision.

The committees expect the Administrator to continue to monitor closely advertisement practices by educational institutions enrolling GI bill trainees and to keep the committees fully informed about any significant developments relating to deceptive advertising practices by such institutions.

The Senate amendment (section 212), but neither the House bill nor H.R. 5398, would require the Administrator to consult with the VA's educational advisory committee (established pursuant to section 1792 of title 38) prior to changing any requirements for educational institutions to report enrollments of GI Bill trainees.

The compromise agreement does not contain this provision.

The committees note that they do not believe that a statutory requirement is needed to bring about the consultation sought by the Senate amendment, since this is the purpose for which Congress established the advisory committee.

TITLE III—OTHER BENEFIT RATE INCREASES AND PROGRAM IMPROVEMENTS

VOCATIONAL TRAINING AND HEALTH CARE ELIGIBILITY PROTECTION FOR PENSION RECIPIENTS

Both the House bill (section 202) and the Senate amendment (section 401) contain provisions that would amend chapter 15 of title 38, relating to VA need-based pension programs for permanently and totally disabled elderly wartime veterans and for survivors of wartime veterans, to establish temporary programs designed to help enable certain disabled veteran-pensioners to return to work.

The House bill would establish a 5-year program of vocational training for disabled veterans under age 50 who are newly found to be entitled to pension. Under the House bill, the Administrator would be required to determine, after a personal interview of the veteran by a VA employee trained in vocational counseling, whether the achievement of a vocational goal by the veteran is reasonably feasible. Failure of the veteran to participate as required by the Administrator in order to make the determination would result in suspension of the veteran's pension until the required participation was completed. If achievement of a vocational goal were determined to be reasonably feasible, the veteran could elect to undertake a program of vocational training that would be carried out as a vocational rehabilitation program under chapter 31 of title 38 but would not include any chapter 31 loans or subsistence allowances. Such a program could not exceed 48 months, and following completion of the program the veteran would be eligible for certain chapter 31 counseling, placement, and postplacement services for up to 18 months. Also, in the case of a veteran who is permanently housebound or in need of regular aid and attendance, who has completed a vocational training program under these provisions, and whose pension was thereafter terminated solely because the veteran's annual income exceeded the applicable maximum limitation, the veteran's eligibility for drugs and medicine under section 612(h) of title 38 would be continued for 1 year after pension termination.

The Senate amendment would establish a 3-year pilot program (which the Administrator could extend to 4 years) to allow any permanently and totally disabled veteran pension recipient to participate in a 36-month period of trial work. Any work performed by the veteran during that period could not be taken into account in any review of the veteran's ability to secure and follow a substantially gainful occupation. Veterans participating in the program would retain their pension-based VA health care eligiblity during their trial work periods even if their pensions were terminated as a result of their work income. Also, a veteran whose pension was terminated due to income derived from participation in a VA or State vocational rehabilitation program would have an additional 12-month eligiblity period for VA health care services. All income received from employment during the trial work period, with the exception of certain subsistence allowances associated with vocational rehabilitation programs, would be counted in determining the veteran's income for pension purposes. The Administrator would be required to report on the results of the pilot program's first 3 years of implementation not later than 39 months after its effective date.

The compromise agreement (section 301) contains provisions derived from these provisions to add new sections 524, "Temporary program of vocational training for certain new pension recipients", and 525, "Temporary protection of certain health care eligibility", establishing a 4-year—February 1, 1985, through February 28, 1989—program providing for vocational training and VA health care eligibility protection for permanently and totally disabled veterans receiving awards of VA pension during that period. Under the compromise agreement, a veteran under age 50 who is found to be entitled to pension would be required to undergo evaluation, as under the House bill, to determine whether a vocational goal is reasonably feasible. Failure to participate in the evaluation as required would result in suspension of the veteran's pension if the failure were for reasons other than those beyond the veteran's control. If a vocational goal were determined to be reasonably feasible, the veteran would be eligible for vocational training. New recipients of pension who are 50 years of age or older would be permitted to apply for vocational training under this program. If the Administrator finds that information on the veteran's application shows a good potential for achieving a vocational goal, the age 50-and-over veteran would be given an evaluation and would be eligible for vocational training under this program if the evaluation indicates that achievement of a vocational goal is reasonably feasible.

For a veteran who elects to pursue vocational training under this program the training would consist of vocationally oriented rehabilitation services and assistance of the kind provided under chapter 31 and only such other services and assistance of the kind provided under that chapter as are necessary for the veteran to prepare for and pursue vocational training or employment. The compromise agreement would provide that vocational training programs under the program are to be designed to emphasize, whenever appropriate, workplace training and workplace-adjustment counseling during such training. However, no loans or allowances and no automobile adaptive equipment could be provided, and a program of education at an institution of higher learning could be provided only if the program were predominantly vocational in content. A vocational training program for a veteran would be limited to 24 months unless the Administrator were to grant an extension of up to 24 months based on a determination that the extension was necessary in order for the veteran to achieve a vocational goal that was identified during the first 24 months in the veteran's written plan of vocational rehabilitation. The deadline for initiating pursuit of vocational training under this program would be the later of January 31, 1989, or the expiration of a reasonable time (to be determined under regulations to be prescribed by the Administrator) after the evaluation of a veteran under age 50 or the award of pension to a veteran age 50 or over, as the case may be. The compromise agreement would limit to 2,500 the number of veterans who could participate in evaluation under the temporary program during each 12-month period.

Following the veteran's completion of a vocational training program, the veteran would be eligible for certain follow-up services for a period not to exceed 18 months. Payments for all services and assistance under this program (other than the services of VA employees) would be made from the VA appropriations account from which pensions are paid. Also, in the case of a veteran who enters vocational training under the new program and who thereafter loses entitlement to pension because his or her work income causes the annual income limitation applicable to him or her to be exceeded, the veteran's VA health care eligibility (including any applicable priority) would be preserved for the 3-year period following the date on which his or her pension is terminated.

In addition, under the Senate amendment, the same health care protection for the same duration would be provided for any veteran whose pension is terminated, during the period of February 1, 1985, through January 31, 1989, because the veteran's work income caused the applicable income limitation to be exceeded. The provision in the Senate amendment that training allowances received by a veteran during the trial work period not be counted for pension purposes is not included in the compromise agreement.

Not later than April 15, 1988, the Administrator would be required to submit to the committees a report with particular reference to the program's cost effectiveness and the extent to which the new provisions contribute to veterans becoming employable and employed.

The committees anticipate that the Administrator, in order to meet the April 15 reporting deadline, will begin preparation of the report well in advance of the end of the first 3 years of the program.

The committees note that this new temporary vocational training program is intended to have a vocational and employment focus. In that regard, only where necessary to enable a catastrophically disabled veteran to participate in training or employment, services and assistance under this program should be provided to the veteran in order to help the veteran overcome problems in daily living. It is the committees' intention that vocational training programs under this program be designed to emphasize, whenever appropriate, workplace training, personnel-adjustment counseling, and work-adjustment training.

The committees also note that, since rehabilitation services and assistance would be provided under subsection (b) of the new section 525 of title 38—and not under chapter 31 of title 38—an injury suffered by a veteran as a result of pursuit of vocational—training under this program would not be a basis—as it would if it were suffered under chapter 31—for an award of compensation under section 351 of title 38 or for health care eligibility under section 610(a)(3) of title 38.

REPORT ON MEDICAL EXAMINATIONS OF CERTAIN PENSION RECIPIENTS

The Senate amendment (section 402), but not the House bill, for the purpose of determining the actual percentage disability ratings of certain VA pension recipients, would require the administrator to prepare and submit a report on the results of conducting, during the 2-year period following the enactment date, medical examinations of veterans awarded VA pension based on their being age 65 or older.

The compromise agreement (section 302) would require that the Administrator, not later than 28 months following the date of enactment, submit to the committees a report on the results of medical examinations given to a statistically valid sampling of these veterans.

PARTICIPATION IN THERAPEUTIC OR REHABILITATIVE ACTIVITIES

The Senate amendment (section 602 (a), (b), and (c)), but not the House bill, would require the VA to conduct a 39-month demonstration project (and submit by February 1, 1987, a report on the first 2 years' experience) under which the income received by veterans for their participation in VA incentive-therapy and compensated-work-therapy programs would not be counted as income for the purpose of VA pension programs.

The compromise agreement does not contain this provision.

The Senate amendment (section 602(d)), but not the House bill, would amend section 618 of title 38, relating to therapeutic and rehabilitation activities, to specify that a veteran's participation in a VA incentive-therapy or compensated-work-therapy program will not be considered a basis for denying or discontinuing a total diability rating for VA compensation or pension purposes.

The compromise agreement (section 303) contains this provision.

INCREASES IN MAXIMUM AMOUNTS OF SERVICEMEN'S GROUP LIFE INSURANCE

Both the House bill (section 203) and the Senate amendment (section 504) would amend section 767 of title 38, relating to persons insured and maximum amounts of life insurance coverage available under the Servicemen's Group Life Insurance [SGLI] program. The House bill would, effective October 1, 1984, increase the maximum amount of coverage from $35,000 to $50,000. The Senate amendment would, effective January 1, 1985, permit individuals insured under SGLI and who have served on active duty (or in a reserve component) for a minimum of 5 years to elect an additional amount of coverage (in multiples of $5,000) up to a maximum amount of $50,000 in total coverage.

The compromise agreement contains neither provision.

SPECIALLY ADAPTED HOUSING ASSISTANCE

The Senate amendment (section 501) and section 1(a) of H.R. 5617 as passed by the House on May 21, 1984 (hereinafter referred to as "H.R. 5617"), would amend chapter 21 of title 38, relating to the specially adapted housing assistance program, to increase maximum amounts of assistance available under that program. The Senate amendment would increase from $32,500 to $35,750, effective July 1, 1985, the maximum amount of the specially adapted housing assistance grant for certain severely service-connected disabled veterans with mobility impairments, and from $5,000 to $5,500, effective July 1, 1985, the maximum amount of special housing assistance for service-connected veterans who are blind or have lost, or lost the use of, both upper extremities. H.R. 5617 would increase those amounts to $35,000 and $6,000, respectively, effective October 1, 1984.

The compromise agreement (section 304), effective January 1, 1985, would increase to $35,500 the maximum amount of the specially adapted housing assistance grant and to $6,000 the maximum amount of special housing assistance.

VA HOME-LOAN GUARANTY MAXIMUMS

H.R. 5617 (sections 1 (b) and (c)), but not the Senate amendment, would amend chapter 37 of title 38, relating to the VA's home-loan guaranty program, to increase, effective October 1, 1984, the maximum amount of the VA home-loan guaranty from $27,500 to $30,000 in the case of conventional housing and from $20,000 to $22,000 in the case of manufactured housing.

The compromise agreement does not contain this provision.

AUTOMOBILE ADAPTIVE ASSISTANCE

Both the House bill (section 204(a)) and the Senate amendment (section 502) would amend section 1902 of title 38, relating to the automobile adaptive assistance program, to increase the automobile assistance grant for certain severely disabled service-connected veterans. The House bill would increase the maximum grant from $4,400 to $5,000, effective October 1, 1984, and the Senate amendment to $4,840, effective July 1, 1985.

The compromise agreement (section 305(a)) would increase the maximum amount of the automobile assistance grant to $5,000, effective January 1, 1985.

The House bill (section 204(b)) and the Senate amendment, incorporating the provisions of S. 2514, to H.R. 5618 (section 7), as passed by the Senate on August 9, 1984 (hereinafter referred to as "the Senate amendment to H.R. 5618"), would amend section 1903(c) of title 38, relating to the furnishing of automobile adaptive equipment, to modify the manner in which reimbursement for adaptive equipment is made to certain severely service-connected disabled veterans. The House bill would provide that a veteran may transfer title of a previously adapted vehicle to any person and retain entitlement to reimbursement for adaptive equipment within the limit, currently prescribed by VA regulation, of 3 adaptations within a 2-year period with ownership limited to no more than one vehicle at any one time. The Senate amendment to H.R. 5618 would provide that a veteran is not entitled to reimbursement for more than 2 vehicles at any one time or for more than 2 vehicles in a 4-year period (with a waiver of the 2-in-4 limitation if the adapted vehicle is no longer available to the veteran due to circumstances beyond the control of the veteran).

The compromise agreement (section 305(b)) contains the Senate provision.

TITLE IV—MISCELLANEOUS AMENDMENTS

DEFINITION OF VIETNAM ERA

The Senate amendment (section 601), but not the House bill, would amend section 101 of title 38, United States Code, relating to definitions for purposes of title 38, to expand the definition of the Vietnam era (August 5, 1964, through May 7, 1975) for the purposes of title 38, United States Code, to include the period beginning on February 21, 1961, and ending on August 4, 1964, in the case of those who served in Vietnam during that time.

The compromise agreement does not contain this provision.

ADVISORY COMMITTEE ON VETERANS EXPOSED TO IONIZING RADIATION

The House bill (section 201), but not the Senate amendment, would amend chapter 3, relating to the organization of the Veterans' Administration, to establish an Advisory Committee on Veterans Exposed to Ionizing Radiation to review and advise the Administratory with respect to the special problems and needs of veterans exposed to ionizing radiation.

The compromise agreement does not contain this provision.

The committees note that the compromise agreement on H.R. 1961/S. 1651 as passed by the House of Representatives on October 3, 1984, would establish a Veterans' Advisory Committee on Environmental Hazards, including a Scientific Council thereof. The Council would be composed of two panels, one of which would focus on the health effects on certain veterans of those veterans' exposure to ionizing radiation during service. The committees believe that this Scientific Council will address a number of the objectives of section 201 of the House bill.

HEADSTONES OR GRAVEMARKERS

H.R. 5617 (2), but not the Senate amendment, would amend section 1004(c) of title 38, relating to the administration of national cemeteries and the marking of gravesites therein, to require, effective October 1, 1984, that with respect to persons who die after September 30, 1984, markers provided to mark graves in such cemeteries be upright unless the person to be buried previously requested (or the survivor or legal representative of the person buried requests) that the grave be marked with a flat marker, and that, if the grave is marked with a flat marker, the grave be in a portion of the cemetery set aside for graves with flat markers. H.R. 5617 further provides that the Administrator may waive the requirement and deny a request for an upright marker with respect to persons who die on or after October 1, 1984, and before January 1, 1985, if the national cemetery in which the burial will take place does not have a section reserved for graves with upright markers. Finally, H.R. 5617, would require the Administrator, prior to January 1, 1985, to designate a section of each cemetery in the National Cemetery System in which graves will be marked with upright markers and a section in which graves will be marked with flat markers.

The compromise agreement does not contain this provision.

The committees are not satisfied with the cost data submitted by the Veterans' Administration in justifying the Administration's opposition to the House provision requiring the use of upright markers in national cemeteries. It is the committees' intent that the Veterans' Administration reconsider this cost estimate in preparation for further committee hearings on this issue next year.

EFFECTIVE DATE OF REDUCTIONS

The Senate amendment (section 603), but not the House bill, would amend section 3012(b) of title 38, relating to the effective date of reductions in compensation, disability, disability and indemnity compensation, and pension, to establish the last date of school attendance as the termination date for certain veterans' dependents' allowances paid on behalf of children between the ages of 18 and 23 who are attending school.

The compromise agreement does not contain this provision.

SUSPENSION OF COMPENSATION AND PENSION PAYMENTS TO CERTAIN INSTITUTIONALIZED VETERANS; WAIVER

The Senate amendment (section 604), but not the House bill, would amend section 3203(b)(1) of title 38, relating to limitations on the size of certain single, institutionalized, incompetent veterans' estates which, when exceeded, result in the suspension of benefit payments by the VA, to remove a reference to mental illness as the cause of the incompetence; to permit the VA to exclude the value of the veteran's home from the estate unless there is no reasonable likelihood that the veteran will again reside in the home; and to permit the Administrator, where necessary in order to avoid a hardship for the veteran, to waive the suspen-

sion of benefits requirement in the case of a veteran who is institutionalized for a total of not more than 60 days during any calendar year.

The compromise agreement (section 402) contains this provision.

The committees intend that the Administrator use this discretionary authority only in those cases where it is established that without the waiver the veteran will suffer significant financial hardship. The waiver is not be be used as an administrative expediency nor where liquid assets are readily available to meet current expenses.

GENDER REFERENCES

The Senate amendment (section 605), but not the House bill, would amend section 103 of title 38, relating to special provisions relating to marriages, to remove various gender references.

The compromise agreement does not contain this provision.

The committees note their intention to develop a measure that will remove all gender references throughout title 38 and to pursue enactment of that measure in the next Congress.

I urge the adoption of the proposed House amendments.

Mr. HAMMERSCHMIDT. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Ohio [Mr. APPLEGATE].

Mr. APPLEGATE. I thank the gentleman for yielding to me.

Mr. Speaker, the proposed House amendments reflect agreement with the other body on two House-passed bills, H.R. 5398, to provide a cost-of-living increase in GI bill benefits for Vietnam era veterans, and H.R. 5688, to provide a cost-of-living increase in the rates of service-connected compensation, which we passed earlier this year.

The agreement would provide for a 3.2-percent cost-of-living increase in the rate paid to service-connected disabled veterans and to the surviving widows and children of veterans who died from service-connected causes. This increase would be effective December 1, 1984, and would be reflected in the checks to be received at the end of that month. I want to point out that this increase is in accordance with the assumptions contained in the first concurrent budget resolution for fiscal year 1985 as approved by the Congress on October 1.

Mr. Speaker, this increase will benefit over 2 million disabled veterans and over 360,000 widows and children. We owe no higher debt than to these individuals who have sacrificed so much for their country. The bill passed by the other body would have had us abdicate our responsibility to deal with the compensation rates by telling the Administrator of Veterans Affairs to wait until the amount of the Social Security increase is determined later this month and use the percentage of the increase of that program for the veterans' COLA. The committee has considered at various times the question of indexing rates but it was rejected. We feel that an annual, or more often as necessary, review of the compensation program is essential. That philosophy is shared by the veterans' organizations and I am glad that we were able to convince the other body that we should use our best judgment on what the inflation-offsetting increase should be.

The compromise agreement also contains a 10-percent cost-of-living increase effective October 1, 1984 for the vocational training program for service-connected veterans chapter 31, the GI bill for Vietnam veterans chapter 34, and in the educational program for dependents and survivors chapter 35. These programs have not been increased since January 1981.

The veterans readjustment appointment authority, which authorizes departments and agencies to make excepted appointments in the Federal civil service for certain Vietnam era and disabled veterans, expired September 30, 1984. The life of the program will be extended through September 30, 1986 under the compromise agreement. It would also increase the grade to which a person may be appointed under this program from a maximum of GS-7 to GS-9 or its equivalent. Under the bill as passed by the House, the 14 year educational restriction for eligibility under the program would have been eliminated, but the other body rejected this particular section. Under the House plan, a Vietnam veteran who graduates from college and is seeking a job in the Federal Government could have been hired under this authority. Because of the educational restriction of 14 years, he cannot be selected by a department of agency under the VRA. It is unfortunate that the other body feels that a college educated Vietnam veteran should not have preference for a Federal job under this program.

Mr. Speaker, one of the highlights of the compromise agreement is the program to provide-vocational training for younger pensioners. This program is designed to assist primarily young Vietnam veterans who become totally disabled after leaving service. As passed by the House, H.R. 5688, a 5 year pilot program would be established and would be limited, during the pilot phase, to veterans who have just become entitled to pension. By design, this program would contact individuals who have just become disabled, sometimes catastrophically and newly eligible for non-service-connected pension, and offer them counseling and assistance. For example, If a young truck driver becomes paralyzed from an accident and is confined to a wheelchair, he is more than likely emotionally distraught because of the overwhelming nature of his physical problems. By offering professional counseling, plus the opportunity to participate in a program of rehabilitation and training, the committee believes that the prospects for such veterans to be restored to a significant level of productivity and self-reliance will be of inestimable value. The Veterans Administration and the Congressional Budget Office agree that in the long run, this program will be a cost savings with the investment in counseling and training being offset many times over in the future when the veteran begins to work and no longer receives pension.

I am glad to say the Senate accepted our proposal in principle. Some modifications were made but the essential elements in the House bill are retained. The committee is aware that the numbers of potential trainees is limited, but whether we retrain 10 or 10,000 veterans, each one will be a testimonial to the efficacy of the program and its motives, which is to help restore disabled veterans to a productive place in society.

Mr. Speaker, I am most disappointed in the action of the other body in refusing to accept our provision to increase the maximum amount of servicemen's group life insurance from $35,000 to $50,000. For some reason, they insisted on limiting the increase to individuals with a minimum of 5 or more years service.

I want to point out that in the tragic events last year in Beirut and Grenada, 198 servicemen who died had less than 5 years service. Of this group 53 were survived by a widow and/or children.

I do not see how the other body could justify their position that the widow of a marine with 5 years and 1 month of service is more deserving of an extra $15,000 insurance than the widow of another marine who had only 3 years of service. Under their proposal, a reservist with 5 years of service would have the maximum protection whereas an active duty serviceman, often serving in hazardous duty assignments, would be denied the same level of insurance protection. Where is their sense of priority?

It is with the utmost reluctance that I go along with the deletion of the insurance provision from the compromise. I can assure you that my subcommittee will be considering this issue again next year. Perhaps by that time, the other body will have seen the error of their ways or else can expand on the position attributed to the Chairman of the Senate Veterans' Affairs Committee that he is concerned about the contingent liabilities during wartime.

This can only mean that if, note I said if, we have another war, the other body wants the younger members of our Armed Forces, who traditionally suffer the higher rate of casualties fighting wars, to have less insurance

protection than older individuals who have served for 5 or more years.

Mr. Speaker, does the other body know something about the prospects of war that we don't know? After all, the present administration endorsed the house provision to make the increase available to all members of the all volunteer force. Why is the Senate at odds with the White House on this matter?

I just want to say that I plan to sponsor this same legislation next year and I hope to be able to explore with the Senate leadership the logic and rationale for their opposition to this measure. The action of that body carries the clear implication they are either concerned about the possibility of another major conflict or that they consider the life of younger servicemen to somehow be less worthy than older career service members. The Members of this House and the citizens of this country deserve an answer.

Mr. HAMMERSCHMIDT. Mr. Speaker, further reserving the right to object, I yield to a member of the committee, the gentleman from Alabama [Mr. SHELBY].

Mr. SHELBY. I thank the gentleman for yielding to me.

Mr. Speaker, I rise in strong support of the conference agreement.

Mr. Speaker, there are many good provisions contained in this agreement, and I wish to commend the chairman of the committee, Hon. G.V. (SONNY) MONTGOMERY and the ranking minority member, Hon. JOHN PAUL HAMMERSCHMIDT, for their efforts in resolving the differences between the House and Senate-passed bills so quickly in view of the fact that the Senate only passed their bill, S. 2736, on Tuesday.

This measure will assure a well-deserved cost-of-living increase to those veterans who were disabled while serving their country. In addition, I am particularly pleased that specially adapted housing benefits will be increased from $32,500 to $35,500 for wheelchair homes and that the specially adapted housing allowance grant for certain service-connected blind veterans and service-connected veterans who have suffered the anatomical loss or loss of use of both hands to make necessary adaptations to their homes will be increased from $5,000 to $6,000 effective January 1, 1985.

The objective of the wheelchair grant is to help offset the increased costs incurred by catastrophically disabled service-connected veterans in acquiring a home with ramps, wide doors, specially placed light switches, special plumbing fixtures, and so forth. At the time this program was created, it was the congressional intent that this grant provide 50 percent of the total cost borne by the veterans. It our understanding that the average grant currently provided a veteran represents 37 percent of the funds necessary to obtain a specially adapted House. This falls far short of the intended 50 percent ratio. It should also be emphasized that the smaller $5,000 grant has not been adjusted since its creation by the Congress in 1980; and that consequently, there have been several instances where it has not been adequate to meet the needs of these severely disabled veterans.

I am disappointed that the Senate did not accept the House-passed provisions on upright gravemarkers in our national cemeteries. Flat markers in areas subject to heavy snowfalls are sometimes not visible for long periods of time and this makes it difficult for survivors to find the graves of their loved ones. It is my belief that we should institute an upright headstone policy as this will serve to enhance the dignity and beauty traditionally associated with our national cemeteries which were originally established to commemorate the sacrifices of those who died while serving their country.

I am also disappointed that the Senate did not accept our provision to increase the loan guaranty limitations under the Veterans Administration Housing Programs. Not only is there a growing number of areas nationwide where the Veterans Home Loan Guaranty Program is being outpriced by housing costs, but the price of a median home has risen approximately 24 percent since the last increase in guaranty in 1980. My subcommittee will look into both of these matters again during the next Congress.

Again, I wish to compliment the chairman of the full committee, Mr. MONTGOMERY and the ranking minority member, Mr. HAMMERSCHMIDT for their untiring efforts in behalf of veterans not only this week but at all times. It should be noted that this is the third veterans' compromise bill in the last 3 days. These members should be recognized for their diligency, perseverance, and hard work.

Mr. HAMMERSCHMIDT. Mr. Speaker, the bill before us is concerned with a number of issues of great concern to veterans. In a number of instances they are involved with increases in benefits in direct proportion to increases in the consumer price index since the matters were last considered by the Congress. The increases are modest and I think we can all be pleased that this is so because of the very limited increase in the cost of living over the past 3 years.

On May 21, the House passed H.R. 5617 which was involved with housing, memorial affairs, and a limited extension of the emergency veterans jobs bill. On June 18, the House passed H.R. 5688, the Veterans Compensation Amendments for Fiscal Year 1985. On August 6, 1984, we passed H.R. 5398 which increased the rates of educational allowances under the GI bill and extended and liberalized for 3 more years the authority for Vietnam veterans to be directly appointed to certain positions in the Federal work force.

The other body has chosen to incorporate all of this subject matter into the omnibus bill which is now before us. It contains a number of compromises which I believe to be very reasonable and necessary if we are to have a final bill before adjournment.

H.R. 5617 provided for increasing loan guaranty maximums under the GI Home Loan Program from $27,500 to $30,000; increasing maximum guarantees for mobile home purchases from $20,000 to $22,000; increasing from $32,500 to $35,000 grants for specially adapted housing for seriously disabled veterans, and increasing from $5,000 to $6,000 housing allowances for certain blind and other seriously disabled service-connected veterans.

In this same bill, we also provided for upright grave markers in national cemeteries in certain instances.

The provisions for increases in GI home loan guarantees and the use of upright gravemarkers and National Cemeteries are not in the bill before us but the other provisions are, but with effective dates somewhat changed.

The principal provision of H.R. 5398 provided a 15-percent increase, effective January 1, 1985, for those veterans and dependents in training under the GI bill or in rehabilitation training. The compromise bill before us calls for a 10-percent increase effective October 1, 1984.

The principal provision of H.R. 5688 provided for a 4.3-percent increase in compensation for service-connected disabled veterans, their dependents and survivors. The compromise provides for a 3.2-percent increase and is in accord with the latest projected Consumer Price Index which was the base originally used by the House.

Mr. Speaker, other provisions in this proposal provide:

First, an increase in automobile grants for amputees and certain other disabled veterans.

Second, possible rehabilitation programs for a limited number of pensioners and for some veterans rated totally disabled as a result of VA findings of unemployability.

Third, approval of an extension of the authority to appoint Vietnam veterans to Federal positions for 2, instead of 3, years and without one liberalizing provision previously contained in the House version.

Mr. Speaker, reasonable people have come to a reasonable agreement on this compromise. In my view, it is a good proposal. I therefore join my dis-

tinguished chairman in urging its passage.

Mr. Speaker, our chairman, the gentleman from Mississippi, SONNY MONTGOMERY, has worked tirelessly on this bill as have all members of the House Veterans' Affairs Committee. I would commend especially Mr. APPLEGATE of Ohio, Mr. MCEWEN of Ohio, Mr. LEATH of Texas, Mr. SOLOMON of New York, Mr. SHELBY of Alabama, and Mr. SMITH of New Jersey. They are the chairmen and ranking members of the involved House subcommittees. I also commend the chairman of the Senate Veterans' Affairs Committee, Senator SIMPSON of Wyoming, and his counterpart, Senator CRANSTON of California.

Mr. Speaker, any compromise involves give and take. This bill before us has had much study, and much such give and take. I urge agreement with the chairman's request for its approval.

● Mr. LEATH of Texas. Mr. Speaker, I rise in support of the amended legislation which we are now considering.

Title II of H.R. 5688, amended, contains provisions of H.R. 5398, the Veterans' Education and Employment Amendments of 1984, which passed the House on August 6, 1984. I introduced H.R. 5398 following hearings held by the Subcommittee on Education, Training, and Employment, which I have the honor to chair. The compromise reached with the Senate on these provisions is not all that we had wanted, but agreement is a reasonable one which will serve well our Nation's veterans.

First, we agreed to a 10-percent increase in GI bill benefits and vocational rehabilitation rates effective October 1, 1984. The House-passed bill would have provided a 15-percent increase effective January 1, 1985. The compromise position is a smaller increase but it has the advantage of being available to veteran students sooner and has considerable savings in the outyears. These education benefits were last increased in 1981 by Public Law 96-466. Considering the increase in the cost of living and education since that time, this rate increase is necessary and appropriate.

Next, the compromise agreement provides that the Veterans Readjustment Appointment [VRA] Program, which allows certain eligible Vietnam-era veterans to be given excepted appointments in the Federal civil service, will be extended 2 years beyond its current expiration date of September 30, 1984, to September 30, 1986. Extension of this highly successful program has been supported by all of the veterans organizations and the Office of Personnel Management. The maximum grade level for VRA appointments will be increased from the current GS-7 level to GS-9 or its equivalent under the compromise, thus broadening opportunities for veterans of the Vietnam era. The bill will also provide the same limited appeal protection to VRA appointees as is now given career or career-conditional employees during the first year of employment and require the OPM to report annually, rather than semiannually as at present, on agency use of the VRA-appointment program.

Since its inception, the VRA program has been a good example of our Government doing what it can as an employer to help Vietnam and disabled veterans. When we stop to realize that over 200,000 Vietnam veterans are Federal employees today, who otherwise might not have been, without the VRA authority, we understand what is meant when the VRA program is called one of the most successful programs Congress has enacted to help Vietnam veterans. In addition, the VRA program has not cost the Government one penny. No new or additional employees are authorized or needed by extending the VRA program. All the VRA authority does is provide another way for a Federal agency to hire a Vietnam veteran without going through the competitive process. No agency is obligated to use the VRA authority. It is a voluntary program. While the hiring results under this program have been impressive, we should also emphasize that this program is a good one for minorities and women. For example, the OPM's most recent data for the first half of fiscal year 1983 show that, of a total of 7,200 appointments, approximately 35 percent were minorities and 8 percent were women. The Department of Labor reports that 417,000 Vietnam veterans were unemployed as of August 1984, and that of this total, 9.7 percent of the younger Vietnam veterans—age 25-29—were unemployed. This is not good, and at least by extending the VRA program we will be helping a lot of these veterans become employed.

Finally, the bill will make improvements in the Emergency Veterans Job Training Act of 1983, Public Law 98-77. First, this legislation will extend from 60 to 90 days the period that the certificate of eligibility furnished to a veteran under this program will be valid. It will also extend from November 29, 1984, through February 28, 1985, the date by which an eligible veteran may apply for assistance under this program and from March 1 to September 1, 1985, the cutoff date for commencing training. Additionally, funds appropriated for fiscal years 1984 and 1985 will be available until September 30, 1987, rather than September 30, 1986. These changes will greatly enhance the effectiveness of EVJTA.

I want to take this opportunity to commend all the members of the Subcommittee on Education, Training, and Employment who worked so diligently to develop this legislation. Most particularly I want to thank the ranking minority member of our Subcommittee on Education, Training, and Employment [JERRY SOLOMON] for all his usual hard work and dedication to achieve the compromise on title II of this bill, and his cooperation and support on H.R. 5398 throughout this 98th Congress. I also want to thank Mr. MONTGOMERY, the chairman of our committee, and Mr. HAMMERSCHMIDT, the ranking minority member of our committee, for their leadership and assistance.

This compromise is a good one and I urge my colleagues to support it.●

Mr. HAMMERSCHMIDT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. Is there objection to the initial request of the gentleman from Mississippi?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just considered.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

LITHUANIAN INDEPENDENCE DAY

Mrs. HALL of Indiana. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 655) designating February 16, 1985, as "Lithuanian Independence Day," and ask for its immediate consideration in the House.

□ 1030

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentlewoman from Indiana?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 655

Whereas February 16, 1985, marks the sixty-seventh anniversary of the restoration of independence to the more than 700 year old Lithuanian state;

Whereas Lithuania was recognized as a free and independent nation by the entire free world;

Whereas a free Lithuania existed until she was by force and fraud occupied and illegally annexed by the Soviet Union in 1940;

Whereas the United States opposes tyranny and injustice in all forms and supports the cause of a free Lithuania;

Whereas all Americans of Lithuanian descent protest the Soviet presence in the land of their ancestors; and

Whereas the oppressed people currently living in Lithuania, who still aspire to exercise their right for self-government, should keep the flame of freedom forever burning in their hearts: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President shall issue a proclamation designating February 16, 1985, as "Lithuanian Independence Day" and calling on the people of the United States to celebrate such day with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL REYE'S SYNDROME WEEK

Mrs. HALL of Indiana. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 259) to designate the week of November 12, 1984, through November 18, 1984, as "National Reye's Syndrome Week," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentlewoman from Indiana?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 259

Whereas Reye's Syndrome is a disease of unknown cause that usually attacks healthy children under nineteen years of age and kills or cripples more than half of the victims within several days;

Whereas Reye's Syndrome is one of the top ten killers among all diseases of children;

Whereas Reye's Syndrome was a misdiagnosed illness of children until recognized as a specific illness in 1963;

Whereas the reporting of cases of Reye's Syndrome is required in only one-half of the States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the other territories and possessions of the United States;

Whereas national Reye's Syndrome volunteer organizations are established throughout the United States and are supported by thousands of parents;

Whereas such volunteer organizations exist to encourage involvement of the Federal Government in supporting Reye's Syndrome research, to encourage coordination of the treatment and research efforts by the various Reye's Syndrome treatment and research centers, to establish Reye's Syndrome as a reportable disease in every State, to establish a porition for the review of data on Reye's Syndrome patients at the Center for Disease Control, to sponsor a multicenter research study by recognized authorities on Reye's Syndrome, to sponsor programs to educate parents and medical professionals with respect to diagnosis and treatment of the illness, and to raise funds for research into cause, prevention, and treatment of Reye's Syndrome;

Whereas the public and the Federal Government are not sufficiently aware of the continuous increase in the incidence of Reye's Syndrome; and

Whereas the Governors of several States have declared Reye's Syndrome weeks: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of American in Congress assembled, That the week of November 12, 1984, through November 18, 1984, is designated "National Reye's Syndrome Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. HALL of Indiana. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 655 and Senate Joint Resolution 259, the joint resolutions just passed.

The SPEAKER. Is there objection to the request of the gentlewoman from Indiana?

There was no objection.

DEMOCRATS REJECTING MONDALE'S PLANS

(Mr. HYDE asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, if anybody is looking for a good investment, I would suggest teflon stock, because there is a great need for that product among Democratic candidates seeking to avoid having Walter Mondale stick to them.

For example, in Illinois PAUL SIMON, my good friend who is running for Senate, announced last Sunday that he was rejecting the Mondale deficit reduction plan, so I would suggest a series of debates between PAUL SIMON and Walter Mondale throughout Illinois so they can establish an appropriate deficit reduction plan.

I would also suggest those debates be moderated alternately by Mayor Harold Washington of Chicago and Eddie Verdoliak, the Democratic county chairman. They could use different doors for coming in and out so they would not have to speak to each other, and the theme could be unity.

INTERNATIONAL HONOR FOR CLAUDE PEPPER

(Mr. HAMMERSCHMIDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAMMERSCHMIDT. Mr. Speaker, I take this time to inform my colleagues of the great honor bestowed on CLAUDE PEPPER who, among his other many activities, serves as president of the U.S. Group to the Interparliamentary Union. At the meeting that just concluded last week in Geneva, our distinguished president was elected to the executive committee of the IPU. He thereby will work with a select group of 10 other representatives chosen from the over 100 countries that are members of that organization.

During the campaign for this office of high prestige and influence in the IPU, those of us who worked on behalf of Congressman PEPPER's candidacy were extremely impressed with the broad international recognition and respect he has gained. The affection of so many delegates from Asia, Africa, Europe, Latin America, and from all regions of the world was moving to behold. It is apparent that CLAUDE PEPPER, besides his other acknowledged achievements, is an international statesman whose warmth of personality and intelligence and wit have charmed men of responsibility and influence throughout the whole world.

This country is so much better regarded overseas because CLAUDE PEPPER is himself overseas and demonstrating by his own example the best qualities of the people of this land.

TOUGH STAND NEEDED ON WATER PROJECT AUTHORIZATION

(Mr. HUCKABY asked and was given permission to address the House for 1 minute.)

Mr. HUCKABY. Mr. Speaker, as the 98th Congress is drawing to a close, we all know one of the issues that we are hung up on is this authorization of new water projects.

I would like to point out to my colleagues, during the 8 years that I have been here, not a single new dam, not a single new levee, not a single new port, no water project has been authorized.

Sure we are talking about billions of dollars but we are talking of money that will be spent over some 20 years and these water projects create wealth, wealth for our Nation, not only that we but future generations will enjoy.

I urge our colleagues in the House, let us stand tough on this issue. Let us

insist that these authorizations be included.

I would like to point out to the President, we are hearing rumors that this might be used to veto this bill. The President has promised numerous locations in the last 3 years that have been ravaged by floods that he would help them. We are going to have to authorize these projects in order to get that help.

WASHINGTON POST ARTICLE GOES TOO FAR

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, I would like to express my absolute disgust at an article by Art Harris appearing in the Washington Post yesterday, October 4, 1984, entitled "The Sandinista Sister-in-Arms."

In covering the visit of admitted murderess Nora Astorga, the heroine of the Communist movement in Nicaragua, as she preached the virtues of her bloodthirsty regime at liberal cocktail parties throughout the country, the article was sufficiently lacking in taste as it described the various versions of how she slit the throat of her lover in her bedroom.

But when it quoted one Susan Horowitz, whom Harris describes as "a stunning, intelligent looking woman with long brown hair," and "a political activist who champions liberal causes," as saying "Oh, God, * * * to try to get the guy in bed, and then kill him. Fantastic. It's like a western. That's my dream, to do that to Reagan, George Bush, go right down the line. I've got to meet this Mata Hari."

Mr. Speaker, this is too much, even for the Washington Post.

REAGAN SPEAKS OF JOHN KENNEDY

(Mr. ROEMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROEMER. Mr. Speaker, Ronald Reagan is talking John Kennedy. The pollsters show we Democrats are losing this national election by a large margin and there are 100 or more theories as to why. Ronald Reagan knows. That is why he is talking John Kennedy.

I am a John Kennedy Democrat. He was a leader; balanced the budget, cut taxes, had a hands-on foreign policy; believed in a strong national defense, was dedicated to arms control, kept his religion and his administration both apart and important; refused to walk away from Central America and was fiercely aggressive on civil rights.

John Kennedy, 21 years gone and I still miss him. So does my party. Ronald Reagan talks John Kennedy because when he does, he is speaking to America's heart and hopes.

I do not know whether President Reagan really believes in John Kennedy. I know he does not practice all his political virtues, but I say this publicly to my party and my leadership. It is time to talk positive about America, to talk small business and jobs, low interest rates and high opportunity. It is time to talk John Kennedy. He is the heart of our party. Let us hear the heart beat.

□ 1040

LET CONGRESS FACE BANKRUPTCY, NOT THE FEDERAL GOVERNMENT

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. BILIRAKIS. Mr. Speaker, I do not believe that this is a proud moment in the history of the U.S. Congress.

Once again, we have literally brought the Government to a halt. Once again, we have been unable to complete action on important appropriation bills, and to provide some fiscal guidance and sanity to this country.

Yet, ironically, we approve our own budget nearly 3 months ago.

Yes, Mr. Speaker, we made sure that Congress could function, that we could pay our bills, pay our staffs, keep the lights on—while we let the rest of the Federal Government face bankruptcy.

Well, I think we should change this sad state of affairs.

So today I am introducing a resolution that would require the House and the Senate to approve all general appropriation bills for the upcoming fiscal year before it would be in order to consider the legislative branch appropriation bill.

My intent is simple—let Congress face bankruptcy, not the Federal Government. Let Congress, for a change, be forced to go home early, to see its paychecks in jeopardy, its future uncertain.

Maybe then we would have some incentive to reach agreement on appropriation bills. And maybe then, we would really deserve our own pay.

"SHOOT MYSELF IN THE FOOT AWARD"

(Mr. BREAUX asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BREAUX. Mr. Speaker, every now and then I think some one in our Government, including those of us in this body, probably does something that justifies the "Shoot Myself in the Foot" award.

I noticed recently that the Assistant Administrator for the National Marine Fisheries Service, the person who is the head of all of our fishing operations for the United States, received the Henri Pettier Award, which is the highest award the country of Venezuela can possibly bestow on any civilian.

Do you know what he was given it for? It was given to our Assistant Fisheries Administrator for going over and giving them the technology and the training and the know-how to raise shrimp. Venezuela last year exported $1.8 billion worth of shrimp to the United States. We have literally thousands of people involved in the shrimp industry in this country who are going broke, and at the same time our country is sending, at no cost to the Venezuelan Government, the technology and the training to help them become more efficient to compete with our fishermen.

I would suggest instead of that award, perhaps we should consider giving him the highest award, the "Shoot Myself in the Foot Award" for foolish and wasteful U.S. Government policy.

ADDRESSING THE NEEDS OF THE PHILANTHROPIC COMMUNITY

(Mr. DAUB asked and was given permission to address the House for 1 minute and to extend his remarks.)

Mr. DAUB. Mr. Speaker, yesterday, Mr. CONABLE and I introduced H.R. 6388 which will modify in some measure existing restrictions governing charitable contributions, make some technical corrections to alleviate unintended detriments in this area, and bring the nonprofit community into a "pay as you go" situation with respect to the private foundation taxes and the unrelated business income tax. The bill also proposes a set of user fees which the Internal Revenue Service will administer in connection with applications for exempt status and other ruling requests as well as for the filing of the exempt organization information return.

The bill is introduced at this time so as to give organizations which may be interested in it an opportunity to look at the tax, economic, and philanthropic policies behind the provisions, and discuss and debate them, evaluate the pros and cons of the various provisions and determine if they will significantly assist the philanthropic community or represent, in connection with the payment of estimated taxes, an unnecessary burden. Nothing in the bill should be treated as final in the sense that it is not subject to some form of further review and revision, by interested Members, by our staff, by the

Treasury Department or the interested or affected communities. Indeed, it is expected that when Congress reconvenes in January of 1985, there may be additional liberalizations of the laws now governing charitable giving to take into account the new ideas and suggestions by the philanthropic community which were triggered by the proposal made today.

Although Mr. CONABLE and I recognize that several of the proposals in this bill were discussed and debated during the Congress' consideration of the Deficit Reduction Tax Act of 1984, and indeed versions of several of the proposals were adopted by one House or the other, the time pressures, coupled with the political and economic considerations inherent in passing a compromise version of that act, led to the situation where some of these recommendations were not approved by the conferees.

By reintroducing some contribution enhancement measures, and offering new ones, we hope that the Congress will find the time to address, next year, many of the needs of the philanthropic community which were omitted in its recent tax bill.

SPECIAL NEEDS OF SMALL BUSINESS

(Mr. FORD of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FORD of Tennessee. Mr. Speaker, I rise to call the attention of the Congress to the special needs of small business. More than any other economic segment, small business is the driving force of continuing economic growth and prosperity. Small business is the leader in new job formation, creating more than 2.6 million new jobs in 1981 and 1982.

Mr. Speaker, this week I introduced the small business Consumed Income Tax Act of 1984, H.R. 6376, which would reform the corporate income tax imposed on small business. The act creates a new IRS subchapter W, under which small companies could voluntarily elect. Those companies would be exempt from the corporate income tax for 10 years. But the companies' shareholders would be taxed at individual rates for corporate income distributed to them or used by the company in nonbusiness assets.

In this way, Mr. Speaker, small companies would retain their income to finance expansion and growth, and contribute to the economy. Small business has great potential to redress urban unemployment problems. Small business can help with job expansion. Small business can help with unemployment as well as underemployment. I view this effort as not just help to small business owners but rather also a way to help put our citizens back to work.

Finally, Mr. Speaker, I invite the comments of small business persons as well as others interested in basic tax reform. I am not wed to the numbers or the definitions in this bill. They are subject to change based on revenue projections, job creation projections, and the comments I receive over the adjournment. So I urge my colleagues to review the legislation, discuss it with your small business constitutents and let me know your opinions.

CRACKDOWN ON HEROIN TRAFFICKING

(Mr. OXLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OXLEY. Mr. Speaker, I was pleased to read recently that Federal law enforcement officials, as the result of a new Extradition Treaty with Italy, have begun to arrest a number of high-level organized crime figures sought by the Italian Government in a crackdown on heroin trafficking and other racketeering operations.

According to Attorney General William French Smith, this case is "the largest heroin operation that has ever been broken in this country" and is more important than the famous French Connection heroin case because "we were able to arrest the very top leaders of these criminal syndicates and * * * interfere substantially with drug trafficking networks that bring heroin into this country."

The joint working group was formed last year by President Reagan and Italian Prime Minister Bettino Craxi as part of a new drive against organized crime in both countries. I applaud the administration and the Italian Government for initiating this important effort to help stamp out international drug trafficking and the mob's involvement in it.

REPUBLICANS WORSHIP DEAD DEMOCRATS

(Mr. BRYANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRYANT. Mr. Speaker, I heard earlier today the gentleman from Illinois [Mr. HYDE] talk about the price of teflon stock, and I agree with him that it has gone up, but it has gone up not because of Democrats trying to hide from Walter Mondale. We are proud of Walter Mondale. It has gone up because Republicans are trying to hide from their own heritage.

I ask the Members of this body and the public: Who is it that the Republicans talk about in this election year? Do you hear them talk about Coolidge, Hoover, Nixon or Agnew? Absolutely not. Do you ever hear them talk about any Republican hero? Absolutely not. You do not hear them talk about that.

You hear them talk about Franklin Roosevelt, Harry Truman, John Kennedy, and Hubert Humphrey.

I suggest to my colleagues that Walter Mondale showed his innate wisdom and ability to perceive the true movements in this country when he observed the other day that the new definition of a Republican is a person who worships dead Democrats. And they have to be dead because the live ones they worship, or would try to get away with worshiping, might talk back.

□ 1050

THE INHERENT STRENGTH OF THE FBI TRACED TO ITS PEOPLE

(Mr. BETHUNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BETHUNE. Mr. Speaker, I spent 4 years as a special agent of the FBI, and during that time I confirmed what I had believed all my life, and that is that the FBI is the finest law enforcement agency in the history of the world.

When I was in the FBI, I had occasion to meet some of the finest people I have ever known. They had gone through the most intensive background investigations; they were dedicated men and women. I do not have to recount all the cases that have been solved by the FBI, either by the arrest of espionage agents in our country or in hijacking and skyjacking cases, where agents have put their lives on the line. It is the men and women of the FBI who are the strength of that organization.

Mr. Hoover used to say, when I was an agent in the Bureau, that it takes a lot of hard work and dedication to build up the FBI, but one man can bring it down. I do not believe that. I have never believed it. This incident the other day where the FBI had to arrest one of its own should not in any way impair the fine and honorable tradition of the FBI. I think it is a case where the exception proves the rule.

The FBI is strong, and it remains today the finest law enforcement agency the world has ever known. I think that people know that. The men and women who are in the FBI are the strength of the agency, and always has been.

One negative incident does not hurt the FBI but it does reminds us of exceptional record of the organization.

TOO MANY GOODBYES AND NOT ENOUGH HELLOS

(Mr. KOGOVSEK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOGOVSEK. Mr. Speaker, it is with very deep and mixed emotions that I address this body one last time. While it is hard to find the words to express my feelings today, it would be even harder to say nothing.

I truly believe that if there is one body in the history of the world that epitomizes the phrase "Government of the People," it is the U.S. House of Representatives. No other forum fulfills the responsibilities of a representative democracy, by being as close or as responsive to the people as does this one. To state that it has been a privilege and an honor to have been a part of that, understates my true feelings. This has been an experience I will treasure for the rest of my life.

To my colleagues here in the House, thank you all for the consideration and courtesies that you have shown me and in turn my constituents—you are living proof that this system does work, and I leave here secure in the knowledge that it will continue to work better than all others.

To the people of Colorado, my bosses, thank you for having given me the honor of being your servant. You have proved to me time and again that it is your counsel and your support that has made this country what it is.

Charlie Brown of the comic strip "Peanuts" probably expressed my feelings at this moment best when he said, "The trouble with this world is that there are too many goodbyes and not enough hellos"—while I am looking forward to the hellos to my family and friends back in Colorado, the goodbyes that must be done this week to my very special friends here in Congress are some of the hardest I've ever had to do.

NO, FAMILY FARMERS ARE NOT BETTER OFF TODAY THAN 4 YEARS AGO

(Mr. DORGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN. Mr. Speaker, Will Rogers said years ago that if one day all the accountants and attorneys in the country did not show up for work, it might not be a very big thing, "but," he said, "if one day all the cows in America didn't come to the barn to be milked, now, that would be a crisis."

What he had in mind was that the people who produce real new wealth in this country, the family farmers, are critically important.

I know that Ronald Reagan one of these days soon is going to ask, "Are you better off today than you were 4 years ago?" Well, the answer in the Farm Belt is "No."

Prices are down nearly $1 a bushel, interest rates are still up, and we have lost about 1,000 farmers a year in my State.

No, farmers are not better off than they were 4 years ago, and in this administration where cash is king and the lawyers, the accountants, and all the rich folks have done very, very well, farmers are losing their heritage. They are losing the homestead their grandfathers started, their fathers worked, and they have been trying to work for years. I think it is awfully sad.

What I am just saying is that it is time for this Congress and for the President to start caring about the fortunes of family farmers or one day soon we will not have enough family farmers left to care about. Family farming is critical to the future of America. We have to understand that and develop a public policy that allows those who are good managers a reasonable chance to make a decent living.

CRIPPLING UTILITY BILLS REMAIN NO. 1 ISSUE IN PARTS OF THE NORTH AND MIDWEST

(Mr. DURBIN asked and was given permission to address the House for 1 minute.)

Mr. DURBIN. Mr. Speaker, at more than 106 town meetings in central and western Illinois over the last 2 years, the No. 1 issue has been, over and over again, utility bills.

Earlier this year I wrote a letter to the President asking him to include in his State of the Union Address some reference to the utility costs facing Americans today, particularly in the North and the Midwest, and the skyrocketing natural gas rates that are crippling many parts of the country. A spokesman for the White House wrote back, after the President failed to mention either of these topics in his State of the Union Address, and assured me that natural gas reform was the President's highest legislative priority.

Today I stand in the well of this House of Representatives at the close of the 1984 session with absolutely nothing having been done or accomplished over the past 2 years to try to moderate the utility bills which are facing us in the Middle West.

It has been a great victory for the oil and gas lobby. They have kept their profits high, but at our expense, and this has been due to a real lack of Presidential leadership and even congressional leadership to address this important issue.

Many of us now have to return to our districts and face the senior citizens, the small businessmen, and thousands of families who will be receiving these utility bills over the next several months and trying to find some way to make ends meet.

Mr. Speaker, whoever is elected President on November 6, I hope the next State of the Union Address does include reference to this important issue for the Middle West, and that we in Congress will adopt an attitude that we have to do something about the need for utility reform in this country.

OCTOBER 11 MARKS CENTENNIAL YEAR OF BIRTH OF ELEANOR ROOSEVELT

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. LEVIN of Michigan. Mr. Speaker, October 11, when we presumably will be out of session, will mark the centennial year of Mrs. Eleanor Roosevelt's birth.

Mrs. Roosevelt accomplished a rare feat. She was both a vital part of her own time and ahead of her time. She challenged the world as it existed around her, and at the same time she was an advance guard in the struggle of women for equal opportunity in our society.

As a student, I had a chance to meet Mrs. Roosevelt on several occasions. Sensitive, caring, curious, forceful, articulate, she continued to blossom in her later years, showing that the needs of greatness never cease to bear new fruit.

Mr. Speaker, on October 11 all of us should pause to remember Eleanor Roosevelt.

CONFEREES FINISH WORK ON LANDMARK CRIME LEGISLATION

(Mr. HUGHES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUGHES. Mr. Speaker, we have heard a great deal of political rhetoric this year about crime. It is unquestionably one of the top concerns of the people of America. However, crime is a bipartisan issue. It knows no political boundaries.

I am happy to report that at about 1 o'clock this morning House and Senate conferees on the continuing resolution and members of the House and Senate Judiciary Committees worked out a crime package that, in my judgment, if it moves through the balance of the legislative process as I believe it will, will be the strongest crime bill we have passed in a long time—certainly the strongest in the last 25 years.

The legislation has about 55 different sections amending and adding various sections to the Criminal Code, strengthening measures aimed at drug

trafficking, the forfeiture of their assets, new investigatory and prosecutorial tools for the law enforcement community, initiatives directed at those engaged in trademark counterfeiting, money laundering, racketeering, credit card fraud, and computer crime. A new law aimed at career criminals, and a major revision of our sentencing and bail procedures. The measure also has a major anticrime program for State and local law enforcement agencies.

It does much more, Mr. Speaker, but time does not permit me to go on.

Mr. Speaker, I think this is a work product that we can be proud of. It is a bipartisan work product, and it proves that if we put the rhetoric aside and get down to the serious business of enacting crime legislation, we can do it.

Mr. Speaker, I am proud of this omnibus crime bill and recommend it strongly to my colleagues in the House.

□ 1100

WHY IS THIS PRESIDENT SO POPULAR?

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, unemployment dropped again today. The figures are out and more people are working than were working last month and that certainly is good news for the economy. It is the kind of good news that is propelling President Reagan's reelection effort.

Many Democrats are looking around and saying, "Why is this President so popular?"

Well, he is popular because people are going back to work.

He is also popular because those same people who are now working here, Walter Mondale is telling them that he wants to take $157 a month more out of their take-home pay for additional taxes.

The American people are smart. They are smart enough to know that they want to keep a President who has put them to work and smart enough to know that they do not want a President who is going to take away the take-home pay that they are earning at that work.

AUTHORIZING PRINTING OF REVISED EDITION OF "HANDBOOK FOR SMALL BUSINESS"

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 140) authorizing the printing of a revised edition of the "Handbook for Small Business" as a Senate document, and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 140

Resolved by the Senate (the House of Representatives concurring), That a revised edition of Senate Document Numbered 96-44, entitled "Handbook for Small Business", explaining programs of Federal departments, agencies, offices, and commissions of benefit to small business and operating pursuant to various statutes enacted by the Congress, shall be printed with illustrations as a Senate document; and that there shall be printed six thousand additional copies for the use of the Senate Committee on Small Business, and three thousand additional copies for the use of the Committee on Small Business of the House of Representatives.

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. GAYDOS] is recognized.

Mr. GAYDOS. Mr. Speaker, Senate Concurrent Resolution 140 authorizes the printing as a Senate document of the revised edition of Senate Document No. 96-44, entitled "Handbook for Small Business" with illustrations. This publication, prepared by the Senate Committee on Small Business explains programs of Federal departments, agencies, offices, and commissions of benefit to small business and operating pursuant to various statutes enacted by the Congress. The concurrent resolution provides that the usual number of 1,500 copies shall be printed pursuant to the requirements of the applicable statute, section 701 of title 44 of the United States Code. In addition, it provides that 6,000 copies shall be printed for the use of the Senate Committee on Small Business and that 3,000 copies shall be printed for the use of the House Committee on Small Business. The estimated cost of printing, provided by GPO, is as follows:

Usual number of 1,500 copies (statutory requirement)	$36,545.09
Additional 9,000 copies	12,916.35
Total cost	49,461.44

This revised handbook would be the fifth edition to be printed by the U.S. Senate. The last edition was printed in 1979 and its supply has been exhausted for several months due to the widespread demand for this publication.

The "Handbook for Small Business" has been shown to be a valuable informational resource for small firms with innumerable and diverse problems who are seeking Federal assistance. The handbook is the only source available to a small business owner which provides a complete survey of all small business programs available in the Federal Government.

The SPEAKER pro tempore. The question is on the Senate concurrent resolution.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on Senate Concurrent Resolution 140, the Senate concurrent resolution just concurred in.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THREE-YEAR EXTENSION OF MAXIMUM EFFICIENT RATE PRODUCTION OF NAVAL PETROLEUM RESERVES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. BENNETT) laid before the House the following message from the President of the United States; which was read, and together with the accompanying papers, without objection, referred to the Committee on Armed Services.

(For message see proceedings of the Senate of today, Friday, October 5, 1984.)

PUBLIC BROADCASTING AMENDMENTS ACT OF 1984

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 592 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 592

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 607) to amend the Communications Act of 1934, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce, the bill shall be considered for amendment under the five-minute rule, and each section shall be considered as having been read. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, I yield the customary 30 minutes, for the purposes of debate only, to the gentleman from Tennessee [Mr. QUILLEN], and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 592 provides for the consideration of S. 607, the Public Broadcasting Amendments Act of 1984. The resolution provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary. It also provides that each section of the bill shall be considered as having been read for amendment.

This is an open rule allowing consideration of any germane amendment under the 5-minute rule. There are no waivers of points of order contained in the rule. Finally, the resolution provides for one motion to recommit.

Mr. Speaker, this authorization measure has followed an arduous path toward enactment. On June 15, 1984, the other body approved S. 2436, a 3-year authorization measure for the Corporation for Public Broadcasting and for the Public Telecommunications Facilities Program. A little more than a month later, on July 24, the House adopted H.R. 5541, which contained the same funding levels as S. 2436, on a vote of 302 to 91.

Following House passage, however, a unanimous-consent request to hook the House-passed bill to S. 2436 was objected to. Therefore, on August 8, a rule was adopted by the House to provide for the substitution of the House-passed text into S. 2436. The rule was adopted 324 to 89, and the substitution was subsequently approved by the House by voice vote. On the following day, August 9, the other body agreed to S. 2436 with the House amendment, and the measure was cleared for the White House.

The measure was vetoed by the President on August 29 for what he deemed to be unacceptable spending levels over the 3-year authorization period. In the veto message, the President indicated he could support the funding level contained in an amendment offered by Congressman OXLEY, which was defeated in the House on a vote of 176 to 217, and which I understand will again be offered to this measure.

The bill we will consider after adoption of this rule, S. 607, was unanimously approved by the other body on September 20. Under this open rule, the Members of the House will have a full opportunity to work their will on the measure.

Mr. Speaker, I believe it is important to note that S. 607 does represent a compromise between the bill earlier passed by the Congress, and the funding levels the President has indicated he finds acceptable. I know that the sponsors of this measure at both ends of the Capitol have worked long and hard on this legislation, and I regret that negotiations following the veto were not fruitful.

As we enter the final week of this Congress, it is imperative that we resolve this impasse. Quite frankly, my colleagues may be aware that I did support the Oxley amendment when this measure was first before the House. I intend to support S. 607, however, as I believe it embodies the elements of true compromise, a compromise I hope the White House will accept without the necessity of a congressional override of another veto.

I urge adoption of this open rule.

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, this is an open rule, as has been ably explained.

The bill itself authorizes $775 million in Federal funding for public broadcasting.

The President vetoed a previous measure which authorized $920 million.

Mr. Speaker, there will be an amendment offered by the gentleman from Ohio [Mr. OXLEY]. I urge adoption of that amendment, which reduces the funds for public broadcasting, but that can be debated on the floor of the House when the bill is considered.

Mr. Speaker, I know of no objection to the rule. I support it and urge its adoption.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. DERRICK. Mr. Speaker, I have no requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid upon the table.

The SPEAKER pro tempore. Pursuant to House Resolution 592 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the Senate bill, S. 607.

□ 1107

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 607) to amend the Communications Act of 1934, with Mr. KOGOVSEK in the chair.

The Clerk read the title of the Senate bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Colorado [Mr. WIRTH] will be recognized for 30 minutes and the gentleman from New Jersey [Mr. RINALDO] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Colorado [Mr. WIRTH].

□ 1110

Mr. WIRTH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of this bill.

We are once again debating the authorization level for the Corporation for Public Broadcasting.

I want to apologize to my colleagues for the fact that we are back here on this issue once again. I had hoped that legislation which was passed by a very broad margin in the House, and was passed unanimously by the other body, would put to rest once and for all the issue of the support of this Congress for public broadcasting. Unfortunately, that is not the case. The President has seen fit to veto this legislation, to veto the legislation authored jointly by Senator GOLDWATER and myself. He vetoed that about a month ago.

The President made the case that this was the place where we should draw the line, that this was the place where the budget should be cut back dramatically. Forget all of the other expenditures, of course. This is where the case was going to be made.

The case has been made. We have cut public broadcasting and cut it very significantly. Let me remind my colleagues once again of the numbers.

When Gramm-Latta passed in 1981, when Gramm-Latta passed, we cut the Corporation for Public Broadcasting by 40 percent. There was in 1981 a 40-percent cut in the authorization level for public broadcasting.

We thought at that point two things. One, public broadcasting should not be immune from cuts; and second, there should be perhaps greater efforts made by public broadcasting to go out and find outside support, to increase the number of participants in local auctions and so on, increase membership in public broadcasting stations, to increase corporate donations, to experiment with advertising. We went out after those cuts in 1981 and made every possible effort to find other support for public broadcasting.

The bitter truth is that significant additional outside support was not there. There was a very carefully done commission upon which two Members of the Congress sat, the gentleman from Iowa [Mr. TAUKE], and the gentleman from Washington [Mr. SWIFT] who were both on that commission attesting to and attempting to find and evaluate whether or not outside sources could be sharply increased. The broad conclusion which almost everybody shared was that those outside sources of income could not be found.

Based upon that, Senator GOLDWATER and I came back with the legislation which was vetoed by the President.

And what did that legislation do? What that legislation did was to bring the level of public broadcasting not above the 1981 levels, but only back to the 1981 levels, back to the 1981 levels. That was the legislation. This is in terms of buying power. That was the legislation vetoed by the President.

All we wanted to do was to get us back to where we were 4 years ago at a time when public broadcasting had grown very, very dramatically. The base of public broadcasting, the watching audience of public broadcasting, the responsibilities undertaken by public broadcasting have all increased very significantly, both for radio and television.

After the President's veto the negotiators on the Senate side attempted to sit down with the White House and work out an agreement on the numbers. The President insisted on his numbers and the Senate negotiators, led by our colleague from Arizona, could not come to an agreement. They then, therefore, came out with the levels we are talking about today in approving S. 607.

The numbers in S. 607 are the numbers that bring us up to 1977 in funding levels in purchasing power. All we are asking is that the levels of authorization for public broadcasting be returned to 1977.

The President vetoed 1981. We are asking for a return to the 1977 levels in terms of support for public broadcasting.

The amendment that will be offered by the minority today will bring the level of public broadcasting to 1975 levels. And there will be further amendment I believe offered by the gentleman from Minnesota that will take us back to 1973 or 1972.

What do we want to do in this institution with public broadcasting? Do we want public broadcasting to thrive? Do we want public broadcasting to grow? Do we want to just maintain where public broadcasting is, or do we want to effectively continue down the road of destroying public broadcasting?

I think overwhelmingly the Members of this institution have said over and over and over again that they want to support public broadcasting. We did so in the past. I would hope that we would do so again today by supporting the compromise put together again by Senator GOLDWATER, S. 607, which is before us today. I would hope that my colleagues would reject the amendments that will be offered on the minority side by I believe the gentleman from Ohio [Mr. OXLEY] and the gentleman from Minnesota [Mr. FRENZEL]. At least at the last sitting those were the amendments that were before us.

It is terribly important that we maintain buying power at least at the 1977 level.

There are a whole variety of other reasons for the support of public broadcasting. I will not go into them at this point. We will save those.

Again I would just remind my colleagues of where we are. We made significant cuts in public broadcasting. We cut it 40 percent in 1981. The bill the President vetoed just took us back to the 1981 buying power. The bill before us today returns us to 1977 buying power. The amendments which will be offered will take us to 1975 or 1973.

Please support S. 607.

Mr. Chairman, I regret that I am again taking the time of the House to consider an authorization bill for public broadcasting. But, S. 2436, legislation authored by Senator BARRY GOLDWATER and myself was recently vetoed by President Reagan. This legislation was a result of a bipartisan effort in both Houses of Congress to provide a satisfactory level of funding for our Nation's excellent public broadcasting system. The Senate passed it by voice vote, and the House passed it overwhelmingly by a margin of 302 to 91.

The vetoed legislation provided for the Corporation for Public Broadcasting to be funded at $238 million, $253 million and $270 million for fiscal years 1987, 1988, and 1989. the Public Telecommunications Facilities Program [PTFP]—providing grants to public TV and radio stations so that public broadcast signals can reach as many households as possible—would have been funded at $50 million, $53 million and $56 million for fiscal years 1985, 1986, and 1987.

These funding levels are clearly fiscally responsible in that they authorize the Corporation for Public Broadcasting to be funded by 1989 in real dollar terms at no more than the level it was authorized in 1983, which was set at $220 million. Moreover, these figures are based on assumptions that take into account all forms of non-Federal funding for the system. These other sources—underwriting, subscriber contributions, State and local grants—consitute 80 percent of public broadcasting funding and have already been factored into the equation in terms of how much Federal funding is necessary. In my view, the levels in S. 2436, which the President vetoed, are the absolute bare minimum needed to put public broadcasting on sound financial footing for the remainer of the decade.

The President's veto of the public broadcasting legislation poses a real threat to the future viability of the system. S. 2436 was vetoed by the President as a tactic to illustrate concern about the Federal deficit. Of course, it is ridiculous to even suggest that Federal support for public broadcasting has anything to do with the Nation's budget deficits when one considers that the cost of one B-1 bomber could fund a whole year of public broadcasting.

Senator GOLDWATER has recently introduced S. 607, a bill with lower funding levels than contained in the bill the President vetoed. The Senate passed S. 607 by voice vote on September 20. S. 607 authorizes $200 million for fiscal year 1987, $225 million for fiscal year 1988 and $250 million for fiscal year 1989 and funds PTFP at $25 million, $35 million and $40 million respectively for fiscal years 1985-87. These levels are not, in my view, adequate to meet the needs that the Congress has mandated that public broadcasting meet. For facilities, these levels are clearly inadequate to meet the critical upgrading and replacement of equipment that is necessary for millions of Americans to receive high quality service, or to receive any service at all.

However, I am supporting the S. 607 compromise in order to put an authorization in place before the 98th Congress adjourns.

The funding levels in S. 607 are $145 million less than the levels approved by the House in August. Much of the $145 difference would have gone directly to local stations to be used to produce local programming or to buy nationally produced programs. This amount of money will mean the difference between stations being able to afford to buy or produce many programs—and some shows such as "The Lawmakers," and "PBS Latenight," have gone off the air for lack of funding already.

If the levels contained in S. 607 are adopted, it would mean that, in terms of real purchasing power, the Corporation for Public Broadcasting would be authorized at the same level it was in 1977. These cuts are enough—Public broadcasting has already taken more than its fair share.

But the administration, through the Oxley amendment, would so turn back the clock that it would simply cripple this great national resource.

If these lower authorization levels are passed many other plans for programming may need to be shelved. For example, our original bill clearly provided the funding—$9 million—that is necessary for new episodes of "Sesame Street" to be produced, two-thirds of which are already reruns. The original bill also contained sufficient funding for allocation of the $25 billion in funding which will be necessary to produce programs to replace "The Electric Company," which has been in reruns for 7 years. A companion math series to the award-winning "3-2-1

Contact" may have to be scrapped for lack of money. These shows have been shown to add measurely to the education of children. Television is a critical educational tool for the Nation's youth. Production of children's programs on public television, which unfortunately is the only real source of enriching programming for youngsters, and has already suffered sharp cutbacks. The upcoming "Wonderworks," as well as "Reading Rainbow," programming aimed at teaching youngsters to read, have been cut 50 and 30 percent, respectively.

Public broadcasting has already endured massive cuts of about 40 percent put forth in 1981. Our original authorization measure was intended to restore these massive cuts, and was by no means seeking major increases as the President has contended.

The system is currently at a critical crossroads and is striving valiantly to fulfill its mission as a provider of diverse and excellent programming. The heart of the public television schedule, "Great Performances," "Frontline," and "Playhouse," which bring to millions of average American families a degree of cultural enrichment which they could not otherwise afford—have been cut.

Again, although these levels are insufficient, I have agreed to support the compromise bill introduced by Senator GOLDWATER, because I believe it is essential to put authorization legislation in place before the 98th Congress adjourns.

Earlier this week, the House-Senate Conference Committee on Labor-HHS appropriations approved funding of $200 million for CPB for fiscal year 1987. Again, this is the same level of funding for fiscal year 1987 that the Senate unanimously passed 2 weeks ago, and that I hope we will pass tonight.

Mr. Chairman, there is strong bipartisan support for substantial funding of public broadcasting, I urge my colleagues to expeditiously defeat any amendments to cut funding for public broadcasting that may be offered today. I urge my colleagues to quickly pass the S. 607 compromise so we can again attempt to address the critical issue of funding for public broadcasting.

Mr. RINALDO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I have listened with great interest to the agreements of my good friend, the distinguished chairman of the subcommittee, and I personally feel compelled to say that normally I would agree with those arguments. I supported the increases, as he well knows, in the original public broadcasting bill. I personally would prefer the $145 million increase as authorized in S. 607. I think the gentleman recognizes that fact.

But I also feel compelled in my capacity as the ranking minority member to lay the facts of this matter on the table for all of the Members to evaluate.

Yesterday I had the occasion to speak with representatives of the Office of Management and Budget, as well as other White House staff. On the basis of those conversations, I feel very strongly that S. 607, in its current form, would be vetoed. I cannot tell anyone here that I am completely 100 percent certain of that fact; yet, before we risk a veto, we should understand the difference between the funding in S. 607 and the Oxley amendment. It amounts to about $27 million a year for a 3-year period. That is roughly 3 percent of the budget for the Corporation for Public Broadcasting.

I have come to bat for the Corporation for Public Broadcasting time and time again. I support their programs. I feel that they do an excellent job in providing alternative television and radio to our citizens.

Yet, I also feel duty bound by the information which I received yesterday to try to prevent the supporters of the Corporation for Public Broadcasting from in effect cutting their own throats and having a bill passed which will be vetoed.

Let us assume that S. 607 passes this House and is vetoed. Where would that leave us?

Next year we are probably not going to even get the 15-percent increase that is provided in the Oxley amendment. In fact, we will probably be fortunate to keep the authorization level at its current level.

We can get at least half a loaf with the Oxley amendment. But, we must remember that we have good indications that we will lose even this were the bill to pass in its current form.

So we are faced with somewhat of a dilemma, and I think that all Members should be aware of that fact. We have to recognize that in this less than ideal world we have to look at the realities.

I do not feel that it is worth taking the gamble that the chairman of the subcommittee is asking us to take.

I do not have a crystal ball, so I cannot say with certainty that if we vote down the Oxley amendment, and the bill gets vetoed, that next year we will be able to get a better bill or any bill at all. I do not know what the complexion of the next Congress is going to be.

I favor public broadcasting. I favor maximum funding. But I think we would make a horrible mistake if we did not think this matter over very carefully, take a good hard look at the realities of the day, the position we are in, and the fact that the President of the United States could exercise a pocket veto, and the Corporation for Public Broadcasting could have more serious funding difficulties than they have ever had before in their history.

□ 1120

Mr. Chairman, I yield 5½ minutes to the gentleman from Utah [Mr. NIELSON].

Mr. NIELSON of Utah. Mr. Chairman, I rise in support of the Oxley amendment. I have always been a strong supporter of public television. As a member of the Utah State Legislature I was instrumental in providing State funding for public broadcasting. Since PBS is very important to rural States like Utah I have a great interest in seeing that public broadcasting continues to serve the people of Utah.

However, since I am a responsible Member of the U.S. Congress, I must oppose attempts to fund discretionary programs, such as public broadcasting, at budget busting and irresponsible levels. Even though S. 607 is a considerable improvement over the previously enacted legislation, it is still well above the 3-percent increase allowed by the budget resolution. Moreover, the previously enacted bill was vetoed by the President and there is every indication that if S. 607 is enacted, it will likewise be vetoed by the President.

The Oxley amendment would provide a reasonable increase of 15 percent for public broadcasting which is three times the expected rate of inflation and five times the amount called for by the budget resolution. In addition, it is the only way of ensuring that this authorization is not vetoed by the administration.

Wednesday on the floor of the House we heard a lot of speeches about how much everyone wants to see a balanced budget. Well, now is the time to put your money where your mouth is and enact a bill that would show some effort to control spending.

There was mention in the opening remarks and also in the "Dear Colleague" that the efforts were not successful in achieving broadcasting support outside the public sector. It has been recounted by the chairman of the subcommittee that in 1981 cuts were made in this and many other programs partly because we were cutting the budget in general and we did not feel public broadcasting should be exempt any more than any other agency.

The president of the Public Broadcasting System indicated he could get additional support in the private sector and he gave us a figure which he would be able to live with and that was the amount which was passed.

My colleague from Colorado [Mr. WIRTH] has indicated those results were not very successful.

Let me read just a few figures from Public Broadcasting's own reports of its revenues.

In 1981 the total amount received from all sources was $768,900,000 of which $162 million was from the Federal Government. In 1982 the revenue from the Federal Government went to $172,000,000 the revenue from individuals jumped from $130,800,000 to $160,200,000 and from corporations it went from $86,800,000 to $89,900,000 and the total was $827,100,000 which is a 9-percent increase in total revenues during that particular year.

In 1982–83 period, the Federal Government revenues dropped to $137 million, the cut referred to earlier. However, the revenue from individuals went from $160,200,000 to $196,200,000.

Corporations, challenged to increase their support, went from $89,900,000 to $120,800,000. The total revenue from all sources went from $827,100,000 to $897,200,000, again approximately a 9-percent increase. This is the time when inflation was running at less than half of that.

So the effort has been successful. Revenue from corporations and individuals has been very good.

I think the public broadcasting system should be commended on doing a good job raising alternative money.

Mr. Chairman, I opposed the original bill because I felt the increase of 46 percent in 1 year, in the case of the regular broadcasting level, and an increase of 400 percent in the facilities portion was excessive.

We warned on the floor that the bill would be veto-bait. Of course we did get 176 votes for the Oxley amendment to bring the authorization level down so the bill would not be vetoed.

We think that the reason the President vetoed it is because any increase of 40 percent or more cannot be absorbed efficiently.

The Senate proposal, Senate 607, now calls for 23.4-percent increase the first year followed by 12½-percent increase and also 11-percent increase thereafter.

It takes us from $162 million in 1986 to $200 million in 1987 to $225 million in 1988 to $250 million in 1989.

Mr. Chairman, the Oxley amendment which will be mentioned later has a 15-percent increase each year starting at $186 million in 1987 then $214 million in 1988 and $246 million in 1989,

The net effect, by 1989, is only a difference of $4 million.

The question is: Do you want it in regular 15-percent increases in a 3-year period, or do you want the big kick immediately now in spite of the fact that you have a 9-percent increase in revenue to start with? Besides, we are talking about 1987, 1988 and 1989, which are well down the road.

Mr. Chairman, I would like to indicate also that the 15-percent figure is three or four times as much as we anticipate inflation to be.

I think that is very generous. Mr. FRENZEL, the gentleman from Minnesota, suggested a smaller amount, something like 10 percent per year. There are a good many people who feel that 10 percent is generous in this particular time.

Mr. Chairman, I do feel that the 15 percent is a generous proposal. I think it is sensible. I think it is one that the President would accept although it is higher than he recommended.

I think we should not risk the veto. Public broadcasting does have to have the assurance of year-to-year funding. I think it would be bad to risk a veto which would occur while we are out and we therefore would be unable to do anything about it.

I therefore plan to support the Oxley amendment when offered. I have mentioned to my friend from Ohio that I think perhaps the facilities construction area is one area where I might be persuaded to go with higher numbers, where we are perhaps a little on the stingy side.

Certainly for the regular levels I think 15 percent per year is adequate.

I thank the chairman.

Mr. WIRTH. Mr. Chairman, I yield 6 minutes to the gentleman from Washington [Mr. SWIFT].

Mr. SWIFT. I thank the chairman for yielding.

Mr. Chairman, I think what we are dealing with here really is whether or not we really want public broadcasting to survive as we know it. That is really the issue.

If you really examine what the administration has been doing, this is an effort I believe to force public broadcasting into a position in which it will simply have to turn to the commercial route to meet expenses. And if it does that, it will cease to be public broadcasting as we know it.

TCAF, the Temporary Commission on Alternative Funding for public broadcasting rejected the approach of commercializing public broadcasting and it did so for a number of very commonsense reasons.

First of all, that raises the costs of public broadcasting. Not only do you have to pay your sales force and so forth, but copyright holders have given public broadcasting special, lower fees recognizing the public service nature of public broadcasting. Labor unions have given different, lower contracts for public broadcasting, recognizing its special public value. Both have given clear indications to TCAF that if public broadcasting goes commercial they will no longer give those lower special benefits. So, Mr. Chairman we are raising the costs of public broadcasting by going commercial.

TCAF found that if you let public broadcasting become commercial, you put it into direct competition with commercial broadcasting. Let me ask you: How long is this body going to stand for the Government subsidizing one kind of station which is in fact in direct competition with the commercial stations for that commercial dollar in the local market? The very people who now say "Let them go out and earn some of their revenues by selling commercials" would be the first ones to say "That is unfair competition against the free enterprise system when one person who is out on the streets trying to sell time on its television station also has the benefit of public funds coming in and its competition does not have the public funds."

That inconsistency would very shortly be used against public broadcasting by the very people who seem to think that there is some value to the commercial approach.

TCAF also found that selling commercials as a means of financing public broadcasting simply will not work for most of the public broadcasting stations in this country.

Some, owned by universities, are limited by State laws which would not permit those public institutions to participate in commercial broadcasting. Many others are simply in market places where it would not work. There are some places, Chicago for example, New Orleans for example, where in fact the experiment worked well but TCAF also found that for public broadcasting as a whole it will not work.

Finally, TCAF found that inevitably adding commercials to public broadcasting will inevitably change the very character of public broadcasting, sending it down the same path that the commercial system has followed; namely, the path of always seeking the mass audience.

□ 1130

When you do that you no longer have PBS. You have something else. Maybe not something bad, but it is going to be very, very much like the commercial system. You will have lost what we have now and what has worked so well.

Funding level increases, if you take the history over recent years, not just last year, but over the last 4 or 5 years, have been modest. But PBS has been able to survive and continue.

With the Oxley reduction to the Goldwater figures, let alone the potential Frenzel or Dannemeyer reduction to the Oxley figures, will put PBS on a slow road to death, reducing its quality, which will reduce its audience, which will reduce its private support, which will reduce its quality, which will reduce its audience, which will reduce its private support, on and on and on until there is nothing left.

The only recourse that they would have under that scenario would be to join their commercial colleagues. We

are not going to be funding public broadcasting if it is competing with the private areas as I have said. And when all funding possibilities are gone from the Federal Government, PBS is gone. It will become something else, something less good. This has been a successful effort to augment our great commercial broadcasting system with programming that does not always do well in that special marketplace. I would cite children's programming as a classic example of something for which there is enormous need in our society, but which due to the nature of the demographics that advertisers look for, does not function well in this marketplace.

This brief and enormously successful effort to augment the great commercial broadcasting system of this country with programing that does not always do well and flourish in the peculiar market places of the television and radio, the progress of that effort, strong and growing and improving, has already been stopped, the growth is stopped, the improved is stopped. And the cutbacks, the reductions that will be offered today, the reductions over the Goldwater figures, will as sure as I stand here, be the death knell of Public Broadcasting as we have come to know it.

I urge my colleagues to support the very moderate and rational figures that have been offered in the so-called Goldwater-Wirth figures.

Mr. RINALDO. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Chairman, the chairman of the subcommittee mentioned in his opening remarks that he should apologize apparently to someone, either this body or somebody, for having to bring this bill up on the floor at this particular time.

I would simply say that no apology is owed to anyone, unless it is an apology from the Corporation for Public Broadcasting in their efforts to seek a huge increase in their funding levels and lobbying this House for those larger numbers.

In fact, we are really playing a game today of legislative chicken with the executive branch. But we are also playing a game of legislative chicken with the concept of forward funding that I think all of us support on this side of the aisle, as well as the other side of the aisle. It puts it in serious danger because there is no doubt in my mind from the remarks that the President gave in his veto message, as well as the letter that we received from the Budget Director, David Stockman, that this piece of legislation, as it is currently written, without my amendment, which is $81 million over what my figures are, will, indeed, be vetoed and will have lost that fight to obtain at least a moderate increase in the funding levels for the Corporation for Public Broadcasting.

The gentleman from Washington talked about all of these cuts that are supposed to take place. The fact is that my amendment that I will seek to offer a 15-percent increase.

The Chairman of the Corporation for Public Broadcasting went around talking about the fairness issue and how this was unfair and how it was unfair to children and minorities and everybody else.

I would simply say that the fairness question is really one of whether we are going to provide a 47-percent increase which was originally proposed, or a 25-percent increase under S. 607, or a 15-percent increase that I am going to offer.

A 15-percent increase, I might add, in the face of increases for things like food stamps at 3½ percent—I would simply ask: Which is the fairer figure?

The gentleman from Utah has also, by the way, told us that the sources of income that the Corporation for Public Broadcasting has enjoyed over the last few years has increased substantially. As a matter of fact, from 1973 to 1983 the overall income for the Corporation for Public Broadcasting increased threefold. So we are asking for a 15-percent increase on top of that.

Now, we hear a lot of sanctimonious talk on this floor, particularly this last couple of weeks, about budget deficits. Everybody is wringing his hands about budget deficits and we are passing phony baloney legislation sponsored by the chairman of the Budget Committee just last week talking about asking the President to submit a balanced budget. We all know it was not worth the paper it was written on.

And you stand here today and ask for an increase of 25 percent, when we were here just a few months ago and asked for an increase of 47 percent.

There is some discussion here also about the so-called Goldwater compromise. First of all, that is not the compromise. The figures that I offered during the debate on this bill the first time were the compromise figures.

If you read the veto message from the President you will find it is very clear that my numbers are the compromise figures. As a matter of fact, the administration has made it very clear that they are not all that happy with my figures and they think my figures are too high.

So, if you want to vote for a compromise, vote for the Oxley amendment that is going to be offered later and not for this figleaf that is trotted out before you.

This does not even get into the problems that we saw just a few months ago with National Public Radio and the scandals that developed with total mismanagement of NPR and what was or was not done about that.

So we are really going to find out, it seems to me, on this vote, on my vote, on my amendment,who the big spenders are around here and whether we are going to talk about big deficits from here until the election or whether we are going to have the courage to limit spending and to at least provide a reasonable increase at the same time.

The gentleman from Washington talked about advertising. I do not know where this came up in the debate. It is not part of the bill, it is not part of my amendment. I would simply say it is only a red herring.

The fact is that the increase has been rather dramatic in their funding levels, but it is also true, Mr. Chairman, that only 10 percent of the people who watch public television and listen to public radio contribute to that fund. So, it hardly has the broad base of support that apparently has been indicated from the other side of the aisle.

I would ask that this bill be defeated unless I have the opportunity to pass my amendment that I will offer later.

Mr. WIRTH. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. LELAND].

Mr. LELAND. Mr. Chairman, I rise in strong support of S. 607, the public broadcasting amendments. This legislation provides public broadcasters $145 million less than the bill that passed with broad bipartisan support in both the House and the Senate earlier this year. This proposal is only $81 million more than the Oxley proposal. I believe, however, that the funding levels contained in S. 607 are the minimal levels acceptable if public broadcasters are to maintain their record of quality programming. In fact, I would favor a much higher level of funding for public broadcasting.

Public broadcasting has become increasingly important in recent years as an educator of our children. Shows such as "Reading Rainbow", "Wonderworks", "Powerhouse", and "Sesame Street" play a valuable role, since they are among the few shows with educational or social merit available on television today. With the Reagan appointed Fowler Commission gutting existing public interest requirements for commercial broadcasters and adamantly opposed to requiring commercial broadcasters to fulfill their obligation to our Nation's young, it is even more important that public broadcasters be provided sufficient resources to continue and expand on its record of service to our Nation's children.

One other thing that should be noted is that public broadcasting also provides a more balanced and positive image of minorities than does commercial broadcasting. On shows such as "Reading Rainbow," "Wonderworks," and others, minorities are shown as partners in the American experience.

It is important that children, who form much of their perception about life from television, receive a balanced view of minority life in America. Unfortunately, commercial television does not provide such balance. While public broadcasting is not perfect, it is immeasurably better in its portrayal of minority life, and in its commitment to the education of our Nation's young, than is commercial television.

In conclusion Mr. Chairman, I hope my colleagues will join me in reaffirming our support for public broadcasting by rejecting amendments to S. 607, and supporting it on final passage.

□ 1140

Mr. WIRTH. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. DINGELL], the distinguished chairman of the full committee.

Mr. DINGELL. Mr. Chairman, S. 2436, the original funding bill for public broadcasting, passed with overwhelming bipartisan votes in both Chambers earlier this summer. That legislation was sponsored by the distinguished Senator from Arizona, Mr. GOLDWATER. Subsequently, after the veto, Mr. GOLDWATER and a large number of Members in this body and in the other body have worked very hard to put together a reasonable and responsible resolution of the controversy attendant upon the veto of the public broadcasting legislation.

The numbers which are in this bill are entirely reasonable and responsible and are desirable because they will go some distance toward gradually restoring the Federal funding levels of 1982 over the next 5 years, an approach based on the findings of a blue ribbon bipartisan commission created by the Congress in the 1981 Reconciliation Act.

Briefly, the findings of that panel were that there is no alternative to continued public funding of public broadcasting because there is no way to raise the necessary funds from any other source to assure high quality programming both on radio and TV of the kind which is desperately necessary.

A number of my colleagues have worked very hard on this matter. The chairman of the subcommittee, the gentleman from Colorado [Mr. WIRTH], the gentleman from Washington [Mr. SWIFT], who served on the bipartisan Commission and is one of our resident experts on telecommunications, the gentleman from Texas [Mr. BRYANT], the gentleman from New Mexico [Mr. RICHARDSON], the gentleman from Texas [Mr. LELAND], the gentleman from Louisiana [Mr. TAUZIN], and the gentleman from Iowa [Mr. TAUKE], who was a member of the bipartisan Commission, all worked very hard to find a fair compromise. I believe the bill represents a reasonable, responsible effort by the Congress to accede to the President's wishes and at the same time serves the broad public interest.

I urge that the bill be passed in its present form by an overwhelming vote.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I appreciate the gentleman from Michigan yielding to me.

I rise in support of S. 607, the Corporation for Public Broadcasting reauthorization bill. This legislation provides funding levels of $200 million in fiscal year 1987, $225 million in fiscal year 1988, and $250 million in fiscal year 1989.

Mr. Chairman, last week I offered an amendment to the continuing resolution appropriating $159.5 million for the CPB for fiscal year 1987, the same level as for fiscal year 1986. I offered that amendment at that time only as a stopgap measure, in contemplation of action on an authorization bill. Since the CPB is forward funded, it was imperative that we provided some funding for the agency's 1987 budget in order that they may plan their budget for that year. Offering the amendment was only to correct an oversight in the continuing resolution, because there was no funding in there for the CPB—there was zero.

My amendment treated the CPB like all the other programs under the Labor/HHS section of the bill awaiting reauthorization: At the current rate, under current terms and conditions. As I said on the floor that day, I offered the amendment as a stopgap measure "until the reauthorization is passed and the committee can consider funding under the new authorized levels. It is in no way intended to undermine the authorization process.

Well, we now have that authorization bill before us. I supported the bill that was vetoed by the President, and now I am here to support this increase of $40 million over the fiscal year 1986 level.

And let me just say, Mr. Chairman, that this is a small increase compared to the services that the CPB provides. Already the decreases for the CPB that we enacted in 1981 are having drastic results in programing. Important cultural and educational programs are being forced out of production. One of the best programs on public broadcasting—"The Lawmakers"—has been canceled due to lack of funding.

In short, Mr. Chairman, I strongly support enactment of this bill, and urge my colleagues to join me in sending a clear signal that we support the excellent programs and services provided by public broadcasting.

Mr. DINGELL. I thank the gentleman. I want the gentleman to know that he has my greatest respect, we have been friends for a long time. I would yield to the gentleman even if he were going to speak against the bill, but I did not think he would.

Mr. CONTE. I thank the gentleman.

Mr. RINALDO. Mr. Chairman, I yield such time as he may consume to the gentleman from Alaska [Mr. YOUNG].

Mr. YOUNG of Alaska. Mr. Chairman, I rise in strong support of S. 607, the Public Broadcasting Amendments Act of 1984, a bill which would authorize important funds for telecommunications facilities and for public broadcasting.

Public broadcasting provides important services to the citizens of this Nation. In my own State of Alaska, it serves as a vital, and sometimes the only link for many communities to the outside world. Viewership of public broadcasting in Alaska is among the highest in the Nation. Two stations, KAKM, in Anchorage and KUAC, in Fairbanks consistently rank at the top in nationwide per capita viewership. KYUK, in Bethel, provides important cultural and educational programing in both English and Yupik for Alaska Natives, and KTOO-Juneau's award winning "Southeast Magazine" gives Alaskans a look at the unique character of the rugged southeast Alaska panhandle. The Alaska public radio network produces a number of highly acclaimed programs, including the award winning "Alaska News Nightly." Because of the remoteness of many of the areas served by APRN, the network provides important cultural and arts programing, in addition to State, national, and international news.

This legislation is a balanced compromise, reflections fiscal responsibility and the need to sustain an adequate level of funding for public broadcasting. I urge my colleagues to support it.

Mr. WIRTH. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. BRYANT].

Mr. BRYANT. I thank the gentleman for yielding.

Mr. Chairman, I would like to observe that I find it incredible that the House Republican leaders on this committee that are attempting to cut public broadcasting—which is what you are trying to do, because you cut it in 1981, and what you are doing today is trying to keep it cut—would stand up on this House floor and pontificate about balanced budgets and suggest that they ought to lecture the other side of this issue on the issue of balanced budgets. I would simply ask you: Are you completely without any institutional memory? Are you completely unwilling to recognize responsibility that should be taken by your own party for your own actions?

This bill that is now before the House passed the Republican-controlled U.S. Senate without objection. This bill was sponsored by your own Presidential candidate, BARRY GOLDWATER, "Mr. Conservative." And yet you come forward and suggest to us that those who support what Mr. GOLDWATER proposed and what the Republican-dominated Senate proposed are somehow irresponsible.

I would simply submit today, Mr. Chairman, that nothing could more conclusively prove the final unalterable, irretrievable descent of the Republican Party and this Republican caucus into the mindless, unforgiving, uncompromising, pinheaded, extreme right wing, more than what they do today in holding up before us an evenly considered proposal that unanimously passed the Republican Senate, that was sponsored by Republican U.S. Senator BARRY GOLDWATER and suggesting to us that it is irresponsible. I would simply call on any remaining reasonable Republicans, if there are any left, to reject the direction that their party has taken on this issue, and I would certainly call upon my Democratic colleagues to do the same and support S. 607 and try to restore the Corporation for Public Broadcasting at least to its 1977 levels of funding.

Mr. WIRTH. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, we have had on the substance of this bill over the years extraordinarily good support from the Democratic side and from many, many of our colleagues on the Republican side. The Gentleman from Massachusetts [Mr. CONTE], the gentleman from Alaska [Mr. YOUNG], the gentleman from New Jersey [Mr. RINALDO], the gentleman from Iowa [Mr. TAUKE], and many, many others on the Republican side, have demonstrated the kind of bipartisan support for public broadcasting.

It is my distinct hope that we will be able to continue that support, that demonstration that people of all persuasions from all parts of the country, from all kinds of ideologies and all kinds of party labels, will continue to support public broadcasting.

Mr. CHAIRMAN, I yield 5 minutes to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Chairman, my colleague, the gentleman from Iowa [Mr. TAUKE], and I have been the prime sponsors of a bill to deregulate commercial broadcasting in this country. We have secured a majority of the Members of this House as cosponsors of a bill to do that.

One of the arguments we constantly make in support of our bill, to deregulate commercial broadcasting, which we hope to pass in the next session of Congress, is that this Government should not be telling commercial broadcasters what they ought to be broadcasting over commercial TV and radio. The first amendment rights of commercial broadcasters ought to be paramount. But if this Government has some policy of preferred Government programing, then public broadcasting is the appropriate vehicle for this Government and our people, through this Government, to speak.

It is through the Corporation for Public Broadcasting, in fact, that such programming as children's programming, educational programming, programs which enhances the role of minorities in our society, and programs, which appeal to the arts and culture of our society, are best expressed.

It is in that argument that my colleague and I, and others who believe in deregulation of commercial broadcasting, have for a long time supported very strongly the Corporation for Public Broadcasting.

You and I know that public broadcasting performs those invaluable functions in a beautiful way. Children's programming, educational programming, programming that enhances the role of minorities in our society, programs that appeal to the art and culture of our people are beautifully portrayed on public broadcasting. It is in part, in fact, of this Government's role in providing this unique service to America that the Corporation for Public Broadcasting was formed.

And so those of us who support strongly the deregulation of commercial broadcasting strongly support the Corporation for Public Broadcasting and its role.

Now, I differ with my colleague from the State of Washington in regard to the propriety of limited tasteful commercials as a means of helping to support public broadcasting.

□ 1150

In the city of New Orleans, WIES, our public broadcast television station, was part of the experiment for limited, tasteful commercials on public TV. That experiment went well. The money derived from that tasteful experiment enhanced the work of public television in New Orleans, and that tasteful commercial experiment went over well with the people of the city of New Orleans and was accepted well by the New Orleans commercial broadcasters. I have, for a long time, supported the Oxley movement to reduce the figures for public broadcasting in the hopes that we could continue keeping pressure upon those who would oppose some addition to the public broadcasters' ability to raise funds locally through some limited forms of tasteful commercial advertising. Frankly, I think that pressure ought to continue.

But it is now time for this impasse to end. The figures that Mr. OXLEY has proposed and the figures originally proposed by the chairman of our subcommittee, the gentleman from Colorado, are extraordinarily different. The figure proposed originally by the chairman was $920 million; the figure proposed by Mr. OXLEY is $694 million.

Now the new bill proposed on the floor today is, I think, an attempt to end that impasse. It is an attempt to strike a balance between those two figures: between the figures vetoed by the President, and the figures offered by Mr. OXLEY.

Let me call those differences to the Members' attention. This bill we are examining would provide $775 million for the Corporation for Public Broadcasting. That is $81 million more than Mr. OXLEY would propose, but it is $145 million less than the bill vetoed by the President and which our chairman had earlier proposed.

Now I think that does strike a legitimate balance between the two extremes. And I think it does keep the pressure on to find some alternative means for financing public broadcasting in our country. I think it does call upon us to continue to examine the possibility of limited tasteful commercials in public broadcasting, where it does work.

Therefore, I am going to support the bill offered on the floor today, and ask my colleagues to join me in doing so. But I am also going to ask my colleague from the State of Washington, and my chairman, and others who believe that public broadcasting needs more support, to join with me in looking to see whether we cannot allow some limited tasteful commercial advertising on public TV and radio as a means of supplementing the overall funding for public broadcasting.

Mr. WIRTH. Mr. Chairman, I yield 2 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support of S. 607, the public broadcasting authorization bill.

Public broadcasting plays an important role in the lives of over 500,000 New Mexicans and countless others throughout the country. In my home State of New Mexico, there are three public television stations which spotlight community issues and local concerns; which showcase the arts and the unique tricultural heritage of our State; and which focus on new and developing talent.

Our audience in New Mexico mirrors the population. Public broadcasting, with its emphasis on diverse programing and different cultures has many special programs to offer the Hispanic, Native American, and Anglo cultures of my district. As chairman of the Congressional Hispanic Caucus, I applaud the efforts of public broadcast-

ing at providing us with the opportunity to examine those unique and varied cultures which give this country its colorful and innovative character. In my district, a show entitled "The Illustrated Daily" does frequent, in-depth programs on issues affecting Hispanic Americans. "Sesame Street" is broadcast in Spanish, and "Latino Consortium," a syndicated program out of Los Angeles, offers programs designed for Hispanic audiences.

Not only will S. 607 provide funds for outstanding programs such as these, but it will help support the operations of the stations themselves. In New Mexico, we have stations in Albuquerque, Las Cruces, and Portales; they all receive valuable funding assistance from this legislation. S. 607 will also provide funds for equipment replacement—something our stations are in desparate need of.

While the funding levels in S. 607 are below those needed by public broadcasting, we genuinely benefit from this program, and I urge my colleagues to join with me in support of this important legislation.

The following are important points to consider:

KEY NUMBERS TO COUNTER OXLEY AMENDMENT

CPB funding

(1) Funding authorized in 1982 was $200 million. S. 607 authorizes funding in 1987 at the same $200 million level. When you consider inflation and increases in the number of stations, we are authorizing well below the 1982 level—and the 1982 level was insufficient for public broadcasting to meet many of its needs.

(2) Under S. 607, the 1987 authorization level is 18% less than the 1982 level in terms of real purchasing power.

(3) If the Oxley amendment is adopted, the 1987 number will provide 7% less purchasing power than available in 1977—ten years ago.

(4) Mr. Oxley's funding level for 1987 is 28.4% less in real purchasing power than 1983.

(5) Legislation would authorize $250 million for 1989 (this is $30 million over the $220 million amount authorized for 1983). Averaged out over the entire period of 1983-1989, this amounts to about a $4.3 million a year increase—or an average per year increase over the 1983 level of about 3%.

(6) After bringing public broadcasting back to a relatively sound financial footing where it was in 1982, increases must not only account for inflation, but also growth in the number of stations.

KEY POINTS TO COUNTER OXLEY AMENDMENT

NTIA

(1) The $25 million for facilities funding provided in S. 607 for 1985, is the same level authorized for PTFP in 1974—11 years ago.

(2) The $30 million authorized for PTFP for FY 1986 is the same level authorized for the program in 1975—11 years ago.

(3) The $40 million authorized in FY 1987 for PTFP is the same level as was authorized in 1979, or 8 years ago.

(4) It is obvious that we are going back to the Dark Ages here in terms of funding for this program, which is extremely important in bringing public broadcasting to the entire country.

(5) For FY 1984, only $11.88 million was appropriated for PTPF. However, grant applications last year requested a combined total of $72 million. Thus, only 14% of the applications could be granted.

(6) The $40 million authorized by 1987 in S. 607 represents 20% of the total facilities needs of public TV stations. The Federal commitment over the last 20 years has averaged 26%.

(7) If equipment is allowed to deteriorate to the point that replacement of most equipment is necessary, that will be cost of $1.4 billion, as opposed to the $100 million over three years that S. 607 provides.

POINTS ON OXLEY: SERVICES THAT EVEN OUR NUMBERS WON'T PROVIDE

At our hearing on the CPB authorization, the public broadcasting community presented a strong case for more funds than were included in H.R. 5541. Specifically, the public television stations requested funding of $384 million, $389 million and $406 million for FYs 1987-1989 which they believe would be sufficient to ensure excellence on public broadcasting.

The Subcommittee and the Committee however, adopted lower funding figures, identical to those proposed by Senator Goldwater, and co-sponsored by 53 Senators (including the Chairman of the Senate Budget Committee).

Thus, even with the funding provided in this bill, important services will not be able to go forward. This legislation will leave the following things unfunded:

Five weekly series for the post SESAME STREET audience and their families;

Interactive courses for advanced and remedial students;

Continuing education program such as new college credit courses, targetted at the one-third of our population which needs additional education for advancement or a change in careers;

Increased local programming covering state legislatures, and special audiences, and periodic coverage of special state and local cultural events;

Two major history series for adults, and a series focusing on American literature and artistic achievements;

A major effort to close-caption additional programming for the hearing impaired;

Additional programs to promote public television's visibility aimed at increasing view support and contribution to the system.

Thus, it is clear that the approach that the Committee has taken is extremely moderate, and will still leave many important programs and services unfunded.

PUBLIC BROADCASTING AUTHORIZATIONS

[Dollar amounts in millions]

	1983	1984	1985	1986	1987	1988	1989
Corporation for Public Broadcasting [CPB]:							
Actuals	220	145	153	162			
S. 2436 vetoed Aug. 29					238	253	270
S. 607 pending					200	225	250
Oxley/Administration					186	214	246
Public Telecommunications Facilities Program [PTFP]:							
Actuals	15	12					
S. 2436 vetoed			50	53	56		
S. 607 pending			25	35	40		
Oxley/Administration			14	16	18		

	Totals compared				Total authorizations
	CPB		PTFP		
S. 2436	761	+	159	=	920
					−145
S. 607	675	+	100	=	775
					+81
Oxley/Administration	646	+	48	=	694

Mr. RINALDO. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. WIRTH. Mr. Chairman, in closing the general debate, I would just like to make two points if I might: First, there was reference made to the financial problems that existed at National Public Radio. I might say it seems to me that that is not an appropriate issue to raise in this discussion, that sort of raising and waving a bloody shirt on National Public Radio. That problem, as we all know, has been after an enormous amount of attention by people on both sides of the aisle. It has been put to rest as best we possibly could, and to raise that again, it seems to me, does not help the situation, either of NPR or of our understanding of this particular authorization.

Second, the issue of a veto has been raised, and while we all have responsibilities to think through what is going to happen, we have done our best as legislators to come up with a compromise with the administration. They were not willing to compromise, so we effectively did what we thought was right, and that is what is in front of us here.

It seems to me that what we have to do in focusing on the amendments which are offered and on final passage is to decide whether or not we want to be intimidated by the allegations that there may be a veto. We hear also a great number of indications to the contrary. That is not the point. What it is our job to do is to figure out and vote and do what we think is the right thing to do.

So I would hope that Members would do the right thing; would support S. 607, and would get us through this as quickly as possible.

The CHAIRMAN. All time has expired.

Pursuant to the rule, each section is considered as having been read for amendment under the 5-minute rule.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Broadcasting Amendments Act of 1984".

Mr. WIRTH. Mr. Chairman, I ask unanimous consent that the Senate bill be printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The remainder of the text of the Senate bill is as follows:

AUTHORIZATION OF APPROPRIATIONS FOR PUBLIC TELECOMMUNICATIONS FACILITIES

SEC. 2. Section 391 of the Communications Act of 1934 (47 U.S.C. 391) is amended—

(1) by striking "and" after "1983,"; and

(2) by inserting immediately after "1984," the following: "$25,000,000 for fiscal year 1985, $35,000,000 for fiscal year 1986, and $40,000,000 for fiscal year 1987,".

AUTHORIZATION OF APPROPRIATIONS FOR PUBLIC BROADCASTING

SEC. 3. (a) Section 396(k)(1)(C) of the Communications Act of 1934 (47 U.S.C. 396(k)(1)(C)) is amended—

(1) by striking "and 1986" and inserting in lieu thereof "1986, 1987, 1988, and 1989";

(2) by striking "and" after "1985,"; and

(3) by inserting immediately before the period at the end thereof the following: ", $200,000,000 for fiscal year 1987, $225,000,000 for fiscal year 1988, and $250,000,000 for fiscal year 1989".

(b) Section 396(k)(3)(A)(i)(II) of the Communications Act of 1934 (47 U.S.C. 396(k)(3)(A)(i)(II)) is amended by striking "research, training, technical assistance, engineering, instructional support, payment of interest on indebtedness,".

CRITERIA FOR APPROVAL AND EXPENDITURES BY SECRETARY OF COMMERCE

SEC. 4. Section 393 of the Communications Act of 1934 (47 U.S.C. 393) is amended by striking subsection (c) and by redesignating subsection (d) as subsection (c).

REPEAL OF THE UNRELATED BUSINESS INCOME TAX PENALTY

SEC. 5. Section 396(k) of the Communications Act of 1934 (47 U.S.C. 396(k)) is amended by striking paragraph (8) and by redesignating paragraphs (9) and (10) as paragraphs (8) and (9), respectively.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. OXLEY

Mr. OXLEY. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. OXLEY:

Strike out all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Public Broadcasting Amendments Act of 1984".

AUTHORIZATION OF APPROPRIATIONS FOR PUBLIC TELECOMMUNICATIONS FACILITIES

SEC. 2. (a) Section 391 of the Communications Act of 1934 (47 U.S.C. 391) is amended—

(1) by striking out "and" after "1983," and

(2) by inserting after "1984," the following: "$14,000,000 for fiscal year 1985, $16,000,000 for fiscal year 1986, and $18,000,000 for fiscal year 1987,".

(b) Amounts appropriated for purposes of such section 391 for fiscal year 1985, 1986, or 1987 may not be obligated or expended in excess of the amount specifically authorized by the amendment made by subsection (a)(2) for such year.

AUTHORIZATION OF APPROPRIATION FOR PUBLIC BROADCASTING

SEC. 3. (a) Section 396(k)(1)(C) of the Communications Act of 1934 (47 U.S.C. 396(k)(1)(C)) is amended—

(1) by striking out "and 1986" and inserting in lieu thereof "1986, 1987, 1988, 1989";

(2) by striking out "and" after "1985,"; and

(3) by inserting before the period at the end thereof the following: ", $186,000,000 for fiscal year 1987, $214,000,000 for fiscal year 1988, and $246,000,000 for fiscal year 1989".

(b) Section 396(k)(3)(A)(i)(II) of such Act (47 U.S.C. 396(k)(3)(A)(i)(II)) is amended by striking out "research, training, technical assistance, engineering, instructional support, payment of interest on indebtedness,".

(c) Amounts appropriated for purposes of such section 391(k) for fiscal year 1987, 1988, or 1989 may not be obligated or expended to the Public Broadcasting Fund in excess of the amount specifically authorized by the amendment made by subsection (a)(3) for such fiscal year.

CRITERIA FOR APPROVAL AND EXPENDITURES BY SECRETARY OF COMMERCE

SEC. 4. Section 393 of the Communications Act of 1934 (47 U.S.C. 393) is amended by striking out subsection (c) and by redesignating subsection (d) as subsection (c).

REPEAL OF THE UNRELATED BUSINESS INCOME TAX PENALTY

SEC. 5. Section 396(k) of the Communications Act of 1934 (47 U.S.C. 396(k)) is amended by striking out paragraph (8) and by redesignating paragraphs (9) and (10) as paragraphs (8) and (9), respectively.

Mr. OXLEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. OXLEY. Mr. Chairman, I offer this amendment really to not only focus on the issue that was discussed in the general debate, but also to perhaps bring us up to some realistic place as to where we are. It seems to me that general debate took place in a vacuum. I think it is important to recognize that we have to deal with the executive branch, and in that light, I think it is important that we remember that my amendment that I see to offer, which would provide a 15-percent increase to the Corporation for Public Broadcasting, is in line with the President's veto message of August 29.

I would like to quote from that veto message because it is very important as to what is happening. A lot of us, at the time the bill was debated the first time, indicated that we felt very strongly and it would urge the President to veto it. Indeed, he did veto it, and we are saying again with even better evidence and even harder evidence that the President, without my amendment, is going to veto this piece of legislation as well.

So let me read from the veto message because I think it controls here.

□ 1200

The President says:

When all of the demands on the Federal budget are taken into account, increases in spending on public broadcasting of the magnitude contemplated by this legislation cannot be justified. They are incompatible with the clear and urgent need to reduce Federal spending. Moreover, this view is clearly shared by a large portion of the House of Representatives as indicated by the 176 votes in favor of the Oxley amendment to reduce the three-year authorizations by 25 percent.

I think it is very important that we recognize what the President is telling us here and that is that the original bill provided for too much money, but be he would be willing to sign a bill along the lines of my amendment.

He goes on:

In disapproving this bill, therefore, I urge the Congress to consider a revised bill providing more reasonable and moderate increases for the Board for Public Broadcasting along the lines of the Oxley amendment.

He also says:

I must also stress that my firm insistence on scaling this bill back to more fiscally responsible levels in no way jeopardizes the continued operations of public broadcasting stations across the Nation. Under the established funding mechanism, ample appropriations have already been enacted into law for all of Fiscal Years 1985 and 1986. Funding for another 25 months is already guaranteed.

So let us put it into context, not only the one veto that we have already had, but the very good chance that we are going to get a second veto on this bill.

Now the real question is, do we intend to play legislative chicken with the White House as apparently the gentleman from Colorado does, or do we want to provide a reasonable increase that I am going to provide in my amendment, that the President has indicated that he would sign, because remember that with any luck we are going to be out of here today.

The President could very easily put that bill in his pocket and that would be the end of it, and the concept of forward funding would go with it.

But we also have some other evidence, Mr. Chairman, in terms of my amendment, and that is a letter that I received from the Budget Director, David Stockman, that I would like to quote from as well.

Mr. Stockman says:

We want to assure you that we intend to persist in our intention to veto any public broadcasting authorization inconsistent with the clear and urgent need to reduce Federal spending. You have our support in conveying to others in the Congress that the authorization levels included in S. 607 are unacceptable in that they exceed the Oxley amendment by over $80 million and are well above the amounts proposed in the President's Budget.

So we have a clear indication here, not only from the President's veto

message but the letter from the budget director that this bill is serious trouble and is serious veto bait without my amendment.

As a matter of fact, the administration has already told me that they would prefer numbers lower than my amendment, but they would accept my amendment. What that means is this: My amendment is the last train out of the station. My amendment is the compromise. My amendment is the only one that is going to be signed by the President and I think it is very important that we address that as well.

This is not an antipublic broadcasting amendment. I have supported public broadcasting in the past and will continue to do so, but it is a budget question. It is simply a question of whether this Congress has the amount of money to appropriate for public broadcasting that is $81 million over my amendment.

Eighty-one million dollars. I recognize that is not a great amount in the overall scheme of things. As a matter of fact, we probably spill that much before breakfast, but it is still important, I think, that we recognize what $81 million is and what a difference that is; $81 million, for example, would buy 853 single family homes at an average of $95,000 per home. It would pay room, board, and tuition in a private school for 10,000 students. It would pay room, board, and tuition at a public school for 25,833 students and then something that might be a little closer to our hearts, it would pay the salaries of 1,125,000 Members of Congress for 1 year.

So it is not a small amount when we are talking about $81 million.

So please remember that this is the compromise. The Oxley amendment is the only opportunity you are going to have to support public broadcasting at reasonable levels that can be signed by the President.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent, Mr. OXLEY was allowed to proceed for 2 additional minutes.)

Mr. OXLEY. It is the opportunity that we have to pass a piece of legislation that is reasonable and this is the compromise that we talked about.

However, the president of the Public Broadcasting Service has apparently felt it necessary to inject a lot of politics into this.

He states, and it was quoted in the Washington Post Friday, September 14:

> Bruce Christensen charged the veto discriminates against the poor, children and the elderly . . .
>
> "It is a campaign issue in the sense that we're talking about a service for people who may not be able to afford cable," Christensen said. "I think it's tied in with the whole question of fairness" . . .

Now if that is not a political comment, I do not know what is. I think that the past support for the Corporation for Public Broadcasting has been bipartisan. Indeed, it has been nonpartisan, but when this type of opportunity presents itself for the corporation to politicize the issue, I think it is time that we take a very, very serious look at the funding levels that we are proposing.

We are just asking that you support this compromise, not a fig leaf compromise that was generated in the other body and supported by some Members on the other side of the aisle.

This is your opportunity. Support my amendment and support public broadcasting.

Mr. SWIFT. Mr. Chairman, I rise in opposition to the amendment in the nature of a substitute.

Mr. Chairman, I know this is 1984, but I had not realized that the dictionary had been completely rewritten. I thought I understood the meaning of the word "compromise"; that is that you started up here and I started down here, and we kind of meet in the middle.

What the gentleman from Ohio [Mr. OXLEY] is calling compromise used to be in the dictionary known as "capitulation."

The administration has said, "We think this is the amount we will agree to, and that's it. We lay it out and that's it. If you want to do it fine, and we will call this, in 1984, 'a compromise'."

This House and the other body passed a bill that was $145 million greater than what we are asking for today. In other words, the people who are bringing this bill to the floor have dropped what they are asking for by $145 million. It is $80 million above what the administration is insisting upon. Now, is that going halfway?

No, that is not going halfway. That is going about two-thirds of the way. If you are looking for the spirit of compromise, it was made by the gentleman who came up with the Goldwater figures, and it has been supported over here in this body. We have made the compromise. We have agreed to $145 million less than we would have liked to have had.

And the administration will not go $80 million from what it would like to have had.

Now, I do not believe that this House or this Congress can be accused of failure to compromise, nor do I think this House or this Congress should participate in a process of total capitulation to the administration.

We are going more than half way. These are figures that are seen as reasonable by many people on that side, as a matter of fact, who in fact did not go along with us on our original figures. They see a compromise and recognize a compromise when a compromise is before them and they do not believe that this House should have to totally capitulate in order to get a bill through to save public broadcasting.

A game of chicken? Well, it is not true sometimes that it takes two to fight. Sometimes it only takes one. When someone sits there and says, you do what I want or we don't play at all, then it only takes one to ruin a potential agreement.

This House is not playing chicken. This Congress is not playing chicken with the administration. We have come more than half way to the figures that the President wants and we are asking him now to come less than half way to meeting our figures. We are not playing chicken but the President is playing bully. He is saying: "I have it all the way. I get all the marbles or I don't play. I will take my marbles and go home."

And what that means, very frankly, is he is taking public televison away, ultimately, and inevitably and you cannot argue otherwise from all of the American people.

Mr. WIRTH. Would the gentleman yield?

Mr. SWIFT. I will be happy to yield to the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, I associate myself with the gentleman's comments particularly on where we are going with public television.

Reference has been made on the other side of the aisle over and over again to what David Stockman says. Well, what has David Stockman's position been on public broadcasting?

□ 1210

It has consistently been that there should be no Federal support for public broadcasting. I remember very well Mr. Stockman's early budget presented by him with Mr. GRAMM of Texas in which they had zero in there for public broadcasting, and did not do it once, but over, and over, and over again.

So what we are talking about here is an overall strategy to destroy and eliminate public broadcasting.

The gentleman from Washington is absolutely correct. We have made that compromise offer again, and again, and again. The stonewall has come back again, and again, and again.

Come on. If we are going to compromise, we have offered that compromise. We would ask the gentleman from Ohio and our brethren on the Republican side to join us in a reasonable and rational compromise for the purpose of maintaining public broadcasting, and let us not invoke those who want to destroy public broadcasting, as has been done in this debate.

Mr. OXLEY. Mr. Chairman, will the gentleman yield?

Mr. SWIFT. I yield to the gentleman from Ohio.

Mr. OXLEY. I thank the gentleman for yielding.

Mr. Chairman, I just want to make it very clear: No one ever approached this Member from Ohio about any compromise, never, ever, from the Corporation for Public Broacasting or anybody else who is carrying the bill, either on the Senate side or on the House side. I want to make that very clear.

Second, the compromise is indeed a 15-percent increase.

Mr. SWIFT. Excuse me. If I could reclaim my time, would the gentleman repeat what he just said? I did not understand.

Mr. OXLEY. That no one had approached me about a compromise at any time during this debate, and particularly since the veto.

The CHAIRMAN. The time of the gentleman from Washington [Mr. SWIFT] has expired.

(On request of Mr. WIRTH and by unanimous consent, Mr. SWIFT was allowed to proceed for 3 additional minutes.)

Mr. SWIFT. The gentleman from Arizona has been down talking to OMB for weeks trying to work this compromise out.

Mr. OXLEY. I have not talked to any gentleman from Arizona or anybody else.

Mr. SWIFT. He is of your party. You should be able to go over there and talk to him.

Mr. OXLEY. The fact is, it did not happen; and the fact is that the other body is being irresponsible on this particular bill, is being irresponsible on the continuing resolution, and I do not feel I have to stand here and defend the honor of the other body.

The fact is, from our side of the aisle, and from our standpoint, we were never approached with a compromise. A 15-percent increase is not a small increase. A 15-percent increase is three times or four times what the amount of inflation is.

Mr. SWIFT. Mr. Chairman, I am going to reclaim my time from the gentleman from Ohio.

If you do not want to defend the honor of the other body, at least do not impugn it.

All I am suggesting is, we are offering a genuine, true compromise going almost two-thirds of the way, and the White House will not budge. That is not a compromise, and if anyone is playing chicken, it is from the other end of Pennsylvania Avenue; it is not up here.

Mr. OXLEY. Mr. Chairman, will the gentleman yield on that point?

Mr. SWIFT. I yield to the gentleman from Ohio.

Mr. OXLEY. I would simply ask my friend from Washington, if he felt that strongly about it, clearly he could have tried to override that veto that occurred in September when we came back from the recess.

Mr. SWIFT. No; that would be playing chicken, my friend. What we are trying to do is compromise.

Mr. MICHEL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think we have all heard the arguments on the merits of this bill, and we have also heard time and time again the arguments on the merits of holding down spending wherever we can. We have failed to cut spending in this House because this body has never learned to say no on occasions exactly like this.

I want to make an appeal to Members of this House who do not serve on any one of the committees directly involving this piece of legislation. I happen to be one of the Members, when I was serving on the Committee on Appropriations, who had a responsibility for setting the funding levels for public broadcasting. I remember all the arguments when we were beginning initially considering funding of what we conceived the role of public broadcasting in this country and what we expected from the private sector by way of private contributions to make this system work.

It was never intended that it was just simply going to be all federally funded; on the contrary, private support was to be an integral part of the program.

How many of us in this body have been asked to help those fundraising efforts in our local community? I support it fully, and to characterize anyone who supports this amendment as being antipublic broadcasting is just hogwash. I support that program solidly, but I will tell my colleagues that there is a limitation to what the Federal Government has got to come up to by way of matching those private contributions.

Every one of the persons sitting on these committees has all sorts of pressure brought to bear by every one of those stations out there in the country, demanding "Be my advocate, be my advocate," and they cannot say no. This is one of those occasions when the entire House has got to override what some of the members of the committee feel they simply cannot do, and that is to be up there foursquare for everything those public broadcasting advocates want. That happens time and time again around this country, and the end result is that we never cut any Federal spending.

The Oxley amendment provides for a 15-percent increase. That is pretty substantial in view of the fact that inflation is only 4 percent and with us trying to cut down and restrain spending in order to narrow the deficit.

We hear these pious pronouncements down here stating: "I am for balancing the budget, I am for balancing the budget." Well, here is one of those items where you can make a contribution. But no, you want to give in to all that pressure there. I know what it is. It is nice to be able to go home to your public broadcasting station and be asked to appear on a public service program. Everybody feels an inclination, maybe I owe them something.

Let me tell you, my friends: There is a national interest here we owe some consideration to, and that is a contribution to helping us restrain the level of Federal contributions to even as laudable a program as public broadcasting.

The gentleman's amendment is one of moderation, and it seems to me we are in that kind of mold here, my friends, where we have to think in terms of moderation rather than excesses. I think this is just as good an example as any to show our true mettle.

Mr. BRYANT. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I would be happy to yield to the gentleman from Texas.

Mr. BRYANT. I thank the gentleman for yielding.

Mr. Chairman, I would just like to point out to the gentleman and ask him if he intended to include in his remarks critical of those of us who have supported this $145 million reduction from the first bill to pass the House the Republican Members of the U.S. Senate who unanimously supported this bill?

Mr. MICHEL. I know, and the gentleman makes my point. They are on the committee.

Mr. BRYANT. Everybody in the Senate is on the committee?

Mr. MICHEL. They are no better able to stand up to pressure than Members of the House. I have seen that in Members of my own party. I know very well what the gentleman is inferring but, frankly, I am making the point here in the House about what we ought to do in the name of fiscal sanity and still supporting a reasonable increase, as the gentleman from Ohio is proposing.

Mr. BRYANT. If the gentleman will yield further, is the gentleman aware that 53 Members of the Senate originally supported the higher numbers that were vetoed by the President?

Mr. MICHEL. That does not impress me one bit.

Mr. BRYANT. What does impress the gentleman?

Mr. MICHEL. They do not have a corner on brains and knowledge in that other body. This may be called the lower House, but it has just as much quality up here as the other body.

Let me conclude by urging support for the Oxley amendment as a reasonable compromise that limits spending but still provide a significant increase for the program.

The CHAIRMAN. The Chair at this time would remind all Members to not refer to actions of the other body.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, there comes a time when a fellow has got to decide whether an expenditure is a good investment or whether not spending money is a good investment. I think before us we have a rather clear example of that kind of choice.

One must ask: Are we prudent in spending money on public broadcasting? Are we prudent in spending it at a certain level? Are we prudent in making cuts, or are we imprudent in making cuts?

Sometimes you cannot afford a bargain, and that bargain can be cutting expenditures which might be important to the future of the country. This Nation has learned that our educational system is one of the wonders of the world, and one of the very important parts of our educational system, both for the young and for the more senior of our citizenry, is public broadcasting. It is one of the wonders of the world. It functions well and efficiently in terms of educating our people at very, very minimal costs. It contributes to the learning of preschoolers and suits them, through remarkable programming, to be ready for quality education, and not only in the well-to-do neighborhoods. It provides a welcome advantage to children in some of the homes in some of the areas where the poor and the working class people exist and live as well as in the more well-to-do areas.

It also provides a level of quality of life and of culture to our society without which no society is genuinely civilized or genuinely educated.

□ 1220

Now, a few years ago, at the behest of the administration, at the behest of Mr. Stockman, the attempt was to totally eliminate funding for public broadcasting. That, after a long battle between the House and the Senate, was thwarted, but the level of cuts was huge, and this body and our colleagues in the other body came together in connection with the resolution of that controversy by setting up a panel, a Commission to look into whether or not alternative funding and financing was available. This panel, composed largely not of Democrats in fact, but with a majority of Members of the minority party here, came to the conclusion that there was no way that public broadcasting could be funded without a substantial infusion of public funds from the Congress of the United States.

After looking at these matters, our colleagues who served on that Commission and our colleagues in the Senate, including the distinguished Senator from Arizona, whom nobody can call a parlor pink or a fellow traveler or a fiscally irresponsible Member of either body, came to the conclusion that we should increase public funding gradually, and that we should carry out the recommendations of the Commission which we set up as a part of the Gramm-Latta package, that we should return public broadcasting to the funding levels of the early 80's, not to move it forward but simply to gradually return it in real dollars to the funding levels which the Federal Government has given public broadcasting as of 1982. The original package which was vetoed was one which did exactly this—bringing the funding level back gradually over a period of years.

In this new package, S. 607, the Congress of the United States goes two-thirds of the way toward the position of the White House. Under it we will not reach the 1982 levels of Federal assistance to public broadcasting until the middle of the next decade.

Public broadcasting is a great treasure. It is an institution which provides not only educational experiences and educational opportunities for our young but it provides an immense contribution in terms of the culture and the quality of life to all of our people. It is something which should be cherished, and it is something which should be enhanced.

We are not asking massive increases. We are only asking that, for the benefit of all of the people who will enjoy it and who will enrich their lives, both educationally and culturally, from this wonderful device, we return it by 1995 or thereabouts to the funding levels in real dollars of 1982. This is not an extravagance.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. DINGELL] has expired.

(By unanimous consent, Mr. DINGELL was allowed to proceed for 2 additional minutes.)

Mr. DINGELL. Mr. Chairman, this is not an extravagance. We are simply asking that we in the Congress do what has been recommended by our Commission, that we move toward a responsible level of funding, and that we provide the funding which the Commission we established says cannot be achieved in any other way, not immediately but by the middle of the next decade, for the good of this country and to provide an important educational and cultural device which will better the lives of all the people in our country.

I am not asking my colleagues to be spenders; I am asking them to be investors. I am asking them to be investors in the future of this country by supporting the proposals which were made by Senator GOLDWATER, which were passed overwhelmingly by the Senate, and which are supported by the committee of jurisdiction and have been supported in other moments by this body in a much more generous form than that rather piddling increase in the levels of current funding which are involved in current law.

Mr. Chairman, I urge that the amendment be rejected overwhelmingly.

Mr. BROYHILL. Mr. Chairman, I move to strike the requisite number of words, and I rise in strong support of the amendment that has been offered by my good friend, the gentleman from Ohio [Mr. OXLEY].

Mr. Chairman, when the gentleman from Illinois was in the well of the House, he did bring into the debate the issue of the budget questions, and I think that we should be concerned about budgetary matters. It seems that in this debate in this political season, budgetary matters and the subject of the deficit have been made a major issue.

This House passed a budget resolution last spring and then again passed the compromise which came from the conferees, and that budget resolution, in my judgment, no matter where you might say it came out with respect to taxes, did come out strongly, I think, in favor of exercising some restraint on Federal spending.

The gentleman from Colorado—I see he is not on the floor, and I hesitate to refer to him—has been a member of the Budget Committee, and he knows the enormous difficulties that committee has had in wrestling with this problem of dealing with the budget deficits, and he knows we cannot accomplish the goal of doing something about these deficits unless we start holding the line on these spending programs and these authorization levels as they come along.

Now, the bill that is before us violates the budget resolution that was adopted by this House, and I think those restraints that are contained in that budget resolution reflect the will of the people, at least from what I hear. What this bill is doing is granting unprecedented increases in Federal subsidies to public broadcasting.

Mr. Chairman, I must say that I must stand here in strong opposition. Perhaps I could say it stronger than that, but I hesitate to do so. I regret that Members on the other side are somehow trying to charge Members on this side with gutting public broadcasting. That is not true. Altogether, the bill that is before us authorizes Federal spending totaling $775 million over the next 3 years. When we compare that level with what has been

spent in the last 3 years, the comparison is shocking indeed. There is $775 million in this bill and $507 million that has been expended during the most recent period. In other words, that is an increase of 53 percent.

Mr. BRYANT. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I will be glad to yield in a few moments.

Mr. Chairman, all I want to do is point out that what the gentleman from Ohio is trying to do is to save the funding bill for fiscal years 1987 and 1988 for public broadcasting. I want to point out to Members who might be listening back in their offices—there are not many Members on the floor to listen to this debate—that the appropriations have already been enacted into law for fiscal years 1985 and 1986, and those funding levels are significantly lower than in the Oxley figures. The gentleman from Ohio [Mr. OXLEY] is providing for a 15-percent increase each year over those funding levels, and I do not see how Members on the other side of the aisle can get up and say that his tremendous increases in authorizations are somehow gutting public broadcasting. That is not true.

Now, the fact is—and this is a political fact of life—that the gentleman from Washington can, of course, be outraged at the fact that the President did veto a bill. That is his prerogative. But the President has shown that he will veto outrageous Federal spending increases such as those that are contemplated in this bill.

Mr. SWIFT. Mr. Chairman, will the gentleman yield on that point?

Mr. BROYHILL. I am glad to yield to the gentleman from Washington.

Mr. SWIFT. Mr. Chairman, I have not been outraged because the President vetoed the last proposal. I have been outraged because the President will not compromise on this bill. I want to clarify that in the RECORD.

Mr. BROYHILL. Mr. Chairman, I would say that the President has agreed or has indicated at least in his statement that accompanied his veto far more approval of what he called reasonable and moderate increases for public broadcasting along the lines of the Oxley amendment.

□ 1230

The CHAIRMAN. The time of the gentleman from Virginia has expired.

(By unanimous consent, Mr. BROYHILL was allowed to proceed for 2 additional minutes.)

Mr. BROYHILL. Mr. Chairman, I am saying that there are very strong indications that the administration continues its opposition to the funding levels, the huge increases that are contained in the committee bill and that they would be far happier with the increases that are provided for in the Oxley amendment and I think we would be better advised to enact some numbers along the line of the Oxley amendment.

Now, frankly, I am going to tell you where I stand. I stand for lower figures than that, but I would like to see a bill signed. I do not think we ought to wait until next year. I would like to see a bill signed, and I think the Oxley amendment, if adopted, gives far more assurance that that would be signed than the Wirth bill.

The Oxley amendment is the reasonable compromise that this House should adopt.

Now, the gentleman from Washington is indicating that some compromise has been made. We are in the process of making that decision here and we have presented the Oxley amendment as a reasonable compromise. What it does is balance the need of the public broadcasters for more revenues; at the same time we have the other concerns that the Congress should have and that is to try to keep the Federal expenditures under some control.

I want to point out again, the Oxley amendment increases Federal subsidies by 15 percent each year. This is three times the expected inflation level rate and is more than enough money to ensure that the public broadcasting industry will continue to serve this Nation well and is far more money than the public broadcasting industry has ever received. The gentleman from Texas cannot refute that.

Mr. BRYANT. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I will be glad to yield to the gentleman now.

Mr. BRYANT. Mr. Chairman, I wonder how the gentleman can stand there and tell the House that, when in fact Senator GOLDWATER'S bill now before this House would restore funding levels to the 1977 level.

Mr. BROYHILL. Mr. Chairman, I refuse to yield further. The 1977 appropriations were $103 million. The gentleman does not have the facts. The gentleman does not have the facts. It was $103 million.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

(At the request of Mr. NIELSON of Utah, and by unanimous consent, Mr. BROYHILL was allowed to proceed for 5 additional minutes.)

Mr. BRYANT. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I will be glad to yield, but I would appreciate if the gentleman would go back to the budget tables and get the correct figures.

Mr. BRYANT. I would appreciate it also if the minority would choose to talk about apples when we are talking about apples and oranges and we are talking about oranges.

When the gentleman discusses the budget and talks about how much money this country spends, we are talking in terms of real dollars; so do I, and in terms of real dollars, the bill by Senator GOLDWATER before this House today would restore the Corporation for Public Broadcasting to the 1977 levels. That is irrefutable.

Mr. BROYHILL. The only thing the gentleman can do is go back to the budget tables. The appropriation level for 1984 is $145 million.

The appropriation for 1985—I am talking about the public broadcasting portion of the bill, the telecommunications facilities for 1984 is $12 million, which is a relatively small part of this.

The appropriation level for 1985 is $153 million.

The authorization in 1986 is $162 million.

The appropriation levels are in that ballpark. The most that has ever been appropriated for the public broadcasting side of this is $172 million.

The gentleman from Ohio is proposing $186 million in 1987; $214 million in 1988; $246 million in 1989, enormous increases, far and above the amounts that have ever been expended in the past.

Mr. BLILEY. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I will be glad to yield to the gentleman from Virginia.

Mr. BLILEY. Mr. Chairman, I thank the gentleman for yielding.

The question at issue is not whether or not you favor public broadcasting or not. It is not a question of whether you are going to fund it or not. Public broadcasting has been doing a nice job and what the amendment of the gentleman from Ohio [Mr. OXLEY] would do would be to increase that authorization 15 percent a year for the next 3 years.

Mr. BROYHILL. Not for the next 3 years, it is for 1987 and 1988.

Mr. BLILEY. For 1987 and 1988, I stand corrected. I thank the gentleman.

Mr. Chairman, if the gentleman will yield further, it is a question of whether you want a limousine or do you want good solid transportation. I think the amendment of the gentleman from Ohio [Mr. OXLEY] qualifies for good solid transportation.

I was particularly interested in the comments of the chairman of our committee, the gentleman from Michigan, who said that when you consider this, you have to consider whether it is a good investment. I would hope that all of the bills that we pass that contain money in them are good investments, otherwise we would not waste the time of the House or the country's resources in considering them; but if we apply that and we say everything is good, so therefore we do not put any restraints on spending.

If we are serious, and I hope the Members of the House were serious the other day when they voted overwhelmingly that the President submit a balanced budget; well, if this is an indication of how we would treat the President's submission, then I say it is hardly worth the paper that it was printed on.

We should support the Oxley amendment because it is reasonable and it has a chance of being signed into law and it also provides, as the gentleman from North Carolina has so ably pointed out, three times the level of inflation and the rate of growth in authorization in it.

Certainly, certainly it is most generous when we have to consider what we have done with other authorizations in the course of this year.

Mr. Chairman, I thank the gentleman for yielding.

Mr. BROYHILL. Mr. Chairman, I want to repeat again that the appropriations have already been enacted into law for 1985 and 1986. What this bill is calling for is forward funding for 1987, 1988 and 1989.

They are talking about a 53 percent increase over and above the amount that has been provided for during that most recent 3-year period.

I say that the Oxley amendment is in order and it should be enacted. It provides a reasonable funding increase, at the same time it does not go up as fast as that provided in the bill. It is more likely to be signed into law and I think it is the most responsible action this House can take at this time.

Mr. SCHEUER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the Oxley amendment represents a very Scroogish approach to public television. We are moving toward the Christmas season and we all are familiar with the Christmas character of Scrooge. Well, we are anticipating Scrooge in October instead of December.

We are starting from such a low base, so badly did we gut public television funding a year or two back, that even with the so-called 15-percent increases found in the Oxley amendment, in 1989 we will be below the real dollar funding for public television in 1983.

In 1983 we provided $220 million. The real dollar value of $246 million in 1989, after 6 years of inflation at $240 million, is certainly significantly less than the $220 million that we authorized in 1983.

In 1983, we went from $220 million to $145 million in 1984. We have since been involved in a long, laborious painfull process of pulling ourselves up by our bootstraps to a more civilized and felicitous level of funding. If we pass this bill without the Oxley amendment, public television will be barely able to survive. Its lip will barely be above water. It will be surviving marginally. With the Oxley cut, I fear there will be devastating cuts in the quality of public service programming.

Countries around the world have commercial programming alongside of public programming. We in our country have commercial programming and public programming, but in our public service television, 80 percent of it is not funded by the Federal Government. Eighty percent of it is funded by local and State governments and by corporate charitable foundations, and individual contributions.

So we could be doing far more than we are doing. It is not written in the heavens that the Federal Government must be limited to 20 percent. It could be 25 or 30 percent and it would still be a predominantly private funded television system.

Other countries have found a far higher appropriate level of funding on a per capita basis and in many ways they have worse economic and financial problems than we do.

□ 1240

The United Kingdom, England, with all of her problems, provides $15 per capita for her public television. Canada $17.20 per capita. Japan $21 per capita. What is the United States providing for public television? $2.40, just over 10 percent of what the Japanese provide.

So we have a long way to go before we get a level of funding for public television that is appropriate to our wealth, to the dynamism and productivity of our economy, that is appropriate to the need.

I heard the gentleman from Michigan, Chairman DINGELL, laud our education system. I agree with most of the things that he said. I am not sure our education system in all parts of the country is as good and as effective as he apparently finds it to be.

Be that as it may, one of the ways that we have found that we can ameliorate the shortfalls in our education system, and some of the ways in which our public education has failed to meet the needs of low income, disadvantaged, culturally deprived families, is through public television. The much lauded and decorated "Sesame Street" gives us a significant example of how public television can reach into homes, the homes of poor families, poor kids, to give them the enrichment and the simulation that they have not been able to find in the public school system. And the MacNeil-Lehrer show among a continuing host of evening and weekend public TV shows, provide an example of how enriching public TV can be for adult viewers, especially the elderly and disabled whose lives are circumscribed. We should be providing for more generous funding than the resources this bill would provide. Let us at least avoid further cuts under the disengenuous and sanctimonious guise of increases from the hands of public TV's so-called friends and supporters.

A few more such friends and supporters and public TV will be killed dead for sure.

Mr. BROWN of Colorado. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, a number of comments have been made by Members here today. I would like to address some of those.

First of all, it has been observed by many that public broadcasting offers excellent services, a quality of special value to this country, a quality of service that is not always available on other stations. I would like to lend my endorsement to that observation. I have been pleased by the quality of many of the programs that appear on public broadcasting. They do offer a special service to our country.

So I do not think the issue here is whether or not you like public broadcasting. As I talk to Members on both sides I find strong support for the kind of broadcasting that is available, and a special appreciation for the events with which they deal.

Second, I would like to share some observations with regard to the issue of outside earnings and outside income that is available to public broadcasting. There has been concern expressed that it is not possible to raise the funds necessary to continue the quality of services presented by public broadcasting.

Let me share with you the figures that have come from the public broadcasting stations themselves. From 1982 to 1983, a year in which the impact of a cutback in Federal funding hit public broadcasting, they enjoyed something like a $70 million increase in total revenues. Let me repeat that, in a year in which Federal funding was cut from $172 million down to $137 million, total revenues by public broadcasting went a little over $70 million.

If the question is whether or not funds from the outside are available, I think that is dramatic proof that funds are available. Revenues from corporations went from $89.9 to $120.8 million. Revenues from individuals went from $160.2 to $196.2 million.

The bottom line is that there is an enormous amount of resources available from individuals and corporations.

The point is if we are concerned about public broadcasting I think that is proof that there are resources out there if public broadcasting will seek them. The constraint of public funds which may be necessary because of lack of revenue does not mean the demise of public broadcasting.

Third, the point has been made that the funding offered by the gentleman from Ohio is inadequate. I think that is addressed by the availability of outside funds.

But let me suggest this for the consideration of the Members: Is a 15-percent compounded rate of growth in public funds inadequate when you have an inflation rate of 4 percent? Is there any public group that objects to a 15-percent pay raise when inflation is 4 percent?

I suggest to the Members if we face a financial bind, and we do, that a 15-percent compounded rate of growth is extremely generous, not paltry.

Agreed, we are speculating on what the rate of inflation might be. But the simple fact is with an annual deficit in the neighborhood of $200 billion a year, a compounded rate of growth of 15 percent is extemely generous, not too small.

One last point. As I talk to Members on both sides I find an overwhelming concern about the debt. I find that concern from Members who are either conservative or liberal. I find discussions of the tidal wave of this deficit coming toward us and what the impact is going to have.

There is not anyone here who can honestly look you in the eye and say they are proud of our record on controlling spending. We have not met the challenge of controlling spending. We have not met the challenge of controlling spending.

Let me suggest we can limit the growth of funds to public broadcasting, that can receive substantial outside funding. If we cannot limit increases here, where can we work to bring this budget into line? If not now, when will we face up to the problem of the deficit? If not in these amounts, what amounts?

The simple fact is if we care about getting our problems under control, we have to be willing to face up to it here as well as other places.

Mrs. COLLINS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am in absolute opposition to the Oxley amendment. This amendment would not only, as others have said, cut enormously from the public broadcasting funds that we have, but it is in direct contravention to the Commission our chairman talked about. They said that if in fact we are serious about having public broadcasting, the bottom line is that we are going to give some additional funding to public broadcasting to keep it the viable organization everybody is talking about now.

We have heard discussions about the good programming for children and for the poor. But not only for the children and for the poor, it is also for everybody. There is fine programming on national issues, and on matters of all kinds. There is good theater programs like Masterpiece Theater and so forth, which should be maintained.

Somebody just said a few minutes ago we have not met the challenge of controlling spending, and that is absolutely right. Not because we are not financing public broadcasting, but because spending has gone up and up and up when it comes to defense. Nobody is controlling defense spending, and that is where much of the problem lies.

Everybody is talking about the deficit. What greater deficit have we ever had than during his current administration; none other in the history of the United States of America.

Finally let me say that if we are dead serious about public broadcasting, which I think we all should be, we should resoundingly defeat this amendment.

I yield back the balance of my time.

● Mr. MARKEY. Mr. Chairman, as I have followed the debate on the Oxley amendment to reduce funding for public broadcasting, I am reminded of the words of Oscar Wilde, who said that a cynic is a man who knows the price of everything, and the value of nothing.

There are few programs that serve this country better at less cost than public broadcasting.

My colleagues on the other side of the aisle have been consistent in singing the praises of public braodcasting, while they are trying to cut funding for it. I say, put your money where your mouth is.

In broadcasting, as in life, you get what you pay for.

We are going to take $300 billion out of our economy this year to spend on defense.

I hope my colleagues can find it in their hearts to spend a few million dollars to bring public broadcasting to 1977 levels, in support of programming which makes vast contributions to the quality of American life, which educates the American public, and which tremendously enriches the American intellect.

Public broadcasting fills a void in the American intellectual landscape. If public braodcasting goes under, or has to scale back on its efforts for the American public, there is nothing to take its place.

And make no mistake about it. In our time, the very survival of public broadcasting is at issue.

Perhaps I have a different outlook from some of my colleagues, but I am not shy about spending money for a program that returns to America what public broadcasting does. If we can afford to spend $20 billion on the MX missile, we can afford to spend a few million to enrich the intellectual life of America.

I urge my colleagues to vote against the Oxley amendment.●

● Mr. JEFFORDS. Mr. Chairman, I rise in support of S. 607, the public broadcasting amendments. This legislation has had a difficult history, but I believe that the bill you have before you represents a well-balanced compromise between the levels of the original legislation and the administration's request. S. 607 cuts $145 million from the original bill, and merely brings public broadcasting funding up to the fiscal year 1977 levels. I would consider this a very reasonable request.

I will not belabor the benefits of public broadcasting, as I have made those points many times on the floor of this House. However, I would urge my colleagues to consider these aspects and to bear in mind the drastic cuts that have been made in Federal funding for public broadcasting over the past few years. In my opinion, S. 607 represents a very reasonable, fiscally conservative compromise. I urge all my colleagues to support this bill and reject any further reductions in funding.●

AMENDMENT OFFERED BY MR. DANNEMEYER TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. OXLEY

Mr. DANNEMEYER. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. DANNEMEYER to the amendment in the nature of a substitute offered by Mr. OXLEY. In section 2(a)(2), strike out "$14,000,000" "$16,000,000", and "$18,000,000", and insert in lieu thereof "$12,600,000", "$13,100,000", and "$14,000,000", respectively.

In section 3(a)(3), strike out '$186,000,000", "$214,000,000", and "$246,000,000", and insert in lieu thereof "$170,000,000", "$178,000,000", and "$188,000,000", respectively.

Mr. DANNEMEYER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. WIRTH. Mr. Chairman, reserving the right to object, if I might inquire of the author of the amendment, is this simply an amendment related to the numbers of the authorization, or are there other items in the amendment?

Mr. DANNEMEYER. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from California.

Mr. DANNEMEYER. Mr. Chairman, I say to my colleague, the gentleman from Colorado, this goes just to the amount of the authorization figure.

Mr. WIRTH. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DANNEMEYER. Mr. Chairman, there are times when I listen to the debate on a bill of this type that I really have to raise the question as to whether or not there is a big enough trough in Christendom to accommodate the snouts of those who seek to be fed at taxpayers' expense. You almost have to be blind to reality to come into this forum at this juncture in our history and talk about increasing funding for any agency of the Federal Government in any amount, regardless of circumstances.

□ 1250

We struggled over increasing defense spending in fiscal year 1985, starting on October 1, and I believe that the figure that was finally reached was a 5-percent increase after inflation. How anyone on either side of the aisle can stand with a straight face and suggest to our constituents, the taxpayers who make it happen, that we can somehow justify an increase in the magnitude of the basic bill, 25 percent per year, and even the Oxley amendment, boggles my imagination. It also seems those of us who serve here are oblivious to what our taxpaying citizens are telling us they want to have happen.

When we look at poll after poll, what do they tell us? They say, "Cut the spending, don't raise our taxes, cut that deficit." And here we have another example of the proponents of this legislation coming along with this history; we spent $137 million in 1983, we spent $172 million in 1982; we are talking about raising authorization levels for 1987 to $200 million, $225 million in 1988, and $250 million in 1989.

My amendment, and I have to admit it is what I consider to be a modest amendment, would increase the authorization over what is in the law today by 5 percent for 1987 for a total of $170 million, 5 percent for 1988, $178 million, and 5 percent for 1989, $188 million.

Now, what is wrong with that? What is wrong with a 5 percent increase for these people in the business of public broadcasting?

We all know that there is a law of economics that works which says that expenditures will always rise to meet the income available to be expended.

We could authorize a level of funding for this wonderful work of bringing peace and nirvana to American citizens over public broadcasting to $500 million and they would find a way to spend it.

I suggest to my colleagues we could raise it to $1 billion and they could find a way to spend it. But is that a proper judgment to do? I suggest what we should be doing here is this modest proposal.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to my friend from Massachusetts.

Mr. MARKEY. I thank the gentleman for yielding.

As the gentleman knows, there is no one who I hold in higher regard while at the same time disagreeing with everything that he stands for than the gentleman from California. This is another example where there clearly is a misrepresentation of what is happening here. We are talking about Senator GOLDWATER's bill here, we are talking about snouts in the trough.

Mr. DANNEMEYER. That is precisely what I said.

Mr. MARKEY. I know it, but we are talking about a bill that passed unanimously through the U.S. Senate with BARRY GOLDWATER—I am sorry, the Senator from Arizona leading the fight, the charge, the drive to get it passed. We are talking about waste and excess in government. You were right, you are absolutely right; yet we do not hear anything coming from the gentleman from California about $1,000 for an external screw that cost 1 cent, talking about the Department of Defense.

Mr. DANNEMEYER. I am going to reclaim my time and I will tell you why. We have engaged in this contest about defense spending versus social spending time after time, but the fact needs to be driven home to the American people that we are in this mess not because we are spending too much on defense, we are spending too much on social program, and the data show it.

Look in your budget book for the last year; social spending over the last 20 years is up 350 percent, defense spending is up 21 percent. That is the only way you can analyze it. And that is adjusted to 1972 constant dollars for purposes of inflation.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to my friend from Illinois.

Mr. MADIGAN. I thank the gentleman for yielding.

Mr. Chairman, I wonder if the gentleman [Mr. DANNEMEYER] found anything inconsistent in the fact that this morning several of our colleagues on the other side of the aisle were complaining about the President quoting John Kennedy, complaining about the President making references to John Kennedy. And all afternoon we have been treated to our friends over there referring to BARRY GOLDWATER as being the sponsor of this bill. And I wonder if the gentleman found anything inconsistent in that.

Mr. DANNEMEYER. Well, I have nothing but the highest respect for both of those gentlemen. I think they are distinguished public servants, who served America well and will continue to do so in the minds of all fair thinking American citizens.

The CHAIRMAN. The time of the gentleman from California [Mr. DANNEMEYER] has expired.

The question is on the amendment offered by the gentleman from California [Mr. DANNEMEYER] to the amendment in the nature of a substitute offered by the gentleman from Ohio [Mr. OXLEY].

The question was taken, and on a division (demanded by Mr. WIRTH) there were—ayes 11, noes 6.

Mr. WIRTH. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 446]

Ackerman	Collins	Florio
Addabbo	Conable	Foglietta
Akaka	Conte	Foley
Albosta	Conyers	Ford (MI)
Anderson	Corcoran	Ford (TN)
Andrews (NC)	Coughlin	Frank
Andrews (TX)	Coyne	Franklin
Annunzio	Craig	Frenzel
Anthony	Crane, Daniel	Frost
Applegate	Crane, Philip	Garcia
Aspin	Crockett	Gaydos
AuCoin	D'Amours	Gejdenson
Barnard	Daniel	Gekas
Barnes	Dannemeyer	Gephardt
Bartlett	Darden	Gibbons
Bateman	Daschle	Gilman
Bates	Daub	Gingrich
Bedell	Davis	Glickman
Beilenson	de la Garza	Gonzalez
Bennett	Dellums	Goodling
Bereuter	Derrick	Gore
Berman	DeWine	Gradison
Bethune	Dickinson	Gray
Bevill	Dicks	Green
Bilirakis	Dingell	Gregg
Bliley	Dixon	Guarini
Boehlert	Donnelly	Gunderson
Boggs	Dorgan	Hall (IN)
Boland	Dowdy	Hall (OH)
Bonker	Downey	Hall, Ralph
Borski	Dreier	Hall, Sam
Bosco	Duncan	Hamilton
Boucher	Durbin	Hammerschmidt
Britt	Dwyer	Hance
Broomfield	Dymally	Hansen (UT)
Brown (CO)	Dyson	Harkin
Broyhill	Early	Harrison
Bryant	Eckart	Hartnett
Burton (CA)	Edgar	Hawkins
Burton (IN)	Edwards (AL)	Hayes
Byron	Edwards (CA)	Hefner
Carney	Edwards (OK)	Hertel
Carper	Emerson	Hightower
Carr	English	Hiler
Chandler	Erdreich	Holt
Chappell	Evans (IA)	Horton
Chappie	Evans (IL)	Hoyer
Clarke	Fascell	Hubbard
Clay	Fazio	Huckaby
Clinger	Feighan	Hughes
Coats	Fiedler	Hunter
Coelho	Fields	Hutto
Coleman (MO)	Fish	Hyde
Coleman (TX)	Flippo	Ireland

Jacobs
Jeffords
Jenkins
Johnson
Jones (OK)
Jones (TN)
Kaptur
Kasich
Kastenmeier
Kazen
Kemp
Kennelly
Kildee
Kindness
Kleczka
Kogovsek
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach
Leath
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin
Levine
Levitas
Lewis (CA)
Lewis (FL)
Livingston
Lloyd
Loeffler
Long (LA)
Long (MD)
Lott
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Markey
Marlenee
Marriott
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McHugh
McKernan
McKinney
McNulty
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell
Moakley
Molinari
Mollohan
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Packard
Panetta
Parris
Pashayan
Patman
Patterson
Paul
Pease
Penny
Pepper
Petri
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Rangel
Ratchford
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Savage
Sawyer
Schaefer
Scheuer
Schneider
Schroeder
Schumer
Seiberling
Sensenbrenner
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Stump
Sundquist
Swift
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traxler
Udall
Valentine
Vander Jagt
Vandergriff
Vento
Volkmer
Walgren
Walker
Watkins
Waxman
Weaver
Weber
Weiss
Wheat
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Wilson
Winn
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

□ 1310

The CHAIRMAN. Three hundred ninety-three Members have answered to their names, a quorum is present, and the Committee will resume it business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from California [Mr. DANNEMEYER] for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 68, noes 328, answered "present" 1, not voting 35, as follows:

[Roll No. 447]

AYES—68

Archer
Bethune
Bilirakis
Bliley
Brown (CO)
Broyhill
Burton (IN)
Carney
Conable
Craig
Crane, Daniel
Crane, Philip
Daniel
Dannemeyer
Daub
Dickinson
Dreier
Edwards (OK)
Fields
Franklin
Frenzel
Gingrich
Hammerschmidt
Hansen (UT)
Hartnett
Hubbard
Hunter
Hutto
Hyde
Kasich
Kemp
Kramer
Latta
Livingston
Loeffler
Lott
Lungren
Mack
Marriott
Martin (IL)
McCandless
Michel
Moorhead
Myers
Nielson
Olin
Oxley
Patman
Paul
Petri
Quillen
Roemer
Roth
Schaefer
Sensenbrenner
Shumway
Shuster
Siljander
Smith (NE)
Smith, Denny
Snyder
Spence
Stenholm
Stump
Taylor
Walker
Whittaker
Winn

NOES—328

Ackerman
Addabbo
Akaka
Albosta
Anderson
Andrews (NC)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
AuCoin
Barnard
Barnes
Bartlett
Bateman
Bates
Bedell
Beilenson
Bennett
Bereuter
Berman
Bevill
Boehlert
Boggs
Boland
Bonker
Borski
Bosco
Boucher
Breaux
Britt
Broomfield
Brown (CA)
Bryant
Burton (CA)
Byron
Carper
Carr
Chandler
Chappell
Chappie
Clarke
Clay
Clinger
Coats
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Conyers
Corcoran
Coyne
Crockett
D'Amours
Darden
Daschle
Davis
de la Garza
Dellums
Derrick
DeWine
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fascell
Fazio
Feighan
Fiedler
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gore
Gradison
Gray
Green
Gregg
Guarini
Gunderson
Hall (IN)
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hance
Harkin
Harrison
Hawkins
Hayes
Hefner
Hertel
Hightower
Hiler
Holt
Hopkins
Horton
Hoyer
Huckaby
Hughes
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (OK)
Jones (TN)
Kaptur
Kastenmeier
Kazen
Kennelly
Kildee
Kleczka
Kogovsek
Kolter
Kostmayer
LaFalce
Lagomarsino
Lantos
Leach
Leath
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin
Levine
Levitas
Lewis (CA)
Lewis (FL)
Lloyd
Long (LA)
Long (MD)
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
MacKay
Madigan
Markey
Marlenee
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McDade
McHugh
McKernan
McKinney
McNulty
Mica
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell
Moakley
Molinari
Mollohan
Montgomery
Moody
Moore
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ortiz
Owens
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Penny
Pepper
Pickle
Porter
Price
Pritchard
Pursell
Rahall
Rangel
Ratchford
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sabo
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schumer
Seiberling
Shannon
Sharp
Shaw
Shelby
Sikorski
Sisisky
Skeen
Skelton
Slattery
Smith (IA)
Smith (NJ)
Smith, Robert
Snowe
Solarz
Solomon
Spratt
St Germain
Staggers
Stangeland
Stark
Stokes
Stratton
Studds
Sundquist
Swift
Synar
Tallon
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traxler
Udall
Valentine
Vander Jagt
Vandergriff
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weber
Weiss
Wheat
Whitley
Whitten
Williams (MT)
Williams (OH)
Wilson
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

ANSWERED "PRESENT"—1

Coughlin

NOT VOTING—35

Alexander
Badham
Biaggi
Boner
Bonior
Boxer
Brooks
Campbell
Cheney
Cooper
Courter
Erlenborn
Ferraro
Fowler
Fuqua
Gramm
Hansen (ID)
Hatcher
Heftel
Hillis
Howard
Jones (NC)
Kindness
Lipinski
Martin (NC)
McCain
McEwen
McGrath
Ottinger
Rudd
Schulze
Simon
Smith (FL)
Vucanovich
Whitehurst

□ 1320

Messrs. OLIN and STUMP changed their votes from "no" to "aye."

So the amendment to the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Mr. OXLEY. Mr. Chairman, I ask unanimous consent that each side be given 1 speaker on the Oxley amendment for 5 minutes each before the vote.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. HARTNETT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, when this bill was before the House the last time, after which it got vetoed, I proposed an amendment to limit spending to a 3.5-percent increase that would have been in accordance with the budget agreed to by a majority of this House. At that time, the majority agreed that they did not like their own budget and rejected my amendment.

Today we had an amendment by my moderate friend from California [Mr. DANNEMEYER] which would have allowed a greater increase than mine. That has also been rejected.

Where we are now, Mr. Chairman, is that we have a choice between the Oxley amendment and the committee bill. The difference in that choice is a 25-percent increase, more or less, in the committee bill against a 15-percent increase in the bill of the gentleman from Ohio [Mr. OXLEY].

The President has spoken loudly and clearly on this issue. When he vetoed the last bill, which this House did not dare try to override, the President specifically mentioned the Oxley amendment.

As I read his veto message, he cited the Oxley amendment as being the outer limits of acceptability. Even so, the Oxley amendment is about four times as much as we agreed for increases in this kind of a program in our own budget resolution.

I also note, Mr. Chairman, that the public broadcasting revenues, even when we decrease the Federal contribution in 1983, increased. With the Oxley amendment, we will be giving the public broadcasting industry one of the largest Federal amounts that it has received in its history, along with an incentive to continue increasing its private contributions. It did a good job at this last year.

I doubt there is any Member in the House that does not feel very strongly and very warmly about public broadcasting. Nevertheless, in times of budget deficits, when we are incurring enormous, continuing deficits, no function of government deserves an increase of this magnitude. The President has vetoed one bill already. He has indicated that the Oxley amendment is the outer limit that he will tolerate, it seems to me absolutely essential for the House to accept the 15-percent increase of the Oxley amendment, far beyond the strictures of our budget resolution. If we do support the Oxley version, we can probably get a bill that can be enacted.

If the committee insists on its bill, we will undoubtedly send it on for veto, and the Public Broadcasting Corporation will have to whistle for its money or raise all of it from private sources.

□ 1330

I do not think anybody in this House wants that to happen. I think we want public broadcasting and we want to be sure that it is funded adequately. The 15-percent increase in the Oxley amendment ought to be adequate funding for any agency, particularly at a time when we are trying to show our constituents that we do have some respect for their taxpayers' funds and we are trying to reduce the deficit.

If we cannot support the Oxley amendment, I think we have to admit that we are trying to torpedo public broadcasting. I hope that every Member here will vote for the Oxley amendment and therefore not allow this bill to go forward to a veto.

I yield back the balance of my time.

Mr. WIRTH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the vote which we are about to have on the Oxley amendment is the key vote on public broadcasting. The previous vote I think was tangential. This is the key vote.

Let me, if I might, in summary address two issues that we face. One is the set of numbers, the second is the role of public broadcasting.

On the set of numbers the bill before us which we hope you will support, S. 607, the bill before us was put together by the best efforts of the Senate and the House. We attempted to make a compromise with the administration. The administration would not compromise.

We came down $145 million from the vetoed bill. The administration would not come up $80 million. They want us to go down 225.

We have attempted to compromise. We tried over and over and over again. We have been flat stonewalled by the administration.

So where does this compromise put us? The bill which the President vetoed would have placed public broadcasting at the level of spending that we had for public broadcasting in 1981.

This bill before us today would place it back to 1977. The Oxley amendment would effectively take us back to 1973 or 1974. This, in face of a broadly expanding set of responsibilities that public broadcasting has taken on.

The final point on the numbers that has been made is that this is somehow outside the scope of the budget resolution. There is no reference anywhere in the budget resolution to public broadcasting. This is advanced funding. We are talking about the authorization level for 1987, 1988, and 1989.

This is something that is in the budget this year and finally, as I think most Members know, we do not line item any program in a budget resolution. So I would hope that we would understand that this is not an enormous increase, nor an increase in funding for public broadcasting.

This brings the level of funding for public broadcasting back to the real dollar level that we had in 1977.

Mr. GEKAS. Would the gentleman yield?

Mr. WIRTH. I would be happy to yield.

Mr. GEKAS. Mr. Chairman, I just want to ask one question. The levels that the committee now projects for this program, the so-called Goldwater figures, are they acceptable, to the gentlemen's knowledge, to the White House?

Mr. WIRTH. We have not heard from the White House, I do not think. I have not talked to the White House. I think the gentleman from Ohio says that the White House said no.

Mr. GEKAS. Mr. Chairman, will the gentleman yield to the gentleman from Ohio?

Mr. WIRTH. I would be glad to yield to the gentleman from Ohio.

Mr. OXLEY. I thank the gentleman for yielding to me.

The answer is a resounding "no," and as I quoted from the veto message as well as the letter from Mr. Stockman.

Mr. WIRTH. Mr. Chairman, as the gentleman from Ohio knows, we attempted to work this out with the White House. We came down as I said, $145 million. The White House wants us to come the other $80 million. There is no compromise in this issue at all.

Let me say we attempted; they have not compromised at all. We have tried to compromise and now we are attempting to do what is right and that is to vote for S. 607.

The final point that ought to be made is the role and responsibility of public broadcasting. If we continue to cut back public broadcasting and only 20 percent of public broadcasting's funds come from the Federal Government, the other 80 percent has historically come from outside, we are going to see a continued diminution of programming for children, more than 50 percent of "Sesame Street" is now repeat programs; sharp cutbacks of "3-2-1 Contact," and a whole variety of other areas where public broadcasting is the only broadcasting that bears that responsibility.

A whole variety of other cultural programming is going to be limited or wiped out if we do not support public broadcasting today.

I would urge my colleagues to vote against the Oxley amendment, vote for public broadcasting.

As the gentleman from Minnesota earlier said, we all feel warmly about public broadcasting. Let us make sure that our votes register that warm feeling. A warm feeling is registered by

voting against the Oxley amendment and for S. 607.

Mr. BROYHILL. If the gentleman would yield, is it not a fact that the House budget resolution called for restraining increases on programs between 24 percent and that your bill calls for 25-percent increase?

Mr. WIRTH. That is not the case and what we do is we return this only to the level of funding of that broadcasting in the year 1977. So I would hope that my colleagues would vote no on the Oxley amendment.

Mr. BROYHILL. Would the gentleman yield for a correction of the record?

Is it not a fact according to records I have that $103 million was provided to public broadcasting in 1977? I have the figures right here if the gentleman would like to examine them.

Mr. WIRTH. We are talking about spending power, as I pointed out, we are talking about the spending power of a dollar as it relates to inflation. The spending power of a dollar, we are returning this to the 1977 level.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Ohio [Mr. OXLEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. OXLEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 167, noes 233, answered "present" 1, not voting 31, as follows:

[Roll No. 448]

AYES—167

Applegate	Edwards (OK)	Jones (OK)
Archer	English	Kasich
Bartlett	Erdreich	Kazen
Bateman	Fiedler	Kemp
Bennett	Fields	Kindness
Bethune	Fish	Kolter
Bilirakis	Franklin	Kramer
Bliley	Frenzel	Lagomarsino
Broomfield	Gaydos	Latta
Brown (CO)	Gekas	Leath
Broyhill	Gibbons	Lent
Burton (IN)	Gilman	Levitas
Carney	Gingrich	Lewis (CA)
Carper	Goodling	Lewis (FL)
Chappie	Gradison	Livingston
Clarke	Gregg	Loeffler
Coats	Gunderson	Lott
Conable	Hall, Ralph	Lowery (CA)
Corcoran	Hall, Sam	Lujan
Coughlin	Hammerschmidt	Lungren
Craig	Hansen (UT)	Mack
Crane, Daniel	Hartnett	Madigan
Crane, Philip	Hefner	Marlenee
Daniel	Hightower	Marriott
Dannemeyer	Hiler	Martin (IL)
Darden	Holt	McCandless
Daub	Hopkins	McCollum
de la Garza	Hubbard	McDade
DeWine	Hughes	McNulty
Dickinson	Hunter	Mica
Dowdy	Hutto	Michel
Dreier	Hyde	Miller (OH)
Duncan	Ireland	Molinari
Dyson	Johnson	Montgomery
Moore	Roberts	Stangeland
Moorhead	Robinson	Stenholm
Murphy	Roemer	Stump
Myers	Roth	Sundquist
Neal	Roukema	Tallon
Nelson	Sawyer	Taylor
Nichols	Schaefer	Thomas (CA)
Nielson	Sensenbrenner	Valentine
O'Brien	Shaw	Vander Jagt
Olin	Shumway	Vandergriff
Oxley	Shuster	Walker
Packard	Siljander	Watkins
Parris	Sisisky	Weber
Pashayan	Skelton	Whitley
Patman	Slattery	Whittaker
Paul	Smith (NE)	Winn
Petri	Smith (NJ)	Wise
Pursell	Smith, Denny	Wolf
Ray	Smith, Robert	Yatron
Regula	Snyder	Young (FL)
Rinaldo	Solomon	Zschau
Ritter	Spence	

NOES—233

Ackerman	Feighan	Mitchell
Addabbo	Flippo	Moakley
Akaka	Florio	Mollohan
Albosta	Foglietta	Moody
Alexander	Foley	Morrison (CT)
Anderson	Ford (MI)	Morrison (WA)
Andrews (NC)	Fowler	Mrazek
Andrews (TX)	Frank	Murtha
Annunzio	Frost	Natcher
Anthony	Garcia	Nowak
Aspin	Gejdenson	Oakar
AuCoin	Gephardt	Oberstar
Barnard	Glickman	Obey
Barnes	Gonzalez	Ortiz
Bates	Gore	Owens
Bedell	Gray	Panetta
Beilenson	Green	Patterson
Bereuter	Guarini	Pease
Berman	Hall (IN)	Penny
Bevill	Hall (OH)	Pepper
Boehlert	Hamilton	Pickle
Boggs	Hance	Porter
Boland	Harkin	Price
Bonker	Harrison	Pritchard
Borski	Hatcher	Rahall
Bosco	Hawkins	Rangel
Boucher	Hayes	Ratchford
Breaux	Hertel	Reid
Britt	Horton	Richardson
Brooks	Hoyer	Ridge
Brown (CA)	Jacobs	Rodino
Bryant	Jeffords	Roe
Burton (CA)	Jenkins	Rogers
Byron	Jones (TN)	Rose
Carr	Kaptur	Rostenkowski
Chandler	Kastenmeier	Rowland
Chappell	Kennelly	Roybal
Clay	Kildee	Russo
Clinger	Kleczka	Sabo
Coelho	Kogovsek	Savage
Coleman (MO)	Kostmayer	Scheuer
Coleman (TX)	LaFalce	Schneider
Collins	Lantos	Schroeder
Conte	Leach	Schumer
Conyers	Lehman (CA)	Seiberling
Coyne	Lehman (FL)	Shannon
Crockett	Leland	Sharp
D'Amours	Levin	Shelby
Daschle	Levine	Sikorski
Davis	Lloyd	Skeen
Dellums	Long (LA)	Smith (IA)
Derrick	Long (MD)	Snowe
Dicks	Lowry (WA)	Solarz
Dingell	Luken	Spratt
Dixon	Lundine	St Germain
Donnelly	MacKay	Staggers
Dorgan	Markey	Stark
Downey	Martin (NY)	Stokes
Durbin	Martinez	Stratton
Dwyer	Matsui	Studds
Dymally	Mavroules	Swift
Early	Mazzoli	Synar
Eckart	McCloskey	Tauke
Edgar	McCurdy	Tauzin
Edwards (AL)	McHugh	Thomas (GA)
Edwards (CA)	McKernan	Torres
Emerson	McKinney	Torricelli
Evans (IA)	Mikulski	Towns
Evans (IL)	Miller (CA)	Traxler
Fascell	Mineta	Udall
Fazio	Minish	Vento
Volkmer	Whitten	Wright
Vucanovich	Williams (MT)	Wyden
Walgren	Williams (OH)	Wylie
Waxman	Wilson	Yates
Weaver	Wirth	Young (AK)
Weiss	Wolpe	Young (MO)
Wheat	Wortley	

ANSWERED "PRESENT"—1

Heftel

NOT VOTING—31

Badham	Ford (TN)	McEwen
Biaggi	Fuqua	McGrath
Boner	Gramm	Ottinger
Bonior	Hansen (ID)	Quillen
Boxer	Hillis	Rudd
Campbell	Howard	Schulze
Cheney	Huckaby	Simon
Cooper	Jones (NC)	Smith (FL)
Courter	Lipinski	Whitehurst
Erlenborn	Martin (NC)	
Ferraro	McCain	

□ 1350

The Clerk announced the following pairs:

On this vote:

Mr. Campbell for, with Mr. Biaggi against.

Mr. Courter for, with Mr. Boner of Tennessee against.

Mr. Cheney for, with Mrs. Boxer against.

Mr. MARTINEZ and Mr. WILLIAMS of Ohio changed their votes from "aye" to "no."

Mr. YATRON changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. FOLEY] having assumed the chair, Mr. KOGOVSEK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the Senate bill (S. 607) to amend the Communications Act of 1934, pursuant to House Resolution 592, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the Senate bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 308, nays 86, not voting 38, as follows:

[Roll No. 449]

YEAS—308

Addabbo	Fowler	Mitchell
Akaka	Frank	Moakley
Albosta	Franklin	Mollohan
Alexander	Frost	Montgomery
Anderson	Garcia	Moody
Andrews (NC)	Gaydos	Morrison (CT)
Andrews (TX)	Gejdenson	Morrison (WA)
Annunzio	Gekas	Mrazek
Anthony	Gephardt	Murphy
Aspin	Gibbons	Murtha
AuCoin	Gilman	Natcher
Barnard	Gingrich	Neal
Barnes	Glickman	Nelson
Bateman	Gonzalez	Nichols
Bates	Gore	Nowak
Bedell	Gray	Oakar
Bennett	Green	Oberstar
Bereuter	Guarini	Obey
Berman	Hall (IN)	Olin
Bevill	Hall (OH)	Ortiz
Boehlert	Hall, Ralph	Owens
Boggs	Hamilton	Panetta
Boland	Hammerschmidt	Parris
Bonker	Hance	Pashayan
Borski	Harkin	Patman
Bosco	Harrison	Patterson
Boucher	Hatcher	Pease
Breaux	Hawkins	Penny
Britt	Hayes	Pepper
Brooks	Hefner	Pickle
Brown (CA)	Heftel	Porter
Bryant	Hertel	Price
Burton (CA)	Hightower	Pritchard
Byron	Hopkins	Rahall
Carper	Horton	Rangel
Carr	Hoyer	Ratchford
Chandler	Huckaby	Ray
Chappell	Hughes	Reid
Chappie	Hunter	Richardson
Clarke	Ireland	Ridge
Clay	Jacobs	Rinaldo
Clinger	Jeffords	Rodino
Coelho	Jenkins	Roe
Coleman (MO)	Johnson	Rogers
Coleman (TX)	Jones (OK)	Rose
Collins	Jones (TN)	Rostenkowski
Conable	Kaptur	Roth
Conte	Kastenmeier	Roukema
Conyers	Kazen	Rowland
Coughlin	Kemp	Roybal
Coyne	Kennelly	Russo
Crockett	Kildee	Sabo
D'Amours	Kleczka	Savage
Darden	Kogovsek	Sawyer
Daschle	Kolter	Scheuer
Daub	Kostmayer	Schneider
Davis	LaFalce	Schroeder
de la Garza	Lantos	Schumer
Dellums	Leach	Seiberling
Derrick	Lehman (CA)	Shannon
Dicks	Leland	Sharp
Dingell	Lent	Shelby
Dixon	Levin	Sikorski
Donnelly	Levine	Siljander
Dorgan	Levitas	Sisisky
Dowdy	Lewis (CA)	Skeen
Downey	Lloyd	Skelton
Duncan	Long (LA)	Smith (IA)
Durbin	Long (MD)	Smith (NJ)
Dwyer	Lowery (CA)	Snowe
Dymally	Lowry (WA)	Snyder
Dyson	Lujan	Solarz
Early	Luken	Spratt
Eckart	Lundine	St Germain
Edgar	MacKay	Staggers
Edwards (AL)	Markey	Stangeland
Edwards (CA)	Marlenee	Stark
Edwards (OK)	Martin (NY)	Stokes
Emerson	Martinez	Stratton
English	Matsui	Studds
Erdreich	Mavroules	Stump
Evans (IA)	Mazzoli	Sundquist
Evans (IL)	McCloskey	Swift
Fascell	McCurdy	Synar
Fazio	McDade	Tallon
Feighan	McHugh	Tauke
Fish	McKernan	Tauzin
Flippo	McKinney	Taylor
Florio	McNulty	Thomas (CA)
Foglietta	Miller (CA)	Thomas (GA)
Foley	Miller (OH)	Torres
Ford (MI)	Mineta	Torricelli
Ford (TN)	Minish	Towns
Traxler	Wheat	Wortley
Udall	Whitley	Wright
Vandergriff	Whitten	Wyden
Vento	Williams (MT)	Wylie
Volkmer	Williams (OH)	Yates
Vucanovich	Wilson	Yatron
Walgren	Wirth	Young (AK)
Watkins	Wise	Young (MO)
Waxman	Wolf	Zschau
Weiss	Wolpe	

NAYS—86

Applegate	Hiler	Oxley
Archer	Holt	Packard
Bartlett	Hubbard	Paul
Bethune	Hutto	Petri
Bilirakis	Hyde	Pursell
Bliley	Kasich	Regula
Brown (CO)	Kindness	Ritter
Broyhill	Kramer	Roberts
Burton (IN)	Lagomarsino	Robinson
Carney	Latta	Roemer
Coats	Leath	Schaefer
Craig	Lewis (FL)	Sensenbrenner
Crane, Daniel	Livingston	Shaw
Crane, Philip	Loeffler	Shumway
Daniel	Lott	Shuster
Dannemeyer	Lungren	Slattery
DeWine	Mack	Smith (NE)
Dickinson	Madigan	Smith, Denny
Dreier	Marriott	Smith, Robert
Fiedler	Martin (IL)	Solomon
Fields	McCandless	Stenholm
Frenzel	McCollum	Valentine
Goodling	Michel	Vander Jagt
Gradison	Molinari	Walker
Gregg	Moore	Weber
Gunderson	Moorhead	Whittaker
Hall, Sam	Myers	Winn
Hansen (UT)	Nielson	Young (FL)
Hartnett	O'Brien	

NOT VOTING—38

Ackerman	Erlenborn	McGrath
Badham	Ferraro	Mica
Beilenson	Fuqua	Mikulski
Biaggi	Gramm	Ottinger
Boner	Hansen (ID)	Quillen
Bonior	Hillis	Rudd
Boxer	Howard	Schulze
Broomfield	Jones (NC)	Simon
Campbell	Lehman (FL)	Smith (FL)
Cheney	Lipinski	Spence
Cooper	Martin (NC)	Weaver
Corcoran	McCain	Whitehurst
Courter	McEwen	

□ 1410

The Clerk announced the following pair:

On this vote:

Mr. Fuqua for, with Mr. Campbell against.

So the Senate bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H.R. 1438. An act to provide for the restoration of the fish and wildlife in the Trinity River Basin, California, and for other purposes;

H.R. 5183. An act to direct the Secretary of Agriculture to convey certain National Forest System lands to Craig County, VA;

H.R. 5358. An act to enable honey producers and handlers to finance a nationally coordinated research promotion, and consumer information program designed to expand their markets for honey;

H.R. 6216. An act to amend the Bankruptcy Amendments and Federal Judgeship Act of 1984 to make technical corrections with respect to the retirement of certain bankruptcy judges, and for other purposes;

H.R. 6225. An act to prevent disruption of the structure and functioning of the Government by ratifying all reorganization plans as a matter of law;

H.R. 6248. An act to amend title VII of the Omnibus Crime Control and Safe Streets Act of 1968 to provide enhanced penalties for certain persons possessing firearms after three previous convictions for burglaries or robberies, and for other purposes;

H.R. 6257. An act to amend the Motor Vehicle and Information Cost Savings to impede those motor vehicle thefts which occur for purposes of dismantling the vehicles and reselling the major parts by requiring passenger motor vehicles and major replacement parts to have identifying numbers or symbols, and for other purposes;

H.J. Res. 551. Joint resolution providing for the reappointment of Anne Legendre Armstrong as a citizen regent of the Smithsonian Institution;

H.J. Res. 552. Joint resolution providing for reappointment of A. Leon Higginbotham, Jr., as a citizen of the Smithsonian Institution; and

H.J. Res. 580. Joint resolution authorizing the Kahlil Gibran Centennial Foundation to establish a memorial in the District of Columbia or its environs.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 1880. An act to establish an interagency committee and a technical study group on cigarette safety;

H.R. 1961. An act to amend title 38, United States Code, to provide disability and death allowances to veterans and the survivors of veterans who served in Southeast Asia during the Vietnam era and suffer from diseases that may be attributable to exposure to the herbicide known as "Agent Orange" and to veterans and the survivors of veterans who participated in atomic tests or the occupation of Hiroshima and Nagasaki and suffer from diseases that may be attributable to ionizing radiation;

H.R. 2970. An act to amend the Colorado River Basin Salinity Control Act to authorize certain additional measures to assure accomplishment of the objectives of title II of such act, and for other purposes;

H.R. 4209. An act to amend section 15 of the Small Business Act;

H.R. 5603. An act to amend the Public Health Service Act to revise and extend the authorities of that act for assistance for alcohol and drug abuse and mental health services and to revise and extend the Developmental Disabilities Assistance and Bill of Rights Act; and

H.R. 6296. An act entitled: "The San Juan Basin Wilderness Protection Act of 1984."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2048) "An act to provide for

the establishment of a Task Force on Organ Procurement and Transplantation and an Organ Procurement and Transplantation Registry, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5603) "An act to amend the Public Health Service Act to revise and extend the authorities of that act for assistance for alcohol and drug abuse and mental health services and to revise and extend the Developmental Disabilities Assistance and Bill of Rights Act."

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 648) "An act to facilitate the exchange of certain lands in South Carolina."

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 1790) "An act to authorize the Secretary of the Interior to enter into a contract or cooperative agreement with the Art Barn Association to assist in the preservation and interpretation of the Art Barn and Pierce Mill located in Rock Creek Park within the District of Columbia."

The message also announced that the Senate agrees to the amendments of the House to the joint resolution (S.J. Res. 273) joint resolution to designate the week of August 5, 1984, through August 11, 1984, as "Smokey Bear Week."

RECOGNIZING THE WOMEN'S ARMY CORPS VETERANS' ASSOCIATION

Mr. SAM B. HALL JR. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4966), to recognize the organization known as the Women's Army Corps Veterans' Association, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

On page 2, line 6, strike out the colon and insert in lieu thereof "a continuing commitment, on a national basis, to—".

On page 2, line 7, strike out "promoting" and insert in lieu thereof "promote".

On page 2, line 11, strike out "recognizing" and insert in lieu thereof "recognize".

On page 2, line 13, strike out "providing" and insert in lieu thereof "provide".

On page 5, line 7, strike out "(60)" and insert in lieu thereof "(64)".

On page 6, line 6, after the period insert the following: "if the corporation fails to maintain such status, the charter granted by this Act shall expire.".

Mr. SAM B. HALL JR. (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. MATSUI). Is there objection to the request of the gentleman from Texas?

Mr. KINDNESS. Mr. Speaker, reserving the right to object, under my reservation I would like to yield to the gentleman from Texas for an explanation of the amendments which are offered in conformance with changes made in the same bill, the companion bill, in the other body.

Mr. SAM B. HALL, JR. Mr. Speaker, this is merely to recognize the organization known as the Women's Army Corps Veterans' Association, the WAC's, that was instituted and begun in World War II. It is a nonprofit organization and meets all of the requisites of the Federal charters.

The amendments that have been offered are technical amendments that make certain provisions for the continuation of the WAC organization to act. If they violate any of these elements of the charter their charter will, of course, be revoked.

I urge its adoption.

Mr. KINDNESS. Mr. Speaker, further reserving the right to object, I would join with the gentleman from Texas in urging adoption of the amendments and approval by unanimous consent of H.R. 4966, as amended.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Texas?

There was no objection.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR MOTION TO TAKE H.R. 6163, FEDERAL DISTRICT COURT ORGANIZATION ACT OF 1984, FROM THE SPEAKER'S TABLE AND AGREE TO SENATE AMENDMENTS

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 98-1148) on the resolution (H. Res. 606) providing for a motion to take the bill (H.R. 6163) to amend title 28, United States Code, with respect to the places where court shall be held in certain judicial districts, and for other purposes, from the Speaker's table and to agree to the Senate amendments, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF S. 2565, HEAD START ACT PROGRAMS EXTENSION

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 98-1149) on the resolution (H. Res. 607) providing for consideration in the House of the bill (S. 2565) to extend programs under the Head Start Act, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR MOTION TO TAKE H.R. 999, AMERICAN CONSERVATION CORPS ACT OF 1983, FROM THE SPEAKER'S TABLE AND AGREE TO SENATE AMENDMENT

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 98-1150) on the resolution (H. Res. 608) providing for a motion to take the bill (H.R. 999) to provide for the conservation, rehabilitation, and improvement of natural and cultural resources located on public or Indian lands, and for other purposes, from the Speaker's table and to agree to the Senate amendment, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR MOTION TO TAKE H.R. 5121, VIRGINIA NATIONAL FOREST WILDERNESS ACT OF 1984, FROM THE SPEAKER'S TABLE AND AGREE TO SENATE AMENDMENT

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 98-1151) on the resolution (H. Res. 609) providing for a motion to take the bill (H.R. 5121) to designate certain national forest system lands in the State of Virginia as wilderness, and for other purposes, from the Speaker's table and to agree to the Senate amendment, which was referred to the House Calendar and ordered to be printed.

PERMISSION FOR COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO FILE INVESTIGATIVE REPORTS WITH THE CLERK FOLLOWING SINE DIE ADJOURNMENT

Mr. STOKES. Mr. Speaker, I ask unanimous consent that the Committee on Standards of Official Conduct be permitted to file investigative reports with the Clerk following the sine die adjournment, and that such reports be printed by the Clerk as reports of the 98th Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

SAN JUAN BASIN WILDERNESS PROTECTION ACT OF 1984

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6296) entitled "An act entitled 'The San Juan Basin Wilderness Protection Act of 1984,'" with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 8, after line 18, insert:

SEC. 106. Section 11(a) of Public Law 93-531 (25 U.S.C. 100-10) is amended—

(1) in paragraph (1) by striking out the last sentence, which begins "Such lands";

(2) by inserting after paragraph (2) the following: "Subject to the provisions of the following sentences of this subsection, all rights, title and interests of the United States in the lands described in paragraph (1), including such interests the United States as lessor has in such lands under the Mineral Leasing Act of 1920, as amended, will, subject of existing lease hold interests, be transferred without cost to the Navajo Tribe and title thereto shall be taken by the United States in trust for the benefit of the Navajo Tribe as a part of the Navajo Reservation. So long as selected lands coincide with pending noncompetitive coal lease applications under the Mineral Leasing Act of 1920, as amended, the Secretary may not transfer any United States interests in such lands until the noncompetitive coal lease applications have been fully adjudicated. If such adjudication results in issuance of Federal coal leases to the applicants, such transfer shall be subject to such leases. The leaseholders rights and interests in such coal leases will in no way be diminished by the transfer of the rights, title and interests of the United States in such lands to the Navajo Tribe. If any selected lands are subject to valid claims located under the Mining Law of 1872 the transfer of the selected lands may be made subject to those claims."; and

(3) by inserting the following new paragraph:

"(2) Those interests in lands acquired in the State of New Mexico by the Navajo Tribe pursuant to subsection 2 of this section shall be subject to the right of the State of New Mexico to receive the same value from any sales, bonuses, rentals, royalties and interest charges from the conveyance, sale, lease, development, and production of coal as would have been received had the subsurface interest in such lands remained with the United States and been leased pursuant to the Mineral Lands Leasing Act of 1920, as amended or any successor Act; or otherwise developed. The state's interest shall be accounted for in the same manner as it would have been if a lease had been issued pursuant to the Mineral Lands Leasing Act of 1920, as amended."

SEC. 107. (a) Subject to valid existing rights and except as provided in subsection (b), the Secretary of the Interior is authorized and directed to convey to the New Mexico State University, Las Cruces, New Mexico, at a cost of $2.50 per acre, all right, title, and interest of the United States in and to the following described public lands aggregating approximately 5,711.39 acres in Dona Ana County, New Mexico, to be used for the purpose of conducting educational, demonstrative, and experimental development with livestock, grazing methods, and range forage plants and other agricultural related research:

NEW MEXICO PRINCIPAL MERIDIAN

Township 20 South, Range 1 East

Secs. 16, 32, and 36 all.

Township 21 South, Range 1 East

Sec. 2, and 16 all.

Township 20 South, Range 1 West

Sec. 2, 16 all;

Sec. 26, north half northeast quarter, northeast quarter northwest quarter;

Sec. 32, north half, north half southwest quarter, north half southeast quarter, southeast quarter southeast quarter; and

Sec. 36, all.

(b) There are reserved to the United States all minerals that may be found in the lands described in subsection (a), together with the right of the United States, its permittees, lessees, or grantees, at any time, to prospect for, mine and remove such minerals.

(c) In the event that the lands described in subsection (a), or any part thereof, are used for any purpose other than those for which conveyance is authorized, title to the entire tract shall immediately revert to the United States without the necessity for further action to accomplish the reversion of title to the United States.

SEC. 108. In order to relieve the Elephant Butte Irrigation District of any obligation to reimburse the Bureau of Reclamation for leave and severance payments to certain employees of the Rio Grande project seperated as a result of the transfer of operation and maintenance responsibilities to the Elephant Butte District, miscellaneous revenues having been collected by the Bureau of Reclamation from the sale or lease of project lands, interests in lands or other sources may be credited to the Elephant Butte Irrigation District for such leave and severance payments and accrued interest penalties on the District's obligations. Penalties shall be assessed up till September 23, 1983.

SEC. 109. An approximate twenty-acre area as shown on a map entitled Sandia Mountain Wilderness additions, dated March 26, 1981, on file in the Office of the Chief of the Forest Service, Department of Agriculture, is hereby added to and made a part of the Sandia Mountain Wilderness: *Provided*, That the Secretary of Agriculture may allow the continuance of the existing diversion dam and existing related facilities conforming to the terms and conditions of maintenance he deems appropriate, including the provision for access and the use of mechanized equipment only for construction and maintenance of existing structures: *Provided further*, That any upgrading of the existing diversion dam shall be completed within four years of the date of this section in accord with the plans approved by the Secretary of Agriculture. The Secretary of Agriculture may extend the time of such reconstruction if he deems such extension is necessary and in the public interest.

SEC. 110. (a)(1) The Secretary of the Interior (hereafter in this section referred to as the "Secretary") may convey to Sumner Lake Corporation of the State of New Mexico all right, title, and interest of the United States in and to the real property described in paragraph (2), but such conveyance to such corporation may be made only in the event that the State of New Mexico has given a written release to the United States Government from the State's lease of such property.

(2) The real property referred to in paragraph (1) is located in Lake Sumner State Park, in the State of New Mexico, and is more particularly described as follows: all portions of sections 28 and 34 in township 5 north, range 24 east, that are more than 4,280 feet above sea level. The acreage and legal description of such real property shall be determined by the Secretary after consulting with Sumner Lake Corporation.

(b)(1) In consideration for the conveyance authorized in subsection (a), Sumner Lake Corporation shall pay to the Secretary for deposit in the United States Treasury the fair market value of the real property conveyed as determined on the date of such conveyance. Such fair market value shall be determined by the Secretary by means of an appraisal conducted in accordance with established appraisal procedures.

(2) Any administrative cost incurred by the Secretary incident to any conveyance under subsection (a), including any surveying cost, recording cost, or legal cost, shall be reimbursed by Sumner Lake Corporation.

(c)(1) Any conveyance under subsection (a) shall reserve to the United States all oil, coal, and other minerals in the real property conveyed, and the right to prospect for, mine, and remove such oil, coal, and other minerals. Any damage sustained by any surface owner as a result of the exercise of any right reserved in this paragraph shall be reimbursed by the United States or the lessee of such right.

(2) Any conveyance under subsection (a) shall not affect any easement, servitude, or right-of-way existing with respect to the real property conveyed on the date of such conveyance.

(3) The Secretary may attach to any conveyance under subsection (a) any additional conditions and reservations that the Secretary determines to be appropriate.

Mr. SEIBERLING (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. LUJAN. Reserving the right to object, Mr. Speaker, I do so to ask the gentleman from Ohio [Mr. SEIBERLING] or the gentleman from New Mexico [Mr. RICHARDSON] perhaps to explain the provisions of the bill.

Mr. SEIBERLING. Mr. Speaker, I am happy to defer to my colleague, the gentleman from New Mexico [Mr. RICHARDSON], who is one of the original authors of this legislation, and let him give the explanation.

Mr. RICHARDSON. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. I am happy to yield to the gentleman from New Mexico.

Mr. RICHARDSON. Mr. Speaker, this bill contains exactly the same wilderness proposals in New Mexico's San Juan Basin as passed the House Wednesday evening on unanimous consent. In addition, the Senate has

amended the bill to incorporate the following:

Transfer the surface and subsurface of certain lands in New Mexico which have been selected by the Navajo Nation to the Navajo, subject to pending coal lease applications and certain payments to the State of New Mexico.

Transfer certain Federal lands in New Mexico to New Mexico State University for the purpose of conducting rangeland research.

Relieve the Elephant Butte Irrigation District of certain obligations.

Add 20 acres to the existing Sandia Wilderness, and

Authorize the Secretary of Interior to sell certain lands to the Sumner Lake Corp. at fair market value.

Mr. Speaker, it is my understanding that the various provisions added by the Senate have the unanimous consent of the entire New Mexico congressional delegation, the State of New Mexico, and the Navajo Nation, and are without controversy.

I urge approval of the bill as amended.

□ 1420

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield to me?

Mr. LUJAN. Further reserving the right to object, I yield to the gentleman from Ohio [Mr. SEIBERLING].

Mr. SEIBERLING. I thank the gentleman for yielding.

Mr. Speaker, I simply want to commend Mr. RICHARDSON and Mr. LUJAN and the other members of the delegation for having worked out this excellent piece of legislation.

Mr. Speaker, I urge Members to support it.

Mr. LUJAN. Mr. Speaker, I thank both gentlemen and particularly the gentleman from New Mexico [Mr. RICHARDSON] for his explanation.

Mr. Speaker, this is a consensus bill of the New Mexico delegation. Everybody has had a little input into it. It is a fine piece of legislation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Ohio [Mr. SEIBERLING]?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

REQUEST FOR CONSIDERATION OF CONFERENCE REPORT ON S. 2574, NURSE EDUCATION AMENDMENTS OF 1984

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the Senate bill (S. 2574) to revise and extend title VIII of the Public Health Service Act, relating to nurse education.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. DANNEMEYER. Mr. Speaker, reserving the right to object, I would ask my colleague, the gentleman from California [Mr. WAXMAN]: Is this the health manpower bill?

Mr. WAXMAN. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentleman for yielding.

Mr. Speaker, yes; it is.

Mr. DANNEMEYER. And if we do not take it up today, that means it lies over for 3 days until next week? Is that right?

Mr. WAXMAN. That is correct.

Mr. DANNEMEYER. I object.

The SPEAKER pro tempore. Objection is heard.

PERMISSION TO FILE CONFERENCE REPORTS AND MAKING IN ORDER CONSIDERATION OF CONFERENCE REPORTS ON S. 2616, ADOLESCENT FAMILY LIFE DEMONSTRATION PROGRAM EXTENSION, AND S. 540, NATIONAL INSTITUTE OF ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES ACT OF 1984

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file the conference report on the Senate bill (S. 2616) to extend the Adolescent Family Life Demonstration Program, and the conference report on the Senate bill (S. 540) to amend the Public Health Service Act to establish a National Institute of Arthritis and Musculoskeletal and Skin Diseases, and for other purposes, and that it be in order to consider these conference reports at any time after they are filed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. CHANDLER. Mr. Speaker, reserving the right to object, I yield to the gentleman from California to answer the question: Has this been cleared with the minority?

Mr. WAXMAN. If the gentleman from Washington will yield, yes, it has been.

Mr. CHANDLER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection?

REQUEST TO MAKE IN ORDER CONSIDERATION TODAY OF JOINT RESOLUTION MAKING FURTHER CONTINUING APPROPRIATIONS FOR 1985

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that it shall be in order today to consider in the House, any rule of the House to the contrary notwithstanding, a joint resolution making further continuing appropriations for the fiscal year 1985, to be introduced by myself, and that debate be limited to 1 hour, the time to be equally divided between myself and the gentleman from Massachusetts [Mr. CONTE] and that the previous question shall be considered as ordered on the resolution to final passage without intervening motion.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

Mr. DANNEMEYER. Mr. Speaker, reserving the right to object, I could not quite hear the gentleman from Mississippi when he began his remarks.

Mr. Speaker, what is it the House seeks to bring up at this time?

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I thank the gentleman for yielding.

Mr. Speaker, this continuing resolution will supercede the one which expires at 6 o'clock today so that Governmental programs may stay operational without interruption or disruption.

Mr. DANNEMEYER. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

MILITARY FAMILY SUPPORT ACT

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, "If you didn't have me to feed, things would be better." It has been several weeks now since those final words of 13-year-old Danny Holley were etched in our collective conscience.

Danny's story is as brief as the life he led; the legacy of his untimely death carries an enduring challenge to which we, as a nation, must come to terms.

Like many families, the Holleys had fallen on hard times. Unlike most, however, Danny's father had a steady job, serving as a sergeant in the U.S. Army. But despite the security of his position, poverty was no stranger to the Holley family.

That Danny was to take his own life because of the hardships he had endured calls attention to the enormous pressures placed on service personnel and their families. His was not an isolated case, as many military families, strapped financially by the lack of on-base housing or separated by overseas assignments, struggle to make ends meet.

It is truly ironic that we as a nation have grown tolerant, if somewhat reluctantly, of paying outrageous prices for military hardware that does not work or could have been purchased elsewhere at a fraction of the cost. We are all familiar with the litany of procurement horror stories; the recent suicide of young Danny Holley brings new meaning to that debate.

Mr. Speaker, the quality of life offered by service in the U.S. Armed Forces is an issue that strikes at the very heart of our defense capabilities. One of the most basic requirements of any military organization is to ensure that its forces are adequately paid, fed, housed, and given the medical attention they require to maintain a state of constant readiness.

The way we treat service personnel is vital to the success of today's volunteer force. Our willingness to invest in improving the conditions of military service is one of the major determinants of our ability to attract and retain the manpower necessary to meet our national security objectives.

I know I am not alone in expressing shock about recent reports that military families have been forced to rely on food stamps to put food on the table. Surely we as a nation, in asking for the supreme sacrifice of life in our defense, ought to better provide for military personnel and their families. At stake is the effectiveness of our military, which is not likely to withstand a further erosion of morale.

Mr. Speaker, the task is enormous and the hour late. Nonetheless, I would like at this time to share with my colleagues a plan for easing some of the strain of military life and for reforming wasteful military procurement practices.

The plan I propose would: First, create a special account for unspent military procurement funds which would be earmarked for certain personnel travel allowances including mileage reimbursements, household goods weight allowances, and temporary lodging expenses; second, lower from 15 to 10 percent the unreimbursed costs of renting housing off-post; third, authorize routine dental coverage for military dependents under the Civilian Health and Medical Program of the Uniformed Services [CHAMPUS]; and fourth, establish an Office of Military Family Services within the Department of Defense to offer comprehensive services to personnel and their families.

By linking additional funding for travel allowances by which all military members benefit to savings in the procurement process would add, in small measure, incentive to reporting incidents of fraud and abuse. Clearly the potential pool of funding is enormous: Just last week the Pentagon proudly asserted that it has saved $5.9 billion as a result of a 3-year campaign against wrongdoing.

The thrust of my plan is twofold: By establishing, from the outset, a program under which appropriated funds identified as excess to their intended purposes would be earmarked for personnel compensation programs would add a positive dimension to the fight against fraud and abuse. Such a program would also ensure greater resources for compensation programs which, historically, have not been funded to their authorized limits.

As the Holley suicide demonstrated, many military families arrive at their new post deeply in debt as a result of the unreimbursed costs associated with Government-ordered travel. This hardship is immediately compounded in areas where on-post housing is not available.

In this connection, I applaud the efforts of the House and Senate Armed Services Committees to bring military family housing allowances up to more realistic levels. I believe, however, that further improvements are necessary to reduce the financial inequities military families face today. I propose that the military member's share of off-post housing costs be reduced from 15 percent authorized last month to 10 percent.

As my colleagues are aware, another area of long-standing concern is the kinds of services provided for the dependents of active duty personnel. For many years now service families have complained about the lack of dependent dental coverage. My plan would authorize routine dependent dental care through the Civilian Health and Medical Program of the Uniformed Services. Though a modest step, I can assure my colleagues that dependent dental coverage would give a powerful boost to morale, especially among enlisted personnel of junior grades.

Finally, the Office of Military Family Services would be responsible for developing, implementing, and overseeing a service-wide military family services program which would include: First, financial and family counseling; second, resource and information referral; third, employment training and job referral for family members; fourth, consumer protection; and fifth, family advocacy services. A second area of responsibility would include operating an ombudsman outreach program targeted at military families separated by overseas assignments.

Mr. Speaker, it is my sincere hope that we will continue to focus on this vital issue between now and the opening of the 99th Congress. In proceeding, we ought not to forget that investing in the welfare of our Nation's military personnel is not only the right thing to do, but the smart thing to do as well.

CONFISCATING SPORTSMEN'S RIGHTS

(Mr. MARLENEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and include extraneous matter.)

● Mr. MARLENEE. Mr. Speaker, sportsmen across America are outraged at the Democrat nominee for Vice President's history of legislative intent to ban firearms.

Three times Ms. FERRARO—a Congresswoman from the midst of New York City—has supported antisportsmen and antifirearms legislation. She has cosponsored a bill requiring a $5,000 fine or 5 year prison term for simply possessing a handgun.

She opposed a cut in funding for the Bureau of Alcohol, Tobacco and Firearms, that predatory agency long a thorn in the side of firearm owners. And this session Ms. FERRARO has cosponsored legislation requiring a 21-day waiting period between purchase and delivery of a handgun. This bill would also prohibit the private sales of handguns.

Montana's firearms owners, and sportsmen throughout America, will not tolerate this oppression of their constitutional rights.

Confiscating sportsmen's rights may play well in Queens, but in the breadbasket of taxpaying, hardworking, lawabiding America, we feel differently. We respect the rights of others and value our outdoor recreational activities.

I am greatful to the publication Point Blank for the article in their September issue on Ms. FERRARO's record on gun issues. I urge my colleagues and America's 80 million gunowners to closely examine this article and others that reveal Ms. FERRARO's record on this vital issue.

This type of parochial attitude is more than ample evidence why she will be rejected not only by the West but by a vast majority of Americans.

The article follows:

[From Point Blank, September 1984]

GUN BAN SPONSOR NOMINATED FOR V-P

Rep. Geraldine A. Ferraro of New York, who was nominated in July for Vice President of the United States by the Democratic National Convention in San Franciso, in 1981 co-sponsored H.R. 40 by Rep. Jonathan Bingham of New York, which would have provided for a fine of $5,000 or five years' imprisonment, or both, for the mere possession of a single handgun.

This means that, under the Ferraro-sponsored proposal, an otherwise law-abiding private citizen who owned 10 handguns could have been sentenced to 50 years in jail or fined $50,000 or both.

The bill, a comprehensive anti-handgun measure, would have prohibited the importation, manufacture, sale, purchase, transfer, receipt, possession or transportation of handguns, except by or for members of the Armed Services, law enforcement officials and, as authorized by the Treasury Department, licensed importers, manufacturers, dealers, antique collectors and pistol clubs.

Under H.R. 40, the "pistol clubs" could not have been "authorized" unless they maintained possession and control of the handguns used by their members and "effected arrangements" for the storage of the members' handguns in a facility of the local police department or other law enforcement agency.

"The public policy encompassed by this bill," said John M. Snyder, Public Affairs Director, Citizens Committee for the Right to Keep and Bear Arms, "is similar to the public policy toward private handgun ownership followed currently in the Union of Soviet Socialist Republics and other totalitarian dictatorships where, as a matter of practical legal fact, such private handgun ownership is not tolerated. It is a cause for sorrow that so draconian an approach to public policy should have been made in the national legislature of the greatest republic in history. Shame!"

In the current Congress, Rep. Ferarro is a co-sponsor of H.R. 1543, by Rep. Peter W. Rodino, Jr. of New Jersey. The bill would ban so-called "Saturday Night Special" handguns, mandate a 21-day waiting period between the purchase and delivery of a handgun, prohibit multiple handgun sales, prohibit private handgun sales and prohibit pawnshops from selling handguns.

"H.R. 1543," said Snyder, "ignores the right to self-protection and, therefore, the right to life itself of an untold number of Americans needing handguns in a timely way and of an individually affordable variety for the defense of life, family and property."

The Democratic Vice-Presidential nominee also co-sponsored:

H.R. 953, to prohibit the ownership of any bullet that "when fired from a handgun with a barrel five inches or less in length, is capable of penetrating body armor."

H.R. 5835 and H.R. 5845, to ban the sale of armor-piercing bullets to private citizens.

House Concurrent Resolution 25, calling upon the government of the United Kingdom to ban the use of plastic and rubber bullets against civilian rioters.

In July 1981, Rep. Ferraro voted against a successful motion by Rep. Delbert Latta of Ohio, a CCRKBA Congressional Advisor, to cut $5 million from the budget of the Bureau of Alcohol, Tobacco and Firearms.

In 1982, Rep. Ferraro received $250 from the Handgun Control, Incorporated Political Action Committee for her successful campaign for reelection to the U.S. House of Repesentatives.

The Democratic Presidential nominee himself, former Vice President (under President Jimmy Carter) Walter F. Mondale, answering questions before students at Urbandale High School Des Moines, Iowa on January 19, 1984, and talking later to reporters, stated he favors a ban on the sale, manufacture, production and importation of short-barreled handguns which, he says, "are built solely for concealment. They're not good for hunting, not good for target practice." He did not comment on their possible legitimate use for protection of life, family or property.

In 1968, as a U.S. Senator from Minnesota, Mondale voted for the Gun Control Act of 1968 as well as for other gun controls.

Mondale voted for a proposal by Sen. Joseph Tydings of Maryland to require national firearms registration and gun owner licensing in all States failing to enact such measures on their own.

Mondale also voted for a proposal by the late Sen. Henry M. Jackson of Washington, which would have prohibited the interstate shipment of firearms into any State failing to enact gun registration by 1971.

He voted for a proposal by Sen. Ed Brooke of Massachusetts to establish a national registry of firearms.

In addition to nominating the Mondale-Ferraro ticket this summer, the Democratic National Convention adopted a platform which states that "we support tougher restraints on the manufacture, transportation and sale of snub-nose handguns, which have no legitimate sporting use and are used in a high percentage of violent crimes."●

EARLY NETWORK ELECTION PROJECTIONS AND REPORTING OF ELECTION RESULTS OPPOSED

(Mr. WIRTH asked and was given permission to address the House for 1 minute, and to revise and extend his remarks and include extraneous matter.)

Mr. WIRTH. Mr. Speaker, in 33 days, the American people will vote for not only President but offices all the way down the line. The question is, when will the networks be reporting the results of these elections.

The President of the United States and Vice President Mondale have both agreed not to say anything about elections until the polls in the continental United States are closed. A majority of Members of the Congress by unanimous consent, all the members of the Senate, countless members of organizations across the country have asked the networks not to report the results, either to project them or suggest that there are trends or whatever, until the polls are closed.

The networks have once again refused, to abide by this voluntary request.

Once again, I would ask the networks of this country to restrain themselves from reporting election results until the polls are closed.

Mr. Speaker, in 33 days, the citizens of our country will have the opportunity to exercise the most fundamental right we have as Americans: the right to vote. On that day, November 6, 1984, we will elect the President of the United States, one third of the United States Senate, every member of the House of Representatives, 13 Governors, and countless numbers of State and local office holders.

All across the Nation, our citizens are deeply concerned about the effect on the electoral process of early projections or characterizations of election results by the television networks which are aired before the polls have closed throughout a State. This is not a first amendment issue, and no one questions the right of any news gathering organization to report votes cast in an election. Rather, this issue comes down to the civic responsibility of the electronic media and the very serious implications that premature announcements or characterizations have on our electoral process.

Both houses of Congress have passed a resolution expressing our sense that the networks should voluntarily refrain from projecting or characterizing the winner of a race before all the polls for that race have closed. Moreover, public outcry over the networks' continuing disdain for the electoral process has been loud and persistent.

One of the clearest and most compelling statements setting forth the harm to our democracy that these explicit or implicit projections was written by Glenn E. Watts, president of the Communications Workers of America. As Mr. Watts states, "Chasing the Nielsen's is important to the coffers of the networks, but chasing away the voters and changing potential election results may be disastrous to our entire democracy."

I found Mr. Watts' article to be very thoughtful, and I urge my colleagues to read his comments.

The article follows:

FOR THE GREATER GOOD

(By Glenn E. Watts)

If anything concrete has happened to prevent a recurrence of the destructive early projecting of election returns in the 1980 elections, I must have been out to lunch.

Every institution or group that has an interest in good government and good politics has had something to say on the subject, but here we are with only weeks remaining to the 1984 Presidential election and nothing has happened. There has been much heat, but no light.

We are all familiar with the furor touched off with the use by television networks of "exit polls" or "key precinct" data to project a presidential winner—all well ahead of poll closing time in the West and, in some cases, the Rocky Mountain region. The fact that Jimmy Carter made a public, official concession well before poll closing in the West was also a potential influence on several federal and state races.

However, despite Congressional hearings, conferences and seminars by the League of Women Voters, Harvard University's John F. Kennedy School of Government, and

other organizations attempting to focus attention and bring pressure to bear on this most fundamental issue of democracy, no official action has been taken at any level of government nor has the media presented a unified proposal to prevent this practice on election day, 1984.

We have waited much too long to expect meaningful change before November, 1984.

Several approaches have been put forth by various interests, none of which to me seems to solve the problem, most especially the idea of legislation to forbid the media from reporting projections based on "exit poll" or other types of statistical calculations.

The framers of the First Amendment to the Constitution displayed great wisdom. They knew that without a free press, a democracy could not exist. We know today that a free press is of vital importance to an informed and enlightened electorate.

As the framers of our Constitution emerged from their work, someone asked, "What have you wraught?" Benjamin Franklin replied: "A democracy, if you can hang onto it."

Now, in the Information Age, it is more important then ever that we hang onto our democracy, especially the guarantees of the First Amendment. With the advent of satellite technology, telecable transmission, and narrow-casting television channels, an open, free mass media is a primary tool in achieving full and wide discussion of the facts and issues essential for a broad public vision and the forging of consensus.

Technologically, we are reaching the point in telecommunications where groups are communicating only within themselves, raising the spector of a society that is so factionated that consensus may not be attainable. The peril to our democracy of that circumstance is uncalculable.

Abridging the press is not the answer to prevent disenfranchisement of voters because of early reporting of polling results.

What are the avenues available to guard against voter disenfranchisement, while at the same time assuring a free press? Several approaches have been suggested:

Uniform poll opening and closing times nationwide.

24 hour voting.

Creation of election day as a holiday.

Change of election day to a Sunday.

While the above suggestions all may encourage broader participation by the electorate—certainly another area of our democracy which needs strengthening—none would prevent the media from doing its job; reporting to the public the facts, whether based on exit polls, computer projections, or whatever method—as promptly as possible.

From this vantage, there appears to be only one way out of this dilemma. For the greater good, the executives of the networks—the "gatekeepers"—and other media outlets at the highest level, must reach accord on a process of reporting and projecting election returns with absolute safeguards. To do less will only contribute further to a situation where fewer and fewer people are willing to participate by going to the polls.

Chasing the Neilsen's is important to the coffers of the networks, but chasing away the voters and changing potential election results may be disastrous to our entire democracy.

Whatever lessons may have come out of the 1980 elections, we have dropped the ball in terms of translating them into action.

What is needed is the resolve now, among media executives, public interest groups, political parties and relevant government officials, to set a deadline and come up with a plan to correct this problem and also to prepare for the new technology becoming available or in the planning stages which will impact on future election outcomes.

This is, after all, "1984."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will at this time take special order requests, but reserves the right to proceed with regular business at a future time.

Are there Members who wish to seek recognition under special orders?

□ 1430

THE CONTINUING RESOLUTION

(Without objection, Mr. CONTE was given permission to address the House for 5 minutes.)

Mr. CONTE. Mr. Speaker, if I could have the attention of the gentleman from California.

Mr. Speaker, I hope that the gentleman from California, my dear friend, and I say that sincerely, will reconsider his objection to extending the continuing resolution until Tuesday night at midnight. Let me tell the Members why.

We have been laboring over there in the conference to 4 o'clock this morning. We went back today. We are at a deadlock on several issues. I have been on the Appropriations Committee for 26 years, and I know we cannot break here within the time limit.

Unfortunately, we have to adjourn by sundown because of Yom Kippur. If this were not the case, then we could have stayed here and we could have worked all tonight and worked all day Saturday, all day Sunday. We do not have that luxury. There is no way in the world that we can physically bring back that continuing resolution and act on it.

Now, at 6 p.m. today this continuing resolution expires. The President is going to be forced on Tuesday to tell Federal employees that they are not to come in to work except the essential employees who will be necessary to carry out the work of the Government. He was criticized badly for doing it this week. It is only our administration that is going to suffer by this.

If there is some way that I could plead with the gentleman. I do not see any benefit coming to us by doing that.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to my dear friend, the gentleman from California.

Mr. DANNEMEYER. I thank the gentleman for yielding.

Mr. Speaker, my goal in this objection is not the pursuit of that Christmas tree that is circling around these halls. I have no project in my district I seek to attach to that Christmas tree.

All I seek is to have this institution permit this House to vote on House Joint Resolution 243, the proposed constitutional amendment calling for a balanced budget to the Constitution, before we close down the 98th Congress.

I happen to believe that is a reasonable request. Now, I admit, it is not related to this CR. But I think, as my distinguished friend, the majority whip, the gentleman from the State of Washington, remarked the other day on the floor of the House, we are a House that follows procedures and rules and laws. We are a government of laws and not men.

This Member from California is entirely within his rights to object to the CR that is brought up at this time. I have stated a reasonable condition under which I will withdraw that objection. And that is my offer to my distinguished friend from Massachusetts.

Mr. CONTE. Mr. Speaker, let me proceed further.

I voted with the gentleman the other day, even though I disagreed with him, on the constitutional amendment for a balanced budget. I voted with him on the previous question.

I would suggest to the gentleman that he will have that opportunity on Tuesday. Do not do it now. We are going to have to leave here at 6 o'clock today. But on Tuesday, I am sure that even if we reach agreement on this continuing resolution, unless something is done with regards to the public works projects, we are going to get a veto. This continuing resolution only goes to midnight on Tuesday.

I said things on this floor 3 weeks ago that unless that CR is cleaned up, we will get a veto. Then we will be back here with a clean CR. At that time, midnight on Tuesday, the gentleman can raise his objection.

Mr. DANNEMEYER. I am not asking for the vote today or tomorrow. All I am asking is that the Speaker, the leader of this House, will say to me and give me his word as a Member from California, that we in this Chamber will have a vote on House Joint Resolution 243, up or down, no tangential, no effort to obfuscate what the true decision of each Member of the House is on that proposed constitutional amendment.

I do not have to have it today or tomorrow, just that we want it. I happen to believe that that is not an unreasonable request.

Mr. CONTE. What I am saying to the gentleman is that he is going to have that opportunity on Tuesday. Not tonight when we are faced with this religious holiday at 6 o'clock. Then the only one that is going to be hurt is going to be our administration

when Tuesday the President is going to say, "Employees you cannot come back to work because the CR has not been adopted."

Mr. DANNEMEYER. The Democrats control this House. They can give this CR life right now. All that has to happen is that the Speaker or his agent says to this Member from California, we will have the vote on House Joint Resolution 243 on a certain day before the close sine die of the 98th Congress. It is in their hands. They can let this CR be accommodated and this Member from California will withdraw his objection. I hope I hear from them.

Mr. CONTE. Mr. Speaker, I hope the gentleman from California will reconsider his thinking.

INCLUSION OF NAME OF MEMBER AS COSPONSOR OF H.R. 4684

Mr. MACKAY. Mr. Speaker, I ask unanimous consent that Mr. GILMAN of New York be recorded as an original cosponsor of H.R. 4684, the National Nutrition Monitoring and Related Research Act of 1984. Mr. GILMAN's name was inadvertently omitted due to a technical error and for this reason unanimous consent is sought to indicate in the RECORD the fact of his support and sponsorship.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

DISSENTING VIEWS ON PROPOSED EQUAL RIGHTS AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. SENSENBRENNER] is recognized for 5 minutes.

● Mr. SENSENBRENNER. Mr. Speaker, on November 9, 1983, the House Judiciary Committee reported to the U.S. House of Representatives, House Joint Resolution 1, the proposed equal rights amendment. At that time, I made a unanimous-consent request that the minority be given extra time to file dissenting or supplemental views. The chairman of the Subcommittee on Civil and Constitutional Rights rejected this request.

I also made a unanimous-consent request which was agreed to, that the transcript of the markup be made "an official record to be published for purposes of legislative history." It should be noted that the Judiciary Committee did not file a report on House Joint Resolution 1 nor was the transcript ever published.

I would like to note that the fears of some of us regarding the ERA-abortion connection were justified as the Commonwealth Court of Pennsylvania rules that a State prohibition on medicaid funds being used for abortion was held to be unconstitutional under the Pennsylvania ERA.

At the time they were written, the dissenting views anticipated that a report would be filed and that the ERA would be brought up under an open rule. Unfortunately, neither occurred. The dissenting views that follow were also signed by Messrs. HYDE, SAWYER, MCCOLLUM, and DEWINE.

I would hope that if legislation of this importance is reported out of the Judiciary Committee in the future that a report is filed.

DISSENTING VIEWS ON HOUSE JOINT RESOLUTION 1 PROPOSED EQUAL RIGHTS AMENDMENT

While registering my dissent to the Equal Rights Amendment itself, I strongly dissent to the filing of the House Judiciary Committee's report on this resolution. H.J. Res. 1 is a constitutional amendment and represents the single most important piece of legislation that the Judiciary Committee will consider during the 98th Congress. Yet, some Members were not afforded the opportunity of determining whether the Committee report is in conformity or in conflict with the Judiciary Committee markup because they were not permitted to read the report prior to its being filed. Adequate review is critically important when one considers the debate on the standard of review and the intent of the House Judiciary Committee with respect to those amendments that were defeated, as well as the thrust of the arguments of those supporters of an unamended Equal Rights Amendment. Furthermore, we were not assured in full Committee that the ERA would be considered under an open rule. For a constitutional amendment to be considered under any other procedure would be an outrage.

If the arguments of the ERA are so strong, then it is inconceivable why all Members of the Judiciary Committee were not permitted to examine the report accompanying H.J. Res. 1.

The Chairman of the House Judiciary Subcommittee on Civil and Constitutional Rights, in objecting to the Committee report being circulated to all Members one day before it is filed is certainly not being fair. After all, we are dealing with a constitutional amendment with far-reaching implications. If ratified, the Federal judiciary will look to the report for guidance on how to construe the ERA. At least in the instance of H.J. Res. 1, the courts will have the opportunity to review the full Committee transcript on the markup of this resolution as a unanimous consent request was agreed to that "the full Committee transcript on House Joint Resolution 1 be made an *official record to be published for purposes of legislative history.*" [Emphasis added.]

These dissenting views are an attempt to deal with the Equal Rights Amendment fairly. The undersigned Member is a strong supporter of equality of rights for women. I also feel very strongly that a constitutional amendment is a very serious undertaking. The issues raised in these dissenting views are the foreseeable issues that will be addressed by the courts if the ERA is approved by the Congress and ratified by the States. The ERA's impact of many of these issues is unknown. We can only speculate, as all the clarifying amendments were voted down and the remarks made in the full Judiciary Committee have made the legislative history more confused.

As a legislator who has taken the oath of office to uphold the Constitution of the United States, I feel an obligation to define for the courts how the ERA is to be applied in controversial areas that will in time be the subject of litigation if the ERA is ratified as the Twenty-seventh Amendment to the Constitution.

As we all know, the first submission of the Equal Rights Amendment (ERA I) failed to be ratified by 38 State legislatures during the unprecedented extension of time for ratification granted by the Congress in 1978. In fact, from 1974 to 1982, only two States voted to ratify the proposed amendment.

This failure was a direct result of the amendment's proponents inability to answer critical questions on the many emotional and social issues it raised.

These included questions as to whether the ERA would require taxpayer funding of non-elective abortions as has been argued in several States where the ERA is a part of a State's constitution; whether ERA will strengthen abortion rights; whether the legal standard of review for the ERA will be an absolute standard, as has been argued by many ERA proponents, or will it be the same standard that exists for race classifications; whether women would be drafted into the military, if Congress should decide at some future time to reinstate conscription; whether women would be assigned combat roles; and whether homosexual marriages would be legalized—to name but a few.

Additionally, new questions have arisen as to whether single-sex schools would be eradicated; whether a church that treats women unequally, i.e., by not having women priests, rabbis, or ministers, would have its tax-exempt status revoked—these are important questions in light of the *Bob Jones* decision. Also questions arise as to whether the ERA would overturn veterans preference programs, a suggestion that was made in written testimony this year by Dorothy Ridings, President of the League of Women Voters have arisen.

Finally, it is unclear whether the ERA would actually affect certain economic areas as has been suggested by ERA proponents.

I was very disappointed by many of the witnesses who were either unknowledgeable or did not want to give the Subcommittee the benefit of their positions. For example, Jeanne Atkins, staff lawyer for the Women's Equity Action League, who testified on the legal implications of the ERA on women in the military, was unable to proffer a view on the standard of review. The standard of review is the most important question one has to consider when gauging the ERA's effect on the military. Governor Lamm of Colorado, who testified on all the positions of the ERA in the State of Colorado and the unknown impact on women, was unable to answer a question on whether the wage gap had narrowed in the last 10 years since the ERA became part of the Colorado State Constitution in 1973. Two panels of pro-ERA witnesses were also unable to answer similar questions posed to them on the effect of State ERA's on the wage gap several months later. Dorothy Ridings, President of the League of Women Voters, who, in her written testimony, stated that the ERA would overrule the Supreme Court decision of *Massachusetts* v. *Feeney*, which upheld veterans preference in Massachusetts, was unable to state what the effect of the ERA on the federal veterans preference

programs would be. Kathy Wilson, National Chairperson of the National Womens Political Caucus, was unable to answer questions concerning whether the ERA would invalidate the property and domestic relations statutes in States that did not have community property statutes on the books if and when the ERA is ratified. This question was posed after she made statements highly critical of the English common law system "which provided the foundation for marital property laws." It was like pulling teeth to get some of the pro-ERA witnesses to take a position as to whether the ERA would affect abortion rights or funding of nontherapeutic abortions. When the answers were given it was evident why—some said yes, some said no, some did not know.

The foregoing are mentioned to show that even after the more than 12 years of long, arduous debate on the meaning of the text of the ERA, it is still far from clear what it would mean and do.

As elected officials, we should be wary of abdicating our legislative function to the courts. This is especially important because the hearing process has further clouded the already confused legislative history. I say confused because never before has our country gone through the process of constitutional amendment where the amendment was approved by the Congress, rejected by the States, and subsequently approved by Congress again and resubmitted to the States.

In the full Committee markup of H.J. Res. 1, I was disappointed at the convoluted responses that were given by ERA proponents on questions regarding the standard of review, its effect on abortion rights, the draft, combat, private and parochial schools, and so on.

It is clear that the nagging questions which led the ERA to defeat are still unanswered, and new ones have arisen. It is in the context of the murky, clouded and often opaque meaning of the ERA that these dissenting views have been written. We owe a responsibility to the courts and to the States as to what the ERA means or does not mean.

The first portion of these dissenting views will deal with what effect the ERA will have on certain economic issues such as the wage gap and insurance. The focus will then be directed to the standard of review that sex discrimination cases will utilize, and whether the ERA will affect veterans preferences, abortion rights, public and private education, and women in the armed services.

EMPLOYMENT

It is argued that the ERA will mandate "equal pay for equal work." This is not necessarily true, as the constitutional amendment contained in H.J. Res. 1—by its own terms—only affects State action and cannot affect discrimination by private employers.

Additionally, there are already strong statutes in place that make it illegal for sex discrimination in both private and public employment. For example, Title VII of the Civil Rights Act of 1964, as amended, makes discrimination based on sex in public and private employment unlawful in the areas of hiring, firing, promotions, wages, classifications, referrals, assignments, use of facilities, training, apprenticeships, fringe benefits (including medical and maternity benefits, life insurance, pensions and retirement), and any other privileges of employment.

Title VII has been vigorously enforced to strike down unlawful sex discrimination in many areas. In testimony before the Subcommittee on Civil and Constitutional Rights, Carl C. Hoffman, Ph.D., an expert in the field of employment discrimination, testified that:

"From all the research that I have done, I can find no reason to believe that passage of the Equal Rights Amendment will eliminate the income differentials or the sex segregation in occupations which currently exist. In terms of policymaking, I do not believe it will have the effect many proponents of the Equal Rights Amendment say it will.

"I also strongly question whether we need an Equal Rights amendment, especially with respect to employment discrimination."

Hoffman refutes the conclusion of some experts that the current laws are inadequate to solve the problem of sex discrimination.

"The results of much of my work argue rather that the mechanisms causing the differences in income between men and women are of a different type than those that caused the differences in income between men and women blacks and whites. Specifically, I have found that the career choices, the socializations of women and most importantly the structure of women's lives prevent them from following through on careers to the same extent as men."

Hoffman concluded his testimony by voicing his concern that the courts would be the ones deciding what is and what is not discrimination:

"One of my fears about the Equal Rights Amendment is that it is a symbolic issue, and its passage would relieve Congress and the Administration of much of the motivation to change discriminatory laws and to enforce already existing laws that prohibit discrimination.

"I would hate to see the substantive changes in the law dictated by the Federal Courts, because I believe the issues are of such a complex nature that they require a great deal of study, and legislative rather than judicial action. I would hate to see the primary motivator of Congress, to study these complex issues and to make these hard choices, removed simply by passage of the Equal Rights Amendment, which may be redundant and unnecessary."

Grover Rees, Assistant Professor of Law at the University of Texas Law School, testified that:

"Indeed, if the ERA cannot reach private employment discrimination, then some of the most powerful arguments that have been made on its behalf amount to false advertising. And if it *can* reach private employment, then important questions are raised about what other kinds of non-governmental conduct will be illegalized by the amendment."

In addition to the legal arguments that can be made as to the scope of the ERA, the track record of State ERAs show there has been little if any effect on the "wage gap" in States that have enacted State ERAs in their constitutions, as opposed to States that have not.

In testimony before the Subcommittee, Mrs. Judith Finn, an expert in this area, provided strong arguments favoring the proposition that the ERA will not reduce the pay gap. She said:

"I understand that Governor Lamm of Colorado appeared before this committee and told of the benefits to women that have resulted from the passage in his state of the state ERA. He said, for example, that the proportion of women in the labor force has increased and women are better off economically in Colorado since its ERA was passed. I have looked at the pay gap in the states that have passed state ERAs and I find no evidence that it differs significantly from the pay gap in states that do not have ERAs. In Colorado, for example, the median earnings for women employed full-time, year round in 1980 was 60.2 percent of the median earnings of Colorado males, as reported in the recently published statistics from the 1980 Census. This is indistinguishable from the national average in 1980. The Colorado ERA which has language similar to Section 1 of the proposed Federal ERA was passed in 1972. If at least 50 percent of the pay gap is due to sex discrimination as proponents argue, and if an ERA could be counted on to reduce sex discrimination and thus the pay gap, isn't it time that the proponents explain the failure of the state ERAs to substantially reduce the pay gap? Perhaps the results take more time. Perhaps we should then wait until we have the 1990 census to reevaluate these claims about what ERA can do about the pay gap."

Footnote 21 of Mrs. Finn's testimony before the Subcommittee graphically illustrates that the wage gap has not tightened in ERA versus non-ERA states:

"At this time the 1980 Census data on earnings by sex are not available for all states. Census data are available for four of the six states with state ERAs with language similar to the proposed Federal ERA. Besides Colorado these include New Mexico, Maryland, and Hawaii. The ratios of female/male median earnings reported for these states are .60 in Colorado, .58 in New Mexico, .62 in Maryland, and .69 in Hawaii. For these four states combined the unweighted average is .62, and the weighted average is .615. The comparable national average is not yet published by the Census Bureau but has been estimated by the Bureau to be about .60 in 1980, increasing to .62 in 1983. See Robert Pear 'Earnings Gap Narrows Slightly Between Women and Men, U.S. Reports,' *New York Times*, October 3, 1983 and U.S. Department of Commerce, Bureau of Census, *1980 Census of Population*, 'Economic and Social Characteristics,' (Separate volume for each state), Table 71, U.S. GPO, Washington, D.C., 1983."

Thus, it has not been clearly demonstrated how the ERA will affect employment. In fact, it appears that it will have little, if any effect.

INSURANCE

"As a constitutional ban on sex discriminatory laws, the Equal Rights Amendment will outlaw, or support legal challenges to end, sex discriminatory price and payout abuses by insurers, employers, and government. . . ."

This far-reaching statement was made by Judy Goldsmith, President of the National Organization of Women (NOW), when she testified before the House Judiciary Subcommittee on Civil and Constitutional Rights on September 14, 1983.

Every witness who commented on unisex insurance agreed it would be mandated by the ERA. The question arises as to whether unisex insurance is a benefit or a detriment to the women and men of our society.

Currently, the setting of insurance rates is left to state governments, and several states have enacted insurance statutes requiring unisex insurance. In Michigan, according to statistics compiled by the Michigan Insurance Bureau, the experience has been a massive increase in rates for young single women and young married women.

The rate increase for young single women ranged from 13% to 127%. Unisex insurance rates, which would be required by the ERA, represent an artificial rigging of the insurance market against young women. It inflicts unnecessary and severe economic penalties against the very class of persons it is designed to protect—women, especially young women, who, according to casualty tables of insurance companies, represent a low-risk category of individuals.

Both the hearing record and the markup featured an excerpt of a letter submitted by a victim of Michigan's Essential Insurance Act. To Kim Dove, this new law meant, "despite a near perfect driving record, an increase in insurance rates from $156 per year to $355 per year." Because Kim Dove could not afford the insurance, she was forced to settle for minimum coverage with a high-risk company. In her letter she asks the question:

"Who is going to take care of my family and pay the bills if I should have a serious accident with this kind of minimum coverage? The answer is—no one."

In testimony presented to the Subcommittee by Mr. Paul Barnhart, an independent consulting actuary, it was stated:

"A grave change of the Equal Rights Amendment is that it may establish an artificial, forced 'equality' in areas where fairness and common sense must prevail if the economic interests of women are to be safeguarded. In the field of private voluntary insurance, 'equality' must be tempered and interpreted in the context of *fairness*; or women will suffer; in many instances *severely* and *unjustly*."

We should be very careful about not making women victims of the Equal Rights Amendment while supposedly protecting their economic rights. In Committee, an amendment was offered by the gentleman from Michigan, Mr. Sawyer, to allow sex-based classifications to be used by insurors. Unfortunately, it was defeated. If adopted, it would have gone a long way toward resolving this important issue.

STANDARD OF REVIEW

Perhaps the most important question that has to be answered about the Equal Rights Amendment centers around the standard of review the courts will use when presented with a case of a sex-based classification.

Under the Fourteenth Amendment's due process clause, a classification will be upheld in most instances if there is a rational basis for the classification. This is known as the rational basis test. However, if the classification is based on race, religion or national origin (suspect classifications), the court will apply the standard of "strict judicial scrutiny" to determine if there is a "compelling State interest" for the classification.

Sex has not been held to be a "suspect classification" where "strict judicial scrutiny" will apply. The closest the Supreme Court ever came to denoting sex to a suspect classification was the case of "*Frontiero* v. *Richardson*, 411 U.S. 677, where four Supreme Court Justices argued that sex should be a suspect classification. On the other hand, the very liberal "rational basis test" was long ago relegated to the dust heap of history regarding sex classifications. Instead, the standard of review for a sex classification is currently somewhere in between rational basis and strict judicial scrutiny.

The *Frontiero* case was replaced in 1976 by the standard articulated in *Craig* v. *Boren*, 429 U.S. 190 (1976), where it was stated that a sex classification will be struck down unless it is "substantially related to the achievement of important government objectives." It was held that Oklahoma's 3.2% beer statute (which prohibits the sale of "non-intoxicating" 3.2% beer to males under the age of 21 and to females under the age of 18) was held to invidiously discriminate against males 18-20 years of age.

In a more recent case, the U.S. Supreme Court struck down as a violation of the Equal Protection Clause of the Fourteenth Amendment the policy of the Mississippi University for Women of denying qualified males the right to enroll for credit in its school of nursing. In writing for the majority, Associate Supreme Court Justice Sandra Day O'Connor, in *Mississippi University for Women* v. *Hogan*, 455 U.S. 1014 (1982), articulated the "exceedingly persuasive justification" for gender-based classifications:

"Thus considering both the asserted interest [educational affirmative action for women in the field of nursing] and the relationship between the interest and the methods used by the State, we conclude that the State has fallen far short of establishing the 'exceedingly persuasive justification' needed to sustain the gender-based classification."

As time goes on, the standard of review for sex-based classifications will continue to move away from this intermediate standard of review toward strict judicial scrutiny.

The standard of review for the ERA is unclear. Both the hearing record and the official record of the House Judiciary Committee markup of H.J. Res. 1, held on November 9, 1983, is replete with differing views as to what is the standard of review under the ERA. Instead, it proved that the proponents of the ERA clearly do not know what the 52-word constitutional amendment means. Professor Anne Freedman of Rutgers University Law School, who co-authored an extensive thesis on the ERA which was cited by Congress when it was considered in 1971-72, testified that "under the ERA, the government would be prohibited from classifying on the basis of sex, except in those rare circumstances where such classifications are used to protect the constitutional right to privacy or to prevent past discrimination to be remedied . . ." [suggests that affirmative action programs would be constitutional].

Professor Thomas Emerson of Yale University Law School, also a co-author of this article, testified before the Civil and Constitutional Rights Subcommittee "that if the ERA is to achieve its goal [it] must start with the proposition that classification by sex is outlawed. . . ." He then retreated significantly from that statement by arguing that the ERA includes an exemption for certain physicial differences between the sexes and for the right to privacy, and that the ERA would not supercede "certain other rights". Nowhere in the ERA are these exceptions articulated.

In the *Yale Law Review* article (80 Yale Law Journal 961 (1971)), both Professors Emerson and Freedman argued that "the constitutional mandate must be absolute."

The staff attorney for the Womens Equity Action League (WEAL) mentioned several different standards for military classification. Ms. Atkins first stated that "all explicit gender-based exclusions . . . [i.e.] the express exclusionary policies of the services, and the gender-based Selective Service . . . would fall." [This seems to suggest an absolute standard.] She goes on to state that: "Moreover, any practices based on physical characteristics unique to one sex would have to be justified by a showing that the need was compelling." [This suggests strict scrutiny.] Finally, she states that "to the extent that such gender-neutral intent might disproportionately exclude women from participation, these criteria would be subject to rigorous examination." [This suggest a third standard.] In her oral testimony a fourth standard—a "sensible standard"—is suggested.

As noted previously, Mary Frances Berry stated that the standard of review for the ERA would be similar to that for racial discrimination. Former Congressman Charles E. Wiggins, in his testimony before the Subcommittee, suggested that "that is a serious risk that it [ERA] will be construed as adopting an absolute standard against classifications based on sex, except where unique physical characteristics are properly involved, and that exceptions will be subject to strict scrutiny. "This construction . . . is the critical vice of the amendment. . . ." Thus, the standard of review for sex classification would be more stringently applied than the current one for race that exists under the equal protection clause of the Fourteenth Amendment. Mr. Wiggins further testified that the language of the ERA is absolute, that the standard of review for sex discrimination under the ERA is a higher one than currently exists for race under the Fourteenth Amendment. Mr. Wiggins noted that under either standard of review for the ERA, whether strict judicial scrutiny or absolute, that the Hyde Amendment and similar amendments at the state level that prohibit federal funds from being used for abortions, would probably be invalidated.

When the ERA was considered by the Judiciary Committee, there was a bipartisan effort to more clearly define the scope of the Equal Rights Amendment through amendments. All of these amendments were voted down. However, in the debate on these amendments, it became clear that the supporters of the ERA could not articulate what the standard of review would be for sex classification.

In the area of the impact of the ERA on abortion, the Judiciary Committee was assured by various opponents of the Sensenbrenner amendment (which, if adopted, would have made the ERA abortion-neutral) that it was unnecessary because the ERA already did not affect abortion rights. It was asserted that abortion issues including the legality of the Hyde amendment would continue to be decided under the privacy penumbra. In the next breath, however, the Chairman of the Subcommittee on Civil and Constitutional Rights stated the standard of review for pregnancy classifications would be strict judicial scrutiny. There was much testimony and legal analysis done that indicated if the test for a pregnancy classification is strict judicial scrutiny (which the proponents say it is), and if an abortion classification is a pregnancy classification (which proponents say it is), then the Supreme Court case of *Harris* v. *McRae*, 448 U.S. 297 (1980), which upheld the Hyde amendment, would be overturned.

Regarding the effect of the ERA on parochial-private schools, the various statements were made which showed a lack of understanding of how the standard of review would affect the impact of the ERA.

For example, on the one hand, it was argued by one proponent that strict judicial scrutiny would apply to private and parochial schools. However, it was emphasized that sex classification and race classification would have to be treated differently. Thus,

it is unclear as to whether the "strict judicial scrutiny" test which is applied to racial classification will be the same "strict judicial scrutiny test" to be applied to sex-based classifications if the ERA is ratified.

In the area of veterans preference, it was mentioned in the markup that the standard of review would be whether veterans preference programs could serve legitimate legislative goals if targeted to people who were involuntarily withdrawn to serve their country. One would look at the legislative reasoning when veterans preference statutes were adopted. If there is a rational reason, then the statute would be upheld. This seems to suggest a rational basis test. In the next breath, a strict judicial scrutiny test was said to apply.

We do not think anyone really knows how the ERA will affect veterans preferences.

The question of the standard of review for the ERA is clearly one that needs to be addressed. The Judiciary Committee markup and hearing record certainly do not provide much guidance as to the standard of review for the ERA on issues relating to abortion, the military, private and parochial schools, veterans preference, etc. Unless this is clearly articulated, the controversy will continue to rage over the effect of the ERA on sex-based classifications in our society. The answers will continue to be either "I don't know" or, as the chief sponsor of the ERA in the other body would say "the courts will decide."

VETERANS PREFERENCE

". . . the broad veterans preference statute challenged in *Massachusetts* v. *Feeney* (442 U.S. 256) which granted an absolute preference to veterans seeking public employment in the Massachusetts civil service would fall in a challenge under the ERA."

This statement was made by Dorothy Ridings, President of the League of Women Voters, after she criticizes "rules and policies . . . which have a disproportionately negative effect on women . . . and perpetuate the occupational segregation that isolates women into a few occupations with lower status and pay."

The proponents of the amendment (See, e.g., the testimony of Professor Freedman), tell us that facially neutral statutes having a disparate impact on one sex will be subjected to strict judicial scrutiny. The Massachusetts statute, upheld in *Feeney*, will fall under this judicial analysis. What we do not know is this: what other veterans' preference programs will also fall?

If the veterans preference program in *Massachusetts* v. *Feeney* would fall, then veterans preference programs that exist at the Federal and State levels in employment, education, loan acquisitions, and so on, would be subject to challenge. Veterans preference programs were enacted to help veterans get back in the mainstream of society after giving service to our country. Veterans did not get rich in World War II, the Korean War, or during the Vietnam era; their monthly pay was an average of $76 in 1944, $144 in 1952, and $193 in 1968. It is unfortunate that the ERA movement has singled out to destroy the rights of those persons who risked their lives for our country in the name of equality.

ABORTION

The impact of the ERA on one of the most controversial social and moral issues of our time—abortion—is unclear. That the ERA will be used to buttress and amplify the right to abortion is crystal clear. This intent has already been demonstrated by abortion advocates in three States that have, in their State constitutions, language that closely tracks the proposed federal Equal Rights Amendment. These States also had or have restrictions that prohibit State monies from being used for abortion purposes. These States are Hawaii, Massachusetts, and Pennsylvania.

In 1980, the Civil Liberties Union of Massachusetts (CLUM) in *Moe* v. *King*, S. Judicial Court of Mass, Civil No. 80-286 (filed July 9, 1980), argued that State refusal to fund abortions violated the Massachusetts Equal Rights Amendment:

"By singling out for special treatment and effectively excluding from coverage an operation which is unique to women, while including without comparable limitation a wide range of other operations, including those which are unique to men, the statutes [prohibiting state funding of abortions] constitute discrimination on the basis of sex, a violation of the Massachusetts Equal Rights Amendment."

CLUM justified the lawsuit in the following way when its executive director stated:

"Because a strong coalition is being forged between the anti-ERA coalition and the anti-abortion people, it was our hope to be able to save Medicaid payments for medically necessary abortions through the federal court route without having to use the State Equal Rights Amendment and possibly fuel the national anti-ERA movement. But the loss in McRae was the last straw. We now have no recourse but to turn to the State constitutions for the legal tools to save Medicaid funding for abortions."

In *Hawaii Right to Life* v. *Chang* (Memorandum in Support of Motion to Intervene, Circuit Court of the First Circuit, State of Hawaii, Civil No. 53567 (filed May 11, 1978)), the ACLU argued on behalf of several doctors that:

"Applicants' first claim to reimbursement as a matter of right rests on the Hawaii Constitution's guarantees of due process and Equal Protection and Article I, Sec. 21, which provides that 'equality of rights under the law shall not be denied or abridged by the State on account of sex.' Abortion is a medical procedure performed only for women; withdrawing funding for abortions while continuing to reimburse other medical procedures sought by both sexes or only by men would be tantamount to a denial of equal rights on account of sex."

In both of these cases, the court did not address the equal rights requirement in making its decision.

In the third case of *Fischer, et al.* v. *Commonwealth of Pennsylvania Department of Public Welfare*, the American Civil Liberties Foundation of Pennsylvania argued that:

"Pregnancy is unique to women. 62 P.S. § 453 and 18 Pa. C.S.A. § 3215(c), which expressly denies benefits for health problems arising out of pregnancy, discriminates against women recipients because of their sex. 62 P.S. § 453, and 18 Pa. C.S.A. § 3215(c) and the regulations issued pursuant thereto constitute a gender-based classification in violation of the Pennsylvania Equal Rights Amendment, Article I, Section 28, of the Pennsylvania Constitution."

Admittedly, there is no court ruling on the merits but it is clear that the ERA will be an arrow in the quiver of the pro-abortion movement in their attempts to expand abortion rights.

It has been argued and testified to by proponents of the ERA that the ERA will have no impact on abortion or abortion funding because pregnancy is a unique physical characteristic shared only by one sex and would not be an issue for sex discrimination.

However, in an amicus brief filed in the *General Electric* v. *Gilbert* case, 429 U.S. 125 (1976), by the leading legal scholars who favor the ERA, it was argued that pregnancy was no different than any other temporary disability. The issue in the *Gilbert* case was whether a disability insurance coverage program offered by General Electric, which included pregnancy coverage, was discrimination and thus in violation of Title VII of the 1964 Civil Rights Act, which prohibits sex discrimination in employment.

The amicus brief filed by the ACLU and the Women's Law Project was signed by Professor Thomas Emerson of Yale Law School and Professor Anne Freedman of Rutgers University School of Law, both of whom testified before the Subcommittee on Civil and Constitutional Rights in favor of the ERA. It was stated that:

". . . in line with the central tenet of the ERA—that legal support for sex discrimination is to be eradicated root and branch—Congress clearly intended the amendment to end all categorical discrimination by law, including the improper use of pregnancy-based classification.

". . . The condition of pregnancy, for example, possesses a number of properties, some of them shared by other conditions (need for medical care, period of disability), and some, wholly unique (the birth of a child is the usual result). The uterus, too, shares some characteristics with other organs (subject to disease and malfunction), and has some features wholly unique to it . . . ."

If General Electric were a State employer subject to the ERA "its treatment of disability related to pregnancy and childbirth would not survive scrutiny appropriate under the amendment." (*Id.*) Thus, if this treatment of a "disability related to pregnancy" would not "survive scrutiny" under the Equal Rights Amendment, it is doubtful that an abortion classification—necessarily related to pregnancy, of course—could withstand the constitutional scrutiny required by ERA.

In testimony before the Subcommittee on Civil and Constitutional Rights, the American Bar Association was very critical of the U.S. Supreme Court's decision in the *Gilbert* case:

"The Supreme Court reasoned . . . that different treatment of pregnancy from other disabilities is not discrimination based on sex but simply discrimination based on pregnancy. Accordingly, a legislature can distinguish between pregnant and non-pregnant people and perpetrate no legal wrong against women. This denial of the obvious fact that to treat people differently on account of characteristics unique to one sex is to treat them differently on the basis of their sex places beyond reach of the equal protection clause some of the most invidious and detrimental sex role stereotyping."

It takes little imagination to see that legislative restrictions on public monies being used for abortions are clearly within the reach of what Professors Emerson and Freedman, and the ABA would like to see prohibited.

If the Supreme Court were to construe a prohibition on Federal funding as a sex-based classification, the Hyde Amendment or a similar State prohibition on abortion would be subject to a strong constitutional challenge under the ERA. Professor Freedman testified that pregnancy-based classifi-

cations *are* sex-based classifications. (She cited Justice Brennan's dissent in *Geduldig* v. *Aiello*.)

In the full Judiciary Committee markup of H.J. Res. 1, primary legislative history was established in a colloquy between the Ranking Minority Member of the full Committee and the Chairman of the Subcommittee on Civil and Constitutional Rights.

In response to a question as to whether the standard of review for a pregnancy classification under H.J. Res. 1 would be decided under a rational basis test or a strict judicial scrutiny test, the Chairman of the Subcommittee acknowledged the latter. Many legal scholars believe that the *Harris* v. *McRae* case, which upheld the Hyde amendment, would be rendered overturned if the Hyde amendment were subject to a strict judicial scrutiny test (which is currently used for racial discrimination cases) and if abortion were considered a pregnancy classification. Immediately after this statement, the Chairman of the Subcommittee quoted an analysis by Professor Anne Freedman which stated that the Supreme Court remains committed to a privacy based analysis. The implication being that the ERA would have no effect on abortion rights or the Hyde amendment. Similar asserions were made by witnesses in testimony before the Subcommittee. This privacy analysis is a clever technique to cloud the issue. It is true that the Supreme Court has upheld the right to abortion under the privacy penumbra. *Roe* v. *Wade*, 410 US. 113 (1973). However, what the Chairman of the Subcommittee and witnesses failed to state is that the U.S. Supreme Court in the *McRae* case scrutinized the Hyde amendment and concluded that it did not violate equal protection principles.

In the *McRae* case, the Supreme Court also held that there was a rational basis for upholding the Hyde amendment: "It follows that the Hyde amendment, by encouraging childbirth except in the most urgent circumstances, is rationally related to the legitimate government objective of protecting human life." *Id.* at 325. The Court's holding is as follows:

"We hold that a state that participates in the Medicaid program is not obligated under Title XIX to continue to fund those medically necessary abortions for which Federal reimbursement is unavailable under the Hyde amendement. . . We hold further that the funding restriction of the Hyde amendment violates neither the fifth Amendment nor the establishment clause of the Fifth Amendment."

The Supreme Court, in the *McRae* case, also concluded that the Hyde amendment did not violate equal protection principles because it did not disadvantage a "suspect class" where strict judicial scrutiny would apply.

In *William* v. *Zabraz*, 448 U.S. 297, which was decided on the same day, the Supreme Court held a State funding restriction similar to the Federal Hyde amendment did not violate the constitutional restrictions of the equal protection clause of the Fourteenth Amendment.

It is clear that under the ERA classifications based on unique physical characteristics would be given strict judicial scrutiny and that restrictions in the Hyde amendment and similar State laws for funding abortions would clearly be reviewed under strict scrutiny.

Therefore, the Supreme Court, in looking at abortion rights, could still hold that abortion is connected with the right to privacy. It could also, under the strict judicial scrutiny test, invalidate the Hyde amendment without reversing itself and without mentioning anything about the right to privacy.

Even if Federal or State funding of abortion or issues relating to abortion were privacy questions, an *explicit amendment* to the Constitution such as that embodied in H.J. Res. 1 would probably overrule any *implied* fundamental right to privacy.

Witnesses who testified before the Subcommittee expressed their concern over the ERA. For example, Paige Cunningham, Executive Director of the Americans United for Life, Legal Defense Fund, in testimony before the Civil and Constitutional Rights Subcommittee, stated:

"The language of the ERA does not, on its face, implicate abortion. However, in view of positions taken by abortion advocates under state equal rights provisions, the views of leading ERA proponents, and the decisions of the judiciary in abortion-related matters, this potential connection is obvious. Only new language, a specific disclaimer, or rigidly drafted legislative history assure that this result will not occur.

"Otherwise, the federal courts will have a blank check to interpret the ERA in the abortion context as they choose—a result that as an advocate of the right to life for all human beings I must oppose."

The ERA-abortion connection concern was echoed by Professor Jules Gerard, Professor of Law, Washington University, St. Louis, when he stated that "the argument that ERA would invalidate current laws denying funding for abortions is perfectly straight-forward."

Professor Henry Karlson, also a witness before the Subcommittee, testified about his concern over *Harris* v. *McRae* being overturned. Using the *Bob Jones* rationale, he also testified about the impact of a hospital sponsored by a religious institution that has tax-exempt status that does not perform abortions. This could be construed as contrary to public policy, i.e., sex discrimination, and found to violate the ERA. He notes the failure to amend the ERA to make it clear it is abortion-neutral should be considered an open-ended invitation to the Federal judiciary to use the ERA to invalidate all State and Federal laws dealing with the subject.

It makes little difference as to whether a standard of review for the ERA would be an absolute one and prohibit all sex discrimination with no exceptions or whether sex discrimination would be treated as race discrimination—a suspect class—where a compelling state interest would be needed. Former Congressman and Ranking Minority Member of the Civil and Constitutional Rights Subcommittee, Charles E. Wiggins, testified that the *Harris* v. *McRae* decision, upholding the Hyde Amendment, would be endangered as it was a close 5–4 decision. Paige Cunningham, of Americans United for Life, echoed the same concern.

The hearing record showed the split between constitutional experts on the issue. In markup, the Subcommittee Chairman provided inconsistent and incomplete answers on how the ERA would affect abortion. It would be impossible for the Committee report to make any sense out of what was said at the full Committee markup with respect to whether there is an ERA-abortion connection. We do know that the Subcommittee Chairman said the Hyde amendment would be strict judicial scrutiny. The Sensenbrenner amendment will be offered during House consideration of H.J. Res. 1 to make crystal clear that the intent of the ERA is not to expand abortion rights—that the ERA is abortion-neutral—with respect to the Hyde amendment, with respect to religious hospitals or other institutions that do not allow abortions, to name but a few.

As Lane Kirkland, President of the AFL–CIO, testified before the Subcommittee ". . . while we recognize that a few substantial issues have been raised—such as the effect, if any, of the ERA on the right to an abortion . . . we believe Congress may, and should, provide authoritative guidance to the courts. . . ."

The adoption of an amendment to make the ERA abortion-neutral would help in its ratification by the States. It could take away the opposition of a large constituency who may or may not have any opposition to the Equal Rights Amendment as a substantive issue. As State representative Alan Quist of Minnesota testified: "It [abortion] probably is the key issue [regarding passage of the Equal Rights Amendment in Minnesota]".

The adoption of an amendment is the only way to insure that the ERA will be abortion-neutral. The courts can ignore report language, they can ignore statements on the floor of the House and Senate, but they cannot ignore explicit instructions on the intent of the ERA that appears in the body of the amendment itself.

PRIVATE AND PAROCHIAL SCHOOLS

It does not take a strained imagination to see that the Equal Rights Amendment could have a sweeping impact on many of our private and parochial schools.

The ERA refers to "equality of rights under the law." This means there must be some sort of "state action" involved before the ERA is triggered. The Fourteenth Amendment, which also has a state action requirement has been construed quite broadly so that the distinction between what is private action and what is public (state) action has become quite muddled.

With regards to both private and parochial education, state action under the ERA could be a variety of things, many of which have already been construed as state action for purposes of the Fourteenth Amendment. Public involvement could mean an institution receiving direct financial assistance from the Federal, State or local government for its educational programs or building programs; indirect financial assistance (i.e., grants, loans, or guaranteed student loans) made to students for tuition costs; tuition tax credits at the Federal or State level to parents who send their children to private or parochial schools; the granting of tax-exempt status to an institution by a government entity; to name a few. In fact, Dr. Donna Shalala, President of Hunter College, who was selected to testify by ERA proponents at a hearing before the Senate Subcommittee on the Constitution on October 13, 1982, on the effects of the ERA on private education, stated:

"I do not know of any institution in the country in which there is not public involvement."

Thus, it seems the ERA would affect all private educational institutions.

In the area of parochial schools, similar and different concerns arise. For example, the Catholic Church, Orthodox Jewish Synagogue and the Mormon Church all have polices that distinguish in their treatment between men and women. Constitutional scholars over the ERA application to religious and parochial schools. There is even more reason to be concerned if the ERA's

application to parochial and religious schools when viewing it in conjunction with the decision of the U.S. Supreme Court in the case of *Bob Jones University* v. *United States*, (No. 81-3, decided May 24, 1983, 51 U.S.L.W. 4593).

In *Bob Jones*, the U.S. Supreme Court held that the Internal Revenue Service was permitted to revoke the tax-exempt status of a university which for religious reasons prohibited interracial dating and marriages. If the Equal Rights Amendment becomes part of our Constitution and sex is elevated to the level of a suspect classification, it is very possible that the Internal Revenue Service, using the same "public policy" rationale articulated in the *Bob Jones* case, would deny tax-exempt status to religious educational institutions that discriminate on the basis of sex (i.e., those which do not train women to become priests, rabbis, ministers etc.) or 501(c) tax-exempt status to private single-sex institutions.

Professor Henry Monaghan of Columbia University Law School and a supporter of the ERA, in testimony before the House Judiciary Subcommittee on Civil and Constitutional Rights, testified that using the analogy of sex discrimination with race discrimination articulated in the *Bob Jones* case, the tax-exempt status of a Jewish theological seminary could be revoked by the Internal Revenue Service.

In the markup of H.J. Res. 1 before the House Judiciary Committee, an amendment to exempt private and parochial schools from the Equal Rights Amendment was defeated. During the debate on the amendment, it became apparent that the proponents of the ERA who were opposed to the amendment and who spoke on the issue did not know what effect the ERA would have on these institutions.

For example, no legal authority was given at the hearings or in markup to prevent IRS from removing the tax-exempt status of private single-sex schools or certain religious educational institutions in accordance with public policy. In fact, it appeared that a double standard would be used with men's single-sex schools being outlawed while women's single-sex schools would be allowed to continue to operate under a tax-exempt status if fulfilling a compensatory purpose. While observations were made that the standard would be strict judicial scrutiny, no one opponent of the private and parochial schools amendment could clearly articulate how this standard would be applied. In any event, it is possible that the Equal Rights Amendment as reported out of the House Judiciary Committee could have a radical effect on private and parochial education.

ERA AND THE MILITARY

When H.J. Res. 1 was before the full Judiciary Committee, several amendments were offered: by Mr. Hall, to exempt the draft from the ERA; by Mr. Shaw, to exempt women from serving in combat under the ERA; by Mr. Sawyer, to exempt Article I, Section 8, Clauses 12, 13, and 14 from the ERA. These amendments were defeated by votes of 13 to 18, 11 to 20, and 13 to 18, respectively.

Article I, Section 8, Clauses 12, 13, and 14, currently gives Congress the exclusive power to raise and support armies, to provide and maintain a navy and to make rules for government regulation of the land and naval forces. Thus, it is within the discretion of the Congress of the United States to determine the occasion for the expansion of our armed forces and the means best suited to such expansion, should it prove necessary.

Ratification of the ERA would certainly limit Congress' power and flexibility under Article I, Section 8, of the Constitution.

For one thing, it would require that females both register for the draft and be drafted if the occasion should arise. In the hearings held by the Subcommittee on Civil and Constitutional Rights, supporters of the ERA admitted that this result would be required. In fact, they were boastful of this result. We certainly should take the supporters at their word. The ERA prohibits sex discrimination. The draft treats men and women differently, and thus an all-male draft would be held unconstitutional.

Congress, as late as 1980, rejected President Carter's proposal to register for the draft both men and women. The U.S. Supreme Court in the case of *Rostker* v. *Goldberg*, 453 U.S. 57 (1981), upheld the exemption. If there is such an overwhelming need to have women register for the draft or be subject to the draft, then Congress can do it now without having the ERA ratified.

In addition, there are also practical considerations that should be taken into account. For instance, it is unclear whether women with small children would be required to serve. It would seem to violate the absolute language of the ERA to provide an exemption to a married woman with small children while not exempting her husband. This would certainly continue the sex stereotyping that has been criticized by the feminists advocating an ERA with no clarifying amendments.

It seems clear that a strong argument could be made that the ERA would force women to serve in combat. Currently, either by statute or by regulation, the four branches of the military do not allow women to be eligible to serve in jobs that are classified as combat related. This amounts to only about 10% of the jobs in the armed forces. If the ERA is ratified, our armed forces would be subject to lawsuit after lawsuit; a certain job classification could operate to exclude a large number of women. Such a classification (neutral on its face but discriminatory in effect) could be made as to physical strength requirements for combat-related activities. The absolute language of the ERA and various statements made by proponents indicate that any sex policy that would exclude women from combat would be unconstitutional. ERA proponents indicate that job requirements in the military should be based on individual characteristics and not based on sex. This is already the case for 90% of the jobs that are not combat related.

The adoption of an ERA with an exclusion for the military is in line with what the vast majority of the American people want. The fact that the ERA encompassed these issues was one of the principal reasons it failed to be ratified last time around. This fact is buttressed by a 1980 Gallup poll that found only 21% of the population being in favor of women in combat roles.

It has been argued that our next war will not feature hand-to-hand combat. Thus, physical strength will be less of a concern in our draft. Our recent experience in Grenada and Lebanon should dispel the fallacy. On the issue of combat, Brigadier General Elizabeth Hoisington, former Director of the Women's Army Corps (WACs), in testimony before the House Judiciary Subcommittee on Civil and Constitutional Rights, had this to say about women serving in combat:

". . . the overwhelming majority of women cannot match men in aggressiveness, physical stamina, endurance, and muscular strength in long-term situations."

Finally, when Professor Thomas Emerson of Yale Law School and Anne Freedman of Rutgers University Law School testified before the Subcommittee, they both referred to the principle that was articulated in a Yale Law Journal article that they coauthored in 1971. The following is an excerpt from this article:

"We must radically restructure our view of women in the military under the ERA. There's no reason why a woman cannot serve in combat if she can pass the physical, and if she can carry a 50-pound pack."

RATIFICATION PERIOD

House Joint Resolution 1, like its predecessor, which was submitted to the States for ratification, has a seven-year time period for ratification. However, this seven-year time period is not in the body of the amendment.

In Committee, a very constructive amendment was offered by the gentleman from Ohio, Mr. Kindness, which would place the ratification time frame within the body of the amendment itself. This distinction was of great significance in 1978 when the time period for ratification was extended. The Kindness amendment is in line with the form of other Amendments (the 18th, 20th, 21st and 22nd Amendments) which also contained a seven-year time frame for ratification within the body of the amendment itself instead of in the resolving clause.

CONCLUSION

In any event, unless the ERA is clarified to address the concerns that caused it not to be ratified after an unprecedented 10 year period, the same result will occur with House Joint Resolution 1.●

STOCK OPTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma [Mr. JONES] is recognized for 5 minutes.

● Mr. JONES of Oklahoma. Mr. Speaker, today my colleague BILL FRENZEL and I are introducing legislation which is important because it would help to stimulate the productivity gains and new jobs which our economy needs. This bill is unusual because we believe it would accomplish this goal without costing the Federal Government money.

Our bill would amend the Internal Revenue Code to make incentive stock options [ISO's] a more attractive alternative form to corporate compensation. It would make it easier for corporations to provide their employees with meaningful incentives to achieve business growth and increased productivity, thereby creating new jobs in the private sector and stimulating our economy. The cost of these incentives are borne by the corporate shareholders, the ultimate benefactors of corporate expansion.

We view this legislation as an attempt to modify some of the deficiencies in the ISO law which work to limit substantially their attractiveness as a capital formation tool. The deficiencies this legislation corrects are:

INCLUSION OF THE SPREAD AS A TAX PREFERENCE ITEM

The inclusion by the Tax Equity and Fiscal Responsibility Act [TEFRA] of 1982 of the spread between exercise price and fair market value as preference income and the resulting imposition of the alternative minimum tax has raised the tax rate on gains from ISO's to as much as 40 percent, which is double the maximum rate under ERTA and 80 percent of the maximum rate of ordinary income. Furthermore, the levy of a tax at exercise imposes as unnecessarily harsh financial burden on an employee whose cash resources have just been depleted by the amount of the exercise price. An unfair and particularly unintended tax treatment results if, after the employee incurs the alternate minimum tax, the stock price declines. In this unfortunate situation, the actual rate of taxation rises exponentially as the price at which the stock is ultimately sold drops. It is even probable for the employee to pay a tax on a capital loss. The imposition of the alternative minimum tax by TEFRA has reduced the unattractiveness of ISO's and is contradictory of the purpose for which we achieved with reinstatement of stock options in the 1981 legislation.

MAXIMUM AGGREGATE EXERCISE VALUE TO $100,000

ISO's are further limited in their usefulness by a condition which was added to our legislation in 1981 that the grant of an option be restricted in any 1 year to an aggregate exercise value of $100,000. This cap makes it more difficult for emerging growth companies to attract top managers from established companies whose pay scales in today's market vastly exceed the potential from a $100,000 cap.

REQUIREMENT FOR SEQUENTIAL EXERCISE

ISO's effectiveness has also been curtailed by the ERTA stipulation that such be exercised in the sequential order in which they were granted. This provision stipulates that an option which has not been exercised in full is considered outstanding for the entire period for which it was granted, even if the option is canceled by the employer. The net result is options granted earlier at a higher price must all be exercised before those granted later at a lower price can be exercised. This serves to penalize those employees who have been with a company for some period of time and hold options priced higher than those granted newer employees at a later date. Moreover, this provision unfairly punishes lower level employees who may bear no responsibility for the circumstances that resulted in the decline in the price of the company stock.

In conclusion, Mr. Speaker, let me state the reasons these changes should be made. When my colleague, BILL FRENZEL, and I originally introduced our stock option legislation in 1979 we did so because we believed such measure was important to small, growing business. Repeated studies have documented that the smaller, emerging companies create substantially more jobs as they grow than do larger, more mature businesses. However, in order to do so, they need risk capital, and they also need meaningful incentives to attract and motivate talented employees to invest their personal energies toward the goals of company expansion and productivity improvement.

The restrictions imposed on ISO's in the 1981 and 1982 tax legislation discourage their use. To us, this policy is without merit. Let us repeat, the Treasury loses revenues when nonqualified options are chosen over ISO's. The three changes embodied in our legislation are important to job creation, innovation, and productivity. Correction of these deficiencies can be accomplished without any loss of Federal revenue.

The provisions contained in the Internal Revenue Code which limit the attractiveness of ISO's should be eliminated as we have provided for in this legislation.●

THE IMMIGRATION BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Mexico [Mr. RICHARDSON] is recognized for 5 minutes.

Mr. RICHARDSON. Mr. Speaker, there are some very disturbing reports that the Simpson-Mazzoli bill is rearing its ugly head again, that the conferees in desperation are about to reach an agreement that falls short of even the most minimal standards of dicrimination protection which has been the main point of contention in the bill.

Mr. Speaker, there is no question that we need immigration reform.

□ 1440

As chairman of the congressional Hispanic caucus, I have pledged that our first legislative priority in the 99th Congress will be an immigration reform bill that is sustainable and will be acceptable to the American people. We recognize that the previous Hispanic caucus bill was not sufficient and that a stronger and more comprehensive bill is needed.

This is the midnight hour in this Congress, and it is no time to cut deals that hurt people. I ask those involved in the process of reviving the Simpson-Mazzoli bill to exercise minimum standards of courtesy and decency and advise those of us who represent those who would be most affected by this bill what they are doing so that we can at least defend ourselves. Deals that involve millions of people should not be made in back rooms but up front where the people can judge whether they are right or wrong.

Mr. Speaker, the Simpson-Mazzoli bill is bad legislation. We do need immigration reform, but not a bill that is flawed, that is not sustainable, that discriminates against all Americans and, lastly, that is going to cause unnecessary bloodshed.

There are Members in the other body who have equal reservations who will make sure that this bill is brought to the most intensive scrutiny. I ask those today who are working on these amendments that supposedly will cure the bill to come forth and tell us all what they are planning. Too much is at stake, and the midnight hour is no time to make deals that will be bad legislation for this country.

I have pledged that the first priority in the next session for the Hispanic caucus will be an immigration bill that is sustainable, that deals with discrimination, that stops workers from coming into this country and hurting Americans in their jobs, but, lastly, a bill that is consistent with out traditions of compassion.

Mr. LELAND. Mr. Speaker, will the gentleman yield?

Mr. RICHARDSON. I yield to my colleague, the gentleman from Texas.

Mr. LELAND. Mr. Speaker, I would like to associate myself with the comments that the gentleman has made and to also inform the gentleman that the Hispanic caucus is not the only caucus nor the only Members who are worried about the results of the so-called negotiations that are going on, and that we stand willing and ready to do battle if in fact we have to.

Mr. RICHARDSON. I appreciate the remarks of my colleague from Texas. I think this is a bill that is of immense importance to our country. It has taken a lot of time, and I think the House has given indications of what it wants. But now we are reaching a case where in desperation people are grasping at straws at provisions that have shown to hurt people, provisions that for political reasons are being pushed in this midnight hour. I thank my colleague from the Congressional Black Caucus for his good words and appreciate his support.

Mr. LELAND. I commend the gentleman for his steadfast position on this issue.

ARMS CONTROL AND INTERNATIONAL SECURITY ACTIVITIES OF THE COMMITTEE ON FOREIGN AFFAIRS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. FASCELL] is recognized for 5 minutes.

● Mr. FASCELL. Mr. Speaker, during the 98th Congress, the Committee on Foreign Affairs, primarily through the

Subcommittee on International Security and Scientific Affairs, considered a wide range of arms control and international security issues. Recognizing the high public interest in these issues, I would like to briefly report to my colleagues in the House and to the American people on the Foreign Affairs Committee's more recent effort to make arms control an integral part of our country's national security policy.

PRESERVE AND UPGRADE ACDA

During the 98th Congress, the committee actively worked to prevent elements within the administration from diminishing the role and effectiveness of the Arms Control and Disarmament Agency. More specifically, the committee sponsored legislation which increased rather than reduced the number of professional personnel in the Agency. The committee also successfully rejected administration efforts to reduce the Agency's operating budget and enacted legislation which made the Director of ACDA a permanent member of the National Security Council.

This successful bipartisan effort to enhance the operations and role of the Arms Control and Disarmament Agency was facilitated by the following subcommittee-initiated General Accounting Office studies: First, "ACDA's Coordination of Federal Arms Control Research and Mangement of Its External Research Program Still Need Improvement"; second, "Need for Internal Control Improvements at ACDA, Including Adequate Internal Audit Coverage"; and third, "Need to Improve Management of ACDA's Automatic Data Processing and Operations Analysis Functions" (all issued in September 1983).

NUCLEAR ARMS CONTROL

During the 98th Congress, the Subcommittee on International Security and Scientific Affairs examined a variety of issues related to U.S. nuclear arms control policy. In 1983, the subcommittee held regular briefings with representatives of the U.S. Arms Control and Disarmament Agency on the status of the INF and START negotiations. The subcommittee also held a closed briefing with representatives of ACADA and the Department of State on the status of U.S. efforts to revise the as yet unratified Threshold Test Ban and Peaceful Nuclear Explosions Treaties.

In the spring of 1983, the subcommittee played a leading role in a series of full committee hearings which explored the recommendation of the President's Commission on Strategic Forces—the Scowcroft Commission. These hearings, which were published in May 1983 under the title "Review of Arms Control Implications of the Report of the President's Commission on Strategic Forces," focused upon the impact of the MX missile on strategic stability.

The subcommittee also joined the full committee in 1983 in extensive hearings on the nuclear freeze. On the basis of these hearings, a committee-sponsored resolution calling for the negotiation of a mutual and verifiable nuclear freeze was adopted by the House of Representatives. Unfortunately, no action was taken by the other body on the House-passed resolution.

During 1984, the subcommittee held briefings with administration officials on efforts to upgrade the Hotline as well as on the status of discussions in the Stockholm-based Conference on Disarmament in Europe. The subcommittee also participated in four full committee hearings on the Role of Arms Control in U.S. Defense Policy which were published on September 26, 1984.

As an outgrowth of these hearings, and in recognition of the many contributions arms control can make to our country's national security interests, the subcommittee staff is developing a comprehensive arms control agenda for the committee for the 99th Congress.

This agenda will include: (a) a committee-sponsored Congressional Research Service study of fundamental nuclear arms control issues, including arms control options for the future; (b) informal seminars and briefings by former negotiators and other experts on past arms control efforts, the negotiating process, verification and compliance, and the role of Congress in formulating U.S. arms control policy; and (c) a series of oversight hearings on past, present, and future U.S nuclear arms control policy.

ARMS CONTROL IN SPACE

In 1983, the subcommittee began a series of hearings on "Arms Control in Outer Space," which sought to examine the arms control, foreign policy and national security implications of the administration's space policy. The subcommittee continued this series with three hearings in 1984.

Based on these hearings, the subcommittee issued an "Interim Report on the Administration's Space Arms Control and Defense Policy" which outlined several areas of concern regarding the cost and the technical feasibility of the administration's Strategic Defense Initiative [SDI] and the adverse impact on arms control resulting from the administration's SDI and antisatellite weapons policies.

This effort of the subcommittee resulted in my recommending that the United States seek a space arms control and defense policy that places greater emphasis on arms control objectives and avoids undue dependence on unrealistic and unproven defensive technologies.

The necessary elements of such a policy should include: First, mutual suspension of the United States and Soviet ASAT testing program; second, resumption of bilaterial negotiations with the Soviet Union to ban antisatellite weapons; third, initiation of bilateral negotiations with the Soviet Union to ban all space weapons; fourth, upgrading of U.S. satellite survivability; and fifth, maintaining ballistic missile defense research consistent with existing arms control agreements. Pursuit of such a policy would avert a destabilizing and costly arms race in space.

CHEMICAL ARMS CONTROL

During the 98th Congress, the Subcommittee on International Security and Scientific Affairs continued to play an active role in the preservation of an effective U.S. chemical warfare deterrence policy and in the promotion of a comprehensive negotiated ban on the production and usage of chemical weapons. In 1983 and 1984 the Congress, under the leadership of the Committee on Foreign Affairs, rejected the Reagan administration's proposal to resume production of lethal nerve gas weapons. Moreover, we also endorsed the U.S. submission of a draft chemical weapons ban in Geneva earlier this year and have encouraged the administration to resume bilateral chemical arms control talks with the Soviets.

To assist the Congress in its consideration of the future direction of U.S. chemical warfare policy, the subcommittee has sponsored a number of studies on key aspects of this issue. In the spring of 1983, a General Accounting Office study entitled "Chemical Warfare: Many Unanswered Questions," was released by the Committee on Foreign Affairs. Earlier this year, the committee released a CRS study of the prospects for chemical weapons proliferation, "Binary Weapons: Implications of the U.S. Chemical Stockpile Modernization Project for Chemical Weapons Proliferation." Finally, just a few weeks ago I asked the General Accounting Office to undertake a comprehensive study of the status of the U.S. chemical defensive posture.

Throughout 1983 and 1984, the subcommittee remained abreast of recent developments in U.S. chemical warfare policy through a series of briefings by administration officials. These briefings focused upon the binary modernization program, the status of chemical arms control discussions in the Geneva-based Conference on Disarmament, and efforts to enhance the chemical defensive capabilities of U.S. forces.

CONVENTIONAL ARMS CONTROL ISSUES

During the 98th Congress, the subcommittee conducted a number of hearings on the direction of the administration's conventional arms

policy. As part of the subcommittee's longstanding efforts to develop controls on foreign sales of U.S. arms, the committee passed a provision which requires the administration to report on the prospects for engaging the Soviet Union in serious discussions on controlling the levels and sophistication of conventional weapons.

In hearings earlier this year, the subcommittee reaffirmed its interest in preserving the fighter export policy—the so-called FX policy—as an alternative to the sale of fighter aircraft in the U.S. force structure. It is our position that a more effective implementation of the FX policy would enhance the prospects for many countries to satisfy their defense needs at a lower cost in price, personnel, and overall maintenance requirements.

As part of the subcommittee's oversight of the longstanding Mutual and Balanced Force Reduction [MBFR] negotiations, the subcommittee in 1983 released a CRS study entitled "East-West Troop Reductions in Europe: Is Agreement Possible?" This study laid the groundwork for a subsequent hearing last year which contributed to the U.S. submission of a new MBFR proposal in the Vienna talks.

ANTITERRORISM LEGISLATION

The Subcommittee on International Security and Scientific Affairs held five hearings and briefings on the executive branch's efforts to combat international terrorism and to enhance security at U.S. missions abroad.

The subcommittee received extensive testimony from private expert witnesses on the administration's proposed antiterrorism legislation and worked with the administration during the subcommittee hearing process this past summer to ensure expeditious passage of antiterrorism legislation.

On October 1, 1984 the full House approved the Foreign Affairs Committee bill, H.R. 6311 as amended, which: First, authorized the payment of rewards to individuals who furnish information on terrorist actions; second, authorized some $356 million for the enhancement of security at U.S. diplomatic missions abroad; third, urged the President to seek greater international cooperations against terrorism; and fourth, required the President to report to the committee to ensure that the security enhancement program is being adequately implemented.

The net result of the committee's action was to provide the administration with three of their four legislative requests as well as to continue providing the Department of State with all the resources requested to ensure that U.S. diplomatic missions abroad are secure against terrorist attacks.

SCIENCE AND TECHNOLOGY

Since the adoption of title V, Science, Technology, and American Diplomacy, of the Foreign Relations Authorization Act in 1979, the Subcommittee on International Security and Scientific Affairs has been the focal point of congressional interest in having science and technology fully integrated into our country's foreign policy. In fulfillment of its responsibilities in this area, the subcommittee has held oversight hearings to assess the overall U.S. international science and technology policy, to review the effectiveness of the Department of State's Bureau of Oceans, Environmental and Scientific Affairs, and to evaluate the executive branch's integration of science and technology in the foreign policy process.

In part, as a result of the subcommittee's hearings, the Department of State's Bureau of OES held its first worldwide conference of U.S. science attachés in Vienna this past August. Subcommittee staff participated in the conference which considered an action plan for improving the role of the science officer and for improving the more complete integration of science and technology in the foreign policy process.

PEACE ACADEMY

As a result of the subcommittee's previous efforts on legislative proposals to establish a U.S. Academy of Peace, the committee succeeded in having the Peace Academy legislation included in the fiscal year 1985 Defense authorization bill signed by the President last month.

While preserving the basic concepts and objective of the original Peace Academy proposal, enactment of the committee's compromise:

First, changed the name of the Peace Academy to "Peace Institute";

Second, provided that all directors appointed by the President be confirmed by the Senate thereby preserving the bipartisan makeup of the Board and avoiding and constitutional problems;

Third, reduced the original 2-year authorization of $23.5 million to $16 million by eliminating the $7.5 million capitalization fund; and

Fourth, renamed the program for International Peace the "Jennings Randolph Program."

99TH CONGRESS

Many of the issues I have discussed warrant the continued attention of the Subcommittee on International Security and Scientific Affairs and the full committee in the 99th Congress. For example, we will continue to develop measures to more effectively address the threat of international terrorism, to examine the administration's space policy in an effort to preclude extending the arms race into space, and to promote a negotiated halt to nuclear weapons testing by the two superpowers.

As chairman of the Committee on Foreign Affairs and its Subcommittee on International Security and Scientific Affairs, it is my hope that these efforts will enhance the prospects of making arms control a permanent and meaningful part of our country's national security and foreign policy.●

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma [Mr. ENGLISH] is recognized for 5 minutes.

FREEDOM OF INFORMATION ACT AMENDMENTS OF 1984

● Mr. ENGLISH. Mr. Speaker, I am today introducing the Freedom of Information Act Amendments of 1984, and I am pleased that TOM KINDNESS, ranking minority member of the Subcommittee on Government Information, Justice and Agriculture has agreed to cosponsor this legislation. The bill is the result of efforts by the subcommittee to develop a package of FOIA amendments. Although our efforts did not lead to passage of a bill this Congress, we did make progress, and I am hopeful that we will be able to make additional progress in the next Congress.

Intensive work on FOIA legislation began in the subcommittee after S. 774 passed the Senate earlier this year. It took the Senate almost 3 years of effort over two Congresses to pass S. 774. Immediately upon receipt of the legislation, the subcommittee began preparations for hearings. Ultimately, we held four days of hearings and heard from over 30 witnesses.

The hearings demonstrated that there is tremendous controversy surrounding the FOIA and FOIA legislation. There appears to be little agreement on the nature of the problems with the act and, accordingly, it is not surprising that no consensus was reached on the solutions to those problems.

Virtually every part of S. 774 was sharply criticized. In fact, except for the business confidentiality procedures, which were strongly supported by the business community, it is hard to find a major part of S. 774 that attracted any significant degree of support.

While no clear consensus on FOIA legislation was apparent at the subcommittee's hearings, we did get a clear picture of the value of the FOIA as a tool of Government oversight. Disclosures made as a result of FOIA requests have documented Government waste and abuse, identified threats to public health and safety, and exposed violations of law. Some of the disclosures have resulted in significant dollar savings for the Government. In addition to the benefits that can be directly identified, the possibility of exposure through the FOIA serves as a deterrent to waste and misconduct by Government officials.

Some of the specific examples of how the FOIA was used are very striking and are worth repeating here. The Better Government Association used the FOIA to expose the sale of spoiled and diseased meat to school lunch programs. When the facts were made public, the meat was impounded, the packing plants were suspended from bidding on Federal contracts and ultimately closed, and criminal prosecutions resulted.

Common Cause used the FOIA to demonstrate how defense contractors were charging lobbying expenses to Federal contracts. In order to obtain the information that documented this practice, Common Cause had to fight the Defense Department in court for several years. When the information was made public as a result of court orders, DOD agreed to change its policy. The ultimate savings to the taxpayer from the new policy will be measured in the millions of dollars. Without the disclosure of information through the FOIA, it is most unlikely that any change in DOD policy would have resulted.

Another use of the FOIA by "60 Minutes" and the Better Government Association exposed tens of millions of dollars of fraud and waste in a Navy shipbuilding contract. The information obtained under the FOIA was presented to a Senate subcommittee and led to public hearings. A settlement that was subsequently negotiated between the contractors and the Navy was worth $170 million to the taxpayers. At least part of the savings can be attributed to the FOIA.

These are only a few examples of how the FOIA is used as a tool of Government oversight. Other examples were presented at the hearings, and a report summarizing press use of the FOIA was prepared for the hearings by Dr. Harold Relyea of the Congressional Research Service.

As a result of the testimony on use of the FOIA, I became convinced that the savings that result from FOIA disclosures are greater than the costs of the act. When the intangible benefits—such as cost avoidance, waste deterrence, and better informed citizens—are considered, the FOIA is a trememdous bargain.

I do not mean to suggest, however, that the FOIA is perfect in its present form or that the law cannot be made fairer or more efficient. The subcommittee received a number of suggestions for improving the FOIA. Some of the suggestions covered matters that were addressed in S. 774, and some raised issues that had not been considered when S. 744 was drafted.

Our original hearing schedule called for completion of all hearings before the July recess. This would have left the summer months to put together a bill. However, the Justice Department refused to appear at hearings scheduled for the end of June, and we were forced to postpone the last day of hearings until August. This 6-week delay was a primary reason for the failure of the subcommittee to complete action on FOIA legislation.

The bill that I introduce today was developed during negotiations held this summer among the press, public interest groups, the business community, the Department of Justice, and others. It is one draft of many that were prepared by the subcommittee staff this year. The bill was not endorsed by anyone involved in the negotiations, and no one was asked to endorse it.

The bill as introduced is neither comprehensive nor complete. It is not intended as a final product. It is simply a draft. I offer it today to suggest an agenda for the future and to serve as a focal point for further work on the FOIA. The bill is a starting place, one of many different possible starting places, for next year's discussions.

I hope that the bill will be reviewed by all interested parties during the winter. I recognize that the bill does not address all the FOIA issues that some would like to see. This is a by-product of a decision—made earlier in recognition of the limited time available this year—to restrict the subcommittee's agenda primarily to those issues raised in S. 774. In the next Congress, additional issues will have to be added to that agenda.

A brief discussion of some of the bill's most signficiant features follows:

BUSINESS PROCEDURES

Although the business procedures in S. 774 attracted at least some support in principle from most participants, there was considerable disagreement over the details. The key elements of the business procedures in section 2 of the bill and of the judicial review provisions in section 3 are: First, the requirement that submitters designate information as confidential in order to obtain notice of possible disclosure; second, the possibility that, when an agency determines that it is impractical for a submitter to designate information as confidential, the agency could treat a specific class of information as if it had been designated as confidential; third, de novo review for submitters in court, but the review is to be based on the agency record in order to avoid trials and speed decisions; fourth, a preference for the requester in choice of venue in reverse freedom of information litigation; and fifth, award of attorney fees against a submitter where the submitter's reasons for withholding were not substantially justified.

FEES AND WAIVERS

The bill proposes a three-tiered fee structure. For commercial requesters, fees would cover search, copy, and review costs. For requests by scholars, representatives of the news media, or nonprofit groups that intend to make information public or otherwise available, fees would be limited to copying charges. All other requesters would pay search and copying charges.

Fee waivers would be available where disclosure of information is likely to contribute significantly to public understanding of the operations or activities of the Government. The purposes of this new fee waiver standard are: First, to overturn the improper guidance issued by the Department of Justice last year; and second, to relate the waiver standard more directly to the purposes of the FOIA. This is a new approach to fee waivers, and I recognize that it needs additional work.

EXPEDITED ACCESS

Expedited access would be permitted in cases of compelling need.

SANCTIONS

The existing FOIA sanctions provision is revised to make it easier to obtain sanctions for arbitrary or capricious action by agency officials. The scope of activities subject to sanctions is expanded to include destruction, removal, or alteration of a record; and setting of fees and denial of fee waivers.

ANNUAL REPORTS

The existing reporting requirements are revised to include the number of requests, the number of fee waivers requested and granted, and the average length of time to comply with requests and appeals. The report is changed from a calendar to a fiscal year report.

LAW ENFORCEMENT

Two law enforcement provisions are included in the bill. Exemption (b)(7)(F) is changed to permit withholding of law enforcement records the disclosure of which would endanger the life or physical safety of any individual. Present law only permits withholding of law enforcement records to protect law enforcement personnel.

A second change expands protection for informant records. It permits the FBI to deny access to administrative records about informants without identifying the subject of the record as an informant. The records covered by this new exclusion are generally exempt under current law. The new language simply allows the FBI to use a more neutral, less revealing response when denying requests for these records.

I have not included any specific language exempting organized crime records or otherwise expanding the current exemption for law enforcement records. Proposals on these subjects still need considerably more thought. However, based on the work already done, it appears distinctly possible that some changes could be made

to address the FBI's concerns on informant and organized crime records. This is a very difficult area, and there is considerable disagreement over the scope of the problem as well as over the nature of the solution. However, I am hopeful that additional progress can be made.

EXEMPTION 3 STATUTES

Each agency would be required to publish, as part of its FOIA regulations, a complete list of all statutes that the agency head or general counsel has determined authorize the agency to withhold information under the third FOIA exemption.●

● Mr. KINDNESS. Mr. Speaker, I am pleased to join my colleague, GLENN ENGLISH, as a cosponsor of legislation to amend the Freedom of Information Act [FOIA].

During my tenure as ranking minority member of the Government Information Subcommittee, many hearings have been held on particular aspects of the act and on the act generally. In 1981, at the time of our 3 days of general oversight hearings on the act, I expressed the familiar caution, "If it ain't broke, don't fix it."

However, as we in the Congress have learned in so many areas of the law, we find that we are not the only lawmakers. Numerous courts have rendered decisions which have given new, and sometimes surprising, meanings to the provisions of FOIA. And, of course, agencies of the executive branch have issued regulations and policy statements based upon questionable interpretations of the act.

The Congress itself is encouraged to modify the Freedom of Information Act without directly amending it. The third exemption to FOIA allows agencies to withhold information on the basis of other statutes which authorize such withholding. Such provisions have found their way into legislation as diverse as the Omnibus Budget Reconciliation Act of 1981 and the Defense Authorization Act of 1984. And, of course, such provisions are not necessarily referred to the Government Operations Committee for its consideration.

In our hearings, we have heard a variety of complaints about the FOIA. But, they seem to blend together into two lines of arguments. On the one hand, users complain that it takes the agencies too long to release too little information for which they charge too much. On the other hand, the agencies complain that they are given too little time in which they are forced to release too much information for which they are allowed to charge too little.

These divergent views have naturally left us reluctant to contemplate major changes in the FOIA. Nevertheless, it does appear that we may be able to isolate some specific problem areas and deal with them legislatively. We will never stop the courts or the agencies from "legislating" on the act. But, I do believe that, as a result of the hearings held by the subcommittee this year and lengthy meetings attended by representatives of the press, public interest groups, the business community, and the executive branch, we do have some legitimate issues on which to focus our attention and which lend themselves to legislative resolution. For example:

With respect to records submitted by business concerns to Federal agencies, it seems to me fair that we amend the act to discourage its use by business competitors. Despite the assertions that public policy mandates and confers benefits upon businesses that submit confidential business information, including trade secrets, to Federal agencies, this information is oftentimes either developed at great cost to the submitter or is worth a great deal to competitors of the submitter. It seems only fair, in balancing the interests in disclosure, consistent with the goals of the FOIA, with the relative interests of business competitors, that we give submitters a reasonable opportunity to make a case to the agency to withhold the information and, if the information is to be released, to charge the requester for the full time spent in searching for the information, reviewing the material as to the applicability of exemptions, and the copying of the material to be released.

With respect to criminal law enforcement records, the subcommittee has begun to explore several approaches, including specific authorization of the use of the so-called Glomar response where mere identification of the exemption relied upon in denying a request tells the requester what he or she needs to know and could thus compromise an investigation. No such language is included in the bill introduced today, but it is an approach we are studying and on which we would invite comment.

With respect to fees and waivers of fees, there seems to be no question that we should reverse a decision made in the 1974 amendments to FOIA to preclude agencies from charging for the time spent reviewing documents to determine the extent to which they should be withheld. But, concomitantly, we must make sure that the policy sought to be achieved by that 1974 amendment is retained and that is that fees should not be used as a means of discouraging requests consistent with the goals of the FOIA. This bill contains a different approach to the fee and fee waiver calculus. I am not necessarily endorsing it by my cosponsorship of this legislation, but I feel it is an approach deserving of consideration and would invite comment on it. We should remember in our considerations of fees and fee waivers, that we're not going to pay off the national debt through FOIA fees, nor is the Government going to go broke by complying with the FOIA and granting waivers of fees as required by the act and its legislative history.

A couple of years ago, many people were calling for the application of cost and benefits tests to proposed agency actions. Given the testimony received by the subcommittee not only this year but also 3 years ago, I think the benefits resulting from public disclosures of Government waste and error outweigh the cost of Government compliance with the act. Also, intangible, unquantifiable cost such as the loss of an informant must be measured against intangible, unquantifiable benefits resulting from the knowledge within the agencies that their work can be subjected to public scrutiny and accountability.

Before departing from that point, I would like to highlight a concern I have about attempts by some agency personnel to destroy or otherwise sequester documents from public scrutiny which could not be withheld from disclosure under FOIA, as described in testimony before the subcommittee this year. We are also very aware of the weak position of the Archivist of the United States to deal with such situations when they occur. It is a matter deserving of our attention separately or as a part of our FOIA deliberations.

No one with particular interest in the FOIA should be too concerned about either the inclusion of certain matters from the bill introduced today or the particular language used in the bill to deal with those matters.

Ultimate agreement on a bill containing amendments to the FOIA will not be reached easily. Amendments which deal with user's problems will be problematical to the agencies and vice versa. All who participate will have to be reasonable, and act in good faith. The Congress is the appropriate forum in which to discuss and decide these issues and it would be unfortunate if we left them to the courts and the agencies to decide.●

NOW ACCOUNTS: IN WHOSE INTEREST?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, negotiable order of withdrawal accounts, or NOW accounts, have provided consumers with an apparently appealing alternative to regular checking and savings accounts. NOW accounts seem to offer the best of both worlds, permitting check-writing and paying interest on the same account. I warned when these accounts were introduced that they would not be a great consumer

benefit, and a recent study by the Philadelphia Federal Reserve Bank now bears that out. There are no free lunches in this world, and NOW accounts are no different.

NOW accounts combine the convenience of check-writing with the benefit of earning interest. Banks also tell their customers NOW accounts undercut the rising service charges on regular checking accounts. But even though these banks appear to be directing consumers toward the best deal, this is not always the case. Consumers should remember that banks are a business, and a financial institution seeks to make the most return on its money by getting deposits as cheaply as possible. Like the witch luring Hansel and Gretel into the house with the promise of sweets, a financial institution has its own motives for its seeming generosity. Consumers should compare all the facts when opening an account.

Compared with savings accounts, NOW accounts offer one-quarter of 1 percent less interest. But NOW accounts allow consumers to write checks, and many are willing to forgo the quarter of a percent interest for this benefit. And compared with regular checking accounts, which pay no interest at all, NOW account interest rates of 5¼ percent look positively astronomical. But there is more to consider than merely the stated rate of interest on the account.

Banks incur costs when servicing accounts. Accepting deposits, maintaining records, processing and clearing checks, and mailing customers' statements and canceled checks all cost the bank money. These services are of value to the consumer. Banks pass some of these costs on to consumers, and absorb the remaining costs themselves. In analyzing the total value of an account, the consumer needs to consider the value of the services that the consumer does not pay and add it to the interest paid on the account. This will determine the total return on the account.

A study by the Philadelphia Federal Reserve Bank analyzed the service costs and interest rates on checking, savings, and NOW accounts, and calculated total returns for all three types of accounts. Because NOW accounts earn interest, while regular checking accounts do not, the total return is higher for NOW accounts than checking accounts. NOW accounts would thus appear to be a better deal. At the same time, the study found that the total return was higher for savings accounts than for NOW accounts.

However, the benefits of NOW accounts can often be gained only by keeping a minimum balance in the account that is much higher than in regular checking accounts. NOW accounts often have a minimum balance requirement of $2,500 or $5,000, compared to little or no minimum balance requirements for checking accounts. The interest benefits of NOW accounts over checking accounts are easily offset by placing the remainder of the consumer's money in a savings account, which has a higher interest rate than a NOW account. Figures from the Philadelphia Federal Reserve study bear out the fact that it is often more profitable to have two accounts, a regular checking account and a savings account, than one NOW account.

Consider the average consumer accounts based on the figures from the Philadelphia Federal Reserve Bank study. With the study average of $5,030 in a NOW account at the total return rate of 7.11 percent, the consumer would receive a yearly return of $358.

If the consumer were to divide the same amount between a checking and a savings account, the return would be higher. Putting the study's average balance of $1,128 in a regular checking account, the total return of 6.35 percent would yield the consumer $72 per year. The consumer could then put the remaining $3,902 in the savings account at the total return of 8.04 percent for a yield of $314 per year, for a year total of $386. This is $28 more per year than the return on the same balance in the NOW account. And this does not take into the account the possibility for the consumer to invest that $3,902 in savings certificates or other deposits or investments that pay even higher rates of return than regular savings accounts.

While the study by the Philadelphia Federal Reserve did not consider the advent of "super-NOW" accounts in January 1983, I doubt that their introduction would change the economics of NOW accounts. Consumers should not assume that merely because a NOW account pays interest and a checking account does not, the NOW account is a better deal. Only by carefully examining the entire costs and benefits of the accounts offered and the alternatives available, will consumers be able to determine what types of accounts are in their best interest.●

THE CONTINUING RESOLUTION

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, we obviously find ourselves in a position where we are trying to devise a process to continue Government in operation. Yesterday I introduced a resolution similar to the one the chairman has now introduced to continue Government through October 9 at 12 midnight. The purpose of rising, however, Mr. Speaker, is to observe that OMB made a judgment in the early part of this week that, notwithstanding the fact that the short-term continuing resolution which was introduced on Monday in the House and passed both the House and the Senate and was sent to the President on Monday of this week, was not signed, that they nevertheless would continue to have Federal employees come to work and be paid through Wednesday, October 3.

In point of fact, that continuing resolution was not signed by the President until approximately 3 o'clock on Wednesday, as the majority leader pointed out yesterday.

We have passed another short-term continuing resolution which expires, of course, at 6 o'clock today.

Mr. Speaker, I am hopeful that the Office of Management and Budget will conclude, irrespective of what happens with respect to a continuing resolution at this juncture, that it is clear that the Congress of the United States intends to keep Government in operation, which is in fact, the decision that they made on Monday and Tuesday and half of Wednesday, because the continuing resolution had not been signed, as I said, until 3 o'clock on Wednesday.

It would, therefore, appear that the Office of Management and Budget made a determination that legally if it were clear that the intention of the Congress was to keep Government in operation, as the presence of this continuing resolution to midnight on the 9th of this month seems to make clear, that the Government does not in fact, need to be shutdown.

As I pointed out at that time, on Wednesday, to shut down the Government, even for a short period of time, costs approximately $5.5 million simply to give notice to various individuals that they are not to report to work or that they are to come back to work. In point of fact, to shut down the Government for 1 day costs between $60 million and $80 million.

TRIBUTE TO HONORABLE JOEL PRITCHARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. FOLEY] is recognized for 60 minutes.

Mr. FOLEY. Mr. Speaker, the end of every Congress always brings with the sad departure of some of our colleagues, those who have decided to retire from this body, and with it an end to our associations as fellow Members, but not our friendship. I do not think there is a Member departing this year from this body that will be more missed or who has been more respected on both sides of the aisle than the gentleman from Washington [Mr. PRITCHARD].

JOEL was elected to Congress in 1972 in an election in which he asserted to his constituents that he would serve for 12 years and at the end of that 12-year period retire. This I think was on the advice, not personal but reported, of President Dwight Eisenhower, who suggested at one time that Members of the Senate should serve for two terms and Members of the House for six. I personally think President Eisenhower was a great President; but in this instance, I do not think his suggestion was a very good one.

JOEL PRITCHARD, however, has remained true to that promise; and the efforts of people in my State in and out of his congressional district, across the country and in Congress to have him reconsider that judgment have been to no avail. He is leaving and putting aside his congressional duties at the height of his influence among his colleagues, his effectiveness as a legislator and the respect in which he is held in his State and in this body who know his service so well.

JOEL came here with a strong legislative background and experience; incisive intelligence; a tremendous commitment to the values which he demonstrated in his early business, civic, and legislative career; and enormously winning personality; and a capacity for friendship which made his service just that more effective.

□ 1450

While originally a member of the Merchant Marine and Fisheries Committee, where he is now the ranking member, and the Government Operations Committee, JOEL gave up service on Government Operations in order to accommodate a newly arrived Republican colleague who had just been elected in a special election. Shortly after that was given appointment to the prestigious Foreign Affairs Committee of the House.

Since that time he has served in a number of capacities, including on the Pacific, the International Organizations Subcommittees and had the distinction of representing the United States at the United Nations as part of the official delegation to that organization last year.

As JOEL believes and has said many times, it is a great honor to be a member of the U.S. delegation to the United Nations and to speak in the United Nations for the United States. I think those of us who know him so well cannot imagine anyone who could speak more straightforwardly, honestly and convincingly and with greater authority for the United States in any international body than JOEL PRITCHARD.

I personally believe he has a capacity for public service that has not been nearly exhausted; and even though he is unfortunately leaving this body, I hope that whatever administration is in office next year will not overlook the possibility that he can serve his country with enormous distinction in a new capacity in a public way, just as he has in such an outstanding fashion in the 12 he served as a Member of Congress.

I am honored to have shared these 12 years with him. I am privileged to know him; our friendship will continue. The respect in the State among all of our citizens is unbounded, and he carries with him the affection and good will of all of his colleagues as he moves into another career in private life, keeping open, I would hope, the possibility of continued public service.

I would like to recognize my distinguished colleague from Washington [Mr. MORRISON].

Mr. MORRISON of Washington. I thank the distinguished majority whip for yielding to me on this special occasion and appreciate his very kind comments about our distinguished colleague now retiring, JOEL PRITCHARD.

We have probably had a tendency, because we know we are going to miss him as part of the team, to criticize this decision that he has made, but as the distinguished whip has pointed out, Mr. PRITCHARD is merely keeping a promise to his constituents.

I first met JOEL PRITCHARD when he was serving in the State senate and I came in as a fledgling Member of the House of Representatives. I found him just as he is today, a very quiet individual, but look out if you get close to something that he truly believes in, because that strength, that determination when he feels strongly about an issue is something to really behold.

When Congressman PRITCHARD first came here, he was the lone Republican on our Washington State team, and I might point out that whatever he has done has been effective because now our delegation is divided five and five between the House and Senate and with a new seat from redistricting.

I would like to mention three specific points about JOEL PRITCHARD. First of all, he is very much a team player, and we are proud that that is a tradition within the Washington State delegation. In fact, at one of our meetings recently we elected him as our delegation chairman. He insisted it was because he was not present at the meeting, but it truly was because this cohesive force that he has provided and we do truly give him credit for that spirit which has held us together between the two political parties and the diverse interests of the various areas of a very diverse and independent State.

The second point that I would like to make is that on many issues on the 4 years that I have served with JOEL here in Congress, I find that he has been a dynamo in the middle. He has been seeking that middle ground, that compromise in areas of defense and areas of foreign aid. I think that is highly appropriate; he has served this Nation well, and most people at home do not actually recognize that he has served in this particular capacity and served effectively.

The third and final point is that JOEL PRITCHARD is really a great guy. I appreciate his personal friendship that he has extended to me, and I know that probably if we took a survey in this body of all Members, both sides of the aisle, they would say that JOEL PRITCHARD has been a friend to them and one that has provided a very desirable relationship through these years.

I might mention that in a parting tribute to JOEL this past week, that in front of a number of his friends in the Seattle area, JOEL has had a comic routine that perhaps many of you have observed where he takes a telephone with him and he either calls the President or gets a phone call from the President and engages in a most interesting dialog. It kept many of us in stitches through the years.

This past week, however, at a luncheon, there was a phone call, a phone sitting there, and it was a phone call from President Ronald Reagan thanking JOEL for his many years of service and I have to admit that Congressman PRITCHARD responded just as if it was part of his comic routine and did very well with it. Also, we had a little fun with our majority whip who was cut off by that phone call from the President, mentioning that it was not the first time that our majority whip has been cut off by Ronald Reagan in this last couple of years.

So we now wish the very best wishes from all of us to JOEL and Damaris. It is not goodbye; we know that JOEL will continue to be around, but at this juncture in their lives, we wish you very well.

I thank the majority whip for yielding.

Mr. FOLEY. I thank the gentleman from Washington and I yield to the gentleman from Washington [Mr. SWIFT].

Mr. SWIFT. I thank the gentleman and compliment him on having this special order.

I think we need to be careful when we talk about our retiring friends. I was a little surprised to see JIM SHANNON on the floor today; I thought the Massachusetts delegation had buried him the other day, so folsom was the praise, talking about him the past tense.

JOEL PRITCHARD, like JIM SHANNON, is not in the past tense, but I am reminded of a story told by the colorful former secretary of state in our State, Vic Myers, about this grandson whose pet turtle died. The child was very, very broken up about that, and Vic felt that maybe if they had a little burial service for the turtle, that

would help the young boy deal with his grief.

So they took the turtle and laid him on grass in a matchbox and put little flowers around him and then they marched with the neighborhood friends in a little procession out to the garden, where they dug a hole, and just before they were to put the matchbox into the hole, they open the matchbox to view the remains of the beloved turtle one more time, and the turtle moved. The boy looked at the turtle and looked at his grandfather and looked at the retinue and looked at all the arrangements they had made and said, "Grandpa, can we kill it?"

I do not want to say such good things about JOEL PRITCHARD that I would ever regret for a moment that he was leaving this, or regret for a moment that he might not come back. JOEL PRITCHARD is a loss to our delegation that is very difficult to measure because you cannot quantify friendship.

There are a lot of good things you can say about JOEL. He is a skilled politician; he is an effective Congressman; all of those things, professional things that have been said and I agree with them all. But the magic quality of JOEL PRITCHARD and the thing that you cannot quantify is friendship. It has served our whole delegation so well.

Our delegation has a reputation for getting along, but we are like a family, there are little frictions that pop up from time to time. It is the friendship that JOEL PRITCHARD had extended to each and every one of us individually and to all of us as a group that has more often than not made us able to get over those hurdles with ease.

I do not know who in the delegation is going to quite serve the function. We may have to put him on retainer; just come in and chair our monthly meetings, our monthly luncheon meetings; I think JOEL would agree that they should be luncheon meetings rather than breakfast meetings. He would be able to provide that kind of special quality and special magic on a continuing basis to the delegation.

I do not want to get any more serious than that, because I feel too strongly about JOEL as a personal friend, about JOEL as a member of this delegation, and about the loss we are going to feel in the functioning of the delegation.

□ 1500

Mr. FOLEY. Mr. Speaker, I yield to the gentleman from Washington [Mr. CHANDLER].

Mr. CHANDLER. Mr. Speaker, we are all aware, and I am in my short tenure here in the U.S. Congress, that it takes many personalities to make up a diverse body like this one. There are those who are tough and care not for what others think of them. There are those who are simply the nice guys and go their way here without leaving much of a mark.

There are many personalities. I would like to suggest that JOEL PRITCHARD combines a sense of purpose and determination with a great sense of humility that is rare in the Congress. JOEL told me when I came here, "ROD, do not ever forget that there is no limit to what you can get done if you do not care who gets the credit for it."

I think the remarkable thing about that is not the statement itself but the fact that JOEL PRITCHARD really practices this principle. In fact, if you go home to Seattle, in his district, you will probably find that JOEL is the most underrated Congressman that has ever served from the State of Washington. JOEL has been here, has worked hard, has been effective, but has done it in a way that he did not care ever whether he got credit for all that he did. He only cared about the results.

Yet last week, when our entire delegation gathered to honor him in Seattle, there were about 650 people in the largest hotel in Seattle and as my colleague Mr. MORRISON pointed out, even the President of the United States called to honor him.

I am especially grateful to JOEL for the advice he has given to me as a new Member of the Congress and I can say to all of you and to him that it has been a most valuable advice. JOEL cares about his colleagues and invests the time to share his considerable knowledge and experience.

We remember JOEL for so much of what is good about him, but I also remember him for his humor sometimes, not all of it intended. One morning JOEL and I were out at National Airport to catch an airplane back to Seattle and he sent me to get the newspapers and said he would get in line to check us in.

When I got back from buying the newspapers, I discovered that JOEL did not have his glasses on and he was standing in the line to get a TWA plane to go to St. Louis. We needed Northwest to go to Seattle by way of Minneapolis-St. Paul. We barely got onto the plane and as we boarded, his tennis racket, which was a fixture in his complement of equipment, was protruding and as he walked aboard the plane and turned, the tennis racket made its way across the posterior of the stewardess standing there, who let out a yelp and turned around in great indignation to see me standing there as JOEL went on down the aisle. I told him about it and it was just typical of JOEL, the good humor. He told me: "You were in the wrong place at the wrong time."

We are going to miss all of that about JOEL because he is a wonderful guy. He is a wonderful friend. JOEL would be the first to say that this Congress will go right along without him. And it will. But I also know that even as a new Member steps into JOEL'S shoes, there will be a great void left by this wonderful man. We love him. We will miss him. And we wish him well.

Mr. FOLEY. Mr. Speaker, I yield to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Speaker, I am very pleased that the dean of our delegation, Congressman FOLEY, has taken this special order to give us a chance to honor a member of the Washington State delegation who has served this House well for the last 12 years.

When JOEL PRITCHARD was elected to Congress in 1972 he made a promise to his constitutents that he would only serve for 12 years; six terms. He felt that was long enough. Many of us in this delegation regret the fact that he made that promise, because JOEL PRITCHARD'S 12 years have been good ones. They have come and gone and I think entirely too quickly.

To show you the respect that our delegation has for him including the Members of both the House and the Senate from our State, this year we elected him chairman of our delegation and he preceded at a time when we worked together to pass the Washington State Wilderness bill, when we worked together to put together a bipartisan statement about why we should not wait until next year to deal with Federal budget deficits.

We ought to deal with those problems this year and that was the start, I think, of an initiative in this House that led to a very significant downpayment on Federal deficits.

JOEL PRITCHARD has been an outstanding member of the Foreign Affairs Committee and the Merchant Marine Committee, especially on merchant marine, which has a direct effect on Washington State.

He was instrumental in enacting the 200-mile limit. He was a vigorous advocate for protecting Puget Sound for putting into place vessel traffic control systems that for years ahead will protect Puget Sound from oil disasters.

This year he worked with myself and others in the delegation on getting funding for a new study on Puget Sound. Before he came to the House, JOEL was an outstanding member of the Washington State Legislature. He worked hard there and even before that in volunteer days to clean up Lake Washington, which has been one of the most significant environmental feats I think in the history of this country and particularly in the history of our State.

He was courageous and took on sensitive issues like abortion and presented his views vigorously to the people of that State and when they voted by

a 2-to-1 majority, they voted the way JOEL PRITCHARD advocated.

I have become a good friend of JOEL's. We have had a lot of fun not only here in Congress but we both have had the responsibilities and extracurricular activities, particularly tennis.

He served well as the captain of the Republican tennis team and I must tell you that in the last 6 years he even won the championship once and I just commend him for that.

Beyond that, he is quite an athlete. He has been known throughout the local community for winning significant track events, I think, in the over-55 group, Mr. Whip. He was quite a leader in that respect as well.

I must say that JOEL PRITCHARD has, I think, been the cement in our delegation. He has been a person of extraordinarily good humor and good will and charm. He will be missed. I have had the fortune in the last 2 years to know of one of his major concerns, and that was arms control. He felt very strongly that the country was drifting on a very dangerous pattern and when some of us tried to put together bipartisan support in this body for the recommendations of the Scowcroft Commission, the first person we thought of on the other side of the aisle was JOEL PRITCHARD because we knew of his great concern for this subject.

And I think he has made a significant contribution in making this issue better known to the membership here.

I personally am going to miss JOEL, but I know that he will be close by, working for the best interests of our State, and for our country.

And so, Mr. Speaker, and my colleagues, I just want to say that JOEL PRITCHARD has been a good friend. I am going to miss him. I wish he and Damaris well in the days ahead.

Mr. O'BRIEN. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Illinois.

Mr. O'BRIEN. I thank my friend, TOM FOLEY, for yielding.

Mr. Speaker, PRITCHARD is sort of a special guy, not because he is second runner-up in the Kojak look-alike contest but for other reasons. He kind of grows on you, not like a wen, but he has in his makeup something special.

If you recall his first election, about 2 weeks had to pass before we were sure he had won. In his second election and all those since the first one, he has won by enormous pluralities; 70 to 75 percent, which tells you something about how people who know him rush to his support.

He is a remarkably patient person for being as penetratingly intelligent and determined as he is excellent as an interrogator, he never tries to overwhelm you in a debate where you may have taken the other side.

He very, very gently tries to persuade you to the merits of his case. He has a superb sense of humor, as anybody knows who has been with him only a little while.

I would like to point out that he has been a critical element in a lot of important matters.

With respect to the MX compromise that seems to have been worked out here in this House, JOEL was one of the two or three very critical Members of Congress who developed the consensus and enlarged its scope.

Clean publicly and privately, a super guy in all respects, this House will miss JOEL PRITCHARD, and I will miss him personally.

Mr. FOLEY. Mr. Speaker, I yield to the gentleman from New York [Mr. SOLARZ].

□ 1510

Mr. SOLARZ. I thank the gentleman for yielding.

Mr. Speaker, we probably would not be participating in this special order today if the gentleman from Washington [Mr. PRITCHARD], in what I suspect was a rash moment 12 years ago, had not made a pledge to his constituents that he would not serve for more than six terms in the Congress.

I have often regretted over the years that he made that promise, but nevertheless, there it was, and he has decided to honor it. That, in itself, may be an historic occasion. I would not be so bold as to suggest that this is the first time in the history of the Republic that a person in his position has honored a promise made in the heat of a campaign, but Mr. PRITCHARD has honored that promise.

While all of us regret his decision to depart from the House, the fact that he was intent on keeping a commitment which he had made to the people of his constituency over a decade ago seems to me to sum up the very essence of this man, who embodies a very deeply rooted sense of integrity and independence.

I was very impressed when I heard about all of Mr. PRITCHARD's many good works on behalf of the Northwest and Seattle. Frankly, I had not been aware of all of them. But I want to speak very briefly now of what he has done on behalf not just of the Northwest but of the Nation.

For the last 4 years, I have worked very closely with JOEL PRITCHARD in my capacity as chairman of the Subcommittee on Asian and Pacific Affairs, and in his capacity as the ranking minority member of that committee. I do not think that it is possible for two Members of this House on different sides of the aisle to have had a closer, more cooperative and more constructive relationship than the one I was privileged to have with Mr. PRITCHARD.

He acted in the best spirit of bipartisanship. I do not think it is an accident that for all of the differences that have developed among the Members on different sides of the aisle with respect to our foreign policy in the Middle East and Central America, in Africa vis-a-vis the Soviet Union, and in areas like arms control, that if there is any one area of foreign policy where there is a broad measure of agreement, it is in Asia. That is due, in my judgment, in large measure to the statesmanlike attitude which JOEL PRITCHARD has taken toward the problems that confront us in that part of the world.

To me, he has always been and always will be a genuine inspiration. His gentleness, his decency, his compassion, his sense of humor, his ability on those occasions when he does disagree to disagree without being disagreeable is what membership in this House ought to be all about.

I will miss him greatly. There is really no one who will ever be able to quite replace him. But I really hope that all of us, as we proceed in our efforts in the future who remain in this House, can think back to the kind of person JOEL PRITCHARD was when he graced this Chamber as a colleague of ours, and attempt to emulate the high standard which he set.

I know he made a profound contribution to the service of this Nation. In large parts of the world, our Nation is in a better position today because JOEL PRITCHARD undertook, in his capacity as ranking minority member of the Subcommittee on Asian and Pacific Affairs, to visit and make it clear where America stood.

It was not always easy for him to undertake these missions. I will never forget on one occasion while he was talking to the Afghan refugees in the refugee camps in which they lived in Pakistan, the State legislature back in the State of Washington was in the process of carving up his district. Here he was on the front line of freedom, attempting to determine how we could most effectively go about responding to the Soviet invasion of Afghanistan in providing help to the Afghan refugees, and his district was being cut up into little pieces.

But he survived that effort to do him in politically and was able to prevail and return to the House.

We have been together in many places around the world—China, Pakistan, Thailand, Indonesia, Singapore, the Phillipines. I know of no Members of the House who ever worked harder on these trips and who were able to sum up, in the representations which they made, the finest instincts and commitments of our own country.

So I want to thank my very good friend, the distinguished whip, for yielding this to me. It is nice to know

that one does not have to be a Member of his really outstanding delegation to be able to pay tribute to Mr. PRITCHARD. But I will miss him greatly. I know all of us will. I appreciate the opportunity to have said a few words about someone who has really become one of my closest friends during the course of our years together in this House.

Mr. FOLEY. I thank the gentleman from New York.

Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Speaker, I thank the gentleman for yielding and would like to add my commendations to the gentleman from Washington for bringing this special order in honor of a good friend of all of us, JOEL PRITCHARD.

Mr. Speaker, I have gotten to know JOEL well over the last 6 years, and like all of my colleagues, I consider him a very close friend because he has been a good friend to people on both sides of the aisle. I think I have probably gotten to know him best through our mutual membership in the House Wednesday Group, where he has been a very active, vigorous and contributing Member throughout his career here; in fact, he has served as chairman of the Wednesday Group for a period of time when the group was at its most active.

When I assumed the chairmanship of the House Wednesday Group I went to JOEL for advice and suggestions on how one should try to lead this organization, and JOEL's advice was excellent, I thought. He said, "You are dealing with about 32 egomaniacs. You do not lead them. You just arrange the parties and stand back or you will be stampeded and trampled to death."

I found that to be excellent advice, and I found that every bit of advice he has given me over the years has been very valid. He is still involved and will be involved in the affairs of this country. He is presently working as head of a task force which the Wednesday Group has organized to look at issues for 1985, looking at priorities that we are going to be dealing with in the next year and the years ahead. As chairman of that effort, he has been working tirelessly with Members of the House as well as with outside specialists and experts to come up with an agenda of public policy issues for the 1980's and beyond.

I always think of JOEL primarily as a builder of bridges. He is truly a man of the House in the best sense of that word, in that he has consistently abhorred deadlocks, and has tried to build bridges to find understanding, to clear up confusion and misunderstanding, and to bring people together. He has worked across the aisle in that respect to try and find people of like minds to build consensus and to move this House forward, if only by inches.

He recognized the fact that there needs to be a spirit of good will if we are going to get anything accomplished here, and to the extent that we have the kinds of impasses and polarizations, I think that JOEL has worked to break them down, to build the kind of bridges we need to pass effective legislation.

JOEL is a man of courage, he is a man of strength, and really of uncommon skill as a legislator, but as so many have indicated here, his primary attributes are as a friend to us all. I will miss his always wise counsel, and it has never failed me; his great sense of humor which has come through sometimes when the night seemed darkest. The leavening of his wit has been a relief for us all, and his incurable optimism about this place and the fact that it can really be made to work.

□ 1520

I will miss him, and I want to wish JOEL and Damaris the very best. I know they are going to have a very active, productive and fulfilling life, and I am sure they will be contributing to our endeavors in the years ahead.

I thank the gentleman again for this opportunity.

Mr. FOLEY. Mr. Speaker, I thank the gentleman.

My time has expired, but another special order on this same subject will follow immediately, so any Members who desire to make additional comments will have an opportunity to do so.

A TRIBUTE TO THE HONORABLE JOEL PRITCHARD

The SPEAKER pro tempore. Without objection, the gentleman from Washington [Mr. LOWRY], is recognized for 60 minutes.

There was no objection.

Mr. LOWRY of Washington. Mr. Speaker, I yield to the gentleman from New York [Mr. KEMP], who I believe is rising to this subject.

Mr. KEMP. Mr. Speaker, I understand the gentleman was going to succeed the Foley special order with a continuation of remarks by Members on JOEL PRITCHARD.

Mr. LOWRY of Washington. On our distinguished Member, JOEL PRITCHARD.

Mr. KEMP. Mr. Speaker, I appreciate that, because I, too, wanted to join my colleagues in paying tribute to JOEL PRITCHARD.

I was sitting here listening to the comments of Members, not just from the State of Washington, but from my home State of New York and from other States across the country. It is not just the broad geographical distribution of Members or that Members represent that have been heard on behalf of the remarkable impact that JOEL PRITCHARD has made on this body, but it crosses ideological boundaries as well, liberal Members of Congress and conservative Members of Congress and so-called moderate Members. I do not like those words particularly, but for purposes of my discussion I just wanted to testify to the fact that I do not think there is anyone in this House, right or left, on either side of the aisle, from any part of the country, that does not respect JOEL PRITCHARD and his career, his integrity, his honesty, his sense of humor, his courage and tenacity; but most of all, from this Member's standpoint, his example.

I was thinking how remarkable it is in an age of tremendous controversy with issues that are subjective and emotional, passionate, to hear the remarkable comments made about a Member of Congress who as much as anybody else has been able to transcend that emotion and passion and debate and have an impact and influence upon his colleagues, upon the country, and as our colleague from New York, STEVE SOLARZ, pointed out, a very positive influence that had been made by JOEL on America's position in the world.

I just wanted to briefly say to my colleague from Washington, who is of another party, and the previous gentleman, the whip of the Democratic Party TOM FOLEY, that I appreciate their taking time, because it speaks well for JOEL. It speaks well of the House of Representatives that we still have the ability to pay tribute to people such as we did recently, BARBER CONABLE, another one of those Members, and JOEL PRITCHARD and others who have this profound impact upon ideas, because ultimately ideas rule the world.

This wonderful body is the greatest arena of debate in the world today and despite all the problems, despite all the mistakes, despite all the rancor at times, it really is important for us to stop and pause and reflect upon the great legislators, the great men and women who have served this country so well and have been of remarkable impact, not only upon their times, but as an example, upon those of us who are to carry on.

I just wanted to rise and thank the gentleman from Washington, but particularly to say on behalf of myself and my family how much we appreciate JOEL PRITCHARD and the example that he leaves as a legacy, not just to those of us who serve in the House, but to our children, to future generations who will come and know and admire the great record that JOEL PRITCHARD has left, at least as a Congressman, as an impact upon this country and its future.

I thank my colleague and appreciate the comments that have been made by all the previous speakers.

Mr. LOWRY of Washington. Mr. Speaker, I thank the gentleman from New York, and all of us from the State of Washington thank the gentleman for his kind words.

I yield to the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Mr. Speaker, I thank my colleague for yielding.

I would like to echo what my colleague from New York said. We have all sorts of people in this House and they reflect the great diversity of people in the country, smart people, not-so-smart people; on the average, however, on the whole, the people here are a very high quality, above average set of people.

I must tell you that I have gotten to know JOEL PRITCHARD very well in the last few years. We went to the Soviet Union together and he truly is one of the finest people I have ever met in this body. He is a man of enormously high integrity, tremendous principles, not terribly partisan. He knew he was a Republican, but at the same time he would sit down and talk to you about what was good and bad both in your party as well as his own, and dedicated to a free, strong America, but open-minded, the kind of person I would like to see this House to be filled with.

JOEL PRITCHARD is the type of guy that if you had to kind of designate the people you would want to serve in Congress, he would be that kind of person.

You know, least I overflow with extolling virtue, I just think that this is an incredibly extraordinary man. I was once told that when you come to this House you have to think of yourself as a Member of this body, not only as a descendant of those who preceded you, but as an ancestor of those who follow you, and this man, JOEL PRITCHARD, is the kind of ancestor to future Congressmen and women who may serve in this august body that he can be proud of knowing that he sets an incredible example for people who will follow him.

So I wish he and his wife the very best. He is a super guy. He will be a great asset to this country wherever he is. It has been an honor knowing him and serving with him.

Mr. LOWRY of Washington. Mr. Speaker, I thank the gentleman for those very beautiful and kind words.

I yield to the gentleman from Tennessee [Mr. GORE].

Mr. GORE. Mr. Speaker, I thank the gentleman very much.

I was listening to the proceedings here and decided that I had to drop what I was doing and come over and participate, because JOEL PRITCHARD has been a very special friend to me and a very special public servant.

You know, you can always go on and on about your firends and the people you serve with, but I just want to add to the record one personal story about JOEL PRITCHARD. About 2 years ago when he first made the decision that this was going to be his last term, I was having a conversation with him and he said,

AL, I'm going to be gone after this term, and I want these last 2 years to really count for something in addition to what I have been doing on the issues that I am involved in. I want to do everything I possibly can to put together a bipartisan effort that will make a difference on the No. 1 issue of our age, and that is nuclear arms control. How can we bring Democrats and Republicans together? How can we build an approach in the country that will give us a greater chance of really getting a meaningful agreement that will dramatically reduce the risk of war?

Well, he followed that up with countless hours of work, early in the morning, late at night meetings, and he undertook to really be an evangelist on this issue, principally on the other side of the aisle, but folks over here listened to him very well all the time also, of course; but we worked long and hard together.

I have never seen a better example of selfless dedication in the interests of this Nation and humanity, if I may be that expansive, because that is the way he sees the issue, as the overriding issue of our time.

As I say, if I had formally prepared something, I would be perhaps even more effusive, but it is straight from the heart and I want it to be a part of this RECORD added to the comments of our other colleagues.

I thank the gentleman for yielding.

Mr. CHANDLER. Mr. Speaker, will the gentleman yield?

Mr. GORE. I would be glad to yield.

Mr. CHANDLER. Mr. Speaker, when I made my remarks about Congressman PRITCHARD, I made the point that he had said there is no limit to what you can accomplish if you do not care who gets the credit.

I really appreciate the comments the gentleman from Tennessee [Mr. GORE] just made, because I have enormous respect for the gentleman and for what he has done, and the names of the gentleman from Tennessee and that of Congressmen DICKS and ASPIN were always right here in the paper with the work that was done on arms control. JOEL's rarely was.

Mr. GORE. But should have been.

Mr. CHANDLER. But he was very much a part of it and deserves enormous credit for the accomplishments of this bipartisan group.

Mr. GORE. Right.

Mr. LOWRY of Washington. Mr. Speaker, I thank the gentleman for his comments.

I yield to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman from Washington for yielding to me. I want to commend the gentleman for taking this special order so we can commend our colleague, JOEL PRITCHARD.

I have known JOEL since my election to Congress a little over 10 years ago. He was here when I came. I have had the privilege of serving with him on the House Foreign Affairs Committee for almost all of that time, and for the last 2 years I sat right next to him on that committee.

□ 1530

So I am very well aware and appreciate many of the things that have been said like his great sense of humor, no question about that. JOEL is a very easy person to talk to, but he is not an easy person to convince. You have to have the facts, you have to have logic. You have to be able to make a very good case to do that.

He is very thorough. As we all know he is very thoughtful, very tough, very courageous, and very dependable and reliable, and he is in the good sense of the word a compromiser and a facilitator.

You have heard examples from others before me on how he has been able to do that, and I guess one of the reasons that this has been commented on several times, that he has been able to do as well as he has is because he, indeed, does not care if he gets the credit. He just cares about getting the job done, and he has certainly done an excellent job of that.

So I am going to miss JOEL. That is the bad news: he is leaving. The good news is he is leaving on his own, and he is leaving with the flags held high, and with the knowledge, I am sure, that he could be reelected if he wanted to be. And if he had less integrity he would be running again, but he did make that promise, unfortunately, and he is going to live up to it.

So I will miss JOEL and Damaris and wish them well.

Mr. LOWRY of Washington. Mr. Speaker, I thank the gentleman from California for those excellent comments.

I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Speaker, I commend the gentleman from Washington, the distinguished majority whip [Mr. FOLEY] and the gentleman from Washington [Mr. LOWRY] for arranging this special order to honor the gentleman from Washington [Mr. PRITCHARD] who is about to retire from this distinguished body.

It has been my great privilege to serve with JOEL PRITCHARD on our Foreign Affairs Committee where my colleagues and I weighed carefully and

respected JOEL's thoughtful opinions and principal comments. He distinguished himself also in his service on the Merchant Marine and Fisheries Committee. JOEL waged the good fight in other important fora. I especially remember JOEL's extensive work and determination in trying to formulate a Law of the Sea Treaty that would best promote U.S. interests and those of the international community.

JOEL also took the time to spend last fall up in New York as a member of our U.S. delegation to the U.N. General Assembly and represented our Nation with distinction on a number of important issues.

JOEL is the stuff of which statesmen are made. He will be greatly missed by his colleagues in the Congress. We wish him godspeed and good health in all of his new endeavors.

Mr. LOWRY of Washington. Mr. Speaker, I thank the gentleman from New York for his kind words.

I now yield to the gentleman from New York [Mr. DOWNEY].

Mr. DOWNEY of New York. I want to thank the gentleman for yielding and add my voice to those of the others who have acclaimed our friend and colleague from Washington. It has been my privilege to take a number of factfinding trips with the gentleman from Washington [Mr. PRITCHARD] one to the Soviet Union most recently.

It has been mentioned here before about his role in arms control. He is the epitome to me, in my view, of bipartisanship and concern about this subject. He brings to it a freshness and an openness that is missing in this body on both sides of the aisle.

He has been a remarkable servant of the people. I will miss him as a friend, and I know the people of Washington will miss him as a Member of Congress.

I thank the gentleman for yielding.

Mr. LOWRY of Washington. Mr. Speaker, I thank the gentleman from New York.

I yield to the gentleman from Pennsylvania.

Mr. RITTER. I thank the gentleman for yielding. I would like to say that JOEL PRITCHARD has been a friend since I have been in this Congress. I had the pleasure of working with him very closely over the years since the Soviet invasion of Afghanistan on a resolution to recognize the plight of the Afghan people, and also to try and give congressional support to assistance to the Afghan freedom fighters.

We went to Pakistan, the border areas one time, and I got to know him pretty well. I must say he had a great sense of humor and he has a great sense of humor. He is one of these people who no matter how much he disagreed with you, he had a very friendly way of approaching differences. He was, indeed, a carrier of the flag of bipartisanship.

We will all miss JOEL PRITCHARD in this House, but hopefully where he sets up his next shop we will be delighted and very willing to work with him.

I yield back to the gentleman from Washington.

Mr. LOWRY of Washington. Mr. Speaker, I thank the gentleman from Pennsylvania for his kind words.

I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Abraham Lincoln once said that bad promises are better broken. That applies, I think, to the gentleman from Washington, and many others here, I think, in Congress, in his State of Washington and across the country wish that he would break his promise and seek reelection. But that is not the kind of man JOEL PRITCHARD is. He is a man who keeps his word and keeps his promises.

I have served during this Congress with Mr. PRITCHARD on the Foreign Affairs Committee, and at times when debate and Members were too highly keyed, JOEL was always low key. At times when Members were too hot, JOEL was always cool. At times when debate became too partisan, JOEL was always bipartisan, and when debate and Members sometimes, as we do, became too extreme, JOEL was always the moderator.

Sometimes, Mr. Speaker, there are men and woman in this institution who seem somehow to rise above the partisanship and the clamor of the institution. They are people who are universally liked by Republicans and Democrats.

We do not know what that formula is, but JOEL PRITCHARD is that kind of a man. Everyone likes him regardless of their party, regardless of their ideology. He is universally respected by this institution, and we will miss him very deeply.

Mr. LOWRY of Washington. Mr. Speaker, I thank the gentleman from Pennsylvania for his kind words.

I yield to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. I thank the gentleman for yielding and for having this special order.

There is at the time of any retiremen around here the smell of beeswax in the air, and usually it occurs because all of the colleagues who never supported the amendments of the retirees are busy lighting candles in front of the icons of the retiree.

It is our habit to eulogize and to ascribe superhuman qualities to those who are moving on to greater glories, as we know JOEL is.

In JOEL's case, a lot of the accolades I say are justly deserved. He was an unusual person walking among us who was loved and respected by nearly everybody.

Mrs. Frenzel thought particularly highly of his terpsichorean qualities on the hardwood floor, and enjoyed some of his singing as well.

The rest of us enjoyed his accommodating personality, his willingness to make an arrangement in the best interests of the Republic.

All of us make foolish statements when we are running for office. I myself did that about how long it was going to take me to straighten out the world, whereupon I would ride home and take up the plow of honest toil again.

JOEL took it seriously because he is one of the more serious of us. All I can say is that I admire him for keeping what he believed was his word. I regret that he is moving on because he is one of those unique people who can forge an accommodation between two very strongly conflicting points of view. He is one of the facilitators, the mediators, without which this Congress can hardly do its work.

I will miss him personally. I wish JOEL and Damaris the very best in their future career or careers, and we shall all miss them.

I thank the gentleman for yielding.

Mr. LOWRY of Washington. Mr. Speaker, I thank the gentleman, and I yield to the gentleman from Pennsylvania [Mr. COUGHLIN].

Mr. COUGHLIN. I thank the gentleman for yielding.

I just wanted to join in this tribute to "WHEELS PRITCHARD." I am sure that Coach CONTE will talk more about his legendary base-stealing from the Democrats.

But JOEL was indeed one of the kindest and the most thoughtful Members of this great body. He is indeed the salt of the Earth, and nothing could more aptly describe our colleague.

But very much beyond that, he was also one who delved into the nitty-gritty of legislative issues, and was always trying to find that accommodation, or dig into very difficult issues, the momentous issues of our times, indeed, and trying to make some reason out of them, trying to come before this body with a reasonable proposal. For that he is certainly tremendously admired by all of us.

We want to wish him well. This is his future. Many, many years of good health and happiness, and we will miss him very much indeed.

Mr. LOWRY of Washington. Mr. Speaker, I thank the gentleman for those kind words. Obviously we will have a better chance at the baseball game next year.

I yield to the distinguished majority leader.

Mr. WRIGHT. I thank the gentleman for yielding.

When I think of JOEL PRITCHARD, certain words come to mind. I think of the words thoughtful, creative, constructive, responsible, reasonable.

□ 1540

Each of those adjectives describes our colleagues.

He was a man of reason, not of passion. The appeals he made to his colleagues were based upon logic, not upon spurious claims. I believe it can truly be said of JOEL PRITCHARD that he is respected by all of his colleagues of both political parties.

Henry Clay said, "Do not despise compromise, for it is the cement that holds the Union together."

JOEL PRITCHARD perfected the art of sensible compromise. He was able to yield to others and exact from others a sense of yielding to a higher purpose.

He was able to help fashion those synthesizing results that enable any legislative body to function. He assisted whenever we attempted to hammer out upon the anvils of mutual give and take a workable solution.

JOEL PRITCHARD has been a legislator who has sought solutions rather than slogans, rather than issues, rather than confrontations.

For all those reasons he epitomizes the kind of legislator that makes legislation work in a free country.

And for that reason I am very sorry to see him leave this Chamber, and yet I know that in the brightness of his career he will find many avenues of creative and constructive service in which he can continue to serve and bless this land of ours. And I wish him well.

Mr. LOWRY of Washington. Mr. Speaker, I thank the distinguished majority leader [Mr. WRIGHT] for those kind words.

Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Speaker, I want to join the great accolades that have been uttered here today in regard to our great friend, JOEL PRITCHARD.

JOEL has been a very, very dear friend of mine, but more than that JOEL played on some of those outstanding Republican baseball teams of mine.

There was nobody who could run as fast as JOEL, in the 22 years that I have been coaching the Republican team. He more than earned the nickname I gave him—"Crazy Legs."

He always gave baseball everything he had, and his team spirit was reflected as well in his work in the House.

Mr. Speaker, I imagine over the years that JOEL was here since 1972 he, maybe, stole more bases than any Member in the Hall of Fame in Cooperstown, NY. He is truly an asset to any organizaiton.

JOEL is a beautiful guy. He always would do whatever you asked him on the ball field and he was the same way here in the Halls of Congress.

Mr. Speaker, has was a teamplayer in the ballfield, he was a teamplayer in the U.S. Congress.

I think one of the nicest things you can say about a person is that he is a good man, and, in my book, JOEL PRITCHARD is a good man.

Mr. LOWRY of Washington. Mr. Speaker, I thank the distinguished gentleman from Massachusetts [Mr. CONTE] for his kind words.

Mr. Speaker, I yield to the gentleman from Pennsylvania.

Mr. GEKAS. I thank the gentleman for yielding.

Mr. Speaker, I will not have felt that I will have arrived as a Member of the U.S. Congress until that day when the House Administration Committee asks me to participate in the briefing session of the incoming freshmen of some future session.

At that moment I know that I will have reached success because that is exactly where I first saw and met and heard JOEL PRITCHARD where, as one of the hosts for the incoming 98th Congress, he gave us incoming freshmen a clear vision of what we were about to encounter, with humor, with finesse, with a sense of balance that made us all feel comfortable from the very first moment we stepped into these Halls.

I have never forgotten that moment. I will carry that moment with me through the remainder of my incumbency and I will always say at every first moment when I am sworn in, again and again as I hope I will, as a Member of Congress, "Thanks, JOEL, for these first instructions."

I thank the gentleman from Washington.

Mr. LOWRY of Washington. Mr. Speaker, I thank the gentleman from Pennsylvania for those kind words.

Mr. Speaker, I yield to the distinguished gentleman from Ohio.

Mr. MILLER of Ohio. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I too would like to honor JOEL PRITCHARD.

JOEL PRITCHARD left his home of Seattle, during the 1940's and moved to Marietta, OH, Washington County, in my district to attend Marietta College.

I would like for JOEL to know that on February 14, 1985 the sesquicentennial of Marietta College will be held, and I hope that JOEL will find time to attend this sesquicentennial. It would be great to have him join us for this gathering. I have spoken to JOEL on numerous occasions, and he is very proud of his Ohio association.

I know Washington is his native State, but nevertheless he has many friends in Marietta.

When I go to the city of Marietta, they ask: "How is my friend, JOEL PRITCHARD, doing in Washington, DC?" And I am always pleased to convey the message that JOEL is a man who we believe in. "SIL" CONTE told of JOEL stealing bases while playing baseball. Believe me, that is the only thing that he has ever stolen.

Mr. Speaker, JOEL came up with many unique ideas of his own as a legislator. Many times we find people here who will pick up someone else's ideas and run with them, but JOEL is an independent thinker.

He knew in his mind what he wanted to do as a Member and he brought that forth in the deeds he accomplished in this Chamber. I hope that JOEL will find happiness and satisfaction in the new endeavors that he will move into after leaving this body.

Mr. Speaker, I thank the gentleman for yielding.

Mr. LOWRY of Washington. Mr. Speaker, I thank the gentleman for those kind words.

Mr. Speaker, I yield to the gentleman fron Nebraska.

Mr. BEREUTER. I thank the gentleman and his colleague from Washington for taking out this and the previous special order to honor JOEL PRITCHARD.

Mr. Speaker, we do indeed need two special orders for all the people who want to speak about JOEL PRITCHARD.

Like my colleague from Tennessee who spoke a few minutes ago, I was unaware that this was going to happen. I saw it on the television in my office a few minutes ago and decided that I really had to come over here because I had something to say. There are later planes going back to Nebraska that I can catch.

JOEL PRITCHARD is an extraordinary fine human being and for all the reasons mentioned here by his colleagues he has made a tremendous contribution to this legislative body.

We honor JOEL for that. We are going to miss him greatly. JOEL recognized one of the difficulties we have in this legislative body, and that is that we too infrequently look in a concerted fashion at crucial issues in our society.

JOEL not only recognized it; he, with colleagues on the other side of the aisle and this side as well, set up a study discussion group to look at these issues. We look comprehensively, I would say as comprehensively as anyone can, at arms control; next we moved on to the importance of better relations with the Soviet Union and understanding the Russian people and the U.S.S.R. That is an effort that is ongoing, that will be part of JOEL PRITCHARD's legacy here.

Mr. Speaker, we heard a few words from "SIL" CONTE. I can remember as a rookie on that baseball team thinking I was a pretty good sprinter, pretty good runner. I did not have a chance even that they would let me show anything because they knew that JOEL PRITCHARD was the standard in that area.

I came to know him early because he sought me out to talk to a freshman here in his first year. That is JOEL

PRITCHARD. He took the time to be with us, he took the time to encourage other Members to use their expertise.

In an age when we have constantly running press release mills, JOEL PRITCHARD passed around the credit, was not concerned who got the attention as long as the results were there.

That has been mentioned frequently and it should be.

□ 1550

JOEL came from a district that is politically complex. Yet, after his first term he won reelection by substantial margins and could be running successfully for reelection today. That is a recognition, of course, on the part of the people of Seattle and the surrounding areas, the quality of the man they were sending to the U.S. House or Representatives.

Yet, despite that record of support, one really does wonder about a few of our colleagues, if the people who send them here realize fully the impact and the quality of the man or woman that they are sending to the U.S. House of Representatives. I wonder, despite having great respect for the people of Seattle, if they really understand the impact this man has had on this body and upon his colleagues.

JOEL and Demaris, we are going to miss you very much. We are going to miss JOEL's contribution to the House. We hope that we have many occasions to share his good humor, his ideas, and to say to JOEL, "Our very best wishes to you," is my special desire this evening.

I thank the gentleman.

Mr. LOWRY of Washington. Mr. Speaker, I thank the gentleman from Nebraska for those kind words.

I would like to join in the observation that had JOEL decided to run again, he essentially would have been unopposed. The gentleman actually understated the fact how easy it would have been for JOEL PRITCHARD to return for another term.

Mr. Speaker, I yield to the gentleman from Indiana [Mr. COATS].

Mr. COATS. Mr. Speaker, I also did not know that this was going to be up today, but as a friend of JOEL's, I wanted to come over briefly to say a few remarks.

I first met JOEL long distance during a freshmen orientation in 1980 after I was elected. We had a number of speakers who came before our newly elected Republican freshmen. As I listened to JOEL, I said to myself, here is someone with a unique perspective on life, a unique perspective on this institution, and a unique perspective on life in this institution. I took note of that because I very much appreciate what he had to say.

Subsequently, I found out that JOEL and I shared a common love of tennis. Although no one could love it more than JOEL loves it. We are pikers compared to JOEL, but I am fortunate to be able to spend time with him away from here, playing tennis. You learn things about people in athletics. JOEL, of course, played, played not only tennis, but basketball and baseball, among other sports. But you learn that when JOEL, whether he won, as he often did, or lost, as he sometimes did, there was no difference in character. There was no difference in winning and defeat with JOEL PRITCHARD. He was the same gracious sportsman and the same gracious person in victory or in defeat. I think that says a lot about anyone.

JOEL also has a quality about him that more of us should subscribe to and that is an ability to, regardless of our philosophical persuasion, regardless of the emotion of the day, he treats each person in this body as a fellow human being and with respect. He is just someone that we can all learn a great deal from. He will be sorely missed. We hope his wit, his humor, his perspective on life, his outgoing nature, his congeniality and all the other qualities that he has will live on in this body. We also hope that JOEL will spend time with us showing us, through his life and as he lives that life, demonstrating to us what we should all be as Members of Congress.

I know the people of Washington are losing a very, very fine Representative. I talked to JOEL about this, trying to persuade him to run again. He said, "No, I made a promise. I made a commitment. I am going to honor that commitment."

I said, "But, JOEL, the people want you back. JOEL, the papers are editorializing for your return. JOEL, the people are saying, 'We don't care about your commitment. You are the kind of Representative we want. We will forgive you if you come back to us and say, "I would like to do it 2 or 4 or 6 more years here in Congress as your Representative."'"

But he felt duty bound and honor bound to that commitment. I respect him for that. Congress will be the lesser. JOEL will probably be the richer in many, many ways for making that decision. but we certainly will miss him.

JOEL, I personally hope that you will save a spot for me on that tennis court and a spot for me in your heart as we occasionally in the future sit down together and talk about life.

I thank the gentleman.

Mr. LOWRY of Washington. I thank the gentleman.

Mr. Speaker, I yield to the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. I thank the gentleman from Washington.

Mr. Speaker, it is with a great deal of pleasure at the same time with a tinge of sadness that we see our friend, JOEL, go back home or at least leave this body, if not to go back home.

I first met JOEL—we were in different classes in Congress and, of course, even on different sides of the aisle—on a trip. I was immediately taken by the graciousness and charm of the man, as well as by his knowledge of the process that we live here and of his intelligence. We became friends. As I am sure the gentleman knows when you take a trip in a closed environment of a plane, you go from place to place, you get to really know people very well. I really think I got to know JOEL very well in that short 10-day trip. I think I got to know him in a way that rarely in this body you get to know somebody on a very closeup personal basis.

I followed his career thereafter. On many of the bills I thought he took very courageous and very sensible positions.

I think, as the gentleman knows, he has a way of speaking in an unvarnished sort of down-to-earth way without all the folderol and $40 words that sometimes we are wont to deliver here. But he always makes essential good sense.

The gentleman from Washington may represent a State where most of you have that kind of instinct. But JOEL has it in abundance.

I remember it was earlier this year, as a matter of fact, when I was troubled with a bit of a tennis elbow problem. JOEL told me and he is a legendary tennis player and I think he may have overdone it along the line and he developed this tennis elbow problem. So I was kind of struggling along with it in the spring. The gentleman had survived a bout with tennis elbow so he gave me a few of the hints, kind of like Mother PRITCHARD's remedy for this thing that ails you in the elbow.

He not only takes care of legislative business, but a few other problems that Members might have.

I am glad I happened to be on the floor when the gentleman took the special order. I salute him for taking it. I salute our friend JOEL and wish him many happy years. We hope he comes back to see us often.

Mr. LOWRY of Washington. Mr. Speaker, I thank the gentleman from Kentucky for those excellent words.

We are just about out of time for this special order, but I would like to yield now to JOEL PRITCHARD's exroommate and good friend, the gentleman from Wisconsin [Mr. PETRI].

Mr. PETRI. I thank the gentleman.

Mr. Speaker, I have been sitting listening to the Members speaking in the last 2 hours of these special orders and trying to think of what I can contribute to this whole testimonial to JOEL PRITCHARD.

The first thing I would like to say is that I am another whose life has been touched by JOEL PRITCHARD as many other lives around here and feel that

in some way I am a better person for having had the opportunity to have JOEL PRITCHARD as a friend and as an adviser.

The things that have come through most clearly are his judgment, his character, the example he set, his ability to reconcile differences, and most clearly of all, his talent for friendship and his willingness to sacrifice himself and his ego for the job and the objectives he was trying to accomplish.

One difference between a special order and a wake or a funeral is that we do not have to just look back, we can look forward. We have an individual in our midst who may be leaving the House of Representatives, but who will be here for many years. He is in his peak as a man at this time.

I certainly hope that the elders of the Republic, when they need someone with his unique blend of talents will call upon him because blessed are the peacemakers and JOEL PRITCHARD is foremost among them.

● Mr. BONKER. Mr. Speaker, seldom do we wish for a politician to break a promise. My distinguished colleague and friend, JOEL PRITCHARD, promised he would serve 12 years in Congress. As he keeps his word, Washington State and indeed the Nation will lose a good friend and wish that this were one promise that he had broken.

I have had the honor of serving with JOEL on both the Foreign Affairs and Merchant Marine Committees. This year he ably served as an official delegate to the United Nations. He has also provided strong leadership within the Northwest delegation in giving our area excellent representation in the Congress these past 12 years.

Over the years, JOEL has worked effectively to reach crucial accords on a number of important issues to the Northwest. Frankly, many of the issues to the region—the Northwest Regional Power Act, wilderness bills, restoring money for fish hatcheries—would not have been possible without JOEL PRITCHARD.

Following the untimely death of Scoop Jackson, our delegation chose JOEL as chairman, and for good reason. His ability to bring everyone together is legendary in our State. His personal qualities of integrity and ability, coupled with an engaging personality, has made JOEL PRITCHARD a natural leader. His finest task was to bring us together on an issue that defied consensus in the past—the Washington State wilderness bill. Thanks to his efforts, a compromise was found and we had a bill. JOEL represented our delegation in making the good news public.

While he will joke about the problems of serving in the minority, JOEL proved many times that the mark of an effective legislator is the ability to work with all colleagues, patiently and consistently.

When JOEL firmly repeated his intention to retire, the line to replace him nearly spanned across the First District of Washington. With a new Member in January, this Washington delegation will continue to work together, as always. But JOEL PRITCHARD will be sorely missed as a unique leader among us.●

● Mr. FASCELL. Mr. Speaker, when the 99th Congress convenes in January of next year, the Committee on Foreign Affairs will have lost the invaluable services of a highly respected and popular member, the gentleman from the State of Washington [Mr. PRITCHARD].

JOEL PRITCHARD has served the Committee on Foreign Affairs in a number of important capacities over the past 6 years and it has been a pleasure and privilege to have worked closely with him during this period. I know that this sentiment is widely shared among his colleagues on both sides of the aisle.

The gentleman from Washington has been an active participant in the work of the committee from the outset of his assignment—having served on the Subcommittees on International Operations, Human Rights and International Organizations, and most recently as the ranking minority member of the Subcommittee on Asian and Pacific Affairs. His interest in the Far East region in general and his intense concern over the fate of refugees from that area in particular have been reflected in all aspects of his Subcommittee work, to which he has provided a major and positive contribution.

He has also served with distinction as a congressional delegate to the 38th Session of the General Assembly of the United Nations.

JOEL PRITCHARD is clearly recognized by his colleagues as a man of integrity, reasonableness and a high sense of responsibility, mixed with an unassuming and congenial, and I might add patient, disposition. These are all qualities which our committee needs in large measure to fulfill its legislative responsibilities, and the gentleman will be sorely missed in the years ahead.

While I wish JOEL PRITCHARD and his family a happy and rewarding retirement, I also want him to know that his departure is a loss to his district and State, to the House and to our Nation.●

● Mr. BIAGGI. Mr. Speaker, I rise today to pay tribute to a good friend and colleague who is retiring after this 98th Congress, JOEL PRITCHARD of Seattle, Washington.

I have had the especially good fortune to have worked more closely with JOEL than many other members by virtue of our membership on the House Merchant Marine and Fisheries Committee. JOEL as our ranking minority member has been a mainstay in the many accomplishments that our committee can point to in the 98th Congress. JOEL served as ranking minority member on two important subcommittees of the full committee, Fisheries and Oceanography. He mastered the many complex issues which come before us and we worked together on so many occasions in a bipartisan fashion on behalf of bills.

JOEL has been a good friend these past 12 years. I enjoy his company, his warmth and his love of the House. He worked hard on behalf of his constituents from the First District in Washington State having served them prior to his election to the House as both a State representative for 8 years and a State senator for 4 years.

JOEL PRITCHARD made a number of important contributions to legislation not only eminating from the Merchant Marine Committee but also the House Foreign Affairs Committee where he also served with great distinction.

I will miss my friend JOEL PRITCHARD and the many times we worked together in 1334 Longworth. I wish him the very best that life has to offer and assure him that he leaves the House with many friends and admirers all who appreciate JOEL for all the good he did.●

● Mrs. HOLT. Mr. Speaker, there's not much I can add to the laudatory remarks made about JOEL PRITCHARD by other Members, but I just want to express my appreciation for having known him and worked with him in the House.

Here is a man of generous spirit, a healer, one who works for conciliation between strong opposites. All of us know that we need such men in the House, and his departure will be a loss to us.

JOEL, I know that partisan rancor pained you, and we thank you for your good services as one who sought to heal. Duneon and I wish you and Damaris many years of health and happiness.●

● Mrs. SCHNEIDER. Mr. Speaker, I would like to add my voice to those of our many colleagues in honoring our good friend, JOEL PRITCHARD, upon his retirement from the Congress.

All of us have selected a few Members more senior than ourselves to watch and emulate as we began our own service in this body. For me, one of these Members was JOEL PRITCHARD. From his service on my committee, Merchant Marine and Fisheries, I can attest to the personal energy, talent, and integrity of this remarkable individual. His work on issues as diverse as fisheries, arms control, and the Law of the Sea Treaty makes his retirement our loss.

I know that JOEL looks forward to an exciting period of his life in the private sector, and like all of our col-

leagues, I wish him the very best. In the meantime, I know that we will, like the people of his district in Seattle, continue to benefit from his wisdom, his calm demeanor, and his deep personal concern for public issues and problems facing our country.

Come back often JOEL; you are a true friend of mine and of all of us.●

Mr. LOWRY of Washington. Mr. Speaker, as has been seen, there is tremendous affection for JOEL PRITCHARD. We have gone through to the place now that I am having to give up this microphone.

I want to say that all the Members who have spoken here have spoken how we unanimously think so much of JOEL PRITCHARD.

GENERAL LEAVE

Mr. LOWRY of Washington. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material, on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The House will resume its legislative business.

CALL OF THE HOUSE

Mr. WRIGHT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 450]

Addabbo	Burton (CA)	Dicks
Akaka	Burton (IN)	Dixon
Albosta	Byron	Donnelly
Anderson	Carney	Dorgan
Andrews (TX)	Carper	Dowdy
Annunzio	Carr	Downey
Anthony	Chandler	Durbin
Barnes	Chappell	Dwyer
Bartlett	Chappie	Early
Bateman	Clarke	Eckart
Bates	Clinger	Edgar
Bedell	Coats	Edwards (CA)
Bennett	Coelho	Edwards (OK)
Bereuter	Coleman (MO)	Emerson
Berman	Coleman (TX)	English
Bethune	Conable	Erdreich
Bevill	Conte	Evans (IA)
Bilirakis	Corcoran	Evans (IL)
Bliley	Coughlin	Fazio
Boland	Coyne	Feighan
Bonker	Craig	Fiedler
Borski	Crane, Daniel	Flippo
Bosco	Crane, Philip	Foglietta
Boucher	Daniel	Foley
Breaux	Dannemeyer	Ford (MI)
Britt	Darden	Fowler
Brooks	Daschle	Franklin
Brown (CA)	Daub	Frenzel
Brown (CO)	Davis	Garcia
Broyhill	Derrick	Gekas
Bryant	Dickinson	Gephardt
Gilman	Luken	Ritter
Glickman	Lundine	Roberts
Gonzalez	Lungren	Robinson
Gore	Mack	Roemer
Gray	MacKay	Rogers
Green	Madigan	Rose
Guarini	Markey	Rostenkowski
Gunderson	Marriott	Rowland
Hall (IN)	Martinez	Roybal
Hall (OH)	Matsui	Russo
Hall, Ralph	Mavroules	Sabo
Hall, Sam	Mazzoli	Schroeder
Hamilton	McCandless	Schumer
Hammerschmidt	McCloskey	Seiberling
Hance	McDade	Sensenbrenner
Hansen (UT)	McEwen	Shannon
Harkin	McHugh	Sharp
Harrison	McKernan	Shaw
Hatcher	McNulty	Shelby
Hayes	Mica	Shumway
Hefner	Michel	Sikorski
Hertel	Mikulski	Siljander
Hightower	Miller (CA)	Skeen
Hiler	Miller (OH)	Skelton
Holt	Mineta	Slattery
Hoyer	Minish	Smith (IA)
Hubbard	Mitchell	Smith (NE)
Huckaby	Moakley	Smith, Denny
Hughes	Molinari	Snyder
Hunter	Mollohan	Solomon
Hutto	Moody	Spratt
Hyde	Moore	Staggers
Ireland	Morrison (CT)	Stenholm
Jeffords	Morrison (WA)	Stokes
Jenkins	Mrazek	Stratton
Johnson	Murphy	Studds
Jones (OK)	Murtha	Stump
Jones (TN)	Myers	Sundquist
Kaptur	Natcher	Swift
Kasich	Nichols	Synar
Kastenmeier	Nielson	Tauke
Kazen	Nowak	Tauzin
Kemp	O'Brien	Taylor
Kennelly	Oakar	Thomas (CA)
Kildee	Oberstar	Thomas (GA)
Kindness	Obey	Torres
Kleczka	Olin	Torricelli
Kolter	Owens	Towns
Kostmayer	Oxley	Vander Jagt
Kramer	Packard	Vandergriff
LaFalce	Panetta	Vento
Lagomarsino	Pashayan	Volkmer
Latta	Patman	Vucanovich
Leach	Patterson	Walker
Leath	Pease	Watkins
Lehman (CA)	Penny	Weiss
Lehman (FL)	Pepper	Wheat
Leland	Petri	Whitten
Levin	Pickle	Wilson
Levine	Porter	Winn
Lewis (CA)	Price	Wise
Lewis (FL)	Pritchard	Wolf
Livingston	Rahall	Wortley
Lloyd	Rangel	Wright
Loeffler	Ratchford	Wyden
Long (LA)	Ray	Wylie
Lott	Richardson	Young (AK)
Lowery (CA)	Ridge	Young (MO)
Lowry (WA)	Rinaldo	Zschau

□ 1610

The SPEAKER. On this rollcall, 300 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

MAKING FURTHER CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1985 IN THE HOUSE

Mr. MOAKLEY, from the Committee on Rules, reported the following privileged resolution (H. Res. 610, Rept. No. 98-1153) which was referred to the House Calendar and ordered to be printed:

H. RES. 610

Resolved, That upon the adoption of this resolution it shall be in order to consider the joint resolution (H.J. Res. 659) making further continuing appropriations for fiscal year 1985 in the House, debate on the joint resolution shall continue not to exceed one hour, and the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion except one motion to recommit.

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 610 and ask for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution.

The SPEAKER. The question is, Will the House now consider House Resolution 610?

PARLIAMENTARY INQUIRY

Mr. DANNEMEYER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DANNEMEYER. Mr. Speaker, is the parliamentary situation at the point where the first issue the House will be asked to vote upon is whether or not we will take up the rule itself the so-called consideration?

The SPEAKER. That is the question that the Chair put to the House.

Mr. DANNEMEYER. I thank the Chair.

The SPEAKER. The question is, Will the House now consider House Resolution 610?

The question was taken.

Mr. DANNEMEYER. Mr. Speaker, I demand a recorded vote.

A recorded vote was refused.

So (two-thirds having voted in favor thereof) the House agreed to consider House Resolution 610.

The SPEAKER. The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes, for purposes of debate only, to the gentleman from Ohio [Mr. LATTA], pending which I yield myself such time as I may consume.

Mr. Speaker, this rule provides for consideration of the joint resolution in the House with 1 hour of debate. Upon conclusion of the debate time the previous question will be considered as ordered without intervening motion except one motion to recommit.

This resolution provides for the consideration of House Joint Resolution 659, the joint resolution continuing appropriations for fiscal year 1985 through midnight next Tuesday, October 9. House Joint Resolution 659 will continue funding authority for the Federal Government which otherwise would expire tonight at 6 o'clock.

It is intended to provide for necessary expenses of the U.S. Government, pending the anticipated action of the conferees on the permanent continuing resolution. As you are aware, the gentleman from Mississippi [Mr. WHITTEN] attempted to get unanimous

consent to consider this joint resolution earlier today, but unfortunately, that effort was unsuccessful. Nevertheless, enactment of a temporary continuing is essential to avert another unnecessary shutdown of the Government.

Mr. Speaker, this continuing resolution is supported by the bipartisan leadership in both Houses. This is an essential matter to be dealt with today and I urge adoption of the rule.

□ 1620

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I agree 100 percent with the statement just made by the gentleman from Massachusetts. In about 1 hour and 40 minutes the Government runs out of money.

Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Speaker, I appreciate the opportunity of addressing my colleagues as to why we are at this point, parliamentary speaking. The choice appears to be between adopting this continuing resolution with its limited duration or shutting down the entire Government.

That is not the choice at all. There are several opportunities that are available to the majority party, the Democratic Party, that runs this House right now. If this rule is defeated, then the alternatives that are available in order to avoid shutting down the Government would be for a lean continuing resolution to be adopted; a continuing resolution devoid of pork, if you please, that could serve into the first part of next year as a means of avoiding any further discussion with the other body relative to what leave of spending will be in the continuing resolution of that permanent nature.

We could do that and avoid this so-called box into which we may have placed ourselves.

The other alternative, and I pose to the leadership of the House, is that some of us believe that the people of this country would like in the spirit of accountability, to know where we stand on an issue that is 65 to 75 percent of the American people want to have.

Namely, that we have an amendment to our Constitution requiring a balanced budget so that this House would be compelled to submit to a discipline which it does not now have.

Those are the two choices that are available if this rule goes down and this short continuing resolution is not adopted. I do not think they are unreasonable choices and I would submit to my colleagues that either one of those is the lesser of the evil than the so-called claim that if we do not do this the whole Government is going to shut down.

The move, Mr. Speaker, is in effect in your hands.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, I demand a recorded vote.

A recorded vote was refused.

Mr. DANNEMEYER. Mr. Speaker, on that I demand a division.

On a division (demanded by Mr. DANNEMEYER) there were—yeas 228, nays 26.

So the resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. WHITTEN. Mr. Speaker, pursuant to the rule just adopted, I call up the joint resolution (H.J. Res. 659) making further continuing appropriations for fiscal year 1985, and ask for its immediate consideration.

The SPEAKER. The Clerk will report the joint resolution.

The Clerk read the joint resolution, as follows:

H.J. RES. 659

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the joint resolution enacted by Congress on October 4, 1984 (H.J. Res. 656), is hereby amended by striking out "six o'clock post meridiem, eastern daylight time, October 5, 1984" and inserting in lieu thereof "October 9, 1984".

The SPEAKER. The gentleman from Mississippi [Mr. WHITTEN] is recognized for 1 hour.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, we all regret that we face the situation we do here, but unless we take action by 6 o'clock this evening many Government operations will have to cease operations, with all the attendant closedown and startup costs that entails. This often has a bad effect on employee morale in addition to interrupting very necessary Government services.

Operations funded under the appropriation bills previously enacted and essential Government services will continue under the Attorney General's opinion, but many activities will be stopped if we don't pass this joint resolution today. You may recall that a few days ago we had a short duration resolution which lasted for 3 days and then we passed a 42-hour extension to keep the Government in operation until 6 p.m. tonight. These actions were taken at the urging of the other body and this side in an effort to bring about an agreement between the conferees on the House and the Senate on the major continuing resolution (H.J. Res. 648) which is still awaiting final congressional action.

Mr. DANNEMEYER. Will the gentleman yield?

Mr. WHITTEN. Not at this time.

The SPEAKER pro tempore (Mr. FOLEY). He declines to yield.

Mr. WHITTEN. May I say that we have been diligent in our efforts to get together and work out our differences with the other body on House Joint Resolution 648, the continuing resolution which will provide for activities funded in the regular annual appropriation bills not yet enacted.

We have agreed on many of the matters that are involved in the 13 subcommittees that are represented in the conference. The remaining items where there is serious disagreement primarily deal with appropriations for the Department of Defense, which have been considered by the Defense Subcommittee.

□ 1630

They have to do with Nicaragua and various other controversial items which have had the consideration of the Congress in the past. But it became apparent when we met this morning and this afternoon that we could not resolve our differences by 6 o'clock today, when the existing continuing resolution expires.

After consultation with the leadership on this side and the other side, we bring you a very short duration resolution, but it is necessary, because if this is not passed by Congress before 6 o'clock, we will face the interruption of Government services.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I do not yield at this time.

I ask my colleagues to support this continuing resolution, which extends the authority to continue programs and activities until midnight October 9, 1984.

That is the resolution before you. It is absolutely necessary and I hope the House will pass it without fanfare.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to my colleague, the gentleman from California.

Mr. DANNEMEYER. I thank the gentleman for yielding.

Mr. Speaker, I just want to say to my colleague that this Member from California does not intend to ask for a rollcall vote on the continuing resolution, so that might be of interest to some of my colleagues.

Mr. WHITTEN. I appreciate the gentleman's comments.

Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Speaker, I want to thank my chairman.

Mr. Speaker, I hope this joint resolution will receive the speedy approval of the House.

The current continuing resolution expires at 6 p.m. today. There is no hope of action today on the so-called fat continuing resolution. Unless we act now, there will be a shutdown of those activities of Government which normally function on a weekend, such as our national parks and monuments, and on Tuesday there will be a general shutdown of those activities where appropriations have lapsed.

The joint resolution before us will extend appropriations through midnight Tuesday for those activities covered by the nine appropriation bills which have not yet been enacted into law.

Innocent people should not suffer because we cannot reach agreement. The need for action is clear, and I hope we will pass this resolution without further delay.

Mr. Speaker, this resolution goes until Tuesday at midnight. I would have preferred Wednesday night at midnight, because I see no way in the world that we are ever going to get a continuing resolution, either the one that is pending now or, if it is vetoed, the new one coming up, before Wednesday night. We are going to have to pass another resolution some time Tuesday.

Mr. Speaker, I have no further requests for time.

Mr. WHITTEN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. FOLEY). Pursuant to the rule, the previous question on the joint resolution is considered as ordered.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELECTION OF HON. JIM WRIGHT AS SPEAKER PRO TEMPORE DURING THE ABSENCE OF THE SPEAKER

Mr. O'NEILL. Mr. Speaker, I offer a privileged resolution (H. Res. 611) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 611

Resolved, That Honorable Jim Wright, a Representative from the State of Texas, be, and he is hereby, elected Speaker pro tempore during the absence of the Speaker.

Resolved, That the President and the Senate be notified by the Clerk of the election of Honorable Jim Wright as Speaker pro tempore during the absence of the Speaker.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SWEARING IN OF HON. JIM WRIGHT AS SPEAKER PRO TEMPORE DURING ABSENCE OF THE SPEAKER

The SPEAKER pro tempore. The Chair requests the gentleman from Texas [Mr. WRIGHT] to assume the chair.

Mr. WRIGHT assumed the chair and took the oath of office administered to him by the gentleman from Washington [Mr. FOLEY].

LEGISLATIVE PROGRAM

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

Mr. LOTT. Mr. Speaker, I take this time for the purpose of receiving the schedule for the balance of this day and any schedule that we might now have for next Tuesday.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the distinguished gentleman from Washington.

Mr. FOLEY. I thank the distinguished Republican whip for yielding.

We have concluded the business of the day in the hope that the other body will join us in adopting this resolution which has just been enacted by the House.

Monday, October 8, is Columbus Day and the House will not be in session.

On Tuesday, October 9, the House will meet at noon to consider the following bills:

H.R. 5121, Virginia National Forest Wilderness Act of 1983 (rule providing for consideration);

H.R. 999, American Conservation Corps Act of 1983 (rule providing for its consideration);

S. 2565, Extend Head Start Act (rule providing for consideration); and

H.R. 6163, Federal District Court Organization Act of 1984 (rule providing for its consideration).

And, of course, the conference report on the continuing appropriations resolution.

Other conference reports may be brought up at any time, as is the usual practice.

□ 1640

Mr. LOTT. Mr. Speaker, has the gentleman completed the schedule?

Mr. FOLEY. That is the schedule. I just want to emphasize that we are considering the rules and the bills on those matters that I brought up.

Mr. LOTT. I would like to ask the distinguished majority whip, if the continuing resolution conference report should be ready and we could vote earlier in the day, say 1 or 2 o'clock, I would hope that it is not the intention necessarily to complete this schedule, that we are committed to try to complete the continuing resolution conference report and end this session sine die.

Mr. FOLEY. Well, we anticipate that the schedule as announced can be completed expeditiously, because as the gentleman may remember, those were originally matters scheduled for unanimous consent consideration. They have had wide support on both sides of the aisle. We do not anticipate a long debate or serious controversy over them, so we would hope to be able to adopt them; but I think the gentleman's condition is probably also a trifle optimistic. I think we will probably have sufficient time to consider these without interrupting the consideration of the continuing resolution conference report.

Mr. LOTT. I am fearful the gentleman is right on that last point.

I must tell the gentleman, though, that at least two of these bills are controversial, based just on what we heard in the Rules Committee and there will be considerable debate on the American Conservation Corps Act and certain provisions of the Senate bill, S. 2565, the Head Start Act, too; so it will not be something we can handle in a few minutes; but I am afraid we will have plenty of time to debate those issues.

Mr. MADIGAN. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I would be glad to yield to the gentleman from Illinois.

Mr. MADIGAN. Mr. Speaker, I appreciate the gentleman yielding.

I would like to ask the distinguished majority whip whether or not there is going to be Suspension Calendar on Tuesday.

Mr. FOLEY. I am sorry. I did not hear the gentleman.

Mr. MADIGAN. I will repeat the question. I would like to know if the distinguished majority whip is aware whether or not there will be a Suspension Calendar on Tuesday.

Mr. LOTT. I yield to the gentleman.

Mr. FOLEY. There is none planned at this time for Tuesday.

Mr. MADIGAN. Mr. Speaker, I thank the gentleman.

Mr. LOTT. Mr. Speaker, I would like to pick up on that and urge that we not get started on that Consent Calendar. I am just afraid when we come back in here on Tuesday we are going to start a process that is going to take us into Thursday or Friday very easily if we do not watch it. I would hope we would limit what we do have on the schedule and try to do that and dispense with the continuing resolution as soon as possible and end this session, so I am glad to hear the gentleman has no notion to put anything under suspension.

Mr. FOLEY. I want to be understood in response to the question of the gentleman from Illinois, which I believe was on the Suspension Calendar. We have to plans at this time for bills on suspensions.

I cannot give the gentleman assurance that such consideraton is out of the question, but we have no plans for it at this time.

Obviously, unanimous-consent requests may be considered. I have no knowledge of any particular ones that are going to be offered, but it is possible there will be some.

Mr. LOTT. I said unanimous consent, I meant suspensions. I suppose it should apply to the unanimous consent requests, too.

I do not want to belabor this. I just hope we can find a way to end this session as quickly as possible.

I yield back the balance of my time.

ADJOURNMENT TO TUESDAY, OCTOBER 9, 1984

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Tuesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING SPEAKER TO DECLARE RECESSES DURING REMAINDER OF THE DAY

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that it may be in order during the remainder of today's session for the Speaker to declare recesses subject to the call of the Chair.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING ADDITIONAL AUTHORIZATION OF APPROPRIATIONS FOR SITKA NATIONAL HISTORICAL PARK, AK

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the Senate bill (S. 1688) to amend the act of October 18, 1972, to authorize additional authorization of appropriations for Sitka National Historical Park, AK, and ask for its immediate consideration.

The Clerk read title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. CRAIG. Reserving the right to object, Mr. Speaker, will the gentleman explain what is involved in this resolution?

I yield to the gentleman from Ohio.

Mr. SEIBERLING. Yes; I will be happy to do this.

First of all, let me say that this bill was introduced by Congressman YOUNG of Alaska and I have tried to find him just this afternoon because I understood he was back from the hospital and that he was here, but I am unable to track him down.

It is also a bill that has passed the House once before on suspension, went to the Senate, but there was a rider on it which frankly was a rider that I wanted because it was of interest to my district.

The Senate stripped the rider off and sent it back and we now have the bill back in the original form with no rider on it, merely Congressman YOUNG's bill.

The bill would increase the authorization for Sitka National Historical Park by approximately $2½ million to a total of $4 million. The addition is needed because the restoration of the famous Bishop's House in Sitka, which I have visited on two occasions and which is one of the most historic buildings in Alaska, as most preservation projects do, turned out to cost more than the original estimate.

This bill simply brings it up to the estimated cost of completing that restoration.

Senator MURKOWSKI personally requested me to take it up and expedite it and I have agreed to do so, even though it does not have any longer the rider that I was interested in, and that is about all there is to it.

I think it is totally noncontroversial. I have cleared it with the highest ranking Republican on the committee that I could find, the gentleman from California [Mr. LAGOMARSINO]. The ranking Republican is on his way to New Mexico, so I could not contact him.

I am quite sure that there is absolutely no controversy connected with this bill.

Mr. Speaker, S. 1688 provides for an increase in the development ceiling for the Sitka National Historical Park. The Sitka National Historical Park, located in Sitka, AK, was established as a national monument, by proclamation, in 1910. A legislative boundary was established and the area was renamed by the Congress in 1972. The additional authorization would be for the primary purpose of stabilizing the foundation and completing the renovation of the Russian Bishop House. This structure, which is the focal point for the park, was the home of the Russian bishop assigned to Russian Alaska, prior to its sale to the United States.

As I understand this bill the development ceiling for Sitka National Monument, established in 1972, would be raised from $1.571 million to $4 million. The language in S. 1688 is identical to the language of section 2 of H.R. 3739 which was sponsored by the ranking member of the Public Lands and National Parks Subcommittee, DON YOUNG, and which passed the House by voice vote on April 30, 1984.

Mr. Speaker I urge adoption of S. 1688.

Mr. CRAIG. Mr. Speaker, I thank my chairman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1688

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act entitled "An Act to authorize certain additions to the Sitka National Monument in the State of Alaska, and for other purposes", approved October 8, 1972 (86 Stat. 904), as amended by section 101, paragraph (23), of the Act of November 10, 1978 (92 Stat. 3472) is further amended by striking out "1,571,000" and inserting in lieu thereof "such sums as may be necessary, but not to exceed $4,000,000.".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PANETTA. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks and to include extraneous material on the special order speech today by the gentleman from Hawaii [Mr. HEFTEL].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 3398 AND MAKING IN ORDER ON TUESDAY, OCTOBER 9, 1984, OR ANY DAY THEREAFTER CONSIDERATION OF CONFERENCE REPORT

Mr. FRENZEL. Mr. Speaker, I ask unanimous consent that the managers on H.R. 3398, the Tariff and Trade Act of 1984, have until midnight tonight to file the conference report on that bill, that it be in order, any rule of the House notwithstanding, to consider the conference report on Tuesday, October 9, 1984, or any day thereafter; and that all points of order against the conference report are hereby waived.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

RENEWABLE ENERGY INCENTIVE ACT OF 1984

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii [Mr. HEFTEL] is recognized for 5 minutes.

● Mr. HEFTEL of Hawaii. Mr. Speaker, today I am joined by my distinguished colleagues, Mr. FAZIO of California and Mrs. SCHNEIDER of Rhode Island, in introducing legislation to extend the business and residential energy tax credits for investment in alternative and renewable fuel equipment. The introduction of this bill represents a substantial effort to insure the continued development of alternative energy in this country.

Current events in the Middle East should serve to remind us how easily and quickly another world energy crisis could occur. The continuing Iran-Iraq war and the ongoing crisis in Lebanon represent serious threats to the stability of the Middle East and the security of our energy supplies. If we learned nothing else from the embargo of the early 1970's, we learned how reliant our economy is on imported energy from foreign sources.

The legislation we are introducing today is the product of extensive negotiations between representatives of the renewable business and consumer communities. While it extends the renewable energy and conservation tax incentives through the end of this decade, we have succeeded in reducing the revenue impact of the various bills that have been introduced to increase and extend tax credits for investment in these various solar and conservation technologies.

This legislation attempts to incorporate new thinking on the needs of the various renewable energy technologies in terms of the various credit levels that are called for in the legislation. We hope that the introduction of this bill will spur discussion in the Congress and throughout the energy community on the specific renewable energy technologies, and the level of incentive we should provide to each individual technology before the Congress convenes next January. Each technology is at a different stage of development and commercialization. It is important that we determine with certainty what level of incentive should be provided to each technology so that we can obtain the most benefit from the tax incentives and hasten commercialization.

Mr. Speaker, the issue of extension of the energy tax incentives was debated as part of the 1984 Tax Reform Act deliberations. A Senate approved provision providing a 3-year extension of the tax incentives through 1988 was not accepted by the House-Senate conferees. However, agreement was reached by the conferees to hold hearings in the House Ways and Means Committee as early as possible next year on these incentives, which are currently scheduled to expire at the end of 1985.

I believe that the bill we are introducing today will provide the Ways and Means Committee with a vehicle through which to discuss a number of issues involving solar energy development: First, should the renewable energy incentives for business and residential utilization be expanded and extended beyond the 1985 termination date; second, should the residential conservation inventives be extended through this decade; third, should public utilities be eligible to receive the business renewable incentives; forth, should so-called affirmative commitments be extended to renewable energy projects. Mr. Speaker, these questions will provide the basis of a very significant debate on the direction of our national energy policy and the role of our Government in directing that policy.

Mr. Speaker, the country has made a significant investment over the past several years to lay the groundwork for a meaningful alternative energy capability. We must not abandon this effort because, for the moment, energy supplies appear to be abundant and world oil prices soft. I look forward to working with my colleagues in the days ahead to promote a sound energy policy in which renewable energy plays an increasingly prominent role. I hope that the legislation my colleagues and I are introducing today will be the basis for a productive discussion of our future national energy policy. I look forward to working with our colleagues on this important issue.●

● Mr. FAZIO. Mr. Speaker, it is with satisfaction and some pride that I join my distinguished colleagues CECIL HEFTEL and CLAUDINE SCHNEIDER in introducing a bill to revise and extend renewable energy tax credits through 1988. It is obviously late in the session to expect such a measure to pass through the necessary steps in the Congress. It is being introduced for the purpose of laying out on the table all the issues which we strongly believe should be considered by the Congress as it begins its review next year of the contribution renewable energy tax credits must make to our energy future.

There are many parts to the bill, Mr. Speaker. Some of them reflect some very significant new thinking on the part of various technologies represented by the parts. They have attempted to scale their credits to what they think they will truly need in order to achieve marketplace acceptance of their new products. For that reason there are some significant cost reductions inherent in the figures as compared with the renewable tax bill introduced last year and as compared with the Senate proposal that was considered in the conference on the Deficit Reduction Act of 1984. For instance, our very rough estimates at this point are that the solar, wind, and geothermal provisions of this bill could cost the Treasury up to $1.5 billion through 1988, whereas the original legislation last year would have cost about $2.5 billion and the Senate conference position would have cost about $1.9. This is a very significant savings, achieved in part, for instance, by the wind energy proposal to reduce the credits on a sliding scale over the term of their applicability.

We have added to the bill for the Congress consideration provisions for conservation, estimated to cost very roughly $750 million over 3 years, plus biomass and hydroelectricity. Very incomplete assessments of their contribution to cost are something in addition to $1 billion. We also include provisions to allow utilities to capture tax credits as well.

Mr. Speaker, it should be understood by our colleagues that this bill is being introduced as a way to commence next year's debate over tax credits. We think all the provisions in it deserve the Congress very serious consideration. However, it should also be clear to our colleagues, that following what we hope will be a productive period of further thought this fall and winter, a new omnibus bill will be introduced which will reflect the results of that further thinking. Provisions may change; some may be added; other dropped.

This is a starting point. We think it is a very positive one, which demonstrates that there is always considerable creative energy at work in the renewable energy community. We note that no less than 237 of our colleagues cosponsored House Resolution 513 this session of Congress, calling for an extension of renewable tax credits. We urge each of them and those of our colleagues who may not have come to a view on this matter yet to join in the dialog.

Thank you.●

● Mrs. SCHNEIDER. Mr. Speaker, it is very easy for Congress to forget, in the rush of legislative deadlines, that only a few short years ago we were facing one of the greatest threats to our economic system—an energy crisis which continues to have an impact on our economy. The source of that crisis has not disappeared. The United States remains heavily dependent on foreign energy. Since 1982 our reliance on foreign oil again has begun to increase; from 28.1 percent in 1982 to 31.2 percent in September of this year. The current world oil glut has lulled us into complacency. The fact remains that if the United States is to become energy independent in the near future, we must immediately begin to expand our investment in alternative renewable energy sources.

Toward that end, I am introducing a bill along with my distinguished colleagues VIC FAZIO and CECIL HEFTEL. This bill would encourage the development of renewable energy sources. It

would establish what I feel is a progressive and realistic program of incentives for the development of alternative energy sources. In his statement, Mr. FAZIO discussed the economics of this bill. I agree with his assessment that this is a significant improvement over the legislation introduced last year.

Although this measure would impose a short-term cost to the Treasury, it should not be overlooked that the development of renewable energy has very positive long-range benefits. In addition to meeting many of our national security needs, renewable energy provides an opportunity to develop environmentally sound energy sources, increase employment opportunities, and create a vast export potential to both developed and developing countries.

Mr. Speaker, by introducing this legislation at the close of the 98th Congress we hope to impress upon our colleagues the urgent need to continue consideration of ways to expedite the development of renewable energy. We look forward to beginning the 99th Congress with a greater appreciation for the delicate state of our energy supplies, and for fruitful discussions on how best to meet this challenge.●

THE 98TH CONGRESS: A SUMMATION OF SPECIAL ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise in order to round out the summation that I placed into the RECORD last week summing up for this Congress the efforts I have made via the special order with respect to basic issues that in effect are extramural because they are not directly related to the legislative flow, with the exception of my responsibility as chairman of the Housing Subcommittee, and in summing up I reported the tremendous continuing deleterious impact, not only on housing, but on every single business endeavor and economic activity in our country because of the extortionate and usurious continuing rates of interest.

□ 1650

So other than that, I discussed the continuing problem of organized crime, its infiltration of our highest offices in both the governmental as well as the business world, and the relationship of that with the murder of Judge John W. Wood and the attempted murder of the assistant district attorney from the western district, Mr. James Kerr.

But I left incomplete another, and I guess most crucial issue of all that as the Members of this Congress on both sides of the Capitol Building, as they depart to go back to their respective districts and escape the throes of these last-minute anguishes, such as the budgetary resolutions and the appropriations resolutions, I leave with a great deal of concern because the fundamental issues are not even discussed. For instance, we have the highest budgetary allocation for "defense" in this history of the Nation. Over half of that, which exceeds $300 billion, is for the so-called defense of Europe.

I have been the only Member of Congress either in the House or the other body that on the record has risen on several occasions and directed the question to the Members who have the prime responsibility, that is both the majority chairman of the authorization and the appropriation committees on defense, as well as the ranking minority members, asking them to tell me in definite amounts how much of that $315 billion is allocated for the defense of Europe. And the answer is that they cannot tell me with exactitude because so much of the budget now is for this sophisticated weaponry that has yet to be developed, and that of course most of it would be envisioning its vital need for the defense of the Western World or Europe. Yet when I say I have analyzed the budget and I figure that that amount represents better than half of the defense budget, the answer is that that is correct, that it is in that range or within the ballpark.

What this means is that at no time during the debate or consideration of this important measure has the question of our basic policy been discussed or examined or reexamined. The mindsets of our leaders in and out of the Congress, in and out of the Presidency is that we are dealing with a Europe in the context of 1946, 1947 Europe. Of course, this is a misperception of the most grievous kind. It has been the misperceptions of the real world by our leaders that continues to plague our country with the misery of such things as the divisive and the most tragic encounter in Vietnam.

These misperceptions now are unforgivable when it comes to the question of our continuing bankrupt policy, with respect to the nations that share destiny in the world to the south of us. We can afford it perhaps, yet it has to be written whether we can or not, such things as the tragedy of Southeast Asia with all of the costs of blood and treasure. But we cannot afford to miscalculate and send our children, grandchildren, and great-grandchildren into a future with assured hatred and enmity to those who live to the south of our borders, and yet let me assure my colleagues, those hearing and those not, that this is the issue of the moment, and it is hog tied to this greater issue of more concern, yes, because of the impact on the budget of this country and on the tax burden imposed on the people of our country, and that is a European question, the fundamental issue. It has not even been discussed.

I am the only Member of this Congress as far as I know that on the record has raised the issue of German reunification. Germany is still and remains the main issue. It is a question of the rearming of Germany that is at the heart of the whole matter of the cold war now being warned over into a real near hot-cold war with a President that has nurtured a war psychosis against particularly the Soviets.

These are misperceptions we can no longer at all afford to entertain. We must perceive the world as it is.

We have 300,000 of our men and their families in Germany alone. The British have about 7,700. The French have about 11,000.

But the passion in Germany, as it should be readily understood by anybody that knows anything about the history, or the culture, or the history of that part of Europe, and particularly of Germany and its culture, we are talking about a Germany that is proud, strong, dynamic, cultured. And our attempts to maintain a dismembered nation, a nation that was forged together into the fatherland, called that by Bismarck himself, and where we have unilaterally since the late 1940's made the decision to rearm West Germany. This, of course, in view of the intricate involved history of Middle Europe and Russia, what we call Russia or the Soviets, seems to me to be a constant, poised danger at the heart of our security and well-being.

We can develop all manner of weapons. We have developed the atomic bomb in the hope that that would insure security, and instead we are more insecure than ever. We can go into the Star War phase, as the President has suggested, but that will not insure security any more than it would in the case of the Middle East being insured if there is injustice, injustice and a failure to recognize the historical imperatives that leave choices to be made not only in light of the immediate attention paid to immediate history, but all the backlog and heritage involved.

□ 1700

In the case of Germany we should not be shocked at a reaction from a country such as Russia which was invaded by Germany, lost 20 million or more people. It would be like us, were we to have been invaded by Mexico and had lost all the inhabitants of the State of Texas plus all of those of the State of New Mexico plus all of those of the State os Oklahoma, plus all of those of the State of Louisiana.

How would we feel if after we had rolled that Mexican tide of invasion

back, after this great blood-letting and our erstwhile allies that had helped us roll back that tide said, "We are going to rearm"? We must take those things into consideration.

The high politics, they are not discussed. The American people are not being told that. In the meanwhile on the threshold of power are the new generations, say, in Germany that cannot remember World War II because they were not even born and who, despite the fact that we changed the designation of our troops from occupation to defense, are nevertheless occupying their country.

Should we not at least face reality and say, "Well, now, just a minute, there is a good segment of opinion in and out of Germany and Middle Europe that fears us and the possibility of us figuring our logistics where their ground becomes the theater" as the President said "of conflict," nuclear conflict if you please.

Of course the old question: Do you allow the German trigger on the bomb? Those are not discussed.

Yet our families, and I have many constituents who served and have served in Germany, are in perilous situation if the mood should change and if we are not prepared to accept reality.

In Latin America we are the main instrumentalities of the killing and the horrible devastation taking place in the smallest country, for instance, of all Central America, El Salvador.

We are at war with Nicaragua. We hypocritically have an ambassador in Managua, which means, under civilization, that we recognize that regime as legitimate and that we are at peace and that we have a fully accepted representative and ambassador from a peaceful nation while we not only support financially but militarily those who are sworn to doing in that regime known as the Sandinistas.

We say, the President says this is because they have betrayed the role of the cause of the revolution against the most tyrannical and corrupt regime of any country in the history of the world.

We are involving ourselves in a civil war. The President insinuates and at one time almost charged that the revolution had been won or imposed and that the Sandinistas' coalition government had been imposed by the Communists. If not the Castroites, the Communists.

And of course there is not one observer from any civilized portion of the world that has been to Nicaragua that will testify to that and will not say that it is an indigenous civil war. The same thing in El Salvador when, from the very beginning, the misperceptions were obvious. What is the mindset of our leaders? I think it was best illustrated when our President went down to South America about 2 years ago, 2 years exactly, and in one nation mistakenly referred to it as another. Now that is fine, but when he got back to California what were his first remarks? "Gee, I did not know they were different."

Now we cannot continue to have this misperception of the real world out there, because we are identified with those forces that have held down the people, tyrannical, unjust, despotic, antidemocratic. We are aligned with them in the minds of the folks south of the border. Maybe our diplomats do not hear it, naturally.

But the fact and the truth is that we are and that we have learned nothing from our excursions in Southeast Asia and in other parts of the world where we have involved ourselves, such as even in Beirut where we go in and actually take sides in an ongoing complex civil war. That is the long and short of it.

We have failed to develop policy that is basic in what we should do in a case unlike an imposed external regime from one that is indigenous, native, a civil war, where maybe perhaps the jargon and the trappings of so-called Marxist-Leninist phrases and symbolisms are used. Well, if we are going to fight because we want ideological purity, then maybe we ought to look at our inconsistency. If we say "Look, Sandinista regime, you have two Marxists in your government," overlook the fact that you also have three Catholic priests and say that is a reason for us to try to "do them in" to the point where we not only send money but through the CIA, almost on a weekly basis, attempt to have their leaders assassinated, try to blow up their facilities, ports and the like. Those are acts of war and terrible hypocrisy on the part of our Nation.

We are not fooling anybody except the American people who remain yet to be fully informed.

Well, if we are worried about that, why do we not go to the French and say "Hey, we are going to try to undo your Cabinet, Mr. Mitterand, because you have two Communists in your Cabinet?" That shows to me that there is an ambivalence.

Oh, it is all right in France, but Latin Americans, absolutely not; oh, no.

Well, for the first time in the last decade there are 50 million more inhabitants in the countries with which destiny says we must share this part of the world, south of us, than we have in our country. I think the first imperative is that we understand the nature and the real world out there. It is not the world that it was even 5 years ago, much less the world that it was when John Kennedy proudly developed the Alliance for Progress.

If John Kennedy were President today, and the things that we have allowed to happen and have been guilty of allowing to happen within the last 3 years, if he became President and he tried to unload the so-called alliance for progress, he would not succeed, because that was unilateral. It will not happen anymore. We have lost all the leverage we could exert as leaders in the new World. Our President has refused to do anything but unilateral military intervention. He is ringing Nicaragua now with over 30,000 of our military, on the land, on the seas, on both sides, Caribbean and Pacific, and in the air, as never in the history of that part of the world.

That part of the world has never seen that extent of military presence. If that is not war, I do not know what is.

Can we afford that? Can we afford to be erring in such a fundamental way? I do not think so.

I have spoken out, I guess in the case of Judge Woods' murder, it does not go out and make headlines, I do not go out and make press releases. I am addressing my colleagues of this House, the only forum available, for all we have as I have said repeatedly is a voice and a vote.

But I feel impelled because at this point everything else should pale into insignificance. These two great broad issues, they are inescapable. Do we face them intelligently with anticipatory, knowledgeable methods or do we wait, as we did and suffer the loss, the most grievous loss and the manner of losing which continues to impinge on our ability to convince anybody that we are forceful?

□ 1710

We will have more Beiruts and we will have more Vietnams because we are like the Bourbon Kings, we learn nothing and we forget nothing.

We talk a lot about the deficit. This is the last issue that I have spoken on and which is being minimized and that is the real issue. We talk about the fiscal budgetary deficit. Let me assure you, my colleagues, that that is insignificant to the real, real thing, that is going to undo us and most of the world with it. That is our trade deficit. It will be no less than $135 billion by next month. That means a loss of 1 million American jobs that have been lost and will continue to be lost. Nobody has even so much as debated this here.

Yesterday we had an extension of the so-called preference category nations. Only tangentially was this monstrous trade imbalance mentioned and yet, that is going to do us all in, plus so-called allies and everybody else.

But involved, as I have said in the case of the Federal Reserve and in the case of high interest rates, the basic issue is that which we call the American way, the American standard of living. This is why in summing up I

give plain notice that God willing and upon the return in the formation of the 99th Congress, I will once again avail myself of this great privilege and attempt to arouse the leadership, arouse those that have the direct and primary responsibilities as committee chairmen, and the ranking members, for there is no Democratic or Republican or partisan issue in such basic economic and policy matters. In those matters it is like in mathematics, you are either right, or you are wrong.

I say up to now and that is what impels me to rise, there is no awareness and we continue hard headed and steadfast in a calculated course of disaster in these basic issues, international and domestic.

PREVENTION POLICY—PREVENTION POLITICS

(Mr. SHELBY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SHELBY. Mr. Speaker, I am an advocate of an approach to health care cost containment that embodies the prevention of illness before it strikes, leaving in its wake enormous personal and economic costs. I believe that we have within our grasp today the power to significantly reduce the incidence of serious disease in our society and improve the quality of life for all Americans.

As a signal of my endorsement of the prevention movement, I offered a component of the House-passed National Institutes of Health [NIH] reauthorization bill, to provide for the creation of 25 health promotion and disease prevention centers across the country. These centers would conduct research, provide technical assistance, educate and train target populations sick and well, and conduct clinical activities to promote healthier lifestyles and to avoid or prevent disease.

However sensible the notion of promoting good health and preventing illness among Americans may be, or how readily accepted its premise, the effort to convince policymakers of the merit of Federal support is often an uphill battle. No more clearly is this struggle illuminated than in the following lecture delivered by Dr. William F. Bridgers, dean of the School of Public Health, University of Alabama in Birmingham. Dr. Bridgers is a respected leader in the cause for preventive health services and a most convincing spokesman. I invite my colleagues to take a few minutes to note some of Dr. Bridger's insights.

PREVENTION POLICY—PREVENTION POLITICS

I thank the College for inviting me to deliver this annual Sturgis lecture. I am honored to have been selected, taking this as recognition of the efforts being expended by my colleagues in the Association of Schools of Public Health in trying to move the prevention movement along the path we all see so clearly, albeit a path not yet freed of all impediments for a smooth journey. I will mention some of ASPH's initiatives, but this presentation for the most part represents my own views of the state of the nation, vis-à-vis prevention, its policies, and its politics; my colleagues are absolved of all responsibility in this regard.

I do not know Dr. Sturgis. I wish I did. A reprint of Dr. Foege's lecture in 1979 included a brief biography of her career, and after reading it, it is abundantly clear why the American College of Preventive Medicine felt it appropriate to honor her through the establishment of this series.

I do know some of the past lecturers. They have set a high standard not only in the timeliness of their topics but in the intellectual approaches in their presentations. These two criteria, timeliness and some intellectual content, are those a lecturer must meet in order to hold my attention under these adverse conditions: nice reception. Nice dinner. Who needs a lecture? I suspect you would subscribe to my criteria, and I shall try to meet them, although the topic I have chosen, Policy and Politics, may strike you at first consideration almost by definition not to hold out much promise for intellectual content.

Certainly, the topic I have chosen meets the other criterion: timeliness. If ever there was a point in the recent history of man when we could legitimately claim that every sign points to a huge payoff from implementation of a prevention policy, it would have to be now. From the Bronze Age, when life expectancy at birth was perhaps age 18, unitl sometime before 1900 when there had occurred a gradual increase of some 29 years, it would be difficult to find evidence of widespread prevention revolution. Then, of course, we did enter one that led to another 19-year-or-so jump in life expectancy at birth, this occurring over a period of perhaps the last hundred years, but there still wasn't too much action, vis-a-vis life expectancy increases for adults, until only a few years ago. But the signs and symptoms presently all point toward the likelihood that it's our turn—that we adults, we taxpayers, could see a salutary increase in our life expectancy plus, perhaps of even more importance, an increase in our vitality: a decline or compression of morbidity and the resultant dependency states. And we might even expect to see a decline in our outlays for treatment care if all the needed prevention measures were implemented. I'll return to this hopeful possibility later, because it is a statement that still arouses much skepticism in some.

I do not in any way discount the importance of our preventive efforts already underway in local and state health departments, in some segments of the private sector, and at the federal level including mainly the Public Health Service and its Office of Disease Prevention and Health Promotion, the Centers for Disease Control, and other agencies including the NIH, where brand new programs are underway. Notable in this regard is the new Epidemiology and Oral Disease Prevention Program in the NIDR and the March 6 announcement of a new Cancer prevention Awareness Media Program at NCI.

With no implication that we as a nation haven't given the matter of prevention policy considerable thought and some action, let's nevertheless pose this question early in the lecture: why don't we have an organized and adequately funded prevention services system? Comparison of all of our prevention initiatives with, say, even our political activities to implement and pay for therapeutics via Medicare, for example, suggests we've hardly left the starting gate with the politics of prevention.

The short answer to my question, why don't we have a prevention services system as a companion to, or perhaps preferably integrated into, our treatment services system, is: because it's not yet out policy. At first mulling, that sounds like a nonanswer, but that's only if you discount the power of this abstract concept we call policy.

Let me explain by giving an example. A friend and I were talking with an official of a large supermarket chain and asked him why one of his stores, which happened to be in our neighborhood, had prices so much higher than those in his other stores. He said, with no hesitation, "Because that's our high profit store." You don't have to be an economist, which I am not, to know that this behavior represents a market failure. And I mean the economic market not the supermarket, which was doing fine. He had determined that has policy would be to overcharge at that store.

Policies can be powerful if they're implemented. The store didn't have to overcharge at that location, but its policy, largely based upon expediency—that is, they had discovered they could get away with it—was to do just that. Indeed, one of the chief attributes of a policy is that it must be believed to be expedient. So one of the subanswers to our question of why we don't have a prevention services system is that we have not proved, at least as yet, that it would be expedient to do so. Expedient, according to Webster, also means useful.

But if the signs are so promising in terms of the potential payoff from a prevention services system, why doesn't it just happen? Perhaps it just might,, over time, but I think we could nudge the process along a bit, and indeed I think it may be essential that we do so. As Paul Starr said in the opening line of his landmark book, "The Social Transformation of American Medicine," (Basic Books, Inc., New York, 1982): "The dream of reason did not take power into account." He was using it in a different context, but it is a marvelous statement that answers my question. Every now and then I read something that makes me think, I wish I had written that. One such is that opening line which I will paraphrase: "The appeal to reason must take political power into account." My theme is that that is what we must try to do: The power of politics needs to be, and can be, harnessed for prevention.

But it won't be easy. As Professor Starr points out in his last chapter, we may be entering a new phase in medical care: Instead of continued rapid expansion, especially in yearly expenditures, we may now or soon will be playing in a zero-sum game. Resources needed for preventive initiatives may not be able to come from New sources but may, in effect, have to be diverted from other segments of the system. Personally, I hope Starr's right about the new era being a zero-sum one. It would seem that, with about 11 percent of the GNP at one's disposal, one should be able to cover any and all the bases in health care. Besides, zero-sum gaming adds a little spice to the challenge we face: one of the major prevention funding proposals that we've been working on for a couple of years makes it very explicit that its source of support will be from therapeutic care providers' funds. Doctors and hospitals will be given an opportunity

to help finance a prevention services system. I'll describe it a little later.

We would all agree that the nation has a highly visible treatment care system. Whereas we could and do debate the issue of what is, or whether there ever will be, a national health policy that should guide this massive system, we as a nation make fairly clear our willingness to support it when each year we ante up that 10 to 11 percent of our GNP.

I believe it is useful to rephrase the question I posed earlier: Do we have a national prevention policy as a subset or component of our national health policy? The answer must be couched in caveats. It depends to some considerable extent upon what you're trying to prevent and thus how you define the goal of prevention. Some wish to prevent disease and see this alone as a valid defense. Some wish to prevent, through preventive strategies, the escalation in utilization of treatment services.

The answer is also dependent upon what you mean by a policy and, more importantly, what you expect from it: rhetoric or action. Is a policy merely a plan, or is a policy really a policy only when it becomes translated into programs? Another of the attributes of a policy is that in addition to being expedient it is often not explicit. One must infer it from the actions or behaviors of those in charge and those affected. For example, it is the nation's policy to spend some 96 percent of its health care dollars on treatment and only a very small percentage on prevention. You won't find that written in a law, but it is very clear that that's our policy.

Because policy rarely strays too far from the prevailing political wisdom, when all is said and at last something is done, the political route is generally how national policy is implemented. Thus, we can't get very far into a discussion of prevention policy without discussing the politics of prevention, even though we might prefer that prevention could be considered apolitical: a public good or right; an inherent, self-evident value to society. But that's not the reality of the situation. As an analyst of the nation's health care system's policies, and as an active participant in trying to help shape them, I am convinced that if we are to advance beyond the aspirations of a prevention policy or plan toward its implementation, there is no way there other than via the political route. Hence, by way of perhaps too lengthy an opening statement, I have tried to convey to you some insight into what I mean by the title of this lecture: Prevention Policy—Prevention Politics.

In these introductory remarks, I'm sure that a strong inference came through: I suspect we as a nation are still a little uncertain—perhaps vague is a better word—about whether there is bottom-line merit in prevention. The question is not whether it's better in theory for society to prevent a disease than to treat it, but whether there is a proven strategy that can bring that about, and—here's the other bottom line—will it reduce health care costs?

Your first impression is probably a rejection of these somewhat cynical implications on the merits of prevention, on the necessity for tradeoffs, and on the need to sell prevention on the basis of crass concerns such as costs. You will at first reflexly think that everyone surely accepts Ben Franklin's old adage, expressed in the language of the 1980s, that prevention is cost-effective. Well, not quite everyone. Private third-party payers of treatment care are still reluctant to reimburse for most preventive interventions. Why? If you ask them, as I have, they will tell you it is because they fear the costs will go up, not down. They also are uncertain which interventions are valid and therefore worth paying for and which are only passing fads.

It is one of the great ironies in our present health care policy that innovations in the preventive management of a threatened disease (that is, interventions that are aimed at a reduction in incidence rates) are scrutinized ever so much more critically than are innovations in treatment of a disease (that is, interventions that, even if successful, can lower prevalence but which by definition cannot lower incidence rates). Bill Foege has written in the past about this irony.

Others who apparently aren't yet convinced that prevention can save money would include the Health Care Financing Administration. Surely if we had made our case and successfully defended it, HCFA, which is searching for strategies to reduce the costs of Medicare, would have bought it. But they haven't, yet. Medicare will pay for the questionable procedure of radical mastectomy but it will not pay for a mammography screening procedure. Medicare will pay for treatment, such as it is, of lung cancer but not for smoking cessation programs. Indeed, Medicare presently reimburses for only one preventive measure pneumococcal vaccine. I think it's time for that situation to change. It's under study in the DHHS, and perhaps it will. Please don't misunderstand: This situation is not a criticism of HCFA, but of us. We're not quite finished with the task of selling prevention.

Since I've mentioned Medicare, let me point out another irony within our present system and policy. The annual increase in Medicare outlays now exceeds the total budgets of the NIH, plus CDC, plus Michael McGinnis' operation, plus Prevention Block Grants, plus, I am certain, virtually all other federal initiatives relevant to prevention. Is this reality a reflection of national policy? Apparently. Political wisdom? If so, it's the penny wise, pound foolish varity.

Let us imagine that, for fiscal year '85, the Secretary of the Department of Health and Human Services has decided she would disperse her funds in hourly doles representing an hour's worth of her total expenditures for the year. The money is to be handed out personally to agency heads in her office. Let us suppose that the Director of CDC, being a hustler, managed to be first in line to receive his allocations and that he was given his first check at the stroke of midnight at the start of the fiscal year on Monday, October 1. Each hour on the hour, the Secretary would hand over another warrant representing another hour's worth of DHHS spending. Dr. Mason would have received his entire appropriation for the year in time to catch a flight back to Atlanta, eat lunch on the plane, and be in his office the afternoon of the first of October. Had the Director of NIH managed to get in line first, Dr. Mason would have had to wait until late Friday night before he received even his first check. Had the head of HCFA managed to get in line ahead of him, Dr. Mason might have made it back to Atlanta in time to do a little hasty Christmas shopping.

How do we go about changing the situation so that the Director of CDC would have to spend at least a couple of days in the Secretary's office receiving his checks? (Reference here is, of course, to funding for prevention, not specifically to CDC.) One approach would be to ask if there are impediments to the achievement of this goal and then try to remove these road blocks. I think one of the major impediments, in this zero-sum game, is the contrast between the here-and-nowness of treatment and the there-and thenness of prevention. Treatment has a positive, action-oriented connotation. Prevention is somehow negative and abstract sounding.

If you claim you can prevent something from happening at some point in the future, and then the future arrives and sure enough, people don't get whatever it was you claimed you could prevent, how do they or even you Policy makers believe they're buying something tangible when they purchase therapies—a surgical procedure, a lab test or x-ray, an episode of hospital care—but they're buying nonevents when they purchase prevention, or so they might think. You and I know they're buying life—a positive purchase if ever there was one, yet we're trying to sell a negative: postponement of death; avoidance of disease.

Perhaps we should turn our pitch around. I wonder if there wouldn't be some merit in emphasizing data on infant survival instead of infant mortality. I wonder if CDC, which is to be applauded for its new and very important measure of Years of Life Lost shouldn't consider changing it to Years of Life Gained. Should we start reporting Vitality or Survival rates instead of, or in addition to, Mortality rates? Should the Centers for Disease Control change its name to, perhaps, the Centers for Assurance of Vitality? How about, simply, the Centers of Health? Could we live with the confusion that might arise if we had both the National Institutes of Health and the Centers for Health? Might be confusing to some, but we might indeed live better, perhaps even longer, if these what's-in-a-name suggestions would enhance the visibility—and that means increasing the funding—of the prevention movement.

Before I leave this topic, let me comment a little further on the potential value of a positive mind-set in our approach. If you're planning on having a heart attack, I recommend with enthusiasm that you read Norman Cousins' new book, "The Healing Heart—Antidotes to Panic and Helplessness," (W.W. Norton and Company, New York, 1983). If his claims are correct, and he seems to have the support of many prominent physicians, Cousins has one-upped us: Although he refers to his efforts to reverse the damage of a massive heart attack as healing, that is, treating, his strategies are really nothing more than traditional and modern preventive approaches (exercise, diet, etc.) with a heavy overlay of positive emotions. He may have an important message about some new turf for prevention: actual reversal, not just stabilization, of serious, life-threatening disease processes. The prevention movement could profit greatly right about now from the writings of someone like Mr. Cousins—someone who would celebrate the likelihood of employing preventive strategies as a way to enhance our chances for happy, joyful lives. Or perhaps it's the reverse: happy, joyful living may be the preventive strategy.

Now let me focus for a few minutes on another, perhaps even more significant, impediment. The idea of Prevention, while rhetorically appealing and historically compelling, still lacks a theoretical base. One of the reasons is that it is not driven by a single method and certainly not by a single discipline as are all traditional academic and most clinical specialties. Rather, it is driven

by a goal. This presents a fundamental conflict with the usual view of science as being value-free, although few scientists deep in their heart of hearts really believe that.

Having tried very hard to teach lay people, and specifically lawmakers and their staffs, about prevention, I am now convinced that the task would be ever so much easier if we could somehow lean on a theoretical base, a set of ground rules as a point of reference or departure, regardless of the specific type of prevention or disease that might be under discussion.

A close colleague, George Pickett, President-elect of the College, my favorite associate dean and the one person who has taught me the most about prevention, and I are struggling with this problem. He and I believe one takeoff point toward defining this base could be development of the fact that treatment of disease as an intervention strategy includes implicit acceptance of some amount of dependency. The dependency may be trivial, such as that accompanying a cold, or it could be severe, such as that associated with almost all the major, chronic diseases. But it is virtually an inevitable accompaniment of treatment, if that is the strategy employed in controlling a disease. Prevention, in striking contrast, prevents not only the disease but usually avoids or greatly reduces dependency.

Thus, the true and total costs of treatment interventions within a given community for a given disease are comprised of the costs of diagnosing and treating each case plus the costs associated with the dependency for each case times the probability of a member of that community developing the disease. The cost of prevention of that disease, assuming there are strategies that will accomplish this, is, simply, the cost of the preventive intervention times the number of people in the community or of some subset, some population at risk.

If you write these statements as simple algebraic equations, rearrange the terms, and combine the two equations, you can surmise, not surprisingly I suppose, once you think along these lines, that the two major determinants of total costs are probably not the comparative costs of treatment of a case versus the cost of prevention of that same case, but they are the incidence rates are high and/or dependency costs are high, prevention pays. If P represents prevention costs, and T represents treatment costs, and D is dependency costs, and q is incidence rate, the cost of prevention will be less than treatment whenever P is less than the sum T + D times q.

Of course, there are many other considerations, such as discounted current costs for events avoided in the future or for events postponed, but the general notion shows promise, at first blush, of giving us a framework on which to hang our defense of prevention as being "worth" it.

Needless to say, an enormous amount of work remains to be done. But if and when it is, I think we'll have a horse we can ride. We'll also have a better handle on when prevention is not worth it. Mass chest x-ray screening programs are a classic example of a preventive intervention not worth it. Presently out of favor are the once popular multiphasic screening programs and annual physical exams. I am sure there will be numerous new innovations—some useful, some not.

We don't require the sort of method I've tried to describe in order to defend the value of some interventions, such as immunization programs. (Or do we? The swine flu saga comes to mind.) We do sorely need it or something similar for many of the proposed behavorial interventions for heart disease risk factors, for some of the chemical interventions for heart disease risk factors presently touted, perhaps for some cancers, and for a host of other conditions.

It is obvious I'm focusing heavily on the cost aspects of the prevention movement. I do not mean to imply that I'm not interested in the more important matter of avoidance of disease. I fervently believe it's better not to have a disease than to have one, regardless of associated costs. But the subject here is policies and politics—how we can gain the needed resources to advance the prevention movement beyond the implementation plan stage to the full implementation stage—thus, my preoccupation, as will be understood by any of you who have ever spent any time on Capitol Hill or on Pennsylvania Avenue, and I don't refer only to the White House but to around the corner at the Office of Management and Budget.

This is an especially critical time when there is underway a pervasive mind-set towards reducing the role of government, not to mention reducing the federal deficit. This is not the best of times to try to sell new programs if they are perceived to add to costs. On the other hand, one has to be pretty certain of what one is talking about if one expects to sell a new program and claim it will reduce costs. Skepticism and raised eyebrows are still the normative responses when you approach even very knowledgeable health staffers and bureaucrats with, "Have I got a deal for you!" Fortunately, we're not trying to sell used cars, but selling is what we're doing, nevertheless.

Let me note only one other impediment, continuing with the cost theme. One often hears, and it is presented as though it is established conventional wisdom, that to the extent that prevention in young people and in middle age does work, it will simply add to the pool of chronically ill and dependent elderly people. In effect, those holding this view believe that sooner or later the piper must be paid, that sooner or later the end result of prevention is that it will add to the total costs of health care.

It just doesn't have the ring of reasonableness. Following the logic of the proponents of this view to its extreme, it is obvious that if people would be considerate enough to die on the way home from their retirement parties on the day they turned 65, we could sharply reduce the outlays for Medicare. We must reject such ludicrous thoughts and work very hard to show that it is indeed "worth" it to live a longer and healthier life.

I have tried to find the studies upon which such negative perceptions could have been based, but the search has been unsuccessful. I suggest that we summarily reject this pessimistic view on the sound grounds that it is not a useful or productive line of thought; at the very least, it flies in the face of a trend toward increased longevity already underway, a trend that we dare not try to stop and fortunately could not. It also fails to take into account some new concepts about aging and the associated burden of morbidity and mortality.

I am certain that you were as astounded as I was to learn in the January 20, 1984, issue of MMWR that premature mortality when expressed as Years of Potential Life Lost from the first birthday to age 65 for persons who died in 1982 decreased an incredible 4.6 percent. It follows that years of life gained for those over 65 increased. Good news or bad news? The answer is obvious. Because to a great extent we're made morbid by the same conditions that lead to mortality, it may also follow that we'll soon see a drop in morbidity as well. I'll return to this point in a moment.

We are only too aware that Medicare costs are escalating at unacceptable rates. But studies by the Congressional Budget Office show that about 90 percent of the increases are due to rising prices and other potentially controllable factors, and only about 10 percent of the increases are attributable to an increase in the number of Medicare beneficiaries.

Most importantly, we are beginning to understand quite a lot more about these beneficiaries. They consist of distinctly different populations. There are survivors and there are succumbers. Females are the classic example of a population of survivors. No doubt there are many other ways to classify the elderly population into these two subgroups.

Studies from HCFA show that decedent Medicare beneficiaries use more Medicare-reimbursed services during their last year of life than do those beneficiaries of the same age who continue to survive. That, of course, comes as no surprise. What is most interesting is that per capita expenditures for decedent beneficiaries decline with advancing age, and they decline quite a lot. The explanation for these findings is not yet available. Perhaps, and I strongly suspect this is part of the reason, measures to prolong life for the 85 year old are less intensive than for the 67 year old.

Whatever the explanation, the Medicare population in any given year consists of a small number of high cost beneficiaries (succumbers) and a very much larger number of lower cost beneficiaries, the survivors. It follows that if prevention programs were to be successful in forcing a continuation in the decline in mortality rates for the elderly, there would be a reduction in high cost beneficiaries, that is, in succumbers, and hence in outlays for their terminal episodes. And don't forget: It costs Medicare less the older you are when you die.

These, of course, are very happy findings for those of us trying to sell prevention as a strategy to reduce Medicare outlays. You hear a lot about experiments designed to reduce prices of episodes of care—the DRG is the latest such—but you hear practically nothing about strategies that would reduce Medicare outlays by reducing the burden of illness and hence the need for the care. Pushing that concept is what we need to be doing. New insights such as those I've just mentioned may very well give us the ammunition we've needed.

My good friend, George Pickett, who understands how to construct life tables and to do nifty things using his home computer, has some admittedly preliminary but very satisfying findings that suggest that for each successive decrement in mortality rates, the Medicare expenditures increase at a much lower rate. Add the valid assumption that those yearly savings are just that: savings that earn interest, and it may be possible some day to defend unequivocally the statement that it's cheaper to prevent than not to prevent. If he and I could find time for more creative thinking and less reacting—that is, deaning—(and if you infer that the two are mutually exclusive, you're essentially correct), we believe we'd soon have some fascinating new information.

I cannot conclude this line of discussion without also noting our gratitude to Dr. Jim Fries, whose compelling and articulate writings in the New England Journal of Medicine and elsewhere have stimulated much thinking about the likelihood that life expectancy may increase but not life span, about the rectangularization of mortality, and most importantly, about the compression of morbidity. It is joyful to anticipate the possibility that some day some diseases clinically symptomatic states may be postponed (i.e. prevented) to such a late point that you will die first, of other "natural causes." Time won't permit me to go into his arguments here, or those of his critics, but if you haven't been following his work I think you should. You'll find it very stimulating and of seminal importance in our pursuits.

Now let me turn to a listing of some of the politicking activities of the Association of Schools of Public Health. I can't do this without first acknowledging our admiration and great respect for our Executive Director, our leader, Michael Gemmell. I noted that George Pickett teaches me about prevention. Mike is my political mentor, and there's none better. There's also no one doing what he does so well or who is any more dedicated to the prevention movement. It is a delight to try to help him help us all and to follow him around on the Hill and elsewhere in his town.

Time won't permit a recounting of the stories behind each of our initiatives—how we were fortunate enough to have them introduced, how we're keeping some of them alive from one session of the Congress to the next, and the frankly very hard work that has gone into them, not to mention the expenditures of some money and lots of psychic energies. Time will permit only a listing or cataloging.

(1) Schools of public health have managed to hang onto authorization and appropriations for institutional support (capitation) and student stipend support when all other health professional schools were losing theirs. We've also lent our assistance in finding new support for preventive medicine residencies as part of the health manpower legislation. We are optimistic this will all be reauthorized in this session of Congress. Not all of our activities are so overtly self-serving as these, but if the nation is to enjoy the fruits of prevention there has to be support for the training of preventionists.

(2) We have consummated an important new working relationship with CDC that shows great promise to benefit us and them. That was easy.

(3) Not so easy have been our efforts to increase the level of prevention research efforts of the NIH. We have written and testified on the need for a new institute, a national institute for health preservation or some comparable title. We have testified in favor of assistant directors for prevention within the separate institutes. These efforts have not received unqualified support from all parties involved. But we believe we're doing the right thing to pursue them, popular or not.

Out of these activities, a general discomfort emerged rather early that there was no universal agreement on just what is prevention research and what is not. I believe we can take some credit for having raised this question and for trying to contribute to the answer. I am pleased that Mike McGinnis has taken on the task of trying to come up with a definition that the NIH and others can agree on, and according to the draft statement that I saw a few weeks ago real progress is underway.

(4) The activity perhaps most widely known is our proposal that there be established a nationwide network of Centers for Research and Demonstration on Health Promotion and Disease Prevention. It is the sense of the Congress that this idea has merit: The full House and Senate have both let it be known they are in favor, albeit with two separate bills. We expect resolution of this matter any day. This will be one of the very few new initiatives pushed through the present administration, and we are very pleased that we in ASPH played a role in it. I must note our indebtedness to Representatives Shelby, Waxman, Dingell, and others in the House and to Senators Hatch and Kennedy—and the staff members of all of them. For those interested in additional details about the proposal, the latest issue of the Journal of Public Health Policy contains a guest editorial on this.

(5) A very recent effort that we have been supporting, largely through testimony before the House Education and Labor Subcommittee on Human Resources, is a new bill introduced by Representative Ike Andrews. The bill would amend the Older Americans Act of 1965, with a new title that would provide the necessary resources and leadership to design a program of health education for older Americans, mainly by taking advantage of the 3,300 existing multipurpose senior centers throughout the nation. As you might have guessed, schools of public health would take the lead role in design, implementation, and evaluation of this needed program, when it is enacted. A similar provision was recently marked up by the appropriate Senate committee; final passage seems highly likely in this session of the Congress.

(6) Mention of the elderly affords me an opening to introduce to most of you for the first time a major new proposal of the ASPH: that Medicare legislation be amended to include a new provision, the Federal Trust for Prevention Education and Practice. We believe that it is time to add to the strategies for reducing Medicare outlays those we espouse: preventive interventions. There would be a tooling-up phase for the program, that is: an increase in the prevention manpower pool; the development of a rational financing mechanism to reimburse for prevention services; testing of model prevention service dispensing centers in both public and private settings; documentation of the benefits and costs. This phase would be financed indirectly by the therapeutic sector through a voluntary foregoing of a fraction of a percent of the federal reimbursements to them for services rendered to Medicare beneficiaries. The program would not increase federal outlays. Instead, we believe that over time, it would reduce them as the impact of prevention services negated some of the need for the more expensive therapeutic services.

We have not yet presented this proposal in any formal way to our policymakers, but after about two years of test-marketing the concept and refining it, we are ready to proceed when we see a good opportunity to do so. The marshaling of this idea through the Congress promises to be very exciting. I look forward to it.

(7) One last ASPH effort deserves noting here, and tonight is the first announcement of it. With encouragement from several groups and individuals, at our recent meeting in Charleston, we decided to organize the National Committee for Prevention, comprised of organizations interested in enhancing the visibility and funding levels of federally fostered prevention programs. We view the lack of such an entity as a missing ingredient. We are pleased to take the lead in this venture and are anxious to be ready for united action during the FY '86 federal funding cycle.

I shall close now by asking you to recall a few of the fundamentals of biochemistry, a field of hard science I worked in for quite a few years before I became fascinated with health policy, a field some classify as soft art, as contrasted with hard science. The chemistry of life processes is dependent upon enzymes as catalysts. Without them, in theory, the chemical reactions could occur, but not at rates compatible with life. In the politics of prevention—in the conversion of our prevention plans into prevention programs—it would seem that some catalysis might be useful at this time. I invite all of you to become potential enzymes, to jump into the primordial prevention political soup with me. Let's turn up the burner under the prevention pot and see what we can catalyze. A vibrant life for prevention may emerge.●

ARTICLE EXPOSES FRONTLINE ATTACK ON NATIONAL PARK SERVICE

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, I would like to bring to the Members' attention a recent article in National Parks magazine, "Public TV's Frontline Attack on the National Park Service" by Ed Wesely.

The article criticizes last year's highly inaccurate portrayal by the Public Broadcasting System of land acquisition at the Cuyahoga Valley National Recreation Area, Ohio. PBS's Frontline program aired a television show on June 6, 1983, entitled "For the Good of All." The program was based on an alleged documentary, "For All People, For All Time."

The National Parks article discusses the major distortions in the PBS program and how the program is being used to arouse local citizens against parks in areas as far away as the Upper Delaware River in Pennsylvania and the Columbia River Gorge in the Pacific Northwest.

By far the most disturbing aspect of the program was the totally inaccurate and one-sided presentation of the National Park Service's implementation of the law establishing the Cuyahoga Valley NRA. The basic thrust of Frontline's argument was that the Park Service ignored the law by acquiring too much land in fee and by acquiring inadequate numbers of scenic easements. The article shows how Frontline not only misread the law but also omitted key provisions that did not support the program's allegations.

Furthermore, Frontline failed to mention that the courts have consistently found that the National Park Service correctly carried out the law. It is a sad commentary that a program purporting to be fair and objective would have neglected to discuss the courts' consistent support for the National Park Service.

The article also mentions other serious problems with the television program. For example, important facts about individual cases were left out. The program doesn't even give a balanced view of the Cuyahoga Valley itself—a pastoral landscape threatened by industrial development that is now being preserved and protected through the National Park Service's efforts. Indeed, hundreds of families still live in the valley and communities, like the little town of Boston Mills, are still intact. Last year, as the article notes, the National Folk Festival drew 60,000 people to the Cuyahoga Valley at a site across from what was once a junkyard.

Shortly after the PBS show aired in 1983, I pointed out many of the flaws of the presentation. See my CONGRESSIONAL RECORD remarks of June 16, 1983. The magazine article discusses some of those same flaws. However, it adds one new and disturbing dimension. Copies of the television show are being shown in various areas around the country to stir up feelings against the National Park System. In one area vandals even broke into the Park Service parking lot and slashed tires and painted swastikas on Park Service vehicles.

It is nothing short of disgraceful that a PBS program, supported by public funds, would be used to make a distorted unfair attack on a public institution as fine as the National Park Service. The article helps by exposing some of the unfair and biased features of that attack

To further correct the picture, I would commend to the Members a copy of the report prepared by the staff of the Subcommittee on Public Lands and National Parks, released this summer, entitled "Land Acquisition Policy and Program of the National Park Service," Committee Print No. 7. The report documents the National Park Service's authorities and responsibilities for land acquisition and summarizes the findings of a 3-year oversight review which the subcommittee conducted on the Interior Department's attempts to halt or delay the purchase of authorized parklands.

The text of the National Parks article follows these remarks.

PUBLIC TV'S FRONTLINE ATTACK ON THE NATIONAL PARK SERVICE

PARK OPPONENTS USE A DISTURBING PBS BROADCAST ON LAND CONFLICTS AT CUYAHOGA VALLENY NRA TO SCARE NERVOUS RESIDENTS AT EMERGING PARK AREAS

(By Ed Wesely)

For nearly a year, families in the Columbia River Gorge area of the Pacific Northwest and in the Delaware River Valley of the Northeast have been introduced to a morality play on videotape. Local residents of these areas watch in fascination and with mounting anger as the "bad guys" of the National Park Service (NPS) move citizens from their homes in order to create the Cuyahoga Valley National Recreation Area just south of Cleveland, Ohio.

"For the Good of All," the film that PBS produced for its Frontline program, has "polarized the community," reports Columbia Gorge Coalition member Chuck Williams. Rented and shown by local opponents of this potential national scenic area, Williams says, "it's been scaring people to death."

What scares people is not so much the idea that the NPS made mistakes in its land acquisition program in the Cuyahoga Valley. They fear that in creating national park units in their locales, the NPS will ignore the law of the land, which is what "For the Good of All" contends. Many residents of the Columbia Gorge and Upper Delaware who watch the film are afraid they will lose their land to the federal government through the same sort of alleged lawbreaking.

So powerful has been the impact of this interpretation on Upper Delaware audiences that normally friendly people find themselves applauding when the death of Cuyahoga Valley Superintendent William Birdsell is described in the film.

"He's polluting the ground he's buried in," growled an angry voice at the film's first Upper Delaware showing. This and similar responses have sparked countless additional showings by groups opposed to the Upper Delaware National Scenic River, including the Coalition of Concerned Citizens, whose chairman talks of "running those socialists [the NPS] out of the valley."

Adapted from the film "For All People, For All Time" by Valley Filmworks, Inc., and produced for television by Frontline, "For the Good of All" was aired nationally by the Public Broadcasting System on June 6, 1983.

The late Jessica Savitch was Frontline's reporter for the broadcast. According to Savitch, the program questions "whether a federal bureaucracy like the Park Service thwarted the will of Congress, ignored the law of the land, and overrode the rigths of individuals."

Reinforced by dramatic visuals of aggrieved landowners, the Frontline thesis is that the NPS did all of these things in creating the Cuyahoga Valley National Recreation Area in the 1970s, disrupting the very community Congress had intended to preserve.

BRINGING PARKS TO PEOPLE

The Nixon administration's decision in 1971 to "bring parks to the people" seemed just the right vehicle for meeting the recreational needs of millions of people in the industrial heartland of Ohio. Creating a national recreation area (NRA) in the small Cuyahoga Valley would meet these needs, and help residents keep at bay the housing tracts and shopping malls that were devouring both rims of the Valley.

"The Cuyahoga Valley lies between Cleveland and Akron," explained Ohio Senator Howard Metzenbaum shortly before the Senate voted to approve the Cuyahoga Valley NRA in 1974.

"Four million people lie within half-an-hour's drive. They can use the Valley in their leisure hours at a price they can afford to pay. It will be a park for Sunday outings and weekends. It will cost no more than the price of gasoline."

But would a federal recreation area for four million people—an "urban park" like Gateway NRA in New York City—unseat the growing residential community already in the Valley? At congressional hearings in 1974 few thought to address the question. In the general euphoria of creating a new park, congressmen and most residents did not fully anticipate the potential conflicts.

In order to carve out picnic areas, playfields, and hiking trails in a narrow, fifteen-mile-long valley settled with more than 700 private homes and small businesses, the NPS did have to purchase private land. It did, however, compensate residents with fair market prices and give them the option to remain in their homes after purchase.

It is the land acquisition process that *Frontline* focuses on, contending that the NPS sidestepped the law in purchasing more than 300 homes. Although the majority of homeowners were willing sellers, in purchasing homes the NPS did bring hardship to some valley residents.

"In the early days, the Corps of Engineers [working for the NPS land office] did buy a lot of homes, perhaps more than they needed," said Representative John F. Seiberling, who—as the district's congressman—has been a major supporter of the NRA.

Yet, in watching the film, many viewers are led to see NPS mistakes not as an overzealous attempt to create a new park, but as a conspiracy against valley residents and Public Law 93-555, which established the area. This interpretation comes from distortions of fact in the film:

"For the Good of All" implies that the NPS ignored the law in purchasing private property. It also downplays the fact that homeowners who sell their land to the government can remain in their homes for as long as they wish.

The film omits background material about Cuyahoga Valley families—material important to any factual presentation.

The film misrepresents the setting of the Cuyahoga Valley by concentrating on the sparsely settled, pastoral landscapes rather than presenting a balanced view of the whole exurban environment.

TRUTH AND THE LAW

It is the question of legality, seemingly documented by reams of evidence, that has made "For the Good of All" so useful to NPS opponents at Columbia Gorge and on the Upper Delaware National Scenic River.

"Sure, Congress wrote a good law for the Upper Delaware," say groups who play the videotape up and down the Delaware River Valley. "It does say the Park Service can only buy 1,450 acres of land [in a 79,000-acre river corridor]. But the Park Service broke the law at Cuyahoga, and they'll do the same thing here."

Frontline's misreading of the law leads audiences to this view. In the film, Jessica Savitch states that "scenic easement was cheaper than fee purchase. It would have preserved the community and was clearly what Congress intended." Under an ease-

ment arrangement, a landowner "could keep his house and become a part of the park if he promised not to make any changes to his property."

The film does seem to clarify this point by adding, "The law said fee title purchase [complete acquisition by the government] should be used only in special circumstances." Unfortunately, these circumstances are never explained.

Frontline's discussion is supported in the film by a visual of the written law itself. What is not shown is a paragraph at the bottom—Section 2(c)—that contradicts what Frontline has just been saying. The omitted section is a provision that gives the NPS authority to buy private land in fee wherever "such acquisition is necessary to fulfill the purposes of this Act."

Frontline never tells the viewer about this section. Nor does it report that in 1980, and again in 1982, federal courts in Ohio ruled that the language in Section 2(c) gives the Secretary of Interior "wide discretion" in deciding what land to purchase in fee to fulfill the purposes of the Act.

Citing this paragraph and its language, U.S. district court judges William K. Thomas (in 1980) and John M. Manos (in 1982) dimissed suits of local landowners who charged the NPS had acted illegally in buying land in fee at Cuyahoga. The judges' rulings held that the NPS had not ignored the law nor overridden the rights of individuals in buying land in the Cuyahoga Valley. Yet, Frontline cites neither of these significant legal opinions. (This past June, the Supreme Court refused to hear appeal arguments on the 1982 decision.)

Indeed, the Act makes clear that Cuyahoga Valley NRA is meant to be an urban park. The park's values will be preserved and protected "for public use and enjoyment," and for "the maintenance of needed recreational open space necessary to the urban environment." There is not a word in the Act's statement of purpose about use and enjoyment or about "preserving the community." Frontline makes two other erroneous allegations.

Frontline: "The park superintendent was supposed to draw up a detailed plan of land acquisition and make it available to the public according to the congressional act that created the park." But he didn't do this says Savitch, so "the public was kept in the dark . . . deprived of their legal right to know the intentions of the Park Service."

Although the law requires the Secretary to develop and transmit to Congress a detailed plan including the park's annual acquisition program, Congress said nothing about submitting the plan to the public. As Judge Thomas noted in 1980: "Significantly, this language indicates the final master plan is prepared for the benefit of Congress."

It might have been desirable to submit a detailed land acquisition plan to all of the concerned residents; but, contrary to Frontline's allegation, it was not required by the congressional act that created the park. With the establishment of the park, however, the NPS did hold eighteen public hearings on the master plan. Frontline did not report this fact.

Frontline: "What they were trying to create was a wildeness park where every tree and flower and animal would be protected by federal law."

For anyone who has seen the real Cuyahoga Valley—and not just the idealized, pastoral scene presented by Frontline—this assertion does not fit the facts. Cuyahoga Valley NRA includes the pastoral scenes shown in the television program; but the park is also crisscrossed by huge power lines, a railroad, and interstate freeways. The Cuyahoga Valley does not qualify as a wildeness under anyone's definition, nor was the National Park Service instructed to create one.

William Birdsell, the much-maligned superintendent, stated the matter accuratly during a segment of the movie: "The law is very clear. It says that we are to establish a national recreation area to meet the needs of urban recreation in the metropolitan area."

PROFIT AND LOSS

While the pain and sense of loss of some Cuyahoga families—including those protrayed by Frontline—were very real, the film presents a highly selective picture.

In a 1979 questionnaire, administered in the Cuyahoga Valley by the Institue of Liberty and Community of Concord in Vermont, residents were asked, "If you have conveyed fee title of your property to the federal government, did you do so, in part, because you felt threatened with condemnation?" A startling 68 percent answered "no."

In a 1978 interview, Birdsell contended that "the majority of people for our first two years of land acquisition were people who came to us and offered their property for sale, and were anxious for us to purchase their property as soon as possible." In addition, 55 percent of the people who sold their residences to the federal government opted to retain use of these properties.

The Institute of Liberty also asked, "If you had a choice to make over again, what option would you choose now?" Only 15 percent of those who had sold and moved away indicted they would "arrange a scenic easement." The rest said they would still sell their land.

"Had we interviewed 'pleased sellers' we would have diverted attention away from an acknowledged minority," wrote NBC television producer James Gannon to the Akron Beacon Journal in January 1980. Since Gannon had just broadcast a program on "Prime Time Sunday" critical of the NPS and Birdsell, his comment is striking.

Was an entire "small community" pitted against a "large federal bureaucracy," as Frontline implies? Or was it "an acknowledged minority"? Since Frontline only puts the park's local opponents on the screen, the viewer never gets a balanced view by hearing from those—possibly a majority—who were "willing sellers."

"Before the park," says Frontline, "Leonard Stein-Sapir had hoped his children would grow up here." But with Stein-Sapir, one of five valley families highlighted in the film, salient facts are kept off-camera, just as they were in the discussion of the law that created the park.

According to land records, the S&F Trading Company—in which Stein-Sapir was part owner—acquired 72.2 acres of land in the Cuyahoga Valley at approximately the time the park was authorized. S&F Trading then effected a paper subdivision of 66.95 acres of undeveloped land—divided into eleven parcels. In November 1978, the subdivided land was sold to the government for a profit in excess of $100,000.

The stories of Bob Lindley and Burrell Tonkin are similarly truncated in "For the Good of All." Lindley, who is shown milking a cow and who is taken by many viewers to be a working dairy farmer, actually had only eight acres of land.

Since, like some other valley residents, he worked at an Akron factory, the land appraiser was probably correct in classifying his farming as a hobby. Frontline, however, never mentions that farming was not Lindley's livelihood.

One of the most sympathetic persons in the movie is Burrell Tonkin, who "before the park . . . was the local handyman." Tonkin was that; but mainly, he repaired Volkswagens, and had a junkyard that even some neighbors considered an eyesore. It might have added a touch of reality if Frontline had shown the junkyard, however messy, and other reminders of Tonkin's auto repair business.

THE WILDS OF EXURBIA

Cuyahoga Valley NRA does have meadows, rocky trails and stands of trees scattered throughout its boundaries. The area also has reminders of a less bucolic world: power lines, mined-out quarries, two interstate highways bridging the valley, a large sewer plant at the park's southern boundary, and encroaching suburban subdevelopments.

Little of the development that encroaches into the NRA was captured by the film's cameras, which had eyes mainly for the vestiges of rural America left in the valley. In fact, part of the park's story was successful effort by the NPS—and especially by Birdsell—to block additional high-voltage power lines from gaining right-of-way through the valley.

Even newspaper reporter Peter Almond, a strong NPS critic who appears in that role in the film, wrote in a 1980 newspaper article that the NPS had kept developers out, which he called a "major achievement."

THE POWER TO PERSUADE

"The problem with it is that it's a public television film," complained Columbia Gorge resident Chuck Williams. "That gives it standing and credibility with people who'd normally shrug it off if it appeared on commercial television.

" 'It must be true if it's a public television documentary.' That's the response of everyone. It's shown constantly our here. And it's used as evidence that the feds will violate the law even if the law's written to preserve the community."

On the Upper Delaware National Scenic River, where Congress truly wrote a law to "preserve the community," and where the NPS has been trying to cooperate with local governments in developing a management plan, the movie has been used to buttress arguments that "it's all a smoke screen. They'll buy you out anyhow."

Used in this fashion, "For the Good of All" has helped enlist hundreds of residents in a movement to deauthorize the scenic river. So far, approximately 2,000 local residents have signed petitions requesting Congress to repeal the law that authorizes the Upper Delaware park area.

Two filmmakers "documented" the story of the Cuyahoga Valley, Jessica Savitch informs us in the film's introduction, and maybe that word is the key to winning our trust. As a public television offering, the film's allegations gain legitimacy in the public eye. Whatever the reason, the film's power to move audiences and turn them against the NPS has been demonstrated at dozens of local showings.

Viewers come away with the clear impression that the NPS illegally forced people to move out of Cuyahoga Valley. Yet, the courts have repeatedly ruled that NPS actions were consistent with the law.

NPS opponents across the country are using the film—and its one-sided views—as a scare tactic, stirring up misapprehensions and violence among local residents. Unfortunately, this flawed perception of the Cuyahoga Valley NRA will be used again and again to thwart federal land-protection efforts by painting the NPS as a cadre of devious lawbreakers.

Ed Wesely is a reporter for the Narrowsburg, New York, River Reporter and is the author of a book on water conservation. A former teacher at Hood College in Maryland, Wesely served on the advisory council of the C&O Canal National Historical Park and still serves as director of the Potomac River Trails Council.●

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON THE BUDGET REGARDING CURRENT LEVEL OF SPENDING AND REVENUES FOR FISCAL YEAR 1984

(Mr. JONES of Oklahoma asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. JONES of Oklahoma. Mr. Speaker, pursuant to the procedures of the Committee on the Budget and section 311(b) of the Congressional Budget Act of 1974, I am submitting to the RECORD a letter to the Speaker advising him of the current level of spending and revenues for fiscal year 1984.

COMMITTEE ON THE BUDGET,
Washington, DC, October 3, 1984.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: On January 30, 1976, the Committee on the Budget outlined the procedure which it had adopted in connection with its responsibilities under Section 311 of the Congressional Budget Act of 1974 to provide estimates of the current level of revenues and spending.

Pursuant to Committee Rule 10, I am herewith transmitting the status report under H. Con. Res. 280, the First Concurrent Resolution on the Budget for Fiscal Year 1985. This report reflects the adopted budget resolution of October 1, 1984, and the current CBO estimates of budget authority, outlays, and revenues.

As with last year, the procedural situation with regard to the spending ceiling is affected this year by Section 4(b) of H. Con. Res. 280. Enforcement against possible breaches of the spending ceiling under Section 311(a) of the Budget Act will not apply where a measure would not cause a committee to exceed its "appropriate allocation" made pursuant to Section 302(a) of the Budget Act. In the House, the appropriate 302(a) allocation includes "new discretionary budget authority" and "new entitlement authority" only. It should be noted that under this procedure neither the total level of outlays nor a committee's outlay allocation is considered. This exception is only provided because an automatic budget resolution is in effect and will cease to apply if Congress revises the budget resolution for fiscal year 1985.

The intent of the Section 302(a) "discretionary budget authority" and "new entitlement authority" subceiling provided by Section 4(b) of the resolution is to protect a committee that has stayed within its spending allocation—discretionary budget authority and new entitlement authority—from points of order if the total spending ceiling has been breached for reasons outside of its control. The 302(a) allocations to House committees made pursuant to the conference report on H. Con. Res. 280 were printed in the Congressional Record, September 25, 1984, H. 10190 (H. Rept. 98-1079, page 32).

The attached tables compare actual legislation to each committee's 302(a) allocation of discretionary budget authority and of new entitlement authority.

With best wishes,

Sincerely,

JAMES R. JONES, *Chairman.*

FISCAL YEAR 1985 BUDGET AUTHORITY—COMPARISON OF CURRENT LEVEL AND BUDGET RESOLUTION ALLOCATION BY COMMITTEE

[In millions of dollars]

House Committee[1]	Current level budget authority
Total current level	−393,807
Appropriations Committee discretionary	(−392,249)
Authorizing Committee—Discretionary Action	
Agriculture	(...)
Armed Services	(+325)
Banking, Finance and Urban Affairs	(...)
District of Columbia	(...)
Education and Labor	(...)
Energy and Commerce	(...)
Foreign Affairs	(...)
Government Operations	(...)
House Administration	(...)
Interior and Insular Affairs	(+1)
Judiciary	(...)
Merchant Marine and Fisheries	(...)
Post Office and Civil Service	(...)
Public Works and Transportation	(−713)
Science and Technology	(...)
Veterans' Affairs	(...)
Ways and Means	(...)
Unassigned (Offsetting receipts)	(+129)

[1] Committees are over (+) or under (−) their 302(a) allocation.

FISCAL YEAR 1985 NEW ENTITLEMENT AUTHORITY—COMPARISON OF CURRENT LEVEL AND BUDGET RESOLUTION ALLOCATION BY COMMITTEE

[In millions of dollars]

Committee	Allocation	Reported	Enacted
Agriculture			
Appropriations			
Armed Services	1,900	1,500	1,663
Banking, Finance and Urban Affairs			
District of Columbia			
Education and Labor			
Energy and Commerce			
Foreign Affairs			
Government Operations			
Interior and Insular Affairs			
Judiciary			
Merchant Marine and Fisheries			
Post Office and Civil Service			
Public Works and Transportation			
Science and Technology			
Small Business			
Veterans' Affairs	402	500	
Ways and Means	40	94	

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 3, 1984.

Hon. JAMES R. JONES,
Chairman, Committee on the Budget, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311(b) of the Congressional Budget Act, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority, estimated outlays and estimated revenues in comparison with the appropriate levels for those items contained in the most recently agreed to concurrent resolution on the 1985 budget (H. Con. Res. 280). This report for fiscal year 1985 is tabulated as of close of business, October 2, 1984, and is based on our estimates of budget authority, outlays, and revenues using the assumptions and estimates consistent with H. Con. Res. 280.

These totals include estimates for all legislation that has cleared the Congress through October 2, 1984.

[In millions of dollars]

	Budget authority	Outlays	Revenues
1. Enacted	575,933	656,395	751,200
2. Entitlement authority and other mandatory items requiring further appropriation action	52,076	50,490	.....
3. Continuing resolution authority	.....	.....	.....
4. Conference agreements ratified by both Houses	254	209	.....
Current level	628,263	707,094	751,200
1985 budget resolution, H. Con. Res. 280	1,021,350	932,050	750,900
Currently Level is:			
Over Resolution by	.....	.....	300
Under Resolution By	393,087	224,956	.....

Sincerely,

ERIC HANUSHEK
(For Rudolph G. Penner, Director).

PARLIAMENTARIAN STATUS REPORT HOUSE SUPPORTING DETAIL, FISCAL YEAR 1985 AS OF CLOSE OF BUSINESS OCTOBER 2, 1984

[In millions of dollars]

	Budget authority	Outlays
I. Enacted:		
Permanent appropriations and trust funds	650,309	581,568
Enacted previous session	.....	180,809
Offsetting receipts	−154,846	−154,846
Enacted this session:		
HUD, Independent Agencies, Public Law 98-371	51,933	31,451
Energy Water Development, Public Law 98-360	15,446	7,617
Legislative Branch, Public Law 98-367	1,549	1,350
1984 Supplemental Appropriations, Public Law 98-396	117	1,828
Highway Emergency Relief, Public Law 98-229	.....	8
Urgent Supplemental, HHS, 1984, Public Law 98-248	.....	28
Wheat Improvement Act of 1983, Public Law 98-258	1,056	1,018
Omnibus Reconciliation Act of 1983, Public Law 98-270	.....	−538
Rural Electric Co-Ops Exemption, Public Law 98-300	1	1
Agriculture Urgent Supplemental 1984 Public Law 98-332	.....	156
Highway Safety Program Amendments, Public Law 98-363	27	5
Deficit Reduction Act of 1984, Public Law 98-369	−1,074	−3,685
Commerce, Justice, State Appropriations, Public Law 98-411	11,414	9,548
Total enacted this session	80,470	48,863
Total enacted	575,933	656,395
II. Entitlement authority and other mandatory items requiring further appropriation action:		
Defense pay raises	2,887	2,837
Coast Guard pay	25	24
Civilian Agency pay	922	948
Child nutrition	3,738	3,478
Special milk	18	11
Salaries of judges	5	5
Payment to Foreign Service retirement fund	41	41
Offset	−41	−41
Defense claims	178	160
CIA retirement	99	99
Veterans compensation	122	.....
Range improvements	12	8
Bureau of Indian Affairs, miscellaneous trust funds	64	64

PARLIAMENTARIAN STATUS REPORT HOUSE SUPPORTING DETAIL, FISCAL YEAR 1985 AS OF CLOSE OF BUSINESS OCTOBER 2, 1984—Continued

[In millions of dollars]

	Budget authority	Outlays
Migratory bird conservation	7	7
Federal unemployment benefits allowance	75	62
Special benefits	211	211
Black lung trust fund	975	975
Medical facilities loan fund	27	...
Public health services officers retirement pay	82	76
Medicaid	16,300	16,300
Payment to health care trust fund	18,594	18,594
Offset	-18,594	-18,594
Payment to Social Security trust fund	513	513
Offset	-513	-513
Special benefit—disabled coal miners	1,024	954
Supplemental security income	9,330	9,275
Assistance payment	5,817	5,817
Child support enforcement	562	562
Human development services (title XX)	2,700	2,700
Family social services	493	493
Rehabilitation services	1,093	1,010
Student loans	3,578	2,867
Higher education facilities loan	14	...
Coast Guard retirement pay	310	299
CAB payments to air carriers	52	52
Conrail labor assistance	15	15
Government payment for annuitants	1,342	1,180
Payment to civil service retirement fund	4,350	4,350
Offset	-4,350	-4,350
Total	52,076	50,490
III. Continuing resolution authority		
IV. Conference agreements ratified by both Houses:		
Social Security Disability Benefits Reform Act, H.R. 3755	18	293
DOD Authorization Act, 1985, H.R. 5167	30	-290
Offsetting receipts	295	295
Shoalwater Bay Indian Tribe Claim Settlement Act, S. 1735	1	1
Federal Timber Payment Act, H.R. 2838	-90	-90
Total	254	209
Total, Current Level as of October 2, 1984	628,263	707,094
1985 Budget Resolution, H. Con. Res. 280	1,021,350	932,050
Amount remaining:		
Over ceiling	...	...
Under ceiling	393,087	224,956

Note.—Detail may not add due to rounding.●

RECESS

The SPEAKER pro tempore. The Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 5 o'clock and 15 minutes p.m.,) the House stood in recess subject to the call of the Chair.

□ 1750

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. FOLEY] at 5 o'clock and 53 minutes.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following titles:

H.J. Res. 659. Joint Resolution making further continuing appropriations for fiscal year 1985.

FOURTEENTH ANNUAL REPORT ON HAZARDOUS MATERIALS TRANSPORTATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. FOLEY) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Energy and Commerce, the Committee on Public Works and Transportation, and the Committee on Merchant Marine and Fisheries:

(For message, see proceedings of the Senate of today, Friday, October 5, 1984.)

CONFERENCE REPORT ON S. 2616

Mr. DINGELL submitted the following conference report and statement on the bill (S. 2616) to extend the Adolescent Family Life Demonstration program:

CONFERENCE REPORT (H. REPT. No. 98-1154)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2616) to extend the Adolescent Family Life Demonstration program, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 2. (a) Section 2010(a) (42 U.S.C. 300z-9(a)) is amended by striking out "and" after "1983," and by inserting before the period a comma and "and $30,000,000 for the fiscal year ending September 30, 1985".

(b) Section 2001(a)(5) (42 U.S.C. 300z(a)(5)) is amended to read as follows:

"(5) pregnancy and childbirth among unmarried adolescents, particularly young adolescents, often results in severe adverse health, social, and economic consequences including: a higher percentage of pregnancy and childbirth complications; a higher incidence of low birth weight babies; a higher infant mortality and morbidity; a greater likelihood that an adolescent marriage will end in divorce; a decreased likelihood of completing schooling; and higher risks of unemployment and welfare dependency; and therefore, education, training, and job research services are important for adolescent parents;".

(c) Section 2001(b)(3) (42 U.S.C. 300z(b)(3)) is amended by inserting "both" before "for pregnant adolescents" in the matter preceding subparagraph (A).

(d) Section 2002(a)(4)(H) (42 U.S.C. 300z-1(a)(4)(H) is amended by striking out "and referral to such services".

(e) Section 2008(g) (42 U.S.C. 300z-7(g)) is repealed.

SEC. 3. (a) Section 1001(c) (42 U.S.C. 300(c)) is amended by striking out "and" after "1983;" and by inserting before the period a semicolon and "and $158,400,000 for the fiscal year ending September 30, 1985".

(b) Section 1003(b) (42 U.S.C. 300a-1(b)) is amended by striking out "and" after "1983;" and by inserting before the period a semicolon and "and $3,500,000 for the fiscal year ending September 30, 1985".

(c) Section 1005(b) (42 U.S.C. 300a-3(b)) is amended by striking out "and" after "1983;" and by inserting before the period a semicolon and "and $700,000 for the fiscal year ending September 30, 1985".

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

JOHN D. DINGELL,
JAMES H. SCHEUER,
HENRY A. WAXMAN,
JAMES T. BROYHILL,
EDWARD MADIGAN,
Managers on the Part of the House.

ORRIN HATCH,
JEREMIAH DENTON,
EDWARD M. KENNEDY,
CHRIS DODD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2616) to revise and extend the Adolescent Family Life Demonstration Program, and for other purposes submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommend in the accompanying conference report:

The House amendment struck out all of the text of the Senate bill and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The provisions of the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

The conference agreement contains the Senate provisions with an amendment revising and extending the authorities for the Adolescent Family Life Act under Title XX of the Public Health Service Act. The conference agreement extends this program for one year. The conference agreement further contains a one-year reauthorization of the Federal family planning programs authorized under Title X of the Public Health Service Act.

It is the intention of the conferees that the reports filed to accompany H.R. 5600 and S. 2616 not be considered as legislative history for the purpose of interpreting either this conference agreement or the intention of the Congress with regard to the Federal family planning authority under Title X of the Public Health Service Act or the Adolescent Family Life Act. The confer-

ees note that in reaching this conference agreement, they have not addressed many of the difficult issues that surround both of these programs. Therefore, the conferees note their intention to examine these issues in comprehensive and balanced hearings during the 99th Congress.

JOHN D. DINGELL,
JAMES H. SCHEUER,
HENRY A. WAXMAN,
JAMES T. BROYHILL,
EDWARD MADIGAN,
Managers on the Part of the House.

ORRIN HATCH,
JEREMIAH DENTON,
EDWARD M. KENNEDY,
CHRIS DODD,
Managers on the Part of the Senate.

CONFERENCE REPORT ON S. 540

Mr. DINGELL submitted the following conference report and statement on the bill (S. 540) to amend the Public Health Service Act to establish a National Institute of Arthritis and Musculoskeletal and Skin Diseases, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 98-1155)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 540) to amend the Public Health Service Act to establish a National Institute of Arthritis and Musculoskeletal and Skin Diseases, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

SHORT TITLE; REFERENCE TO ACT; AND TABLE OF CONTENTS

SECTION 1. (a) This Act may be cited as the "Health Research Extension Act of 1984".

(b) Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be a reference to a section or other provision of the Public Health Service Act.

TABLE OF CONTENTS

Sec. 1. Short title; reference to Act; and table of contents.
Sec. 2. Revision of title IV of the Public Health Service Act.

TITLE IV—NATIONAL RESEARCH INSTITUTES

PART A—NATIONAL INSTITUTES OF HEALTH

Sec. 401. Organization of NIH.
Sec. 402. Appointment and authority of Director of NIH.
Sec. 403. Report of Director of NIH.

PART B—GENERAL PROVISIONS RESPECTING NATIONAL RESEARCH INSTITUTES

Sec. 405. Appointment and authority of the Directors of the National Research Institutes.
Sec. 406. Advisory councils.
Sec. 407. Biennial report.
Sec. 408. Authorization of appropriations.

PART C—SPECIAL PROVISIONS RESPECTING NATIONAL RESEARCH INSTITUTES

SUBPART 1—NATIONAL CANCER INSTITUTE

Sec. 410. Purpose of Institute.
Sec. 411. National cancer program.
Sec. 412. Cancer control programs.
Sec. 413. Special authorities of the Secretary and the Director.
Sec. 414. National cancer research and demonstration centers.
Sec. 415. President's cancer panel.
Sec. 416. Associate Director for Prevention.

SUBPART 2—NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

Sec. 418. Purpose of the Institute.
Sec. 419. Heart, blood vessel, lung, and blood disease prevention and control programs.
Sec. 420. Information and education.
Sec. 421. National heart, blood vessel, lung, and blood diseases and blood resources program.
Sec. 422. National research and demonstration centers for heart, blood vessel, lung, and blood diseases, sickle cell anemia, and blood resources.
Sec. 423. Interagency technical committee.
Sec. 424. Associate Director for Prevention.

SUBPART 3—NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES

Sec. 426. Purpose of the Institute.
Sec. 427. Information clearinghouses and data systems.
Sec. 428. Division Directors for diabetes, endocrinology, and metabolic diseases, digestive diseases and nutrition, and kidney, urologic, and hematologic diseases.
Sec. 429. Interagency coordinating committees.
Sec. 430. Advisory boards.
Sec. 431. Research and training centers.
Sec. 432. Advisory council subcommittees.
Sec. 433. Biennial report.

SUBPART 4—NATIONAL INSTITUTE OF ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES

Sec. 435. Purposes of the Institute.
Sec. 436. Information clearinghouse and data system.
Sec. 437. Interagency coordinating committees.
Sec. 438. Arthritis and musculoskeletal diseases demonstration projects.
Sec. 439. Multipurpose arthritis and musculoskeletal diseases centers.
Sec. 440. Advisory board.

SUBPART 5—NATIONAL INSTITUTE ON AGING

Sec. 442. Purpose of the Institute.
Sec. 443. Special functions of the Secretary.
Sec. 444. Alzheimer's Disease Centers.

SUBPART 6—NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

Sec. 446. Purpose of the Institute.

SUBPART 7—NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

Sec. 448. Purpose of the Institute.
Sec. 449. Sudden infant death syndrome.
Sec. 450. Mental retardation research centers.
Sec. 451. Associate Director for Prevention.

SUBPART 8—NATIONAL INSTITUTE OF DENTAL RESEARCH

Sec. 453. Purpose of Institute.

SUBPART 9—NATIONAL EYE INSTITUTE

Sec. 455. Purpose of Institute.

SUBPART 10—NATIONAL INSTITUTE OF NEUROLOGICAL AND COMMUNICATIVE DISORDERS AND STROKE

Sec. 457. Purpose of the Institute.
Sec. 458. Spinal cord regeneration research.
Sec. 459. Bioengineering research.

SUBPART 11—NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

Sec. 461. Purpose of the Institute.

SUBPART 12—NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

Sec. 463. Purpose of the Institute.

SUBPART 13—NATIONAL INSTITUTE OF NURSING

Sec. 465. Purpose of the institute.
Sec. 466. Special authorities.

PART D—NATIONAL LIBRARY OF MEDICINE

SUBPART 1—GENERAL PROVISIONS

Sec. 468. Functions of the National Library of Medicine.
Sec. 469. Board of Regents.
Sec. 470. Library facilities.

SUBPART 2—FINANCIAL ASSISTANCE

Sec. 472. Authorization of appropriations.
Sec. 473. Definitions.
Sec. 474. National Medical Libraries Assistance Board.
Sec. 475. Grants for training in medical library sciences.
Sec. 476. Assistance for special scientific projects, and for research and development in medical library science and related fields.
Sec. 477. Grants for establishing, expanding, and improving the basic resources of medical libraries and related instrumentalities.
Sec. 478. Grants and contracts for establishment of regional medical libraries.
Sec. 479. Financial support of biomedical scientific publications.
Sec. 480. Records and audit.

PART E—OTHER AGENCIES OF NIH

Sec. 482. Division of Research Resources.
Sec. 483. John E. Fogarty International Center for Advanced Study in the Health Sciences.

PART F—AWARDS AND TRAINING

Sec. 485. National research service awards.
Sec. 486. Visiting scientist awards.
Sec. 487. Studies respecting biomedical and behavioral research personnel.

PART G—GENERAL PROVISIONS

Sec. 489. Institutional review boards; ethics guidance program.
Sec. 490. Peer review
Sec. 491. Protection against scientific fraud.
Sec. 492. Research on public health emergencies.
Sec. 493. Animals in research.
Sec. 494. Use of appropriations under this title.
Sec. 495. Gifts.
Sec. 496. Fetal Research.
Sec. 497. Construction of title.
Sec. 3. Conforming amendments.
Sec. 4. Studies of animals in research; research plan.
Sec. 5. Research on lupus erythematosus.
Sec. 6. National Research Service Award study.
Sec. 7. Interagency Committee on Spinal Cord Injury.
Sec. 8. Study of personnel for health needs of elderly.
Sec. 9. Interagency Committee on Learning Disabilities.
Sec. 10. National Commission on Orphan Diseases.
Sec. 11. Review of disease research programs of the National Institute of Diabetes and Digestive and Kidney Diseases.

Sec. 12. Biomedical ethics.
Sec. 13. Miscellaneous.
Sec. 14. Effective date.

REVISION OF TITLE IV OF THE PUBLIC HEALTH SERVICE ACT

SEC. 2. Title IV of the Public Health Service Act is amended to read as follows:

"TITLE IV—NATIONAL RESEARCH INSTITUTES

"PART A—NATIONAL INSTITUTES OF HEALTH

"ORGANIZATION OF NIH

SEC. 401. (a) The National Institutes of Health is an agency of the Service.

"(b)(1) The following national research institutes are agencies of the National Institutes of Health:

"(A) The National Cancer Institute.

"(B) The National Heart, Lung, and Blood Institute.

"(C) The National Institute of Arthritis and Musculoskeletal and Skin Diseases.

"(D) The National Institute of Diabetes and Digestive and Kidney Diseases.

"(E) The National Institute on Aging.

"(F) The National Institute of Allergy and Infectious Diseases.

"(G) The National Institute of Child Health and Human Development.

"(H) The National Institute of Dental Research.

"(I) The National Eye Institute.

"(J) The National Institute of Neurological and Communicative Disorders and Stroke.

"(K) The National Institute of General Medical Sciences.

"(L) The National Institute of Environmental Health Science.

"(M) The National Institute of Nursing.

"(2) The following entities are agencies of the National Institutes of Health:

"(A) The National Library of Medicine.

"(B) The Division of Research Resources.

"(C) The John E. Fogarty International Center for Advanced Study in the Health Sciences.

"(3)(A) The Secretary may establish in the National Institute of Health one or more additional national research institutes to conduct and support research, training, health information, and related programs relating to any particular disease or groups of diseases or any other aspect of human health if—

"(i) The Secretary determines that an additional institute is necessary to carry out such activities; and

"(ii) the additional institute is not established before the expiration of 180 days after the Secretary has provided the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate written notice of the determination, described in clause (i), made with respect to the institute.

"(B) The Secretary may reorganize the functions of any national research institute and may abolish any national research institute if the Secretary determines that the institute is no longer required. A reorganization or abolition may not take effect under this subparagraph before the expiration of 180 days after the Secretary has provided the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate written notice of the reorganization or abolition.

"(C) For purposes of this title, the term 'national research institute' means a national research institute referred to in subsection (b)(1) or established under subsection (b)(3).

"APPOINTMENT AND AUTHORITY OF DIRECTOR OF NIH

"SEC. 402. (a) The National Institutes of Health shall be headed by the Director of the National Institutes of Health (hereinafter in this title referred to as the 'Director of NIH') who shall be appointed by the President by and with the advice and consent of the Senate. The Director of NIH shall perform functions as provided under subsection (b) and as the Secretary may otherwise prescribe.

"(b) In carrying out the purposes of section 301, the Secretary, acting through the Director of NIH—

"(1) shall be responsible for the overall direction of the National Institutes of Health and for the establishment and implementation of general policies respecting the management and operation of programs and activities within the National Institutes of Health;

"(2) shall be coordinate and oversee the operation of the national research institutes and other administrative entities within the National Institutes of Health;

"(3) shall assure that research at the National Institutes of Health is subject to review in accordance with section 490(b);

"(4) for the national research institutes and administrative entities within the National Institutes of Health—

"(A) may—

"(i) acquire and construct, and

"(ii) improve, repair, operate, and maintain, laboratories, other research facilities, other facilities, equipment, and other real or personal property (including patents), and

"(B) may acquire, without regard to the Act of March 3, 1877 (40 U.S.C. 34), by lease or otherwise through the Administrator of General Services, buildings or parts of buildings in the District of Columbia or communities located adjacent to the District of Columbia for use for a period not to exceed ten years;

"(5) may secure resources for research conducted by or through the National Institutes of Health;

"(6) may, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, establish such technical and scientific peer review groups as are needed to carry out the requirements of this title and appoint and pay the members of such groups, except that officers and employees of the United States shall not receive additional compensation for service on such groups;

"(7) may secure for the National Institutes of Health consultation services and advice of persons from the United States or abroad;

"(8) may use, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, or local public agencies, with or without reimbursement therefor;

"(9) may, for purposes of study, admit and treat at facilities of the National Institutes of Health individuals not otherwise eligible for such treatment;

"(10) may accept voluntary and uncompensated services; and

"(11) may perform such other administrative functions as the Secretary determines are needed to carry out effectively this title.

The Federal Advisory Committee Act shall not apply to the duration of a peer review group appointed under paragraph (6), and the Office of Management and Budget shall not exercise any authority under such Act with respect to any such group.

"(c) The Director of NIH may make available to individuals and entities, for biomedical and behavioral research, substances and living organisms. Such substances and organisms shall be made available under such terms and conditions (including payment of them) as the Secretary determines appropriate.

"(d)(1) The Director of NIH may obtain (in accordance with section 3109 of title 5, United States Code, but without regard to the limitation in such section on the number of days or the period of service) the services of not more than two hundred experts or consultants, with scientific or other professional qualifications, for the National Institutes of Health.

"(2)(A) Except as provided in subparagraph (B), experts and consultants whose services are obtained under paragraph (1) shall be paid or reimbursed, in accordance with title 5, United States Code, for their travel and other expenses associated with their assignment.

"(B) Expenses specified in subparagraph (A) shall not be allowed in connection with the assignment of an expert or consultant whose services are obtained under paragraph (1) unless the expert or consultant has agreed in writing to complete the entire period of the assignment or one year of the assignment, whichever is shorter, unless separated or reassigned for reasons which are beyond the control of the expert or consultant and which are acceptable to the Secretary. If the expert or consultant violates the agreement, the money spent by the United States for such expenses is recoverable from the expert or consultant as a debt due the United States.

"(e) The Director of NIH shall—

"(1) advise the agencies of the National Institutes of Health on medical applications of research;

"(2) coordinate, review, and facilitate the systematic identification and evaluation of, clinically relevant information from research conducted by or through the national research institutes;

"(3) promote the effective transfer of the information described in paragraph (2) to the health care community and to entities that require such information; and

"(4) monitor the effectiveness of the activities described in paragraph (3).

"(f) There shall be in the National Institutes of Health an Associate Director for Prevention. The Director of NIH shall delegate to the Associate Director for Prevention the functions of the Director relating to the promotion of the disease prevention research programs of the national research institutes and the coordination of such programs among the national research institutes and between the national research institutes and other public and private entities. The Associate Director shall annually report to the Director of NIH on the prevention activities undertaken by the Associate Director. The report shall include a detailed statement of the expenditures made for the activities reported on and the personnel used in connection with such activities.

"REPORT OF DIRECTOR OF NIH

"SEC. 403. The Secretary shall transmit to the President and to the Congress a biennial report which shall be prepared by the Director of NIH and which shall consist of—

"(1) a description of the activities carried out through the National Institutes of Health and the policies respecting the pro-

grams of the National Institutes of Health and such recommendations respecting such policies as the Secretary deems appropriate;

"(2) a description of the activities undertaken to improve grants and contracting accountability, and peer review procedures of the National Institutes of Health and the national research institutes;

"(3) the reports made by the Associate Director for Prevention under section 402(f); and

"(4) the biennial reports of the Directors of each of the national research institutes.

The first report under this section shall be submitted not later than December 30, 1985, and shall relate to the fiscal-year period ending on the preceding September 30. Each subsequent report shall be submitted not later than 90 days after the two-fiscal-year period for which the report is to be submitted.

"PART B—GENERAL PROVISIONS RESPECTING NATIONAL RESEARCH INSTITUTES

"APPOINTMENT AND AUTHORITY OF THE DIRECTORS OF THE NATIONAL RESEARCH INSTITUTES

"Sec. 405. (a) The Director of the National Cancer Institute shall be appointed by the President, and the Directors of the other national research institutes shall be appointed by the Secretary.

"(b)(1) In carrying out the purposes of section 301 with respect to the human disease or disorder or other aspect of human health for which the national research institutes were established, the Secretary, acting through the Director of each national research institute—

"(A) shall encourage and support research, investigations, experiments, demonstrations, and studies in the health sciences related to—

"(i) the maintenance of health,

"(ii) the detection, diagnosis, treatment, and prevention of human diseases and other disorders,

"(iii) the rehabilitation of individuals with human diseases, disorders, and disabilities, and

"(iv) the expansion of knowledge of the processes underlying human diseases, disorders, and disabilities, the processes underlying the normal and pathological functioning of the body and its organ systems, and the processes underlying the interactions between the human organism and the environment;

"(B) may, subject to the review prescribed under section 490(b) and advisory council review prescribed by section 406(a)(3)(A)(i), conduct the research, investigations, experiments, demonstrations, and studies referred to in subparagraph (A);

"(C) may conduct and support research training (i) for which fellowship support is not provided under section 485, and (ii) which is not residency training of physicians or other health professionals;

"(D) may develop, implement, and support demonstrations and programs for the application of the results of the activities of the institute to clinical practice and disease prevention activities;

"(E) may develop, conduct, and support public and professional education and information programs;

"(F) may secure, develop and maintain, distribute, and support the development and maintenance of resources needed for research;

"(G) may make available the facilities of the institutes to appropriate entities and individuals engaged in research activities and cooperate with and assist Federal and State agencies charged with protecting the public health;

"(H) may accept unconditional gifts made to the institutes for their activities, and, in the case of gifts of a value in excess of $50,000, establish suitable memorials to the donor;

"(I) may secure for the institutes consultation services and advice of persons from the United States or abroad;

"(J) may use, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, or local public agencies, with or without reimbursement therefor;

"(K) may accept voluntary and uncompensated services; and

"(L) may perform such other functions as the Secretary determines are needed to carry out effectively the purposes of the institutes.

The indemnification provisions of section 2354, title 10, United States Code, shall apply with respect to contracts entered into under this subsection and section 402(b).

"(2) Support for an activity or program under this subsection may be provided through grants, contracts, and cooperative agreements. The Secretary, acting through the Director of each national research institute—

"(A) may approve a contract for research or training only if a peer review group authorized by regulations under section 490 has recommended approval of the contract; and

"(B) may approve grants and cooperative agreements under paragraph (1) for research or training, except that—

"(i) if the direct cost of the grant or cooperative agreement to be approved does not exceed $50,000, such grant or cooperative agreement may be approved only after appropriate technical and scientific review in accordance with section 490, and

"(ii) if the direct cost of the grant, or cooperative agreement to be approved exceeds $50,000, such grant or cooperative agreement may be approved only after appropriate technical and scientific review in accordance with section 490 and recommendation for approval by the advisory council to the institute.

"(c) In carrying out subsection (b), each Director of a national research institute shall—

"(1) coordinate, as appropriate, the activities of the institute with similar programs of other public and private entities; and

"(2) cooperate with the Directors of other national research institutes in the development and support of multidisciplinary research and research that involves more than one institute.

"ADVISORY COUNCILS

"Sec. 406. (a)(1) Except as provided in subsection (h), the Secretary shall appoint an advisory council for each national research institute which (A) shall advise, assist, consult with, and make recommendations to the Secretary and the Director of the institute on matters related to the activities carried out through the institute and the policies respecting such activities, and (B) shall carry out the special functions prescribed by part C.

"(2) Each advisory council for a national research institute may recommend to the Secretary acceptance, in accordance with section 2101, of conditional gifts for study, investigation, or research respecting the disease, diseases, or other aspect of human health with respect to which the institute was established, for the acquisition of grounds, or for the construction, equipping, or maintenance of facilities for the institute.

"(3) Each advisory council for a national research institute—

"(A)(i) may on the basis of the materials provided under section 490(b)(2) respecting research conducted at the institute, make recommendations to the Director of the institute respecting such research,

"(ii) may review applications for grants and cooperative agreements for research or training and for which advisory council approval is required under section 405(b)(2) and recommended for approval applications for projects which show promise of making valuable contributions to human knowledge, and

(iii) may review any grant, contract, or cooperative agreement proposed to be made or entered into;

"(B) may collect, by correspondence or by personal investigation, information as to studies which are being carried on in the United States or any other country as to the disease, disorders, or other aspect of human health with respect to which the institute was established and with the approval of the Director of the institute make available such information through appropriate publications for the benefit of public and private health entities and health professions personnel and scientists and for the information of the general public; and

"(C) may appoint subcommittees and convene workshops and conferences.

"(b)(1) Each advisory council shall consist of ex officio members and not more than eighteen members appointed by the Secretary. The ex officio members of an advisory council shall consist of the Secretary, the Director of NIH, the Director of the national research institute for which the council is established, the Chief Medical Officer of the Veterans' Administration, the Assistant Secretary of Defense for Health Affairs, or the designees of such persons and such additional officers or employees of the United States as the Secretary deems necessary for the advisory council to effectively carry out its functions. The members of an advisory council who are not ex officio members shall be appointed as follows:

"(A) Two thirds of the members shall be appointed from among the leading representatives of the health and scientific disciplines (including public health and the behavioral or social sciences) relevant to the activities of the institute for which the advisory council is established.

"(B) At least one third of the members shall be appointed by the Secretary from the general public and shall include leaders in fields of public policy, law, health policy, economics, and management.

"(2) Members of an advisory council who are officers or employees of the United States shall not receive any compensation for service on the advisory council. The other members of an advisory council shall receive, for each day (including traveltime) they are engaged in the performance of the functions of the advisory council, compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule.

"(c) The term of office of an appointed member of an advisory council is four years, except that any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term and the Secretary shall make appointments to an advisory council in such a manner as to ensure that the terms of the members do not all expire in the same year. A member may

serve after the expiration of the member's term until a successor has taken office. A member who has been appointed for a term of four years may not be reappointed to an advisory council before two years from the date of expiration of such term of office. If a vacancy occurs in the advisory council among the appointed members, the Secretary shall make an appointment to fill the vacancy within ninety days from the date the vacancy occurs.

"(d) The chairman of an advisory council shall be selected by the Secretary from among the appointed members, except that the Secretary may select the Director of the institute for which the advisory council is established to be the chairman of the advisory council. The term of office of the chairman shall be two years.

"(e) The advisory council shall meet at the call of the chairman or upon the request of the Director of the national research institute for which it was established, but at least three times each fiscal year. The location of the meetings of each advisory council is subject to the approval of the Director of the institute for which the council was established.

"(f) The Director of the national research institute for which an advisory council is established shall designate a member of the staff of the institute to serve as the executive secretary of the avisory council. The Director of such institute shall make available to the avisory council such staff, information, and other assistance as it may require to carry out its functions. The Director of such institute shall provide orientation and training for new members of the advisory council to provide them with such information and training as may be appropriate for their effective participation in the functions of the advisory council.

"(g) Each advisory council may prepare, for inclusion in the biennial report made under section 407, (1) comments respecting the activities of the advisory council in the fiscal years respecting which the report is prepared, (2) comments on the progress of the national research institute for which it was established in meeting its objectives, and (3) recommendations respecting the future directions and program and policy emphasis of the institute.

"(h)(1) Except as provided in paragraph (2), this section does not terminate the membership of any advisory council to a national research institute which was in existence on the date of the enactment of the Health Research Extension Act of 1984. After such date—

"(A) the Secretary shall make appointments to each such advisory council in such a manner as to bring about as soon as practicable the composition for such council prescribed by this section,

"(B) each advisory council shall organize itself in accordance with this section and exercise the functions prescribed by this section, and

"(C) the Director of each national research institute shall perform for such advisory council the functions prescribed by this section.

"(2)(A) This section applies to the National Cancer Advisory Board, the advisory council for the National Cancer Institute, except that (i) appointments to such Board shall be made by the President, (ii) of the members appointed to the Board not less than five members shall be individuals knowledgeable in environmental carcinogenesis (including carcinogenesis involving occupational and dietary factors), (iii) the chairman of the Board shall be selected by the President from the appointed members and shall serve as chairman for a term of two years, (iv) the ex officio members of the Board shall be the Secretary, the Director of the Office of Science and Technology Policy, the Director of NIH, the chief medical officer of the Veterans' Administration, the Director of the National Institute for Occupational Safety and Health, the Director of the National Institute of Environmental Health Sciences, the Secretary of Labor, the Commissioner of the Food and Drug Administration, the Administrator of the Environmental Protection Agency, the Chairman of the Consumer Product Safety Commission or the designees of such persons, and a medical officer designated by the Secretary of Defense, and (v) the Board shall meet at least four times each fiscal year.

"(B) This section applies to the advisory council to the National Heart, Lung, and Blood Institute, except that the advisory council shall meet at least four times each fiscal year.

"BIENNIAL REPORT

"SEC. 407. The Director of each national research institute, after consultation with the advisory council to the institute, shall prepare for inclusion in the biennial report made under section 403 a biennial report which shall consist of a description of the activities of the institute and program policies of the Director of the institute in the fiscal years respecting which the report is prepared. The Director of each institute shall provide the advisory council of the institute an opportunity for the submission of the written comments referred to in section 406(g).

"AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 408. (a) In addition to amounts otherwise authorized to be appropriated under this title for the National Institutes of Health, the following amounts are authorized to be appropriated:

"(1)(A) For the National Cancer Institute (other than its programs under section 412), there are authorized to be appropriated $1,180,000,000 for fiscal year 1985 and $1,270,000,000 for fiscal year 1986.

"(B) There are authorized to be appropriated for the programs under section 412 $68,000,000 for fiscal year 1985 and $75,000,000 for fiscal year 1986.

"(2)(A) For the National Heart, Lung, and Blood Institute (other than its programs under section 419), there are authorized to be appropriated $744,000,000 for fiscal year 1985 and $788,000,000 for fiscal year 1986. Of the sums appropriated under this subsection for any fiscal year, not less than 15 per centum of such sums shall be reserved for programs respecting diseases of the lung and not less than 15 per centum of such sums shall be reserved for programs respecting blood diseases and blood resources.

"(B) There are authorized to be appropriated for the programs under section 419, there are authorized to be appropriated $76,000,000 for fiscal year 1985 and $82,000,000 for fiscal year 1986.

"(b)(1) Except as provided in paragraph (2), the sum of the amounts appropriated for any fiscal year for administrative expenses of the National Institutes of Health and its agencies may not exceed an amount which is 5.5 percent of the total amount appropriated for such fiscal year for the National Institutes of Health and its agencies to which this paragraph applies.

"(2) Paragraph (1) does not apply to the National Library of Medicine, the John E. Fogarty International Center for Advanced Study in the Health Sciences, and the Office of Medical Applications of Research.

"(3) For purposes of paragraph (1), the term 'administrative expenses' means expenses incurred for the support of activities relevant to the award of grants and contracts for research and expenses incurred for the administrative management and scientific direction of programs and activities of the National Institutes of Health and its agencies.

"PART C—SPECIFIC PROVISIONS RESPECTING NATIONAL RESEARCH INSTITUTES

"SUBPART 1—NATIONAL CANCER INSTITUTE

"PURPOSE OF INSTITUTE

"SEC. 410. The general purpose of the National Cancer Institute (hereinafter in this subpart referred to as the 'Institute') is the conduct and support of research, training, health information dissemination, and related programs with respect to the cause, diagnosis, prevention, and treatment of cancer and the continuing care of cancer patients and the families of cancer patients.

"NATIONAL CANCER PROGRAM

"SEC. 411. The national cancer program shall consist of (1) an expanded, intensified, and coordinated cancer research program encompassing the research programs conducted and supported by the Institute and the related research programs of the other national research institutes and including an expanded and intensified research program for the prevention of cancer caused by occupational or environmental exposure to carcinogens, and (2) the other programs and activities of the Institute.

"CANCER CONTROL PROGRAMS

"SEC. 412. The Director of the Institute shall establish and support demonstration, education, and other programs for the detection, diagnosis, prevention, and treatment of cancer and for rehabilitation and counseling respecting cancer. Programs established and supported under this section shall include—

"(1) locally initiated education and demonstration programs (and regional networks of such programs) to transmit research results and to disseminate information respecting—

"(A) the detection, diagnosis, prevention, and treatment of cancer,

"(B) the continuing care of cancer patients and the families of cancer patients, and

"(C) rehabilitation and counseling respecting cancer,

to physicians and other health professionals who provide care to individuals who have cancer;

"(2) the demonstration of and the education of students of the health professions and health professionals in—

"(A) effective methods for the prevention and early detection of cancer and the identification of individuals with a high risk of developing cancer; and

"(B) improved methods of patient referral to appropriate centers for early diagnosis and treatment of cancer; and

"(3) the demonstration of new methods for the dissemination of information to the general public concerning the prevention, early detection, diagnosis, and treatment and control of cancer and information concerning unapproved and ineffective methods, drugs, and devices for the diagnosis, prevention, treatment, and control of cancer.

"SPECIAL AUTHORITIES OF THE SECRETARY AND THE DIRECTOR

"SEC. 413. (a) The Secretary, acting through the Director of the Institute, shall establish an information and education center to collect, identify, analyze, and disseminate on a timely basis, through publications and other approporiate means, to cancer patients and their families, physicians and other health professionals, and the general public, information on cancer research, diagnosis, prevention, and treatment (including information respecting nutrition programs for cancer patients and the relationship between nutrition and cancer). The Director of the Institute may take such action as may be necessary to insure that all channels for the dissemination and exchange of scientific knowledge and information are maintained between the Institute and other scientific, medical, and biomedical disciplines and organizations nationally and internationally.

"(b) The Director of the Institute in carrying out the national cancer program—

"(1) may establish or support the large-scale production or distribution of specialized biological materials and other therapeutic substances for cancer research and set standards of safety and care for persons using such materials;

"(2) may, in consultation with the advisory council to the Institute, support (A) research in the cancer field outside the United States by highly qualified foreign nationals which can be expected to benefit the American people, (B) collaborative research involving American and foreign participants, and (C) the training of American scientists abroad and foreign scientists in the United States;

"(3) may, in consultation with the advisory council to the Institute, support appropriate programs of education (including continuing education) and training;

"(4) may encourage and coordinate cancer research by industrial concerns where such concerns evidence a particular capability for such research;

"(5) may obtain (with the approval of the advisory council to the Institute and in accordance with section 3109 of title 5, United States Code, but without regard to the limitation in such section on the number of days or the period of such service) the services of not more than one hundred and fifty-one experts or consultants who have scientific or professional qualifications;

"(6)(A) may—

"(i) in consultation with the advisory council to the Institute, acquire and construct, and

"(ii) improve, repair, operate, and maintain, such laboratories, other research facilities, equipment, and other real or personal property (including patents) as the Director deems necessary;

"(B) may make grants for new construction or renovation of facilities; and

"(C) may acquire, without regard to the Act of March 3, 1877 (40 U.S.C. 34), by lease or otherwise through the Administrator of General Services, buildings or parts of buildings in the District of Columbia or communities located adjacent to the District of Columbia for the use of the Institute for a period not to exceed ten years;

"(7) may, in consultation with the advisory council to the Institute, appoint one or more advisory committees composed of such private citizens and officials of Federal, State, and local governments as he deems desirable to advise him with respect to his functions;

"(8) may, subject to section 405(b)(2), enter into such contracts, leases, cooperative agreements, or other transactions, without regard to section 3324 of title 31 of the United States Code and section 3709 of the Revised Statutes (41 U.S.C. 5), as may be necessary in the conduct of functions of the Director, with any public agency, or with any person, firm, association, corporation, or educational institution;

"(9) shall maintain and operate the International Cancer Research Data Bank, which shall collect, catalog, store, and disseminate insofar as feasible through the use of information systems accessible to the public, general practitioners, and oncologic investigators, the results of cancer research and treatment undertaken in any country for the use of any person involved in cancer research and treatment in any country; and

"(10)(A) shall prepare and submit, directly to the President for review and transmittal to Congress, an annual budget estimate (including an estimate of the number and type of personnel needs for the Institute) for the national cancer program, after reasonable opportunity for comment (but without change) by the Secretary, the Director of NIH, and the Institute's advisory council; and (B) may receive from the President and the Office of Management and Budget directly all funds appropriated by Congress for obligation and expenditure by the Institute.

"NATIONAL CANCER RESEARCH AND DEMONSTRATION CENTERS

"SEC. 414. The Director of the Institute, under policies established by the Director of NIH and after consultation with the Institute's advisory council, is authorized to enter into cooperative agreements with public or private nonprofit agencies or institutions to pay all or part of the cost of planning, establishing, or strengthening, and providing basic operating support during fiscal years 1985 and 1986 for centers for basic and clinical research into, training in, and demonstration of advanced diagnostic, prevention, and treatment methods for cancer. Federal payments under this subsection in support of such cooperative agreements may be used for (1) construction (notwithstanding any limitation under section 494), (2) staffing and other basic operating costs, including such patient care costs as are required for research, (3) training, including training for allied health professionals, continuing education for health professionals and allied health professions personnel, and information programs for the public respecting cancer, and (4) demonstration purposes. As used in this section, the term 'construction' does not include the acquisition of land, and the term 'training' does not include research training for which fellowship support may be provided under section 485. Support of a center under this section may be for a period of not to exceed five years and such period may be extended by the Director for additional periods of not more than five years each after review of the operations of such center by an appropriate scientific review group established by the Director.

"PRESIDENT'S CANCER PANEL

"SEC. 415. (a)(1) The President's Cancer Panel (hereinafter in this section referred to as the 'Panel') shall be composed of three persons appointed by the President who by virture of their training, experience, and background are exceptionally qualified to appraise the national cancer program. At least two members of the Panel shall be distinguished scientists or physicians.

"(2)(A) Members of the Panel shall be appointed for three-year terms, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. If a vacancy occurs in the Panel, the President shall make an appointment to fill the vacancy not later than ninety days from the date the vacancy occurred.

"(B) The President shall designate one of the members to serve as the chairman of the Panel for a term of one year.

"(C) Members of the Panel shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Panel.

"(3) The Panel shall meet at the call of the chairman, but not less often than four times a year. A transcript shall be kept of the proceedings of each meeting of the Panel, and the chairman shall make such transcript available to the public.

"(b) The Panel shall monitor the development and execution of the activities of the national cancer program, and shall report directly to the President. Any delays or blockages in rapid execution of the program shall immediately be brought to the attention of the President. The Panel shall submit to the President periodic progress reports on the program and shall submit to the President, the Secretary, and the Congress an annual evaluation of the efficacy of the program and suggestions for improvements, and shall submit such other reports as the President shall direct.

"ASSOCIATE DIRECTOR FOR PREVENTION

"SEC. 416. (a)(1) There shall be in the Institute an Associate Director for Prevention to coordinate and promote the programs in the Institute in the prevention of cancer. The Associate Director shall be appointed by the Director of the Institute from individuals who because of their professional training or experience are experts in public health or preventive medicine.

"(2) The Associate Director for Prevention shall prepare for inclusion in the biennial report made under section 407 a description of the prevention activities of the Institute, including a description of the staff and resources allocated to those activities.

"SUBPART 2—NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

"PURPOSE OF THE INSTITUTE

"SEC. 418. The general purpose of the National Heart, Lung, and Blood Institute (hereinafter in this subpart referred to as the 'Institute') is the conduct and support of research, training, health information dissemination, and other programs with respect to heart, blood vessel, lung, and blood diseases and with respect to the use of blood and blood products and the management of blood resources.

"HEART, BLOOD VESSEL, LUNG, AND BLOOD DISEASE PREVENTION AND CONTROL PROGRAMS

"SEC. 419. The Director of the Institute, under policies established by the Director of NIH and after consultation with the advisory council for the Institute, shall establish programs as necessary for cooperation with other Federal health agencies, State, local, and regional public health agencies, and nonprofit private health agencies in the diagnosis, prevention, and treatment (including the provision of emergency medical services) of heart, blood vessel, lung, and blood

diseases, appropriately emphasizing the prevention, diagnosis, and treatment of such diseases of children.

"INFORMATION AND EDUCATION

"SEC. 420. The Secretary, acting through the Director of the Institute, shall collect, identify, analyze, and disseminate on a timely basis, through publications and other appropriate means, to patients, families of patients, physicians and other health professionals, and the general public, information on research, prevention, diagnosis, and treatment of heart, blood vessel, lung, and blood diseases, the maintenance of health to reduce the incidence of such diseases, and on the use of blood and blood products and the management of blood resources. In carrying out this section the Secretary shall place special emphasis upon—

"(1) the dissemination of information regarding diet and nutrition, environmental pollutants, exercise, stress, hypertension, cigarette smoking, weight control, and other factors affecting the prevention of arteriosclerosis and other cardiovascular diseases and of pulmonary and blood diseases, and

"(2) the dissemination of information designed to encourage children to adopt healthful habits respecting the risk factors related to the prevention of such diseases.

"NATIONAL HEART, BLOOD VESSEL, LUNG, AND BLOOD DISEASES AND BLOOD RESOURCES PROGRAM

"SEC. 421. (a) The National Heart, Blood Vessel, Lung, and Blood Diseases and Blood Resources Program (hereinafter in this subpart referred to as the 'Program') may provide for—

"(1) investigation into the epidemiology, etiology, and prevention of all forms and aspects of heart, blood vessel, lung, and blood diseases, including investigations into the social, environmental, behavioral, nutritional biological, and genetic determinants and influences involved in the epidemiology, etiology, and prevention of such diseases;

"(2) studies and research into the basic biological processes and mechanisms involved in the underlying normal and abnormal heart, blood vessel, lung, and blood phenomena;

"(3) research into the development, trial, and evaluation of techniques, drugs, and devices (including computers) used in, and approaches to, the diagnosis, treatment (including the provision of emergency medical services), and prevention of heart, blood vessel, lung, and blood diseases and the rehabilitation of patients suffering from such diseases;

"(4) establishment of programs that will focus and apply scientific and technological efforts involving biological physical, and engineering sciences to all facets of heart, blood vessel, lung, and blood diseases with emphasis on refinement, development, and evaluation of technological devices that will assist, replace, or monitor vital organs and improve instrumentation for detection, diagnosis, and treatment of those diseases;

"(5) establishment of programs for the conduct and direction of field studies, large-scale testing and evaluation, and demonstration of preventive, diagnostic, therapeutic, and rehabilitative approaches to, and emergency medical services for, such diseases;

"(6) studies and research into blood diseases and blood, and into the use of blood for clinical purposes and all aspects of the management of its resources in this country, including the collection, preservation, fractionation, and distribution of it and its products;

"(7) the education (including continuing education) and training of scientists, clinical investigators, and educators, in fields and specialties (including computer sciences) requisite to the conduct of clinical programs respecting heart, blood vessel, lung, and blood diseases and blood resources;

"(8) public and professional education relating to all aspects of such diseases, including the prevention of such diseases, and the use of blood and blood products and the management of blood resources;

"(9) establishment of programs for study and research into heart, blood vessel, lung, and blood diseases of children (including cystic fibrosis, hyaline membrane, hemolytic diseases such as sickle cell anemia and Cooley's anemia, and hemophilic diseases) and for the development and demonstration of diagnostic, treatment, and preventive approaches to these diseases; and

"(10) establishment of programs for study, research, development, demonstrations and evaluation of emergency medical services for people who become critically ill in connection with heart, blood vessel, lung, or blood diseases.

The Program shall be coordinated with other national research institutes to the extent that they have responsibilities respecting such diseases and shall give special emphasis to the continued development in the Institute of programs related to the causes of stroke and to effective coordination of such programs with related stroke programs in the National Institute of Neurological and Communicative Disorders and Stroke. The Director of the Institute, with the advice of the advisory council to the Institute, shall revise annually the plan for the Program and shall carry out the Program in accordance with such plan.

"(b) In carrying out the Program, the Director of the Institute, under policies established by the Director of NIH—

"(1) may, after approval of the advisory council to the Intitute, obtain (in accordance with section 3109 of title 5, United States Code, but without regard to the limitation in such section on the number of days or the period of such service) the services of not more than one hundred experts or consultants who have scientific or professional qualifications;

"(2)(A) may—

"(i) after approval of the advisory council to the Institute, acquire and construct, and

"(ii) improve, repair, operate, alter, renovate, and maintain,

heart, blood vessel, lung, and blood disease and blood resource laboratory, research, training, and other facilities, equipment, and such other real or personal property (including patents) as the Director deems necessary;

"(B) may make grants for new construction or renovation of facilities; and

"(C) may acquire, without regard to the Act of March 3, 1877 (40 U.S.C. 34), by lease or otherwise, through the Administrator of General Services, buildings or parts of buildings in the District of Columbia or communities located adjacent to the District of Columbia for the use of the Institute for a period not to exceed ten years;

"(3) subject to section 405(b)(2), may enter into such contracts, leases, cooperative agreements, or other transactions, without regard to section 3324 of title 31 of the United States Code and section 3709 of the Revised Statutes (41 U.S.C. 5), as may be necessary in the conduct of the Director's functions, with any public agency, or with any person, firm, association, corporation, or educational institutions; and

"(4) may make grants to public and nonprofit private entities to assist in meeting the cost of the care of patients in hospitals, clinics, and related facilities who are participating in research projects.

"NATIONAL RESEARCH AND DEMONSTRATION CENTERS FOR HEART, BLOOD VESSEL, LUNG, AND BLOOD DISEASES, SICKLE CELL ANEMIA, AND BLOOD RESOURCES

"SEC. 422. (a)(1) The Director of the Institute may provide, in accordance with subsection (b), for the development of—

"(A) ten centers for basic and clinical research into, training in, and demonstration of, advanced diagnostic, prevention, and treatment methods (including methods of providing emergency medical services) for heart and blood vessel diseases;

"(B) ten centers for basic and clinical research into, training in, and demonstration of, advanced diagnostic, prevention, and treatment methods (including methods of providing emergency medical services) for lung diseases (including bronchitis, emphysema, asthma, cystic fibrosis, and other lung diseases of children); and

"(C) ten centers for basic and clinical research into, training in, and demonstration of, advanced diagnostic, prevention, and treatment methods (including methods of providing emergency medical services) for blood diseases and research into blood, in the use of blood products and in the management of blood resources.

The Director of the Institute shall provide, in accordance with subsection (b), for the development of ten centers for basic and clinical research into the diagnosis, treatment, and control of sickle cell anemia.

"(2) The centers developed under paragraph (1) shall, in addition to being utilized for research, training, and demonstrations, be utilized for the following prevention programs for cardiovascular, pulmonary, and blood diseases:

"(A) Programs to develop improved methods of detecting individuals with a high risk of developing cardiovascular, pulmonary, and blood diseases.

"(B) Programs to develop improved methods of intervention against those factors which cause individuals to have a high risk of developing such diseases.

"(C) Programs to develop health professions and allied health professions personnel highly skilled in the prevention of such diseases.

"(D) Programs to develop improved methods of providing emergency medical services for persons with such diseases.

"(E) Programs of continuing education for health and allied health professionals in the diagnosis, prevention, and treatment of such diseases and the maintenance of health to reduce the incidence of such diseases and information programs for the public respecting the prevention and early diagnosis and treatment of such diseases and the maintenance of health.

"(3) The research, training, and demonstration activities carried out through any such center may relate to any one or more of the diseases referred to in paragraph (1) of this subsection.

"(b) The Director of the Institute, under policies established by the Director of NIH and after consultation with the advisory council to the Institute, may enter into cooperative agreements with public or nonprofit private agencies or institutions to pay all or part of the cost of planning, estab-

lishing, or strengthening, and providing basic operating support for existing or new centers for basic or clinical research into, training in, and demonstration of, the management of blood resources and advanced diagnostic, prevention, and treatment methods for heart, blood vessel, lung, or blood diseases. Funds paid to centers under cooperative agreements under this subsection may be used for—

"(1) construction (notwithstanding any limitation under section 494),

"(2) staffing and other basic operating costs, including such patient care costs as are required for research,

"(3) training, including training for allied health professions personnel, and

"(4) demonstration purposes.

Support of a center under this subsection may be for a period of not to exceed five years and such period may be extended by the Director for additional periods of not more than five years each after review of the operations of such center by an appropriate scientific review group established by the Director.

"(c) As used in this section, the term 'construction' does not include the acquisition of land; and the term 'training' does not include research training for which fellowship support may be provided under section 485.

"INTERAGENCY TECHNICAL COMMITTEE

"SEC. 423. (a) The Secretary shall establish an Interagency Technical Committee on Heart, Blood Vessel, Lung and Blood Diseases and Blood Resources which shall be responsible for coordinating those aspects of all Federal health programs and activities relating to heart, blood vessel, lung, and blood diseases and to blood resources to assure the adequacy and technical soundness of such programs and activities and to provide for the full communication and exchange of information necessary to maintain adequate coordination of such programs and activities.

"(b) The Director of the Institute shall serve as chairman of the Committee and the Committee shall include representation from all Federal departments and agencies whose programs involve health functions or responsibilities relevant to the functions of the Committee, as determined by the Secretary.

ASSOCIATE DIRECTOR FOR PREVENTION

"SEC. 424. (a)(1) There shall be in the Institute an Associate Director for Prevention to coordinate and promote the programs in the Institute in the prevention of heart, blood vessel, lung, and blood diseases. The Associate Director shall be appointed by the Director of the Institute from individuals who because of their professional training or experience are experts in public health or preventive medicine.

"(2) The Associate Director for Prevention shall prepare for inclusion in the biennial report made under section 407 a description of the prevention activities of the Institute, including a description of the staff and resources allocated to those activities.

"SUBPART 3—NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES

PURPOSE OF THE INSTITUTE

"SEC. 426. The general purpose of the National Institute of Diabetes and Digestive and Kidney Diseases (hereinafter in this subpart referred to as the 'Institute') is the conduct and support of research, training, health information dissemination, and related programs with respect to diabetes mellitus and endocrine and metabolic diseases, digestive diseases and nutritional disorders, and kidney, urologic, and hematologic diseases.

"INFORMATION CLEARINGHOUSES AND DATA SYSTEMS

"SEC. 427. (a) The Director shall (1) establish the National Diabetes Data System for the collection, storage, analysis, retrieval, and dissemination of data derived from patient populations with diabetes, including, where possible, data involving general populations for the purpose of detection of individuals with a risk of developing diabetes, and (2) establish the National Diabetes Information Clearinghouse to facilitate and enhance knowledge and understanding of diabetes on the part of health professionals, patients, and the public through the effective dissemination of information.

"(b) The Director shall (1) establish the National Digestive Diseases Data System for the collection, storage, analysis, retrieval, and dissemination of data derived from patient populations with digestive diseases, including, where possible, data involving general populations for the purpose of detection of individuals with a risk of developing digestive diseases, and (2) establish the National Digestive Diseases Information Clearinghouse to facilitate and enhance knowledge and understanding of digestive diseases on the part of health professionals, patients, and the public through the effective dissemination of information.

"(c) The Director shall (1) estabish the National Kidney and Urologic Diseases Data System for the collection, storage, analysis, retrieval, and dissemination of data derived from patient populations with kidney and urologic diseases, including, where possible, data involving general populations for the purpose of detection of individuals with a risk of developing kidney and urologic diseases and (2) establish the National Kidney and Urologic Diseases Information Clearinghouse to facilitate and enhance knowledge and understanding of kidney and urologic diseases on the part of health professional, patients, and the public through the effective dissemination of information.

"DIVISION DIRECTORS FOR DIABETES, ENDOCRINOLOGY, AND METABOLIC DISEASES, DIGESTIVE DISEASES AND NUTRITION, AND KIDNEY, UROLOGIC, AND HEMATOLOGIC DISEASES

"SEC. 428. (a) In the Institute there shall be a Division Director for Diabetes, Endocrinology, and Metabolic Diseases, a Division Director for Digestive Diseases, and Nutrition, and a Division Director for Kidney, Urologioc, and Hematologic Diseases. Such Division Directors, under the supervision of the Director, shall be responsible for—

"(1) developing a coordinated plan (including recommendations for expenditures) for each of the national research institutes within the National Institutes of Health with respect to research and training concerning diabetes, endocrinology, and metabolic diseases, digestive diseases and nutrition, and kidney, urologic, and hematologic diseases;

"(2) assessing the adequacy of management approaches for the activities within such institutes concerning such diseases and developing improved approaches if needed;

"(3) monitoring and reviewing expenditures by such institutes concerning such diseases; and

"(4) identifying research opportunities concerning such diseases and recommending ways to utilize such opportunities.

The Director shall transmit to the Director of NIH the plans, recommendations, and reviews of the Associate Directors under paragraphs (1) through (4) together with such comments and recommendations as the Director of the Institute determines appropriate.

"(b) The Director of the Institute, acting through the Division Director for Kidney, Urologic, and Hematologic Diseases, the Division Director for Digestive Diseases and Nutrition, and the Division Director for Diabetes, Endocrinology, and Metabolic Diseases shall—

"(1) carry out programs of support for research and training (other than training for which National Research Service Awards may be made under section 485) in the diagnosis, prevention, and treatment of digestive diseases and nutritional disorders, diabetes mellitus, and endocrine and metabolic, kidney, urologic, and hematologic diseases, including support for training in medical schools, graduate clinical training, graduate training in epidemiology, epidemiology studies, clinical trials, and interdisciplinary research programs; and

"(2) establish programs of evaluation, planning, and dissemination of knowledge related to such research and training.

"INTERAGENCY COORDINATING COMMITTEES

"SEC. 429. a) For the purpose of—

"(1) better coordination of the research activities of all the national research institutes relating to diabetes mellitus, digestive diseases, and kidney, urologic, and hematologic diseases; and

"(2) coordinating those aspects of all Federal health programs and activities relating to such diseases to assure the adequacy and technical soundness of such programs and activities and to provide for the full communication and exchange of information necessary to maintain adequate coordination of such programs and activities; the Secretary shall establish a Diabetes Mellitus Interagency Coordinating Committee, a Digestive Diseases Interagency Coordinating Committee, and a Kidney, Urologic, and Hematologic Diseases Coordinating Committee (hereinafter in this section individually referred to as a 'Committee').

"(b) Each committee shall be composed of the Directors (or the designees) of each of the national research institutes and divisions involved in research involving the diseases with respect to which the committee is established, the Division Director of the Institute for the diseases for which the committee is established, the chief medical director (or the director's designee) of the Veterans' Administration, and a medical officer designated by the Department of Defense, and shall include representation from all other Federal departments and agencies whose programs involve health functions or responsibilities relevant to such diseases, as determined by the Secretary. Each committee shall be chaired by the Director of NIH (or his designee). Each committee shall meet at the call of the chairman, but not less often than four times a year.

"(c) Each committee shall prepare an annual report for—

"(1) the Secretary,

"(2) the Director of NIH, and

"(3) the Advisory Board established under secton 430 for the diseases for which the committee was established.)

detailing the work of the committee in the fiscal year for which the report was prepared in carrying out the coordinating activities described in paragraphs (1) and (2) of subsection (a). Such report shall be submitted not later than the one hundred and

twentieth day after the end of each fiscal year.

"ADVISORY BOARDS

"SEC. 430. (a) The Secretary shall establish in the Institute the national Diabetes Advisory Board, the National Digestive Diseases Advisory Board, and the National Kidney and Urologic Diseases Advisory Board (hereinafter in this section individually referred to as an 'Advisory Board').

"(b) Each Advisory Board shall be composed of eighteen appointed members and nonvoting, ex officio members as follows:

"(1) The Secretary shall appoint—

"(A) twelve members from individuals who are scientists, physicians, and other health professionals, who are not officers or employees of the United States, and who represent the specialties and disciplines relevant to the diseases with respect to which the Advisory Board is established; and

"(B) six members from the general public who are knowledgeable with respect to such diseases, including at least one member who is a person who suffers from such a disease and one member who is a parent of a person who suffers from such a disease.

of the appointed members at least five shall by virtue of training or experience be knowledgeable in health education, nursing, data systems, public information, or community program development.

"(2) The following shall be ex officio members of each Advisory Board: The Assistant Secretary for Health, the Director of NIH, the Director of the National Institute of Diabetes and Digestive and Kidney Diseases, the Director of the Centers for Disease Control, the chief medical director of the Veterans' Administration, the Assistant Secretry for Health Affairs of the Department of Defense (or the designees of such ex officio members), the Division Director of the National Institute of Diabetes and Digestive and Kidney Diseases for the diseases for which the Board is established, and such other officers and employees of the United States as the Secretary deems necessary for the Advisory Board to carry out its functions. In the case of the National Diabetes Advisory Board, the following shall also be ex officio members: The Director of the National Heart, Lung, and Blood Institute, the Director of the National Eye Institute, the Director of the National Institute of Child Health and Human Development, the Administrator of the Health Resources Administration, and the Administrator of the Health Services Administration (or the designees of such ex officio members).

"(c) Members of an Advisory Board who are officers or employees of the Federal Government shall serve as members of the Advisory Board without compensation in addition to that received in their regular public employment. Other members of the Board shall receive compensation at rates not to exceed the daily equivalent of the annual rate in effect for grate GS-18 of the General Schedule for each day (including traveltime) they are engaged in the performance of their duties as members of the Board.

"(d) The term of office of an appointed member of an Advisory Board is three years, except that no term of office may extend beyond the expiration of the Advisory Board. Any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term. A member may serve after the expiration of the member's term until a successor has taken office. If a vacancy occurs in an Advisory Board, the Secretary shall make an appointment to fill the vacancy not later than ninety days from the date the vacancy occurred.

"(e) The members of each Advisory Board shall select a chairman from among the appointed members.

"(f) The Secretary shall, after consultation with and consideration of the recommendations of an Advisory Board, provide the Advisory Board with an executive director and one other professional staff member. In addition, the Secretary shall, after consultation with and consideration of the recommendations of the Advisory Board, provide the Advisory Board with such additional professional staff members, such clerical staff members, and (through contracts or other arrangements) with such administrative support services and facilities, such information, and such services of consultants, as the Secretary determines are necessary for the Advisory Board to carry out its functions.

"(g) Each Advisory Board shall meet at the call of the chairman or upon request of the Director of the Institute, but not less often than four times a year.

"(h) Each Advisory Board shall—

"(1) in the case of the Advisory Boards for diabetes and digestive diseases, review and evaluate the implementation of the plan (referred to in section 433) respecting the diseases with respect to which the Advisory Board was established and periodically update the plan to ensure its continuing relevance;

"(2) for the purpose of assuring the most effective use and organization of resources respecting such diseases, advise and make recommendations to the Congress, the Secretary, the Director of NIH, the Director of the Institute, and the heads of other appropriate Federal agencies for the implementation and revision of such plan; and

"(3) maintain liaison with other advisory bodies related to Federal agencies involved in the implementation of such plan, the coordinating committee for such diseases, and with key non-Federal entities involved in activities affecting the control of such diseases.

"(i) In carrying out its functions, each Advisory Board may establish subcommittees, convene workshops and conferences, and collect data. Such subcommittees may be composed of Advisory Board members and nonmember consultants with expertise in the particular area addressed by such subcommittees. The subcommittees may hold such meetings as are necessary to enable them to carry out their activities.

"(j) Each Advisory Board shall prepare an annual report for the Secretary which—

"(1) describes the Advisory Board's activities in the fiscal year for which the report is made;

"(2) describes and evaluates the progress made in such year in research, treatment, education, and training with respect to the diseases with respect to which the Advisory Board was established;

"(3) summarizes and analyzes expenditures made by the Federal Government for activities respecting such diseases in the fiscal year for which the report is made; and

"(4) contains the Advisory Board's recommendations (if any) for changes in the plan referred to in section 433.

"(k) Each Advisory Board shall expire on September 30, 1986.

"(l) The National Diabetes Advisory Board and the National Digestive Diseases Advisory Board in existence on the date of the enactment of the Health Research Extension Act of 1984 shall terminate upon the appointment of a successor Board under subsection (a). The Secretary shall make appointments to the Advisory Boards established under subsection (a) before the expiration of ninety days after such date of enactment. The members of the Boards in existence on such date may be appointed, in accordance with subsections (b) and (d), to the Boards established under subsection (a) for diabetes and digestive diseases except that at least one-half of the members of the National Diabetes Advisory Board in existence or the date of the enactment of the Health Research Extension Act of 1984 shall be appointed to the National Diabetes Advisory Board first established under subsection (a).

"RESEARCH AND TRAINING CENTERS

"SEC. 431. (a) Consistent with applicable recommendations of the National Commission on Diabetes, the Director of the Institute shall provide for the development, or substantial expansion of centers for research and training in diabetes mellitus and related endocrine and metabolic diseases. Each center developed or expanded under this subseciton shall (1) utilize the facilities of a single institution, or be formed from a consortium of cooperating institutions, meeting such research and training qualifications as may be prescribed by the Secretary; and (2) conduct (A) research in the diagnosis and treatment of diabetes mellitus and related endocrine and metabolic diseases and the complications resulting from such diseases, (B) training programs for physicians and allied health personnel in current methods of diagnosis and treatment of such diseases and complications, and in reasearch in diabetes, and (C) information programs for physicians and allied health personnel who provide primary care for patients with such diseases or complications. A center may use funds provided under this subsection to provide stipends for nurses and allied health professional enrolled in research training programs described in clause (B).

"(b) Consistent with applicable recommendations of the National Digestive Diseases Advisory Board, the Director shall provide for the development or substantial expansion of centers for research in digestive diseases and related functional, congenital, metabolic disorders, and normal development of the digestive tract. Each center developed or expanded under this subsection shall (1) utilize the facilities of a single institution, or be formed from a consortium of cooperating institution, meeting such research qualifications as may be prescribed by the Secretary; (2) develop and conduct basic and clinical research into the cause, diagnosis, early detection, prevention, control, and treatment of digestive diseases and nutritional disorders and related functional, congenital, or metabolic complications resulting from such diseases or disorders; (3) shall encourage research into and programs for (A) providing information for physicians and others who care for patients with such diseases, disorders, and complications; patients and their families; and the general public; (B) model programs for cost effective and preventive patient care; and (C) training physicians and scientists in research on such diseases, disorders, and complications; and (4) may perform research and participate in epidemiological studies and gathering data relevant to digestive diseases and disorders to disseminate to the health care profession and to the public.

"(c) The Director shall provide for the development or substantial expansion of cen-

ters for research in kidney and urologic diseases. Each center developed or expanded under this subsection shall (1) utilize the facilities of a single institution, or be formed from a consortium of cooperating institutions, meeting such research qualifications as may be prescribed by the Secretary; (2) develop and conduct basic and clinical research into the cause, diagnosis, early detection, prevention, control, and treatment of kidney and urologic diseases; (3) encourage research into and programs for (A) providing information for physicians and others who care for patients with such disease; patients and their families; and the general public; (B) model programs for cost effective and preventive patient care; and (c) training physicians and scientists in research on such diseases; and (4) may perform research and participate in epidemiological studies and data collection relevant to kidney and urologic diseases in order to disseminate such research, studies, and data to the health care profession and to the public.

"(d) Insofar as practicable, centers established, developed, or expanded under this section should be geographically dispersed throughout the United States and in environments with proven research capabilities. Support of a center under this section may be for a period of not to exceed five years and such period may be extended by the Director for additional periods of not more than five years each after review of the operations of such center by an appropriate scientific review group established by the Director.

"ADVISORY COUNCIL SUBCOMMITTEES

"SEC. 432. There are established within the advisory council of the Institute appointed under section 406 a subcommittee on diabetes and endocrine and metabolic diseases, a subcommittee on digestive diseases and nutrition, and a subcommittee on kidney, urologic, and hematologic diseases. The subcommittees shall be composed of members of the advisory council who are outstanding in the diagnosis, prevention, and treatment of the diseases for which the subcommittees are established and members of the advisory council who are leaders in the fields of education and public affairs. The subcommittees are authorized to review applications made to the Director for grants for research and training projects relating to the diagnosis, prevention, and treatment of the diseases for which the subcommittees are established and shall recommend to the advisory council those applications and contracts that the subcommittees determine will best carry out the purposes of the Institute. The subcommittees shall also review and evaluate the diabetes and endocrine and metabolic diseases, digestive diseases and nutrition, and kidney, urologic, and hematologic diseases programs of the Institute and recommend to the advisory council such changes in the administration of such programs as the subcommittees determine are necessary.

"BIENNIAL REPORT

"SEC. 433. The Director of the Institute shall prepare for inclusion in the biennial report made under section 403 a description of the Institute's activities—

"(1) under the current diabetes plan under the National Diabetes Mellitus Research and Education Act, and

"(2) under the current digestive diseases plan formulated under the Arthritis, Diabetes, and Digestive Diseases Amendments of 1976.

The description submitted by the Director shall include an evaluation of the activities of the centers supported under section 431.

SUBPART 4—NATIONAL INSTITUTE OF ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES

"PURPOSES OF THE INSTITUTE

"SEC. 435. (a) The general purpose of the National Institute of Arthritis and Musculoskeletal and Skin Diseases (hereinafter in this subpart referred to as the 'Institute') is the conduct and support of research and training, the dissemination of health information, and related programs with respect to arthritis and musculoskeletal and skin diseases, including sports-related disorders.

"(b)(1) The Director of the Institute, with the advice of the Institute's advisory council, shall prepare and transmit to the Director of the National Institutes of Health a plan for a national arthritis and musculoskeletal diseases program to expand, intensify, and coordinate the activities of the Institute respecting arthritis and musculoskeletal diseases. The program shall be coordinated with the other national research institutes of the National Institutes of Health to the extent that such institutes have responsibilities respecting arthritis and musculoskeletal diseases, and shall, at least, provide for—

"(A) investigation into the epidemiology, etiology, and prevention of all forms of arthritis and musculoskeletal diseases, including sports-related disorders, primarily through the support of basic research in such areas as immunology, genetics, biochemistry, microbiology, physiology, bioengineering, and any other scientific discipline which can contribute important knowledge to the treatment and understanding of arthritis and musculoskeletal diseases;

"(B) research into the development, trial, and evaluation of techniques, drugs, and devices used in the diagnosis, treatment, including medical rehabilitation and prevention of arthritis and musculoskeletal diseases;

"(C) research on the refinement, development, and evaluation of technological devices that will replace or be a substitute for damaged bone, muscle, and joints and other supporting structures; and

"(D) the establishment of mechanisms to monitor the causes of athletic injuries and identify ways of preventing such injuries on scholastic athletic fields.

"(2) The plan transmitted pursuant to paragraph (1) shall include such comments and recommendations as the Director of the Institute determines appropriate.

"(3) The Director of the Institute shall carry out the national arthritis and musculoskeletal diseases program in accordance with the plan prepared under paragraph (1). The Director of the Institute shall periodically review and revise such plan, shall transmit any revisions of such plan to the Director of NIH, and shall carry out the national arthritis and musculoskeletal diseases program in accordance with such revisions.

"(c) The Director of the Institute shall—

"(1) carry out programs of support for research and training (other than training for which National Research Service Awards may be made under section 485) in the diagnosis, prevention, and treatment of arthritis and musculoskeletal and skin diseases, including support for training in medical schools, graduate clinical training, graduate training in epidemiology, epidemiology studies, clinical trials, and interdisciplinary research programs; and

"(2) establish programs of evaluation, planning, and dissemination of knowledge related to such research and training.

"INFORMATION CLEARINGHOUSE AND DATA SYSTEM

"SEC. 436. (a) The Director of the Institute shall establish the National Arthritis and Musculoskeletal and Skin Diseases Data System for the collection, storage, analysis, retrieval, and dissemination of data derived from patient populations with arthritis and musculoskeletal and skin diseases, including where possible, data involving general populations for the purpose of detection of individuals with a risk of developing arthritis and musculoskeletal and skin diseases.

"(b) The Director of the Institute shall establish the National Arthritis and Musculoskeletal and Skin Diseases Information Clearinghouse to facilitate and enhance, through the effective dissemination of information, knowledge and understanding of arthritis and musculoskeletal and skin diseases by health professionals, patients, and the public.

"INTERAGENCY COORDINATING COMMITTEES

"SEC. 437. (a) For the purpose of—

"(1) better coordination of the research activities of all the national research institutes relating to arthritis, musculoskeletal diseases, and skin diseases, including sports-related disorders; and

"(2) coordinating the aspects of all Federal health programs and activities relating to arthritis, musculoskeletal diseases, and skin diseases in order to assure the adequacy and technical soundness of such programs and activities and in order to provide for the full communication and exchange of information necessary to maintain adequate coordination of such programs and activities.

the Secretary shall establish an Arthritis and Musculoskeletal Diseases Interagency Coordinating Committee and a Skin Diseases Interagency Coordinating Committee (hereafter in this section individually referred to as a 'Committee').

"(b) Each Committee shall be composed of the Directors (or their designees) of each of the national research institutes and divisions involved in research regarding the diseases with respect to which the Committee is established, the Chief Medical Director of the Veterans' Administration (or the Director's designee), a Medical officer designated by the Secretary of Defense, and representatives of all other Federal departments and agencies (as determined by the Secretary) whose programs involve health functions or responsibilities relevant to arthritis and musculoskeletal diseases or skin diseases, as the case may be. Each Committee shall be chaired by the Director of NIH (or the Director's designee). Each Committee shall meet at the call of the Chairman, but not less often than four times a year.

"(c) Not later than one hundred and twenty days after the end of each fiscal year, each Committee shall prepare and transmit to the Secretary, the Director of NIH, the Director of the Institute, and the Advisory Council a report detailing the activities of the Committee in such fiscal year in carrying out paragraphs (1) and (2) of subsection (a).

"ARTHRITIS AND MUSCULOSKELETAL DISEASES DEMONSTRATION PROJECTS

"SEC. 438. (a) The Secretary may make grants to public and private nonprofit entities to establish and support projects for the development and demonstration of methods for screening, detection, and referral for treatment of arthritis and musculoskeletal diseases, and for the dissemination of information on such methods to the health and

allied health professions. Activities under such projects shall be coordinated with Federal, State, local, and regional health agencies, centers assisted under section 439, and the data system established under subsection (c).

"(b) Projects supported under this section shall include—

"(1) programs which emphasize the development and demonstration of new and improved methods of screening and early detection, referral for treatment, and diagnosis of individuals with a risk of developing arthritis and musculoskeletal diseases;

"(2) programs which emphasize the development and demonstration of new and improved methods for patient referral from local hospitals and physicians to appropriate centers for early diagnosis and treatment;

"(3) programs which emphasize the development and demonstration of new and improved means of standardizing patient data and recordkeeping;

"(4) programs which emphasize the development and demonstration of new and improved methods of dissemination of knowledge about the programs, methods, and means referred to in paragraphs (1), (2), and (3) of this subsection to health and allied health professionals;

"(5) programs which emphasize the development and demonstration of new and improved methods for the dissemination to the general public of information—

"(A) on the importance of early detection of arthritis and musculoskeletal diseases, of seeking prompt treatment, and of following an appropriate regimen; and

"(B) to discourage the promotion and use of unapproved and ineffective diagnostic, preventive treatment, and control methods for arthritis and unapproved and ineffective drugs and devices for arthritis and musculoskeletal diseases; and

"(6) projects for investigation into the epidemiology of all forms and aspects of arthritis and musculoskeletal diseases, including investigations into the social, environmental, behavioral, nutritional, and genetic determinants and influences involved in the epidemiology of arthritis and musculoskeletal diseases.

"(c) The Director shall provide for the standardization of patient data and recordkeeping for the collection, storage, analysis, retrieval, and dissemination of such data in cooperation with projects under this section and centers assisted under section 439, and other persons engaged in arthritis and musculoskeletal disease programs.

"MULTIPURPOSE ARTHRITIS AND MUSCULOSKELETAL DISEASES CENTERS

"SEC. 439. (a) The Director of the Institute shall, after consultation with the advisory council to the Institute, provide for the development, modernization, and operation (including staffing and other operating costs such as the costs of patient care required for research) of new and existing centers for arthritis and musculoskeletal diseases. For purposes of this section, the term 'modernization' means the alteration remodeling, improvement, expansion, and repair of existing buildings and the provision of equipment for such buildings to the extent necessary to make them suitable for use as centers described in the preceding sentence.

"(b) Each center assisted under this section shall—

"(1)(A) use the facilities of a single institution or a consortium of cooperating institutions, and (B) meet such qualifications as may be prescribed by the Secretary; and

"(2) conduct—

"(A) basic and clinical research into the cause, diagnosis, early detection, prevention, control, and treatment of arthritis and musculoskeletal diseases and complications resulting from arthritis and musculoskeletal diseases, including research into implantable biomaterials and biomechanical and other orthopedic procedures;

"(B) training programs for physicians, scientists, and other health and allied health professionals;

"(C) information and continuing education programs for physicians and other health and allied health professionals who provide care for patients with arthritis and musculoskeletal diseases; and

"(D) programs for the dissemination to the general public of information—

"(i) on the importance of early detection of arthritis and musculoskeletal diseases, of seeking prompt treatment, and of following an appropriate regimen; and

"(ii) to discourage the promotion and use of unapproved and ineffective diagnostic, preventive, treatment, and control methods and unapproved and ineffective drugs and devices.

A center may use funds provided under subsection (a) to provide stipends for health professionals enrolled in training programs described in paragraph (2)(B).

"(c) Each center assisted under this section may conduct programs to—

"(1) establish the effectiveness of new and improved methods of detection, referral, and diagnosis of individuals with a risk of developing arthritis and musculoskeletal diseases;

"(2) disseminate the results of research, screening, and other activities, and develop means of standardizing patient data and recordkeeping; and

"(3) develop community consultative services to facilitate the referral of patients to centers for treatment.

"(d) The Director of the Institute shall, insofar as practicable, provide for an equitable geographical distribution of centers assisted under this section. The Director shall give appropriate consideration to the need for centers especially suited to meeting the needs of children affected by arthritis and musculoskeletal diseases.

"(e) Support of a center under this section may be for a period of not to exceed five years. Such period may be extended by the Director of the Institute for one or more additional periods of not more than five years if the operations of such Center have been reviewed by an appropriate scientific review group established by the Director and such scientific review group has recommended to the Director that support of such center under this section should be extended.

"ADVISORY BOARD

"SEC. 440. (a) The Secretary shall establish in the Institute the National Arthritis Advisory Board (hereinafter in this section referred to as the "Advisory Board").

"(b) The Advisory Board shall be composed of eighteen appointed members and nonvoting, ex officio members as follows:

"(1) The Secretary shall appoint—

"(A) twelve members from individuals who are scientists, physicians, and other health professionals, who are not officers or employees of the United States, and who represent the specialties and disciplines relevant to arthritis, musculoskeletal diseases, and skin diseases; and

"(B) six members from the general public who are knowledgeable with respect to such diseases, including at least one member who is a person who suffers from such a disease and one member who is a parent of a person who suffers from such a disease.

Of the appointed members at least five shall by virtue of training or experience be knowledgeable in health education, nursing, data systems, public information, or community program development.

"(2) The following shall be ex officio members of the Advisory Board: The assistant Secretary for Health, the Director of NIH, the Director of the National Institute of Arthritis and Musculoskeletal Diseases, the Director of the Centers for Disease Control, the chief medical director of the Veterans' Administration, the Assistant Secretary for Health Affairs of the Department of Defense (or the designees of such ex officio members), such other officers and employees of the United States as the Secretary deems necessary for the Advisory Board to carry out its functions.

"(c) Members of the Advisory Board who are officers or employees of the Federal Government shall serve as members of the Advisory Board without compensation in addition to that received in their regular public employment. Other members of the Board shall receive compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule for each day (including traveltime) they are engaged in the performance of their duties as members of the Board.

"(d) The term of office of an appointed member of the Advisory Board is three years. Any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term. A member may serve after the expiration of the member's term until a successor has taken office. If a vacancy occurs in the Advisory Board, the Secretary shall make an appointment to fill the vacancy not later than ninety days from the date the vacancy occurred.

"(e) The members of the Advisory Board shall select a chairman from among the appointed members.

"(f) The Secretary shall, after consultation with a consideration of the recommendations of the Advisory Board, provide the Advisory Board with an executive director and one other professional staff member. In addition, the Secretary shall, after consultation with and consideration of the recommendations of the Advisory Board, provide the Advisory Board with such additional professional staff members, such clerical staff members, and (through contracts or other arrangements) with such administrative support services and facilities, such information, and such services of consultants, as the Secretary determines are necessary for the Advisory Board to carry out its functions.

"(g) The Advisory Board shall meet at the call of the chairman or upon request of the Director of the Institute, but not less often than four times a year.

"(h) The Advisory Board shall—

"(1) review and evaluate the implementation of the plan under section 435 and periodically update the plan to ensure its continuing relevance;

"(2) for the purpose of assuring the most effective use and organization of resources respecting arthritis, musculoskeletal diseases and skin diseases, advise and make recommendations to the Congress, the Secretary, the Director of NIH, the Director of the Institute, and heads of other appropriate Federal agencies for the implementation and revision of such plan; and

"(3) maintain liaison with other advisory bodies for Federal agencies involved in the implementation of such plan, the coordinating committee for such diseases, and with key non-federal entities involved in activities affecting the control of such diseases.

"(i) In carrying out its functions, the Advisory Board may establish subcommittees, convene workshops and conferences, and collect data. Such subcommittees may be composed of Advisory Board members and nonmember consultants with expertise in the particular area addressed by such subcommittees. The subcommittees may hold such meetings as are necessary to enable them to carry out their activities.

"(j) The Advisory Board shall prepare an annual report for the Secretary which—

"(1) describes the Advisory Board's activities in the fiscal year for which the report is made;

"(2) describes and evaluates the progress made in such year in research, treatment, education, and training with respect to arthritis, musculoskeletal diseases, and skin diseases;

"(3) summarizes and analyzes expenditures made by the Federal Government for activities respecting such diseases in the fiscal year for which the report is made; and

"(4) contains the Advisory Board's recommendations (if any) for changes in the plan referred to in subsection (h)(1).

"(k) The National Arthritis Advisory Board in existence on the date of the enactment of the Health Research Extension Act of 1984 shall terminate not later than ninety days after such date. The Secretary shall make appointments to the Advisory Board established under subsection (a) before the expiration of such days. The member of the Board in existence on such date may be appointed, in accordance with subsections (b) and (d), to the Board established under subsection (a).

"SUBPART 5—NATIONAL INSTITUTE ON AGING

"PURPOSE OF THE INSTITUTE

"SEC. 442. The general purpose of the National Institute on Aging (hereinafter in this subpart referred to as the 'Institute') is the conduct and support of biomedical, social, and behavioral research, training, health information dissemination, and related programs with respect to the aging process and the diseases and other special problems and needs of the aged.

"SPECIAL FUNCTIONS OF THE SECRETARY

"SEC. 443. (a) In carrying out the training responsibilities under this Act or any other Act for health and allied health professions personnel, the Secretary shall take appropriate steps to insure the education and training of adequate numbers of allied health, nursing, and paramedical personnel in the field of health care for the aged.

"(b) The Secretary shall, through the Director of the Institute, conduct scientific studies to measure the impact on the biological, medical, and psychological aspects of aging of programs and activities assisted or conducted by the Department of Health and Human Services.

"(c) The Director of the Institute shall carry out public information and education programs designed to disseminate as widely as possible the findings of Institute-sponsored and other relevant aging research and studies and other information about the process of aging which may assist elderly and near-elderly persons in dealing with, and all Americans in understanding, the problems and processes associated with growing older.

"(d) The Secretary shall make grants to public and private nonprofit institutions to conduct research relating to Alzheimer's Disease.

"ALZHEIMER'S DISEASE CENTERS

"SEC. 444. (a) The Director of the Institute may provide, in accordance with subsection (b), for the development centers for basic and clinicial research into, training in, and demonstration of, advanced diagnostic, prevention, and treatment methods for Alzheimer's Disease.

"(b) The Director of the Institute, under policies established by the Director of NIH and after consultation with the advisory council to the Institute, may enter into cooperative agreements with public or nonprofit private agencies or institutions to pay all or part of the cost of plannning, establishing, or strengthening, and providing basic operating support for existing or new centers for basic or clinical research into, training in, and demonstration of advanced diagnostic, prevention, and treatment methods for Alzheimer's Disease. Funds paid to centers under cooperative agreements under this subsection may be used for—

"(1) construction (notwithstanding any limitation under section 494),

"(2) staffing and other basic operating costs, including such patient care costs as are required for research,

"(3) training, including training for allied health professions personnel, and

"(4) demonstration purposes.

Support of a center under this subsection may be for a period of not to exceed five years and such period may be extended by the Director for additional periods of not more than five years each after review of the operations of such center by an appropriate scientific review group established by the director.

"(c) As used in this section, the term 'construction' does not include the acquisition of land; and the term 'training' does not include research training for which fellowship support may be provided under section 485.

"SUBPART 6—NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

"PURPOSE OF THE INSTITUTE

"SEC. 446. The general purpose of the National Institute of Allergy and Infectious Diseases is the conduct and support of research, training, health information dissemination, and related programs with respect to allergic and immunologic diseases and disorders and infectious diseases.

"SUBPART 7—NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

"PURPOSE OF THE INSTITUTE

"SEC. 448. The general purpose of the National Institute of Child Health and Human Development (hereinafter in this subpart referred to as the 'Institute') is the conduct and support of research, training, health information dissemination, and related programs with respect to maternal health, child health, mental retardation, human growth and development, including prenatal development, and special health problems and requirements of mothers and children.

"SUDDEN INFANT DEATH SYNDROME

"SEC. 449. The Secretary shall, through the Director of the Institute, conduct and support research which specifically relates to sudden infant death syndrome.

"MENTAL RETARDATION RESEARCH CENTERS

"SEC. 450. The Secretary shall, through the Director of the Institute, make grants for research and related activities into the cause, prevention, and treatment of mental retardation.

"ASSOCIATE DIRECTOR FOR PREVENTION

"SEC. 451. (a)(1) There shall be in the Institute an Associate Director for Prevention to coordinate and promote the programs in the Institute in the prevention of health problems of mothers and children. The Associate Director shall be appointed by the Director of the Institute from individuals who because of their professional training or experience are experts in public health or preventive medicine.

"(2) The Associate Director for Prevention shall prepare for inclusion in the biennial report made under section 407 a description of the prevention activities of the Institute, including a description of the staff and resources allocated to those activities.

"SUBPART 8—NATIONAL INSTITUTE OF DENTAL RESEARCH

"PURPOSE OF INSTITUTE

"SEC. 453. The general purpose of the National Institute of Dental Research is the conduct and support of research, training, health information dissemination, and related programs with respect to the cause, prevention, and methods of diagnosis and treatment of dental diseases and conditions.

"SUBPART 9—NATIONAL EYE INSTITUTE

"PURPOSE OF INSTITUTE

"SEC. 445. The general purpose of the National Eye Institute (hereinafter in this subpart referred to as the 'Institute') is the conduct and support of research, training, health information dissemination, and related programs with respect to blinding eye diseases, visual disorders, mechanisms of visual function, preservation of sight, and the special health problems and requirements of the blind. The Secretary may, through the Director of the Institute, carry out a program of grants for public and private nonprofit vision research facilities.

"SUBPART 10—NATIONAL INSTITUTE OF NEUROLOGICAL AND COMMUNICATIVE DISORDERS AND STROKE

"PURPOSE OF THE INSTITUTE

"SEC. 457. The general purpose of the National Institute of Neurological and Communicative Disorders and Stroke is the conduct and support of research, training, health information dissemination, and related programs with respect to neurological disease and disorder, stroke, and disorders of human communication.

"SPINAL CORD REGENERATION RESEARCH

"SEC. 458. The Director of the Institute shall make grants or enter into contracts for research on the means to overcome paralysis of the extremities through electrical stimulation and the use of computers.

"SUBPART 11—NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

"PURPOSE OF THE INSTITUTE

"SEC. 461. The general purpose of the National Institute of General Medical Sciences is the conduct and support of research, training, and, as appropriate, health information dissemination, and related programs with respect to general or basic medical sciences and related natural or behavioral sciences which have significance for two or more other national research institutes or are outside the general area of responsibility of any other national research institute.

"SUBPART 12—NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

"PURPOSE OF THE INSTITUTE

"SEC. 463. The general purpose of the National Institute of Environmental Health Sciences is the conduct and support of research, training, health information dissemination, and related programs with respect to factors in the environment that affect human health, directly or indirectly.

"SUBPART 13—NATIONAL INSTITUTE OF NURSING

"PURPOSE OF THE INSTITUTE

"SEC. 465. The general purpose of the National Institute of Nursing (hereinafter in this subpart referred to as the 'Institute') is the conduct and support of, and dissemination of information respecting, basic and clinical research, training, and related programs in nursing.

"SPECIFIC AUTHORITIES

"SEC. 466. (a) The Chief Nursing Officer of the Veteran's Administration and the Director of the Division of Nursing of the Health Resources and Services Administration shall be ex officio members of the advisory council to the Institute appointed under section 406. Of the members appointed to the advisory council under section 406(b)(1)(A), seven shall be professional nurses who are recognized experts in the area of clinical practice, education, or research.

"(b) To carry out section 465, the Director of the Institute, may provide research training and instruction and establish research traineeships and fellowships, in the Institute and other nonprofit institutions, in the study and investigation of the prevention of disease, health promotion, and the nursing care of individuals with and the families of individuals with acute and chronic illnesses. The Director of the Institute may provide individuals receiving such training and instruction or such traineeships or fellowships with such stipends and allowances (including amounts for travel and subsistence and dependency allowances) as the Director deems necessary. The Director may make grants to nonprofit institutions to provide such training and instruction and traineeships and fellowships.

"PART D—NATIONAL LIBRARY OF MEDICINE

"SUBPART 1—GENERAL PROVISIONS

"FUNCTIONS OF THE NATIONAL LIBRARY OF MEDICINE

"SEC. 468. (a) The Secretary, through the National Library of Medicine (hereinafter referred to in this part as the 'Library') and subject to the provisions of subsection (c), shall—

"(1) acquire and preserve books, periodicals, prints, films, recordings, and other library materials, pertinent to medicine;

"(2) organize the materials specified in paragraph (1) by appropriate cataloging, indexing, and bibliographical listing;

"(3) publish and make available the catalogs, indexes, and bibliographies referred to in paragraph (2);

"(4) make available, through loans, photographic or other copying procedures or otherwise, such materials in the Library as the Secretary deems appropriate;

"(5) provide reference and research assistance; and

"(6) engage in such other activities as he deems appropriate and as the Library's resources permit.

"(b) The Secretary may exchange, destroy, or otherwise dispose of any books, periodicals, films, and other library materials not needed for the permanent use of the Library.

"(c)(1) The Secretary may, after obtaining the advice and recommendations of the Board of Regents, prescribe rules under which the Library will—

"(A) provide copies of its publications or materials,

"(B) will make available its facilities for research, or

"(C) will make available its bibliographic, reference, or other services,

to public and private entities and individuals.

"(2) Rules prescribed under paragraph (1) may provide for making available such publications, materials, facilities, or services—

"(A) without charge as a public service,

"(B) upon a loan, exchange, or charge basis, or

"(C) in appropriate circumstances, under contract arrangements made with a public or other nonprofit entity.

"(d) Whenever the Secretary, with the advice of the Board of Regents, determines that—

"(1) in any geographic area of the United States there is no regional medical library adequate to serve such area;

"(2) under criteria prescribed for the administration of section 478, there is a need for a regional medical library to serve such area; and

"(3) because there is located in such area no medical library which, with financial assistance under section 478, can feasibly be developed into a regional medical library adequate to serve such area,

the Secretary is authorized to establish, as a branch of the Library, a regional medical library to serve the needs of such area.

"(e) The provisions of section 2101 shall be applicable to the acceptance and administration of gifts made for the benefit of the Library or for carrying out any of its functions, and the Board of Regents shall make recommendations to the Secretary relating to establishment within the Library of suitable memorials to the donors.

"(f) For purposes of this part the terms 'medicine' and 'medical', except when used in section 469, include preventive and therapeutic medicine, dentistry, pharmacy, hospitalization, nursing, public health, and the fundamental sciences related thereto, and other related fields of study, research, or activity.

"BOARD OF REGENTS

"SEC. 469. (a) The Board of Regents of the National Library of Medicine consists of the Surgeons General of the Public Health Service, the Amry, the Navy, and the Air Force, the Chief Medical Director of the Department of Medicine and Surgery of the Veterans' Adminisration, the Assistant Director for Biological and Medical Sciences of the National Science Foundation, and the Librarian of Congress, all of whom shall be ex officio members and ten members appointed by the Secretary. The ten appointed members are selected from among leaders in the various fields of the fundamental sciences, medicine, dentistry, public health, hospital administration, pharmacology, or scientific or medical library work, or in public affairs. At least six of the appointed members are selected from among leaders in the fields of medical, dental, or public health research or education. The Board shall annually elect one of the appointed members to serve as Chairman until the next election. The Secretary shall designate a member of the Library staff to act as executive secretary of the Board.

"(b) The Board shall advise, consult with, and make recommendations to, the Secretary on matters of policy in regard to the Library, including such matters as the acquisition of materials for the Library, the scope, content, and organization of the Library's servies, and the rules under which its materials, publications, facilities, and services shall be made available to various kinds of users. The Secretary shall include in the annual report of the Secretary to the Congress a statement covering the recommendations made by the Board and the disposition thereof. The Secretary may use the services of any member of the Board in connection with matters related to the work of the Library, for such periods, in addition to conference periods, as the Secretary may determine.

"(c) Each appointed member of the Board shall hold office for a term of four years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. None of the appointed members shall be eligible for reappointment within one year after the end of his preceding term.

"(d)(1) Each member of the Board who is not an officer or employee of the United States shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day (including traveltime) during which such member is engaged in the actual performance of duties as a member of the Task Force. Each member of the Board who is an officer or employee of the United States shall receive no additional compensation.

"(2) While away from their homes or regular places of business in the performance of duties for the Board, all members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under sections 5702 and 5703 of title 5, United States Code.

"LIBRARY FACILITIES

"SEC. 470. There are authorized to be appropriated sums sufficient for the erection and equipment of suitable and adequate buildings and facilities for use of the Library. The Administrator of General Services is authorized to acquire, by purchase, condemnation, donation, or otherwise, a suitable site or sites, selected by the Secretary in accordance with the direction of the Board, for such buildings and facilities and to erect thereon, furnish, and equip such buildings and facilities. The sums authorized to be appropriated by this section shall include the cost of preparation of drawings and specifications, supervision of construction, and other administrative expenses incident to the work. The Administrator of General Services shall prepare the plans and specifications, make all necessary contracts, and supervise construction.

"SUBPART 2—FINANCIAL ASSISTANCE

"AUTHORIZATION OF APPROPRIATIONS

SEC. 472. For the purpose of grants and contracts under sections 475, 476, 477, 478, and 479, there are authorized to be appropriated $11,000,000 for fiscal year 1985 and $12,000,000 for fiscal year 1986. Funds appropriated under this section shall remain available for such purposes for the fiscal year immediately following the fiscal year for which they were appropriated.

"DEFINITIONS

"SEC. 473. As used in this subpart—

"(1) the term "sciences related to health" includes medicine, osteopathy, dentistry, and public health, and fundamental and applied sciences when related thereto;

"(2) the terms "National Medical Libraries Assistance Advisory Board" and "Board" mean the Board of Regents of the National Library of Medicine established under section 469(a); and

"(3) the term "medical library" means a library related to the sciences related to health.

"NATIONAL MEDICAL LIBRARIES BOARD

"SEC. 474. (a) The Board of Regents of the National Library of Medicine shall also serve as the National Medical Libraries Assistance Advisory Board (hereinafter in this subpart referred to as the 'Board').

"(b) The Board shall advise and assist the Secretary in the preparation of general regulations and with respect to policy matters arising in the administration of this subpart.

"(c) The Secretary is authorized to use the services of any member of the Board, in connection with matters related to the administration of this part for such periods, in addition to conference periods, as the Secretary may determine.

"(d) Appointed members of the Board who are not otherwise in the employ of the United States, while attending conferences of the Board or otherwise serving at the request of the Secretary in connection with the administration of this part, shall be entitled to receive compensation, per diem in lieu of subsistence, and travel expenses in the same manner and under the same conditions as that prescribed under section 469(d) when attending conferences, traveling, or serving at the request of the Secretary in connection with the Board's function under this section.

"GRANTS FOR TRAINING IN MEDICAL SCIENCES

"SEC. 475. (a) The Secretary shall make grants—

"(1) to individuals to enable them to accept traineeships and fellowships leading to postbaccalaureate academic degrees in the field of medical library science, in related fields pertaining to sciences related to health, or in the field of the communication of information;

"(2) to individuals who are librarians or specialists in information on sciences relating to health, to enable them to undergo intensive training or retraining so as to attain greater competence in their occupations (including competence in the fields of automatic data processing and retrieval);

"(3) to assist appropriate public and private nonprofit institutions in developing, expanding, and improving training programs in library science and the field of communications of information pertaining to sciences relating to health; and

"(4) to assist in the establishment of internship programs in established medical libraries meeting standards which the Secretary shall prescribe.

"(b) Payment pursuant to grants made under this section may be made in advance or by way of reimbursement and in such installments as the Secretary shall prescribe by regulations after consultation with the Board.

"ASSISTANCE FOR SPECIAL SCIENTIFIC PROJECTS, AND FOR RESEARCH AND DEVELOPMENT IN MEDICAL LIBRARY SCIENCE AND RELATED FIELD

"SEC. 476. (a) The Secretary shall make grants to physicians and other practitioners in the sciences related to health, to scientists, and to public or nonprofit private institutions on behalf of such physicians, other practitioners, and scientists for the compilation of existing, or writing or original, contributions relating to scientific, social, or cultural, advancements in sciences related to health. In making such grants, the Secretary shall make appropriate arrangements under which the facilities of the National Library of Medicine and the facilities of the National Library of Medicine and the facilities of libraries of public and private nonprofit institutions of higher learning may be made available in connection with the projects for which such grants are made.

"(b) The Secretary shall make grants to appropriate public or private nonprofit institutions and enter into contracts with appropriate persons, for purposes or carrying out projects of research, investigations, and demonstrations in the field of medical library science and related activities and for the development of new techniques, systems, and equipment, for processing, storing, retieving, and distributing information pertaining to science related to health.

"(c) Payment pursuant to grants made under this section may be in advance or by way of reimbursement and in such installments as the Secretary shall prescribe by regulations after consultation with the Board.

"GRANTS FOR ESTABLISING, EXPANDING, AND IMPROVING THE BASIC RESOURCES OF MEDICAL LIBRARIES AND RELATED INSTRUMENTALITIES

"SEC. 477. (a) The Secretary shall make grants of money, materials, or both, to public or private nonprofit medical libraries and related scientific communication instrumentalities for the purpose of establishing, expanding and improving their basic medical library or related resouces. The uses for which grants so made may be employed include (1) the acquisition of books, journals, photographs, motion picture and other films, and other similar materials, (2) cataloging, binding, and other services and procedures for processing library resource materials for use by those who are serviced by the library or related instrumentality, and (3) the acquisition of duplication devices, facsimile equipment, film projectors, recording equipment, and other equipment to facilitate the use of the resources of the library or related instrumentality by those who are served by it, and (4) the introduction of new technologies in medical librarianship.

"(b)(1) The amount of any grant under this section to any medical library or related instrumentality shall be determined by the Secretary on the basis of the scope of library or related services provided by such library or instrumentality in relation to the population and purposes served by it. In making a detemination of the scope of services served by any medical library or related instrumentality, the Secretary shall take into account—

"(A) the number of graduate and undergraduate students making use of the resources of such library or instrumentality;

"(B) the number of physicians and other practitioners in the sciences related to health utilizing the resources of such library or instrumentality;

"(C) the type of supportive staffs, if any, available to such library or instrumentality;

"(D) the type, size, and qualifications of the faculty of any school with which such library or instrumentality is affiliated;

"(E) the staff of any hospital or hospitals or of any clinic or clinics with which such library or instrumentality is affiliated; and

"(F) the geographic area served by such library instrumentality and the availability, within such area, of medical library or related services provided by other libraries or related instrumentalities.

"(2) In no case shall any grant under this section to a medical library or related instrumentality for any fiscal year exceed $200,000. Grants to such medical libraries or related instrumentalities shall be in such amounts as the Secretary may by regulation prescribe with a view to assuring adequate continuing financial support for such libraries or instrumentalities from other sources during and after the period for which Federal assistance is provided.

"(c) Payment pursuant to grants made under this section may be in advance or by way of reimbursement and in such installments as the Secretary shall prescribe by regulations after consultation with the Board.

"GRANTS AND CONTRACTS FOR ESTABLISHMENT OF REGIONAL MEDICAL LIBRARIES

"SEC. 478. (a) The Secretary, with the advice of the Board, shall make grants to and enter into contracts with existing public or private nonprofit medical libraries so as to enable each of them to serve as the regional medical library for the geographical area in which it is located.

"(b) The uses for which grants and contracts under this section may be employed include the—

"(1) acquisition of books, journals, and other similar materials;

"(2) cataloging, binding, and other procedures for processing library resource materials for use by those who are served by the library;

"(3) acquisition of duplicating devices and other equipment to facilitate the use of the resources of the library by those who are served by it;

"(4) acquisition of mechanisms and employment of personnel for the speedy transmission of materials from the regional library to local libraries in the geographic area served by the regional library; and

"(5) planning for services and activities under this section.

"(c)(1) Grants and contracts under this section shall only be made to or entered into with medical libraries which agree (A) to modify and increase their library resources, and to supplement the resources of cooperating libraries in the region, so as to be able to provide adequate supportive services to all libraries in the region as well as to individual users of library services, and (B) to provide free loan services to qualified users and make available photoduplicated or facsimile copies of biomedical materials which qualified requesters may retain.

"(2) The Secretary, in awarding grants and contracts under this section, shall give priority to medical libraries having the greatest potential of fulfilling the needs for regional medical libraries. In determining the priority to be assigned to any medical library, the Secretary shall consider—

"(A) the adequacy of the library (in terms of collections, personnel, equipment, and other facilities) as a basis for a regional medical library; and

"(B) the size and nature of the population to be served in the region in which the library is located.

"(d) Grants and contracts under this section for basic resource materials to a library may not exceed 50 per centum of the library's annual operating expense (exclusive of Federal financial assistance under this part) for the preceding year; or in case of the first year in which the library receives a grant under this section for basic resource materials, 50 per centum of its average

annual operating expenses over the past three years (or if it had been in operation for less than three years, its annual operating expenses determined by the Secretary in accordance with regulations).

"(e) Payment pursuant to grants made under this section may be made in advance or by way of reimbursement and in such installment as the Secretary shall prescribe by regulations after consultation with the Board.

"FINANCIAL SUPPORT OF BIOMEDICAL SCIENTIFIC PUBLICATIONS

"SEC. 479. (a) The Secretary, with the advice of the Board, shall make grants to, and enter into appropriate contracts with, public or private nonprofit institutions of higher education and individual scientists for the purpose of supporting biomedial scientific publications of a nonprofit nature and to procure the compilation, writing, editing, and publication of reviews, abstracts, indices, handbooks, bibliographies, and related matter pertaining to scientific works and scientific developments.

"(b) Grants under this section in support of any single periodical publication may not be made for more than three years, except in those cases in which the Secretary determines that further support is necessary to carry out the purposes of this section.

"(c) Payment pursuant to grants made under this section may be made in advance or by way of reimbursement and in such installments as the Secretary shall prescribe by regulations after consultation with the Board.

"RECORDS AND AUDIT

"SEC. 480. (a) Each recipient of a grant under this subpart shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant, the total cost of the project or undertaking in connection with which such grant is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

'(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients that are pertinent to any grant received under this subpart.

"PART E—OTHER AGENCIES OF NIH

"DIVISION OF RESEARCH RESOURCES

"SEC. 482. The general purposes of the Division of Research Resources is to strengthen and enhance the research environments of entities engaged in health-related research by developing and supporting essential research resources.

"JOHN E. FOGARTY INTERNATIONAL CENTER FOR ADVANCED STUDY IN THE HEALTH SCIENCES

"SEC. 483. The general purpose of the John E. Fogarty International Center for Advanced Study in the Health Sciences is to—

"(1) facilitate the assembly of scientists and others in the biomedical, behavioral, and related fields for discussion, study, and research relating to the development of health science internationally;

'(2) provide research programs, conferences, and seminars to further international cooperation and collaboration in the life sciences;

"(3) provide postdoctorate fellowships for research training in the United States and abroad and promote exchanges between the United States and other countries of senior scientists;

"(4) coordinate the activities of the National Institutes of Health concerned with the health sciences internationally; and

"(5) serve as the focus for foreign visitors to the National Institutes of Health.

"PART F—AWARDS AND TRAINING

"NATIONAL RESEARCH SERVICE AWARDS

"SEC. 485. (a)(1) The Secretary shall—

"(A) provide National Research Service Awards for—

"(i) biomedical and behavioral research at the National Institutes of Health and the Alochol, Drug Abuse, and Mental Health Administration in matters relating to the cause, diagnosis, prevention, and treatment of the diseases or other health problems to which the activities of the Institutes and Administration are directed,

"(ii) training at the National Institutes of Health and at the Administration of individuals to undertake such research,

"(iii) biomedical and behavioral research and health services research (including research in primary medical care) at public and nonprofit private entities, and

"(iv) pre-doctoral and post-doctoral training at public and private institutions of individuals to undertake biomedical and behavioral research, and

"(B) make grants to public and nonprofit private institutions to enable such institutions to make National Research Service Awards for research (and training to undertake biomedical and behavioral research) in the matters described in subparagraph (A)(1) to individuals selected by them.

A reference in this subsection to the National Institutes of Health or the Alcohol, Drug Abuse, and Mental Health Administration shall be considered to include the institutes, agencies, divisions, and bureaus included in the Institutes or under the Administration, as the case may be.

"(2) National Research Service Awards may not be used to support residency training of physicians and other health professionals.

"(3) In awarding National Research Service Awards under this section, the Secretary shall take account of the Nation's overall need for biomedical research personnel by giving special consideration to physicians who agree to undertake a minimum of two years of biomedical research.

"(b)(1) No National Research Service Award may be made by the Secretary to any individual unless—

"(A) the individual has submitted to the Secretary an application therefor and the Secretary has approved the application;

"(B) the individual provides, in such form and manner as the Secretary shall by regulation prescribe, assurances satisfactory to the Secretary that the individual will meet the service requirement of subsection (c)(1); and

"(C) in the case of a National Research Service Award for a purpose described in subsection (a)(1)(A)(iii), the individual has been sponsored (in such manner as the Secretary may by regulation require) by the institution at which the research or training under the award will be conducted.

An application for an award shall be in such form, submitted in such manner, and certain such information, as the Secretary may by regulation prescribe.

"(2) The making of grants under subsection (a)(1)(B) for National Research Service Awards shall be subject to review and approval by the appropriate advisory councils within the Department of Health and Human Services (A) whose activities relate to the research or training under the awards, or (B) for the entity at which such research or training will be conducted.

"(3) No grant may be made under subsection (a)(1)(B) unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary may by regulation prescribe. Subject to the provisions of this section (other than paragraph (1)), National Research Service Awards made under a grant under subsection (a)(1)(B) shall be made in accordance with such regulations as the Secretary shall prescribe.

"(4) The period of any National Research Service Awards made to any individual under subsection (a) may not exceed—

"(A) five years in the aggregate for predoctoral training, and

"(B) three years in the aggregate for postdoctoral training,

unless the Secretary for good cause shown waives the application of such limit to such individual.

"(5) National Research Service Awards shall provide for such stipends, tuition, fees, and allowances (including travel and subsistence expenses and dependency allowances), adjusted periodically to reflect increases in the cost of living, for the recipients of the awards as the Secretary may deem necessary. A National Research Service Award made to an individual for research or research training at a non-Federal public or nonprofit private institution shall also provide for payments to be made to the institution for the cost of support services (including the cost of faculty salaries, supplies, equipment, general research support, and related items) provided such individual by such institution. The amount of any such payments to any institution shall be determined by the Secretary and shall bear a direct relationship to the reasonable costs of the institution for establishing and maintaining the quality of its biomedical and behavioral research and training programs.

"(c)(1) Each individual who is awarded a National Research Service Award (other than an individual who is a pre-baccalaureate student who is awarded a National Research Service Award for research training) shall, in accordance with paragraph (3), engage in health research or teaching or any combination thereof which is in accordance with the usual patterns of academic employment, for a period computed in accordance with paragraph (2).

"(2) For each month for which an individual receives a National Research Service Award which is made for a period in excess of twelve months, such individual shall engage in one month of health research or teaching or any combination thereof which is in accordance with the usual patterns of academic employment.

"(3) The requirement of paragraph (1) shall be complied with by any individual to whom it applies within such reasonable period of time, after the completion of such individual's award, as the Secretary shall by regulation prescribe. The Secretary shall by regulation prescribe the type of research and teaching in which an individual may engage to comply with such requirement and such other requirements respecting research and teaching at the Secretary considers appropriate.

"(4)(A) If any individual to whom the requirement of paragraph (1) is applicable fails, within the period prescribed by paragraph (3), to comply with such requirements, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula—

$$A=\Phi(t-s/t)$$

in which 'A' is the amount the United States is entitled to recover; 'Φ' is the sum of the total amount paid under one or more National Research Service Awards to such individual; 't' is the total number of months in such individual's service obligation; and 's' is the number of months of such obligation served by him in accordance with paragraphs (1) and (2) of this subsection.

"(B) Any amount which the United States is entitled to recover under subparagraph (A) shall, within the three-year period beginning on the date the United States becomes entitled to recover such amount, be paid to the United States. Until any amount due the United States under subparagraph (A) on account of any National Research Service Award is paid, there shall accrue to the United States interest on such amount at a rate fixed by the Secretary of the Treasury after taking into consideration private consumer rates of interest prevailing on the date the United States becomes entitled to such amount.

"(5)(A) Any obligation of any individual under paragraph (3) shall be canceled upon the death of such individual.

"(B) The Secretary shall by regulation provide for the waiver or suspension of any such obligation applicable to any individual whenever compliance by such individual is impossible or would involve substantial hardship to such individual or would be against equity and good conscience.

"(d) There are authorized to be appropriated to make payments under National Research Service Awards and under grants for such awards $220,000,000 for fiscal year 1985 and $238,000,000 for fiscal year 1986. Of the sums appropriated under this subsection—

"(1) not less than 15 per centum shall be made available for payments under National Research Service Awards provided by the Secretary under subsection (a)(1)(A);

"(2) not less than 50 per centum shall be made available for grants under subsection (a)(1)(B) for National Research Service Awards;

"(3) one-half of one percentum shall be made available for payments under National Research Service Awards which (A) are made to individuals affiliated with entities which have received grants or contracts under section 780, 784, or 786, and (B) are for research in primary medical care; and one-half of one percentum shall be made available for payments under National Research Service Awards made for health services research by the National Center for Health Services Research under section 304(a)(3); and

"(4) not more than 4 per centum may be obligated for National Research Service Awards for periods of three months or less.

"VISITING SCIENTIST AWARDS

"SEC. 486. (a) The Secretary may make awards (hereinafter in this section referred to as 'Visiting Scientist Awards') to outstanding scientists who agree to serve as visiting scientists at institutions of postsecondary education which have significant enrollments of disadvantaged students. Visiting Scientists Awards shall be made by the Secretary to enable the faculty and students of such institutions to draw upon the special talents of scientists from other institutions for the purpose of receiving guidance, advice, and instruction with regard to research, teaching, and curriculum development in the biomedical and behavioral sciences and such other aspects of these sciences as the Secretary shall deem appropriate.

"(b) The amount of each Visiting Scientists Award shall include such sum as shall be commensurate with the salary or remuneration which the individual receiving the award would have been entitled to receive from the institution with which the individual has, or had, a permanent or immediately prior affiliation. Eligibility for and terms of Visiting Scientists Awards shall be determined in accordance with regulations the Secretary shall prescribe.

"STUDIES RESPECTING BIOMEDICAL AND BEHAVIORAL RESEARCH PERSONNEL

SEC. 487. (a) The Secretary shall, in accordance with subsection (b), arrange for the conduct of a continuing study to—

"(1) establish (A) the Nation's overall need for biomedical and behavioral research personnel, (B) the subject areas in which such personnel are needed and the number of such personnel needed in each such area, and (C) the kinds and extent of training which should be provided such personnel;

"(2) assess (A) current training programs available for the training of biomedical and behavioral research personnel which are conducted under this Act, at or through national research institutes under the National Institutes of Health and institutes under the Alcohol, Drug Abuse, and Mental Health Administration, and (B) other current training programs available for the training of such personnel;

"(3) identify the kinds of research positions availabe to and held by individuals completing such programs;

"(4) determine, to the extent feasible, whether the programs referred to in clause (B) of paragraph (2) would be adequate to meet the needs established under paragraph (1) if the programs referred to in clause (A) of paragraph (2) were terminated; and

"(5) determine what modifications in the programs referred to in paragraph (2) are required to meet the needs established under paragraph (1).

"(b)(1) The Secretary shall request the National Academy of Sciences to conduct the study required by subsection (a) under an arrangement under which the actual expenses incurred by such Academy in conducting such study will be paid by the Secretary. If the National Academy of Sciences is willing to do so, the Secretary shall enter into such an arrangement with such Academy for the conduct of such study.

"(2) If the National Academy of Sciences is unwilling to conduct such study under such an arrangement, then the Secretary shall enter into a similar arrangement with other appropriate nonprofit private groups or associations under which such groups or associations will conduct such study and prepare and submit the reports thereon as provided in subsection (c).

"(3) The National Academy of Sciences or other group or association conducting the study required by subsection (a) shall conduct such study in consultation with the Director of NIH.

"(c) A report on the results of such study shall be submitted by the Secretary to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate at least once every two years.

"PART G—GENERAL PROVISIONS

"INSTITUTIONAL REVIEW BOARDS; ETHICS GUIDANCE PROGRAM

"SEC. 489. (a) The Secretary shall by regulation require that each entity which applies for a grant, contract, or cooperative agreement under this Act for any project or program which involves the conduct of biomedical or behavioral research involving human subjects submit in or with its application for such grant, contract, or cooperative agreement assurances satisfactory to the Secretary that it has established (in accordance with regulations which the Secretary shall prescribe) a board (to be known as an 'Institutional Review Board') to review biomedical and behavioral research involving human subjects conducted at or supported by such entity in order to protect the rights of the human subjects of such research.

"(b) The Secretary shall—

"(1) establish a program within the Department under which requests for clarification and guidance with respect to ethical issues raised in connection with biomedical or behavioral research involving human subjects are responded to promptly and appropriately, and

"(2) a process for the prompt and appropriate response to information provided the Director of NIH respecting incidences of violations of the rights of human subjects of research for which funds have been made available under this Act. The process shall include procedures for the receiving of reports of such information from recipients of funds under this Act and taking appropriate action with respect to such violations.

"PEER REVIEW

"SEC. 490. (a)(1) The Secretary, after consultation with the Director of NIH, shall by regulation require appropriate technical and scientific peer review of—

"(A) applications made for grants and cooperative agreements under this Act for biomedical and behavioral research; and

"(B) biomedical and behavioral research and development contracts to be administered through the National Institutes of Health.

"(2) Regulations promulgated under paragraph (1) shall require that the review of grants, contracts, and cooperative agreements required by the regulations be conducted—

"(A) in a manner consistent with the system for scientific peer review applicable on the date of the enactment of the Health Research Extension Act of 1984 to grants under this Act for biomedical and behavioral research, and

"(B) to the extent practical, by peer review groups performing such review on or before such date.

"(3) The members of any peer review group established under such regulations shall be individuals who by virtue of their training or experience are eminently qualified to perform the review functions of the group and not more than one-fourth of the members of any peer review group established under such regulations shall be officers or employees of the United States.

"(b) The Director of NIH shall establish procedures for periodic, technical, and scientific peer review of research at the National Institutes of Health. Such procedures shall require that—

"(1) the reviewing entity be provided a written description of the research to be reviewed; and

"(2) the reviewing entity provide the advisory council of the national research institute involved with such description and the results of the review by the entity.

"PROTECTION AGAINST SCIENTIFIC FRAUD

"SEC. 491. (a) The Secretary shall by regulation require that each entity which applies for a grant, contract, or cooperative agreement under this Act for any project or program which involves the conduct of biomedical or behavioral research submit in or with its application for such grant, contract, or cooperative agreement assurances satisfactory to the Secretary that it—

"(1) has established (in accordance with regulations which the Secretary shall prescribe) an administrative process to review reports of scientific fraud in connection with biomedical and behavioral research conducted at or sponsored by such entity.

"(2) will report to the Secretary any investigation of alleged scientific fraud which appears substantial.

"(b) The Director of NIH shall establish a process for the prompt and appropriate response to information provided the Director of NIH respecting scientific fraud in connection with projects for which funds have been made available under this Act. The process shall include procedures for the receiving of reports of such information from recipients of funds under this Act and taking appropriate action with respect to such fraud.

"RESEARCH ON PUBLIC HEALTH EMERGENCIES

"SEC. 492. (a) If the Secretary determines, after consultation with the Director of NIH, the Commissioner of the Food and Drug Administration, or the Director of the Centers for Disease Control, that a disease or disorder constitutes a public health emergency, the Secretary, acting through the Director of NIH—

"(1) shall expedite the review by advisory councils under section 406 and by peer review groups under section 490 of applications for grants for research on such disease or disorder or proposals for contracts for such research;

"(2) shall exercise the authority in section 3709 of the Revised Statutes respecting public exigencies to waive the advertising requirements of such section in the case of proposals for contracts for such research;

"(3) may provide administrative supplemental increases in existing grants and contracts to support new research relevant to such disease or disorder; and

"(4) shall disseminate, to health professionals and the public, information on the cause, prevention, and treatment of such disease or disorder which information has been developed in research assisted under this section.

The amount of an increase in a grant or contract provided under paragraph (3) may not exceed one-half the original amount of the grant or contract.

"(b) Not later than ninety days after the expiration of a fiscal year the Secretary shall report to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate on actions taken under subsection (a) in such fiscal year.

"ANIMALS IN RESEARCH

"SEC. 493. (a) The Secretary, acting through the Director of NIH, shall establish guidelines for the following:

"(1) The proper care of animals to be used in biomedical and behavioral research.

"(2) The proper treatment of animals while being used in such research. Guidelines under this paragraph shall require—

"(A) the appropriate use of tranquilizers, analgesics, anesthetics, paralytics, and euthanasia for animals in such research; and

"(B) appropriate pre-surgical and post-surgical veterinary medical and nursing care for animals in such research.

Such guidelines shall not be construed to prescribe methods of research.

"(3) The organization and operation of animal care committees in accordance with subsection (b).

"(b)(1) Guidelines of the Secretary under subsection (a)(3) shall require animal care committees at each entity which conducts biomedical and behavioral research with funds provided under this Act (including the National Institutes of Health and the national research institute) to assure compliance with the guidelines established under subsection (a).

"(2) Each animal care committee shall be appointed by the chief executive officer of the entity for which the committee is established, shall be composed of not fewer than three members, and shall include at least one individual who has no association with such entity and at least one doctor of veterinary medicine.

"(3) Each animal care committee of a research entity shall—

"(A) review the care and treatment of animals in all animal study areas and facilities of the research entity at least semi-annually to evaluate compliance with applicable guidelines established under subsection (a) for appropriate animal care and treatment;

"(B) keep appropriate records of reviews conducted under subparagraph (A); and

"(C) for each review conducted under subparagraph (A), file with the Director of NIH at least annually (i) a certification that the review has been conducted, and (ii) reports of any violations of guidelines established under subsection (a) or assurances required by subsection (b) which were observed in such review and which have continued after notice by the committee to the research entity involved of the violations.

Reports filed under subparagraph (C) shall include any minority views filed by members of the committee.

"(c) The Director of NIH shall require each applicant for a grant, contract, or cooperative agreement involving research on animals administered by the National Institutes of Health or any national research institute to include in its application or contract proposal, submitted after the expiration of the twelve-month period beginning on the date of the enactment of this section—

"(1) assurances satisfactory to the Director of NIH that—

"(A) the applicant meets the requirements of the guidelines established under paragraphs (1) and (2) of subsection (a) and has an animal care committee which meets the requirements of subsection (b); and

"(B) scientists, animal technicians, and other personnel involved with animal care, treatment, and use by the applicant have available to them instruction or training in the humane practice of animal maintenance and experimentation, and the concept, availability, and use of research or testing methods that limit the use of animals or limit animal distress; and

"(2) a statement of the reasons for the use of animals in the research to be conducted with funds provided under such grant or contract.

Notwithstanding subsection (a)(2) of section 553 of title 5, United States Code, regulations under this subsection shall be promulgated in accordance with the notice and comment requirements of such section.

"(d) If the Director of NIH determines that—

"(1) the conditions of animal care, treatment, or use in an entity which is receiving a grant, contract, or cooperative agreement involving research on animals under this title do not meet applicable guidelines established under subsection (a),

"(2) the entity has been notified by the Director of NIH of such determination and has been given a reasonable opportunity to take corrective action, and

"(3) no action has been taken by the entity to correct such conditions,

the Director of NIH shall suspend or revoke such grant or contract under such conditions as the Director determines appropriate.

"(e) No guideline or regulation promulgated under subsection (a) or (c) may require a research entity to disclose trade secrets or commercial or financial information which is privileged or confidential.

"USE OF APPROPRIATIONS UNDER THIS TITLE

"SEC. 494. Appropriations to carry out the purpose of this title shall be available for the acquisition of land or the erection of buildings only if so specified. Such appropriations, unless otherwise expressly provided, may be expended in the District of Columbia for personal services, stenographic recording and translating services; by contract if deemed necessary, without regard to section 3709 of the Revised Statutes; travel expenses (including the expenses of attendance at meetings when specifically authorized by the Secretary); rental, supplies and equipment, purchase and exchange of medical books, books of reference, directories, periodicals, newspapers, and press clippings; purchase, operation, and maintenance of passenger motor vehicles; printing and binding (in addition to that otherwise provided by law); and for all other necessary expenses in carrying out the provisions of this title.

"GIFTS

"SEC. 495. The Secretary may, in accordance with section 2101, accept conditional gifts for the National Institutes of Health or a national research institute or for the acquisition of grounds or for the erection, equipment, or maintenance of facilities for the National Institutes of Health or a national research institute. Donations of $50,000 or over for the National Institutes of Health or a national research institute for carrying out the purpose of this title may be acknowledged by the establishment within the National Institutes of Health or institute of suitable memorials to the donors.

"FETAL RESEARCH

"SEC. 496. (a) The Secretary may not conduct or support any research or experimentation, in the United States or in any other country, on a nonviable living human fetus ex utero or a living human fetus ex utero for whom viability has not been ascertained unless the research or experimentation—

"(1) may enhance the well-being or meet the health needs of the fetus or enhance the probability of its survival to viability; or

"(2) will pose no added risk of suffering, injury, or death to the fetus and the purpose of the research or experimentation is the development or important biomedical knowl-

edge which cannot be obtained by other means.

"(b) In administering the regulations for the protection of human research subjects which—

"(1) apply to research conducted or supported by the Secretary,

"(2) involve living human fetuses in utero, and

"(3) are published in section 46.208 of part 46 of title 45 of the Code of Federal Regulations,

or any successor to such regulations, the Secretary shall require that the risk standard (published in section 46.102(g) of such part 46 or any successor to such regulations) be the same for fetuses which are intended to be aborted and fetuses which are intended to be carried to term.

"(c)(1) The Biomedical Ethics Advisory Committee appointed under section 381 shall conduct a study of the nature, advisability, and biomedical and ethical implications of exercising any waiver of the risk standard published in section 46.102(g) of such part 46 (or any successor to such regulations). The Committee shall complete the study and report its findings to the Biomedical Ethics Board established under section 381 not later than the expiration of thirty months after the date of the enactment of this Act. The report shall include the recommendations, if any, of the Committee on the advisability of the authority for such a waiver and the circumstances under which such a waiver might be granted. The Biomedical Ethics Board shall transmit the report to the Secretary, the Committee on Energy and Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate.

"(2) During the thirty-six-month period beginning on the date of the enactment of this section, the Secretary may not grant (under section 46.211 of part 45 of title 46 of the Code of Federal Regulations or any successor to such section) a modification or waiver for fetal research.

"(3) Effective October 31, 1987, paragraph (2) is repealed.

"CONSTRUCTION OF TITLE

"SEC. 497. This title shall not be construed as limiting (1) the functions or authority of the Secretary under section 301 or of any officer or agency of the United States, relating to the study, prevention, diagnosis, and treatment of any disease for which a separate national research institute is established under this title, or (2) the expenditure of any funds therefor."

CONFORMING AMENDMENTS

SEC. 3. (a) The National Advisory Health Council established under section 217 is terminated.

(b) Section 217(a) is amended—

(1) in the first sentence—

(A) by striking out "National Advisory Health Council, the National Advisory Mental Health Council, the National Advisory Council on Alcohol Abuse and Alcoholism, and the National Advisory Dental Research Council" and inserting in lieu thereof "National Advisory Mental Health Council and the National Advisory Council on Alcohol Abuse and Alcoholism"; and

(B) by striking out "by the Surgeon General with the approval of the Secretary of Health, Education, and Welfare" and inserting in lieu thereof "by the Secretary";

(2) in the second sentence—

(A) by striking out "in the case of the National Advisory Health Council, are skilled in the sciences related to health, and";

(B) by striking out "the National Advisory Mental Health Council, the National Advisory Council on Alcohol Abuse and Alcoholism, the National Advisory Health Council, and the National Advisory Dental Research Council" and inserting in lieu thereof "the National Advisory Mental Health Council and the National Advisory Council on Alcohol Abuse and Alcoholism"; and

(C) by striking out ", alcohol abuse and alcoholism, and dental diseases and conditions" and inserting in lieu thereof "and alcohol abuse and alcoholism"; and

(3) by striking out the third sentence.

(c) Subsection (b) of section 217 is repealed and subsections (c) through (e) and subsection (g) are redesignated as subsections (b) through (e), respectively.

(d) Section 222(c) is amended to read as follows:

"(c) Upon appointment of any such council or committee, the Secretary may delegate to such council or committee such advisory functions relating to grants-in-aid for research or training projects or programs, in the areas or fields with which such council or committee is concerned, as the Secretary determines to be appropriate.".

(e) Section 301(a) is amended—

(1) in paragraph (3), by striking out "as are recommended" through "for such fiscal year" and inserting in lieu thereof "as are recommended by the advisory council to the entity of the department supporting such projects or, in the case of mental health projects, by the National Advisory Mental Health Council; and make, upon recommendation of this advisory council to the entity of the department involved or the National Advisory Mental Health Council, grants-in-aid to public or nonprofit universities, hospitals, laboratories, and other institutions for the general support of their research"; and

(2) in paragraph (8), by striking out "recommendations of the National Advisory Health Council" through "such additional means" and inserting in lieu thereof "recommendations of the advisory councils to the entities of the department involved or, with respect to mental health, the National Advisory Mental Health Council, such additional means".

(f) Parts I and J of title III are repealed.

(g) Section 8(w) of the Orphan Drug Act (Public Law 97-414) is repealed.

STUDY OF ANIMALS IN RESEARCH; RESEARCH PLAN

SEC. 4. (a)(1) The Secretary of Health and Human Services, through the Director of the National Institutes of Health, shall in accordance with this section arrange for the conduct of a study concerning the use of live animals in biomedical and behavorial research. The Secretary shall request the National Academy of Sciences to conduct the study under an arrangement under which the actual expenses incurred by the Academy in conducting such study will be paid by the Secretary and the Academy will prepare the report required by subsection (c). If the National Academy of Sciences is willing to do so, the Secretary shall enter into such an arrangment with the Academy for the conduct of the study.

(2) If the National Academy of Sciences is unwilling to conduct the study required by paragraph (1) under the type of arrangement described in such paragraph, the Secretary shall enter into a similar arrangement with one or more appropriate nonprofit private entities.

(b) The study requires by subsection (a) shall—

(1) assess the status of the use of live animals in biomedical and behavorial research conducted by entities receiving Federal financial assistance through the National Institutes of Health or any of its agencies to support such research and, if possible, by entities which do not receive Federal financial assistance, including—

(A) a determination of the type of animals used in such research during each of the five years in the five-year period preceding the date which is eighteen months after the date of enactment of this section;

(B) an estimate of the total number of live animals used in such research during each such year;

(C) a survey of the purposes for which live animals are used in such research;

(D) an analysis of whether the use of such animals in such research has decreased or increased over such five-year period; and

(E) an exploration of methods which can be used in the conduct of such research which are alternatives to the use of live animals;

(2) assess the impact on biomedical and behavioral research of the establishment of a requirement that, as a condition of receiving Federal financial assistance to support such research, entities conducting such research be accredited in accordance with standards promulgated by organizations which accredit such entities;

(3) estimate—

(A) the amounts that would be expended by entities which conduct biomedical and behavorial research with Federal financial assistance to equip and modernize their research facilities in order to meet the standards referred to in paragraph (2); and

(B) the amounts that would be expended by entities which have not previously conducted such research with Federal financial assistance to establish, modernize, or equip facilities in order to meet such standards;

(4) review Federal and State laws and regulations governing the use of live animals in biomedical and behavioral research conducted by research institutions, medical facilities, academic institutions, and training programs;

(5) evaluate the extent to which accredited laboratories and research facilities protect animals against inhumane treatment;

(6) evaluate the actions taken by the National Institutes of Health to support research to develop research and testing methodologies which will decrease the number of live animals used in biomedical and behavioral research;

(7) evaluate the actions taken by the National Institutes of Health to improve oversight of the use of live animals in biomedical and behavioral research by entities which receive federal financial assistance through the National Institutes of Health or any of its agencies to support such research; and

(8) evaluate the activities undertaken by the National Institutes of Health to insure the humane care and treatment, and appropriate use, of live animals in biomedical and behavioral research conducted or supported by the National Institutes of Health or any of its agencies.

(c) Within eighteen months after the date of enactment of this Act, the Secretary shall transmit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, and make available to the public, a report—

(1) describing the study conducted under this section;

(2) containing a statement of the data obtained under such study; and

(3) specifying such recommendations for legislation and administrative action with respect to the use of live animals in biomedical and behavioral research as the Secretary considers appropriate.

(d)(1) The Director of the National Institutes of Health shall establish a plan for—

(A) research to be conducted by or through the National Institutes of Health and the national research institutes into methods of biomedical research and experimentation—

(i) which do not require the use of animals;

(ii) which reduce the number of animals used in such research; or

(iii) which produce less pain and distress in such animals than methods currently in use;

(B) establishing the validity and reliability of the methods described in subparagraph (A);

(C) the development of such methods which have been found to be valid and reliable; and

(D) the training of scientists in the use of such methods.

The plan required by this paragraph shall be prepared not later than October 1, 1985.

(2) The Director fo the National Institutes of Health shall take such actions as may be appropriate to convey to scientists and others involved with research or experimentation involving animals information respecting the methods found to be valid and reliable under paragraph (1)(B).

(3) The Director of the National Institutes of Health shall establish within the National Institutes of Health and Interagency Coordinating Committee to assist the Director of the National Institutes of Health in the development of the plan required by paragraph (1). The Director of each national research institute shall serve on the Committee.

RESEARCH ON LUPUS ERYTHEMATOSUS

SEC. 5. (a) The Secretary shall establish a Lupus Erythematosus Coordinating Committee to plan, develop, coordinate, and implement comprehensive Federal initiatives in research on Lupus erythematosus.

(b)(1) The committee shall be composed of—

(A) the Director of the National Institute of Neurological Communicative Disorders, and Stroke;

(B) the Director of the National Institute of Allergy and Infectious Diseases;

(C) the Director of the National Institute of Arthritis and Musculoskeletal Diseases;

(D) the Director of the National Institute of Child Health and Human Development;

(E) the Director of the National Institute of General Medical Sciences;

(F) the Director of the National Heart, Lung, and Blood Institute;

(G) the Director the National Institute of Diabetes and Digestive and Kidney Diseases; and

(H) the Director of the Centers for Disease Control.

(2) The Committee shall meet at least four times a year. The Secretary shall designate as chairman of the Committee the Director of the National Institute of Arthritis and Musculoskeletal and Skin Diseases.

(c) The Committee shall prepare a report for Congress on its activities. The report shall include a description of research projects on Lupus Erythematosus conducted or supported by Federal agencies in the fiscal year for which the report is made, the nature and purpose of each such project, the amounts expended for each such project, and an identification of the entity which conducted the research under each such project. Such report shall be submitted not later than 18 months after the date of the enactment of this Act. The Committee shall expire one month after the report is submitted.

NATIONAL RESEARCH SERVICE AWARD STUDY

SEC. 6. The Secretary of Health and Human Services shall conduct a study of—

(1) the effect of the service obligation requirement of section 485(c) of the Public Health Service Act on the number and quality of individuals who apply for National Research Service Awards;

(2) the effect of section 485(c)(4) of the Public Health Service Act on the number of persons who engage in health research or training as a career;

(3) the number of persons who receive National Research Service Awards and who engage in health research or training as a career; and

(4) the effectiveness of the grant authority under section 485(a)(1)(B) of the Public Health Service Act in encouraging individuals to engage in health research and training as a career.

The Secretary shall complete the study within one year of the date of the enactment of this Act and shall report the results of the study to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

INTERAGENCY COMMITTEE ON SPINAL CORD INJURY

SEC. 7. (a) Within ninety days after the date of enactment of this Act, the Secretary of Health and Human Services shall establish in the National Institute of Neurological and Communicative Diseases and Stroke an Interagency Committee on Spinal Cord Injury, (hereafter in this section referred to as the "Interagency Committee"). The Interagency Committee shall plan, develop, coordinate, and implement comprehensive Federal initiatives in research on spinal cord injury and regeneration.

(b)(1) The Interagency Committee shall consist of representatives from—

(A) the National Institute on Neurological and Communicative Disorders and Stroke;

(B) the Department of Defense;

(C) the Department of Education;

(D) the Veterans' Administration;

(E) the Office of Science and Technology Policy; and

(F) the National Science Foundation, designated by the heads of such entities.

(2) The Interagency Committee shall meet at least four times. The Secretary of Health and Human Services shall select the Chairman of the Interagency Committee from the members of the Interagency Committee.

(c) Within the eighteen months after the date of enactment of this Act, the Interagency Committee shall prepare and transmit to the Congress a report concerning its activities under this section. The report shall include a description of research projects on spinal cord injury and regeneration conducted or supported by Federal agencies during which eighteen-month period, the nature and purpose of each such project, the amounts expended for each such project, and an identification of the entity which conducted the research under each such project.

(d) The Interagency Committee shall terminate ninety days after the date on which the Interagency Committee transmits the report required by subsection (c) to the Congress.

STUDY OF PERSONNEL FOR HEALTH NEEDS OF THE ELDERLY

SEC. 8. (a) The Secretary shall conduct a study on the adequacy and availability of personnel to meet the current and projected health needs (including needs for home and community-based care) of elderly Americans through the year 2020.

(b) The Secretary shall report the results of the study to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate by March 1, 1986. The report on the study shall contain recommendations on—

(1) the number of primary care physicians and other health personnel needed to provide adequate care for the elderly,

(2) the training needs of physicians (including specialists) and other health personnel to provide care responsive to the particular needs of the elderly,

(3) necessary changes in medicare and other third party reimbursement necessary to support training of primary care and other physicians to meet the needs of the elderly, and

(4) necessary program changes in third party reimbursement programs (including changes in medicare programs) to support training of other health personnel in the care of the elderly.

INTERAGENCY COMMITTEE ON LEARNING DISABILITIES

SEC. 9. (a) Not later than ninety days after the date of the enactment of this Act, the Director of the National Institutes of Health shall establish an Interagency Committee on Learning Disabilities to review and assess Federal research priorities, activities, and findings regarding learning disabilities (including central nervous system dysfunction in children).

(b) The Committee shall be composed of such representatives as the Director may designate, but shall include representatives from the National Institute of Neurological and Communicative Disorders and Stroke, the National Institute of Child Health and Human Development, the National Institute of Allergy and Infectious Diseases, the National Eye Institute, the National Institute of Environmental Health Sciences, and the Division of Research Resources of the National Institutes of Health.

(c) Not later than eighteen months after the date of the enactment of this Act, the Committee shall report to the Congress on its activities under subsection (a) and shall include in the report—

(1) the number of persons affected by learning disabilities and the demographic data which describes such persons;

(2) a description of the current research findings on the cause, diagnosis, treatment, and prevention of learning disabilities, and

(3) recommendations for legislation and administrative actions—

(A) to increase the effectiveness of research on learning disabilities and to improve the dissemination of the findings of such research, and

(B) respecting specific priorities for research in the cause, diagnosis, treatment, and prevention of learning disabilities.

(d) The Committee shall terminate on the ninetieth day following the date of the submission of the report under subsection (c).

NATIONAL COMMISSION ON ORPHAN DISEASES

SEC. 10. (a) There is established the National Commission on Orphan Diseases.

(b) The Commission shall assess the activities of the National Institutes of Health, the Alcohol, Drug Abuse, and Mental Health Administration, and other public agencies and of private entities in connection with—

(1) basic research conducted on rare diseases;

(2) the use in research on rare diseases of knowledge developed in other research;

(3) applied and clinical research on the prevention, diagnosis, and treatment of rare diseases; and

(4) the dissemination of knowledge developed in research on rare diseases and other diseases to the public, health care professionals, researchers, and drug and medical device manufacturers which can be used in the prevention, diagnosis, and treatment of rare diseases.

(c) In assessing the activities of the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration in connection with research on rare diseases, the Commission shall review—

(1) the appropriateness of the priorities currently placed on research on rare diseases;

(2) the relative effectiveness of grants and contracts when used to fund research on rare diseases;

(3) the appropriateness of specific requirements applicable to applications for funds for research on rare diseases taking into consideration the reasonable capacity of applicants to meet such requirements;

(4) the adequacy of the scientific basis for such research, including the adequacy of the research facilities and research resources used in such research and the appropriateness of the scientific training of the personnel engaged in such research;

(5) the effectiveness of activities undertaken to encourage such research;

(6) the organization of the peer review process applicable to applications for funds for such research to determine if the organization of the peer review process could be revised to improve the effectiveness of the review provided to proposals for research on rare diseases;

(7) the effectiveness of the coordination between the national research institutes of the National Institutes of Health, the institutes of the Alcohol, Drug Abuse, and Mental Health Administration, and private entities in supporting such research; and

(8) the effectiveness of activities undertaken to assure that knowledge developed in research on non-rare diseases is, when appropriate, used in research on rare diseases.

(d) The Commission shall be composed of twenty members appointed by the Secretary of Health and Human Services as follows:

(1) Ten members shall be appointed from individuals who are not officers or employees of the Government and who by virtue of their training or experience in research on rare diseases or in the treatment of rare diseases are qualified to serve on the Commission.

(2) Five members shall be appointed from individuals who are not officers or employees of the Government and who have a rare disease or are employed to represent or are members of an organization concerned about rare disease.

(3) Five nonvoting members shall be appointed from—

(A) directors of national research institutes of the National Institutes of Health, or

(B) directors of institutes of the Alcohol, Drug Abuse, and Mental Health Administration,

which the Secretary determines are involved with rare diseases.

A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(e) If any member of the Commission who was appointed to the Commission as a director of a national research institute or an institute of the Alcohol, Drug Abuse, and Mental Health Administration leaves that office, or if any member of the Commission who was appointed from persons who are not officers or employees of the Government becomes an officer or employee of the Government, he may continue as a member of the Commission for not longer than the ninety-day period beginning on the date he leaves that office or becomes such an officer or employee, as the case may be.

(f) Members shall be appointed for the life of the Commission.

(g)(1) Except as provided in paragraph (2), members of the Commission shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including travel-time) during which they are engaged in the actual performance of duties vested in the Commission.

(2) Members of the Commission who are full-time officers or employees of the Government shall receive no additional pay by reason of their service on the Commission.

(h) The Chairman of the Commission shall be designated by the members of the Commission.

(i) Subject to such rules as may be prescribed by the Commission, the Commission may appoint and fix the pay of such personnel as it determines are necessary to enable the Commission to carry out its functions. Personnel shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(j) Subject to such rules as may be prescribed by the Commission, the Commission may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the basic pay payable for grade GS-15 of the General Schedule.

(k) Upon request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the presonnel of such agency to the Commission to assist the Commission in carrying out its duties under this section.

(l) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(m) The Commission may, for the purpose of carrying out this section, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate.

(n) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this section. Upon request of the Chairman, the head of such department or agency shall furnish such information to the Commission.

(o) The Commission shall transmit to the Secretary and to each House of the Congress a report not later than September 30, 1986, on the activities of the Commission. The report shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for—

(1) a long range plan for the use of public and private resources to improve research into rare diseases and to assist in the prevention, diagnosis, and treatment of rare diseases; and

(2) such legislation or administrative actions as it considers appropriate.

(p) The Commission shall cease to exist on the ninetieth day following the date of the submittal of its report under subsection (o).

(q) The Director of the National Institutes of Health shall make available $1,000,000 to the Commission from appropriations for fiscal year 1985 for the National Institutes of Health.

REVIEW OF DISEASE RESEARCH PROGRAMS OF THE NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES

SEC. 11. The Secretary of Health and Human Services shall conduct an administrative review of the disease research programs of the National Institute of Diabetes and Digestive and Kidney Diseases to determine if any of such programs could be more effectively and efficiently managed by other national research institutes. The Secretary shall complete such review within the one-year period beginning on the date of the enactment of this section.

BIOMEDICAL ETHICS

SEC. 12. Title III (as amended by section 3) is amended by adding at the end the following:

"PART I—BIOMEDICAL ETHICS

"SEC. 381. (a) There is established in the legislative branch of the Government the Biomedical Ethics Board (hereinafter referred to as the 'Board').

"(b)(1) The Board shall consist of twelve members as follows:

"(A) Six Members of the Senate appointed by the President pro tempore of the Senate, three from the majority party and three from the minority party.

"(B) Six Members of the House of Representatives appointed by the Speaker of the House of Representatives, three from the majority party and three from the minority party.

"(2) The term of office of a member of the Board shall expire when the member leaves the office of Senator or Representative, as the case may be, or upon the expiration of eight years from the date of the member's appointment to the Board, whichever occurs first.

"(3) Vacancies in the membership of the Board shall not affect the power of the remaining members to execute the functions of the Board and shall be filled in the same manner as in the case of the original appointment.

"(4) The Board shall select a chairman and a vice chairman from among its members at the beginning of each Congress, The vice chairman shall act as chairman in the absence of the chairman or in the event of the incapacity of the chairman. The chairmanship and vice chairmanship shall alternate between the Senate and the House of Representatives with each Congress. The chairman during each even-numbered Congress shall be selected by the Members of the House of Representatives on the Board from among their number. The vice chairman during each Congress shall be chosen in the same manner from that House of Congress other than the House of Congress of which the chairman is a Member.

"(5) The Board shall meet once every three months unless such meeting is dispensed with by the chairman, and may meet at any time upon the request of four or more members of the Board or upon the call of the chairman.

"(c)(1) The Board shall study and report to the Congress on a continuing basis on the ethical issues arising from the delivery of health care and biomedical and behavioral research, including the protection of human subjects of such research and developments in genetic engineering (including activities in recombinant DNA technology) which have implications for human genetic engineering.

"(2)(A) Except as provided in subparagraph (B), an annual report shall be transmitted to the Congress identifying the issues which were the subject of the study conducted under paragraph (1) and identifying areas, programs, and practices of medicine and biomedical and behavioral research which have significant ethical implications and which would be appropriate subjects for study.

"(B) A report on research and developments in genetic engineering (including activities in recombinant DNA technology) which have implications for human genetic engineering shall be transmitted to the Congress not later than eighteen months after the appointment of the Committee under subsection (d).

"(d)(1) To conduct the study and make the reports required by subsection (c), the Board shall appoint a Biomedical Ethics Advisory Committee (hereinafter referred to as the 'Committee'). The Committee shall consist of fourteen members as follows:

"(A) Four of the members shall be appointed by the Board from individuals who are distinguished in biomedical or behavioral research.

"(B) Three of the members shall be appointed by the Board from individuals who are distinguished in the practice of medicine or otherwise distinguished in the provision of health care.

"(C) Five of the members shall be appointed by the Board from individuals who are distinguished in one or more of the fields of ethics, theology, law, the natural sciences (other than a biomedical or behavioral science), the social sciences, the humanities, health administration government, and public affairs.

"(D) Two of the members shall be appointed by the Board from individuals who are representatives of citizens with an interest in biomedical ethics but who possess no specific expertise.

"(2)(A) The Committee, by majority vote, shall elect from its members a chairman and a vice chairman and appoint an executive director who shall serve for such time and under such conditions as the committee may prescribe. In the absence of the chairman, or in the event of his incapacity, the vice chairman shall act as chairman.

"(B) The term of office of each member of the Committee shall be four years, except that any such member appointed to fill a vacancy occuring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. Terms of the members shall be staggered so as to establish a rotating membership.

"(C) The members of the Committee shall receive no pay for their services as members of the Committee, but shall be allowed necessary travel expenses (or, in the alternative, mileage for use of privately owned vehicles and a per diem in lieu of subsistence at not to exceed the rate prescribed in sections 5702 and 5704 of title 5, United States Code) and other necessary expenses incurred by them in the performance of duties vested in the committee, without regard to the provisions of subchapter 1 of chapter 57 and section 5731 of title 5, United States Code, and regulations promulgated thereunder.

"(D) The executive director of the committee, with the approval of the Committee, may employ such staff and consultants as necessary to prepare studies and reports for the Committee.

"(3)(A) The Committee may, for the purpose of carrying out its functions, hold such public hearings, sit and act at such times and places, and take such testimony, as the Committee considers appropriate.

"(B) Upon request of the Committee, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Committee to assist the Committee in carrying out its functions.

"(C) The Committee may secure directly from any department or agency of the United States information necessary to enable it to carry out its functions. Upon request of the chairman of the Committee, the head of such department or agency shall furnish such information to the Committee.

"(D) The Committee may accept, use, and dispose of gifts or donations or services or property.

"(E) The Committee may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

"(e) To enable the Board and the Committee to carry out their functions there are authorized to be appropriated $2,000,000 for fiscal year 1985, $2,500,000 for fiscal year 1986, and $3,000,000 for fiscal year 1987.".

MISCELLANEOUS

SEC. 13. (a) From funds available under section 301 of the Public Health Act in fiscals years 1985 and 1986, the Secretary of Health and Human Services, in consultation with the Director of the National institutes of Health and Commissioner of the Food and Drug Administration, shall make a grant to an academic institution for the establishment and operation of a center to conduct research on the health effects of nuclear energy and other new energy technologies. No grant under this section may exceed $2,000,000 in any fiscal year. A grant made under this section shall be subject to the requirements of section 490 of the Public Health Service Act.

(b) In fiscal year 1985, the Secretary of Health and Human Services shall, through the National Cancer Institute, establish or support at least one clinic or health facility for cancer screening and research which is affiliated with a health science center capable of providing clinical, research, and interdisciplinary technical assistance to such clinic or facility and which is proximate and accessible to the preponderance of the residents of the area that have received the greatest fallout from the Nevada nuclear tests.

EFFECTIVE DATE

SEC. 14. This Act and the amendments made by this Act shall take effect on the date of the enactment of this Act. The authority to enter into contracts under section 4 shall be effective for any fiscal year only to the extent that appropriations are generally available for that purpose.

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

JOHN D. DINGELL,
HENRY A. WAXMAN,
JAMES H. SCHEUER,
RICHARD SHELBY,
JIM BROYHILL,
ED MADIGAN,
Managers on the Part of the House.

ORRIN HATCH,
DAN QUAYLE,
JEREMIAH DENTON,
EDWARD M. KENNEDY,
SPARK MATSUNAGA.

Conferees for issues related to fetal research:

ORRIN HATCH,
JEREMIAH DENTON,
DON NICKLES,
EDWARD M. KENNEDY,
SPARK MATSUNAGA.
Managers on the Part of the Senate.

INTRODUCTORY STATEMENT

House and Senate conferees met to consider the text of S. 540, as amended by the House amendment reflecting the provisions of H.R. 2350 which passed the House on November 17, 1983. The House amendment represented a complete recodification of Title IV of the Public Health Service Act, authority for the National Institutes of Health. In addition, the amendment extended the authorization of appropriations for the National Cancer Institute, National Heart, Lung and Blood Institute, National Research Service Awards and various miscellaneous health research authorities. The Senate bill established a new National Institute of Arthritis and Musculoskeletal and Skin Diseases and an Ethics Advisory Board within the Office of Technology Assessment, and extended the authorization of appropriations for various research boards and clearinghouses.

Unless otherwise noted in the Statement of Managers the conference agreement generally reflects the House amendment. The conference agreement extends for two fiscal years the authorization of appropriations for expiring authorities of the National Institutes of Health (NIH). These authorities include the National Cancer Institute, National Heart, Lung and Blood Institute, National Library of Medicine's Library Assistance Act and the National Research Service Awards program. An authorization is also provided for research into spinal cord regeneration, Alzheimer's Disease, and bioengineering to overcome paralysis and mental retardation.

In addition, the legislation updates the statutory authority for the NIH, strengthens procedures for the investigation of scientific misconduct, provides for issuance of guidelines to assure the proper care and treatment of animals used in research, and emphasizes research related to the prevention of disease.

The Act delineates the national research institutes and other agencies which constitute the NIH, and establish NIH as an agency of the Public Health Service. The national research institutes specified include the National Institute of Environmental Health Sciences (NIEHS) and the National Institute of Allergy and Infectious Diseases (NIAID), institutes which were created administratively and are not referred to in the current Title IV.

The secretary is authorized to establish additional institutes administratively and to reorganize or abolish unnecessary ones after

submitting a report, six months in advance of such changes, to the Committee on Energy and Commerce in the House and the Committee on Labor and Human Resources in the Senate.

The conference agreement describes the method of appointment and delineates the authority of the NIH Director.

RECODIFICATION OF NIH AUTHORITY

The Senate receded to the House provisions recodifying the statutory authority of the National Institutes of Health. The conferees note that the statutory authority of the NIH was last revised in 1944 and required technical revisions to provide consistent, coordinated authority for all of the national research institutes and their $5 billion annual program. The recodification is a significant step in clarifying and delineating the research functions of the national research institutes and other agencies of the NIH. This rewrite of the law does not change the general authority of the Secretary of Health and Human Services to conduct research, investigations, experiments, and demonstrations relating to physical and mental diseases provided under Section 301 of the Public Health Service Act.

ESTABLISHMENT OF NEW NATIONAL RESEARCH INSTITUTES

The House receded, with an amendment, to the Senate provision establishing a National Institute of Arthritis and Musculoskeletal and Skin Diseases (NIAMS). The House amendment retained the current Arthritis Advisory Board and made technical and conforming changes to integrate the authority of the new institute into the recodification. Establishment of an arthritis institute necessitates technical revisions in the authority of the new National Institute of Diabetes and Digestive and Kidney Diseases (NIDDK). Revisions were made in the authority for NIDDK to assure that each disease cluster has adequate and parallel authority to conduct research and education activities. Accordingly, the conference agreement establishes in statute a new Interagency Coordinating Committee for Kidney and Urologic Diseases in addition to the existing Committees for Diabetes Mellitus and Digestive Diseases. In addition, a new Kidney and Urologic Diseases Advisory Board is created to parallel the National Diabetes Advisory Board and the National Digestive Diseases Advisory Board. The conference agreement provides for establishment of research centers programs for digestive diseases and kidney and urologic diseases to parallel those for Diabetes.

The conference agreement requires the Secretary to conduct an administrative review of the disease research programs of NIDDK to determine if any program might, from both scientific and management standpoints, be more effectively and efficiently administered by other existing NIH Institutes.

DIET THERAPY FOR KIDNEY FAILURE

The House Bill required the Director of the National Institute of Diabetes and Digestive and Kidney Diseases to conduct research into the role of diet therapy in the treatment of end stage renal disease and to report the results of such research to the Congress. The House receded to the Senate, dropping the provision, in recognition of the progress that has been made by the Institute in implementing a similar mandate in the Omnibus Reconciliation Act of 1980.

The Conferees are encouraged that a panel of distinguished nephrologists was convened by the Institute and that the panel reported to the Secretary of Health and Human Services (in a letter of May 17, 1982) that "there is a distinct possibility that nutritional therapy can significantly retard the progression of chronic renal failture, as well as reducing uremic symptoms." Following this report, the Institute issued requests for cooperative agreements to explore this possibility, and the final protocols for the pilot studies will begin soon.

The conferees remain concerned, however, about the scope of the research to be conducted. For example, as extremely low-protein diets are studied, supplementation not only with keto analogues, but also with the potentially less costly essential amino acids should be considered. In addition, the nephrology panel's recommendation for studies on the effects of nutritional therapy upon growth, development and renal function in children has not been put into effect. The Conferees encourage the Institute to continue these important studies, and also to address the important issues related to renal failure in childhood.

NATIONAL INSTITUTE OF NURSING

The Senate receded to the House on the establishment of a National Institute of Nursing. The new National Institute of Nursing is intended to provide a focal point for promoting the growth and quality of nursing research, to provide leadership to expand the pool of experienced nursing researchers and to promote closer interaction with other bases of health care research. The conferees intend that nursing research activities conducted by the Division of Nursing in the Health Resources and Services Administration be transferred to the NIH.

REORGANIZATION AND ESTABLISHMENT OF NATIONAL RESEARCH INSTITUTES

The House receded to the Senate with an amendment which maintained the authority of the Secretary to reorganize the functions of any national research institute, including the abolishment of an institute or establishment of new institutes. The conference agreement provides that such administrative actions may only take effect 180 days after the Secretary has notified the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House.

PEER REVIEW OF INTRAMURAL RESEARCH

The conference agreement requires the Director of the NIH to establish procedures for periodic technical and scientific peer review of all intramural research conducted at the National Institutes of Health. It is not the conferees' intent that the review procedures for intramural research be the same as those for extramural research. The conferees recognize that there are significant differences between the intramural and extramural activities. The conferees do not intend that the review procedures established by the Director rely on the extramural model of prospective peer review of research on a project-by-project basis as a condition for support or future work. Peer review of intramural research should consider the work—past, present and future—conducted either by an entire laboratory or section of a laboratory.

Peer review may encompass the research projects of several investigators. Peer review should be conducted and reported on to the Congress at regular intervals but not less than every two years. The conferees agreed that the Director of NIH should submit, as part of the biennial report required by section 403 of the Act, an analysis of the Institute's intramural peer review procedures.

The entity conducting the peer review of an intramural laboratory is to be provided a written description of the overall research to be reviewed prior to the time of the review. This written description should present the overall past accomplishment of the laboratory and its investigators since the last review was conducted. The written description might also present: the general aims, objectives and projected directions of the research projects to be conducted; appropriate background information on possible future research projects; a brief summary of the general research plan; and an indication of the importance of the research projects.

An entity conducting peer review of intramural research is to provide the institute's advisory council with a written description of the research, the results of the review and the recommendations of the reviewing entity. The conference agreement authorizes, but does not require, the advisory council to make recommendations to the institute director regarding intramural activities conducted by the institute.

FEDERAL ADVISORY COMMITTEE ACT

The Senate receded to the House provision which would exclude scientific peer review panels from this jurisdiction. It was felt that this exclusion was needed to avoid unnessary paperwork and delays in appointment of peer review panelists.

NIH DIRECTOR'S ADVISORY BOARD

The House amendment specified membership and structure of the Director's Advisory Board. The conferees believe the activities of the Advisory Board would be more flexible if not specified in statute. According the House receded to the Senate provision which did not specify the board in statute.

BIENNIAL REPORT

The conference agreement reflects the House provision which would require that the NIH Director prepare a biennial report to the Congress and that the report contain separate reports from the Director of each national research institute. The effect of the provision is to consolidate existing reporting requirements into a single, comprehensive report from the NIH Director. The conferees intend that the report be written, edited and organized in a manner to assist the Congress in its oversight responsibilities. Reports from the individual directors of national research institutes should include reports from their respective advisory councils if the council desires to submit such a report. The conference agreement contains a minor amendment to the House provision to require that the report be submitted to the Congress not more than 90 days after the two-fiscal-year period for which the report is to be submitted.

The conferees do not intend that this provision be construed to prevent individual institutes from reporting to the Secretary or the Congress on their activities on a more frequent basis. Institutes may continue to do so, provided they participate fully in the two-year reports. Specifically, conferees are aware that the National Heart, Lung and Blood Institute has conveyed concern that research priorities may not be apparent to the Congress without annual reporting. The conferees intend that nothing in this legislation should inhibit the Director of the National Heart, Lung and Blood Institute or its Advisory Council from making individual reports to the Congress during the interim year of the biennial report.

DISEASE PREVENTION

The House amendment required that an Associate Director for Prevention be established in ten of the eleven national research institutes. Under current law an Assistant Director for Prevention is only required at the National Heart, Lung and Blood Institute. The Senate receded, with an amendment, to the House provision. In addition to the existing position at NHLBI, the conference agreement provides for the establishment of Associate Directors for Prevention within the National Cancer Institute, National Institute of Child Health and Human Development and within the Office of the NIH Director.

The Associate Director for Prevention within the Office of the NIH Director has responsibility to promote and coordinate the research programs of the national research institutes regarding the prevention of disease. The Associate Director is also responsible for coordinating NIH prevention activities with similar programs in other entities of the Department of Health and Human Services. The conferees believe the Associate Director should be a forceful, competent representative for research regarding the prevention of desease. In appointing the Associate Director of NIH should seek an individual from among the nation's outstanding public health and prevention researchers.

Although the conference agreement does not establish Associate Directors for Prevention within all national research institutes, the conferees believe each institute should give serious consideration to establishing such a position administratively. The conferees believe research into the prevention of disease is research directly related to reducing the incidence of diseases or disorders, reducing the high-risk precursors of such diseases or disorders, and reducing the adverse consequences of such precursors and early manifestations of such diseases or disorders.

PEER REVIEW OF RESOURCE CONTRACTS

The House amendment required peer review of contracts for research resources if they exceeded $500,000. The Senate bill contained no similar provision. The House receded.

ADVISORY COUNCIL REVIEW

The conference agreement increased from $35,000 to $50,000 the direct costs of grants and cooperative agreements which require advisory council review.

ADVISORY COUNCILS

The conference agreement revises the composition of institute advisory councils to increase representation by experts in public health and the behavioral or social sciences. the membership of each advisory council must include two-thirds scientists with expertise in the disciplines of the respective institute and include experts in public health and the behavioral or social sciences. The remaining one-third should be from the general public who are knowledgeable with respect to diseases funded under the respective institute, including leaders in such fields as social policy, law, health policy, economics and management. Advisory Councils were also provided authority to review contracts and intramural research programs although these activities are optional, not mandatory, requirements. The conferees retained provisions of existing law requiring the directors of national research institutes to consult with advisory councils in carrying out institute functions related to education and research.

NATIONAL CANCER INSTITUTE

The conference agreement extends for two fiscal years the authorization of appropriations for the National Cancer Institute's (NCI) research and cancer control programs. A total of $1.248 million is authorized for these activities in Fiscal Year 1985 and $1.345 million in Fiscal Year 1986.

The basic mission of the NCI was revised to require sponsorship of research on the continuing care of cancer patients and their families. The conferees agreed that a critical problem in cancer research is the growing number of patients suffering from cancer who seek alternative and unproven therapies when they have not responded to traditional methods of treatment. The cost and emotional suffering to dying patients and their families is significant. The conferees believe the Institute should give high priority to the long term care of cancer patients and to the training of physicians in providing compassionate care to the terminally ill in addition to efforts to find cures and means of preventing malignant disease.

The conferees also strengthened provisions of existing law by requiring maintenance of the NCI's international data system and by requiring that information be disseminated to the public, practicing physicians and oncological investigators.

The House amendment included specification that the National Cancer Institute maintain support for at least 55 cancer centers. The House receded to the Senate provision which does not specify the number of centers to be funded. However, conferees are in unanimous support for the cancer center program and several members in both the Senate and the House had expressed strong support for maintenance and expansion of the NCI cancer center program.

In expanding the number of cancer centers the conferees believe high priority should be given to those areas which are currently underserved or demographically unique. An example of such need is the state of Utah which offers a number of specialized opportunities for cancer research. Scientific literature has documented that the Mormon population offers unique research opportunities in cancer prevention related to diet and nutrition. Low rates of cancer found in this population appear to be related to specific dietary factors. Utah is also the site of exposure to low-level radiation which occured secondary to above ground testing of nuclear weapons in the 1940's and 1950's. Therefore, this state's population offers distinct epidemiological opportunities to study the consequence of radiation exposure. Cancer screening is a logical extension of this activity, and the establishment of a cancer center in Utah will assist in serving not only the state, but the central northwest region of the country by providing treatment now unavailable to patients in large rural areas in this region of the country. Conferees recognize that at present plans are underway to establish a regional cancer center in West Virginia, which would serve the Appalachian Plateau. This area has been identified as being significantly underserved regarding modern cancer therapy, and development of this center at the West Virginia University will accomplish a great deal to serve the citizens of this area.

Although conferees agreed not to mandate a minimum level of support for the cancer center program, there is strong bipartisan support and encouragement for the director of the National Cancer Institute to maintain current programs and expand this effort as resources permit.

NATIONAL RESEARCH SERVICE AWARDS (NRSAs)

These training grants for young scientists are deemed important by all conferees. Authorization for appropriations was recommended at a level sufficient to provide support for at least 10,100 trainees, with a modest increase in stipend. The Senate receded to the House position which would maintain the payback requirement for research trainees who elect not to pursue a career in research. However, the conferees did not agree that this provision succeeds in its stated purpose of encouraging young scientists to pursue a research career.

The conference agreement requires the Secretary to undertake a study of the NRSA program. A major concern of the study is to determine the effect of the payback requirement, both benefits or problems, on the number and quality of individuals who apply for National Research Service Awards and become career researchers.

ETHICS ADVISORY COMMISSION

CONFERENCE AGREEMENT

The conference agreement would change the ethics advisory committee located in the Office of Technology Assessment (OTA) in the Senate bill into an independent Congressional Ethics Advisory Commission patterned after the OTA. The Commission would examine a broad range of biomedical issues and report to the Congress and the public. Two studies are specifically mandated in the legislation: (1) an examination of the nature, advisability, and the biomedical and ethical implications of exercising any waiver of existing Federal protections of human fetuses in research and (2) a study of the ethical implications of developments in genetic engineering for human genetic engineering.

FETAL RESEARCH

The Conference Agreement includes provisions to define the circumstances under which research involving living human fetuses may be conducted.

In the case of living human nonviable fetuses ex utero or living human fetuses for whom viability has been determined, the Secretary may support only those research projects that (1) may enhance the well-being or meet the health needs of the fetus, (2) enhance the probability of the fetus' survival to viability, or (3) whose purpose is to develop important biomedical knowledge that cannot be obtained by other means and that will pose no added risk of suffering, injury, or death to the fetus. This standard is to be equally applied to fetuses that are aborted spontaneously or by induced abortion. It is not the intention of the Conferees that the phrase "no added risk of suffering" be construed to restrict routine diagnostic or medical procedures, such as the drawing of blood, that may themselves involve transient pain but pose no risk to the fetus of long-term suffering or injury.

In the case of living human fetuses in utero, the agreement requires that the Secretary administer regulations regarding the standard of risk in such a manner that a fetus that is intended for abortion is exposed to no greater risk than that to which a fetus that is intend to be carried to term may be exposed.

The conference agreement further provides that the Biomedical Ethics Advisory Committee, created by this legislation, is to conduct a study of the nature, advisability,

and biomedical and ethical implications of exercising any waiver of the current "minimal risk" standard (or any successor to this standard) in research involving fetuses. The Committee is to complete its report within thirty months of the enactment of this legislation and shall report its findings to the Biomedical Ethics Board. The Board is to transmit the Committee's report to the Secretary, as well as the Senate Committee on Labor and Human Resources and the House Committee on Energy and Commerce. The Conferees note that while the charge to the Committee is limited under this provision, the Committee is empowered under other provisions of this legislation to review and investigate other issues involving the protection of human subjects, including fetuses.

The Conference agreement also prohibits the Secretary from granting a waiver of the requirements of current regulations regarding research that is of unknown or greater-than-minimal risk. In addition, the conference agreement does not prohibit the Secretary from revising any regulations in effect on the day prior to the enactment of this legislation, including the waiver provision. This prohibition is intended to last for three years and is repealed as of October 31, 1987.

JOHN D. DINGELL,
HENRY A. WAXMAN,
JAMES H. SCHEUER,
RICHARD SHELBY,
JIM BROYHILL,
ED MADIGAN,
Managers on the Part of the House.

ORRIN HATCH,
DAN QUAYLE,
JEREMIAH DENTON,
EDWARD M. KENNEDY,
SPARK MATSUNAGA.

Conferees for issues related to fetal research:

ORRIN HATCH,
JEREMIAH DENTON,
DON NICKLES,
EDWARD M. KENNEDY,
SPARK MATSUNAGA,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 3398

Mr. ROSTENKOWSKI submitted the following conference report and statement on the bill (H.R. 3398) to amend the trade laws, authorize the negotiation of trade agreements, extend trade preferences, change the tariff treatment with respect to certain articles and for other purposes:

CONFERENCE REPORT (H. REPT. No. 98-1156)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendments of the Senate to the bill (H.R. 3398) to amend the trade laws, authorize the negotiations of trade agreements, extend trade preferences, change the tariff treatment with respect to certain articles and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act with the following table of contents may be cited as the "Trade and Tariff Act of 1984":

TITLE I—TARIFF SCHEDULES AMENDMENTS

Subtitle A—Reference to Tariff Schedules

Sec. 101. Reference.

Subtitle B—Permanent Changes in Tariff Treatment

Sec. 111. Coated textile fabrics.
Sec. 112. Warp knitting machines.
Sec. 113. Certain gloves.
Sec. 114. Pet toys.
Sec. 115. Water chestnuts and bamboo shoots.
Sec. 116. Gut for use in manufacture of sterile surgical sutures.
Sec. 117. Orange juice products.
Sec. 118. Reimportation of certain articles originally imported duty free.
Sec. 119. Geophysical equipment.
Sec. 120. Scrolls or tablets used in religious observances.
Sec. 121. Steel pipes and tubes used in lampposts.
Sec. 122. Wearing apparel.
Sec. 123. Recently developed dairy products.
Sec. 124. Telecommunications product classification.
Sec. 125. Fresh asparagus.
Sec. 126. Chipper knife steel.
Sec. 127. Implementation of customs convention on containers, 1972.

Subtitle C—Temporary Changes in Tariff Treatment

Sec. 131. Fresh, chilled, or frozen brussels sprouts.
Sec. 132. B-naphthol.
Sec. 133. 4-chloro-3-methylphenol.
Sec. 134. Tetraamino biphenyl.
Sec. 135. 6-amino-1-naphthol-3-sulfonic acid.
Sec. 136. DSA.
Sec. 137. Guanidines.
Sec. 138. Certain antibiotics.
Sec. 139. Acetylsulfaguanidine.
Sec. 140. Fenridazon-potassium.
Sec. 141. Uncompounded allyl resins.
Sec. 142. Sulfamethazine.
Sec. 143. Sulfaguanidine.
Sec. 144. Terfenadine.
Sec. 145. Sulfathizole.
Sec. 146. Sulfaquinoxaline and sulfanilamide.
Sec. 147. Dicyclomine hydrochloride and mepenzolate bromide.
Sec. 148. Amiodarone.
Sec. 149. Desipramine hydrochloride.
Sec. 150. Clomiphene citrate.
Sec. 151. Yttrium bearing materials and compounds.
Sec. 152. Tartaric acid and chemicals.
Sec. 153. Certain mixtures of magnesium chloride and magnesium nitrate.
Sec. 154. Nicotine resin complex.
Sec. 155. Rifampin.
Sec. 156. Lactulose.
Sec. 157. Iron-dextran complex.
Sec. 158. Natural graphite.
Sec. 159. Zinc.
Sec. 160. Certain diamond tool blanks.
Sec. 161. Clock radios.
Sec. 162. Lace-braiding machines.
Sec. 163. Certain magnetron tubes.
Sec. 164. Narrow fabric looms.
Sec. 165. Umbrella frames.
Sec. 166. Crude feathers and down.
Sec. 167. Canned corned beef.
Sec. 168. Hovercraft skirts.
Sec. 169. Disposable surgical drapes and sterile gowns.
Sec. 170. MXDA.
Sec. 171. 4,4'-Bis(a-dimethylbanzyl) diphenylamine.
Sec. 172. Flecainide acetate.
Sec. 173. Caffeine.
Sec. 174. Watch crystals.
Sec. 175. Unwrought lead.
Sec. 176. Flat knitting machines.
Sec. 177. Certain menthol feedstocks.
Sec. 178. 1-methyl-4-chlorophenol.
Sec. 179. Unwrought alloys of cobalt.
Sec. 180. Circular knitting machines.
Sec. 181. o-Benzyl-p-chlorophenol.
Sec. 182. Certain benzenoid chemicals.
Sec. 183. m-Tolric acid.

Subtitle D—Technical Amendments

Sec. 181. Technical and conforming amendments.

Subtitle E—Effective Dates

Sec. 191. Effective dates.

TITLE II—CUSTOMS AND MISCELLANEOUS AMENDMENTS

Subtitle A—Amendments to the Tariff Act of 1930

Sec. 201. Reference.
Sec. 202. Drawback.
Sec. 203. Public disclosure of certain manifest information.
Sec. 204. Virgin Islands excursion vessels.
Sec. 205. Unlawful importation or exportation of certain vehicles.
Sec. 206. Increase in amount for informal entry of goods.
Sec. 207. Certain country of origin marking requirements.
Sec. 208. Equipments and repairs of certain vessels exempt from duties.
Sec. 209. Articles returned from space.
Sec. 210. Date of liquidation or reliquidation.
Sec. 211. Operation of certain duty-free sales enterprises.
Sec. 212. Customs brokers.
Sec. 213. Seizures and forfeitures.
Sec. 214. Effective dates.

Subtitle B—Small Business Trade Assistance

Sec. 221. Establishment of trade remedy assistance office in the United States International Trade Commission.

Subtitle C—Miscellaneous Provisions

Sec. 231. Foreign trade zone provisions.
Sec. 232. Denial of deduction for certain foreign advertising expenses.
Sec. 233. Certain relics and curios.
Sec. 234. Modification of duties on certain articles used in civil aviation.
Sec. 235. Products of Caribbean Basin countries entered in Puerto Rico.
Sec. 236. User fee for customs services at certain small airports.
Sec. 237. Notification of certain actions by the United States Customs Service.
Sec. 238. Columbia-Snake Customs District.
Sec. 239. Reliquidation of certain mass spectorometer systems.
Sec. 240. Max Planck Institute for Radioastronomy.
Sec. 241. Duty-free entry for research equipment for North Dakota State University, Fargo, North Dakota.
Sec. 242. Duty-free entry for pipe organ for the Crystal Cathedral, Garden Grove, California.
Sec. 243. Duty-free entry for scientific equipment for the Ellis Fischel State Cancer Hospital, Columbia, Missouri.

Sec. 244. Duty-free entry of organs imported for the use of Trinity Cathedral of Cleveland, Ohio.
Sec. 245. Sense of Congress regarding possible EEC action on corn gluten.
Sec. 246. Study on honey imports.
Sec. 247. Copper imports.
Sec. 248. Disapproval of Presidential determinations under section 203 of the Trade Act of 1974.
Sec. 249. Section 201 criteria.

TITLE III—INTERNATIONAL TRADE AND INVESTMENT

Sec. 301. Short title; amendment of Trade Act of 1974.
Sec. 302. Statement of purposes.
Sec. 303. Analysis of foreign trade barriers.
Sec. 304. Amendments to title III of the Trade Act of 1974.
Sec. 305. Negotiating objectives with respect to international trade in services and investment and high technology industries.
Sec. 306. Provisions relating to international trade in services.
Sec. 307. Negotiating authority with respect to foreign direct investment.
Sec. 308. Negotiation of agreements concerning high technology industries.

TITLE IV—TRADE WITH ISRAEL

Sec. 401. Negotiation of trade agreements to reduce trade barriers.
Sec. 402. Criteria for duty-free treatment of articles.
Sec. 403. Application of certain other trade law provisions.
Sec. 404. Fast track procedures for perishable articles.

TITLE V—GENERALIZED SYSTEM OF PREFERENCES RENEWAL

Sec. 501. Short title; statement of purpose.
Sec. 502. Consideration of a beneficiary developing country's competitiveness in extending preferences.
Sec. 503. Amendments relating to the beneficiary developing countrty designation criteria.
Sec. 504. Regulations; articles which may not be designated as eligible articles.
Sec. 505. Limitations on preferential treatment.
Sec. 506. Extension of the generalized system of preferences and reports.
Sec. 507. Agricultural exports of beneficiary developing countries.
Sec. 508. Effective date.

TITLE VI—TRADE LAW REFORM

Sec. 601. Reference.
Sec. 602. Sales for importation.
Sec. 603. Waiver of verification.
Sec. 604. Termination or suspension of investigation.
Sec. 605. Final determination of critical circumstances.
Sec. 606. Simultaneous investigations.
Sec. 607. Countervailing duties apply on country-wide basis.
Sec. 608. Conditional payment of countervailing duties.
Sec. 609. Initiation of antidumping duty investigations.
Sec. 610. Duties of cutoms officers.
Sec. 611. Reviews and determinations.
Sec. 612. Definitions and special rules regarding upstream and other subsidies, material injury, interested parties; etc.
Sec. 613. Upstream subsidies.
Sec. 614. Reseller's price taken into account in determining purchase price.
Sec. 615. Foreign market value.
Sec. 616. Hearings.
Sec. 617. Subsidies discovered during proceeding.
Sec. 618. Verification of information.
Sec. 619. Records of ex parte meetings; release of confidential information.
Sec. 620. Sampling and averaging in determining United States price and foreign market value.
Sec. 621. Interest.
Sec. 622. Drawbacks.
Sec. 623. Elimination of interlocutory appeals.
Sec. 624. Adjustments study.
Sec. 625. Industrial targeting studies.
Sec. 626. Effective dates.

TITLE VII—AUTHORIZATION OF APPROPRIATIONS FOR CUSTOMS AND TRADE AGENCIES

Sec. 801. United States International Trade Commission.
Sec. 802. United States Customs Service.
Sec. 803. Office of the United States Trade Representative.

TITLE VIII—ENFORCEMENT AUTHORITY FOR THE NATIONAL POLICY FOR THE STEEL INDUSTRY

Sec. 801. Short title.
Sec. 802. Finding and purposes.
Sec. 803. Sense of Congress regarding the national policy for the steel industry.
Sec. 804. Definitions.
Sec. 805. Enforcement authority.
Sec. 806. Effective period of title.
Sec. 807. Department of Labor worker assistance plan.
Sec. 808. Effective date.

TITLE IX—ELIMINATION OF BARRIERS TO INTERNATIONAL TRADE IN UNITED STATES WINE

Sec. 901. Short title.
Sec. 902. Congressional findings and purposes.
Sec. 903. Definitions.
Sec. 904. Designation of major wine trading countries.
Sec. 905. Actions to reduce or eliminate tariff and nontariff barriers affecting United States Wine.
Sec. 906. Required consultations.
Sec. 907. United States wine export promotion.

TITLE I—TARIFF SCHEDULES AMENDMENTS

Subtitle A—Reference to Tariff Schedules

SEC. 101. REFERENCE.

Whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a schedule, item, headnote or other provision, the reference shall be considered to be made to a schedule, item, headnote or other provision of the Tariff Schedules of the United States (19 U.S.C. 1202).

Subtitle B—Permanent Changes in Tariff Treatment

SEC. 111. COATED TEXTILE FABRICS.

(a) Headnote 5 of schedule 3 is amended to read as follows:

"5. (a) Except as otherwise provided in subsection (b) of this headnote, for the purposes of parts 5, 6, and 7 of this schedule and parts 1 (except subpart A), 4, and 12 of schedule 7, in determining the classification of any article which is wholly or in part of a fabric coated or filled, or laminated, with nontransparent rubber or plastics (which fabric is provided for in part 4C of this schedule), the fabric shall be regarded not as a textile material but as being wholly of rubber or plastics to the extent that (as used in the article) the nontransparent rubber or plastics forms either the outer surface of such article or the only exposed surface of such fabric.

"(b) Any fabric described in part 4C of this schedule shall be classified under part 4C whether or not also described elsewhere in the schedules.".

(b) The headnotes to subpart C of part 4 of schedule 3 are amended—

(1) by striking out clause (vii) in headnote 1; and

(2) by inserting "or value" after "quantities" in headnote 2(c).

(c) Part 12 of schedule 7 is amended by inserting immediately after headnote 1 the following new headnote:

"2. This part does not cover fabrics, coated or filled, or laminated, with rubber or plastics provided for in part 4C of schedule 3.".

SEC. 112. WARP KNITTING MACHINES.

(a) Subpart E of part 4 of schedule 6 is amended by striking out item 670.20 and inserting in lieu thereof the following new items with article descriptions at the same indentation level as the article description in item 670.19:

"670.20	Warp knitting machines	Free		40% ad val.
670.21	Other	5.6% ad val.	4.7% ad val.	40% ad val.".

(b) Item 912.14 of the Appendix is repealed.

(c)(1) The rate of duty in column numbered 1 for item 670.21 (as added by subsection (a)) shall be subject to all staged rate reductions for item 670.20 that were proclaimed by the President before the date of the enactment of this Act.

(2) Whenever the rate of duty specified in column numbered 1 for such item 670.21 is reduced to the same level as the corresponding rate of duty specified in the column entitled "LDDC" for such item, or to a lower level, the rate of duty in such "LDDC" column shall be deleted.

SEC. 113. CERTAIN GLOVES.

Subpart C of part 1 of schedule 7 is amended—

(1) by amending headnote 1—

(A) by striking out "and" at the end of paragraph (a),

(B) by striking out the period at the end of paragraph (b) and inserting, "; and", and

(C) by adding at the end thereof the following new paragraph:

"(c) the term 'with fourchettes' includes only gloves which, at a minimum, have fourchettes extending from fingertip to fingertip between each of the four fingers."; and

(2) by amending item 705.85 by striking out "textile fabric" and "or sidewalls".

SEC. 114. PET TOYS.

Subpart A of part 13 of schedule 7 is amended by inserting immediately after item 790.55 the following new item:

"790.57	Toys for pets, of textile materials	8.5% ad val.	80% ad val.".

SEC. 115. WATER CHESTNUTS AND BAMBOO SHOOTS.

(a) Items 903.45, 903.50, and 903.55 are repealed.

(b) Subpart A of part 8 of schedule 1 is amended as follows:

(1) Item 137.84 is amended by striking out "25% ad val." in column 1 and inserting in lieu thereof "Free".

(2) Item 138.40 is amended by striking out "17.5% ad val." in column 1 and inserting in lieu thereof "Free".

(c) Subpart C of part 8 of schedule 1 is amended as follows:

(1) Item 141.70 is amended by striking out "7% ad val." in column 1 and inserting in lieu thereof "Free".

(2) Item 141.78 is amended by striking out "8.1% ad val." in column 1, and inserting in lieu thereof "Free".

SEC. 116. GUT FOR USE IN MANUFACTURE OF STERILE SURGICAL SUTURES.

(a) Subpart C of part 13 of schedule 7 is amended by striking out item 792.22 and inserting in lieu thereof the following new items with the article description at the same indentation level as the article description in item 792.20:

"792.24	If imported for use in the manufacture of sterile surgical sutures	5.4% ad val.	3.5% ad val.	40% ad val.
792.26	Other	11.2% ad val.	7.7% ad val.	40% ad val.".

(b)(1) The rate of duty in column numbered 1 for item 792.24 (as added by subsection (a)) shall be subject to any staged rate reductions for item 495.10 which are proclaimed by the President before the date of the enactment of this Act.

(2) Whenever, after the application of paragraph (1), the rate of duty provided for item 792.24 in the column numbered 1 is not greater than the rate of duty provided for such item in the column designated "LDDC", no rate of duty shall be provided for such item in the column designated "LDDC".

(c) The rate of duty in column numbered 1 for item 792.26 (as added by subsection (a)) shall be subject to the same staged rate reductions that were proclaimed by the President before the date of the enactment of this Act for item 792.22.

SEC. 117. ORANGE JUICE PRODUCTS.

Subpart A of part 12 of schedule 1 is amended—

(1) by inserting after item 165.25 the following new items and the superior heading thereto, with such superior heading at the same indentation level as the article description "Lime" in item 165.25:

	Orange:		
"165.27	Not concentrated and not made from a juice having a degree of concentration of 1.5 or more (as determined before correction to the nearest 0.5 degree)	20¢ per gal.	70¢ per gal.
165.29	Other	35¢ per gal.	70¢ per gal.".

(2) by redesignating items 165.30 and 165.35 as items 165.32 and 165.36, respectively.

SEC. 118. REIMPORTATION OF CERTAIN ARTICLES ORIGINALLY IMPORTED DUTY FREE.

Item 801.00 is amended—

(1) by inserting "or which were previously entered free of duty pursuant to the Caribbean Basin Economic Recovery Act or title V of the Trade Act of 1974" after "previous importation"; and

(2) by striking out "lease to a foreign manufacturer" in clause (1) and inserting in lieu thereof "lease or similar use agreements".

SEC. 119. GEOPHYSICAL EQUIPMENT.

Part 1 of schedule 8 is amended by inserting in numerical sequence the following new item with the article description at the same indentation level as "Exhibition" in item 802.10:

"802.50	Rendition of geophysical or contracting services in connection with the exploration for, or the extraction or development of, natural resources	Free	Free".

SEC. 120. SCROLLS OR TABLETS USED IN RELIGIOUS OBSERVANCES.

Part 4 of schedules 8 is amended—

(1) by striking out "and 854.30" in headnote 1 and inserting in lieu thereof "854.30, and 854.40"; and

(2) by inserting in numercial sequence the following:

"854.40	Scrolls or tablets of wood or paper, commonly known as Gohonzon, imported for use in public or private religious observances, whether or not any of the foregoing is imported for the use of a religious institution	Free	Free".

SEC. 121. STEEL PIPES AND TUBES USED IN LAMPPOSTS.

(a) Subpart F of part 3 of schedule 6 is amended by inserting after item 653.37 the following new item with the same indentation as "Of brass" in item 653.37:

"653.38	Tapered steel pipes and tubes chiefly used as parts of illuminating articles	11.9% ad val.	7.6% ad val.	45% ad val.".

(b)(1) Notwithstanding any other provision of law, any reduction authorized under section 101 of the Trade Act of 1974 (19 U.S.C. 2111) in the rate of duty provided in any rate column for item 653.39 which takes effect after the date of enactment of this Act shall apply to the rate of duty provided in the corresponding column for item 653.38.

(2) Whenever, after the application of paragraph (1), the rate of duty provided for item 653.38 in the column numbered 1 is not greater than the rate of duty provided for such item in the column designated "LDDC", no rate of duty shall be provided for such item in the column designated "LDDC".

SEC. 122. WEARING APPAREL.

The headnotes for part 6 of schedule 3 are amended by adding at the end thereof the following new headnote:

"(3)(a) Except as provided in (b) of this headnote, each garment is to be separately classified under the appropriate tariff item, even if 2 or more garments are imported together and designed to be sold together at retail.

"(b) The provisions of paragraph (a) of this headnote shall not apply to—

"(i) suits,

"(ii) pajamas and other nightwear,

"(iii) playsuits, washsuits, and similar apparel,

"(iv) judo, karate, and other oriental martial arts uniforms,

"(v) swimwear, and

"(vi) infants' sets designed for children who are not over 2 years of age.".

SEC. 123. RECENTLY DEVELOPED DAIRY PRODUCTS.

(a) Subpart D of part 4 of schedule 1 is amended—

(1) by adding at the end thereof the following new items with the same indentation as "Malted milk" in item 118.30:

"118.35	Whey protein concentrate	10% ad val.	20% ad val.
118.40	Lactalbumin	Free	Free
118.45	Milk protein concentrate	0.2¢ per lb.	5.5¢ per lb.":

and

(2) by inserting after the title of such subpart the following:

"Subpart D headnote:

"1. For purposes of item 118.45, the term 'milk protein concentrate' means any complete milk protein (casein plus albumin) concentrate that is 40 percent or more protein by weight.".

(b) The superior heading for item 493.12 of the Tariff Schedules of the United States is amended by inserting "(other than a product described in item 118.45)" after "value thereof".

SEC. 124. TELECOMMUNICATIONS PRODUCT CLASSIFICATION.

(a) The Schedules are amended as follows:

(1) Part 5 of schedule 6 is amended—

(A) by inserting after headnote 5 the following new headnote:

"6. For purposes of the tariff schedules, the term 'entertainment broadcast band receivers' means those radio receivers designed principally to receive signals in the AM (550-1650 kHz) and FM (88-108 mHz) entertainment broadcast bands, whether or not capable of receiving signals on other bands (e.g., aviation, television, marine, public safety, industrial, and citizens band).",

(B) by striking out items 684.62 through 684.64 and inserting, in numerical sequence and subordinate to the superior heading to item 684.62, the following new items:

	"Telephonic apparatus and instruments and parts thereof:		
684.57	Telephone switching apparatus (including private branch exchange and key system switching apparatus), and parts and components thereof	8.5% ad val.	35% ad val.
684.58	Telephone sets and other terminal equipment and parts thereof	8.5% ad val.	35% ad val.
684.59	Other	8.5% ad val.	35% ad val.
684.63	If Canadian article and original motor vehicle equipment (see headnote 2, part 6B, schedule 6)	Free	
	Other:		

684.65	Switching apparatus and parts thereof	5.6% ad val.	4.7% ad val.	35% ad val.
684.66	Terminal apparatus (including teleprinting and teletypewriting machines) and parts thereof	5.6% ad val.	4.7% ad val.	35% ad val.
684.67	Other	5.6% ad val.	4.7% ad val.	35% ad val.".

(C) by inserting, in numerical sequence, the following new item:

"684.80	Communications satellites (however provided for in this part) and parts thereof		Free	Free".

(D) by redesignating 685.10, 685.11, 685.13, 685.14, 685.15, 685.16, 685.17, 685.18, 685.20, 685.22, 685.33, 685.34, and 685.36 as 684.90, 684.92, 684.94, 684.96, 684.98, 685.00, 685.02, 685.04, 685.06, 685.08, 685.36, 685.37, and 685.38 respectively.

(E) by striking out items 685.23 through 685.31, including the superior headings thereto, and inserting in lieu thereof the following new items:

	"Other:			
685.10	Radio receivers, other than solid-state (tubeless).	6% ad val.		35% ad val.
	Solid-state (tubeless) radio receivers:			
685.12	Designed for motor-vehicle installation.	8.9% ad val.	8% ad val.	35% ad val.
	Other:			
685.14	Entertainment broadcast band receivers.	7.7% ad val.	6% ad val.	35% ad val.
685.16	Other	7.7% ad val.	6% ad val.	35% ad val.
	Transceivers:			
	Citizens band:			
685.18	Hand-held	6% ad val.		35% ad val.
685.20	Other	6% ad val.		35% ad val.
685.22	Low-power radiotelephonic transceivers operating on frequencies from 49.82 to 49.90 mHz.	3.8% ad val.	2.4% ad val.	35% ad val.
685.24	Other transceivers.	6% ad val.		35% ad val.
	Other transmission apparatus incorporating reception apparatus:			
685.25	Cordless handset telephones.	6% ad val.		35% ad val.
685.28	Other	6% ad val.		35% ad val.
	Other:			
685.30	Transmitters	6% ad val.		35% ad val.
685.32	Other, including parts.	6% ad val.		35% ad val.
685.34	Radiotelegraphic and radiotelephonic transmission and reception apparatus, and radiobroadcasting transmission and reception apparatus, if certified for use in civil aircraft (see headnote 3, part 6C, schedule 6).			Free".

(F) by inserting, in numerical sequence and at the same hierarchical level as the article description for item 685.40, the following new item:

"685.39	Telephone answering machines, and parts thereof	4.5% ad val.	3.9% ad val.	35% ad val.".

(G) by striking out the article description for item 685.40 and inserting in lieu thereof the following: "Tape recorders and dictation recording and transcribing machines (other than telephone answering machines), and parts thereof",

(H) by striking out item 685.50 and inserting in lieu thereof the following:

	"Other:			
685.48	Articles designed for connection to telegraphic or telephonic apparatus or instruments or to telegraphic or telephonic networks	5.9% ad val.	4.9% ad val.	35% ad val.
685.49	Other	5.9% ad val.	4.9% ad val.	35% ad val.".

(I) by striking out item 688.15 and inserting, in numerical sequence and subordinate to the superior heading to item 688.10, the following new items:

	"Other:			
688.17	With modular telephone connectors	5.8% ad val.	5.3% ad val.	35% ad val.
688.18	Other	5.8% ad val.	5.3% ad val.	35% ad val.".

(J) by redesignating item 688.16 as item 688.19, with the article description therefor subordinate to the article description for item 688.18 (as added by subparagraph (I)), and

(K) by striking out item 688.43 and inserting, in numerical sequence and subordinate to the superior heading to item 688.34, the following new items:

	"Other:			
688.41	Articles designed for connection to telegraphic or telephonic apparatus or instruments or to telegraphic or telephonic networks	4.5% ad val.	3.9% ad val.	35% ad val.
688.42	Other	4.5% ad val.	3.9% ad val.	35% ad val.".

(2) Subpart A of part 2 of schedule 7 is amended—

(A) by inserting in numerical sequence the following new item:

"707.90	Optical fibers, whether or not in bundles, cables or otherwise put up, with or without connectors and whether mounted or not mounted	13.1% ad val.	8.4% ad val.	65% ad val.".

and

(B) by redesignating items 708.09 and 708.29 as 708.10 and 708.30, respectively.

(3) Subpart A of part 3 of schedule 8 is amended by striking out the superior heading to item 837.00 and inserting in lieu thereof the following: "Articles for the National Aeronautics and Space Administration and articles (other than communications satellites and parts thereof) imported to be launched into space under launch services agreements with the National Aeronautics and Space Administration:".

(4) Subpart B of part 3 of schedule 8 is amended by striking out the superior heading to item 842.10 and inserting in lieu thereof the following: "Upon the request of the Department of State, articles (other than communications satellites and parts thereof) which are the property of a foreign government or of a public international organization:".

(b)(1) The rate of duty in column numbered 1 of the Schedules (as added or redesignated by subsection (a)) for each item set forth below in the column headed "A" in the table under paragraph (3) shall be subject to all staged rate reductions for the corresponding item set forth below in the column headed "B" in such table which were proclaimed by the President before the date of the enactment of this Act.

(2) Whenever the rate of duty specified in column numbered 1 of the Schedules for each item set forth below in the column headed "A" in the table under paragraph (3) is reduced to the same level, or to a lower level, as the corresponding rate of duty specified in the column entitled "LDDC" of the Schedules for such item, the rate of duty in such "LDDC" column shall be deleted.

(3) The table referred to in paragraphs (1) and (2) is as follows:

A	
684.65	685.08
684.66	685.12
684.67	685.14
684.90	685.16
684.94	685.22
685.00	685.36
685.04	685.37
685.06	685.38
	685.39

685.48	685.22
685.49	685.23
688.17	685.24
688.18	685.24
688.41	685.26
688.42	685.33
707.90	685.34
708.10	685.36
708.30	685.40
B	685.50
684.64	685.50
684.64	688.15
684.64	688.15
685.10	688.43
685.13	688.43
685.16	709.29
685.18	708.09
685.20	708.29

(c) Subsection (a) of section 322 of the Tariff Act of 1930 (19 U.S.C. 1322(a)) is amended by adding at the end thereof the following new sentence: "The authority delegated to the Secretary by this subsection shall not extend to communications satellites and components and parts thereof.".

SEC. 125. FRESH ASPARAGUS.

Subpart A of part 8 of schedule 1 is amended by adding before the superior heading to items 135.10 through 135.17 (and at equivalent indentation with such heading and items) the following new items:

135.03	"Asparagus: If fresh or chilled: entered during the period from September 15 to November 15, inclusive, in any year, and transported to the United States by air	5% ad val.		50% ad val.
135.05	Other	25% ad val.		50% ad val.".

SEC. 126. CHIPPER KNIFE STEEL.

Effective with respect to articles entered, or withdrawn from warehouse for consumption—

(1) on or after April 1, 1985—

(A) item 606.93 is amended by striking out "8.3% ad val." and inserting in lieu thereof "2% ad val.", and

(B) item 911.29 of the Appendix is repealed; and

(2) on or after April 1, 1986, item 606.93 is amended by striking out "2% ad val + additional duties (see headnote 4)" and inserting in lieu thereof "Free".

SEC. 127. IMPLEMENTATION OF CUSTOMS CONVENTION ON CONTAINERS, 1972.

(a) Subpart C of part 1 of schedule 8 is amended—

(1) by amending headnote 1 to such subpart by inserting ", accessories and equipment" immediately before the period at the end thereof; and

(2) by amending the article description for item 808.00 by striking out ", and repair components" and all that follows thereafter and inserting in lieu thereof ", repair components for containers of foreign production which are instruments of international traffic, and accessories and equipment for such containers, whether the accessories and equipment are imported with a container to be reexported separately or with another container, or imported separately to be reexported with a container.".

(b) Subsection (a) of section 322 of the Tariff Act of 1930 (19 U.S.C. 1322(a)) is amended by striking out "granted the customary exceptions" and inserting in lieu thereof "excepted".

Subtitle C—Temporary Changes in Tariff Treatment

SEC. 131. FRESH, CHILLED, OR FROZEN BRUSSELS SPROUTS.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new items:

"903.29	Brussels sprouts, fresh, chilled, or frozen, but not reduced in size and not otherwise prepared or preserved (provided for in item 137.71, part 8A, schedule 1).	12.5% ad val.	No change.	On or before 12/31/87
903.33	Brussels sprouts, fresh, chilled, or frozen, and cut, sliced or otherwise reduced in size, but not otherwise prepared or preserved (provided for in item 138.46, part 8A, schedule 1).	7% ad val.	No change.	On or before 12/31/87".

SEC. 132. β-NAPHTHOL.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.31	β-Naphthol (provided for in item 403.29, part 1B, schedule 4).	Free	No change.	On or before 12/31/87".

SEC. 133. 4-CHLORO-3-METHYLPHENOL.

Item 907.08 of the Appendix is amended by striking out "6/30/84" and inserting in lieu thereof "12/31/87".

SEC. 134. TETRAAMINO BIPHENYL.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.32	3,3'-Diaminobenzidine (provided for in item 404.90, part 1C, schedule 4).	Free	No change.	On or before 12/31/88".

SEC. 135. 6-AMINO-1-NAPHTHOL-3-SULFONIC ACID.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.34	6-Amino-1-naphthol-3-sulfonic acid (provided for in item 405.00, part 1B, schedule 4).	Free	No change.	On or before 12/31/87".

SEC. 136. DSA.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.35	2-(4-Aminophenyl)-6-methylbenzothiazole-7-sulfonic acid (provided for in item 406.39, part 1B, schedule 4).	Free	No change.	On or before 12/31/87".

SEC. 137. GUANIDINES.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.50	Diphenyl guanidine and di-o-tolyl guanidine (provided for in item 405.52, part 1B, schedule 4).	Free	No change.	On or before 12/31/87".

SEC. 138. CERTAIN ANTIBIOTICS.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.51	(6R,7R)-7-[(R)-2-Amino-2-phenylacetamido]-3-methyl-8-oxo-5-thia-1-azabicyclo[4.2.0]oct-2-ene-2-carboxylic acid disolvate (provided for in item 406.42, part 1B, schedule 4).	Free	No change.	On or before 12/31/87".

SEC. 139. ACETYLSULFAGUANIDINE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.33	Acetylsulfaguanidine (provided for in item 406.56, part 1B, schedule 4).	Free	No change	On or before 12/31/87".

SEC. 140. FENRIDAZON-POTASSIUM.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.41	Mixtures of potassium 1-(p-chlorophenyl)-1,4-dihydro-6-methyl-4-oxopyridazine-3-carboxylate ('fenridazon-potassium') and formulation adjuvants (provided for in item 408.38, part 1C, schedule 4).	Free	No change.	On or before 12/31/87".

SEC. 141. UNCOMPOUNDED ALLYL RESINS.

Item 907.16 of the Appendix is amended by striking out "9/30/84" and inserting in lieu thereof "12/31/87".

SEC. 142. SULFAMETHAZINE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.36	Sulfamethazine (provided for in item 411.24, part 1C, schedule 4).	Free	Free	On or before 12/31/87".

SEC. 143. SULFAGUANIDINE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.37	Sulfaguanidine (provided for in item 411.27, part 1C, schedule 4).	Free	Free	On or before 12/31/87".

SEC. 144. TERFENADINE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.25	Terfenadine (provided for in item 411.58, part 1C, schedule 4).	Free	No change.	On or before 12/31/87".

SEC. 145. SULFATHIAZOLE.

(a) Item 907.19 is amended to read as follow:

"907.19	Sulfathiazole (provided for in item 411.80, part 1C, schedule 4).	Free	Free	On or before 12/31/87".

(b) Section 136 (b) and (c) of the Act entitled "An Act to reduce certain duties, to suspend temporarily certain duties, to extend certain existing suspensions of duties, and for other purposes" (approved January 12, 1983; Public Law 97-446) is repealed.

SEC. 146. SULFAQUINOXALINE AND SULFANILAMIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.38	Sulfaquinoxaline and sulfanilamide (provided for in item 411.87, part 1C, schedule 4).	Free	Free	On or before 12/31/87".

SEC. 147. DICYCLOMINE HYDROCHLORIDE AND MEPENZOLATE BROMIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.53	Dicyclomine hydrochloride and mepenzolate bromide (provided for in item 412.02, part 1C, schedule 4).	Free	No change.	On or before 12/31/87".

SEC. 148. AMIODARONE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following:

"907.18	Amiodarone (provided for in item 412.12, part 1C, schedule 4).	Free	No change.	On or before 12/31/87".

SEC. 149. DESIPRAMINE HYDROCHLORIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.54	Desipramine hydrochloride (provided for in item 412.35, part 1C, schedule 4).	Free	No change.	On or before 12/31/87".

SEC. 150. CLOMIPHENE CITRATE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.42	Clomiphene citrate (provided for in item 412.50, part 1C, schedule 4).	Free	No change.	On or before 12/31/87".

SEC. 151. YTTRIUM BEARING MATERIALS AND COMPOUNDS.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.51	Yttrium bearing materials and compounds containing by weight more than 19% but less than 85% yttrium oxide equivalent (provided for in items 423.00 or 423.96, part 2C, schedule 4, or item 603.70, part 1, schedule 6).	Free	No change.	On or before 12/31/88".

SEC. 152. TARTARIC ACID AND CHEMICALS.

Items 907.65, 907.66, 907.68, and 907.69 of the Appendix are each amended by striking out "6/30/84" and inserting in lieu thereof "12/31/88".

SEC. 153. CERTAIN MIXTURES OF MAGNESIUM CHLORIDE AND MAGNESIUM NITRATE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.52	Mixtures of 5-chloro-2-methyl-4-isothiazolin-3-one, 2-methyl-4-isothiazolin-3-one, magnesium chloride, and magnesium nitrate (provided for in item 432.25, part 2E, schedule 4).	Free	No change.	On or before 12/31/87".

SEC. 154. NICOTINE RESIN COMPLEX.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.63	Nicotine resin complex (provided for in item 437.13, part 3B, schedule 4).	Free	No change.	On or before 12/31/87".

SEC. 155. RIFAMPIN.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.99	Rifampin (provided for in item 437.32, part 3B, schedule 4)	Free	No change.	On or before 12/31/87".

SEC. 156. LACTULOSE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.76	Lactulose (provided for in item 439.50, part 3C, schedule 4).	Free	No change.	On or before 12/31/87".

SEC. 157. IRON-DEXTRAN COMPLEX.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.79	Iron-dextran complex (provided for in item 440.00, part 3C, schedule 4)	Free	No change.	On or before 12/31/87".

SEC. 158. NATURAL GRAPHITE.

Item 909.01 of the Appendix is amended by striking out "12/31/84" and inserting in lieu thereof "12/31/87".

SEC. 159. ZINC.

Items 911.00, 911.01, 911.02, and 911.03 of the Appendix are each amended by striking out "6/30/84" and inserting in lieu thereof "12/31/89".

SEC. 160. CERTAIN DIAMOND TOOL BLANKS.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"910.00	Tool blanks and drill blanks, wholly or in chief value of industrial diamonds (provided for in item 520.21, part 1H, or item 523.91, part 1K, schedule 5)	Free	30% ad val.	On or before 12/31/87".

SEC. 161. CLOCK RADIOS.

Item 911.95 of the Appendix is amended by striking out "9/30/84" and inserting in lieu thereof "12/31/86".

SEC. 162. LACE-BRAIDING MACHINES.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"912.11	Decorative lace-braiding machines using the jacquard system, and parts thereof (provided for in items 670.25 and 670.74, part 4E, schedule 6)	Free	No change.	On or before 12/31/87".

SEC. 163. CERTAIN MAGNETRON TUBES.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"912.02	Magnetron tubes with an operating frequency of 2.450 GHz and a minimum power of at least 300 watts and a maximum power not greater than 2000 watts (provided for in item 684.28, part 5, schedule 6)	Free	No change.	On or before 12/31/86".	

SEC. 164. NARROW FABRIC LOOMS.

(a) Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"912.04	Power driven weaving machines for weaving fabrics not over 12 inches in width (provided for in item 670.14, part 4E, schedule 6)	Free	No change.	On or before 12/31/87".	

(b) Subpart E of part 4 of schedule 6 is amended by adding the following new headnote:

	"Subpart E headnote:				
	"1. For purposes of applying item 670.74 to parts of articles provided for under item 912.04, any such part that is entered, or withdrawn from warehouse for consumption, during the effective period of item 912.04 shall be dutiable at the rate that would apply if that item had not been enacted.".				

SEC. 165. UMBRELLA FRAMES.

Subpart B of part 1 of the Appendix is amended by inserting in numerical order the following new item:

"912.45	Frames for hand-held umbrellas chiefly used for protection against rain (provided for in item 751.20, part 8B, schedule 7)	Free	No change.	On or before 12/31/86".	

SEC. 166. CRUDE FEATHERS AND DOWN.

Items 903.70 and 903.80 of the Appendix are each amended by striking out "On or before 6/30/84" and inserting in lieu thereof "On or before 12/31/87".

SEC. 167. CANNED CORNED BEEF.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"903.15	Corned beef in airtight containers (provided for in item 107.48, part 2B, schedule 1).	3% ad val.	No change.	On or before 12/31/89".	

SEC. 168. HOVERCRAFT SKIRTS.

Item 905.40 of the Appendix is amended—

(1) by striking out "manmade" and inserting in lieu thereof "man-made", and

(2) by striking out "6/30/83" and inserting in lieu thereof "12/31/87".

SEC. 169. DISPOSABLE SURGICAL DRAPES AND STERILE GOWNS.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"905.50	Bonded fiber fabric disposable gowns, sterilized or in immediate packings ready for sterilization, for use in performing surgical procedures, of manmade fibers (provided for in items 379.96 and 383.92, part 6F, schedule 3) and bonded fiber fabric disposable surgical drapes, of manmade fibers (provided for in item 389.62, part 7B, schedule 3).	5.6% ad val	26.5% ad val.	On or before 12/31/88".	

SEC. 170. MXDA.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new items:

"907.03	m-Xylene-diamine (provided for in item 404.88, part 1B, schedule 4).	Free	No change.	On or before 12/31/87	
907.04	1,3-Bis(amino-methyl)cyclo-hexane (provided for in item 407.05, part 1B, schedule 4).	Free	No change.	On or before 12/31/87".	

SEC. 171. 4,4-BIS(α,α-DIMETHYLBENZYL) DIPHENYLAMINE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following item:

"907.06	4,4'-Bis(α,α-dimethyl-benzyl)diphenylamine (provided for in item 404.88, part 1B, schedule 4).	Free	No change.	On or before 12/31/87".	

SEC. 172. FLECAINIDE ACETATE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.21	Flecainide acetate (provided for in item 412.12, part 1C, schedule 4).	Free	No change.	On or before 12/31/87".	

SEC. 173. CAFFEINE.

Item 907.22 of the Appendix is amended—

(1) by striking out "6% ad val." and inserting in lieu thereof "4.1% ad val."; and

(2) by striking out "12/31/83" and inserting in lieu thereof "12/31/87".

SEC. 174. WATCH CRYSTALS.

(a) Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

		Rates of Duty			
		1	LDDC	2	
"909.40	Watch glasses other than round watch glasses (provided for in item 547.13, part 3C, schedule 5).	5.9% ad val.	4.9% ad val.	No change.	On or before 12/31/87".

(b) Effective with respect to articles provided for in item 909.40 (as added by subsection (a)) that are entered, or withdrawn from warehouse for consumption, on or after each of the dates set forth below, column 1 for such item is amended by striking out the rate of duty in effect on the day before such date and inserting in lieu thereof the rate of duty appearing below next to each such date:

Date:	Rate of duty:
January 1, 1986	5.6% ad val.
January 1, 1987	5.2% ad val.

SEC. 175. UNWROUGHT LEAD.

(a) Item 911.50 of the Appendix is amended by striking out "6/30/83" and inserting in lieu thereof "12/31/88".

(b) Section 114 of Public Law 96-609 is amended by striking out "July 1, 1983" in subsection (b) and inserting in lieu thereof "January 1, 1989".

SEC. 176. FLAT KNITTING MACHINES.

Item 912.13 of the Appendix is amended—

(1) by striking out "(provided for in item 670.19 or 670.20," and inserting in lieu thereof ", and parts thereof (provided for in items 670.19, 670.20, and 670.74,"; and

(2) by striking out "6/30/83" and inserting in lieu thereof "12/31/88".

SEC. 177. CERTAIN MENTHOL FEEDSTOCKS.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.13	Mixtures containing not less than 90 percent by weight of stereoisomers of 2 isopropyl-5-methylcyclohexanol, but containing not more than 30 percent by weight of any one such stereoisomer (provided for in item 407.16, part 1B, schedule 4).	Free	No change.	On or before 12/31/87".

SEC. 178. 2-METHYL-4-CHLOROPHENOL.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.97	2-Methyl-4-chlorophenol (provided for in item 403.56, part 1B, schedule 4).	Free	No change.	On or before 12/31/87".

SEC. 179. UNWROUGHT ALLOYS OF COBALT.

Item 911.90 of the Appendix is amended by striking out "6/30/83" and inserting in lieu thereof "12/31/87".

SEC. 180. CIRCULAR KNITTING MACHINES.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item with a superior heading that has the same indentation as "Powerdriven" in item 912.13:

"912.17	Cylinder, double cylinder, and dial knitting machines and parts thereof all the foregoing designed for sweater strip or garment length knitting (provided for in items 670.17 and 670.74, part 4E, schedule 6).	Free	No change.	On or before 12/31/89."

SEC. 181. o-BENZYL-p-CHLOROPHENOL.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.23	o-Benzyl-p-chlorophenol (provided for in item 408.16, part 1C, schedule 4).	Free	No change.	On or before 12/31/87".

SEC. 182. CERTAIN BENZENOID CHEMICALS.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new items:

"906.30	3,5,6-Trichlorosalicylic acid (provided for in item 404.46, part 1B, schedule 4).	Free	Free	On or before 12/31/87
906.32	m-Aminophenol (provided for in item 404.92, part 1B, schedule 4).	Free	Free	On or before 12/31/87
906.38	p-Acetamidobenzenesulfonyl chloride (N-Acetylsulfanilyl chloride) (provided for in item 405.33, part 1B, schedule 4).	Free	Free	On or before 12/31/87".

SEC. 183. M-TOLUIC ACID.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.57	m-Toluic acid (provided for in item 404.28, part 1B, schedule 4).	Free	No change.	On or before 12/31/87".

Subtitle D—Technical Amendments

SEC. 191. TECHNICAL AND CONFORMING AMENDMENTS.

(a) The schedules are further amended as follows:

(1) Headnote 9(a) of the general headnotes is amended by striking out "warehouse, for consumption" and inserting in lieu thereof "warehouse for consumption,".

(2) The superior heading to items 346.05 and 346.10 and the superior heading to items 346.15 through 346.24 are each amended by striking out "Fabric" and inserting in lieu thereof "Fabrics".

(3) The article description for item 535.13 is amended by aligning the indentation of that description with that of the article description for item 535.12.

(4) Headnote 1(ii) to subpart D of part 6 of schedule 6 is amended by striking out "5(e)" and inserting in lieu thereof "5(g)".

(5) Item 642.34 is amended by striking out "12% ad val." and inserting in lieu thereof "10% ad val.".

(6) Headnote 6 to subpart E of part 2 of schedule 7 is amended—

(A) by striking out "through (h)" in paragraph (a) and inserting in lieu thereof "through (ij)";

(B) by striking out "paragraph (c)" in paragraph (b) and inserting in lieu thereof "paragraph (d)",

(C) by striking out "paragraph (d)" in subparagraph (d)(ii)(I) and inserting in lieu thereof "paragraph (e)"; and

(D) by redesignating paragraph (i) as paragraph (ij).

(7) Item 737.73 is amended by inserting a comma immediately after "ware".

(8) The article description for each of items 745.41 and 745.42 is amended by aligning the indentation of that description with that of the article description for item 745.34.

(9) The article description for each of items 870.50, 870.55, and 870.60 is amended by aligning the indentation of that description with that of the article description for item 870.25.

(b) The Appendix is amended as follows:

(1) The article description for item 903.25 is amended to read as follows: "Culled carrots, fresh or chilled, in immediate containers each holding more than 100 pounds (provided for in item 135.42, part 8A, schedule 1), if entered for consumption during the period from August 15 in any year to the 15th day of the following February, inclusive".

(2) Item 906.10 is amended by striking out "386.09" and inserting in lieu thereof "386.13".

(3) The article description for item 906.12 is amended—

(A) by aligning the indentation of that description with that of the article description for item 906.10; and

(B) by inserting ", part 6F," after "383.50".

(4) The article description for item 907.00 is amended to read as follows: "p-Hydroxybenzoic acid (provided for in item 404.42, part 1B, schedule 4)".

(5) The article description for item 907.01 is amended to read as follows: "Triphenyl phosphate (provided for in item 409.34, part 1C, schedule 4)".

(6) The article description for item 907.14 is amended to read as follows: "Mixtures of 3-ethylbiphenyl (m-ethylbiphenyl) and 4-ethylbiphenyl (p-ethylbiphenyl) (provided for in item 407.16, part 1B, schedule 4)".

(7) The article description for item 907.15 is amended to read as follows: "1,1-Bis(4-chlorophenyl)-2,2,2-trichloroethanol (Dicofol) (provided for in item 408.28, part 1C, schedule 4)".

(8) Item 912.30 is amended by striking out "737.21,".

(c) The Educational, Scientific, and Cultural Materials Importation Act of 1982 (Public Law 97-446, 19 U.S.C. 1202 note) is amended as follows:

(1) Section 162 is amended by inserting a comma after "Architectural" in the article description for item 273.52 (as set forth in paragraph (2) of such section).

(2) Section 163(c) is amended—

(A) by striking out "headnote 2 as headnote 1," in paragraph (1) and inserting in lieu thereof "headnotes 2 and 3 as headnotes 1 and 2, respectively,"; and

(B) by striking out "models) and wall charts of an educational, scientific or cultural character," and inserting in lieu thereof "models), globes, and wall charts of an educational, scientific or cultural character;" in the article description for item 870.35 (as set forth in paragraph (3) of such section).

(3) Section 165 is amended—

(A) by redesignating items 870.50, 870.55, and 870.60 (as set forth in subsection (b)(1) of such section) as items 870.65, 870.66, and 870.67, respectively;

(B) by aligning the indentation of the article description of item 870.67 (as redesignated by paragraph (1)) with the indentation of "Articles for the blind:" immediately preceding item 870.65 and 870.66 (as so redesignated);

(C) by amending headnote 2 of part 7 of schedule 8 (as set forth in subsection (b)(2) of such section)—

(i) by redesignating it as headnote 3; and

(ii) by striking out "870.50, 870.55, and 870.60—" and inserting in lieu thereof "870.65, 870.66, and 870.67—".

(d) Section 504 of the Tariff Act of 1930 (19 U.S.C. 1504) is amended—

(1) by striking out ", his consignee, or agent" in subsection (a) and inserting in lieu thereof "of record";

(2) by striking out ", his consignee, or agent" and ", consignee, or his agent" in subsection (b) and inserting in lieu thereof "of record";

(3) by striking out "or consignee" each place it appears in subsection (c) and inserting in lieu thereof "of record"; and

(4) by striking out ", his consignee, or agent" in subsection (d) and inserting in lieu thereof "of record".

(e) Headnote 3(a)(i) of the general headnotes and rules of interpretation is amended by striking out "of schedule 7, part 2, subpart E, and except as provided in headnote 4 of schedule 7, part 7, subpart A" and inserting in lieu thereof "of subpart E of part 2 of

schedule 7, and except as provided in headnote 3 of subpart A of part 7 of schedule 7".

Subtitle E—Effective Dates

SEC. 195. EFFECTIVE DATES.

(a) Except as provided in section 126 and in subsections (b) and (c), the amendments made by subtitles B, C, and D shall apply with respect to articles entered on or after the 15th day after the date of the enactment of this Act.

(b)(1) The amendment made by sections 117 and 124 shall apply with respect to articles entered on or after January 1, 1985.

(2) The amendments made by section 127 shall apply with respect to articles entered on or after a date to be proclaimed by the President which shall be consonant with the entering into force for the United States of the Customs Convention on Containers, 1972.

(c)(1) Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon proper request filed with the customs officer concerned on or before the 90th day after the date of the enactment of this Act the entry of any article described in paragraph (2) or (3) shall be treated as provided in such paragraph.

(2)(A) In the case of the application of any amendment made by section 133, 145, 152, 159, 166, 168, 173, 175, 176, or 191 (a) or (b) to any entry—

(i) which was made after the applicable date and before the 15th day after the date of the enactment of this Act; and

(ii) with respect to which there would have been no duty or a lesser duty if the amendment made by such section applied to such entry;

such entry shall be liquidated or reliquidated as though such entry had been made on the 15th day after the date of the enactment of this Act.

(B) For purposes of subparagraph (A), the term "applicable date" means—

(i) in the case of section 191 (a) or (b), January 12, 1983,

(ii) in the case of sections 168, 175, and 176, June 30, 1983,

(iii) in the case of section 173, December 31, 1983,

(iv) in the case of sections 133, 152, 159, and 166, June 30, 1984,

(v) in the case of section 145, January 1, 1984, and

(vi) in the case of sections 141 and 161, September 30, 1984.

(C) In the case of the application of any amendment made by section 140 or 153 to any entry—

(1) that was made before the 15th day after the date of the enactment of this Act;

(2) that was unliquidated, or the liquidation of which was not final, on such 15th day; and

(3) with respect to which there would have been no duty if the amendment made by such section applied to such entry;

such entry shall be liquidated as though the entry had been made on such 15th day.

(d) For purposes of this section—

(1) The term "entered" means entered, or withdrawn from warehouse for consumption, in the customs territory of the United States.

(2) The term "entry" includes any withdrawal from warehouse.

TITLE II—CUSTOMS AND MISCELLANEOUS AMENDMENTS

Subtitle A—Amendments to the Tariff Act of 1930

SEC. 201. REFERENCE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a title, subtitle, part, section, or other provision, the reference shall be considered to be made to a title, subtitle, part, section, or other provision of the Tariff Act of 1930 (19 U.S.C. 1202 et seq.).

SEC. 202. DRAWBACKS.

Section 313 of the Tariff Act of 1930 (19 U.S.C. 1313) is amended—

(1) by amending subsection (j)—

(A) by redesignating paragraph (2) as paragraph (4), and

(B) by inserting after paragraph (1) the following new paragraphs:

"(3) If there is, with respect to imported merchandise on which was paid any duty, tax, or fee imposed under Federal law because of its importation, any other merchandise (whether imported or domestic) that—

"(A) is fungible with such imported merchandise;

"(B) is, before the close of the three-year period beginning on the date of importation of the imported merchandise, either exported or destroyed under Customs supervision;

"(C) before such exportation or destruction—

"(i) is not used within the United States, and

"(ii) is in the possession of the party claiming drawback under this paragraph; and

"(D) is in the same condition at the time of exportation or destruction as was the imported merchandise at the time of its importation;

then upon the exportation or destruction of such other merchandise the amount of each such duty, tax, and fee paid regarding the imported merchandise shall be refunded as drawback, but in no case may the total drawback on the imported merchandise, whether available under this paragraph or any other provision of law or any combination thereof, exceed 99 percent of that duty, tax, or fee.

SEC. 203. PUBLIC DISCLOSURE OF CERTAIN MANIFEST INFORMATION.

Section 431 (19 U.S.C. 1431) is amended—

(1) by striking out the period at the end of the paragraph designated as "Third" in subsection (a) and inserting in lieu thereof "; and the names of the shippers of such merchandise."; and

(2) by adding at the end thereof the following new subsection:

"(c)(1) Except as provided in subparagraph (2), the following information, when contained in such manifest, shall be available for public disclosure:

"(A) The name and address of each importer or consignee and the name and address of the shipper to such importer or consignee, unless the importer or consignee has made a biennial certification, in accordance with procedures adopted by the Secretary of the Treasury, claiming confidential treatment of such information.

"(B) The general character of the cargo.

"(C) The number of packages and gross weight.

"(D) The name of the vessel or carrier.

"(E) The port of loading.

"(F) The port of discharge.

"(G) The country or origin of the shipment.

"(2) The information listed in paragraph (1) shall not be available for public disclosure if—

"(A) the Secretary of the Treasury makes an affirmative finding on a shipment-by-shipment basis that disclosure is likely to pose a threat of personal injury or property damage; or

"(B) the information is exempt under the provisions of section 552(b)(1) of title 5 of the United States Code.

"(3) The Secretary of the Treasury, in order to allow for the timely dissemination and publication of the information listed in paragraph (1), shall establish procedures to provide access to manifests. Such procedures shall include provisions for adequate protection against the public disclosure of information not available for public disclosure from such manifests.".

SEC. 204. VIRGIN ISLANDS EXCURSION VESSELS.

Section 441(3) (19 U.S.C. 1441(3)) is amended to read as follows:

"(3) Vessels carrying passengers on excursion from the United States Virgin Islands to the British Virgin Islands and returning, and licensed yachts or undocumented American pleasure vessels not engaged in trade: Provided, That such vessels do not in any way violate the customs or navigation laws of the United States and have not visited any hovering vessel: Provided further, That the master of any such vessel which has on board any article required by law to be entered shall be required to report such article to the appropriate customs officer within twenty-four hours after arrival.".

SEC. 205. UNLAWFUL IMPORTATION OR EXPORTATION OF CERTAIN VEHICLES.

Part V of title IV (19 U.S.C. 1581 et seq.) is amended by adding at the end thereof the following new section:

"*SEC. 627. UNLAWFUL IMPORTATION OR EXPORTATION OF CERTAIN VEHICLES; INSPECTIONS.*

"(a)(1) Whoever knowingly imports, exports, or attempts to import or export—

"(A) Any stolen self-propelled vehicle, vessel, aircraft, or part of a self-propelled vehicle, vessel, or aircraft; or

"(B) any self-propelled vehicle or part of a self-propelled vehicle from which the identification number has been removed, obliterated, tampered with, or altered;

shall be subject to a civil penalty in an amount determined by the Secretary, not to exceed $10,000 for each violation.

"(2) Any violation of this subsection shall make such self-propelled vehicle, vessel, aircraft, or part thereof subject to seizure and forfeiture under this Act.

"(b) A person attempting to export a used self-propelled vehicle shall present, pursuant to regulations prescribed by the Secretary, to the appropriate customs officer both the vehicle and a document describing such vehicle which includes the vehicle identification number, before lading if the vehicle is to be transported by vessel or aircraft, or before export if the vehicle is to be transported by rail, highway, or under its own power. Failure to comply with the regulations of the Secretary shall subject such person to a civil penalty of not more than $500 for each violation.

"(c) For purposes of this section—

"(1) the term 'self-propelled vehicle' includes any automobile, truck, tractor, bus, motorcycle, motor home, self-propelled agricultural machinery, self-propelled construction equipment, self-propelled special use equipment, and any other self-propelled vehicle used or designed for running on land but not on rail;

"(2) the term 'aircraft' has the meaning given it in section 101(5) of the Federal Aviation Act of 1958 (49 U.S.C. 1301(5));

"(3) the term 'used' refers to any self-propelled vehicle the equitable or legal title to which has been transferred by a manufac-

turer, distributor, or dealer to an ultimate purchaser; and

"(4) the term 'ultimate purchaser' means the first person, other than a dealer purchasing in his capacity as a dealer, who in good faith purchases a self-propelled vehicle for purposes other than resale.

"(d) Customs officers may cooperate and exchange information concerning motor vehicles, off-highway mobile equipment, vessels, or aircraft, either before exportation or after exportation or importation, with such Federal, State, local, and foreign law enforcement or governmental authorities, and with such organizations engaged in theft prevention activities, as may be designated by the Secretary.".

SEC. 206. INCREASE IN AMOUNT FOR INFORMAL ENTRY OF GOODS.

Section 498(1) (19 U.S.C. 1498(1)) is amended—

(1) by striking out "$250" and inserting in lieu thereof "$1,250"; and

(2) by inserting before the semicolon at the end thereof: ", except that this paragraph does not apply to articles valued in excess of $250 classified in—

"(A) schedule 3,

"(B) parts 1, 4A, 7B, 12A, 12D, and 13B of schedule 7, and

"(C) parts 2 and 3 of the Appendix,

of the Tariff Schedules of the United States, or to any other article for which formal entry is required without regard to value.".

SEC. 207. CERTAIN COUNTRY OF ORIGIN MARKING REQUIREMENTS.

Section 304 (19 U.S.C. 1304) is amended—

(1) by redesignating subsections (c), (d), and (e) as subsections (f), (g), and (h), respectively;

(2) by inserting immediately after subsection (b) the following new subsections:

"(c) MARKING OF CERTAIN PIPE AND FITTINGS.—No exception may be made under subsection (a)(3) with respect to pipes of iron, steel, or stainless steel, to pipe fittings of steel, stainless steel, chrome-moly steel, or cast and malleable iron each of which shall be marked with the English name of the country of origin by means of die stamping, cast-in-mold lettering, etching, or engraving.

"(d) MARKING OF COMPRESSED GAS CYLINDERS.—No exception may be made under subsection (a)(3) with respect to compressed gas cylinders designed to be used for the transport and storage of compressed gases whether or not certified prior to exportation to have been made in accordance with the safety requirements of sections 178.36 through 178.68 of title 49, Code of Federal Regulations, each of which shall be marked with the English name of the country of origin by means of die stamping, molding, etching, raised lettering, or an equally permanent method of marking.

"(e) MARKING OF CERTAIN MANHOLE RINGS OR FRAMES, COVERS, AND ASSEMBLIES THEREOF.—No exception may be made under subsection (a)(3) with respect to manhole rings or frames, covers, and assemblies thereof each of which shall be marked on the top surface with the English name of the country of origin by means of die stamping, cast-in-mold lettering, etching, or engraving."; and

(3) by striking out "subsection (c)" in subsection (g) (as so redesignated) and inserting in lieu thereof "subsection (f)".

SEC. 208. EQUIPMENTS AND REPAIRS OF CERTAIN VESSELS EXEMPT FROM DUTIES.

Section 466(e) (19 U.S.C. 1466(e)) is amended to read as follows:

"(e)(1) In the case of any vessel referred to in subsection (a) that arrives in a port of the United States two years or more after its last departure from a port in the United States, the duties imposed by this section shall apply only with respect to—

"(A) fish nets and netting, and

"(B) other equipments and parts thereof, repair parts and materials purchased, or repairs made, during the first six months after the last departure of such vessel from a port of the United States.

"(2) If such vessel is designed and used primarily for transporting passengers or property, paragraph (1) shall not apply if the vessel departed from the United States for the sole purpose of obtaining such equipments, parts, materials, or repairs.".

SEC. 209. ARTICLES RETURNED FROM SPACE.

(a) Part III of title IV (19 U.S.C. 1481 et seq.) is amended by adding the following new section:

"SEC. 484a. ARTICLES RETURNED FROM SPACE NOT TO BE CONSTRUED AS IMPORTATION.

"The return of articles from space shall not be considered an importation, and an entry of such articles shall not be required if:

"(1) such articles were previously launched into space from the customs territory of the United States aboard a spacecraft operated by, or under the control of, United States Persons and owned—

"(A) wholly by United States persons, or

"(B) in substantial part by United States persons, or

"(C) by the United States;

"(2) such articles were maintained or utilized while in space solely on board such spacecraft or aboard another spacecraft which meets the requirements of paragraph (1) (A) through (C) of this section; and

"(3) such articles were returned to the customs territory directly from space aboard such spacecraft or aboard another spacecraft which meets the requirements of paragraph (1) (A) through (C) of this section;

without regard to whether such articles have been advanced in value or improved in condition by any process of manufacture or other means while in space.".

(b) Headnote 5 of the general headnotes of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended—

(A) by striking out "media; and" in subdivision (e) and inserting in lieu thereof "media,";

(B) by adding after subdivision (e) the following new subdivision:

"(f) articles returned from space within the purview of section 484a of the Tariff Act of 1930; and"; and

(C) by redesignating subdivision (f) as subdivision (g).

SEC. 210. DATE OF LIQUIDATION OR RELIQUIDATION.

(a) Section 505 of the Tariff Act of 1930 (19 U.S.C. 1505) is amended by adding at the end thereof the following new subsection:

"(c) Duties determined to be due upon liquidation or reliquidation shall be due 15 days after the date of that liquidation or reliquidation, and unless payment of the duties is received by the appropriate customs officer within 30 days after that date, shall be considered delinquent and bear interest from the 15th day after the date of liquidation or reliquidation at a rate determined by the Secretary of the Treasury.".

(b) Section 520 of the Tariff Act of 1930 (19 U.S.C. 1520) is amended by adding at the end thereof the following new subsection:

"(d) If a determination is made to reliquidate an entry as a result of a protest filed under section 514 of this Act or an application for relief made under subsection (c)(1) of this section, or if reliquidation is ordered by an appropriate court, interest shall be allowed on any amount paid as increased or additional duties under section 505(c) of this Act at the annual rate established pursuant to that section and determined as of the 15th day after the date of liquidation or reliquidation. The interest shall be calculated from the date of payment to the date of (1) the refund, or (2) the filing of a summons under section 2632 of title 28, United States Code, whichever occurs first.".

SEC. 211. OPERATION OF CERTAIN DUTY-FREE SALES ENTERPRISES.

Section 555 of the Tariff Act of 1930 (19 U.S.C. 1555) is amended—

(1) by striking out "Buildings" in the first sentence thereof and inserting in lieu thereof "(a) Subject to subsection (b), buildings"; and

(2) by inserting at the end thereof the following:

"(b) If a State or local governmental authority, incident to its jurisdiction over any airport, seaport, or other exit point facility, requires that a concession or other form of approval be obtained from that authority with respect to the operation of a duty-free sales enterprise under which merchandise is delivered to such facility for exportation, merchandise incident to such operation may not be withdrawn from a bonded warehouse and transferred to such facility unless the operator of the duty-free sales enterprise demonstrates to the Secretary of the Treasury that the concession or approval required for the enterprise has been obtained. For purposes of this subsection, the term 'duty-free sales enterprise' means an entity that sells, in less than wholesale quantities, duty-free or tax-free merchandise that is delivered from a bonded warehouse to an airport, seaport, or point of exit from the United States for exportation by, or on behalf of, individuals departing from the United States.".

SEC. 212. CUSTOMS BROKERS.

(a) Section 641 (19 U.S.C. 1641) is amended to read as follows:

"SEC. 641. CUSTOMS BROKERS.

"(a) DEFINITIONS.—As used in this section:

"(1) The term 'customs broker' means any person granted a customs broker's license by the Secretary under subsection (b).

"(2) The term 'customs business' means those activities involving transactions with the Customs Service concerning the entry and admissibility of merchandise, its classification and valuation, the payment of duties, taxes, or other charges assessed or collected by the Customs Service upon merchandise by reason of its importation, or the refund, rebate, or drawback thereof.

"(3) The term 'Secretary' means the Secretary of the Treasury.

"(b) CUSTOM BROKER'S LICENSES.—

"(1) IN GENERAL.—No person may conduct customs business (other than solely on behalf of that person) unless that person holds a valid customs broker's license issued by the Secretary under paragraph (2) or (3).

"(2) LICENSES FOR INDIVIDUALS.—The Secretary may grant an individual a customs broker's license only if that individual is a citizen of the United States. Before granting the license, the Secretary may require an applicant to show any facts deemed necessary to establish that the applicant is of good moral character and qualified to render valuable service to others in the conduct of customs business. In assessing the qualifications of an applicant, the Secretary may conduct an examination to determine the applicant's knowledge of customs and related laws, regulations and procedures, book-

keeping, accounting, and all other appropriate matters.

"(3) LICENSES FOR CORPORATIONS, ETC.—The Secretary may grant a customs broker's license to any corporation, association, or partnership that is organized or existing under the laws of any of the several States of the United States if at least one officer of the corporation or association, or one member of the partnership, holds a valid customs broker's license granted under paragraph (2).

"(4) DUTIES.—A customs broker shall exercise responsible supervision and control over the customs business that it conducts.

"(5) LAPSE OF LICENSE.—The failure of a customs broker that is licensed as a corporation, association, or partnership under paragraph (3) to have, for any continuous period of 120 days, at least one officer of the corporation or association, or at least one member of the partnership, validly licensed under paragraph (2) shall, in addition to causing the broker to be subject to any other sanction under this section (including paragraph (6)), result in the revocation by operation of law of its license.

"(6) PROHIBITED ACTS.—Any person who intentionally transacts customs business, other than solely on the behalf of that person, without holding a valid customs broker's license granted to that person under this subsection shall be liable to the United States for a monetary penalty not to exceed $10,000 for each such transaction as well as for each violation of any other provision of this section. This penalty shall be assessed in the same manner and under the same procedures as the monetary penalties provided for in subsection (d)(2)(A).

"(c) CUSTOMS BROKER'S PERMITS.—

"(1) IN GENERAL.—Each person granted a customs broker's license under subsection (b) shall—

"(A) be issued a permit, in accordance with regulations prescribed under this section, for each customs district in which that person conducts customs business; and

"(B) except as provided in paragraph (2), regularly employ in each customs district for which a permit is so issued at least one individual who is licensed under subsection (b)(2) to exercise responsible supervision and control over the customs business conducted by that person in that district.

"(2) EXCEPTION.—If a person granted a customs broker's license under subsection (b) can demonstrate to the satisfaction of the Secretary that—

"(A) he regularly employs in the region in which that district is located at least one individual who is licensed under subsection (b)(2), and

"(B) that sufficient procedures exist within the company for the person employed in that region to exercise responsible supervision and control over the customs business conducted by that person in that district,

the Secretary may waive the requirement in paragraph (1)(B).

"(3) LAPSE OF PERMIT.—The failure of a customs broker granted a permit under paragraph (1) to employ, for any continuous period of 180 days, at least one individual who is licensed under subsection (b)(2) within the district or region (if paragraph (2) applies) for which a permit was issued shall, in addition to causing the broker to be subject to any other sanction under this section (including any in subsection (d)), result in the revocation by operation of law of the permit.

"(d) DISCIPLINARY PROCEEDINGS.—

"(1) GENERAL RULE.—The Secretary may impose a monetary penalty in all cases with the exception of the infractions described in clause (iii) of subparagraph (B) of this subsection, or revoke or suspend a license or permit of any customs broker, if it is shown that the broker—

"(A) has made or caused to be made in any application for any license or permit under this section, or report filed with the Customs Service, any statement which was, at the time and in light of the circumstances under which it was made, false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which was required to be stated therein;

"(B) has been convicted at any time after the filing of an application for license under subsection (b) of any felony or misdemeanor which the Secretary finds—

"(i) involved the importation or exportation of merchandise;

"(ii) arose out of the conduct of its customs business; or

"(iii) involved larceny, theft, robbery, extortion, forgery, counterfeiting, fraudulent concealment, embezzlement, fraudulent conversion, or misappropriation of funds;

"(C) has violated any provision of any law enforced by the Customs Service or the rules or regulations issued under any such provision;

"(D) has counseled, commanded, induced, procured, or knowingly aided or abetted the violations by any other person of any provision of any law enforced by the Customs Service, or the rules or regulations issued under any such provision;

"(E) has knowingly employed, or continues to employ, any person who has been convicted of a felony, without written approval of such employment from the Secretary; or

"(F) has, in the course of its customs business, with intent to defraud, in any manner willfully and knowingly deceived, misled or threatened any client or prospective client.

"(2) PROCEDURES.—

"(A) MONETARY PENALTY.—Unless action has been taken under subparagraph (B), the appropriate customs officer shall serve notice in writing upon any customs broker to show cause why the broker should not be subject to a monetary penalty not to exceed $30,000 in total for a violation or violations of this section. The notice shall advise the customs broker of the allegations or complaints against him and shall explain that the broker has a right to respond to the allegations or complaints in writing within 30 days of the date of the notice. Before imposing a monetary penalty, the customs officer shall consider the allegations or complaints and any timely response made by the customs broker and issue a written decision. A customs broker against whom a monetary penalty has been issued under this section shall have a reasonable opportunity under section 618 to make representations seeking remission or mitigation of the monetary penalty. Following the conclusion of any proceeding under section 618, the appropriate customs officer shall provide to the customs broker a written statement which sets forth the final determination and the findings of fact and conclusions of law on which such determination is based.

"(B) REVOCATION OR SUSPENSION.—The appropriate customs officer may, for good and sufficient reason, serve notice in writing upon any customs broker to show cause why a license or permit issued under this section should not be revoked or suspended. The notice shall be in the form of a statement specifically setting forth the grounds of the complaint, and shall allow the customs broker 30 days to respond. If no response is filed, or the appropriate customs officer determines that the revocation or suspension is still warranted, he shall notify the customs broker in writing of a hearing to be held within 15 days, or at a later date if the broker requests an extension and shows good cause therefor, before an administrative law judge appointed pursuant to section 3105 of title 5, United States Code, who shall serve as the hearing officer. If the customs broker waives the hearing, or the broker or his designated representative fails to appear at the appointed time and place, the hearing officer shall make findings and recommendations based on the record submitted by the parties. At the hearing, the customs broker may be represented by counsel, and all proceedings, including the proof of the charges and the response thereto shall be presented with testimony taken under oath and the right of cross-examination accorded to both parties. A transcript of the hearing shall be made and a copy will be provided to the appropriate customs officer and the customs broker; they shall thereafter be provided reasonable opportunity to file a post-hearing brief. Following the conclusion of the hearing, the hearing officer shall transmit promptly the record of the hearing along with his findings of fact and recommendations to the Secretary for decision. The Secretary will issue a written decision, based solely on the record, setting forth his findings of fact and the reasons for his decision. Such decision may provide for the sanction contained in the notice to show cause or any lesser sanction authorized by this subsection, including a monetary penalty not to exceed $30,000, than was contained in the notice to show cause.

"(3) SETTLEMENT AND COMPROMISE.—The Secretary may settle and compromise any disciplinary proceeding which has been instituted under this subsection according to the terms and conditions agreed to by the parties, including but not limited to the reduction of any proposed suspension or revocation to a monetary penalty.

"(4) LIMITATION OF ACTIONS.—Notwithstanding section 621, no proceeding under this subsection or subsection (b)(6) shall be commenced unless such proceeding is instituted by the appropriate service of written notice within 5 years from the date the alleged violation was committed; except that if the alleged violation consists of fraud, the 5-year period of limitation shall commence running from the time such alleged violation was discovered.

"(e) JUDICIAL APPEAL.—

"(1) IN GENERAL.—A customs broker, applicant, or other person directly affected may appeal any decision of the Secretary denying or revoking a license or permit under subsection (b) or (c), or revoking or suspending a license or permit or imposing a monetary penalty in lieu thereof under subsection (d)(2)(B), by filing in the Court of International Trade, within 60 days after the issuance of the decision or order, a written petition requesting that the decision or order be modified or set aside in whole or in part. A copy of the petition shall be transmitted promptly by the clerk of the court to the Secretary or his designee. In cases involving revocation or suspension of a license or permit or imposition of a monetary penalty in lieu thereof under subsection (d)(2)(B), after receipt of the petition, the Secretary shall file in court the record upon which the decision or order complained of was en-

tered, as provided in section 2635(d) of title 28, United States Code.

"(2) CONSIDERATION OF OBJECTIONS.—The court shall not consider any objection to the decision or order of the Secretary, or to the introduction of evidence or testimony, unless that objection was raised before the hearing officer in suspension or revocation proceedings unless there were reasonable grounds for failure to do so.

"(3) CONCLUSIVENESS OF FINDINGS.—The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive.

"(4) ADDITIONAL EVIDENCE.—If any party applies to the court for leave to present additional evidence and the court is satisfied that the additional evidence is material and that reasonable grounds existed for the failure to present the evidence in the proceedings before the hearing officer, the court may order the additional evidence to be taken before the hearing officer and to be presented in a manner and upon the terms and conditions prescribed by the court. The Secretary may modify the findings of facts on the basis of the additional evidence presented. The Secretary shall then file with the court any new or modified findings of fact which shall be conclusive if supported by substantial evidence, together with a recommendation, if any, for the modification or setting aside of the original decision or order.

"(5) EFFECT OF PROCEEDINGS.—The commencement of proceedings under this subsection shall, unless specifically ordered by the court, operate as a stay of the decision of the Secretary except in the case of a denial of a license or permit.

"(6) FAILURE TO APPEAL.—If an appeal is not filed within the time limits specified in this section, the decision by the Secretary shall be final and conclusive. In the case of a monetary penalty imposed under subsection (d)(2)(B) of this section, if the amount is not tendered within 60 days after the decision becomes final, the license shall automatically be suspended until payment is made to the Customs Service.

"(f) REGULATIONS BY THE SECRETARY.—The Secretary may prescribe such rules and regulations relating to the customs business of customs brokers as the Secretary considers necessary to protect importers and the revenue of the United States, and to carry out the provisions of this section, including rules and regulations governing the licensing of or issuance of permits to customs brokers, the keeping of books, accounts, and records by customs brokers, and documents and correspondence, and the furnishing by customs brokers of any other information relating to their customs business to any duly accredited officer or employee of the United States Customs Service.

"(g) TRIENNIAL REPORTS BY CUSTOMS BROKERS.—

"(1) IN GENERAL.—On February 1, 1985, and on February 1 of each third year thereafter, each person who is licensed under subsection (b) shall file with the Secretary of the Treasury a report as to—

"(A) whether such person is actively engaged in business as a customs broker; and

"(B) the name under, and the address at, which such business is being transacted.

"(2) SUSPENSION AND REVOCATION.—If a person licensed under subsection (b) fails to file the required report by March 1 of the reporting year, the license is suspended, and may be thereafter revoked subject to the following procedures:

"(A) The Secretary shall transmit written notice of suspension to the licensee no later than March 31 of the reporting year.

"(B) If the licensee files the required report within 60 days of receipt of the Secretary's notice, the license shall be reinstated.

"(C) In the event the required report is not filed within the 60-day period, the license shall be revoked without prejudice to the filing of an application for a new license.

"(h) FEES AND CHARGES.—The Secretary may prescribe reasonable fees and charges to defray the costs of the Customs Service in carrying out the provisions of this section, including, but not limited to, a fee for licenses issued under subsection (b) and fees for any test administered by him or under his direction; except that no separate fees shall be imposed to defray the costs of an individual audit or of individual disciplinary proceedings of any nature.".

(b) Title 28, United States Code, is amended as follows:

(1) Section 1581(g) is amended to read as follows:

"(g) The Court of International Trade shall have exclusive jurisdiction of any civil action commenced to review—

"(1) any decision of the Secretary of the Treasury to deny a customs broker's license under section 641(b)(2) or (3) or (c) of the Tariff Act of 1930, or to deny a customs broker's permit under section 641(c)(1) of such Act, or to revoke a license or permit under section 641(b)(5) or (c)(2) of such Act; and

"(2) any decision of the Secretary of the Treasury to revoke or suspend a customs broker's license or permit, or impose a monetary penalty in lieu thereof, under section 641(d)(2)(B) of the Tariff Act of 1930.".

(2) Section 1582(1) is amended to read as follows:

"(1) to recover a civil penalty under section 592, 641(a)(1)(C), 641(d)(2)(A), 704(i)(2), or 734(i)(2) of the Tariff Act of 1930;".

(3) Section 2631(g) is amended to read as follows:

"(g)(1) A civil action to review any decision of the Secretary of the Treasury to deny a customs broker's license under section 641(b) (2) or (3) of the Tariff Act of 1930, or to deny a customs broker's permit under section 641(c)(1) of such Act, or to revoke such license or permit under section 641(b)(5) or (c)(2) of such Act, may be commenced in the Court of International Trade by the person whose license or permit was denied or revoked.

"(2) A civil action to review any decision of the Secretary of the Treasury to revoke or suspend a customs broker's license or permit or impose a monetary penalty in lieu thereof under section 641(d)(2)(B) of the Tariff Act of 1930 may be commenced in the Court of International Trade by the person against whom the decision was issued.".

(4) Section 2636(h) is amended to read as follows:

"(h) A civil action contesting the denial or revocation by the Secretary of the Treasury of a customs broker's license or permit under subsection (b) or (c) of section 641 of the Tariff Act of 1930, or the revocation or suspension of such license or permit or the imposition of a monetary penalty in lieu thereof by such Secretary under section 641(d) of such Act, is barred unless commenced in accordance with the rules of the Court of International Trade within sixty days after the date of the entry of the decision or order of such Secretary.".

(5) Section 2640(a)(5) is amended to read as follows:

"(5) Civil actions commenced to review any decision of the Secretary of the Treasury under section 641 of the Tariff Act of 1930, with the exception of decisions under section 641(d)(2)(B), which shall be governed by subdivision (d) of this section.".

(6) Section 2643 is amended by adding the following new subsection:

"(e) In any proceeding involving assessment or collection of a monetary penalty under section 641(b)(6) or 641(d)(2)(A) of the Tariff Act of 1930, the court may not render judgment in an amount greater than that sought in the initial pleading of the United States, and may render judgment in such lesser amount as shall seem proper and just to the court.".

(7) The Tariff Act of 1930 is further amended—

(A) by adding the following sentence at the end of section 564: "The provisions of this section shall apply to licensed customs brokers who otherwise possess a lien for the purposes stated above upon the merchandise under the statutes or common law, or by order of any court of competent jurisdiction, of any State."; and

(2) by adding the following at the end of section 520(a):

"(4) PRIOR TO LIQUIDATION.—Prior to the liquidation of an entry, whenever it is ascertained that excess duties, fees, charges, or exactions have been deposited or paid by reason of clerical error.".

SEC. 213. SEIZURES AND FORFEITURES.

(a) The Tariff Act of 1930 is amended as follows:

(1) Section 602 (19 U.S.C. 1602) is amended by inserting "aircraft," after "vehicle,".

(2) The sentence beginning "All vessels," in section 605 (19 U.S.C. 1605) is amended by inserting "aircraft," after "vehicles," the first place is appears.

(3) Section 606 (19 U.S.C. 1606) is amended by inserting "aircraft," after "vehicle,".

(4) Section 607 (19 U.S.C. 1607) is amended to read as follows:

"SEC. 607. SEIZURE; VALUE $100,000 OR LESS, PROHIBITED MERCHANDISE, TRANSPORTING CONVEYANCES.

"(a) If—

"(1) the value of such seized vessel, vehicle, aircraft, merchandise, or baggage does not exceed $100,000;

"(2) such seized merchandise is merchandise the importation of which is prohibited; or

"(3) such seized vessel, vehicle, or aircraft was used to import, export, transport, or store any controlled substance;

the appropriate customs officer shall cause a notice of the seizure of such articles and the intention of forfeit and sell or otherwise dispose of the same according to law to be published for at least three successive weeks in such manner as the Secretary of the Treasury may direct. Written notice of seizure together with information on the applicable procedures shall be sent to each party who appears to have an interest in the seized article.

"(b) As used in this section, the term 'controlled substance' has the meaning given that term in section 102 of the Controlled Substances Act (21 U.S.C. 802).".

(5) Section 608 (19 U.S.C. 1608) is amended—

(A) in the sentence beginning "Any person", by inserting "aircraft," after "vehicle,"; and

(B) in the sentence beginning "Upon the filing", by inserting after "penal sum of" the following: "$2,500 or 10 percent of the value

of the claimed property, whichever is lower, but not less than".

(6) Section 609 (19 U.S.C. 1609) is amended—

(A) by striking out "If no" and inserting in lieu thereof "(a) If no";

(B) by inserting "aircraft," after "vehicle,";

(C) by inserting after "according to law, and" the following: "(except as provided in subsection (b) of this section)"; and

(D) by adding at the end the following new subsection:

"(b) During the period beginning on the date of the enactment of this subsection and ending on September 30, 1987, the appropriate customs officer shall deposit the proceeds of sale (after deducting such expenses) in the Customs Forfeiture Fund.".

(7) Section 610 (19 U.S.C. 1610) is amended—

(A) by striking out "VALUE MORE THAN $10,000" in the section heading and inserting in lieu thereof "JUDICIAL FORFEITURE PROCEEDINGS"; and

(B) by striking out "If the value of any vessel, vehicle, merchandise, or baggage so seized is greater than $10,000," and inserting in lieu thereof "If any vessel, vehicle, aircraft, merchandise, or baggage is not subject to section 607 of this Act,".

(8) Section 611 (19 U.S.C. 1611) is amended by inserting "aircraft," after "vehicle," each place it appears.

(9) Section 612 (19 U.S.C. 1612) is amended—

(A) by inserting "aircraft," after "vehicle," each place it appears;

(B) in the sentence beginning "Whenever it appears"—

(i) by striking out "Whenever" and inserting in lieu thereof "(a) Whenever";

(ii) by striking out "the value of"; and

(iii) by striking out "as determined under section 606 of this Act, does not exceed $10,000" and inserting in lieu thereof "is subject to section 607 of this Act";

(C) in the sentence beginning "If such value"—

(i) by striking out "such value of"; and

(ii) by striking out "exceed $10,000" and inserting in lieu thereof "is not subject to section 607 of this Act,"; and

(D) by adding at the end the following new subsection:

"(b) If the expense of keeping the vessel, vehicle, aircraft, merchandise, or baggage is disproportionate to the value thereof, and such value is less than $1,000, such officer may proceed forthwith to order destruction or other appropriate disposition of such property, under regulations prescribed by the Secretary of the Treasury.".

(10) Section 613 (19 U.S.C. 1613) is amended—

(A) by inserting "aircraft," after "vehicle," in the sentence beginning "Except as" in subsection (a);

(B) by striking out "with the Treasurer of the United States as a customs or navigation fine" and inserting in lieu thereof "in the general fund of the Treasury of the United States" in paragraph (3) of the sentence beginning "If no" in subsection (a); and

(C) by amending subsection (b) by inserting after "and (2) of this section" the following: "or subsection (a)(1), (a)(3), or (a)(4) of section 613A of this Act".

(11) Part V of title IV (19 U.S.C. 1581 et seq.) is amended by adding after section 613 the following new section:

"SEC. 613A. CUSTOMS FORFEITURE FUND.

"(a) There is established in the Treasury of the United States a fund to be known as the Customs Forfeiture Fund (hereinafter in this section referred to as the 'fund'), which shall be available to the United States Customs Service, subject to appropriation, during the period beginning on the date of the enactment of this section and ending on September 30, 1987. The fund shall be available with respect to seizures and forfeitures by the United States Customs Service under any law enforced or administered by it for payment (to the extent that such payment is not reimbursed under section 524 of this Act)—

"(1) of all proper expenses of the seizure or the proceedings of forfeiture and sale (not otherwise recovered under section 613(a)), including, but not limited to, expenses of inventory, security, maintaining the custody of the property, advertising and sale, and if condemned by the court and a bond for such costs was not given, the costs as taxed by the court;

"(2) of awards of compensation to informers under section 619 of this Act;

"(3) for satisfaction of—

"(A) liens for freight, charges, and contributions in general average, notice of which has been filed with the appropriate customs officer according to law; and

"(B) other liens against forfeited property;

"(4) of amounts authorized by law with respect to remission and mitigation;

"(5) for equipping for law enforcement functions of forfeited vessels, vehicles, and aircraft retained as provided by law for official use by the United States Customs Service; and

"(6) of claims of parties in interest to property disposed of under section 612(b) of this Act, in the amounts applicable to such claims at the time of seizure.

In addition to the purposes described in paragraphs (1) through (6), the fund shall be available for purchases by the United States Customs Service of evidence of (A) smuggling of controlled substances, and (B) violations of the currency and foreign transaction reporting requirements of chapter 53 of title 31, United States Code, if there is a substantial probability that the violations of these requirements are related to the smuggling of controlled substances.

"(b)(1) Payment under paragraphs (3) and (4) of subsection (a) of this section shall not exceed the value of the property at the time of the seizure.

"(2) Amounts under subsection (a) of this section shall be available, at the discretion of the Commissioner of Customs, to reimburse the applicable appropriation for expenses incurred by the Coast Guard for a purpose specified in such subsection.

"(c) There shall be deposited in the fund during the period beginning on the date of the enactment of this section, and ending on September 30, 1987, all proceeds from forfeiture under any law enforced or administered by the United States Customs Service (after reimbursement of expenses under section 524 of this Act) and all earnings on amounts invested under subsection (d) of this section.

"(d) Amounts in the fund which are not currently needed for the purposes of this section shall be invested in obligations of, or guaranteed by, the United States.

"(e) Not later than four months after the end of each fiscal year, the Commissioner of Customs shall transmit to the Congress a report on receipts and disbursements with respect to the fund for such year.

"(f)(1) There are authorized to be appropriated from the fund for each of the four fiscal years beginning with fiscal year 1984, not more than $10,000,000.

"(2) At the end of each of the first three of such four fiscal years, any amount in the fund in excess of $10,000,000 shall be deposited in the general fund of the Treasury. At the end of the last of such four fiscal years, any amount in the fund shall be deposited in the general fund of the Treasury, and the fund shall cease to exist.".

(12) Section 614 (19 U.S.C. 1614) is amended by inserting "aircraft," after "vehicle," each place it appears.

(13) Section 615 (19 U.S.C. 1615) is amended—

(A) in the matter before the proviso, by inserting "aircraft," after "vehicle," each place it appears; and

(B) in paragraph (1) of the proviso, by striking out "vessel or vehicle" and inserting in lieu thereof "vessel, vehicle, or aircraft".

(14) Part V of title IV (19 U.S.C. 1581 et seq.), as amended by paragraph (11), is further amended by adding after section 615 the following new section:

"SEC. 616. TRANSFER OF FORFEITED PROPERTY.

"(a) The Secretary of the Treasury may discontinue forfeiture proceedings under this Act in favor of forfeiture under State law. If a complaint for forfeiture is filed under this Act, the Attorney General may seek dismissal of the complaint in favor of forfeiture under State law.

"(b) If forfeiture proceedings are discontinued or dismissed under this section—

"(1) the United States may transfer the seized property to the appropriate State or local official; and

"(2) notice of the discontinuance or dismissal shall be provided to all known interested parties.

"(c) The Secretary of the Treasury may transfer any property forfeited under this Act to any State or local law enforcement agency which participated directly in the seizure or forfeiture of the property.

"(d) The United States shall not be liable in any action relating to property transferred under this section if such action is based on an act or omission occurring after the transfer.".

(15) Section 619 (19 U.S.C. 1619) is amended—

(A) by inserting "aircraft," after "vehicle," each place it appears, and

(B) by striking out "$50,000" each place it appears and inserting in lieu thereof "$250,000".

(16) The sentence beginning "Whenever any" in section 618 (19 U.S.C. 1618) is amended by inserting "aircraft," after "vehicle," each place it appears.

(17) Part V of title IV (19 U.S.C. 1581 et seq.), as amended by paragraphs (11) and (13), is further amended by adding after section 588 the following new section:

"SEC. 589. ENFORCEMENT AUTHORITY OF CUSTOMS OFFICERS.

"Subject to the direction of the Secretary of the Treasury, an officer of the customs may—

"(1) carry a firearm;

"(2) execute and serve any order, warrant, subpena, summons, or other process issued under the authority of the United States;

"(3) make an arrest without a warrant for any offense against the United States committed in the officer's presence or for a felony, cognizable under the laws of the United States committed outside the officer's presence if the officer has reasonable grounds to believe that the person be to arrested has committed or is committing a felony; and

"(4) perform any other law enforcement duty that the Secretary of the Treasury may designate.".

(b)(1) Section 7607 of the Internal Revenue Code of 1954 is repealed.

(2) The table of sections for subchapter A of chapter 78 of the Internal Revenue Code of 1954 is amended by striking out the item relating to section 7607.

SEC. 214. EFFECTIVE DATES.

(a) For purposes of this section, the term "15th day" means the 15th day after the date of the enactment of this Act.

(b) Except as provided in subsections (c) and (d), the amendments made by this title shall take effect on the 15th day.

(c)(1) The amendment made by section 204 shall apply with respect to vessels returning from the British Virgin Islands on or after the 15th day.

(2) The amendments made by section 207 shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day; except for such of those articles that, on or before the 15th day, had been taken on board for transit to the customs territory of the United States.

(3)(A) The amendment made by section 208 shall apply with respect to entries made in connection with arrivals of vessels on or after the 15th day.

(B) Upon request therefor filed with the customs officer concerned on or before the 90th day after the date of the enactment of this Act, any entry in connection with the arrival of a vessel used primarily for transporting passengers or property—

(i) made before the 15th day but not liquidated as of January 1, 1983, or

(ii) made before the 15th day but which is the subject of an action in a court of competent jurisdiction on September 19, 1983, and

(iii) with respect to which there would have been no duty if the amendment made by section 208 applied to such entry,

shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law, be liquidated or reliquidated as though such entry had been made on the 15th day.

(4) The amendments made by section 209 shall apply with respect to articles launched into space from the customs territory of the United States on or after January 1, 1985.

(5)(A) The amendment made by section 210(a) shall take effect on the 30th day after the date of the enactment of this Act.

(B) The amendment made by section 210(b) shall apply with respect to determinations made or ordered on or after the date of the enactment of this Act.

(d)(1) The amendments made by section 212 shall take effect upon the close of the 180th day following the date of the enactment of this Act with the following exceptions:

(A) Section 641(c)(1)(B) and section 641(c)(2) of the Tariff Act of 1930, as added by such section, shall take effect three years after the date of the enactment of this Act.

(B) The amendments made to the Tariff Act of 1930 by subsection (c) of section 212 shall take effect on such date of enactment.

(2) A license in effect on the date of enactment of this Act under section 641 of the Tariff Act of 1930 (as in effect before such date of enactment) shall continue in force as a license to transact customs business as a customs broker, subject to all the provisions of section 212 and such licenses shall be accepted as permits for the district or districts covered by that license.

(3) Any proceeding for revocation or suspension of a license instituted under section 641 of the Tariff Act of 1930 before the date of the enactment of this Act shall continue and be governed by the law in effect at the time the proceeding was instituted.

(4) If any provision of section 212 or its application to any person or circumstances is held invalid, it shall not affect the validity of the remaining provisions or their application to any other person or circumstances.

(e) The amendments made by section 213 shall take effect October 15, 1984.

Subtitle B—Small Business Trade Assistance

SEC. 221. ESTABLISHMENT OF TRADE REMEDY ASSISTANCE OFFICE IN THE UNITED STATES INTERNATIONAL TRADE COMMISSION.

Part 2 of title II of the Tariff Act of 1930 (19 U.S.C. 1330-1341) is amended by inserting after section 338 the following new section:

"SEC. 339. TRADE REMEDY ASSISTANCE OFFICE.

"(a) There is established in the Commission a Trade Remedy Assistance Office which shall provide full information to the public, upon request, concerning—

"(1) remedies and benefits available under the trade laws, and

"(2) the petition and application procedures, and the appropriate filing dates, with respect to such remedies and benefits.

"(b) Each agency responsible for administering a trade law shall provide technical assistance to eligible small businesses to enable them to prepare and file petitions and applications (other than those which, in the opinion of the agency, are frivolous) to obtain the remedies and benefits that may be available under that law.

"(c) For purposes of this section—

"(1) The term 'eligible small business' means any business concern which, in the agency's judgment, due to its small size, has neither adequate internal resources nor financial ability to obtain qualified outside assistance in preparing and filing petitions and applications for remedies and benefits under trade laws. In determining whether a business concern is an 'eligible small business', the agency may consult with the Small Business Administration, and shall consult with any other agency that has provided assistance under subsection (b) to that business concern. An agency decision regarding whether a business concern is an eligible small business for purposes of this section is not reviewable by any other agency or by any court.

"(2) The term 'trade laws' means—

"(A) chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq., relating to relief caused by import competition);

"(B) chapters 2 and 3 of such title II (relating to adjustment assistance for workers and firms);

"(C) chapter 1 of title III of the Trade Act of 1974 (19 U.S.C. 2411 et seq., relating to relief from foreign import restrictions and export subsidies);

"(D) title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq., relating to the imposition of countervailing duties and antidumping duties);

"(E) section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862, relating to the safeguarding of national security); and

"(F) section 337 of the Tariff Act of 1930 (19 U.S.C. 1337, relating to unfair practices in import trade)."

(b) Section 339 of the Tariff Act of 1930 (as added by subsection (a)) shall take effect on the 90th day after the date of the enactment of this Act.

Subtitle C—Miscellaneous Provisions

SEC. 231. FOREIGN TRADE ZONE PROVISIONS.

(a)(1) The Congress finds that a delicate balance of the interests of the bicycle industry and the bicycle component parts industry has been reached through repeated revision of the Tariff Schedules of the United States so as to allow duty free import of those categories of bicycle component parts which are not manufactured domestically. The Congress further finds that this balance would be destroyed by exempting otherwise dutiable bicycle component parts from the customs laws of the United States through granting foreign trade zone status to bicycle manufacturing and assembly plants in the United States and that the preservation of such balance is in the public interest and in the interest of the domestic bicycle industry.

(2) Section 3 of the Act of June 18, 1934 (commonly known as the Foreign Trade Zones Act (19 U.S.C. 81c)), is amended—

(A) by inserting "(a)" immediately before the first word thereof;

(B) by redesignating paragraphs (a) and (b) as paragraphs (1) and (2), respectively; and

(C) by adding at the end thereof the following new subsection:

"(b) The exemption from the customs laws of the United States provided under subsection (a) shall not be available before June 30, 1986, to bicycle component parts unless such parts are reexported from the United States, whether in the original package, as components of a completely assembled bicycle, or otherwise.".

(3) The amendments made by paragraph (2) shall take effect on the fifteenth day after the date of the enactment of this Act.

(b)(1) Section 15 of such Act of June 18, 1934 (19 U.S.C. 81o) is amended by adding at the end thereof the following new subsection:

"(e) Tangible personal property imported from outside the United States and held in a zone for the purpose of storage, sale, exhibition, repackaging, assembly, distribution, sorting, grading, cleaning, mixing, display, manufacturing, or processing, and tangible personal property produced in the United States and held in a zone for exportation, either in its original form or as altered by any of the above processes, shall be exempt from State and local ad valorem taxation.".

(2) The amendment made by paragraph (1) shall take effect on January 1, 1983.

SEC. 232. DENIAL OF DEDUCTION FOR CERTAIN FOREIGN ADVERTISING EXPENSES.

(a) Section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

"(j) CERTAIN FOREIGN ADVERTISING EXPENSES.—

"(1) IN GENERAL.—No deduction shall be allowed under subsection (a) for any expenses of an advertisement carried by a foreign broadcast undertaking and directed primarily to a market in the United States. This paragraph shall apply only to foreign broadcast undertakings located in a country which denies a similar deduction for the cost of advertising directed primarily to a market in the foreign country when placed with a United States broadcast undertaking.

"(2) BROADCAST UNDERTAKING.—For purposes of paragraph (1), the term 'broadcast undertaking' includes (but is not limited to) radio and television stations.".

(b) The amendment made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 233. CERTAIN RELICS AND CURIOS.

Section 925 of title 18, United States Code, is amended by inserting at the end thereof the following:

"(e) Notwithstanding any other provision of this title, the Secretary shall authorize the importation of, by any licensed importer, the following:

"(1) All rifles and shotguns listed as curios or relics by the Secretary pursuant to section 921(a)(13), and

"(2) All handguns, listed as curios or relics by the Secretary pursuant to section 921(a)(13), provided that such handguns are generally recognized as particularly suitable for or readily adaptable to sporting purposes.".

SEC. 234. MODIFICATION OF DUTIES ON CERTAIN ARTICLES USED IN CIVIL AVIATION.

(a) The President may proclaim modifications in the rate of duty column numbered 1 and in the article descriptions, including the superior headings thereto, for the articles provided for in the following items in Tariff Schedules of the United States (19 U.S.C. 1202) in order to provide duty-free coverage comparable to the expanded coverage provided by all other signatories to the Agreement on Trade in Civil Aircraft pursuant to the extension of the Annex to the Agreement on Trade in Civil Aircraft on October 6, 1983, and recorded in the decision of the Committee on March 22, 1984, if such articles are certified for use in civil aircraft in accordance with headnote 3 to schedule 6, part 6, subpart C of such Schedules:

646.95	680.95	708.05
660.85	681.01	708.07
660.97	681.15	708.09
661.06	681.18	708.21
661.10	681.21	708.23
661.15	681.24	708.25
661.20	682.05	708.27
661.35	683.05	708.29
680.59	683.07	711.77
680.61	683.15	711.78
680.62	708.01	711.98
680.92	708.03	712.49.

(b) For purposes of section 125 of the Trade Act of 1974, the duty-free treatment, if any, proclaimed under subsection (a) shall be considered to be trade agreement obligations entered into under the Trade Act of 1974 of benefit to foreign countries or instrumentalities.

SEC. 235. PRODUCTS OF CARIBBEAN BASIN COUNTRIES ENTERED IN PUERTO RICO.

Subsection (a) of section 213 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703) is amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding section 311 of the Tariff Act of 1930, the products of a beneficiary country which are imported directly from such country into Puerto Rico may be entered under bond for processing or use in manufacturing in Puerto Rico. No duty shall be imposed on the withdrawal from warehouse of the product of such processing or manufacturing if, at the time of such withdrawal, such product meets the requirements of paragraph (1)(B).".

SEC. 236. USER FEE FOR CUSTOMS SERVICES AT CERTAIN SMALL AIRPORTS.

(a) The Secretary of the Treasury shall make customs services available and charge a fee for the use of such customs services at—

(1) the airport located at Lebanon, New Hampshire, and

(2) any other airport designated by the Secretary of the Treasury under subsection (c).

(b) The fee which is charged under subsection (a) shall be paid by each person using the customs services at the airport and shall be in an amount equal to the expenses incurred by the Secretary of the Treasury in providing the customs services which are rendered to such person at such airport (including the salary and expenses of individuals employed by the Secretary of the Treasury to provide such customs services).

(c) The Secretary of the Treasury may designate 4 airports under this subsection. An airport may be designated under this subsection only if—

(1) the Secretary of the Treasury has made a determination that the volume or value of business cleared through such airport is insufficient to justify the availability of customs services at such airport, and

(2) the governor of the State in which such airport is located approves such designation.

(d) Any person who, after notice and demand for payment of any fee charged under subsection (a), fails to pay such fee shall be guilty of a misdemeanor and if convicted thereof shall pay a fine that does not exceed an amount equal to 200 percent of such fee.

(e) Fees collected by the Secretary of the Treasury under subsection (a) with respect to the provision of services at an airport shall be deposited in an account within the Treasury of the United States that is specially designated for such airport. The funds in such account shall only be available, as provided by appropriation Acts, for expenditures relating to the provision of customs services at such airport (including expenditures for the salaries and expenses of individuals employed to provide such services).

SEC. 237. NOTIFICATION OF CERTAIN ACTIONS BY THE UNITED STATES CUSTOMS SERVICE.

(a) The Commissioner of Customs shall notify the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives at least 90 days prior to initiating any major field reorganization or consolidation or taking any other action which would—

(1) result in a significant reduction in force of employees other than by means of attrition;

(2) eliminate or relocate any district, regional, or border office of the United States Customs Service; or

(3) significantly reduce the number of employees assigned to any district, regional, or border office of the United States Customs Service.

(b) The provisions of this section shall not apply after September 30, 1985.

(c) The amendment made by subsection (a) shall take effect after the effective date of any provision of law enacted by the 98th Congress that would, but for this section, limit the authority of the Commission of Customs to reorganize or consolidate any district, regional, or border office of the Service.

SEC. 238. COLUMBIA-SNAKE CUSTOMS DISTRICT.

The Commissioner of the United States Customs Service shall establish a customs district that shall—

(1) be known as the Columbia-Snake Customs District;

(2) have headquarters at Portland, Oregon; and

(3) consist of the following areas:

(A) The State of Oregon.

(B) That part of the State of Idaho below 47 latitude.

(C) The following counties in the State of Washington:

Adams, Asotin, Benton, Clark, Columbia, Cowlitz, Franklin, Garfield, Klickitat, Skamania, Wahkiakum, Walla Walla, and Whitman.

(D) That area of Pacific County, State of Washington, south of a line that would be in effect if the northern boundary of Wahkiakum County were extended westward to the Pacific Ocean.

The ports of entry for Columbia-Snake Customs District are those ports of entry that were within the areas described in paragraph (3) on the date of the enactment of this Act; except that Boise, Idaho, is an additional port of entry for that District.

SEC. 239. RELIQUIDATION OF CERTAIN MASS SPECTROMETER SYSTEMS.

Notwithstanding sections 514 and 520 of the Tariff Act of 1930 and any other provision of law, the Secretary of the Treasury is authorized to reliquidate within six months of the date of enactment of this Act the entry of 2 mass spectrometer systems—

(1) which were imported into the United States for the use of Montana State University, Bozeman, Montana, and

(2) with respect to which applications were filed with the International Trade Administration of the Department of Commerce for duty-free entry of scientific instruments that were assigned the docket numbers 82-00323 and 83-108 (described in 47 Federal Register 41409 and 48 Federal Register 13214, respectively),

if the Secretary of Commerce finds that these systems are eligible to enter free of duty pursuant to headnote 6 of part 4 of schedule 8 of the Tariff Schedules of the United States.

SEC. 240. MAX PLANCK INSTITUTE FOR RADIOASTRONOMY.

(a)(1) The Secretary of the Treasury is authorized and directed to admit free of duty any article provided by the Max Planck Institute for Radioastronomy of the Federal Republic of Germany to the joint astronomical project being undertaken by the Steward Observatory of the University of Arizona and the Max Planck Institute for the construction, installation, and operation of a sub-mm telescope in the State of Arizona if—

(A) such article is an instrument or apparatus (within the meaning of headnote 6(a) of part 4 of schedule 8 of the Tariff Schedules of the United States (19 U.S.C. 1202)), and

(B) no instruments or apparatus of equivalent scientific value for the purposes for which such article is intended to be used is being manufactured in the United States.

(2) For purposes of paragraph 1(B), scientific testing equipment provided by the Max Planck Institute and necessary for aligning, calibrating, or otherwise testing an instrument or apparatus shall be considered to be part of such instrument or apparatus.

(b) The University of Arizona or the Max Planck Institute shall submit to the United States Customs Service and to the International Trade Administration descriptions of the articles sought to be admitted free of duty containing sufficient detail to allow the United States Customs Service to determine whether subsection (a)(1)(A) is satisfied and the International Trade Administration to determine whether subsection (a)(1)(B) is satisfied. The descriptions may be submitted in a single or in several submissions to each agency, as the University

of Arizona or the Max Planck Institute deem appropriate during the course of the project. The United States Customs Service and the International Trade Administration are directed to make their respective determinations under this section within ninety days of the date the agency receives a sufficient submission of information with respect to any article.

(c) The Secretary of the Treasury is authorized and directed to readmit free of duty any article admitted free of duty under subsection (a) and subsequently returned to the Federal Republic of Germany for repair, replacement, or modification.

(d) The Secretary of the Treasury is authorized and directed to admit free of duty any repair components for articles admitted free of duty under subsection (a).

(e) If any article admitted free of duty under subseciton (a) is used for any purpose other than the joint project described in subsection (a)(1) within five years after being entered, duty on the article shall be assessed in accordance with the procedures established in headnote 1 of part 4 of schedule 8 (19 U.S.C. 1202).

(f) The provisions of subsection (a) shall apply with respect to articles entered for consumption after the day which is 15 days after the date of enactment of this Act and before November 1, 1993.

SEC. 241. DUTY-FREE ENTRY FOR RESEARCH EQUIPMENT FOR NORTH DAKOTA STATE UNIVERSITY, FARGO, NORTH DAKOTA.

The research equipment that was imported for the use of North Dakota University, Fargo, North Dakota, and entered on September 15, 1983, under entry number 83-116431-9, at Seattle, Washington, shall be considered to have been admitted free of duty as of the date of such entry. If the liquidation of such entry has become final, the Secretary of the Treasury shall reliquidate such entry and make the appropriate refund of any duty paid on such equipment.

SEC. 242. DUTY-FREE ENTRY FOR PIPE ORGAN FOR THE CRYSTAL CATHEDRAL GARDEN GROVE, CALIFORNIA.

The pipe organ which was imported for the use of the Crystal Cathedral of Garden Grove, California, and entered in six shipments between April 30, 1981, and April 8, 1982, at Los Angeles, California, shall be considered to have been admitted free of duty as of the date of each such entry. If the liquidation of any such entry has become final, the Secretary of the Treasury shall reliquidate each such entry and make the appropriate refund of any duty paid on such organ.

SEC. 243. DUTY-FREE ENTRY FOR SCIENTIFIC EQUIPMENT FOR THE ELLIS FISCHEL STATE CANCER HOSPITAL, COLUMBIA, MISSOURI.

Notwithstanding any provision of the Tariff Act of 1930 or any other provisions of the law to the contrary, the Secretary of the Treasury shall reliquidate, as duty free, the entries numbered 220286 (dated November 7, 1975) and 235380 (dated January 23, 1976) made at Chicago, Illinois, and covering scientific equipment for the use of the Ellis Fischel Cancer Hospital, Columbia, Missouri, in accordance with the decision of the Department of Commerce in docket numbered 76-00199-33-00530.

SEC. 244. DUTY-FREE ENTRY OF ORGANS IMPORTED FOR THE USE OF TRINITY CATHEDRAL OF CLEVELAND, OHIO.

The organs made by Flentrop Orgel Bouw, the Netherlands, that were imported for the use of Trinity Cathedral of Cleveland, Ohio, and entered during 1973-1978 shall be considered to have been admitted free of duty on the dates of entry. If the liquidation of any such entry has become final, the Secretary of the Treasury, if request therefor is filed with the appropriate customs officer within 180 days after the date of the enactment of this Act, shall reliquidate the entry and make the appropriate refund of any duty paid.

SEC. 245. SENSE OF CONGRESS REGARDING POSSIBLE EEC ACTION ON CORN GLUTEN.

Whereas—

(1) the European Council of Ministers has directed the Commission of the European Community (EC) to initiate consultations with the United States and other interested parties under article XXVIII of the General Agreement on Tariffs and Trade (GATT) for the purpose of imposing tariff or tariff quota restrictions on imports of nongrain feed ingredients, including corn gluten feed;

(2) the EC has considered proposals to impose a domestic consumption tax on vegetable fats and oils, which would undermine the intention of the duty-free binding on certain corn and soybean products imported from the United States;

(3) the EC has bound in the GATT that it will impose no import duties on soybeans, soybean meal, corn gluten feed, and other corn by-products, and such zero-tariff bindings were agreed to in return for United States trade concessions to the EC during previous rounds of trade negotiations;

(4) the EC has not demonstrated sound economic justification for restrictions on the import of nongrain feed ingredients and such restrictions would only shift the financial burden of EC Common Agricultural Policy (CAP) reform from the EC to other countries, with negligible improvement in the current EC budget situation;

(5) action by the EC to breach a negotiated concession would severely erode the basic GATT principle of comparative advantage and set a dangerous precedent which could threaten other previously negotiated concessions and serve as a precursor to restrictions on the import of soybeans and soybean products; and

(6) the official position of the United States, as stated by the Secretary of Agriculture, is that there is strong support for the EC efforts to balance the Agricultural budget, but that the United States will oppose any efforts to limit its exports of corn gluten feed to the EC;

it is the sense of Congress that—

(A) the President should continue to firmly oppose the imposition of any restriction on European Community imports of nongrain feed ingredients, including corn gluten, and should support the current duty-free binding on such products;

(B) the President should continue to rigorously oppose any European Community proposals which would violate the intent of the existing duty-free binding in the General Agreement of Tariffs and Trade on soybeans and soybean products and reaffirm the United States conviction that the imposition of a consumption tax on vegetable fats and oils by the European Community would represent a restraint of trade; and

(C) if unilateral action is taken by the European Community to restrict or inhibit the importation of either nongrain feed ingredients, including corn gluten feed, or vegetable fats and oils, including soybean products, the United States should act immediately to restrict European Community imports of at least the aggregate value of the reduced and potentially reduced United States export products.

SEC. 246. STUDY ON HONEY IMPORTS.

(a) The Senate finds that—

(1) in 1976 the International Trade Commission found that honey imports threatened serious injury to the domestic honey industry and recommended action to control honey imports,

(2) the domestic honey industry is essential for production of many agricultural crops,

(3) a significant part of our total diet is dependent directly or indirectly on insect pollination, and

(4) it is imperative that the domestic honey bee industry be maintained at a level sufficient to provide crop pollination.

(b) It is the sense of the Senate that the Secretary of Agriculture should promptly request the President to call for an International Trade Commission investigation of honey imports, under section 22 of the Agriculture Adjustment Act.

SEC. 247. COPPER IMPORTS.

(a) The Congress finds that—

(1) the United States International Trade Commission unanimously found that the United States copper producing industry is being seriously injured by copper imports;

(2) worldwide copper prices are at record low levels;

(3) foreign copper producers have increased their copper production inspite of depressed world prices in an effort to meet their external debt obligations;

(4) United States copper production has been reduced by over forty percent and over half of the work force has been laid off;

(5) continuation of the current depressed world price for copper threatens severe economic distress for less developed countries which are dependent on copper exports as their major source of foreign exchange;

(6) the competitivness of United States copper producers could be enhanced through the investment which could be generated if worldwide copper prices returned to more historically representative levels; and

(7) a balanced reduction in foreign copper production which raises marginally the world price for copper would not disadvantage domestaic fabricators by creating a two-tier pricing system.

(b) It is the sense of Congress that the President should negotiate with the principal foreign copper-producing countries to conclude voluntary restraint agreements with those governments for the purpose of effecting a balanced reduction of total annual foreign copper production for a period of between three and five years in order to—

(1) allow the price of copper on international markets to rise modestly to levels which will permit the remaining copper operations located in the United States to attract needed capital, and

(2) achieve a secure domestic supply of copper.

(c) It is the further sense of the Congress that the President should submit a report to Congress, within twelve months of the date of enactment of this Act, explaining—

(1) the results of his negotiations; or

(2) why he felt it was inappropriate or unnecessary to undertake such negotiations.

SEC. 248. DISAPPROVAL OF PRESIDENTIAL DETERMINATIONS UNDER SECTION 203 OF THE TRADE ACT OF 1974.

(a)(1) Section 203(c)(1) of the Trade Act of 1974 (19 U.S.C. 2253(c)(1)) is amended to read as follows:

"(1) If the President reports under subsection (b) that he is taking action which dif-

fers from the action recommended by the Commission under section 201(d)(1)(A), or that he will not provide import relief, the action recommended by the Commission shall take effect (as provided in paragraph (2)) upon enactment of a joint resolution described in section 152(a)(1)(A) within the 90-day period beginning on the date on which the document referred to in subsection (b) is transmitted to the Congress.".

(2) Section 203(c)(2) of the Trade Act of 1974 (19 U.S.C. 2253(c)(2)) is amended—

(A) by striking out "adoption of such resolution" and inserting in lieu thereof "enactment of the joint resolution referred to in paragraph (1)", and

(B) by striking out "section 201(b)" and inserting in lieu thereof "section 201(d)".

(b) Section 152(a)(1)(A) of the Trade Act of 1974 (19 U.S.C. 2192(a)(1)(A) of the Trade Act of 1974 (19 U.S.C. 2192(a)(1)(A)) is amended by striking out "concurrent resolution" and inserting in lieu thereof "joint resolution".

(c) Section 330(d)(4) of the Tariff Act of 1930 (19 U.S.C. 1330(d)(4)) is amended by striking out "the concurrent resolution described in such section 152" and inserting in lieu thereof "the joint resolution described in such section 152(a)(1)(A)".

SEC. 249. SECTION 201 CRITERIA.

Section 201(b) of the Trade Act of 1974 (19 U.S.C. 2251(b)) is amended—

(1) by amending paragraph (2)—

(A) by inserting "(whether maintained by domestic producers, importers, wholesalers, or retailers)" after "inventory" in subparagraph (B),

(B) by striking out "and" at the end of subparagraph (B),

(C) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof "; and", and

(D) by adding at the end thereof the following:

"(D) the presence or absence of any factor which the Commission is required to evaluate in subparagraphs (A) and (B) shall not necessarily be dispositive of whether an article is being imported into the United States in such increased quantities as to be a substantial cause of serious injury or threat of serious injury to the domestic industry."; and

(2) by adding at the end thereof the following new paragraph:

"(7) For purposes of this section, the term 'significant idling of productive facilities' includes the closing of plants or the underutilization of production capacity."

TITLE III—INTERNATIONAL TRADE AND INVESTMENT

SEC. 301. SHORT TITLE; AMENDMENT OF TRADE ACT OF 1974.

(a) This title may be cited as the "International Trade and Investment Act".

(b) Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Trade Act of 1974.

SEC. 302. STATEMENT OF PURPOSES.

The purposes of this title are—

(1) To foster the economic growth of, and full employment in, the United States by expanding competitive United States exports through the achievement of commercial opportunities in foreign markets substantially equivalent to those accorded by the United States;

(2) to improve the ability of the President—

(A) To identify and to anlayze barriers to (and restrictions on) United States trade and investment, and

(B) to achieve the elimination of such barriers and restrictions;

(3) to encourage the expansion of—

(A) international trade in services through the negotiation of agreements (both bilateral and multilateral) which reduce or eliminate barriers to international trade in services, and

(B) United States service industries in foreign commerce; and

(4) to enhance the free flow of foreign direct investment through the negotiation of agreements (both bilateral and multilateral) which reduce or eliminate the trade distortive effects of certain investment-related measures.

SEC. 303. ANALYSIS OF FOREIGN TRADE BARRIERS.

(a) Title I (19 U.S.C. 2111 et seq.) is amended by adding at the end thereof the following new chapter:

"CHAPTER 8—BARRIERS TO MARKET ACCESS

"SEC. 181. ACTIONS CONCERNING BARRIERS TO MARKET ACCESS.

"(a) NATIONAL TRADE ESTIMATES.—

"(1) IN GENERAL.—Not later than the date on which the initial report is required under subsection (b)(1), the United States Trade Representative, through the interagency trade organization established pursuant to section 242(a) of the Trade Expansion Act of 1962 shall—

"(A) identify and analyze acts, policies, or practices which constitute significant barriers to, or distortions of—

"(i) United States exports of goods or services (including agricultural commodities; and property protected by trademarks, patents, and copyrights exported or licensed by United States persons), and

"(ii) foreign direct investment by United States persons, especially if such investment has implications for trade in goods or services; and

"(B) make an estimate of the trade-distorting impact on United States commerce of any act, policy, or practice identified under subparagraph (A).

"(2) CERTAIN FACTORS TAKEN INTO ACCOUNT IN MAKING ANALYSIS AND ESTIMATE.—In making any analysis or estimate under paragraph (1), the Trade Representative shall take into account—

"(A) the relative impact of the act, policy, or practice on United States commerce;

"(B) the availability of information to document prices, market shares, and other matters necessary to demonstrate the effects of the act, policy, or practice;

"(C) the extent to which such act, policy, or practice is subject to international agreements to which the United States is a party; and

"(D) any advice given through appropriate committees established pursuant to section 135.

"(3) ANNUAL REVISIONS AND UPDATES.—The Trade Representative shall annually revise and update the analysis and estimate under paragraph (1).

"(b) REPORT TO CONGRESS.—

"(1) IN GENERAL.—On or before the date which is one year after the date of the enactment of the International Trade and Investment Act, and each year thereafter, the Trade Representative shall submit the analysis and estimate under subsection (a) to the Committee on Finance of the Senate and to the Committee on Ways and Means of the House of Representatives.

"(2) REPORTS TO INCLUDE INFORMATION WITH RESPECT TO ACTION BEING TAKEN.—The Trade Representative shall include in each report submitted under paragraph (1) information with respect to any action taken (or the reasons for no action taken) to eliminate any act, policy, or practice identified under subsection (a), including, but not limited to—

"(A) any action under section 301, or

"(B) negotiations or consultations with foreign governments.

"(3) CONSULTATION WITH CONGRESS ON TRADE POLICY PRIORITIES.—The Trade Representative shall keep the committees described in paragraph (1) currently informed with respect to trade policy priorities for the purposes of expanding market opportunities.

"(c) ASSISTANCE OF OTHER AGENCIES.—

"(1) FURNISHING OF INFORMATION.—The head of each department or agency of the executive branch of the Government, including any independent agency, is authorized and directed to furnish to the Trade Representative or to the appropriate agency, upon request, such data, reports, and other information as is necessary for the Trade Representative to carry out his functions under this section.

"(2) RESTRICTIONS ON RELEASE OR USE OF INFORMATION.—Nothing in this subsection shall authorize the release of information to, or the use of information by, the Trade Representative in a manner inconsisten with law or any procedure established pursuant thereto.

"(3) PERSONNEL AND SERVICES.—The head of any department, agency, or instrumentality of the United States may detail such personnel and may furnish such services, with or without reimbursement, as the Trade Representative may request to assist in carrying out his functions.".

(b) The table of contents for title I is amended by adding at the end thereof the following:

"Chapter 8—Barriers to Market Access

"Sec. 181. Actions concerning barriers to market access.".

SEC. 304. AMENDMENTS TO TITLE III OF THE TRADE ACT OF 1974.

(a) Section 301(a) (19 U.S.C. 2411(a)) is amended to read as follows:

"(a) DETERMINATIONS REQUIRING ACTION.—

"(1) IN GENERAL.—If the President determines that action by the United States is appropriate—

"(A) to enforce the rights of the United States under any trade agreement; or

"(B) to respond to any act, policy, or practice of a foreign country or instrumentality that—

"(i) is inconsistent with the provisions of, or otherwise denies benefits to the United States under, any trade agreement, or

"(ii) is unjustifiable, unreasonable, or discriminatory and burdens or restricts United States commerce;

the President shall take all appropriate and feasible action within his power to enforce such rights or to obtain the elimination of such act, policy, or practice.

"(2) SCOPE OF ACTION.—The President may exercise his authority under this section with respect to any goods or sector—

"(A) on a nondiscriminatory basis or solely against the foreign country or instrumentality involved, and

"(B) without regard to whether or not such goods or sector were involved in the act, policy, or practice identified under paragraph (1).".

(b) Section 301(b) (19 U.S.C. 2411(b)) is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by inserting ", notwithstanding any other provision of law," before "fees" in paragraph (2); and

(3) by striking out "products" in paragraph (2) and inserting in lieu thereof "goods".

(c) Section 301 is amended by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and by inserting after subsection (b) the following new subsection:

"(c) ADDITIONAL ACTIONS ON SERVICES.—

"(1) IN GENERAL.—Notwithstanding any other provision of law governing any service sector access authorization, and in addition to the authority conferred in subsection (b), the President may—

"(A) restrict, in the manner and to the extent the President deems appropriate, the terms and conditions of any such authorization, or

"(B) deny the issuance of any such authorization.

"(2) AFFECTED AUTHORIZATIONS.—Actions under paragraph (1) shall apply only with respect to service sector access authorizations granted, or applications therefor pending, on or after the date on which—

"(A) a petition is filed under section 302(a), or

"(B) a determination to initiate an investigation is made by the United States Trade Representative (hereinafter in this chapter referred to as the 'Trade Representative') under section 302(c).

"(3) CONSULTATION.— Before the President takes action under subsection (b) or (c) involving the imposition of fees or other restrictions on the services of a foreign country, the Trade Representative shall, if the services involved are subject to regulation by any agency of the Federal Government or of any State, consult, as appropriate, with the head of the agency concerned.".

(d)(1) Section 302 (19 U.S.C. 2412) is amended to read as follows:

"SEC. 302. INITIATION OF INVESTIGATIONS BY UNITED STATES TRADE REPRESENTATIVE.

"(a) FILING OF PETITION.—

"(1) IN GENERAL.—Any interested person may file a petition with the United States Trade Representative (hereinafter in this chapter referred to as the 'Trade Representative') requesting the President to take action under section 301 and setting forth the allegations in support of the request.

"(2) REVIEW OF ALLEGATIONS.—The Trade Represenatative shall review the allegations in the petition and, not later than forty-five days after the date on which he received the petition, shall determine whether to initiate an investigation.

"(b) DETERMINATIONS REGARDING PETITIONS.—

"(1) NEGATIVE DETERMINATIONS.—If the Trade Representative determines not to initiate an investigation with respect to a petition, he shall inform the petitioner of the reasons therefor and shall publish notice of the determination, together with a summary of such reasons, in the Federal Register.

"(2) AFFIRMATIVE DETERMINATION.—If the Trade Representative determines to initiate an investigation with respect to a petition, he shall initiate an investigation regarding the issues raised. The Trade Representative shall publish a summary of the petition in the Federal Register and shall, as soon as possible, provide opportunity for the presentation of views concerning the issues, including a public hearing—

"(A) within the thirty-day period after the date of the determination (or on a date after such period if agreed to by the petitioner) if a public hearing within such period is requested in the petition; or

"(B) at such other time if a timely request therefor is made by the petitioner or by any interested person.

"(c) DETERMINATION TO INITIATE BY MOTION OF TRADE REPRESENTATIVE.—

"(1) DETERMINATION TO INITIATE.—If the Trade Representative determines with respect to any matter that an investigation should be initiated in order to advise the President concerning the exercise of the President's authority under section 301, the Trade Representative shall publish such determination in the Federal Register and such determination shall be treated as an affirmative determination under subsection (b)(2).

"(2) CONSULTATION BEFORE INITIATION.—The Trade Representative shall, before making any determination under paragraph (1), consult with appropriate committees established pursuant to section 135.".

(2)(A) Section 141(d) is amendment—

(i) by striking out "and" at the end of paragraph (6),

(ii) by striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon and "and", and

(iii) by adding at the end thereof the following new paragraph:

"(8) provide, where authorized by law, copies of documents to persons at cost, except that any funds so received shall be credited to, and be available for use from, the account from which expenditures relating thereto were made.".

(B) Section 303 (19 U.S.C. 2413) is amended—

(i) by striking out "with respect to a petition";

(ii) by inserting "or the determination of the Trade Representative under section 302(c)(1)" after "in the petition"; and

(iii) by inserting "(if any)" after "petitioner".

(C) Section 304 (19 U.S.C. 2414) is amended by striking out "issues raised in the petition" and inserting in lieu thereof "matters under investigation" in paragraph (1) of subsection (a).

(D) The item relating to section 302 in the table of contents is amended to read as follows:

"Sec. 302. Initiation of Investigations by United States Trade Representative.".

(e) Section 303 (19 U.S.C. 2413) is amended—

(1) by inserting "(a) IN GENERAL.—" before "On";

(2) by adding at the end thereof the following new subsection:

"(b) DELAY OF REQUEST FOR CONSULTATIONS FOR UP TO 90 DAYS.—

"(1) IN GENERAL.—Notwithstanding the provisions of subsection (a)—

"(A) the United States Trade Representative may delay for up to 90 days any request for consultations under subsection (a) for the purpose of verifying or improving the petition to ensure an adequate basis for consultation, and

"(B) if such consultations are delayed by reason of subparagraph (A), each time limitation under section 304 shall be extended for the period of such delay.

"(2) NOTICE AND REPORT.—The Trade Representative shall—

"(A) publish notice of any delay under paragraph (1) in the Federal Register, and

"(B) report to Congress on the reasons for such delay in the report required by section 306.".

(f)(1) Paragraph (1) of section 301(e) (19 U.S.C. 2411 (e)), as redesignated by subsection (c) of this section, is amended to read as follows:

"(1) COMMERCE.—The term 'commerce' includes, but is not limited to—

"(A) services (including transfers of information) associated with international trade, whether or not such services are related to specific goods, and

"(B) foreign direct investment by United States persons with implications for trade in goods or services.".

(2) Section 301(e) (19 U.S.C. 2411(e)), as redesignated by subsection (c) of this section, is amended by adding at the end thereof the following new paragraphs:

"(3) UNREASONABLE.—The term 'unreasonable' means any act, policy, or practice which, while not necessarily in violation of or inconsistent with the international legal rights of the United States, is otherwise deemed to be unfair and inequitable. The term includes, but is not limited to, any act, policy, or practice which denies fair and equitable—

"(A) market opportunities;

"(B) opportunities for the establishment of an enterprise; or

"(C) provision of adequate and effective protection of intellectual property rights.

"(4) UNJUSTIFIABLE.—

"(A) IN GENERAL.—The term 'unjustifiable' means any act, policy, or practice which is in violation of, or inconsistent with, the international legal rights of the United States.

"(B) CERTAIN ACTIONS INCLUDED.—The term 'unjustifiable' includes, but is not limited to, any act, policy, or practice described in subparagraph (A) which denies national or most-favored-nation treatment, the right of establishment, or protection of intellectual property rights.

"(5) DEFINITION OF DISCRIMINATORY.—The term 'discriminatory' includes, where appropriate, any act, policy, or practice which denies national or most-favored-nation treatment to United States goods, services, or investment.

"(6) Service sector access authorization.—The term 'service sector access authorization' means any license, permit, order, or other authorization, issued under the authority of Federal law, that permits a foreign supplier of services access to the United States market in a service sector concerned.".

(3) Section 301(e) (19 U.S.C. 4211(e)), as redesignated by subsection (C) of this section, is amended by striking out the heading and inserting in lieu thereof:

"(e) DEFINITIONS: SPECIAL RULE FOR VESSEL CONSTRUCTION SUBSIDIES.—For purposes of this section—".

(g) Section 305 of the Trade Act of 1974 (19 U.S.C. 2415) is amended by adding at the end thereof the following new subsection:

"(c) CERTAIN BUSINESS INFORMATION NOT MADE AVAILABLE.—

"(1) IN GENERAL.—Except as provided in paragraph (2), and notwithstanding any other provision of law (including section 552 of title 5, United States Code), no information requested and received by the Trade Representative in aid of any investigation under this chapter shall be made available to any person if—

"(A) the person providing such information certifies that—

"(i) such information is business confidential,

"(ii) the disclosure of such information would endanger trade secrets or profitability, and

"(iii) such information is not generally available,

"(B) the Trade Representative determines that such certification is well-founded; and

"(C) to the extent required in regulations prescribed by the Trade Representative, the person providing such information provides an adequate nonconfidential summary of such information.

"(2) USE OF INFORMATION.—The Trade Representative may—

"(A) use such information, or make such information available (in his own discretion) to any employee of the Federal Government for use, in any investigation under this chapter, or

"(B) may make such information available to any other person in a form which cannot be associated with, or otherwise identify, the person providing the information.".

SEC. 305. NEGOTIATING OBJECTIVES WITH RESPECT TO INTERNATIONAL TRADE IN SERVICES AND INVESTMENT AND HIGH TECHNOLOGY INDUSTRIES.

(a)(1) Chapter 1 of title I is amended by inserting immediately after section 104 the following new section:

"SEC. 104A. NEGOTIATING OBJECTIVES WITH RESPECT TO TRADE IN SERVICES, FOREIGN DIRECT INVESTMENT, AND HIGH TECHNOLOGY PRODUCTS.

"(a) TRADE IN SERVICES.—

"(1) IN GENERAL.—Principal United States negotiating objectives under section 102 shall be—

"(A) to reduce or to eliminate barriers to, or other distortions of, international trade in services (particularly United States service sector trade in foreign markets), including barriers that deny national treatment and restrictions on the establishment and operation in such markets; and

"(B) to develop internationally agreed rules, including dispute settlement procedures, which—

"(i) are consistent with the commercial policies of the United States, and

"(ii) will reduce or eliminate such barriers or distortions and help ensure open international trade in services.

"(2) DOMESTIC OBJECTIVES.—In pursuing the objectives described in paragraph (1), United States negotiations shall take into account legitimate United States domestic objectives including, but not limited to, the protection of legitimate health or safety, essential security, environmental, consumer or employment opportunity interests and the laws and regulations related thereto.

"(b) FOREIGN DIRECT INVESTMENT.—

"(1) IN GENERAL.—Principal United States negotiating objectives under section 102 shall be—

"(A) to reduce or to eliminate artificial or trade-distorting barriers to foreign direct investment, to expand the principle of national treatment, and to reduce unreasonable barriers to establishment; and

"(B) to develop internationally agreed rules, including dispute settlement procedures, which—

"(i) will help ensure a free flow of foreign direct investment, and

"(ii) will reduce or eliminate the trade distortive effects of certain investment related measures.

"(2) DOMESTIC OBJECTIVES.—In pursuing the objectives described in paragraph (1), United States negotiators shall take into account legitimate United States domestic objectives including, but not limited to, the protection of legitimate health or safety, essential security, environmental, consumer or employment opportunity interests and the laws and regulations related thereto.

"(c) HIGH TECHNOLOGY PRODUCTS.—Principal United States negotiating objectives shall be—

"(1) to obtain and preserve the maximum openness with respect to international trade and investment in high technology products and related services;

"(2) to obtain the elimination or reduction of, or compensation for, the significantly distorting effects of foreign government acts, policies, or practices identified in section 181, with particular consideration given to the nature and extent of foreign government intervention affecting United States exports of high technology products or investments in high technology industries, including—

"(A) foreign industrial policies which distort international trade or investment;

"(B) measures which deny national treatment or otherwise discriminate in favor of domestic high technology industries;

"(C) measures which fail to provide adequate and effective means for foreign nationals to secure, exercise, and enforce exclusive rights in intellectual property (including trademarks, patents, and copyrights);

"(D) measures which impair access to domestic markets for key commodity products; and

"(E) measures which facilitate or encourage anticompetitive market practices or structures;

"(3) to obtain commitments that official policy of foreign countries or instrumentalities will not discourage government or private procurement of foreign high technology products and related services;

"(4) to obtain the reduction or elimination of all tariffs on, and other barriers to, United States exports of high technology products and related services;

"(5) to obtain commitments to foster national treatment;

"(6) to obtain commitments to—

"(A) foster the pursuit of joint scientific cooperation between companies, institutions or governmental entities of the United States and those of the trading partners of the United States in areas of mutual interest through such measures as financial participation and technical and personnel exchanges, and

"(B) ensure that access by all participants to the results of any such cooperative efforts should not be impaired; and

"(7) to provide effective minimum safeguards for the acquisition and enforcement of intellectual property rights and the property value of proprietary data.

"(d) DEFINITION OF BARRIERS AND OTHER DISTORTIONS.—For purposes of subsection (a), the term 'barriers to, or other distortions of, international trade in services' includes, but is not limited to—

"(1) barriers to establishment in foreign markets, and

"(2) restrictions on the operation of enterprises in foreign markets, including—

"(A) direct or indirect restrictions on the transfer of information into, or out of, the country or instrumentality concerned, and

"(B) restrictions on the use of data processing facilities within or outside of such country or instrumentality.".

(2) The table of contents for chapter 1 of title I is amended by inserting after the item relating to section 104 the following new item:

"Sec. 104A. Negotiating objectives with respect to trade in services, foreign direct investment, and high technology products.".

SEC. 306. PROVISIONS RELATING TO INTERNATIONAL TRADE IN SERVICES.

(a)(1) The Secretary of Commerce shall establish a service industries development program designed to—

(A) develop, in consultation with other Federal agencies as appropriate, policies regarding services that are designed to increase the competitiveness of United States service industries in foreign commerce;

(B) develop a data base for assessing the adequacy of Government policies and actions pertaining to services, including, but not limited to, data on trade, both aggregate and pertaining to individual service industries;

(C) collect and analyze, in consultation with appropriate agencies, information pertaining to the international operations and competitiveness of United States service industries, including information with respect to—

(i) policies of foreign governments toward foreign and United States service industries;

(ii) Federal, State, and local regulation of both foreign and United States suppliers of services, and the effect of such regulation on trade;

(iii) the adequacy of current United States policies to strengthen the competitiveness of United States service industries in foreign commerce, including export promotion activities in the service sector.

(iv) tax treatment of services, with particular emphasis on the effect of United States taxation on the international competitiveness of United States firms and exports;

(v) treatment of services under international agreements of the United States;

(vi) antitrust policies as such policies affect the competitiveness of United States firms; and

(vii) treatment of services in international agreements of the United States;

(D) conduct a program of research and analysis of services-related issues and problems, including forecasts and industrial strategies; and

(E) conduct sectoral studies of domestic service industries;

(2) For purposes of the collection and analysis required by paragraph (1), and for the purpose of any reporting the Department of Commerce makes under paragraph (3), such collection and reporting shall distinguish between income from investment and income from noninvestment services.

(3) On not less than a biennial basis beginning in 1986, the Secretary shall prepare a report which analyzes the information collected under paragraph (1). Such report shall be submitted to the Congress and to the President by not later than the date that is 120 days after the close of the period covered by the report.

(4) The Secretary of Commerce shall carry out the provisions of this subsection from funds otherwise made available to him which may be used for such purposes.

(5) For purposes of this section, the term "services" means economic activities whose outputs are other than tangible goods. Such term includes, but is not limited to, banking, insurance, transportation, communications and data processing, retail and wholesale trade, advertising, accounting, construction, design, engineering, management

consulting, real estate, professional services, entertainment, education health care, and

(b)(1) The International Investment Survey Act of 1976 (Public Law 94-472; 22 U.S.C. 3101, et seq.) is hereby redesignated the "International Investment and Trade in Services Survey Act".

(2)(A) Subsection (a) of section 2 of the International Investment and Trade in Services Survey Act (22 U.S.C. 3301) is amended—

(i) by striking out "and" at the end of paragraph (6);

(ii) by inserting "and trade in services" after "international investment" in paragraph (7);

(iii) by redesignating paragraph (7) as paragraph (9); and

(iv) by inserting after paragraph (6) the following new paragraphs:

"(7) United States service industries engaged in interstate and foreign commerce account for a substantial part of the labor force and gross national product of the United States economy, and such commerce is rapidly increasing;

"(8) international trade and services is an important issue for international negotiations and deserves priority in the attention of governments, international agencies, negotiators, and the private sector; and".

(B) Subsection (b) of section 2 of such Act is amended—

(i) by inserting "and United States foreign trade in services, whether directly or by affiliates, including related information necessary for assessing the impact of such investment and trade," after "international investment" the first place it appears; and

(ii) by inserting "and trade in services" after "international investment" the second place it appears.

(C) Subsection (c) of section 2 of such Act is amended by striking out "or United States investment abroad" and inserting in lieu thereof ", United States investment abroad, or trade in services".

(3) Paragraph (3) of section 4(a) of such Act (22 U.S.C. 3103(a)(3)) is amended—

(A) by inserting "Finance" after "to the Committees on", and

(B) by striking out "the Committee on Foreign Affairs" and inserting in lieu thereof "the Committees on Ways and Means, Energy and Commerce, and Foreign Affairs".

(4)(A) Subsection (a) of section 4 of such Act (22 U.S.C. 3103(a)) is amended—

(i) by striking out "presentation relating to international investment" in paragraph (3) and inserting in lieu thereof "presentation";

(ii) by inserting "and trade in services" after "international investment" each place it appears in paragraphs (1), (2), and (3);

(iii) by striking out "and" at the end of paragraph (3);

(iv) by redesignating paragraph (4) as paragraph (5); and

(v) by inserting after paragraph (3) the following new paragraph:

"(4) conduct (not more frequently than once every five years and in addition to any other surveys conducted pursuant to paragraphs (1) and (2)) benchmark surveys with respect to trade in services between unaffiliated United States persons and foreign persons; and".

(B) Subparagraph (C) of section 4(b)(2) of such Act is amended by inserting "(including trade in both goods and services)" after "regarding trade".

(C) Subsection (f) of section 4 of such Act is amended by inserting "and trade in services" after "international investment".

(5) Subsection (b) of section 5 of such Act (22 U.S.C. 3104) is amended by striking out "international investment" each place it appears.

(c)(1)(A) The United States Trade Representative, through the interagency trade organization established pursuant to section 242(a) of the Trade Expansion Act of 1962 or any subcommittee thereof, shall, in conformance with this Act and other provisions of law, develop (and coordinate the implementation of) United States policies concerning trade in services.

(B) In order to encourage effective development, coordination, and implementation of United States policies on trade in services—

(i) each department or agency of the United States responsible for the regulation of any service sector industry shall, as appropriate, advise and work with the United States Trade Representative concerning matters that have come to the department's or agency's attention with respect to—

(I) the treatment afforded United States service sector interest in foreign markets; or

(II) allegations of unfair practices by foreign governments or companies in a service sector; and

(ii) the Department of Commerce, together with other appropriate agencies as requested by the United States Trade Representative, shall provide staff support and other assistance for negotiations on service-related issues by the United States Trade Representatives and the domestic implementation of service-related agreements.

(C) Nothing in this paragraph shall be construed to alter any existing authority or responsibility with respect to any specific service sector.

(2)(A) The President shall, as he deems appropriate—

(i) consult with State governments on issues of trade policy, including negotiating objectives and implementation of trade agreements, affecting the regulatory authority of non-Federal governments, or their procurement of goods and services;

(ii) establish one or more intergovernmental policy advisory committees on trade which shall serve as a principal forum in which State and local governments may consult with the Federal Government with respect to the matters described in clause (i); and

(iii) provide to State and local governments and to United States service industries, upon their request, advice, assistance, and (except as may be otherwise prohibited by law) data, analyses, and information concerning United States policies on international trade in services.

(B) Section 135 (19 U.S.C. 2155) is amended—

(i) by inserting "and the non-Federal governmental sector" after "private sector" in subsection (a),

(ii) by adding at the end of subsection (c) the following new paragraph:

"(3) The President—

"(A) may establish policy advisory committees representing non-Federal governmental interests to provide, where the President finds it necessary, policy advice—

"(i) on matters referred to in subsection (a), and

"(ii) with respect to implementation of trade agreement, and

"(B) shall include as members of committees established under subparagraph (A) representatives of non-Federal governmental interests if he finds such inclusion appropriate after consultation by the United States Trade Representative with such representatives.".

(iii) by inserting "or non-Federal government" after "private" each place it appears in subsections (g) and (j);

(iv) by inserting "government," before "labor" in subsection (j); and

(v) by adding at the end thereof the following new subsection:

"(n) NON-FEDERAL GOVERNMENT DEFINED.—The term 'non-Federal government' means—

"(1) any State, territory, or possession of the United States, or the District of Columbia, or any political subdivision thereof, or

"(2) any agency or instrumentality of any entity described in paragraph (1).''; and

(vi) by inserting "or Public" after "Private" in the heading thereof.

(C)(i) Section 104(c) (19 U.S.C. 2114(c)) is amended by inserting "or non-Federal governmental" after "private".

(ii) Section 303 (19 U.S.C. 2413) and section 304(b)(2) (19 U.S.C. 2414(b)(2)) are each amended by striking out "private sector".

(iii) The table of sections for chapter 3 of title I is amended by inserting "and public" after "private" in the item relating to section 135.

SEC. 307. NEGOTIATING AUTHORITY WITH RESPECT TO FOREIGN DIRECT INVESTMENT.

(a) Paragraph (3) of section 102(g) (19 U.S.C. 2112(g)(3)) is amended to read as follows:

"(3) the term 'international trade' includes—

"(A) trade in both goods and services, and

"(B) foreign direct investment by United States persons, especially if such investment has implications for trade in goods and services.".

(b)(1) If the United States Trade Representative, with the advice of the committee established by section 242 of the Trade Expansion Act of 1962 (19 U.S.C. 1872), determines that action by the United States is appropriate to respond to any export performance requirements of any foreign country or instrumentality that adversely affect the economic interests of the United States, then the United States Trade Representative shall seek to obtain the reduction and elimination of such export performance requirements through consultations and negotiations with the foreign country or instrumentality concerned.

(2) In addition to the action referred to in subsection (1), the United States Trade Representative may impose duties or other import restrictions on the products or services of such foreign country or instrumentality for such time as he determines appropriate, including the exclusion from entry into the United States of products subject to such requirements.

(3) Nothing in paragraph (2) or paragraph (3) shall apply to any products or services with respect to which—

(A) any foreign direct investment (including a purchase of land or facilities) has been made directly or indirectly by any United States person before the date of enactment of this Act, or

(B) any written commitment relating to a foreign direct investment that is binding on the date of enactment of this Act has been made directly or indirectly by any United States person.

(4) Whenever the international obligations of the United States and actions taken under paragraph (2) make compensation necessary or appropriate, compensation may be provided by the United States Trade Representative subject to the limitations

and conditions contained in section 123 of the Trade Act of 1974 (19 U.S.C. 2133) for providing compensation for actions taken under section 203 of that Act.

SEC. 308. NEGOTIATION OF AGREEMENTS CONCERNING HIGH TECHNOLOGY INDUSTRIES.

(a) The President may enter into such bilateral or multilateral agreements as may be necessary or appropriate to achieve the objectives of this section 104A(c) of the Trade Act of 1974.

(b)(1) Chapter 2 of title I is amended by inserting at the end thereof the following new section:

"SEC. 128. MODIFICATION AND CONTINUANCE OF TREATMENT WITH RESPECT TO DUTIES ON HIGH TECHNOLOGY PRODUCTS.

"(a) In order to carry out any agreement concluded as a result of the negotiating objectives under section 104A(c), the President may proclaim, subject to the provisions of chapter 3—

"(1) such modification, elimination, or continuance of any existing duty, duty-free, or excise treatment, or

"(2) such additional duties,

as he deems appropriate.

"(b) The President shall exercise his authority under subsection (a) only with respect to the following items listed in the Tariff Schedules of the United States (19 U.S.C. 1202):

"(1) Transistors (provided for in item 587.70, part 5, schedule 6).

"(2) Diodes and rectifiers (provided for in item 687.72, part 5, schedule 6).

"(3) Monolithic integrated circuits (provided for in item 687.74, part 5, schedule 6).

"(4) Other integrated circuits (provided for in item 687.77, part 5, schedule 6).

"(5) Other components (provided for in item 687.85, part 5, schedule 6).

"(6) Parts of semiconductors (provided for in item 687.85, part 5, schedule 6).

"(7) Parts of automatic data-processing machines and units thereof (provided for in item 676.52, part 4G, schedule 6) other than parts incorporating a cathode ray tube.

"(c) TERMINATION.—The President may exercise his authority under this section only during the 5-year period beginning on the date of the enactment of the International Trade and Investment Act.".

(2) The table of contents of chapter 1 title I is amended by adding at the end thereof the following new item:

"Sec. 128. Modification and continuance of treatment with respect to duties on high technology products.".

TITLE IV—TRADE WITH ISRAEL

SEC. 401. NEGOTIATION OF TRADE AGREEMENTS TO REDUCE TRADE BARRIERS.

(a) Subsection (b) of section 102 of the Trade Act of 1974 (19 U.S.C. 2112(b)) is amended—

(1) by striking out "Whenever" and inserting in lieu thereof "(1) Whenever", and

(2) by adding at the end thereof the following new paragraphs:

"(2)(A) Trade agreements that provide for the elimination or reduction of any duty imposed by the United States may be entered into under paragraph (1) only with Israel.

"(B) The negotiation of any trade agreement entered into under paragraph (1) with Israel that provides for the elimination or reduction of any duty imposed by the United States shall take fully into account any product that benefits from a discriminatory preferential tariff arrangement between Israel and a third country if the tariff preference on such product had been the subject of a challenge by the United States Government under the authority of section 301 of the Trade Act of 1974 and the General Agreement on Tariffs and Trade.

"(C) Notwithstanding any other provision of this section, the requirements of subsections (c) and (e)(1) shall not apply to any trade agreement entered into under paragraph (1) with Israel that provides for the elimination or reduction of any duty imposed by the United States.

"(3) Notwithstanding any other provision of law, no trade benefit shall be extended to any country by reason of the extension of any trade benefit to another country under a trade agreement entered into under paragraph (1) with such other country.

"(4)(A) Notwithstanding paragraph (2), a trade agreement that provides for the elimination or reduction of any duty imposed by the United States may be entered into under paragraph (1) with any country other than Israel if—

"(i) such country requested the negotiation of such an agreement, and

"(ii) the President, at least 60 days prior to the date notice is provided under subsection (e)(1)—

"(I) provides written notice of such negotiations to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives, and

"(II) consults with such committees regarding the negotiation of such agreement.

"(B) The provisions of section 151 shall not apply to an implementing bill (within the meaning of section 151(b) if—

"(i) such implementing bill contains a provision approving of any trade agreement which—

"(I) is entered into under this section with any country other than Israel, and

"(II) provides for the elimination of reduction of any duty imposed by the United States, and

"(ii) either—

"(I) the requirements of subparagraph (A) were not met with respect to the negotiation of such agreement, or

"(II) the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives disapproved of the negotiation of such agreement before the close of the 60-day period which begins on the date notice is provided under subsection (A)(ii)(I) with respect to the negotiation of such agreement.

"(C) The 60-day period described in subparagraphs (A)(ii) and (B)(ii)(II) shall be computed without regard to—

"(i) the days on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die, and

"(ii) any Saturday and Sunday, not excluded under clause (i), which either House of Congress is not in session.".

(b) Paragraph (1) of section 102(g) of the Trade Act of 1974 (19 U.S.C. 2112(g)) is amended to read as follows:

"(1) the term 'barrier' includes—

"(A) the American selling price basis of customs evaluation as defined in section 402 or 402a of the Tariff Act of 1930, as appropriate, and

"(B) any duty or other import restriction;".

(c)(1) Section 102 of the Trade Act of 1974 (19 U.S.C. 2112) is amended by striking out "Nontariff" in the heading.

(2) The table of contents of the Trade Act of 1974 is amended by striking out "Nontariff" in the item relating to section 102.

SEC. 402. CRITERIA FOR DUTY-FREE TREATMENT OF ARTICLES.

(a)(1) Any trade agreement entered into with Israel under section 102(b)(1) of the Trade Act of 1974 may provide for the reduction or elimination of any duty imposed by the United States with respect to any article only if—

(A) that article is the growth, product, or manufacture of Israel or is a new or different article of commerce that has been grown, produced, or manufactured in Israel;

(B) that article is imported directly from Israel into the customs territory of the United States; and

(C) the sum of—

(i) the cost of value of the materials produced in Israel, plus

(ii) the direct costs of processing operations performed in Israel,

is not less than 35 percent of the appraised value of such article at the time it is entered.

If the cost or value of materials produced in the customs territory of the United States is included with respect to an article to which this subsection applies, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributable to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (C).

(2) No article may be considered to be an eligible Israeli article by virtue of having merely undergone—

(A) simple combining or packaging operations; or

(B) mere dilution with water or mere dilution with another substance that does not materially alter the characteristics of the article.

(b) As used in this section, the phrase "direct costs of processing operations" includes, but is not limited to—

(1) all actual labor costs involved in the growth, production, manufacture, or assembly of the specific merchandise, including fringe benefits, on-the-job training and the cost of engineering, supervisory, quality control, and similar personnel; and

(2) dies, molds, tooling, and depreciation on machinery and equipment which are allocable to the specific merchandise.

Such phrase does not include costs which are not directly attributable to the merchandise concerned, or are not costs of manufacturing the product, such as (A) profit, and (B) general expenses of doing business which are either not allocable to the specific merchandise or are not related to the growth, production, manufacture, or assembly of the merchandise, such as administrative salaries, casualty and liability insurance, advertising, and salesmen's salaries, commissions or expenses.

(c) REGULATIONS.—The Secretary of the Treasury, after consultation with the United States Trade Representative, shall prescribe such regulations as may be necessary to carry out this section.

SEC. 403. APPLICATION OF CERTAIN OTHER TRADE LAW PROVISIONS.

(a) SUSPENSION OF DUTY-FREE TREATMENT.—The President may by proclamation suspend the reduction or elimination of any duty provided under any trade agreement provision entered into with Israel under the authority of section 102(b)(1) of the Trade Act of 1974 with respect to any article and may proclaim a duty rate for such article if such action is proclaimed under section 203 of

the Trade Act of 1974 or section 232 of the Trade Expansion Act of 1962.

(b) ITC REPORTS.—In any report by the United States International Trade Commission (hereinafter referred to in this title as the "Commission") to the President under section 201(d)(1) of the Trade Act of 1974 regarding any article for which a reduction or elimination of any duty is provided under a trade agreement entered into with Israel under section 102(b)(1) of the Trade Act of 1974, the Commission shall state whether and to what extent its findings or recommendations apply to such an article when imported from Israel.

(c) For purposes of subsections (a) and (c) of section 203 of the Trade Act of 1974, the suspension of the reduction or elimination of a duty under subsection (a) shall be treated as an increase in duty.

(d) No proclamation which provides solely for a suspension referred to in subsection (a) with respect to any article shall be made under subsections (a) and (c) of section 203 of the Trade Act of 1974 unless the Commission, in addition to making an affirmative determination with respect to such article under section 201(b) of the Trade Act of 1974, determines in the course of its investigation under that section that the serious injury (or threat thereof) substantially caused by imports to the domestic industry producing a like or directly competitive article results from the reduction or elimination of any duty provided under any trade agreement provision entered into with Israel under section 102(b)(1) of the Trade Act of 1974.

(e)(1) Any proclamation issued under section 203 of the Trade Act of 1974 that is in effect when an agreement with Israel is entered into under section 102(b)(1) of the Trade Act of 1974 shall remain in effect until modified or terminated.

(2) If any article is subject to import relief at the time an agreement is entered into with Israel under section 102(b)(1) of the Trade Act of 1974, the President may reduce or terminate the application of such import relief to the importation of such article before the otherwise scheduled date on which such reduction or termination would occur pursuant to the criteria and procedures of subsections (h) and (i) of section 203 of the Trade Act of 1974.

SEC. 404. FAST TRACK PROCEDURES FOR PERISHABLE ARTICLES.

(a) If a petition is filed with the Commission under the provisions of section 201 of the Trade Act of 1974 regarding a perishable product which is subject to any reduction or elimination of a duty imposed by the United States under a trade agreement entered into with Israel under section 102(b)(1) of the Trade Act of 1974 and alleges injury from imports of that product, then the petition may also be filed with the Secretary of Agriculture with a request that emergency relief be granted under subsection (c) with respect to such article.

(b) Within 14 days after the filing of a petition under subsection (a)—

(1) if the Secretary of Agriculture has reason to believe that a perishable product from Israel is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing a perishable product like or directly competitive with the imported product and that emergency action is warranted, he shall advise the President and recommend that the President take emergency action; or

(2) the Secretary of Agriculture shall publish notice of his determination not to recommend the imposition of emergency action and so advise the petitioner.

(c) Within 7 days after the President receives a recommendation from the Secretary of Agriculture to take emergency action under subsection (b), he shall issue a proclamation withdrawing the reduction or elimination of duty provided to the perishable product under any trade agreement provision entered into under section 102(b)(1) of the Trade Act of 1974 or publish a notice of his determination not to take emergency action.

(d) The emergency action provided under subsection (c) shall cease to apply—

(1) upon the proclamation of import relief under section 202(a)(1) of the Trade Act of 1974;

(2) on the day the President makes a determination under section 203(b)(2) of such Act not to impose import relief;

(3) in the event of a report of the Commission containing a negative finding, on the day the Commission's report is submitted to the President; or

(4) Whenever the President determines that because of changed circumstances such relief is no longer warranted.

(e) For purposes of this section, the term "perishable products" means any—

(1) live plant provided for in subpart A of part 6 of schedule 1 of the Tariff Schedules of the United States (19 U.S.C. 1202, hereinafter referred to as the "TSUS");

(2) vegetable provided for in schedule 1, part 8, of the TSUS;

(3) fresh mushroom provided for in item 144.10 of the TSUS;

(4) edible nut or fruit provided for in schedule 1, part 9, of the TSUS;

(5) fresh cut flower provided for in items 192.17, 192.18, and 192.21 of the TSUS; and

(6) concentrated citrus fruit provided for in items 165.25 and 165.35 of the TSUS.

(f) No trade agreement entered into with Israel under section 102(b)(1) of the Trade Act of 1974 shall affect fees imposed under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624).

SEC. 406. CONSTRUCTION OF TITLE.

Neither the taking effect of any trade agreement provision entered into with Israel under section 102(b)(1), nor any proclamation issued to implement any such provision, may affect in any manner, or to any extent, the application to any Israeli articles of section 232 of the Trade Expansion Act of 1962, section 337 of title VII of the Tariff Act of 1930, chapter 1 of title II and chapter 1 of title III of the Trade Act of 1974, or any other provision of law under which relief from injury caused by import competition or by unfair import trade practices may be sought.

TITLE V—GENERALIZED SYSTEM OF PREFERENCES RENEWAL

SECTION 501. SHORT TITLE; STATEMENT OF PURPOSE.

(a) This title may be cited as the "Generalized System of Preferences Renewal Act of 1984".

(b) The purpose of this title is to—

(1) promote the development of developing countries, which often need temporary preferential advantages to compete effectively with industrialized countries;

(2) promote the notion that trade, rather than aid, is a more effective and cost-efficient way of promoting broad-based sustained economic development;

(3) take advantage of the fact that developing countries provide the fastest growing markets for United States exports and that foreign exchange earnings from trade with such countries through the Generalized System of Preferences can further stimulate United States exports;

(4) allow for the consideration of the fact that there are significant differences among developing countries with respect to their general development and international competitiveness;

(5) encourage the providing of increased trade liberalization measures, thereby setting an example to be emulated by other industrialized countries.

(6) recognize that a large number of developing countries must generate sufficient foreign exchange earnings to meet international debt obligations;

(7) promote the creation of additional opportunities for trade among the developing countries;

(8) integrate developing countries into the international trading system with its attendant responsibilities in a manner commensurate with their development;

(9) encourage developing countries—

(A) to eliminate or reduce significant barriers to trade in goods and services and to investment,

(B) to provide effective means under which foreign nationals may secure, exercise, and enforce exclusive intellectual property rights, and

(C) to afford workers internationally recognized worker rights; and

(10) address the concerns listed in the preceding paragraphs in a manner that—

(A) does not adversely affect United States producers and workers, and

(B) conforms to the international obligations of the United States under the General Agreement on Tariffs and Trade.

SEC. 502. CONSIDERATION OF A BENEFICIARY DEVELOPING COUNTRY'S COMPETITIVENESS IN EXTENDING PREFERENCES.

Section 501 of the Trade Act of 1974 (19 U.S.C. 2461) is amended—

(1) by inserting "through the expansion of their exports" before the semicolon at the end of paragraph (1);

(2) by striking out "and" at the end of paragraph (2);

(3) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following new paragraph:

"(4) the extent of the beneficiary developing country's competitiveness with respect to eligible articles.".

SEC. 503. AMENDMENTS RELATING TO THE BENEFICIARY DEVELOPING COUNTRY DESIGNATION CRITERIA.

(a) Section 502 (a) of the Trade Act of 1974 (19 U.S.C. 2462(a)) is amended by adding at the end thereof the following new paragraph:

"(4) For purposes of this title, the term 'internationally recognized worker rights' includes—

"(A) the right of association;

"(B) the right to organize and bargain collectively;

"(C) a prohibition on the use of any form of forced or compulsory labor;

"(D) a minimum age for the employment of children; and

"(E) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.".

(b) Section 502(b) of the Trade Act of 1974 (19 U.S.C. 2462(b)) is amended—

(1) by striking out "Hungary" in the list of countries preceding paragraph (1);

(2) by inserting ", including patents, trademarks, or copyrights" after "control of such property" in paragraph (4) (A) and (B);

(3) by inserting ", including patents, trademarks, or copyrights" after "control of such property" in paragraph (4)(C);

(4) by striking out "and" at the end of paragraph (5);

(5) by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and";

(6) by inserting after paragraph (7) the following new paragraph:

"(8) if such country has not taken or is not taking steps to afford internationally recognized workers rights to workers in the country (including any designated zone in that country)."; and

(7) by striking out "and (7)" in the unnumbered paragraph at the end of the subsection and inserting in lieu thereof "(7), and (8)".

(c) Section 502(c) of the Trade Act of 1974 (19 U.S.C. 2462) is amended—

(1) by striking out "and" at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof the following: "and the extent to which such country has assured the United States that it will refrain from engaging in unreasonable export practices;", and

(3) by adding at the end thereof the following new paragraphs:

"(5) the extent to which such country is providing adequate and effective means under its laws for foreign nationals to secure, to exercise, and to enforce exclusive rights in intellectual property, including patents, trademarks, and copyrights;

"(6) the extent to which such country has taken action to—

"(A) reduce distorting investment practices and policies (including export performance requirements); and

"(B) reduce or eliminate barriers to trade in services; and

"(7) whether or not such country has taken or is taking steps to afford to workers in that country (including any designated zone in that country) internationally recognized worker rights.".

SEC. 504. REGULATIONS; ARTICLES WHICH MAY NOT BE DESIGNATED AS ELIGIBLE ARTICLES.

(a) Section 503(b) of the Tariff Act of 1930 (19 U.S.C. 2463(b)) is amended by inserting ", after consulting with the United States Trade Representative," immediately after "The Secretary of the Treasury" in the last sentence thereof.

(b) Section 503(c)(1)(E) of the Trade Act of 1974 (19 U.S.C. 2463(c)(1)(E)) is amended to read as follows:

"(E) footwear, handbags, luggage, flat goods, work gloves, and leather wearing apparel which were not eligible articles for purposes of this title on April 1, 1984,".

SEC. 505. LIMITATIONS ON PREFERENTIAL TREATMENT.

(a) Section 504(a) of the Trade Act of 1974 (19 U.S.C. 2464) is amended—

(1) by striking out "The President" and inserting in lieu thereof "(1) The President"; and

(2) by adding at the end thereof the following new paragraph:

"(2) The President shall, as necessary, advise the Congress and, by no later than January 4, 1988, submit to the Congress a report on the application of sections 501 and 502(c), and the actions the President has taken to withdraw, to suspend, or to limit the application of duty-free treatment with respect to any country which has failed to adequately take the actions described in section 502(c).".

(b) Section 504 (c) and (d) of the Trade Act of 1974 (19 U.S.C. 2464 (c) and (d)) are amended to read as follows:

"(c)(1) Subject to paragraphs (2) through (8) and subsection (d), whenever the President determines that any country—

"(A) has exported (directly or indirectly) to the United States during a calendar year a quantity of an eligible article having an appraised value in excess of an amount which bears the same ratio to $25,000,000 as the gross national product of the United States for the preceding calendar year (as determined by the Department of Commerce) bears to the gross national product of the United States for calendar year 1974; or

"(B) has exported (either directly or indirectly) to the United States a quantity of any eligible article equal to or exceeding 50 percent of the appraised value of the total imports of such article into the United States during any calendar year;

then, not later than July 1 of the next calendar year, such country shall not be treated as a beneficiary developing country with respect to such article.

"(2)(A) Not later than January 4, 1987, and periodically thereafter, the President shall conduct a general review of eligible articles based on the considerations described in section 501 or 502(c).

"(B) If, after any review under subparagraph (A), the President determines that this subparagraph should apply because a beneficiary developing country has demonstrated a sufficient degree of competitiveness (relative to other beneficiary developing countries) with respect to any eligible article, then paragraph (1) shall be applied to such country with respect to such article by substituting—

"(i) '1984' for '1974' in subparagraph (A), and

"(ii) '25 percent' for '50 percent' in subparagraph (B).

"(3)(A) Not earlier than January 4, 1987, the President may waive the application of this subsection with respect to any eligible article of any beneficiary developing country if, before July 1 of the calendar year beginning after the calendar year for which a determination described in paragraph (1) was made with respect to such eligible article, the President—

"(i) receives the advice of the International Trade Commission on whether any industry in the United States is likely to be adversely affected by such waiver,

"(ii) determines, based on the considerations described in sections 501 and 502(c) and the advice described in clause (i), that such waiver is in the national economic interest of the United States, and

"(iii) publishes the determination described in clause (ii) in the Federal Register.

"(B) In making any determination under subparagraph (A), the President shall give great weight to—

"(i) the extent to which the beneficiary developing country has assured the United States that such country will provide equitable and reasonable access to the markets and basic commodity resources of such country, and

"(ii) the extent to which such country provides adequate and effective means under its law for foreign nationals to secure, to exercise, and to enforce exclusive rights in intellectual property, including patent, trademark, and copyright rights.

"(C) Any waiver granted pursuant to this paragraph shall remain in effect until the President determines that such waiver is no longer warranted due to changed circumstances.

"(D)(i) The President may not exercise the waiver authority provided under subparagraph (A) with respect to a quantity of eligible articles entered in any calendar year which exceeds an aggregate value equal to 30 percent of the total value of all articles which entered duty-free under this title during the preceding calendar year.

"(ii) The President may not exercise the waiver authority provided under subparagraph (A) with respect to a quantity of eligible articles entered from any beneficiary developing country during any calendar year beginning after 1984 which exceeds 15 percent of the total value of all articles that have entered duty-free under this title during the preceding calendar year if for the preceding calendar year such beneficiary developing country—

"(I) had a per capita gross national product (calculated on the basis of the best available information, including that of the World Bank) of $5,000 or more; or

"(II) had exported (either directly or indirectly) to the United States a quantity of articles that was duty-free under this title that had an appraised value of more than 10 percent of the total imports of all articles that entered duty free under this title during that year.

"(iii) There shall be counted against the limitations imposed under clauses (i) and (ii) for any calendar year only that quantity of any eligible article of any country that—

"(I) entered duty-free under this title during such calendar year; and

"(II) is in excess of the quantity of that article that would have been so entered during such calendar year if the 1974 limitation applied under paragraph (1)(A) and the 50 percent limitation applied under paragraph (1)(B).

"(4) Except in any case to which paragraph (2)(B) applies, the President may waive the application of this subsection if, before July 1 of the calendar year beginning after the calendar year for which a determination described in paragraph (1) was made, the President determines and publishes in the Federal Register that, with respect to such country—

"(A) there has been an historical preferential trade relationship between the United States and such country,

"(B) there is treaty or trade agreement in force covering economic relations between such country and the United States, and

"(C) such country does not discriminate against, or impose unjustifiable or unreasonable barriers to, United States commerce.

"(5) A country which is no longer treated as a beneficiary developing country with respect to an eligible article by reason of this subsection may be redesignated a beneficiary developing country with respect to such article, subject to the provisions of section 501 and 502, if imports of such article from such country did not exceed the limitations in paragraph (1) (after application of paragraph (2)) during the preceding calendar year.

"(6)(A) This subsection shall not apply to any beneficiary developing country which the President determines, based on the considerations described in sections 501 and 502(c), to be a least-developed beneficiary devoloping country.

"(B) The President shall—

"(i) make a determination under subparagraph (A) with respect to each beneficiary

developing country before July 4, 1985, and periodically thereafter, and

"(ii) notify the Congress at least 60 days before any such determination becomes final.

"(7) For purposes of this subsection, the term 'country' does not include an association of countries which is treated as one country under section 502(a)(3), but does include a country which is a member of any such association.

"(d)(1) Subsection (c)(1)(B) (after application of subsection (c)(2)) shall not apply with respect to any eligible article if a like a or directly competitive article is not produced in the United States on January 3, 1985.

"(2) The President may disregard subsection (c)(1)(B) with respect to any eligible article if the appraised value of the total imports of such article into the United States during the preceding calendar year is not in excess of an amount which bears the same ratio to $5,000,000 as the gross national product of the United States for that calendar year (as determined by the Department of Commerce) bears to the gross national product of the United States for calendar year 1979.".

(c) Section 504 (19 U.S.C. 2464) is amended by adding at the end thereof the following new subsection:

"(f) If the President determines that the per capita gross national product (calculated on the basis of the best available information, including that of the World Bank) of any beneficiary developing country for any calendar year (hereafter in this paragraph referred to as the 'determination year') after 1984, exceeds an amount which bears the same ratio to $8,500 as 50 percent of the increase of the gross national product of the United States for the preceding calendar year (as determined by the Department of Commerce) bears to the gross national product of the United States for calendar year 1984—

"(1) subsection (c)(1)(B) shall be applied for the 2-year period beginning on July 1 of the calendar year succeeding the determination year by substituting "25 percent" for "50 percent", and

"(2) such country shall not be treated as a beneficiary developing country under this title after the close of such 2-year period.".

SEC. 506. EXTENSION OF THE GENERALIZED SYSTEM OF PREFERENCES AND REPORTS.

(a) Section 505 of the Trade Act of 1974 (19 U.S.C. 2465) is amended to read as follows:

"SEC. 505. TERMINATION OF DUTY-FREE TREATMENT AND REPORTS.

"(a) No duty-free treatment provided under this title shall remain in effect after July 4, 1993.

"(b) On or before January 4, 1990, the President shall submit to the Congress a full and complete report regarding the operation of this title.

"(c) The President shall submit an annual report to the Congress on the status of internationally recognized worker rights within each beneficiary developing country."

(b) CONFORMING AMENDMENT.—The table of contents of the Trade Act of 1974 is amended by striking out the item relating to section 505 and inserting in lieu thereof the following:

"Sec. 505. Termination of duty-free treatment and reports.".

SEC. 507. AGRICULTURAL EXPORTS OF BENEFICIARY DEVELOPING COUNTRIES.

(a) Title V of the Trade Act of 1974 (19 U.S.C. 2461 et seq.) is further amended by adding at the end thereof the following new section:

"SEC. 506. AGRICULTURAL EXPORTS OF BENEFICIARY DEVELOPING COUNTRIES.

"The appropriate agencies of the United States shall assist beneficiary developing countries to develop and implement measures designed to assure that the agricultural sectors of their economies are not directed to export markets to the detriment of the production of foodstuffs for their citizenry."

(b) The table of contents of such Act of 1974 is amended by adding after the item relating to item 505 the following:

"Sec. 506. Agricultural exports of beneficiary developing countries.".

SEC. 508. EFFECTIVE DATE.

The amendments made by this title shall take effect on January 4, 1985.

TITLE VI—TRADE LAW REFORM

SEC 601. REFERENCE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a title, subtitle, part, section, or other provision, the reference shall be considered to be made to a title, subtitle, part, section, or other provision of the Tariff Act of 1930 (19 U.S.C 1202 et seq.)

SEC. 602. SALES FOR IMPORTATION.

(a)(1) Section 701(a) (19 U.S.C. 1671(a)) is amended—

(A) by inserting ", or sold (or likely to be sold) for importation," after "imported" in paragraph (1);

(B) by inserting "or by reason of sales (or the likelihood of sales) of that Merchandise for importation" immediately after "by reason of imports of that merchandise" in paragraph (2); and

(C) by adding at the end thereof the following new sentence: "For purposes of this subsection and section 705(b)(1), a reference to the sale of merchandise includes the entering into of any leasing arrangement regarding the merchandise that is equivalent to the sale of the merchandise.".

(2) Section 705(b)(1) (19 U.S.C. 1671(b)(1)) is amended by inserting ", or sales (or the likelihood of sales) for importation," immediately after "by reason of imports".

(b) Section 731 (19 U.S.C. 1673) is amended—

(1) by inserting "or by reason of sales (or the likelihood of sales) of that merchandise for importation" immediately after "by reason of imports of that merchandise" in paragraph (2), and

(2) by adding at the end thereof the following new sentence: "For purposes of this section and section 735(b)(1), a reference to the sale of foreign merchandise includes the entering into of any leasing arrangement regarding the merchandise that is equivalent to the sale of the merchandise.".

(c) Section 735(b)(1) (19 U.S.C. 1673d(b)(1)) is amended by adding ", or sales (or the likelihood of sales) for importation," after "by reason of imports".

SEC. 603. WAIVER OF VERIFICATION.

Section 703(b) (19 U.S.C. 1671b(b) is amended by adding at the end thereof the following new paragraph:

"(3) PRELIMINARY DETERMINATION UNDER WAIVER OF VERIFICATION.—Within 55 days after the initiation of an investigation the administering authority shall cause an official designated for such purpose to review the information concerning the case received during the first 50 days of the investigation, and, if there appears to be sufficient information available upon which the determination can reasonably be based, to disclose to the petitioner and any interested party, then a party to the proceedings that requests such disclosure, all available nonconfidential information and all other information which is disclosed pursuant to section 777. Within 3 days (not counting Saturdays, Sundays, or legal public holidays) after such disclosure, the petitioner and each party which is an interested party described in subparagraph (C), (D), (E), or (F) of section 771(9) to whom such disclosure was made may furnish to the administering authority an irrevocable written waiver of verification of the information received by the authority, and an agreement that it is willing to have a determination made on the basis of the record then available to the authority. If a timely waiver and agreement have been received from the petitioner and each party which is an interested party described in subparagraph (C), (D), (E), or (F) of section 771(9) to whom the disclosure was made, and the authority finds that sufficient information is then available upon which the preliminary determination can reasonably be based, a preliminary determination shall be made on an expedited basis on the basis of the record established during the first 50 days after the investigation was initiated.".

SEC. 604. TERMINATION OR SUSPENSION OF INVESTIGATION.

(a) Section 704 (19 U.S.C. 1671c) is amended—

(1) by amending subsection (a) to read as follows:

"(a) TERMINATION OF INVESTIGATION UPON WITHDRAWAL OF PETITION.—

"(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), an investigation under this subtitle may be terminated by either the administering authority or the Commission, after notice to all parties to the investigation, upon withdrawal of the petition by the petitioner or by the administering authority if the investigation was initiated under section 702(a).

"(2) SPECIAL RULES FOR QUANTITATIVE RESTRICTION AGREEMENTS.—

"(A) IN GENERAL.—Subject to subparagraphs (B) and (C), the administering authority may not terminate an investigation under paragraph (1) by accepting, with the government of the country in which the subsidy practice is alleged to occur, an understanding or other kind of agreement to limit the volume of imports into the United States of the merchandise that is subject to the investigation unless the administering authority is satisfied that termination on the basis on that agreement is in the public interest.

"(B) PUBLIC INTEREST FACTORS.—In making a decision under subparagraph (A) regarding the public interest, the administering authority shall take into account—

"(i) whether, based upon the relative impact on consumer prices and the availability of supplies of the merchandise, the agreement would have a greater adverse impact on United States consumers that the imposition of countervailing duties;

"(ii) the relative impact on the international economic interests of the United States; and

"(iii) the relative impact on the competitiveness of the domestic industry producing the like merchandise, including any such impact on employment and investment in that industry.

"(C) PRIOR CONSULTATIONS.—Before making a decision under subparagraph (A) regarding the public interest, the administering authority shall, to the extent practicable, consult with—

"(i) potentially affected consuming industries; and

"(ii) potentially affected producers and workers in the domestic industry producing the like merchandise, including producers and workers not party to the investigation.

"(3) LIMITATION ON TERMINATION BY COMMISSION.—The Commission may not terminate an investigation under paragraph (1) before a preliminary determination is made by the administering authority under section 703(b).";

(2) by amending subsection (d)—

(A) by adding at the end of paragraph (1) the following:

"In applying subparagraph (A) with respect to any quantitative restriction agreement under subsection (c), the administering authority shall take into account, in addition to such other factors as are considered necessary or appropriate, the factors set forth in subsection (a)(2)(B)(i), (ii), and (iii) as they apply to the proposed suspension and agreement, after consulting with the appropriate consuming industries, producers, and workers referred to in subsection (a)(2)(C)(i) and (ii).",

(B) by striking out paragraph (2), and

(C) by redesignating paragraph (3) as paragraph (2);

(3) by amending subsection (e)(3), by striking out "all parties to the investigation" and inserting in lieu thereof "all interested parties described in section 771(9)";

(4) by amending subsection (i)(1)—

(A) by striking out "and" at the end of subparagraph (C),

(B) by redesignating subparagraph (D) as subparagraph (E), and

(C) by inserting immediately after subparagraph (C) the following new subparagraph:

"(D) if it considers the violation to be international, notify the Commissioner of Customs who shall take appropriate action under paragraph (2), and"; and

(5) by adding at the end thereof the following new subsection:

"(k) TERMINATION OF INVESTIGATIONS INITIATED BY ADMINISTERING AUTHORITY.—The administering authority may terminate any investigation initiated by the administering authority under section 702(a) after providing notice of such termination to all parties to the investigation.".

(b) Section 734 (19 U.S.C. 1673c) is amended—

(1) by amending subsection (a) to read as follows:

"(a) TERMINATION OF INVESTIGATION UPON WITHDRAWAL OF PETITION.—

"(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), an investigation under this subtitle may be terminated by either the administering authority or the Commission, after notice to all parties to the investigation, upon withdrawal of the petition by the petitioner or by the administering authority if the investigation was initiated under section 732(a).

"(2) SPECIAL RULES FOR QUANTITATIVE RESTRICTION AGREEMENTS.—

"(A) IN GENERAL.—Subject to subparagraphs (B) and (C), the administering authority may not terminate an investigation under paragraph (1) by accepting an understanding or other kind of agreement to limit the volume of imports into the United States of the merchandise that is subject to the investigation unless the administering authority is satisfied that termination on the basis of that agreement is in the public interest.

"(B) PUBLIC INTEREST FACTORS.—In making a decision under subparagraph (A) regarding the public interest the administering authority shall take into account—

"(i) whether, based upon the relative impact on consumer prices and the availablity of supplies of the merchandise, the agreement would have a greater adverse impact on United States consumers than the imposition of antidumping duties;

"(ii) the relative impact on the international economic interests of the United States; and

"(iii) the relative impact on the competitiveness of the domestic industry producing the like merchandise including any such impact on employment and investment in that industry.

"(C) PRIOR CONSULTATIONS.—Before making a decision under subparagraph (A) regarding the public interest, the administering authority shall, to the extent practicable, consult with—

"(i) potentially affected consuming industries; and

"(ii) Potentially affected producers and workers in the domestic industry producing the like merchandise, including producers and workers not party to the investigation.

"(3) LIMITATION ON TERMINATION BY COMMISSION.—The Commission may not terminate an investigation under paragraph (1) before a preliminary determination is made by the administrative authority under section 733(b).";

(2) by amending subsection (d) to read as follows:

"(d) ADDITIONAL RULES AND CONDITIONS.—The administering authority may not accept an agreement under subsection (b) or (c) unless—

"(1) it is satisfied that suspension of the investigation is in the public interest, and

"(2) effective monitoring of the agreement by the United States is practicable.";

(3) by amending subsection (e)(3) by striking out "all parties to the investigation" and inserting in lieu thereof "all interested parties described in section 771(9)";

(4) by amending subsection (i)(1)—

(A) by striking out "and" at the end of subparagraph (C),

(B) by redesignating subparagraph (D) as subparagraph (E), and

(C) by inserting immediately after subparagraph (C) the following new subparagraph:

"(D) if it considers the violation to be intentional, notify the Commissioner of Customs who shall take appropriate action under paragraph (2), and"; and

(5) by adding at the end thereof the following new subsection:

"(k) TERMINATION OF INVESTIGATION INITIATED BY ADMINISTERING AUTHORITY.—The administering authority may terminate any investigation initiated by the administering authority under section 732(a) after providing notice of such termination to all parties to the investigation.".

SEC. 605. FINAL DETERMINATION OF CRITICAL CIRCUMSTANCES.

(a)(1) Section 705(a)(2) (19 U.S.C. 1671d(a)(2)) is amended by adding at the end thereof the following new sentence: "Such findings may be affirmative even though the preliminary determination under section 703(e)(1) was negative.".

(2) Section 705(c) is amended by adding at the end thereof the following new paragraph:

"(4) EFFECT OF AFFIRMATIVE DETERMINATION UNDER SUBSECTION (A)(2).—If the determination of the administering authority under subsection (a)(2) is affirmative, then the administering authority shall—

"(A) in cases where the preliminary determinations by the administering authority under sections 703(b) and 703(c)(1) were both affirmative, continue the retroactive suspension of liquidation and the posting of a cash deposit, bond, or other security previously ordered under section 703(e)(2);

"(B) in cases where the preliminary determination by the administering authority under section 703(b) was affirmative, but the preliminary determination under section 703(e)(1) was negative, shall modify any suspension of liquidation and security requirement previously ordered under section 703(d) to apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the date on which suspension of liquidation was first ordered; or

"(C) in cases where the preliminary determination by the administering authority under section 703(b) was negative, shall apply any suspension of liquidation and security requirement ordered under subsection 705(c)(1)(B) to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the date on which suspension of liquidation is first ordered.".

(3) Section 705(c)(3)(A) is amended by inserting "paragraph (4) or" after "under".

(b)(1) Section 735(a)(3) (19 U.S.C. 1673d(a)(3)) is amended by adding at the end thereof the following new sentence: "Such findings may be affirmative even though the preliminary determination under section 733(c)(1) was negative.".

(2) Section 735(c) is amended by adding at the end thereof the following new paragraph:

"(4) EFFECT OF AFFIRMATIVE DETERMINATION UNDER SUBSECTION (A)(3).—If the determination of the administering authority under subsection (a)(3) is affirmative, then the administering authority shall—

"(A) in cases where the preliminary determinations by the administering authority under sections 733(b) and 733(e)(1) were both affirmative, continue the retroactive suspension of liquidation and the posting of a cash deposit, bond, or other security previously ordered under section 733(e)(2);

"(B) in cases where the preliminary determination by the administering authority under section 733(b) was affirmative, but the preliminary determination under section 733(e)(1) was negative, shall modify any suspension of liquidation and security requirement previously ordered under section 733(d) to apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the date on which suspension of liquidation was first ordered; or

"(C) in cases where the preliminary determination by the administering authority under section 733(b) was negative, shall apply any suspension of liquidation and security requirement ordered under subsection 735(c)(1)(B) to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the date on which suspension of liquidation is first ordered.".

(3) Section 735(c)(3)(A) is amended by inserting "paragraph (4) or" after "under".

SEC. 606. SIMULTANEOUS INVESTIGATIONS.

Section 705(a)(1) (19 U.S.C. 1671d(a)(1)) is amended to read as follows:

"(1) IN GENERAL.—Within 75 days after the date of the preliminary determination under section 703(b), the administering authority shall make a final determination of whether or not a subsidy is being provided with re-

spect to the merchandise; except that when an investigation under this subtitle is initiated simultaneously with an investigation under subtitle B, which involves imports of the same class or kind of merchandise from the same or other countries, the administering authority, if requested by the petitioner, shall extend the date of the final determination under this paragraph to the date of the final determination of the administering authority in such investigation initiated under subtitle B.".

SEC. 607. COUNTERVAILING DUTIES APPLY ON COUNTRY-WIDE BASIS.

Section 706(a) (19 U.S.C. 1671e(a)) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(2) by adding after paragraph (1) the following new paragraph:

"(2) shall presumptively apply to all merchandise of such class or kind exported from the country investigated, except that if—

"(A) the administering authority determines there is a significant differential between companies receiving subsidy benefits, or

"(B) a State-owned enterprise is involved, the order may provide for differing countervailing duties,".

SEC. 608. CONDITIONAL PAYMENT OF COUNTERVAILING DUTIES.

Subtitle A of title VII is amended by adding at the end thereof the following new section:

"SEC. 709. CONDITIONAL PAYMENT OF COUNTERVAILING DUTY.

"(a) IN GENERAL.—For all entries, or withdrawals from warehouse, for consumption of merchandise subject to a countervailing duty order on or after the date of publication of such order, no customs officer may deliver merchandise of that class or kind to the person by whom or for whose account it was imported unless that person complies with the requirement of subsection (b) and deposits with the appropriate customs officer an estimated countervailing duty in an amount determined by the administering authority.

"(b) IMPORTER REQUIREMENTS.—In order to meet the requirements of this subsection, a person shall—

"(1) furnish, or arrange to have furnished, to the appropriate customs officer such information as the administering authority deems necessary for ascertaining any countervailing duty to be imposed under this subtitle,

"(2) maintain and furnish to the customs officer such records concerning such merchandise as the administering authority, by regulation, requires, and

"(3) pay, or agree to pay on demand, to the customs officer the amount of countervailing duty imposed under this subtitle on that merchandise.".

SEC. 609. INITIATION OF ANTIDUMPING DUTY INVESTIGATIONS.

Section 732(a) (19 U.S.C. 1673a(a)) is amended to read as follows:

"(a) INITIATION BY ADMINISTERING AUTHORITY.—

"(1) IN GENERAL.—An antidumping duty investigation shall be commenced whenever the administering authority determines, from information available to it, that a formal investigation is warranted into the question of whether the elements necessary for the imposition of a duty under section 731 exist.

"(2) CASES INVOLVING PERSISTENT DUMPING.—

"(A) MONITORING.—The administering authority may establish a monitoring program with respect to imports of a class or kind of merchandise from any additional supplier country for a period not to exceed one year if—

"(i) more than one antidumping order is in effect with respect to that class or kind of merchandise;

"(ii) in the judgment of the administering authority there is reason to believe or suspect an extraordinary pattern of persistent injurious dumping from one or more additional supplier countries; and

"(iii) in the judgment of the administering authority this extraordinary pattern is causing a serious commercial problem for the domestic industry.

"(B) If during the period of monitoring referred to in subparagraph (A), the administering authority determines that there is sufficient information to commence a formal investigation under this subsection regarding an additional supplier country, the administering authority shall immediately commence such an investigation.

"(C) DEFINITION.—For purposes of this paragraph, the term 'additional supplier country' means a country regarding which no antidumping investigation is currently pending, and no antidumping duty order is currently in effect, with respect to imports of the class or kinds of merchandise covered by subparagraph (A).

"(D) EXPEDITIOUS ACTION.—The administering authority and the Commission, to the extent practicable, shall expedite proceedings under this subtitle undertaken as a result of a formal investigation commenced under subparagraph (B)."

SEC. 610. DUTIES OF CUSTOMS OFFICERS.

(a) Subtitle B of title VII is amended by striking out section 739.

(b) The table of contents for such subtitle is amended by striking out

"Sec. 739. Duties of customs officers.".

SEC. 611. REVIEWS AND DETERMINATIONS.

(a) Subtitle C (19 U.S.C. 1675) is amended—

(1) by amending the subtitle heading to read as follows:

"Subtitle C—Reviews; Other Actions Regarding Agreements

"CHAPTER 1—REVIEW OF AMOUNT OF DUTY AND AGREEMENTS OTHER THAN QUANTITATIVE RESTRICTION AGREEMENTS";

(2) by amending section 751—

(A) by inserting "if a request for such a review has been received and" immediately before "after publication of notice" in that part of paragraph (1) of subsection (a) that precedes subparagraph (A); and

(B) by amending subsection (b)(1)—

(i) by striking out "704 or 734" and inserting in lieu there of "704 (other than a quantitative restriction agreement described in subsection (a)(2) or (c)(3)) or 734 (other than a quantitative restriction agreement described in subsection (a)(2))",

(ii) by striking out ", or 735(b)," and inserting in lieu thereof ", 735(b), 762(a)(1), or 762(a)(2),", and

(iii) by adding at the end of subsection (b)(1) the following: "During an investigation by the Commission, the party seeking revocation of an antidumping order shall have the burden of persuasion with respect to whether there are changed circumstances sufficient to warrant revocation of the antidumping order."; and

(3) by adding "The administering authority shall not revoke, in whole or in part, a countervailing duty order or terminate a suspended investigation on the basis of any export taxes, duties, or other charges levied on the export of merchandise to the United States specifically intended to offset the subsidy received." after the first sentence of subsection (c);

(4) by adding at the end thereof the following new chapter:

"CHAPTER 2—CONSULTATIONS AND DETERMINATIONS REGARDING QUANTITATIVE RESTRICTION AGREEMENTS

"SEC. 761. REQUIRED CONSULTATIONS.

"(a) AGREEMENTS IN RESPONSE OF SUBSIDIES.—Within 90 days after the administering authority accepts a quantitative restriction agreement under section 704(a)(2) or (c)(3), the President shall enter into consultations with the government that is party to the agreement for purposes of—

"(1) eliminating the subsidy completely, or

"(2) reducing the net subsidy to a level that eliminates completely the injurious effect of exports to the United States of the merchandise.

"(b) MODIFICATION OF AGREEMENTS ON BASIS OF CONSULTATIONS.—At the direction of the President, the administering authority shall modify a quantitative restriction agreement as a result of consultations entered into under subsection (a).

"(c) SPECIAL RULE REGARDING AGREEMENTS UNDER SECTION 704(c)(3).—This chaper shall cease to apply to a quantitative restriction agreement described in section 704(c)(3) at such time as that agreement ceases to have force and effect under section 704(f) or violation is found under section 704(i).

"SEC. 762. REQUIRED DETERMINATIONS.

"(a) IN GENERAL.—Before the expiration date, if any, of a quantitative restriction agreement accepted under section 704(a)(2) or 704(c)(3) (if suspension of the related investigation is still in effect)—

"(1) the administering authority shall, at the direction of the President, initiate a proceeding to determine whether any subsidy is being provided with respect to the merchandise subject to the agreement and, if being so provided , the net subsidy; and

"(2) if the administering authority initiates a proceeding under paragraph (1), the Commission shall determine whether imports of the merchandise of the kind subject to the agreement will, upon termination of the agreement, materially injure, or threaten with material injury, an industry in the United States or materially retard the establishment of such an industry.

"(b) DETERMINATIONS.—The determinations required to be made by the administering authority and the Commission under subsection (a) shall be made under such procedures as the administering authority and the Commission, respectively, shall by regulation prescribe, and shall be treated as final determinations made under section 705 for purposes of judicial review under section 516A. If the determinations by each are affirmative, the administering authority shall—

"(1) issue a countervailing duty order under section 706 effective with respect to merchandise entered on and after the date on which the agreement terminates; and

"(2) order the suspension of liquidation of all entries of merchandise subject to the order which are entered, or withdrawn from warehouse for consumption, on or after the date of publication of the order in the Federal Register.

"(c) HEARINGS.—The determination proceedings required to be prescribed under

subsection (b) shall provide that the administering authority and the Commission must, upon the request of any interested party, hold a hearing in accordance with section 774 on the issues involved.".

(b) The table of contents for subtitle C of title VII is amended to read as follows:

Subtitle C—Reviews; Other Actions Regarding Agreements

"CHAPTER 1—REVIEW OF AMOUNT OF DUTY AND AGREEMENTS OTHER THAN QUANTITATIVE RESTRICTION AGREEMENTS

"Sec. 751. Administrative review of determinations.

"CHAPTER 2—CONSULTATIONS AND DETERMINATIONS REGARDING QUANTITATIVE RESTRICTION AGREEMENTS

"Sec. 761. Required consultations
"Sec 762. Required determinations.".

(c) 104(b)(2) of the Trade Agreements Act of 1979 (19 U.S.C. 1671, note) is amended by adding at the end thereof the following new sentence: "A negative determination by the Commission under this paragraph shall not be based, in whole or in part, on any export taxes, duties, or other changes levied on the export of merchandise to the United States specifically intended to offset the subsidy received.".

SEC. 612. DEFINITIONS AND SPECIAL RULES.

(a) Section 771 (19 U.S.C. 1655) is amended as follows:

(1) Paragraph (4)(A) is amended by inserting before the peirod at the end thereof the following: ", except that in the case of wine and grape products subject to investigation under this title, the term also means the domestic producers of the principal raw agricultural product (determined on either a volume or value basis) which is included in the like domestic product, if those producers allege material injury, or threat of material injury, as a result of imports of such wine and grape products".

(2) Paragraph (7) is amended—

(A) by inserting the following new clause at the end of subparagraph (C):

"(iv) CUMULATION.—For purposes of clauses (i) and (ii), the Commission shall cumulatively assess the volume and effect of imports from two or more countries of like products subject to investigation if such imports compete with each other and with like products of the domestic industry in the United States market.";

(B) by inserting after subparagraph (E) the following new subparagraph:

"(F) THREAT OF MATERIAL INJURY.—

"(i) IN GENERAL.—In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of any merchandise, the Commission shall consider, among other relevant economic factors—

"(I) If a subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the subsidy is an export subsidy inconsistent with the Agreement),

"(II) any increase in production capacity or existing unused capacity in the exporting country likely to result in a significant increase in imports of the merchandise to the United States,

"(III) any rapid increase in United States market penetration and the likelihood that the penetration will increase to an injurious level,

"(IV) the probability that imports of the merchandise will enter the United States at prices that will have a depressing or suppressing effect on domestic prices of the merchandise,

"(V) any substantial increase in inventories of the merchandise in the United States,

"(VI) the presence of underutilized capacity for producing the merchandise in the exporting country, and

"(VII) any other demonstrable adverse trends that indicate the probability that the importation (or sale for importation) of the merchandise (whether or not it is actually being imported at the time) will be the cause of actual injury.

"(VIII) the potential for productshifting if production facilities owned or controlled by the foreign manufacturers, which can be used to produce products subject to investigation(s) under section 701 or 731 or to find orders under section 706 or 736, are also used to produce the merchandise under investigation.

(ii) BASIS FOR DETERMINATION.—Any determination by the Commission under this title that an industry in the United States is threatened with material injury shall be made on the basis of evidence that the threat of material injury is real and that actual injury is imminent. Such a determination may not be made on the basis of mere conjecture or supposition.

(3) Paragraph (9) is amended—

(A) by striking out "and" at the end of subparagraph (D);

(B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof ", and"; and

(C) by adding at the end thereof the following new subparagraph:

(F) an association, a majority of whose members is composed of interested parties described in subparagraph (C), (D), or (E) with respect to a like product.".

(4) Paragraph (14) is amended by striking out "at wholesale" and inserting in lieu thereof "in commercial quantities".

(5) Paragraph (17) is amended by striking out "wholesale quantities" each place it appears in the heading and the text and inserting in lieu thereof commercial quantities".

(b)(1) Section 514(a) (19 U.S.C. 1514(a)) is amended by striking out "771(9) (C), (D), and (E) of this Act." and inserting in lieu thereof "771(9) (C), (D), (E), and (F) of this Act.".

(2) Sections 704 (g)(2) and (h)(1) and 734 (g)(2) and (h)(1) (19 U.S.C. 1671c (g)(2) and (h)(1) and 1673c (g)(2) and (h)(1) are each amended by striking out "(C), (D), or (E)" and inserting in lieu thereof "(C), (D), (E), and (F)".

(3) Section 2631(k)(2) of title 28, United States Code, is amended—

(A) by striking out "and" at the end of subparagraph (C),

(B) by striking out the period at the end of subparagraph (D), and inserting in lieu thereof ", and", and

(C) by adding at the end thereof the following new subparagraph:

"(E) an association composed of members who represent parties-at-interest described in subparagraph (B), (C), or (D).".

SEC. 613. UPSTREAM SUBSIDIES.

(a) Subtitle D of title VII is amended by adding after section 771 the following new section:

"SEC. 771A. UPSTREAM SUBSIDIES.

"(a) DEFINITION.—The term 'upstream subsidy' means any subsidy described in section 771(5)(B) (i), (ii), or (iii) by the government of a country that—

"(1) is paid or bestowed by that government with respect to a product hereafter referred to as an ' input product that is used in the manufacture or production in that country of merchandise which is the subject of a countervailing duty proceeding;

"(2) in the judgment of the administering authority bestows a competitive benefit on the merchandise; and

"(3) has a significant effect on the cost of manufacturing or producing the merchandise.

In applying this subsection, an association of two or more foreign countries, political subdivisions, dependent territories, or possessions of foreign countries organized into a customs union outside the United States shall be treated as being one country if the subsidy is provided by the customs union.

"(b) DETERMINATION OF COMPETITIVE BENEFIT.—

(1) IN GENERAL.—Except as provided in paragraph (2), the administering authority shall decide that a competitive benefit has been bestowed when the price for the input product referred to in subsection (a)(1) for such use is lower than the price that the manufacturer or producer of merchandise which is the subject of a countervailing duty proceeding would otherwise pay for the product in obtaining it from another seller in an arms-length transaction.

(2) ADJUSTMENTS.—If the administering authority has determined in a previous proceeding that a subsidy is paid or bestowed on the input product that is used for comparison under paragraph (1), the administering authority may (A) where appropriate, adjust the price that the manufacturer or producer of merchandise which is the subject of such proceeding would otherwise pay for the product to reflect the effects of the subsidy, or (B) select in lieu of that price a price from another source.

"(c) INCLUSION OF AMOUNT OF SUBSIDY.—If the administering authority decides, during the course of a countervailing duty proceeding that an upstream subsidy is being or has been paid or bestowed regarding the merchandise under investigation, the administering authority shall include in the amount of any countervailing duty imposed on the merchandise an amount equal to the amount of the competitive benefit referred to in subparagraph (1)(B), except that in no event shall the amount be greater than the amount of subsidization determined with respect to the upstream product.".

(b) Section 701 of the Tariff Act of 1930 (19 U.S.C. 1671) is further amended by adding at the end thereof the following new subsection:

"(g) Whenever the administering authority has reasonable grounds to believe or suspect that an upstream subsidy, as defined in section 771A(a)(1), is being paid or bestowed, the administering authority shall investigate whether an upstream subsidy has in fact been paid or bestowed; and if so, shall include the amount of the upstream subsidy as provided in section 771A(a)(3)."

(c) Section 703 of the Tariff Act of 1930 (19 U.S.C. 1617b) is further amended by adding at the end thereof the following new subsection:

"(h) Time Period Where Upstream Subsidization Involved.

"(1) IN GENERAL.—Whenever the administering authority concludes prior to a preliminary determination under section 703(b), that there is a reasonable basis to believe or suspect that an upstream subsidy is being bestowed, the time period within which a preliminary determination must be made shall be extended to 250 days after the filing of a petition under section 702(b) or com-

mencement of an investigation under section 702(a) (310 days in cases declared extraordinarily complicated under section 703(c)), if the administering authority concludes that such additional time is necessary to make the required determination concerning upstream subsidization.

"(2) EXCEPTIONS.—Whenever the administering authority concludes, after a preliminary determination under section 703(b), that there is a reasonable basis to believe or suspect that an upstream subsidy is being bestowed—

"(A) in cases in which the preliminary determination was negative, the time period within which a final determination must be made shall be extended to 165 days under section 705(a)(1) or 225 days under section 705(a)(2), as appropriate; or

"(B) in cases in which the preliminary determination is affirmative, the determination concerning upstream subsidization—

"(i) need not be made until the conclusion of the first annual review under section 751 of any eventual Countervailing Duty Order, or, at the option of the petitioner, or

"(ii) will be made in the investigation and the time period within which a final determination must be made shall be extended to 165 days under section 705(a)(2), as appropriate, except that the suspension of liquidation ordered in the preliminary determination shall terminate at the end of 120 days from the date of publication of that determination and not be resumed unless and until the publication of a Countervailing Duty Order under section 706(a).

There may be an extension of time for the making of a final determination under this subsection only if the administering authority determines that such additional time is necessary to make the required determination concerning upstream subsidization.".

(b) The table of contents for title VII is amended by inserting after the entry for section 771 the following:

"Sec. 771A. Upstream subsidies.".

SEC. 614. RESELLER'S PRICE TAKEN INTO ACCOUNT IN DETERMINING PURCHASE PRICE.

Section 772(b) (19 U.S.C. 1677a(b)) is amended by inserting "a reseller or" after "date of importation, from".

SEC. 615. FOREIGN MARKET VALUE.

Section 773 (19 U.S.C. 1677b) is amended—

(1) by striking out "time of exportation of such merchandise to the United States" and inserting in lieu thereof "time such merchandise is first sold within the United States by the person for whom (or for whose account) the merchandise is imported to any other person who is not described in subsection (e)(3) with respect to such person" in subsection (a)(1);

(2) by striking out "wholesale quantities" each place it appears in the heading and the text and inserting in lieu thereof "commercial quantities"; and

(3) by adding at the end thereof the following new subsection:

"(g) EXPORTATION FROM AN INTERMEDIATE COUNTRY.—If—

"(1) a reseller purchases the merchandise from the manufacturer or producer of the merchandise,

"(2) the manufacturer or producer of the merchandise does not know (at the time of the sale to such reseller) the country to which such reseller intends to export the merchandise,

"(3) the merchandise is exported by, or on behalf of, such reseller to a country other than the United States,

"(4) the merchandise enters the commerce of such country but is not substantially transformed in such country, and

"(5) the merchandise is subsequently exported to the United States,

such country shall be treated, for purposes of this section, as the country from which the merchandise was exported.".

SEC. 616. HEARINGS.

Section 774(a) (19 U.S.C. 1677c(a)) is amended to read as follows:

"(a) INVESTIGATION HEARINGS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the administering authority and the Commission shall each hold a hearing in the course of an investigation upon the request of any party to the investigation before making a final determination under section 705 or 735.

"(2) EXCEPTION.—If investigations are initiated under subtitle A and subtitle B regarding the same merchandise from the same country within 6 months of each other (but before a final determination is made in either investigation), the holding of a hearing by the Commission in the course of one of the investigations shall be treated as compliance with paragraph (1) for both investigations, unless the Commission considers that special circumstances require that a hearing be held in the course of each of the investigations. During any investigation regarding which the holding of a hearing is waived under this paragraph, the Commission shall allow any party to submit such additional written comment as it considers relevant.".

SEC. 617. SUBSIDIES DISCOVERED DURING PROCEEDINGS.

Section 775 (19 U.S.C. 1677d) is amended by striking out "investigation" each place it appears in the text and in the heading and inserting in lieu thereof "proceeding".

SEC. 618. VERIFICATION OF INFORMATION.

Section 776(a) (19 U.S.C. 1677e(a)) is amended to read as follows:

"(a) GENERAL RULE.—The administering authority shall verify all information relied upon in making—

"(1) a final determination in an investigation,

"(2) a revocation under section 751(c), and

"(3) a review and determination under section 751(a), if—

"(A) verification is timely requested by an interested party as defined in section 771(9) (C), (D), (E), or (F), and

"(B) no verification was made under this paragraph during the 2 immediately preceding reviews and determinations under that section of the same order, finding, or notice, except that this clause shall not apply if good cause for verification is shown.

In publishing notice of any action referred to in paragraph (1), (2), or (3), the administering authority shall report the methods and procedures used to verify such information. If the administering authority is unable to verify the accuracy of the information submitted, it shall use the best information available to it as the basis for its action, which may include, in actions referred to in paragraph (1), the information submitted in support to the petition.".

SEC. 619. RECORDS OF EX PARTE MEETINGS; RELEASE OF CONFIDENTIAL INFORMATION.

Section 777 (19 U.S.C. 1677f) is amended—

(1) by amending paragraph (3) of subsection (a) to read as follows:

"(3) EX PARTE MEETINGS.—The administering authority and the Commission shall maintain a record of any ex parte meeting between—

"(A) interested parties or other persons providing factual information in connection with a proceeding, and

"(B) the person charged with making the determination, or any person charged with making a final recommendation to that person, in connection with that proceeding,

if information relating to that proceeding was presented or discussed at such meeting. The record of such an ex parte meeting shall include the identity of the persons present at the meeting, the date, time, and place of the meeting, and a summary of the matters discussed or submitted. The record of the ex parte meeting shall be included in the record of the proceeding.";

(2) by striking out "submitted)" in the first sentence of subsection (b) and inserting in lieu thereof "submitted, or an officer or employee of the United States Customs Service who is directly involved in conducting an investigation regarding fraud under this title)";

(3) by striking out the second sentence of subsection (b) and inserting in lieu thereof the following new sentence: "The administering authority and the Commission shall require that information for which confidential treatment is requested be accompanied by—

"(A) either—

"(i) a nonconfidential summary in sufficient detail to permit a reasonable understanding of the substance of the information submitted in confidence, or

"(ii) a statement that the information is not susceptible to summary accompanied by a statement of the reasons in support of the contention, and

"(B) either—

"(i) a statement which permits the administering authority to release under administrative protective order, in accordance with subsection (c), the information submitted in confidence, or

"(ii) a statement that the information should not be released under administrative protective order."; and

(4) by inserting "(before or after receipt of the information requested)" after "application," in subsection (c)(1)(A)

SEC. 620. SAMPLING AND AVERAGING IN DETERMINING UNITED STATES PRICE AND FOREIGN MARKET VALUE.

(a) Subtitle D of title VII (19 U.S.C. 1677a et seq.) is amended by adding immediately after section 777 the following new section:

"SEC. 777A. SAMPLING AND AVERAGING.

"(a) IN GENERAL.—For the purpose of determining United States price or foreign market value under sections 772 and 773, and for purposes of carrying out annual reviews under section 751, the administering authority may—

"(1) use averaging or generally recognized sampling techniques whenever a significant volume of sales, is involved or a significant number of adjustments to prices is required, and

"(2) decline to take into account adjustments which are insignificant in relation to the price or value of the merchandise.

"(b) SELECTION OF SAMPLES AND AVERAGES.—The authority to select appropriate samples and averages shall rest exclusively with the administering authority; but such samples and averages shall be representative of the transactions under investigation.".

(b) Subsection (f) of section 773 (19 U.S.C. 1677b(f)) is repealed.

(c) The table of contents for title VII is amended by inserting after the entry for section 777 the following:

"Sec. 777A. Sampling and averaging.".

SEC. 621. INTEREST.

Section 778 (19 U.S.C. 1677g) is amended to read as follows:

"SEC. 778. INTEREST ON CERTAIN OVERPAYMENTS AND UNDERPAYMENTS.

"(a) GENERAL RULE.—Interest shall be payable on overpayments and underpayments of amounts deposited on merchandise entered, or withdrawn from warehouse, for consumption on and after—

"(1) the date of publication of a countervailing or antidumping duty order under this title or section 303, or

"(2) the date of a finding under the Antidumping Act, 1921.

"(b) RATE.—The rate of interest payable under subsection (a) for any period of time is the rate of interest established under section 6621 of the Internal Revenue Code of 1954 for such period.".

SEC. 622. DRAWBACKS.

(a) Title VII is amended—

(1) by striking out section 740, and

(2) by adding at the end of subtitle D the following new section:

"SEC. 779. DRAWBACKS.

"For purposes of any law relating to the drawback of customs duties, countervailing duties and antidumping duties imposed by this title shall be treated as any other customs duties.".

(b) The table of contents for such title is amended—

(1) by striking out

"Sec. 740. Antidumping duty treated as a regular duty for drawback purposes.";

and

(2) by adding at the end thereof

"Sec. 779. Drawback.".

SEC. 623. ELIMINATION OF INTERLOCUTORY APPEALS.

(a) Section 516A(a) (19 U.S.C. 1516a(a)) is amended as follows:

(1) Paragraph (1) is amended to read as follows:

"(1) REVIEW OF CERTAIN DETERMINATIONS.—Within 30 days after the date of publication in the Federal Register of—

"(A) a determination by the administering authority, under 702(c) or 732(c) of this Act, not to initiate an investigation,

"(B) a determination by the Commission, under section 751(b) of this Act, not to review a determination based upon changed circumstances, or

"(C) a negative determination by the Commission, under section 703(a) or 733(a) of this Act, as to whether there is reasonable indication of material injury, threat of material injury, or material retardation,

an interested party who is a party to the proceeding in connection with which the matter arises may commence an action in the United States Court of International Trade by filing concurrently a summons and complaint, each with the content and in the form, manner, and style prescribed by the rules of that Court, contesting any factual findings or legal conclusions upon which the determination is based.".

(2) Paragraph (2)(A) is amended—

(A) by striking out "the date of publication in the Federal Register of" in the matter preceding clause (i); and

(B) by amending clauses (i) and (ii) to read as follows:

"(i) the date of publication in the Federal Register of—

"(I) notice of any determination described in clause (ii), (iii), (iv), or (v) of subparagraph (B), or

"(II) an antidumping or countervailing duty order based upon any determination described in clause (i) of subparagraph (B), or

"(ii) the date of mailing of a determination described in clause (vi) of subparagraph (B),".

(3) Amend paragraph (2)(B) to read as follows:

"(B) REVIEWABLE DETERMINATIONS.—The determinations which may be contested under subparagraph (A) as follows:

"(i) Final affirmative determinations by the administering authority and by the Commission under section 705 or 735 of this Act, including any negative part of such a determination (other than a part referred to in clause (ii)).

"(ii) A final negative determination by the administering authority or the Commission under section 705 or 735 of this Act, including, at the option of the appellant, any part of a final affirmative determination which specifically exludes any company or product.

"(iii) A final determination, other than a determination reviewable under paragraph (1), by the administering authority or the Commission under section 751 of this Act.

"(iv) A determination by the administering authority, under section 704 or 734 of this Act, to suspend an antidumping duty or a countervailing duty investigation, including any final determination resulting from a continued investigation which changes the size of the dumping margin or net subsidy calculated, or the reasoning underlying such calculations, at the time the suspension agreement was concluded.

"(v) An injurious effect determination by the Commission under section 704(h) or 734(h) of this Act.

"(vi) A determination by the administering authority as to whether a particular type of merchandise is within the class or kind of merchandise described in an existing finding of dumping or antidumping or countervailing duty order.".

(4) Redesignate paragraph (3) as paragraph (4) and after paragraph (2) insert the following:

"(3) EXCEPTION.—Notwithstanding the limitation imposed by paragraph (2)(A)(ii) of this subsection, a final affirmative determination by the administering authority under section 705 or 735 of this Act may be contested by commencing an action, in accordance with the provisions of paragraph (2)(A), within thirty days after the date of publication in the Federal Register of a final negative determination by the Commission under section 705 or 735 of this Act which is predicated upon the size of either the dumping margin or net subsidy determined to exist.".

(b) Title 28, United States Code, is amended as follows:

(1) Section 2636 is amended—

(A) by amending subsection (c) to read as follows:

"(c) A civil action contesting a reviewable determination listed in section 516A of the Tariff Act of 1930 is barred unless commenced in accordance with the rules of the Court of International Trade within the time specified in such section."; and

(B) by striking out subsection (d) and redesignating subsections (e) through (i) as (d) through (h), respectively.

(2) Section 2647 is amended to read as follows:

"§ 2647. Precedence of cases

"The following civil actions in the Court of International Trade shall be given precedence, in the following order, over other civil actions pending before the Court, and shall be assigned for hearing at the earliest practicable date and expedited in every way:

"(1) First, a civil action involving the exclusion of perishable merchandise or the redelivery of such merchandise.

"(2) Second, a civil action commenced under section 515 of the Tariff Act of 1930 involving the exclusion or redelivery of merchandise.

"(3) Third, a civil action commenced under section 516 or 516A of the Tariff Act of 1930.".

SEC. 624. ADJUSTMENTS STUDY.

The Secretary of Commerce shall undertake a study of the current practices that are applied in the making of adjustments to purchase prices and exporter's sales prices under section 772 (d) and (e) (19 U.S.C. 1677a (d) and (e)) and foreign market value and constructed value under section 773 (19 U.S.C. 1677b) in determining antidumping duties. The study shall include, but not be limited to—

(1) a review of the types of adjustments currently being made;

(2) a review of private sector comments and recommendations regarding the subject that were made at congressional hearings during the first session of the ninety-eighth Congress; and

(3) the manner and extent to which such adjustments led to inequitable results.

Within one year after the date of the enactment of this Act, the Secretary of Commerce shall complete the study required under this section and shall submit to Congress a written report regarding the study and containing such recommendations as the Secretary deems appropriate regarding the need, and the means, for simplifying and modifying current practices in the making of such adjustments.

SEC. 625. INDUSTRIAL TARGETING STUDIES.

The Secretary of Commerce, the Secretary of Labor, the United States Trade Representative, and the Comptroller General of the United States shall each undertake, and submit to the Congress not later than June 1, 1985, a comprehensive study of the problem of foreign industrial targeting, whereby foreign governments adopt plans or schemes of coordinated activities to foster and benefit specific industries, and of the desirability or need to amend the United States trade laws in order to provide effective remedies for domestic industries against the adverse effects of such targeting. To the extent consistent with agency jurisidiction, such studies shall include, but are not limited to—

(1) an analysis of—

(A) whether foreign industrial targeting should be considered as an unfair trade practice under United States law;

(B) whether current law, including the remedies under title VII of the Tariff Act of 1930, adequately address the subsidy element of foreign industrial policy measures; and

(C) the extent to which foreign industrial targeting practices are significantly affecting United States commerce; and

(2) any recommended legislation considered necessary based on the study results.

SEC. 626. EFFECTIVE DATES.

(a) Except as provided in subsections (b) and (c), this Act, and the amendments made by it, shall take effect on the date of the enactment of this Act.

(b)(1) The amendments made by sections 602, 609, 611, 612, and 620 shall apply with respect to investigations initiated by petition or by the administering authority under subtitles A and B of title VII of the Tariff Act of 1930 on or after such effective date.

(2) The amendments made by section 623 shall apply with respect to civil actions pending on, or filed on or after, the date of the enactment of this Act.

(c)(1) No provision of title VII of the Tariff Act of 1930 shall be interpreted to prevent the refiling of a petition under section 702 or 732 of that title that was filed before the date of the enactment of this title, if the purpose of such refiling is to avail the petitioner of the amendment made by section 612(a)(1).

(2) The amendment made by section 612(a)(1) shall not apply with respect to petitions filed (or refiled under paragraph (1) under section 702 or 732 of the Tariff Act of 1930 after September 30, 1986.

TITLE VII—AUTHORIZATION OF APPROPRIATIONS FOR CUSTOMS AND TRADE AGENCIES

SEC. 701. UNITED STATES INTERNATIONAL TRADE COMMISSION.

The first sentence of paragraph (2) of section 330(e) of the Tariff Act of 1930 (19 U.S.C. 133(e)(2)) is amended to read as follows: "There are authorized to be appropriated to the Commission for necessary expenses (including the rental of conference rooms in the District of Columbia and elsewhere) for fiscal year 1985 not to exceed $28,410,000; of which not to exceed $2,500 may be used, subject to approval by the Chairman of the Commission, for reception and entertainment expenses.".

SEC. 702. UNITED STATES CUSTOMS SERVICE.

Section 301 of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075) is amended as follows:

(1) Subsection (b) is amended to read as follows:

"(b) There are authorized to be appropriated to the Department of the Treasury not to exceed $686,399,000 for the salaries and expenses of the United States Customs Service for fiscal year 1985; of which (A) $28,070,000 is for the operation and maintenance of the air interdiction program of the Service, and (B) not to exceed $15,000,000 is for the implementation of the 'Operation EXODUS' program and any related program designed to enforce or monitor export controls under the Export Administration Act of 1979.".

(2) Subsection (d) is redesignated as subsection (e).

(3) The following new subsection is inserted immediately after subsection (c):

"(d) No part of any sum that is appropriated under subsection (b) for fiscal years after September 30, 1984, may be used for administrative expenses to pay any employee of the United States Customs Service overtime pay in an amount exceeding $25,000; except that the Commissioner of Customs or his designee may waive this limitation in individual cases in order to prevent excessive costs or to meet emergency requirements of the Service.".

SEC. 703. OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE.

Section 141(f)(1) of the Trade Act of 1974 (19 U.S.C. 2171(f)(1)) is amended—

(1) by striking out "$11,100,000 for fiscal year 1983" and inserting in lieu thereof "$14,179,000 for fiscal year 1985"; and

(2) by striking out "$65,000" and inserting in lieu thereof "$80,000".

TITLE VIII—ENFORCEMENT AUTHORITY FOR THE NATIONAL POLICY FOR THE STEEL INDUSTRY

SEC. 801. SHORT TITLE.

This title may be cited as the "Steel Import Stabilization Act".

SEC. 802. FINDINGS AND PURPOSES.

(a) The Congress finds that—

(1) the United States steel industry has a serious need to modernize its plant and equipment in order to enhance its international competitiveness, and needs increased capital investments to effect that modernization;

(2) the ability of the domestic steel industry to be internationally competitive is, and has been, impeded by the effects of the enormous Federal budget deficit, an overvalued dollar, and increasing trade deficits, as well as serious injury due to imports of, and subsidies, dumping, and the use of other unfair and restrictive foreign trade practices regarding steel products;

(3) the extensiveness of the unfair trade practices engaged in the international market regarding such products imposes unusually harsh burdens on the United States steel industry in combating those practices through the trade remedy laws;

(4) expeditious and effective action under the President's national policy for the steel industry, including more vigorous efforts by the Executive Branch to self-initiate and pursue remedies against those practices, is needed to eliminate the adverse effects of those unfair trade practices;

(5) import relief will be ineffective and will not serve the national economic interest unless the industry during the period of relief engages in serious efforts substantially to modernize and to improve its international competitiveness; and

(6) full and effective implementation of the national policy for the steel industry will substantially improve the economy and employment in both the steel and iron ore-producing sectors.

(b) The purposes of this title are—

(1) to supplement the authority of the President to achieve the goals of the national policy for the steel industry by granting enforcement powers regarding those bilateral arrangements that are entered into or undertaken for purposes of implementing that national policy; and

(2) to make the continuation of those powers subject to the condition that the steel industry undertake a comprehensive modernization of its plant and equipment.

SEC. 803. SENSE OF CONGRESS REGARDING THE NATIONAL POLICY FOR THE STEEL INDUSTRY.

It is the sense of the Congress that—

(1) the President should, in conjunction with the authority granted under this title, implement the national policy for the steel industry in a manner to ensure that the foreign share of the United States market for steel products is commensurate with a level which would obtain under conditions of fair, unsubsidized competition; and it is further the sense of Congress that when this policy is fully implemented, it will result in a foreign share of the domestic market of 17.0 to 20.2 percent, subject to such modifications that changes in market conditions and the composition of the steel industry may require;

(2) the national policy for the steel industry should not be implemented in a manner contrary to the antitrust laws; and

(3) if the national policy for the steel industry does not produce satisfactory results within a reasonable period of time, the Congress will consider taking such legislative actions concerning steel and iron ore products as may be necessary or appropriate to stabilize conditions in the domestic market for such products.

SEC. 804. DEFINITIONS.

As used in this title—

(1) The term "bilateral arrangement" means any arrangement, agreement, or understanding (including, but not limited to, any surge control understanding or suspension agreement) entered into or undertaken, or previously entered into or undertaken, by the United States and any foreign country or customs union containing such quantitative limitations, restrictions, or other terms relating to the importation into, or exportation to, the United States of categories of steel products as may be necessary to implement the national policy for the steel industry.

(2) The term "national policy for the steel industry" means those actions and elements described in Executive Communication 4046, dated September 18, 1984 (printed as House Document 98-263).

(3) The term "steel industry" means producers in the United States of steel products.

SEC. 805. ENFORCEMENT AUTHORITY.

(a) Subject to section 806, the President is authorized to carry out such actions as may be necessary or appropriate to enforce the quantitative limitations, restrictions, and other terms agreed to between the United States and steel-exporting nations as contained in bilateral arrangements. Such actions may include, but are not limited to, requirements that valid export licenses or other documentation issued by a foreign government be presented as a condition for the entry into the United States of steel products.

(b)(1) In connection with the provisions of the Arrangement on European Communities' Export of Pipes and Tubes to the United States of America, contained in an exchange of letters dated October 21, 1982, between representatives of the United States and the Commission of the European Communities, including any modification, clarification, extension, or successor agreement thereto (collectively referred to hereinafter as "the Arrangement"), the Secretary of Commerce is authorized to request the Secretary of the Treasury to take action pursuant to paragraph (2) of this subsection whenever he determines that—

(A) the level of exports of pipes and tubes to the United States from the European Communities is exceeding the average of annual United States apparent consumption specified in the Arrangement, or

(B) distortion is occurring in the pattern of United States-European Communities trade within the pipe and tube sector taking into account the average share of annual United States apparent consumption accounted for by European communities articles within product categories developed by the Secretary of Commerce.

Any request to the Secretary of the Treasury pursuant to this subsection by the Secretary of Commerce shall identify one or more categories of pipe and tube products with respect to which action under paragraph (2) is requested.

(2) At the request of the Secretary of Commerce pursuant to paragraph (1), the Secretary of the Treasury shall take such action as may be necessary to ensure that the aggregate quantity of European Communities articles in each product category identified by the Secretary of commerce in such request

that are entered into the United States are in accordance with the terms of the Arrangement.

(3) Nothing in this subsection may be construed as prohibiting the Secretary of Commerce from permitting the importation of additional quantities of specific products in cases where the Secretary determines that conditions of short supply or emergency economic situations related to market demand exist; except that a short supply or emergency economic situation shall not be considered to exist solely because domestic producers are unwilling to supply products at prices below their costs of production (as determined by the Secretary of Commerce).

(c) For purposes of carrying out this title, the Secretary of the Treasury may provide by regulation for the terms and conditions under which steel products may be denied entry into the United States.

SEC. 806. EFFECTIVE PERIOD OF TITLE.

(a) IN GENERAL.—Section 805 shall terminate—

(1) at the close of the fifth anniversary of the effective date of this title; or

(2) at the close of the first, second, third, or fourth anniversary of the effective date of this title, unless the President, before each such anniversary, submits to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate (in writing and together with the reasons therefor) an affirmative annual determination described in subsection (b).

(b)(1) An affirmative annual determination is a determination by the President that—

(A) the major companies of the steel industry, taken as a whole, have, during the 12-month period ending at the close of an anniversary referred to in subsection (a)(2)—

(i) committed substantially all of their net cash flow from steel product operations for purposes of reinvestment in, and modernization of, that industry through investment in modern plant and equipment, research and development, and other appropriate projects, such as working capital for steel operations and programs for the retraining of workers; and

(ii) taken sufficient action to maintain their international competitiveness, including action to produce price-competitive and quality-competitive products, to control costs of production, including employment costs, and to improve productivity; and

(B) each of the major companies committed for the applicable 12-month period not less than 1 percent of net cash flow to the retraining of workers; except that this requirement may be waived by the President with respect to a major company in noncompliance, if he finds unusual economic circumstances exist with respect to that company; and

(C) the enforcement authority provided under section 905 remains necessary to maintain the effectiveness of bilateral arrangements undertaken to eliminate unfair trade practices in the steel sector.

(2) For purposes of this subsection—

(A) the term "major company" means an enterprise whose raw steel production in the United States during 1983 exceeded 1,500,000 net tons.

(B) The term "net cash flow" means annual net (after-tax) income plus depreciation, depletion allowances, amortization, and changes in reserves minus dividends and payments on short-term and long-term debts and liabilities.

(3) For purposes of carrying out this subsection, the President shall take into account such information as may be available from the United States International Trade Commission and other appropriate sources relating to the modernization efforts of the steel industry.

SEC. 807. DEPARTMENT OF LABOR WORKER ASSISTANCE PLAN.

Within 6 months after the effective date of this title, the Secretary of Labor shall prepare (in consultation with the Steel Advisory Committee established on November 3, 1983, by the Secretary of Commerce and the Secretary of Labor (48 F.R. 51165)) and submit to the Congress a proposed plan of action for assisting workers in communities that are adversely affected by imports of steel products; which assistance shall include retraining and relocation for former workers in the steel industry who will likely be unable to return to employment in that industry. The plan required under this section shall be based upon existing authorities for providing such assistance, but shall be accompanied by such recommendations for additional statutory authority as the Secretary of Labor considers necessary to carry out the purposes of the plan.

SEC. 808. EFFECTIVE DATE.

This title shall take effect on October 1, 1984.

TITLE IX—WINE TRADE

SEC. 901. SHORT TITLE.

This title may be cited as the "Wine Equity and Export Expansion Act of 1984".

SEC. 902. CONGRESSIONAL FINDINGS AND PURPOSES.

(a) Congress finds that—

(1) there is a substantial imbalance in international wine trade resulting, in part, from the relative accessibility enjoyed by foreign wines to the United States market while the United States wine industry faces restrictive tariff and nontariff barriers in virtually every existing or potential foreign market;

(2) the restricted access to foreign markets and the continued low prices for United States wine and grape products adversely affect the economic position of our Nation's winemakers and grape growers, as well as all other domestic sectors that depend upon wine production;

(3) the competitive position of United States wine in international trade has been weakened by foreign trade practices, high domestic interest rates, and unfavorable foreign exchange rates;

(4) wine consumption per capita is very low in many major non-wine producing markets and the demand potential for United States wine is significant; and

(5) The United States winemaking industry has the capacity and the ability to export substantial volumes of wine and an increase in United States wine export will create new jobs, improve this Nation's balance of trade, and otherwise strengthen the national economy.

(b) The purposes of this title are—

(1) to provide wine consumers with the greatest possible choice of wines from wine-producing countries;

(2) to encourage the initiation of an export promotion program to develop, maintain, and expand foreign markets for United States wine; and

(3) to achieve greater access to foreign markets for United States wine and grape products through the reduction or elimination of tariff barriers and nontariff barriers to (or other distortions of) trade in wine.

SEC. 903. DEFINITIONS.

For purposes of this title—

(1) The term "Committees" means the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(2) The term "grape product" means grapes and any product (other than wine) made from grapes, including, but not limited to, raisins and grape juice, whether or not concentrated.

(3) The term "major wine trading country" means any foreign country, or group of foreign countries, designated as such under section 904.

(4) The phrase "nontariff barrier to (or other distortion of)", in the context of trade in United States wine, includes any measure implemented by the government of a major wine trading country that either gives a competitive advantage to the wine industry of that country or restricts the importation of United States wine into that country.

(5) The term "Trade Representative" means the United States Trade Representative.

(6) The term "United States wine" means wine produced within the customs territory of the United States.

(7) The term "wine" means any fermented alcoholic beverage that—

(A) is made from grapes or other fruit;

(B) contains not less than 0.5 percent alcohol by volume and not more than 24 percent alcohol by volume, including all dilutions and mixtures thereof by whatever process produced; and

(C) is for nonindustrial use.

SEC. 904. DESIGNATION OF MAJOR WINE TRADING COUNTRIES.

(a) The Trade Representative shall designate as a major wine trading country each foreign country, or group of foreign countries represented as an economic union, that, in the judgment of the Trade Representative—

(1) is a potential significant market for United States wine; and

(2) maintains tariff barriers on nontariff barriers to (or other distortions of) trade in United States wine.

(b) In deciding, for purposes of subsection (a)(2), whether a foreign country or group of countries maintains nontariff barriers to (or other distortions of) trade in United States wine, the Trade Representative shall take into account—

(1) the review and report required under section 854(a) of the Trade Agreements Act of 1979 (19 U.S.C. 2135 note);

(2) such relevant actions that may have been taken by that country or group since that review was conducted; and

(3) such information as may be submitted under section 906 by representatives of the wine and grape products industries in the United States, as well as other sources.

SEC. 905. ACTIONS TO REDUCE OR ELIMINATE TARIFF AND NONTARIFF BARRIERS AFFECTING UNITED STATES WINE.

(a) The President shall direct the Trade Representative to enter into consultations with each major wine trading country to seek a reduction or elimination of that country's tariff barriers and nontariff barriers to (or other distortions of) trade in United States wine.

(b)(1) the President shall notify each of the Committees regarding the extent and effect of the efforts undertaken since the submission of the report required under section 854(a) of the Trade Agreements Act of 1979, and during the 12-month period beginning on the date of the enactment of this Act, to expand opportunities in each major wine trading country for exports of United States wine. Such notification, which shall be in

the form of a separate written report (that must be submitted within 30 days after the close of that 12-month period) for each major wine trading country, shall include—

(A) a description of each act, policy, and practice (and of its legal basis and operation) in that country that constitutes a tariff barrier or nontariff barrier to (or other distortion of) trade in United States wine (and that description shall be based upon an updating of the report that was submitted to the Congress under section 844(a) of the Trade Agreements Act of 1979);

(B) an assessment of the extent to which each such act, policy, or practice is subject to international agreements to which the United States is a party;

(C) information with respect to any action taken, or proposed to be taken, under existing authority to eliminate or reduce each such act, policy, or practice, including, but not limited to—

(i) any action under the Trade Act of 1974, and

(ii) any negotiation or consultation with any foreign government;

(D) if action referred to in subparagraph (C) was not taken, an explanation of the reasons therefor; and

(E) recommendations to the Congress of any additional legislative authority or other action which the President believes is necessary and appropriate to obtain in elimination or reduction of foreign tariff barriers or nontariff barriers to (or other distortions of) trade in United States wine.

(2) The reports required under paragraph (1) shall be developed and coordinated by the Trade Representative through the interagency trade organization established by section 242(a) of the Trade Expansion Act of 1962.

(c) If the President, after taking into account information and advice received under subsections (a) and (b), section 906 or from other sources, determines that action is appropriate to respond to any act, policy or practice of a major wine trading country constitutes a tariff barrier or nontariff barrier to (or other distortion of) trade in United States wine and—

(1) is inconsistent with the provisions of, or otherwise denies benefits to the United States under, any trade agreement; or

(2) is unjustifiable, unreasonable, or discriminatory and burdens or restricts United States commerce; the President, shall take all appropriate and feasible action under the Trade Act of 1974 to enforce the rights of the United States under any such trade agreement or to obtain the elimination of such act, policy, or practice.

SEC. 906. REQUIRED CONSULTATIONS.

The Trade Representative shall consult with the Committees and with representatives of the wine and grape products industries in the United States—

(1) before identifying tariff barriers and nontariff barriers to (or other distortions of) trade in United States wine and designating major wine trading countries under section 1004;

(2) in developing the reports required under section 1005(b); and

(3) for purposes of determining whether action by the President is appropriate under any provision of the Trade Act of 1974 with respect to any act, policy, or practice referred to in section 1005(b)(1).

SEC. 907. UNITED STATES WINE EXPORT PROMOTION.

In order to develop, maintain, and expand foreign markets for United States wine, the President is encouraged to—

(1) utilize, for the fiscal year ending September 30, 1985, the authority provided under section 135 of the Omnibus Budget Reconciliation Act of 1982 to make available sufficient funds to initiate, in cooperation with nongovernmental trade associations representative of United States wineries, an export promotion program for United States; and

(2) request, for each subsequent fiscal year, an appropriation for such a wine export promotion program that will not be at the expense of any appropriations requested for export promotion programs involving other agriculture commodities.

And the House agree to the same.

DAN ROSTENKOWSKI,
JAMES R. JONES,
ED JENKINS,
THOMAS J. DOWNEY,
DONALD J. PEASE,
KENT HANCE,
BARBER B. CONABLE, Jr.,
GUY VANDER JAGT,
BILL ARCHER,
BILL FRENZEL,

For consideration of title XI of the House Amendment to the Senate Amendment and sections 255, 302, 304(b)(2), 306(b), 402, and title IX of the Senate Amendment:

From the Committee on Energy and Commerce:

JOHN D. DINGELL,
JAMES J. FLORIO,
JAMES T. BROYHILL,

From the Committee on Foreign Affairs:

DON BONKER,
DAN MICA,
TOBY ROTH,

Managers on the Part of the House.

BOB DOLE,
BOB PACKWOOD,
BILL ROTH,
JOHN DANFORTH,
LLOYD BENTSEN,
SPARK M. MATSUNAGA,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the amendments of the Senate to the bill (H.R. 3398) to amend the trade laws, authorize the negotiation of trade agreements, extend trade preferences, change the tariff treatment with respect to certain articles and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House amendment struck out all of the Senate amendment after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the House amendment and the Senate amendment. The differences between the Senate amendment, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SUBJECT: MISCELLANEOUS TARIFF, TRADE, AND CUSTOMS MATTERS

TITLE I—TARIFF SCHEDULES AMENDMENTS

Section 111: Coated textile fabrics

House bill

Provides for the reclassification of textile fabrics and articles, coated, filled or laminated with rubber or plastics (previously covered under part 12 of schedule 7) to part 4C of schedule 3, resulting in increase in duties and imposition of import restraints under the MFA.

Senate bill

Identical to House provision.

Conference agreement

Technical correction (delete "of part 12 headnote" from paragraph (c)).

Section 112: Warp knitting machines

House bill

Provides permanent column 1 duty-free treatment for warp knitting machines and parts thereof entered after June 30, 1983.

Senate bill

Identical in substance to House provision; differences in drafting style.

Conference agreement

The conferees agreed to the Senate provision.

Section 113: Certain gloves

House bill

Provides for the reclassification of certain rubber or plastic work or dress gloves resulting in increases in duties.

Senate bill

Identical in substance to House provision; differences in drafting style.

Conference agreement

The conferees agreed to the Senate provision.

Section 114: Pet toys

House bill

Provides for uniform column 1 duty of 8.5% ad valorem on imported toys for pets, of textile materials, the same rate of duty currently assessed on toys for pets, of rubber or plastics.

Senate bill

Identical to House provision except for typographical error.

Conference agreement

The conferees agreed to the House provision.

Section 115: Water chestnuts and bamboo shoots

House bill

No provision.

Senate bill

Provides for permanent column 1 duty-free treatment for water chestnuts and bamboo shoots retroactive to June 30, 1983.

Conference agreement

The conferees agreed to the Senate provision.

Section 116: Gut for use in manufacture of sterile surgical sutures

House bill

Reduces the column 1 rate of duty for gut imported for use in the manufacture of surgical sutures from 11.2% ad valorem to 5.4% ad valorem. That rate is subsequently reduced in annual stages to 3.5% ad valorem, on January 1, 1987.

Senate bill

Identical in substance to House provision; differences in drafting style.

Conference agreement

The conferees agreed to the Senate provision subject to correction of a typographical error; the reference to item 792.20 should have read "792.22".

Section 117: Orange juice products

House bill

Provides for reclassification of orange juice to delineate between concentrated and nonconcentrated orange juice resulting in increased column 1 duties for concentrated and reconstituted orange juice, effective 15 days after enactment.

Senate bill

Identical in substance except Senate bill is effective March 31, 1985.

Conference agreement

The conferees agreed to the Senate provision with a technical amendment and with an effective date of January 1, 1985.

Section 118: Reimportation of certain articles originally imported duty free

House bill

Modifies item 801.00 of the TSUS to provide for permanent duty-free treatment of articles imported under lease or similar use agreements, if previously imported duty-paid. Effective 15 days after enactment.

Senate bill

Modifies item 801.00 of the TSUS to provide for permanent duty-free treatment of articles exported under lease to a foreign manufacturer reimported into the United States if previously entered duty-free under the Caribbean Basin Economic Recovery Act or the Generalized System of Preferences. The legislation is retroactive to June 1, 1982.

Conference agreement

The conferees agreed to make both amendments to item 801.00.

Section 124: Telecommunications product classification

House bill

No provision.

Senate bill

Revises the provisions of the Tariff Schedules applicable to telecommunications products, without changes in rates of duty, in order to better reflect the state of current technology in such products in the TSUS.

Conference agreement

The conferees agreed to the Senate provision with technical corrections. The conferees agreed to delete subsection (c) concerning modification of Schedule B. However, it is expected that the interagency Committee for Statistical Annotation of Tariff Schedules will modify Schedule B effective January 1, 1985, to make it comparable with the TSUS as modified by this provision, in accordance with the mandate of section 484(e) of the Tariff Act of 1930, as amended.

Section 125: Fresh asparagus

House bill

Provides for a 20% ad valorem reduction in the column 1 rate of duty on certain fresh or chilled asparagus air freighted to the United States and entered between September 15 and November 15 in any year.

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision with technical amendments.

Section 126: Chipper knife steel

House bill

Provides permanent column 1 duty-free treatment for imports of chipper knife steel which is not cold formed, effective April 1, 1985.

Senate bill

No provision.

Conference agreement

The conferees agreed to stage in the permanent duty-free treatment over a 2 year period. Effective April 1, 1985 the column 1 rate will be reduced to 2% ad valorem. Effective April 1, 1986 the rate will go to free.

Section 127: Implementation of Customs Convention on Containers, 1972

House bill

Amends the TSUS (item 808.00) and the Tariff Act of 1930 to provide for the duty-free entry of repair parts, accessories and equipment of temporarily admitted containers, thereby bringing the U.S. customs treatment into conformity with the Customs Convention on Containers, 1972, effective upon proclamation by the President.

Senate bill

Identical to House provision except Senate effective date is January 4, 1985.

Conference agreement

The conferees agreed to the House provision.

Section 131: Fresh, chilled, or frozen Brussels sprouts

House bill

Provides for a temporary, reduction of the column 1 rate of duty on certain fresh, chilled, or frozen Brussels sprouts, until December 30, 1987.

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 132: Beta-naphthol

House bill

Provides for temporary suspension of column 1 duty until September 30, 1987 on beta-naphthol.

Senate bill

Indentical to House provision except Senate expiration date is December 31, 1986.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 133: 4-Chloro-e-methylphenol

House bill

Extends expired duty suspension on 4-chloro-3-methyphenol entered after June 30, 1984, until September 30, 1987.

Senate bill

Identical to House provision except Senate expiration date is June 30, 1987.

Conference agreement

The conferees agreed to the House provision with an exporation date of December 31, 1987.

Section 134: Tetraamino biphenyl

House bill

Provides for temporary suspension of column 1 duty on 3,3'-diaminobenzidine until September 30, 1988.

Senate bill

Identical to House provision except Senate description is tetraamino biphenyl and expiration date is December 31, 1988.

Conference agreement

The conferees agreed to House provision with expiration date of December 31, 1988.

Section 135: 6-Amino-1-naphthol-3-sulfonic acid

House bill

Provides for temporary suspension of column 1 duty until September 30, 1987 on 6-amino-1-naphthol-3-sulfonic acid.

Senate bill

Identical to House provision except Senate expiration date is December 31, 1986.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 133: DSA

House bill

Provides for temporary suspension of column 1 duty until September 30, 1987 on 2-(4-aminophenyl)-6-methylbenzothiazole-7-sulfonic acid.

Senate bill

Identical to House provision except Senate expiration date is December 21, 1986.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 137: Guanidines

House bill

Provides for temporary suspension of column 1 duty on diphenlyl guanidine and di-ortho-tolyl guanidine until Septemper 30, 1987.

Senate bill

Identical to House provision except Senate expiration date is June 30, 1987.

Conference agreement

The conferees agreed to the House provision with a technical correction and with an expiration date of December 31, 1987.

Section 138: Certain antibiotics

House bill

Provides for temporary suspension of column 1 duty on (6R,7R)-7-[(R)-2-amino 2-phenylacetamido]-3-methyl-8-oxo-5-thia-1-azabicyclo [4.0] oct-2-ene-2-carboxylic acid desolvate until September 30, 1987.

Senate bill

Identical to House provision except Senate expiration date is December 31, 1986.

Conference agreement

The conferees agreed to House provision with expiration date of December 31, 1987.

Section 139: Acetylsulfaguanidine

House bill

Provides for temporary suspension of column 1 duty until September 30, 1987 on acetylsulfaguanidine.

Senate bill

Identical to House provision except Senate provides "free" instead of "no charge" in column 2 and has an expiration date of December 31, 1987.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 140: Fenridazon-potassium

House bill

Provides for temporary suspension of column 1 duty on mixtures of potassium 1-(p-chlorophenyl)-1,4-dihydro-6-methyl-4-oxopyridazine-3-carboxylate ("fenridazon-potassium") and formulation adjuvants until September 30, 1987.

Senate bill

Identical to House provision except Senate provision is not retroactive and expiration date is June 30, 1987.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 141: Uncompounded allyl resins

House bill

Extends expired suspension of duty on uncompounded allyl resins until September 30, 1986.

Senate bill

Identical to House provision except Senate expiration date is December 31, 1986 and effective date is 15 days after enactment while House effective date is September 30, 1984.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 142: Sulfamethazine

House bill

Provides for temporary suspension of column 1 duty until September 30, 1987 on sulfamethazine.

Senate bill

Identical to House provision except Senate expiration date is December 31, 1987.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 143: Sulfaguanidine

House bill

Provides for temporary suspension of column 1 duty until September 30, 1987 on sulfamethazine.

Senate bill

Identical to House provision except Senate expiration date is December 31, 1987.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 144: Terfenadine

House bill

Provides for temporary suspension of column 1 duty on terfenadine until September 30, 1987.

Senate bill

Identical to House provision except Senate expiration date is June 30, 1986.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 145: Sulfathiazole

House bill

Provides for temporary suspension of column 1 duty until September 30, 1987 on sulfathiazole and repeals subsections 136 (b) and (c) of P.L. 97-446.

Senate bill

Temporary suspension of column 1 duty until December 31, 1986 on sulfathiazole, retroactive to December 31, 1983.

Conference agreement

The conferees agreed to the House Provision with an expiration date of December 31, 1987.

Section 146: Sulfaquinoxaline and sulfanilamide

House bill

Provides for temporary suspension of column 1 duty until September 30, 1987 on sulfaquinoxaline and sulfanilamide.

Senate bill

Identical to House provision except Senate expiration date is December 31, 1987.

Conference agreement

The conferees agreed to the House Provision with an expiration date of December 31, 1987.

Section 147: Dicyclomine hydrochloride and mepenzolate bromide

House bill

Provides for temporary suspension of column 1 duty on mepenzolate bromide and dicyclomine hydrochloride until September 30, 1987.

Senate bill

Identical to House provision except Senate provides separate provisions and Senate expiration date for mepenzolate bromide is December 31, 1987 and for dicyclomine hydrochloride is June 30, 1986.

Conference agreement

The conferees agreed to the House Provision with an expiration date of December 31, 1987.

Section 148: Amiodarone

House bill

Provides for a temporary suspension of the column 1 rate of duty on amiodarone, until September 30, 1987.

Senate bill

No provision.

Conference agreement

The conferees agreed to the House Provision with an expiration date of December 31, 1987.

Section 149: Desipramine hydrochloride

House bill

Provides for temporary suspension of column 1 duty on desipramine hydrochloride until September 30, 1987.

Senate bill

Identical to House provision except expiration date is December 31, 1987.

Conference agreement

The conferees agreed to the Senate provision.

Section 150: Clomiphene citrate

House bill

Provides for temporary suspension of column 1 duty on clomiphene citrate until September 30, 1987.

Senate bill

Identical to House provision except Senate expiration date is June 30, 1986.

Conference agreement

The conferees agreed to the House Provision with an expiration date of December 31, 1987.

Section 151: Yttrium bearing materials and compounds

House bill

Provides for temporary suspension of column 1 duty on yttrium bearing materials and compounds containing by weight more than 19% but lesss than 85% yttrium oxide equivalent until June 30, 1988.

Senate bill

Identical to House provision except Senate expiration date is June 30, 1989.

Conference agreement

The conferees agreed to the House Provision with an expiration date of December 31, 1988.

Section 152: Tartaric acid and chemicals

House bill

Extends suspension of duty until June 30, 1988 on tartaric acid, potassium salts, cream of tartar and sodium tartrate (Rochelle salts).

Senate bill

Identical to House provision except Senate provision does not allow for retroactive treatment back to June 30, 1984.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1988.

Section 153: Certain mixtures of magnesium chloride and magnesium nitrate

House bill

Provides for temporary suspension of column 1 duty on mixtures of 5-chloro-2-methyl-4-isothiazolin-3-one, 2-methyl-4-isothiazolin-3-one, magnesium chloride, and magnesium nitrate until September 30, 1987.

Senate bill

Identical to House provision except Senate provision is not retroactive and expiration date is June 30, 1987.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 154: Nicotine resin complex

House bill

Provides for temporary suspension of column 1 duty on nicotine resin complex until September 30, 1987.

Senate bill

Identical to House provision except Senate has different item number and expiration date is June 30, 1987.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 155: Rifampin

House bill

Provides for temporary suspension of column 1 duty on rifampin until September 30, 1987.

Senate bill

Identical to House provision except Senate expiration date is December 31, 1987.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 156: Lactulose

House bill

Provides for temporary suspension of column 1 duty on lactulose until September 30, 1987.

Senate bill

Identical to House provision except Senate expiration date is June 30, 1987.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 157: Iron-dextran complex

House bill

Provides for temporary suspension of column 1 duty on iron-dextran complex until September 30, 1987.

Senate bill

Identical to House provision except Senate expiration date is June 30, 1987.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 158: Natural graphite

House bill

Extends existing suspension of duty on natural graphite until December 31, 1987.

Senate bill

Identical to House provision except for typographical error.

Conference agreement

The conferees agreed to the House provision.

Section 159: Zinc

House bill

Extends the expired duty suspension on zinc-bearing ores, zinc dross and zinc skimmings, zinc-bearing materials and zinc waste and scrap, entered after June 30, 1984, until June 30, 1989.

Senate bill

Identical to House provision.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1989.

Section 160: Certain diamond tool blanks

House bill

Provides for a temporary suspension of the column 1 rate of duty for tool blanks and drill blanks, wholly or in chief value of industrial diamonds until September 30, 1987.

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 161: Clock radios

House bill

Extends expired duty suspension on clock radios until September 30, 1986.

Senate bill

Identical to House provision except Senate expiration date is December 31, 1985, and Senate effective date is 15 days after date of enactment, while House date is September 30, 1984.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1986.

Section 162: Lace-braiding machines

House bill

Provides for temporary suspension of column 1 duty on decorative lace-braiding machines using the Jacquard system and parts thereof until September 30, 1987.

Senate bill

Identical to House provision except Senate expiration date is June 30, 1987.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 163: Certain magnetron tubes

House bill

Provides temporary suspension of column 1 duty on magnetron tubes with an operating frequency of 2.450 GHz and a mimimum power of at least 300 watts and a maximum power not greater than 2,000 watts until December 31, 1986.

Senate bill

Identical to House provision except for typographical error.

Conference agreement

The conferees agreed to the House provision.

Section 164: Narrow fabric looms

House bill

Provides for temporary suspension of column 1 duty on narrow fabric looms until September 30, 1987.

Senate bill

Identical in substance to House provision except Senate expiration date is June 30, 1987.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 165: Umbrella frames

House bill

Provides for a temporary suspension of the column 1 rate of duty on frames for hand-held umbrellas chiefly used for protection against rain, until September 30, 1985.

Senate bill

Identical to House provision except Senate expiration date is June 30, 1987.

Conference agreement

The conferees agreed to the Senate provision with expiration date of December 31, 1986.

Section 166: Crude feathers and down

House bill

Extends expired duty suspension applicable to crude feathers and down from June 30, 1984 to June 30, 1987.

Senate bill

Identical in substance to House provision; differences in drafting style.

Conference agreement

The conferees agreed to the House provision with technical amendments and expiration date of December 31, 1987.

Section 167: Canned corned beef

House bill

Provides temporary reduction of column 1 duty to 3% ad valorem for canned corned beef entered after October 30, 1983, until October 29, 1989.

Senate bill

Identical except for typographical error and expiration date of December 31, 1989.

Conference agreement

The conferees agreed to the Senate provision with the typographical correction.

Section 168: Hovercraft skirts

House bill

Extends the expired duty suspension on textile fabrics for hovercraft skirts entered after June 30, 1983, until June 30, 1986.

Senate bill

Identical to House provision except for technical amendment.

Conference agreement

The conferees agreed to the Senate provision with an expiration date of December 31, 1987.

Section 169: Disposable surgical drapes and sterile gowns

House bill

Equalizes the rates of duty between certain paper products and nonwoven man-made fiber articles by temporarily reducing the duty on bonded fiber fabric disposable sterile gowns of man-made fibers and boned fiber fabric disposable surgical drapes of man-made fibers, until January 1, 1989.

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision.

Section 170: MXDA

House bill

Provides for temporary suspension of column 1 duty on m-xylenediamine (MXDA) and 1,3-bis[aminomethyl]cyclohexane (1,3-BAC), until June 30, 1986.

Senate bill

Identical to House provision except for item number for MXDA and Senate expiration date of June 30, 1987.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 171: 4,4'-Bis(alpha,alpha-dimethylbenzyl)diphenylamine

House bill

Provides for temporary suspension of column 1 duty on 4,4'-bis(alpha, alpha-dimethylbenzyl)diphenylamine, until June 30, 1987.

Senate bill

Identical to House provision except for item number and Senate expiration date of June 30, 1987.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 172: Flecainide acetate

House bill

Provides for temporary suspension of column 1 duty on flecainide acetate, until June 30, 1986.

Senate bill

Identical to House provision except Senate expiration date is June 30, 1987.

Conference agreement

The conferees agreed to the House provision with an expiration date of December 31, 1987.

Section 173: Caffeine

House bill

Extends expired reduction of column 1 duty to 4.1% ad valorem for caffeine entered after December 31, 1983, until December 31, 1985.

Senate bill

Identical in substance to House provision; differences in drafting style.

Conference agreement

The conferees agreed to the House provision with technical amendments and expiration date of December 31, 1987.

Section 174: Watch crystals

House bill

Provides for temporary reduction of column 1 and LDDC rates of duty on watch glasses other than round watch glasses (watch crystals) for a three year period. Provides for a staged rate reduction from 6.2% ad valorem upon enactment to 5.2% ad valorem on January 1, 1986.

Senate bill

Substantially identical to House except Senate provides for column 1 duty rate of 5.2% by January 1, 1987.

Conference agreement

The conferees agreed to the House provision with technical amendments and with an expiration date of December 31, 1987.

Section 175: Unwrought lead

House bill

Extends expired temporary suspension of duty on unwrought lead entered after June 30, 1983, until June 30, 1986.

Senate bill

Identical to House provision except P.L. 96-609 expiration date is July 1, 1986 instead of July 1, 1988.

Conference agreement

The conferees agreed to the House provisions with an expiration date of December 31, 1988.

Section 176: Flat knitting machines

House bill

Extends the expired duty suspension on power-driven flat knitting machines entered after June 30, 1983, until June 30, 1988, and provides such duty-free treatment for parts of such machines.

Senate bill

Identical in substance to House provision; differences in drafting style.

Conference agreement

The conferees agreed to the House provision with technical amendments and expiration date of December 31, 1988.

Section 177: Certain menthol feedstocks

House bill

No provision.

Senate bill

Provides for temporary suspension of column 1 duty on certain menthol feedstocks, i.e., mixtures containing not less than 90% by weight of stereoisomers, of 2-iso-propyl-5-methylcyclohexanol, but containing not more than 30% by weight of any one such stereoisomer, until June 30, 1987.

Conference agreement

The conferees agreed to the Senate provision, subject to the correction of technical errors. The expiration date was changed to December 31, 1987.

Section 178: 2-Methyl-4-chlorophenol

House bill

No provision.

Senate bill

Provides for temporary suspension of column 1 duty on 2-methyl-4-chlorophenol until December 31, 1987.

Conference agreement

The conferees agreed to the Senate provision with a technical correction.

Section 179: Unwrought alloys of cobalt

House bill

No provision.

Senate bill

Extends expired suspension of duty on unwrought alloys of cobalt entered after June 30, 1983, until June 30, 1985.

Conference agreement

The conferees agreed to the Senate provision with an expiration date of December 31, 1987.

Section 180: Circular knitting machines

House bill

No provision.

Senate bill

Provides for temporary suspension of column 1 duty until December 31, 1989 on certain circular knitting machines, i.e., cylinder and dial machines designed for sweater strip or garment length knitting and double cylinder machines for sweater strip or garment length knitting.

Conference agreement

The conferees agreed to the Senate provision with technical amendments.

Section 181: o-Benzyl-p-chlorophenol

House bill

No provision.

Senate bill

Provides for temporary suspension of column 1 duty on o-benzyl-p-chlorophenol until December 31, 1987.

Conference agreement

The conferees agreed to the Senate provision.

Section 182: Certain benzenoid chemicals

House bill

No provision.

Senate bill

Provides for temporary suspension of duty until June 30, 1986 on trichlorosalicylic acid, m-aminophenol, 6-amino-1-naphthol-3-sulfonic acid and 4-acetaminobenzenesufonyl chloride.

Conference agreement

The conferees agreed to the Senate provision with technical corrections. The expiration date was changed to December 31, 1987.

Section 183: M-Toluic acid

House bill

No provision.

Senate bill

Extends permanent column 1 duty-free treatment to meta-toluic acid, a chemical used to manufacture certain insect repelants.

Conference agreement

The conferees agreed to suspend the column 1 rate of duty on meta-toluic acid until December 31, 1987.

Section 191(a)-(d): Technical and conforming amendments

House bill

Make a nunber of retroactive amendments to the TSUS to correct purely technical errors in the schedules.

Senate bill

No provision.

Conference agreement

The Conferees agreed to the House provision.

Section 191(e): Technical amendment

House bill

No provision.

Senate bill

Technical amendment to General Headnote 3(a)(i) correcting a cross-reference error.

Conference agreement

The Conferees agreed to the Senate provision, subject to correction of a typographical error.

Section: Apple and pear juice

House bill

Amends the Tariff Schedules of the United States to impose a column 1 rate of duty of 0.1 cent per gallon on imports of apple or pear juice.

Senate bill

No provision.

Conference agreement

The conferees agreed to delete the provision.

Section: Classification of certain cordage

House bill

Amends the Tariff Schedules of the United States to establish equal duty rates for various cordage products of virtually identical characteristics. The amendment would modify the definitions of "plexiform filaments" and "strips" resulting in certain cordage products which are currently classified as articles of rubber or plastics in schedule 7 of the TSUS being classified as textile products in schedule 3 at substantially higher rates of duty and subjecting such products to textile restraints and under the MFA.

Senate bill

No provision.

Conference agreement

The conferees agreed to delete the provision.

Section: Ferroalloys

House bill

No provision.

Senate bill

Provides duty increase for ferroalloys. The duty increase is in the amount of the "fair price differential" between the price of the imported product and the comparable domestic product. The "fair price", is to be determined annually by the Secretary of Commerce.

Conference agreement

The conferees agreed to delete the provision.

Section: Melamine

House bill

No provision.

Senate bill

Provides for temporary column 1 duty increase on melamine of additional 5.1% ad valorem, increased to 5.3% ad valorem effec-

tive on or after January 1, 1986, and on or before December 31, 1986.

Conference agreement

The conferees agreed to delete the provision.

Section: Classification of naphtha

House bill

Provides for reclassification of naphthas derived from petroleum, shale oil, natural gas, or combinations thereof (to equalize the tariff treatment of naphthas currently provided for as petroleum products and those classified as benzenoid chemicals) at the lower petroleum product rates of duty. Addition of new provision for "motor fuel blending stock" at motor fuel rates of duty resulting in a further reduction of duty for certain benzenoid chemicals.

Senate bill

Amends TSUS to add of tariff-rate quota of 190,000,000 pounds per year for naphthas derived from petroleum, shale oil, natural gas, or combinations thereof, containing by weight over 5 percent of benzenoid products, provided for in TSUS item 407.16, at below quota rates of 0.25 cent per gallon (col. 1) and 0.5 cent per gallon (col. 2).

Conference agreement

The conferees agreed to delete the provision. Both bills contained provisions relating to the tariff classification and treatment of naphtha products. In addition, the House bill would have created a new tariff item for "motor fuel blending stock."

Due to the unusual complexity of the products involved, the conferees determined that neither provision would accomplish the purposes intended by the respective Houses. The conferees therefore concluded that the Committee on Finance and the Committee on Ways and Means would request the International Trade Commission to conduct a study of the tariff classification and treatment of the entire range of products potentially affected by a reclassification of any naphtha, benzenoid chemical, or motor fuel blending stock. The Congress will better be able to address the proper method of classification after such a study is completed. Further, the study may shed particular light on the difficulties which gave rise to the motor fuel blending provision in the House bill. A significant amount of trade had developed recently with regard to these products, which has now then been cast into doubt by a reclassification decision by the Customs Service. That decision is now being reviewed, and the decision of the conferees to deter consideration of this matter should not be interpreted to reflect on this proceeding in any way.

Section: Photograph albums

House bill

No provision.

Senate bill

Provides for temporary duty increase for photograph albums to 35% ad valorem, until December 31, 1985.

Conference agreement

The conferees agreed to delete the provision.

Section: Plywood

House bill

Amends the Tariff Schedules of the United States to ensure that imports of cellular panels and tongued, grooved, lapped, or otherwise edge-worked plywood and wood-veneer panels are classified under the tariff provisions for those three products, rather than as building boards. This will result in an increase in the applicable column 1 rates of duty of about 10% ad valorem.

Senate bill

No provision.

Conference agreement

The conferees agreed to delete the provision.

Section: Certain parts for spindle motors

House bill

No provision.

Senate bill

Provides for temporary suspension of column 1 duty on parts designed for use exclusively in permanent magnet, brushless, electronically commutated, direct current, computer memory disk drive spindle motors of less than one-tenth horsepower until December 31, 1985.

Conference agreement

The conferees agreed to delete the provision.

TITLE II—CUSTOMS AND MISCELLANEOUS AMENDMENTS

Section 202(1)(B)(3): Drawback

House bill

Amends section 313(j) of the Tariff Act of 1930 to provide drawback if the same person requesting drawback, subsequent to important and within three years of importation of the merchandise, exports from the United States or destroys under Customs supervision fungible merchandise (whether imported or domestic) which is commercially identical to the merchandise imported.

Senate bill

Substantially the same as the House bill. The Senate bill specifically references the aggregation of imported and domestic merchandise. The House bill specifically states that the substitute merchandise must be in the same condition as the imported merchandise.

Conference agreement

The conferees agreed to the House provision.

Section 202(1)(B)(4): Drawback

House bill

Amends section 313(j) of the Tariff Act of 1930 to provide drawback for packaging materials used to perform incidental operations regarding packaging or repacking of imported merchandise.

Senate bill

Provides drawback for all packaging materials imported for packaging or repackaging imported merchandise.

Conference agreement

The conferees agreed to the Senate provision.

Section 202(2)(3): Drawback

House bill

No provision.

Senate bill

Amends section 313 of the Tariff Act of 1930 to provide that any domestic merchandise acquired in exchange for imported merchandise of the same kind and quality shall be treated as the use of such imported merchandise for drawback purposes under subsections (a) and (b) if no certificate of delivery is issued with respect to such imported merchandise.

Conference agreement

The conferees agreed to the Senate provision.

Section 204: Virgin Islands excursion vessels

House bill

Amends section 441(3) of the Tariff Act of 1930 to exempt from entry requirements of the customs laws certain vessels carrying passengers from the U.S. Virgin Islands to the British Virgin Islands and returning.

Senate bill

Identical in substance; differences in drafting style.

Conference agreement

The conferees agreed to the Senate provision.

Section 206: Increase in amount for informal entry of goods

House bill

Amends section 498 of the Tariff Act of 1930 to increase the allowance for informal entry from $250 to $1,250, excluding goods classified in schedule 3 of the TSUS, certain parts of schedule 7, and parts 2 and 3 of the Appendix.

Senate bill

Identical to House provision, except the Senate increased amount is $1,000.

Conference agreement

The conferees agreed to the House provision. Although the conferees adopted the $1,250 limit with respect to informal entries, we understand that the Customs Service intends, by regulation, to set the limit at $1,000. This provision gives Customs additional flexibility to modify the limit as circumstances change in the future.

Section 207: Certain country of origin marking requirements

House bill

No provision.

Senate bill

Amends section 304 of the Tariff Act of 1930 to require permanent marking of imported pipe, pipe fittings, compressed gas cylinders, and manhole rings or frames, covers, and assemblies thereof, to show the country of origin.

Conference agreement

The conferees agreed to the Senate provision.

Section 208: Equipments and repairs of certain vessels exempt from duties

House bill

Amends section 466(e) of the Tariff Act of 1930 to exempt any U.S. flag vessel that is away from a U.S. port for at least two years from the 50% ad valorem duty on repairs and equipment purchases, provided the repairs or equipment purchases were not made within 6 months of departure from a U.S. port and the vessel did not depart from a U.S. port for the purpose of obtaining overseas repairs.

Senate bill

Identical in substance: differences in drafting style.

Conference agreement

The conferees agreed to the Senate provision.

Section 209: Articles returned from space

House bill

No provision.

Senate bill

Provides that return of certain articles from space shall not be considered an importation and customs entry of such articles shall not be required.

Conference agreement

The conferees agreed to the Senate provision with technical corrections.

Section 211: Operation of certain duty-free sales enterprises

House bill

Permits State and local government authorities having jurisdiction over airports or other exit points to require that operators of duty-free sales enterprises in such locations obtain concessions or approval before beginning business.

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision.

Section 212: Customs brokers

House bill

Makes comprehensive changes to the Tariff Act of 1930 with respect to the licensing of customs brokers. The legislation defines the term "customs business" and restricts the scope of Customs' review of customs brokers to such customs business. It also specifies that only licensed brokers may conduct customs business for third parties; sets forth licensing and permit procedures; establishes a duty for customs brokers to exercise responsibility and control over their customs business; and provides disciplinary proceedings, including monetary penalties and revocation or suspension of licenses or permits.

Senate bill

Substantially identical to House provision, except that House bill contains an exception to the requirement that each broker have at least one licensed customs broker in each customs district in which he operates, and the House bill contains a 180 day grace period with respect to this requirement while the Senate period is 120 days.

Conference agreement

The conferees agreed to the House provision.

Section 231: Foreign trade zone provisions

House bill

Amends the Foreign Trade Zones Act of 1934 to exempt bicycle component parts, not to be exported, from the exemption from the customs laws available to merchandise in foreign trade zones.

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision.

Section 232: Denial of deduction for certain foreign advertising expenses

House bill

No provision.

Senate bill

Provides for a denial of a business expense tax deduction for expenses of an advertisement carried by a foreign broadcasting undertaking directed to the U.S. market if the country denies a similar deduction for the cost of advertising in the United States.

Conference agreement

The conferees agreed to the Senate provision.

Section 233: Certain relics and curios

House bill

No provision.

Senate bill

Amends section 925 of title 18, United States Code, to authorize the importation by a licensed importer, of all rifles and shotguns listed as curios or relics pursuant to section 921(a)(13) and all handguns listed as curios or relics, provided that such handguns are generally recognized as particularly suitable for or readily adaptable to sporting purposes.

Conference agreement

The conferees agreed to the Senate provision.

Section 234: Modification of duties on certain articles used in civil aviation

House bill

Provides the President with the authority to proclaim modifications to a number of enumerated items in the Tariff Schedules of the United States in order to provide duty-free coverage comparable to the expanded coverage provided by all other signatories to the GATT Agreement on Trade in Civil Aircraft, as recently modified.

Senate bill

Identical, except that the House bill references the GATT Aircraft Committee decision of 3/22/84.

Conference agreement

The conferees agreed to the House provision.

Section 235: Products of Caribbean Basin countries entered in Puerto Rico

House bill

No provision.

Senate bill

This provision would allow products of a beneficiary country under the Caribbean Basin Economic Recovery Act (CBERA) to enter Puerto Rico under bond for manufacture and later to be withdrawn for consumption free of duty if the products otherwise are entitled to enter duty-free under the CBERA, notwithstanding the fact that the products are not being imported directly from a beneficiary country.

Conference agreement

The conferees agreed to the Senate provision.

Section 236: User fee for customs services at certain small airports

House bill

No provision.

Senate bill

Provides for customs services at certain small airports and authority to the Secretary of the Treasury to charge a user fee for such services.

Conference agreement

The conferees agreed to the Senate provision.

Section 237: Notification of certain actions by the United States Customs Service

House bill

No provision.

Senate bill

Provides for notification of the Congress 180 days before any significant reorganization of the U.S. Customs Service.

Conference agreement

The conferees agreed to a restricted version of the Senate provision. The notification period was cut back to 90 days and the provision was limited to major field reorganizations or consolidations significantly affecting district, regional or border offices. Any more restrictive language in an appropriation bill would be superseded.

Section 238: Columbia-Snake customs district

House bill

Requires the Commissioner of Customs to establish a customs district in the Pacific Northwest to be called the "Columbia-Snake Customs District".

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision.

Section 239: Reliquidation of certain mass spectrometer systems

House bill

No provision.

Senate bill

Provides for the Secretary of the Treasury to reliquidate the entry of two mass spectrometer systems imported into the United States for the use of Montana State University, Bozeman, Montana.

Conference agreement

The conferees agreed to the Senate provision.

Section 240: Max Planck Institute for Radioastronomy

House bill

Provides the Secretary of the Treasury with authorization to admit free of duty any instrument or apparatus provided by the Max Planck Institute for Radioastronomy of the Federal Republic of Germany to the joint astronomical project, being undertaken by the Steward Observatory of the University of Arizona and the Max Planck Institute, for the construction, installation, and operation of a sub-mm telescope in Arizona.

Senate bill

Substantially the same. However, the Senate bill excludes instruments or apparatus if instruments or apparatus of equivalent scientific value are being manufactured in the United States. The Senate bill also specifies administrative requirements which are prerequisites to obtaining duty-free entry for the instruments and apparatus in question.

Conference agreement

The conferees agreed to the Senate provision.

Section 241: Duty-free entry for research equipment for North Dakota State University, Fargo, North Dakota

House bill

No provision.

Senate bill

Provides duty-free entry for research equipment imported for use by the Cereal Chemistry and Technology Department of North Dakota State University, Fargo, North Dakota, entered on September 15, 1983.

Conference agreement

The conferees agreed to the Senate provision.

Section 244: Duty-free entry of organs imported for the use of Trinity Cathedral of Cleveland, Ohio

House bill

Provides for the retroactive duty-free entry of pipe organs manufactured in the Netherlands, and imported for the use of

Trinity Cathedral of Cleveland, Ohio, during 1973–1978.

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision.

Section 245: Sense of Congress regarding possible EEC action on corn gluten

House bill

Expresses the sense of the Congress that the President should continue to oppose firmly the imposition by the European Community (EC) of any restrictions of EC imports of nongrain feed ingredients, including corn gluten, and should support the current duty-free binding on such products. The section would also express the sense of Congress that the President should continue to oppose rigorously any EC proposals which would violate the intent of the existing duty-free binding in the GATT on soybeans and soybeans products, and reaffirm the U.S. conviction that imposition of a consumption tax on vegetable fats and oils by the EC would represent a restraint of trade.

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision.

Section 246: Study on honey imports

House bill

No provision.

Senate bill

Expresses the sense of Congress that the Secretary of Agriculture should request the President to call for a United States International Trade Commission investigation into honey imports under section 22 of the Agricultural Adjustment Act.

Conference agreement

The conferees agreed to modify the provision to express the sense of the Senate only.

Section : Elimination of sureties on customs bonds

House bill

Provides that both the House Committee on Ways and Means and the Senate Finance Committee be informed 90 calendar days of continuous session of Congress before the Customs Service publishes a final rule revising any existing requirement for sureties on customs bonds (by way of submission of the rule and a report to the Committees).

Senate bill

No provision.

Conference agreement

The conferees deleted the provision.

Subject: Controlled Substances Provisions (Section 211 of House Bill)

Present law

Presently, there are three principal forfeiture statutes used against illegal drug activity. They are "in rem" proceedings under civil forfeiture as provided in 21 U.S.C. 881, and in "personam" proceedings under criminal forfeiture in the Continuing Criminal Enterprise Statute (21 U.S.C. 848) and the Racketeer Influenced Corrupt Organization Statute (18 U.S.C. 1963).

House bill

The House bill would send title 21 of the United States Code in order to substantially increase the maximum for drug offenses, provide the sanction of criminal forfeiture for all felony drug offenses and facilitate procedures for both civil and criminal forfeitures.

Senate bill

No provision.

Conference agreement

House recedes.

Subject: Customs Seizures and Forfeitures (Section 212 of House Bill)

[Section 212 of the Bill Contains a Number of Amendments to the Tariff Act of 1930 Relating to Customs Seizure and Forfeiture. These Provisions were Passed Earlier by the House as Title II of H.R. 4901, the Comprehensive Drug Penalty Act]

1. "Aircraft" Additions

Present law

Although not specifically mentioned, aircraft are subject to forfeiture provisions of the Tariff Act pursuant to 49 U.S.C. 1509 and Customs regulations.

House bill

Amends sections 602, 605, 606, and 607 of the Tariff Act to expressly include "aircraft" in the coverage of these sections.

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision.

2. Availability of Administrative Forfeitures

Present law

Section 607 provides for administrative rather than judicial forfeiture proceedings if the value of the vessel, vehicle, merchandise or baggage does not exceed $10,000, or if merchandise is prohibited. Notice of the seizure and intent to forfeit must be published for 3 successive weeks.

House bill

Raises the value of property which can be administratively forfeited to $100,000. However, for prohibited merchandise and conveyance, including aircraft, used to import, export or otherwise transport controlled substances, there would be no limit. Notice requirement is expanded to require written notice and description of procedures be sent to interested parties.

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision.

3. Bond Requirement for Judicial Forfeiture

Present law

Section 608 allows any person claiming an interest in a seized vessel, vehicle, merchandise or baggage to judicially contest any forfeiture by filing a claim and giving a bond in the amount of $250.

House bill

Raises the amount of the bond which must be posted to judicially contest a forfeiture to $2500 or 10 percent of the value of the claimed property, whichever is lower, but not less than $250.

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision.

4. Deposit of Proceeds in Customs Forfeiture Fund

Present law

Section 609 provides that if no claim is filed or bond given within twenty days, the seized property may be sold at public auction and the proceeds (less expenses) deposited in the U.S. Treasury.

House bill

During the period beginning on the date of enactment and ending September 30, 1987, all proceeds of sale (after deducting expenses) be deposited in the Customs Forfeiture fund.

Senate bill

No Provision.

Conference agreement

The conferees agreed to the House provision.

5. Judicial Forfeiture

Present law

Section 610 specifies procedure for Customs to follow for judicial forfeiture if the value of the seized vessel, vehicle, merchandise or baggage is greater than $10,000.

House bill

Makes conforming changes to provide for judicial forfeiture procedures "IF any vessel, vehicle, *aircraft*, merchandise, or baggage is not subject to section 607 of this Act" (i.e., the value of the article is greater than $100,000 and was not a conveyance used to import, export, transport or store any controlled substance).

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision.

6. Explicit Reference to Aircraft

Present law

Although not specifically mentioned, aircraft are subject to forfeiture provisions of the Tariff Act, pursuant to 49 U.S.C. 1509 and Customs regulations.

House bill

Amends section 611 of the Tariff Act to expressly include "aircraft" in the coverage of the section.

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision.

7. Summary Sale

Present law

Section 612 authorizes Customs to sell at auction any seized vessel, vehicle, merchandise or baggage if it is "liable to perish or to waste or to be greatly reduced in value by keeping or if the expense in keeping it will be disproportionate to the value thereof." If the value of the article exceeds $10,000, Customs must petition the Court to obtain permission to sell at auction.

House bill

Makes explicit reference to aircraft and makes conforming changes so that judicial approval of a sale at auction of the seized article is required "if the article is not subject to section 607 of this Act". Also adds a new subsection providing: "(b) if the expense of keeping the vessel, vehicle, aircraft, merchandise or baggage is disproportionate to the value thereof, and such value is less than $1,000, such officer may proceed forthwith to order, destruction or other appropriate disposition of such property under regu-

lations prescribed by the Secretary of the Treasury.

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision.

8. Disposition of Proceeds of Forfeited Property

Present law

Section 613(a) allows for persons claiming an interest in forfeited property which has been sold to apply for a remission of the forfeiture and restoration of proceeds of such sale. It also provides for the proceeds of sale after payment of designated expenses of forfeiture and sale and satisfaction of liens to be deposited with the U.S. Treasury as a Customs or navigation fine.

House bill

Makes explicit reference to "aircraft" and other conforming changes. Also provides that the proceeds of sale would be deposited in the general fund of the U.S. Treasury.

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision.

9. Customs Forfeiture Fund

Present law

There is currently no provision for a Customs Forfeiture Fund. The proceeds of sale of forfeited property are disposed of in accordance with section 613 described above. Under that section the costs in handling each seizure are deducted from the proceeds of that seizure, if any. The resulting "net proceeds" are then transferred to the general fund in the U.S. Treasury. But if the proceeds do not exceed the expenses, the agency must cover the expenses out of its regular budget.

House bill

Adds a new section 613A establishing a Customs Forfeiture Fund in the U.S. Treasury, to be available to the U.S. Customs Service, subject to appropriation, during the period from date of enactment until September 30, 1987, with respect to Customs' seizures and forfeitures under any law enforced or administered by it for the payment of—

(1) certain expenses of forfeiture and sale;

(2) payment of awards of compensation to informers under section 619.

(a) liens for freight, charges and contributions in general average, notice of which has been filed with the appropriate Customs officer according to the law; and

(b) other liens against forfeited property;

(4) payment of amounts authorized by law with respect to remission and mitigation;

(5) payment for equipping for law enforcement functions of forfeited vessels, vehicles, and aircraft retained as provided by law for official use by the U.S. Customs Service;

(6) claims of parties in interest to property disposed of under section 612(b) of this Act, in the amounts applicable to such claims at the time of seizure.

The fund would also be available for the purchases of evidence of violations of specified criminal Acts.

All proceeds from forfeitures would be deposited in the fund (after reimbusement of expenses under section 524 of this Act) during the period from date of enactment to September 30, 1987. Unneeded funds are to be invested and reports to the Congress of receipts and expenditures are required within four months of the close of the fiscal year. Appropriations from the fund are limited to $10 million for each fiscal year. At the end of each fiscal year any amount in the fund in excess of $10 million will be deposited in the general fund and at the end of fiscal year 1987, the fund will be terminated and all excess funds deposited in the general fund of the U.S. Treasury.

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision.

10. Explicit Reference to Aircraft

Present law

Although not specifically mentioned, aircraft are subject to forfeiture provisions of the Tariff Act, pursuant to 49 U.S.C. 1509 and Customs regulations.

House bill

Amends section 614 and 615 to expressly include "aircraft" in the coverage of those sections.

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision.

11. Transfer of Forfeited Property

Present law

Under current law, no authority exists for the Federal Government to discontinue Federal forfeiture proceedings where state or local forfeiture proceedings are being considered.

House bill

A new section 616 entitled "Transfer of Forfeited Property" provides that the Secretary of the Treasury may discontinue forfeiture proceedings under the Act in favor of forfeiture under state law after the proper filing of complaints by the Attorney General, and the United States shall not be liable for property forfeited under the Act to any State or local law enforcement agency which participated directly in the seizure or forfeiture.

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision.

12. Award of Compensation to Informers

Present law

Section 619 provides for an award of compensation to informers of 25 percent of the net amount recovered but not to exceed $50,000.

House bill

Raises the maximum level of compensation which can be paid to informers to $250,000, but it is still limited to 25 percent of the net proceeds and makes explicit reference to "aircraft."

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision.

13. Explicit Reference to Aircraft

Present law

Although not specifically mentioned, aircraft are subject to forfeiture provision of Tariff Act, pursuant to 49 U.S.C. 1509 and Customs regulations.

House bill

Amends section 618 to expressly include "aircraft" in the coverage of the sections.

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision.

14. Enforcement Authority of Customs Officers

Present law

Present Customs authority is limited to arrests with a warrant for any Federal offense and warrantless arrests for narcotics, marijuana (26 USC 7606), for navigation, seizure and revenue offenses (19 USC 1581) and a variety of conservation, wildlife and pollution laws. They do have the authority to carry a firearm and to execute and serve any warrant, order, subpoena, etc., issued under the authority of the United States (26 USC 7607).

House bill

Creates a new section 589 which increases the authority of Customs officers to make arrests without a warrant for those offenses against the United States committed in his presence and for those felonies which the officer has reasonable grounds to believe are or have been committed and to perform other law enforcement duties designated by the Secretary of the Treasury.

Senate bill

No provision.

Conference agreement

The conferees agreed to the House provision.

SUBJECT: AMENDMENTS RELATING TO SECTIONS 201-203 OF THE TRADE ACT OF 1974 (IMPORT RELIEF)

(Sections 252, 258 and 309 of the Senate Bill)

1. Amendments to section 201 (sec. 252 of Senate bill)

1.*a. Serious injury criteria*

Present law

In judging the existence of serious injury, the International Trade Commission (ITC) considers relevant economic factors, including (but not limited to) idling of productive facilities, inability of firms to operate profitably, and unemployment in the industry.

House bill

No provision

Senate bill

Would add to the economic factors to be considered "any significant increase in the volume or share of total imports attributable to domestic producers in the industry."

Conference agreement

Senate recedes.

1. b. Threat of serious criteria

Present law

In judging the existence of a threat of serious injury, the ITC considers relevant economic factors, including (but not limited to) a decline in sales, higher and growing inventory, and a downward trend in production, profits, wages or employment in the industry.

House bill

No provision.

Senate bill

Would add to the economic factors to be considerd by clarifying that a decline in sales is to be measured in terms of articles

that are like or directly competitive with the imported article, that a higher or growing imventory may exist whether maintained by domestic producers, importers or retailers, and by adding new criteria: an upward trend in imports or sales for importation and an upward trend in the volume or share of total imports attributable to domestic producers.

Conference agreement

House recedes with an amendment deleting sections 2(b) (i), (iii), (iv), and (v), and adding the word "wholesale" after "importers" in section 2(b)(ii).

1.c. Substantial cause criteria

Present law

In judging substantial cause, the ITC considers relevant economic factors, including (but not limited to) an increase in imports and a decline in the proportion of the domestic market supplied by domestic producers.

House bill

No provision.

Senate bill

Would clarify that increasing imports are a factor in judging substantial cause regardless of whether imports are attributable to domestic producers in the industry.

Conference agreement

Senate recedes.

1.d. Role of imports in defining industry

Present law

In determining the domestic industry producing a like article, the ITC may exclude imports by a domestic producer.

House bill

No provision.

Senate bill

Would require that the Commission exclude imports by a domestic producer in determining the domestic industry.

Conference agreement

Senate recedes.

1.f. Definition of relevant economic factors

Present law

In making its injury determination, the ITC is required to take into account all economic factors which it considers relevant.

House bill

No provision.

Senate bill

Would preclude the ITC from considering any of the following factors in judging injury although they could be considered by the Commission in recommending relief and by the President in acting on that recommendation:

1. Effectiveness of relief, efforts to adjust to import, and other considerations relative to the position of the industry in the nation's economy.

2. Effect of import relief on consumers and on domestic competition.

3. Effect of import relief on U.S. international economic interests.

4. Effect on U.S. industries of compensation obligations incurred by grantng relief.

Conference agreement

Senate recedes.

1.g. Role of profits in injury finding

Present law

The Commission may find that imports are a substantial cause of serious injury or threat thereof based, *inter alia*, on the profitability (or absence thereof) of domestic firms.

House bill

No provision.

Senate bill

Would specify that the fact that the domestic industry is profitable does not preclude an injury finding.

Conference agreement

House recede with amendment specifying that the presence or absence of any factor listed in section (201)(b)(2) is not dispositive of injury.

1.h. Probative significance of "captive imports"

Present law

The ITC may treat imports by domestic producers as evidence of the adjustment to competition which is encouraged by the statute.

House bill

No provision.

Senate bill

Would require the ITC to treat imports by domestic producers as one factor in judging injury rather than as evidence of adjustment.

Conference agreement

Senate recedes.

1.i. Role of plant closings

Present law

The Commission is not required to consider plant closings in its analysis.

House bill

No provision.

Senate bill

Would require the Commission to take account of the effect of plant closings on production, employment, capacity, capacity utilization, or domestic profits.

Conference agreement

Senate recedes.

The Senate approved amendments to section 201 of the Trade Act in response to the decision of the International Trade Commission in the non-rubber footwear case. These amendments reflected Senate dissatisfaction with the ITC's interpretation of section 201 in the nonrubber footwear case. The Senate amendments were intended to clarify congressional intent by elaborating on the language of section 201.

This amendment is intended to make clear that the presence or absence of any one factor shall not necessarily provide decisive guidance to the Commission in its determination of serious injury. It is possible, for example, that the surviving firms in an industry will be profitable, even though large numbers of firms within the industry have closed and large numbers of workers have lost their jobs. Accordingly, the Commission should not treat the industry's profit data as dispositive, but should go on to give careful consideration to the plant closings and employment trends in assessing the condition of the industry.

The Managers also believe that the Commission should, wherever possible, exclude profits derived from captive imports from the operations of the domestic industry. Profits from captive imports do not necessarily reflect the condition of production operations in the United States. Indeed, the decision of domestic producers to turn to forcing outsourcing may result in a loss of jobs and consequently have an adverse impact on employment or underemployment under subsections (b)(2)(A) and (b)(2)(B).

2. Analysis of Economic impact of Import Restrictions Recommended under Section 201(d) (sec. 258 of Senate bill)

Present law

No provision.

House bill

No provision.

Senate bill

Would require the ITC report submitted to the President pursuant to section 201(d) to be submitted to the Council of Economic Adviser (CEA); would require the CEA to submit to the President and Congress within 30 days a report analyzing effect of ITC recommendations on prices, on revenues, on employment in the industry seeking protection, on consumers and on other industries, on the the U.S. balance of payments and on U.S. competitiveness.

Conference agreement

Senate recedes.

3. Disapproval of Presidential Determinations under Section 203 of the Trade Act of 1974 (sec. 309 of Senate bill)

Present law

If the President fails to follow the recommendation of the ITC on import relief, the ITC's recommendation will take effect 90 days after the President sends his determination to Congress if each house approves a concurrent resolution, pursuant to expedited procedures under section 152, disapproving the President's determination.

House bill

No provision.

Senate bill

Would conform current procedures to the Supreme Court's *Chadha* ruling by substituting joint for concurrent resolutions. As a result, such joint resolutions disapproving the President's determinations could be vetoed by the President.

Conference agreement

House recedes.

Subject: Negotiations of Restraint of Copper Production

(Sec. 254 of Senate Bill)

Present law

No provision.

House bill

No provision.

Senate bill

Requires that the President initiate negotiations with governments of copper-producing countries to conclude voluntary restraint agreements which reduce foreign copper production for 3-5 years to allow copper prices to rise to levels with which U.S. producers can compete.

Conference agreement

House recedes with an amendment to change the provision to a Sense of the Congress that the President should negotiate with the principal foreign copper producing countries and submit a report to the Congress (1) explaining the results of his negotiations or (2) why he felt it was inappropriate or unnecessary to undertake such negotiations.

TITLE III: INTERNATIONAL TRADE AND INVESTMENT ACT

Senate Bill: (Sec. 301-308 and Sec. 255)

House Bill: Title XI (Services Industries Commerce Development)

1. Negotiating Authority

Present law

No specific authority.

House bill

Provides specific negotiating authority to reduce or eliminate barriers to or distortions of international trade in services, and to develop dispute settlement procedures to reduce or eliminate such barriers.

Senate bill

Would provide specific negotiating authority:

(a) to reduce or eliminate barriers to or distortions of international trade in services and to develop internationally agreed rules, including dispute settlement procedures, to reduce or eliminate such barriers;

(b)(1) to reduce or eliminate artificial or trade distorting barriers to foreign direct investment and the development of rules, including dispute settlement procedures to ensure the free flow of foreign direct investment, and the reduction or elimination of the trade-distortive effects of certain investment related trade measures;

(2) to seek the elimination or reduction of foreign export performance requirements for which purpose the USTR would be authorized to impose import restriction (including the exclusion of products subject to such requirements.)

(c)(1) to maintain and preserve openness of trade and investment in high technology products and related services, to eliminate or reduce distorting effects of foreign government actions which distort high technology trade; and

(2) to obtain reduction, or elimination of all tariffs and barriers on U.S. exports of high technology products, to obtain commitments to foster national treatment and to provide minimum safeguards for the acquisition and enforcement of intellectual property rights.

In pursuing objectives (a) and (b)(1), U.S. domestic objectives (e.g., health and safety, environment, etc.) shall be taken into account.

Conference agreement

House recedes with amendments to senate negotiating objectives on services and definition of barriers regarding restrictions on establishment; technical amendment to senate domestic objectives on services and investment; amendment pertaining to prospective application of export performance requirements.

2. Trade Negotiating Advice from advisory Committees

Present law

Provides for advice from the private sector.

House bill

Would authorize establishment of intergovernmental advisory committees.

Senate bill

Similar provision.

Conference agreement

Senate recedes.

3. Trade Estimates and Reports on Barriers

Present law

Annual report on trade agreements program and import relief and adjustment assistance for workers, firms, and communities.

House bill

No provision.

Senate bill

Would require annual national trade estimates on significant barriers to the exportation of U.S. goods and services and restriction on U.S. foreign direct investment; USTR required to identify, through TPC, significant barriers of distortions, estimate their impact, and report actions taken to eliminate barriers; consultations with congressional committees required on trade policy priorities to enhance market opportunities; report required within 1 year of enactment and annually thereafter.

Conference agreement

House recedes.

4. Retaliatory Authority

Present law

Provides that action may be taken against the products or services of the foreign country or instrumentality involved; President may modify trade agreement concessions and impose duties or other import restrictions.

House bill

President's authority clarified to impose restrictions on services. May restrict terms and conditions, or deny issuance of any service sector access authorization (e.g., license permit, order that allows a foreign supplier of services access) notwithstanding any other provision of law.

Applies to prospective authorizations only.

Senate bill

Would clarify President's authority by substituting "goods" for "product" and "sector" for "service"; President's authority may be exercised without regard to whether or not such goods or sector were involved in the act, policy or practice identified; President's authority clarified to impose fees or restrictions on services notwithstanding authority of other provisions of law; President authorized to propose "fast track" legislation as part of his retaliatory powers.

Conference agreement

Senate recedes to House provision on use of service sector access authorization with modifications with respect to consultations and clarifying language. Senate recedes to House on definition of service sector access authorization.

House recedes to Senate on clarification of authority to impose fees on foreign services with technical amendment.

Senate recedes to House on "fast-track".

House recedes to Senate on cross-sectoral authority, substitution of 'goods' for 'products' and 'sector' for 'service'.

The change in term from "services" to "sector" is intended solely to reflect the President's ability to exercise his authority under section 301 in response to unfair foreign practices on investment, as well as goods and services.

The Conferees recognize that at the Federal level most services are subject to the regulation of independent agencies. For example, telecommunications is regulated by the Federal Communications Commission and trucking is regulated by the Interstate Commerce Commission.

As a result, such services enter the U.S. market, not at ports of entry as do goods, but rather upon the receipt of a license, permit or other authorization issued by the appropriate regulatory authority.

For this reason, the Conferees believe the authority granted in section 304(c) of the Conference Agreement is important for the President to be able to impose effective restrictions on foreign service firms in the domestic U.S. market should he determine such restrictions are needed.

The authority under this subsection is intended to apply only to retaliatory action relating to services. Existing retaliatory authority with respect to imported goods should be used when action against foreign goods is contemplated. The authority under this subsection should only be used with respect to goods potentially subject to services access authorization to the extent that actions involving services must be taken with respect to goods associated directly with those services.

5. Definition of Commerce

Present law

Services associated with international trade.

House bill

Services associated with international trade.

Senate bill

Would include foreign direct investment by U.S. persons with implications for trade in goods and services.

Conference agreement

House recedes.

6. Definition of unreasonable, unjustifiable and discriminatory

Present law

Undefined.

House bill

No provision.

Senate bill

Would define:

(a) "unreasonable" as any act, policy, or practice which, while not necessarily in violation of or inconsistent with the international legal rights of the United States, is otherwise deemed to be unfair and inequitable, including, but not limited to, any act, policy, or practice which denies fair and equitable (A) market opportunities; (B) opportunities for the establishment of an enterprise; or (C) provision of adequate protection of intellectual property rights;

(b) "unjustifiable" as any act, policy, or practice which is in violation of, or inconsistent with, the international legal rights of the United States, including, but not limited to, any act, policy, or practice described above which denies national or most-favored-nation treatment, the right of establishment, or protection of intellectual property rights;

(c) "discriminatory" where appropriate as any act, policy, or practice which denies national or most-favored-nation treatment to United States goods, services, or investment.

Conference agreement

House recedes.

7. Initiation of Section 301 Petitions

Present law

President may take action as a result of petition-initiated investigation, or on his own motion.

House bill

No provision.

Senate bill

Would authorize USTR to self-initiate section 301 investigations as a foundation for advice to President.

Conference agreement

House recedes.

8. Initiation of International Consultations

Present law

Consultations are initiated on same date as section 301 investigation is instituted.

House bill

No provision.

Senate bill

Would authorize USTR up to 90-day delay in initiation of consultations.

Conference agreement

House recedes.

9. Confidentiality Information and Prohibited Acts

Present law

No specific exception for information submitted in connection with Trade Act investgations.

House bill

Requires Secretary to seek arrangement with private sector regarding access to information for service program; authorizes Secretary to require persons to submit critical information exept disclosure authorized in certain circumstances; persons failing to provide critical information are subject to civil penalty proceeding.

Senate bill

Would exempt business confidential information requested or received by USTR in aid of Trade Act investigations from FOIA.

Conference agreement

House recedes.

10. Defintion of International Trade

Present law

Trade in goods anmd services only, no reference to foreign direct investment.

House bill

Trade in goods and services only; no reference foreign direct investment.

Senate bill

Would specifically include foreign direct investment by U.S. persons, especially if such investment has implications for goods and services.

Conference agreement

House recedes.

11. High Technology Exports

Present law

No specific provision.

House bill

No provision.

Senate bill

Would authorize President to enter bilateral or multilateral agreements as may be necessary to achieve ojectives relevant to high technology products; President given 5-year authority to eliminate duties on certain high technology items.

Conference agreement

House recedes.

12. Services Industries Development Program

Present law

No provision.

House bill

Requires Secretary of Commerce to establish Services Industries Developing Program involving development, and analysis of data on trade, competitive factors affecting services industries, etc; requires biennial report to Congress and President containing analysis of information collected under program.

Senate bill

Similar provisions relating to establishment of a services industries development program; no reporting requirement.

Conference agreement

Senate recedes on program and biennial report with an amendment to include provisions of the Senate bill to broaden the scope of data collection and analysis.

13. Consultation/Coordination

Present law

No provision.

House bill

Requires regular consultations with services industries; provides USTR coordination of services trade policies with assistance from other agencies; requires consultations with States on trade policy issues and establishment of intergovernmental policy advisory committees.

Senate bill

Similar provisions.

Conference agreement

Senate recedes.

14. Definition of Service and Secretary

Present law

Undefined.

House bill

Defines "services" to mean economic outputs associated with international trade that are not tangible goods, including, but not limited to, certain listed services; defines "Secretary" as Secretary of Commerce.

Senate bill

No provision.

Conference agreement

House recedes on definition of "Secretary" Senate recedes to House with modification on definition of "services", to be included in Services Industries Development program.

The Conferees do not intend that the definition of services which appears in section 306 of the Conference Agreement to be exhaustive. Instead, it should be referred to and used as guidance in determining what services means for purposes of section 301 of the Trade Act of 1974 as amended by the Conference Agreement.

15. Statement of Purposes

Present law

No provision.

House bill

Purposes are: (1) to encourage expansion of international trade and investment in services; (2) promote expansion of U.S. service industries in foreign commerce.

Senate bill

Purposes are: to foster economic growth, employment by expanding competitive U.S. exports through achievement of commercial opportunities in foreign markets substantially equivalent to those accorded by U.S.; to improve President's ability to identify, analyze and eliminate barriers; to encourage expansion of services trade through trade agreements; and to enhance free flow of foreign direct investment.

Conference agreement

House recedes to Senate with modification of purpose related to trade in services.

16. Short Title

Present law

No provision.

House bill

"Services Industries Commerce Development Act of 1984".

Senate bill

"International Trade and Investment Act",

Conference agreement

House recedes.

17. Data on International Trade in Services (sec. 255 of Senate bill)

Present law

The International Investment Survey Act of 1976 requires periodic reports on international investment in the U.S. and by U.S. persons overseas.

House bill

No provision.

Senate bill

Redesignates the Act as the International Investment and Trade in Services Survey Act, adds trade in services to the periodic reporting requirements and extends reporting to transactions with unaffiliated (as well as affiliated) foreign persons.

Conference agreement

House recedes to Senate with amendments deleting definition of services and expanding access to reports.

TITLE IV: UNITED STATES-ISRAEL FREE TRADE AREA

1. Short title (sec. 401 of House bill)

Present law

No provisions.

House bill

"United States-Israel Free Trade Area Act"

Senate bill

No provision.

Conference agreement

House provision.

2. Scope of Authority to Enter Into Trade Agreements Modifying or Eliminating Tariff and Nontariff Trade Barriers. (sec. 402 of House bill; sec. 401 of Senate bill)

Present law

The President has no authority to proclaim tariff reductions, increases, or modifications. The President's basic tariff negotiating authority, set forth in section 101 of the Trade Act of 1974 expired in 1979; more limited "residual" authority, contained in section 124 of the Act expired in 1982.

The President is authorized by section102(b) of the Act to negotiate trade agreements harmonizing, reducing, or eliminating nontariff trade barriers. This authority expires January 3, 1988. The authority merely provides for expedited consideration by the Congress of any agreement negotiated pursuant to it, if the President follows the procedures the authority prescribes.

House bill

a. Authorizes the President to enter into a trade agreement with Israel providing for

(1) duty-free entry of Israeli products, and

(2) the harmonization, reduction, or elimination of nontariff trade barriers.

b. No provision.

Senate bill

a. Amends section 102(b) and 102(g) to authorize the President to negotiate trade agreements harmonizing, reducing, or eliminating tariff, as well as nontariff, trade barriers, provided that any such agreement that would eliminate or reduce tariffs may be entered into only with Israel or Canada. If any other country requests such negotiations, the President must notify the Finance and Ways and Means Committees at least 60 days before the 90 day notification and consultation period required by current law before the President enters into the agreement (as a condition of expedited Congressional consideration). If either committee disapproves of the negotiation of such agreement, before that 60-day period expires, then the President could not submit

the agreement for expedited consideration by the Congress.

b. Tariff agreements with Israel must take into account products benefitting from a discriminatory preferential arrangement and the preference has been the subject of a GATT dispute settlement proceeding initiated by the United States.

Conference agreement

Senate provisions, except that the 90-day prior notification and consultation requirement would not apply to Israel and trade agreements with Canada would be subject to the same 60-day prior disapproval provision as other countries.

3. Procedures for Implementing Agreements (sec. 402 of House bill; sec. 401 of Senate bill)

Present law

The procedures for congressional consideration of any agreement negotiated under section 102 include the "fastrack" procedures set forth in sections 102(c)-(f) and 151-154 of the Trade Act of 1974.

In general, these procedures provide for notificaton of Congress 90 days before the President enters into an agreement; submission of the agreement and implementing legislation for Congressional approval after the agreement is entered into; and approval or disapproval by both Houses within 60 days.

House bill

The President may proclaim any tariff changes resulting from such an agreement. However, the President must submit any nontariff barrier provision of the agreement for Congressional approval under the procedures of section 102 of the trade Act.

Senate bill

Same as current law for nontariff barrier agreements negotiated under the section 102 authority. Thus, both tariff and nontariff matters would be subject to Congressional approval.

Conference agreement

Senate provisions.

4. Limitation of Most-Favored-Nation Benefits (sec. 406 of House bill; sec. 401 of Senate bill)

Present law

Certain U.S. treaties may be interpreted to extend automatically to the other party, by virtue of most-favored-nation provisions, any tariff or other trade benefit accorded by the United States to any other country.

House bill

Provides that no trade benefit shall be extended to any country by reason of an agreement with Israel entered into under this authority.

Senate bill

Same as House bill, except includes any agreement with Canada.

Conference agreement

Senate provision amended to apply to any agreement entered into under the authority.

5. Rules-of-origin (sec. 403 of House bill; sec. 401 of Senate bill)

Present law

In general, an imported article is treated for customs purposes as originating where it was wholly grown, produced, or manufactured. If further work in another country "substantially transforms" the article, then it is considered a product of the other country.

The Caribbean Basin Initiative although not applicable here, is an example of legislation containing more specific rules. An eligible product is on imported directly from a beneficiary country and containing at least 35 percent cumulative local value-added, 15 percent of which can be of U.S. origin. Value is the sum of the cost or value of materials plus the direct cost of processing in the beneficiary country or countries. Products merely package or combined in the country, or merely diluted by a liquid that does not materially alter the article's essential character, do not qualify.

House bill

a. Incorporates the same rules of origin for Israeli products that were specified in the Caribbean Basin Initiative legislation.

b. Treasury must consult with USTR before issuing regulations to carry out these origin rules.

Senate bill

a. Requires that any agreement with Israel meet requirements "similar" to that the CBI.

b. No provision.

Conference agreement

a. Senate recedes.

b. Senate recedes.

6. Temporary Import Relief as Exception to Duty-free Treatment. (Sec. 404 of House bill; sec. 401 of Senate bill)

Present law

Sections 201-203 of the Trade Act of 1924 authorize the President to impose quotas, tariffs, or to negotiate export restraints in order to provide relief to an industry for which the International Trade Commission has determined that increasing imports are a substantial cause of serious injury or a threat thereof. Relief may be for up to 5 years, and may be extended after the initial period for up to 3 more years.

Section 232 of the Trade Expansion Act of 1962 authorizes the President to take such action as he deems necessary to adjust imports of articles that are being imported in such quantities or under such circumstances as to threaten to impair the national security.

House bill

a. Provides that the President may proclaim duties for Israeli products in accord with actions taken under section 203 of the Trade Act or section 232 of the Trade Expansion Act.

Senate bill

a. No provision.

House bill

b. Authorizes the President to suspend duty-free treatment for Israeli products that the ITC determines are the substantial cause of serious injury to the industry which seeks relief under section 201.

Senate bill

b. No provision.

House bill

c. Further provides that section 201 relief in effect when the Israel government becomes effective shall remain in effect until modified or terminated. Further, the President may reduce or terminate the application of the existing relief to the article.

Senate bill

c. No provision.

Conference agreement

c. Senate recedes.

7. Perishable Products (Sec. 405 of House bill; sec. 401(d) of Senate bill)

Present law

The CBI legislation provides that with regard to section 201 cases involving perishable commodities, the President, within 21 days of application to the Secretary of Agriculture and upon the Secretary's recommendation, may withdraw duty-free treatment of the commodity until a final negative determination by the ITC or a decision by the President regarding relief or until changed circumstances. Perishable products are (1) live plants; (2) fresh or chilled vegetables; (3) fresh mushrooms; (4) fresh fruit; (5) fresh cut flowers; and (6) concentrated citrus fruit juices.

House bill

Requires that any U.S.-Israel trade agreement incorporate the same emergency relief provision as contained in the Caribbean Basin Initiative legislation.

Senate bill

Requires that implementing legislation contain emergency relief provisions for perishable products similar to that in the CBI legislation. "Perishable products" are:

(1) vegetables;

(2) edible nuts and fruits;

(3) fresh cut flowers; and

(4) concentrated citrus fruit juice.

Conference agreement

Senate recedes with an amendment to include the products in its definition of perishable products

8. Section 22 Fees (sec. 405(f) of House bill)

Present law

Section 22 of the Agricultural Adjustment Act authorizes the imposition of the import fees and quotas on products rendering ineffective (or tending to do so) a domestic price support program.

House bill

Duty reductions proclaimed as a result of the U.S.-Israel trade agreement shall not affect section 22 fees.

Senate bill

No provision.

Conference agreement

Senate recedes.

9. Relationship of Other Trade Laws (sec. 406 of House bill)

Present law

Import relief is authorized under section 232 of the Trade Expansion Act of 1962 for national security reasons; under the Tariff Act of 1930 as a remedy for unfair trade practices; and under the Trade Act of 1964 for adjustment purposes or to repond to certain unfair trade practices not otherwise covered in the 1930 Act.

House bill

Implementation of U.S.-Israel trade agreement may not affect the application of laws authorizing relief from import competition.

Senate bill

No provision.

Conference agreement

Senate recedes.

10. U.S.-Canada Commission (Sec. 402 of Senate bill)

Present law

No provision.

House bill

No provision.

Senate bill

Amends section 612(b) of Trade Act of 1974 to authorize President to seek establishment of joint commission to resolve trade and other economic issues between the United States and Canada.

Conference agreement

Senate recedes.

TITLE V: GENERALIZED SYSTEM OF PREFERENCES (AMENDMENTS TO TITLE V, TRADE ACT OF 1974)

1. Title and Purposes (sec. 501 of Senate and House bills)

Present law

No provision.

House bill

Entitled "Generalized System of Preferences Renewal Act of 1984" and outlines 10 specific purposes.

Senate bill

Same provision except no specific references to intellectual property rights or internationally recognized worker rights.

Conference agreement

House provision.

2. Basic Authority and Time Limits

2. a. Authority (sec. 502 of House bill; sec. 503 of Senate bill)

Present law

Sec. 501 authorizes President to extend duty-free treatment to eligible articles as described below. President "shall have due regard for":

1. effect of such action on furthering country's economic development;

2. extent to which comparable actions taken by other developed countries, and

3. anticipated impact on such action on competing U.S. products.

House bill

Adds, phrase, "through the expansion of their exports" to the end of paragraph (1) and a new criterion (4): "the extent of the beneficiary developing country's competiveness with respect to eligible articles."

Senate bill

Includes paragraph on country's competitiveness; does not include amendments to paragraph (1)

Conference agreement

House provision.

2. b. Time Limit (sec. 506 of House bill; sec. 502 of Senate bill)

Present law

No duty-free treatment shall remain in effect after January 3, 1985 and report on program's operation must be filed after 5 years under sec. 505.

House bill

Extends expiration date until 1/3/90 and requires the President to submit a report to Congress before that date on the operation of program and annual reports on the status of internationally recognized worker rights within each beneficiary developing country.

Senate bill

Extends program to 1/3/95 and does not require reports.

Conference agreement

Program extended for 8½ years.

House provisions on reports.

With respect to the reports on workers rights, the Conferees note that the President already submits an annual report to Congress under section 116(d) of the Foreign Assistance Act of 1961 prepared by the Department of State and Labor on human rights. It is the Conferees' intent that the information required under section 505(c) be included as a separate section in that annual report. Furthermore, the report should address specifically the extent that each of the rights included in the statutory definition of internationally recognized worker rights is respected within each beneficiary developing country.

3. Eligible Countries (sec. 503 of House bill; sec. 504 of Senate bill)

3a. Procedure

Present law

President designates BDCs under sec. 502(a) by executive order after notifying Congress; same for termination.

House bill

Adds definition of term "internationally recognized worker rights" to include—

"(A) the right of association;

"(B) the right to organize and bargain collectively;

"(C) a prohibition on the use of any form of forced or compulsory labor;

"(D) a minimum age for the employment of children; and

"(E) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health."

Senate bill

No provision.

Conference agreement

House provisions.

It is the intention of the Conferees that this definition of internationally recognized worker rights be interpreted to be commensurate with the development level of the particular country, but that each element of the definition be reviewed with respect to the determination required by section 503(c)(3) of this bill.

3. b. Mandatory criteria

Present law

Certain named developed countries are ineligible under sec. 502(b) for benefit as are OPEC members and Communist countries, unless they are GATT and IMF members and not dominated by international communism, and countries providing preferential treatment to another developed country unless such preferences have no significant adverse effects.

House bill

Hungary deleted from list of ineligible developed countries.

Senate bill

No provision.

Conference agreement

House provisions.

3. c. Mandatory criteria, subject to national interest waiver

Present law

Unless the President determines that designation of eligibility would be in the national economic interest, despite failure to comply with the following conditions, a country also is ineligible under sec. 502(b) for GSP benefits if—

1. it has taken actions which have the effect of nationalizing, expropriating or otherwise seizing control of U.S. citizens' property without providing adequate compensation;

2. it fails to cooperate with the United States in interdicting unlawful narcotics traffic;

3. it fails to recognize or enforce arbitral awards in favor of U.S. citizens; or

4. it aids or abets international terrorism by granting sanctuary to international terrorists.

House bill

Makes explicit that provisions relating to nationalization, expropriation and seizure of property (sec. 502(b)(4) (A), (B) and (C)) include "patents, trademarks, or copyrights" and adds following new criteria:

"(8) if such country has not taken or is not taking steps to afford internationally recognized worker rights to workers in the country (including any designated zone in that country)."

Senate bill

Identical provision on intellectual property rights; does not include provision on worker rights.

Conference agreement

House provisions. The Conferees recognized that although the new subparagraph (8) language will become immediately effective, it will be difficult to make the determinations it requires because the first report required by section 506 will not be completed until 1986. The Conferees expect the President to make his determinations under this section according to the best information available to him.

3. d. Factors to be taken into account

Present law

In determining whether to designate a country as a GSP beneficiary, the President must take into account the following factors under sec. 502(c) before designation:

1. the desire of the country to receive benefits;

2. the level of the country's economic development;

3. whether other developed countries are extending benefits to the country; and

4. the extent to which the country has provided assurances of equitable and reasonable access to its markets and basic commodity resources.

House bill

Adds the following three new factors:

"(5) the extent to which such country is providing adequate and effective means under its laws for foreign nationals to secure, to exercise, and to enforce exclusive rights in intellectual property, including patents, trademarks, and copyrights;

"(6) the extent to which such country has taken action to reduce trade distorting investment practices and policies (including export performance requirements), and reduce or eliminate barriers to trade in services"; and

"(7) whether or not such country has taken or is taking such steps to afford workers in that country (including any designated zone in that country) internationally recognized worker rights".

Senate bill

Identical new criteria (5); identical criteria (6) on investment but does not include references to barriers to trade in services; does not include criteria (7) relating to worker rights; and amends criteria (4) by adding the phrase "and the extent to which such country has assured the U.S. that it will refrain from engaging in unreasonable export practices."

Conference agreement

Combines House and Senate provisions.

4. Eligible Articles

4.a. Regulations on rules-of-origin (sec. 503 of House bill)

Present law

Secretary of Treasury has authority under section 503(b) to prescribe regulations to carry out GSP rules-of-origin.

House bill

Requires the Secretary of Treasury to consult with USTR before prescribing regulations governing GSP rule-of-origin requirements.

Senate bill

No provision.

Conference agreement

House provision.

4. b. Ineligible articles (sec. 504 of House bill; sec. 505 of Senate bill)

Present law

The following import-sensitive articles may not be designated under sec. 503(c) for GSP eligibility:

1. Textile and apparel articles subject to textile agreements;
2. watches;
3. import-sensitive electronic, steel, and glass products;
4. certain footwear articles; and
5. any other article the President determines is import-sensitive in the context of GSP.

House bill

The exclusion for footwear is expanded to cover "footwear, handbags, luggage, flat goods, work gloves, and leather wearing apparel which were not eligible articles for purposes of this title on April 1, 1984".

Senate bill

Identical provision except the existing exclusion for certain footwear in subparagraph (E) is retained. Deletes watches from the list of ineligible articles.

Conference agreement

House provision.

5. Limitations on Preferential Treatment (sec. 505 of House bill; sec. 506 of Senate bill)

5. a. Study and report

Present law

Sec. 504(a) authorizes President to withdraw, suspend, or limit duty-free treatment for any eligible article or beneficiary country and requires withdrawal or suspension of beneficiary designation if after designation, circumstances change so that country does not meet initial designation criteria.

No provision.

House bill

Requires President to—

Submit report to the Congress by 1/4/87 on the application of sec. 501 and 502(c) and the actions he has taken to withdraw, suspend, or limit benefits for failure to take actions described in sec. 502(c); and

Conduct a general review of eligible articles based on initial designation criteria under sec. 501 or 502(c), to be completed by 1/4/86, and renewed periodically thereafter.

Senate bill

Similar provision, except report is not due until 1/4/88, and requires particular emphasis on country's efforts to—

1. provide market access;
2. protect intellectual property rights; and
3. reduce trade-distorting investment practices and policies.

Similar provision, except first review must be completed not later than 1/4/87.

Conference agreement

Senate provisions on report and review dates; does not include Senate provisions on particular emphasis requirement.

5. b. Competitive need limits

1. Basic limits.

Present law

Under sec. 504(c), a particular beneficiary country is eligible for GSP treatment an/a particular article within 90 days after the close of a calendar year if its exports to the U.S. in that calendar year exceeded either—

A. a dollar amount set by a formula based on growth in U.S. GNP (the 1983 limit was about $57 million); or

B. 50 percent of the total value of U.S. imports of the article.

House bill

Retains basic competitive need limits.

Senate bill

Identical provision.

Conference agreement

Identical provisions.

2. Graduation, cutback and waiver authority

Present law

Discretionary authority under sec. 504(a) to withdraw, suspend or limit benefits; no authority to waive competitive need limits, except in special circumstances applicable only to the Philippines.

House bill

Beginning on January 4, 1986, cutbacks and waivers authorized for 3 groups of countries as described below:

Countries with $9,000 GNP—Mandatory graduation for all articles over a maximum period of two years, then country no longer considered a BDC.

No waiver authority.

Countries with 10% share of GSP duty-free imports or $5,000 GNP.—Mandatory cutback in competitive need limits for all articles (from $57 million/50% to $25 million/25%).

President may waive cutbacks and restore the original competitive need limits ITC advice on whether any industry is likely to be adversely affected; (2) determining a waiver is in the national economic interest based on secs. 501 and 502(c) criteria (including market access, intellectual property rights protection and internationally negotiated worker rights); and (3) publishing his determination.

All Other Countries.—Presidential discretion to reduce competitive need limits (from $57 million/50% to $25 million/25%) on article-by-article basis if country has "demonstrated a sufficient degree of competitiveness" in such article.

President may waive limits on article-by-article basis but total waivers above present competitive need levels cannot exceed 25 percent of total U.S. GSP duty-free imports.

Senate bill

Beginning on January 4, 1987, cutbacks and waivers are authorized as follows:

Presidential discretion to reduce competitive need limits (from $57 million/50% to $25 million/25%) on article-by-article basis if country "demonstrated a sufficient degree of competitiveness" in such article.

After two years (i.e., when the above product review is completed), competitive need limits may be waived if the President (1) receives ITC advice on whether any U.S. industry is likely to be adversely affected; (2) determines a waiver is in the national economic interest based on the basic designation criteria under sections 501 and 502(c) and; (3) publishes his determination.

In making his national interest determination, the President must give great weight to (1) assurances of equitable and reasonable market access to the beneficiary country, and (2) the extent the country provides adequate and effective intellectual property rights protection.

Conference agreement

House recedes on cutback authority, with an amendment requiring graduation of countries with $8,500 GNP (indexed annually to 50 percent of change in U.S. GNP), phased out over two-year period.

Senate recedes on waiver authority with an amendment limiting total waivers for all countries above present competitive need levels to maximum 30 percent of total GSP free imports, of which maximum of one-half may apply to countries with 10 percent share of total GSP free imports or $5,000 GNP, and requiring great weight to particular factors in national interest determination.

5. c. Exceptions to application of competitive need limits

1. Philippines exception

Present law

Competitive need limits do not apply if waived by President because he finds:

A. an historical preferential trading relationship with the country exists;

B. there is a trade agreement to which the country and the U.S. are parties; and

C. the country does not impose unreasonable or discriminatory barriers to U.S. commerce.

House bill

Waiver authority is retained for the Philippines, subject to the country criteria above.

Senate bill

Waiver authority is retained, but subject to reduction in competitive need limits on article basis above.

Conference agreement

Senate provision.

2. Exception for least developed developing countries (LDDC's)

Present law

No provision.

House bill

No provision.

Senate bill

Competitive need limits shall not apply to LDDC's as determined by the President and designated 60 days after notification to Congress.

Conference agreement

Senate provisions.

No domestic production exception.

Present law

The 50-percent-of-imports competitive need limit does not apply if a like or directly competitive article was not produced in the U.S. on 1/3/75.

House bill

Changes date of production to 1/3/85.

Senate bill

The 50-percent-of-imports competitive need limit (after application of subsection (c)(2)) does not apply if a like or directly competitive article was not produced in the United States on January 3, 1985.

Conference agreement

Senate provisions.

3. No domestic production exception

Present law

The 50-percent-of-imports competitive need limit does not apply if a like or directly competitive article was not produced in the United States on 1/3/75.

House bill

Changes date of production to 1/3/75.

Senate bill

The 50-percent-of-imports competitive need limit does not apply if a like or directly competitive article was not produced in the United States on the earlier of—

a. January 3, 1985, or

b. January 1 of the calendar year for which the 50 percent limitation determination is being made.

Conference agreement

Senate provision.

4. De minimis waiver

Present law

President may waive 50-percent-of-imports competitive need limit if total imports of the particular article in the preceding year did not exceed $1 million.

House bill

Changes de minimis level to $5 million.

Senate bill

No provision.

Conference agreement

House provision.

5. d. Redesignation of articles.

Present law

A country may be redesignated in a later year for GSP on a particular eligible article if its exports of the article did not exceed the competitive need limits in the preceding calendar year.

House bill

Permits redesignation only after 2 calendar years.

Senate bill

No provision.

Conference agreement

House recedes.

5.e. Time period for implementing changes in GSP treatment relating to competitive need limits.

Present law

Changes in article designation go into effect not later than 90 days after the close of preceding calendar year.

House bill

Changes would be effective not later than July 1.

Senate bill

No provision.

Conference agreement

House provision.

6. Agricultural Exports (sec. 507 of House bill)

Present law

No provision.

House bill

Requires U.S. assistance to BDC's to assure adequate production of foodstuffs for their citizenry.

Senate bill

No provision.

Conference agreement

House provisions.

7. Effective Date (sec. 508 of House bill; sec. 509 of Senate bill)

Present law

Existing program terminates 1/3/85.

House bill

Effective 1/4/85.

Senate bill

Identical provision.

Conference agreement

Identical provisions.

TITLE VI: AMENDMENT TO THE COUNTERVAILING DUTY (CVD) AND ANTIDUMPING (AD) LAWS

1. Clarification of Coverage (likely sales, leasing) (sec. 711 of House bill; secs. 210, 716, 717, 718, of Senate bill).

Present law

Section 701(a) states the general rule that a CVD shall be imposed where (1) the administering authority finds a subsidy with respect to merchandise "*imported* into the United States" and (2) the ITC finds that an industry is materially injured or threatened with such injury "by reasons of *imports* of that merchandise." Section 731 requires the administering authority to determine in AD investigations that "foreign merchandise is being, or is likely to be *sold* in the United States at less than its fair value". [Emphasis added]

House bill

a. Amends section 701(a) and 705(b)(1) to clarify that the CVD and AD laws cover sales and likely sales, as well as imports that have already occurred; amends sections 701(a) and 731 to include certain leases.

b. No provision.

c. No provision.

Senate bill

a. Section 210 is identical; section 716 is identical, except it also includes the language on likely sales in sections 731, 735(b), 703(a), and 733(a).

b. Amends sections 702 and 732 to add a special rule that the existence of sales for future delivery or irrevocable offers to sell may be basis for an affirmative CVD or AD determination.

c. Amends sections 702 and 732 to add a special rule that the absence of a history of imports in sufficient volume to be a present cause of injury shall not be a basis for not initiating an investigation, if a sufficient allegation of threat of injury is made.

Conference agreement

The Conferees agreed to the Senate provision with modifications. The modifications are the deletion of references in the Senate provision to sections 703(a) and 733(a) and sections 702 and 732.

2. Settlement Agreement Authority

Present law

The administering authority may suspend a CVD or AD investigation under section 704(b) or 734(b) at any time before its final determination if the government of the subsidizing country agrees, or exporters who account for substanially all of the imports of the subsidized or dumped merchandise agree (1) to eliminate the subsidy completely or to offset completely the amount of the net subsidy on exports to the United States within six months after the suspension; (2) to raise the price completely to eliminate any dumping margin; or (3) to cease exports of the merchandise to the United States within six months after the suspension. No CVD or AD suspension agreement can be accepted unless the quantity exported during the 6-month period will not exceed the quantity exported during the most recent representative period.

2.a. Offsets (sec. 712 of Houe bill; sec. 705 of Senate bill)

House bill

Eliminates the authority to suspend CVD investigations based on offsets of net subsidies by the foreign government or exporters.

Senate bill

Requires verification of any amount, including offsets, subtracted from gross subsidy to determine net subsidy.

Conference agreement

The Conferees agreed to the Senate provision.

2.b. 6-month grace period (sec. 712 of House bill)

House bill

Removes the 6-month grace period for eliminating subsidies or dumping margins under suspension agreements.

Senate bill

No provision.

Conference agreement

The Conferees agreed to strike the House provision.

2.c. Quantitative restriction agreements (sec. 712 of House bill; sec. 611 of Senate bill)

Present law

In "extraordinary circumstances," the administering authority may *suspend* a CVD investigation under section 704(c) before its final determination upon acceptance of an agreement from the government to eliminate completely the injurious effects, which may take the form of a quantitative restriction agreement to restrict the volume of imports. Before *suspending* any CVD or AD investigation, sections 704(e) and 734(e) require the administering authority to (1) notify and consult the petitioner of its intention, and give 30 days advance notice to other parties and to the ITC; (2) provide a copy and explanation of the proposed agreement to the petitioner; and (3) permit all parties to submit comments and information. No form of *suspension* agreement can be accepted unless the administering authority is satisfied suspension is in the public interest and effective U.S. monitoring of the agreement is practicable. Upon withdrawal of the petition the administering authority may *terminate* a CVD or AD investigation under section 704(a) or 734(a) after notice to all parties to the investigation; law does not specify basis or criteria.

House bill

Requires the administering authority to take various public interest factors (impact on consumer prices, supplies international interests, industry competitiveness), into account and consult with potentially affected consumers, industries, producers, and workers prior to deciding whether to *terminate or suspend CVD investigations or to terminate AD investigations based on quantitative restriction agreements.*

Senate bill

Permits comments on any form of proposed CVD and AD suspension agreements from all interested parties, rather than only all parties to the investigation.

Conference agreement

The Conferees agreed to both House and Senate provisions.

2.d. AD quantitative restriction agreements (sec. 713 of Senate bill)

Present law

In "extraordinary circumstances," the administering authority may suspend an AD investigation under section 734(c) before its final determination upon acceptance of an agreement to revise prices from exporters accounting for substantially all of the imports that will eliminate completely the injurious effects, prevent domestic price sup-

pression or undercutting, and the dumping margin for each entry of each exporter does not exceed 15 percent of the weighted average margin for all entries of the exporter. Unlike CVD cases, the administering authority is not authorized to suspend AD investigations on the basis of quantitative restriction agreements.

House bill

No provision.

Senate bill

Authorizes AD quantitative restriction agreements with governments or exporters on imports if they will eliminate the injurious effects; provides authority to prescribe regulations to enforce the limits.

Conference agreement

The Conferees agreed to strike the Senate provision.

2.e. Termination of investigations (sec. 610 of Senate bill)

Present law

No specific provision.

House bill

No provision.

Senate bill

Authorizes the administering authority to terminate CVD or AD investigations it self-initiates.

Conference agreement

The Conferees agreed to the Senate provision.

2.f. Notification of Customs (sec. 712 of House bill)

Present law

No provision.

House bill

Requires notification of the Commissioner of Customs if the administering authority considers violation of an agreement to be intentional.

Senate bill

No provision.

Conference agreement

The Conferees agreed to the House provision.

3. Negotiation, Expiration of Quantitative Restriction Agreements (sec. 713 of House bill)

Present law

Section 751(b) requires the administering authority or the ITC to review any suspension agreement or affirmative determinations whenever it receives information or a request showing changed circumstances sufficient to warrant a review. If the ITC determines a suspension agreement no longer eliminates completely the injurious effect of imports, the administering authority and the ITC proceed with the investigation as if the agreement had been violated on that date. No provision of present law requires negotiations to eliminate the subsidy or dumping margin while the agreement is in effect, or imposition of DVDs or AD duties upon its expiration equal to any remaining injurious subsidy or dumping.

House bill

a. Requires that within 90 days after any quantitative restriction agreement is in effect the President enter negotiations with foreign governments to seek complete elimination of the subsidy or dumping practices or of their injurious effects; agreement can only be modified within one year if actions taken are satisfactory and public comment taken into account.

Senate bill

No provision.

House bill

b. CVD or AD duties in the amount of any residual subsidy or dumping margin on injurious imports may replace the quantitative restriction agreement if it expires.

Senate bill

No provision.

Conference agreement

The Conferees agreed to the House provision on item 3 with a modification by requiring consultations rather than negotiations.

4. Persistent Dumping Procedure (sec. 714 of House bill)

Present law

Section 732(a) requires the administering authority to self-initiate an AD investigation whenever it determines, from information available to it, that a formal investigation is warranted. There is no formal requirement regarding monitoring of products subject to existing AD orders to determine whether self-initiation with respect to additional suppliers is warranted.

House bill

Establishes a procedure for the admistering authority and the ITC to monitor imports from additional supplier countries for up to one year in order to determine whether self-initiation of additional dumping cases is warranted.

For monitoring to be required, three conditions must be met: (1) there has been a prior case on the product within the previous two years resulting in final affirmative determinations of dumping and injury; (2) the petitioner must file a formal petition on imports of the same product from another country; (3) the subsequent petition must also allege the elements necessary to impose AD duties exists on the same product, imported or likely to be imported, from one or more additional supplier countries.

Senate bill

No provision.

Conference agreement

The Conferees agreed to the House provision with certain modifications, which would permit the administrative authority in its discretion to monitor allegedly dumped imports from additional supplier countries.

5. "Natural Resource Subsidies" (sec. 715 of House bill)

Present law

Any domestic subsidy described in section 771(5) may be subject to a CVD action if it is provided or required by government action to a specific enterprise, industry, or group thereof. Thus, a domestic subsidy involving natural resources may be countervailed, if it meets the specific industry test and is a subsidy of the kind described in section 771(5).

House bill

Includes "natural resource subsidies" under CVD law if they meet the following conditions: (1) a government-regulated or controlled entity sells natural resource products to its own producers at prices which, by reason of such regulation or control are lower than the export price or the fair market value in the exporting country, whichever is appropriate; (2) the internal price must not be one which is freely available to U.S. producers for purchase and export to the U.S. market; and (3) the resource product must constitute a significant portion of the production costs of the final product subject to the investigation. The level of a natural resource subsidy for CVD purposes is the difference between the domestic price and the export price of the natural resource product; if there are no significant exports or the export price is distorted by government manipulation, the administering authority must measure the subsidy by comparing the domestic price to the "fair market value".

Senate bill

No provision.

Conference agreement

The Conferees agreed to strike the House provision.

6. "Upstream Subsidies" (sec. 715 of House bill; sec. 710 of Senate bill)

Present law

Section 771(5) defines the term subsidy as having the same meaning as the term "bounty or grant" as that term is used in section 303 of the Tariff Act of 1930, including, but not limited to, specific export and domestic subsidy practices listed. This term has never been explicitly defined to include or exclude subsidies bestowed on products at prior stages of manufacture or production. The list of domestic subsidies under section 771(5) does not explicitly refer to subsidies at prior stages, but does not refer to indirect subsidies. Recent decisions by the Department of Commerce have indicated some degree of coverage of subsidies at prior stages of manufacture or production.

House bill

a. Defines an "upstream subsidy" as a practice described in present law which (1) is paid or bestowed by a government on a product subsequently used to manufacture or produce in that country merchandise which itself becomes the subject of either a CVD or AD investigations; (2) results in a price for the intermediate product lower than the generally available price of that product in that country (adjusted to offset artificial depression due to any subsidies or dumping); and (3) has a significant effect on the cost of manufacturing or producing the final merchandise. The amount of such subsidy included in any CVD or AD duty on the final product is equal to the difference between the price for the intermediate product and the generally available price of that product in that country, adjusted for any artificial price depression.

Senate bill

a. Definition of upstream subsidy is the same. However, the provision is narrower in scope because the administering authority would only be required to investigate and assess upstream subsidies in CVD cases, rather than in both CVD and AD cases.

Conference agreement

The Conferees agreed to a modified provision which would (1) substitute for generally available price determination a determination that the upstream subsidy in the judgment of the administering authority bestows a competitive benefit on the merchandise; (2) provide greater discretion in adjusting for artificial price depression by referring to prior Commerce Department determinations; (3) establishes "reasonable grounds to believe" standard for Commerce Department investigations; and (4) permits extension of time period to enable Commerce Department to fully investigate upstream subsidy cases.

House bill

b. Foreign countries organized into any customs union would be treated as one country.

Senate bill

b. Customs union would be treated as one country if the subsidy is provided by the customs union.

Conference agreement

The Conferees agreed to the Senate provision.

The provision does not affect the basic definition of subsidy in any way. The potential for an upstream subsidy exists only when a sector-specific benefit meeting all other criteria for being a subsidy is provided to the input producer. Further, the provision is limited to subsidies bestowed by the country in which the final product is manufactured.

7. "Downstream Dumping" (sec. 715 of House bill; sec. 712 of Senate bill)

7.a. Definition

Present law

No provision.

House bill

If a product subjects to a CVD or AD investigation includes materials or components: (1) which are dumped (i.e., sold below their foreign market value); (2) with a purchase price lower than their generally available price (adjusted to offset artificial depression due to any subsidies or dumping) in the country where the final product is manufactured; and if (3) the resulting price difference has a significant effect on the cost of manufacturing or producing the merchandise under investigation, an amount attributable to "downstream dumping" would be added to the CVD or AD duty on the final product, calculated as the difference between the purchase price of the input and its generally available price (adjusted, if appropriate, for artificial depression) in the country producing the final product.

Senate bill

Same definition of downstream dumping in substance, but narrower in scope since it applies only to merchandise subject to AD investigation rather than in both CVD and AD cases. In downstream dumping cases, required determination of the constructed value of the final product, including the amount of downstream dumping in the calculation of the cost of materials or components. That amount cannot be greater than the amount by which the foreign market value of the input exceeds its purchase price.

Conference agreement

The Conferees agreed to strike the House provision and the Senate provision.

7.b. Time periods

Present law

Administering authority must make preliminary determination (PD) under section 731 within 160 days after petition filed (within 210 days if case extraordinarily complicated). Final determinations under section 735 must be made within 75 days after PD, or 135 days if postponed by request.

House bill

No provision.

Senate bill

Extends the time period for preliminary determinations (PD) in AD cases from 160 to 250 days (from 210 to 310 days in complicated cases) after the petition is filed, if the administering authority concludes such additional time is necessary to determine downstream dumping.

Extends time period for final determinations (FD), if the administering authority finds it necessary for downstream dumping determination, from 75 to 165 days (from 135 to 225 days if postponed) if PD on downstream dumping was negative. If PD was affirmative, final determination on downstream dumping need not be made until conclusion of the first annual review of the AD order; or, at the option of the petitioner, the time period for FD is extended to 165 or 225 days to include downstream dumping determination, but the suspension of liquidation terminates 120 days from the PD and cannot be resumed until publication of an AD order.

Conference agreement

The Conference agreed to strike the House provision and the Senate provision.

8. Cumulation (sec. 715 of House bill; sec. 703 of Senate bill)

Present law

Under section 771(B) the ITC, in making its determination of material injury, is required to assess both the volume of imports of the merchandise subject to investigation and the consequent effects of such imports. The decision to cumulate is made on a case-by-case basis and is solely within the discretion of each individual Commissioner. This practice has neither been ratified nor prohibited by statute.

House bill

Requires that the ITC cumulatively assess the volume and effect of imports from two or more countries of like products subject to investigation if the imports compete with each other and with like products of the domestic industry in the U.S. market.

Senate bill

Requires cumulation of imports from countries subject to final orders, as well as countries under investigation, if the ITC determines (1) the marketing of such imports is reasonably coincident, and (2) imports from each source have contributed to the overall material injury.

Conference agreement

The Conferees agreed to the House provision. The provision requires cumulation of imports from various countries that each account individually for a small percentage of total market penetration but when combined may cause material injury. The conferees do intend, however, that the marketing of imports that are accumulated be reasonably coincident of cause, imports of like products from countries, not subject to investigation would not be included in the cumulation.

9. "Threat of Material Injury" Criteria (sec. 715 of House bill; sec. 704 of Senate bill)

Present law

In making material injury determinations the ITC must consider, among other factors on a case-by-case basis, (1) the volume of imports of the merchandise, (2) the effect of such imports on prices in the United States for like products, and (3) the impact of such imports on domestic producers of like products. In determining whether there is a threat of material injury in CVD investigations, the ITC must consider such information as may be presented by the administering authority on the nature of the subsidy and the effects likely to be caused by the subsidy. There are no other factors specified in present law for determining the threat of material injury.

House bill

Adds criteria the ITC must consider in determining whether there is a probability the merchandise (whether or not actually being imported at the time) will be the cause of actual injury based on any demonstrable adverse trend, including such factors as:

(1) an increase in production capacity in the exporting country likely to result in a significant increase in exports of the merchandise to the United States;

(2) a rapid increase in the U.S. market penetration and the likelihood such penetration will increase to an injurious level;

(3) the likelihood that imports will enter at prices that will have a depressing or suppressing effect on domestic prices; or

(4) a substantial increase in inventories in the United States.

Senate bill

Same provision in substance, except:

(1) also includes any increase in existing unused capacity;

(2) refers to "probability" instead of the "likelihood";

Includes two additional factors for consideration:

(1) the presence of underutilized capacity for producing the merchandise in the exporting country; and

(2) the potential for product-shifting if production facilities owned or controlled by foreign manufacturers which can be used to produce products subject to AD or CVD investigations or final orders are also used to produce the merchandise under investigation.

Conference agreement

The Conferees agreed to strike the House provision.

This provision provides guidance to the ITC for its determination of threat of material injury. The provision lists certain factors to be considered by the ITC in assessing whether dumped or subsidized import pose a real and imminent threat to the U.S. industry.

The Managers believe that an effective threat of material injury provision is a vital element of the antidumping and countervailing duty laws of the United States. The purpose of the threat provision is to prevent actual material injury from occurring.

As stipulated in the legislative history of the Trade Agreements Act of 1979, determinates on the basis of threat cannot be made on the basis of mere supposition and conjecture, and sufficient information must exist for concluding that the threat of injury is real and actual injury is imminent.

The Managers recognize that the projection of future events is necessarily more difficult than the evaluation of current data. Accordingly, a determination of threat will require a careful assessment of identifiable current trends and competitive conditions in the marketplace. This will require the ITC to conduct a thorough, practical, and realistic evaluation of how it operates, the role of imports in the market, the rate of increase in unfairly traded imports, and their probable future impact on the industry. This assessment may show, for example, that the volume of unfairly traded imports is increasing and that industry is vulnerable to future harm. Alternatively, it may show that imports are not likely to increase to an injurious level or that the industry is able to sustain relatively high levels of import competition without apparent harm.

10. Interested Parties (sec. 715 of House bill; secs. 604, 708 of Senate bill)

Present law

Section 771(9) defines the term "interested party" for standing to file petitions on particular merchandise as (1) a foreign manufacturer, producer, or exporter, or U.S. importer, or a trade or business association, a majority of whose members are importers; (2) the foreign government; (3) a manufacturer, producer, or wholesaler of a like product; (4) a union or group of workers representative of an industry manufacturing, producing or wholesaleing a like product; and (5) a trade or business association, a majority of whose members manufacture, produce, or wholesale a like product.

House bill

Expands the definition of an interested party with standing to file AD or CVD petitions to include coalitions of firms, unions, or trade associations that have individual standing.

Senate bill

Identical provision except does not make conforming changes in title 28, USC.

Conference agreement

The Conferees agreed to adopt the House provision.

The purpose of the amendment is to broaden the class of an interested party which has standing to file petitions under the countervailing duty or antidumping laws. This standing requirement would be met as long as a majority of the combined membership of the coalition individually meets the standing requirements under present law and represents the industry producing the like product. This provision is intended to overturn the decision of the Court of International Trade in *Matsushita Electrical Co.* v. *United States*, 529 F. Supp. 664 (CIT 1981).

11. Simultaneous Investigations

11.a. Hearings (sec. 716 of House bill; sec. 605 of Senate bill)

Present law

Section 774(a) requires the administering authority and the ITC each to hold a hearing before making their final CVD or AD determinations, upon the request of any party to the investigation.

House bill

If investigations are initiated under both laws within 6 months of each other but before a final injury determination in either case regarding the same merchandise from the same country, only one ITC hearing would be required. The ITC could require a hearing in extraordinary circumstances and would allow submission of additional relevant written comments.

Senate bill

Identical, except the ITC could require hearings during each investigation in "special" rather than "extraordinary" circumstances.

Conference agrement

The Conferees agreed to the Senate provision.

11.b. Time periods (sec. 709 of Senate bill)

Present law

In normal cases, preliminary CVD determinations are required within 85 days, final determination within 75 days thereafter; AD preliminary determinations are required within 160 days, final determinations within 75 days thereafter. Time periods are extended in extraordinary complicated cases.

House bill

No provision.

Senate bill

If a CVD investigation is initiated simultaneously with an AD investigation on the same merchandise from the same countries, the administering authority, if requested by the petitioner, shall extend the date for the final CVD determination to the date of the final AD determination.

Conference agreement

The Conferees agreed to the Senate provision.

12. Verification of Information

12.a. CVD Preliminary determinations (sec. 609 of Senate bill)

Present law

No provision in CVD cases. Section 733(b)(2) provides a procedure in AD cases whereby the administering authority makes a preliminary determination within 90 rather than 160 days if sufficient information is received in the first 60 days and the petitioner and each interested party waives verification of that information.

House bill

No provision.

Senate bill

Provides for expedited CVD preliminary determinations upon waiver of verification similar to the procedure under section 733(b)(2) for AD cases, except the review would occur within 55 (rather than 75) days based on information received within first 50 (rather than 60) days.

Conference agreement

The Conferees agreed to adopt the Senate provision.

12.b. Annual review revocation (sec. 717 of House bill)

Present law

The administering authority is required by section 776(a) to verify all information relied upon in making a final CVD or AD determination. If verification is not possible, the administering authority uses the best information available to it for making the determination. Verification is not required by statute in annual review proceedings under section 751. However, the administering authority normally verifies information where it believes there is a significant issue of law or fact.

House bill

Requires verification of information whenever the administering authority revokes a CVD or AD order.

Senate bill

No provision.

House bill

Requires verification of information used in annual reviews and of outstanding CVD and AD orders if timely requested by an interested party; such verification is not required if it has occurred upon timely request in the two immediately previous annual reviews, except for good cause shown.

Senate bill

No provision.

Conference agreement

The Conferees agreed to adopt the House provision. This amendment generally codifies the current administrative practice of the Department of Commerce. As under current law, the administering authority is authorized to use the best information available as the basis for its action if it does not receive timely, complete, or accurate responses, or if it is unable to verify the accuracy of the information submitted. The express reference in the statute to the use of information submitted in support of the petition as the best information available for purposes of final determinations in investigations should not be interpreted as precluding the administering authority from using the best information available for purposes of administrative reviews.

13. Confidential Information

13.a. Release (sec. 718 of House bill; sec. 606 of Senate bill)

Present law

Information submitted to the administering authority or the ITC designated as confidential cannot be disclosed to any person (other than those directly concerned with carrying out the investigation) without the consent of the person submitting it unless pursuant to a protective order upon receipt of an application which describes the information requested and reason for the request. Legislative history states the expectation that disclosure generally will be made only to attorneys who are subject to disbarment from practice before the agency.

House bill

Permits release of confidential information to an officer or employee of the U.S. Customs Service directly involved in conducting an investigation regarding fraud; provides a standardized procedure for requesting confidential treatment and obtaining release of confidential information; and precludes any distinction between corporate and retained counsel in ITC and administering authority regulations governing issuance of protective orders.

Senate bill

Identical provision in substance, except does not include provision removing the distinction between corporate and retained counsel in issuance of protective orders.

Conference agreement

The Conferees agreed to the Senate provision.

13.b. Definition of terms (sec. 622 of Senate bill)

House bill

No provision.

Senate bill

Substitutes term "proprietary business" for "confidential" throughout section.

Conference agreement

The Conferees agreed to the Senate provision.

14. Judicial review

Present law

Title V of the Tariff Act of 1930, as amended by Title X of the Trade Agreements Act of 1979, provides for judicial review of CVD and AD proceedings initially in the U.S. Court of International Trade (CIT). The Court of Appeals for the Federal Circuit may review the CIT's decision on an appeal. Under section 516A, certain determinations by the administering authority are reviewable by the CIT prior to the issuance of a final determination or the publication of a final order, i.e., certain interlocutory determinations are reviewable immediately even though the administrative proceeding has not been concluded. Those interlocutory findings which may be reviewed immediately include a negative preliminary determination by the administering authority under section 703(a) or 733(a), a determination that a case is "extraordinarily complicated" under section 703(c) or 733(c), and any annual review determinations under section 751.

14.a. Interlocutory appeals (sec. 720 of House bill)

House bill

(1) Eliminates all interlocutory judicial reviews by the U.S. Court of International trade during the course of CVD and AD investigations. All challenges to agency determinations would be combined and reviewable by the court after final agency action has been taken.

Senate bill

No provision.

House bill

(2) Clarifies when negative portions of affirmative determinations may be reviewed: any part of a final affirmative determination by the administering authority which specifically excludes any company or product may, at the option of the appellant, be treated as a final negative determination and may be subject to appeal within 30 days of publication; other negative aspects of an affirmative determination would be appealable within 30 days after publication of a final order, and if an appellant so chooses, appeal of those portions of an affirmative finding which exclude a product or a company may also be appealed within 30 days of publication of a final order, instead of within 30 days of the determination.

Senate bill

No provision.

House bill

(3) Clarifies that a final affirmative determination by the administering authority may be contested when an appeal is based on a negative determination by the ITC that is predicated on the size of the dumping margin or net subsidy.

Senate bill

(3) No provision.

Conference agreement

The Conferees agreed to the House provision.

14.b. Court of International Trade (sec. 603 of Senate bill)

House bill

No provision.

Senate bill

Eliminates the U.S. Court of International trade from judicial review of determinations so all appeals go directly to the Court of Appeals for the Federal Circuit; makes conforming changes in section 2639(a)(1) and 2647 of 28 U.S.C.

Conference agreement

The Conferees agreed to strike the Senate provision.

15. Assessment of CVDs (sec. 711 of Senate bill)

Present law

Section 706 requires publication of CVD order assessing CVD equal to amount of net subsidy determined or estimated to exist.

House bill

No provision.

Senate bill

Presumptively applies a CVD order to all merchandise from the country, except it may provide for differing CVDs if (1) the administering authority determines there is a significant differential between companies receiving subsidy benefits; or (2) a state-owned enterprise is involved.

Conference agreement

The Conferees agreed to the Senate provision.

This provision is intended to lessen the administrative burden on the administering authority stemming from implementing company-specific rates. The amendment continues to permit individual company rates for significant differences in benefits. The administering authority is expected to determine under what conditions company-specific rates are appropriate when one of the requirements of paragraph 2 are met.

16. Security in Lieu of Estimated Duty (sec. 714 of Senate bill)

Present law

Section 736(c) allows waiver of cash deposit for 90 days if administering authority is satisfied based on evidence presented by foreign producers that it can do a review of United States price and foreign market value in 90 days.

House bill

No provision.

Senate bill

Adds the following conditions which must be met before the administering authority may permit posting of bond or other security in lieu of deposit of estimated AD duties:

1. the case was not designated extraordinarily complicated or the final determination was not postponed;

(2) the party provides credible evidence that the weighted average of the amount by which the foreign value exceeds the U.S. price is significantly less than the amount of such excess specified in the AD order; and

(3) the date on foreign market value and U.S. price apply to sales in the usual wholesale quantities and ordinary course of trade and the number of sales is sufficient to form an adequate basis for comparison.

Requires, before permitting posting of bond or other security, that the administering authority (1) make all confidential information available under protective order to all interested parties to the proceeding and (2) afford all interested parties an opportunity to file written comments.

Conference agreement

The Conferees agreed to strike the Senate provision.

17. Administrative Review of CVD or AD Determinations

17.a. Annual reviews (sec. 713 of House bill)

Present law

Section 751(a) requires that at least once during each 12-month period following publication of a CVD or AD order, or notice of suspension of an investigation, the administering authority must (1) review and determine the amount of any net subsidy; (2) review and determine the amount of any AD duty; and (3) review the current status of, and compliance with, any suspension agreement including the amount of any net subsidy or dumping margin involved.

House bill

Requires annual reviews of outstanding CVD or AD orders only upon request.

Senate bill

No provision.

Conference agreement

The Conferees agreed to the House provision. Item 17(a) is designed to limit the number of reviews in cases in which there is little or no interest, thus limiting the burden on petitioners and respondents, as well as the administering authority should provide by regulation for the assessment of antidumping and countervailing duties on entries for which review is not requested, including the elimination of suspension of liquidation, and/or the conversion of cash deposits of estimated duties, previously ordered. Further, the administering authority should be able to revoke antidumping or countervailing duties that are no longer of interest

17.b. Revocation (secs. 702, 707 of Senate bill)

Present law

The administering authority may revoke a CVD or AD order in whole or in part or terminate a suspended investigation after a section 751(a) review.

House bill

No provision.

Senate bill

Requires that during an ITC investigation, the party seeking revocation of an AD order have the burden of persuasion on whether there are changed circumstances sufficient to warrant revocation.

House bill

No provision.

Senate bill

Prohibits negative ITC determinations in its review of section 303 cases by request or revocation of CVD orders or termination of suspended investigations on the basis of offsets.

Conference agreement

The Conferees agreed to the Senate provision. Item 17(b) is intended to clarify the role of the ITC in review investigations under section 751 of the Tariff Act of 1930. In *Matsushita* v. *United States*, 569, F. Supp. 853 (CIT 1983), the court reviewed a decision of the ITC in *Television Receiving Sets from Japan*, Inv. No. 751-TA-2, USITC Pub. No. 153 (1981). The ITC had found that the domestic television industry would be threatened with material injury if the antidumping order on Japanese televisions were to be revoked. The court held that the ITC's review "failed to establish the continuing need for the injury determination", reasoning that "when the continued necessity for the antidumping duty is placed in question by a change in circumstances, the review required by section 751(b) must either find reason for continuation of the duty or lead to revocation." The court held that the ITC's determination was not supported by substantial evidence of threat and had not established the continued need for the antidumping order.

The Managers believe that the *Matsushita* decision incorrectly places the burden of persuasion on the domestic industry in section 751 review investigations. The effect of the *Matsushita* decision is that the ITC's investigation must establish through substantial evidence the continued need for the antidumping order. This standard creates a difficult task for the domestic industry, since the existence of an antidumping order is a discipline on the pricing practices of foreign manufactures. Because the order offsets the effects of any dumping, the order makes it difficult for the industry to show present material injury resulting from the effects of dumping or to point to present demonstrable adverse trends which establish a threat of material injury.

The purpose of section 751 review investigations is to determine whether there are changed circumstances sufficient to warrant revocation of an antidumping order. The ITC must evaluate the changed circumstances alleged to determine whether revo-

cation is appropriate in light of current factor and conditions of trade.

In section 751 review investigations, as in all Commission antidumping and countervailing duty investigations, neither petitioner nor respondent has a burden of proof. The Commission conducts its own fact-finding in antidumping and countervailing duty investigations. The duty of the parties is to cooperate with the Commission's requests for information. The Commission, for its part, has a duty to conduct a thorough investigation within the context of the strict time constraints of the dumping and countervailing duty law and to seek the information necessary for a reasoned determination. See *Budd Company Railway Division* v. *United States*, 507 F. Supp. 997, 1003 (CIT 1980).

The absence of any burden of proof does not mean, however, that a section 751 review is without a burden of persuasion. A foreign manufacturer, after all, is subject to an antidumping order because it was previously found to have engaged in injurious dumping. For that reason, a section 751 review does not begin from an entirely neutral starting point. The party seeking revocation of the order has a burden of persuasion, in the sense that at the end of the investigation, the ITC must be convinced that revocation of the order is appropriate. In short, the ITC must determine that, in light of the "changed circumstances," the revocation of the order will not result in material injury or threat of material injury to the U.S. industry.

18. Critical Circumstances Determinations (sec. 612 of Senate bill)

Present law

If the petitioner alleges, and the administering authority finds critical circumstances in an affirmative preliminary CVD or AD determination, suspension of liquidation applies to unliquidated entries retroactively 90 days, No explicit authority under section 705(a) or 735(a) to make affirmative critical circumstances findings in final determinations, if preliminary finding was negative.

House bill

No provision.

Senate bill

Clarifies that the final CVD or AD determination on critical circumstances may be affirmative even though the preliminary determination (PD) was negative.

If final critical circumstances determination is affirmative, then the administering authority shall—

(1) continue retroactive suspension of liquidation and posting of cash deposit or security if PD on both subsidies or dumping and critical circumstances were affirmative;

(2) apply previous suspension of liquidation and security requirement retroactively 90 days to unliquidated entries if PD on subsidies or dumping was affirmative but critical circumstances negative; or (3) apply any suspension of liquidation and security requirement under section 705(c)(1)(B) to unliquidated entries retroactively 90 days if the PD on subsidies or dumping was negative.

Conference agreement

The Conferees agreed to the Senate provision.

19. Waiver of Deposit of Estimated AD Duties (sec. 613 of Senate bill)

Present law

Scope of section 736(c)(1) covers all merchandise entered into the United States as of the date of the first affirmative AD determination (i.e. whether or not sold to an unrelated purchaser which is necessary to compute price).

House bill

No provision.

Senate bill

Changes scope of section 736(c)(1) to cover only entries entered and resold to unrelated purchasers during the period between the first affirmative AD determination and the ITC's final affirmative determination.

Conference agreement

The Conferees agreed to the Senate provision.

20. Conditional Payment of CVD Duties (sec. 614 of Senate bill)

Present law

No provision.

Section 738 requires prior deposit of estimated AD duties with Customs on all entries or removal from warehouse of merchandise subject to AD order.

House bill

No provision.

Senate bill

Adds section 708, almost identical to section 738 for AD duties, requiring that estimated CVDs be deposited by importer with Customs before merchandise subject to CVD order can be removed from warehouse.

Conference agreement

The Conferees agreed to the Senate provision.

21. Drawbacks (sec. 615 of Senate bill)

Present law

Only AD duties are currently explicitly stated to be normal duties for drawback purposes; CVD duties are not addressed.

House bill

No provision.

Senate bill

Treats CVDs as well as AD duties as other customs duties for drawback purposes.

Conference agreement

The Conferees agreed to the Senate provision.

22. Duties of Customs Officers (sec. 616 of Senate bill)

Present law

In all cases where AD order been published under which entries have not been liquidated, section 739 requires customs officer ascertain and determine or estimate the foreign market value, United States price, and other information necessary to administer Title VII.

House bill

No provision.

Senate bill

Strikes section 739.

Conference agreement

The Conferees agreed to the Senate provision.

23. Commercial Quantities of Merchandise (sec. 617 of Senate bill)

Present law

Uses term "wholesale" quantities in sections 771(14), (17), and sections 773(a)(1) and (a)(4).

House bill

No provision.

Senate bill

Substitutes the term "commercial quantities" for "wholesale quantities".

Conference agreement

The Conferees agreed to the Senate provision.

24. Reseller's Price Transshipments

24.a. Purchase price (sec. 618 of Senate bill)

Present law

No explicit provision in section 772(b).

House bill

No provision.

Senate bill

Amends section 772(b) so a reseller's price may serve as purchase price if it is prior to the date of importation and the merchandise is for exportation to the United States.

Conference agreement

The Conferees agreed to the Senate provision.

24.b. Foreign market value (sec. 619 of Senate bill)

Present law

Under section 773 the foreign market value in an exporter's sales price situation is the price at the time of exportation of the merchandise to the United States.

House bill

No provision.

Senate bill

(1) Amends section 773(a)(1) so the foreign market value in an exporter's sales price situation is the price at the time the goods are sold in the United States to an unrelated party.

Conference agreement

The Conferees agreed to the Senate provision.

House bill

No provision.

Senate bill

(2) Adds provision to treat an intermediate country as the country from which merchandise was exported if: (1) a reseller purchases the merchandise from the manufacturer or producer; (2) the manufacturer or producer does not know the country at time of sale to the reseller; (3) the merchandise is exported by or on behalf of such reseller to a country other than the U.S.; (4) the merchandise enters the commerce of that country but is not substantially transformed; and (5) the merchandise is subsequently exported to the U.S.

Conference agreement

The Conferees agreed to the Senate provision.

25. Sampling and Averaging (sec. 719 of House bill; sec. 608 of Senate bill)

Present law

For purposes of determining foreign market value only in AD investigations, section 773(1) authorizes the administering authority to use averaging or sampling techniques whenever a significant volume of sales is involved or a significant number of price adjustments is required, and to decline to take into account adjustments which are insignificant in relation to the price or value of the merchandise.

House bill

Expands the instances in which the administering authority may use sampling and averaging techniques. Authorizes the administering authority, in determining United States price or foreign market value in AD investigations under section 772 and 773 or in carrying out annual reviews of outstanding AD or CUD orders under section

751, to use averaging or generally recognized sampling techniques whenever a significant volume of sales is involved or a significant number of adjustments to price is required, and to decline to take into account adjustments which are insignificant in relation to the price or value of the merchandise.

Senate bill

Identical provision.

Conference agreement

The House and Senate provisions are identical.

26. Adjustments Study (sec. 732 of House bill; sec. 607 of Senate bill)

Present law

Various statutory adjustments are provided for to obtain comparability between United States price and foreign market value for purposes of determining dumping margins.

House bill

Requires the Secretary of Commerce to undertake a study of current practices that are applied in making adjustments to purchase price, exporter's sales price, foreign market value, and constructed value in determining dumping duties. The Secretary must complete the study within one year after the date of enactment of the bill and submit a written report to the Congress. The report would contain whatever recommendations the Secretary deems appropriate on the need and means for simplifying and modifying current adjustment practices.

Senate bill

Identical provision.

Conference agreement

The House and Senate provisions are identical.

27. Subsidies Discovered during Proceedings (sec. 620 of Senate bill)

Present law

Section 775 uses term "investigation".

House bill

No provision.

Senate bill

Substitutes term "proceeding" for "investigation".

Conference agreement

The Conferees agreed to the Senate provision.

28. Ex Parte Meetings (sec. 621 of Senate bill)

Present law

Section 777(a) requires the administering authority and the ITC to maintain a record of ex parte meetings between persons providing factual information for an "investigation" and the person making the determination or the person making a recommendation to that person.

House bill

No provision.

Senate bill

Amends section 777(a)(3) to provide that ex parte record requirement applies to "proceedings" not just investigations, and shall be written if information relating to that proceeding is presented or discussed.

Conference agreement

The Conferees agreed to the Senate provision.

29. Interest (sec. 623 of Senate bill)

Present law

Section 778 ties interest on over and under payments of AD or CVD duties to publication date of ITC affirmative determination. Interest rate is 8 percent for the rate in effect when duties determined, whichever is higher.

House bill

No provision.

Senate bill

Changes (1) date of interest payable to the date of publication of a CVD or AD order or AD findings; and (2) the interest rate to the IRC level.

Conference agreement

The Conferees agreed to the Senate provision.

30. Compromise of Cases (sec. 706 of Senate bill)

Present law

Section 617 authorizes the Secretary of the Treasury to compromise claims, upon a report by a customs officer or, district or special attorney in charge showing the facts, probability of recovery, and compromise terms.

House bill

No provision.

Senate bill

Amends section 617 not to apply to any CVD or AD duty.

Conference agreement

The Conferees agreed to strike the Senate provision.

31. Definition of Domestic Industry (see 731 of House bill; sec. 212 of Senate bill)

Present law

The term "industry" for purposes of CVD and AD investigations means the domestic producers of a "like product", and the term "like products" has been defined and interpreted to include only those products which are identical or most similar in their characteristics to the imported article. Accordingly, producers of products being incorporated into a processed or manufactured article (i.e., intermediate goods or component parts) are generally not included in the scope of the domestic industry that the ITC analyzes for the purposes of determining injury.

House bill

Defines the domestic industry for purposes of CVD or AD investigations on wine and grape products to include producers of the principal raw agricultural product, if they allege material injury or threat, as well the producers of wine and grape products. A previous petition may be refiled under the section if the purpose is to avail the petitioner of this amendment.

Senate bill

Defines the domestic industry for purposes of CVD or AD investigations on any processed agricultural product to include the producers of the principal raw agricultural products if they allege material injury or threat thereof, as well as the producers of the processed product.

Any previous petition may be refiled under this section.

Conference agreement

Senate recedes to the House with the following modification: the provision would expire after two years.

The ITC should review the possibility of developing distinctions among the types and uses of grapes in the event that dispute in this area arise at other times.

33. References (sec. 701 of House bill; secs. 601, 701 of Senate bill)

Present law

No provision.

House bill

Amendments or repeals of particular provisions refer to provisions of the Tariff Act of 1930.

Senate bill

Identical provision.

Conference agreement

Identical provisions.

32. Effective Dates (sec. 733 of House bill; sec. 625 of Senate bill)

Present law

No provision.

House bill

Date of enactment; sections 711, 713, 714, 715, 719 apply to investigations initiated after enactment; section 720 applies to civil actions pending on or filed on or after enactment.

Senate bill

Date of enactment; sections 604, 608 apply to investigations initiated after enactment; section 603 applies to determinations after enactment.

Conference agreement

Similar to House provisions, with technical amendments to reflect changes in references to section numbers. Contains provisions related section 612(a)(1) to enable refiling of a petition to avail the petitioner of the amendment and to sunset the amendment under that section as of September 30, 1986.

Subject: Small Business Trade Assistance and Trade Monitoring

1. Trade Remedy Assistance (sec. 601 of House bill; sec. 602 of Senate bill)

Present law

No provision

House bill

Establishes a Trade Remedy Assistance Office in the ITC to provide information to the public, upon request, concerning remedies and benefits available under the various trade laws and procedural requirements.

Each agency responsible for administering these laws must provide technical assistance to small businesses (without adequate internal resources nor financial ability to obtain qualified outside assistance) to enable them to prepare and file petitions and applications.

Senate bill

Identical in substance, except it establishes the office in the Commerce Department instead of the ITC and the list of trade laws covered is illustrative, not all inclusive.

Conference agreement

House provision.

2. Small Business Advocate (sec. 624 of Senate bill)

Present law

No provision.

House bill

No provision.

Senate bill

Establishes a Small Business International Trade Advocate Office in the Commerce Department to assist small businesses as (defined in Small Business Act) in preparation for, and participation in, any proceeding relating to administration of U.S. trade laws. The Advocate:

a. may, upon request, initiate a CVD or AD investigation and intervene in any AD or CVD proceeding if the small business is unable to finance initiation or participation;

b. shall have all the rights of an interested party;

c. may request the ITC to conduct not more than 3 investigations annually to assist small businesses in preparing for AD or CVD proceedings; and

d. must report to Ways and Means and Finance Committees annually on its activities.

Conference agreement

Senate recedes.

3. Targeting Monitoring Program (sec. 601 of House bill)

Present law

No provision.

House bill

Requires the ITC to establish a continuing program to monitor and analyze foreign industrial plans and policies in order to discover whether targeting subsidies are being planned or have been implemented. Priority would be given to countries and product sectors in which the U.S. has significant economic or commercial interests, after consultations with other agencies and public comments. The ITC must regularly report the information to the administering authority and make non-confidential information available to the public. Each agency must provide the ITC, upon request, such information as the ITC considers necessary or appropriate to carry out these functions.

Senate bill

No provision.

Conference agreement

House recedes.

4. Industrial targeting studies (sec. 602 of House bill).

Present law

No provision.

House bill

Requires the Secretaries of Commerce and Labor, the USTR, and the Comptroller General to each undertake and submit to Congress not later than 6/1/85 a comprehensive study of problems of foreign industrial targeting including:

a. whether it is an unfair trade practice;

b. whether existing laws adequately address the subsidy element;

c. extent targeting significantly affects U.S. commerce; and

d. any recommended legislation necessary.

Senate bill

No provision.

Conference agreement

House provisions.

Subject: Nonmarket Economy Imports (sections 801-803 of Senate Bill)

1. Establishment of Artificial Pricing Remedy for Nonmarket Economy Imports (Sec. 801 of Senate bill)

Present law

Dumping. Antidumping duties may be imposed on imported products sold at less-than-fair value and that cause or threaten material injury to a domestic industry. Less-than-fair value is the amount by which the foreign market value exceeds the U.S. price of the product.

Subsidies. Countervailing duties may be imposed on imported products benefitting directly or indirectly from a subsidy with respect to the manufacture, production, or exportation of the product. If the country of origin is a signatory to the GATT Subsidies Code or has undertaken similar commitments, then countervailing duties will be imposed only if the subsidized product is injuring or threatening material injury to a domestic industry. However, the Department of Commerce has determined that the countervailing duty laws cannot be applied to nonmarket economy imports. (This decision is pending judicial resolution).

House bill

No provision.

Senate bill

For products imported from nonmarket economy countries, "artificial pricing duties" may be imposed if the products are sold at an "artificial price." The artificial pricing duty is an amount by which the actual price of the product is less than the "minimum allowable import price." If the nonmarket economy country is a GATT member, a signatory to the Subsidies Code, or has undertaken similar commitments, then the imported article must be injuring or threatening material injury to the domestic industry making the like product before duties are imposed.

Conference agreement

The Conferees agreed to strike Senate provisions.

2. Pricing Standard (Sec. 802 of Senate bill)

Present law

In dumping cases, foreign market value is calculated according to the following methodological hierarchy:

a. Home market prices reasonably adjusted for such differences as sales level, physical characteristics, etc.;

b. Prices of exports to countries other than the U.S., similarly adjusted;

c. Constructed value, based on adjusted material cost plus general expenses and profits;

d. For state-controlled economy countries, the home-market price of similar merchandise produced in a surrogate market economy country, or the constructed value in the surrogate.

House bill

No provision.

Senate bill

The "minimum allowable import price" means:

a. the Trade-weighted average price of market economy producers of a like product in their exports to the U.S. in arms-length sales; or

b. if there are no eligible market economy producers, the constructed value of the product in a market economy country; or

c. if the price under the first method cannot be determined, then the price by which similar merchandise is sold by an eligible market economy foreign producer to the U.S., or to other countries if there are no U.S. sales.

"Eligible market economy foreign producers" are producers of like products exporting to the U.S. and not subject to antidumping or countervailing duty orders.

Conference agreement

The Conferees agreed to strike Senate provision.

3. Showing of Injury by U.S. Industry. (Sec. 801 of Senate bill)

Present law

In dumping proceedings, antidumping duties cannot be imposed unless the dumped imported articles are determined to be injuring or threatening material injury to a U.S. industry producing a like product.

In subsidy cases, injury to a domestic industry must be shown only if the imports originate in a country that is a party to the GATT Subsidies Code or has undertaken similar commitments.

House bill

No provision.

Senate bill

Material injury to a U.S. industry producing a like product must be shown only with respect to nonmarket economy countries that are members of the GATT, of the GATT Subsidies Code, or have undertaken similar commitments.

Conference agreement

The Conferees agreed to strike Senate provision.

4. Initiation of Artificial Pricing Investigation (Sec. 801 of Senate bill)

Present law

Dumping and subsidy investigations normally are initiated upon receipt of a petition from an interested party representing the industry marking a product like the imported product. The Commerce Department also may self-initiate investigations.

House bill

No provision.

Senate bill

An artificial pricing investigation may be self-initiated by the Commerce Department or initiated after receipt of a petition from an interested party making a product like the imported article.

Further, if in an ongoing antidumping or countervailing duty investigation the Commerce Department determines that the industry is not market oriented, or that there is insufficient verifiable information to proceed normally, the proceeding will be converted into an artificial pricing investigation.

Conversely, if in an on-going artificial pricing investigation sufficient verifiable information is provided to determine either foreign market value or subsidization, and that the industry under investigation is market-oriented, the investigation will be converted into an antidumping or countervailing duty proceeding, as appropriate.

Conference agreement

The Conferees agreed to strike Senate provision.

5. Procedures for Conducting Artificial Pricing Investigation (sec. 801 of Senate bill)

Present law

The following are the basic elements of both dumping and subsidy investigations:

a. Commerce initiates investigation.

b. ITC begins injury investigation of Commerce initiates.

c. ITC makes preliminary determination of whether there is reasonable indication of material injury.

d. (3) If affirmative, Commerce proceeds to determine preliminarily if there is reasonable basis to believe dumping exists.

e. Commerce makes final determination.

f. If (5) is affirmative, ITC makes final determination of injury.

g. If (6) is affirmative, antidumping order is issued.

In general, the time limits for subsidy cases are shorter than for dumping cases. Also, whether the ITC conducts an injury investigation in a subsidy case depends on the country of origin of the imported product.

House bill

No provision.

Senate bill

The elements, procedures, and time limits for artificial pricing investigations are the same as for normal subsidy investigations.

Conference agreement

The Conferees agreed to strike Senate provision.

6. Effective Date (sec. 803 of Senate bill)

Present law

No provision.

House bill

No provision.

Senate bill

Petitions, requests, resolutions after date of enactment.

Conference agreement

The Conferees agreed to strike the Senate provision.

TITLE VII: AUTHORIZATION OF APPROPRIATIONS FOR FY 1985 FOR THE U.S. INTERNATIONAL TRADE COMMISSION, U.S. CUSTOMS SERVICE, AND U.S. TRADE REPRESENTATIVE

1. U.S. International Trade Commission (ITC) (sec. 801 of House bill)

Present law

Section 330(e)(1) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(1)) requires annual enactment of an authorization of appropriations for the ITC.

Section 175 of the Trade Act of 1974 (19 U.S.C. 2232) requires that the estimated expenditures and proposed appropriations of the agency be included in the President's budget without revision.

House bill

There are authorized to be appropriated for FY 1985 an amount not to exceed $28,410,000, not more than $2,500 of which may be used for entertainment expenses.

Senate bill

No provision.

Conference agreement

House provision.

2. U.S. Customs Service (sec. 802 of House bill)

Present law

Section 301 of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075) requires annual enactment of an authorization of appropriations to the U.S. Customs Service.

House bill

For FY 1985 there are authorized to be appropriated to the Department of the Treasury for salaries and expenses of the U.S. Customs Service an amount not to exced $686,399,000, of which $28,070,000 is for operation of the air interdiction program; no more than $11,000,000 is for implementation of "Operation Exodus" and related programs.

No part of the authorized funds may be used to pay any employee more than $25,000 in overtime pay unless waived by Commissioner to meet emergency.

Senate bill

No provision.

Conference agreement

House provision with an amendment to limit authorization for Operation Exodus to $15 million.

3. Office of the U.S. Trade Representative (USTR) (sec. 803 of House bill)

Present law

Section 141(f) of the Trade Act of 1974 authorized appropriations to the Office of the U.S. Trade Representative in such amounts as may be necessary for the purpose of carrying out its functions.

House bill

Authorizes $14,179,000 for FY 1985, no more than $68,000 of which may be used for entertainment and representation expenses.

Senate bill

Same, except, no more than $80,000 may be used for entertainment and representation expenses.

Conference agreement

House provision with an amendment to provide limit of $80,000 on entertainment and representation expenses.

TITLE VIII STEEL

(The House bill contains only the provisions of the Steel Import Stabilization Act (previously H.R. 6301) The Senate bill contains no parallel to the Steel Import Stabilization Act, but does contain two separate and different provisions, sections 243 and 715, relating to authority to enforce trade restraints on certain steel products. In order to cover all provisions relating specifically to steel trade both Senate provisions appear under the column heading "Senate Bill" and are compared with similar provisions in the House bill.)

1. Short Title (sec. 901 of House bill)

Present law

No provision.

House bill

Steel Import Stabilization Act.

Senate bill

No provision.

Conference agreement

Senate recedes.

2. Findings (sec. 902(a) of House bill)

Present law

No provisions.

House bill

Six findings concerning need to reinvest and modernize; adverse effects of overvalued dollar, deficits, serious injury due to imports of and unfair trade in steel; difficulties of using trade remedy laws; need for expeditious action by Executive branch, including self-initiation; requirement that import relief be tied to commitment to modernize; benefits of full and effective implementation.

Senate bill

No provision.

Conference agreement

Senate recedes with an amendment to the House provision. Paragraph (a)(5) of the findings is amended to read "import relief will be ineffective and will not serve the national economic interest unless the industry during the period of relief engages in serious efforts substantially to modernize and to improve its international competitiveness."

3. Purposes (sec. 902(b) of House bill; sec. 715, 243 of Senate bill)

Present law

No provision.

House bill

To provide the President with authority to enforce bilateral restraint arrangements subject to the condition that the steel industry undertake comprehensive modernization.

Senate bill

Section 715. To monitor and enforce export measures required by a foreign government or customs union.

Section 243. To enforce the terms of the U.S.-E.C. Arrangement on Pipe and Tube.

Conference agreement

Senate recedes.

4. Sense of Congress regarding fair import share (sec. 903(1) of House bill)

Present law

No provision.

House bill

President should use this authority to restore the overall national import share to a level reflecting conditions of fair, unsubsidized competition, a level which the Congress believes should be approximately 17%.

Senate bill

No provision.

Conference agreement

Senate recedes with an amendment to the sense-of-Congress provision regarding fair import share. The conference agreement states the sense of Congress that full implementation of the national policy for the steel industry will result in a steel import market share in the range of 17.0 to 20.2 percent. This range covers the market shares identified both in the House bill and the President's national policy based on his September 18 announcement.

5. Sense of Congress regarding antitrust effects (sec. 903(2) of House bill)

Present law

No provision.

House bill

The national steel policy should not be implemented in a manner contrary to the antitrust laws.

Senate bill

No provision.

Conference agreement

Senate recedes.

6. Sense of Congress regarding future action (sec. 903(3) of House bill)

Present law

No provision.

House bill

If the President's program does not produce satisfactory results within a reasonable period of time, the Congress will consider taking future legislative action.

Senate bill

No provision.

Conference agreement

Senate recedes.

7. Definition of "bilateral arrangement" (sec. 904(1) of House bill)

Present law

No provision.

House bill

"Bilateral arrangement" means any arrangement, agreement, or understanding (including, but not limited to, any surge control understanding or suspension agreement) between the U.S. and any foreign country setting quantitative limitations or other restrictions on the exportation to the U.S. of carbon and alloy steel products.

Senate bill

No provision.

Conference agreement

Senate recedes with an amendment to the House provision, amending "carbon and

alloy steel products" to read "steel products."

8. Definition of "steel products" (sec. 904(2) of House bill; sec. 715, 243 of Senate bill)

Present law

Section 626 applies to "steel mill products" subject to the US-EC Arrangement on Carbon Steel.

House bill

"Carbon and alloy steel products" means articles of the kinds subject to the ITC § 201 investigation (not limited only to products with injury findings) plus TSUS items 652.97 (offshore oil and natural gas drilling and production platforms and parts thereof made of iron or steel) and 653.00 (other fabricated structural units made of iron or steel).

Senate bill

No provision. Refers to "steel products."

Section 243 applies only to steel pipe and tube export, from the EC to the U.S.

Conference agreement

House recedes.

9. Definition of "national policy for the steel industry" (sec. 904(3) of House bill)

Present law

No provision.

House bill

"National policy for the steel industry" means those actions and elements described in Exec. Comm. 4046, dated Sept. 18, 1984 (H. Doc. 98-263), transmitting the President's decision in the section 201 carbon and alloy steel case.

Senate bill

No provision.

Conference agreement

Senate recedes.

10. Definition of "steel industry" (sec. 904(4) of House bill; sec. 715 of Senate bill)

Present law

No provision.

House bill

"Steel industry" means producers in the U.S. of carbon and alloy steel products.

Senate bill

No provision. Refers to "steel products."

Conference agreement

The conference agreement provides that the term "steel industry" means producers in the United States of steel products.

11. Enforcement Authority: General provision (sec. 905(a) of House bill; sec. 715, 243 of Senate bill)

Present law

Authorizes Sec. of Treasury to require presentation of a valid export license or other documents issued by the EC for entry into the U.S. of steel mill products subject to the U.S.-EC Arrangement on Carbon Steel.

House bill

Authorizes President to enforce the quantitative limitations and restrictions (including export measures required by a foreign government) contained in each bilateral arrangement, subject to the annual renewal provisions. Such actions may include, but are not limited to, requirements that valid export licenses or other documentation issued by a foreign government be presented as a condition for the entry into the U.S.

Senate bill

Section 715. Authorizes Sec. of Treasury, upon receipt of a request by the President and by a foreign government, to require the presentation of a valid export license or other documents issued by such foreign government as a condition for entry into the U.S. of steel products specified in the request.

Section 243. Authorizes Sec. of Commerce to request the Sec. of Treasury to take action to enforce the terms of the U.S.-EC Arrangement on Pipe and Tube as identified by the Sec. of Commerce. (Sec. of Commerce determines whether exports are exceeding limits or distortion among categories is occurring).

Conference agreement

12. Senate recedes with an amendment to the House provision. The conference agreement generally is based on the House provision and incorporates compromise provisions with regard to enforcement of the U.S.-EC Arrangement on Export of Steel Pipes and Tubes and short supply circumstances. The conference agreement includes the general enforcement authority contained in the House bill. The authority applies to enforcement of all "bilateral arrangements" regarding steel products. In addition, it includes specific authority with respect to enforcement of the U.S.-E.C. Arrangement on Pipe and Tube. The enforcement authority provided under section 805(b) with respect to the EC Arrangement is subject, however, to a further provision with respect to short supply or emergency economic situations. The conference agreement allows the Secretary of Commerce to permit importation of additional quantities of specific products in cases where the Secretary determines that conditions of short supply or emergency economic situations related to market demand exist, including but not limited to demand for specific products that will be used in processing or further production. Conditions of short supply or emergency economic situations shall not be deemed to exist, however, solely because domestic producers are unwilling to supply products at prices below their costs of production. What constitutes domestic producers' cost of production shall be determined by the Secretary of Commerce. The purpose of this short supply provision is to permit existing restrictions on steel imports to be revised or temporarily altered, for example, when supplies of certain steel products from domestic and other suppliers are unable to meet the market demand for such products by domestic purchasers (including processors and fabricators). Domestic suppliers shall not be considered unable to meet such market demand, however, solely on the basis of their unwillingness to sell their products at prices below their costs of production. This provision is designed to protect domestic purchasers of steel products from undue hardship due to an inability to obtain adequate supplies from domestic sources.

13. Enforcement Authority: Application (sec. 905(b) of House bill; sec. 243 of Senate bill).

Present law

No provision.

House bill

President shall use enforcement authority, to the extent practicable, to cover all product categories, avoid distortions among categories, and cover all countries from which surges in steel exports are being or have been experienced.

Senate bill

Section 243. Regarding U.S.-EC Arrangement or Pipe & Tube, Sec. of Commerce designates limitations on product categories within overall pipe and tube restriction; determines when and to what extent distortion among categories is occurring. Increases in tonnage limits with respect to appropriate categories may be authorized in cases of emergency economic situations related to domestic market demand for pipe and tube (including domestic processing and production).

Conference agreement

Senate recedes.

14. Enforcement Authority: Regulations (secs. 243, 715 of Senate bill)

Present law

Authorizes Sec. of Treasury to provide by regulations for terms and conditions under which steel mill products from the EC attempted to be entered into the U.S. without a valid export license or other document may be denied entry into the U.S.

House bill

No provision.

Senate bill

Sections 243, 715. Authorize the Sec. of Treasury to provide by regulation for terms and conditions under which steel products may be denied entry into the U.S.

Conference agreement

House recedes.

15. Enforcement authority: Duration (sec. 906(a) of House bill)

Present law

No provision.

House bill

Limited to five years, subject to annual renewal provisions.

Senate bill

No provision

Conference agreement

Senate recedes.

16. Enforcement Authority: Annual renewal (sec. 906(a) of House bill)

Present law

No provision.

House bill

In order for enforcement authority to renew for an additional year, President must submit, prior to year-end, an affirmative determination to Ways & Means and Finance, in writing and with reasons for decision. If no such determination is submitted enforcement authority terminates (permanently).

Senate bill

No provision.

Conference agreement

Senate recedes.

17. Annual Determination: Basic test (sec. 906(b)(1) of House bill)

Present law

No provision.

House bill

President must determine that the domestic steel industry, taken as a whole, has, during the previous year, (a) committed substantially all of its net cash flow steel operations to reinvest in and modernization of the steel industry; and (b) taken sufficient action to maintain its international competitiveness, including discipline of costs and prices.

Senate bill

No provision.

Conference agreement

Senate recedes with an amendment to the House provision. The conference agreement includes an overall requirement that the major companies, taken as a whole, commit substantially all of their net cash flow from steel operations to reinvestment and modernization of their steel operations and worker retraining programs, and that the major companies, taken as a whole, take sufficient action to maintain their international competitiveness. This provision of the conference agreement reflects a compromise with respect to the industry-wide cash flow requirement and the company-specific cash flow requirement of the House bill. The conference agreement still requires an analysis of the actions of major companies, as defined by this section, but provides that the annual determination the President must make is with respect to the major companies taken as a whole. The purposes for which net cash flow may be used are generally the same as in the House bill, except that net cash flow may not be used for purposes of payment on debt, because the definition of net cash flow was amended to provide for payment of debt.

Paragraph (1)(A)(ii) requires the major companies taken as a whole, to take sufficient action to maintain their international competitiveness. Such action includes, but is not limited to, action to produce price- and quality-competitive products, to control costs of production, and to improve productivity. Control of costs of production includes employment costs, which refers broadly to wages, benefits and bonuses for both hourly and salaried employees. This compromise provision reflects a concern that both management and labor make significant contributions to the effort to maintain the domestic steel industry's international competitiveness.

18. Annual Determination: Company-specific cash flow requirement (sec. 906(b)(2)(A) of House bill)

Present law

No provision.

House bill

The industry-wide net cash flow requirement will not be met unless each of the major companies with significant reinvestment and modernization needs has committed all of its net cash flow (minus the amount required for worker retraining) to meet those needs.

Senate bill

No provision.

Conference agreement

House recedes.

19. Annual determination: Company-specific worker retraining (sec. 906(b)(2)(B) of House bill)

Present law

No provision.

House bill

The industry-wide net cash flow requirement will also not be met unless each of the major companies that has or reasonably anticipates significant unemployment has committed at least 1% of net cash flow to worker retraining.

Senate bill

No provision.

Conference agreement

Senate recedes with an amendment to the House provision.

The conference agreement requires the President to determine that each of the major companies, during the applicable 12-month period, committed not less than 1% of net cash flow to the retraining of workers. If the President finds that a major company is not in compliance with this provision, however, he is further authorized to waive the requirement with respect to that company, if he finds unusual economic circumstances exist with respect to that company. This waiver authority is not designed to allow companies to avoid the 1% retraining commitment, but is designed to allow the President's general enforcement authority to renew for another year when unusual economic circumstances justify a particular company's commitment of less than 1% of net cash flow to retraining.

The types of retraining programs and assistance which may be included in the 1% commitment and the further interpretation of this requirement with respect to the phrase "retraining of workers" are set forth in House Report 98-1089 with respect to section 6 of H.R. 6301. The retraining assistance provided under this provision shall be made available to current workers and former workers of that major company who were laid off at any time since January 1, 1982.

20. Annual determination: Definition of "major company" (sec. 906(b)(3)(A) of House bill)

Present law

No provision.

House bill

"Major company" means an enterprise whose raw steel production in 1983 exceeded 1.5 million tons; reaches the 8 largest steel producers.

Senate bill

No provision.

Conference agreement

Senate recedes.

21. Annual Determination: Definition of "net cash flow" (sec. 906(b)(3)(B) of House bill)

Present law

No provision.

House bill

"Net cash flow" means annual net (after-tax) income plus depreciation, depletion allowances, amortization, and changes in reserves minus dividends.

Senate bill

No provision.

Conference agreement

Senate recedes with an amendment to the House provision. Net cash flow shall be determined according to generally accepted accounting principles. To determine net cash flow, annual net income is increased by depreciation, depletion allowances, amortization, and changes in reserves. Reserves would generally include noncash expenses such as deferred taxes or inventory reserves. In addition, annual net income is decreased by dividends and payment on short- and long-term debt and other liabilities. The conferees intend that payment on short- and long-term debt and other liabilities means the net reduction in such debt and liabilities, i.e., net cash flow would reflect both reductions and increases in debt and liabilities.

22. Annual Determination: Source of information (sec. 906(b)(4) of House bill)

Present law

No provision.

House bill

President shall base his annual determination on information available from the ITC and other appropriate sources.

Senate bill

No provision.

Conference agreement

Senate recedes.

23. DOL Worker Assistance (sec. 907 of House bill)

Present law

No provision.

House bill

Requires the Sec. of Labor to prepare, in consultation with the tripartite Steel advisory Committee, and submit to Congress within 6 months, a proposed plan of action for assisting workers in communities adversely affected by steel imports, including retraining and relocation assistance. Such plan shall be based on existing authorities, but also recommend additional legislative authority as necessary to carry out the purposes of the plan.

Senate bill

No provision.

Conference agreement

Senate recedes.

24. TAA Authorization (sec. 908 of House bill)

Present law

The worker and firm trade adjustment assistance programs under the Trade Act of 1974 are presently authorized through September 30, 1985.

House bill

Extends the current authorization for worker and firm trade adjustment assistance under the Trade Act of 1974 for 2 additional years, through September 30, 1987.

Senate bill

No provision.

Conference agreement

House recedes.

25. Effective Date of Act (sec. 909 of House bill)

Present law

No provision.

House bill

October 1, 1984.

Senate bill

No provision.

Conference agreement

Senate recedes.

TITLE IX

1. Short Title (sec. 1001 of House and Senate bills)

Present law

No provision.

House bill

"Wine Equity and Export Expansion Act of 1984"

Senate bill

Identical provision.

Conference agreement

House provision.

2. Congressional Findings and Purposes (sec. 1002 of House and Senate bills)

Present law

No provision.

House bill

Lists various findings concerning economic factors affecting the competitiveness of the U.S. wine and grape product industries, including restrictive foreign barriers to U.S. wine exports. The purposes of the bill are to expand wine consumer choice, to encourage wine export promotion, and to achieve greater foreign market access for U.S. wine.

Senate bill

Identical provision.

Conference agreement

House provision.

3. Definitions (sec. 1003 of House and Senate bills)

Present law

No provision.

House bill

Defines various terms used in the Act.

Senate bill

Identical provision.

Conference agreement

House provision.

4. Designation of Major Wine Trading Countries (sec. 1004 of House and Senate bills)

Present law

No provision.

House bill

Requires the USTR to designate major wine trading countries, which are significant potential markets for U.S. wine and maintain tariff and nontariff barriers to (or other distortions of) U.S. wine trade.

Senate bill

Identical provision.

Conference agreement

House provision.

5. Action to Reduce or Eliminate Tariff and Nontariff Barriers Affecting Wine (sec. 1005 of House and Senate bills)

5a. Consultations

Present law

No provision.

House bill

The President must direct the USTR to consult with each country to seek reduction or elimination of its barriers or other distortions of trade in U.S. wine.

Senate bill

Identical provision.

Conference agreement

Senate provision.

5.b. Reports

Present law

No provision.

House bill

The President must submit a report to the House Committee on Ways and Means and the Senate Committee on Finance within 13 months after date of enactment on each country concerning efforts to expand wine exports. Each report would include: (1) a description of each trade barrier; (2) an assessment of the extent each barrier is subject to a trade agreement; (3) action taken or proposed under existing authority to eliminate or reduce the barrier, including, but not limited to, action under section 301 and negotiation or consultations, (4) reasons for not taking such action; and (5) recommendations to Congress on any additional authority or action necessary and appropriate.

Senate bill

Identical provision, except any action includes any action under the Trade Act of 1974 instead of reference to section 301.

Conference agreement

Senate provision.

5c. Presidental Action

Present law

Section 301 of the Trade Act of 1974 provides that basic broad authority for the President to enforce U.S. rights under trade agreements and to respond to other acts, policies, or practices which are unjustifiable, unreasonable, or discriminatory and burden or restrict U.S. commerce. If he determines action is appropriate the President must take appropriate and feasible action within his power to enforce such rights or obtain elimination of the act, policy, or practice, and may (1) suspend, withdraw, or prevent application of trade agreement benefits and (2) impose duties or other import restrictions.

House bill

If the President after taking into account information and advice, has reason to believe a barrier to, or other distortion of, trade in U.S. wine is a violation of or inconsistent with a trade agreement or is unjustifiable, unresonable, or discriminatory and burdens or restricts U.S. commerce, he must take action under section 301, if he determines such action is appropriate.

Senate bill

Identical provision except: (1) The President determines action is appropriate to respond to such acts, policies, or practices; and (2) all appropriate action refers to the Trade Act of 1974 instead of section 301.

Conference agreement

Senate provision.

6. Required Consultations (sec. 1006 of House and Senate bill)

Present law

No provision.

House bill

The USTR must consult with representatives of the wine and grape products industries and with the House Committee on Ways and Means and the Senate Committee on Finance on (1) identifying countries and trade barriers; (2) preparing the report, and (3) whether section 301 action is appropriate.

Senate bill

Identical provision, except consultations on whether action is appropriate applies to any provision of the Trade Act of 1974.

Conference agreement

Senate provision.

7. U.S. Wine Export Promotion (sec. 1007 of House and Senate bills)

Present law

Section 135 of the Omnibus Budget Reconciliation Act of the 1982 (OBRA) requires the Secretary of Agriculture to use not less than $175 million or more than $190 million in each of fiscal years 1983, 1984, and 1985 of funds of the Commodity Credit Corporation (CCC) for export activities authorized to be carried out by the Secretary or by the CCC, in addition to any authorities under other provisions of law.

House bill

Encourages the President to use FY 1985 funds under section 135 of the OBRA to initiate a wine export promotion program in cooperation with winery representatives, and to request an appropriation each following year for the program which is not at the expense of requests for promotion of other agricultural commodities.

Senate bill

Identical provision.

Conference agreement

House provision.

Subject: International Trade and Export Policy Study Commission (Sections 901–906 of Senate Bill)

Establishment of an International Trade and Export Policy Study Commission

Present law

No provision.

House bill

No provision.

Senate bill

Would establish an 18 member commission composed of 6 Senators, 6 Members of the House, and 6 individuals especially qualified because of "education, training, or experience . . ."

The commission would make recommendations regarding changes in the laws and regulations to stimulate exports and to provide for the removal of trade barriers.

The commission would deliver its report to the President by, and will pass out of existence on, 7/1/85.

Conference agreement

Senate recedes.

DAN ROSTENKOWSKI,
JAMES JONES,
ED JENKINS,
THOMAS J. DOWNEY,
DONALD J. PEASE,
KENT HANCE,
BARBER B. CONABLE, Jr.,
GUY VANDER JAGT,
BILL FRENZEL,

For consideration of title XI of the House amendment to the Senate amendment and sections 255, 302, 304(b)(2), 306(b), 402, and title IX of the Senate Amendment:

From the Committee on Energy and Commerce:

JOHN D. DINGELL,
JAMES J. FLORIO,
JAMES T. BROYHILL,

From the Committee on Foreign, Affairs:

DON BONKER,
DAN MICA,
TOBY ROTH,

Managers on the Part of the House.

BOB DOLE,
BOB PACKWOOD,
BILL ROTH,
JOHN DANFORTH,
LLOYD BENTSEN,
SPARK M. MATSUNAGA,

Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. TAUKE (at the request of Mr. MICHEL), for October 4, on account of a death in the family.

Mr. LEVINE of California (at the request of Mr. WRIGHT), after 4:15 p.m. today, on account of religious observance.

Mr. MCEWEN (at the request of Mr. MICHEL), for today until 3 p.m., on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CHANDLER) to revise and extend their remarks and include extraneous material:)

Mr. SENSENBRENNER, for 5 minutes, today.

Mr. MILLER of Ohio, for 60 minutes, on October 10.

Mr. BROWN of Colorado, for 60 minutes, on October 9.

(The following Members (at the request of Mr. MINETA) to revise and extend their remarks and include extraneous material:)

Mr. LAFALCE, for 5 minutes, today.

Mr. MARKEY, for 5 minutes, today.

Mr. HEFTEL of Hawaii, for 5 minutes, today.

Mr. GONZALEZ, for 60 minutes, today.

(The following Members (at the request of Mr. MACKAY) to revise and extend their remarks and include extraneous material:)

Mr. JONES of Oklahoma, for 5 minutes, today.

Mr. FASCELL, for 5 minutes, today.

Mr. ENGLISH, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. SHARP, for 60 minutes, on October 9.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. LEVIN of Michigan, for 60 minutes, October 9.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SHELBY, and to include extraneous material notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,818.75.

(The following Members (at the request of Mr. CHANDLER) and to include extraneous matter:)

Mr. MARLENEE in two instances.

Mr. COURTER.

Mr. HUNTER.

Mr. EMERSON in five instances.

Mr. PURSELL.

Mr. LEWIS of California.

Mr. DANNEMEYER.

Mr. LENT in three instances.

Mr. BROYHILL.

Mr. MCKINNEY.

Mr. BETHUNE.

Mrs. JOHNSON.

Mr. MILLER of Ohio in three instances.

Mr. WYLIE.

Mr. LEACH of Iowa.

Mr. CONTE.

Mr. PHILIP M. CRANE in six instances.

Mr. DAUB.

Mr. KINDNESS.

Mr. RITTER.

(The following Members (at the request of Mr. MINETA) and to include extraneous matter:)

Mr. GORE.

Mr. TOWNS.

Mr. LEVINE of California.

Mr. FASCELL in two instances.

Mr. COELHO.

Mr. ACKERMAN.

Mr. DINGELL.

Mr. MACKAY.

Mr. RODINO.

Mr. DORGAN.

Mr. GORE.

Mr. CLAY.

Mr. MURTHA.

Mr. TRAXLER.

Mr. ALBOSTA.

Mr. TORRICELLI.

Mr. FUQUA in two instances.

Mr. BORSKI in three instances.

Mr. KLECZKA.

Mr. FOWLER.

Mr. SKELTON.

Mr. DE LUGO.

Mr. FEIGHAN in two instances.

Mr. PRICE.

Mr. WRIGHT.

(The following Members (at the request of Mr. CHANDLER) and to include extraneous matter:)

Mr. COLEMAN of Missouri.

Mr. CHANDLER.

(The following Members (at the request of Mr. MACKAY) and to include extraneous matter:)

Mr. MONTGOMERY.

Mr. PANETTA.

Mrs. LLOYD in two instances.

Mr. FLORIO.

Mr. BORSKI in two instances.

Mr. DORGAN.

Mr. COELHO.

Mr. TRAXLER.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2518. An act for the relief of Therese Nyuwir Poupele Kpoda; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2838. An act entitled the "Federal Timber Contract Payment Modification Act";

H.R. 2859. An act for the relief of John Brima Charles;

H.R. 2878. An act to amend and extend the Library Services and Construction Act;

H.R. 2889. An act to amend the National Historic Preservation Act, and for other purposes;

H.R. 3601. An act to modify the boundary of the Pike National Forest in the State of Colorado, and for other purposes;

H.R. 3697. An act to modify Federal land acquisition and disposal policies carried out with respect to Fire Island National Seashore, and for other purposes;

H.R. 4932. An act to withdraw certain public lands in Lincoln County, Nevada, and for other purposes;

H.R. 4994. An act to exempt from taxation by the District of Columbia certain property of the Jewish War Veterans, U.S.A. National Memorial, Incorporated;

H.R. 5223. An act to amend the Federal Meat Inspection Act and the Poultry Products Inspection Act to exempt restaurant central kitchens under certain conditions from Federal inspection requirements;

H.R. 5513. An act to designate the Delta States Research Center in Stoneville, MS, as the "Jamie Whitten Delta States Research Center";

H.R. 5540. An act to provide for restoration of Federal recognition to the Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians, to institute for such Tribe those Federal services provided to Indians who are recognized by the Federal Government and who receive such services because of Federal trust responsibility, and for other purposes;

H.R. 5631. An act to provide for the acquisition of a visitor contact and administrative site for the Big Thicket National Preserve in the State of Texas;

H.R. 5782. An act granting the consent of Congress to an amendment to the Delaware River Basin Compact;

H.R. 5818. An act to enable the Consumer Product Safety Commission to protect the public by ordering notice and repair, replacement or refund of certain toys or articles intended for use by children if such toys or articles contain a defect which creates a substantial risk of injury to children;

H.R. 5997. An act to designate the United States Post Office and Courthouse in Pendleton, Oregon, as the "John F. Kilkenny United States Post Office and Courthouse"; and

H.R. 6223. An act to amend the act providing for the incorporation of certain persons as Group Hospitalization, Inc.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a joint res-

olution of the Senate of the following title:

S. 566. An act to direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain tracts of land conveyed to the South Carolina State Commission of Forestry, and to direct the Secretary of the Interior to convey certain mineral interests of the United States in such land to such Commission, and for other purposes;

S. 905. An act to establish the National Archives and Records Administration, and for other purposes;

S. 1097. An act to consolidate and authorize certain atmospheric and services programs and functions of the National Oceanic and Atmospheric Administration under the Department of Commerce;

S. 1868. An act to add $2,000,000 to the budget ceiling for new acquisitions at Sleeping Bear Dunes National Lakeshore; and

S.J. Res. 295. Joint resolution to provide for the designation of the week of October 14 through October 20, 1984, as "Myasthenia Gravis Awareness Week."

BILLS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.J. Res. 676. Joint resolution making further continuing appropriations for fiscal year 1985.

ADJOURNMENT

The SPEAKER pro tempore. Without objection, the House will stand adjourned, to meet at 12 o'clock noon on Tuesday, October 9, 1984.

There was no objection.

Accordingly (at 5 o'clock and 55 minutes p.m.) under its previous order, the House adjourned until Tuesday, October 9, 1984, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4125. A letter from the Deputy Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed letter of offer to Singapore for defense articles estimated to cost in excess of $50 million (Transaction No. 85-01), pursuant to 10 U.S.C. 133b (96 Stat. 1288); to the Committee on Armed Services.

4126. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during August 1984 to Communist countries, as a result of Presidential Determinations, pursuant to the act of July 31, 1945, chapter 341, section 2(b)(2) (88 Stat. 2334); to the Committee on Banking, Finance and Urban Affairs.

4127. A letter from the Auditor, District of Columbia, transmitting a copy of a report entitled, "Annual Report on Depository Activities, Fiscal Year 1983," pursuant to Public Law 93-198, section 455(d); to the Committee on the District of Columbia.

4128. A letter from the Auditor, District of Columbia, transmitting a copy of a report entitled, "Bi-Annual Audits of the Advisory Neighborhood Commissions for the Period January 1, 1982 Through December 31, 1983," pursuant to Public Law 93-198, section 455(d); to the Committee on the District of Columbia.

4129. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 5-177, "D.C. Unemployment Compensation Act Second Amendments Act of 1984," and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

4130. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 5-178, "Real Property Tax Rates Setting Procedures Amendment Act of 1984," and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

4131. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 5-179, "Closing of a Public Alley in Square 100 Act of 1984," and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

4132. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 5-180, "Mandatory Mail Receptacle Temporary Act of 1984," pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

4133. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 5-181, "D.C. Confidentiality of Library Records Act of 1984," and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

4134. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 5-182, "Neglect Representation Equity Act of 1984," and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

4135. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 5-183, "Real Property Tax Appellate Provisions Amendment Act of 1984," and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

4136. A letter from the Secretary of Health and Human Services, transmitting a report on the activities of the Public Health Service, including annual reports on the following: financial disclosure for health maintenance organizations; health maintenance organizations; disease control programs and immunization; health services research, health statistics and health care technology; 5-year plan for family planning services and population research; status of health information and health promotion; and continuation pay for dentists, pursuant to various sections of the Public Health Service Act and 37 U.S.C. 311(c); to the Committee on Energy and Commerce.

4137. A letter from the Deputy Director, Defense Security Assistance Agency, transmitting notification of the Department of the Army's proposed letter of offer to Pakistan for defense articles and services estimated to cost $30 million (Transmittal No. 84-69), pursuant to AECA, section 36(b) (90 Stat. 741; 93 Stat. 708, 709, 710; 94 Stat. 3134; 95 Stat. 1520); to the Committee on Foreign Affairs.

4138. A letter from the Deputy Director, Defense Security Assistance Agency, transmitting notification of the Department of the Army's proposed letter of offer to Switzerland for defense articles and services in excess of $50 million (Transmittal No. 84-70), pursuant to AECA, section 36(b) (90 Stat. 741; 93 Stat. 708, 709, 710; 94 Stat. 3134; 95 Stat. 1520); to the Committee on Foreign Affairs.

4139. A letter from the Deputy Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed letter of offer to Singapore for defense articles and services in excess of $50 million (Transmittal No. 85-01), pursuant to AECA, section 36(b) (90 Stat. 741; 93 Stat. 708, 709, 710; 94 Stat. 3134; 95 Stat. 1520); to the Committee on Foreign Affairs.

4140. A letter from the Attorney General, Department of Justice, transmitting a report on the recipients of the Young American Medals for Bravery for the 1983 calendar year, pursuant to the act of August 3, 1950, chapter 520, section 5; to the Committee on the Judiciary.

4141. A letter from the U.S. Trade Representative, transmitting a report on the operation of the International Coffee Agreement for the period of October 1, 1983 to September 30, 1984, pursuant to 19 U.S.C. 1356n; to the Committee on Ways and Means.

4142. A letter from the Comptroller General of the United States, transmitting a report entitled, "Community Services Block Grant: New State Role Brings Program and Administrative Changes," (GAO/HRD-84-76, September 28, 1984); jointly to the Committees on Government Operations and Education and Labor.

4143. A letter from the Secretary of Transportation, transmitting the study of high speed waterborne transportation services worldwide, pursuant to Public Law 95-599, section 320; jointly, to the Committees on Public Works and Transportation and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. Occupational illness data collection: Fragmented, unreliable, and 70 years behind communicable disease surveillance (Rept. No. 98-1144). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. The Women's Bureau: Is it meeting the needs of women workers? (Rept. No. 98-1145). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Breakdowns in the Department of the Interior's Civil Penalty Assessment and Collections Program have adversely affected the enforcement of the Surface Mining Control and Reclamation Act of 1977 (Rept. No. 98-1146). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Problems plague the Environmental Protection Agency's pesticide registration activities (Rept. No. 98-1147). Referred to the Committee of the Whole House on the State of the Union.

Mr. MOAKLEY: Committee on Rules. House Resolution 606. Resolution providing for agreeing the Senate amendments to H.R. 6163, a bill to amend title 28, United States Code, with respect to the places where court shall be held in certain judicial districts, and for other purposes. (Rept. No. 98-1148). Referred to the House Calendar.

Mr. WHEAT: Committee on Rules. House Resolution 607. Resolution providing for the consideration in the House of S. 2565, a bill to extend programs under the Head Start Act, and for other purposes. (Rept. No. 98-1149). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules. House Resolution 608. Resolution providing for agreeing to the Senate amendment to H.R. 999, a bill to provide for the conservation, rehabilitation, and improvement of natural and cultural resources located on public or Indian lands, and for other purposes (Rept. No. 98-1150). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 609. Resolution providing for agreeing to the Senate amendment to H.R. 5121, a bill to designate certain national forest system lands in the State of Virginia as wilderness, and for other purposes (Rept. No. 98-1151). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. H.R. 5247. A bill to amend the Congressional Budget Act of 1974 to improve the congressional budget process, and for other purposes; with amendments (Rept. No. 98-1152, Pt. I). Ordered to be printed.

Mr. MOAKLEY: Committee on Rules. House Resolution 610. Resolution providing for the consideration of House Joint Resolution 659, a joint resolution making further continuing appropriations for fiscal year 1985 (Rept. No. 98-1153). Referred to the House Calendar.

Mr. DINGELL: Committee of conference. Conference report on S. 2616 (Rept. No. 98-1154). Ordered to be printed.

Mr. DINGELL: Committee of conference. Conference report on S. 540 (Rept. No. 98-1155). Ordered to be printed.

Mr. ROSTENKOWSKI: Committee of Conference. Conference report on H.R. 3398 (Rept. No. 98-1156). Ordered to be printed.

SUBSEQUENT ACTION ON A REPORTED BILL

Under clause 5 of rule X the following action was taken by the Speaker:

H.R. 5143: Discharged from the Union Calendar and referred to the Committee on Ways and Means for consideration of such portions of the amendment as fall within that committee's jurisdiction pursuant to clause 1(v), rule X.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FASCELL (for himself and Mr. BROOMFIELD):

H.R. 6409. A bill to authorize international development and security assistance programs and Peace Corps programs for fiscal year 1985, and for other purposes; to the Committee on Foreign Affairs.

By Mr. PANETTA:

H.R. 6410. A bill to improve and expand benefits for active duty military personnel and their dependents; to the Committee on Armed Services.

By Mr. ASPIN:

H.R. 6411. A bill to provide, through States and employer-employee committees, that services are provided to unemployed persons to facilitate transfer to new employment opportunities, to require the employer to give employees advance notice of layoffs and to give employees relocation options and assistance, and for other purposes; to the Committee on Education and Labor.

H.R. 6412. A bill to provide, in the case of mass layoffs by an employer, through States and employer-employee committees, that services are provided to unemployed persons to facilitate transfer to new employment opportunities, to require, in the case of mass layoffs by an employer, the employer to give employees advance notice of layoffs and to give employees relocation options and assistance, and for other purposes; to the Committee on Education and Labor.

By Mr. BEDELL:

H.R. 6413. A bill to direct the Secretary of Agriculture to carry out an acreage limitation program and a land diversion program for the 1985 crop of feed grains; to the Committee on Agriculture.

By Mr. ENGLISH (for himself and Mr. KINDNESS):

H.R. 6414. A bill to amend the Freedom of Information Act, and for other purposes; to the Committee on Government Operations.

By Mr. EVANS of Iowa:

H.R. 6415. A bill to amend the Internal Revenue Code of 1954 to clarify the conditions under which scholarship and fellowship grants will be excluded from gross income; to the Committee on Ways and Means.

By Mr. FOWLER (for himself, Mr. GIBBONS, Mr. PICKLE, Mr. MATSUI, Mr. THOMAS of California, Mr. DORGAN, Mr. FLIPPO, and Mrs. KENNELLY):

H.R. 6416. A bill to amend the Internal Revenue Code of 1954 to extend the residential energy credit with respect to solar renewable energy source expenditures, with declining percentages of credit, through 1990, and for other purposes; to the Committee on Ways and Means.

By Mr. FRANK:

H.R. 6417. A bill to amend the Act entitled "An Act granting a charter to the General Federation of Women's Clubs;" to the Committee on the Judiciary.

By Mr. GORE:

H.R. 6418. A bill to amend the Agricultural Adjustment Act of 1938 to prohibit the importation of tobacco which has been grown or processed using pesticides and other chemicals whose use has been prohibited in this country for health reasons; to the Committee on Ways and Means.

By Mr. HEFTEL (for himself, Mr. FAZIO, and Mrs. SCHNEIDER):

H.R. 6419. A bill to amend the Internal Revenue Code of 1954 to extend the energy tax credit for investments in certain classes of energy property, and for other purposes; to the Committee on Ways and Means.

By Mr. HEFTEL of Hawaii:

H.R. 6420. A bill to amend the Internal Revenue Code of 1954 to broaden the income tax base, to lower tax rates, and achieve a more neutral tax system by imposing a fair and simple progressive cash flow income tax, and for other purposes; to the Committee on Ways and Means.

By Mr. JONES of Oklahoma (for himself and Mr. FRENZEL):

H.R. 6421. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of incentive stock options; to the Committee on Ways and Means.

By Mr. WHITTEN:

H.J. Res. 659. Joint resolution making further continuing appropriations for fiscal year 1985; to the Committee on Appropriations.

By Mr. MORRISON of Connecticut:

H.J. Res. 660. Joint resolution to require the U.S. Postal Service to provide and sell a postage stamp issue to honor Walter Camp, the organizer of the game of football in the United States; to the Committee on Post Office and Civil Service.

By Mr. LONG of Maryland:

H.J. Res. 661. Joint resolution to designate May 18, 1985, as "Fallen Heroes Day"; to the Committee on Post Office and Civil Service.

By Mr. SOLARZ:

H. Con. Res. 370. Concurrent resolution condemning the upsurge in international terrorism; to the Committee on Foreign Affairs.

By Mr. O'NEILL:

H. Res. 611. Resolution electing the Honorable Jim Wright, a Representative from the State of Texas, Speaker pro tempore during the absence of the Speaker; considered and agreed to.

By Mr. BILIRAKIS:

H. Res. 612. Resolution to amend the Rules of the House of Representatives to provide that the House may not consider the legislative branch appropriation bill until the House and the Senate have agreed to all other general appropriation bills for the fiscal year; to the Committee on Rules.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 388: Mr. LAGOMARSINO, Mr. BADHAM, and Mr. CLINGER.

H.R. 3487: Mr. DE LA GARZA and Mr. OLIN.

H.R. 3846: Mr. HILLIS.

H.R. 4402: Mrs. BYRON.

H.R. 4466: Mr. ANDREWS of North Carolina, Mr. YOUNG of Florida, Mr. HILLIS, and Mr. BADHAM.

H.R. 5206: Mr. DINGELL, Mr. KILDEE, and Mr. MCEWEN.

H.R. 5370: Mr. GRAY.

H.R. 5396: Mr. DWYER of New Jersey and Mr. LEVIN of Michigan.

H.R. 5487: Mr. WOLF.

H.R. 5582: Mr. MACKAY, Mr. LEHMAN of Florida, Mr. BEILENSON, Mr. CONYERS, Mrs. KENNELLY, Mr. STOKES, Mr. BEDELL, Mr. WEAVER, Mr. DELLUMS, and Mr. DURBIN.

H.R. 5863: Mr. SIMON and Mr. GEJDENSON.

H.R. 5940: Mr. GRAY.

H.R. 6050: Mr. DEWINE.
H.R. 6051: Mr. DEWINE.
H.R. 6053: Mr. MARLENEE.
H.R. 6124: Mr. WALGREN.
H.R. 6158: Mr. HEFTEL of Hawaii.
H.R. 6162: Mr. SCHEUER.
H.R. 6172: Mr. LONG of Maryland.
H.R. 6239: Mr. MADIGAN.
H.R. 6370: Mr. LEVINE of California.
H.J. Res. 134: Mr. CHAPPELL and Mr. SHAW.
H.J. Res. 206: Mr. DE LA GARZA, Ms. FIEDLER, and Mr. MINETA.
H.J. Res. 460: Mr. REGULA, Ms. FIEDLER, Mr. WOLF, Mr. PHILIP M. CRANE, Mr. HILLIS, and Mr. SMITH of Florida.
H.J. Res. 582: Mr. MARTIN of New York.
H.J. Res. 588: Mr. LIPINSKI, Mr. PEPPER, Mr. CONTE, and Mr. YOUNG of Florida.
H.J. Res. 609: Mr. SCHEUER.
H. Con. Res. 158: Mr. GORE.
H. Con. Res. 320: Mr. STOKES.
H. Con. Res. 339: Mr. EMERSON, Mr. BOEHLERT, Mr. VANDER JAGT, Mr. MURPHY, Mr. MCCOLLUM, Mr. ROE, Mrs. COLLINS, and Mr. MCCURDY.
H. Res. 537: Mr. BADHAM, Mr. PHILIP M. CRANE, and Mr. HEFNER.
H. Res. 593: Mr. UDALL, Mr. JEFFORDS, Mr. SCHEUER, Mr. MCNULTY, and Mr. CONTE.

SENATE—*Friday, October 5, 1984*

(Legislative day of Monday, September 24, 1984)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Lord of mercy and grace, Yom Kippur—Day of Atonement—reminds us that You are a God of love and forgiveness for which we are unspeakably grateful. This is a day for thanksgiving. Thank You for the privilege of working in this place and for the pleasure of associating with so many fine people. Thank You for our leadership, their strength and wisdom, their beautiful spirit of cooperation. Thank You for the Senators and their staffs. We pray especially for those who are up for reelection that You will guide them in their final days of campaigning and provide personal and financial resources to maximize their efforts.

Thank You, dear God, for all the other delightful people who make the Senate run—the officers and their staffs—those who labor so efficiently in the Congressional Record office. Thank You for committee staffs—for hard working friends in the cloak rooms, and for the pages. Thank You for elevator operators, subway workers, food service people, and all who work in maintenance inside and out. Thank You for the attending physician and associates, for the Architect and his staff.

We are profoundly grateful for those who provide security—whose jobs are routine day after day—and yet whose lives could be at risk any moment of the day or night when sudden crisis threatens. Thank You for the 20 years of faithful service of James Milton Powell, Chief of the Capitol Police. Bless him in his retirement. We commend to You our new Chief, James J. Carvino, and ask Your blessing upon him as he begins his new responsibility.

Thank You for the favor of each other's friendship, the joy of working together and thank You, Lord, for all Your blessings to all of us. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

(Mr. MURKOWSKI assumed the chair.)

SENATE SCHEDULE

Mr. STEVENS. Mr. President, today, after the recognition of the two leaders under the standing order, there is a special order for my good friend from West Virginia, the Democratic leader, [Mr. BYRD]. Following that special order, there is a period for the transaction of routine morning business. I am going to have a series of straws cut and the one who gets the shortest straw can have the 1 minute. We have 1 minute of routine morning business this morning.

Following that routine morning business we will go immediately to the debt limit extension bill, which is House Joint Resolution 654. The short-term extension which was passed last night and sent to the President will continue us through the balance of the day.

The majority leader remains hopeful that we can complete action on the continuing resolution today. I am sad to say I do not bear that confidence. The continuing resolution is not doing well in the conference so far as the defense items are concerned. I think that there is nothing to report to the Senate that is in any way hopeful that we will be able to complete that section of the continuing resolution with dispatch.

We are far below the minimum level set by the conference of the distinguished majority leader of the Senate and the distinguished Speaker of the House. I view that level as being a floor. The House conferees view that level as being a ceiling and they do not seek to come up to the ceiling. And there are very many programs in jeopardy as a consequence of that conflict.

The majority leader has alluded to the schedule of the Senate in the event the Senate does continue its work next week. We would only be here next week if the continuing resolution and the debt limit bill are not completed, as far as votes are concerned, by the beginning of the most important religious holiday for our friends of the Jewish faith. It is an important holiday. We have requests that the Senate not be in session past sundown today. That is a tradition of the Senate to recognize such requests. The leader will have a further statement to make on those requests later today.

For myself, I am hopeful that the Senate will keep in mind that that is a very, very serious request. I cannot imagine the Senate staying in session on Christmas Eve or a similar holiday for those of our Members or the Nation with regard to holidays of the Christian faith or faiths which predominate in our Nation. It does seem to me that, unless the Senate realizes that 6 p.m. is an absolute deadline for votes prior to Monday evening, we will not get finished today, Mr. President.

As I said, having spent the evening—and I think our Subcommittee on Defense Appropriations were the last people to leave the building this morning—I have little hope to report to the Senate that there will be an early resolution of the defense matters of this continuing resolution.

FEDERAL ELECTION CAMPAIGN ACT REPORTS

Mr. STEVENS. Mr. President, I ask unanimous consent that a notice concerning filing and public availability of Federal Election Campaign Act reports be inserted in the RECORD.

There being no objection, the notice was ordered to be printed in the RECORD, as follows:

NOTICE CONCERNING FILING AND PUBLIC AVAILABILITY: FEDERAL ELECTION CAMPAIGN ACT REPORTS

The principal campaign committee of each Senate candidate seeking election in 1984 must file a quarterly report by October 15, 1984. In addition, a 12 day pre-general report is due on October 25 and a 30 day post-general report must be filed by December 6, 1984. Last minute contributions of $1,000 or more received between two and 20 days before the general election must be reported within 48 hours of receipt.

All of the preceding reports must be filed with the Senate Office of Public Records, 232 Hart Building, Washington, D.C. 20510. In general, reports are available to the press, public and Federal Election Commission within 24 hours after they are received. Reports filed on a Friday or Saturday and Special Reports of Last Minute Contributions are made publicly available immediately upon receipt.

Copies of these reports may be purchased at a cost of 10¢ per page. Advance requests for copies may be made but processing will be done on an "as time permits basis".

The Public Records Office will be open, at a minimum, during this pre-election period, each business day from 9 am until 5 pm and Saturday, October 13, 20, and 27 from 10 am until 2 pm. Additional questions should be directed to the Public Records Office (224-0322).

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The minority leader is recognized.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. BYRD. Mr. President, I thank the distinguished assistant majority leader for his comments and insight with respect to the remaining work that has to be done before Congress can adjourn sine die.

FAREWELL TO A FRIEND—SENATE JENNINGS RANDOLPH

Mr. BYRD. Mr. President, in Troilus and Cressida, Shakespeare speaks of, "As many farewells as be stars in heaven." To be human is to know the dilemma of a multitude of such farewells. To bid a friend well on his departure is a bittersweet experience at best—a hybrid attended by warm hopes for his future and by sorrow at his leaving.

Such a farewell is my task now.

In 1958, I was elected a Senator from West Virginia in tandem with my good friend and distinguished colleague Senator JENNINGS RANDOLPH—he in 1958 campaigned for the U.S. Senate to serve an uncompleted term. I was elected in 1958 to a full term. For more than a quarter-century, Senator RANDOLPH and I have shared the honor and the duty of representing one of America's most beautiful States, and some of our country's finest people.

In those years, I have often been moved to gratitude and admiration by Senator RANDOLPH. An inveterate humanitarian, Senator RANDOLPH has been tireless in looking for, discovering, and laboring for programs and efforts to help people improve their lives or to take advantage of their opportunities and possibilities. He by nature and temperament thoughtful and courtly, and he has been a study in cooperation and helpfulness.

I have said many times that if every Senator would show the same understanding, cooperation, and patience, as has my senior colleague, leadership in the Senate would be much more enjoyable, and a great deal less burdensome.

No man in the Senate over all our years of service together could have been more fortunate in sharing representation for his State than I have been fortunate in working together with JENNINGS RANDOLPH on behalf of the State and people of West Virginia.

Senator RANDOLPH did not choose to run for reelection this fall. Instead, after a career in the Senate and the House of Representatives which amounts to a commulative 40 years of service spanning 50 years, JENNINGS RANDOLPH is voluntarily retiring from this body, and, in a way, from Capitol Hill. But I hope that he will return to us on Capitol Hill from time to time so that we will indeed continue to be blessed with his counsel and advice. His life spans most of the great events of our century. JENNINGS RANDOLPH has lived during an era when he has seen more progress for mankind than perhaps occurred in all of the previous years, decades, and centuries. His public years span most of the great moments, I would say, of our contemporary era. From that wide prespective and experience of more than fourscore years, JENNINGS RANDOLPH has brought to his Senate duties and to our collective resources a priceless wisdom and a dauntless spirit.

True to his mettle, Senator RANDOLPH may be retiring from the Senate, but not to go sit in a rocking chair. JENNINGS RANDOLPH's life has been full to overflowing with broad and diverse interests—education, health care, rehabilitation, youth, the church, aviation, and industry, to name but a few. As he contributed his challenging, creative ideas and bouyant enthusiasm to those causes in the past, so he will continue to do in the future. The Senate's loss is the gain of the several foundations and institutions with which we have shared Senator RANDOLPH's loyalties and energies, lo, these 26 years.

I know that I speak for all of our colleagues in wishing Senator RANDOLPH the most satisfying experiences in the years ahead, and in offering him the pledge of our everlasting gratitude and appreciation to him for the countless personal courtesies and the fathomless assistance, inspiration, and wisdom that he has given to us as men and women, as friends, and as fellow-public servants.

Mr. President, I ask unanimous consent that an article from today's New York Times with respect to Senator JENNINGS RANDOLPH's pending retirement be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FROM ROOSEVELT'S OUTINGS TO REAGAN'S GREETINGS

(By Marjorie Hunter)

WASHINGTON.—Within hours after taking his seat in Congress one March day in 1933, Jennings Randolph cast his first vote. Fifty-one years and thousands of votes later, Senator Randolph is ending a Congressional career that spanned nine Presidencies.

The departure of the 82-year-old West Virginia Democrat will ring down a curtain on an era. He is the only member of the current Congress who served in those heady First Hundred Days in which the framework of Franklin D. Roosevelt's New Deal came into being.

He is not only older but also perhaps a bit heavier than when he came to Capitol Hill as a 32-year-old freshman Representative. But his face is nearly unlined, he is still mentally and physically alert and he is considered one of the best-dressed members of Congress.

This week, sitting in an office cluttered with hundreds of pictures and other memorabilia of a past about which he loves to talk, Senator Randolph recalled those early days in Congress.

LACK OF DISCIPLINE IN SENATE

"We were not just a nation on our knees," he said. "We were prone on our backs. Unemployment then was 26 percent. Why, in one area of West Virginia it was over 60 percent."

The Congress he came to as a freshman member of the House, he said, hardly resembles the Congress he is now leaving as a member of the Senate.

"The changes here on Capitol Hill have been dramatic," he said. "There is a lack of discipline in the Senate—a deterioration every year I have been here. I just don't understand it.

"Why, I haven't even been able to get members of the Senate to vote from their desks, as they should. It's like a soccer game down there in the well of the Senate."

A MODERN DIVISIVENESS

There is a divisiveness now in Washington, he said, that did not exist in those early days of Roosevelt's Administration. "We had differences," he went on, "but not deep cleavages. Today, there are fights constantly going one between the White House and Capitol Hill."

However, he said he would miss being in Congress, despite the confusion, because it has become so much of his life. He served 14 years in the House, spent the next 11 years in the airline industry and has served in the Senate for 26 years.

In those Senate years alone, he served with 283 men and women and cast about 10,720 votes.

He is leaving now because of age and, friends says, because he encountered an unexpectedly close race for re-election six years ago.

THE ISSUES HE FOUGHT FOR

Over his years in Congress, principally his long tenure as chairman of the Senate Public Works Committee before Republicans won control of the Senate four years ago, he has been in the forefront of legislation for coal mine safety, help for those suffering from black lung disease, water pollution control, clear air, lowering the voting age to 18, aid to the poor and blind, and development of the Appalachian region and other underdeveloped areas.

He was a prime sponsor, too, of airline safety legislation. Some have called him the "father" of modern American commercial aviation. He led the fight for the Interstate highway system and the fight for creation of the National Air and Space Museum, now Washington's most popular tourist attraction.

His final legislative legacy, Senator Randolph said, was Congressional approval last week of a United States Institute of Peace, a variation on the idea that he espoused 39 years ago when he offered a bill to create a Department of Peace. The institute is to disburse $16 million to universities, research groups and scholars to promote the study of international diplomacy and resolution of conflicts.

ROOSEVELT WAS HIS FAVORITE

It is perhaps not surprising that of the nine men who occupied the White House in Jennings Randolph's years in Congress, Roosevelt was his favorite.

Early in his Administration, President Roosevelt befriended the young West Virginian, inviting him to the White House and on outings. The walls of Senator Randolph's office display numerous framed photographs of President Roosevelt at work and at play.

"Yes, I still consider myself a New Dealer," the Senator said. "We were like a close-knit family. Those were very exciting days."

He also gives high marks to Harry S. Truman ("a great President, one of our best"), John F. Kennedy ("he gave great promise of leadership") and Lyndon B. Johnson ("he was good on education, one of our better chief executives").

BIRTHDAY GREETINGS FROM REAGAN

But Senator Randolph refuses to list those he considers the worst and he prides himself on "working with all our Presidents."

Last March 8, on his 82nd birthday, President Reagan telephoned him from Air Force One on his way to Atlanta, to wish him a happy birthday.

The mementos of four decades in Congress are being packed up now, many of them to be sent to the newly created Jennings Randolph Center for Public Service at Salem College in Salem, W. Va., the college from which he was graduated and which he has served as a trustee for more than half a century.

The center will be housed in the red brick Victorian house in which the Senator was born. It is being moved from Main Street to the college campus.

FOR THE FUTURE, WRITING

Even though the packing-up has begun, Senator Randolph is not leaving Washington for good. He will keep his home here on Cathedral Avenue and divide his time between Washington and an apartment in an Elkins, W. Va., hotel.

Now that his days in Congress are coming to an end, Senator Randolph wants to resume a writing career. While he was at Salem College he covered sports for The Clarksburg (W. Va.) Daily Telegram. Later, he became associate editor of The West Virginia Review in Charleston and then a professor of journalism and public speaking at Davis and Elkins College. He recently completed an article for the magazine U.S. Air, appealing to Americans to get out the vote.

"I'm not going to retire," Senator Randolph said. "I'm just changing jobs."

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes left, and 15 minutes under the special order.

Mr. BYRD. Does any Senator wish time?

Mr. PACKWOOD. Mr. President, I would like some time simply to explain the situation for the record regarding the bill on cable television which has not yet gone to conference.

Mr. BYRD. I yield to the distinguished Senator.

Mr. STEVENS. I will be happy to yield 2 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Oregon.

S. 66—CABLE TELEVISION

Mr. PACKWOOD. Mr. President, about 1 year ago the Senate passed S. 66, a bill relating to cable television. It went to the House and languished in the House for almost a year. Earlier this week after negotiations between all of the parties involved, a bill was passed, but to it was appended a provision relating to affirmative action and employment in the cable television industry. That provision was not on the bill as it passed the Senate. It has come back to the Senate with a message from the House asking for the appointment of conferees. At the moment there are objections from two Senators to the appointments of those conferees because of the addition in the House bill of these affirmative action provisions. We hope we can get agreement on the last day of the Senate. But, if not, we are very close to it. And as the Senate knows, any single Senator can stop the passage of a bill if that Senator chooses to do so. If the leader were to move to appoint conferees, the people who object to the provisions in the bill could object. They could debate that motion, and if by chance the leader simply said, "I am going to do it without them" and the conference report came back with the language they did not like, they could easily filibuster the conference report to the end of the session.

So that is the dilemma I am in today. I cannot get consent to appoint the conferees, and there will be objection if the leader attempts to motion up the message from the House and the appointment of the conferees. If the bill dies—I am not here commenting on the substance of the provision added in the House—it will die because these provisions were added relating to affirmative action in the House and met objection from some Members of the Senate in the closing days when they were able in essence to threaten to kill the bill.

Mr. STEVENS. Why do we not strip off that provision and send it back to the House?

Mr. PACKWOOD. We could well do that. At the moment we have objection to taking up the bill for conferees or otherwise. That is the problem.

Mr. STEVENS. I thank the Senator. I reserve the balance of our time.

I also ask unanimous consent that the time for the distinguished Democratic leader under the special order be reserved for his use later in the day. Does the Senator from Montana seek recognition?

Mr. MELCHER. Mr. President, will the assistant majority leader yield the floor?

Mr. STEVENS. I yield for a question.

SENATE SCHEDULE

Mr. MELCHER. Yes. Have we gotten any indication about the schedule for this morning?

Mr. STEVENS. Mr. President, I would say to my friend that the schedule is that after we have 1 minute of routine morning business, the debt limitation bill will be before the Senate. It will be open to amendment. I do not want to see that 1 minute run until everybody is at the gate, if the Senator knows what I mean. I was about ready to put in a quorum call to assure that everyone was here before the 1 minute started.

Mr. MELCHER. Will the assistant majority leader yield for another question?

Mr. STEVENS. Yes, I would be delighted to.

Mr. MELCHER. Is there any plan, either formal or otherwise, on what amendments will be first offered? The point of my question is that many of us have been waiting to bring up the question of imputed interest.

Mr. STEVENS. I might say to my friend it was my understanding that the Senator from Massachusetts had an amendment dealing with the nuclear freeze. It is generally felt that that would be first. However, there is no way of determining that. Whichever Senator is here and is recognized by the Chair first is the one who is going to present the first amendment today. Knowing the distinguished occupant as I do, I think that he will have a broad spectrum view of the Senate and listen very attentively because I expect there will be several people on their feet seeking recognition.

Mr. President, I ask unanimous consent that the distinguished Democratic leader and I may proceed on separate matters without reaching morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SURFACE TRANSPORTATION AND UNIFORM RELOCATION ASSISTANCE ACT OF 1984

Mr. STEVENS. Mr. President, I ask that the Chair lay before the Senate H.R. 5504, Calendar 1009.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 5504) to apportion funds for construction of the National System of Interstate and Defense Highways for fiscal years 1985 and 1986, to revise authorizations for mass transportation, to expand and improve the relocation assistance program, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

Mr. BYRD. Mr. President, I have no objection.

There being no objection, the Senate proceeded to consider the bill.

Mr. STEVENS. Mr. President, I move that the Senate strike all after the enacting clause and insert the text of S. 3024, as amended, and that the Senate insist on its amendment and request a conference with the House thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. STAFFORD, Mr. SYMMS, Mr. CHAFEE, Mr. DOMENICI, Mr. ABDNOR, Mr. EVANS, Mr. RANDOLPH, Mr. BENTSEN, Mr. BURDICK, Mr. MOYNIHAN, Mr. LAUTENBERG, for title I; and Mr. ROTH, Mr. DURENBERGER, and Mr. SASSER for title II conferees on the part of the Senate.

FOR THE RELIEF OF THERESE NYUWIUR POUPELE KPODA

Mr. STEVENS. Mr. President, I ask the Chair to lay before the Senate Calendar No. 1277, S. 2518.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2518) for the relief of Therese Nyuwiur Poupele Kpoda.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported by the Committee on the Judiciary.

AMENDMENT NO. 7066

(Purpose: To amend the Immigration and Nationality Act and for other purposes)

Mr. STEVENS. Mr. President, I send an amendment to the desk on behalf of the Senator from Wyoming [Mr. SIMPSON] and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for Mr. SIMPSON, proposes an amendment numbered 7066.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, line 3, insert the following: "(a)"

On page 2, after line 4, add the following: "(b) Section 101(a)(9) of the Immigration & Nationality Act (8 U.S.C. 1101(a)(9)) is amended by deleting the second sentence thereof."

Mr. SIMPSON. Mr. President, this amendment will delete a provision of the Immigration and Nationality Act which permits the Governors of the Canal Zone and of our "outlying possessions" to issue immigrant and nonimmigrant visas under our immigration laws. This is unwise and unusual. In all other cases, visas are issued by "consular officers" of our State Department. Determining the qualifications of an applicant and the issuance of the visa is an extremely technical process requiring expertise in our immigration laws; a function which should not be delegated to officials without the necessary training or expertise.

This amendment is strongly supported by the administration and is noncontroversial.

Mr. STEVENS. Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 7066) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and the third reading of the bill.

The bill (S. 2518) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2518

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, (a) for the purposes of the Immigration and Nationality Act, Therese Nyuwur Poupele Kpoda shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by the proper number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act or, if applicable, the total number of immigrant visas which are made available to natives of the country of the alien's birth under section 202(e) of such Act.

(b) Section 101(a)(9) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(9)) is amended by deleting the second sentence thereof.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. BYRD. Mr. President, I vote to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, I see no one seeking time. I reserve the remainder of the majority leader's time. We have reserved the special order for the distinguished minority leader.

ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask for routine morning business.

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to exceed 1 minute.

GENOCIDE CONTINUES TO OCCUR EVEN TODAY

Mr. PROXMIRE. Mr. President, with any luck, we will open our debate on the Genocide Convention later today, after the Senate concludes its debate on the debt ceiling extension bill.

As we prepare for that debate it is important to remember that evidence is mounting that genocide is taking place in two areas of the world even as we debate.

In Iran, the Islamic regime of Khomeini has been engaging in a bloodthirsty campaign against the Baha'is, a peaceful religious group. While Khomeini's regime has reportedly murdered 40,000 people over the last 3 years and incarcerated and tortured another 120,000, the Baha'is seem to be singled out for special treatment solely because of their religion. As Firuz Kazemzadeh, the vice chairman of the National Spiritual Assembly of the Baha'is of the United States, pointed out in a recent letter to Senator PERCY, U.S. ratification of the Genocide Convention may well help their cause. It is unconscionable that Khomeini's actions go unanswered and here is one place where the United States should take the lead once we have ratified the Genocide Convention.

A second country with which we need to be considered is Uganda. In 1978 the United States adopted legislation which recognized genocide as an international crime and joined the international economic boycott of Uganda in an effort to halt genocidal actions there. Today, according to a September 23 story in the Wisconsin State Journal, genocide is still the rule in Uganda. While the article refers to random violence that continues as a result of roving army bands, there does appear to be a systematic campaign against members of the Baganda tribe.

Mr. President, the United States should take the lead in securing international pressure on the Khomeini regime and the Ugandan Government to bring a halt to these terrible tragedies. With the action that we will take on the Genocide Convention, we will be in a position to do just that.

The unfortunate fact is that today, 35 years after President Truman sent the Genocide Convention to the Senate for our advice and consent, we still have our work cut out for us. Genocide continues to plague our world.

Mr. President, I ask unanimous consent that the letter from the Baha'is to Senator PERCY be reprinted in the RECORD as well as the Wisconsin State Journal news report on Uganda.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL SPIRITUAL ASSEMBLY OF THE BAHA'IS OF THE UNITED STATES,

Wilmette, IL, September 25, 1984.

Hon. CHARLES H. PERCY,
U.S. Senate.

DEAR SENATOR PERCY: The American Baha'i community was delighted to learn that the Senate Foreign Relations Committee under your capable chairmanship has decided to ask the Senate to ratify the Genocide Convention. Genocide, though an ancient crime that has been committed too many times in history, is an evil with which the Baha'is are well acquainted, for it is practiced today by the Islamic regime of Iran against Iranian Baha'is.

We hope that the United States Senate will, at long last, ratify the Convention and permit this great country to resume its traditional championship of the first and foremost of human rights, the right to life itself.

Very sincerely yours,

FIRUZ KAZEMZADEH,
Vice Chairman.

GENOCIDE STILL THE RULE IN UGANDA

(By Michael Killan)

At the worst, there is still an element of randomness. A roving army patrol will choose and occupy a village. Soldiers will select a house, if they do not select all houses.

If the man of the house has fled, he is well off, for he would be killed merely because he is a member of the Baganda tribe. If the woman is comely, or even if not, she is in trouble. She is likely to be teased and abused, beaten and tortured—and raped, probably repeatedly. Then she is likely to be killed. Her children will also be murdered. What possessions she has, if any, will be taken. Perhaps her rude hut will be burned.

At the best, if the soldiers do not intrude upon her life, she will merely starve to death. As will her children. Or they will succumb to disease. There is food and medicine enough for them, but it is not to be theirs; a penalty of their tribal birth. It is government policy.

HEAVY CASUALTIES

This is Uganda, the Uganda of the post-Idi Amin, reformist, pro-Western, pro-American regime of the "eminently civil" President Milton Obote, whom Amin, the thug-buffoon-sergeant-turned-field-marshal, had ousted in 1971 and who returned to power in 1980 in what many viewed as the deliverance of this tortured East African country. Since then, he has been fighting "guerrillas," and the casualties have been heavy.

The State Department's most conservative estimate is that 100,000 people, most of them innocents, have died in Uganda since Obote regained power. Other assessments have ranged as high as 200,000. The Obote government acknowledges that a minimum of 15,000 have died violently. A principal death weapon is the machete.

Some 800,000 are believed homeless, many of them crowded into concentration camps. The British, who invented concentration camps in Africa's Boer War and killed more than 20,000 Afrikaaner women and children in the process of exploring the camps' usefulness, were once the colonial masters of Uganda. Their heirs have followed their lessons well.

In the Luwero Triangle southwest of the capital of Kampala, a region Obote considers a hotbed of sedition, the family size has shrunk an astounding 22.5 percent since Obote took power. The death rate for males ages 16 through 40 is 78 percent. For females in that age group it is 22 percent.

COMPLEX DILEMMA

The mass starvation and much of the military brutality are obvious government dictate. Government corruption, charges of rigged elections and a rapidly deteriorating economy have provoked widespread rebellion against the Obote regime, and President Obote has reacted predictably. Much of the carnage, however, is simply being waged by an ill-paid, ill-trained army that is utterly out of control, treating its African victims like so much vermin and shooting helpless Europeans for their wristwatches.

A driving force in all of this is the long-standing rivalry between the majority Baganda tribe and Obote's minority Lango tribe. There also is a north-south rivalry, an Anglican-Catholic rivalry and even a Christian-Moslem rivalry. The Uganda dilemma is as complex as the Northern Ireland and Lebanese conflicts.

But it is genocide, plain and simple. The Reagan administration, said to suffer with "the Jewish vote" for its too-public political embrace of Southern fundamentalist Protestant sects, suddenly has called for ratification of a 35-year-old international treaty against genocide. Ninety-six other countries ratified it long ago.

The treaty defines unlawful genocide as "certain specified acts undertaken with the intent to destroy a national, ethnic or religious group." Uganda more than qualifies under its terms.

The Reagan administration is pressing ahead with its ratification drive despite opposition from ultra-conservatives who assert that the treaty would allow an unconstitutional intervention by foreign powers, should the international community act against American international camps.

But that is all Washington is doing. Elliot Abrams, the heretofore ineffectual State Department major domo for human rights, angrily denounced the Obote-generated genocide when its atrocities were disclosed. For this outburst, the State Department establishment kicked him in the shins and consigned him to Coventry. Quickly afterwards, the "African desk" boys moved in to soothe the ruffled feelings of Obote, who in response to Abrams had ordered an American military attache out of the country and canceled an officer training program.

The State Department establishmentarians argued that there is no politically viable alternative to Obote in Uganda; that without him the country would tear itself apart and further destabilize the region. Also at work is the doctrine promulgated for the Reagan administration by United Nations Ambassador Jeane Kirkpatrick: "totalitarian" communists are evil and must be resisted; "authoritarian" regimes such as Obote's must be tolerated if they are friendly to the United States.

The genocide can be stopped. If it used its clout, the United States could quickly organize a concerted effort by European and amicable African states to put a collective pressure on Obote to do the following: Permit the International Committee of the Red Cross to break open the grain-stuffed warehouses of Kampala and distribute the foodstuff to all the starving of Uganda. Guarantee the Red Cross access to the entire country and so bring world attention to bear upon the machete-wielders. Launch an investigation into a human crime that is every bit as vile as those investigated and prosecuted at Nuremberg. And, most important, immediately confine the Ugandan army to barracks or other garrison posts.

It won't happen. The Ugandan genocide has fallen into a crack of international diplomacy. The U.S. has no great commercial or political interest there, Britain, Uganda's nominal big sister, is content with Prime Minister Margaret Thatcher's policy of not-so-benign neglect, and sniffily resists any notion of American intervention in "a Commonwealth matter."

Unlike the Jewish holocaust survivors of Israel, the Turk-hating Greeks of Cyprus or even the boat people of Vietnam, the victims of Uganda are dying in a genocide that has no diplomatic constituency.

However brutal, however compelling, their deaths are internationally irrelevant. When the crazed, hungry, lustful soldiers come crashing into their huts, the doomed mothers of Luwero and the rest of Uganda must by now realize that they go to their awful fates without anyone in the world willing to do anything about them, most especially including the government of the United States, defender of the free world—and of "authoritarian states."

THE GENOCIDE CONVENTION—AN IDEA WHOSE TIME HAS COME

Mr. GORTON. Mr. President more than 35 years ago, the United States led efforts which produced the Convention on the Prevention and Punishment of the Crime of Genocide. In June 1949, this treaty was submitted to the U.S. Senate for its advice and consent. Today, the Senate still has yet to vote on this matter, reportedly distinguishing the Genocide Convention as the longest standing order of business in the history of this body. I urge my colleagues to resolve this matter once and for all, by overwhelmingly granting their advice and consent before the adjournment of this session of Congress.

Over the years, certain constitutional questions have been raised regarding ratification of the Genocide Convention. These vital and legitimate concerns could not be dismissed lightly. Rather, they have required full airing, analysis, and careful deliberation; the preservation of our constitutional system demands no less. Today, we can say with certainty that the legal questions posed regarding this treaty have been given the attention and deference they so surely have required. Thirty-five years of rigorous debate and review and meticulous analysis by several administrations, by Senate committees, by the professional bar, and by scholars and groups around the country have determined unequivocally, as stated some time ago by William Rehnquist, that "there are no constitutional obstacles to U.S. ratification" of the Genocide Convention.

Nevertheless, I feel that the Senate would be wise to address two concerns which may necessitate that clarifying language be attached to the instrument of ratification. The first deals with the relationship between the U.S. Constitution and the treaty. Although

the Supreme Court has consistently recognized the supremacy of the Constitution over treaties, ambiguity in the instance of the Genocide Convention could be eliminated through an explicit statement of understanding which asserts this supremacy. The second concern has to do with the possible jurisdiction of the International Court of Justice over the U.S. Government or its citizens. While article V of the treaty protects the rights of citizens accused of committing genocide within the United States, I urge consideration of the Foreign Relations Committee recommendation that an understanding be attached which clarifies the provision in article VI dealing with trials of citizens accused of genocide committed outside the borders of the United States.

Just as dedication to the American Constitution and system of government dictated the steady review which has occurred, so too commitment to the democratic ideals for which this country stands requires that we now move forward with the ratification process. The Genocide Convention clearly bears the imprint of the U.S. delegates who served as its principal architects. Some of its specific provisions derive directly from American jurisprudential concepts concerning the rights of the accused. More significantly, the document embodies the most basic of American principles in recognizing the right of all peoples to live freely, under protection of the rule of law, and shielded from those antidemocratic regimes and individuals who might seek their elimination simply because of their race, religion, or ethnic origin.

In a recent statement, President Reagan eloquently underscored the importance of this treaty, and I am proud to lend my voice to the President's request for final action on the matter. I urge my colleagues to do likewise and, in President Reagan's words, to "vigorously support, consistent with the United States Constitution, the ratification of the Genocide Convention."

WHY EXPORT NUCLEAR TECHNOLOGY TO COMMUNIST CHINA?

Mr. PROXMIRE. Mr. President, on October 1 China showed off its arsenal of nuclear missiles for the first time ever. The big show sent shivers down this Senator's spine. Now, it is true that China has its differences with Russia. And the Chinese have been much less hostile to this country since President Nixon pioneered the breakthrough with the Chinese more than a decade ago. And that is not all. The Chinese have departed from the strict Marxist economic doctrine enforced by Mao during his long dictatorship. The October 1 display featured pompom girls, Olympic athletes, and even a release of 10,000 balloons. So, why did this Senator get the icy shivers in reading about this 35th anniversary of China's Communist rule?

There was nothing in the story by Christopher Wren of the New York Times that was specially new and disturbing. But the picture on the front page of the New York Times on October 2 was something else. Dominating the square and the impressive display of conventional and nuclear weapons in Peking, China, were massive pictures—not of any Chinese figure, but of two Russian Communists: Lenin and Stalin. In spite of all the talk of the independence and even the military opposition of the Chinese and the Russians, the two figures that still dominate China were two Russian revolutionaries, both of them vigorous promoters of international Communist revolution by force and violence, if necessary. Those pictures should jar all of us back to reality. China is the biggest country in population on the face of the Earth. It is a full-fledged nuclear power. Is it hard to imagine how quick and easy it would be for China sometime in the near future to align itself militarily once again with Russia?

The New York Times account reported that one missile—China's largest—was capable of carrying a 50-megaton warhead, equivalent to 50 million tons of TNT over a range of 8,000 miles. That happens to be 2,500 times the power of the U.S. missile that blasted Hiroshima to kingdom come. The display also sported missiles that had been test fired from submarines under water and had a range of 2,500 miles. The Times reported that many of the tanks and rocket launchers, though made in China, looked like copies of Soviet equipment.

Mr. President, China has not signed the Nuclear Non-Proliferation Treaty, and yet earlier this year the administration reported a tentative agreement for this country to export nuclear technology to China. That nuclear technology was, of course, designed for peaceful purposes. China presently has no nuclear energy industry. But it does have a powerful and rapidly growing nuclear weapons arsenal. It has a clear record of exporting nuclear military technology to Pakistan and possibly even to South Africa. Unless we provide the most painstakingly careful safeguards, the Chinese could easily divert the weapons grade plutonium byproduct of the nuclear energy fuel and technology we export to them to their own military purposes or to other nations.

Let us put the history of that United States-to-China nuclear export agreement into up-to-date perspective. Last winter the White House announced its intention to reach an agreement for our export of peaceful nuclear technology to China. The White House made the terms of this agreement public. It implicitly recognized that the Chinese would automatically produce weapons grade plutonium from this technology transfer in the course of producing energy in U.S.-supplied reactors. On what did we rely for protection against the diversion of this vital element for the production of nuclear weapons to military purposes?

As far as China itself is concerned, it is already a military power and has ample supplies of weapons grade plutonium. But China as an exporter or proliferator of nuclear technology that could provide plutonium and nuclear weapons potential to other countries was something else. The White House placed its prime reliance on a White House toast by the Chinese Premier, who is reported to have said in the toast, "China does not proliferate." Note the tense. The Premier did not say China had not proliferated. Indeed, he could not have said that because China has been a notorious proliferator. He didn't say "will not." Armed with our peaceful nuclear technology, China could proliferate more than ever in the future. A little after this toast was announced as the prime basis for our making a nuclear technology transfer agreement with the Chinese, the Senate passed an amendment to the Export Administration Act—last February—requiring that every nuclear cooperation agreement negotiated by the President would not become effective until it had received the majority approval of both the House and the Senate. In view of the overwhelming 74-to-16 vote in favor of that amendment in the Republican Senate and the virtual certainty it would have received even more emphatic approval in the Democratic House, the administration recognized that it was in jeopardy of sharing its power to negotiate nuclear cooperation agreements with the Congress. It recognized that it would have to kill or gut the amendment giving Congress the power to debate, discuss and decide approval of nuclear export agreements. The one place it could do the amendment in: the conference between the House and Senate. So it put the Chinese agreement tentatively on the back burner. It reported that the negotiations with China were still in progress.

As we know, the administration was completely successful in destroying the antiproliferation amendment in conference. It succeeded in completely nullifying the Senate amendment that would have given the Congress an effective voice and a decision in nuclear export agreements. With that out of the way, I predict that shortly the administration will announce the consummation of its nuclear export agree-

ment with China with any safeguards, strictly window dressing.

Mr. President, here is one Senator haunted, and I mean haunted, by the vision of the massive Chinese nuclear display with the king-size pictures of Lenin and Stalin watching in the background.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, the matter I am about to deal with has been cleared on both sides. I am advised by staff the minority leader has indicated there is no objection on his part to proceeding.

SAN JUAN BASIN WILDERNESS PROTECTION ACT OF 1984

Mr. BAKER. I ask unanimous consent that the Senate now turn to consideration of H.R. 6296.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

The clerk will state the measure.

The legislative clerk read as follows:

A bill (H.R. 6296) entitled "The San Juan Basin Wilderness Act of 1984."

The Senate proceeded to consider the bill.

AMENDMENT NO. 7070

Mr. BAKER. Mr. President, I send five amendments to the desk in behalf of the distinguished Senators from New Mexico, Mr. DOMENICI and Mr. BINGAMAN, and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will state the amendments.

The legislative clerk read as follows:

The Senator from Tennessee [Mr. BAKER], for Mr. DOMENICI and Mr. BINGAMAN, proposes amendments numbered 7070 en bloc.

(Purpose: To clarify a land exchange between the Bureau of Land Management and the Navajo Tribe in Arizona and New Mexico; for the transfer of certain interests in lands in Dona Ana County, New Mexico, to New Mexico State University, Las Cruces, New Mexico; to provide for the addition of about twenty acres to the Sandia Mountain Wilderness; and to authorize the Secretary of the Interior to sell certain property located in Lake Sumner State Park, in the State of New Mexico)

At the appropriate place, add the following new section:

SEC. . Section 11(a) of Public Law 93-531 (25 U.S.C. 640d-10) is amended—

(1) in paragraph (1) by striking out the last sentence, which begins "Such lands";

(2) by inserting after paragraph (2) the following:

"Subject to the provisions of the following sentences of this subsection, all rights, title and interests of the United States in the lands described in paragraph (1), including such interests the United States as lessor has in such lands under the Mineral Leasing Act of 1920, as amended, will, subject to existing leasehold interests, be transferred without cost to the Navajo Tribe and title thereto shall be taken by the United States in trust for the benefit of the Navajo Tribe as a part of the Navajo Reservation. So long as selected lands coincide with pending noncompetitive coal lease applications under the Mineral Leasing Act of 1920, as amended, the Secretary may not transfer any United States interests in such lands until the noncompetitive coal lease applications have been fully adjudicated. If such adjudication results in issuance of Federal coal leases to the applicants, such transfer shall be subject to such leases. The leaseholders rights and interests in such coal leases will in no way be diminished by the transfer of the rights, title and interests of the United States in such lands to the Navajo Tribe. If any selected lands are subject to valid claims located under the Mining Law of 1872 the transfer of the selected lands may be made subject to those claims."; and

(3) by inserting the following new paragraph:

(2) Those interests in lands acquired in the State of New Mexico by the Navajo Tribe pursuant to subsection 2 of this section shall be subject to the right of the State of New Mexico to receive the same value from any sales, bonuses, rentals, royalties and interest charges from the conveyance, sale, lease, development, and production of coal as would have been received had the subsurface interest in such lands remained with the United States and been leased pursuant to the Mineral Lands Leasing Act of 1920 as amended or any successor Act; or otherwise developed. The state's interest shall be accounted for in the same manner as it would have been if a lease had issued pursuant to the Mineral Lands Leasing Act of 1920, as amended.

At the appropriate place in the bill insert the following:

SEC. . (a) Subject to valid existing rights and except as provided in subsection (b), the Secretary of the Interior is authorized and directed to convey to the New Mexico State University, Las Cruces, New Mexico, at a cost of $2.50 per acre, all right, title, and interest of the United States in and to the following described public lands aggregating approximately 5,711.39 acres in Dona Ana County, New Mexico, to be used for the purpose of conducting educational, demonstrative, and experimental development with livestock, grazing methods, and range forage plants and other agricultural related research:

NEW MEXICO PRINCIPAL MERIDIAN

Township 20 South, Range 1 West

Secs. 16, 32, and 36 all.

Township 21 South, Range 1 East

Sec. 2, and 16 all.

Township 20 South, Range 1 West

Sec. 2, and 16 all;

Sec. 26, north half northeast quarter, northeast quarter northwest quarter;

Sec. 32, north half, north half southwest quarter, north half southeast quarter, southeast quarter southeast quarter; and

Sec. 36, all.

(b) There are reserved to the United States all minerals that may be found in the lands described in subsection (a), together with the right of the United States, its permittees, lessees, or grantees, at any time, to prospect for, mine and remove such minerals.

(c) In the event that the lands described in subsection (b), or any part thereof, are used for any purpose other than those for which conveyance is authorized, title to the entire tract shall immediately revert to the United States without the necessity for further action to accomplish the reversion of title to the United States.

At the appropriate place in the bill, insert the following:

SECTION . In order to relieve the Elephant Butte Irrigation District of any obligation to reimburse the Bureau of Reclamation for leave and severance payments to certain employees of the Rio Grande project separated as a result of the transfer of operation and maintenance responsibilities to the Elephant Butte District, miscellaneous revenues having been collected by the Bureau of Reclamation from the sale or lease of project lands, interests in lands or other sources may be credited to the Elephant Butte Irrigation District for such leave and severance payments and accrued interest penalties on the District's obligations. Penalties shall be assessed up till September 23, 1983.

At the appropriate place in the bill, insert the following new title:

SEC. . An approximate twenty-acre area as shown on a map entitled Sandia Mountain Wilderness additions, dated March 26, 1981, on file in the Office of the Chief of the Forest Service, Department of Agriculture, is hereby added to and made a part of the Sandia Mountain Wilderness: *Provided*, That the Secretary of Agriculture may allow the continuance of the existing diversion dam and existing related facilities conforming to the terms and conditions of maintenance he deems appropriate, including the provision for access and the use of mechanized equipment only for construction and maintenance of existing structures: *Provided further*, That any upgrading of the existing diversion dam shall be completed within four years of the date of this section in accord with the plans approved by the Secretary of Agriculture. The Secretary of Agriculture may extend the time of such reconstruction if he deems such extension is necessary and in the public interest.

At the appropriate place in the bill, insert the following:

SEC. . (a)(1) The Secretary of the Interior (hereafter in this section referred to as the "Secretary") may convey to Sumner Lake Corporation of the State of New Mexico all right, title, and interest of the United States in and to the real property described in paragraph (2), but such conveyance to such corporation may be made only in the event that the State of New Mexico has given a written release to the United States Government from the State's lease of such property.

(2) The real property referred to in paragraph (1) is located in Lake Sumner State Park, in the State of New Mexico, and is more particularly described as follows: all portions of sections 28 and 34 in township 5 north, range 24 east, that are more than 4,280 feet above sea level. The acreage and legal description of such real property shall be determined by the Secretary after consulting with Sumner Lake Corporation.

(b)(1) In consideration for the conveyance authorized in subsection (a), Sumner Lake Corporation shall pay to the Secretary for deposit in the United States Treasury the fair market value of the real property conveyed as determined on the date of such conveyance. Such fair market value shall be determined by the Secretary by means of an appraisal conducted in accordance with established appraisal procedures.

(2) Any administrative cost incurred by the Secretary incident to any conveyance under subsection (a), including any surveying cost, recording cost, or legal cost, shall be reimbursed by Sumner Lake Corporation.

(c)(1) Any conveyance under subsection (a) shall reserve to the United States all oil, coal, and other minerals in the real property conveyed, and the right to prospect for, mine, and remove such oil, coal, and other minerals. Any damage sustained by any surface owner as a result of the exercise of any right reserved in this paragraph shall be reimbursed by the United States or the lessee of such right.

(2) Any conveyance under subsection (a) shall not affect any easement, servitude, or right-of-way existing with respect to the real property conveyed on the date of such conveyance.

(3) The Secretary may attach to any conveyance under subsection (a) any additional conditions and reservations that the Secretary determines to be appropriate.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 7070) was agreed to.

Mr. DOMENICI. Mr. President, I thank the distinguished majority leader for helping us expedite this important matter. This is of very great importance to New Mexico. It creates some wilderness area in our State and clarifies the existing situation with regard to coal leases in some very special areas in our State. I am very grateful to all those who helped us get the matter to this point so it is now passed.

Mr. BAKER. Mr. President, I thank the distinguished senior Senator from New Mexico. I yield now to the junior Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I join in thanking the Senator from Tennessee, the majority leader, for his help and the help of many others in getting this measure cleared for action in the Senate.

I am pleased to sponsor the San Juan Wilderness Act of 1984, a wilderness bill that has broad public and private support in New Mexico. This act designates the first Bureau of Land Management [BLM] Wilderness areas in New Mexico. The Bisti and De-na-zin Wilderness areas are significant additions to the National Wilderness Preservation System. The act also directs BLM to manage the 2,720 acres comprising the fossil forest in a manner to protect and enhance its unique natural, paleontological and scientific values. This act demonstrates that it is possible to find solutions to complex land status and resource problems within wilderness study areas and other unique lands in ways that serve the needs of all parties.

It was important to take this action at this time even though the Department of the Interior had not finalized its wilderness recommendations. This was necessary to ensure that the wilderness option would not be precluded by other conflicting land use decisions in the region. The BLM in New Mexico accelerated the study process for these lands for the same reason and has issued draft recommendations for the areas. Because of the coal leasing schedule and the complex nature of land ownership, land patterns and land uses in the area, it was necessary to exchange lands and/or leases in order to provide for wilderness protection. It was, therefore, important that the wilderness decision be made concurrent with the other land use decisions for the San Juan basin.

After consultation with the State of New Mexico, the BLM study area boundaries have been modified in De-na-zin to include 2,520 acres of lands owned by the State of New Mexico. This modification will significantly enhance the wilderness proposals by providing a more logical geographical and topographical unit. The De-na-zin area also contains one section of split-estate land, that is, land where the surface is under Federal control and the subsurface is owned by the State. In the case of the De-na-zin, we were able to reach an agreement with the State to exchange for its interests in the one section of land within the De-na-zin area.

The act also directs the Secretary of the Interior to negotiate land exchanges to acquire all state lands and interests within the proposed boundaries of the De-na-zin. The language sets specific time frames and procedures for this exchange to ensure that the exchanges are initiated and completed as soon as possible.

There is an inholding of 1,280 acres of Indian allotment trust lands within the De-na-zin, which will become wilderness only if a land exchange which is agreeable with the individual allottees can be arranged. The act also provides rights of historic access to the occupants of the Navajo trust lands.

The act does not include mention of the Wilderness Study Area known as Ah-she-sle-pah; however, I understand the Ah-she-sle-pah remains a BLM wilderness study area, to be managed under the provisions of section 603 of the Federal Land Policy and Management Act. Although the area is not being designated as wilderness by this act, support for its eventual inclusion in the National Wilderness Preservation system remains strong. The State of New Mexico, New Mexico conservationists and the Navajo Nation all agree that the Ah-she-sle-pah is a unique area which deserves protection. It is my hope that after the complex issues surrounding the Ah-she-sle-pah, preference right lease applications, Navajo selections, and so forth, are resolved, we can work together to provide protection for the area.

In recognition of the paleontological and scientific values of the fossil forest, the act directs the BLM to conduct a long-range study to determine how to manage the resource values of the area. To ensure that these resources are protected, the area has been withdrawn from all forms of appropriation under the mining laws and from disposition under all laws pertaining to mineral leasing and geothermal leasing.

The scientific resources of the fossil forest are unparalleled in this country, and perhaps unique in the world. It was agreed that because of the scientific significance of the area, the Bureau should prepare a detailed, long range management plan for the area and forward this plan to the Congress within 8 years. Additionally, a large portion of the fossil forest area has been selected by the Navajo tribe pursuant to the Navajo/Hopi Resettlement Act; however, the tribal leadership has assured me that it wishes to protect the unique scientific values of those lands. Additionally, the act provides for lieu selections by the Navajos in the fossil forest area.

KEY AMENDMENTS

There are two amendments to this bill that are important to the Navajo tribe, the State of New Mexico, and the economic development opportunities in the San Juan Basin.

One amendment clarifies the Navajo/Hopi Resettlement Act to recognize that the Navajo tribe will receive the surface and subsurface rights to all Federal lands transferred to the tribe under the act. It further provides that the Secretary of the Interior will not transfer any U.S. interests in the lands where there are noncompetitive coal lease applications that have not been fully adjudicated. It the adjudication results in the issuance of Federal coals leases to the applicants, the transfer will be subject to these leases. Thus, any rights of the leaseholders will be protected.

A second amendment will preserve the State's existing share of royalities from the conveyance, sale, lease, development, and production of coal on Federal lands transferred to the Navajo tribe under the Navajo/Hopi Act.

The San Juan Wilderness Act of 1984 represents a compromise of many diverse interests in New Mexico. I am grateful to those who made this legislation possible. I urge my colleagues to support this bill.

The PRESIDING OFFICER. Is there further amendment?

There being no further amendments, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 6296), as amended, was read the third time and passed.

Mr. BAKER. I move to reconsider the vote by which the bill was passed.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COLORADO RIVER BASIN SALINITY CONTROL ACT

Mr. BAKER. Mr. President, this has been cleared with the minority leader, I am advised, through staff.

I ask unanimous consent that the Senate turn to consideration of H.R. 2790.

The PRESIDING OFFICER. Without objection, the clerk will state the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2790) to amend the Colorado River Basin Salinity Control Act to authorize certain additional measures to assure accomplishment of the objectives of title II of such Act, and for other purposes.

AMENDMENT NO. 7071

(Purpose: To increase non-Federal cost sharing for salinity control, and to provide for a minimum non-Federal cost-sharing contribution toward the cost of certain on-farm salinity control measures)

Mr. METZENBAUM, Mr. President, I send two amendments to the desk and ask unanimous consent that they be considered as if they were one.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, I was distracted. What was the request?

Mr. METZENBAUM. That the two separate amendments I have sent to the desk be considered as one.

Mr. BAKER. I have no objection, Mr. President.

The PRESIDING OFFICER. Without objection, the clerk will state the amendments en bloc.

The legislative clerk read as follows:

The Senator from Ohio [Mr. Metzenbaum] proposes an amendment numbered 7071 en bloc.

Strike section 4(b) of the bill in its entirety and insert in lieu there of the following, and re-identify the subsequent paragraphs of section 4 of the bill accordingly:

(b) Section 205(a)(1) of such Act is amended by inserting before "shall be non-reimbursable." the words "authorized by section 202(a) (1), (2), and (3), including 75 per centum of the total costs of construction, operation, and maintenance of the associated measures to replace incidental fish and wildlife values foregone, 70 per centum of the total costs of construction, operation, maintenance, and replacement of each unit or separable feature thereof authorized by section 202(a) (4) and (5), including 70 per centum of the total costs of construction, operation, and maintenance of the associated measures to replace incidental fish and wildlife values foregone, and 70 per centum of the total costs of implementation of the on-farm measures authorized by section 202(c), including 70 per centum of the total costs of the associated measures to replace incidental fish and wildlife values foregone,". Section 205(a)(1) of such Act is further amended by adding at the end thereof "The total costs remaining after these allocations shall be reimbursable as provided for in paragraphs (2), (3), (4), and (5), of section 205(a)".

(c) Section 205(a)(2) of such Act is amended by striking "Twenty-five per centum" and inserting in lieu thereof "The reimbursable portion".

In section 2(c) of H.R. 2790, after "research, demonstration, and education activities.", add the following:

"(F) in entering into contracts or agreements pursuant to section 202(c)(2)(C), require a minimum of 30 per centum cost-sharing contribution from individuals or groups of owners and operators of farms, ranches, and other lands as well as from local governmental and non-governmental entities such as irrigation districts and canal companies, unless the Secretary finds in his discretion that such cost-sharing requirement would result in a failure to proceed with needed on-farm measures.".

Mr. METZENBAUM. Mr. President, the two amendments I am offering today represent an important advance in the ongoing effort to require greater local cost sharing of western water resource projects.

The first amendment increases the State share of the Salinity Control Program from 25 percent up-front payment to 30 percent.

When the salinity bill was originally offered in the Senate more than 2 years ago, it required the State to pay 25 percent of the program cost, without interest, over 50 years. That translates into roughly a 5-percent up-front payment, in 1984 dollars. I opposed that level as ridiculously and unacceptable low. This amendment establishes the local share at a level six times the original amount.

The second amendment requires the Secretary of Agriculture to recover a minimum of 30 percent from farmers participating in the on-farm Salinity Control Program. This farmer contribution is in addition to the 30-percent State share.

The original bill left the cost-sharing requirement of farmers entirely up to the discretion of the Department of Agriculture. While USDA has sought responsibile cost-sharing levels to date, this amendment ensures that we will continue to receive a healthy payment from local beneficiaries of salinity control.

In sum, assuming a $456 million program through the year 2000, including an $84 million contribution from farmers, the local-State share of the program would rise from $102 million or 22 percent under the original bill, to almost $200 million, or 43 percent under the pending bill. That 43 percent level is comparable to the 45-percent cost-sharing burden imposed on States participating in the EPA Wastewater Treatment Program, the Government's other major water quality effort.

I want to take note of the role played by the Colorado River Basin salinity control forum, which represented the seven States affected by this measure. I have spent a great deal of time in recent years criticizing western water interests for refusing to accept their obligation to bear a greater share of the costs of projects in their region. But members of the salinity control forum brought an enlightened, flexible, and responsible attitude to this issue. They demonstrated exceptional willingness to meet and resolve the concerns I raised, as well as those concerns raised by the environmental community.

I hope that the constructive atmosphere in which this issue was handled becomes the hallmark for future negotiations between those of us with deep, though differing, concerns about western—and national—water development policies. For example, it was particularly noteworthy that the States, recognizing that the 25 percent, interest-free, 50-year repayment language would never be enacted, voluntarily amended their proposal to bring the level to 25 percent up-front. It is that kind of realism and responsibility that has brought us to the point where this bill can be enacted.

Mr. President, I point out that the National Wildlife Federation does enthusiastically support this amendment and has indicated their recognition of the fact that it is a major accomplishment both to assure more active and responsible participation in the program by the States of the Colorado Basin and to divide the financial responsibility for the program in a manner that approximates the Federal and non-Federal shares of the Nation's other water quality projects and programs.

Mr. President, I ask unanimous consent that the National Wildlife Federation letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL WILDLIFE FEDERATION,
Washington, DC, October 4, 1984.

Hon. HOWARD METZENBAUM,
Russell Building,
Washington, DC.

DEAR SENATOR METZENBAUM: The National Wildlife Federation enthusiastically supports your amendment to H.R. 2790, the Colorado River Basin Salinity Control Act Amendments. This amendment, which would require an increase in locally-derived contributions to the salinity control program, is a significant advance in the drive toward greater cost sharing for Federal water resource development projects. It is a major accomplishment both to ensure more active and responsible participation in this program by the states of the Colorado Basin, and to divide the financial responsibility for the program in a manner that approximates the Federal and non-Federal shares of the Nation's other water quality projects and programs.

When I wrote to members of the Senate Committee on Energy & Natural Resources about this legislation on August 24, the Federation had deep reservations about the bill and urged greater attention to such issues

as cost-sharing, cost-recovery, improved project planning, and fish and wildlife mitigation. With your support and involvement, the basin states and the conservation community have been able to achieve an unprecedented agreement on what promises to be a workable and innovative approach to water resource management.

In summary, we support enactment of H.R. 2790, with the Metzenbaum Amendment, because the bill and its associated legislative history:

Maintains and strengthens planning and evaluation criteria for salinity control projects;

Improves the procedures for the repayment of reimbursable costs;

Ensures that fish and wildlife habitat will be replaced whenever salinity control projects are implemented; and

Requires significantly greater levels of non-Federal support than would be achieved under current law or under the House-passed bill.

We commend you for your sponsorship of this important amendment.

Sincerely,

JAY D. HAIR.

Mr. BAKER. Mr. President, there was a unanimous consent request granted that the two amendments, that is, a first- and second-degree amendment, be considered en bloc; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. BAKER. That is the question before the Senate?

The PRESIDING OFFICER. That is the question before the Senate.

Mr. METZENBAUM. Mr. President, I do not think they are first- and second-degree amendments. They are two separate amendments.

The PRESIDING OFFICER. The Senator is correct; they are two separate amendments considered en bloc.

The question is on agreeing to the amendment.

The amendment (No. 7071) was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, is there a second-degree amendment?

Mr. METZENBAUM. No.

Mr. BAKER. I thank the Senator.

Mr. METZENBAUM. That takes care of the entire matter. I thank the majority leader for his cooperation.

Mr. BAKER. I thank the Senator from Ohio.

Mr. ARMSTRONG. Mr. President, I begin by thanking the chairman of the Agriculture Committee, Senator HELMS the chairman of the Senate Energy and Natural Resources Committee, Senator MCCLURE, and Senate Energy Water and Power Subcommittee chairman, DON NICKLES, and their staffs for their untiring efforts and support in scheduling hearings and moving the Colorado River Basin salinity control amendment legislation (H.R. 2790/S. 752 and H.R. 3903/S. 1842) forward for Senate consideration.

Fifteen million people in the seven States from Wyoming to California depend upon the waters of the Colorado River to irrigate over 1.5 million acres of farmland, to quench the thirst of thriving metropolitan areas, to provide numerous and diverse recreational opportunities, and to generate substantial amounts of clean, renewable hydroelectric power. Simply put, the Colorado is one of the Nation's most relied upon rivers. Moreover, the river is important from an international standpoint and is the subject of a treaty with the Republic of Mexico.

Therefore, it should come as no surprise that the seven Colorado River Basin States have a vested interest in protecting the river's water quality for present and future generations. The object of our mutual concern is salt loading—about 9 million tons per year, resulting in estimated economic damages, primarily in the lower basin States, of over $100 million per year.

The salt entering the river comes from both natural and man made sources. The contribution from the latter comes in large part from irrigated agriculture. This is a consequence of the saline soils and sedimentary rocks in the basin, from which salts are leached as irrigation water percolates through the soil and runs off fields on its way back to the river.

In recognition of the Federal responsibility to address this water quality problem, Congress passed the Colorado River Basin Salinity Control Act in 1974 (P.L. 93-320). The act authorized the Bureau of Reclamation to plan and construct salinity control units which would reduce salt loading of the river from both natural and man-made sources. The Bureau's activities have focused on salinity control measures such as canal and lateral lining and capture of saline springs before their waters reach the river.

Since the passage of the 1974 act, it has become evident that the Bureau's program and the Department of Agriculture program for improvements in on-farm irrigation practices are an efficient and cost-effective means of reducing salt loading to the Colorado River. However, it is apparent that the Department of Agriculture's existing authorities for the on-farm program are inadequate for the job at hand.

For this reason, the bill authorizes the Department of Agriculture to implement a voluntary, cooperative program of technical and cost-sharing assistance for private landowners in order to improve on-farm water management practices. From practical experience in the Grand Valley in Colorado, we know the importance of on-farm practices and the need for specific authorizing legislation to enable the Department to take steps to assist interested farmers in improving their irrigation practices.

H.R. 2790—the comprehensive salinity bill passed by the House on October 2, 1984, gives the Department of Agriculture a comprehensive on-farm program and makes needed amendments to the Bureau of Reclamation ongoing salinity control program. With a few exceptions, this bill is essentially the same as the amended version of S. 752, sponsored by myself and the other 13 Colorado River Basin State Senators last March.

H.R. 2790 and its Senate companion version are unanimously supported by the seven basin States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming and their 14 Senators. As passed by the House, it also has the support of many environmental organizations, including the Environmental Policy Institute and the National Wildlife Federation. In addition, the seven States have agreed to an additional Senate amendment relating to the State and local cost share of the projects authorized under this bill. As written, H.R. 2790, provides for a cost share of 25 percent. The Colorado Salinity Basin Control Forum, representing the seven Colorado River Basin States, has agreed to raise that cost share to 30 percent, including interest. In dollar terms, this agreement will raise the State and local share from approximately $84 million to $112 million.

H.R. 2790, as amended, represents a very workable and reasonable compromise, and I wish to commend all the parties on their efforts to reach this point.

I am extremely grateful to my colleagues for all their help in getting this very important legislation enacted. It is a critical step forward in the battle against salt pollution of the Colorado River.

Thank you.

Mr. HART. Mr. President, I rise today to urge support for H.R. 2790, legislation authorizing certain additional salinity control measures in the Colorado River Basin. I strongly support enactment of this legislation and urge favorable and expeditious consideration by the Senate today.

Colorado River is the water lifeline for over 17 million people in the seven Colorado River Basin States of Arizona, California, Nevada, New Mexico, Utah, Wyoming, and Colorado. The River supplies water for a host of uses, including agricultural and municipal needs. In addition, the river has been harnessed to generate hydroelectric power, and provide a variety of recreational opportunities. It is no wonder that the quality of this important river is of utmost concern to the seven basin States.

The single most prevalent water quality problem is that of salt loading in the river. Salt and minerals in the water are derived from both natural and artificial sources. With respect to the latter, return flows and groundwater percolation from irrigated agriculture account for a large percentage of the salt leaching.

A much larger percentage, however, is derived from sources on Federal lands and subsoils under federal irrigation projects financed years ago when if was clear Federal policy to encourage settlement in our part of the country. Seventy percent of the lands in the Colorado River Basin are federally owned and it is estimated that one-half the salt contribution to the river is derived form sources on these lands.

This fact and existing treaty obligations with Mexico clearly establish some Federal responsibility to water quality in the river.

The Colorado River salinity problem was first addressed by Congress with passage of the Colorado River Basin Salinity Control Act of 1974 (P.L. 93-320). This act directed the Secretary of the Interior to establish salinity control units and study and plan for others. Much of Interior's subsequent work has been directed at improving water delivery and distribution systems.

With the experience and success which has been gained during the first 10 years of the salinity control program, it has become evident that these measures are a cost effective means of reducing salt loading in the river. However, after detailed review and long discussions about the existing program, it has been determined that the original 1974 act is in need of revision.

The legislation before the Senate today, H.R. 2790, provides for the authorization of certain revisions and four additional salinity control units. After extensive consultation with a variety of different interests, including local and national environmental groups, I believe this legislation accommodates all the formal requests and concerns of the various parties. The continued reduction of salt loading which can be achieved through these additional program efforts is critical to the overall efforts to maintain salinity concentration in the lower mainstem of the Colorado River. This program will enable local landowners, the States, and Federal Government to maintain salt at the level occurring in 1972 while the basin States continue to plan development of their compact apportioned waters.

In summary, I reiterate my support and urge the Senate's support of this legislation which is critical to maintain and reduce the salt content of Colorado River waters. I commend the efforts of all those who have tirelessly worked toward passage of this legislation, including representatives of the individual States, the Colorado River Basin Salinity Control Forum, and elected officials from the Colorado River Basin.

Mr. WALLOP. Mr. President, yesterday the House passed H.R. 2790, a bill to authorize additional measures for the Colorado River salinity control program.

One of the driving forces behind this legislation is the desire of the Colorado River Basin States to construct the water projects necessary to reduce the salinity levels in the Colorado River. This, in turn, will help us move closer to the regional and national goals which underpin the Colorado River Basin Salinity Control Act.

Despite all efforts to date, the saline content of the Colorado is rising. Ten million tons of salt enters Lake Meade annually in the lower Colorado, and salinity concentrations now reach 820 miligrams per litre at the Imperial Dam. Imperial Dam is the last major Colorado diversion point in the United States for delivery to Mexico of the quantity and saline quality of the water due them from the Colorado by treaty with the United States.

The trend of rising salinity must be stopped, as it costs the Nation in lost production more than 1 million acres of irrigated farmland annually through lower yields or increased production and management costs.

The bill being sent over the House is designed to implement additional measures to combat salinity in the Colorado by authorizing new control units and by authorizing the implementation of a new onfarm salinity control program. The onfarm provisions would reduce salinity entering the river from agricultural practices. Cost sharing would be authorized, and the Secretary would be authorized to enter into joint ventures with non-Federal entities.

The intervention of the National Wildlife Federation in the ninth hour, so to speak, has caused the Upper and Lower Colorado River Basin States to restate their position on the cost sharing provisions. The Basin States had been willing to pick up 25 percent of the costs for salinity control projects. Now, rather than risk losing this important legislation for this Congress, the States have agreed to up their share to 30 percent. I understand an amendment to this effect may be offered.

That same amendment in the nature of a substitute will also delete from the bill authorization for the Big Sandy River unit, which was included in the bill at my recommendation and with the concurrence of Wyoming and the other Basin States. The primary reason that Big Sandy is being dropped as an authorized project is because the National Wildlife Federation was concerned about the authorization of projects by Congress prior to the completion of feasibility reports. While there may be some merit to this position where Aquatrain is concerned, I fail to see the logic for stopping construction authorization for Big Sandy.

This unit is currently authorized for planning and is under study by the Bureau of Reclamation. The Bureau of Reclamation has already suggested a plan to remove the salts from the Big Sandy by installing a system of collection wells in the spring and seep areas of the river. Pumps would take the water through a pipeline to a proposed Chevron fertilizer plant near Rock Springs for use and disposal. While it is true that Chevron has cut back on their plans for the size of the plant, it nevertheless remains a viable option for disposal of the saline waters.

Salinity from the Big Sandy has been a major problem in Wyoming. As the snow-melt waters move toward their ultimate confluence with the Green River, and ultimately into the Colorado, they pick up dissolved saline solids from the springs below irrigated fields near Farson, WY. As water percolates through the Sandy subsoil, it takes salts with it to the river below. Authorizing the construction of the project would allow us to further reduce salinity concentrations at Imperial Dam by 7.8 miligrams a litre of dissolved solids. Since Big Sandy's construction would help water quality, which is an environmental goal, the rationale for the National Wildlife Federation's position on this issue escapes me, unless their involvement in this legislation is based on the obstruction of water projects, per se. Nevertheless, the sponsors of this measure, and the Colorado River Basin States, are anxious to see this bill enacted. An amendment will be proposed to delete authority in the bill as introduced for the construction of the Big Sandy River unit, construction of the Big Sandy River unit.

This deletion does not mean, however, that all work by the Bureau of Reclamation on the Big Sandy feasibility study will stop. It won't. This unit is currently authorized for planning and is under study. In fiscal 1985, $1.3 million will be allocated by the Bureau for the completion of a preconstruction report, which is due to be released by September 1987. If Congress appropriates the funds for fiscal 1986, another $1 million will be spent to continue this effort. The plan proposed by the Bureau for removal of 77,300 tons of salt annually from the Colorado is being reevaluated since Chevron made its decision to scale down the scope of their proposed phosphate plant. Since the State of Wyoming is actively seeking other industrial users for the Big Sandy water, alternatives

should be available in the trona or phosphate industry in Wyoming.

Although the planning process for the Big Sandy unit will continue even though Congress may not now authorize the unit for construction, I am disappointed about this turn of events. So are the farmers and ranchers in Farson, WY. They would like to see this project underway and believe that we know enough about the nature of the Big Sandy salinity problems to start construction now on the collection well system.

In any event, Mr. President, I endorse the bill. Agreement among the seven Colorado River Basin States represents a remarkable political solution through cooperation to achieve common water quality goals while each State proceeds with their individual water resource objectives. Passage of the bill would help foster that spirit of cooperation and result in reduced salinity levels in the Colorado. This would benefit the environment, and the productivity of this great Nation.

Mr. NICKLES. Mr. President, I am personally pleased that the House was able to send to the Senate what I consider to be a responsible and prudent measure to address the continuing problem of salinity of the Colorado River.

As my colleagues know, S. 752 the companion measure to H.R. 2790, is sponsored in the Senate by all 14 Senators from the 7 States of the Colorado River Basin. Rarely in matters affecting the Basin States, and in particular matters pertaining to water, has such unanimity been demonstrated. I congratulate the sponsors of the Senate bill, and the Colorado River Basin Salinity Control Forum in achieving this formidable task.

As chairman of the Subcommittee on Water and Power, I chaired the hearings on S. 752. One of my major concerns during consideration of the legislation by the subcommittee was the cost of the program. I believe that the legislation before us today responsibly addresses my concerns and those raised by the administration during the hearings.

First, the bill does not increase the authorization ceiling established by the Colorado River Basin Salinity Control Act of 1974. Rather than simply throwing more money at the problem, the bill redirects the program toward a cost-effective evaluation of the various opportunities available for reducing the salinity of the Colorado River. This approach will result in a more effective use of available funds with a greater benefit to the water consumers of the Basin and to the Nation at large.

Second, the measure would reduce the burden to the Federal Treasury by establishing a reasonable rate of interest to be charged of the non-Federal participants.

Third, the bill authorizes only those projects for which feasibility investigations have been completed and does not authorize those which require additional planning. In addition, in light of further study, the measure deauthorizes a project which had been authorized in the 1974 act.

And finally, and probably most significant, H.R. 2790 draws upon 10 years of experience and provides the perfecting language to fine tune the programs established in the 1974 act. The Department of the Interior, the Department of Agriculture, the seven Basin States, and the Colorado River Salinity Control Forum have worked closely in a spirit of cooperation to resolve both the physical problems of the Colorado River and the policy issues addressed by H.R. 2790.

A thorough analysis of the 10-year history of the salinity control program has resulted in what I believe to be a rational response and redirection through the legislative process. The Colorado River Salinity Control Program will continue to benefit from additional experience and I am confident that as the need arises Congress will continue to exercise the responsible leadership and oversight which is demonstrated by the legislation we have before us today.

Mr. President, although H.R. 2790 as amended differs in detail from S. 752 as introduced, the objective remains the same and that is to preserve one of our Nation's most important river systems as a beneficial tool for the use of our citizens.

Mr. President, a lot of hard work has gone into the passing of this legislation. Among the many who were involved, I would like to particularly commend the efforts of Mr. Jack Barnett, executive director of the Colorado River Basin Salinity Control Forum. He has served to coordinate efforts among the State and congressional offices, in both the Senate and the House, and I would commend him for the many hours he has spent with members and their staffs in explaining the complexities of and the need for this legislation.

Mr. President, I ask unanimous consent that a brief summary of the highlights of H.R. 2790 as passed by the House appear in the RECORD at this point as follows:

Section 1 amends the 1974 act to ensure that cost-effectiveness is the principle criteria used to establish the priority for implementation of salinity control efforts undertaken pursuant to the act.

Section 2(b)(5) de-authorizes the Crystal Geyser Unit in Utah which was authorized by the original 1974 act. The Bureau of Reclamation has determined that this project is not cost-effective at this time.

Section 2(b)(7) authorizes construction of stage I of the lower Gunnison basin salinity control unit. The section also authorizes portions of the McElmo Creek salinity control unit as components of the Delores participating project. It should be noted that measures to replace incidental fish and wildlife values foregone are authorized for each salinity control project.

Among other purposes, section 2(c) amends the 1974 act to provide that in implementing the units authorized to be constructed, the Secretary shall comply with procedural and substantive State water laws.

Section 2(c) also amends the 1974 act to authorize the Secretary of Agriculture to establish a voluntary cooperative salinity control program with landowners to improve on-farm water management and reduce watershed erosion on non-Federal lands and lands under the control of the Department of Agriculture. The section goes on to describe the duties and obligations of the Secretary and the parameters of the on-farm program.

Section 4 (b), (c) and (d) provide for an increased level of non-Federal cost sharing for the salinity control program and the application of an interest rate based upon market yield in certain circumstances as defined in the legislation.

The balance of the measure provides for technical and conforming amendments to the 1974 act and the Colorado River Storage Project Act.

Mr. JEPSEN. Mr. President, I would like to address an inquiry to the distinguished Senator from Utah regarding the impact this legislation will have on existing soil conservation programs. It is my understanding that the distinguished Senator from Utah has corresponded with the Department of Agriculture on this point.

Mr. HATCH. I thank the distinguished Senator from Iowa for raising this point. The Department has assured me that this program is not intended to take personnel from existing technical assistance programs, and that USDA will take any increased personnel demands which may be caused by this program into account when establishing full-time employee personnel limitations in States with Colorado River Basin Salinity Control Programs.

I appreciate the Senator raising this point, however, because I believe it is deserving of clarification.

Mr. JEPSEN. I thank the Senator for his clarification.

Mr. HATCH. Mr. President, I ask unanimous consent that the department's response to my questions be printed in the RECORD.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, May 1, 1984.

Hon. ORRIN G. HATCH,
U.S. Senate,
Washington, DC.

DEAR SENATOR HATCH: Thank you for your letter of April 18, 1984, enclosing several questions regarding S. 1842 and H.R. 3903—legislation to allow the Secretary of Agriculture to conduct a coordinated, voluntary, on-farm salinity program.

We are pleased to provide the enclosed responses to your questions for your use at the markup of this legislation scheduled for the week of April 30, 1984.

Sincerely,

JOHN B. CROWELL, Jr.,
Assistant Secretary for
Natural Resources and Environment.

USDA'S ANSWERS TO SENATOR ORRIN G. HATCH'S QUESTIONS ON S. 1842 AND H.R. 3903

1. It is my understanding that the historical level of the Imperial Dam is approximately 850 milligrams per liter. How will the enactment of this legislation effect this level?

Colorado River salinity concentrations at the Imperial Dam have been approximately 825 milligrams per liter (mg/1) in recent years. These levels are projected to increase to approximately 1,100 mg/1 by the year 2000 without further upstream salinity control. This legislation, if enacted, would provide a more efficient vehicle for implementing USDA on-farm salinity control programs. By the year 2000, the projected USDA program will reduce salinity levels by approximately 100 mg/1 at the Imperial Dam.

2. How many farmers have signed up for the program to date in both the Grand Valley and Uinta Basin projects? Does the "demand" exceed the "supply?"

In the Uinta Basin, 433 participants on 61,590 acres have requested assistance since 1980. In the Grand Valley, where the program runs almost exclusively on individual annual requests, there have been over 1,600 requests since 1979. Based upon current funding levels and program restrictions, demands currently exceed the supply of cost-shared funds. However, more salinity control can be accomplished if current restrictions are lifted and funding would be increased.

3. Will the enactment of this program require the involvement of additional personnel at the current on-farm program sites? If so, how many and where will they come from? Will they be transferred from other areas of the state and/or country?

As evidenced by the Uinta Basin and Grand Valley projects, technical assistance personnel requirements are approximately eight man-years per $1-million dollars of cost-shared funds. New authorities will likely reduce this need because of efficiencies in administering the program and the ability to increase cost shares with individuals, irrigation districts, and canal companies. If additional personnel are needed, they will be provided through new employees, other States, and within individual States. Grants or cooperative agreements may be used for obtaining personnel.

4. What guarantees do the states have that current SCS activities will be maintained and not sacrificed as funding for the salinity program is increased? Particularly in light of SCS personnel ceilings?

It is not intended for the program to take personnel from existing conservation technical assistance programs. Most personnel decreases in recent years can be attributed to decreased funding, inflationary costs, and the establishment of full-time equivalent (FTE) personnel limitations. USDA recognizes the concerns in staffing existing programs and will take the increased personnel demands into consideration when establishing FTE personnel limitations in those States with the Colorado River Basin Salinity Control Program.

5. How many personnel are currently working on the Uinta Basin and Grand Valley projects. Where were those individuals transferred from?

SCS personnel assigned to the Uinta Basin totals 25. In Grand Valley, personnel total 23. Some of these employees initially came from within the respective States when the program began in 1979. Since then, some of the personnel were employed specifically for the program and some were transferred from other States.

6. Has the SCS capability dropped in any areas where a transfer has occurred in either Colorado and/or Utah?

Some of the technical capability was dropped when existing employees were reassigned to the Colorado River Basin Salinity Control Program. In many cases these personnel positions would have been eliminated otherwise because of decreased overall funding levels for that State. Every attempt is made to minimize the overall State-wide impact of employee transfers and reassignments.

Mr. WILSON. Mr. President, the rising salinity pollution of the Colorado River water has been of major concern to the seven Colorado River Basin States for many years. This pollution threatens the water supply quality for all users, creates economic waste, damages irrigated crops causing accelerated pipe corrosion, and requires us to use excessive amounts of water in areas where water shortages are critical.

Salt is a natural element in our Nation's waters. In normal amounts, it is used in our homes, on our farms, and in our industrial processes without impact or adverse effect. But when it reaches the levels in the lower Colorado River experienced today and projected for the future, it becomes a serious problem. The Environmental Protection Agency has recommended that total dissolved salts in drinking water not exceed 500 miligrams per liter and this standard is already exceeded in the lower basin from Hoover Dam to the border.

The Colorado's heavy salt load of 9 million tons annually already is costing more than $113 million a year. Costs are projected to be $267 million annually by 2010 if controls are not implemented. The Colorado River, at its headwaters, has a salinity concentration of only about 50 miligrams per liter. The salinity concentrations progressively increase downstream. In 1982, the salinity was 879 miligrams per liter at Imperial Dam, the last major diversion point on the Colorado River in the United States. Salinity could reach a level of 1,140 miligrams per liter at Imperial Dam by 2000 if corrective measures are not taken. Increased salt concentrations in applied irrigation water are resulting in agricultural losses on more than 1 million acres of irrigated farmlands.

California, particularly the Imperial Valley, is greatly affected by the salinity problem. Agricultural production in the Imperial Valley is threatened by the increasing salinity levels.

The bill has four principal objectives to solve the salinity problem:

First, authorization of two new off-farm salinity control units, to be constructed by the Department of the Interior. These units typically consist of lining irrigation canals and ditches or placing them in pipe, to reduce contact between saline western soils and the river.

Second, authorization of new on-farm programs, to be administered by the Department of Agriculture. These will be entirely voluntary and in cooperation with private landowners. These projects typically consist of installing automated irrigation equipment to reduce the amount of water washing salt into the river.

Third, cost-sharing arrangements so the Federal Government will be reimbursed for all but the salinity benefits of the units.

Fourth, replacement of incidental wildlife or other environmental values that may be impaired by construction of these units.

The salinity problems requires our farmers to use excessive amounts of water for leaching to avoid salt buildups in the soil in an area that produces a substantial percentage of our Nation's winter vegetables and fruits. It affects the health of those required to maintain low sodium diets and requires them to purchase distilled or other treated waters. It shortens the life of water piping, water heaters, and other water using equipment in our homes and our factories and industrial plants. If the problem is not resolved, the salinity levels are projected to increase dramatically.

The bill further provides for the protection of fish and wildlife and other environmental values that may be impaired through the implementation of the salinity control measures.

I believe this is a strong program which is necessary to clean up the Colorado and avoid further serious impacts in the lower basin States. I am pleased that all seven basin States are strongly supporting its adoption. California and the other basin States have suffered far too much damage from the salinity problem and this legislation will do a great deal toward implementing a comprehensive salinity control program. I urge your approval of H.R. 2790.

Mr. HELMS. Mr. President, Congress took the first step toward salinity control in the Colorado River Basin

area 10 years ago when the Colorado River Basin Salinity Control Act was adopted. Since that time, farmers in the Colorado River Basin area have been assisted by the Department of Agriculture in installing irrigation water management systems to control the buildup of salinity concentrations in the Colorado River.

The impact of this activity has been at a pilot project level for the past 10 years. These 10 years of experience have answered many technical questions of how to best manage the salinity problem. Onfarm salinity control through cost-sharing water management practices with agricultural producers has been identified as a cost effective, technically feasible control measure.

Recognizing the importance of salinity control in the Colorado River Basin area to sustained agricultural production and the cost effectiveness of onfarm salinity control measures, the Committee on Agriculture, Nutrition, and Forestry has reported legislation, the Colorado River Basin Agricultural Conservation Program, to authorize the Secretary of Agriculture to develop and implement a coordinated agricultural conservation program in the Colorado River Basin. This program would improve onfarm water management and reduce watershed erosion on lands in the Colorado River Basin. The Onfarm Salinity Control Program established by this bill is also established in H.R. 2790. The Onfarm Control Program established in H.R. 2790 has the support of the Department of Agriculture and all Senators from the Colorado River Basin States.

Mr. President, an explanation of the salinity problem in the Colorado River Basin, a summary of current Department of Agriculture activities in the area, and an explanation of the impacts of this legislation on the salinity control program follows:

THE COLORADO RIVER BASIN

The Colorado River Basin encompasses portions of seven States: Colorado, Wyoming, Utah, Nevada, New Mexico, California, and Arizona. The Colorado River flows over 1,400 miles from its head waters in Wyoming and Colorado and is a source of drinking water and energy for the 14.5 million people it serves. In addition to meeting individual water supply needs, the Colorado River is a source of water for irrigated agriculture. In fact, irrigated agriculture is the largest consumer of water from the river taking 85 to 90 percent of the river's water available to the basin States. Approximately 2.6 million acres of private cropland and 44 million acres of non-Federal forest and rangeland are irrigated with water from the Colorado River.

The water available for use from the Colorado River is overallocated due to the growing demands on the Colorado River's resources resulting from development in the basin area. A combination of water allocation legislation and judicial interpretation has resulted in the allocation of 17.5 million acre/feet annually. However, recent scientific evidence shows that the historic flow of the Colorado River is only 13.5 million acre/feet per year. More effective conservation practices are vital to the continuation of agricultural production in the basin area.

THE SALINITY PROBLEM

In addition to the problems of over allocation of the water of the Colorado River, the salinity level is increasing in the Colorado River. As salinity concentrations increase, economic damage to downstream users occurs. For irrigated agriculture, salinity levels of 500 to 700 milligrams of salt per liter of water begin to have a detrimental impact on agricultural production, including decreased crop yields, increased water management costs, the need for adaptive practices such as changes in crop patterns to more salt-tolerant but lower-income-producing crops, and implementation of improved drainage systems. In the municipal and industrial sectors, damage arises primarily from increased water treatment costs, accelerated pipe corrosion and appliance wear, increased use of soap and detergents, and decreased palatability of the drinking water. The level of salt concentration for safe drinking water is set at 500 milligrams of salt per liter of water by the Environmental Protection Agency.

Historically, the average annual salinity concentrations of the Colorado River have ranged from 50 milligrams of salt per liter of water at the headwaters in Wyoming and Colorado to 762 milligrams of salt per liter of water at Imperial Dam in Arizona, the last U.S. dam before the Colorado River reaches the Mexican border. Development of the basin has contributed large amounts of salinity to the river so that in 1981 salinity concentrations at Imperial Dam were 816 milligrams of salt per liter of water, a level well above the agricultural damage threshold. With the increased development of the basin area, the salinity levels at Imperial Dam are expected to increase dramatically if no control measures are taken. The U.S. Department of the Interior estimates that, without control measures, the salinity concentration at Imperial Dam could reach 1,089 milligrams pe liter by the year 2010.

Approximately one-half of the salinity in the Colorado River is caused by natural sources; the remaining half is man made. Of the total salinity problem, 37 percent is caused by irrigated agriculture.

CURRENT DEPARTMENT OF AGRICULTURE ACTIVITIES

In 1974, Congress enacted the Colorado River Basin Salinity Control Act, Public Law 93-320. The act directs the Secretary of the Interior, working with the Department of Agriculture and the Environmental Protection Agency, to investigate, plan, design, and install projects that would address the salinity problems of the Colorado River. The act contains two titles: Title I of the act authorizes salinity control projects between Imperial Dam and the Mexican border and therefore, is primarily focused on maintaining the water quality agreement with Mexico as established in minute No. 242 as an amendment to the Mexican Water Treaty of 1944; title II of the act authorizes salinity control projects above the Imperial Dam by both the Department of Agriculture and the Department of the Interior.

Under title II of the act, the Department of Agriculture, in cooperation with the Department of the Interior, has initiated two salinity control projects, one in Grand Valley, CO, and one in the Unita basin in Utah. The Department of Agriculture is conducting these salinity control projects through the existing Soil Conservation Service Technical Assistance Programs and the Agriculture Stabilization and Conservation Service Agricultural Conservation Program.

The Soil Conservation Service assists landowners in planning and installing irrigation system improvements, such as concrete linings for ditches, pipelines, and water control structures and in planning better water management practices, such as regulating the length, time, and frequency of irrigation to avoid salinity buildup problems. The Agricultural Stabilization and Conservation Service assists landowners through the Agricultural Conservation Program by sharing the costs of installing irrigation system improvements. The Bureau of Reclamation of the Department of the Interior supports the Department's onfarm improvements to irrigation systems and to water management by constructing and lining major and lateral canals. Since the Department of Agriculture began the Grand Valley project in 1979, the Soil Conservation Service has planned and applied 245 irrigation water management plans on 7,740 acres. In the Unita basin project, initiated in 1980, irrigation water management plans have been completed on 7,850 acres.

Both the Grand Valley and Unita basin projects have resulted in decreases in salt loading—the addition of salt to the river flow. In Grand Valley the salt load has been decreased at an amount that would result in a 1.84 milligrams of salt per liter of water reduction in salinity concentrations at Imperial Dam; the Unita basin project has resulted in a possible 1.34 milligrams of salt per liter of water reduction on salinity concentration.

In addition to the Grand Valley and Unita basin projects, the Department of Agriculture plans to implement onfarm salinity control programs in five other areas: Big Sandy, WY; Moapa Valley, NV; Lower Gunnison and McElms Creek, CO; and Virgin Valley, in both Nevada and Arizona. When the seven projects are completed, the Department estimates that salinity concentrations at Imperial Dam will be reduced by 93.7 milligrams per liter.

The Department of Agriculture has tentatively scheduled three additional salt source areas for planning to develop salinity control measures: Price-San Rafael, UT; Upper Virgin River, UT; and Mancos Valley, CO.

NEED FOR THE COLORADO RIVER BASIN AGRICULTURAL CONSERVATION PROGRAM

While the Department of Agriculture has been able to make some progress with onfarm measures to reduce salinity concentrations through the use of existing authorities, a single, comprehensive legislative authority is necessary to effectively control the increasing concentrations of salt in the Colorado River. Currently, a patchwork of authorities is being used by the Department of Agriculture to carry out the Salinity Control Program: The Agricultural Conservation Program for cost-sharing assistance, the Conservation Technical Assistance and River Basin Programs of the Soil Conservation Service, and the Information and Education Programs of the Extension Service. Each of these programs was authorized by Congress prior to the enactment of the 1974 Colorado River Basin Salinity Control Act to meet a variety of conservation needs. The Department of Agriculture has coordinated these programs to create a salinity control program, yet this patchwork approach limits the ability of the Department of Agriculture to effectively deal with salinity problems. A single authority for salinity control will better address the unique and complicated problems of salinity concentrations in the Colorado River.

One of the limitations often sited as a hinderance to the effectiveness of the current Salinity Control Program is the annual cap on Agriculture Conservation Program cost-sharing payments to one producer of $3,500. In the opinion of both the Department of Agriculture and the agricultural producers who testified before the committee, this maximum amount is not enough to cover the full cost-share needed for most irrigation and salinity control systems. The cost of an irrigation management system for 100 acres is between $60,000 and $80,000. The current cost-sharing restriction requires that irrigation work be stretched out over several years, when the entire project could be completed in 1 year under more flexible cost-share rules. A new authority without the cost-sharing cap currently imposed by the Agricultural Conservation Program will provide an additional incentive for producers to participate in the voluntary salinity control program and will better address the salinity and water conservation problems in the basin area.

Another limitation on the existing Salinity Control Program is that Agricultural Conservation Program cost-sharing funds may be awarded only to agricultural producers. Therefore, the Department of Agriculture may not contract with irrigation districts and canal companies for cost-sharing irrigation system improvements. The bill will remove this restriction on cost-sharing with irrigation districts and canal companies. The ability to deal directly with irrigation districts and canal companies may offer a more effective solution for salinity problems.

This legislation will improve the management of the very limited water resources available in the Colorado River Basin. Water will be conserved and agricultural productivity will improve through efficiencies in irrigation and water management. The benefits of an improved Salinity Control Program inures to a range of industrial municipal users and will benefit all persons in the United States and Mexico who use water drawn from the Colorado River.

Mr. HUDDLESTON. Mr. President, H.R. 2790 would amend the Colorado River Basin Salinity Control Act. That act established a program to reduce the concentration of salts in the Colorado River below Imperial Dam so the United States could honor the commitments it made to Mexico. It also established a program which allowed the States and the Federal government to work together to prevent salinity increases in the Colorado River above the Imperial Dam. The high level of salinity in the Colorado River has created serious problems in several Western States and in Mexico. Many municipalities that are dependent on the river for their water supply must use expensive treatment methods to make the water drinkable. In addition, agricultural production in the Colorado River basin is adversely affected by the current excess salt content of irrigation water from the river.

Under the act, the Department of the Interior was authorized to construct four salinity-control units and to study the cost-effectiveness of several others. The Secretary of Agriculture was given responsibility to assist in this effort.

H.R. 2790 would authorize the construction of one new salinity-control unit and a portion of a second new unit. The Secretary of the Interior would be given the latitude to proceed with those units, or portions thereof, which are the most cost effective. Cost effectiveness will be the principal criterion for the selection of salinity-control units.

H.R. 2790 would amend the act to increase the amount of locally derived funds to be used for newly authorized Department of the Interior salinity-control units and for the Department of Agriculture efforts. These new cost-sharing provisions call for payback to the Federal Treasury from the two basin power accounts of 25 percent of the Federal expenditures by both Interior and Agriculture concurrently with the expenditure of the funds, or for payback of 25 percent over time with interest.

This legislation would also clarify the authority for the replacement of incidental fish and wildlife values foregone when wildlife habitat is disrupted by the salinity-control effort.

Under the provisions of H.R. 2790, the Secretary of Agriculture would be authorized to establish a voluntary cooperative salinity control program to protect the water quality of the Colorado River. The purpose of the program is to improve onfarm water management and to reduce watershed erosion on land in the Colorado River basin.

Since 1974, the Department of Agriculture has used a number of its programs, agencies, and authorities to formulate, develop, and implement an initiative to reduce the amount of salt added to the river from irrigated cropland and irrigation canals.

The effectiveness of these efforts has been hindered by limitations in the separate authorities under which the Department is currently operating. H.R. 2790 would provide the Department with the single legislative authority that is needed to effectively deal with this serious problem.

Specifically, H.R. 2790 would authorize the Secretary of Agriculture, among other things, to identify salt-source areas, determine the salt load resulting from irrigation and watershed management practices, develop plans to reduce the salt load, and provide technical and cost-sharing assistance to farmers, ranchers, and others for improving their irrigation water management practices.

The provisions of H.R. 2790 relating to the Secretary of Agriculture are essentially identical to the provisions of H.R. 3903, which was reported to the Senate by the Agriculture Committee on May 24, 1984.

I understand that Senator METZENBAUM plans to offer an amendment to further clarify the authority for the replacement of incidental fish and wildlife values and to provide for a minimum 30 per centum cost-sharing contribution by farmers and others participating in the voluntary program to be operated by the Secretary of Agriculture.

I urge my colleagues to accept this amendment and approve H.R. 2790, as amended.

The PRESIDING OFFICER. Are there further amendments? If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (H.R. 2790), as amended, was ordered to be engrossed for a third reading, was read the third time, and passsed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I thank all Senators.

SDI: A SMALL INVESTMENT IN OUR FUTURE

Mr. HATCH. Mr. President, I rise in unmitigated opposition to any cuts whatsoever in Strategic Defense Initiatives Program funding; I take this position on the following grounds:

First, we are now on the threshold of developing the first really effective defense against intercontinental and other ballistic missiles targeted on the United States.

Second, a relatively small investment over the midterm can result in long term budgetary savings; these are as incalculable as the many benefits that SDI-related technologies can be reliably expected to produce. I refer here to the American and allied warfighting, defensive and deterrent capabilities which could be revolutionized at both the strategic and conventional levels.

Third, the cost effectiveness of the SDI Research and Development [R&D] Program, especially where it incorporates existing aerospace R&D, is precisely the model of efficiency that this body has urged DOD to create.

Allow me, Mr. President, to develop each categorical advantage more fully.

AN EFFECTIVE BALLISTIC MISSILE DEFENSE

SDI promises a high technology defense against attacking ballistic missiles. Technologies are now emerging rapidly that will give us an unprecedentedly effective deterrent and, if necessary, the capability to intercept a very high percentage of offensive nuclear weapons without destroying humanity itself. This is the difference between a mutual assured destruction strategy, and the new mutual assured survival strategy of the Reagan era. I echo the analysis of such distinguished scientists as Drs. George Keyworth, James Fletcher, and Robert Jastrow who have staked their reputations on the postulation that a survivable, multilayered missile defense system will work. Their opinions are rooted in the very effectiveness of our SDI precursor and ongoing techological research and development [R&D] programs that now find themselves threatened by SDI Program cuts. Without this research the future of mankind may be held hostage.

LONG-TERM BUDGETARY SAVINGS WILL ALSO BE REALIZED

Support for R&D in SDI, as well as in other emerging technology areas will allow us to shift gradually from strategies reliant upon a resource in increasingly short supply, manpower, to a resource which we have in unlimited amounts, our technological genius. Nearly 10 percent of all 16 to 19 year olds entering the work force at present are needed for Defense Department enlistments. Imagine the boost to our skilled manpower reservoir that would derive from shifting to technology-intensive strategies. A precept of modern warfare dictates that what can be detected can be destroyed. Thus, technology makes most forces increasingly vulnerable. The Soviets are acutely aware of this, and the development of SDI program was, in the eyes of most Kremlinologists, a very powerful incentive for Soviet Foreign Minister Andrei Gromyko to meet with President Reagan. With effective arms control, and force reductions, everyone gains. With 40 percent of our defense budget consumed by manpower costs, and with nearly one-half million Americans serving overseas, I can forecast budgetary savings in the conventional and strategic force arena over the next decade that we all will share.

SDI R&D IS COST-EFFECTIVE

This Nation cannot afford to suffer any further reductions in basic technology research. Yet, any SDI cutbacks are certain to affect this critical area, which is less than 3 percent of all R&D moneys requested by DOD. Most basic research is done by the Federal Government, nonprofit institutions, and universities and colleges, thus representing a near-optimal situation for the production of quality, low-cost research. Any corporate or public beneficiary of American technology will tell you that the basic research programs in our universities are the real source of our scientific leadership. It is unimaginable to me that we should cripple ourselves in this area. In my State alone, Utah State University's Space Dynamics Laboratory, a pioneer in critical infrared technologies for use in outer space, could suffer a premature setback; including the possible abandonment of an investment of millions of dollars of work already underway.

Let me add that at least one university in each of the 50 States will be affected by SDI R&D cutbacks. Collectively and individually, these basic research programs are a national treasure and a gift to the future of mankind; these programs are perhaps our greatest opportunity for American scientific leadership for both peace and economic prosperity in the 21st century.

TECHNOLOGY IN EDUCATION

Mr. HATCH. Mr. President, one of the more interesting and exciting developments in the field of education has been the increased use of technology, especially computers in our Nation's schools.

The department of instructional technology at Utah State University, located in Logan, UT, hosted a very important meeting in this field—the Association for Educational Communications and Technology [AECT] instructional technology seminar. This meeting reviewed such critical education topics as designing videodiscs and microcomputers and the theory and practice of instructional technology.

The conference was addressed by Dr. Donald J. Senese, Assistant Secretary of Education for Educational Research and Improvement of the U.S. Department of Education, who spoke on "Instructional Technology: Realizing the Potential." This conference attracted such attention that the Salt Lake Tribune (July 21, 1984) devoted a special editorial to the topic of the importance of computer instruction in Utah's schools—"Keep Class Computers Coming."

Mr. President, my State of Utah has responded to the development of instructional technology and has been responsible for pioneering efforts in developing videodiscs in the field of math for use by the handicapped.

Because this is a topic I feel warrants the widest possible attention, Mr. President, I ask unanimous consent that the speech by Assistant Secretary Senese along with the editorial from the Salt Lake Tribune be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INSTRUCTIONAL TECHNOLOGY: REALIZING THE POTENTIAL

One of the most important functions of secondary schools, colleges, and universities is to prepare the young people of our nation to become responsible members of society—a part of which includes preparing them with a means for earning a living and for being productive. Having enough skilled workers is an essential aspect of our economy and having the means to increase productivity of those workers will be essential to keeping our nation a dynamic world economic power.

The challenges are great. Just over a year ago, on April 26, 1983, the National Commission on Excellence in Education released its report, entitled "A Nation At Risk: The Imperative for Educational Reform." The Commission members spent almost two years studying and reviewing education in America as well as in other industrialized nations. In their report they documented a decline in education in the United States

that was not only frightening but disheartening. "A Nation at Risk" and other subsequent reports issued a clarion call for action to turn back the tide of mediocrity and open the floodgates toward excellence.

The advent of the "information-age" despite all its complexities brings with it the means and tools to improve education. It is important for educators to realize this—and to begin to utilize the vast resources at their disposal in order to improve education.

By utilizing the technological means we now have access to, we have the capacity to improve the productivity of the classroom. Teachers can become more effective in their teaching practices; students can become more effective learners. We can through technology enhance learning for students, increase teacher productivity, and develop more effective schools.

The computer, as well as other technological innovations, can provide us with a means of offering improved educational opportunities in a cost-effective manner. They can help us develop our human resources to their greatest potential.

Many educators, while aware of the potential benefits these technological innovations hold, may lack the knowledge to adopt technology for use in their educational programs. They eagerly seek guidance and direction.

In order to assist educators in the development of worthwhile programs in technology, U.S. Secretary of Education, T.H. Bell has made technology a primary initiative of the U.S. Department of Education. The Office of Educational Research and Improvement has been given the department's lead role in implementing the "Technology Initiative."

The federal government will continue programs at both the kindergarten through 12th grade and higher education levels which assist directly and indirectly with the ability of schools, colleges and universities to participate in the technology revolution. The student loan program will continue to provide grants and loans to students so they follow studies preparing themselves for the new work opportunities in technology.

There is also the FIPSE program (Fund for the Improvement of Postsecondary Education) which operates from our Office of Postsecondary Education. FIPSE makes specific grants for innovative projects in higher education and in recent years under the Reagan Administration these grants have favored projects in technology. These grants provide the important funds to develop programs which can be disseminated to other postsecondary institutions.

At the kindergarten through secondary level, other programs are being implemented. The Educational Technology and Science Staff of the Office of Educational Research and Improvement along with the National Center of Education Statistics are involved in a multi-year effort to gather data on "computer use and computer literacy in elementary and secondary education." In the NCES report, "Computer Literacy: Definition and Survey Items for Assessment in Schools," the purpose of the project is identified as: ". . . the development of a definition of computer literacy, a glossary of computer terminology, a short bibliography of computer literacy, and a pool of questions on the use and application of computers in education."

OERI sponsored a conference at the University of Pittsburgh and Carnegie Mellon University in November of 1982. The focus was on research needs of computers. The report of that conference "Computers in Education: Realizing the Potential" should be helpful to all educators.

Secretary Bell announced at the end of last year awards totalling more than 1.5 million dollars to 12 school-based technology demonstration sites. The purpose of these demonstration sites is to provide examples which other schools and/or school districts can follow. Through this program, we have identified excellent programs which are already being offered, and utilized successfully, in various local districts throughout the United States. The demonstration sites which were selected are representative of urban, suburban, and rural areas. Educators can look at these programs and see ways that they might be able to utilize technology in their own programs.

Another effective tool of dissemination is the National Diffusion Network which identifies exemplary programs and assists school districts in the adoption and implementation of these programs. It utilizes the knowledge of successful programs which can be used in other areas to bring the knowledge of good educational practices to other school districts and to avoid duplication of effort. The NDN network has already assisted many school districts in their entry into the age of technology. We have identified through the NDN ten "lighthouse schools"—outstanding models of the use of technology in education and have provided funding to assist in training other educators to replicate these models in their own school systems.

The main thing we must remember is that we should not be overwhelmed by all of the complexities that face us into a frenzy of inaction. There is one thing certain about our entry into the information age—education will be the hallmark of that new age. And that does not mean just one "formal" education but rather a lifetime of education. Up to the present decade one education would prepare you for a lifetime in most careers. Today, most adults will require re-education, or re-training every 5 to 10 years—four or five re-educations throughout a lifetime.

During the 1960s and 1970s our nation suffered a malaise—a lowering of expectations and a decline in hope. The feeling seemed to be pervasive that our great accomplishments were in the past and that the future presented a hopelessness for ourselves and our society as we experienced more pollution, running out of resources and supposed problems like over-population and nuclear war. The prognostications of the Club of Rome became a club of doom, a sword of Damocles hanging over our heads and the heads of our young people.

However, there does seem to be a spirit of renewed optimism in our nation. we have a tendency to accept as routine the benefits in a society while concentrating on the negatives. Fortunately technology presents to us an unlimited capacity to imagine greater developments in our economy, our standard of living, the expansion of cultural opportunities and increased productivity. In his last book, "The Coming Boom," the late Herman Kahn noted that he expected high and sustained growth through the 1980s and 1990s because of a whole host of new technologies and technological improvements ready for large scale development. We need as a nation a collective optimism and enthusiasm and will to develop this technology so that we will not become the tired and burdened and have our nation slump into the roll call of nations which once had been great but lost the will to survive. We as a nation once conquered the plains and the forests of this new nation to build our cities and our farms; the challenge of technology represents a new frontier for the United States to further develop an opportunity oriented society for all.

It is an awesome challenge but one for which all are becoming more and more prepared.

[From the Salt Lake Tribune, July 21, 1984]

KEEP CLASS COMPUTERS COMING

So far, Utah educators apparently have reacted responsibly to the need for more computer education. Now it's time to improve and expand upon that foundation.

Additional steps should be taken statewide to use the state's technological wealth wisely and to spread it evenly among students of all ages and backgrounds.

Donald Senese, assistant secretary in the U.S. Department of Education, urged Utah parents the other day to make sure their children are learning about computers at school. His message reflects the conclusion of various national advisory groups the past few years that computer literacy has become a basic skill for living and working in the information age.

These parents should be pleased to know that Utah educators already have established a basic framework for full-fledged, cost-effective computer education programs around the state.

The Utah State Office of Education operates a computer center that helps state agencies choose the best computers for their financial, administrative and classroom situations.

Last year, the Utah State Board of Education added computer literacy to its academic requirements for public school students. Since then, businesses and parent groups have donated more computer equipment to the schools, and greater attention has been paid to buying or developing computer-oriented curricula.

Utah's public school system ranks fourth nationally in making computers accessible to public school students.

Market Data Retrieval, a Connecticut research firm, found this year that 86 percent of Utah's public schools use microcomputers in teaching, compared to 68 percent nationally. Specifically, Utah schools have one microcomputer for every 84 students.

However, these accomplishments and national averages shouldn't hide shortcomings.

Although Utah's senior high schools surpass their national counterparts in the computer competition, the state's elementary and junior high schools lag behind.

Utah elementary schools have one computer for every 131 pupils, while elementary schools across the nation have one for every 112. The spread is similar for junior high schools, where the computer-student ratio is 103 to 1 in Utah and 92 to 1 nationally.

It makes sense to concentrate, while getting computer training under way, on high school students who soon will spill out into the world of work. But more attention obviously must be paid to younger students, who could be fine-tuning other academic skills while establishing a base for advance computer learning.

Computer equity also needs to be formally addressed to assure all students equal access to computer training.

A dilemma is created, giving rise to discrimination complaints, when one school is the recipient of computer donations and an-

other is not. Before such problems surface, educators would be wise to develop policies that balance the opportunity of enhancing programs for a few students with the obligation of offering all students the best education possible within district means.

Of course schools cannot fully assimilate computers into the classroom overnight. But educators must tackle the tough issues early, and stay on top of them, if they hope to prepare students for the world of technology at the lowest possible public expense.

JENNINGS RANDOLPH: THE CONSCIENCE OF THE SENATE

Mr. DOLE. Mr. President, in our Nation's great history, the Congress has been privileged to be the working place of many superb public servants. Some have served only briefly, before moving on to other venues. But a few have found this branch of Government to be the one forum from which they could best serve their country. These dedicated Americans devoted their adult lives to their constituents and these few should be saluted.

The Senator from Kansas wishes to take this time to thank one such selfless man who, after his first election to the House some 52 years ago, will leave the Senate at the end of this session. Of Course, the Senator is speaking of West Virginia's JENNINGS RANDOLPH.

It was 1932 when a 30-year-old JENNINGS RANDOLPH first became a Member of Congress. Representative RANDOLPH was an original New Dealer, and he was among the members of the Democratic Party that helped pass the historic programs of FDR. Mr. RANDOLPH served in the House until 1946, when he left Capitol Hill to work in the private sector. Twelve years later, he was elected to the U.S. Senate.

In the opinion of this Senator, JENNINGS RANDOLPH has served as the conscience of the Senate. It has been his concern that the level of debate has drifted somewhat from the Senate he remembers. We know he is right. And, that is why, when we hear the Senator from West Virginia demand order, we heed his call. Senator RANDOLPH believes in debate, not confrontation; persuasion, not intimidation; action, not image. Like West Virginia's junior Senator, Mr. BYRD, Senator RANDOLPH's sense of history has served this body well.

This Senator hopes that we've learned from Senator RANDOLPH about parliamentary order, because our conscience will no longer be among us, come January.

As his colleagues, we can only thank his fellow West Virginians for sending JENNINGS RANDOLPH to Washington.

FAREWELL TO A LONE STAR LEGEND

Mr. DOLE. Mr. President, our distinguished colleague from Texas, Mr. TOWER, is serving in his last few months as a Member of the Senate.

As we know, JOHN TOWER replaced one of this body's most legendary Members, Lyndon B. Johnson. For anyone, that would be a tough act to follow. But 24 years later, Senator TOWER has carved out a piece of history for himself that his own predecessor just might find a little bit intimidating. As chairman of the Senate Armed Services Committee and the Senate Republican Policy Committee, he has managed a parliamentary double-hitter—one that he has scored with consistently.

Senator TOWER is not just a politician, he is a true political scientist—by training, and by trade. Once JOHN became a member of the majority in this body, we all saw his capabilities shine as a committee chairman. His legislative expertise was never more obvious than this year, when he masterfully managed the defense authorization bill. As part of that bill, it fell upon Senator TOWER to address this country's allegiance to NATO. America's commitment to the alliance is secure today in large part because of the deft skill of the chairman of the Armed Services Committee.

Mr. President, JOHN TOWER has given much, not only to Texas, but to America. Our Armed Forces around the globe, and our peaceful might owe a tremendous debt to Senator JOHN TOWER.

Although his tenure here will soon be over, the Senator from Texas will remain a wellspring of wisdom for this body.

WILLIAM C. PLOWDEN, JR., ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING

Mr. THURMOND. Mr. President, our veterans have rendered a valuable service to this Nation, and one of the best ways to express our gratitude to them is by helping these special citizens find meaningful employment after military life.

Over 3 years ago, Congress approved legislation to create a position in the U.S. Department of Labor which would ensure that veterans find productive work in the marketplace. It was my pleasure to introduce that legislation, and I am particularly pleased that President Reagan nominated, at my recommendation, my good friend, William C. Plowden of New Zion, SC, to become the first Assistant Secretary of Labor for Veterans' Employment and Training.

Once sworn into office on December 15, 1981, Bill Plowden, a retired U.S. Army Reserve colonel, eagerly took on the challenges of his duties, and for 2½ years, performed his responsibilities with distinction. This past June, Colonel Plowden resigned from this post, leaving behind a long list of outstanding accomplishments and a standard of excellence for his successors to emulate.

Colonel Plowden brought to the U.S. Department of Labor many years of experience in veterans affairs. As State director for veterans' employment and training in South Carolina, Colonel Plowden enjoyed an outstanding reputation for his administrative and organizational skills.

Shortly after taking office as Assistant Secretary of Veterans' Employment and Training, Colonel Plowden immediately reorganized job services for veterans within the department, establishing effective policy control over employment and training services for our veterans. Through his efforts, the congressionally mandated veterans preference requirement was administered more vigorously and monitored more closely.

During his tenure as Assistant Secretary, Congress passed three significant measures extending job services for veterans. These were: the Job Training Partnership Act, which included training grants specifically targeted for veterans programs; the Veterans' Employment Assistance Act of 1982; and the Emergency Veterans' Job Training Act of 1983.

Under Colonel Plowden's direction, the Office of Veterans' Employment and Training Services effectively and efficiently increased its capacity to serve our veterans, while, at the same time, decentralized its policy, planning, legislative and, management analysis activities.

In order to maximize the contributions of his office, Colonel Plowden frequently met with representatives of the major veterans organizations, and the seven Federal departments and agencies that provide special services to veterans.

Mr. President, Col. Bill Plowden's able leadership will sorely be missed by all who had the pleasure of working with him. However, I am confident that he will continue to render a valuable and necessary service to our veterans as he returns to South Carolina to resume his duties as State director for veterans' employment and training. I know my colleagues join me in congratulating Colonel Plowden on a job superbly done—one which has set the stage for even greater achievements in the quest to meet the employment needs of our veterans.

A TRIBUTE TO SENATOR PAUL TSONGAS

Mr. WEICKER. Mr. President, I rise today to pay a parting tribute to Senator PAUL TSONGAS, who will retire at the end of this Congress.

To be perfectly frank, having stood shoulder to shoulder with Senator Ed

Brooke on so many an issue, I was not disposed to welcome with open arms the man who retired him in 1978. But the past 6 years have taught me to admire and respect PAUL TSONGAS, for his deeply-felt compassion toward the underprivileged and for his cool-headed, reasoned approach to policy-making.

When Senator TSONGAS came to Washington he brought with him a unique set of experiences that enabled him to make the most of his time here. Drawing on his experience as a Peace Corps volunteer in Ethiopia, Senator TSONGAS soon distinguished himself on the Foreign Relations Committee as a forceful advocate for humanitarian assistance, rather than military aid, as the best means for furthering democratic prinicples abroad. Over the years, he has fought against the apartheid policies of the South African Government and defended the rights of Soviet Jews to worship in their homeland or emigrate to another.

The son of an emigrant to this country, PAUL TSONGAS learned growing up in Lowell, MA, that while it was possible for some Americans to pull themselves up by their bootstraps, there would always be others who need a helping hand. As a Senator, he has voted to restore Federal funds and programs for those who depend on them while at the same time seeking to eliminate water and redtape.

PAUL TSONGAS is also the son of a small businessman and that has helped make him an eager and effective member of the Small Business Committee, which I chair. As the ranking Democrat on the Productivity and Competition Subcommittee, he has shown great thoughtfulness and care in considering and creating legislation to enhance the Government's programs for small firms, increase access to capital and new technologies, and generally cultivate entrepeneurship in the United States.

Senator TSONGAS' work is particularly apparent in two existing laws. He was both an original cosponsor of the Small Business Innovation Development Act and a skillful proponent when it faced significant opposition 2 years ago. The junior Senator from Massachusetts also championed the cause of computer security in this session, and the result was the Small Business Computer Security and Education Act, which became law last July. Computer crime costs businesses millions of dollars each year and Senator TSONGAS has helped ensure that we assist those most vulnerable to this sort of thievery—the small entrepeneurs.

Mr. President, we will very much miss PAUL TSONGAS' participation on the Small Business Committee, just as this body will be diminished by his absence. Whatever the issue—be it the environment, energy independence, or the equal rights amendment—he has spoken from the heart and voted his conscience. Because he takes his responsibilities as husband and father as seriously as he has his Senatorial duties, PAUL TSONGAS has decided to retire. I'm sure I speak for all my colleagues when I congratulate him on keeping his priorities straight and wishing him only the best in the future.

A TRIBUTE TO SENATOR JENNINGS RANDOLPH

Mr. WEICKER. Mr. President, I rise today to perform what can only be described as a bittersweet task, that of recognizing a retiring colleague whose accomplishments on behalf of disabled Americans have set a standard of excellence for all who follow him. That colleague is, of course, JENNINGS RANDOLPH of West Virginia who after 40 years of congressional service will retire from the Senate at the close of the 98th Congress.

Senator RANDOLPH no sooner came to Congress in 1932 than he became involved in New Deal legislation creating Social Security, the National Labor Relations Act, the Fair Labor Standards Act, and numerous other laws which brought social conscience to Federal policy.

His commitment to meeting the needs of all Americans is deep rooted and constant. But it is his determination on behalf of disabled Americans that I wish to dwell on today. For it was JENNINGS RANDOLPH who ventured that handicapped citizens could, if given the chance, participate in and contribute to our society rather than be relegated to the backwaters of its far-off institutions.

He began in 1936 by authoring the Randolph-Sheppard Act giving blind vendors the opportunity to become independent entrepeneurs. He powered the breakthrough of the 1973 Vocational Rehabilitation Act, providing job training and civil rights protection to the handicapped, and in supervised the creation of Public Law 94-142, the landmark Education for All Handicapped Children Act, setting in place the same educational opportunities for disabled youngsters as our Nation has been so justifiably proud to provide to those without disabilities.

From the special centers of excellence for deaf persons at Gallaudet College and the National Technical Institute for the Deaf to the statewide advocacy and protection systems for persons with lifelong and multiple disabilities, there has not been a single modern Federal initiative for the disabled in which JENNINGS RANDOLPH has not been instrumental.

Here in the Senate, JENNINGS RANDOLPH created the Subcommittee on the Handicapped and became its first chairman. He remains our chairman emeritus, guiding the ongoing oversight and refinement of those laws which he helped establish.

Senator RANDOLPH's father once told him, "Remember the man and woman by the wayside of the road." The Senator has done more than "remember," he has set the disabled on the road to productive independence and self-worth and in so doing has tapped a most valuable natural resource—the human potential of America's 36 million disabled citizens.

For that reason among many JENNINGS RANDOLPH will be long remembered by those of us who had the privilege of knowing him.

THE CENTENNIAL OF ELEANOR ROOSEVELT'S BIRTH

Mr. MOYNIHAN. Mr. President, October 11, 1984, will mark the 100th anniversary of the birth of Eleanor Roosevelt, one of the most remarkable women of the 20th century. The event will be celebrated at the Roosevelt Hyde Park estate with a wreath laying ceremony, the dedication of a commemorative stamp, and the opening of the Eleanor Roosevelt National Historic Site [Val-Kill].

Eleanor Roosevelt will forever be remembered as the dynamic First Lady and United Nations delegate who championed the cause of the underprivileged and the oppressed. She redefined the role of the American political wife, and, in her own right, had an enduring influence in domestic and international politics.

I knew Eleanor Roosevelt. In December 1961, President Kennedy created a President's Commission on the Status of Women, and asked Mrs. Roosevelt to serve as chairman. I was an assistant to the Secretary of Labor at the time and represented him on the commission. Mrs. Roosevelt was an energetic chairman. She was gracious but firm minded, and helped guide the Commission to its conclusion that the role of women in American economic affairs was unfairly and unwisely circumscribed. A conclusion, I might add, not without basis still.

On November 28, 1983, I introduced legislation (S.J. Res. 139) to establish an Eleanor Roosevelt Centennial Commission for the purpose of coordinating commemoration of the Eleanor Roosevelt centennial. This legislation was the outgrowth of a suggestion made to me by Lucille Pattison, the energetic county executive of Dutchess County, NY—the county in which Franklin and Eleanor Roosevelt's home is located. Senate Joint Resolution 139 was passed by the Senate on November 2, 1983, and by the House of Representatives 2 days later. I have been honored to serve as

a Commission member since its inception.

Mr. President, Adlai Stevenson once said of Eleanor Roosevelt, "she would rather light a candle than curse the darkness, and her glow warmed the world." Winston Churchill once wrote to her, saying, "You have certainly left golden footprints behind you." I might add that few have championed the cause of the disenfranchised and the oppressed better than she. It is most fitting that the past year has been marked with commemorative activities and events; hers was a life to be remembered. I urge my colleagues to remember her over the next few days, and particularly on October 11.

Mr. President, the October 15, 1984, issue of the New Republic contains an article on Eleanor Roosevelt, "Golden Footprints," authored by civil rights attorney and cofounder of Americans for Democratic Action, Joseph L. Rauh, Jr. It is an excellent article, and I recommend it to my colleagues. I ask unanimous consent that the text of the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOLDEN FOOTPRINTS

(By Joseph L. Rauh, Jr.)

In the mid-1930's, a young child asked to name the President replied, "Franklin Eleanor Roosevelt." The answer wasn't far off the mark. Franklin Delano Roosevelt and Eleanor Roosevelt were truly partners, and the electric, inspirational atmosphere of Washington in early New Deal days was almost as much her creation as his. October 11 is the one hundredth anniversay of Eleanor Roosevelt's birth. The spirit of idealism and of total dedication to affirmative government that she and her husband evoked is, for the moment, out of fashion. As one who experienced that spirit in full force—I arrived in Washington in 1935 to work for the New Deal—I may be forgiven for wishing passionately to see it reborn.

Eleanor Roosevelt was the eyes and ears of the crippled President. Traveling from one end of the country to the other, visiting mines, factories, relief projects, and every conceivable place about which the President should know, she was his roving ambassador. In 1933 it was she who visited and fraternized with the returning "bonus army" of needy World War I veterans; a year earlier, the veterans had been run out of town by General MacArthur's troops. "Hoover sent the Army," went the slogan of the time, "Roosevelt sent his wife." No wonder that an appeal letter F.D.R. received from an especially needy black woman seeking funds ended with these words: "If you can't help me, Mr. President, I guess I'll have to write to Mrs. Roosevelt."

She was the President's conscience, prodding him in conversation or by memorandum whenever she felt him straying from the idealistic course for political considerations. She was the agitator for change and for reform; he decided whether her ideas, with which he usually agreed, were politically feasible. Her role as conscience cum agitator was right out on the table between the two. In his loving book, *Centenary Portrait of Eleanor Roosevelt*, Joseph P. Lash tells of her bemoaning, Franco's victory one night to a dinner guest, like her a supporter of the Spanish Loyalist. "We were morally right, but too weak," she said, and, looking directly at the President, added: "We should have pushed him harder."

For even the lowliest of New Dealers, working in the Roosevelt's government was heady stuff. We all knew we were building a new society upon the lessons learned from the failures of the old. As the welfare state emerged brick by brick from the earlier stark capitalism, each of us was made to feel that he or she was a participant in the transformation. And even at a White House reception for a thousand people, like one my wife and I attended in 1936, Franklin and Eleanor Roosevelt made us feel it had been given for us.

Mrs. Roosevelt's spirit pervaded Washington. Whatever the issue, her voice would always be lifted for the underdog, for the cause of idealism. Loyalist Spain was one such cause. Trade unionism was another, with Walter Reuther her young favorite and adviser. Civil liberties was still another. The Supreme Court's decision requiring school children to salute the flag, even though written by her long-time friend Felix Franfurter, received quick condemnation from her.

Civil rights were her special domain. She was one of the first to earn an epithet that has always seemed to me a title of honor, "nigger-lover." When the Daughters of the American Revolution refused to let Marian Anderson sing in Constitution Hall, Mrs. Roosevelt promptly resigned from the organization—and just as promptly helped arrange Miss Anderson's unforgettable performance at the Lincoln Memorial. Mrs. Roosevelt's spirit hovered over the Memorial that day, and for many of us it was still there when Martin Luther King Jr. gave his historic speech a quarter of a century later.

There was doubt in Mrs. Roosevelt's own mind as to the role she would play after the President's death. Her first act after informing Vice President Truman what had happened was to cable her three sons, "Father slept away. He would expect you to carry on and finish your job." She might have been addressing herself, for she certainly followed her own admonition. Duty and work were her way of life and her antidote to loneliness. As she wrote in her autobiography, "I am not sure whether this"—her devotion to work after she was widowed—"was due to my own planning or simply to curcumstances. But my philosophy has been that if you have work to do and do it to the best of your ability you will not have much time to think about yourself." For the seventeen years between her husband's death and her own, she had work and she did it.

Mrs. Roosevelt saw the United Nations as a bright hope for peace. President Truman appointed her to the U.S. delegation; perhaps the greatest achievement of her life was the drafting under her guidance of the Universal Declaration of Human Rights. Her support for the U.N. continued after she left official duties there. Possibly her final attempt to strengthen the U.N. was in 1962, not long before her death, when she went to the White House with F.D.R.'s old adviser Benjamin Cohen to urge, unsuccessfully, that the U.N. be brought into the deepening Vietnam difficulties. A few years later, with Mrs. Roosevelt gone and the Vietnam War escalating many times further, Mr. Cohen urged me to repeat Mrs. Roosevelt's suggestion to President Johnson when an Americans for Democratic Action delegation met with him in 1965. Sadly for the nation and for the world, President Johnson scorned Mrs. Roosevelt's wisdom.

Mrs. Roosevelt's role as a civil libertarian has not always received proper attention. In the early 1950s Senator Joseph McCarthy and F.B.I. Director J. Edgar Hoover turned the cold war period into a time of degrading fear, timid speech, and totalitarian methods. "McCarthyism," she said, "is a question on which public officials must stand up and be counted." Unfortunately too many liberal political leaders failed the test. Hubert Humphrey led the fight for the infamous Communist Control Act of 1954; John Kennedy refused to support the Senate's resolution of censure against McCarthy that same year, other great Senators like Paul Douglas and Wayne Morse could not find voice to challenge McCarthy. Secretary of State Dean Acheson fired Jack Service, and President Eisenhower ran from General Marshall. But Mrs. Roosevelt never wavered, even sheltering the heavily attacked Americans for Democratic Action by accepting its honorary chairmanship.

To the end, she gave to these and the other great causes of the day—help to the poor, women's rights, Israel, full employment—every ounce of strength her declining health could still command. No sacrifice was too much for her: taking long night flights so that she could lend her support to some meeting whose success depended upon her presence; inspiring groups of all sizes and shapes through discussions at her own Hyde Park; lending her wisdom to conferences that hardly warranted her participation; sitting through tedious resolution-drafting sessions, utterly and charmingly unembarrassed to be seen taking a catnap now and then.

Mrs. Roosevelt found her happiness not in her personal life, but in caring for and serving others. Her childhood had been marred by the death of her mother when she was 8 and of her adored father when she was 10. She suffered her husband's infidelities in dignity and she kept their marriage going for family and nation. She wrote, "If anyone were to ask me what I want out of life I would say—the opportunity for doing something useful, for no other way, I am convinced, can true happiness be attained." She achieved happiness in her own way and shared it with the world.

Winston Churchill once wrote Mrs. Roosevelt, "You have certainly left golden footprints behind you." No one can fill those footprints. But they will always remain a compass for the caring, a compass never more needed than today.

SENATOR JOHN TOWER

Mr. GOLDWATER. Mr. President, it first became my privilege to know JOHN TOWER as chairman of the Republican Senatorial Campaign Committee. At that time, I was asked to appear in the State of Texas to campaign for him. And, that seems like a long, long time ago. In those days, I might add, a Republican appearing anywhere in Texas had about as much chance of getting out with all of his skin as someone who had just desecrated the Alamo.

JOHN immediately impressed me. He was highly educated and very determined, an honest type of young man who wanted, above all else, to serve his

country. His record as a Senator will stand and speak for itself more eloquently than anything I might say. However, his many years of devotion to the task of keeping this country strong will never be forgotten in our country's history by those people in the military or by those who recognize the necessity of a strong America.

I will admit that I do not like to see him go. He is a relatively young man and has a long life in front of him. But, I will abide by his decision, because any such question is based upon his best intentions for the most productive way he feels he can serve his country in the future. He is a man whose friendship I cherish. He has the word of a gentleman, which he keeps, and he is a man who can be depended upon, whether fair or foul weather is the order of the day.

I take the occasion to salute JOHN and to thank him for his years of service, not just to the Senate but, more important, to our country. It is a service that will stand as an example down through the years, not just to men who want to seek office, but also to young men who want to grow up and serve their country. So I say to you, JOHN, buenos suerte, which is good luck, and a long and happy life.

Mr. SYMMS. Mr. President, I wish to join in the remarks of the distinguished senior Senator from Arizona with respect to our good friend the distinguished Senator from Texas [Mr. TOWER].

I believe that Senator TOWER has made a great contribution to this country, and I, as one Member of the Senate, regret to see him leave. I was disappointed when I read of his decision; but after having spent 4 years in this body, I can understand why someone who has been here in excess of 20 years would want the opportunity to seek other pursuits. I wish him all the best in the future.

SENATOR JENNINGS RANDOPLH

Mr. GOLDWATER. Mr. President, when we stop and think of JENNINGS RANDOLPH, we think of a man who has served not only his State of West Virginia but, also, and more important, his country, longer than anyone else in this body.

We think of his long record in connection with public works and all the good he has accomplished in the building of highways and bridges, and helping in the construction of dams, waterways, and other worthy projects. We think of him as a loyal friend, one whose dedication to the conduct and the rules of the Senate serves constantly as an exemplary model for the rest of us.

What few of us remember, though, about this wonderful man is his great contribution to American aviation. I speak not as a U.S. Senator, but as a man who has been a licensed pilot for almost 56 years of his life. I can look back on things like the visible marking of runways, the establishment of an airway system, the placing of radio beacons on those airway systems, and the writing of basic rules and regulations to govern flight in this country, and I keep getting back to one name—JENNINGS RANDOLPH.

When I look at the splendid Air and Space Museum on The Mall at the Smithsonian, I think of JENNINGS and his unending efforts to bring the construction of that museum to fruition.

We who fly and love the air are indebted, not just today, but forever, for the pioneering efforts of this man in the field of aviation.

So I say to you, JENNINGS, as you take off on your flight back home to West Virginia, to recline in comfort for the remainder of your life, that you go with the heartfelt thanks of all of us who have ever known, enjoyed and lived with the advancement of aviation. We salute you, respect you and, as we say, "safe landings, old boy." You deserve it.

TRIBUTE TO SENATOR JOHN TOWER

Mr. NUNN. Mr. President, on Wednesday, October 4, the members of the Senate Armed Services Committee, the committee staff, and the personal staffs that work with our committee gathered to pay our respects to our chairman, JOHN TOWER.

It was a special event for all who have worked with JOHN TOWER over the years, and we all wanted to recognize his outstanding career before the Congress adjourned and while he was still our chairman.

I used some of the following remarks in paying him this special respect and thanks on behalf of those gathered. I would like to provide the full text in the RECORD at this time.

There being no objection, the full text was ordered to be printed in the RECORD, as follows:

TRIBUTE TO SENATOR JOHN TOWER

In a few days, the 98th Congress will, hopefully, be history. When this Congress adjourns, it will bring to an end the remarkable and outstanding Senate career of our Committee's chairman, Senator John Tower. I am certain it will not mark the end of Senator Tower's involvement in national security policy.

Before adjournment, we wanted to gather together our Armed Services Committee family—the members, the committee staff and the personal staff—for a recognition of Senator Tower's career by those of us who have worked closely with him.

There will be other events to honor Senator Tower's great career, but the Committee wanted to get together as a group for probably the last time with Senator Tower as Chairman so that we could pay our respects and express our admiration in a personal way.

John Tower has served on the Armed Services Committee since 1965. He has served with the legends of our Committee from the past as Richard Russell and Scoop Jackson and he is serving with the legends of the present—John Stennis, Strom Thurmond and Barry Goldwater. He will leave his own legend. John Tower is recognized as one of the most knowledgeable, articulate, and effective leaders for a strong national defense that had ever served in the Senate.

Throughout his career, John Tower has never lost sight of the fact that our men and women in uniform are our most important national security asset. He has continually stressed the importance of meeting the needs and maintaining the morale of the rank-and-file soldier, sailor, airman, and marine in the field. His frequent visits to the field always include contact and discussions with soldiers of every rank. During the Vietnam War, John Tower made 9 trips to Southeast Asia to visit the troops and review conditions first-hand, more than any other Senator.

His empathy and understanding of our soldiers' needs stem in part from his own personal experience. We all know how proud he is of his service in World War II and his rank as a Master Chief Petty Officer of the Navy.

When I was in Senator Tower's office recently, I couldn't help noticing a picture of John Tower with another prominent Naval Reservist, John Lehman, both of them in uniform. The inscription to Senator Tower from Secretary Lehman read: "All my life I've heard that the chiefs run the Navy, but this is ridiculous!"

Since 1981, John Tower has served as Chairman of the Armed Services Committee. All of us in this room can attest to his skill, his leadership, and his successes in guiding a strong defense program through Congress.

Senator Tower's success on national security issues can, in part, be attributed to his remarkable understanding of foreign policy. He came to the Senate with a strong background on foreign relations based upon his education at the London School of Economics and his early career as a college political science professor.

But since coming to the Senate, he has devoted a considerable amount of time to the study of world events. In particular, Senator Tower has taken tremendous amounts of time to meet with foreign officials—Heads of State, Foreign Ministers, Defense Ministers, parliamentarians, and military leaders—during their visits to Washington, as well as in his official travels on behalf of our Committee.

So not only does he know the issues, he also knows well the foreign officials who influence them. This combination has been a tremendous asset to the work of this Committee and the Senate as a whole.

To try and get a sense of what Senator Tower has accomplished in his 19 years on the Armed Services Committee, I went back and took a look at the FY1966 Defense Authorization Bill, which was the first one passed after Senator Tower joined this committee. Comparing the FY1966 and FY1985 Defense Authorization Bills proved to be very revealing.

The FY1966 Defense Authorization Bill passed the Senate in a single day, April 2, 1965 by a unanimous vote. There were no floor amendments.

The Conference Committee met once; the Conference Report was 8 pages long; and the actual Public Law was 2 pages long. It

authorized $15 billion in defense procurement.

The FY1985 Defense Authorization Bill is a very different story.

We spent 10 unforgetable days and nights on the floor, and debated 107 amendments.

Conference began on June 22 and stretched out until September 26. We met on 10 different days, the last one a marathon session notable for the violence that the diet of M&Ms and C-rations did to our digestion.

Our Committee Report this year was 527 pages long, a 25-fold increase over FY1966; the Conference Report was 354 pages long, a 44-fold increase over FY1966; and the length of our Public Law this year is still a mystery because our counsels Alan Yuspeh and Jeff Smith haven't finished making their "technical corrections" to the bill that both Houses passed last week. But the bill is at least 400 pages long. I know the "technical corrections" alone will be longer than the entire fiscal 66 bill. The 85 bill represents $211 billion in authorized spending,—so from 2 pages to 400 pages and from $15 billion to $211 billion gives some indication of the sweep of his service.

John Tower was supporting, and indeed leading the way, for a strong national defense when this was not the prevailing view in the country and the Congress. He never waivered and he now sees his positions espoused by a majority in the country and the Congress.

As a token of our respect, esteem, and gratitude for John Tower's contributions, we wanted to leave him with a momento of his years of service in this Committee. We have in preparation a shadow box containing some items to try and represent symbolically what John Tower has meant to this Committee, to the Senate, and to our national security. We have on display here in the Committee today an artist rendering of what the shadow box will look like when completed.

The shadow box will contain the most recent committee photograph. It will contain the gavel used by Senator Tower to chair dozens and dozens of Committee hearings and Committee meetings during his four years as Chairman—and it is also the gavel he used to close out his final conference on the FY1985 Defense Authorization Bill. The Committee wants to present this gavel to you as a symbol of your leadership. It will contain copies of the public law for fiscal 66 and for fiscal 85 for defense authorizations to indicate the span of time and the major changes in defense during his illustrious career.

The shadow box will contain messages from past Secretaries of Defense and from Senators who have served with John Tower on the Armed Services Committee over the years. I want to take just a moment to read some of these messages we have already received:

"Your contribution to the security of our country in planning and maintaining a realistic deterrent will be lasting memorial to your twenty-four years of service in the U.S. Senate." (Melvin Laird, Secretary of Defense, 1969-1973).

"To Towering John Tower of Texas. I dislike to see you go, but am pleased that you came this way. You served your country well. Special good wishes." (Senator John C. Stennis).

"Leadership is said to consist of action, not position. To our great and good fortune, you have throughout your career in the Senate, refused to bend to the pressure of popular sentiment and instead, have chosen to stand in the center of the battle. Once, a solitary figure armed only with the truth, you have become the majority." (Senator Bill Cohen).

John, it is our hope that this small momento will serve as a reminder to you of our appreciation for what you've done for the Committee, the Senate and the country.

You have our thanks, our admiration, and our respect.

RICO CIVIL CAUSE OF ACTION

Mr. THURMOND. Mr. President, on July 25, 1984, the U.S. Court of Appeals for the Second Circuit decided the case of Sedima against Imrex Company, Inc. This particular case involved allegations of business fraud, and the plaintiff therein alleged, among other things, that the defendant had engaged in violations of the Racketeer Influenced and Corrupt Organizations Act—RICO.

Mr. President, as the Members of the Senate are well aware, enactment of RICO resulted from public and congressional concern about the growing activity of organized crime during the 1950's and 1960's. The act was included as title IX in the Organized Crime Control Act of 1970 and was designed to assist in the eradication of organized crime in the United States by providing new remedies to deal with the unlawful activities of those engaged in such criminal activities.

The main part of the RICO statute included a list of predicate offenses which are defined as "racketeering activity." The commission of two or more of these predicate acts within a 10-year period constitutes a pattern of racketeering activity which triggers the civil remedy claim under 18 U.S.C. 1964(c). Included in the list of predicate offenses are such crimes as murder, extortion, embezzlement, kidnapping, bribery, and other similar hard core criminal acts which the Congress believed to be those most frequently associated with organized crime activity.

In addition, when Congress enacted the Organized Crime Control Act, a provision was included in the law which would permit any victim of racketeering to sue in Federal court and recover treble damages and attorney's fees. This private remedy, 18 U.S.C. 1964(c), was included in the law with the intended purpose of creating an incentive for the victims of organized crime activity to bring a private lawsuit to redress the wrongful actions of organized crime against legitimate businesses. Because of the limited resources available to assist in the Government's fight against organized crime, this private, treble-damage remedy was believed to be useful. In brief, the civil RICO part of title IX was crafted to enhance the protection of legitimate businesses against the syndicate's infiltration by dealing with the organized crime as an economic phenomenon.

Unfortunately, the scope and intent of the RICO provisions have been the subject of widespread uncertainty and discussion in the courts since their enactment. Specifically, courts have wrestled with whether Congress intended to create broad civil causes of action in the legislation or something less. Some court opinions have held that RICO's language is ambigious as it relates to private civil RICO causes of action. Other opinions hold that, on its face, RICO allows for private suits by people injured by defendants who have committed two so-called predicate acts.

Further uncertainty regarding RICO concerns the question of whether a prior criminal conviction is a prerequisite to a civil RICO action. In the Sedima decision, for example, the second circuit court of appeals held that, in order to bring a private civil action, there must first be a criminal conviction on an underlying predicate offense. Other courts have not required such a conviction as a condition precedent to a private suit.

Mr. President, when we acted on this RICO statute as part of the Organized Crime Control Act of 1970, I think it is fair to observe that we might not have envisioned the full use of the statute by private civil litigants to include a civil RICO count in their ordinary business litigation alleging misstatements and fraud. In an effort to reach all kinds of racketeering activity, the Congress wrote the statute in broad, sweeping terms. To allege a RICO charge is relatively simple in today's complex, interstate commercial environment. The added appeal of a Federal forum, of a treble damage money recovery, and attorney's fees increases incentives to allege a RICO statute violation in the context of an ordinary commerical law or contract cause of action ordinarily bought in State courts.

Mr. President, it would seem from preliminary information coming into my office that a problem may be developing involving the sudden growth of the private suit remedy of the RICO statute. According to the American Bar Association's special RICO task force about 118 private civil RICO cases have been reported in the last 3 years. Of those, the majority alleged securities fraud, commercial fraud, tender offer disputes, and the life. This apparent pattern in current civil RICO use has prompted the American Bar Association to provide a professional education course intitled "RICO: The Ultimate Weapon in Business and Commercial Litigation."

As a result of the varying judicial interpretations of RICO, numerous questions now exist with respect to legislation which was designed to be a

vital addition to our arsenal of weapons against organized crime. These questions and uncertainties have undermined the effectiveness of this weapon and must be resolved. In addition, the members of the accounting, financial, and other business professions in this country deserve to be able to make reasonable judgments concerning the impact of RICO provisions on their business. It is, therefore, imperative that the Congress hold hearings as soon as possible on this issue to determine if the intention of the Congress in enacting RICO is being carried out, and, if not, what legislative changes are necessary to bring that about. It is my intention to hold such hearings as soon as possible next year after the Congress convenes.

I ask unanimous consent that a letter on this subject from Theodore C. Barreaux of the American Institute of Certified Public Accountants be inserted in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS,
Washington, DC, October 2, 1984.

Hon. STROM THURMOND,
Chairman, Committee on the Judiciary, U.S. Senate, Washington DC.

DEAR MR. CHAIRMAN: The American Institute of Certified Public Accountants is the national professional organization representing over 215,000 CPAs in the United States.

In the last year, we have become increasingly concerned about the proliferation of civil suits being brought under the Racketeer Influenced and Corrupt Organizations Act (RICO) against members of the accounting profession and others engaged in lawful business pursuits. These suits, based upon allegations of marginal substance, have exposed professionals and legitimate businesses to substantial monetary liabilities. Moreover, the branding of individuals and business entities as "racketeers" during the pendency of a case has led to unfair damage to professional reputations. The expense of the legal contest is great and—given the breadth of the civil remedy provided under RICO—the success of even a vigorous and well-founded defense cannot be assured.

Several respected jurists have joined in the pleas of the accounting profession and many legitimate businesses to ask the Congress to re-examine the RICO civil remedy and stem the tide of abuse that is now rising in the Federal courts. The need for Congressional action is clear. Each week, legal periodicals report additional cases and some practitioners have counseled their colleagues that it may even constitute malpractice to fail to allege a RICO claim in any commercial dispute in which fraud might also be asserted, inasmuch as RICO holds out the promise of treble damages and the recovery of attorneys' fees.

Your earliest attention to this important matter is requested.

Sincerely,

THEODORE C. BARREAUX,
Vice President, Washington.

RICO CIVIL CAUSE OF ACTION

Mr. DECONCINI. I rise in support of the distinguished Chairman of the Judiciary Committee, Senator THURMOND, in his call for hearings on the RICO Act as it relates to civil RICO language. As the chairman has stated, uncertainty in interpreting the civil RICO language exists and ought to be the subject of hearings in the next session.

I have long been a supporter of broad interpretation of the RICO statute in the area of criminal prosecutions. I continue to believe that it is one of law enforcement's most useful and effective tools in fighting organized crime.

I am further interested in seeing to it that the RICO language is equally effective in reducing the tremendous profits made by organized crime through civil suits. To date, the RICO statute has not been as effective in the civil area as in the criminal area.

It is readily apparent that the civil RICO language has been the focus of varying interpretations both in court and in legal articles. The implication of such interpretations, as the senior Senator from South Carolina has stated, are farranging. It is, therefore, imperative that hearings be held to air out the views of all those concerned.

These hearings will provide the forum to determine whether or not the civil RICO language needs to be modified, clarified or left unchanged. Only after hearing the statements of all those concerned will we be able to determine whether congressional intent in enacting this legislation is being carried out and remedial action is necessary.

I commend the senior Senator from South Carolina for his foresight in this important matter.

TRIBUTE TO SENATOR HOWARD BAKER

Mr. KENNEDY. Mr. President, as the Senate prepares to adjourn and the 98th Congress comes to an end, all of us in this Chamber, on both sides of the aisle, regret that our distinguished Majority Leader HOWARD BAKER has decided to take his leave—and move on to other things.

Over the years, all of us have come to respect HOWARD BAKER for his intellect and integrity, and to love him for his country eloquence.

HOWARD BAKER is one of the most able and most decent human beings I have ever met. He may just be the finest Senator Tennessee has sent to Washington since Andrew Jackson—who also left the Senate to go on to other things.

HOWARD BAKER is also a leader with great patience—and, I might say, with a reputation for patience even greater than the patience itself.

Of course, as we all know, HOWARD BAKER got his start in politics because his father-in-law was Senator Everett McKinley Dirksen. And I for one have always been a little wary of anyone who tries to get ahead on the basis of a famous family connection.

Actually, HOWARD BAKER likes to tell the story how his career began—at a Republican campaign rally in 1960 when my brother was running for President. At the time, HOWARD had been driving Senator Dirksen around the State of Illinois for a round of campaign appearances. And at this particular rally, in Aldan, IL, Senator Dirksen complained that my brother was becoming famous for serving on a PT boat—but that no one had ever suggested that his son-in-law and chauffeur, Howard Baker, who had also served on a PT boat, was qualified for public office.

From that point on though, people did start to notice HOWARD BAKER, with results that are plain for all to see and that obviously are not concluded yet. Certainly, he is not being carried back to Tennessee on his shield.

We will remember HOWARD BAKER in the Senate for many things: poet, philosopher, photographer—and politician in the finest sense of the word. Surely, he will be in Bartlett's next edition for his famous epigram in Watergate about what the President knew and when he knew it.

We will miss HOWARD BAKER in the 99th and future Congresses—but his leave-taking now from the Senate is unusual in one other important respect. For HOWARD BAKER is departing, not in an atmosphere of sadness, but with an air of anticipation and at the height of his powers.

For HOWARD BAKER, it may well be that the best is yet to come—and I suspect that all 99 of us who have valued his friendship in this body these many years will say, "It couldn't happen to a nicer guy."

TRIBUTE TO SENATOR JENNINGS RANDOLPH

Mr. MITCHELL. Mr. President, it is my priviledge to pay tribute to Senator JENNINGS RANDOLPH and his long and distinguished career of public service. Senator RANDOLPH has served in the U.S. Congress for 40 years; 14 years as a Member of the House of Representatives and the past 26 years as the senior Senator from West Virginia. Throughout his years in the Senate he has been a member of the Committee on Environment and Public Works where he served as chairman for over 14 years.

Senator RANDOLPH's record in the Senate is one that he can be justly proud of. While his accomplishments are too numerous to be fully acknowl-

edged here, they include the Coal Mine Health and Safety Act, the Black Lung Benefits Act, the National Institute of Peace, and lowering the voting age to 18.

As a member of the Committee on Environment and Public Works, his initiatives include the Solid Waste Disposal Act, creation of the Appalachian Regional Commission, and legislation to complete our interstate highway system and repair and rehabilitate our bridges. In addition, he has contributed substantially to measures concerning nuclear energy, fish and wildlife conservation, water resources development, economic development, public buildings, and air and water pollution control.

It has been my good fortune to have served with Senator RANDOLPH in the Senate on the Committee on Environment and Public Works and on the Veterans' Affairs Committee for the past 4 years. I have great respect for him as an able and committed legislator and as a fair and honest man who has tirelessly worked for the people of West Virginia and the Nation. Through his efforts and many accomplishments millions of people live fuller and healthier lives.

TWO STORIES OF DRUG ABUSE

Mrs. HAWKINS. Mr. President, we too often see examples of what happens when young people fall victim to the horrors of drug abuse.

But no matter how many times we see and hear similar stories of our youth succumbing to drug abuse, we are equally affected each time. I am attaching two columns which recently appeared in USA Today that demonstrate in different ways how devastating, in one case to an individual and in the other to an entire community, the problem of drug abuse can be.

One column, entitled, "I Blew Away 10 Years of My Life," states this with poignancy. In attempting to deal with the problems of early adolescence and peer pressure, a 12-year-old girl started using drugs, and fell into the downward spiral of drug abuse. Fortunately this story, unlike too many others, ends with the author's rehabilitation.

The other column, entitled, "They Talk of Cows—And Cocaine," presents aspects of the problem of youth drug abuse by providing some hard hitting statistical information. National statistics are cited indicating that 90 percent of all high school students drink alcohol regularly or have tried it; 50 percent use marijuana; 30 percent use caffeine hyped speed tablets; and 10 percent use cocaine.

Articles such as these, Mr. President, demonstrate vividly that we must not relax in our efforts to curb drug abuse in our nation.

I ask unanimous consent that the attached articles, found in USA Today, issue dated May 2, 1984, be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

I BLEW AWAY 10 YEARS OF MY LIFE

NEW YORK CITY.—It's real easy to blow away five or 10 years of your life on drugs. And the simplest part is getting started.

I started when I was 12. My family had just moved and I was afraid of never having any friends again. I remember walking around my new school and feeling so alone. If only someone would talk to me.

Then, one day, a group of kids did talk to me. They asked if I smoked marijuana. I lied. I said yes. And that was the first time I got high.

I was scared, but that didn't seem to matter as much as being accepted. I remember it all so clearly, almost as though it happened yesterday. But it wasn't yesterday. Because now I'm 22 and just beginning to turn my life around, after nearly 10 years of drug abuse.

I thought that first time was so harmless. It was all fun and friendship. But the first time led to other times, and then to other drugs. By age 18, I had barely made it through high school, and my parents were hurt and angry with me.

I thought if I left home and went away to college, if I left my old friends behind, then I would be OK. But I wasn't. It was the same story all over again. Only at college it was more serious, because I was using a lot of cocaine.

When I flunked out of college, I knew it was time to do something drastic. I was out of control. I thought if I could go back home and stay away from everyone, then I'd be OK.

The only problem was I couldn't stay away from myself. I was 21 and miserable. I had no direction. I was going nowhere except down. I thought I would be a drug abuser for the rest of my life.

Maybe I would have been, if my father hadn't persuaded me to enter treatment at Phoenix House. I didn't really believe it would work, but I was willing to try anything.

I've been in treatment seven months now, and it looks as though my story might have a happy ending after all. It's not easy. How can it be easy to start growing up when you're 22? But I'm learning about myself and what real friends are.

I can never get back the years wasted on drugs. But I have goals now, and I have the rest of my life to reach them.

I'm lucky because I got a second chance. There are thousands of kids who didn't. And there are probably millions of kids who are growing up the way I did. Not all of them are going to blow away five or 10 years on drugs. But plenty will.

THEY TALK OF COWS—AND COCAINE

SIOUX FALLS, S.D.—This is a sunny, tree-lined city of 85,000 people on the east end of a windy prairie. The assets are fresh air and cattle. The people talk about God, rain, children, and school.

It's also a city with a drug problem in high places. This year a cocaine trial involved the county prosecutor—he was acquitted of perjury. Several other lawyers were defendants or witnesses.

Our drug problem extends to teen-agers, too.

"Adults have their coffee. We have our drugs," one 17-year-old girl says: "Over half in high school drink and smoke pot. People in school always have it. You have the right connections, and you get it."

A 19-year-old dropout tells of drinking beer in the fifth grade and smoking done in the sixth: "One day, one of my buddy's sisters lit up a joint. We all tried it. It was nothing serious."

Compared to larger cities, the problem is small in Sioux Falls. The dropout rate here is less than 5 percent; standardized test scores are high. This is no drug ghetto.

Still, the problem can't be ignored.

National statistics show that 90 percent of all high school students drink alcohol regularly or at least have tried it. They also show that 50 percent use marijuana, 30 percent use caffeine-hyped speed tablets, 10 percent use cocaine.

Dan Deal, director of a counseling center, estimates that 30 percent of all Sioux Falls teen-agers are regular drug users. His agency gets 150 referrals a year from the schools.

Bob Carr, the director of a city center where students pay $200 for a seven-week out-patient program, says, "We're a permissive society. Society gets what society accepts."

Dr. Donald Frost, a Sioux Falls physician, calls alcohol the nation's No. 1 drug and health problem.

"I'm not a WCTU-er," Frost says in reference to the Women's Christian Temperance Union, which helped get Prohibition enacted. "I happen to be a non-drinker. But a parent has a very difficult time saying to a kid. 'Don't you dare use pot,' when he's got booze in the refrigerator."

Frost's logic is precise. And it is painful. A nation that glamorizes booze is now passing along a drug problem to its children in a way that no one ever expected.

The PRESIDING OFFICER. Is there further morning business?

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

THE LEGISLATIVE CRUNCH

Mr. MELCHER. Mr. President, I do not know whether there is any likelihood of all the work of Congress being completed today. It seems to me that that is virtually impossible. There will be rather startled glances made at any Senator who brings up a bill in the form of an amendment to the debt ceiling bill—startled because the general feeling is that we would like to complete all business of the Senate and the Congress and have sine die adjournment rather soon. Yet, Mr. President, there is a lot of unfinished business and the only opportunity for any completion of action by Congress on some bills that have been delayed will be on the debt ceiling bill.

I merely make these comments at this time, Mr. President, to emphasize that, at least in the case of this Senator and, I am sure, in the case of other Senators, it is not our choice to be offering these bills as amendments to the debt ceiling bill. It is the only chance we have, however, having been delayed by various means throughout the past several months, of bringing

up the bills and having them considered prior to the crunch of adjournment time. So, Mr. President, it is not with any great delight that Senators like myself offering amendments to this bill are offering them under these circumstances. We would have preferred to offer them in the normal course of business of the Senate weeks ago.

I apologize for taking the time of the Senate during these harried hours just prior to adjournment, but, having said that, I have to very stoutly say that had we been given the chance earlier, we would have done so, but that opportunity and chance were not provided.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has expired.

PUBLIC DEBT LIMIT INCREASE

The PRESIDING OFFICER. The clerk will now state the pending business.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 654) increasing the statutory limit on the public debt.

The Senate resumed the consideration of the joint resolution.

Mr. DOLE. Mr. President, this resolution will increase the public debt limit to $1,823.8 billion for fiscal year 1985. The conference report on the budget resolution—which has been approved by both Houses—indicated that this amount is the appropriate public debt limit for the new fiscal year. Approval of this resolution means an increase in the public debt limit of about $250 billion.

There should be little dispute about the public debt limit that will be set by this resolution because the budget estimates underlying the limit have been approved just in the past week. Since we have waited 4½ months past the legislative budget schedule to adopt the resolution, we ought to feel certain that this amount of debt increase is the most refined and polished ever brought to the Senate floor.

Today and for the next several days, there is no immediate danger that the Treasury will not be able to pay the bills Congress has authorized. The operating cash balance was about $15 billion on Thursday morning which may be enough to pay the Government's bills for 2 or 3 days next week. These bills will include daily payrolls and defense and all other procurement contracts. Fortunately, the amount of cash needed to pay for Social Security benefit payments, military and civilian Government-employee retirement benefits, and VA benefits during the first 3 days of last week was on hand.

The pinch, right now, however, is in the debt management area. There is not enough margin under the present debt limit to continue normal debt management responsibilities. Last month, Treasury postponed regularly scheduled auctions of 4-year and 7-year notes and 20-year 1-month bonds.

In addition to these postponements, Treasury was not able last weekend to make trust fund investments. Under more normal conditions, Treasury would have invested $15 billion from the Civil Service Trust Fund on September 28 and $9 billion from the Military Retirement Trust Fund and $12 billion from the Social Security Trust Funds on October 1. These investments will not be made until after a higher debt limit has been authorized. The trust funds will lose about $6 million a day in interest earnings because of the delayed investments. The loss is permanent unless Congress enacts authority for Treasury to make the trust funds whole.

I urge the Senate to approve this resolution quickly and without amendment so that we can speed its passage to the President for his signature. Nothing can be gained by delaying enactment of this resolution.

Mr. PACKWOOD. Mr. President, I ask my colleague what his plans are for the educational assistance bill and for the employer-provided legal assistance bill, two bills that are now on the calendar and that have been passed by the House. Is it the Senator's intention to call up those bills?

Mr. DOLE. That is my hope, but I know for a fact that there are a number of people who have amendments they would like to apply to the vehicle. We are not going to take up those amendments until we complete action on the debt ceiling.

Mr. PACKWOOD. Let me ask my distinguished chairman this: If we complete action on the debt ceiling and the concurrent resolution, which we hope to do today, and the chairman calls up the bills relating to educational assistance and prepaid legal and others offer amendments and they become bogged down, those bills will die. We are going to adjourn and they are not going to pass.

Given that situation and given the fact that the House has passed these two bills, what objection is there to adding these bills which have House acceptance as long as they are their bills, because they have passed them?

Mr. DOLE. My only objection is that if we attach anything to the debt ceiling, there is no reason not to attach other things to the debt ceiling. My hope is that nothing will be attached.

Mr. PACKWOOD. I think we can make a good case for attaching something that has already passed here and passed in the House.

Mr. DOLE. I must say I have talked to several other Members who have other little amendments that they know the House has no objection to. I see a contest developing on who is going to be first on imputed interest, for example. I hope neither one is first. I think we have that worked out. But that is another amendment that Members would like to offer to the debt ceiling. I would prefer not to have any amendments.

Mr. PACKWOOD. Why could we not, by unanimous consent, call up the prepaid legal and education bills, pass these by unanimous consent, and send them to the President.

Mr. DOLE. We may want to do that later on, but I say to my colleague from Oregon that we are going to need all the help we can get to pay off the debt ceiling. If we take care of those interested in those two bills, we are not going to be able to accommodate others. I know there are others who have interest in those bills and we need their active assistance in keeping other amendments off the debt ceiling. If we fail, then obviously, we could add those two matters to the debt ceiling, too.

Mr. PACKWOOD. Mr. President, I do not want to prolong this, but it seems we could deal with these other two matters. One program has already expired, the education program and another expires at the end of this year. There are literally millions of employees in this country wondering what is going to happen to the employer-provided education benefits and the employer-provided legal aid. It would be my intention—if we reach 2 o'clock, or 3 o'clock, and we are still debating the debt ceiling and it is clear we are going to adjourn soon, I wonder if we could offer these to the debt ceiling, because there is no hope at all of if the debt ceiling goes first.

Mr. DOLE. I know one Senator is looking at the education one as a vehicle for his amendment because he knows the House wants it and he knows that it has a lot of support. Obviously, they have their right to offer them. In one particular case, it is because the House will not accept the bill. We believe it noncontroversial, it passed the Senate, an equal access bill. But I have been advised by the chairman of the Ways and Means Committee that they will not entertain that proposal.

Mr. President, I suggest the absence of a quorum.

Mr. MELCHER. Will the Senator yield, Mr. President?

Mr. DOLE. I yield only for a question.

Mr. MELCHER. The Senator is well aware of our efforts to get to imputed interest and of our intention to offer it to the debt ceiling bill, if no other opportunity is available prior to that time. Here we are at the debt ceiling now. What does the Senator contem-

plate for that opportunity to offer an imputed interest rate bill?

Mr. DOLE. I would hope, if I may respond—we have been working with the Senator from Montana, I might add, with his staff and with about—we have been working at a staff level with Treasury, with the Joint Committee on Taxation, with the American Land Development Association, the National Apartment Association, the National Association of Home Builders, the National Association of Realtors, the National Federation of Independent Businesses, the National Multihousing Council, the National Small Business Association.

We believe that we now have an agreement with all these groups. In fact, they are circulating a letter to Members on both the Senate and the house side. That letter is signed by the American Land Development Association, National Apartment Association, National Association of Homebuilders, National Association of Realtors, the National Federation of Independent Businesses, the National Multihousing Council, and the Small Business Association.

It goes much further, I might add, than the previous amendment offered by the Senator from Montana and even the amendment offered by the Senator from Kansas. This has a revenue estimate of about $400 million as compared to a $100 million revenue estimate. So I say to my friend from Montana, who first raised this issue along with the distinguished Congressman from Texas, Congressman ARCHER, that we are going to pass this sometime today but, hopefully, not on the debt ceiling.

Mr. MELCHER. Is the Senator aware that the American Hotel and Motel Association, the Building Owners and Managers Association, International Coalition for Low and Moderate Income Housing, the International Council of Shopping Centers, the National Association of Industrial and Office Parks, the National Association of Real Estate Cos., the National Realty Committee, the Real Estate Tax Institute, the Montana Realtors, and the Montana Independent Small Business Group vigorously oppose the proposal that the Senator has just mentioned and cite their reasons for opposing it and have distributed to Members of the Senate at least—I do not know about the House—their objections to that proposal and their reasons for it and their vigorous request, almost demand, that this problem be addressed in its entirety, and short of repeal of the provisions in the recently passed tax bill they are demanding that the corrections be broader than what the Senator has proposed in his package?

Mr. DOLE. Again I say to the Senator from Montana, the compromise that we hope to offer later today goes much further than the original amendment of the Senator from Montana. Obviously, some do not want to change it. Some want to continue tax abuse. The estimates of revenue loss over the next 3 years is $2.2 billion. Some of the organizations the Senator mentioned have members who do very well, and they do not want to give up what they have been able to do under the old law. And again I would indicate, it is not my amendment. It is an amendment recommended by the President in his budget. It is one that the Treasury brought to this Congress.

We think we have made substantial changes, but I am prepared to debate that from now to next week. We are not going to come to a vote on repeal, if that is what the Senator has in mind on this issue, as long as this Senator is chairman of the Finance Committee, so we can stay here next week and the next week and the week after that.

Mr. MELCHER. Will the Senator yield for one more question? He has been gracious about yielding for questions.

Mr. DOLE. Right.

Mr. MELCHER. As a matter of fact, I see no reason for a quorum call; I think we have plenty of time to discuss this. I hope it is not intruding too much on the Senate or the chairman's time. But is the Senator aware that the statement about going further than the original amendment I offered, that my original amendment has been modified as these situations have unfolded and that the latest version of my amendment now also incorporates the provisions that the Senator has stated that go further than my original amendment?

Mr. DOLE. Right. Based on the Senator's amendment, I think we have enlarged the $1 million farm exemption to $2 million, so I think it is fair to say that we took the Senator's amendment and then enlarged upon it. We think it is much better. Now, some will want to repeal the entire seller financing provision. And again, I must say if we really want to help some of these homebuilders and realtors, then we ought to take the compromise and try to sell that to the House. I would say as chairman of the Senate Finance Committee that is not going to be easy. I understand the chairman of the Ways and Means Committee will not entertain any change in the seller financing provision this year. Now, we hope that we can encourage Members on both sides to go to the chairman today and try to persuade the chairman that if we do pass a compromise, he should accept it. I hope that we could focus on something that may be realistic. We can run around here and talk about repeal, but repeal is not going to happen. I am going to do all I can to prevent that on the Senate side. We may be able to pass a compromise. I know the Senator from Ohio [Mr. METZENBAUM] has some serious questions about even the compromise, and we have to go over the compromise with the Senator from Ohio, so there are others who have serious questions about that. But if we really want to help the realtors and the homebuilders and the small businessmen and the farmers, we ought to take some legitimate compromise and pass it and then try to persuade the House to take it. But if we are going to talk about repeal—and I do not suggest the Senator from Montana has that in mind—then I think it is a whole different ballgame.

Mr. MELCHER. Will the Senator tell us when we are going to get on this debate? Because, while I am willing for it to be next week, I think there are a lot of other Senators who would like to know it is going to be next week and also the House.

Mr. DOLE. We will be on the debate sometime today, but I am in no hurry to take up imputed interest, I can say that to the Senator from Montana.

Mr. MELCHER. That is the debate I am talking about.

Mr. DOLE. We are here to debate the debt ceiling. I think first we ought to debate that, and then we can entertain amendments. We have not even made the opening statements on the debt ceiling.

Mr. MELCHER. Is there any guarantee that we are going to get to imputed interest if it is not on the debt ceiling, and what guarantee is there——

Mr. DOLE. We have a vehicle that we have been sort of saving; the boat bill is still floating around the Senate, and we thought we would call that up and attach this compromise to the boat bill and send it to the House.

Mr. MELCHER. That is not very reassuring, and until we know when we are going to have a debate on it, I think there are a lot of us who are going to be questioning what procedures we are going under, because we have been waiting ever since the end of June. That is about 3 months ago.

Mr. DOLE. I can say to the Senator from Montana he ought to be spending his time on the telephone to the chairman of the Ways and Means Committee. Persuade him to accept it. There are a lot of vehicles on which we can ship it over there, but I must say in all candor, unless there has been a big change since last evening, they do not intend to take it up on the House side whether it is on the debt ceiling, the boat bill, or the two bills mentioned earlier by the distinguished Senator from Oregon, or any other revenue bill. Now, we have one little bill in which the chairman of the Ways and Means Committee has a

deep interest. We thought about maybe putting it on that bill.

Mr. MELCHER. What the Senator is saying is that we can make a run at it some time, but when that will be he does not know yet, or what vehicle it will be on. Whether it is an important vehicle that the House will take up, he does not know. The debt ceiling does happen to be an important bill, and the House will consider whatever is attached to the debt ceiling, but I do not know anything about the boat bill or some other bill that might be floating around, whether the House would ever stick around long enough to even have it brought from this Chamber to theirs before adjourning. It places us in an impossible situation, I remind the chairman; if we are not going to get on with the debate in the Senate on the matter, we are simply left in a position of having to continually strive to arrange with the chairman and other Senators when this debate can come about. Until that is assured and we are assured it will be on a bill that will have the attention of the House, I think we are in a position where we are going to have to just redouble our efforts to attach the imputed interest amendment to this vehicle.

Mr. DOLE. The Senator from Kansas, having spent considerable time on this matter himself, certainly wants it addressed this year. Unfortunately, I have no control over what happens on the House side. If the Senator from Montana and the Senator from Idaho can be helpful there, I would certainly be pleased to have their assistance.

Mr. MELCHER. I might mention to the able chairman that there are 300 House Members who are on either the companion bill to what I have proposed or a companion bill to what the junior Senator from Idaho has offered. So it seems to us there is no doubt that the vast majority of the House, three-fourths, wants to take up the measure. There is no doubt that more than 50 Senators want to take up the measure. It does have a certain amount of priority.

One of the two stumbling blocks we have found has been the able chairman of the Finance Committee, the Senator from Kansas. He is proposing to us that, somehow, the chairman of the Ways and Means Committee can thwart the efforts of 300 House Members to consider the subject before adjournment. I do not believe that should be the situation—that two people, one in the Senate and one in the House, could thwart the consideration of a measure that has been before both bodies since the first of the year and has the overwhelming pressure and demands from business groups and homeowners and others throughout the country, including small business people, to make corrections in it before we adjourn.

Mr. DOLE. I do not think it is appropriate to characterize the chairman of the Finance Committee as a stumbling block. We have been working with all the groups I have mentioned. I have attended some of the meetings. We spent all day yesterday going over drafting with these groups.

I am also realistic enough to know that we have to deal with the House. If we could just pass it in the Senate, we could put it on anything.

I hope that perhaps today or tomorrow or sometime next week the chairman of the Ways and Means Committee might have a little different view on this issue. He issued a statement last night—I do not have a copy with me—that he is not about to accept any revenue measure on the debt ceiling that is going to cost hundreds of millions of dollars. Obviously, that includes nuclear freeze and all the other amendments floating around as a sort of farewell political party before we leave here. They do not have any interest in that. They play a lot of games in the House, but they play them differently. I would like to get into the debt ceiling now and see what happens later on.

Mr. MELCHER. I thank the Senator for entering into this discussion or colloquy or debate—however we term it.

I suppose the real stumbling block is the false notion of the Internal Revenue Service and the Treasury Department that somehow they can ram down the throats of Americans the very unrealistic proposition that they can get interest rates on transactions involving a willing seller and a willing buyer. That is what imputed interest is all about.

I hope that both the chairman of the Finance Committee in this body and the chairman of the Ways and Means Committee in the other body will not continue to shield the Internal Revenue Service and the Treasury Department from correction of what is truly abuse of the American taxpayers.

Mr. DOLE. I hope the Senator from Montana does not cave in to every special interest group that comes along.

There are a lot of people out there paying their taxes who get tired of us trying to shield income for the rich. I hear all this stuff on television from candidate Mondale about the party of the rich. A lot of special interests have done very well here for a long time. They have been able to shield income and make a lot of money, and we are trying to tighten up those loopholes.

If the Senator wants to join those who abuse the IRS and the Tax Code, as opposed to those in his State who have their taxes withheld from their wages, that is all right with me. I am not going to join that crowd. If that is the group he supports, that is fine.

You can always charge the IRS with everything. We have gone to the Treasury and said we think this went too far. It was not the Senator's proposal. It came from the President's budget and it came from the Treasury. We passed it in the Senate, passed it in the House, it became law, and shortly after that, a lot of people complained about it.

What we tried to do is go back to the Treasury, pull them along, and make some substantial changes. Estimated revenue loss over 2 years is $3.2 billion which we hope to collect by tightening up this loopholes. We are going to give away about a half billion dollars of that. I think that is a substantial weakening of the provison.

If it should be addressed even further, we are going to be back here next year. There will be a Finance Committee meeting sometime next year, and I assume there may even be some talk with tax legislation next year.

I just cannot believe that we can stand up and say it is all the fault of the IRS. I can give some examples here that will curl your hair, of people who have made money in this area with little investment. If the Senator from Montana supports that, that is all right.

My view is that everybody should pay some tax. It should not all be taken out of the working people's checks. We can discuss that later. I would like to get on with the debt ceiling, because if we do not pass it, I understand that it will have a rather adverse impact on a lot of people.

Mr. SYMMS. Mr. President, I say to the distinguished chairman that I am not happy about being in a head-on confrontation with him. I have high respect for him.

However, 80 percent of the commercial and real estate transactions that take place in my State—and probably in most other States—are taking place during this period of high interest rates because of seller-financed transactions. That has nothing to do with abuse or the things the chairman is mentioning or people not paying their share of taxes.

I think the statisticians and the number crunchers at the Treasury and the IRS who come up with these numbers about how much this will cost the Treasury are missing the point—that slowing down this commercial transaction activity is what the problem is.

I wish the chairman could bend on this and let this issue come before the Senate on the debt limit; because I think that if we put it on the boat bill or some other bill, it will languish and not ever become law. Starting January 1, we are talking about imposing some complex rules and regulations on transactions. The compromise that the chairman has worked out and that the staff has come up with will probably

comprise 8 or 10 pages added to the Tax Code, which is very complicated.

It is the same old story, that in order to try to correct two or three big abuses which I think could be corrected much simpler, we end up punishing all those small people out there who are trying to buy and sell real estate and homes. For most people selling their home, farm, or business, it is the biggest transaction of their lives. It puts the Government in the situation where it is dictating higher interest rates at a time when we should be trying to get interest rates down.

The Senator from Montana and the Senator from Idaho have been up front on this. I have been constantly in touch with the chairman and his staff, and I think we should vote on this on the debt ceiling. It is the logical vehicle to put it on.

There are 52 sponsors in the Senate, as of yesterday, who want to repeal this Tax Code and want to go back to the situation before July of 1984.

If there are abuses, I will be happy to work with the chairman to straighten out the abuses.

If we let this go ahead and become law, it is just making a field day for the tax accountants and tax lawyers in the country and it complicates the job for the working people in the country. I think it is just the opposite analysis that the chairman is drawing. So I hope he will reconsider this and allow us to bring this to a vote.

This Senator has no desire to hold up the business of the Senate. I would like to have a vote on whether or not we want to repeal this and then fix it next year, and I am willing to stay here next week and the next week if that is what it takes, but I would prefer to go ahead and do it today, settle the issue, and I think that in the long run the chairman of the Finance Committee, the chairman of the Ways and Means Committee in the other body, the Secretary of the Treasury, and the President will all be better off if they would do it this way rather than get themselves in another fight like bank withholding that we had to go through here and it kept coming up and coming up and finally the American people said they had enough of this kind of policy, they do not want it, and we will win this issue sooner or later. I think it would be much better if we would just do it now and admit that there is a big overdone job that took place last summer.

I do not blame the chairman or I do not blame the chairman of the Ways and Means Committee. I do not blame the Treasury necessarily. Those things happen. We have just simply gone too far in order to try to stop some abuse that may exist, but it has a very bad effect on the 80 percent or 90 percent or 100 percent of the good transactions.

And it is not only real estate we are talking about. It is all business that this affects.

I just appeal to my colleagues to try to take heed of what we are doing here. This compromise that has been worked out I must say to the chairman that has been written by the staff of the committee is very, very complex and complicated. It would be a lot better, in my judgment, just to outright repeal it and announce that next year the Finance Committee is going to take another look at it, and there are some things I think we could do to close up the loopholes.

I thank the chairman for yielding.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, I will be very happy to yield to the Senator from Ohio.

But let me thank the Senator from Idaho. Again I do not quarrel with anyone in this Chamber. I know everyone is sincere in what they hope to do.

I bet we have taken care of Idaho, Montana, and Kansas and probably every other State for those who are in some legitimate transaction and some normal average taxpayer, and in fact even above average, but let me just indicate what we are told is happening.

This is the one argument against repeal. Real estate tax shelter syndications are skyrocketing. The most recent statistics of the income data show that one-third of all partnerships in 1981 were engaged primarily in real estate transactions. Of the over 1.5 million real estate partnerships, 59 percent reported no taxable income, and instead claimed tax losses of $17.8 billion.

That is what we are trying to correct in this legislation. These tax losses increased 56 percent from 1980 to 1981.

According to the National Association of Security Dealers, the value of registered partnerships increased at an annual rate of 72 percent from 1979 to 1982.

What we have done is tried to take a look at all the different concerns and the reason it is a little complex, and I agree with the Senator from Idaho that we have tried to address the concerns of each of the organizations we met with. We really believe we have satisfied all the legitimate concens that anyone had.

We cannot unless we just totally repeal it, and if the Senator from Idaho and the Senator from Montana can get a letter from President Reagan this morning saying repeal it it will be all right with me. It is not my provision and never was my provision. It came from the President's budget. It went to Treasury. Treasury made the recommendation.

I think the President should be commended for trying to tighten up some of these loopholes to make certain that some people, some partnerships, and some in the real estate business are not making millions and millions of dollars through tax shelters and tax abuses.

That is not the purpose of the Tax Code. So we can get into that later on in the day, but I would hope that we might be able to figure it out. We have a good compromise and if all the Members of the Senate would really want to help the people who own residences, own a farm or small business or a vacation home, if we really want to help those people, we have to compromise to do it.

So if we stop talking about repeal and start discussing the compromise, maybe I can convince the Senator from Ohio that it is not a bad compromise. It is something we should address and something we should pass.

But I would guess that, unless I am mistaken, there will be a number of Senators who are just as strongly opposed to repeal as some may be in favor of repeal.

I am happy to yield to the Senator from Ohio for a question without losing my right to the floor.

Mr. METZENBAUM. Mr. President, I just want to ask the Senator from Kansas whether this is not a subject for revisiting. As a matter of fact, it was a subject in which he and I were on opposite sides and when the legislation was passed it was so-called a technical corrections bill.

I think if my recollection serves me right, the Senator from Kansas was a bit irritated when I tried to provide some limitations with respect to this whole matter of imputed interest and the Senator from Kansas at that time was attempting to make some changes that eliminated the abuse that had developed in the real estate industry where smart lawyers and tax accountants had been able to change the purchase price and the selling price and also the interest rate in order to get more tax advantages, and as a consequence the Treasury found that they were being shortchanged while the small operators were getting by.

Is it not also the fact that since that time, after the passage of that measure, the real estate industry has awakened to the fact that there may be some problems in connection with the matter of imputed interest that has caused them to rouse all their troops and to attempt to repeal the changes as proposed by the distinguished Senator from Montana?

The Senator from Kansas, as I understand it, has been in negotiations with the representatives of those groups and has at this point worked out a compromise with he and I guess Treasury and the Joint Economic Committee, although I am not sure about that——

Mr. DOLE. I cannot speak for Treasury.

Mr. METZENBAUM. The Joint Tax Committee and the chairman of the Finance Committee that meets the major problems about which the industry was concerned without providing a repeal and that matter has been circulated.

The Senator from Ohio has seen it. The Senator form Ohio has not signed off, as the Senator from Kansas very aptly puts it, and what we are faced with at the moment is something similar to what lawyers have when they have a damage case or a case in court. That is whether or not we conclude to take that which may be described by some as a poor settlement, but if you do not get that you may get no verdict at all, if you do not get the poor settlement.

I do not care if there are 80 people sign on or 99 people sign on in this body, if there are not 100 signed on, you have a tough road to go.

As I see it, the Senator from Kansas is attempting to get all of his troops lined up and to work out this kind of a compromise, and I am not at all certain that he is doing as much as I think he should be doing, and I am prepared at the appropriate time to discuss the merits, but I do not want to tie up this debate.

It seems to me that what you are really saying is you are working on it, if you put it on the debt ceiling matter we are going to tie up the debt ceiling for God only knows how long because, as strongly as some feel about repeal, that is how strongly I feel about nonrepeal and that we are doing too much for the real estate industry, but that does not mean to say that around here you do not try to work out compromises and, as I have said, I am still looking at the compromise and maybe it can fly.

But absent a compromise, we are going to be here not only for a long day in October but for a long day for many weeks thereafter.

So I want to say that I think the Senator from Kansas is moving in the right direction, I am not at all sure it is as far as I think he should go or can go, but that is a matter to be resolved. If we get into a debate on this issue on the debt ceiling bill and unless the matter is tabled if it is offered, the Senator from Ohio is prepared to discuss and explain to the Members of this body and all others as well what the real estate industry is trying to do to the tax laws of this country.

We have done a lot for the real estate industry. We have changed the depreciation schedules. We have done a lot more for them. It is a fact that under the present laws you can deal in real estate and get all the tax shelters in the world.

Now, we are talking about this imputed interest question. There may be some reason to modify the present law, but if there is an effort to repeal the present law, we have a long debate ahead of us. And when the real estate industry takes out an ad, the National Association of Realtors: "Members of Congress, don't hurt homeowners, renters, farmers, and small business," if the money were available you could have an ad on the other side saying, "Members of Congress, don't permit the real estate industry to rip off the tax laws of this country." And if somebody took out a third ad, perhaps that would say:

Why don't you try to work out something that is fair to the homeowners, renters, farmers, and small business without permitting people on Wall Street to figure out tax gimmicks in order to keep from paying their fair share of taxes?

So I want to say that I support the Senator from Kansas in his efforts to work out a compromise, but I want to say loud and clear that, if no compromise is effected and if there is going to be an effort to totally repeal the law, I feel as strongly about that as some others feel about the fact that it should be repealed.

Mr. MELCHER. Will the Senator yield?

Mr. DOLE. Let me just comment and then I promise to yield to the Senator from Alaska.

I think before we all start choosing up sides, we ought to at least know what the compromise does. That is why I would hope we do not get locked in here on repeal or nonrepeal before we address the issue.

I must say that we have been working with experts in the real estate business, and the home builders and other people who have been working in our committee are in the business. They are out there making a living. They are creating jobs. I really believe we can say this compromise is not one drafted by staff or drafted by joint committee or drafted by some bureaucrats. It is drafted in cooperation and in the right spirit with those who are out there who think the law ought to be changed.

Obviously, if they had their druthers, they would like to have it repealed. They are like anybody else. "Why change the law? If I have got a pretty good deal, don't change it."

But they also recognize there probably are some reasons for the changes recommended by President Reagan, suggestions made by the Treasury and acted on by the Congress. So what we have tried to do, as pointed out by the Senator from Ohio, is to spend a lot of time trying to massage this little problem and try to come up with a solution that I think is satisfactory.

Before I yield to the Senator from Alaska—and I think if the Senator from Idaho and the Senator from Montana and others who have an interest in this would carefully look at this; it is complicated, but we are doing a lot—let me sort of summarize very quickly.

What is the basic rule for homeowners? That is the first question you ought to be asked when you go back to Kansas, Idaho, Alaska, Louisiana, Ohio, Montana, everywhere.

Any individual selling a principal residence or vacation home, which is an expansion of the present exceptions, for less than $250,000 can set a 9-percent compound interest rate.

Now, that is pretty good—$250,000. I understand that you could buy a pretty good house, pretty good home with that.

For homes costing more than $250,000, a blended test rate applies. The blend is simple. It is a weighted average. For example, a $500,000 home can be financed at a rate of 11 percent, halfway between 9 percent and the long-term Treasury rate, now 13 percent.

What homes qualify for this rule? Any home that has not been either inventory, or depreciable property during the 2 years prior to the sale. In short, anything other than rental properties and homes held for sale by a business to its customers. So that is a broad rule. That takes care of people in Idaho, Kansas, and other States.

What is the rule for farms and ranches? The farm rule is similar to the personal residence rule: a 9-percent rate applies to $2 million of farm property. Above $2 million, a blended interest rate applies.

What property is eligible for the farm rule? Any type of land, buildings, and used personal property actively used in the trade or business or farming or ranching for at least 5 years before the sale can qualify. The buyer must intend to use the property as a farm or ranch.

Again, that is a broad rule. I do not think anybody could criticize that particular change.

What is the rule for small businesses, which is another thing the Senator for Montana properly addressed a few month ago and we did not get around to that. A special 9-percent compound interest rate is also allowed for sales of active businesses costing less than $1 million. For a sale involving more than $1 million, a blended interest rate applies.

What type of business sales qualify? Any type of used property can be sold under this rule, as long as the sale involves the liquidation of a complete active business, the sale of a line of business, or the complete termination of a major partner's or shareholder's interest in a business. For example, one partner can buy out another partner's interest in a grocery store. Or, a corporation owning a dry cleaning store and a shoe store can sell the

shoe store and keep the dry cleaning store.

What is the rule for real estate sold by investor? This is the area I know that has been trouble to many in the business and probably some Members of Congress. Real estate builders, owners, and investors qualify for several favorable rules. First, moderate priced properties can be financed with up to $4 million of deferred payments at only 80 percent of the Treasury bond rate—and $4 million is a fairly substantial transaction—they can be financed now with deferred payments at only 80 percent of the Treasury bond rate as long as the note is no longer than 12 years. Today that means a seller cannot sell a $4 million property with a 12-year note providing for annual interest paid at a 10.5-percent interest rate.

If interest is not paid currently, but deferred, then the benefits are cut back somewhat.

What about larger properties costing more than $4 million? This is where some of those broke off in the meetings and said, "We can't support the compromise." For larger properties, below market seller financing is permitted, as long as the interest rate is at least 100 percent of the Treasury rate, and substantially all of the interest is paid currently. For example, the sale of a $100 million office building can provide seller financing with 10.5 percent interest paid currently, and 2.6 percent deferred interest. That is a total rate of 13.1 percent, still substantially below current bank rates.

Another question asked is, do these real estate rules involve a "cliff"? If it is $1 million and 1, do you fall over the cliff? No. A $100 million sale can provide for two notes, one subject to the small transaction rules—that is, the 80 percent of Treasury rate for 12 years—and another under the large transaction rules—that is, 100 percent of the Treasury rate, with substantially all interest paid currently. Large transactions must use the OID method for all notes, while transactions subject to the small transaction rules only can use the cash method.

So I would just say that we have got a lot of information we want to explain when we get into this debate, which I am going to shut off here in about 30 seconds to go onto the debt ceiling. But we have tried to work out a general rule. We tried to work out dealer property, farms and ranches, small businesses, medium-size real estate transactions and large real estate transactions, and we believe we have addressed most of the concerns raised. Obviously, those who do not want the law changed at all still do not want the law changed at all, and the Senator from Kansas understands that.

Again, if the President is willing to back off and send up a note here and say, "Repeal it," that is all right with me. I did not dream it up, he did.

I am happy to yield to the Senator from Alaska.

Mr. MURKOWSKI. I thank my friend, the Senator from Kansas.

I wish to make a couple of observations. I think that the proposed compromise, particularly as it affects the limitation for housing of $250,000 with a waiver, is reasonable. I commend my colleague.

I think one of the difficulties has been the inability to circulate the language to allow the Senate to address the other concerns. I am wondering if my colleague from Kansas would not consider trying to work out some compromise for imputed interest as it affects housing and the $250,000 waiver. In other words, the current imputed interest rules would not fall principle residences valued at $250,000 or less. There is a perception among the public that, as a consequence of high interest rates, people have made contracts of sales at whatever a buyer and seller could agree. Many times that meant interest rates which were below the market rate. It has been pointed out that the current rules would effectively raise the average interest rate from 9 percent to 14.3 percent.

I understand that the compromise as explained to me, would take care of that problem. This $250,000 limitation is reasonable. Without it, we would strangle activity in the area. People will not borrow conventionally at these high rates. They must make their own arrangements.

However, I would like the chairman of the Finance Committee to consider that many additional questions will remain unanswered unless the compromise language is circulated. This will bog down the Senate through the day. Questions such as, what happens if the interest is not calculated on variable rates? If the rate goes down below the Treasury bill rate, for example, what provision is made? Does the IRS come back at a later time? What happens if you rent a vacation house? Does IRS come back and throw it out? What do you do on the sale of a farm if it is several million dollars and there is nonperformance?

I think this is the stage that is going to require a significant explanation to the Members for them to be satisfied that these questions are answered. I commend my friend from Kansas for his commitment, and the rest of my colleagues in attempting to close these loopholes and some of these tax shelters that have been around far too long. But I think we are mixing apples and oranges. I wonder again, if in his opinion, we have the time to circulate the language. I understand the compromise has just been made, and I recognize the time factors we are under here. Would he consider taking care of the sale of principal residences valued at less than $250,000 and agreeing to come back, and go through these other things that I think are going to require an awful lot of time and detail to satisfy the Members of this body.

Mr. DOLE. Let me thank the Senator from Alaska. We do provide, if the interest rates, of course, come down, the Treasury has the authority to lower the rate. But he cannot raise it. That is the protection that we think is a good one. It is a 9-percent compound rate. It was a 9-percent simple rate. But he could always raise it. Now we say, OK, it is going to be compounded but the Treasury cannot raise that rate as far as the $250,000 home is concerned, or vacation home. We would be happy to work with the distinguished Senator from Alaska who has had a lot of experience in this area. Again, I am willing to confess in front of everyone that I do not understand all of this technical material.

Mr. MURKOWSKI. What happens if the variable rate goes down?

Mr. DOLE. The Secretary lowers it.

Mr. MURKOWSKI. If it was covered at a certain rate, the variable rate is set so that the change is tied to the bill rate, the discount rate, any number of things, and the variable rate moves up and down, how does IRS come back and recompute if the variable rate falls below the bill rate? These are questions I do not expect the Senator from Kansas to answer. I just suggest to him that this area has not been addressed by the body of the Senate.

It is a reasonable question. I think there are a lot more out there that are going to have to be addressed because this—and I commend my colleague—language has not been circulated. I am not suggesting it is not a reasonable compromise. Nobody has had the chance to look at it. But the big thing I understand and feel very good about is the $250,000 as a waiver. So this means all the small things that happened that are meaningful to small houses and sold on contract will continue. I simply suggest for clarification and simplification so we can move along that we consider splitting this thing up, accept the amendment of the $250,000, give us some time to go into this other area because in all due respect we will be bogged down in an awful lot of detailed explanation throughout the day, and have a more qualified answer. I intend to review this.

Mr. DOLE. We will have the draft language available. We also have staff available. They did discuss the variable rates. That is taken care of. But again I would rather have one expert explain it to another expert than a nonexpert explaining it to the Senator from Alaska. But we will have the draft language in fact in the next 20 or 30 minutes. Again, we will have the

staff and I think also, I am just suggesting that those who are involved in negotiations who are active in the business might also make themselves available at the appropriate place off the Senate floor to explain any of these things to Senators who want to talk to somebody who is in the business rather than some member of the staff or some member of the joint committee staff. But we believe based on not what staff tells me but the letter I have from these groups—again the American Land Development Association and the National Apartment Association, National Association of Homebuilders, National Association of Realtors, National Federation of Independent Business, National Multihousing Council, National Small Business Association—that we have that support. They have been actively involved in negotiations for 2 weeks. So we think we have addressed many of the concerns.

Mr. President, I suggest the absence of a quorum.

Mr. MELCHER. Mr Chairman, will you withhold that for a unanimous consent?

Mr. President, my bill will obviously have to be an amendment to some other bill. My bill on the imputed interest has been characterized by the Senator from Ohio—I am sure innocently—nevertheless mistakenly, as a repeal.

Section 1275 of the 1984 tax act passed last June does not allow a buyer to deduct the full amount of the interest paid on a property sale that is financed by the seller.

I have developed the necessary provisions to correct that gross inequity for the property or business sales for those transactions up to $250,000 for homes, for those transactions of business up to $1 million, and for farms and ranchlands up to $2 million.

I am submitting a section-by-section analysis of my bill which is cosponsored by 34 Senators.

I have closely reviewed the proposal of Senator DOLE and I am submitting the differences between his proposed corrections as compared to mine.

The following organizations join in endorsing both of our proposals.

American Land Development Association.

Council of State Housing Agencies.

National Apartment Association.

National Association of Home Builders.

National Association of Realtors.

National Farmers Union.

National Federation of Independent Business.

National Housing Conference.

National Housing Rehabilitation Association.

National Leased Housing Association.

National Lumber and Building Material Dealers Association.

National Multi Housing Council.

National Parking Association.

Small Business United.

The Associated General Contractors of America.

The National Grange.

The National Small Business Association.

The American Farm Bureau.

The U.S. Chamber of Commerce.

I ask unanimous consent that I might at this point in the RECORD insert a section-by-section analysis of the bill, and also to cite the differences between my bill and what is proposed by the able chairman of the Senate Finance Committee, the Senator from Kansas.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

(1) The first part of the amendment establishes three direct categories of seller-financed property sales exempt from the recent changes in imputed interest rate rules and original issue discount rules. They are:

(a) The first $2 million in the sale price of farm and ranch land;

(b) The first $1 million in the sale price of small business or commercial property; and

(c) The first $250,000 in the sale price of residential property.

Below these amounts the contract is required to carry the current minimum interest rate of 9 percent and the new OID rules will not apply. If that is not done the Treasury will impute an interest of 10 percent. To the extent that the sale price exceeds these exempt levels, the amount of the mortgage that qualifies for the 9 percent rate will be prorated according to the amount of the sale price that is exempt as compared to the total sale price, and the overall rate will be a blend with the higher rates prescribed.

(2) The second section of the bill sets variable imputed interest rates for the other categories of seller-financed sales of property as follows:

(a) For the amount of certain qualified sales that are above limits set in the first section but below $4 million, the contract will have to carry an interest rate of 80 percent of the applicable Treasury rate as described in the 1984 Tax Act. If that is not done, the Treasury will impute an interest rate of 120 percent of the applicable Treasury rates.

(b) For that portion of a qualified sale that might exceed $4 million, the amendment provides that the contract must carry an interest rate equal to at least 100 percent of applicable Treasury rates. If that is not done, the Treasury will impute an interest rate of 120 percent of applicable Treasury rates.

(3) This part of the amendment contains special rules for phasing in the variable imputed interest rates described in (2)(a) and (b). The test rate for part (2)(a) above will begin at 10.5 percent on January 1, 1985 and Treasury may increase it 500 basis points each six months until they reach no more than 80 percent of applicable Treasury rates. The test rate for part (2)(b) above will begin on January 1, 1985 at 11 percent and Treasury may increase them 500 basis points each six months until they reach no more than 100 percent of applicable Treasury rates.

(4) This part of the amendment provides that all debt instruments arising from any transaction must be aggregated for purposes of this provision of the law.

(5) This part of the amendment prohibits the application of the new imputed interest rules or original issue discount rules to mortgage assumptions.

(6) The final part of the amendment sets the effect date for these modifications the same as if they had been enacted as part of the 1984 Tax Bill.

PROBLEMS WITH THE DOLE PROPOSAL

1. Residential property

A. It limits the exemption for residential property so that no property for which the seller has claimed depreciation during the 2 years immediately before the sale may be exempt for the 9 percent rate. For example, if a seller was temporarily assigned overseas or somewhere away from home and rented his residence during his absence, that seller wouldn't be eligible for the lower rates unless they went back and lived in the house for two years. Again, if the seller used part of their home for a business office or some other business activity, they would be penalized with a higher imputed interest rate. This is an unneeded limitation.

B. The seller may not lease the property back from the buyer. The merits of the sale-lease back provisions of the tax code should be judged on their own merits. They have nothing to do with imputed interest rates and should not be tied to them.

2. Farms and ranches.

A. The farm and ranch land must have been used actively in farming for the previous 3 years and the land must be intended for further farming. Such provisions in the existing tax law have always been very difficult to prove and the burden is always put on the taxpayer.

B. If the sale exceeds $2 million, the complicated OID rules apply for the entire purchase.

C. The purchaser may not lease the property back to the seller.

3. Trades and businesses

A. The business must have been active for previous 5 years. Why should there be such an arbitrary dead line? Is it more likely that a seller of a small business who has only been in business for 4 years is more likely to cheat on their taxes than one who has been in business 5 years?

B. The seller must be getting out of the line of business to qualify for the lower interest rates. Why shouldn't a seller who needs or wishes to sell off part of the business be allowed the lower rates? Likewise, why shouldn't someone who has owned property that was rented to a business be allowed to sell under the lower interet rates?

C. Sale-leasebacks and new investment tax credit property will not be permitted the lower rate. Again, the investment tax credit was enacted as an incentive to invest. Why should it be tied to imputed interest rates? It should stand or fail on its own merits.

4. Loans made after October 5, 1984 will be subjected to the new OID rules if the loan is assumed by a new buyer. It was not the intention of the Senate in my opinion to subject loan assumptions to new limitations and higher interest rates. There is no good reason for grandfathering in existing loans and penalizing new loans.

5. The language in the Dole proposal is too complicated. It will lead to unintended errors by taxpayers and subject taxpayers

acting in good faith to possible penalties they do not deserve. Our tax laws are already too complicated. This just adds more red tape.

Mr. MELCHER. The following groups say they cannot support the Dole proposal:

American Hotel and Motel Association;

Building Owners and Managers Association, International;

Coalition for Low and Moderate Income Housing;

International Council of Shopping Centers;

National Association of Industrial and Office Parks;

National Association of Real Estate Companies;

National Realty Committee; and

Real Estate Tax Institute.

They cannot support the Dole proposal because of the proposal's complexity; future assumptions are not protected from the new OID rules; businesses must for all practical purposes be liquidated in order to be able to use the existing 9 percent imputed interest rate.

I ask unanimous consent that the complete text of the proposal be printed at this point.

There being no objection, the proposal was ordered to be printed in the RECORD, as follows:

At the appropriate place, insert the following new section:

SEC. . (a) Subsection (e) of section 483 of the Internal Revenue Code of 1954 (relating to reduced rate of interest in case of sales of principal residences or farms) is amended to read as follows:

"(e) Reduced Rate of Interest in Case of Sales of Residences, Farms, or Real Property Used in a Trade or Business.—

"(1) IN GENERAL.—In the case of any debt instrument arising from a sale or exchange to which this subsection applies, the discount rate under subsections (b) and (c)(1)(B) shall not be greater than 10 percent and 9 percent, respectively.

"(2) SALES OR EXCHANGES TO WHICH THIS SUBSECTION APPLIES.—This subsection shall apply to any sale or exchange—

"(A) of property for use as a residence by an individual,

"(B) of a farm (within the meaning of section 6420(c)(2))—

"(i) by an individual, estate, or testamentary trust,

"(ii) by a corporation which as of the date of the sale or exchange is a small business corporation (as defined in section 1244(c)(3)), or

"(iii) by a partnership which as of the date of the sale or exchange meets requirements similar to those of section 1244(c)(3), or

"(C) of real property by any person (whether or not described in subparagraph (A)) used in a trade or business of such person or held by such person for the production of income.

"(3) DOLLAR LIMITATION.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to the portion of the stated principal amount of the debt instrument arising from the transaction which exceeds the applicable limit.

"(B) APPLICABLE LIMIT.—For purposes of this paragraph, the term 'applicable limit' means the limit determined in accordance with the following table:

"If the transaction is described in:	The limit is:
Paragraph (2) (A)	$250,000
Paragraph (2) (B)	2,000,000
Paragraph (2) (C)	1,000,000

"(C) REDUCTION IN APPLICABLE LIMIT WHERE SALES PRICE EXCEEDS APPLICABLE LIMIT.—In the case of any transaction with respect to which the sales price exceeds the applicable limit, the applicable limit shall be the amount which bears the same ratio to the applicable limit as—

"(i) as the applicable limit, bears to

"(ii) the sales price.

"(f) SPECIAL TEST RATES FOR SALES OR EXCHANGES INVOLVING CERTAIN REAL PROPERTY.—

"(1) IN GENERAL.—In the case of any sale or exchange to which this subsection applies, subsection (c)(1)(B) shall be applied by substituting—

"(A) '80 percent' for '110 percent' in the case of any debt instrument described in paragraph (3), and

"(B) '100 percent' for '110 percent' in the case of any debt instrument described in paragraph (4).

"(2) SALES OR EXCHANGES TO WHICH THIS SUBSECTION APPLIES.—

"(A) IN GENERAL.—Except as provided in this paragraph, this subsection applies to any sale or exchange of—

"(i) land, or

"(ii) 15-year or 18-year real property (within the meaning of section 168), disregarding de minimis amounts of personality associated with such real property.

"(3) DEBT INSTRUMENTS TO WHICH 80 PERCENT RATE APPLIES.—A debt instrument is described in this paragraph if—

"(A) the term of the instrument (determined with regard to any extension or renewal) is not greater than the lesser of—

"(i) 12 years, or

"(ii) in the case of a debt instrument involving recovery property, ⅔ of the recovery period under section 168 for such property, and

"(B) the total deferred payments under such instrument, when added to the sum of the total deferred payments under all other debt instruments issued in connection with the sale or exchange—

"(i) to which this paragraph applies, and

"(ii) which were issued before such instrument was issued,

do not exceed $4,000,000.

"(4) DEBT INSTRUMENTS TO WHICH 100 PERCENT RATE APPLIES.—A debt instrument is described in this paragraph if—

"(A) the rate of interest stated in the instrument is not less than the applicable Federal rate,

"(B) such instrument provides for—

"(i) the unconditional payment each year of at least 80 percent of the interest so stated, or

"(ii) after the close of the 2-year period beginning on the date such instrument was issued the instrument provides the unconditional payment each year of the total interest accruing thereunder, and

"(C) such instrument is not described in paragraph (3).

"(5) SPECIAL RULES FOR DETERMINATION OF DISCOUNT RATES.—

"(A) IN GENERAL.—If the applicable Federal rate determined under section 1274(d) for any period (other than the Federal short-term rate) exceeds by more than 2 percent such rate for the preceding period, such applicable Federal rate for purposes of applying this section to any debt instrument to which this subsection applies shall be equal to the greater of—

"(i) the sum of—

"(I) such applicable Federal rate for such preceding period, plus

"(II) the greater of 1 percent or one-half of such excess, or

"(ii) the highest such applicable Federal rate during the 2-year period before the period for which such determination was made after the application of this paragraph.

"(B) SPECIAL RULES FOR 1985 AND 1986.—Notwithstanding any other provision of this section, in the case of any sale or exchange with respect to which a binding contract was entered into during 1985 or 1986—

"(i) TEST RATE.—The discount rate for purposes of applying subsection (c)(1)(B) to any debt instrument described in paragraph (3) shall not be greater than the rate determined in accordance with the following table:

"For contracts entered into during the period:	The rate is:
Jan. 1–June 30, 1985	10.5
July 1–Dec. 31, 1985	11.0
Jan. 1–June 30, 1986	11.5
July 1–Dec. 31, 1986	12.0

For purposes of applying subsection (c)(1)(B) to any debt instrument described in paragraph (4), the discount rate shall not be greater than the rate determined in accordance with the table, plus one-half percentage point.

"(ii) IMPUTED RATE.—The discount rate for purposes of applying subsection (b) to any debt instrument described in paragraph (3) or (4) shall not be greater than the rate determined under clause (i), plus 1 percentage point.

"(6) AGGREGATION RULES.—For purposes of this subsection—

"(i) all debt instruments arising from any transaction (or any series of related transactions) shall be treated as 1 sale or exchange.

"( ) SALES PRICE.—For purposes of this paragraph, the sales price shall be determined as of the time of the sale or exchange.

"(7) APPLICATION WITH SUBSECTION (f).—In the cases of any qualified sale (as defined in subsection (f)(2)), the applicable limit determined under paragraph (3) shall be reduced by the amount of any debt instrument to which subsection (f)(1) applies."

(b) Special rule for determination of Applicable Federal Rate for 1984.

In the case of any debt instrument issued during the first 6 months of 1985 pursuant to a sale or exchange for which a binding contract was entered into during 1984, the applicable Federal rate for purposes of Section 483 and 1274 of the Internal Revenue Code of 1954 shall be 10 percent.

(c) Subparagraphs (A) and (B) of Section 1274(c)(2) (relating to exceptions from the determination of the issue price in the case of certain debt instruments issued for property) are amended to read as follows:

"(A) SALES OF FARMS AND REAL PROPERTY USED IN A TRADE OR BUSINESS.—Any debt instrument arising from a sale or exchange described in subparagraph (B) or (C) of section 483 (e) (2) but only to the extent of that portion of the stated principal amount to which Section 483(e) applies."

"(B) RESIDENCES.—Any debt instrument arising from the sale or exchange of any

property for use as the residence of the obligor under such instrument."

(d)(1) Section 483 (d) of the Internal Revenue Code of 1954 (relating to exceptions and limitations) is amended by adding at the end thereof the following new paragraph:

"(5) ASSUMPTIONS.—This section shall not apply to any debt instrument which is assumed (or taken subject to) by the transferee as part of the sale or exchange of property, or to the portion or any wraparound mortgage equal to the unpaid balance of the seller's existing financing."

(2) Section 1274 (c) (4) of such Code (relating to exceptions) is amended by adding at the end thereof the following new subparagraph:

"(G) ASSUMPTIONS.—Any debt instrument which is assumed (or taken subject to) by the transferee as part of the sale or exchange of property, or to the portion of any wraparound mortgage equal to the unpaid balance of the seller's existing financing."

(e) Subparagraph (F) of section 1274(c) (relating to exceptions for sales or exchanges to which section 483(e) applies) is amended by striking out "section 483(e)" in the text and heading thereof and inserting in lieu thereof "section 483(f)."

(f) The amendments made by this section shall take effect as if included in the amendments made by the Tax Reform Act of 1984.

Mr. DOLE. Can I ask the Senator from Montana a question? Have you had a chance to review the compromise which I dare say was started by the Senator from Montana? Are you in a position to endorse the compromise?

Mr. MELCHER. No. I am not in the position to endorse it because some of the key points are not addressed in the Senator's proposal. But I outline that in the section-by-section analysis of my proposal, and how it varies on two very significant points from the provision of the Senator from Kansas.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, I am pleased to hear the Senator from Montana does not have a repeal, and if I incorrectly described it, I certainly apologize to him. It was my understanding that the Senator from Idaho was told it was a repeal. But I think this matter will work its way out in the next few hours I hope.

Mr. DOLE. Mr. President, I hope so too because it is still my hope—I may be the only one who believes we are going to get out of here this evening or tomorrow—that we can accommodate the majority leader's wishes not to load up the debt-ceiling proposal. I hope all those who have an interest in this legislation in the next 2 or 3 hours—rather than try that which is not possible to repeal, which I do not think is possible—will try to see if we cannot come to some agreement. We believe we have done that. I do not suggest it is perfect. Obviously, the question should be answered. We should make a record. We are prepared to do that. We may even find areas that should be modified to some extent. So I hope that we will spend our time and energy on what we consider to be a good compromise, and we believe has some possibility of passage. I am certainly willing along with my colleagues on both sides to do what I can to persuade the chairman of the Ways and Means Committee to accept this compromise.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. METZENBAUM. Will the Senator withhold?

The PRESIDING OFFICER. Will the Senator withhold?

Mr. DOLE. Yes.

Mr. METZENBAUM. Mr. President, has the Senator from Kansas indicated his position—and I am just asking this as a matter of inquiry—that he intends to resist any and all amendments to the debt ceiling proposal?

Mr. DOLE. The Senator from Kansas made that announcement last night and repeated it this morning. The majority leader is not here right now, but last night that was also his hope. Obviously, that does not mean we will not lose some, but I will oppose amendments, yes.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

AMENDMENT NO. 7067

(Purpose: To call for a mutual and verifiable freeze and reduction in nuclear weapons)

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for himself, Mr. HATFIELD, Mr. PELL, Mr. BAUCUS, Mr. BINGAMAN, Mr. BRADLEY, Mr. BUMPERS, Mr. BURDICK, Mr. CRANSTON, Mr. DODD, Mr. EAGLETON, Mr. GLENN, Mr. HUDDLESTON, Mr. INOUYE, Mr. LAUTENBERG, Mr. LEVIN, Mr. MATSUNAGA, Mr. MELCHER, Mr. MITCHELL, Mr. MOYNIHAN, Mr. PROXMIRE, Mr. RIEGLE, Mr. SARBANES, and Mr. TSONGAS, proposes an amendment numbered 7067.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the joint resolution, insert the following:

NUCLEAR WEAPONS FREEZE AND REDUCTIONS

SEC. . The Congress finds that the greatest challenge facing the Earth is to prevent the occurrence of nuclear war by accident or design.

Mr. KENNEDY. Mr. President, I offer this amendment on behalf of myself and Senator HATFIELD. We are joined by 23 cosponsors.

Mr. HATFIELD. Mr. President, will the Senator yield for the purpose of my offering a perfecting amendment?

Mr. KENNEDY. I yield.

AMENDMENT NO. 7068 TO AMENDMENT NO. 7067

(Purpose: To call for a mutual and verifiable freeze and reduction in nuclear weapons)

Mr. HATFIELD. Mr. President, I send a perfecting amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD], for himself, Mr. KENNEDY, Mr. PELL, Mr. BAUCUS, Mr. BINGAMAN, Mr. BRADLEY, Mr. BUMPERS, Mr. BURDICK, Mr. CRANSTON, Mr. DODD, Mr. EAGLETON, Mr. GLENN, Mr. HART, Mr. HUDDLESTON, Mr. INOUYE, Mr. LAUTENBERG, Mr. LEVIN, Mr. MATSUNAGA, Mr. MELCHER, Mr. MITCHELL, Mr. MOYNIHAN, Mr. PROXMIRE, Mr. RIEGLE, Mr. SARBANES, Mr. STAFFORD, and Mr. TSONGAS, proposes an amendment numbered 7068 to amendment No. 7067.

Mr. HATFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment add the following:

(2) the nuclear arms race is dangerously increasing the risk of a holocaust that would be humanity's final war; and

(3) a mutual and verifiable freeze followed by reductions in nuclear warheads, missiles, and other delivery systems is needed to halt the nuclear arms race and to reduce the risk of a nuclear war.

(b) As an immediate arms control objective, the United States and the Soviets should—

(1) pursue an immediate and complete halt to the nuclear arms race;

(2) decide when and how to achieve a mutual verifiable freeze on the testing, production, and further deployment of nuclear warheads, missiles, and other delivery systems; and

(3) give special attention to destabilizing weapons whose deployment would make such a freeze more difficult to achieve.

(c) Proceeding from the freeze, the United States and the Soviet Union should pursue major, mutual, and verifiable reductions in nuclear warheads, missiles, and other delivery systems, through annual percentages or equally effective means, in a manner that enhances stability.

Mr. HATFIELD. Mr. President, I thank the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, this amendment effectively puts the Senate in a position to vote on the nuclear freeze and reductions resolution which Senator HATFIELD and I have introduced in the past 2 years.

In this effort, Senators PELL, BAUCUS, BINGAMAN, BRADLEY, BUMPERS, BURDICK, CRANSTON, DODD, EAGLETON, GLENN, HART, HUDDLESTON, INOUYE, LAUTENBERG, LEVIN, MATSUNAGA, MEL-

CHER, MITCHELL, MOYNIHAN, PROXMIRE, RIEGLE, SARBANES, and TSONGAS, have joined us as cosponsors of this amendment. Other Members have indicated they would support our particular proposal.

Mr. President, ending the nuclear arms race is the most important issue facing our Nation and the world today. A nuclear weapons freeze offers the best chance to stop the madness of nuclear escalation before it is too late. All across America, citizens have joined together to call on their elected officials to act decisively and adopt the freeze as the critical first step toward nuclear arms reduction. Last year, the House of Representatives voted overwhelmingly for the freeze. The time has come for the Senate to add its voice of support to this fundamental arms control proposal.

Our amendment calls for a mutual and verifiable freeze on the testing, production, and deployment of nuclear weapons. It is premised on the essential nuclear parity that exists today. It is the only realistic proposal that can stop the steady Soviet nuclear buildup, and that can begin the difficult process of achieving real reductions in the nuclear arsenals of both superpowers.

Mr. President, we consider this amendment at a critical point in United States-Soviet relations. President Reagan's long overdue meeting with Soviet Foreign Minister Gromyko was a welcome sign that we may be on the road to getting United States-Soviet relations back on track. But, however one interprets this meeting, one fundamental fact remains clear. There has been no progress on arms control for the past 3½ years.

Since the Senate first voted on the Kennedy-Hatfield nuclear freeze and reductions resolution last October, both the INF and the START negotiations have broken off. We could enter into a debate about which side is at fault: the United States or the Soviet Union. But such a debate would miss the fundamental question: What are we doing today to achieve a nuclear arms control agreement that reduces the risk of nuclear war?

The Soviet Union and the United States are now at a dangerous point in their relationship when the direction of arms control for the foreseeable future will be determined. We will move either toward nuclear war or toward nuclear peace. The first step is frequently the most difficult but also the most important. As our first step, the United States should propose a mutual and verifiable nuclear weapons freeze to the Soviet Union.

Opponents will claim that they oppose the freeze because they are for nuclear reductions. This is an argument for the nuclear freeze, not against it. The history of strategic arms control has shown us that when the two superpowers agree to limitations in one area, they cannot resist the temptation to deploy the newest, most sophisticated weaponry in areas which are unconstrained by arms control agreements. Even President Reagan, who has called for nuclear reductions in his START proposal, is committed to deploying the B-1, the MX, and new nuclear-tipped SLCM's.

Both sides should renounce forever the pursuit of the phantom of nuclear superiority. We must free our diplomacy from the myth that more megatons mean bigger bargaining chips. We must reject the foolish theory that we can have fewer bombs tomorrow if only we have more bombs today. The administration defends this as a negotiating strategy. I call it voodoo arms control.

We must ask a simple question of them. Instead of overkill upon overkill, why not start now with a freeze? Why not stop where we are—so that, at least, we can begin to turn the arms race around.

If Members of the Senate are serious about reducing nuclear weapons, they should be supporting this amendment. We face an uncertain future. The advance of technology seems inexorable but we cannot permit that to move us inexorably away from the possibility of peace. A nuclear freeze will give the two great powers breathing room, a time to pause and reconsider before rushing into a nuclear future that may threaten the future itself. The freeze can halt new technologies that are dangerous and destabilizing, technologies that may be impossible to stop once they are started. The nuclear freeze is a necessary first step to achieving the reductions in nuclear weaponry that all Americans and all peoples of the world support.

Opponents also claim that a freeze is not a practical idea, because it will be too difficult to verify. Just the opposite is true. In fact, a freeze may well be easier to verify than a complex arms reduction treaty.

One critical element of the freeze, halting the deployment of new nuclear weapons systems, can be verified with high confidence through national technical means—that is, satellites and listening posts equipped with sensors—and through data exchange and restrictions on concealment.

A second element of the freeze, testing, can also be verified by national technical means, together with unmanned seismic stations and opportunities for onsite inspection. To presume that the Russians will not permit any such inspection ignores one of the most important advances secured in past negotiations for a comprehensive test-ban treaty. As we all know, that treaty has been shelved by the Reagan administration—but during the negotiations, the Soviets actually agreed to the principle of onsite verification.

The third aspect of the freeze, production, may be more difficult to verify, but our intelligence is so highly developed that, according to former Under Secretary of Defense William Perry, we have been able to "monitor Soviet activity at the design bureaus and production plans well enough so that we have been able to predict every ICBM before it began its tests."

We can expect that some people will raise the issue of Soviet compliance with arms control agreements as an objection to the freeze. If there are questions about Soviet compliance with existing treaties, and in some cases, such as the ABM Treaty, I believe there may be, they should be dealt with thoroughly in the standing consultative commission, which is the diplomatic channel constructed specifically for this purpose.

But on the question of verification, we should remember one important aspect of the nuclear freeze that was described by the former Deputy Director of CIA, Herbert Scoville: A freeze is actually easier to verify than a treaty like SALT I or SALT II. Such treaties contain complicated limits on numbers and on modifications of missiles and planes; to detect a violation requires continuing and exact measurements of a vast array of possible prohibited activity. With a freeze, however, a violation would occur and be discovered the instant the other side does anything new at all.

Some opponents of the freeze argue that it is untimely or inappropriate to press the issue now, because we can not pull back from our commitment to continue deploying the Pershing II and ground-launched-cruise-missiles in Europe. The Kennedy-Hatfield amendment calls for a global nuclear weapons freeze between the two superpowers. We reject the idea of a freeze in Europe alone. We must not put the nuclear weapons cart before the arms control horse. Our overridng goal should be to secure a nuclear weapons freeze that prevents any further escalation of the nuclear arms race—across the board—not only in Europe but in every region of the world.

Moreover, the opponents who make this argument against the freeze seem to imply that the United States could not, or would not, call on its entire nuclear arsenal in response to a Soviet nuclear attack on NATO. We have known for many years that the Soviets have an edge in land-based missiles in Europe. There is nothing new in that. But we have always relied on the certainty of our ability to retaliate with the full arsenals of the American nuclear triad against any Soviet threat. The weapons in a single Poseidon submarine could devastate dozens of cities in the Soviet Union on virtually a moment's notice. We know this for a fact; the Europeans know it—and, most im-

portantly, the Soviets know it. Any suggestion that the United States no longer relies on this avenue of retaliation signals a major and destabilizing change to NATO policy, in which Europe can no longer depend upon America's nuclear umbrella.

The overall nuclear parity between the United States and the Soviet Union applies as well to theater nuclear forces in Europe—including not only land-based missiles, but American forward-based bombers and submarines. Britian and France, too, possess strong nuclear forces of their own, which are also capable of responding to any Soviet nuclear attack on Europe.

A nuclear weapons freeze would, of course, be negotiated only after complete and constant consultation with our allies. However, now that the INF negotiations have broken off, a global freeze is even more essential, because it will halt the new round in the nuclear arms race that is now underway—not only in Europe but worldwide.

The opponents of the nuclear freeze contend that we cannot halt the arms race now, after the Soviets have just completed a massive buildup. In fact, a bilateral freeze is the best way to protect against the effects of that buildup. It would halt an entire new generation of nuclear weapons which the Soviets are now developing—including the blackjack bomber, a new submarine-launched ballistic missile, and new cruise and land-based mobile missiles. The cries of alarm about Soviet plans for the future actually constitute a compelling reason to freeze the present balance of forces—and to prevent future destabilizing imbalances.

The administration instead prefers to respond with billions of dollars in more military spending and a massive American military buildup. But we should know by now that the Soviets will not accept a status of military inferiority, that they will match us bomber for bomber, missile for missile, warhead for warhead.

Finally, we are told that a freeze at this time would keep us from perfecting our own deterrent—for example, by creating a new type of bomber which, for at least a while, will be less vulnerable to Soviet defenses. But at any time, there will always be some imperfections in the military forces on either side. That reality can be used every time to justify just one more round in the arms race. "This is all we want," they say, "and then we will have enough." But the Soviets have learned to make that same argument. And so we drift, as Einstein said, "toward unparalleled catastrophe." We must reject policies which claim for the moment to make the world a little more secure, but in the end make the world a more unsafe and unstable place.

In closing, let me respond briefly to those who have questioned the idea of offering the freeze as an amendment to the Debt Ceiling Act. The freeze is hardly irrelevant to the Debt Ceiling Act. If a nuclear weapons freeze is successfully negotiated, it will have more of an impact on reducing the dangerous Federal deficit than any other single proposal I have heard of. A freeze will save America $100 billion over the next 5 years—an average of $20 billion a year. Under the circumstances, the freeze is not only appropriate, it is also timely and relevant as an amendment to the Debt Ceiling Act.

There is no morality in the mushroom cloud. The black rain of nuclear ashes will fall alike on the just and unjust. And then it will be too late to wish that we had done the real work of this atomic age—which is to seek a world that is neither red nor dead, to prevent a planet divided from becoming a planet destroyed.

I urge the Senate to vote for the nuclear weapons freeze and reduction resolution, as a clear sign of our commitment to stop the nuclear arms race before it stops the human race.

Mr. President, I yield to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. CRANSTON. Mr. President, will the Senator yield for a moment?

Mr. HATFIELD. I am happy to yield.

Mr. CRANSTON. Mr. President, I want to pay tribute to Senators KENNEDY and HATFIELD for their leadership in the effort to freeze nuclear arms. It is a matter that is terribly germane to the matter before us, because the budget is out of balance and the debt limit is going through the sky, in good part because of the tremendous defense expenditures imposed upon us by an arms race. The freeze is a way to deal with this problem. I am delighted to be associated with their effort.

Today we share a responsibility more immense than that borne by people of any other time or place in human history. We have amassed weapons which could end our civilization and exterminate the human race. Our mission is clear—we must do everything in our power to halt the nuclear arms race and to prevent a nuclear holocaust.

I am convinced that the mutual, verifiable nuclear freeze is the most practical and achievable step we can now take to slow this arms race. It is a simple, sound and specific step toward ending the arms race which can halt the qualitative and quantitative growth in the superpowers' nuclear arsenals.

As a crucial component of the effort to achieve a negotiated nuclear freeze, I have advanced the idea that the President should propose to the Soviet Union an immediate halt to the testing and deployment of new strategic weapons. This mutual halt would also encompass a comprehensive warhead test ban and a halt to the escalation of the arms race into space. This is a verifiable freeze the United States could initiate, and continue in place, so long as the Soviets responded with a similar halt. I believe this U.S.-initiated quick-freeze is the most promising way to end the spiral upward of new weapons deployments which always outpace the efforts of negotiators to contain them.

It is appalling to me as a father, a citizen, and as a Senator that the Reagan administration has done little that has effectively increased our security. The administration has pursued policies that have heightened world tensions and that have brought us closer to the brink of war.

In the shadow of the threat of nuclear annihilation, Ronald Reagan has failed during his administration to achieve a single arms control agreement with the Soviet Union. And it was not until last week that he met with Soviet Foreign Minister Andrei Gromyko—his first and only working encounter with a senior Kremlin official since he came to the highest office of our land. And this meeting came a mere 6 weeks before the November elections.

This is why we must move beyond the rhetoric, the posturing, and propaganda and to advance a mutual, verifiable nuclear freeze.

Mr. DOLE. Mr. President, the distinguished senior Senator from Oregon wants to speak on the pending amendment, but he is temporarily delayed in the conference, so I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, many years ago, Albert Einstein observed that the "unleased power of the atom has changed everything save our modes of thinking." Today, there is hope that the people of this country are beginning to prove him wrong.

The American people have been demanding since 1981 that nuclear arms control become a priority for our Government.

The issue in the nuclear debate is survival. Not Democratic survival or Republican survival, but the survival of our Nation and our civilization.

The NATO and Warsaw Pact nations today possess some 50,000 nuclear warheads, some more powerful—

many times more powerful—than the bomb dropped on Hiroshima.

The NATO and Warsaw Pact nations possess 17,400 intercontinental nuclear warheads, each sufficient to destroy a city. But there are only 3,000 cities with 100,000 people or more in the entire world. So-called battlefield nuclear weapons, such as artillery shells, are virtually all the same size as the 1945 bomb which destroyed the center of Hiroshima. To call such weapons tactical is to strain the sense of the English language.

The United States currently deploys the equivalent of 3,875 megatons of explosive power. The total explosive power detonated in the Second World War, including the atomic bombs, is estimated at 2 megatons. A fraction of our arsenal could completely destroy the Soviet Union. It could virtually destroy the Northern Hemisphere of our planet as well.

The loss of human life in a nuclear war would be catastrophic. In an all-out exchange, more people would die in the first few hours than have died in all the wars of history combined. The World Health Organization estimates that over 1 billion people would die immediately, 1 billion more would be severely injured, and most of them would die. Two billion people is over half the world's population. No catastrophe of comparable scale has ever faced the human race. The loss of 50 million lives in World War II pales by comparison.

Last year, Dr. Carl Sagan of Cornell University described a study based on information from Mariner I, which measured the effects and duration of huge dust clouds on Mars.

A 1-megaton nuclear explosion raises 100,000 tons of fine dust. Nuclear explosions also cause fires and smoke. A computer simulation of the effects of exploding 5,000 megatons demonstrated that dust and smoke would blanket the Northern Hemisphere so that sunlight could not penetrate. Land temperatures would fall to 13 below zero, Fahrenheit. The blanketing could last for months, long enough to assure the virtual extinction of most plants and animals in the Northern Hemisphere. The dust cloud cover, when it finally began to move, would have similar effects on the Southern Hemisphere. By the most conservative reckoning, in such a world what we know of as civilization would not exist. The human race could barely survive, if at all.

But the computer simulation also found a far more omnibus fact: That even a 100-megaton exchange, a so-called limited nuclear war, would have a similar outcome. Such an exchange would not use even 1 percent of the existing nuclear forces, but it could threaten the survival of half of the world.

The idea of a nuclear arms freeze is a response to that prospect.

The freeze proposal is straightforward. A freeze would be mutual, not one-sided. It would be verifiable, not taken on trust. And it would preserve our ability to deter nuclear blackmail and nuclear war.

The conservative columnist, James J. Kilpatrick, has observed that the freeze is simply a new element in an idea as old as warfare: The idea of calling a truce, Kilpatrick asks why opponents object to it and finds no answer.

It is not easy to understand why the freeze has been the subject of denunciation rather than debate.

The freeze has been attacked as too simplistic.

That charge is a red herring. A nuclear freeze—like any other arms control suggestion—would have to be negotiated. And negotiations would have to result in a mutual freeze, applying to both sides. They would have to result in a verifable freeze, so both sides would know neither could cheat. That is what the amendment before us provides.

The issues now being negotiated in the START talks would all be negotiated in a freeze. We would negotiate how to count the different kinds of weapons, modernization, replacement rates, reduction rates, satellite monitoring, and onsite verification. These are issues in every arms negotiation, and it is misleading to suggest that they would not be part of a negotiated moratorium.

The difference is in approach: Instead of starting from a premise that allows the Soviets to modernize and catch up where they are behind us, both sides would simply agree to a moratorium on their present relative positions. They would, as Kilpatrick says, "call a truce."

The argument is made that a moratorium would lock us into some kind of inferiority as against the Soviets.

But that is an assertion that the President's own Commission on Strategic Forces—the Scowcroft Commission—has put to rest. The Scowcroft Commission clearly said that we have now, as of this moment, the ability to reliably deter an attack on us, because we have the ability to respond with devastation against any attack the Soviet Union could launch.

There are no grounds for asserting that the United States lags behind the Soviets in nuclear deterrence.

One-quarter of our nuclear deterrent forces, the land-based missiles, have been said to be potentially vulnerable to the Soviet first strike; the so-called window of vulnerability. But the Scowcroft Commission exploded that myth.

> To deter * * * surprise attacks we can reasonably rely both on our other strategic forces and on the range of operational uncertainties that the Soviets have to consider in planning such aggression * * *.

That is what the Scowcroft Commission said about the window of vulnerability.

The Commission confirmed that our forces are strong and effective enough now to deter attack. It confirmed that the Soviets do not have the capacity to launch such an attack in any event. The basis for the Commission's conclusion is straightforward. Because only one-quarter of our total forces are in land-based missiles, three-quarters of our forces would in such an attack be untouched. In the unlikely event of a 100-percent successful Soviet strike that entirely eliminated our land-based forces, the vast majority of our nuclear deterrent would remain. We could still totally destroy the Soviet Union many times over. Just 1 ballistic missile-carrying American submarine can destroy 160 Soviet cities.

So, contrary to the assertion that a freeze would lock us into some kind of inferiority, the fact is that we have now the ability to deter attack. And deterrence is the only purpose of nuclear weapons.

We should be able to debate the elements of a nuclear freeze without implying that our Nation is defenseless against the Soviet Union or that we stand in imminent danger of an all-out nuclear strike with no ability to respond. That is untrue. The Scowcroft Commission has confirmed it. And the administration has accepted it.

Soviet missiles are heavier in payload to make up for being less accurate than ours. Our missiles are both more accurate and more numerous. We do not need the heavy payload to reach and destroy targets. They do. Most of their missiles use unstable, unreliable liquid fuel; the bulk of ours use solid fuel. Seventy percent of Soviet missiles are in land-based silos, potentially vulnerable to a U.S. strike. Seventy-five percent of ours are on intercontinental bombers, and on nuclear submarines, which can either evade a first strike or are, for the foreseeable future, invulnerable.

The Soviets have more submarines than we do, but their submarines are noisier and far more detectable. They can only keep some 15 percent of their submarine force at sea at any one time. Our submarines are virtually undetectable, our submarine-based missiles are longer range and more accurate, and half of them patrol continuously. The Soviets are now moving to the quieter Typhoon class of submarine, armed with better missiles. A nuclear freeze could freeze that modernization.

Our bomber fleet consists of B-52's which, despite their age, remain superior to anything the Soviets can put into the air. The fleet has been effectively modernized and continues to be modernized. The B-52's carry ad-

vanced air-launched cruise missiles and the shorter range gravity missiles, against which there is no known defense possible. The Soviets have no comparable missile. The Soviet intercontinental bomber fleet has never been equal, let alone superior to ours. For the most part it consists of propeller-driven Bear planes. The Backfire bomber must be fitted for midair refueling to achieve intercontinental range. But the Soviets are now planning to build a true intercontinental bomber, the Blackjack. The freeze could freeze that modernization.

Our cruise missiles are small, light, and accurate. They are infinitely superior to the Soviets, whose cruise technology is years behind ours—at the moment. A freeze would freeze this relative disparity in place.

The Soviets are moving toward building heavier land-based missiles, equivalent to the proposed MX. But if their current missiles do not credibly threaten us, why allow a buildup that could result in a real threat in future? The freeze would stop that planned deployment.

A freeze would not give us overwhelming superiority. The Soviets would not agree to anything that gives us a huge margin, any more than we would agree to allow them a huge margin. We do not need overwhelming superiority because we don't plan an attack. We need reliable deterrent ability, and that we have.

Both sides now have the capacity to deter attack. Neither has the ability to launch an attack without committing suicide. The nuclear force levels of both the United States and the Soviet Union are roughly equivalent, although not parallel. Both are a deterrent to nuclear war. The nuclear freeze would simply maintain that status quo as a preliminary to mutual reductions.

Supporters of a freeze have been accused of naivety and of overlooking the reality of Soviet brutality. The shooting down of KAL 007 is presented as evidence that the Soviets do not share Western values, and that they will never consider the human cost when it is a question of their power or prestige at stake.

But that is precisely why arms agreements—mutual and verifiable agreements—are so essential. We do not have to negotiate arms agreements with countries which share our values. If the Soviet Union shared our values, there would be little need for negotiation.

I have served on active duty in our Armed Forces in Berlin, where the reality of the Soviet presence is tangible. I do not underestimate either Soviet brutality or Soviet determination to sacrifice whatever they think necessary for political and military security. They will make sacrifices for their power and prestige. But there has never been any evidence that they will risk suicide.

The belief that we can build up our nuclear weapons at a tremendous rate and spend the Soviets into collapse or defeat is an illusion. Neither an appallingly mismanaged economy nor a series of political reverses and difficulties in recent years has deterred Soviet pursuit of their security goals. Nothing in the Soviet political system prevents the diversion of resources to match a U.S. arms buildup. And nothing in Soviet history suggests they would not do so.

The belief that if we can maintain a technological edge on the Soviets we will assure our security flies in the face of nuclear arms developments over the decades. The Soviets have eventually matched each technological advance.

In 1960, we fielded the first submarine-launched missile. It took them 8 years, but in 1968, the Soviets had their own. In 1966, we developed the first multiple warhead missile. In 1968, the Soviets had one too. In 1970, we developed the first multiple warhead missile that could be independently targeted. But by 1975, the Soviets had that, as well.

Today we have a technological edge in long-range cruise missile development, in neutron bomb production and in some other fields. How long will it be before the Soviets catch up? They may never surpass us—they have not done so in the past. But whenever they catch up, we simply ratchet the arms race up another step to keep ahead. The freeze proposes that we stop now, in our relative positions, instead of perpetuating this dangerous technological spiral.

The nuclear freeze has been attacked on the grounds that we cannot trust the Soviets.

But the freeze does not require us to trust anyone. Like any other arms agreement, it would be subject to verification and monitoring. No advocate of a nuclear freeze has claimed we should trust the Soviets. Those who claim a freeze could not be verified are overlooking some very fundamental facts.

Under a freeze banning all new deployments, any new weapon being put into place for potential use would be immediately visible by satellite monitoring. Any testing would be immediately verifiable in a situation where no testing is permitted. A ban on deployment would be at least as easy to verify as a ban on weapon modifications where detecting violations requires continuing and exact measurements of a large number of possible activities.

A production ban would be harder to verify, but not necessarily impossible. As former Under Secretary of Defense, William Perry, has pointed out, our intelligence gathering in the past has permitted us to monitor Soviet production so that we have predicted every new ICBM before it was even tested by the Soviets.

Those who claim that onsite verification is essential have never explained why the Soviets could be persuaded to agree to it in a complex proposal like START, but not on a proposal like the freeze. The Soviets agreed to onsite testing in principle, on the Comprehensive Test Ban Treaty, a treaty which the current administration has mothballed. That agreement does not meet all the needs of comprehensive verification of a freeze—but it is a clear contradiction of the oft-heard claim that the Soviets would never agree to onsite inspection. They have done so in the past.

In all the debate over verification, one factor has been ignored. What could not be verified would not be frozen. So, if the Soviets did not agree to acceptable verification of development, our weapons developments would not be stalled either. If they failed to reach a satisfactory verification agreement on production, our production need not be frozen. That is, after all, the essence of a negotiated position.

Opponents of the freeze maintain that the Soviets have no incentives to negotiate, such as public opinion pressures or the needs of their allies, both of which are felt in the West. By that reading the Soviets did not need to negotiate SALT I and SALT II. There were no fewer pressures on them to negotiate agreements in the past than there are today.

As to why a freeze is preferable to the far more complicated and uncertain outcomes of the START proposal or some version of the build-down suggestion, which the administration is also pursuing, there is a simple answer. Time. Last year, the administration said that START might take as long as 10 years to reach conclusion. Nothing in the build-down proposal promises a faster outcome. But a freeze could be reasonably pursued on a shorter timescale.

A freeze would help counteract the bargaining chip mentality which has dominated arms controls for so long and so unproductively. The bargaining chip gave us deployed MIRV's, which everyone now agrees are the most destabilizing step taken in the last decade. Former Secretary Kissinger has said that if he had it to do over again, he would not have insisted on moving forward with MIRV's.

Today's bargaining chip is equally destabilizing: The MX missile, whose accuracy and throw-weight directly threaten the only part of their nuclear arsenal in which the Soviets can have any confidence. Can we seriously expect them to leave us with such a threat in place and not move to pro-

tect their major source of deterrence? Would we allow our submarines to be subjected to a threat without taking action? I think not.

Yet the bargaining chip theory is alive and well at the arms talks now, and will, unless we stop, again dominate the development of the nuclear arms race in the coming years.

If START does, indeed, take a decade to negotiate, as the administration says, in 10 years' time, we will be debating ways to overcome Soviet advances in the areas where we now outpace them. That is certain.

But the fundamental facts will not have changed. We will both still have enough weapons to annihilate each other and the rest of the world. We will both face retaliatory capacity which will make any first strike suicidal. That much is predictable.

Surely it is time to recognize what we all know to be true: Nuclear weapons do not deter war. Since 1945, wars have been all too frequent and common. The only purpose of nuclear weapons is to deter the use of other nuclear weapons.

Our past nuclear superiority in all categories has never deterred Soviet aggression. It did not prevent aggression in East Germany in 1953, in Hungary in 1956, or in Czechoslovakia in 1968.

Those who claim that Soviet actions in Afghanistan and Poland somehow result from Soviet nuclear strength are ignoring history.

The only use for nuclear weapons is to deter the use of nuclear weapons, not to project power or to overawe adversaries. When we consider the military actions in which both the United States and the Soviets are engaged right now, it is clear that our ownership of nuclear weapons has not stopped Soviet adventurism any more than their possession of weapons has prevented our acting as we deem necessary for our interests.

The amendment before us would assure that the option of a nuclear freeze is considered in the arms negotiations now underway. There is no valid substantive or strategic reason why it cannot and should not be a negotiating option. There are only political objections. But when we are dealing with the potential of world destruction, political objections are not good enough.

(Mr. CHAFEE assumed the chair.)

Mr. WARNER. Mr. President, will the Senator yield for a question?

Mr. MITCHELL. I yield.

Mr. WARNER. The question is, how would he propose that a freeze be verified? What verification procedures, what methods beyond existing national technical means would the Senator consider appropriate?

Mr. MITCHELL. As I said earlier in my remarks, I believe that the question of verification for a freeze would have to be negotiated just as would the question of verification on any other arms control proposal have to be negotiated.

If I may complete my answer, for example, I assume the Senator is a supporter of the so-called builddown concept. Am I correct in that?

Mr. WARNER. The Senator is correct.

Mr. MITCHELL. Is it not true that the builddown would require verification to be negotiated as between the two sides?

Mr. WARNER. The Senator is correct. But in that context, it is much easier to count systems that are taken out of service and new ones that are introduced.

The concern that I have with the proposal that the Senator has aligned himself with is that there are 10,000 Soviet factories building different weapons components, factories doing different types of weapons research. I know of no adequate national technical means thus far by which we can effectively verify such research and development of systems under a freeze.

Second, so far as I know, the Soviets—with the exception of some very preliminary discussions in the area of chemical and biological warfare—have indicated that they would not permit any intrusive devices or indeed persons themselves onsite to verify the cessation of the types of activity that this freeze proposal would cover.

Mr. MITCHELL. The precise argument that the Senator has made regarding the existence of Soviet facilities applies with equal force to every control concept that has been proposed, including the START talks or any other. The necessity of developing a method of verification exists with respect to every proposal and each one confronts the same difficulty.

Mr. WARNER. Mr. President, I respectfully disagree with my colleague on that, because in the other areas such as START and INF, there are established means by which we can with some confidence verify certain aspects of those proposals that have been put on the table by the President. In both cases, we are trying to limit numbers, not research and development activities.

I thank the Senator.

Mr. MITCHELL. I had originally made my remarks because the distinguished Senator from Oregon had to return to the conference and I had agreed to that upon his return I would yield to him.

I note that the Senator from Oregon is now here and I yield to him.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. HATFIELD. Mr. President, I thank the Senator from Maine for his assistance with this rather difficult schedule we have been trying to conclude the continuing resolution conference and get back and forth between that and the Chamber.

I shall be very brief. I merely want to say that in support of the nuclear freeze resolution the Senator from Massachusetts and I have introduced, I know of no subject that has more deeply penetrated every facet of our society or that has spurred the level of anxiety and the concern as much as the whole question of nuclear arms and the potential of nuclear war.

I visit retirement centers. I visit senior citizens groups of all kinds. Usually the first or second question in the question and answer period is: What are you doing for survival of the human race in this mad rush to oblivion? Why is it that the superpowers seem to have little or no understanding or interest in constraint?

You go to a high school, you go to a university campus, and usually again the first or second question in the question and answer period is: What are you politicians doing about the survival of the human race? All we can see is your desire to escalate military expenditures and more madness in this whole area of nuclear arms.

You go to a business group, small business, medium-sized business, whether it is a rotary club or a chamber of commerce, they are naturally concerned about the economics, and they say, "We think there is a very interesting economic theory in Washington today that only nonmilitary spending creates the deficit, and that military spending does not create deficits." They get that right out of Mr. Stockman's little shop downtown that comes up to the Appropriations Committee and tells us "Oh, any escalation of military spending does not contribute to the budget deficit. The only deficit that is created is in nonmilitary spending." That is economics a la Stockman.

That gets around the country and the small businessman out there or any other businessman does not buy that. No one learned that in Economics 101, whether at the London School of Economics, Stanford, or Harvard, or any other school of economics, that somehow spending in one area creates deficits but spending in another area does not create deficits.

They realize that the military spending policies of this country are in themselves creating this horrible deficit and they realize that until we start beginning to get control of that, we are not going to get out of the economic woods no matter what siren songs they may hear sung out of Washington whether it is on the Democratic side or on the Republican side.

Now, Mr. President, this indeed is a people's issue. Dwight Eisenhower once said that many times the people are ahead of the politicians in perceiv-

ing what the problems and the solutions are. Wherever you go in this country you will find that people are far more concerned and far ahead of the political leadership here in Congress and elsewhere in Washington that says, "Oh, everything is just fine, just keep escalating, just keep escalating." That seems to be the only answer.

Let me illustrate that. Ten States had a referendum on the nuclear freeze. Nine of those States passed it—9 out of 10.

Three hundred seventy city councils took up the issue of the nuclear freeze and passed a resolution in support of it. Seventy-one county commissions took it up, including county commissions from North Carolina to Wisconsin, from New England to the Southeast, from the Southwest to the Far West. Fifteen State legislatures resolved on this question as well. All of these people were elected by local citizens and reflecting local sentiment.

This is a people's issue.

Mr. President, let me just take two or three of the arguments against the nuclear freeze. First of all, we hear that the Soviets are racing ahead of us. We get little blue graphs and little red bars on television—"This is the Soviet arsenal; this is our arsenal." We get all of these numbers games.

Let me say, we have over 11,000 warheads and the Soviet Union has over 8,000. It is simply wrong to say the Soviets are ahead of us in that sense. Sure, you can play with numbers. You can say, well, in Europe they are stronger than we are here. But let us take a qualitative analysis and not just the numbers of the quantitative analysis. You have to take into consideration the number of warheads on a missile. You have to take into consideration the accuracy and crank it into the qualitative analysis.

We have record testimony from the Joint Chiefs of Staff when asked the question—and I posed the question—"Would you trade our arsenal for the Soviet arsenal across-the-board?" Of course, the answer is negative. No one in their right mind in this body or elsewhere who has even an elementary understanding of the facts would want to trade the Soviet arsenal for our arsenal.

Then we heard the word that we have got to "modernize." That is another one of those great words we use for escalation. But in 1984, the term is "modernize"—trade in two old Volkswagens for a Rolls Royce. That is one of the ways we modernize. Modernize is nothing but, again, a facade for escalate.

I think we have to look at the basis for the call to "modernize," too. They say, "All of our weapons are becoming obsolete and old while theirs are all new."

Well, last year, Senator KENNEDY and I had a very interesting 1-day hearing in which we invited five of the top American scientists and five of the top Soviet scientists. We asked them to speak to each other and to the world not in scientific nomenclature, but to speak in terms of the question of the real consequences of a nuclear war.

Dr. Carl Sagan was one of those men. He has developed the theory or the idea of the "nuclear winter."

We asked what it would mean to have a first strike against one of the two super powers. Dr. Sagan said:

> A convincing first strike, . . . that would have a significant chance of taking out the fixed-site retaliatory capability of the adversary, and some hardened command posts, would very likely trigger the nuclear winter. If country "A" were to launch a major first strike against country "B" and country "B" did not lift a finger to retaliate, there is a significant chance that country "A" is destroyed by its own action: [A] cloud of dust and smoke [would be] raised over the attacked country. . . . Ten days later, the winds carry it to the aggressor nation . . . the temperatures drop, the light turns off, the radioactivity starts coming down, and the aggressor nation is in deep trouble.

Every one of the five American scientists, as well as every one of the Soviet scientists, agreed with this conclusion by Dr. Carl Sagan.

Now, Mr. President, you may come up with all kinds of responses to that—well, that is a theory or that is a possibility but not necessarily a probability.

Dare we risk it? I am not suggesting today, nor have I at any other time suggested, that the strategy of—the Soviet Union or the United States—would be to deliberately launch a first strike, because, frankly, I think both countries have no political strategy that would risk that. But that is a viewpoint.

But let me say this: The concern I have is that by mistake, by mistake, an error of a computer chip or something else giving us an erroneous signal from our advanced warning system that some major attack has been launched. We will stumble into a nuclear war. And this has happened time after time after time. Fortunately, we have had some breathing space to verify the falseness of that computer chip error or whatever it was that caused that false signal. But one of these days, as we escalate further into counterforce weaponry, that half hour will be reduced and that time to verify may not be enough to be able to avoid a possible wrong response. We better start considering that possibility now and the mistakes that will come.

Let me also say, it is a matter of public record the number of people that have been taken off of access to nuclear responsibilities because of drug abuse and have been courtmartialed for it. Now, that in no way denigrates the quality of our Armed Services. All I am saying is we have all kinds of very interesting variables for possible mistake or error.

Now, the second thing that concerns me is that by 1999 or 2000, which is only about 16 years away, 60 countries of the world could have the capability of transforming nuclear material into nuclear weapons. We hear Colonel Qadhafi talking about the Islamic bomb that he is building, whatever the Islamic bomb is. I guess that is to only wipe out non-Islamic people and preserve Islamic people, sort of like that wonderful weapon that is only going to destroy people and not property. So we get a specialty here with religious bombs.

But it is part of that madness, part of that nuclear madness that penetrates every part of the world today. We better start showing some control or the ability to at least initiate or challenge the Soviet Union to mutual restraints before some of these 60 countries go into the business of international nuclear blackmail.

I do not think we can stand up then and say, "Well, now, you little countries, you less responsible countries, better not do that." It is about like some of our efforts to try to get some of those developing countries to develop some kind of environmental quality while they say, "You have exploited the environment up to this point to develop your industrial society. Now you are telling us we should not do that, we should stay in a different economic status because of the quality of the environment that you are suddenly so concerned about."

Well, that's about the same kind of response that they will give to us when we tell them you must not develop those nuclear weapons because they are too dangerous.

We hear about verifiability; "it is not verifiable," they say. Well, this is a smokescreen. Was START verifiable? In all instances, verifiability is a function of mutual national will. Given the will—and we have the support of people like former CIA Director William Colby to prove it—a freeze is infinitely more verifiable than more limited arms agreements, because it is far easier to detect infractions in a total freeze than it is in a partial arms control agreement.

And that is from Mr. Colby and others. I am not asking the Senate to accept me as an expert in technology or verifiability. But these are the words of people who I think do have credentials to speak to that subject.

The fact is that anyone can attach a condition for verifiability—such as on-site inspection—that will never be agreed to and say that their arms control program is verifiable. This is intellectually dishonest and the world does not have time for it.

Now, I have heard also, in a campaign year, that somehow this is a partisan issue, that it is a Republican versus a Democratic issue. Well, that is also untrue.

Let me tell you at that convention that met in Dallas, TX, of my party not too many weeks ago, they took a survey and they found that 62 percent of the Republican delegates supported the freeze. I do not think there were very many people down there from my wing of the party from whom you might expect support for a freeze.

I might say it was a major part of one wing of my party at the convention. But, whatever label you want to attach to their political ideology, you cannot sight the Dallas, TX, Republican Convention as a nest of wild-eyed liberals or even moderates for that matter. So to say that it is a partisan issue is not true. Let me tell you something. I remember Senator KENNEDY sharing with me a thought or two about this matter. When we introduced this resolution, I think Senator KENNEDY would agree, we were not really initiating an idea but we were responding to an idea already out in the public. The Senator told me there were town halls in Massachusetts representing areas that neither he nor his brother ever carried because of the strong Republican commitments and traditions. They had been discussing the nuclear freeze and they had resolved in favor of the nuclear freeze. Those were some of the areas of Republican Massachusetts. I did not know that there were that many up there but I understand there are such villages up there that are pretty strongly Republican.

But also let me say that the nuclear freeze was supported in Charlotte, NC, down there in the heart of Dixie. Those are not wild-eyed liberal Democrats either. Those are conservative Democrats and conservative Republicans. All I am saying is simply that to try to put this in a partisan context will not hold up. We have conservative Democrats, conservative Republicans; moderate Democrats, moderate Republicans; and liberal Republicans and liberal Democrats because I said in the beginning this is a people issue more than it is a political issue. It is a people issue because people are interested in survival.

One last point. Some people say it is idealistic. You know, every time you want to change the status quo you are called either idealistic or not realistic. That is once again two code words thrown up by people who usually do not have an answer to your point. I say it is realistic because if you want to look at the situation we are in today the problem we face stems from the increased accuracy of these weapons and the increasingly sophisticated technology that is being applied to them. The freeze would bring that technology to a grinding halt. We can discuss the technical merits all night. I suspect if we get right down to it, the problem really is not technical.

The problem is psychological, moral, and intellectual because when you have obliterated all the antifreeze arguments you are left with the ones that are not on display; that is, charges of "weakness"; or "is it not the right time;" or "we have to modernize first and feel secure about our own superiority in every single category of comparative strength;" or "we simply cannot risk it." Let me tell you, those arguments are not really relevant because there is only one bottom line issue; that is, survivability of the human race. We had better think about the need to challenge the Soviet Union to get off its dime and come to some kind of a realistic discussion on this thing. I am not a unilateral disarmament person. I am not a unilateral freeze person. But let me tell you I am coming close to it because we had better address the real vulnerability of our security and national defense. Let me tell you, my friends, it is not in the arsenal.

In my view, in my memory, there is only one President of the United States that really ever understood national security and national defense, and he was a five-star general. His name was Dwight David Eisenhower. People forget that when he announced his policy for the Interstate Highway System that it was not announced solely as a transportation program. He announced it as a component of our national defense, to tie this country together in a strong infrastructure of transportation. Arsenals are vital to our national security. But so is an infrastructure. Today, our infrastructure is deteriorating. You ask any mayor of any major city. Some cities have been on 30-day water supplies, and their utilities are being held together by baling wire. National security depends on a strong economy. Today, America's defense vulnerability is on its economic front. Security is to have access to raw materials, access to fuel, and energy and to reduce our overdependence on Middle Eastern oil. Those are some of our vulnerabilities today in national security. Let me close with one last quote from that great President.

General Eisenhower said there will come a time in this country's life when in the name of national security more money will be requested for bombs and rockets, when there are people who are hungry and not fed, cold and not clothed. And far from strengthening national security, it will actually weaken national security. He saw the totality of our national security as a strong well-housed, well-fed, well-educated people, and a strong productive economy with rivals of no consequence in the world of international trade.

I am not suggesting that it is all the fault of the United States that we do not have a freeze today. All I am saying is let us take this freeze proposal, let us go to the court of world opinion and say to the Soviet Union, we challenge you to beat us on this basis. Let the Soviet Union be put on the spot. Let us take the offense in international diplomacy. Let us take the offense in a real way in arms control. That is why I think it is important to support this nuclear freeze resolution at this time as a reflection of the will of the people.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER (Mr. COHEN). The Senator from Texas.

Mr. TOWER. Mr. President, I will be brief. Let me first say in response to one comment made by my distinguished friend from Oregon; that is, I will have to agree that defense spending—as does all Government spending—contributes to the deficit. I think we could have a stipulation to the effect that all Federal spending that is not funded through user fees or user taxes contributes to the deficit. The question is how do we order our priorities, and can we discipline ourselves to prioritize spending and reduce spending or abolish spending for those low priority items? That is not really the issue. I think that one would have to observe, however, that if you are confronted by a powerful, armed adversary, spending money on ensuring a minimum standard of living for your people alone will not deter attack against you.

It seems that most of the time given over to debate on this issue has been consumed with discussing how terrible nuclear war would be, and by citing the numbers of weapons that we have in our arsenal.

The Senator from Oregon said the bottom line issue is the survivability of the human race. I submit that that is not an issue, because it is not arguable. There is universal agreement that the human race should and must survive. So I do not take issue with my friend from Oregon on the survivability of the human race.

On the matter of the destructiveness and the consequences for the human race of nuclear war, I would be inclined to agree with the worst horror story that has been painted. It may be even worse than Carl Sagan and other scientists say that it is. Let us assume that it would indeed be global holocaust. That is not at issue. Nuclear war is terrible. To say that the fact that nuclear war would be so pervasively destructive is an argument for the nuclear freeze is incorrect. The issue is how do we best avoid this holocaust. That is the issue. Let us focus on that. What does the proposal for the freeze contribute to the potential for an arms agreement that would drastically

reduce the likelihood of nuclear war, and the ensuing holocaust that we all fear?

It is suggested by proponents of the freeze that we have greater numbers of nuclear systems than the Soviets. Then they say let us not play this numbers game. We are talking about a numbers game. We talk about a freeze in numbers. I say that it is those who raise the point of numbers of systems that have injected the numbers game into this.

I think what you have to look at is how the numbers are distributed; what kind of systems are we talking about.

It is axiomatic in the military that you can concentrate superior force out of inferior resources and accomplish a military objective.

This is precisely what the German Wehrmacht did with such effectiveness during World War II. We had superior numbers in the west, vastly superior numbers, vastly superior industrial capacity. But it did not deter the Germans from an armored first strike because they had a superior convention first strike capability, and they demonstrated that very clearly.

What we have to ask ourselves is whether or not we can maintain, not just in terms of numbers but in terms of capability, that which is a credible deterrent, an adequate deterrent, to a first strike against us.

If you look at the numbers, the numbers are impressive on our side. There is an imbalance of numbers of warheads in our favor. But there is also an asymmetry of types of systems and how they are deployed that should give us concern.

The fact is the bulk of the Soviet nuclear capability lies in land-based systems that are at this point in time not only superior in numbers but at least equal in capability and probably superior in survivability.

This is what must give us pause. The systems that we have at sea, and the air-breathing systems we have, are designed as retaliatory systems, defensive systems, defensive in the sense that they are designed to deter. They are not first-strike weapons.

The Soviets have a clearly superior first-strike capability. That is what we must fear and that is why we must not preserve the status quo, but seek genuine reductions—reductions in nuclear arms.

Let us think in terms of what the psychological impact and the practical effect of the nuclear-freeze proposal would be.

Would it enhance our negotiating position? Would it hasten the day when agreements were arrived at that reduced the potential for nuclear war?

I suggest that the nuclear-freeze advocates, honestly motivated, seized of very strong convictions, and I admire them for their zeal, are proposing something that would be counterproductive and that might, in fact, enhance the prospects ultimately for the very nuclear holocaust that all of us so earnestly desire to avoid. I believe that if there were simply a nuclear freeze, even if it could be adequately verified—and I have some serious questions as to the possibility of that—I think that would militate against arms reduction because the nuclear freeze, in effect, limits seeing what we have and seeing what they have.

Let us give them a favorable imbalance from the standpoint of urgent, hard-target kill capability. Those land-based systems are the most destabilizing weapons in the nuclear inventories, far more destabilizing than those that are carried in submarines or borne by air. Those are the most destabilizing elements in the nuclear equation.

Once the freeze has been achieved, assuming that it could be, and assuming that it could be verified—which is the precondition that my friends advocating the freeze quite correctly included in their proposal—if that were to be the case, in my view this would militate against the negotiations that would result in the reduction of these inventories of nuclear arms to the extent that no one—no one—would have a first-strike capability. That is the bottom line, I suggest to my friend from Oregon, that nuclear arsenals must be reduced to the point that no nation has a first-strike capability.

So what my friend proposes in my view, and in the view of our President, in the view of our Secretary of State, in the view of the Arms Control and Disarmament Agency, in the view of very capable men, most of whom have served both Democratic and Republican administrations, the adoption of this freeze as national policy, would militate strongly against and perhaps be conclusively destructive to any prospect of getting meaningful arms reduction in the foreseeable future.

That is what we are talking about.

I think the psychological impact, the perceptions that would flow from the action of this body in mandating a nuclear freeze negotiating posture, would give pause to those of us who understand that the only way to achieve the significant nuclear arms reductions that the Reagan administration is trying to negotiate is to negotiate from a position of strength, not weakness as embodied in the freeze. The freeze, even if instituted and verifiable, would lock us into inferior negotiating positions from the standpoint of negotiating further reductions in these weapons.

If the freeze were adopted, the Soviets would walk away from the table saying, "We now have an arms agreement. You keep your number of retaliatory weapons. We have our superior number of first strike numbers. We feel perfectly secure. We need negotiate no more." The freeze is the antithesis of reductions. The only sure way we are going to avoid a nuclear holocaust is to deny to any nation the power to strike first at minimal risk to their own safety and security.

Let us not take this step which would convince the Soviets that we are prepared to concede certain advantages. That is what we would be doing. If we mandate this negotiating posture, we are saying to the Soviets, "We are prepared to concede to you certain strategic advantages."

And this will militate so strongly against our ability to achieve the reductions in numbers and overall capability that are essential if we are to be assured—and succeeding generations are to be assured—that there will be no nuclear holocaust.

Mr. President, I hope that this proposal, offered in good faith by Mr. KENNEDY and Mr. HATFIELD and others is defeated. They are all men who, I believe, strive to do what is best for the cause of peace and the preservation of the security of this country and the safety of mankind. I applaud that. I believe they are honestly motivated. I believe also, Mr. President, that they are tragically wrong in the means by which they seek to achieve the end that we all desire.

Mr. EAST addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. EAST. Mr. President, I would like to take a few minutes to comment on my opposition to this proposed amendment.

It is very difficult to follow the distinguished chairman of the Senate Committee on Armed Services. I have found that when you enter into debate or discussion with him on matters involving the military, as well as many other things, he has no equal, so he is a very difficult person to follow. I would like to add my feeble comments to his already cogent arguments against this freeze. I only wish I were able to follow a more inarticulate spokesman, hence to enhance my own presentation, but I am in the unfortunate position of following him. I have the deepest respect and admiration for his ability to explain very complex matters over which he has great mastery with great precision, decisiveness, and understandability. I am not suggesting that I can improve upon anything he has said, but I would like to make just one attempt to add my voice on this matter.

Several points I shall try to make as quickly as I can. I know there are others, Mr. President, who would like to speak on this issue on both sides.

First, the Senator from Oregon raised the deficit question, that this would help reduce the deficit, which is probably the weakest argument in the arsenal of the supporters of this

amendment. First, I point out that the deficit caused by the defense budget has been shrinking dramatically in recent years. In 1960, the defense budget was 50 percent of the total budget. Today, it is less than 30 percent. In 1960, the defense budget was about 9 percent of the GNP, today it is less than 6 percent.

Second, I point out in terms of Federal expenditures that national defense is the prime responsibility of the Congress. We cannot leave it to the State and local levels; hence, if we do not meet it, it does not get met.

Also, I point out that the great cause of the deficit lies not in defense expenditures nor in a problem of taxation but in terms of nondefense spending growth—entitlement programs, for example. Everybody knows that.

I also point out that as regards the military budget, well over 50 percent, 60 percent of it goes for pay. So the defense argument in support of the freeze that this is needed to reduce the deficit, I think, pales away when a few figures are produced.

National defense, I repeat, is the prime responsibility of the Federal Government under article I, section 8, of the Constitution. If we do not provide it, it does not get done.

I agree with Secretary of Defense Weinberger that the reality of the military threat to the United States from the Soviet Union and her surrogates is a reality. We ignore it at our peril. It is real, not imagined; hence, we must spend that which is necessary to defend this country. That is the prime responsiblity of the Federal Government.

Second, I point out that the Chairman of the Joint Chiefs of Staff, General John Vessey, has pointed out that if the current imbalances in defense capability at the strategic—which this nuclear freeze amendment deals with—as well as at the conventional levels continue, the Soviet Union will eclipse the United States in terms of military capability, and that will set the stage for greater instability in the world and the greater potential for war.

If we learned nothing else from the experience of the 1920's and the 1930's, it is that self-induced, self-inflicted military weakness produces the greater potential for war, it does not lessen it. If I am saying there is peace through strength, yes, that is precisely what I am saying. I suspect the common sense of the American people would agree with that; at least, I would hope so.

Isolationism and unilateral disarmament in whatever guise it takes will not lead to a more peaceful world for you and your children, but to one of greater instability, one of greater potential for war, as the events leading up to World War II did.

It was the feeling in the 1920's and 1930's that if we did not arm, if we were isolationist, we could escape the great war, and precisely the opposite occurred because we became involved in the worst war in our history, World War II.

I wish to see us avoid that great calamity of potential of a third world war. The way we do that is not by playing ostrich, as Jeane Kirkpatrick has pointed out, but by assessing calmly and prudently and realistically the nature of the military threat that we face from the Soviet Union and her proxies and responding accordingly. I think Mr. Gromyko, et al, will be more impressed with that than the politics of fear, of disarmament and isolationism, which is being preached in certain quarters in this country and, I think is manifested in some degree in the nuclear freeze movement and in this particular amendment now offered on the floor of the U.S. Senate.

Let me turn to some of the particulars of the freeze proposal. First, it is a mutual and verifiable freeze, followed by arms reduction. It shall freeze what, testing? That, I presume—it is a very broad and vague term—means research, it means productivity. It says it shall freeze productivity and deployment. As former Chairman of the Joint Chiefs of Staff David Jones put it, it has a certain seductive appeal to it. The appeal, though, is based upon fear and irrationality, that some way or other by being strong, and resolute, and prudent, and wise, and realistic in our assessment of the world situation, it is best we panic, it is best we seek, at whatever cost, agreement. It is based on political, I hate to say it, fear. And again I am sure that at that point Mr. Gromyko, who quite rarely does, does smile, smile at the naivete, and the foolishness, and the factlessness of the thinking behind the freeze mentality. Seductive appeal, fear, the politics of fear.

First of all, this nuclear freeze, if we should put it into operation, would freeze the Soviet Union into a position of superiority in the nuclear field. Secretary Weinberger has so said and there is ample expert military testimony to that end—freeze us into a position of inferiority because the United States has foregone advancement in development technologically in this area in recent decades and the Soviet Union has moved ahead without inhibition and unfettered. What thinking is that, freezing us into a position of inferiority? Will that contribute to greater peace and stability in the world for you, and our generation, and our children, and our grandchildren? I daresay no, on the basis of historical evidence. As Santayana said: "Those who cannot remember the past are condemned to repeat it." I think that is true in this case. If we learned nothing from the twenties and thirties and simply repeat the same folly in the eighties, we give a less secure, a less safe world to ourselves, to our children, and to our grandchildren. I do not think that is stating the proposition in an overly emotional way. I think it is an accurate, prudent, realistic assessment of where we stand in the year of our Lord, 1984, at the close of the 98th Congress.

Verifiable, we are told. Really? The record of the Soviet Union and verifiability is absurd. It does not exist. They have violated the SALT accords. They have violated the Helsinki agreement. They have violated the Biological Weapons Agreement, and the list goes on and on. The Soviet Union in its mentality looks upon agreements as mere scraps of paper to be ignored or circumvented to suit the national self-interests of the Soviet Union and the cause of the revolution. And any serious student of international affairs in our time can find ample evidence of that. So you enter into a so-called mutual, verifiable freeze with the Soviet Union. You cannot verify it. How can you verify, for example, testing and research? Can you examine every square inch of the Soviet Union? Can you examine every research laboratory in Siberia, in the West, in the Eastern European countries, in the East? No. It is a false hope. You cannot verify testing, research. How could you? Laboratories. Impossible. It sounds good—seductive appeal, as David Jones put it. But it cannot be done. It cannot be done. We are told it shall be mutual, bilateral between the Soviet Union and the United States. What if China does not honor it? Communist China is developing its own capability. Other members of the Third World—Qadhafi in Libya—what if they do not follow it?

Even assuming the Soviet Union does—for purposes of discussion I will demur, assume they do—if China does not and they race ahead in the technological race and gain superiority, is there any question in your mind what the country founded by Mao Tse-tung and Deng Xiaoping would do if they had nuclear superiority over the United States? You see, this is merely a bilateral agreement between us and the Soviet Union. It assumes a static geopolitical situation which you could not do. Life by true definition is change, so we are locked in while Third World countries—there are what, 145 of them in the world. Only the United States and Russia would be frozen, even assuming the Soviet Union honored it—would be free to do what they wanted to do. Why, that is sheer lunacy. China, if they had this capability, under a Maoist mentality, would intimidate, and threaten, and reduce us to a point of impotence in terms of Asia and ultimately the whole world geopolitical situation.

Another point in opposition is that it must be understood that the key component to survivability in terms of defense and weaponry is the technological superiority of the United States. That is the key. We are only 5 percent of the world's population. Mr. President, do you realize that if we disarm to the point where all you could use, let us say, would be spears, we are through? Communist China has 1 billion people. We have, what, 240 million. The Soviet Union has more than that. We are a very small country in terms of population, so to the extent that we are able to provide the defense capability to keep our people free and to be the leader of the Free world, it is our technology in which we must maintain qualitative superiority. The Soviet Union understands that. They want it. They are going to try to get it from us. No wonder they are against proposals now against possible space defense programs. They want to cut out our nuclear superiority, in terms of technologically rooted superiority, and ultimately reduce it to a purely conventional force, and they would win because we cannot match them man for man in Europe or any place else in the world.

Remember, we must maintain our flexibility to have technological superiority. Our NATO allies oppose this—again, part of the isolationism feature of the nuclear-freeze movement.

Let me quote German Chancellor Helmut Schmidt, who spoke about the freeze in addressing a convention of his party on April 20, 1982. He warned advocates of a nuclear freeze today that its enactment in Europe would amount to accepting the "unbelievable Soviet armada that is aimed at us."

Meaning that without the technological advantage and superiority of nuclear capability, the Soviet conventional forces could move right over Europe as the Wehrmacht did in the 1930's. NATO is no match conventionally for the Soviet forces in the Warsaw Pact nations. This is Helmut Schmidt, the West German Chancellor speaking now.

He goes on to say:

> I want to say this to those who want to offer unilateral disarmament in the place of mutually binding disarmament agreements; historically experience shows that one-sided powerlessness never stopped aggression by a force possessing power. This is the experience of neighbors of the Soviet Union, and the case of Afghanistan is still fresh in our minds. The same was true of states neighboring Hitler's dictatorship.

So says the current Chancellor of West Germany. In short, he says that the freeze movement is a very bad, misconceived idea—well intentioned, of course, but irrational, based upon the politics of fear, confusion, and irrationality.

Moving beyond the deficit point which I have discussed, plus what I think is the extreme military weakness involved in the freeze concept, in terms of the posture it could put us in militarily in a strictly technological sense, vis-a-vis that of the Soviet Union, let me turn, in conclusion, to the geopolitical implications of it.

I repeat: I think it again fails to understand the great lessons in the broadest perspective that we must remember historically and politically in the 20th century, our time, that the two great threats to the survival of the United States and those who share our values, and our institutions, and our goals, and our ends have come first from the totalitarian right—Nazi Germany in the 1930's—and now from the totalitarian left—the Soviet Union.

Those are the two great political cancers of our century. They have different rationales, but they come out at the same place, do they not? In the case of Nazi Germany, to simplify, Dachau and Buchenwald. In the case of the Soviet Union, you end up with the Gulag. What is the difference? None.

It is the hideousness of totalitarianism. It is the hideousness of the two great political cancers and moral, political aberrations of our time. Whether you like it or not, the United States, in the 20th century, has been thrust out as the only people in the world that has the capability of meeting that challenge. If we do not meet it, there is an enormous vacuum of power there that can be filled by no other nation in the West, and it will go by default to our enemy, the Soviet Union—just as in the 1930's, by default, when we opted out on fortress America, isolationism, unilateral disarmament. It gave Hitler the green light, and he marched. He marched into the Sudetenland, Czechoslovakia; he marched into the Rhineland, into Austria; and ultimately, in 1939, the full-fledged attack on Poland, and World War II was underway. Then Pearl Harbor, and then the worst war we have known in our history.

So what we see here, in a geopolitical sense, is that in meeting the great totalitarian threat of the 1920's and 1930's, is it not true that isolationism and disarmament, weakness militarily, did not bring peace? As the politics of fear of that time said, it brought us war; and we sacrificed our finest manhood in those years between 1941 and 1945.

I hate to see us repeat that folly in the 1980's or the 1990's, with your children or their grandchildren. I do not think that is overemotionally stated. I think it is the fact of the matter. Weakness will bring us closer to war, not further away from war.

Let me put it in local government terms. If you are having a local crime wave, what do you advocate doing—abolishing the police department? No. You say: "Let us strengthen it." That would be the best deterrent, would it not? Sure, strengthen it, not weaken it.

So when you are dealing with the problem of international gangsterism, whether it is the Hitlerian mentality or the Marxist-Leninist mentality, why, all of a sudden, do you think that by eliminating the police department, which is the defense superiority of this country, it would eliminate the threat of international gangsterism? It encourages it; it rewards it. they interpret it as weakness, which it is, and they move accordingly.

This would encourage Soviet adventurism throughout the world, such as is currently going on in Central America with Cuban and Nicaraguan forces, going on in Africa through Cuban and Soviet forces, going on in the Middle East through Syrian, and PLO, and Soviet forces, going on in the Far East between the Soviet Union and her new proxies, the Vietnamese, against Cambodia, threatening Thailand, and so forth.

As Alexander Solzhenitsyn, the great Soviet Nobel writer, put it, you need not fear nuclear war. Why? Because they have superiority at this point. As Solzhenitsyn put it: "They are taking you with their bare hands"—meaning one country after another falls.

You will notice, as occurred in the discussion and debate yesterday over whether we should give aid to the Contras, that always with those opposing aid in trying to resist Communist advance, their territory is always sacred—be it Grenada, be it Nicaragua. Always the conflict takes place in the non-Communist world.

I submit if you play under those rules of the game you lose. The world is finite geographically and eventually the parameter shrinks and that was the Marxist-Leninist strategy. Take the soft underbelly, surround the major industrial powers, United States, Western Europe, Japan, they will fall like ripe fruit, you will strangle them.

They used the same tactics, you will note, in the more limited context of the warfare in Vietnam. They take the countryside, surround the city of Saigon, and then eventually take that and the helicopters come in over the embassies and try to get people out, take them where they can.

In the broader global context they do the same thing. Take Africa, take Asia, take Central America, South America, Latin America, the Middle East, they are doing it, are they not? Is that imagined?

I submit that the domino theory is alive and well. And at some point they leave us, Western Europe, Japan isolated.

Do you think that puts us in a strong position to maintain peace and freedom, security in the world for you,

your children, your grandchildren? I submit not. I submit not. I does not.

No. Politically, geopolitically this would encourage Soviet adventurism throughout the world. So-called wars of national liberation, double-time George Orwell's 1984. They are wars of terrorism. They are the wars of the totalitarian threat of our time.

The Soviet Union whose ultimate contribution to the political history of our time will be what, the Gulag Archipelago, just as the greatest contribution of Adoph Hitler in our time was the holocaust, the holocaust, the two great political cancers of our time.

I think we have a moral responsibility to respond to that and I think we have in a very practical realistic sense in terms of the actual self-interest to respond to it and if we do not we are derelict to a point of being criminally negligent to ourselves, to our country, to our allies, again to our children and our grandchildren.

And I could not let this warning pass, late in the session, with people tired, fatigued, but I could not let this moment go by without at least being able to put one small voice in the RECORD. This is a very bad amendment and it ought to be repudiated, by a large margin, not to show disrespect for its sponsors for whom I have the greatest personal admiration, the Senator from Massachusetts and the Senator from Oregon, but to let there be a signal loud and clear from the U.S. Senate that it understands the realities of our time in terms of the need for, first, great defense preparation and capability and in terms of self-interest of this country and our allies that we cannot, we will not, lose the resolve and the will and that we do in fact have an appreciation of who our enemies are in the world and what they are attempting to do.

I hope some way or other in some small manner my comments this morning will help contribute at least to a better public understanding of the greatest political issue of our time, the survival of this country and the survival of its great traditions and its great institutions and what it means as a model to the rest of the world.

I hope that this Senate will reject this amendment overwhelming so the signal will go out loud and clear, we intend to stand here. If I may quote from a great person of history, not to mix politics and religion not doing that at all, in any intentional sense, Martin Luther said "Here I stand; I cannot do otherwise," and I am simply saying on this issue here I stand; I could not do otherwise. It is a matter of great principle to me, great principle and I hope that the American people will join the President of the United States and others such as this small voice from the junior Senator of North Carolina. This is a bad approach. It is irresponsible and should be repudiated, and I hope my colleagues repudiate it by a very large margin.

Thank you, Mr. President, and I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. Mr. President, I wish to support the amendment offered by the Senator from Massachusetts and respond in part to some of the points and arguments made by the Senator from North Carolina, understanding that those are not personal responses but rather to a point of view which the Senator from North Carolina so well expressed.

Mr. President, we all wish, particularly in this complicated hour, that we could simplify issues, particularly, as the Senator from North Carolina so accurately says, issues of survival, of life and death, and the greatest issue of time, survival from and prevention of nuclear war.

We all wish that somehow we could divide the world that we live in into those who are for strength and those who are for weakness; because if that were the case we could rid this Chamber, the U.S. Senate, the Congress, the political system, of everyone who is for weakness. I certainly want to do that. I do not want anyone in the Senate who is for a weak United States.

The Senator's comments here today and others who oppose this resolution and other points of view seem to believe that it is very easy, very simple to separate the United States, the U.S. Senate, our society, into those who are for strength and those who are for weakness.

Would that were that easy because we would get rid of everyone who is for weakness. We do not want them around. I do not want any Senators here who are for weakness.

That is not an acceptable point of view.

The Senator from North Carolina has described once again why it is not acceptable. No more Chamberlains, no more concessions, no more world wars by mistake or accident or miscalculation. Indeed, Mr. President, that is why we have a nuclear deterrent at all. Unhappy as that situation is, it is brought about by the fact that none of us want another world war by accident.

But that is also the reason why this amendment has been offered. It is to prevent that world war, next world war, by accident. I wish that we could prevent the next world war simply by being strong, if only we could all agree on what strong meant. And that is really the issue here. It is not between those who are for strength and those who are for weakness. All of us can inveigh by the hour against weakness. That is pretty easy. Describing strength is what the task is all about. Not just talking about it, not just being for it, not just pointing out what happens if we do not have it, but getting 100 U.S. Senators representing 240-plus million Americans to decide collectively what strength means.

Well, it certainly means, Mr. President, not blowing the world up by accident. I do not think we are going to be a very strong nation if we have a nuclear war—and there are more ways to have a nuclear war than just disarmament or just arms control. There is the accidental or miscalculated use of nuclear weapons, something, by the way, this amendment and resolution does not address but which must be addressed.

We can be the strongest nation on Earth by anyone's definition and still have a nuclear war by accident. So I would hope that we would leave behind, if I may say, some outdated and sophmoric debates about strength and weakness and start debating about what strength is.

The Senator from North Carolina and others have equally inveighed against isolationism and unilateral disarmament. Well I am against both of those things. By the way, it would be the history of the Senator from North Carolina's own party that might be the best source for what the implications of isolation and isolationism are. But no one in any serious capacity in the Democratic Party that I am aware of is for isolationism. I hear no candidates for the Presidency, the Senate, the Congress, or Governorships, or, for that matter, anywhere else putting forward a case for isolationism.

The Senator can argue against the nuclear freeze movement. I am not here to defend that movement, certainly not to defend everyone in that movement.

But the nuclear freeze movement is not what is presently before the Senate of the United States. It is a specific resolution and amendment that is very carefully worded. And I invite, indeed, I defy, any U.S. Senator to point out in any respect how that resolution and amendment leads to unilateral disarmament. There is no word in it, there is no phrase in it, there is no concept in it, and there is no interpretation of it that can possibly be made to stand for unilateral disarmament.

Now the Senator from North Carolina is certainly within his right to argue against those in this country, unspecified and unnamed, who are for isolationism—that is an interesting debate historically and currently—and for unilateral disarmament. But when he comes to the floor of the U.S. Senate and says, if not says, suggests, that those who support this amendment are for both, then I think it behooves anyone who makes that argument to start naming names.

I certainly would like to know if my support for this amendment categorizes me as someone for unilateral disarmament and if so, I want to debate that. I want the charges made against me in very great detail and I want to respond to them. I do not want vague allegations and accusations about those in the Senate who are for isolation and unilateral disarmament. I have a 10-year record on the Senate Armed Services Committee that I will put up against any Senator of the United States, including the Senator from North Carolina, on the issue of whether he is for unilateral disarmament or not.

The Senator and others talk about our inferiority. I would like to know where all the hundreds of millions of dollars that I and this Senate have voted for national security and defense have gone if this country is now inferior. I want to know the categories. It certainly is not strategic bombers. I want to know, if we are inferior to the Soviets or any other country in strategic bombers, what that country is and where the inferiority lies.

I want to know if it is strategic ballistic submarines. It is certainly not there that we are inferior to the Soviet Union. Is it cruise missiles? No, we are not inferior to the Soviet Union in cruise missiles—quantities, range, sophistication, guidance systems? Where is this inferiority? We could go on and on.

I presume what the Senator is talking about is intercontinental strategic ballistic missiles, ICBM's. Well, where is that inferiority? Size, to some degree warheads. Is that some failing, is that some fault on the part of the Joint Chiefs of Staff and the current and former Presidents?

By the way, this President has been on the job for almost 4 years now. If we are inferior, then I think the buck stops on his desk. He is not running against Jimmy Carter any more. He has had 4 years on his watch. And if he came into office when we were inferior, then why are we not superior now? Well, primarily, in those categories of size of land-based ICBM's, because our own military has consciously year after year said we do not need those sized missiles to deter aggression and to deter nuclear war.

Is that inferiority, when our generals and admirals make a conscious decision not to build missiles as large as the Soviets? Well, it is certainly not a decision made by the politicians. It is a decision made by military experts, and they have made it year after year.

The Senator talks about how we have weakened this country by conscious decisions, by, in his phrase, foregoing improvements. I want to know what those improvements are that we have foregone. They certainly are not the improvements in the hearings on the SALT II Treaty that the Joint Chiefs of Staff approved; the 18 improvements in guidance systems, in accuracy, in modernization that the Joint Chiefs of Staff unilaterally and uniformly said we would be able to carry out and would carry out if we had a SALT II Treaty.

The Senator talks about fear. There is fear in this country. But the politicians did not create it except to invite and continue an unlimited, uncontrolled nuclear arms race. If people are afraid in this country, it is not because politicians have gone out there and told them to be afraid. It is because they have seen the failure of the political system and that has caused them to be afraid.

Now, there are several reactions to fear. One of them we see here today, an effort to stop the nuclear arms race where it is, to stop it. Now, that is a reaction to fear and I think a very valid and intelligent reaction to fear.

People are afraid in this country and they are afraid around the world. They are afraid of what is going to happen when, by design or by accident, the nuclear missiles start being launched.

The Senator tells us we ought to vote against this because of "what if?" He says it is only a bilateral agreement. Well, I suppose we could fashion a freeze that involved the People's Republic of China, Libya, and Mozambique if we had any fear that Libya and Mozambique or indeed the People's Republic of China anytime in the near future was about to surpass this country in nuclear capability. But it is in fact this administration that has been increasingly cozy with the Government of the People's Republic of China. If this President is afraid of the People's Republic of China, he ought to be telling the American people about that. But to defeat and to vote against this resolution because it does not prevent the Government of Mozambique from catching up with us in nuclear technology—well, I need not even comment any further.

The Senator says we have to verify agreements, and I could not agree with him more. Senators do not determine verification, indeed Presidents do not. Uniformed military commanders decide verification.

There will not be a treaty, a freeze, a SALT II, a SALT III, a START or anything else that the Joint Chiefs of Staff do not certify as verifiable with present and projected technology.

We will not have a freeze treaty unless the Joint Chiefs of Staff tell us it is verifiable. We do not decide that. The President does not decide it. The military commanders decide it.

Mr. President, this amendment is both an arms control policy and it is a symbolic statement. It is not sufficient as a policy to control the nuclear arms race. It is certainly one piece of what ought to be and must be an overall arms control policy. But most important, it is a symbolic expression of concern on the part of elected officials and Americans that enough is enough.

If 4 years have gone by in a critical period of weapons expansion and no progress, no progress on arms control, then I think it is time for this deliberative body on behalf of the people of this Nation, and indeed the world, to say enough is enough.

Mr. President, go back to the bargaining table, offer to stop this arms race in its tracks, and let us begin to reinsert some common sense and good judgment into the policy decisions of this Nation's national security.

I hope the U.S. Senate will take that step today.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER (Mr. NICKLES). The Senator from Maine.

Mr. COHEN. Mr. President, I was interested in listening to the comments of my friend from Colorado, because I serve with him on the Armed Services Committee and have enjoyed that service. One of the statements that he has made, and did make during the course of the last year or so during a quest for higher office, was that "More is not better and less is not better. Only better is better." I can recall time after time where inquisitive journalists would say, "What do you mean by that, Senator Hart?"

He went off into a very rational explanation of exactly what he meant, and it is an observation and a statement that I support, because we have this essential paradox. More weapons will not guarantee security. Fewer weapons will not guarantee peace. So we have to find a way in which we can have fewer weapons in our society, both our countries, and we have to have weapons which in fact do deter each other from launching any sort of a nuclear attack.

So more is not better and less is not better. Only better is better.

I think what is most striking about the debate to date is that some would seek to characterize this debate as: if you are for a resolution in favor of a nuclear freeze, somehow this makes you for peace. If you are against it, then somehow you are for war. That of course is an absurdity. All of us are searching for the right approach in terms of seeking the ultimate goal; that is, a world in which there are fewer weapons, fewer antagonisms, lower risk of any sort of confrontation.

On issues as critical as nuclear arms and world peace, there is no monopoly on reasonable approaches. It is essential for all of us to continue to talk and to listen to each other. That is precisely what we have been doing in this body for a number of months and indeed years, and today we continue that debate.

I think my colleagues who have advanced or supported the concept of a nuclear weapons freeze have done a great service in advancing the debate over nuclear arms, and in focusing attention on the imperatives that confront us. But a valid point should not be confused with a valid policy.

That is what I would like to comment on for just a moment today.

I believe the nuclear freeze movement began and took root in this country because of a clear perception that we were not doing much in the way of a constructive attempt to reach some sort of arms control agreement. We heard comments about let us fire a little blast across the bow. That scared some people. And we heard talk about let us have a limited nuclear war, to see if we cannot confine it to a few countries like our NATO allies. That frightened a lot of people. Then we had a talk about survivability, just get a shovel and dig yourself a hole, put a hole in the back yard, and you will be safe. That caused real alarm for a lot of people.

So the movement took root, and there was this dangerous talk about the possibility, the likelihood, of a nuclear exchange, and indeed the possibility of surviving it. I have watched with interest the movie called "The Day After." I thought it was a fair television movie. But one thing seemed to be lacking in terms of its reality; that is, there was the notion that somehow if you took some supplies and you put them in your cellar, you waited a few weeks, maybe a couple of months—it was not clear from the movie—you somehow could emerge into an atmosphere that was survivable. I, from my perspective, completely disagree with that view. I do not think there will be a survivable world if a nuclear war is ever started. I do not think it will be contained or limited to a few isolated areas or countries.

But the issue today is not whether you think that this resolution is going to produce peace or whether opposition will produce war. The question is how do we move out of our current situation to a much safer world? So I share key objectives with my colleagues who support a nuclear weapons freeze proposal: to lessen the risk of nuclear war, and to reduce our nuclear arsenals.

My colleagues believe the first step toward these goals should be a freeze on the production, testing, and deployment of nuclear weapons and their delivery systems. But I have some serious concerns about this as a policy. I heard some of my colleagues raise the issue this afternoon saying, Well, people are calling your freeze proposal too simplistic." Who is calling it simplistic? It is not the Reagan White House. It is not William F. Buckley, of the National Review. It is not Jerry Falwell of the Moral Majority. It happens to be the New York Times in an editorial which pointed out clearly some of the defects in the nuclear weapons freeze proposal. They said it was simplistic, sloganeering. I do not know that the New York Times suddeny climbed on the bandwagon of Ronald Reagan's quest for a second term.

There was another item that happened to appear in The New Republic. They said as a goal, the freeze was laudable. As a policy, it would be a disaster. That is in The New Republic, not the National Review, not exactly a conservative right-wing magazine. So there has been some serious thought devoted to some of the deficiencies of the approach taken.

I heard the Scowcroft Commission cited this afternoon. It has been cited selectively because the Scowcroft Commission explicitly rejects the freeze proposal for a number of reasons and makes recommendations that we move toward a system of reduced levels of nuclear weapons with our concentration on trying to deploy those that are more survivable against a preemptive attack.

I did not hear that particular part of the Scowcroft Commission report cited.

Let me mention three key points that I think are critical to this debate. First, the issue of verification: there are serious questions as to whether any freeze proposal could possibly be verified. Even though it is called a negotiated verification, we have to point out that President Carter and Walter Mondale's own national security adviser on national television just a few short weeks ago said such a proposal is inherently unverifiable—inherently unverifiable—and to suggest otherwise is to mislead the American people. That did not come from Ronald Reagan. It did not come from Secretary Shultz. It did not come from the national security advisers of this administration. It came from President Carter's own national security adviser.

So there is a serious question about verification.

Second, there is a serious question about mutuality; not whether we should embrace and try to incorporate the People's Republic of China or Libya or anybody else. Let us confine it just to the two major superpowers. If in fact we had a freeze today or indeed a year ago or longer, when this resolution was first introduced, what would that have meant to our European allies? It would have meant that they were frozen out of any kind of a response to this unprecedented buildup of SS-20 missiles now targeted at Europe.

While we have been sitting at a table negotiating, the Soviet Union has been deploying one SS-20 per week—while we have been at the table. When we finally went forward and began deploying the Pershing II, they got up and walked out. So if we had had a freeze a year ago, or indeed even today, the Europeans would have been frozen out of any sort of response to what they saw as not only strategic but also political intimidation.

I might point out that former Vice President Mondale has said that he favors the deployment of Pershing II. I might point out that Mrs. FERRARO says that she favors the deployment of the Pershing II. How is that consistent with a freeze, which they also advocate?

I might point out that the former Vice President says he favors the deployment of the Trident. There are people in this Chamber right now who say they are for a freeze and yet they support the deployment of the Trident. How is that possible?

It is possible, I submit to you, because they recognize that the Trident, and increased capability of our submarine force, is indispensable to the security and the survivability of this country. So they support a freeze but they also support the Trident.

There are others who support the freeze and also support the B-1, for whatever reason.

So we have these very clear inconsistencies.

But coming back to the point of mutuality, it would not be mutual as it applies to our allies, and our allies are of critical importance to us. We have some 330,000 or 340,000 men and women who are stationed in those European countries. We would be repudiating the efforts, the courageous steps that have been taken by our British friends, by our German friends, by our Italian friends and others, were we to have adopted the freeze proposal last year prior to that deployment.

Finally, assuming that you had a verifiable treaty and assuming it were mutual, you would be left with what I believe to be an inherently unstable mix of forces.

What we are trying to do is to encourage the Soviet Union, along with ourselves, to reduce the number of warheads that we have in our respective inventories, and to encourage each side to move away from what are classified as destabilizing systems, such as large, fixed, land-based ICBM's.

If we have a freeze imposed as of today or tomorrow, then what we are left with are either vulnerable systems—vulnerable to a first-strike attack—or we are left with bombers in their third-decade, and aging submarines, which are due to be retired in the early 1990's. That does not build stability. That creates instability. At a time of crisis, you have a situation in which one nation might be tempted in fact to fire upon the other, to attack those old systems or those that are

vulnerable. We have to avoid that at all cost.

What I and 44 other Members of this Senate have done is to suggest another approach. This approach recognizes, yes, there is a valid and legitimate goal to be achieved by those who advocate a freeze. Put a cap on the total number of nuclear warheads right now and start reducing those numbers by rather dramatic amounts in a short period of time. It is called the build-down. It seeks to achieve the very goals, shared by some who advocate a freeze, of allowing the construction of Tridents, of permitting the replacement of the B-52's, and at the same time forcing down the numbers dramatically.

I would simply point out to this body that I traveled to the Soviet Union back in February at their invitation, and I spent 5 days along with my colleague from Delaware, Senator BIDEN, talking with Soviet scientists and Soviet political leaders about the concept of the build-down, which they found quite attractive in its content.

So I think that what we have is a sharing of the goal but a different approach to be taken. I find it frustrating at times to hear either side try to characterize the other: characterize those who advocate the build-down approach as supporting a facade and characterize those on the other side, people calling for a freeze, as calling for unilateral disarmament. That is clearly not the case. They clearly are seeking something that is mutual.

So I hope, Mr. President, that this particular debate can continue to focus on the merits of both policies as such; that we can keep the level of the dialog on that high plane and not question the motivations of the others, recognizing that we are all seeking the same thing: a world with fewer nuclear weapons, and, hopefully, no nuclear weapons eventually; and that as we proceed down the road to disarmament, we do it with caution and with prudence and with an eye toward the safety and security of this country.

Mr. McCLURE. Will the Senator yield for a comment?

Mr. COHEN. I yield.

Mr. McCLURE. Mr. President, I want to compliment the Senator for the statement he has just made. I want to particularly underscore perhaps one aspect of it. That is, I am afraid the term nuclear freeze has become symbolic; that the public sees not the painstaking detail but, as a consequence, as the Senator has laid out, they see only a symbol. I think the Senator is entirely correct, that we need to be very careful to keep the emotional response very low and look at the facts of the case very carefully, as the Senator from Maine has done. I compliment him on his speech. I hope a great many people will heed the advice he has given us today.

Mr. COHEN. I thank the Senator. I yield the floor.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I am pleased to be a cosponsor of the nuclear freeze amendment being offered by the Senators from Massachusetts [Mr. KENNEDY] and Oregon [Mr. HATFIELD].

In November 1981, convinced that something had to be done to stop the arms race and halt the drift toward nuclear war, I became the first U.S. Senator to endorse the nuclear freeze. In 1982 and 1983, as ranking minority member of the Committee on Foreign Relations, I sponsored amendments to endorse the nuclear freeze. I remain convinced that the nuclear freeze proposal is a practical and realistic way to bring an end to the misguided infatuation with nuclear weapons.

Unfortunately, the administration has condemned the freeze without ever giving it fair consideration. The folly of the administration's unreceptiveness to the freeze has become clear as months and, now, years have passed with no progress in arms control negotiations and no evidence of productive activity in other arms control areas. Although the two sides are now talking at the highest levels for the first time in years, it is not at all evident that either side has any significant proposals in mind which might break the present arms control impasse. I believe that the nuclear freeze could provide the formula to get arms control moving again.

Mr. President, the freeze resolution is not a proposal to simply stop—in effect to beat our nuclear swords into highly radioactive wastes. Rather, it is a carefully thought-through program of arms control which would begin with an effort by the Soviet Union and the United States to decide when and how to achieve a mutual and verifiable freeze. The two sides would have the leeway to decide how to implement the freeze. The negotiators would be expected to give special attention to the deployment of destabilizing weapons—such as a new generation of super-accurate ICBM's—whose deployment would make a freeze more difficult to achieve.

With the freeze in place, the two sides would be expected to pursue major, mutual, and verifiable reductions in a manner which enhances stability.

Thus, the freeze would be a critically important first step toward reductions. The freeze would stop the arms race in place to prepare the way for reduction. A number of proposals for reduction have been offered in recent years. However, I know of no proposal which can match the combination of a freeze and reductions as a rational way to ensure strategic stability while negotiated reductions occur.

Some have expressed the concern that an across-the-board freeze might be very time consuming, if not impossible, to negotiate. Since each control applied under the freeze must be negotiated and must be verifiable, it is clear that some controls might be worked out more readily than others. Both sides should be willing, if necessary, to proceed on a step-by-step basis, ensuring all the while that stragetic stability was maintained. I should point out that witnesses with long experience in negotiating and dealing with the Soviet Union expressed no doubts to the Committee on Foreign Relations as to the feasibility of negotiating a freeze with the Soviets.

Mr. President, many seem to have forgotten that the best national security policy combines defense programs and arms control. While it is true that we need a strong defense to deter our adversaries, it is equally true that arms control must be an integral part of our national security fabric if we are to be truly secure.

In the past, arms control agreements by a succession of Democratic and Republican Presidents have served to curb, and even stop, threatening military programs and activities. With the necessary will and resolve, we and our adversaries could build upon the achievements of the past two decades and build a truly safer world through such measures as the nuclear freeze.

The lack of any prospect for arms control success has strengthened the hand of those in the United States and the Soviet Union with the misbegotten notion that one can "prevail" in a nuclear arms race and, if it comes to that, to "prevail" in a nuclear war. These unrelenting enemies of arms control have succeeded in setting us on a course which holds little prospect other than steadily deepening nuclear peril. It will be no solace at all when they are proved wrong as the rubble is bounced and vaporized in a nuclear holocaust.

We and the Russians had the talent and ingenuity to develop and build tens of thousands of nuclear weapons. Having shown the ability to create a holocaust, we must have the wisdom to turn away from those weapons.

The simple first step we need to take is a nuclear freeze. Next, we must reduce in a simple and straightforward way. Step by step, we must walk away from the terror we have created. There is no greater challenge. But we must do no less.

Mr. SYMMS. Mr. President, I join with those who oppose this nuclear freeze. I would like to go through a few charts here. The reason I do that—and it will take just a little time—is that I am more an observer of

the nuclear arms control negotiations process, since I am a member of the committees that do not deal with it daily. Usually I spend my time with public works, highways, the Finance Committee and Budget Committee and I am not directly involved as some of the other Senators have been with the question. My observation is that most of the real arms negotiations takes place, a great deal of it, right here in this body with different factions and different points of view being argued back and forth. We had a very thoughtful presentation by the distinguished Senator from Maine here a few moments ago. Other Senators negotiate back and forth with respect to where we should go with arms control and arms negotiations. But there is one party that manages to stay out of the area of negotiations among American factions. That is the Soviets. Americans spent more time negotiating arms control among themselves than between America and the U.S.S.R. I think in order to really put this into perspective, I would like to go through these charts to show what they say. These six charts are all official unclassified U.S. Defense Department prepared charts.

What I am saying is that on arms control, as far as what really happens in the real world, most of the discussion takes place in the West. As far as the Soviets and their people are concerned, they have very little to do about it. When Soviet leaders do get into negotiations, they only do it to suit their own elitest needs and their own aggressive aims directed toward unilateral Soviet strategic advantages.

This first chart up here was used on national television by President Reagan on November 22, 1982.

It shows that the Soviets have over 1,000 more missiles and intercontinental bombers than the United States, carrying over 1,000 more nuclear warheads than the United States. The Soviets have about 9,600 strategic warheads carried on over 2,754 delivery vehicles compared to only about 8,500 U.S. warheads carried on only 1,850 delivery vehicles. This Soviet strategic superiority does not even count the military implications of the Soviet SALT violations, and this Soviet strategic superiority would be codified by a nuclear weapons freeze.

I think that is something we should consider.

This second chart shows a 3-to-1 Soviet advantage in ICBM warheads, the most important measure of overall military capability in the world.

If Soviet advantages in missile and warhead accuracy and warhead explosive power are considered, the Soviet ICBM counterforce, first strike advantage rises to 6 to 1, again not even counting Soviet SALT violations or refire capabilities. As I have already stated, a nuclear weapons freeze would codify this Soviet strategic superiority. I do not think that is really what we want to do.

The third chart is the one that really gets to what I said in my opening comments about the so-called arms race. This chart shows very graphically and very clearly that the arms race really has not been an arms race since the signing of SALT I in 1972. The United States has been going backward since 1972, rather than arms racing. The United States deactivated or canceled over 700 nuclear delivery vehicles carrying over 6,000 warheads deployed or planned since 1972. Since SALT I, the Soviets have deployed over 35 new strategic systems, while the United States has deployed only 2. A nuclear weapons freeze would freeze Soviet strategic superiority. The Soviet Union, in contrast, since 1972, has added over 1,000 new strategic intercontinental missile launchers, over 250 new intercontinental bombers, all carrying over 6,000 additional nuclear warheads. Thus while U.S. strategic forces have been declining since SALT I in 1972, Soviet strategic forces have been engaged in the most awesome military buildup in the history of the world.

It is all right for our colleagues here to look at these charts, and I think it is very interesting, in a simple graphic form that we can see, that there really has not been much of an arms race. The arms race has been the Soviets doing the racing and the United States standing on the sidelines and even going backward, through Carter-Mondale administration cutbacks and cancellations of most U.S. strategic programs.

The fourth chart also shows that there has been no nuclear arms race since the mid-1960's. It shows that since the mid-1960's the U.S. nuclear weapons stockpile was one-third higher in 1967 than it is today, and the current yield of U.S. nuclear weapons is today only one-quarter of the peak yield in the mid-1960's.

Chart No. 5 is the summary paragraph of President Reagan's report to Congress on Soviet SALT violations of January 23, 1984. It demonstrates that the Soviets probably would not comply with a nuclear weapons freeze.

I just want to read a few things from this chart for my colleagues. As I mentioned the other night in a debate on the defense portion of the continuing resolution, the administration is going to file with the Congress very shortly the entire Presidential General Advisory Committee on Arms Control Report, the report of Soviet compliance or noncompliance with the arms control treaties since 1958. I want to read from the statement. This is the President's report of Soviet arms control violations given on January 23, 1984:

The U.S. Governemnt has determined that the Soviet Union is violating: One, the Geneva Protocol on Chemical Weapons; Two, the Biological Weapons Convention; Three, the Helsinki Final Act; and two provisions of SALT II: Four, telemetry encryption; and five, a rule concerning ICBM modernization.

In other words, they are illegally modernizing ICBM weapons systems that were prohibited by the SALT II provisions that they have signed and are supposed to be complying with, which they are not.

In addition, President Reagan has determined that the Soviet Union has: Sixth, almost certainly violated the ABM treaty, seventh, probably violated the SALT II limit on new type ICBM's, eighth, probably violated the SS-16 deployment provision of SALT II; and ninth, likely to have violated the nuclear testing yield limits of the Threshold Test Ban Treaty.

The President has confirmed that the Soviets have violated six treaties in nine cases, five of which are unqualified, four of which are violations relating to SALT II.

Mr. President, it is very nice to talk about a nuclear freeze, but it would make more sense if we could see some interest by the Soviets in a verifiable true reduction to equal, verifiable, and stable levels of these very awesome nuclear weapons, which President Reagan and I strongly advocate.

Chart 6 demonstrates that the Soviets lead the United States in intermediate range nuclear forces in Europe by over 1,300 warheads to only 25 for the United States and NATO. A nuclear freeze would also codify this huge, overwhelming Soviet strategic superiority. The Soviets argued continually throughout their INF deployment of SS-20's that their constantly growing superiority merely represented "equality" and "parity" and "balance" But 1,300 to 25 is in no way an equal or balanced level.

I am quoting the Soviets' own arguments. The Soviets have a very elastic concept of equality if that is their definition of it. So, I think it would be a great mistake for the Senate to go on record as supporting a nuclear freeze in view of the fact of the attitude that the Soviets, our adversaries in this situation, have.

Mr. GOLDWATER. Mr. President, as I speak, we have maybe 1 or 2 days left in this session of Congress unless we are called back for a lameduck session, which, in my opinion, would be unfortunate.

I know that many of my colleagues share with me the idea that we need not be in the bind that we find ourselves in; working around the clock night after night; where we find Members of the Congress physically suffering from this, reportedly some even in the hospital. However, I think colleagues of mine in this Congress know

very well why we are in this predicament. Mr. President, this Congress just has not worked. And let me try to explain a little of what I mean without getting into all the details.

For 2 years, we have not worked on Mondays and we have not worked on Fridays except on very rare occasions. What we have done is come to work Tuesday late in the morning; gone out in the early evening; doing the same on Wednesday, and Thursday, and then going out for Friday. In essence, Mr. President, we have worked Tuesday, Wednesday, and Thursday in a lackadaisical, halfway, fashion. To be true, the committee work goes on and it is the most important part of the work of the Congress. However, even committee work is difficult, because of the great proliferation of committees that we have suffered through the past several years. It is simply impossible for any Senator to pay attention to 100 percent of the committee assignments that he has been given.

I told myself when I started this that I would not ramble on with all of our deficiencies but that I wanted to dwell on the No. 1 major mistake that we have made during this Congress: We must go to work Monday morning and work through Friday evening and, if necessary, on Saturday. If we will do this, and I think my colleagues would agree, we could work toward the sensible end of Congress without going through the frightening mental and physical gymnastics that we have been forced to go through at the end of this Congress.

On another point, the majority whip, Senator STEVENS, the other day made a very telling statement when he said to another Senator: "Your problem is your staff has too many typewriters." I agree that this is a part of the problem, too. I do not believe any one Senator could dream up 8, or 9, or 10 amendments a day, the likes of which some of our brethren have done during the past several days. And these amendments were presented on the floor, one after the other, causing nothing but confusion and delay. I have serious doubts that many of our colleagues really know what is in the amendments they have been offering. I think this is something that we also have to give attention to: The number of amendments that are prepared; who prepares them; why they are prepared, and is it really the business of the Senate or the Senator? But those are things that will have to be attended to, hopefully, as we prepare for the next Congress.

Mr. President, I have to admit that a lot of my unhappiness stems from the fact that those of us from distant States just cannot jump in our car or a plane and be home in a matter of an hour or two. It just is not a simple matter for we Westerners to get reservations to go home on these prolonged weekends.

However, I am hopeful that, come the next Congress, we will start to operate as we should; we are people elected by our constituents to come to Washington and take care of the duties of the Congress and the problems of the country.

Mr. President, I yield the floor.

Mr. DODD. Mr. President, first of all I intend to address the pending resolution before us, but I commend my colleague from Arizona for his statement about how we get business done. He has spent many more years here than I have or I probably will. My hope would be that we might return to some order in the legislative process. I have begun to believe I made a mistake by even requesting to sit on authorizing committees. What I should do is serve on the Budget Committee and Appropriations Committee; that is where the business is done. I suppose I made an error by going on the Banking Committee and the Foreign Relations Committee because, although we meet a lot and we work a lot, I do not know what for because we ultimately do it in the continuing resolution, which is hardly the way to legislate. I would be hard pressed to go home tonight or tomorrow, or whenever we get out of here, and explain to my constituency what is in the continuing resolution after we spent almost 48 straight hours on the floor. So I would hope as well, as we approach this next Congress, that we might restore some order to the process so we can bring up matters intelligently, and rationally, and debate them in the normal course of our business, and reach some conclusions on things that are of importance to us. But it really is a rather disappointing state of affairs that we have to conduct our business in the waning hours of the session. Staying up two straight nights and having to deal with 11 appropriations bills in one continuing resolution is hardly the way to be doing the people's business. So I congratulate the Senator on his remarks.

Mr. GOLDWATER. Will the Senator yield?

Mr. DODD. I will be happy to yield.

Mr. GOLDWATER. I am sure the Senator would agree with me that we do not operate here like we would operate in our own businesses or law offices at home. If people think we can, in 3 days, do the work of a country that is now costing over $1 trillion a year to run, they are just plain out of their heads. I am very hopeful that both sides, the Democratic side and the Republican side, can address this problem. It stems chiefly, I believe, from the opinion that the day after you are elected, you have to start running for the next election, so the first job you have is to come back to Washington and start raising money for the next election 6 years away, and this has been going on, and on, and on. I think a lot of people have become convinced that if they do not get reelected, the country is going to pot. I looked it up the other day just for the heck of it and we have had 11,600 Members of this Senate and there have only been 15 that have served more than four terms, only one that has served over 50 years, so the turnover is something that is absolutely normal. And I found that about, oh, 2 weeks, maybe less, after a person leaves this body, they say: "Smith! Smith who? Well, he has gone home, and he is a happy man."

So I am grateful to my friend from Connecticut, a young man with a future ahead of him, recognizes that we have to go to work, just like we do at home. You do not put bread on the table by working 3 days a week, and we do not solve the problems of our country by working 3 days a week—we make them a little worse.

Mr. DODD. I thank my colleague. I could not agree with him more.

Mr. President, my remarks on this pending resolution will be relatively brief. Much has been said today and over the last several years about this nuclear freeze proposal. I do not have any illusions about it. I do not think it is going to carry this afternoon. That is No. 1.

No. 2, it is not going to reduce the already-existing threat of nuclear war, even if it were adopted. I would also suggest that negotiating nuclear arms agreements, negotiating any kind of a treaty is really not the business of the legislative branch of government. It is the business of the executive branch of government. Our responsibility is, of course, to ratify those agreements once reached, to debate them, and to add additions, understandings, or amendments that we think might improve them. So the purpose of this resolution, as I perceive it anyway, is to merely give us an opportunity to discuss the merits of a proposition which may, I believe, contribute to the reduction of nuclear war.

We had an amendment offered the other day by the distinguished Senator from California [Mr. CRANSTON] dealing with the possibility of the acquisition of nuclear weaponry by the country of Pakistan. I opposed that amendment because I felt existing legislation on the books was more than adequate to protect us if we decided to invoke the provisions of law which already exist to cut off military or economic aid to a country that we felt had violated agreements with regard to the acquiring of nuclear equipment or nuclear weaponry.

I think it also should be noted—and I did not make the point at that particular time—that: "Follow what I say, not what I do" in some ways could

have added to that discussion and debate.

We have increased our nuclear arsenal over the last 40 years because of a perceived or real threat from the Soviet Union. We do not want them to enjoy a superiority which would threaten our Nation and threaten peace in the world.

It could be argued as well in various other parts of the world, certainly between Brazil and Argentina, that they perceive themselves as potential enemies and adversaries. So we play sort of catchup all with each other. Certainly, everybody in this body is familiar with the longstanding hostilities between Pakistan and India. They both feel that if they do not maintain some degree of superiority relative to the other, their security would be jeopardized.

So they tell us, when we raise some of these nuclear nonproliferation issues, that it would be helpful if we would follow our own advice and if we would make an attempt to reduce the threat of nuclear war between us and our principal adversary: "Then it might make it easier for us to make the case against nuclear weaponry in our own country."

At any rate, with regard to the nuclear freeze, this proposition before us, I feel that it is worthwhile for a number of reasons, but mostly for the basic and fundamental reason that I believe future testing, production, and deployment of nuclear weapons and the means of deliver them serve to imperil and not protect the vital security of the United States. If we think about the nuclear-freeze proposition in that regard, it makes sense to all of us.

I take the position in support of this resolution not because I believe in unilateral disarmament. I do not. I do not know of anybody in this body who does. I take this position not because I have any doubts or illusions about our adversaries in the Soviet Union. I do not. Nor do I take this position because I question the motives or intentions of those who oppose this proposition. I do not.

I take this position in support of this resolution for one reason only: Because it makes good, common sense—something that always seems to be in short supply in Washington, and I note particularly in these days the absence of that commodity, of just basic common sense.

It seems, as has often happened in our history, the rest of the country seems to be in possession of more basic common sense than their Government; and while they may not have gone into the details of a freeze proposition, they have been out in front of their legislators.

The freeze movement, as we all know, began as a community movement. It did not begin in this Chamber or the other one. It began outside, in the small towns and counties across this country, from one end of the Nation to the other, not just in the New England area, where there has been active involvement. It proves, once again, that there is convincing evidence that the American people are often ahead of their politicians. It is a movement that brings to mind Victor Hugo's famous observation: "An invasion of armies can be resisted, but not an idea whose time has come."

I submit to my colleagues today that the nuclear freeze concept—and I emphasize the word "concept"—and the massive movement in support of it represent just such an idea. To understand why, to appreciate the public's legitimate concerns and deep anxieties, one has only to examine the record of nuclear weapons and their development over the last 40 years.

The story begins in July 1945, when the United States successfully tested the first atomic device in the desert sands of Alamagordo, NM. The results of that test quickly gave rise to the atomic bombs dropped less than a month later on Hiroshima and Nagasaki. The nuclear age was born: two 15 kiloton bombs, the equivalent of 15,000 tons of TNT. As Churchill did on so many other occasions, he may have summed it up best when he reportedly told Truman, "this is the Second Coming, in wrath."

By then, of course, Churchill's warning had come too late. The proverbial genie was out of the bottle. And if any further proof was needed, the Soviets provided it with their own successful atomic testing in 1949. And so the story goes, a story of deadly, if not terrifying, competition between the two nuclear powers.

In 1948, the United States produced the B-36 aircraft, the first intercontinental bomber specifically designed to ferry nuclear warheads to targets in the Soviet Union. The Soviet Union responded with the unveiling of its Bison intercontinental bomber in May 1954.

In 1952, the United States detonated the first hydrogen bomb. The Soviet Union followed suit in 1955.

In 1957, the Soviet Union produced Sputnik and perfected the first intercontinental ballistic missile. The following year, the United States did the same.

In 1960, the U.S. fired the first submarine-launched ballistic missile. The Soviet Union matched this effort in 1968.

In 1964, the United States upped the ante with the development of a multiple-warhead missile. The Soviet Union scored a similar development in 1973.

In 1970, the United States achieved another major breakthrough with the first multiple independently targetable reentry vehicle, better known by the acronym MIRV. The Soviet Union came through with its own MIRV system in 1975.

In 1982, the United States successfully completed testing of the first long-range cruise missile. Recently, the Soviet Union has done the same. I am sure, as we sit here this afternoon, in October of 1984, we can be confident that there are Soviet technicians working around the clock to overcome our lead in that area.

The record to date is clear: Nuclear weapons beget nuclear weapons, and nuclear delivery systems beget nuclear delivery systems. Actions begets reaction. Reaction begets counterreaction. And so it goes, on and on.

Today, because of the nuclear syndrome, the strategic scoreboard looks something like this. You will receive some debate and argument over this, perhaps, but generally I think these figures are accepted.

First, nuclear warheads: The United States 10,500-plus; the Soviet Union, 9,000. Second, strategic nuclear delivery vehicles: The United States 2,000-plus; the Soviet Union 2,500. Third, total strategic force megatonnage: The United States about 3,500; the Soviet Union 6,500.

While this is a large part of the nuclear picture, there is of course more to it. In addition, for example, both superpowers have available some 20,000-plus warheads in their tactical nuclear inventories.

All of this suggests, as George Kennan has observed:

> We have gone on piling weapon upon weapon, missile upon missile, new levels of destructiveness upon old ones, helplessly, almost involuntarily, like victims of some sort of hypnotism, like lemmings headed for the sea.

To underscore this point—and it is worth underscoring—we have only to remember that the total destructive power of all nuclear weapons represents about 5,000 tons of TNT for every man, woman, and child on the face of the Earth. Remember, it was only some 40 years ago when we dropped the first two atomic bombs, which each had a total equivalent of 15,000 tons of TNT. Now we have the equivalent of 5,000 tons of TNT for every human being on the face of this planet.

As we ponder this dizzying calculation, we soon realize that even the term "overkill" does not do justice to the nuclear arsenals amassed by the two superpowers. New terms are needed; maybe, "super-overkill." Or perhaps a new formula, something like NM^2, where "N" stands for nuclear and "M" stands for madness. These designations, I suspect, actually come closer to depicting the reality of the present nuclear age. Moreover, such descriptions or designations stand as a stark reminder that our skills at the negotiating table have been—and con-

tinue to be—far out distanced by our skills in the laboratory.

Yes, there is the Test-Ban Treaty, the Nuclear Non-Proliferation Agreement, and the SALT I accord. And, yes, we are better off with them than without them. But I do not think anyone seriously contends that these arrangements, either individually or collectively, have had a major impact on the nuclear arms race. No, the escalating balance of terror speaks for itself. And the fundamental problem remains the same today as it was back in the forties.

Gen. Omar Bradley, not exactly a shrinking violet as a battlefield commander, viewed the problem in these terms: Speaking on Armistice Day, 1948, he bluntly observed: "The world has achieved brilliance without conscience. Ours is a world of nuclear giants and ethical infants."

Regrettably, of course, General Bradley's words have not prevailed. Over time, such voices have been consistently drowned out by those concerned with mundane matters such as: "Assured destruction;" "counterforce capability;" "deterrence;" "encryption;" "fractionation;" "telemetry;" "throw-weight;" "thermal radiation;" and the whole nuclear weapons lexicon.

But we must not allow the jargon to mask the reality. And the reality is that any nuclear imbalance between the United States and the Soviet Union quickly pales by comparison to the fact that each nation, as I hope I have made clear, has enough weaponry to inflict hundreds of thousands of "Hiroshimas" on the other in the days in which we live. In these terms, then, the only reasonable conclusion to be drawn is that the strategic nuclear forces of the United States and the Soviet Union are, for all practical purposes, equivalent in strength.

Yes, it is true that the Soviets have more missiles and bombers than we do, and it would be foolish to argue otherwise. But it is also just as true that our missiles and bombers can deliver more nuclear warheads, and it would be foolish to argue otherwise.

Yes, it is true that the Soviets have more megatonnage than we do. But it is also just as true that our megatonnage can be delivered with far greater accuracy.

Yes, it is true that our land-based missile system is increasingly vulnerable to the Soviet system. But it is also true that our submarine-based system is pretty much invulnerable and that, should the Soviets ever move against our ICBM's, they would be the recipients of some 5,000 submarine-launched nuclear warheads.

So much for Soviet superiority. I happen to believe it is illusory. It is illusory for the Soviets and it is illusory for us, as many of those who were intimately involved in the Cuban missile crisis recently reminded the American people on the occasion of the 20th anniversary of that historic confrontation. Writing in the September 27, 1982, issue of Time magazine, Dean Rusk, Robert McNamara, George Ball and others who were officially connected, as we will all recall, with the October missile crisis of 1962 jointly offered this observation:

I quote them. They said:

> American nuclear superiority was not in our view a critical factor, for the fundamental and controlling reason that nuclear war, already in 1962, would have been an unexampled catastrophe for both sides.

In sum, they went on to say,

> The Cuban missile crisis illustrates not the significance but the insignificance of nuclear superiority in the face of survivable thermonuclear retaliatory forces.

This is a commonsense assessment, Mr. President, a commonsense judgment, and a commonsense conclusion by three individuals who were intimately involved in that crisis. Similar assessments, similar judgments and similar conclusions lie at the heart of the nuclear freeze movement.

We either can perpetuate the competition in nuclear weapons or try and do something about it. The freeze resolution offers us that alternative.

We either can think in terms of "nuclear warning shots" or proposals to prohibit them.

We either can plan for "limited nuclear engagements" or we can negotiate serious arms control arrangements.

Mr. President, I recognize that while we cannot put the nuclear genie back in the bottle I believe we can at least stop feeding it, and this resolution offers this body the opportunity to go on record as saying that we would like to stop feeding that nuclear genie.

I hope that this resolution will be adopted. Still, I am a realist. I do not believe that is probably going to be the case. But I hope that we, at least in the conclusion of this Congress, go on record by a significant minority if not a majority saying that this is a proposition that should be embraced by people regardless of political party or ideology.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. ANDREWS). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, we are quite prepared to move toward a vote on our amendment in this particular issue. I am not aware of other Senators who wish to address this particular issue who are supporting our amendment. I have some brief concluding remarks and then I hope that we get a vote.

Mr. President, have the yeas and nays been ordered on this amendment?

The PRESIDING OFFICER. No; they have not.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, we are in the final hours of this session of Congress. We have debated many issues. I believe no issue is more important than the issue which is before us today. It is the overriding issue of our time and the overriding issue for future generations. It is a simple idea—an idea of challenging the Soviet Union to put in place a freeze on the production, testing and deployment of nuclear weapons, and then move toward mutual and deep reductions. We are asking the President of the United States to put this proposal forward and challenge the Soviet Union to accept it or reject it. Then the American people would have a keen awareness and understanding that our Nation is truly committed to the cause of peace. Putting forth this proposal would send a powerful message to the 230 million American citizens to the 250 million citizens of the Soviet Union, and to the millions of people who live all over the world—in Central America, in Africa, in Asia, and in South America—that the United States is interested and committed to the cause of peace.

The Soviet Union may reject a mutual and verifiable nuclear freeze. But what the supporters of this proposal are asking is really very simple. We are saying to the President: Put this proposal on the table in arms control negotiations. Let us challenge the Soviet Union to this idea whose time has come. As I mentioned, it is simple, but it is not simplistic. It recognizes that we have more than enough nuclear weapons. If the Soviet Union launched a surprise nuclear attack on the United States of America, we would have at least 3,300 nuclear weapons that could be landed on the Soviet Union. We recognize that this would virtually extinguish all life in the Soviet Union. The atomic rubble would bounce all the way from Moscow to Vladivostok. The Soviet Union has the capability to deliver the same destruction upon the United States.

We offer this resolution, Mr. President, not because we approve of what the Soviet Union has done in Afghanistan or Poland; not because we approve of their violations of basic human rights to people who have a keen devotion to their religion who wish to be reunited with their families in other parts of the world. We offer this amendment not because we trust the Soviet Union, Mr. President, we offer this amendment because we believe that a mutual and verifiable nuclear freeze is in the vital security in-

terests of the United States. We believe it must be debated, and discussed by the American people. We are not asking the U.S. Senate to approve of Soviet activity or to trust the Soviet Union. What we are saying, Mr. President, is that only the Soviet Union and the United States have the capability of destroying life on this planet. Let us at least challenge the Soviet Union to recognize that we are the two nations which must face up to this reality.

We believe that a mutual and verifiable nuclear weapons freeze offers a significant and important step forward to stop the madness which is the nuclear arms race.

We have heard a great deal about the question: Are you better off today than you were 4 years ago? I think we should ask the American people: Are you more secure today than you thought you were 4 years ago? Who among the American people would feel greater security from the nuclear arms buildup that has increased the possibility of nuclear holocaust over the past 4 years?

Mr. President, 6 years ago my family and I visited ground zero at Hiroshima. I believe that any person who visited that community where the first atomic bomb was detonated, who saw the area and the pictures, and who talked to some of the survivors of that devastation could do anything less than to resolve that they would do everything in their lives to reduce the possibility of a nuclear exchange, a nuclear confrontation or a nuclear war.

There will be no winners, there will be no survivors.

This is the issue which is before us here this afternoon. The American people are watching. I hope my friends will support this proposal that is submitted by Senator HATFIELD and myself and cosponsored by more than 22 Members of this body and say on the issue of nuclear esclation, "Enough is enough." Let us bring an end to this arms race madness and vote in supprt of our resolution.

Mr. President, we are prepared to vote.

Mr. DOLE. Mr. President, we have not even got around to debating the debt ceiling yet, but I guess that is not too important.

I have discussed with the majority leader if we could work out some little arrangement here where there would be a vote on this amendment. Then I understand there is a budget freeze amendment, and then I understand the Senator from Idaho would like to offer a repeal of the imputed interest. It would seem to me if we can dispose of these three amendments—that means killing them—and then go on and pass the debt ceiling it would certainly, even though we might have to come back Tuesday, be very helpful.

Mr. BINGAMAN. Mr. President, it seems to me that today's debate is really over the goals and objectives which we should set for ourselves in our arms control negotiations with the Soviet Union. Should we or should we not seek to negotiate the most severe mutual and verifiable limits on the modernization of United States and Soviet strategic forces? Those of us who support the Kennedy-Hatfield freeze amendment believe that we should. How many involved in this debate today regret that we ever let the MIRV genie out of the bottle? A ban on the testing and deployment of MIRV's in SALT I would have led to a far more stable strategic balance. Our ICBM's would not be theoretically vulnerable to Soviet attack, as they are now.

Today we are about to let many additional genies out of the bottle, most notably sea-launched cruise missiles [SLCM's] and antisatellite weapons [ASAT's] which we may soon equally come to regret. A great many people in this country are convinced that the world would be better off without a proliferation of new nuclear weapons.

I would be the first to admit that the verification problems posed by some of these new weapons are severe. If the Soviet Union will not accept the measures needed for verification, then we may have no choice but to continue our modernization programs. But should we not make the effort? Should we not take the high ground, and place the burden of world opinion squarely on the Soviet Union's shoulders?

Technology has consistently outpaced our negotiators' ability to control it. And, as a result, we find ourselves in a less and less secure world even as we reduce the number of nuclear warheads in our arsenal.

So the question before this body today, Mr. President, truly goes to the heart of how to control the strategic arms race. Unlike the SALT I and SALT II agreements and the President's START proposal, we would not be seeking to channel the race in new directions and we would not be allowing both sides to continue all their planned modernization efforts. Instead, we would be attempting to close off the new channels of competition and then to negotiate reductions and changes in the status quo, leading to a more stable balance. A mutual and verifiable freeze is really the most conservative approach to arms control. Let us give our negotiators a chance to negotiate the most comprehensive freeze possible with their Soviet counterparts.

Mr. DURENBERGER. Mr. President, once again we are confronted with a fundamental—and crucial—question about arms control: should this body go on record in favor of a nuclear freeze?

As all Senators know, the freeze concept has a great deal going for it. It is a comparatively simple framework for negotiations; it would signal, perhaps once and for all, a genuine commitment to reverse the direction of the arms race; it enjoys, in contrast to other proposals and treaties, a good deal of public support.

Why, then, have I consistently opposed the Kennedy-Hatfield freeze resolution, particularly since I am an original cosponsor of the so-called quick freeze resolution?

Fundamentally, as I have argued from the outset, I see three major problems with this approach to arms control. Let me briefly recap them, but first let me dispose of a couple of arguments which are often raised.

I do not, for instance, oppose the freeze resolution because it is a grassroots measure rather than an idea cooled up by the so-called experts. More often than not, the experts are either wrong or irrelevant, and few of us can take much pride in the record of arms control as it has been practiced by the arms controllers over the past 20 years. While there are some undeniable successes, there are many failures: the prolonged nature of such negotiations as the MBFR and test ban talks; the inability of the Senate to ratify even such a simple and needed measure as the Threshold Test Ban Treaty; and the failure of any agreement, except for the ABM Treaty, to put a significant crimp in the arms race. So to argue that we should oppose the freeze resolution because it is a grassroots idea is no argument at all.

In a related vein, we often hear that we should oppose the freeze resolution because it will prevent the kinds of intragovernmental negotiations and horse-trading which we saw when the build-down idea, which I strongly support, was accepted in return for endorsement of the MX missile, which I strongly oppose. This kind of swap may make sense to politicians, but it doesn't make much sense at all to the people of this country, who recognize that the precise merit of the build-down is to make highly-MIRV'd systems like the MX incompatible with our arms control posture.

I could go on, for there are a host of superficial arguments offered against the freeze. But it is not my intention to say why I am not opposing the freeze. Instead, I want to commment on why I do, in fact, oppose the freeze.

First, and perhaps foremost, an arms agreement cannot be examined in isolation from specific weapons systems and specific verification schemes. It does no good, as the House debate last year clearly illustrated, to talk about an abstraction such as freezing "nuclear delivery systems." That may sound precise, but it isn't, for we have to start defining our terms with respect to existing and potential weapons. The

House tried to do so, and in doing so, it diluted the freeze severely.

For instance, in making the altogether reasonable exception for replacement systems in the event, for instance, that a B-52 bomber might crash, the House opened the door to cheating. In exempting systems which cannot be fully and adequately monitored, a huge loophole was created. Intouching upon dual-capable systems, more questions were raised than answered.

The net effect of this process—a process which is both necessary and inevitable, here in Washington as well as in Moscow and later in Geneva—is to vastly complicate what appears to be a simple proposition. In other words, Mr. President, as both sides come to grips with just what they will submit for negotiations, and as practical questions intrude into the concept, the virtues of the freeze disappear. The result, simply put, is that we are left either with an outcome very different from what is now envisioned or with an agreement which cannot be adequately verified.

A second drawback of the freeze resolution is that it represents a substantial change in the arms control "rules of the road" which have been painfully eked out with the Soviet Union over the past 15 years. The Soviets approach their negotiations—as they approach all their foreign relations—with a degree of inherent conservatism.

Moreover, when we negotiate with the Soviet Union over strategic systems, we are negotiating over very asymmetric and noncomparable forces. For instance, as we all know, some 70 percent of Soviet force loadings are deployed in their land-based ICBM's, in contrast to perhaps 30 percent for the United States.

Given these major dissimilarities, it is tough to reach an agreement on concepts with the Soviet Union, for they necessarily view the strategic arms question from a different perspective.

What this means is that once a basic conceptual agreement on rules of the road has been reached, we violate it at our own peril, for we invite years of painful negotiations over terms like "stability." This is tough enough already, thanks to the emerging technology which the freeze properly seeks to close off. But it will be even tougher if we change out conceptual underpinnings. The experience this administration faced when it proposed its superficially reasonable deep cuts proposal should remind us of that.

Finally, Mr. President, I object to the freeze resolution because in its attempt to be a blanket arms control approach, it throws the baby out with the bathwater. for instance, a freeze on manned bombers—something clearly contemplated by the freeze—would leave us with a force of B-52's and FB-111's. The latter, by most accounts, are comparatively insignificant, since they are restricted in numbers, payload, and range. The B-52's, on the other hand, constitute the mainstay of our manned bomber fleet. It is almost universally accepted in this body that that fleet is facing obsolescence. The only question we debate is whether to replace it with a fleet of B-1 bombers or Stealth bombers.

Imagine, however, that the freeze were to come into effect. We would be prohibited from replacing the B-52's with any aircraft, whether the B-1 or the Stealth. The real issue in the obsolescence of the B-52's is literally the further life of the airframe. We will soon face the time when B-52's cannot fly. And when that happens, we must replace them, unless we want a strategic force posture solely reliant on ballistic missiles—the most threatening weapons systems, by which I mean those most capable of threatening a first strike.

Our choice at such a time will be either to allow ourselves to live with a force posture even more heavily oriented around destabilizing technology, or else to violate the freeze. If, on the other hand, we allow the replacement of B-52's as needed to retain an operational bomber force, we open up the question of verification. How will the Soviets, for instance, know that we haven't altered the aircraft design? And if they can't know, why will they agree to a freeze in the first place? Would we?

So the real issue behind the freeze resolution, Mr. President, is whether some weapons are more dangerous than others, and whether some alteration of the force posture is possibly a good trend. To both these questions, I answer yes.

That's why I support the quick freeze resolution, which focuses on the most destabilizing technology only, such as ballistic missiles, antisatellite weapons, and new nuclear warhead designs. And it's why as a general tenet I think that the build-down can prove stabilizing, for it is a self-policing disincentive against the MIRV'ing of our missiles.

So in conclusion, Mr. President, I intend to vote against this resolution as I have before. I intend to do so because I feel that it would not represent sound arms control as it was translated from concept into reality. But I intend as well to seek passage of the quick freeze resolution as soon as possible, for I feel that something must be done if we are to head off a particularly menacing round in the arms race.

I thank the Chair.

Mr. GRASSLEY. Mr. President, I am a strong supporter of verifiable, negotiated arms reductions. Let me stress the term, "reductions," as my primary goal. The status quo is not stable strategically, and it is not stable diplomatically. The status quo is a nuclear face-off, which, if left as it is, will probably deteriorate. Negotiated reductions offer the only hope in an otherwise hopelessly complex, strategic puzzle.

My distaste for this dangerous status quo situation convinces me that the so-called nuclear freeze resolution would not only be diplomatically suspect. It could, if enacted, also prove to be strategically destabilizing. It would freeze us into astonishingly high levels of nuclear arms. It could freeze the Soviets, psychologically, into the dangerous assumption that they had won a great victory and need not go on to reductions. A freeze on nuclear arms is a freeze on nuclear development and that would mean that newer, less destructive weapons could not be made. A freeze on nuclear weapons would freeze our nuclear strategies into the outdated and morally-suspect military doctrine of mutual assured destruction, set in motion by Robert McNamara in the 1960's. A freeze would freeze us into holding older nuclear weapons which have, in the past, been targeted primarily at populations, instead of military targets.

Freezing, without physical verification assumed in the resolution language, would not necessarily result in real limits. Freezing nuclear weapons development today would have no impact at all on the development of weapon systems designed to destroy submarines. With such anticipated results, it is not a wonder that Dr. Zbigniew Brezezinski, President Carter's former chief of the National Security Council, has called the nuclear freeze a dangerous "hoax."

One of the arguments which I find most unsettling about the so-called nuclear weapons freeze is that is appears to derive from a view of the Soviet Union which is more based on hope than on fact. Allow me to provide a brief overview of the Soviet reactions to various defense actions by the United States. The United States has frozen its defense capabilities before; as a matter of fact, several times in several crucial areas.

First, the U.S. froze deployment of its B-52 bomber force in 1962 and those numbers have dwindled since then. The Soviets have deployed more than 250 intercontinental-range Backfire bombers and will soon deploy the Blackjack bomber.

Second, the U.S. froze deployment of new strategic submarines [SSBN] from 1969 to 1982. The Soviets deployed six new classes of SSBN's involving 62 new strategic submarines during the same period.

Third, the U.S. deployed only one new type of strategic submarine missile [SLBM] during the last 13 years.

The Soviets deployed five new types, involving hundreds of new missiles during the same period.

Fourth, the U.S. deployed no new land-based strategic missiles [ICBM] since 1969—undertaking armament improvements for a portion of the Minuteman force. The Soviets, since 1972, have deployed 12 variants of three highly-improved new systems involving over 800 new missiles and are testing two more new types.

Fifth, the U.S. destroyed large stocks of biological warfare weapons in 1969. The Soviets greatly expanded production, and its proxies have used those weapons against tribesmen in three countries in Asia.

Sixth, in 1980, the United States removed over 1,000 shorter range nuclear weapons in Europe. The Soviets have steadily increased their shorter range weaponry. That litany of horrors raises serious questions about Soviet intention and planning. I will stand by my desire for reductions, not a freeze.

KGB FREEZE AMENDMENT

Mr. EAGLETON. Mr. President, last May I voted against this amendment because I discerned some inequities in its approach and because it did not encompass any new revenues to cope with our colossal budgetary problems. I felt that we could devise a better budget plan and a better revenue plan.

The intervening months since May have only exacerbated the budget crisis. Up to now we have not divined a better plan. Our revenue shortfall is still acute.

I will support the KGB freeze with its inequities and tax revenue inadequacies because I believe we simply must make a significant beginning somewhere on our budget deficits. If I wait for the perfect plan, I will probably never find it.

I realize that we simply must do something significant on the tax revenue side next year. Mr. Mondale, to his credit, has boldly faced up to that inevitability. President Reagan refuses to do so despite the overwhelming thrust of sound economic opinion.

Back to KGB freeze. It is a beginning, a beginning we simply must make.

Mr. SPECTER. Mr. President, once again I am voting for this resolution for a mutual, verifiable freeze on nuclear weapons because I believe it reinforces President Reagan's stated willingness to negotiate, in good faith, with the Soviet Union to reduce the threat of nuclear war.

I believe that it is in our country's best interests to follow a policy which emphasizes negotiation now, under appropriate arrangements, to end the arms race. This resolution, which constitutes an offer to negotiate, is in keeping with the sense of the Senate resolutions, which I have proposed, calling for an immediate summit between our President and the Soviet President on arms reduction. This body has overwhelmingly approved this resolution in May 1982, June 1983, and again on June 20, 1984.

After we voted on this freeze resolution 1 year ago on October 31, 1983, I visited Geneva and spoke with the START delegates. At that time, the Soviets had walked out of the INF talks and, though we did not know it at the time, the START talks were soon to be terminated without a date for renewing those negotiations. Yet even in that discouraging climate, there were signs of hope. Both Ambassador Paul Nitze, our negotiator at the INF talks, and Gen. Edward Rowny, our START negotiator, saw signs that the two superpowers were making some progress on agreement.

The recent meeting between President Reagan and Soviet Foreign Minister Gromyko offers further reason for optimism, and I am hopeful that we will see renewed negotiations early next year.

This resolution does not weaken our defense or our negotiating power. A vote in favor of this resolution does not constitute a commitment against new weapons systems or continued research and development to protect our security.

My vote in favor of this resolution is consistent with my commitment to maintain a strong and secure defense. We now have in place in Europe the Pershings and the GLCM's, strengthening our ability to protect our NATO allies. We have the Trident submarines and the air-launched cruise missiles. And we are continuing our modernization, and will continue until we have a secure, mutual, and verifiable agreement.

The objective of this resolution—a mutual, verifiable freeze—obviously will not be achieved instantaneously. Regrettably, the possibility is present that the Soviets would reject the proposition outright or that the difficulties of verification might preclude implementation of the resolution even if there were agreement on the basic objective. Until those complex issues are answered, the United States must continue to maintain its strength.

I believe there is now rough parity in nuclear arms between the United States and the U.S.S.R. In the nuclear age, I do not believe there is any such thing as superiority. On the issue of superiority versus inferiority, I believe that there is only inferiority in the sense that the Soviet Union is inferior to the United States because the United States could destroy the Soviet Union; and similarly, the United States is inferior to the Soviet Union because the Soviet Union could destroy the United States.

In my judgment this resolution is consistent with President Reagan's pending offers to discuss arms control with the Soviet Union and an affirmative vote would support that general position.

Mr. THURMOND. Mr. President, I rise in opposition to the pending amendment concerning a nuclear freeze. This issue has been debated thoroughly before in the Senate and was found to lack merit. It has gained no merit in the interim.

The supporters of this amendment claim they desire a verifiable freeze, but unfortunately, a freeze would not be verifiable, and experience clearly shows that the Soviets would not abide by it. The Soviets have been violating SALT I, the ABM Treaty, and SALT II, since they signed them. Unfortunately, our means of ensuring compliance are so slow, that it is only recently that we have confirmed the extent of Soviet cheating.

Mr. President, the Soviet Union would love for us to enter into a nuclear freeze because they will exploit it to their advantage. Although the idea of a nuclear freeze has popular appeal, it is a very unwise policy to concede to the Soviets a permanent nuclear advantage.

Mr. President, this amendment also calls for a halt to the production and deployment of the systems that may be used to deliver nuclear weapons. That is most unwise, for it would require that we stop buying planes, artillery, and submarines. This would be disasterous to our defense modernization efforts.

Mr. President, it is in the best interest of our Nation to continue with our strategic modernization programs while urging that Soviets to negotiate reductions in our nuclear arsenals. I urge all of my colleagues to oppose this amendment.

Mr. BAKER. Mr. President, as far as I can tell, the debate on this particular matter is concluded, and I am prepared to make a tabling motion unless somebody else is seeking time to speak. I see no requests.

Mr. President, I now move to table the Kennedy amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from Tennessee [Mr. BAKER] to table the amendment of the Senator from Massachusetts

[Mr. KENNEDY]. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS: I announce that the Senator from Illinois [Mr. PERCY] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Oklahoma [Mr. BOREN] and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 55, nays 42, as follows:

[Rollcall Vote No. 283 Leg.]

YEAS—55

Abdnor	Gorton	Nickles
Armstrong	Grassley	Nunn
Baker	Hatch	Pressler
Bentsen	Hawkins	Quayle
Boschwitz	Hecht	Roth
Chiles	Heflin	Rudman
Cochran	Heinz	Simpson
Cohen	Helms	Stennis
D'Amato	Humphrey	Stevens
Danforth	Jepsen	Symms
Denton	Johnston	Thurmond
Dole	Kassebaum	Tower
Domenici	Kasten	Trible
Durenberger	Laxalt	Wallop
East	Long	Warner
Evans	Lugar	Wilson
Exon	Mattingly	Zorinsky
Garn	McClure	
Goldwater	Murkowski	

NAYS—42

Andrews	Ford	Metzenbaum
Baucus	Glenn	Mitchell
Biden	Hart	Moynihan
Bingaman	Hatfield	Packwood
Bradley	Hollings	Pell
Bumpers	Huddleston	Proxmire
Burdick	Inouye	Randolph
Byrd	Kennedy	Riegle
Chafee	Lautenberg	Sarbanes
Cranston	Leahy	Sasser
DeConcini	Levin	Specter
Dixon	Mathias	Stafford
Dodd	Matsunaga	Tsongas
Eagleton	Melcher	Weicker

NOT VOTING—3

Boren	Percy	Pryor

So the motion to lay on the table amendment No. 7067 was agreed to.

Mr. DOLE. I move to reconsider the vote, Mr. President.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, we have a few things on the table here. I have just a suggestion which may help us move along.

I have been discussing the debt extension with the chairman of the Ways and Means Committee. He has indicated rather bluntly that if we amend the bill—which is our province, not his—he will not go to conference, he will simply send us back an extension until January 30, 1985. That may not make a difference to some, but it does to others.

I just suggest, I do not know how many other amendments there may be or whether we can finish this debt ceiling measure this afternoon. If not, I guess we can finish it next Tuesday or Wednesday. I know one of the amendments floating around is the so-called repeal of imputed interest. I do not know how many are choosing up sides, but we have been working on a compromise, which has finally been worked out and agreed to by the National Apartment Association, the National Association of Homebuilders, the American Land Development Association, the National Association of Realtors, the National Federation of Independent Businesses, the National Multihousing Council, and the National Small Business Association, which I think is a fairly credible group. If we want to help these people, we ought to adopt the compromise and get it done this year.

Let me say one more time, I cannot control the chairman of the Ways and Means Committee, and he does not try to control anybody here. But if we really want to help the realtors and the homebuilders, then we want to understand that the chairman of the House Ways and Means Committee is saying if we amend this bill, he is not going to conference, he is just going to send us an extension over until the 30th of January. I suggest, while they are taking whip checks and other things, that we keep that in mind. If we just want to vote, have an issue, we can have it. But if we really want to help the realtors and homebuilders, we should adopt this compromise and not try to persuade the chairman of the Ways and Means Committee to take it on another vehicle yet this afternoon.

I believe the Senator from Massachusetts has an amendment.

AMENDMENT NO. 7072

(Purpose: To limit the increase in the limit on the public debt and to provide for consideration of a deficit reduction bill prior to consideratin of another increase in such limit)

Mr. TSONGAS. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. TSONGAS], for himself, Mr. BAUCUS, Mr. BIDEN, Mr. GRASSLEY, Mrs. KASSEBAUM, Mr. ARMSTRONG, Mrs. HAWKINS, Mr. INOUYE, Mr. LEVIN, Mr. MELCHER, Mr. EXON, Mr. PRYOR, Mr. PROXMIRE, Mr. EVANS, Mr. MATTINGLY, Mr. ANDREWS, Mr. JEPSEN, Mr. BOREN, Mr. NICKLES, and Mr. LEAHY proposes an amendment numbered 7072.

Strike out all after the resolving clause and insert in lieu thereof the following:

SECTION 1. INCREASE IN PUBLIC DEBT LIMIT.

Subsection (b) of section 3101 of title 31, United States Code, is amended by striking out "may not be more" and all that follows through "outstanding at one time" and inserting in lieu thereof "may not be more than $1,730,000,000,000.00 outstanding at one time".

SEC. 2. CONSIDERATION OF A SUBSTANTIAL REDUCTION IN THE FEDERAL DEFICIT.

(a)(1) Notwithstanding any other provision of law, any concurrent resolution, any resolution, or the Standing Rules of the Senate or the Rules of the House of Representatives, it shall not be in order in either the Senate or the House of Representatives to consider, or to vote upon the question of agreeing to, a bill, a joint resolution, or an amendment that would, upon becoming law, authorize the United States Government to issue or insure a face amount of obligations authorized to be issued or insured under chapter 31 of title 31, United States Code, pursuant to subsection (b) of section 3101 of such title (as such section is amended by section 1 of this joint resolution) prior to consideration of, and a vote upon the question of agreeing to, a Federal deficit reduction bill conforming with the requirements of paragraph (3).

(2)(A) The Federal deficit reduction bill required to be considered in a House of the Congress pursuant to paragraph (1) shall be introduced by the presiding officer of such House.

(B) Time for debate on the Federal deficit reduction bill required to be considered in a House of the Congress pursuant to paragraph (1) (and any amendments thereto) shall be equally divided between the majority and minority parties, and shall be controlled by the majority leader and the minority leader of such House, or their designees.

(3) For the purpose of this subsection, a Federal deficit reduction bill means, with respect to a House of the Congress, a bill of such House, the matter after the enacting clause of which reads as follows:

"LIMITATIONS ON BUDGET AUTHORITY

"SECTION 1. (a) It shall not be in order in the Senate or House of Representatives to consider any bill or resolution making appropriations, if the enactment of such bill or resolution, as recommended by the respective committee on appropriations, would cause the aggregate total budget authority for function 050, National Defense, to exceed $292,900,000,000 in fiscal year 1986.

"(b) It shall not be in order in the Senate or House of Representatives to consider any bill or resolution making appropriations, if the enactment of such bill or resolution, as recommended by the respective committee on appropriations, would cause the aggregate total budget authority for nondefense discretionary activities to exceed $139,800,000,000 in fiscal year 1986.

"(c) For the purposes of this section, budget authority shall be determined on the basis applicable for fiscal year 1985.

"(d) The provisions of subsection (a) or (b) of this section may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum being present, or by unanimous consent of the Senate.

"(e) It is the sense of Congress that the unprecedented magnitude and persistence of current and projected Federal budget deficits must be addressed in a comprehensive strategy to moderate increases in defense spending while continuing the effective constraints on nondefense discretionary programs. To assure the success of such an initiative, the foregoing procedural restraints, in addition to the total aggregate spending limitations pursuant to the Congressional Budget Act of 1974, as amended,

are necessary on budget authority both for defense and for nondefense discretionary programs for fiscal year 1986.

"MEDICARE FREEZE

"SEC. 2. (a) Notwithstanding any other provision of law, the "applicable percentage increase" under section 1886(b)(3)(B) of the Social Security Act for any 12-month cost reporting period or fiscal year beginning on or after October 1, 1985, and before October 1, 1986, shall be zero percent.

"(b) The Secretary of Health and Human Services shall report to the Congress within 45 days after the date of the enactment of this Act with respect to suggested methods for assuring that hospitals will not increase amounts charged to patients who are not entitled to benefits under title XVIII of the Social Security Act in order to compensate for amounts not paid by reason of the limitation under subsection (a).

"LIMITATIONS ON COST-OF-LIVING ADJUSTMENTS

"SEC. 3. (a) Notwithstanding any other provision of law, no increase shall be made in payments or benefit amounts under any provision of law which would otherwise require such increase to become effective during fiscal year 1986 as a result of changes in—

"(1) the Consumer Price Index (or any component thereof); or

"(2) any other index which measures costs, prices, or wages.

"(b) No person shall be entitled to any increase in payments or benefit amounts under any provision of law if payment thereof is denied by reason of this section.

"(c) Notwithstanding any other provision of law, any change in—

"(1) the Consumer Price Index (or any component thereof); or

"(2) any other index which measures costs, prices, or wages,

which would have resulted in any increase in payments or benefit amounts during fiscal year 1986 but for the provisions of subsection (a) shall not be taken into account for purposes of determining any increase in payments or benefit amounts during fiscal year 1987 or any fiscal year thereafter.".

(4) The provisions of this subsection are enacted by the Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(b)(1) Notwithstanding any other provision of law, the head of each agency of the Federal Government shall take such actions as may be necessary to ensure that such agency is prepared to carry out promptly any provisions of law enacted pursuant to this section that require action to be taken by such agency. Actions taken by an agency pursuant to this paragraph shall include the development of contingency plans for carrying out the programs, projects, and activities of such agency in the event that the amounts available for obligation and expenditure by such agency during fiscal year 1986 are reduced pursuant to this section.

(2) For purposes of this subsection, the term "agency" has the meaning given to such term in section 101 of title 31, United States Code.

Mr. TSONGAS. Mr. President, this is an issue that was to be brought up previously but was always taken down because there was a pressing need by the leadership not to have it resolved in prior discussions. This being the last shot we have at the issue this session, I would like to express my appreciation that we have at last achieved a consensus that it should be taken up.

This is the Federal budget freeze, an issue that we have voted upon before, so I do not see that we have to take very much time discussing it. That is an issue that was brought to us by Senators KASSEBAUM, GRASSLEY, BIDEN, and BAUCUS, and which got remarkable bipartisan and bi-ideological support. I would like to thank my colleagues I have just mentioned and Senator ARMSTRONG, as well, for the hard work he put into developing this amendment with us. In addition, we have as cosponsors Senators MELCHER, EXON, PRYOR, PROXMIRE, EVANS, MATTINGLY, ANDREWS, JEPSEN, HAWKINS, INOUYE, BOREN, NICKLES, LEVIN, and LEAHY. The last time that coalition came together was on commending the Olympic athletes for winning the gold medals, so I suggest that this is an amendment that has a great deal of support.

Mr. President, let me briefly summarize this amendment. It has two objectives: first, to make discussions and voting on a 1-year spending freeze the pending business of the Senate prior to any further increases in the public debt ceiling next year.

In other words, the next time we go through today's process of raising the debt ceiling, a budget freeze would have to be discussed and voted upon so we do not, in essence, freeze the budget here. What we are doing is calling upon the Senate to address that issue on the next round.

Second, the amendment would limit the size of the debt-ceiling increase that we vote today so that the Senate will have to consider the freeze or other action to reduce the deficit early in the next session. The sooner the action the better, as far as all of us are concerned.

Specifically, the House passed a $1.824 trillion debt ceiling limit. This would reduce that by some $94 billion to $1.73 trillion. That would, according to the estimates, run out on April 15 of next year. So we would anticipate a vote in that time frame.

The 1-year spending freeze that we are advocating freezes appropriations at their 1985 baseline levels for fiscal year 1986. Entitlement programs, individual payments, and reimbursements for health providers would be frozen at their 1985 baseline, while allowing an expansion in the baseline for increased caseload and medical care utilization. Federal pay and benefits for both civilian and military personnel would also be frozen.

This freeze is nearly identical to the bipartisn plan, the so-called KGB freeze introduced last spring which was narrowly defeated in the Budget Committee and which had substantial floor support. The only difference between the two is that our amendment would freeze spending in fiscal year 1986. Had we done it last year, we would have saved something like $40 billion this year. That opportunity was lost, which argues for doing it at this time.

The advantage of a spending freeze seems, to me, obvious: There is no clearer message that we could send to the country that demonstrates that we are doing something about the deficit crisis. Unlike the so-called downpayment that we voted this summer, a freeze would have an immediate impact on the deficit rather than resulting in savings 2 to 3 years hence.

Given the magnitude of the deficit problem, I also believe that the freeze is one of the fairest options available for consideration. It would require that nearly all of us share the burden of controlling the deficit. No one would receive more—or less—than they do right now. Individuals newly eligible for Federal benefits would get them, but benefit levels would be frozen for all.

Mr. President, the problems presented by our present and projected budget deficits are well known. High real interest rates, an overvalued dollar, unprecedented trade deficits, and a dramatic increase in protectionist sentiment can all be directly linked to the budget deficit.

There is an additional factor which is potentially even more threatening to our economic well-being: the exploding cost of financing the public debt. The fastest growing item in the Federal budget is not welfare programs, health care, social security, or defense. It is interest payments on the Federal debt. In 1980, interest payments amounted to $53 billion. This year they will be more than double—$111 billion. By 1989, they will again double—to $219 billion.

The problem with this is that it is generating an unstable situation. Just like any household, as we continue to spend beyond our means year after year, the interest payments that we make to finance our ever-growing debt is becoming an increasing share of the household budget. So it is with interest on the Federal debt. And, if it goes on increasing at this rate because we continue to run these huge deficits, we will soon be borrowing money just to pay the interest.

What this situation means is that with each passing year that we fail to take meaningful action to reduce the deficit, it becomes increasingly harder to cut the red ink. We can cut defense spending or domestic programs but not spending on interest because interest payments are an obligation of the U.S. Government that cannot be repudiated.

I am not going to take a lot of time because there are other cosponsors who wish to speak.

If we are not all familiar with the deficit at this point, then I do not know what I can say that will change it. I will not take the time to go through the numbers of the deficit but before I yield to the Senator from Kansas let me make two points.

Mr. President, I address myself now to the conservatives in the Senate. There are 69 of our colleagues who have cosponsored the balanced budget amendment. This in essence is an anti-hypocrisy bill so you never have to go out and worry about somebody saying to you, "Senator, you want a balanced budget amendment which would mean you cut out $200 billion from the deficit but you are not in favor of a freeze. Can you explain that?" I would suggest you cannot. And if you are going to be in favor, as 69 Members are, of a balanced budget amendment, a freeze on the Federal budget is a piece of cake. And to be truly consistent in dealing with the deficit, not rhetorically but actually, I suggest that an aye vote on this amendment is imperative.

Second, let me address the Democratic side of the aisle, or even a few of those Republicans who have been labeled "big spenders" in their time. The Democrats, according to the polls out this morning, are not doing very well. The reason is that even though the country is supportive of our position on things like arms control and the environment, human rights, civil rights, you name it, the country does not believe that Democrats know how to manage the economy, and they have learned that through bitter experience.

Now, whether that is true or not, we can argue, but that is not the point. The point is they really believe that. The label that the President has managed to attach to us is that we are the party of tax and spend, and that label, whether rightly or wrongly, has stuck. The budget freeze is the result of an opportunity given to us by President Reagan who has given us these deficits. So what we are coming along and saying, hopefully, is that the Democrats in this Senate are capable once and for all to say no to spending.

Now, we are all very good at saying no to somebody else's spending. The question is whether we as Democrats have the discipline to say no to spending across the board, because the principle of this amendment is shared sacrifice; we are all going to be hurt by the deficits and therefore we all should participate in reducing them. The budget freeze is the unique opportunity for Democrats to finally demonstrate fiscal discipline, and it astonishes me how little enthusiasm there was in the beginning of this year for this amendment. That has changed. I hope, speaking if I may from a partisan point of view, that when this amendment passes there will be more Democrats than Republicans because I think even though this may be viewed as a conservative measure, in fact it is we Democrats who have the most to gain by introducing the capacity to finally engage in fiscal discipline. It is rather ironic—and this will be the last time I address my colleagues—that as someone who came to the Senate a liberal, and still so considers himself, my last speech in the Senate should be fiscal discipline. I do not think that reflects a change in me; it reflects a change in the fortune of my party and perhaps indicates the directions you all are going to have to go long after I have left.

I yield to the Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I rise in support of the amendment offered by the Senator from Massachusetts. I do so, Mr. President, because I continue to hope—against hope—that the conscious decision of this body to whistle through the deficit graveyard will—at some point—be reversed.

Earlier this year, a number of the cosponsors of this amendment proposed a total freeze on Federal spending. At that time we argued that there was a need to take immediate, effective action against deficits. We lost that battle on the floor. In lieu of a freeze, this body opted for the so-called deficit reduction down payment.

When the down payment package was debated and approved by this body we were told that the measure would result in $141 billion in deficit reduction over 3 years. The Congressional Budget Office August Economic and Budget Update reduces that 3-year figure to $67 billion. Of that total, $51 billion in deficit reduction comes from tax increases—only $13 billion is achieved from spending reduction.

Compare those figures with the ones cited by the proponents of the down payment. We were told the plan would achieve $77.46 billion in outlay savings over 3 years. That savings has now been reduced to $16 billion. And that is after the measure was changed in conference with the other body to require increased defense savings.

Mr. President, I submit that we have not achieved significant deficit reduction through the enacted legislation. CBO's latest estimate projects a trend line of growing deficits from $178 billion in fiscal year 1985 to $263 billion in fiscal year 1989.

I do not propose to offer a lecture on the dangers of deficits. The economic consequences of uncontrolled deficit spending are well known. What I would like to point out, however, is the magnitude of the challenge we face if we are to get deficits under control.

The current policy spending path we are following is a prescription for economic disaster. Between now and 1989, CBO projects that outlays will grow at a rate of 9 percent a year. Defense spending will increase by 76 percent. Entitlement spending will grow 39 percent. Nondefense discretionary spending will increase by 29 percent—and interest payments on the debt will almost double at a growth rate of 93 percent. Spending is growing—not only in nominal terms—but also as a percent of GNP.

I support the amendment now before us because I believe it incorporates the general approach to effective deficit reduction that will ultimately find its way through Congress. We cannot eliminate deficits through budget plans that are carefully crafted to protect vocal special interest groups. We cannot eliminate deficits by enacting legislation that addresses only discretionary appropriated accounts—or entitlements—or defense spending. It's impossible from a fiscal perspective—and it's impossible from a political perspective.

A politically and economically realistic approach to deficit reduction must incorporate equitable restraint in an across-the-board plan. That's the only type of approach that has any realistic chance of generating both the savings and the votes necessary for success.

In May of this year I cosponsored such a plan. The so-called KGB freeze received bipartisan support from one-third of the Members of this body. That plan would have achieved six times the first year outlay savings and four times the 3-year deficit reduction of the plan we ultimately adopted.

We can continue to ignore deficits. Or worse, we can continue to proclaim that we—as individual Senators—have the political courage necessary to control spending but can't act because our colleagues are unreasonable. We can continue to hide behind the painless political sham known as the balanced budget constitutional amendment. We can continue to find innumerable excuses for our inaction—or we can begin to take action responsibly.

Deficits are not going to go away. We most assuredly are not going to grow out of our fiscal problems. Left alone, the deficit problem will grow, not diminish. CBO's August update makes these facts abundantly clear.

This amendment does not impose a spending freeze. In fact, it doesn't di-

rectly impose spending restraint at all. It is, however, an important initiative.

Adoption of the pending amendment would guarantee early deliberation, and with it the possibility of early action on a comprehensive spending freeze when Congress reconvenes next year. The courage demonstrated by one-third of the members of the body earlier this year gives me hope that we will see greater courage after the November elections.

Mr. President, this is a mechanism to bring us back to a budget discussion that I believe personally has great merit. At such point, 6 months from now, April 15, when we would address the debt ceiling again, then the 1-year budget freeze would be pending legislation on the Senate floor, at which time we would involve ourselves in that debate. But we are worn and weary at this point and certainly it is not our intention to take any further time, other than to say that I think it is a thoughful, constructive approach and I hope my colleagues would join me in support of this very important measure.

Mr. TSONGAS. Mr. President, I ask unanimous consent that Senator BOREN be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TSONGAS. I yield to the Senator from Delaware.

Mr. BIDEN. Mr. President, I read frequently these days the confident assertion that, after this election, the President and the Congress will take decisive action on the deficit problem. I would like to believe that will be the case. But I think that prudence and past performance indicate that such action would be more likely if we could put in place now a strong incentive to act next spring. And I believe it might be wiser to spell out now the parameters of the action we will take next spring, rather than take pot luck when the spring of 1985 comes.

That is why, Mr. President, I have joined many of my colleagues in offering this amendment today. It will provide the incentive to act next spring. It will do so because it says that we cannot increase the debt limit again until we have acted on a budget freeze. And this amendment does not leave the question of what action to take up in the air. Rather it says that Congress must act on a measure to freeze Government at its fiscal year 1985 level for 1 year.

Nothing could illustrate the critical need to do this better than the budget which Congress has just adopted. Since work began on the budget in February, two major fiscal and economic events have occurred. First, the health of the economy has been demonstrated to be much better than anyone dreamed in February. In other words, conditions have been ideal for natural economic forces to reduce the budget deficit. The other thing that has happened is that the Congress has adopted deficit reduction legislation—clearly the only such legislation that will pass this year.

Mr. President, what has been the impact of these two events upon the budget deficits that now stretch before us?

First, Mr. President, deficits have not stopped rising. The budget now estimates that the deficit in fiscal year 1987 will climb to $208 billion, an increase of $27 billion above the fiscal year 1985 deficit of $181 billion. Those figures make it clear that the deficit problem is not going to get better as time passes, it is going to get worse. With every day that goes by, the deficit problem gets harder to solve. And we have already lost a year's time in putting a budget freeze in place.

Obviously, Mr. President, neither the current levels of economic growth nor the deficit reduction actions by Congress have had a significant impact on the deficits. CBO says that under its revised economic assumptions, reflecting greater economic growth, the deficit would be $2 billion greater in fiscal year 1985 than it had estimated in February, presumably due to rising interest rates. By fiscal year 1987 under improved economic conditions, deficits will be increased by $16 billion over February's estimates. So much for claims that improved economic conditions will lower deficits to a point where they become insignificant.

Deficits have been lowered to some extent because of congressional actions and technical reestimates. In fiscal year 1985 the deficit will now be $181 billion, $14 billion less than CBO estimated in February. In 1987, the deficit is estimated to be $208 billion, $40 billion less than the February estimate. That is not really much of a result from the much vaunted downpayment on the deficit originally proposed by President Reagan.

We can no longer afford to fool around with this problem. Half hearted deficit reduction plans will not work. And even a most cooperative economy cannot save us. We must go back to the idea of a budget freeze and we must lay the groundwork for a freeze now. Our proposal today does that.

Why do I say the problem is critical? Why do I say we must begin now to plan a budget freeze next spring?

Mr. President, the rise in interest rates that we have been experiencing—and that we will continue to experience—is largely caused by the massive Federal deficits which distort credit markets. Those interest rates in turn have exacerbated many underlying problems in our economy: huge trade deficits; loss of export markets; the threat that we will become a debtor Nation; the waste of limited Federal resources on interest payments; the threat of renewed inflation; and a general instability in our financial markets.

The mere existence of $200 billion deficits destroys economic stability. Their damage is incalculable. When one realizes that these deficits are using up most of the net private savings in the country, then one understands the instability that these deficits bring and the urgent need to act.

Over the next 3 years, our deficits—conservatively—will cumulatively amount to $582 billion according to the latest CBO figures. This staggering deficit takes account of the Omnibus Deficit Reduction Act, recently enacted, which will produce $64 billion in deficit reduction over 3 years. That is not much deficit reduction, only a 10-percent reduction. Only a $64 billion decrease in nearly $600 billion in prospective deficits. No wonder the main reaction of the financial markets to congressional deficit action has been negligible.

All of this is to explain why I am convinced that the Senate must act on further deficit reduction if our economic fundamentals are not to become much worse. And I still believe that a total budget freeze is the most effective way to achieve additional reductions in the deficits. Such a freeze should be similar to the one that Senators KASSEBAUM, GRASSLEY, BAUCUS, and I sought to add to the Omnibus Deficit Reduction Act. That freeze would basically hold Federal programs to their fiscal year 1985 spending or benefit levels. It would hold defense activities to the budget that it will have in fiscal year 1985 with no adjustment for inflation. It similarly proposes no cost-of-living adjustments for 1 year for all indexed programs. It would freeze authority for all discretionary domestic programs at fiscal year 1985 levels for a year. It allows no pay raise for Federal employees.

The Congress has only just approved a fiscal year 1985 budget and the 1985 fiscal year is just getting underway. It is now clearly too late to freeze Federal spending at fiscal year 1984 levels through the 1985 fiscal year. Instead, this freeze, if adopted by the next Congress would freeze Federal spending at fiscal year 1985 levels for the 1986 fiscal year. It is difficult to estimate right now what the savings from such a freeze would be if it were put in place for fiscal year 1986. However, the savings would be comparable to those in our original freeze.

Using May calculations, had our budget freeze been adopted earlier this year, the deficit level for fiscal year 1987 would have been set at $162 billion. That would have been $46 billion lower than the budget now estimates the deficit to be. Under the bipartisan freeze, spending in fiscal year 1987

would have been $96.9 billion lower than it would have otherwise been. The 4-year deficit reduction impact of the bipartisan budget freeze would have been $241.8 billion.

Mr. President, what is the problem that may force the Congress—willingly or unwillingly—to return to the consideration of further ways to reduce the deficit? Why am I so certain that, sooner or later, further action on deficits will occur?

The condition of the U.S. economy presents, to say the least, a paradox these days. The economy gives the surface appearance of strength and vigor. Yet, its underpinnings are weak.

According to the Commerce Department, growth in the first quarter of the year was a booming 10.1 percent, while the second quarter was 7.1 percent. Millions of new jobs have been created and unemployment, while high at 7.5 percent, is the lowest it has been in several years. Inflation, measured by the Consumer Price Index, was an annual rate of 6 percent in August. There seems every reason for the American people to be optimistic about their economic future.

But underneath that surface performance, there are troubling signals. Interest rates are extraordinarily high for such a period in our economy. The prime rate is 12¾ percent. Agriculture and real estate are already hurting badly. High interest rates have strengthened the dollar and attracted foreign investment. The result is trade deficits currently estimated to exceed $130 billion this year. There is a surge of imports and a loss of export markets that threatens our otherwise good job creation performance. These deficits are now so high that they threaten to turn the United States into a debtor nation and eat away at our fundamental standard of living. Our financial markets are further distressed by the problem of foreign debt owed to the U.S. banking system. There are recurring crises as to whether interest payments will be met on time. Climbing U.S. interest rates threaten to make these loans wholly unaffordable to developing nations of the world.

And the U.S. financial system is further shocked by distress in some of our financial institutions.

In remarks before the Senate on September 24, the Senator from Texas, Senator BENTSEN, brought to our attention something even more disturbing. The Joint Economic Committee has reestimated the growth of GNP, using more appropriate techniques than those used by the Commerce Department. These figures show real GNP slumping from 7.8 percent in the second quarter to only 2.2 percent in the third quarter. This dramatic fall off in economic activity suggests that the economy could be poised to slip back into recession. Such a possibility is strengthened by the index of leading indicators which fell 12 percent in August and personal consumption expenditures barely grew at all in July and August. Corporate plans for plant and equipment spending have shrunk from 12 percent to almost nothing in the fourth quarter.

As Senator BENTSEN said, it is too early to say a recession is here. But is none too early to begin to take actions to contain any recession that may await us. And those answers must start with Federal fiscal policy and interest rates.

Mr. President, Congress should not adjourn this fall without preparing for early action on deficits when it reconvenes in 1985. It is always difficult to obtain early action in a new Congress. However, it is important to put a budget freeze in place before action begins next year on the budget for fiscal year 1986 and beyond. With such a freeze in place, budget planners can then begin work on long-range plans to eliminate deficits.

It is essential to have the simplified and expedited procedure provided by this amendment in place for action on a freeze next year. Otherwise, all energies may well go toward working a freeze proposal through the committees and floor action at a time when legislation typically moves very slowly. If we do not act now, Congress will not be able to accomplish next year all that must be accomplished if deficits are to be dealt with finally and conclusively.

Mr. President, I should like to emphasize several points. No. 1, is that the Senator from Massachusetts is to be complimented for a whole number of things, but as it relates to this amendment, quite frankly, we had sort of lost hope that we could focus this issue again. This mechanism that the Senator from Massachusetts and others came up with is designed, I would respectfully suggest, to do two things—to immediately focus our attention next year, assuming some Senators are back and assuming I am back—at the most critical time attention should be focused on taking on tough measures. And that is when you have to raise the debt ceiling again. My mother says that there is nothing like looking over the precipice to focus one's attention. We are looking over the precipice. I do not know whether we will pass the debt limit, but we are beyond the stage where we are likely to get a freeze accomplished this year and it is a shame, by the way, because that vaunted deficit reduction package, the rose garden package and the Democratic package and others, but the one we adopted in fact, turned out to be what Senators BAUCUS and KASSEBAUM and myself and others said it would be, little or nothing. And we had a chance to cut from this deficit $45 billion. Senator GRASSLEY made that point over and over and over again during the last debate. We lost that opportunity. But I think in light of the fact that interest rates and deficits went the direction we predicted they would, after that loss, there is more sentiment for this type of approach.

So the first reason is to focus our attention at the appropriate time. But the second reason is—I think all the sponsors share this view—we have a similar perception of human nature. If we get you all to vote for the principle of voting on the budget freeze and you all go home and find out you are not in trouble like you think you are going to be, then we might get you. Courage is not the hallmark of legislators in this country or any other country. We are a timid group by and large. And when in fact we first proposed this idea in my caucus, the Democrats said, "Oh, don't do this, don't raise this. We will get in trouble with the elderly. We will be viewed as having abandoned our commitment to Social Security." And the Republicans, the conservatives said, "Oh, don't do this, your opponent will be able to say you are against defense." And so we had an unholy alliance. We had a President who did not want us to face the music, we had a Speaker of the House who hoped this would not come up because he did not want the Democrats to "lose the Social Security issue," and we had our conservative colleagues in the Senate say that it is bad because it affects defense. Really, what they are all saying in the Cloakroom—Senators, by and large—is that a budget freeze is a good idea. But they are not taking a chance going out there and allow their opponent to say what my opponent is saying in this election. He is saying, "The freeze points out that BIDEN is weak on defense." Then he is saying, "The freeze points out that BIDEN wants to cut Social Security for old folks."

Then he goes into the day center and says, "The freeze points out that BIDEN is against you." The more he talks about being against the freeze and my being for it, the polls go up for BIDEN. The fact is that the polls may be wrong, but one thing is not wrong: The folks like the budget freeze. They understand that in order to get something done, everybody has to be in the barrel—everybody. They are not stupid, I say to the Members of the Senate. They are not dumb. These folks understand. They know that to cut the deficit, everybody has to be in it.

If you say, "We are going to cut defense and we are going to deal with Social Security and social programs and taxes but not touch defense," they know it is malarky; or if you say, "We are going to cut defense but not touch social programs." They are smarter then we are. They figure it out.

For those of you who agree in your heart of hearts that if you were able to cast a secret ballot we should freeze it all, for those of you who believe it—and I realize some of you truly believe it is bad business—but for those who really believe it but are being told by our staffs, as was told by mine, as Senator BAUCUS was told by his, and as most of us were, we were cautioned: "Don't do it." Try it. Just take a little step. Just try. Vote to agree to vote on it next time. Then try it at home. You will find that the folks like it.

You will be able to get off it if it turns out that Senator BAUCUS, Senator KASSEBAUM, and Senator BIDEN, all of whom are up for reelection, join Senator TSONGAS in retirement. Then you will get a message that probably you were right and we were wrong, that it is susceptible to demagoguery, and that can be fatal.

The PRESIDING OFFICER (Mr. EAST). If the Senator will withhold, the Senate is not in order. The distinguished Senator from Delaware is entitled to order in the Chamber, and the accumulated noise from Members and staff make it impossible for him to be heard.

Under the rules of this Chamber, the Senator holding the floor is entitled to be heard. The distinguished Senator has the floor, and the Chair insists that he have the opportunity to be heard.

Mr. BIDEN. I thank the Chair for its courtesy.

I have been around here 12 years, and I have learned that as the noise rises in direct proportion to the length of one's speech, it means that you should stop talking.

I appreciate the Chair's efforts, and I appreciate my colleagues' being less noisy. I understand that you have heard it all before, but I want to conclude by saying, "Try it."

To those of you who really, truly, and honestly believe, examine your conscience; and if you think this is a good idea, try it.

It is a nice, first step on deficit reductions. If it works, you do it and you get away with it at home, which I predict you will be congratulated for and not criticized for. Then, maybe the next time, you will be able to give it a try. Those of you who truly believe it is a bad idea on its merits will vote against it. But my speech is directed to the faint hearted who may want to think about giving it a try at this time.

I yield the floor.

Mr. TSONGAS. I wish the Senator would not look at me when he says faint hearted.

Mr. President, I ask unanimous consent that the names of Mr. MURKOWSKI and Mr. MITCHELL be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TSONGAS. That makes 20 cosponsors, equally divided between Democrats and Republicans.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I am one of the four original cosponsors of the freeze proposal. As the Senator from Massachusetts has said, since the time we first introduced that proposal, many Senators have joined us.

Let me explain why we have proposed the freeze.

THE DEFICIT

Three days ago, somewhere deep in the bowels of the Treasury Department, the Government's accountants closed the books for fiscal 1984. Once again, the Goverment was overdrawn by almost $200 billion.

And the debt keeps piling up, by $21 million an hour.

At this rate, we will accumulate a debt of $3 trillion by 1990. At that point, almost 50 cents of every income tax dollar will be needed just to keep up with the interest on the debt.

This debt is not an abstract problem whose effect will be postponed for years.

No, it is an immediate problem.

Our huge deficits drive up interest rates, which are already so high that many farms and small businesses are going under and the housing industry is declining sharply.

These deficits inflate the international value of the dollar, making imports cheaper and exports more expensive. As a result, it's hard for American products to compete against Canadian timber, Australian wheat, and Chilean copper. And our economic stability depends on foreign speculators who can withdraw their capital overnight.

What is more, these deficits are inconsistent with an important American tradition.

Until now, each generation of Americans has worked hard to create better conditions for the next generation.

Now, we are running up an enormous tab, and hoping that the next generation can figure out some way to pay it off. This is fundamentally wrong. As Thomas Jefferson said, "We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves."

CAUSES

So what has caused this gigantic deficit?

In large part it is caused by a "me first" attitude.

Everyone wants lower deficits but no one is willing to pay the price.

Special interest politics continue to dominate Washington.

And the deficits continue to skyrocket.

What can we do about it?

How do we break this deficit spending psychology?

The first step is simple:

We must make this common problem our highest priority.

And we must work together to solve it.

THE BUDGET FREEZE

That is precisely what a group of us decided to do.

Early this year, four of us—Senators BIDEN, GRASSLEY, KASSEBAUM, and myself—decided that the only way to get control over the deficit is to ask everybody to contribute to the solution. So we proposed a 1-year budget freeze on all Federal spending.

That is right. All Federal spending: The Pentagon is included; social programs are included; every American is included; no exceptions; no sacred cows; no one off limits.

The freeze would have cut spending by $28 billion this year—$23 billion more than the "deficit reduction downpayment package."

And the freeze would set the right tone, of belt-tightening and shared sacrifice.

SUPPORT

Mr. President, we did not propose the freeze as an ideological or partisan measure. It was supported by both conservatives and liberals, by both Republicans and Democrats.

And it was supported by many organizations, including: The U.S. Chamber of Commerce; the National Federation of Independent Businesses; the American Farm Bureau; the National Grange; the National Association of Manufacturers; and the National Taxpayers Union.

In early May, we offered the freeze proposal as an amendment to the budget resolution.

Unfortunately, it was defeated. But, that very day, we promised we would be back again.

So here we are.

The freeze is gaining more and more support, from distinguished Senators on both sides of the aisle: Senator ARMSTRONG of Colorado, Senator TSONGAS of Massachusetts, Senator HAWKINS of Florida, and Senator LEVIN of Michigan.

The amendment we are offering today will move us one step closer to a freeze and, hence, one step closer to a substantial reduction in the deficit.

The amendment simply provides that, when the Senate considers the next debt limit bill, the pending order of business will be the bipartisan across-the-board spending freeze.

Therefore, we are not today debating the substantive merits of the freeze. We are, rather, debating whether we should set the stage for a second, focused, consideration of the freeze.

For the life of me, I cannot understand why this body would not auto-

matically, indeed unanimously, want to do this.

I know the arguments on the other side: it is an election year. Why take a risk? Why get yourself in trouble? We will worry about the problem next year.

But we all know what would happen then. In January of 1985, those same people would say, "Well, we have plenty of time to look at this. Let's slow down."

I am not saying that our across-the-board freeze is the very best solution—although I happen to think it is a good first step. Rather, I am saying that we should force ourselves to face the issue.

The Senator from Delaware is right. It is sad but true. This legislative body, like most legislative bodies, tends not to lead, but to follow. That's natural, because most legislators want to get reelected. But the people want legislators who not only reflect their basic attitudes, but who also are willing to lead.

When I talk about the freeze at home—and believe me, I talk about it all over the State—I always get the exact same reaction; namely, "By gosh, why isn't everybody automatically for it? It sounds like such a common sense first start. Why isn't everybody for it?"

Sure, I get isolated criticism.

Someone might initially say, "What might it do to me? What might happen to my program?" But when I explain that the freeze applies across the board, to every program, they begin to nod their heads in agreement.

Mr. DOMENICI. Mr. President, will the Senator yield for a question?

Mr. BAUCUS. I tell my colleages that the American people will support the freeze.

But, until now, the American people have gotten the same old finger-pointing and name-calling, with Republicans blaming Democrats and Democrats blaming Republicans.

We can't afford this. As Benjamin Franklin once said, "Either we hang together or we hang separately."

Lately, we have been hanging separately.

It is about time we hang together, as a country. Remember, our national motto is "e pluribus unum." I think we are spending too much time on the "pluribus" and not enough time on the "unum."

CONCLUSION

Mr. President, when people read through recorded proceedings of the 98th Congress, they will find millions of words about the deficit. But as Shakespeare wrote, "words pay no debts"

This amendment gives us one more opportunity to do something about the deficit. I urge all my colleagues to take advantage of this opportunity by supporting the amendment.

Mr. President, I yield the floor.

Mr. GRASSLEY addressed the Chair.

Mr. DOMENICI. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. DOMENICI. Will the Senator yield for a question?

The PRESIDING OFFICER. The Chair understood the Senator yielded the floor.

Mr. BAUCUS. I yield the floor.

Mr. DOMENICI. I wish to ask the Senator a question.

The PRESIDING OFFICER. If the Chair can explain its position, the Senator from Montana had yielded the floor, and only the Chair, of course, can grant recognition, and the Senator from Iowa was seeking recognition so I granted him recognition, and the Senator from Iowa now holds the floor. If he wishes to ask unanimous consent that the Senator from New Mexico can inquire of the Senator from Montana, obviously the Chair will be happy to entertain that request. At the current moment the Senator from Iowa holds the floor.

Mr. GRASSLEY. I ask unanimous consent.

Mr. DOMENICI. I only have two questions and they will not take too long.

I thank the Chair. I ask unanimous consent that I be permitted to ask the Senator from Montana two questions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I do not know if I was here for the Senator's entire discussion of this proposal. But did I hear him say that this amendment was a budget freeze?

Mr. BAUCUS. No. This amendment has two operative provisions. The first provision shortens the extension of the debt limit increase to hasten the date by which we have to consider the debt limit again. Specifically, it shortens the date to next April. The second provision mandates that, before we vote on that next debt limit increase, we must first vote on the freeze.

Mr. DOMENICI. Am I wrong? I thought the amendment said, in addition to the first point of lowering the debt extension such that it will expire on or about April 15, that before we vote on the debt limit we will vote on a budget freeze. However, by a majority vote of this Senate we can waive any provision of the freeze. Did I read the amendment right?

Mr. BAUCUS. That is correct. But, in that case, there would still be a vote, albeit a procedural vote on the waiver motion.

Mr. DOMENICI. I thank the Senator.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I thank the President for recognizing me. I would like to first of all remind my colleagues what the general tenor of the debate was here during May on the Kassebaum-Grassley-Biden-Baucus budget freeze, from people on both sides of the aisle. I think the 33 votes we had would have been a majority. But there were so many people saying that we are just a year or two early; we are going to have to do this, but this was the wrong year to do it.

This town is famous and noted for the mañana treatment, that we ought to wait until tomorrow. Tomorrow is not quite here yet, but I think we better start getting ready for it.

I thank the Senator from Massachusetts for his leadership in this area.

This amendment sets the stage and gives us time to anticipate what we are dealing with I have 3 years of speeches on the record about the need for a freeze in the Federal budget. But it has only been within the last 6 months that it really got the attention it should get.

I would like to indicate one thing, Mr. President, that Congress has monkeyed around for the past 4 years in giving this country an additional $600 billion worth of debt. That figure alone, that figure in and of itself, is the true and unadulterated reflection of our planning incompetence.

I am speaking about something larger than just economics, of dollars and cents. I am talking about the inability of this Congress to plan. It reflects managerial incompetence from the board of directors of this Nation. This debt alone is the primary cause of the extraordinarily high real interest rates which threaten sustained growth. The 4-year party is over, and there is one big mess to clean up.

There is no doubt about the fact that dramatic action must now be taken. This sets the stage for mañana's dramatic action.

But to take such action we not only need to change the way we do business, but we also need to rethink the problem in terms of a coherent whole.

In January, for the third consecutive year, I again plan to introduce this concept of a budget freeze. The major obstacle to the budget freeze last year, if you recall the debate during those 3 or 4 hours on May 2, was mostly due to defense budget, and mostly from Republicans. There was very little said from the other side of the aisle, and I appreciate that, in opposition to the budget freeze because of what it might do to programs. The Senator from Massachusetts has demonstrated his leadership in this area against the trend in this country which is in the other direction. He is asking all of us, in this his last speech to this body, to consider the dramatic action that ought to be taken.

The primary focus of the debate on this issue in May was on the defense part of the freeze.

Mr. NICKLES. Will the Senator yield for a question?

Mr. GRASSLEY. For a question?

Mr. NICKLES. Just for a comment. I wish to compliment the Senator for his leadership. He has brought up this issue before. He is bringing it or will be bringing it up next year. I also at the same time wish to compliment the Senator from Massachusetts for his diligence in bringing this before the Senate, as well. I ask unanimous consent to be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, most of the debate last time was on the defense budget. There has long been an erroneous assumption that money means more defense. We think that because we appropriate more, we are going to get more defense. That groundless assumption has long ago been blown out of the water.

I have reviewed exhaustively, through the hearing process, a system by which the military makes too much money spent by the Congress look like it is not enough. The evidence of this is the uncontrollable waste process which pervades the management and administration of our defense budget. That waste process is both systemic and uncorrected. That waste process itself is on automatic pilot. Why else is there evidence of such waste under any stone that happens to be turned? That waste will continue as long as Congress continues to pour more money into the system than the system itself can absorb.

Enough said about the defense budget. The defense budget is only a microcosm of a larger Federal budget. And the problems of the defense budget are a microcosm of those of the entire Federal budget; that is, managerial incompetence.

Mr. President, we must begin immediately to systematically rethink our budgeting and spending processes. They need a major overhaul. We must rethink them through a coherent budgetary rationale. If the budget is a reflection of our planning incompetence, then it is evident that we have failed the course. There is only one thing, Mr. President, that will enable this Congress to control deficits and that is to learn to control ourselves. That is called self-discipline. The only way to self-discipline is to assume the moral responsibilities needed for true leadership.

The alternative to self-discipline is, as has occurred in parliamentary democracies around the world, to turn to external disciplines, such as the IMF, to get their budgets under control—countries like Argentina, Brazil, Mexico. Do we want to—the brave Nation we are—have an external source of discipline forcing us to solve our own problems, or are we going to wait until we have 400 percent inflation, as Israel has, or the terrible imbalance of payments that Argentina and Brazil now have?

If real spending restraint is to be accomplished in the next Congress, a consensus for doing so must be built among the public. We must have the moral support of the American people. This amendment by the Senator from Massachusetts is part of that process of building moral support among the American people. But a prerequisite for this is for us in Congress to provide proper moral leadership so the public will understand the nature of the sacrifice to be shared.

Without moral leadership there can be no consensus and without consensus there can be no solution. It is my belief that the way to create a moral bond between the Congress and the people we represent is to present them with solutions which they perceive as fair. In the case of the Federal budget, then, no solution is fair unless it is handled in an across-the-board manner. Defense must be included in that across-the-board handling. Unless the freeze applies to the defense budget as well, we run the risk of losing the moral support of our people.

I commend my colleague from Massachusetts, Mr. TSONGAS, for his persistence and his leadership in bringing this issue once again before this body. It is an issue which I feel and I think we all must realize will not go away. It will not go away because it makes too much sense. As I indicated, it will surface again next year when I will introduce it on the Senate floor and in the Budget Committee.

I am confident it is what the American people want and what this Congress will deliver next year. I look forward to working on this issue again with my colleagues, Senators KASSEBAUM, BIDEN, BAUCUS, ARMSTRONG, NICKLES, EVANS, and many others who have worked exhaustively to keep this concept an ongoing concern.

Mr. JEPSEN. Mr. President, in order to get control of our budget we have to control spending and the first thing we have got to do is bring it to a standstill.

I have made the analogy of comparing the Federal budget to a car racing down the highway about 90 miles an hour. Suddenly the motor explodes; the car begins to smoke and vibrate. To correct this dilemma, you have to first stop the car immediately and then carefully analyze the damage and make necessary repairs.

Now, our Federal spending budget is out of control, going down the road 100 miles an hour. The only way to bring it under control is to bring it to a stop, analyze it, and then make the necessary corrections. The first step is to freeze, too. That is what this amendment takes a major step in doing. I support it and recommend it.

I thank the Chair.

Mr. ARMSTRONG. Mr. President, I want to join the others who have congratulated and complimented the sponsors of this resolution. I am honored to be a cosponsor. I think it really a fine public service that the Senator from Kansas, the Senator from Iowa, and the Senator from Massachusetts came up with this so-called KGB freeze plan because it so neatly puts into perspective the principal fiscal issue facing the Congress.

The resolution which is before us now, that is the pending amendment, really is not a very drastic approach to the problem. And in consulting previously with the sponsors of it, I actually urged a somewhat bolder course. I have deferred to their judgment. My thought was that we ought to again offer the freeze resolution as such; that at the very moment we are being asked to increase the debt limit that instead we opt to freeze spending, in effect, to put us on a cash basis for a few months. I thought that would be a wholesome thing.

But in defense to those who have taken the lead on this issue, I have agreed to cosponsor their proposal which really is a very, very modest step and a proper one in my opinion. It only does two things. It says, first of all, instead of increasing the debt limit by $250 billion or so, that we will do it by about half that amount, and the effect is to bring the issue back before us on or about April 15. It is symbolically fitting, is it not, that this question should arise again on exactly the day when most Americans will be sending in their income tax return. So probably that is a good idea to bring the issue of increasing the national debt and paying our taxes all on the same day or approximately the same day.

Second, it merely says that, before we vote next time to again impose another $100 billion or $200 billion or $300 billion in debt on future generations of Americans, we at least consider the freeze proposal. It does not say we have to pass it and in fact you do not even have to be in favor of the freeze proposal, although I am, in order to be in favor of the idea of considering the matter at that time.

What we are really talking about in this resolution is precipitating the annual budget crisis—and we have one every year—at an earlier time in the budget cycle, to do it in the spring instead of on the last day of the session or in the last week or last month of the legislative session when we still have a chance to do something about it. So, while this is a modest step, a step which is years overdue, it none-

theless seems to me a very proper one and I hope that we will all vote for it.

The Senator from Massachusetts pointed out there was some political implication to this. I think he is absolutely right although, Mr. President, I noted that he said this would be his last opportunity to speak here in the Senate. And it crossed my mind that it may be the last opportunity some of the rest of us will have as well. Even some of the other sponsors of this resolution may not be back to pick up where we left off. So we may leave behind to the Senator from Iowa and others whose terms will extend into next year this task. But I promise you if I am back I will pick up where we left off and we will carry the banner for the Senator from Massachusetts and others of our comrades and finish this task next year if we can.

Mr. SYMMS. Mr. President, would my colleague yield?

Mr. ARMSTRONG. Sure. I am just rambling on. I would be happy to yield.

Mr. SYMMS. I want you to yield for a question because I had wanted to be supportive of this budget freeze but I have had genuine concerns about the defense modernization program that we have undertaken here in the early eighties.

Mr. ARMSTRONG. You do not have to be in favor of the budget freeze to be in favor of this particular amendment. This is not a vote on the freeze. This is a vote on reducing the amount of the debt limit to a more manageable number, and to bring back the freeze as pending business at that time. So you can reserve judgment on how you feel about the freeze itself.

Mr. SYMMS. In other words, if this passes, we will only be giving a credit extension to the Treasury until the 1st of April. Is that correct?

Mr. ARMSTRONG. About the 1st of April or maybe April 15.

Mr. SYMMS. That would be kind of an appropriate time. It is too bad we do not have elections on the first Tuesday after April 15. We could pass this freeze very rapidly.

I say to my colleague, then, I think that sounds like a good proposition. I did not vote for this last May. But the way this is presented here this afternoon, I compliment the Senator from Kansas, the Senator from Iowa, and others who have brought this forward. That seems like a very reasonable proposition. You are saying we are going to force the budget issue next April if this passes.

Mr. ARMSTRONG. That is it exactly. We are going to have a crisis next year sometime. I say let us have it early in the year when we can still do something about it. I am about to yield the floor unless the Senator from Idaho has other observations. I would like to yield the floor, but as I do so I want to say publicly what I have sometimes said privately. I do not think this budget freeze is all such a good idea. I bet I could think of at least 100 different ways to bring Federal spending under control that would be preferable to me than an across-the-board freeze because the result of an across-the-board freeze is to prevent the increase in spending for worthy programs and at the same time freeze at unrealistically highl levels programs that ought to be phased down or even abolished.

It sort of reminds me of what Winston Churchill said when he was asked about democratic government. He said, "It is the worst form of government known to man except all the others we have tried." The beauty of this notion is not that it is really very scientific, precise, or satisfactory to anybody, but as the Senator from Massachusetts has pointed out and other speakers as well, it is a form of burden-sharing. It hurts everybody a little. It has sort of the sense of rough justice about it. While it really is not very good, it may turn out that next April we will want to adopt something like this simply because it is the only thing that has a chance of passing.

In the meantime, we certainly ought to adopt the amendment prior to voting on the debt limit itself.

Mr. DURENBERGER addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, I came to the floor for other reasons and discovered my colleague from Massachusetts making what he alleged to be his final statement. As I listened to him speak—particularly as I listened to him speak about his party and my party; and send one message on behalf of his amendment to this side of the aisle and another message to the other side; and one up for those up for reelection and one for those not—I was reminded of an event about a year and a half ago before the Senator made his decision not to run in which I was a guest at an occasion in which the Senator from Massachusetts was invited to speak to one of the more conservative business organizations in the United States of America. I came late. I could not find whoever was there from Minnesota. So they happened to seat me at a table with three or four of these conservative business people from the State of Massachusetts. One of the first questions they asked me after they found out I was a Republican was why is the main speaker tonight this liberal Democrat from Massachusetts by the name of PAUL TSONGAS. And I had a little time between courses to tell them a little of what I knew of their Senator. But I finally said, "Why do you not just wait until he gets to his speech and perhaps you will then hear the answer to your question." They waited. They listened, and when the speech was over everyone of them along with most of the people in the room went up to compliment the Senator from Massachusetts on his concern that evening for the future of the country on a speech entitled "The High Cost of Capital to American Investment", an unlikely speech from a liberal Democrat with whom a number of us came to office.

I want to thank my colleague from Massachusetts for being here during my first 6 years in the U.S. Senate. I want to compliment him today for not lecturing us on this particular subject. He has lectured us on foreign policy issues. Those are fleeting issues. Today they are in Central America and tomorrow they are in Africa and somewhere else. But on the issue to which I sense he was committing his term in the Senate, the future of this country and its economic institutions, I want to say that this colleague will be particularly missed because despite the Appalachian liberal Democrat, he came here understanding that unless we cured the economic problems that we have built up in this country over 30 years, there was no way we would solve the impact that those economic problems were having on our social, and now on our political institutions.

Mr. TSONGAS. Will the Senator yield?

Mr. DURENBERGER. I am very glad to yield.

Mr. TSONGAS. I am very moved by what the Senator said. At this point a question: Will you vote with me on the amendment?

Mr. DURENBERGER. That will provide me, if you will, with a transition to a brief set of remarks that says that I will not vote with you on this particular amendment. In fact, I intend to support a motion to table this amendment. And it is not because you have raised before us today the particular standard that I have described in the form of this motion. In fact, I think if you had your choice of where you might make your last speech in the Senate, it might not necessarily be on this particular amendment. It would be on the underlying subject, and the subject is whether or not this body will ever help the people of this country address the problems of debt; the problem of debt.

We look on it as $1.5 trillion going up to $1.8 trillion. Yes; the folks back home in Montana say everywhere that our colleague, Senator BAUCUS, from Montana goes, they all say I am for a freeze. In Minnesota they all think RUDY BOSCHWITZ's 3-percent freeze is a really great thing. That is because they cannot come here and see what it takes to narrow the difference between $925 billion a year and $700 and some billion in revenue. They do not understand that, if you took away all

the programs for the truly needy out of this budget, every bit of welfare, you still would not balance the budget. If you take away all of the tax breaks for the truly greedy in this country, you still would not balance the budget.

So I compliment my colleague from Massachusetts for this resolution as I do all of us who are on the balanced budget amendment, and in an hour or two I might offer the Durenberger-Gorton-Domenici balanced budget resolution. But I am not sure I am going to ask for a vote on it because I have come to the conclusion, as I have listened to these speeches about how well everybody receives these freezes back home, that we are conning those folks out there. We really are. We are trying to get them to believe that what we have been doing in the last 2 weeks is the salvation of the American people. If you look at the Federal budget, a spending freeze covers one part of the Federal budget.

What does it do for the $327 billion in spending that is in the Finance Committee? $30 billion a year we are giving away so that Chrysler can give away $6,000 a year worth of health benefits to the employees, paid for by 32 million taxpayers that themselves cannot even get health insurance in this country. I heard the Senator from Kansas this morning talk about tax shelters and millionaires that do not pay taxes. That is not because of this contract for imputed interest. That is because in the Finance Committee we have built this elaborate accelerated cost recovery system for all kinds of people in all parts of this country that in effect gives the money away: We are not the only sinners. Many of them are folks out there that think it is a good idea that we freeze the budget. This country is almost $7 trillion in debt. We are all spending this debt with this plastic credit card money, and we are sending the bills to our kids.

We are inventing novel things like zero coupon bonds. Sell 7 billion dollars' worth of today's debts to the Japanese, and the bill does not come due till the year 2019, when the 25 year olds are about ready to retire.

That is the dimension of this problem, and it is not just us in this body. I would suggest, yes, we do need to lead by example. We have to be the leader. We have to face the moral issue. We have to get out there and speak. But we have to start telling the folks that the problem is not just here; it is in plenty of other places.

My only fear, I say to my colleague from Massachusetts, if we come here and the first act is to deal with the freeze, I will bet we spend all of 1985 with the freeze. We will debate whether it affects defense modernization, or DURENBERGER's medicare and the elderly, or something else, and forget about the need to get behind those numbers and find out what the role of government really is in health care, really is in national security.

Mr. SYMMS. Will my colleague yield for 1 second?

Mr. DURENBERGER. I yield.

Mr. SYMMS. I appreciate his comments. One thing he said was if we come in here and that is all we can debate, the merits of the freeze and what our priorities are so we can argue the constitutional priorities and defense and other items in the budget, if that is what we are debating in June, July, and August 1985, then we will not be debating raising more taxes. That will be the good thing. That is one of the reasons I will vote for this.

Mr. TSONGAS. If I might inquire, the Senator has made a very strong speech. If he could explain, when he goes home and says, "I am for a balanced budget amendment, but I am not for a freeze," has anybody in the audience ever asked the question about how that could be possible?

Mr. DURENBERGER. Yes. In fact, I have gone through that experience with several other related examples.

I say two things about being for the balanced budget constitutional amendment.

One, I was opposed to it for my first 4 years here, and finally in desperation, because I could find little else that I thought woud help the process, I said I would endorse the constitutional amendment. I did that because I thought it gave us in this body the same kind of breathing space that if Michigan and Montana were able to send us that 35th and 36th vote in favor of a constitutional convention, or whatever, it would give us 4 or 5 years of breathing space to finally do something sensible around here relative to the decisions we make and how they relate to the debt.

Yours does not. Yours says that the first thing next year, or somewhere between then and April 15, we are putting this freeze in place, and I am not sure it would accomplish the same end.

Mr. TSONGAS. The answer is to call on the President to submit a balanced budget, but he cannot. The point of this amendment is for us to do something that will stay across the board.

Mr. DURENBERGER. Mr. President, I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I will not take very long.

First, I compliment those who have worked on this amendment. Obviously, we need all kinds of ideas about how to make our process better. But at the same time, I would like to tell the Senate what I think about the amendment and to explain it as I see it. If I say anything that is not correct, I certainly would expect those who proposed it to get up following me and correct me. I apologize in advance if I do that.

Let me suggest that there has been some talk today about this being a 1-year freeze on budget authority for the Government of the United States. This is not what the amendment says. There is nothing in this amendment concerning a 1-year freeze of budget authority for domestic and defense spending.

But, it is ingenious because people can go home and say they voted for a freeze.

This is no vote for a freeze. This is a vote to change the process now so that next year, around April 15, those who want to vote for a freeze get a chance to do so before the next extension of the debt limit.

Is that a freeze?

Does my good friend from Arkansas want to offer a freeze next year on the debt limit? I do not know anything that would preclude him from offering it. This amendment would require the President of this institution to submit a budget freeze to be voted on when we bring up the debt limit the next time.

That is good. It is commendable. And it can all be accomplished by a simple majority vote.

We will come down here and debate it all over again because we are not precluded from amending that proposal. There is nothing in this amendment that says somebody else could not offer their freeze proposal. There is nothing in the rules of the Senate that say you cannot offer this freeze proposal next year. All the amendment is, is a change in procedure. It is not a budget freeze. It says, "We get to offer this freeze next year."

What is this freeze? It is a rule that says if budget authority exceeds a certain figure, you can raise a point of order. Then right along side of it, it says, "However, you can waive it and you can amend it by majority vote."

So it seems to me that those on this side of the aisle would get up and say, "The President is wonderful; he is for restraining spending. We do not even want to see his budget before we ask the Presiding Officer to submit a freeze on April 15. We do not want to see anybody else's proposals. We want to vote for this process about April 15 of next year. It is sort of a superduper, 1-year procedure that says we are bound by two provisions: One says the budget authority of domestic programs is frozen, and the second says the budget authority for defense spending is frozen. If you bring anything to the floor that exceeds those levels, it is subject to a point of order."

If this amendment passes, we are going to debate that next year when they bring it up on April 15.

"You can amend it then. You can offer your budget then."

All we are doing today, it seems to me, is deciding that next year we want to guarantee an opportunity to debate a freeze. I submit that it is a lot different than saying we are voting for a budget freeze tonight.

I assure you that I know of no way that anybody could preclude any Senator from offering a freeze amendment next year to the debt limit bill. If you would like to make it April 15, amend the bill so you get a vote on a new debt limit next April 15. We all have a chance to offer things to the debt limit whenever it is brought up, including this idea of a freeze.

I recommend this to all of those who would like to go home and say that they voted for a freeze, and that a freeze is really a wonderful thing. They say that if the American people could just have a plebiscite out there they would vote for a freeze.

I do not think it is the best way to handle the affairs of this Government. I am not prepared to freeze defense spending today at $292.8 billion without a full discussion of what that really means.

I am not about to vote for a procedure which makes us vote on that next year prior to the debt limit. I think we have ample time to look at the defense budget and see if $292.8 billion, which is this year's level, is the right level for next year.

I think we have to restrain Government on the domestic side by many, many billions of dollars. I am a long way from thinking the fairest policy for the American people is to freeze discretionary accounts.

You can say that, but that is not the best and fairest way.

I repeat, it may be that you will find the Senator from New Mexico a proponent of the freeze. Maybe that is the only thing we can do. It is simple; that is one of its qualities. In fact, that is a great quality, because we may have to restrain this deficit by simple concepts rather than very complicated ones.

But I submit to you when you get around to freezing all the accounts of Government, including the entitlements, it is not fair. It is a long way from being fair.

It is not fair because you are freezing those who really need the help of Government along with those who do not. I believe you ought to exclude and exempt all means-tested programs right off the top. You ought to look at the rest of the spending programs; those that least need the help might even have to get cut instead of just frozen.

I am not sure that 1 year is going to do all that much damage, Mr. President. I will tell you that many notions of fairness consist of 2- or 3-year freeze, and I have done good numbers on that. A freeze on domestic programs for a couple of years would hurt those who need help most in this country and not those who need help less. So while it has the flavor of fairness because, as somebody said, it is all in one barrel, we had better be careful, because it is simple, and because it has a chance of passing.

It may pass because it sounds like, "Boy, isn't that great for everyone"—I tell you, when the people start to understand what freeze means for all of those people that have programs that need to grow a little bit, like social security or medicare or medicaid, we will hear about it. They will see that they are getting treated just like all the other programs that we pay for—water programs, all the other things that are in the discretionary and entitlement accounts, and we will hear about it. I think we will never pass the laws to make the freeze effective.

I will summarize it once more. I do not think the time is now, on a debt limit bill, to set preferential treatment for a vote next year on a freeze proposal which is purely procedural. We will vote on a process next year—not now. And everybody here has the right to offer a freeze proposal next year.

In fact, they can offer anything they want. But at least we ought to wait to see what the President's budget is. We ought to see what the Senate Budget Committee does, what the House does, and what other people think we can do after we have met with the President. We ought not kid ourselves by giving a preferential right to vote on a new process for 1 year, we ought not kid ourselves and say this is a freeze. It is not politically the right thing to do. We cannot say that we ought to do it now because it has a great quality of fairness and the people, if they just understood it, would love it.

I do not think that is even relevant. What is relevant is whether you want to establish a new process, here today, of voting on a budget freeze prior to the debt limit or not. I do not think we know enough about that and I think there are a lot of things we ought to look at.

In conclusion, Mr. President, for those who wish to take the opportunity, they can produce budgets for the Senate and vote on them next year many times. You can vote on a debt limit, you can vote on it as part of the process, you can probably take the first bill that comes down the pike next year and offer this new, superduper 1-year process for resolving the deficit problems of the country. Frankly, I think we ought to deliver a clean extension of the debt limit and take this matter up next year in due course.

I yield the floor, Mr. President.

Mr. MATHIAS addressed the Chair.

Mr. TSONGAS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been called for. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. TSONGAS. Mr. President, I yield to the Senator from Nebraska.

Mr. EXON. I thank the distinguished Senator.

Mr. President, I am a cosponsor of this amendment to make a spending freeze the first order of business prior to the consideration of the next debt limit increase because I feel the amount of attention being given to these routine increases in the debt ceiling is shamefully inadequate.

I have listened with great interest to my friend and colleague, the chairman of the Budget Committee [Mr. DOMENICI]. I recognize some of the complaints that he has tied to this measure have some degree of accuracy. You could complain about that if you wanted to complain about this particular amendment. Nevertheless, I think it is clear that, for far too long, we have done little, if anything, about restraining debt increases.

It is interesting to note that here, when we are considering a debt increase in the U.S. Senate today, we are already talking about what we are going to do on the next increase that the President is going to request in an extension of the debt ceiling of this Government.

Not too long ago, debt ceilings were temporary. Today they are permanent. It is as if Congress has given up the hope of ever coming to terms with deficit spending.

I am no born again deficit cutter. As a small businessman in Lincoln, NE, I had to make the books balance at the end of each year, as Governor of the great State of Nebraska, I had to struggle each year with the State legislature to produce a constitutionally required balanced budget and as Senator, I have repeatedly come to this floor to plead the case of fiscal conservatism and realism.

This proposal will force the Senate to consider the budget situation along with the debt ceiling level. It will provide an opportunity to finally address the deficit in a meaningful way early in the 99th Congress.

What is wrong with that?

An across-the-board approach allows all groups to be treated fairly. It is an approach that stresses shared and equal sacrifice.

I think that the American people are willing to pitch in to reduce the deficit. The benefits of less spending will certainly be shared by all. However, the American people are unwilling to see one sector of the economy chosen as the scapegoat of overspending. Some say that the budget can be balanced on the back of the Social Security system. Others say that the budget

can be balanced on the back of the Pentagon, and others say the budget can be balanced on the back of the Welfare recipient. We all know that such claims are politically unrealistic, economically untrue, and morally improper.

Mr. President, the problem is so immense that the only solution is to restrain all spending increases. I firmly believe that the concept of fair treatment will garner the necessary political support to restore fiscal sanity to the Federal Government.

Perhaps a freeze in military spending is a false economy. But that can be addressed when this matter is on the floor of the Senate early next year. I personally believe that given our international and contractural commitments, that a sustainable defense rate of growth is necessary. However, I can say with confidence that there is plenty of room for savings within the Department of Defense. This proposal will facilitate such a debate and much needed examination.

This amendment is a fair, workable means to make reductions in Federal spending a top priority. I am happy to be a part of this initiative and I strongly urge my colleagues to vote for the adoption of this amendment.

Mr. CHILES addressed the Chair.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. I yield to the Senator from Florida.

Mr. CHILES. Mr. President, I am going to support this amendment because I think it provides us a safety valve on deficit reduction.

This amendment limits the increase in the ceiling on national debt to an amount that will only run through next April. The President is required under current law to submit his budget by the end of January, so we will know by then whether he is serious about taking on the deficit. The budget committees are required to report a budget resolution by April 15, so we will know whether the Congress is going to take on the deficit.

What this amendment says is that by next April we must take serious action on the deficit, action that is long overdue. In fact, it is 3 years overdue.

I want to be clear that I do not support the particular policies of the freeze described in this amendment. It would force cuts in defense programs so deep and so soon that it would disrupt our Armed Forces. It would not merely put things on hold.

In addition, it freezes out cost-of-living increases entirely for elderly and disabled people receiving Social Security, veterans' benefits, or Federal retirement. It would prohibit inflation adjustments for critical appropriations like education, biomedical research, veterans' medical care, and law enforcement. It would force personnel cuts in law enforcement and the space program.

At the same time as forcing these deep sacrifices on the spending side of the budget, it would do nothing on the revenue side. It would not even freeze out further scheduled tax cuts which have not yet gone into effect.

But, fortunately, this amendment would not enact that freeze. It says that we must act on some deficit reduction. I think then we could start with this KGB freeze as pending business. It would at least force us to bring up the alternatives that could generate serious work on much-needed deficit reduction.

Mr. President, I take this opportunity to say that I support this partially because Senator TSONGAS is a principal sponsor. He has demonstrated the kind of residue that is tremendously important if we are ever going to get this done. He has always favored people programs, the social programs needed so much by so many. But at the same time, he has recognized that if we do not control this deficit, we are not doing anything to help the poor and the disadvantaged; we are instead putting a tremendous burden on their backs. And the only way that we can make fair choices on which programs are good, and how we defend this country, is to reverse the trend that is making interest payments on the national debt, the fastest-growing element in the Federal budget.

I applaud Senator TSONGAS for demonstrating that you can be a moderate on social issues while at the same time be a fiscal conservative.

While Senator TSONGAS is not going to be in the Senate next year, I trust he is going to be out in the countryside speaking this same message. I think it is a message that both sides need to hear and everbody in the political spectrum needs to hear, regardless of what program they favor. If we do not take control of this budget, we cannot rationally debate the deficit.

The Senate has profited from the thoughtful approach Senator TSONGAS has always taken during his all too brief tenure in the Senate. He has, without question, paved the way for a new generation of perspectives on the needs and problems of the Federal Government. His service here has been refreshing and substantive, and I commend him for it.

Mr. President, I urge adoption of the amendment.

Mr. DOLE. Mr. President, I suggest that managing the debt ceiling is not fun and games, although I know a lot of people have fun with it, a lot of people like to load it up. I think I have done that a time or two myself. I suggest that there is some hope, if we can table this amendment, we might be able to vote on final passage of the debt ceiling before 5 or 5:30 today. There is at least one other amendment on imputed interest. We hope we can get the principals, the Senator from Idaho, the Senator from Montana [Mr. MELCHER], myself, and others to try to work out some agreement to put that on another vehicle.

However, again let me say as clearly as I can that I understand there is a lot of interest in this amendment. It may have some merit.

Let me repeat what I was told on the telephone a couple of hours ago by the chairman of the Ways and Means Committee. He said, "If you amend the debt ceiling"—and he has the authority to do this on the House side—"I am not going to conference." He is going to send us an extension that expires January 30, 1985. So I hope that we can at the appropriate time table this amendment and then go on and pass the debt ceiling so the Government can carry on its normal business transactions.

Mr. LEVIN. I am pleased to cosponsor this amendment because it puts the emphasis where it should be when it comes to deficit reduction—it should be one of the first orders of business when the Congress reconvenes next year. We all know why we have to act soon and in a meaningful way. Huge deficits at the same time we have an economic expansion will push interest rates even higher and eventually cut short that economic recovery. Continued recovery is especially important in my State of Michigan where unemployment still exceeds 10 percent. I would like to clarify a point about this amendment for the record with its sponsor.

Is the freeze, which this amendment makes the pending order of business when we are next called upon to raise the debt ceiling, subject to amendment? I believe that in order to reduce the deficit we are going to have to have some sort of spending freeze. I have favored the Hollings type freeze so I do not agree in every respect with the formulation recommended by this amendment. Will attempts to modify it be in order under the terms of this amendment?

Mr. TSONGAS. Yes; the freeze recommended by this amendment would certainly be amendable when it became the pending order of business upon the next consideration of the debt ceiling and its final form would determine, of course, whether Senators, even its cosponsors, would vote for it.

Mr. BAKER. Mr. President, I am sympathetic to this and other amendments. I have just been talking to two Senators who are interested in a matter of great interest to me on another subject, but I have just got through the unpleasant chore of telling both of them that I hope that a particular amendment will not be of-

fered to the debt limit because I feel obligated to try to get this debt limit bill passed, get it out of here, and not have to go through the process of sending it back to the House and all that entails.

I have requested the chairman of the Finance Committee to try to keep this thing clean, so once more when Members have exhausted their debate on this particular amendment, it is my purpose to move to table. I do not now do that, Mr. President. I see one Senator on the floor, and perhaps he wishes to speak—two. But let me say that as soon as the debate has run its course, I would like to make a tabling motion and get a vote on this amendment as soon as possible.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. TSONGAS. Will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. TSONGAS. Mr. President, I believe we have only one more speaker on our side, and so we would be prepared to vote at, say, 4:15 p.m.

Mr. BAKER. That will be fine. I thank the Senator from Massachusetts.

Mr. HOLLINGS. Mr. President, I thank the distinguished Presiding Officer and the majority leader.

I have prepared an amendment, Mr. President, and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the appropriate place, add the following new sections:

"SEC. —. CONGRESSIONAL COMMISSION ON THE DEFICIT.

The Congress finds that large Federal budget deficits have serious economic consequences, including high interest rates, the possibility of recession, record trade deficits, high unemployment, and declining housing and agriculture sectors;

The Congress finds that there is a consensus in the Nation and in the Congress that such deficits should be reduced and that the budget should be balanced as soon as possible;

The Congress finds that election-year politics forbid any bipartisan solution to the deficit problem prior to November 6;

The Congress finds that bipartisanship will be the only way to wrest the Nation from this dilemma;

The Congress finds that the next President will want and should want any consensus solutions and recommendations prior to submitting his budget for the fiscal year 1986; and

The Congress finds that the window of opportunity for a bipartisan, comprehensive, long-term approach to the deficit predicament will be short-lived requiring that the President and the Congress begin working together immediately after the convening of the 99th Congress and the submission of the President's Budget: Now, there, be it that

(a) There is established a Congressional Commission on the Deficit (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of eighteen members, who shall be appointed as follows:

(1) three members of the Majority Party of the Senate shall be appointed by the Majority Leader of the Senate;

(2) three members of the Minority Party of the Senate shall be appointed by the Minority Leader of the Senate;

(3) three members of the Majority Party of the House of Representatives shall be appointed by the Speaker of the House of Representatives;

(4) three members of the Minority Party of the House of Representatives shall be appointed by the Minority Leader of the House of Representatives; and

(5) six members of the general public who are not employees of the Federal Government and who are experts on fiscal or economic matters (or both), three of whom shall be appointed by the Majority Leader of the Senate and three of whom shall be appointed by the Speaker of the House of Representatives.

A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(c) The Commission shall elect a Chairman from among the members of the Commission.

(d) Members of the Commission shall serve without additional compensation for the performance of their responsibilities on the Commission. Members appointed from among the public shall be reimbursed for travel expenses, including per diem in lieu of subsistence, in the same manner as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

(e) The Commission shall consider all relevant fiscal and economic matters regarding the causes of Federal budget deficits, and shall consider alternative solutions to the reduction of such deficits.

(f) Not later than January 10, 1985, the Commission shall submit to the President a budget plan for Fiscal Year 1985 through 1990 which is projected to result in a balanced Federal budget not later than Fiscal Year 1990. The plan shall include such specific recommendations for alterations in spending and revenue programs and practices of the Federal Government and amendments to such statutes and regulations as the Commission considers necessary and desirable.

(g) In carrying out its responsibilities under this section, the Commission, or any member authorized by the Commission, may hold hearings, conduct meetings, take testimony, request the assistance of and consult with individuals, agencies and organizations within and outside the Federal Government. The Commission may administer oaths or affirmations to witnesses appearing before the Commission.

(h)(1) The Commission may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter which the Commission is authorized to consider. Such attendance of witnesses and the production of such evidence may be required from any place within the United States at any designated place of hearing within the United States.

(2) If a person to whom a subpoena is issued under pagargaph (1) of this subsection refuses to obey such subpoena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judicial district within which such person is found, resides or transacts business may (upon application by the Commission) order such person to appear before the Commission to produce evidence or to give testimony relating to the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(3) Any subpoena of the Commission shall be served in the manner provided for subpoenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(4) All process of any court to which application may be made under this section may be served in the judicial district in which the person required to be served resides or may be found.

(i) The Commission may appoint and fix the compensation of such staff as it determines to be necessary to carry out its responsibilities under this resolution.

(j)(1) The Commission may request from individuals, Federal agencies and departments, and other organizations such information as it may require in order to carry out its responsibilities under this resolution.

(2) To the extent permitted by law, such Federal agencies and departments and organizations shall provide the Commission with such information.

(k) The Commission may make expenditures from the contingent funds of the Senate and House of Representatives in such amounts as it may require to carry out its responsibilities under this resolution. Such expenditures shall be made on an equal basis from such contingent funds.

(l) The Commission shall cease to exist on January 10, 1985, or on the date of submission of the report required by subsection (f) of this section, whichever is earlier.

Mr. HOLLINGS. Mr. President, we will not call up this amendment in compliance with the Senate majority and minority leaders wishes to expedite the pending legislation. I give notice, however, that we will be back and we will get before the Congress a balanced budget. We cannot afford these crazy deficits and the danger they bring to our economic future.

I offer the amendment on behalf of myself, Mr. ANDREWS, Mr. EXON, Mr. BOREN, Mr. JOHNSTON, Mr. STENNIS, Mr. PRYOR, Mr. NUNN, Mr. LEVIN, Mr. DECONCINI, Mr. BUMPERS, Mrs. KASSEBAUM, Mr. LEAHY, and other Senators relative to a bipartisan effort with respect to a commission on the deficit. It is next to impossible to discuss anything in these closing hours that does not relate to the Presidential race or does not relate to other elections in November. I have talked to the majority leader. I have talked to others on the Republican side, and there is a general feeling that next year, whoever he is, the President is going to have a very short, brief window of opportunity to right the fiscal ship, of our Nation. We are running deficits now whereby the interest costs of the U.S. exceed its annual deficit.

I heard some of the earlier discussion of the distinguished Senator from New York. [Mr. MOYNIHAN], where he said that we should have the CBO look to see when the deficit gets so large it is almost to a point of no return.

We need not have a study from the CBO. We can look at the CBO's projections today. The gross interest costs for the fiscal year 1985 will be $187 billion. Some say it is lower but that's because they have a bad habit of taking credit for revenues that we get from assorted U.S. fees and funds.

We must also remember that we are taking from the general revenue in order to keep on an even keel the Social Security fund and make its payments.

It is almost impossible to bring home to my colleagues the real impact of the size of this cost of doing business, just the interest costs, the real carrying charges on the national debt. I remember well the last time we balanced this Nation's budget. It was in 1968-69. We met in December 1968 after the start of the fiscal year, which at that time commenced on July 1. We called on the White House and talked to President Johnson. We asked permission to cut spending to bring the deficit down and President Johnson was anxious to do the same thing. So we cut $5 billion from his budget.

If you look at the 1968-69 budget, you will see that not only was it balanced, but also, we have a surplus. Can you imagine our talking about a surplus today in this Congress of any amount let alone the $3.2 billion in that time? Of course not.

The reason I make this point is to remember back to that particular budget. There was the war in Vietnam, the Great Society programs, and all the rest of Government; and the total cost of all Government—Defense, Congress, the FBI, Interior, Agriculture, Commerce, and all other departments of Government—was $184 billion.

Now—in today's budget—just the interest cost or carrying charges on the national debt—is jumping up in what you might call algebraic numbers a total of $25 billion over the past year. This amounts to a $25 billion new spending program. We are all talking about cutting spending. That $25 billion new spending program, had we been operating on a pay-as-you-go basis, could have gone for cracks in roads and bridges, researching cancer, education, the Export-Import Bank, to promote trade and create jobs. But we just frittered it away on our own profligacy.

This year, that carrying charge will jump another $33 billion. So we are about to spend an additional $33 billion this fiscal year on a new spending program.

We are always talking about new programs. I remember when the distinguished senior Senator from Massachusetts came up with a health insurance bill that would cost $30 billion. Many of our conservative Members proclaimed: "Heavens above, we have never heard of that. A national health insurance program of $30 billion; we can't afford it." At least we would have had health insurance. For this $33 billion today, we get nothing.

So on both sides of the aisle today, many Members agree that nothing can be done until after the election. It's sad but it's true. Many of us favor having a commission appointed after the election, to meet in good faith, with the best available minds on economic financial matters—in the Congress and in the private sector—and present a balanced budget plan to whomever is President. We would like to see a bipartisan panel attack the horrendous deficits facing us.

All sides will have to give—Democrat, Republican, conservative, liberal, or whatever we have—in this Government. And all areas will. The problem is that big. It is not a situation in which we should do something on defense, do something on nondefense discretionary spending, do something on entitlements, do something on revenues. It is all the above, if we are to do this in an effective and intelligent fashion.

We have those in the private sector who have been interested in this and who have been meeting over and over for the past 2 years. We have the former chairman of the Budget Committee in the House, Bob Giaimo. We have a bipartisan business group, the Pete Peterson crowd. They are all intelligent and well-intentioned people who have expertise in what they say.

We all have been talking and meeting; but, unfortunately, we have just been talking and meeting. We have not been acting.

Creating a bipartisan panel to stop deficit spending has to be entered into voluntarily and in an appreciative atmosphere. With the ox in the ditch, we are all in trouble; and unless we all can pull together, the entire Nation and the Nation's future is going to suffer.

Mr. President, I ask unanimous consent that some detailed comments on the budget crisis be inserted at this point.

Mr. President, once more, the Senate is faced with the harsh reality of a Federal budget deficit out of control. Last year, the budget deficit was $195 billion, which amounted to 6.1 percent of GNP. This is larger than deficits in any year since World War II. The compromise on the budget resolution provides no relief to the staggering deficits that threaten our economic future—both here and abroad—as projected deficits continue near or above the $250 billion level by 1989. We are talking about huge, unprecedented deficits stretching off into the future as far as the eye can see.

The President blames Congress. Congress blames the President. Both sides delude themselves into thinking the deficits do not really matter. After all, we are in a recovery.

Recovery will not wipe these deficits out. The deficit problem is really only a matter of simple arithmetic according to Dr. Rudolph Penner. Spending is much higher than revenue, and the two are not projected to come together any time soon by themselves.

To finance the current deficit, the Government will have to borrow more than two-thirds of all private savings—money available for lending and investment in the United States. These deficits are soaking up the capital that our businesses need to finance the new investment that provides new jobs. Even during economic recovery, interest rates will rise, if the Federal Government continues to compete in the private credit markets.

The failure to reduce deficits holds interest rates high and prolongs the U.S. dependence on foreign capital to finance the national debt. But how long can this go on? What if foreigners lose confidence in us and the huge net inflow of savings from abroad were to stop? Would the Federal Reserve finance the huge deficits and risk inflation, or refuse to finance them and risk depression?

We do not want to risk inflation or depression. We believe that a consensus exists in the Nation and in the Congress that large Federal deficits should be reduced and that the budget should be balanced as soon as possible. We also recognize that election year politics forbid any bipartisan solution to the deficit problem prior to the election on November 6.

But it will take bipartisanship to break the devastating pattern that has created the deficit crisis. Now is the time to act to ensure that a bipartisan approach is given the opportunity to solve the dilemma.

We are proposing that the Congress establish a Commission on the Deficit whose objective shall be the following: One, consider all relevant fiscal and economic matters regarding the causes of Federal budget deficits and alternative solutions to the reduction of such deficits. Two, not later than January 10, 1985, submit to the President a budget plan for fiscal year 1985 through 1990 which is projected to result in a balanced Federal budget not later than fiscal year 1990.

The Commission would consist of six members each from the Senate and the House—six for the majority, six for the minority. Further, there would be six members of the general public who are experts on fiscal or economic matters or both—three chosen by the

majority leader of the Senate and three by the Speaker of the House.

Much has been said about deficits. We are all on record stating how we vehemently oppose runaway deficits. We all recognize the danger of continuing down the path of $200 billion deficits. But what have we done: nothing. Nothing but to offer the American people election year pablum. We say we cannot take a position, this is an election year and the election is near. And by not doing anything, we risk American jobs, the ability to put our kids through college and buy a home.

We can no longer wait. The time to act is now. We must get the ball rolling and set a long-term agenda for getting us back on the road to fiscal responsibility. If we do not do this, I fear there will be only more proposals, more talk, and another election and we will accomplish exactly what we have up to now: nothing.

My colleagues, it is time to get serious. Ultimately, we have to take action, and the longer we take, the more difficult the choices. But let us act together in a bipartisan manner—over the next 3 months—to work on a solution to these crippling deficits. Let us for once give a little attention to the next generaton rather than the next election.

Mr. President, I express my gratitude to all Senators—on both sides of the aisle—who have expressed a willingness to meet here after the election, in November or December or early January, and again try to come up with some kind of solution to the deficit to present as a guideline to the President. I did not include presidential appointees to the panel. Whoever the President is, he will have his own team.

I think that we in Congress are all responsible, and a responsible act at this point would be to furnish some kind of guidelines.

Incidentally, I also want to express my support for Senators BAUCUS, KASSEBAUM, BIDEN, and GRASSLEY, in their freeze amendment at this time. It is a good initiative. It keeps to the front what I have tried to do for the past 3 years.

I remember when Senators BAKER, DOLE, DOMENICI, BOREN, and STENNIS were trying to get a freeze 2 or 3 years ago. In September 1981, we had passed Reaganomics. People forget that on September 24 of that year, the President appeared on national TV and said we have to raise taxes. We realized at that time that we were getting into very serious trouble.

Then, back to the point we had proposed a freeze in that lame duck session, but we got into politics again.

If anyone wants to discuss this matter further, I will be glad to do so.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. STENNIS. Mr. President, I commend the Senators from South Carolina for his work heretofore, and particularly with this special effort now in connection with a commission, in which I am privileged to join. I hope I can make some contribution.

Mr. HOLLINGS. I hope we can work out something along this line immediately after the election, even though we do not enact it.

Mr. STENNIS. I am glad the Senator is not offering it as an amendment now. It does not belong as an amendment with these other matters.

The PRESIDING OFFICER. Is there further debate?

Mr. BAUCUS. Mr. President, I know the Senate is ready to vote. I am not going to take much time.

I want to pay a personal tribute to the Senator from Massachusetts, Senator TSONGAS. The amendment he has offered today is a fitting reflection of his work in the Senate, because it is courageous and innovative.

I came to the other body in January 1975 with the Senator from Massachusetts. Even then, I was struck by his perceptiveness, his ability to analyze problems more deeply than most people, his ability to solve problems, and by his courage to stand by his convictions. He has always been at the head of the herd. He has always been a little more refreshing, always been a little more intelligent, a little more imaginative, a little more daring, a little more courageous—a little more of what it takes to be a leader, and a little more of what we like to think we all are as U.S. Senators.

I have watched the Senator from Massachusetts in his hard work on the Chrysler bill. I have watched him in this body in many areas, as well as in the courageous speeches he has made before many organizations. I have watched him today as he came up with another idea, and advocated it vigorously.

He also perhaps is being a little more innovative and courageous by deciding to leave this body voluntarily.

Most of us do not have that courage. Most of us feel we have to stay here. Most of us think there is not another life, not another vocation, not another pursuit for us.

I know the Senator from Massachusetts well. He has been a close personal friend of mine and will always have my friendship and respect.

I know that all of us look forward to maintaining his friendship in the years ahead, and wish him well whatever he does.

Finally, Mr. President, let me just say that, typically, this last amendment offered by the Senator from Massachusetts embodies an innovative idea. It is an attempt to bring this country together. It is an attempt to go beyond the rhetoric, beyond the partisanship, beyond the finger pointing and name calling. It is an attempt to take the first step, not the only step, but at least the first step to solve probably the country's greatest domestic problem.

I urge all of us to vote for this amendment. It is not an amendment to lock the freeze into place. It is just an amendment to discuss the freeze next year, next April

Mr. President, I yield the floor.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. TSONGAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TSONGAS. Mr. President, I am a bit confused here because when the majority leader was here we agreed to vote at 4:15 p.m. I am just wondering why we are not voting.

Mr. DOLE. Excuse me. Why are we not voting? We are taking whip checks to see if we have the votes. Otherwise, we vote next week.

Mr. TSONGAS. I appreciate the frankness of the answer.

If I could, for the sake of those who need a translation, it looks like we are going to win.

Mr. DOLE. I think the people are going to lose. The Senator may win, but I try to make it clear. I do not quarrel with people who want to load up the debt ceiling. I may want to do that myself sometime. But I have to consult with the chairman of the Ways and Means Committee, and he is rather a mild-mannered person, but he made it rather clear to me on the telephone that if we sent any amendment on the debt ceiling, he is not going to conference.

So if you really want this, maybe figure out some way to put this up separately somehow in a separate piece of legislation. He is just going to send us back another debt extension. If we amend that, he will send us back another debt extension.

Mr. ARMSTRONG. Mr. President, will the Senator yield to me a moment?

Mr. DOLE. I yield.

Mr. ARMSTRONG. I want to make an observation, without relitigating the merits of the amendment which I happen to be for. If there is any Senator in doubt about how he wants to vote, what the Senator has just said ought to convince him to vote for this amendment. The arrogance of the other body in repeatedly sending this particular measure over here under a no amendment rule, under "we won't go to conference" rule, as far as I am concerned they can go fly a kite. We ought to lay down the gauntlet. We

are not going to legislate with a gun at our head.

I understand the problem the chairman of the Finance Committee has in trying to do the business of this body in a regular and routine way, but the fact of the matter is that that is not the kind of comity that should exist between the two bodies.

Mr. TSONGAS. Mr. President, if the Senator will yield, I will make the point this is the third time that I intended to bring this up and the other times I was appealed to by the leadership that I was somehow thwarting the normal process, that "you will have a chance to do it later on." Like a nice guy, I believed them and pulled it down.

This is the last chance. What happens here? We have a real chance of winning, this, and what happens? We have a quorum call to delay this so they can somehow by procedure turn it around.

The message is clear at least to me. If I had to do it over again I would have done it 3 months ago and put the body through the agony.

It seems to me there should be some corresponding obligation to those of us who did indeed step down two or three times previously that we could at least get a vote up or down now on this issue.

Mr. DOLE. Mr. President, I certainly have no quarrel with the proponents of the amendment that they have the perfect right to offer; we have a perfect right to try to defeat it as long as we operate within the rules. I listened to the debate on the amendment. But again, I think now and then we have to be realistic around here. It is not a requirement; it does not happen very often. But every year or 2 it is not a bad idea.

We would like to extend the debt ceiling. We would like to extend the debt ceiling until next September 30 and, again, it may be arrogance in the other body, but I do not want to characterize my colleagues in the House of Representatives. They have a responsibility, but we will see what happens after we complete the whip check and I suggest the absence of a quorum.

Mr. BIDEN. Mr. President, will the Senator before he does that yield for a question?

Mr. DOLE. I yield.

Mr. BIDEN. Assuming that this amendment were taken off the debt limit, would the Senator suggest to the leadership that we be able to get a vote today on the issue all by itself, a separate piece of legislation.

Mr. DOLE. I would be happy to do that, yes.

I do not know whether I would quarrel with the intent of the sponsor of the amendment. I never argued the amendment. I have not done that. My role is a little different. I am responsible for the debt ceiling and not the Budget Committee. I leave those arguments to my colleague from New Mexico, Senator DOMENICI.

It would seem to me unless there is just some great desire to have it on the debt ceiling, it might be better to pass it separately, and again maybe the House Ways and Means Committee will change their collective minds, but it is not just the chairman over there who feels that way about the debt ceiling; it is others. They use a different procedure in the House of Representatives because they find it very difficult to pass debt ceiling extensions.

Many of those who vote for all the spending vote no on the debt ceiling. Many of those who do otherwise vote no on the debt ceiling. They believe that if they did not give it to us in a budget resolution they would never pass the debt ceiling. That is a problem the House of Representatives has.

We will abide by whatever the Senate does. I think we should do the best we can to keep it clean.

Mr. TSONGAS. If the Senator will yield, I think it would be intriguing to put the House of Representatives in position where it would state it would not pass the debt ceiling because the Senate has voted to have the budget freeze which is supported around the country voted upon in April. That, in my opinion, is an untenable position for them to be in, and I think they would recognize that.

Mr. DOLE. Why not just have a separate freestanding bill that says we should vote on this in April? Why put it on the debt ceiling?

Mr. TSONGAS. Because I have some hope it will become the law.

Mr. DOLE. I can tell the Senator there is no hope if it is on the debt ceiling. That is my opinion.

Mr. SYMMS. Mr. President, will the Senator from Kansas yield for another inquiry.

Mr. DOLE. I yield.

Mr. SYMMS. I appreciate the dilemma that the chairman of the Finance Committee finds himself in here, but I know as soon as he gets this issue resolved with respect to the budget freeze, I am standing here with another one to repeal that section of the 1984 Tax Code or the 1984 Tax Reduction Act that deals with imputed interest to put us back pre-June of 1984.

The thought occurred to me for the chairman just to think about it here, and I would not expect him to give me an answer, if we were to deal with the imputed interest issue which has over 300 sponsors in the House of Representatives, the chairman of the Ways and Means Committee might find it easier to pass the debt increase if he had the imputed interest repealer attached to it.

Because at least if there are two issues there that would somewhat confuse it. I think it might be worth the chairman's consideration.

I would very much like to get a vote in the Senate to take us back to the pre-1984 Debt Reduction Act so that next year we can come in and work out these differences between the Senator from Ohio and the Senator from Kansas and others on the question of the imputed interest in our Tax Code. That is all this Senator is trying to do is get a vote on the debt ceiling so it will become law.

I agree with my friend from Massachusetts, this is the last train leaving that will probably get to the station. I think that is why we want to be on that train.

Mr. DOLE. I think the problem is we thought the train was leaving today, but now we know it is not leaving until next week so nobody really cares and everybody can vote for everything next week.

I share the view expressed by the Senator from Idaho. We are trying to find out in advance, if we can, what might be acceptable in the other body. I know they do operate a bit differently than we do. We would like to resolve it, at least as far as a compromise on the so-called imputed interest matter.

But if that is going to follow this amendment, I do not see any reason to even worry about voting on the pending amendment today. If the Senator from Idaho intends to send his amendment to the desk on imputed interest, we are right back where we were. We would not be able to reach final passage by 5:30.

But let me consult with the majority leader who is responsible for the general direction of the flow of legislation.

Mr. SYMMS. I would say to the good chairman that I would enter into a time agreement on it.

Mr. DOLE. I do not think that is the problem. I think the question is who has the votes. I think things could change.

Mr. METZENBAUM. It takes unanimous consent.

Mr. DOLE. That is true.

Mr. MOYNIHAN. Mr. President, as I calculate, today's decision to increase the debt ceiling, if we reach that point, will mark the latest in a quite extraordinary series of actions by this body with respect to a matter which was once thought to be routine. Certainly the levels of the debt in the past seem almost trivial constrasted with those we are dealing with today.

On February 7, 1981, we voted to increase the temporary debt limit to a total of $985 billion. That would be a fair assessment of the debt level when the present administration came to the office. The limit had been $935. It had been changed in the very last days of the previous administration on De-

cember 19, and an increase was in order, not a huge increase, but an increase.

And since then we have made a succession of increases—on September 30, 1981, to almost a trillion dollars, $999.8 billion. That number is trivializing a real problem to pretend that something is less than a trillion dollars by $200 million, as if we were a retail department store of some kind. Then in June, 1982, we went to $1.143 trillion. The following September to $1.290 trillion. Then in May of 1983 to $1.389 trillion; in November, last year, $1.490 trillion. We suddenly went to $1.575 trillion. And now to $1.8238 trillion.

We have just about exactly doubled the debt in 4 years. We have more than doubled the debt. We have put ourselves into a situation that is literally without equivalent in the history of the American Nation as formed under this Constitution. We are now in a situation where each year an extraordinary increase in Government expenditure will be required not to maintain the levels of Government activity, but to pay the interest on Government debt.

The last budget resolution, which we adopted last week, is a kind of act of obeisance to the fact that the Budget Act required us to do so last spring. The continuing resolution we have yet to pass, necessitated by the fact that only 4 of 13 appropriations bills have been enacted, has raised for many persons the question of what has happened to the Congress. Why can it not seem to do its work? Why does it wait until the very last minute and then undertake quite mammoth—momentous in some cases—enterprises in states of near exhaustion and depletion?

What may well be the most important crime bill ever passed by the United States was pasted together by half-dazed men and women between 5 a.m. and 8 a.m. on Thursday morning. And if the courts find it difficult to interpret, they need do no more than to consult this particular form of legislative history; and absent the CONGRESSIONAL RECORD, it will not appear in the official reports.

Why can we not get our work done? Why do we do it so badly? What has happened suddenly to change our work pattern, that had been stable over two centuries and had been reasonably effective? It is very simple, Mr. President. we have found ourselves dealing with an unprecedented fiscal situation, we have an administration that came to office with fiscal probity as almost its central, single theme, pledging to balance the budget within a time certain, fiscal year 1984, which is to say 3 years. A administration which proclaimed at its very outset on the "West Front" of this Capitol, that an extraordinary economic emergency existed, and this administration then came out and endangered the public by proceeding to dismantle the finances, the fiscal structure of the American Nation. A more irresponsible act, if deliberate—and I shall undertake to suggest it was deliberate, and demonstrate it was deliberate—has not taken place in the history of American Government that I am aware of apart from those measures that led to the Civil War itself.

The actions of Government in the crisis months of 1930, which took a stock market crash which turned into a decade-long depression, were certainly ineffective and indeed calamitous, but they were not irresponsible at the level of persons acting in the absence of knowledge that was available. But in this case they either did not have the knowledge or chose not to acknowledge. Limited men with limited information acted to the best of their likes. Their lights were dimmed and the consequences were dark, but one could not say, had they only known certain facts, or a certain set of relationships, they would have acted differently. Indeed, the economic revolutions, revolution of economic thought which we so saw in the 1930's, came in response to the manifest failure of what had previously been thought to be adequate economic understanding, and adequate understanding of public policy and political economy.

Not so the events of 1981. Seventeen days into office, the President of the United States addressed the Nation. He said:

> We had been told that it is not possible to cut taxes until we have cut programs." I paraphrase, but my meaning will be found fully in the President's statement, and he used most of these words. He said, "I say otherwise."

He then went on to say:

> "What do you say to a child that will not behave? What do you do with a child that will not behave?"

The characteristic presumption was that the Federal Government and the people it represents were childish in their incapacity and incomprehension. He said, "You can talk yourself until you are blue in the face or you can cut its allowance." Cut its allowance. And we then proceeded in the full confidence that the objective of the administration was to sharply reduce the size of Government, restore fiscal stability, probity and responsibility. And this could be brought about by dismantling the finances, and the revenues of the Federal Government. That was done by August, and then all was to be swell, and in that very moment it became clear that things were ominously wrong. There were two decisions, two sets of facts fundamentally opposed to such a course of policy that the Nation then set upon. But there was a complaint Congress and this Senator is not to be excepted. The first was the assumption that the Federal budget was filled with activities which at very minimum were optional, and in the largest measure were wasteful and unnecessary. This was an illusion, an illusion that had been developed. I do not think it is wrong to say that in this particular body, where one party held office for 44 of 50 years, that there was not enough learning experience for the other party, which had derived what meager advantage it could from constant railing against an increasingly imagined set of budgetary realities.

It was thought that the compulsion of the deficit would lead to a wholesale reduction in the activities of the Government. But if there was to be a measure of how much reduction could be proposed, let it be the measure of the very Office of Management and Budget which contrived the specific policies to accompany the President's strategy, the policy of revenue reduction. Not once from the day they came to office has that administration proposed a balanced budget—not once. Scarcely four times to my knowledge have they vetoed an appropriation bill. Why? Because they encountered reality. They encountered the fact the entitlement programs of the Social Security system are paid for by the recipients in an intergenerational transfer, that people in the system pay for what comes out of the system from paychecks, from payrolls. And when you add these to defense, and you count service of the debt, you have nearly 85 percent of the Government.

Then two things happen. Having created a situation in which economic instability, fiscal instability was almost certain, the Federal Reserve Board—having created a situation in which this form of instability was manifest and imminent—proceeded to reduce money supply levels to a negative number in the summer of 1982. And the sharpest depreciation since the 1930's took effect, with consequences on revenues.

In December 1982 steel production had dropped below 30 percent in the United States. You could not find such a period until you went back to the early 1930's. There then proceeded to be a set of program activities which were a caricature of those programs which were said to be in place, such as the agricultural program of the Federal Government.

Mr. TSONGAS. Would the Senator yield for an inquiry?

Mr. MOYNIHAN. Yes.

Mr. TSONGAS. The pending amendment is the budget freeze amendment. There is no other Senator wishing to speak on this.

Mr. MOYNIHAN. I am speaking to the point and I will be done. It will not be long.

Mr. TSONGAS. Does the Senator have any objection to our having a vote on that this evening?

Mr. MOYNIHAN. Not at all. I mean to be speaking for another 10 minutes.

Certain of the programs put in place by the new administration, still mesmerized by its own rhetoric, became caricatures of those in place. The fram program went from $9 billion in 1 year to $24 billion in 3 years. If that happende under a Democratic administration, can you imagine the howls you would be hearing? Then the defense program went up out of any conceivable proportion. In the end, they list the rate of growth along the path President Carter had proposed in his last budget.

But little by little, interest payments began to assume a larger and larger proportion of the deficit. And this fact could not be comprehended, or was denied in the White House, on that side of the aisle, and part of this side of the aisle.

Mr. DOLE. Would the Senator from New York yield? I am enjoying every minute of it. does the Senator have any idea how long he might be? [Laughter.]

Mr. MOYNIHAN. I do not yield.

In the coming years, we will be paying a quarter of all Federal revenue for interest on the debt.

Very shortly now, one-half of the revenue on the personal income tax will be required to pay the interest on the debt. Of the personal income tax, 85 percent is withheld from wages. Eighty-five percent of the personal income tax is withheld from wages. It is elementary, a capital tax on labor.

The interest on the Federal debt, in denominations of up to $1 billion, is quite essentially the return to capital. We are going to have the largest transfer of wealth from labor to capital as a result of these policies that we have known in our history. We are going to find ourselves, by the end of the decade, with a deficit—in terms of the budget resolution we passed just last week—where three quarters of the deficit in fiscal year 1987 will be interest payments. That interest accumulates at a compound rate, which very quickly become unstable.

If it becomes unstable, if the public budget of the U.S. Government becomes unstable, our economy becomes unstable. If that is so, we face an unstable world.

This is what has been happening in 4 years, a fact not comprehended or denied by a majority, which assumes that it can be dismissed by a remark about who wants to talk about the subject?

Mr. President, I want to talk about the subject. I would talk a great deal longer if we were not into this recurring crisis which this administration has created, and which will go on as a crisis, and may indeed explode as one. It will, surely, unless those who have some part in the making of it will assume some responsibility for dealing with it in terms that accept reality and put an end to this denial. As if having known all the years the charges made about Washington were not so, the people involved today cannot believe that what they once said to be true has become true, what they once said to be an untenable and unstable situation is increasingly just that.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I understand the distinguished majority leader will be here momentarily. Then we can determine whether or not there will be a vote. There will be a motion to table that will be made today. I know a number of Members have other commitments. We want to accommodate as many Members as we can. I was not trying to interrupt the distinguished Senator from New York while he was blasting the Republicans, but I am glad he permitted me to ask the question.

Mr. MOYNIHAN. I am glad you recognize the genesis. I did not use the term.

Mr. DOLE. Seriously, you pointed out a serious problem. We do have a problem and we will have to address it quickly.

For those who are anxious to leave, if they can give us a minute or two, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, what is the pending question?

The PRESIDING OFFICER. The pending question is the amendment of the Senator from Massachusetts [Mr. TSONGAS].

Mr. BAKER addressed the Chair.

Mr. BYRD. Mr. President, I have a question.

Would it be possible following this vote to vote on the debt limit extension itself, with the understanding that Mr. MELCHER and Mr. DOLE will work out some arrangement whereby there will be an imputed interest amendment on another matter?

Mr. BAKER. Mr. President, I would be most pleased to do that. If the minority leader will permit me, I would like to make a unanimous-consent request that immediately after the disposition of this amendment, the Senate proceed without further debate to vote on the resolution itself.

Mr. BYRD. Without further debate or——

Mr. SYMMS. Reserving the right to object, Mr. President, may I just say to the leader, if we could have a vote on my amendment in that time agreement, I would be happy to agree to it.

Several Senators addressed the Chair.

Mr. BAKER. Mr. President, I have the floor.

Let me do this: Let me move to table this amendment and maybe negotiations can go on in the meantime to see what we can work out.

Mr. President, I move to lay the pending amendment on the table and I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. GORTON). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on laying the amendment of the Senator from Massachusetts on the table. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Oregon [Mr. HATFIELD], the Senator from Florida [Mrs. HAWKINS], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Illinois [Mr. PERCY] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Oklahoma [Mr. BOREN], the Senator from Louisiana [Mr. JOHNSTON], and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

I also announce that the Senator from New Jersey [Mr. LAUTENBERG] is absent due to reason religious observance.

I further announce that if present and voting, the Senator from Oklahoma [Mr. BOREN] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 30, nays 61, as follows:

[Rollcall Vote No. 284 Leg.]

YEAS—30

Baker	Domenici	Quayle
Boschwitz	Durenberger	Roth
Bradley	East	Sarbanes
Byrd	Goldwater	Stafford
Chafee	Gorton	Stevens
Cochran	Kennedy	Thurmond
Cranston	Laxalt	Tower
Danforth	Lugar	Wallop
Denton	Mathias	Weicker
Dole	Packwood	Wilson

NAYS—61

Abdnor	Bumpers	Dodd
Andrews	Burdick	Eagleton
Armstrong	Chiles	Evans
Baucus	Cohen	Exon
Bentsen	D'Amato	Ford
Biden	DeConcini	Garn
Bingaman	Dixon	Glenn

Grassley	Levin	Randolph
Hart	Long	Riegle
Hatch	Matsunaga	Rudman
Hecht	Mattingly	Sasser
Heflin	McClure	Simpson
Helms	Melcher	Specter
Hollings	Metzenbaum	Stennis
Huddleston	Mitchell	Symms
Humphrey	Moynihan	Trible
Inouye	Nickles	Tsongas
Jepsen	Nunn	Warner
Kassebaum	Pell	Zorinsky
Kasten	Pressler	
Leahy	Proxmire	

NOT VOTING—9

Boren	Heinz	Murkowski
Hatfield	Johnston	Percy
Hawkins	Lautenberg	Pryor

So the motion to lay on the table was rejected.

Mr. DOLE. Mr. President, we are negotiating with the distinguished Senator from Idaho. We might work out some arrangement. I would rather not accept this amendment until we have worked out that arrangement.

So I guess that might be contingent on going to final passage.

If we can work out an arrangement with the distinguished Senator from Idaho and the Senator from Montana, Senator MELCHER, to offer various amendments on imputed interest on another vehicle, then I am prepared to accept the amendments now pending and go to final passage. Otherwise, I would be constrained to discuss it more and come back Tuesday.

Mr. BAKER. Mr. President, I think Senators should know that we are within inches of being able to pass this resolution, I hope. I base this on conversations I have had with the minority leader and other Senators.

I understand the concerns of some Senators. I know Senator MELCHER and Senator SYMMS, and others, still have amendments that they feel keenly about and they would like to offer to this resolution.

But, Mr. President, I believe that the distinguished chairman of the Finance Committee can supply a vehicle to which other amendments can be offered and I am willing to pledge now that if he asks me to do that, and I expect he will, I will try to schedule that and we will do it next week, and I am sorry to tell you I think we will have lots of time next week to do that.

But, Mr. President, I really urge Members to consider that we have an opportunity to pass this debt limit now and get it out of the way.

This is one of the two items that have to be done before we can adjourn sine die. We have already missed Friday and we are going to come back on Tuesday. I hope we are not here on Wednesday but I bet we are. And we are going to have trouble with the continuing resolution.

I would like to see this bill passed tonight if we can and once again I will cooperate with Senators, with the chairman, and ranking minority member of this committee in trying to find another vehicle on which these amendments can be offered if we could come to agreement on final passage of the debt limit before 6 o'clock tonight.

Mr. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. I yield.

Mr. BYRD. Mr. President, I have not talked with every Member on our side of the aisle. I suggest that the majority leader propose a unanimous-consent agreement which would call for a voice vote on the pending amendment, inasmuch as it was not tabled, with the understanding that arrangements would be worked out as Mr. DOLE has indicated, arrangements which would give those who are interested in the imputed interest amendment an opportunity to have a vote and then, say, begin voting on final passage of the debt limit extension at, say, 5:40 p.m. with a strict 15-minute vote on that and in the event that the motion to reconsider is offered and should there have to be another vote on reconsideration, it would begin no later than 5:55 p.m. today.

Mr. BAKER. Mr. President, I will do that. I sense an omen of distress in that formulation. It makes me wonder if I am going to have to do the debt limit vote twice. I do not look forward to that. Let me take the best deal I can get.

Let me say first I believe I am correct in saying I could not by unanimous consent deprive Senators for asking for the yeas and nays on the next amendment. But let me put it this way:

Mr. President, I ask unanimous consent that after the disposition of the Tsongas amendment that no other amendments be in order and that time for further debate on the resolution be limited to the time between now and 5:40 p.m. with the time under the control of the distinguished chairman of the Finance Committee and the ranking minority member or their designees. I further ask unanimous consent, Mr. President, that if there is a motion to reconsider the vote that the motion not be debatable and that the vote occur immediately thereon, beginning at the hour of 5:40 p.m. without intervening motion or amendment or further debate.

Mr. BYRD. I believe the distinguished majority leader means that that vote would begin at 5:55 p.m.

Mr. BAKER. I am sorry. At 5:55 p.m., I amend the request.

Mr. President, to explain this, that means that if we do it, then I anticipate that the Tsongas amendment would be adopted by voice vote, that the remaining time which will not be very much will be available for debate on the debt limit, and that the vote would be a 15-minute vote. The regular order would be called for at 15 minutes and that if there is a motion to reconsider it would not be debatable and the rollcall vote would begin at 5:50 p.m. on the motion to reconsider if it is made.

That is the explanation of the request that I have put.

Mr. SYMMS. Mr. President, reserving the right to object, in other words, what the Senator is saying, the imputed interest issue is not going to be resolved today or probably not this year.

Mr. BAKER. Mr. President, I think it is very likely to be resolved this year. I hope, though, that it will not be resolved on this bill. I hope that we will put it on another bill that the distinguished chairman of the Finance Committee has agreed to present as a vehicle on, I suppose, Tuesday that imputed interest can be dealt with. But there will be another opportunity.

Mr. SYMMS. Mr. President, further reserving the right to object, is it the distinguished majority leader's intention we will be back here next week on the continuing resolution at any rate?

Mr. BAKER. Yes; it is.

Mr. SYMMS. Then I am constrained to object. I object. I certainly object.

Mr. BAKER. Very well.

Mr. President, I am prepared to vote on the Tsongas amendment. Mr. President, let me do one thing first.

FURTHER CONTINUING APPROPRIATIONS, 1985

Mr. BAKER. Mr. President, I ask unanimous consent that it may be in order at this time to temporarily lay aside the pending business and proceed instead to the consideration of House Joint Resolution 659 which is at the desk.

Mr. BYRD. Mr. President, what is that?

Mr. BAKER. The continuing resolution.

Mr. President, let me explain before the Chair puts the request that this is the short continuing resolution passed this afternoon by the House of Representatives which extend appropriations until midnight on next Tuesday.

Mr. President, I further ask unanimous consent that no debate be in order and no amendments be in order and that no debate be in order on a motion to reconsider.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution will be stated.

The bill clerk read as follows:

A House joint resolution (H.J. Res. 659) making further continuing appropriations for fiscal year 1985.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee.

There being no objection, the Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. The question is on the third reading and passage of the joint resolution.

The joint resolution (H.J. Res. 659) was ordered to a third reading, was read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr President, I have a matter that is cleared for action by unanimous consent with the minority leader.

I ask unanimous consent that I may proceed as if in morning business.

The PRESIDING OFFICER. Without objections, it is so ordered.

TARIFF TREATMENT OF CERTAIN ARTICLES

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 3398.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House insist upon its amendment to the amendment of the Senate to the text of the bill (H.R. 3398) entitled "An Act to change the tariff treatment with respect to certain articles, and for other purposes", and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

Ordered, That the following are appointed as conferees: Mr. ROSTENKOWSKI, Mr. GIBBONS, Mr. JONES of Oklahoma, Mr. JENKINS, Mr. DOWNEY of New York, Mr. PEASE, Mr. HANCE, Mr. CONABLE, Mr. VANDER JAGT, Mr. ARCHER, and Mr. FRENZEL.

Solely for the consideration of title XI of the House amendment, and sections 255, 302, 304(b)(2), 306(b), and 402, and title IX of the Senate amendment: Mr. DINGELL, Mr. FLORIO, Mr. BROYHILL, Mr. BONKER, Mr. MICA, and Mr. ROTH.

Mr. BAKER. Mr. President, I move that the Senate disagree to the House amendment and agree to the conference requested by the House and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer [Mr. GORTON] appointed Mr. DOLE, Mr. PACKWOOD, Mr. ROTH, Mr. DANFORTH, Mr. LONG, Mr. BENTSEN, and Mr. MATSUNAGA conferees on the part of the Senate.

PUBLIC DEBT LIMIT INCREASE

The Senate resumed consideration of the bill.

Mr. BAKER. Mr. President, it is 15 minutes before 6. The very last moment that the leadership on this side is willing to schedule a rollcall vote is 10 minutes from right now, and even then, if there is a motion to reconsider, it would have to go over until Tuesday.

So, Mr. President, it is not likely that we are going to get this worked out. But if there is still a flicker of possibility, I am willing to suggest the absence of a quorum once more.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I rise in opposition to the debt ceiling increase. Until Congress resists writing the Government unconditional blank checks, our $200 billion annual deficits will do nothing but mushroom.

We have made little progress in our efforts to curb the deficit. While there has been no lack of flowery speeches on the deplorable state of our national balance sheet, such fine talk has been followed up with relatively little action.

My colleagues and I have advanced a bipartisan solution to the budget problem. We have called for an across-the-board freeze on spending. Senators KASSEBAUM, BIDEN, and BAUCUS have joined me in a sincere effort to halt Government spending in its tracks. Regrettably, this effort was not supported by a majority of Senators.

Now, we are called upon to increase the public debt. By our actions today, and our failure to address the real issue—the Federal deficit—we are shirking our true responsibility. While it is easy to continue to increase the debt ceiling and keep Government spending at its current levels, failure to confront the deficit crisis is jeopardizing the future economic strength of our Nation.

The Congressional Budget Office published a study entitled "Federal Debt and Interest Costs." According to CBO, Federal debt will reach almost $2.5 trillion by fiscal year 1994—$2.5 trillion dollars.

The projections for the future are even more bleak. By 1990, the public debt by U.S. citizens will climb to 46 percent, this is an 11-percent point increase from its current level of 35 percent. During the mid-1970's the public debt fluctuated between 25 and 29 percent of GNP, a ratio that steadily fell since World War II.

CBO notes that the increase in debt and the high nominal interest rates have propelled net interest costs to become the fastest growing item in the Federal budget. Net interest constituted only 7 percent of total budget outlays and 2 percent of GNP during the 1960's and 1970's. Last year, net interest outlays totaled 11 percent of total outlays or $90 billion. CBO projects that by the end of fiscal year 1989, interest costs are anticipated to top $214 billion, or 16 percent of all Government outlays.

As a Member of this body, I can recall how recently we enacted a $1 trillion debt ceiling. This legislation confronts us with the prospect of authorizing a $1.823 trillion debt limit. This is a very pathetic time for representative democracy. Congress as an institution has utterly failed in its attempt to make the difficult political decisions necessary to address the deficit problem. Meanwhile, in my short stay in the Senate, we have saddled the taxpayers with $800 billion of additional debt to finance. Consideration of a higher debt ceiling is a testament to our failure.

I cannot support such an action. I ask all of my colleagues to refuse to perpetuate this charade any longer and vote against this measure. Until we bring the Government to a stop, we will be unable to address the significant budget issues facing us today with the seriousness these issues demand.

Mr. COCHRAN. Mr. President, on the occasion of increasing the limit on our national debt to over $1.8 trillion, it is imperative that we examine carefully the implications of this action as well as the forces that have brought us to this point.

For decades, our Federal Government has accumulated debt as a result of deficit spending. At the same time, our tax system has burdened our people with appalling complexities and has discouraged saving. It is essential to the health of our economy that we get spending under control and simplify our tax system.

The major difficulty associated with any cost-cutting program is determining where and how deeply to cut. There are no easy answers, but we must not exempt any department of Government from the most careful scrutiny.

The recently enacted Deficit Reduction Act put us on the right track by implementing several Grace Commission recommendations for an estimated savings of $3.2 billion. We have now laid the foundation for a policy of fiscal restraint, and we should set priorities, make realistic appraisals of each expenditure, and recognize that consuming capital through deficit spending is a wasteful and unacceptable national policy.

For too long, we have chosen to try to solve problems, economic, social or otherwise, through the Tax Code. The result is a tax system which is burdened with complexities that create suspicion and distrust and cost us nearly $100 billion a year through noncompliance. It is time we made basic changes in our tax system that will result in fairness, with just rewards for those who work and save.

Much has been said over the past few months on the subject of taxes, and whether tax reform is really a smokescreen for raising taxes. I agree with John Chapoton, Assistant Secretary of the Treasury for Tax Policy, who refutes that charge. While the need for more revenue to help reduce the deficit is an important issue that must be debated, Mr. Chapoton has stated that this issue "should be independent of how the tax system should be reformed to make it more efficient."

Several approaches to achieve tax reform have been suggested: The flat-rate income tax, the FAIR tax, the consumed-income tax, and the national sales tax, to name a few. We will be reviewing each of these proposals over the coming months, and as we do, the issues of fairness, simplicity, economic efficiency, human needs, and distribution of tax burden should remain foremost in our minds. It is also important that we recognize the potential consequences of sudden tax simplification and the need for a carefully planned transitional period.

Another essential element in reforming our tax and spending policies is to understand the budget process and how it is used, and abused, to feed the Government's appetite for spending taxpayers' dollars. The object of the Congress when it passed the Budget Act of 1974 was to set budget priorities effectively and efficiently and to control runaway spending.

After struggling through this process for a decade, it is time that we refine our budget procedure in order to achieve these original goals. I sponsored legislation in both the 97th Congress and the 98th Congress to establish a streamlined 2-year budget process with planning through the annual appropriations process.

Under this plan, there would be only one budget resolution, adopted at the beginning of the odd numbered years, using the timetable now used for the first budget resolution. The resolution would have totals for each year of the 2-year fiscal period, starting in October of that odd-numbered year. This proposal would permit, but not require, a revision of that budget resolution during the 2-year fiscal period, but only after approval by a three-fifths vote of each House.

The advantages of biennial budgeting would be to reduce the legislative burden, encourage oversight, and enhance the quality of deliberation. I am convinced that this alternative budget planning cycle would provide a better framework for holding down Federal spending.

Mr. President, there are two other legislative initiatives which I believe will aid us tremendously in our effort to control the budget deficit. These are the balanced budget amendment and the line item veto.

Congress has failed in its effort to control Government spending during the past 25 years. During that period, the budget has run deficits totaling more than $1 trillion against surpluses in only 2 years—1960 and 1969—of $3.5 billion. In the past decade—fiscal years 1974 through 1984—Government outlays have risen from $268 billion to $845 billion.

There are those who urge, as did Abraham Lincoln before us, that we should be reluctant to clutter up the Constitution with all kinds of amendments. I agree. But to borrow from the words of Yale law professor Robert Bork, former Solicitor General of the United States, "any systemic malfunctioning of Government serious enough to threaten prosperity and freedom may properly be addressed in the Constitution."

A former Chairman of the Federal Reserve Board, Arthur Burns, has suggested that strong biases exist in our political system in favor of more spending than is desired by the general populace. He contends that the cause of this bias is the rising cost of political campaigns and, quoting him now, "the current proliferation of fund-raising committees that put intense pressure on legislators to vote for spending programs favored by such groups." While Burns notes that a constitutional requirement of a balanced budget would be "drastic therapy," he adds that a decisive measure such as this "may well be needed to assure the American people that our governmental bias toward spending and borrowing is being effectively offset and that they therefore can look forward again to a dollar of stable purchasing power."

Recently, the Oppenheimer Capital Corp. conducted a survey of leading institutional investors that reveals a widespread belief within the financial community that passage of a balanced budget amendment would result in lower interest rates in both the short and long term. One of the most remarkable findings of the survey of leading institutional investors, those whose portfolios include more than $250 billion, is that 83 percent of the respondents believe that the impact of enactment of a balanced budget amendment would be felt in less than 2 years. Sixty-nine percent felt that the impact would be felt in less than 1 year.

The poll asked the following question: "Would congressional approval of a balanced budget amendment influence the level of nominal interest rates?" Of those responding, no fewer than 97 percent predicted that passage would bring down long term interest rates, and 94 percent predicted a resulting downturn in short term rates as well.

One final, important point deserves to be mentioned. A balanced budget amendment is supported by our constituents. A 1983 Gallup Poll, which surveyed only those who had actually read the balanced budget amendment proposal, shows that 71 percent support enactment of the measure.

The line item veto is another weapon that should be added to the arsenal to help control excessive spending. Some sort of line item veto proposal has been offered in every Congress since the Eighty-Ninth. Altogether, over 140 such measures have been introduced since the First Congress.

The annual budget deficit is fast approaching the $200 billion mark. For the past 2 fiscal years, Congress has approved $17 billion more in appropriations than was requested by the President for that same period. If the President had the power to reject portions of these appropriations bills, we may have seen the present deficit reduced substantially. In equivalent circumstances, a private sector enterprise would have taken steps to tighten its belt long ago, eliminating all the systematic inefficiencies in its authorization, management, and operating practices.

Implementing an item veto is one such decisive action that the Federal Government can take in order to mitigate the apparent weakness in the political process and to enable the Federal Government to utilize the Nation's resources more efficiently.

As Senator MACK MATTINGLY, has said, the line item veto would be "far more effective in dealing with the budget nightmare than the current ineffective tools available to Congress."

Mr. President, we hear Senators from both sides of the aisle talk from gavel to gavel about the evils inherent in runaway Government spending. There are better laws and procedures available: tax simplification, the 2-year budget cycle, the balanced budget amendment and the line item veto. I urge the Senate to act on these measures so that we can lessen the burden on our national economic health that the huge national debt represents.

Mr. MOYNIHAN. Mr. President, we are in the final hours of the 98th Congress. And we are under great pressure to adjourn sine die. But there is unfinished business in this Congress, the budget deficit; and this, too, has taken on a sine die character. It has been the

central issue of this entire session of Congress, and may well be the central matter for politics through the rest of the century.

When the administration took office on January 21, 1981, the national debt stood at $932.4 billion, under a debt ceiling of $935.1 billion. Today, less than 4 years later, the national debt is $1.573 trillion, and we are voting on a debt ceiling of $1.8238 trillion. In less than 4 years, the national debt has increased fully 68 percent. And the debt ceiling—which takes account of next year's budget deficit as well as those incurred under the administration's three preceding budgets—has doubled in 4 years.

We have strained to our limits trying to respond to such deficits and debt. In 1982 and again this year, we raised taxes and cut spending for domestic programs. Despite this, the deficit has continued to climb. Something is happening here, something wholly new; something we have not understood.

The President has told us the deficit is falling, from $195 billion in 1983 to $174 billion this year, and that these deficits don't matter much; the situation is not a critical one. But the Congressional Budget Office, the nonpartisan analytical branch of this Congress—now directed by an economist of impeccably conservative credentials, Rudolph Penner—says the deficit is something to worry about. By 1989, CBO forecasts the deficit will be more than $260 billion. It's difficult to remain unconcerned.

On October 1, 1984, the national debt stood at $1.573 trillion. By 1989, using CBO projections of the deficit, the national debt will reach $3.263 trillion.

By that year, 1989, annual interest payments on the Federal debt will reach $214 billion. By then, almost half of the personal income tax receipts will be required just to pay this interest bill.

All this matters. The arguments are now familiar in this Chamber. We have to take money—credit—away from private investment to finance the Federal deficit, but even that is not enough. We have to borrow from abroad, too. According to the economics department of Morgan Stanley, in the latter part of this decade, more than $30 billion a year will go abroad to pay the interest on this foreign borrowing for the Federal deficit. That's more than the Federal Government will spend this year on education, training and employment programs—and certainly more than we will be able to spend for these programs in 1989.

It matters. On February 14, Paul Volcker, the Chairman of the Federal Reserve Board, told the House Banking Committee:

> The net investment position of the United States overseas, built up gradually over the entire postwar period, will in the space of only three years—1983, 1984, 1985—be reversed. The richest economy in the world is on the verge of becoming a net debtor.

It is said that the American public can't understand the deficit. I think we can, if we get the terms of the new problem straight.

In thinking about this wholly new situation, it helps to separate the deficit into two parts. First, what CBO calls the primary deficit. That's the amount of money spent on all Federal programs minus Federal revenues. Second, the amount paid in interest on the outstanding debt.

Contrary to what we hear and what most of us think, until recently primary deficits have been relatively rare. There were two in the 1950's, two in the 1960's. And relatively small—1962's was $300 million, or one-fifteenth of what the Treasury today has to borrow every week. There were six in the 1970's, but still not large ones, save for the $40 billion primary deficit in the postrecession year, 1976.

This pattern continued in 1980 and 1981, until the walloping $105 billion primary deficit in the depression year 1982. But the primary deficit has now slacked off. It was some $61 billion this past fiscal year, that ended this Monday—of a total deficit of $172 billion. And the Congressional Budget Office projects that it will average about $46 billion a year for the rest of the decade.

In the meantime, interest begins to go out of control. In the economist's term, it has become "unstable". In 1980, the Treasury paid out $52 billion in interest payments; this year, the interest bill will reach $111 billion. By 1989, $214 billion.

Here's why. What Keynes called the magic of compound interest works with debt as well as with savings. It starts slowly—seemingly so—and then explodes. It is these interest costs, not the primary deficit, that are behind the explosion of the budget deficit and the national debt. Let me say it once again: While the primary deficit is stable for the rest of the decade, the interest costs will continue to soar.

Here's how it works. If the debt today is $1 trillion—and it's more—and the interest rate paid on this debt is 10 percent and that's more too—in 5 years with no new primary deficits, the debt would soar to more than $1.6 trillion.

This means that, more and more, we will be borrowing largely to pay the interest on the debt, not to finance an imbalance between Federal revenues and spending for Federal programs. The result is the exploding deficit, but in point of fact, an exploding interest deficit, not a program deficit.

This is new. We have never experienced anything like it. If we do not get a hold on this, we will face a crisis unlike any we have ever known.

Deficits do matter, and we cannot eliminate them by simply cutting spending.

On November 17, 1983, I introduced S. 2196, legislation to create a National Commission on Deficit Reduction. The members of the Commission—from the administration, the Congress, the Federal Reserve, and the Congressional Budget Office—would examine the sources of the deficit and its effects on employment, real interest rates, capital formation, investment, and prospects for vigorous economic growth. On this basis, they would propose steps to reduce the deficit, making certain that the burden did not fall disproportionately on any group.

It is my belief that we are heading for terrible economic dislocation—here and abroad—unless we can reach a general political consensus on what to do. This must be preceded by a general agreement on what has happened.

Until such a commission can meet and make recommendations, it does seem clear that the President must submit a budget that at least approaches balance. History—and very recent recent history at that—has shown that when the President proposes a budget far out of balance, it is very difficult for Congress to legislate one in balance.

Such legislation would be far more sound and responsible than the constitutional amendment that has been proposed. It does not seek to append a particular fiscal policy to the Constitution—a document which must endure, and has, as a statement of individual rights and collective responsibilities applicable to all circumstances and all times.

It would not straitjacket the President and the Congress, by requiring a balanced budget every year. We can not abolish the business cycle, and that means there will be circumstances—recessions—when receipts fall. Arbitrarily forcing Congress to cut expenditures to meet lower levels of receipts would only deepen the recession.

Rather, the President must submit a responsible budget to Congress. If not, if the present politics of the budget continue, we all will have abrogated our responsibility to learn from history, and placed the Nation's economy in serious jeopardy.

This debt limit—which is to say nearly unlimited debt—testifies that the stock of Federal debt has become an independent economic force. It is fast absorbing capital, channeling more of our national resources to pay interest, increasingly to foreign investors. This is a cycle of economic decline.

Tryon Edwards, the 19th century New York theologian, wrote, "Hell is truth seen too late." I will say it again. Unless we see this particular truth, we

will find ourselves in a crisis unlike any we have ever seen.

RAISING THE DEBT CEILING

Mr. BINGAMAN. Mr. President, I rise today to voice my strong concern for the pending measure that would raise the national debt ceiling to a record $1.832 trillion.

I have voted to raise the ceiling three previous times since I have been in the Senate. I felt that the Government, like everyone else, should live up to its commitments and pay its bills. However, the debt ceiling bill is the only legislative vehicle now available to the Senate to voice its strenuous opposition to this administration's refusal to come to grips with the massive Federal deficit. For this reason, I must vote against raising the ceiling. While I admit that opposing the debt ceiling provision is a crude and imperfect tool for dealing with the deficit problem, it is the only one we've got.

In the past few months, several legislative attempts have been made to significantly reduce the deficit. I voted for these proposals but they were all defeated. I cosponsored the Hollings freeze proposal which would have imposed a 1-year freeze on domestic spending and 3-percent increases for the next 4 years, except for programs for the most needy—SSI, veterans benefits, food stamps, and health care—which would have grown at the rate of inflation. It would have held defense spending to 4 percent real growth in fiscal years 1985 and 1986 and 3 percent in fiscal years 1987 to 1989. I also voted for the Kassebaum freeze proposal that would have called for an across-the-board freeze in Government spending. With the defeat of these amendments, I then voted for the Chiles amendment that would have trimmed $200 billion from the deficit over 3 years. It would have held defense spending to 4-percent real growth, while allowing spending increases of $27 billion over 1984 levels for important underfunded domestic programs. It also called for $81 billion in new taxes, while protecting low and moderate income families from higher tax burdens. I also voted for measures which would have limited defense spending real growth to 5 percent and 4 percent respectively. While voting for the above constructive measures to reduce the deficit, I had no choice but to vote against the President's "Rose Garden" proposal because it was neither a serious nor an equitable attempt to reduce the deficit. I similarly find today that I have no choice but to say no to attempts to increase the amount of this Nation's debt.

A review of the severity of the deficit problem is appropriate. The source of this problem is simple and understood by most Americans—Government spends more than it takes in. When Government expenditures exceed revenues, the Government has to borrow the rest, thereby increasing the national debt. In the past, Congress always has handled this problem by raising the national debt ceiling. However, this legislative action only adds to the national debt and the interest we have to pay on it—an estimated $144 billion this fiscal year—becomes bigger and bigger.

Today there is about $500 billion available in the financial marketplace through banks and other lenders. When the Government needs to borrow almost half of that to pay its bills, there is not much left for individuals and businesses. Everybody scrambles for the remainder, demand increases and the interest paid to borrow goes up. Every American who wants to borrow money for homes, autos or businesses is adversely affected. This situation has worsened with the jump in the prime rate this week to 13 percent, the fourth increase since mid-March of this year. When interest rates are high and a business can't afford to borrow, it builds fewer factories and buys less equipment. That means fewer jobs and a less productive economy.

The deficit has grown explosively. In 1969, there was a $3.2 billion surplus: 1970 brought a $2.8 billion shortfall. Last year, it was $110 billion. Unless taxes are raised, spending is cut, or some combination of the two is found, the deficit will hit $200 billion this year and keep growing until something is done.

Years of deficits have swelled the national debt to almost $1.383 trillion. Such a large deficit and national debt are just not acceptable. I believe this problem is a serious threat to our economic and political future. We are divided on how we must accomplish our deficit reduction goals. However, we have not yet demonstrated the political courage to make this difficult decision to reduce the deficits that our constituents expect of us.

It is important to inject a sense of realism into our deliberations in the Senate. The deficits we face are growing larger, and they are not going to disappear even if the economy grows at record rates over the next 5 years—unless effective action is taken.

For these reasons, I am compelled to vote against raising the debt limit. And I want my colleagues to know that I will vote against the debt ceiling legislation in the future until this administration and this Congress agrees to take the necessary action to reduce the budget deficit.

Mr. MATHIAS. Mr. President, reluctantly I shall vote to increase the debt to finance this fiscal year's increment to the public debt. But in the future I will no longer vote to finance a budget with which I do not agree.

My vote on the debt limit will be conditioned on the progress being made toward controlling the budget and reducing the deficit.

Mr. President, today the Senate is engaged in an exercise that has become depressingly familiar to all of us. For the 10th time since January 1981, we have before us a proposal to increase the limit on the public debt. And we will, eventually, pass it, as we have passed all the others, because we must or else the Government will not be able to pay its bills. The outcome is inevitable, because we are not free in this case to exercise our independent judgment. Today we arrive at a rendezvous with a destiny we ourselves preordained in this very Chamber 5 months ago, when we adopted a budget for fiscal year 1985 out of balance by about $180 billion.

Today it is pointless for us to rage against that fate, or to beat our breasts about what we are about to do. We will vote to increase the debt limit by $180 billion, because as a practical matter we have no choice. But at the same time, I serve notice that I will no longer automatically vote to finance a deficit I did not vote to create or help to create. In the future, as I continue to search for ways to diminish the staggering deficits we face, I shall support no increase in the debt limit above what is necessary to pay for whatever budget proposal I support.

Since I first came to Congress almost 24 years ago, I have witnessed the passage of well over 40 of these bills. We have used a variety of different euphemisms for these measures: permanent increases in the public debt limit; temporary increases in the public debt limit; temporary extensions of the public debt limit; temporary extensions in the temporary debt limit. These labels cannot obscure one simple fact: each of these bills was necessary because the Government spent more money than it took in. This bill is necessary for the same reason.

As of September 10, 1984, the debt of the U.S. Government stood at 1 trillion, $572 billion, $975 million. The current legal limit on the federal debt is $1 trillion, $573 billion. The Government is now less than $25 million below that legal limit. Since the budget recommended by the President and revised by this Senate for fiscal year 1985, the fiscal year that began October 1, includes a deficit of over $180 billion, it is clear that the Congress must authorize the Government to borrow sufficient funds to cover this deficit.

Our approval of this measure simply echoes our failure of a few months ago. We failed to reduce this deficit. We failed when we approved a budget proposal that closely mirrored the grossly unbalanced budget proposed by the President. We failed when we rejected several alternative budget

proposals, each of which would have reduced this deficit to somewhat more manageable proportions. Because we failed, we have ever since been sleepwalking toward the inevitable: voting an increase in the legal limit of Government debt.

The bill before the Senate today will raise the debt limit to 1 trillion, 823 billion dollars, an increase of almost 250 billion dollars. That increase should be sufficient to allow the borrowing necessary to finance the budget deficit the Congress has approved. But that deficit is $33 billion larger than it would have been had we approved the alternative budget that several of my colleagues and I proposed on April 10, 1984. Had our proposal prevailed, we would still have had this rendezvous to keep. We would still have had to increase the debt ceiling. But that increase would have been some $33 billion less than the one that is now before us.

The Senate rejected the alternative that my colleagues and I proposed, as well as several other alternatives advanced by other Senators. These alternatives, although differing in important details, all shared the goal of getting these deficits down significantly. For that reason I voted for some of these alternative proposals. I did not agree with all of their provisions, but I did find them to be serious, fiscally sound proposals to reduce the deficit that merited support. Unfortunately, a majority of Senators did not share that view.

Instead of adopting any of the more fiscally responsible alternative proposals, the Senate adopted a budget that was only $6 billion closer to balance than the President's original proposal. Worse still, the budget we adopted envisions continuing deficits in the neighborhood of $200 billion for at least another 4 years. I do not believe the economy can tolerate such massive deficits on a continuing basis.

I do not delude myself that we can balance the budget next year. But I do believe that we can do better—much better—than $200 billion deficits every year. The President can do better in the budget he proposes, and the Congress can do better in its disposition of that budget.

Unfortunately, it is too late for this fiscal year. The budget, with its massive deficit, has already been adopted by the Senate; the die is cast; our destiny is sealed. Reluctantly I shall today vote to increase the debt limit to finance this fiscal year's increment to the public debt. But in the future, I will no longer vote to finance a budget with which I do not agree. My vote on the debt limit will be conditioned on the progress we make toward controlling the budget and reducing deficits.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr President, I am committed that no rollcall votes will occur after 6 o'clock today. It is now 13 minutes to 6, according to the clock at the front of the Chamber. I think, as a practical matter, it is not possible to go forward without great difficulty and uncertainty.

What I am going to propose in a moment is that the Senate go into the time for the transaction of routine morning business. What will happen then is when we return to this measure on Tuesday, the Tsongas amendment will be pending and undisposed of. At that time, the Senate can make a judgment on whether it will be dealt with by voice vote or by a rollcall vote.

But, since we are going to have to be back Tuesday, in any event, and since if a rollcall occurs that rollcall vote will extend past 6 o'clock, I ask unanimous consent that the Senate now have a period for the transaction of routine morning business not past the hour of 6:30 p.m. in which Senators may speak for not more than 3 minutes, with the exception of the two leaders. against whom no time limitation will apply.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, there will be no more RECORD votes today.

SENATOR HOWARD BAKER

Mr. DURENBERGER. Mr. President, among the many photos in my office, one has taken on special meaning in the last several weeks: It is the first photo taken of me as a U.S. Senator in 1978.

Two days before the photo was taken, November 7, 1978, I had won the special election to complete the last 4 years of the term to which Hubert Humphrey had been elected in 1976. On November 9, I flew to Washington, DC, to be sworn in as Minnesota's senior Senator.

To tell you the truth, I wasn't certain what to expect as I made my way to the office of the Secretary of the Senate. Fortunately, Minnesotans elected me on the basis of what I wanted to accomplish in the Senate, not how much I knew about the institution.

The photo in my office is of my first swearing-in. And standing at my side is HOWARD BAKER who at that time was completing his first Congress as the distinguished minority leader.

Mr. President, it is my good fortune that HOWARD BAKER has been standing at my side ever since that day—as my colleague, my leader and as my friend. He guided me through my first days in the Senate, he counseled me on the selection of committees, he advised me on setting up an office and, perhaps more than anyone else, he taught me through word and action about what it means to be a U.S. Senator.

I have looked often at the photo during these last several weeks and especially during the last several days—days that have been difficult for the Senate. And every time I look at that photo I am reminded how much I will miss HOWARD BAKER's leadership in the U.S. Senate.

Senator BAKER's skill as majority leader has been cited by many. The praise has been well-deserved. He has served with remarkable distinction, with compassion and understanding, with respect for all Members of this body, with a deep and abiding commitment to his State and his country and with legislative and negotiating skills matched by few. Maybe most importantly, he has served as leader with patience and humor, qualities that often are in short supply but always in great demand.

While we are losing HOWARD BAKER as majority leader, I and many others will continue to count on his friendship and his counsel. And, knowing Senator BAKER, I am certain the country can continue to count on his public service.

Whatever form that public service takes, it will be marked by the same unselfish spirit that we have seen during HOWARD BAKER's 18 years in the Senate. HOWARD BAKER is a remarkable man who has provided remarkable service. I am in a large crowd of those who hope to be party to many, many more years of that service to our country.

Mr. President, before concluding my remarks, I want to offer a few words of tribute to Senator BAKER's outstanding staff. Throughout my 6 years in the Senate it has been a constant pleasure to work with this dedicated group of people.

To those of Senator BAKER's staff who are going on to new endeavors, I wish you well. We will miss you. To those who will continue with the Senate, I look forward to working with you in your new capacities.

SENATOR JOHN TOWER

Mr. DURENBERGER. Mr. President, may I take a few minutes at this time to recognize my distinguished colleague from the great State of Texas upon his retirement from this body.

For nearly a quarter of a century, in some of the most turbulent and interesting decades in our Nation's history, JOHN TOWER has served this Nation and the State of Texas with distinction and earnest awareness of the issues facing the United States, particularly, of course, in the area of our Nation's defense.

Drawing upon a rich background of experience and courage which includes serving in the U.S. Navy in the west-

ern Pacific during World War II, he has served this country and this legislative body with distinguished service as chairman of our Armed Services Committee. While we have sometimes disagreed on the particulars, my confidence in his persistent vigilance and dedication to our Nation's armed services has never wavered.

Senator TOWER has indeed served his Nation and his party well. As chairman of the Republican Policy Committee, a member of the Masons and Shriners, the American Legion, the Texas Historical Society and a leading Republican U.S. Senator, Senator TOWER has persevered in the bright public spotlight of American politics as a distinguished elected official who stands his ground for his convictions.

Mr. President, may I express my best personal wishes to my distinguished colleague from Texas, his wife Lilla and their three daughters, and express the confidence that his retirement from our ranks will signify the beginning of another remarkable chapter in his industrious career.

Thank you, Mr. President.

SENATOR JENNINGS RANDOLPH

Mr. DURENBERGER. Mr. President, I would like to take a moment to recognize the great contributions of a colleague who has been called the Original Washington Monument: the distinguished Senator from West Virginia, JENNINGS RANDOLPH, who will soon begin a well-deserved retirement.

Senator RANDOLPH came to Congress in 1932, an eager 30-year-old freshman Congressman filled with the optimism of the New Deal. As far as anyone can tell, he never lost that eagerness or optimism during 14 years in the House and a subsequent quarter-century in the Senate. Nor did time shake his amiability, savvy, or rock-hard commitment to the people he represents. These are some of the qualities that keep a politician in public service long after many of us might have packed up—voluntarily or not.

During this Congress I have had the pleasure and privilege of serving with Senator RANDOLPH on the Committee on Environment and Public Works, of which he is the ranking member. The distinguished Senator chaired the committee for many years, starting back when it was simply the Committee on Public Works, and his guidance remains invaluable. The addition of environmental issues to the committee's agenda has provided yet another field in which our colleague shows his expertise. He has also made his mark in many other areas, notably as a champion of the rights of the disabled.

Mr. President, the Almanac of American Politics has described Senator RANDOLPH as "one of the most experienced war horses on Capitol Hill." I suppose it is an occupational hazard of octogenarians to be compared to monuments and war horses. But certainly in the case of this man it is done with affection and deep respect. Senator RANDOLPH has served not only his State and his country, but also his colleagues, who have benefited from his example, his leadership, and his counsel.

SENATOR PAUL TSONGAS

Mr. DURENBERGER. Mr. President, a remarkable class of public servants is finishing its first term in the U.S. Senate. The "Class of '78," among whose Members I proudly include myself, has served with distinction and honor. In 6 short years this class already has established its leadership, its innovation in addressing the issues facing our country and its commitment to public service.

The Class of '78 stands out for another reason. By and large, it is a group of people who do not consider themselves to be professional politicians. They are not here to be career Senators.

Typical of this Class of '78 is my distinguished colleague and the junior Senator from Massachusetts PAUL TSONGAS. I have not always agreed with Senator TSONGAS, but I always have listened to his ideas and respected his thoughts. I am sorry to see him leave this body. We will miss him.

It does not surprise me that Senator TSONGAS' final speech today is on fiscal discipline. He has understood that without a cure for the economic problems that have built up over the last 30 years in this country, we cannot address the other pressing domestic problems to which Senator TSONGAS is so committed.

Senator TSONGAS also has been among the most articulate spokesman on capital cost recovery. That is not a concern that one normally would associate with a politician who is usually described as "liberal." Yet, my colleague from Massachusetts recognizes the value of this issue to our future and to the future of our children.

Senator TSONGAS always has urged us to look to the future. Several months ago he took his own advice and looked to his own future. He made the decision that he wanted to devote that future to his family and his personal life. I admire his decision, much as I will miss his voice in the Senate.

Mr. President, I am thankful to have served in the same class as Senator TSONGAS. I thank him for his outstanding work in the last 6 years and I wish him happiness and prosperity as he leaves this body.

SENATOR HOWARD BAKER

Mr. BUMPERS. Mr. President, I would like to take a few minutes to pay tribute to the majority leader.

HOWARD BAKER is probably as universally respected as any majority leader who has ever served in this body. I have absolutely no compunction about saying that in a very nonpartisan way.

I can tell you that in the cloakroom on this side of the aisle I do not believe I have ever heard a single one of my colleagues utter a denigrating or sarcastic word about HOWARD BAKER. And the reason they do not is because he has been eminently fair to us. I have never asked him to call up a bill of mine in the executive session that he has not tried his very best to accommodate me. I have heard our own leader, Senator BYRD, who is not prone to puffery, say the most generous and complimentary things about Senator BAKER.

So I rise to say that regardless of who the leader may be in the coming session of Congress, it is going to be a considerable chore to begin to equal the fairness, the principle, the intelligence, the knowledge of Senate rules—all of those necessary qualities that HOWARD BAKER has in such great abundance.

I did not want to miss this opportunity in the waning days of this session to express by personal gratitude and thanks to him for everything he has done for this body. My guess is that when Senator BAKER writes his memoirs, or even when he begins to speak a little more openly about the Senate after he leaves this body, he will say what everybody here is now feeling; that is, that the Senate is going to have to reform itself. If it does not, it is going to almost cease to function, let alone be a deliberative body. There are going to have to be some fundamental rules changes here.

My own personal view, for example, is that a motion to proceed to take up a bill ought not be debatable. In all fairness when we talk about rules changes, both sides begin to figure out who is going to get the advantage of any proposed change.

The truth of the matter is the Senate is coming into disrepute in this country not because of the rules but because they lend themselves to manipulation and abuse. I have talked to the Senator from Mississippi, Senator STENNIS, many times about this over the last 2 years. He is senior on this side as is Senator RANDOLPH, and they both say—not with nostalgia, but very objectively—that things "ain't" like they used to be around here.

Some things ought not be the way they used to be. We have ethically, in my opinion, cleaned up the Congress dramatically in the past several years. That is to everybody's credit because I

believe that ethically we have as fine a body as we have ever had. But we have been remiss in facing up to fundamental rule changes that would prohibit the very kind of morass we find ourselves in right now.

So sometime after the first of the year one of the first acts I hope of a big number of Senators will be to sign their name to a Senate resolution to have some blue ribbon body study these rules in light of some of the things we have experienced in the last several years with a view to reform. My guess is HOWARD BAKER will be saying "amen" to that.

Finally, I close by saying I wish HOWARD and Joy Godspeed in whatever they choose to do from here out, and I want to express my personal gratitude for his untiring devotion to this body, and his unstinting efforts to be absolutely fair with everybody. I, for one will miss him very much.

Mr. President, I yield the floor, and suggest the absence of a quorum if no other Senator wishes to speak.

Mr. BYRD. Mr. President, will the Senator withhold?

Mr. President, first I wish to commend the distinguished Senator from Arkansas for his statement. It is an applaudable one. It is a timely one and a wise one. He spoke of the motion to proceed and he is precisely correct. The majority leader has the responsibility of determining the program of the Senate, but the majority leader cannot do that efficiently, without a great deal of work, and many times at great expenditure of time unless the majority leader can move to take up a matter without extended debate with the exception of a rules change.

Many times when I was majority leader I was held on a pretty short leash with always a possibility of a filibuster on moving to take up a controversial measure, a second filibuster on the measure itself, a third filibuster which is commonly referred to as the post-cloture filibuster, and possibly other filibusters before final passage of a measure.

I would like to see some rules changes, among them this one in particular, that the distinguished Senator from Arkansas has referred to. Perhaps we could agree to have 1 hour for debate on a motion to proceed—again I say with the exception of a motion to proceed to take up a proposed rules change—with 1 hour debate on the motion to proceed and then vote on that motion to proceed.

That would still leave the opponents of the measure with the opportunity to speak at some extended length of time on the matter itself. The senior Senator from Arkansas is absolutely correct. A majority leader is straitjacketed under the present rules in that he cannot now arrange a program of the Senate with certitude and be able to advise his colleagues with certainty that such and such a matter will, without question, be brought up after no more than an hour's debate if the majority of the Senate so votes.

COMMENDATION OF MR. SASSER

Mr. BYRD. Mr. President, I rise to commend our junior colleague from Tennessee [Mr. SASSER] for his very fine efforts to root out fraud, abuse, waste, and error in Federal programs.

The General Accounting Office, sometimes referred to as the "financial watchdog of Congress," has submitted a report to Senator SASSER on the accomplishments of the GAO's nationwide toll-free fraud hotline over the past 5 years.

It is particularly appropriate that the GAO should submit this report to Senator SASSER, inasmuch as it was the Senator from Tennessee who conceived of the idea of the fraud hotline and, during an appropriation hearing, urged the then-Comptroller General, Elmer Staats, to establish the fraud hotline.

The GAO has now reported that a survey of only 20 percent of the substantiated allegations indicates that the hotline has resulted in the identification of $20 million in misspent Federal funds. In addition, another $24 million in projected savings has resulted from the hotline.

Examples of waste and mismanagement uncovered as a result of the hotline include General Services Administration payments in the amount of $300,000 for vacant office space; federally supported researchers extorting $165,000 from trainees; and individuals illegally collecting Social Security and other Federal pensions.

Over the past 6 years, Senator SASSER has been in the forefront of congressional efforts to trim the Federal budget by hundreds of millions of dollars a year through efforts ranging from eliminating unnecessary travel expenditures by Federal employees to urging the Federal Government to do a better job of collecting its just debts.

Senator SASSER has uncovered other novel ways in which Federal tax dollars are wasted, such as Federal agencies hiring contractors to visit Federal offices to water the plants or the postpaid shipping of our LANCE missile manual and dozens of other military publications to the Lenin Library in Moscow.

Senator SASSER's unstinting efforts to root out fraud, abuse, waste, and error deserve, I believe, the praise of his colleagues and his constituents. His vigilance is to be highly commended.

Mr. President, I ask unanimous consent that a news report from the Sunday, September 30, 1984, issue of the New York Times entitled "U.S. Hot Line on Fraud Shows Handsome Return" be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. HOT LINE ON FRAUD SHOWS HANDSOME RETURN

WASHINGTON, Sept. 29.—A two-star Army general knew a hot investment opportunity when he saw it. Anticipating a housing shortage when his troop strength was increased, he bought an interest in a hotel near the base he commanded.

A Social Security field supervisor not only attended college on Government time, but got taxpayer-financed help with his homework. He had subordinates type his team papers on working hours.

A man who asserted that he could not walk without crutches was drawing a full disability pension from the Veterans Administration. At the same time he was, without crutches, operating a commercial fishing boat in Texas.

The general, after Army lawyers declared a conflict of interest, took an early retirement. The field supervisor was demoted a Civil Service pay grade. And the fisherman was ordered to repay $55,000 to the Veterans Administration.

Each of them, along with hundreds of other Government workers, contractors and recipients of Government benefits, was reported by people who called the General Accounting Office's toll-free "fraud hot line."

The accounting office, an investigative arm of Congress, says in a new report that 53,000 calls alleging fraud, waste and abuse were received in the first five years after the hot line was established in January 1979.

After initial screening, more than 10,000 of the mostly anonymous tips were relayed to the appropriate agencies, where about 1,100 of the complaints were substantiated, the office said.

"We estimate the hot line referrals have identified about $20 million in misspent Federal funds and have projected savings of another $24 million," the report said. The savings apply to only 20 percent of the substantiated cases because the accounting office and the agencies were unable to make similar estimates for the rest of the complaints that were proved.

The office said the total cost of operating the 24-hour service, which offers confidentially to callers, was $3.4 million over the first five years.

Penalties imposed as a result of hot line calls include jail sentences, fines, loss of Government contracts, demotions and reprimands.

"The most common substantiated cases were work-hour abuse by Federal employees, private use of Government property, fraud by recipients of such payments as welfare, disability and food stamps and lack of compliance with agency procedures," the report said.

More than half the allegations received by the accounting office were referred to four agencies: the Social Security Administration, the Defense Department, the Internal Revenue Service and the Department of Health and Human Services.

SENATOR SASSER THE ORIGINATOR

One caller, however, had the accounting office looking under its own rug. This caller reported correctly that workers in an unidentified unit of the agency were performing administrative duties for a private concern in work hours.

The accounting office refers complaints to the inspector general of the affected agency. Some agencies, including Health and Human Services and the Pentagon, also have their own waste, fraud and abuse hot lines.

At the Federal Aviation Administration, aircraft use was abused. An agency supervisor retired the day after investigators questioned him about using his position to get the agency to lease an airplane that he owned in part. A regional official was denied promotion and reprimanded after a caller said he used an agency aircraft to fly to North Carolina to inspect his beach property.

Senator Jim Sasser, Democrat of Tennessee, who conceived the idea for the hot line, said the device had proven to be a "valuable tool."

For those who want to report wrongdoing in the Government, this toll-free number at the accounting office is 1-800-424-5454. In Washington, the number is 633-6987.

TRIBUTE TO ELLSWORTH BUNKER

Mr. LEAHY. Mr. President, last Thursday my dear friend and a great public servant, Ellsworth Bunker, died in Brattleboro, VT. He was 90 years old. As a businessman, diplomat, and human being, Ellsworth Bunker embodied unselfish devotion to duty and the public interest, and during my 10 years in the Senate, Ellsworth and I became quite close. I turned to him often for counsel on many complex and delicate foreign policy matters.

Prior to devoting his life to public service, Ambassador Bunker enjoyed an extraordinarily successful career in the private sector. For 32 years he worked for his father's company, the National Sugar Refining Co., and during this time learned every facet of that thriving business.

He unselfishly left private life in 1951 to become President Truman's Ambassador to Argentina. During the next three decades, Ellsworth Bunker served as Ambassador to Italy, India, Nepal, and South Vietnam.

In 1962, U.N. Secretary U Thant asked Ambassador Bunker to mediate the dispute between Indonesia and the Netherlands over the Dutch colonial territory of West Irian. Characteristically, Ellsworth accepted this seemingly impossible assignment, as he always did, and within months the intractable dispute was resolved.

In 1964 President Johnson appointed Mr. Bunker Ambassador to the OAS, and he ended up serving as Johnson's troubleshooter throughout Central America. In 1965 he was sent to the Dominican Republic to work out a compromise between warring factions that had plunged that country into bitter civil war. Thanks to his untiring diplomacy, peace and the chance for democracy were restored to the suffering Dominican people.

In his capacity as Ambassador at Large, he served President Nixon as a leader of the U.S. delegation in the difficult and delicate negotiations that resulted in the Panama Canal Treaties.

Ellsworth accompanied President Carter to Panama in 1977 to witness the signing of the treaties, and at the age of 84, was instrumental in ensuring Senate passage of these treaties, despite the organized and sometimes venomous campaign waged by the treaties' opponents. He consulted with Senators constantly during that acrimonious debate and helped us shape the compromise that made ratification possible. It pains me to think of the additional problems we would be facing in Central America today had it not been for the efforts of Ellsworth Bunker.

Mr. President, in his patient, softspoken, deliberate manner, Ellsworth Bunker served Vermont and America as few have done during the life of our Nation. I have lost a friend, and the world has lost a statesman whose mark on the course of history will be evident for many years.

In 10 years in the Senate, I have had to remain in Washington on hundreds of occasions because of unexpected Senate business. On only two or three occasions have I felt truly frustrated by staying to fulfill my Senate duties. This week was one such time.

It was one of the greatest disappointments of my Senate career in not being able to attend Ambassador Bunker's funeral in Vermont. I wanted to express my respect and affection to him and his wife, Ambassador Carol Laise. The two of them have given so much to our country and, together, have truly been among the very most distinguished of Vermonters and Americans.

As a Vermonter and a friend, I extend my friendship, gratitude, and pride to all the Bunker family for this extraordinary couple, and my condolences and that of my family to Ambassador Bunker's wife, Ambassador Carol Laise, and to all his family.

Mr. President, I ask unanimous consent that a more lengthy statement and some of the accolades paid to Ambassador Bunker be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ELLSWORTH BUNKER

At the age of 57, Ellsworth Bunker retired from the sugar refining business and, starting at the top as an ambassador, opened a career in diplomacy which kept him on the go for nearly 30 more years. He was uncommonly good at one particular aspect of it: bringing parties together in a negotiation. In the vexing circumstances of Dutch New Guinea, the Dominican Republic, Vietnam and Panama, he helped produce agreements, in the process gaining a public eminence and—this is unusual—high respect for personal decency. He enjoyed, quietly, being hailed as the fellow who in his 60s, in his 70s, in his 80s, was still going strong.

Lean, slightly bent at the waist, impeccable in herringbone, Ambassador Bunker was courtly and wore a characteristic expression of alertness and serenity. He looked to be a man of the old school, and he was: a gentleman of means performing his obligation of public service. From Harry Truman on, successive presidents found his talents and his reputation too valuable not to employ.

If some wondered whether he had been sent to Vietnam as the American ambassador (1967-73) to put a face of New England probity on a controversial policy, no one who knew him well doubted that he had gone in response to a devotion to duty. Primarily an implementer of policy, he simply could not say no to any President who asked him to take on a new mission.

The Nation agonized over Vietnam. Not Ellsworth Bunker. A businessman, not a philosopher, he accepted the common premises of American capacity and rectitude that produced and sustained the American involvement, and he gave no public sign that he questioned them as the ship went down. At once he took on a new assignment as conegotiator of the Panama Canal treaties. He was, a colleague later wrote, "the good guy rock of Vermont who really got the show on the road."

Afterward Ambassador Bunker went back to Vermont to stay. His home looked east across the Connecticut River into the soft New Hampshire hills. As usual, he and his wife, Ambassador Carol Laise, whom he had married in what he was pleased to call his "most difficult and delicate diplomatic negotiation," rolled down Brattleboro's Main Street in an antique car last summer in the annual Fourth of July parade. He delivered his typical speech: short and patriotic. On Thursday he died at 90 years of age.

[From the Washington (DC) Post, Oct. 3, 1984]

THE DIPLOMAT WHO BEHAVED AS A DIPLOMAT SHOULD

(By Philip Geyelin)

Lyndon Johnson greatly admired what he called "can do" people. So I was only half joking when I suggested to Ellsworth Bunker over lunch in Santo Domingo in 1965 that if he managed to resolved the Dominican Republic's civil war, the President would send him next to Vietnam. Bunker chuckled enigmatically, something he did a lot in his business, which was diplomatic troubleshooting for his government.

But he did bring off a Dominican settlement that has given that once tormented country almost two decades of democratic practice and relative tranquility. And Johnson did send him to Saigon as the American ambassador for six anguishing years. That bad ending never shook the devotion to duty that led Bunker to turn away from private business and take up the practice of diplomacy at age 57.

Nothing ever did, and that's why watching him at work at some of the dozen or so diplomatic assignments he undertook over nearly 30 years was one of those extra dividends you get now and again in the course of covering the diplomatic scene. It was not just that he was extraordinarily good at what he did. That was the point rightly made in the eulogies and obituaries when he died last week at age 90.

Partly it was his proof that the practice of diplomacy rarely fits the stereotype of

striped-pants cookie pushers, nit-picking and double-talking and dissembling to no firm purpose. Well, perhaps he did fit the striped-pants bit—caricatured it almost, with his tall, trim figure, impeccable tailoring, measured words and unflappable inscrutability.

But his public service demolishes the rest of that stereotype. At a time when U.S. foreign policy in the hands of Ronald Reagan and Co. seems dead in the water almost everywhere you look, it also says a lot about what it takes to move diplomacy.

I am not talking just about those positive qualities of character that made Bunker so effective: high intelligence, unquestioned integrity, infinite patience, self-effacing modesty, level temperament. Rahter I have in mind the baggage he didn't bring with him to ambassadorial posts or bargaining tables—political partisanship, for one thing, or ideological frenzy for another.

Now you could say that's nothing special. Partisanship and ideology have their inevitable place in foreign policy. Diplomatic trouble-shooters are supposed to be executors of policy more than formulators of it, and certainly not philosophers. But when that's said, Bunker's performance over the years would still define a significant difference between the way foreign policy has been conducted in the past and the manner and atmosphere in which it is conducted by the Reagan administration.

Bunker worked for every president from Truman to Jimmy Carter—Republicans and Democrats, liberals and conservatives. It is hard to imagine anyone with that sort of curriculum vitae passing a Reagan White House loyalty test.

You could imagine Ellsworth Bunker as U.S. ambassador to the United Nations if he could have found time to squeeze it into his schedule, and he would have been good at it. But you cannot imagine him on the podium at a Republican convention flailing the Democrats while claiming to be one of them and also still holding the job of U.N. ambassador. He had a different sense of the meaning of bipartisanship and also of propriety.

Perhaps nothing better illustrates the difference defined by Bunker's record than the one occasion on which his sense of sound policy and the best interests of the United States collided head-on with Ronald Reagan's, The Panama Canal Treaty, which Bunker brought to a successful conclusion in partnership with Sol Linowitz, was systematically assailed and nearly sabotaged by a conservative opposition led by Reagan. Not being one to stand on false American pride, Bunker could see clearly the potential threat to American security if the canal were left to boil.

The rightness of that judgment ought to be better understood by Reagan than by almost anybody. Panama would not be the invaluable resource it now is for the Reagan policy in Central America had Ellsworth Bunker not seen his duty as he saw it.

Some have said that in Vietnam he was too duty-bound. Bunker simply said he thought the policy he inherited in Saigon would work and that he was wrong about that. But unlike a lot of others who were wrong, he cared enough about the consequences to attend post-mortem seminars on Vietnam; to be an early prominent supporter of the Vietnam War Memorial; to be engaged in his last years in trying to write something about what he had learned.

He called himself "an old-fashioned patriot." But he was from Vermont, and he didn't go in much for chest-thumping or flag-waving or talking a lot about it. He just did a lot about it.

[Brattleboro, (VT) Reformer, Sept. 29, 1984]

FRIENDS, WORLD REMEMBER ELLSWORTH

(By Terry Sprague)

Tributes are pouring in to honor Ambassador Ellsworth Bunker of Dummerston and the world, who died Thursday night.

From his Brattleboro hospital bed, not far from where the 90-year old Bunker lay ill since Sept. 13, former Sen. George D. Aiken spoke of his friend.

Mrs. Lola Aiken said her husband was concerned that Bunker had so much discomfort and that he was sorry to lose him as a friend.

George Aiken, 92, remains in fair condition at Brattleboro Memorial Hospital where has has been a patient since last week.

"The Aikens have lost a friend, but the country lost a real public servant," Mrs. Aiken said. "But, he was awfully lucky to have a wonderful wife in Carol Bunker and some wonderful kids and family. I saw this while they were here."

Bunker and his wife, Carol Laise, a former U.S. ambassador to Nepal, retired in 1978 to his Dummerston farm.

The couple were married in 1967 in Katmandu. She had met Bunker while a political officer in the U.S. Embassy in New Delhi where Bunker was Ambassador to India. Bunker's first wife, Harriet, who died in 1964, and Carol Laise were close friends.

In 1978—following a career that included seven years as U.S. ambassador to South Vietnam at the height of the Vietnam War—the Bunkers retired to their Dummerston home.

"What a beautiful spot, I had almost forgotten. This is where I want to return; this is where Mrs. Bunker and I will live," the Ambassador said in 1966 in a Reformer interview. Bunker had briefly returned home in preparation to leave for Vietnam.

In a tribute to Bunker Friday, Gov. Richard Snelling spoke of the diplomat.

"I am immensely saddened to learn of Ambassador Bunker's death. Vermont is very proud that he chose and loved Vermont.

He was an unusual public servant whose diplomatic successes will be remembered for a very long time.

Many of us, however, will remember him most vividly as a man who aged in years, but who never really did grow old, who had an immense youthful eagerness which he was able to communicate to others.

Born in Yonkers, N.Y., in 1894, Bunker spent 32 years in private business working for his father's company, the National Sugar Refining Co., before becoming a diplomate who served under seven presidents.

Economist, author, professor and friend of Bunker's, John Kenneth Galbraith of Townshend said from his home near Harvard University:

"He was obviously one of the great public figures of our time. He was one of the most accomplished negotiators we have ever known. If we had had Ellsworth Bunker when we negotiated the Mississippi purchase, it would have taken in all the territories to the West Coast.

"I knew him first during World War II. He had the reputation of being the one businessman who came to Washington to help the government without paying attention to his own business. We could always rely on him for absolutely honest assistance. This came up particulaly during World War II and during sugar rationing. Of course, I've known him for all 43 years ever since."

Starting in 1961, Bunker served as ambassador to Argentina, Italy and India, quickly gaining a reputation as an effective mediator.

Vermont's senior Sen. Robert Stafford spoke of Bunker's service to his country.

"Ellsworth Bunker was an outstanding American who served his county faithfully under several presidents. As one of America's most distinguished diplomats he played a prominent role in some of the most important dramas of this century and is deserving of a place in history. Unquestionably, he will be missed very much by his friends in Vermont. And that is a fine testament indeed to this extraordinary man."

His effectiveness as a mediator was recognized by many including President John Kennedy who sent Bunker to settle disputes between hostile factions in Indonesia and Yemen. Later, Kennedy named him to the Organization of American States.

"Ellsworth and his life and his work represented what we believe in and work for at the Experiment," said Charles McCormick, president of Experiment in International Living in Brattleboro, where Bunker had been on the board of trustees a number of years. "He really was convinced that the secret to good diplomacy and mediation was establishing trust in one another among people involved in the issues that he would be negotiating. I think he was so successful because he was the kind of person who inspired that kind of trust in people.

"And I think the qualities he had, that inspired, were his tremendous integrity, his patience with others, his concern for the other person's point of view and his plain thoughtfulness and graciousness.

"He was just never too preoccupied, busy or important not to pay attention to the small personal things, to let the people know he was interested in them.

"From our point of view at the Experiment, we believe building trust between people of different nations and cultures is essential and that the way people are able to do that is to listen to others, to care about their point of view and to work hard to find common ground areas in which Ellsworth was an inspiration."

In 1966, Bunker was named as ambassador to South Vietnam by President Lyndon Johnson. Bunker's outspoken support of South Vietnam's president, Nguyen Van Thieu, angered many critics of the war.

He served in Vietnam through 1973 through its most difficult war years.

Red Gander, president of Marlboro College and a former chief of correspondents for Newsweek magazine, interviewed the Bunkers at their Dummerston home for Gander's program "30 Minutes from Marlboro," which was recently seen on BCTV Channel 8.

"He was one of the greatest statesmen of the post-war era, but he never craved the limelight. He got more done quietly behind the scenes than others accomplished with all their headlines. He was old-fashioned in the best sense of the word—courteous, thoughtful, a man of complete integrity—qualities which made him the finest of American diplomats and the best of friends and neighbors here in Vermont."

After leaving his Saigon post, Bunker became an ambassador at large and was put

in charge of the stalled treaty talks for the Panama Canal. In his last official act, he accompanied President Jimmy Carter to Panama in 1978 for the signing of the treaty.

Vermont's junior Senator, Democrat Patrick Leahy, told the Reformer his feelings about Ellsworth Bunker.

"I told Carol Laise, when I called her today, that when I came to Washington, I only had a small number of people in public life who were among my heroes, Ellsworth was one of them. That is where we really got to know each other.

"It's almost impossible to find a precedent where a couple is so accomplished.

"In the past week, we kind of anticipated this, but it still hurts. I really feel a personal loss. I said on the floor of the Senate today that he brought enormous credit to the United States and to the state of Vermont."

Representative James Jeffords echoed many of the thoughts spoken about Bunker.

"He was a good friend and one of the great aspects of the friendship was our discussions on policies in Central America. He has invited me to talk with him before I go to South America this fall. So I was saddened by his illness and his death.

"He was one of a kind. He had incredible integrity and the willingness to take unpopular positions when in his own mind he thought they were right.

"I had tremendous respect for him.

"Each Fourth of July, I would go to his house for an after the parade party. He loved that day, always looked so forward to it and worried about how his speeches (made at the bandstand on the Common) were received.

"When he traveled all around the world and then he worried about his speech on the Brattleboro Common, that showed what kind of man he was."

[From the Burlington (VT) Free Press, Sept. 29, 1984]

BUNKER'S RECORD SHOULD BE JUDGED BY HIS SUCCESSES

Few people in the nation's diplomatic corps over the years have had as distinguished a career as that of Ambassador Ellsworth Bunker who died Thursday in Brattleboro at the age of 90.

He served under seven presidents and twice won the Medal of Freedom, the nation's highest civilian award, for his work in Europe, Asia and Central America. Under President Carter, he was the chief negotiator for the Panama Canal treaties which drew fire from opponents of the plan to relinquish U.S. control over the canal. Nevertheless, the treaties won Senate approval and Banker helped draft the legislation necessary to fulfill U.S. obligations under the pacts.

Perhaps his most frustrating experience was as ambassador to South Vietnam from 1967 to 1973 when American and South Vietnamese troops were fighting to prevent the North Vietnamese from taking over the country. He deplored the fact that the United States was fighting a "limited war with limited objectives" while the Viet Cong and North Vietnamese army could wage "unrestrained war." When he left Vietnam, a peace agreement had been reached in Paris and U.S. troops were being withdrawn. Responsibility for protection of South Vietnam was handed over to the South Vietnamese army which, though well-equipped with American weapons, was largely inept in the face of its enemies. After North Vietnam resumed the fighting. Bunker deplored the refusal of Congress to appropriate more funds to assist the South Vietnamese.

Yet Bunker's record of achievements must be judged on the basis of an overall record of remarkable success in dealing with other countries.

He was a skillful diplomat who made genuine contributions to stability in the nation's international affairs.

[From the New York Times, Sept. 29, 1984]

ELLSWORTH BUNKER IS DEAD AT 90; ENVOY HAD A KEY ROLE IN SAIGON

(By Albin Krebs)

Ellsworth Bunker, a high-ranking United States diplomat for three decades, died Thursday night at Brattleboro Memorial Hospital in Vermont. He was 90 years old and lived in Dummerston, Vt.

Mr. Bunker was admitted to the hospital with a general viral infection on Sept. 13 and, according to a hospital spokesman, died of complications attributable to his advanced age.

One of this country's most skilled and patient negotiators, Mr. Bunker, who was a businessman for 30 years before turning diplomat, capped a distinguished career by serving as Ambassador to South Vietnam during the six years in which the United States became most deeply embroiled in the Vietnam War.

Before his service in Vietnam, Mr. Bunker had been involved in top-level negotiations to forestall war between the Netherlands and Indonesia when those countries were quarreling over Dutch New Guinea.

SENT TO THE DOMINICAN REPUBLIC

In 1965 he was part of a three-man team sent to the Dominican Republic to keep a cease-fire between warring factions there.

His last major assignment, with the rank of Ambassador at Large, was as the chief United States negotiator in the delicate, protracted and ultimately successful effort to come to agreement with Panama on the Panama Canal treaties.

In these and other assignments, which include stints as Ambassador to Argentina and to India, Mr. Bunker, a tall, stoical, taciturn diplomat who seemed happiest when operating in secrecy, won a reputation as "the unflappable Bunker."

He was also known, in some diplomatic circles, as "The Refrigerator" because of his ability to adapt to trying circumstances without showing emotion. The sobriquet was not always used in a pejorative sense.

PRESIDENTIAL CONFIDENCE

"Bunker could stick with the most tiresomely complex situation without revealing dismay, disappointment or frustration," a former high-level aide to the diplomat said. "He could listen as well as present our viewpoints clearly. He wrote lucid, valuable reports for the President. All Presidents had confidence in him, starting with Harry Truman and going on to Eisenhower, Kennedy, Nixon and Ford."

When asked, in 1975, what had brought him into the diplomatic service after a highly successful business career, Mr. Bunker said simply, "When the President calls on you to do a job, you do it."

And why had he continued the often frustrating life of the diplomat for so many years? "Same reason."

"I'm an old-fashioned patriot," Mr. Bunker said. "I have always assumed that my country was fundamentally right in its dealings with others." In his view, he said the United States, as a great power, assumed a set of major responsibilities, and it was a matter of national honor sullied when the nation failed to live up to them.

"For example, Vietnam," he said. "During my entire stay there, I had to remember that what we did involved our reputation as a great power internationally. We had to persuade the Vietnamese to do for themselves. The object of our diplomacy there, as elsewhere, was the quite proper one of not winning arguments but achieving goals."

EDUCATED AT YALE

Mr. Bunker was born in Yonkers on May 11, 1894. His mother was the former Jean Polhemus Cobb, and his father was George R. Bunker, co-founder of the National Sugar Refining Company. He went to private schools in Dobbs Ferry, N.Y., and was a 1916 graduate of Yale.

As his family had planned for him all along, Mr. Bunker went into the sugar business, learning it from the bottom up, first as a laborer on a raw sugar unloading dock in Yonkers. He spent 13 years learning about refinery operations. Shortly after being elected a director of National Sugar in 1927, he was forced to retire for almost year because of severe arthritis. The ailment plagued him on and off for the rest of his life.

In the early 1930's Mr. Bunker was an officer of National Sugar and of several of its subsidiaries, and a director of the American-Hawaiian Steamship Company. As the first chairman of the Cane Sugar Refiners Association, founded in 1936, he supported lobbies dedicated to lifting quotas on the importation of foreign sugar.

In the 1940's Mr. Bunker invested heavily in sugar-refining companies in Cuba, Puerto Rico and Mexico. He also helped in the formation of the Sugar Research Foundation in New York and was chairman of a governmental advisory agency, the Cane Sugar Refiners War Committee. He became board chairman of National Sugar in 1948.

APPOINTED BY TRUMAN

Mr. Bunker's active business career ended in 1951, when President Truman appointed him to the sensitive post of Ambasador to Argentina. President Juan Domingo Perón was at the height of his power and Argentine-American relations were at an all-time low, notably following President Perón's expropriation of the influential independent newspaper La Prensa.

In his year in Buenos Aires, the fledging diplomat mastered Spanish and enveloped himself in Argentine culture, even attending concerts by backwoods child prodigies in the hope that the people he met on such occasions would give him insights into the Argentine way of life. He won sufficient favor with President Perón to hear the Argentine dictator refer to him as "our country's good friend."

In 1982. Mr. Bunker was appointed Ambassador to Italy, even though he had never seen that country, not even as a tourist, until he took over the embassy in Rome. That did not seem to be a particular disad-

vantage, however, and in the year he spent in Rome he was credited with being an effective negotiator in a controversy involving the Government's closing of several missions of the Protestant Church of Christ in Italy.

Having joined the State Department at the behest of his Yale classmate, Secretary of State Dean Acheson—like him a Democrat—Mr. Bunker resigned his post in Rome when the Republican Administration of Dwight D. Eisenhower took over in 1953. For the next there years he served as the first salaried president of the American Red Cross.

In 1956 Mr. Bunker was appointed Ambassador to India and Nepal by President Eisenhower. Before he left New Delhi in 1961, American aid to India had increased to more than $5 billion. Mr. Bunker supervised distribution of that aid.

MAJOR ROLE IN SETTLEMENT

In 1962 Mr. Bunker was credited with having taken a major role in the setlement of one of the knottiest problems of postwar diplomacy, the dispute between the Netherlands and Indonesia over West New Guinea. For 12 years they had been at logggerheads over the area, whose status had been left in abeyance when the rest of the Dutch East Indies became independent.

Indonesia was girding for a military showdown with the Dutch when the Kennedy Administration asked Mr. Bunker to try to mediate the dispute under United Nations auspices. The "Bunker plan" that emerged from his efforts and was finally accepted on all sides led to he relinquishing of Dutch claims on the disputed area, which is now the part of Indonesia known as West Irian.

Of the accord, the man who engineered it had a typically understated and laconic comment: "What was successfully attempted was an effort to resolve the issue before it had deteriorated into open warfare."

President Kennedy also sent Mr. Bunker to the Middle East, in 1963, to mediate a dispute between Prince Faisal of Saudi Arabia and President Gamal Abdel Nasser of Egypt over the future of the emerging Republic of Yemen. He was largely unsuccessful, and the dispute continued for years.

In 1964 President Johnson appointed Mr. Bunker, by then officially retired, his representative on the council of the Organization of American States, which elected the diplomat as its chairman.

DOMINICAN DISPUTE

Mr. Bunker honed his reputation for coolness under fire in the year he spent, beginning in 1965, as the key member of a three-man O.A.S. team sent to the Dominican Republic to end factional fighting in the wake of the fall of the Government of the dictator Rafael Trujillo, who had been assassinated.

Attired in a well-cut suit with high starched collar and Panama hat, the imperturbable Mr. Bunker seemed in startling contrast to the sweating, bearded rebels in fatigues he dealt with. He kept his aplomb throughout negotiations with all sides and was able to have a provisional civilian President installed. The Dominicans, responding to his discreet manner, nicknamed Mr. Bunker the Sly Fox.

After the Dominican political situation stabilized, President Johnson said of the diplomat: "Mr. Bunker belongs not only to the United States but to the Hemisphere. He has rendered great service to both."

Mr. Bunker would have preferred to live in retirement on his 600-acre farm in Vermont, but in 1967 President Johnson needed an able troubleshooter to serve as Ambassador to South Vietnam. He tapped Mr. Bunker to preside over what he hoped, at the time, would be the ending of American involvement in the war there and the transition from military to constitutional rule.

THE TUNNEL WAS LONGER

By Mr. Bunker was in Vietnam for six years, the longest tour served by an American Ambassador there, and in that time the American participation in the war expanded greatly.

When he left Saigon on his 79th birthday in May 1973, after a cease-fire had been brought about and direct American involvement in the war had ended, Mr. Bunker observed, "The tunnel was longer and the light was dimmer and farther away than any of us realized at the time I came here."

Although some critics thought that Mr. Bunker was "soft" in his dealings with President Nguyen Van Thieu, and that he was too optimistic about the Saigon Government's ability to function after the pullout of American forces, he was trusted by both President Johnson and President Nixon in his work in Saigon.

While he was there, Mr. Bunker ran the political-military war effort, in effect as American proconsul, and played a significant role in the elections of 1971, in which President Thieu ran unopposed—although Mr. Bunker tried unsuccessfully to persuade Gen. Duong Van Minh to run in opposition.

Mr. Bunker was also Ambassador during an ill-fated invasion of Laos, an attempt to cut the Ho Chi Minh trail near Tchepone, in whcih South Vietnamese troops suffered heavy losses.

During his tenure President Nixon began the process of the "Vietnamization" of the war. In 1972, when the North Vietnamese made the first direct attempt to come across the border with tanks and troops in main-force battle formations, Mr. Bunker saw to it that the United States came to President Thieu's aid with air support and naval bombardment.

He also helped persuade President Thieu to agree to the 1973 cease-fire with North Vietnam, which was later used by the North Vietnamese to infiltrate more troops and supplies south, enabling them to mount the attack that ended in the military defeat of the Thieu Government in 1975.

Mr. Bunker returned to Washington with the rank of Ambassador at Large. In 1974 he took on the job of chief negotiator to the highly secret talks with Panama concerning a new and revised canal treaty.

His patient negotiations in the often bitter struggle for a settlement was regarded as the greatest tour de force of his career. In 1978, when he retired permanently, the Senate, after 38 days of debate, ratified two treaties for which Mr. Bunker had served as principal negotiator.

The first treaty called for turning over the Panama Canal to Panama by the year 2000, and the second guaranteed the United States the right to defend the canal after that date.

Without the treaties, Mr. Bunker said in an interview shortly before his 90th birthday this year, Panama would have been plunged into internal turmoil and the canal would be in great jeopardy.

"Any terrorist with a hand grenade can shut the canal for a while," he said. "It's not really defensible except through a partnership where everybody works together, and that's what the treaty achieved."

Mr. Bunker stood ramrod straight, 6 feet 2 inches tall. He loved the theater and enjoyed reading, particularly the novels of Joseph Conrad.

Mr. Bunker's first wife, the former Harriet Butler, died in 1964. They had three children, Ellen, John and Samuel.

In 1967 he married a career Foreign Service officer, Carol C. Laise, who was then Ambassador to Nepal. The couple maintained a Washington apartment as well as the 600-acre Bunker dairy farm at Dummerston.

Burial will be in Vermont on Monday, a family spokesman said yesterday.

Mr. LEAHY. Mr. President, the Washington Post spoke of Ambassador Bunker being at Brattleboro, VT's Fourth of July parade. It was an honor for my wife and I to be in that parade with Ellsworth and Carol. We then joined them at their home for their traditional Fourth of July gathering.

Both of us talked afterward as we drove to our own home about how fortunate all of us were that such people as the Bunker's existed. Their partnership leaves an unequal legacy.

VETERANS' DIOXIN AND RADIATION EXPOSURE COMPENSATION STANDARDS ACT

Mr. THURMOND. Mr. President, yesterday H.R. 1961, Veterans' Dioxin and Radiation Exposure Compensation Standards Act, passed the Senate as a privileged matter in lieu of a formal conference report.

Mr. President, in recognition of the contributions to freedom and liberty made by our servicemen and women, our Nation has placed the highest priority on ensuring that those veterans disabled as a result of their military service receive proper medical care and benefits. This legislation is a sound and rational approach to addressing the complex and oftentimes emotional issues arising from the exposure of veterans to dioxin, or agent orange, while serving in the Republic of Vietnam during the Vietnam era or exposure to ionizing radiation from atmospheric nuclear tests or the American occupation of Hiroshima and Nagasaki, Japan.

By prescribing a framework for the uniform disposition of claims filed by veterans for disability compensation based on exposure either to agent orange or to ionizing radiation, the provisions of this compromise agreement have the objectives of identifying those veterans who truly suffer health impairments related to or associated with exposure and ensuring that their health care and related needs are met. Under this framework,

the Administrator of the Veterans' Administration is required to promulgate regulations establishing guidelines for the adjudication of exposure claims. Of particular importance, this legislation directs that a scientific council, composed of medical and scientific authorities with expertise in the fields of dioxin and radiation, assist the administrator in the formulation of these regulations by giving advice on the latest scientific and medical evidence concerning diseases which may be associated with exposure to agent orange or ionizing radiation.

Mr. President, pursuant to the provisions of this legislation, the Administrator would review the conclusions of the scientific council and issue regulations which take into account the findings of scientific studies on the possible adverse health effects of exposure to agent orange or ionizing radiation. Significantly, the Administrator is authorized to promulgate regulations which provide for the granting of service connection for certain diseases in which sould medical and scientific evidence of a relationship between exposure and the disease exists. Additionally, I am pleased that this measure preserves the "reasonable doubt" principle at the local adjudicatory level for these exposure claims, and thereby assures that difficult issues are resolved in favor of the individual veteran.

Mr. President, H.R. 1961, Veterans' Dioxin and Radiation Exposure Compensation Standards Act, is meritorious legislation, and I commend it to my colleagues.

REPORT OF THE SUBCOMMITTEE ON ARMS CONTROL, OCEANS, INTERNATIONAL OPERATIONS AND, ENVIRONMENT

Mr. PRESSLER. Mr. President, I ask unanimous consent that a report on the activities and accomplishments of the Subcommittee on Arms Control, Oceans, International Operations, and Environment during the 2d session of the 98th Congress be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PRESSLER. This is the third report I have prepared since becoming subcommittee chairman. As was true of previous reports, I can again say that we have had a full, active and successful year. In two areas, space weaponry and chemical warfare, the subcommittee's sustained efforts led to major Senate debates. A compromised space arms control amendment was adopted in June. In February, the Senate adopted the "yellow rain" resolution, Senate Resolution 201. At the time of passage, over one-third of the Senate had joined in cosponsoring this measure.

The actions of international organizations and efforts by other nations to restrict U.S. agricultural trade received attention in two hearings. In the course of the past year, a second hearing was held on U.S. efforts to intrude on free trade. S. 1910, a bill to assure public involvement in the formulation of a U.S. response to this challenge was a focal point of this hearing.

Mr. President, I urge my colleagues to read this report covering major activities and accomplishments in the areas of arms control, oceans, international operations and environment. A review of the status of United States-Soviet relations and negotiations is also provided. Appendices detail all activities by the subcommittee and by the full Foreign Relations Committee as they relate to the subcommittee's responsibilities. Additionally, appendices include titles of articles I have written during the past year on topics related to the subcommittee's mandate. Finally, summaries from three reports prepared at the subcommittee's request are presented.

EXHIBIT 1

ACCOMPLISHMENTS AND ACTIVITIES OF THE SUBCOMMITTEE ON ARMS CONTROL, OCEANS, INTERNATIONAL OPERATIONS, AND ENVIRONMENT, 98TH CONGRESS, 2D SESSION

(By Senator Larry Pressler)

At the end of the 97th Congress and again at the conclusion of the first session of the 98th Congress, I reported to the Senate on the activities and accomplishments of the Subcommittee on Arms Control, Oceans, International Operations and Environment of the Foreign Relations Committee. With the 98th Congress drawing to a close, I wish to report on another active and successful year.

As was true in previous years, arms control held a central position in the Subcomittee's activities. Initiatives previously begun in several areas were continued. In two areas, Subcommittee deliberations resulted in major Senate floor debate and Senate action. Additionally, the Subcommittee widened its agenda by looking at international organizations and other aspects of international operations as they affect U.S. trade and commerce.

In the area of arms control, hearings and briefings were held at both the Subcommittee and full Committee levels to consider the full range of concerns expressed by the public and Congress. A provision of the fiscal years 1984-85 Arms Control and Disarmament Agency authorization bill mandated an Administration report on arms control compliance questions. This report, delivered to the Committee in January, raised several important issues about the Soviet arms control record. Given the security classification of much of this information, several closed sessions were held to review this report.

In an area of major concern, that of nuclear arms reductions talks, 1984 was a disappointing year. Within days of the Senate's adjournment last November, the Soviet delegation to the Geneva Intermediate-range Nuclear Forces (INF) talks walked out. In taking this action, the Soviets cited the decision by the West German Bundestag to sustain its participation in NATO's deployment of cruise and Pershing II missiles. Today, Moscow insists that deployments be reversed before talks resume.

In December, 1984, shortly after breaking off the INF negotiations, the Soviets chose to heighten tensions by suspending the Strategic Arms Reduction Talks (START). The Soviets have now also tied resumption of START to a NATO retreat from its 1979 missile decision.

This is an unfortunate situation, based upon unrealistic and unacceptable Soviet preconditions. The U.S. and its NATO allies moved to deploy cruise and Pershing missiles in Europe with reluctance. The 1979 decision was propelled by Soviet deployments of highly accurate, MIRVed and mobile SS-20 missiles pointed at Europe. These deployments began in the mid-1970s. Today, there are far more SS-20s poised to strike West Europe than there are NATO missiles pointed at the Soviet Union. Even when NATO deployment is completed, the Soviet Union will retain an edge in the Euromissile balance. Given Soviet responsibility in initiating the current round of deployments, there is little to justify Moscow's demand for relief from the threat it perceives from NATO's missiles while continuing to all but deny legitimate European fears, provoked by the SS-20.

Effective security and arms can not be one-sided. By insisting that their security concerns come first, the Kremlin has created an unwarranted barrier to arms reductions. While this situation continues, hopes for significant arms reductions can not be realized. Clearly, this serves no nation's interests, including the Soviet Union. The Soviet Union must remove the road block to an accord which would serve the mutual interests of the East and the West.

Public awareness and concern about nuclear weapons and arms control has reached unprecedented levels in recent years. In Congress, this has led to repeated efforts to form a national consensus on arms control policy. Without a unified national position on arms control, there would be slim prospects for agreements that can be negotiated, signed and ratified. During the 1st session of the 98th Congress, a bipartisan consensus developed around the nuclear builddown proposal, providing effective security through mutual and verifiable reductions.

The builddown concept was born in Congress. Despite some opposition from lower levels in government, in gained President Reagan's support. Bringing about a shift in policy towards the builddown was a long and arduous task, involving months of careful negotiations. In this effort, I joined with Senators Cohen, Nunn and our distinguished Committee Chairman Charles H. Percy. By October, 1983, the builddown became the core of the U.S. START position in Geneva. But before the U.S. delegation could present the builddown in detail, START was suspended. The breakdown in negotiations is, therefore, especially unfortunate and ill-timed. With a return to talks, undertaken in a spirit of compromise, a START breakthrough could be achieved.

During the course of the past year, other arms control proposals were considered by

the Committee and the Subcommittee. In April 1984, a hearing was held on a proposal calling for the creation of a nuclear risk reduction center. Such a center would seek to reduce the risks of nuclear war through accident, miscalculation or terrorist acts. The proposal, contained in a resolution by Senators Nunn and Warner, was slightly amended to provide for the involvement of both diplomatic and military personnel and was voted out of committee.

In June, the Committee held another in a series of hearings reviewing arms control resolutions before the Senate. As in past years, the nuclear weapons freeze and other proposals offered by nuclear weapons freeze proponents were given a full hearing.

Over the past three years, the Subcommittee has established itself as a key forum for the debate and analysis of space weapons and space arms control. In May, 1981, I introduced the first Senate resolution calling for resumption of the anti-satellite (ASAT) weapons talks suspended at the time of the Soviet invasion of Afghanistan. This led to a landmark series of hearings that began in September 1982 and have continued through the 98th Congress. The Subcommittee will sustain these efforts in the next Congress.

The most recent hearing in this series occurred in April and reviewed the U.S. ASAT program, developments in space-based strategic defense and U.S. space arms control policy. This day-long hearing received testimony from Adminstration officials, including the President's science adviser and the director of the Strategic Defense Initiative Organization, outside experts on space weaponry and arms control, and the Congressional Office of Technology Assessment.

When these hearings began, few people, even those in the arms control community, gave much attention to the risks and implications of a space arms race. The Subcommittee's activities have helped to raise public awareness of space weaponry as an emerging security problem. Testimony received by and discussion held in the Subcommittee have played an important role in structuring the space weapons debate in Congress and in the wider community of concerned citizens and interested specialists.

To further expand on the information available in this new national security area, last year I enlisted the assistance of the Office of Technology Assessment and the Congressional Budget Office. These efforts resulted in the preparation of three important assessments of space weapons technology, space arms control and the costs of the Strategic Defense Initiative (SDI).

A report on space arms control policy and options, based upon a two-day meeting of experts held at my request and chaired by former National Security Advisor to the President, McGeorge Bundy, was released this spring. OTA's space arms control report is regarded as perhaps the most thorough review on this subject in print.

A second OTA study, initiated through a joint request from Senator Paul Tsongas and myself, was released at the time of our April hearing on strategic defense and ASAT weapons. The report represents only a preliminary assessment of space-based defenses. Nevertheless, it is regarded as the most important critique of space-based defenses currently available. A more exhaustive assessment is being prepared by OTA at the request of Chairman Percy, Ranking Member Claiborne Pell, Senator Tsongas and myself. Part one of this report, dealing with ASATs, is to be released early in 1985. Part two, on strategic defenses, will be released in March, 1985.

A third report prepared by CBO reviewed the budgetary implications of the five year SDI program. This report was prepared and released at my request in May. These documents have provided Congress and the public with invaluable information and useful analysis of the issues raised by a space arms competition and are frequently referred to in Senate and House debate on space arms control proposals and the defense budget request. Summaries of all three studies appear at the end of this report.

S.J. Res. 129, the space arms control resolution that I authored and which was approved by the full Committee in 1983, was debated in June in the Senate during action on the defense authorization bill. The debate was the result of repeated efforts, throughout the year, to bring this issue to the Senate floor. The day-long debate in the Senate involved a rare secret session. It is clear from the compromise that emerged that the majority of Senators agree that the U.S. has many good reasons to pursue space arms control; and, that U.S. security will be served by talking to the Soviet Union.

It has long been my view that, given seriousness and flexibility on both sides, a successful outcome can be achieved. I have also argued that the U.S. could best test Soviet sincerity by accepting Moscow's frequently repeated offers for negotiations. Senate action on this issue led to a shift in Administration policy. Only a few days after the Senate finished its action, requiring a good faith space arms control effort, President Reagan indicated his willingness to directly engage the Soviet Union in such talks.

It now seems that Moscow may have been playing a mixed motives game in proposing talks. At the end of June, they seemed surprised at the President's acceptance of their latest negotiating offer and then created preconditions for talks to begin. As in INF and START, the Soviets should agree to deal with their concerns at the negotiating table rather than through public posturing.

Chemical warfare is another area where the Subcommittee can report positive results in previously started efforts. Hearings held in 1981 and 1983 led me to offer Senate Resolution 201, expressing the sense of the Senate concerning the use and/or provision of chemical warfare agents by the Soviet Union. Chairman Percy joined me as principal cosponsor of this resolution. Introduced in August, 1983, S. Res. 201 quickly gained broad-based bipartisan support in the Senate. It was reported favorably by the Foreign Relations Committee on October 18, 1983. At the time it passed the Senate on February 9, 1984, it was cosponsored by more than a third of the Senate.

During the past year, there have been fewer reports of chemical warfare in Southeast Asia and Afghanistan. No doubt, increasing public outrage against the use of these inhumane substances contributed to this apparent decline.

But elsewhere in the world, prohibitions against using chemical warfare are deteriorating. An increasing number of nations already possess or are interested in acquiring chemical warfare capabilities, leading some to describe these weapons as "the poor man's nuclear bomb." The most recent evidence of this trend has emerged from the Iran-Iraq war, where United Nation's investigators have confirmed that chemical weapons are being employed.

For this reason, Senator PELL and I introduced Senate Resolution 368 on April 11, 1984. This resolution is an important complement to S. Res. 201. It seeks to draw attention to the growing risk of chemical weapons proliferation; condemns chemical warfare wherever it occurs; and, calls for negotiation of a worldwide ban on producing and stockpiling of chemical warfare agents.

This resolution was considered in the course of a June hearing, held in closed and open sessions, to explore the chemical proliferation problem. In addition to assessing the security and arms control dimensions of this problem, this hearing reviewed U.S. export controls on chemicals that can be used to manufacture agents for chemical warfare.

This section on arms control concludes with positive notes. As Congress adjourns, prospects for a more meaningful arms control dialogue have improved. The rhetorical battle between Washington and Moscow has subsided. And, the September Reagan-Gromyko meeting renews the high level contacts required for pressing forward in negotiations. Additionally, both sides appear more willing to increase contacts in the fields of science and commerce. Work on more technical and less contentious arms control issues continues, notably arrangements improving the Washington-Moscow "hot line" and cooperation on nuclear nonproliferation. In the area of scientific contacts, the Committee heard testimony in September on a proposal calling for the renewal of a U.S.-Soviet space cooperation accord.

Note must also be taken of the opening of a new arms control forum, the Conference on Disarmament in Europe (CDE), which deals with confidence building measures. The American delegation is chaired by an extremely able negotiator, James Goodby. Additionally, talks continue on conventional force reductions at the Vienna Mutual and Balanced Force Reduction (MBFR) negotiations. The Geneva Conference on Disarmament (CD) continues to discuss nuclear testing questions and the requirements for a total ban on chemical weapons. Ambassador Lewis Fields' decision to leave the delegation is regretable since he was an effective presenter of this nation's position at this multilateral arms control forum.

In the area of oceans, international operations and environment, the Subcommittee is alarmed by efforts by international organizations to impose restrictive foreign trade regulations. Should these activities succeed, they could have a detrimental effect on an increasingly trade dependent American economy.

In 1983, I chaired a hearing which focused on United Nations regulatory efforts. Testimony received at that time led me to introduce legislation in September, 1983, creating procedures assuring public involvement in the formulation of U.S. policy towards proposed regulations before the U.N. and its related agencies. A hearing on the International Organizations Public Procedures Act was held in April, 1984. S. 1910 was refined to reflect the views of public witnesses and Administration concerns. S. 1910, as revised, was favorably reported by the Foreign Relations Committee on June 28, 1984.

In June, I chaired a hearing on International Trade Distortions Harming U.S. Agricultural Exports which sought to identify foreign barriers to U.S. agricultural trade, how they operate and which nations are most guilty of these practices. The hearing also explored existing and proposed procedures and policies available to the U.S. in responding to this challenge. Testimony was received from the Office of the U.S. Trade Representative, the Department of Agriculture and from outside experts on agricultural trade and export policy.

The Subcommittee will continue to closely follow the development of restrictive trade practices and unhelpful U.N. administrative intrusion into world trade and commerce in future hearings.

Finally, the Congressional Research Service has undertaken a study of Antarctica at my request. This project will examine U.S. economic, scientific and security interests on the frozen continent and the implications of the competition for the region's land and ocean resources. The Antarctica study will be available early in the 99th Congress.

A list of hearings and briefings held during the year in areas relevant to the Subcommittee's jurisdiction are appended to this report. Additional appendices present the titles and summaries of reports and studies conducted at the Subcommittee's request. The titles of articles I have written on topics that are related to the Subcommittee's responsibility are also included.

HEARINGS ON ARMS CONTROL

President's Arms Control Compliance Report (Executive Session), January 13, 1984.

Arms Control Compliance Situation (Executive Session), January 25, 1984.

S. Res. 329, Nuclear risk Reduction, April 4, 1984.

Strategic Defense And Anti-Satellite Weapons, April 25, 1984.

Space Arms Control: Soviet Capability And Verification Requirements (Executive Session), May 10, 1984.

Arms Control Overview, June 13, 1984.

Chemical Warfare: Arms Control And Proliferation (Open and Executive Sessions), June 28, 1984.

HEARINGS ON OCEANS, INTERNATIONAL OPERATIONS AND ENVIRONMENT

International Court of Justice Situation (Executive Session), April 10, 1984.

S. 1910, International Organizations Public Procedures Act, April 12, 1984.

International Trade Distortions Harming U.S. Agricultural Exports, June 26, 1984.

S.J. Res. 236, East-West Cooperation In Outer Space, September 13, 1984.

HEARINGS ON NOMINATIONS

Woodward Kingman to be USIA Associate Director for Management, February 21, 1984.

Gerald Carmen to be U.S. Representative to U.N. European Office with rank of Ambassador, April 5, 1984.

Edward Ney, to be Member of Board for International Broadcasting, April 5, 1984.

Leslie Lenkowski to be Deputy USIA Director, April 5, 11, and May 9, 1984.

Edward E. Wolfe, nominee for rank of Ambassador as Deputy Assistant Secretary of State for Oceans & Fisheries, May 24, 1984.

Richard A. Derham to be Assistant AID Administator for Program & Policy Coordination, May 24, 1984.

Thomas H. Etzold to be Assistant ACDA Director for Multilateral Affairs, June 20, 1984.

Jorge L. Mas to be Member of Advisory Board for Radio Broadcasting to Cuba, July 25, 1984.

Diana Lady Dougan to be Coordinator for International Communications and Information Policy, July 25, 1984.

Maynard W. Glitman, for rank of Ambassador as MBFR Negotiator, July 25, 1984.

REPORTS AND STUDIES CONDUCTED FOR THE SUBCOMMITTEE

Directed Energy Missile Defense In Space, Office of Technology Assessment, Background Paper, April, 1984.

Arms Control In Space, Office of Technology Assessment, Workshop Proceedings, May, 1984.

Analysis Of The Costs Of The Administration's Strategic Defense Initiative 1985-1989, Congressional Budget Office, May, 1984.

ARTICLES BY SENATOR LARRY PRESSLER IN AREAS RELATED TO THE SUBCOMMITTEE'S JURISDICTION

"Star Wars: What Are The Options?," *The Christian Science Monitor*, June 19, 1984.

"Europe Must Pull Its Weight," *The Sunday Times* (London), June 20, 1984.

"ASAT Ban: Verification," *The Sun* (Baltimore), July 20, 1984.

"Moscow's Responsibility in Space Arms Talks," (an expanded analysis), *National Defense*, October, 1984.

DIRECTED ENERGY MISSILE DEFENSE IN SPACE

PRINCIPAL JUDGMENTS AND OBSERVATIONS

1. The prospect that emerging "Star Wars" technologies, when further developed, will provide a perfect or near-perfect defense system, literally removing from the hands of the Soviet Union the ability to do socially mortal damage to the United States with nuclear weapons, is so remote that it should not serve as the basis of public expectation or national policy about ballistic missile defense (BMD). This judgment appears to be the consensus among informed members of the defense technical community.

Technical prognosis for such a perfect or near perfect defense is extremely pessimistic because of the concentration and fragility of society; because all concepts identified as candidates for a future defense of population are known to be susceptible to countermeasures that would permit the Soviet Union to retain a degree of penetration with their future missile arsenal despite costly attempts to improve the U.S. defense; because the Soviet Union would almost certainly make such a determined effort to avoid being disarmed by a U.S. defense; and because missile defense does not address other methods for delivering nuclear weapons to the United States.

Mutual assured destruction (MAD), if this term is applied to a state of technological existence rather than to a chosen national policy, is likely to persist for the foreseeable future.

2. The wisdom of deploying less-than-perfect ballistic missile defenses remains controversial. Less-than perfect defenses would still allow the Soviet Union to destroy U.S. society in a massive attack but might call into question the effectiveness of smaller, specialized nuclear strikes.

Certain theories about nuclear war maintain that such defenses could lessen the chances of nuclear war and enhance U.S. security by protecting U.S. retaliatory forces; by interdicting "limited" nuclear strikes; by further confusing Soviet predictions of the outcome of a strike; by driving Soviet missile deployments in directions favored by the United States; by lessening the consequences of nuclear attack; and/or by fulfilling still other strategic goals.

Critics dispute the validity of some of these goals; dispute that technology can fulfill the truly useful goals; and/or argue that the many harmful side effects of introducing BMD to the strategic equation and altering the Anti-Ballistic Missile (ABM) Treaty regime are not worth satisfying these goals.

To address the wisdom of less-than-perfect defense, the public and policymakers would need a precise statement of the strategic goal of the deployment, an assessment of whether technology could satisfy that goal, and an analysis balancing fulfillment of the goal against the side effects and uncertainties of introducing a new ingredient into the strategic nuclear arena.

3. The strategic goal of President Reagan's Strategic Defense Initiative calling for emphasized BMD research—perfect, near-perfect, or less-than-perfect defense against ballistic missiles—remains unclear. No explicit technical standards or criteria are therefore available against which to measure the technological prospects and progress of this initiative.

4. In all cases, directed-energy weapons and other devices with the specifications needed for boost-phase intercept of ICBMs have not yet been built in the laboratory, much less in a form suitable for incorporation in a complete defense system. These devices include chemical lasers, excimer and free electron lasers, x-ray lasers, particle beams, lightweight high-velocity kinetic energy weapons, and microwave generators, together with tracking, aiming, and pointing mechanisms, power sources, and other essential accompaniments.

It is unknown whether or when devices with the required specifications can be built.

5. Moreover, making the technological devices perform to the needed specifications in a controlled situation is not the crux of the technical challenge facing designers of an effective ballistic missile defense. A distinct challenge is to fashion from these devices a reliable defensive architecture, taking into account vulnerability of the defense components, susceptibility to future Soviet countermeasures, and cost relative to those countermeasures.

New intercept mechanisms—directed energy weapons and the like—therefore do not by themselves necessarily herald dramatically new BMD capabilities.

6. It is clear that potent directed-energy weapons will be developed for other military purposes, even if such weapons are never incorporated into effective BMDs. Such weapons might have a role in nuclear offense as well as defense, in anti-satellite (ASAT) attack, in anti-aircraft attack, and in other applications of concern to nuclear policy and arms control. Defense and arms control policy will thus need to face the advent of these new weapons, irrespective of their BMD dimension.

7. For modest defensive goals requiring less-than-perfect performance, traditional reentry phase defenses and/or more advanced mid-course defenses might suffice. Such defenses present less technical risk than systems that incorporate a boost-phase layer, and they could probably be deployed more quickly.

New ideas for improving such "old" BMD concepts have emerged in the atmosphere of technical optimism enjoyed by the boost-phase concepts.

8. Deployment of missile defenses based on new technologies is forbidden by the Anti-Ballistic Missile (ABM) Treaty reached at SALT I. The Treaty permits only restricted deployment of traditional BMDs using fixed, ground-based radars and interceptor missiles. Research into new technologies, and in selected cases development and testing of defense systems based on these technologies, are allowed within the Treaty.

9. There is a close connection, not explored in detail in this Background Paper, between advanced BMD concepts and future anti-satellite (ASAT) systems. This connection springs from four observations: (1) ASAT attack on space-based weapons and sensors is probably the most attractive countermeasure to boost-phase BMD; (2) directed-energy weapons are more likely to succeed in the easier mission of ASAT than in the more difficult mission of boost-phase BMD; (3) to a degree dependent on technical details, early stages of development of boost phase BMDs might be conducted in the guise of ASAT development, stimulating anxieties about the health of the ABM Treaty regime; (4) to a degree dependent on technical details, concluding a treaty with the Soviet Union limiting ASAT development would impede BMD research at an earlier stage than would occur under the terms of the ABM Treaty alone.

Arms Control in Space

Workshop on Arms Control in Space January 30–31, 1984

(Prof. McGeorge Bundy, Chair, New York University, New York, N.Y.)

Mr. David S. Brandwein, System Planning Corp., Arlington, Va.

The Hon. George E. Brown, Jr., Member of Congress, U.S. House of Representatives, Washington, D.C.

Dr. Paul Brown, Lawrence Livermore National Laboratory, Livermore, Calif.

Dr. Robert W. Buchheim, Phoenix, Ariz.

Prof. Albert Carnesale, JFK School of Government, Harvard University, Cambridge, Mass.

Dr. Ashton B. Carter, Center for International Studies, Massachusetts Institute of Technology, Cambridge, Mass.

The Hon. Cooper Evans, Member of Congress, U.S. House of Representatives, Washington, D.C.

Dr. Richard L. Garwin, IBM Thomas J. Watson Research Center, Yorktown Heights, N.Y.

Dr. John H. Gibbons, Director, Office of Technology Assessment, U.S. Congress, Washington, D.C.

Mr. Alex Gliksman, Senate Committee on Foreign Relations, Washington, D.C.

Prof. Donald L. Hafner, Boston College, Chestnut Hill, Mass.

Mr. Lionel S. Johns, Assistant Director, Office of Technology Assessment, U.S. Congress, Washington, D.C.

Dr. Robert H. Kupperman, Center for Strategic and International Studies, Georgetown University, Washington, D.C.

Dr. Steven A. Maaranen, Los Alamos National Laboratory, Los Alamos, N. Mex.

Dr. Michael M. May, Lawrence Livermore National Laboratory, Livermore, Calif.

Dr. Keith B. Payne, National Institute for Public Policy, Fairfax, Va.

Mr. John E. Pike, Federation of American Scientists, Washington, D.C.

The Hon. Larry Pressler, Member of Congress, United States Senate, Washington, D.C.

Dr. Victor W. Reis, Science Applications, Inc., McLean, Va.

Dr. Peter Sharfman, Program Manager, Office of Technology Assessment, U.S. Congress, Washington, D.C.

Walter Slocombe, Esq., Caplin and Drysdale, Washington, D.C.

Dr. John D. Steinbruner, Director, Foreign Policy Studies, The Brookings Institution, Washington, D.C.

MGen. Henry B. Stelling, Jr., USAF (ret.), Rockwell International, Anaheim, Calif.

Dr. Sayre Stevens, System Planning Corp., Arlington, Va.

SUMMARY

In late 1982 and early 1983, the Subcommittee on Arms Control, Oceans, International Operations, and Environment of the Senate Committee on Foreign Relations held hearings on space weapons and arms control. To explore these issues further in a discussion format not easily achieved in hearings, Sen. Larry Pressler, Chairman of the Subcommittee, asked OTA to conduct a workshop focusing on antisatellite (ASAT) weapons as one aspect of space arms control. The workshop, held in Washington, D.C., on January 30 and 31, 1984, provided an opportunity for technical, diplomatic, military, and policy-analysis experts to interact, think out loud, and build upon each other's ideas.

The workshop was organized into six sessions, although issues involving anti-satellite weapons and arms control are not easily compartmentalized into distinct subject areas. Each session was introduced by a 10- or 15-minute informal oral presentation which set the stage for further discussion. This workshop proceedings volume is organized along the same divisions as the sessions, with some rearrangement.

The first session, an overview, reviewed technical aspects of anti-satellite systems and presented a candidate set of topics for discussion in later sessions. The second session covered pros and cons of ASAT arms control. Soviet attitudes and efforts regarding ASATs were the focus of the third session; U.S. attitudes and developments in ASATs and ASAT arms control were reviewed in the fourth. The effect of ASATs on the continued viability of the 1972 Anti-Ballistic Missile (ABM) Treaty, and vice versa, were covered in the fifth session. The last session centered on verification issues.

At Senator Pressler's request, OTA is publishing the workshop proceedings. OTA's agreement with the panelists was that the workshop report would discuss the viewpoints, ideas, and findings arrived at during the conference, but that particular statements or opinions would not be attributed to specific individuals. Therefore, the transcript has been paraphrased and rearranged to form this report. The proceedings have been circulated among the panelists, who were given the opportunity to suggest corrections and clarifications. They have not been reviewed by the Technology Assessment Board.

The workshop panelists were asked to raise and clarify issues, not to resolve them. No attempt was made to reach conclusions or develop consensuses during the workshop sessions. However, OTA has noted and listed below several points where the panelists appeared to be in general agreement. These points are followed by a brief discussion of some of the fundamental bases for disagreement among the panelists. Following that is a list of some issues, raised during the course of the workshop, which were felt to merit further research and analysis.

POINTS OF GENERAL AGREEMENT

No arms control agreement can eliminate all anti-satellite capability. However, panelists differed in interpreting the significance of this residual ASAT capability which would be infeasible or impractical to ban. Some systems not designed to be ASATs (ICBMs, manned spacecraft, etc.) nevertheless have some ASAT potential, making some de facto residual ASAT capability inevitable. ASAT arms control supporters stressed that it would be minor compared to the capability of extensive ASAT or "space mine" efforts which could be undertaken in the absence of an arms control agreement, while some of the ASAT arms control opponents believed that the residual capability might nevertheless pose a significant threat to U.S. satellites.

ASAT arms control cannot eliminate the need to protect or supplement vital satellites with a variety of survivability measures. However, it can serve to lessen the measures required to protect space systems. Under any arms control accord, programs to ensure survivability of critical satellites or programs which supplement or replace their function will remain vital. The temptation to assume that survivability measures could be relaxed following an agreement must be resisted. "We could be that stupid," said one panelist, "but we don't really have to be."

The "verifiabilty" of an ASAT accord can only be assessed for a specified set of restrictions and measures, and any discussion of the verifiability of a particular provision ought to include consideration of the significance of potential violations of that provision. The panelists did not evaluate in detail, partly because of security classification restrictions, the verifiability of compliance with the various kinds of arms control agreements that were discussed. It was clear that the standards of verifiation required for effective ASAT arms control are highly controversial. Panelists agreed, however, that bans on testing would require less extensive verification measures than bans on possession, and that compliance with some ASAT arms control provisions could be verified with high confidence.

Future U.S. and U.S.S.R. activities in space hold great potential for generating uncertainty and misunderstanding regarding the countries' respective intentions. Workshop participants agreed that the Soviet Union will continue its vigorous exploitation of space, and that some Soviet activities will be perceived in the United States as provocative. Similarly, some American actions will appear provocative to the Soviets. Both countries will observe activities which they will not completely understand and which will cause considerable con-

cern. Misunderstandings concerning the intent of various space actions could be particularly dangerous during crises of low-level conflicts.

Ambiguities might be lessened or resolved with some type of "rules of the road" or "behavior in space" agreement. Some panelists thought that an agreement concerning behavior in space, or towards space objects, might serve to reduce tensions and uncertainties. Such an agreement need not be associated with other measures limiting antisatellite weapons systems; indeed, there might be value even if (thought some panelists) or especially if (thought others) there were no accompanying ASAT restrictions. Such an agreement might be modeled after the "rules of the road" on the high seas, which are embodied in several international agreements that recognize freedom to operate, lessen the risk of accidental collision, and minimize unnecessary provocation at sea. Possibly the most valuable feature of a "rules of the road in space" agreement would be the establishment of a forum like the U.S.-U.S.S.R. Standing Consultative Commission, which would help maintain an ongoing dialog between the United States and the Soviet Union and would permit discussion of activities whose significance was not clear. A "rules of the road" agreement should not be allowed to impede more serious provisions concerning space weapons if such provisions are found to be desirable. The precise form of a "space behavior" agreement was not explored in depth at the workshop, and the political and diplomatic procedures and tradeoffs required to negotiate and implement such an agreement were not addressed.

If ASAT threats are reduced by an agreement, there may be fewer reservations about placing important systems in space, creating in turn greater incentive for developing ASAT weapons. If an accord has the effect of relaxing survivability measures at the same time that reliance on space systems is increasing, then the growth of targets both valuable and vulnerable might provide strong motivation to attempt covert ASAT development. This possible paradox reinforced panelists' observations that an ASAT accord is no substitute for effective measures to reduce space system vulnerability.

Preservation of the functions now performed in space does not require the survival of all space assets. Military support activities carried out in space are very important, but they can be duplicated or distributed among many space systems. Furthermore, many alternatives to space-based systems exist or can be developed.

The idea that the United States needs an ASAT weapon in order to deter enemy ASAT attack was not strongly supported. Many participants felt that the ability to retaliate against terrestrial assets served to deter ASAT attack at least as well as the ability to respond in kind against enemy satellites. Furthermore, one of the rationales other than deterrence which has been given for the U.S. ASAT program—to carry out attacks on particularly hostile Soviet satellites—conflicts with the ASAT's deterrent role. Nobody at the workshop felt that ASAT attack scenarios were well enough understood to predict the outcome of "tit-for-tat" ASAT retaliatory attacks in general. The likelihood and nature of subsequent escalation would be highly dependent on which satellites were attacked and under what circumstances.

The U.S. air-launched ASAT weapon now undergoing testing is clearly technically superior to the present generation of Soviet ground-launched ASATs. The ability to home in from a wide range of directions, and the flexibility of being launched from highly mobile aircraft, will make the U.S. ASAT a considerably more capable weapon if deployed. The United States will be able to launch consecutive ASATs much more rapidly than the Soviets, who are restricted in how rapidly their ASAT can be fired by their limited number of launch sites and by the time required to recycle them. There are also significant asymmetries in the target sets which are at risk to the two systems. Many important space functions are carried out by the United States using satellites in geosynchronous orbit, well out of range of the Soviet ASAT. Many Soviet satellites with similar functions use highly elliptical "Molniya" orbits, which could be vulnerable to U.S. attack at their lower altitudes. However, the United States would face severe logistical and operational difficulties in attempting to exploit this vulnerability. In addition, since Soviet satellites are shorter lived than U.S. satellites and are consequently replaced more frequently, the Soviets may be better prepared to reconstitute space systems than the United States would be.

In spite of asymmetries in capability, neither the existing Soviet ASAT nor the U.S. ASAT undergoing tests poses a severe military threat to the other side. The present level of ASAT technology is significantly limited. Both U.S. and U.S.S.R. weapons are restricted to targets in low Earth orbit and cannot reach geosynchronous orbit. Both systems may have to wait several hours for a target satellite to come within range of the appropriate F-15 base (for the U.S. system) or ground launch site (for the Soviets), although the mobility of the F-15 makes this restriction considerably less severe for the U.S. ASAT. If either the U.S. or the U.S.S.R. system were mated to boosters able to reach geosynchronous orbit, the ascent would take many hours. In light of these limitations, many treaty proponents would tolerate (although not necessarily prefer) a treaty which would "grandfather" existing systems. Perceptions differed as to the relative political implications of the existing U.S.S.R. system versus the U.S. ASAT which is undergoing testing, but nobody felt that the overall military balance was affected significantly by either—especially when compared with potential future ASAT developments.

A ban on testing ASAT weapons would greatly increase the difficulty of developing a high-confidence, high-quality, dedicated ASAT system. Panelists thought it would be very difficult to develop and field a highly capable new system with no detectable tests. Some tests might go undetected—for example, there are many perfectly legitimate activities involving rendezvous in space which could be made to be partial tests of ASAT interception capability—but many tests would be required to instill confidence in an ASAT system, and some of these would be detected. Banning the tests would force the violator either to forgo tests or to test covertly; covert testing, assuming that it could in fact be carried out undetected, would certainly be more difficult and less extensive than the overt testing that would be possible in the absence of a ban. In the absence of tests, all agreed that no one could be highly confident that a new system would be effective in difficult scenarios (against many targets in a short time interval and/or effective at geosynchronous altitude). If a system were to be developed without testing, the inability to make refinements based on tests and the lack of confidence developed through tests would degrade the system's military significance.

ASAT and ballistic missile defense (BMD) systems and technologies are closely related. As effective ASAT weapons are developed and introduced, boost-phase ballistic missile defense systems will become increasingly problematical since all such systems utilize space-based early warning systems and possibly other subsystems which would be vulnerable to ASAT attack. Many, although not all, prospective midcourse BMD systems would also have vulnerable space-based assets, and even terminal BMD systems would likely utilize space-based early-warning sensors. At the same time, even a poor quality or prototype midcourse or boost-phase BMD system may have very significant ASAT capability since satellites are much easier to destroy than missile warheads. Therefore, development of boost-phase and mid-course BMD systems will severely constrain ASAT arms control possibilities. Conversely, since ASAT and BMD technologies are related, treaties limiting ASAT development or testing will limit development and deployment of boost-phase and midcourse BMD systems. Of course, the 1972 ABM Treaty and 1974 protocol thereto already severely constrain testing, development, and deployment of BMD systems.

POINTS OF DISAGREEMENT

Disagreement over the desirability of an ASAT treaty hinges on basic philosophical differences over the role of arms control. Although acknowledged at the workshop, these differences were not discussed or debated significantly during the sessions. They are outlined below in an attempt to summarize some of the considerations most relevant to different sides of the ASAT arms control debate.

One attitude, supporting ASAT arms control, is that we value the safety of our own satellites more than we value the ability to destroy Soviet satellites. We want to protect those of our own military support functions which we presently carry out via satellites, and protecting them is much easier if our satellites are not threatened by a highly developed, highly capable Soviet ASAT. Preventing the Soviets from deploying an effective ASAT would be much more helpful than developing our own.

While a ban on all Soviet ASATs would be ideal, the principal U.S. interest is to prevent the Soviets from developing a highly capable system: one which works reliably, threatens satellites in geosynchronous orbit, operates with no warning, and/or attacks many targets at once. Several approaches, including banning ASAT testing, banning the development of new ASAT systems, or banning all dedicated ASAT systems, could inhibit such a Soviet development. Banning only tests or new developments would be more easily verified than banning all dedicated ASATs; however, a total ban might nevertheless be a more effective approach to preventing development of a highly capable Soviet system. Although no agreement can eliminate all ASAT capability, support-

ers of ASAT arms control felt that an agreement could be devised which would make Soviet development of such a highly capable ASAT system very difficult, and that such an agreement could be adequately verified. The criterion for supporting an agreement would be improvement in the security of our space systems as compared to not having an agreement.

A contrasting approach considers military competition between the United States and U.S.S.R. to be inevitable, with arms control in many cases not being an effective or appropriate alternative to that competition. Accordingly, the relevant measure of national security would be relative advantage or disadvantage of the United States with respect to the U.S.S.R. Those holding this view consider it essential to deny the enemy the use of space during a conflict when such use provides a military advantage. In the case of ASAT arms control, even if U.S. satellites were to be safer with an ASAT limitation or test ban than without one (which would almost certainly be the case), a treaty might not be appropriate if it would benefit the Soviet Union more than it would the United States. Such asymmetrical advantage might arise under an ASAT accord for two reasons: First, a treaty would divert the military competition away from an arena (ASAT competition) where the United States would otherwise have been able to exploit its superior ability to develop highly sophisticated technologies. Second, the Soviets might cheat. Because of the asymmetric nature of Soviet and American societies, it is argued, the Soviet Union is much more likely than the United States to cheat on an agreement. For the same reason, Soviet attempts to cheat are more likely to be successful. Whether or not the kinds of violations which might go undetected would in themselves pose major threats to U.S. security, any covert violation would work to our military disadvantage and would have undesirable political and psychological consequences as well.

There is disagreement regarding how much significance can be attributed to residual or covert ASAT capability. The panelists agreed that a considerable testing program is required in order to have high confidence in an ASAT system. However, there are differences of opinion regarding how significant and incompletely or covertly tested system might be. A covert system might not engender high confidence, it might not be as reliable as a dedicated, overtly tested system, and it might be discovered, but it might nevertheless still be developed. There is disagreement not only about how remote this possibility is, but also about how this possibility affects the relative advantages of a treaty versus the risks.

ASAT arms control is also complicated by more general considerations regarding the military use of space. On the one hand, emplacing weapons in space or using weapons against targets in space can be seen as breaking a de facto political taboo which would be difficult to restore. Furthermore, introducing weapons into space might make the world a more dangerous place; this is now almost universally believed to be the case concerning introduction of multiple independently targetable reentry vehicles (MIRVs.) On the other hand, any space arms control might be viewed as a political and psychological barrier inhibiting the much wider exploration and exploitation of space as a theater of military operation. A primary example of wider possibilities of space is ballistic missile defense—while many would not be willing to limit ASAT weapons at the price of impeding investigations into the possibilities of BMD, others see those retrictions on BMD which would be included in an ASAT accord as reinforcing the ABM treaty in support of its original and continuing goals.

TOPICS FOR FURTHER RESEARCH

Among the more general subject areas suggested to the workshop for further research were possibilities for "rules of the road" agreements in space. As noted above, many participants believed that some measures to reduce uncertainty and ambiguity in space might be desirable. Although possible models were proposed, potential agreements were not discussed in detail. What sort of mechanisms (be they unilateral actions, treaties, or informal working arrangements) could be established to permit mutual U.S. and U.S.S.R. use of space with a minimum of suspicion?

Are there ways of characterizing ASATs such that we can define and ban the most threatening or destabilizing types? Certain activities in space are clearly more threatening than others, just as certain activities are more visible than others. Is there a way that a "rules of the road" agreement could focus on the more dangerous rather than the more visible? What are the implications for verification and for stability?

No treaty of any kind can be perfectly verified. Several questions arise in handling ASAT treaty provisions which must therefore be verifiable only partially, or with less than 100 percent confidence. One problem involves how general or specific treaty provisions must be made. Treaty language intended to prevent some particularly threatening activity (e.g., testing ASAT interceptors at geosynchronous orbit) might be phrased in general terms (e.g., forbidding all ASAT tests) which would include less threatening activities that might be less verifiable (e.g., testing ASATs in low earth orbit where they might be masked as non-ASAT-related operations). What are the implications of having varying levels of confidence in verifying compliance with treaty provisions? Are activities which are not explicitly proscribed under a treaty necessarily condoned?

Another verification issue requiring further work involves cooperative verification procedures. Although existing rules regarding freedom of navigation and innocent passage on the high seas permit forces of one country to approach those of another, approaching a foreign satellite closely enough to examine it in space might nevertheless not be taken kindly in the absence of prior approval. If nuclear weapons are to be kept out of space with high confidence, then cooperative inspection procedures (either in space or on the ground) will likely be required. Can such procedures be arranged?

ANALYSIS OF THE COSTS OF THE ADMINISTRATION'S STRATEGIC DEFENSE INITIATIVE 1985–89

(Note.—Unless otherwise indicated, all years referred to in the text are fiscal years. All dollars are budget authority dollars that include anticipated inflation using the Administration's economic assumptions.)

INTRODUCTION AND SUMMARY

Last year President Reagan called for the exploration of defensive technologies that would render nuclear weapons "impotent and obsolete." The resulting Administration plan—called the Strategic Defense Initiative (SDI)—has sparked intense debate on the technological and arms control implications of creating a novel strategic defensive system based largely in space.

Many in the Congress are also interested in the costs of the SDI. This paper, prepared at the request of the Arms Control, Oceans, International Operations and Environment Subcommittee of the Senate Foreign Relations Committee, examines near-term cost trends. It also discusses whether current SDI plans include all the efforts needed to support a strategic defense.

In summary, the paper finds that:

The Administration plans substantial growth in SDI spending over the next two years; from $991 million in 1984 to $3,790 million in 1986. Press reports suggest continued though slower growth through 1989. While such rapid growth is not atypical of newly started research and development (R&D) programs, the SDI will consume an increasing share of DoD R&D resources, growing from about 4 percent in 1984 to about 16 percent by 1989.

Everything else being equal, growth in SDI funds between 1984 and 1985 would have been larger had the Administration funded the Army's Ballistic Missile Defense (BMD) program at levels planned in its February 1983 budget. Changes in BMD funding plans were probably tied to the shift in basing plans for the MX missile. BMD changes not only offset growth in SDI but may also portend a more fundamental shift in the Army's BMD effort, emphasizing development of a capability to defend entire areas of the United States sometime in the future rather than emphasizing the defense of specific military installations in the nearer term. This could be of concern to those who feel the United States may need to deploy a near-term ballistic missile defense in response to a potential Soviet deployment.

There are questions about the inclusiveness of the Administration's current definition of SDI. The broad definition of strategic defense implied by the President and stated explicitly by others in the Administration embraces defense against all forms of nuclear attack. But the SDI currently contains funds for research on defense against ballistic missiles. Important components of a more comprehensive defense—most notably air defense—are missing. In addition, there appear to be a number of relevant programs that are not currently included in SDI even by the narrower definition of defense against ballistic missiles.

In accordance with the mandate of the Congressional Budget Office (CBO) to provide objective and impartial analysis, the paper makes no recommendations.

Lawrence J. Cavaiola and Bonita J. Dombey of CBO's National Security Division prepared this paper under the general supervision of Robert F. Hale. Francis Pierce edited the manuscript.

OUR NATION'S FOOD SAFETY LAWS

Mr. HATCH. Mr. President, as we near the close of the 98th Congress, I want to take this opportunity to call to the attention of the Senate the great progress made during the last 2 years toward the enactment of legisla-

tion that would modernize our Nation's food safety laws. Although we did not have the opportunity to act on a bill, the increased awareness of the need for change in the laws and the growing support for such legislation among leading scientists, health professionals, and Members of Congress provides a firm foundation for consideration of food safety legislation in the 99th Congress. Let me review briefly some of the milestones we reached.

In June of 1983, the Senate Labor and Human Resources Committee held 3 days of hearings at which Members of Congress, the administration, food safety regulatory agencies, prestigious scientists, former regulators—including former FDA Commissioners—and industry and consumer groups testified. The call for change in the food safety laws was overwhelming. To give my colleagues some idea of the views of some of the expert witnesses who testified at those hearings, I ask unanimous consent that selected comments of expert witnesses at the hearings be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit No. 1.)

Mr. HATCH. In essence, the June 1983 hearings confirmed in my mind that, since the last major revision of the food safety laws in 1958, our scientific capabilities have advanced greatly while the law has stood still. Laws that were state-of-the-art in 1958 are no longer adequate. Therefore, in October 1983, I introduced S. 1938, a bill that was designed to incorporate into the law the suggestions offered by the scientific experts. An identical bill, H.R. 4121, was introduced in the House by our colleague, Mr. MADIGAN, with broad bipartisan cosponsorship across the political spectrum. As of today, S. 1938 also enjoys broad bipartisan sponsorship with 17 cosponsors. Mr. MADIGAN's bill now has 17 cosponsors as well and the American Medical Association has also endorsed this measure.

S. 1938 is intended to permit science to play a greater role in the critical area of food safety regulation. At the same time it carefully preserves the authority of FDA and USDA to carry out their essential responsibilities. It continues to require that the food industry bear the burden of proof in establishing the safety of food constituents and it retains the historic focus of our food safety laws on protecting the public health. The consensus of support that surrounded S. 1938 shortly after its introduction—and the continued growth in this support—gives me great confidence that this bill represents the next plateau in the food safety modernization debate that began when I was joined by many of my colleagues in introducing S. 1442 in the 97th Congress.

I hope you will share with me the satisfaction that has come from the educational progress, with respect to this complicated matter of public policy, that I've had the pleasure to help lead. It is my sincere hope that we can conclude the debate and modify our food safety laws in a responsible and scientifically sound fashion in the 99th Congress. For now, I thank the many of you who have worked with me as the issues involved in the food safety debate have become more focused and refined.

EXHIBIT No. 1

SELECTED COMMENTS OF EXPERT WITNESS AT FOOD SAFETY HEARINGS

Donald Kennedy, Ph.D., President, Stanford University (former Commissioner of the Food and Drug Administration): "I don't think that the general safety standard is appropriate. I think that there should be exceptions added to the Delaney Clause to permit scientific demonstration of the inappropriateness of a particular animal test on the negligibility of a particular cancer risk, and I think that the Congress should adopt a standard for negligible risk that can at least be generally understood by the agency and by others."

"My own view, which I stated on a number of occasions at the end of my time as commissioner, is that the Delaney Clause should be made more flexible before it breaks . . . The Delaney Clause is undesirably inflexible in two different ways. First, it leaves no headroom for scientific progress. Second, by increasingly requiring Agency action under conditions where the risks appear to be trivial, it invites public ridicule and disregard for the food safety laws more generally."

Jere Goyan, Ph.D., Dean, School of Pharmacy, University of California (former Commissioner of the Food and Drug Administration): "One should start by focusing the effort on identifying the food substance most likely to be hazardous. It seems to me a poor allocation of effort at this time to dilute our resources by concerning ourselves with those substances of longstanding that are unlikely to be of toxicological significance."

"Because of this—the fact that Delaney is not sensitive to advances in technology—that I believe that it has lost much of its initial utility. It is time to return to the real issue that the Delaney Clause sought to address: reasoned and reasonable protection of the public."

Arthur H. Hayes, Jr., M.D., Provost—Dean—N.Y. Medical College (Commissioner, FDA at time of this testimony). ". . . a definition of safe should be in the law; that it should, if you will, codify that which everybody, as you've heard for two days now agrees is the way that safe must be applied in a regulatory mode. Therefore, the law should admit, in a codified way, that safe does not entail zero risk . . ."

"Another problem presented by the current law is that it may soon be possible to conclude that a substance that is a carcinogen in animal species may not—because of anatomical, metabolic or other factors—present a risk to humans. These scientific factors are excluded from the decision making process under the Delaney Clause.

Fred Robbins M.D., President Institute of Medicine, National Academy of Sciences: "Protecting the safety of the food supply within the values of our society is an exceedingly complex and significant task."

"It is impossible to have a food supply entirely free of 'harmful' chemicals, since some of these chemicals, in appropriate amounts, are needed for normal metabolic function. Furthermore, our current ability to detect minute amounts of certain chemicals means that foods previously thought to be 'safe' are found not to be totally free of toxic chemicals. The goal of sound food safety policy is to minimize risks to health from foods, without unreasonably compromising availability, quality, and variety."

Kenneth D. Fisher, Ph.D., Director, Life Sciences Research Office, Federation of American Societies for Experimental Biology: "There is ample reason to conclude that food scientists will continue to develop new forms that provide sources of bio-available nutrients. . . . Similarly, toxicity testing will continue to evolve more precise techniques for measuring biological effects of substances. Thus, food safety legislation should be sufficiently flexible to provide for inclusion of these expected changes in any mechanisms for scientific input into regulatory decisionmaking."

"Any modification of current legislation should permit appropriate regulatory responses to issues arising from continuing advances in analytical capabilities."

Vincent DeVita, M.D., Director, National Cancer Institute: "These advances in analytical techniques make it possible to detect synthetic and naturally occurring carcinogens at the parts per billion level or lower, as compared to the parts per million level possible a decade ago. . . . With such techniques, it is likely we will be able to identify some traces of carcinogens in our food and water that are not possible to remove and have been present as long as these foods have been available."

Paul Newberne, D.V.M., Ph.D., Professor of Nutritional Pathology, Massachusetts Institute of Technology: "First, I should like to point out that there is no such thing as absolute safety and that there is risk in virtually all of our activities including our food habits and the foods we eat. The public has been misled into believing that we can have all the benefits of an abundant, tasty and nutritious food supply without any element of risk. This, of course, is an ideal goal, but unachievable. A more rational, scientifically sound aim is to provide an abundant, attractive, nutritious food supply with the greatest benefit and the lowest risk measured by every reasonable methods."

"The Delaney amendment has served a useful purpose over the past two decades, and I personally feel more comfortable with it in place than I would if it were abolished. Progress in analytical procedures, biological testing systems and experience in making judgmental decisions clearly indicate, however, that some flexibility is needed in the face of equivocal animal data, or even positive tests in some cases. Regulatory decisions should be made in a milieu where science, judgment, and public benefit can be intermixed to the benefit of all. There should be legislation which, while keeping the Delaney principles in place, permits or stipulates that regulatory bodies make judgmental decisions outside the rigid edict the amendment is now perceived to require."

Gerald Wogan, Ph.D., Chairman, Department of Nutrition and Food Science, Massachusetts Institute of Technology: "If we look at the entire literature dealing with carcinogens in animals that is available

today . . . roughtly 300 compounds have been identified so far which everyone would agree are carcinogenic. However, in essence, this is the way the Delaney Clause views the subject, that is, substances are either carcinogenic or they are not carcinogenic—but if one looks at the details of these experiments and particularly with respect to the kinds of levels that were administered to animals one finds a range of effective doses that extends over a range of roughly a million-fold . . . some substances are very powerful carcinogens: others are very weak carcinogens. Here again, the Delaney Clause . . . as it . . . interpreted, in the past, does not permit an accounting of the potency factor.

"It seems to me that a change in the kind of language in the Delaney Clause that would permit adequate protection but introduce sufficient flexibility for the science would be very worthwhile."

Gilbert S. Omenn, M.D., Ph.D., Dean, School of Public Health and Community Medicine, University of Washington: "Interest in the techniques and assumptions, the data and models, and the embedded policies and values in risk asessment is widespread and growing. The relevant federal agencies are deeply engaged, and the last three Administrations have pushed hard for better and more explicit analytical work in the regulatory arena."

"We should be clear that there is much to be learned about the doing of risk assessment and the most appropriate assumptions and extrapolations. Policy guidance on such matters as testing guidelines, statistical treatment, choice of mathematical model for extrapolation to low doses, and choice of scaling factor for extrapolation from animals to humans can enhance the usefulness of risk assessment and remove some of the non-scientific, spurious discrepancies which are wrongly attributed either to the scientific evidence or to the methodologies of risk assessment. However, we should recognize that it is a long and uncertain leap from qualitative and quantitative risk assessment to politically and socially acceptable risk management decisions."

SPECIAL OLYMPICS

Mr. HATCH. Mr. President, I would like to share the following article about Special Olympics with my colleagues in Congress. The story appeared in the September 30, 1984 issue of Parade Magazine. It provides an excellent description of this special sports program and the positive effects it has had upon the lives of handicapped youth and their families.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A STORY OF WINNERS CHILDREN WHO CONQUER

Five years ago Jon Franklin, 9, could neither talk nor eat, could barely walk and was, quite literally, starving to death. He was born with Down's syndrome, a form of mental retardation. When his natural parents were told that their son was handicapped, they refused to take him home from the hospital. He was institutionalized for a time, and then passed from one foster family to another, for four years nobody's baby but God's. He was never taught how to talk or potty train or any of the other skills a child needs to survive decently. He knew how to cry and to make a gruff animal sound, a hoarse growl of distress, but nothing more. By the time Jon was almost 4, he could not keep food down anymore; after a bite or two, he threw it up. Doctors dismissed his vomiting as a psychological quirk, explaining that he simply refused to learn how to eat, as if this unhappy little boy had been spoiled by life. He was slowly dying of starvation, and no one wanted him.

But this story has a happy ending. Jon Franklin prevailed.

I visited Jon this summer in Alexandria, Va., where he lived with his adoptive family in a modest Cape Cod style house on the edge of a woods. It was early afternoon, and Jon had just come home from school, dressed in shorts, sneakers and a blue T-shirt on which was printed: I am a child of God. He is an active, sturdy boy now, although quite small for his age. Blond, given to laughter, immensely playful. His blue eyes express an innocence and trust that is remarkable given the cruelty and pain he has borne. He has trouble speaking—his enunciation is not always exact. Yet is is a miracle that he speaks at all.

In the living room, his adoptive mother, Wanda Franklin, 36, brought him over to meet me. I squatted to be nearer his height. He studied me a moment, grinned and yelled, "Hi!" falling against me in a hug.

He asked me if I would play basketball with him. I said sure. But first, his mother said, he had to nap for an hour. Jon made a face and walked to his room. "We'll play later?" he asked. Yes, I said, we'll play later. He smiled big.

Jon was to compete the next day in the regional Special Olympics at a high school in Alexandria: 550 other mentally handicapped children and adults would also participate. Founded by Eunice Kennedy Shriver and supported by the Joseph P. Kennedy Jr. Foundation and public gifts. Special Olympics has become the fastest-growing sports program in the world. Last summer it held more than 20,000 separate sports events for a million handicapped athletes in every state and 50 foreign countries.

Before Special Olympics began the mentally handicapped were considered incapable of competitive sports. It was argued that they might hurt themselves or become confused or frustrated, that such competition would only reinforce their feelings of inadequacy and abnormality. Special Olympics proved the falseness of those agruments and has given millions of handicapped children the thrill of physically striving and winning. Jon Franklin is one of the kids whose life has been changed by Special Olympics.

"It's always the biggest day of his life." said Britt Franklin, 39, Jon's adoptive father. "He gets to be king for the day. He lives for it and cherishes it. Special Olympics is Jon's chance to be normal. To be praised. No matter whether he placed first or last, everybody gets a standing ovation, a ribbon, to be the center of attention. It's absolutely astonishing the difference it makes. You want to cry when you see the look of triumph on their faces, these kids who have so little chance to triumph."

While Jon napped. I sat with Wanda and Britt in the living room, and we talked about their little boy. What I heard was the story of a defenseless child's long and lonely battle to live—a portrait in courage.

"We couldn't have children of our own" Wanda said, "but we badly wanted to." A very pretty woman with brunette hair and dark eyes. She spoke in a high somewhat unsteady voice. Shyly. "Every few years, I had medical tests to see if I might be able to become pregnant. I had some surgery and the doctors thought I might. I was in my mid-30's and there is a chance of having a Down's syndrome baby as you age. We had been taking in foster children, so I called social services and asked if I could take in a retarded child. Two weeks later, Jon came to us."

He came to them a very sick little boy of nearly 4. He was dying. Fragile and weak, when he tried to walk, he would take two or three steps, then sit down and cry. He was suffering from starvation caused by his inability to swallow food. Wanda took him almost daily to see doctors. She was told repeatedly that Jon's vomiting was psychological, as if he was doing it to get attention or out of stubbornness. The doctors, Wanda said, didn't seem to care; their attitude seemed to be that he would be better off dead.

"Then, one day, Jon was at the table," she continued. "He ate a little bit, spit up, then went to his bed and lay down. It broke my heart to see him lying there, so tiny and weak. I knew he was going to die, that he couldn't go on anymore."

She took him to the hospital and insisted that they admit him. If they refused, she told them, she would sit and hold him in the waiting room and he would die there. They admitted him.

"I sat in the waiting room for hours," Wanda recalled. "Nobody came to tell me how he was doing. Finally, I saw a doctor. He said Jon had come out of surgery hours ago. Somebody, he said, had poured lye down Jon's throat! I was shocked. I couldn't believe that anybody would make a baby drink lye." Tears came to her eyes. "They found he had a hiatal hernia. Acid from his stomach was getting into his esophagus, and he had a 2-inch ball of food choked up in there and cutting off his throat. That's why he couldn't swallow," she said angrily.

The surgeon reconstructed part of Jon's esophagus so he could eat again, and they removed the hernia in his stomach. That was June 1979. It was six months before he could eat solid food, three years before he could speak.

When Britt went to visit Jon in the hospital, he found the boy in bed with a fever of 104. The doctors didn't know what was causing it and, Britt said, they didn't seem to care much. Finally, they checked the incision across Jon's stomach, 6 inches in length. It was heavily infected. They tore out the stitches, and Jon screamed in pain. The doctor took a swab and started cleaning out the wound with peroxide. When Britt demanded that the doctor give the boy a pain killer, the doctor ignored him.

"I mean, his belly was open and they were swabbing it out, and the kid was in horrible pain," Britt recalled. "They did nothing to ease the pain. I had to sit there and hold this little kid while the guy cleaned him out. I've been in Vietnam, and I have never seen such agony as that boy went through.

"But within seconds after it was over, he was fine. I was so deeply impressed—his strength. Jon never quit. For weeks on end, I had to clean out his wound while Wanda held him down. He was uncomplaining. He's really special. The joy of being around someone with that kind of courage is indescribable. I could not bring myself to give him back. We adopted him because I knew

Jon was home. He is where he belongs. He is ours."

I went into the bedroom to get Jon. When I turned on the light, I saw him lying on the bed grinning up at me. He hadn't slept a wink. He stood up on the bed. "See my ribbons?" he said. On the wall were pinned ribbons he had won in Special Olympics. Blues and reds. "Basketball throw." He pointed a ribbon. "Fifty-meter dash. Softball throw." He smiled with pride.

Late that afternoon Jon spent the remaining hours of light practicing on a blacktop basketball court in a clearing in the woods near his home. For hours, he raised the heavy ball, eyed his target, gritted his teeth against fatigue and with a burst of effort threw it into the air, trying to make a basket, never giving up. He would shout with delight when the ball merely banged off the backboard. At last he made it in. I marveled at his determination. I have met many brave people, but Jon Franklin, this little boy, was their match.

When it was time to go, I lifted him in my arms and carried him through the darkening woods toward home. "Didn't I do good? I made a basket!" he exclaimed.

The following afternoon at Special Olympics, he won two second-place ribbons, in the standing long jump and the 50-meter dash. He came home, clutching his ribbons, in triumph.

Another Special Olympian is Jeff Gregory, II, who until recently lived in Fowler, Colo., a small farming community where his father was school principal. Jeff, like Jon Franklin, is a Down's syndrome child, one of more than a million who compete in Special Olympics each year.

I arrived in Fowler in time to go to the regional Special Olympics in Lajunta (15 miles away), where Jeff would participate with 250 other handicapped kids and adults. He is a handsome child, blond and blue-eyed like Jon Franklin and, like Jon, small for his age. Jeff is a very competitive boy and, like many handicapped kids, unusually affectionate. He is without a sense of hate.

It was a warm, sunny day. The high school stadium was crowded with volunteers, members of the Olympians' families, friends, teachers and "huggers," volunteers whose sole task is to hug and praise the athletes. Every child, regardless of how he does, receives lots of praise and a ribbon simply because he had the courage to enter an event.

I sat in the bleachers with Jeff's parents, Mike and Pam Gregory, both 36, watching the athletes warm up. Jeff was stretching and doing jumps, looking earnest, getting ready for the 50-meter dash.

The entire event, played out on a dusty field in a small town, was a pageant of human courage.

It began with the lighting of the Olympic flame and the saying of the oath. One of the first events was a wheelchair race, six boys and girls with physical and mental disabilities pushing themselves in wheelchairs up a 100-yard track, their faces filled with determination and, for some, pain. They would not give up. As each in turn crossed the finish line, each was cheered and applauded and embraced by huggers.

Five children in wheelchairs crossed the line. The sixth, far back in the distance, was a boy of about 13, with dark hair and beautiful eyes that were focused with fierce intensity on the paper ribbon that marked the finish line. He was shoving his chair backward, the only way he could make it move, looking over his shoulder at his goal. I didn't think he could make it—he had only partial use of one leg. His thin body contorted and hunched grotesquely in the chair, he kicked with his foot at the dusty track, moving his chair inch by inch toward the finish line. It took him a very long time, but his eyes never left the ribbon, his foot continually digging into the earth like a protest against his infirmity. We cheered him on, this crippled, disfigured, heroic child who refused to give up the race.

At last his wheelchair lurched over the line. He came in last, yet he had won the hardest race of all. I will never forget seeing him line up in center field with the other racers to receive his ribbon. We cheered him again as he sat in that awful chair, tears filling his eyes, his beaming face declaring, more strongly than words, his pride.

Then it was Jeff Gregory's turn to run the 50-meter dash. He stood in place with five other retarded children, each nervously eyeing the others. The gun fired, and they went running down the track, some moving awkwardly, others, like Jeff, running like normal children, all of them determined to complete the race. They all did, and we ran to the finish line and hugged them all."I won! I won!" Jeff shouted, jumping up and down. He had come in third, but in a larger sense he had indeed won.

I looked at his parents. They were unabashedly proud. Later, his father said to me, "Jeff's very sensitive. Every time he does something new, we cheer, because it's a miracle. The least little thing he does is exciting. If he tries to use a big word—he tried to use 'obnoxious' last night—or when he added seven and eight and finally got it right, that's exciting. He loves sports, but he wouldn't be able to compete if it weren't for Special Olympics. It's the biggest thing in his life. The school districts provide for athletics, but not for Jeff.

"He loves basketball, but he'll never know what it feels like to play it. This year, even when it snowed, he went out and shot baskets. He's gotten really good. But he'll never be part of it, and there's a sadness there. Three years ago, we first took him to Special Olympics, and his ribbons made him King Tut! Was he excited! What it said to him was, 'I can be somebody.' He could strut his stuff, and nobody could put him down. He performs the best he can. He knows that, and that's all that matters to him."

Until the Gregorys moved to Cedar Edge, Colo., not long ago, Jeff was the only retarded child in his school. Today, in another school, he's in a class with other retarded kids. But because he lives in a normal world where he will never do as well as the majority of other children, where he will fail and fail again. Special Olympics are the only occasions where he will win and know that he has. In time, as he gets older, he may grow isolated and removed, as do many such children as they age. But he will always have the memory of these games, the ribbons he won, the praise he received.

When the meet was over, dusk settling over the stadium, I sat in the bleachers and watched the children scattered like petals at random on the grass, their shadows long across the field. I remembered other children, also retarded, whom I had seen in state hospitals—children whose parents cannot or will not care for them and are dumped like so much refuse in prisonlike institutions, holding pens for many of the weakest, most defenseless among our people. I have seen them housed there, unable to appeal, often physically and sexually abused. I have seen them sitting by the hundreds in dim, bare rooms, sitting in their own urine and feces, little children naked and unwanted, their arms cradling their bodies, rocking endlessly in rooms with concrete floors. If nothing else, Special Olympics teaches us that the Jeffs and Jons of this world, and the boys who make their triumph in wheelchairs down dirt tracks, deserve better than to be locked away. Their singular courage adorns the earth.

SENATOR JENNINGS RANDOLPH

Mr. PRYOR. Mr. President, I want to say a final word on the floor of the Senate in recognition of my friend and mentor, Senator JENNINGS RANDOLPH of West Virginia.

Emerson said that history is nothing more than the shadow of great men, and I think he must have had great foresight in looking ahead to the distinguished career of JENNINGS RANDOLPH. Our friend and colleague was a freshman 50 years ago, and in a real sense he never ceased being new to the job. Even when he was celebrating a half-century of dedication, he was as fresh and original as the first day he came to work. He never tired. And he never let the duties and responsibilities of being a Senator overcome him.

Look for a minute at the background JENNINGS RANDOLPH brought to this body: newspaperman, college professor and dean, airline executive, even Member of the House of Representatives for 14 years before coming to the Senate. We will miss his example as a hardline parliamentarian. We will miss his optimism and determination, his friendly persuasion, and his sense of what is right in legislation.

I commend JENNINGS RANDOLPH and wish him all the best for a long and distinguished retirement.

SENATOR JOHN TOWER

Mr. INOUYE. Mr. President, for more than two decades Senator JOHN TOWER has served in this body in a manner that I have respected and admired. His stated No. 1 priority as a Senator has been national security, and in this area he has enjoyed notable success and fulfillment of his goals.

On this eve of his retirement, I wish to join in praising JOHN TOWER's rich contributions to this body and to our Nation.

As the chairman of the Armed Services Committee for the past two Congresses, Senator TOWER has devoted substantial time and enormous energy to strengthening our Nation's military defenses. Under his leadership the role of this committee in influencing national defense policy has grown, and with it the voice of the Senate. His dedication to this task and attention to detail has been unsurpassed. None of us could ask more of a chairman.

JOHN TOWER and I have occasionally found ourselves on opposite sides of

issues facing this body. But I have always been impressed with him as a reasonable and very articulate spokesman for his position. Through our debates, we have breathed life into the Senate envisioned by our Founding Fathers—a deliberative body that serves as a crucible in which conflicting ideas can be discussed, thereby enabling consensus decisions.

The Senate has been enriched by the presence of our colleague from Texas. He will be deeply missed. I wish JOHN TOWER and his family the best of success in all their endeavors in the years to come.

TRIBUTE TO SENATOR HOWARD H. BAKER, JR.

Mr. INOUYE. Mr. President, I wish to join my colleagues in paying such deserved tribute to our departing friend and colleague, the distinguished majority leader of the U.S. Senate. I will keep these comments brief because the measure of a man is not the length of our tributes to him but the imprint that he has left upon this institution and the business of our Nation. In the case of HOWARD BAKER, this has been great.

Senator BAKER is a man who has earned the deep respect and admiration of all those who have had the privilege of knowing him. His skillful leadership over the past years as both minority and majority leader has transcended party lines and attests to his capabilities as a fair and compassionate man, a skillful legislator, and a great American. His early leadership in the area of civil rights, his vision during the debate on the Panama Treaties, his incisive and insistent pursuit of truth during the Watergate hearings all point to a man who will be greatly missed not just by Members of the Senate but the Congress as a whole.

I wish HOWARD BAKER every success in his new pursuits and feel certain that he is someone about whom we shall hear a great deal more in the years ahead.

TRIBUTE TO RETIRING SENATOR JENNINGS RANDOLPH

Mr. THURMOND. Mr. President, I rise today to salute my good friend and distinguished colleague, Senator JENNINGS RANDOLPH, who is retiring at the end of his current term in the U.S. Senate.

Senator RANDOLPH and I have served together in this body for 26 years, during which time I have admired him for his staunch character and great ability. He has displayed enormous energy, and his courtesy and diplomacy have made him very popular among his colleagues, regardless of party affiliation.

Mr. President, I served as a delegate to the Democratic Presidential Nominating Convention in 1932, the year that the party nominated and the country elected Franklin D. Roosevelt as President. That same year the people of West Virginia sent JENNINGS RANDOLPH to Congress, where he served for 14 consecutive years. He is the only Member currently serving in Congress who was elected with Roosevelt. He has served long and well, casting approximately 10,700 votes during his House and Senate tenure.

Throughout his career in public service, Senator RANDOLPH has been at the forefront in addressing issues of importance to the citizens of West Virginia and the entire Nation. He has always been keenly interested in young people, for whom he has a natural affinity. In fact, Senator RANDOLPH was the author of the constitutional amendment which granted the right to vote to 18-year-olds. He continues to give speeches encouraging young people to register and vote and recently spoke on that theme at my alma mater, Clemson University, where he made a fine impression.

Senator RANDOLPH has also been a great champion of public works. For example, he has sponsored legislation which improved our Nation's highway system, and legislation creating various water projects, the Appalachian Regional Commission and the Economic Development Administration.

Senator RANDOLPH has taken an especially active role in addressing the needs of our Nation's veterans and those who are handicapped. He is a true patriot and a great American.

Mr. President, Senator RANDOLPH has revered the Senate and has insisted on dignity and decorum in these Chambers. He will be sorely missed. I want to take this opportunity to salute him and wish him the best in his retirement.

SALUTE TO SENATOR HOWARD BAKER

Mr. SPECTER. Mr. President, I consider myself fortunate to have begun my service in the U.S. Senate when Senator HOWARD BAKER was the leader of my party and the leader of the Senate. He has provided a unique blend of leadership combining strength to achieve legislative goals with an understanding of his fellow Senator's requirements for independence and the interests of his State.

Beyond his extraordinary qualities of leadership, Senator BAKER has exhibited a refreshing sense of humor which both captures the spirit of the occasion and breaks the tension to the benefit of all within earshot.

All of us in the Senate, Democrats and Republicans alike, will miss him. I look forward to continuing our personal relationship and friendship, as he pursues his new career.

When I congratulated him recently on his prospective association with his new law firm, I did not inquire about the accuracy of the media report that he would earn $700,000 a year. Knowing something about big firms, the practice of law, hourly rates, and so forth even at that compensation, HOWARD BAKER will be underpaid.

SENATOR HOWARD BAKER

Mr. MATTINGLY. Mr. President, it is difficult, in a few words, to characterize a man like my friend HOWARD BAKER. Somehow, it is not enough to say that the distinguished majority leader is an outstanding statesman, a warm, intelligent, and dedicated public servant. I believe a personal experience I had with the majority leader about 4 years ago gives some insight into the character and personality of the man.

Senator BAKER came to Georgia in 1980 to give my campaign for the Senate a shot in the arm. Among the questions that reporters often asked him as to assess my chances in the election. Without hesitation, he would respond that he believed MACK MATTINGLY had as good a chance for victory in 1980 as he had the first time he ran for the Senate in Tennessee. Coming from the Republican leader of the Senate, that seemed to me the perfect answer to that question. The press, apparently, was satisfied by it as well. It wasn't until some time later that I learned HOWARD BAKER had lost his first Senate race back in 1964. Since no one remembered that fact, what Senator BAKER had said was the perfect answer to what could have been a difficult question. To me, that was an early example of the kind of diplomacy that is so often needed here on the Senate floor and that we have come to expect from the majority leader. More than that, it demonstrated that subtle sense of humor which I have grown to appreciate.

Mr. President, it has been a privilege for me to serve my first two Congresses under the strong leadership of HOWARD BAKER. For that is what Senator HOWARD BAKER is—a strong leader. We in this Senate recognize that and, I believe, so do the American people. Prior to Senator BAKER's being elected as Senate majority leader, he had his eyes on the 1980 Presidential race. Writing in "America in Search of Itself" Theodore White described HOWARD BAKER as one of the big four contenders for that year's Republican Presidential nomination. He said of the Senator:

> Both the shortest * * * and the youngest * * * of the major candidates, HOWARD BAKER could not be taken lightly. Seated, he was the tallest man in the room. He was as smooth and well-spoken as

anyone in high place, a political professional in the best sense of the word.

There is no disputing the fact that during his tenure as majority leader, seated or standing, HOWARD BAKER has often been the tallest man in the Congress. As the first Republican majority leader in 25 years, he has led the Senate during a pivotal time in our history. It has been a time and a position which have demanded much from him—ingenuity, intelligence, a kind of pioneer spirit of leadership, fortitude, and courage. My good friend from Tennessee has artfully exhibited all of these qualities.

They are the stuff, Mr. President, of which great men are made. It is history, more than it is a man's contemporaries, which recognizes greatness and gives perspective to a career. But I am confident that when students of history look back on our time, Senator HOWARD BAKER will rank among the giants who have served in this body. He will be blamed alongside Webster, Clay, and Calhoun, Johnson, and Dirksen, and Russell.

In these closing hours of the 98th Congress, we are preparing to say goodbye to a distinguished leader. I am saying farewell to a close personal friend as well. I want history to know something of HOWARD BAKER the private man. Despite the demands of his office, Senator BAKER always had time for a freshman Senator. Because of that, we have cultivated a warm friendship. Many are familiar with HOWARD BAKER's photographic accomplishments; few know that he has spent hours with me and others who are interested in photography imparting to us what he knows of the subject.

I mention this, Mr. President, because I think it says something else about the man. He is generous with his time and with his expertise. He does not serve to bring glory to himself, but he serves to give. That is what I will remember about my friend HOWARD BAKER.

Best of luck, Mr. Majority Leader, as you reenter private life. We will miss you and the country will surely feel the loss of your leadership in the Senate. I know Theodore White was right—you are not to be taken lightly. I suspect we in this Nation will continue to profit by your service. And I thank you.

THE RETIREMENT OF SENATOR JOHN TOWER

Mr. THURMOND. Mr. President, I rise in tribute to one of our distinguished colleagues who is retiring after more than 23 years in the U.S. Senate. He is JOHN TOWER of Texas. His accomplishments are legion, but he will probably be remembered most for his contribution to the defense of our Nation as the ranking minority member and then chairman of the Senate Armed Services Committee.

Senator TOWER was born in Houston, TX, on September 29, 1925. He is the son and grandson of Methodist ministers. Senator TOWER grew up in a number of east Texas communities, and now makes his home in Wichita Falls.

At the age of 17, shortly after the outbreak of World War II, JOHN TOWER enlisted in the Navy and saw combat on a gunboat in the western Pacific. He is proud of his Navy background and, as a master chief petty officer, is the only enlisted Reservist in the U.S. Congress.

Senator TOWER received a bachelors degree in political science from Southwestern University, a masters degree in political science from Southern Methodist University, and did graduate work at the London School of Economics. Prior to his election to the U.S. Senate in 1961 to fill the seat vacated by then Vice President Lyndon B. Johnson, he was a government professor at Midwestern University in Wichita Falls, TX. He has been reelected three times, in 1966, in 1972, and in 1978.

JOHN TOWER is the second most senior Republican in the Senate, in addition to his chairmanship of the Armed Services Committee, he is the chairman of the Senate Republican Policy Committee and sits on the Budget Committee and the Banking, Housing, and Urban Affairs Committee, where he is the chairman of the Housing and Urban Affairs Subcommittee.

Senator TOWER is a 33d degree Mason and Shriner and is a member of the American Association of University Professors, the American Legion, the Texas Historical Society, the Texas Philosophical Society, and the Methodist Church. He is a trustee of Southwestern University and of Southern Methodist University, a past worthy grand master of the Kappa Sigma fraternity and an honorary fellow of the London School of Economics. Senator TOWER is married to the former Lilla Burt Commings and has three children, Penny, Marion, and Jeanne.

As the former ranking minority member of the Senate Armed Services Committee and then as chairman, Senator TOWER has become known as one of the most effective and knowledgeable Members of the Congress in matters relating to our national defense. In September 1979, he used the focus of the SALT II debate to highlight U.S. deficiencies in our Armed Forces. His efforts were instrumental in Congress voting for an increased defense budget ceiling far beyond that planned by the Carter administration. Senator TOWER's consistent ability to identify in detail the relationship between levels of defense spending and the ability of our Nation to fulfill its national defense commitments have played an important role in the increased defense spending authorized by the Congress in recent years.

Understanding the importance of service men and women to our national security, he has sponsored legislation to correct deficiencies in the retired servicemen's family protection plan and was the author of the provision in law whereby active duty military personnel who choose to retire at a date after they first become eligible for retirement will not suffer a pay cut for their patriotism.

Senator TOWER's hard work has been recognized by numerous honors throughout his career, such as the L. Mendel Rivers Award from the Noncommissioned Officers Association, the Doughboy Award from the U.S. Army, and the Maxwell D. Kriendler Award from the Air Force Association. Probably the most unique honor bestowed on Senator TOWER, however, came in 1982 when he became the first Member of Congress in more than 80 years to be invited to deliver the commencement address at the U.S. Military Academy at West Point.

Mr. President, the Nation is indebted to JOHN TOWER for his efforts during his past 23 years of public service as a Member of the U.S. Senate. We will miss his leadership, his courage, and his dedication to our Nation.

Senator JOHN TOWER has been a close friend and a colleague, and I sincerely hope that his retirement from the Senate will in no way signal an end to his distinguished career of public service. I wish him, his lovely wife, and his children good health and happiness in the years ahead.

TRIBUTE TO SENATOR PAUL TSONGAS

Mr. KENNEDY. Mr. President, as the 98th Congress prepares to adjourn, I want to take this opportunity to pay tribute to my friend and outstanding colleague from Massachusetts, PAUL TSONGAS, who is retiring from the Senate as this session ends.

All of us respect the decision PAUL has made to leave the Senate after only a single term. But we understand his decision and we respect him all the more for it.

From the day he took his seat in the Senate, PAUL impressed us all with his unusual ability, profound commitment, and quiet passion. His uncommon eloquence in the cause of peace and his principled leadership in the search for arms control have immeasurably enriched our national debate on this all-important issue that will determine the fate of all humanity.

Time and again on the floor of the Senate, we have seen PAUL TSONGAS cut through the confusion of debate,

and teach the Senate a new lesson and a new wisdom about the nuclear peril. Always, when the going has been toughest, he has summoned us to stand firm against any strategy that relies on relentless nuclear buildups and mindless nuclear militarism.

In this Chamber, PAUL TSONGAS has also been perhaps the truest and most persistent voice of our time on the issue of human rights. A quarter century ago, John F. Kennedy had the idealism and concern of young Americans like PAUL TSONGAS in mind when he created the Peace Corps. And in all the years since his own days as a volunteer, PAUL TSONGAS has generously fulfilled the dream my brother had for a new generation of American leaders who would dedicate themselves to the cause of hope and progress for all peoples everywhere.

In the Senate, PAUL TSONGAS has been a powerful voice for an end to the conflict in Central America, for freedom for Soviet Jews, for majority rule in South Africa, and for all those on this Earth who suffer from tyranny and oppression.

There was no finer moment in recent years in the U.S. Senate than when PAUL TSONGAS took the floor a few months ago, and in simple words of powerful eloquence made an irrefutable case to halt the flow of American dollars for terrorism against innocent civilians in Nicaragua. By the narrow margin of two votes, PAUL's position failed. But I suspect that everyone on the Senate floor who heard that debate understood in their heart—however they may have voted—that PAUL TSONGAS was right.

We will also remember PAUL for his extraordinary facility in dealing with new and complex economic principles, his dedication to education and high technology, and his perseverance in achieving compromises that others had found impossible on deeply divisive issues like the Alaska lands legislation, the rescue of Chrysler, and the future of the auto industry.

But most of all, PAUL TSONGAS left an indelible mark in the Senate through his leadership in urging a new agenda for the Nation that would be equal to the new challenges of the 1980's. And in all of these endeavors, PAUL has sought to point us to the future without losing sight of the values of the past. This is the lesson of his service—that if we seek new ideas—and we do—it is in order to advance the abiding principles of progress and justice, compassion and peace.

Truly, it can be said of PAUL TSONGAS—everything he touched, he left better than he found it. He gave something back to America in return for all it has given him.

Massachusetts will miss him in the Senate, and so will each of us. I am proud to have had him as a colleague and a friend, for he is one of the best Senators Massachusetts has ever had.

TRIBUTE TO SENATOR HOWARD BAKER

Mr. KENNEDY. Mr. President, as the Senate prepares to adjourn and the 98th Congress comes to an end, all of us in this Chamber, on both sides of the aisle, regret that our distinguished Majority Leader HOWARD BAKER has decided to take his leave—and move on to other things.

Over the years, all of us have come to respect HOWARD BAKER for his intellect and integrity, and to love him for his country eloquence.

HOWARD BAKER is one of the most able and most decent human beings I have ever met. He may just be the finest Senator Tennessee has sent to Washington since Andrew Jackson—who also left the Senate to go on to other things.

HOWARD BAKER is also a leader with great patience—and, I might say, with a reputation for patience even greater than the patience itself.

Of course, as we all know, HOWARD BAKER got his start in politics because his father-in-law was Senator Everett McKinley Dirksen. And I for one have always been a little wary of anyone who tries to get ahead on the basis of a famous family connection.

Actually, HOWARD BAKER likes to tell the story how his career began—at a Republican campaign rally in 1960 when my brother was running for President. At the time, HOWARD had been driving Senator Dirksen around the State of Illinois for a round of campaign appearances. And at this particular rally, in Alden, IL, Senator Dirksen complained that my brother was becoming famous for serving on a PT boat—but that no one had ever suggested that his son-in-law and chauffeur, HOWARD BAKER, who had also served on a PT boat, was qualified for public office.

From that point on, though, people did start to notice HOWARD BAKER, with results that are plain for all to see and that obviously are not concluded yet. Certainly, he is not being carried back to Tennessee on his shield.

We will remember HOWARD BAKER in the Senate for many things: Poet, philosopher, photographer—and politician in the finest sense of the word. Surely, he will be in Bartlett's next edition for his famous epigram in Watergate about what the President knew and when he knew it.

We will miss HOWARD BAKER in the 99th and future Congresses—but his leavetaking now from the Senate is unusual in one other important respect. For HOWARD BAKER is departing, not in an atmosphere of sadness, but with an air of anticipation and at the height of his powers.

For HOWARD BAKER, it may well be that the best is yet to come—and I suspect that all 99 of us who have valued his friendship in this body these many years will say: "It couldn't happen to a nicer guy."

TRIBUTE TO JENNINGS RANDOLPH

Mr. LAUTENBERG. Mr. President, I could not let this session come to an end without paying tribute to the senior Senator from West Virginia, JENNINGS RANDOLPH, who is retiring from the Senate after 26 years of distinguished service to the people of West Virginia and the Nation.

This year I had the privilege of working with this native of Elkins, WV as a member of the Environment and Public Works Committee. Senator RANDOLPH currently serves as ranking Democratic member and, of course, was chairman of the committee for many years. I have come to rely on him as an invaluable source of advice, encouragement and support, and I will miss him.

Mr. President, the legislative accomplishments of JENNINGS RANDOLPH are so extensive, and have had such a pervasive influence on our Nation's development, that it is impossible to do more than touch on the highlights of his contribution to our country. But, one clear thread emerges from his decades of devoted public service: a commitment to progress and a vision of the future. Since 1932, when he came to Washington with Franklin Delano Roosevelt, JENNINGS RANDOLPH has been a part of the national political landscape. He has served during days of despair and poverty, and during times of war and peace. He has played a central role in the Congress during a remarkable period of American history.

Among JENNINGS many achievements is the creation of the Interstate Highway System. Perhaps no other Member of the Senate has a more intimate knowledge of America's highways and the programs that serve them. Our Nation's extensive airport system stems from legislation he championed in 1946. The remarkable transportation system that has developed as a result of his initiatives underpins our economy. His authorship of the Appalachian Regional Development Act and Economic Development Act has played a critical role in the economy of West Virginia and the Nation.

While JENNINGS is perhaps best known for his work on the Environment and Public Works Committee, he has made a far broader contribution. In 1936 he authored the Randolph-Sheppard Act to assist the blind and was the first chairman of the Senate Subcommittee on the Handicapped. As

a long-standing and senior member of the Labor and Human Resources Committee, he has steadfastly supported a humane government, which assists those in need and provides opportunities for all of our citizens.

In 1942, JENNINGS introduced an amendment to the Constitution to grant 18-year-olds the right to vote, a reflection of his faith in our young people and his interest in involving them in public life. His persistence in seeking voting rights for young adults resulted in the ratification of this proposal as the 26th amendment to the Constitution in 1971.

JENNINGS' commitment to eliminating war and building a lasting peace around the world is evident in his determined effort to secure congressional approval of a U.S. Academy of Peace. The respect and affection all of us feel for JENNINGS is reflected in congressional approval, in the closing days of his last session of Congress, of the U.S. Institute for Peace as part of the DOD authorization bill. I joined with many of my colleagues in cosponsoring JENNINGS' original legislation to establish such an institution and am enormously pleased that we were able to approve it before his retirement. Establishment of the Institute will permit scholars and others devoted to peace to better understand the roots of war and the steps we must take to move us away from international conflict. The U.S. Institute for Peace will stand as a lasting legacy to JENNINGS' hopes for his country and the world.

Mr. President, on a more personal note, I want to make mention of the fact that I have a particularly warm spot in my heart for the senior Senator from West Virginia. On many an occasion, I have listened with rapt attention to his recollections of critical decisions for our country in which he participated, and to his recall of personalities and political encounters he witnessed over his years of public service. He has a faith in this Nation, and an understanding of its dynamics, paralleled by few in public life.

JENNINGS is also a source of comfort to his colleagues. When I rose in this body to offer my first amendment, he was there to support it and encourage me in my efforts. Earlier this year, when my first major bill, The Uniform Minimum Drinking Age Act of 1984, was considered by the Senate, JENNINGS made a remarkable speech in support of that measure. The bill was not without controversy and he could have remained silent. But he did not. His words carried great weight because of his experience and insight.

JENNINGS RANDOLPH, Mr. President, is a great Democrat, with both a capital "D" and a small "d." He has championed the cause of those who, for one reason or another, could not help themselves. He has kept faith with the great Democratic traditions into which he was born. Nevertheless, the Senator from West Virginia has never let progress fall victim to partisanship. He knows that the future will be shared by all of us, regardless of party.

Mr. President, a few days ago, the Committee on Environment and Public Works approved legislation to name the Federal building in Elkins, WV, for our esteemed colleague. No one could deserve this honor more than JENNINGS, and I was pleased to support that bill. Yet, Mr. President, in a sense, all of our Nation's public buildings, roads and bridges, airports, environmental programs, and historic sites carry JENNINGS RANDOLPH's name. There are monuments to JENNINGS RANDOLPH in every State in the Nation.

The gentleman from Elkins, VA, is a deeply religious man, and he knows the biblical admonition that "Where there is no vision, the people perish." The citizens of the United States have been nourished and enriched by the vision of JENNINGS RANDOLPH. Mr. President, I thank the Senator from West Virginia for his friendship and guidance. I wish him Godspeed in his work in the years ahead.

GOOD WISHES TO SENATOR PAUL TSONGAS

Mr. PRYOR. I wish to commend my colleague, PAUL TSONGAS, Mr. President. And I wish to say that in my time here he has acted as a friend and example to me. We came to the Senate together in 1979. Even then, PAUL TSONGAS had distinguished himself in the House of Representatives, where he had served for 4 years. We expected outstanding work from him, and that is exactly what he delivered.

Although we were saddened to learn of his retirement from the Senate, all of us who knew and admired PAUL also knew that his was the right decision. He will be able to devote valuable time and attention to his family. His wife and children will be the beneficiaries of his time and devotion, and they are the ones who will value the most his dedication and sense of responsibility.

I want to wish everything good to my friend and colleague. We will miss PAUL TSONGAS in the Senate. We'll miss his sense of fair play and his grasp of the complex issues the Senate faces. I will miss him as a friend. I hope he will return often and that he has every success in his law practice. He has the best regards of all our Members, Mr. President, just as he had while serving in this body.

TRIBUTE TO SENATOR JENNINGS RANDOLPH

Mr. INOUYE. Mr. President, I rise today to express my appreciation of and admiration for Senator JENNINGS RANDOLPH, a true legislative pioneer and the only person serving today in the U.S. Congress who had a very real part in the difficult economic decisions made in the "first 100 days" of the Roosevelt administration.

Senator RANDOLPH's legislative accomplishments are monumental. He has been a leader for all of us in transportation, and his expertise transcends our Nation's transcontinental highway system as well as our Nation's airway system. He sponsored the legislation authorizing the construction of the National Air and Space Museum, which many of us see every day on our way to the U.S. Senate. His efforts on behalf of our comprehensive environmental legislation, including the Clean Air Act, the Clean Water Act, The Endangered Species legislation, as well as various energy conservation measures, are unsurpassed.

As an original member of the Senate Veterans' Affairs Committee, many of us in this body personally owe him a great deal of gratitude. On a personal level, his continued enthusiasm for innovative approaches to address the many pressing and truly unique rehabilitation and social needs of the Pacific Basin region are especially appreciated. In fact, it was Senator JENNINGS RANDOLPH who first suggested to me that we should jointly seek to establish the comprehensive Pacific Basin Research and Training Center so that all the residents of the Pacific Basin have an opportunity to lead their individual lives to the fullest. His concern for the individuals extended even further, and Senator RANDOLPH has become one of the most staunch supporters of my State's native Hawaiians. Most recently they were included in the Developmental Disabilities Reauthorization Act at Senator RANDOLPH's request.

Mr. President, as I indicated earlier, Senator RANDOLPH's legislative record is, indeed, truly remarkable. He has single-handedly provided a wide range of diverse citizens across the Nation with the opportunity to blossom and commit themselves to our society beyond their wildest dreams. In my mind, Senator RANDOLPH never really left his former profession of education and, every day, he has been expending his energies to teach each one of us how truly magnificent the individual can be.

I will never forget the Senator's dedication to our Nation's youth nor his continuing admonition that we should always make time no matter how busy our schedules are, to speak with these young citizens, to share our views with them and encourage them to become more actively involved in the political process. In my judgment, it is truly most fitting that the U.S. Congress has finally decided to establish a U.S. Institute of Peace, a vision that Senator RANDOLPH shared with

his colleagues in both Houses of Congress since the early 1940's. As I reflect on Senator RANDOLPH's career, I never cease to be amazed by his concern for the individual. His faith in mankind continues to lead each of us on to think even more creatively about how we can best serve the citizens of this Nation. Even in his final days in the Senate, his creativity continues; for example, during the past legislative session, he and I have been working closely with our colleagues on the Senate Labor and Human Resources Committee to establish a special pediatric-oriented emergency medical service demonstration project to ensure that these most vulnerable citizens will truly have the highest quality of health care possible when they are most in need.

I will always be deeply indebted to the wisdom of my colleague from West Virginia and continue to look forward to hear from him in the years to come.

SENATOR HOWARD BAKER

Mr. LEVIN. Mr. President, last night I said a few things that were in my heart about the departure of HOWARD BAKER from the U.S. Senate. I wanted to add a thought or two today.

HOWARD BAKER is a great legislator.

The qualities that he invariably displays of patience, understanding, good humor, and fairness have made a permanent mark on me and, I believe, on this institution.

While he was majority leader for but a few years, it took him but a brief period to win the admiration and affection of all of us regardless of our party affiliation.

He is particularly kind and reassuring to new Members and the younger Members of the Senate. He is an especially decent and gentle man and makes all of his colleagues feel as though they are equally worthy of being heard and having their views and needs considered.

Taking on the responsibility of leadership in this institution is, of course, a historical and dramatic challenge but it also reflects a personal commitment to hold 99 colleagues in esteem and to seek to harmonize the different needs and goals of all of us into a coordinated body politic. HOWARD BAKER has that unusual talent.

He is a special person in a very special institution. He has left his unique brand of gentle persuasion, modesty, and good nature upon it.

SENATOR JENNINGS RANDOLPH

Mr. LEVIN. Mr. President, one of the first Senators I ever met other than my own Michigan Senators was JENNINGS RANDOLPH of West Virginia. It was about two decades ago and I was testifying before a Senate committee that he chaired. The subject of my testimony is lost in memory. What is not forgotten is the warm and inquisitive reception with which it was received by JENNINGS RANDOLPH of West Virginia.

Nor will I forget the dedication and commitment that he has shown to important and noble causes during the years that I have watched him as a colleague. He has played a pivotal role in obtaining a Peace Academy. He has spoken up constantly for energy independence and for education and for greater opportunities for all Americans. He has a special sensitivity for people who need a hand and a special love for his own beloved State of West Virginia.

He has more passion and fire at the age of 82 than most people one quarter his age.

He has been a good friend as well as a tireless source of good will and good humor.

I shall miss him.

SENATOR PAUL TSONGAS

Mr. LEVIN. PAUL TSONGAS of Massachusetts came to the Senate the same time I did. He brought to this institution a background in legislation and in serving the underdog. He utilized those talents and sensitivities to the fullest measure during his 6 years here.

His priorities are straight.

He has stated eloquently that America must stand for justice and progress in the world if we are to be secure in this world. He has been a passionate proponent of freedom for humankind wherever people might inhabit the globe.

He has shown political courage in pointing out the need of his party to change its course and to be future oriented and to respond to the hopes and aspirations of Americans. He has told us that, if we are to aspire to lead this country, we must inspire confidence in our managerial capability as well as our ideals. That argument is particularly compelling coming from as idealistic a person as PAUL TSONGAS.

He has shown great physical courage in the face of adversity. He has shown strength and good humor and will not only overcome that adversity but has strengthened those who know him in the process.

He has, by example, shown that the commitment to one's family is ultimately as good a test of one's humanity as one's commitment to a larger community or to grand causes. His special affection for his wife, Niki, and for their three children, Ashley, Katina, and Molly, has helped put things in perspective for many who have watched those relationships grow.

He has shared his conscience with all of us, particularly his classmates who, in 1978, were elected to take a seat with him in the Senate.

While we are all just temporary occupants of those seats, some leave lasting marks. PAUL TSONGAS is one.

TRIBUTE TO RETIRING SENATOR PAUL TSONGAS.

Mr. THURMOND. Mr. President, with the adjournment of the 98th Congress, the Senate will lose the services of Senator PAUL TSONGAS of Massachusetts. While Senator TSONGAS and I bring a distinctly different philosophical approach to our work as Senators, I have always found him to be bright, sincere, dedicated, courteous, and pleasurable to work with in the Senate.

PAUL TSONGAS was born to parents of humble means. He graduated from Dartmouth College, earned his law degree from Yale University, and spent time in Ethiopia and the West Indies with the Peace Corps. He has engaged in the private practice of law, has served as city counselor for his hometown of Lowell, MA., and was a deputy assistant attorney general in his home State. After two successful terms in Congress, he was elected to the U.S. Senate in 1973, where he has ably served on the Energy and Natural Resources Committee, the Small Business Committee, and the Foreign Relations Committee.

Those who have worked with PAUL in the Senate, and those who have followed his career, will especially remember him for his leadership role in helping to shape the historic Alaska lands bill, which many regard as the most significant environmental legislation enacted in this century. Senator TSONGAS has displayed a keen devotion to the conservation and wise use of this Nation's abundant natural resources, and he can be very proud of his accomplishments in this area.

Similarly, PAUL TSONGAS has shown himself to be a knowledgeable Senator in matters involving foreign affairs. He has been an especially strong champion of the freedom-loving people of Afghanistan. On Wednesday past, the Senate, by a unanimous vote of 97 yeas, adopted a resolution authored by Sentor TSONGAS to encourge and support the people of Afghanistan in their struggle to throw off the heavy yoke of Soviet domination.

Mr. President, as Senator PAUL TSONGAS returns to his home State of Massachusetts, I would like to take this opportunity to wish him, his wife Nicola, and their three fine children the very best. I am sure all of us hope that this career change will be the right tonic for him and that PAUL will enjoy good health and happiness for many years to come.

VOCATIONAL TECHNICAL EDUCATION ACT OF 1984

Mr. COCHRAN. Mr. President, I am pleased to rise in support of the conference report to accompany the Vocational Technical Education Act of 1984.

The managers of this important legislation have worked diligently to achieve a well-balanced and effective compromise.

The conference committee began its work with over 100 items in disagreement. To effect a compromise was indeed a difficult task, and I commend the managers of the bill for their long and hard work.

During my service in Congress, I have become more and more convinced of the value of vocational technical education. The legislation we have adopted here is tailored to be more responsive than ever to the skills required to serve our fast-changing job market.

I would like to share with you just a few illustrations of the new needs vocational technical education must meet.

According to the Congressional Budget Office, fully a quarter of the workers who are currently unemployed will never again work in the areas for which they were prepared because these jobs have disappeared.

The proportion of skilled workers in the labor force has fallen from 29 to 26 percent and current programs cannot meet the needs of industry to replace these workers.

Robots and computers will affect almost 7 million jobs in factories and 38 million jobs in offices, requiring a new level of technical literacy from these workers.

These types of unhappy observations were all considerations during the 3 years of extensive hearings held by the House and Senate Education Subcommittees. It was these sorts of deficiencies that prompted this reauthorization to be much more than a continuation of the status quo. This legislation provides much needed program improvements.

I am delighted that we were able to achieve a consensus and pass the Vocational Technical Education Act of 1984. I am confident that the results will be measured by the ability of the United States to retain the lead in technological and industrial development in the international market.

I would like to add a special word of commendation to Mississippi's Division of Vocational and Technical Education. I am proud to represent one of the country's finest and most effective systems of vocational and technical training. I intend to continue to support the efforts to provide vocational education opportunities for all.

BANKRUPTCY JUDGES

Mr. DECONCINI. Mr. President, I want to state my strong support for H.R. 6216, a bill to amend the vesting date for retirement for bankruptcy judges. This bill corrects a good faith oversight that occurred during the processing of the Bankruptcy Amendments and Federal Judgeship Act of 1984. I want to particularly thank Chairman THURMOND of the Committee on the Judiciary, who also chaired the conference committee on the Bankruptcy Amendments and Federal Judgeship Act, for his diligence in correcting the earlier omission.

The bill states that the retirement provisions for bankruptcy judges vested on March 31, 1984, for judges serving on that date. This is the original date their retirement was to have vested, however, in the hectic days of last spring and summer when the Senate repeatedly extended the March 31 deadline for the transition period, in the process we prevented the vesting of the bankruptcy judges retirement rights. By passage of this bill, we correct the unintended result and keep our earlier legislative promise. Our Nation's bankruptcy judges have labored long and hard in recent years as the bankruptcy caseload has increased dramatically and as they had to undergo a lengthy period of uncertainty about their own positions following the Supreme Court's ruling in the Marathon case which negated much of their jurisdictional delegation. Despite often finding themselves in a position not worthy of the importance of their judicial office, these judges have maintained the highest standards and continued to serve their courts and the public in a distinguished manner. Passage of today's bill is a tangible expression of our thanks for their service.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXTENSION OF MAXIMUM PRODUCTION PERIOD OF THE NAVAL PETROLEUM RESERVES—MESSAGE FROM THE PRESIDENT—PM 177

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Armed Services:

To the Congress of the United States:

In accordance with Section 201(3) of the Naval Petroleum Reserves Production Act of 1976 (10 U.S.C. 7422(c)), I wish to inform you of my decision to extend the period of maximum efficient rate production of the naval petroleum reserves for a period of three years from April 5, 1985, the expiration of the currently authorized period of production.

I am transmitting herewith a copy of the report investigating the necessity of continued production of the reserves as required by section 7422(c)(2)(B) of the Naval Petroleum Reserves Production Act of 1976. In light of the findings contained in that report, I hereby certify that continued production from the naval petroleum reserves is in the national interest.

RONALD REAGAN.

THE WHITE HOUSE, *October 5, 1984.*

ANNUAL REPORT ON HAZARDOUS MATERIALS TRANSPORTATION MESSAGE FROM THE PRESIDENT—PM 178

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

In accordance with the requirements of section 109(e) of the Hazardous Materials Transportation Act (Public Law 93-633), I hereby transmit the Fourteenth Annual Report on Hazardous Materials Transportation for calendar year 1983.

RONALD REAGAN.

The White House, October 5, 1984.

MESSAGES FROM THE HOUSE

At 11:38 a.m., a message from the House of Representatives. delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 905) to establish the National Archives and Records Administration as an independent agency.

The message also announced that the House agrees to the report of the

committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1146) to amend the Federal Aviation Act of 1958 to provide for the revocation of the airman certificates and for additional penalties for the transportation by aircraft of controlled substances, and for other purposes.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1330) to authorize the U.S. Army Corps of Engineers to provide grants to the several States to encourage and foster the construction of necessary public capital investment projects, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2166) to authorize appropriations to carry out the Indian Health Care Improvement Act, and for other purposes.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2303) to revise and extend the alcohol and drug abuse and mental health services block grant.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2496) to amend the Adult Education Act in order to simplify requirements for States and other recipients participating in Federal adult education programs, and for other purposes.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4164) to amend the Vocational Education Act of 1963 to strengthen and expand the economic base of the Nation, develop human resources, reduce structural unemployment, increase productivity, and strengthen the Nation's defense capabilities by assisting the States to expand, improve, and update high-quality programs of vocational-technical education, and for other purposes.

The message also announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 1160. An act to authorize Douglas County of the State of Nevada to transfer certain land to a private owner.

The message further announced that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S. 1689. An act to authorize appropriations for the Coast Guard for fiscal years 1985 and 1986, and for other purposes.

The message also announced that the House agrees to the amendment of the Senate to the text of the bill (H.R. 5479) to amend section 504 of title 5, United States Code, and section 2412 of title 28, United States Code, with respect to the award of expenses of certain agency and court proceedings, and for other purposes, with an amendment, in which it requests the concurrence of the State.

The message further announced that the House has passed the following bills and joint resolution, each without amendment:

S. 1151. An act to compensate heirs of deceased Indians for improper payments from trust estates to States or political subdivisions thereof as reimbursement for old age assistants received by desendants during their lifetime;

S. 2483. An act to rename Dulles International Airport in Virginia as the "Washington Dulles International Airport";

S. 2663. An act pertaining to the inheritance of trust or restricted land on the Lake Traverse Indian Reservation, North Dakota and South Dakota, and for other purposes;

S. 2773. An act to designate certain National Forest System lands in the State of Georgia as wilderness, and for other purposes;

S. 2808. An act to designate certain National Forest System lands in the State of Mississippi as wilderness, and for other purposes; and

S.J. Res. 80. Joint resolution to grant posthumously full rights of citizenship to William Penn and to Hannah Callowhill Penn.

The message also announced that the House has agreed to the following concurrent resolutions, each without amendment:

S. Con. Res. 74. Concurrent resolution to encourage and support the people of Afghanistan in their struggle to be free from foreign domination;

S. Con. Res. 119. Concurrent resolution expressing the sense of the Congress concerning infringements of religious freedom by the governments of the Warsaw Pact states;

S. Con. Res. 150. Concurrent resolution directing the Secretary of the Senate to make corrections in the enrollment of S. 2303; and

S. Con. Res. 151. Concurrent resolution to correct technical errors in the enrollment of the bill H.R. 4164.

The message further announced that the House has agreed to the amendment of the Senate to the following bills and joint resolution:

H.R. 2889. An act to amend the national Historic Preservation Act;

H.R. 3788. An act to designate certain areas as components of the Natinal Wilderness Preservation System in the national forests in the State of Texas;

H.R. 4263. An act to designate certain lands in the Cherokee National Forest, Tennessee, as wilderness areas, and to allow management of certain lands for uses other than wilderness;

H.R. 5076. An act to designate certain areas in the Allegheny National Forest as wilderness and recreation areas; and

H.J. Res. 158. Joint resolution to make technical corrections in the act of January 12, 1983 (Public Law 97-459).

The message also announced that the House agrees to the amendments of the Senate to the following bills:

H.R. 2645. An act to amend the act of August 15, 1978, regarding the Chattahoochee River National Recreation Area in the State of Georgia;

H.R. 5172. An act to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal years 1984 and 1985 and for related purposes;

H.R. 5271. An act to extend the Wetlands Loan Act; and

H.R. 6221. An act to provide for the use and distribution of certain funds awarded to the Wyandotte Tribe of Oklahoma.

The message further announced that the House agrees to the amendment of the Senate to the amendment of the House to the bill (S. 864) to amend the Volunteers in the Parks Act of 1969, and for other purposes.

The message also announced that the House agrees to the amendments of the Senate to the amendments of the House to the bill (S. 1510) to establish uniform single audit requirements for State and local governments who receive Federal assistance and for recipients of Federal assistance from such governments, and for other purposes.

The message further announced that the House agrees to the amendments of the Senate to the following concurrent resolution:

H. Con. Res. 111. Concurrent resolution to commemorate the Ukrainian famine of 1933.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1881. An act to grant a Federal charter to the National Society, Daughters of the American Colonists;

H.R. 2122. An act to require the Secretary of the Interior to conduct a study of trapping in the Ozark National Scenic Riverways Area;

H.R. 2372. An act to recognize the organization known as the Navy Wives Clubs of America;

H.R. 2519. An act for the relief of Audrey O. Lewis and Emerson B. Vereen;

H.R. 3406. An act to recognize the organization known as the Daughters of Union Veterans of the Civil War 1861-1865;

H.R. 4853. An act to authorize the creation of a record of admission for permanent residence in the cases of certain natives of Cuba and Haiti, and for other purposes;

H.R. 5492. An act to provide for the conservation and management of Atlantic striped bass, and for other purposes;

H.R. 5728. An act to permit aliens lawfully admitted for permanent residence who are employed by the American Embassy of Beirut to return to the United States as special immigrants after completion of such employment; and

H.R. 6342. An act concerning approval of the governing international fishery agreements with Iceland and the European Economic Community.

ENROLLED BILLS SIGNED

The message further announced that the Speaker has signed the following enrolled bills:

H.R. 2838. An act entitled the "Federal Timber Contract Modification Act";

H.R. 2859. An act for the relief of John Brima Charles;

H.R. 2878. An act to amend and extend the Library Services and Construction Act;

H.R. 4994. An act to exempt from taxation by the District of Columbia certain property of the Jewish War Veterans, U.S.A. National Memorial, Incorporated;

H.R. 5223. An act to amend the Federal Meat Inspection Act and the Poultry Products Inspection Act to exempt restaurant central kitchens under certain conditions from Federal inspection requirements;

H.R. 5513. An act to designate the Delta States Research Center in Stoneville, Mississippi, as the Jamie Whitten Delta States Research Center";

H.R. 5631. An act to provide for the acquisition of a visitor contact and administrative site for the Big Thicket National Preserve in the State of Texas; and

H.R. 6223. An act to amend the Act providing for the incorporation of certain persons as Group Hospitalization, Inc.

The enrolled bills were subsequently signed by the President pro tempore (Mr. THURMOND).

At 5:18 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the bill (H.R. 5688) to amend title 38, United States Code, to provide a cost-of-living increase for fiscal year 1987, in the rates for compensation paid to veterans with service-connected disabilities and the rates of dependency and indemnity compensation paid to survivors of such veterans, and for other purposes.

The message also announced that the House agrees to amendment of the Senate to following bill:

H.R. 6296. An act entitled "The San Juan Basin Wilderness Act of 1984".

The message further announced that the House agrees to the amendments of the Senate to the following bill:

H.R. 4966. An act to recognize the organization known as the Women's Army Corps Veterans' Association.

The message also announced that the House has passed the following bills and joint resolution, without amendment:

S. 607 An act to amend the Communications Act of 1934;

S. 1688. An act to amend the act of October 18, 1972, to authorize additional authorization of appropriations for Sitka National Historical Park, Alaska; and

S.J. Res. 259. Joint resolution to designate the week of November 12, 1984, through November 18, 1984, as "National Reye's Syndrome Week".

The message further announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 140. A concurrent resolution authorizing the printing of a revised edition of the "Handbook for Small Business" as a Senate document.

The message also announced that the House has passed the following joint resolutions, in which it request the concurrence of the Senate:

H.J. Res. 655. Joint resolution designating February 16, 1985, as "Lithuanian Independence Day"; and

H.J. Res. 659. Joint resolution making further continuing appropriations for fiscal year 1985.

The message further announced that the House has agreed to the following resolution:

H. Res. 611. A resolution appointing the Honorable JIM WRIGHT as Speaker pro tempore during the absence of the Speaker.

ENROLLED AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled bills and joint resolution:

S. 566. An act to direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain tracts of land conveyed to the South Carolina State Commission of Forestry, and to direct the Secretary of the Interior to convey certain mineral interests of the United States in such land to such Commission, and for other purposes.

S. 905. An act to establish the National Archives and Records Administration, and for other purposes.

S. 1097. An Act to consolidate and authorize certain atmospheric and services programs and functions of the National Oceanic and Atmospheric Administration under the Department of Commerce.

S. 1868. An Act to add $2,000,000 to the budget ceiling for new acquisitions at Sleeping Bear Dunes National Lakeshore.

S.J. Res. 295 Joint resolution to provide for the designation of the week of October 24 through October 20, 1984, as "Myasthenia Gravis Awareness Week".

H.R. 2889. An Act to amend the National Historic Preservation Act, and for other purposes.

H.R. 3601. An Act to modify the boundary of the Pike National Forest in the State of Colorado, and for other purposes.

H.R. 3697. An Act to modify Federal land acquisition and disposal policies carried out with respect to Fire Island National Seashore, and for other purposes.

H.R. 4932. An Act to withdraw certain public lands in Lincoln County, Nevada, and for other purposes.

H.R. 5540. An Act to provide for restoration of Federal recognition to the Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians, to institute for such Tribe those Federal services provided to Indians who are recognized by the Federal Government and who receive such services because of Federal trust responsibility, and for other purposes.

H.R. 5782. An act granting the consent of Congress to an amendment to the Delaware River Basin Compact.

H.R. 5818. An act to enable the Consumer Product Safety Commission to protect the public by ordering notice and repair, replacement or refund of certain toys or articles intended for use by children if such toys or articles contain a defect which creates a substantial risk of injury to children.

H.R. 5997. An act to designate the United States Post Office and Courthouse in Pendleton, Oregon, as the "John F. Kilkenny United States Post Office and Courthouse".

The enrolled bills and joint resolution were subsequently signed by the President pro tempore [Mr. THURMOND].

At 5:50 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that pursuant to the order of the House of September 26, 1984, the House is deemed to have disagreed to the amendments of the Senate to the joint resolution (H.J. Res. 648) making continuing appropriations for the fiscal year 1985, and for other purposes, and agree to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. WHITTEN, Mr. BOLAND, Mr. NATCHER, Mr. SMITH of Iowa, Mr. ADDABBO, Mr. LONG of Maryland, Mr. YATES, Mr. ROYBAL, Mr. BEVILL, Mr. LEHMAN of Florida, Mr. DIXON, Mr. FAZIO, Mr. HEFNER, Mr. CONTE, Mr. MCDADE, Mr. EDWARDS of Alabama, Mr. MYERS, Mr. ROBINSON, Mr. COUGHLIN, and Mr. KEMP as the managers of the conference on the part of the House.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

At 6:50 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolutions:

S. 416. An act to amend the Wild and Scenic Rivers Act by designating a segment of the Illinois River in Oregon and the Owyhee River in Oregon as components of the National Wild and Scenic Rivers System, and for other purposes.

S. 1146. An act to amend the Federal Aviation Act of 1958 to provide for the revocation of the airman certificate and for additional penalties for the transportation by aircraft of controlled substances, and for other purposes.

S. 1711. An act providing for a fifteen-year extension of patent numbered 3,376,198.

S.J. Res. 299. Joint resolution to designate November 1984, as National Diabetes Month.

S.J. Res. 309. Joint resolution authorizing and requesting the President to designate January 1985 as "National Cerebral Palsy Month".

H.J. Res. 659. Joint resolution making further continuing appropriations for fiscal year 1985.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 1881. An act to grant a Federal charter to the National Society, Daughters of the American Colonists; to the Committee on the Judiciary.

MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

S. 3017. A bill to improve and extend certain domestic food assistance programs, and for other purposes.

The Committee on Veterans' Affairs was discharged from the further consideration of the following bill, which was place on the calendar:

H.R. 5252. An act to redesignate the Regional Veterans' Administration Medical Center Located Popular Bluff, MO, as the "General Black Jack Pershing Regional Veterans' Administration Medical Center".

MEASURES HELD AT THE DESK

Pursuant to the order of the Senate of October 4, the following bill was held at the desk:

H.R. 5492. An act to provide for the conservation and management of Atlantic striped bass, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary reported that on today, October 5, 1984, he has presented to the President of the United States the following enrolled bills and joint resolutions:

S. 1967. An act to compensate the Gros Ventre and Assiniboine Tribes of the Fort Belknap Indian Community for irrigation construction expenditures;

S. 2819. an act to make technical and conforming amendments in certain laws relating to housing and community development;

S.J. Res. 201. Joint resolution to provide for the designation of the week of November 25 through December 1, 1984, as "National Epidermolysis Bullosa Awareness Week";

S.J. Res. 237. Joint resolution to designate the week of November 25, 1984, through December 1, 1984, as "National Home Care Week";

S.J. Res. 260. Joint resolution designating the week beginning on November 11, 1984, as "National Blood Pressure Awareness Week";

S.J. Res. 322. Joint resolution designating the week beginning on October 7, 1984, as "Mental Illness Awareness Week";

S.J. Res. 324 Joint resolution designating the month of November 1984, as "National Christmas Seal Month"; and

S.J. Res. 332 Joint resolution to proclaim October 16, 1984, as World Food Day".

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GOLDWATER, from the Select Committee on Intelligence:

Special Report entitled "Recent Political Violence in El Salvador (Rept. No. 98-659); and

Special Report entitled "The Foreign Intelligence Surveillance Act of 1978. The First Five Years" (Rept. No. 98-660).

By Mr. PERCY, from the Committee on Foreign Relations, with an amendment:

H.J. Res. 136. Joint resolution calling for a wildlife preserve for humpback whales in the West Indies (Rept. No. 98-661).

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 2171. A bill to amend title 35 of the United States Code for the purpose of creating a uniform policy and procedure concerning patent rights in inventions developed with Federal assistance, and for other purposes (Rept. No. 98-662).

S. 1535. A bill to amend title 35 of the United States Code to increase the effectiveness of the patent laws, and for other purposes (Rept. No. 98-663).

By Mr. ROTH, from the Committee on Governmental Affairs:

Special Report of the Permanent Subcommittee on Investigations entitled "Transfer of Technology" (Rept. No. 98-664).

● Mr. ROTH. Mr. President, on behalf of the Senate Committee on Governmental Affairs, I submit a report of its Permanent Subcommittee on Investigations entitled, "Transfer of Technology."

The Investigations Subcommittee, under the very able leadership of the ranking minority member, Senator SAM NUNN, examined and evaluated the efficiency and effectiveness of the Departments of Commerce, Defense, and State, the Customs Service and other agencies in their programs and joint efforts to prevent the export of certain nonclassified but militarily useful technology to the Soviet Union, the Warsaw Pact nations and other countries.

In its findings, conclusions and recommendations for corrective action, the subcommittee report urges the executive branch to improve its intelligence gathering capability to determine more accurately those controlled technologies and products the Soviet Union and other nations want and need most. Obviously, this is an area which has received a lot of attention this year. The subcommittee's report is designed to summarize what several days of hearings indicated.●

● Mr. NUNN. Mr. President, I am pleased to join with Senator ROTH in remarks as he files the report of the Permanent Subcommittee on Investigations on the efficiency and effectiveness of the executive branch in controlling the export of militarily useful technology to the Soviet Union, the Warsaw Pact nations and certain other countries.

The 4 days of public hearings last April were based on preliminary investigation conducted by the subcommittee minority staff under my direction. As ranking minority member, I wish to express my thanks to Chairman ROTH, Vice Chairman RUDMAN, and the majority staff for their cooperation and participation in the inquiry and the hearings. The findings, conclusions, and recommendations for corrective action in this report reflect a bipartisan consensus among subcommittee members that there have been important improvements in the export control system in the last 2 years but that serious problems still remain.

The subcommittee's principal finding is that Federal authorities should seek to reduce selectively the number of controlled exports, thereby placing trade restrictions only on those militarily useful technologies and products which the Soviets and their satellites are known to want and need the most.

This finding is similar to the principal conclusion reached in 1982 when the Investigations Subcommittee issued an earlier report on the transfer of technology to the Soviet Union. In the 1982 report, as in the report filed today, the subcommittee asserted that improved intelligence and a more effective enforcement mechanism are essential if undesired technology transfers and diversions are to be avoided.

Through improved intelligence, the Government can learn which technologies and products the Soviets need and want most. In turn, improved enforcement will enable U.S. authorities in the Commerce Department and the Customs Service to move promptly to immobilize illegal technology diversion syndicates.

Unfortunately, the Customs Service and the Commerce Department, which share investigative responsibilities on export controls, still do not cooperate fully and occasionally have been found to be engaged in unhealthy interagency competition. Such competition is not in the national interest and should be ended.

In the report filed today, the subcommittee recommends that while the export licensing function should remain in the Commerce Department, the enforcement responsibility should be transferred to Customs. It has been my position since the subcommittee hearings of 1982 that the Commerce Department is not institutionally suited to carry out law enforcement work. Conversely, the Customs Service has been conducting law enforcement duties since the Nation was founded and it is housed in a Cabinet-level department with long experience in law enforcement operations. Customs is the logical and appropriate agency to investigate reported export violations. This recommendation, which I introduced as legislation, is embodied in the Senate version of the Export Administration Act.

Regarding intelligence, while it is better than it was in 1982 when the subcommittee evaluated it last, it still

does not give policymakers and agents sufficient information on what the Soviets are shopping for. Nor does it always let officials know what technologies are readily available in foreign nations. As a result, American high technology exporters frequently are prevented from selling their products overseas when the very same items are being offered in foreign markets by other nations. This penalizes American exporters, hurts the U.S. economy, aggravates the balance of payments problem—and does not prevent adversaries from acquiring the targeted technologies. The system determining foreign availability should be improved.

Another finding of the subcommittee report is in the form of a cautionary note to the Defense Department, wherein DOD officials are urged not to allow technical judgments to be submerged by political considerations in export control decisions. There is no question but that the Pentagon has a vital role to play in export control matters. I have supported a strong DOD presence in these concerns. However, there should be a clear and separate audit trail for those Pentagon assessments that are strictly technical in nature and those which are formed primarily by nontechnical considerations such as policy questions and historical, ideological, political, and diplomatic factors. Other participating Federal agencies as well as the National Security Council and the President must be able to distinguish between Pentagon policy judgments and Pentagon technical judgments.

Other subcommittee findings are that:

The National Security Council should mediate interagency disputes over export controls by expanding its current role in the process by which Senator Nunn technology transfer regulations are established. This finding stemmed from evidence developed at the hearings indicating that sharp differences between the Commerce and Defense Departments over export policy had rendered the Government unable to decide certain trade questions in a timely and efficient manner.

The Defense Department should utilize fully its own technical assessment capabilities and avoid unnecessary reliance on outside consultants. Learning that the Pentagon, in some cases, had turned to outside consultants for technical assistance in export cases, the subcommittee noted that, while some consulting services may be justified, there remains within DOD and its component armed services ample technical competence for most high technology export questions to be decided in-house.

The views of private industry, which develops most of the militarily useful high technology, should be heard and accorded appropriate consideration in the interagency process which develops export control policies. Industry spokesman complained that frequently their views were not given sufficient attention when policies were set.

The Department of State should oversee export control negotiations between the United States and foreign nations.

Finally, one of the most important points resulting from this year's hearings is that, in its enthusiasm to stop undesired exports, the Government should be ever mindful of the risk inherent in any effort to impose constraints on the freedom and creativity of American scientists, engineers, industry leaders, and managers and exporting businesses.

At the hearings, Dr. Richard DeLauer, Under Secretary of Defense for Research and Engineering, warned that the country should not go overboard in Senator Nunn trying to protect our technologies. Dr. DeLauer feared that if we go too far we risk smothering and suppressing the very technological genius that makes American technical know-how the envy of the rest of the world. I share Dr. DeLauer's concern.

The United States enjoys preeminence or parity in most technical pursuits because as a nation our people have been free to develop new ideas and concepts in an atmosphere relatively unfettered by Government restrictions and constraints. In our efforts to reduce and limit the transfer of militarily useful technology, we must not stifle technology development in our Nation.●

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation.

Mr. PACKWOOD. Mr. President, for the Committee on Commerce, Science, and Transportation, I report favorably nomination lists in the Coast Guard and the National Oceanic and Atmospheric Administration which appeared in their entirety in the CONGRESSIONAL RECORD of October 3, 1984, and, to save the expense of reprinting them on the Executive Calendar, I ask that they lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. THURMOND, from the Committee on the Judiciary:

Jasper R. Clay, Jr., of Maryland, to be a Commissioner of the U.S. Parole Commission for a term of 6 years.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PERCY (for himself and Mr. PELL):

S. 3069. A bill to authorize international development and security assistance programs and Peace Corps programs for fiscal year 1985, and for other purposes; to the Committee on Foreign Relations.

By Mr. PRESSLER:

S. 3070. A bill to amend the Tariff Schedules of the United States to increase the tariff on live and processed geese; to the Committee on Finance.

By Mr. TSONGAS:

S. 3071. A bill to establish the Agency for Technology Innovation; to the Committee on Governmental Affairs.

By Mr. BOSCHWITZ:

S. 3072. A bill to amend title 10, United States Code, to provide for the forfeiture of proprietary rights to certain technical data by a debarred or suspended contractor of the Department of Defense, and for other purposes; to the Committee on Armed Services.

By Mr. DURENBERGER:

S. 3073. A bill to amend title XVIII of the Social Security Act to provide for grants for graduate medical education and other clinical training activities, and to replace the current medicare reimbursement for the direct costs of such activities; to the Committee on Finance.

By Mr. MATHIAS:

S. 3074. A bill to protect copyrighted computer programs from illegal copying; to the Committee on the Judiciary.

By Mr. DURENBERGER (for himself and Mr. STAFFORD):

S. 3075. A bill to amend the Toxic Substances Control Act; to the Committee on Environment and Public Works.

By Mr. DURENBERGER:

S. 3076. A bill to amend section 408 of the Federal Food, Drug, and Cosmetic Act to authorize emergency action with respect to pesticide chemicals which present an imminent hazard to the public health, to revise the procedures under such section for changes in tolerances and exemptions for pesticide chemicals, and for other purposes.

By Mr. TOWER:

S. 3077. A bill to exempt any activity involving the harvesting of penaeid shrimp from certain provisions of the Lacey Act; to the Committee on the Judiciary.

By Mr. BOSCHWITZ:

S. 3078. A bill to provide for separation of the Mille Lacs Band of Chippewa Indians from the Minnesota Chippewa Tribe; to the Select Committee on Indian Affairs.

By Mr. DOLE (for himself, Mr. WARNER, Mr. WILSON, and Mr. TRIBLE):

S. 3079. A bill to clarify the meaning of the phrase "program or activity" as applied to educational institutions that are extended Federal financial assistance, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. DANFORTH (for himself and Mr. ROTH) (by request):

S. 3080. A bill to discontinue or amend certain requirements for agency reports to Congress; to the Committee on Governmental Affairs.

By Mr. HATFIELD:

S.J. Res. 359. A joint resolution to designate July 23, 1985, as "Ulysses S. Grant Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PRESSLER:

S. 3070. A bill to amend the Tariff Schedules of the United States to increase the tariff on live and processed geese; to the Committee on Finance.

INCREASE IN TARIFF ON LIVE AND PROCESSED GEESE

● Mr. PRESSLER Mr. President, today I am introducing legislation to increase the duty on goose imports by 10 cents per pound. I recent years, the American goose producers and processors have lost nearly one-half of the American market to imported goose products. The majority of these imports are coming from Canada. In 1981, only four carloads (or 160,000 pounds) of geese were imported from Canada. This year, as of June 14, and 1.2 million pounds of geese had been imported by the United States. During this 3-year period, domestic goose producers have lost 43 percent of their market to imports.

The National Goose Council has filed petitions with the International Trade Commission, but to date, no protection has been provided. The goose industry is a very small industry in this country and cannot afford, either financially or in terms of time and personnel, to fight long International Trade Commission battles. If some action is not taken in the near future, we will no longer have a domestic goose industry to preserve. It is estimated that only about 180,000 geese will be processed domestically and many of those will either not be sold or will have to be sold at a loss.

The Canadian goose producers have benefits, including subsidies, from various government programs. This has given them an unfair advantage. The American goose producers are not protectionist, but they now find it virtually impossible to compete with subsidized imports. If some action is not taken soon, the U.S. goose industry might well be lost.

Mr. President, I urge my colleagues to carefully consider the impact of these imports and the need for legislation.●

By Mr. TSONGAS:

S. 3071. An act to establish the Agency for Technological Innovation; to the Committee on Governmental Affairs.

AGENCY FOR TECHNOLOGICAL INNOVATION ACT

● Mr. TSONGAS. Mr. President, as many of my colleagues know for the last several years I have been an active participant in the debate over the U.S. international competitive position. Through speeches, articles, and legislation I have advocated a national policy to encourage technological innovation and increase productivity. I have advocated a governmental role that concentrates on creating an economic environment which encourages individual companies to make the decisions and investments that strengthen our international competitive position. I have articulated this role through a range of legislative initiatives that include: Joint R&D Venture Act, 2714—97th, S. 568—98th, High Technology Morrill Act, S. 631, Export Administration Improvement Act, S. 1299, Economically Strategic Technologies Act, S. 428, New Venture Investment Incentive Act, S. 1496, U.S. Skills Corp., S. 2811, and National High Technology Week, Senate Joint Resolution 316.

I am gratified that the Congress has enacted legislation to modify antitrust laws to encourage joint R&D ventures and to support math and science education including matching Federal grants for industry/education partnership and has come so close to passing legislation to modify export controls to permit easier export of high technology consistent with our national security.

Today I would like to introduce an additional bill to create an Agency for Technological Innvoation. I would like to say at the outset that this is not a Government institution intended to innovate where the private sector fails to innovate. The Agency's objective is to improve the functioning of the innovation process. It is intended to use Government resources to affect the process by which the private sector's inventions and ideas get translated into commercial reality. The Agency also is not a new program but consolidates existing programs from other agencies and provides clearer focus for their activities.

I would also like to say that this bill represents work-in-progress. If I were returning to the Senate next year, we would continue to develop this bill. I am uncomfortable with the organizational structure. The format of the bill is the creation of an independent agency not because it is the best solution but because we have not had time to sort through the existing institutions. While the internal structure is useful for demonstrating aspects of the innovation process it may not be the most efficient way of organizing these functions. There are also many other changes and modifications suggested by individuals who have reviewed the proposal that we have not had the chance to incorporate. My hope in introducing this bill in this form today is that it will become part of the debate and form a basis that others may build upon.

The following paper entitled "A Pragmatic Approach to Technological Innovation" describes the rationale for the bill, and lays out specifications for the Agency.

Mr. President, I ask unanimous consent that the paper and the text of the bill be printed in the RECORD in full.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 3071

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agency for Technological Innovation Act of 1984".

TITLE I—GENERAL PROVISIONS

FINDINGS

SEC. 101. The Congress finds and declares that—

(1) the ability of many American industries to compete in international markets has declined in the last ten years;

(2) increased technological innovation is a prerequisite for increased economic competitiveness;

(3) technological innovation is only indirectly responsive to macroeconomic factors, such as capital investments and tax credits, as well as regulatory reforms;

(4) the United States has no integrated or coherent policy to promote technological innovation, and has little knowledge concerning the effects of current or potential programs for innovation; and

(5) in order to stimulate technological innovation, the United States must—

(A) enhance the transfer and utilization of scientific and technological information between employees, management, educational institutions, Federal, State, and local governments, business and industrial concerns, and other organizations involved in technological development;

(B) make optimal use of human resources, including efforts to improve labor management relations;

(C) encourage research and development of new and improved manufacturing processes; and

(D) promote the creation and growth of small business concerns and new enterprises.

PURPOSES

SEC. 102. It is the purpose of this Act—

(1) to provide the private sector with an environment which fosters innovation, productivity, and international competitiveness; and

(2) to provide a coherent Federal approach toward the stimulation of technological innovation by establishing an independent agency which—

(A) consolidates existing Federal programs with the purpose of stimulating technological innovation;

(B) conducts research to identify problems relating to technological innovation and formulates effective solutions for such problems;

(C) provides a forum for employees, management, educational institutions, State and local governments, business and industrial concerns, and other organizations involved in technological innovation to express their concerns and influence the policies and programs of the Federal Government;

(D) ensures effective dissemination and transfer of scientific information and technology in order to increase the commercialization of technology, as well as to enhance the use of general scientific and technical information;

(E) demonstrates and develops new technologies for manufacturing processes;

(F) coordinates Federal, State, and local efforts to promote new enterprise development; and

(G) encourages and conducts research and development in human resource aspects of technological innovation, including the retraining and training of workers and improved managerial practices.

DEFINITIONS

SEC. 103. For purposes of this Act—

(1) the term "Agency" means the Agency for Technological Innovation established under section 201;

(2) the term "Board" means the National Innovation Board established under section 204;

(3) the term "Council" means the Interagency Coordinating Council on Innovation established under section 205;

(4) the term "Director" means the Director of the Agency appointed under section 201(b);

(5) the term "Deputy Director" means the Deputy Director of the Agency appointed under section 201(c);

(6) the term "Federal agency" has the same meaning as in section 551(1) of title 5, United States Code;

(7) the term "function" includes any duty, obligation, power, authority, responsibility, right, privilege, activity, or program;

(8) the term "office" includes any office, administration, agency, institute, unit, division, directorate, organizational entity, or any component thereof;

(9) the term "small business concern" has the same meaning as in section 3 of the Small Business Act; and

(10) the term "technological innovation" means the process whereby knowledge derived from basic science is transformed to marketable technology.

ESTABLISHMENT

SEC. 201. (a) There is established the Agency for Technological Innovation. The Agency shall be composed of—

(1) the Office of Innovation Policy established by section 202;

(2) the Office of Program Evaluation and Development established by section 203;

(3) the National Innovation Board established by section 204;

(4) the Interagency Coordinating Council on Innovation established by section 205;

(5) the Directorate for Human and Organizational Resources established by section 206;

(6) the Directorate for Enterprise Development established by section 207;

(7) the Directorate for Production Research and Development established by section 208; and

(8) the Directorate for Information and Technology Transfer established by section 209.

(b) The Agency shall be headed by a Director, who shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall be responsible for the administration of all functions transferred to, and specified for, the Agency by this Act.

(c)(1) There shall be in the Agency a Deputy Director, who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director shall—

(A) administer the Office of Program Evaluation and Development established by section 203;

(B) be Chairman of the Interagency Coordinating Council on Innovation established by section 205; and

(C) perform such additional functions as the Secretary may prescribe.

(2) The Deputy Director shall act for and exercise the functions of the Director during the absence or disability if the office of the Director becomes vacant. the Deputy Director shall act for and exercise the functions of the Director until the absence or disability of the Director no longer exists or until a successor to the Director has been appointed by the President and confirmed by the Senate.

OFFICE OF INNOVATION POLICY

SEC. 202. (a) There shall be in the Office of the Director the Office of Innovation Policy. The Office of Innovation Policy shall be administered by the Assistant Director, who shall be appointed by the President, by and with the advice and consent of the Senate.

(b) The Director, through the Assistant Director, shall—

(1) conduct research, studies, and analyses concerning policy trends, policy alternatives, and current issues relating to technological innovation, including issues relating to antitrust, patents, taxation, procurement, regulation, human resources utilization, research and development, and domestic and international trade;

(2) publish in appropriate publications the findings and results of research, studies, and analyses conducted pursuant to paragraph (1); and

(3) prepare and transmit to the Congress, by January 1 of each year, a report concerning important current issues relating to technological innovation in the United States.

OFFICE OF PROGRAM EVALUATION AND DEVELOPMENT

SEC. 203. (a) There is established in the Agency the Office of Program Evaluation and Development, which shall be administered by the Deputy Director.

(b) The Director, through the Office, shall—

(1) develop, evaluate, and assess programs and studies conducted and supported by the Agency; and

(2) conduct and support basic research on the process of technological innovation, including research on the effect of economic factors, management practices, and employee utilization on technological innovation.

NATIONAL INNOVATION BOARD

SEC. 204. (a) There is established in the Agency the National Innovation Board, which shall provide advice and assistance to the Director concerning the policies and programs of the Agency.

(b) The Board shall be composed of ten members, who shall be appointed by the President from among individuals who represent business and industrial concerns, employees, educational institutions, and State and local governments. In appointing members to the Board, the President shall select members in a manner which assures a balanced representation of the concerns, employees, institutions, and governments described in the preceding sentence.

(c) Each member of the Board shall be appointed for a four-year term, except that the term of office of the members first appointed shall expire, as designated by the President at the time of appointment, two at the end of one year, two at the end of two years, three at the end of three years, and three at the end of four years.

(d) The board shall elect one of its members as Chairman of the board.

(e) Six members of the Board shall constitute a quorum for the transaction of business, but a lesser number may hold hearings. A vacancy in the Board shall not impair its powers.

(f) The Board shall meet at least twice each year, and shall meet at the call of the Chair or the Director.

(g) Members of the Board shall not hold any other Federal office or be a full-time employee of the United States while serving as a member of the Board.

(h) Each member of the Board shall receive compensation at a rate equal to the daily rate prescribed for GS–18 under the General Schedule under section 5332 of title 5, United States Code, for each day, including traveltime, such member is engaged in the actual performance of duties as a member of the Board, and shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties as a member of the Board.

(i) To carry out the provisions of this section, the Board is authorized to—

(1) hold such hearings and sit and act at such times and places, either as a whole or by subcommittee, and request the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as the Board or such subcommittee may deem advisable; and

(2) request the cooperation and assistance of Federal agencies in carrying out the provisions of this section, and such Federal agencies are authorized to provide such cooperation and assistance.

(j) The Director shall provide the Board with such support, staff, and facilities as may be necessary to enable the Board to carry out this section.

INTERAGENCY COORDINATING COUNCIL ON INNOVATION

SEC. 205. (a) There is established the Interagency Coordinating Council on Innovation. The Council shall be composed of—

(1) the Deputy Director, who shall be Chairman of the Council;

(2) the Secretaries of Commerce, Defense, Education, Energy, and Labor (or the designee of each such Secretary);

(3) the Director of the National Science Foundation (or the designee of the Director);

(4) the Administrators of the National Aeronautics and Space Administration and the Small Business Administration (or the designee of each such Administrator); and

(5) the heads of such other Federal agencies as the Deputy Director considers appropriate (or the designees of such agency heads).

(b) The Council shall meet at least once each month, and at the call of the Deputy Director.

(c) Every three months, the Council shall prepare and transmit to the Director a report concerning its activities. Each report shall contain recommendations for legislation and administrative action to coordinate and consolidate programs carried out by Federal Agencies which affect policies and practices relating to technological innovation.

(d) The Director shall provide the Council with such support, staff, and facilities as may be necessary to enable the Council to carry out this section.

DIRECTORATE FOR HUMAN AND ORGANIZATIONAL RESOURCES

SEC. 206. (a) There is established in the Agency the Directorate for Human and Organizational Resources. The Directorate shall be composed of—

(1) the Division of Technical Education established by subsection (c);

(2) The Division of Manpower Training established by subsection (d); and

(3) the Division of Managerial Innovation established by subsection (e).

(b) The Director, through the Directorate for Human and Organizational Resources, shall—

(1) promote improvements in the productivity of the American work force and in managerial methods that enhance technological innovation;

(2) study and evaluate programs conducted by Federal agencies, State and local governments, business and industrial concerns, and educational institutions concerning—

(A) employee training and retraining practices; and

(B) employer organizational arrangements which affect technological innovation; and

(3) make grants or enter into contracts to carry out projects to demonstrate methods to improve—

(A) employee training and retraining practices; and

(B) employer organizational arrangements which affect technological innovation.

(c) There is established in the Directorate for Human and organizational Resources the Division of Technical Education. The Director, through the Division of Technical Education, shall—

(1) study and evaluate programs providing technical training to entry level employees and the impact of such programs on promoting the adjustment of such employees to technological innovation, including programs conducted by secondary schools, vocational and technical schools, junior colleges, colleges and universities, and employers; and

(2) make grants to secondary schools, junior colleges, colleges and universities, and employers for projects to demonstrate technical training programs for entry level employees that will improve the adjustment of such employees to technological innovation.

(d) There is established in the Directorate for Human and Organizational Resources the Division of Manpower Retraining. The Director, through the Division of Manpower Retraining, shall—

(1) study and evaluate the effectiveness of all types of programs to retrain employees who are displaced by technological innovation and foreign competition;

(2) assess and identify needs for new programs to retrain such employees, including an assessment of types of occupational retraining needed, appropriate institutions which may conduct such retraining, and alternative approaches for retraining programs; and

(3) make grants to appropriate public and private nonprofit institutions for the conduct of projects to demonstrate alternative approaches to improve the quality and availability of educational programs for the retraining of employees who are displaced by technological innovation and foreign competition, including a program under which—

(A) such employees are provided with vouchers to be used by such employees to pay providers of educational retraining for education and training received by such employees; and

(B) such providers present such vouchers for redemption for cash payments for the provision of such education and training.

(e) There is established in the Directorate for Human and Organizational Resources the Division of Managerial Innovation. The Director, through the Division of Managerial Innovation, such study and evaluate management practices and innovations which enhance technological innovation, productivity, labor-management relations, and the quality of the work place.

DIRECTORATE FOR ENTERPRISE DEVELOPMENT

SEC. 207. (a) There is established in the Agency the Directorate for Enterprise Development. The Directorate for Enterprise Development shall be composed of—

(1) the Division of Cooperative Research and Development established by subsection (c);

(2) the Division of State and Local Initiatives established by subsection (d);

(3) the Division of Small Business Innovation established by subsection (e); and

(4) the Division of Capital Resources for Innovation established by subsection (f).

(b) The Director through the Directorate for Enterprises Development, shall—

(1) study the development and formation of new enterprises;

(2) make grants to appropriate public and private nonprofit institutions for projects to demonstrate models for the development and formation of cooperative enterprises; and

(3) promote successful models for the development and formation of new enterprises, including the dissemination of information concerning such models and the provision of grants for the planning, development, and initial operation of new enterprises which use such models.

(c) There is established in the Directorate for Enterprise Development the Division of Cooperative Research and Development. The Director, through the Division of Cooperative Research and Development, shall—

(1) evaluate and disseminate information on existing and potential models of cooperative research and development arrangements, including models of arrangements among business and industrial concerns and models of arrangements between business and industrial concerns and educational institutions;

(2) assess potential and existing governmental barriers to such cooperative research and development arrangements, such as the provisions of antitrust laws and tax policies, and suggest methods to eliminate such barriers; and

(3) make grants to appropriate institutions and organizations to support demonstrations of cooperative research and development arrangements, including grants to support—

(A) research programs at university centers concerning specific technologies relevant to business and industrial concerns;

(B) cooperative research projects between business and industrial concerns and educational institutions which focus on fundamental research of potential industrial relevance; and

(C) cooperative arrangements among business and industrial concerns which include financial participation by such concerns, such as limited partnerships for research and development.

(d) There is established in the Directorate for Enterprise Development the Division of State and Local Initiatives. The Director, through the Division of State and Local Initiatives, shall—

(1) evaluate the role of State and local governments in the promotion of technological innovation and new enterprise development, including an assessment of existing State and local programs to promote such development and innovation;

(2) make grants to appropriate institutions and organizations for projects to demonstrate potential models of cooperative research and development arrangements between State and local governments and business and industrial concerns which include significant financial participation by such governments and concerns; and

(3) facilitate information dissemination and the development of networks among programs supported by State and local governments to promote technological innovation.

(e) There is established in the Directorate for Enterprise Development the Division of Small Business Innovation. The Director, through the Division of Small business Innovation, shall—

(1) coordinate and monitor small business innovation research programs conducted under the Small Business Act, and, in consultation with the Office of Program Evaluation and Development, evaluate activities by Federal agencies to carry out such programs;

(2) study and evaluate methods (other than such small business innovation research programs) by which Federal programs for the procurement of research and development services can more effectively promote innovation by small business concerns; and

(3) provide, in cooperation with the Division of State and Local Initiatives, technical assistance to state governments and regional organizations to enable such governments and organizations to establish state and regional programs similar to the small business innovation research programs established under the Small Business Act.

(f) There is established in the Directorate for Enterprise Development the Division of Capital Resources for Innovation. The Director, through the Division of Capital Resources for Innovation, shall—

(1) study and evaluate capital markets for the establishment of new enterprises and for the commercialization and development of products of small business concerns and individual inventors; and

(2) assess the cost and availability of capital for such enterprises and products.

DIRECTORATE FOR PRODUCTION RESEARCH AND DEVELOPMENT

SEC. 208. (a) There is established in the Agency the Directorate for Production Research and Development. The Directorate for Production Research and Development shall be composed of—

(1) the Division of Manufacturing Technology established by subsection (c);

(2) the Division of Process Technology established by subsection (d); and

(3) the Division of Sociotechnical Design established by subsection (e).

(b) The Director, through the Directorate for Production Research and Development, shall—

(1) study and evaluate the state of the American manufacturing technologies and process technologies;

(2) provide guidance and financial assistance to universities, colleges, and vocational and technical schools for curriculum development and equipment acquisition in order to improve manufacturing technologies and process technologies;

(3) support cooperative arrangements among universities, colleges, business concerns, the Federal Government, and State and local governments for the conduct of research concerning manufacturing technologies and process technologies, especially

technologies applicable to a wide range of industries; and

(4) make grants to appropriate public and private nonprofit institutions to support field experiments with a high potential for commercial success in the development of process technologies and the successful implementation of such technologies.

(c) There is established in the Directorate for Production Research and Development the Division of Manufacturing Technology. The Director, through the Division of Manufacturing Technology, shall—

(1) support and stimulate redevelopment of the scientific and technical infrastructure in manufacturing research and development, inlcuding the dissemination of the latest developments in applied research and technology to all participants in the manufacturing process;

(2) study the factors involved in the successful implementation of new manufacturing technologies, including factors such as managerial practices, and develop strategies to improve the utilization of such technologies; and

(3) provide measurement services, test procedures, and reliable technical data with respect to automated manufacturing processes.

(d) There is established in the Directorate for Production Research and Development the Division of Process Technology. The Director, through the Division of Process Technology, shall support research concerning the development of improved manufacturing processes in new and developing product areas such as biotechnology and microelectronics.

(e) There is established in the Directorate for Production Research and Development the Division of Sociotechnical Design. The Director, through the Division of Sociotechnical Design and in cooperation with the Division of Managerial Innovation, shall conduct research on organizational arrangements, designs, and methods which will—

(1) prevent the dislocation of employees which may result from technological innovation; and

(2) enable employees affected by technological innovation to be integrated in business and industrial concerns which have benefited from technological innovation.

DIRECTORATE FOR INFORMATION AND TECHNOLOGY TRANSFER

SEC. 209. (a) There is established in the Agency the Directorate for Information and Technology Transfer. The Directorate for Information and Technology Transfer shall be composed of—

(1) the Division of Mission-Oriented Transfer established by subsection (c); and

(2) the Division of Information Systems established by subsection (d).

(b) The Director, through the Directorate for Information and Technology Transfer, shall conduct a program to disseminate information concerning, and to promote the successful use of, new products and technology. Such program shall—

(1) evaluate the factors which contribute to the failure of processes for the transfer of information concerning new products and technologies to employees, educational institutions, business and industrial concerns, and State and local governments; and

(2) develop new mechanisms for the transfer of such information and methods to improve existing mechanisms to transfer information.

(c) There is established in the Directorate of Information and Technology Transfer the Division of Mission-Oriented Transfer. The Director, through the Division of Mission-Oriented Transfer, shall—

(1) identify products and processes developed by Federal agencies such as the Department of Defense, the National Aeronautics and Space Administration, and the Department of Energy, which have potential for commercial applications;

(2) operate a center to make inventions and technical information which are developed from federally funded research available to business and industrial concerns; and

(3) evaluate, promote, and license to business and industrial concerns Government patents which have potential commercial applications, especially patents for exemplary inventions relating to the development, production, and conservation of energy.

(d)(1) There is established in the Directorate for Information and Technology Transfer the Division of Information Systems. The Director, through the Division of Information Systems, shall—

(A) operate a national technical information service to make Federal technological, scientific, economic, and engineering information readily accessible to business and industrial concerns, State and local governments, educational institutions, and other interested individuals and organizations;

(B) act as a repository of all scientific and technical information collected by Federal agencies, including information on processes of technological innovation and foreign manufacturing technologies;

(C) operate a clearinghouse for data relating to technological innovation by using a computerized network to coordinate available informational resources in the private sector;

(D) promote the identification and dissemination of important findings and successful technologies which relate to technologies which relate to technological innovation; and

(E) establish a national technology extension center program in accordance with paragraph (2).

(2) The Director, through the Division of Information Systems, shall establish twelve centers in cooperation with State and local governments, business and industrial concerns, and educational institutions. Each such center shall—

(A) enhance the transfer to, and utilization by, business and industrial concerns of technological knowledge and information development by educational institutions;

(B) with respect to one or more types of technologies, establish and intellectual center and a comprehensive clearinghouse for research and development;

(C) facilitate the demonstration of new technologies and enable adaptation of such technologies by industries according to the particular needs of such industries;

(D) provide technical assistance to business and industrial concerns which have adopted and implemented the technologies referred to in subparagraph (C);

(E) provide practical training for university personnel and new employee retraining for structurally unemployed individuals; and

(F) conduct research and collect empirical data concerning the effects of current programs or the likely effects of new programs which are designed to stimulate technological innovation.

TITLE III—TRANSFERS

TRANSFERS FROM THE NATIONAL SCIENCE FOUNDATION

SEC. 301. (a) There are transferred to the Director all functions of the National Science Foundation with respect to or administered through—

(1) the Division of Policy Research and Analysis of the Foundation; and

(2) the Division of Industrial Science and Technological Innovation of the Foundation.

(b) There are transferred to the Director all functions of the National Science Foundation relating to—

(1) the enhancement of scientific and technological resources of State and local governments, including functions relating to the conduct of demonstration projects to enhance such resources, the evaluation of State and local projects to improve technological innovation, and the promotion of networks between State and local governments conducting such projects; and

(2) the study and evaluation of programs providing technical training to entry level employees and the impact of such programs on promoting the adjustment of such employees to technological innovation, including the study and evaluation of programs conducted by secondary schools, vocational and technical schools, junior colleges, colleges and universities, and employers.

TRANSFERS FROM THE DEPARTMENT OF COMMERCE

SEC. 302. (a) There are transferred to the Director all functions of the Secretary of Commerce with respect to or administered through—

(1) the Assistant Secretary of Commerce for Productivity, Technology, and Innovation;

(2) the Director of the National Technical Information Services; and

(3) the Director of the Center for the Utilization of Federal Technology.

(b) There are transferred to the Director all functions of the Secretary of Commerce relating to the identification, promotion, and licensing to business and industrial concerns of inventions developed by Federal agencies.

TRANSFER FROM THE DEPARTMENT OF ENERGY

SEC. 303. There are transferred to the Director all functions of the Secretary of Energy relating to the identification and promotion of exemplary inventions relating to the development, production, and conservation of energy.

TRANSFER FROM THE SMALL BUSINESS ADMINISTRATION

SEC. 304. There are transferred to the Director all functions of the Administrator of the Small Business Administration relating to the Small Business Act.

TITLE IV—ADMINISTRATIVE PROVISIONS

PERSONNEL PROVISIONS

SEC. 401. (a) The Director may appoint and fix the compensation of such officers and employees, including investigators, attorneys, and administrative law judges, as may be necessary to carry out the functions of the Director and the Agency. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the civil service laws and compensated in accordance with title 5, United States Code.

(b)(1) At the request of the Director, the Director of the Office of Personnel Management shall, under section 5108 of title 5, United States Code, provide for the establishment in each of the grade levels GS-16, GS-17, and GS-18, and in the Senior Executive Service, of a number of positions in the

Agency equal to the number of positions in that grade level which were used primarily for the performance of functions transferred by this Act and which were assigned and filled on the day before the effective date of this Act.

(2) Appointments to positions provided for under this subsection may be made without regard to the provisions of section 3324 title 5, United States Code, if the individual appointed in such position is an individual who is transferred in connection with the transfer of functions under this act and, on the day before the effective date of this Act, holds a position and has duties comparable to those of the position to which appointed under this subsection.

(3) The authority under this subsection with respect to any position established at the grade level GS-16, GS-17, or GS-18 shall terminate when the person first appointed to fill such position ceases to hold such position.

(4) For purposes of section 414(a)(3)(A) of the Civil Service Reform Act of 1978, an individual appointed under this subsection shall be deemed to occupy the same position as the individual occupied on the day before the effective date of this Act.

(c) The Director may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate such experts and consultants for each day (including traveltime) at rates not in excess of the rate of pay for grade GS-18 of the General Schedule under section 5332 of such title. The Director may pay experts and consultants who are serving away from their homes or regular place of business travel expenses and per diem in lieu of subsistence at rates authorized by sections 5702 and 5703 of such title for persons in Government service employed intermittently.

(d)(1)(A) The Director is authorized to accept voluntary and uncompensated services without regard to the provisions of section 1342 of title 31, United States Code, if such services will not be used to displace Federal employees employed on a full-time, part-time, or seasonal basis.

(B) The Director is authorized to accept volunteer service in accordance with the provisions of section 3111 of title 5, United States Code.

(2) The Director is authorized to provide for incidental expenses, including but not limited to transportation, lodging, and subsistence for individuals who provide voluntary services under subparagraph (A) or (B) of paragraph (1).

(3) An individual who provides voluntary services under paragraph (1)(A) shall not be considered a Federal employee for any purpose other than for purposes of chapter 81 of title 5, United States Code, relating to compensation for work injuries, and chapter 171 of title 28, United States Code, relating to tort claims.

GENERAL AUTHORITY

SEC. 402. In carrying out any functions transferred by this Act, the Director, or any officer or employee of the Agency, may exercise any authority available by law with respect to the function to the official or agency from which the function is transferred. Any action of the Director in exercising such authority shall have the same force and effect as when exercised by the official or agency from which the function was transferred.

DELEGATION AND ASSIGNMENT

SEC. 403. Except where otherwise expressly prohibited by law or otherwise provided by this Act, the Director may delegate any function specified for or transferred to the Director by this Act and any function transferred or granted to the Director after the effective date of this Act to such officers and employees of the Agency as the Director may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions by the Director under this section or under any other provision of this Act shall relieve the Director of responsibility for the administration of such functions.

SUCCESSION

SEC. 404. (a) Subject to the authority of the President, and except as provided in section 201(c)(2), the Director shall prescribe the order by which officers of the Agency shall act for, and perform the functions of, the Director or any other officer of the Agency during the absence or disability of the Director or such other officer, or in the event of a vacancy in the office of the Director or such other officer.

(b) Notwithstanding any other provision of law, and unless the President directs otherwise, an individual acting for the Director or another officer of the Agency pursuant to subsection (a) shall continue to serve in that capacity until the absence or disability of the Director or such other officer no longer exists or a successor to the Director or such other officer has been appointed by the President and confirmed by the Senate.

REORGANIZATION

SEC. 405. (a) Subject to subsection (b), the Director is authorized to allocate or reallocate functions among the officers of the Agency, and to establish, consolidate, alter, or discontinue such offices in the Agency as may be necessary or appropriate.

(b) The authority of the Director under subsection (a) does not extend to any function which this Act specifies shall be performed through a particular office or officer of the Agency, or to any office established by this Act.

RULES

SEC. 406. The Director is authorized to prescribe, in accordance with the provisions of chapters 5 and 6 of title 5, United States Code, such rules and regulations as the Director determines necessary or appropriate to administer and manage the functions of the Director or the Agency.

CONTRACTS, GRANTS, AND COOPERATIVE AGREEMENTS

SEC. 407. (a) Subject to the provisions of the Federal Property and Administrative Services Act of 1949, the Director may make, enter into, and perform such contracts, leases, cooperative agreements, grants, or other similar transactions with public agencies, private organizations, and persons, and make payments (in lump sum or installments, and by way of advance or reimbursement, and, in the case of any grant, with necessary adjustments on account of overpayments and underpayments) as the Director considers necessary or appropriate to carry out the functions of the Director or the agency.

(b) Notwithstanding any other provision of this Act, the authority to enter into contracts or to make payments under this Act shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts. This subsection does not apply with respect to the authority granted under section 410.

PUBLICATIONS

SEC. 408. Subject to such procedures as the Director of the Office of Management and Budget may prescribe, the Director may disseminate in the form of reports of publications such information as the Director considers appropriate.

USE OF FACILITIES

SEC. 409. (a) With their consent, the Director, with or without reimbursement, may use the research, services, equipment, and facilities of—

(1) an individual;

(2) any public or private nonprofit agency or organization, including any agency or instrumentality of the United States or of any State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States;

(3) any political subdivision of any State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States; or

(4) any foreign government.

in carrying out any function of the Director or the Agency.

(b) The Director, under terms, at rates, and for periods that the Director considers to be in the public interest, may permit the use by public and private agencies, corporations, associations of other organizations, or by individuals, of any real property, or any facility, structure or other improvement there on, under the custody of the Director. The Director may require permittees under this section to maintain or recondition, at their own expense, the real property, facilities, structures, and improvements used by such permittees.

GIFTS AND BEQUESTS

SEC. 410. (a) The Director is authorized to accept, hold, administer, and utilize gifts and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Agency. Gifts and bequests of money and the proceeds from sales of other property received as gifts or bequests shall be deposited in the United States Treasury in a separate fund and shall be disbursed on order of the Director. Property accepted pursuant to this paragraph, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gift or bequest.

(b) For the purpose of Federal income, estate, and gift taxes, and State taxes, property accepted under subsection (a) shall be considered a gift or bequest to or for use of the United States.

(c) Upon the request of the Director, the Secretary of the Treasury may invest and reinvest in securities of the United States or in securities guaranteed as to principal and interest by the United States any moneys contained in the fund provided for in subsection (a). Income accruing from such securities, and from any other property held by the Director pursuant to subsection (a), shall be deposited to the credit of the fund, and shall be disbursed upon order of the Director.

SEAL OF AGENCY

SEC. 411. The Director shall cause a seal to be made for the Agency of such design as the Director shall approve. Judicial notice shall be taken of such seal.

ANNUAL REPORT

SEC. 412. The Director shall, as soon as practicable
after the end of each fiscal year, prepare and transmit a written report to the Presi-

dent for transmission to the Congress on the activities of the Agency during such fiscal year.

TITLE V—TRANSITIONAL, SAVINGS, AND CONFORMING PROVISIONS

TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL

SEC. 501. Except as otherwise provided in this Act, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by this Act, subject to section 1531 of title 31, United States Code, shall be transferred to the Director. Unexpended funds transferred pursuant to this section shall be used only for the purposes for which the funds were originally authorized and appropriated.

INCIDENTAL TRANSFERS

SEC. 502. (a) The Director of the Office of Management and Budget, at such time or times as the Director shall provide, is authorized to make such determinations as may be necessary with regard to the functions transferred by this Act, and to make such additional incidental dispositions of personnel, asets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this Act. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this Act and for such further measures and dispositions as may be necessary to effectuate the purposes of this Act.

(b) After consultation with the Director of the Office of Personnel Management, the Director of the Office of Management and Budget is authorized, at such times as the Director of the Office of Management and Budget may provide, to make such determinations as may be necessary with regard to the transfer of positions within the Senior Executive Service and connection with the functions transferred by this Act.

EFFECT ON PERSONNEL

SEC. 503. (a) Except as otherwise provided by this Act, the transfer pursuant to this Act of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation for one year after the date of transfer of such employee under this Act.

(b) Any person who, on the day preceding the effective date of this Act, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Agency to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous positions, for the duration of the service of such person in such new position.

AGENCY TERMINATIONS

SEC. 504. Except as otherwise provided by this Act, whenever all the functions of any office of a Federal agency have been transferred by this Act from that agency, such agency shall terminate. If an office terminates pursuant to the provisions of the preceding sentence, each position and component therein which was expressly authorized by law, or the incumbent of which was authorized to receive compensation at the rates prescribed for a position at level II, III, IV, or V of the Executive Schedule contained in sections 5313 through 5316 of title 5, United States Code, shall terminate.

SAVINGS PROVISIONS

SEC. 505. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges that—

(1) have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred by this Act; and

(2) are in effect when this Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Director, a court of competent jurisdiction, or by operation of law.

(b)(1) The provisions of this Act shall not affect any proceedings, including notices of proposed rule making, or any application for any license, permit, certificate, or financial assistance pending on the effective date of this Act before a Federal agency or any office thereof with respect to functions transferred by this Act; but such proceedings or applications, to the extent that they relate to functions transferred, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made under such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the Director, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection prohibits the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(2) The Director and the head of each Federal agency from which functions are transferred by this Act are authorized to issue regulations providing for the orderly transfer of proceedings continued under paragraph (1).

(c) Except as provided in subsection (e)—

(1) the provisions of this Act do not affect actions commenced prior to the effective date of this Act, and

(2) in all such actions, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act had not been enacted.

(d) No action or other proceeding commenced by or against any officer in his official capacity as an officer or any Federal agency with respect to functions transferred by this Act shall abate by reason of the enactment of this Act. No cause of action by or against any Federal agency with respect to functions transferred by this Act, or by or against any officer thereof in his official capacity, shall abate by reason of the enactment of this Act. Causes of action and actions with respect to a function transferred by this Act, or other proceedings may be asserted by or against the United States or the Director, as may be appropriate, and, in an action pending when this Act takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(e) If, before the date on which this Act takes effect, any Federal agency or any officer thereof in his official capacity, is a party to an action, and under this Act any function of such Federal agency is transferred to the Director, then such action shall be continued with the Director substituted or added as a party.

(f) Orders and actions of the Director in the excercise of functions transferred by this Act shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the head of the Federal agency exercising such functions immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this Act shall apply to the exercise of such function by the Director.

AMENDMENTS

SEC. 506. (a) Section 5313 of title 5, United States Code, is amended by adding at the end thereof the following new item: "Director, Agency for Technological Innovation.".

(b) Section 5314 of such title is amended—

(1) by striking out the item relating to the Assistant Secretaries of Commerce and inserting in lieu thereof the following: "Assistant Secretaries of Commerce (7).''; and

(2) by adding at the end thereof the following new item: "Deputy Director. Agency for Technological Innovation.".

(c) Section 5316 of such title is amended by adding at the end thereof the following new item: "Assistant Director, Agency for Technological Innovation.".

SEPARABILITY

SEC. 507. If a provision of this Act or its application to any person or circumstance is held invalid, neither the remainder of this Act nor the application of the provision to other persons or circumstances shall be affected.

REFERENCE

SEC. 508. With respect to any functions transferred by this Act and exercised after the effective date of this Act, reference in any other Federal law to the Federal agency from which such functions were transferred or the head of such Federal agency, shall be considered to refer to the Director.

TRANSITION

SEC. 509. With the consent of the head of each Federal agency from which functions are transferred by this Act, the Director is authorized to utilize—

(1) the services of officers, employees, and other personnel of each such Federal agency with respect to functions or offices transferred to the Agency by this Act; and

(2) funds appropriated to such functions for such period of time as may reasonably be needed to facilitate the orderly implementation of this Act.

TITLE VI—MISCELLANEOUS

EFFECTIVE DATE

SEC. 601. (a) This Act shall take effect one hundred and twenty days after the date of enactment, except that—

(1) section 509 shall take effect on the date of enactment; and

(2) at any time after the date of enactment of this Act—

(A) the officers provided for in title II may be nominated and appointed, as provided in such title; and

(B) the Director and the head of each Federal agency from which functions are transferred by this Act may promulgate regulations under section 505(b)(2).

(b) Funds available to a Federal agency, with respect to functions transferred by this Act, may be used, with approval of the Director of the Office of Management and Budget, to pay the compensation and expenses of an officer appointed under subsection (a)(2)(A) who will carry out such functions until funds for that purpose are otherwise available.

INTERIM APPOINTMENTS

SEC. 602. (a) If one or more officers required by this Act to be appointed by and with the advice and consent of the Senate have not entered upon office on the effective date of this Act and notwithstanding any other provision of law, the President may designate any officer who was appointed by and with the advice and consent of the Senate, and who was such an officer on the day before the effective date of this Act, to act in the office until it is filled as provided by this Act.

(b) Any officer acting in an office pursuant to subsection (a) shall receive compensation at the rate prescribed by this Act for such office.

AUTHORIZATION OF APPROPRIATIONS

SEC. 603. To carry out this Act, there are authorized to be appropriated $100,000,000 for fiscal year 1985 and each of the four succeeding fiscal years.

A PRAGMATIC GOVERNMENT APPROACH TO TECHNOLOGICAL INNOVATION

INNOVATION: PROBLEMS AND ISSUES

It is impossible to ignore the precarious competitive position of many American industries that has evolved over the past decade. Traditional sources of American manufacturing strength—automobiles, steel, machine tools—have yielded significant amounts of market share to Western European and Japanese companies. More recently, America's newer, high technology industries have also begun losing ground to foreign competitors. In the face of this situation, American industry has increasingly looked to innovation as a remedy.

Innovation is a process that involves the transformation of knowledge from basic science to marketable technology. Many institutions are integrally involved including universities, research and development oriented private companies, entrepreneurs, the venture capital system, organized labor, and government at every level. Innovation occurs in no single place, but in many places, from the laboratory to the shop floor. Most importantly, it is a process that takes years to unfold; steps that are taken now will not have a measureable effect on technological innovation until the next decade. Moreover, it should be obvious that no single group or institution is either responsible for the decline in America's capacity to capture key market shares, or is able to solve the problem alone.

There is an increasing concensus that the prerequisite of economic competitivenses is the ability to develop fundamentally new products and industrial processes, produce them inexpensively and with high quality, and successfully market them. Nonetheless, it is not yet clear what role, if any, the federal government should play in the industrial innovation process. In the past, government activity has focused primarily on traditional areas of macroeconomic policy (e.g., changes in taxation and regulatory practice). The main premises of this approach have been that American industry needs two remedies for successful renewal. (1) more capital, and (2) more freedom to spend that capital. Congruent with this view, a number of changes in the U.S. tax code have been legislated, and changes in regulatory practices have been implemented. The problem is that technological innovation is only indirectly responsive to economic and policy levels. Capital investment and regulatory reform do not automatically yield technological innovation.

In a free and complex society the process of technological innovation can never be fully managed nor completely understood. However, interventions can constructively be made in certain "high leverage" ways, in order to make maximum use of the nation's scientific and technological capabilities. The focus should be on strengthening certain institutions and functions that are crucial to American technological innovation.

A successful effort to influence American industrial innovation will need to address the following issues and problems:

Scientific and technical information transfer and utilization is crucial to innovation, yet linkages between various sectors of the technology infrastructure are weak and/or poorly developed.

There is as much need for innovation in new industrial processes, as for new innovative products. The U.S. is in a particularly vulnerable position relative to its competitors in the development and deployment of advanced process technologies (e.g., CAD/CAM, robotics, group technology, FMS).

A major unaddressed issue concerning technological innovation is the optimal utilization and management of human resources. Our foreign competitors have been much more attentive to issues of training, retraining, and more cooperative labor/management relations.

A predominant share of scarce U.S. R&D resources have been allocated to space and defense-related activities, with limited commercial exploitation of these public expenditures, at the expense of civilian-related activities, which have higher innovation and commercial potential.

Our innovation process has not adequately addressed the issue of new enterprise development. We lack an adequate system to provide technical, management, and financial assistance to new enterprises.

Little is known empirically about the effects of current programs, or the likely effects of new programs designed to stimulate technological innovation and economic recovery.

America has no integrated, coherent innovation policy. Programs and policies are scattered across a wide array of federal agencies, and the aggregate effects are unknown. No single agency is either charged with, or able to implement, a coordinated approach.

A more detailed analysis of these key issues follows:

INFORMATION AND TECHNOLOGY TRANSFER

The creation of new technology essentially involves the transfer or transportation and knowledge. Nearly every commercially successful technology can be traced to basic scientific research that has been iteratively changed, expanded upon, and transferred over a period of years. Since information transfer is at the core of all technological innovation, this activity is a particularly good candidate for high impact intervention.

While much of the knowledge that is transferred during the innovation process is proprietary in nature, a significant portion is not. Information gets transferred between universities and industries, between small companies and large, and between the Federal Government and the private sector, through a wide variety of mechanisms. Moreover, the Federal Government, as the largest single supporter of basic science, is the most crucial information broker in the country. Its activities range from agency-specific knowledge dissemination, to support of libraries in various institutional settings. Unfortunately, the Federal information transfer "system" that has evolved, is neither a system nor is it particularly effective at providing critically needed domestic and international scientific and technical information to potential users.

Numerous examples of the system's inadequacies can be found in defense-related science and technology programs. Defense R&D and space R&D comprise over 60% of the total Federal R&D budget. Further, the industries which show the largest expenditures for R&D (from internal and Federal funds) are aircraft and missiles, and electrical equipment and communications. While there have been some significant payoffs from defense related research in the form of new consumer products, these payoffs have been few relative to the vast amount of money expended. Although the semiconductor and aircraft industries owe much to military and space research and procurement policies, the dissemination of defense-related scientific and technical knowledge, and the commercial application of technologies in other areas have been quite limited. The NASA Technology Utilization Program, for example, has achieved mixed results in the direct transfer of space research to commercial applications.

These facts illustrate two fundamental problems for American technological growth. First, if the "militarization" of American technology continues to grow, America's share of burgeoning consumer markets may be further jeopardized. Second, since such a large proportion of the nation's public R&D resources are presently tied to mission-oriented activities, methods must be found for substantially expanding civilian commercial benefits from these expenditures. Improving the currently inadequate information and technology transfer mechanisms between sectors is one such method.

Yet, regardless of the sector, much of what has been discovered about effective methods of information dissemination has not been incorporated into federally-supported transfer activities. In addition, virtually every R&D agency has its own idiosyncratic knowledge transfer mechanisms resulting in a patchwork of policies and practices. If a significant improvement can be realized in the transfer of technologically-relevant information to users, the downstream payoff in increased innovation is likely to be considerable. Consequently, this is potentially a "high leverage" area for a well-considered, coherent set of initiatives aimed at coordinating the dissemination of technical information and facilitating the adoption of new technologies.

HUMAN RESOURCES

Too often, U.S. firms view and use human resources in a vastly different way than our major foreign competitors. In America, people are too often perceived as being as interchangeable as machines. The design of

manufacturing systems is seen as nothing more than a problem of individual machine design on a larger scale. The results in human terms are a limited use of worker talents, the isolation of workers from their fellow workers, and alienation from the product being produced. The results in technical and economic terms is less than optimal performance: incomplete utilization of resources, inflexible manufacturing systems, and high absenteeism and turnover among employees.

By contrast, our foreign competitors have been more concerned with designing innovative manufacturing systems which both take advantage of new technologies and more fully utilize valuable human resources. Advanced manufacturing systems by their very nature seem to require new ways of working. Frequently, routine tasks are absorbed by the technology, with increased demands placed on maintenance and control functions. In general, workers are needed less to perform a prescribed sequence of work, than to respond to exceptions. In many cases our competitors have been more cognizant of the importance of workers in advanced systems, and have been more attentive to issues of training, retraining, decentralizing authority, and shifting labor/management relations to a more cooperative model.

The growth of quality control circles, and other socio-technical systems developed by U.S. scientists, have been well documented. It is dismaying that these innovations in the human resources field which were first developed in the U.S., have been exported for effective use by our competitors, while American industry has not yet exploited their full potential. The implications of Scanlon systems, employee-stock-ownership-plans, worker participation programs, and other socio-technical systems need to be integrated into any overall innovation strategy.

NEW AND SMALL ENTERPRISES

The small R&D-based company is a major ingredient in technological innovation. Either as innovative suppliers to major firms, as spinoffs from larger companies, or as outgrowths of academic basic science, it is clear that the small company is crucial to the development of new technologies. Small companies often seem to function as incubators of new ideas, and the competition in key high technology areas is fierce.

While there have been Federal policies and programs earmaked for small business in general, little has been designed explicitly for the high technology oriented small company. For example, the U.S. Small Business Administration has not considered the high tech company as its primary client. Perhaps more importantly, recent economic policies, such as the introduction of the R&D tax credit have been formulated as if only Fortune 500 companies existed in the U.S. To the extent that a patron exists, the leadership in promoting small high technology companies has emerged primarily at the state and local level.

This should, however, in no way imply that new, small high technology firms have no need for external assistance. Studies of new R&D based companies indicate that they are often weak in managerial and business skills, despite their technological sophistication. It is in these areas that a variety of assistance mechanisms might be developed. Linkages to universities, government agencies, venture capitalists, and private associations have all been fruitful in enhancing entrepreneurial management, business, and survival skills.

PRODUCT AND PROCESS INNOVATION

In current discussions of international economic competition, a great deal of attention has been focused on the success of new "hi-tech" products. This kind of emphasis has often blurred the distinction between the technology "embedded" in the product, and the process technology employed to manufacture the products. In no other area is the U.S. at such an obvious disadvantage relative to its competitors as in the development, adoption, and implementation of advanced process technology. This has been particularly true in traditional industrial sectors, such as automobiles, steel, and rubber.

In the past several years there have been major advances world-wide in the development of new process technologies, particularly those oriented toward manufacturing. These include robotics, computer-assisted design and manufacturing (CAD-CAM), group technology and flexible manufacturing systems. Although 20 years ago the U.S. enjoyed a comfortable lead in the early development of these technologies, today that competitive edge has largely dissipated, poignantly illustrating critical market imperfections. For example, Japan now is generally considered the world leader in the development and manufacture of industrial robots—an industry initially dominated by American research and technological innovation.

One ingredient missing from the U.S. approach to product and process innovation during this period was a major leadership and brokering role played by government. By contrast, Germany and Japan have witnessed a much more proactive role by their own national governments. The opportunities for Federal action are several and need not include the controversial practice of "picking" winning and losing technologies. For example, the funding of early high risk research could be shared among industrial consortia, or in government-industry-university cooperative research centers. Assistance could be provided in facilitating the adoption and implementation of new technologies. Clearly, the effective deployment of advanced process technology is crucial to U.S. industrial rejuvenation. These kinds of assistance will be especially critical if the traditional manufacturing sector of the U.S. is to retain some defensible market share.

UNDERSTANDING INNOVATION

Attempts to influence the process of innovation—whether emanating from the government or the private sector—have had a patent medicine flavor to them. There has been great enthusiasm about various nostrums, virtually no defensible evidence of effects, and consequently, the endless re-inventing or re-packaging of various tactics. One characteristic of both public and private sector efforts to influence industrial recovery has been their increasing reliance on a theoretical or ideological underpinning. In other words, programs have been designed with an eye to what "should" be, rather than what is.

Two types of information seem called for. First, there need to be continuous and vigorous data collection efforts to assess public and private sector programs designed to effect industrial innovation. Evaluation results should be built into program design, rather than added post facto. Second, more basic knowledge about the process of innovation is clearly needed to ensure that managers in all sectors can assess the likely effects of their actions on innovation and productivity.

Restoration of America's technological competitiveness will require a devotion to pragmatism and patience. Programs to influence technological innovation should be designed on the basis of what we know about the process, and should be implemented as "temporary systems"—to be assessed, altered, or replaced on the basis of ongoing data collection and the evaluation of outcomes. America's current technological plight has taken many years to develop; time and an adequate knowledge base will be essential to designing solutions that work.

POLICY AND PROGRAM INTERGRATION

Given the complexity of technological innovation, a successful strategy to influence this process will need to be comprehensive, coordinated, well articulated in both policies and programs, and given high priority status. Contrasting this proposed method of policy and program integration with current reality yields several salient discrepancies. There is no industrial innovation policy in government; there are many policies. There is no single innovation program in the Federal Government, but there are a wide range of innovation-related activities. Executive agencies with a major stake in the pace of U.S. technological innovation include, but are not restricted to, the following: Department of Commerce; Department of the Treasury; Department of Justice; National Science Foundation; Department of Labor; National Aeronautics and Space Administration; Department of Defense; and the White House Office of Science and Technology Policy. Similarly, there are several legislative-branch organizations with vested interests (e.g., Office of Technology Assessment, General Accounting Office).

While such a variety of agency interests is encouraging in its richness, it is also discouraging in terms of coherence and cumulative effect. Too often the unit that has an innovation mandate within an agency will be a bureaucratic "orphan," somewhat out of step with the overall mission of its parent. Similarly, there is little effective contact or coordination across agencies on either a policy or operational level.

While tolerance for diversity is generally considered an American virtue, in the case of industrial technological innovation it may be a negative impediment. The current laissez-faire approach of too many agencies with uncertain mandates and ineffective interagency coordination has not produced an effective response to date. Agency infrastructure and policy coordination problems will have to be solved first before financial and human resources can be constructively earmarked for "solutions."

SUMMARY

The threefold challenge our nation now faces is to modernize America's traditional manufacturing strength in its basic industries, to facilitate the development and growth of new, emerging high technology industries, and to maintain our older more established high technology strengths. Far from being mutually exclusive goals, these elements of a realistic approach must be met simultaneously and should be recognized clearly as interdependent, rather than competing, industrial challenges. Enabling America to successfully meet its challenge will require the Federal Government to provide the private sector with an environment which fosters innovation, productivity, and international competitiveness. This strategy would constitute a coherent approach to innovation, to replace these uncoordinated

and demonstrably ineffective practices currently in place which no longer fit the realities of domestic and world commerce.

ELEMENTS OF A COHERENT GOVERNMENT APPROACH TO INNOVATION

Given the critical and pressing problems currently facing future technological innovation in this country, and the present lack of a coherent organization framework within which to develop and implement desperately needed solutions, a new way of structuring Federal government activities pertaining to technology must be designed. In order to be effective in influencing technological innovation, the Federal government will need to perform the following key functions:

Provide a research and development capacity adequate both to define problems in the innovation process and to formulate effective solutions for those problems once identified.

Coordinate Federal government programs with potential impact on the process of technological innovation.

Ensure the effective dissemination and transfer of scientific information and technology to increase the commercialization of mission-oriented technology, and to enhance the utilization of general scientific and technical information.

Provide a focus in government for the demonstration and development of process technologies with applications for manufacturing, and for the enhancement of productivity throughout the economy.

Provide a coordinating and operational focus for programs at the state, local, and Federal levels addressing the issue of new enterprise development.

Provide a clearinghouse, demonstration, and experimental focus for examining the human resource aspects of technological innovation, including retraining, training, and management practices.

Provide a setting in which stakeholders in the process of industrial innovation—labor, management, education, and state and local governments—may express their concerns and influence the policy and programmatic responses of the Federal government.

Analyze and assess policy options pertaining to technological innovation and development, and present those options at the highest level of government, up to and including the Executive Office of the President.

DESIGN PRINCIPLES

An informed knowledge of the process of technological innovation suggests a number of principles which should be employed in reorganizing and strengthening Federal efforts to influence that process. Moreover, experiences of the past two decades with overambitious and ineffective federal programs can provide additional guidelines for constructing a coherent government approach. Some principles that should be employed include the following:

STAKEHOLDER INVOLVEMENT

As has been noted, the process of technological generation, diffusion, and implementation involves a number of stakeholders, sectors, and institutions. Any one of these participating groups can derail a process of technological change. It is also true that the process of innovation can be positively exchanced when "demand pull" by users is built into the system.

It is essential that a variety of mechanisms be used to involve constituents in ongoing federal efforts. For example, advisory committees, when used, should include representatives of labor, academia, the corporate world, state and local government and professional societies. Similary, whatever transaction devices are used to expend public funds, a guiding principle should be "risk-sharing" by recipients. For example, research and development projects that are co-funded by industry will more likely reflect market realities than "technology push" initiated by Government alone.

LEVERAGE THROUGH INSTITUTION-BUILDING

Massive injections of public funds into the industrial system are not necessarily required. Rather, the focus should be on "leveragings" the process of the technological innovation by improving the performance of constituent institutions, and the interactions between those institutions. For example, it is not fiscally possible to look for 100% Federal funding for retraining of workers displaced by the technological advance in the next decade. However, it would be practical and important for the government to identify exemplary approaches to retraining, and to disseminate that knowledge to already existing programs at state, local, and Federal levels. Similarly, the fostering of cooperative research relationships (e.g., university/industry, industry/industry) contributes to the process of technological innovation, but all of these cooperative relationships cannot, and should not, be directly funded or managed by government. Again, a mixture of direct intervention, paired with institutional renewal and leveraging, seems a more appropriate approach to follow.

EMPIRICISM

Knowledge about "that works" to stimulate the process of technological innovation is fragmentary. This is true at both the macro-policy level and at the operational progam level. Federal efforts to influence innovation should adopt an operating philosophy and establish management procedures that emphasize experimentation and assessment of program effects. Moreover, any new efforts should be sunsetted with a comprehensive substantive evaluation built into its enacting legislation. Every relevant program or organizational unit should assess current results and rigorously evaluate program options that might be used in accomplishing its objectives.

INCREMENTAL IMPLEMENTATION

The experience in social programming of the past two decades should be sufficient warning against the immediate, massive implementation of large numbers of new programs. Furthermore, new programs are always of uncertain or unknown impact, and should be tested at a relatively low level of support. They could then be expanded (or reduced) on the basis of demonstrable results. Moreover, initial efforts should be seen as a lean vanguard approach, testing experimenting with alternative solutions as needed.

OPTIONS

Four options designed to reorganize and strengthen Federal government activities pertaining to technological innovation suggest themselves.

The first option is to leave existing programs where they are, add new programs when appropriate, and enhance the coordination of all programs and activities by establishing a lead office. However, establishing coherence across agency lines is always very difficult, and the existing evidence indicates that the present disaggregated efforts have not been highly successful. Moreover, past experience suggests that parent agencies with other more general mandates are rarely effective advocates and supporters of technological innovation per se. Therefore, this option appears to be an inadequate approach to the problem.

A second option would be to create a new agency that reports to an existing Cabinet Department, such as the Department of Commerce. This solution has some attractiveness, particularly in terms of speed of implementation and management coherence. However, it is questionable whether embedding a new effort in an existing agency would give it sufficient stature and visibility to be effective. It is also doubtful whether the relatively narrow constituency and clientele of established Departments would match the variety of groups and activities that would need to be incorporated into a comprehensive effort to stimulate industrial innovation. This option may also be an inadequate approach to the problem.

A third option would be to create a new federal capability in technological innovation by using the National Science Foundation as the organizational core and transferring to it pertinent technology-based programs and activities from other agencies. This would result in a "National Science and Technology Foundation". In theory, the basic science and technological functions of this agency would have co-equal status, with perhaps a parallel deputy director(s) administrative structure. The primary advantage of such an approach is that it would build on the enviable track record and expertise of the NSF in managing large scale, high quality extramural research. The primary disadvantage is that the culture and mindset of NSF has been preoccupied with basic science as opposed to technological innovation, and previous efforts at pairing applied or technology oriented activities with this primary mission have been less than successful. Whether an aggressive applied research and action program could exist and flourish in this setting is debatable.

A fourth option is to establish an independent agency that reports to the President, consolidating therein most existing programs to stimulate innovation, and creating new ones as needed. Clearly, designing and establishing a new agency is always an arduous task and organizational solutions by themselves rarely solve problems. The creation of any new government body should be approached with a degree of skepticism and caution.

Nonetheless, what is needed now is to define a coherent set of federal programs and policies to stimulate technological innovation, and to create an organizational framework in which these programs and policies can be implemented for optimal effectiveness.

In short, we need to describe the functions and types of programs that would need to be brought together for a viable federal effort in technological innovation. To illustrate how such a federal effort might be organized, the following proposal for an Agency for Technological Innovation has been developed. While couched in terms of a new independent agency initiative, the functions described could be modified to fit any of the organizational options described above.

PROPOSAL FOR THE AGENCY FOR TECHNOLOGICAL INNOVATION (ATI)

In many respects the proposed agency will be an organizational innovation. It will be

an independent agency, but will also have direct ties to Presidential authority. It will be both a policymaking organization and an operational agency. Moreoever, its internal operations and policies will be guided to a significant degree by its external clientele in both the private and public sectors. The agency should not reach full-scale implementation until at least three years after inception. All personnel and budget estimates in subsequent sections should be seen as third year targets, unless otherwise stated. Moreover, sunset oversight prior to five years of operations would seem premature, although a sunset review at that time would be quite appropriate. The process of technological change is both complex and lengthy, and the evolution of the proposed agency should proceed apace.

In subsequent discussions of proposed organizational functions and structure, the reader is referred to Figure I.

[Chart not reproducible in RECORD.]

Office of the Director

The Director will serve a four year term and be a Presidential Appointee. The incumbent will have both administrative responsibilities for the agency, and will serve as the Presidential Advisor in Innovation Policy, thus having clear status within the executive branch. The agency would be chartered as an independent agency in the U.S. Government, but in the person of the Director would have direct access and stature within the Executive Office of the President. The Director would have the clear mandate and authority to coordinate, and in some cases assume co-responsibility for, operations in other government agencies that may fall within the innovation domain.

Office of Innovation Policy

An Office of Innovation Policy shall be established in the Agency for Technological Innovation, attached to the Office of the Director. As Presidential Advisor on Innovation Policy, the Director of the agency shall serve as nominal head of this office. Administrative responsibilities for the office shall be handled by an Executive Director, and various section heads as appropriate.

The purpose of the Office of Innovation Policy will be to advise the President, the Cabinet, and other government agencies on policy trends, options, and issues pertaining to technological innovation. Areas of inquiry would include antitrust, patents, taxation, procurement, regulation, manpower utilization and training, research and development, and trade. It will be empowered to conduct both analytical and empirical studies, and will be obligated to report its findings in the public record. The Office of Innovation Policy shall make a quarterly report to the Congress on emerging issues concerning U.S. technological innovation.

This unit will assume the policy mandate pertaining to private sector technology issues that has been nominally assigned in enabling legislation to the Office of Science and Technology Policy (OSTP). However, in point of fact OSTP has occupied itself primarily with policy pertaining to basic science and to Federal mission-oriented R&D (e.g., defense, energy, and space). The Office of Science and Technology Policy will continue to exist, but its functions pertaining to industrial technological innovation will be the sole responsibility of the Office of Innovation Policy.

Staff and resources from the Division of Policy Research and Analysis and the Division of Industrial Science and Technological Innovation, National Science Foundation, and personnel from the Department of Commerce will be transferred to this agency for staffing purposes. This staff will be supplemented with personnel from other sources as needed. A staff of 25 full-time professionals is envisioned with a budget of $5 million, when the unit achieves full implementation.

National Innovation Board

The constituencies of this proposed agency will span a variety of instutitional groups. Moreover, the economic and political interests of these various groups will not always coincide, whether on issues of innovation policy or matters concerning the operational programs of the Agency. The purpose of the National Innovation Board will be to provide a forum to guide agency practice and policy, with input from a variety of interest groups.

A 10-person National Innovation Board is visualized. Each member will serve a four year term, and will be appointed by the President. Terms of the initial appointees will be staggered so that one-quarter of the membership will rotate off the board each year. Appointees should be selected such that approximately equal representation will be given to industry, labor, education, and representatives from state and local government.

Administrative and operational structure

The Agency for Technological Innovation will be organized into four Directorates, each headed by an Assistant Director, reporting to the Deputy Director for Operations. Each Directorate shall structure itself into Divisions and Sections as appropriate. In operation, the agency is not intended to function as a strict hierarchical or function-segregated organization. Interdirectorate interchange should be frequent, and the Directorate for Information and Technology Transfer will have an explicit matrix function in this regard. The four Directorates are:

Directorate for Human and Organizational Resources.

Directorate for Enterprise Development.

Directorate for Production Research and Development.

Directorate for Information and Technology Transfer.

These units will be discussed in detail in subsequent sections.

Office of Program Evaluation and Development

An Office of Program Evaluation and Development should be established at the level of the Deputy Director of Operations, reporting directly to that office. One purpose of the office is to conduct ongoing evaluations of operational programs, and to assist the Directorates in real-time experimentation for program development. It will operate with the authority of the Deputy Director for Operations, but in a matrix relationship with the operational Directorates. It will devise operational, quantitative measures of outcome for the programs in the operational Directorates, and also function as an assessment resource for studies initiated by the operational units.

In addition to its assessment activities, the Office will conduct and support basic research on the process of innovation. Much of what we know, and more of what we need to know, have no direct program corollary in the proposed agency. Continued efforts to sort out the particular and relative effects of economic factors, management practices, and labor inputs to the innovation process is a high priority function.

The Office of Program Evaluation and Development will be headed by an Office Director, and will eventually be staffed by 20 full-time professionals, and necessary support staff. A first year budget of $10 million is visualized. Positions and resources currently assigned to the Division of Industrial Science and Technological Innovation of the National Science Foundation, and the Division of Policy Research and Analysis of the National Science Foundation, will be transferred to this new agency for staffing purposes.

Interagency Coordinating Council on Innovation

The Deputy Director for Operations will convene, and head, an Interagency Coordinating Council on Innovation with membership from each government agency managing programs linked to technological innovation practice or policy. The council shall meet monthly, and shall prepare quarterly reports to the agency Director. It shall have the responsibility to recommend administrative procedures or legislation in order to achieve coordination and/or consolidation among government programs with an impact on technological innovation.

A support staff of five full-time professionals and a budget of $1 million is recommended for the first year of operations.

OPERATIONAL PROGRAMS OF THE AGENCY FOR TECHNOLOGICAL INNOVATION (ATI)

As noted above, the operational programs of the agency will be organized into four directorates, with considerable matrix organization involved. In the following discussion the mission of each of these Directorates will briefly be presented, as well as some consideration of what existing government programs might be transferred into this new agency.

In considering the transfer of existing programs to this agency, the following criteria should be borne in mind: (1) whether that program or function would be more appropriately placed in the new agency; (2) whether withdrawing that function from its current context would harm operations of the current host agency; and (3) whether addition of that program or function would expand the scope of this agency beyond its limited vanguard, experimental posture.

Directorate for Human and Organizational Resources

Personnel and organizational dislocations are heavily involved in the process of technological innovation. Issues of technical training, retraining, and organizational design are usually corollaries of technological advance. There are a variety of programmatic efforts currently underway to address these issues. These efforts are being conducted by private sector firms, by state and local units of government, educational institutions, and agencies of the Federal government.

The purpose of this directorate is not to supplant those efforts. Rather, the intent of this directorate should be two-fold: (1) identify exemplary, demonstrably effective efforts in these areas; and (2) through competitive contract or grant, support a limited number of experiments to improve current practices. Reflecting the array of issues in this general area, a divisional structure approximating the following is visualized:

Division of Technical Education. This division would focus on pre-college, technical school, junior college, and baccalaureate level technical training programs. These

programs would concentrate on initial entry-level training.

Those portions of the Science Education activities of the National Science Foundation which are relevant to these levels of training would be transferred to this Division. Positions and resources currently assigned to the Departments of Labor and/or Education also shall be transferred to this Division as appropriate. An eventual staff of 201 full-time professionals is recommended, with a budget of $20 million.

Division of Manpower Retraining. The retraining of workers displaced by technology advance is a major problem in the U.S. Yet it is still unclear what these individuals should be trained for, what institution should be conducting the training, and what is the relative effectiveness of alternative training approaches. A major program of research, development, demonstration, and dissemination is visualized. In particular, it is recommended that field tests be undertaken to assess the viability of education retraining vouchers. (e.g., GI Bill of Retraining).

Eventually a staff of 30 full-time professionals and a budget of $40 million is recommended. Positions and resources currently assigned to the Department of Labor and/or Education shall be transferred to this Division as appropriate.

Division of Managerial Innovation. This division would focus on Managerial innovations that would both enhance innovation and productivity, and also improve labor relations and the quality-of-work-life in an industrial setting. Little systematic effort has been made in the U.S. to exploit the productivity-enhancing potential of gain-sharing plans, employee stock ownership, quality-of-work-life programs, quality circles, and the like.

A staff of full-time professionals, and a budget of $5 million is visualized for first year operations. Positions and resources currently assigned to the Departments of Labor and/or Education shall be transferred to this Division as appropriate.

Directorate for Enterprise Development

A major result of technological innovation is the creation of new enterprises, producing new products and/or developing new technical processes. Often this enterprise development process involves interaction across sectors or institutions. For example, cooperative research between university and industry is believed to accelerate the process of converting basic research to applied research and development, and then into new products and processes. Similarly, research and development conducted in small firms is both an important ingredient in new enterprise development, and also facilitated by programs of technical, financial, and managerial assistance. Components of this Directorate would include the following:

Division of Cooperative Research and Development. Several Federally funded or brokered programs of cooperative research have been considered as successful institutional innovations. These include the University/Industry Cooperative Research Centers Program and the University/Industry Cooperative Projects Program, both currently located in the Division of Industrial Science and Technological Innovation, National Science Foundation. These programs should be transferred intact to this Division. In addition, efforts are currently underway in the Office of Productivity and Technological Innovation, Department of Commerce, to promote limited partnerships and other types of finanical arrangements to stimulate and facilitate industry-industry cooperative research and development. These efforts should also be transferred into this division.

Overall, the Division should have two purposes. One, it should continue to fund a limited number of cooperative research activities, while insuring that industrial involvement in these ventures in both scientific and financial. In addition, it should be charged with identifying and developing other types of university-industry and industry-industry cooperative research relationships, and to catalog exemplary practices and programs. Again, a major dissemination function is visualized.

Eventual funding for this Division would be on the order of $30 million, with a staff of 10 full-time professionals.

Division of State and Local Initiatives. A variety of efforts are underway among units of state and local government to accelerate technological innovation and new product-process development. These range from promoting spin-offs from state university-base research, programs of technical and managerial assistance to small companies, development of research parks and consortia, and efforts to improve the operation of the venture capital system in states or regions. The magnitude of these efforts is large in the aggegate, and the pattern of public and private cooperative support that has evolved should not be disturbed by a massive injection of Federal money.

In this spirit, the purpose of this Division should be to fund a limited number of state and local experimental projects to assist the enterprise development process. Each project would range from $250,000 to $1,000,000, would last 3–5 years, would be closely monitored and quantitatively assessed, and would need to involve significant cost-sharing by both government and industry.

A program of 10 to 20 such projects would be visualized for the first year, with a total budget of $10 million. In addition to this function, the Division would also identify existing exemplary programs and try to document operations and results.

In implementing this Division, it is recommended that the Intergovernmental Program of the National Science Foundation be transferred to this agency. Staffing should ultimately reach a level of 10 full-time professionals.

Division of Small Business Innovation. Small high-technology firms are considered extremely important in new product and process development, and in the generation of new jobs for the economy. Congruent with this view was the passage of the 1982 Small Business Innovation Development Act establishing small business innovation research (SBIR) programs governmentwide.

The purpose of this Division is severalfold. One, it will be given an administrative responsibility to coordinate and oversee all SBIR programs in the Federal Government. Second, it will have a research, development, and demonstration mandate to work with Federal agencies to explore other ways in which the Federal R&D procurement process can more effectively foster small business innovation. Third, it is to work closely with the Office of Evaluation and Program Development to conduct a summative evaluation of the Small Business Innovation Research Program, now due to be sunsetted by its enabling legislation in 1987. Fourth, working closely with state goverment and the Division of State and Local Initiatives, it would provide technical assistance for the establishment of state and regional SBIR-type programs.

In implementing this Division, an eventual budget of $5 million is recommended, with 10 professional staff. Positions and resources currently assigned to the U.S. Small Business Administration would be transferred as appropriate.

Directorate for Production Research and Development

A major source of competitive pressure on the U.S. in recent years has been the increased ability of other nations to manufacture products of high quality and low cost. Moreover, with many new manufacturing or process technologies, the issue of their implementation is as important as their development per se. This Directorate will be dedicated to limited laboratory and field experimentation dealing with both the development of process technology and with better understanding and demonstrating successful implementation. It will be designed to improve American technology in the making and processing of products. Three Divisions are visualized:

Division of Manufacturing Technology. The U.S. over the past twenty years has lost much of its scientific and technological infrastructure in discrete parts manufacturing. For a variety of reasons universities have closed their foundries and machine shops, while firms have invested more of their R&D funds in new product development.

The purpose of this division is to redevelop that infrastructure, to provide guidance and funding to universities, colleges and technical schools, for curricular development and the purchase of equipment and machinery, and to support cooperative university, industry and government research on new manufacturing systems.

The automation project of the National Bureau of Standards (NBS) would be transferred to this Division, as would the Production Research Program within the National Science Foundation. The budget of the Division would increase to about $18–20 million after 5 years, with a staff of 10 professionals.

Division of Process Technology. Many radically new products require radically new production processes. The private sector, however, is often preoccupied with the new product to the detriment of process development. With international competition in high technology areas increasing, the U.S. cannot afford an excessive lag in getting quality products into the market place.

Current activities in biotechnology and microelectronics illustrate U.S. weakness in process development. This Division will support research on process development in new developing product areas and in biotechnology and microelectronics. It will work closely with industry and universities to reduce the time it takes to get quality products to the market.

The activities of this Division are both more experimental and more generic than those of the Division of Manufacturing Technology. The initial projects will involve 2 professional staff and about $1 million. A project a year will be added (along with additional staff) reaching $6 million and 5 permanent staff members after 5 years.

Division of Socio-Technical Design. New complex manufacturing systems require new design procedures to avoid major dislocation in human and organizational systems. This Division will focus on the devel-

opment of new design paradigms to jointly optimize organizational and technical systems and to explore the impacts on human and organizational systems of new process technologies.

The initial budget of this Division will be $1 million with 2 staff members increasing to $2 million after 5 years.

Directorate for Information and Technology Transfer

As noted previously, ATI would be designed to maximally leverage technical information, and optimally utilize the institutional infrastructure of the innovation process. Information dissemination and knowledge transfer are crucial ingredients in such activities. Although this Directorate will serve as the focal point for these agency functions, all parts of the agency will be active and formal participants.

The Directorate's generic purpose will be to ensure the dissemination and implementation of new products and processes in American industry. A secondary goal is to improve the information and technology transfer process among all sectors by developing new mechanisms and increasing the effectiveness of existing ones. The divisional structure of the Directorate will be based on the sources of knowledge or technology being transferred, as follows:

Division of Mission-Oriented Transfer. The function of this Division will be to identify potential commercializable products and processes, so-called "spinoffs" stemming from programs in mission-oriented agencies in the Federal Government. Given the substantial proportion of funds currently allocated to the R&D programs of DOD, NASA and DOE, and the massive Federal laboratory structure which has evolved to serve those agencies, these programs will receive top priority within this Division. Operational programs such as the Technology Commercialization Program in the Department of Commerce would be transferred to this Division appropriate.

An additional function of this Division will be to encourage the private sector licensing of government-held patents. The Government Licensing Program in the Department of Commerce and the Energy Related Inventions Program in the Department of Energy should be transferred to this Division to carry out this function.

An eventual budget of $10 million and a professional staff of 20 will be needed for these activities.

Division of Information Systems. This Division will serve as the repository of all scientific and technical information collected by the government with relevance to the process of technology innovation. It will also operate as a clearinghouse for pertinent data by using a computerized network to tap into information resources in the private sector. Through these data base linkages, the Division will both identify exemplary findings and technologies and engage in dissemination and transfer activities. Portions of the National Technical Information Service, now located in the Department of Commerce, should be transferred to help establish this agency function.

An eventual budget of $10 million and a professional staff of 20 will be needed for these activities.

Division of Interagency Information Utilization. The purpose of this Division will be to identify and coordinate research findings merging from each of the agency's operational and R&D programs and to ensure the dissemination and transfer of these activities both inside and outside the agency.

An eventual of $2 million and a professional staff of 5 will be earmarked for these activities.

Although this Directorate will be capable of serving as a suitable base for ATI operations in this area, there will be a critical need for a more decentralized approach to information and technology transfer activities. Therefore, in addition to the three divisions outlined above, the Directorate will be supplemented by, and oversee, twelve regional centers. Each of these centers will be located in a land grant university, and will serve as the focal point for field activities in that region. These centers will be structured as follows:

Technology Extension Centers. Loosely patterned after the agricultural extension service model, and NASA's Regional Dissemination Centers, each region will establish a multi-sector technology development center. The centers will be oriented around a particular technology or set of technologies, and would be located at a land grant institution in each region. The centers would be initially funded by Federal government seed money, but would require the pooling of industry, university, and state and local financial and human resources to successfully continue under established guidelines. These centers will serve a variety of functions, including:

Enhancing the transfer and utilization of knowledge produced in universities in new business development.

Establishing an intellectual center and comprehensive clearinghouse for all R&D relevant to a particular technology across disciplines and sectors.

Enabling managers to see these new technologies in action and be actively involved in adapting them to their own business needs, including follow-on R&D where necessary.

Facilitating the trail use of new technologies in industries on a modified "lending library" system.

Providing technical assistance to companies that are adopting and implementing the new technologies.

Enabling hands-on training for university personnel, new workers, and retraining for the structurally unemployed.

An eventual budget of $10 million and a professional staff of 20 are earmarked for these activities.●

By Mr. BOSCHWITZ:

S. 3072. A bill to amend title 10, United States Code, to provide for the forfeiture of proprietary rights to certain technical data by a debarred or suspended contractor of the Department of Defense, and for other purposes; to the Committee on Armed Services.

RIGHTS OF DEBARRED OR SUSPENDED DEFENSE CONTRACTORS

● Mr. BOSCHWITZ. Mr. President, I rise today to offer a piece of legislation which will help to ensure that our Government will be in a strong position to deal firmly with Government contractors whose fraudulent actions ought to debar them from further Government contracts. These contractors currently have the Government over a bit of a barrel when their misconduct is uncovered, and I hope that this bill will be a first step toward correcting that situation.

Mr. President, it is currently the practice of many contractors to retain proprietary rights to certain of their properties and processes when they furnish the Government with a particular item. While this right has often been abused in the past, no one would argue that it doesn't have a proper place in the relationship of a contractor to the contracting agency in some cases.

But a problem arises, Mr. President, when that proprietary data holder is found to be guilty of a criminal fraud, which would ordinarily expose him to debarment from further Government contracting for a period of time. If his proprietary rights are in fact unique, by debarring him the Government at the same time is left in a situation where the part or item previously provided by the contractor cannot be supplied from an alternate source, since no other contractor is possessed of the proprietary data required to reproduce the part or item.

This bill will solve this problem, Mr. President. No longer will a Government agency be unable to debar a contractor for fear of losing access to the proprietary data upon which the Government has come to rely. If a contractor is debarred from Government contracting as a result of a criminal fraud, he will lose all his proprietary rights as part of that debarment. This will enable the Government to find a second source for a part or item, using the proprietary data which it receives from the debarred contractor. In debarring fraudulent contractors in the future, the Government will no longer be cutting off its nose to spite its face.

I want to make clear that this loss of rights is only occasioned by conviction of a criminal fraud, so it cannot be used arbitarily by a Government contractor who wants to obtain proprietary rights in order to purchase things from a second source. I think this protects a contractors legitimate rights while at the same time ensuring that he doesn't become the proverbial indispensable man who must be tolerated no matter how poorly he performs.

I realize that time is short for action in this Congress, but I hope that, by introducing the Members to this bill now, to have a leg up on its rapid passage in the next Congress. I look forward to working with my colleagues on this matter next year, and I will welcome their support and suggestions at that time.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3072

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That (a) chapter 141 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2402. Proprietary rights: forfeiture

"(a)(1) Any individual, corporation, partnership, sole proprietorship, or other entity who—

"(A) is awarded a contract with the head of an agency to develop or supply a manufactured product to the United States; and

"(B) after the contract is awarded, is debarred or suspended from performing the contract or from award of any other contract by the United States by reason of a conviction of any criminal offense described in paragraph (2),

shall forfeit all proprietary rights in technical data relating to the manufacture of such product. The United States shall be entitled to the possession of technical data when the proprietary rights to the data have been forfeited by the application of this paragraph.

"(2) For the purposes of paragraph (1), a criminal offense referred to in such paragraph is any criminal offense that—

"(A) is committed in connection with the performance of a contract with the United States, and

"(B) requires, as an element, an intent to defraud.

"(b) Any contractor referred to in subsection (a)(1) who forfeits rights to technical data pursuant to such section shall furnish the technical data to the Secretary of Defense not later than 30 days after the date the Secretary transmits to the contractor a written demand for the technical data.

"(c) At any time after a contractor has forfeited proprietary rights in the technical data pursuant to subsection (a), the Secretary may refer the matter to the Attorney General of the United States for appropriate action. The Attorney General (without regard to whether a demand has been made pursuant to subsection (b) or the time for furnished technical data pursuant to such a demand, as provided in such subsection, has lapsed) may bring an action in the appropriate United States district court to require the contractor to furnish the technical data to the Secretary.".

(b) The table of sections at the beginning of such chapter is amended by inserting, after the item relating to section 2401, the following:

"2402. Proprietary rights: forfeiture.".

SEC. 2. The amendment made by the first section shall take effect with respect to contracts awarded by the Department of Defense on or after the date of enactment of this Act.●

By Mr. DURENBERGER:

S. 3073. A bill to amend title XVIII of the Social Security Act to provide for grants to States for graduate medical education and other clinical training activities, and to replace the current medicare reimbursement for the direct costs of such activities; to the Committee on Finance.

MEDICARE CLINICAL TRAINING AMENDMENTS

Mr. DURENBERGER. Mr. President, this past Monday the Senate Finance Health Subcommittee, which I chair, conducted a hearings on the current financing of graduate medical education. In my opening remarks I suggested a number of reasons why there is a need for the Congress to reassess the Nation's medical education priorities. I would like my introductory statement from the hearing printed in the RECORD following these remarks.

The hearing was a first step in the process of developing new Federal policy concerning the financing of graduate medical education and the clinical training activities of other health professionals.

The next step is a bill which I am introducing today, S. 3073, entitled "Medicare Clinical Training Amendments of 1984." This bill would amend title XVIII of the Social Security Act. It ends the current passthrough for the direct expenses of graduate medical education and other clinical training programs by medicare and replaces it with a fixed grant to the States to accomplish comparable goals. The direct passthrough will cost the medicare trust fund approximately $1 billion in 1984. The new grant approach would begin funding in its first year at the level of $900 million.

At the hearing I learned that—

First, medicare has generously funded the provision of graduate education and other clinical programs since its inception. The new medicare prospective payment system for hospital services has continued the cost-based reimbursement approach for the direct expenses of clinical training. This passthrough for teaching hospitals covers medicare's portion of the costs of resident and intern stipends and benefits, faculty salaries and operating educational programs.

In addition, medicare is now paying an adjustment for the indirect medical education expenses incurred by teaching hospitals. This adjustment was included in the medicare payment structure to account for the higher costs of services provided in teaching hospitals. This higher cost is due to factors such as a sicker patient load, a more elaborate and expensive medical technological capacity and those additional but nonqualified costs associated with the training of residents.

As I mentioned in my opening statement at the hearing, the indirect adjustment can partially be replaced by restructuring the DRG payment system to better accommodate variations in severity of illness. When the methodologies are available we will do this. The other factors attributable to the indirect expense, clearly need to be examined as Congress develops its overall medical education policy for medicare.

Second, there is a growing consensus that we are now training more physicians than we may actually need. At the hearing Dr. Robert Graham, Administrator of the Health Resources and Services Administration at the Department of Health and Human Services told us by the mid-1990's, there will be 40 percent more practicing than today. According to recent projections done by Dr. Graham's agency there will be a surplus of physicians of 35,000 by 1990 and 51,800 by the year 2000. These aggregate surpluses do not mean we should no longer pay for the training of physicians. There remains a maldistribution of physicians for some specialists and locations around the country. However, it does call into question our current open-ended mechanisms for funding graduate medical education.

Third, teaching hospitals are important community resources. These institutions usually have the major tertiary care responsibilities for their locales and frequently offer the only access the poor may have to health care services. Residents and interns assume an integral role in both functions.

Any changes in the funding of graduate medical education must be sensitive to these conditions. No community will want to forego its critical care services provided in the burn, trauma or neonatal intensive care units of teaching hospitals. And, it would be difficult for many counties and States to replicate the services provided to the poor by residents and interns.

Fourth, the philosophy of medical education has always been "more is better." Quality, especially in graduate medical education, has been equated with lengthier training programs. The developments of new procedures and technologies have exacerbated this situation. Up to very recently the refinancing mechanisms for residencies provided no incentives for the medical education community to reassess benefit-cost of the length or breadth of its training programs.

These and other factors affirm my belief it is time to develop a new national policy on medical education. A piece of this process should be a restructuring of the direct medical education expense under medicare. My bill makes a proposal to do this. This bill should provoke attention in the academic medical community. I look forward to both their feedback on the approach taken by the bill and additional options for reform they and others may proposed.

31-059 O-87-10 (Pt. 22)

The "Medicare Clinical Training Amendments of 1984" would amend title XVIII of the Social Security Act to provide for grants to States for graduate medical education and other clinical training activities for health professionals. The amendments provide a limit on the funding medicare will devote to these purposes and a new methodology for the distribution of medicare clinical training dollars.

The grants to be awarded under the amendments will be funded through the medicare hospital trust fund in recognition of the services provided by residents, interns and other health professionals in clinical training to medicare beneficiaries. The lid on medicare spending for clinical training applied by the amendments reflects the concerns I expressed in my remarks at the hearing and today. It reflects the need for the Federal Government to set an explicit policy concerning its commitment to clinical training.

The grant mechanism to the States also makes the proposition that these clinical training activities need to be better rationalized by the community and that this can best be accomplished at the State level. Trends indicate that the States will have to take more of an interest in this area as both third party payers and alternative delivery systems begin to forego the funding of their clinical training activities and discourage the use by beneficiaries of the higher cost teaching hospitals.

Under the amendments the Secretary of the Department of Health and Human Services would make grants to the States based on a State's proportion of approved intern and residency slots and adjusted it for variations in the salaries of interns and residencies between States. The distribution of funds based on numbers of interns and residencies is used as a proxy for all graduate medical education and other clinical training activities. The States would use the grants to fund the types of activities medicare now reimburses under the direct medical education expense.

For fiscal year 1986, the amendments set the funding level at $900 million. Funding in subsequent years would be increased or lowered based on the changes in the Consumer Price Index. This yearly adjustment will allow the grants to keep pace with inflation.

The State grants would be divided into two portions. The larger share, 95 percent in fiscal year 1986, 90 percent in fiscal year 1987, 85 percent in fiscal year 1988 and 80 percent thereafter, would be allocated to hospitals with existing clinical training programs. The amendments place a limit on the amount any one hospital can receive from this portion of the grant based on payments made to that institution under part A in the reimbursement for direct medical education expense in 1984. This provision assures that a given hospital may, dependent on the decision of the State, continue to be funded at near current levels by medicare for clincial training activities. The State has the flexibility, however, to give less to hospitals. This is likely to happen since the overall allocation for these activities is reduced by the amendments.

The other portion of the grant, 5 percent of a State's allocation in fiscal year 1986, 10 precent in fiscal year 1987, 15 percent in fiscal year 1988, and 20 percent thereafter, would have to be matched on a dollar-for-dollar basis to be received by the State. This portion of the grant allows States an even greater degree of discretion than the larger share. The funds awarded under this provision of the amendments can be used by the States to assist approved graduate medical education and other clinical training programs, having relevance to the medicare program and displaying innovations in medical training and related services. The funds from the matched share of the grant could be used, for example, to meet priorities the State sets in training certain specialties which may be of particular need for the medicare population, such as primary care physicians or for purposes such as interdisciplinary and interprofessional training programs which develop and provide improved models of service for the medicare patient.

The States accepting grants would be required to establish an advisory board to develop recommendations for State policy in supporting the graduate medical educations and other clinical training activities financed through the grant. The board is required to include consumers, representatives of medical schools, nursing schools, and other health profession schools, hospital representatives and the appropriate State officials. The State must submit a plan to the Secretary to describe the designated uses for the funding.

The provisions of these amendments would be effective October 1, 1985.

Mr. President, I ask that my remarks and the bill be printed in the RECORD at this point.

There being no objection, the introductory statement and the bill were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DAVE DURENBERGER

The Social Security Act Amendments of 1983 provided for radical reform in the payment of hospitals under Part A of the Medicare program. The new prospective payment system mandated by the act was designed to phase-in over a three year period. By the end of the phase-in, the Medicare rates for hospitals will be set according to a national average payment per diagnosis-related grouping.

In recognition of the disparate locations and service and training mix for hospitals, the Congress provided under the new scheme for urban and rural variations in payment; pass-throughs for hospital incurred capital costs; and a pass-through for the direct costs allocated with graduate medical education and other clinical training activities. An additional adjustment was allowed for the indirect costs of graduate medical education incurred by teaching hospitals.

This adjustment for indirect medical education expenses accounts for the high costs of teaching hospitals due to factors such as a sicker patient load, a more elaborate and expensive medical technological capacity, and those additional costs associated with the training of residents. The DRG system, used for Medicare prospective payment, is relatively insensitive to severity of illness so this indirect expense is in part a proxy for severity. As improved methods of establishing severity are devised, these developments will be incorporated into the overall DRG payment system. These refinements will make some portion of this indirect expense unnecessary. The remainder of the adjustment, based on broad assumption about the nature of teaching hospitals, also requires close scrutiny.

Congress has set the end of the phase-in period for prospective payment two years from today, as the deadline for setting in place a new methodology under which the capital portion of hospital expense will be paid by Medicare. Events now require we do the same with the medicare funding for the direct and indirect expenses for graduate medical education and other clinical training activities. The hearing today is a first step in that process.

Let me share with you several reasons why I believe the direct graduate medical education pass-through, as we now know it, will be eliminated within two years, and the indirect adjustment for medical education expenses will require refinement.

First, the pressure to reduce the federal deficit combined with the impending bankruptcy of the Medicare Trust Fund demand an end to these types of open-ended subsidies. There are only three ways to reduce the costs of Medicare to the federal Treasury. These are to reduce payments for Medicare services to providers, to increase cost sharing for Medicare beneficiaries and to increase taxes for all of us. I assure you, before additional cost sharing is considered, the beneficiaries will place great political pressure on the Congress to eliminate subsidies paid both under Part A and Part B to providers.

It is worth noting that Medicare covers only half of the total health care costs of the elderly and disabled, and we know from members of the Council of Teaching Hospitals, the group of the largest teaching hospitals, that 70 percent of the support for the direct cost of residents came from patient care revenues. These two figures will not be lost on these involved as the debate over cut-backs begins to intensify.

Second, traditionally, third party payors have been willing to include graduate medical education as justified expense in paying teaching hospitals. At the same time, though, insurance plans placed no significant incentives for patients to seek or use

lower cost medical facilities. Both these factors are changing in the current environment.

In a competitive marketplace, third party payors and alternative delivery systems are less willing to pay for graduate medical education and are steering plan members away from the more expensive teaching institutions.

These trends were illustrated for me at a recent conference I attended in Minneapolis on the financing of graduate medical education. As one attendee, who heads a major HMO in the Twin Cities put it, "They (the HMO's) want to purchase only those services which directly benefit their patients." It was obvious from his remarks and others we heard that the new environment is not supportive of the status quo for graduate medical education or teaching hospitals.

It is important to stress in the developing health care environment, that it is not only the HMO's and PPO's which will be placing the squeeze on teaching institutions. The consumer will begin to be a player, also. To cut costs, employers are now increasing cost sharing for employees. This trend is likely to speed up as efforts in the Congress contrive next year to cap the burgeoning tax subsidies, now over $30 billion provided for employee paid health insurance. As more of the costs of services are covered by individuals, they will be less prone to seek the services of high cost teaching institutions.

All of this is not to say that either physician training or the unique set of tertiary services provided by teaching hospitals is unnecessary. However, it does reflect the fact that Americans are going to be less willing to pay for either of these activities from their premium dollar. Therefore, we now have a tough set of questions to answer—who will take responsibility for graduate medical education, and how much will we pay for it?

Third, as we learned last Friday from our hearing, we have as of yet failed to resolve the tough question of "responsibility" for our indigent health care problem. It was pointed out at the hearing that the courts are beginning to settle this issue for us. But, I feel strongly it is the Congress together with the other governmental units which must take the "responsibility" and set explicit policies to assure access to quality and cost-effective care for all Americans.

The solution to financing care for the poor will greatly affect teaching hospitals and the financing of graduate medical education. It should not be assumed as a given that as financing mechanisms are arranged to fund the health care of the poor that they will either be encouraged or choose to seek care in teaching hospitals.

The Association of American Medical Colleges (AAMC) in its testimony on Friday pointed out that the nonfederal Council of Teaching Hospital members incur 35 percent of the bad debts and 47 percent of the charity care for the nation's community hospitals. This level of commitment is laudable but it also fits with the need for many of the institutions to have teaching material for their student physicians. I have concerns about the provision of care for the poor and whether or not the teaching hospital is the best environment for them to receive necessary services.

We heard on Friday from Dr. Janelle Goetheus that the care in teaching hospitals—at least for the poor—lacks continuity and is depersonalized. Evidence indicates it is also more costly. Today, we should learn more about these issues.

Fourth, the deficit crunch we face next year will cause the Congress to re-examine current federal priorities. Many cuts are likely, and this may mean reductions in the federal funding for undergraduate and graduate medical education.

This process may include such "sacred cows" as the Veterans Administration health expenditures. Currently, the Veterans Administration hospital system has 8000 full-time equivalent residency slots and 77 percent of the 172 V.A. hospitals have affiliation with medical schools. This significant commitment needs to be evaluated in light of the health needs of an aging veterans population as well as the constraints we face on federal appropriations. Limited Veterans Administration appropriations must be spent for the good of the beneficiaries first.

Along the same lines, the federal commitment to funding training of the health profession must also always be scrutinized. This year, Title VII of the Public Health Services Act is likely to be reauthorized at levels above the 1984 budget. The authorizations are moderate but will need to be revisited next year as we consider overall new policies on the financing of graduate medical education.

Fifth, I believe there is a growing concern about equity and fairness across our health care system. We see this concern to some extent between urban and rural areas in the determination of prospective payment rates for Medicare. It may become further exacerbated by the Medicare waivers under which high cost states have adopted status quo-oriented all-payor systems. Under these waivers, the high cost of graduate medical education and care for the economically disadvantaged is locked in for all payors including Medicare.

It is not fair that the cost shift we have experienced in the past to fund graduate medical education and care for the poor be structured into the payment scheme for all-payors states while in others the pressure of competition ends this same shift. Instead, we should have explicit government policies which enable appropriate funding for graduate medical education and the economically disadvantaged.

These are a few of the reasons we are here discussing medical education today. I see a growing consensus that the direct and indirect subsidies for medical education have helped produce a substantial surplus of physicians. This surplus has brought with it inflated, economic returns to certain specialties without solving many of our problems of maldistributions of physicians by specialty and geography.

The issue of financing graduate medical education is definitely on the "front burner". The Department of Health and Human Resources has contracted with Arthur Young to do a major analysis of graduate medical education costs. This study, due this fall, is late but we should begin to get preliminary results over the next 12 months. The Commonwealth Fund has commissioned a set of thought papers on graduate medical education and the cost of teaching hospitals. These papers should be completed early next year and will provide an important resource. Finally, and most importantly, the AAMC has appointed a committee to re-examine the policy of the academic medical community for financing graduate medical education. I look forward to the options which this committee will present.

The hearing today will provide us with important background on medical. A second hearing will focus on medical education from the point of view of its various types of consumers or those who benefit; the students, the community hospitals, the teaching hospitals, and the patients. It will also examine the issue of physicians distributed by specialty and location. Future hearings will examine options for establishing explicit responsibility for the financing of graduate medical education and other clinical training as well as define the federal role in the financing of these activities.

I appreciate our witnesses taking time to be with us today and look forward to learning from their testimony.

S. 3073

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Medicare Clinical Training Amendments of 1984".

SEC. 2. (a) Title XVIII of the Social Security Act is amended by adding at the end thereof the following new section:

"GRANTS FOR GRADUATE MEDICAL EDUCATION AND OTHER CLINICAL TRAINING ACTIVITIES

"SEC. 1889. (a)(1) The Secretary shall make grants to States under this section for the purpose of assisting hospitals in carrying out approved graduate medical education and other clinical training activities. Each State shall be entitled to a grant under this section for each fiscal year if such State agrees to abide by the requirements of this section for distributing such grant among hospitals in such State.

"(2)(A) The amount of a State's grant for each fiscal year shall be an amount which bears the same ratio to the amount established under paragraph (3) for such fiscal year, as the number of interns and residents-in-training in the preceding fiscal year at hospitals in such State having approved graduate medical education or other clinical training activities, bears to the number of such interns and residents-in-training for the preceding fiscal year in all hospitals having such activities, adjusted in accordance with subparagraph (B).

"(B) Each State's grant amount determined under subparagraph (A) shall be adjusted by the Secretary to take into account State differences in wage levels for interns and residents-in-training. Each grant amount shall be adjusted by a factor (established by the Secretary) reflecting the relative wage level for interns and residents-in-training in such State compared to the national average wage level for interns and residents-in-training. Such adjustment shall be made in a manner such that the aggregate amount of the grants to the States for the fiscal year remains fixed at the amount established under paragraph (3).

"(3) The amount established under this paragraph is—

"(A) $900,000,000 for fiscal year 1986; and

"(B) in the case of each succeeding fiscal year, an amount equal to the amount established under this paragraph for the preceding fiscal year, increased or decreased by the percentage change in the Consumer Price Index (prepared by the Department of Labor and used for purposes of section 215(i)) for the preceding fiscal year.

"(4) Grants under this section shall be made from the Federal Hospital Insurance Trust Fund.

"(b)(1) Grants received by a State under this section shall be used by the State to make grants to hospitals having approved graduate medical education or other clinical training activities. Such grants to the hospitals shall be made as follows:

"(A)(i) A portion, determined under paragraph (2), of the amount received under this section shall be used to make grants to all hospitals having such activities. The amount of the grant to each such hospital shall be an amount which bears the same ratio to such portion as the product described in clause (ii) for such hospital bears to the sum of such products for all hospitals in such State; except that the amount of the grant to any such hospital for any fiscal year shall not exceed the cap amount described in clause (iii), and any such excess shall be redistributed to those hospitals whose grants have not exceeded such cap amount.

"(ii) For any hospital, the product applicable for clause (i) is the percentage of such State's interns and residents-in-training (full-time equivalent) who were in training at such hospital in the preceding fiscal year, multiplied by the number of such hospital's medicare patient days in the preceding fiscal year.

"(iii) The cap amount for any hospital for fiscal year 1985 is an amount equal to the payments made to such hospital under part A for the fiscal year 1984 which were attributable to direct costs incurred for approved graduate medical education and other clinical training activities. The cap amount for each fiscal year thereafter shall be the hospital's cap amount for the preceding fiscal year, increased or decreased by the same percentage applicable under paragraph (3)(B).

"(B)(i) The remaining portion of the amount received under this section shall be used by the State to make grants to hospitals having approved graduate medical education or other clinical training activities, for the purpose of assisting programs having special relevance to the medicare program and displaying innovation in medical training and related services. All grants under this subparagraph must be matched on a dollar-for-dollar basis by the State, and shall be made only if the State submits a plan to the Secretary with respect to how such grant shall be used.

"(ii) Any amounts under this subparagraph which are not used by a State because the State does not match the grant or because the State does not submit a plan to the Secretary, shall be redistributed among those States which have complied with the matching and plan requirements, and shall be treated by those States in the same manner as amounts described in subparagraph (A).

"(2) The portion of a State's grant which shall be used for making grants to hospitals as specified in subparagraph (A) of paragraph (1) shall be 95 percent in the case of fiscal year 1986, 90 percent in the case of fiscal year 1987, 85 percent in the case of fiscal year 1988, and 80 percent in the case of each fiscal year thereafter, plus, in the case of any fiscal year, any amounts redistributed to such State under subparagraph (B)(ii) of paragraph (1).

"(c) Each State receiving a grant under this section must establish an advisory board to develop recommendations for State policy in supporting graduate medical education and other clinical training activities, and to advise the State with respect to the allocation of grants pursuant to subsection (b)(1)(B). Such advisory board must include, but is not limited to, consumers, representatives of medical schools, nursing schools, and other health profession schools, hospital representatives, and State officials involved in graduate medical education and other clinical training programs.

"(d) States are encouraged to assure sufficient funding for all graduate medical education and other clinical training activities through mechanisms similar to those provided under this section.

"(e) For purposes of this section—

"(1) the term 'approved graduate medical education and other clinical training activities' means those activities conducted at a hospital having a provider agreement under section 1866, and which are of the type which were recognized by the Secretary as approved educational activities for purposes of reimbursement on a cost basis (for all hospitals) under part A under regulations and provider reimbursement principles in effect on September 30, 1984; and

"(2) the term 'medicare patient days' means the number of days of inpatient hospital services for which payment was made (or would have been made but for the application of the inpatient hospital deductible) under part A.".

(b) Section 1861 (v)(1) of such Act is amended by adding at the end thereof the following new subparagraph:

"(P) Such regulations shall provide that the reasonable cost shall not include the direct costs of graduate medical education and other clinical training activities.".

(c) The amendments made by this Act shall become effective on October 1, 1985. The amendments made by subsection (b) shall apply to payments for services rendered on or after such date.

By Mr. MATHIAS:

S. 3074. A bill to protect copyrighted computer programs from illegal copying; to the Committee on the Judiciary.

COMPUTER SOFTWARE PROTECTION ACT

● Mr. MATHIAS. Mr. President, the computer software industry is one of America's leading growth industries. By some estimates, there are more than 3,000 companies that create and market computer software, with thousands more seeking to enter the marketplace. These entrepreneurs, many working long hours in their own small firms, have made us the envy of our trading partners. Through their efforts, the United States has become the world's leading producer of computer software. Yet today, an anachronism in our laws poses a serious threat to the economic health of the computer software industry.

Unlike producers of furniture or footwear, those who create computer programs must rely upon the protection offered by our copyright laws. The principle of copyright is, of course, that authors should be appropriately rewarded for the use of their creative works. That principle, with its origins in the era in which books were the only type of copyrighted work, today provides protection for many new types of works, including computer software. This legal protection is vital to the production of software—without which the most sophisticated computer is little more than an expensive paperweight.

One provision of the Copyright Act is today creating an undesirable loophole in the protection offered to computer software. Under that act, once someone has purchased a copyrighted work, whether a book, a record, or a computer software diskette, he can dispose of it in any way he likes—by selling it, renting it, or giving it away. This rule, known as the "first sale" doctrine, generally serves us well. No one should need to worry about a copyright liability when he lends a book to a friend, or sells an old record.

Because of recent economic developments, however, that doctrine now needs revision in certain critical respects. Last year, for example, the Senate recognized that a modification of this doctrine was called for in one important area; the rental of sound recordings. Hearings in the Judiciary Committee revealed the existence of a growing number of commercial record rental outlets. Many witnesses testified that the commercial rental of records is often little more than a subterfuge for encouragement of illegal copying. To address that problem, Congress has recently passed my bill, S. 32, the Record Rental Amendment of 1984, which the President signed into law on October 4, 1984. That bill makes a commonsense reform: it provides that a person who wishes to rent out records on a commercial basis must get the permission of the copyright owner before doing so.

Mr. President, a similar problem has arisen in connection with computer programs. Several establishments have now gone into the business of renting computer software. They lend out popular programs—such as Lotus 1-2-3, Spellstar, or Apple Writer—which sell for anywhere from $50 to $1,000. And few observers doubt that the real purpose of most of these transactions is to permit the renter to make a permanent copy of the program for future use—with no compensation to the author.

Software rental threatens the principle of copyright even more seriously than rental of records or tapes. A single program may reflect years of arduous work, and may sell for up to $1,000—as opposed to $6 to $12 for a record. Yet a blank diskette—onto which a progam can be copied—sells for just a few dollars, not much more than the price of a blank audio tape.

Thus, it costs little more to make an illegal copy of a $1,000 computer program than to copy a $10 record. Moreover, copying a software diskette is usually quicker and easier than duplicating a sound recording. Illegal copying of rented software is thus both more tempting and easier to accomplish than copying of rented musical recordings.

Some rental operators have argued that rental of software serves the legitimate purpose of permitting customers to "take software for a test drive." Although this is little more than a pretext in many instances, there may, indeed, be cases in which customers do wish to try out software before purchasing it. But there are many other ways of meeting this legitimate need without the enormous risk of illegal copying that is created by unauthorized rental of software. For example, some retail stores will permit customers to test software on the premises, and numerous software manufacturers have responded to this need by providing demonstration disks to customers. Should those efforts not fully satisfy consumer needs, however, there is no reason retailers should not be able to get the permission of the software copyright owners before renting out software, to ensure that the interests of copyright owners, rental outlets, and consumers are all respected.

Mr. President, I believe that only congressional action can ensure that software rental does not deal a damaging blow to the copyright protection of computer software. For that reason, I am today introducing, along with my distinguished colleague from Vermont, Senator LEAHY, a bill that will make a modest but important correction in the copyright law. Like the rental record bill, this legislation would require authorization from the copyright owner before one may engage in the rental, lease, or lending of computer programs for commercial purposes.

The just-enacted record rental law recognizes that commercial rental may take many forms. That act, therefore, prohibits not only commercial rental, but also other activities in the nature of commercial rental. The same problem arises in connection with software. For example, a retailer might sell software to customers with the understanding that the customer may return it within a few days for a restocking fee. Indeed, some software rental outlets appear to be employing a similar gambit. The bill that I introduce today borrows the language of the record rental act of this point, and will ensure that efforts to conduct unauthorized commercial rental of software under a different name will not succeed.

Mr. President, I would like to emphasize that the text of the bill that we introduce today is certainly subject to further improvements. I believe that hearings and discussions with interested parties will enable us to make any revisions that may be necessary.

Let me note one area that will certainly deserve careful discussion: Whether the bill should make special provision for the rental of software by nonprofit educational institutions. In the case of record rental, a consensus has developed that nonprofit libraries and schools should be exempt from the new rule prohibiting unauthorized lending of records. While the same accommodation could be made for software, some might argue that organized software rental policies, even on a nonprofit basis, so encourage improper copying that they should be permitted only with the consent of the copyright owner. I am confident that these and related concerns will be fully explored in the coming months, and that we will then know better how to proceed in this regard.

I ask unanimous consent that the text of the proposed bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3074

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Computer Software Protection Act of 1984."

SEC. 2. Section 109 of title 17 of the United States Code is amended by redesignating subsection (c) as subsection (d), and by inserting a new subsection (c) as follows:

"(c) Notwithstanding the provisions of section 117 and of subsection (a) of this section, unless authorized by a copyright owner, the owner of a particular copy of a computer program may not, for purposes of direct or indirect commercial advantage, dispose of, or authorize the disposal of, the possession of that copy by rental, lease, or lending, or by any other activity or practice in the nature of rental, lease, or lending."●

By Mr. DURENBERGER (for himself and Mr. STAFFORD):

S. 3075. A bill to amend the Toxic Substances Control Act; to the Committee on Environment and Public Works.

TOXIC SUBSTANCES CONTROL ACT AMENDMENTS

Mr. DURENBERGER. Mr. President, it was nearly 8 years ago that Congress passed the Toxic Substances Control Act [TSCA]. It was passed in response to a strong public commitment to do something about the kinds of toxic chemical disasters that were pressing on the public consciousness at that time—PCB contamination of the Hudson River, the flame retardant Tris in children's sleepware, and hazardous waste dumps throughout the land leaking tongue twisting chemicals that no one knew very much about. TSCA was designed around three fundamental concepts: the need for risk assessment of new chemicals to prevent harm before it occurs, the need for broad authority to gather basic data about chemicals and exposure to chemicals to spot harm that is occurring, and broad authority to regulate chemicals throughout the market chain.

As is so often the case, however, the results have not lived up to the expectations that Congress had for this law. In order to find out why this is so, the Subcommittee of Toxic Substances and Environmental Oversight, which I chair, undertook a thorough review of TSCA. This review has led me to the conclusion that TSCA can be improved. As a first step in that direction, I am today introducing, in conjunction with Senator STAFFORD, a bill that would amend TSCA in a number of significant ways. Our purpose in introducing the bill in the final days of this Congress is to call attention to these issues and attract additional comments about how to solve the problems that have hindered TSCA implementation. I intend to pursue vigorously the reauthorization and amendment of TSCA next year.

Mr. President, allow me to point out some of the highlights of this bill.

First, it seeks to improve the information base upon which risk assessments of new chemicals must be based. At the present time, the Environmental Protection Agency receives inadequate toxicity data on many new chemicals. A study by the Office of Technology Assessment found, for example, that 47 percent of new chemicals are submitted without any toxicity data whatsoever. The reason is that no data are required to be submitted.

I acknowledge that not all new chemicals need to be tested extensively, but it does seem clear that there needs to be some presumption favoring data submission. The bill that I am introducing today establishes such a presumption. It calls upon manufacturers of chemicals to evaluate the potential environmental and health effects of their intended products and to submit the information needed to back up that evaluation. However, it does not require testing for the sake of testing. A manufacturer has flexibility to tailor his data submission to the type of risk assessment that is appropriate for his product.

Second, the bill improve EPA's ability to follow up on the changing use patterns of toxic new chemicals. The General Accounting Office has called attention to the need for better follow-up capability. Often, a new chemical clearly is toxic but does not warrant regulation because its intended use would lead to insignificant exposure.

However, once marketed its uses may change, leading to types of exposure and risks that were not evaluated before manufacture. The bill improve EPA's ability to assure that such chemicals do not later lead to undetected harm by clarifying ambiguous terms, requiring followup notices in limited situations, and assuring that control requirements will follow a chemical down the marketing chain.

Third, the bill seeks to improve the toxicity data base on existing chemicals. TSCA provides authority to require that manufacturers and processors test specified chemicals. However, after 8 years, only 21 chemicals and groups of chemicals have been subjected to this provision. Furthermore, in all cases the testing was negotiated. It was not required by rule. A recent district court decision has invalidated the negotiated testing program. The bill that I am introducing today would streamline the existing administrative chemical selection procedures by eliminating redundant analyses, establish a program for testing large-volume chemicals, and authorize negotiated testing agreements in lieu of rules while establishing certain procedural safeguards and providing for needed enforcement.

Mr. President, I want to comment further on the testing program for large volume chemicals. It is a sad fact that many of the most common chemicals have never been tested to see whether they cause gene mutations, cancer, birth defects, or other health or environmental problems. This "toxicity data gap" appears to be immense. It was documented by a recent National Academy of Sciences study, which found that, in a random sample of the industrial and consumer chemicals covered by TSCA, none contained data adequate for a full health effects assessment. The picture was no better for the large volume chemical than for small volume chemicals.

Mr. President, this lack of basic data undercuts all the programs to identify and reduce chemical risk, both voluntary and regulatory. It is hard to see how we can resolve problems of toxic air pollution, toxic water pollution, toxic ground water contamination, or occupational health hazards until we develop a better data base on chemicals in common use. This bill begins to attack that problem, and it does so by starting in the obvious place: with the largest volume chemicals. It does so by establishing a presumption that large volume chemicals should be tested and it calls on EPA to schedule the testing in light of priorities and availability of laboratory capacity. To avoid unnecessary testing, it sets up procedures for waivers and modifications of the testing requirement.

Mr. President, it is not going to be easy to rebuild our flimsy data base, but it must be done, and I believe the time to start is now.

A fourth improvement proposed by the bill involves improving public access to data about chemical risk. Mr. President, this is a difficult topic because these also are legitimate business concerns about trade secrets. However, the privilege of asserting claims of confidentiality has been abused. Too much is being withheld from the public. Numerous examples of clearly spurious claims have come to light, and there has been a pattern of increasing frequency of confidentiality claims.

The bill deals with this problem by discouraging frivolous claims in several ways. It also recognizes that often the business sensitivity of certain information diminishes over time. Therefore, the bill calls for periodic reassertion of confidentiality claims. Last, it provides that State regulatory agencies can have access to confidential business information under limited circumstances. These measures, I believe, will lead to better public access to information about chemical risk while not denying companies the right to assert valid claims.

Mr. President, there are a number of other provisions in this bill which I believe will improve TSCA. What I have tried to do in this explanation is hit the high points, and thereby show that there are positive steps that can be taken to improve the workings of this important law. I invite my colleagues and other interested persons to examine them and offer their comments.

This bill is a collection of thoughts on how TSCA might be modified to make it more workable. Many including GAO, OTA, the EPA and the chemical industry have made recommendations. We have collected those recommendations in this bill and offer it as a discussion document to be used over the next few months. At the beginning of the 99th Congress, we will offer a bill that will serve as a vehicle for hearings and markup.

Mr. President, I ask that the text of the bill and a staff draft analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 3075

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Toxic Substances Control Act Amendments of 1984."

SEC. 2. Section 2 of the Toxic Substances Control Act is amended by—

(a) deleting the semicolon and the word "and" at the end of subsection (a)(2) and inserting a comma in lieu thereof, deleting the period at the end of subsection (a)(3) and inserting thereafter new subsections as follows:

"(4) for many chemical substances and mixtures, there exists inadequate information about the toxic effects of such substances and extent of exposure to human beings and the environment; and

"(5) this lack of information impedes the identification and control of unreasonable risks presented by such chemical substances, both by regulation and by voluntary action.", and

(b) redesignating paragraphs (2) and (3) of subsection (b) as paragraphs (3) and (4), respectively, and adding a new paragraph (2) as follows:

"(2) persons who manufacture and persons who process chemical substances and mixtures have a duty to be informed about the toxic effects of such chemical substances and mixtures and to take appropriate actions to prevent exposures that might be harmful to human health or the environment."

SEC. 3. Section 3 of the Toxic Substances Control Act is amended by—

(a) deleting the period at the end of paragraph (1) and adding the phrase "or his designee.",

(b) inserting a comma and the word "and" in lieu of the period at the end of clause (ii) of paragraph (2)(A) and adding thereafter a clause as follows:

"(iii) any microorganism or other biological substance.",

(c) adding at the end of paragraph (2) a new sentence as follows:

"The term "pesticide" as used in clause (i) of this subparagraph shall not be taken to exclude from jurisdiction under this Act exposures to chemical substances which occur during the manufacture of a pesticide.",

(d) deleting the word "and" at the end of clause (i) of paragraph (12)(A), renumbering clause (ii) as clause (iii), and inserting a new clause as follows:

"(ii) environmental or human monitoring or other exposure studies, and".

TESTING OF CHEMICAL SUBSTANCES AND MIXTURES

SEC. 4. (a) Section 4 of the Toxic Substances Control Act is amended by—

(1) inserting after the first sentence of subsection (b)(2)(a) the following sentences: "Standards also may be prescribed for environmental or human monitoring or other exposure studies."

(2) amending subsection (b)(2)(B) to read as follows: "Periodically the Agency shall establish test methodology guidelines which may be used for development of data prescribed in rules under subsection (a) and in testing agreements under subsection (h). From time to time, but not less than once each five years, the Administrator shall review the adequacy of the test methodology guidelines and shall, if necessary, make appropriate revisions of such guidelines."

(3) deleting the last sentence of subsection (e)(1)(A).

(4) adding after subsection (e)(2) the following new subparagraph:

"(E) Meetings of the committee shall be open to the public and announcements of meetings shall be published in the Federal Register not less than two weeks in advance, subject to the provisions of section 14. Closed meetings may also be conducted with respect to administrative and personnel matters."

(5) inserting after the first sentence of subsection (e)(1)(A) the following sentence: "In making a recommendation under this subsection, the Committee shall identify the chemical properties or effects for which testing is recommended."

(6) adding to the end of subsection (e) the following new paragraph:

"(3) With respect to chemical substances and mixtures added to the priority list by the Committee it shall be presumed that testing for the effects recommended is needed. The manufacturers of the listed substances shall either individually or collectively submit study plans for the conduct of such testing no later than 180 days from the date of submission of the Committee's report to the Administrator; provided, however, that the manufacturers and processors of the listed substances be afforded the opportunity to provide evidence which demonstrates to the satisfaction of the Administrator that such testing is not appropriate, in whole or in part. Factors relevant to the Administrator's consideration in this regard include the existence of adequate data to reasonably determine the reasonableness of the risk presented by exposure to or release of the substance, the ability of on-going testing to provide such data, the magnitude of exposure to the substance, and such other factors as the Administrator may determine. The Administrator shall establish procedures concerning the content, form, and timing for such submissions in order to insure that all such material is received by the Agency in a timely fashion and of such a quality as to allow the Administrator to make a reasoned decision concerning the continued need for such testing. Nothing in this subsection shall preclude the Administrator from making the required findings under subsection (a) based upon the Agency's independent analysis of the issues involved. The provisions of section 4(c) shall apply to testing conducted pursuant to this subsection."

(7) adding at the end of subsection (e)(2)(A) new clauses as follows: "(ix) One member appointed by the Director of the Fish and Wildlife Service from officers or employees of the Service." "(x) One member appointed by the Chairman of the Consumer Products Safety Commission from officers or employees of the Commission. (b) Section 4 of the TSCA is amended by adding at the end thereof the following new subsection:

"(h)(1) TESTING OF LARGE VOLUME CHEMICALS.—Notwithstanding any other provision of this Act, each chemical substance which is manufactured, processed, or sold in, or is imported into, the United States in aggregate quantities of 100,000,000 or more pounds per year, shall be deemed to be subject to a test rule under this section. Each person who manufactures such chemical substance shall test it, or cause it to be tested, in accordance with the requirements of this subsection. The Administrator may permit two or more persons subject to testing requirements under this subsection with respect to any chemical substance to designate one such person or a qualified third party to conduct such tests and submit such data on behalf of the persons making the designation.

"(2)(A) EFFECTS FOR WHICH TESTING IS REQUIRED.—Except as provided in paragraph (4) of this subsection, each chemical substance to which this subsection applies shall be tested according to the schedule established pursuant to subparagraph (C) of paragraph (3) of this subsection in order to determine whether such chemical substance will persist or bioaccumulate in the environment or causes or contributes to mutagenic, carcinogenic, teratogenic (including developmental), chronic, reproductive, neurotoxic, (including behavioral), or ecotoxic effects.

"(B) TEST PROCEDURES AND GUIDELINES.—The tests under this subsection shall be conducted in accordance with test guidelines issued pursuant to this section (except as otherwise permitted pursuant to subparagraph (C), with regulations under this section prescribing good laboratory practice, and with applicable procedures for test sequencing and reporting of test results. The procedures referred to in the preceding sentence shall be promulgated by the Administrator, after notice and opportunity for public comment, not later than two years after date of enactment of this subsection (and may be modified by rule from time to time thereafter).

"(C) ALTERNATIVE OR INNOVATIVE TEST METHODS AND PROCEDURES.—In order to encourage the development and use of innovative, less expensive, and at least equally effective test methods and procedures for the effects listed in this paragraph in lieu of current methods and procedures, the Administrator may, by rule, establish procedures for the submission, expeditious review, and approval (or disapproval) of alternative test guidelines or procedures for the purpose of satisfying test requirements under this subsection.

"(3)(A) LISTING PROCEDURE.—Not later than three months after the enactment of this subsection, the Administrator shall publish for comment in the Federal Register an initial list containing each chemical substance which he believes, on the basis of information available to him at that time, meets the requirements of paragraph (1) of this subsection. Not later than nine months after enactment of this subsection, the Administrator shall publish in the Federal Register a final list of each chemical substance which he believes, on the basis of information available to him at that time, meets the requirements of paragraph (1) of this subsection. The Administrator may from time to time thereafter amend the list to include other chemicals which meet the requirement of paragraph (1) of this subsection. Upon a satisfactory showing by any manufacturer of a chemical substance contained on such list that such chemical substance—

"(i) does not meet the requirements of paragraph (1), or

"(ii) is not likely to meet the requirements of paragraph (1) in the next five years,

the Administrator may remove such chemical substance from such list.

"(B) SECTION 8 RULES.—Each manufacturer of a chemical substance on the final list under subparagraph (a) shall, as of the date of its inclusion on such list in the Federal Register, be deemed subject to generally applicable reporting rules under section 8(a) and health and safety study submission rules under section 8(d), with respect to such chemical substance. Each manufacturer shall cease to be subject to such rules with respect to such chemical substance on the earlier of the following dates:

"(i) the date on which such chemical substance is removed from the list pursuant to subparagraph (A); or

"(ii) the date which is five years after the date on which the last data are received by the Environmental Protection Agency pursuant to a testing program which meets the requirements of this section.

"(C) Test Scheduling. Not later than one year after the enactment of this subsection, the Administrator shall designate chemical substances from the final list pursuant to paragraph (A) of this subsection and publish in the Federal Register a five-year schedule for the initiation of testing of chemical substances selected from the list. The number of substances designated and the schedule of testing shall be such as to make maximum use of available testing facilities. The order and scheduling of testing of chemical substances shall be in descending order from highest production volume to lowest production volume unless the Administrator decides, in his discretion, to accord higher priority to a particular chemical substance because of

"(i) significant or widespread exposure to human beings or the environment;

"(ii) structural similarity to a chemical substance known to be or suspected of being toxic; or,

"(iii) other factors that the Administrator deems appropriate.

"The schedule under this subparagraph shall include requirements for the timely completion of required tests and the submission of test results. The Administrator shall from time to time, but in no case less frequently than every two years, revise and extend the five year schedule to incorporate additional chemical substances and testing requirements.

"(4)(A) EXEMPTIONS AND MODIFICATIONS.—The Administrator may, from time to time after notice and opportunity for public comment in accordance with 5 U.S.C. 553, promulgate regulations authorizing the exemption of one or more of the chemical substances subject to this subsection from one or more of the requirements of this subsection (or the modification of any such requirement with respect to one or more chemical substances).

"(B) An exemption or modification may be issued by the Administrator pursuant to regulations under this paragraph only upon a demonstration by a manufacturer satisfactory to, and a finding by, the Administrator that

"(i) the requisite test has previously been performed, or is currently being performed, in accordance with adequate test protocols for the effect in question;

"(ii) the test is not necessary because exposure of the chemical substance to human beings or the environment is, and will be, insignificant in extent, duration, and intensity; or

"(iii) the test cannot be performed, or the results would be meaningless, for the particular chemical substance for technical reasons.

"(5)(A) CERTIFICATION OF TEST RESULTS.—Upon completion of any required phase of testing under this subsection and upon completion of the final portion of the testing required by this subsection for each chemical substance, each person to which the requirements of this subsection applies shall submit, in addition to the requisite data and reports, a certification which meets the requirements of subparagraph (B).

"(B) A satisfactory certification under this paragraph shall—

"(i) be signed by a designated officer of each manufacturer of the chemical substance which is subject to the testing requirements of this subsection, on behalf of such manufacturer;

"(ii) be co-signed by a designated officer of each corporation or other entity which conducted the tests of the chemical substance on behalf of such manufacturer (if different from the manufacturer);

"(iii) certify that the data and reports submitted are complete and accurate in all material respects and have been produced in accordance with applicable test guidelines

and procedures, with good laboratory practice rules promulgated by the Agency, and with all other requirements of this subsection;

"(iv) certify that such chemical substance has been found to be positive, negative, or equivocal with respect to each effect listed under paragraph (2) of this subsection; and

"(v) contain such other information as the Administrator may reasonably require by rule, promulgated after notice and opportunity for public comment in accordance with 5 U.S.C. 553.

"(C) The Administrator may, by rule after notice and opportunity for comment, establish procedures, criteria or standards for assessing the results of tests under this subsection and for determining whether such results should be deemed to be positive, negative, or equivocal for the purpose of subparagraph (B)(iv).

"(D) Inspection and Audit.—The Administrator may by order or regulation, or a combination thereof, institute or require such independent inspection and audit measures (including use of Agency personnel or contractors) as are reasonably necessary to assure compliance with this subsection and to verify the completeness and accuracy of certifications made under this subsection.

"(6) At least quarterly, the Administrator shall publish in the Federal Register a summary of the certifications submitted during the preceding three months with respect to each chemical substance under paragraph (5)(B)(iv) of this subsection.

"(7) Nothing in this subsection shall be construed to restrict or limit the Administrator's authority on duty under any other provision of law."

(c) Section 15 of the Toxic Substances Control Act is amended by striking out "or" after paragraph (3) thereof; by striking out the period at the end of paragraph (4) and inserting "; or" in lieu thereof, and by inserting a new paragraph (5) as follows:

"(5) fail or refuse to comply with any requirement of section 4(h), or to provide a false or misleading certification under section 4(h)."

(d) Section 16 of the Toxic Substances Control Act is amended by—

(a) inserting a new sentence after subsection (a) thereof as follows:

"Each day after a false or misleading certification is made under section 4(h) shall constitute a separate violation of section 15 until the day such certification is withdrawn and a complete and accurate substitute certification is filed in its place."

(b) inserting at the end thereof the following new subsection:

"(c) Disqualification.—Any corporation or other entity which makes a certification under section 4(h)(5)(B)(ii) which it knows or should have known is false or misleading shall be disqualified from making further certifications under section 4(h) for a period of five years (or such longer period as may be determined by the Administrator after notice and opportunity for a hearing on the record.)"

(e) Section 3 of the Toxic Substances Control Act is amended by inserting at the end thereof the following:

"(15) The term 'person', when used in sections 15 and 16 of this Act for the purpose of ensuring compliance with the certification requirements of section 4(h), shall include corporate officers and officers of other entities, in their personal as well as official capacities."

(f) Section 4 of the Toxic Substances Control Act as amended is amended by adding at the end thereof the following new subsections:

"(i)(1) Negotiated Testing Agreements.—If the Administrator determines that adequate test data can be developed more promptly under a negotiated agreement than under a test rule, the Administrator may negotiate such an agreement with any person, or group of persons, who manufacturers or processes or intends to manufacture or process a chemical substance or mixture pursuant to which agreement such person or group of persons, shall conduct testing of such substance or mixture. Such an agreement shall include the elements described in subsections (b)(1)(A), (B), and (C) of this section.

"(2) The text of a proposed agreement shall be published in the Federal Register, and the Administrator shall provide a period of not less than 60 days for public comment. The Administrator shall maintain a record of all information and data regarding any agreement under the subsection which information shall be public, subject to section 14. No such agreement may be based in whole or in part on any information or data which has not been placed in such record and that portion of the record which is not confidential in accordance with section 14 shall provide a reasonable basis for the agreement.

"(3) Upon petition of any person or on the Administrator's own motion, the Administrator may reopen any agreement entered into under this subsection if the Administrator determines that changed circumstances of law or fact require that such agreement be modified.

"(4) Nothing in this subsection shall be construed to affect the authority of the Administrator to subsequently promulgate a rule under subsection (a) for any chemical substance or mixture which is the subject of an agreement under this subsection.".

"(5) In the event that a person or group of persons who have agreed to conduct testing under this subsection fails to conduct such testing, in whole or in part, in accordance with the agreement, the Administrator shall promptly promulgate a test rule under subsection (a) of this section to require that such testing be performed. In promulgating a test rule pursuant to the requirements of this paragraph, the Administrator shall not be required to make the findings specified in subsection (a) of this section.

(g) Section 4(f) of the Toxic Substances Control Act is amended by—

(1) inserting "(1)" before the first sentence and changing "(1)" and "(2)" to "(i)" and "(ii)", respectively, and

(2) adding at the end thereof the following:

"(2) When the Administrator has made the requisite finding under paragraph (1)(ii) of this subsection that there may be a reasonable basis to conclude that a chemical substance or mixture presents or will present a significant risk of serious or widespread harm to human beings from cancer, gene mutations, or birth defects, and when the Administrator finds that the Agency's ability either to initiate appropriate action under section 5, 6, or 7 to prevent or reduce to a sufficient extent such risk or to make a finding that such risk is not unreasonable is limited due to the lack of relevant data concerning exposure, release, or effects, to satisfy the requirements of subsection (1) the Administrator may perform or contract to perform such additional testing and exposure studies as in the Administrator's judgment are reasonable and necessary to initiate such appropriate action, provided that such activities are initiated with the time period specified in subsection (1) and that an explanation of the Administrator's actions is published in the Federal Register within the time period specified in subsection (1). The Administrator may seek reimbursement for the costs of such reasonable and necessary testing and exposure studies from the manufacturers and processors of the chemical substances as to which action is required under subsection (1). The Administrator may adopt procedures concerning obtaining reimbursement from such parties."

NEW CHEMICAL REVIEW PROGRAM

Sec. 5. (a) Section 5(a)(1) of the Toxic Substances Control Act is amended by:

(1) deleting paragraph (B) and inserting in lieu thereof the following:

"(B) manufacture or process any chemical substance in a manner or for a use that the Administrator has determined, in accordance with paragraph (2), may lead to significant new exposure to human beings or significant new release to the environment," and,

(2) adding at the end thereof the following:

"If after reviewing a notice submitted under this subsection, the Administrator determines that he will not take action concerning such notice under sections 5(e), 5(f), 6, 7 or 8 of this Act, he may, in his sole discretion, notify in writing the person who submitted the notice of his determination. Upon receipt of such notification, the person who submitted the notice may commence manufacture or processing of the chemical substance that was the subject of the notice for the uses specified in the notice."

(b) The portion of Section 5(a)(2) of the Toxic Substances Control Act that precedes subparagraph (A) is amended to read as follows:

"With respect to the requirement for notification under paragraph (1)(B), the Administrator may determine that the manufacturing or processing of a chemical substance or the use of a chemical substance may lead to a significant new exposure to human beings or significant new release to the environment. Such determination shall be made by rule after consideration of such relevant factors as—"

(c) Section 5(b)(2)(B) of the Toxic Substances Control Act is amended by deleting the phrase "the person submitting the data believes shows" and inserting in lieu thereof the phrase "demonstrates to the satisfaction of the Administrator".

(d) Section 5(d) of the Toxic Substances Control Act is amended by:

(1) deleting subparagraph (B) and (C) of paragraph (1) and inserting in lieu thereof new subparagraphs as follows:

"(B) specific information and data concerning (i) the physical and chemical properties of the chemical substance, (ii) the physical hazards and toxicological properties associated with the chemical substance, and (iii) the manner, duration, magnitude and extent of exposure to human beings or release into the environment, and

"(C) based on such data and information, a reasoned evaluation of the potential acute and chronic human health effects and adverse environmental effects of the substance under its anticipated conditions of manufacture, processing, distribution in commerce, use and disposal."

(2) by renumbering paragraphs (2) and (3) as paragraphs (3) and (4) respectively and inserting after paragraph (1) the following:

"(2)(A) Except as provided in subparagraph B of this paragraph, the data required by subparagraph (B) of paragraph (1) of this subsection shall include the test data recommended for use in evaluating the chemical properties and potential human health and environmental effects of new chemical substances recommended by the Organization for Economic Cooperation and Development.

"(B) A person submitting a notice pursuant to subsection (a) of this section may omit an element of test data otherwise required by paragraph (A) of this subsection upon a showing, satisfactory to the Administrator, that—

"(i) the element of test data cannot be obtained because it is not possible, for technical reasons, to perform the required test on the chemical substance or mixture;

"(ii) the element of test data is not needed in order to permit a reasoned evaluation of the health and environmental effects of the chemical substance, or,

"(iii) conditions of manufacture or intended use, or other aspects of potential exposure to human beings or the environment, are such that the chemical substance will not present an unreasonable risk of injury to the health of any person or to the environment.

Each chemical substance or mixture for which an element of test data is omitted on the basis of the factors set forth in clause (ii) shall be deemed subject to the requirements of subsection (a)(1)(B) with respect to any material change in such factors."

(e) Sections 5(e) of the Toxic Substances Control Act is amended by—

(1) By amending subparagraph (1)(B)(ii) to read as follows:

"(ii) unless the Administrator has, on or before the issuance of the proposed order, notified, in writing, the manufacturer or processor who submitted the notice under subsection (a) for such substance to which the proposed order would apply of the determinations which underlie such order."

(2) By amending subparagraph (C) and adding new subparagraphs (D), (E), (F), and (G) to paragraph (1) to read as follows:

"(C) If the manufacturer or processor notified of a proposed order under subparagraph (B), or a person who is likely to obtain the chemical substance directly or indirectly from such manufacturer or processor, files with the Administrator (within the 30-day period beginning on the date such manufacturer or processor received the notice required by subparagraph (B)(ii)) objections specifying with particularity the provisions of the order deemed objectionable and stating the grounds therefor, the proposed order shall not take effect unless the Administrator takes the actions in subparagraph (D)(ii).

"(D) The Administrator shall consider any objections filed under subparagraph (C) and shall determine whether the contents thereof change the Administrator's determinations under subparagraph (A).

"(i) If the Administrator determines that there is no longer a basis for issuing an order under subparagraph (A), the Administrator shall, before the end of the notification period, notify, in writing, the manufacturer or processor, and any person who filed objections, that the order has been withdrawn and the reasons therefor.

"(ii) If the Administrator determines that there is a basis for issuing an order under subparagraph (A), the Administrator shall, before the end of the notification period, notify, in writing, the manufacturer or processor, and any person who filed objections, that the order will take effect on the expiration of the notification period and shall include the reasons therefor and responses to any objections. In taking such an action, the Administrator may modify the order, or the determinations supporting it, as appropriate, in response to any objections under subparagraph (C).

"(E) An order issued under this subsection shall apply to the manufacturer or processor who submitted the notice for the chemical substance under subsection (a). The Administrator may also provide that the order shall apply to any other person (i) who manufacturers the substance for the manufacturer or processor or (ii) who processes, distributes in commerce, uses, or disposes of the chemical substance after obtaining the chemical substance, directly or indirectly, as a chemical substance or as part of a mixture, from such manufacturer or processor, whether the person was a party to the issuance of the order or not; however, such order shall not apply to any person who has not received direct notice of the order either from the Administrator or under subparagraph (F).

"(F) An order issued under this subsection may require any person subject to the order who distributes in commerce the chemical substance, either as a chemical substance or as part of a mixture, to provide a copy of the order to persons to whom the substance is distributed.

"(G) Any person subject to an order under this subsection who complies with the provisions of such order shall be considered in compliance with this Act with respect to those activities that are subject to the order."

(3) By amending paragraph (2) to read as follows:

"(2) If an order becomes effective under paragraph (1)(D)(ii), a person who filed objections with the Administrator under paragraph (1)(C) may commence a civil action in the United States District Court for the District of Columbia or the United States district court for the district in which the person resides or has his principal place of business for review of the Administrator's decision to issue the order. Any such action shall be filed within 60 days after the order becomes effective. The district court shall have jurisdiction to review such order in accordance with chapter 7 of title 5, United States Code. This paragraph is the exclusive remedy for judicial review of an order under this subsection."

(f) Section 5(h)(3) of the Toxic Substances Control Act is amended by striking the initial "The" and inserting in lieu thereof the following:

"Except for the release into the environment of genetically engineered microorganism, the".

(g) Section 5(i) of the Toxic Substances Control Act is amended by deleting the closing period and inserting in lieu thereof a comma and the phrase "except that with regard to release of genetically engineered microorganism into the environment these terms shall mean manufacturing and processing for research purposes as well as commercial purposes."

(h) Section 5 of the Toxic Substances Control Act is amended by inserting at the end thereof the following new subsection:

"(j)(1) Not later than one year after enactment, the Administrator shall promulgate a list of categories of chemical substances pursuant to section 5(b)(4)(A). Except as provided in paragraph (2) of this subsection, such list shall contain at a minimum the categories of chemical substances described in the following table:

Simple acrylates containing fewer than 12 carbon atoms Polycrylates of molecular weight less than 1,000 Aromatic amines and aromatic azo compounds that contain: Phenylenediamine; anisidine; cresidine; naphthylamine; aminostilbene; aminonanthraquinone; benzidine; aminobiphenyl; tolidine; toluidine; methylenedianiline; oxydianiline; thiodianiline; and nitroaniline.

Dithiophosphate esters.—Epoxides: epoxide containing substances including glycidyl ethers, esters and amines.

Glycol ethers.—Phthalates: Alkyl and alkoxy phthalate esters containing fewer than 12 carbon atoms.

Polyhalogenated aromatics.—Pyridines: Substituted with alkyl, aminoalkyl, halogen, nitrile, and nitro groups.

Quaternary ammonium compounds.—Ureas, thio, and alkyl

"(2) The Administrator may, by rule, delete from or refine the list of categories of chemical substances set forth in the Table in paragraph (1) of this subsection on the basis that the chemical substances thus removed from the list do not meet the requirements of section 5(b)(4)(A)."

SEC. 6. (a) That portion of section 6(a) of the Toxic Substances Control Act that precedes paragraph (1) is amended by inserting a semicolon after the word "risk" the second time it appears in the sentence and deleting the phrase "using the least burdensome requirements:".

(b) Section 6(a)(1)(A) of the Toxic Substances Control Act is amended by inserting a comma after the word "commerce", and inserting thereafter the phrase "use, or disposal".

(c) Section 6(a)(1)(B) of the Toxic Substances Control Act is amended by deleting the word "or" where it appears after the word "processed", inserting a comma after the word "commerce", and inserting thereafter the phrase "used or disposed of."

(d) Section 6(a)(2) of the Toxic Substances Control Act is amended by deleting the period at the end of subparagraph (B), inserting in lieu thereof a comma, inserting thereafter the word "or", and inserting the following subparagraph:

"(C) limiting the manufacturing, processing, distribution in commerce, use, or disposal of such substance or mixture, where such activities give rise to release to the environment or human exposure in excess of levels specified by the Administrator in a rule imposing the requirement."

(e) Section 6(a)(3) of the Toxic Substances Control Act is amended by inserting after the word "its" in the fourth line the phrase "manufacture, processing,".

(f) Section 6(a)(5) of the Toxic Substances Control Act is amended by deleting the phrase "commercial use" and inserting in lieu thereof the phrase "manufacture, processing, distribution in commerce, use, or disposal".

(g) Section 6(c)(1) of the Toxic Substances Control Act is amended by deleting the two sentences that follow subparagraph (D), by renumbering paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting a new paragraph (2) as follows:

"(2) In promulgating a rule under subsection (a) with respect to a chemical substance or mixture, the Administrator shall make a reasonable attempt to impose the least bur-

densome requirements consistent with the primary goal of abating unreasonable risk to human health or the environment in a timely manner. The Administrator's judgment in this regard is discretionary and shall not be overruled in response to a challenge to such requirement except to the extent that it is arbitrary and capricious."

(h) Section 6(c)(5) of the Toxic Substances Control Act is amended by deleting the word "and" and inserting after "(4)" the phrase "and (5)".

SEC. 7. (a) Section 8(a) of the Toxic Substances Control Act is amended by—

(1) by amending paragraphs (1)(A) and that part of paragraph (1)(B) that precedes clause (i) to read as follows:

"(A) each person (other than a small manufacturer, processor, distributor, user, or disposer) who manufactures, processes, distributes in commerce, uses, or disposes of, or who proposes to manufacture, process, distribute in commerce, use, or dispose of a chemical substance (other than a chemical substance described in subparagraph (B)(ii)) shall maintain such records, and shall submit to the Administrator such reports, as the Administrator may reasonably require, and

"(B) each person (other than a small manufacturer, processor, distributor, user, or disposer) who manufactures, processes, distributes in commerce, uses, or disposes of, or who proposes to manufacture, process, distribute in commerce, use, or dispose of—"

(2) adding the following new paragraph (4):

"(4) As an alternative to a rule under paragraph (1), the Administrator may, by written request, require any person who manufactures, processes, distributes in commerce, uses, or disposes of a chemical substance to submit such information as the Administrator may reasonably require to carry out this Act. Such a request shall be delivered to the person, shall specify with particularity the information required, and shall provide a reasonable time for response. The person must provide the requested information insofar as known to the person or reasonably ascertainable at the time of the request."

(b) Section 8(a)(2) of the Toxic Substances Control Act is amended by—

(1) in the second and third lines of subparagraph (C), inserting a comma after the word "manufactured," deleting the word "or", and inserting after the word "processed" the phrase "used or disposed of";

(2) inserting after the word "byproducts" in subparagraph (D) the phrase "and impurities";

(3) inserting after the word "duration" in subparagraph (F) the phrase "and extent"; and

(4) inserting after subparagraph (G) two new subparagraphs as follows:

"(H) The delivery movement, or holding of chemicals, including the quantity, the date of shipment, and receipt, and the consignor and consignee.

"(I) Such data as may be reasonably necessary to evaluate the economic consequences of activities undertaken pursuant to this Act."

(c) Section 8(a)(3) of the Toxic Substances Control Act is amended to read as follows:

"(3)(A) The Administrator may by rule require a small manufacturer, processor, distributor, user, or disposer of a chemical substance or mixture—

"(i) subject to a testing agreement under section 4 or a rule proposed or promulgated under section 4, 5(a)(2), 5(b)(4), or 6, or an order in effect under section 5(e),

"(ii) with respect to which relief has been granted pursuant to a civil action brought under section 5 or 7, or

"(iii) where the Administrator has reason to believe that the activities of such small manufacturer, processor, distributor, user or disposer of such chemical substance or mixture may present an unreasonable risk of injury to health or the environment and where additional information is needed to ascertain the nature and extent of such risk,

to maintain such records on such substance or mixture, and to submit to the Administrator such reports on such substance or mixture, as the Administrator may reasonably require. A rule under this clause requiring reporting may require reporting with respect to the matters referred to in paragraph (2).

"(B) The Administrator, after consultation with the Administrator of the Small Business Administration, shall by rule prescribe standards for determining the manufacturers, processors, distributors, users, and disposers which qualify as small manufacturers, processors, distributors, users, and disposers for purpose of this paragraph and paragraph (1)."

(d) Section 8(b)(1) of the Toxic Substances Control Act is amended by inserting at the end thereof the following: "The Administrator shall publish a current inventory of chemical substances as required by this paragraph at least every five years."

SEC. 8. Section 9 of the Toxic Substances Control Act is deleted in its entirety and is replaced by the following:

"SEC. 9. COORDINATION WITH OTHER FEDERAL LAWS

"(a) COORDINATION.—In administering this Act, the Administrator shall consult and coordinate with the Secretary of Health, Education and Welfare and the heads of any other appropriate Federal executive department or agency, any relevant independent regulatory agency, and any other appropriate instrumentality of the Federal Government for the purpose of achieving the maximum enforcement of this Act while imposing the burdens of duplicative requirements on those subject to the Act and for other purposes. The Administrator shall, in the report required by section 30, report annually to the Congress on actions taken to coordinate with such other Federal departments, agencies, or instrumentalities.

"(b) OCCUPATIONAL SAFETY AND HEALTH.—In exercising any authority under this Act, the Administrator shall not, for purposes of section 4(b)(1) of the Occupational Safety and Health Act of 1970, be deemed to be exercising statutory authority to prescribe or enforce standards or regulations affecting occupational safety and health."

SEC. 9. Section 12 of the Toxic Substances Control Act is amended by—

(a) inserting before the phrase "under section 4" in subsection (b)(1) the phrase "by a test rule or a testing agreement.", and

(b) deleting subsection (a), striking the subsection designation "(b)", and redesignating paragraphs (1) and (2) of subsection (b) as subsections (a) and (b), respectively.

SEC. 10. Section 14 of the Toxic Substances Control Act is amended by:

(a) inseting after "employee of the United States in subsection (a) the phrase "or any State";

(b) redesignating paragraphs (3) and (4) of subsection (a) as (4) and (5), respectively, and inserting a new paragraph (3) as follows:

"(3) shall be disclosed to any officer or employee of any State

"(A) in connection with the official duties of such officer or employee under any law for the protection of health or the environment, or

"(B) for specific law enforcement purposes provided such State has adopted authorities and procedures for the protection of such information that will provide protection substantially equivalent to that provided by this Act."

(c) deleting the phrase "this Act" from paragraph (4) of subsection (a) and inserting in lieu thereof the phrase "any Federal or State law intended to protect health or the environment,"

(d) redesignating paragraph (2) of subsection (c) as paragraph (4) and inserting new paragraphs as follows:

"(2) each designation under paragraph (1)(A) shall include a statement of justification that

"(A) describes the harm to the competitive position of the entity submitting the data that would result from release of the data, and

"(B) in the case of designations concerning data in health and safety studies, explains how release of such data would disclose processes used in the manufacturing or processing of a chemical substance or mixture or, in the case of a mixture, would disclose the portion of a mixture comprised by any of the chemical substances in the mixture.

"(3) Each designation under paragraph (1)(A) shall be signed by an officer of the entity submitting the data and shall include an affirmation by such official of his belief that such designation is being made validly."

(e) inserting at the end of subsection (c) the following new paragraphs:

"(5) Designations of confidentiality of data made in a notice required by section 5(a)(1) shall remain in effect until such time as the chemical substance is manufactured. At the time that manufacturing commences, the persons that submitted the notice may designate again the data that he believes is entitled to confidential treatment under subsection (a), in accordance with the requirements of this subsection.

"(6) Except as provided in paragraph (5) of this subsection, any designation of data for confidential treatment made under paragraph (1) of this subsection shall remain in effect for three years from the date of such designation, subject to disclosure of such data under the provisions of this section. Such designations may be renewed for additional 3-year periods in accordance with the requirements of this subsection and in such manner as the Administrator my prescribe.",

(f) inserting after the phrase "employee of the United States" at each place it appears in subsection (d)(1) the phrase "or any State"; and,

(g) inserting before the phrase "shall be guilty of misdemeanor" in the first sentence of subsection (d) the phrase "and any person who solicits such disclosure or obtains such material knowing that its release was unlawful,".

(h) inserting after "section 4" in clause (ii) of subsection (b)(1)(A) the phrase "by a test rule or a testing agreement".

SEC. 11. Section 25 of the Toxic Substances Control Act is amended by adding at the end thereof the following:

"(c) The Administrator shall, within one year of enactment of this subsection, submit a report to the Congress on (1) the extent to which the authorities in sections 4, 8, and 11

of this Act could be used to provide information that directly would support the activities of other programs administered by the Environmental Protection Agency and of other agencies that have the authority to regulate the risk presented by chemical substances and mixtures, (2) the extent to which these authorities have been used for this purpose, and (3) the factors that inhibit greater use of these authorities for this purpose.

"(d) The Administrator shall, within one year of enactment, submit a report to the Congress on the relationship between the authorities and requirements under this Act and the activities of small businesses. Such report shall, at a minimum, include a discussion of the following:

"(1) the need for a uniform definition of "small business" for purposes of this Act, and the extent to which such a definition would support or inhibit effective implementation of this Act;

"(2) the extent to which the small business exemption in section 8 of this Act may be preventing the Agency from receiving reports related to the risks presented by chemical substances and mixtures, which risks might be regulated by this Act or other laws were they known; and

"(3) innovative and alternative approaches to regulating the activities of small businesses to achieve the purposes of this Act in a more cost effective manner, including, if appropriate, recommendations for amendments to this Act to authorize such approaches."

DESCRIPTION OF BILL TO AMEND THE TOXIC SUBSTANCES CONTROL ACT

FINDINGS, POLICY AND INTENT

Section 2 of the bill expands the Toxic Substances Control Act Statement of Findings and Policy. The additional findings concern the present dearth of toxicity and exposure information about many chemical substances and the need for such information to support both voluntary and regulatory chemical risk reduction actions. Both findings have been demonstrated in hearings before the Subcommittee on Toxic Substances and Environmental Oversight.

TSCA's statements of policy presently assert that toxicity data should be developed by chemical manufacturers and processors. The statements of policy added by the bill go on to say that chemical manufacturers and producers should be informed about the toxic effects of their products and take appropriate actions to prevent harmful exposure.

DEFINITIONS

Section 3 of the bill amends the definitions in TSCA section 3.

Subsection (a) clarifies that the Administrator may delegate his functions under TSCA if he so chooses.

Subsection (b) states that the term "chemical substance" includes microorganisms or other biological substances. The effect of this amendment is to clarify that TSCA can be used to regulate the release of certain genetically engineered microorganisms as well as the manufacture of chemical substances by biological methods.

Subsection (c) clarifies that the exclusion of pesticides from TSCA jurisdiction does not include chemical substances that occur during the manufacture of a pesticide. This amendment is consistent with EPA policy and practice.

Subsection (d) expands the definition of "standards for the development of test data" to include exposure monitoring studies. This change makes this definition comport with the existing definition of "health and safety study", which includes exposure studies, and is consistent with amendments to section 4 (Chemical Testing) which authorize the use of TSCA to require exposure monitoring studies as well as toxicity testing.

TESTING OF CHEMICAL SUBSTANCES AND MIXTURES

Section 4 of the bill amends Section 4 of TSCA, which establishes EPA's authority to require chemical manufacturers and processers to test chemical substances.

The amendments are designed to streamline the process of interagency designation of and subsequent testing of high priority chemicals, establish a new program of testing for large volume chemicals, and improve the Agency's ability to respond promptly, as required by present law, to information about chemicals that may cause cancer, genetic damage or birth defects. The following discussion establishes a context for these amendments.

Section 4 of TSCA authorizes EPA to require that chemical substances be tested. EPA may select any chemical for testing, provided the required statutory findings can be made. However, it must respond within one year, either by initiating a test rule or publishing a notice explaining why testing is not needed, to recommendations for priority testing made by an Interagency Testing Committee (ITC). After being sued for repeated failure to meet the one year deadline, EPA has, under court order, recently caught up with ITC designations. However, the Agency has never initiated a test rule on a chemical of its own choosing; it has dealt only with chemicals recommended by the ITC. Further, the Agency has never finalized a test rule under section 4. Instead, it has created a system of negotiated testing agreements. EPA argues that, by negotiating testing agreements with companies that otherwise could be subjected to a test rule, the needed testing can be accomplished much more quickly than if the Agency were to use lengthy and laborious notice-and-comment rulemaking procedures. Critics argue that bypassing rulemaking procedures frustrates opportunity for citizen comment and challenge, that testing agreements are unenforceable, and that such agreements fail to trigger other sections of TSCA that cross-reference to *rules* under section 4.

At the present time, 21 chemicals and chemical categories have been tested or are being tested under negotiated testing agreements. However, a District Court recently found these agreements unlawful because they are not authorized by the statute, and it ordered EPA to initiate rulemaking on all present and future testing.

One of the reasons the test rule process runs slowly is that the ITC and EPA engage in redundant analysis. The ITC examines available information on toxicity and exposure in order to determine whether a testing recommendation for a particular chemical is warranted. EPA then undertakes a similar analysis to support a proposed test rule. Subsection 4(a)(6) of the bill would accord greater weight to the ITC's recommendation by establishing a statutory presumption that an ITC recommendation is appropriate and that a priority chemical recommended by the ITC should be tested, while allowing persons who would perform the testing the opportunity to provide evidence which demonstrates that testing is not needed. The effect of this amendment is to save time and avoid redundancy by relieving EPA of the necessity of independently supporting a proposal for testing when the Interagency Testing Committee already has determined that priority testing is needed because of perceived potential risk. Test rules for other chemicals (i.e., those not analyzed by the Interagency Testing Committee) would not be affected.

Subsection 4(f) of the bill authorizes negotiated testing agreements in lieu of test rules when the Administrator determines that adequate test data can be obtained more quickly in this way. The amendment requires the establishment of a publicly available record to support the adequacy of the agreement, calls for a public comment period, and provides opportunity for agreements to be reopened under certain circumstances. In addition, it requires EPA immediately to promulgate a test rule if a chemical manufacturer or processor reneges on a testing agreement, and it relieves the Administrator of the requirement to make the usual threshold findings in this circumstance.

TESTING LARGE VOLUME CHEMICALS

A recent study by the National Academy of Sciences found that few chemicals have been adequately tested for their toxic effects, even the large volume chemicals that often lead to significant human and environmental exposure. Section 4(b) of the bill would establish a new program for testing large volume chemicals whose manufacturing or processing exceeds 100 million pounds per year. The bill would establish as a matter of law that such chemicals should be tested by their manufacturers or processors for an array of health and environmental effects. EPA would be required to administer the program by listing the high volume chemicals and exempting chemicals from certain tests or modifying the testing requirements as needed. Exemptions or modifications could be obtained for a particular chemical by showing that adequate data already exist, that a particular test cannot be performed for technical reasons, or demonstrating that, notwithstanding the large volume, actual exposure or release is not significant.

EPA also would be responsible for scheduling the testing. Scheduling is needed because all large volume chemicals cannot be tested at once due to limitations of laboratory capacity. The bill gives EPA considerable flexibility in scheduling, but requires that unless and until EPA establishes a schedule of its own testing will begin in order of production volume, with the largest volume chemicals being considered first. In scheduling testing, EPA is required to make maximum use of available testing capacity. This requirement is intended to assure that the large amount of currently unutilized laboratory capacity will be utilized and to encourage the development of additional capacity to perform toxicological tests.

The large volume testing provision also requires certification and interpretation of test results by the person performing the test, and it amends other sections of TSCA as needed to make the new program enforceable.

EXPEDITED REVIEW

Section 4(f) of TSCA requires an expedited regulatory review of chemical substances for which the Administrator receives information indicating that such substance may cause serious or widespread harm from cancer, gene mutations, or birth defects. Upon receipt of such information, the Administrator is required within 180 days

either to initiate appropriate action or publish a finding that the identified risk is not "unreasonable."

This section has proven difficult to implement. One reason is that whereas section 4(f) requires an expedited regulatory review, it does not contain provisions for expedited gathering of information that may be necessary to inform the regulatory review and to complete it within the statutory time frame. Thus, there may be enough information about a chemical to trigger the section 4(f) process, but not enough information to make the control action vs. no-unreasonable-risk decision that is required 180 days later. This conundrum has discouraged EPA's use of this section of TSCA.

Section 4(g) of the bill would provide authority for expedited information gathering to support the section 4(f) expedited review process. When the Administrator finds that the section 4(f) criteria are met but that the Agency's ability to make the required decision within 180 days is limited by lack of information concerning exposure, release, or effects, he may perform or contract to perform the needed studies during the 180 day period. He then may seek reimbursement of the costs of necessary and reasonable testing and exposure studies from the manufacturers and processors of the subject chemical substance.

The bill (in section 4(a)(1)) also authorizes the establishment of standards for environmental or human monitoring or exposure studies. The data yielded by monitoring and exposure studies is just as important for a risk assessment as is toxicity data. This amendment clarifies EPA's authority to require such studies in the same way that toxicity studies may be required.

NEW CHEMICAL REVIEW PROGRAM

Section 5 of the bill amends section 5 of TSCA, which contains the premanufacture notice (PMN) program and related authority to require notice of significant new uses of chemicals. Both programs are intended to prevent chemical risk before it occurs by allowing risk assessment prior to exposure, and to make control easier by reacting to incipient unreasonable risk *before* there is a large economic stake in a new chemical or new use.

Under the premanufacture notice program, manufacturers of new chemical substances are required to notify EPA 90 days before beginning manufacture. The notice must include basic information about chemical identity, anticipated production volume and use, and the likely human exposure and environmental release. If toxicity tests have been performed, the results must be disclosed, but there is no requirement in TSCA that any testing be performed.

Upon receipt of the notice, EPA evaluates the potential risk presented by the chemical. The Agency has discretionary authority to prohibit or limit manufacture upon a finding that the chemical "may present an unreasonable risk" but that available data are insufficient to perform a reasoned risk assessment.

The PMN program began in 1979. To date, over 4,000 notices have been reviewed and the authority to limit manufacture has been invoked a little over 100 times.

The two major problems in the PMN program are the general lack of toxicity data in premanufacture notices and the cumbersome nature of chemical specific follow up. Both are discussed below.

To perform a risk assessment, EPA must evaluate the toxicity of a new chemical. But an Office of Technology Assessment Study found that 47 percent of premanufacture notices contain no toxicity data at all. Further, EPA rarely receives a notice that contains any data about chronic health effects. Even mutagenicity screening tests, which are simple and inexpensive, are reported in only 17 percent of the notices. This lack of data significantly inhibits EPA's ability to perform the necessary risk assessments.

The difficulty of follow up of specific new chemicals was identified by the General Accounting Office as a major problem in TSCA. The problem arises in this way: Frequently, a new chemical described in a premanufacture notice is known to be toxic, but the conditions of manufacture and use that are described would lead to low exposure, and therefore low risk. In this case, EPA would not attempt to prohibit manufacture. However, once the chemical has cleared through the review process, the manufacturer (or subsequent manufacturers) are free to produce the chemical in any quantity and for any use without further review. Thus, serious health and environmental risks can arise later due to factors that were not evaluated at the time of the original notice, thus frustrating the intent of premanufacture review.

As mentioned above, TSCA provides authority to promulgate a rule that identifies "significant new uses" for a chemical. Realization of these uses at some point in the future would trigger a notice requirement, with the "significant new use" notice being reviewed like a premanufacture notice. The major problem with use of this authority is that it requires EPA to try to anticipate possible future uses which, if they arose, might present an unreasonable risk, and to be prepared to support these necessarily "soft" analyses in the context of rulemaking. And the Agency must do this on a case by case basis for each chemical that presents low risk under the conditions in the original notice but may present significant risk later. As a result of these problems, this authority has been used infrequently.

The bill would deal with the premanufacture notice data problem by calling for better information in the original notices. It would deal with the follow-up problem by making follow-up automatic in limited cases. Both new provisions are described below.

Section 5(d) of the bill would improve EPA's ability to assess chemical risk and identify toxic chemicals before they are marketed by requiring two additional elements to be included in premanufacture notices. First, the notice would include the manufacturer's evaluation of the potential risk to health and the environment presented by the chemical substances. Second, the notice would be required to contain information to support the evaluation. The bill would establish a presumption that such information would include the health and environmental effects data recommended for new chemicals by the Organization for Economic Cooperation and Development. (These recommended data for toxicity assessment of new chemicals were the result of several years' negotiation among the 24 member nations of the OECD).

The bill would not require a particular set of toxicity data on each and every chemical. Rather, it would allow the manufacturer considerable flexibility in tailoring the OECD data requirements to the characteristics of his chemical and its circumstances of use and exposure by adding, deleting or modifying tests.

In the event deletion of certain toxicity data from a notice is justified by the manufacturer on the grounds that anticipated small production volume or restricted intended use (low exposure) preclude "unreasonable risk," the bill would require a subsequent notice if those parameters later changed in a material way. This requirement means that EPA would not have to promulgate a rule in order to assure that a subsequent notice would be received on the basis of significantly changed human or environmental exposure in cases when the manufacturer justifies lack of toxicity data on the basis of low exposure.

Subsection (e) amends TSCA § 5(e), which authorizes orders to prohibit or limit manufacture of a chemical substance for which notice has been received under § 5(a) pending the development of adequate information to perform a reasoned risk assessment. The amendment changes the process for issuing a 5(e) order. Current law allows a manufacturer or processor to object to a proposed order and by that action prevent it from going into effect until the Administrator convinces a U.S. district court to issue an injunction. The amendment would allow directly affected parties to file objections, but the Administrator could put the order into effect in spite of the objections if he determines the basis for the order withstands the objections. The burden of judicial review is shifted to persons who object to the Administrator's action under 5(e) to prevent unreasonable risk.

The amendment also establishes that a 5(e) order may be applied to a person who processes, distributes in commerce, uses or disposes of the substance after obtaining it, directly or indirectly from the manufacturer who submitted the notice. This authority is necessary in order to assure that the protective requirements in a 5(e) order can, if necessary, be made to follow a chemical substance "downstream" through the marketing chain.

The bill makes three additional improvements to the existing program. First, sections 5(a)(1) and 5(b) clarify confusing language in the statute related to the significant new use notices described above. Whereas the statute speaks of significant new uses, it really is addressing significant new exposure situations. Significant new exposures may arise from changes in manufacturing processes, for example, as well as changes in literal "use". The bill would alter existing language to clarify that the intent is to obtain information about significant new exposures, however they may arise.

Second, section 5(a)(2) of the bill allows the Administrator to release a new chemical for manufacture when the notice review is completed. Presently, the 90 day notice requirement prevents manufacture for 90 days even if EPA decides early in the review process to take no action as it does on the majority of notices.

Third, section 5(h) of the bill requires implementation of the present discretionary authority under TSCA section 5(b)(4) to identify families of chemicals that are "suspect". There are certain categories of chemicals that contain many individual chemicals that are known to cause cancer or other toxic effects. New chemicals that lie within such categories inherently are suspect, and in fact EPA relies heavily on structural analogy in premanufacture notice review. The Agency has testified that it has identified internally a number of such categories. Under TSCA 5(b)(4), EPA has discretionary authority to identify these categories in a rule, but has not done so. The practical effect of such an identification is that it

shifts the burden of persuasion concerning manufacture of new chemicals within these categories to the person who intends to introduce the chemical. For these chemicals that, a priori, are suspected of being toxic, the intended manufacturer is required by present law to submit information which he believes shows that the chemical will not present an unreasonable risk.

The bill requires implementation of this authority within one year. It also references a list of chemical categories for inclusion in the list. These chemical categories were identified by EPA, with the caveat that in some cases the category may be defined more broadly than necessary. Therefore the bill authorizes EPA to delete from or otherwise modify these categories in order to remove any substances that do not meet the statutory criteria for listing.

Section 5(c) of the bill changes the responsibility of the manufacturer of a new chemical that falls within a listed category. Present law requires the manufacturer to submit information which "he believes" shows that the chemical will present an unreasonable risk. The bill would call for information that makes this showing "to the satisfaction of the Administrator." This change cures problems of enforceability associated with the present language.

Sections 5(f) and 5(g) clarify EPA's authority under TSCA to regulate the release of genetically engineered microorganisms. These language changes remove technical impediments to regulation of such releases under the premanufacture review program.

REGULATION OF CHEMICAL SUBSTANCES AND MIXTURES

Section 6 of the bill amends section 6 of TSCA, which establishes the authority and procedures for actions to regulate unreasonable risk. The purpose is to confer more flexibility and efficiency in the control of chemical risk.

Subsections (a) and (g), taken together, reduce the extensive procedural and analytical requirements that the Administrator must meet under present law before taking action under TSCA to control unreasonable risk. These requirements in present law are (1) that the Administrator show that the requirements he would impose are the "least burdensome" on the regulated party of all requirements he might have chosen and (2) that he perform extensive analyses of the relative costs and efficiencies of proceeding under TSCA in any case where another EPA law might also be used. The bill substitutes a requirement that the Administrator make a reasonable attempt to impose the least burdensome requirement, but he would not be required to prove that the requirements chosen are in fact the least burdensome. Review of the Administrator's judgement in this regard would be based on an "arbitrary and capricious" standard.

Subsections (b), (c), (d), (e) and (f) make clear that the full range of TSCA's regulatory authority under § 6(a) is applicable to the full range of activities giving rise to situations involving unreasonable risk, viz., manufacture, processing, distribution in commerce, use, and disposal.

REPORTING OF RETENTION OF INFORMATION

Section 7 of the bill amends § 8 of TSCA, which provides authority to require record keeping and reporting of information that may be relevant to the identification of situations involving unreasonable risk.

Subsection (a)(1) and (b), taken together, establish that TSCA can be used to gather information related to chemical risk in all situations that might give rise to unreasonable risk, including manufacturing, processing distribution in commerce, use and disposal. The effect is to make the authority to gather information to identify risk coextensive with the authority to regulate chemical risk expressed in TSCA § 6. Also added is new authority to require the submission of information on the economic consequences of actions under TSCA. Such information is needed to accomplish the risk/benefit analysis that is required to underlie a regulatory action under TSCA.

Subsection (a)(2) establishes letter writing authority that may be used in lieu of notice and comment rulemaking to gather information from specific and identified persons. Such a procedure will be useful when the Administrator needs information from only a small group of persons, all of whom can be readily identified. This authority is modeled on similar authority in the Clean Water Act and Clean Air Act. It can only be used to gather information that is immediately available; it cannot be used to establish a future or ongoing reporting requirement. Where the latter type of requirement is needed, EPA would use normal rulemaking procedures.

COORDINATION WITH OTHER FEDERAL LAWS

Section 8 of the bill amends the complicated and burdensome coordination requirements in present law. It deletes requirements for filing of reports, waiting periods, etc., and substitutes a requirement that TSCA implementation be coordinated with other agencies to assure maximum enforcement while imposing the least burdens of duplicative requirements.

Section 9 of the bill eliminates the general prohibition against TSCS's applicability to chemical substances and mixtures intended solely for export. The fact that a chemical is being produced for export does not preclude that manufacturing, processing, and distribution in commerce from presenting an unreasonable risk to persons within the United States or to the environment.

Section 9(b) conforms the export notification requirements to the new authority for negotiated testing agreements provided by this bill.

CONFIDENTIALITY

The amendments to TSCA section 14 in section 10 of the bill are intended to discourage spurious and excessive claims of confidentiality for the various kinds of risk-related data obtained under TSCA and to provide for access to confidential business information by state regulatory agencies.

Subsection (a), (b), (c) and (f) provide state regulatory agencies with the same access to information obtained under TSCA that presently is afforded Federal regulatory agencies.

Subsection (d) requires that claims of confidentiality be accompanied by an explanation of why the claim is justified. It also requires signoff for such claims by an officer of the entity submitting the data. These requirements preclude the present practice of extensive claims made by junior persons using the present "check-off" procedure for claiming confidential status.

Subsection (e) establishes a sunset provision for confidentiality claims, while allowing for reassertion of such claims. The commercial sensitivity of some types of information decreases over time. For example, companies generally are less concerned about disclosure of chemical identity and intended use after a new chemical has been marketed. This provision provides a mechanism for reducing, over time, the amount of confidential information related to a chemical while maintaining the opportunity to keep such claims in force.

Subsection (g) makes a person who solicits or received confidential business information illegally subject to the same penalties as a person who wrongfully discloses such data.

Section —— of the bill amends section 15 of TSCA to simplify the statement of prohibited acts in paragraph (1) and to conform to the new sampling authority provided by the bill.

STUDIES

Section 11 of the bill requires EPA to submit to Congress, within one year of enactment, two additional studies of the implementation of TSCA.

The first is a study of the degree to which the information gathering authorities in TSCA could be used and have been used to support other chemical regulatory programs. The second is a study of the relationship between TSCA implementation and the activities of small businesses.

By Mr. DURENBERGER:

S. 3076. A bill to amend section 408 of the Federal Food, Drug, and Cosmetic Act to authorize emergency action with respect to pesticide chemicals which present an imminent hazard to the public health, to revise the procedures under such section for changes in tolerances and exemptions for pesticide chemicals, and for other purposes; to the Committee on Labor and Human Resources.

PESTICIDE FOOD RESIDUE LEGISLATION

Mr. DURENBERGER. Mr. President, today I am introducing amendments to the Food, Drug, and Cosmetic Act which would tighten regulation of pesticide residues on food. EPA's delay in banning the use of the cancer-causing fumigant EDB earlier this year dramatized the defects in the law governing pesticide residues on food.

EDB had been granted an exemption from residue limits—called tolerances—in 1956 on the assumption that it did not leave any residues in food. Thus, there was no legal limit on the amount of EDB that could remain on food. EPA is supposed to set a tolerance limiting residues that is "adequate to protect the public health" and can only grant an exemption where a tolerance is not necessary to protect the public health.

But even after the Department of Agriculture informed the Food and Drug Administration in 1956 that EDB residues remained on citrus and could be dangerous, the FDA waited until 1981 to start testing for EDB on citrus. EPA did not ban EDB use on grain and citrus until the spring of 1984 after a public furor erupted following extensive publicity about the State of Florida pulling EDB-contaminated products off the shelves.

The legislation amends the law in several major ways to correct the defects which led to the EDB incident.

First, section 8 of the bill directs the Administrator of EPA to collect missing health and safety data on pesticides used on food. EPA will notify pesticide companies over a 4-year period of the missing or inadequate data that must be submitted, and the manufacturers will have 3 years to provide the missing information.

According to the December 1982 staff report of the House Agriculture Subcommittee on Department Operations, Research, and Foreign Agriculture, approximately 85 percent of current pesticides lack health and safety data. For example, 93 percent have not been tested for their ability to cause mutations, and 84 percent lack carcinogenicity tests. In the meantime, the American people continue to consume untested pesticides at the dinner table.

Second, section 6 of the bill requires the Administrator to revoke a tolerance or exemption based on false, misleading or inaccurate information. This amendment is designed to respond to the problems created by the Industrial-BioTest Laboratories [IBT] scandal. During 1976 the FDA discovered that many health and safety studies conducted by IBT had been falsified. On April 9, 1984, a Federal judge sentenced three IBT officials to jail for submitting false data. However, EPA has allowed IBT-tested pesticides used on food to remain on the market, exposing consumers to pesticides for which EPA lacks valid health and safety tests.

Third, the bill requires EPA to take action whenever the agency receives information which indicates that there is a reasonable basis to conclude that the food residues may not be safe. When the Administrator receives such information, he must issue an order to show cause why the exemption should not be revoked or the tolerance revoked or reduced. Then the manufacturer has an opportunity to show at a hearing that the food residues are safe.

Even though EPA knew after a National Cancer Institute study was issued in 1974 that EDB was a potent carcinogen, it failed to act for 10 years. An exemption for the questionable EDB substitute carbon tetrachloride and a tolerance for methyl bromide remain in place. But under this amendment, EPA could not engage in its usual delays, and would have to act to protect the public.

Fourth, the legislation requires EPA to cancel a tolerance or exemption for a pesticide that has been canceled, suspended or voluntarily withdrawn under the Federal Insecticide, Fungicide and Rodenticide Act.

This amendment codifies EPA's stated policy to eliminate food residue limits for canceled pesticides. Unfortunately, despite this policy, tolerances for many banned pesticides remain on the books.

Fifth, this bill makes it clear that pesticide residues permitted on food must be safe for consumers. This change codifies the legislative history of the pesticide section of the Food, Drug and Cosmetic Act and pertinent case law.

Sixth, the bill simplifies the current cumbersome administrative procedures governing amendment and repeal of tolerances and exemptions for pesticide residues on food. EPA is slow to amend outmoded residue limits because it must plow through a procedural labyrinth that can take 2 to 3 years to complete if industry exercises all its procedural options. Under this legislation, EPA could use an informal hearing process instead, which would preserve due process for manufacturers but provide quicker action to protect the public health.

The bill also sets up an expedited procedure EPA could use when residues of a particular pesticide on food present an imminent hazard. EPA had no such imminent hazard procedure available during the EDB crisis and was forced to act to revoke EDB's exemption under the usual cumbersone process. Because of public pressure, industry did not demand an adjudicatory hearing and referral to an advisory committee, but EPA would have had no power to act quickly if industry had exercised its procedural rights. I believe EPA should have the flexibility to act swiftly in a crisis, and this amendment provides that flexibility.

Finally, the bill requires EPA to review the exemptions from pesticide residue limits within 12 months to determine whether they are safe. Many of the 85 current exemptions were granted before the development of modern testing and are long overdue for review.

In sum, this legislation will close many of the loopholes in the law governing pesticide residues on our food. The American people expect the Government to make sure that the food they eat is not contaminated by unsafe pesticides. This food safety legislation corrects the fundamental flaws in current law and will help reduce the dose of pesticides we consumer in our daily diets.

Mr. President, I ask that the text of the bill be printed in the RECORD along with my comments today.

There being no objection, the bill was orderd to be printed in the RECORD, as follows:

S. 3076

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Section 408 of the Federal Food, Drug and Cosmetic Act (21 U.S.C. 346a) is amended by redesignating subsections (f) through (o) as subsections (g) through (p), respectively, and by inserting after subsection (e) the following:

"(f)(1) revocation of an exemption under subsection (c) from the tolerance requirements for a pesticide chemical in or on a raw agricultural commodity,

"(B) in conjunction with the revocation of such an exemption, establishment of a tolerance for the pesticide chemical covered by the exemption under which tolerance only residues of the pesticide chemical which are safe will be permitted to remain on the commodity, or

"(C) establishment of a tolerance for a pesticide chemical in or on a raw agricultural commodity which is lower than a tolerance permitted in a regulation in effect for such pesticide chemical and under which new tolerance only residues of the pesticide chemical which are safe will be permitted to remain on the commodity,

is necessary to prevent an imminent hazard to the public health, the Administrator shall, without regard to the procedures required for such action by subsections (d) and (e) or (n), by order take such action. In issuing such an order, the Administrator shall give prompt notice of the action to the person who requested the exemption or tolerance which will be changed by the order. Such an order shall be effective upon its issuance and shall be published in the Federal Register.

"(2)(A) Within five days after the publication in the Federal Register of an order issued under paragraph (1), any interested person may request the Administrator to hold a public hearing on the order. If the Administrator receives a request for a public hearing within the time period prescribed by the preceding sentence, the Administrator shall commence such hearing within five days after the receipt of the request. Within ten days after the completion of such a hearing, the Administrator shall either affirm the order which was the subject of the hearing or revise it. The Administrator shall publish any revised order in the Federal Register.

"(B) If a hearing is requested under subparagraph (A) with respect to an order issued under paragraph (1), the Administrator shall not delay the effective date of the order. Such an order may not be judicially reviewed under chapter 7 of title 5, United States Code, until the order has been affirmed or revised by the Administrator after the completion of the hearing.

"(3) The order issued under paragraph (1) may not be set aside by a court while the order is being judicially reviewed.".

(b) Section 409 of such Act (21 U.S.C. 346) is amended by inserting "(a)" after "Sec. 40." and by adding at the end thereof the following new subsection:

"(b)(1) In any case in which the Administrator of the Environmental Protection Agency issues an order pursuant to section 408(f) or section 408(n)(2) which revokes an exemption or establishes a new tolerance for a pesticide chemical in or on a raw agricultural commodity, the Administrator shall also modify the regulations under this section so as to provide for comparable and proportionate adjustments in the concentration of such residue in processed food when ready to eat.

"(2) Such modification in the regulations shall be made in accordance with the same procedure as applies to the order issued under section 408(f) or 408(n)(2), and the Administrator shall include such modification in the notification and hearing (if requested) procedures carried out under those sections.".

(c) Section 201(u) of such Act (21 U.S.C. 321(u)) is amended by adding at the end thereof the following sentence: "The term 'safe' as used in sections 406(b) and 408 means having a reasonable certainty of no harm.".

SEC. 2. Subsection (n) (as so redesignated) of section 408 of such Act is amended to read as follows:

"(n)(1)(A) Except as provided in subsection (f) and paragraph (2), an amendment of a regulation in effect under subsection (b) or (c) shall be made in accordance with the procedure prescribed by subparagraph (B).

"(B) Section 553 of title 5, United States Code, shall apply to a rule to amend a regulation in effect under subsection (b) or (c), except that the Administrator shall provide interested persons an opportunity to request, within the thirty-day period beginning on the date of the publication in the Federal Register of a notice of proposed rule making respecting such rule, an informal hearing on the rule. If no request is made within such period: the rule shall take effect as prescribed by the Administrator. If the Administrator receives a request for a hearing within the time period prescribed, the Administator shall commence such hearing within thirty days after the receipt of the request. Within thirty days after the completion of such a hearing, the Administrator shall either affirm the rule which was the subject of the hearing or revise it. A revised rule shall take effect as prescribed by the Administrator and shall be published in the Federal Register.

"(2) Upon the receipt of any information which indicates that there may be a reasonable basis to conclude that residues of a pesticide chemical permitted by a tolerance established under subsection (b) or an exemption provided under subsection (c) may not be safe, the Administrator shall, not later than ninety days after the receipt of such information, make a finding either that such tolerance or exemption is safe or that it may not be safe. If the Administrator finds that such tolerance or exemption is safe, he shall publish his finding and the basis therefor in the Federal Register pursuant to the procedures set forth in paragraph (3) of this subsection. If the Administrator finds that such tolerance or exemption may not be safe, the Administrator shall, pursuant to the provisions set forth in paragraph (3) of this subsection, publish an order in the Federal Register to show cause why the agency should not proceed to—

"(A) revoke the exemption established under subsection (c) for the pesticide chemical,

"(B) in conjunction with the revocation of such an exemption, establish a tolerance for the pesticide chemical covered by the exemption under which tolerance only residues of the pesticide chemical which are safe will be permitted to remain on a raw agricultural commodity,

"(C) establish a tolerance for the pesticide chemical in or on a raw agricultural commodity which is lower than a tolerance permitted in a regulation in effect for such pesticide chemical and under which new tolerance only residues of the pesticide chemical which are safe will be permitted to remain on the commodity, or

"(D) take any combination of the actions described in subparagraph (A) through (C).

"(3) The Administrator shall provide interested persons thrity days beginning on the date of the publication in the Federal Register, to request an informal hearing on the order issued under paragraph (2). If no request is made within such period, the order shall take effect upon the expiration of such period. If the Administrator receives a request for a hearing within the time period prescribed, the Administrator shall commence and complete such hearing within sixth days after the receipt of the request. Within thrity days after the completion of such a hearing, the Administrator shal either affirm the order which was the subject of the hearing or revise it. A reivsed order shall take effect as prescribed by the Administrator, and the Administrator shall publish it in the Federal Register.".

SEC. 3. Section 408(b) of such Act is amended—

(1) in the first sentence, by inserting a comma after "tolerances" and by striking out "to the extent necessary to protect the public health" and inserting in lieu thereof "for residues which are safe";

(2) in the second sentence, by redesignating clause (3) as clause (4) and by striking out clause (2) and inserting in lieu thereof "(2) the potential acute and chronic health hazards which may result from exposure to the residues of the pesticide chemical, including carcinogenicity, mutagenicity, and teratogenicity, (3) the combined effect upon health of combining the residue of such pesticide with the residue in or on raw agricultural commodities of other pesticide chemicals or other related substances which are poisonous or deleterious, and"; and

(3) by adding at the end thereof the following: "If the Administrator determines that a pesticide chemcial does not leave any resuidue in or on raw agricultural commodities, the Administrator shall establish a tolerance for such pesticide chemical at the limit of detection for such pesticide chemical.".

SEC. 4. Section 408(c) of such Act is amended by striking out "when such a tolerance is not necessary to protect the public health" and inserting in lieu thereof "if residues of the pesticide chemical in or on such commodities are safe".

SEC. 5. (a) Section 408(d)(1) of such Act is amended—

(1) by inserting before the semicolon in subparagraph (C) a comma and the following: "including the potential acute and chronic health hazards which may result from exposure to the residues of the pesticide chemical, including carcinogenicity, mutagenicity, and teratogenicity, and the combined effect upon health of combining the residue of such pesticide with the residue in or on raw agricultural commodities or other pesticide chemcials or other related substances which are poisonous or deleterious"; and

(2) by adding at the end thereof the following: "Data on the hazards and effects described in subparagraph (C) shall be based on well-conducted scientific studies and shall be consistent with scientific principles. In determining if studies are well-conducted and consistent with sound scientific principles, the Administrator shall review the protocols for the studies and the conclusions drawn by the persons conducting the studies and determine if the reported results of the studies support such conclusions.".

(b) Section 408(d)(5) of such Act is amended—

(1) in the first sentence by striking out ", any person adversely affected by a regulation published pursuant to paragraph (2) or (3) of this subsection, or pursuant to subsection (e)." and inserting in lieu thereof "of a regulation under paragraph (2) or (3) or under subsection (e), any interested person";

(2) in the fourth sentence, by striking out "such public hearing" and inserting in lieu thereof "such hearing";

(3) in the fifth sentence by striking out all after "hearing" and inserting in lieu thereof a period; and

(4) by striking out the seventh sentence.

SEC. 6. Subsection (g) (as so redesignated) of section 408 of such Act is amended to read as follows:

"(g)(1) Not less than thirty days before issuing a tolerance under section 408 of this Act, the Administrator shall make available to the public all data (other than data relating to manufacturing or quality control processes) submitted to or otherwise obtained by the Administrator or an advisory committee relating to the safety of a pesticide chemical.

"(2) If the Administrator finds that false, misleading, or inaccurate information was submitted in connection with the promulgation of a regulation under subsection (b), (c), or (n) or an order under paragraph (f) or (n) for a pesticide chemical in or on a raw agricultural commodity and such information is material to the promulgation of such regulation or order, the Administrator shall propose an order revoking the regulation or order, publish the order in the Federal Register, and provide interested persons an opportunity to request, within the thirty-day period beginning on the date of the publication in the Federal Register of the order, an informal hearing on the order. If no such request is made within such period, the order shall take effect as prescribed by the Administrator. If the Administrator receives a request for a hearing within the time period prescribed, the Administrator shall commence such hearing within thirty days after the receipt of the request. Within thirty days after the completion of such a hearing, the Administrator shall either affirm the order which was the subject of the hearing or revise it. The Administrator shall publish any revised order in the Federal Register.".

SEC. 7. Subsection (k) (as so redesignated) of section 408 of such Act is amended—

(a) in the first sentence by striking out "whenever in his judgment such action is deemed necessary to protect the public health" and inserting in lieu thereof "at residue levels which are safe",

(b) in the first sentence by inserting before the period "if residues of the pesticide chemical in or on raw agricultural commodities are safe", and

(c) by adding at the end thereof the following: "No tolerance or exemption established under this section shall be in effect for a period of more than 12 months. If, during the period a tolerance or exemption is in effect under this subsection for a pesticide chemical, the Administrator determines that the tolerance permits residues of the pesticide chemical in or on raw agricultural commodities which are not safe or, in the case of a pesticide chemical for which an exemption is in effect, residues of the pesticide chemical in or on such commodities are not safe, the Administrator shall consult with the Secretary of Agriculture, and by order immediately revoke the tolerance or exemption.".

SEC. 8. (a) Section 408 of such Act is amended by adding at the end thereof the following new subsection:

"(q)(1) During the four-year period beginning on the date of the enactment of this subsection, the Administrator shall conduct a survey of—

"(A) the information provided to the Administrator in connection with the proceedings undertaken under subsection (d) or (e) to establish tolerances for the pesticide chemicals for which tolerances are in effect on such date of enactment, and

"(B) information otherwise available to the Administrator with respect to such pesticide chemicals,

to determine if information described in paragraph (4) had been submitted in connection with any such proceeding or is otherwise available to the Administrator and if such information submitted to or otherwise available to the Administrator was derived from well-conducted studies and is consistent with sound scientific principles. In each year of such four-year period, the Administrator shall survey information provided or otherwise available with respect to one-fourth of the pesticide chemicals covered by such tolerances.

"(2) If the Administrator determines—

"(A) that information described in paragraph (4) was not submitted in connection with a proceeding undertaken to establish a tolerance for a pesticide chemical or is not otherwise available to the Administrator, or

"(B) that information submitted in connection with such a proceeding or otherwise available to the Administrator was not derived from well-conducted scientific studies or is not consistent with sound scientific principles, the Administrator immediately shall require the submission within sixty days of a plan for the development, as soon as is practical but not later than the expiration of three years from such date, of the information described in paragraph (4) in the case of a determination described in subparagraph (A) or submission of information derived from well-conducted scientific studies or consistent with sound scientific principles in the case of determinatioin described in subparagraph (B).

"(3) If within the time requirements of the preceding paragraph, a plan for the submission of information satisfactory to the Administrator is not submitted or such information in accordance with such a plan is not submitted, the Administrator shall revoke the tolerance in effect for such pesticide chemical under this section. If the Administrator determines that information submitted with respect to a pesticide chemical in accordance with a plan under paragraph (2) was not derived from well-conducted scientific studies or is not consistent with such scientific principles, the Administrator may take action with respect to the pesticide chemical in accordance with subsection (f) or (n).

"(4) The information referred to in paragraph (1) is information respecting—

"(A) the potential acute and chronic health hazards which may result from exposure to the residues of a pesticide chemical, including carcinogenicity, mutagenicity, and teratogenicity, and

"(B) the combined effect upon health of combining the residue in or on raw agricultural commodities of a pesticide chemical with the residues of other pesticide chemicals or other related substances which are poisonous or deleterious.

"(5) In determining if studies are well-conducted and consistent with sound scientific principles, the Administrator shall review the protocols for the studies and the conclusions drawn by the persons conducting the studies and determine if the reported results of the studies support such conclusions.".

SEC. 9. Section 408 of such Act is amended by adding after the subsection added by section 8 the following new subsection:

"(r)(1) Within 12 months after the date of the enactment of this subsection, the Administrator shall review each of the exemptions in effect under subsection (c) on such date to determine—

"(A) if a pesticide chemical which is exempt from tolerance requirements under such an exemption leaves any residue in or on raw agricultural commodities; or

"(B) if residues in or on raw agricultural commodities of a pesticide chemical which is exempt from tolerance requirements under such an exemption are safe.

"(2)(A) If the Administrator determines that there is no practical method of detecting in or on raw agricultural commodities the residues of a pesticide chemical which is exempt from tolerance requirements under an exemption reviewed under paragraph (1), the Administrator shall, by an order issued in accordance with subsection (f), revoke the exemption.

"(B) If the Administrator determines that a pesticide chemical which is exempt from tolerance requirements under an exemption reviewed under paragraph (1) does not leave any residue in or on raw agricultural commodities, the Administrator shall revoke, by an order issued in accordance with subsection (f), the exemption and shall, in accordance with such subsection, establish a tolerance for the pesticide chemical at the level of detection for such pesticide chemical.

"(C) in the case of any other pesticide chemical covered by an exemption reviewed under paragraph (1), the Administrator—

"(i) shall, by an order issued in accordance with subsection (f), revoke the exemption unless the Administrator determines that residues of the pesticide chemical in or on raw agricultural commodities are safe, and

"(ii) may, with respect to the pesticide chemical under the exemption and in accordance with such subsection, take any of the actions described in such subsection.".

SEC. 10. Section 408 of such Act is amended by adding after the subsection added by section 9 the following new subsection:

"(s)(1) The Secretary of Health and Human Services shall conduct random and selective sampling of raw agricultural commodities grown in the United States to determine if the residues of pesticide chemicals on such commodities meet the applicable requirements of this section. The Secretary shall sample a sufficient number of raw agricultural commodities to produce a statistically valid estimate of pesticide consumption and compliance with this section. Such sampling shall include selected pesticide chemicals subject to tolerance requirements, selected pesticide chemicals exempt from tolerance requirements, and selected pesticide chemicals that have been cancelled, suspended, or voluntarily withdrawn under the Federal Insecticide, Fungicide, and Rodenticide Act.

"(2) In determining which commodities to sample, the Secretary shall take into account the dietary importance of the commodities and potential for residue contamination. The Secretary shall continously evaluate the results of the random and selective sampling. The Secretary shall make a semiannual public report summarizing such results and shall use such results in the enforcement of this section.".

SEC. 11. Section 801 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381) is amended by adding at the end thereof the following new subsections:

"(e) A raw agricultural commodity imported into the United States shall be considered adulterated unless it is accompanied by a certification by the importer that the commodity—

"(1) does not contain residues of pesticide chemicals which exceed tolerances in effect under section 408, and

"(2) does not contain residues of pesticide chemicals which are not exempt from tolerance requirements under such section and for which no tolerance has been established under such section.

Such a certification shall be made in accordance with such procedures as the Secretary of Health and Human Services shall by regulation prescribe.

"(f) The Secretary of Health and Human Services shall conduct random and selective sampling of raw agricultural commodities imported into the United States to determine if the residues of pesticide chemicals on such commodities meet the applicable requirments of section 408. The Secretary shall also conduct random sampling of the raw agricultural commodities which are imported into the United States by persons who have imported such commodities into the United States with residues of pesticide chemicals in violation of applicable tolerance requirements of section 408.

"(g) No agricultural commodity shall be imported into the United States if it contains detectable residues of a pesticide—

"(1) that has been cancelled, suspended, or voluntarily withdrawn from the market for use on such commodity; or

"(2) if no tolerance or exemption from tolerance has been granted pursuant to section 408 of this Act.".

SEC. 12. Section 408 of such Act is amended by adding after the subsection added by section 10 the following new subsection:

"(t)(1) If a tolerance has been established under subsection (b) for a pesticide chemical or an exemption has been provided under subsection (c) for a pesticide chemical and if the use of such pesticide chemical is cancelled under the Federal Insecticide, Fungicide, and Rodenticide Act, the Administrator shall by order repeal the regulation establishing such tolerance or providing such exemption. With respect to such pesticide chemical the Administrator may, in accordance with the procedure prescribed by subsection (f), take any of the actions described in such subsection, including, if the residues of the pesticide chemical unavoidably persist, establishing a new tolerance or action level.

"(2) If the use of a pesticide chemical which is covered by a tolerance under subsection (b) or an exemption under subsection (c) is suspended or voluntarily withdrawn under the Federal Insecticide, Fungicide, and Rodenticide Act, the Administrator shall within 90 days by order suspend such tolerance or exemption for the period of the suspension or withdrawal under such Act.".

SEC. 13. (a) Section 408(a)(1) of the Federal Food, Drug, and Cosmetic Act is amended by striking out "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Administrator of the Environmental Protection Agency (hereinafter in this section referred to as the 'Administrator').

(b) Section 408 of such Act is amended—

(1) by striking out "Secretary" except in the last sentence of subsection (b) and where it is followed by "of Agriculture" or "of Health and Human Services", and

(2) by striking out "Secretary of Health, Education, and Welfare",

each place it occurs and inserting in lieu thereof "Administrator".

(c) Section 408(d)(5) of such Act is amended by striking out ": *Provided*, That this shall not preclude any other member of the advisory committee from appearing and testifying at the hearing" and inserting in lieu thereof a period and the following: "Any other member of the advisory committee may appear and testify at the hearing.".

(d) Section 408(o) of such Act (as so redesignated) is amended by striking out "of the Federal Food, Drug, and Cosmetic Act".

(e)(1) Subsections (b), (d), and (i) of section 408 of such Act are each amended by striking out "(l)" each place it occurs and inserting in lieu thereof "(m)".

(2) Subsections (e) and (h) of section 408 of such Act are each amended by striking out "(g)" and inserting in lieu thereof "(h)".

(3) Section 408(p) of such Act (as so redesignated) is amended by striking out "(i)" and inserting in lieu thereof "(j)".

SEC. 14. Section 304(g) of such Act (21 U.S.C. 334(g)) is amended by inserting before "is found in such facility or vehicle" the following: ", or a food which the officer has reason to believe is adulterated or misbranded," and by striking out "device" each place it subsequently appears and inserting in lieu thereof "food or device".

DEFINITION

SEC. 15. As used in redesignated sections 408(f), 408(g)(2), 408(n), 408(q), 408(r), and 408(s), the term "pesticide chemical" means an active ingredient of a pesticide chemical as defined in section 2(a) of the Federal Insecticide, Fungicide, and Rodenticide Act.

By Mr. TOWER:

S. 3077. A bill to exempt any activity involving the harvesting of penaeid shrimp from certain provisions of the Lacey Act;' to the Committee on the Judiciary.

ACT EXEMPTING THE HARVESTING OF PENAEID SHRIMP

● Mr. TOWER. Mr. President, along with my distinguished colleagues, Senators BENTSEN and STEVENS, I am introducing legislation today to amend the Lacey Act, a wildlife protection law. In 1980, the Lacey Act was amended to state that it is "unlawful to import or export or to transport, sell, receive, acquire or purchase in interstate or foreign commerce any fish or wildlife taken, possessed, transported or sold in violation of any law or regulation of any State or foreign country." My amendment would exempt penaeid shrimp, which is a transboundary stock, from provisions of the Lacey Act. There is only one shrimp stock in the Gulf of Mexico, which is shared by the United States and Mexico. These shrimp migrate in a north-south, south-north direction. There is precedent established already to exempt a species of fish. Tuna, a migratory species, is exempted from provisions of the Lacey Act.

The Lacey Act Amendments of 1980 were not intended to be used as an enforcement tool against shrimpers in the gulf. Those amendments were intended to strenghten international conservation efforts. My bill will have no effect whatsoever in international conservation efforts. Penaeid shrimp is not an endangered or threatened species or even a species with specific conservation problems. The question here is one of allocation, not of conservation.

The south Texas shrimp industry was established and financed on the ability to shrimp in waters off both the United States and Mexico. In 1975, the Mexican fishery law was changed to declare a 200-mile exclusive economic zone. The Mexicans, beginning in 1975, instituted a 3½-year phaseout of U.S. shrimpers. Since 1979, U.S. shrimpers have not been permitted to fish in Mexican waters.

While Mexico does have a 200-mile exclusive economic zone, their law also includes a provision that a surplus in a fishery may be harvested by foreign vessels under certain conditions. Although for several years there has been more shirmp than can be harvested by the current Mexican fleet, Mexico has declared no surplus. Conservation of the species is not a valid argument. The decision not to declare a surplus is purely an allocation decision. Therefore, the provisions of the Lacey Act should not apply.

Moreover, the United States has supplied the Mexicans with enforcement vessels throughout the years. Mexico has the capability to protect and defend its borders and to protect its system of allocation if it so chooses. Instead, a U.S. law—the Lacey Act—is being used to require our Department of Commerce, through the National Marine Fisheries Service, and our Department of Transportation, through the Coast Guard, to enforce a law where the only beneficiary is a foreign country. This is an example of fiscal irresponsibility. Both the National Marine Fisheries Services and the Coast Guard are spending a lot of taxpayers' money for the benefit of Mexico while important violations of U.S. law—for example, drug trafficking and fishery management regulations—are not stopped due to inadequate law enforcement effort.

I ask unanimous consent that an article from today's Wall Street Journal on this matter be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STRUGGLING SOUTH TEXAS SHRIMPERS INVADE MEXICAN WATERS IN SEARCH OF BETTER CATCH

(By Bryan Burrough)

IN THE GULF OF MEXICO.—Capt. Willis Rock slowly maneuvers his 73-foot shrimp boat into Mexican waters, some 30 miles southeast of Brownsville, Texas. Peering through the moonlight and studying the slow-moving blips on their radar screen, the captain and his crew are constantly on the alert for patrolling Mexican gunboats.

Suddenly, Capt. Rock spots a bright light in the sky that seems to be approaching his boat. "What's that, a helicopter?" he shouts. "I swear I seen that move!"

The light quickly turns out to be a star, but Capt. Rock's nervousness is understandable.

Mexico, responding to a similar move by the U.S. extended its territorial claim 200 miles offshore in 1976 and banned foreign fishing in the area three years later. Since then these waters have become the scene of a growing battle between struggling U.S. shrimpers and the Mexican navy.

In the past 20 months, according to the Mexican government, about 120 U.S. boats have been seized, taken under armed guard to Tampico, Mexico, and ordered to pay thousands of dollars in fines. Many shrimpers are fighting back with high-powered radar and even airplanes to spot Mexican navy vessels before they can spot U.S. boats. Some say they feel safer carrying handguns.

"It's like a war out there," says William K. Zimmerman, a shrimper from Port Isabel, Texas, who says his boats don't poach.

Other Texas shrimpers say they couldn't survive by fishing only the U.S. side of the gulf. About 44% of the U.S. shrimp catch last year was caught off the Texas coast or poached from Mexican waters, according to the National Marine Fisheries Service.

"In 10 days south (of the border) I can catch as much shrimp as in 30 days north," says Julius Collins, a Brownsville shrimper and a member of a Commerce Department advisory council that helps formulate U.S. fishing policy.

CLAIMS ON CURRENTS

Marine biologists say there is evidence to support the shrimpers' claims: Currents in the gulf sweep U.S.-spawned shrimp south into Mexican waters.

But the Mexicans are standing firm. Efforts by south Texas congressmen Kika de la Garza and Solomon Ortiz and Rep. John Breaux of Louisiana to negotiate a treaty that would give U.S. shrimpers access to Mexican waters have been rejected.

"They violate the law, they violate Mexican sovereignty, and they will be subject to punishment under Mexican law," says Juan Manuel Castaneda, an official of the fisheries ministry in Mexico City. Last month, Mexico threatened to confiscate boats found poaching and throw their crews in jail.

The U.S. government supports Mexico. Under a 1981 law that outlaws poaching in foreign waters, shrimpers caught returning from fishing south of the border are stopped by the Coast Guard and fined up to $10,000.

So far the dispute hasn't raised consumer prices because of competition from low-cost imports from Venezuela, Colombia and other countries. Imports now account for as many as three of every four shrimps eaten in the U.S.

For South Texas shrimpers, however, loss of their best fishing grounds is an ever-present concern that has forced some to hang up their nets. The Port Isabel-Brownsville fleet has shrunk to 450 boats from 600 in the past five years.

"I don't see any future in it any more," says Carl Gayman, a Brownsville shrimper who is trying to sell his boats. "Anybody with any sense ought to get out."

Adds David Eymard, president of the Texas Shrimp Association: "In the long run, we're doomed."

Jack Waller isn't quite so pessimistic, but after his second unplanned trip to Tampico he is thinking about giving up poaching. As Mr. Waller recounts the experience, he and his four-man crew had fallen asleep at the radar one night last August and didn't hear the radioed warnings of nearby shrimpers, who scrambled north as a Mexican gunboat approached.

Mr. Waller says he and his crew were awakened by Mexican soldiers armed with .45 caliber pistols and taken to Tampico, where they were watched by an armed guard. After a brief stay, Mr. Waller paid $4,823 in fines and bribes to petty bureaucrats to hasten their release, he says.

Other reports are even more harrowing. Last December, a Mexican gunboat, claiming to be in pursuit of a poacher, machinegunned, rammed and captured a shrimp boat fishing in U.S. waters. A nearby shrimper was also captured by Mexican soldiers, who surprised the crew at night, bashed a gun butt through a door and threatened to shoot the captain if he used the radio owners of the two boats deny they had been fishing in Mexican waters.

Despite such experiences, the pressures to poach continue to mount for those who remain in the business, because of three poor U.S. shrimp harvests, a rise in fuel and equipment costs and a steady decline in shrimp prices because of competition from imports. Prices at the Brownsville docks have declined about 25% in the past year.

Poaching reached what a federal agent calls monumental proportions last June, when the Texas shrimp season ended for 51 days. At one point, a Coast Guard plane spotted a 50-boat armada cruising into Mexican waters, but the fleet broke up when a Mexican gunboat approached. Back in Port Isabel, returning shrimpers waited in line to be boarded and fined. Traffic was so heavy that the Coast Guard called in cruisers from Port Mansfield, Texas, and from Louisiana to assist.

LOWERING ODDS OF CAPTURE

"The incredible thing was that these boats would be boarded, go back to the dock, pick up more ice and head right back to Mexico," says Perry Allen, an agent for the National Marine Fisheries Service. "Some of these vessels did this five, six times in a two-week period."

To lower the odds of being caught by Mexican gunboats, Fred Feurtato and about two dozen other shrimpers chipped in last summer and chartered private planes to make twice-weekly reconnaissance flights over Mexican waters. But the flights stopped after a warning from U.S. officials.

Mr. Feurtato says, however, that he continues to shrimp in Mexican waters with the help of a new radar wth a 72-mile range. "That baby is my insurance," he says.

Another Texas shrimper who feels there's no alternative to poaching is Robin Taliancich. His boat, the Fearless Leader, recently returned to Brownsville after paying $8,795 in fines to the Mexican government for its second poaching offense.

The boat had been towed 300 miles to Tampico and stripped of its catch as well as its nets and cables, which cost Mr. Taliancich about $12,000 to replace. In addition, the frustrated boat owner says, he was thrown into a Mexican jail for eight days after being charged—falsely, he says—with attempting to bribe the captain of a Mexican gunboat.

Still, Mr. Taliancich is renaming the Fearless Leader in preparation for another poaching trip. "I've got no choice but to go south," he says. "It's either the banks get the boat up here, or the Mexicans get it down there."●

By Mr. BOSCHWITZ:

S. 3078. A bill to provide for the separation of the Mille Lacs Band of Chippewa Indians from the Minnesota Chippewa Tribe; to the Select Committee on Indian Affairs.

SEPARATION OF THE MILLE LACS BAND OF CHIPPEWA INDIANS FROM THE MINNESOTA CHIPPEWA TRIBE

● Mr. BOSCHWITZ. Mr. President, today I am introducing legislation at the request of the Mille Lacs Band of Chippewa Indians to allow the Mille Lacs Band to separate from the Minnesota Chippewa Tribe, a confederation of six separate and distinct Chippewa bands, which the Mille Lacs joined in 1936.

The Mille Lacs Band historically has functioned as an independent tribal polity. During the past 150 years, the band has struggled, with great tenacity, to preserve its separate identity, to govern itself, and to determine its own future.

In recent years, the band has endeavored to reorganize its tribal government to incorporate the principle—often lacking in tribal governments—of separation of powers. To the regret of the Mille Lacs Band it has realized that their goal of a reorganized and revitalized tribal government cannot be achieved so long as it remains a member of the confederation known as the Minnesota Chippewa Tribe.

I believe that what the Mille Lacs seeks is right and proper. Allowing the Mille Lacs to achieve full self-government fulfills the commitment of the United States to Indian self-determination.

This legislation should not increase costs to the Federal Government. It does not seek additional services or programs. It seeks only to fulfill the promise of tribal self-determination, which is at the heart of our Indian policy.

It is unfortunate that this legislation was not introduced earlier in this Congress. The bill, in substantially its current form, and a thorough explanation report, was provided to me by the Mille Lacs Band in early February 1984. Since that time, I have been waiting patiently for a written statement from the administration of its position on this legislation. During this time, I have received verbal assurances from the administration that it supports this legislation. Because I believe this legislation has merit, I decided to introduce the bill at this time, anyway. I will reintroduce the bill when the 99th Congress convenes and will ask Chairman ANDREWS of the Senate Select Committee on Indian Affairs to hold a prompt hearing.

Mr. ANDREWS. Thank you Senator BOSCHWITZ. As chairman of the Senate Select Committee on Indian Affairs, I can assure you that the principle of tribal self-determination is of utmost importance, and that this legislation will receive the careful attention of the committee.

It is, unfortunately, too late to hold hearings on this legislation during this Congress. However, you have my commitment that hearings will be held by the Senate Select Committee on Indian Affairs as early as possible following introduction of the bill in the next Congress.

I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3078

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Mille Lacs Band of Chippewa Indians Separation Act".

SEC. 2. (a) The Congress finds that—

(1) There are seven federally recognized bands of Chippewa Indians in the State of Minnesota: the Bois Forte Band (Nett Lake), the Fond du Lac Band, the Grand Portage Band, The Leech Lake Band, the Mille Lacs Band, the Red Lake Band, and the White Earth Band. Each of these bands occupies separate reservation lands scattered throughout the State of Minnesota. The Red Lake Band exercises sovereign powers and governs itself independently of the other six bands. The other six bands of Chippewa Indians, acting under the Indian Reorganization Act of 1934, established a tribal federation known as the Minnesota Chippewa Tribe.

(2) Under the constitution and ordinances of the Minnesota Chippewa Tribe, each of the six constituent

---

By Mr. DOLE (for himself, Mr. WARNER, Mr. WILSON, and Mr. TRIBLE):

S. 3079. A bill to clarify the meaning of the phrase "program or activity" as applied to educational institutions that are extended Federal financial assistance, and for other purposes; to the Committee on Labor and Human Resources.

GROVE CITY

● Mr. DOLE. Mr. President, I am pleased to introduce the Grove City compromise that was worked out among Senate Republicans and the administration during Tuesday's 11th hour negotiations on the Byrd amendment to the continuing resolution. Because of our inability to reach bipartisan consensus on this approach, or any of the other various compromises that were considered, the Senate was unable to pass legislation overturning Grove City this year. Nonetheless, I believe there were a number of Senators who opposed the Byrd amend-

ment but supported this alternative approach, as well as a number of Senators who supported the Byrd amendment but felt this alternative was better than no bill at all. As a consequence, I felt that it was important that the compromise formally be made a part of the RECORD before the Senate adjourns.

Under the compromise, the four major civil rights laws that prohibit discrimination in federally assisted programs or activities would each be amended to clarify that where an educational institution is extended Federal financial assistance, the institution itself is the covered program. In this way, the Grove City court's holding that coverage extends only to the specific program to which Federal funds can be traced is wiped out, and civil rights protections in those educational activities that typically do not receive Federal funds, such as athletics, are restored.

The compromise would also clarify that the meaning of the phrase "program or activity" in circumstances not involving educational institutions should remain the same and should not be restricted by the narrow Grove City holding. This provision is responsive to concerns that if Grove City were to be applied beyond its facts, coverage of other institutions and agencies which are subject to these laws, such as hospitals, could also be restricted.

Mr. President, I appreciate that this bill does not go as far as some would like but the fact of the matter is, after extensive negotiations, it is the only proposal that had a chance of passing the last remaining days of the 98th session. So again, I believe it is important that the proposal at least be placed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3079

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. . (a) Title IX of the Education Amendments of 1972 is amended by adding at the end thereof the following new section:

"SEC. 908. (a) Notwithstanding the decisions of the Supreme Court in *Grove City College et. al. v. Bell, Secretary of Education*, and in *North Haven v. Bell*, the phrase "program or activity" as used in this title shall, as applied to educational institutions which are extended Federal financial assistance, mean the educational institution.

"(b) In any other application of the provisions of this title, nothing in paragraph (A) shall be construed to expand or narrow the meaning of the phrase "program or activity" and that phrase shall be construed without reference to or consideration of the Supreme Court decision in *Grove City* and *North Haven.*".

(b) Section 504 of the Rehabilitation Act of 1973 is amended by inserting "(a)" after the section designation and by adding at the end thereof the following new subsection:

"(b)(1) Notwithstanding the decisions of the Supreme Court in *Grove City College, et. al. v. Bell, Secretary of Education* and in *North Haven v. Bell*, the phrase "program or activity" as used in this title shall, as applied to educational institutions which are extended Federal financial assistance, mean the educational institutional.

(2) In any other application of the provisions of this title, nothing in paragraph (A) shall be construed to expand or narrow the meaning of the phrase "program or activity" and that phrase shall be construed without reference to or consideration of the Supreme Court decision in *Grove City* or *North Haven.*".

(c) The Age Discrimination Act of 1975 is amended by adding at the end thereof the following new section:

"SEC. 310. (a) Notwithstanding the decisions of the Supreme Court in *Grove City College, et. al. v. Bell, Secretary of Education* and in *North Haven v. Bell*, the phrase "program or activity" as used in this title shall, as applied to educational institutions which are extended Federal financial assistance, mean the educational institution.

"(b) In any other application of the provisions of this title, nothing in paragraph (A) shall be construed to expand or narrow the meaning of the phrase "programs or activity" and that phrase shall be construed without reference to or consideration of the Supreme Court decision in *Grove City* and *North Haven.*".

(d) Title VI of the Civil Rights Act of 1964 is amended by adding at the end thereof the following:

"SEC. 606. (a) Notwithstanding the decisions of the Supreme Court in *Grove City College et. al. v. Bell, Secretary of Education* and in *North Haven v. Bell*, the phrase "program or activity" as used in this title shall, as applied to educational institutions which are extended Federal financial assistance, mean the educational institution.

"(b) In any other application of the provisions of this title, nothing in paragraph (A) shall be construed to expand or narrow the meaning of the phrase "program or activity" and that phrase shall be construed without reference to or consideration of the Supreme Court decision in *Grove City* and *North Haven*".●

By Mr. DANFORTH (for himself and Mr. ROTH) (by request):

S. 3080. A bill to discontinue or amend certain requirements for agency reports to Congress; to the Committee on Governmental Affairs.

CONGRESSIONAL REPORTS ELIMINATION ACT

● Mr. DANFORTH. Mr. President, I am introducing today, along with Senator ROTH at the request of the administration, the Congressional Reports Elimination Act of 1984. This bill is similar to legislation that passed the Congress in 1980 and 1982. It would elimininate congressional reporting requirements that in the administration's view no longer serve a useful purpose.

Clearly, there is no time to act on the legislation this year, but I am introducing it nonetheless for the information of the Senate and the public. It will be reintroduced in the 99th Congress. It is my hope that Senate committee staffs will take the opportunity between now and then to review the provisions that fall within their jurisdiction. Early next year, the Committee on Governmental Affairs will seek the comments of other Senate committees on such provisions before marking up the bill.

For the convenience of the Senate and the public, I ask unanimous consent that a copy of the bill, together with the transmittal letter for OMB Director Stockman, a section-by-section analysis, and a breakdown of the bill's provisions by committee, be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 3080

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Congressional Reports Elimination Act of 1984."

TITLE I—ELIMINATIONS

REPORTS BY MORE THAN ONE AGENCY

SEC. 101. (a) Section 218(a) of the Biomass Energy and Alcohol Fuels Act of 1980 (42 U.S.C. 8818(a)) is repealed.

(b) Section 202 of Positions in Top Grades of Classification Act of 1949 (5 U.S.C. 3104(c)) is amended by—

(1) striking subsection (b);

(2) paragraphs (a)(1), (a)(2), and (a)(3) are redesignated as subsections (a), (b), and (c) respectively; and

(3) references to former paragraph (1) of subsection (a) hereafter will be references to subsection (a).

(c) Section 26(e)(2) of the Toxic Substances Control Act (15 U.S.C. 2625(e)(2)) is amended to read as follows:

"(A) define the term 'known financial interests' for purposes of paragraph (1), and

"(B) establish the methods by which the requirement to file written statements specified in paragraph (1) will be monitored and enforced, including appropriate provisions for review by the Administrator and the Secretary of such statements."

(d) Section 307(b) of the Supplemental Appropriations and Recission Act of 1980 (31 U.S.C. 28(b)) is repealed.

(e) Section 1113(e)(3) of Title 31 U.S.C. "Money and Finance" (P.L. 97-258; 31 U.S.C. 1113(e)(3)) is repealed.

(f) Section 311(c) of Title 37, United States Code, is repealed.

(g) Section 203(o) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(o)) is amended in the first sentence by striking out "and the head of each executive agency disposing of real property under subsection (k) of this section."

REPORTS BY THE EXECUTIVE OFFICE OF THE PRESIDENT

SEC. 102. (a) 31 U.S.C. 1105, Public Law 97-258, the Budget and Accounting Act of 1921, is amended to delete Section 1105(a)(12).

(b) 31 U.S.C. 3524, Public Law 97-258, is amended to delete section 3524(b).

REPORTS BY THE DEPARTMENT OF AGRICULTURE

SEC. 103. (a) Section 7(b) of the Soil Water Resources Conservation Act of 1977 (16 U.S.C. 2001) is repealed.

(b) Section 17(j) of the Child Nutrition Amendments of 1978 (42 U.S.C. 1786) is repealed.

REPORTS BY THE DEPARTMENT OF COMMERCE

SEC. 104. (a) Section 6(b) of the Federal Water Pollution Control Act Amendments of 1972 (33 U.S.C. 1251) is repealed.

(b) Section 1 of the Department of Labor Organic Act (15 U.S.C. 183) is repealed.

(c) Section 201 of the Marine Protection Research, and Sanctuaries Act of 1972 (33 U.S.C. 1441) is amended by striking the words "and shall report from time to time, not less frequently than annually, his findings (including an evaluation of the short term ecological effects and the social and economic factors involved) to the Congress."

(d) Section 5(e) of the Fair Packaging and Labeling Act (15 U.S.C. 1454(e)) is repealed.

(e) Section 117 of the Ocean Thermal Energy Conversion Act of 1980 (42 U.S.C. 9127) is amended by striking the words "the results of each such review shall be included in the next annual report required by Section 9165 of this Title."

(f) Section 405 of the Ocean Thermal Energy Conversion Act of 1980 (42 U.S.C. 9165) is repealed.

(g) Section 406 of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C 1846) is repealed.

(h) Section 2(d)(2) of the Act of August 11, 1939 (commonly referred to as the Saltonstall-Kennedy Act) (15 U.S.C. 713c-3(d)(2)) is repealed.

(i) Section 3 of the 1980 Amendments to the Atlantic Tunas Convention Act (16 U.S.C. 972(i)) is repealed.

(j) Section 5 of the Central, Western and South Pacific Fisheries Development Act (16 U.S.C. 758e-2) is repealed.

REPORTS BY THE DEPARTMENT OF DEFENSE

SEC. 105. (a) Section 2397 of Title 10, United States Code, is repealed.

(b) Section 2672(a) of Title 10, United States Code, is amended by striking out the last sentence.

(c) Section 511(a) of the Military Construction Act of 1960 (10 U.S.C. 2662; P.L. 86-500) is repealed.

(d) Section 207(a) of the Act of September 7, 1962 (10 U.S.C. 2208(i)) is repealed.

(e) Section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d-5b; 84 Stat. 1824) is amended by striking out subsection (d) and by redesignating subsection (e) as subsection (d).

(f) Section 608 of the Military Construction and Reserve Forces Facilities Act of 1971 (10 U.S.C. 2675; P.L. 91-511) is amended by striking out the subsection designation "(a)" and by repealing subsection (b).

(g) Section 28 of the Arms Export Control Act (22 U.S.C. 2768) is repealed.

(h) Section 62 of the Arms Export Control Act (22 U.S.C. 2796 et. seq.) is repealed.

(i) Section 1405(b) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 924(b)) is amended by striking out "to Members of Congress and".

REPORTS BY THE DEPARTMENT OF EDUCATION

SEC. 106. (a) Section 653(c) of the Education of the Handicapped Act (20 U.S.C. 1453) is repealed.

(b) Section 14(c) of the Rehabilitation Act of 1973 as amended by the Rehabilitation, Comprehensive Services, and Developmental Disabilities Amendments of 1978 (29 U.S.C. 713) is repealed.

(c) Section 112(g)(4) of the Rehabilitation Act of 1973 (29 U.S.C. 732(g)(4)) is amended by striking the second sentence.

(d) Section 117(d) of the Higher Education Act of 1965 (20 U.S.C. 1017) as amended by the Education Amendments of 1980 (P.L. 96-374) is repealed.

(e) Section 553(c) of the Higher Education Act of 1965 (20 U.S.C. 1119(c-2)) is repealed.

(f) Section 605(b) of the Higher Education Act of 1965 (20 U.S.C. 1125(b)) is repealed.

(g) Section 403(a)(2) of the Department of Education Organization Act (20 U.S.C. 3463(a)(2)) is repealed.

REPORTS BY THE DEPARTMENT OF ENERGY

SEC. 107. (a) Section 18 of the Federal Energy Administration Act of 1974 (15 U.S.C. 777) is amended by—

(1) striking subsection (d); and.

(2) redesignating subsection (e) as subsection (d).

(b) Section 7(b)(7) of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5906(b)(7)) is amended by—

(1) striking subparagraph (A); and—

(2) striking the subparagraph designator "(B)".

(c) The Department of the Interior and Related Agencies Appropriations for Fiscal Year 1980 Act (P.L. 96-126; 42 U.S.C. 5915 note) is amended by striking the last paragraph under the heading "Department of Energy Alternative Fuels Production" in Title II.

(d) Section 11 of the Energy Supply and Environmental Coordination Act of 1974 (15 U.S.C. 796) is amended by—

(1) striking subsection (c); and

(2) redesignting subsections (d), (e), (f), and (g) as (c), (d), (e), and (f) respectively.

(e) The Powerplant and Industrial Fuel Use Act of 1978 is amended by—

(1) repealing Section 801 (42 U.S.C. 8481); and

(2) striking the item relating to section 801 in the table of contents.

(f) Section 205(h) of the Department of Energy Organization Act (42 U.S.C. 7135(h)) is repealed.

(g) Section 7 of the Coal Research and Development Act of July 7, 1960, (P.L. 86-599; 30 U.S.C. 667) is repealed.

(h) Section 11 of the Wind Energy Systems Act of 1980 (42 U.S.C. 9210) is amended by—

(1) striking paragraph (5);

(2) inserting "and" at the end of paragraph (4); and

(3) redesignating paragraph (6) as paragraph (5).

(i) Section 6(a) of the Alaska Federal-Civilian Energy Efficiency Swap Act of 1980 (P.L. 96-571; 40 U.S.C. 795(d)) is repealed.

(j) Section 314 of the Energy Research and Development Administration Appropriation Authorization for Fiscal Year 1976 Act (89 Stat. 1076) is amended by striking the colon and all that follows, and by inserting a period in its place.

(k) Section 908 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1328) is amended by—

(1) striking subsection (d); and

(2) redesignating subsection (e) as subsection (d).

(l) The Energy Security Act is amended by—

(1) repealing section 106 (50 U.S.C. App. 2096a);

(2) repealing title III (42 U.S.C. 7361-64); and

(3) striking the items relating to section 106 and title III in the table of contents.

(m) The Public Utility Regulatory Policy Act is amended by—

(1) striking Section 116 (16 U.S.C. 2626); and

(2) striking Section 309 (15 U.S.C. 3209).

(n) Part E of Title III of the Energy Policy and Conservation Act (42 U.S.C. 6345) is repealed.

(o) Section 221(c) of the Energy Tax Act of 1978 (26 U.S.C. 4041 note)) is repealed.

(p) Section 218(c) of the Energy Security Act (42 U.S.C. 8818) is repealed.

(q) Section 4 of the Wind Energy Systems Act of 1980 (42 U.S.C. 9203) is repealed.

(r) Section 3 of the Ocean Thermal Energy Conversion Research, Development, and Demonstration Act (42 U.S.C. 9002) is repealed.

(s) Section 6 of the Ocean Thermal Energy Conversion Research, Development, and Demonstration Act (42 U.S.C. 9005) is amended by striking paragraphs (a) and (b), and by striking "(c) Respondent proposals".

REPORTS BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

SEC. 108. (a) Section 27(c) of the Toxic Substances Control Act (15 U.S.C. 2626(c)) is repealed.

(b) Section 308(a) of the Public Health Service Act (42 U.S.C. 242m(a)) is amended—

(1) by striking out paragraph (1);

(2) in pargraph (3), by striking out "or (2)"; and

(3) by renumbering paragraphs (2) and (3) as (1) and (2), respectively.

(c) Section 317(h) of the Public Health Service Act (42 U.S.C. 247b(h)) is repealed.

(d) Section 336A of the Public Health Service Act (42 U.S.C. 254i) is repealed.

(e) Section 338A(i) of the Public Health Service Act (42 U.S.C. 254(e)(i)) is repealed.

(f) Section 357 of the Public Health Service Act (42 U.S.C. 263e) is repealed.

(g) Section 360D of the Public Health Service Act (42 U.S.C. 2631) is repealed.

(h)(1) Section 2111 of the Public Health Service Act (42 U.S.C. 300aa-10) is repealed.

(2) The first sentence of section 383(b) of that Act (42 U.S.C. 277(b)) is amended by striking out ", and the Secretary shall include in his annual report to the Congress a statement covering the recommendations made by the Board and the disposition thereof".

(i) Section 771(b)(2)(c) of the Public Health Service Act (42 U.S.C. 295f-1(b)(2)(i)) is amended in the last sentence by striking out "and to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate".

(j) Section 1009 of the Public Health Service Act (42 U.S.C. 300a-6a) is repealed.

(k) Section 1122 of the Public Health Service Act (42 U.S.C. 300c-12) is amended to read as follows:

"SUDDEN INFANT DEATH SYNDROME RESEARCH

"SEC. 1122. From the sums appropriated to the National Institute of Child Health and Human Development under section 441, the Secretary shall assure that there are applied to research which relates specifically to sudden infant death syndrome, and to research which relates generally to sudden infant death syndrome, including high-risk pregnancy and high-risk infancy research which directly relates to sudden infant death syndrome, such amounts each year as will be adequate, given the leads and findings then available from such research, in order to make maximum feasible progress toward identification of infants at risk of sudden infant death syndrome and prevention of sudden infant death syndrome.".

(l) Section 1315 of the Public Health Service Act (42 U.S.C. 300e-17(e)) is repealed.

(m) Section 1318(e) of the Public Health Service Act (42 U.S.C. 300e-17(e)) is repealed.

(n) Section 1705 of the Public Health Service Act (42 U.S.C. 300u-4) is repealed.

(o) Section 402(c) of the Social Security Act (42 U.S.C. 602(c)) is repealed.

(p) Section 1114(f) of the Social Security Act (42 U.S.C. 602(c)) is amended by striking out the last sentence.

(q) Section 1161 of the Social Security Act (42 U.S.C. 1320c-10) is repealed.

(r) Section 1881(c)(6) of the Social Security Act (42 U.S.C. 1395rr(c)(6)) is amended by striking out the last sentence.

(s) Section 1881(g) of the Social Security Act (42 U.S.C. 1395rr(g)) is repealed.

(t) Section 1903(g)(6) of the Social Security Act (42 U.S.C. 1396b(g)(6) is repealed.

(u) Section 1200 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (42 U.S.C. 3509) is repealed.

(v) Section 315 of the Runaway Homeless Youth Act (42 U.S.C. 5715) is repealed.

(w) Section 154(e) of the Clean Air Act (42 U.S.C. 7454(e)) is amended by striking out the last sentence.

(x) Section 640(d) of the Head Start Act (42 U.S.C. 9835) is amended by striking out the second sentence.

REPORTS BY THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SEC. 109. (a) Section 904 of the Housing and Community Development Act of 1977 (P.L. 95-128; (42 U.S.C. 3540)) is repealed.

(b) Section 311 of the Energy Conservation Standards for New Buildings Act of 1976 (42 U.S.C. 6831) is repealed.

(c) Section 505(f) of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-4) is repealed.

(d) Section 506(c) of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-5) is repealed.

REPORTS BY THE DEPARTMENT OF THE INTERIOR

SEC. 110. (a) Sections 1962(d) of 42 United States Code (42 U.S.C. 1962(d)(12-14)) is amended by—

(1) striking subsection 12;

(2) striking subsection 13; and

(3) striking subsection 14.

(b) Section 8 of the Act of August 18, 1970 (84 Stat. 825), as amended, Title 16 U.S.C., sections 1a-5, is deleted and replaced by the following: "The Secretary is directed to transmit annually to the Speaker of the House of Representatives and to the President of the Senate, at the beginning of each fiscal year, a complete and current list of all areas included on the Registry of Natural Landmarks and those areas of national significance listed on the National Register of Historic Places which areas exhibit known or anticipated damage or threats to the integrity of their resources, along with notations as to the nature and severity of such damage or threats. The annual listing shall be printed as a House document. For the purpose of monitoring the welfare and integrity of the national landmarks, there are authorized to be appropriated annually not to exceed $1,500,000.".

(c) Section 13 of the Mining in the Parks Act (16 U.S.C. 1912) is repealed.

(d) Section 313 of the Federal Land Policy Management Act (43 U.S.C. 1743) is repealed.

(e) Section 605 of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1864, (Supp. II 1978)) is repealed.

(f) Section 908(d) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1328(d)) is amended by deleting the sentence "On December 31 of each calendar year, the Secretary shall report to the Congress . . ." to the end of section 908(d).

(g) Section 522 of the Energy Policy and Conservation Act (42 U.S.C. 6392 (Supp. II 1978)) is repealed.

(h) Section 11 of the Wild Horses and Burros Act of 1971 as amended (16 U.S.C. 1340) is further amended by striking the first paragraph.

(i) Section 17(g) of the Mineral Leasing Act of 1920 as amended (30 U.S.C. 226(g)) is repealed.

(j) Section 205(a) of the Outer Continental Shelf Lands Act Amendments (43 U.S.C. 1337(a)) is amended by—

(1) striking subsection (8); and

(2) striking subsection (9).

(k) Section 207(a)(2) of the Outer Continental Shelf Lands Act Amendments (43 U.S.C. 1343(2)) is repealed.

(l) Section 302 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1752) is amended by—

(1) striking subsection (a); and

(2) redesignating subsection (b) as (a).

(m) Section 606(e) of the Outer Continental Shelf Lands Act Amendments (43 U.S.C. 1865(e)) is repealed.

(n) Section 2 of the Act of September 22, 1961 (75 Stat. 584; 25 U.S.C. 165) is repealed.

(o) The Act of September 22, 1961 (75 Stat. 577; 25 U.S.C. 15) is amended by striking out the last sentence thereof.

(p) Section 601(a) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1861) is repealed.

(q) Section 28(w) of the Mineral Leasing Act of 1920 as amended (30 U.S.C. 185(w)) is amended by—

(1) striking subsection (1); and

(2) striking subsection (2).

REPORTS BY THE DEPARTMENT OF JUSTICE

SEC. 111. (a) Section 8B of the Federal Coal Leasing Act (30 U.S.C. 208-2) is amended by striking the words, "Each submission shall also contain a report by the Attorney General of the United States on competition in the coal and energy industries, including an analysis of whether the antitrust provisions of this Act and the antitrust laws are effective in preserving or promoting competition in the coal or energy industry.".

(b) Section 104(a) of the Civil Rights Act of 1968 (18 U.S.C. 2101(d)) is amended by deleting the semicolon and all that follows the word "prosecution" and inserting a period.

(c) Section 10 of the Small Business Act (15 U.S.C. 639(c)) is amended—

(1) by striking subsection 10(c) (1) and (2); and

(2) by renumbering subsection 10 (d), (e), (f), and (g) as subsection 10 (c), (d), (e), and (f) respectively.

REPORTS BY THE DEPARTMENT OF LABOR

SEC. 112. (a) Section 4(e) of the Fair Labor Standards Act of 1938, as amended by section 3 of the Fair Labor Standards Amendments of 1961 (29 U.S.C. 204(e)) is repealed.

(b) Section 182(a)(3) of the Vocational Education Act of 1963 as amended by the Education Amendments of 1976 (20 U.S.C. 2412(a)(3)) is repealed.

(c) Section 5(b) of the Comprehensive Employment and Training Act Amendments of 1978 (29 U.S.C. 829(a)) is repealed.

(d) Section 440 of the Social Security Act of 1967 (42 U.S.C. 640) is repealed.

REPORTS BY THE DEPARTMENT OF STATE

SEC. 113. (a) Section 306 of the Foreign Assistance Act of 1961 (22 U.S.C. 2226) is amended by striking subsection (b).

(b) Section 703 of the Foreign Service Act of 1980 (22 U.S.C. 4023) is amended by striking subsection (f).

REPORTS BY THE DEPARTMENT OF TRANSPORTATION

SEC. 114. (a) Section 1746 of the Appendix to Title 50, United States Code (the Merchant Ship Sales Act of 1946 as amended by P.L. 89-348), is repealed.

(b) Section 9(d)(2) of P.L. 89-670, approved October 15, 1966, the Department of Transportation Act (80 Stat. 944; 49 U.S.C. 1657(d)(2)) is repealed.

(c) Section 163(o) of the Federal Aid Highway Act of 1973, as amended (87 Stat. 280; 23 U.S.C. 130 note) is amended by—

(1) striking subsection (o); and

(2) relettering subsection (p) and (q) as (o) and (p) respectively.

(d) Section 203(e) of the Federal-Aid Highway Safety Act of 1973 (P.L. 93-87; 87 Stat. 283; 23 U.S.C. 130 note) is amended by striking the third, fourth, and fifth sentences.

(e) Section 123 of the Surface Transportation Assistance Act of 1978 (92 Stat. 2701; 23 U.S.C. 141 note) is amended by striking subsections (a), (b), and (c).

(f) Section 152(g) of Title 23, United States Code (92 Stat. 2723) is amended by striking the third, fourth, and fifth sentences.

(g) Section 110 of the Surface Transportation Assistance Act of 1978 (23 U.S.C. 104(h); 92 Stat. 2696) is repealed.

(h) Section 207 of the Surface Transportation Act of 1982 (96 Stat. 2139) is repealed.

(i) Section 28(w) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 185), is amended by—

(1) striking subsection (3); and

(2) striking subsection (4).

REPORTS BY THE DEPARTMENT OF THE TREASURY

SEC. 115. (a) Section 303(c)(1) of the Act of October 14, 1980 (P.L. 96-451; 16 U.S.C. 1606a; 94 Stat. 1991), is amended to read as follows: "It shall be the duty of the Secretary of the Treasury to hold the Trust Fund."

(b) Chapter 3, S. 31 of P.L. 91-599 (22 U.S.C. 286-1) is repealed.

(c) Section 30 of the Bretton Woods Agreements Act as amended (22 U.S.C. 286 et. seq.; 59 Stat. 512), as added by Section 4 of P.L. 95-435 (22 U.S.C. 286e-9; 92 Stat. 1052) is further amended by—

(1) striking out the subsection designated "(a)"; and

(2) repealing subsection (b).

(d) Section 1202(a)(1) of the Tax Reform Act of 1976 (26 U.S.C. 6103(p); 90 Stat. 1681) is amended by—

(1) repealing paragraph (3); and

(2) redesignating paragraphs (4) through (8) as paragraphs (3) through (7) respectively.

(e) Section 103(a) of the Trust Fund Code of 1981 (26 U.S.C. 9602(a); 95 Stat. 1636), is amended to read as follows: "It shall be the duty of the Secretary of the Treasury to hold each Trust Fund established by subchapter A.".

(f) Section 402 of the Act of November 13, 1966, entitled "An Act to Provide Equitable Tax Treatment for Foreign Investment in the United States, to Establish a Presidential Election Campaign Fund to Assist in Financing Costs of Presidential Election Campaigns, and for Other Purposes," (31 U.S.C. 757f; 80 Stat. 1590), is repealed.

(g) Section 302(e)(1) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(e)(1)) is amended to read as follows: "The Secretary

of the Treasury shall hold the Waste Fund.".

(h) Section 203(c)(1) of the Inland Waterways Revenue Act of 1978 (P.L. 95-502; 33 U.S.C. 1801(c)(1); 92 Stat. 1697) is amended to read, "It shall be the duty of the Secretary to hold the Trust Fund.".

(i) Section 223(b)(1) of the Hazardous Substance Response Revenue Act of 1980 (42 U.S.C. 9633; 94 Stat. 2802), is amended to read as follows: "(1) TRUSTEE—The Secretary shall be the trustee of the Response Trust Fund.".

(j) Section 331 of title 31 of the United States Code is amended by striking out subsections (b)(1) and (b)(2).

(k) Section 209(e)(1) of the Federal-Aid Highway Act of 1956 (70 Stat. 399), as amended by the Surface Transportation Assistance Act of 1982 (P.L. 97-424, 96 Stat. 2192; 26 U.S.C. 9503), is amended by striking the comma after "Fund", by inserting a period in lieu thereof, an striking the remainder of subsection 209(e)(1).

(l) Section 1302(c)(2) of the Panama Canal Act of 1979 (Stat. 478; 22 U.S.C. 3712(c)(2)) is amended by striking the last sentence of the subsection.

(m) Section 136(f) of the Nuclear Waste Policy Act of 1982 (96 Stat. 2240; 42 U.S.C. 10156) is amended by striking subsection 136(f)(1), and by renumbering the remaining subsections accordingly.

REPORTS BY THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SEC. 116. (a) Section 620(s)(2) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2370 (s)(2); 83 Stat. 820) is repealed.

(b) Section 634(a)(2)(B) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2394(a)(2)(B); 92 Stat. 957) is repealed.

(c) Section 634 (a)(6) and (a)(7) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2394 (a)(6) and (a)(7); 92 Stat. 957) are repealed.

REPORTS BY THE CONSUMER PRODUCT SAFETY COMMISSION

SEC. 117. Section 35(e) of the Consumer Product Safety Act (15 U.S.C. 2082; P.L. 92-573 as amended by P.L. 95-319), is repealed.

REPORTS BY THE ENVIRONMENTAL PROTECTION AGENCY

SEC. 118. (a) Section 33(a)(7) of the Solid Waste Disposal Act of 1980 as amended (42 U.S.C. 6901 note) is repealed.

(b) Section 2001(b)(3) of the Solid Waste Disposal Act as amended (42 U.S.C. 6911 (b)(3)) is repealed.

(c) Section 2006 of the Solid Waste Disposal Act as amended (42 U.S.C. 6915) is repealed.

(d) Section 7007(c) of the Resource Conservation and Recovery Act of 1976 as amended (42 U.S.C. 6977(c)) is repealed.

(e) Section 127 of the Clean Air Act Amendments of 1977 (42 U.S.C. 7479 note) is amended by—

(1) striking subsection (b);

(2) striking subsection (d); and

(3) redesignating subsection (c) as (b).

(f) Section 202(a) of the Clean Air Act Amendments of 1977 (42 U.S.C. 7521 note) is repealed.

(g) Section 203(a) of the Clean Air Act Amendments of 1977 (42 U.S.C. 7551(a) is repealed.

(h) Section 241(b) of the Clean Air Act Amendments of 1977 (42 U.S.C. 7548) is repealed.

(i) Section 403(f) of the Clean Air Act Amendments of 1977 (42 U.S.C. 7521 note) is amended by deleting the following sentence: "The Administrator shall report to the Congress within six months of the date of enactment of this section and each year thereafter regarding the status of the contractual arrangements and conditions necessary to implement this paragraph.".

(j) Section 102(d) of the Clean Water Act (33 U.S.C. 1252(d)) is repealed.

(k) Section 104(n)(3) of the Clean Water Act (33 U.S.C. 1254(n)(3)) is repealed.

(l) Section 516(a) of the Clean Water Act (33 U.S.C. 1375(a)) is repealed.

(m) Section 9 of the Used Oil Recycling Act of 1980 (42 U.S.C.A. 6932 note) is repealed.

(n)(1) Section 1442(a)(3)(A) of the Safe Drinking Water Act, as amended (42 U.S.C.A. 300j-1(a)(3)(A); 88 Stat. 1683) is repealed.

(2) Section 1442(a)(3)(B) of the Safe Drinking Water Act, as amended (42 U.S.C.A. 300j-1(a)(3)(B); 91 Stat. 1393) is repealed.

(3) Section 1442 of the Safe Drinking Water Act, as amended (42 U.S.C.A. 300j-1) is amended by repealing paragraph (c) and redesignating (d), (e), and (f) as (c), (d), and (e) respectively.

(o) Section 1412(e)(2) of the Safe Drinking Water Act, as amended (42 U.S.C.A. 300g-1(e)) is repealed.

(p) Section 1450(h) of the Safe Drinking Water Act, as amended (42 U.S.C.A. 300j-9(h); 88 Stat. 1691) is repealed.

(q) Section 5 of the Environmental Research Development and Demonstration Act of 1976 (42 U.S.C. 4361) is repealed. The Environmental Research Development and Demonstration Authorization Act of 1978 (42 U.S.C. 4361(a)) is amended by—

(1) striking Section 4;

(2) striking Section 8(c); and

(3) redesignating Section 5, 6, 7 and 8 as Section 4, 5, 6 and 7 respectively.

(r) Section 11 of the Federal Non-Nuclear Energy Research and Development Act of 1974 (42 U.S.C.A. 5910) is repealed.

(s) Section 745 of the Power Plant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8455) is repealed.

REPORTS BY THE FEDERAL COMMUNICATIONS COMMISSION

SEC. 119. Section 404(c) of the Communications Satellite Act of 1962 (P.L. 87-624; 76 Stat. 426; 47 U.S.C. 744(c)) is repealed.

REPORTS BY THE FEDERAL ENERGY REGULATORY COMMISSION

SEC. 120. (a)(1) Section 11(a) of the Natural Gas Act (15 U.S.C. 717j(a); 52 Stat. 827) is amended to read as follows: "In case two or more States propose to the Congress compacts dealing with the conservation, production, transportation, or distribution of natural gas, the Commission, upon a request from Congress, will be required to assemble pertinent information relative to the matters covered in any such proposed compact, to make public and to report to the Congress information so obtained, together with such recommendations for further legislation as may appear to be appropriate or necessary to carry out the purposes of such proposed compact, and to aid in the conservation of natural gas resources within the United States and in the orderly, equitable, and economic production, transportation, and distribution of natural gas.".

(2) Section 11(b) of the Natural Gas Act (15 U.S.C. 717j; 52 Stat. 827) is amended to read as follows: "The Commission, upon a request from Congress will be required to assemble and keep current pertinent information relative to the effect and operation of any compact between two or more States heretofore or hereafter approved by the Congress, to make such information public, and to report to the Congress, as requested, the information so obtained together with such recommendations as may appear to be appropriate or necessary to promote the purposes of such compact."

(b) Section 4(d) of the Federal Power Act (16 U.S.C. 797(d); 42 Stat. 1065; 46 Stat. 798; 49 Stat. 840) is amended by deleting the sentence stating "The Commission, on or before the third day of January of each year, shall submit to Congress for the fiscal year preceding a classified report showing permit and licenses issued under this Part, and in each case the parties thereto, the terms prescribed, and the moneys received, if any, on account thereof.".

REPORTS BY THE FEDERAL LABOR RELATIONS AUTHORITY

SEC. 121. Section 7104(e) of the Federal Service Labor Management Statute of the Civil Service Reform Act of 1978 (5 U.S.C. 7101 *et. seq.;* P.L. 94-454) is repealed.

REPORTS BY THE GENERAL ACCOUNTING OFFICE

SEC. 122. (a) Section 601(b) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1861) is repealed.

(b) Section 2304(b) of Title 5, United States Code, is repealed.

(c) Section 1113(e) of Title 31, United States Code, is amended by repealing paragraph (2) and redesignating paragraph (3) as paragraph (2).

REPORTS BY THE GENERAL SERVICES ADMINISTRATION

SEC. 123. (a) Section 10 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 493) is amended to read: Not later than thirty months after October 17, 1977, and biennially thereafter, the Comptroller General of the United States shall transmit to the Congress a report which covers the two-year period from such date and contains: (1) a full and independent evaluation of the operation of this Act, (2) the extent to which the objectives of the Act have been fulfilled, (3) how the needs served by prior Federal personal property distribution programs have been met, (4) an assessment of the degree to which the distribution of surplus property has met the relative needs of the various public agencies and other eligible institutions, and (5) such recommendations as he determines to be necessary or desirable.

(b) Section 211(d) of the Public Buildings Act of 1959 (40 U.S.C. 610(a)) is repealed.

REPORTS BY THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

SEC. 124. Section 648(f) of Title 15, United States Code, the Small Business Act, is repealed.

REPORTS BY THE NATIONAL SCIENCE FOUNDATION

SEC. 125. Section 8 of the National Science Foundation Authorization Act of 1977 (42 U.S.C. 1883; P.L. 94-471) is amended by—

(1) adding the word "and" following the semicolon at the end of subsection (3);

(2) replacing the semicolon at the end of subsection (4) with a period; and

(3) deleting subsection (5).

REPORTS BY THE NUCLEAR REGULATORY COMMISSION

SEC. 126. Section 201(h) of the Energy Reorganization Act of 1974 (P.L. 93-438; 42 U.S.C. 5841; 88 Stat. 1233) is repealed.

REPORTS BY THE OFFICE OF PERSONNEL MANAGEMENT

SEC. 127. Section 5114 of title 5, the Act of September 6, 1966, (P.L. 89-554; 80 Stat. 456) is amended by—

(1) striking subsection (a); and

(2) striking subsection (b).

REPORTS BY THE SMALL BUSINESS ADMINISTRATION

SEC. 128. Section 10 of the Small Business Act (88 Stat. 746; 15 U.S.C. 639) is amended by striking out paragraph (g).

REPORTS BY THE VETERANS ADMINISTRATION

SEC. 129. (a) Section 10 2(b)(1)(C) of the Veterans Health Care Amendments of 1979 (38 U.S.C. 612(b)) is amended by striking the paragraph beginning with "in any year in which the President's budget for the fiscal year . . ." and ending with "Any report submitted pursuant to this subsection shall include a comment by the Administrator on the effect of the application of the criteria prescribed in the second sentence of section 610(c) of this title for furnishing incidental dental care to hospitalized veterans."

(b) Section 201(b) of the Veterans Health Care Admendments of 1979 (38 U.S.C. 601, Note 1) is repealed.

(c) Section 210(c)(3)9B) of the Veterans Compensation and Relief Act of 1972 (38 U.S.C. 210(c)(3)(B)) is repealed.

(d) Section 212 of Vietnam Era Veterans Readjustment Act of 1974 (38 U.S.C. 1976(d)) is repealed.

TITLE II—MODIFICATION

REPORTS BY MORE THAN ONE AGENCY

Sec. 201. (a) Section 2(d) of the Act of December 5, 1979 (25 U.S.C. 472a(d); P.L. 96-135) is amended by—

(1) striking out "following the close of each fiscal year";

(2) striking out "which they took in such fiscal year" and inserting instead "which they have taken"; and

(3) inserting "biennial" before "report."

(b) Section 2(e)(2) of the Act of December 5, 1979 (25 U.S.C. 472a(e)(2); P.L. 96-135) is amended by—

(1) striking out "following the close of each fiscal year";

(2) striking out "which they took in such fiscal year" and inserting instead "which they have taken"; and

(3) by inserting "biennial" before "report".

(c) Section 26 of the Occupation Safety and Health Act of 1970 (29 U.S.C. 675) is amended by striking out "Within one hundred and twenty days following the convening of each regular session of each Congress, the Secretary and Secretary of Health, Education, and Welfare shall each" and inserting instead "The Secretary and the Securetary of Health and Human Services shall each biennially. . .".

REPORTS BY THE EXECUTIVE OFFICE OF THE PRESIDENT

SEC. 202. (a) Section 1515(b)(2) of Title 31 U.S.C., "Money and Finance," is amended to read as follows: "If an official making an apportionment decides that deficiency or supplemental appropriation is required (except to permit payment of Federal pay raises, pursuant to law), the official shall submit immediately a detailed report of the facts to the Congress. The report shall be referred to in submitting a proposed deficiency or supplemental appropriation."

(b) 31 U.S.C. 1106, P.L. 97-258, is amended to delete sections 1106(a)(2) and (a)(3).

(c) Section 9503 of Title 31 of the United States Code (P.L. 97-258) is amended by—

(1) striking from Section 9503(a)(1) the word "annual" and inserting after "shall be" the words "submitted every five years, and shall be"; and

(2) inserting in Section 9503(a)(1)(B) the word "fifth" before the words "plan year involved;".

(d) Title X of the Congressional Budget and Impoundment Control Act of 1974 (P.L. 93-344) is amended as follows:

(1) Section 1013(a), first paragraph, is amended to read as follows: "(a) TRANSMITTAL OF SPECIAL MESSAGE.—whenever the President, the Director of the Office of Mangement and Budget, the head of any department or agency of the United States, or any official or employee of the United States proposes to defer any budget authority provided for a specific purpose or project that is not a temporary financial management action, the President shall transmit to the House of Representatives and the Senate a special message specifying . . .".

(e) Title X of the Congressional Budget and Impoundment Control Act of 1974 (P.L. 93-344), is amended as follows:

(1) Section 1014(e)(i) is amended to read as follows: "(i) The President shall submit a report to the House of Representatives and the Senate, not later than the 10th day of each quarter during a fiscal year, listing all budget authority for that fiscal year with respect to which, as of the first day of such quarter . . .".

(f) 31 U.S.C. 1109(a) (P.L. 97-258) is amended by—

(1) striking the phrase in the beginning sentence of section 1109(a) "Before November 11 of each year,"; and

(2) substituting the phrase "Concurrent with the transmittal of the Budget," for the deleted phrase.

REPORTS BY THE DEPARTMENT OF AGRICULTURE

SEC. 203. Section 101 of the Agriculture and Related Agencies Appropriation Act of 1976 (15 U.S.C. 713a-10) is amended by striking "quarterly" and inserting in lieu thereof, "annual".

REPORTS BY THE DEPARTMENT OF COMMERCE

SEC. 204. (a) Section 7 of the Marine Resources and Engineering Development Act of 1966 (33 U.S.C. 1106) is amended by striking "in January of each year " and inserting in lieu thereof "biennially in January".

(b) Section 81p of the Foreign Trade Zones Act of 1934 (19 U.S.C. 81p) is amended by—

(1) striking from subsection (b) "containing a full statement of all the operations, receipts, and expenditures, and such other information as the Board may require" and inserting in lieu thereof "on zone operations"; and

(2) striking subsection (c) and inserting in lieu thereof (c) The Board shall make a report to Congress annually containing a summary of zone operations.".

(c) Section 5(d)(9) of the National Climate Program Act of 1978 (15 U.S.C. 2904) is amended by striking "that shall be revised and extended biennially" and inserting in lieu thereof "that shall be reviewed every year and revised as appropriate.".

(d) Section 202(c) of the Marine Protection, Research and Sanctuaries Act of 1972 (33 U.S.C. 1442(c)) is amended to read "In March of every other year, the Secretary of Commerce shall report to the Congress on the results of activities undertaken pursuant to this section during the previous two fiscal years.".

REPORTS BY THE DEPARTMENT OF EDUCATION

SEC. 205. (a)(1) Section 12(c) of P.L. 81-815 (20 U.S.C. 642, September 23, 1950) is amended by striking "annual report" and inserting in lieu thereof "biennial report".

(2) Section 401(c) of P.L. 81-874 (20 U.S.C. 242, September 30, 1950) is amended by striking "annual report" and inserting in lieu thereof "biennial report".

(b) Section 618(f)(2)(E) of the Education of the Handicapped Act (20 U.S.C. 1418(f)(2)(E)) is amended to read as follows: "(E) an analysis and evaluation of the effectiveness of procedures undertaken by State educational agencies, local educational agencies, and intermediate education units to ensure that handicapped children and youth receive special education and related services in the least restrictive environment commensurate with their needs and to improve programs of instruction for handicapped children and youth in day or residential facilities;".

(c) Section 417 of the General Education Provisions Act (20 U.S.C. 1226c) is amended—

(1) in the heading by striking "Annual";

(2) in subsection (a)—

(A) in the first sentence—

(i) by striking "of each year" following "November 1" and inserting in lieu thereof "1985 and alternate years thereafter"; and

(ii) by striking "annual" preceding "evaluation report".

(B) in subparagraph (B), by striking "during the previous fiscal year"; and

(C) in subparagraph (C), by striking "during the previous fiscal year"; and

(3) in subsection (b)(1) by striking "preceding year" and inserting in lieu thereof "two preceding years."

(d) Section 112(c) of the Vocational Education Act of 1963 (20 U.S.C. 2312(c)) is amended in the first sentence by—

(1) striking "annually";

(2) striking "each fiscal year" and inserting in lieu thereof "fiscal years 1985 and alternate fiscal years thereafter"; and

(3) striking "during that fiscal year".

REPORTS BY THE DEPARTMENT OF ENERGY

SEC. 206. Section 165(b)(1) of the Energy Policy and Conservation Act (42 U.S.C. 6245(b)(1)) is amended by striking "fifteenth" and inserting "forty-fifth" in its place.

REPORTS BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

SEC. 207. (a) Section 5(h) of the International Health Research Act of 1960 (22 U.S.C. 2103(h)) is amended by striking out "to the Congress at the beginning of each regular session," and inserting instead "biennially to the Congress".

(b) The first sentence of section 701 of the Indian Health Care Improvement Act (25 U.S.C 1671) is amended by striking out "annually" and instead inserting "biennially".

(c) Section 22(f) of the Occupational Safety and Health Act of 1970 (29 U.S.C. 671(f)) is amended—

(1) by inserting "biennially" after "submit"; and

(2) by striking "an annual report" and inserting instead "a report".

(d) Section 301(b)(4) of the Public Health Service Act (42 U.S.C. 241(b)(4)) is amended—

(1) in the matter preceding subparagraph (A), by striking "an annual" and inserting instead "a biennial"; and

(2) in subparagraph (D), by striking "year" and inserting instead "period".

(e) Section 404(a)(9) of the Public Health Service Act (42 U.S.C. 285(a)(9)) is amended by striking "not later than November 30 of each year,".

(f) Section 434(e) of the Public Health Service Act (42 U.S.C. 289c-1(e)) is amended—

(1) in the first sentence, by striking ", as soon as practicable, but not later than sixty days, after the end of each fiscal year,";

(2) in the first sentence, by striking "an annual" and inserting instead "a biennial"; and

(3) in the matter in the last sentence preceding paragraph (1) by striking "annual" and inserting instead "biennial".

(g) Section 435(b) of the Public Health Service Act (42 U.S.C 289c-2(b)) is amended by striking "(on or before November 30 of each year)".

(h) Section 439(e) of the Public Health Service Act (42 U.S.C 289c-6(E)) is amended by striking "an annual" and inserting instead "a biennial" and by striking "on or before November 30 of each year".

(i) Section 1875(b) of the Social Security Act (42 U.S.C. 139511(b)) is amended by striking "a validation of the accreditation process of the Joint Commission on the Accreditation of Hospitals,".

(j)(1) Section 308(a) of the Age Discrimination Act of 1975 (42 U.S.C. 6106a(a)) is amended by striking all that precedes "a report" and inserting instead "Not later than December 31 of 1979 and of each succeeding year through 1984, and not later than December 31 of each year after 1984 in which the Secretary of Health and Human Services requires such a report, the head of each Federal department or agency shall submit to the Secretary of Health and Human Services".

(2) Section 308(b) of that Act (42 U.S.C. 6106a(b)) is amended by striking all that precedes "shall compile" and inserting instead "Not later than March 31 of 1980 and of each succeeding year through 1985, and not later than March 31 of each succeeding year following a year in which he requires reports under subsection (a), the Secretary of Health and Human Services".

REPORTS BY THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SEC. 208. (a) Section 4(d)(2) of the Department of Housing and Urban Development Act (42 U.S.C 3531; 79 Stat. 667) is amended by—

(1) striking "The Secretary shall, not later than December 1 of each year, submit to Congress an annual report which shall include . . ." and inserting in lieu thereof "The Secretary shall, not later than May 1, 1985 and not later than May 1 of every second year thereafter, submit to Congress a report which shall include . . ."; and

(2) inserting "and the preceding" after "current" in clause (A).

(b) Section 408(b)(2) of the Housing and Community Development Amendments of 1978 (42 U.S.C. 8007(b)(2)) is amended by striking "publish annually and submit to the Congress" and inserting in lieu thereof "publish and submit to the Congress not later than September 30, 1986, and not later than September 30 of every second year thereafter".

REPORTS BY THE DEPARTMENT OF THE INTERIOR

SEC. 209. Section 6 of the Act of June 22, 1936 (49 Stat. 1804), as amended (25 U.S.C. 389e), is further amended by adding the following sentence: "Adjustments, deferrals, and cancellations of charges pursuant to this Act shall be effective only after following the procedure prescribed by the Act of July 1, 1932 (47 Stat. 564; 25 U.S.C. 386a)."

REPORTS BY THE DEPARTMENT OF JUSTICE

SEC. 210. (a) Section 252(i) of the Energy Policy and Conservation Act (42 U.S.C. S. 6272(i)) is amended by striking the words "6 months," and inserting in lieu thereof the words "other year, on an alternating basis,".

(b) Section 488 of the Act of August 19, 1958 (P.L. 85-680; 72 Stat. 631 (1958); 40 U.S.C. 488) is amended—

(1) in subsection (c)(1), by striking the words "aggregate amount of the original acquisition cost of such property to the Government and all capital expenditures made by the Government with respect thereto" and inserting in lieu thereof the words "estimated appraised fair market value";

(2) in subsection (c)(1), by striking the number "$1,000,000" and inserting in lieu thereof the number "$3,000,000"; and

(3) in subsection (c)(2), by striking the words "acquisition cost" and inserting in lieu thereof the words "estimated appraised fair market value.".

REPORTS BY THE DEPARTMENT OF TRANSPORTATION

SEC. 211. (a) Sections 107(b) and 107(c) of the Federal Aviation Act of 1958, as amended, (49 U.S.C. 1307(b) and (c)) are amended as follows:

(1) in section 107(b), strike out "each January 31 thereafter" and insert in lieu thereof "each June 30 thereafter"; and

(2) in section 107(c), strike out "each January 31 thereafter" and insert in lieu thereof "each June 30 thereafter".

(b) Section 315(a) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1356(a)) is amended by striking out "The Administrator shall submit semiannual reports to the Congress" and inserting in lieu thereof, "The Administrator shall submit semiannual reports to the Congress" and inserting in lieu thereof, "The Administrator shall submit annual reports to the Congress".

REPORTS BY THE DEPARTMENT OF THE TREASURY

SEC. 212. (a) Section 201(f) of the Magnuson Fishery Conservation and Management Act of 1976 as amended (16 U.S.C. 1821(f); 90 Stat. 331) is amended by—

(1) striking out "Secretary of the Treasury, in cooperation with the"; and

(2) striking out the comma after "the Secretary of State".

(b) Section 4(c) of the International Investment Survey Act of 1976 (22 U.S.C. 3103(c); 90 Stat. 2061) is amended by—

(1) striking out "five years" in Subsection (c)(1), inserting in lieu thereof "ten years" and by striking out the paragraph designated "(1)"; and

(2) repealing paragraph (2).

(c) Section 1202(a)(1) of the Tax Reform Act of 1976 (26 U.S.C. 6103(p)(5); 90 Stat. 1684) is amended by deleting the word "quarter" and inserting in lieu thereof the word "year".

(d) Section 701(c)(2) of the International Financial Institutions Act as amended by Section 501(a) of Public Law 96-259 (22 U.S.C. 262d(c)(2)(B) is amended by—

(1) striking subparagraph (B); and

(2) striking subparagraph designation "(A)".

REPORTS BY THE GENERAL ACCOUNTING OFFICE

SEC. 213. Section 11(1) of the AMTRAK Improvement Act of 1974 (45 U.S.C. 644(2)(A)) is amended by striking "The Comptroller General of the United States shall conduct annually a performance audit" and inserting in lieu thereof "The Comptroller General of the United States may conduct audits".

REPORTS BY THE GENERAL SERVICES ADMINISTRATION

SEC. 214. (a) Section 201(7) of the Architectural Barriers Act of 1968, as amended (42 U.S.C. 4157(a)) is amended by inserting after the word "year" the following: "and biennially thereafter".

(b) Section 1(4) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484(i)(4)(E)) is amended by striking "$3,000 or more" and inserting "$5,000 or more".

REPORTS BY THE NATIONAL SCIENCE FOUNDATION

SEC. 215. Section 3(f) of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1862(f); P.L. 81-507) is amended by deleting the second sentence.

REPORTS BY THE NUCLEAR REGULATORY COMMISSION

SEC. 216. Section 147(e) of the Atomic Energy Act of 1954 (42 U.S.C. 2167; Public Law 96-295), is amended by striking "a quarterly" and inserting in lieu thereof "an annual."

REPORTS BY THE UNITED STATES MERIT SYSTEMS PROTECTION BOARD

SEC. 217. The Civil Service Reform Act of 1978 (5 U.S.C. 7701; P.L. 95-454; 92 Stat. 1140) is amended in section 7701(i)(2) by deleting "calendar" and inserting in lieu thereof "fiscal".

REPORTS BY THE VETERANS ADMINISTRATION

SEC. 218. (a) Section 102(b) of P.L. 98-160 (38 U.S.C. 612A) is amended by striking "October 1, 1986" and inserting "October 1, 1987".

(b) Section 101(b)(2) of P.L. 98-160 (38 U.S.C. 612A) is amended by striking the word "results" and inserting "preliminary findings".

(c) Section 5022 of 38 United States Code (38 U.S.C. 5022) is amended by—

(1) out "$50,000" and inserting in lieu thereof "$100,000" in subsection (a)(2)(A);

(2) inserting "excluding a lease or easement" after "interest in real property" in subsection (a)(2)(B); and

(3) striking "including a lease" from subsection (a)(2)(C).

SEPTEMBER 7, 1984.

Hon. GEORGE BUSH,
President of the Senate, Washington, DC.

DEAR MR. PRESIDENT: I am transmitting, for referral to the appropriate Committee, a legislative proposal entitled the "Congressional Reports Elimination Act of 1984."

This legislation is modeled after the Congressional Reports Elimination Act of 1982 (P.L. 97-375) and is designed to improve the effectiveness and efficiency of agency operations by eliminating or modifying recurring reports to the Congress. These proposals were selected for elimination or modification only after a case-by-case analysis concluded that the reports no longer serve their original purpose, no congressional use is evident, information is provided to the Congress through other sources, or the cost and time involved in the production of a report outweigh its utility or benefit to the government.

This legislative proposal should be viewed not only as one directed at reducing burdens placed on Federal agencies, but also as an attempt to streamline information that flows from these agencies to the Congress. Elimination or modification of the reports

identified in this proposal will permit Federal agencies to devote more attention to the more than 3,000 recurring reports that we will continue to provide to the Congress.

A section-by-section analysis is also enclosed for your information.

This legislative proposal is directly supportive of the President's program to improve the efficiency and effectiveness of Federal Government operations.

Sincerely,

DAVID A. STOCKMAN,
Director.

SECTION-BY-SECTION ANALYSIS OF PROPOSED BILL TO DISCONTINUE OR AMEND CERTAIN REPORTING REQUIREMENTS

TITLE I—MULTIAGENCY

Section 101. (a) Deletes the requirement that the Secretary of Agriculture and the Secretary of Energy submit quarterly reports to the Congress on activities on Biomass Energy Development. Prepared only a few times since enactment of the legislation, this report is no longer considered essential by the Congress and therefore has not been filed recently.

(b) Deletes the requirement that heads of agencies submit annual reports to the Congress concerning agency utilization of scientific or professional positions that are established outside the General Schedule and outside the Senior Executive Service. This requirement duplicates a biennial report submitted by the Office of Personnel Management.

(c) Deletes the requirement that the Secretary of Health and Human Services (HHS) and the Administrator of the Environmental Protection Agency (EPA) report annually to the Congress on conflicts of interest involving HHS or EPA employees who perform functions under the Toxic Substances Control Act.

(d) Deletes the requirement for Federal agencies to complete an annual evaluation of their progress in improving consultant service contractual arrangements. The purpose of the requirement, to assure that agencies had implemented appropriate budgetary controls over consultant service contracts, has been accomplished.

(e) Deletes the requirement that the Director of the Office of Management and Budget (OMB) and the Secretary of the Treasury report annually on their plans to meet the information needs of the Congress. This requirement duplicates information provided to the Congress in other documents.

(f) Repeals the requirement that the Secretary of Defense and the Secretary of Health and Human Services each submit an annual report on the continuation pay program for dentists in the uniformed services. This report requires an inordinate amount of time to prepare and there appears to be little congressional interest in it.

(g) Deletes the requirement that the Secretaries of Health and Human Services, Education, and the Interior report annually to the Senate and the House of Representatives on certain costs associated with the surplus property disposal program. There is no need for a requirement for an annual report. Any information will readily be provided upon request.

EXECUTIVE OFFICE OF THE PRESIDENT

Section 102. (a) Deletes the requirement that the President shall include in each budget for each proposal in the budget for legislation that would establish or expand a government activity or function, a table showing (1) the amount proposed in the budget for appropriation and for expenditure because of legislative proposals in the fiscal year for which the budget is submitted; and (2) the estimated appropriation required because of the legislative proposal for each of the four fiscal years after that year that the proposal will be in effect. The information is already available through reports provided to Congress by OMB comparing long range current services estimates with the long range estimates of the President's budget proposals.

(b) Deletes the requirement that the Director of OMB provide an annual listing of every account containing unvouchered expenditures that are potentially subject to audit by the Comptroller General.

DEPARTMENT OF AGRICULTURE

Section 103. (a) Deletes the requirement that the President submit a report to Congress within 30 days of the submission of his annual budget expressing in qualitative and quantitative terms the extent to which the programs and policies projected under the budget meet the Presidential Statement of Policy submitted under Section 7(a) of the Soil Water Resources Conservation Act. This report duplicates information submitted to Congress in the annual budget and the Secretary's annual report on the effectiveness of the national program.

(b) Deletes the requirement that the Secretary prepare a report describing plans to ensure that eligible members of migrant populations continue to participate in the special supplemental food program. This information will continue to be provided to the National Advisory Council on Maternal, Infant, and Fetal Nutrition during meetings and through correspondence, and to the Congress as requested.

DEPARTMENT OF COMMERCE

Section 104. (a) Deletes the requirement that the Secretary study and report to the Congress on the effects that U.S. and foreign pollution abatement programs have on foreign production costs, market prices and international trade. The absence of reliable foreign cost data prevents meaningful analysis of the topics outlined in this report.

(b) Deletes the requirement that the Secretary report to Congress on the results of information collected during the preceding year upon the condition of manufacturers, domestic trade, currency, and banks of States and territories. This requirement duplicates information in the Economic Report of the President and in the Annual Report of the Council of Economic Advisors.

(c) Deletes the requirement for the Secretary to submit a separate report to Congress on the results of monitoring and research regarding the effects of dumping materials into ocean waters, other coastal waters where tides ebb and flow, or into the Great Lakes or their connecting waters. The information required in this report will be consolidated in the Report to the Congress on Ocean Pollution, Monitoring and Research.

(d) Deletes the requirement for the Secretary to report to Congress that a voluntary product standard has not been developed as he requested or that a published standard has not been observed by the industry. Because manufacturers, packers, and distributors have developed product standards under subsection (d) of the Fair Packaging and Labeling Act and are observing them, there is no need for such a report.

(e) Deletes the requirement that the Administrator of the National Oceanic and Atmospheric Administration review regulations developed pursuant to the provisions of Title I of the Ocean Thermal Energy Conversion Act of 1980 and report to the Congress on the impact of these regulations on the continued development, evaluation, and commercialization of ocean thermal energy conversion.

(f) Deletes the requirement that the Administrator of the National Oceanic and Atmospheric Administration report to the Congress on the administration of the Ocean Thermal Energy Conversion Act of 1980 during each fiscal year.

(g) Deletes the requirement that the Secretary report annually to the Congress on the administration of the provisions of Title IV of the Outer Continental Shelf Lands Act Amendments of 1978.

(h) Deletes the requirement that the Secretary report annually to the Congress on the administration of the National Fisheries Research and Development Program.

(i) Deletes the requirement that the Secretary report biennially to the Congress on the level of taking and the status of bluefin tuna stocks.

(j) Deletes the requirement that the Secretary report annually to the Congress on activities pursuant to the Central, Western and South Pacific Fisheries Development Act.

DEPARTMENT OF DEFENSE

Section 105. (a) This section deletes the requirement that a retired officer or former officer in pay grade 0-4 or above annually submit to the Department an individual report on employment if such person is paid a salary of $15,000 or more per year from a defense prime contractor receiving $10 million or more in negotiated contracts. Also, the section deletes a similar reporting requirement for any former Department of Defense civilian officer or employee who, at any time during the 3-year period immediately preceding the termination of last employment with the Department was paid at a rate equal to or greater than the minimum rate payable for grade GS-13 and was employed by a prime defense contractor at a salary of $15,000 or more. Additionally, the annual reporting requirement will be deleted for a civilian officer or employee of the Department who during a fiscal year was paid a salary equal to or greater than the grade GS-13 rate, and who was previously employed by a defense prime contractor at a salary of $15,000 or more. The Secretary is relieved of the requirement to submit a consolidated report of the above information to the House and Senate and to hold such reports for public review. Repeal of this statute will in no way change existing conflict-of-interest statutes and regulations governing the contracting process.

(b) Deletes the requirement that the Secretary of a military department provide written notice to the Armed Services Committee of the Senate and House of Representatives at least 30 days in advance of acquiring an interest in land that is urgently needed in the interest of national defense when the estimated fair market value is in excess of $100,000 and the urgency is such that the acquisition cannot be included in an annual Military Construction Authorization Act.

(c) Deletes the requirement that the Secretary of a military department, or his designee, submit a report to the Committee on Armed Services of the Senate and House of Representatives before entering into the ac-

quisition, lease, transfer, or disposal of property exceeding $100,000.

(d) Deletes the requirement to report annually to the President and to Congress on the condition and operation of Defense Department working capital funds established under 10 U.S.C. 2208(i).

(e) Deletes the requirement that the Secretary of the Army annually report to the Congress on the inventory of agreements between the Secretary of the Army and each non-Federal interest which will be reimbursed for construction of any water resource project sponsored by the Corps of Engineers.

(f) Deletes the requirement that the Secretary of a military department report to the Committee on Armed Services of the Senate and the House of Representatives on leases in foreign countries if the average estimated annual rental during the term of the lease is more than $250,000.

(g) Amends the Arms Export Control Act by repealing the requirement to submit the reports on: (1) price and availability estimates which details Defense articles, equipment and services provided by the U.S. Government to foreign countries under Section 28(a) of the Arms Export Control Act; and (2) price and availability estimates for request for issuance of letters of offer received by the U.S. Government from foreign countries under section 28(b) of the Arms Export Control Act.

(h) This section amends the Arms Export Control Act by repealing the requirement to submit reports to Congress on proposed leases of Defense property to a foreign country, or emergency waivers of the waiting period subject to presidential approval.

(i) Deletes the requirement that annual assessments on children enrolled in the Department of Defense Dependent's Education System be submitted to Congress. Under Section 1405(a) the Director is required to assess annually the performance of the Department of Defense dependents' education system in providing an education of high quality to children enrolled in the system. Section 1405(b) provides that the results of each annual assessment with respect to an individual enrolled in the system shall be made available to the sponsor of such individual, and summary results shall be made available to professional employees in the system. The results of the assessments are available upon request.

DEPARTMENT OF EDUCATION

Section 106. (a) Deletes the requirement that the Secretary make an annual report to Congress on activities of Centers on Education Media and Materials for the Handicapped. This report provides no useful information that is not reported elsewhere, e.g., in the budget justification.

(b) Deletes the requirement that studies evaluating the impact and effectiveness of programs authorized by the Rehabilitation Act of 1973 (29 U.S.C. 713) be reported annually to Congress and to the public. The Department disseminates executive summaries of evaluation studies, and full reports are available upon request. Evaluation findings are not always available annually, given the time required for certain studies.

(c) Deletes (1) the requirement in the Rehabilitation Amendments Act of 1984 that each agency that conducts a client assistance program shall submit an annual report to the Secretary on the operation of the program during the previous year, including a summary of the work done and the uniform statistical tabulation of all cases handled by such program, and (2) the requirement that a copy of each report be submitted to the Congress by the Secretary along with a summary of such reports and the Secretary's evaluation of the program including appropriate recommendations. This information will be included in the Annual Report on Federal Activities related to the Administration of the Rehabilitation Act.

(d) Deletes the requirement that an annual report on the findings and recommendations of the National Advisory Council on Continuing Education be reported to the President, the Congress, and the Secretary. This reporting requirement is duplicative of the requirement that all statutory advisory councils make such a report (Section 443(a)(2)) of the General Education Provisions Act (20 U.S.C. 1233(b)).

(e) Deletes the requirement that the Secretary report biennially to the Congress on the findings and recommendations of the Office of Education Professional Development. The Office of Education Professional Development was abolished in 1981.

(f) Amends the Higher Education Act of 1965, as amended by the Education Amendments of 1980, to eliminate the requirement of an annual report (interpreted as a report to Congress) which includes an index and analysis of the books or research materials produced under Title IV. This report is duplicative of other efforts in both the public and private sectors, such as: (1) a fully indexed Department of Education publication which cumulatively lists all completed research projects funded since the inception of the program in 1957, and (2) annual announcements to the public of research underway in the relevant newsletter of the Center of Applied Linguistics.

(g) Amends the Department of Education Organization Act (20 U.S.C. 346(a)(2)) to eliminate two reports on the allocation and use of work-years. This information is routinely provided as part of the justification of the President's Department of Education Salaries and Expenses Budget Request.

DEPARTMENT OF ENERGY

Section 107. (a) Deletes the requirement that the Secretary, under P.L. 93-275, submit to the Congress semi-annually a report on the impact of energy shortages and the Secretary's actions on employment and the economy.

(b) Deletes the requirement that the Secretary, under P.L. 93-577, submit a report prior to the establishment of any joint Federal-industry experiment, demonstration, or commercial corporation. This reporting requirement is not necessary because congressional action is required prior to the establishment of the corporation.

(c) Deletes the requirement under the Department of the Interior and Related Agencies Appropriations for Fiscal Year 1980 Act, P.L. 96-126, that the Secretary submit a written report to Congress every six months detailing the activities carved out under the appropriation for the Special Energy Security Reserve Fund.

(d) Deletes the requirement that the Secretary submit quarterly reports to the President and the Congress containing statistical information about energy sources.

(e) Deletes the requirement for an annual report on coal reserves disclosure. The United States coal reserves are estimated to last in excess of 300 years.

(f) Eliminates the reporting requirements under the Financial Reporting System (FRS). The FRS requires detailed information on the structure of the energy industry. The availability of this information from sources both within and outside of the government coupled with the burdensome nature of the FRS reporting requirements justifies repeal.

(g) Deletes the requirement that the Department of Energy submit to Congress an annual summary of combined DOE-industry efforts to develop and demonstrate technologies for synthetic fuels from coal; improved recovery methods for natural gas, petroleum, and oil from shale; and development of advanced methods of utilizing fossil fuels.

(h) Deletes the requirement that the Secretary, under P.L. 96-345, submit a report to Congress on a study of prospects for application of wind energy systems in foreign countries.

(i) Deletes the requirement for the Secretary to submit biennial reports to Congress on actions taken pursuant to section 6(a) of P.L. 96-571. In 1982 the Alaska Power Administration submitted a comprehensive report under section 6(a) describing in full the actions taken under the Act. There remains nothing further to report with the exception of information that could be incorporated easily into the Department's annual report.

(j) Deletes the requirement under Section 314 of P.L. 94-187 that the Secretary make a determination on proposed fossil energy major construction projects exceeding $250,000 and report to the Congress. This requirement related to FY 1976 appropriations. The Department of Energy no longer has FY 1976 funds under this statute.

(k) Deletes the requirement under subsection 908(d) of P.L. 95-87 that the Secretary submit annually a report on the research studies, survey, experiments or demonstration of alternate coal mining technologies. Pubic Law 97-257 transferred responsibility for this program to the Department of the Interior.

(l) Deletes the requirement under section 106 of the Energy Security Act that (1) the President submit an annual report to Congress on actions taken with regard to synthetic fuel development, contracts, loan guarantees, bids, liability, and with regard to the Synthetic Fuels Corporation, and (2) the President transmit to Congress (a) energy targets and reports thereon in 1981 and every second year thereafter, and (b) reports on net imports, domestic production and end-use consumption of synthetic fuels for calendar years 1985, 1990, 1995 and 2000. The Defense Production Act Amendments transferred the projects covered by this report to the Synthetic Fuels Corporation which has assumed responsibility for reporting this information to Congress.

(m) Amends the Public Utility Regulatory Policy Act to eliminate the requirement that the Secretary (1) report to Congress on rate design initiatives by non-regulated electric utilities and State regulatory authorities, and (2) submit annual reports by non-regulated gas utilities and State regulatory authorities, on adoption and implementation of certain business practices including service termination policies and recovery of costs of advertising.

(n) Eliminates the requirement that certain major energy consuming industries report annually to the Secretary and that the Secretary submit an annual report to the Congress on the industrial energy efficiency program.

(o) Deletes the requirement that the Secretary submit annual reports to the Congress which contain an analysis of the effect of the termination of the excise tax exemption provided under Section 4041(k) and

4081(c) of the Internal Revenue Code of 1954 on the alcohol fuel industry.

(p) Deletes the requirement that the Secretary submit annual reports to the Congress on alcohol fuels and use of alcohol in fuel. For the most part this requirement duplicates information already provided to the Congress. To the extent that the information in this report is not duplicative, it will be included in the Department's Annual Report to the Congress.

(q) Deletes the requirement that the Secretary submit annually to Congress a detailed description of the comprehensive program management plan currently in effect.

(r) Deletes the requirement that the Secretary transmit annually to Congress a detailed description of the status of the Ocean Thermal Energy Conversion (OTEC) comprehensive program management plan.

(s) Deletes the requirement that the Secretary update annually the comprehensive technology application and market development plan.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Section 108. (a) Deletes the requirement that the Secretary annually reports to the Congress on the number, progress, and results of contracts and grants for developing and evaluating methods to measure the effects of toxic substances. This information will be supplied to the Congress upon request.

(b) Deletes the requirement that the Secretary report annually to the Congress on health services research, health statistics, health care technology, and international cooperation in these fields and in biomedical research. Much of this information duplicates information provided in the reports required by sections 306(k)(4)(6) and 308(a)(2) of the Public Health Service Act (42 U.S.C. 242(m)(a)).

(c) Deletes the requirement that the Secretary submit an annual report to the President for submission to the Congress on disease control activities.

(d) Amends the Public Health Service Act to eliminate the requirement that the Secretary annually submit to the Congress a report on the National Health Service Corps. For the most part, the information in this report is available in other reports, and additional information will be supplied to the Congress upon request.

(e) Deletes the requirement that the Secretary submit an annual report on the National Health Service Corps Scholarship Program. Although this report may have been useful when the program was new, the need no longer exists. Any information desired by the Congress will be submitted upon request.

(f) Deletes the requirement that the Secretary periodically study and report to the Congress on State and Federal control of health hazards from electronic product radiation, standards for the use of nonmedical electronic products, and procedures for the detection and measurement of electronic product radiation. This information would continue to be supplied to the Congress upon request and, as appropriate, in the FDA annual report.

(g) Deletes the requirement that the Secretary annually submit to the President for submission to the Congress a report on the administration of the electronic product radiation control program. This information would continue to be supplied to the Congress upon request and, as appropriate, in the FDA annual report.

(h) Deletes the requirement that the Secretary report annually on the administration of the functions of the Public Health Service. The information provided in this report is duplicative of information routinely furnished in the course of congressional budgetary hearings and legislative oversight hearings. In addition, many of the agencies' offices also submit individual comprehensive reports to Congress, duplicating information in this report.

(i) Deletes the requirement that the Secretary report to the House Committee on Energy and Commerce and the Senate Committee on Labor and Human Resources (formerly the Committee on Labor and Public Welfare) on the number of filled first year positions in direct or affiliated medical residency programs at medical schools eligible to receive capitation grants. This information will be provided to the committees upon request.

(j) Deletes the requirement that the Secretary annually furnish the Congress with a five-year plan for population research and family planning. The annual five-year plan may have been a desirable planning device when the program was new, to insure momentum and thoughtful choices. At this time, however, the need no longer exists.

(k) Deletes the requirement that the Secretary transmit an annual report on sudden infant death syndrome research. Much of the information submitted in these reports is already submitted in other reports. Further, the Department will readily submit any other information that is requested.

(l) Deletes the requirement that the Secretary submit an annual report on health maintenance organizations. Although this report may have been useful when the HMO program was starting up, it is no longer useful. Further, any desired information will be submitted upon request.

(m) Deletes the requirement that the Secretary report annually on Health Maintenance Organization (HMO) financial information, including insider transactions. Since no adverse impact on the fiscal soundness of an HMO has been found in the reports prepared to date, the requirement to submit further reports is a burdensome and unnecessary expense.

(n) Deletes the requirement that the Secretary annually submit to the President for transmittal to the Congress a report on the status of health information and health promotion, preventive health services, and education in the appropriate use of health care. This recurring reporting requirement is repealed because the information it provides is furnished in at least three different reports to Congress. Also eliminated is the requirement that the Secretary study health education services and preventive health services to determine the coverage of such services under public and private health insurance programs. This study has already been conducted.

(o) Deletes the requirement that the Secretary compile data and periodically publish findings on reports received from States on family planning services which the States are required to provide to individuals receiving Aid to Families with Dependent Children (AFDC). This subsection would also eliminate the requirement for an annual report to the Congress on these State programs. The Omnibus Budget Reconciliation Act of 1981, in converting the social services program, repealed the requirement that the States submit to the Secretary the reports on their family planning services programs upon which the Secretary's reports were formerly based.

(p) Deletes the requirement that the Secretary report annually on the numbers and activities of advisory committees appointed to carry out Social Security Act functions. This reporting requirement is duplicative of the requirement at section 6(c) of the Federal Advisory Committee Act (5 U.S.C. App. 2) which requires the President to report to the Congress on the activities of all advisory committees.

(q) Deletes the requirement that the Secretary report annually to the Congress on the program for peer review of the utilization and quality of health care services. This requirement duplicates information provided to the Congress in hearings and in the President's Budget. Additional information will be provided upon request.

(r) Deletes the requirement that the Secretary periodically submit legislative recommendations to further the use of home dialysis and transplantation by individuals suffering from end stage renal disease. This requirement is unnecessary; any recommendations will be submitted to the Congress upon request.

(s) Deletes the report on the End Stage Renal Disease Program (ESRD) that the Secretary is required to submit annually to the Congress. Although this report may have been a useful planning device early in the ESRD Program, it is no longer necessary. Further, any information that is requested will be readily supplied.

(t) Deletes to report on the effectiveness of State Medicaid utilization control programs that the Secretary is required to submit quarterly to the Congress. A requirement for an annual report is not necessary. The information can easily be provided upon request.

(u) Deletes the requirement that the Secretary report annually to the Senate Committee on Labor and Human Resources and the House Committee on Energy and Commerce on the activities of advisory councils established pursuant to the Public Health Service Act or the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963. This reporting requirement is duplicative of the requirement of section 6(c) of the Federal Advisory Committee Act (5 U.S.C. App. 2) which require the President to report to Congress on the activities of all advisory committees.

(v) Deletes the requirement that the Secretary report annually to the Congress on the status and accomplishments of centers funded under the Runaway and Homeless Youth Act. This annual report was useful the first few years after the centers were established. However, now that they are well established, routine reporting is no longer essential. Information on the status and accomplishments of centers will be supplied upon request.

(w) Deletes the requirement that the Secretary transmit biennially a report on research into the effects of changes in atmospheric ozone on human health. There is no need for this reporting requirement as the Department will report to the Congress on recent research as requested.

(x) Deletes the requirement that the Secretary report annually to the Congress on the status of handicapped children in Head Start programs. Since no problem in meeting the statutory goal has been identified, and handicapped enrollment is stable, routine report submissions are unnecessary. Information will of course be submitted to Congress upon request.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Section 109. (a) Repeals Section 904 of the Housing and Community Development Act of 1977, which requires HUD to report annually on prototype housing costs for one-to-four family dwelling units for each housing market area of the United States. The provision was originally enacted because of Congressional concern that nationally uniform maximum mortgage amounts did not reflect market area price differences. The information was to be used as the basis for legislation to make mortgage limits more reflective of area-by-area housing costs. However, the information is no longer necessary. Section 336 of the Housing and Community Development Act of 1980 authorized the Secretary to increase maximum mortgage amounts on an area-by-area basis, based upon median housing prices in a given area. The Department, to implement Section 336, has developed areawide housing prices for the entire country. Therefore, there is no further need for the prototype report.

(b) Deletes Section 311 of the Energy Conservation Standards for New Buildings Act of 1976 which requires the Secretary to monitor the progress made by States and localities in adopting and enforcing Building Energy Performance Standards (BEPS), to identify procedural obstacles or technical constraints inhibiting implementation of these standards, to evaluate the effectiveness of the standards, and to report to Congress semiannually on these issues. When this provision was enacted, BEPS were mandatory requirements, and the report was intended to provide information for Congress to monitor BEPS' implementation and to make a final decision on the appropriate sanctions to force States and localities to adopt energy conservation codes which met or exceeded the BEPS requirements. However, the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35) has made BEPS voluntary rather than mandatory. Therefore, the information contained in the report on implementation of mandatory requirements is no longer needed, and the question of sanctions is moot.

(c) Deletes the requirement to submit upon the request of the Congress evaluation reports on the application of solar energy to residential housing demonstration projects. Congress never requested such report and the demonstration program expired in FY 1979.

(d) Deletes the requirement that the Secretary report annually to Congress with respect to the status of HUD-assisted housing abandonment demonstration projects. The Department has not sponsored any demonstrations on housing abandonment under this authority and has no plans to do so in the future. Thus, the reporting requirement is unnecessary.

DEPARTMENT OF THE INTERIOR

Section 110. (a) Deletes the requirement that the Secretary report to the President and Congress, from time to time, on investigations of projects for the conservation, development and utilization of the water resources in Alaska. This requirement is obsolete, having been effectively superseded by the Alaska Statehood Law. P.L. 85-508.

(b) Deletes the Congressional reporting requirement mandating that the Secretary (1) conduct an ongoing investigation of areas nationwide having the potential for inclusion in the National Park System, (2) prepare a comprehensive report outlining such areas' potential for inclusion in the National Park System, and (3) compile a list of at least twelve of these areas annually.

(c) Deletes the requirement that the Secretary of the Interior shall report to the Congress on June 1 of each calendar year the status of the financial disclosure statements filed by Interior employees who performed duties or functions under the National Park System—Mining Activity Act during the preceding calendar year. This report contains a summary of general findings, problems encountered, and any actions taken on employees required to file financial disclosure statements under the Mining in the Parks Act.

(d) Deletes the public disclosure requirement of financial statements by officers and employees of the Department of the Interior and the resulting report to Congress. Section 207(c) of the Ethics Act (P.L. 95-521) supersedes any general requirement under any other provision of law and regulation with respect to the reporting of information required for purposes of preventing conflict of interest or apparent conflicts of interest. A Department of Justice opinion has interpreted this section to in effect eliminate the filing requirement established by the "Sunshine in Government" clause of P.L. 94-579.

(e) Deletes the public disclosure requirement of financial statements by officers and employees of the Department of the Interior and the resulting report to the Congress. Section 207(c) of the Ethics Act (P.L. 95-521) supersedes any general requirement under any other provision of law and regulation with respect to the reporting of information required for purposes of preventing conflicts of interest or apparent conflicts of interest. A Department of Justice opinion has interpreted this section to in effect eliminate the filing requirement established by the "Sunshine in Government" clause of P.L. 95-372.

(f) Deletes the requirements that the Secretary of Energy submit annually a report on research studies, surveys, experiments or demonstrations of alternate coal mining technologies. This program was transferred to the Department of the Interior in September 1982.

(g) Deletes the public disclosure requirement of financial statements by officers and employees of the Department of the Interior and the resulting report to Congress. Section 207(c) of the Ethics Act (P.L. 95-521) supersedes any general requirement under any other provision of law and regulation with respect to the reporting of information required for purposes of preventing conflict of interest or apparent conflicts of interest. A Department of Justice opinion has interpreted this section to in effect eliminate the filing requirements established by the "Sunshine in Government" clause of P.L. 95-619.

(h) Eliminates the biennial report on the administration of the Wild Horses and Burros Act of 1971, that the Departments of the Interior and Agriculture are required to submit to the Congress. This information could more appropriately be included in these agencies' annual reports.

(i) Deletes the requirement to submit an annual report on all negotiated agreements to compensate the United States, or the United States and its lessees, for drainage of oil or gas from United States deemed lands, by wells drilled on adjacent lands.

(j)(1) Deletes the requirement for a report to be submitted to Congress 30 days before any lease sale. The information in this report duplicates the information already included in the Final Notice of Lease Sale which is transmitted to Congress before each sale.

(2) Deletes the requirements contained in Section 205 of the Outer Continental Shelf Lands Act Amendments for an annual report to Congress on the use of various bidding options. This requirement was promulgated in conjunction with a five-year experimental period to test alternative bidding systems. The experimental period has expired.

(k) Deletes the requirement for an annual report to Congress prepared after consultation with the Attorney General, and which discusses recommendations for promoting competition in the leasing of Outer Continental Shelf Lands. This report requirement was promulgated in conjunction with a five year experimental period to test alternative bidding systems. The five year period has since expired.

(l) Deletes the requirement for an annual report on the implementation of the Federal Oil and Gas Royalty Management Act and progress on reconciling account balances. The information contained in this report is duplicative of the information reported to Congress in other documents, in particular the annual budget submissions.

(m) Deletes the requirement of the biennial report to Congress on the investigation and determination of the Maximum Attainable Rate (MAR) of production of crude oil and natural gas from significant outer continental shelf fields. This information is no longer a valid basis for the Congress to use in order to determine whether the Outer Continental Shelf production is sufficient to meet supply emergencies.

(n) Deletes the requirement for reports to Congress on proposed disposition of a per capita share of any fund which has remained unpaid and unclaimed for more than six years.

(o) Deletes the requirement of reporting to Congress any proposed contract for the sale, operation, maintenance, repair or relocation of facilities administered by the Bureau of Indian Affairs.

(p) Deletes the requirement for a separate report to be submitted to the Comptroller General of the General Accounting Office and the Congress concerning all shut-in oil and flaring wells. A provision requiring that a list of these wells be included in the Secretary's annual report to Congress on the Outer Continental Shelf (OCS) leasing program is retained in section 207 of the Outer Continental Shelf Land Act as amended by P.L. 95-372 (43 U.S.C. 1343).

(q)(1) Deletes the requirement for the annual report on the administration of right-of-way activities. This requirement duplicates information contained in the Bureau of Land Mangement's annual publication Public Land Statistics.

(2) Deletes the requirement for the Secretary or agency head to notify the House and Senate Committee on Interior and Insular Affairs (1) when applications are received for a right-of-way for pipelines 24 inches or more in diameter, and (2) when the agency intends to grant the right-of-way together with detailed findings as to terms and conditions to be imposed. Unless waived by the committees, the latter notice must be submitted sixty days prior to the right-of-way being granted. Both reports are quite voluminous, and the second one can cause project delays.

DEPARTMENT OF JUSTICE

Section 111. (a) Eliminates the requirement that an annual report to the Congress by the Secretary of the Interior on the leasing and production of coal lands contain a

report by the Attorney General on competition in the coal and energy industries, including an analysis of whether the antitrust provisions of the Federal Coal Leasing Act and the antitrust laws are effective in preserving or promoting competition in the coal or energy industry.

(b) Deletes the requirement that a report be submitted when a prosecution is not pursued for an alleged violation of 18 U.S.C. 2101(a). 18 U.S.C. 2101(a) provides that a Federal crime is committed by anyone engaging in interstate or foreign commerce with the intent to incite a riot, to organize or promote a riot, to commit any act in furtherance of a riot or to aid or abet any person in inciting a riot. 18 U.S.C. 2101(d) provides in part that the Department of Justice shall report to the Congress when a determination is made not to seek prosecution of an individual under 18 U.S.C. 2101(a). The determination to prosecute a particular Federal crime is one of the major responsibilities of the Department of Justice. The purpose or need to report declinations of prosecutions in this area versus the numerous other areas is questionable. In fact, the public disclosure of a determination not to seek prosecution in any area may be unfair to the individual subject to an investigation. It would be more appropriate to treat offenses under 18 U.S.C. 2101 in a manner similar to other offenses.

(c) Deletes (1) the requirement that the Attorney General make or direct the Federal Trade Commission to make surveys of activity of the government which may affect small business, for the purpose of determining factors which may tend to eliminate competition, create or strengthen monopolies, promote undue concentration or economic power, or otherwise injure small business, and (2) the requirement that the Attorney General submit to Congress and the President, at least once a year, reports and recommendations on the results of the required surveys.

DEPARTMENT OF LABOR

Section 112. (a) Deletes the requirement that whenever the Secretary has reason to believe that any industry covered by the Fair Labor Standards Act is adversely affected by foreign competition, a study of the matter with a report to the Congress should be undertaken. This requirement duplicates the provision under Section 163 of the Trade Act of 1974.

(b) Deletes an annual joint report to the Congress from the Secretaries of Labor and Education on the status of bilingual vocational training which describes efforts by both departments to support bilingual vocational training and other programs for persons whose English-speaking ability is limited. This report is to be submitted annually although no submission date is specified. This report duplicates the Department of Education's annual evaluation report which includes information on bilingual vocational training.

(c) Deletes the requirements that the Secretary report annually to the Department of Energy, the Department of Housing and Urban Development, the Office of Management and Budget, and the Congress, on the impact of energy technology on energy development and conservation employment.

(d) Deletes the requirements for an annual report by the Secretary of Labor on the Work Incentive Program under Part C of Title IV of the Social Security Act. Any needed information on activities under this program can be included in the annual report of the Secretary.

DEPARTMENT OF STATE

Section 113. (a) Repeals section 306(b) of the Foreign Assistance Act of 1961, requiring semi-annual reports to the Congress on United States Government contributions to international organizations. The reporting of voluntary contributions is also required by section 2 of P.L. 81-806 which mandates annual reporting of all financial contributions by the United States to international organizations in which the United States participates as a member. That annual report by the Secretary of State, includes much of the information required by section 306(b), making the semi-annual report redundant and unnecessary.

(b) Amends the Foreign Service Act of 1980 to delete the requirement in section 703(f) for an annual report to the Congress on the status of the professional development program. The report was originally mandated to encourage interagency coordination and attention to career development matters. Better means have been developed to accomplish these ends.

DEPARTMENT OF TRANSPORTATION

Section 114. (a) Deletes the requirement that reports be submitted to Congress each year on all sales and chartering activities under the Merchant Ships Sales Act of 1946.

(b) Deletes the requirements that the Secretary each year report to appropriate committees of the Congress on agreements to provide for participation of military personnel in carrying out the functions of the Department, and on the number, rank, and position of members of the armed services detailed pursuant to these agreements.

(c) Deletes the requirement for a biennial report to Congress by the Secretary on railroad-highway crossings demonstration projects.

(d) Deletes the requirements for annual reports by the Secretary to Congress on the hazard elimination program and the rail crossings program. (These two reports have been consolidated into a single Annual Report on the Stewardship of the Highway Safety Program.)

(e) Deletes the requirement for the Secretary to report annually to Congress on: (1) the latest annual inventory of state penalties for violation of vehicle weight laws, rules, and regulations; (2) the latest annual inventory of State systems for issuance of special permits authorizing vehicles to exceed the weight limitations for such vehicle under State law, rule or regulation; and (3) the annual certification by each State which indicates that it is enforcing all State laws governing maximum vehicle size and weights permitted on the Interstate, primary, urban and secondary systems.

(f) Deletes the requirements for annual reports by the Secretary to Congress on the hazard elimination program and the rail crossings program. (These two reports have been consolidated into a single Annual Report on the Stewardship of the Highway Safety Program.)

(g) Deletes the requirement for the Secretary to report to Congress monthly on the amount of obligation, by State, for Federal-aid Highway and the Highway Safety Construction programs.

(h) Deletes the requirement for the Secretary to annually report to the Congress on each State's highway safety performance.

(i) Deletes the requirement that the Secretary examine pipelines and associated facilities on Federal lands annually and report safety problems and corrective actions to the President, the Congress, the Secretary of the Interior, and the Interstate Commerce Commission.

DEPARTMENT OF THE TREASURY

Section 115. (a) Deletes the requirement that the Secretary report to Congress each year on the financial condition and the results of the operations of the Reforesting Trust Fund during the preceding fiscal year, and on the expected condition and operations during the next fiscal year.

(b) Repeals the requirement that the National Advisory Council on International Monetary and Finance Policies include in its annual report: (1) certain data on loans approved by the multilateral development banks; and (2) information on steps taken by member countries of the Inter-American Development Bank to restrain their military expenditures, and to preserve and strengthen free and democratic institutions.

(c) Repeals the requirement that the Secretary submit an annual report to Congress evaluating the effects of policies adopted by certain countries, resulting from standby agreements with the International Monetary Fund, on the basic human needs in such countries. The report has proven to be of limited usefulness because of unsurmountable problems in obtaining complete and current data, and in identifying linkages between macroeconomic policies adopted under IMF programs and their microeconomic effects on basic human needs. Relevant data on loans approved by the multilateral development banks are generally available to the public through the annual reports of the respective institutions, and are provided quarterly to the Congress under the International Financial Institutions Act (P.L. 95-118; 91 Stat. 1067), as amended by Sec. 501(a) of P.L. 96-259 (94 Stat. 431). Information on the military expenditures of countries, which receive assistance under the Foreign Assistance Act of 1961, as amended (P.L. 87-195; 75 Stat. 424), or to which sales are made under the Agricultural Trade Development and Assistance Act of 1954, as amended (P.L. 83-480; 68 Stat. 454), is provided to the Congress in annual reports (Foreign Assistance Act, Sec. 620 (s)(2)).

(d) Amends the Tax Reform Act of 1976 to eliminate the annual report on disclosures of tax returns and return information and the public report of requests for inspection and disclosure of tax returns information.

(e) Deletes the requirement that the Secretary report to Congress each year on the financial condition and results of operations of the Black Lung Disability, Airport and Airway, and Highway Trust Funds during the preceding fiscal year and on the projected condition and operations of the Funds during the next five fiscal years.

(f) Deletes the requirement that the Secretary shall on the first day of each regular session of Congress, submit to the Senate and House of Representatives a report setting forth as of the close of the preceding September 30, the aggregate and individual amounts of the contingent liabilities and the unfunded liabilities of the Government, and of each department, agency, and instrumentality thereof.

(g) Deletes the requirement that the Secretary submit an annual report on the financial condition and results of the operations of the Nuclear Waste Fund during the preceding fiscal year.

(h) Deletes the requirement that the Secretary report to the Congress each year on the financial condition and the results of

the operations of the Inland Waterways Trust Fund during the preceding fiscal year and on its expected conditions and operations during the next five fiscal years.

(i) Deletes the requirement that the Secretary shall report to the Congress each fiscal year on the financial condition and results of the operations of the Hazardous Substance Response Trust Fund for the past fiscal year and its expected condition and operations during the next five years.

(j) Deletes the requirement that the Secretary make an annual report on the statement of liabilities and other financial commitments of the United States.

(k) Deletes the requirement that the Secretary make an annual report on the financial condition of the Highway Trust Fund.

(l) Deletes the requirement that the Secretary make an annual report on the financial condition of the Panama Canal Commission Fund.

(m) Deletes the requirement that the Secretary make an annual report on the financial condition of the Interim Storage Fund.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Section 116. (a) Deletes the requirement that the President submit annual reports on the amount of foreign exchange resources and other funds that aid recipients spend to acquire weapons. This requirement is particularly onerous due to the specificity of its terms.

(b) Deletes the requirement that the Chairman of the Development Coordination Committee submit a report on the dollar value of all U.S. foreign assistance and guarantees by category and by country as presented to Congress for the immediately preceding fiscal year. This data is already available to Congress in the congressional presentation for the preceding year, making the requirement in this section of the Foreign Assistance Act (FAA) repetitive. Repealing this requirement would eliminate the need to laboriously enter the requested data by hand, since it is not maintained in the computer data base once the operating year budget is established.

(c) Deletes the requirement that the Chairman of the Development Coordination Committee (DCC) submit a report on the dollar value of all official development assistance and all other types of assistance provided by the Organization for Economic Cooperation and Development (OECD) countries and Organization of Petroleum Exporting Countries (OPEC), and that such data also be shown as a percentage breakdown. These data are almost impossible to derive, since other donors do not disaggregate and report official development assistance into categories comparable to those used in categorizing United States assistance. In addition, data on assistance by OPEC countries are particularly sparse and available, if at all, only in gross aggregated terms. Finally, such data as are available for both categories of donors are already contained in the annual report by the DCC Chairman, as well as in other OECD and World Bank publications.

CONSUMER PRODUCT SAFETY COMMISSION

Section 117. Amends the Consumer Product Safety Act by deleting the requirement for a report to Congress describing the enforcement of the Interim Safety Standards for cellulose insulation during the most recent 6-month period.

ENVIRONMENTAL PROTECTION AGENCY

Section 118. (a) Deletes the requirement in Section 33(a)(7) of the Solid Waste Disposal Act Amendments of 1980 that the National Advisory Commission on Resource Conservation and Recovery, established in the executive branch and appointed by the President, submit an interim report on February 15, 1982. This report was to focus on the Commission's initial review of the following: existing budgetary priorities and program goals of the Federal resource conservation and recovery program; the status of existing technology; the economic development or savings potential, including markets, for recovered energy materials; and the institutional obstacles impeding the development of resource conservation programs. The membership of the Commission was appointed by the President on January 19, 1981. To date, the Commission has not met and no funds have been appropriated to support its activities.

(b) Deletes the requirement in the 1980 amendments to the Resource Conservation and Recovery Act that an Interagency Coordinating Committee, chaired by EPA and include representatives from the Departments of Energy, Commerce, the Treasury, and others, prepare and submit to the Congress an annual five-year action plan. The plan, on Federal resource conservation or recovery activities, is to propose among other things, programs to encourage resource conservation or material and energy recovery as well as to describe a coordinated and non-duplicatory Federal program to achieve this purpose. The Inter-agency Committee has never been activated, and there is no expectation that it will be in the near future.

(c) Deletes the requirement for an annual report on hazardous waste activities. Since 1978 this information has been included in the Agency's budget request and has been provided during annual oversight hearings. It need not be submitted to the Congress as a separate annual report.

(d) Deletes the requirement for a one-time report on State and local needs for trained personnel to implement the resource conservation program.

(e)(1) Deletes the requirement that the Administrator report to the Congress on the consequences of major emitting facilities, (i.e., those facilities having the potential to emit 250 tons or more per year of a particular pollutant), and on the prevention of significant deterioration (PSD) in air quality. The issue of the effect of source coverage under PSD has been addressed and analyzed by EPA, the National Commission on Air Quality, the Business Roundtable, and other major industrial and environmental groups. In light of the extensive analysis already undertaken by EPA and other governmental and private groups, further work on this subject would be duplicative.

(2) Deletes the requirement that the Administrator complete a study and report to the Congress on the progress made on the prevention of significant deterioration of air quality and the problems associated with doing so. This information duplicates the discussion of the PSD program included in the agency's annual report to the Congress on measures taken in the implementation of the Clean Air Act under Section 313.

(f) Deletes the requirement in the Clean Air Act Amendments of 1977 that EPA report to the Congress on the public health implications of attaining a nitrogen oxides (NO_x) emissions standard of 0.4 gram per mile (gpm) for light-duty motor vehicles. Also to be included in the report are an assessment of the costs and technological requirements of attaining such a standard as well as the need for such a standard to protect public health and welfare. The report is also to include recommendations and was to be submitted to the Congress no later than July 1, 1980. EPA has submitted extensive information to the Congress indicating that, outside of California, there is no current foreseeable air quality or health need for a standard more stringent than 1.0 gpm. With regard to the requirement for an assessment of the technological requirements of attaining such a standard, the State of California already has a standard of 0.4 gpm, so, the technological feasibility has already been demonstrated, at least for gasoline-powered vehicles.

(g) Deletes the requirement for an annual report on motor vehicle fuel consumption. Staff engineers with the Agency's Office of Mobile Sources have been preparing annually since 1975 a technical paper on this subject for the Society of Automotive Engineers. This data is generated on a regular basis within the Agency and will continue to be made available each year.

(h) Deletes the requirement that the Administrator report to the Congress by August 1979 the findings and results of the study of the effects on health and welfare of particulate emissions from motor vehicles or motor vehicle engines, authorized under Section 214(a). This report would duplicate information already provided in other reports already available to Congress.

(i) Deletes the requirement that the EPA Administrator report to the Congress within six months of the date of enactment of this section (August 7, 1977), and each year thereafter regarding the status of the contractual arrangements and conditions necessary to enter into appropriate arrangements with the National Academy of Sciences (NAS) to conduct continuing comprehensive studies and investigations of the public health and welfare effects of mobile source emissions, including sulfur compounds, and the technological feasibility of meeting standards on mobile source emissions. A requirement to report yearly on the "contractual arrangements and conditions" for the purpose of carrying out the work called for in this section of the statute appearing unnecessary. In the past, informal liaison with appropriate Congressional staff has been sufficient to keep Members of Congress apprised of the contractual arrangements involved and to address any concerns which may arise in this connection.

(j) Deletes the requirement that the Administrator submit a report to Congress, after consultation with the States and river basin commissions established under the Water Resources Planning Act, analyzing the relationship between programs under that statute and other programs by which States and Federal agencies allocate quantities of water. The river basin commissions were abolished in 1981.

(k) Deletes the requirement that the Administrator submit to the Congress at least once every six years a report on studies of the effects of pollution in the estuaries and estuarine zones of the U.S., on fish and wildlife, on commercial fishing, on recreation, on water supply and water power, and on other beneficial purposes. This report duplicates information already available through other reporting mechanisms, specifically the water quality inventory that is required under section 305(b) of the Clean Water Act as well as other specific estuary studies.

(l) Deletes the requirement that the Administrator submit an annual report on measures taken toward the objectives of the Clean Water Act. This report largely dupli-

cates information collected for the Congress and the public in connection with several other statutorily mandated reports.

(m) Deletes the requirement that the Administrator, in cooperation with the Secretary of Energy, the Secretary of Commerce, and the Federal Trade Commission conduct a study of environmental problems associated with used oil recycling. On January 1, 1981, EPA transmitted to the Congress a report, "Listing of Waste Oil as a Hazardous Waste", under Section 8 of the Used Oil Recycling Act. This report presented the Agency's basis for determining that certain waste oils are hazardous wastes, according to criteria promulgated under the Solid Waste Disposal Act, as amended in 1976. The Agency is currently studying the appropriate regulatory requirements for these oils, pursuant to the Used Oil Recycling Act. Since the required components of this study and report to the Congress have been completed or are in the process of being satisfied, it is no longer necessary to retain this requirement.

(n)(1) Deletes the regulation that the Administration conduct studies and make periodic reports to Congress on costs of carrying out the National Interim Primary Drinking Water Regulations pursuant to Section 1412(a) of the Safe Drinking Water Act. This requirement duplicates information already provided to Congress during yearly oversight investigations on EPA drinking water activities under the Safe Drinking Water Act.

(2) Deletes the requirement that the Administrator, not later than May 1979, submit a report to the Congress identifying the anticipated costs of compliance with interim and revised national primary drinking water regulations. The basic information outlined by this requirement has been provided to the Congress in discussions of alternate financing and related issues, particularly during oversight hearings.

(3) Deletes the requirement that the Administrator submit a report to the Congress on the present and projected future availability of an adequate and dependable supply of safe drinking water to meet present and projected future needs. Information similar to that covered in this report is routinely provided to members of Congress and their staffs, during oversight hearings and upon request. This paragraph also redesignates the remaining paragraphs in this subsection.

(o) Deletes the requirement that the Administrator report to the Congress on the results of a study with the National Academy of Sciences to determine maximum safe contaminant levels in the drinking water. The subject matter has been addressed extensively in reports prepared by the National Academy of Sciences and submitted in May 1977 pursuant to Section 1412(e)(1) of the Safe Drinking Water Act. The information required by this reporting requirement has been satisfied through existing reporting mechanisms.

(p) Deletes the requirement that the Administrator, not later than April 1 of each year, submit a report on the activities under the Safety Drinking Water Act together with a recommendation for necessary legislation and a statement on the actual and anticipated cost to public water systems in each State for compliance with the requirements of the subchapter. Much of the required information duplicates data already being provided to the Congress by existing reporting mechanisms.

(q) Deletes the requirement that the Administrator annually submit a comprehensive five-year plan for environmental research, development, and demonstration including extensive budget projections and Environmental Protection Agency Science Advisory Board comments.

(r) Deletes the requirement that the Administrator carry out a continuing analysis of the effect of applying non-nuclear energy technologies to evaluate the adequacy of non-nuclear conservation programs and environmental protection. Since 1981, the scope of the non-nuclear energy research and development program has been reduced.

(s) Deletes the requirement for an annual report containing (1) information on a program which continually monitors emissions from new coal-burning electric power plants, and (2) an assessment of the public health and welfare implications of such emissions in the atmosphere. This requirement duplicates information already provided to Congress by the Environmental Protection Agency and other Federal agencies under other statutory authorities.

FEDERAL COMMUNICATIONS COMMISSION

Section 119. The report deleted in this section describes Commission proceedings involving Comsat's organization and activities and it summarizes international and domestic satellite activities. This information is already included in the Commission's annual report.

FEDERAL ENERGY REGULATORY COMMISSION

Section 120. (a) Deletes the requirement that the Commission automatically be required to assemble, distribute, and report to the Congress information concerning compacts dealing with the conservation, production, transportation, or distribution of natural gas. Since the States involved would have to propose the compact to Congress, thus providing information directly to Congress, the Commission could become involved as a third party unnecessarily.

(b) Deletes the requirement that the Federal Energy Regulatory Commission submit a classified annual report to Congress showing permits and licenses issued under the Federal Power Act, the parties thereto, the terms prescribed, and the moneys received. This report is redundant because Congress is advised directly by copies of licenses and preliminary permits or other orders that are mailed to Congressmen and Senators within whose districts the projects are located.

FEDERAL LABOR RELATIONS AUTHORITY

Section 121. Repeals the requirement that the Authority make an annual report to Congress containing information as to the cases it has heard and the decisions it has rendered.

GENERAL ACCOUNTING OFFICE

Section 122. (a) Amends the Outer Continental Shelf Lands Act to eliminate the requirement that the Comptroller General submit to the Congress annual reports on offshore oil and gas wells suspended from production (shut-in) or wells with natural gas burned off (flared).

(b) Amends the Civil Service Reform Act of 1978 to eliminate the requirement that the Comptroller General submit to the Congress an annual report on the significant actions of the Merit Systems Protection Board under Title I of the Act and of the Office of Personnel Management, including an analysis of whether or not the actions of the Office are in accord with merit system principles and free from prohibitive personnel practices.

(c) Amends Title 31 to eliminate the requirement that the Comptroller General submit an annual report on progress in improving program and budget information for Congress.

GENERAL SERVICES ADMINISTRATION

Section 123. (a) Deletes the requirement for the Administrator to make a biennial report to Congress on the progress made in meeting the objectives of the Federal Property and Administrative Services Act. This report duplicates information provided to the Congress in the Administration's annual reports to Congress required under Section 203(o), 202(e), and 212 of the Federal Property and Administrative Services Act of 1949, as amended.

(b) Deletes the requirement for the Administrator to submit an annual report to the Congress on the status of each public building under construction, alteration, or acquisition. This report duplicates information already reported to the Congress.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Section 124. Deletes the requirement in 5 U.S.C. 648(f) that the National Aeronautics and Space Administration submit an annual report on cooperative efforts between NASA's Industrial Application Centers (IACs) and Small Business Development Centers and on ways to strengthen the IAC network.

NATIONAL SCIENCE FOUNDATION

Section 125. Deletes a requirement that the National Science Foundation make quarterly reports to Congress on the activities of its Office of Small Business Research and Development.

NUCLEAR REGULATORY COMMISSION

Section 126. Deletes the requirement that the Nuclear Regulatory Commission prepare and submit to the Congress a quarterly report which documents, for grades GS-11 or above: (1) the number of minority and women candidates hired by grade level; (2) the number of minority and women employees promoted, by grade level; (3) the procedures followed by the Commission in preparing job descriptions, informing potential applicants of decisions, and selecting from candidates the persons to be employed in positions at grade GS-11 or above; and (4) the other steps taken to meet the provisions of the Equal Employment Act. The information in this report duplicates information annually submitted to the EEOC and subsequently reported to Congress by that Agency.

OFFICE OF PERSONNEL MANAGEMENT

Section 127. Deletes the requirement that the Office of Personnel Management submit a report by February 1 of each year to the House Committee on Post Office and Civil Service and the Senate Committee on Governmental Affairs. This report lists the positions in GS-16, GS-17, and GS-18 for the preceding calendar year including the total number of positions placed or allocated to all these grades, in each grade, and the total number of such positions in existence. The name, rate of pay, and description of the qualifications of the incumbent in each of these positions is provided, together with the position title and a statement of duties and responsibilities. Also included are the position or positions in or outside the Government held by each incumbent and the rates of pay for the 5 year period preceding the appointment to the present position. Only approximately 700 positions remain at the GS-16, GS-17, and GS-18 levels. The majority of these are Administrative Law

Judges and those in agencies excluded from the Senior Executive Service—e.g., Government corporations and intelligence agencies. This report is largely outmoded by the Civil Service Reform Act of 1978 (CSRA), P.L. 95-454 and the requirement to publish Senior Executive Service Information in the Federal Register.

SMALL BUSINESS ADMINISTRATION

Section 128. Deletes the requirement in Section 10 of the Small Business Act, as amended, that the Small Business Administration transmit, no later than December 31 of each year, to the Senate Select Committee on Small business and the Committee on Small Business of the House of Representatives a sealed report of complaints alleging illegal conduct by employees of the Administration which were received or acted upon by the Administration during the preceeding fiscal year. This requirement is duplicative of a requirement in the 1978 Office of the Inspector General Act, (5 U.S.C. (5)(a) Appendix 1), that the Office of the Inspector General provide biennial reports to Congress on all investigations.

VETERANS ADMINISTRATION

Section 129. (a) Deletes the requirement that the Chief Medical Director report through the Administrator to the appropriate committees of the Congress justifying the need to exceed the cap of 45.1 million dollars for patient care and an explanation as to the need to exceed the cap. The report requires periodic review of the Veterans Administration (VA) reporting system to determine when the cap will be reached since the information required is not routinely reported. Cost and statistical data are available through automated reporting systems at the end of each quarter and for the fiscal year. The report does not appear to serve a useful purpose since it does not prevent the VA from exceeding the cap and does not result in any constructive or remedial action after the fact.

(b) Deletes the requirement that the Chief Medical Director submit to Congress through the Administrator of Veterans Affairs a full report on the implementation of section 601(4)(C)(v) of Title 38, United States Code. The report must also include information on the number of veterans receiving contract and fee basis care, the average cost per visit or day, the duration of care, and summaries of each of fifteen separate categories of entitlement by State, including the possessions and territories, the District of Columbia, and the Commonwealth of Puerto Rico. This detailed information is not available in current VA computer-assisted statistical systems. It must be collected manually at each VA medical facility. Using this manual collection method with computer tabulation support, the cost of complying with the reporting requirement is conservatively estimated at $1,104,000 per year. Resources allocated to this data collection effort can be directed more appropriately toward direct support of the VA health care delivery system.

(c) Deletes the requirement that the Administrator report to the Congress on the number of cases granted equitable relief for administrative error. The last report summarized 25 cases in which a total of $37,808 was granted in equitable relief by the Administrator. This report appears to have minimal utility to the agency and to the Congress.

(d) Deletes the requirement that the Administrator report annually to the Congress on the nature and disposition of all cases involving deceptive advertising, sales, or enrollment practices by educational institutions. The most recent report included only 35 cases nationwide. Many of these involved only minor infractions and all were promptly collected.

TITLE II

MULTI-AGENCY

Section 201. (a) Amends the requirement that the Secretary of the Interior and the Secretary of Health and Human Services each submit an annual report on actions taken to recruit and train Indians for Indian preference positions. The report will now be submitted bienially, and additional information will be provided between reporting periods as necessary.

(b) Amends the annual requirement of the Secretary of the Interior and the Secretary of Health and Human Services to submit a report on actions taken to transfer non-Indian employees in the Bureau of Indian Affairs and the Indian Health Service to other positions. The report will be submitted biennially. Information will be readily provided between reporting periods if requested.

(c) Amends the requirement that the Secretary of Labor and the Secretary of Health and Human Services each submit an annual report on occupational safety and health. The amendment would make the report biennial and would also eliminate the specific date by which the reports are due, thereby allowing consolidation of this report with other related reports.

EXECUTIVE OFFICE OF THE PRESIDENT

Section 202. (a) Amends Section 1515(b)(2) of Title 31 U.S.C., P.L. 97-258, to remove the requirement that detailed reports must be made to the Congress when appropriations are apportioned on a deficiency basis to permit payment of Federal pay raises.

(b) Deletes the requirement that the supplementary summary of the budget which the President transmits to the Congress before July 16 of each year include: (1) for the four fiscal years following the fiscal year for which the budget is submitted, information on estimated expenditures for programs authorized to continue in future years, or that are considered mandatory under law, and (2) for future fiscal years information on estimated expenditures of balances carried over from the fiscal year for which the budget is submitted.

(c) Amends the annual reporting requirement contained in Section 9503 of Title 31 of the United States Code to require that Federal pension plans be submitted every five years.

(d) Amends the Impoundment Control Act to require that only those deferrals which are not temporary, financial management actions need to be reported to Congress in a special message.

(e) Amends the Impoundment Control Act to require that the Cumulative Report be submitted on a quarterly instead of a monthly basis.

(f) Amends the requirement for the submission of current service estimates by the President to the Congress from on or before November 10 of each year to the submission of the estimates concurrent with the transmittal of the President's budget.

DEPARTMENT OF AGRICULTURE

Section 203. Amends the requirement that the General Sales Manager submit quarterly reports to the Chairman, House Committee on the Budget; Chairman, House Committee on Agriculture; Chairman, Senate Committee on Agriculture, Nutrition and Forestry; and Chairman, Senate Committee on the Budget. An annual report would be submitted in lieu of the quarterly report.

DEPARTMENT OF COMMERCE

Section 204. (a) Amends the requirement that the Secretary submit an annual report to the Congress on or before January 1 of each year on his actions under Section 7 of the Marine Resources and Engineering Development Act of 1966. A biennial report will be submitted in lieu of the annual report.

(b) Amends the Foreign Trade Zones (FTZ) Act to reduce the reporting requirements on zone grantees and/or on the Board by; (1) eliminating reports from zones and from the FTZ Board to the Congress on zone finances; and (2) eliminating the need for attaching zone reports to the Board's report to Congress. The number of zone projects has increased from 10 to 98 since 1970, significantly increasing the reporting burden of the FTZ Board.

(c) Modifies the requirement that the Secretary of Commerce revise the National Climate Plan every two years to enable the Secretary to prepare and submit revisions as appropriate. This modification will save the Secretary significant printing and publication costs each year that the Plan does not have to be revised, and enables the Department to allocate personnel resources more efficiently.

(d) Modifies the requirement that the Secretary submit to the Congess an annual report on research activities with respect to the possible long-range effects of pollution, over-fishing, and man-induced changes to ocean ecosystems. A biennial report will be sumitted in lieu of the annual report.

DEPARTMENT OF EDUCATION

Section 205. (a) Amends Public Laws 81-815 and 81-874 to provide for a report on actual payments for individual school districts every second year instead of every year. By changing the reporting frequency, it will be possible to show actual payments for individual school districts rather than estimated payments at half the cost of producing the annual repoort.

(b) Deletes the requirement that the Secretary evaluate the procedures of each State education agency, local education agency, and intermediate education unit, but retains the requirement for an aggregate evaluation of effectiveness.

(c) Amends Section 417 of the General Education Provisions Act to require the Secretary to transmit to the Congress biennially rather than annually an evaluation report which examines the effectiveness of the Department's programs in achieving their statutory purposes and make recommendations to improve the effectiveness of these programs.

(d) Amends Section 112(c) of the Vocational Education Act of 1963 to require the Secretary to submit to Congress biennially rather than annually a report on the status of vocational education.

DEPARTMENT OF ENERGY

Section 206. Amends the statutorily mandated deadline for submission of the first quarterly report required on activities under the Strategic Petroleum Reserve Amendments Act of 1981.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Section 207. (a) Amends the International Health Research Act of 1960 to require the President to report to the Congress on international health research activities biennially rather than annually. Updates will be

provided between reporting periods as requested.

(b) This subsection requires the Secretary to report on progress made in affecting the purposes of the Indian Health Care Improvement Act biennially rather than annually. The information in this report does not alter enough to justify an annual submission.

(c) This section requires the Director of the National Institute of Occupational Safety and Health to submit a report on the operations of that Institute biennially rather than annually. Information will be supplied between reporting periods as requested.

(d) This section requires the Secretary to publish a report on carcinogens biennially rather than annually. The information in these reports does not change enough to justify the expense involved in annual submissions.

(e) Amend the Public Health Service Act to eliminate the requirement that the annual report of the Director of the National Cancer Institute on the National Cancer Program be submitted by November 30 of each year. Eliminating the specific due date will allow consolidation of this report with other mandated reports.

(f) This subsection requires the Director of the National Institute of Arthritis, and Digestive and Kidney Diseases to submit a report on the Institute's activities biennially rather than annually, and would eliminate the specific date by which the report is due. The information in these reports does not change enough to justify annual submissions of this report.

(g) This subsection requires the Secretary to report on the activities of diabetes research and training centers biennially rather than annually, and would eliminate November 30 as the specific date by which the report is due. Eliminating the specific due date will allow submission of this report in conjunction with other reports.

(h) This subsection requires the Secretary to report on multi-purpose arthritis centers biennially rather than annually, and would eliminate November 30 as the specific date by which the report is due. Information will be submitted between reporting periods as requested by the Congress.

(i) Eliminates the requirement that a validation of the accreditation of the Joint Commission on the Accreditation of Hospitals be included in the continuing study of Medicare by the Secretary. Routine submission of this validation is no longer necessary, although it will of course be submitted upon request.

(j) This subsection amends the provisions of the Age Discrimination Act of 1975 requiring Federal departments and agencies to submit reports to the Secretary, as well as the Secretary to submit reports to the Congress. The present requirement for annual reports is amended to provide for such reports after 1984 only as the Secretary deems necessary.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Section 208. (a) Amends a provision in the Department of Housing and Urban Development Act requiring the Secretary to report annually to Congress concerning (1) activities undertaken with respect to Indian and Alaska Natives programs, (2) estimates of such costs of projected activities, (3) the conditions of Indian and Alaska Native housing, and (4) recommendations for legislative or other action. The Department has found that the statistics developed for the report vary little from year to year. Therefore, the report's purpose could be accomplished in a more useful manner and at less expense by requiring the report to be provided every two years instead of annually. If this amendment is enacted, the next report under this provision would be issued not later than December 1, 1985.

(b) Amends Section 408(b)(2) of the Housing and Community Development Amendments of 1978. This provision requires the Secretary to publish and submit an annual report to Congress on the impact and effectiveness of assisted congregate services programs. The proposed amendment would make the report requirement biennial instead of annual. The report is to be based, in part, on evaluations of the performance of nonprofit corporations and public housing agencies receiving congregate housing assistance. A biennial report would allow the Department to make more comprehensive study of program experiences. If this amendment is enacted, the next report under this provision would be issued not later than September 30, 1985.

DEPARTMENT OF THE INTERIOR

Section 209. Amends the requirement to report adjustments of irrigation charges due from non-Indian landowners served by irrigation projects administered by the Bureau of Indian Affairs. The statute currently contains an erroneous citation to Section 2 of the Act of June 22, 1936.

DEPARTMENT OF JUSTICE

Section 210. (a) Amends Section 252(i) of the Energy Policy and Conservation Act, by changing the requirement for a semi-annual report by the Attorney General and the Federal Trade Commission on the impact on competition and small business of actions authorized by the International Voluntary Agreements section of the Act to require that such report be made at least once every other year by each agency on an alternating basis.

(b) Amends Section 488(c) (1) and (2) of the Act of August 19, 1958, by (1) changing the basis for evaluating the monetary limit for both real and the basis for evaluating the monetary limit for both real and personal property from acquisition cost (plus capital expenditures in the case of real property) to "estimated appraised fair market value"; and (2) establishing a minimum value of $3,000,000 for both real and personal property before requiring advice from the Attorney General on whether the disposition of property would tend to create or maintain a situation inconsistent with the antitrust laws.

DEPARTMENT OF TRANSPORTATION

Section 211. (a) Amends section 107(b) of the Federal Aviation Act of 1958, as amended, which requires the Secretary to submit annual reports to the Congress and the Civil Aeronautics Board on the extent to which the implementation of the Airline Deregulation Act of 1978 has affected, during the preceding calendar year, or will affect in the succeeding calendar year, the level of air safety. The amendment changes the submission date of the report from January 31 to June 30. The subsection also amends Section 107(c) of the Federal Aviation Act of 1958, as amended, which requires the Secretary of Transportation to submit to Congress and the Civil Aeronautics Board recommendations with respect to the level of surveillance necessary to enforce air safety regulations. The amendment changes the submission date of the recommendations from January 31 to June 30.

(b) Amends section 315(a) of the Federal Aviation Act of 1958, as amended, which requires the Administrator of the Federal Aviation Administration to submit semiannual reports to the Congress on the effectiveness of the civil aviation security program. The amendment changes the submission from a semiannual to an annual report.

DEPARTMENT OF THE TREASURY

Section 212. (a) This section transfer primary responsibilities to the Secretaries of Commerce and State from the Secretary of the Treasury, for preparing the annual Report on Fishery Allocations, Permits and Foreign Import Barriers.

(b) Amends the International Investment Survey Act of 1976 to reduce the frequency of reporting from once every five years to every ten years. Deletes Section 4(c)(2) of the International Investment Survey Act of 1976, as amended by Section 2 of P.L. 97-33, which requires an annual report to Congress pertaining to United States investment abroad.

(c) Amends Section 1202(a)(1) of the Tax Reform Act of 1976 to make the Report on Procedures and Safeguards an annual, rather than a quarterly report.

(d) Deletes the requirement that the annual report of the National Advisory Council on International Monetary and Financial Policies contain information on loans considered by the multilateral development banks, and the U.S. position on loans. This information is duplicative of information already submitted to the Congress under Subsection 501(a) of P.L. 96-259.

GENERAL ACCOUNTING OFFICE

Section 213. The AMTRAK Improvement Act of 1974 requires that the Comptroller General annually conduct a performance audit of the Corporation and submit a report of the audit to Congress. This section makes the performance audit and required report discretionary rather than mandatory.

GENERAL SERVICES ADMINISTRATION

Section 214. (a) Deletes the requirement that the Administrator report annually to the Congress on the activities directed towards facilitating access to public buildings by the physically handicapped. The report would instead be made biennially.

(b) Amends the requirement that the Administrator submit an annual report to the Congress showing the acquisition cost of all donated personal and real property which exceeds $3,000. The report would be submitted biennially and include personal and real property valued equal to or in excess of $5,000.

NATIONAL SCIENCE FOUNDATION

Section 215. Amends the National Science Foundation Act of 1950 to eliminate a requirement that the National Science Foundation Annual Report include information concerning the acquisition and disposition by the Foundation of any patents and patents rights.

NUCLEAR REGULATORY COMMISSION

Section 216. This section amends the Atomic Energy Act of 1954 to reduce the frequency of the report, Non-disclosure of Safeguards Information. The report will continue to be issued annually.

UNITED STATES MERIT SYSTEMS PROTECTION BOARD

Section 217. Amends the Civil Service Reform Act of 1978 to allow the Merit Systems Protection Board to use (for the analysis and reporting required by 5 U.S.C.

7701(i)(2)) fiscal year data which it otherwise collects and reports.

VETERANS ADMINISTRATION

Section 218. (a) Extends by one year the October 1, 1986, date by which the Administrator must submit to the Committee on Veterans Affairs of the Senate and House of Representatives a report on the results of a study of post-traumatic stress disorder.

(b) Amends the requirement that the readjustment counseling report which is to be submitted on April 1, 1987, contain the findings of the post-traumatic stress disorder study provided for in 38 U.S.C. 612A. This change is necessary because the post-traumatic stress disorder study will not be completed until after the readjustment counseling report has been submitted. This amendment will allow the readjustment counseling report to contain any preliminary findings of the post-traumatic stress disorder study that are available.

(c) Amends the requirement to notify Congress concerning transfers of interests in Veterans Administration real property valued at less than $100,000 and transfers in the form of a lease or easement. Raising the reporting requirement from properties valued in excess of $50,000 to $100,000 will reduce the number of reports required, making the management of Veterans Administration real property more efficient and will also expand the use of Federal property.

CONGRESSIONAL COMMITTEE-REPORT ASSIGNMENTS

Committee on Agriculture, Nutrition, and Forestry:			
Sec. 103(b)	Sec. 118(q)	Sec. 202(e)	Sec. 203
Committee on Appropriations:			
Sec. 101(d)	Sec. 107(p)	Sec. 201(a)	Sec. 202(e)
Sec. 102(a)	Sec. 107(s)	Sec. 202(a)	Sec. 202(f)
Sec. 102(b)	Sec. 108(k)	Sec. 202(b)(1)	Sec. 212(d)
Sec. 105(d)	Sec. 114(g)	Sec. 202(b)(2)	Sec. 218(a)
Sec. 107(g)	Sec. 116(b)	Sec. 202(d)	Sec. 218(b)
Sec. 107(h)	Sec. 122(c)		
Committee on Armed Services:			
Sec. 101(f)	Sec. 105(c)	Sec. 105(f)	Sec. 115(l)
Sec. 105(a)	Sec. 105(d)	Sec. 114(b)	Sec. 202(e)
Sec. 105(b)	Sec. 105(e)		
Committee on Banking, Housing, and Urban Affairs:			
Sec. 101(a)	Sec. 109(d)	Sec. 115(f)	Sec. 208(a)
Sec. 107(l)	Sec. 115(b)	Sec. 116(b)	Sec. 208(b)
Sec. 109(a)	Sec. 115(c)	Sec. 202(e)	Sec. 212(d)
Sec. 109(c)			
Committee on the Budget:			
Sec. 102(a)	Sec. 202(a)	Sec. 202(d)	Sec. 202(f)
Sec. 114(g)	Sec. 202(b)(1)	Sec. 202(e)	Sec. 203
Sec. 122(c)	Sec. 202(b)(2)		
Committee on Commerce, Science, and Transportation:			
Sec. 101(b)	Sec. 104(h)	Sec. 110(g)	Sec. 204(c)
Sec. 101(c)	Sec. 104(i)	Sec. 114(a)	Sec. 204(d)
Sec. 104(b)	Sec. 104(j)	Sec. 114(b)	Sec. 211(a)
Sec. 104(c)	Sec. 107(e)	Sec. 115(e)	Sec. 211(b)
Sec. 104(d)	Sec. 107(r)	Sec. 117	Sec. 212(a)
Sec. 104(e)	Sec. 107(s)	Sec. 119	Sec. 212(b)
Sec. 104(f)	Sec. 108(g)	Sec. 204(a)	
Committee on Energy and Natural Resources:			
Sec. 101(a)	Sec. 107(m)	Sec. 110(h)	Sec. 118(b)
Sec. 104(g)	Sec. 107(o)	Sec. 110(i)	Sec. 118(c)
Sec. 107(a)	Sec. 107(p)	Sec. 110(j)(1)	Sec. 118(d)
Sec. 107(b)	Sec. 107(q)	Sec. 110(j)(2)	Sec. 118(q)
Sec. 107(c)	Sec. 109(b)	Sec. 110(k)	Sec. 118(r)
Sec. 107(d)	Sec. 109(c)	Sec. 110(l)	Sec. 118(s)
Sec. 107(f)	Sec. 110(a)	Sec. 110(m)	Sec. 120(a)
Sec. 107(g)	Sec. 110(b)	Sec. 110(p)	Sec. 120(b)
Sec. 107(h)	Sec. 110(c)	Sec. 110(q)(1)	Sec. 122(a)
Sec. 107(i)	Sec. 110(d)	Sec. 110(q)(2)	Sec. 206
Sec. 107(j)	Sec. 110(e)	Sec. 111(a)	Sec. 209
Sec. 107(k)	Sec. 110(f)	Sec. 114(i)	Sec. 210(a)
Sec. 107(l)	Sec. 110(g)	Sec. 118(a)	
Committee on Environment and Public Works:			
Sec. 104(a)	Sec. 114(f)	Sec. 118(e)(1)	Sec. 118(m)
Sec. 105(e)	Sec. 114(g)	Sec. 118(e)(2)	Sec. 118(n)(1)
Sec. 107(s)	Sec. 114(h)	Sec. 118(f)	Sec. 118(n)(2)
Sec. 108(a)	Sec. 115(e)	Sec. 118(g)	Sec. 118(n)(3)
Sec. 108(w)	Sec. 115(i)	Sec. 118(h)	Sec. 118(o)
Sec. 110(a)	Sec. 115(k)	Sec. 118(i)	Sec. 118(p)
Sec. 114(c)	Sec. 118(b)	Sec. 118(j)	Sec. 123(b)
Sec. 114(d)	Sec. 118(c)	Sec. 118(k)	Sec. 214(a)
Sec. 114(e)	Sec. 118(d)	Sec. 118(l)	Sec. 216
Committee on Finance:			
Sec. 107(n)	Sec. 115(a)	Sec. 115(g)	Sec. 115(k)
Sec. 108(p)	Sec. 115(e)	Sec. 115(h)	Sec. 204(b)
Sec. 108(r)	Sec. 115(f)	Sec. 115(i)	Sec. 212(c)
Sec. 108(s)			
Committee on Foreign Relations:			
Sec. 105(g)(1)	Sec. 113(a)	Sec. 115(c)	Sec. 116(c)

CONGRESSIONAL COMMITTEE-REPORT ASSIGNMENTS—Continued

Sec. 105(g)(2)	Sec. 113(b)	Sec. 116(a)	Sec. 212(b)
Sec. 105(h)	Sec. 115(b)	Sec. 116(b)	Sec. 212(d)
Committee on Governmental Affairs:			
Sec. 101(e)	Sec. 115(m)	Sec. 123(b)	Sec. 202(e)
Sec. 101(g)	Sec. 121	Sec. 127	Sec. 210(b)
Sec. 102(b)	Sec. 122(b)	Sec. 201(a)	Sec. 214(b)
Sec. 106(g)	Sec. 122(c)	Sec. 202(c)	Sec. 215
Sec. 109(b)	Sec. 123(a)	Sec. 202(d)	Sec. 217
Sec. 115(j)			
Committee on the Judiciary:			
Sec. 101(b)	Sec. 108(v)	Sec. 111(c)	Sec. 210(b)
Sec. 105(d)	Sec. 111(b)		
Committee on Labor and Human Resources:			
Sec. 101(c)	Sec. 108(f)	Sec. 108(v)	Sec. 205(c)
Sec. 106(a)	Sec. 108(h)	Sec. 108(x)	Sec. 205(d)
Sec. 106(b)	Sec. 108(i)	Sec. 112(a)	Sec. 207(a)
Sec. 106(c)	Sec. 108(j)	Sec. 112(b)	Sec. 207(c)
Sec. 106(d)	Sec. 108(k)	Sec. 112(c)	Sec. 207(d)
Sec. 106(e)	Sec. 108(l)	Sec. 112(d)	Sec. 207(e)
Sec. 106(f)	Sec. 108(m)	Sec. 125	Sec. 207(f)
Sec. 106(g)	Sec. 108(n)	Sec. 126	Sec. 207(g)
Sec. 108(a)	Sec. 108(o)	Sec. 201(c)	Sec. 207(h)
Sec. 108(b)	Sec. 108(q)	Sec. 202(e)	Sec. 207(i)
Sec. 108(c)	Sec. 108(t)	Sec. 205(a)	Sec. 207(j)
Sec. 108(d)	Sec. 108(u)	Sec. 205(b)	Sec. 215
Sec. 108(e)			
Committee on Rules and Administration:			
Sec. 101(e)	Sec. 202(b)(1)	Sec. 202(c)	Sec. 202(f)
Sec. 202(a)	Sec. 202(b)(2)	Sec. 202(e)	
Committee on Small Business:			
Sec. 111(c)	Sec. 124	Sec. 128	Sec. 210(b)
Committee on Veterans' Affairs:			
Sec. 129(a)	Sec. 129(c)	Sec. 218(a)	Sec. 218(c)
Sec. 129(b)	Sec. 129(d)	Sec. 218(b)	
Select Committee on Ethics:			
None.			
Select Committee on Indian Affairs:			
Sec. 110(n)	Sec. 110(o)	Sec. 207(b)	
Select Committee on Intelligence:			
None.			
Special Committee on Aging:			
None.			
Joint Economic Committee:			
Sec. 102(a)	Sec. 202(b)(1)	Sec. 202(b)(2)	Sec. 202(f)
Sec. 202(a)			
Joint Committee on the Library:			
None.			
Joint Committee on Printing:			
None.			
Joint Committee on Taxation:			
Sec. 115(d)	Sec. 212(c)●		

By Mr. HATFIELD:

S.J. Res. 359. Joint resolution to designate July 23, 1985, as "Ulysses S. Grant Day"; to the Committee on the Judiciary.

ULYSSES S. GRANT DAY

● Mr. HATFIELD. Mr. President, in the final, hectic days of this session, amid the legislative and appropriations deadlines competing for congressional action at this time, I want to introduce a joint resolution commemorating the life of one who worked, as we do now in our deliberations, to improve the situation of the people of this Nation.

Today I take great pleasure in recognizing the contribution to the history of our Nation made by our 18th President, Ulysses S. Grant, as the 100th Anniversary of his death nears next year. Having debated civil rights issues in recent days, we must remind ourselves of such struggles in the past. It is our duty to honor those who in previous times worked for the rights of all our citizens. That recognition deserves to be bestowed on President Grant for what he did to secure the unity of the Nation and to extend civil rights to blacks following the divisive Civil War.

Mr. President, I should like to bring to the attention of my colleagues the life and achievements of President Grant. Born and schooled in Ohio, the son of a tanner and farmer, Grant went on to attend the U.S. Military Academy at West Point. He excelled in mathematics and horsemanship, and upon graduation in 1843, served his first appointment as an infantryman in the Mexican War, 1846–1848. Although deploring this war which he felt was fought to extend slavery, Grant served with distinction and emerged from the conflict as a captain.

In subsequent years Captain Grant served at a variety of remote Army posts, as far away as Fort Vancouver in the Oregon Province. He grew unhappy with these far-flung assignments and in 1854 resigned the military to move with his wife, Julia, and family, to St. Louis, MO, and later to Galena, IL.

With the Confederate secession from the Union, Grant offered his services to the Northern Army, strongly believing in the need to reunite the Nation. Appointed as a colonel over volunteers in Illinois, Grant was soon promoted to brigadier general in Missouri. Grant's bold action enabled him to capture Fort Donelson on the Cumberland River in one of the first important Northern victories of the war, and winning for himself promotion to major general.

His famed response of "no terms except an unconditional and immediate surrender" to Confederate attempts at an armistice earned him the nickname "Unconditional Surrender" Grant and raised speculation that that was the meaning of his first two initials.

Following the triumphant, yet bloody, battle at Shiloh on the Tennessee River, Grant was criticized for his troop losses. Urged to replace Major General Grant, President Abraham Lincoln refused saying, "I can't spare this man—he fights." Grant was a ruthless fighter and by his attitude and military tactics embodied his belief that the Union must be restored at all costs.

Beginning with his successes in the Mississippi River Valley campaigns, the most notable being the capture of strategic Vicksburg, Grant was given greater responsibility and more critical assignments until he was selected by President Lincoln to take command of the entire Union Army of over one-half million men, as a lieutenant general. Leaving his troops with energy and determination Grant proposed a unified plan and coordinated effort of all Union forces to fulfill the goal of ending the war..

The personal characteristics that carried Grant to the zenith of his military career continued to be displayed as General of the Army. He had deep resources of character and a quiet forcefulness, decisiveness and tenacity that won him the respect and confidence of his subordinates and helped him plan and carry out military oper-

ations. Behind the unprepossessing exterior and the modesty of manner lay a powerful, strategic genius.

Grant realized military success would not come with the capture of localities alone, but with the destruction of armies as well. His military philosophy was to resist retreat and his strategy was sound: To divide the Confederate armies, engage them in battle simultaneously, and continue to hammer away at them until they were forced to retreat and surrender.

In the spring of 1865 Confederate troops under Lee surrendered to Grant at Appomattox near Richmond. Grant's terms were magnanimous, as he released Lee and his soldiers on their honor, and he allowed them to keep their horses. This decisive battle signaled the end of the war which was over 17 days later.

After President Lincoln's death, Grant was the North's foremost war hero. His military successes during the Civil War and his generous treatment of Lee at Appomattox had made him a popular hero in both the North and South. Grant served for a short time as Secretary of War under President Andrew Johnson, and his strengthened Republican ties led to his nomination for President in 1868, a candidate embodying the forces that maintained the Union. The last line of his acceptance letter, "Let us have peace," constituted his contribution to American opinion and it became the Republican campaign slogan.

Grant became President and went on to win reelection easily in 1872. During the course of his two terms he faced the difficult circumstances and demanding conditions that existed in the aftermath of the Civil War. An emotionally divided nation needed to be united and the South rebuilt. To this end Grant pardoned many former Confederate leaders and limited the use of Federal troops stationed in the South. Turmoil and violence continued in the South with the harassment and persecution of freed blacks. Believing President Johnson's policies had permitted the Southern States to restrict black rights, Grant worked to enfranchise the blacks. He enforced the 14th and 15th amendments giving citizenship to blacks and making illegal the denial of voting rights to males of any race. In 1870 and 1871 force bills were passed to ensure the voting rights for blacks; 200,000 blacks had served in the Union Army and Grant acknowledged their great contribution to the Northern victories. He worked to help them through the Freedman's Bureau which offered the freed blacks help in obtaining education, homes, jobs, and protection of their interests.

There were economic as well as emotional tensions for Grant to deal with as President. Taking steps to fund the confused mass of Civil War securities, Grant also worked to hold off a panic of the gold market.

Following his terms in office the former President traveled the world with his family, eventually settling in New York where, in financial difficulty, he began to prepare his memoirs.

President Grant wrote the memoirs, in collaboration with Mark Twain, while slowly dying of throat cancer. Written modestly and with a sense of humor, Grant's story of his career ranks high among military autobiographies. Unfortunately, Grant never saw the success of his book having died before its publication in 1885.

Ulysses S. Grant's reputation and lasting image is one of a military giant, the most important military leader for the Union during the Civil War. Recognized by his bluntness, lack of ostentation, and the success of his operations, he advanced from the saddle to the President's chair—the model of American individualism and opportunity.

Shortly before he died Grant told his doctor how years before, on the way to a reception in his honor he came across a stranger who was going to the reception, as well. "I have always thought that he was a very much overrated man," said the stranger to Grant. "That's my view also," was Grant's reply. Such was the humility with which Grant viewed his life and achievements.

But today we recognize that he was not an overrated man. He is deserving of his excellent reputation. President Grant is memorialized here in Washington, DC by the Grant Memorial located at the east end of the Mall, near the west front of the Capitol. The imposing sculpture by Henry Merwin Shrady shows General Grant mounted on his horse between two sculpture groups of military figures. July 23, 1985 will mark the 100th Anniversary of the death of President Ulysses S. Grant. Plans are being made at this time to celebrate the day with appropriate festivities, including a military ceremony to be held at the Grant Memorial. To remind ourselves and our Nation of the great contributions of this former President, I am introducing a resolution to declare July 23, 1985 as "Ulysses S. Grant Day".

Joining me in the introduction of this resolution are Senators D'AMATO, GLENN, METZENBAUM, and PERCY.

I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 359

Whereas July 23, 1985 marks the one-hundredth anniversary of the death of President Ulysses S. Grant;

Whereas Ulysses S. Grant served as General of the Union Army during the Civil War, fought to restore the Union, and commanded the victorious Union Army at the close of the Civil War; and

Whereas Ulysses S. Grant as the eighteenth President of the United States, worked to unite the North and South following the Civil War, to rebuild the war damaged South, and to extend civil rights to blacks: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 23, 1985 is designated as "Ulysses S. Grant Day", and the President of the United States is authorized and requested to issue a proclamation calling upon all government agencies and the people of the United States to observe the day with appropriate ceremonies, programs, and activities.●

ADDITIONAL COSPONSORS

S. 2770

At the request of Mr. MELCHER, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 2770, a bill to protect consumers and franchised automobile dealers from unfair price discrimination in the sale by the manufacturer of new motor vehicles, and for other purposes.

S. 2956

At the request of Mr. WARNER, the names of the Senator from South Dakota [Mr. PRESSLER] and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of S. 2956, a bill to recognize the organization known as the Navy Wives Clubs of America.

S. 2958

At the request of Mr. BINGAMAN, the name of the Senator from West Virginia [Mr. BYRD] was added as a cosponsor of S. 2958, a bill to amend the Public Works and Economic Development Act of 1965 to authorize appropriations for additional fiscal years.

S. 3008

At the request of Mr. ARMSTRONG, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 3008, a bill to recognize the organization known as the Retired Enlisted Association, Inc.

S. 3010

At the request of Mr. BUMPERS, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of S. 3010, a bill to amend the act of May 29, 1884, to grant States and political subdivisions greater flexibility in conducting indemnity programs for the control and eradication of brucellosis of domestic animals, and for other purposes.

S. 3034

At the request of Mrs. KASSEBAUM, the names of the Senator from Texas [Mr. TOWER], the Senator from Kansas [Mr. DOLE], the Senator from North Carolina [Mr. EAST], the Senator from Kentucky [Mr. FORD], the Senator from Alabama [Mr. HEFLIN], the Senator from Maryland [Mr. MATHIAS], and the Senator from Vermont [Mr. LEAHY] were added as cosponsors of S. 3034, a bill to grant a Federal

charter to the National Society, Daughters of the American Colonists.

S. 3047

At the request of Mr. HEINZ, the names of the Senator from New Jersey [Mr. BRADLEY], and the Senator from Idaho [Mr. SYMMS] were added as cosponsors of of S. 3047, a bill to amend the Trade Act of 1974.

S. 3059

At the request of Mr. GORTON, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 3059, a bill to amend the Congressional Budget and Impoundment Control Act of 1974 to impose limits on aggregate Federal outlays, and for other purposes.

SENATE JOINT RESOLUTION 339

At the request of Mr. HOLLINGS, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of Senate Joint Resolution 339, a joint resolution designating March 1985 as "National Mental Retardation Awareness Month."

SENATE JOINT RESOLUTION 352

At the request of Mr. DANFORTH, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of Senate Joint Resolution 352, a joint resolution designating October 1984 as "National Head Injury Awareness Month."

SENATE RESOLUTION 241

At the request of Mr. LEVIN, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of Senate Resolution 241, a resolution expressing the sense of the Senate that the foreign policy of the United States should take account of the genocide of the Armenian people, and for other purposes.

SENATE RESOLUTION 386

At the request of Mr. CRANSTON, his name was added as a cosponsor of Senate Resolution 386, a resolution entitled the "Mandela Freedom Resolution."

At the request of Mr. LEVIN, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of Senate Resolution 386, supra.

SENATE RESOLUTION 466

At the request of Mr. GORTON, the names of the Senator from Iowa [Mr. JEPSEN], and the Senator from Illinois [Mr. PERCY] were added as cosponsors of Senate Resolution 466, a resolution expressing the sense of the Senate that the Customs Service should suspend for a period of at least 6 months the interim regulations issued on August 3, 1984, which change the standards and procedures for U.S. imports of textiles and apparel.

SENATE RESOLUTION 467

At the request of Mr. ROTH, the name of the Senator from Florida [Mrs. HAWKINS] was added as a cosponsor of Senate Resolution 467, a resolution expressing the appreciation of the Senate to members of the entertainment industry, especially the Entertainment Industries Council, for their concern over the drug problem in America, and urging the industry to undertake a comprehensive program to communicate to the citizens of the United States the dangers of drug abuse.

AMENDMENT NO. 7043

At the request of Mr. THURMOND, the name of the Senator from Montana [Mr. MELCHER] was added as a cosponsor of Amendment No. 7043 proposed to House Joint Resolution 648, a joint resolution making continuing appropriations for the fiscal year 1985, and for other purposes.

AMENDMENTS SUBMITTED

RELIEF OF THERESE NYUWIUR POUPELE KPODA

SIMPSON AMENDMENT NO. 7066

Mr. STEVENS (for Mr. SIMPSON) proposed an amendment to the bill (S. 2518) for the relief of Therese Nyuwiur Poupele Kpoda; as follows:

On page 1, line 3, insert after "That," the following: "(a)".

On page 2, after line 4, add the following:

"(b) Section 101(a)(9) of the Immigration & Nationality Act (8 U.S.C. 1101(a)(9)) is amended by deleting the second sentence thereof."

INCREASE IN PUBLIC DEBT LIMIT

KENNEDY AMENDMENT NO. 7067

Mr. KENNEDY (for himself and Mr. HATFIELD) proposed an amendment to the joint resolution (H.J. Res. 654) increasing the statutory limit on the public debt; as follows:

At the appropriate place in the joint resolution, insert the following:

NUCLEAR WEAPONS FREEZE AND REDUCTIONS

SEC. . The Congress finds that the greatest challenge facing the Earth is to prevent the occurrence of nuclear war by accident or design.

HATFIELD (AND OTHERS) AMENDMENT NO. 7068

Mr. HATFIELD (for himself, Mr. KENNEDY, Mr. PELL, Mr. BAUCUS, Mr. BINGAMAN, Mr. BRADLEY, Mr. BUMPERS, Mr. BURDICK, Mr. CRANSTON, Mr. DODD, Mr. EAGLETON, Mr. GLENN, Mr. HART, Mr. HUDDLESTON, Mr. INOUYE, Mr. LAUTENBERG, Mr. LEVIN, Mr. MATSUNAGA, Mr. MELCHER, Mr. MITCHELL, Mr. MOYNIHAN, Mr. PROXMIRE, Mr. RIEGLE, Mr. SARBANES, Mr. STAFFORD, and Mr. TSONGAS) proposed an amendment to amendment No. 7069 proposed by Mr. KENNEDY (and Mr. HATFIELD) to the joint resolution (H.J. Res. 654), supra; as follows:

At the end of the amendment add the following:

(2) the nuclear arms race is dangerously increasing the risk of a holocaust that would be humanity's final war; and

(3) a mutual and verifiable freeze followed by reductions in nuclear warheads, missiles, and other delivery systems is needed to halt the nuclear arms race and to reduce the risk of a nuclear war.

(b) As an immediate arms control objective, the United States and the Soviet should—

(1) pursue an immediate and complete halt to the nuclear arms race;

(2) decide when and how to achieve a mutual verifiable freeze on the testing, production, and further deployment of nuclear warheads, missiles, and other delivery systems; and

(3) give special attention to destabilizing weapons whose deployment would make such a freeze more difficult to achieve.

(c) Proceeding from the freeze, the United States and the Soviet Union should pursue major, mutual, and verifiable reductions in nuclear warheads, missiles, and other delivery systems, through annual percentages or equally effective means, in a manner that enhances stability.

MELCHER AMENDMENT NO. 7069

Mr. MELCHER submitted an amendment intended to be proposed by him to the joint resolution (H.J. Res. 654), supra; as follows:

At the appropriate place, insert the following new section:

SEC. . (a) Subsection (e) of section 483 of the Internal Revenue Code of 1954 (relating to reduced rate of interest in case of sales of principal residences or farms) is amended to read as follows:

"(e) Reduced Rate of Interest in Case of Sales of Residences, Farms, or Real Property Used in a Trade or Business.—

"(1) IN GENERAL.—In the case of any debt instrument arising from a sale or exchange to which this subsection applies, the discount rate under subsections (b) and (c)(1)(B) shall not be greater than 10 percent and 9 percent, respectively.

"(2) SALES OR EXCHANGES TO WHICH THIS SUBSECTION APPLIES.—This subsection shall apply to any sale or exchange—

"(A) of property for use as a residence by an individual,

"(B) of a farm (within the meaning of section 6420(c)(2))—

"(i) by an individual, estate, or testamentary trust,

"(ii) by a corporation which as of the date of the sale or exchange is a small business corporation (as defined in section 1244(c)(3)), or

"(iii) by a partnership which as of the date of the sale or exchange meets requirements similar to those of section 1244(c)(3), or

"(C) of real property by any person (whether or not described in subparagraph (A)) used in a trade or business of such person or held by such person for the production of income.

"(3) DOLLAR LIMITATION.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to the portion of the stated principal amount of the debt instrument arising from

the transaction which exceeds the applicable limit.

"(B) APPLICABLE LIMIT.—For purposes of this paragraph, the term 'applicable limit' means the limit determined in accordance with the following table:

"If the transaction is described in:	The limit is:
Paragraph (2) (A)	$250,000
Paragraph (2) (B)	$2,000,000
Paragraph (2) (C)	$1,000,000

"(C) REDUCTION IN APPLICABLE LIMIT WHERE SALES PRICE EXCEEDS APPLICABLE LIMIT.—In the case of any transaction with respect to which the sales price exceeds the applicable limit, the applicable limit shall be the amount which bears the same ratio to the applicable limit as—

"(i) as the applicable limit, bears to

"(ii) the sales price.

"(f) SPECIAL TEST RATES FOR SALES OR EXCHANGES INVOLVING CERTAIN REAL PROPERTY.—

"(1) IN GENERAL.—In the case of any sale or exchange to which this subsection applies, subsection (c)(1)(B) shall be applied by substituting—

"(A) '80 percent' for '110 percent' in the case of any debt instrument described in paragraph (3), and

"(B) '100 percent' for '110 percent' in the case of any debt instrument described in paragraph (4).

"(2) SALES OR EXCHANGES TO WHICH THIS SUBSECTION APPLIES.—

"(A) IN GENERAL.—Except as provided in this paragraph, this subsection applies to any sale or exchange of—

"(i) land, or

"(ii) 15-year of 18-year real property (within the meaning of section 168), disregarding de minimis amounts of personalty associated with such real property.

"(3) DEBT INSTRUMENTS TO WHICH 80 PERCENT RATE APPLIES.—A debt instrument is described in this paragraph if—

"(A) the term of the instrument (determined with regard to any extension or renewal) is not greater than the lesser of—

"(i) 12 years, or

"(ii) in the case of a debt instrument involving recovery property, ⅔ of the recovery period under section 168 for such property, and

"(B) the total deferred payments under such instrument, when added to the sum of the total deferred payments under all other debt instruments issued in connection with the sale or exchange—

"(1) to which this paragraph applies, and

"(ii) which were issued before such instrument was issued,

do not exceed $4,000,000.

"(4) DEBT INSTRUMENTS TO WHICH 100 PERCENT RATE APPPLIES.—A debt instrument is described in this paragraph if—

"(A) the rate of interest stated in the instrument is not less than the applicable Federal rate,

"(B) such instrument provided for—

"(i) the unconditional payment each year of at least 80 percent of the interest so stated, or

"(ii) after the close of the 2-year period beginning on the date such instrument was issued the instrument provides the unconditional payment each year of the total interest accruing thereunder, and

"(C) such instrument is not described in paragraph (3).

"(5) SPECIAL RULES FOR DETERMINATION OF DISCOUNT RATES.—

"(A) IN GENERAL.—If the applicable Federal rate determined under section 1274(d) for any period (other than the Federal short-term rate) exceeds by more than 2 percent such rate for the preceding period, such applicable Federal rate for purposes of applying this section to any debt instrument to which this subsection applies shall be equal to the greater of—

"(i) the sum of—

"(I) such applicable Federal rate for such preceding period, plus

"(II) the greater of 1 percent or one-half of such excess, or

"(ii) the highest such applicable Federal rate during the 2-year period before the period for which such determination was made after the application of this paragraph.

"(B) SPECIAL RULES FOR 1985 AND 1986.—Notwithstanding any other provision of this section, in the case of any sale or exchange with respect to which a binding contract was entered into during 1985 or 1986—

"(i) TEST RATE.—The discount rate for purposes of applying subsection (c)(1)(B) to any debt instrument described in paragraph (3) shall not be greater than the rate determined in accordance with the following table:

"For contracts entered into during the period:	The rate is:
Jan. 1-June 30, 1985	10.5
July 1-Dec. 31, 1985	11
Jan. 1-June 30, 1986	11.5
July 1-Dec. 31, 1986	12.

For purposes of applying subsection (c)(1)(B) to any debt instrument described in paragraph (4), the discount rate shall not be greater than the rate determined in accordance with the table, plus one-half percentage point.

"(ii) IMPUTED RATE.—The discount rate for purposes of applying subsection (b) to any debt instrument described in paragraph (3) or (4) shall not be greater than the rate determined under clause (i), plus 1 percentage point.

"(6) AGGREGATION RULES.—For purposes of this subsection—

"(i) all debt instruments arising from any transaction (or any series of related transactions) shall be treated as 1 sale or exchange.

"( ) SALES PRICE.—For purposes of this paragraph, the sales price shall be determined as of the time of the sale or exchange.

"(7) APPLICATION WITH SUBSECTION (f).—In the case of any qualified sale (as defined in subsection (f)(2)), the applicable limit determined under paragraph (3) shall be reduced by the amount of any debt instrument to which subsection (f)(1) applies."

(b) Special rule for determination of Applicable Federal Rate for 1984.

In the case of any debt instrument issued during the first 6 months of 1985 pursuant to a sale or exchange for which a binding contract was entered into during 1984, the applicable Federal rate for purposes of Section 483 and 1274 of the Internal Revenue Code of 1954 shall be 10 percent.

(c) Subparagraphs (A) and (B) of Section 1274(c)(2) (relating to exceptions from the determination of the issue price in the case of certain debt instruments issued for property) are amended to read as follows:

"(A) SALES OF FARMS AND REAL PROPERTY USED IN A TRADE OR BUSINESS.—Any debt instrument arising from a sale or exchange described in subparagraph (B) or (C) of section 483(e)(2) but only to the extent of that portion of the stated principal amount to which Section 483(e) applies."

"(B) RESIDENCES.—Any debt instrument arising from the sale or exchange of any property for use as the residence of the obligor under such instrument."

(d)(1) Section 483(d) of the Internal Revenue Code of 1954 (relating to exceptions and limitations) is amended by adding at the end thereof the following new paragraph:

"(5) ASSUMPTIONS.—This section shall not apply to any debt instrument which is assumed (or taken subject to) by the transferee as part of the sale or exchange of property, or to the portion or any wraparound mortgage equal to the unpaid balance of the seller's existing financing."

(2) Section 1274(c)(4) of such Code (relating to exceptions) is amended by adding at the end thereof the following new subparagraph:

"(G) ASSUMPTIONS.—Any debt instrument which is assumed (or taken subject to) by the transferee as part of the sale or exchange of property, or to the portion of any wraparound mortgage equal to the unpaid balance of the seller's existing financing."

(e) Subparagraph (F) of section 1274(c) (relating to exceptions for sales or exchanges to which section 483(e) applies) is amended by striking out "section 483(e)" in the text and heading thereof and inserting in lieu thereof "section 483(f)."

(f) The amendments made by this section shall take effect as if included in the amendments made by the Tax Reform Act of 1984.

SAN JUAN BASIN WILDERNESS PROTECTION ACT

DOMENICI (AND BINGAMAN) AMENDMENT NO. 7070

Mr. BAKER (for Mr. DOMENICI, for himself and Mr. BINGAMAN) proposed an amendment to the bill (H.R. 6296) entitled "The San Juan Basin Wilderness Protection Act of 1984"; as follows:

At the appropriate place, add the following new section:

SEC. . Section 11(a) of Public Law 93-531 (25 U.S.C. 648d-10) is amended—

(1) in paragraph (1) by striking out the last sentence, which begins "Such lands";

(2) by inserting after paragraph (2) the following:

"Subject to the provisions of the following sentences of this subsection, all rights, title and interests of the United States in the lands described in paragraph (1), including such interests the United States as lessor has in such lands under the Mineral Leasing Act of 1920, as amended, will, subject to existing leasehold interests, be transferred without cost to the Navajo Tribe and title thereto shall be taken by the United States in trust for the benefit of the Navajo Tribe as a part of the Navajo Reservation. So long as selected lands coincide with pending noncompetitive coal lease applications under the Mineral Leasing Act of 1920, as amended, the Secretary may not transfer any United States interests in such lands until the noncompetitive coal lease applications have been fully adjudicated. If such adjudication results in issuance of Federal coal leases to the applicants, such transfer shall be subject to such leases. The leaseholders rights and interests in such coal leases will in no way be diminished by the transfer of the rights, title and interests of the United States in such lands to the Navajo Tribe. If

any selected lands are subject to valid claims located under the Mining Law of 1872 the transfer of the selected lands made subject to those claims."; and

(3) by inserting the following new paragraph:

(2) Those interests in lands acquired in the State of New Mexico by the Navajo Tribe pursuant to subsection 2 of this section shall be subject to the right of the State of New Mexico to receive the same value from any sales, bonuses, rentals, royalties and interest charges from the conveyance, sale, lease, development, and production of coal as would have been received had the subsurface interest in such lands remained with the United States and been leased purusant to the Mineral Lands Leasing Act of 1920 as amended or any successor Act, or otherwise developed.

The state's interest shall be accounted for in the same manner as it would have been if a lease had issued pursuant to the Minerals Lands Leasing Act of 1920, as amended.

At the appropriate place in the bill insert the following:

SEC. . (a) Subject to valid existing rights and except as provided in subsection (b), the Secretary of the Interior is authorized and directed to convey to the New Mexico State University, Las Cruces, New Mexico, at a cost of $2.50 per acre, all right, title, and interest of the United States in and to the followng described public lands aggregating approximately 5,711.39 acres in Dona Ana County, New Mexico, to be used for the purpose of conducting educational, demonstrative, and experimental development with livestock, grazing methods, and range forage plants and other agricultural related research:

NEW MEXICO PRINCIPAL MERIDIAN

Township 20 South, Range 1 East

Secs. 16, 32, and 36 all.

Township 21 South, Range 1 East

Sec. 2, and 16 all.

Township 20 South, Range 1 West

Sec. 2, and 16 all;

Sec. 26, north half northeast quarter, northeast quarter northwest quarter;

Sec. 32, north half, north half southwest quarter, north half southeast quarter, southeast quarter southeast quarter; and

Sec. 36, all.

(b) There are reserved to the United States all minerals that may be found in the lands described in subsection (a) together with the right of the United States, its permittees, lessees, or grantees, at any time, to prospect for, mine and remove such minerals.

(c) In the event that the lands described in subsection (a), or any part thereof, are used for any purpose other than those for which conveyance is authorized, title to the entire tract shall immediately revert to the United States without the necessity for further action to accomplish the reversion of title to the United States.

At the appropriate place in the bill, insert the following:

SEC. . In order to relieve the Elephant Butte Irrigation District of any obligation to reimburse the Bureau of Reclamation for leave and severance payments to certain employees of the Rio Grande project separated as a result of the transfer of operation and maintenance responsiblities to the Elephant Butte District, miscellaneous revenues having been collected by the Bureau of Reclamation from the sale or lease of project lands, interests in lands or other sources may be credited to the Elephant Butte Irrigation District for such leave and severance payments and accrued interest penalties on the District's obligations. Penalties shall be assessed up till September 23, 1983.

At the appropriate place in the bill, insert the following new title:

SEC. . An approximate twenty-acre area as shown on a map entitled Sandia Mountain Wilderness additions, dated March 26, 1981, on file in the Office of the Chief of the Forest Service, Department of Agriculture, is hereby added to and made a part of the Sandia Mountain Wilderness: *Provided*, That the Secretary of Agriculture may allow the continuance of the existing diversion dam and existing related facilities conforming to the terms and conditions of maintenance he deems appropriate, including the provision for access and the use of mechanized equipment only for construction and maintenance of existing structures: *Provided further*, That any upgrading of the existing diversion dam shall be completed within four years of the date of this section in accord with the plans approved by the Secretary of Agriculture. The Secretary of Agriculture may extend the time of such reconstruction if he deems such extension is necessary and in the public interest.

At the appropriate place in the bill, insert the following:

SEC. . (a)(1) The Secretary of the Interior (hereafter in this section referred to as the "Secretary") may convey to Sumner Lake Corporation of the State of New Mexico all right, title, and interest of the United States in and to the real property described in paragraph (2), but such conveyance to such corporation may be made only in the event that the state of New Mexico has given a written release to the United States Government from the State's lease of such property.

(2) The real property referred to in paragraph (1) is located in Lake Sumner State Park, in the State of New Mexico, and is more particularly described as follows: all portions of sections 28 and 34 in township 5 north, range 24 east, that are more than 4,280 feet above sea level. The acreage and legal description of such real property shall be determined by the Secretary after consulting with Sumner Lake Corporation.

(b)(1) In consideration for the conveyance authorized in subsection (a), Sumner Lake Corporation shall pay to the Secretary for deposit in the United States Treasury the fair market value of the real property conveyed as determined on the date of such conveyance. Such fair market value shall be determined by the Secretary by means of an appraisal conducted in accordance with established appraisal procedures.

(2) Any administrative cost incurred by the Secretary incident to any conveyance under subsection (a), including any surveying cost, recording cost, or legal cost, shall be reimbursed by Sumner Lake Corporation.

(c)(1) Any conveyance under subsection (a) shall reserve to the United States all oil, coal, and other minerals in the real property conveyed, and the right to prospect for, mine, and remove such oil, coal, and other minerals. Any damage sustained by any surface owner as a result of the exercise of any right reserved in this paragraph shall be reimbursed by the United States or the lessee of such right.

(2) Any conveyance under subsection (a) shall not affect any easement, servitude, or right-of-way existing with respect to the real property conveyed on the date of such conveyance.

(3) The Secretary may attach to any conveyance under subsection (a) any additional conditions and reservations that the Secretary determines to be appropriate.

COLORADO RIVER BASIN SALINITY CONTROL ACT AMENDMENTS

METZENBAUM AMENDMENT NO. 7071

Mr. METZENBAUM proposed an amendment to the bill (H.R. 2790) to amend the Colorado River Basin Salinity Control Act to authorize certain additional measures to assure accomplishment of the objectives of title II of such act, and for other purposes; as follows:

Strike section 4(b) of the bill in its entirety and insert in lieu thereof the following, and re-identify the subsequent paragraphs of section 4 of the bill accordingly:

(b) Section 205(a)(1) of such Act is amended by inserting before "shall be nonreimbursable." the words "authorized by section 202(a) (1), (2), and (3), including 75 per centum of the total costs of construction, operation, and maintenance of the asssociated measures to replace incidential fish and wildlife values foregone, 70 per centum of the total costs of construction, operation, maintenance, and replacement of each unit or separable feature thereof authorized by section 202(a) (4) and (5), including 70 per centum of the total costs of construction, operation, and maintenance of the associated measures to replace incidental fish and wildlife values foregone, and 70 per centum of the total costs of implementation of the on-farm measures authorized by section 202(c), including 70 per centum of the total costs of the associated measures to replace incidential fish and wildlife values foregone,". Section 205(a)(1) of such Act is further amended by adding at the end thereof "The total costs remaining after these allocations shall be reimbursable as provided for in paragraphs (2), (3), (4), and (5), of section 205(a)".

(c) Section 205(a)(2) of such Act is amended by striking "Twenty-five per centum" and inserting in lieu thereof "The reimbursable portion".

In section 2(c) of H.R. 2790, after "research, demonstration, and education activities.", add the following:

"(F) in entering into contracts or agreements pursuant to section 202(c)(2)(C), require a minimum of 30 per centum cost-sharing contribution from individuals or groups of owners and operators of farms, ranches, and other lands as well as from local governmental and non-governmental entities such as irrigation districts and canal companies, unless the Secretary finds in his discretion that such cost-sharing requirement would result in a failure to proceed with needed on-farm measures.".

INCREASE IN PUBLIC DEBT LIMIT

TSONGAS (AND OTHERS) AMENDMENT NO. 7072

Mr. TSONGAS (for himself, Mr. BAUCUS, Mr. BIDEN, Mr. GRASSLEY, Mrs. KASSEBAUM, Mr. ARMSTRONG, Mrs.

HAWKINS, Mr. INOUYE, Mr. LEVIN, Mr. MELCHER, Mr. EXON, Mr. PRYOR, Mr. PROXMIRE, Mr. EVANS, Mr. MATTINGLY, Mr. ANDREWS, Mr. JEPSEN, Mr. BOREN, Mr. NICKLES, Mr. MURKOWSKI, Mr. MITCHELL, and Mr. LEAHY) proposed an amendment to the joint resolution (H.J. Res. 654), supra; as follows:

Strike out all after the resolving clause and insert in lieu thereof the following:

SECTION 1. INCREASE IN PUBLIC DEBT LIMIT.

Subsection (b) of section 3101 of title 31, United States Code, is amended by striking out "may not be more" and all that follows through "outstanding at one time" and inserting in lieu thereof "may not be more than $1,730,000,000,000.00 outstanding at one time".

SEC. 2. CONSIDERATION OF A SUBSTANTIAL REDUCTION IN THE FEDERAL DEFICIT.

(a)(1) Notwithstanding any other provision of law, any concurrent resolution, any resolution, or the Standing Rules of the Senate or the Rules of the House of Representatives, it shall not be in order in either the Senate or the House of Representatives to consider, or to vote upon the question of agreeing to, a bill, a joint resolution, or an amendment that would, upon becoming law, authorize the United States Government to issue or insure a face amount of obligations in excess of the face amount of obligations authorized to be issued or insured under chapter 31 of title 31, United States Code, pursuant to subsection (b) of section 3101 of such title (as such section is amended by section 1 of this joint resolution) prior to consideration of, and a vote upon the question of agreeing to, a Federal deficit reduction bill conforming with the requirements of paragraph (3).

(2)(A) The Federal deficit reduction bill required to be considered in a House of the Congress pursuant to paragraph (1) shall be introduced by the presiding officer of such House.

(B) Time for debate on the Federal deficit reduction bill required to be considered in a House of the Congress pursuant to paragraph (1) (and any amendments thereto) shall be equally divided between the majority and minority parties, and shall be controlled by the majority leader and the minority leader of such House, or their designees.

(3) For the purpose of this subsection, a Federal deficit reduction bill means, with respect to a House of the Congress, a bill of such House, the matter after the enacting clause of which reads as follows:

"LIMITATIONS ON BUDGET AUTHORITY

"Section 1. (a) It shall not be in order in the Senate or House of Representatives to consider any bill or resolution making appropriations, if the enactment of such bill or resolution, as recommended by the respective committee on appropriations, would cause the aggregate total budget authority for function 050, National Defense, to exceed $292,900,000,000 in fiscal year 1986.

"(b) It shall not be in order in the Senate or House of Representatives to consider any bill or resolution making appropriations, if the enactment of such bill or resolution, as recommended by the respective committee on appropriations, would cause the aggregate total budget authority for nondefense discretionary activities to exceed $139,800,000,000 in fiscal year 1986.

"(c) For the purposes of this section, budget authority shall be determined on the basis applicable for fiscal year 1985.

"(d) The provisions of subsection (a) or (b) of this section may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum being present, or by unanimous consent of the Senate.

"(e) It is the sense of Congress that the unprecedented magnitude and persistence of current and projected Federal budget deficits must be addressed in a comprehensive strategy to moderate increases in defense spending while continuing the effective constraints on nondefense discretionary programs. To assure the success of such an initiative, the foregoing procedural restraints, in addition to the total aggregate spending limitations pursuant to the Congressional Budget Act of 1974, as amended, are necessary on budget authority both for defense and for nondefense discretionary programs for fiscal year 1986.

"MEDICARE FREEZE

"SEC. 2. (a) Notwithstanding any other provision of law, the "applicable percentage increase" under section 1886(b)(3)(B) of the Social Security Act for any 12-month cost reporting period or fiscal year beginning on or after October 1, 1985, and before October 1, 1986, shall be zero percent.

"(b) The Secretary of Health and Human Services shall report to the Congress within 45 days after the date of the enactment of this Act with respect to suggested methods for assuring that hospitals will not increase amounts charged to patients who are not entitled to benefits under title XVIII of the Social Security Act in order to compensate for amounts not paid by reason of the limitation under subsection (a).

"LIMITATIONS ON COST-OF-LIVING ADJUSTMENTS

"SEC. 3. (a) Notwithstanding any other provision of law, no increase shall be made in payments or benefit amounts under any provision of law which would otherwise require such increase to become effective during fiscal year 1986 as a result of changes in—

"(1) the Consumer Price Index (or any component thereof); or

"(2) any other index which measures costs, prices, or wages.

"(b) No person shall be entitled to any increase in payments or benefit amounts under any provision of law if payment thereof is denied by reason of this section.

"(c) Notwithstanding any other provision of law, any change in—

"(1) the Consumer Price Index (or any component thereof); or

"(2) any other index which measures costs, prices, or wages,

which would have resulted in any increase in payments or benefit amounts during fiscal year 1966 but for the provisions of subsection (a) shall not be taken into account for purposes of determining any increase in payments or benefit amounts during fiscal year 1987 or any fiscal year thereafter.".

(4) The provisions of this subsection are enacted by the Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(b)(1) Notwithstanding any other provision of law, the head of each agency of the Federal Government shall take such actions as may be necessary to ensure that such agency is prepared to carry out promptly any provisions of law enacted pursuant to this section that require action to be taken by such agency. Actions taken by an agency pursuant to this paragraph shall include the development of contingency plans for carrying out the programs, projects, and activities of such agency in the event that the amounts available for obligation and expenditure by such agency during fiscal year 1985 are reduced pursuant to this section.

(3) For purposes of this subsection, the term "agency" has the meaning given to such term in section 101 of title 31, United States Code.

PRESSLER AMENDMENT NO. 7073

(Ordered to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to the joint resolution (H.J. Res. 654) increasing the statutory limit on the public debt; as follows:

At the appropriate place in the bill insert the following: "It is the sense of the Senate that the President should hold a domestic summit meeting on the problem of high interest rates with the Governors of the Federal Reserve Board, Congressional leaders and representatives of the largest U.S. banks participating.".

Mr. PRESSLER. Mr. President, my amendment, if adopted, would express the sense of the Senate that the President should hold a domestic summit meeting on the problem of high interest rates. Participants should include the President, the Governors of the Federal Reserve Board, congressional leaders and representatives of the largest U.S. banks.

There is no question that high interest rates remain our No. 1 economic problem. Despite the recent drop in the prime rate to 12¾ percent, rates for average Americans are still prohibitive. In a rural State like South Dakota, farmers and small business people alike are highly dependent on credit. Today's rates are preventing these groups from participating in the economic recovery which has benefited so many other Americans.

In 1981, I was the first Republican Senator to say that interest rates could prove to be the Achilles heel of the President's economic recovery plan. I am afraid my concerns were well founded.

Our efforts to bring down inflation and ignite economic growth have been very successful. But interest rates have not followed the downward trend of the inflation rate as is traditionally the case. In fact, the spread between the inflation rate and the prime rate has normally been 3 to 4 percent—about one-half of what the spread is now.

As we are all aware, there are many culprits responsible for keeping interest rates high. The Congress and the President have certainly failed to get budget deficits under control. The Federal Reserve Board, in its zeal to bring down inflation, has kept the money supply tight. Finally, the Nation's largest banks must share some of the blame for keeping a large spread between the prime and consumer rates.

The many complicated factors which cause high interest rates preclude an easy solution. All the players must make a coordinated and careful effort if rates are to come down. Currently, there is far too much finger pointing and far too little cooperation.

We have often used summit meetings in foreign affairs as an effective means of bringing together those of divergent views. I believe the severity of the interest rate problem demands similar attention and effort.

If each of the participants were to make commitments to attack the high interest rate problem, real progress is possible. Specifically:

The Governors of the Federal Reserve Board should pursue a monetary policy which helps rates come down;

The Nation's largest banks should pledge the smallest possible spread between the prime rate and rates to average individuals;

The congressional leadership must make a larger downpayment to reduce the deficit.

President Reagan should submit a budget for 1985 which would substantially reduce interest rates.

I hope my colleagues will join me in supporting this amendment.

AIRCRAFT SABOTAGE ACT

LEAHY AMENDMENT NO. 7074

Mr. BYRD (for Mr. LEAHY) proposed an amendment to the bill (S. 2623) to implement the Montreal Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation, and for other purposes; as follows:

Page 3, beginning in line 24 strike out "interferes with the operation of or makes unsuitable for use" and insert in lieu thereof "wrecks".

Page 4, line 12, insert "by force or violence" after "interferes".

EXCHANGE OF CERTAIN FEDERAL LANDS

WALLOP AMENDMENT NO. 7075

Mr. BAKER (for Mr. WALLOP) proposed an amendment to the bill (H.R. 3331) to authorize the exchange of certain lands between the Bureau of Land Management and the city of Los Angeles for purposes of the Santa Monica Mountains National Recreation Area; as follows:

On page 2, line 1, strike "paragraph" and insert "paragraphs".

On page 2, lines 3 and 4, strike "(acting through the Bureau of Land Management)".

On page 3, line 2, strike the quotation marks and insert the following new subparagraph:

"(C) The city shall assume full responsibility for the protection of cultural resources and shall develop a cultural resource management program for the public lands to be transferred to the city in the vicinity of the Haiwee Reservoir. The program shall be developed in consultation with the Secretary of the Interior, the California State Historic Preservation Officer, and the Advisory Council on Historic Preservation.".

COAST GUARD AUTHORIZATION ACT

PACKWOOD AMENDMENT NO. 7076

Mr. BAKER (for Mr. PACKWOOD) proposed an amendment to the bill (S. 2526) to authorize appropriations for the Coast Guard for fiscal years 1985 and 1986, and for other purposes; as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Coast Guard Authorization Act of 1984".

AUTHORIZATION OF FUNDS

SEC. 2. Funds are authorized to be appropriated for necessary expenses of the Coast Guard for fiscal years 1985 and 1986, as follows:

(1) For the operation and maintenance of the Coast Guard, including expenses related to the Capehart housing debt reduction, $1,800,000,000 for fiscal year 1985 and $1,950,000,000 for fiscal year 1986; and for increases in salary, pay, and other employee benefits authorized by law, and for the full amount of fixed costs associated with operation of five Coast Guard polar icebreaking vessels manned by Coast Guard military personnel, such sums as may be necessary for each such fiscal year.

(2) For the acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto, $580,000,000 for fiscal year 1985 (of which $30,000,000 shall be for design, survey, acquisition and construction of a search and rescue facility in Western Alaska to serve the Aleutian Islands) and $680,000,000 for fiscal year 1986 (of which $30,000,000 shall be for construction of such facility).

(3) For research, development, test, and evaluation, $35,000,000 for fiscal year 1985 and $38,000,000 for fiscal year 1986.

(4) For the alteration or removal of bridges over navigable waters of the United States, constituting obstructions to navigation, $8,700,000 for fiscal year 1985, and such sums as may be necessary for expenses of the Coast Guard for such purposes for fiscal year 1986.

(5) For retired pay including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and for payments for medical care of retired personnel and their dependents under the Dependents' Medical Care Act, such sums as may be necessary for fiscal years 1985 and 1986.

PERSONNEL LEVELS

SEC. 3. Notwithstanding any other provision of law, the Coast Guard's full-time equivalent strength levels for fiscal years 1985 and 1986 shall be maintained as follows:

(1) For active duty military personnel, not less than 39,150 for fiscal years 1985 and 1986, which shall not include members of the Ready Reserve called to active duty under the authority of section 712 of title 14, United States Code, or Public Health Service officers on active duty with the Coast Guard.

(2) For civilian employees of the Coast Guard, not less than 5,484 for fiscal years 1985 and 1986.

MILITARY TRAINING

SEC. 4. For fiscal years 1985 and 1986, the Coast Guard is authorized average military training student loads as follows:

(1) For recruit and special training, 3,500 student-years.

(2) For flight training, 118 student-years.

(3) For professional training in military and civilian institutions, 556 student-years.

(4) For officer acquisition, 1,038 student-years.

TRANSFER OF FUNDS

SEC. 5. (a) Whenever the Secretary of the department in which the Coast Guard is operating determines it to be in the national interest, the Secretary may transfer not to exceed 5 percent of the funds appropriated for the purposes described in paragraph (1) or (2) of section 2 of this Act for use for any purpose described in any paragraph of section 2, except that the total available for the purposes for which the funds are transferred shall not be increased by more than 10 percent as a result of the transfer.

(b) No transfer of funds may occur under subsection (a) of this section until 15 days after the Secretary has provided written notification to the Chairman of the Committee on Commerce, Science, and Transportation of the Senate and the Chairman of the Committee on Merchant Marine and Fisheries of the House of Representatives stating the reasons for the determination and a description of the purposes for which the funds proposed to be transferred will be used.

POLAR ICEBREAKING

SEC. 6. (a) It is the sense of the Congress that the United States has important security, economic, and environmental interests in developing and maintaining a fleet of icebreaking vessels capable of operating effectively and independently in the heavy ice regions of the Arctic and Antarctic.

(b) The Secretary of the department in which the Coast Guard is operating shall prepare design and construction plans for the purchase of at least 2 new polar icebreaking vessels to be operational by the conclusion of fiscal year 1990, and shall provide detailed reports to the Congress describing the status of those plans in January 1985 and January 1986. In preparing such plans, the Secretary shall consult with other interested Federal agencies for the purpose of ensuring that all appropriate military, scientific, economic and environmental interests are taken into account.

ALCOHOL USE BY BOATERS

SEC. 7. (a) Section 2302 of title 46, United States Code, is amended by redesignating subsection (c) as subsection (d) and inserting immediately after subsection (b) the following:

"(c) An individual who is intoxicated when operating a vessel, as determined under standards prescribed by the Secretary by regulation, shall be—

"(1) liable to the United States Government for a civil penalty of not more than $1,000; or

"(2) fined not more than $5,000, imprisoned for not more than one year, or both.".

(b)(1) Section 6101(b) of title 46, United States Code, is amended by adding at the end thereof the following: "Each report filed under this section shall include information as to whether the use of alcohol contributed to the casualty.".

(2) Section 6102(a) of title 46, United States Code, is amended by inserting immediately before the period at the end thereof the following: ", including information and statistics concerning the number of casualties in which the use of alcohol contributed to the casualty".

(3) Section 13102(c)(4) of title 46, United States Code, is amended by inserting immediately after "program" the following: ", that includes the dissemination of information concerning the hazards of operating a vessel when under the influence of alcohol".

RECREATIONAL BOATING SAFETY AMENDMENTS

SEC. 8. (a) Section 4307(a)(1)(A) of title 46, United States Code, is amended—

(1) by inserting "(i)" immediately after "(A)";

(2) by striking "or" at the end of clause (i), as so redesignated by paragraph (1) of this subsection, and inserting in lieu thereof "and"; and

(3) by adding at the end thereof the following:

"(ii) it does not contain a defect which has been identified, in any communication to such person by the Secretary or the manufacturer of that vessel, equipment or component, as creating a substantial risk of personal injury to the public; or".

(b) Section 4311(b)(1) of title 46, United States Code, is amended by inserting "defect or the" immediately before "nonconformity".

(c) Section 4311(f)(1) of title 46, United States Code, is amended by inserting "or that the person was not advised by the Secretary or the manufacturer of that vessel, equipment or component that the vessel, equipment or component contains a defect which creates a substantial risk of personal injury to the public" immediately before the semi-colon.

RESCUE SWIMMING PROGRAM

SEC. 9. The Secretary of the department in which the Coast Guard is operating shall use such sums as are necessary, from amounts appropriated for the operation and maintenance of the Coast Guard, to establish a helicopter rescue swimming program for the purpose of training selected Coast Guard personnel in rescue swimming skills.

LIFESAVING EQUIPMENT ON PASSENGER FERRIES

SEC. 10. The Secretary of the department in which the Coast Guard is operating shall proceed vigorously with efforts to develop improved lifesaving equipment for use on passenger ferries.

SAN FRANCISCO VTS

SEC. 11. (a) of the funds authorized to be appropriated by paragraph (1) of section 2 of this Act, such sums as are necessary shall be used to maintain in full operation the vessel traffic service (VTS) system in San Francisco, California, throughout fiscal years 1985 and 1986.

(b) None of the funds authorized to be appropriated by this Act may be used to develop or issue a request for proposals to contract any function or activity involved in operating the vessel traffic service (VTS) system in San Francisco, California, which is, on the date of enactment of this Act, performed by Coast Guard personnel.

(c) None of the funds authorized to be appropriated by this Act may be used to hire, train, or otherwise utilize civilian personnel to replace Coast Guard military personnel involved in operating the vessel traffic service (VTS) system in San Francisco, California, until the Coast Guard has conducted a study in accordance with this subsection and has submitted the results of such study to the Congress. Such study shall identify the costs, efficiencies, and benefits, if any, that would accrue to the Federal Government, the Coast Guard, the ports, the Navy, and other users of the vessel traffic service (VTS) system in San Francisco, California, from the use of civilian personnel in that system.

LONG RANGE SEARCH AND SURVEILLANCE AIRCRAFT

SEC. 12. (a) Of the amounts authorized to be appropriated by paragraphs (1) and (2) of section 2 of this Act, such sums as are necessary shall be used to procure, maintain, and operate a fleet of not less than twenty seven long range search and surveillance aircraft for use by the Coast Guard.

(b) The Secretary of the department in which the Coast Guard is operating is encouraged to conduct the research, development, test and evaluation necessary for an electronic surveillance system, capable of producing and documenting images for search and rescue or law enforcement purposes, for the long range serch and surveillance aircraft of the Coast Guard.

PROTECTION OF SEAMEN

SEC. 13. (a) Chapter 2 of title 46, United States Code, is amended by adding at the end thereof the following:

"§ 2114. Protection of seamen against discrimination

"(a) An owner, charterer, managing operator, agent, master, or individual in charge of a vessel may not discharge or in any manner discriminate against a seaman because the seaman in good faith has reported or is about to report to the Caost Guard that the seaman believes that a violation of this subtitle, or a regualtion issued under this subtitle, has occurred.

"(b) A seaman discharged or otherwise discriminated against in violation of this section may bring an action in an appropriate district court of the United States. In that action, the court may order any appropriate relief, including—

"(1) restraining violations of this section; and

"(2) reinstatment to the seaman's former position with back pay.".

(b) The analysis of chapter 21 of title 46, United States Code, is amended by adding at the end thereof the following:

"2114. Protection of seamen against discrimination.".

CONTRACTING FOR SERVICES PERFORMED BY THE COAST GUARD

SEC. 14. (a) The Secretary of the department in which the Coast Guard is operating is encouraged to idenitfy those funcitons and services presently performed by Coast Guard personnel which are not inherently governmental in nature, and which may be performed with equal effectiveness and at lower cost under contract to the private sector.

(b) None of the funds authorized to be aproriated by this Act may be used—

(1) to issue any contract that would have the effect, either by itself or in combination with other contracting proposals, of causing a deterioration in the overall ability of the Coast Guard to carry out its missions in behalf of the security, safety, and economic and environmental well-being of the United States; or

(2) to issue a request for proposals to contract out any function or activity which is, on the date of enactment of this Act, performed by civilian employees or members of the Coast Guard, unless a period of 30 days in which either the Senate or House of Representatives is in session has expired after the Secretary has submitted in writing to the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Committee on Commerce, Science, and Transportation of the Senate, and the Chairman of the Committee on Merchant Marine and Fisheries of the House of Representatives a full and complete statement (including revelant supporting studies) concerning the proposed contracting and the reasons therefor.

(c) Prior to the beginning of fiscal years 1985 and 1986, the Secretary shall submit to the Congress a list of functions or activities for which the Secretary expects to submit notifications required by subsection (b)(2) of this section during the fiscal year.

(d) The requirements of subsection (b)(2) of this section do not apply to contracts for functions or activities which are performed by three or fewer Coast Guard personnel.

LEGAL EQUITY FOR WOMEN

SEC. 15. (a)(1) Section 371 of title 14, United States Code, is amended—

(A) by striking "male" both places it appears in the second sentence of subsection (a);

(B) in subsection (c)(1)—

(i) by striking "he agrees in writing that, upon his" and inserting in lieu thereof "the person agrees in writing that, upon"; and

(ii) by striking "he will" and inserting in lieu thereof "the person will"; and

(C) by striking "he has the consent of his parent or guardian to his agreement" in subsection (c)(2) and inserting in lieu thereof "the person has the consent of the person's parent or guardian to the agreement".

(2) The first sentence of section 487 of such title is amended by striking "widows" and inserting in lieu thereof "surviving spouses".

(3)(A) The following sections of such title are amended by striking "enlisted man" each place it appears and inserting in lieu thereof "enlisted member": 353, 354, 355, 357, 359, 360, 361, 362, 365, 366, 367, 370, 421, 432 and 424.

(B) The following sections of such title are amended by striking "enlisted men" each place it appears and inserting in lieu thereof "enlisted members": 41, 211(a)(2), 212(a)(2), 213(a)(1), 214, 357, 432(c), 478(d) and 480.

(C) The following sections of such title are amended by striking "Enlisted men" each place it appears and inserting in lieu thereof "Enlisted members": 41, 352, 367, 478(a), 481 and 482.

(D) The following sections of such title are amended by striking "officers and enlisted men" each place it appears and inserting in lieu thereof "members": 92(b), 144(a), 145(a)(2), 148, 149, 487 and 832.

(E) Section 149 of such title is amended by striking "Officers and enlisted men" inserting in lieu thereof "Members".

(F) Section 351(a) of such title is amended by striking "men" and inserting in lieu thereof "persons".

(G) Section 361 of such title is amended by striking "the man" and inserting in lieu thereof "the member".

(H) Section 192 and 483 of such title are amended by striking "commissioned officer, warrant officer, or enlisted man" each place it appears and inserting in lieu thereof "member".

(I) Section 488 of such title is amended by striking "officers and men" and inserting in lieu thereof "members".

(4)(A)(i) The heading of section 149 of such title is amended to read as follows:

"§ 149. Detail of members to assist foreign governments".

(ii) The item relating to such section in the analysis of chapter 7 of such title is amended to read as follows:

"149. Detail of members to assist foreign governments.".

(B)(i) The heading of section 360 of such title is amended to read as follows:

"§ 360. Recall to active duty with consent of member".

(ii) The item relating to such section in the analysis of chapter 11 of such title is amended to read as follows:

"§ 360 Recall to active duty with consent of members.".

(C)(i) The heading of section 361 of such title is amended to read as follows:

"§ 361. Relief of retired enlisted member promoted while on active duty".

(ii) The item relating to such section in the analysis of chapter 11 of such title is amended to read as follows:

"361. Relief of retired enlisted member promoted while on active duty.".

(D)(i) The heading of section 487 of such title is amended to read as follows:

"§ 487. Procurement and sale of stores to members and civilian employees".

(ii) The item relating to such section in the analysis of chapter 13 of such title is amended to read as follows:

"487. Procurement and sale of stores to members and civilian employees.".

(E)(i) The heading preceding section 350 in such title is amended to read as follows:

"ENLISTED MEMBERS"

(ii) The heading preceding the item relating to section 350 in the analysis of chapter 11 of such title is amended to read as follows:

"ENLISTED MEMBERS".

(b)(1) The first section of the Act of August 19, 1950 (33 U.S.C. 771) is amended—

(A) by striking "he" in clause (1) and inserting in lieu thereof "that employee";

(B) by amending clause (2) to read as follows:

"(2) the surviving spouse of the former employee was married to the former employee prior to the retirement of the former employee from the Lighthouse Service and has not remarried—"; and

(C) by striking "such widow, so long as she" in the material after clause (2) and inserting in lieu thereof "the surviving spouse, so long as the surviving spouse".

(2) Section 2 of such Act (33 U.S.C. 772) is amended—

(A) by amending clause (2) to read as follows:

"(2) the surviving spouse of the employee has not since remarried,"; and

(B) by striking "such widow, so long as she" in the material after clause (2) and inserting in lieu thereof "the surviving spouse, so long as the surviving spouse".

COASTAL AND INLAND NAVIGATION SAFETY

SEC. 16. (a) Subsection (e) of Public Law 96-380 (33 U.S.C. 1231a(e)) is amended by striking "five years from the date of enactment of this Act" and inserting in lieu thereof "on September 30, 1990".

(b)(1) Rule 24(i) of the Inlands Navigational Rules, enacted by section 2 of the Inland Navigational Rules Act of 1980 (33 U.S.C. 2024(i)), is amended by inserting "(except below the Huey P. Long Bridge on the Mississippi River)" immediately after "Western Rivers".

(2) Section 5 of the Inland Navigational Rules Act of 1980 (33 U.S.C. 2073) is amended—

(A) by amending the second sentence in subsection (c) to read as follows: "Members of the Council, while away from their home or regular place of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code."; and

(B) by striking "5 years from the date of enactment of this Act" in subsection (d) and inserting in lieu thereof "on September 30, 1990".

(c) Rule 14 of the Inland Navigational Rules, enacted by section 2 of the Inland Navigational Rules Act of 1980 (33 U.S.C. 2014), is amended—

(1) in subsection (a), by striking "When" and inserting in lieu thereof "Unless otherwise agreed, when"; and

(2) by adding at the end thereof the following:

"(d) Notwithstanding paragraph (a) of this Rule, a power-driven vessel operating on the Great Lakes, Western Rivers, or waters specified by the Secretary, and proceeding downbound with a following current shall have the right of way over an upbound vessel, shall propose the manner of passage, and shall initiate the maneuvering signals prescribed by Rule 34(a)(i), as appropriate.".

COAST GUARD MANAGEMENT AND EFFICIENCY

SEC. 17. (a) Section 971(b) of title 10, United States Code, is amended—

(1) by striking "and" at the end of clause (1);

(2) by striking the period at the end of clause (2) and inserting in lieu thereof "; and "; and

(3) by adding at the end thereof the following:

"(3) no officer of the Coast Guard may be credited with service as a midshipman at the United States Naval Academy or as a cadet at the United States Military Academy, United States Air Force Academy, or United States Coast Guard Academy.".

(b)(1) Section 257 of title 14, United States Code, is amended by adding at the end thereof the following:

"(e) An officer whose involuntary retirement or separation is deferred under section 295 of this title is not eligible for consideration for promotion to the next higher grade during the period of that deferment.".

(2)(A) Chapter 11 of such title is amended by inserting immediately after section 294 the following:

"§ 295. Deferment of retirement or separation for medical reasons"

"(a) Subject to subsection (b), the Secretary may defer the retirement or separation of a commissioned officer, other than a commissioned warrant officer, if the evaluation of the physical condition of the officer and determination of the officer's entitlement to retirement or separation for physical disability require hospitalization, medical observation, or other physical disability processing that cannot be completed before the date on which the officer would otherwise be retired or separated.

"(b) A deferment under subsection (a)—

"(1) may only be made with the consent of the officer involved; and

"(2) if the Secretary receives written notice from the officer withdrawing that consent, shall end not later than the end of the 60-day period beginning on the date the Secretary receives that notice.".

(B) The analysis of such chapter is amended by inserting immediately after the item relating to section 294 the following:

"295. Deferment of retirement or separation for medical reasons.".

(3)(A) Section 647 of such title is amended by striking "$25,000" and inserting in lieu thereof "$100,000".

(B) The amendment made by subparagraph (A) of this paragraph shall apply to all claims considered, ascertained, adjusted, determined, compromised or settled on or after the date of enactment of this Act.

(4) Section 367 of such title is amended—

(A) by striking "(a)" before "Under regulations";

(B) by striking "person detained" and inserting in lieu thereof "member detained"; and

(C) by striking "(1) of this subsection" and and inserting in lieu thereof "clause (1)".

(c) Section 1114 of title 18, United States Code, is amended by striking "any officer or enlisted man of the Coast Guard," and inserting in lieu thereof "any member of the Coast Guard, any employee of the Coast Guard assigned to perform investigative, inspection or law enforcement functions,".

(d) Section 402(d) of title 37, United States Code, is amended by inserting "and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy" immediately after "Secretary of Defense".

(e)(1) Subsection (a) of section 3732 of the Revised Statutes of the United States (41 U.S.C. 11) is amended—

(A) by striking "except in the War and Navy Departments" and and inserting in lieu thereof "except in the Department of Defense and in the Department of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy"; and

(B) by striking "or transportation" and and inserting in lieu thereof ", transportation, or medical and hospital supplies".

(2) Subsection (b) of such section is amended by inserting "and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy" immediately after "The Secretary of Defense".

(3) The first proviso under the heading "MEDICAL DEPARTMENT" in the Act entitled "An Act making appropriations for the support of the Army for the fiscal year ending June thirteenth, nineteen hundred and seven", approved June 12, 1906 (34 Stat. 255), is repealed.

(f)(1) Section 911 of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c) is amended—

(A) by striking "and the Secretary of Health and Human Services" each place it appears and and inserting in lieu thereof ", the Secretary of Health and Human Services, and the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy"; and

(B) by inserting "the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy," immediately before "and the appropriate officials".

(2) Section 1252 of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d) is amended—

(A) by striking "and the Secretary of Health and Human Services" each place it appears and inserting in lieu thereof ", the Secretary of Health and Human Services, and the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy"; and

(B) by inserting "and the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy" immediately after "with the Secretary of Health and Human Services" each place it appears.

(g)(1) The first section of the Act of March 23, 1906 (33 U.S.C. 491), popularly known as the "Bridge Act of 1906", is amended—

(A) by striking "and Chief of Engineers for their approval, nor until they" and inserting in lieu thereof "for the Secretary's approval, nor until the Secretary";

(B) by striking "by the Chief of Engineers and";

(C) by striking "of the Chief of Engineers and"; and

(D) by striking "of Transportation" the second and third place it appears.

(2) Section 502(b) of the General Bridge Act of 1946 (33 U.S.C. 525(b)) is amended—

(A) by striking "the Chief of Engineers and"; and

(B) by striking "they" both places it appears and inserting in lieu thereof "the Secretary".

REPEAL OF DUPLICATE TANKERMAN MANNING REQUIREMENT

SEC. 18. Section 8703(b) of title 46, United States Code, relating to tankerman manning requirements, is repealed.

INCLUSION OF SECRETARY OF TRANSPORTATION IN CERTAIN MEDICAL MATTERS

SEC. 19. Chapter 55 of title 10, United States Code, is amended—

(1) in section 1072—

(A) by striking all after "by" through "may be," in paragraph (2)(D)(iii) and inserting in lieu thereof "the administering Secretary"; and

(B) by adding at the end thereof the following:

"(3) 'Administering Secretaries' means the Secretaries of executive departments specified in section 1073 of this title as having responsibility for administering this chapter.";

(2) in section 1073, by striking all after "jurisdiction," through "Navy, and" and inserting in lieu thereof "the Secretary of Transportation shall administer this chapter for the Coast Guard when the Coast Guard is not operating as a service in the Navy, and the Secretary of Health and Human Services shall administer this chapter";

(3) in section 1074, by striking "Secretary of Defense and the Secretary of Health and Human Services" each place it appears and inserting in lieu thereof "administrating Secretaries";

(4) in section 1074a(a), by striking "Secretary of Defense and the Secretary of Health and Human Services" and inserting in lieu thereof "administrating Secretaries";

(5) in section 1076(b) and (d), by striking "the Secretary of Defense and the Secretary of Health and Human Services" and inserting in lieu thereof "the administrating Secretaries";

(6) in section 1078(a) and (b), by striking "the Secretary of Health and Human Services" and inserting in lieu thereof "the other administrating Secretaries";

(7) in section 1079—

(A) by striking "the Secretary of Defense and the Secretary of Health and Human Services" each place it appears and inserting in lieu thereof "the administrating Secretaries"; and

(B) by striking "with the Secretary of Health and Human Services" in subsections (a), (b)(2) and (k) and inserting in lieu thereof "with the other administering Secretaries";

(8) in section 1080, by striking "the Secretary of Health and Human Services" and inserting in lieu thereof "the other administrating Secretaries";

(9) in section 1081, by striking "the Secretary of Defense or the Secretary of Health and Human Services" and inserting in lieu thereof "the appropriate administrating Secretaries";

(10) in section 1083, by striking "the Secretary of Health and Human Services" and inserting in lieu thereof "the other administrating Secretaries";

(11) in section 1084—

(A) by striking "the Secretary of Defense or the Secretary of Health and Human Services" and inserting in lieu thereof "an administrating Secretary"; and

(B) by striking "he" and inserting in lieu thereof "the administering Secretary";

(12) by amending the text of section 1085 to read as follows:

"If a member or former member of a uniformed service under the jurisdiction of one executive department (or a dependent of such a member or former member) receives inpatient medical or dental care in a facility under the jurisdiction of another executive department, the appropriation for maintaining and operating the facility furnishing the care shall be reimbursed at rates established by the President to reflect the average cost of providing the care.";

(13) in section 1986—

(A) by striking "the Secretary of Health and Human Services" in subsection (a) and inserting in lieu thereof "the other administering Secretaries"; and

(B) by striking "the Secretary of Defense and the Secretary of Health and Human Services" in subsection (e) and inserting in lieu thereof "the administering Secretaries"; and

(14) in section 1092(a)(1), by striking "Secretary of Health and Human Services" and inserting in lieu thereof "other administering Secretaries".

CUTTER AVAILABILITY

SEC. 20. Throughout fiscal years 1985 and 1986, there shall be available for service at all times on the Atlantic and Gulf Coasts of the United States not less than, in the aggregate, thirty high and medium endurance Coast Guard cutters.

COAST GUARD REPRESENTATION ON RESERVE FORCES POLICY BOARD

SEC. 21. Section 175(b) of title 10, United States Code, is amended to read as follows:

"(b) Whenever the Coast Guard is not operating as a service in the Navy, the Secretary of Transportation may designate two officers of the Coast Guard, Regular or Reserve, to serve as voting members of the Board.".

EXPOSURE SUITS

SEC. 22. (a)(1) Chapter 31 of title 46, United States Code, is amended by adding at the end thereof the following;

"§ 3102. Exposure suits

"(a) The Secretary shall be regulation require exposure suits on vessels designated by the Secretary that operate in the Atlantic Ocean north of 32 degrees North latitude or south of 32 degrees South latitude and in all other waters north of 35 degrees North latitude or south of 35 degrees South latitude. The Secretary may not exclude a vessel from designation under this section only because that vessel carries other lifesaving equipment.

"(b) The Secretary shall establish standards for an exposure suit required by this section, including standards to guarantee adequate thermal protection, buoyance, and flotation stability.

"(c)(1) The owner, charterer, managing operator, agent, master, or individual in charge of a vessel violating this section or a regulation prescribed under this section is liable to the United States Government for a civil penalty of not more than $5,000. The vessel also is liable in rem for the penalty.

"(2) The owner, charterer, managing operator, agent, master, or individual in charge of a vessel violating this section or a regulation prescribed under this section may be fined not more than $25,000, imprisoned for not more than 5 years, or both.".

(2) The analysis of chapter 31 of title 46, United States Code, is amended by inserting immediately after the item relating to section 3101 the following:

"3102. Exposure suits.".

(b) Section 3102 of title 46, United States Code (as added by subsection (a) of this section), does not limit the authority of the Secretary of the department in which the Coast Guard is operating to prescribe regulations requiring exposure suits on vessels not required by section 3102 to have exposure suits.

(c) The regulations prescribed under section 3102 of title 46, United States Code (as added by subsection (a) of this section), shall be effective not later than 60 days after the date of enactment of this Act.

(d) Not later than 6 months after the date of enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall submit a report to the Congress evaluating the benefits and disadvantages of extending the regulations prescribed under section 3102 of title 46, United States Code (as added by subsection (a) of this section) to require exposure suits on designated vessels operating in all waters north of 31 degrees North latitude or south of 31 degrees South latitude.

VESSEL FIRE RESPONSE CAPABILITY

SEC. 23. (a) The Secretary of the department in which the Coast Guard is operating shall make a grant to the Maritime Fire and Safety Association, a non-profit organization incorporated in the State of Oregon. Such grant shall be used for a demonstration project to develop a fire response capability for vessels through the acquisition of equipment and supplies and through training of fire response personnel. The Secre-

tary shall ensure that funds made available by such grant are used for such purposes.

(b) For purposes of subsection (a) of this section, there are authorized to be appropriated not to exceed $349,000 for fiscal year 1985, not to exceed $160,000 for fiscal year 1986, and not to exceed $103,000 for fiscal year 1987.

CADET PREAPPOINTMENT TRAVEL EXPENSES

SEC. 24. (a) Chapter 9 of title 14, United States Code, is amended by inserting immediately after section 181 the following:

"§ 181a. Cadet applicants; preappointment travel to Academy.".

"The Secretary is authorized to expend appropriated funds for selective preappointment travel to the Academy for orientation visits of cadet applicants.".

(b) The table of sections at the beginning of such chapter is amended by inserting immediately after the item relating to section 181 the following:

"181a. Cadet applicants; preappointment travel to Academy.".

COMMODORE AND REAR ADMIRAL RESERVE POSITIONS

SEC. 25. (a)(1) Section 42(b) of title 14, United States Code, is amended by striking ".375" both places it appears and inserting in lieu thereof "0.375".

(2) Section 290 of such title is amended by striking "Board" in the fourth sentence and inserting in lieu thereof "Boards".

(3) The table of sections at the beginning of chapter 13 of such title is amended by striking the item relating to section 462a.

(4) Section 724 of such title is amended—

(A) by inserting "(1)" immediately after "(b)";

(B) by striking the last sentence; and

(C) by adding at the end thereof the following:

"(2) The authorized number of Reserve officers in an active status not on active duty in the grades of commodore and rear admiral is a total of two. However, the Secretary of the department in which the Coast Guard is operating may authorize an additional number of Reserve officers not on active duty in the grades of commodore and rear admiral as necessary in order to meet planned mobilization requirements.".

(b)(1) The matter in the table in section 201(a) of title 37, United States Code, under the heading "Navy, Coast Guard, and National Oceanic and Atmospheric Administration" and in the columns for 0-8 and 0-7 is amended to read as follows: "Rear admiral Commodore".

(2)(A) The heading of section 202 of such title is amended to read as follows:

"§ 202. Pay grade: retired Coast Guard commodores".

(B) The item relating to section 202 in the table of sections at the beginning of chapter 3 of such title is amended to read as follows:

"202. Pay grade: retired Coast Guard commodores".

(c) The matter in the table in section 741(a) of title 10, United States Code, under the heading, "Navy and Coast Guard" is amended—

(1) by striking "Rear admiral (Navy) and Rear admiral (upper half) (Coast Guard)" and inserting in lieu thereof "Rear admiral"; and

(2) by striking "Commodore (Navy) and Rear admiral (lower half) (Coast Guard)" and inserting in lieu thereof "Commodore".

ASSOCIATE DEPUTY SECRETARY OF TRANSPORTATION

SEC. 26. (a) Section 102 of title 49, United States Code, is amended by redesignating subsection (d) as subsection (e) and inserting immediately after subsection (c) the following:

"(d) The Department has an Associate Deputy Secretary appointed by the President, by and with the advice and consent of the Senate. The Associate Deputy Secretary shall carry out powers and duties prescribed by the Secretary.".

(b) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following: "Associate Deputy Secretary, Department of Transportation.".

(c) Notwithstanding any other provision of law, until April 15, 1985, the position created by subsection (a) of this section may be held by a person named by the President alone from among qualified individuals.

FLAT RATE PER DIEM TEST

SEC. 28. (a) Before October 1, 1986, the Secretary of the department in which the Coast Guard is operating may test a flat rate per diem allowances system for military travel allowances.

(b) Such flat rate per diem allowances shall be an amount determined by the Secretary to be sufficient to meet normal and necessary expenses in the area in which travel is performed but such allowances may not be more than $75 for each day in the continental United States.

(c) The test authorized by this section may not begin before the Committees on Commerce, Science, and Transportation and Armed Services of the Senate and the Committee on Merchant Marine and Fisheries and Armed Services of the House of Representatives are notified of the test.

IMPROVEMENTS IN SHIPPING LAWS ADMINISTERED BY THE COAST GUARD

SEC. 29. (a) Section 7101(e)(3) of title 46, United States Code, is amended to read as follows:

"(3) has a thorough physical examination each year while holding the license except that this requirement does not apply to an individual who will serve as a pilot only on a vessel of less than 1600 gross tons;".

(b) Section 8101(g) of title 46, United States Code, is amended by striking "or part B of this subtitle applies" and inserting in lieu thereof "applies or which is subject to inspection under chapter 33 of this title".

(c) Section 8301(a) of title 46, United States Code, is amended—

(1) by inserting "(except the Great Lakes)" immediately after "lakes"; and

(2) by striking "to which part B of this subtitle applies" and inserting in lieu thereof "subject to inspection under chapter 33 of this title".

(d) Section 8301(a)(1) of title 46, United States Code, is amended by inserting "propelled by machinery or carrying passengers" immediately after "vessels".

(e) Section 8501(a) of title 46, United States Code, is amended by striking "part" and inserting in lieu thereof "subtitle".

(f)(1) Section 8502(a) of title 46, United States Code, is amended to read as follows:

"(a) Except as provided in subsection (g) of this section, a coastwise seagoing vessel shall be under the direction and control of a pilot licensed under section 7101 of this title if the vessel is—

"(1) not sailing on register;

"(2) underway;

"(3) not on the high seas; and

"(4)(A) propelled by machinery and subject to inspection under part B of this subtitle; or

"(B) subject to inspection under chapter 37 of this title.".

(2) Section 8502 of title 46, United States Code, is amended by adding at the end thereof the following:

"(g) The Secretary shall designate by the regulation the areas of the approaches to and waters of Prince William Sound, Alaska, on which a vessel subject to this section is not required to be under the direction and control of a pilot licensed under section 7101 of this title.".

(3)(A) Chapter 85 of title 46, United States Code, is amended by adding at the end thereof the following:

"§ 8503. Federal pilots authorized

"(a) The Secretary may require a pilot licensed under section 7101 of this title on a self-propelled vessel when a pilot is not required by State law and the vessel is—

"(1) engaged in foreign commerce; and

"(2) operating on the navigable waters of the United States.

"(b) A requirement prescribed under subsection (a) of this section is terminated when the State having jurisdiction over the area involved—

"(1) establishes a requirement for a State licensed pilot; and

"(2) notifies the Secretary of that fact.

"(c) For the Saint Lawrence Seaway, the Secretary may not delegate the authority under this section to any agency except the Saint Lawrence Seaway Development Corporation.

"(d) A person violating this section or a regulation prescribed under this section is liable to the United States Government for a civil penalty of not more than $25,000. Each day of a continuing violation is a separate violation. The vessel also is liable in rem for the penalty.

"(e) A person that knowingly violates this section or a regulation prescribed under this section shall be fined not more than $50,000, imprisoned for not more than five years, or both.".

(B) The analysis of chapter 85 of title 46, United States Code, is amended by inserting immediately after the item relating to section 8502 the following: "8503. Federal pilots authorized.".

(g) Section 7 of the Ports and Waterways Safety Act (33 U.S.C. 1226) is repealed.

(h) Section 10 of the Ports and Waterways Safety Act (33 U.S.C. 1229) is amended by striking "6, and 7" and inserting in lieu thereof "and 6".

LOGBOOK REQUIREMENT

SEC. 30. Section 11301(a) of title 46, United States Code, is amended to read as follows:

"(a) Except a vessel on a voyage from a port in the United States to a port in Canada, a vessel of the United States shall have an official logbook if the vessel is—

"(1) on a voyage from a port in the United States to a foreign port; or

"(2) of at least 100 gross tons and is on a voyage between a port of the United States on the Atlantic Ocean and on the Pacific Ocean."

TRENT RIVER RAILROAD BRIDGE

SEC. 31. Notwithstanding any other provision of law, the Trent River Railroad Bridge, mile 0.0, in New Bern North Carolina, is deemed an unreasonable obstruction to navigation.

AMENDMENTS TO THE COASTWISE LOAD LINE ACT

SEC. 32. (a) Section 1(b) of the Act of August 27, 1935 (46 App. U.S.C. 88(b)), popularly known as the "Coastwise Load Line Act, 1935" is amended to read as follows:

"(b) This Act does not apply to—

"(1) a fish tender vessel of not more than 500 gross tons—

"(A) constructed, under construction, or contracted to be constructed as a vessel of this type before January 1, 1980; or

"(B) converted for use as a vessel of this type before January 1, 1983; and

"(2) a fish processing vessel of not more than 5,000 gross tons, except a vessel constructed after August 15, 1974, or converted for use as a vessel of this type after January 1, 1983;".

(b) Section 2 of such Act (46 App. U.S.C. 88A) is amended to read as follows:

"SEC. 2. (a) For vessels to which this Act applies, the Secretary of the department in which the Coast Guard is operating shall establish by regulation load lines and marks indicating the maximum depth to which these vessels may be loaded safely.

"(b) In prescribing regulations under this Act, the Secretary shall consider the age, condition, character, design, and construction of a vessel to which this act applies, including subdivision and stability characteristics.

"(c) This Act applies to the Great Lakes, except that the Secretary may establish special operating regulations for barges operating close to shore between Calumet Harbor, Illinois, and Burns Harbor, Indiana, that exempt these barges from the load line and marking requirements of this section.

"(d) The Secretary may not establish on any vessel a load line that is above the actual line of safety.".

TECHNICAL AMENDMENTS REGARDING COMMERCIAL FISHING INDUSTRY VESSELS

SEC. 33. (a) Section 4502(b)(3) of title 46, United States Code, is amended by striking "the exemption" and inserting in lieu thereof "this chapter".

(b) Section 4503 of title 46, United States Code, is amended by striking "shall be deemed" and inserting in lieu thereof "is deemed".

(c) Section 8104(k) and (l) of title 46, United States Code, is amended by striking "may" and inserting in lieu thereof "shall".

(d) Section 402(13) of the Act of July 17, 1984 (Public Law 98-364) is amended by striking "Section 10101(a)" and inserting in lieu thereof "Section 10101".

SAILING SCHOOL VESSELS

SEC. 34. (a) Section 2101 of title 46, United States Code, is amended:

(1) in clause (21)(B), by inserting "or a sailing school vessel" immediately after "vessel" the first time it appears; and

(2) in clause (27), by striking all after "by sail" and inserting in lieu thereof "and may include—

"(A) any subject related to that operation and to the sea, including seamanship, navigation, oceanography, other nautical and marine sciences, and maritime history and literature; and

"(B) only when in conjuction with a subject referred to in subclause (A) of this clause, instruction in mathematics and language arts skills to sailing school students having learning disabilities.".

(b) Section 206 of the Sailing School Vessels Act of 1982 (46 App. U.S.C. 446(b) is amended by inserting "section 11101(a)-(c) of title 46, United States Code," immediately before "and".

COMPENSATION OF COMMANDANT OF THE COAST GUARD

SEC. 35. (a) Footnote 2 of the table entitled "COMMISSIONED OFFICERS" in section 101(b)(1) of the Uniformed Services Pay Act of 1981 (Public Law 97-60; 95 Stat. 990) is amended—

(1) by striking "or"; and

(2) by inserting "or Commandant of the Coast Guard," immediately after "Corps,".

(b) The first sentence of footnote 4 of the table in section 1401 of title 10, United States Code, is amended—

(1) by striking "or"; and

(2) by inserting "or Commandant of the Coast Guard," immediately after "Corps,".

AWARDS OF EXPENSES OF CERTAIN AGENCY AND COURT PROCEEDINGS

GRASSLEY AMENDMENT NO. 7077

Mr. BAKER (for Mr. GRASSLEY) proposed an amendment to the bill (H.R. 5479) to amend section 504 of title 5, United States Code, and section 2412 of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and for other purposes; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: That (a) section 504(a)(1) of title 5, United States Code, is amended—

(1) by striking out "as a party to the proceeding", and

(2) by adding at the end thereof the following: "The decision of the adjudicative officer on the application for fees and other expenses shall be the final administrative decision under this section.".

(b) Section 504(a)(2) of title 5, United States Code, is amended by adding at the end thereof the following: "When the United States appeals the underlying merits of an adversary adjudication, no decision on an application for fees and other expenses in connection with that adversary adjudication shall be made under this section until a final and unreviewable decision is rendered by the court on the appeal or until the underlying merits of the case have been finally determined pursuant to the appeal.".

(c) Section 504(b) of title 5, United States Code, is amended—

(1) by amending paragraph (1)(B) to read as follows:

"(B) 'party' means a party, as defined in section 551(3) of this title, who is (i) an individual whose net worth did not exceed $2,000,000 at the time the adversary adjudication was initiated, or (ii) any owner of an unincorporated business, or any partnership, corporation, association, unit of local government, or organization, the net worth of which did not exceed $7,000,000 at the time the adversary adjudication was initiated, and which had not more than 500 employees at the time the adversary adjudication was initiated; except that an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3)) exempt from taxation under section 501(a) of such Code, or a cooperative association as defined in section 15(a) of the Agricultural Marketing Act (12 U.S.C. 1141j(a)), may be a party regardless of the net worth of such organization or cooperative association;";

(2) in paragraph (1)(c)—

(A) by inserting "(i)" before "an adjudication under";

(B) by inserting before the semicolon at the end thereof the following: ", and (ii) any appeal of a decision made pursuant to section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605) before an agency board of contract appeals as provided in section 8 of that Act (41 U.S.C. 607)"; and

(C) by striking out "and" at the end thereof;

(3) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following:

"(E) 'position of the agency' includes the underlying action which led to the adversary adjudication; except that fees and expenses may not be awarded to a party for any portion of the adversary adjudication in which the party has unreasonably protracted the proceedings.".

(d) Section 504(c)(2) of title 5, United States Code, is amended to read as follows:

"(2) If a party or the United States is dissatisfied with a determination of fees and other expenses made under subsection (a), that party or the United States (as the case may be) may, within 30 days after the determination is made, appeal the determination to the court of the United States having jurisdiction to review the merits of the underlying decision of the agency adversary adjudication. The court's determination on all appeals heard under this paragraph shall be based solely on the factual record made before the agency. The court may modify the determination of fees and other expenses only if the court finds that the failure to make an award of fees and other expenses, or the calculation of the amount of the award, was unsupported by substantial evidence.".

(e) Section 504(d) of title 5, United States Code, is amended to read as follows:

"(d) Fees and other expenses awarded under this subsection shall be paid by any agency over which the party prevails from any funds made available to the agency by appropriation or otherwise.".

(f) Section 504 of title 5, United States Code, is amended by adding at the end thereof the following:

"(f) If complete payment of the fees and other expenses awarded under this section is not made within 60 days after the final agency action making an award of such fees and other expenses, interest shall be paid on the amount remaining due. Such interest shall be computed at the rate the Secretary of the Treasury establishes for interest payments under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611), and shall run from the date which is 61 days after the date of such award up to and including the date such payment is posted by certified or registered mail.".

SEC. 2. (a) Section 2412 of title 28, United States Code, is amended—

(1) in subsections (a) and (b) by striking out "or any agency and any official of the United States" each place it appears and inserting in lieu thereof "or any agency or any official of the United States";

(2) in subsection (d)(1)(A) by inserting ", including proceedings for judicial review of agency action," after "in tort)"; and

(b) Section 2412(d)(2) of title 28, United States Code, is amended—

(1) in subparagraph (B)—

(A) in clause (i) by striking out "$1,000,000" and inseting in lieu thereof "$2,000,000"; and

(B) by striking out "(ii)" and all that follows through the end of the subparagraph and inserting in lieu thereof the following: "or (ii) any owner of an unincorporated business, or any partnership, corporation, association, unit of local government, or organization, the net worth of which did not exceed $7,000,000 at the time the civil action was filed, and which had not more than 500 employees at the time the civil action was filed; except that an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3)) exempt from taxation under section 501(a) of such Code, or a cooperative association as defined in section 15(a) of the Agricultural Marketing Act (12 U.S.C. 1141j(a)), may be a party regardless of the net worth of such organization or cooperative association;";

(2) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following:

"(D) 'position of the United States' includes the underlying agency action which led to the litigation; except that fees and expenses may not be awarded to a party for any portion of the litigation in which the party has unreasonably protracted the proceedings;

"(E) 'civil action brought by or against the United States' includes an appeal by a party, other than the United States, from a decision of a contracting officer rendered pursuant to a disputes clause in a contract with the Government or pursuant to the Contract Disputes Act of 1978;

"(F) 'court' includes the United States Claims Court;

"(G) 'final judgment' means a judgment that is final and not appealable; and

"(H) 'prevailing party', in the case of eminent domain proceedings, means a party who obtains a final judgment (other than by settlement), exclusive of interest, the amount of which is at least as close to the highest valuation of the property involved that is attested to at trial on behalf of the property owner as it is to the highest valuation of the property involved that is attested to at trial on behalf of the Government.".

(c) Section 2412(d)(4) of title 28, United States Code, is amended to read as follows:

"(4) Fees and other expenses awarded under this subsection to a party shall be paid by any agency over which the party prevails from any funds made available to the agency, by appropriation or otherwise.".

(d) Section 2412 of title 28, United States Code, is amended by adding at the end thereof the following:

"(f) If complete payment of the costs or fees and other expenses awarded under this section is not made within 60 days after the award of such costs or fees and other expenses, interest shall be paid thereafter on the amount remaining due. Such interest shall be computed at the rate the Secretary of the Treasury establishes for interest payments under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611), and shall run from the date which is 61 days after the date of such award up to and including the date such payment is posted by certified or registered mail.".

SEC. 3. Section 206 of the Equal Access to Justice Act is amended—

(1) by striking out "Nothing" and inserting in lieu thereof "(a) Except as provided in subsection (b), nothing"; and

(2) by adding at the end thereof the following:

"(b) Section 206(b) of the Social Security Act (42 U.S.C. 406(b)(1)) shall not prevent an award of fees and other expenses under section 2412(d) of title 28, United States Code. Section 206(b)(2) of the Social Security Act shall not apply with respect to any such award but only if any fees collected by the claimant's attorney or withheld for such attorney pursuant to such section 206(b) are refunded to the claimant insofar as the fees relate to the same work for which the claimant's attorney is awarded fees under section 2412(d) of title 28, United States Code.".

SEC. 4. Section 203(c) of the Equal Access to Justice Act (Public Law 96-481) is repealed.

SEC. 5. Section 204(c) of the Equal Access to Justice Act is repealed.

SEC. 6. Section 207 of the Equal Access to Justice Act, is repealed.

SEC. 7. Section 208 of the Equal Access to Justice Act is amended by adding at the end thereof the following: "Awards may be made for fees incurred before October 1, 1981, in any such adversary adjudication or civil action.".

SEC. 8. (a) Section 7430(b)(1) of the Internal Revenue Code of 1954 (relating to maximum dollar amount) is amended by striking out "$25,000" and inserting in lieu thereof "$50,000".

(b) Subparagraph (A) of section 7430(c)(2) of such Code (defining prevailing party) is amended to read as follows:

"(A) IN GENERAL.—The term 'prevailing party' means any party to any proceeding described in subsection (a) (other than the United States or any creditor of the taxpayer involved)—

"(i) which has substantially prevailed with respect to—

"(I) the amount in controversy, or

"(II) the most significant issue or set of issues presented, and

"(ii) with respect to which the United States has not established that its position in the civil proceeding was substantially justified.

In determining whether the position of the United States in any civil proceeding was substantially justified, the court may take into account the administration actions of the Internal Revenue Service in the matter giving rise to the issues in such proceeding. Notwithstanding this subparagraph, a party shall not be treated as a prevailing party if special circumstances would make an award unjust.".

(c) Section 7430(f) of such Code (relating to termination date) is amended by striking out "1985" and inserting in lieu thereof "1989".

SEC. 9. (a) Except as otherwise provided in this section, the amendments made by this Act shall be effective as of October 1, 1984, and shall apply to cases pending on such date.

(b) The amendments made to section 504(b)(1)(C)(ii) of title 5, United States Code, by subsection (c)(2) of the first secton of this Act, and the amendments to section 2412(d)(2)(E) of title 28, United States Code, made by section 2(d)(3) of this Act shall apply to any adversary adjudication which was pending on or commenced on or after October 1, 1981 in which applications for fees and expenses were timely filed and were dismissed for lack of jurisdiction.

(c)(1) Except as provided in paragraph (2), the amendments made by section 8 of this Act shall apply to civil actions or proceedings pending on, or commenced after, the 45th day after the date of the enactment of this Act.

(2) The amendments made by section 8 shall not apply to any action or proceeding pending on such 45th day if there has been a determination by any court of the United States (including the Tax Court and the United States Claims Court) with respect to—

(A) the awarding of reasonable litigation costs in such proceeding, or

(B) the most significant issue or set of issues presented in such proceeding.

CONSERVATION SERVICE REFORM ACT

McCLURE AMENDMENT NO. 7078

Mr. BAKER (for Mr. McCLURE) proposed an amendment to the bill (H.R. 5946) to reform the Residential Conservation Service and to repeal the Commercial and Apartment Conservation Service; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. (a) During the period beginning on the date of the enactment of this Act and ending on January 1, 1986, the Secretary of Energy may not approve any plan under section 721(a) of the National Energy Conservation Policy Act (relating to energy conservation for commercial buildings and multifamily dwellings), and no public utility may be required to offer an energy audit to an eligible customer of such utility under section 731(a)(1) of such Act, except pursuant to a plan approved by the Secretary prior to the date of the enactment of this Act.

(b) Sections 215(d), and 217(e)(1) of the National Energy Conservation Policy Act (relating to utility programs and home heating supplier programs) are amended by striking out "January 1, 1985," each place it appears and inserting in lieu thereof "January 1, 1986,".

ST. ELIZABETHS HOSPITAL AND DISTRICT OF COLUMBIA MENTAL HEALTH SERVICES ACT

EAGLETON AMENDMENT NO. 7079

Mr. BYRD (for Mr. EAGLETON) proposed an amendment to the bill (H.R. 6224) to provide for the assumption of selected functions, programs, and resources of St. Elizabeths Hospital by the District of Columbia, and to provide for the establishment of a comprehensive mental health care system in the District of Columbia, and for other purposes; as follows:

On page 10, line 14, strike out "and".

On page 10, line 19, strike out the period and insert in lieu thereof a semicolon and the word "and".

On page 10, between lines 19 and 20, insert the following:

(7) identify the specific real property, buildings, improvements, and personal property to be transferred pursuant to section 8(a)(1) of this Act needed to provide mental health and other services provided by the

Department of Human Services under the final system implementation plan.

On page 21, line 11, immediately before the period, insert the following: "needed to provide mental health and other services provided by the Department of Human Services identified pursuant to section 4(c)(7) of this Act".

On page 21, between lines 15 and 16, insert the following:

(b) On or before October 1, 1991, the Mayor shall prepare, and submit to the Committee on the District of Columbia of the House of Representatives and the Committees on Governmental Affairs and Labor and Human Resources of the Senate, a master plan, not inconsistent with the comprehensive plan for the National Capital, for the use of all real property, buildings, improvements, and personal property comprising Saint Elizabeths Hospital in the District of Columbia not transferred or excluded pursuant to subsection (a) of this section. In developing such plan, the Mayor shall consult with, and provide an opportunity for review by, appropriate Federal, regional, and local agencies. Such master plan submitted by the Mayor shall be approved by a law enacted by the Congress within the twelve-month period following the date such plan is submitted to the Committee on the District of Columbia of the House of Representatives and the Committees on Governmental Affairs and Labor and Human Resources of the Senate. Immediately upon the approval of any such law, the Secretary shall transfer to the District, without compensation, all right, title, and interest of the United States in and to such property in accordance with such approved plan. The real property, together with the buildings and other improvements thereon, including personal property used in connection therewith, known as the Oxon Cove Park and operated by the National Park Service, Department of the Interior, shall not be transferred under this Act.

On page 21, line 16, strike out "(b)" and insert in lieu thereof "(c)".

ADDITIONAL STATEMENTS

THE PERFORMING ARTS LABOR RELATIONS AMENDMENTS

● Mr. RANDOLPH. Mr. President, on September 13, 1984, the Senate Labor Subcommittee under the able leadership of our distinguished chairman, the Senator from Oklahoma [Mr. NICKLES], held the first of two hearings on Oversight of the Taft-Hartley Act. Testifying before the subcommittee were representatives of the American Federation of Musicians, the largest entertainment union in the world, representing 230,000 individuals in the United States. Mr. Victor Fuentealba, president of the American Federation of Musicians, accompanied by Ned Guthrie, national legislative director, and Cosimo Abato, general counsel, described for the subcommittee the serious situation facing musicians. Musicians, because of the unique nature of their work experiences, have been denied the opportunity to engage in collective bargaining with their true employers. This has occurred as a result of the application of labor law to the entertainment industry by the National Labor Relations Board.

In an effort to provide essential relief to beleaguered musicians and performing artists and to correct injustices which have developed from NLRB rulings, on January 31, 1983, I introduced S. 281, the Performing Arts Labor Relations Amendments. This legislation is pending before the Senate Subcommittee on Labor. Following the September 13, 1984, hearing before our subcommittee, and a hearing on comparable legislation before the Subcommittee on Labor-Management Relations of the House of Representatives which occurred September 18, 1984, I am encouraged and hopeful that these issues will be a top priority in the 99th Congress. Mr. President, I ask that the testimony of Victor W. Fuentealba, president of the American Federation of Musicians, be printed at this point in the RECORD.

The testimony follows:

STATEMENT OF VICTOR W. FUENTEALBA, PRESIDENT, AMERICAN FEDERATION OF MUSICIANS

Mr. Chairman, members of the Subcommittee, my name is Victor W. Fuentealba and I am International President of the American Federation of Musicians, the largest entertainment union in the world.

First of all, I want to thank you and the Committee for giving me the opportunity to appear before you today to explain the importance of S. 281 to the professional musicians throughout our country. Our union has represented professional musicians since 1896 and during its lengthy history, we have been faced with many challenges and threats to job opportunities and have survived. Technological developments, starting with the introduction of the sound track in motion pictures, the phonograph record which is now providing all of the music on radio and in many establishments, and devices that duplicate the sounds of musical instruments are examples of the myriad of problems that have faced the professional musician and which will continue to do so in future years. Despite those challenges, we have been successful in our continual efforts to create and preserve work for American musicians. However, one of the most serious problems threatening the music industry today can only be resolved by you and your colleagues. I am referring of course to the present labor law and its application by the National Labor Relations Board and the courts to the music industry.

Let me give you just one example. From the day that the hotels and casinos were opened in Puerto Rico, the musicians working in those establishments providing music for dancing and shows were considered employees of the hotel. Our local affiliate in Puerto Rico capably represented the interests of those * * * of our union and for assistance in resolving their problems with purchasers and we are unable to help them.

The amendments which we are seeking have not been arbitrarily chosen but are based on the bitter experiences of thousands of musicians since the adoption of the Taft-Hartley Act. The amendments that we are requesting could have probably been incorporated into the original legislation in 1947 or when amendments were adopted in 1959 were it not for the fact that at those times the law had not been applied to the music industry and there were no adverse rulings or decisions. Our problems began years later and culminated in hundreds of unfair labor practice charges in the late 1970's.

The music industry is a unique business and the ambitions of every young musician to become a star are marred by unscrupulous promoters, managers, agents, nightclub owners and others seeking to exploit the musician. The American Federation of Musicians is the only organization whose sole purpose in existing is to protect musicians from exploitation and to improve their financial welfare and professional careers. The present law not only prevents our union from protecting its members, but offers no suitable alternatives. The nightclub owner determines what compensation the musicians will receive, what hours they will work, when they will take their intermissions, what songs they will play, what they will wear, and occasionally, with whom they will associate when off the bandstand. Yet, under the present law, that same nightclub owner who has such complete control over the services of the musicians and their welfare is immune from any action on the part of the union to protect the musicians because he is not recognized as the employer of the band. Our only remedy is to amend the Taft-Hartley Act as we have requested.

Music is the universal language and there is not a family today without at least one member who plays a musical instrument. The caliber of musicianship is improving day by day and more and more youngsters are looking forward to careers in music. Our ability to protect their interests, to prevent their exploitation and to enable them to earn a decent livelihood is hampered by the current law. The relief we are seeking is not a major revision of the Taft-Hartley Act, but merely changes which will afford the professional musician the right to have a representative of his or her choosing to negotiate with those who wish to utilize their services. I do not feel that the drafters and proponents of the present law ever envisioned or intended that law to discriminate against musicians, but gentleman, that is what is happening today.

In the past, Congress has seen fit to make changes in the law when it was proven that those changes were necessary to protect the workers in a particular industry. In 1959, after listening to the pleas of the construction and garment industries, Congress realized that certain amendments to the Taft-Hartley Act were the only solution to the unique problems of those industries, and today we are here seeking similar relief for our industry. The musicians need protection also and the musicians need the changes which we are requesting. I urge your support of S. 281.

EXPLANATION OF BACKGROUND AND OBJECTIVES OF S. 281

(i)

LEGISLATIVE BACKGROUND

In 1959, Congress enacted a number of amendments to the Labor Management Relations Act of 1947 (or the "LMRA") in recognition of certain unique characteristics of the Building and Construction Industry and the Garment and Apparel Industry. Those amendments, which now are included in Sections 8(e) and 8(f) of the LMRA and are codified at 29 U.S.C. Sections 158(e) and 158(f), addressed specific problems that had arisen in the application of the Act to the Building and Apparel Industries since it was passed in 1947.

In adopting the 1959 amendments to the LMRA, Congress recognized that all industries are not equally affected by the Act, nor equally benefitted by its terms. In particular, the draftsmen of the 1959 amendments recognized the extremely temporal nature of employment within the construction industry. The Committee reports in both the Senate and House pointed out that "the vast majority of building projects are of relatively short duration". Senate Report No. 187, at p. 28, and House Report No. 741, at p. 19. Thus, the Committees of both Houses of Congress concluded that a prehire collective bargaining agreement, entered into even before a job has begun, was a socially acceptable self-regulative mechanism, even though the practice of making such agreements was "not entirely consistent with Wagner Act rulings of the NLRB." Indeed, the two Committees found that such agreements assisted employers in estimating labor costs before bidding on jobs, enabled employers to secure a reliable labor pool and stabilized labor-management relations in the industry. See Senate Report No. 187, at p. 28, and House Report No. 741, at p. 19.

The problem facing Congress with regard to the construction trades perhaps was best summarized by remarks which Senator Javits made on the floor of the Senate on April 21, 1959, when he said: "We cannot apply the Taft-Hartley law to the building and construction field. We all know the law is not being applied in that field and we might as well recognize the fact in the law. This is an essential amendment and the sooner we adopt it the better."

Congresssional Record, 86th Congress, 1st Session, at p. 5731.

Section 8(f) of the LMRA was passed, therefore, in order to place the building trades unions on an equal footing with unions in other industries in which employment is of a more permanent nature. See, Congressional Record, 86th Congress, 1st Session, at p. 14204. See, also, House Report No. 1147 at pp. 41–42. It sanctioned a standing industry practice which, while arguably prohibited by the LMRA, had been employed by labor and management to stabilize employment relationships in the building trades and to set prevailing work standards and wages.

In the case of the Garment and Apparel Industry, the object of the Congress in drafting a special proviso in Section 8(e) of the LMRA was much the same. Congress sought to retard the proliferation of small job shops that were set up to avoid union contracts and, thus, undermined union work standards and union wage scales. See, Congressional Record, 86th Congress, 1st Session at p. 15952.

That object was succinctly described by Representative Halpern as follows:

"Of all the industries in the Nation, the Garment Industry was one of the most susceptible to employer evasions of agreements. It was particularly difficult for unions to police competition from sweat shops because employers hired jobs out to hidden lofts and received back the finished work product before the unions could catch up with them.

". . . Consequently low wages and terrible working conditions at one time characterized the industry.

"The conference report language exempting the Garment Industry from the intradiction against coercing an employer from handling the products of another or from doing business with another is a welcome one indeed. The garment unions can continue to make agreements with jobbers not to contract out work to subcontractors using nonunion labor."

Congressional Record, 86th Congress, 1st Session at pp. 16651–16652.

(ii)

DESCRIPTION OF THE MUSIC INDUSTRY

The music industry is likewise unique in several respects and shares with the Garment and Construction Industries characteristics that put some of its longstanding practices in direct conflict with provisions of the LMRA. Musicians, like construction workers, usually enjoy only short term employment with particular employers. They, like their counterparts in the building trades, move from job to job with little hope of sustained work security with any one employer. Indeed, many professional musicians are forced to practice their profession in a nomadic fashion, traveling from city to city, working no more than a week or two at any one location, in night clubs, restaurants, and hotels across the country.

Because of the casual employment relationship into which traveling musicians are forced, they cannot enjoy the benefits of collective bargaining or association. For the most part they are compelled to strike their own bargain with little leverage as to the terms and conditions of employment under which they are employed. While many musicians were treated in the past as "house" employees by hotels, restaurants and similar business establishments, most who work today in lounges, bars and dining rooms are forced to accept employment without the benefit of employer contributions for FICA taxes, unemployment and workmen's compensation, or pension coverage. Many, if not most, purchasers of professional music refuse to consider themselves to be the musicians' employer, even though they continue to exercise the same control that they always have had over the musicians' working conditions, hours of work, days off and discipline. As a consequence, most traveling musicians are treated today as independent contractors. They are forced to bear their own expenses for self-employment taxes and health insurance, and risk periods of unemployment and illness alone without the security of either unemployment compensation benefits or group health coverage.

Paradoxically, precisely because of their status as independent contractors, professional musicians enjoy less power than ever before to control the terms and conditions under which they must work. Since the Taft-Hartley Act was passed in 1947, Section 2(3) of the LMRA has specifically excluded independent contractors from the protected status of an "employee" under the Act. Thus, rather than assist in the protection of musicians, sections of the LMRA stand as barriers to effective collective representation of professional musicians.

Under the National Labor Relations Board's (NLRB) interpretation of Sections 8(b)(4) and 8(e) of the Act, musicians are prohibited from compelling the purchasers of music who own nightclubs, restaurants or hotels to recognize their collection bargaining agent and from collectively setting wages and other terms and conditions of employment. See, Bow & Arrow Manor, Inc., 206 NLRB 581 (1973). Indeed, they cannot even picket or otherwise force purchasers of their services to sit down and bargain collectively with them. They are instead left to individually hazard the competitive pressures of the labor market in their industry, without union representation, which is a result that Congress surely did not intend. See, Findings and Declaration of Policy, Section A, LMRA, 29 USC Section 151.

(iii)

SELF-REGULATION OF INDUSTRY BY THE AMERICAN FEDERATION OF MUSICIANS

While many musicians are prohibited by present law from collectively bargaining with the purchasers of their services, they also are prohibited by the LMRA from effectively regulating their own affairs with their own labor union, the American Federation of Musicians (the "AFM"). Over a period of years, many of the AFM's longstanding practices, which were originally adopted to protect its membership in the labor market, have been found by the NLRB to be in violation of the LMRA.

(iv)

SUMMARY OF PURPOSE OF PROPOSED LEGISLATION

In *American Federation of Musicians* v. *Carroll*, 391 U.S. 99 (1968), the United States Supreme Court recognized the unique characteristics of the music industry and judicially fashioned a broad exemption from the provisions of federal anti-trust law for professional musicians and their Union. However, that recognition and exemption is meaningless because of the restrictive provisions of the LMRA, which prohibit the exercise of the exemption that was granted by the Supreme Court.

The music industry, much as the garment and construction industries, is an industry which is out of step with much of industry in the United States. Its economic structures and employer-employee relationships conflict on a daily basis with the generalized mandate of the LMRA. Just as the industries for which exceptions were made by Congress in 1959, the music industry must receive exemptions from the broad reach of the LMRA in order to stand on equal footing with the industries for which the LMRA was truly designed.

That equal footing is the objective of S. 281.●

SERVICE TO PUBLIC EDUCATION AWARD

● Mrs. HAWKINS. Mr. President, the State of Florida has had an outstanding record in the effort to improve public education. Our State can be grateful for a number of outstanding local educators who are taking the lead to bring better education to the children of Florida.

I am especially proud that Florida had nine schools recognized in the U.S. Department of Education's Secondary School Recognition Program for 1983–84. They were honored in a special ceremony in Washington, DC on August 27, 1984.

One of our outstanding school districts is the Duval County Public School District, Jacksonville, which had one senior high school, Ribault, and the State's only junior high school, Jeff Davis, recognized last year and two schools—John Gorrie Junior High and Terry Parker High School—of the nine Florida schools recognized this year. The Jacksonville School Dis-

trict, host of the annual "Academic Superbowl," has received other recognitions such as being named a national model urban school district by the prestigious Danforth Foundation and presented by the American Association of School Administrators of the Nation's top award for educational leadership to Jacksonville Superintendent Herb A. Sang.

The Duval County Public Schools has established an annual Service to Public Education Award recognizing an official who has made a major contribution to the advancement of public education in Duval County during the preceding year. The recipient for this year, held at the coliseum on August 23, was an official from the U.S. Department of Education: Dr. Donald J. Senese, Assistant Secretary for Educational Research and Improvement. Dr. Senese delivered some preceptive remarks which I ask to be printed in the RECORD.

The remarks follow:

REMARKS AT THE SERVICE TO EDUCATION AWARD CEREMONY

(By Dr. Donald J. Senese)

It is indeed a pleasure—and a humbling experience—to accept this award for "Service to Education" from the Duval County Public Schools.

Any award for service to public education would be welcomed by a recipient. However, this award is more significant, more meaningful, more notable because it comes from what I know from personal observation is one of the outstanding public school systems in the United States.

And I have had the opportunity to get to know your superintendent Herb Sang, and your other outstanding administrative staff, your principals, your teachers and some of your students.

This is my third trip to Jacksonville, Florida since I have been Assistant Secretary for Educational Research and Improvement—1982, 1983 and 1984. It is becoming an annual event.

Let me say, also, that when I travel to meetings and programs highlighting accomplishments in education, the Duval County people are there and I have had occasion in recent months to meet them at the National Forum on Excellence in Education in Indianapolis, Indiana, the Secondary School Recognition Forum in Columbia, South Carolina, and the National Conference on Technology and Education in Forth Worth, Texas.

All of us gathered here today know that education is one of the most important activities in our Nation. It has been encouraging to witness that in the last year the media, political leaders, and businessmen among others have come to realize what we knew all along. We only need to have more action in support of that conviction.

The National Commission on Excellence in Education in its report *A Nation at Risk* rendered our Nation a great service. The findings of the National Commission were not all bleak—gloom and doom. There were success stories in American education—islands of light in a sea of darkness. Duval County was one of those success stories.

The Secretary of Education on the first anniversary of the National Commission report this year stated that a tide of mediocrity had been replaced with "a tidal wave of reform." We must be careful to swim with it, and not drown in it. We must make sure our reforms are substantial, and not merely cosmetic changes.

For the road to reform and improvement in education is like Jason and the Argonauts and the search for the Golden Fleece—a journey full of dangers, difficulties and delusions.

Yet, nothing worthwhile is ever easy.

However, we as a nation cannot accept a second rate or substandard education as our norm. If we do, it will hang over us as the sword of Damocles—threatening our very livelihood, our prosperity, our very existence.

However, before the experts begin a second phase of their study of educational reform—forming new commissions, contracting for new studies, producing a plethora of scholarly tomes—perhaps they should pause, purchase a plane ticket to Jacksonville, and come here to see the world of reality on just how it is done.

The great Italian poet Dante in his magnificent story of the journey of an individual person through life in "The Divine Comedy" writes in Canto I:

Midway the journey of this life I was 'ware
That I had strayed into a dark forest and
The right path appeared not anywhere.

During the past decade or two, the United States in the field of education has strayed into a dark forest and we must now regain the right path. The right path can be found here in Duval County.

I will not impose on your time any further but I do wish you the best of luck for another successful year. All of you are on the battle front for providing a substantial and meaningful future for the next generation.

And I shall remember all of you fondly during this next school year and for this wonderful award you have bestowed upon me. It shall be a reminder like Diogenes and his lamp searching for one honest person—each one of you is a modern day Diogenes carry a bright torch in your search for scholars in the Duval County school system. Thank you.●

REAUTHORIZATION AND REFORM OF HEALTH PROFESSIONS PROGRAMS

● Mr. KENNEDY. Mr. President, I am pleased to support the recent adoption of the conference report and the passage of S. 2574. This bill reauthorizes and reforms programs supporting health professions training, nurse training, the National Health Service Corps, Community Health Centers, Migrant Health Centers, and Health Maintenance Organizations. In addition, the bill establishes a small demonstration program of grants to States for primary care and directs the Secretary to conduct studies and develop recommendations on the most useful means of providing consumer information to purchasers of health care.

These programs under the Public Health Service Act are small in dollars but large in importance. Total funding for programs in this bill are less than $1 billion in 1985. This is less than half the cost of a modern aircraft carrier and only slightly more than 1 percent of the cost of Federal health financing programs.

But the programs continued in this bill are far more important to the happiness and safety of the American people than any aircraft carrier. Without the functions that this bill funds, our $100 billion plus investment in Federal health financing programs could not possibly be as effective in providing services to the American people.

The programs this bill authorizes help assure an adequate supply of trained health personnel to meet the needs of the American people. They provide mechanisms to help place trained personnel in the areas where they are most needed. They provide essential health care services to those most in need. There is no more cost-effective investment this country can make than in high quality care for all our people.

I have long been a leading supporter of health manpower legislation and I am pleased to have been a leading participant in the efforts to preserve its funding and integrity. We must continue to do everything in our power to offer quality health care to all American citizens and to provide them with qualified health personnel.

Over the past years, we have made substantial progress in offering financial assistance to aspiring health professionals who were unable to afford the high price of education in our Nation's universities. We must continually remind ourselves not to become casual in this commitment or we face the danger of jeopardizing the progress which we worked so hard to achieve. Continued financial assistance is necessary so that the opportunity to attend the world's finest schools does not become a privilege for a mere select few. We must guarantee that a student's ability to pay does not become the prevailing admission criterion.

In this act we have recognized the problems of repayment of loans to health professions students. It has always been my intention as that of my colleagues in the Congress, that loans be promptly repaid so that new students might have the opportunity to study. In this act we have added measures to encourage prompt repayment and to insure full disclosure of all relevant information concerning repayment at the time the loan is made. We are aware of the problems of ambiguous regulations and uneven interpretation by the Department of Health and Human Services with respect to delinquent loan repayment. In our conference report we have made clear our desire to improve collection, but not with the use of unfair sanctions against schools making an honest attempt to comply with the wishes of the Congress.

An important component of the act is the continued support of programs in family medicine, general internal medicine, and general pediatrics. The enhanced role of primary care in our current health care delivery system is clear. If we are to encourage talented young physicians to pursue training in these fields, the programs that provide such training must be of the highest quality. This act continues aggressive support for these programs at both established and relatively new medical centers.

Nursing education, another major category in this act, under the current administration, has faced a perilous reduction in funding. I am disappointed that any U.S. leader could neglect this profession and place future nurse training in jeopardy.

In the Congress, we have recognized nurses as critical members of the health care team and we regard them as being absolutely essential to our ability to provide health care services to the sick and disabled of our society.

The Nurse Education amendments of 1984 works to provide:

Increasing nursing education opportunities for individuals from disdvantaged backgrounds;

Continuing education for nurses;

Appropriate retraining opportunities for nurses;

Improvement in the maldistribution problem in geographic areas or specialty groups;

Training and education to upgrade the skills of paraprofessional nursing personnel; and

Support for faculty and administrators at institutes of nursing eduation.

The reauthorization of the Community Health Centers Programs in this bill represents a truly creative and bipartisan compromise on the issue of appropriate Federal-State relationship in supporting this vitally important program.

The Community Health Centers Program is one of the great success stories of the various Federal attempts to secure access to health care for the poor and underserved.

This program has not only provided services to people with no other satisfactory access to health care, it has done so in a truly exemplary manner.

Last year, community health centers provided high quality comprehensive care to over 4.5 million people. They have a proven record of increasing the use of preventive services, of reducing illness and hospitalization rates among the deprived populations they serve, and of holding their costs to levels considerably below those of other health care providers.

To cite just a few examples, CHC's between 1974 and 1983 increased their volume of services by more than 300 percent while grant funding increased by only 43 percent. At the same time costs per encounter decreased 60 percent in real terms. Independent studies have found hospitalization rates that are 50 percent lower for individuals using CHC's than for comparable persons without access to CHC services. These lower hospitalization rates are estimated to have saved the medicaid program alone over one-half of a billion dollars last year; more important than the dollar savings are the needless suffering and illness avoided.

All in all, community health centers have a tremendous record of accomplishment in providing health care services to the poor.

This legislation amends current law in a number of important respects.

While assuring continuation of the Community Health Center Programs, the legislation assures that Federal and State primary care activities will be complementary and coordinated in situations in which the State has a genuine interest in and commitment to providing primary care services to underserved populations. The bill does this by providing a stautory basis for memorandums of understanding between States and Federal program managers. These memorandums have provided an effective coordinating device, and placing them on a statutory basis provides an additional impetus for these efforts.

Second, the bill establishes a new State grant for the provision of primary care services. This new program should be an effective device for assisting State innovation in the primary care area and for involving States without a prior commitment to primary care in this important activity.

The National Health Services Corps is another vital mechanism for meeting the need of the American people for access to primary care physicians and other health professionals. This country has established an NSHC that has the current potential of placing almost 3,600 physicians and other health professionals in 1985 to meet the needs of the underserved. No one who travels or lives in underserved rural and urban areas can possibly underestimate the importance of the corps in providing desperately needed medical services.

While recent years have seen an expansion in the supply of primary care health professionals and some diffusion of these professionals to underserved areas there is no question that the corps is still badly needed and will continue to be badly needed for a number of years to come.

As ranking minority leader of the Labor and Human Resources Committee and former chairman of the Health Subcommittee of the committee I have been intimately involved in the creation and development of these programs reauthorized in this bill. I know how important they are, and I take special price and pleasure in their reauthorization.

Despite such pleasure, I must express my continued concern over the decline in support for these vital programs. While the increases provided for in this reauthorization are reasonably close to current service levels compared to 1984, the Reagan administration has savagely cut the program funds of these important functions during his 4 years in office. Overall, funding for these programs has been cut 20 percent since 1980. After adjusting for the effects of inflation, the service programs are currently 50 percent below their 1980 levels.

I hope a future Congress and a future administration will redress these backward priorities.●

RELOCATION OF FCC MONITORING STATION IN FORT LAUDERDALE, FL

● Mr. CHILES. Mr. President, I would like to address a matter of great concern to many of my constituents in the Miami area. In 1947, the FCC built a monitoring station in Fort Lauderdale when the coast area north of Miami was largely undeveloped. This area is presently the 11th most populous in the United States. As result of that growth, the monitoring station is now located in the center of a densely populated area, and, ironically, its existence is inhibiting the expansion of radio and television coverage to serve the growing population.

Recently, the FCC and Miami area broadcasters have been working together to relocate the monitoring station to a less populated area of Florida. This effort has resulted in the identification of several plots of land that could meet the FCC's needs and eliminate the difficulties encountered by Miami-area broadcast stations.

I hope the FCC will continue to work with these broadcasters to finalize the site-selection process and proceed with the relocation of the monitoring station as soon as practical. I would hope that all relevant agencies, including GSA, will provide the FCC with whatever assistance it reasonably requires to complete this endeavor.●

VIOLENCE AGAINST WOMEN'S HEALTH CARE FACILITIES

● Mr. GORTON. Mr. President, prior to our adjournment, I would like to call the Senate's attention to a matter with respect to which I will introduce a resolution when we return in January 1985. The subject is one which has received a considerable amount of attention recently in my State.

I was shocked, Mr. President, when I learned that this year, as of September 13, there have been over 81 incidents of violence or harassment against women's health care facilities, incredibly 13 of which were bombings.

In Washington State alone, one women's health center was firebombed 3 times in 5 months.

Mr. President, the issue here is not whether any person is prochoice or antiabortion. This is a matter of order over chaos. This society cannot survive if we debate our public issues by way of violent acts rather than by the exercise of our precious right of free speech.

These incidents are the acts of a few individuals who do not appreciate that words are the tools of persuasion in our society, never violence. These criminal actions serve only to jeopardize the lives and safety of our citizens and to breed fear and suspicion in our communities. They should be condemned by all Americans who value the public peace and the preservation of our constitutional freedoms.

I call upon the administration, Mr. President, to do all that it can to bring those persons responsible for these deplorable attacks to justice and to assist local law enforcement officials in their efforts as well.

Mr. President, I condemn these vicious acts of violence throughout our country, and I hope we will see then no more. I urge my colleagues and the administration to join me in that condemnation and to support prompt, effective enforcement of our laws that prohibit these totally unacceptable actions.●

TRIBUTE TO COL. PAUL KAMINSKI

● Mr. NUNN. Mr. President, for many years, members of the Senate Armed Services Committee have been privileged to work with Col. Paul G. Kaminski, USAF, who is currently serving as a special assistant to the Under Secretary of Defense for Research and Engineering and the Deputy Chief of Staff, Research and Development, Headquarters, U.S. Air Force. Colonel Kaminski is one of the real leaders and experts in the Defense Department in our high technology efforts which are so critical to our future. I believe it is appropriate for the Senate to recognize the outstanding service rendered the Nation by Colonel Kaminski on the occasion of his retirement from the Air Force later this fall.

From his early days as a student at the Air Force Academy, Colonel Kaminski distinguished himself as an inquisitive and creative scientist. Following his commissioning in 1964, he pursued a double master of science degree in electrical engineering and aeronautics/astronautics from Massachusetts Institute of Technology. After a tour as a guidance systems analyst at the Air Force Missile Development Center, he was selected as a National Science Foundation Fellow at Stanford University where he received a Ph.D. in aeronautics and astronautics.

At this early point in his career, he began a long tenure of service as scientific counsel to the leadership of the Defense Department on technologies which have formed the cutting edge of our defense capabilities. For 5 years he served as Chief of Special Projects in the Office of the Secretary of the Air Force with detached duty at the Space and Missile Systems Organization in Los Angeles. After a year as a student at the Industrial College of the Armed Forces, he began an 8-year association with the Under Secretary of Defense for Research and Engineering as Executive Assistant.

In the midst of this challenging career, Colonel Kaminski found the time to complete his professional military education, serve as an associate professor for systems engineering with California Institute of Technology, and publish important technical papers. He is a recognized expert by his peers in the scientific and engineering communities. He has been decorated for his work with awards including the Defense Distinguished Service Medal and the Legion of Merit, as well as the Air Force Systems Command's Science Achievement Award and Award for Meritorious Achievement.

His reputation is well known to those in Congress who have worked with him. He is highly respected as an individual of integrity, vision, scientific brilliance, and that rare trait of objectivity about what he is involved in. His work will continue to have a very positive impact upon our Nation's security during the next generation. The Nation owes a debt of gratitude to Colonel Kaminski. It has been my distinct pleasure to be associated with this exceptional officer in conjunction with my duties on the Armed Services Committee. I wish him well and anticipate that his coming years in the civilian community will further contribute to the security of this Nation. My best wishes to Paul, his lovely wife Julia, and his two children Laura and Garrett, as they mark this special milestone.●

RUNAWAY CHILDREN

● Mrs. HAWKINS. Mr. President, despite the proclamations of doomsayers on the eve of 1984, certain events of this year have reaffirmed that people still care a very great deal about others. Since the President's signing of the Missing Children Act in 1982, we have made tremendous strides in rallying Americans to action—to do all that is humanly possible to protect our children from abduction and the threat of sexual abuse. There is no doubt that the premium we place on these lives is still a value we hold close to our collective hearts.

It is in this vein that I would like to recognize the unselfish and unsolicited efforts being made to help the runaway children and youth who live in the shadows of cities and towns across our Nation. These children, numbering hundreds of thousands, are confused youngsters who are running away from, not to, something.

All too often, these young lives are filled with sordidness and danger. Street gangs, drugs, and sexual exploitation become the elements of their world. Just 2 weeks ago, the dismembered body of 16-year-old Danny Bridges was found in a Chicago dumpster. Danny had a history of running away because, as he revealed months earlier during filming of the NBC documentary, "The Silent Shame," he had been sexually molested by a man during his childhood. Danny ran away from that overwhelming ugliness, but survived on the streets as a male prostitute, a wrenching irony indeed.

But there are still many runaways like Danny for whom it isn't too late. Thanks to Operation Home Free, the public service program jointly sponsored by the Trailways Corp. and the International Association of Chiefs of Police, these kids do have a way out, a way to piece their lives together again.

By contacting a local police officer, runaways can receive safe passage via Trailways bus rides, to home or shelter anywhere in America. But getting the word to the runaway that this alternative exists is critical.

In this capacity, the voluntary contributions made by the amusement game industry have been unmeasureable. Because young runaways are likely to gravitate to game rooms for inexpensive entertainment and to be with peers, the Amusement Game Manufacturers Association has spearheaded a campaign to distribute the official Operation Home Free poster to arcades throughout the country. Over 1,000 requests from local operators who want the poster prominently displayed in their arcade have been received to date.

Since the program's inception in June, over 800 runaways have sought the aid of Operation Home Free. Reports of the program have appeared in the media, including USA Today, Good Morning America, and Parade magazine. Nightline and KABC Talk Radio host Michael Jackson plan to air September segments which highlight the problems of runaways. Local media outlets in Detroit, San Francisco, and New York City are talking about Operation Home Free. All of this because people do still care in 1984.

I would like to enter for the RECORD the names of the board of directors of the Amusement Game Manufacturers Association who have so generously furthered the cause of runaway chil-

dren: Joseph Robbins, Glen K. Seidenfeld, Jr., Richard Simon, Gary Stern, Jerry Marcus, William Cravens, Ronald Judy, Robert Lloyd, Paul Moriarity, and executive director, Glenn E. Braswell.●

PEACE IN NORTHERN IRELAND

● Mr. RIEGLE. Mr. President, I rise to address the continuing troubles of Northern Ireland, with an eye specifically to the use of plastic bullets in the Province. While initially this issue may not seem to be an extremely important part of the difficult question of how to achieve peace in Ireland, the misuse of this ammunition, and the resulting injuries and death, constitutes yet another problem which, if solved through cooperation on both sides, may advance the efforts to end the violence in Ulster.

Plastic bullets, which are 4 to 6 inches in length, and 1½ inches in diameter, were introduced in 1975 solely for the purpose of crowd control. In recent months, however, they have been used in a much more lethal manner, causing the death of at least one person and wounding countless others. This abuse of a supposedly nonlethal crowd control devise is intolerable. All reasonable people, regardless of their views on the larger issues confronting the area, must realize that banning the use of plastic bullets is essential to achieving progress toward the goals of peace and the recognition of human rights in Northern Ireland.

In May of this year, a significant step was taken toward establishing a dialog between the Unionists and the Nationalists. The meeting of the New Ireland Forum, and their ensuing report, is evidence of the realization by both sides that cooperative and diplomatic action can, and must, be taken in Ulster. While the proposals presented by the Forum have not been met with enthusiasm by all sides, it is universally recognized that the report's moderate language and reasonable tone are indicative of a new willingness to negotiate. This is heartening news.

Having achieved a more concilliatory atmosphere, it is appropriate that we now lay to rest the controversy over the use of plastic bullets. A critical and human step toward ending the violence and promoting peaceful discussions in Northern Ireland would be the final banning of this destructive weapon.●

UNIVERSITY RESERACH CAPACITY RESTORATION

● Mr. DANFORTH. Mr. President, on June 23, 1983, Senator EAGLETON and I, along with Senators BRADLEY, CHAFEE, KENNEDY, MOYNIHAN, and PELL, introduced S. 1537, the University Research Capacity Restoration Act of 1983. This bipartisan initiative was intended to serve as a focal point in an effort to stem the erosion of basic science research capacity at our Nation's universities with increased Federal support. Fourteen other Members of this body later joined as cosponsors of this comprehensive, 5-year blueprint for increased and sustained Federal investment in our Nation's university research capacity.

The University Research Capacity Restoration Act of 1984 was prompted by our concern about the ability of our universities and colleges to provide the knowledge we need in the years ahead. We were also concerned about the ability of our universities to educate the future generations of scientists, engineers, biomedical researches, and skilled managers essential to the long-term vitality, security, and well-being of the Nation. A year later, our concerns persist. Today, as the 98th Congress comes to a close, I would like to review briefly the elements of S. 1537 and the progress we have made in this effort to restore and revitalize the basic science research capacity of our universities and colleges.

S. 1537 recognized six basic and pressing needs to be met with increased Federal support: First, to augment and strengthen Federal support for fundamental university research programs, including biomedical and engineering research; second, to upgrade, modernize, and replace the instrumentation and equipment of university research facilities and laboratories; third, to provide increased numbers of graduate fellowship awards to individuals and university science departments engaged in federally supported research; fourth, to support expanded faculty development awards and programs that promote the initiation of research careers by young facility; fifth, to support efforts, on a matching basis with the institutions involved, to rehabilitate, replace, or otherwise improve the quality of existing university research facilities and laboratories in which federally supported basic science and engineering research is carried out; and sixth, to modernize and improve undergraduate science and engineering instructional programs and curricula to meet the Nation's changing needs.

We proposed to increase Federal funding in these six basic areas by an overall total of approximately $1 billion annually over a 5-year period for those six Federal departments and agencies that provide 95 percent of Federal support for university basic science and engineering research. These six agencies and departments are the National Aeronautics and Space Administration [NASA], the National Science Foundation [NSF], the National Institutes of Health [NIH], and the Departments of Agriculture, Defense, and Energy.

This legislation was intended as a statement of priorities and a blueprint for a course of action to be achieved by working through the separate authorization and appropriation processes for the six agencies and departments involved. Since we first introduced this plan in 1983, Federal support for university basic science research has increased. For example, NASA will shortly announce a new graduate fellowship program that will directly support university researchers. Eventually, roughly 240 science and engineering students will receive NASA graduate fellowships. There will be $1 million apppropriated to start this fellowship program. The research budget for NIH reflects an increase of 15 percent. A significant portion of this increase will benefit universities. For NSF, the appropriation for graduate fellowships has increased from $20.3 million in fiscal year 1983 to $27.3 million in fiscal year 1985. Funding for research instrumentation through NSF has increased roughly 17 percent from fiscal year 1984 to fiscal year 1985. These instrumentation appropriations support the replacement of university research laboratories and other instructional equipment.

Congressional report language accompanying the fiscal year 1984 DOD Authorization Act requests the Department of Defense to conduct a study on the need to modernize university laboratories in physical science and engineering disciplines and "provide specific recommendations appropriate to the DOD and others designed to address the need." This congressional mandate resulted in the establishment of the Ad Hoc Interagency Steering Committee on Academic Research Facilities. NSF, NIH, DOE, NASA, DOD, and the USDA are participating in this committee which plans to complete a report by February 1985.

Although these increases in Federal funding reflect a greater commitment to university research, we must do more. We must increase funding to improve laboratory equipment and research facilities. The physical plants that house much of the Nation's university basic science research are deteriorating. In testimony before the Committee on Science and Technology of the U.S. House of Representatives on May 8, 1984, the chancellor of the University of California at Los Angeles, Charles E. Young, observed:

Inadequate facilities and outdated equipment are a direct threat, across the country, to the quality of instructional and research programs. I can give you some idea of the magnitude of the problem by describing the situation at the University of California. During the past few years, we had come to believe that our physical plant was seriously inadequate to meet our needs, but we lacked hard data on the subject. So we undertook a careful and realistic review of our need for

facilities funding over the next decade. What we learned is that we have an enormous problem; the university will need more then $4 billion for facilities renovation and construction in the next decade.

We are encouraged by the increased support for basic funding reflected in the fiscal 1985 budget proposals of both the administration and the Congress. We remain optimistic about the ability of our Nation to maintain its position of leadership in science and technology. However, maintenance of our Nation's leadership position depends on our ability to restore the research capacity of our Nation's universities and colleges. These goals can only be accomplished with biipartisan support for this program in the years ahead. I, therefore, urge my colleagues to review the proposals outlined in S. 1537 and to join our effort to restore the basic research capacity of our Nation's universities. This effort represents a vital investment in the future of our country.●

JAPAN ON U.S. CAMPUSES

● Mr. DECONCINI. Mr. President, the opening sentence of an article I saw last week was bound to catch my eye. A September 24, 1984, Businessweek article begins: "Scientists at the university of Arizona recently went hunting for corporate money * * *."

Since the article is titled "Japan Is Buying Its Way Into U.S. University Labs," I had a pretty good idea where my constituents went looking. It turns out that the University of Arizona is only one of a legion of U.S. colleges and universities that are doing research work with Japanese funding. It is mentioned that the Massachusetts Institute of Technology has become so accomplished at seeking Japanese funding that it has added to its staff an "assistant director for Japanese gifts." In addition, MIT now has its own liaison office in Tokyo.

What do we make of this, Mr. President? I am not really sure I know. At a time when we are in high stakes competition with Japan in numerous high technology areas, we have U.S. universities serving in effect as the R&D division of Japanese companies.

There has always been a divided mind in this country about foreign involvement in our economy. On the one hand, the orthodox free trader view would say that it is a healthy phenomenom. Capital should be allowed to wash back and forth across borders according to its own laws. On the other hand, we are continually facing trade behavior from competitors which cannot in any way be described by the code of free trade. In most respects, Japan has been one of the worst cases. It has been virtually unwilling to permit the entry of most U.S. consumer products into its economy. At the same time it markets its products in the United States at prices cheaper than are usually available to Japanese consumers.

I do not know if the contents of the Businessweek article should be cause for praise or alarm. Though I am pretty sure it ought to be at least a mild case of the latter.

Where lies the solution? I ask my collegues to read the article, which I ask be printed in the RECORD, and help form the proper response.

The article follows:

JAPAN IS BUYING ITS WAY INTO U.S. UNIVERSITY LABS

A LIST OF R&D FUNDERS AT SOME SCHOOLS READS LIKE A WHO'S WHO OF JAPANESE INDUSTRY

Scientists at the University of Arizona recently went hunting for corporate money to continue their research on a promising medical-imaging technology called digital radiography. They made the rounds of major U.S. companies that stood to gain the most from such development—X-ray equipment makers General Electric, Diasonics, and Picker International. Not one showed interest. After getting the cold shoulder from American industry, the Arizona researchers began looking overseas. And they struck gold in Japan: Toshiba Corp., the American companies' largest Japanese competitor, was willing to support the research. By pumping $5 million into the Arizona project, the electronics grant will get first crack at licensing any technology that comes out of the effort.

Arizona's arrangement with Toshiba is not unique. Despite increasingly strident calls to keep U.S. technology out of the hands of foreign competitors, an alliance is forming between cash-strapped American universities and Japanese manufacturers. Nearly every major Japanese corporation—from NTT to Sony, Mitsui, and Toyota—is funding research at one or more American campuses. the Japanese are deeply involved in virtually every aspect of U.S. technology, from the development of advanced computers at Stanford University to diesel engine design at Princeton University. The roster of R&D supporters at some of the major American universities reads like a who's who of Japanese industry.

INTO THE BREACH

"There is strong trend for increased Japanese support of research at American universities," says Hiroshi Morikawa, director of science and technology at Japan's Federation of Economic Organizations. "At present, many Japanese corporations lack the ability to carry out good basic research. And through international cooperation they can remedy what they lack."

The schools first turned to the Japanese in the 1970s when they were threatened by cutbacks in federal aid, especially in the humanities and social sciences. They increased their efforts and quickly found that the Japanese companies were eager to fund their programs. "The Japanese filled the breach," says Robert E. Cole, a sociology professor at the University of Michigan. When the Japanese made several large grants to U.S. colleges, including $1 million to a program on Japanese studies at Michigan, "every major university got into the act of trying to raise money in Japan," points out Cole, who formerly headed the school's Japan center.

Japanese funding of university research escalated dramatically over the past five years. The total amount contributed so far by Japanese companies is not known, but most experts believe that they make up an important share of corporate research grants to universities. During the past few years, such support—both from American and foreign companies—has been the fastest-growing source of funding for academic research. The National Science Foundation estimates that corporate funding of campus scientists grew by 13% in 1983, to an estimated $326 million. At the same time, however, overall funding of university research climbed only 6%, to $7.7 billion.

U.S. colleges now see Japan as a major market for licensing the technology developed by their scientists. "We want Japan to take our discoveries and turn them into marketable products," says Gene D'Amour, associate provost at Tulane University. And one school—Georgia Institute of Technology—has even formed a partnership with a Japanese trading house to market its patents to companies in Japan. The agreement grants Nissho Iwai Corp. the exclusive right to sell licenses to Georgia Tech's technology in Japan, in return for a 10% share of any royalties. Since that agreement was signed, 10 Japanese companies have expressed strong interest in the school's technology in such areas as ceramics, electronics, lasers, biotechnology, and drugs.

Some schools are being particularly aggessive in their efforts to lure more research funds from Japan. Massachusetts Institute of Technology, for one, is getting so much money from Japan these days that it has appointed an assistant director for Japanese gifts. And the school has even set up a liaison office in Tokyo.

MIT's industrial liaison program allows member companies to obtain first-hand access, for $30,000 a year, to research projects not sponsored by other companies. Of the 297 companies in the program, 45 are Japanese. They include such big names as Canon, Mitsui, Hitachi, and NEC. Japanese companies have also endowed nine MIT chairs at $1 million apiece in such study areas as ceramics, management, and communications. And MIT officials say those contributions are dwarfed by Japanese funding of research projects, including ocean engineering, materials processing, and management. "Japan was the first place we went to get sponsors" declares Nicholas P. Negroponte, head of MIT's media lab, which was set up last year to conduct research in advanced communications technology. That laboratory alone is already pulling in $500,000 a year—25% of its total corporate funding—from Japanese companies, including Toshiba, Sanyo, and NEC.

Competing with MIT for money from Japanese industry is Tulane, which is soliciting contributions to build a major biomedical research center. So far, it has raised $1.5 million toward its goal of nearly $10 million from a group of companies that includes Kawasaki Steel, Suzuki Motor, Mitsubishi, and Hitachi.

HANDS-ON EXPERIENCE

Japanese researchers often accompany Japanese money. AT MIT's media lab, for example, each research contract gives the Japanese sponsor a royalty-free, perpetual, nonexclusive license to any technology that comes out of the participation—and the right to send research assistants to the school to help with the study. NTT, which is supporting research in computer voice recognition and synthesis, is sending two of its scientists annually for five years. "This

gets us the very best young Japanese researchers," points out Negroponte.

It also provides Japanese industry with invaluable expertise—their researchers can get hands-on experience at the cutting edge of U.S. basic research. Such arrangements give the Japanese access to scientific developments before results are even published in technical journals.

Their interest in research is concentrated heavily in those technologies in which Japan is challenging America's competitive lead in the marketplace. Stanford's Computer Forum, an industrial liaison program aimed at getting companies to participate in the school's advanced computer research, includes 11 Japanese corporations among its 58 sponsors. And some are leading participants in Japan's "fifth generation" project to leapfrog the U.S. in computer technology.

But mounting concern that foreign manufacturers are exploiting American technology is causing a number of schools to shy away from Japanese research support. One of them is Carnegie-Mellon University in Pittsburgh, a leading center for research in robotics and artificial intelligence. About 20% of the university's $52.5 million research budget this year came from industry, but it has no grants or endowments from Japan and does not plan to seek any. "Japan has approached us, but we have avoided it," comments Angel G. Jordan, Carnegie-Mellon provost. "There is some concern on our part that this would be a transfer of technology to Japan which we should avoid."

Schools such as Carnegie-Mellon, however, are in the minority. Closing the door to foreign support or foreign students is an idea most academics vigorously oppose. In recent years, efforts by a group of Pentagon officials to control the dissemination of U.S. research have met with stiff resistance from the colleges. "American universities are open places," says Frank Press, president of the National Academy of Sciences. "They take students from abroad, they take professors from abroad. Where would you draw the line?"

Indeed, much of the growing involvement of Japanese industry in American university research is the natural outgrowth of the number of Japanese students on campus. This year more than 14,000 students from Japan are studying at U.S. colleges, nearly 30% of them in graduate schools. Many Japanese graduates have returned to Japan, where they have become executives in companies now investing in American university research. The result is that the Japanese are part of the "old boy" network through which colleges have traditionally raised money from alumni. And many of the research grants are going to Japanese-American researchers. Hitachi Chemical Co., for one, recently gave $600,000 to support the research of Masayasu Nomura, a biochemist at the University of California at Irvine.

Japanese companies are well aware of the protectionist climate in the U.S., and they do their best to play down the technological aspects of their relationships with American scientists. Some companies even decline to identify the schools they fund. "They see the handwriting on the wall," says Justin L. Bloom, an industry consultant who was formerly a State Dept. science aide in Japan.

The Japanese prefer to emphasize their funding of other programs, which are aimed at easing trade barriers and fostering understanding between their country and the U.S. At the University of Michigan, for example, Japanese auto companies gave $300,000 to study the differences in manufacturing practices of American and Japanese auto makers. And the Japanese point to other "no-strings-attached" contributions to American schools, such as their endowment of chairs in law and business at such schools as Harvard University and Columbia University.

FRONT-ROW SEATS

Many Japanese executives maintain that the U.S. misunderstands their motives in contributing to American universities. Japanese schools, they argue, still run far behind those in the U.S. in technical education—even though the Japanese government is making major efforts to upgrade its system. The U.S., they say, is simply the best place to train future researchers for Japan. "We are not after technology in our support of research at American universities," claims Michiyuki Uenohara, a senior vice-president at NEC Corp. "We want to obtain new approaches to basic research."

Whatever the motivation, supporting academic research here buys Japanese industry an admission ticket to the centers of American science. And the schools are not about to walk away from badly needed support, especially when funding is hard to find in the U.S. "Our institutions have resources, and if they are not tapped by our own companies, those in Japan are going to take advantage of the opportunities," says Andrew A. Frank, a professor of electrical engineering at the University of Wisconsin. Frank was bailed out by a $1 million grant from a Japanese automotive supplier when his research on continuously variable transmissions was threatened by cutbacks at the Energy Dept. and he was unable to drum up support from American auto makers.

And not all American executives are opposed to the idea of the Japanese supporting ailing university laboratories. "Japan is highly dependent on U.S. basic research and skilled in taking the know-how and putting it into imaginative products," says David Packard, chairman of Hewlett-Packard. "The Japanese are very much aware they benefit greatly from U.S. research. It's about time we found some way for them to help pay for it."●

CUBA

● Mrs. HAWKINS. Mr. President, there is a great deal of misinformation circulating about Cuba. Cuba's international adventures in Africa, Asia, and South America are well known, and if the reports of some people are to be believed, in spite of the enormous expenses associated with these activities, Cuba has been able to provide its people with a vast array of benefits that have dramatically improved the social welfare as compared to the so-called prerevolutionary period. Even considering the fact that the Soviets subsidize over 25 percent of the Cuban economy, this would still be noteworthy—were it true. This problem is that it is not true.

I have, Mr. President, an article written by Prof. Norman Luxemburg, a professor of Russian studies at the University of Iowa and recently a scholar in residence at the Cuban-American National Foundation. This article originally appeared in Encounter magazine and because of its importance I would ask that it be included in the RECORD. I believe that this article will help dispell the myth of the bountiful blessings that the Castro dictatorship has bestowed on the island of Cuba, and put the whole issue in a proper context.

The article follows:

A LOOK AT CASTRO'S STATISTICS

(By Norman Luxenburg)

A quarter of a century ago (in January 1959) Fidel Castro entered Havana in triumph, grabbed the reins of the government, and began re-ordering Cuban society and Cuban life in general. In looking back to assess Castro's achievements since he assumed power in 1959, there is a tendency to assume pre-Castro Cuba was a typical, underdeveloped Caribbean nation, and to forget that in many ways its standard of living was comparable to Western European countries. For example, about a year ago *The Wall Street Journal* wrote on its front pages: "The average Cuban lives very well these days by Third World standards." It went on to state that this fact had made Castro popular with the Cuban people.

However, pre-Castro Cuba was definitely not a Third World nation in the commonly accepted sense. Neither was it a typical Caribbean nation. By whatever measure used, whether it is the number of students in higher and secondary education, the number of physicians per capita, the infant-mortality rate, the gross national product in relation to its population, or number of telephones, television sets, or cars, the Cuba of the late 1950s was far ahead of any other nation in the Caribbean and the Third World. Its social development made strides—indeed significantly in the liberal administrations of Dr. Grau San Martin and others, long before the Batista dictatorship—towards modernisation and the creation of large professional middle classes. Journalists, no matter how quick with typewriters, cannot safely dispense with the perspectives offered by history and sociology. It is not only the popular journals that make such errors. In 1977, a Congressional House committee headed by Representative Jonathan Bingham of New York visited Cuba and, apparently impresed by talks with Cuban officials, stated in its official report that before Castro there were "187,000 students" in Cuba and that the literacy rate under Castro had risen from 25 to 99%.

However, in pre-Castro Cuba there were not 187,000 students, but about one million. The literacy rate was not 25% but 78% (source: *Britannica*, 1959 article on Cuba; UN *Statistical Yearbook*, 1960, 1962).

If one accepts without question such outlandish figures, as the Committee apparently did, it becomes very easy to excuse almost all excesses and inadequacies of the Castro regime and to ascribe many underserved virtues to it. Before Castro, Cuba had a favourable balance of trade and a steady "hidden" income from tourism. Today the nation is operating at a deficit and is kept afloat only because the Soviets sell Cuba petroleum at below-market prices and buy its sugar at inflated prices. Cuban capital was gaining on foreign capital in the pre-Castro economy. Cubans were taking control of enterprises held by North Americans and other outsiders.

Before any realistic assessment of Castroism can be made, many important facts

have to be looked at and then looked at again.

The fact that pre-Castro Cuba was no typical Caribbean nation becomes immediately evident upon an examination of the statistics for public health. Thus for example, in 1958, on the eve of Castro's seizure of power, Cuba's 6.6 million inhabitants had twice as many physicians as the 19 million residents of the other Caribbean nations combined.

Number of physicians in 1957

Cuba	6,421
Costa Rica	379
Dom. Republic (1954)	544
El Salvador	437
Honduras	365
Panama	286

Source: U.N. *Statistical Yearbook* (1958), table 176

In Cuba, as in virtually every other nation, the doctor ratio was growing. Thus, for example, the number of medical doctors in Cuba had grown from 3,100 in 1948 to 6,400 in 1958. The ratio in the ten-year period had increased from one doctor for every 1,650 persons to one per 1,021—which compared rather well with many nations of the developed world.

Between 1960 and 1976, the last year for which the United Nations Statistical Yearbook listed Cuban medical figures, the number of doctors relative to population actually decline slightly in Cuba while increasing very greatly in the other Caribbean nations. However, in a speech of 14 June 1980—a speech published in the government paper Granma two days later—Castro stated that Cuba had at present 15,000 medical doctors, a figure almost twice that given for 1976.

POPULATION PER PHYSICIAN

	1960	1976
Cuba	1,020	1,121
Costa Rica	2,729	1,524
Dominion Republic (1973)	7,149	1,866
El Salvador	5,232	3,745
Guatemala (1973)	4,644	4,338

(The 1980 U.N. Year book gives no figures more recent for Cuba.)

Source: Statistical Abstract of Latin America (1977), p. 116; U.N. Statistial Year book (1978), table 207.

If Cuba really did have the 15,000 physicians claimed by Fidel the increase would have come since the mid-1970s and would represent a great improvement. However, when it is borne in mind that the number of physicians in Cuba had more than doubled in the pre-Castro decade, even an increase from 6,421 doctors in 1957 to 15,000 in 1980 would represent something less than the rate of increase that occurred in the pre-Castro period.

Misinformation about Cuban public health is still repeated and printed in official Cuban publications and makes its way into the western new media.

A recent Cuban National Bank Report (*Informe*, August 1982) states on p. 6, para. 7, for example, that life expectancy in Cuba at the time of the Castro takeover was only 53 years. *Stern* (20 February 1980) uses 58 years as the starting point for the Castro regime.

In actuality, life expectancy in pre-Castro Cuba was not 53 years, but 61.8 years (U.N. *World Population Trends and Policies*, 1977, vol. 1, Table 75). By comparison, life expectancy in Guatemala, Honduras, Nicaragua, and Haiti ranged from 41 to 46.

Many popular journals in the United States and Europe, *The New York Times*, *Newsweek*, *Time*, and *Stern* among them, have pointed to a reduction in infant mortality as proof of improved health care under Castro. The Cuban National Bank report, *Informe*, stated that the infant mortality rate in pre-Castro Cuba was more than 60 per 1,000 for the first year of life, and Castro himself, in the speech cited in *Granma* (16 June 1980), confirmed this figure, which had been accepted and printed without question by the German illustrated weekly *Stern* (20 February 1980). Fortunatley, Cuban infant mortality before Castro was not 60 per 1,000 live births, but 32 per 1,000 (*Latin American Statistical Abstract*, 1977, p. 107).

For some reason, Cuba's present relatively low infant mortality rate is accepted by a number of writers as an extremely positive indication of what Castro has wrought on that island. Thus, *Newsweek* (23 May 1980) stated, "The most notable achievement of Castroism is the infant mortality rate. . ." *Time* Magazine (11 March 1978) also ascribed the low Cuban rate to Castroism. However, the pre-Castro rate of 32 infant deaths per 1,000 births was already one of the best in the world. It was not only far better than that of any other Latin American nation (the rate for countries such as Brazil, Colombia, Guatemala, and Peru was about 100 infant deaths per 1,000 births) but better than that of Germany, Italy, Spain, and a host of developed nations. An indication of how Cuban public health had been improving in the pre-Castro years is the fact that the number of infant deaths in Cuba in the first year of life had been reduced from 99 per thousand in the period 1935-39 to 32 per 1,000 in the period 1955-59.

The Cuban infant mortality rate today, after having worsened during the first decade of Castro's rule, is stated to be 19 per 1,000; and this is better than it was 23 years ago. However, it would be difficult to find a nation of the developed or developing world where this is not the case. Moreover, a number of states such as Spain, Puerto Rico, Germany, and Italy, with higher infant mortality rates than Cuba in the pre-Castro period, now have lower rates.

A fairly typical example of the plaudits given to Castro's public health achievements can be observed in the following letter published in *The New York Times* (6 April 1982). Irwin Kaiser, Professor of Gynaecology and "Chairman of the U.S.-Cuban Health Exchange," writes,

"It is a matter of public record, based on statistics endorsed by the Pan-American Health Organization and the World Health Organization, that in this period [Castro] the level of health in Cuba has risen from that of an underdeveloped country to that of the United States and other developed societies."

This assertion deserves closer analysis.

If Cuba were indeed an "underdeveloped country" in its "level of health" as Dr. Kaiser asserts, the term "underdeveloped" would take on a meaning far beyond that which is normally understood by it. Cuba had a life expectancy of 61.8 years compared with that of 43 and less for some Latin American nations. Ethiopia, in the period of 1955-60, had a life expectancy of 33.5; Angola's was 32; Nigeria had 33.5, and Guinea-Bissau's inhabitants could expect to live 30.5 years. To use the term "underdeveloped" to apply in terms of health both to Cuba and to these other nations is stretching it somewhat.

I have already noted that on the eve of Castro coming to power, Cuba's 6.6 million people had more than twice the number of medical doctors than the 19 million inhabitants of the other Caribbean nations mentioned. The number of doctors there had doubled in the decade 1948-58 and obviously would have continued to increase. For health advances in the Cuba of the pre-Castro period could well be considered most impressive. Thus, fewer persons died in Cuba in 1953 than died in 1943, and fewer Cubans died in 1943 than died in 1933. During this period of time the population had grown considerably.

	Number deceased	Total Cuban population
1933	51,000	3,962,000
1943	50,000	4,7791000
1953	37,000	5,829,000

Source: For 1933, Censo de Cuba (1943), p. 530; for 1943, *Censo de Cuba* (1953). For 1953, U.N. Demographic Yearbook (1958), table 9.

An idea of how some of the diseases that had formerly plagued the Cubans were being successfully combated, and consequently changing the public health picture in the Island, can be obtained from the following table.

CUBAN MORTALITY FROM SOME SELECTED DISEASES

	1943	1951
Gastroenteritis	7,803	3,469
Bronchial Pneumonia	3,424	1,913
Chronic Bronchitis	574	247
Typhoid Fever	597	62
Septicaemia	239	56
Pulmonary TB	3,295	2,172

Source: Censo de Cuba (1953), table D, p. 321.

These figures merit another look.

In 1933, 14,000 more Cubans died than in 1953. However, the population in 1953 was amost 50% greater than it had been twenty years earlier. In other words, had the mortality rate in 1953 remained what it had been just twenty years earlier, one could have expected some 70,000-75,000 deaths in the island that year, instead of just 37,000. Obviously, the Cuba of 1953 in the area of public health was a far different nation than it was in either 1933 or 1943.

It is only by ignoring the basic social trends of a country, and in this case the real advances of the pre-Castro decades, that Castro and his supporters are able to take credit for subsequent Cuban health progress. In reality, 25 years in the mid-20th century is a long period in medical progress.

In Puerto Rico, for example, the number of deaths from tuberculosis was reduced from 3,200 in 1949 to 252 in 1974. The number of deaths from pneumonia in that island was reduced from 2,057 (in 1949) to 905 (in 1947), and during that same period of time the number of deaths from enteritis was lowered from 3,000 to 179 (source: *Anuario Estadistico de Puerto Rico*, 1964, 1974).

With a steady increase in the ratio of physicians to population, with new treatments, improved medicines, greater hygienic awareness, increased medical knowledge, and such factors as refrigeraton and education, it is only natural to suppose that there would have continued to be significant improvements in Cuban public health, and that this would be the case regardless of who controlled the government.

Fidel Castro's government, by denigrating the level of Cuban medicine, public health, infant mortality rates, life expectancy, etc.,

in the pre-Castro period, has been presenting an inaccurate, exaggerated picture about the achievements of Cuban medicine over these last 25 years, and has attributed them to "Castroism."

Those who wish to arrive at a fair assessment of Castroism's achievements in public health would be well advised to go back to the sources for pre-Castroite figures and then draw their own conclusions. Propaganda's first victory is always over historical knowledge, and sociological analysis is not far behind. One needs always to look at the patterns of the past and the basic social trends. It is unfortunate that our Western press lends itself so ignorantly to mendacious handouts.●

UNIVERSITY RESEARCH CAPACITY RESTORATION ACT OF 1983

● Mr. EAGLETON. Mr. President, I am very pleased to join with my distinguished colleague, Senator DANFORTH, in urging all of my colleagues to maintain and strengthen the congressional efforts in the 98th Congress to restore our Nation's university research capacity.

In 1945, President Truman stated:

No nation can maintain a position of leadership in the world of today unless it develops to the full its scientific and technological resources. No government adequately meets its responsibilities unless it generously and intelligently supports and encourages the work of science in universities, industry, and its own laboratories.

Those words, spoken almost 40 years ago are even truer in our increasingly advanced technological society of today. It was during the Truman administration that the Government established the National Science Foundation, dramatically expanded the National Institutes of Health, and funded other programs to promote basic research and education in the sciences. One of President Truman's legacies has been this country's remarkable national commitment to scientific research.

Despite our past successes in this area, the Nation has allowed our technological lead to erode and our support for education and research to decline. Recognizing this decline, Senator DANFORTH and I, along with a number of our other colleagues in the Senate, introduced S. 1537, the University Research Capacity Restoration Act of 1983. That act set forth an ambitious 5-year plan to regain the ground we have lost as the scientific and technological leader in the world today. At the time we introduced S. 1537, we made it clear that the legislation was a blueprint for action to be taken on a variety of different authorization and appropriation bills. Although we have not by any means accomplished all of the goals of the University Research Capacity Restoration bill, I am pleased that we have made some substantial progress.

Specifically, in the area of biomedical research, the bill appropriating funds for the National Institutes of Health for this fiscal year provides over $5 billion, an increase of over one-half billion dollars over last year's level and the administration's request for this year. With respect to the research components contained in the Department of Agriculture appropriations bill, the final agreement contains $46 million, a very significant increase over the amount available last year, for competitive research grants, and a total of $5 million for postgraduate fellowships. In the other areas of S. 1537, research funds within NASA, DOE, NSF, and DOD, we have also made similar progress, but our efforts are far from complete.

In the 99th Congress, Senator DANFORTH and I intend to reintroduce the University Research Capacity Restoration Act and to once again pursue our efforts through various other legislative vehicles to place the scientific and technological well-being of our Nation on a sound research and educational base. We hope that once again we will be joined by a broad group of our colleagues who also recognize that a strong Federal investment in the educational and research capacity of our universities is essential to retaining this country's leadership in science, technology, and industry.●

JOB WELL DONE: RON WINEINGER'S YEAR AS FFA PRESIDENT

● Mr. DOLE. Mr. President, the Senator from Kansas wishes to congratulate the national president of the Future Farmers of America, Ron Wineinger, who will soon finish his year in office. Ron hails from the small town of Marion in my State, and we Kansans are proud of the fine job he has done this year for the FFA.

The Senator from Kansas has had the pleasure of meeting with Ron many times during the past year. Let me say that the FFA made a marvelous choice when they picked this young man to be their leader.

Now that his term is ending, Ron will soon be returning to one of the country's top agriculture schools—Kansas State University. Although he is still a college student, Ron displays a maturity far beyond his years. As a spokesman for agriculture, he is first rate: Farmers of all ages can be proud of his achievements.

Ron has traveled to 32 States, and four foreign countries during his term of office. For those of us from farm States, it is pleasing that so many people around the world have had the opportunity to discuss the issues with this outstanding example of our young American farmer.

The Senator from Kansas congratulates Ron Wineinger for a job well done, and offers his best wishes as Ron returns to K-State, and prepares for other successes.●

ELLSWORTH BUNKER

● Mr. HOLLINGS. Mr. President, last week our Nation lost one of its preeminent diplomats. I speak, of course, of Ellsworth Bunker, who died at 90 years of age in Vermont. When I think of Ellsworth Bunker, two qualities come to mind—two virtues that in this modern day are often seen as opposites. Those virtues are strength and civility. So often nowadays the heroes and heroines created for us by the media are tough talking, insensitive, and totally without grace. Not so Ellsworth Bunker. No one could be tougher or more resolute in a negotiation or in the practice of the many professions he mastered. But always, always, there was the assured quiet and calm and civility of inner peace and confidence. He well understood the admonition of Teddy Roosevelt—"Speak softly and carry a big stick."

He was a diplomat of the old school, and how our country could use a few more graduates of that old school now. Patriotism was his lodestar, duty his guide. He undertook all the difficult ones, including a long, lonely stint in Vietnam and also those seemingly interminable negotiations over the Panama Canal. The wisdom of those treaties is proved anew every day, in the building of entrepreneurship and private enterprise in Panama and in the increasing warmth of relations between our two peoples.

Diplomacy was a family matter to Ellsworth Bunker, because his wife, Caroline Laise, our former Ambassador to Nepal, is a distinguished diplomat in her own right. To her in this hour of sorrow, the Nation sends its sense of loss and also its spirit of pride in all that Ellsworth Bunker accomplished—and in all that he stood for.

People of such stature too seldom pass our way, and it is fitting that we pause to reflect on the life of this good and wise man. All his impact on his country was for the good, and the country's memory of him will always be for the good.●

MINORITY DEVELOPMENT ENTERPRISE WEEK

● Mr. HEINZ. Mr. President, the week of October 7 has been set aside by the President as the second annual "Minority Enterprise Development Week." I want to commend the President for once again designating a week to recognize the contributions made by minority-owned businesses to our country and to our economy.

The essence of the entrepreneurial spirit in this country is the dream of making it on one's own. For too long, however, this goal was unreachable for

certain Americans; even with hard work and dedication, members of the minority community could not realistically share that vision.

While important work remains to be done, Mr. President, I am proud to say that we have made significant strides toward opening our system up to any and all who dare to dream the American dream, and seek to make the free enterprise system work for them.

Next week, the Greater Pittsburgh Business Development Corp. will be honoring one such individual: Milton Washington, president of Beacon Construction in Pittsburgh, who is the regional winner of the "Contractor of the Year Award." Mr. Washington was chosen as the winner from the region encompassing Pittsburgh, Philadelphia, Baltimore, Washington, Richmond, Norfolk, and Newport News.

The growth of the firm, its innovativeness, and its contributions to the community are the criteria upon which this award is based. Since the inception in 1978, Beacon Construction has been one of the most successful construction firms in Allegheny County engaged in rehabilitating government housing. Milton Washington began his career with the Philadelphia Housing Authority after receiving a B.S. from LaSalle College and an MBA from Temple University. In addition, he has worked at the Department of Housing and Urban Development and currently serves as the president and chief executive officer of Beacon Construction's parent firm, Allegheny Housing Rehabilitation Corp. Through his hard work and dedication, Milton Washington has made vital contributions to the community and to the economy, and is most deserving of praise.

Mr. President, the Nation's 600,000 minority-owned businesses reveal the true meaning of entrepreneurship. We must continue to work to increase the opportunities for these firms which have contributed so much to our economy and our lives by providing innovative products and services to the economy and by being the principal source for jobs and training for thousands of American workers. In celebrating "Minority Enterprise Development Week," we are reaffirming our commitment to ensure that the American dream of owning your own business is one which all Americans can realistically share.●

COLORADO RIVER SALINITY CONTROL

● Mr. DECONCINI. Mr. President, I rise in support of H.R. 2790, a bill to amend the Colorado River Basin Salinity Control Act. The original Salinity Control Act was passed by the Congress some 10 years ago for the purpose of improving the quality of water from the Colorado River and to meet the obligations of the U.S. Government under a treaty with the Republic of Mexico. The bill before us authorizes new salinity control units in the Upper Basin and Lower Basin States to help further reduce the salt content of Colorado River water and as a result reduce the damage to farms and crops from the salty water.

This legislation has the support of the Departments of the Interior and Agriculture who jointly manage the Salinity Control Program and numerous environmental and wildlife organizations. The Salinity Control Program is very important to my State of Arizona and this legislation is supported by the Arizona Department of Water Resources.

The beneficiaries of salinity control contribute a share of the total costs for water quality improvement and the share for the States and on-farm irrigation improvements will be further increased under the provisions of H.R. 2790. Increases in cost sharing are never easy propositions to negotiate, particularly when they increase the already substantial non-Federal participation. An agreement has been reached which is acceptable to all interested parties, however, and I therefore urge adoption of H.R. 2790 with amendment.●

LOW-INCOME HOME ENERGY ASSISTANCE

Mr. DENTON. Mr. President, on October 4 the Senate passed S. 2565, which reauthorized the Low-Income Home Energy Assistance Program for 2 years. The bill also contained a change in the allocation formula under which low-income home energy assistance funds are distributed to States.

Several Senators entered tables prepared by Department of Health and Human Services into the RECORD to show how each State would fare under the new formula. These tables contained a minor mathematical error affecting the State of Indiana's allocation, and I want to insert into the RECORD for the benefit of my colleagues revised tables prepared by the department on the new formula. I can assure Senators that no State's allocation is significantly affected by the correction.

Mr. President, I ask that the revised tables be printed in the RECORD.

The tables follow:

State	Fiscal year 1985 (floor at fiscal year 1984 shares of $2.075 billion; funding assumption—$2.1 billion)	
	Percent	Dollars
Alabama	.00874242	18,315,551
Alaska	.00558048	11,691,226
Arizona	.00422794	8,857,618
Arkansas	.00667088	13,975,631
California	.04690055	98,257,595
Colorado	.01589429	33,298,846
Connecticut	.02073466	43,439,520
Delaware	.00283151	5,932,075
District of Columbia	.00331301	6,940,826
Florida	.01383312	28,980,670
Georgia	.01093721	22,913,663
Hawaii	.00107056	2,242,837
Idaho	.00619983	12,988,769
Illinois	.05904538	123,701,249
Indiana	.02643182	55,375,189
Iowa	.01841560	38,581,058
Kansas	.00870122	18,229,238
Kentucky	.01391233	29,146,609
Louisiana	.00893779	18,724,839
Maine	.01343275	28,141,884
Maryland	.01633422	34,220,518
Massachusetts	.04147618	86,893,424
Michigan	.05448673	114,150,781
Minnesota	.03925461	82,239,179
Mississippi	.00749527	15,702,740
Missouri	.02292379	48,025,791
Montana	.00727201	15,235,000
Nebraska	.00910722	19,079,813
Nevada	.00198574	4,160,160
New Hampshire	.00785060	16,447,153
New Jersey	.03961485	82,993,895
New Mexcio	.00514469	10,778,223
New York	.12572199	263,390,082
North Carolina	.01927685	40,385,380
North Dakota	.00789960	16,549,820
Ohio	.05223446	109,432,244
Oklahoma	.00803608	16,835,753
Oregon	.01231874	25,808,013
Pennsylvania	.06753125	141,479,319
Rhode Island	.00682722	14,303,154
South Carolina	.00694327	14,546,280
South Dakota	.00641586	13,441,352
Tennessee	.01409289	29,524,890
Texas	.02301370	48,214,165
Utah	.00738611	15,474,053
Vermont	.00588430	12,327,727
Virginia	.01989691	41,684,416
Washington	.02026264	42,450,626
West Virginia	.00920685	19,288,524
Wisconsin	.03533478	74,027,071
Wyoming	.00295724	6,195,471
Total	1.0000000	2,095,019,909

Note.—Excludes $2,139,000 for Federal Administration and .001354 percent for the territories October 5, 1984.

State	Fiscal year 1986 (floor at fiscal year 1984 shares of $1.975 billion and at $2.14 billion percentages for smallest States; funding assumption—$2.275 billion)	
	Percent	Dollars
Alabama	.01115663	25,323,119
Alaska	.00587145	13,326,919
Arizona	.00539548	12,246,562
Arkansas	.00851303	19,322,737
California	.04721758	107,173,646
Colorado	.01396270	31,692,305
Connecticut	.01894692	43,005,395
Delaware	.00320352	7,271,304
District of Columbia	.00422789	9,596,401
Florida	.01765311	40,068,736
Georgia	.01395749	31,680,479
Hawaii	.00105100	2,385,542
Idaho	.00608400	13,809,359
Illinois	.05970695	135,521,811
Indiana	.02643182	59,994,493
Iowa	.01617761	36,719,670
Kansas	.00872078	19,794,287
Kentucky	.01505963	34,182,089
Louisiana	.01140594	25,889,002
Maine	.01180031	26,784,147
Maryland	.02084488	47,313,360
Massachusetts	.03643571	82,701,151
Michigan	.05230339	118,717,347
Minnesota	.03448412	78,271,455
Mississippi	.00956507	21,710,641
Missouri	.02067100	46,918,691
Montana	.00713600	16,197,171
Nebraska	.00893800	20,287,320
Nevada	.00253409	5,751,845
New Hampshire	.00770400	17,486,408
New Jersey	.04218217	95,744,372
New Mexico	.00504900	11,460,134
New York	.11044339	250,682,523
North Carolina	.02460011	55,836,911
North Dakota	.00775200	17,595,357

State	Fiscal year 1986 (floor at fiscal year 1984 shares of $1.975 billion and at $2.14 billion percentages for smallest States; funding assumption—$2.275 billion)	
	Percent	Dollars
Ohio	.05593527	126,960,922
Oklahoma	.01025523	23,277,147
Oregon	.01082169	24,562,876
Pennsylvania	.05932439	134,653,486
Rhode Island	.00670000	15,207,545
South Carolina	.00886063	20,111,717
South Dakota	.00629600	14,290,553
Tennessee	.01711428	38,845,711
Texas	.02936889	66,661,007
Utah	.00724800	16,451,387
Vermont	.00577500	13,107,996
Virginia	.02373736	53,878,655
Washington	.01780018	40,402,547
West Virginia	.00963361	21,866,210
Wisconsin	.03104066	70,455,549
Wyoming	.00290200	6,586,910
Total	1.0000000	2,269,782,910

Note.—Excludes $2,139,000 for Federal administration and .001354 percent for the territories October 5, 1984.

CHILD SUPPORT

● Mr. LEAHY. Mr. President, in its deliberation of the Deficit Reduction Act of 1984, the conference committee followed the Senate's amendment to allow a monthly disregard of $50 of child support to be applied at the time of eligibility determination and benefit calculation.

The intent behind this recommendation was to provide a higher AFDC benefit to families where States were successful in collecting support payments from the absent spouse.

While support payments up to $50 in any month will not be counted as income in the determination of AFDC benefits, the disregard will be counted as additional income in the computation of food stamp benefits. This inconsistency in treatment of income between the two programs is expected to increase States error rates.

Because three Federal programs are involved in calculating the correct benefits for recipients—AFDC, child support, and food stamps—the chances are further raised that States, error rates have will be increased.

Secretary Heckler of the Department of Health and Human Services has recognized the problem this new provision will present to States as they adapt procedures and regulations to comply with the $50 disregard. She has said she will announce that HHS will waive the error rate sanctions for 1 year on the AFDC portion of the calculation.

However, the U.S. Department of Agriculture has not expressed any willingness to waive sanctions on error rates for food stamp computations due to this new provision.

A number of Governors and others concerned with the potential impact on States error rates have asked me to speak about this problem. I want to make it clear that I am not suggesting that error rates should not be held to the lowest minimum possible. I am simply suggesting that a waiver on sanctions on errors, brought about because of inconsistencies between the two Federal agencies, is appropriate.

The similarities between the food stamp program and the AFDC program are many. The clientele are often the same, and the case have workers in both programs are the same. As States implement this new change in AFDC eligibility and benefit determination there are bound to be increases in errors of computation. It seems unfair to give an increased benefit—through the $50 disregard—on one hand, and turn around and penalize States for errors made because they have had no time to accommodate changes made in this session of Congress, on the other hand.

Mr. President, I believe there should be consistency between the involved programs in the treatment of error rates. A chief cause of errors in AFDC and food stamps is, ironically, due to inconsistencies between the two programs in the treatment of the same income. While the $50 disregard is not treated as income in the AFDC program, it is treated as income in the food stamp program. It must be factored in when determining food stamp eligibility and benefits. Errors are more likely to occur, since under prior law, child support payments were retained by the States as reimbursement for AFDC benefits and thus did not have to be taken into account.

Unfortunately, it is not the State workers who will ultimately be affected by sanctions; it is the children and families for whom the program exists. Sanctions mean loss of Federal revenue. Unless States can replace funds lost through sanctions, the intent of the Senate to provide higher benefits to welfare families through the $50 disregard may have been in vain.

I intend to urge the Department of Agriculture to declare a 1-year moratorium for counting food stamp errors associated with implementation of the disregard for child support collections as the Secretary of HHS has said she intends to do.

I intend, also, to bring this matter up again in the next Congress.●

PAPERWORK REDUCTION ACT

● Mr. DANFORTH. Mr. President, it is now clear that we will not have time this session to consider S. 2433, the Paperwork Reduction Act Amendments of 1984. This outcome is a considerable disappointment to me personally, as I believe that S. 2433 represents a good effort to strengthen an already successful law.

There has been some concern about the effect of this inaction on the workings of the Paperwork Reduction Act. Such concern is unwarranted, however. While S. 2433 would have made some valuable and needed improvements in the act, the act's provisions continue in full force and effect.

Some confusion has arisen about this point because the act authorized appropriations only through September 30, 1983. OMB has continued and will continue to pay for the operations of the act under its general appropriation, however.

Since the act was passed, nearly 500 million hours of annual paperwork burden on the American public have been eliminated. Calculated at $20 an hour, that amounts to a tax cut of $10 billion.

The analogy, I might add, is a fair one. Reporting and recordkeeping requirements cost the public—in real dollars and in lost time that otherwise could be used productively—many billions of dollars each year. OMB estimates the current inventory of paperwork requirements at more than 2 billion hours annually. Again using the $20-an-hour measure, that works out to a $40 billion annual burden on the public—one that surely could be cut further.

S. 2433 would direct OMB to continue its efforts to cut. The bill would require OMB to set annual goals reducing paperwork by 5 percent for each of the next 5 years. This 25-percent cut would eliminate another 500 million hours—another $10 billion—of annual burden.

S. 2433 would authorize $39 million for this program over the next 4 years. It would make crystal clear the fact that all Federal paperwork requirements are covered by the act. It would improve congressional oversight of the program, by requiring Senate confirmation of the Administrator of the Office of Information and Regulatory Affairs and by requiring additional annual reporting by the Office of the use of its funds and the implementation of its programs. It would increase public access to the regulatory process by making draft regulations available to the public. And it would enhance the Federal Government's ability to adapt to the information age by merging the Federal telecommunications fund and the automatic data processing fund into a new information technology fund.

S. 2433 floundered, in my judgment, because certain interest groups did not want the Congress to reemphasize the applicability of the act to reporting and recordkeeping requirements contained in existing rules. They raised a number of chimerical bugaboos to make their point and to persuade some Members of this body to block consideration of the bill, while they evaluated the arcane procedural questions involved. The committee addressed these concerns during its markup of the bill, in the committee report, and ultimately in a procedural amendment. However, the clock kept

ticking, and we were never able to proceed with floor action. With more time, I believe, the outcome would have been different, and I am hopeful that the outcome will be different in the 99th Congress.●

AMERICAN CONSERVATION CORPS

● Mr. LAUTENBERG. Mr. President, on October 3, the Senate passed S. 999, the American Conservation Corps. I joined the Senator from New York, Senator MOYNIHAN, by cosponsoring this legislation when he introduced it in 1983, I am very pleased we have passed this bill.

The idea embodied in S. 999, to put our young people to work on projects for public improvements, is not new. In the 1930's, President Roosevelt created programs to employ our young people to construct public works and make other improvements. S. 999 will likewise give our young people vital work experience while improving our natural resources. It will provide assistance for unemployed youth to work on soil conservation, urban revitalization, and flood control projects.

Unemployment among young people in our cities is still tragically high. Estimates are that fully one-half of black teenagers cannot find work. S. 999 promises to provide not only work, but an educational experience for participants.

All over the Nation we see the lasting value of the Civilian Conservation Corps of the 1930's. Rare is the area not touched by a CCC project. The projects undertaken by the American Conservation Corps promise similar benefits.

Mr. President, alumni of the old CCC have been some of the most vocal supporters of this legislation. This bill was brought to my attention by New Jersey Assemblyman George Otlowski, who introduced legislation to establish a State Conservation Corps in New Jersey. Mr. President, I am pleased to note the passage of this important legislation.●

TITLE V—H.R. 6163—GOVERNMENT PATENT POLICY

● Mr. DOMENICI. Would the Senator from Kansas please explain how title V of H.R. 6163, as passed by the Senate, will effect Government-owned laboratories that are operated by contractors.

● Mr. DOLE. The answer to this question has three parts.

First, Public Law 96-517 gave nonprofit organizations the right to own inventions made with Government R&D funding. That law included, however, an exception allowing the Government to retain title to inventions made by the nonprofit contractors of Government-owned laboratories. In the main, this bill removes that exception and allows nonprofit contractors to own their federally funded inventions regardless of whether they are made at their own or Government-owned facilities.

Second, most Federal agencies that have nonprofit organizations operating their laboratories have not been using the Government-owned, contractor-operated [GOCO] exception and are allowing the contract operators to own their inventions. The Department of Energy, however, has made a blanket use of the GOCO exception, so the bill will primarily effect the nonprofit DOE lab operators. For profit contractors such as the operators of labs such as Sandia and Oak Ridge are not directly effected by this bill.

Third, this bill includes a provision that allows the Department of Energy to own the inventions related to DOE's naval nuclear propulsion or weapons related programs that are made in the labs that are primarily related to these programs. This means that as work is now distributed among the labs, inventions in these categories made in Los Alamos and Lawrence Livermore, for example, could be owned by DOE. Inventions that do not fall into these categories would be owned by these nonprofit contractors.

● Mr. DOMENICI. In the case of Los Alamos, which is operated by a contractor based in another State, who specifically would manage inventions that do not fit in the nuclear propulsion or weapons categories?

● Mr. DOLE. This bill contains a provision that to the extent it provides the most effective technology transfer, the licensing of subject inventions shall be administered by contract employees on location at the facility. Acting under the Stevenson-Wydler Act, Los Alamos has established a particularly strong technology transfer office and program. In addition, it is our intent that title to inventions being licensed should be held in a wholly owned subsidiary running the facility for the Government so that in the event of a change of contractors, the licensing process may be transferred intact to the successor organization as a continuing operation of the GOCO. These factors are intended to result in the management of most Los Alamos inventions by the laboratory, which would then be free to deal directly with State agencies and the private sector to promote its inventions.●

FEDERAL HOME LOAN BANK BOARD CONVERSION REGULATIONS

● Mr. TOWER. Mr. President, during the last several weeks, I have endeavored to bring to the attention of my colleagues the facts surrounding a recent action that threatens the long-term health of the thrift industry.

That action was the improper, and perhaps unlawful, decision by the Federal Home Loan Bank Board to make its recent regulation concerning mutual to stock conversion retroactive. This regulation governs the amount of waiting time necessary for a shareholder, or potential shareholder, before he or she may acquire more than 10 percent of a recently coverted mutual institution. The required waiting period had been 1 year. In February 1984 the Bank Board proposed to make it a 3-year wait. They received comments on this proposal. Then, on August 2, 1984, the Bank Board met and decided, in fact, to make the 3-year rule final. However, Mr. President, in doing so they elected to make it retroactive back to March 1, 1983. Why, Mr. President, was this rule made retroactive when throughout the process the Board was considering only a prospective extension of 2 years to the waiting period? The shareholders in some 90 associations across the country are trapped in this "window of retroactivity," trapped with reduced value of their equity, trapped with potentially ineffective and uninspired management, and trapped without their rights as owners of publicly held corporations.

No other corporations have such arbitrary regulatory protection to the detriment of owners. And, Mr. President, aside from the shareholders, the ultimate victim of this action will be the long-term health of our Nation's savings and loan associations.

The health of the Nation's traditional suppliers of home mortgage finance, the thrifts and mutual savings banks, is in serious question. The symptom of this ailment is an unprecedented loss of equity and number of institutions. The cause of this equity and institution loss can be attributed to high interest rates and regulatory rigidity.

The period of 1981-82 saw the number of institutions dwindle from approximately 4,500 to 3,200. During the same period the regulatory net worth of thrifts fell by 25 percent, or $7 billion. Beginning in 1980, deregulation of the liability side allowed depository institutions to pay close to market rates for deposits. However, lack of efficient asset deregulation has caused a severe handicapping of banks and thrifts—especially thrifts which have large portfolios of long-term, low-yielding, fixed-rate home mortgages. According to some experts, a 1-percent rise in interest rates translates into $3 billion in lost earnings over the period of 1 year.

Institutions which fall into the traditional, federally chartered mutual structures are the weak links in the system. The larger, publicly held companies are in a better position to withstand another round of interest rate swings.

One thrift consultant commented, "I won't even accept an offer to study the portfolio of most mutuals. They make a lot of noise about doing something, but they rarely move once we chart out the alternatives." Sleepy mutual management must wake up to the fact that one must have equity capital to restructure old portfolios and to take advantage of the new powers granted thrifts by Congress.

In his February 23, 1984, confirmation hearings before the Senate Committee on Banking, Housing, and Urban Affairs, Federal Home Loan Bank Board Chairman Edwin Gray stated that "a trend toward conversion would be a healthy development." And, in fact, during 1983 conversions brought $6 billion in cash. Truly, Mr. President, conversions are one of the best hopes for strengthening the industry.

This regulation flies in the face of common sense and prevents infusion of equity into this capital-starved industry. Arbitrary and poorly made decisions by the Bank Board which damage the value of this fresh capital and trample shareholders' rights will scare off new conversions and shareholders. What good is the disclosure in a stock offering prospectus if the Washington regulators continue to change the rules in the middle of the game? Mr. President, in my view, the retroactive nature of this regulation is bad, and I believe Congress should act.

Mr. President, I would like to insert in the RECORD three newspaper articles that I believe my colleagues will appreciate. The first is a September 25, 1984, editorial from the Wall Street Journal which discusses a "creeping back" of regulation. While the Bank Board and the thrift industry are not mentioned specifically, I believe this industry is absolutely a case in point. We need a prudent, careful balance of both asset and liability deregulation in order that our thrifts can continue to profitably supply mortgage and real estate services to the consumer.

The other articles are from the American Banker, issues of July 13 and July 24, 1984. They discuss the health of the thrift industry generally, and mutuals specifically.

Now, Mr. President, I would ask that the articles as well as a letter to Chairman Gray signed by myself and my distinguished colleague, Senator BENTSEN, be placed in the RECORD at this point.

The information follows:

U.S. SENATE,
Washington, DC, October 4, 1984.

Hon. EDWIN GRAY,
Chairman, Federal Home Loan Bank Board, Washington, DC.

DEAR MR. GRAY: On August 2, 1984, the Federal Home Loan Bank Board issued Resolution 84-400 concerning the acquisition of stock in converted, mutual-to-stock form savings and loan associations. This decision modified—in part by making retroactive—a previous Bank Board regulation issued in February, Resolution 84-90, that extended from one year to three years limitations on investments of ten percent or more of stock in these thrift institutions. We wish to state our strong objection to the Bank Board's August 2 action giving retroactive effect, on a temporary basis, to Resolution 84-90, and ask that that portion of the Resolution not be extended when it expires by its own terms in February, 1985.

As you know, because of the fundamental fairness issue it raises, the Bank Board's August 2 action is the object of mounting concern here in Congress. Although too little time remains before adjournment for the full Congress to consider this matter, we want to emphasize the seriousness of our concern and urge you to consider thoroughly the substantial body of adverse public comment already received by the Bank Board on this issue.

Our concern is not the Bank Board's February decision that extended to three years certain restrictions on stock purchases in converted associations. As you know, this ruling was applied prospectively, putting the public on notice so that investment decisions could be made accordingly. Our concern is with the subsequent ruling which is retroactive in effect and which was issued in final form almost six months after the fact. We feel that this latter decision works to entrench incumbent management to the detriment of the shareholders, the true owners of these thrift institutions. For example, as we understand it, shareholder values in certain affected institutions declined precipitously following the issuance of this retroactive ruling, seriously diminishing the marketability of the stock, and eroding investor confidence.

Finally, the retroactive effect of the August rule raises serious questions as to whether adequate notice was given to shareholders who had invested substantial sums of money in good faith reliance on the rules in place at the time. These and other problems associated with the rulemaking are almost certain to invite legal challenges in the courts, a course of action which is inherently time consuming and may not produce immediate relief for shareholders whose investments have been dissipated.

For these reasons, and because of substantial Congressional interest in this matter, we urge the Bank Board not to make permanent the retroactive application of Resolution 84-400 when it comes up for review next year. We also ask that you keep us informed of the Bank Board's intentions on this issue and afford us timely notice of any planned action relating to the retroactive application of the rule.

Sincerely,

JOHN TOWER,
LLOYD BENTSEN.

[From the Wall Street Journal, Sept. 25, 1984]

CREEPING BACK

We'd like to invite some of our readers to put away their party hats today and take a look at an aspect of the recent Reagan record that is cause for growing concern.

Ronald Reagan entered office astride a set of policy ideas known popularly as Reaganomics—a reduction in federal spending and marginal tax rates; a noninflationary monetary policy, and deregulation. The great and glorious policy battles are, of course, fought over spending, taxes and Fed policy, but if you look closely you'll notice that federal regulations are being rolled back all right—back in the direction of inhibiting economic activity and free choice. In short, big government is creeping back, and the man in charge of the "gummn't" these days isn't named Jimmy.

Jimmy Carter in fact got the deregulation train well out of the station during his term by forcing more competition in the airline, trucking and rail businesses. And Ronald Reagan's 1980 campaign capitalized on the public's loss of patience with the government's impulse to overregulate anything it touched. Early on, Mr. Reagan made many first-rate appointments of deregulation advocates. But the record of late suggests that the Reagan White House either hasn't noticed or doesn't much care if deregulation's momentum begins to slow.

The most explicit, recent evidence of unconcern was the coercive manner in which the Federal Aviation Administration made some 100 airline executives come to Washington and re-regulate their airlines' flight schedules. The same day the final deal was cut—under the umbrella of an administration antitrust exemption—four newly formed airlines announced they had thereby been shut out of Chicago's O'Hare market. The FAA is part of Elizabeth Dole's Transportation Department. Eight weeks earlier, Secretary Dole herself regulated the auto industry by announcing a mandated schedule to install "passive restraints" in cars unless states enact mandatory buckle-up laws.

A less overt but potentially more damaging act of market regulation was Mr. Reagan's decision last week on steel imports. As with the flight schedules, the solution is "voluntary." But a steel-industry executive succinctly dismissed the administration's free-trade pretentions in a remark to the Journal's Thomas O'Boyle: "We got a five-year-quota bill. It's comprehensive and its enforceable."

Over the last two years, the Department of Health and Human Services, supported in court by the Justice Department, has attempted to impose an unprecedented degree of regulation on the decisions of doctors and hospitals that handle handicapped infants, or "Baby Doe" cases.

Over at the Federal Communications Commission, Chairman Mark Fowler and his staff, recognizing that modern communications is attracting innovators and entrepreneurs, was having notable success clearing the regulatory underbrush from that market. Then late last year, Mr. Reagan took the unprecedented step of personally intervening against the FCC's intention to free up the Market in TV-program-syndication rights, perhaps because the president's friends in the Hollywood production community said this would damage their business. Since that meeting, Mr. Fowler's deregulatory initiatives have hit a stone wall in Congress. Why should they help a guy whose own president disagrees with him?

In short, the larger message that these incidents send out is that however genuine Mr. Reagan's philosophical support of deregulation, it isn't an active, top-shelf priority in the White House anymore. That in turn gives regulation's proponents an incentive to reclaim lost ground. Witness the manner in which Rep. Fernand St Germain is using the Continental Illinois bank failure to assault financial deregulation.

The incentive to re-regulate in the face of little real White House opposition even extends to the judiciary. Last week the federal appeals court in Washington, D.C.—led by

longtime regulation advocates J. Skelly Wright and Abner Mikva—reversed the Interstate Commerce Commission's deregulation of railroad rates on exported coal. Only three months earlier, the Supreme Court—overturning a decision by this same D.C. appeals court—ruled that regulatory agencies should be given leeway to interpret the statutes they enforce. If the administration fails to appeal, the ICC will hardly be encouraged to pursue deregulation further.

This is a very troubling trend. The economic benefits of deregulation relative to controlled markets is no longer controversial. Even Ted Kennedy pushed hard for trucking deregulation. The shift in sentiment toward deregulation is the result of painstaking work by scholars such as James Miller, now head of the FTC. This popular president will suffer little initial political damage if the regulators creek back. But as with the "voluntary" steel decision, re-regulation will both limit free choice and drive up the cost of goods and services for consumers; the economy will suffer. Resisting those results, we suggest, is the point and purpose of being president.

[From The American Banker, July 13, 1984]

SAVINGS AND LOAN INDUSTRY IS THREATENED BY RISING INTEREST RATES; MUTUALS HIT HARDEST

(By David LaGesse)

NEW YORK.—The savings and loan business is quickly sliding into another fight for survival.

No segment of the financial industry is more threatened by the recent rise in interest rates. Especially since the thrifts remain weakened from the last round of high rates in 1981 and 1983.

"There's no doubt the industry has less capital than it had before the last bout." says Andrew Carron, an economist with Shearson Lehman/American Express Inc.

Higher rates will especially focus attention on the weaker thrift institutions. A survey of individual institutions, prepared by the *American Banker*, shows that, after most government aid is subtracted, the number of thrifts with negative net worth has actually increased through 1983. That was despite last year's moderate interest rates.

Institutions with traditional, federally chartered mutual structures dominate the weaker end of the industry, according to a recent study by the New York consulting firm of Lyons, Zomback & Ostrowski Inc., which first subtracted intangible assets.

Most of the larger and publicly traded savings and loans are in pretty good shape," says Robert Chaut, a thrift analyst with Becker Paribas Inc. "But the mutual institutions are quickly going to be back in trouble."

And this year's jump in rates is quickly sweeping away the small profits that savings and loans enjoyed last year.

"I'd say today's rates put thrifts, as an industry, right near the break-even point." says Dennis Jacobe, an economist and executive vice president of the U.S. League of Savings Institutions.

That was before the jump in the prime rate, a half-point shock, most analysts predict the industry tumbling back into the red.

The problem stems from the huge portfolios of long-term, fixed-rate loans that thrifts still hold from decades of mortgage lending. Loans made before 1980 generally earn less than what savings and loans now pay for their money, led by the higher rates that thrifts must offer to compete for consumer deposits.

Thrifts have lowered their vulnerability to interest rates by making more of their loans with rates that move with the market, primarily adjustable-rate mortgages.

"But the industry still remains very interest-rate sensitive," says Eric Hemel, director of the office of policy and economic research for the Federal Home Loan Bank Board.

INTEREST RATE SURGE PUTS RENEWED PRESSURE ON NATION'S THRIFTS

Each 1% rise in market rates, in fact, translates a year later to $3 billion in lowered annual earnings for the industry. Mr. Hemel says.

The Bank Board, regulator of savings and loans, reported that the industry earned a profit of $2 billion in 1983. With short-term rates up some 1.5% over a year ago, the industry would be losing at least $2 billion a year, according to Mr. Hemel's rule of thumb.

Many analysts, in fact, argue that savings and loans never even earned a profit in 1983. They tend to ignore the industry's nonrecurring profits, which totaled some $2.3 billion for last year alone. That includes some $1.3 billion in income from selling loans.

Jonathan Gray, a thrift analyst with Sanford C. Bernstein & Co., prefers studying what he calls "core earnings," which exclude profits from loan and security sales. The industry operated with core earnings that fell some $700 million in the red last year, Mr. Gray says.

Analysts also discount the growing intangible assets of the thrift industry. Those paper assets, primarily goodwill from the many mergers, had mushroomed to more than $28 billion at the end of 1983.

Goodwill is the difference between the market value of an asset, determined through appraisal, and what an acquiring institution actually paid for that asset. In a thrift merger, the acquiring institution must mark the assets that it is buying to market value, and it carries the difference as goodwill on its books.

Accounts recognize goodwill, in the theory that it represents the inherent value of the acquired institution's market share.

Analysts may look at it with skepticism, but goodwill cannot be studied in a vacuum, says Donald Kaplan, head of a Kaplan, Smith & Associates, a consulting firm.

"You must look at the transaction that created the goodwill," he says, to see what counterbalancing benefits came with the deal.

Glendale Federal Savings and Loan Association, for example, has accumulated more than $800 million in goodwill. That would give the savings and loan, the nation's fifth largest and one generally considered strong, a negative tangible net worth.

Most of that goodwill stems from the acquisition of First Federal Savings and Loan Association of Broward County, Fla.

"If that was the price for us getting into the Florida market, then it was well worth it," says David Hansen, Glendale's chief financial officer.

But just as depositors die and move away and decrease the original value of the market share, accountants require the acquiring thrift to subtract the goodwill from its assets over a number of years.

Goodwill hardly existed on thrift balance sheets before 1981. Because of the rash of intraindustry mergers, however, it mushroomed from about $200 million in 1980 to $2.3 billion in 1981 and $21.8 billion in 1983.

AFTER BRIEF REPRIEVE, THRIFT INDUSTRY FACING MORE HARD TIMES

But when the intangibles are removed, it is revealed that the entire industry has actually weakened over recent years, says Warren Heller, chief economist for Veribank Inc., a data processing firm.

"It's a matter of even the stronger getting weaker, not just the weak getting weaker," says Mr. Heller, who recently completed his own study of the industry's tangible net worth over the past three years.

Discounting intangible assets also leaves savings and loans with barely 0.5% of primary capital, or net worth.

A DEVASTATING ASSESSMENT

That washing out of the industry's questionable assets results in "a devastating assessment of the industry," says John Stone, a consultant with Lyons, Zomback & Ostrowski.

But, he says, that assessment also ignores a savings and loan's inherent attraction to potential buyers—and thus the industry's resiliency.

Adds Allan Bortel, a thrift analyst with Shearson/Lehman American Express, in a recent report on the industry: "A large buying interest exists for ownership of S&Ls among dozens of nonfinancial corporations and individual pools of capital as a way of getting into 'banking' or 'financial services.' "

Thrifts also can operate for years with a negative net worth, says Mr. Chaut of Becker Paribas. "There's a big difference between technical bankruptcy and liquidation," he points out.

The question is whether thrifts will drift further into the red. Mr. Chaut says: "If rates continue to go up, it will be a real problem."

Rates that ratchet up just another point or two, in fact, will renew an air of crisis: "We'll be back into the debacle of 1981-1982," Mr. Jacobe says.

If rates plateau at that high level for five years, 1,000 S&Ls would probably disappear into mergers or liquidations, says Richard Pratt, former chairman of the Bank Board.

That would shake out nearly a third of the remaining 3,200 institutions insured by the Federal Savings and Loan Insurance Corp. and would drain the insurance fund's reserves.

"Congress would have to step in and provide additional assistance," says Mr. Pratt, now president of Merrill Lynch Mortgage Capital Inc.

PULLING RABBITS FROM HATS

Another former regulator, James Croft, predicts that such a plateau in rates could hit the industry even more quickly.

"During the last round of high rates, the weak institutions pulled all the rabbits out of the hat that they had," says Mr. Croft, who formerly held Mr. Hemel's post as the Bank Board's director of policy and economic research.

Thrifts sold off assets to get them through the last crisis, assets they don't have as a cushion now, says Mr. Croft, who now works for the consulting firm of MCS Associates, Los Angeles.

"If rates go up and stay where they were before, the result would be much more severe than last time," Mr. Croft says.

But current regulators say those predictions sound too dire. Much depends on which rates go up, says Mr. Hemel, the

Bank Board's director of policy and research.

Thrifts now depend more on short-term deposits, such as money market accounts, he says, and they would be hit harder by a hike in short-term rates.

"Today does not yet parallel what happened at the worst of 1981." Mr. Hemel says, when short-term rates zoomed even higher than long-term rates and were as much as six percentage points higher than today.

"Things went really bananas then," he adds.

In 1981-82, the regulatory net worth of thrifts plunged by one-fourth, or $7 billion. Some 730 federally insured savings and loans—one of every six—dissolved into mergers or liquidations.

More than 400 other institutions faced the immediate danger of insolvency before interest rates fell in the fall of 1982.

MERGER PACE SLOWING

Fall they did, and rather dramatically, from an average of about 13% to an average of about 8%. By the end of 1982, the thrift industry began reporting profits again.

Mergers and closings continued in 1983 but involved fewer than 200 institutions. The pace this year has slowed further to an annual rate of about 50 institutions a year.

But the rising interest rates that crippled the industry for two years would undoubtedly do the same again.

"Last year's window of lower rates never opened for enough or long enough," says Mr. Bortel, the Shearson analyst. "There already are a lot of thrifts with their fingers caught in the window."

Industry leaders say they moved quickly to flush out their weak loan portfolios. Most thrifts last year switched to adjustable-rate loans, whose rates swing with the market. Some 80% of loans originated by savings and loans this year carry adjustable rates, according to Bank Board figures.

Thrifts also beefed up their mortgage banking activities, selling a record number of new and old loans to investors, rather than holding them in their portfolios.

"Mortgage banking has become a big part of every thrift's operations—and is a key to future profits," says Ray Martin, president of Coast Savings and Loan, Los Angeles.

But some say many thrifts, long protected by federal regulations, don't yet have the personnel to compete in today's deregulated ballgame.

"It's a shame that more institutions did not take advantage of last year's rates to rebuild," says Mr. Croft, who expresses general disappointment over the industry's response.

Adds Mr. Pratt: "In their defense, for decades there was no reason to learn how to compete."

CRITICISM OF MUTUALS

The urgency becomes more apparent for the publicly owned thrifts, whose managers must respond to their stockholders, consultants say.

"I won't even accept an offer to study the portfolios of most mutuals," says one consultant who helps thrifts restructure their assets. "They make a lot of noise about doing something, but they rarely move once we chart out the alternatives."

No matter; thrifts needed at least three years of lower rates to successfully restructure, economists say.

"Those institutions with the people and systems in place could and did restructure," Mr. Pratt says. "But even if the entire industry had been prepared, the markets just could not have absorbed that much activity."

Now, after only a year's reprieve that allowed slender profits, savings and loans face escalating rates again while still vulnerable.

Most of last year's profts came to the already stronger publicly held thrifts, and those in strong lending regions. California, a hotbed for housing and new loans at current rates, continues to attract applications for new thrifts.

But the industry's weaker end only grew weaker. New York's savings and loans, for example, continued to lose money because of portfolios still dominated by old fixed-rate loans.

A weak thrift cannot afford to sell its old loans: While selling loans brings a cool rush of cash, old loans sell at a loss.

"The weaker members just can't afford to give up that loss in the short-term," says Mark Clark, senior vice president of the U.S. League.

NEW POWERS NOT REALISTIC

Weaker thrifts also can less afford to dive into the new powers granted by Congress, such as expanded commercial lending rights.

Regulators appear well aware of the problems.

"We hear a lot of scare stories—that agencies are overwhelmed with supervisory cases," says Mr. Carron, the Shearson economist.

"What I want to suggest is that the regulators are trying to appear only somewhat more concerned," he adds, "so we won't really know how bad a shape the thrifts are in."

Regulators were accommodating during the last round. First, in 1981, the Bank Board eased net worth requirements from 5% net worth to 3% of assets: institutions below that point became candidates for forced mergers or liquidation.

As the industry continued to slide in the face of skyrocketing rates, the Bank Board decided to pump in interim support.

NET WORTH CERTIFICATES

The regulators, with the blessing of Congress, decided to give ailing thrifts "net worth certificates" that represent guaranteed cash from the government, above and beyond account insurance.

The program's authorization extended three years, until December 1985, but as early as this past March the U.S. League decided that would not be long enough. The league that month adopted a legislative program that includes a three-year extension for the net worth certificates.

The trade group also wants the Bank Board to expand the program to its current authorized level. The program actually in place gives qualifying savings and loans only about half the aid that has been authorized by Congress.

The Bank Board's adopted stance of supporting the thrift industry appears to have strengthened under Chairman Edwin Gray, a 1982 Reagan administration appointee, and the board also is reportedly looking for other ways to ease capital requirements.

"This board, as a whole, is about as pro-industry as any board has been," says Norman Raiden, Bank Board chief counsel.

The capital assistance and other accounting issues increasingly blur the true nature of the industry's strength. Analysts and stock investors thus usually prefer the "tangible" net worth ratios as a measure of relative strength.

Conversions from mutual to stock companies, which brought more than $6 billion in cold cash to the industry in 1983 alone, remain one of the best hopes for strengthening savings and loans.

So the skeptical light cast by analysis on the industry's performance in 1983 raises even more doubts that the savings and loans can recover on their own—or ever, for that matter.

"We need to extend the interim measures," says Mr. Clark of the U.S. League. "We just haven't had time enough as an industry to recover."

That requires congressional action, and that worries Mr. Pratt.

"The more they have to go to Congress, the more likely that Congress will get fed up with them," he says.

The price could be constraints on future growth—and that, in the industry's mind, would represent reregulation in the worst way.

"If carried through, that approach would strangle the thrift industry," says Mr. Carron.

He and many others argue that the regulators caused the current problems in the first place. Congress and the Bank Board took too long before lifting the ceilings on the rates that thrifts can pay for deposits, they say, and they crippled the industry's ability to compete in the late 1970s.

Mr. Carron argues that instead of sweeping industry constraints, the Bank Board should beef up its supervision of individual institutions. "They should be going after the few institutions that can cause the problems for the whole," he says.

But if rates cause another widespread crisis, thrifts may not escape a broad-brushed approach from Congress, Mr. Pratt believes.

"If thrifts continue to be a sore spot, if they can't get their own house in order," he says, "Congress will want to at least shrink that sore spot."

[From the American Banker, July 24, 1984]

RISING RATES THREATEN SAVINGS BANKS

1983 WAS MILD YEAR, BUT EXPERTS FEAR 1984 MAY BE BLEAK ONE FOR INDUSTRY

(By Lisa J. McCue)

WASHINGTON.—Financial experts doubt that the strength of many savings banks is sufficient to withstand another bout with high interest rates—a bleak assessment, considering that many economists predict climbing rates during the closing months of 1984.

Although most economists have gotten out of the business of predicting specific interest rates, there is substantial agreement that continued high federal budget deficits this year will keep pushing rates up—and keep the pressure on savings institutions.

As one savings bank expert points out, "Recent increases have thrown many institutions back against the ropes."

The relatively mild economic climate in 1983 should have helped the savings banks come back to solid ground that year, observers say, yet industry figures show that 30% of the country's traditional savings banks finished the year with losses.

In fact, after losing about $3 billion from 1980 to 1982, the industry as a whole made a profit of only $246 million in 1983, a mere 8% of its staggering three-year loss.

Traditional savings banks are those that are state chartered or were formerly licensed by the state. The grouping does not include savings and loans that converted to

federal savings banks under a recent law that authorized such switching.

A thrift trade group, the National Council of Savings Institutions, says in its annual report that it would take an increase of only 150 to 200 basis points in long- and short-term interest rates to plunge a large portion of the thrifts back into the red.

1983 RELATIVELY BENIGN

As one analyst explains it, "The critical issue is that 1983 was a year of low interest rates—and some savings banks were still not able to earn money."

That thrift expert, Ronald I. Mandle of Paine Webber, Inc., says, "If they had less than 3% net worth and lost money last year, you can pretty much write them off for '84."

As John Tucillo, a thrift economist, points out, "For savings institutions, the big question is interest rates." He adds that thrifts will be "against the ropes" this year with even slight increases in general interest rates.

In fact, about 12% of the 294 mutual savings banks insured by the Federal Deposit Insurance Corp. currently have less than the statutorily required 3% net worth, according to data prepared by the *American Banker*. That 12% is arrived at after subtracting the value of net worth certificates created by Congress to bolster the net worth of viable but financially strapped thrifts.

The net worth program, slated to expire in 1985, was designed for thrifts with dwindling net worth. Federal regulators allowed thrifts to issue the certificates as an interim measure to boost their net worth: the certificates are backed by a guarantee that the government will pay out that much more cash, above the level of support already committed through government deposit insurance, in the case of a liquidation.

Net worth is defined as the amount of assets in excess of liabilities.

Regulators consider it a sure danger signal when a thrift's net worth drops below 3%.

TREAT PROBLEMS OVER TIME

The most recent FDIC figures show that the agency's $16 billion insures almost $154 billion of savings bank deposits.

One industry official says the best the FDIC can hope for is to spread the cost of dealing with the savings banks' problems over time.

An FDIC official agrees that the problems are so large that the agency would not want to address them all at one time. But interest rates loom as the biggest threat.

"Continued rate rises will deliver the knockout punch," Mr. Tucillo says. He is vice president and director of research and economics of the National Council. That group is the result of a merger of the National Association of Mutual Savings Banks and the National League of Savings Institutions; of its 576 members, 388 are savings banks.

Robert F. Miailovich, assistant director of the FDIC's division of bank supervision, agrees that this year's higher rates are hurting thrifts.

"We are going to have to deal with a number of savings banks no matter what happens to rates," he says. "Some banks were predicting a return to profitability this year, but the recent rate experience pushes that back at least a quarter or two.

"Many that were hoping to earn their way out of their problems this year will find earnings are not going to be enough," he adds.

The severity of savings banks problems varies from state to state and depends in large part on how broad a business base the state allowed the institutions to work from.

New York, with such institutions as the Bowery Savings Bank—which led all losers in the first quarter of this year with a net operating loss of $15.6 million—is the industry's most crisis-ridden locale. The cost of deposits was blamed in part for the pathetic showing of such banks as the Bowery.

Nine of the 35 savings banks with less than 3% net worth are found in New York City, and they all fall on the lower end of the declining scale. Again, the Bowery was the worst of the lot, with a negative 0.83% net worth, according to FDIC figures.

Furthermore, 27 of those 35 are located in New York State, where savings bank powers have been heavily regulated.

If rising interest rates and restricted activities represent a bog that the industry must slog through, increasing competition from the outside is almost as threatening—a marshland, perhaps.

Savings banks have changed substantially since 1697, when Daniel DeFoe, the English author, reportedly first came up with the concept of "Friendly Societies for Provident Habits in General"—from which savings banks evolved.

The early organizers of these institutions aimed to combat pauperism; the institutions were considered semiphilanthropic, and to serve as a director was to fulfill a civic responsibility.

Massachusetts was probably the first state to take an interest in savings bank activities—an interest that took the form of supervisory laws passed in the 1830's.

The 1930's also brought federal supervision, and 50 years later came the movement toward deregulation and competition.

DIFFERENTIAL IS NO MORE

In the more permissive regulatory environment, the comfortably protective one-quarter of one percent differential between interest on savings accounts in banks and in thrifts is gone. And the opportunity to offer new types of deposit instruments has carried with it new costs required for competition.

For instance, money market deposit accounts were introduced in December 1982 to offset the dramatic drain of funds that money market mutual funds were taking from depository institutions, savings balances.

Initially, the new account had a dramatic effect on the savings balances of thrift institutions, particularly during the first five months after its introduction.

According to the National Council, savings institutions attracted $50 billion in money market deposit accounts, with at least 40% of that in new funds. Net deposit gains for savings banks were $3 billion on new deposits and an additional $16 billion representing interest credited on previous deposits.

But after the big bang—after savers moved much of their money back into federally insured accounts from the money market mutual funds—new savings activity died down.

Those accounts are currently paying an average of 9.53%, according to the Bank Rate Monitor, a substantial increase in cost to institutions that used to pay 5½% on deposits.

On the asset side, adjustable-rate mortgages were touted as the key tool to restructure the industry's portfolios so thrifts wouldn't be hit as hard as they had been by future interest rate swings.

ABUSES IN SCREENING BORROWERS

While the 1984 experience with ARMs is better than the two previous years, thrifts are still having problems convincing the consumer that the mortgages are a great deal.

Abuses have surfaced in which thrifts would offer a deeply discounted rate for the first year of the mortgage and screen borrowers only to see that they qualified for that low rate. When the increases come in the second year and beyond, the borrowers, unable to meet the payments, can lose their houses.

Bad publicity about such abuses came just as ARMs were gaining some notable acceptance from borrowers after an initial period of mass confusion, which arose because of the lack of standardization.

Despite the apparent weight of the factors working against savings bank viability in 1984 and beyond, some bankers maintain that things aren't that bad for the industry—at least outside the New York area. (Savings banks exist in 17 states: New York, Massachusetts, Connecticut, New Jersey, Pennsylvania, Washington, Maine, New Hampshire, Rhode Island, Maryland, Vermont, Delaware, Oregon, Indiana, Alaska, Wisconsin, and Minnesota.)

Robert Masterton of the Maine Savings Bank in Portland says rising interest rates are "a No. 1 problem only in a broad sense."

"Many of us have been able to develop a structure where we're less sensitive to rates," he says.

But he admits that while savings banks are less vulnerable to rate swings now than during the wild economic flux in 1980–81, there is still "very little perfect matching" of assets to liabilities. Mr. Masterton was chairman of the National Association of Mutual Savings Banks during part of 1981 and 1982.

STOCK-TO-MUTUAL CONVERSIONS

A lot of savings bankers have been hedging their deposit costs, he said, by matching them with such investments as six-month certificates. And many institutions, including Maine Savings, have brought out stock issues during the past year or so.

About 100 savings banks have converted to stock form from mutual in the last 12 to 18 months, according to James F. Carter, who is a vice president and analyst at Merrill Lynch & Co. in New York.

If worked properly, conversion may be one of the most important steps a thrift can take: the implications go farther than the immediate capital it brings into the savings bank.

As Mr. Masterton and Mr. Carter point out the importance of transforming to stock from the mutual form increases as the movement for regional banking grows.

LOW NET WORTH FIGURES CAST SHADOW OVER SAVINGS BANK INDUSTRY

"We didn't need more funds—we're more than adequately capitalized." Mr. Masterton explains of his institution. "We did it because of the thrust forward on regional banking."

Mr. Carter concurs: "[Thrifts] are increasing their capital position, not so much because they need it to survive, but to expand by acquisition."

"PSFS converted and has already bought a couple of mortgage banking subsidiaries, a land development company, a secondary mortgage concern, and a finance company," he notes, referring to the nation's oldest savings bank—formerly known as Philadel-

phia Saving Fund Society—which converted less than a year ago.

"They even have a tentative agreement to buy a thrift in Florida," Mr. Carter notes.

DIVERSIFICATION CAN HELP

There is a secondary benefit connected with the expansions, Mr. Carter says. That is that regional and operational divesification helps the parent institution through hard economic times.

But, savings bank experts warn, stock conversions are not a panacea.

Frank J. Barkocy, a vice president and analyst with Merrill Lynch Capital Markets, says, "Savings banks that have been in the conversion process recently have been unfortunately sensitive to interest rates, which bring declines in [stock] prices."

PSFS, as an example, cut the price of its proposed stock offering last August by about 25% because of "volatile conditions" caused by higher short-term interest rates.

And Mr. Masterton of Maine Savings Bank says those savings banks that have gone into nonbanking businesses will find there is a lot of fixed overhead.

"Also if rates stay up, business levels will come down," he adds.

The Maine Savings Bank executive also notes that there have been a lot of voluntary mergers as the industry braces for a second shock.

The Federal Deposit Insurance Corp. is also pushing ailing savings banks to find merger partners quickly, according to recent reports.

There are currently 23 savings banks receiving capital assistance from the FDIC as part of the net worth certificate program passed by Congress in 1982; and those certificates equal more than $385 million, according to agency figures.

Mr. Miailovich of the FDIC says the agency is doing everything possible to get certificate recipients to solve their own problems through merger, sale of assets, or conversion.

"APPLYING SIGNIFICANT PRESSURE"

"We don't want them to sit around enjoying the scenery after they receive assistance. We are applying signifcant pressure to get them to aggressively look for a way out of their financial problems without assistance, when possible," he says.

However, only five savings bank merger applications are pending with the FDIC now, according to an agency spokesman.

To some extent, discussion of the fate of savings banks, does not end with "will they or won't they survive?" There are some who ask, "Why should they?"

For instance, "The thrifts still market their product as if they were dealing with sailors just back from around the Horn," wrote William J. Quirk in *Harpers* magazine during the thrift crisis in 1982.

Mr. Quirk's article explored reasons why, as he said, the thrift industry was dying—and why it deserved to die.

But it is politically unfeasible, at least for now, that this country would let even a portion of the thrift industry die.

Thrifts were created to promote housing in America and they've done that to varying degrees for more than 50 years.

A vote against the thrift industry could be seen as a vote against the chance of fulfilling the American Dream of homeownership—and few politicians are willing to risk that yet.

Mr. TOWER. Mr. President, I would now ask that a statement by Senator BENTSEN also opposing this unfair action be placed in the RECORD.

The statement follows:

FHLBB STOCK CONVERSION RULES

Mr. President, I commend my distinguished colleague, the senior Senator from Texas (Mr. TOWER), for his leadership in opposing the retroactive portion of Federal Home Loan Bank Board Resolution 84-400. I am pleased to join once again with him in speaking to this important issue.

Among other changes, Federal Home Loan Bank Board Resolution 84-400 imposes a retroactive change in the rules regarding purchases of stock in thrift institutions which have recently converted from mutual to stock ownership.

This rule in effect abrogates existing private contracts, to the detriment of those who bought stock in these institutions after their conversion and to the benefit of the existing management of those institutions. I object most strongly to such action, no matter who it helps or hurts.

The sanctity of private contracts is a basic principal of our legal system. In this case, conversions from mutual to stock form which took place between February 29, 1983, and February 23, 1984, were done under rules which limited takeovers for one year. This one year limitation was clearly stated in the prospectus for each of these stock sales. The holders of the institutions made the decision to convert knowing that there would be a one-year limit on takeovers, and investors bought stock on the strength of this assurance.

The action of the Federal Home Loan Bank Board in changing this rule is unfair. Not only was it done retroactively, but it was done totally without prior notice. It has caused substantial losses to all stockholders in these institutions by causing immediate decreases in the price of their stock. The FHLBB should either repeal this temporary rule now or allow it to lapse when it comes up for review early next year.

This is a dangerous precedent for government rulemaking. I believe that if the FHLBB had given proper notice that it was considering this retroactive rule change there would have been substantial adverse comment. We have protested this change to the FHLBB, and I urge my colleagues to do likewise.●

UNITED STATES-CHINA RELATIONS

● Mr. MURKOWSKI. Mr. President, I rise to point out that, in its new relationship with China, the United States has an opportunity and challenge before it. It is the opportunity to strengthen our relationship as a trading partner with one-quarter of the Earth's population and to develop further an economic relationship that will reshape the social and economic structure of the world by the turn of the century. Specifically, it is an opportunity to strengthen our ties with China through trade and commerce. To have as a trading partner a nation of 1.1 billion people, scattered over 3.69 million square miles, is an opportunity which can be carried forward. One potentially important aspect of that commerce would be in the nuclear industry.

The need for a consistent national energy policy is clear. The Congress has sought to permanently ban the export of Alaskan crude oil. A majority of my colleagues maintain that by ensuring our own domestic oil supplies, we become relatively energy independent and strengthen our national security. I disagree with these arguments as shortsighted and suggest that the United States is relinquishing our role in international trade. National security is gained through exchange and common interest. A relationship based upon economic interdependence leads to greater understanding between the trading countries. Countries that trade together stay together.

In March of this year, I introduced an amendment which would lift the ban on Alaskan oil to allow for export of up to 200,000 barrels of crude per day. At that same time, I proposed an amendment which would ban all export of refined petroleum products. The purpose of this amendment was to define a consistent national policy regarding petroleum exports and to point out the anomaly of the course which we are presently pursuing. This body, myself included, voted to table the amendment which would ban export of refined petroleum products. It is a recognized fact that export of refined petroleum products is vital to the American economy. Presently, the United States exports about 460,000 barrels per day of refined petroleum products, with about 7,000 barrels per day going to the Soviet Union and Eastern bloc countries. If we permit export of refined petroleum products to our adversaries, we should surely encourage export of energy products to those we wish to have as our friends as long as our national security concerns are satisfied.

We must recognize the positive benefits to be gained in the energy trade. The administration realizes the great potential, but I am uncertain about the views of the Congress on this issue. Export of nuclear power reactors is consistent with the philosophy stated in the national energy plan of 1983—

Energy trade is likely to be an increasingly important aspect of international energy activity, and the U.S. ought to seek to increase its role as a reliable cost competitive energy trade partner.

The Asian-Pacific region has surpassed Western Europe in the volume of trade conducted with the United States, Japan, Korea, and Taiwan and have become vital to the United States as trading partners, as we enter the "Century of the Pacific." The United States, as an energy rich country, has much to offer the Asian nations. As we strengthen our geopolitical ties with the Pacific nations, we enhance our national security through a relationship based on trade and a community

of interests. The United States will benefit if the trade relationship with China were to expand as well.

The United States and China will mutually benefit from a strong trade relationship. We are a developed country whose economic and technological power is unequaled. China is the largest developing country. The potential for increased trade and expanded economic relations is unlimited. Just as we have built a strong, growing relationship with other Pacific Rim nations since 1948, we can build the same sturdy, mutually beneficial, commercial bridge across the Pacific to China.

China is at the beginning of a long-term modernization, as Japan was in 1970. China's emergence as a modern nation will have profound, long-range consequences both economically and culturally. To achieve its goals of modernization, China will need a long period of peace and internal stability. Opportunities for trade will increase. President Reagan, in his meeting with Premier Zhao Ziyang, noted that:

> Progress in four areas is particularly promising: Trade, technology, investment, and exchange of scientific and managerial expertise.

The United States is the largest foreign investor in China. As a trading partner, the United States ranks third. In 1982, United States exports to China constituted only 1.5 percent of its total volume of exports. This year, Chinese-United States trade is expected to be valued at between $5.5 and $6 billion, up 30 percent from last year.

Despite the increase in trade activity, there is room for much more. China, as a developing nation, is 10 to 15 years behind the rest of the world in some areas of modern technology, and much farther than that in many others. The Chinese have large foreign exchange reserves of nearly $20 billion and are willing and able to pay for the needed technology. China plans to invest $1 billion in Western technology in 1984. The Chinese Government is working to improve the economic climate to attract foreign investors. These improvements are evident in their legal system, patent laws, and the area of taxation. Fourteen special economic zones have been created to facilitate foreign trade.

China is particularly interested in encouraging high technology imports and energy technology. China is one of the largest consumers of energy in the world. Despite this fact, the Chinese per capita consumption of energy is only one-quarter of the world average. China is not an energy deprived country, as are our trading partners in Japan and Korea. China has plentiful oil, coal, and water reserves. Unfortunately, these conventional energy sources are not located near population centers. The development of these energy reserves has been held back because of uneven distribution and transportation difficulties. There exist practical limitations, even with the best of current technology, which preclude a short-term solution of the distribution problem. For example, the shipment of coal to China's population centers would require an upgrading of logistic facilities which appear to be beyond China's near-term economic and technical capabilities.

China is not energy deprived. Rather, it is deprived of energy technology. To catch up to the rest of the modern world, it will be necessary to import a great deal of technological expertise. The generation of electricity through nuclear power is obviously one method by which the living standards of the Chinese could be dramatically improved.

I do not intend to engage here in an extended discussion of this complicated and sensitive issue. I wish, however, to underscore certain important realities of the energy scene, and particularly with regard to the nuclear energy industry.

For some time, many members of the U.S. Congress have held the notion that if we refuse to engage in nuclear trade with a country, we have precluded them from any nuclear development of their own. The United States does not have a monopoly on the supply of any equipment, material, or services required for construction and operation of nuclear powerplants. In fact, the competitive position of the United States in international nuclear commerce is steadily declining. This is shown by the fact that in the mid-seventies the United States had a total monopoly on overseas sales of uranium enrichment services. Today, that share of the market has dropped to 30 percent. It is obvious that China will search out the most attractive conditions for nuclear reactor equipment, including the rapid transfer of its technology. Foreign nuclear suppliers, including the French, British, Japanese, and West Germans, have already presented China with detailed proposals for the construction of nuclear powerplants.

We cannot expect our trading partners to "Buy American" when we do not offer the goods for sale. For example, when we told our good friend, Japan, 10 years ago that we were not going to provide them additional fossil fuel resources, they did not stop with us. They went to other nations. Australia, Canada, Malaysia, Indonesia, Abu Dhabi, Thailand, and the Soviet Union now supply Japan with natural gas. Meanwhile, the U.S. domestic gas markets are glutted.

We should all understand clearly that the United States does not have a corner on the nuclear market. In fact, in China the French are well advanced in concluding an agreement to supply two nuclear power reactors to Guandong (Canton). Japan, Great Britain, and West Germany are also vying for Chinese nuclear contracts.

Another preconceived notion in the United States is that we unconditionally hold the trump card by being the most advanced in nuclear power technology. This can only be the case when the United States is actively involved in exports of nuclear technology. Commercial sales play a major role in providing the leverage that enables us to pursue diplomatic initiatives to control nuclear proliferation. Loss of markets to other suppliers limits the opportunity of the United States to monitor and attempt to influence activities of other countries that could lead to the capability to produce nuclear weapons.

One further consideration that should not be overlooked when determining whether to allow the sale of nuclear plants to China or to any other country is the matter of nuclear radiation safety. The United States imposes a higher level of restrictions and safety protections than most countries. If U.S. nuclear power reactors are sold to China, they will comply with our safety standards. At a time when there are those who are skeptical about the safety of nuclear power reactors, the application of the U.S. safety/regulatory regimen should provide some enhanced level of reassurance.

American companies enter the nuclear market a step behind our foreign competitors, due to the higher nonproliferation restrictions we place on purchasers of our nuclear goods. Such restrictions give the initial edge to our foreign competitors. Now there are those who wish to restrict the American companies from competing altogether. I am not suggesting that the United States lower its nuclear safeguards or safety standards. No amount of gain in jobs or export sales can justify actions which would defeat our nonproliferation goals. What I am suggesting is that we should understand the full implications of the current impasse with China on the question of nuclear cooperation.

We cannot ignore a country with such huge potential for affecting the political, military, and economic developments for the world in the coming century. We must nurture those trade relationships which will enhance our national security and further the goals of our national energy policy.●

CHILD HEALTH DAY 1984

● Mr. SPECTER. Mr. President, Monday, October 1, marked the observance of Child Health Day, 1984, proclaimed by President Reagan to celebrate the tremendous accomplishments in child health.

In his proclamation the President reminds us that although we have made

great strides in preventing diseases such as polio and the measles, we must also dedicate ourselves to addressing the needs of severely handicapped infants, teen mothers, and adolescents who abuse drugs and alcohol. As cochairman of the Senate Children's Caucus, I am acutely aware that the health needs of our youngsters are great, and I am deeply and personally committed to ensuring that those needs are met.

One of the functions of our Children's Caucus is to work with local and national children's organizations to address the full range of needs of our Nation's youth. A group with whom we cooperate and who is meeting the President's challenge is the National Children's Eye Care Foundation. Dedicated to advancing surgical, research and public education programs in areas of child eye care, the Foundation has actively worked toward safeguarding the precious gift of eyesight in our children.

Most recently, the Foundation cosponsored a vision development symposium which attracted some of the world's foremost medical authorities in areas of children's eye care. Researchers provided a revealing look at the miracle of sight, tracing the development of vision as early as the embryonic stages.

State of the art methods of testing infants and newborns for potential sight problems were also presented at this symposium, and doctors hope that this advanced technology will combat the estimated 700,000 eye- disorder cases in children under 17 reported by the Bureau of Health.

Despite myriad medical advances in this crucial field, the onus of responsibility for the health of our youth falls squarely upon our collective shoulders as concerned parents and adults. We cannot expect our children to advise us on matters such as eye problems—simply because they are children—and have no frame of reference other than their own eyesight. Our "vision" leads the way to prevent these problems from robbing our children of their chance to live their lives to the fullest.

To take the mesage inside the homes, the Foundation has joined forces with our Nation's dairies. The dairies are featuring eye charts and messages about care on milk and juice cartons in groceries nationwide.

An old proverb reads "He who has health has hope—He who has hope has everything."

In our observance of Child Health Day 1984, we want to instill that hope in children throughout America. As today's parents and adults, we must always remain alert for our children's health concerns as they grow into the adults of our future.

I ask that the President's proclamation be printed in the RECORD.

The proclamation follows:

CHILD HEALTH DAY, 1984
(By the President of the United States of America)
A PROCLAMATION

America as never before is the land of opportunity for all our children. But for some, that opportunity is denied by illness or disability. Although our health care system is the envy of the world, disease or accident can still deprive many of our children of this birthright of opportunity.

Today, we celebrate tremendous accomplishments in child health. The significant and steady decline in infant mortality, and the great strides in preventing such diseases as polio or measles, are proud examples of what can be accomplished by a free and vibrant medical care system.

On this Child Health Day, 1984, however, we must dedicate ourselves to increasing our efforts. Past achievements only suggest that greater things can be accomplished in the future. We must dedicate ourselves to making further progress in reducing infant mortality for our whole society, and we must also seek to reduce infant mortality in those areas where the level is higher then the national average.

There are also severely handicapped infants who require not only the love and support of their families but who also must have the help of many groups in their communities—doctors, hospitals, health departments, providers of health care, and others—if they are to thrive.

There are teenage mothers and teenagers who become involved with abuse of alcohol and other substances—all these young people need our help and attention. During the coming year, it is my hope that we can continue to demonstrate what a free, energetic, and enlightened society can do cooperatively to protect and improve the health status of our Nation's most vital asset, our children.

Now, therefore, I, Ronald Reagan, President of the United States of America, pursuant to a joint resolution approved May 18, 1928, as amended (36 U.S.C. 143), do hereby proclaim Monday, October 1, 1984, as Child Health Day, 1984.

In witness whereof, I have hereunto set my hand this third day of October, in the year of our Lord nineteen hundred and eighty-four, and of the Independence of the United States of America the two hundred and ninth.

RONALD REAGAN.●

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND SELF-SUFFICIENCY ACT OF 1984—S. 1300

● Mr. HUDDLESTON. Mr. President, it is apparent that the Senate will not consider S. 1300, the Rural Electrification and Telephone Revolving Fund Self-Sufficiency Act of 1984, during this Congress.

I am extremely disappointed by this failure to act because S. 1300 is legislation of vital importance to the 25 million rural Americans who depend on REA-financial electric and telephone service.

Since I introduced S. 1300 on May 17, 1983, I have worked to have the bill considered and debated in a free and open manner by the Senate Agriculture Committee and the Senate. However, despite the fact that this legislation—with 47 sponsors—has broad bipartisan support, it simply was not part of the administration's agenda and, therefore, did not receive the attention it deserved.

When it became clear, months after S. 1300 was introduced, that the administration was unalterably opposed to the legislation—opposing it from the time it was introduced while failing to offer a proposal of its own—34 Senators—including a majority of the Agriculture Committee—joined me in an effort to get the process moving.

We sent a letter to Chairman HELMS on February 21, 1984, requesting that hearings on S. 1300 be completed before the Easter recess and that a markup be scheduled so that, and I quote, "Congress will have time to complete its action on this important legislation prior to adjourning in October," end of quote. The first of three hearings was held on March 20 and the third hearing was completed on May 15.

On June 7, 1984, S. 1300 was marked up. During the committee's markup of the legislation, the committee considered not only S. 1300, but also the relevant provisions of current law, the House-passed companion bill to S. 1300—H.R. 3050, a bill introduced by Senator SIMPSON—S. 2646, and the administration's long-awaited legislative proposal, which was submitted on April 11, 1984, but not introduced.

During markup, the committee adopted two amendments designed to address concerns that were raised about S. 1300, as introduced. I will discuss the provisions of those amendments in a moment, but for now let me just say that they significantly reduced the cost of the legislation. Further, those amendments were the first of several efforts on my part to address the criticisms directed to S. 1300.

On June 29, over 3 weeks after markup and just hours before the July recess, S. 1300 was reported to the Senate.

Almost immediately I began my efforts to get this legislation considered by the Senate. On August 8, a letter signed by 53 Members of the Senate was sent to the majority leader requesting that S. 1300 be scheduled for Senate consideration as soon as possible.

I do not believe the people of rural America will understand how the Senate could not at least move forward with a motion to proceed on a bill that a majority of the Senate wanted to consider. Despite the excuses that someone has a hold on a bill or that only appropriations bills or bills with a time agreement could be considered, the records of the Senate over the last 2 months show that few legislative initiatives other than those

important to the administration were considered.

In another attempt to have S. 1300 brought up and debated on the floor, I recently made it known that I was open to other changes in the committee-reported bill. In a direct response to criticisms that were leveled at S. 1300, I developed alternative proposals that substantially altered S. 1300 and dramatically reduced the potential cost of the legislation.

I outlined my alternative proposal in a letter to Chairman HELMS. A similar letter was sent to the majority leader, appropriate administration officials, and Senators DOLE, SIMPSON, and GARN. I regret to say that my efforts to forge a compromise received no substantive response.

During the last few months, several Senators who were not sponsors of S. 1300, as well as administration officials, stated their desire to get this problem resolved. However, despite the appearance of activity and support for consideration of the bill, no one met with the proponents of the bill to discuss issues of concern nor did any other Senator or administration official offer a compromise.

It is clear that despite the rhetoric about the need to address this problem and the desire to put this issue behind us, the administration simply did not want to confront the issue.

The Rural Electrification Administration provides an essential service, and I believe the American people would have been better served if all the parties would have made a concerted effort to reach some agreement on this important matter. As a result of the Senate's failure to act, the problems of the REA revolving fund, like many other problems, will still be with us next year. Unfortunately, the cost of solving those problems will have increased.

PURPOSE OF S. 1300

S. 1300 would amend the Rural Electrification Act of 1936 to ensure that the Nation's rural electric and telephone systems will be able to continue to provide high quality, affordable electric and telephone service to consumers in rural America.

A major source of financing for rural electric and telephone systems—the rural electrification and telephone revolving fund administered by the Rural Electrification Administration—is in jeopardy. The solvency of the fund is threatened because of the high interest rates in recent years.

Action by Congress is needed to make the revolving fund self-sustaining and otherwise enable the rural electric and telephone systems to obtain adequate financing at a reasonable cost for their operations.

Without legislation to strengthen the fund and improve the operation of the Rural Electrification Administration loan programs, in the near future there will be only two options: Provide huge amounts of tax dollars each year to bail out the fund or greatly increease the cost of financing for many rural electric and telephone systems.

The most reasonable solution to the problem is the approach taken by S. 1300. This legislation represents a combined effort on the part of the Federal Government and the Rural Electrification Administration borrowers, who would contribute about $11.1 billion in the form of higher interest rates, to resolve the problem in a cost-effective and equitable fashion.

NEED FOR THE LEGISLATION

During the hearings on S. 1300, the individuals and organizations interested in maintaining the rural electric and telephone programs of the Rural Electrification Administration all agreed on one important point: The rural electrification and telephone revolving fund is in serious financial trouble and action by Congress is needed to resolve the problem.

For example, Harold Hunter, Administrator of the Rural Electrification Administration, while expressing reservations about S. 1300, testified that he was pleased Congress has, and I quote, "heeded the alarms we have sounded over the past several years concerning the deteriorating financial condition of the rural electrification and telephone revolving fund" end of quote.

Anthony J. Gabriel, Deputy Inspector General of the Department of Agriculture, testified that the interest expenses of the revolving fund will exceed interest income by the second half of fiscal year 1985 and that appropriations will be needed to cover the shortfall.

Rudolph G. Penner, Director of the Congressional Budget Office, testified that without congressional action the revolving fund's financial problems will cause the REA insured loan programs, operated through the revolving fund, to be shut down. In the absence of appropriations or legislation like S. 1300, Mr. Penner testified, the REA loan programs must be terminated within the next few years because the revolving fund will lack the assets to make new loans.

Out of a concern about the economic consequences for rural America if the Rural Electrification Administration insured loan programs are ended, numerous organizations and individuals—including three former Administrators of the agency—have carefully studied the possible solutions to the financial problems of the revolving fund. After an extensive examination of the problems, these organizations, including the National Rural Electric Cooperative Association, the National Telephone Cooperative Association, the National REA Telephone Association, the National Rural Utilities Cooperative Financing Corporation and the Power and Communication Contractors Association, concluded that a responsible and equitable solution to the problems must include a significant contribution from all parties to ensure the stability of this essential source of financing.

For that reason, those organizations have given their unqualified endorsement to S. 1300. The bill addresses the financial problems of the REA revolving fund by increasing interest rates on loans made to rural utilities from the fund and strengthening the capital base of the fund by reclassifying $7.9 billion in notes, due to the U.S. Treasury beginning in 1993, as equity capital of the fund.

COST OF MAINTAINING THE RURAL ELECTRIC AND TELEPHONE INSURED LOAN PROGRAMS

The Congressional Budget Office estimates that S. 1300 would increase budget outlays by $9.3 billion over 25 years. However, that estimate, while using standard budgetary procedures, is based on the unlikely supposition that, without enactment of this or similar legislation, Congress will not take other action to avert the termination of the REA rural electric and telephone insured loan programs.

Maintaining the essential Rural Electrification Administration insured loan programs can be accomplished through either the approach taken by S. 1300, that is raising interest rates and strengthening the revolving fund, or—the other most likely alternative—appropriations. Between those two alternatives, S. 1300 will ultimately reduce the Federal deficit because if it is not enacted—and the insured loan programs are to continue operating as they today—Congress will have to appropriate funds that will far exceed the cost of S. 1300.

The potential high cost of maintaining the present Rural Electrification Administration Programs through appropriations in future years is one of the strongest arguments in support of S. 1300 or similar legislation. In response to questions that were raised during the hearings on S. 1300, the Congressional Budget Office estimated that through the year 2010 about $13 billion in appropriations would be required to maintain the present REA electric and telephone insured loan programs. The Rural Electrification Administration estimates that $30 billion in appropriations would be required through the year 2017.

Although the cost of resolving the problem under S. 1300, as introduced, is substantially less than the cost involved in using appropriations, the Agriculture Committee adopted two amendments to S. 1300 that I offered to further reduce the potential cost of S. 1300.

The first amendment to S. 1300 requires that the revolving fund be managed in such a way as to be balanced;

that is, interest income must match the interest expenses of the fund. The General Accounting Office, the Congressional Budget Office, and the administration all acknowledge this change in S. 1300 reduces the cost of the legislation. According to the Congressional Budget Office, the savings could be as high as $1.5 billion.

The second amendment requires that the President of the Federal Financing Bank—the Secretary of the Treasury—give his approval before REA certificates of beneficial ownership held by the Federal Financing Bank may be refinanced. CBO transactions are used by the Rural Electrification Administration to obtain supplemental funds to finance its loan programs. CBO transactions are similar to loans, in that they require interest payments to the Federal Financing Bank and eventual repurchase of the CBO's by the Rural Electrification Administration.

The amendment addressed the administration's concern that if interest rates come down, under S. 1300 as introduced, the Rural Electrification Administration would refinance CBO's that bear high interest rates even though the Federal Financing Bank might have to continue paying high interest rates on the money it borrowed to buy the CBO's. That change in S. 1300, according to the Congressional Budget Office, will save about $1 billion.

Much of the debate about this legislation has focused on the cost to the Government of the various provisions. Under S. 1300, however, the balancing of the Rural Electrification Administration revolving fund will be a joint effort with borrowers and, therefore, the 25 million consumers served by Rural Electrification Administration-financed utilities. The Congressional Budget Office estimates that the contribution made by Rural Electrification Administration borrowers in the form of higher interest rates will be about $11.1 billion under S. 1300, as reported. The combined effort on the part of the Federal Government and REA borrowers will make it possible for the fund to become permanently self-sustaining.

A COMPROMISE PROPOSAL

Although the Agriculture Committee took important steps to reduce the potential cost of S. 1300, I recently offered a compromise proposal that was a good faith effort to address the concerns that were raised about S. 1300, as reported, while reducing the cost of the measure.

Specifically, the compromise I proposed included the following:

Elimination of the statutory 5-percent interest rate on REA loans to rural utilities in favor of a gradually increasing interest rate until fiscal year 1990 when the variable interest rate formula provided under S. 1300, as reported, would go into effect. Using that formula, the Administrator of REA would be required to make periodic adjustments in the interest rate to balance the REA revolving fund, more closely reflecting fluctuations in market interest rates.

Immediate repayment of the $7.9 billion in Treasury notes held in the REA revolving fund based on their present economic value, as determined by the Congressional Budget Office.

An annual loan cap of $1.3 billion for both REA electric and telephone loans. This is below the maximum loan limit of $1.4 billion set for fiscal year 1984 and substantially below the projected annual loan level of $2 billion by the year 2000.

Amortization of REA certificates of beneficial ownership to facilitate management of the revolving fund and eliminate sharp changes in the interest rate charged REA borrowers.

The Congressional Budget Office estimates that the cost of S. 1300, if amended to include the provisions outlined above together with the other provisions of the bill, would be reduced from $9.3 billion to $2 billion over 25 years. Under this proposal, it would not be necessary for Congress to make appropriations to cover the interest expenses of the revolving fund. The Congressional Budget Office has estimated that such appropriations would total about $13 billion.

CONCLUSION

Although the challenge of bringing electricity and telephone service to rural areas has been successfully met by the Rural Electrification Administration Programs, the job of the agency is not done. Like the utility systems in large cities where utility services have been available for decades, rural utility systems continue to need financing to replace obsolete facilities and equipment, extend service to new customers, and repair damaged equipment. Without a viable revolving fund, as provided under the amendment, for many rural utilities there will be no investment for the future and rural utility rates will have to be increased to prohibitively high levels.

S. 1300 could provide a permanent solution to the problem. Further, Congress, the administration, and all those with an interest in this legislation have had well over a full year to review it and suggest alternative ways of addressing the problems of the Rural Electification Administration revolving fund.

It is extremely regrettable that, given the length of time this legislation has been under review and the careful consideration the Agriculture Committee gave to a full range of alternative solutions, the Senate has not acted on this legislation.

I ask that the text of the letters referred to in my statement be printed in the RECORD.

The material follows:

COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Washington, DC, Feb. 21, 1984.

Hon JESSE HELMS,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: We respectfully request your assistance in scheduling hearings and a markup as soon as possible on S. 1300, the Rural Electrification and Telephone Revolving Fund Self-Sufficiency Act of 1983.

Enactment of S. 1300 is needed to ensure that the Nation's rural electric and telephone systems will be able to continue to provide high quality, affordable electric and telephone service to consumers in rural America. H.R. 3050, the House companion measure, was reported favorably by the Committee on Agriculture on a rollcall vote of 38 to 1.

We believe that the Senate hearings on the REA bill should be completed before the Easter recess so that Congress will have time to complete its action on this important legislation prior to adjourning in October.

Sincerely,

Senators Thad Cochran, Mark Andrews, Walter D. Huddleston, Edward Zorinsky, David L. Boren, Larry Pressler, Russell B. Long, Sam Nunn, Max Baucus, Dennis DeConcini, Arlen Specter, Jim Sasser, Carl Levin, Thomas F. Eagleton, Jennings Randolph, J. Bennett Johnston, James Abdnor, David Pryor, Alan J. Dixon, Charles H. Percy, Howell Heflin, Lloyd Bentsen, Ernest F. Hollings, Paul S. Sarbanes, Robert T. Stafford, Roger W. Jepsen, Chic Hecht, John Melcher, John C. Stennis, Wendell H. Ford, J. James Exon, Gary Hart, John Heinz, and Donald W. Riegle, Jr.

COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTY,
Washington, DC, August 8, 1984.

Hon. HOWARD H. BAKER, Jr.,
U.S. Senate,
Washington, DC.

DEAR MR. MAJORITY LEADER: We respectfully urge you to schedule S. 1300, the Rural Electrification and Telephone Revolving Fund Self-Sufficiency Act of 1984, for floor consideration as soon as possible.

S. 1300 was introduced on May 17, 1983, and reported favorably by the Committee on Agriculture, Nutrition, and Forestry on June 29, 1984. Forty-seven Senators are sponsors of the legislation.

Enactment of S. 1300 is needed to ensure that the Nation's rural electric and telephone systems will be able to continue to provide high quality, affordable electric and telephone service to consumers in rural America.

Sincerely,

Senators Walter D. Huddleston, Edward Zorinsky, Thad Cochran, Mark Andrews, John Melcher, David L. Boren, Alan J. Dixon, David Pryor, Howell Heflin, Max Baucus, Lloyd Bentsen, Jim Sasser, John C. Danforth, James S. Abdnor, Larry Pressler, Robert S. Kasten, Jr., Charles H. Percy, Robert T. Stafford, Jeff Bingaman, Paul S. Sarbanes, John Glenn, Dennis DeConcini, J. James Exon, Wendell H. Ford, Ernest F. Hollings, Quentin N. Burdick, Gary Hart, Russell B. Long, J. Bennett Johnston, Thomas F. Eagleton, Sam Nunn, Dale Bumpers, John C. Stennis, Carl Levin, Donald W.

Riegle, Jr., Rudy Boschwitz, Jennings Randolph, George J. Mitchell, Daniel K. Inouye, Strom Thurmond, John W. Warner, Chic Hecht, Charles E. Grassley, John Heinz, Arlen Specter, Roger W. Jepsen, David Durenberger, Spark M. Matsunaga, Joseph R. Biden, Jr., Alan Cranston, Paul Laxalt, Pete V. Domenici, and Christopher J. Dodd.

COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Washington, DC, September 25, 1984.

Hon. JESSE HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, DC.

DEAR JESSE: Enclosed is a narrative description and analysis of an amendment to S. 1300, the Rural Electrification and Telephone Revolving Fund Self-Sufficiency Act of 1984. The amendment would revise the provisions of that legislation designed to restore the financial stability of the Rural Electrification Administration (REA) revolving fund loan programs. I believe this alternative is a good faith effort to address the major issues raised by the opponents of S. 1300, as reported.

I urge you to review this alternative as soon as possible and join me in working to persuade other Senators of its merits and seeking immediate Senate consideration of the legislation.

Specifically, the alternative I am proposing would include the following:

Elimination of the statutory 5 percent interest rate on REA loans to rural utilities. The alternative would provide a gradually increasing interest rate until fiscal year 1990 when the variable interest rate formula provided under S. 1300, as reported, would go into effect. Using that formula, the Administrator of REA would be required to make periodic adjustments in the interest rate to balance the REA revolving fund and more closely reflect fluctuations in market interest rates.

Immediate repayment of the $7.9 billion in Treasury notes held in the REA revolving fund based on their present economic value, as determined by the Congressional Budget Office.

An annual loan cap of $1.3 billion for both REA electric and telephone loans. This is below the current maximum loan limit of $1.4 billion set for fiscal year 1984 and substantially below the projected annual loan level of $2 billion by the year 2000.

Amortization of REA certificates of beneficial ownership to facilitate management of the revolving fund and eliminate sharp changes in the interest rate charged REA borrowers.

The Congressional Budget Office estimates that the cost of S. 1300, if amended to include the provisions outlined above together with the other provisions of the bill, would be reduced from $9.3 billion to $2 billion over 25 years. Under this proposal, it will not be necessary for Congress to make appropriations to cover the interest expenses of the revolving fund. The Congressional Budget Office has estimated that such appropriations would total about $13 billion.

Further, under this alternative, the revolving fund will remain solvent and be able to repay all of its obligations and eventually become debt free. At that point, the fund will no longer need to issue new certificates of beneficial ownership.

I am furnishing copies of this alternative proposal to other members of the Senate and to the representatives of the rural electric and telephone associations.

Sincerely,

WALTER D. HUDDLESTON.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 25, 1984.

Hon. WALTER D. HUDDLESTON,
Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, DC.

DEAR SENATOR HUDDLESTON: At the request of the Committee staff, the Congressional Budget Office (CBO) has reviewed the budgetary effects of amending S. 1300, the Rural Electrification and Telephone Revolving Fund Self-Sufficiency Act of 1984, as reported, to include the following provisions:

Require the fund to pay an amount equal to the present value of the Treasury notes, reduced by $227 million (it is assumed for this estimate that the fund would pay $648 million in 1985, which is $227 million less than the present value of the current notes, using a 12.5 percent discount rate);

Set the loan interest rate at 6.5 percent in 1985, 7.0 percent in 1986 and 1987, 7.5 percent in 1988, 8.0 percent in 1989, and use the interest rate formula in S. 1300 beginning in 1990;

Cap lending at a total of $1.3 billion a year for both accounts; and

Amortize the fund's payments on existing and future certificates of beneficial ownership (CBOs).

As requested, we have also assumed the enactment of an appropriation of $216 million for fiscal year 1985. Under the economic assumptions used for the CBO baseline projections, we estimate that enactment of S. 1300, if amended as proposed, would increase net federal outlays relative to current law by approximately $2.0 billion over the 1985–2010 period.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

RUDOLPH G. PENNER.

COMPARISON OF REVOLVING FUND FINANCIAL STABILITY PROVISIONS

	Current law	S. 1300, as reported	Proposed alternative
Interest rate on REA loans (standard rate).	5 percent	Variable using a formula. (CBO estimates the rate will start at just below 7 percent and average 8.5 percent over 25 years).	1985—6.5 percent. 1986—7.0 percent. 1987—7.0 percent. 1988—7.5 percent. 1989—8.0 percent. 1990—variable rate using the formula in S. 1300, as reported.
Treatment of $7.9 billion in Treasury notes.	To be repaid through a combination of appropriations and issuing new certificates of beneficial ownership.	To be made part of the permanent capital of the revolving fund.	To be repaid based on the present economic value of the notes. CBO has stated that the present value of the Treasury notes is $875 million. From that amount, the alternative credits $227 million that would otherwise be appropriated to cover the interest expense of the revolving fund for fiscal year 1984. (Similar appropriations were made for interest expenses incurred during fiscal year 1982 and fiscal year 1983.) The REA revolving fund will prepay the balance of $648 million, which will be treated as payment in full. The fund will issue a CBO for that amount and repay it, with interest, using funds generated by the higher interest rates charged for loans. No future appropriations to cover CBO interest expenses will be needed.
Loan caps	Set by appropriations, currently a range of $1.1 to $1.4 billion.	No provision	Caps the REA electric loan program at $1 billion and the REA telephone program at $300 million.
Amortization of CBO's	No provision	No provision	Requires amortization of CBO's.

COMPARISON OF REVOLVING FUND FINANCIAL STABILITY PROVISIONS—CONTINUED

	Current law	S. 1300, as reported	Proposed alternative
CBO cost estimate of all provisions	CBO assumes no cost but bases this on the loan program being terminated in the early 1990's. To continue the program through appropriations, CBO estimates appropriations of $13 billion would be required over 25 years.	$9.3 billion over 25 years...	$2 billion over 25 years.

DR. ANTHONY FAINBERG—CONGRESSIONAL SCIENCE FELLOW

● Mr. BINGAMAN. Mr. President, I take the next few moments to commend the outstanding work of Dr. Anthony Fainberg, an American Physical Society Congressional Science Fellow, who has served on my staff for the past year.

Tony came to my staff from Brookhaven National Laboratory, where he had worked on nuclear safeguards and on experimental elementary particle physics. On my staff, he has proven to be of immeasurable value in many areas of interest. He has worked on a variety of issues from the Central American situation, to the Defense Department polygraph policy, to arms control, to increased DOD support for basic research, to economic development in New Mexico, to energy policy, to nuclear nonproliferation, and many more. While he brings great technical knowledge to these issues, he also has the ability to convert technical jargon into layman's language. His facility with several foreign languages, as well as with the language of science, is invaluable as you might imagine. I should also remark, Mr. President, that his considerable scientific and intellectual skills are enhanced by his sense of humanity and concern for justice. Tony is one of those rare individuals who bridges the two cultures C.P. Snow has described—that of the sciences and that of the humanities.

Over the past year, Tony has assisted me in the preparation of numerous floor statements, often under severe time constraints. He has prepared necessary background for me at hearings and meetings I attended and he has contributed on more than one occasion toward the drafting of needed legislative initiatives. He has worked tirelessly, putting in hours as long as those of any regular member of my staff. His results have been outstanding.

During this period when I have had the task of organizing my office Tony has provided an invaluable contribution. I am grateful to him for his dedication, for his loyalty, and for his good humor. I wish him well in his future endeavors.

I also commend the American Physical Society for sponsoring the fellowship program under which Tony served on my staff and many other capable individuals have served other Members of Congress. We need to have more technically trained staff members in the Senate. So many of the issues which come before us have a large technical component, on which we need good skilled advice. I hope that the American Physical Society, the American Association for Advancement of Science, the American Chemical Society, the Institute of Electrical and Electronics Engineers, and other technical societies will consider expanding their fellowship programs so that more of my colleagues could benefit from the expertise these fellows bring to the Congress.●

CHEMICAL-BIOLOGICAL WEAPONS VERIFICATION: ARE WE INTELLIGENT ENOUGH?

● Mr. QUAYLE. Mr. President, last week the Senate approved the House-Senate conference report on the Defense authorization bill for fiscal year 1985. Accepted as part of that bill was an amendment that calls on the Executive to produce a report detailing existing and planned programs to support verification of the 1972 Biological and Toxin Weapons Convention and a chemical weapons ban.

This report is due December 31, 1984, and is vitally important on at least two counts. First, no matter how anxious we are to negotiate a comprehensive ban on chemical weapons—and President Reagan and the administration are anxious to get such an agreement—it will be of no value if we lack the intelligence and analysis resources sufficient to verify its possible violation.

In fact, without sufficient resources, even negotiating such an agreement may prove impractical: The first stage proposed for these negotiations requires both sides to verify what each claims it is stockpiling in the way of chemical weapons.

Second, chemical and biological weapons developments may be moving faster than we can track them. Chemical weapons capabilities now are spreading to hot spots such as the Middle East. In fact, use was actually proved earlier this year in the Iran-Iraq war. Also, there are new reports that biological weapons employing genetic engineering may be under development in the Soviet Union.

The latter development is particularly disturbing and has only recently come to light in an extensive newspaper series "Beyond Yellow Rain," by William Kucewicz in the Wall Street Journal and later in a briefer article in September's Reader's Digest, "Poison and Plague."

Mr. President, if these reports are true, it will only be more difficult to monitor against violations of existing and proposed bans against chemical and biological weapons. Because it will be these issues that Congress will have to struggle with in considering the required report I ask that the full text of the Reader's Digest article be entered into the RECORD following my remarks.

The text follows:

[From Reader's Digest, Sept. 21, 1984]

POISON AND PLAGUE

RUSSIA'S SECRET TERROR WEAPONS

(By Jack Anderson and Dale Van Atta)

In October 1980 and August 1981, Jane Hamilton-Merritt documented for Reader's Digest the use of poison gas by the Soviet-supplied Vietnamese and Pathet Lao against anti-Communist H'mong tribesmen in Laos. The gassings have continued—and spread. In this exclusive account, investigative reporters Jack Anderson and Dale Van Atta reveal top-secret intelligence on the widespread proliferation of Soviet chemical and biological weaponry—and the growing threat it poses to America.

Four years ago, Jose Romero* escaped from Cuba with secret knowledge of a development so terrifying that it could surpass the Cuban missile crisis in portent. Here are the stark details he related to the Defense Intelligence Agency (DIA):

In the 1960s Romero studied chemistry at a college near Havana. Later he was enrolled in a special army school at Limonar in Matanzas Province and trained by Soviet instructors as a chemical and biological warfare (CBW) adviser to Fidel Castro's army.

*Not his real name.

The Russians taught him that bacteria produced by rats, flies and other organisms could be introduced into an enemy's atmosphere or water supply. Romero said he had been shown pictures of U.S. cities that were "possible chemical and biological weapons targets." One Soviet briefing claimed that a deadly toxin strategically released in Mississippi "could contaminate a third of the United States."

Romero's story is verified by other sources, including a former interpreter for Castro. Both defectors have described Soviet chemical units and undergound-storage sites, some so sensitive that they were protected by surface-to-air missiles. These facilities, one defector warned, are "part of a chemical and biological strategic system developed by the Soviets and more dangerous than anyone in the United States can realize."

"Silent Killer." Meanwhile, reports had been reaching DIA headquarters revealing that the Soviets were putting into practice in Asia what they had been preaching in Cuba's CBW schools. In March 1981 a Thai citizen died from poison placed in drinking water by Vietnamese troops near the Kampuchean border. Others bled profusely from the nose and mouth. Two months later, Thai soldiers captured two Vietnamese trying to poison the water supply in a Kampuchean relocation camp in Thailand.

From Afghanistan came one horrifying report after another of poisoning and gassings. A favorite Soviet practice: pouring deadly chemicals into the guerrillas' karezes (underground canals used primarily for irrigation).

Victims of the Soviet-made chemical and biological agents have included Lao hill tribesmen, Kampuchean resistence fighters, Afghan mojahedin, Thai soldiers, Iranian revolutionary guards, Chinese soldiers, even civilians in the Soviet Union. A realistic estimate puts those killed at more than 30,000.

Descriptions of the slaughter are horrendous. The biologically produced poison that has come to be called "yellow rain" causes its victims to bleed through nearly every body orifice, including ears and eyes. Soviet nerve gases cause a terribly dance of death: breathing difficulty, sweating, nausea, vomiting, cramps, involuntary defecation and urination, jerking and staggering. Finally, the victims collapse in convulsions, succumbing then to complete paralysis and asphyxiation. One chemical agent used in Afghanistan causes corpses to bloat abnormally, the skin turning black and flaking away from the bones in less than a day.

Only one new Soviet agent seems relatively merciful—an unidentified substance nicknamed "The Silent Killer." Spread by Soviet troops in the eastern and northeastern provinces of Afghanistan since mid-1981, it is so swift that victims die as if frozen in place.

BLUE EARS

Soviet deployment of chemical and biological weapons is by no means a recent phenomenon. Red Army troops captured by the Germans during World War II told of an extensive Soviet program beginning in 1939, including development of a "powdery yellow-brown" agent called lebeda that could be sprayed from aircraft. A Soviet scientist who defected in the 1950s reported that political prisoners were fed toxic material in ground meat; then were closely monitored for reactions. A more recent Soviet defector revealed that the Central Committee of the Communist Party and the Ministry of Defense both specifically approved research into psychochemicals and biological toxins.

But certain intelligence analysts were so committed to the continuance of the 1972 Biological and Toxin Weapons Convention that prohibited development, production and stockpiling of these materials, that they at first gave little credence to any report suggesting that the Soviets were cheating.

All this changed in 1979, when a massive explosion rocked the area around a secret Soviet installation at Sverdlovsk in the Ural Mountains. Within four days the first seven or eight victims were admitted to a local hospital, choking, with high fever, blue ears and lips, and breathing difficulties. Each died within six to seven hours, and autopsies revealed severe pulmonary edema and blood poisoning. Soon victims were collapsing throughout the region. By the time the epidemic had run its course two months later, up to 1,000 people had died.

Not until the following April did President Carter receive the unequivocal report of "strong evidence that a biological production or storage site is at the Sverdlovsk facility. It shows an extremely large number of anthrax spores were released—effectively negating any assessment of peaceful or defensive research being conducted there. This flies in the face of the 1972 convention."

Since then, intelligence has identified another "major BW-related research and production installation" at Zagorsk, six more suspected sites—at Omutninsk, Aksu, Pokrov, Berdsk, Penza and Kurgan—and a storage facility in the town of Malta. A secret report reveals that the "offensive BW program" is run by a "covert apparatus" within the Ministry of Defense called the Seventh Main Directorate.

ERODING A THEORY

Governmental foot-dragging also prevailed in the investigation of "yellow rain" gassings of H'mong people in Laos. The gassings appeared to be retribution against the tribe, which had fought for the United States against the Communists in Laos until the American withdrawal in April 1975. The earliest known chemical attack occurred in the summer of 1975. But it took four years—until September 1979—before a competent U.S. medical team was dispatched to Thailand to investigate. By that time at least 4,596 H'mong had been killed with deadly biochemical weapons, according to U.S. estimates.

Even then, however, eyewitness reports weren't enough for the analysts. Among the literally millions of hours of intercepted communications it routinely records, the National Security Agency found the key pieces of the Laotian puzzle. One piece revealed that a Laotian-army chemical unit in Xiangkhoang expected a visit by a Soviet military team on February 7, 1979, and prepared Soviet-manufactured chemical items for their inspection. Another revealed that a Soviet team of seven chemical-artillery experts was scheduled to inspect chemical supplies at a Savannakhet storage facility the following June. A third indicated the Soviets would be looking over the same chemical agents used against the H'mong.

Finally, on February 2, 1982, six years after the attacks began, an interagency intelligence report concluded that the Soviets were directing chemical-weapons training, storage and use by the Pathet Lao and Vietnamese forces in Laos and Kampuchea. It also charged the Soviets with using lethal chemicals in Afghanistan.

One aspect of the attacks was unexplained: what was the killing agent in "yellow rain"? Journalist Sterling Seagrave, later the author of Yellow Rain, and Army medical intelligence specialist Sharon Watson discovered that peasants killed by a fungal poison in the Orenburg district of Russia during World War II exhibited many of the same symptoms as those who died decades later in Laos. More than 30,000 Russians perished of a trichothecene toxin (T2) in that epidemic, which resulted from fungal-contaminated millet, wheat and barley. Starving peasants baked it in bread. Tests since 1981 have identified unnatural levels of T2 and other trichothecene toxins at attack sites in Laos and Kampuchea.

The most vocal critic of this evidence, Harvard biochemist Matthew Meselson, argued that the yellow-rain poisons are produced in nature by fungi on the feces of bees. That theory eroded in May when two leading Canadian scientists reported that fungi collected in Thailand show little or no ability to produce yellow-rain poisons. Rutgers University scientist Joseph D. Rosen analyzed yellow-rain samples and found not only fungal poisons but a man-made chemical (polyethylene glycol) that could not possibly have been produced naturally. Asks Rep. Jim Leach (R., Iowa), one of Congress's top CBW experts: "How can the bee-excrement theorists explain how thousands of people have died from a bee-borne plague where no history of such plagues has ever been recorded, where the geography is so diverse, ranging from the arid mountains of Afghanistan to the jungle plateaus of Cambodia to the semi-tropical mountains of Laos?"

NEW THREATS

Although there has been a marked decline in the use of CBW weapons since early 1983, U.S. Ambassador Eugene Douglas, the coordinator for refugee affairs who helped bring "yellow rain" to world attention fears that the decline represents only a temporary lull as the Soviets prepare to test a new group of horror weapons. Indeed, President Reagan received an alarming report from the CIA earlier this year about biological-warfare possibilities of Soviet gene-splicing techniques. A secret program directed by Gen. V. I. Ogarkov is utilizing recent advances in biotechnology to produce toxins more potent than ever before. The report estimated that Soviet military biotech research could field such weapons in three to five years.

Intelligence agencies acknowledge another threat: the Soviets have tailored one of their strategic rockets for delivering chemical or biological weapons to America. It is the Mod 4 variant of the SS-11 "Sego" intercontinental ballistic missile with three to six re-entry war heads.

APOCALYPTIC PROPHECY

How can we defend ourselves against such weapons? As one answer, we maintain large CW stockpiles of our own, including tons of agents located under our control in West Germany. But we are still vulnerable to the threat of Soviet-backed terrorists' using these horrific agents in America. So much more needs to be done:

1. Intelligence regarding chemical and biological weapons must be upgraded. All CBW agents used by the Soviets must be identified, and defenses prepared against them.

2. As intelligence is gathered, it must be shared by all-enforcement agencies. All thefts of deadly pathogens and chemical agents should be reported to a central infor-

mation-gathering facility, perhaps at the FBI.

3. Two SWAT teams should be created, one each to deal with chemical and bacterial threats by terrorists. A national serum bank should be established and stocked for use during massive epidemics.

4. The Customs Service, Defense and Commerce Departments should cut off any exports of chemical or biological agent precursors and gene-splicing information to Soviet-bloc countries.

5. The U.S. government must vigorously pursue verifiable chemical- and biological-weapons bans—along the lines of Vice President George Bush's chemical-weapons proposals to the Soviets last April. It should consider, along with other governments, the possibility of a nonproliferation treaty regarding CBW weapons.

We can no longer ignore the threat. We have had sufficient warning of a potential devastation so appalling that it would fulfill the plagues and pestilences in apocalyptic prophecy.●

THE WELLINGTON NEGOTIATIONS

● Mr. QUAYLE. Mr. President, I commend to my colleagues and all who are concerned about the resolution of asbestos-related tort litigation, an article by Harry Wellington, dean of the Yale Law School and moderator of the Wellington Group. Dean Wellington mediated for 19 months between producers and insurers to develop the Wellington Agreement, which is being offered as one solution to the most serious toxic tort litigation and insurance coverage problems ever to confront our courts and the insurance business.

I hope that each of my colleagues will take the time to read this article, which I submit for the RECORD.

The article follows:

HOW TO SETTLE ASBESTOS CLAIMS

(By Harry H. Wellington)

Complex personal injury litigation is in need of reform. Such litigation clogs the courts and can be obscenely expensive.

Consider as a prime example claims against asbestos companies for injuries allegedly caused by their products. There are some 23,000 asbestos liability cases pending in state and federal courts. Moreover unless we do something dramatic, this congestion will continue into the third decade of the 21st Century and waste hundreds of millions, perhaps billions, of dollars in legal expenses.

Estimates have placed the total bill that will be attributable to asbestos-related injuries at tens of billions of dollars. Some companies—Manville is one—have already gone into reorganization under the protection of the federal bankruptcy laws. Others may have to follow. This could cost jobs and result in sick people not being compensated.

Asbestos-related diseases can be vary serious and result in large monetary awards. Trials are complicated, time-consuming and expensive. Indeed, according to a recent study, it costs defendants (asbestos companies and their insurers) $2.71 to get $1, free and clear, to an injured plaintiff.

This is grotesquely inefficient law. Yet the expense and the inefficiency are easily explained: Asbestos-related diseases have a latency period of 15 to 40 years.

Who produced the product that may have caused the disease? When was the disease caused? We never know the answer to the last question and, in many cases, there is no good answer to the first. Specific records probably do not exist, and even when they do, they do not always yield information of sufficient precision to be useful.

Plaintiffs, faced with understandable legal frustrations, tend to sue every asbestos producer who may have played a part in their illness. The average number of defendants involved in these suits has been about 20 per case. Each company comes to court with its own lawyers, its own agenda and its own self-interest—none of which may be compatible with fellow defendants. Nor is it easy for the defendant companies to know which insurers are responsible for the claim.

There has to be a better way, and I believe there is.

A group of major asbestos producers and large insurance companies has joined in an effort to resolve all asbestos-related disputes between producers and insurers and with the aid of prominent plaintiff lawyers, to design a private administration agency that would fairly and effectively manage the bulk of asbestos claims.

I was selected as the neutral moderator of this so-called "Wellington Group." It has developed ground rules that would resolve most of the problems I have outlined. The plan calls for the establishment of an independent, nonprofit organization to be known as the Asbestos Claim Facility. Asbestos-related claims would be evaluated, and privately settled with the assistance of neutrals. For the few cases that could not be settled successfully, the claim facility would defend the members—with one team of lawyers, not 20 or more. Funding would be provided by the producers and their insurers. At every stage, from claims handling through litigation, there would be enormous savings of time and expense for all sides and a more expeditious and equitable resolution of the plaintiff's claim would be provided.

What we are seeking is a privately funded, privately managed resolution of a crippling public policy problem. The rationale for the proposal is compelling, although there are still major producers and insurers that have not yet agreed to participate. Many of the gaps must be filled before we can proceed.

I am convinced the Asbestos Claims Facility will succeed. The time has come for traditional and expensive courtroom warfare to give way to a private and equitable settlement of the asbestos tragedy. The claims facility proposal shows the way.●

THE RECENTLY ENACTED BANKRUPTCY LEGISLATION

● Mr. DECONCINI. Apparently there may have been some misunderstanding regarding the effect of certain technical amendments made by the recently enacted bankruptcy legislation, Public Law 98-353, specifically section 421(i), which amended the definition of transfer in the Bankruptcy Code—11 U.S.C. section 101(48) in the new legislation—to add the phrase "and foreclosure of the debtor's equity of redemption,"; and section 467(a)(1), which amended section 548(a) of the Bankruptcy Code to add the phrase "voluntarily or involuntarily." A question has arisen whether these amendments somehow support the position taken by the U.S. Court of Appeals for the Fifth Circuit in *Durrett* v. *Washington National Insurance Co*, 621 F. 2d 201 (5th Cir. 1980), where the court held that a nonjudicial foreclosure sale could be set aside in bankruptcy if the sale price was not sufficiently high. My understanding is that these provisions were not intended to have any effect one way or the other on the so called Durrett issue. Is my understanding correct?

Mr. DOLE. The Senator's understanding is indeed correct. As the Senator knows, Senator THURMOND's amendment in the nature of a substitute to H.R. 5174, when introduced, contained language that would have overturned the position represented by the Durrett decision. Senator METZENBAUM, however, believed that no action should be taken on the Durrett issue until the Judiciary Committee had an opportunity to hold hearings on the issue and consider the matter thoroughly. In deference to Senator METZENBAUM's position, Senator THURMOND agreed to delete from his amendment all provisions dealing with the Durrett issue, and so stated on the floor on June 19—CONGRESSIONAL RECORD at page S7617. Consequently, no provision of the bankruptcy bill as passed by this body was intended to intimate any view one way or the other regarding the correctness of the position taken by the U.S. Court of Appeals for the Fifth Circuit in the Durrett case, or regarding the correctness of the position taken by the U.S. Court of Appeals for the Ninth Circuit in *Lawyers Title Insurance Corp.* v. *Madrid, 725 F2d 1197 (9th Cir. 1984), which reached a contrary result.*

The first provision, which amends the definition of "transfer" contained in section 101 of the Bankruptcy Code, appears to provide that certain foreclosures are included within the definition of "transfer." It does not purport to deal with whether such a transfer will fall within the scope of section 548(a)(2), which was the subject of the ninth circuit's decision, nor with the question of when a transfer occurs for purposes of section 548. Under section 548(d)(1), the transfer occurs on the date of the perfection of the mortgage or deed of trust, for after such date no bona fide purchaser from the mortgagor could take priority over the rights of a purchaser at the foreclosure sale. Those courts following Durrett have found and held that the former definition of "transfer" in section 101(41) was broad enough to include a foreclosure sale of the debtor's property while courts rejecting Durrett on the basis of the date of transfer, have done so under section 548(d)(1) and not section 101(41). Thus, the amendment should not be construed to in any way codify

Durrett or throw a cloud over noncollusive foreclosure sales.

The second provision, which adds "voluntarily or involuntarily" to section 548(a) is consistent with the majority holding in Madrid. Finally, neither of the provisions purport to deal with the question of whether a noncollusive, regularly conducted foreclosure sale should be deemed to be for a reasonably equivalent value.

Mr. DECONCINI. Then I am correct in concluding that parties in bankruptcy proceedings who seek avoidance of prepetition foreclosure sales would find no support for their arguments in these amendments?

Mr. DOLE. The Senator's conclusion is correct.

Mr. DECONCINI. On another matter, confusion has arisen concerning the payment of necessary expenses incurred by a creditors' committee appointed under section 1102. Although there is not a specific provision providing for this type of expense in the code, this has long been the practice and the obvious equitable thing to do. Would you agree that this type of expense should be paid and that nothing in the recently enacted Bankruptcy Amendments and Federal Judgeship Act would suggest a different construction?

Mr. DOLE. I absolutely agree. It is essential for the orderly and professional administration of bankruptcy cases, that creditors and creditors committees that incur reasonable and necessary expenses in their service on creditor committees be reimbursed. Nothing in BAFJA was meant to change the well-settled practice of paying necessary expenses of creditors while serving on creditors committees.●

FOREIGN TAXES ON U.S. TECHNICAL SERVICES

● Mr. CHAFEE. Mr. President, during this Congress, I have tried at various points to pass a bill which I introduced, S. 1550, to deal with the problem of the double taxation of services performed here in the United States by both the United States and foreign countries. We held hearings on this bill in the Finance Committee and I considered adding this measure to the Deficit Reduction Act of 1984. However, the Treasury Department, while recognizing the problem, has consistently opposed the solution proposed in S. 1550.

As a result, I requested that the Treasury Department do a study and report on the foreign taxation of fees paid to domestic companies for services performed here in the United States. The Treasury Department has finished this study and report which I would like to submit for the RECORD today immediately following my remarks.

The material follows:

DEPARTMENT OF THE TREASURY,
Washington, DC, October 3, 1984.

Hon. JOHN H. CHAFEE,
U.S. Senate,
Washington, DC.

DEAR SENATOR CHAFEE: I am enclosing our report on Foreign Taxes on U.S. Technical Services. I regret that, despite our best efforts, it was not possible for us to get this to you by September 30, as I had promised. I apologize for the delay and any inconvenience it may have caused you.

Sincerely,

RONALD A. PEARLMAN,
Acting Assistant Secretary
(Tax Policy).

DEPARTMENT OF THE TREASURY,
Washington, DC, October 3, 1984.

Hon. ROBERT DOLE,
Chairman, Committee on Finance, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Section 1082 of the Deficit Reduction Act of 1984 requires the Secretary of the Treasury or his delegate to report to the members of the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on the practice of foreign countries of taxing income from services performed in the United States. The report was requested to assist the Committees in analyzing the potential international double taxation resulting from such taxes and in evaluating possible remedies, including income tax treaties with countries imposing such taxes.

In accordance with that requirement, I am transmitting the enclosed report, entitled, "Foreign Taxation of Fees Paid to U.S. Firms for U.S. Services".

Sincerely,

RONALD A. PEARLMAN,
Acting Assistant Secretary
(Tax Policy).

FOREIGN TAXATION OF FEES PAID TO U.S. FIRMS FOR U.S. SERVICES

TAXATION OF INCOME FROM INTERNATIONAL TRANSACTIONS: GENERAL RULES

There are two basic criteria on which countries rest their jurisdiction to tax income: because the recipient (beneficial owner) resides in that country or is a citizen of that country, or because the income has its source in that country. Most income is earned in the same country where the recipient (beneficial owner) resides. However, a substantial amount of income crosses international borders; that is, the income is derived in one country and the owner of the income resides in another. In such cases, there is a potential for international double taxation.

It is a widely-accepted principle that, when income is taxed both by the country of source and the country of residence, the country of residence has the responsibility to provide relief from double taxation of the foreign source income. Full relief from double taxation may be provided either by exempting foreign income from tax, or by including it in the tax base but allowing a credit for the foreign tax paid on that income. The purpose in each case is to avoid double taxation of foreign income, not to reduce the domestic tax on domestic income. (Alternatively, the foreign income may be taxed with a deduction for the foreign income tax paid; this approach provides only partial relief from international double taxation.) Under certain conditions, a foreign tax incurred in producing domestic income may also be treated as an expense deductible from the tax base.

THE U.S METHOD OF AVOIDING INTERNATIONAL DOUBLE TAXATION

The United States method of avoiding international double taxation is, in general, to include foreign source income in the tax base, but to allow a credit against the U.S. tax for foreign incomes taxes paid on foreign source income. In computing the credit, all foreign income is added together and all foreign income taxes are added together. Thus, foreign income taxes higher than the U.S. tax are averaged with those lower than the U.S. tax in calculating the foreign tax paid on all taxable foreign income. The credit claimed may not exceed the fraction of the total U.S. tax which foreign source taxable income is to total taxable income. Foreign taxes paid in excess of that limit may be carried over and used in the three preceding and five following years. The objective of the limitation is to avoid double taxation of foreign income, while preserving the U.S. tax on domestic income.

Foreign income taxes may be deducted rather than credited if the taxpayer so elects, in which case the election must be made for all creditable foreign income taxes paid in the year concerned. Foreign taxes, other than income taxes, incurred in carrying on a trade or business may only be deducted from taxable income.

The U.S. foreign tax credit mechanism provides fuller relief from double taxation than a deduction for foreign income taxes, and is more neutral between domestic and foreign source income than exempting foreign source income. The credit is not free of criticism, however. By allowing high foreign taxes to be credited against low-taxed income from other countries, it encourages tax-motivated investments in low tax countries. On the other hand, in some cases domestic losses can reduce the value of the credit. Questions also arise as to whether a particular tax should be allowed as a credit, i.e. whether it is an income tax or some other type of levy which should be treated instead as a deductible expense. In addition, if there are conflicts between the source rules used by other countries and the United States, there can be either double taxation or double exemption of the affected income.

THE "TECHNICAL ASSISTANCE TAX" PROBLEM

The problem encountered by U.S. construction firms, for which a legislative amendment was previously proposed to provide relief, arises because some foreign countries impose a tax on gross income paid to U.S. firms for design, engineering, procurement, and similar services performed in the United States on behalf of a foreign client. Such taxes typically apply to payments for all technical services, not only those related to construction activities.

Under the foreign tax credit regulations, such a foreign tax on gross income may qualify as a tax "in lieu of" an income tax under section 903 of the Internal Revenue Code ("the Code"). Therefore, it may be claimed as a foreign tax credit, even though it does not meet the criterion of section 901 of the Code of being imposed on net income. However, under the limitation, the credit claimed may not exceed the U.S. tax on foreign source income (measured as that portion of the U.S. tax on worldwide income which foreign taxable income bears to worldwide taxable income). Since, under the U.S. source rules of Code section 861, the income generated by the services performed

in the United States is U.S. source income, the credit allowed for a foreign tax on that income will only be effectively usable if the company has some other income which is of foreign source and on which it would otherwise owe U.S. tax, either in the current year or one of the preceding three years or following five years.

As noted, taxpayers may choose to deduct foreign income taxes rather than to credit them, but such an election must be made with respect to all foreign income taxes; they may not credit some and deduct others. The companies would like to deduct the foreign "technical assistance tax",* but they do not want to lose the credit with respect to other foreign income taxes.

The legislative amendment recently proposed to deal with this situation (H.R. 1609 and S. 1550) would allow U.S. companies to elect to deduct foreign taxes on income from U.S. "construction contract services" while continuing to credit other foreign income taxes. "Construction contract services" are defined in the bills as "engineering, architectural, design, project management, procurement, cost estimating, scheduling, construction planning or construction mobilization services or other services, including financial, administrative, clerical, data processing or reproduction services, which are related and subsidiary to any of the foregoing services."

This situation raises several questions, some empirical and some of principle. How big a problem is it? What do other countries do? What should the United States do? The following sections address these questions.

Magnitude of the problem

Geographical Scope

The problem arises almost exclusively in developing countries. Other industrial countries typically share the U.S. view that income from providing services in the United States (or any other country) has its source in the United States (or other country, as the case may be). They would not tax a payment by a resident of their country to a U.S. company in such a case. They would consider such income to be income from carrying on a business, and would tax it only to the extent attributable to a business carried on there. Similarly, the United States would not tax a payment by a U.S. resident to a foreign country which provided services for the U.S. resident, unless the income for those services was attributable to a business carried on by the company in the United States. Industrial countries do not tax foreign countries on their export of services, just as they do not tax them on the export of goods; the treatment is the same.

Developing countries, however, often require a local purchaser of services from a foreign supplier to withhold a tax on the gross amount of the payment. The rationale is not always clear. Sometimes it is said that the service income has its source in the country of the purchaser, it is appropriate to recover that lost revenue from the supplier. But rarely (we know of no case) does a developing country require a local purchaser to withhold tax from payments to a foreign supplier of merchandise, for which the same arguments could be made. The differential treatment of goods and of services seems to reflect in many cases a concern about large payments in individual cases to foreign service companies, such as management consulting firms. Developing countries tend to view payments under service contracts (incorrectly) as consisting mostly of profit.

The countries identified by the construction industry as imposing tax on payments for service performed in the United States were: in Europe, Spain; in Africa, Tanzania and South Africa; in Latin America, Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, and Venezuela; in Asia, India, Indonesia, Malaysia and Thailand. Some of those countries claim that they distinguish between services performed for a specific client and activities which produce a property right of more general application, and impose tax only in the latter case. Argentina, for example, makes such a distinction. Some others, such as South Africa, impose a tentative withhholding tax on the gross payment but allow the recipients to file a return and pay tax on the net profit. But, in general, the list provided by the construction industry appears to be as accurate as one can be in this ill-defined area. There also appear to be other countries which impose such taxes on technical service contracts. (As noted earlier, the scope of such taxes is not limited to construction services.) Trinidad and Tobago and Sri Lanka are two which have come to our attention. In each case, of course, reference is to statutory rules in the absence of any tax treaty.

Companies Affected

The problem arises for those companies which have U.S. source income (by U.S. rules) subject to foreign tax and also have foreign source income subject to a foreign income tax as high or higher than the U.S. tax on that income. A U.S. company which has only U.S. source income, some of which is subject to a foreign tax, may deduct that tax under current law. A multinational company which has both U.S. and foreign income, including some foreign income on which the foreign tax is less than the U.S. tax, may use the credit for the "technical assistance tax" to offset the U.S. tax on that other foreign income. But companies whose only foreign income is taxed abroad in the aggregate at or above the U.S. rate cannot use the "extra" credit and may not make a selective election to deduct the technical assistance tax.

Effect on the Construction Industry

In 1983, 70 percent of new foreign contracts of the top 400 U.S. construction firms (representing over 90 percent of the total of such firms) were in the Middle East, Europe and Canada.[1] The other 30 percent were in Africa, Latin America and Asia, which accounted for 8, 6, and 16 percent, respectively, of the total new foreign contracts in 1983. We do not have figures by country. Clearly not all of the African, Latin America and Asian contracts are in countries which impose "technical assistance taxes." Nevertheless, those regions can be very roughly designated as establishing the outside limit of the problem.

The share of new contracts in Africa, Latin America and Asia dropped sharply during 1982 and 1983 as the worldwide recession deepened. It may increase as economic conditions recover. However, given the continuing economic difficulties in Latin America, it is likely that its share in new contracts was even lower in 1984. In Africa, only 8 of 43 new contracts in 1983 were in South Africa and none in Tanzania. In Asia, the U.S. firms won contracts in 20 countries in 1983, including some in those which impose "technical assistance taxes." Although these indicators are admittedly limited, they suggest that Asia is the principal area where the problem arises today.

As noted above, the problem does not occur if the company subject to the "technical assistance tax" is able to use the creidt allowed for that tax to offset the U.S. tax on other foreign income. The latest available data from tax returns pertains to 1980. At that time 69 U.S. corporations claiming a foreign tax credit reported their principal business activity as heavy construction, general building contracting, or architectural and engineering services. Of that group, 55 were able to credit all of the current (1980) foreign taxes paid (excluding carryovers from previous years) and had a net liability to the United States. The other 14 were in an excess credit position with more foreign tax paid or deemed paid currently than they would credit. For 7 of the 14 companies with excess foreign tax credits, the inability to claim the full foreign tax paid as a credit was due to a domestic loss (or in one case the recapture of a foreign loss) which, by reducing worldwide taxable income, also reduced the credit limitation. One other case is unclear; the company paid a foreign tax lower than the U.S. tax but did not claim credit for the full foreign tax paid. Only 6 of the 69 corporations paid foreign tax in excess of the U.S. tax on their foreign income. And in some of those cases the excess credit appears to be the result of foreign losses. These data would suggest that the problem is of limited impact.

The companies' likely response to such data is to point out that the true significance of the problem does not show up in their tax returns, because they are not paying foreign "technical assistance taxes" unless they can credit or deduct them. They claim that, when they cannot credit such taxes against the U.S. tax on other (foreign) income, they typically contract for the services through a subsidiary abroad in a country where the tax is deductible, and then subcontract part of the services back to the United States. Thus, they argue, the problem is not theirs, except for the inconvenience of doing part of the work abroad in some cases. We are not able to evaluate the scope of the problem based on the industry information. The companies report that there is no typical pattern in the industry and each firm's experience is individual (and protected). Therefore, they were not able to provide us with information on the overall impact of such taxes, but only hypothetical examples of specific situations that have arisen. Such examples are interesting and useful, but their usefulness is limited.

PRACTICE OF OTHER COUNTRIES

The following sections describe very briefly the method used by our major trading partners to avoid international double taxation in general and to deal with "technical assistance taxes" in particular. The references are to domestic law in the absence of a tax treaty, but special treaty provisions are noted.

France

As a general rule, French companies are not subject to French tax on their foreign earnings. Therefore, there is no foreign tax credit with respect to foreign taxes on such earnings. The exempt income is taken into account in determining the tax rate applicable to taxable income. There are two limited

*Hereafter, a reference to a "technical assistance tax" means a foreign tax on the gross fee paid by a foreign resident to a U.S. company for services performed in the United States.

[1] "Engineering News Record", McGraw-Hill Construction Weekly, April 19, 1984.

exceptions, in cases where the company requests and obtains permission to report its income on a worldwide or consolidated basis. In such cases, a credit is allowed for foreign tax on the foreign income if the Minister of Finance agrees that the foreign tax is comparable to the French income tax. If he does not grant a credit, the tax may only be deducted from the taxable income.

Income for services performed in France for a foreign client is considered to be of French source. Therefore, the income is not exempt from tax; nor is a credit allowed for foreign tax on that income. Any such foreign tax may only be deducted as an expense.

In income tax treaties with certain developing countries, France has agreed to credit a technical assistance tax subject to a treaty limit on the amount of such tax which may be imposed.

The Netherlands

The Netherlands exempts from tax certain categories of foreign income which have been subject to foreign income tax. The exempt categories are: profits of a permanent establishment or permanent representative abroad, income from foreign employment, income from foreign real property, and income from debts secured by mortgages on real property. The exempt income is taken into account in determining the rate applicable to taxable income.

Income for services performed in the Netherlands for a foreign client is considered to be of Dutch source. It is subject to tax, and any foreign tax on that income is only a deductible expense.

Tax treaties concluded by the Netherlands generally provide that income from services performed in the Netherlands may not be taxed by the other country, except to the extent attributable to a permanent establishment or fixed base in the other country, and then on a net basis. As an exception, the treaty with Australia (Article 12(3)) treats as royalties payments for "assistance of an ancillary and subsidiary nature furnished as a means of facilitating the application or enjoyment of scientific, technical, industrial and commercial knowledge".

Switzerland

Under Swiss law, profits earned through a permanent establishment abroad and income from real property situated abroad is exempt from Swiss tax. Swiss companies are taxed on their other income, domestic and foreign. There is no foreign tax credit; foreign income taxes are treated as a deductible expense. (In tax treaties a credit may be allowed for foreign taxes on dividends, interest, and royalties.)

Thus, income for services performed in Switzerland for a foreign client is subject to Swiss tax net of any foreign tax on that income.

Tax treaties concluded by Switzerland generally provide that income for services performed in Switzerland may not be taxed by the other country, except to the extent attributable to a permanent establishment or fixed base in the other country, and then on a net basis. However, the treaty with Trinidad and Tobago authorizes that country to impose a tax of 5 percent of gross "management charges" (payments for management, professional, personal, and technical services) for which Switzerland agrees to provide relief from double taxation by means of either a credit or a deduction. A similar provision is included in their treaty with Sri Lanka, which is not yet in effect.

Japan

Japan uses a foreign tax credit mechanism to avoid international double taxation. The Japanese credit is patterned on the U.S. credit, and, like ours, is limited to the domestic tax on foreign source income computed on an aggregate or "overall" basis.

Income for performing services in Japan is considered to be of Japanese source. Thus, it is subject to Japanese tax. A foreign tax credit is allowable, but only against foreign source income. Foreign taxes may be deducted rather than credited, but we are advised that, as in the United States, the election must be made on an overall basis.

A special measure permits Japanese companies to deduct from their taxable income 16 percent of the net income for technical services related to the construction of plan or equipment, or specified technical services related to agriculture, or fisheries, or surveys in exchange for foreign currency under service contracts of more than a specified amount. The deduction may not exceed 40 percent of the company's taxable income.

There are no special treaty provisions with respect to technical assistance taxes. The general rules prevail; such income derived by a Japanese company is taxable only in Japan unless attributable to a permanent establishment or fixed base in the other country, and then on a net basis.

Canada

Canada avoids international double taxation through a foreign tax credit mechanism in the case of "business income" and through a combined use of credits and deductions in the case of "nonbusiness income". Unlike the credits granted by the United States and Japan, the Canadian credit is not applied on an overall basis, but, credit is limited to the Canadian tax on each of these two types of income, country by country.

Income for services performed in Canada is considered of Canadian source. A foreign tax on such income is treated as a tax on nonbusiness income, and may be credited against Canadian tax on foreign income or deducted from taxable income, at the election of the taxpayer.

The United Kingdom

The United Kingdom grants a foreign tax credit to avoid double taxation. Credit is allowed for foreign income taxes on foreign source income. The United credit is limited to the United Kingdom tax on the same type of income, country by country.

Income for services performed in the United Kingdom for a foreign client is considered to be of United Kingdom source. Therefore, no credit is allowed for any foreign tax paid on that income. Such a foreign tax may, however, be deducted in computing the taxable income subject to United Kingdom tax.

In treaties with developing countries, the United Kingdom will agree to credit technical assistance taxes if the other country reduces its rate to a level which approximates a reasonable tax on the net profit element of such fees (e.g., a gross withholding tax of 5–7 percent).

Germany

Germany also uses a foreign tax credit mechanism to avoid international double taxation. Credit is allowed for foreign income taxes on foreign source income. The credit is limited to the German tax on foreign source income calculated country by country.

Income for services performed in Germany for a foreign client is considered to be of German source. Therefore, any foreign tax on such income is not allowable as a credit. Prior to 1980, German law did not even allow such taxes to be deducted from taxable income.

There are no special treaty provisions with respect to technical assistance taxes. The general rules prevail; such income derived by a German company is taxable only in Germany unless attributable to a permanent establishment or fixed base in the other country, and then on a net basis.

Summary

In short, while the methods of avoiding international double taxation used by our principal trading partners vary, there are some common elements in their treatment of technical assistance taxes. For example, there is a common consenses that the source of income from performing services is where the services are performed. In general, the deductibility of technical assistance taxes is the result of such taxes not being allowed as a credit, rather than of a bilateral option afforded the taxpayer. In tax treaties with developing countries, a reduced technical assistance tax may be accepted as a creditable tax as part of an otherwise satisfactory package of provisions.

POSSIBLE REMEDIES

When a foreign country taxes income derived by a U.S. resident for services performed in the United States, double taxation may result, because the United States will also tax that income and the credit allowed for the foreign tax may not be fully usable. There are three possible solutions to this problem. The foreign country can unilaterally provide relief by giving up its tax. The United States can unilaterally provide relief by increasing its credit limitation or allowing a deduction for the foreign tax. Or, the two countries can jointly provide relief through a tax treaty provision. These possibilities are discussed below.

Unilateral relief by the foreign country

It is the universally accepted norm that a country should tax the income of nonresident aliens and foreign companies only to the extent that the income has its source in that country or is connected with business activity carried on there by the nonresident. Among industrial countries, as illustrated above, it is the accepted norm that income from furnishing services is a business profit which has its source where the business activity is carried on.

These norms are incorporated into the model income tax treaty to avoid double taxation published by the Organization for Economic Cooperation and Development and the U.S. model income tax treaty. The same norms appear in the model draft income tax treaty published by the United Nations. The United Nations model was designed especially for negotiations between developed and developing countries by representatives from both groups of countries.

In all three model income tax treaties, income derived by a resident of one country for furnishing technical services to a client in another country may be taxed by the latter country only if, and to the extent that, the income is attributable to a business carried on through a "permanent establishment" or "fixed base" (e.g. office) there. If the services are performed entirely in the first country, the other country may not tax the resulting income. Even if the services are performed in the latter country, all three models provide that the income may not be taxed there unless the employer

has a permanent establishment in that country and the services are connected with that establishment. The U.N. model provides a special rule, that a company is deemed to have a permanent establishment in a country if it furnishes services in that country, but only if the services are carried on within that country for more than six months in a twelve-month period. In all three models, it is the net income, not the gross income, which is taxed.

Thus, consistency with internationally-accepted standards of taxing nonresidents puts the responsibility for eliminating the double taxation created by "technical assistance taxes" on the countries which impose such taxes.

Unfortunately, the countries which impose such taxes are often not willing to provide general unilateral relief. They may reject the source rule; they may be concerned that foreign companies which owe tax may evade it if any exceptions are made to taxing all such payments abroad; they may want to discourage such purchases; or they may simply be unwilling to give up the revenue. The revenue argument is less persuasive when the foreign government is the purchaser, if, as the companies claim, they gross up their price to cover the tax. For example, a contract price of $100 free of tax becomes $133 if there is a 25 percent tax imposed. In such cases a foreign government may waive the tax to reduce its cost, but it is unlikely to do so for all purchasers.

Unilateral relief by the United States

If the country imposing a "technical assistance tax" refuses to provide relief, a possible alternative is for the United States to do so. Either the source rule could be changed to treat all or part of the income subject to the "technical assistance tax" as foreign source income, or the income could continue to be treated as of U.S. source but with the foreign tax allowed as a deduction from the tax base.

Changing the Source Rule

In the cases under consideration, the economic activity giving rise to the income takes place in the United States, not in the country imposing the tax. One could take the position that the income depends, in part at least, on there being a foreign purchaser, and, therefore, the income arises partly in the foreign country. However, this would be contrary to international and U.S. standards; the Treasury Department would oppose such a sharp change in U.S. tax policy. It would imply that it is appropriate for any country to tax the income derived by nonresidents from exporting any good or service to its residents, even if the exporters have no other connection with that country.

There is no reason to provide a special source rule only for services related to construction projects, and doing so would give rise to definitional disputes. If the source of income depends on the residence of the purchaser of construction services, it should logically be the same for any service—and any merchandise. Thus, all exports of U.S. goods and services would give rise to foreign source income. Ceding our tax base to other countries in such a manner would be unacceptable in principle and costly in terms of revenue. It would also be disruptive of international trade.

Royalties for the use of a right or property are considered to have a source in the country where the right or property is used or, in some cases, where the payer resides. It can be argued that engineering and design services create a property, the payment for which amounts to a royalty. In some cases that is true. Furnishing pre-existing technical knowledge, such as blueprints for standardized buildings, to any customer purchasing a copy represents income from property rather than services. However, under U.S. tax rules, a payment for designing a building for a specific customer is considered income for services rendered. No doubt there are cases where the line is not clear, but the principle behind the distinction is clear and widely accepted.

If the existing U.S. source rule is correct, as we believe it is, changing it would encourage other countries to continue and perhaps expand a practice which should be discouraged. it would also create an additional pool of foreign source income in countries which do not impose technical assistance taxes. Under our overall limitation, excess credits on income from unrelated foreign activities could be used to offset that additional foreign source income. Perhaps the spillover to other foreign taxes could be avoided by creating a separate "basket" of income from services performed for foreign residents and restricting the credits which may be used within that basket of income to foreign taxes on the same income. However, that would involve added complexity in the taxation of international transactions, an area where the rules are already exceedingly complex. And it would not address the basic objection to encouraging such "technical assistance taxes."

Allowing a deduction for foreign taxes on U.S. source income

We oppose allowing taxpayers the option to deduction taxes on "construction contract services" on a selective basis while crediting other foreign income taxes, for the same reasons that we oppose a statutory change in our source rule. We believe our source rule is correct. Consequently, we believe that "technical assistance taxes" are overreaching and should be discouraged, not encouraged.

We do not see a basis for permitting one industry to decide which taxes it will deduct or credit, while denying that option to other industries, which may perform the same or similar services. The proposed bill defines services very broadly to include purchasing, accounting, computer processing and legal services, but restricts the deduction option to such services related to a foreign construction project. Why are accounting or computer services performed in connection with a foreign consulting contract different? Yet, if the option were broadened to include foreign tax on any U.S. service income (or any U.S. source income from any activity), not only would we be condoning—and thereby encouraging—such taxes, we would also be changing the basic purpose of the foreign tax credit. Moreover, by structuring their activities appropriately, companies might be able to credit foreign income taxes up to the limitation and deduct the excess from their U.S. tax base.

As described earlier, the deduction allowed by some of our trading partners for technical assistance taxes is generally not a special concession to the construction industry, but a partial relief from double taxation for foreign taxes which may not be credited. The income derived by residents of France, Germany, the Netherlands, Switzerland and the United Kingdom from performing services domestically on behalf of foreign clients is subject to tax in those countries, and no credit is allowed for any foreign tax on the fee received. The foreign tax is treated as a deductible business expense. There is no election to credit the foreign tax if doing so would provide greater benefit.

The U.S. foreign tax credit regulations, published in proposed form in June 1979 and in revised but still temporary form in November 1980, held that a foreign tax on the gross business income of a U.S. resident was not a creditable tax, because it was not imposed on net income. Nor could it be credited as a tax "in lieu" of an income tax, as it was not considered to be a substitute for the income tax otherwise generally applicable. Those regulations confirmed the position taken by the Internal Revenue Service in a 1978 ruling with respect to a 20 percent tax imposed by Tanzania on the gross amount of management and professional fees paid to nonresidents not engaged in business in Tanzania (Rev. Rul. 78-234, 1978-1 CB237.) The Tanzanian tax was held not to qualify for a foreign tax credit in the United States, because it did not allow deductions for the expenses incurred in deriving that income.

The final foreign tax credit regulations, published in October 1983, retain the basic requirement that, to qualify as an income tax eligible for the credit allowed under Code section 901, a foreign tax must be imposed on net income after deductions for significant business expenses. However, they reversed the 1978 ruling and the prior proposed and temporary regulations in taking the position that gross withholding taxes, although not income taxes under section 901, may qualify as taxes "in lieu of" an income tax under section 903. The regulations also take the position that such a substitute tax need not be imposed on net income or even bear any relation to income.

Thus, ironically, it is the more liberal position taken in the final regulations, which allow such taxes to be credited as taxes "in lieu" of the generally applicable income tax, which creates the problem for certain members of the construction industry. Under the earlier versions of the regulations there would have been no need for the industry's legislative proposal. "Technical assistance taxes" would have been deductible expenses, without jeopardizing the credit for foreign income taxes on foreign income. (The difference, of course, is that the deductibility of "technical assistance taxes" would have been the general rule, not an option which the taxpayer could exercise selectively. Thus, some other members of the construction industry would have been worse off than under the current rules.)

The "technical assistance tax" problem raises again the question whether such taxes should be creditable or only deductible expenses. The Code does not require that a foreign tax be imposed on foreign source income to qualify for the credit. The only requirements are that the tax either be imposed on income (meaning realized net income) or that it be imposed in substitution for the income tax generally applicable in that country. The latter category encompasses a broad class of taxes which need not bear any relation to income.

If Code sections 901 and 903 provided that a foreign tax on income for services performed in the United States were not creditable, such a tax would be a deductible expense under section 275, without prejudicing the use of credits for foreign taxes on foreign income. That is the approach taken by Germany, which amended its rules in 1980 to permit a deduction for such noncreditable taxes. At that time the United States also considered such taxes non-creditable, although not, as in the German case, because they were imposed on domestic

income, but because they were imposed on gross income. Consequently, such taxes could only be deducted. Subsequently, our change in regulations to allow a credit for technical assistance taxes benefited some U.S. service companies (those with low taxes foreign income from other activities) but hurt others. Since we believe the final regulations are consistent with the language of the statute, any further change would have to be addressed by a legislative amendment.[2] Any change to make such taxes deductible but not creditable would, of course, be opposed by taxpayers able to use the "extra" credit.

Alternatively, the issue could be addressed through the foreign tax credit limitation. Code sections 901 and 903 provide which foreign taxes may be credited (those paid on income or in substitution of a tax on income). Code section 904 is designed to preserve the U.S. tax on U.S. income by limiting the amount of credit which may be used in any given year to the U.S. tax on foreign source income. Beginning in 1976, the limitation has been determined on an "overall" basis. All foreign source income is aggregated and all creditable foreign taxes may be credited against the U.S. tax on that income. There is no linkage of the credit claimed for income tax paid to a particular country to the U.S. tax on income from that country. Income is either U.S. or non-U.S. income, with all foreign income lumped together. Consequently, the taxpayer's election to either credit or deduct creditable foreign taxes also applies on an overall basis.

If we used a country by country ("per-country") credit limitation, as do Canada, France, Germany, the Netherlands and Switzerland, it would be consistent to also allow the election to deduct or credit foreign income taxes to be made country by country. Some countries further limit their foreign tax credit, for example to domestic tax on business and non-business income within each country, as in Canada, or to the same class of income subject to domestic tax, as in the United Kingdom. In such cases, it may be appropriate to provide an election to deduct or credit on that same basis.

As noted earlier, the legislative proposal to allow taxpayers to elect to deduct technical assistance taxes cannot appropriately be limited to the construction industry. To an even greater extent, either changing the standards of creditable foreign taxes or changing the limitation on the foreign tax credit would have effects on many taxpayers, not only those seeking legislative relief from foreign technical assistance taxes. Accordingly, it is important in evaluating any potential remedy to the technical assistance tax problem to consider also the impact on other U.S. taxpayers and on U.S policy.

Any deduction from U.S. income for a foreign tax, whether under current law or any alternative approach which allows such a deduction, raises a further concern about the extent to which that deduction should be permitted to reduce the domestic U.S. tax base. If the deduction for a foreign tax on U.S income is not limited to that same income there is a risk that the taxpayer may be able to use such losses to reduce U.S revenues at no cost to the taxpayers.

For example, assume a U.S. firm receives a fee from a foreign client of $100 for services performed in the United States and its profit on that amount is $15 (i.e. $85 was to cover costs). If the foreign tax were $15, it would reduce the U.S. tax on this activity to zero. However, if the foreign tax were $25, under the legislative proposal the other $10 could be U.S. income. A U.S. company performing more than one item of income from the foreign client might be willing to operate at a loss in one activity (by paying a foreign tax in excess of the profit margin), reduce the U.S tax base by the amount of the loss, and then recover the loss by making a higher profit on another foreign activity not subject to U.S. tax (either by being conducted through a foreign subsidiary which does not remit the profit to the U.S parent or through the availability of foreign tax credits). An example of how this might occur is given in Tab A. One way to deal with this is to allocate the "excess" deduction for foreign taxes to foreign income. In the example given, after applying the $15 to reduce to zero the income from the U.S. services performed for the foreign client, the other $10 would have to be deducted aganist foreign income, if any, before it could reduce U.S income from other activities.

In the construction industry, we are told, this situation does not occur, because the charge to the foreign client is grossed up to cover the foreign tax, and thus the foreign tax never reduces the U.S. tax base. That may be the common practice in other service industries as well. Nevertheless, the issue deserves to be considered in evaluating any proposal to allow such a deduction.

Bilateral relief through tax treaties

In treaties to avoid double taxation of income, each country departs from its statutory practice to improve the climate for economic relations between investors and individuals of the two countries. The treaties cover income from business, investment, and employment in a wide range of activities. The concessions made seek an overall balance, but need not be reciprocal on any given item. For example, a developing country may be willing to reduce tax on certain income derived by U.S. investors in exchange for reduced U.S. taxation of its residents who come to the United States for training.

In such a treaty, a country imposing a "technical assistance tax" may be willing to give up that tax in exchange for other concessions it wants from the United States. Or, if it is unable to agree to waive the tax completely, it may be willing to reduce it or to impose it only on net income; and the United States may agree to treat the U.S. income as foreign source income to the extent necessary to avoid double taxation. Changing the U.S. source rule on certain transactions in a treaty can be justified as a concession to obtain concessions of equal value from the other country. It can also be more easily monitored.

Negotiation of a tax treaty, especially with a developing country, is time consuming, and it is not always possible to reach an agreement. The treaty solution to the "technical assistance tax" problem is admittedly a long-run solution. However, progress is being made in several instances. The United States has treaties in effect with some of the countries which impose "technical assistance taxes", and negotiations are in an advanced state with others.

Income tax treaties now in effect with Egypt, Jamaica, Korea, Malta, the Philippines, and Trinidad and Tobago prohibit the imposition of tax by those countries on profits derived by a U.S. company not attributable to a fixed place of business through which the company operates in those countries (a "permanent establishment"). Once a permanent establishment exists in the other country, the profits attributable to it may be taxed by that country, but the tax must be imposed on the net profit after expenses.

The treaties with Egypt, Jamaica, Korea, and Trinidad and Tobago explicitly define business profits to include income from furnishing the services of others. The treaties with Malta and the Philippines contain a shorter form of the profit definition, but income from providing services is implicitly covered. For example, the treaty with the Philippines states that a U.S. taxpayer will be considered to have a permanent establishment in the Philippines if it furnishes services in the Philippines through personnel who work there for more than 183 days. (The Jamaican treaty has a similar rule but with a 90-day limit.) The Malta treaty includes a limited amount of technical services as royalty income (assistance "of an ancillary and subsidary nature supplied as a means of enabling the application or enjoyment of such know-how or any other property or right" giving rise to a royalty). By implication, other services are considered to give rise to business profits or income from independent personal services, as is confirmed in the technical explanation of the Malta treaty.

In each of these treaties, payments for information concerning industrial, commercial or scientific experience (know-how) are treated as royalties, but such know-how, unless specifically stated otherwise, is understood to mean pre-existing knowledge, not services for a particular client. The official commentary on the OECD model, which is repeated in the U.N. model's commentary, describes the difference as follows.

"In the know-how contract, one of the parties agrees to impart to the other, so that he can use them for his own account, his special knowledge and experience which remain unrevealed to the public. It is recognized that the grantor is not required to play any part himself in the application of the formulae granted to the licensee and that the does not guarantee the result thereof. This type of contract thus differs from contracts for the provision of services, in which one of the parties undertakes to use the customary skills of his calling to execute work himself for the other party. Thus, payments obtained as consideration for after-sales service, for services rendered by a seller to the purchaser under a guarantee, for pure technical assistance, or for an opinion given by an engineer, an advocate or an accountant, do not constitute royalties within the meaning of paragraph 2. Such payments generally fall under Article 7 or

[2] The 1979 and 1980 regulations denied credit for foreign taxes on gross income from services, not because they were imposed on U.S. source income (the statute contains no such condition), but on the grounds that they were not: (a) imposed on net income, or (b) imposed in substitution for the tax on net income. At the same time, those regulations allowed credit for foreign withholding taxes on gross dividends, interest and royalties; to deny credit in such cases would be inconsistent with U.S. law, which also imposes such taxes. To distinguish the two cases, the regulations took the position that there is little expense associated with dividend, interest and royalty income, so that a tax on gross income is effectively on net income. In our view, that is a difficult position to uphold. The final regulations instead view foreign taxes on gross income, whether from services, business, or investment, as taxes "in lieu of" an income tax and allow credit on that basis for all such taxes under Code section 903. It would not be appropriate in regulations to distinguish on the basis of source. If source is to become a criterion of creditability, a legislative amendment would be needed.

Article 14." [concerning business profits or self-employment income].

The tax treaty with Morocco prohibits Morocco from imposing a "technical assistance tax" except with respect to payments by the Government of Morocco for technical studies for governmental use; in that case, Morocco may impose a tax of not more than 10 percent of the gross payment, and the United States agrees to treat such payments as of Moroccan source (See paragraph 3(c) of Article 12 and paragraph 3 of Article 5 of the U.S.-Morocco income tax treaty.) Payment for technical assistance which is accessory to the use of a property right, such as a patent, trademark, process, etc., may also be taxed by Morocco as a royalty, subject to the 10-percent maximum rate, but only if the services are performed in Morocco.

The income tax treaty with South Africa does not prevent the imposition by South Africa of a "technical assistance tax." That treaty was signed in 1946 and does not conform to more recent models.

Treaties with China and Cyprus now before the Senate for its advice and consent to ratification would provide relief from such taxes.

Negotiations of income tax treaties with Indonesia and Thailand, countries identified as imposing "technical assistance taxes", are in an advanced state, as are negotiations with Sri Lanka. A tax treaty with each of these three countries may be signed as early as 1985.

We hope to expand our income tax treaty network to include treaties with many more developing countries. While the tax treaty program may not provide immediate relief, we believe the bilateral approach it offers represents the best way to deal with such foreign taxes. Therefore, if the United States is to offer relief from foreign technical assistance taxes, our strong preference is to do so through an income tax treaty with the foreign country.

Tab A. Illustrative example to demonstrate reason for limiting application of a deduction for technical assistance taxes.

An industry-prepared analysis of H.R. 1609, provides an example of a construction company operating in a foreign country (which we shall refer to as country X) which levies a 30 percent technical assistance tax on gross billings for design work done in the U.S. Although not noted in the example, let us suppose that the same company supervises the actual construction in country X, and that the net income from such supervision is taxed at a 46% rate under country X's income tax. Using the numbers provided in the analysis (P.5) for the design work, and assuming, $200 in gross billing for supervision and $100 in supervision expenses, the results, under the assumption of the example, are as follows:

Design work (performed in United States)

Billings	$100
Foreign tax gross up	43
Costs	(90)
H.R. 1609 deduction	(43)
Pre-tax profit	10
U.S. tax	4.6
Net profit	5.4

Total U.S. tax equals $4.6; total net profit equals $59.4.

Supervision (performed in country X)

Billings	$200
Costs	(100)
Pre-tax profit	100
Gross U.S. tax	46
Foreign tax credit	(46)
Net U.S. tax	0
Net Profit	54

Suppose, however, that instead of asking the client to pay $143 for the design work, as assumed, the client is only billed $100. However, upon obtaining the supervision contract, the client is billed $243 (so the total bill to the client in both cases is $343).

The results in this case are as follows:

Design work (done in United States)

Billings	$100
Costs	(90)
H.R. 1609 deduction	(30)
Pre-tax profit	(20)
U.S. tax	0
Net profit [1]	(10.8)

[1] It is assumed the $20 pre-tax loss can offset $20 of other U.S. source income, thus yielding a net loss of only $10.80.

Total U.S. tax equals ($9.2) equals U.S. loss in revenue; total net profit equals $66.4.

Supervision (done in country X)

Billings	$243
Costs	(100)
Pre-tax profit	143
Gross U.S. tax	65.8
Foreign tax credit	65.8
Net U.S. tax	0
Net Profit	77.2

Note that in this case there is a U.S. revenue loss, and the net profit to the company is increased by $7, despite the fact that the foreign tax rate on the supervision activities was assumed to be higher than the technical assistance tax rate. Note also that by charging less for the design work (although correspondingly more for supervision), the U.S. construction company may be able to solicit more business than it might otherwise. In other words, there may be both business and tax reasons for structuring the activities in this fashion.●

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. KASSEBAUM). Without objection, it is so ordered.

SEPTEMBER UNEMPLOYMENT

Mr. BYRD. Madam President, there are more and more signs that the recovery is running out of steam when many Americans have yet to recover from the last recession. At 7.4 percent, September's civilian unemployment rate shows virtually no improvement from last month's 7.5 percent. The number of Americans at work is little changed while the number employed in manufacturing took a statistically significant fall. Today's unemployment figures are further confirmation that the rapid gains of the past year are over. The unemployment rate has been essentially stuck at or around 7.5 percent since May.

Last week, the economic indicators rose an anemic one-half of 1 percent. The revised figure for June still showed decline—although at a drop of 1.1 percent there was a slight improvement over the initial figure of 1.3 percent. Revised figures for July, however, more than doubled the decline shown by the initial report—dropping 0.8 percent to 1.8 percent. Even the slight rise in the August indicators must be kept in perspective. Only a sharp rise in stock prices kept the August indicators from actually turning downward as it did in June and July.

The stagnating unemployment rate and the downward drift of the economic indicators are only two of many signs that the recovery is slowing. Production, sales, income, and growth—the "Four Horsemen of Prosperity"—are all running at a slower pace. Growth fell from 7.1 percent in the second quarter to 3.6 percent in the third quarter. At 3.6 percent, Madam President, we will barely be able to take care of the young people who are entering the labor market in search of their first job.

Madam President, bad news is never welcome. But what is particularly disturbing to me is that the economy is slowing down when there is so much work still undone. At the roughly, 7.5 percent unemployment rate we have experienced since May, the economy is just where it was when President Reagan came into office. We started in a valley, got pushed off a cliff by the Reagan recession, and have just recently made it back to the same valley. Behind the unemployment rate stand 8.5 million Americans who are looking for work and cannot find it—450,000 more than when the President came into office—5.5 million Americans who are working part time because they cannot find full-time jobs and 1.2 million discouraged workers who want jobs but have simply given up looking.

It has been a very uneven recovery, Madam President. In my own State of West Virginia, the July unemployment rate—the most recent available—was 14.5 percent. Hardly the good news that ought to come with national economic health. Pennsylvania and Michigan still have unemployment that is in double digits.

What we have, Madam President, is a fragile recovery built on borrowed money. Our present is still burdened with too much double-digit unemployment. Our future is threatened by too many triple-digit deficits. I for one, Madam President, will not be satisfied until all of America is back and back to stay.

RICHARD HATHAWAY, THE SOCIAL WARRIOR

Mr. LEAHY. Madam President, some things seem especially natural in Vermont. Town meetings in the spring, foliage at this time of the year, and Vermont auctions at any time.

One of Vermont's best-known auctioneers is Richard Hathaway of Montpelier.

Going to an auction with Dick Hathaway as auctioneer is worth the trip, whether you go intending to buy or not—but after watching this enormously talented individual, you will not be able to resist the temptation to buy.

I was delighted to see an article in the Sunday Rutland Herald about Richard Hathaway, written by one of Vermont's best writers, Tom Slayton.

I ask unanimous consent that the article be included in the RECORD at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Sunday Rutland Herald and the Sunday Times Argus, Sept. 23, 1984]

RICHARD HATHAWAY, THE SOCIAL WARRIOR

(By Tom Slayton)

Richard Hathaway, historian and auctioneer, arrives at the annual Washington County Democratic Auction ready for another struggle against the forces of darkness.

Although he doesn't like to admit it, he knows there is a category of auction known as the "Democratic auction." It bears the same relationship to most auctions that porch sales bear to the collectibles on an antique "shoppe's" front porch.

Most of the items in a classic Democratic auction are small and many are castoff. A few are downright shabby.

Hathaway, a lifelong Democrat himself, loves the party for its championing of the underdog, but has mixed feelings about Democratic auctions. They are hard work for the auctioneer, who happens to be him.

Like all auctioneers, he knows it's easier to raise money with large, attractive items than with smaller ones of marginal value. Large items before the right crowd almost sell themselves. Small items must be sold and sold hard.

But Hathaway has never turned away from auctions just because they might be difficult. Although they mean between four and eight hours of almost non-stop banter and leave him flat-out exhausted, he seems to relish them.

The reason? Richard Hathaway is a man with a mission. A scholar, to be sure. But also a cosmic clown with a heart of gold and a talent for moving merchandise.

And after all, the forces of darkness are there to be opposed.

"You see, what I do has a kind of housebroken prophetic nature," he says. "You might call it using the tongue as a lever for social change."

Hathaway, a Montpelier resident and Vermont College professor, donates his services as a witty auctioneer to about two dozen groups throughout the state every year. The poor, the elderly, the handicapped are always among the people for whom he raises money. So are the American Friends Service Committee, a central Vermont Quaker meeting, and, of course, the local Democrats. His causes tend to bunch at the liberal end of the political spectrum.

"If you want to be weepy-dreepy about it, you could say I'm clothing the naked, feeding the hungry." he says, then smiles his most recondite smile. "What it really amounts to is that each group I work for has to pass a socio-political ton-test.

Hathaway combines the auctioneer's street savvy with the eclectic intellect of a trained academic generalist and the verbal skills of a natural stump-orator. He is an intellectual salad bar, stocked with greens and condiments from a lifetime of reading, his many disparate influences united under the dressing of a richly associative mind—and a fast tongue.

It's his combination of erudition and blather that enables him to hold aloft a globe lamp trimmed with long hanging strands of green beads and declare to the bidding audience: "This is mildly seductive in a light breeze . . . but in a high wind, it's positively pornographic."

His gift allows him also to describe a plastic case for Star Wars figurines as: "A mechanistic, post-industrial fantasy item," and then include as part of the item "some pre-industrial, anthropomorphic Mickey Mouse stationery . . ."

His freewheeling approach also turns a cymbidium orchid into "an iris that's gone Episcopalian" and sees ginseng tablets as "a placebo for intellectuals." He describes Woodstock, VT., as "a wholly owned subsidiary of the Rockefeller family" and then introduces a series of environmentalist elders to their annual banquet with the comment: "We now come to what theologians would call the sanhedrin period of the evening . . ."

The Democratic auction shows Hathaway at his most typical: wringing cash for a cause out of a crowd with his haranguing wit, and making them love the process of parting with their money.

"The definition of Vermont is August plus an auction," he says. "So we're on the gateway to heaven."

Early in the auction, he grabs an old-fashioned wooden lawn chair.

"This is not your basic Zayre's plastic wilt-in-the-dark lawn chair," he says, adding a sonorous ring to his voice:

"This . . . is a statement of quality."

The statement of quality brings nearly $30—not bad for a lawn chair.

He hoists a slightly bent three-tiered glass candy dish, which he notes has "a tower-of-Babel slope," adds a jar of zucchini relish, and says "you can spread the relish on the dish and be accounted somewhat unique in Washington County."

The two items sell for about $4, more than either would have brought alone—or without the joke.

A prayer plant, small, green and suppliant, is brought forward.

"At night, when the Republicans come out," Hathaway explains, "the leaves fold up into a prayer-like attitude. It was designed by Albrecht Durer about five centuries ago . . . the plant that prays together . . ."

The plant having netted several dollars, a Havahart moustrap is next. He's intrigued by the trap's ability to catch the mouse alive, calls it a trap for "hemorrhaging-heart liberals" and explains: "You catch the mouse. You take it to another jurisdiction and let it go. And it takes at least three hours for it to find its way back into your house again."

An elderly typewriter comes on the block, and Hathaway hurriedly describes it as "hand-hit." Someone corrects him, noting the typewriter is properly called "a manual." And again, Hathaway is off: "A manual . . . Emmanuel . . . Wait! Emmanuel is another name for . . . it's a religious typewriter! Use it to proclaim the virtue of evangelical Protestantism . . ."

Just before it sells, he adds: "It's really a very nice typewriter. And you can always use it as a door weight if it doesn't work."

Religious references find their way quite often into Hathaway's humor, and he thinks of the auction form itself as a secular counterpart to the religious revival meeting.

"It's a kind of holy roller worship," he explains: "The auctioneer is the minister; the audience is the congregation; the patter can be either the Catholic incantation or the Protestant hymns.

"The moment of grace is when you convert someone from a bystander to a bidder, salvation is getting the item and penance is when you can't pay for it."

At 50, Hathaway is living proof that intellectuals can successfully work in the marketplace's hurly-burly. Born in Boston, educated at Bates College and transplanted from Bowdoin to Goddard College 20 years ago, Hathaway found his way to his auctioneering hobby by instinct.

He got his start in 1967 when auctioneer Walter Flatow of Waterbury Center offered him the gavel while Flatow took a 45-minute break at a Barre auction. It was love at first bid, and Hathaway began doing small benefit auctions for Goddard's Adult Degree Program. Other, larger auctions followed, his skills developed and for years his summers have not been his own.

After about a decade of practice, he's now state-licensed, a competent professional auctioneer with an intimate understanding of the dynamics of the craft.

"I have to admit to being naturally verbal," he says. "I talk for a living."

In addition to doing small-scale auctions for local aid-to-the-elderly programs and day care centers, he has overseen the national auctions of the American Historical Print Collectors' Society and this year raised more than $6,000 for the American Friends' Service Committee, a Quaker social action group, at its annual benefit auction in Burlington.

Other major auctions take him to virtually every part of the state and beyond, but he remains faithful to his earliest causes and still conducts regular benefit auctions—preceded by homemade omelets—for the Goddard Adult Degree Program, now run by Vermont College.

In all, that makes about 20 auctions per year, almost all of them at no charge to the sponsoring organization.

Now an expert, he knows the structure of a bidding afternoon as well as the williest cattle auctioneer, can quickly spot the standard bidding types and prod them to action with a well-chosen word or two.

The first hour of any auction, he knows, is warm-up. Hours two through five are prime time, when bids are best and the top items must be sold. Finally, in the last hour, come the remnant items and the lowest bidding. It's the time Hathaway refers to as "the gleaning."

The Democratic auction has finally reached that point.

"We're nearing the last sequence of this afternoon," he announces. "Are you ready for the 36 cans of housepaint, some of which go back to the administration of Wil-

liam McKinley? At least 30 percent of those cans are Unitarian-Universalist."

The paint sells, and the auction is over.

The Washington County Democrats are nearly $700 richer, and Hathaway is hoarse and tired. He drives home, recuperates on a sofa, and thinks about the meaning of it all. Why does he do this?

Having grown up a Baptist, with a strong Protestant impulse to witness to his beliefs in the world-at-large, may have something to do with it.

"It's egomania plus performance, but there has to be a social purpose served or it's no fun," he says. "I'm a latent manichaean, and the forces of darkness are always warring with the forces of light."

NO MORE SECRET HOLDS

Mr. EXON. Madam President, the Senator from Nebraska, for the last two evenings, has been on the floor in anticipation of consideration of S. 1407, that was reported out of the Commerce Committee after extensive hearings—it is on the calendar as item No. 952. I have run into a typical snag that I think frustrates other Senators from time to time. We talk about changing the rules of the United States and allowing the free exchange of information and eventually coming to rollcall votes if necessary, or voice votes, if that is possible. I object once again to the continuing interruption of the legitimate considerations of this body by oftentimes secret operating, usually—usually, I emphasize—by strong influenced special-interest groups—in this particular case, some of the large automobile companies of this Nation. I shall not mention their names at this time, but I might mention them at some other time.

The measure I am talking about we cannot get clearance on, after we thought we had clearance on numerous occasions, because of the fact that around these Halls and around these Senate offices today there are lobbyists working behind the scenes. There is a hold on S. 1407, Calendar No. 952, and this Senator cannot even find out which Senator or the staff of which Senator has placed a hold on that bill.

Madam President, I understand that everybody should have a right to enter objections, but I think the matter of an individual Senator, whether on this side or the other side of the aisle, placing holds on someone else's bill in secret thwarts the processes, the legitimate democratic processes, of this body We have felt, myself as a sponsor and Senator DANFORTH of the Commerce Committee, with whom I worked very closely on this—we talk about crime and we are in the process now, hopefully, if we can get the conferees to agree on the continuing resolution, of doing something about crime in this country. One of the largest and fastest growing crimes in this country is the network that has allowed the rolling back of odometers that is costing the used car buyers of this Nation, the consumers, billions and bilions of dollars.

We have a measure here that would go a long way toward correcting that.

I simply stand on the floor of the Senate this evening, Madam President, and object to some of the procedures that are being increasingly used to block legislation. I do not mind objections to any legislation that I introduce by one of my colleagues if they will stand on the floor of the U.S. Senate and say, "I object for this reason and this reason and this reason." But the facts of the matter are that the reason some of the major motor companies of this Nation do not want this measure passed is not the objections that they have to that part of the bill that was put together by this Senator. No; rather, they are aiming their opposition at an amendment to that bill that was approved in the Commerce Committee, introduced by the Senator from Missouri [Mr. DANFORTH]. That simply said that the major automobile companies should develop a tamper-proof odometer on automobiles. But the major automobile companies are afraid, you see, that that might cost them something. So what they are doing and have done very effectively is, through the contacts that they have with some staff member, evidently on the staff of one of my colleagues in this body, unbeknownst to this Senator and unbeknownst to the other Members of the U.S. Senate, they have blocked it.

They have blocked it, you see, because now, the fact that we are going to come back on Tuesday will give them more lobbying time to work their will—to work their will, the will of the major automobile companies—to thwart legislation that they are not in agreement with. I think that we are going to have to change the rule of this body, and I hear increasing comments about that from my colleagues with the total disaster situation that we have had here in the last week. One of the rules I think we have to change first is to prevent this Senator or any other Senator with the authority to block consideration of a bill on the calendar that is up for consideration by the U.S. Senate simply by putting a "secret" hold on a bill.

Madam President, to show how ridiculous this is, I cite the situation where even the majority leader—even the majority leader, whom we charge with the responsibility of trying to orderly carry on the business and procedures of the U.S. Senate, has to have 15 other Senators join him in a cloture motion. I would think that we would grant the majority leader or the minority leader a right to file a cloture motion on his own. But even the majority leader has to have 15 other Senators before he can file a cloture motion.

It seems to me that when we put a hold on someone else's bill, we should change the rule so that a Senator has to have 15 other Senators join with him in putting a hold on a bill if we are going to begin to give up some of the individual power and influence, if not secrecy, that is used from time to time to block otherwise acceptable legislation to the subcommittee of responsibility, to the committee of responsibility. But no, as we all know, many good pieces of legislation are literally killed right here on this floor by secret arrangements that are made off the floor.

I think that is not in the interests of good legislation. I think it is not, Madam President, in the best interest of the procedures that we all stand up for in this supposedly greatest deliberative body on Earth. I suggest it would be far better if we were to do our deliberations and our arrangements here, on the floor of the Senate, so it could be open to all concerned.

I therefore rise this evening, Madam President, to object and object very strenuously to what I see as one of the fatal flaws in the orderly operation of this body. Frankly, I felt very sorry for the majority leader and the minority leader, especially during these last few hours before we run up against a deadline, in trying their level best to work for orderly processes that I think should be the heart and soul of the U.S. Senate.

So I expect that when we come back next Tuesday, we will be coming back to renewed effort on the part of some of the major automobile manufacturers in opposition to this bill because and only because of the fact that they object to the amendment to the bill that was accepted in committee to make them do something on their own to try to limit a growing crime in this country, very costly to consumers, the matter of spinning back odometers. I will not repeat at this time all of the testimony that we took in the committee, but if every Member of this body had seen and heard that they would have known it is one of those important things we should do something about. I will be back fighting that cause again next week because that is the way the processes have taken us. I certainly hope that by that time, whoever the Senator is who has a hold on this bill, would stand up on the floor of this Chamber and say why. There may be some real good reason that that Senator should have a hold on my bill, but I think that Senator should have the courage to come up front and say why they are putting a hold on the bill.

They might convince me that they have some good reason to hold up this bill other than the opposition by the powerful lobbyists representing some of the major automobile manufactur-

ers of this Nation. Maybe they can. Or they may have a very legitimate reason other than what I suspect for placing a hold on this bill. If they do, then I simply say they have an obligation to tell the introducer of the bill and the Commerce Committee that looked over this measure there is something that should be corrected. We would like to know about it rather than secret holds being placed on the bill.

ORDER OF PROCEDURE

Mr. BAKER. Madam President, there is a great volume of material that appears to be cleared for action by unanimous consent or routinely. But while the staff of the minority leader and my staff are consulting on those matters to make sure that all Senators are protected and that the matters are in proper shape, it will take a little while longer to complete that. In the meantime, however, there are two bills on the calendar which I know are of particular interest to the senior and junior Senators from Mississippi, because both Senator STENNIS and Senator COCHRAN have spoken to me about these matters.

Senator BYRD and I have agreed that since it is going to take a while longer to get the rest of the material together, it would be appropriate now to proceed to the consideration of the two measures and then finish the rest of the material later.

JAMES O. EASTLAND U.S. COURTHOUSE

Mr. BAKER. Madam President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1233, H.R. 3401.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3401) to designate the U.S. Post Office and Courthouse located at 245 East Capitol Street in Jackson, MS, as the "James O. Eastland United States Courthouse."

The bill was considered, ordered to a third reading, read the third time, and passed.

Mr. BAKER. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DR. A.H. McCOY FEDERAL BUILDING

Mr. BAKER. Madam President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1234, H.R. 3402.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3402) to designate that hereafter the Federal building at 100 West Capitol Street in Jackson, MS, will be known as the "Dr. A.H. McCoy Federal Building."

The bill was considered, ordered to a third reading, read the third time, and passed.

Mr. BAKER. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Madam President, I ask unanimous consent that the time for the transaction of routine morning business be extended until 7 p.m., under the same terms and conditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Madam President, I suggest that absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE EXECUTIVE CALENDAR

Mr. BAKER. Madam President, the distinguished minority leader has indicated to me in private conversation before I sought recognition that certain items on the Executive Calendar for today are cleared, I believe, on his side. They are cleared on this side.

Let me now propound a unanimous-consent request that I believe reflects a cross check against the two clearance processes and thus making them available for action by unanimous consent.

EXECUTIVE SESSION

Mr. BAKER. Madam President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the following nominations: Calendar 1024, 1029, 1030, 1031, 1033, 1034, and on page 8 all of those nominations placed on the Secretary's desk in the Air Force, Army, and Marine Corps.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. BAKER. Madam President, I thank the Chair and I thank the minority leader for his clearance and I now ask that the nominations so identified be considered and confirmed.

The PRESIDING OFFICER. The nominations will be stated.

ASIAN DEVELOPMENT BANK

The legislative clerk read the nomination of Joe O'Neal Rogers, of Virginia, to be U.S. Director of the Asian Development Bank, with the rank of Ambassador.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

NATIONAL SCIENCE FOUNDATION

The legislative clerk read the nomination of Nam Pyo Suh, of Massachusetts, to be an Assistant Director of the National Science Foundation, and the nomination of Rita R. Colwell, of Maryland, to be a Member of the National Science Board, National Science Foundation.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF EDUCATION

The legislative clerk read the nomination of Linda M. Combs, of North Carolina, to be Deputy Under Secretary for Management, Department of Education.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF THE TREASURY

The legislative clerk read the nomination of Vilma Rosso Taracido, of New York, to be Assayer of the United States Assay Office at New York, NY.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

U.S. ADVISORY COMMISSION ON PUBLIC DIPLOMACY

The legislative clerk read the nomination of Tom C. Korologos, of Virginia, to be a member of the U.S. Advisory Commission on Public Diplomacy.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The legislative clerk proceeded to read sundry nominations in the Air Force, Army, and Marine Corps placed on the Secretary's desk.

Mr. BAKER. Madam President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. BAKER. Madam President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Madam President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Madam President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. BAKER. Madam President, may I also say to the minority leader that I have a list of items that appear to be cleared for action by unanimous consent on today's Legislative Calendar.

May I identify them as they appear on my list and ask if the minority leader is in position to consider all or any part of these measures. I refer to calendar order Nos. 1278, 1279, 1280, 1281, 1282, 1283, 1284, 1285, 1286, 1287, 1289, 1290, 1299, 1311, 1321, and 1327.

Madam President, I inquire if the minority leader can approve any or all of that list of items.

Mr. BYRD. Madam President, all of the items that were enumerated by the distinguished majority leader have been cleared on this side.

Mr. BAKER. I thank the minority leader.

RELIEF OF PATRICK STARKIE

The bill (H.R. 437) for the relief of Patrick Starkie, was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF THE AKERS FAMILY

The bill (H.R. 440) for the relief of Frederick Francisco Akers, Susan Ferniz Akers, spouse; Christopher Ferniz Akers, son; and Christina Ferniz Akers, daughter, was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF HARRY CHEN TAK WONG

The bill (H.R. 932) for the relief of Harry Chen Tak Wong, was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF MARGOT HOGAN

The bill (H.R. 1072) for the relief of Margot Hogan, was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF TOMOKO JESSICA KYAN

The bill (H.R. 1152) for the relief of Tomoko Jessica Kyan, was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF PHILLIP HARPER

The bill (H.R. 1426) for the relief of Phillip Harper, was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF YELIZAVETA FANKUKHINA

The bill (H.R. 1713) for the relief of Yelizaveta Fankukhina, was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF NERY DE MAIO

The bill (H.R. 1865) for the relief of Nery De Maio, was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF MIREILLE LAFFITE

The bill (H.R. 1932) for the relief of Mireille Laffite, was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF ANIS-UR-RAHMAN

The bill (H.R. 2418) for the relief of Anis-Ur-Rahman, was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF DENNIS L. DALTON

The bill (H.R. 3382) for the relief of Dennis L. Dalton, was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF SUTU BUNGANI WILLIAM BECK

The bill (H.R. 5691) for the relief of Sutu Bungani William Beck, was considered, ordered to a third reading, read the third time, and passed.

TRANSFER OF THE GENERAL POST OFFICE BUILDING TO THE SMITHSONIAN INSTITUTION

The bill (H.R. 4025) to authorize the Administrator of General Services to transfer to the Smithsonian Institution without reimburesment the General Post Office Building and the site thereof located in the District of Columbia, and for other purposes, was considered.

Mr. DANFORTH. Madam President, it is rare that Members of Congress take a strong interest in the location of a government agency. Nonetheless, I have found myself compelled to become involved in the relocation of the ITC, both because of the Commission's key role in international trade issues and because of the deplorable conditions in which the ITC must now perform its work.

The ITC is a unique body. As the chairman of the Finance Committee's International Trade Subcommittee, which oversees the operation of the ITC, I can attest to the importance of the relationship between Congress and the ITC. The Commission's structure guarantees that it will perform its functions independently, free of the political pressures and policy considerations that so often influence executive agencies. The Congress can be confident that the Commission will conduct its quasi-judicial functions with professionalism, and that the results of its factfinding investigations will be objective.

One measure of the importance of the Commission is the growth of its caseload. The ITC's investigative caseload rose by 82 percent from fiscal year 1981–83, and new investigations in the first 10 months of fiscal year 1984 were running 30 percent ahead of the fiscal year 1983 level. Moreover, the ITC recently completed work on several "escape clause" cases. These are cases in which the ITC must make recommendation to the President on requests for imports relief from major domestic industries.

Unfortunately, as the importance of the ITC is increasing, the building in which most of its staff works is deteriorating. Over the last decade requests by the ITC to have repairs made have been ignored, with predictable consequences. The building provides a poor and, in some cases an unsafe environment for Commission employees and is an embarrassment when representatives of foreign governments and industries appear at Commission proceedings.

I toured the ITC premises last year, along with several other Finance Committee members, and I can confirm the sorry state of the building.

The first response of the ITC to the deteriorating conditions of its building was to ask for repairs and to continue to occupy the building. I testified in support of this position before the Senate Public Works Committee last year.

The Public Works Committee chose, however, to proceed with the transfer of the building to the Smithsonian. Authority to do this was included in S. 1287, which passed the Senate in June, 1983. So now the focus shifted to the selection of a suitable location to which the Commission will relocate.

In this regard, Senator Bentsen, the ranking minority member of the Trade Subcommittee, and I offered an amendment on the Senate floor to S. 1287. Our amendment contained three

provisions: first, it would have given the Chairman of the ITC and the Administrator of the GSA joint responsibility to select a new site for the Commission. Second, the amendment would have established regular reports to various congressional committees on the status of the relocation. Third, our amendment would require the GSA to maintain properly the ITC's current building until the relocation takes place.

The bill before the Senate today, H.R. 4025, does not contain the joint determination provision. I understand, however, that H.R. 4025 does contain other provisions designed to protect the ITC's interests in its relocation. For example, the bill would require the GSA Administrator to consult and cooperate with the ITC Chairman in all actions related to the selection of a new location. The bill would also give the ITC an expedited review of an unfavorable decision by the GSA and would expand on the Congressional reporting requirements. Furthermore, I understand that the ITC supports H.R. 4025 as it appears before us today, even though it would prefer that the joint determination language be added. Therefore, I am prepared not to offer my amendment. But I would, however, like to obtain some assurances from the chairmen of the committees that have acted on this bill.

A concern of mine deals with GSA's maintenance of the General Post Office Building. A major reason for the poor quality of the building is that GSA, faced with the possibility that the building may at some future time be given to the Smithsonian, did not commit the necessary funds to prevent the deterioration of the building. I am concerned that once this bill passes the GSA will have even more incentive to defer maintenance until the Smithsonian takes it over. Thus, the condition of the building could worsen even more during the remaining time that the ITC spends in the building. Does the bill address this problem?

Mr. STAFFORD. Yes; the bill contains a provision that was part of the amendment the Senator from Missouri offered last year. This provision requires the GSA to maintain the building "in order to prevent its deterioration and to assure that conditions therein are safe and the building is presentable and suitable to the normal operations of the Commission." I assure the Senator from Missouri that as chairman of the Committee on Environment and Public Works I will monitor GSA's performances on this very closely.

Mr. DANFORTH. In lieu of the joint determination provision, H.R. 4025 states that the Chairman of the ITC "shall have the full opportunity to consult and cooperate" with the GSA Administrator on the studies and investigations that will form the basis for the selection of a new building. What is the Senator from Vermont's interpretation of this provision?

Mr. STAFFORD. The ITC Chairman would have the opportunity to participate in surveys of available buildings and to submit views and recommendations regarding the Commission's relocation to the GSA Administrator.

Mr. DANFORTH. I ask the distinguished chairman if it is the intent of the managers of this bill that a prospectus must be approved in accordance with the Public Building Act of 1959 before GSA may proceed to negotiate and sign a lease on a building for the ITC?

Mr. STAFFORD. If this legislation is enacted and signed by the President, it becomes the law of the land. A new act of Congress would vitiate any requirement of the 1959 Public Buildings Act that the Public Works Committees of the Senate and House approve a prospectus before GSA has the authority to sign a lease to relocate the ITC.

Mr. DANFORTH. I ask the manager of this legislation—the senior Senator from Vermont—if the bill places a limitation on the amount of space that GSA may provide the ITC. Does it permit the Administrator to lease 170,000 square feet?

Mr. STAFFORD. The bill does not place any limitation on the amount of space GSA is authorized to lease to house the ITC. The legislation states that the Administrator "shall relocate all operations" of the ITC. It does not specify any particular amount of space GSA may contract for, nor does it place any limitation on the amount of space. GSA could lease 170,000 square feet.

Mr. DANFORTH. If the monthly reports are to serve as an effective safeguard for the ITC, the committees to which the reports are sent will have to take an active interest in the relocation. As a member of two of those committees, the Senate Finance and Senate Government Affairs Committees, I intend to pay close attention to the progress of the move and, in particular, to the selection of new locations offered to the ITC. I would like to ask the chairman of the Senate Environment and Public Works Committee how he will evaluate the adequacy of a building offered by the GSA.

Mr. STAFFORD. The location of the building should be convenient to both the Congress and the relevant executive branch agencies. Also, the building should not be in an area that threatens the security of the Commission's employees.

The building should also provide adequate space to meet the ITC's special requirements, such as hearing rooms, court rooms, libraries, a printing plant, and a computer room.

Regarding office space, the allocation of square footage for Commission staff should be consistent with their needs to operate effectively and efficiently. In the prospectus approved by the House Public Works Committee on August 8, the ITC already had agreed to reduce its office space utilization rate from 167 square feet per person to 143 feet. A further reduction may not be consistent with the need to protect at all times highly sensitive business confidential material, which dictates the need for privacy. GSA will have to show some flexibility and understanding in allowing the ITC to have a utilization rate somewhat higher than the goal of a national average of 135 square feet per person.

Mr. DANFORTH. One final concern of mine deals with the need for the ITC to function smoothly during the relocation. Can I get the assurances of the chairmen of the Senate Public Works Committee and the Senate Rules Committee that first, the ITC will not begin its move until the new location is fully ready, as determined by the ITC Chairman and second, that the Smithsonian Institute will not begin renovating the General Post Office Building until the ITC has vacated the building?

Mr. STAFFORD. I can give those assurances to the Senator from Missouri. Let me also inquire of the ranking member of the Senate Environment and Public Works Committee, Senator RANDOLPH, and the Democratic member most concerned with matters such as this, Senator MOYNIHAN, if they concur with my assurances.

Mr. MOYNIHAN. Madam President, I can speak for both Senator RANDOLPH and myself that our distinguished chairman has provided proper and accurate assurances regarding the protection of the U.S. International Trade Commission's interests in its relocation.

Mr. MATHIAS. I agree. The Rules Committee will act to see that the transfer of the building will not interfere with the operations of the ITC.

Mr. DANFORTH. I thank the Senators for their answers and for their cooperation, and I look forward to working together on any further actions that may be required to assist the ITC in its relocation.

The bill (H.R. 4025) was ordered to a third reading, read the third time and passed.

LAW ENFORCEMENT OFFICERS MEMORIAL

The joint resolution (H.J. Res. 482) authorizing the Law Enforcement Officers Memorial Fund to establish a memorial in the District of Columbia or its environs, was considered, ordered to a third reading, read the third time, and passed.

NATIONAL HEAD INJURY AWARENESS MONTH

The joint resolution (H.J. Res. 638) designating October 1984 as "National Head Injury Awareness Month," was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

RELIEF OF THE SISTERS OF MERCY OF THE UNION, PROVINCE OF ST. LOUIS, MO

The bill (S. 2449) for the relief of the Sisters of Mercy of the Union, Province of St. Louis, MO, was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 2449

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Sisters of Mercy of the Union, Province of Saint Louis, Missouri, the former owner of Mercy Hospital of Brownsville, Texas, is relieved of all liability to the United States under title VI of the Public Health Service Act resulting from the sale of such Mercy Hospital to Medenco, Incorporated, a for-profit organization.

Mr. BAKER. Madam President, I move to reconsider the vote by which the several items were agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Madam President, I would propose the Senate proceed to the consideration of S. 2623 if the minority leader has no objection.

Mr. BYRD. No objection.

ANTITERRORISM LEGISLATION

● Mr. DENTON. Mr. President, I rise to voice my support of S. 2623 and S. 2624, two antiterrorism bills that my distinguished colleague, Senator THURMOND, and I introduced in the Senate on May 2, 1984, on behalf of President Reagan.

S. 2624 is a bill to implement the International Convention Against the Taking of Hostages. The enabling legislation for the hostage-taking treaty is essential. The United States has been a party to the hostage-taking treaty for over 3 years. The treaty was adopted by the United Nations in 1979, and President Reagan signed the instrument ratifying the treaty in September 1981. When the President signed the instrument of ratification, the Congress was informed that the instrument would not be deposited with the United Nations until enabling legislation had been enacted.

And in the 3 years since we ratified the treaty, the enabling legislation necessary to implement it has languished. One might say that Congress has been derelict in passing the necessary legislation. We must demonstrate now to other governments and international fora that the United States is serious about its efforts to deal with international terrorism.

An even more egregious situation exists with regard to enabling legislation for the Montreal Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation. That treaty was ratified by the U.S. Senate 12 years ago, in 1972. Our failure to pass enabling legislation for the Montreal treaty means that certain criminal acts related to aircraft sabotage or hijacking are not adequately covered by U.S. law. This gap in the law sends a false signal to terrorists, and it also indicates to other governments that we may not be as serious as we should be, and as, in fact, we are, in our efforts to combat international terrorism.

S. 2623 closes that gap. It is a bill Senator THURMOND and I introduced last May to implement the Montreal treaty, and which was unanimously approved by the Senate Judiciary Committee.

Passage of both S. 2623 and S. 2624 would implement both the Montreal treaty and the hostage-taking treaty. Because their implementation is long overdue and so vital to our national interest, I urge my colleagues to support them.●

MONTREAL CONVENTION FOR THE SUPPRESSION OF UNLAWFUL ACTS AGAINST THE SAFETY OF CIVIL AVIATION

Mr. BAKER. Madam President, I ask the Chair to lay before the Senate S. 2623.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 2623) to implement the Montreal Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 7074

Mr. BYRD. Madam President, on behalf of Mr. Leahy, I send a technical amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], on behalf of Mr. LEAHY, proposes an amendment numbered 7074.

Mr. BYRD. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

Page 3, beginning in line 24, strike out "interferes with the operation of or makes unsuitable for use" and insert in lieu thereof "wrecks".

Page 4, line 12, insert "by force or violence" after "interferes".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 7074) was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed as follows:

S. 2623

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Aircraft Sabotage Act".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. The Congress hereby finds that—

(a) the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (ratified by the United States on November 1, 1972), requires each contracting State to establish its jurisdiction over certain offenses affecting the safety of civil aviation;

(b) such offenses place innocent lives in jeopardy, endanger national security, affect domestic tranquility, gravely affect interstate and foreign commerce, and are offenses against the law of nations; and

(c) the purpose of this Act is to implement fully the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation and to expand the protection accorded to aircraft and related facilities.

SEC. 3. (a) Section 31 of title 18, United States Code, is amended—

(1) in the first paragraph by—

(A) striking out "and" before the term "spare part" and inserting "and 'special aircraft jurisdiction of the United States' " after the term "spare part"; and

(B) striking out "Civil Aeronautics Act of 1938" and inserting in lieu thereof "Federal Aviation Act of 1958";

(2) by striking out "and" at the end of the third undesignated paragraph thereof;

(3) by striking the period at the end thereof and inserting in lieu thereof ";" ; and

(4) by adding at the end thereof the following new paragraphs:

" 'In flight' means any time from the moment all the external doors of an aircraft are closed following embarkation until the moment when any such door is opened for disembarkation. In the case of a forced landing the flight shall be deemed to continue until competent authorities take over the responsibility for the aircraft and the persons and property on board; and

" 'In service' means any time from the beginning of preflight preparation of the aircraft by ground personnel or by the crew for a specific flight until twenty-four hours after any landing; the period of service shall, in any event, extend for the entire period during which the aircraft is in flight.".

(b) Section 32 of title 18, United States Code, is amended to read as follows:

"§ 32. Destruction of aircraft or aircraft facilities

"(a) Whoever willfully—

"(1) sets fire to, damages, destroys, disables, or interferes with the operation of or makes unsuitable for use any aircraft in the special aircraft jurisdiction of the United States or any civil aircraft used, operated, or employed in interstate, overseas, or foreign air commerce;

"(2) places or causes to be placed a destructive device or substance in, upon, or in proximity to, or otherwise makes or causes to be made unworkable or unusable or hazardous to work or use, any such aircraft, or any part or other materials used or intended to be used in connection with the operation of such aircraft;

"(3) sets fire to, damages, destroys, or disables any air navigation facility, or interferes by force or violence with the operation of such facility, if such fire, damaging, destroying, disabling, or interfering is likely to endanger the safety of any such aircraft in flight;

"(4) with the intent to damage, destroy, or disable any such aircraft, sets fire to, damages, destroys, or disables or places a destructive device or substance in, upon, or in proximity to, any appliance or structure, ramp, landing area, property, machine, or apparatus, or any facility or other material used, or intended to be used, in connection with the operation, maintenance, loading, unloading, or storage of any such aircraft or any cargo carried or intended to be carried on any such aircraft;

"(5) performs an act of violence against or incapacitates any individual on any such aircraft, if such act of violence or incapacitation is likely to endanger the safety of such aircraft;

"(6) communicates information, knowing the information to be false, thereby endangering the safety of any such aircraft in flight; or

"(7) attempts to do anything prohibited under paragraphs (1) through (6) of this subsection—

shall be fined not more than $100,000 or imprisoned not more than twenty years or both.

"(b) Whoever willfully—

"(1) performs an act of violence against any individual on board any civil aircraft registered in a country other than the United States while such aircraft is in flight, if such act is likely to endanger the safety of that aircraft;

"(2) destroys a civil aircraft registered in a country other than the United States while such aircraft is in service or causes damage to such an aircraft which renders that aircraft incapable of flight or which is likely to endanger that aircraft's safety in flight;

"(3) places or causes to be placed on a civil aircraft registered in a country other than the United States while such aircraft is in service, a device or substance which is likely to destroy that aircraft, or to cause damage to that aircraft which renders that aircraft incapable of flight or which is likely to endanger that aircraft's safety in flight; or

"(4) attempts to commit an offense described in paragraphs (1) through (3) of this subsection—

shall, if the offender is later found in the United States, be fined not more than $100,000 or imprisoned not more than twenty years, or both.".

(c) Section 101(38)(d) of the Federal Aviation Act of 1958 (49 U.S.C. 1301(38)(d)), relating to the definition of the term "special aircraft jurisdiction of the United States", is amended—

(1) in clause (i), by striking out "; or" and inserting in lieu thereof a semicolon;

(2) at the end of clause (ii), by striking out "and" and inserting in lieu thereof "or;" and

(3) by adding at the end thereof the following new clause:

"(iii) regarding which an offense as defined in subsection (d) or (e) of article I, section I, of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (Montreal, September 23, 1971), is committed if the aircraft lands in the United States with an alleged offender still on board; and".

(d)(1) Chapter 2 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 36. Imparting or conveying threats

"Whoever imparts or conveys any threat to do an act which would be a felony prohibited by section 32 or 33 of this chapter or section 1992 of chapter 97 or section 2275 of chapter 111 of this title with an apparent determination and will to carry the threat into execution shall be fined not more than $25,000 or imprisoned not more than five years, or both.".

(2) The analysis of chapter 2 of title 18 of the United States Code is amended by adding at the end thereof the following new item:

"36. Imparting or conveying threats.".

SEC. 4. (a)(1) Section 901 of the Federal Aviation Act of 1958 (49 U.S.C. 1471) is amended by adding at the end thereof the following new subsections:

"(c) Whoever imparts or conveys or causes to be imparted or conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a crime prohibited by subsection (i), (j), (k), or (l) of section 902 of this Act, shall be subject to a civil penalty of not more than $10,000 which shall be recoverable in a civil action brought in the name of the United States.

"(d) Except for law enforcement officers of any municipal or State government or officers or employees of the Federal Government, who are authorized or required within their official capacities to carry arms, or other persons who may be so authorized under regulations issued by the Administrator, whoever while aboard, or while attempting to board, any aircraft in, or intended for operation in, air transportation or intrastate air transportation, has on or about his person or his property a concealed deadly or dangerous weapon, which is, or would be, accessible to such person in flight shall be subject to a civil penalty of not more than $10,000 which shall be recoverable in a civil action brought in the name of the United States.".

(2) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the side heading

"Sec. 901. Civil penalties."

is amended by inserting at the end thereof:

"(c) Conveying false information.

"(d) Concealed weapons.".

(b) Section 901(a)(2) of the Federal Aviation Act of 1958 (49 U.S.C. 1471(a)(2)) is amended by inserting the words: "penalties provided for in subsections (c) and (d) of this section or" after the words "Secretary of Transportation in the case of".

(c)(1) Section 902(l)(1) of the Federal Aviation Act of 1958 (49 U.S.C. 1472(l)(1)) is amended by striking the term "$1,000" and inserting in lieu thereof the term "$10,000".

(2) Section 902(l)(2) of the Federal Aviation Act of 1958 (49 U.S.C. 1472(l)(2)) is amended by striking the term "$5,000" and inserting in lieu thereof "$25,000".

(d)(1) Section 902(m) of the Federal Aviation Act of 1958 (49 U.S.C. 1472(m)) is amended to read as follows:

"FALSE INFORMATION AND THREATS

"(m)(1) Whoever willfully and maliciously, or with reckless disregard for the safety of human life, imparts or conveys or causes to be imparted or conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a felony prohibited by subsection (i), (j), (k), or (l) of this section, shall be fined not more than $25,000 or imprisoned not more than five years, or both.

"(2) Whoever imparts or conveys or causes to be imparted or conveyed any threat to do an act which would be a felony prohibited by subsection (i), (j), (k), or (l) of this section with an apparent determination and will to carry the threat into execution shall be fined not more than $25,000 or imprisoned not more than five years, or both.".

(2) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the side heading "Sec. 903. Criminal penalties." is amended by striking out "(m) False information." and inserting in lieu thereof "(m) False information and threats.".

(e) Subsection (a) of section 1395 of title 28, United States Code, is amended by striking the period at the end of such subsection and adding the following at the end thereof: ", and in any proceeding to recover a civil penalty under section 35(a) of title 18 of the United States Code or section 901(c) or 901(d) of the Federal Aviation Act of 1958, all process against any defendant or witness may be served, regardless whether authorized under the Federal Rules of Civil Procedure, in any judicial district of the United States upon an ex parte order for good cause shown.".

(f) The second sentence of section 903(b)(1) of the Federal Aviation Act of 1958 (49 U.S.C. 1473(b)(1)) is amended by striking out "Such" and inserting in lieu thereof "Except with respect to civil penalties under sections 901 (c) and (d) of this Act, such".

SEC. 5. This Act shall become effective on enactment.

Mr. BAKER. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REMOVAL OF IMPEDIMENTS TO CERTAIN OIL AND GAS LEASING

Mr. BAKER. Madam Preident, I ask unanimous consent that the Senate now proceed to the consideration of H.R. 5787.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 5787) to remove an impediment to oil and gas leasing of certain Federal lands in Corpus Christi, TX, and Port Henneme, CA, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider the bill.

Mr. BENTSEN. Madam President, I am pleased to support the passage of H.R. 5787. I am an original cosponsor of the Senate version of this legislation, S. 2834, along with Senators WILSON, TOWER, CRANSTON, and MCCLURE.

This proposal is an asset to the cities of Corpus Christi, TX, and Port Heuneme, CA, as well as a positive step in the direction of decreasing our Nation's dependence on foreign energy supplies. The support these communities are giving to this legislation demonstrates their commitment to furthering America's domestic energy production.

This legislation proposes to amend the Mineral Leasing Act for Acquired Lands. The existing statute provides the Secretary of the Interior with authority to lease oil and gas rights on acquired Federal lands except for those lands situated within incorporated cities, towns, and villages. This preservation of local prerogatives is generally an idea of which I approve. In this situation, however, the statute denies local governments the flexibility they need to permit consenting parties to begin lease sales.

These cities are willing to allow oil and gas lease sales, indeed, they are seeking that right. The City Council of Corpus Christi and State Representative W.O. Bill Harrison, Jr., have strongly urged that the Senate approve this proposal. I agree. The local officials deserve the right to make those land use decisions that have historically been preserved for them.

The revenue gained from such Federal oil and gas lease sales is equally distributed between the Federal Government and the State involved. In Texas, 50 percent of the parcelled revenues will go to the independent school districts in the county where the leasing occurs. I enthusiastically endorse the efforts of Corpus Christi's local elected officials to raise additional money for the education of Nueces County's schoolchildren.

Madam President, I urge my colleagues to approve this legislation.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 5787) was read the third time, and passed.

COMBATING INTERNATIONAL TERRORISM

Mr. BAKER. Madam President, I ask that the Chair lay before the Senate Calendar Order No. 1313, H.R. 6311.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 6311) to combat international terrorism.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider the bill.

Mr. DOMENICI. Madam President, waivers under section 904 of the Budget Act are intended to be reserved for emergency or highly unusual circumstances. I believe, and I am sure my colleagues would agree, that the recent disasters relative to the security of U.S. Embassies make this authorization such an emergency. Section 402 of the Budget Act requires that legislation authorizing the appropriation of funds for fiscal year 1985 must have been reported prior to May 25, 1984. As I am sure my colleagues understand, the most recent event which led to this additional authorization occurred after that date. Further, in order to make these additional funds available for rapid expenditure, it is necessary to consider this authorization immediately, so that an additional appropriation for the same purpose may be taken up during consideration of the continuing resolution. I fear that if we wait until next year to provide additional funding, it may be too late for another Embassy. It is for these reasons that the chairman of the Budget Committee supports this waiver.

I urge my colleagues to support this waiver.

Mr. BAKER. Madam President, I ask unanimous consent that, pursuant to section 904 of the Congressional Budget Act that section 402 of that act be waived with respect to the consideration of this measure, a bill to combat international terrorism.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Madam President, the bill is before the Senate and by unanimous consent the Budget Act has been waived.

● Mr. PERCY. Madam President, I urge my colleagues to support the passage of H.R. 6311, the 1984 Act to Combat International Terrorism. With the exception of some minor technical changes, this bill is identical to S. 3037 which was formally reported by the Senate Foreign Relations Committee on Friday, September 28.

This bill follows in the wake of the tragic and criminal bombing of the U.S. Embassy in Beirut on September 20, 1984. Last week, the administration requested an emergency supplemental authorization of $366,278,000 with no year authorization to enhance the security of U.S. diplomats and facilities located abroad. Specifically, $350,963,000 are requested for the Department of State, $5,315,000 for the U.S. Information Agency and $10,000,000 to be divided equally between the Secretary of State and the Attorney General for the purpose of awarding money for information relating to threats and acts of terrorism.

Madam President, I ask that a section-by-section analysis of this bill be printed in the RECORD at this point.

The material follows:

SECTION-BY-SECTION ANALYSIS TO ACCOMPANY H.R. 6311, AS AMENDED

Section 1 states the short title of H.R. 6311 as the "1984 Act to Combat International Terrorism."

TITLE I: REWARDS FOR INFORMATION ON INTERNATIONAL TERRORISM

Section 101(a) provides the authority of the Attorney General to pay rewards by amending Title 18 U.S. Code with six new sections as follows:

The Attorney General is authorized to pay rewards for information which: (1) which leads to the arrest or conviction in any country for the commission of an act of terrorism against a United States person or property; (2) information leading to the arrest or conviction in any country for a conspiracy or an attempt to commit an act of terrorism against a United States person or property; or (3) information leading to the prevention, frustration, or favorable resolution of an act of terrorism against a United States person or property.

The Attorney General is required to make a determinatin as to whether a particular person is entitled to a reward and sets a ceiling of $500,000 of total compensation and a subceiling of $100,000 which requires the approval of the President or the Attorney General.

The Attorney General is authorized to provide protective action for the recipient of a reward or the members of a recipients' immediate family and further stipulates that protection in connection with the paperwork necessary to the accomplishment of the payment of the reward.

Government employees who furnish information concerning terrorism in the performance of their officials duties are not eligible for a monetary reward under this chapter.

Five million dollars is authorized to be appropriated to the Attorney General without fiscal year limitation for this purpose.

Individuals who furnish information which would justify a reward under this chapter or under section 36 of the State Department Basic Authorities Act would be eligible to participate in the witness security program.

Definitions are contained in this section which apply to this new chapter.

Authority of the Secretary of State

Section 102 amends the State Department Basic Authorities Act of 1956 by adding a new section 36.

New Section 36 authorizes the Secretary of State to pay a reward for the information leading to the arrest or conviction of an individual for committing a terrorist act or for conspiring or attempting to commit a terrorist act. A reward may also be paid for information which results in the prevention or favorable resolution of an act of terrorism.

New Section 36(b) provides that a reward under this section may not exceed $500,000 and further stipulates that a reward of $100,000 may not be made without the prior approval of the President or the Secretary of State.

New Section 36(c) provides that the Secretary of State will consult with the Attorney

General before making a reward relating to a matter under federal criminal jurisdiction.

New Section 36(d) provides that the Secretary of State will certify the payment of any reward. The Secretary may also take measures to protect the identity of an individual who receives a reward as well as the identities of the members of the recipient's immediate family.

New Section 36(e) provides that government employees are not eligible for rewards if they provide such information during the course of their official duties.

New Section 36(f) authorizes an appropriation of $5 million to be used to pay rewards. These funds are authorized to remain available until expended. Future authorizations to fund rewards would be provided in the annual Department of State authorization legislation.

New Section 201(a) urges the President to seek more effective international cooperation in dealing with international terrorists. Areas of cooperation would include the punishment of terrorists for acts which threaten diplomatic staff, military or other government personnel, and private citizens, and cooperation in the extradition of terrorists.

New Section 201(b) encourages the U.S. to enter into negotiations which might lead to a permanent international working group to combat terrorism. The purpose of this group would be to increase international cooperation, develop new methods to deal with terrorism, negotiate agreements for the exchange of intelligence and technical assistance, and examine how terrorists may use diplomatic immunities and diplomatic facilities to further their goals.

TITLE III: SECURITY OF UNITED STATES MISSIONS ABROAD

Section 301 requires the Secretary of State to report to the House Foreign Affairs and Senate Foreign Relations Committees on the findings of the Secretary's Panel on Security of U.S. Missions Abroad.

Section 302(a) provides for the authorization of $350,963,000 for the Department of State and $5,315,000 for USIA for emergency security enhancement at U.S. Diplomatic Missions.

Section 302(b) requires a report by February 1, 1985, from the Secretary of State and the Director of USIA on how their respective agencies have allocated these funds.

Section 303(a) amends Section 2 of the State Department Basic Authorities Act of 1956 by:

Clarifying the Secretary of State's current authority to hire by contract individuals or organizations for services abroad.

Extending the Secretary of State's current authority for overseas personnel services contracting to enable the Secretary of State to hire local American nationals. These individuals employed by contract to perform these services would not be considered for the purposes of this section to be employed by the U.S. federal government.

Providing authority for the Secretary of State to hire outside experts and consultants and stipulates the rate of pay may not exceed the GS-18.

Providing the necessary flexibility and authority for the Secretary of State in consultation with the Administrator of General Services to provide for sole source procurement to meet overseas security requirements. This new authority to allow for sole source procurement preserves the requirements of the Competition and Contracting Act of 1984.

Providing the authority for the Deputy Assistant Secretary of State to use government owned vehicles for security purposes, for travel between his or her residence and places where official functions are performed.

Including USIA and AID in the authority to extend additional per diem benefits to security personnel and to members of the foreign service and employees of that agency who are performing security related functions abroad who by virtue of their official duties are required to engage in extended travel. It is intended that USIA and AID would following the State Department regulations regarding the definition of extended travel.

Section 304 expresses the sense of Congress that due to the current epidemic of worldwide terrorist activity, U.S. missions abroad should more extensively utilize the danger pay allowance.

Mr. PERCY. Madam President, the suicide-vehicle bombing attempt of our Embassy annex in Beirut 2 weeks ago, the fourth such attack against U.S. facilities in the Middle East within the last 18 months, underscores once again the vulnerability of U.S. personnel and facilities overseas to determined terrorist attacks.

While physical security has been a high priority of the Department of State, it finds itsef at a disadvantage when fanatical adversaries are involved.

In face of this escalating and threatening situation, the Department has taken several actions to protect against future instances of terrorist attack. For example, all posts have surveyed their vulnerability to vehicle penetration and taken actions to reduce it. These include such measures as requesting host governments to restrict traffic and provide additional guards, walls, fences, and gates. But, more must be done.

The major thrust of this urgent supplemental package is to enable the Department to initiate more comprehensive physical security measures.

Madam President, I ask that the Department of State's detailed justification for this request be printed in the RECORD.

The material follows:

FISCAL YEAR 1985 SECURITY SUPPLEMENTAL—SUMMARY OF INCREASES

	Positions	FTE	Amount
Department of State:			
Salaries and expenses:			
Security	136	102	$132,091
Communications	15	11	31,423
Counter terrorism and emergency planning	12	9	1,389
Administration	40	30	8,518
Subtotal, salaries and expenses	203	152	173,421
Rewards for information concerning terrorist acts			10,000
Special foreign currency account			2,000
Acquisition, operation, and maintenance of buildings abroad	42	32	175,542
Subtotal, 1985 security supplemental-State	245	184	360,963
U.S. Information Agency	2	2	5,315
Grand total, 1985 security supplemental	247	186	366,278

DEPARTMENT OF STATE—FISCAL YEAR 1985 SUPPLEMENTAL ESTIMATES OMB SUBMISSION

Salaries and expenses

Appropriation: Salaries and Expenses, PL: 98-411.

Appropriation Requested to Date: $1,266,830,000; request: $173,421,000.

Amended Appropriation Requested: $1,440,251,000.

Purpose and Need for Supplemental Funds

Emergency Security Protection for U.S. Personnel and Missions

The suicide vehicle bombing attempt against our embassy annex in Beirut on September 20, 1984, the fourth such attack against U.S. facilities in the Middle East within the last eighteen months, underscores once again the vulnerability of U.S. personnel and facilities overseas to determined terrorist attack. This incident confirms the serious recent escalation in the security threat to our operations in the world in general and in the Middle East in particular. While the Department of State has long considered physical security to be a high priority, we will always be at a disadvantage, especially when fanatical adversaries are involved because the very nature of the threat places us on the defensive.

In the face of this situation, the Department has taken several actions to protect against future instances of terrorist attack. In the short term, all posts have surveyed their physical vulnerability to vehicle penetration, and have taken actions to increase their security. These include such measures as requesting host governments to restrict traffic and provide additional guards, and installing anti-ram devices, vehicle barriers and strengthening perimeter walls, fences and gates. We believe that, given a significant increase in both the Department's physical security and anti-terrorism program and its equally important security-related research and development efforts, we can do much to increase the level of overall security against known and projected terrorist threats.

Within this request are a number of programs that meet these goals. In the area of physical security and anti-terrorist programs, we propose to improve physical security at seventy of our most threatened posts through such measures as enhancing perimeter barriers by installing walls, fences, lighting, vehicle arrest barriers, guard booths, ballistics and forced entry-resistant doors, bollards and earth berms. Funds are also requested for Public Access Control (PAC) projects at ten of our posts which currently lack such a protection.

Vehicles continue to be a serious concern. For the past decade, the Department has not been able to fund the armored vehicle program adequately. At a minimum, every Ambassador and Consul General, at a high threat post, should be provided with a fully armored vehicle, and all motor pool vehicles at high-threat posts should be at least lightly armored to provide ballistics protection. This request includes a significant augmentation of our armored vehicle program to assist in attaining these goals.

Experience has shown that reliable communications is a necessity in crisis situations. Our recently developed tactical satellite communications systems has demonstrated its versatility and usefulness. The unit currently in Beirut remained operational after the recent bombing attempt and provided continuous secure communications between the crisis management team in

Washington and the post. We are requesting an expansion of this program to include a number of other high-threat posts. The need for both voice privacy and hand-held radio communications at post is also increasingly apparent, and we are providing additional posts with these capabilities in the request.

In order to install, maintain and operate the systems included in this request, we are requesting additional Seabees, Marine Security Guards, Regional Security Officers, and other necessary personnel and administrative support. Other initiatives incorporated in this package include expanded training for overseas and professional security personnel, an enhanced reaction capability to terrorist and security incidents and improved testing of Emergency Action Plans as joint training exercises involving military commands as well as other foreign affairs agencies.

Of equal importance with these short-term program augmentations is an additional area included in this request. To provide us with every possible advantage against terrorist attacks, it is vital that the Department do all that it can in the area of the research and development of security-related technology. The physical security needs of an embassy are truly unique. Few other U.S. Government facilities combine the need to be accessible to the legitimate public while being located in areas outside the boundaries of the U.S. where the terrorist and security-related threat levels can be as high as they are and will continue to be into the foreseeable future. We cannot rely on other agencies or organizations to provide us with this state-of-the-art technology, as to a certain extent we were able to do in the past. It is vital that the Department build on the initiatives that it has started through such areas as the Security Enhancement and Counter-Terrorism programs to expand dramatically our research and development efforts. We need imaginative and timely innovations in a host of areas to regain the initiative against terrorism and begin to anticipate successfully what the next specific threats will be. We are proposing a number of such programs directly related to the security requirements of our overseas activities. These include areas such as advanced ballistics and forced entry materials, electronic countermeasures and improved vehicle armoring.

APPROPRIATION LANGUAGE

Salaries and expenses

For an additional amount for the Department of State's "Salaries and Expenses," $173,421,000 of which, $135,782,000 is to remain available until September 30, 1986.

FISCAL YEAR 1985 SECURITY SUPPLEMENTAL—SUMMARY OF INCREASES

[Dollars in thousands]

	Positions	Amount
Overseas operations:		
Regional security office positions and support:		
Beirut	3	$410
Abu Dhabi	1	113
Tegucigalpa and San Salvador	5	623
N'Djamena	1	135
Lusaka	2	246
Manama	2	246
Harare	1	135
Athens	1	129
Lagos	1	129
San Jose	2	240
Accra	1	135
La Paz	2	246
Geneva	1	129
Overseas special protective officers	14	1,820

FISCAL YEAR 1985 SECURITY SUPPLEMENTAL—SUMMARY OF INCREASES—Continued

[Dollars in thousands]

	Positions	Amount
Emergency response personnel	14	2,490
Subtotal, RSO positions and support	51	7,226
Overseas physical security program:		
Perimeter barrier improvements	9	40,478
Internal physical security systems for short-term leased office buildings	3	11,986
Overseas physical security information management system	3	1,763
Computer-assisted marine security guard control booth systems		1,500
Subtotal, Overseas Physical Security Program	15	55,727
Overseas engineering offices	15	3,280
Additonal Seabees: Pay, allowances, and travel		4,280
Armored vehicle programs:		
Fully armored vehicle procurement and support		16,500
Light armored vehicles, ballistic material procurement and installation		3,124
Research and development: Modified fully armored vehicle prototype and locator system		600
Subtotal, armored vehicle programs		20,224
Marine Security Guard Program:		
Additional Marine security guard personnel		12,534
Marine Guard vehicles for existing detachments		780
Subtotal, Marine security guard program		13,314
Special protective equipment program:		
Ammunition		630
Special protective equipment		300
Shipment of ammunition and special protective equipment		558
Subtotal, special protective equipment program		1,488
Research and development program in support of overseas operations:		
Physical security barriers and materials research and development	5	5,627
Classified research and development program	15	17,225
Subtotal, research and development program	20	22,852
Overseas security coordination	3	110
Total, overseas operations	104	128,501
Threat analysis operations:		
Threat alert program	6	286
DESIST computer library	1	134
Total, threat analysis operations	7	420
Specialized security training:		
Mobile training team (MTT) and recorded security surveys program	17	1,987
Specialized security training support	4	695
Security engineering training	4	488
Total, specialized security training	25	3,170
Total, Office of Security	136	132,091

FISCAL YEAR 1985 SECURITY SUPPLEMENTAL ESTIMATES

Salaries and expenses justification

Office of Security Requirements—136 positions and $132,091,000.

Overseas Operations, 104 positions (American) and $128,501,000.

Regional Security Office Positions and Support, 51 positions (American) and $7,226,000:

With the alarming increase in terrorist activities abroad, greater demands have been placed on our Regional Security Officers (RSO). In some areas of the world, we do not have security officers assigned to high threat posts. In other areas, the security officer's geographic responsibilities extend over too large an area. This arrangement makes it impractical to provide an adequate level of security services to both resident and constituent posts, particularly when concurrent crises develop.

The additional regional security office positions will enable us 1) to assign RSOs at our high threat posts; 2) to trim the number of posts that individual RSOs cover, which will allow for more responsive and meaningful support in the areas of personnel protection, crisis management planning, liaison with host governments and physical security upgrading of facilities; and 3) to assign protective security officers to selected posts to improve continual control and training of foreign national bodyguards and building security guard forces. These additional regional security office positions are supported by the regional bureaus, the Inspector General's Office and the regional-based Associate Directors for Security (ADS).

The justification for each of the additional positions follows.

Beirut, 3 positions (American) and $410,000. The immense protective security requirements generated by the conflict in Lebanon have required the Department to augment the three-officer Beirut Regional Security Office with three TDY protective officers, two of whom have been from another agency since 1981. The other agency, however, has recently advised that it can no longer guarantee availability of personnel for this function. Inasmuch as these agents are part of the Ambassador's protective security detail, it is imperative that two positions be provided as replacements. In addition, a physical security officer position should be established to oversee the post's extensive physical security programs. The request includes $110,000 for salaries and benefits and $300,000 for travel, allowances, post assignment travel and other support costs.

Abu Dhabi, 1 position (American) and $113,000. The current political and security climate in the Gulf requires the establishment of an additional regional security office. The regional security office in Abu Dhabi, which will also cover Muscat and Qatar, will require a secretarial support position. This request includes $17,000 for salaries and benefits and $96,000 for travel, allowances, post assignment travel and other support costs.

Tegucigalpa and San Salvador, 5 Positions (Americans) and $623,000. Because of the high threat status of our posts in San Salvador and Tegucigalpa, each of their security offices have been supplemented by two special protective agents provided by another U.S. Government agency. This arrangement was established due to lack of Departmental personnel resources and to provide training to another agency. This agency has advised us that its training requirements have been fulfilled and due to changing priorities, it can no longer guarantee availability of personnel for the program. Since these agents form an integral part of the Ambassadors' protective security details, four security officer positions are requested as replacements. The requested funds will also provide for a support position for Tegucigalpa.

N'Djamena, 1 position (American) and $135,000. Chad has been in a state of civil war for much of its 22 years of independence. The threat to Americans at post range from getting caught in future terrorist attacks against the Government of Chad to a direct threat from Libyan-backed terrorists. Because of the precarious security situation, our embassy in Chad was assigned a detachment of Marines in May 1984. The funding requested would permit staffing of an RSO to manage the posts security programs.

Lusaka, 2 positions (Americans) and $246,000. Zambia's deteriorating economy has resulted in increases in armed robbery and other forms of criminal violence. The establishment of an RSO position in Lusaka would enable the RSO in Dar es Salaam (which now covers Zambia) to attend the security concerns of this resident and constituent posts. Requested funding would permit staffing of an RSO and a support position.

Manama, 2 positions (Americans) and $246,000. As a result of the ongoing war between Iran and Iraq, the political situation in all states along the Persian Gulf has been adversely affected. With Manama's strategic position on the Gulf and its long established U.S. presence, our personnel there are especially vulnerable. There is also a large Shia Muslim population whose loyalty to the present government is questionable. Currently the RSO Kuwait provides security services to Manama; however, because of the bombing in Kuwait and ongoing political problems throughout the region, he cannot provide adequate coverage. The post is also to be provided a six-man Marine Security Guard detachment which requires professional supervision. RSO Manama would cover Manama and Doha. The requested funds will provide for the establishment of one resident, full-time RSO position and a support position.

Harare, 1 position (American) and $135,000. With the independence of Zimbabwe and establishment of diplomatic relations in 1980, a new embassy was opened in Harare. Political tensions and increasing crime in the country require the establishment of a resident security officer position. In the wake of independence, we have seen increases in armed strife, politically-inspired kidnappings (including of American citizens) and a general degraduation of law and order in the country. The RSO position in Harare would handle one or more additional posts to relieve RSO Pretoria's workload in the Southern tier of Africa.

Athens, 1 position (American) and $129,000. The potential for terrorist (both indigenous and international) operations directed against U.S. personnel/installations, in Greece is very high. Since the assassination of Richard Welch in 1975, Athens, has witnessed 15 political murders. Besides Welch, U.S. Navy Captain George Tsantes was murdered in Athens in November 1983, and U.S. Army Master Sergeant Robert Judd barely escaped assassination in April 1984. All these attacks were carried out by an indigenous group which is violently anti-U.S./anti-NATO. The most conspicuous form of terrorism directed against U.S. interests in Greece has been firebombing. Since 1974, there have been over 300 bombings (the majority being U.S. military vehicles); carried out by various indigenous leftwing groups. Another area of security concern for U.S. interests in Greece could arise over developments in U.S. policy that may be interpreted as inimical to Greek interests (e.g. Cyprus). Internationally, Greece is the crossroads between the Middle East and Europe. Since 86% of all Palestinian attacks occur in Europe, and given the political climate in Beirut, Athens has become a support base for many of these groups. Of the 15 political murders carried out in Greece, nine have been a result of internecine fighting among the various Palestinian groups and/or state-directed terrorism (e.g. Syria, Jordan, Israel). Though Americans have not yet been targeted by these groups in Greece, their presence in country (50,000 Arabs in Athens alone) poses a serious security concern for U.S. personnel and installations. The requested funding would permit augmentation of the regional security office with an assistant RSO.

Lagos, 1 position (American) and $129,000. Rapid economic growth and the unsettled internal political situation of the country have created many problems, the most immediate and serious being crimes of violence. While the majority of victims are Nigerians, the large community of foreign nationals, including Americans, are also being affected by these crimes. Between September and November 1983, the U.S. Embassy in Lagos reported that diplomatic missions and the expatriate community in Lagos had reported a serious increase in crime against non-Nigerians with over 20 incidents of murder, armed car theft, burglary, armed robbery and rape. The problem is exacerbated by the poorly trained and equipped police departments and their unsuccessful attempts to combat the problem. The inability of the Government of Nigeria, to deal with the rampant corruption and economic malaise affecting the country led the military in December 1983 to assume control of the country in a coup. The coup marks the fifth time that the military has seized power since independence in 1960. It remains to be seen if the military government can do a better job of running the country. Until there are substantial improvements in the economic, social and political conditions in the country, the most serious threat to Americans in Nigeria and particularly in Lagos will be violent crime. The funding would permit augmentation of the RSO office with an assistant RSO.

San Jose, 2 positions (Americans) and $240,000. Our embassy and diplomats are very attractive terrorist targets. There is no professional military/police force in the country which can provide the protection we feel we need. As a consequence, the embassy has begun to upgrade its security posture. A new office building is scheduled for construction in FY 1985 and FY 1986 and an enhanced protective security program for the Ambassador is being developed. An assistant RSO position is needed to work with the wide range of programs to accelerate the tightening of the post's security posture. The required funds will also provide for a support position.

Accra, 1 position (American) and $135,000. The 1979 coup in Ghana resulted in political instability and a worsening economic situation in that country. U.S. Government facilities and personnel are spread throughout the capital, making security operations more difficult to implement. Professional security services are presently provided by the Regional Security Officer in Abidjan. In view of the embassy's overall size and scope of operations, coupled with the worsening security situation, a RSO position in Accra is required to provide an appropriate level of direct security support.

La Paz, 2 positions (Americans) and $246,000. The worsening political and economic conditions in Bolivia, coupled with local resistance to U.S.-sponsored narcotics eradication, has caused a definable increase to the security threat directed against the mission and its personnel. There have been several serious threats against the Ambassador, two Consular Agent offices have been bombed and a Binational Center has been ransacked. Most recently, an attempt was made to bomb the Ambassador's residence. The embassy has also been the target of several recent violent demonstrations. A security officer position and a support position are requested for La Paz to enable us to establish a security program which meets the needs of the post.

Geneva, 1 position (American) and $129,000. There is a critical need for the services of an assistant RSO in Geneva. The current staff of one RSO, one full-time secretary and one part-time foreign national security assistant is inadequate for the heavy daily operational requirements of U.S. Mission Geneva. The additional responsibilities associated with the four ongoing disarmament conferences, eight U.S. ambassadors and several classified conferences per month in Switzerland, usually absorb this staff's attention and force lengthy delays in routine security-related activities.

Overseas Special Protective Officers, 14 positions (Americans) and $1,820,000. During the past two years, Office of Security requirements to provide permanent protective security details, utilizing Security Officers for the personal protection of principal officers assigned to high threat posts, have more than doubled. The Office of Security has been forced to supplement its limited personnel resources to staff these growing protective requirements with special ninety-day rotational TDY personnel from other government agencies. This practice has proved highly undesirable, unmanageable, expensive and impractical.

Emergency Response Personnel, 14 positions (American) and $2,490,000. Overseas missions cannot afford to accept gaps in security officer coverage caused by emergencies and personnel transfers and/or home leaves. The presence of a full time professional security officer is required. The funds requested will provide for the establishment of nine security officers and one support position to provide needed coverage during emergencies, assignment gaps, home leaves, R&R periods and to also assist security officers in alleviating work loads caused by extraordinary circumstances. We cannot continue to absorb these needs in a rational fashion without these resources. Four security positions are also requested to support the Associate Directors of Security in Panama, Manila, Nairobi and Frankfort. The four officers will provide continuity in the ADS office while the ADS is traveling. It is also critical to support the ADS regionwide responsibility for emergency planning, coordination with the U.S. military commands regarding evacuation of personnel, sensitive investigations and other related tasks.

Overseas Physical Security Program, 15 positions (Americans) and $55,727,000:

A description of the Department's physical security program requirements follows below. There is no centrally-managed base to support these programs.

Perimeter Barrier Improvements, 9 positions (American) and $40,478,000. These funds are for the purchase, shipment, installation and construction of perimeter upgrade equipment and systems (i.e., vehicle arrest barriers, walls, fences, lighting, guard booths, ballistic transparencies, ballistic and forced entry doors, bollards, earth berms, etc.) at 70 of the 167 foreign service posts requiring these improvements. This request also includes the cost of contract engineers and architects to assist in the design, development and installation of these perimeter security systems. In addition, this request includes nine physical security officer positions (salary and support costs—$678,000). These posts have varying degrees of perimeter protection and the direct-hire personnel would be supported by a contract engineer and where applicable a contract architect.

Internal Physical Security Systems For Short-term Leased Office Buildings, 3 positions (Americans) and $11,986,000. Approximately 50 short-term leased office buildings worldwide have not received the required internal public access control improvements. The Office of Security can complete internal physical security improvements at 10 short-term leased posts during FY 1985 and

FY 1986. These funds will provide these posts with the minimum level of physical security protection. Funds will provide for the procurement, shipping and contract design and installation of technical security equipment (such as closed circuit television systems, walk through metal detectors, access denial systems and alarm systems) and ballistic materials (such as forced entry transparent/opaque doors, walls and windows) for internal improvements.

The requested funds are also to provide for three direct-hire personnel (salary and support—$377,000) to survey and identify security improvements for 115 posts that were not covered by the SPL and European Supplemental PAC/Upgrade programs. This effort requires development of the improvements, review of plans and drawings, identification of necessary equipment, hardware, etc., and tracking the projects through completion.

Overseas Physical Security Management System, 3 positions (Americans) and $1,763,000. Funds would provide for the development and operation of a physical security survey data base located in Washington, D.C. There is no base for this program. This data base would automate and expand upon the Region Security Officers' post surveys. There is no central management information system to produce a total post profile instantaneously. The requested funds would provide for a VS minicomputer, stand-alone systems for each RSO, telecommunication links, line charges and space. In addition, three positions would be established to support this system. These positions include a system manager, one data entry person and one research officer. This staff would 1) design and implement a data base and computerized network to provide immediate Department-wide access to post survey information; 2) obtain materials, products and technology required to implement the data base base; 3) maintain the data base; 4) track and profile the security status of all embassies, chanceries, annexes and other protected overseas State Department establishments which are the responsibility of the Office of Security; and 5) collect, corroborate, research and coordinate information from all offices which support the security at overseas posts. This program will also include funds to contract physical security recorded surveys of chanceries, annexes and residences at all high threat posts. This will include Omnivision video recordings of specially selected high threat posts. These video surveys will improve the Office of Security's ability to provide information in responding to emergencies.

Computer-Assisted Marine Security Guard Control Booth Systems and $1,500,000. The development of this program is a mandatory step in upgrading security systems at our larger missions overseas. The improved PAC/security systems installed at these facilities must be monitored efficiently by our Marine Security Guards. At some of our larger embassies, one Marine Guard in the main control booth must simultaneously: 1) survey the entrance lobby; 2) operate/monitor up to twelve CCTV systems; 3) monitor/activate access controls; 4) monitor/control radio nets; 5) direct visitors; 6) log entries and exits; 7) control packages and deliveries; 8) check alarms; 9) telephone/receptionist duties; 10) operate and monitor walk through metal detector; 11) issue keys; 12) operate Selectone warning system; and 13) monitor Ambassador's vehicle emergency alarm.

The extensive security systems, installed to protect our people abroad, have come to overburden the Marine at the main control booth. Computer security systems allow one person to monitor and record events on multiple systems efficiently. The funds requested would provide for the purchase and installation of 10 computer-assisted systems in fiscal year 1985 and fiscal year 1986. The following posts have been identified to receive these systems: London, Paris, Bonn, Moscow, Rome, Tel Aviv, Jerusalem, Jidda, Tokyo, and Beijing. The estimated cost for each system is $150,000 (includes procurement, shipping and installation). A five year program is anticipated to install the systems at 50 large and medium size posts. Total cost of the five-year program, therefore, will be $7,500,000.

Overseas Engineering Offices, 15 positions (American) and $3,280,000.

Overseas security engineering operations must be reinforced. Most of these security engineering officers will work out of our regional centers in Frankfurt, Athens, Panama, Nairobi, Manila and Casablanca as well as specific posts such as Moscow. They will evaluate and develop security engineering needs; plan and participate in programs to install equipment; as well as manage maintenance of equipment such as closed circuit television systems and electronic alarm devices. The requested funds also provide for tools and equipment for the additional positions.

Additional Seabees: Pay, Allowances and Travel, $4,280,000:

The Office of Security provides Seabee personnel for building construction, maintenance and repair, and for construction surveillance of secure and sensitive areas in U.S. Diplomatic Missions overseas. The present complement of 94 Seabees is inadequate. The base for the 94 Seabees is $3,726,000. Our projected workload requires 50 additional TDY Seabees. The salary and support costs for these additional Seabees, $4,280,000, are broken down as follows:

50 Seabee Enlisted Personnel (Grades E5-E7	$1,568,000
23 percent Surcharge (enlisted personnel)	361,000
33 percent Retirement Accrual Rate Cost	518,000
Travel	1,833,000
Total	4,280,000

Since these 50 additional Seabees will be assigned to the TDY pool, they will be in travel status the entire fiscal year. The travel costs for these additional Seabees are calculated on the basis that each will make three round trips during the year. The estimated costs of airfare for each of these trips is $2,000.00. An average of $80.00 is used to compute per diem costs for the year. A 10 percent factor is also applied to account for emergency travel and airfare/per diem increases. The total estimated travel cost for the additional complement of 50 Seabees is $1,833,000.

Armored Vehicle Programs, $20,224,000:

The base for armored vehicles is $1,500,000. Spending plans are as follows: $500,000 for fully armored leased vehicle contract (30 vehicles in Europe); $400,000 for the light armoring contract (40 new vehicles assigned to Europe); $200,000 for replacement of purchased fully armored vehicles; $200,000 for light armoring kits (field installed by Seabees in Europe); $100,000 for spare parts; and $100,000 for travel and shipping. There are no funds to meet worldwide requirements. A breakdown of these additional requirements follows.

Fully Armored Vehicle Procurement and Support, $16,500,000. The Department currently owns 61 fully armored vehicles (FAVs) which are deployed at high threat posts around the world for Chiefs of Mission. All of these vehicles were procured under the Security Supplemental and Security Enhancement programs. The requested funds will enable us to provide fully armored vehicles for 1) every Ambassador and Consul General at all Category I threat level posts; 2) emergency use purposes, placement of 5 FAVs in each geographic area; and 3) program recurring replacement requirements. A total of 120 FAVs are needed at a procurement cost of $15,000,000, plus $1,500,000 for parts and contract maintenance.

Light Armored Vehicles, Ballistic Material Procurement and Installation, $3,124,000. In order to light armor all of the approximately 403 motor pool vehicles at all Category I and Category II (high) threat level posts, $3,124,000 is required for polycarbonate and aluminum armor procurement and installation costs.

Research and Development: Modified Fully Armored Vehicle Prototype and Locator System, $600,000. In order to identify and provide specifications for a vehicle with the appropriate design and load bearing capability to successfully be modified as an FAV for service under rigorous field conditions a two-year R&D allotment of $250,000 is requested. In addition, in an effort to develop an advanced vehicular alarm and satellite-assisted locator system for the protection of COM vehicles in kidnap/attack scenarios, a two-year R&D allotment of $350,000 is requested.

Marine Security Guard Program, $13,314,000:

Additional Marine Security Guard Personnel, $12,534,000. As a result of the upsurge in terrorist acts directed against our missions abroad and the need to provide greater security against surreptitious entry of our embassies and consulates, an increase of 307 enlisted Marine Security Guards and three officers is requested. These additional Marines would be used to establish 45 detachments. The requested funds will provide start-up and second-year support costs for each new Marine. These costs include housing, utilities, furniture, maintenance, allowances, rotational travel, vehicles and foreign service orientation and security awareness training for NCOIC spouses.

Marine Guard Vehicles for Existing Detachments, $780,000. The Department procured 72 emergency reaction vehicles on a one-time authorization by Congress in 1974. Because of insufficient funds, 52 posts did not receive Marine reaction vehicles. There is no base to equip these 52 detachments with emergency vehicles. MSG-dedicated reaction vehicles provide emergency response capability and serve the administrative needs of the detachment. The total estimated cost for purchasing and shipping for 52 vehicles is $780,000.

Special Protective Equipment Program, $1,488,000:

This $650,000 base program provides for the procurement and shipping of ammunition, protective apparel, tear gas, weapons and other accessories in support of our overseas program.

Ammunition, $630,000. The Department provides ammunition for the semi-annual training of 400 American security officers, 1,560 Marine Security Guards and approximately 4,000 armed contract guards. These security personnel qualify with their SY-

issued revolvers and support weapons (shotguns, submachineguns and modified automatic rifles).

The annual base for the procurement of ammunition is $250,000. The total requirement for ammunition in FY 1985 and FY 1986 is $1,130,000—$630,000 over the base funds available during these two fiscal years. The increase based on (1) 5,650 personnel firing a qualification round with each weapon (total of 200 rounds at $.25) twice a year and (2) $100,000 to provide for rapid deployment of ammunition in emergency situations.

Special Protective Equipment, $300,000. The base for the purchase of special protective equipment, such as weapons, holsters, cleaning kits, speed loaders, bullet proof vests, handcuffs and other support equipment, is $250,000. The Department's current worldwide inventory of this equipment is 5,000 weapons. The estimated replacement life is five years. At an average cost of $300.00 per weapon, the Department uses the entire base to replace weapons each year. As MSG and foreign national guard forces expand and the use of SY officers on protective details increases, additional protective equipment will be required. The requested funds will permit us to support these additional requirements.

Shipment of Ammunition and Special Protective Equipment, $558,000. Due to the extreme weight of the ammunition and special protective equipment shipments, the requirement that the equipment be shipped via secure channels (DOD storage and shipment) and the fact that most cases these items cannot be shipped via most direct route, the costs are higher than shipping general equipment. In fact, the shipping costs approach 30% of the purchase costs. Available base budget funds of $150,000 will allow for shipment of only those items purchased with the currently available $500,000 base for ammunition and special protective equipment. In order to ship the $930,000 of additional ammunition and weapons in FY 1985 and 1986, an increase of $558,000 is requested.

Research and Development Program in Support of Overseas Operations, 20 positions (American) and $22,852,000:

Physical Security Barriers, Materials Research and Development, 5 positions, $5,627,000. The Office of Security has very limited in-house testing and evaluating capabilities to investigate or design new physical security products. To correct this deficiency, funds are requested to contract outside testing and development firms to fabricate new physical security products. The major thrust will be to identify and develop new, reliable vehicular arrest barriers, active and static barriers, ballistic resistant walls, anti-ram fencing, systems to defeat rocket propelled grenades, missiles and other ballistic/explosive attacks. The requested funds would also provide for training of personnel assigned to the Physical Security Division and the testing and evaluation of products to be used in our security systems.

This program also calls for four direct-hire program managers and one EOD specialist (salary and support—$227,000). The research and development to be conducted by private contract firms but supervised by our personnel. They will search for solutions to the vehicular arrest problem, active and static barriers, walls and fencing; develop systems to defeat rocket propelled grenades, other missiles and ballistic attacks; and develop methods to reduce the injury due to flying glass or shrapnel, masonry and metallic. they will oversee a testing program to qualify the developed methods and products. They will also examine possible access denial and public access control systems for the department and its annexes.

The Department's physical security program needs an explosives specialist to develop and assist in the implementation of policy, guidance and explosives security standards for the design of new office buildings and upgraded security systems. These functions coordinating security input into planning and designing bomb-attenuation systems for our buildings, working closely with manufacturers of new bomb countermeasures equipment and ensuring that the Department receives the highest quality equipment. This individual would also be a member of the standing bomb investigation team, which consists of senior experts of the Department and other agencies who investigate bombing incidents against the Department's facilities abroad.

Classified Research and Development Program, 15 positions (American), $17,225,000. In order to counter the expanding threat of technical penetrations, a research and development program must be established. The intent of this program would be stay abreast with current engineering and research developments in the areas of acoustics, electronic and optical transmissions and receptions as they apply to the Embassy's unique situation.

Eleven security engineers are needed to start up a research and development division. In order to meet programmed requirements levied on the Office of Security we must have a research and development effort. We find that domestic vendors are not keeping pace with the rapid pace of technological developments available. In addition, we find unique situations in the more than 150 countries where we have posts. The application of new concepts and materials to strengthen the security of diplomatic mission is imperative. Their development, procurement, application analysis, and transportation to overseas posts is a major endeavor. Four technical and clerical support personnel are needed to satisfy this R&D program.

Overseas Security Coordination, 3 positions (American), $110,000:

The funds requested will provide for two security officer and one clerical positions to coordinate with the foreign affairs and other agencies (CIA, DIA, NSA, USIA, AID, AGR, COM, Justice) regarding overseas security policies and programs. We must also satisfy the taskings from a growing number of interagency committees. The Department is responsible for the security of all USG operations and personnel represented overseas. The Department chairs the Overseas Security Policy Group. These positions will be dedicated to work with each of the agencies on major policy issues affecting every foreign service employee overseas. Examples are residential security, fully and lightly armored vehicles, security awareness training, as well as standard operating procedures for the destruction of classified material.

Threat Analysis Operations, 7 positions (American) and $420,000:

Threat Alert Program, 6 Positions (American), $286,000:

The Office of Security's Threat Analysis Group (TAG) provides tactical analysis for the protection of the Secretary and foreign dignataries, as well as our personnel and facilities overseas. It is not adequately staffed to respond to the real time demands for analysis and recommendations relative to terrorist threats, mob violence and crime. TAG needs six additional positions—two analyst/writers, two research assistants and two support personnel. The additional positions will enable TAG (1) to conduct threat analyses and to prepare threat alerts in a timely manner; (2) to prepare after action reports lessons learned and annual trend projections; and (3) maintain a terrorism/threat profile information base. The requested funds also provide for modification of the office to acommodate the new TAG positions and support equipment.

DESIST Computer Li-brary, 1 position and $134,000:

DESIST is an inter-agency computer library which contains worldwide terrorism information. There is an urgent need for the Office of Counter Terrorism and Emergency Planning (M/CTP) to become part of this system as soon as possible. M/CPT will contribute information on host governments' terrorism policies and responses. At the same time, M/CPT will gain valuable terrorism information provided by other agencies. This is an important means of ensuring that the data used by M/CTP and the U.S. Intelligence Community to prevent or respond to terrorist attacks are complete and current. This request consists of $108,000 for equipment and construction costs, $21,000 in salaries and benefits for a computer analyst, and $5,000 for staff support.

Specialized Security Training, 25 positions (American), $3,170,000:

Mobile Training Team (MTT), 17 positions (American), $1,987,000:

In order to provide security and counterterrorism training for USG employees and their families and specialized security training for contract and host government personnel assigned to protect U.S. government personnel and property, a mobile security training team program should be established. It is envisioned that five three-person MTT teams should be established to provide for annual visits to all high threat posts in order to provide training in the following areas: protective operations; recognition of improvised explosive devices; firearms; offensive and defensive driving; defensive tactics; personal security briefings; surveillance detection; etc. The positions include 16 instructors and one 1 secretary. Operational costs includes furniture, word processing, travel, per diem, equipment, contract audio visual production, and team training.

Specialized Security Training Support, 4 positions (American), $695,000:

The Education and Training Staff is fully encumbered with ongoing training programs. The projected increase of RSO, Seabee and Marine Security Guard positions, and the increased thrust of specialized security and counterterrorist training will require 4 additional positions (salary and support—$168,000). In an effort to increase the professionalism of our overseas security officers, these positions will enable us to improve the security training. These officers would be responsible for the development and coordination of the Office of Security's existing training programs for new agents, RSOs, MSGs, and all Foreign Service personnel security orientation. The training funds will also provide travel, per diem and weapons range equipment for approximately 50 additional RSO officers.

Security Engineering Training, 4 positions (American), $488,000:

The four security engineer positions (salary and support—$488,000) will enable the Department to provide orientation and in-depth training in audio countermeasures and technical equipment repair and maintenance to security officers, security engineers and foreign service personnel. These additional positions will augment the one engineer who is currently attempting to provide this training.

FISCAL YEAR 1985 SECURITY SUPPLEMENTAL SUMMARY OF INCREASES

[Dollars in thousands]

	Positions	Amount
Overseas communications support:		
TACSAT systems	10	$13,163
Radio Support Program	5	9,220
Communications costs related to the FBO initiatives		9,040
Total communications	15	31,423

Office of Communications Requirements—15 positions and $31,423,000:

Overseas Communications Support, 15 positions (Americans) and $31,423,000:

TACSAT Systems, 10 positions (Americans) and $13,163,000:

Although the bombing of our Embassy in Beirut caused serious damage and temporary loss of our regular communications facility, reliable secure communications with the post were never interrupted. We credit this accomplishment to the TACSAT system, which we have had deployed on-site at Beirut for the past year. The lesson we have learned from this tragedy is the value to emergency communications support of pre-positioned tactical satellite systems. In order to improve our security related communications posture worldwide, the Department proposes to procure and position an additional 25 such systems; one to be placed at each of the 20 most highly threatened posts, and 1 system at each of the five Regional Offices of Communications. The current inventory of 4 systems (8 units—2 units per system) includes the one system dedicated to Beirut. The other three systems have been in constant use throughout the past year. The 1985 budget includes funds for procurement of an additional 4 systems (8 units). Therefore, without this supplemental, the Department's total TACSAT resource for 1985 will be 8 systems, which is far fewer than required to provide adequate worldwide emergency communications support. Including those systems required at the receiving end in the Department, the total number of systems required is 33.

In addition to equipment procurement, a key element in ensuring the availability of TACSAT support for our personnel is the dedicated lease of the "space segment," or satellite channels over which the TACSAT operates. Currently such channels are provided to the Department on an ad-hoc basis through the Department of Defense. The negotiations required to establish such borrowed channels can delay the establishment of the communications link a delay which may ultimately have tragic repercussions. Four channels are required to cover the world, at a per channel cost of $1.75 million. The Department's main Communications Center will act as the network control base for this worldwide TACSAT system.

The costs of providing this level of TACSAT support total $13,162,750 and 10 positions: $11,520,750 for the program (including satellite channel lease); $840,000 for contract support, $587,000 for position support and $215,000 for salaries. Program costs include: 25 fully redundant systems, 1 system to be placed at each of the five ROCs (Regional Office of Communications) and 1 system to be placed at each of the 20 highest threat posts, $4,275,000; a satellite lease of 4 segments, one for each region, $7,000,000 each year; travel $158,000, OPR/ST warehousing $87,750.

The additional 10 positions requested to support this effort are as follows: 1 Crisis Operations Officer, FP-4; 3 TACSAT Network Controllers, FP-5; 1 Logistician, GS-10 and 5 Communications Electronics Officers—Radio, FP-4. In addition, this request includes $840,000 for contract support—which reflects the services of contract personnel for the first 6 months of the program while personnel are being hired. This approach will enable the Department to begin work on the program immediately upon receipt of funds, rather than delaying program implementation until personnel actions are completed.

Radio Support Program, 5 positions (Americans) and $9,220,000:

The Department must augment the inventory level and support base for the standard UHF/VHF radios used by the Department's security agents and guards, and provide voice privacy radio systems for the 50 most threatened posts worldwide.

The Department currently has an inventory of 10,000 UHF/VHF radios overseas, plus repeaters and other system elements. This inventory is supported by a FY 1984 base budget of $2,000,000, or 5% of inventory value. A base of $6,000,000 or 15% of inventory value is required to provide timely radio replacement and adequate support. The FY 1985 budget includes an additional $1,000,000 increase to the UHF/VHF radio support base, for a FY 1985 base of $3,000,000 (8% of inventory value), as part of a four year effort to bring he support base to the required level of $6,000,000. The first element of this request is to accelerate that increase form four years to two, by increasing the $3,000,000 FY 1985 base by an additional $1,500,000 for a total FY 1985 UHF/VHF radio support base of $4,500,000 and an FY 1986 base of $6,000,000.

The second element of this request is directly related to the proposed increase in security positions. Of that request, 105 positions will require dedicated use of a UHF/VHF radio. However, the Department has no funds to augment its radio inventory. We must, therefore, request an increase in funds in order to provide these new radios. At $2,000 per radio, plus 15% for spares, support, shipping, etc., the security personnel related radio increase total $241,500.

The third element of this request is an acceleration of the voice privacy radio program included in the FY 1986 budget request. This program will supplement the regular radio program with a protected channel on a separate radio system for use by the Ambassador, Deputy Chief of Mission, Marine Service Guards and Security Officers. Protection is provided by scrambling the message being sent: only those persons with the proper decoder can receive the information being transmitted. There is no base fund for the procurement of such systems. This request will enable the Department to procure and deploy 50 voice privacy radio systems in FY 1985, at a total cost of $6,025,000.

In addition to the procurement of radios, this program includes a request for $625,000 to provide regional depot maintenance for overseas radios. This represents a new initiative for the Department. Until now, all maintenance and logistics has been centralized in Washington, with limited field support from the Regional Offices of Communications. This increase will enable us to decentralize the support function, which will result in more timely and cost-effective radio support service. There will be 5 regional centers, one at each Regional Office of Communication. Each regional depot will cost $125,000, which will include locally hired contract personnel, depot and stock supplies, and limited facilites renovations required to provide secure storage and work areas.

A total of 5 positions, and six months' service of contract personnel are requested within this item, at a total cost of $828,000 ($490,000 for position support, $118,000 for salaries, and $220,000 for contractor support). The personnel requested within this item will support both the regular and the voice privacy radio systems. The positions include 5 Communications Electronics Officers—Radio (FP-4) to be located at each of the 5 Regional Offices of Communications. Current workload analyses indicate the Department is already suffering from personnel deficits in the radio maintenance and logistics areas, and cannot absorb the additional workload which will be required to support this supplemental increase.

Communications Costs Related to the FBO Initiatives, $9,040,000:

The Department is requesting funds for construction of embassies at 10 locations, each of which will require additional funding for communications equipment and enclosures. Per post communications operating equipment averages $904,000—which includes automated terminal equipment, classified information handling system, enclosure, secure phone installation, and telephone key systems. It will not be possible for the Department to absorb the communications equipment portion of the FBO initiatives within its base programs.

FISCAL YEAR SUPPLEMENTAL SUMMARY OF INCREASES

[Dollars in thousands]

	Positions	Amount
Emergency, planning, management and exercises:		
Emergency management exercises	9	$1,283
Office of Counter Terrorism and Emergency Planning Terrorism Incident Management	3	106
Total, emergency planning, management and exercises	12	1,389

M/CTP Requirements—12 positions and $1,389,000:

Emergency Planning, Management and Exercises, 12 positions (American) and $1,389,000:

Emergency Management Exercises, 9 positions (American) and $1,283,000:

In cooperation with all foreign affairs agencies and military commands, the Department of State has initiated a program of overseas training exercises to assure that Emergency Action Plans for dealing with terrorist incidents and other types of emergencies are workable and up-to-date. These exercises intensively test the ability of a post to implement its Emergency Action Plan while undergoing a series of simulated crises. Participants have found the program to be highly effective in training personnel and in refining posts' emergency action plans and procedures. Until now, funding for these exercises came from the 1982 Security Supplemental and expired in FY 1984. This request provides for the creation

of an expanded, cost-effective global program that will reach every Foreign Service post within a two to three year cycle. The exercise program will now be a regular, ongoing part of the Department's comprehensive security program. This request consists of $900,000 for exercise travel and evaluation costs, $253,000 for salaries and benefits, and $130,000 for support costs (primarily space renovation and acquisition of secure word processors). The resources will be distributed between the following offices:

Office for Counter Terrorism and Emergency Planning (M/CTP), 8 positions and $1,243,000. The pilot project to develop the exercise program relied primarily on outside contractor involvement and one officer position within M/CTP. In order to carry out the program expansion, as well as to take responsibility for primary exercise development, maintenance and implementation, M/CTP will have to be augmented by one FO-02 and six FO-03 plans officers and one FS-05 secretary.

Office of Security, 1 position and $40,000. The Office of Security is responsible for reviewing and critiquing post emergency action plans, and participates in the emergency management exercises. In order to carry out these responsibilities effectively, one FP-02 security officer position is required. The additional position will enable the Office of Security to consolidate these critical functions within the responsibilities of a single officer.

Office of Counter Terrorism and Emergency Planning (M/CTP) Terrorism Incident Management, 3 positions and $106,000:

Four area officers and one secretary currently attempt to cover the entire world within the incident management section of M/CTP. The area officers are increasingly unable to keep abreast of terrorist activity, both because of the large geographic areas that they cover, and because they also each carry three or four functional responsibilities such as public affairs, intelligence liaison, consular liaison, and export controls. One additional geographic area officer, a congressional/public affairs officer and a secretary would permit more effective operations and provide better backstopping when regional officers are travelling or working on special projects. This request consists of $83,000 in salaries and benefits and $23,000 in support costs.

FISCAL YEAR 1985 SECURITY SUPPLEMENTAL SUMMARY OF INCREASES

[Dollars in thousands]

	Positions	Amount
Overseas security support:		
Office and warehouse space		$2,138
Building services personnel	4	157
Warehouse personnel	7	142
Dispatch Agency personnel	2	55
Procurement staffing	8	258
Automation of supply, transportation, and procurement	3	545
Motor vehicle program	2	2,163
Other administrative support:		
Financial management	10	330
Personnel management	4	127
Subtotal, administrative support	14	457
Total, overseas support	40	5,915
Physical security for main state:		
Shatter resistant film for windows for main state		280
Main state perimeter security upgrade		1,400
Main state lobby security upgrade		265
Access control systems		508
Security/emergency alarm system		150
Total, security for main state		2,603
Total, administration	40	8,518

Administration Requirements—40 positions and $8,518,000:

Overseas Security Support, 40 positions (Americans) and $5,915,000:

Office and warehouse space, $2,138,000:

This increase is to rent the additional office and warehouse space required to house the people and equipment requested to enhance the security or our overseas missions. The amount of office space has been calculated at 135 square feet per person. This increase includes $1,000,000 for 100,000 square feet of warehouse space, $638,000 for 25,500 square feet of office space, $200,000 for 24 hour guard service for two additional buildings, and $300,000 to set up the space (shelves, forklifts, files, etc) at the new warehouse space.

Building services personnel, four positions (Americans) and $157,000:

The General Services Division will require the following additional personnel to acquire, remodel and service the additional space requested above:

One Space Manager (GS-12);

Two Building Services Specialists (GS-11); and

One Clerk/Typist (GS-04).

The cost of these new positions will be $107,000 ($78,000 salaries and $29,000 for position support costs). New security measures to control access to the building will also require additional contractual receptionists at the entrances ($50,000).

Warehouse personnel, seven positions (Americans) and $142,000:

Current warehouse space to support Security and Communications is already taxed to capacity, handling the current level of programs. The delivery of another $50,000,000 to $75,000,000 of security and communications equipment for storage, staging and packing will dramatically increase the current workload. This workload will require the following additional 7 warehouse personnel staff for clerical and routine warehouse duties:

Five Warehousemen (WG-5);

One Supply Specialist (GS-09); and

One Supply Specialist (GS-12).

The cost of these new positions will be $142,000 ($101,000 salaries and $41,000 for position support costs).

Dispatch Agency personnel, two positions (Americans) and $55,000:

The workload on the Dispatch Agencies in Baltimore and Miami will increase substantially in handling the increased number of vehicles, security and communications equipment. One Traffic Management Specialist is required at each of the Baltimore and Miami Dispatch Agencies to handle increased shipping negotiations and special shipments arrangements. This estimate includes $35,000 for salaries and $20,000 for position support costs.

Procurement staffing, eight positions (Americans) and $258,000:

As requests in the FY 1985 and 1986 budgets reflect, the Office of Procurement is already understaffed to handle the current procurement workload properly. The procurement of equipment and supplies requested will nearly double the annual workload of the procurement office. To handle this increased workload the office of procurement will require the following 8 positions:

One Contract Administrator (GS-12);

One Price Analyst (GS-11);

Two Contract Officers (GS-11);

Two Procurement Officers (GS-11); and

Two Clerk/Typists (GS-4).

The cost of these new positions will be $258,000 ($153,000 salaries and $105,000 for position support costs).

Automation of Supply, Transportation and Procurement, three positions (Americans) and $545,000:

The current timetable for the development of the individual systems in the Supply, Transportation and Procurement (STP) Offices did not anticipate this proposed level of procurement, storage and shipment. With the increased workload and the addition of new personnel in all three divisions, additional hardware ($350,000) and software development ($120,000) will be required. In addition, a systems manager and 2 input clerks are required at the supply center ($50,000 salaries and $25,000 position support cost).

Motor vehicle program, two positions (Americans) and $2,163,000:

With this new security initiative, it is expected that a considerable number of additional fleet vehicles will receive partial armor treatment. Experience the Department has gained over the past few years indicates that the small vehicles that we buy (Citations, K cars, etc.) under the GSA price limitation are inadequate for armoring. We anticipate that OPR will be required to purchase larger fleet vehicles, with each larger vehicle costing an additional $7,000; it is projected that 300 vehicles will be upgraded.

The procurement of additional Marine security guard vehicles, fully armored vehicles and other types of security vehicles, will require 2 additional inventory management specialists ($63,000 for salaries and support) in the Motor Vehicle Program. These positions will be responsible for the procurement, shipping, inventory, reporting, and other related activities.

Overseas security administrative support, 14 positions (American) and $457,000:

This increase provides for the augmentation of the current financial and personnel framework required to support this effort.

Financial management, 10 positions and $330,000. These positions are required to provide a wide range of financial services in support of this supplemental. Two of these positions will be located in the Bureau of Administration's Financial Management Division and eight in the Office of the Comptroller.

Personnel management, four positions and $127,000. Personnel will require three personnel management specialists and one personnel technician to support the proposed position increases. This will provide for one Personnel Management Specialist and one Personnel Technician in the Bureau of Administration's Personnel Division, and two Personnel Management Specialists in the Bureau of Personnel.

Physical Security for Main State, $2,603,000:

Shatter resistant film for windows of Main State, $280,000:

The threat of a vehicle bomb and its potential for causing extensive damage will exist indefinitely. Detonation of a bomb in the vicinity of the Department would result in a large number of windows being blown from their frames, causing damage and injuries to personnel within the building. To reduce some of the danger from such an occurrence, we propose to cover 4,000 windows at a cost of $70 per window in Main State with a protective covering, similar to that already installed at a number of our overseas posts. There is no base program for this improvement.

Main State perimeter security upgrade, $1,400,000:

Funds have already been committed to upgrade external perimeter security at Main State in direct response to a very real domestic vehicular bombing threat. The upgrade consists of permanent vehicle ramp barriers and temporary perimeter barricades at our pedestrian entrances and vulnerable perimeter locations. These security measures will only protect the pedestrian and vehicular entrances to the building and not the perimeter. An additional $1,000,000 is required to replace the temporary perimeter barriers with a permanent security barrier system. The planned barriers would be aesthetically pleasing, fully functional regarding the diplomatic and public requirements of the Department, and would meet all security specifications. In addition, $400,000 is also required to install perimeter lighting ($100,000) and establish a new control center for building security ($300,000).

Main State lobby security upgrade, $265,000:

The lobbies of the Department will have to be redesigned to accommodate new security procedures. This will include construction of a new desk for the receptionists and an upgrade of power to handle new security access equipment. Estimated costs for this are:

Desks for receptionists	$100,000
New barriers for lobbies	140,000
New power panels for security devices	25,000
Total	265,000

Access control systems $508,000:

These funds are required to replace the present ID Card program with a new computerized system which (1) will provide greater protection against duplication/forgery, (2) will feature a more durable card, (3) will consolidate our ID card process and (4) will permit integration of our leased ADT alarm systems. The new access control system will be used within Main State at our entrance/exits, vehicle ramps, restricted and other sensitive areas. The estimated cost for this new ID card system is $428,000.

In addition, $80,000 is required to construct a controlled area within Main State for after-hours use by the press in order to provide maximum protection to the Department and its classified material. Currently, several thousand foreign and American press personnel have access to the unrestricted areas of Main State on a twenty-four hour basis, seven days a week. The renovation would greatly improve the security of Main State while imposing no unreasonable restrictions upon the press.

Security/emergency alarm system for Main State, $150,000:

During fiscal year 1984, there were two incidents of fire at the Department which demonstrated some very serious inadequate of the capability of the alarm system at Main State to notify building occupants to evacuate. During recent tests of the existing system, a large number of units were inoperative. To provide the Department with an effective internal security/emergency notification system, we propose the replacement of the existing system with a new signaling system.

DEPARTMENT OF STATE SALARIES AND EXPENSES: FISCAL YEAR *1985* SUPPLEMENTAL ESTIMATES OMB SUBMISSION.—REQUIREMENTS BY OBJECT CLASS

[Dollars in thousands]

Object Class	1985 Supplemental Pos.	Wkys.	Amount
11 Personnel compensation:			
Total personnel compensation	205	154	$5,478
Other obligations:			
12 Personnel benefits			1,060
21 Travel and transportation of persons			9,007
22 Transportation of things			6,358
23 Communications, utilities, and other rents			10,065
25 Other services			85,806
26 Supplies and materials			2,835
31 Equipment			52,812
Total obligations	205	154	173,421

DEPARTMENT OF STATE—FISCAL YEAR 1985 SUPPLEMENTAL ESTIMATES OMB SUBMISSION

Rewards for information concerning terrorist acts

Appropriation: Rewards for Information Concerning Terrorist Act, PL: 98-411.

Appropriation Requested to Date: 0, request: $10,000,000.

Amended Appropriation Requested: $10,000,000.

Purpose and Need for Supplemental Funds

Rewards for Information Concerning Terrorist Act

Justification

Rewards for Information Concerning Terrorist Acts, $10,000,000:

This new program, which is proposed to be authorized under Chapter 204 of Title 18 of the US code, will establish a fund without fiscal year limitation to reward individuals who furnish information concerning terrorists acts in foreign countries against United States persons or property. The program, viewed in its entirety, authorizes the payment of rewards for information concerning terrorist acts both within the United States and abroad, and thus falls under the respective jurisdictions of the Secretary of State and the Attorney General. This supplemental request reflects only the portion of the program which will be administered by the Secretary of State.

Terrorism against USG civilian personnel, members of our armed forces, and American citizens abroad has become a growing danger in the past fifteen years. In the past decade alone, Americans have been the victims of more than 2,500 terrorist incidents. The rewards program is one of several new Administration initiatives aimed at combatting terrorism against United States persons and property abroad. This authority can be invaluable in obtaining information necessary to resolve successfully incidents such as kidnappings or hostage takings, and in bringing perpetrators of terrorist attack to justice. In a kidnapping, for example, weeks can pass without communication being established with the kidnappers. Early information is imperative to bring about the swift release of the victim. The offer of a substantial reward can encourage in informant to provide early accurate information to bring about successful resolution of an incident. The rewards program will also encourage informants to provide information invaluable to capturing and prosecuting terrorists. Importantly, rewards may also induce members of terrorist groups of other close to them to desert and provide information necessary for the capture and successful prosecution of group members, thus weakening the organization and negating its ability to commit further terrorist acts.

This request for $10,000,000 would establish a fund large enough to demonstrate that the United States will aggressively use the rewards program to impede terrorists. It is also important that enough funds remain available for the USG to act quickly if critical information can be obtained. For these reasons, and because it is impossible to predict the frequency and the size of rewards to the granted annually, it is necessary that the funds be established without fiscal year limitation.

It is anticipated that subsequent appropriation requests will be made as required to replenish the account as payments are granted.

APPROPRIATION LANGUAGE

Rewards for information concerning terrorist acts

For the Department of State's "Rewards for Information Concerning Terrorist Acts," $10,000,000 to remain available until expended.

DEPARTMENT OF STATE REWARDS FOR INFORMATION CONCERNING TERRORISTS—FISCAL YEAR 1985 SUPPLEMENTAL ESTIMATES—OMB SUBMISSION—REQUIREMENTS BY OBJECT CLASS

[Dollars in thousands]

Object class	1985 Supplemental Pos.	Wkys.	Amount
11 Personnel compensation:			
Total personnel compensation			
Other obligations:			
42 Rewards			$10,000
Total obligations			10,000

DEPARTMENT OF STATE—FISCAL YEAR 1985 SUPPLEMENTAL ESTIMATES—OMB SUBMISSION

Special foreign currency

Appropriation: Special Foreign Currency Account, PL: 98-411.

Appropriation Requested to Date: $19,353,000; request: $2,000,000.

Amended Appropriation Requested: $21,353,000.

Purpose and Need for Supplemental Funds

Emergency Security Protection for U.S. Personnel and Missions

Justification

Capital Program Projects, $2,000,000: [Classified.]

APPROPRIATION LANGUAGE

Special foreign currency

For an additional amount for the Department of State's "Special Foreign Currency", $2,000,000 to remain available until expended.

DEPARTMENT OF STATE SPECIAL FOREIGN CURRENCY FISCAL YEAR 1985 SUPPLEMENTAL ESTIMATES OMB SUBMISSION—REQUIREMENTS BY OBJECT CLASS

[Dollars in thousands]

Object class	1985 supplemental Pos.	Wkys.	Amount
Personnel compensation:			
Total personnel compensation			
Other obligations:			
32 Land and structures			$2,000
Total obligations			2,000

DEPARTMENT OF STATE—FY 1985
Supplemental Estimates OMB Submission
Acquisition, Operation, and Maintenance of Buildings Abroad

Appropriation: Acquisition, Operation, and Maintenance of Buildings Abroad, PL: 98-411.

Appropriation Requested to Date: $211,000,000; request: $175,542,000. Amended Appropriation Requested: $386,542,000.

Purpose and Need for Supplemental Funds

Emergency Security Protection for U.S. Personnel and Missions

The suicide vehicle bombing attempt against our embassy annex in Beirut on September 20, 1984, the fourth such attack against U.S. facilities in the Middle East within the last eighteen months, underscores once again the vulnerability of U.S. personnel and facilities overseas to determined terrorist attack. This incident confirms the serious recent escalation in the security threat to our operations in the world in general and in the Middle East in particular.

In the face of this situation, the Department has taken several actions to protect against future instances of terrorists attack. In the short term, all posts have surveyed their physical vulnerability to vehicle penetration, and have taken actions to increase their security. In addition, a number of other programs are being requested to enhance our short-term security, anti-terrorism and communications capabilities. In addition to these short-term improvements, the Department has carefully reviewed the status of our world-wide facilities with regard to location, access, vehicle protection, physical security, and other security-related limitations.

From this review we have identified thirteen of our more threatened posts where new buildings or renovations of existing facilities are required due to the inability of the current structures to meet minimum levels of anti-terrorist and anti-vehicle standards, and where the planning for a new construction project is already well advanced. Thus, these represent projects which can start relatively quickly, and which only need sufficient funds and, in a few cases, some additional design/development work. Among the major impediments to additional security improvement of our existing buildings at these posts are such specific factors as the location of the building directly on a major urban street, the unsuitability of the materials used in constructing the building to renovation activities, and the fact that many of these properties are under short-term lease instead of being owned by (and thus completely under the control of) the U.S. Government.

To provide adequate and secure space at these thirteen posts, our existing facilities must be replaced by new office building (NOB) or renovation projects, in which additional security features can be included as an integral part of the design and construction process.

[Classified.]

In order to support these projects, a total of 42 positions are requested. These include 27 domestic support positions and 15 overseas project managers to provide on-site supervision over these projects. Finally, $1 million is requested for an innovative research and development project involving the application of the latest technical and physical technology to the design and development of future overseas construction projects. In this way, it is hoped that the numerous individual lessons the Department has learned over the past decade in the areas of security and construction can be analyzed and incorporated along with state-of-the-art technology into a uniform approach towards future activities.

APPROPRIATION LANGUAGE

Acquisition, operation, and maintenance of buildings abroad

For an additional amount for the Department of State's "Acquisition, Operation, and Maintenance of Buildings, Abroad," $175,542,000 to remain available until expended.

Department of State fiscal year 1985 supplemental Estimates—Acquistion, Operation and Maintenance of Buildings abroad, State

A. Capital program projects:	
Site	12,000
Design	1,855
Construction	158,656
Total	172,511

[Dollars in thousands]

	Positions	Funds
B. Associated Support Costs:		
Domestic positions	27	$957
Overseas positions	15	1,074
Advanced physical and technical research project		1,000
Subtotal, positions	42	3,031
Grand total	42	175,542

FISCAL YEAR 1985 SECURITY SUPPLEMENTAL ESTIMATES

Acquistion, operation and maintenance of buildings abroad, state—justification

Capital Program Projects, $172,511,000: (Classified.)

Project Support, 42 positions (Americans) and $3,031,000:

These new construction projects will be undertaken at a time when a number of other high priority programs, such as fire safety, communications and energy retrofits, and public access controls/safehavens construction, are already adding considerably to the Office of Foreign Buildings workload. In recognition of this fact, an additional 42 positions will be required (27 domestic and 15 overseas). Justification for these additional positions follows.

Domestic Project Support, 27 positions and $957,000:

Two Assistant Area Branch Chiefs (FP-02) are required to coordinate the needs of the project and the daily flow of change orders, submittals and claims, as well as monitoring Government Furnished Equipment (GFE) materials.

One Construction Scheduler (FP-04) is required to provide a management overview of the major milestones of each of these new construction projects.

Fifteen Architects and Engineers (GS-13/14—9 Architects, 2 Electrical Engineers, 2 Mechanical Engineers and 2 Civil Engineers) are also required. The proposed supplemental adds over $174,000,000 to the Capital Program budget and approximately 13 new major design projects to the already existing workload. In order to expedite the design to meet the programmed construction schedule, it is recommended that an additional 9 architects be added to the staff.

This will result in a ratio of approximately one architect for two active projects, which will allow for a close working relationship and control over the daily progress of the contract architects. With the additional manpower, the time required to complete a project (and quality of work) will be reduced by approximately one third, since each architect will be able to review and complete action in a timely manner.

The additional workload and necessity to expedite this program on schedule will also require the additional service of 6 engineers (2 mechanical, 2 electrical and 2 structural/civil) to complement the current engineering staff. Each engineer will be assigned approximately 6 projects, based on their speciality.

This request for additional positions is based on many years of experience which clearly indicates that the present staff of technical officers could not handle the additional workload. It is simply not possible for one project architect or engineer to manage and adequately direct the completion of numerous overseas projects simultaneously. Given the world-wide travel required and the special design requirements and features of each structure, it is strongly recommended that these additional positions be approved.

Two Contract Specialists (GS-9/12) are required due to the increase over the current workload level created by this request. The Contract Branch is currently understaffed and hard pressed to provide the necessary support required to develop contract documents, negotiate contracts and review contract proposals to determine which bidder submits the lowest responsive bid. This responsibility also requires travel to posts for qualifying bidders and additional travel for prebid conferences to review contract documents with qualified bidders.

One Procurement Specialist (GS-12) is needed due to the considerable requirement for the procurement of GFE created by this number of additional projects.

One Administrative Assistant (GS-11/12) for the Building Design Division will assure that schedules are met, office procedures are followed, telegrams are answered, and travel requests are properly submitted.

Two Budget Analysts (GS-11/12) are needed to augment the currently understaffed Budget Office, in light of the proposed additional supplemental funds.

Three Secretaries (GS-06) are needed to handle the additional work load caused by this request in the Building Design and Construction Management Divisions.

Overseas Project Support, 15 positions and $1,074,000:

Fifteen Project Manager positions are also required for the proposed Construction project. Past experience demonstrates conclusively that it is virtually impossible to assure close supervision and quality control over these major, multimillion dollar construction efforts without dedicated Project Managers available for on site supervision and backup in Washington. For each of the eleven largest projects, we are requesting that two Project Managers be made available to assure maximum supervision and backup. This will require a total of 24 Project Managers. Nine of these positions will be reassigned from current staff, leaving a requirement for 15 additional positions.

Advanced Physical and Technical Research Project, $1,000,000:

The goal of this program is to design the model Embassy that will meet security, operational and program requirements and will serve as the prototype for worldwide application. The empahsis will be on research and development that will establish a

benchmark of minimum requirements which all future Embassy designs will follow as well as setting forth criteris for site identification.

This program will be an anticipatory project that will build into our future designs lessons we have learned from our ongoing security efforts. It will implement knowledge gained about electronic countermeasures and information gained from our Security Enhancement Program. Research and development emphasis will also be placed on new ballistic and forced entry materials.

Imaginative use of technology that can be applied directly to the construction process will be explored. This project is a cost effective approach. Cost savings will be realized by eliminating retrofit costs as designs will include new security technology from the inception of the project.

DEPARTMENT OF STATE, ACQUISITION, OPERATION, AND MAINTENANCE OF BUILDINGS ABROAD, FISCAL YEAR 1985 SUPPLEMENTAL ESTIMATES, OMB SUBMISSION—REQUIREMENTS BY OBJECT CLASS

[Dollars in thousands]

Object class	1985 supplemental		
	POs.	Wkys.	Amount
11 Personnel compensation:			
Total Personal compensation	42	32	$3,031
Other obligations:			
32 Land and structures			172,511
Total obligations	42	32	175,542

U.S. INFORMATION AGENCY—FISCAL YEAR 1985 SUPPLEMENTAL ESTIMATES, OMB SUBMISSION

Salaries and expenses

Appropriation: salaries and Expenses, PL: 98-411.

Appropriation Requested to Date: $545,856,000; request: $5,315,000.

Amended Appropriation Requested: $551,171,000.

Purpose and Need for Supplemental Funds

Emergency Security Protection for U.S. Personnel and Missions

USIA requires $5,315,000 in Security Supplemental funds to increase protective measures at its 190 cultural centers, libraries, regional services centers offices and Voice of America radio relay stations worldwide which are located independent of State Department buildings. Because of the public nature of these facilities, and our mission to foster an open and free exchange of opinion representative of our democratic government, in most cases a complete securing of Agency building cannot be accomplished. However, all of our overseas facilities require perimeter and public access controls to include vehicle countermeasures designed to slow down and deter suicidal or remote control bombers from penetrating perimeters, such as occurred in Beirut and Kuwait. The establishment of physical security controls at buildings requires manpower to operate these controls, screen visitors, and provide an early warning capability; therefore additional contract guards are needed at these faciities. Providing light armoring on official passenger carrying vehicles at the most threatened posts worldwide, will improve protection for employees enroute to the office.

Staff and funding increases are essential to support heightened security programs at overseas posts. Technical security equipment procurement as well as stocks of protective security equipment in support of post needs will also be necessary. The enhancement of the security profile of overseas sites should be accelerated in view of the VOA expansion program which is significantly raising its visibility worldwide, particularly in Latin America.

APPROPRIATION LANGUAGE

Salaries and expenses

For an additional amount for the United States Information Agency's "Salaries and Expenses." $5,315,000 of which, $3,680,000 is to remain available until September 30, 1986.

FISCAL YEAR 1985 SECURITY SUPPLEMENTAL SUMMARY OF INCREASES

[Dollars in thousands]

	Positions	Amount
Vehicle armoring:		
Overseas light armoring		$490
Domestic light armoring		150
Total, vehicle armoring		640
Perimeter and public access controls		2,500
Contract Guards		1,600
Program support positions	2	35
Emergency radios:		
VHF hand-held, mobile and base radios		150
HF long-range radios		120
Total, Emergency Radios		270
Domestic security equipment		270
Total, USIA	2	5,315

FISCAL YEAR 1985 SECURITY SUPPLEMENTAL ESTIMATES

Salaries and expenses—Justification

USIA Requirements—2 positions and $5,315,000:

Vehicle Armoring, $640,000:

Overseas light armoring, $490,000:

Immediate on-site light armoring of USIA official vehicles at the most threatened posts worldwide—35 posts, 2 vehicles per post, at $7,000 each.

Domestic light armoring, $150,000:

Domestic light armoring of replacement official vehicles at the most threatened posts—25 vehicles at $6,000 each.

Perimeter and Public Access Controls, $2,500,000:

Enhances physical security barriers at USIA's 190 overseas cultural centers, libraries, regional services centers. Voice of America radio relay stations, and offices worldwide located independent of State Department buildings. Includes vehicle countermeasures such a hydraulic vehicle arrest systems at entrances and driveways, fences, gates, and bollards to deter and/or slow potential vehicle bombers from attacking our facilities. Also includes use of plastic film or ballistic transparencies on window areas, grills, hardened walls and doors, segregation of public areas from staff offices, and creation of secured areas where the staff can seek refuge, regroup and escape to safety in an emergency.

Contract Guards, $1,600,000:

USIA requires additional contract guards during working hours at a number of its overseas posts to perform public access control functions to include vehicle inspection and operation of vehicle arrest systems at driveways/entrances.

Additional Personnel, $35,000:

Two additional program support positions are requested to augment existing USIA staff. This will provide for one procurement clerk and one warehouseman to support procurement of additional security hardware and to maintain security stock inventory as well as to arrange for immediate shipment to posts in response to changing threats.

Emergency Radios, $270,000:

VHF hand-held, mobile and base radios, $150,000:

VHF hand-held, mobile and base radios on U.S. Mission emergency network are required to incorporate USIA employees into Mission plan.

HF long-range radios, $120,000:

HF long-range radios are required to connect isolated branch posts with Embassies and main USIA office.

Domestic Security Equipment, $270,000:

Access control systems at the main USIA building in Washington. Automated access for employees in restricted areas, package control and screening at public access points, and perimeter detection devices.

Automated access computer systems	$250,000
ID cards	20,000
Total	270,000

U.S. INFORMATION AGENCY SALARIES AND EXPENSES FISCAL YEAR 1985 SUPPLEMENTAL ESTIMATES OMB SUBMISSION—REQUIREMENTS BY OBJECT CLASS

[Dollars in thousands]

Object Class	1985 supplemental		
	Pos.	Wkys.	Amount
11 Personnel compensation:			
Total personnel compensation	2	2	31
Other obligations:			
12 Personnel benefits			4
21 Travel and transportation of persons			
22 Transportation of things			
23 Communications, utilities, and other rents			
25 Other services			2,510
26 Supplies and materials			
31 Equipment			2,770
41 Grants, subsidies and contributions			
Total obligations	2	2	5,315

Mr. PERCY. Madam President, in conclusion, we must assume that terrorism is a new form of warfare which will be with us for the foreseeable future. It is incumbent upon us to do all that we can to protect American lives abroad. Therefore, I urge my colleagues to vote for the passage of H.R. 6311.●

● Mr. DENTON. Mr. President, I rise in support of H.R. 6311. The bill, as you know, incorporates most of the provisions of S. 2625, the act for rewards for information concerning terrorist acts, which my distinguished colleague, Senator THURMOND, and I, introduced on May 2, 1984, and which was unanimously approved by the Senate Judiciary Committee.

H.R. 6311, as passed by the House, deletes two important provisions that S. 2625 contained: First, a provision that would have permitted the Attorney General, in consultation with the Secretary of State, to admit into the United States, without regard to the Immigration and Nationality Act, aliens who provide information about terrorism; and second, a provision that unquestionably would have made the

Freedom of Information Act, the Privacy Act, and the Administrative Procedures Act inapplicable to S. 2625.

Notwithstanding the fact that the House deleted these two important provisions, the House bill is one we can live with. The House version does grant the power to the Secretary of State and the Attorney General, when it is determined that the identity of the recipient of a reward or of the members of the recipient's immediate family must be protected, to "take such measures in connection with the payment of the reward as deemed necessary to effect such protection." The way I read that language, the Attorney General or the Secretary of State could, if they deemed it necessary, withhold the identity of a reward recipient or his immediate family notwithstanding the provisions of the Freedom of Information Act and the Privacy Act to the contrary.

H.R. 6311, to its credit, also contains the approximately $360 million authorization sought by the administration for security enhancements at U.S. missions abroad.

I learned early on in my Senate career that compromise is necessary at times, and that half a loaf is better than none. In this instance, we seem to have in H.R. 6311, about seven-eighths of a loaf. For that reason, I urge its passage.●

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 6311) was read the third time and passed.

Mr. BAKER. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Madam President, I ask unanimous consent that S. 3036, which is Calendar No. 1266, the Senate companion measure, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXCHANGE OF CERTAIN LAND

Mr. BAKER. Madam President, I now ask the Chair lay before the Senate Calendar Order No. 1316, H.R. 3331.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 3331) to authorize the exchange of certain lands between the Bureau of Land Management and the city of Los Angeles for purposes of the Santa Monica Mountains National Recreation Area.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 7075

Mr. BAKER. Madam President, on behalf of Senator Wallop, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Tennessee [Mr. BAKER], on behalf of Mr. WALLOP, proposes an amendment numbered 7075.

Mr. BAKER. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 1, strike "paragraph" and insert "paragraphs".

On page 2, lines 3 and 4, strike "(acting through the Bureau of Land Management)".

On page 3, line 2, strike the quotation marks and insert the following new subparagraph:

"(C) The city shall assume full responsibility for the protection of cultural resources and shall develop a cultural resource management program for the public lands to be transferred to the city in the vicinity of the Haiwee Reservoir. The program shall be developed in consultation with the Secretary of the Interior, the California State Historic Preservation Officer, and the Advisory Council on Historic Preservation.".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 7075) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 3331) was read the third time, and passed.

Mr. BAKER. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COAST GUARD AUTHORIZATION ACT OF 1984

Mr. BAKER. Madam President, I ask unanimous consent that the Senate proceed to the consideration of S. 2526.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2526) to authorize appropriations for the Coast Guard for fiscal years 1985 and 1986, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike all after the enacting clause and insert:

That this Act may be cited as the "Coast Guard Authorization Act of 1984".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. Funds are authorized to be appropriated for necessary expenses of the Coast Guard for fiscal years 1985 and 1986 as follows:

(1) For the operation and maintenance of the Coast Guard, including expenses related to the Capehart housing debt reduction and expenses related to the full amount of fixed costs associated with icebreaking operations by five Coast Guard icebreaking vessels in polar regions, $1,800,000,000 for fiscal year 1985 and $1,950,000,000 for fiscal year 1986; and such additional sums for each fiscal year as may be necessary for increases in salary, pay, and other employee benefits as authorized by law.

(2) For the acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto, $580,000,000 for fiscal year 1985 (of which $30,000,000 shall be for design, survey, acquisition and construction of a search and rescue facility at Dutch Harbor in the Aleutian Islands) and $680,000,000 for fiscal year 1986 (of which $30,000,000 shall be for construction of such facility).

(3) For research, development, test, and evaluation, $35,000,000 for fiscal year 1985 and $38,000,000 for fiscal year 1986.

(4) For the alteration or removal of bridges over navigable waters of the United States, constituting obstructions to navigation, $5,200,000 for fiscal year 1985 and such sums as may be necessary for expenses of the Coast Guard for such purposes for fiscal year 1986.

(5) For retired pay including the payment of obligations thereof otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and for payments for medical care of retired personnel and their dependents under the Dependents' Medical Care Act, such sums as may be necessary for fiscal years 1985 and 1986.

PERSONNEL LEVELS

SEC. 3. Notwithstanding any other provision of law, the Coast Guard's personnel levels for fiscal years 1985 and 1986 shall be maintained as follows:

(1) For active duty military personnel, not less than 39,392 for fiscal years 1985 and 1986, which shall not include members of the Ready Reserve called to active duty under the authority of section 712 of title 14, United States Code, or Public Health Service officers on active duty with the Coast Guard.

(2) For full-time civilian employees of the Coast Guard, not less than 5,484 for fiscal years 1985 and 1986.

MILITARY TRAINING

SEC. 4. For fiscal years 1985 and 1986, the Coast Guard is authorized average military training student loads as follows:

31-059 O-87-13 (Pt. 22)

(1) For recruit and special training, 3,500 student-years.

(2) For flight training, 118 student-years.

(3) For professional training in military and civilian institutions, 556 student-years.

(4) For officer acquisition, 1,038 student-years.

POLAR ICEBREAKING

SEC. 5. (a) It is the sense of Congress that the United States has important security, economic, and environmental interests in developing and maintaining a fleet of icebreaking vessels capable of operating effectively and independently in the heavy ice regions of the Arctic and Antarctic.

(b) The Secretary of the department in which the Coast Guard is operating shall prepare design and construction plans for the purchase of at least two new polar icebreaking vessels to be operational by the conclusion of fiscal year 1990, and shall provide detailed reports to the Congress describing the status of those plans in January 1985 and January 1986. In preparing such plans, the Secretary shall consult with the Director of the National Science Foundation and the Secretary of the Navy to ensure that all new polar icebreaking vessels have adequate facilities for scientific research.

RECREATIONAL BOATING SAFETY AMENDMENTS

SEC. 6. (a) Section 4307(a)(1)(A) of title 46, United States Code, is amended—

(1) by inserting "(i)" immediately after "(A)";

(2) by striking "or" at the end of clause (i), as so redesignated by paragraph (1) of this subsection, and inserting in lieu thereof "and"; and

(3) by adding at the end thereof the following:

"(ii) it does not contain a defect which has been identified, in any communication to such person by the Secretary or the manufacturer of that vessel, equipment or component, as creating a substantial risk of personal injury to the public; or".

(b) Section 4311(b)(1) of title 46, United States Code, is amended by inserting "defect or the" immediately before "nonconformity".

(c) Section 4311(f)(1) of title 46, United States Code, is amended by inserting "or that the person was not advised by the Secretary or the manufacturer of that vessel, equipment or component that the vessel, equipment or component contains a defect which creates a substantial risk of personal injury to the public" immediately before the semicolon.

LIFESAVING EQUIPMENT ON PASSENGER FERRIES

SEC. 7. The Secretary of the department in which the Coast Guard is operating shall proceed vigorously with efforts to develop improved lifesaving equipment for use on passenger ferries.

VESSEL TRAFFIC SYSTEM STUDY

SEC. 8. (a) Of the funds authorized to be appropriated by paragraph (1) of section 2 of this Act, such sums as may be necessary shall be used to maintain in full operation the Vessel Traffic Servcie system in San Francisco, Calif., throughout fiscal years 1985 and 1986.

(b) None of the funds authorized to be appropriated by this Act may be used to hire, train, or otherwise utilize civilian personnel to replace Coast Guard military personnel involved in operating the Vessel Traffic Service systm in San Francisco, Calif., until the Coast Guard has conducted a study in accordance with this subsection and has submitted the results of such study to the Congress. Such study shall identify the costs, efficiencies, and benefits, if any, that would accure to the Federal Government, the Coast Guard, the ports, the Navy, and other users of the Vessel Traffic Service system in San Francisco, Calif., from the use of civilian personnel in that system.

CONTRACTING OUT FOR SERVICES PERFORMED BY THE COAST GUARD

SEC. 9. (a) The Secretary of the department in which the Coast Guard is operating is encouraged to indentify those functions and services presently performed by Coast Guard personnel which are not inherently governmental in nature, and which may be performed with equal effectiveness and at lower cost under contract with the private sector, without any deterioration or loss to the overall ability of the Coast Guard to carry out its mission in behalf of the security, safety, and economic and environmental well-being of the United States.

(b) Not later than 60 days before the beginning of each fiscal year, the Secretary shall submit in writing to the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Committee on Commerce, Science, and Transportation of the Senate, and the Chairman of the Committee on Merchant Marine and Fisheries of the House of Representatives a full and complete list of all those activities, performed by members of the Coast Guard, which the Secretary expects to evaluate during that fiscal year on the basis of whether they may be performed with equal effectiveness and at lower cost under contract with the private sector. Such list shall contain a short description of each activity to be evaluated, including the number of personnel involved in and the location of each such activity. None of the funds authorized to be appropriated by this Act may be used to develop or issue a request for proposals to contract with the private sector for the performance of any function not included on such list for that fiscal year which is, on the date of enactment of this Act, performed by members of the Coast Guard.

PROTECTION OF SEAMEN

SEC. 10. (a) Chapter 21 of title 46, United States Code, is amended by adding at the end thereof the following new section:

"§ 2114. Protection of seamen against discrimination

"(a) An owner, charterer, managing operator, agent, master, or individual in charge of a vessel may not discharge or in any manner discriminate against any seaman because the seaman in good faith has reported or is about to report to the Coast Guard that the seaman believes that a violation of this subtitle, or regulations issued under this subtitle, has occurred.

"(b) A seaman discharged or otherwise discriminated against in violation of this section may bring an action in an appropriate district court of the United States. In that action, the court may order any appropriate relief, including—

"(1) restraining violations of this section; and

"(2) reinstatement to the seamen's former position with back pay.".

(b) The section analysis for chapter 21 of title 46, United States Code, is amended by adding at the end thereof the following:

"2114. Protection of seamen against discrimination.".

REPEAL OF DUPLICATE TANKERMAN MANNING REQUIREMENT

SEC. 11. Section 8703(b) of title 46, United States Code, relating to tankerman manning requirements, is repealed.

APPROVAL OF BRIDGE LOCATION AND HEIGHT

SEC. 12 (a) The first section of the Act of March 23, 1906 (33 U.S.C. 491) is amended—

(1) by striking "and Chief of Engineers", "by the Chief of Engineers and", and "of the Chief of Engineers and";

(2) by striking "their" and inserting in lieu thereof "the Secretary's";

(3) by striking "they" and inserting in lieu thereof "the Secretary"; and

(4) by striking "of Transportation" the second and third time it appears.

(b) Section 502(b) of the General Bridge Act of 1946 (33 U.S.C. 525(b)) is amended—

(1) by striking "the Chief of Engineers and"; and

(2) by striking "they" wherever it appears and inserting in lieu thereof "the Secretary".

RULES OF THE ROAD ADVISORY COUNCIL EXTENSTION

SEC. 13. (a) Section 5(c) of the Inland Navigational Rules Act of 1980 (33 U.S.C. 2073(c)) is amended—

(1) by inserting a comma immediately after "Members of the Council";

(2) by striking "who are not officers or employees of the United States shall, while attending meetings of the Council, be entitled to receive compensation at a rate fixed by the Secretary, not exceeding the daily equivalent of the current rate of basic pay in effect for GS-18 of the General Schedule under section 5332 of title 5, United States Code; and"; and

(3) by striking "they".

(b) Section 5(d) of the Inland Navigational Rules Act of 1980 (33 U.S.C. 2073(d)) is amended by striking "5 years from the date of enactment of this Act" and inserting in lieu thereof "on December 24, 1990".

AMENDMENTS TO THE MILITARY CONSTRUCTION AUTHORIZATION ACT, 1982

SEC. 4. Section 911 of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c) is amended—

(1) by striking "and the Secretary of Health and Human Services" wherever it appears and inserting in lieu thereof ", the Secretary of Health and Human Services, and the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy"; and

(2) in subsection (c), by inserting "the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy," immediately before "and appropriate officials".

INCLUSION OF SECRETARY OF TRANSPORTATION IN CERTAIN MEDICAL MATTERS

SEC. 15. (a) Section 1252 of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d) is amended—

(1) by striking "and the Secretary of Health and Human Services" wherever it appears and inserting in lieu thereof ", the Secretary of Health and Human Services, and the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy"; and

(2) by inserting "and the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy" immediately after "with the Secretary of Health and Human Services" wherever it appears.

(b) Chapter 55 of title 10, United States Code, is amended—

(1) in section 1072—

(A) by striking all after "by" through "may be," in paragraph (2)(D)(iii) and inserting in lieu thereof "the administering Secretary"; and

(B) by adding at the end thereof the following new paragraph:

"(3) 'Administering Secretaries' means the Secretaries of executive departments specified in section 1073 of this title as having responsibility for administering this chapter.";

(2) in section 1073, by striking all after "jurisdiction," through "Navy, and" and inserting in lieu thereof "the Secretary of Transportation shall administer this chapter for the Coast Guard when the Coast Guard is not operating as a service in the Navy, and the Secretary of Health and Human Services shall administer this chapter";

(3) in section 1074, by striking "Secretary of Defense and the Secretary of Health and Human Services" each place it appears and inserting in lieu thereof "administering Secretaries";

(4) in section 1076 (b) and (d), by striking "the Secretary of Defense and the Secretary of Health and Human Services" and inserting in lieu thereof "the administering Secretaries";

(5) in section 1078(a) and (b), by striking "the Secretary of Health and Human Services" and inserting in lieu therof "the other administering Secretaries";

(6) in section 1079—

(A) by striking "the Secretary of Defense and the Secretary of Health and Human Services" each place it appears and inserting in lieu thereof "the administering Secretaries"; and

(B) by striking "with the Secretary of Health and Human Services" in subsections (a) and (h)(2) and inserting in lieu thereof "with the other administering Secretaries";

(7) in section 1080, by striking "the Secretary of Health and Human Services" and inserting in lieu thereof "the other administering Secretaries";

(8) in section 1081, by striking "the Secretary of Defense or the Secretary of Health and Human Services" and inserting in lieu thereof "one of the administering Secretaries";

(9) in section 1083, by striking "the Secretary of Health and Human Services" and inserting in lieu thereof "the other administering Secretaries";

(10) in section 1084—

(A) by striking "the Secretary of Defense or the Secretary of Health and Human Services" and inserting in lieu thereof "an administering Secretary"; and

(B) by striking "he" and inserting in lieu thereof "the administering Secretary";

(11) by amending the text of section 1085 to read as follows:

"If a member or former member of a uniformed service under the jurisdiction of one executive department (or a dependent of such a member or former member) receives inpatient medical or dental care in a facility under the jurisdiction of another executive department, the appropriation for maintaining and operating the facility furnishing the care shall be reimbursed at rates established by the President to reflect the average cost of providing the care.";

(12) in section 1086—

(A) by striking "the Secretary of Health and Human Services" in subsection (a) and inserting in lieu thereof "the other administering Secretaries"; and

(B) by striking "the Secretary of Defense and the Secretary of Health and Human Services" in subsection (e) and inserting in lieu thereof "the administering Secretaries"; and

(13) in section 1092(a)(1), by striking "Secretary of Health and Human Services" and inserting in lieu thereof "other administering Secretaries".

LIGHTING OF TOWING VESSELS ON LOWER MISSISSIPPI RIVER

SEC. 16. Rule 24(i) of section 2 of the Inland Navigational Rules Act of 1980 (33 U.S.C. 2024(i)) is amended by inserting "(except below the Huey P. Long Bridge on the Mississippi River)" immediately after "Western Rivers".

TOWING SAFETY ADVISORY COMMITTEE EXTENSION

SEC. 17. Subsection (e) of the first section of the Act of October 6, 1980 (33 U.S.C. 1231a(e)) is amended by striking "five years from the date of enactment of this Act" and inserting in lieu thereof "on October 6, 1990".

VESSEL FIRE RESPONSE CAPABILITY

SEC. 18. (a) The Secretary of the department in which the Coast Guard is operating shall make a grant to the Maritime Fire and Safety Association, a nonprofit organization incorporated in the State of Oregon. Such grant shall be used to develop a fire response capability for vessels through the acquisition of equipment and supplies and through training of fire response personnel. The Secretary shall ensure that funds made available by such grant are used for such purposes.

(b) There are authorized to be appropriated not to exceed $349,000 for fiscal year 1985, not to exceed $160,000 for fiscal year 1986, and not to exceed $103,000 for fiscal year 1987.

ASSOCIATE DEPUTY SECRETARY OF TRANSPORTATION

SEC. 19. (a) There shall be in the Department of Transportation an Associate Deputy Secretary of Transportation, who shall be compensated at the rate provided for Level IV of the Executive Schedule under chapter 11 of title 2, United States Code, as adjusted by section 5318 of title 5, United States Code.

(b) The Associate Deputy Secretary shall be appointed by the President, by and with the advice and consent of the Senate. The Associate Deputy Secretary—

(1) shall carry out duties and powers prescribed by the Secretary of Transportation; and

(2) shall act for the Secretary when the Secretary and the Deputy Secretary of Transportation are absent or unable to serve or when the offices of Secretary and Deputy Secretary are vacant.

(c) Notwithstanding any other provision of law, any Assistant Secretary of Transportation or the General Counsel of the Department of Transportation appointed pursuant to section 102 of title 49, United States Code, shall act for the Secretary under subsection (d) of such section when the Secretary, the Deputy Secretary and the Associate Deputy Secretary are absent or unable to serve or when the offices of the Secretary, Deputy Secretary and Associate Deputy Secretary are vacant.

(d) The provisions of this section are repealed on the date which is 4 years after the date of enactment of this Act.

CUTTER AVAILABILITY

SEC. 20. There shall be available for service at all times on the Atlantic and Gulf Coasts of the United States not less than, in the aggregate, 30 high and medium endurance Coast Guard cutters.

COAST GUARD REPRESENTATION ON RESERVE FORCES POLICY BOARD

SEC. 21. Section 175(b) of title 10, United States Code, is amended to read as follows:

"(b) Whenever the Coast Guard is not operating as a service in the Navy, the Secretary of Transportation may designate two officers of the Coast Guard, Regular or Reserve, to serve as voting members of the Board.".

EXPOSURE SUITS

SEC. 22. (a)(1) Chapter 31 of title 46, United States Code, is amended by adding at the end the following new section:

"§ 3102. Exposure suits

"(a) The Secretary shall by regulation require exposure suits on vessels designated by the Secretary that operate in waters having a minimum average annual monthly temperature of less than 60 degrees Fahrenheit. The Secretary may not exclude a vessel from designation under this section only because that vessel carries other lifesaving equipment.

"(b) The regulations prescribed under this section shall identify those geographic areas in which, and times of the year when, exposure suits are required.

"(c) The Secretary shall establish standards for an exposure suit required by this section, including standards to guarantee adequate thermal protection, buoyance and flotation stability.

"(d)(1) The owner, charterer, managing operator, agent, master, or individual in charge of a vessel violating this section or a regulation prescribed under this section is liable to the United States Government for a civil penalty of not more than $5,000. The vessel also is liable in rem for the penalty.

"(2) The owner, charterer, managing operator, agent, master, or individual in charge of a vessel violating this section or a regulation prescribed under this section may be fined not more than $25,000, imprisoned for not more than 5 years, or both.".

(2) The section analysis of chapter 31 of title 46, United States Code, is amended by inserting immediately after the item relating to section 3101 the following:

"3102. Exposure suits.".

(b) Section 3102 of title 46, United States Code (as added by subsection (a) of this section), does not limit the authority of the Secretary of the department in which the Coast Guard is operating to prescribe regulations requiring exposure suits on vessels not required by section 3102 to have exposure suits.

(c) The regulations prescribed under section 3102 of title 46, United States Code (as added by subsection (a) of this section), shall be effective before August 31, 1984.

AMENDMENT NO. 7076

(Purpose: Make amendment in the nature of a substitute)

Mr. BAKER. Madam President, I send an amendment to the desk on behalf of the junior Senator from Oregon [Mr. PACKWOOD] and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. BAKER], for Mr. PACKWOOD, proposes an amendment numbered 7076.

Mr. BAKER. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Coast Guard Authorization Act of 1984".

AUTHORIZATION OF FUNDS

SEC. 2. Funds are authorized to be appropriated for necessary expenses of the Coast Guard for fiscal years 1985 and 1986 as follows:

(1) For the operation and maintenance of the Coast Guard, including expenses related to the Capehart housing debt reduction, $1,800,000,000 for fiscal year 1985 and $1,950,000,000 for fiscal year 1986; and for increases in salary, pay, and other employee benefits authorized by law, and for the full amount of fixed costs associated with operation of five Coast Guard polar icebreaking vessels manned by Coast Guard military personnel, such sums as may be necessary for each such fiscal year.

(2) For the acquisition, construciton, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto, $580,000,000 for fiscal year 1985 (of which $30,000,000 shall be for design, survey, acquisition and construction of a search and rescue facility in Western Alaska to serve the Aleutian Islands) and $680,000,000 for fiscal year 1986 (of which $30,000,000 shall be for construction of such facility).

(3) For research, development, test, and evaluation, $35,000,000 for fiscal year 1985 and $38,000,000 for fiscal year 1986.

(4) For the alteration or removal of bridges over navigable waters of the United States, constituting obstructions to navigation, $8,700,000 for fiscal year 1985, and such sums as may be necessary for expenses of the Coast Guard for such purposes for fiscal year 1986.

(5) For retired pay including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and for payments for medical care of retired personnel and their dependents under the Dependents' Medical Care Act, such sums as may be necessary for fiscal years 1985 and 1986.

PERSONNEL LEVELS

SEC. 3. Notwithstanding any other provision of law, the Coast Guard's full-time equivalent strength levels for fiscal years 1985 and 1986 shall be maintained as follows:

(1) For active duty military personnel, not less than 39,150 for fiscal years 1985 and 1986, which shall not include members of the Ready Reserve called to active duty under the authority of section 712 of title 14, United States Code, or Public Health Service officers on active duty with the Coast Guard.

(2) For civilian employees of the Coast Guard, not less than 5,484 for fiscal years 1985 and 1986.

MILITARY TRAINING

SEC. 4. For fiscal years 1985 and 1986, the Coast Guard is authorized average military training student loads as follows:

(1) For recruit and special training, 3,500 student-years.

(2) For flight training, 118 student-years.

(3) For professional training in military and civilian institutions, 556 student-years.

(4) For officer acquisition, 1,038 student-years.

TRANSFER OF FUNDS

SEC. 5. (a) Whenever the Secretary of the department in which the Coast Guard is operating determines it to be in the national interest, the Secretary may transfer not to exceed 5 percent of the funds appropriated for the purposes described in paragraph (1) or (2) of section 2 of this Act for use for any purpose described in any paragraph of section 2, except that the total available for the purposes for which the funds are transferred shall not be increased by more than 10 percent as a result of the transfer.

(b) No transfer of funds may occur under subsection (a) of this section until 15 days after the Secretary has provided written notification to the Chairman of the Committee on Commerce, Science, and Transportation of the Senate and the Chairman of the Committee on Merchant Marine and Fisheries of the House of Representatives stating the reasons for the determination and a description of the purposes for which the funds proposed to be transferred will be used.

POLAR ICEBREAKING

SEC. 6. (a) It is the sense of the Congress that the United States has important security, economic, and environmental interests in developing and maintaining a fleet of icebreaking vessels capable of operating effectively and independently in the heavy ice regions of the Arctic and Antarctic.

(b) The Secretary of the department in which the Coast Guard is operating shall prepare design and construction plans for the purchase of at least 2 new polar icebreaking vessels to be operational by the conclusion of fiscal year 1990, and shall provide detailed reports to the Congress describing the status of those plans in January 1985 and January 1986. In preparing such plans, the Secretary shall consult with other interested Federal agencies for the purpose of ensuring that all appropriate military, scientific, economic and environmental interests are taken into account.

ALCOHOL USE BY BOATERS

SEC. 7. (a) Section 2302 of title 46, United States Code, is amended by redesignating subsection (c) as subsection (d) and inserting immediately after subsection (b) the following:

"(c) An individual who is intoxicated when operating a vessel, as determined under standards prescribed by the Secretary by regulation, shall be—

"(1) liable to the United States Government for a civil penalty of not more than $1,000; or

"(2) fined not more than $5,000, imprisoned for not more than one year, or both.".

(b)(1) Section 6101(b) of title 46, United States Code, is amended by adding at the end thereof the folowing: "Each report filed under this section shall include information as to whether the use of alcohol contributed to the casualty.".

(2) Section 6102(a) of title 46, United States Code, is amended by inserting immediately before the period at the end thereof the following: ", including information and statistics concerning the number of casualties in which the use of alcohol contributed to the casualty".

(3) Section 13102(c)(4) of title 46, United States Code, is amended by inserting immediately after "program" the following: ", that includes the dissemination of information concerning the hazards of operating a vessel when under the influence of alcohol".

RECREATIONAL BOATING SAFETY AMENDMENTS

SEC. 8. (a) Section 4307(a)(1)(A) of title 46, United States Code, is amended—

(1) by inserting "(i)" immediately after "(A)";

(2) by striking "or" at the end of clause (i), as so redesignated by paragraph (1) of this subsection, and inserting in lieu thereof "and"; and

(3) by adding at the end thereof the following:

"(ii) it does not contain a defect which has been identified, in any communication to such person by the Secretary or the manufacturer of that vessel, equipment or component, as creating a substantial risk of personal injury to the public; or".

(b) Section 4311(b)(1) of title 46, United States Code, is amended by inserting "defect or the" immediately before "nonconformity".

(c) Section 4311(f)(1) of title 46, United States Code, is amended by inserting "or that the person was not advised by the Secretary or the manufacturer of that vessel, equipment or component that the vessel, equipment or component contains a defect which creates a substantial risk of personal injury to the public" immediately before the semi-colon.

RESCUE SWIMMING PROGRAM

SEC. 9 The Secretary of the department in which the Coast Guard is operating shall use such sums as are necessary, from amounts appropriated for the operation and maintenance of the Coast Guard, to establish a helicopter rescue swimming program for the purpose of training selected Coast Guard personnel in rescue swimming skills.

LIFESAVING EQUIPMENT ON PASSENGER FERRIES

SEC. 10. The Secretary of the department in which the Coast Guard is operating shall proceed vigorously with efforts to develop improved lifesaving equipment for use on passenger ferries.

SAN FRANCISCO VTS

SEC. 11. (a) Of the funds authorized to be appropriated by paragraph (1) of section 2 of this Act, such sums as are necessary shall be used to maintain in full operation the vessel traffic service (VTS) system in San Francisco, California, throughout fiscal years 1985 and 1986.

(b) None of the funds authorized to be appropriated by this Act may be used to develop or issue a request for proposals to contract any function or activity involved in operating the vessel traffic service (VTS) system in San Francisco, California, which is, on the date of enactment of this Act, performed by Coast Guard personnel.

(c) None of the funds authorized to be appropriated by this Act may be used to hire, train, or otherwise utilize civilian personnel to replace Coast Guard military personnel involved in operating the vessel traffic service (VTS) system in San Francisco, California, until the Coast Guard has conducted a study in accordance with this subsection and has submitted the results of such study to the Congress. Such study shall identify the costs, efficiencies, and benefits, if any, that would accrue to the Federal Govern-

ment, the Coast Guard, the ports, the Navy, and other users of the vessel traffic service (VTS) system in San Francisco, California, from the use of civilian personnel in that system.

LONG-RANGE SEARCH AND SURVEILLANCE AIRCRAFT

SEC. 12. (a) Of the amounts authorized to be appropriated by paragraph (1) and (2) of section 2 of this Act, such sums as are necessary shall be used to procure, maintain, and operate a fleet of not less than twenty-seven long range search and surveillance aircraft for use by the Coast Guard.

(b) The Secretary of the department in which the Coast Guard is operating is encouraged to conduct the research, development, test and evaluation necessary for an electronic surveillance system, capable of producing and documenting images for search and rescue or law enforcement purposes, for the long range search and surveillance aircraft of the Coast Guard.

PROTECTION OF SEAMEN

SEC. 13. (a) Chapter 21 of title 46, United States Code, is amended by adding at the end thereof the following:

"§ 2114. Protection of seamen against discrimination

"(a) An owner, charterer, managing operator, agent, master, or individual in charge of a vessel may not discharge or in any manner discriminate against a seaman because the seaman in good faith has reported or is about to report to the Coast Guard that the seaman believes that a violation of this subtitle, or a regulation issued under this subtitle, has occurred.

"(b) A seaman discharged or otherwise discriminated against in violation of this section may bring an action in an appropriate district court of the United States. In that action, the court may order any appropriate relief, including—

"(1) restraining violations of this section; and

"(2) reinstatement to the seaman's former position with back pay.".

(b) The analysis of chapter 21 of title 46, United States Code, is amended by adding at the end thereof the following:

"2114. Protection of seamen against discrimination.".

CONTRACTING FOR SERVICES PERFORMED BY THE COAST GUARD

SEC. 14. (a) The Secretary of the department in which the Coast Guard is operating is encouraged to identify those functions and services presently performed by Coast Guard personnel which are not inherently governmental in nature, and which may be performed with equal effectiveness and at lower cost under contract to the private sector.

(b) None of the funds authorized to be appropriated by this Act may be used—

(1) to issue any contract that would have the effect, either by itself or in combination with other contracting proposals, of causing a deterioration in the overall ability of the Coast Guard to carry out its missions in behalf of the security, safety, and economic and environmental well-being of the United States; or

(2) to develop or issue a request for proposals to contract out any function or activity which is, on the date of enactment of this Act, performed by civilian employees or members of the Coast Guard, unless a period of 30 days in which either the Senate or House of Representatives is in session has expired after the Secretary has submitted in writing to the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Committee on Commerce, Science, and Transportation of the Senate, and the Chairman of the Committee on Merchant Marine and Fisheries of the House of Representaties a full and complete statement (including relevant supporting studies) concerning the proposed contracting and the reasons therefor.

(c) Prior to the beginning of fiscal years 1985 and 1986, the Secretary shall submit to the Congress a list of functions or activities for which the Secretary expects to submit notifications required by subsection (b)(2) of this section during that fiscal year.

(d) The requirements of subsection (b)(2) of this section do not apply to contracts for functions or activities which are performed by three or fewer Coast Guard personnel.

LEGAL EQUITY FOR WOMEN

SEC. 15. (a)(1) Section 371 of title 14, United States Code, is amended—

(A) by striking "male" both places it appears in the second sentence of subsection (a);

(B) in subsection (c)(1)—

(i) by striking "he agrees in writing that, upon his" and inserting in lieu thereof "the person agrees in writing that, upon"; and

(ii) by striking "he will" and inserting in lieu thereof "the person will"; and

(C) by striking "he has the consent of his parent or guardian to his agreement" in subsection (c)(2) and inserting in lieu thereof "the person has the consent of the person's parent or guardian to the agreement".

(2) The first sentence of section 487 of such title is amended by striking "widows" and inserting in lieu thereof "surviving spouses".

(3)(A) The following sections of such title are amended by striking "enlisted man" each place it appears and inserting in lieu thereof "enlisted member": 353, 354, 355, 357, 359, 360, 361, 362, 365, 366, 367, 370, 421, 423 and 424.

(B) The following sections of such title are amended by striking "enlisted men" each place it appears and inserting in lieu thereof "enlisted members": 41, 211(a)(2), 212(a)(2), 213(a)(1), 214, 357, 432(c), 478(d) and 480.

(C) The following sections of such title are amended by striking "Enlisted men" each place it appears and inserting in lieu thereof "Enlisted members": 41, 352, 367, 478(a), 481 and 482.

(D) The following sections of such title are amended by striking "officers and enlisted men" each place it appears and inserting in lieu thereof "members": 92(b), 144(a), 145(a)(2), 148, 149, 487 and 832.

(E) Section 149 of such title is amended by striking "Officers and enlisted men" and inserting in lieu thereof "Members".

(F) Section 351(a) of such title is amended by striking "men" and inserting in lieu thereof "persons".

(G) Section 361 of such title is amended by striking "the man" and inserting in lieu thereof "the member".

(H) Sections 192 and 483 of such title are amended by striking "commissioned officer, warrant officer, or enlisted man" each place it appears and inserting in lieu thereof "member".

(I) Section 488 of such title is amended by striking "officers and men" and inserting in lieu thereof "members".

(4)(A)(i) The heading of section 149 of such title is amended to read as follows:

"§ 149. Detail of members to assist foreign governments".

(ii) The item relating to such section in the analysis of chapter 7 of such title is amended to read as follows:

"149. Detail of members to assist foreign governments.".

(B)(i) The heading of section 360 of such title is amended to read as follows:

"§ 360. Recall to active duty with consent of member".

(ii) The item relating to such section in the analysis of chapter 11 of such title is amended to read as follows:

"360. Recall to active duty with consent of member.".

(C)(i) The heading of section 361 of such title is amended to read as follows:

"§ 361. Relief of retired enlisted member promoted while on active duty".

(ii) The item relating to such section in the analysis of chapter 11 of such title is amended to read as follows:

"361. Relief of retired enlisted member promoted while on active duty.".

(D)(i) The heading of section 487 of such title is amended to read as follows:

"§ 487. Procurement and sale of stores to members and civilian employees".

(ii) The item relating to such section in the analysis of chapter 13 of such title is amended to read as follows:

"487. Procurement and sale of stores to members and civilian employees.".

(E)(i) The heading preceding section 350 in such title is amended to read as follows:

"ENLISTED MEMBERS"

(ii) The heading preceding the item relating to section 350 in the analysis of chapter 11 of such title is amended to read as follows:

"ENLISTED MEMBERS"

(b)(1) The first section of the Act of August 19, 1950 (33 U.S.C. 771) is amended—

(A) by striking "he" in clause (1) and inserting in lieu thereof "that employee";

(B) by amending clause (2) to read as follows:

"(2) the surviving spouse of the former employee was married to the former employee prior to the retirement of the former employee from the Lighthouse Service and has not remarried—"; and

(C) by striking "such widow, so long as she" in the material after clause (2) and inserting in lieu thereof "the surviving spouse, so long as the surviving spouse".

(2) Section 2 of such Act (33 U.S.C. 772) is amended—

(A) by amending clause (2) to read as follows:

"(2) the surviving spouse of the employee has not since remarried,"; and

(B) by striking "such widow, so long as she" in the material after clause (2) and inserting in lieu thereof "the surviving spouse, so long as the surviving spouse".

COASTAL AND INLAND NAVIGATION SAFETY

SEC. 16. (a) Subsection (e) of Public Law 96-380 (33 U.S.C. 1231a(e)) is amended by striking "five years from the date of enactment of this Act" and inserting in lieu thereof "on September 30, 1990".

(b)(1) Rule 24(i) of the Inland Navigational Rules, enacted by section 2 of the Inland Navigational Rules Act of 1980 (33 U.S.C. 2024(i)), is amended by inserting "(except below the Huey P. Long Bridge on the Mis-

sissippi River)" immediately after "Western Rivers".

(2) Section 5 of the Inland Navigational Rules Act of 1980 (33 U.S.C. 2073) is amended—

(A) by amending the second sentence in subsection (c) to read as follows: "Members of the Council, while away from their home or regular place of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code,"; and

(B) by striking "5 years from the date of enactment of this Act" in subsection (d) and inserting in lieu thereof "on September 30, 1990".

(c) Rule 14 of the Inland Navigational Rules, enacted by section 2 of the Inland Navigational Rules Act of 1980 (33 U.S.C. 2014), is amended—

(1) in subsection (a), by striking "When" and inserting in lieu thereof "Unless otherwise agreed, when"; and

(2) by adding at the end thereof the following:

"(d) Notwithstanding paragraph (a) of this Rule, a power-driven vessel operating on the Great Lakes, Western Rivers, or waters specified by the Secretary, and proceeding downbound with a following current shall have the right of way over an upbound vessel, shall propose the manner of passage, and shall initiate the maneuvering signals prescribed by Rule 34(a)(i), as appropriate.".

COAST GUARD MANAGEMENT AND EFFICIENCY

SEC. 17. (a) Section 971(b) of title 10, United States Code, is amended—

(1) by striking "and" at the end of clause (1);

(2) by striking the period at the end of clause (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(3) no officer of the Coast Guard may be credited with service as a midshipman at the United States Naval Academy or as a cadet at the United States Military Academy, United States Air Force Academy, or United States Coast Guard Academy.".

(b)(1) Section 257 of title 14, United States Code, is amended by adding at the end thereof the following:

"(e) An officer whose involuntary retirement or separation is deferred under section 295 of this title is not eligible for consideration for promotion to the next higher grade during the period of that deferment.".

(2)(A) Chapter 11 of such title is amended by inserting immediately after section 294 the following:

"§ 295. Deferment of retirement or separation for medical reasons"

"(a) Subject to subsection (b), the Secretary may defer the retirement or separation of a commissioned officer, other than a commissioned warrant officer, if the evaluation of the physical condition of the officer and determination of the officer's entitlement to retirement or separation for physical disability require hospitalization, medical observation, or other physical disability processing that cannot be completed before the date on which the officer would otherwise be retired or separated.

"(b) A deferment under subsection (a)—

"(1) may only be made with the consent of the officer involved; and

"(2) if the Secretary receives written notice from the officer withdrawing that consent, shall end not later than the end of the 60-day period beginning on the date the Secretary receives that notice.".

(B) The analysis of such chapter is amended by inserting immediately after the item relating to section 294 the following:

"295. Deferment of retirement or separation for medical reasons.".

(3)(A) Section 647 of such title is amended by striking "$25,000" and inserting in lieu thereof "$100,000".

(B) The amendment made by subparagraph (A) of this paragraph shall apply to all claims considered, ascertained, adjusted, determined, compromised or settled on or after the date of enactment of this Act.

(4) Section 367 of such title is amended—

(A) by striking "(a)" before "Under regulations";

(B) by striking "person detained" and inserting in lieu thereof "member detained"; and

(C) by striking "(1) of this subsection" and inserting in lieu thereof "clause (1)".

(c) Section 1114 of title 18, United States Code, is amended by striking "any officer or enlisted man of the Coast Guard," and inserting in lieu thereof "any member of the Coast Guard, any employee of the Coast Guard assigned to perform investigative, inspection or law enforcement functions,".

(d) Section 402(d) of title 37, United States Code, to amended by inserting "and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy" immediately after "Secretary of Defense".

(e)(1) Subsection (a) of section 3732 of the Revised Statutes of the United States (4 U.S.C. 11) is amended—

(A) by striking "except in the War and Navy Departments" and inserting in lieu thereof "except in the Department of Defense and in the Department of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy"; and

(B) by striking "or transportation" and inserting in lieu thereof ", transportation, or medical and hospital supplies".

(2) Subsection (b) of such section is amended by inserting "and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy" immediately after "The Secretary of Defense".

(3) The first proviso under the heading "MEDICAL DEPARTMENT" in the Act entitled "An Act making appropriations for the support of the Army for the fiscal year ending June thirteenth, nineteen hundred and seven", approved June 12, 1906 (34 Stat. 255), is repealed.

(f)(1) Section 911 of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c) is amended—

(A) by striking "and the Secretary of Health and Human Services" each place it appears and inserting in lieu thereof ", the Secretary of Health and Human Services, and the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy"; and

(B) by inserting "the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy," immediately before "and the appropriate officials".

(2) Section 1252 of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d) is amended—

(A) by striking "and the Secretary of Health and Human Services" each place it appears and inserting in lieu thereof ", the Secretary of Health and Human Services, and the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy"; and

(B) by inserting "and the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy" immediately after "with the Secretary of Health and Human Services" each place it appears.

(g)(1) The first section of the Act of March 23, 1906 (33 U.S.C. 491), popularly known as the "Bridge Act of 1906", is amended—

(A) by striking "and Chief of Engineers for their approval, nor until they" and inserting in lieu thereof "for the Secretary's approval, nor until the Secretary";

(B) by striking "by the Chief of Engineers and";

(C) by striking "of the Chief of Engineers and"; and

(D) by striking "of Transportation" the second and third place it appears.

(2) Section 502(b) of the General Bridge Act of 1946 (33 U.S.C. 525(b)) is amended—

(A) by striking "the Chief of Engineers and"; and

(B) by striking "they" both places it appears and inserting in lieu thereof "the Secretary".

REPEAL OF DUPLICATE TANKERMAN MANNING REQUIREMENT

SEC. 18. Section 8703(b) of title 46, United States Code, relating to tankerman manning requirements, is repealed.

INCLUSION OF SECRETARY OF TRANSPORTATION IN CERTAIN MEDICAL MATTERS

SEC. 19. Chapter 55 of title 10, United States Code, is amended—

(1) in section 1072—

(A) by striking all after "by" through "may be," in paragraph (2)(D)(iii) and inserting in lieu thereof "the administering Secretary"; and

(B) by adding at the end thereof the following:

"(3) 'Administering Secretaries' means the Secretaries of executive departments specified inspection 1073 of this title as having responsibility for administering this chapter.";

(2) in section 1073, by striking all after "jurisdiction," through "Navy, and" and inserting in lieu thereof "the Secretary of Transportation shall administer this chapter for the Coast Guard when the Coast Guard is not operating as a service in the Navy, and the Secretary of Health and Human Services shall administer this chapter";

(3) in section 1074, by striking "Secretary of Defense and the Secretary of Health and Human Services" each place it appears and inserting in lieu thereof "administering Secretaries";

(4) in section 1074a(a), by striking "Secretary of Defense and the Secretary of Health and Human Services" and inserting in lieu thereof "administering Secretaries";

(5) in section 1076(b) and (d), by striking "the Secretary of Defense and the Secretary of Health and Human Services" and inserting in lieu thereof "the administering Secretaries";

(6) in section 1078(a) and (b), by striking "the Secretary of Health and Human Services" and inserting in lieu thereof "the other administering Secretaries";

(7) in section 1079—

(A) by striking "the Secretary of Defense and the Secretary of Health and Human Services" each place it appears and inserting in lieu thereof "the administering Secretaries"; and

(B) by striking "with the Secretary of Health and Human Services" in subsections

(a), (b)(12) and (k) and inserting in lieu thereof "with the other administering Secretaries";

(8) in section 1080, by strking "the Secretary of Health and Human Services" and inserting in lieu thereof "the other administering Secretaries";

(9) in section 1081, by striking "the Secretary of Defense or the Secretary of Health and Human Services" and inserting in lieu thereof "the appropriate administering Secretary";

(10) in section 1083, by striking "the Secretary of Health and Human Services" and inserting in lieu thereof "the other administering Secretaries";

(11) inspection 1084—

(A) by striking "the Secretary of Defense or the Secretary of Health and Human Services" and inserting in lieu thereof "an administering Secretary"; and

(B) by striking "he" and inserting in lieu thereof "the administering Secretary";

(12) by amending the text of section 1085 to read as follows:

"If a member or former member of a uniformed service under the jurisdiction of one executive department (or a dependent of such a member or former member) receives inpatient medical or dental care in a facility under the jurisdiction of another executive department, the appropriation for maintaining and operating the facility furnishing the care shall be reimbursed at rates established by the President to reflect the average cost of providing the care.";

(13) in section 1086—

(A) by striking "the Secretary of Health and Human Services" in subsection (a) and inserting in lieu thereof "the other administering Secretaries"; and

(B) by striking "the Secretary of Defense and the Secretary of Health and Human Services" in subsection (e) and inserting in lieu thereof "the administering Secretaries"; and

(14) in section 1092(a)(1), by striking "Secretary of Health and Human Services" and inserting in lieu thereof "other administering Secretaries".

CUTTER AVAILABILITY

SEC. 20. Throughout fiscal years 1985 and 1986, there shall be available for service at all times on the Atlantic and Gulf Coasts of the United States not less than, in the aggregate, thirty high and medium endurance Coast Guard cutters.

COAST GUARD REPRESENTATION ON RESERVE FORCES POLICY BOARD

SEC. 21. Section 175(b) of title 10, United States Code, is amended to read as follows:

"(b) Whenever the Coast Guard is not operating as a service in the Navy, the Secretary of Transportation may designate two officers of the Coast Guard, Regular or Reserve, to serve as voting members of the Board.".

EXPOSURE SUITS

SEC. 22. (a)(1) Chapter 31 of title 46, United States Code, is amended by adding at the end thereof the following:

"§ 3102. Exposure suits

"(a) The Secretary shall by regulation require exposure suits on vessels designated by the Secretary that operate in the Atlantic Ocean north of 32 degrees North latitude or south of 32 degrees South latitude and in all other waters north of 35 degrees North latitude or south of 35 degrees South latitude. The Secretary may not exclude a vessel from designation under this section only because that vessel carries other lifesaving equipment.

"(b) The Secretary shall establish standards for an exposure suit required by this section, including standards to guarantee adequate thermal protection, buoyance, and flotation stability.

"(c)(1) The owner, charterer, managing operator, agent, master, or individual in charge of a vessel violating this section or a regulation prescribed under this section is liable to the United States Government for a civil penalty of not more than $5,000. The vessel also is liable in rem for the penalty.

"(2) The owner, charterer, managing operator, agent, master, or individual in charge of a vessel violating this section or a regulation prescribed under this section may be fined not more than $25,000, imprisoned for not more than 5 years, or both.".

(2) The analysis of chapter 31 of title 46, United States Code, is amended by inserting immediately after the item relating to section 3101 the following:

"3102. Exposure suits.".

(b) Section 3102 of title 46, United States Code (as added by subsection (a) of this section), does not limit the authority of the Secretary of the department in which the Coast Guard is operating to prescribe regulations requiring exposure suits on vessels not required by section 3102 to have exposure suits.

(c) The regulations prescribed under section 3102 of title 46, United States Code (as added by subsection (a) of this section), shall be effective not later than 60 days after the date of enactment of this Act.

(d) Not later than 6 months after the date of enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall submit a report to the Congress evaluating the benefits and disadvantages of extending the regulations prescribed under section 3102 of title 46, United States Code (as added by subsection (a) of this section) to require exposure suits on designated vessels operating in all waters north of 31 degrees North latitude or south of 31 degrees South latitude.

VESSEL FIRE RESPONSE CAPABILITY

SEC. 23. (a) The Secretary of the department in which the Coast Guard is operating shall make a grant to the Maritime Fire and Safety Association, a non-profit organization incorporated in the State of Oregon. Such grant shall be used for a demonstration project to develop a fire response capability for vessels through the acquisition of equipment and supplies and through training of fire response personnel. The Secretary shall ensure that funds made available by such grant are used for such purposes.

(b) For purposes of subsection (a) of this section, there are authorized to be appropriated not to exceed $349,000 for fiscal year 1985, not to exceed $160,000 for fiscal year 1986, and not to exceed $103,000 for fiscal year 1987.

CADET PREAPPOINTMENT TRAVEL EXPENSES

SEC. 24. (a) Chapter 9 of title 14, United States Code, is amended by inserting immediately after section 181 the following:

"§ 181a. Cadet applicants; preappointment travel to Academy

"The Secretary is authorized to expend appropriated funds for selective preappointment travel to the Academy for orientation visits of cadet applicants.".

(b) The table of sections at the beginning of such chapter is amended by inserting immediately after the item relating to section 181 the following:

"181a. Cadet applicants' preappointment travel to Academy.".

COMMODORE AND REAR ADMIRAL RESERVE POSITIONS

SEC. 25. (a)(1) Section 42(b) of title 14, United States Code, is amended by striking ".375" both places it appears and inserting in lieu thereof "0.375".

(2) Section 290 of such title is amended by striking "Board" in the fourth sentence and inserting in lieu thereof "Boards".

(3) The table of sections at the beginning of chapter 13 of such title is amended by striking the item relating to section 462a.

(4) Section 724 of such title is amended—

(A) by inserting "(1)" immediately after "(b)";

(B) by striking the last sentence; and

(C) by adding at the end thereof the following;

"(2) The authorized number of Reserve officers in an active status not on active duty in the grades of commodore and rear admiral is a total of two. However, the Secretary of the department in which the Coast Guard is operating may authorize an additional number of Reserve officers not on active duty in the grades of commodore and rear admiral as necessary in order to meet planned mobilization requirements.".

(b)(1) The matter in the table in section 201(a) of title 37, United States Code, under the heading "Navy, Coast Guard, and National Oceanic and Atmospheric Administration" and in the columns for O-8 and O-7 is amended to read as follows:

"Rear admiral

"Commodore".

(2)(A) The heading of section 202 of such title is amended to read as follows:

"§ 202. Pay grade: retired Coast Guard commodores".

(B) The item relating to section 202 in the table of sections at the beginning of chapter 3 of such title is amended to read as follows:

"202. Pay grade: retired Coast Guard commodores.".

(c) The matter in the table in section 741(a) of title 10, United States Code, under the heading "Navy and Coast Guard" is amended—

(1) by striking "Rear admiral (Navy) and Rear admiral (upper half) (Coast Guard)" and inserting in lieu thereof "Rear admiral"; and

(2) by striking "Commodore (Navy) and Rear admiral (lower half) (Coast Guard)" and inserting in lieu thereof "Commodore".

ASSOCIATE DEPUTY SECRETARY OF TRANSPORTATION

SEC. 26. (a) Section 102 of title 49, United States Code, is amended by redesignating subsection (d) as subsection (e) and inserting immediately after subsection (c) the following:

"(d) The Department has an Associate Deputy Secretary appointed by the President, by and with the advice and consent of the Senate. The Associate Deputy Secretary shall carry out powers and duties prescribed by the Secretary.".

(b) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following: "Associate Deputy Secretary, Department of Transportation.".

(c) Notwithstanding any other provision of law, until April 15, 1985, the position created by subsection (a) of this section may be held by a person named by the President alone from among qualified individuals.

FLAT RATE PER DIEM TEST

SEC. 28. (a) Before October 1, 1986, the Secretary of the department in which the

Coast Guard is operating may test a flat rate per diem allowances system for military travel allowances.

(b) Such flat rate per diem allowances shall be an amount determined by the Secretary to be sufficient to meet normal and necessary expenses in the area in which travel is performed, but such allowances may not be more than $75 for each in the continental United States.

(c) The test authorized by this section may not begin before the Committees on Commerce, Science, and Transportation and Armed Services of the Senate and the Committees on Merchant Marine and Fisheries ans Armed Services of the House of Representatives are notified of the test.

IMPROVEMENTS IN SHIPPING LAWS ADMINISTERED BY THE COAST GUARD

SEC. 29. (a) Section 7101(e)(3) of title 46, United States Code, is amended to read as follows:

"(3) has a thorough physical examination each year while holding the license, except that this requirement does not apply to an individual who will serve as a pilot only on a vessel of less than 1600 gross tons;".

(b) Section 8101(g) of title 46, United States Code, is amended by striking "or part B of this subtitle applies" and inserting in lieu thereof "applies or which is subject to inspection under chapter 33 of this title".

(c) Section 8301(a) of title 46, United States Code, is amended—

(1) by inserting "(except the Great Lakes)" immediately after "lakes"; and

(2) by striking "to which part B of this subtitle applies" and inserting in lieu thereof "subject to inspection under chapter 33 of this title".

(d) Section 8301(a)(1) of title 46, United States Code, is amended by inserting "propelled by machinery or carrying passengers" immediately after "vessels".

(e) Section 8501(a) of title 46, United States Code, is amended by striking "part" and inserting in lieu thereof "subtitle".

(f)(1) Section 8502(a) of title 46, United States Code, is amended to read as follows:

"(a) Except as provided in subsection (g) of this section, a coastwise seagoing vessel shall be under than direction and control of a pilot licensed under section 7101 of this title if the vessel is—

"(1) not sailing on register;

"(2) underway;

"(3) not on the high seas; and

"(4)(A) propelled by machinery and subject to inspection under part B of this subtitle; or

"(B) subject to inspection under chapter 37 of this title.".

(2) Section 8502 of title 46, United States Code, is amended by adding at the end thereof the following:

"(g) The Secretary shall designate by regulation the areas of the approaches to and waters of Prince William Sound, Alaska, on which a vessel subject to this section is not required to be under the direction and control of a pilot licensed under section 7101 of this title.".

(3)(A) Chapter 85 of title 46, United States Code, is amended by adding at the end thereof the following:

"§ 8503. Federal pilots authorized

"(a) The Secretary may require a pilot licensed under section 7101 of this title on a self-propelled vessel when a pilot is not requred by State law and the vessel is—

"(1) engaged in foreign commerce; and

"(2) operating on the navigable waters of the United States.

"(b) A requirement prescribed under subsection (a) of this section is terminated when the State having jurisdiction over the area involved—

SEC. 30. Section 11301(a) of title 46, United States Code, is amended to read as follows:

"(a) Except a vessel on a voyage from a port in the United States to a port in Canada a vessel of the United States shall have an official logbook if the vessel is—

"(1) on a voyage from a port in the United States to a foreign port; or

"(2) of at least 100 gross tons and is on a voyage between a port of the United States on the Atlantic Ocean and on the Pacific Ocean.".

TRENT RIVER RAILROAD BRIDGE

SEC. 31. Nothwithstanding any other provision of law, the Trent River Railroad Bridge, mile 0.0, in New Bern, North Carolina, is deemed and unreasonable obstruction to navigation.

AMENDMENTS TO THE COASTWISE LOAD LINE ACT

SEC. 32. (a) Section (b) of the Act of August 27, 1935 (46 App. U.S.C. 88(b)), popularly known as the "Coastwise Load Line Act, 1935", is amended to read as follows:

"(b) This Act does not apply to—

"(1) a fish tender vessel of not more than 500 gross tons—

"(1) establishes a requirement for a State licensed pilot; and

"(2) notifies the Secretary of that fact.

"(c) For the Saint Lawrence Seaway, the Secretary may not delegate the authority under this section to an agency except the Saint Lawrence Seaway Development Corporation.

"(d) A person violating this section or a regulation prescribed under this section is liable to the United States Government for a civil penalty of not more than $25,000. Each day of a continuing violation is a separate violation. The vessel also is liable in rem for the penalty.

"(e) A person that knowingly violates this section or a regulation prescribed under this section shall be fined not more than $50,000, imprisoned for not more than five years, or both.".

(B) The analysis of chapter 85 of title 46, United States Code, is amended by inserting immediately after the item relating to section 8502 the following:

"8503. Federal pilots authorized.".

(g) section 7 of the Ports and Waterways Safety Act (33 U.S.C. 1226) is repealed.

(h) Section 10 of the Ports and Waterways Safety Act (33 U.S.C. 1229) is amended by striking "6, and 7" and inserting in lieu thereof "and 6".

LOGBOOK REQUIREMENT

SEC. 30. Section 11301(a) of title 46, United States Code, is amended to read as follows:

"(a) Except a vessel on a voyage from a port in the United States to a port in Canada, a vessel of the United States shall have an official logbook if the vessel is—

"(1) on a voyage from a port in the United Staters to a foreign port; or

"(2) of at least 100 gross tons and is on a voyage between a port of the United States on the Atlantic Ocean and on the Pacific Ocean.".

TRENT RIVER RAILROAD BRIDGE

SEC. 31. Nothwithstanding any other provision of law, the Trent River Railroad Bridge, mile 0.0, in New Bern, North Carolina, is deemed an unreasonable obstruction to navigation.

AMENDMENTS TO THE COSTWISE LOAD LINE ACT

SEC. 32. (a) section 1(b) of the Act of August 27, 1935 (46 App. U.S.C. 88(b)), popularly known as the "Coastwise Load Line Act, 1935", is amended to read as follows:

"(b) This Act does not apply to—

"(1) a fish tender vessel of not more than 500 gross tons—

"(A) constructed, under construction, or contracted to be constructed as a vessel of this type before January 1, 1980; or

"(B) converted for use as a vessel of this type before January 1, 1983; and

"(2) a fish processing vessel of not more than 5,000 gross tons, except a vessel constructed after August 15, 1974, or converted for use as a vessel of this type after January 1, 1983.".

(b) Section 2 of such Act (46 App. U.S.C. 88a) is amended to read as follows:

"SEC. 2. (a) For vessels to which this Act applies, the Secretary of the department in which the Coast Guard is operating shall establish by regulation load lines and marks indicating the maximum depth to which these vessels may be loaded safely.

"(b) In prescribing regulations under the Act, the Secretary shall consider the age, condition, character, design, and construction of a vessel to which this Act applies, including subdivision and stability characteristics.

"(c) This Act applies to the Great Lakes, except that the Secretary may establish special operating regulations for barges operating close to shore between Calumet Harbor, Illinois, and Burns Harbor, Indiana, that exempt these barges from the load line and marking requirements of this section.

"(d) The Secretary may not establish on any vessel a load line that is above the actual line of safety.".

TECHNICAL AMENDMENTS REGARDING COMMERCIAL FISHING INDUSTRY VESSELS

SEC. 33. (a) Section 4502(b)(3) of title 46, United States Code, is amended by striking "the exemption" and inserting in lieu thereof "this chapter".

(b) Section 4503 of title 46, United States Code, is amended by striking "shall be deemed" and inserting in lieu thereof "is deemed".

(c) Section 8104(k) and (l) of title 46, United States Code, is amended by striking "may" and inserting in lieu thereof "shall".

(d) Section 402(13) of the Act of July 17, 1984 (Public Law 98-364) is amended by striking "Section 10101(a)" and inserting in lieu thereof "Section 10101".

SAILING SCHOOL VESSELS

SEC. 34. (a) Section 2101 of title 46, United States Code, is amended:

(1) in clause (21)(B), by inserting "or a sailing school vessel" immediately after "vessel" the first time it appears; and

(2) in clause (27), by striking all after "by sail" and inserting in lieu thereof "and may include—

"(A) any subject related to that operation and to the sea, including seamanship, navigation, oceanography, other nautical and marine sciences, and maritime history and literature; and

"(B) only when in conjunction with a subject referred to in subclause (A) of this clause, instruction in mathematics and language arts skills to sailing school students having learning disabilities.".

(b) Section 206 of the Sailing School Vessels Act of 1982 (46 U.S.C. 446(b) is amended by inserting "section 11101 (a)—(c) of title 46, United States Code," immediately before "and".

COMPENSATION OF COMMANDANT OF THE COAST GUARD

SEC. 35. (a) Footnote 2 of the table entitled "COMMISSIONED OFFICERS" in section 101(b)(1) of the Uniformed Services Pay Act of 1981 (Public Law 97-60; 95 Stat. 990) is amended—

(1) by striking "or"; and

(2) by inserting "or Commandant of the Coast Guard," immediately after "Corps,".

(b) The first sentence of footnote 4 of the table in section 1401 of title 10, United States Code, is amended—

(1) by striking "or"; and

(2) by inserting "or commandant of the Coast Guard," immediately after "Corps,".

(c) The amendment made by this section shall become effective on October 1, 1984.

Mr. PACKWOOD. Madam President, it gives me great pleasure to rise in support of the Coast Guard authorization bill, as amended.

The Coast Guard is truly a multimission force. As the principal U.S. maritime safety and law enforcement agency, Coast Guard activities include search and rescue, fisheries enforcement, antismuggling activities, vessel inspection, environmental protection, and operation of navigational aids.

The Coast Guard also plays a significant role in national defense. Coast Guard cutters have replaced the Navy in Grenada, its ships regularly participate in U.S. naval exercises, it provides port security in the United States and overseas, and it operates the only polar icebreakers possessed by any U.S. military service.

As new maritime problems have developed and old ones have expanded, Congress has been quick to look to the Coast Guard for solutions, and the Coast Guard has always been there. Unfortunately, while the Coast Guard has always been ready to take on new and expanded missions, it has not always received the resources it needs. Coast Guard equipment and manpower shortages are well known to my colleagues. The number of Coast Guard cutters has declined by a third in the last decade and the average age of a cutter is over 27 years. Coast Guard personnel levels have, at best, remained constant, while duties expanded dramatically.

Congress has taken steps to reverse these trends. In 1982 and again in 1984, largely due to the efforts of my colleague, Senator STEVENS, we included funds in the Department of Defense appropriations bill for acquisition of Coast Guard equipment. The authorization bill before the Senate today continues the trend toward a newer, stronger Coast Guard.

The bill as amended by my substitute version authorizes appropriations of approximately $2.42 billion for fiscal year 1985 and $2.67 billion for fiscal year 1986. Over half of this funding goes toward salaries and employee benefits, maintenance of aircraft and vessels, and other fixed costs incurred by the Coast Guard. The remainder is for acquisition of equipment and construction of facilities, research and development, and alteration of bridges which pose navigational hazards.

The bill also prohibits the sale of defective recreational boats, calls for a study of lifesaving equipment on passenger ferries, prohibits discrimination against seamen who report vessel safety violations, calls for continued operation of the Coast Guard's polar icebreakers, and revises the Coast Guard provisions in the United States Code to remove any sexual bias.

Also included in the bill is a section concerning the contracting out of services now performed by the Coast Guard. The bill encourages the Secretary of Transportation to identify functions now performed by the Coast Guard, which could be performed with equal effectiveness and at a lower cost by the private sector. At the same time, the bill provides for congressional oversight so we can be confident the contracting is in the best interests of the Coast Guard and the many people who depend on it.

When I introduced this bill last April, I said we owe our full support to the men and women who serve in the U.S. Coast Guard, the Coast Guard Reserve, and the Coast Guard Auxiliary. This bill is a giant step toward giving the Coast Guard the help it desperately needs to continue its tradition of outstanding service to our Nation.

Before concluding, I want to remind my colleagues that, recently, Coast Guard personnel demonstrated they are true to the motto "always ready." In the Bering Strait off Alaska the Coast Guard Cutter *Sherman* rendezvoused with a Soviet vessel to accept the release of five American seamen and their vessel.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Oregon [Mr. PACKWOOD].

The amendment (No. 7076) was agreed to.

Mr. DECONCINI. Madam President, I would like to address a question to my distinguished colleagues, the chairman and ranking member of the Commerce Committee. In my State there is an organization called Vision-Quest National, which has made an excellent and worthwhile contribution to our society by offering emotionally troubled young people the kinds of physically challenging experiences that open their minds to the values of self-discipline and teamwork. For over a decade the courts, public agencies, and concerned parents have placed these troubled youths with VisionQuest with considerable success.

My interest is in a new sailing program launched by VisionQuest about 6 months ago. Under this program youths are trained in seamanship and navigation and then participate in an ocean voyage on a tall-masted ship under the supervision of sailing and counseling professionals. Unfortunately, the VisionQuest Program has to be run in compliance with the Coast Guard's marine safety regulations applicable to passenger vessels, which are written with self-propelled vessels in mind. It would seem that Coast Guard regulation under the Sailing School Vessels Act of 1982 is more appropriate for sail-powered ships, but that law does not now apply to a for-profit company like VisionQuest. This 1982 act created a special category of marine safety regulation tailored to meet the characteristics of sailing vessels.

I would like to amend the 1982 act so that a socially beneficial program like VisionQuest's that is not run by a tax-exempt organization is regulated under sailing school vessel rules and not under passenger vessel requirements. Do my distinguished colleagues believe this matter can be considered in hearings by the Commerce Committee early in 1985?

Mr. PACKWOOD. I say to the distinguished Senator from Arizona that I am certainly willing to take the matter up in Commerce Committee hearings in the early part of next year.

Mr. HOLLINGS. I also support my distinguished colleague's request.

Mr. DECONCINI. I thank my colleagues from Oregon and South Carolina, and appreciate the willingness to give the proposal a good hearing in the very near future.

The PRESIDING OFFICER. The question is on agreeing to the substitute amendment, as amended.

The substitute amendment, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HENRY R.E. HAMPTON VISITOR CENTER

Mr. BAKER. Madam President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1889.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1889) entitled "An Act to amend the Act authorizing the establishment of the Congaree Swamp National Monument to provide that at such time as the principal visitor center is established, such center shall be designated as the 'Henry R. E. Hampton Visitor Center' ", do pass with the following amendments:

Strike out all after enacting clause and insert:

SECTION 1. Section 3 of the Act approved October 18, 1976 (90 Stat. 2517), is amended by adding at the end the following new subsection:

"(c) At such time as the principal visitor center at such monument is established, such center shall be designated as the 'Harry R. E. Hampton Visitor Center'.".

SEC. 2 Section 5 of the Act of July 15, 1968 (82 Stat. 354), is amended by redesignating subsection (c) as subsection (d) and by inserting the following new subsection (c) after subsection (b):

"(c) In order to protect the air, land, water, and natural and cultural values of the National Park System and the property of the United States therein, no solid waste disposal site (including any site for the disposal of domestic or industrial solid wastes) may be operated within the boundary of any unit of the National Park System, other than—

"(1) a site which was operating as of September 1, 1984, or

"(2) a site used only for disposal of wastes generated within that unit of the park system so long as such site will not degrade any of the natural or cultural resources of such park unit.

The Secretary of the Interior shall promulgate regulations to carry out the provisions of this subsection, including reasonable regulation to mitigate the adverse effects of solid waste disposal sites in operation as of September 1, 1984, upon property of the United States.".

Amend the title so as to read: "An Act to amend the Act authorizing the establishment of the Congaree Swamp National Monument to provide that at such time as the principal visitor center is established, such center shall be designated as the 'Harry R. E. Hampton Visitor Center' and for other purposes.".

HARRY R.E. HAMPTON VISITOR CENTER

Mr. THURMOND. Madam President, I am pleased that the Senate is today taking final action on S. 1889, a bill to amend the act authorizing the establishment of the Congaree Swamp National Monument to provide that, at such time as the principal visitor center is established, such center shall be designated as the "Harry R.E. Hampton Visitor Center."

Madam President, Harry Rutledge Elliott Hampton is unquestionably one of South Carolina's greatest naturalists. Born near Columbia, SC, on July 8, 1897, Harry Hampton devoted much of his life to the cause of conservation. Although his life came to an end in 1980, his tireless efforts to promote wise management of our natural resources will not soon be forgotten.

After earning a bachelor of arts degree in English from the University of South Carolina, Harry Hampton worked as a reporter, columnist, and coeditor for the State newspaper, writing his "Woods and Water" column for more than 30 years. In 1931, he helped create the South Carolina Game and Fish Association and was later active in the formation of the State's Wildlife and Marine Resources Department.

His efforts on behalf of the Congaree Swamp began in 1954. For more than 20 years, Harry Hampton attended meetings, made speeches, wrote articles, and personally escorted people into the swamp to observe and document trees, birds, and other wildlife.

Due in part to his efforts, public awareness and support for protecting and preserving the Congaree Swamp rapidly grew. These diligent educational efforts culminated in congressional passage of legislation in 1976 establishing the Congaree Swamp National Monument. I was pleased to author that bill in the Senate and recall that we worked hard to achieve its enactment in the waning days of the 94th Congress.

Madam President, it is entirely fitting, that, when completed, the principal visitor center in Congaree Swamp National Monument be named after this man who devoted so much of his life to seeing that this natural area was preserved for the enjoyment of the American people. S. 1889 was favorably reported by the Energy and Natural Resources Committee on a vote of 20 yeas to 0 nays, and passed the Senate August 9, 1984, on a unanimous voice vote.

The House saw fit to attach amendments to S. 1889 that are unrelated to the naming of the visitor center after this respected South Carolinian, necessitating this further action by the Senate. I want to thank the distinguished chairman of the Senate Energy and Natural Resources Committee, Senator MCCLURE, and the distinguished chairman of the Senate Public Lands and Reserved Water Subcommittee, Senator WALLOP, for their efforts and accommodations in making final action on this measure possible here today.

Mr. BAKER. Madam President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

AWARDS OF EXPENSES OF CERTAIN AGENCY AND COURT PROCEEDINGS

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 5479.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the text of the bill (H.R. 5479) entitled "An Act to amend section 504 of title 5, United States Code, and section 2412 of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and for other purposes", with the following amendment:

In lieu of the matter inserted by said amendment, insert:

That (a) section 504(a)(1) of title 5, United States Code, is amended—

(1) by striking out "as a party to the proceeding", and

(2) by adding at the end thereof the following: "The decision of the adjudicative officer on the application for fees and other expenses shall be the final administrative decision under this section.".

(b) Section 504(a)(2) of title 5, United States Code, is amended by adding at the end thereof the following: "When the United States appeals the underlying merits of an adversary adjudication, no decision on an application for fees and other expenses in connection with that adversary adjudication shall be made under this section until a final and unreviewable decision is rendered by the court on the appeal or until the underlying merits of the case have been finally determined pursuant to the appeal.".

(c) Section 504(b) of title 5, United States Code, is amended—

(1) by amending paragraph (1)(B) to read as follows:

"(B) 'party' means a party, as defined in section 551(3) of this title, who is (i) an individual whose net worth did not exceed $2,000,000 at the time the adversary adjudication was initiated, or (ii) any owner of an unincorporated business, or any partnership, corporation, association, unit of local government, or organization, the net worth of which did not exceed $7,000,000 at the time the adversary adjudication was initiated, and which had not more than 500 employees at the time the adversary adjudication was initiated; except that an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3)) exempt from taxation under section 501(a) of such Code, or a cooperative assocation as defined in section 15(a) of the Agricultural Marketing Act (12 U.S.C. 1141j(a)), may be a party regardless of the net worth of such organization or cooperative association;";

(2) in paragraph (1)(C)—

(A) by inserting "(i)" before "an adjudication under";

(B) by inserting before the semicolon at the end thereof the following: ", and (ii) any appeal of a decision made pursuant to section 6 of the contract Disputes Act of 1978 (41 U.S.C. 605) before an agency board of contract appeals as provided in section 8 of that Act (41 U.S.C. 607)"; and

(C) by striking out "and" at the end thereof;

(3) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof "; and "; and

(4) by adding at the end thereof the following:

"(E) 'position of the agency' includes the underlying action which led to the adversary adjudication; except that fees and expenses may not be awarded to a party for any portion of the adversary adjudication in which the party has unreasonably protracted the proceedings.".

(d) Section 504(c)(2) of title 5, United States Code, is amended to read as follows:

"(2) If a party or the United States is dissatisfied with a determination of fees and other expenses made under subsection (a), that party or the United States (as the case may be) may, within 30 days after the determination is made, appeal the determination to the court of the United States having jurisdiction to review the merits of the under-

lying decision of the agency adversary adjudication. The court's determination on all appeals heard under this paragraph shall be based solely on the factual record made before the agency. The court may modify the determination of fees and other expenses only if the court finds that the failure to make an award of fees and other expenses, or the calculation of the amount of the award, was unsupported by substantial evidence.".

(e) Section 504(d) of title 5, United States Code, is amended to read as follows:

"(d) Fees and other expenses awarded under this subsection shall be paid by any agency over which the party prevails from any funds made available to the agency by appropriation or otherwise.".

(f) Section 504 of title 5, United States Code, is amended by adding at the end thereof the following:

"(f) If complete payment of the fees and other expenses awarded under this section is not made within 60 days after the final agency action making an award of such fees and other expenses, interest shall be paid on the amount remaining due. Such interest shall be computed at the rate the Secretary of the Treasury establishes for interest payments under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611), and shall run from the date which is 61 days after the date of such award up to and including the date such payment is posted by certified or registered mail.".

SEC. 2. (a) Section 2412 of title 28, United States Code, is amended—

(1) in subsections (a) and (b) by striking out "or any agency and any official of the United States" each place it appears and inserting in lieu thereof "or any agency or any official of the United States";

(2) in subsection (d)(1)(A) by inserting ", including proceedings for judicial review of agency action," after "in tort)"; and

(3) in subsection (d)(1)(B) by inserting immediately after "action" the following: "or order of remand for further hearing made pursuant to section 205(g) or 1631(c)(3) of the Social Security Act (42 U.S.C. 405(g) or 1383(c)(3))".

(b) Section 2412(d)(2) of title 28, United States Code, is amended—

(1) in subparagraph (B)—

(A) in clause (i) by striking out "$1,000,000" and inserting in lieu thereof "$2,000,000"; and

(B) by striking out "(ii)" and all that follows through the end of the subparagraph and inserting in lieu thereof the following: "or (ii) any owner of an unincorporated business, or any partnership, corporation, association, unit of local government, or organization, the net worth of which did not exceed $7,000,000 at the time the civil action was filed, and which had not more than 500 employees at the time the civil action was filed; except that an organization described in section 510(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3)) exempt from taxation under section 501(a) of such Code, or a cooperative association as defined in section 15(a) of the Agricultural Marketing Act (12 U.S.C. 1141j(a)), may be a party regardless of the net worth of such organization or cooperative association;";

(2) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following:

"(D) 'position of the United States' includes the underlying agency action which led to the litigation; except that fees and expenses may not be awarded to a party for any portion of the litigation in which the party has unreasonably protracted the proceedings;

"(E) 'civil action brought by or against the United States' includes an appeal by a party, other than the United States, from a decision of a contracting officer rendered pursuant to a disputes clause in a contract with the Government or pursuant to the Contract Disputes Act of 1978;

"(F) 'court' includes the United States claims Court;

"(G) 'final judgment' means a judgment that is final and not appealable;

"(H) 'prevailing party in a civil action' includes a party who, pursuant to section 205(g) or 1631(c)(3) of the Social Security Act (42 U.S.C. 405(g) or 1383(c)(3)), has won an order remanding the cause for further hearing except that this provision shall not apply to cases to the extent that the remand was based on section 2(d) of the Social Security Disability Benefits Reform Act of 1984; and

"(I) 'prevailing party' in the case of eminent domain proceedings, means a party who obtains a final judgment (other then by settlement), exclusive of interest, the amount of which is at least as close to the highest valuation of the property involved that is attested to at trial on behalf of the property owner as it is to the highest valuation of the property involved that is attested to at trial on behalf of the Government.".

(c) Section 2412(d)(4) of title 28, United States Code, is amended to read as follows:

"(4) Fees and other expenses awarded under this subsection to a party shall be paid by any agency over which the party prevails from any funds made available to the agency, by appropriation or otherwise.".

(d) Section 2412 of title 28, United States Code, is amended by adding at the end thereof the following:

"(f) If complete payment of the costs or fees and other expenses awarded under this section is not made within 60 days after the award of such costs or fees and other expenses, interest shall be paid thereafter on the amount remaining due. Such interest shall be computed at the rate the Secretary of the Treasury establishes for interest payments under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611), and shall run from the date which is 61 days after the date of such award up to and including the date such payment is posted by certified or registered mail.".

SEC. 3. Section 206 of the Equal Access to Justice Act is amended—

(1) by striking out "Nothing" and inserting in lieu thereof "(a) Except as provided in subsection (b), nothing"; and

(2) by adding at the end thereof the following:

"(b) Section 206(b) of the Social Security Act (42 U.S.C. 406(b)(1)) shall not prevent an award of fees and other expenses under section 2412(d) of title 28, United States Code. Section 206(b)(2) of the Social Security Act shall not apply with respect to any such award but only if any fees collected by the claimant's attorney or withheld for such attorney pursuant to such section 206(b) are refunded to the claimant insofar as the fees relate to the same work for which the claimant's attorney is awarded fees under section 2412(d) of title 28, United States Code.".

SEC. 4. Section 203(c) of the Equal Access to Justice Act (Public Law 96-481) is repealed.

SEC. 5. Section 204(c) of the Equal Access to Justice Act is repealed.

SEC. 6. Section 207 of the Equal Access to Justice Act, is repealed.

SEC. 7. Section 208 of the Equal Access to Justice Act is amended by adding at the end thereof the following: "Awards may be made for fees incurred before October 1, 1981, in any such adversary adjudication or civil actions.".

SEC. 8. The amendments made by this Act shall be effective as of October 1, 1984, and shall apply to cases pending on such date.

Resolved, That the House agree to the amendment of the Senate to the title of the aforesaid bill.

AMENDMENT NO. 7077

(Purpose: To amend the Equal Access to Justice Act, and for other purposes)

Mr. BAKER. Madam President, I move the Senate concur in the House amendment, with a further amendment, on behalf of Senator GRASSLEY, which I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. BAKER], for Mr. GRASSLEY, proposes an amendment numbered 7077.

Mr. BAKER. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That (a) section 504(a)(1) of title 5, United States Code, is amended—

(1) by striking out "as a party to the proceeding", and

(2) by adding at the end thereof the following: "The decision of the adjudicative officer on the application for fees and other expenses shall be the final administrative decision under this section.".

(b) Section 504(a)(2) of title 5, United States Code, is amended by adding at the end thereof the following: "When the United States appeals the underlying merits of an adversary adjudication, no decision on an application for fees and other expenses in connection with that adversary adjudication shall be made under this section until a final and unreviewable decision is rendered by the court on the appeal or until the underlying merits of the case have been finally determined pursuant to the appeal.".

(c) Section 504(b) of title 5, United States Code, is amended—

(1) by amending paragraph (1)(B) to read as follows:

"(B) 'party' means a party, as defined in section 551(3) of this title, who is (i) an individual whose net worth did not exceed $2,000,000 at the time the adversary adjudication was initiated, or (ii) any owner of an unincorporated business, or any partnership, corporation, association, unit of local government, or organization, the net worth of which did not exceed $7,000,000 at the time the adversary adjudication was initiated, and which had not more than 500 employees at the time the adversary adjudication was initiated; except that an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3)) exempt from taxation under section 501(a) of such Code, or a cooperative

association as defined in section 15(a) of the Agricultural Marketing Act (12 U.S.C. 1141j(a)), may be a party regardless of the net worth of such organization or cooperative association;";

(2) in paragraph (1)(C)—

(A) by inserting "(i)" before "an adjudication under";

(B) by inserting before the semicolon at the end thereof the following: ", and (ii) any appeal of a decision made pursuant to section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605) before an agency board of contract appeals as provided in section 8 of that Act (41 U.S.C. 607)"; and

(C) by striking out "and" at the end thereof;

(3) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following:

"(E) 'position of the agency' includes the underlying action which led to the adversary adjudication; except that fees and expenses may not be awarded to a party for any portion of the adversary adjudication in which the party has unreasonably protracted the proceedings.".

(d) Section 504(c)(2) of title 5, United States Code, is amended to read as follows:

"(2) If a party or the United States is dissatisfied with a determination of fees and other expenses made under subsection (a), that party or the United States (as the case may be) may, within 30 days after the determination is made, appeal the determination to the court of the United States having jurisdiction to review the merits of the underlying decision of the agency adversary adjudication. The court's determination on all appeals heard under this paragraph shall be based solely on the factual record made before the agency. The court may modify the determination of fees and other expenses only if the court finds that the failure to make an award of fees and other expenses, or the calculation of the amount of the award, was unsupported by substantial evidence.".

(e) Section 504(d) of title 5, United States Code, is amended to read as follows:

"(d) Fees and other expenses awarded under this subsection shall be paid by any agency over which the party prevails from any funds made available to the agency by appropriation or otherwise.".

(f) Section 504 of title 5, United States Code, is amended by adding at the end thereof the following:

"(f) If complete payment of the fees and other expenses awarded under this section is not made within 60 days after the final agency action making an award of such fees and other expenses, interest shall be paid on the amount remaining due. Such interest shall be computed at the rate the Secretary of the Treasury establishes for interest payments under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611), and shall run from the date which is 61 days after the date of such award up to and including the date such payment is posted by certified or registered mail.".

SEC. 2. (a) Section 2412 of title 28, United States Code, is amended—

(1) in subsections (a) and (b) by striking out "or any agency and any official of the United States" each place it appears and inserting in lieu thereof "or any agency or any official of the United States";

(2) subsection (d)(1)(A) by inserting ", including proceedings for judicial review of agency action," after "in tort)"; and

(b) Section 2412(d)(2) of title 28, United States Code, is amended—

(1) in subparagraph (B)—

(A) in clause (i) by striking out "$1,000,000" and inserting in lieu thereof "$2,000,000"; and

(B) by striking out "(ii)" and all that follows through the end of the subparagraph and inserting in lieu thereof the following: "or (ii) any owner of an unincorporated business, or any partnership, corporation, association, unit of local government, or organization, the net worth of which did not exceed $7,000,000 at the time the civil action was filed, and which had not more than 500 employees at the time the civil action was filed; except that an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3)) exempt from taxation under section 501(a) of such Code, or a cooperative association as defined in section 15(a) of the Agricultural Marketing Act (12 U.S.C. 1141j(a)), may be a party regardless of the net worth of such organization or cooperative association;";

(2) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following:

"(D) 'position of the United States' includes the underlying agency action which led to the litigation; except that fees and expenses may not be awarded to a party for any portion of the litigation in which the party has unreasonably protracted the proceedings;

"(E) 'civil action brought by or against the United States' includes an appeal by a party, other than the United States, from a decision of contracting officer rendered pursuant to a disputes clause in a contract with the Government or pursuant to the Contract Disputes Act of 1978;

"(F) 'court' includes the United States Claims Court;

"(G) 'final judgment' means a judgment that is final and not appealable; and

"(H) 'prevaling party', in the case of eminent domain proceedings, means a party who obtains a final judgment (other than by settlement), exclusive of interest, the amount of which is at least as close to the highest valuation of the property involved that is attested to at trial on behalf of the property owner as it is to the highest valuation of the property involved that is attested to at trial on behalf of the Government.".

(c) Section 2412(d)(4) of title 28, United States Code, is amended to read as follows:

"(4) Fees and other expenses awarded under this subsection to a party shall be paid by any agency over which the party prevails from any funds made available to the agency, by appropriation or otherwise.".

(d) Section 2412 of title 28, United States Code, is amended by adding at the end thereof the following:

"(f) If complete payment of the costs or fees and other expenses awarded under this section is not made within 60 days after the award of such costs or fees and other expenses, interest shall be paid thereafter on the amount remaining due. Such interest shall be computed at the rate the Secretary of the Treasury establishes for interest payments under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611), and shall run from the date which is 61 days after the date of such award up to and including the date such payment is posted by certified or registered mail.".

SEC. 3. Section 206 of the Equal Access to Justice Act is amended—

(1) by striking out "Nothing" and inserting in lieu thereof "(a) Except as provided in subsection (b), nothing"; and

(2) by adding at the end thereof the following:

"(b) Section 206(b) of the Social Security Act (42 U.S.C. 406(b)(1)) shall not prevent an award of fees and other expenses under section 2412(d) of title 28, United States Code. Section 206(b)(2) of the Social Security Act shall not apply with respect to any such award but only if any fees collected by the claimant's attorney or withheld for such attorney pursuant to such section 206(b) are refunded to the claimant insofar as the fees relate to the same work for which the claimant's attorney is awarded fees under section 2412(d) of title 28, United States Code.".

SEC. 4. Section 203(c) of the Equal Access to Justice Act (Public Law 96-481) is repealed.

SEC. 5. Section 204(c) of the Equal Access to Justice Act is repealed.

SEC. 6. Section 207 of the Equal Access to Justice Act, is repealed.

SEC. 7. Section 208 of the Equal Access to Justice Act is amended by adding at the end thereof the following: "Awards may be made for fees incurred before October 1, 1981, in any such adversary adjudication or civil action.".

SEC. 8. (a) Section 7430(b)(1) of the Internal Revenue Code of 1954 (relating to maximum dollar amount) is amended by striking out "$25,000" and inserting in lieu therof "$50,000".

(b) Subparagraph (A) of section 7430(c)(2) of such Code (defining prevailing party) is amended to read as follows:

"(A) In general.—The term 'prevailing party' means any party to any proceeding described in subsection (a) (other than the United States or any creditor of the Taxpayer involved)—

"(i) which has substantially prevailed with respect to—

"(I) the amount in controversy, or

"(II) the most significant issue or set of issues presented, and

"(ii) with respect to which the United States has not established that its position in the civil proceeding was substantially justified.

In determining whether the position of the United States in any civil proceeding was substantially justified, the court may take into account the administrative actions of the Internal Revenue Service in the matter giving rise to the issues in such proceeding. Notwithstanding this subparagraph, a party shall not be treated as a prevailing party if special circumstances would make an award unjust.".

(c) Section 7430(f) of such Code (relating to termination date) is amended by striking out "1985" and inserting in lieu thereof "1989".

SEC. 9. (a) Except as otherwise provided in this section, the amendments made by this Act shall be effective as of October 1, 1984, and shall apply to cases pending on such date.

(b) The amendments made to section 504(b)(1)(C)(ii) of title 5, United States Code, by subsection (c)(2) of the first section of this Act, and the amendments to section 2412(d)(2)(E) of title 28, United States Code, made by section 2(b)(3) of this Act shall apply to any adversary adjudication which was pending on or commenced on or after October 1, 1981 in which applications for fees and expenses were timely filed and were dismissed for lack of jurisdiction.

(c)(1) Except as provided in paragraph (2), the amendments made by section 8 of this Act shall apply to civil actions or proceedings pending on, or commenced after, the 45th day after the date of the enactment of this Act.

(2) The amendments made by section 8 shall not apply to any action or proceeding pending on such 45th day if there has been a determination by any court of the United States (including the Tax Court and the United States Claims Court) with respect to—

(A) the awarding of reasonable litigation costs in such proceeding, or

(B) the most significant issue or set of issues presented in such proceeding.

The PRESIDING OFFICER. Without objection, the motion is agreed to.

CONSERVATION SERVICE REFORM ACT

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 5946.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 5946) entitled "An Act to reform the Residential Conservation Service and to repeal the Commercial and Apartment Conservation Service", with the following amendment:

In lieu of the matter proposed to be inserted by said amendment, insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Conservation Service Reform Act of 1984".

TITLE I—LIMITATION OF PROVISIONS REGARDING COMMERCIAL BUILDINGS AND MULTIFAMILY DWELLINGS

SEC. 101. NO APPROVAL, AFTER ENACTMENT DATE, OF ENERGY CONSERVATION PLANS FOR COMMERCIAL BUILDINGS AND MULTIFAMILY DWELLINGS.

Notwithstanding title VII of the National Energy Conservation Policy Act (relating to energy conservation for commercial buildings and multifamily dwellings), after the date of the enactment of this Act, the Secretary of Energy may not approve any energy conservation plan for commercial buildings and multifamily dwellings (within the meaning of such title VII).

SEC. 102. LIMITATION ON ENFORCEMENT OF TITLE VII.

The provisions of title VII shall not apply to any public utility except pursuant to an energy conservation plan for commercial buildings and multifamily dwellings (within the meaning of such title VII) approved by the Secretary of Energy before the date of the enactment of this Act.

SEC. 103. REPEAL OF PROVISIONS REGARDING COMMERCIAL BUILDINGS AND MULTIFAMILY DWELLINGS, EFFECTIVE JANUARY 1, 1986.

(a) IN GENERAL.—Effective January 1, 1986, title VII of the National Energy Conservation Policy Act (relating to energy conservation for commercial buildings and multifamily dwellings) is repealed.

(b) CLERICAL AMENDMENT.—The table of contents for such Act is amended by striking out the items relating to title VII.

TITLE II—RESIDENTIAL CONSERVATION SERVICE

SEC. 201. CHANGES IN CERTAIN PLAN REQUIREMENTS.

(a) INFORMATION REQUIREMENTS MADE APPLICABLE UNTIL JANUARY 1, 1990.—Sections 215 (a) and (d) and 217(a)(1) of the National Energy Conservation Policy Act (relating to utility programs and home heating supplier programs) are amended by striking out "January 1, 1985" each place it appears and inserting in lieu thereof "January 1, 1990".

(b) Elimination of Requirements That Public Utilities Arrange for Installation of Suggested Measures and for Related Loans; Elimination of Listing Requirements.—

(1) UTILITY PROGRAMS.—Section 215(b) of such Act (relating to project manager requirements) is amended—

(A) by striking out "Each utility program shall include" through "procedures" and inserting in lieu thereof "Each utility program shall include procedures";

(B) by striking out "to" through "inspect" and inserting in lieu thereof "to inspect"; and

(C) by striking out "inspection;" and all that follows and inserting in lieu thereof "inspection.".

(2) HOME HEATING SUPPLIER PROGRAMS.—Section 217(a)(2) of such Act (relating to home heating supplier programs) is amended—

(A) by striking out "will—" through "inspect" and inserting in lieu thereof "will inspect"; and

(B) by striking out "installing, suggested measures;" and all that follows and inserting in lieu thereof "installing, suggested measures.".

(3) STATE PLANS.—Section 213(a) of such Act (relating to general plan requirements) is amended—

(A) by striking out paragraphs (2) and (3); and

(B) by redesignating paragraphs (4) through (9) as paragraphs (2) through (7), respectively.

(c) RULES.—Section 212(b)(2) of such Act (relating to rules of the Secretary) is amended by striking out subparagraphs (E) and (F) and inserting "and" at the end of subparagraph (C).

(d) EFFECT OF 1984 AMENDMENTS ON APPROVED PLANS.—Section 219 of such Act (relating to Federal standby authority) is amended by adding at the end thereof the following new subsection:

"(e) PLANS APPROVED BEFORE 1984 AMENDMENTS.—For purposes of this section, any residential energy conservation plan which was approved by the Secretary before the effective date of the Conservation Service Reform Act of 1984 shall be treated as an approved plan which is adequately implemented if such plan is adequately implemented in accordance with the requirements of this Act as amended by the Conservation Service Reform Act of 1984.".

(e) CONFORMING AMENDMENTS.—

(1) Paragraph (16) of section 210 of such Act is amended by striking out "215(b)(1)(A)" and inserting in lieu thereof "215(b)".

(2) Subparagraph (C) of section 212(b)(2) of such Act is amended by striking out "213(a)(4)" and inserting in lieu thereof "213(a)(2)".

(3) Subparagraph (A) of section 213(b)(2) of such Act is amended by striking out "215(b)(1)" and inserting in lieu thereof "215(b)".

(4) Subsection (b) of section 214 of such Act is amended by striking out "8" and inserting in lieu thereof "6".

(5) Section 215(a)(3) of such Act is amended by striking out "and the lists referred to in section 213(a)(2) and (3)".

(6) Subsection (d) of section 215 of such Act is amended by striking out ", the offer required under subsection (b)(1)(A)" and all that follows and by inserting in lieu thereof "and the offer required under subsection (b).".

(7) Section 215 of such Act is amended by striking out subsection (f) and by redesignating subsection (g) as subsection (f).

(8) Paragraph (1) of section 216(c) of such Act is amended by striking out subparagraph (A) and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(9) Subparagraph (C) of section 216(c)(2) of such Act is amended by striking out "on the lists referred to in section 213(a)(2)".

(f) STATUTORY CONSTRUCTION.—Nothing in the amendments made by subsections (b) through (e) shall prevent implementation of a plan or program pursuant to the National Energy Conservation Policy Act as in effect before the date of the enactment of this Act.

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect 90 days after the date of the enactment of this Act.

(2) RULES.—The Secretary of Energy shall, within the 90-day period referred to in paragraph (1), amend the rules promulgated under section 212 of the National Energy Conservation Policy Act to carry out the amendments made by this Act.

(3) SPECIAL REQUIREMENT FOR PLANS APPROVED BEFORE 1984 AMENDMENTS.—The Secretary of Energy shall, with respect to any residential energy conservation plan approved by the Secretary of Energy before the effective date (as described in paragraph (1)) of the amendments made by this section, require the appropriate official in charge of such plan to notify the Secretary of Energy, within 120 days of the date of enactment of this Act, that the amendments made by subsection (a) of this section shall be implemented for the duration of such plan.

SEC. 202. TIME LIMIT FOR ACTION ON APPLICATIONS FOR TEMPORARY PROGRAMS.

Any application for an exemption under section 218(a) of the National Energy Conservation Policy Act which is pending before the Secretary of Energy on the date of the enactment of this act shall be deemed approved unless it is disapproved by the Secretary of Energy within 30 days after such date of enactment.

SEC. 203. TEMPORARY RELIEF FROM RCS REQUIREMENTS; PILOT ALTERNATIVE PLANS AND ALTERNATIVE PLANS FOR RESIDENTIAL BUILDINGS.

(a) IN GENERAL.—The National Energy Conservation Policy Act is amended by inserting the following new sections after section 225:

"SEC. 225A. TEMPORARY RELIEF FROM RCS REQUIREMENTS.

"(a) TIME FOR PILOT ALTERNATIVE PLANS.—

"(1) For the 90-day period beginning on the date of the enactment of this Act, the provisions of this title shall not apply to any utility.

"(2) In the case of a State which submits a plan under section 226A, the provisions of this title shall not apply, with respect to utilities included in such State plan, before the date that such plan is approved or disapproved.

"(3) In the case of a utility which submits a plan under section 226B, the provisions of this title shall not apply to such utility before the date that such plan is approved or disapproved.

"(b) TIME FOR ALTERNATIVE PLANS.—The provisions of this title shall not apply to any utility for the period beginning January 1, 1986, and ending June 30, 1986.

"SEC. 226A. PILOT ALTERNATIVE STATE PLANS.

"(a) IN GENERAL.—A Governor of any State or any State agency authorized to do so under State law may, within 90 days after the date of the enactment of this Act, submit a pilot alternative State plan to the Secretary.

"(b) APPROVAL BY THE SECRETARY.—

"(1) The Secretary shall approve or disapprove a plan under this section within 30 days after receipt.

"(2) If the Secretary does not approve or disapprove a plan submitted under subsection (a) within 30 days after receipt, the plan shall be deemed approved.

"(c) CONSEQUENCES OF APPROVAL.—(1) Beginning with the date on which a pilot alternative State plan is approved under subsection (b) with respect to a State, and ending on December 31, 1985—

"(A) sections 212(a) through (c)(3), 213 through 215, and sections 217, 218, and 219 shall not apply with respect to—

"(i) regulated utilities in such State, and

"(ii) nonregulated utilities which are included in the plan; and

"(B) sections 212 through 219 shall apply to nonregulated utilities which are not included in the plan and which do not have an approved pilot alternative utility plan under section 226B.

"(2) Any State which has a plan approved under subsection (b) shall continue to have such plan in effect until December 31, 1985.

"(d) CONTENT OF PLAN.—A plan submitted under subsection (a) shall not be disapproved by the Secretary if it meets the requirements of section 227A(d)(1) through (8), (10), and (11) and is consistent with the rules under section 215(c).

"(e) REPORT.—(1) A State which has a plan approved under subsection (b) shall submit a report to the Secretary, within the period beginning on January 1, 1986, and ending on March 1, 1986, describing the implementation of the plan and the results thereof.

"(2) Such report shall include the statements, description, and names set forth in section 227A(f).

"(f) ALTERNATIVE STANDARDS.—If a plan submitted under this section includes a statement (supported by evidence) that—

"(1) residential customers will not be adequately informed of the availability of benefits under such plan,

"(2) the number of residential buildings which have received benefits described in section 227A(d)(2) (regardless of whether included in a plan) prior to the effective date of the pilot alternative plan is so large that the results described in section 227A(d)(3) are unlikely to be reached in the absence of a finding under this subsection, or

"(3) the plan (or substantial portions thereof) will primarily benefit individuals with low or moderate incomes,

such plan may be implemented by substituting for '5 percent' (as such term is used in section 227A(d)(3)(A)) a percentage (determined by the Governor or State agency) which is less than 5 percent and greater than or equal to 3 percent.

"(g) MISCELLANEOUS PROVISIONS.—Rules similar to the rules under section 227A (h), (i), (j), and (l) shall apply to a plan approved under this section.

"SEC. 226B. PILOT ALTERNATIVE UTILITY PLANS.

"(a) IN GENERAL.—A regulated utility which is supported by the Governor and which is in a State in which a pilot alternative State plan has not been approved under section 226A and a nonregulated utility which is not included in a plan submitted by a Governor or State agency as described in section 212(c) (if such inclusion is authorized under State law) or in a plan approved under section 226A may, within 90 days after the date of the enactment of this Act, submit a pilot alternative utility plan to the Secretary.

"(b) APPROVAL BY THE SECRETARY.—(1) Except as provided in paragraph (2)—

"(A) the Secretary shall approve or disapprove a plan under this section within 30 days after receipt; and

"(B) if the Secretary does not approve or disapprove a plan submitted under subsection (a) within 30 days after receipt, the plan shall be deemed approved.

"(2) A plan shall not be approved or deemed approved under paragraph (1) if it is for a regulated utility which is in a State in which a pilot alternative State plan has been approved under section 226A, or a nonregulated utility included in a plan submitted by a Governor or State agency as described in section 212(c) (if such inclusion is authorized under State law) or in a plan approved under section 226A.

"(c) CONSEQUENCES OF APPROVAL.—

"(1) Beginning with the date on which a pilot alternative utility plan is approved under subsection (b) with respect to a utility, and ending on December 31, 1985, sections 212 (a) through (c)(3), 213 through 215, and sections 217, 218, and 219 shall not apply with respect to such utility.

"(2) Any utility which has a plan approved under subsection (b) shall continue to have such plan in effect until December 31, 1985.

"(d) CONTENT OF PLAN.—A plan submitted under subsection (a) shall not be disapproved by the Secretary if it meets the requirements of section 227B(d) (1) through (7), (9), and (10), and is consistent with the rules under section 215(c).

"(e) Report.—(1) A utility which has a plan approved under subsection (b) shall submit a report to the Secretary, within the period beginning on January 1, 1986, and ending on March 1, 1986, describing the implementation of the plan and the results thereof.

"(2) Such report shall include the statements, description, and names set forth in section 227B(f).

"(f) ALTERNATIVE STANDARDS.—If a plan submitted under this section includes a statement (supported by evidence) that—

"(1) residential customers will not be adequately informed of the availability of benefits under such plan,

"(2) the number of residential buildings which have received benefits described in section 227B(d)(2) (regardless of whether included in a plan) prior to the effective date of the pilot alternative plan is so large that the results described in section 227B(d)(3) are unlikely to be reached in the absence of a finding under this subsection, or

"(3) the plan (or substantial portions thereof) will primarily benefit individuals with low or moderate incomes,

such plan may be implemented by substituting for '5 percent' (as such term in used in section 227B(c)(3)(A)) a percentage (determined by the Governor) which is less than 5 percent and greater than or equal to 3 percent.

"(g) MISCELLANEOUS PROVISIONS.—Rules similar to the rules under section 227B(h), (1), and (k) shall apply to a plan approved under this section.

"SEC. 227A. ALTERNATIVE STATE PLANS.

"(a) IN GENERAL.—A Governer of any State or any State agency authorized to do so under State law may elect to formulate and certify an alternative State plan under this section.

"(b) CONSEQUENCES OF CERTIFICATION.—(1) Beginning with July 1, 1986, or the date on which the certification of a plan is made with respect to a State under subsection (e), whichever occurs later, and ending with the date on which a plan is no longer in effect under this section with respect to such State—

"(A) sections 212 (a) through (c)(3), 213 through 215, and sections 217 and 218 shall not apply with respect to—

"(i) regulated utilities in such State, and

"(ii) nonregulated utilities which are included in the plan;

"(B) section 219 shall apply to utilities described in subparagraph (A) only to the extent provided for in subsection (g); and

"(C) sections 212 through 219 shall apply to nonregulated utilities which are not included in the plan and which have not certified an alternative utility plan under section 227B.

"(2) Except as provided in subsection (g), any State which certifies a plan under subsection (e) shall continue to have such plan in effect until the expiration of the 4-year period beginning on the date of such certification or until January 1, 1990, whichever occurs first.

"(c) FORMULATION OF PLAN.—In formulating any plan under this section, the Governor or State agency shall—

"(1) provide for advance notice to the public of proposed rulemaking for the purpose of formulating such plan;

"(2) publish a proposed rule on the content and implementation of the plan;

"(3) afford interested persons an opportunity to present oral and written comments on matters relating to such proposed rule; and

"(4) after taking such public comment into consideration, prescribe and make public a final rule setting forth the content and implementation of such plan.

"(d) CONTENT OF PLAN.—A plan certified pursuant to this section shall—

"(1) be designated to result in the dissemination of general energy conservation suggestions to all residential customers of utilities in the State;

"(2) be designed to result in—

"(A) specific energy conservation suggestions to each residential customer requesting such suggestions regarding the customer's residential building,

"(B) energy conservation improvements (which are included in such plan) to the customer's residential building, or

"(C) load management improvements (which are included in such plan) in the customer's residential building;

"(3) except as provided in subsection (k), for each year in which such plan is in effect, be designed to result in—

"(A)(i) in the case of a plan carried out solely by a State, benefits under paragraph (2) for a number of buildings equal to 5 percent or more of the residential buildings using natural gas or electric energy from utilites covered under section 211(a) in such

State which did not, before such year, receive benefits under this Act, similar State law, or similar energy conservation program mandated or approved by a State agency (other than benefits under paragraph (1) or seciton 227B(d)(1) or a similar provision of the State law or energy conservation program); and

"(ii) in the case of any other plan, benefits under paragraph (2) for a number of buildings equal to 5 percent or more of the residential buildings served by the utilities included in the plan which did not, before such year, receive benefits under this Act, similar State law, or similar energy conservation program mandated or approved by a State agency (other than benefits under paragraph (1) or section 227B(d)(1) or a similar provision of the State law or energy conservation program);

"(B) energy consumption reductions (as determined by the Governor by rule) of an average of 10 percent or more (as compared to the preceding year) in the residential buildings in such State which receive specific energy conservation suggestions or energy conservation improvements under paragraph (2) during the year for which the determination is made; and

"(C) maximum kilowatt demand reductions (as determined by the Governor by rule) of an average of 10 percent or more (as compared to the preceding year) in the residential buildings in such State which receive load management improvements under paragraph (2) during the year for which the determination is made;

"(4) be designed to benefit individuals, including but not limited to individuals with low or moderate incomes;

"(5) contain adequate procedures to assure that, if a public utility supplies or installs residential enrgy conservation measures, such actions shall be consistent with section 216 and prices and rates of interest charged shall be fair and reasonable;

"(6) contain adequate procedures for preventing unfair, deceptive, or anticompetitive acts or practices affecting commerce which relate to the implementation of such plan;

"(7) be carried out by the State, by utilities within the State, or a combination of both;

"(8) be consistent with the rules under section 212(b)(2)(D);

"(9) contain rules consistent with the rules under section 215(c);

"(10) contain provisions to assure that any person who alleges any injury resulting from a violation of any plan provision shall be entitled to redress pursuant to State law or under such procedures as may be established by the Governor or State agency prior to the date on which the plan is certified under subsection (e); and

"(11) contain provisions described in section 213(b)(2)(B).

"(e) CERTIFICATION.—(1) A Governor or State agency which elects to certify a plan under this section shall certify, pursuant to a form to be prescribed by the Secretary (except as provided by paragraph (2)) to the Secretary that the plan—

"(A) has been formulated in accordance with subsection (c); and

"(B) will be adequately implemented.

"(2) If a form is not made available by the Secretary within 90 days after the date of the enactment of this section, the Governor or State agency may make such certification on a form prescribed by such Governor or State agency.

"(3) Any certification under this subsection shall include a detailed explanation of the manner in which the contents of the plan will be implemented.

"(f) ANNUAL REPORT.—(1) The State shall submit an annual report to the Secretary, within 60 days after the end of the 1-year period to which the report relates, describing the implementation of the plan and the results thereof.

"(2) Such report shall include—

"(A) a statement of the number of buildings receiving benefits under subsection (d)(2),

"(B) a statement of the energy savings resulting from the plan, including a statement of average energy consumption reductions in the case of residential buildings which receive energy conservation suggestions or energy conservation improvements under subsection (d)(2), and a statement of average maximum kilowatt demand reductions in the case of residential buildings which receive load management improvements under subsection (d)(2),

"(C) a statement of the proportion of individuals with low and moderate incomes who receive benefits under subsection (d)(2),

"(D) a detailed description of the benefits provided under the plan, and

"(E) the names of the entities carrying out the plan.

"(g) ADMINISTRATIVE AND JUDICIAL ENFORCEMENT PROCEEDINGS.—(1) At any time more than 1 year after an alternative State plan has been certified under subsection (e) with respect to a State, any resident of such State may petition the Secretary to conduct a public hearing to determine if the alternative State plan has been adequately implemented. A copy of such petition shall be transmitted to the Governor or the appropriate State agency on the same date it is transmitted to the Secretary. The Secretary shall have 90 days after the date on which such petition is received to make a determination on the matter.

"(2) Except as provided in paragraph (3), if the Secretary determines that the alternative State plan has not been adequately implemented, the Secretary shall, within the 90-day period described in paragraph (1), initiate standby authority under section 219 with respect to such State. If the Secretary does not initiate the standby authority within the 90-day period, the resident may bring a de novo action in the appropriate United States district court—

"(A) adjust the Secretary (with the State having the right to intervene) to require the Secretary to implement standby authority under section 219, or

"(B) against the State to require the State to adequately implement the alternative State plan certified under subsection (e).

If the court finds that the State has failed to adequately implement such plan, it shall order the remedy requested by the plaintiff under subparagraph (A) or (B). If an individual prevails in an action under subparagraph (A), the court shall award such individual reasonable fees and expenses of attorneys and costs.

"(3) If a State which had an approved plan in effect under section 212 on the day before the date on which certification was made under this section informs the Secretary in writing, within 30 days after receiving a copy of the petition described in paragraph (1), that it will not longer implement a plan certified under this section and that it will implement the approved plan which was in effect in the State on the day before certification of the alternative plan under this section—

"(A) the determinations and actions described in paragraph (2) may not be carried out; and

"(B) sections 212 through 219 shall apply in such State except to the extent an alternative utility plan under section 227B is implemented in such State.

"(4)(A) A resident may not petition the Secretary under paragraph (1) and may not bring an action under paragraph (2) if such petition or action is based solely on a failure to reach the results described in paragraph (3) of subsection (d) or subsection (k).

"(B) A court may not make a finding that a State has failed to adequately implement a plan under paragraph (2) if such finding is based solely on a failure to reach the results described in paragraph (3) of subsection (d) or subsection (k).

"(h) COVERAGE.—A plan certified under this section shall not apply to utilities other than utilities covered under section 211(a).

"(i) INCLUSION OF NONREGULATED UTILITIES.—No nonregulated utility may be included in a plan by a Governor or State agency under this section unless such inclusion is authorized under State law or the nonregulated utility agrees to such inclusion.

"(j) UTILITIES WITH RETAIL SERVICE TERRITORIES IN MORE THAN 1 STATE.—For purposes of this section, any utility with a retail service territory (as defined in section 227B(d)) in more than one State shall be considered to be a separate utility with respect to each State in which its retail service territory is located.

"(k) ALTERNATIVE STANDARDS.—(1) If—

"(A) the Governor or State agency which certifies a plan under this section finds—

"(i) with respect to the first year in which the alternative State plan is to be in effect, that residential customers will not be adequately informed of the availability of benefits under such plans, or

"(ii) with respect to any year in which the alternative State plan is to be in effect, that—

"(I) the number of rsidential buildings which have received benefits described in subsection (d)(2) (regardless of whether included in a plan) prior to such year is so large that the results described in subsection (d)(3) are unlikely to be reached in the absence of a finding under this subsection, or

"(II) such alternative State plan (or substantial portions thereof) will primarily benefit individuals with low or moderate incomes, and

"(B) such finding is made after interested persons are afforded an opportunity to present oral and written comments thereon (which, with respect, to the first year in which an alternative State plan is to be in effect, may be in combination with the opportunity afforded under subsection (c)(3)),

the results described in subsection (d)(3)(A) shall be applied to such year by substituting for '5 percent' a percentage (determined by such Governor or State agency) which is less than 5 percent and greater than or equal to 3 percent.

"(2) A finding under this subsection may not be made more frequently than once a year and each such finding shall be applicable to the implementation of an alternative State plan for a period, beginning on the date specified in such finding, not to exceed 12 months. Such period shall not begin before the date of such finding.

"(l) CLASSIFICATION AS LOAD MANAGEMENT IMPROVEMENT OF ENERGY CONSERVATION IM-

PROVEMENT.—For purposes of this section, in the case of a technique or installation which may be classified as either a load management improvement or an energy conservation improvement, the Governor, by rule, shall determine whether to treat such technique or installation as a load management improvement, an energy coservation improvement, or both.

"SEC. 227B. ALTERNATIVE UTILITY PLANS.

"(a) IN GENERAL.—A regulated utility which is in a State in which an alternative State plan is not in effect under section 227A and a nonregulated utility which is not included in a plan submitted by a Governor or State agency as described in section 212(c) (if such inclusion is authorized under State law) or in a plan certified under section 227A may elect to certify an alternative utility plan under this section.

"(b) CONSEQUENCES OF CERTIFICATION.—(1) Beginning with July 1, 1986, or the date on which the certification of a plan is made with respect to a utility under subsection (e), whichever occurs later, and ending with the date on which a plan is no longer in effect under this section with respect to such utility—

"(A) sections 212(a) through (c)(3), 213 through 215, and sections 217, 218, and 227A shall not apply with respect to such utility; and

"(B) section 219 shall apply to such utility only to the extent provided for in subsection (g).

"(2) Except as provided in subsection (g), any utility which certifies a plan under subsection (e), shall continue to have such plan in effect until the expiration of the 4-year period beginning on the day of such certification or until January 1, 1990, whichever occurs first.

"(c) FORMULATION OF PLAN.—The Governor or State agency authorized to do so under State law shall formulate a plan under this section on behalf of any regulated utility which has elected to certify under this section, the nonregulated utility or the Governor or State agency in the case of a regulated utility shall—

"(1) provide for advance notice to the public of such plan;

"(2) publish a description of the proposed content and implementation of the plan;

"(3) afford interested persons an opportunity to present oral and written comments on matters relating to such proposed plan; and

"(4) after taking such public comment into consideration, prescribe and make public the content and implementation of such plan.

"(d) CONTENT OF PLAN.—Any plan certified pursuant to this section shall—

"(1) be designed to result in the dissemination of general energy conservation suggestions to all residential customers of such utility;

"(2) be designed to result in—

"(A) specific energy conservation suggestions to each residential customer requesting such suggestions regarding the customer's residential building,

"(B) energy conservation improvments (which are included in such plan) to the customer's residential building, or

"(C) load management improvements (which are included in such plan) in the customer's residential building;

"(3) except as provided in subsection (j), for each year in which such plan is in effect and with respect to the retail service territory of the utility, be designed to result in—

"(A) benefits under paragraph (2) for a number of buildings equal to 5 percent or more of the residential buildings using natural gas or electric energy from such utility which did not, before such year, receive benefits under this Act, similar State law, or similar energy conservation program mandated or approved by a State agency (other than benefits under paragraph (1) or section 227A(d)(1) or a similar provision of the State law or energy conservation program);

"(B) energy consumption reductions (as determined by the Governor by rule) of an average of 10 percent or more (as compared to the preceding year) in the residential buildings in such territory which receive specific energy conservation suggestions or energy conservation improvments under paragraph (2) during the year for which the determination is made; and

"(C) maximum kilowatt demand reductions (as determined by the Governor by rule) of an average of 10 percent or more (as compared to the preceding year) in the residential buildings in such territory which receive load management improvements under paragraph (2) during the year for which the determination is made;

"(4) be designed to benefit individuals including but not limited to individuals with low or moderate incomes;

"(5) contain adequate procedures to assure that, if a public utility supplies or installs residential energy conservation measures, such actions shall be consistent with section 216 and prices and rates of interest charged shall be fair and reasonable;

"(6) contain adequate procedures for preventing unfair, deceptive, or anticompetitive acts or practices affecting commerce which relate to the implementation of such plan;

"(7) be consistent with the rules under section 212(b)(2)(D);

"(8) contain rules consistent with the rules under section 215(c);

"(9) contain provisions to assure that any person who alleges any injury resulting from a violation of any plan provision shall be entitled to redress—

"(A) in the case of an alleged violation by a regulated utility, pursuant to State law or under such procedures as may be established by the Governor or State agency proir to the date on which the plan is certified under subsection (e), or

"(B) in the case of an alleged violation by a nonregulated utility, under such procedures as are established by the nonregulated utility prior to the date on which the plan is certified under subsection (e); and

"(10) contain provisions described in section 213(b)(2)(B).

For purposes of this subsection, the term 'retail service territory' means the territory in a State in which a utility makes retail sales to residential customers.

"(e) CERTIFICATION.—(1) A utility which elects to certify a plan under this section shall certify, pursuant to a form to be prescribed by the Secretary (except as provided by paragraph (2)), to the Secretary that the plan—

"(A) has been formulated in accordance with subsection (c); and

"(B) will be adequately implemented.

"(2) If a form is not made available to a utility by the Secretary within 90 days after the date of the enactment of this section, the utility may make such certification on a form prescribed by such utility.

"(3) Any certification under this subsection shall include a detailed explanation of the manner in which the contents of the plan will be implemented, and, in the case of a regulated utility, shall include a statement of support from the Governor or the State agency of the State concerned.

"(f) ANNUAL REPORT.—(1) The utility shall submit an annual report to the Secretary, within 60 days after the end of the 1-year period to which the report relates, describing the implementation of the plan and the results thereof.

"(2) Such report shall include—

"(A) a statement of the number of buildings receiving benefits under subsection (d)(2),

"(B) a statement of the energy savings resulting from the plan, including a statement of average energy consumption reductions in the case of residential buildings which receive energy conservation suggestions of energy conservaton improvements under subsection (d)(2), and a statement of average maximum kilowatt demand reductions in the case of presidential buildings which receive load management improvements under subsection (d)(2),

"(C) a statement of the proportion of individuals with low and moderate incomes who receive benefits under subsection (d)(2),

"(D) a detailed description of the benefits provided under the plan, and

"(E) the names of the entities carrying out the plan.

"(g) ADMINISTRATIVE AND JUDICIAL ENFORCEMENT PROCEEDINGS.—(1) any time more than 1 year after an alternative utility plan has been certified under subsection (e) with respect to a utility, any residential customer of such utility may petition the Secretary to conduct a public hearing to determine if the alternative utility plan has been adequately implemented. A copy of such petition shall be transmitted to the utility on the same date it is transmitted to the Secretary. The Secretary shall have 90 days after the date on which such petition is received to make a determination on the matter.

"(2) Except as provided in paragraph (3), if the Secretary determines that the alternative utility plan has not been adequately implemented, the Secretary shall, within the 90-day period described in paragraph (1), initiate standby authority under section 219 with respect to the utility concerned. If the Secretary does not initiate such standby authority within such 90-day period, such customer may bring a de novo action in the appropriate United States district court—

"(A) against the Secretary (with the utility having the right to intervene) to require the Secretary to implement standby authority under section 219 with respect to such utility, or

"(B) against the utility to require the utility to adequately implement the alternative utility plan certified under subsection (e).

If the court finds that the utility has failed to adequately implement such plan, it shall order the remedy requested by the plaintiff under subparagraph (A) or (B). If an individual prevails in an action under subparagraph (A), the court shall award such individual reasonable fees and expenses of attorneys and costs.

"(3) If a utility which was within an approved State plan under section 212 on the day before the date on which certification was made under this section informs the Secretary in writing, within 30 days after receiving a copy of a petition described in paragraph (1), that it will no longer implement a plan certified under this section and that it will carry out a program in accordance with the State plan in effect under this part in the State—

"(A) the determinations and actions described in paragraph (2) may not be carried out; and

"(B) sections 212 through 219 shall apply to such utility unless it voluntarily or pursuant to State law becomes part of a State alternative plan implemented in the State under section 227A.

"(4) For purposes of implementing section 219(a)(2) to a regulated utility as a result of this subsection, the term 'each regulated utility in the State' in such section shall be deemed to mean only the utility with respect to which action is taken under this subsection.

"(5)(A) A residential customer may not petition the Secretary under paragraph (1) and may not bring an action under paragraph (2) if such petition or action is based solely on a failure to reach the results described in paragraph (3) of subsection (d) or subsection (j).

"(B) A court may not make a finding that a utility has failed to adequately implement a plan under paragraph (2) if such finding is based solely on a failure to reach the results described in paragraph (3) of subsection (d) or subsection (j).

"(h) COVERAGE.—A plan certified under this section shall not apply to utilities other than utilities covered under section 211(a).

"(i) UTILITIES WITH RETAIL SERVICE TERRITORIES IN MORE THAN ONE STATE.—For purposes of this section, any utility with a retail service territory (as defied in subsection (d)) in more than one State shall be considered to be a separate utility with respect to each State in which its retail service territory is located.

"(j) ALTERNATIVE STANDARDS.—(1) If—

"(A) the Governor of a State which includes a retail service territory (as defined in subsection (d)) of a utility which certifies a plan under this section finds, for such retail service territory—

"(i) with respect to the first year in which the alternative utility plan is to be in effect, that residential customers will not be adequately informed of the availability of benefits under such plan, or

"(ii) with respect to any year in which the alternative utility plan is to be in effect, that—

"(I) the number of residential buildings which have received benefits described in subsection (d)(2) (regardless of whether included in a plan) prior to such year is so large that the requirements of subsection (d)(3) are unlikely to be met in the absence of a finding under this subsection, or

"(II) such alternative utility plan (or substantial portions thereof) will primarily benefit individuals with low or moderate incomes, and

"(B) such finding is made after interested persons are afforded an opportunity to present oral and written comments thereon (which, with respect to the first year in which an alternative utility plan is to be in effect, may be in combination with the opportunity afforded under subsection (c)(3)).

the requirements of subsection (d)(3)(A) shall be applied to such retail service territory for such year by substituting for '5 percent' a percentage (determined by such Governor) which is less than 5 percent and greater than or equal to 3 percent.

"(2) A finding under this subsection may not be made more frequently than once a year and each such finding shall be applicable to the implementation of an alternative utility plan for a period, beginning on the date specified in such finding, not to exceed 12 months. Such period shall not begin before the date of such finding.

"(k) CLASSIFICATION AS LOAD MANAGEMENT IMPROVEMENT OR ENERGY CONSERVATION IMPROVEMENT.—For purposes of this section, in the case of a technique or installation which may be classified as either a load management improvement or an energy conservation improvement, the Governor, by rule, shall determine whether to treat such technique or installation as a load management improvement, and energy conservation improvement, or both.".

(b) TVA AUTHORITY.—Paragraph (4) of section 212(c) is amended by inserting ", section 210(21), section 226A, section 226B, Section 227A, or section 227B" after "this section,".

(c) CONFORMING AMENDMENTS.—

(1) Subsection (e) of section 218 of such Act is amended by striking out the period at the end of the second sentence and inserting in lieu thereof "or a plan in effect under section 226A, section 226B, section 227A, or section 227B which is applicable to such utility.".

(2) Subsection (a) of section 219 of such Act is amended by striking out "If" and inserting in lieu thereof "Except as provided in section 226A, section 226B, section 227A, or section 227B, if".

(3) Subsection (b) of section 219 of such Act is amended by striking out "If" and inserting in lieu thereof "Except as provided in section 226A, section 226B, section 227A, or section 227B, if".

(d) CLERICAL AMENDMENT.—The table of contents for such Act is amended by inserting after the item relating to section 225 the following new items:

"Sec. 225A. Temporary relief from RCS requirements.
"Sec. 226A. Pilot alternative State plans.
"Sec. 226B. Pilot alternative utility plans.
"Sec. 227A. Alternative State plans.
"Sec. 227B. Alternative utility plans.".

SEC. 204. REPORTS AND DISSEMINATION OF INFORMATION.

(a) IN GENERAL.—Section 225 of the National Energy Conservation Policy Act (relating to FTC study and report submitted before January 1, 1982) is amended to read as follows:

"SEC. 225. REPORTS AND DISSEMINATION OF INFORMATION.

"(a) GENERAL REPORT.—(1)(A) No later than January 1, 1986, the Secretary shall submit a report to the chairman of the Committee on Energy and Commerce of the House of Representatives and the chairman of the Committee on Energy and Natural Resources of the Senate relating to the operation of this part.

"(B) Not later than January 1 of every other year after 1986, the Secretary shall submit a report to the Chairman of the Committee on Energy and Commerce of the House of Representatives and the Chairman of the Committee on Energy and Natural Resources of the Senate relating to the operation of this part during the preceding 2-year period.

"(2) Each such report shall include—

"(A) a comparison of actual and predicted energy savings resulting from plans under this part,

"(B) identification of the most effective plans (or portions thereof),

"(C) an analysis, based on completed audits and other relevant data, of the energy saving potential of the installation of additional residential conservation measures, and

"(D) an analysis of economic, technical, behavioral, and other factors considered relevant to energy consumption by the Secretary.

Nothing in this paragraph shall require a survey of each residential building in which a residential energy conservation measure has been installed under this part.

"(b) SUMMARY OF ALTERNATIVE PLAN REPORTS.—No later than January 1, 1988, and no later than January 1 of each year thereafter, the Secretary shall submit a report to the Chairman of the Committee on Energy and Commerce of the House of Representatives and the Chairman of the Committee on Energy and Natural Resources of the Senate summarizing the annual reports the Secretary received under section 227A(f) and section 227B(f) during the 12-month period ending on the preceding September 15.

"DISSEMINATION OF INFORMATION.—(1)(A) The Secretary shall at least annually, in fiscal years beginning after September 30, 1984, disseminate to the States and public utilities information providing technical assistance (including assistance in making calculations under sections 227A(d)(3)(B) and 227B(d)(3)(B)) and relating to the most cost-effective energy conservation procedures and devices (including residential energy conservation measures) and the most successful plans (or portions thereof) under this part.

"(B) The Secretary shall make the information described in subparagraph (A) available to the public.

"(2) The Secretary shall conduct seminars in various regions of the United States to disseminate information described in paragraph (1).".

(b) CLERICAL AMENDMENT.—The table of contents of such Act is amended by striking out the item relating to section 225 and inserting in lieu thereof the following:

"Sec. 225. Reports and dissemination of information.".

SEC. 205. LOAD MANAGEMENT IMPROVEMENT DEFINED.

Section 210 of the National Energy Conservation Policy Act (relating to definitions) is amended by inserting after paragraph (20) the following new paragraph:

"(21) The term 'load management improvements' means—

"(A) as determined by the Secretary—

"(i) load management techniques (other than time-of-day or seasonal rates), and

"(ii) the installation of energy-efficient electric appliances or any other devices which reduce kilowatt demand, and

"(B) as determined by the Governor of a State, any other improvements in such State which are described in clause (i) or (ii) of subparagraph (A).".

SEC. 206. LIMITATION ON SUPPLY AND INSTALLATION BY PUBLIC UTILITIES.

(a) ADDITIONAL REQUIREMENTS FOR WAIVER.—Section 216(e) of the National Energy Conservation Policy Act (relating to waiver of prohibition against supply and installation of residential energy conservation measures by public utilities) is amended—

(1) by striking out "The" and inserting in lieu thereof "(1) The",

(2) by striking out "charged and" and inserting in lieu thereof "changed, there will be no unfair competitive advantages to the utility (with respect to competitors such as small businesses) in carrying out such activities, and", and

(3) by adding at the end thereof the following new paragraph:

"(2) The Governor may not support the petition of a regulated utility under paragraph (1) before—

"(A) the Governor—

"(i) provides advance notice to the public of such waiver petition,

"(ii) affords interested persons an opportunity to present oral and written comments on the waiver petition, and

"(iii) makes the determinations and findings which the Secretary is required to make in order to grant a waiver under paragraph (1), and sets forth, in writing, such findings and the reasons for such determinations and findings; and

"(B) the utility makes all relevant documents and records requested by the Governor available to the Governor.".

(b) CONTRACTING EXEMPTION.—Subsection (c) of such section is amended by adding at the end thereof the following new paragraph:

"(3) This subsection shall not apply to the supply or installation of residential energy conservation measures other than specific measures which the Secretary determines—

"(A) were being installed or supplied by a public utility on the date of the enactment of the Conservation Service Reform Act of 1984, or

"(B) were broadly advertised on or before such date of enactment.".

(c) GENERAL EXEMPTION.—Subsection (d) of such section is amended—

(1) by striking out "The" and inserting in lieu thereof: "(1) Except as provided in paragraph (2), the",

(2) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C), respectively, and

(3) by adding at the end thereof the following new paragraph:

"(2) Effective July 1, 1986, subparagraphs (A) and (B) of paragraph (1) shall not apply to the supply or installation of residential energy conservation measures other than measures which the Secretary determines were being installed or supplied by a public utility during the 12-month period ending June 1, 1984.

"(3)(A) If any person requestes review of an exemption under paragraph (1)(A) or (B) by the Governor of the State in which the exemption applies, and such request includes adequate documentation, the Governor shall review such exemption under subparagraph (B).

"(B) If, after notice and opportunity for a public hearing, the Governor determines that with respect to an activity which is the subject of a request under subparagraph (A)—

"(i) the utility is not charging fair and reasonable prices and rates of interest,

"(ii) there are unfair competitive advantages to the utility (with respect to competitors such as small businesses),

"(iii) such activity is inconsistent with the prevention of unfair methods of competition or the prevention of unfair or deceptive acts or practices, or

"(iv) the utility has not provided the Governor with all documents and records he determines necessary to make the determination under clauses (i) through (iii),

and sets forth, in writing, such determination and the reasons for such determination, such exemption shall not apply to the activity which is the subject of such request.

"(C) Notwithstanding any findings of the Governor under subparagraph (B), the Governor may allow an exemption under paragraph (1)(A) or (B) if the utility establishes to the satisfaction of the Governor that it will provide appropriate competitive safeguards.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect—

(1) on the date of the enactment of this Act with respect to pilot alternative plans under section 226A and 226B of the National Energy Conservation Policy Act, and

(2) on July 1, 1986, with respect to all public utilities within the meaning of section 216 of such Act.

Mr. JOHNSTON. Madam President, late Wednesday night the House passed and sent to us a new version of H.R. 5946, the energy conservation service reform bill. The original House bill on this subject was a long and complex one that proposes many changes in substantive law. The House bill arrived in the Senate on August 1, 1984. This new version is still longer and more complex, and it only arrived today.

The Committee on Energy and Natural Resources has not had the opportunity to examine the original House bill. We clearly have had no chance to review these new changes. There have been no hearings in the committee on any of these matters.

Because of this and because of the very short period left to the 98th Congress, the committee reported a substitute to the House bill that would freeze the status of the two programs in question—the Residential Conservation Service and the Commercial and Apartment Conservation Service—for a year, so that the Senate will have time to review these programs before deciding how to amend them. Wednesday morning the Senate adopted the committee substitute.

This substitute is really the only responsible course open to us. The RCS and CACS Programs are important programs. They deserve the careful attention of the Senate. We do not have anywhere near enough time to give them that attention now, but we will be able to do so next year. For this reason I urge the House to give the Senate this chance by adopting the substitute we are offering again today.

Mr. LEVIN. Madam President, the State of Michigan is the first and only State to submit and receive approval by the Department of Energy [DOE] for a Commercial and Apartment Conservation Service plan [CACS].

The 1980 Energy Security Act required large gas and electric utilities to offer energy audits to small commercial customers and centrally heated or cooled apartment buildings for a fee not to exceed $15. The law required the CACS program to be fully implemented by January 1, 1985.

For over 2 years, the State of Michigan has been preparing for the implementation of the CACS requirements. The State conducted a pilot study which found that businesses in Michigan needed and wanted an energy audit program and would be willing to pay for the costs of the program. The program will go into effect in January 1985 and the utilities in the State are prepared to comply.

The House, however, approved a bill which called for the repeal of the CACS program. The result would have been the State of Michigan would have had to enact legislation to require a State CACS program and there was inadequate time to do so.

The Senate passes a bill to delay the implementation of the CACS program but contained a very important provision which does not make the delay applicable to States which already have approved CACS plans. This enables Michigan to start up their program as planned. We are now considering a proposed House compromise which keeps the Michigan CACS program for 1 year but, in absence of Senate action next year, repeals the CACS program.

Total repeal of the CASC program is poor public policy. We are going to punish a State for complying with the law in a timely fashion and rewarding States for delaying compliance. In addition, we have lost sight of the need to conserve energy and becoming an energy independent nation.

I fully intend to explore what actions we can take to protect Michigan's program next year when the Senate debates the CACS program and the Residential Conservation Service Program.

Mr. BAKER. Madam President, I move that the Senate concur in the House amendment to the Senate amendment, with a further amendment on behalf of Senator MCCLURE, which I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. BAKER], for Mr. MCCLURE, proposes an amendment numbered 7078.

Mr. BAKER. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. (a) During the period beginning on the date of the enactment of this Act and ending on January 1, 1986, the Secretary of Energy may not approve any plan under section 721(a) of the National Energy Conservation Policy Act (relating to energy conservation for commercial buildings and multifamily dwellings), and no public utility may be required to offer an energy audit to an eligible customer of such utility under section 731(a)(1) of such Act, except pursuant to a plan approved by the Secretary prior to the date of the enactment of this Act.

(b) Sections 215(d) and 217(e)(1) of the National Energy Conservation Policy Act (relating to utility programs and home heat-

ing supplier programs) are amended by striking out "January 1, 1985," each place it appears and inserting in lieu thereof "January 1, 1986,".

The PRESIDING OFFICER. Without objection, the motion is agreed to.

HAZARDOUS AND SOLID WASTE AMENDMENTS

Mr. BAKER. Madam President, I submit a report of the committee of conference on H.R. 2867 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The Assistant Legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2867) to amend the Solid Waste Disposal Act to authorize appropriations for the fiscal years 1985 through 1988, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the House proceedings.)

Mr. SYMMS. Madam President, I rise in somewhat reluctant support of the conference report on the "Hazardous and Solid Waste Amendments of 1984."

About the most that I can say in favor of this bill is that it is not as bad as it could have been in several key respects, and that a few provisions may make a positive contribution to the proper management of hazardous waste.

The fundamental problem with this bill is that it attempts to write detailed regulations into the law. It is instructive to compare the original 28 page version of S. 757 as introduced with the voluminous, extraordinarily complex bill that we have before us today. Can any Member of this body explain why it is necessary to require EPA to list halogenated dibenzofurans as hazardous wastes within the next 15 months? Or why the lower liner of a hazardous waste disposal facility should have a permeability of 1×10^{-7} centimeter per second? Or why secondary waste-water treatment ponds employing biological treatment should be retrofitted if they have a retention time in excess of 5 days? Or why steel underground tanks can no longer be used in soils with a resistivity of 12,000 Ohms? I submit that making these kinds of technical judgements is the function of EPA, not the Congress. These particular regulations may be workable, even appropriate, but writing regulations is not our job.

Nevertheless, I am pleased that some necessary modifications in the House and Senate bills were made with regard to small quantity generators, EPA deadlines, and surface impoundments. In particular, I endorse the compromise on mining wastes worked out by the conferees. The statutory language and the statement of managers make it very clear that the conferees do not intend for this amendment to in any way diminish the scope of the so-called "Bevill Amendment" that was adopted in 1980. This language clearly reflects the intention of the House and Senate conferees with regard to this provision, and leaves no room for ambiguity.

The Senate conferees, and this Senator in particular, have made considerable concessions to get a bill. Although I am dissatisfied with many provisions of this bill, I believe that it is the best we are going to get and so I will support its passage.

Mr. DENTON. Madam President, the disposal of hazardous waste is a serious national issue. I feel that we as legislators have a responsibility to provide all Americans the maximum environmental protection allowed by insisting that environmental laws are enforced. Clarification of our laws will help companies, who deal with hazardous waste, comply with the letter of the law.

I wish to commend the distinguished chairman of the Subcommittee on Environmental Pollution for his efforts to fashion a reasonable compromise in the RCRA Conference Committee report. I was particularly pleased to see that, in section 215(j) dealing with existing surface impoundments, the conferees kept the Senate exemption for impoundments that are part of a secondary or tertiary wastewater treatment system. This measure strengthens existing laws to ensure increased protection for both public health and the environment.

Further, I wish to make a point of clarification for the record. In my discussions with the subcommittee chairman and the staff of the Committee on Environment and Public Works, I have been assured that the exemption in section 215(j)(4) to the requirement in section 215(j)(1) has a foundation in existing regulations. The exemption in paragraph (4) allows the EPA Administrator to modify the requirements of paragraph (1) if the owner demonstrates that a:

Surface impoundment is located, designed, and operated so as to assure that there will be no migration of any hazardous constituent into ground or surface water at any future time.

The phrase "any future time" is not intended to present a legal bar to the consideration of petitions for exemption from the requirements of paragraph (1). For example, an equalization basin that collects wastewater prior to biological treatment could reasonably be considered for an exemption under paragraph (4) if it were built in natural clay with a compacted clay liner that would prevent migration of hazardous constituents for 150 years. A period of 150 years clearly falls within the definition of "any future time" in a legal interpretation. However, given the engineering and technological considerations in the design and construction of any surface impoundment, 150 years may not necessarily be considered within "any future time." Indeed, 150 years is longer than the design life of synthetic liners used for.

No engineer will certify that a surface impoundment, regardless of how it is constructed and with what material it is constructed, will not leak for any future time if "any future time" is given a strict legal definition.

Mr. DURENBERGER. Madam President, I wonder if I might direct the attention of the distinguished manager of the conference report to a particular portion of the manager's language on underground storage tanks. I refer specifically to the following sentence which describes the second modification to the Senate bill made by the conferees:

In this regard, the conferees believe that while sophisticated methods of inventory control may be adequate to determine whether a tank is leaking, exclusive reliance on a "dipstick" method of inventory control (even with periodic tank testing) will not be sufficient to detect slow leaks.

Does the Senator from Rhode Island find that reference.

Mr. CHAFEE. Yes; the Senator from Minnesota correctly states the language of the conference report.

Mr. DURENBERGER. Would the Senator from Rhode Island assure this senator that the specific sentence which I have read does not imply that an automatic gauging system or other electronic detection system is a minimum requirement under the statutory language reported by the conference.

Mr. CHAFEE. The Senator from Minnesota states the intent of the conference correctly. We do not intend this sentence to be interpreted as a requirement for automatic gauging. The discussion of the conferees focused on the way that data collected by mechanical devices is analyzed and not solely on the characteristics of the mechanical devices.

Mr. SIMPSON. Madam President, I do support the conference report on the "Hazardous and Solid Waste Amendments of 1984," and I richly commend the conference chairman, my fine friend Senator JOHN CHAFEE, who served with patience and real skill.

By that act I do not pretend to be wholly satisfied with the work of the conference committee. Yet, in order to forge a compromise—the essential act of legislating—with the House it was

necessary to drop certain provisions from the Senate bill that I feel very strongly about and that I indeed still hope and expect to see enacted in the future. We also accepted certain provisions of the House bill about which I have reservations. In general the bill lurches ponderously in the direction of writing regulations into law and that is a manifestation of the tendency of this body to often act as elected bureaucrats rather than as lawmakers. In the main, however, this bill represents a series of fair and workable compromises.

Let me briefly elaborate on the resolution of a few issues in which I have taken particular interest.

The House agreed to the decision of the Senate that those facilities subject to the minimum technological requirements, that is, the double-liner requirement, will have the option of using alternative technology if they can show that a different containment system is equally effective for their particular facility. I think that it is vital, given the detailed technical requirements we are imposing, that some flexibility and ability to accommodate unusual circumstances and new technology be retained, as this amendment surely would do.

The conference substitute amendment on mining wastes is based upon an amendment to the Senate bill which I sponsored. The statement of managers makes it clear that this provision, which has been expanded to include other special study wastes, covers all of the mining wastes under the so-called Bevill amendment and does not in any way narrow the universe of wastes covered by the Bevill amendment.

The Senate mining waste amendment I authored covered only landfills and surface impoundments, and the conference substitute includes the same limitation. Consequently it does not directly apply to the provision of the House bill regarding salt domes, salt beds, mines, and caves that is included, in modified form, in the compromise bill. However, mine wastes which are solids or which assume a solidified form after they are placed in a mine or cave would only be subject to the permitting requirement and not to the requirements that apply to bulk liquids.

Finally, the conferees agreed to an amendment which I offered to clarify the relationship between the RCRA regulations and the uranium mill tailings regulatory program in order to avoid any possible confusion or delay that might otherwise result. The Environmental Protection Agency and the Nuclear Regulatory Commission now have an extensive regulatory program underway, and this amendment will ensure that this program will be able to proceed on its current course—under existing law—without any unnecessary disruption.

Finally, I note with satisfaction the decision of the conference committee to reject the House amendment entitled "Preservation of Other Rights." This innocuous sounding amendment was intended to convey the message to the Federal judiciary that there is a "Federal common law" applicable to hazardous waste.

As a result of the decisions in the City of Milwaukee and National Sea-clammers cases it is clear beyond dispute that there cannot be any "Federal common law" in an area covered by a comprehensive Federal statute such as the Solid Waste Disposal Act.

Adoption of the House amendment would at the very least have created enormous confusion in the Federal courts and could easily have disrupted EPA's regulatory program. It could have resulted in the imposition of an additional overlay of requirements heaped on top of the comprehensive Federal and State laws that currently exist, depending heavily upon the individual predilections of each Federal district court judge. Given this open-ended mandate, it could well take years for the courts to determine the scope of "Federal common law", or even whether it is constitutional.

The ironic thing is that there is hardly any area in which the ad hoc creation of remedies by individual judges is less necessary. Under current law any person can bring suit against anyone violating the Solid Waste Disposal Act in Federal court or bring suit in State court on the basis of State statutory or common law. This bill will further allow citizens to bring "imminent and substantial endangerment" suits, which are very similar to common law nuisance actions, in the Federal courts.

For these and other reasons the House amendment was dropped from the conference substitute. The statement of managers does provide that rejection of the House amendment is not intended to preclude the use of common law principles by the courts in interpreting the provisions of RCRA. This, of course, is simply a restatement of existing law. Obviously it is common practice for the Federal courts to call upon established common law principles in construing statutory language, and yet that practice is in a completely different category from any "Federal Common Law."

Madam President, I should like to clarify just a couple of matters about section 703 of this bill.

Both the House and Senate bills included a number of provisions which, if adopted in their present form, will have significant impact on the regulatory program established by the Congress for uranium mill tailings. That program is now underway pursuant to the Uranium Mill Tailings Radiation Control Act [UMTRCA]—the statute that establishes the basic framework and the underlying legal authority for uranium mill tailings regulation.

Although the bill agreed to by the conferees does not directly amend UMTRCA, it does change in a number of respects, the Solid Waste Disposal Act. And because UMTRCA requires that certain standards promulgated pursuant to UMTRCA:

> Shall provide for the protection of human health and the environment consistent with the standards required under subtitle C of the Solid Waste Disposal Act, as amended, which are applicable to such hazards.

It does, in fact, appear that the potential exists for construing this bill as somehow requiring changes in the uranium mill tailings regulatory program, in order to ensure continuing consistency with the standards of the Solid Waste Disposal Act, as amended, when in fact that is not the case.

Indeed, representatives of the Environmental Protection Agency advised the conferees that, in the absence of further clarification, the uranium mill tailings regulatory program would, in fact, have to be modified in a number of significant respects.

This is not the conferees' intent, and this provision is intended to clarify that nothing in this bill is intended to affect, modify, or amend UMTRCA. Similarly, the conferees do not intend to alter, amend, repeal, ratify, or suspend any of the regulations or standards of the Nuclear Regulatory Commission or the Environmental Protection Agency, if they were lawfully promulgated in accordance with the requirements of UMTRCA.

This bill is not intended, and should not be construed, to require changes in the regulatory program for mill tailings that is now underway. To the extent that this bill adds to, or modifies the provisions of, the Solid Waste Disposal Act, as amended, this provision is intended to clarify that the uranium mill tailings regulatory program need not now be changed to meet these new or modified requirements for the purpose of satisfying the statutory requirements of UMTRCA that certain standards promulgated pursuant to UMTRCA shall be consistent with the standards of the Solid Waste Disposal Act, as amended.

This provision would not limit or otherwise affect in any way the Administrator's authority or flexibility to treat uranium mill tailings wastes in a fashion similar to the approach taken or all other mining wastes that are subject to regulation under RCRA. Indeed, if the Administrator should decide to exercise his authority to tailor the requirements of RCRA to address the special characteristics of mining wastes, in general—an authority which, in a separate provision, we have confirmed that the current law

provides—then the Administrator shall, if he deems it appropriate, pursue a similar approach for uranium mill tailings wastes.

Finally, Madam President, I should like to point out that it was after extensive discussion of these issues among the conferees and with representatives of the Environmental Protection Agency—see transcript of September 28, 1984 meeting of the conferees—that the conferees agreed to recede to the Senate position to address these concerns. I am grateful, Mr. President, that the conferees have agreed to the Senate position, and have confirmed this in the joint explanatory statement of the committee of conference. ("The Conference substitute is the same as the Senate amendment.")

Before I yield the floor, Madam President, I should like to ask my distinguished colleagues, Senators CHAFEE and RANDOLPH, whether this explanation of the conference agreement on section 703 of this bill, dealing with uranium mill tailings, is consistent with their understanding of this provision, and the agreement of the conferees?

Senator CHAFEE. Yes, Madam President; the explanation of the Senator from Wyoming accurately explains the agreement of the conferees.

Senator RANDOLPH. I, too, agree with that explanation, and concur that it represents the agreement reached by the conferees.

Senator SIMPSON. I thank my distinguished colleagues for those assurances. Thank you Madam President.

Mr. RANDOLPH. Madam President, the conference report on H.R. 2867, the Hazardous and Solid Waste Amendments of 1984, represents a 3-year effort to address the serious problems of hazardous and municipal waste disposal in this country. This measure makes major improvements in existing law. When enacted, greater protection to public health and the environment will be provided.

I have said in the past that the 1976 amendment, the Resource Conservation and Recovery Act, was misnamed, because it did little to move the Nation toward materials and energy recovery. The hazardous waste regulatory program under subtitle C, which is the heart of the 1976 act, was disappointingly slow in implementation. This bill, however, by adding real teeth to the regulatory program and firmly moving away from land disposal for hazardous wastes, could legitimately be called the Recycling, Incineration, and Treatment Act of 1984. In making these changes in the law, the Congress shows that it is serious about encouraging the use of alternative technologies.

On July 25 of this year, the Senate unanimously adopted amendments to the Solid Waste Disposal Act. The House approved similar legislation nearly a year ago. Over the past 2 weeks, the 26 House and Senate conferees met on four occasions to resolve differences between the two measures.

The conference report contains changes from the previously adopted bill, S. 757, that merit clarification and discussion. Accurate interpretation and implementation of several provisions requires that the intent be carefully understood. The statement of managers describes many of these provisions, but I wish to make additional observations about several of particular concern to me.

Among those of greatest interest for me are amendments revising subtitle D of the Solid Waste Disposal Act. Implementation of the existing program has faltered, primarily because of budget decisions. The subtitle D program has not been funded or implemented for several years, prompting me to introduce the amendment that was adopted during earlier Senate consideration of this measure.

That amendment seeks to improve the management of municipal landfills and eliminate open dumps. It authorizes funding to enable States to operate programs upgrading sanitary landfills and closing out existing open dumps. The lack of Federal assistance in recent years has brought this effort to a standstill. Under my amendment $15 million of the budget provided the Environmental Protection Agency in fiscal year 1985 could be allocated for this purpose. Our expectation is that a portion of the congressional increase in the EPA budget will be used for this work. The amendment authorizes $20 million for each year through fiscal year 1988.

The Administrator of the Environmental Protection Agency will be required to revise existing landfill criteria in recognition of the fact that virtually all landfills serve as repositories for some hazardous waste. Household waste, small generators, and illegal dumpers contribute to landfills. It is necessary to apply controls and monitoring requirements to assure that these facilities are adequate. The amendment requires that these standards be promulgated by March 31, 1988. This will allow consideration of the information gathered in the small quantity generator study.

States will be required to establish regulatory programs to assure that solid waste management facilities comply with subtitle D criteria. This may include a permitting program or comparable system subject to the approval of the Administrator. The amendment requires that States bring solid waste facilities into compliance with existing requirements in 3 years. They will have an additional 18 months to meet the revised criteria after they are promulgated. In the event that a State should fail to implement a solid waste management program, the Administrator is authorized to prohibit open dumps. States implementing approved solid waste programs are completely responsible for enforcement.

The underlying standard for facilities subject to this amendment to subtitle D remains protection of human health and the environment. Requirements imposed on facilities may vary from those for subtitle C facilities, however, and still meet this standard. They may be phased in over time, as the Administrator deems appropriate, to take account of the practicable capability of the facilities covered.

New statutory requirements for subtitle D facilities may hasten the closure of many solid waste facilities that have only a few years of remaining capacity. The requirements could also precipitate the closure of facilities with substantial capacity, but that are either unable or unwilling to accept new regulatory costs.

By allowing the administrator to consider the practicable capability of solid waste disposal facilities, the Congress has expressed its desire to avert serious disruptions of the solid waste disposal industry. The Administrator could phase in new requirements other than ground water monitoring and corrective action over time. Phasing may be tailored to the characteristics of broad categories of facilities. Such phasing might include, for example imposing requirements first on large facilities which have the greatest potential for affecting human health and the environment in the absence of added regulatory controls. Phasing also might include imposing some requirements immediately on existing units but giving time to meet other requirements so that facilities are not faced with all major new requirements at once.

The public is alarmed by the profusion of chemical contamination incidents that threaten homes, neighborhoods and whole communities. Recently, this concern has been centered almost exclusively on massive industrial chemical dumps and has let to neglect of a foremost threat to health and the environment.

We assume that our trash will be picked up at home, but seldom question where it goes, how it is disposed of, or whether it is an environmental problem. In fact, a substantial amount of hazardous material finds its way to sanitary landfills and open dumps through household waste, small generator waste, and illegal dumping. Neglect of open dumps and sanitary landfills will continue to produce Superfund sites. Fully half of the original national priority list encompassed landfills. In most cases ground water contamination has occurred.

Implementation of the existing subtitle D program has faltered largely through misguided budget decisions. The current administration has failed to recognize that municipal landfills and dumps are very much a part of the hazardous waste disposal problem. The subtitle D amendments in this bill will do much to help correct this situation.

Another area of my concern is the exemption for petroleum coke under the provisions for the control of burning or blending hazardous waste. The Agency is authorized to determine administratively which entities must give notification, and the administrator has asked that the notification deadline be postponed until the regulatory pattern is determined. In this way, notification can generally be required from those the agency proposes to regulate. Since petroleum coke is exempted from regulation under these provisions, the Agency would not be requiring notification from purchasers, distributors, marketers, or users of petroleum coke.

I am a strong supporter of the "direct action" provisions of the bill, dealing with financial responsibility. It is the intent of the committee that this approach to financial responsibility be applied to each environmental statute as the opportunity to amend those statutes becomes available. Thus, while the conferees deleted this provision as applied to the Comprehensive Environmental Response, Compensation and Liability Act [CERCLA], it was deleted only because all CERCLA amendments to this bill were deleted. It is our intention that a similar amendment will be added to CERCLA and title III of the Outer Continental Shelf Lands Act at the earliest appropriate time.

Another CERCLA-related matter is the Senate-proposed technical amendment clarifying that taxes for the post-closure liability fund will not expire at the end of this fiscal year. While we saw this as only a technical and clarifying amendment, in the eyes of the House Committee on Ways and Means it constituted an extension of a tax. Since H.R. 2867 is not a revenue measure, there was some question whether section 28(c) of the Senate bill could constitutionally be included in the bill. To avoid this problem, the Senate receded. This, however, does not indicate any lessening of our support for the post-closure liability fund or of our desire to correct this technical problem.

In implementing the hazardous waste regulatory program and the amendments made by this bill, it is important that there be equity of regulation and enforcement between on-site and off-site disposal. Both can cause serious problems, and evenhanded treatment will avoid singling out off-site disposal for unnecessarily harsh controls.

The conference report contains the Senate provision excluding facilities within the State of Alabama from the alternative technology provisions contained in the minimum technological requirements. By adoption of this Senate provision, the conferees do not imply that any facility within the State of Alabama could, or could not, comply with any minimum technological variance requirements envisioned by this provision. This Alabama exclusion does not prejudice or affect consideration of pending or future permit applications by facilities in Alabama to the extent that such applications may comply with this or other Federal and State statutes and regulations.

This provision solely affecting facilities within Alabama extends only to the alternative technology demonstration otherwise available regarding minimum technology requirements and does not affect other alternative operating or design options available to owners or operators of Alabama land disposal facilities under this or other Federal or State statutes or regulations. For example, if pretreated wastes under other provisions were expressly permitted to utilize land disposal facilities of differing technological design or operating requirements, this Alabama exclusion would not apply to that alternative authority.

Under new section 3004(o), the provision which bans the placement or maintenance of a "prohibited" waste in a treatment impoundment unless treatment residues removed within 1 year of placement does not apply to those wastes which have been subject to the pretreatment of detoxification requirements established by the administrator under section 3004(m). Removal of hazardous treatment residues does not necessarily require complete drainage of the impoundment, and in appropriate cases can be carried out by vacuum or mechanical devices which remove concentrated bottom sludges.

Madam President, many statistics and studies have been cited during consideration of amendments to the Solid Waste Disposal Act. Several facts gleaned from these studies emphasize present and future challenges to managing waste disposal.

EPA estimates that in 1981, 71 billion gallons (264 million metric tons) of wastes were generated that are considered hazardous under the Solid Waste Disposal Act. This amount exceeded previous EPA estimates by 60 percent.

Of this total, 14.70 billion gallons of wastes were disposed of. The dominant method of disposal was through underground injection wells, accounting for 8.60 billion gallons. Surface impoundment disposal accounted for another 5.10 billion gallons. Nearly another billion gallons were disposed of in landfills.

In 1981, 4,818 facilities treated, stored or disposed of hazardous wastes. Of these, only 326 were commercial facilities. The majority of facilities were managing wastes associated with industrial manufacturing operations.

Over 14,000 generators reported being subject to hazardous waste regulations in 1981. This figure does not include the small quantity generators that will not be regulated by amendments to the Solid Waste Disposal Act.

These figures served to illustrate the dimensions of the hazardous waste issue. They also portray the immediacy of developing environmentally sound methods to address the vast quantities of waste generated annually. It is disturbing that EPA had underestimated the amount of wastes generated by over half, for the first year for which reliable statistics are available.

Madam President, the original Solid Waste Disposal Act was enacted nearly 20 years ago as a short addition to Clean Air Act amendments. it addressed concerns about the proliferation of refuse throughout the country. These statistics demonstrate that solid and hazardous waste issues necessitate a comprehensive national management program.

Solid waste management has been the environmental program in which I have taken the keenest personal interest. In 1970 I authored the Resource Recovery Act, which established the first large-scale Federal effort to support demonstrations of recycling and energy recovery technology. That act also called for a study of hazardous waste disposal. I was again a principal author of the 1976 amendments to the Solid Waste Disposal Act, or the Resource Conservation and Recovery Act, as it is often called. The foundation of our hazardous waste regulatory program is subtitle C of that act, and the comprehensive solid waste management provisions I discussed earlier are in subtitle D.

In 1980, at the same time the committee was developing the Comprehensive Environmental Response, Compensation, and Liability Act, the Congress passed amendments I sponsored further strengthening the hazardous waste regulatory program. During this Congress as ranking minority member of the committee I have worked with Senator CHAFEE and Senator STAFFORD to bring to fruition the bill we consider today.

Consideration of this conference report will culminate my 20 years of involvement with this legislation. I know from this experience that the amendments we propose today will require further improvements in the future.

"Superfund" will continue to be a household word until the provisions

and objectives of the Solid Waste Disposal Act are met to the letter.

I believe that there continue to be two significant gaps in existing environmental legislation that require the attention of Congress.

Through experience with the Solid Waste Disposal Act and the remedial provisions of Superfund, we have come to realize the fragile nature of ground water supplies. Existing regulations and statutes do not adequately protect this vital resource. Underground quifers do not follow State and local jurisdictions. It is unrealistic to assume that uniform protection standards will be applied in the absence of national requirements. This matter should be of utmost priority in the coming year.

The second issue that Congress cannot continue to ignore is a Federal system for providing redress to persons injured by involuntary exposure to hazardous contaminants. I strongly support the demonstration proposal contained in S. 2892, the pending Superfund amendments, to provide victim assistance on a limited basis. This program, however, will not substitute for broader legal and financial mechanisms I proposed during committee consideration of this measure. The importance of victims' compensation is not yet well enough understood by Members of Congress for the concept to receive broad-based acceptance. The far simpler mechanism providing for cleanups of hazardous substance releases already in place is not sufficient. Congress has an outstanding obligation to the unwilling victims who are harmed through exposure to mismanaged hazardous substances.

I consider participation in developing the four main environmental statutes to be among the most worthy efforts of my legislative career. They have a direct effect on every citizen of this Nation. Air and water have substantially improved as a direct result of reforms enacted during the past decade. Responsible waste management is coming about as the result of the Solid Waste Disposal Act and Superfund. Congress will need to maintain vigorous oversight of these laws to assure that progress continues to be made.

Madam President, members of the committee were diligent in their commitment of time and energy to the successful completion of this legislation. In the conference with the House of Representatives, I was privileged to be associated in representing the Senate with Senators CHAFEE, STAFFORD, MITCHELL, LAUTENBERG, SIMPSON, and SYMMS. Each of them made major committments to the final version of this important measure.

It has long been my practice to call attention to the involvement of staff members in the legislative process. Without their knowledge and experience, our task would be considerably more difficult. In this instance, I am particularly appreciative of the skills brought to this task by minority counsel Philip Cummings, and of the contributions of John Yago, Stephanie Clough, Lee Fuller and Helen Kalbaugh.

We also received excellent cooperation and technical assistance from the Environmental Protection Agency through the help of assistant administrators Lee Thomas and Josephine Cooper.

Mr. MITCHELL. Madam President, I rise in support of the conference report on the Resource Conservation and Recovery Act.

This bill is a major achievement of the 98th Congress.

Its enactment will mark yet another milestone in our efforts to protect ourselves from one of the unfortunate and too common by-products of our highly industrialized society hazardous waste.

In 1976, the Congress enacted the Resource Conservation and Recovery Act. It was an ambitious, far-reaching statute. It conferred on the Environmental Protection Agency broad general authorities to regulate the generation, transportation, storage and disposal of hazardous waste.

Standards for the transportation, storage and disposal of hazardous waste were mandated.

Enforcement authorities were mandated.

Citizen participation in regulatory and enforcement proceedings was mandated.

The underlying goal of all of these activities was protection of public health and the environment. Indeed, the statutory standard by which the mandated regulations were and continue to be measured is protection of public health and the environment.

The statute established a framework for the prevention of harm to human beings and natural resources.

Today, we propose a series of amendments to the basic statute.

The preventive framework of the Resource Conservation and Recovery Act is sound. Today we propose modifications based on the knowledge acquired since 1976. All of the changes we are recommending to the Senate will strengthen the ability of the Federal Government to protect public health and the environment from hazardous wastes. They are designed to give EPA more specific guidance, based on our experience with implementation of the law's general authorities since 1976.

What have we learned in 8 years?

We have learned that the magnitude of the problem is far greater than believed. We now know that over 264 million metric tons of hazardous waste are generated in this country each year; this estimate is more than four times greater than previously thought.

We have learned that there are thousands of waste sites across this country which present potential or actual threats to human health or well-being. EPA now estimates that there may be 22,000 sites in need of some type of cleanup; 546 of these sites have been designated as priorities for cleanup. The Superfund law enacted in 1980 was necessary response to our past inattention to the careful disposal of hazardous wastes.

Simply put, past practices have left us a legacy of chemical contamination which has poisoned our air, our water and our land. The price of our ignorance has been high, in human terms and in dollar value. Present practices, unless modified, can only multiply those costs.

The average cost of cleaning up a hazardous waste site is estimated to be $6.5 million, according to EPA. If just the priority sites, known to present a health hazard, were cleaned up, the cost would be billions of dollars. No matter who pays the bill, whether it be the responsible party or the Federal Government, that figure is too high. We cannot afford the status quo.

We also know now that the generation of hazardous waste continues to grow and that most of that waste is currently disposed of on or in the land.

It has become evident that a strong congressional expression of disapproval of EPA's slow and timid implementation of the existing law is necessary, as well as a clear congressional direction mandating certain bold, preventive actions by EPA which will not be taken otherwise, despite the existing, broad authorities contained in RCRA.

EPA has not implemented the Resource Conservation and Recovery Act aggressively. The Agency has missed deadlines, proposed inadequate regulations, and even exacerbated the hazardous waste problem by suspending certain regulations.

It has become evident that this slow, plodding course will be continued in the absence of a clear congressional directive. This is not acceptable. Accordingly, this bill provides more specific guidance to EPA as to how the broad grants of authority of the existing RCRA law should be used.

The bill declares as congressional policy that "to avoid substantial risk to human health and the environment, reliance on land disposal should be minimized and land disposal, particularly landfill and surface impoundment, should be the least favored method for managing hazardous wastes." It specifically reaffirms the Administrator's authority to prohibit land disposal methods that cannot be shown to be protective of human health and the environment, and directs the Administrator to use that au-

thority. Deadlines are established by which EPA must evaluate all wastes listed as hazardous and subject to RCRA regulation, as to the appropriateness of their disposal on land. If the Administrator does not act within the specified deadlines, land disposal of wastes for which the deadline is missed is prohibited.

The bill establishes minimum technological standards for land disposal facilities and incinerators to insure that EPA requires the use of the best technology available at hazardous waste disposal facilities.

The bill expands the coverage of the law to those who generate between 100 and 1,000 kilograms of waste a month. In 1980, EPA exempted all generators of less than 1,000 kilograms, solely on the basis of its workload, and stated that it intended to initiate rulemaking to expand the law's coverage within 2 to 5 years.

This has not occurred. Accordingly, the conference report implements EPA's 1980 commitment. This will bring into the regulatory system an additional 15 million tons of hazardous waste.

The bill strengthens significantly the role of citizens in enforcing the law. As the sponsor of this provision, I believe that it will provide an important and necessary supplement to EPA's efforts.

The bill expands the law to prevent the export of hazardous waste to foreign countries without the receiving country's consent.

Madam President, we have worked long and hard on this package of amendments. I believe that we have achieved a workable balance between two conflicting considerations:

First, the recognition that unless the status quo with respect to the handling of hazardous wastes is altered radically, we will be condoning the eventual chemical contamination of all elements of our natural life-support system—air, water, and land; and

Second, the reality that because the pervasive nature of the hazardous waste problem is largely a result of a successful industrialized society, the ultimate solution is a basic change in the operation of large segments of our industries—a course that should be charted carefully and brought about at a deliberate but measured pace.

H.R. 2867 represents a mandate for change in the status quo. It also represents a mandate for informed regulation which does not threaten precipitous disruptions which could ultimately doom our legislative strategy to failure.

The bill before us is a compromise in the best sense of that term. It attempts to accommodate the many varied concerns expressed by hundreds of persons over the past years. It is also a compromise in the sense that probably no one person or interest supports every single element of the legislation.

We have had to make difficult judgments as to how the results we desire can be best achieved. This bill represents that judgment. I urge my colleagues to support the legislation before the Senate. If approved, it will be another significant achievement by this body in assuring a safe environment for all persons of this country.

● Mr. CHAFEE. Madam President, I am pleased to present to the Senate the conference report on H.R. 2867, the solid and hazardous waste amendments of 1984. When we last addressed this matter on July 25, 1984, the Senate unanimously approved S. 757, the Solid Waste Disposal Act Amendment of 1984.

The bill before us today is a conference substitute for S. 757 and for the original version of H.R. 2867. To my mind, Madam President, we have taken the best of both bills and produced a piece of legislation that we can all be proud of. It is a tough bill designed to deal with a tough problem: the control of hazardous waste.

In 1976, the Resource Conservation and Recovery Act [RCRA] was enacted as an amendment to the Solid Waste Disposal Act. Subtitle C of RCRA established this Nation's basic hazardous waste management system. That law, and the amendments we are considering today, are designed to assure the people of this Nation that the generation, handling, storage, treatment, transportation and disposal of hazardous waste in this country is regulated and controlled in a manner that protects both human health and the environment.

The importance of this law and the need for such assurances can only be fully appreciated after we examine just how much hazardous waste is being generated each year in the United States. The numbers are staggering.

When the Environmental Protection Agency [EPA] developed its regulatory program and when we first began working on this legislation, it was estimated that approximately 11 billion gallons—40 million metric tons—of hazardous waste are produced in the United States each year. In August of 1983, EPA upped this estimate to roughly 40 billion gallons—150 million metric tons, almost four times the previous estimate. On April 20, 1984, the EPA released the results of the National Survey of Hazardous Waste Generators and Treatment, Storage and Disposal Facilities Regulated Under RCRA in 1981 (National Survey). It is now estimated that more than 71 billion gallons—264 million metric tons—of hazardous wastes are generated in the United States every year. According to news reports, that is enough to flood the District of Columbia to a depth of 5 feet; enought to supply every man, woman and child in the Nation with six 55-gallon drums of hazardous waste.

Sadly, the actual number far exceeds the 71-billion-gallon estimate. EPA's National Survey did not include mining waste, some of which is clearly hazardous; it did not include household hazardous waste such as discarded pesticides, paint thinners and cleaning solvents; it did not include hazardous wastes generated by individual businesses that produce less than 1,000 kilograms—2,200 pounds—of such waste each month; it did not include hazardous waste that is discharged through sewers into publicly owned wastewater treatment works; it did not include hazardous wastes destined for recycling; and, of course, it did not include hazardous waste that is illegally generated or managed. The survey and the estimate only included those wastes and activities that are regulated under the existing RCRA program.

There is no question, Madam President, that we have given the EPA an enormous responsibility. In 1981, EPA received nearly 60,000 notices from generators of hazardous waste. The Agency has roughly 8,500 applications on file for permits for treatment, storage, and disposal facilities. The permit applications and sources of hazardous waste come from a wide variety of industries, each one posing unique problems. Add to that the problem of household waste and waste from the truly small quantity generator. EPA's task under RCRA is a tough one. It is also absolutely essential that it be done right and that it be done soon.

This program is closely related to the much talked about Superfund program. What this program is meant to do is to assure the public that, although we may be discovering new Superfund sites on a daily basis, at the very least we are taking steps to prevent the creation of new Superfund sites. Hazardous waste can and must be handled in a manner that is safer than it was in the past. That is what RCRA is supposed to be about.

We often hear the refrain from those who are responsible for disasters like Love Canal, Stringfellow Acid Pits and, in my home State, the Western Sand and Gravel and Picillo dumps, that we should not hold them responsible because what they did was legal at the time. Well, using legal to mean not specifically prohibited by RCRA or by regulation under RCRA, let's look at what is legal under our current RCRA program: It is legal to produce 2,000 pounds of hazardous waste each month and to dispose of it in the town dump as if it were normal trash. It is legal to use waste oil containing dioxin as a dust suppressant on roads as was done in Times Beach, MO. It is legal to avoid regulation by blending hazardous waste with other fuels and to

burn it for energy or to sell it to unsuspecting customers.

Madam President, our current RCRA program is riddled with loopholes. That is why this bill is so important. We have identified a number of gaps in the regulatory program and have attempted to fill them statutorily. Even with this bill there will be gaps. The scope of the problem is such that we cannot reasonably expect to address it comprehensively with legislation. We must continue to rely to a large extent on Federal and State common law and State statutory law to fill the gaps. Nevertheless, we must do as much as we can to assure the public that hazardous waste are being handled in a safe manner. This bill is an important part of the solution to the problem.

I would now like to briefly explain some of the bill's key provisions and the specific problems they are designed to address.

SMALL QUANTITY GENERATORS

First, let us review the problem. As a result of an EPA regulatory decision in 1980, small quantity generators—currently defined by EPA as those who produce 1,000 kilograms per month (kg/mo) or less of hazardous waste—are now exempt from most RCRA requirements and may dispose of their waste into sanitary landfills and into sewers that are connected to publicly owned treatment works. Neither of these types of facilities is suited to the disposal or treatment of toxic organics or metals. In addition, such generators are not required to package the wastes in a safe manner nor to notify the transporters that the waste being transported is hazardous. In addition to being toxic, many of the wastes are ignitable, reactive or corrosive and, therefore, create an occupational safety hazard for the unwitting transporter.

To address this problem, H.R. 2867 will require that, within 270 days, generators which generate greater than 100 but less than 1,000 kilograms of hazardous wastes per month must provide for proper identification of such wastes which are transported off-site. Such generators would have to notify transporters that such wastes are hazardous but would not have to comply with full hazardous waste testing, manifesting, record keeping or reporting requirements during the period between enactment and promulgation of regulations. Methods of identification are specified.

Until completion of a study of small quantity generators and promulgation of final regulations for such generators, hazardous wastes generated by a generator in quantities less than 1,000 kilograms per month must be delivered to a permitted treatment, storage or disposal facility or a sanitary landfill which meets current criteria.

Regulations for storage of hazardous waste generated in quantities of between 100 and 1,000 kilograms per month shall provide for onsite storage for up to 180 days without a permit—twice the 90-days storage period allowed for large quantity generators. For small quantity generators who must ship or haul their waste over 200 road miles, the regulations shall provide for onsite storage without a permit for up to 270 days of up to 6,000 kilograms of such waste.

By March 31, 1985, EPA must complete and submit to Congress a study of small quantity generators. Using the results of the study and other available data, EPA must promulgate by March 31, 1986, additional regulations as may be necessary for small quantity generators who generate between 100 and 1,000 kilograms per month of hazardous waste. The threshold of 100 kilograms per month, however, is not the end of this issue. It represents a logical next step in the regulatory process but it does not mean that EPA is relieved of their responsibility to regulate in a timely manner all generators of hazardous waste as may be necessary to protect human health and the environment.

If no regulations have been promulgated for small quantity generators by March 31, 1986, after that date any hazardous waste from small quantity generators generating such waste in quantities of greater than 100 kg/mo must go to a treatment, storage or disposal facility permitted under RCRA.

The Administrator is instructed to undertake activities to educate small quantity generators as to their responsibilities under this section.

Regulations for management of hazardous waste from small quantity generators may vary from regulation for larger generators; such regulations must provide, however, that wastes generated in quantities of greater than 100 kg/mo go to a treatment, storage or disposal facility permitted under RCRA.

LAND DISPOSAL LIMITATIONS

The continued use of some methods of land disposal of some hazardous wastes presents an unwarranted and unnecessary risk to human health and the environment. Particularly troublesome are landfills and surface impoundments of highly toxic, mobile, or persistent wastes and wastes that have the potential to bioaccumulate.

The problem presented by land disposal of hazardous wastes is a classic example of the inability of the free marketplace to provide for the public good. Land disposal is extremely cheap when compared with the available alternatives such as incinceration or chemical-physical treatment. Therefore, we should not be surprised to find that land disposal and treatment in land disposal facilities such as surface impoundments are being utilized much more frequently than the newer, high-tech options.

According to EPA's National Survey, of the listed treatment processes in 1981, incinerators treated the least amount of hazardous waste. Only about 450 million gallons—1.7 million metric tons—of hazardous waste was incinerated during that year. About 40 times more hazardous waste was treated in surface impoundments—16.6 billion gallons, 62 million metric tons. Nearly 20 times more hazardous waste was disposed of in injection wells—8.6 billion gallons, 32 million metric tons. Over 10 times as much hazardous waste was disposed of in surface impoundments—5.1 billion gallons, 19 billion metric tons—and nearly twice as much hazardous waste was disposed of in landfills—810 million gallons, 3 million metric tons. In 1981, only 23 percent of our Nation's treatment capacity was being used.

Unfortunately, land disposal presents far greater risks to society than are necessary. We have the technology to reduce the quantity of hazardous wastes disposed of in the land and to render the waste less harmful. What we do not have, and will not have as long as cheap land disposal options are available, is a viable market to support the development and expansion of new, safer treatment and disposal technologies. This bill recognizes that many of the risks associated with land disposal are being unnessarily imposed upon the public and it is designed to eliminate those risks. The result should be the creation of a new market and increased demand for new, safer treatment and disposal technologies.

By enacting H.R. 2867 Congress will state it's findings that reliance on land disposal should be minimized and land disposal, particularly landfill and surface impoundments, should be the least favored method for managing hazardous wastes. As reported by the conference committee, EPA must, within 24 months after enactment, promulgate regulations to prohibit land disposal of dioxins and solvents unless the Administrator determines that such a prohibition is not required to protect human health and the environment. The Administrator may distinguish between various methods of land disposal. Similar regulations and findings must be made by EPA first, within 32 months after enactment for a specified list of hazardous wastes that are specified in the bill on the basis of their toxicity, mobility, persistence or potential to bioaccumulate, second, for all other listed hazardous wastes on a staggered timetable—one-third of list within 45 months of enactment, one-third within 55 months, and one-third of all listed and identified wastes within 66 months.

If EPA fails to meet the statutory deadlines for dioxins, solvents, or the specified list, and if the agency fails to meet the 66-month deadline, land disposal of the affected wastes is statutorily prohibited.

Land disposal prohibitions are effective immediately or, on basis of availability of adequate alternative treatment, storage, or disposal capacity, up to 2 years after promulgation. The 2-year period may be extended on a case-by-case basis for 1 year and renewed once for an additional year if, after good faith efforts to develop adequate capacity, it can be shown that more time is needed.

If the Administrator finds a lack of alternative capacity, he may set the different effective date based on the earliest date on which sufficient capacity will become available. In setting longer effective dates, the Administrator can consider the fact that different physical or chemical forms of a particular waste are treatable by different methods. Thus, different effective dates may be set for a single waste code—for example, F001 P016, differentiating between physical or chemical forms of the waste. For example, the Administrator may find that there is sufficient alternative capacity for liquid F001 waste—and thus restrict it immediately—but not for F001 waste that is a solid or sludge—and thus set a longer effective date for these forms of the waste. This will insure that restrictions become effective as soon as possible based on the availability of alternative capacity.

Use of waste oil containing dioxin or other hazardous wastes for dust suppression is banned. The disposal of hazardous waste by underground injection into or above any formation which contains a potential underground source of drinking water—within one-quarter mile of injection well—is banned.

Expansions of existing waste piles, landfills or surface impoundments under interim status are subject to the same requirements for liners, leachate collection systems groundwater monitoring and locational criteria as new facilities.

Land disposal facilities which stopped accepting wastes between July 26, 1982 and January 26, 1983, are required to take corrective action and undertake groundwater monitoring consistent with requirements for permitted facilities.

MINIMUM TECHNOLOGICAL REQUIREMENTS AND PERMIT LIFE

Delayed promulgation of final regulations to implement RCRA and prolonged use of interim status permits by EPA has allowed some facilities to operate without assurances that design and performance standards will utilize adequate and available control technology. The application of available technology, at a minimum, is necessary to minimize releases of hazardous wastes into the environment.

Minimum standards of double liners, groundwater monitoring and leachate collection are required for landfills and surface impoundments permitted after date of enactment. Modifications of this requirement are allowed upon a showing that an alternative design is at least as effective as the liners and leachate collection systems.

The conference report contains the Senate provision excluding facilities within the State of Alabama from the alternative technology provisions contained in the minimum technological requirements. By adoption of this Senate provision, the conferees do not imply that any facility within the State of Alabama could, or could not, comply with any minimum technological variance requirements envisioned by this provision. This Alabama exclusion does not prejudice or affect consideration of pending or future permit applications by facilities in Alabama to the extent that such applications may comply with this and other Federal and State statutes and regulations.

This provision solely affecting facilities within Alabama extends only to the alternative technology demonstration otherwise available regarding minimum technology requirements and does not affect other alternative operating or design options available to owners or operators of Alabama land disposal facilities under this or other Federal or State statutes or regulations. For example, if pretreated wastes under other provisions were expressly permitted to utilize land disposal facilities of differing technological design or operating requirements, this Alabama exclusion would not apply to that alternative authority.

Minimum standards for incinerators are to require destruction and removal efficiency consistent with regulations in effect on the date of enactment.

Equally important is the requirement that EPA modify its regulations to specify criteria for the acceptable location of new, as well as existing, facilities. Recent studies show that proper location is at least as important as application of improved technologies. Too many existing facilities are located in areas that aren't well suited to management of hazardous wastes. It is important that these sites be shut down as quickly as is possible.

Fixed term permits not to exceed 10 years are established for land disposal facilities, storage facilities, incinerators, and other treatment facilities. Permits for land disposal facilities shall be reviewed at least every 5 years.

An amendment is included to make clear that the Administrator—or the State in the case of a State with an authorized program—is not to consider the incremental cost attributable to sections 3004(o) and 3005(j) in first, issuing effluent limitations guidelines, new source performance standards and pretreatment standards under the Clean Water Act in the next 12 months; second, issuing NPDES permits based on the previously promulgated guidelines and standards and any guidelines and standards promulgated under the Clean Water Act with in the next 12 months; or third, establishing effluent limitations based on best professional judgment [BPJ] on or before October 1, 1986.

In the past several years, EPA has promulgated the majority of the effluent limitations guidelines, pretreatment standards, and new source performance standards required by the Clean Water Act and the Clean Water Act Toxics Consent Decree, *NRDC* v. *Ruckelshaus*, 8 ERC 2120 (D.D.C. 1976), as modified 12 ERC 1833 (D.C.C. 1979), as modified by orders dated October 26, 1982, August 2, 1983, January 6, 1984, and July 5, 1984. The Agency has done substantial work on the other effluent limitations guidelines and standards covered by this decree. The agency has also made substantial commitments to issue NPDES permits implementing these effluent limitations guidelines and standards and NPDES permit establishing effluent limitations based on best professional judgment [BPJ] in cases where there are no applicable effluent limitations guidelines.

Some of these effluent limitations guidelines and standards and BPJ permit limitations rely on surface impoundments as part of the model treatment technology; in other cases, industry has chosen to use surface impoundments to achieve compliance with nationally applicable effluent limitations guidelines and standards despite the fact that such impoundments are not part of EPA's model treatment technology. Since EPA could not have foreseen the requirements imposed by sections 3004(o) and 3005(j) of the Hazardous and Solid Waste Amendments of 1984, EPA did not always include as part of the baseline or incremental cost of those regulations or BPJ limitations, the cost of facilities to meet the requirements of sections 3004(o) or 3005(j). The purpose of this amendment is to assure that there is no delay in promulgation of the remaining effluent limitations guidelines and standards, implementation of the categorical pretreatment standards, or EPA's ability to issue NPDES permits either through implementation of the effluent limitations guidelines and standards or development of BPJ limitations, pending consideration of the cost or nonwater quality environmental impacts associated with surface impoundments in light of the newly enacted sections 3004(o) and 3005(j).

CONTINUING RELEASES AT PERMITTED FACILITIES

Current regulations do not require facilities receiving permits under RCRA to address all releases of hazardous wastes from solid waste management units at the facility. A facility which is causing, for example, groundwater contamination from inactive units could, therefore, seek a permit under RCRA for active units and receive the permit without having to clean up the contamination.

H.R. 2867 will require that all treatment, storage, and disposal facilities which apply for a permit under subtitle C and which release hazardous waste or constituents from any solid waste management unit at the facility must remedy such releases as a condition of permit issuance. Where corrective action cannot be completed prior to issuance of the permit, schedules of compliance for such corrective action and financial assurances may be required.

Rather than delay the issuance of RCRA permits until sufficient information is acquired to specify in compliance schedules the corrective action required and the financial assurances needed to assure its completion, permits may be issued where owners/operators commit in a compliance schedule to obtain the information necessary to determine the extent and cost of corrective action. To do otherwise would prolong the period during which facilities are not subject to the more stringent part 264 standards.

LISTING/DELISTING MODIFICATION

The listing process is a general screening to determine whether a kind of waste typically can cause harm to human health and the environment if mismanaged. The delisting process allows petitioners—usually individual hazardous waste generators or treatment facilities—the opportunity of showing that their wastes are significantly different—because of treatment, or because they are generated in a different process—from listed wastes of the same type. Consequently, their wastes should be excluded—that is delisted—from the hazardous wastes lists. Under the Agency's regulations, EPA will delist those wastes which do not, or no longer, meet the criteria for which the waste was listed.

EPA's delisting regulations do not fully address the fact that wastes are frequently composed of numerous hazardous constituents. In some instances, because listing is a general screening process, EPA may not have taken all of the hazardous constituents in a waste into consideration when the waste was originally listed. Although EPA has authority under RCRA to reject a delisting petition based on the presence of these additional constituents, EPA's regulations did not allow the Agency to do so. This has resulted in some wastes which are still hazardous being exempted from the hazardous wastes lists and, consequently, from all RCRA regulation.

Under the Agency's present regulations, to be a hazardous waste, a waste must exhibit a characteristic of hazardous wastes or be listed by name. None of the characteristics of hazardous wastes promulgated so far—ignitability, corrosivity, reactivity, or extraction procedure—identifies wastes on the basis of organic toxicity. Furthermore, EPA's listing process has been virtually stalled for several years.

This bill will direct EPA to consider criteria, constituents, or other factors, in addition to those for which a waste was listed, when evaluating petitions to delist or exclude from regulation a hazardous waste generated at a particular facility.

EPA is to consider additonal hazardous constituents and criteria when deciding whether to delist a waste. The threshold test is that EPA have information reasonably indicating that presence of additional constituents could cause the waste to still be hazardous. EPA is specifically empowered to obtain information from the petitioner relevant to this reasonable basis determination. The bill thus provides that the initial petition must be accompanied by information adequate to evaluate the petiton. This includes information necessary in determining whether there is a reasonable basis to believe the waste could still be hazardous. Examples of information that can appropriately be requested in an initial application are data on constituents used as raw materials, catalysts, solvents, or ingredients in the process generating the waste.

Once EPA obtains this data, the Agency must determine—based on the information in the petition and on other relevant information available to the Agency—such as industry studies data or data from similar petitions—whether the waste reasonably could be hazardous. If EPA makes this finding, the Agency may then proceed to request that the petitioner submit more comprehensive information on the waste, such as chemical analyses. After receiving this data, EPA then will determine whether the waste is hazardous under the criteria for listing in section 3001 of RCRA, as implemented by EPA's regulations.

The Administrator is directed to identify or list those hazardous wastes which shall be subject to subtitle C provisions solely because of the presence of constituents such as carcinogens or teratogens at levels that will endanger human health.

BURNING AND BLENDING

Currently, EPA exempts facilities that burn hazardous wastes for the primary purpose of energy recovery. EPA has estimated that 10 or 15 million metric tons of hazardous wastes are burned each year in boilers; over one-half of all hazardous wastes generated are burned in facilities not now regulated under RCRA. EPA has acknowledged that burning hazardous wastes for energy recovery is similar to incinerating them and "could pose a parallel or greater risk of environmental dispersal of hazardous waste constituents and products of incomplete combustion."

Fuel blending is one of several areas where EPA's failure to promulgate regulations has led to direct threats to human health and the environment. Hazardous wastes have been blended with heating oil and sold to unsuspecting customers who burn them under conditions which may not protect human health or the environment.

The potential impact of this loophole is even more significant as more and more wastes may be burned in boilers, cement kilns, or other heat recovery units to avoid RCRA regulation and treatment costs.

Therefore, we require that within a year, EPA must be notified by facilities which blend hazardous wastes to produce fuel or which distribute, market or burn hazardous wastes or blended fuel for energy recovery. Within 2 years EPA must set standards for transporters of such fuel and for facilities which burn such fuel adequate to protect human health and the environment. Labeling of such fuel which contains hazardous wastes is required. A limited statutory exemption is allowed for petroleum coke and, with respect to the labeling requirement, for onsite petroleum refinery operations. A regulatory exemption is authorized for facilities which burn de minimis quantities of hazardous wastes in fuel.

MANDATORY INSPECTIONS AND FEDERAL FACILITIES

Current law does not mandate that facilities that treat, store, or dispose of hazardous wastes be regularly inspected. Although officers, employees, and representatives of the States and EPA are authorized by section 3007(a) of RCRA to enter and inspect any facilities where hazardous wastes are handled, too few inspections are being conducted to effectively monitor compliance with RCRA and applicable regulations. Inspections that do occur are conducted under widely varying State-formulated criteria regarding the qualifications of inspectors and the scope of the inspection.

The bill will establish a program requiring inspection at least once every 2 years for treatment, storage, and disposal facilities. EPA will complete a study to evaluate feasibility of using private inspectors to supplement Federal or State inspectors. EPA must also begin a program to perform thorough inspections of Federal treatment, storage, and disposal facilities on an annual basis. Authorized States may

also inspect Federal facilities. EPA must initiate inspections at each State or local treatment, storage, or disposal facility.

All Federal agencies must conduct and update a detailed inventory of hazardous waste facilities for submittal to EPA. If agencies do not respond, EPA will complete the inventory.

FEDERAL ENFORCEMENT

RCRA provides criminal penalties for transporting waste to an unpermitted facility and for submitting false information in documents required to be filed under the act. However, the statute presently does not specifically address the criminal liability of generators of hazardous waste who knowingly cause the waste to be transported to an unpermitted facility. It also does not address material omissions or the failure to file required reports. Similarly, where hazardous waste is knowingly transported without a manifest, there would be no criminal liability unless the waste is subsequently delivered to an unpermitted facility. Although most facilities are operating under interim status permits, there is currently no criminal liability for knowing violations of such requirements. Portions of the knowing endangerment provisions are redundant and unnecessarily restrictive.

Criminal penalties are provided in H.R. 2867 for knowingly causing waste to be transported to an unpermitted facility; for knowingly transporting or causing waste to be transported without a manifest; where knowing omissions or false statements are made; and where interim status requirements are violated. Maximum criminal penalties are increased and redundant provisions in the knowing endangerment section are removed. By specifically adding criminal liability for causing wastes to be transported to an unpermitted facility or without a manifest, there is no intent to affect the application of title 18, United States Code, section 2 to all provisions of RCRA.

EXPORT OF HAZARDOUS WASTE

Current regulations allow hazardous wastes to be exported from the United States with minimal notice to receiving countries. There is currently no requirement that receiving countries be fully apprised of the nature of the shipment nor a requirement that they consent to receipt of the shipment.

Within 12 months after enactment of H.R. 2867 no person shall export hazardous wastes unless notice of intent to export and details of the shipment are provided to EPA, the receiving country has been notified by the State Department and has consented to receive such hazardous wastes, and a copy of the receiving country's written consent is attached to the manifest accompanying each shipment.

Where there exists an international agreement between the United States and the receiving country establishing notice and export procedures for the handling of hazardous wastes, notice, and consent for each shipment shall not be required.

IMMINENT HAZARD AND CITIZEN SUITS

Section 7003 of RCRA currently authorizes suit to immediately restrain any person contributing to handling, storage, treatment, transportation, or disposal of any solid waste or hazardous waste that may present an imminent and substantial endangerment to health or the environment. Though the issue of inactive waste sites is not addressed explicity in section 7003, the Congress, most courts and every administration which has administered the act has contrued the section to apply to such sites. Notwithstanding an opinion for the U.S. Court of Appeals for the Third Circuit and several district court decisions upholding the Government's position, some courts have ruled to the contrary. The administration testified that clarifying language amending section 7003 would be helpful.

This bill will amend section 7003 to affirm that which is already provided for under existing law. It will clarify that section 7003 authorizes suits concerned with inactive sites which may present an imminent and substantial endangerment.

Although section 7003 of RCRA authorizes the Administrator to sue to abate an endangerment whenever the past or present handling, storage, treatment, transportation, or disposal of any solid or hazardous waste may present on imminent and substantial endangerment to health or the environment, we now know from the Superfund experience that the number of potential problem sites exceeds the Government's ability to take action each time such action is warranted. The problem is primarily one of inadequate resources.

Therefore, H.R. 2867 will authorize citizens to bring suit against those who have contributed or are contributing to a situation which may present an imminent and substantial endangerment to health or the environment. To prevent such suits from intefering with Government enforcement actions, a number of conditions are placed on the authority to bring such suits.

SUBTITLE D IMPROVEMENTS

Even with the phaseout of the small quantity generator exemption, sizable amounts of hazardous materials from such generators, household wastes, and illegal dumping are disposed of in municipal landfills. Current criteria for sanitary landfills are inadequate to deal with these facts. In addition, there is a need to provide for better implementation of the open dumping ban and upgraded criteria for sanitary landfills.

As a result of this bill, EPA must revise criteria for sanitary landfills and for determining which practices constitute open dumping, taking into account potential for such facilities receiving hazardous waste in household wastes or from illegal dumping. Within 42 months, States must establish and enforce a permit program or other system to assure that sanitary landfills which may receive hazardous wastes comply with upgraded criteria. If States do not adopt such a program, EPA shall use the enforcement authority in sections 3007 and 3008 to enforce the ban on open dumps.

AIR EMISSIONS FROM LAND DISPOSAL FACILITIES

Studies of hazardous waste surface impoundments and landfills report that significant quantities of hazardous constituents in the wastes may be emitted into the air. Proposals to regulate emissions from hazardous waste facilities have been published on several occasions since passage of RCRA in 1976. Final regulations have never been issued. The Agency also has authority to regulate emissions of hazardous air pollutants under the Clean Air Act, but its performance under that Act has been appallingly slow.

A provision of H.R. 2867 requires EPA to promulgate regulations for the monitoring and control of air emissions from hazardous waste facilities as may be necessary to protect human health and the environment.

GROUND WATER MONITORING

Current EPA regulations allow waste piles, landfills, and surface impoundments that satisfy certain conditions to claim an exemption from the ground water monitoring requirements that are designed to detect any releases of hazardous constituents from the facilities. The conditions for exemptions, on their face, do not meet subtitle C's basic requirement of protecting human health and the environment. There is evidence, for example, that a leak could occur even from a double-lined disposal facility, and that hazardous constituents can migrate into ground water even if the facility is located entirely above the seasonal high water table. Similarly, if an inspection shows a liner is cracked, the owner or operator is required only to repair the crack, not to detect and clean up any releases that may have occurred before the crack was discovered.

The bill will require that the act's ground water monitoring requirements be completed with whether or not a facility is located entirely above the seasonal high water table, the facility has two liners and a leachate collection system, or the facility's liner—or liners—are periodically inspected. This section has the effect of nullifying several portions of EPA's regulations. It does not make any changes to the Agency's regulations concerning

ground water monitoring standards other than deleting the indicated exemptions.

WASTE MINIMIZATION

Current laws emphasize the need to properly treat, store, and dispose of hazardous wastes. While this continues to be a primary element of RCRA and other pollution control laws, additional emphasis must be directed toward first, minimizing the generation of hazardous wastes and second, utilizing the best treatment, storage, and disposal techniques for each waste.

A statement of national policy will be added to the act as well as a requirement that hazardous waste generators certify that they have programs to reduce the amount and toxicity of their waste and that they are using methods to minimize the threat that their wastes pose to human health and the environment.

DEFINITION OF HEATING OIL IN UNDERGROUND STORAGE TANK PROVISION

The underground storage tanks that are covered by this bill do not include underground storage tanks used for storing heating oil for consumptive use on the premises where stored. There are many different grades of heating oil used, including No. 2, No. 4, and No. 6. The particular type of heating oil used generally depends upon the type and size of the furnace in which it is burned. The reference to heating oil cited above includes all of these grades of heating oil, so long as the tank is used for storing such heating oil for consumptive use on the premises where stored.

OTHER ISSUES

Several other issues have been considered in the course of developing H.R. 2867 and merit comment. These include the issues of permitting of mobile treatment units; the distinction between onsite and offsite facilities; direct action provisions of Superfund; and health assessments.

PERMITTING OF MOBILE TREATMENT UNITS

The EPA, in order to fulfill its legislative mandate, should continually be looking at innovative, advanced technological methods to effectively and safely treat and handle hazardous wastes. Legislative and regulatory initiatives are necessary to discourage the use of landfills and land disposal generally as a disposal option of first resort.

For many waste generators, the availability of mobil treatment units would make proper waste handling and treatment economically feasible and remove the growing financial incentive for cutting corners or for midnight dumping. Clearly, the long-term tightening of EPA's current small generators exemption will mean a significant increase in the number of regulated facilities which could handle their wastes more safely and effectively through use of mobile treatment technology—either through a circuit rider approach where the unit periodically visited a facility—or where a unit periodically visited a satellite treatment area where waste from several firms was aggregated and stored pending treatment.

EPA currently has legislative authority to develop a permit procedure for mobile treatment units, however, current permit regulations, as promulgated, have stymied the development of MTU technology. I have reviewed the work completed in September 1983 by EPA's RCRA Permit Advisory Committee and believe the MTU permit procedure outlined therein, merits further consideration by the Agency.

DISTINCTION BETWEEN ONSITE AND OFFSITE FACILITIES

According to the National Survey, 84 percent of those who generate hazardous wastes ship their wastes offsite for treatment, storage, or disposal. That fact seems to support the notion that our regulatory effort should be focused on these offsite facilities. Some people allege that the offsite treatment and disposal industry has, in fact, been subject to much greater scrutiny, regulatory control, and enforcement than those who generate hazardous wastes and manage them inhouse or onsite. If this is true, it is without justification. Onsite facilities should be regulated at least as vigorously as offsite facilities.

Although offsite facilities manage a significant amount of hazardous wastes, they represent a small portion of the total volume. Using EPA's numbers, which are conservative, 96 percent of the hazardous waste disposed of is disposed of onsite. That is 96 percent by volume.

Offsite facilities are providing a service to small businesses and to households generating hazardous wastes. Why should we devote a disproportionate amount of our enforcement effort to offsite facilities? The issue is not just one of fairness but it is also one of safety. Let's focus on the problem. We should continue to scrutinize, regulate, and enforce against offsite operators but we should also be focusing on the high volume private sites that are behind the company fense. There is no reason to assume that inhouse operations are run any better than the offsite commercial facilities. With history as our guide, we must not let any facility that is managing hazardous waste escape our regulatory and enforcement efforts.

DIRECT ACTION IN CERCLA

I am a strong supporter of the direct action provisions of the bill, dealing with financial responsibility. This approach to financial responsibility should be applied to each environmental statute as the opportunity to amend those statutes becomes available. Thus, while the conferees deleted this provision as applied to the Comprehensive Environmental Response, Compensation and Liability Act [CERCLA], it was deleted only because all CERCLA amendments to this bvill were deleted. A similar amendment shold be added to CERCLA and title III of the Outer Continental Shelf Lands Act at the earliest appropriate time.

HEALTH ASSESSMENTS

The bill requires that owners and operators of landfills and surface impoundments submit exposure information with their permit applications. Submission of exposure information should not be considered then determining the completeness or adequacy of a part B permit application. It is an independent requirement of this act, enforceable as any other violation of a reporting requirement.

CONCLUSION

Madam President, the need for action is rarely as clear as it is today. We have a law that was designed to assure the people of this Nation that the generation, handling, storage, treatment, transportation, and disposal of hazardous wastes in this country is regulated and controlled in a manner that protects both human health and the environment. Unfortunately, the regulatory program is riddled with loopholes and, as such, the assurances we sought when we first passed RCRA in 1976 are still empty promises.

We cannot afford to delay any longer. Even if out of sight is out of mind for some, we must not be so foolish as to believe that the status quo is good enough. We must do as much as we can to assure the public that hazardous wastes are being handled in a safe manner and that steps will be taken to reduce the amount and danger of those hazardous wastes that are generated in the future.

The amendments that we are considering today are designed to do that. They will translate the promises of 1976 into action. They recognize new areas of promise and pursue them. For these reasons, H.R. 2867 deserves your support and your vote of approval.

Madam President, I want to take this opportunity to thank all of the dedicated, hard-working people at EPA and on our staff who have worked with us and helped us to craft this major environmental bill. Without the assistance of EPA Assistant Administrator Lee Thomas and his staff, Environment and Public Works Committee counsel Steve Shimberg, Phil Cummings, Kathy Cudlipp, Jon Jewett, staff members Charlene Sturbitts, Bill Fay, Jimmie Powell, and Liz Barrett-Brown, we could not have achieved today's accomplishment. Enactment of the first major pollution control law since 1980 is an event that

should not go unnoticed and the importance of today's action should not be minimized.●

Mr. LAUTENBERG. Madam President, I rise in strong support of H.R. 2867, the Hazardous and Solid Waste Amendments of 1984, and urge its immediate adoption by the Senate. This conference report is of utmost importance to my State and the Nation as a whole. The cradle-to-grave management of hazardous wastes is a formidable task and one that demands careful coordination between the public, Congress, Environmental Protection Agency and States.

Over 240 million tons of hazardous wastes are generated every year—1 ton for every man, woman, and child in our country. Much of this waste is now land disposed of in ways that contaminate the water we drink and the air we breathe. The best solution to the hazardous waste crisis facing our country is the reduction and recycling of these wastes. But, for the foreseeable future, there will be a substantial amount of waste that must be disposed of through other means that can harm the public and the environment.

The bill that we will approve today is the first major environmental regulatory bill to be enacted since the Superfund bill passed in 1980. It will greatly improve the management of our wastes. It will close dangerous loopholes in the current program and start the country in a new direction by encouraging the treatment of dangerous wastes and discouraging land disposal.

The main elements of H.R. 2867 are the limitations on land disposal, retrofit requirements for surface impoundments, regulation of small quantity generators, and a new program for locating and monitoring underground storage tanks, many of which are leaking and threatening water supplies.

Madam President, I was honored to serve as a conferee on this bill. The bill is the culmination of two sessions of debate over needed improvements to this program. Senate approval of S. 757, on July 26, by a unanimous vote of 93 to 0, is testament to the concern of all Senators that the storage, transport, and disposal of hazardous wastes be carefully regulated.

This bill closes dangerous loopholes in the current law. It narrows the exemption for most small quantity waste generators who today dispose of 4 million tons annually of benzene, toluene, and other dangerous chemicals in our neighborhood landfills every year. The bill also regulates the burning and blending of hazardous wastes for resource recovery and bars the disposal of wastes such as dioxins, in road oils. While the closing of these loopholes has received considerable attention, the real nexus of the bill is the ban on land disposal of hazardous wastes that threaten the public health and environment.

No longer will the indiscriminate disposal of dioxins, PCB's, and other highly toxic chemicals be allowed in landfills. Instead, this bill encourages the reduction, recycling, and treatment of hazardous wastes. It is my hope that the disincentives to dispose of waste in landfills included in H.R. 2867 will stimulate the development of new technologies to safely treat waste.

The limitations on land disposal center around statutory bans on certain wastes. These bans will automatically go into effect unless the EPA determines that land disposal of these wastes is safe. The bans are reasonable. They will prevent deadlines from slipping into the future without action. They establish an important presumpiton that land disposal should not be used for wastes that pose real risks.

This presumption should provide a stimulus for the commercialization of technology to treat these wastes. However, if no adequate alternative to land disposal are available, the bill does provide limited extensions from disposal bans by the EPA. It is important to note that these extensions will not be granted on economic grounds.

Madam President, the deadlines in this bill for banning land disposal of certain wastes are realistic and should provide more than adequate time for EPA to analyze and develop regulations to implement these provisions. They are consistent with EPA Assistant Administrator Lee Thomas' assessment of EPA's capabilities. I hope that EPA will move as quickly as possible to implement these provisions and ban dangerous wastes from our landfills. It would be unfortunate if EPA waited until the 11th hour to take action. Many of these deadlines are several years off and I am concerned about environmental hazards that will continue during the interim.

It is important to note that the bill also bans land disposal of liquid hazardous wastes into shallow aquifers and the underground injection of certain wastes as well. I strongly support the ban on liquid waste disposal. Such disposal practices are among the most egregious examples of our past mismanagement of hazardous wastes.

Over 60 percent of our wastes are disposed of by injection into underground aquifers. We must be especially careful, as we move away from disposal in landfills and surface impoundments, that we do not simply shift to a form of disposal that will perpetuate the contamination of our precious drinking water supplies. The deadlines in the underground injection provisions are 4 years off. Because we do not know as much about the impacts of underground injection as we know about landfilling, it is essential that EPA expeditiously investigate the potential environmental and health hazards related to disposal of wastes through underground injection.

Madam President, during our conference, we engaged in extensive discussion about the retrofit requirements for surface impoundments. The bills approved by both Houses required that existing impoundments—pits, ponds, and lagoons—be retrofitted with double liners leak-detection systems within 4 years of enactment. Our discussion focused primarily on the treatment of wastewater surface impoundments, which were provided with an explicit exemption in the Senate bill. The criteria for exemption of these impoundments, which are estimated to represent between 200 and 300 of the 1,500 existing impoundments, has been tightened so that the universe of these impoundments is limited to those engaged in "aggressive biological treatment" of wastewater. An important condition of this exemption is that groundwater be monitored. Mr. President, the strict monitoring of groundwater around these impoundments will be critical in assessing the impact of the exemptions included in the bill.

This bill sets up, for the first time, a Federal program for the regulation of underground storage tanks containing petroleum. The growing problem of leaking underground storage tanks is one that will require our attention for many years to come. The regulatory program included in this bill will help us identify these tanks. It will also require that new tanks meet strict antileak standards. These provisions will start us on our way toward preventing and cleaning up tanks that threaten the quality of our drinking water.

The emerging statistics on leaking underground storage tanks are ominous. It is estimated that a 1 gallon a day leak of gasoline from a tank can poison the water supply of 50,000 persons. Experts in the petroleum industry estimate that between 75,000 and 100,000 tanks are currently leaking, and that this number may increase to over 350,000 in the next 5 years. In my State alone, it is estimated that 20,000 tanks may be leaking.

It is clear that leaks from these tanks pose a very serious threat to our groundwater. That is why I joined Senator DURENBERGER in introducing legislation in the Senate to regulate underground storage tanks earlier this year. I am very pleased that provisions to address this emerging environmental problem are included in the bill.

Finally, I want to make mention of the clarifications H.R. 2867 makes to the criminal liability provisions of the act. In September 1983, a New Jersey district court decision threatened to undermine effective Federal enforcement actions against midnight dumpers. The court refused to prosecute

two plant supervisors who were routinely ordering the disposal of acetate and other dangerous chemicals into a trench behind their factory in Laurel, NJ. In a bizarre reading of the law, the judge found that only owners and operators, who are required to obtain permits for disposing of wastes, could be prosecuted for illegal waste disposal under the criminal provisions of RCRA.

In fact, the law clearly states that anybody who knowingly and illegally disposes of hazardous waste can be held liable for a violation of RCRA requirements. During Senate consideration of S. 757, I offered an amendment to the bill to overturn this court decision and clarify the intent of the act. Congressman JIM FLORIO had introduced similar legislation in the House after the House had approved its version of the RCRA bill.

By the time we went to conference, the Third Circuit Court of Appeals had overturned the district court decision. Nonetheless, the conference retained this provision to clarify that any midnight dumpers who violated the law will be prosecuted and cannot dump wastes with impunity.

Madam President, I want to commend the managers of the Senate and House conferees, Senator CHAFEE and Congressman DINGELL, for their strong leadership and diligence in the conference. Without their commitment to seeing this bill through, and their commitment to a safe and clean environment, we would not be approving this bill today. As a new member of the Environment and Public Works Committee, I was privileged to serve as one of the Senate conferees on a piece of legislation of such importance.

My only regret is that the House conferees so strongly resisted including the Superfund amendments the Senate adopted to S. 757, a number of which I sponsored with my colleague from New Jersey, Senator BRADLEY. I strongly supported the Senate provisions to S. 757 to provide cost credits to States which use their own funds to cleanup sites eligible for Superfund assistance and to extend the statute of limitations for natural resources claims. Both of these provisions were important to my State of New Jersey. The stripping of these Superfund amendments from the RCRA conference report is even more disappointing given the failure of the Senate to consider S. 2892, the Superfund reauthorization bill reported to the Senate by the Environment and Public Works Committee, which also contained them.

Madam President, as many people have noted, the Resource Conservation and Recovery Act and the Superfund represent two sides of the same coin. Both statutes serve to protect the public from exposure to hazardous wastes, the first by regulating hazardous waste disposal; the second by providing Federal assistance to cleanup abandoned waste sites. Enactment of an improved RCRA program this year is important for avoiding the creation of additional Superfund sites. It is my hope that with RCRA behind us, we will be able to take up the reauthorization of Superfund at the earliest possible date in the 99th Congress.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. BAKER. Madam President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

GRANTS TO ENCOURAGE PUBLIC CAPITAL INVESTMENT—CONFERENCE REPORT PROJECTS

Mr. BAKER. Madam President, I submit a report of the committee of conference on S. 1330 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1330) to authorize the United States Army Corps of Engineers to provide grants to the several States to encourage and foster the construction of necessary public capital investment projects, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of October 4, 1984.)

Mr. STAFFORD. Madam President, I am pleased that the Senate is considering today House Report 98-1134, the conference report on S. 1330, the Public Works Improvement Act of 1984. I believe the legislation represents an important initial response to the Nation's infrastructure problem.

First, it establishes a National Council on Public Works Improvement to report on the state of the Nation's infrastructure, and address such issues as its current capacity to support a sustained and expanding economy. This council will also provide uniform guidelines and criteria for inventorying and assessing public works.

Second, it requires the President to include in his annual budget submission detailed analyses of major public capital investments.

I assure my colleagues that this bill does not change the basic budgeting procedures of the Federal Government or the congressional budget process. Rather it will significantly expand the information available to the Congress on the condition of the Nation's infrastructure and planned governmental expenditures for this purpose. The work of the council and the information in the President's budget should help the Congress make informed decisions on a long-term capital program that will best meet the Nation's needs.

I believe this legislation is a good first step toward improving the Federal Government's ability to finance and manage its substantial investment in public capital facilities, and hope that it moves us close to a solution to this complex problem.

I must thank the members who have worked so diligently to make this conference agreement possible.

First, I would like to commend the former chairman and now ranking member of our committee, the distinguished Senator from West Virginia [Mr. RANDOLPH] for his work on this bill. It has been a great pleasure to work with him over the years, and I am pleased to add this legislation to our list of joint accomplishments.

I must also praise my good friend from New Mexico, Senator DOMENICI, who brought his substantial expertise in finance and budgeting to bear on this problem. Mr. DURENBERGER, my colleague from Minnesota also proved invaluable. The provisions in this bill mandating improved identification and analysis of capital spending in the President's budget are very similar to those contained in a bill he introduced last year, S. 1435, the Federal Capital Investment Program Information Act. In addition, my colleague from New York [Mr. MOYNIHAN] deserves substantial praise for working so diligently to ensure that the National Council on Public Works Improvement included in the bill would become a viable organization that will provide the Congress with valuable information and assistance in determining the real magnitude and scope of the infrastructure problem.

Of course, the willingness of our colleagues on the other side of the Hill to develop this compromise, in particular Mr. CLINGER and Chairmen HOWARD and BROOKS, was essential. Mr. HOWARD's detailed familiarity with the many infrastructure programs that fall within the jurisdiction of the House Committee on Public Works and Mr. BROOKS' expertise in oversight and governmental matters were used to good advantage. Mr. OBERSTAR and Mr. CLINGER, both of whom have worked on this issue for many years, were key actors in developing this particular conference agreement. I en-

joyed working with them on this legislation and look forward to developing these working relationships further.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. BAKER. Madam President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BYRD. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMPREHENSIVE MENTAL HEALTH CARE SYSTEM IN THE DISTRICT OF COLUMBIA

Mr. BAKER. Madam President, there is a bill at the desk, H.R. 6224. I ask unanimous consent that it now be presented to the Senate.

The PRESIDING OFFICER. Without objection, the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 6224) to provide for the assumption of selected functions, programs, and resources of St. Elizabeth's Hospital by the District of Columbia, to provide for the establishment of a comprehensive mental health care system in the District of Columbia, and for other purposes.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read the first and second times by title, and the Senate will proceed to its immediate consideration.

Mr. HATCH. Madam President, I ask the Senate to turn to consideration of the House bill, H.R. 6224, to provide for the assumption of selected functions, programs, and resources of St. Elizabeth's Hospital by the District of Columbia and to provide for the establishment of a comprehensive mental health care system in the District of Columbia. For reasons which I will make clear in a moment I urge my colleagues to pass this measure today in its present form.

H.R. 6224 represents a successful resolution of an issue which emerged over two decades ago and which has received attention ever since; namely, the appropriate way to integrate St. Elizabeths Hospital in the District of Columbia's mental health delivery system. I am happy to report to my colleagues that H.R. 6224, as passed by the House, has the full support of both the District government and the administration.

Madam President, the timing on this bill is critical. H.R. 6224 contains an agreement that has been hammered out between the District of Columbia, the hospital employees, and the Federal Government. Such an agreement has been sought for the past 20 years. As witness to this, I will ask unanimous consent to have printed at the end of my remarks a "Chronology of Previous Efforts To Make St. Elizabeths Hospital an Integral Part of the District of Columbia's Mental Health System." I, for one, think the time to get started implementing this agreement is right now and the way to get started is for the Senate to pass this bill.

In February 1984 the Department of Health and Human Services submitted a legislative proposal to create a nonprofit, private corporation to administer mental health service delivery in the District of Columbia. Subsequently, other bills were introduced. A corporation proposal was endorsed by the American Federation of State, County and Municipal Employees. The District government and the General Accounting Office each recommended separate proposals to transfer the hospital to the District of Columbia.

Hearings were held on June 6, 1984 and on September 6, 1984 by the Subcommittee on Fiscal Affairs and Health, chaired by Mr. FAUNTROY. Between these hearings all interested parties, including local and national organizations which had also participated in the hearings, met informally to try to reach a consensus. At the conclusion of those meetings the subcommittee drafted a bill which, with a number of changes, resulted in the legislation before us today.

I must tell my colleagues that in recognition of this issue and realizing the time constraints involved, Senator KENNEDY, the distinguished ranking member of my Labor and Human Resources Committee, Senator MATHIAS and Senator EAGLETON of the Governmental Affairs Subcommittee on Governmental Efficiency and the District of Columbia and I have paid close attention to these proceedings in the House District of Columbia Committee. Thanks to the excellent cooperation we have received, especially from Chairman DELLUMS, Chairman FAUNTROY, Mr. PARRIS, and Mr. MCKINNEY, we feel very well informed on all aspects of the proposal.

Today we are prepared to put an end to the problem of dual administration of the mental health services system of the District and to pave the way for assurance of continuity of care. Under this proposal patients will be followed by the system at all times, without any gaps when they are admitted to or discharged from the hospital. Under the bifurcated system which has been in effect these many years, it has been difficult to set responsibilities, to assure comprehensive services especially to chronic patients who need an array of psychiatric, medical, social, rehabilitative, vocational and other support services over extended time periods.

Madam President, H.R. 6224, as amended by the House, provides that no later than October 1, 1991, the District of Columbia will have in operation a comprehensive mental health care system, including high quality cost-effective community based programs and facilities; inpatient and outpatient care programs; residential treatment programs; and support services, guaranteeing the protection of patient rights and medical needs. The bill provides for a service coordination period between October 1, 1985, the effective date of the act, and October 1, 1987, the date of transfer of St. Elizabeths to the District. During this period, Federal and District activities will be coordinated to assure a smooth transfer. During the first 3 months of this period the Mayor will prepare a preliminary system implementation plan for review by the city council. After comment by the council, the preliminary plan will be subject to review by the District of Columbia Committee in the House and jointly in the Senate by the Labor and Human Resources Committee and the Committee on Governmental Affairs. I might add this is the first of several opportunities the bill provides for formal congressional review. The final system implementation plan is due October 1, 1986 and is again subject to council and congressional review.

The final plan will describe the new mental health system in detail, identify the types of treatment to be offered, staffing patterns and proposed delivery sites and will fully comply with all District statutes and court decrees, especially Dixon against Heckler, which requires that all patients of the hospital be placed in the least restrictive environment.

The Federal Government shall also arrange to have complete by January 1, 1986, a financial audit of the hospital and a physical plant audit. The Secretary of Health and Human Services shall be responsible for making any repairs identified by the physical plant audit as being necessary to bringing the Federal facilities up to applicable code requirements or standards. The financing provisions include a payment formula for the gradual decline of the Federal subsidy by 1991 as well as authorization for a direct line item amount as a Federal payment to the District totaling $135 million over a period of 6 years. Federal agencies will pay for care provided to individuals whom they refer to the hospital.

There are several provisions in the bill to benefit employees of the hospital. During the 30-day period prior to transfer, a special early retirement opportunity will be available. The District government will also specify the number and types of positions needed by the new system. Qualified hospital employees will have a right-of-first-refusal to District employment in positions created by the plan or in the District's Department of Human Services or at DC General Hospital. Employees shall also have a right-of-first-refusal

for vacancies within the Department of Health and Human Services within the Washington metropolitan area.

Madam President, I will ask for unanimous consent that, in addition to the "Chronology" mentioned previously, a history of St. Elizabeths Hospital produced by the National Institute of Mental Health be inserted in the RECORD at the conclusion of my remarks.

Madam President, this bill represents a reasonable compromise between the District of Columbia, the Federal Government, and the hospital employees union. It is the result of many long hours of study and negotiation over the last 20 years. Although we are all very busy in the days just prior to recess of the Congress, it is important that we take the time to consider this issue. The problem has been around for many years; the solution is near. My colleagues in the House have done a good job on this bill. I ask that we give their efforts every consideration.

Madam President, I ask that H.R. 6224 be approved by unanimous consent.

Madam President, I ask unanimous consent that the material to which I referred earlier be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHRONOLOGY OF PREVIOUS EFFORTS TO MAKE ST. ELIZABETHS HOSPITAL AN INTEGRAL PART OF THE DISTRICT OF COLUMBIA'S MENTAL HEALTH SYSTEM

1964: Advisory Group on the Future of St. Elizabeths Hospital.—This Advisory Group, established by Secretary Anthony J. Celebrezze, issued its final report recommending that the Hospital be integrated into the then evolving comprehensive community mental health center program of the District of Columbia, and at the same time be utilized as a national mental health research, training, and demonstration center. This Advisory Group's recommendation was not acted upon.

1967: National Institute of Mental Health.—Secretary John W. Gardner announced the transfer of the Hospital, which had been a separate agency of the Department, to the National Institute of Mental Health where it would "serve as a national demonstration for the conversion of a large, old-style mental institution into a modern, communty-based mental health facility." This action also represented "an initial step toward future transfer of St. Elizabeths to the District of Columbia."

1970: Advisory Committee on the Transfer of St. Elizabeths Hospital to the District of Columbia Government (Rome Committee).—The Rome Committee, established by Secretary Robert Finch and Mayor Walter Washington, issued its final report recommending transfer as soon as possible to a single mental health authority which would be established for the District and later become an independent authority. This Advisory Committee's recommendation was not acted upon.

1973: Presidential Reorganization Authority.—Transfer remained under discussion, and in January 1973 a provision for transfer was made in the fiscal year 1974 budget using Presidential reorganization authority. That authority, however, expired before the transfer was accomplished and the decision was made to pursue the transfer by legislative means.

1975-6: Administration negotiations with the District.—NIMH appointed a special assistant to improve coordination between the District and St. Elizabeths. Key discussion areas were resolution of the then *Dixon* v. *Weinberger* class action suit and direct transfer of the Hospital to the District. No agreement was reached.

1976: House District Committee proposal to Establish a Government Corporation to operate St. Elizabeths Hospital.—This bill (H.R. 3335) proposed to transfer the Hospital to an independent Federal Corporation with a board of directors comprised of representatives appointed by the District and Federal governments and from each of the District's community mental health centers. District and Department officials opposed this concept, DHEW expressing the view that the bill, if enacted, would likely result in further fragmentation and delay in meeting the District's mental health needs.

1977: St. Elizabeths Hospital Initiative.—Secretary Joseph A. Califano, Jr., established the St. Elizabeths Hospital Initiative for the specific purpose of facilitating the revitalization of the Hospital. The objectives included, but were not limited to: regaining accreditation of the Hospital by early 1979; improving patient care and treatment programs with a view to upgrading the quality of care; effectively maximizing Federal capacity building resources for the purpose of assisting the District to develop a model mental health delivery system; and to integrate the Hospital into a unified and comprehensive mental health delivery system to be managed by the District Government. Mayor Marion Barry appointed a mental health project manager to represent his office in discussions and negotiations regarding the Hospital.

1980: HHS/DC Task Force.—HHS Secretary Harris and District of Columbia Mayor Barry appointed a Task Force to determine the viability and the appropriate characteristics of a public corporation to administer St. Elizabeths. On November 10, 1980, the Joint Task Force submitted a final set of recommendations. The Secretary and the Mayor approved the recommendations but did not agree on the specific provisions of a legislative proposal.

ST. ELIZABETHS HOSPITAL

The old and new are combined at Saint Elizabeths Hospital, where for more than one hundred years a Federal hospital devoted entirely to the care of the mentally ill has been growing in size, in curative skills, and in training and research activities. Ground was broken for the first building in 1852, and the first patients were admitted in 1855. In the century since then, more than 125 buildings have been built among the forest trees that cover the 320 rolling acres on a promontory where the Potomac and Anacostia Rivers meet, and in these buildings many new methods of treatment have been initiated and adopted.

The Hospital has not always been known as Saint Elizabeths. In the 1840's and 1850's, when Dorothea Lynde Dix was crusading on behalf of the mentally ill and establishing hospitals in various localities both here and abroad she literally badgered the United States Congress into making an appropriation for a "Government Hospital for the Insane," the object of which was to give ". . . the most humane care and enlightened curative treatment of the insane . . ." Land known as "the Saint Elizabeths tract" was selected for the Government hospital. The first building, now called Center Building, was designed over a modified "Kirkbride Plan," a plan widely used for hospitals at that time, and was done in what the architects called "Collegiate Gothic," a castled style complete with battlements and buttresses, popular in Victorian times. The red bricks with which the first building was built were made from the soil of the tract, and woodwork came from the trees of the surrounding forest. Center Building housed the entire Hospital in 1855—wards, kitchen, chapel, and an apartment for the Superintendent. Transportation was such at that time that guests who came to the Hospital often had to stay overnight, so seven bedrooms were provided. One room known as Miss Dix's room, contained the immense bed she used. The "Director's Room" which was a part of the apartment, now called the Staff Lounge, contains the desk on which Miss Dix penned the basic law adopted by the Congress for the organization of the Hospital.

Five Superintendents, beginning with Dr. Charles H. Nichols (1855) and ending with Dr. Winfred Overholser (1962), all lived in this apartment. Now, besides the Staff Lounge, several rooms of the apartment have been made into offices. A new Chapel, built on the grounds, replaced the old 1855 Chapel, and that space is now a gymnasium for the patients.

Little scientific knowledge was available regarding mental illness a century ago, but kindness and compassion were present. The so-called "moral treatment," advocated first by Pinel, the great French reformer, in the care of the mentally ill, was being adopted in the United States when the Hospital was founded. The essence of "moral treatment" was to provide congenial surroundings in which mentally ill patients might learn from the example of normal attendants. This meant that special attention was given to a homelike atmosphere in the Hospital buildings, and that a real effort was made to have the grounds beautiful. One thousand trees were planted at Saint Elizabeths during the early years. They were brought from countries all over the world and also from many of our own States. In the years that have followed, these trees have become giants, and some of them are surrounded now by their offspring.

CIVIL WAR YEARS

The changing of the Hospital's name was actually begun during the Civil War. Every available hospital in this vicinity was pressed into service to receive soldiers wounded on the nearby battlefields. The Minie ball, used in the guns of that period, shattered the bones so completely that they could not be set, so limbs were often amputated on the battlefield. Many of these patients who survived were sent to "The Government Hospital for the Insane," so a small factory for making artificial limbs was set up on the grounds, and when the amputees were ready for them, the artificial limbs were fitted. These men, who were here for some time, refused to write home saying they were in a hospital for the insane; they simply wrote they were at "The Saint Elizabeths Hospital." The name was used so frequently that in 1916 Congress officially changed it to Saint Elizabeths Hospital, and

for some unknown reason the apostrophe was left out.

RAILROAD, LAUNDRY, BAKERY, ETC.

The Hospital, until 1967, operated a small railroad that was probably the last steam, coal-fed switch engine in the country in regular use. Every fall and winter it ran along its mile of track to the main railroad, bringing the many tons of coal necessary to heat the hundred and twenty-five buildings on the Hospital grounds. A bakery, that supplies bread and doughnuts, and the icehouse are still in operation, as are the mammoth laundry, machine, electric, and other shops.

Patients who would benefit by working in these various installations are assigned by their doctors to the different activities. Some patients thus learn skills that can be helpful to them when they leave the Hospital.

NOT WEDDED TO ANY SYSTEM

Saint Elizabeths is known throughout the world for its humane and expert services to more than 5,000 patients, and for its adoption of new methods of treatment as they become known. When the Hospital opened under the leadership of Dr. Charles H. Nichols, the first Superintendent, very little was understood of psychotherapy or psychodynamics. Great emphasis was being placed on the earlier-mentioned "moral treatment," and Saint Elizabeths was built with this idea in mind. Dr. W. W. Godding, Superintendent (1877-1899), began to consider brain surgery, and thought it possible that hypnotism would help the mentally ill. He said, "We undertake to be old fashioned or any fashioned if by any measures we can save some (patients). We are not wedded to any system. . . ." In 1884, he appointed a pathologist to the Hospital staff, Dr. I. W. Blackburn, who was one of the pioneers in neuropathology in this country. This was hailed as a new departure in this field. Another innovation at Saint Elizabeths was hydrotherapy in 1897. But before that, in 1894, one of the early schools of nursing was begun. Dr. Godding was succeeded, on his death in 1899, by Dr. A. B. Richardson, who died in 1903. Dr. Richardson's regime is best remembered by the large number of buildings whose construction was begun at that time, a practice he initiated of giving lectures to medical students, and for establishing one of the early photographic departments and pathological museums.

When Dr. White succeeded Dr. Richardson in 1903, he established one of the first psychology laboratories in the country. His interest in psychotherapy, and the individual attention to the patient is illustrated by the fact that in 1917 he named one psychiatrist as clinical psychotherapist, freeing him entirely from administrative duties. Another important innovation made by Dr. White was the establishment in 1920 of the Department of Internal Medicine, now known as the Medicine and Surgery Branch. He also developed the School of Nursing, initiating the three-year course, and set up occupational therapy and social work. In 1909, he began publication of The Bulletin, a medical paper which appeared at intervals until 1932. These are only a few of the many advances made in treatment at Saint Elizabeths during Dr. White's administration.

Dr. White died in 1937, and Dr. Winfred Overholser was appointed Superintendent. Having been Commissioner of Mental Diseases for the Commonwealth of Massachusetts, supervising 16 State hospitals and numerous private hospitals. Dr. Overholser was already widely experienced in the field of mental health. According to Dr. Zigmond M. Lebensohn, the cause of forensic psychiatry could not have been better served than by President Roosevelt's appointment of Winfred Overholser, who became known as the "Dean" of forensic psychiatry. To the present day, every type of psychotherapy, from the original milieu therapy to psychoanalysis, has been used at Saint Elizabeths—group therapy, occupational therapy, recreational therapy, dance therapy, etc., as well as new medication as it become available.

When Dr. Overholser retired in October 1962, Dr. Dale C. Cameron, who had been Director of Medical Services for the State of Minnesota, was appointed Superintendent. His tenure was notable for administrative progress including decentralization, delegation of patient treatment authority and outplacement. The patient population began to decline despite increased rate of admissions. He also was responsible for significant enlargement in the Hospital research and training programs.

In August 1967, Secretary John W. Gardner announced the transfer of Saint Elizabeths Hospital to the National Institute of Mental Health (NIMH), effective August 13. In the following month, Dr. Cameron retired as Superintendent to become Chief, Drug Abuse Unit, World Health Organization in Switzerland, and Dr. David W. Harris was appointed Acting Superintendent.

On November 8, 1968, Secretary Wilbur J. Cohen and Dr. Stanley F. Yolles, Director of the National Institute of Mental Health, announced plans for the National Center for Mental Health Services, Training, and Research, with three divisions, one of which is the Saint Elizabeths Hospital—Division of Clinical and Community Services, with Dr. Louis Jacobs as Superintendent of the Hospital and Director of the Division of Clinical and Community Services. Dr. Harris was at that same time appointed Assistant Superintendent. Dr. Harris, on January 31, 1969, resigned to become Chief of Staff at the Veterans Hospital in Montrose, New York. During the period of the National Center for Mental Health Services, Training, and Research, with Dr. Sherman N. Kieffer as its Director and Dr. Jacobs as the Hospital Superintendent, a new era of community-based psychiatry began at Saint Elizabeths. The Hospital established its first comprehensive Community Mental Health Center in April 1969. Between late 1969 and early 1970, all 19th Century patients' buildings were evacuated by relocation—approximately 1,200 patients were moved to newer buildings or outplacement in the community. Dr. Jacobs retired on November 3, 1969, to become Chief, Division of Mental Health, Montgomery County Health Department, Maryland, and Dr. Luther D. Robinson was designated Acting Superintendent.

On May 26, 1971, Elliot L. Richardson, Secretary of Health, Education, and Welfare, approved an organizational change within the National Institute of Mental Health, the effect of which was to deactivate the National Center for Mental Health Services, Training, and Research, and to transfer to the Hospital those training and research activities of the National Center which are integrally related to its clinical operation. Emphasis on community service continued. By the time of the close of the National Center, the Hospital's inpatient population had decreased from 5,474 to 3,583, and the outpatient rolls had expanded from 1,675 to 2,437. By 1978, the number of inpatients had been reduced to approximately 2,200 and the number of outpatients expanded to approximately 3,300.

On June 29, 1972, Dr. Robinson, the Acting Superintendent, was appointed Superintendent of Saint Elizabeths Hospital. Dr. Robinson had been on the staff since 1955 and in 1963 had founded the Hospital's Mental Health Program for the Deaf. During his superintendency, progress continued in Saint Elizabeths' programs. Dr. Robinson was a frequent visitor in the wards and earned the confidence of patients, many of whom he knew by name. He continued his research on mental health in deafness, and expanded the Hospital's program for deaf people. When in July 1975 he moved to another position in the Hospital after 5½ years in the Superintendent's office, the Director of NIMH, Dr. Bertram S. Brown, expressed thanks for the stability and leadership Dr. Robinson had provided during very difficult years it the mental health field.

Dr. Roger Peele, Assistant Superintendent, served as Acting Superintendent until October 1977, when Dr. Charles Meredith become the Hospital's ninth Superintendent. He served from October 1977 to December 10, 1979 as Superintendent. William H. Dobbs, M.D., was appointed as Acting Superintendent. He served as Acting Superintendent until he was appointed as the Hospital's tenth Superintendent on January 14, 1981.

Dr. William G. Prescott was appointed as the Hospital's eleventh Superintendent on January 1, 1984, replacing Dr. Dobbs who asked to be relieved of the Superintendency.

NEW METHODS ADOPTED

Saint Elizabeths was the first public hospital to have psychodrama; and in 1944, what is now the largest clinical pastoral training program in the Nation was begun. In 1957, the Saint Elizabeths-National Institute of Mental Health Collaborative Program was initiated—the Neuropharmacology Research Center in that year, followed by the Behavioral and Clinical Studies Center in 1961.

Many prominent professional people have trained at Saint Elizabeths Hospital; and visitors from all over the world come to the Hospital. Overlooking the Capital City of the Nation, the Hospital is close to one of the great cultural centers in the world as well as one of the most beautiful cities.

Mr. MATHIAS. Madam President, I rise to join my colleague from Missouri to reluctantly support this legislation. The future of St. Elizabeths Hospital is something that has been studied, negotiated, and debated for years. It is a tough issue involving the interrelationship of the Federal Government and the home rule government of the District of Columbia. It touches thousands of patients and thousands of employees. The site consists of over 330 acres and includes 104 buildings. Today it is a Federal mental health facility with a yearly operating budget of over $140 million.

This legislation will put the congressional stamp of approval on a transfer of the hospital to the local government. In so doing, the Congress is insisting on the development of a comprehensive plan for integrating this entity into that system. I am con-

cerned because the plan does not exist yet and I have misgivings about the action we are taking today because it is not pursuant to such a plan. But I understand the concerns of the Mayor that his hands are tied—that he cannot plan without knowing what he has to plan with, including Federal involvement, the status of employees and professional staff, and the transfer of the hospital site and facilities.

Madam President, it is an extraordinary feat that this legislation is before the Senate today. Many, many hours of work have gone into this compromise bill. Everyone involved deserves a great deal of credit. And let me assure my colleagues, everyone involved—from the city to the American Federation of State, County and Municipal Employees representing the hospital's employees, to the Office of Management and Budget, to HHS and the National Institute of Mental Health, to the professional organizations like the American Psychiatric Association and the American Association for the Advancement of Psychology—has given up something during the negotiations. No one walks away very happy. But of primary concern to all of us has been and is the fate of the people this hospital serves. I am confident that everyone is making their best efforts to protect them.

Madam President, I am very concerned that the Senate has not had much opportunity to review this compromise bill. We have been presented with what is, in effect, a fait accompli. I question whether the Federal monetary commitment included in this bill is really sufficient. But I think it is time to take the final steps to turn the hospital over to the city. The good faith efforts of all who have worked on this project should not be thrown away.

I therefore support the action the Senate takes today in adopting H.R. 6224, with the amendment Senator EAGLETON is offering. And I want to assure my colleagues and the staff, the patients and all of those interested in the well-being of St. Elizabeth's that I am determined to see that the high standards for mental health care that have characterized the hospital will continue to be upheld in its new status.

Mr. EAGLETON. Madam President, for nearly two decades the Federal Government and the District of Columbia have grappled with the "St. Elizabeths' problem." Should St. Elizabeths Hospital, a national mental health facility located in far southeast Washington, be retained and operated by the Federal Government, or should the hospital be transferred to the District of Columbia, since the bulk of the patient population comes from DC?

In keeping with practices of other States and communities, one would conclude that the jurisdiction which uses the mental health facility should be the jurisdiction which operates the facility. This philosophy seemed particularly apropos to the District after 1973 when Congress granted the city home rule pursuant to Public Law 93-198, the District of Columbia Self-Government and Governmental Reorganization Act.

Unfortunately, St. Elizabeths has not been that simple. Since its founding in the mid-1800's by Dorothea Dix to care for Civil War veterans suffering from mental and emotional problems, St. Elizabeths has been a preeminent national mental health facility. The hospital has been in the forefront of mental health research and has served the Nation as a major teaching center. While the hospital has served DC residents, District residents have also provided the cases for St. Elizabeths' unique programs, programs which have never been cheap. Over the years, St. Elizabeths has grown into a facility occupying 336 acres and 104 buildings. It has an annual operating budget of about $143 million, more per capital than any mental health system in the Nation. The District, quite simply, cannot afford to run St. Elizabeths. Nor should any city with 640,000 residents be expected to operate a mental health facility of the magnitude of St. Elizabeths.

Since the hospital primarily serves the District, however, the Federal Government doesn't feel it should be operating St. Elizabeths any longer either.

If I had my druthers, I would continue the operation of the hospital as a Federal, national facility—just as the Federal Government operates Dulles and National Airports, Beltsville Agricultural Station, and the National Arboretum. But I am not to have my druthers. OMB and the powers that be in this administration have decreed that Federal funding for St. Elizabeths will end by 1991 and that the District will have to establish its own comprehensive mental health care system. H.R. 6224, which is now before the Senate for consideration, does just that.

H.R. 6224 is complicated, and frankly, there has been no formal review of the measure on the Senate side. However, as a member of both the DC Subcommittee and the Labor Committee, which has jurisdiction over the bill because it falls under Health and Human Services, I have taken a serious look at the bill and reached the following conclusions:

If there is no solution to the St. Elizabeths problem other than OMB budget cuts, a fine mental health facility will be destroyed;

If H.R. 6224 is approved, mental health care in the District faces years of uncertainty;

If H.R. 6224 is not approved, Congress and the administration may reach a better solution than H.R. 6224, but then again, they may not. If no perfect solution has been found in nearly 20 years, why would 1985 be a magic year?

Thus, I will support H.R. 6224 and hope for the best. There is one provision in H.R. 6224, however, which has given me and Senator MATHIAS such pause that we feel it necessary to offer an amendment to change it. DC Mayor Marion Barry has agreed to accept the amendment, and we expect the amendment will have the support of our colleagues.

Under section 8(a)(1) of H.R. 6224, all the real property at St. Elizabeths—the land, and buildings—is given to the District. When Mayor Barry testified in June before the House DC Committee, he indicated that the city didn't want all the property. Specifically he stated:

> The DC Government's position is we don't want the physical structures and the 360 acres turned over to the District of Columbia, we want to be able to, as in other local systems, use those facilities out there that are available to us. Those we don't want, the Federal Government ought to keep them, sell them or do what they want to do with them."

Now, I understand, the city does want the property. Apparently when OMB cut the Federal phaseout payments to the hospital from $210 to $135 million, the city accepted the property in exchange. The city is hopeful, I understand, that it can develop the land and generate an income stream from those portions of St. Elizabeths not used for mental health purposes. There is nothing in the bill, however, which requires any such funds to be used for mental health purposes. That is a serious concern.

Also, I would hate to see the St. Elizabeths site developed without any forethought or planning. Its 336 acres represent the last great nonmilitary open space in the District of Columbia. I personally would like to see a major park established on St. Elizabeths land not used for mental health purposes. However, there are other development needs in the city and the region, and perhaps a park would not be the best use.

To determine the best use, I believe the city must first determine which part of the St. Elizabeths site is necessary for the city's mental health programs, and then all interested agencies should agree on what to do with the remaining acreage—be it parks, Federal use, schools, housing, or commercial development. Before any major changes are made to the present site, in-depth studies must be made of transportation facilities, historic preservation concerns, and environmental impacts.

The amendment Senator MATHIAS and I offer basically provides for such a planning process for the St. Elizabeths acreage. When a plan has been developed by the District in consultation with appropriate Federal, regional, and local agencies, Congress shall approve the plan prior to its implementation. If Congress does not approve the plan, the acreage not used for mental health will remain Federal property.

Mr. President, I regret that the St. Elizabeths land became a part of the financial package for mental health care. I do not feel we should be expecting the city to fund its mental health needs through unknown income sources. If the city needs 210 million dollars' worth of Federal help to take over St. Elizabeths, then we should commit up-front to the $210 million. Since that is not done in this bill, I feel Congess should authorize the additional funds at a later date.

As stated earlier, I have other reservations about H.R. 6224 and which direction it will take health care in the District. But the time has come to turn over to the city the responsibility for its own mental health system—and I urge a generous helping hand as we do so.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 6224) was read the third time and passed.

Mr. BAKER. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXTENSION OF CERTAIN DRUG PATENTS

Mr. BAKER. Madam President, I ask the Chair to lay before the Senate H.R. 6228.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 6228) providing for an extension until April 21, 1992, of five patents relating to all hypoglycemic drugs of the sulfonylurea class.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read the first and second time by title, and the Senate will proceed to its immediate consideration.

AMENDMENT NO. 7079

(Purpose: To require a master plan for use of certain property)

Mr. BYRD. Madam President, I send an amendment to the desk on behalf of Mr. EAGLETON and Mr. MATHIAS, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for Mr. EAGLETON and Mr. MATHIAS, proposes an amendment numbered 7079.

Mr. BYRD. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 10, line 14, strike out "and".

On page 10, line 19, strike out the period and insert in lieu thereof a semicolon and the word "and".

On page 10, between lines 19 and 20, insert the following:

(7) identify the specific real property, buildings, improvements, and personal property to be transferred pursuant to section 8(a)(1) of this Act needed to provide mental health and other services provided by the Department of Human Services under the final system implementation plan.

On page 21, line 11, immediately before the period, insert the following: "needed to provide mental health and other services provided by the Department of Human Services identified pursuant to section 4(c)(7) of this Act".

On page 21, between lines 15 and 16, insert the following:

(b) On or before October 1, 1991, the Mayor shall prepare, and submit to the Committee on the District of Columbia of the House of Represenatives and the Committees on Governmental Affairs and Labor and Human Resources of the Senate, a master plan, not inconsistent with the comprehensive plan for the National Capital, for the use of all real property, buildings, improvements, and personal property comprising Saint Elizabeths Hospital in the District of Columbia not transferred or excluded pursuant to subsection (a) of this section. In developing such plan, the Mayor shall consult with, and provide an opportunity for review by, appropriate Federal, regional, and local agencies. Such master plan submitted by the Mayor shall be approved by a law enacted by the Congress within the twelve-month period following the date such plan is submitted to the Committee on the District of Columbia of the House of Representatives and the Committees on Governmental Affairs and Labor and Human Resources of the Senate. Immediately upon the approval of any such law, the Secretary shall transfer to the District, without compensation, all right, title, and interest of the United States in and to such property in accordance with such approved plan. The real property, together with the buildings and other improvements thereon, including personal property used in connection therewith, known as the Oxon Cove Park and operated by the National Park Service, Department of the Interior, shall not be transferred under this Act.

On page 21, line 16, strike out "(b)" and insert in lieu thereof "(c)".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 7079) was agreed to.

The bill (H.R. 6228) was ordered to a third reading, was read the third time, and passed.

Mr. BAKER. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECOGNIZING THE ORGANIZATION KNOWN AS THE NAVY WIVES CLUBS OF AMERICA

Mr. BAKER. Madam President, I ask the Chair to lay before the Senate H.R. 2372, which is also at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2372) to recognize the organization known as the Navy Wives Clubs of America.

The PRESIDING OFFICER. The bill will be considered as having been read the first and second time by title, and the Senate will proceed to its immediate considered.

Mr. WARNER. Mr. President, on August 10, 1984, I introduced a bill to provide a Federal charter to a selfless, dedicated and vital organization, the Navy Wives Clubs of America. Already, 44 of my colleagues have joined as cosponsors of this bill.

This outstanding, nonprofit organization has been making countless important contributions to our sailors and their families for many years.

Founded in 1936, members of the Navy Wives Club of America are spouses of enlisted personnel in the U.S. Navy, Marine Corps and Coast Guard as well as their retired and active reserve components.

They participate in community projects and various charitable programs.

Most notably, they provide a crucial support mechanism to families often separated for long periods from service members serving shipboard tours.

Mr. President, the dedicated women of the Navy Wives Clubs of America have compiled an exceptional record of contribution which deserves our recognition.

I invite my colleagues to join me in providing that recognition through the granting of a Federal charter.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 2372) was ordered to a third reading, was read the third time, and passed.

DIRECTING THE CLERK OF THE HOUSE OF REPRESENTATIVES TO MAKE TECHNICAL CORRECTIONS IN THE ENROLLMENT OF H.R. 5167

Mr. BAKER. Madam President, I ask the Chair to lay before the Senate House Concurrent Resolution 369, which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 369) to direct the clerk of the House of Representatives to make technical corrections in the enrollment of the bill H.R. 5167.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the concurrent resolution (H. Con. Res. 369) was considered and agreed to.

Mr. BAKER. Madam President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BYRD. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DESIGNATING LITHUANIAN INDEPENDENCE DAY

Mr. BAKER. Next, Madam President, I ask the Chair to lay before the Senate House Joint Resolution 655.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 655) designating February 16, 1985, as "Lithuanian Independence Day."

The PRESIDING OFFICER. Without objection, the joint resolution will be considered as having been read the first and second times by title.

There being no objection, the joint resolution (H.J. Res. 655) was considered, ordered to a third reading, read the third time, and passed.

Mr. BAKER. Madam President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT OF PANAMA CANAL ACT OF 1979

Mr. BAKER. Madam President, another item at the desk. I ask unanimous consent that the Senate turn to the consideration of H.R. 6101.

The PRESIDING OFFICER. Without objection, it is so ordered.

The assistant legislative clerk read as follows:

A bill (H.R. 6101) To amend the Panama Canal Act of 1979 to authorize quarters allowances for certain employees of the Department of Defense serving in the area formerly known as the Canal Zone.

The bill (H.R. 6101) was considered, ordered to a third reading, read the third time, and passed.

Mr. BAKER. I move to reconsider the vote by which the bill was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BILL PLACED ON CALENDAR—H.R. 5252

Mr. BAKER. Madam President, I ask unanimous consent that the Committee on Veterans' Affairs be discharged from further consideration of H.R. 5252, to redesignate the Regional Veterans Administration Medical Center located in Poplar Bluff, MO, as the "General Black Jack Pershing Regional Veterans Administration Medical Center", and that it be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

BILL PLACED ON CALENDAR—H.R. 723

Mr. BAKER. Madam President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of H.R. 723, a bill for the relief of Marsha D. Christopher, and that it be placed on the calendar.

The PRESIDING OFFICER. Without objection it is so ordered.

BILL PLACED ON CALENDAR—S. 3017

Mr. BAKER. Madam President, there is a bill, S. 3017, which has been read for the third time and appears on page 57 of today's calendar under the appropriate heading in connection with rule XIV. I have consulted with the minority leader on this measure and while it could now reach the calendar with another adjournment and the appropriate action taken on it, the minority leader, as I understand it, does not object to the matter going to calendar without going through the adjournment process.

Therefore, I ask unanimous consent that S. 3017 be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I thank the minority leader and I thank the Chair.

AUTHORITY TO TAKE CERTAIN ACTION

Mr. BAKER. Madam President, I have been requested to and I do now ask unanimous consent that, during the recess of the Senate over until Tuesday next, authority be given for the Secretary of the Senate to receive and the President pro tempore or the acting President pro tempore to sign duly enrolled bills, resolutions, and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF RECESS UNTIL 11 A.M. TUESDAY, OCTOBER 9, 1984

Mr. BAKER. Madam President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11 a.m. on Tuesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11 A.M. TUESDAY

Mr. BAKER. Madam President, I know of no other business to be transacted this evening. It had been hoped we might be able to clear one or two matters, but that is not practical at this point. It is now after 7 o'clock and well into the religious holiday, which began at sundown today. If the minority leader has nothing further—and I gather that he does not—I move, in accordance with the order previously entered, that the Senate stand in recess until Tuesday next at 11 a.m.

The motion was agreed to, and the Senate, at 7:09 p.m., recessed until 11 a.m. Tuesday, October 9, 1984.

NOMINATIONS

Executive nominations received by the Senate October 5, 1984:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Alfred Clinton Moran, of Illinois, to be an Assistant Secretary of Housing and Urban Development, vice Stephen J. Bollinger, deceased.

FEDERAL COUNCIL ON THE AGING

Eugene B. Burroughs, of Virginia, to be a member of the Federal Council on the Aging for a term expiring June 5, 1987, vice Syd Captain, term expired.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

The following-named persons to be members of the National Commission on Librar-

ies and Information Science for terms expiring July 19, 1989:

Patricia Barbour, of Michigan, vice Carlos A. Cuadra, term expired.

Daniel W. Casey, of New York, vice Helmut A. Alpers, term expired.

NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS

Barbara W. Schlicher, of New Jersey, to be a member of the Board of Directors of the National Corporation for Housing Partnerships for the remainder of the term expiring October 27, 1984, vice Frank J. Donatelli, resigned.

Barbara W. Schlicher, of New Jersey, to be a member of the Board of Directors of the National Corporation for Housing Partnerships for the term expiring October 27, 1987, reappointment.

U.S. INFORMATION AGENCY

Charles E. Courtney, of California, to be an Associate Director of the U.S. Information Agency, vice W. Scott Thompson.

Ernest Eugene Pell, of Maryland, to be an Associate Director of the U.S. Information Agency, vice Kenneth Y. Tomlinson.

THE JUDICIARY

Melvin T. Brunetti, of Nevada, to be U.S. circuit judge for the ninth circuit vice Herbert Y.C. Choy, retired.

Ann C. Williams, of Illinois, to be U.S. district judge for the northern district of Illinois vice a new position created by Public Law 98-353, approved July 10, 1984.

Donald E. Walter, of Louisiana, to be U.S. district Judge for the western district of Louisiana vice a new position created by Public Law 98-353, approved July 10, 1984.

Mark L. Wolf, of Massachusetts, to be U.S. district judge for the district of Massachusetts vice a new position created by Public Law 98-353, approved July 10, 1984.

Alice M. Batchelder, of Ohio, to be U.S. district judge for the northern district of Ohio vice a new position created by Public Law 98-353, approved July 10, 1984.

DEPARTMENT OF DEFENSE

John W. Shannon, of Maryland, to be an Assistant Secretary of the Army, new position—Public Law 98-94 of September 24, 1983.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

James A. Lastowska, of Virginia, to be a member of the Federal Mine Safety and Health Review Commission for a term of 6 years expiring August 30, 1990, vice A. E. Lawson, term expired.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 5, 1984:

NATIONAL SCIENCE FOUNDATION

Nam Pyo Suh, of Massachusetts, to be an Assistant Director of the National Science Foundation.

Rita R. Colwell, of Maryland, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1990.

DEPARTMENT OF THE TREASURY

Vilma Rosso Taracido, of New York, to be Assayer of the U.S. Assay Office at New York, NY.

DEPARTMENT OF EDUCATION

Linda M. Comb, of North Carolina, to be Deputy Under Secretary for Management, Department of Education.

ASIAN DEVELOPMENT BANK

Joe O'Neal Rogers, of Virginia, to be U.S. Director of the Asian Development Bank, with the rank of Ambassador.

U.S. ADVISORY COMMISSION ON PUBLIC DIPLOMACY

Tom C. Korologos, of Virginia, to be a member of the U.S. Advisory Commission on Public Diplomacy for a term expiring July 1, 1987.

The above nominations were approved subject to the nominess' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

Air Force nominations beginning Clark B. Dorsey, and ending Harvey Greenberg, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 3, 1984.

Air Force nominations beginning Gerald N. Bart, and ending Gillis L. Payne, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 3, 1984.

IN THE ARMY

Army nomination of Lee E. Reeves, Jr., which was received by the Senate and appeared in the CONGRESSIONAL RECORD of October 3, 1984

Army nominations beginning Milton M. Despain, and ending Robert D. Voss, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 3, 1984.

Army nominations beginning Patrick B. McAndrew, and ending Lones W. Wigger, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 3, 1984.

Army nominations beginning Nestor G. Pinomarina, and ending Deborah E. Jordan, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 3, 1984.

Army nominations beginning Robert M. Bragg, and ending Julian C. Bomar, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 3, 1984.

Army nominations beginning Pinkie L. Bolden, and ending James A. Wolfe, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 3, 1984.

Army nominations beginning David B. Aaronson, and ending Peter P. Yancich, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 3, 1984.

IN THE MARINE CORPS

Marine Corps nominations beginning David W. Bady, and ending Richard T. Young, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 3, 1984.

EXTENSIONS OF REMARKS

CHANGES IN HEALTH CARE THROUGH THE 1990'S

HON. PAT WILLIAMS
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. WILLIAMS of Montana. Mr. Speaker, the American College of Hospital Administrators [ACHA] recently completed an interesting and perceptive study which I would like to bring to the attention of my colleagues.

The ACHA, which is a professional society of 19,000 health care executives, surveyed 1,000 experts throughout the health care field including hospital leaders, physicians, other providers, legislators and regulators, suppliers, and payors. The objective of the study, entitled "Health Care in the 1990's," was to determine what consensus there was about changes which could take place in health care over the next 20 years.

This survey presents a unique perspective on the trends and strategies which will be reshaping our health care system. It revealed surprising consensus among the experts on such issues as a continued increase in spending for health care services, growth of investor-owned hospitals, greater utilization of less expensive alternatives to acute inpatient hospital care, and increased patient financial participation in health care. The overall conclusions of the study are summarized in the attached overview section of the report.

The report contains several interesting conclusions regarding the future social philosophy of health care in the United States. Health care recently crossed an important threshold. The prospective payment system, enacted by Congress in 1983, was intended to encourage cost control and foster price competition. This new system will impact everyone concerned with health care, including providers, payor, and patients.

The experts agree, according to the report, that the pendulum will swing toward policies based on economics. Those surveyed believe greater access will be available only to those able to pay for it; many will be afforded only limited levels of service. This may be true in particular for amenities, or those services above a minimum level.

The report also makes several important observations concerning changes in public policy. It predicts, for example, that Congress will have to address the question of defining life and death for patients on life support systems. The experts surveyed felt Medicare will further limit the coverage of inpatient hospital care by 1990. The report also shows consensus among the experts surveyed that Medicare premiums and deductibles will rise.

Mr. Speaker, I don't agree with all the observations made in this report. However, the American College of Hospital Administrators' study, prepared in cooperation with Arthur Andersen & Co., provides important insights on changes which could take place in our health care system. I would like to commend the ACHA study to my colleagues and ask that selected portions of the report be included in the RECORD.

OVERVIEW

The health care delivery system has crossed the threshold of change once again, but, this time, the new course is more dramatic and the effects more consequential than any recently experienced. The evolving methods of payment for health care services are based on financial incentives intended to encourage cost control and to foster price competition. The potential impact of this redirection for all concerned—providers, payors and, in particular, patients—is enormous.

Previous payment systems were designed to encourage expansion of the delivery system and of patients' access to it. The resulting costs became intolerable. The federal government instituted a prospective payment system for Medicare in 1983 in an attempt to provide financial incentives to hospitals to control costs and thus to begin to gain control over the government's health care expenditures. Other third party payors are moving to implement similar payment programs and the providers of care are responding with new strategies in order to maintain their ability to service their communities.

Arthur Andersen & Co., the international accounting and consulting firm, and the American College of Hospital Administrators ("the College"), the professional society of more than 19,000 health care executives, have cooperated in a study designed to determine the consensus of health care experts concerning the future direction of the health care system. Six panels of experts were surveyed—one each from hospital leaders, physicians, other providers, legislators/regulators, suppliers and payors. References are made to these six panels throughout the report. Differing panel responses are noted in the report whenever they vary significantly.

Survey results are reported in seven broad categories. Implications and Strategies follow the survey results in each category, providing an analysis of the survey results by the sponsors together with an identification of key success factors for the next decade.

The study sponsors believe that the results presented here will contribute greatly to the current debates surrounding the future of this vital industry. The impressive rate of response to the survey substantiates the interest and concern that the nation's health care experts hold for the future of the system.

By surveying 1,000 experts throughout the health care field, the results of this study present, for the first time, a comprehensive assessment of trends and strategies reshaping health care in America today.

What additional changes will the payors make in the payment system?

How will these changes affect the public's ability to receive care and what will be the effect on the quality of care?

How will new technologies affect the cost and quality of care?

How will providers respond and what will be the priorities for managing health care organizations in the next decade?

A high level of consensus exists today among experts from all sectors of the health care field concerning where the trends are headed and what the operational strategies will be.

For hospitals, the experts agree that:

Multihospital systems will continue to grow and will be positioned best to implement and take advantage of the strategies of choice in the new competitive market.

Investor-owned hospitals will substantially increase in numbers and will be more profitable.

The amount of money spent nationally on health care services will continue to grow.

New types of providers will erode the acute care inpatient hospitals' share of health care expenditures.

Emphasis in health care will shift to ambulatory services and new alternative delivery systems.

Hospitals may be at a disadvantage in attracting capital financing and many will have to create new corporate structures and business ventures to compete in the capital market.

For physicians, the experts predict that:

Prospective payment systems will be extended to include physician payments and this will result in a drop in their relative income levels.

The anticipated oversupply of physicians and the continued trend toward practicing in hospital-based positions and alternative delivery systems will mean a decline in influence. These factors also mean a decline in the fee-for-service payment method.

Increased fiscal restraints and greater use of prescribed patient care protocols portend less autonomy for tomorrow's physicians, more frequent conflict with their hospitals and an anticipated decline in the professional satisfaction they will derive from their practice.

Hospitals and their medical staffs will collaborate and advocate together on behalf of the patients they serve. This collaboration will lead to the development of new relationships and new organizational designs for working together.

For other providers, such as nursing homes, extended care facilities, specialty care institutions and ambulatory care facilities, the experts foresee that:

Greater utilization and growth of less expensive alternatives to acute inpatient hospital care will occur.

More providers, both institutional and individual, will compete in the markets represented by these alternative levels of care.

For the patient, the experts forecast that:

The level of patient financial participation will increase and the patient's expectations of the health care system will have to be adjusted.

Persons covered under governmental programs can anticipate the greatest changes as the benefits and eligibility standards of these programs undergo the most significant changes.

Patients with private coverage will experience restrictions as well, but additional levels of service will be available to those willing to pay for them.

A common thread runs throughout the study—an accelerating rate of change. The paramount change will be the surging competitive health care market. During the next decade, the success of health care providers will be dependent on multiple factors:

Strategic and financial planning

Refined management skills

Risk identification and analysis

Integrated clinical and financial cost accounting

Prudent application of new technology

Predictive market analysis

Computerized decision support systems

Many of the survey experts see the coming decade as one of great challenge as well as one requiring a change in perspective. For successful providers, the competitive market will mean a strengthening of their position and greater rewards for their sound business judgment. The panelists also exhibited a strong desire to move ahead and tackle the challenges before them.

Social Philosophy

The social philosophy of health care in America has been difficult to define. Our collective conscience has wrestled with how this societal need should be balanced against other needs in light of the available financial resources. The result has been like the swing of a pendulum. Goals of "highest possible quality" and "unlimited access" have been expressed in good times. Today, the pendulum is swinging back as a strained economy brings home the reality of budget deficits and accentuates other needs in the nation's infrastructure.

The dilemma leverages our belief in the rights of the individual and our desire to maintain the availability of the world's best health care system against the reality that we have limited financial resources. The nation's conscience, therefore, must provide direction. Is health care a basic human right? If so, how much can we afford to spend on this need as opposed to other needs, such as education and food assistance? How much of the financial burden of health care should each person bear? Should a different level of services be offered to those who cannot pay? At what point should new technology be made available where and for whom? Or, as one panelist put it, "Is this society ready to ration health care and, if so, is it willing to do so explicitly and openly?"

The opinions of health care professionals will have an impact on how these and other issues are answered in the next decade. The extent to which they are in agreement will affect the views of others.

EQUAL ACCESS TO A MINIMUM LEVEL OF HEALTH CARE IS A RIGHT

A minimum level of health care is the right of all Americans, according to the overwhelming majority (98%) of respondents. However, only 12% of the participants think everyone is entitled to the same level of services.

More of the legislator/regulator and other providers panelists tend to agree with this view, while the hospital, supplier and payor panels clearly disagree with this statement.

Accessibility of services will change over the next ten years for patient groups under different payment plans. Even though eight out of ten respondents believe in the right of equal access to health services, nine out of ten panelists also predict a marked decline in access for uninsured persons without the personal ability to pay. Access to services will also become more of a problem for Medicare and Medicaid beneficiaries, most respondents agree. The majority of the panelists see no change in access for those covered by Blue Cross/Blue Shield and the commercial insurers, nor for those uninsured who have the ability to pay for services. For health maintenance organization (HMO) enrollees, three out of four respondents perceive a marked improvement in access by 1995.

QUALITY OF CARE WILL BE A CONCERN

Respondents forecast changes in the quality of care received by different categories of patients. There is 87% agreement that uninsured persons without the ability to pay will experience the most significant decline in the quality of their health care services by 1995. Many of the panelists also expressed concern about a decline in quality of care for Medicare and Medicaid beneficiaries. Little change is expected for those with private insurance. Concerning HMO subscribers and those uninsured who have the ability to pay for services, about half of all panelists predict an improvement in quality but fewer of the physician panelists foresee such improvements for these groups (11% and 15%, respectively).

NOT-FOR-PROFIT HOSPITALS PROVIDE HIGHEST QUALITY CARE

More than eight out of ten participants perceive that not-for-profit hospitals currently provide the highest quality of patient care. Investor-owned hospitals are ranked next, being placed in the mid to high score range by all panels. Hospitals sponsored by federal, state and local governments are perceived by over 60% of all panelists as providing the lowest quality patient care.

ADVANCES IN TECHNOLOGY WILL IMPROVE QUALITY OF CARE

Despite the predicted decline in the quality of care for certain patient groups, panelists also believe that certain advances in medical technology will improve the overall quality of health care and will increase life expectancy. Over 90% of the combined panelists believe this to be true for laser technology, magnetic resonance imaging, and drug therapy and immunization. The combined panels rank the potential of laser technology the highest of the three. To a slightly lesser degree, the panelists believe that five other technologies—angioplasty, CT scanning, ultrasound, organ transplantation and artificial organ implantation—are likely to improve the quality of health care.

HEALTH CARE'S SHARE OF THE GNP WILL CONTINUE TO RISE

The upward spiral of health care costs, as measured by the percent of the Gross National Product (GNP) devoted to health care, will continue and then level off. In 1982, the figure was 10.5 percent. By 1990, the panelists predict that it will rise to 12 percent and remain there through 1995.

There is relative agreement concerning what should be done in key areas to help moderate this trend. Seven out of ten respondents agree that Medicare should limit the amount of money spent for extending the life of the chronically ill aged. Over 98 percent of the panelists concur that a terminally ill patient, or the family when the patient is incapable of doing so independently, should have the right to refuse extraordinary treatment that would prolong life.

Medical malpractice awards should be limited, according to 90 percent of the panelists. Within the responses of individual panels over twice as many people in the supplier panel (which includes lawyers) disagree with this idea, as compared to the hospital and physician panels.

Funding for medical research should not be reduced, according to 90 percent of the respondents. Research and teaching costs, however, should be funded out of sources other than patient care revenue. The number of physicians (13 percent) who disagree with this last statement is three times greater than the proportion of the panelists as a whole (4 percent).

ALTERNATIVE DELIVERY SYSTEMS AND INCREASED PATIENT PAYMENTS WILL REDUCE COSTS

The panelists were asked to list their own ideas for reducing the overall cost of health care. According to most panels, emphasizing alternative delivery systems and ambulatory care is the number one way to reduce the cost of health care in the U.S. The physician panelists ranked this idea second; they first recommend increasing patient deductibles and coinsurance payments. The payor panel sees shrinking the delivery system and emphasizing ambulatory care as holding the greatest potential.

The second choice of the hospital, other providers and supplier panels for reducing health care costs is to make patients more responsible financially for their care. The legislator/regulator panel ranks public education which emphasizes wellness and preventive medicine as their second choice.

A variety of other ideas also are recommended, including different payment systems, increased competition, improved provider productivity and limiting access to services. Few respondents envision the reduction of government regulations as a viable solution for reducing costs because the government will remain the largest purchaser of care.

PHYSICIANS BELIEVE COMPETITION WILL HURT QUALITY

Increased competition among health care providers appears to be a generally accepted trend of the future, but the study participants are divided over whether this will have a positive or negative impact on access to and quality of care. Physicians, in particular, envision an unfavorable impact on quality, with 83% predicting a decline in the quality of health services due to increased competition. With regard to access, almost 90% of the other providers panel predict a positive impact from competition, compared to 60% of the balance of respondents.

CHARITY CARE WILL INCREASE IN GOVERNMENT HOSPITALS

Eighty-six percent of the respondents anticipate that state and local government hospitals will experience an increase in their levels of charity care patients, and three-quarters also predict an increase for federal hospitals. Little change is forecast for not-for-profit hospitals, but panelists expect in-

vestor-owned facilities to decrease the level of charity care they currently provide.

A slight decrease is expected in the percentage of uninsured people during the next decade. In 1980, 13% were uninsured and most panelists expect that figure to decline to 12% by 1990 and to 11% by 1995. Physicians, suppliers and payors predict a slightly greater decline by 1995, to perhaps 10% of the population.

REGULATIONS

The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and the Social Security Amendments of 1983 legislated the most significant changes in the Medicare program since its inception. In less than one year, Medicare reimbursement for hospital inpatient care changed from a cost-based retrospective payment system, to cost-per-case limits under TEFRA to a prospective payment system based on diagnosis related groups (DRGs).

The Federal government's rapidly accelerating health care expenditures prompted these changes. As one of the respondents wrote, "It is important to understand that we are dealing with an entitlement program that has gotten out of hand." Health care inflation will continue to exceed that of the rest of the economy and, combined with concern over federal deficit levels, could trigger further legislative action to hold the line on government health care expenditures.

Future regulatory changes in health care are anticipated. The need to refine the emerging competitive market in health care undoubtedly will lead to new laws and regulations. There also is little question that trends such as America's aging population, the increasing capacity of technology to extend life and the need to control the federal deficit will result in legislative initiatives to limit government health care outlays and, ultimately, to curb demand for health care services.

In the future, a primary issue for health care providers will be the degree to which the regulatory framework provides the right incentives for an appropriate degree of market competition. One panelist assesses the situation this way: "In 1990, the over 65 group will still be increasing in size and political power. This (power) will not offset, but it will moderate, the moves to cut Medicare because of rising costs and the trend away from social programs that is underway."

CONGRESS WILL DEFINE LIFE AND DEATH

By 1990, life and death will be defined legislatively to allow the withdrawal or nonuse of life support systems in cases of terminal illness, according to 95 percent of the panelists.

Eight out of ten participants predict that by 1990 the Medicare program will limit the dollar expeditures for the extension of life for the chronically ill aged. In the opinion of one panelist, "We must define life in terms of function, *not* just heart beat."

MALPRACTICE AWARDS WILL BE LIMITED

Eighty percent of the panelists believe that Congress will act by 1990 to limit malpractice claim awards, which should result in more affordable malpractice insurance premiums and less defensive medicine. Only 8% do not predict such limitations by 1990 and 12% are undecided.

Will the U.S. adopt some form of national health insurance by 1990? Most respondents do not expect it to happen but 37% do. The expectation that it will occur is particularly strong among the other provide panelists (68%) and it is weakest among the payor panelists (15%).

The favorable tax treatment of employer-paid health insurance benefits will be reduced or eliminated, say 87% of the panelists, which could result in a general contraction of employee health benefits and in employees becoming responsible for a greater portion of their health care expenditures.

According to three-fourths of the respondents, including 84% of the legislator/regulator panel, tax exempt bonds will continue as an available source of capital for not-for-profit hospitals. Without this source of capital, the cost of money would increase and the greater debt service load would rule out expansion, renovation and modernization projects for many not-for-profit hospitals.

Nine out of ten panelists expect the expansion and replacement of existing facilities and the introduction of new services to be subject to tighter restrictions in 1990, evidencing their perception of the government's wish to constrict the size of the health care delivery system. In the view of 72% of the panelists, antitrust laws are expected to become more stringent relative to multihospital system mergers and acquisitions; however, they predict this will do little to alter the trend of hospitals joining these systems.

MEDICARE WILL FURTHER LIMIT COVERAGE OF INPATIENT CARE

Virtually all participants forecast that Medicare will further limit the coverage of inpatient hospital care by 1990.

Coverage for services provided by physicians also will be more limited by 1990, according to 79% of all respondents; only 42% of the legislator/regulator panel, however, envision this limitation.

On the other hand, panelists predict that Medicare will expand coverage, for home care, hospice care, hospital outpatient services, rehabilitative services and skilled nursing care. Medicare's emphasis on ambulatory care will be mirrored by other third party payors as America looks for less costly alternatives to expensive inpatient hospital care.

MEDICARE BENEFICIARIES WILL PAY MORE

In addition to changing its menu of covered services, Medicare will take additional steps by 1990 to pare its outlays. Ninety-nine percent of the panelists project a significant increase in Medicare premiums, deductibles and coinsurance. Ninety-three percent of the respondents also believe that the qualifying age for receiving Medicare benefits will be raised.

Perhaps the projected change with the greatest potential impact is a fundamental change from Medicare coverage of all elderly citizens to coverage based on financial need. Almost 90% of the study participants expect Medicare to implement a "means test" by 1990.

ASSIGNMENT OF MEDICARE BENEFITS WILL BE MANDATED FOR PHYSICIANS

Anticipated legislative actions which would benefit Medicare patients include adoption of catastrophic illness coverage for older citizens and a requirement for physicians to accept assignment of benefits for Medicare beneficiaries, each of which is projected by nine out of ten panelists.

HOSPITAL EXECUTIVES SAY REGULATORY BURDENS EXCEED BENEFITS

Hospital executives believe overwhelmingly that regulatory burdens significantly exceed their related benefits to society in the areas of certificate-of-need and planning regulations, and state rate regulations. To a lesser extent, they feel the same way about Medicare payment regulations, antitrust laws, Hill-Burton regulations and IRS unrelated business income regulations. Panelists believe a balance of benefits and burdens exists in state licensing requirements for personnel and facilities.

On the other hand, these executives believe that benefits far exceed the related burdens of regulatory compliance in the areas of IRS tax exempt regulations and tax exempt bond regulations and, to a lesser degree, that the benefits exceed the related burdens in the Joint Commission on Accreditation of Hospitals' survey process.

Members of the legislator/regulator panel generally rated the benefits of regulations higher and the related burdens of regulatory compliance lower than did the hospital panel.●

JOHN HOPE FRANKLIN, RECIPIENT OF JEFFERSON MEDAL

HON. TIM VALENTINE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. VALENTINE. Mr. Speaker, I would like to bring the attention of the House to a North Carolinian about to be honored with the Jefferson Medal. The Council for Advancement and Support of Education has chosen Dr. John Hope Franklin of Duke University for this prestigious award.

Dr. Franklin has compiled a list of accomplishments that defies quick and easy summary. Suffice it to say that he has graced the world of learning and public service with exceptional achievements in academics and civic affairs.

Dr. Franklin, as James B. Duke Professor of History, blends the story of America's blacks, their honorable struggle for civil rights, and the growth of the American South. He has written nine books on Southern and Afro-American history. One of these, "From Slavery to Freedom: A History of Negro Americans," has appeared in no less than five editions and nearly 1 million copies.

Not content with the contemplative life alone, Dr. Franklin has made his mark in public service as well. When the Supreme Court decided in 1954, in Brown against the Board of Education, that America must put an end to the segregation of her schools, it based its decision on research conducted by Dr. Franklin and his colleagues. At the height of the struggle for civil rights, he marched with Dr. Martin Luther King, Jr., from Selma to Montgomery.

Dr. Franklin has been showered with honorary degrees from colleges and universities whose names span the alphabet from Arizona to Yale. He has been granted fellowships for post-doctoral research, for advanced study in the behavioral sciences, and for a long line of other pursuits. When Who's Who in America chose eight Ameri-

cans for significant contributions to society in 1978, Dr. Franklin was on the list.

The mind of Dr. Franklin has earned impressive praise for creating a revolution in the study of the American South. In his works, no artificial distinctions divide his subjects into blacks and whites: He prefers instead to tell the story of black Americans as an integral part of the region that formed so much of their first experiences in a revolutionary land.

To Dr. Franklin, the hundreds of years spent by blacks in America have affected far more than the lives of blacks alone. He says with conviction that black history forms so much a part of America's past that the teaching of white history without black history belies the essential interaction between the two races.

Many people have termed Dr. Franklin the dean of black history. He considers it proper to be regarded as something else—a historian of the American people.

On October 16, 1984, in our Nation's Capital, Dr. Franklin will receive further affirmation of the impact made by his work. When he receives the Jefferson Medal, we will all take pride as his peers honor his work. The day will serve as an occasion for pride not only in this city but throughout North Carolina, throughout the South, and throughout the whole of our Nation.●

NEWARK NAACP MARKS 70 YEARS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. RODINO. Mr. Speaker, next month will mark the 70th anniversary of the Newark Chapter of the National Association for the Advancement of Colored People. It is with great pleasure that I take these moments today to salute this outstanding organization.

The NAACP has set an example for oppressed people the world over in their struggle for human rights. In addition to the long list of achievements that we all know well—laws enacted and court cases won—the NAACP has made all Americans sensitive to our most basic constitutional rights. It has made men and women everywhere more aware of what it means to be deprived of a livelihood, deprived of the right to vote, deprived of one's identity and self-worth. The NAACP has stirred the conscience of America and given real meaning to our Constitution. On the national level, the NAACP has been the prime moving force of social change in this country. On the local level, the Newark branch of this organization has made a difference in the lives of countless individuals—and I proudly count myself as a lifetime member.

The Newark chapter of the NAACP will celebrate 70 years of achievement with a dinner on October 26 at the Gateway Hilton in Newark. The guest speaker will be the Reverend Leon H. Sullivan of the Zion Baptist Church in Philadelphia, who has been a strong civil rights leader both in his home city and around the Nation. Bobie Cottle, president of the Newark NAACP is especially to be commended for providing such excellent leadership to the organization. In addition, I would like to salute the following officers of the Newark chapter: John D. Woods, first vice president; Dorothea Lee, second vice president; Daisy Stokes, secretary; Dolores Carter, assistant secretary; Mamie (Gus) Hale, treasurer; and the following members of the executive committee: Carrie Alston, Mary Avery, Cleo Blount, Daniel Blue, George Branch, Lovie S. Brown, Rev. Oliver Brown, William H. Brown, Marquerite Bush, Sally Carroll, Billie M. Cook, Antoinette Davis, Clara Dean, Helen J. Gardner, Rev. Ralph T. Grant, William Hadley, Ethel Moore Johnson, Harold Jones, Jr., Margaret Kee, Eddie Mae Livingston, John Love, Eleanor Lyle, Susan McGee, Clyde D. Mitchell, Willa Moye, Sue Nelson, Henry Robinson, Arlena Salley, James W. Shue, Joyce Simmons, William Simpson, Steven Talks, Rev. John R. Stanford, Andrew Washington, J. Barry Washington, Louise Washington, Willie Watson, and Kathleen Williams. In addition the following people will receive awards from the organization: Keith Jones, Louise Epperson, councilwoman Bobby Reilly, and Keith Bodden.●

CENTENNIAL CELEBRATION OF SPRINGFIELD COLLEGE

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. BOLAND. Mr. Speaker, New England has the good fortune of having an abundance of colleges and universities within its small region. Many of the institutions enjoy national and worldwide recognition. Few, however, are as special as Springfield College.

Next year, Springfield College will mark its 100th anniversary. Those 100 years have been characterized by determined and steady growth. Founded by the Reverend David Allen Reed, a young minister who recognized the need to educate young persons for community service, the college was originally known as "A School for Christian Workers." The name changed several times through the years, and in 1953 the institution officially became known as Springfield College. Located on the shore of Lake Massasoit, in the center of my home city, Springfield, MA, the college enjoys the social and cultural advantages of an urban setting.

Springfield College is one of the few colleges that has adopted the humanics philosophy. Stressing the importance of the well-rounded individual—one of sound mind, body and spirit—the college encourages and motivates its students to serve humanity in fields that are international, intercultural, interracial and interreligious.

Mr. Speaker, the leadership of President Bill Locklin, and the dedication of the administration, faculty, students and graduates of Springfield College have made it the outstanding institution it is today. I join with the college's many loyal supporters in congratulating it on its accomplishments and in anticipating the events of the centennial celebration.●

A TRIBUTE TO PAUL SIMON

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. DOWNEY of New York. Mr. Speaker, at the end of the 98th Congress we will lose a truly remarkable Member of this House, PAUL SIMON, of Illinois. PAUL and I came to Congress together in 1975 and I can honestly say that the time I have spent with him in this House has been rewarding and educational.

PAUL brought a wealth of experience as a newspaper publisher, Illinois State legislator, and finally Lieutenant Governor, when he came to the House. In his 10 years here he has been a stalwart friend of labor and an ardent defender of the great liberal tradition of Franklin Roosevelt, he served on the House Budget Committee where he argued forcefully that fiscal responsibility did not mean cutting social programs. He was prepared to look to other areas, such as the Pentagon, for budget savings. He proposed that Congress commission an independent audit of the defense budget in order to determine the magnitude of savings that would result from a fiscally prudent defense policy.

Educators and students have benefited greatly from his chairmanship of the Subcommittee on Postsecondary Education of the Committee on Education and Labor. In that capacity he worked tirelessly to protect higher education from the budget cutting ax of the Reagan administration.

PAUL's concern for the poor and hungry of the world led him to write a book with his brother on hunger and politics and to play a leading role in

hunger legislation in this House. More recently, he has turned his scholarly eye to the problem of public morality and public policy. His reflections are a useful antidote to the pious platitudes that surround this issue today.

My regret at seeing PAUL leave this House is tempered by my hope that shortly we will be seeing the results of his clear thinking and strong liberalism in the other body.●

TRIBUTE TO THE PRIVATE INDUSTRY COUNCIL, VENTURA COUNTY, CALIFORNIA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. LAGOMARSINO. Mr. Speaker, we who serve in this Chamber all too often hear of the failures and abuses suffered by Federal job training programs, the sad tale of unfulfilled promises. But today, I wish to bring to the attention of my colleagues the story of promises fulfilled and of goals accomplished.

The Job Training Partnership Act establishes a partnership between business and local government to administer use of the Federal funds and provide management direction. In my congressional district in California, the Private Industry Council of Ventura County and the Ventura County Board of Supervisors this year initiated a job training program that, I am pleased to note, has exceeded the most optimistic expectations.

This job training partnership program served 974 people, exceeding its original goal of 130 people. Most importantly, this program successfully placed 606 people in meaningful jobs in the first 9 months of operation. Not only were jobs found and capable people placed in them, but the average hourly wage paid was $5.02, exceeding the organization's goal of $4.37 per hour.

This job training program effectively worked toward the legislative mandate of reducing public assistance by placing 154 welfare clients into unsubsidized employment. Furthermore, the Ventura Private Industry Council proved spectacularly successful in providing job training for the youth of Ventura County with a placement rate in unsubsidized jobs 50 percent higher than established in the State plan while maintaining unit costs 20 percent less than originally anticipated.

At a time when such programs typically incur high administrative costs, this Ventura County program actually spent 84 percent of its budget on training, not administration.

I am pleased to conclude this positive story by advising my colleagues that such rare achievement indeed is rewarded. Sponsors of this successful effort will now receive a performance incentive award of additional program funds totaling $208,265 to continue its important work and expand its service to the people of Ventura County in the new year.●

1984—NATIONAL 4-H WEEK

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. NATCHER. Mr. Speaker, once again I am pleased to join with the members of 4-H as they celebrate National 4-H Week October 7 to 13.

4-H is administered by the Cooperative Extension Service of the Department of Agriculture and assists young people in acquiring knowledge, developing skills and forming attitudes that will enable them to become self-directing, productive members of society.

Participation in 4-H is open to all interested youngsters between the ages of 9 and 19. Nearly 5 million youths were enrolled in 4-H programs last year. Membership has expanded steadily for the past 25 years and 4-H alumni now total about 45 million.

Volunteers are essential to the 4-H program and last year nearly 600,000 volunteers worked directly and indirectly with 4-H members. The average volunteer donates 220 hours each year in preparing for and teaching youth.

During the past 10 years, 4-H enrollment in my home State of Kentucky has nearly doubled. Over 235,000 youth were enrolled as 4-H members in 1983 and in the Second Congressional District of Kentucky, which I have the privilege to represent, nearly 34,000 youngsters and 4,000 volunteers participated in 4-H activities.

4-H members complete one or more projects each year. The most popular projects by Kentucky youth last year included: individual and family resources; machines, equipment and engineering; communication arts and sciences; plant science and crops; energy; health; cultural and leisure education; animal sciences; ecology and natural resources; community development services and government; and economics, jobs and careers.

More than 27 counties in Kentucky participated in 3-day food and nutrition camps sponsored by 4-H in 1983 and an expanded food and nutrition education program reached more than 65,900 economically disadvantaged youth in 1982 and 1983.

The Kentucky Extension 4-H staff, volunteers and members are continuing efforts to maintain a strong, dynamic program and I would like to take this opportunity to commend them for their past accomplishments and to wish them continued success in all their future endeavors.●

PLAN TERMINATION AND REVERSION CONTROL ACT OF 1984

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. ROYBAL. Mr. Speaker, it is becoming increasingly apparent that the retirement security of the American worker is being fundamentally challenged by an ever-rising tide of overfunded pension-plan terminations. These terminations are occurring because employers are able to recover so-called excess assets after the termination of their pension plan. It was thought that the Federal law regulating private-pension plans, ERISA, would preclude employers from using their plans for their own self-interest. However, under this administration's interpretation of that law, overfunded terminations have been sanctioned, overfunded terminations have soared and the retirement security of workers and retirees have been sacrificed.

As chairman of the House Select Committee on Aging, I feel constrained today to introduce comprehensive legislation which will place reasonable controls on the ability of employers to terminate their overfunded pension plans. I invite and encourage my colleagues, and the participation of the pension community, and of workers, and retirees in an examination of this bill in a cooperative effort to arrive at a system of controls which will better assure the financial security of workers and retirees from such terminations.

I insert the statement on the Plan Termination and Reversion Control Act of 1984 into the RECORD as follows:

STATEMENT ON THE PLAN TERMINATION AND REVERSION CONTROL ACT OF 1984

INTRODUCTION

This bill is being proposed in response to a continuing pattern of overfunded defined benefit pension plan terminations which result in the loss of benefits to retirees and to workers. In essence, corporate raids are being carried out against the retirement income security of the American worker. Unless Congress acts swiftly to curb such practices many of America's pension funds will quickly and silently be bled dry, robbing workers of their future retirement security.

In 1974, the Congress enacted the Employee Retirement Income Security Act (ERISA), the federal pension law which seeks to protect workers and their families who are covered by employer sponsored pension and welfare benefit plans. It was presumed that the law would prevent the litany of abuses against workers and their families who are covered by employer sponsored pension and welfare benefit plans. Unfortunately, this presumption has proven to be ill-founded in several substantial ways.

As we observe the tenth anniversary of ERISA the Congress can be proud that significant strides have been made to protect workers pension and welfare benefits. How-

ever, today a growing number of corporate plans sponsors are doing an "end run" around the qualification requirements of the Internal Revenue Code and the fiduciary provisions of ERISA, requirements in the law which are designed to protect workers, by simply terminating their "overfunded" defined benefit pension plan to get at pension assets. A defined benefit plan proves a specific future benefit that a worker can count on based on years of service and pay with an employer. Workers lose potential benefits they would have earned in the future, often at an accelerating rate, if the plan had not been terminated.

For example, a 15-year employee of XYZ Corp. who plans to retire in 10 years may reasonably expect to receive a pension benefits of $550 a month on retirement, as defined in the pension plan. However, as a result of the termination of the corporation's "overfunded" pension, the employee might receive a benefit of only $300 a month, since his work credits would no longer be accumulating for the purposes of that pension plan. Even if a new plan were initiated, it would treat this worker as a "new" employee, so benefits would not accrue fast enough to provide anything like the pension anticipated under the old plan.

Employers are terminating their pension funds to recover so-called "excess" assets. These are amounts which remain after all liabilities (benefits to workers) have been satisfied after the termination of the pension plan by the employer. These excess assets however, are not really excess at all but rather represent benefits which would otherwise be paid to workers but for the premature termination of the plan by the employer.

A Labor Department study of termination cases concluded that for each $100 of anticipated real pension benefits, workers can expect to lose $45, since they will be credited only with service to date as the result to these terminations. Thus, the termination of an "overfunded" plan can wreak financial havoc with workers' retirement security. Retirees' cost-of-living adjustments probably would be eliminated because such adjustments typically are provided through the plan's excess assets, money that will now go to the employer on termination of the plan.

PURPOSE AND BILL SUMMARY

It is the purpose of this bill to establish a federal policy which will insure that workers and retirees are effectively protected from the loss of their pension benefits due to overfunded plan terminations which are initiated so that employers will recover excess assets. Such a federal policy will make clear that the principle intent and purpose in establishing to pension plan and providing a tax qualified basis for the contribution and accumulation of pension assets is to provide a secure and defineable retirement income for workers and their families. The continuing trend of overfunded plan terminations represents a clear and present danger to the retirement income security of workers and retirees. To better ensure the retirement security of workers and retirees from such danger, the proposed legislation establishes a number of safeguards. The bill would:

Establish a "business necessity" test for overfunded plan terminations. If the termination does not meet the business necessity test (i.e. was not the result of bankruptcy, insolvency or other business hardship), then the bill provides that any excess assets would be ratably distributed to workers and retirees.

An excise tax of 10% would be imposed on any remaining amounts which are not distributed to workers and retirees.

If the termination meets the business necessity test, then the employer will be able to recover excess assets under certain conditions specified in the bill.

An application for an overfunded termination will be subject to a public hearing on the record to enable both the employer and plan participants to articulate their views regarding the pending termination application.

Certain restrictions will be placed on contributions of employer stock and other employer investment media contributed to a plan. Specifically, a plan will be able to invest no more than 5% in qualifying employer securities and employer stock which is contributed may not contain features of debt when contributed to the plan.

A study will be commissioned to determine whether standards for appropriate actuarial assumptions and methods should be imposed for the funding of plans.

In a conversion from a defined benefit plan to an Employee Stock Ownership Plan (ESOP), a vote must be taken among participants to determine whether a conversion will occur.

Plans which commit an overfunded termination will be prohibited from instituting a "comparable" plan for a five year period after the termination. Certain restrictions on funding and funding deficiency waivers are also imposed on successor plans.

The bill establishes a limited Plan Termination and Reversion Control Commission to administer provisions of the bill.

REVIEW OF ADMINISTRATION ACTIONS

The Reagan Administration has done little to impede or resist this rising tide of plan terminations which deprive workers of needed pension benefits. In less than five years employer pension raids have netted more than $2.7 billion for corporations. Applications to terminate overfunded pension plans worth an additional $1 billion are pending. Hundreds of thousands of workers are affected. Issuance of new "guidelines" by the Administration on asset reversion are not targeted to stop or resist pension raids. Rather, the guidelines offer new opportunities for corporate sponsors to accomplish plan terminations and will allow new and questionable techniques to be used to accomplish those raids.

Pension asset raids are not the only form of proliferating pension abuse that is growing. Increasingly, employers are contributing various forms of employer stock and other investments in lieu of cash to their pension funds. This has been particularly true in instances of corporate mergers and takeovers where stock held by the pension fund of the employer may prove to be crucial in resisting a takeover attempt. The abuse which may occur in such instances involves a loss to the plan of what the true market value of such a contribution should be and the manipulation of the pension fund to benefit the employer at the expense of the employees. The use of Employee Stock Ownership Plan's (ESOP) by employers as a device to either resist or accomplish a takeover attempt raises substantial questions under ERISA as to whether the interests of employees are well served by such actions. Moreover, restrictions on the ability of employees to vote their stock shares in ESOP's or other pension plans raise questions as to whether their interests are being adequately and appropriately represented by plan trustees.

It is now incumbent that the Congress examine these growing manifestations of employer directed assaults on the security of pension benefits to workers. As the Congress has striven to provide security for workers under Social Security, it is no less important that the Congress assure workers that their pension benefits are equally secure to provide an adequate retirement income.

The House Select Committee on Aging has conducted two hearings regarding instances where workers have lost potential retirement benefits through such overfunded terminations. The first hearing, on June 7, 1982 reviewed the situation of the terminations of the Harper and Row Publishers Pension Plan and its subsequent replacement by an Employee Stock Ownership Plan that was instituted by the management of that publisher. Present and former employees of Harper and Row testified at that time that the termination of the Harper and Row plan resulted in a loss of their retirement security and resulted in significant losses of benefits due to the inordinately high 15% interest rate which was applied to lump sum distributions to many of the workers.

A second hearing held on September 28, 1983 indicated the continuing problems associated with overfunded terminations generally and examined the status of federal law as viewed by the Department of Labor and the Internal Revenue Service on overfunded terminations. The Department of Labor testified that the decision of a plan sponsor to terminate a plan is a business decision and not a fiduciary decision covered by ERISA. The Internal Revenue Service testified that, generally, the various requirements of the Internal Revenue Code permitted the return of surplus assets after the satisfaction of all accrued benefits to participants and beneficiaries at the termination of the plan. Moreover, the Service indicated that those amounts which arose as a result of "erroneous actuarial error" were recoverable by employers under the Service's regulations. Finally, the Service testified that it was concerned about the then new possible arrangements for terminations involving so-called "spinoff terminations" and terminations reestablishment cases.

Since that testimony by the Department of Labor and Internal Revenue Service to this Committee, Robert A. G. Monks, Pension Administrator for the Department of Labor on April 4, 1984 before the Senate Labor Subcommittee, announced a new Administration position regarding overfunded terminations. This new position provides that employers may engage in spinoff and termination reestablishment terminations. A spinoff termination involves the termination of an overfunded pension plan in which the surplus and retired participants are retained in the former plan while a new and substantially comparable successor plan is created for active participants. The former plan is then terminated so that the employer may recover any excess assets. In a termination reestablishment case, the plan, which is overfunded, is terminated by the employer to recover the excess assets and a new and substantially comparable defined benefit plan is instituted to replace the former plan. Both of these methods of terminating and subsequently substituting a substantially comparable successor plan have been permitted under the Administration's implementation guidelines.

The Administration guidelines require that upon the termination of the plan, all participants and beneficiaries must be fully vested in their accrued benefits and that annuity contracts must be purchased for these individuals. Noticeably absent from these guidelines however, is any requirement to mandate that past service credits from the previous plan be credited to the successor plan for participants. While there is some argument that annuitization of vested credits provides some inflation protection for those vested benefits, clearly with respect to those plans in which the salary factor plays a principle role in determining benefits (final pay plans), the absence of any requirement to pick up past service credit in a successor plan will result, in some degree, in a diminuition in benefits that would have otherwise been realized under the previous defined benefit plan. To this degree, and more starkly, the absence of mandated past service credits in a successor plan may well invite a reduction in absolute terms of projected benefits that could have been earned under the previous plan. Moreover, for a less altruistic employer, the absence of mandated past service credit may represent an open invitation to diminish benefits in any successor plan that might be instituted by the employer.

A group of tax attorneys who had petitioned the Internal Revenue Service and the Pension Benefit Guaranty Corporation to utilize the spinoff method of termination, had provided in their submission that a "cushion" of excess assets be carried into the successor plan, ostensibly to protect against a shortfall in funding in early years and to provide some modicum of protection to the Corporation in its responsibility to the successor plan. However, the Administration did not see fit to include a requirement for a cushion within its guidelines. Rather, after some review, it was apparently felt that the annuitization of accrued benefits and the minimum funding standards would be sufficient to protect future benefit accruals and provide sufficient insulation to the Corporation with respect to the successor plan. It is problematic however, that the annuitization and minimum funding standards will provide sufficient protection particularly for the Corporation in the event that a termination of a successor plan occurs in years shortly after the creation of the successor plan. Moreover, it is also reasonable to assume that any point at which interest rates and other markets decline and affect the actuarial liabilities of the plan, that the Administration's guidelines will not provide a sufficient buffer to insure an adequate and solvent funding of the plan under those circumstances, particularly within the early years of the successor plan's creation.

An abuse noted in previous Committee hearings and recognized as an issue within the Administration guidelines has been the use of inordinately high interest rates applied to lump-sum distributions made to participants upon termination. Testimony by one witness before the Committee indicated that based upon his twelve years of service with Harper and Row Publishers he had received a lump-sum distribution of approximately $700 for his accrued benefit. Upon seeking a life annuity from an insurance carrier however, he received a quota of approximately $7,000 to secure such an annuity. The Administration has responded to this abuse by promulgating a regulation that requires an interest rate be used which approximates a market or annuity rate. While the new rate set by the Corporation will more closely align with prevailing market interest rates, such a formulation however, still falls short of the most accurate barometer of accrued benefits, the use of an annuity interest rate to determine lump-sum amounts.

The use of the spinoff and termination reestablishment techniques and certain other requirements which are embodied in the Administration guidelines raise significant questions regarding the authority under ERISA and the Code to permit such arrangements. One threshold problem involves an apparent lack of authority under the Code and Title IV of ERISA to prescribe certain conditions attending a spinoff and termination reestablishment. The use of the spinoff and termination reestablishment techniques directly undermine the minimum funding standards prescribed under Titles I and II of ERISA. No exception or limitation is provided within those provisions to permit a redefinition or reorientation of the specific requirements of funding in the manner constrained through spinoff and reestablishment terminations. Moreover, there would appear to be little or no authority within the fabric of Title IV upon which the Corporation could authorize the use of these techniques. The requirement that a plan sponsor could not engage in another termination and subsequent reestablishment of a defined benefit plan within a fifteen year period is not specifically prescribed in either the Code or Title IV of ERISA, but rather it appears to be based on the fifteen year requirement to amortize experience gains. Basically, the Administration guidelines in this area simply undercut the policy and requirements of minimum funding under ERISA making null and void the need to preserve reserves of funding to protect participants, plan sponsors and the Corporation. The policy of the guidelines in this area simply cede to the employer any surplus through plan termination with little or no recognition of the policy objectives and requirements respecting minimum funding.

A significant area without guidance in the guidelines involves tax policy and the opportunity for tax abuse through overfunded terminations. The Committee on Aging has written extensively to the Service inquiring whether, in their opinion, opportunities for tax abuse exist within the present structure of overfunded terminations which have occurred to date. The responses of the Service have largely been unedifying on this topic and the stance of the Service in this area remains unclear within the guidelines. What is clear is that an employer through the recapture of excess assets has received a tax deduction for contributions and an exemption for interest and dividends realized on plan assets. This preferred tax treatment is accorded to encourage the establishment and presumed maintenance of permanent programs of pension benefits to provide retirement income security to workers covered under these programs. An employer who is recapturing excess assets is reaping a significant tax benefit even assuming the reversion is included as income to the employer. An employer in a position to offset any tax liability with respect to the reversion through tax loss carryforwards may significantly defray or entirely eliminate any tax liability that would otherwise result from the reversion. Such a result can be analogized to other abusive tax treatments of investments which have been the concern of both the Administration and the Service in other areas. Simply, some employers may have treated their tax qualified pension plan as merely a "tax free corporate savings device". The continued failure of the Service and this Administration to recognize the implications of this abuse raise serious questions with respect to both revenue and tax policy considerations which are of long standing concern under the Code. This continued failure may well have other serious consequences if guidance is not issued to preclude further abuse.

Perhaps the single greatest failure of the Administration guidelines is that they fail to address the basic concern implicit in overfunded terminations. That is, that as a matter of public policy the failure to in any way inhibit or control overfunded terminations serves to erode the basic federal policy supporting the establishment and maintenance of pension plans, which is to provide a secure reservoir of monies to provide retirement income to workers.

Statistics released by the Administration regarding overfunded terminations indicate that since 1980 to the present over some 261 overfunded plan terminations involving reversions in excess of $1 million to employers have occurred. These overfunded terminations total approximately $2.7 billion which have been returned to corporate sponsors through overfunded terminations. The majority of these terminations have been taken not because of a financial necessity of that employer but, rather, because the employer desired to obtain a reversion to accomplish some business purpose which might include preventing or sponsoring a takeover, improving the financial statements of that employer, or using the reversion to finance the acquisition of employer stock. While some commentators may believe that the use of a reversion in this manner is not an appropriate subject for review in the context of setting policy on employee pension plans, it would seem imperative that such a review is incumbent, at this point, to ensure that appropriate safeguards are provided to assure employee benefit security. Presently, there are pending applications for overfunded terminations (involving reversions of $1 million or more) which are rapidly approaching $1 billion. The issuance of Administration guidelines, which sanction the use of spinoff and termination reestablishment techniques, would seem to provide a fertile environment to encourage further overfunded terminations. Moreover, the convenience of the termination vehicles available within the Administration guidelines provide an easier mechanism to accomplish a plan asset reversion, than those methods previously sanctioned by the agencies.

DISCUSSION OF BILL

One provision of the bill would have the effect of prohibiting the use of so-called "spinoff" and "termination reestablishment" overfunded plan terminations. As indicated earlier, a spinoff termination involves the creation of a second and comparable defined benefit plan in which the active participants of the former plan are placed. The former defined benefit plan retains only retired participants (i.e. participants who are already in pay status under the plan) and any surplus plan assets which exist in the plan. The employer typically purchases annuity contracts for retired participants and obtains a reversion of excess assets upon the termination of that former plan. Thereupon, only the active employees are retained in the subsequent successor plan which is substantially comparable to

the terminated plan. With respect to a termination reestablishment arrangement, a defined benefit plan covering employees is wholly terminated and a reversion is taken by the employer upon the termination of that plan. Subsequently, a new and substantially comparable defined benefit plan is created to cover the same group of employees.

In both instances, these arrangements present significant difficulties with compliance with the minimum funding standards of ERISA. This is with respect to both Title I and Title II which covers those requirements pertaining to the tax qualification of defined benefit programs under the Code.

Provisions of the bill will prohibit the use of spinoff and termination reestablishment arrangements. This is done with respect to the concern that these devices essentially emasculate the minimum funding standards of ERISA. Moreover, the use of such an arrangement provides a more convenient mechanism for employers to levy against their plans much like a corporate investment vehicle rather than a retirement savings trust designed to benefit employees. An examination of pre-ERISA law, and particularly regulations promulgated under the Code indicate that such devices were previously considered illegal under the Code. The concern expressed in those pre-ERISA regulations are no less cogent today than they were at the time that they were drafted. Regulations which will be drafted pursuant to section 2 will more clearly delineate the parameters of this specific prohibition.

The bill describes the various tests which must be applied concerning the distribution of excess assets upon the termination of an overfunded defined benefit pension plan. In the first instance, any residual assets which are attributable to employee contributions shall be equitably redistributed to those employees.

A rule has been provided requiring that 50% of the remaining residual assets will be distributed to retirees in pay status and 50% will be distributed to those participants who are within five years of the normal retirement age under the plan. This rule is added to provide some modicum of financial protection for those individuals who are approaching retirement and retirees who would otherwise be deprived of benefit security through an overfunded termination due to the loss of ad hoc cost-of-living adjustments. Specifically, these individuals will now, through operation of the rule, receive additional benefits which will more closely approximate promised benefits under the plan and for retirees provide needed cost-of-living protection that could have been afforded through the existence of overfunded amounts.

With respect to amounts distributed to participants and beneficiaries who are already in pay status with respect to the plan, such a distribution shall be equal to that participant's or beneficiary's unpaid constructive cost of living increase. The term "unpaid constructive cost of living increase" is defined as the amount of such participant's benefits which would be remaining unpaid, after satisfaction of the liabilities of the plan to such participant or beneficiary as if general cost-of-living increases had taken effect under the plan. This section requires that in order to have such a distribution no cost-of-living increase would have been granted to retirees within the last five years preceding the termination of the plan. The cost-of-living adjustment shall be measured based upon an annual rate equal to a measure of the Consumer Price Index as prepared by the U.S. Dept. of Labor for the appropriate period.

With respect to any participants who have not received benefits, but who are within five years of the normal retirement age under the plan as of the termination date, such participants will receive ratable distributions. Such benefits will be measured based upon the present value of benefits prior to the termination of the plan and in a manner as if the plan had not been terminated and the participant had continued to accrue additional benefits under the plan and attain the normal retirement age. In this manner, the participant will receive some additional benefits toward what he would have otherwise earned under the plan but for the premature termination of that plan. However, amounts distributable under this section are premised on the amount of available assets remaining to satisfy these benefits and, to the extent that assets are less than those needed to provide full benefits under this section, such remaining amounts will be distributed on a prorated basis.

In each instance where there is a required distribution of excess assets to a specific class, if assets prove to be insufficient to meet a full distribution to all members of that class, then an equal and prorated distribution shall be made to all members of that class so as to absorb all remaining assets for that class.

A special rule is provided such that if benefits between any class, those who are within five years of the normal retirement age under the plan and retirees who are in pay status, would fall below 75% of the benefit provided to the other class, the Commission will be granted discretion to redistribute such amounts from the other class so as to assure that benefits do not fall below the threshold of 75% between the two classes.

A plan which is in effect on the date of enactment of this law shall be considered to meet the requirements of the law if within 60 days after enactment, provisions of that plan contain provisions which have been previously described. Generally, the provisions of this subsection will constrain that all excess assets which are the result of an overfunded termination that does not meet the requirements of a business necessity termination shall be used for the satisfaction of benefit payments to retirees and participants who are within five years of retirement under the plan. It shall be the responsibility of the Commission which is created under the law to promulgate appropriate regulations to interpret and enact the provisions of this law.

An excise tax is imposed in those situations where an overfunded termination which is not the result of business necessity occurs. Specifically, a tax of 10% of the fair market value of the residual assets is imposed against the plan sponsor in such a termination. However, in those instances where the overfunded termination is a result of business necessity no assessment of tax will be made on such a termination.

With respect to an application for termination of an overfunded plan, the bill provides that a hearing on the record be held by the Commission to determine whether or not the termination should be granted. The hearing will afford plan participants, retirees, plan officials and other interested parties an opportunity to express their views and concerns regarding the application for termination of the overfunded plan. In addition, such a hearing will better enable members of the Commission to define and understand those issues pertinent to the application for termination.

Provisions of the bill make several significant changes to the manner in which employer securities are treated under ERISA. In recent years there has been a growing trend of contributions in kind (contributions of employer stock, leaseholds, limited partnerships, etc.) by employers into their pension funds. Pension and Investment Age Magazine has estimated that over one 18 month period employers contributed in excess of $1.8 billion in the form of stock or other contributions in kind. There is every reason to believe that such contributions will continue and, in fact, have escalated over the last several years.

Contributions in kind raise a number of significant questions regarding their propriety and acceptability with respect to certain goals which are sought under ERISA. One of the immediate concerns raised by a contribution in kind is the appropriate valuation of such a contribution into the pension fund. While a number of large employers have striven to assure that an appropriate value was placed on a contribution into the plan, other small and close corporations may not attempt to assure the appropriate valuation of such contributions. If the value of the contribution does not reflect the value of the required contribution to the plan, then there is a potential that the plan will become overfunded. Moreover, with respect to the deduction taken by the employer for such a contribution, if the true value is not reflected by the actual contribution then a form of tax abuse has occurred with respect to such a contribution.

Additional problems are presented in instances where the employer reserves or otherwise restricts the voting rights of stock which have been contributed to the pension fund. In such instances, management may seek to consolidate it's position through exercise of voting rights held by the plan. Such an exercise by management may be antithetical to the interests of participants covered under the plan. The Department of Labor's interpretation of relevant provisions of the prohibited transaction provisions would not appear to clearly delineate and prohibit the exercise of voting rights in such instances.

Finally, the growing use of contributions in kind as a funding medium, generally, present an opportunity for a loss of security in the manners described above. For this reason, the threshold of qualifying or real property is lowered from 10% to 5% under the bill. This will better ensure that additional protection is afforded through this lowered limitation for contributions and appropriate rules are provided to achieve the lowered threshold.

Provisions of the bill in this section provide that any qualifying employer stock contributed to a plan not be encumbered by a bond, debenture, note, certificate or any other evidence of indebtedness. Moreover, such a contribution may not be subject to any restriction on its marketability or on any voting power attached to the contribution. These restrictions will better assure that the interests of plan participants remain clear and unfettered by ancillary concerns which could be raised by management. In addition, the Secretary of Labor shall promulgate regulations which will define a method of determining the fair market value of stock or other contributions which are contributed to a pension plan.

There are provisions in the bill concerning a study which will be conducted by the Joint Board for the Enrollment of Actuaries. The bill would require that the Joint Board conduct a study to determine reasonable actuarial assumptions and methods that could be prescribed for various types of pension plans. Upon completion of this study, after a two year period, a report would be prepared and submitted to the appropriate committees of the Congress to determine whether any legislative reforms will be needed based upon the report.

This study would be undertaken in response to concerns that certain actuarial assumptions and methods that are presently applied to some pension plans are inappropriate and or produce actuarial assumptions which cannot be sufficiently justified under prevailing market conditions and reasonable actuarial projections. Moreover, there is a concern that Code provisions which grant the Internal Revenue Service authority to review the actuarial assumptions adopted by plans may not be sufficiently stringent to assure the adequate funding of plans and the appropriate use of reasonable actuarial assumptions with respect to any given plan. It would appear to be reasonable, given the absence of appropriate standards or guidelines associated with the use of actuarial assumptions and methods within the profession, to examine and make determinations with respect to whether appropriate guidance should be applied in this area. Moreover, it would appear to be appropriate to invest the Joint Board with responsibility to conduct this study, make recommendations, and if determined necessary, provide authority for the Joint Board to supervise the imposition of such appropriate standards.

With respect to Employee Stock Ownership Plans (ESOPs), provisions of the bill would require that in any transfer of assets from a terminated plan to an ESOP, such a transfer must be approved in advance in writing by the participants in the terminated plan; that the proportion of voting rights remain equal to or no less than those rights existing prior to the termination of the pension plan.

This provision is included to better assure that the interest of participants, with respect to their voting of shares in an ESOP, is adequately protected through their ability to vote those shares. Moreover, the ability of participants to vote their shares will afford some protection against the ability of management to attempt to entrench itself or otherwise act in a manner which might be adverse to the interest's of participants covered under the plan.

Certain restrictions are placed on the reestablishment or recreation of a "comparable" plan after the termination of an overfunded plan which is not based on business necessity as formulated in the bill. Specifically, a plan which is terminated without business necessity is disqualified for a period of five years from establishing a comparable plan within that period. In addition, no funding deficiency waiver may be granted to a successor plan within 10 years after the termination of a plan which was not based on business necessity. With respect to the creation of a comparable successor plan after a termination for business necessity, no funding waiver may be available within five years of the termination of the former plan. Moreover, comparable restrictions are provided with respect to any extension of the amortization period in a manner similar to the restrictions discussed above. In addition, if a comparable plan is established within five years of the termination, a faster funding period is required for such a comparable plan to better assure adequate funding for future benefits.

The bill provides for the creation of a Plan Termination and Reversion Control Commission which will have authority to regulate the various provisions of this bill. In this regard, the Commission will have the authority to exercise the respective authority of the Internal Revenue Service, Pension Benefit Guaranty Corporation and the Department of Labor for those cases which fall within the jurisdiction of the Commission. The Commission will be an independent agency within the executive branch and will consist of five members, one liaison officer to be delegated from the Department of Labor, Pension Benefit Guaranty Corporation, and the Department of Treasury. In addition, two public members will be appointed by the President from recommendations submitted from the Secretary of Labor. The essential staff of the Commission will be derived from existing staff positions from those federal agencies who are contributing liaison officers to the Commission.

CONCLUSION

This bill is introduced with the intent not only to provide substantive standards to control and inhibit overfunded terminations, but, is also offered as a basis for discussion to attempt to arrange a framework which will better assure the retirement security of workers under such terminations. I solicit comments and views on this proposed legislation.●

NATIONWIDE RECOGNITION IN VOLUNTARISM

HON. ALAN B. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. MOLLOHAN. Mr. Speaker, I would like to take this opportunity to offer congratulations to a young women who has brought additional pride to my hometown and home State of West Virginia by attaining nationwide recognition for her dedication to her community and her tireless efforts in voluntarism.

Miss Bonnie Spencer of Fairmont, WV, was named this week as the national winner of the Future Farmers of America's Achievement in Voluntarism Award. Bonnie was one of 50 finalists vying for the national honor and her success is further evidence of the loyalty of West Virginians to the ideals of hard work, compassion, and unselfish volunteerism.

The Achievement in Volunteerism award recognizes outstanding personal contributions to the FFA's Building of our American Communities (BOAC) Program. Each year, FFA chapters across the country meet with local leaders to determine community needs and develop projects and volunteer the labor to meet one or more of them.

Bonnie, a senior in high school in my hometown of Fairmont, cochaired her chapter's BOAC project to restore and develop a historic round barn into an agricultural museum—a project that reflects the realization that the lessons of the past play a key role in the progress of the future.

Bonnie's chapter also sponsored a promote progress in tourism award for community organizations. She has been very active in other FAA activities along with regular school functions.

Mr. Speaker, Bonnie Spencer epitomizes a change in young people today; they have changed from the days of hanging out at the local hamburger stand to actively volunteering to improve their local communities and improve the lives of their fellow citizens. Again, I congratulate Bonnie and wish her the best of luck in the future.●

A TRIBUTE TO THE HONORABLE BARBER CONABLE

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 1984

● Mr. DE LUGO. Mr. Speaker, I would like to join with my colleagues in extending my highest regards to the distinguished gentleman from New York—The Honorable BARBER CONABLE.

BARBER CONABLE has demonstrated in his two decades of service in Congress a level of professionalism, a degree of tenacity, and a strength of convictions that has earned the respect of all who have known him and those who have had the opportunity to work with him over these many years.

BARBER has done much for my constituents in the Virgin Islands, often displaying a level of concern and caring that Members usually reserve for their own constituents. His expertise as the ranking minority member on the Ways and Means Committee will be sorely missed by myself and all others who have come to appreciate this giant of the House.

Mr. Speaker, I wish to convey to my colleague, BARBER CONABLE, my very best wishes for all of his future endeavors, knowing that his 20 years of service in the House of Representatives will always be remembered and appreciated.●

SOVIET JEWRY

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mrs. KENNELLY. Mr. Speaker, today I am pleased to join my colleagues in the House in the 1984 congressional call to conscience vigil for

Soviet Jews. I would also like to express my thanks to this year's chairman, the Honorable LAWRENCE COUGHLIN, and to the National Conference on Soviet Jewry and the Union of Councils for Soviet Jews. Recognition is due for their continuing efforts to focus world attention on Soviet Jews who have been denied the right to emigrate from the Soviet Union or who have suffered religious or cultural persecution at the hands of the Soviet Government.

The situation for Jews in the Soviet Union has deteriorated to its worst level in over 10 years. Despite the Helsinki accords and other international human rights agreements, the number of Jews allowed to leave the Soviet Union has steadily declined. In 1983, only 1,315 Soviet Jews were granted permission to emigrate, 50 percent fewer than in 1982, and 97 percent fewer than in 1979 when 51,000 were permitted to leave. Only 652 Jews have received exit visas to date in 1984, as compared with 1,066 for the corresponding period in 1983, the year noted as having the worst emigration record in 15 years. For those Jews who must remain in the Soviet Union, religious persecution is a way of life. We must continue to challenge the Soviet Union in their assaults on human rights of these people. We must bring the attention of the world to the Kremlin who has harassed, persecuted, and oppressed thousands of Soviet citizens of Jewish faith. We have not, and will not tolerate these conditions; 400,000 Jews still remain in the Soviet Union against their will. It is impossible to even begin to describe the lack of respect for human rights and freedom they are experiencing in the Soviet Union. In recent months, officially sanctioned anti-Semitism has become a permanent characteristic of the media. The open anti-Semitism by the press, the increasing number of arrests, and the emigration figures, reveal the tragic plight and injustice suffered by Soviet Jews.

This is not the end of the story. The Soviet anti-Zionist Committee, established last year, has also launched a vigorous attack on Soviet Jews. Their propaganda has included equating Zionism with Nazism and a desire to emigrate with treason. The Soviet Government has intensified forced cultural assimilation and attempted to sever the Soviet Jewish community from any contact from abroad. Clearly the decline in emigration and the worsening human rights situation are issues deserving congressional attention.

It is our responsibility, as citizens of a free world, to employ political and social pressure to stop the tyrannical behavior of Soviet authorities. The harassment, arrests, and imprisonment of innocent Soviet Jews must cease. The gates of freedom must be unlocked and opened. We must do all we can to help the thousands of men and women trapped in the Soviet Union realize their dream of emigrating to a country where they can freely practice their religion.

I am pleased to be a part of this continued effort to focus attention on the abuses practiced by the Soviet Union. These courageous men, women, and children must hear our words of encouragement so that they will continue in their efforts to fight for freedom.●

TRIBUTE TO HON. JACK EDWARDS

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 1984

● Mr. DUNCAN. Mr. Speaker, the House of Representatives is losing a valuable judge of this Nation's military needs and policies because of the retirement of the Honorable JACK EDWARDS. JACK and I came to the House as freshmen in 1965. I have appreciated his counsel and goodwill over the last 20 years, and will miss his leadership in the House.

Through his work on the Defense Appropriation Subcommittee, he has been able to ensure the military readiness of our Armed Forces. He has also played a role in preventing abuse of military spending by questioning the need for some of the sophisticated high-tech weapons which prove to be too complex for actual field use. JACK presents a balanced view of our need to maintain a strong defense, but not sacrifice the basic needs of the soldiers in the trenches.

This open-minded, and intelligent assessment of our military programs is the basis of JACK's character. He represents the commonsense view that we must have a strong defense, but need not overspend to get it.

I am sure the people of the First District in Alabama will also miss JACK's good sense and character. He has served them well for 20 years, and it will be difficult to find as capable a representative. I wish JACK well as he leaves us, and thank him for his insight over the last two decades.●

TRIBUTE TO JACK EDWARDS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 1984

● Mr. BIAGGI. Mr. Speaker, it is both a personal privilege and a pleasure to take this occasion to pay tribute to a fine man and a great Member of Congress, JACK EDWARDS, who after 20 years has decided to retire.

The "gentleman from Alabama" was more than a formal term used to describe JACK EDWARDS during debate on the House floor. It was perhaps more of a literal description for JACK EDWARDS is a true gentleman from Alabama. JACK is a native son of Alabama and has represented its First Congressional District with special effectiveness during these past 2 decades.

JACK will be remembered for many accomplishments during his career but will best be remembered for his service on the House Appropriations Committee. JACK was especially effective as the ranking minority member on the Subcommittee on Defense. JACK was a staunch supporter of a strong national defense—but was always aware of the need to exercise fiscal restraint. While he and the subcommittee chairman, Mr. ADDABBO might have been on different sides of the philosophical fence—they were always able to come forth and report legislation on a bipartisan basis.

No one would quarrel for a minute the fact that being a senior member of the Appropriations Committee, no matter whether you are a Republican or Democrat, is hard work. All one has to do is review these past couple of weeks to realize that. One can and does tire from this grind and must do the right thing for themselves when they feel the need. JACK is doing right by himself with his decision to retire.

It has been a genuine pleasure to have served with and known JACK these past 15 years. We have a special bond which eminated from the fact that I was able to recruit one of my finest administrative assistants, Peter Ilchuk from JACK's staff. I have always enjoyed the opportunities I have had to be with JACK although I could not say there were ever enough of them.

As JACK prepares for his life after Congress, I hope he is able to leave knowing that he has left a lasting impression on the institution. He has shown great competence and commitment to his work. He has been a dedicated public servant and has worked especially hard for his constituents. I wish him nothing but the very best in the future and hope he will continue to visit the many friends and admirers he has in the 98th and will have in the 99th Congress. I wish JACK and his wife, Jolane much happiness in the years ahead.●

TRIBUTE TO CHRISTOPHER COLUMBUS

HON. GUY V. MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. MOLINARI. Mr. Speaker, next week we honor the Italian explorer,

Christopher Columbus, who changed the course of world history with his arrival in the West Indies on October 12, 1492. This man, born in Genoa, Italy, in 1451, possessed the imagination, spirit, and courage needed to make his dream become a reality.

Raised by humble parents, Columbus first worked with his father, who was a weaver by trade. But the young Columbus was drawn to the sea and his sailing experiences grew in length and distance. After the death of his young wife, Columbus turned his thoughts toward a discovery voyage, hoping for a route to the west by traveling east.

Obtaining the necessary financing for the voyage was not an easy task. After having been rejected by Portugal, Columbus persevered for 7 years in his request for aid before Queen Isabella of Spain finally granted his wish. Finally, on August 3, 1492, the now famous trio of ships, the *Nina, Pinta,* and *Santa Maria,* left Palos, Spain, on their voyage of discovery.

Columbus made four journeys across the Atlantic to the new land before his death in 1506. Because of his vision and faith in his dream, Columbus opened up a new territory and laid the foundation for the birth of our Nation.

All Americans, and particularly Italian Americans, should be proud of the accomplishments of this courageous man. Christopher Columbus was the first of many of Italian heritage to have a profound influence on this country. The fine culture and heritage which Italian Americans bring to this country have made a rich contribution to the success and beauty of the American way of life.

Recently, Americans of Italian descent with prominent roles in politics and other areas have received much attention. However, the tradition of Italian-elected officials is not new and has been growing over the past 20 years. Italian-Americans can be proud of the leadership roles we are playing.

Columbus Day reinforces the adventuresome qualities inherent in our country's foundation. Those qualities are still alive in the wide diversity of people who have come to this land in the years since Columbus' landing, and I trust we will continue to cherish the spirit of Christopher Columbus in the years ahead.●

TRIBUTE TO JOHN N. ERLENBORN

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, October 1, 1984

● Mr. KINDNESS. Mr. Speaker, many of our colleagues have correctly focused on our colleague JOHN ERLENBORN's work on the Education and Labor Committee, particularly the Employees Retirement Income Security Act [ERISA].

Because of the increasing involvement of the Federal Government in people's lives and the booming growth in communications technology, public access to Government information and the protection of individual privacy have become of vital interest to the Congress and the American people.

I would like to emphasize JOHN's pioneering and continuing activity with respect to the Freedom of Information Act and the Privacy Act. JOHN was present at the creation as a freshman member of the Committee on Government Operations when the Congress enacted the Freedom of Information Act in 1966. In 1972, he became ranking minority member of the Government Information Subcommittee and, from that position, helped to guide the subcommittee through a thorough review of the implementation of the Freedom of Information Act. That review led to the enactment of the 1974 amendments to the Freedom of Information Act. Since there are over 300 of us who were not then Members of the House, it is worthy of noting that those amendments were passed by large majorities in both Houses and, by similarly large majorities, passed over a Presidential veto.

At the same time, JOHN was one of the principal authors of the Privacy Act of 1974. The expertise that he gained in the course of developing and shepherding that legislation to enactment has been invaluable to his colleagues in the decade since passage of the FOIA amendments and the Privacy Act. We called upon that expertise once again in the Congress when the Department of Justice and the Office of Management and Budget proposed new rules for the handling of Freedom of Information and Privacy Act requests based upon court decisions which wrongly interpreted congressional intent. JOHN expressed his opposition to this interpretation in several ways, including cosponsorship of H.R. 4696, a bill to clarify the relationship between the Freedom of Information Act and the Privacy Act. JOHN's support for that bill was a major force behind its passage this year as an amendment to H.R. 5164, the Central Intelligence Agency Information Act.

JOHN leaves a legacy of strong, bipartisan support for the Freedom of Information Act and the Privacy Act. Those of us who remain in the Congress are challenged by that legacy to oversee the operation of these acts. JOHN's service will be tremendously missed.●

TRIBUTE TO JON McBRIDE, "CHALLENGER" PILOT

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. RAHALL. Mr. Speaker, I would like to take this opportunity to share with my colleagues and the rest of the country two articles which have appeared in the newspapers in West Virginia about the pilot of the space shuttle, *Challenger.* He is Beckley, WV, native Jon McBride.

We in West Virginia are very proud of Jon, particularly those of us from my hometown of Beckley. It is very gratifying to us to see one of our own chosen to lead this historic mission. Jon McBride is the first West Virginian to travel into space and these articles from the Raleigh Register and the Charleston Gazette reflect the pride and excitement all West Virginians feel on the eve of *Challenger's* journey.

The accomplishments of Jon McBride have added to the joy and pride of West Virginians coming on the heels of the gold medals won by West Virginia's two Olympians, Ed Etzel and Mary Lou Retton.

I feel that these two articles accurately summarize these feelings of pride in West Virginia and I would like to insert them into the RECORD at this point.

FANTASY BECOMES REALITY—BECKLEY NATIVE TAKES TO SKIES IN SHUTTLE

It's certainly not uncommon for growing boys to look at a night sky and allow their fantasies to catapult them into space. It is seldom, however, that those fantasies become reality.

For Beckley native Jon McBride, however, that dream comes true Friday—unless NASA has other ideas about the launch schedule—when he pilots the space shuttle Challenger out of the atmosphere and into the longest shuttle orbit to date, 10 or 11 days.

McBride is not, however, new to the program.

During the first space shuttle flight, he was the lead chase pilot, flying up to meet the Columbia on its return and accompanying it to the ground.

During the next three flights, McBride was involved in check-out and evaluation of computer software used aboard the orbitors. The three flights following that saw him as capsule communicator, the "Voice of Houston."

Since then, he has been training for his own mission.

But how does a West Virginia boy go from the mountains of Appalachia to the weightlessness of space?

McBride recalls as a teen-ager his love of building rockets with a friend and how they would "fire those suckers out of sight."

"I always wanted to fly," he says, "but that seemed so out of reach" in these West Virginia hills.

While attending West Virginia University, a Navy recruiter stopped by one day, search-

ing for people interested in aviation. "I had a couple of hours to kill, so I took the written exam," McBride recalls. "I did so well he said I qualified for a ride in a two-seat trainer parked at the local airport."

McBride admits that was the first time he had ever been in an airplane, adding, "and I never wanted to get out of one again."

Less than a year later, McBride qualified for the Naval Aviation Cadet program. At this point he had two years of college behind him, but his education was just beginning.

He earned a degree in aeronautical engineering at the Naval Postgraduate School, and after 18 months of flight and officer training, he was commissioned an ensign and received his wings. His flight career had begun.

But prior to his arrival at Edwards, McBride had served on two aircraft carriers in the western Pacific, and flown 65 missions over Vietnam.

At Edwards, it was a different sort of "combat."

"While there (at Edwards), I flew about 30 different kinds of aircraft, from gliders and helicopters to cargo transports and commercial jets," McBride explains.

"To go out and fly a plane nobody's ever flown before, you have to be intimately familiar with all aspects of aviation, aerodynamics, flight control characteristics—you have to know what to expect and how to react."

It was a year of very intensive training, a year McBride describes as one of the stepping stones to becoming a pilot astronaut.

He next went to a Navy test and evaluation squadron, serving as maintenance officer and testing various missile weapons systems.

"The challenge for a test pilot is going up against the unknown," McBride reflects. "Maybe I gravitated towards the space program because of my mountaineer heritage—I have to look over the next mountain, and space seemed like the next horizon, the new frontier."

In 1977, McBride submitted his application to NASA and was invited to Houston for an interview.

He comments on NASA's rigorous selection process: "NASA screened 10,000 applicants, invited 200 for interviews and picked 15. I felt very honored to be among that group."

"It's great to be training for an actual flight," says McBride, who credits Navy training for so many Navy pilots being in the space program, from the first man in orbit, Alan Shephard, to the first man on the moon, Neil Armstrong.

"To land on a pitching aircraft carrier deck at night requires precise skills and a lot of concentration, he notes. "Experience like that is a real plus." McBride's experience includes 4,500 flight hours and 400 carrier landings.

His son, Rich, will graduate from the U.S. Naval Academy soon, which is an obvious source of pride. "I set goals," he says. "I try to wake up each morning with something specifically outlined to do that day, something to bring me closer to those goals."

Reflecting a bit, McBride says, "If that Navy recruiter hadn't come by that day, my dreams of flying might have remained dreams. Ahead of me is this mission, and I hope more."

As to the ultimate future of the space program, he comments, "Space stations probably won't happen on my watch"—meaning during his active flight duty—but I'd like to be in on the foundation."

Part of that foundation begins Friday at 7 a.m. for McBride when he pilots the Challenger into the longest orbit yet for a space shuttle.

On the mission, McBride will be in a group consisting of mission commander Robert Crippen and mission specialist Sally Ride. Also in the crew will be another specialist, David Leestma, and Kathryn Sullivan, who will become the first woman to walk in space.

[From the Charleston (WV) Gazette, Sept. 28, 1984]

ADVENTURESOME MCBRIDE TO GET BIGGEST THRILL YET

(By James W. Fisher)

"I knew him. I knew he had adventure on his mind," says his mother.

Next Friday, Jon McBride, the bright little boy from Beckley, W.Va., who got his start climbing trees and disappearing into the woods to "investigate," will be in for the biggest adventure of his life.

He will pilot the $1.2 billion space shuttle Challenger as it ascends from the oceanside launch pad in Cape Canaveral, Fla., for an eight-day, five-hour mission of science and exploration in space.

"It's got to be the ultimate happening, to get up there and be able to see . . . in every direction. You can see whole countries," says McBride, 41, who now lives in Houston. "That's the best part of the job, to get up there and experience that, looking down on all that."

McBride, who was born in Charleston and moved to Beckley while in grade school, will sit in the shuttle's technology-crammed flight deck next to mission commander, Bob Crippen, a three-flight veteran who oversees the entire crew.

McBride and Crippen will work with automatic systems to launch and land the massive shuttle, and keep it running smoothly in space while others among the seven-member crew release a satellite, walk in space and perform valuable Earth-study science work.

The Challenger crew is the largest yet and includes two women, veteran Sally Ride—the first American women in space—and Kathryn Sullivan, a geologist who will be the first American woman to walk in space.

With the exception of Crippen and Ride, all the crew-members are rookies. The other include Naval officer David Leestma, the second spacewalker on this mission; U.S. Navy civilian oceanographer Paul Scully-Power; and Marc Garneau, a Canadian who is that country's celebrated first astronaut.

McBride and the other rookies are in for an exhilarating experience they'll never forget, says the trim, chipper Ride.

"Just being in space is so much fun, I can't describe it," she says. "You're so excited the first couple of days you tend to look out the window instead of sleep."

Jon McBride always has been excited.

His adventuresome spirit was sparked early and he says he knew "all my life" he wanted to be an astronaut.

"He was a very adventuresome little boy, but nothing outlandish," says McBride's mother, Catherine. She and her husband, William, a retired hardware saleman, now live "out in the hills" in east Charleston.

McBride's own tales indicate something a little different.

As a child, he built rockets out of copper tubing and mixed propellant in his basement chemistry lab, he says, grinning. One day, when he was 13 or 14 years old, he burnt his hair and eyebrows with gunpowder that went off too early during a backyard experiment.

And during those years, he dropped another bombshell, his mother remembers.

"He said, 'Mom, I'm going to try for the astronaut program.' I said 'Oh Yeah' and laughed. I never thought of such a thing," she says, "That's the last thing I heard of it until he was accepted (in 1978). He tried and he made it."

His interest in piloting, however, was apparent from the very beginning, she says.

"He just liked planes. When he got old enough, he hung around at the airport. He always knew what was going on in that part of the world, airlines and airplanes," she says.

"I didn't encourage it or discourage it. That was what he wanted. I had no fear about it, although I've had fear since then."

After graduating from Beckley's Woodrow Wilson High School in 1960, McBride attended West Virginia University off and on through 1964 while working alternate semesters, doing strip mining and construction jobs.

He began Navy flight training school in 1965 at Pensacola, Fla., and eventually served as an officer and fighter pilot. He flew 64 combat missions in southeast Asia, and has made more than 400 aircraft carrier landings, the most treacherous type of flying activity.

Along the way, McBride met and married his wife Brenda and became the father of three: Richard, 22 and following his father's footsteps to Pensacola flight school; Melissa, 17; and John, 13.

His Naval career brought him three air medals, including the National Defense Medal.

But his Navy training was just the start of more years of equally rigorous NASA flight preparation that would ready him for his October flight beyond the sky and into space.

In 1984, after six years with the space agency, McBride is now as indoctrinated in the shuttle program as any of the more highly visible shuttle veterans.

His 6-foot-2, 205-pound frame has earned him the nickname "Big Jon," and he towers over the tanned and toothy Cmdr. Crippen, who is 4 inches shorter and 45 pounds lighter.

The reddish-blond McBride—who enjoys basketball, softball, racquetball and golf as well as gourmet cooking—has the All-American good looks of an athlete-turned-chamber-of-commerce-executive.

"Big Jon is very laid back, very personable. He's an excellent pilot, good stick," says Crippen. "He's a very smart man, even though he tries to hide it sometimes" behind his easygoing style.

Frank Hughes, chief of flight training at Houston's Johnson Space Center, also has seen McBride's skills firsthand.

"Let me say this: Jon is here (in the shuttle program). That takes a lot. He is very bright, very perceptive and very dedicated to what he does. He is an extremely good pilot and a very hard worker," says Hughes.

"And he's very sociable. He's been tremendously accepted. That's not true of everyone here. He fits in with the crowd very well."

McBride and the other astronauts in his 1978 class spent a year in general training about NASA and the shuttle before he became eligible in 1979 for assignment as a shuttle pilot. Since then he has worked with shuttle computer software and helped out as a ground technician during other flights.

"The toughest part of the training was the wait to be assigned to a crew," he says. That came last year, and McBride since has undergone extensive training in flight simulators and preparations for living and working in a cramped, high technology space shuttle without the benefit of gravity.

Some of the busiest weeks have been this September, when the crew members have had few days off from meetings and practice drills, which included a simulated countdown inside the shuttle on the launch pad at Kennedy Space Center.

He was at Cape Canaveral for the Aug. 30 launch of the shuttle Discovery that crackled and shook the gound as it roared into a cloudless sky.

"It was awesome. My heart was pounding," he says.

Now it is his turn.

Hours before the early morning launch, the crew will have ridden an elevator through the maze of metal and wires on the launch tower and entered the shuttle's cabin.

They will run though a complex-looking checklist of activities, communicating back and forth with the launch control center as the countdown clock ticks.

Resting on their backs looking up, Crippen and McBride will have the best seats in the house and can peer down to the ocean below. However, there'll be little time for that as the two prepare to oversee the shuttle during launch—the most critical and dangerous minutes of the entire mission.

The shuttle is so complex, in fact, they don't even fly it. Computers do.

"They are prepared to take over," says flight trainer Hughes. "If all works well, they are just watching the computer and making sure it does the right thing."

Throughout the mission, pilot McBride could take over from the commander on any aspect of the shuttle flight if the need arises. "He is a total backup for Crippen. He is a total clone," Hughes says.

Once in orbit, there are less critical operations, and Crippen and McBride will share the duties of monitoring the shuttle's complex systems and firing its maneuvering thrusters at the appropriate times.

McBride will shoot photographs, will pilot the shuttle safely away after the satellite is released from the payload bay, and will help Leestma and Sullivan prepare for their spacewalk.

During the spacewalk, the two will install a piece of equipment on a payload bay box that is part of an experiment on in-space refueling. The fuel transfer techniques learned on this mission are expected to help NASA prepare for repairing and refueling a Landsat satellite in 1986.

The crew also will launch a satellite that will study radiation and the Earth, and astronauts will run through several other Earth-study experiments. Garneau, the Canadian astronaut, will conduct experiments for that country. Scully-Power will study the oceans visually and with cameras for the Navy.

As in launch, the return to Earth is also computer-controlled. Crippen will take over the controls manually just as the shuttle approaches the 3-mile landing strip at Kennedy Space Center. This will be the second Florida landing, the rest have been at Edwards Air Force Base in California.

McBride, wearing a West Virginia tie and a homestyle grin, says he's not nervous about this mission.

In his flying career, he says, "I really feel the dangers are behind me."

The risk will bring some of the nicest rewards soon after his shuttle mission is over. McBride is scheduled to appear during WVU's homecoming in October and greet some of the West Virginians who "are behind me all the time."

For his parents, watching his space success on television will be their own personal, priceless reward.

"I want to say this: Jon McBride has worked very hard at any project he has had, at his school work, everything," his mother says. "I may have had some influence as a mother, but I give all the credit to him. He has worked hard for this."●

A GREAT LOSS TO JOURNALISM

HON. PETE WILSON

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Friday, October 5, 1984

● Mr. WILSON. Mr. President, I wish to take a few moments to bring to your attention a great loss to the journalism profession in my home State, California, and a great loss to all of us who appreciate a good, honest newspaperman whose overriding concern was always the good of his community, State, and country.

Norm Cherniss was one of the journalism giants in California. He died late Wednesday and is mourned by all of us who knew him and who respected him and enjoyed knowing him.

Mr. President, I wish to put into the RECORD an editorial which magnificently summarizes all that Norman Cherniss brought to this world and I think it is something we want to share with all Americans. My condolences are extended to Norm's family and his newspaper, the Riverside Press-Enterprise, which has lost a member of its family.

Mr. President I ask that the text of the editorial be printed on the RECORD.

The editorial follows:

[From the Riverside (CA) Press-Enterprise, Oct. 5, 1984]

NORMAN CHERNISS, JOURNALIST

Ordinarily, when a significant event happened at this newspaper, it was assumed that Norman Cherniss would write this editorial. He was that kind of editor, a writing editor, and when it came to editorial writing, he was better at it than anyone else hereabouts.

That is not possible now, of course. Norman A. Cherniss, executive editor of the Press-Enterprise, died Wednesday night, at age 58. It was sudden—and it wasn't. He had had heart trouble for some years, and his friends and associates were regularly telling him and each other that he ought to take care of himself.

Norman Cherniss left much to this newspaper, more than we can completely summarize or perhaps fully understand at this time. He didn't leave his own editorial obituary, though.

It can be said that he could not abide triteness, one of the most damning words in his vocabulary. And he could not stand overstatement: With him, something was never "the best"; he'd say that it "wasn't the worst."

So he might have said that he was not the worst executive the paper has ever had—he, and those around his wryly knowing he was the only executive editor the paper ever had. And he might not have objected to it being said this newspaper is diminished today. He could have said that because it's true.

The news columns today will report perhaps the first major story this newspaper has published in years in which he has not had a direct hand in reviewing. Those columns will tell of his 31 years with the Press-Enterprise, coming here as an editorial writer in 1953, serving as editor of the editorial page (a title, and a job he retained to the end) and, since 1971 as executive editor, having overall responsibility for daily news operations.

News and newspapers were the professional centers of his life—newspapers in all shapes, sizes and degrees of quality. But it was this newspaper which was his newspaper. It was his newspaper in the sense that he thought that all those who worked for the newspaper should think of it as their newspaper.

He had numerous opportunities to go elsewhere. He chose to stay in Riverside because of the newspaper to which he gave his loyalty, and because of the community and its people. He liked Riverside. Something of his Iowa background was always with him, and he traveled extensively around the country, but, without a trace of boosterism in him, he held Riverside in deep affection.

In large measure because of his associations and associates nationally, his reputation in journalism and other circles, this newspaper in Riverside has enjoyed a prominance beyond its circulation, size or area. Often, Riversiders who traveled in these circles would come home and comment on how well regarded Norman Cherniss was where they went. And each sounded as if he and she were reporting back something new. He could have held another career in academia or the law, and probably distinguished himself equally. He taught journalism at USC, UCLA and Columbia; earlier, he was a Nieman Fellow at Harvard, where he studied constitutional law. The law, and particularly the Supreme court, remained important to him. He was proud of the part he played in the court's landmark decision this year opening jury selection to the public.

A number of people will remember him in a number of ways. No doubt the most common reference will be to his wit and his professionalism—and his intelligence. There were, too, his high standards and his kindness. He was the sort of person that many people would try to be around.

For his interests were as extensive as his personal library. Sports and movies, music and quotes, history and television, food and politics. He was an interesting man.

Let him write conclusion to this editorial: It is taken from a commencement speech he gave four years ago to the School of Journalism, UC, Berkeley. "Whatever Happened to Journalism."

In that conversationalist style which was his even when writing, he tries to tell the graduates that it's not all journalism out there in the world of journalism—he cites the time he spends on a department coffee fund increasingly in arrears—and ends talking about his contemporaries and—we think—about himself.

"This is your day, of course, your commencement, but cheered as I ordinarily am by the bright-eyed, the young and coming, I think I'll break with tradition here and pay

special respect to the practitioners. I'm talking about the genuinely seasoned journalists who—normal skepticism and old and new burdens and 'distractions' notwithstanding, keep their zest, their enthusiasm for what they're doing—their profession, their craft, their calling. And though—whatever it is—they have 'been there before,' continue to perform and produce, unawed by the new challenge. 'Whatever their commitment to the tried and true, they're willing to explore the bold and the new.'

"I can explain it, I think, by borrowing again, this time from some anonymous person's description of life in the French court under one of the Louis: It may not be the best life, but it spoils you for anything else. For those who belong in it, I think that's true of journalism."●

FOUR MORE YEARS

HON. BOB TRAXLER

OF MICHICAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. TRAXLER. Mr. Speaker, in these early days of October 1984, in the final hours of the 98th Congress, as we all prepare to go back to our districts and face the voters, I would like to take a minute or two to reflect on what we can expect next year, when the 99th Congress of the United States convenes. I do so with all of the trepidations of anyone who tries to predict the future. The course of history can change in a single moment, and none of us knows for sure what will happen next week, let alone next year. But for a moment, I would like to make some best guesses about the next 4 years, should Ronald Reagan be re-elected, and what that will mean for America.

What can the American people expect from a second Reagan administration? Since the President's campaign is telling us very little about the future, I want to make some predictions, to outline some snapshots of the future. We all will be able to see how accurate they are a year from now.

The first event that I think we will see after the election is a continued slowdown in the economic recovery, probably to the point of a virtual halt to growth and expansion and increasing unemployment. There are already signs that this is beginning to happen. Combined with an expected rise in interest rates after the election, the administration will all of a sudden discover that their economic plan needs some adjustments.

The administration will discover, I predict, the magnitude and the threat of our huge Federal deficits. They may receive a little help from their friends in New York who set the prime interest rate, and we can all expect a national television address from the President calling for emergency action to solve this new crisis, one that no one on their side of the aisle knew about before the election.

With an expected Federal deficit of over $180 billion next year based on favorable economic assumptions, the President will call for sweeping new cuts in domestic social programs, cuts in Social Security and medicare, and probably some last resort increases in taxes.

Based on the size of the necessary cuts, and their past requests to Congress, we can expect the administration to ask for:

Dramatic cuts in funding for education programs, perhaps even elimination of guaranteed student loans for college students;

An assault upon veterans medical care programs, the closing of VA hospitals, and cutbacks in veterans disability and education benefits;

Continued attack upon Federal civilian employees, probably including a wage freeze, a hiring freeze, cutbacks in health benefits, and a dramatic assault upon their retirement programs. New Federal employees will probably face a very limited retirement program consisting of Social Security and very little else;

Sweeping cuts in farm programs, including both direct support programs and such USDA programs as cooperative extension and research activities;

Dramatic cutbacks in military retirement programs;

Elimination of many grants-in-aid to the 50 States, including Federal revenue sharing payments to local governments;

Elimination of the Small Business Administration's loan program, and plans to end the economic development activities of EPA and the Department of Housing and Urban Development;

A halt to all Federal housing programs, most of which have been almost eliminated already;

Across-the-board cutbacks in virtually every Federal domestic program, including those for environmental protection, law enforcement, scientific research and development, and aid to the poor;

Additional holes will be put in the social safety net by cuts in the food stamp program, school lunch program, and elderly feeding programs.

Will all of this be enough? There is no way. If we wholesale eliminated many of the programs I just mentioned, and cutback others by 50 percent or more, we would still be left with the largest deficits in the history of this country. So, what else will they do?

They will probably not propose additional cuts in their massive Defense buildup. The Star Wars program alone could cost this country more than all of the wars we have ever fought, and more than all of our domestic discretionary programs will cost by 1989.

So, what will they do? They will undoubtedly have to raise taxes. Oh, they will do it very cleverly. The President will go on television and actually talk about lowering tax rates. But amidst all of the rhetoric, he will actually be proposing one of the largest, but disguised, tax increases in history.

He may propose lowering tax rates through a so-called flat tax. But, beware, Mr. average working man-taxpayer. Lower rates may sound nice, but what the President won't tell you is that he will apply those rates to certain income not now taxed, such as Social Security and pension income, unemployment benefits, and the value of your employer-paid health insurance. More importantly, he will not give you deductions for many of your expenses, including State and local taxes paid, medical bills, interest on your credit cards and car loans, and the like. The bottom line will be a major tax increase of some kind for the middle class, no matter how cleverly disguised. You just watch.

But that still won't be enough to eliminate the deficit and balance the budget. What else will we see?

I predict that the administration will begin another major assault upon Social Security and medicare. Before elections, they always talk about cutting entitlement programs or transfer payments. What they are really talking about is Social Security and medicare.

Despite the fact that Social Security is solvent and will be for the next 50 years, despite the fact that the trust funds are in surplus, the administration, I predict, will ask for a freeze or cutback in the annual cost-of-living increases for retirees. You just wait and see.

In Medicare, the President will once again ask senior citizens to pay more out of their pockets for health care, reducing the Federal Government's contribution, and cutting benefits. They have done it every year up to now, and you just wait and see what they propose next year.

What I have just described is the Reagan administration's predicted response to the horrible deficit problem they will discover right after the election: dramatic cutbacks in social programs, including Social Security and medicare, and a disguised tax increase for working people. If they succeed, they will also have reduced the Federal Government to little more than a Department of Defense and a Department of the Treasury.

After dealing with the economic crisis, what else can we expect from the next 4 years of a Reagan administration?

In the area of foreign policy, I predict we will see more adventurism in Latin America, no progress in arms control or the Middle East, and dangerous continuation of the saber-rattling that has virtually killed Richard

Nixon's détente with the Soviet Union. In the next 4 years, we will be dangerously closer to a nuclear war.

On the home front, we can expect that the social agenda of the right wing will be brought to the front burner, and that the President's appointments to his Cabinet and to the Supreme Court will reflect his extremely conservative ideology. Civil rights for all Americans, including minority groups and women, will erode and, if they continue past policies, actually come under attack from the administration officials.

Finally, we will continue to see a Government that promotes the meanspirited selfishness that seems to have taken over America in the past few years. Rather than extending a helping hand to all members of the American family, rather than heading to new frontiers on a wagon train with all members of the family aboard—including the old, the weak, the infirm, minorities, women, and children—we are going to accept values where only the strongest survive. We are going to teach American young people that they will do well only by stepping on their neighbors, by casting aside anyone who gets in their way.

After 4 more years of another Reagan administration, one which will continue to appeal to the darkest side of our nature, my dear colleagues, our America will be very different than the one we know now. These changes do not require a crystal ball to predict. They are real, probable, and imminent. Do any of us have the courage to tell that to the American people in the next few weeks?●

JOINT CHIEFS OF STAFF REORGANIZATION

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. PRICE. Mr. Speaker, the structure of the Joint Chiefs of Staff was improved in several ways in provisions adopted in this year's Defense authorization bill. The significance of this action by the Congress is twofold: first, for the first time in over a quarter of a century, Congress has taken steps to modernize our Nation's highest military body; and second, the conferees agreed that the Committees on Armed Services of both the House and Senate will examine the need for further organizational changes throughout the Department of Defense in the coming year.

As Members of this body are aware, the House version of the Defense authorization bill contained many more reforms than the Senate conferees were willing to accept. Consequently, the House Armed Services Committee looks forward to cooperating with the Senate Armed Services Committee in 1985 to achieve a more far-reaching result than was possible this year.

The following editorial outlines many of the changes that are needed with respect to the structure of the Joint Chiefs of Staff. It was written by a distinguished officer, former Strategic Air Command commander, retired Gen. Russell E. Dougherty. Writing as the editor in chief and publisher of Air Force magazine, General Dougherty makes his case for reform as clearly and forcefully as possible. I commend his views to the Members of this body.

IT AIN'T BROKE—BUT IT NEEDS SOME FIXING

For a variety of reasons—including such emotional scare allegations as a Prussian-style general staff, an armed forces czar, or an irresponsible generalissimo bent on leading us to Armageddon—the operational military forces of the United States have been saddled for four decades with a clumsy command structure in the Pentagon. The fact that it has worked is a tribute to the skill and maturity of the individuals who have occupied our top military positions over the years. The fact that it has not worked well under all circumstances is evidence of our failure to recognize and correct the organizational anomalies that tend to force a separation of military authority from military responsibility.

The House of Representatives has conducted hearings and passed legislation (H.R. 3718, "Joint Chiefs of Staff Reorganization Act of 1983") putting the Chairman of the JCS in the chain of command to the combatant commanders (the CINCs of the unified and specified commands) and making him a member of the National Security Council and advisor to the President and Secretary of Defense in his own right—and on the full range of military matters affecting the posture, readiness, and employment of combatant forces. The Chairman would be given control of the Joint Staff and the opportunity to comment on three- and four-star nominees of the services. And, importantly, the House action would place the combatant CINCs under the supervision of the Chairman (who would speak for them in Washington) and would permit them to express their views on any matter the JCS had under consideration. As Congressman BILL NICHOLS of Alabama said when proposing the legislation, the unified and specified commanders "are in a position to provide insight not elsewhere available concerning the proper structuring of U.S. forces to meet national objectives."

The House has made a commendable start in proposing these corrective measures. The ball is now in the Senate's court, and its Armed Services Committee has the matter under consideration.

Though a relatively obscure issue for the American public, the legislation that results ultimately from this congressional action will be of extreme importance to the future efficiency and effectiveness of our armed forces. The full effect of the sorely needed military modernization and provisioning initiatives now underway will be diluted unless we make comparable improvements in the nation's archaic, Pentagon-level military command structure for our operational forces.

These legislative initiatives could founder on public and congressional apathy, notwithstanding their critical importance. The subject is esoteric and uninteresting to the body politic; some will charge it off as just another Potomac parlor game. Or it could be derailed by simplistic slogans, such as "If it ain't broke, don't fix it!" I submit that our current arrangements ain't broke, but they do need some legislative fixing—and the House deserves kudos for tackling the problem.

Battle lines formed soon after the House initiated its hearings on this matter in 1982. Positions hardened as to what action, if any, was needed. Motives were maligned. Counterattacks were mounted to the public pleas for change from then-retiring Chairman of the Joint Chiefs of Staff Gen. David C. Jones (with more JCS experience than any other officer), and from the then Chief of Staff of the US Army, Gen. Edward C. Meyer. We can expect repeat performances during the forthcoming Senate hearings; however, the House action may have defuzed the most explosive issues.

We must recognize that it is difficult for a uniquely democratic society such as ours, fundamentally based on a division of powers, to come to grips with the essential command requirement for a clear-cut, cohesive military command structure—one in which operational decisions, authorities, and responsibilities are not divided, attenuated, or diluted. Also, it is difficult for our complacent body politic to recognize the presence of inimical threats and the essentiality of a relevant, responsive military establishment that can fight. Yet, forces that would deter must be designed and equipped with multiple capabilities to fight effectively, in varied circumstances of combat. Their command structure at Pentagon level must be equally capable and responsive—and it must merge military authority and responsibility at this level.

In a political or moral sense, it is commendable that we, as a nation, have difficulty with these conflicting requirements; but in a military context, this difficulty has caused us to postpone needed changes in our operational planning, posturing, and command lines. The legislative changes proposed by the House would improve our situation, could save much while costing practically nothing—and would immediately enhance our worldwide military capabilities and responsiveness.

But there is at least one more key change that Congress should enact, one that will make clear the legislative intent to streamline command lines and to provide unfiltered military advice to the President and Secretary of Defense: Make the Chairman of our Joint Chiefs of Staff a five-star position!

These changes will go far toward establishing a responsible, responsive Pentagon command structure for advising the Secretary of Defense and the President—and for carrying out their orders in a manner worthy of the fine military forces of the United States.●

WHAT RECOVERY?

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. WRIGHT. Mr. Speaker, I would like to insert in the RECORD an article written by our colleague, JOHN CON-

YERS, which appeared in the Washington Post on October 3, 1984. Mr. CONYERS explores some of the economic myths and misconceptions which some are attempting to promote, and I recommend his article to my colleagues.

The article follows:

[From the Washington Post, Oct. 3, 1984]

WHAT RECOVERY?

(By John Conyers, Jr.)

Pointing to recent and largely temporary gains in the nation's leading economic indicators, the supporters of the supply-side economics, which underlie the Reagan administration economic policies, have begun to proclaim the accuracy of their prophecies. These proclamations are at best misguided and at worst, dangerous. In fact, public perceptions of an improved economy rest largely on myths, including these:

Federal spending has been reduced. Wrong. Under President Reagan, federal spending has increased 30 percent, from $657 billion to $854 billion annually, and now consumes 24 percent of the nation's GNP—a peacetime record.

There has been considerably more economic growth under the Reagan Administration. Wrong again. In the past four years, real GNP has grown at an average annual rate of 3.01 percent, hardly more than the corresponding 2.95 percent figure for the Carter years.

The tax burden has been reduced. Not really. After adjusting for inflation and increased payroll taxes, the real after-tax income for middle-income families ($15,000–$50,000) has remained essentially the same as it was four years ago. And while the tax burden has been vastly reduced for the wealthy and large corporations, it has actually increased for families making less than $10,000.

Reducing taxation of wealthy individuals and corporations was necessary to increase business investment and productivity as well as personal savings. If that was the strategy of Reagan's 1981 tax reform, it simply hasn't worked. Under the Reagan Administration, real business investment has remained relatively constant. Under the Carter administration, by contrast, investment increased approximately 18 percent. Industrial productivity has increased less than two-tenths of 1 percent since 1981, and in the critical industries such as steel and iron, productivity has dropped a whopping 23 percent. Personal savings have also plumeted to historical lows.

The unemployment picture has improved under Reagan. Still wrong. Unemployment, which has started rising again, is at 7.5 percent, the same as when Reagan took office in 1981. Five million fewer jobs have been created under Reagan than under Carter, and 500,000 more people are out of work today than when Reagan took office.

Inflation has certainly been licked. Only momentarily. Tight monetary policy (reducing monetary growth from 7.8 percent to 6.2 percent annually) reduced inflation from 9.4 percent to 4.1 percent annually but mired the country in the worst unemployment and most severe recession since the Great Depression. To pull the economy out of this mess in time for the election, the tight monetary policy was reversed and monetary growth was increased in 1983 to 9.5 percent—higher than any other time at least since World War II.

The advantage of such a strategy is that increasing monetary growth will always create temporary economic gains and give voters the impression that the economy is improving. Historically and inevitably, however, the gains are elusive and soon disappear, being replaced by higher prices. According to economist Milton Friedman, "we shall be fortunate indeed if prices are not rising in the 7 to 10 percent range by the fourth quarter of this year and in double digits by 1985."

At that time, however, there will be an added dimension to the economic picture: a staggering $200 billion federal deficit guaranteeing an overvalued dollar and chronically high interest rates. The 33 percent overvalued dollar has already produced a projected record-breaking $110 billion annual trade deficit that translates into some 3 million lost jobs—jobs that may never be recovered.

The deficit has also kept interest rates at persistently unaffordable levels for most Americans and has precipitated an almost 300 percent increase in business failures as well as unprecedented increases in mortgage delinquencies. Housing starts and industrial capacity are substantially lower today than they were in 1981, and both promise to worsen because of the deficit.

The federal deficit, coupled with loose monetary policies, necessarily means that there must be a day of reckoning. Just ask the nation's leading economists and Wall Street speculators, 70 to 80 percent of whom, according to recent polls, expect a recession soon, questioning only whether it will come now or after the election. This is the real Reagan economic record and what it promises for the future.●

LEGISLATIVE ATTEMPT TO BAN FIREARMS

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. MARLENEE. Mr. Speaker, sportsmen across America are outraged at the Democrat nominee for Vice President's history of legislative intent to ban firearms.

Three times Ms. FERRARO—a Congresswoman from the midst of New York City—has supported antisportsmen and antifirearms legislation. She has cosponsored a bill requiring a $5,000 fine or 5 year prision term for simply possessing a handgun. She opposed a cut in funding for the Bureau of Alcohol, Tobacco and Firearms, that predatory agency long a thorn in the side of firearm owners. And this session Ms. FERRARO has cosponsored legislation requiring a 21-day waiting period between purchase and delivery of a handgun. This bill would also prohibit the private sales of handguns.

Montana's firearms owners, and sportsmen throughout America, will not tolerate this oppression of their precious constitutional rights.

Confiscating sportsmen rights may play well in Queens, but in the breadbasket of taxpaying, hardworking, lawabiding America, we feel differently. We respect the rights of others and value our outdoor recreational activities.

I am grateful to the publication Pointblank for the article in their September issue on Ms. FERRARO's record on gun issues. I urge my colleagues and America's 80 million gunowners to closely examine this article and others that reveal Ms. FERRARO's record on this vital issue.

GUN BAN SPONSOR NOMINATED FOR VICE PRESIDENT

Rep. Geraldine A. Ferraro of New York, who was nominated in July for Vice-President of the United States by the Democractic National Convention in San Francisco, in 1981 co-sponsored H.R. 40 by Rep. Jonathan Bingham of New York, which would have provided for a fine of $5,000 or five years' imprisonment, or both, for the mere possession of a single handgun.

This means that, under the Ferraro-sponsored proposal, an otherwise law-abiding private citizen who owned 10 handguns could have been sentenced to 50 years in jail or fined $50,000 or both.

The bill, a comprehensive anti-handgun measure, would have prohibited the importation, manufacture, sale, purchase, transfer, receipt, possession or transportation of handguns, except by or for members of the Armed Services, law enforcement officials and, as authorized by the Treasury Department, licensed importers, manufacturers, dealers, antique collectors and pistol clubs.

Under H.R. 40, the "pistol clubs" could not have been "authorized" unless they maintained possession and control of the handguns used by their members and "effected arrangements" for the storage of the members' handguns in a facility of the local police department or other law enforcement agency.

"The public policy encompassed by this bill," said John M. Snyder, Public Affairs Director, Citizens Committtee for the Right to Keep and Bear Arms, "is similar to the public policy toward private handgun ownership followed currently in the Union of Soviet Socialist Republics and other totalitarian dictatorships where, as a matter of practical legal fact, such private handgun ownership is not tolerated. It is a cause for sorrow that so draconian an approach to public policy should have been made in the national legislature of the greatest republic in history. Shame!"

In the current Congress, Rep. Ferraro is a co-sponsor of H.R. 1543, by Rep. Peter W. Rodino, Jr. of New Jersey. The bill would ban so-called "Saturday Night Special" handguns, mandate a 21-day waiting period between the purchase and delivery of a handgun, prohibit multiple handgun sales, prohibit private handgun sales and prohibit pawnshops from selling handguns.

"H.R. 1543," said Snyder, "ignores the right to self-protection and, therefore, the right to life itself of an untold number of Americans needing handguns in a timely way and of an individually affordabe variety for the defense of life, family and property."

The Democratic Vice-Presidential nominee also co-sponsored:

H.R. 953, to prohibit the ownership of any bullet that "when fired from a handgun

with a barrel five inches or less in length, is capable of penetrating body armor."

H.R. 5835 and H.R. 5845, to ban the sale of armor-piercing bullets to private citizens.

House Concurrent Resolution 25, calling upon the government of the United Kingdom to ban the use of plastic and rubber bullets against civilian rioters.

In July 1981, Rep. Ferraro voted against a successful motion by Rep. Delbert Latta of Ohio, a CCRKBA Congressional Advisor, to cut $5 million from the budget of the Bureau of Alcohol, Tobacco and Firearms.

In 1982, Rep. Ferraro received $250 from the Handgun Control, Incorporated Political Action Committee for her successful campaign for reelection to the U.S. House of Representatives.

The Democratic Presidential nominee himself, former Vice President (under President Jimmy Carter) Walter F. Mondale, answering questions before students at Urbandale High School, Des Moines, Iowa on January 19, 1984, and talking later to reporters, stated he favors a ban on the sale, manufacture, production and importation of short-barreled handguns which, he says, "are built solely for concealment. They're not good for hunting, not good for target practice." He did not comment on their possible legitimate use for protection of life, family or property.

In 1968, as a U.S. Senator from Minnesota, Mondale voted for the Gun Control Act of 1968 as well as for other gun controls.

Mondale voted for a proposal by Sen. Joseph Tydings of Maryland to require national firearms registration and gun owner licensing in all States failing to enact such measures on their own.

Mondale also voted for a proposal by the late Sen. Henry M. Jackson of Washington which would have prohibited the interstate shipment of firearms into any State failing to enact gun registration by 1971.

He voted for a proposal by Sen. Ed Brooke of Massachusetts to establish a national registry of firearms.

In addition to nominating the Mondale-Ferraro ticket this summer, the Democratic National Convention adopted a platform which states that "we support tougher restraints on the manufacture, transportation and sale of snub-nose handguns, which have no legitimate sporting use and are used in a high percentage of violent crimes."●

REPEAL FEDERAL SUBSIDIES FOR HIDDEN POLITICAL AGENDAS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. PHILIP M. CRANE. Mr. Speaker, a recent article in the Wall Street Journal reviews the Reagan administration's attempts to curtail Government funding of public interest activist groups. This material provides further evidence that advocacy lobbying organizations such as the Legal Services Corporation and the Natural Resources Defense Council are not only thwarting administration policies, but contravening their charters which were established by Congress.

The hidden political agendas of these groups are clearly ones which any responsible Member of Congress would term inappropriate for the expenditure of public funds. I commend this article to the attention of my colleagues.

The article follows:

[From the Wall Street Journal, Sept. 6, 1984]

SUBSIDIZING POLITICAL HIDDEN AGENDAS

(By Rael Jean Isaac and Erich Isaac)

We call them the coercive utopians. They sign up supporters by espousing such heartwarming causes as peace, clean air, safe products and social justice. But just below the surface they conceal far more controversial agendas: a slowdown of economic growth, an end to U.S.-type capitalism, a halt to much of our modern technology and unilateral U.S. disarmament.

The Carter administration was riddled with these activists, who worked in influential offices to substitute their own agenda for congressional mandates through propaganda, lawsuits and the funding of their friends in "the movement." Has the Reagan administration been successful in getting these activists under control? Not nearly successful enough.

It's difficult to overstate the role of movement activists during the Carter years. Mr. Carter came into power vowing to become the country's No. 1 consumer advocate, and as if to prove the point he hired carloads of "public-interest group" leaders and placed them in key administrative positions. Sixty consumer, environmental and public-interest activists moved immediately into subcabinet posts and key White House positions. By the end of Mr. Carter's term several hundred were installed in key slots all over Washington.

ONLY PART OF THE STORY

To take one example, Action, the federal volunteer agency, was turned over to former anti-Vietnam War activist Sam Brown. Action quickly became a political organizing and funding operation. As James Burnley, former director of the Action subsidiary called Vista under President Reagan, described Mr. Brown's tenure: "If you were a member in good stead of the New Left you were guaranteed help if you had an organization."

The money—in the hundreds of millions of dollars—that government agencies poured into political advocacy organizations was only part of the story. Government agencies themselves became political activist groups, often working to oppose the rules and principles of Congress and their own administration. The Legal Services Corporation, which was established to provide poor people with lawyers in routine civil cases, instead devoted itself to transforming "the system" through court action on its own initiative. During the Carter years the LSC's budget nearly tripled, to more than $300 million a year, and much of it was spent on political activities—including direct involvement in state initiative ballot measures—that were specifically forbidden by its congressional charter.

The Reagan administration has placed a priority on halting the flood of taxpayer funds that was flowing to political action groups and on returning federal agencies to their original mandates. The record has been mixed.

The administration's major success—though it varies sharply from agency to agency—has been in halting the government's generous funding of activist groups. Action underwent the most thorough housecleaning. Under Mr. Brown, massive amounts intended by Congress to be used to help poor people went instead to such middle-class radical programs as Tom Hayden's Laurel Springs Institute, which is a training school for political organizers, and the Youth Project, which basically funneled government funds and tax-exempt donations to nonexempt activist groups opposing nuclear power or U.S. intelligence programs and supporting Marxist guerrillas in the Third World.

After the election, applications of groups such as these were marked "Disapproved." A notation read, "Community organizing is not a priority of this administration."

Similarly the Environmental Protection Agency, which had represented a major source of funds for environmental activist organizations under Mr. Carter, stemmed the flow of grants to political activist groups. For example, the Natural Resources Defense Council—which primarily lobbies against energy and defense programs, many of which are government projects—saw its EPA grants diminish from $816,382 in January 1981 to next to nothing. The Sierra Club chapter in Seattle was actually asked in January 1981 to return $646 to EPA. These abrupt cutoffs of largesse no doubt contributed to the stridency of the attacks on the Reagan administration by environmental activists.

Other agencies were not so forceful. The Environmental Action Foundation received $179,644 from Mr. Reagan's Department of Energy in June 1981. The EAF's parent organization originated the "Dirty Dozen" and "Filthy Five" publicity campaigns against corporations and congressmen, and published Ecotage, which spot-lighted such tactics as mailing dead fish to oil company stockholders and making auto maker's products inoperable by filling gas tank with sugar.

Many of the grants from Carter administration agencies had been awarded for a two- or three-year period, by only the Agriculture Department and a few other offices terminated them. Thus the Education Department's Women's Education Equity Act Program in July 1981 awarded the second installment of a $244,000 grant for the publication of a third-grade reader. The reader was needed, the application said, because "implicit in all of the test-books surveyed is the assumption that the U.S. society is a true democracy" and this "distortion" was "serious," given the "realities of capitalism." The Education Department still has not performed a badly needed housecleaning.

Left-wing propagandists in the Carter years had a field day at the National Endowment for the Humanities and the National Endowment for the Arts. Taxpayers paid for such films as "From the Ashes . . . Nicaragua Today," written by Saul Landau of the Institute for Policy Studies, a radical-left think tank. While William Bennett, Mr. Reagan's appointee to head the NEH, has stopped the funding of such "education" enterprises, the program directors that approved and helped to develop such films are still in place at the NEH, marking time, one presumes, for a friendlier administration.

Rather than simply rely on individual agencies to halt their funding of political activities, the Reagan administration tries to impose government-wide regulations. After two versions were withdrawn, a watered-down set was put into effect this April. The regulations' effectiveness is questionable at best. As long as organizations that receive

money from the government can lobby or be involved in political activities with funds from other sources, it it impossible to determine which funds are being used for what purposes. Moreover, the penalties are so weak that they do not represent a deterrent.

There is also a major loophole that has not been blocked: It is likely that federal funds may be reaching advocacy groups via block grants, which are administered by the states with no federal monitoring. The Conservative Caucus Educational Foundation, long the watchdog of federal grants, is developing a monitoring system at the state level.

The Reagan administration has tried to rein in the Legal Services Corporation but has totally failed so far. The LSC is in effect an enormous "public interest" law firm that attracts thousands of activist lawyers, many of whom are dedicated to "changing the system" more than aiding the poor. In a recent case funded with taxpayer money, the LSC sued to prevent the Florida Department of Education from requiring high-school graduates to pass a functional literacy test. It also sued the University of California to block it from developing new agricultural technology, which it argued would replace human labor.

Mr. Reagan has repeatedly appointed new boards that would try to control the virtually independent local LSC offices. But Congress has refused to confirm the nominations. And when President Reagan tried to fold legal services into block grants, the LSC once again violated its charter and established a countrywide grass-roots lobbying compaign to preserve what one of its own leaders described as an "aggressive and political staff." The LSC won, and survived, thanks in large measure to continuing support by the American Bar Association.

EQUALLY INEFFECTIVE EFFORTS

Members of Congress have been equally ineffective in efforts to force the LSC to obey its charter. In 1981 five Senators brought suit against the LSC for violating statutory restrictions on political activity. The court ruled that the laws provided for no enforcement. In other words, if the LSC does not police itself, no one else can, short of a funding cutoff by Congress.

So, for a variety of reasons, the Reagan administration has had only a very partial success in dealing with the abuses that became rampant during the Carter years. Inhouse activists have continued to work openly against administration policies. The reason is that the "radical establishment" has continued to be able to frame the debate in its own terms, to wrap hidden agendas in a cloak of "peace" and "social justice." To halt the taxpayer support of political activists, any administration will need the strong support of the American public. This clearly is a job for "the great communicator."●

IMPORTED TOBACCO

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. GORE. Mr. Speaker, today I am introducing legislation to accomplish the modest objective of prohibiting the importation of tobacco into this country which has been grown using pesticides and other chemicals whose use has been prohibited for health reasons in the United States. I am introducing it so that this issue will be on the agenda for discussion early next year. The legislation is similar to a proposal offered by Congressman CHARLIE ROSE in the past, and he deserves a great deal of credit for initiating the proposal. The bill is designed to protect both the American farmer and the health of the American people. It will give American farmers an opportunity to compete more fairly with their foreign competitors.

In recent years, the amount of foreign tobacco imported into this country has increased dramatically. Currently, close to one-third of the tobacco in American cigarettes is imported. In 1969 the United States imported only 9 million pounds of foreign-grown tobacco. By 1983 we were importing 240,000 metric tons of tobacco annually, an increase of 1,900 percent over 1969 and 30 percent over 1982 alone. By 1983, imports of unmanufactured tobacco let into this country exceeded $743 million.

In the United States, tobacco farmers are required to abide by strict regulations which prohibit the use of a number of pesticides and other chemicals, such as Paraquat, DDT, Dieldrin, Endrin, Toxophone, and others, all of which have been banned for health reasons. Yet, we have imposed absolutely no such restrictions on tobacco being imported into the United States. In fact, no agency of the Federal Government knows or keeps track of what pesticides or other chemicals are used on tobacco being imported into the United States despite the potential health hazard posed by this problem and despite the extraordinary disadvantage this puts American farmers at in competing with their foreign counterparts.

Our failure to act harms America's tobacco farmers seriously and jeopardizes the 50 to 54 million Americans who smoke. Six hundred billion cigarettes a year are smoked by Americans, one-third of the tobacco in those cigarettes comes from foreign producers, yet we have no information about what hazardous substances contaminate that tobacco. We do not even have records of the countries from which we import and have never attempted to determine what their policies are with regard to substances banned for use in the United States. How can the American farmer compete, how can the American consumer protect him or herself, if we do not even collect this vital information?

There is serious reason for concern. Turkey, Bulgaria, Lebanon, and Zimbabwe are all large suppliers of imported tobacco leaf, yet, the only surveyever done about the use of pesticides and other chemicals used abroad, a survey conducted last year by the State Department at the request of Congressman CHARLIE ROSE, produced no information about the chemicals used in those countries. What the survey did reveal is that many countries do permit the use of pesticides banned from use in the United States. For example, tobacco from Thailand is imported into the United States, but we know that Thailand permits the use of DDT, Dieldrin, Endrin, and Paraquat, each of which has been banned in this country for health reasons. In the Phillipines, the only chemical banned is DDT. In New Zealand and Australia, DDT is used to treat the soil. Unfortunately, what we know about this issue is less than what we do not know.

This bill seeks to place foreign producers of tobacco on the same ground as our American farmers. The United States not only has a right to impose these health and safety restrictions on imported products, it has an obligation to its citizens to do so. There is no reason for imported tobacco to be exempt from these requirements. What this bill does with regard to tobacco, we already do for most products imported into the United States. For example, we require importers of foreign automobiles to meet our pollution and safety standards. Importers of all machinery and consumer products are required to comply with health and safety standards applicable to all products sold in the United States. We already also require cigarette packages imported into the United States to comply with the labeling provisions of the Federal Cigarette Labeling and Advertisting Act, 15 U.S.C. 1333, et seq. The United States is not the first country to impose the requirements I am proposing today. West Germany has gone even further by prohibiting the importation of tobacco containing any chemical or additive not on an approved list.

In conclusion, the bill represents a cautious, reasonable approach to a potentially serious problem. It is legslation that directly benefits both the American farmer and the American consumer.

H.R. 6418

Be it enacted by the Senate and House of Representatives of the United States of America assembled, that the Agricultural Adjustment Act of 1938 is amended by adding the following new section:

REGULATION OF IMPORTED TOBACCO

Section (a)(1) Notwithstanding any other provisions of law, all tobacco offered for importation into the United States shall be accompanied by a written certification by the importer, in such form as the Secretary of Agriculture may prescribe, that none of the pesticides the registration of which has been cancelled or suspended for use on tobacco in the United States under the Federal Insecticide, Fungicide, and Rodenticide Act, has been used in the production of the tobacco offered for importation into the United States.

(2) Any tobacco that is not accompanied by the certification required by paragraph (1) shall not be permitted entry into the United States. The provisions of section 1001 of Title 18, United States Code, shall be applicable with respect to any such certification made by an importer under such paragraph.

(b) The Secretary shall enforce the provisions of subsection (a) at the point of entry of tobacco offered for importation into the United States. The Secretary shall by regulation fix and collect from the importer fees and charges which shall, as nearly as practicable, cover the costs of the Secretary's services in insuring compliance with Section (a), including the administrative and supervisory costs customarily included by the Secretary in user fee calculations. The fees and charges, when collected, shall be credited to the current appropriation account that incurs the cost and shall be available without fiscal year limitation to pay the expenses of the Secretary incident to providing services under subsection (a)(1).●

STRATEGIC DEFENSE INITIATIVE: A TECHNOLOGICAL PERSPECTIVE

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mrs. LLOYD. Mr. Speaker, the first publication of issues in Science and Technology includes an excellent article on "Ballistic Missile Defense: The Technologies" by Dr. James C. Fletcher. Dr. Fletcher is a most distinguished public servant who has served as Administrator of NASA, the president of the University of Utah, and has managed his own technology company. Dr. Fletcher offers the broad perspective of roughly three decades of experience at the highest levels of Government and academe. I urge my colleagues to carefully review the following excerpts from this excellent summary article on the technological aspects of the President's strategic defense initiative [SDI] and, if at all possible, read the article in its entirety.

In March of 1983, President Reagan appealed to the scientific community to devise new methods for countering the threat of nuclear ballistic missiles. Shortly after his speech, Reagan directed that two studies be conducted, one to assess the technologies necessary for ballistic missile defense, the other to examine the policy implications of such a system.

I was asked to lead the Defensive Technologies Study. Over a period of four-and-a-half months, our team of 50 scientists and engineers reviewed the emerging technologies relevant to ballistic missile defense. We looked at infrared, laser, and radar sensors for tracking missiles high in space; at high-speed projectiles and powerful laser and particle beams for intercepting missiles minutes after they are launched. Furthermore, we examined concepts for fashioning these technologies into a robust, reliable system.

At the end of our study, we concluded that although enormous hurdles remain, the technological advances of the past two decades show great promise for ballistic missile defense. We recommended that a vigorous research and development program be pursued. The goal of that program is to demonstrate the key technologies by the early 1990s, allowing a decision to be made at that time on whether to proceed with a ballistic missile defense for the twenty-first century. Since that time, the Strategic Defense Initiative Organization has been established within the Defense Department to pursue a technology development program very similar to the one we recommended.

This article described the technologies for ballistic missile defense. It identifies the most promising approaches and system components, as well as the critical technologies—those emerging systems and capabilities that must be demonstrated before we will know whether an effective defense is feasible.

The various system concepts described in this article, as in the study on which it is based, are designed to counter a massive, full-scale Soviet attack, which, at current force levels, would involve thousands of intercontinental and submarine-launched ballistic missiles and the tens of thousands of warheads that they carry. Smaller portions of a comprehensive defense system could be deployed in different combinations to protect against limited nuclear ballistic missile attacks, as described later.

The emphasis in this defensive effort is on ballistic missiles, rather than on other offensive forces, because they are the most threatening of the strategic nuclear weapons. Given their extremely short flight time (ballistic missiles launched from the Soviet Union can reach the United States in approximately 30 minutes), these missiles provide the capability for a preemptive attack that could potentially overwhelm our strategic forces, eliminating the chance of an effective retaliatory response. By contrast, bombers and cruise missiles offer sufficient warning time for the United States to disperse, and thereby protect, its retaliatory assets. However, ballistic missiles launched from submarines a short distance off the U.S. coast could have even shorter flight times than intercontinental ballistic missiles; therefore they would have to be handled differently.

To understand the various defensive concepts under investigation, it is necessary to know something more about the typical trajectory of a ballistic missile, which consists of four phases. The estimates of flight time below are for an intercontinental ballistic missile and would vary for intermediate-range and submarine-launched ballistic missiles.

The boost phase spans the first several hundred seconds after launch, when the missile is lifted from its silo and thrust through and out of the atmosphere by its first, second, and third-stage booster rockets. Each rocket burns for about one minute, propelling the missile at increasing speeds to an altitude of about 200 kilometers, the altitude of the lowest earth-orbiting satellites. By the end of the boost phase, the missile is traveling at seven kilometers per second.

Once the third-stage booster burns out, the missile enters the post-boost phase, which lasts another several hundred seconds. The third-stage booster falls away, leaving the post-boost vehicle and its cargo, up to ten multiple independently targeted reentry vehicles, or MIRVs, each carrying a nuclear warhead directed at a separate target. Powered by a low-thrust rocket, the post-boost vehicle, or "bus," maneuvers through space, dropping off its reentry vehicles in programmed sequence and directing them on their distinct trajectories. The post-boost vehicle can also carry decoys and other penetration aids to confuse or overwhelm the defense; hundreds of these may be deployed by each booster along with each reentry vehicle.

Once released from the bus, the reentry vehicles and decoys begin their ballistic or freefall, flight, arcing up to their apogee at 1,000 kilometers or so then falling back to Earth. This 20-minute unguided ascent and descent of the reentry vehicle is known as the midcourse phase. In addition to its nuclear warhead, each reentry vehicle contains sufficient heat shielding to allow it to survive reentry through the atmosphere and a fusing system to detonate the warhead at the right time.

The terminal phase begins when the reentry vehicles, decoys, penetration aids, and debris begin to reenter Earth's upper atmosphere at an altitude of about 100 kilometers. Lightweight objects, including some decoys and debris, are slowed by atmospheric drag and then broken apart by the force of deceleration. The heavier reentry vehicles, which are "hardened" to survive the heat and deceleration, continue on their trajectories. The terminal phase ends some two minutes after it begins when the reentry vehicles, by this time a glowing red, detonate over their targets.

An effective defense against a massive Soviet ballistic missile attack will require a multilayered system capable of attacking missiles in all phases of their trajectory. Each of these multiple layers, corresponding to one of the four phases of a missile's flight, would use its own combination of sensors and weapons to track and intercept missiles as they streak through space. Each layer serves as a back-up to the previous layer: those missiles that penetrate or "leak" through the first line of defense, the boost-phase defense, will be intercepted by post-boost, midcourse, and then terminal-phase defenses. By contrast, the earlier antiballistic missile (ABM) concepts attacked oncoming missiles primarily in their reentry phase.

The fundamental premise of today's "defense-in-depth" concept is that a series of moderately effective layers can produce extremely high system effectiveness. For example, four layers that are each 70 percent effective produce an overall intercept effectiveness of greater than 99 percent. In addition, a single layer of 70 or 90 percent effectiveness is far less costly to construct than a single layer of 90 to 99.9 percent effectiveness.

Another assumption is that a multilayered defense, with its combination of different weapons and sensors, will vastly complicate the task of the attacker. Any tactic, usually called a countermeasure, that the offense might use to degrade or circumvent one defensive weapon or sensor would have little or no effect on the other elements of the defense. Indeed, certain countermeasures may actually limit the attacker's ability to penetrate other defenses. For instance a coat of heat-shielding material applied to the skin of a missile can reduce the effects of a laser attack. This shield also increases the missile's weight, however, which means it can carry fewer warheads and decoys. . . .

This section concludes with a discussion of advantages and disadvantages for the defense planner to deal with the various phases of missile flight.

II

A ballistic missile defense system must perform certain essential functions in each phase. These are surveillance, acquisition, and discrimination; pointing and tracking; target intercept and distruction; and battle management.

Surveillance and acquisition involves search and detection of any potentially threatening objects. Sensors are used to detect and attack and define its intensity, destination, and probable targets. discrimination involves processing signals and data to identify an object, and the later stages, to determine whether it is a warhead that should be intercepted or a nonthreatening decoy or booster fragment. The same sensors can also be used to determine whether a missle or reentry vehicle has been successfully destroyed or damaged.

Pointing and tracking, which is usually performed by sensors built into the defense weapons, involves taking a series of measurements of the position and velocity of the target—the booster or reentry vehicle, for instance—to determine its future trajectory. These measurements are then used to guide the interceptor to its target.

Target intercept and destruction is the use of any one of a number of weapons to intercept and destroy the booster or reentry vehicle.

Battle management encompasses all the data management, communication, and decisionmaking functions necessary to coordinate the defensive efforts.

To illustrate how ballistic missile defense might work, a hypothetical system is described below. This description is intended to convey the scope of such a system—to show, for example, how the individual components might function and how the sensors and weapons in the various layers might interact. It should not be seen as a precise blueprint. A number of diverse technologies show promise for ballistic missile defense, and others will undoubtedly be brought to light by the current research effort. At this point, it is too early to know which components will prove the most effective or how a system might be configured from them.

This is especially true for the boost and post-boost phase weapons, which pose some of the most technically challenging design questions. The candidates for boost and post-boost intercept include space-based hypervelocity guns and chemical rockets, both of which are kinetic-energy weapons that accelerate a projectile toward the target at very high speeds, and the more publicized directed-energy weapons, lasers or particle beams, that direct energy toward their targets. The hypervelocity gun is described in the following conceptual design; the chemical rocket and directed-energy weapons will be discussed in a later section. . . .

Of the technologies described in this hypothetical ballistic missile defense system, those for midcourse and terminal defense are the best understood. The generic approaches identified here—that is, space-based sensors and ground-based rockets for midcourse defense, and airborne surveillance and ground-based rockets for terminal-phase defense—would likely be sufficiently advanced by the 1990s so that a decision could be made on whether to build a defensive system, should strategic policy warrant it.

Greater uncertainty surrounds the concepts for boost/phase defense. In addition to the hypervelocity guns and smart bullets, the candidates for boost-phase intercept include space-based chemical rockets; space-based lasers; ground-based lasers relayed off of mirrors in space; "pop-up" lasers; and space-based particle beams. . . .

This section concludes with a discussion of boost-phase intercept technologies such as hypervelocity gun, space-based chemical rockets, chemical laser weapons, X-ray lasers and particle beam weapons.

III

An effective multilayered system for ballistic missile defense, such as the conceptual design described here, could not be built today. It depends upon certain technological systems and capabilities that have yet to be developed or demonstrated in these particular applications. These critical technologies, the weak links in the chain, are: weapons for boost-phase intercept; low-cost midcourse and terminal interceptors; sensors and software for tracking and discrimination; survivability techniques; and computer capability for battle management.

The Defensive Technologies Study Team proposed a long-term research and development plan to evaluate and demonstrate the technical feasibility of these key technologies. The outcome of this research will determine whether an effective ballistic missile defense is possible. The critical technologies are described below.

Boost-phase intercept. Without the ability to intercept missiles in their boost phase, a highly reliable, low-leakage defense would be exceedingly difficult to achieve. Consequently, a high priority of the new initiative is to demonstrate the directed-energy and kinetic-energy weapons for boost-phase intercept.

For directed-energy weapons, the current goal is to demonstrate the feasibility of these beam generators on a laboratory scale by the late 1980s or early 1990s, and their ability to be scaled to a weapon-level performance by the early 1990s. The generation of the beam itself is not the most critical task; indeed, technologies for beam control, optics, and pointing and tracking represent the greatest challenges. Research is under way in all of these areas.

It is also crucial to determine the lethality of these lasers and particle-beam weapons against "responsive" threats. The offense can use a number of countermeasures to withstand or evade defensive weapons. For instance, a booster can be "hardened" against laser attack: a reflective coat can deflect laser light and a heat-shielding material can provide some protection against damaging laser energy. Research is under way to determine the minimum energy needed to penetrate these shields or to overcome other offensive countermeasures.

"Fast-burn" booster rockets might also be used to evade booster-phase weapons. These are rockets that burn out in 100 seconds or less. Equipped with fast-burn rockets, a missile can complete most of the boost phase within the atmosphere. This complicates the task for both directed-energy and kinetic-energy weapons: given the short engagement time, additional interceptors might be necessary to destroy the same number of warheads. In addition, it would make the missiles largely invulnerable to certain types of boost-phase weapons, such as neutral particle beams, that cannot penetrate the atmosphere. Several beam weapons that have the potential for penetrating the atmosphere to intercept even fast-burn rockets are being investigated.

For the kinetic-energy weapons, research is focusing on the development of space-based hypervelocity guns, interceptor rockets, and homing projectiles. Key issues include systems for fire control, guidance, and space-based energy supply.

Midcourse and terminal intercept. The issue is not whether these interceptors—ground-based chemical rockets carrying homing projectiles—can be designed, but whether the cost can be kept relatively low. The goal is to design midcourse and terminal interceptors inexpensive enough to permit an attack on all threatening objects that cannot be discriminated—in other words, on decoys as well as warheads. Cost depends on the size of the rocket: the smaller it is, the less expensive to build and power.

Discrimination and tracking. Unless thousands of objects can be tracked simultaneously and active warheads can be discriminated from destroyed warheads, decoys, and debris, the attacker can saturate the defensive system by increasing the number of warheads and decoys. Discrimination and tracking in boost phase is relatively straightforward, as the booster flame is easy to detect and the number of targets is relatively small. Discrimination in the midcourse and terminal phases will depend on advances in both sensing technologies and computer software. The technology for sensing is quite complex. The research and development program calls for work on infrared sensors, laser sensors, space-based radar, and imaging tecniques, as well as the requisites software capabilities.

This section concludes with a discussion of Survivability, Battle Management, and the challenges facing the critical technology development for BMD systems.

IV

The technological challenges of strategic defense are great but not insurmountable. In the Defensive Technologies Study, we took an optimistic view of the emerging technologies and concluded that "a robust, multitered ballistic missile [defense] system can eventually be made to work." We also realized that "the ultimate utility, effectiveness, cost, complexity, and degree of technical risk in this system will depend not only on the technology itself, but also on the extent to which the Soviet Union either agrees to mutual defense arrangements or offense limitations." For instance, if the Soviet Union agreed to reduce its force of intercontinental ballistic missiles, then an effective missile defense would be less expensive and would pose fewer technical challenges.

Although the complete, four-phase defense probably will not be feasible until after the year 2000, it may be possible to begin deploying portions of the system in the late 1990s, should Congress and the president decide to do so. The technologies for terminal and midcourse defense are already relatively well understood. Indeed, it should be possible by the end of the decade to demonstrate some of the components for these defenses, including a space-based system for acquisition, pointing, and tracking; a megawatt-class, ground-base laser weapon operating at the visible light wavelength; an airborne sensing system; and a high-speed, non-nuclear interceptor to function within the atmosphere. . . .

There has been much confusion and public debate over the goals of the current Strategic Defense Initiative—whether it is a more limited defense of our strategic forces or a near-perfect population defense. The Defensive Technologies Study Team concluded that, in fact, the two goals are not contradictory. The new program has as its

near-term goal the development of technologies for defense of our strategic forces, which would include, among other things, silos, submarine bases, air defenses, intelligence facilities, military bases, factories, and communication and power systems. However, the same area defense technologies for protecting large military installations can also be used to protect cities, and the ultimate goal of the new program is to develop the technical option to deploy a thoroughly reliable population defense for both the United States and its allies.

V

Since this new ballistic missile defense effort was first announced, it has been the subject of much public debate. I would like to address some of the misconceptions about this program and the technologies under development.

The public discussion of defensive technologies has tended to focus on the more exotic weapons, such as lasers and particle beams. In fact, only about 25 percent of the current research budget is devoted to directed-energy weapons. Less than half of the program is concerned with weapons at all; the largest single area is surveillance and tracking research. Although the precise architecture of a future ballistic missile defense system cannot be predicted at this time, it is entirely possible that such a system will not include any directed-energy weapons, relying instead on kinetic-energy weapons. Moreover, if the two superpowers agree to limitations of their offensive forces, then an effective defense might be constructed without any weapons in space.

Another misconception is that offensive countermeasures are so easy, cheap, and effective that no defensive system can be effective. This argument seems to rest on three principal assumptions: first, that simple proliferation of weapons and decoys is a cost-effective method of overwhelming any defense; second, that the Soviets can build a new generation of offensive missiles capable of evading boost-phase defenses; and third, that the space-based assets of the system are inherently vulnerable.

All of these assumptions were addressed early in the Defensive Technologies Study. In evaluating the feasibility of ballistic missile defense—and in defining performance goals for various components of the system—we assumed that the Soviet Union would expand its offensive force at the maximum pace possible. That would mean that within our lifetimes, the Soviet offensive force could grow to two or three times its present size. . . .

This section includes a discussion of possible offensive counter-measures which might be adopted by the Soviets in response to SDI deployment.

Clearly, the potential threat of fast-burn boosters and all other countermeasures must be fully assessed. That assessment is one of the primary objectives of the current research and development program.

Another issue of concern is whether command and control for ballistic missile defense can be structured to allow national command authorities (the president and designated chain of command) to activate the system—especially the boost-phase system, which must respond minutes after a launch is detected. Extensive research will be required in this area. Nonetheless, it is by no means clear that a multilayered defense cannot be structured to allow human control.

An offensive strike would most likely be preceded by a crisis of some kind. The system can be structured so that it can be activated in stages during a crisis, much as our military forces are now activated. When the crisis reached a certain level, the president might choose to activate the terminal defenses. This would provide full presidential control of any weapons deployment. As the crisis intensified, the president might choose to activate the midcourse and ultimately the boost-phase defenses. These steps would be taken with the full knowledge of the opponent. The boost-phase defenses could be set to hold fire until a massive attack was unambiguously confirmed. Any lower intensity attacks could be handled by the midcourse and terminal defenses alone. Furthermore, even an "automatic" response of a boost-phase defense could be structured to allow the president to halt its activation at any point.

Clearly, there are many uncertainties as the United States embarks on its strategic defense effort. We could not now with confidence construct effective ballistic missile defenses. Conversely, we have not been presented with any compelling technical reasons that show that such defenses are not possible. The technical issues surrounding the development of effective defenses have many possible solutions and should not at this stage be the primary focus of the debate.

Rather, the debate should center on the implications of ballistic missile defense for our strategic policy. For the past two decades, the United States has relied exclusively on offensive weapons and the threat of nuclear retaliation as a deterrent to nuclear war. The underlying rationale of this doctrine is that neither superpower is likely to initiate a nuclear war if vulnerable to attack by the surviving strategic forces of the other.

Defensive technologies offer new opportunities for strengthening deterrence and new possibilities for arms limitations. Intermediate defense capabilities, such as a one- or two-phase defense, would reduce the Soviets' confidence in their ability to destroy key military targets, thereby increasing deterrence against a nuclear attack. Fully effective defenses would significantly reduce the utility of a major Soviet preemptive strike—and of ballistic missiles themselves. And by reducing the intrinsic value of ballistic missiles, defensive technologies could provide a strong inducement for reaching agreements to reduce these nuclear weapons.

Work during the past few years has shown that the technological promise is rich, and that effective defenses may indeed be possible. Moreover, the increased Soviet offensive and defensive threat offers a powerful motive for reassessing the role of ballistic missile defense in U.S. deterrent policy. The Soviets now are upgrading the world's only operational ballistic missile defense system, currently in place around Moscow. And they have been pursuing with undeniable vigor research on directed-energy weapons for a more advanced system. Unilateral deployment of such a system would have grave consequences for the security of the United States and its allies. At a minimum, we must pursue a comprehensive technology program to ensure that we are not caught unprepared by a Soviet deployment of advanced ballistic missile defenses.

Moreover, I believe that we have a strong moral imperative to base our strategic relationships on effective defenses, rather than on the threat of inflicting horrendous damage on the attacker. I believe that effective defenses, when deployed by both the United States and the Soviet Union, could lead to a safer world, a world with the possibility for nuclear disarmament. The current technology program can provide the option for this transition to strategic defense. The final decision, however, will be made by the American people.●

GOVERNMENT RESEARCH AND DEVELOPMENT PATENT POLICY

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. FUQUA. Mr. Speaker, I rise in support of title V, "Government Research and Development Patent Policy," much of which originated in H.R. 5003 as reported from the Committee on Science and Technology to the House, on August 8 with bipartisan support. I would like to assure my colleagues that almost every provision contained in this title was considered and favorably approved by the committee I chair. I would refer my colleagues to House Report 98-983, part I for an explanation of these provisions. Those provisions, added by the Senate, tend to be minor in comparision and clarifying in nature.

I am certain the gentleman from Wisconsin, [Mr. KASTENMEIER], recalls our colloquy of November 21, 1980, upon the passage of Public Law 96-517 where we agreed to try to achieve a more uniform Government patent policy. I consider this bill to be another major step forward toward that objective.

Title V is a series of amendments to Public Law 96-517 which established a uniform Government patent policy for inventions arising under contracts between the Government and small business and nonprofit organizations including universities. Public Law 96-517 which was passed because of the leadership of BOB KASTENMEIER was a landmark bill replacing a wide variety of agency practices with a uniform Governmentwide policy of giving those rights to the contractor except in specified situations. This approach has worked well and has contributed to the explosion of new products and companies at and around university communities. We now have the benefit of over 3 years of experience using these provisions and the desirability of certain improvements has become obvious. I would like to point out to my colleagues that with the exception of Government-owned, contractor-operated [GOCO] facilities this legislation does not extend beyond the limits of Public Law 96-517. Cleary, there is much remaining work to be done on the broader public policy considerations of Governmentwide patent policy, but such deliberations will have

to wait until the 99th Congress. Since there is a qualitative difference between major Government contracts with larger businesses and smaller grants and cooperative agreements with universities and nonprofit organizations, it should not be assumed that the specific provisions of Public Law 96-517 will be those that are applied to larger businesses in next Congress' legislation. The section-by-section analysis which follows compares the pertinent provisions of H.R. 5003 with the Senate-passed language.

I would like to thank the gentleman from Wisconsin, [Mr. KASTENMEIER], for his critical leadership in working with me to assure that the House provisions which assist the university research community were added to the Senate bill. These provisions involving disposition of intellectual property rights in educational awards and of royalties from inventions under university and nonprofit GOCO contracts solve a number of longstanding problems in the university community.

In closing, I would like to commend the gentleman from Pennsylvania [Mr. WALGREN] and the gentleman from New Hampshire [Mr. GREGG] for their hard work in developing this legislation at the subcommittee level. Without their bipartisan efforts, it is unlikely that we would be able to vote on this legislation today.

H.R. 5003 as reported	Senate-passed title V	Comments
(1) Sec. 402(15) (B) and (C)	Sec. 501(1) amd (2)	These two provisions are identical in both bills except for a reference in the House version to sexually propagated variety of plants. These words were added as a clarifying amendment; therefore, the omission of the reference in the Senate version does not change the scope of this definition.
(2) Sec. 402(15) (D)	Sec. 501(3)	This section originated in H.R. 5003 as reported. A contractor which is subject to the control of a foreign government is one in which at least 50 percent of the voting stock is controlled by that government. The new code Section 202(a)(iv) is identical to the wording of Sec. 301(a)(5) of H.R. 5003 which is described on pages 18 and 19 of House Report 98-983 Part I. While those laboratories such as Oak Ridge National Laboratory which are run for the government by large companies are not formally covered by this section, it is hoped that the Department of Energy, using its Federal Non-nuclear Act authority will develop a standard patent policy consistent with this Title for all its GOCO facilities.
(3) Sec. 402(15) (E)	Sec. 501(4)	There is no provision in H.R. 5003 comparable to code Sec. 202(b)(1) in the Senate version. Code Sec. 202(b)(2) of the Senate version is identical to H.R. 5003's code sec. 202(b)(5) except that the authority to act under this section rested with the Director of OMB rather than with his subordinate, the Administrator of OFPP; since the Director of OMB presumably would have delegated this authority to OFPP, the change is not viewed as signficant. The new code sec. 202(b)(4) originated in H.R. 5003 as reported. Its intent is to give an aggrieved contractor the right to an immediate appeal of a contractual decision not to grant him patent rights rather than forcing the contractor to wait to appeal such a decision until an invention arises under the contract. The work "provisions" was substituted for "policies and objectives" in the Senate version to avoid any possibility of tying this section to a set of findings and purposes.
(4) Sec. 402(15) (F)	Sec. 501(5)	Paragraphs 202(c)(1) through (3) are virtually identical in both versions. Their intent is to codify existing regulations. Paragraph (4) of the Senate version has no comparable House provision, although its intent is clearly consistent with the House's intent.
(5) Sec. 402(15) (G)	Sec. 501(6)	This provision is identical in both bills and strengthens Freedom of Information Act protections for a contractor subjected to code Sec. 203's march-in procedures.
(6) Sec. 402(15) (H) and (I)	Sec. 501(7) and (8)	The House struck code sec. 202(c)(7)(A) while the Senate struck the second half of this provision; the result of the Senate's action is to retain a requirement that a nonprofit organization get agency approval before assigning title to an invention to a commercial invention management firm while at the same time to allow all such firms to be treated on an equal basis. Both bills strike code paragraph (B) which places limits on the ability of contractors to grant exclusive licenses. The Senate moved what was code sec. 202(c)(9) in the House version to code sec. 202(c)(7)(D) and changed slightly the formula for distribution of royalty revenues found in that code section. This important section, originated in the House version and is explained in the first paragraph of House Report 98-983, part I, page 21. The formula for distribution of royalty revenues, should not be applied to contracts for third party sponsored research at GOCOs between operators of GOCO facilities and private sector persons where the private sector is paying for the research through collaborative arrangements or work for others agreements. Such arrangements should be treated as an agreement between two private entities and patent rights should be assigned as provided in that agreement. GOCO subcontracts, funded by the Government are covered by the section.
(7) Sec. 402(15) (J)	Sec. 501(9)	The Senate-passed version's new code sec. 203(2) is taken almost in its entirety from H.R. 5003 as reported. It includes the administrative appeals procedure added by the House Science and Technology Committee as an alternative to judicial review. It also contains the provision from H.R. 5003 which requires an agency determination to be held in abeyance pending the exhaustion of appeals; this will prevent the agency from granting third parties licenses or disseminating the technical information to the public in a manner that could make a victory on appeal by the contractor meaningless. The one substantive Senate change was to require judicial review to be on the administrative record.
(8) Sec. 402(15) (L) (code sec. 206)	Sec. 501(10)	The Senate-passed version authorizes the Secretary of Commerce, subject to public comment, to issue implementating regulations for this title. H.R. 5003, as reported, had the Secretary of Commerce initiating these regulations with the Director of the Office of Management and Budget promulgating after full consideration of agency and public comment. The Commerce Department is expected to consult with affected agencies in the regulation-drafting process.
(9) Sec. 202	Sec. 501(11)	The Senate moved three discretionary functions granted to the Secretary of Commerce by section 202 of H.R. 5003 as reported, to a new code section 207(B). These functions are described on page 17 of House Report 98-983, part I. Commerce's role in each case is advisory, not managerial, and it is anticipated that most activities will be performed at the request of the client agency.
(10) No House provision	Sec. 501(12)	The Senate has substituted the Secretary of Commerce for the Administrator of General Services as the promulgator of the terms and conditions under which any federally owned invention may be licensed on a nonexclusive, partially exclusive, or exclusive basis. The Secretary is expected to consult with affected agencies in the drafting of such regulations and to promulgate only after opportunity for full consideration of public comments.
(11) No House provision	Sec. 501(13)	The Senate extended the applicability of code section 202(c)(4) (retention of nonexclusive license by the Government) and code section 203 (march-in rights and related appeals) to all contractors.
(12) Sec. 402(15) (L) (code sec. 213)	Sec. 501(14) and (15)	The Senate redesignated as code sec. 212, the new code sec. 213 from H.R. 5003 as reported. This section is described on pages 24 and 25 of House Report 98-983, part I. This provision prohibits the practice of Government retention of patent rights arising under financial aid agreements; these clauses have made it difficult for students receiving Federal financial aid also to work on privately funded university research projects.

NEWS REPORTING IN CENTRAL AMERICA

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. MARLENEE. Mr. Speaker, I would like to have printed in the CONGRESSIONAL RECORD a copy of an article in Monday's Washington Times. I believe this article strikes at the heart of a very important point concerning the situation in Central America and Nicaragua. The point—there is bias and parochialism in news reporting on what is happening in Central America. What happens in this region of the world is very important and must not be subject to the personal bias of those who report to the American public. When we lose fairness and accuracy in journalism, the American public is cheated and I hope our citizens will be sensitive to the existence of such reporting. Only by doing so can they find the truth, which is so important in the Central American case.

[From the Washington Times, Oct. 1, 1984]

THE POST'S ROSE-COLORED GLASSES AND ITS VIEW OF THE SANDINISTAS

(By Roger Fontaine and Ted Agres)

Adriana Guillen is a Nicaraguan journalist who eagerly joined the Sandinista revolution. Her growing disillusionment with the revolution became anger and then rage over the repression of trade unions and restrictions on the press.

She quit the revolution because, she said, the Sandinistas broke their promises that they would bring social justice and democracy to Nicaragua. She became a reporter for La Prensa, the only opposition newspaper in Nicaragua.

In 1981, as she recalls it, she talked to Karen De Young, who was The Washington

Post correspondent in Central America, about the government's restrictions on traditional liberties. She was astonished by Miss De Young's reaction.

Miss De Young replied, she says, that such problems as trade-union repression and assaults on the press "are natural products of a revolutionary process."

"I consider the Sandinista revolution a very important one, and I don't want to harm this revolution with anything," Miss Guillen quoted Miss De Young as saying.

Miss De Young, who is now The Post's foreign editor, says she did not say that. "I neither said that nor does it reflect my views as, I believe, any objective reading of our extensive coverage of Nicaragua demonstrates."

Miss Guillen, told of the denial, insists her quotations of Karen De Young are accurate.

Confusion, contradiction and occasional mischief are the givens of The Post's coverage of foreign affairs, from Central America to the Middle East. Critics, for example, cite elements of The Post's reporting of the U.S. operation in Grenada as indicative of the kind of approach the paper often takes.

On Oct. 29, 1983, Post reporter Loren Jenkins wrote a front-page story reviewing the weapons warehouses uncovered by U.S. forces after the rescue operation on the island. President Reagan had described the warehouses as being "stacked almost to the ceiling" with weapons and ammunition.

But Mr. Jenkins devoted most of his article to refuting those assertions. He claimed that the warehouses were not filled with weapons. And of those weapons that were found, many "were antiquated, of little value to a modern army or guerrilla force," he wrote.

Less than two months later the administration released, a preliminary report on Grenada which detailed large inventory lists of weapons delivered by the Soviet Union and other communist countries. These included about 130 anti-aircraft and field guns some 10,000 assault rifles, numerous rocket launchers, land mines, machine guns and other gear.

The Post did print a story about the preliminary report when it was released though without reference to the earlier Jenkins story. But the initial impression—and perhaps the lasting impression—was conveyed at the height of interest and politicial passion.

But the Post's reporting—"misreporting," in the view of the critics—in Central America arouses much of the passion, and this article focuses on Post reporting on Nicaragua. For Nicaragua, in a sense, is both the genesis and representative of the turmoil engulfing Central America.

The "objective reading" of The Post's Nicaragua coverage that Miss De Young invites has, in fact, already been done.

In March 1982, Shirley Christian, a Pulitzer Prize-winning reporter for the Miami Herald, who is on leave to write a book, was commissioned by the Washington Journalism Review to analyze this coverage. She found the Post's coverage to be seriously flawed.

In a report entitled, "Covering the Sandinistas: The Foregone Conclusions of the Fourth Estate," Miss Christian examined 244 stories published in The Post during 19 months of Sandinista uprisings from January 1978 to July 1979.

She found a number of examples of the Post's reporting that was inaccurate. She concluded that:

The Post demonstrated a tendency to "stress the reassuring impression that the Sandinista movement had been taken over in recent years by non-Marxists . . ."

Miss Christian notes that Tomas Borge Martinez, a Sandinista leader and an unquestioned Marxist who would become the powerful minister of the interior was barely mentioned in the soft reporting on Sandinista ideology.

Indeed, in one of those rare mentions, Miss De Young cited political analysts who described Mr. Borge as a "pragmatist" who as interior minister "will be in a better position to keep mavericks from his faction in line."

Regarding human rights abuses, Miss Christian notes that The Washington Post and Miss De Young repeatedly cited examples of National Guard atrocities in vivid detail, but "there were almost no reports . . . of unjustified or noncombat brutality by Sandinista forces against government supporters."

Only a few brief mentions of "government informers" being shot were recorded without any followup investigation. Similar reports of Sandinista reprisals after the capture of the city of Leon were given similar treatment, according to Miss Christian.

In articles printed in October 1978, Karen De Young reported from a Sandinista training camp that "Sandinista political leaders interviewed here recently denied they are Marxists. They denied that they want Cuban-style communism in Nicaragua. Instead, they said, they are fighting for a 'new Nicaragua' that will be a 'pluralistic democracy' built on the ashes of the destroyed Somoza dictatorship."

Miss Christian also faulted the New York Times and CBS News for similar excesses and biases during the same time period.

She concluded that the reporters were "obsessed" with the "guilt-trip" of Vietnam and thus delighted to "jump on the Sandinistas' bandwagon" and refused to see the telltale signs of impending betrayal and disaster.

Miss De Young, responding to the charges in a letter to the Washington Journalism Review in May 1982, said she had not held the "romantic view" of the Sandinistas ascribed to her. She said she had not, as charged, glossed over the "Cuban-inspired origins of the Sandinistas."

With 17 full-time correspondents assigned to capitals and cities around the world, backed up by scores of part-time correspondents or "stringers," The Washington Post has one of the largest overseas reporting staffs of any U.S. newspaper.

A Post story, even if inaccurate, is often enough to encourage a congressman to schedule hearings or start a debate. Administration officials complain that impressionable staffers can spend the first two or three hours each day discussing articles they read in The Post that morning.

The complaint is rarely with the quantity of news The Post publishes—its long, repetitious articles are cited in the industry as textbook examples of undisciplined, blowsy prose. Complaints usually bear on quality. Critics, both friendly and hostile, note that "news" stories often convey a particular point of view or political expression, sometimes bluntly but often with an attempt at subtlety.

Officials and congressional staff members often have difficulty citing specific examples of such bias. They say, instead, that they have a "general feeling" that the Post is skewing the news one way or the other.

Moreover, The Post suffers from schizophrenia as well; its news stories can, on occasion, be more opinionated than its editorials. Says the editor of a newspaper in the Midwest: "The Post may be the only newspaper in America with an editorial policy for the editorial page and an editorial policy for Page One, and often the two editorial policies are in opposition."

In an interview with The Washington Times, Shirley Christian noted that The Post, more so than other newspapers, was "swept up in whatever the prevailing ideas or concerns were on Capitol Hill."

"The Post is much more vulnerable to those influences than other newspapers, and that gets translated in what they cover in Nicaragua or elsewhere," she says.

"The Post's reporting in the field . . . reflected or was in response to concerns raised on Capitol Hill and by the Washington Office on Latin America," Miss Christian says. WOLA is a human rights organization that frequently attacks governments supported by the United States.

In a second conversation with Karen De Young a year ago, Adriana Guillen, the Nicaraguan journalist, told her that she was the press representative in Washington for the embattled Misura Indians and offered herself as a contact for that issue.

Miss De Young replied according to Miss Guillen that the matter was a difficult one for The Post. "There is a propaganda war going on. So we don't know where the truth is" Miss De Young said. Asked over the weekend about this remark, Miss De Young said she did not remember the specific conversation, but that such a statement is "not inconsistent" with her views.

Her reluctance to write about the question did not prevent The Post from reporting in December 1983 about the flight of 2,000 Miskito men, women and children from a Sandinista concentration camp to the relative safety of neighboring Honduras. They were accompanied by Bishop Salvator Schlaefer.

The Post ran its initial frontpage story, written in Washington on December 22. It was an account that emphasized the Sandinista version of events, which claimed the bishop had been kidnapped and killed by "Miskito Indian counterrevolutionaires." The bishop turned up, very much alive.

Recently, Stephen Rosenfeld, a Post columnist and deputy editorial page editor, wrote an article titled "Moment of Truth in Nicaragua." In it, he cited a critique of Sandinista election practices by analyst Robert Leiken which had appeared in the New Republic. The Leiken article included a recounting of mob attacks on democractic opposition rallies in the Nicaraguan city of Chinandega in July.

Mr. Rosenfeld could not cite his own paper's coverage of those government-inspired riots. The Post never reported them.

In an article that appeared in The Post nine days after the riots, staff correspondent Robert J. McCartney omitted any mention of them.

Mr. McCartney's dispatch also did not mention that five days before that speech that attracted "only 900" participants, Sandinista mobs had violently broken up similar rallies in Matagalpa and Chinandega. He gave no hint of Sandinista intimidation as the cause of the opposition's lack of public support. Instead, "political observers," whom he did not identify, were quoted as saying the Sandinistas "would win easily, even without the boycott."

Only last month, when Sandinista-directed mobs attacked Arturo Cruz, leader of the democratic opposition, and his supporters

on four different occasions in four different cities. The Post carried an account of only one of them.

What others described as a particularly vicious mob of 2,000 Sandinista "youths," armed with steel clubs and machetes, surrounded the meeting place of Mr. Cruz and his supporters in the city of Leon. The Post ran only a brief Reuters dispatch buried deeply on page 39, even though a more detailed and more accurate Associated Press dispatch was available.

The story ran under a misleading headline, "Nicaraguan Police Aid Opposition Leader". The article did not say that the police "protection" arrived three hours after Mr. Cruz was beaten by the thugs.

Miss De Young, in a written response to questions raised by this newspaper, asserted that the Post "has given more coverage to Mr. Cruz . . . than any other American newspaper."

"To my knowledge, he has not complained about our coverage, which I believe to be fair and comprehensive," she said.

But he had complained—if not to Miss De Young, or her boss, Executive Editor Benjamin C. Bradlee to the editor of the editorial page.

On Sept. 28, The Post's opinion page carried a lenthy article by Mr. Cruz. In it, he took The Post to task for misrepresenting his views. The Post, he said, was guilty of repeating Sandinista charges that he is "'acting under orders from Washington . . . [or] working for the CIA' (Post, July 30)."

Nor was this the first time Mr. Cruz had complained about the Post. In a front-page story in La Prensa published July 31, Mr. Cruz "catehorically challenged" The Washington Post's assertions that his party had attempted to "embarrass the Sandinistas" and to sabotage the elections.

"The Washington Post had not sufficiently investigated the political events in Nicaragua," Mr. Cruz charged in that same story.

The Reuters dispatch on the Nicaragua incident also did not mention that the demonstrators, who were simply identified as members of "a Sandinista youth organization," were driven into the city of Leon in government-owned vehicles. Moreover, according to a U.S. Embassy report from Managua, Sandinista defense committee members and workers later joined the mob.

The embassy report obtained by the Times, is based on eyewitness accounts. It noted that while the Leon opposition meeting was hurriedly organized and the location never publicly announced the mob gathered on time.

Shortly afterwards in the city of Masaya, Sandinista youth again attacked a private meeting Mr. Cruz was attending with other members of the democratic opposition.●

HEALTHY DEBATE OVER CONRAIL SALE

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. LENT. Mr. Speaker, in the New York Times business section of Sunday, September 23, there was a pro and con piece entitled "Should the United States Sell Conrail Now?"

The Secretary of Transportation, Elizabeth Hanford Dole, authored the affirmative piece, contending that Conrail should be sold at this juncture, rather than risk losing the opportunity altogether by imposing an artificial delay. Yet, the Secretary realizes that the sale process must follow a careful and deliberative course, and should not be brought to a hurried and thoughtless conclusion. Clearly, as the Secretary has articulated, there has been no attempt to rush the sale.

Our colleague from Pennsylvania, Representative BOB EDGAR, took the alternative position that a moratorium should be placed on the sale, to ensure additional time to study the offers.

On the surface, these positions seem to be at opposite ends of the spectrum. As a practical matter, however, both Secretary Dole and Congressman EDGAR appear to be very close in their views.

Both believe Conrail should be sold.

Both seek to insure that the purchaser of Conrail will preserve essential rail service in the Northeast.

Both stress the goal of leaving Conrail in a strong financial condition after the sale, which will preserve jobs in this region.

Mr. Speaker, I have inserted these pieces in full in the RECORD immediately following my remarks.

It is indisputable that Conrail should be returned to the private sector. This determination was made back in 1981, when Congress enacted the Northeast Rail Service Act [NERSA]. To impose a delay on a sale at this point in time is ill advised. Not only will a moratorium jeopardize a successful sale but it will also work an injustice to those who are not benefiting by continued Federal ownership.

States in the Conrail territory are losing over $2 million each month a sale is delayed. All total, this amounts to $25 million per year in lost taxes to the States.

The 40,000 employees of Conrail who have sacrificed, in terms of wage concessions, on behalf of the Corporation are in a seemingly endless suspense as to their future. The shipping industry, connecting rail carriers, and the local communities which depend on Conrail service continue to wonder what is in the cards for this major rail carrier. Assurances need to be given. An extended sale process does not bring any certainty to these players who have been pivotal in Conrail's recent financial success.

Any unnecessary delay imposed by a moratorium may also greatly diminish any chances of successfully returning Conrail as a single entity to the private sector. An artificial time requirement would likely cause bidders to drop out of the process entirely, given the uncertainty of the Government's interest in a sale that a moratorium would demonstrate.

Congress will be assured a complete review and examination of all the economic and public interest factors involved in the sale. During that legislative process, the opportunity will arise to address any concerns that need to be resolved. I look forward to working with my colleagues in this all-important task and finding a definitive resolution to the future of the rail freight industry in the Northeast.

[From the New York Times, Sept. 23, 1984]

SHOULD THE UNITED STATES SELL CONRAIL NOW? UNTOWARD DELAY WILL BE SELF-DEFEATING

(By Elizabeth Hanford Dole)

When the right opportunity arrives for the Federal Government to sell Conrail, we should take advantage of it. A combination of favorable conditions for a sale has been developing in recent months. To impose an artificial delay, as some in Congress have suggested, would risk losing the opportunity when it arrives.

In 1981, Congress passed legislation directing the Secretary of Transportation to begin the process necessary to return the Consolidatd Rail Corporation to the private sector. As Congress also directed, an outside investment adviser was hired. A year and a half ago, our investment adviser—Goldman, Sachs & Company—began soliciting proposals; and 15 months ago we received the first offer, from the Railway Labor Executives' Association.

Last April, the department received the first formal offer that its investment adviser believed to be worthy of serious consideration. Thereafter, I set a deadline of June 18 for additional offers. Fifteen bids were received, including a substantially revised offer from R.L.E.A. Since June 18, Goldman, Sachs and the department have reviewed the bids and negotiated with those bidders who came closest to meeting my criteria for a sale. On Sept. 11, I announced that three companies remain in discussions with the department.

This schedule shows that the department has followed a careful and deliberate process. By necessity, it has taken its own pace. A hurried sale would make it difficult for the Government to protect the public interest. An unwarranted delay of sale could be just as damaging. I intend to do neither.

I have said on many occasions that I will recommend a sale of Conrail only if I have received a best and final offer that leaves the railroad in a strong financial condition after the sale; that protects the basic service pattern now in place, and that, consistent with the preceding criteria, offers the maximum return to the Federal Government.

Thus, there is no rush to sell Conrail. Any decision I make as to its ultimate disposition must be ratified by Congress through passage of enabling legislation. However, to arbitrarily abort the process by imposing a delay of one year or more would be a grave disservice to all concerned.

Conrail's employees are entitled to an early end to the suspense about the future of the railroad. Shippers deserve the assurance that Conrail will have long-term professional leadership, rather than the risk that it will be turned into a political football. Prospective buyers of Conrail who have expended large sums in preparing bids and engaging in complex negotiations should not be left dangling interminably.

Worse yet, if after all the efforts of the past years the sale process were suddenly canceled, can we expect bidders to take the Government as seriously if it begins another effort to sell Conrail a year from now?

Delay would also be costly to the states. As long as Conrail remains in Government ownership, the Northeastern states lose over $20 million a year in foregone tax revenue. That's almost $2 million a month, a high price for the states to pay. When Conrail becomes a privately owned company, it will pay not only state taxes but eventually Federal taxes as well.

I am committed to continuing the progress we've made in an orderly fashion, so that we can accomplish the privatization of Conrail in a way that benefits the public.

If we delay unwisely, the greatest risk is that we may lose the chance to achieve our fundamental goals—to make a sale that leaves Conrail in the strongest financial condition and maintains continuity of service to the Northeast region.

MORE TIME IS NEEDED TO STUDY THE BIDS

(By Bob Edgar)

The debate over the proposed sale of Conrail is not about whether the railroad should be sold. Congress, in fact, is not against the sale of Conrail. But it is our responsibility to insure that the sale be the best deal the Government can get—for the taxpayers who have financed the system, and for the Northeast region that is dependent on the system for jobs, services and economic development.

That concern must be met before Congress will agree to a sale, and there must be sufficient time to establish that it has indeed been met. Congress' responsibility to the taxpayers' $7 billion investment requires no less. That is why a moratorium on the sale of Conrail is necessary.

Let us look at where we are. Before deciding on a buyer, the Administration must assess what Conrail is really worth and insure that the taxpayers get a fair return on their investment; determine what will be done with the proceeds of the sale; consider the intentions of the prospective buyer carefully, and gauge how the economy of the region served by Conrail will be affected by the sale.

A one-year moratorium on the sale would allow us to do just that. But under present conditions, there is not adequate time for careful review, since Congress is scheduled to adjourn in early October and it has a full agenda that will not permit it to consider the many ramifications of the sale.

How much is Conrail really worth? Most offers are for about $1.2 billion in cash and other considerations. Some studies, however, conclude that the railroad is worth a good deal more—given its projected cash on hand of $800 million by the end of this year. Why don't we try to find out before we accept an offer?

What do we do with the proceeds from the Conrail sale? Speculation is heavy that the Administration wants to use it to reduce the deficit. That is certainly one possible option. On the other hand, Senator Moynihan and Representative Florio suggest that the states that had to forego revenues in the wake of the Northeast Rail Services Act of 1981 be given special consideration in any distribution of the gains from the sale. Whatever option is finally chosen, all options should be given a fair review—beyond election-year politicking.

Much consideration needs to be given by Congress to the intent of the prospective buyer of the railroad. The implications are enormous and the covenants that the Department of Transportation is reportedly negotiating with prospective buyers need to be analyzed carefully. Just a few of these considerations are: That the Government be given assurances that, when sold, Conrail would not be stripped of its assets; that a strong annual maintenance program would continue, and that Conrail would be held for a period of years before it could be resold. We cannot afford to repeat the sorry tale of delayed maintenance and declining service that got us to Conrail in the first place.

Finally, and this demands the most consideration, since it has so many ramifications, what will be the impact on the economy of the region after the sale? There are many items here, ranging from service patterns that will exist after the sale, to the fate of the "orphan bridges," whose jurisdiction and ownership is in question, and other deferred and neglected infrastructure maintenance along the Conrail system. Governor Richard Thornburgh of Pennsylvania expressed this last concern best when he said in a recent letter to Secretary Dole: "If Conrail is to be placed in the private sector, it must result in a strong railroad which will continue to enhance economic development and preserve jobs in the Northeast. This can be accomplished only if any buyer preserves service to the states and shippers as now provided by Conrail and continues to promote vigorously industrial development within the region as Conrail is now doing."

Why the rush to sell? After all, Conrail has become a tremendous success story since its sale was first proposed by the Reagan Administration three years ago. Rising phoenix-like out of the ashes of the Penn Central and five other railroads, the system will earn an estimated $500 million this fiscal year alone. So it is no longer costing the taxpayers any money. In fact, after the initial Federal subsidy of over $7 billion, Conrail has operated without assistance for more than three years. Moreover, a private buyer is almost assured of continued profitability with Conrail because of favorable state tax treatment and large potential tax benefits that a non-government purchaser would receive.

Other factors in Conrail's turnaround have been the leadership of L. Stanley Crane who, as chairman and chief executive officer, has guided the railroad to profitability over the last three and one half years. Conrail employees made significant concessions to help the company, accepting 12 percent less than prevailing industry wages. Finally, Conrail's success owes much to its effort at cutting out underused and unprofitable branches and adopting new technologies, such as "piggy-back" containers and dualwheeled cars that can also be towed by highway tractors.

In all of the above points, the key item is the need for a careful and thoughtful review of the proposed sale by Congress. Why the rush to sell? The system is not costing the Government any money. The goal of the privatization of Conrail should be a good sale, not just a quick one.●

THE MUCH-NEEDED STRATEGIC TRANSITION: FROM MUTUALLY ASSURED DESTRUCTION [MAD] TO CAREFULLY ASSURED DEFENSE [CAD]

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mrs. LLOYD. Mr. Speaker, Dr. George Keyworth, the President's Science Adviser, recently wrote a sensitive and thoughtful article entitled "The Case for Strategic Defense: An Option for a World Disarmed," which appeared in the first publication of Issues in Science and Technology. Dr. Keyworth places the nuclear strategic aspects of the recent defense initiative in an historical perspective, superimposes the framework of Soviet thinking and behavior, and makes a solid argument for a transition from mutually assured destruction [MAD] to an evolving defensive strategy. As Dr. Keyworth notes, "only when stockpiles can be measured in the dozens rather than the tens of thousands will arms control have any real meaning to ordinary people." I have provided major excerpts for my colleagues and I strongly recommend that they read the entire article.

The article follows:

THE CASE FOR STRATEGIC DEFENSE: AN OPTION FOR A WORLD DISARMED

(By George A. Keyworth II)

(Success/four flights Thursday morning/all against twenty-one mile wind/started from level with engine power alone/average speed through air thirty-one miles/longest fifty-nine seconds/inform press/home Christmas—Kittyhawk, December 17, 1903.)

The First World War started in 1914, lasted four years, and engaged approximately 14,000 combat aircraft on the western front. Not one was of American design or manufacture. My subject is nor airplanes. Rather, it is the lessons that four generations of Americans since Kittyhawk should have learned. It is about opportunity, in some cases lost opportunity, and time. It is about fear. And it is about hope, which the opportunities we now possess could leave as a legacy for the next generation.

Early this year, Freeman Dyson wrote a book entitled "Weapons and Hope". In it he identified two philosophies of war: that of the warrior and that of the victim. He went on to explore his sense of the root human causes of modern war and some of the reasons the superpowers find themselves at odds. He found these are the same reasons that warriors and victims have difficulty communicating—they simply do not speak the same language. He also found that ". . . the world seems now to be approaching a fork in the road with two ways out marked by conspicuous signposts: 'Ban the Bomb!' and 'Don't Rock the Boat!'" Ban the Bomb, a slogan of the victims, says that our existing weapons and strategy are unacceptably dangerous. The warrior slogan, Don't Rock the Boat, says that it would be unacceptably dangerous to upset the delicate political balance established by our existing

weapons and strategy. As Dyson observed, both parties are right. It is this dilemma—and an opportunity to escape it—that I propose as my subject.

II

In 1984 the superpowers confront each other with a combined arsenal of approximately 17,000 ballistic missile warheads, based in both silos and submarines, and about 700 more bombers, which can carry an assortment of cruise missiles, short-range attack missiles, and bombs. All in all there are more than nine gigatons of combined arsenal—an explosive force equivalent to 9 billion tons of TNT—spread over a combined population of a little more than a half billion people. To date we have deliberately left ourselves exposed and hostage to these weapons.

In the warrior's world these are the tools of deterrence. The concept of deterrence is not new, though it has come to have an almost exclusive connotation associated with the nuclear age. Since time immemorial, rational men have used the two aspects of deterrence—deny the enemy his objectives and retaliate against him if he tries—to preserve peace. To date it has worked well; the warrior will correctly point to 35 years of nuclear peace.

The victim is not swayed by the complex arguments and analyses of deterrence strategists. Instead, he sees roughly 50,000 pounds of high explosive equivalent destined for every man, women, and child in America, and about 20,000 pounds destined for every Soviet. The victim hears the warrior's argument of adverse exchange ratio but does not understand it. On the one hand, he knows very well the destructive power of thermonuclear weapons—and that they exist by the thousands, if not tens of thousands. He knows the delivery systems that carry them are currently unstoppable—deliberately so—to ensure that rational men will never consider their use. And he knows that the physical controls and safeguards on those systems make the probability of error extremely small.

On the other hand, the victim has an intuitive sense that there is no such thing as perfection, that man's history is more one of a series of irrational wars than it is one of reasoned peace. And that while one can always hope, leopards do not easily change their spots.

An even more deeply rooted barrier exists between the world of the victim and the world of the warrior: the difference in currency. The victims' currency is not weapons—it is the lives and suffering of their children.

It truly is the children that seem to be at the heart of the issue. Throughout man's history both individuals and nations have faced innumerable threats to their present existence. Rarely, however, have they faced a situation that foreshadows the end of their future. It is that vision of catrastrophe that fuels the nuclear freeze movement, as well as calls for unilateral disarmament. In this respect, both the warriors and the victims share a common ground. As Meg Greenfield said in her April 30, 1984 Newsweek editorial "The Keepers of the Bomb": "I do not for a moment believe all those elaborate they-do-this-so-we-do-that scenarios the double-dome strategists expect these military men to put into effect could happen: a nuclear war wouldn't be so considerately tidy and tame. But that is not the fault of the men and women who preside over these [nuclear] installations. They are as much victims as we, and—my final observation—they truly embody the American nuclear dilemma."

This dilemma is exacerbated because we continue to judge Soviet perceptions and objectives by our own standards. We automatically assign to them our Western logic, cultural values, historical perspective, and demand for absolute guarantees reflected in a "number." As a result, we have been unable to steer Soviet actions and are thus frustrated by their reactions.

We have built a strategic system that tends to work at cross purposes to that of the Soviets. We compound the problem by further assuming a perpetually rational relationship between a perpetually limited club of superpowers—with no provision for mistakes, miscalculation, or madmen.

The American people seem to instinctively grasp these inconsistencies, probably because they are not mesmerized by the numbers or mathematical elegance of the proposed theories. And they are demanding change.

III

I do not argue with the past. Some have snidely remarked that we seem to have gone from "Assured Ascendancy" in the 1950s to "Assured Destruction" in the 1960s and 1970s, ending with "Assured Anxiety" in the 1980s. But this does not recognize the challenge met by the men at the dawn of the nuclear age. Without real technical or political alternatives these men walked a razor's edge with delicate balance. Global peace attests to that balance, and that balance must be maintained; our nuclear deterrent posture must be kept healthy—for the immediate future.

I feel uncomfortable, however, with reasoning that says that mutual offensive deterrence—wherein the promise of complete national destruction is presumed—must remain as policy ad infinitum. I believe we must consider a transition.

I say this for several reasons. First, there is great concern among military analysts about the imbalance between the projected scale of loss in the United States versus that of the Soviet Union as a result of nuclear war. Make no mistake, the results on either side would be catastrophic. But differences in socioeconomic assets; the locations, density, structure, discipline, and civil defense of the populations; and weapon types, numbers, and targeting strategies all combine to produce reasonable estimates that the Soviets might expect 30 to 35 million casualties, while the United States could experience numbers four to five times that. These are staggering figures. After all, the United States has had only a little more than 1.2 million battle and battle-related deaths in all its wars combined—a period covering more than 200 years and ten generations. (Confederate deaths during the Civil War are estimated at two-thirds that of Union forces.) . . .

Some specifics are included on American, European and Soviet casualties in past wars.

The message here is that both the Americans and Soviets firmly believe the other will fight—and that is the essence of deterrence. Left to themselves, the peoples of the two nations would undoubtedly prosecute any conflict to its bloody conclusion.

But times change, as do weapons and leadership. Beginning in the late 1950s, ordinary citizens began to realize the futility of global thermonuclear war. More recently, the American Roman Catholic Bishops consolidated a large body of thought in their discussion of the ethics of defending ourselves with weapons we cannot morally use, in a way we cannot possible win.

Nevil Shute was probably the first to anticipate the demise of the policy of massive retaliatory deterrence in his book "On the Beach." His message was simple: it does not matter who starts the conflict, for in his scenario neither the United States nor the Soviet Union is the initiator. Nor does it matter whose fault it is—his thesis is that the superpowers mistakenly retaliate against each other through unavoidable error. And no matter how much either side wants to stop the conflict after it starts, the war rapidly assumes its own momentum. Finally, it does not really matter who the combatants are: in Shute's vision, everybody dies.

It has been almost two decades—about one generation—since "On the Beach" was written. Shute's view can now be said to reflect the mood of the people. As Elie Wiesel put it, so simply and poignantly—they are scared.

They're scared because they watch a tremendous amount of money being spent on defense, yet they feel no more secure for it. They're scared by predictions that Armageddon, or something very like it, might result from nuclear explosions totaling only a few hundred megatons—and the gross stockpiles on both sides are at least two orders of magnitude larger than that already, and growing. They're scared because they can see no logical end to the arms race, because no balance of power has ever lasted forever, and because they want to leave more hope to their children.

IV

In A.D. 14 Tiberius became emperor of Rome. He succeeded Julius Caesar, who brutally reorganized and expanded Greco-Roman civilization, and Augustus, who had continued Caesar's expansion with unparalled administrative genius. Although Tiberius inherited one of the greatest societal upheavals in history, he passed on 200 years of peace. In this context, Tiberius was often heard to comment: "As they say, I have got a wolf by the ears."

We, too, have our wolf by the ears. It is a world in which the superpowers have established a tense nuclear standoff. Each has an arsenal sufficient to destroy the other. Each has an abiding distrust of the other's intentions. Each views the other as preparing to strike first. For both nations, the future is growing less stable and predictable. And their leaders' technological options for maintaining stability are becoming increasingly marginal.

We chose this route two generations ago when we acquired a power we dared not turn away. Once we had nuclear weapons, deterrence as we know it evolved for several reasons. Some were political—to consolidate and maintain our world leadership after World War II. Some were military, such as the need to offset Soviet nuclear development. And some were monetary—conventional forces were too expensive. Our ride on the nuclear wolf, however, has become a balance of terror. To paraphrase Winston Churchill, we are riding to and fro on an animal that we dare not dismount, and the animal is getting hungry. . . .

The questionable merits of relying heavily on offensive nuclear weapons and the difference in U.S. and Soviet views of such weapons, as well as the comprehensive nature of the Administration's SDI proposal are discussed.

V

Seemingly, we have led ourselves back to Freeman Dyson's paradox. The victim says we cannot live with our present nuclear weapons and strategy; the warrior says we cannot live without them. The public sees itself trapped by weapons of mass destruction, a de facto policy of guaranteed delivery, and de facto policy of massive retaliation. They perceive that both sides maintain a preemptive capability to curtail the damage of a retaliatory strike, that we proliferate our offensive weapons as a counter to preemption, and that proliferation and preemptive capabilities lead to increasing instability.

Can we get a handle on the first of these issues? Can we reject the weapons of destruction themselves? Regardless of the calls to disarm, I believe we are long past that stage. Nuclear weapons are too firmly established as the centerpiece of the world's balance of power. More important, many Third-World nations see nuclear weapons as an indisputable trump card in their scramble for ascending status and power. Although perhaps only six countries have built and tested nuclear weapons to date, it is estimated that there are at least ten more who could build them within six years, and eleven more who might within ten years. No matter how much one may want to return to the prenuclear era, we have eaten from that tree of knowledge.

Do we want to abandon deterrence? Even though many critics may state that those of us who advocate strategic defense are calling for such a policy, there is no question that we must retain a specific retaliatory capability. Nuclear weapons, because of their small size-to-destruction ratio, are a most precious commodity. The destruction resulting from just one weapon is so high that countries might consider any means to acquire one. Ultimately, the issue for countries considering initiating nuclear war is: Is it worth it?

Are the gains worth the risk of retaliation? I propose that if there were no risk of retaliation, then the chances that nuclear weapons might be used would be even greater than they are today. Even if one were to have perfect defenses, an overt no-retaliation posture would be precisely the fatal-fascination-of-the-fortress that has proved disastrous throughout history.

But do we have to maintain nuclear weapons as part of this posture? To retain its credibility, retaliation must balance itself against the potential damage that an enemy can inflict. Unless and until the world can completely rid itself of nuclear weapons, an admittedly unlikely prospect, the nuclear weapon will remain one aspect of any deterrent policy. But I submit that the massive retaliatory arsenals that threaten our future today can be made effectively obsolete if the defense technologies we can now foresee are followed to emerge and evolve.

I propose here a central thesis: It is not deterrence, per se, that has caused the general public to lose faith in our policy and that has caused the buildup of our offensive weapons to turn cancerous. Rather, it is our deliberate and continued inability to protect the socioeconomic structure of our society—coupled with our growing inability to protect the retaliatory deterrent. . . .

The changing nature of deterrence is described from the U.S. and Soviet points of view.

That brings us to the crux of the most immediate argument in favor of developing active defenses: they remove the preemptive option, both for the Soviet Union and the United States. Growing preemptive capability has been and continues to be the prime factor in the spiraling arms race. In Soviet eyes, U.S. technical know-how in the 1960s and 1970s provided a unique qualitative edge for preemption that could be overcome only by sheer mass and a strategic force that could get at the enemy fast—the ICBM.

In U.S. eyes, this Soviet ICMB force, coupled with its dramatically improving technological performance and survivability, gave the Soviets an overwhelming preemptive potential, unparalleled flexibility, and an unacceptable strategic reserve in times of conflict; hence, the concerted U.S. attempts to modernize its strategic forces starting in the late 1970s.

At that time, however, the United States was just beginning to emerge mentally from the Vietnam War. The defense budget as a portion of the gross national product was dropping precipitously from a peacetime expenditure of close to 10 percent a decade-and-a-half after World War II to 5 percent at the close of the 1970s, and SALT II was on everybody's lips. . . .

The Soviet achievement of parity and the impact on our arms control bargaining position is discussed.

VI

How, then, do we agree on any arms control measures that matter? As Admiral Noel Gayler recently commented on Braden and Buchanan's Cross-Fire program, today's arsenals are such that one side's strategic advantage of a thousand weapons or so is really lost in the noise. Going further, Carl Sagan postulates that the detonation of just a few hundred weapons would, in his opinion, trigger nuclear winter. Admittedly, Sagan's thesis is undergoing heavy scrutiny and criticism. Both his phenomenology and threshold levels, as well as the winter, or perhaps summer, effect have come under question. But in the end the precise numbers really are not the issue. It is clear that a large portion of the earth's population—perhaps a quarter billion people or considerably more—could die as the result of a global thermonuclear war involving even a fraction of present-day arsenals.

Sagan is probably close to being correct when he says the only real answer is to disarm. But he forgets that retaliatory deterrence is not a phenomenon of the nuclear age. In one form or another, it has been man's primary international stabilizer for all of recorded history.

And as I have described, in deterrent theory the punishment must fit the crime. In our nuclear age, both crime and punishment have accelerated to the point of suicide. The reason for this escalatory spiral—the reason why real arms control has been unable to take hold—is the continually improving ability, real or perceived, of each country to disarm the other. . . .

The alarming ability for a first strike is discussed from several different aspects.

It is time to pursue the technological options for active defense. Significant technological advances have occurred since the last serious debate on ballistic missile defense in the late 1960s. We have before us the prospect of advanced defenses that can provide crisis stability and slam the lid on the MIRV. James Fletcher's Defensive Technology Study team spent over 100,000 man-hours in the summer of 1983 reviewing the state of the relevant technology. They called in several hundred technical and industrial experts, which probably brings the total man-hours up to a half million. I really could not improve upon their summary of the differences two decades have brought:

"In the 1960s, there were no credible concepts for boost-phase intercept. Today there are multiple approaches based upon directed energy concepts and kinetic kill mechanisms. Midcourse intercept was hampered in the 1960s by the lack of credible approaches for decoy discrimination, unmanageable signal and data processing loads, the cost per intercept, and the undesirable collateral effects of nuclear weapons used on the interceptor warheads. Today, multispectral sensing of discriminants, birth-to-death tracking in midcourse, and small hit-to-kill vehicles that have promise as inexpensive interceptors appear to offer capabilities that overcome the limitations in midcourse.

"In the 1960s, the inability to discriminate against penetration aids at high altitudes and limited interceptor performance resulted in very small defended areas for each terminal defense site and gave the offense unacceptable leverage over the number of interceptors needed. Today, technology provides the potential to discriminate at high altitudes, and improved interceptor technologies should allow intercepts at these higher altitudes. When these improvements are coupled with the potential for boost-phase and midcourse intercepts to disrupt pattern attacks, robust terminal defenses seem attainable. Finally, 1960s technology in computer hardware and software and signal processing was incapable of supporting battle management for a multilayered defense. Today, the rapid advancement of these technologies is believed to permit realization of the complex command and control systems needed."

We are already in an era when warning and decision times are becoming extremely short. As technology advances during the next decade, those intervals may be reduced to the point at which in times of crisis—or mechanical or human error—a policy of shoot-first-and-ask-questions-later may become an option, a terribly dangerous option, for both sides. At the very least, active defenses can conceivably give us precious time to make those decisions. At best, they can reduce the consequences of an accidental or erroneous launch, nuclear adventures by Third-World countries or madmen, and massive retaliation and the loss of hundreds of thousands of lives. Of possibly greater import, once having made a mistake, the offending country would not automatically have to deal with what I'll call the "failsafe" dilemma—that is, a decision on whether to immediately follow the mistake with a complete nuclear attack rather than face retaliation. Experts, of course, dismiss this possibility, The ordinary citizen has a deep-rooted fear of it. . . .

The Soviet situation as a result of SDI and the variety of Soviet responses to it, as well as the various benefits which the initiative can provide in the case of real arms control are discussed.

Strategic defense therefore provides an option for a world effectively disarmed of nuclear weapons, yet still retaining national sovereignty and security. In fact, deployment of strategic defense is the only way in which the superpowers will be able to achieve these very deep arms reductions. It now becomes extremely important to recognize that the ballistic missile and air defenses that might look less than 100 percent perfect in the context of an offensive exchange involving tens of thousands of warheads could be expected to perform magnifi-

cently against an attack by only tens, or at the most hundreds, of weapons.

I do not offer this scenario lightly. Moving out from under the nuclear umbrella under any circumstance is a serious, sobering, and expensive proposition. Neither our military structure, organization, nor technology is prepared for it now—not strategically or tactically.

Moreover, I must issue one caution. Strategic defense must never be perceived as a technological panacea. It is a tool, a catalyst, nothing more. The roots of our security problems are political, However, pending a benign transformation in the ways of the world, it behooves us to invest in a military capability that increases the prospects for meaningful arms control and gives hope to those that follow us.

Admittedly, there are many "if's" in the prospects for strategic defense. But the president proposed that we use our ingenuity to pursue these defensive technologies, and outstanding scientists substantiate his faith. It is our obligation—our responsibility—to provide new options for our political leaders.

We cannot look down each other's gun barrels indefinitely, regardless of the rational balance we think we can maintain. Rational men have rarely started history's wars. Nor can we play into the Soviets' strong suit—men and materiel. Instead, we must start to play our trump—technological leverage. We must move rapidly to develop the means to both reduce our own reliance on tactical and strategic nuclear weapons and the Soviets' perception that either side could use them to advantage. And we must couple these technical moves with negotiations for deep reductions in nuclear weapons. We must begin our transition from the 1950s to the year 2000. And we must offer hope that we can achieve a world free of the fear of nuclear war.●

CONGRESSMAN FEIGHAN HAILS MAYOR PAUL CASSIDY OF PARMA HEIGHTS

HON EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. FEIGHAN. Mr. Speaker, the Plain Dealer featured a profile of the distinguished mayor of Parma Heights entitled "What Makes Paul Cassidy Run?" I have known Mayor Cassidy for a number of years and one thing is certain: As Mayor of Parma Heights for 27 years, the interests of his community have been his prime concern. The residents of Parma Heights are proud of their community because of Mayor Cassidy's dedication to make the city an enjoyable place to live, work, and raise a family. The litany of his accomplishments includes the Greenbrier Community Center, a city theater, a library, an ice skating rink, and a lovely community park. City streets are safe and municipal services excellent.

Mr. Speaker, I want my colleagues and the people of Parma Heights to know I appreciate Paul's drive because his outstanding leadership makes my job much easier. Thank you, Paul, for a job well done.

WHAT MAKES PAUL CASSIDY RUN?

(By David Beard)

Paul W. Cassidy started peddling the Saturday Evening Post, Country Gentleman and Ladies' Home Journal around his old Glenville neighborhood at age 5, graduating to paper routes for both the Cleveland News and the Press a few years later.

"He's been moving ever since," said his son, Steve, after watching his father in action at a Parma Heights restaurant. The jovial Cassidy greeted the hostess, dominated table conversation, gulped down a meal, then apologized for having to rush to his law firm.

Cassidy, 64, had started the day at Parma Heights City Hall. He has been the city's part-time mayor for nearly 27 years—longer than any Cuyahoga County mayor except Brooklyn's John M. Coyne.

During the morning, Cassidy had outlined strategy for his latest challenge: convincing voters in the suburb of 23,112 that the city income tax should be doubled from 1% to 2%.

Then had come lunch and an afternoon at the firm, where he handles work for private clients and, ocassionally, other suburbs. He is legal counsel to Parma Community General Hospital and Cox Cable Inc., which numbers Parma Heights among its west suburban clients.

"He certainly wears a lot of hats," said Parma Heights Councilman Jim Pastor, who opposed Cassidy in the last two mayoral campaigns. "Being around as long as he has been, he is almost considered an institution . . . One reason I decided to take him on was because he never seemed to have any opposition."

The abundance of Cassidy's public and private interests has raised eyebrows, and it has extended his influence far beyond city limits. Many politicians regard the fast-talking, hand-shaking Cassidy as one of the shrewdest, most powerful politicians in southwest Cuyahoga County.

"He's got to be No. 1 or 2," said Democratic Ohio Senate candidate Ronald M. Mottl, the other half of the Cassidy & Mottl law firm. "I say he's tops in his party and (Parma Mayor John M.) Petruska is tops in his party."

In 1974, Mottl won the spot that friends say Cassidy always wanted: congressman. It was the first of four two-year terms in the old 23d District for Mottl who admitted it was lucky that Cassidy had declined to run.

"There's the person that could have probably beaten me," Mottl said. "I would have hated to run against him. He's more articulate than I am and is a tireless campaigner."

Cassidy had run unsuccessfully for Congress in 1950 against then-Rep. Michael Feighan. When he chose not to try again more than 20 years later, he explained he would be in his 70s before he could get anything done in Washington.

Cassidy is a Republican, yet last year, his re-election committee gave more money to the Democrat Petruska than did any other contributor. It also gave to Brook Park Mayor Thomas J. Coyne and Broadview Heights Mayor William M. Bittle, both Democrats. Bittle had hired Cassidy's son, Michael, an accountant and lawyer, as finance director.

"I'm a good Republic, a lifelong Republican, but when it comes to political races, I always back the person," Cassidy said.

In 1957, about a year after being appointed Parma hospital counsel, Cassidy was elected to his first term as mayor. Several residents of Brooklyn, which the hospital serves, accused the hospital board of playing politics and urged his ouster as counsel. Because the mayor has the power to appoint board members, they argued, he should not also be working for the board.

The board disagreed. Cassidy remained.

In 1972, when he received the Cox spot, residents accused him of possible conflict of interest, a charge renewed last February when City Council rushed through on first reading an ordinance approving a basic rate increase of more than 50% for cable television.

"People in the audience asked why we were in such a hurry, but council agreed with a report from our financial officer, who said she felt the city should not spend money to hire a consultant for what is a luxury that less than half the residents have," said Donna Marchese, one of two councilmen who opposed the measure.

Cassidy missed that meeting to ask Rocky River City Council for a Cox rate increase. He said his cable position does not conflict with his mayoralty because council must approve such items.

"I leave the building whenever it is up for discussion," he said. Of his absence from a few recent council meetings, Cassidy said, "Who cares? I'm not required to go to council meetings under the charter. In my 27 years in Parma Heights, I'd say I made my fair share."

Cassidy, a former Air Force navigator, stated as a Parma Heights, councilman in 1953, then became law director a year later.

Councilman Nick Radlick was one of those charmed by the Cathedral Latin High School graduate. In 1955, Radlick circulated petitions to get city councilmen elected by wards rather than at large, the system Cassidy favored.

"One night, he and his friends came over and talked to me," said Radlick, who for 22 years was president of United Steelworkers Local 188, representing Jones & Laughlin Steel Corp, workers. "He had a point. You know, once you got to know him, you couldn't help but like him."

Radlick is now a member of the Cassidy Team, a non-partisan group that campaigns with the mayor and controls the suburb's council.

Radlick said many of Cassidy's dreams for the city—setting up Greenbrier Community Center, a city theater, library, ice-skating rink and park—came out in those long-ago talks.

"I've never voted for a Republican for president," Radlick said." "I even voted for McGovern, so I'm a staunch Democrat."

But Radlick *did* vote for Cassidy. He even rallied several hundred labor leaders to support the mayor at a fund-raiser for his 1981 race.

"I don't know of any city leader that can get that kind of labor support," Radlick said. "And he's a Republican."

Cassidy spent more than $29,000 on that race—more than any 1981 mayoral candidate in the county, with the exception of Cleveland's George V. Voinovich. Pastor, who relentlessly criticized the administration, spent only $1,591 and lost 3-1. The job pays $27,100 a year, the term is four years.

"I felt my whole career was at stake," said Cassidy, explaining his campaign costs. "More than two decades were on the line, as far as I'm concerned."

During that time, he viewed the construction of Greenbrier Commons—and voter approval in 1972 of a $1.3 million bond issue to

finance it—as both the high and low points of his career. He said the indoor theater and ice rink attract residents of nearby suburbs and give a civic identity well worth the expense. But a cost overrun on the project gave opponents ammunition.

"That almost drove me to the nuthouse," Cassidy admitted. "Those kinds of problems are the worst thing that could happen."

In the late 1960s and early 1970s, when next-door neighbor Parma was passing zoning ordinances that excluded minorities, Cassidy pushed a fair-housing ordinance through Parma Heights.

"I was never that way (prejudiced)," Cassidy said. "In World War II we (the U.S. 447th Bomber Group) would bomb factories in southern Germany and northern Austria. There was this black aviation unit commanded by Col. Benjamin Davis, who was Cleveland's safety director for a short time. They would fly cover for us. I can't tell how happy I was to hear those guys on the radio."

Yet, several times in the last 15 years, Cassidy has urged publicly that Parma and Parma Heights unite, even at the expense of his job.

"I think both communities would benefit from the move," he said. Parma has Parmatown Mall and some industry to bolster its tax rate; Parma Heights has upper-middle-class homes, a few stores and no industry. The two cities send their children to the same school district.

"We're tragically caught between Parmatown and Southland, with all the traffic and minor crimes from both places and none of the benefits," Cassidy complained.

The mayor jabbered about municipal finance, regional government and snowclearing, but stammered when asked about other interests.

"I'm a, I'm a . . ."

"Workaholic," interjected Finance Director Alice Felice.

Cassidy leaned back in his plush chair. "Well, I'm not a hobbyist."

Like any father, he brags about his four children, now grown. Three are married; two live in Parma Heights. He has five grandchildren.

He then spoke warmly of his wife, Elise, for being able to live with him and his continuing career.

"I promised her I'd be in for only one term," he said. "She's been very patient."●

TAX REFORM: PROCEED WITH CAUTION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. PHILIP M. CRANE. Mr. Speaker, the debate on tax reform will accelerate this autumn after the elections. I wish to draw your eyes to the following article, which offers a few words of caution as Congress prepares to deliberate upon this issue. The author, Kenneth M. Brown, is a visiting fellow at the American Enterprise Institute for Public Policy Research in Washington.

While I would be the first one to urge simplification of the Tax Code, I hasten to remind my colleagues that the business sector needs incentives to augment productivity and capital expansion. Individuals require fair and equitable tax treatment. Provisions of tax law which promote such principles must be carefully reviewed before being terminated so abruptly.

Although President Reagan's major tax cut program of 1981 did much to help both individuals and the business sector, Congress passed measures to increase taxes in 1982 and 1984. Their effect was to reduce the benefit of the 1981 tax cut and increase the power of the public sector. Tax increases are not the answer to the deficit. Only tax cuts combined with reduced Federal spending will lower the deficit and expand the economy.

I commend this article to my colleagues' attention.

WILL TAX REFORM DEFORM HIGH-TECH?

(By Kenneth M. Brown)

Fundamental tax reform could endanger high-technology industries. When the tax-reform debate begins in earnest after the elections, value-added taxes, flat-rates, consumption-based taxes, and all sorts of hybrids will be touted as fair, simple deficit fighters. Simplicity, however, can be carried too far.

Clearly our tax system is a mess. Cleaning it up will inflame multitudes of special interest groups whose economic well being rides on the continuance of that huge, arcane tome of special provisions called the Internal Revenue Code. But some of the wrinkles that reformers would iron out were put there for very good reasons.

Moreover, some special interests are also special for the nation. The high-technology sector—computers, electronics, instruments, plastics, aircraft, et al.—has plenty of its own self-interested boosters, but its worth to the nation is so great as to justify some degree of special treatment. Technological change and industrial innovation are vital to economic growth, international competitiveness, and job creation. Industrial research and development provide spillover benefits to society such that governmental support is given in every industrial country.

When R&D and productivity slowed down in the 1970's, Congress was alarmed. Now that the economy is booming along, it is easy to overlook a long-term issue like innovation as we follow the titillating melodrama of who will gain and who will lose from this round of tax reform.

Instead of going into our own spreadsheet analysis of who gets what, let's first remember something vital about the tax breaks that tax reformers would like to eliminate. Many so-called loopholes were enacted not out of pork-barrel favoritism, but because the basic tax code was faulty. One of the worst of its faults was its lack of indexation for inflation. (The 1981 Economic Recovery Tax Act fixed only part of the problem.) Inflation caused bracket creep and, more importantly for industry, it cause erosion of capital, as depreciation allowances were inadequate to replace worn-out equipment. Furthermore, taxes were levied on capital gains that were really only inflated prices, not real growth.

Second, corporate earnings are taxed twice—once by the corporate profits tax and a second time when dividends become a shareholder's taxable income. Not only is that double-whammy inequitable, if left unchecked it would have paralyzed the growth of productive capital.

These two inefficiencies were the main reason why we needed an investment tax credit, accelerated depreciation, and favored treatment of capital gains.

So loopholes are less a problem than the basic tax structure. Getting rid of the supposed "loopholes" could put us back in the same situation, with a tax code that harms capital formation and technical advance.

For the high-tech sector, the most important question is how tax policy will affect capital formation. High-technology industries sell high-tech equipment to all other industries; the adoption of new technologies depends on investment, since this is how the new technology gets put into place. As net investment goes, so goes high tech. During the 1982 slump in plant and equipment spending, some of our most innovative high-technology companies watched their profits collapse. Unless the accelerated cost recovery system provisions of the 1981 ERTA package either remain intact or are replaced by something at least as favorable to capital formation, the high-tech sector will be in for a shock.

Indexing the tax code matters only during inflationary times. During the current slowdown of price increases, tax reformers have put aside indexation of depreciation allowances, since this would conflict with their goal of simplicity. But if inflation returns, we could have a replay of the 1970s, when inadequate depreciation allowances let the capital stock of basic industries simply melt away under the searing heat of inflation.

The treatment of capital gains is vital to the high-tech sector. For some years, capital gains have been treated more favorably than ordinary income. The most recent changes in 1978 were responsible for a veritable flood of funds into venture capital markets. The venture-capital pool grew from $2.5 billion in 1977 to over $11 billion this year, helping to finance the burst of innovative entrepreneurship that has kept United States out front in the high-tech race.

But one of the front-running tax bills, the Bradley-Gephardt proposal, would eliminate this favorable treatment. Capital gains would be taxed at the same 30 percent which is the top bracket for taxation of ordinary income. The argument is that this simplification would eliminate a sheaf of pages from the tax code. But what price simplicity?

This measure is attracting support on Wall Street, because it would lower the tax liability of those who augment their seven-figure incomes with capital gains from short-term trading. But from the point of view of the high-tech venture capital sector, Bradley-Gephardt would be calamitous, because by eliminating the differential between capital gains and ordinary income, it would dam the flow of funds into new ventures.

In addition to these fundamentals, some lesser high-tech provisions may be jettisoned in the name of simplification. For example, the existing 25 percent tax credit for increases in spending on research and experimentation is just the sort of "tax expenditure" that tax reform would kill. Other tax benefits help corporate donations to university research, and still other complexities act to help research and development and innovation.

Complex and arcane though they are, these provisions reflect a consensus that research, development, and innovation hold a special place in our economy and deserve special treatment. Technological change is

the major source of productivity growth, but firms tend to underinvest in research because they don't consider all of the benefits that innovation confers on society at large. Will tax reformers do away with this careful balance just to save a few pages in the Internal Revenue Code?

Were someone to write a history of economic policy, its theme might be the depressing frequency with which our "solutions" merely replace old problems with new problems. Our high-tech industries seem uniquely vulnerable to unintended harm as the tax reformers prepare for the coming battle of solutions.●

NEW JERSEY COURTS UPHOLD STATE TAXING AUTHORITY FOR TOXIC WASTE CLEANUP

HON. JAMES FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. FLORIO. Mr. Speaker, the New Jersey Supreme Court recently ruled 5 to 0 that the State has full authority to impose taxes to fund its efforts to meet its legal obligations under the Superfund Program. This landmark decision removes a major impediment to my State's efforts to form a full and equal partnership with the Federal Government in conducting cleanup at the Nation's worst sites.

As many of my colleagues are aware, the States are required to contribute 10 percent of the costs of Superfund cleanup at sites within their borders. Many rely on special taxes to fund this obligation. But the Superfund law contains ambiguous language which appears to partially preempt State taxing authority. The New Jersey court ruling narrows the reading of this preemption provision substantially and the court must be applauded for its insightful interpretation of congressional intent. But there remains a need to eliminate any lingering controversy over State taxing authority.

The legislation I have introduced to extend and expand the Superfund Program—H.R. 5640—which was adopted by the House this past August by a vote of 323 to 33, would repeal the preemption provision contained in current law and would finish the job of preserving State taxing authority begun by the New Jersey Supreme Court.

I would draw my colleagues' attention to a recent article describing that landmark ruling which appeared in the New York Times.

TOP JERSEY COURT UPHOLDS STATE'S FUND FOR CLEANING UP TOXIC WASTE

TRENTON, September 19.—The New Jersey Supreme Court ruled, 5 to 0, today that the state's Spill Compensation Fund law, which taxes chemical companies to pay for cleaning up toxic wastes, is constitutional and not pre-empted by Federal law.

The court, the state's highest, said the Federal Superfund, which taxes chemical makers to help finance the national cleanup of toxic-waste sites, did not pre-empt the state tax if the money was used for cleanup costs not covered by or paid for by the Superfund.

A group of oil and chemical companies—the Exxon Corporation, the Monsanto Company, Tenneco Chemicals Inc., the Union Carbide Corporation and the B. F. Goodrich Company—had argued in a suit that the state was taxing them for the same reason that the Federal Government was, thus violating a provision of the Constitution that requires state laws to yield to Federal laws when they are in competition.

LEGISLATIVE HISTORY

"Surely Congress did not intend for the states to sit back and wait for hazardous-waste compensation that might never be awarded," Justice Robert L. Clifford wrote for the court.

"The more logical conclusion, based particularly on the legislative history surrounding the enactment of Superfund," he said, "is that Congress contemplated that the Federal Government would seriously attempt to deal with the problems of the most seriously affected sites and to allow the states to maintain a compensation fund, or to use general revenues to conduct their own cleanup efforts."

The court also rejected the companies' demand that an estimated $30 million in taxes already collected be returned.

"I disagree with the court," said Hal Bozarth, the director of the Chemical Industry Council, an industry group. "It's still my feeling that New Jersey companies are left with a competitive disadvantage. We're the only state that has this dual taxation system. It seems unfair."

"It removes the cloud that has been over the Spill Fund since the Superfund was adopted in December of 1980," said the state's lawyer, Mary Jacobson.

The State Environmental Protection Commissioner, Robert E. Hughey, said he was pleased by the ruling, although he was not sure that the legal battle was over. Environmentalists also praised the decision.●

SOLAR ENERGY TAX CREDITS

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. FOWLER. Mr. Speaker, I am pleased to introduce legislation today which would extend the business and residential tax credits for solar energy installations through 1990, along with my colleagues Mr. GIBBONS, Mr. PICKLE, Mr. MATSUI, Mr. THOMAS of California, Mr. DORGAN, Mr. FLIPPO, and Mrs. KENNELLY.

As members of the House Ways and Means Committee, we believe that the Congress must act to extend these tax incentives for the solar industry which are due to expire on December 31, 1985. The introduction of this legislative initiative is not a cosmetic action at the close of the congressional session. Rather, the legislation provides us with an opportunity to show that the extension of the solar energy tax credits rates high on the agenda of the members of the Ways and Means Committee, and I expect favorable action by the committee after hearings in 1985.

It must be remembered that the solar industry is still very young, with most of the businesses created after the 1973 oil embargo. By 1978 the Congress had passed a broad range of tax incentives for alternative energy resources, and in 1980 the incentives for solar energy were enhanced to a 40-percent credit for residential applications and a 15-percent credit for commercial installations. However, these past 4 years have not been an easy time for our domestic solar energy industry, particularly in regard to the utility of the solar credits. In 1981 and 1982, the credits were under threat to be repealed and investment money for solar commercial applications was put on hold until the issue was resolved favorably by the Congress.

This new legislative package represents a collaborative effort by supporters of the extension of solar credits and the Solar Energy Industries association in providing a realistic set of tax incentives for solar energy while keeping in mind fiscal concerns. The legislation extends the residential solar credits till 1990 with an incremental reduction of the credit by 5 percent per year for all solar residential applications other than photovoltaics which will remain at the current 40 percent level. Since over 95 percent of the solar residential applications are for heating and cooling, the lowering of the credit yearly will have a more favorable impact on the U.S. Treasury than earlier proposals and shows that the solar industry does not need tax incentives indefinitely, yet this still provides a dependable set of incentives for the industry to plan its continued growth. In addition, I have placed a $6,000 limitation on residential domestic hot water systems which limits tax loss to the Treasury and exemplifies that prices for solar systems are far more affordable now.

In addition, solar investment tax credits for commercial applications are maintained at the current 15-percent level through 1990. Photovoltaics—solar electricity—and high-temperature solar thermal—industrial process heat and electricity—have enhanced credits at the 25-percent level due to their relative newness in the energy marketplace.

Although many of my colleagues have valid concerns about the fiscal impacts of any tax credit bills in terms of revenue loss to the U.S. Treasury, we must balance these concerns with the needs of our country for long term supplies of domestic energy. The oil embargo seems a long time ago, but tensions still remain precariously high in the Middle East, and the potential still exists for energy cutoffs. At a

time when U.S. oil imports are rising steadily, the U.S. Congress would be sending the wrong signals by a failure not to extend the solar energy tax credits.

My other concern stems from the rising home and business utility costs throughout the United States. The higher energy costs become, the less disposable income the average American has to spend on other goods and services. Solar energy provides a sure and stable source of energy which hedges against energy inflation. The problem that the solar industry faces in the marketplace, is that the costs for this stable supply of energy occur at the time of purchase of a solar system rather than incrementally over decades as with conventional energy sources such as fuel oil, electricity, or natural gas. Therefore, certain incentives need to be applied in the marketplace to help the consumer or commercial purchaser make this investment which will be in their personal interest and that of our country's over the long term.

The Congress has taken action in tax incentives and innovative financing for other technologies and products. According to the Joint Tax Committee, conventional energy receives $3.85 billion per year in Federal tax incentives. Mortgage interest deductions for the purchasing of homes is another incentive that assists the average American in owning and affording his own home, and maintaining a steady growth in the homebuilding industry. Solar energy is no different, and those of us in the Congress must make a stand to encourage the use of solar energy, which will expand the U.S. domestic solar industry, thus creating more jobs while producing more energy.

I hope my other colleagues will join with me and the members of the Ways and Means Committee who have sponsored this legislation, to actively endorse the extension of these solar credits. Over half of the members of the U.S. House of Representatives signed onto a resolution introduced by my colleague VIC FAZIO this year calling for the extension of the solar and renewable energy tax credits. I plan to reintroduce this legislation in the next session of the Congress in January 1985, so that we can set the legislative process in action to enact the solar credit extension into law. Thank you.

The bill follows:

H.R. 6416

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENTS RELATING TO SOLAR RENEWABLE ENERGY SOURCE EXPENDITURES.

(a) IN GENERAL.—Paragraph (2) of section 23(b) of the Internal Revenue Code of 1954 (relating to qualified renewable energy source expenditures) is amended to read as follows:

"(2) RENEWABLE ENERGY SOURCE.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, in the case of any dwelling unit, the qualified renewable energy source expenditures are 40 percent of so much of the renewable energy source expenditures made by the taxpayer during the taxable year with respect to such unit as does not exceed $10,000.

"(B) PHASEOUT OF CREDIT FOR SOLAR PROPERTY.—

"(i) IN GENERAL.—In the case of expenditures for solar property, there shall be substituted for '40 percent' in subparagraph (A) the percentage determined in accordance with the following table:

"For taxable years beginning in:	The percentage is:
1986	35
1987	30
1988	25
1989	20
1990	15
1991 or thereafter	0.

"(ii) SOLAR PROPERTY.—For purposes of this paragraph, the term 'solar property' means property described in paragraph (5) of subsection (c) by reason of the reference to 'solar energy'.

"(iii) CERTAIN PHOTOVOLTAIC CELLS REMAIN AT 40 PERCENT CREDIT.—The percentage determined under this subparagraph shall be 40 percent for taxable years beginning before January 1, 1991, with respect to photovoltaic cells used solely for the purpose of provding electricity.

"(C) MAXIMUM CREDIT FOR SOLAR HOT WATER SYSTEMS.—The taxpayer may not take into account under this paragraph with respect to any dwelling unit more than $6,000 of renewable energy source expeditures for solar property used to provide hot water for use within such dwelling."

(b) SOLAR HOT WATER SYSTEMS MUST MEET CERTAIN ADDITIONAL STANDARDS.—Paragraph (5) of section 23(c) of such Code (defining renewable energy source property) is amended by striking out "and" at the end of subparagraph (C), by striking out the period at the end of subparagraph (D) and inserting in lieu thereof", and", and by adding at the end thereof the following new subparagraph:

"(E) in the case of property which transmits or uses solar energy for the purpose of providing hot water for use within a dwelling, which meets such performance and quality standards (if any) which—

"(i) have been prescribed by the Solar Rating and Certification Corporation (or such other entity as is approved for purposes of this section by the State in which the property is to be installed), and

"(ii) are in effect at the time of the acquisition of the property."

(c) CONFORMING AMENDMENTS.—

(1) Subsection (f) of section 23 of such Code (relating to termination) is amended by striking out "This section" and inserting in lieu thereof "Except with respect to solar property (as defined in subsection (b)(2)(B)), this section".

(2) Subparagraph (B) of section 23(b)(5) of such Code (relating to carryforward of unused credit) is amended to read as follows:

"(B) LIMITATION ON CARRYFORWARDS.—

"(i) IN GENERAL.—Except as provided in clause (ii), no amount may be carried under subparagraph (A) to any taxable year beginning after December 31, 1987.

"(ii) CERTAIN SOLAR CREDITS.—In the case of a carryforward allocable to solar property (as defined in subsection (b)(2)(B)), '1992' shall be substituted for '1987' in clause (i). For purposes of applying the preceding sentence, a carryforward shall be treated as allocable to solar property to the extent of the credit under this section allocable to such property for the taxable year in which such carryforward arose."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1985.

SEC. 2. AMENDMENTS RELATING TO ENERGY INVESTMENT CREDIT FOR SOLAR PROPERTY.

(a) INCREASE AND EXTENSION OF CREDIT FOR CERTAIN SOLAR PROPERTY.—

(1) IN GENERAL.—The table contained in subparagraph (A) of section 46(b)(2) of the Internal Revenue Code of 1954 (relating to determination of energy percentage) is amended by adding at the end thereof the following new clauses:

"(viii)	Low temperature solar property.—Property described in subparagraph (F)(ii).	15 percent	Jan. 1, 1986	Dec. 31, 1990.
"(ix)	Other solar property.—Solar property other than low temperature property.	25 percent	Jan. 1, 1986	Dec. 31, 1990."

(2) DEFINITIONS.—Paragraph (2) of section 46(b) of such Code is amended by adding at the end thereof the following new subparagraph:

"(F) DEFINITIONS RELATING TO SOLAR PROPERTY.—For purposes of subparagraph (A)—

"(i) SOLAR PROPERTY.—The term 'solar property' means property described in section 48(1)(2)(A)(ii) by reason of using solar energy.

"(ii) LOW TEMPERATURE SOLAR PROPERTY.—

"(I) IN GENERAL.—Except as provided in subclause (II), the term 'low temperature solar property' means property which is solar property solely by reason of subparagraph (B) of section 48(1)(4).

"(II) EQUIPMENT PROVIDING HOT WATER.—Property used to provide hot water shall be treated as low temperature solar property only if such property is designed to provide hot water at not more than 300 degrees Fahrenheit."

(b) AFFIRMATIVE COMMITMENT RULE.—Paragraph (2) of section 46(b) of such Code is amended by adding after subparagraph (F) the following new paragraph:

"(G) AFFIRMATIVE COMMITMENT RULE FOR CERTAIN SOLAR PROPERTY.—For purposes of applying the energy percentage contained in clause (ix) of subparagraph (A) with respect to property which is part of a project with a normal construction period of 2 years or more (within the meaning of subsection (d)(2)(A)(i)), 'December 31, 1993' shall be substituted for 'December 31, 1990' if the requirements of clauses (i) and (ii) of subparagraph (C) are met with respect to such project. For purposes of the preceding sentence, subparagraph (C) shall be applied by substituting—

"(i) 'January 1, 1991' for 'January 1, 1983', and

"(ii) 'July 1, 1992' for 'January 1, 1986'."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 1985, under rules similar to the rules of section 48(m) of the Internal Revenues Code of 1954.●

TRIBUTE TO ROBERT CUSHMAN MURPHY JUNIOR HIGH SCHOOL

HON. WILLIAM CARNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. CARNEY. Mr. Speaker, it is always a pleasure for me to stop and take note of the achievements of outstanding individuals and institutions in New York's First Congressional District, on the eastern part of Long Island.

It is especially pleasing to note the achievements of a school, because of the importance of education to our community.

Mr. Speaker, on September 24, the Robert Cushman Murhpy Junior High School was honored by the U.S. Department of Education. On that date, a representative of the Education Department awarded the school the National Award for Excellence. The award is given by the Department to schools under the National Secondary School Recognition Program.

Among the reasons cited for the award, Madeleine Will, Assistant Secretary of Education, listed the quality of Murphy Junior High's honors program, its programs for the learning disabled as well as for physically and emotionally handicapped youngsters. The school was also recognized for its active community support organizations to meet the problems of vandalism, alcohol, and drug abuse. These activities, in my view, represent a total commitment to education and to providing a good environment for our children in which to grow and learn.

Mr. Speaker, I am proud of the Murphy Junior High School. I very much wanted to take part in the awards ceremony on September 24. It is unfortunate that the delays I experienced earlier that day prevented me from participating in the ceremonies. Nevertheless, I did want this body and the American people to take note of this school's achievements.

Murphy Junior High School is an example and inspiration to all of us. For their outstanding work, the administrators, teachers, parents, and students of Murphy Junior High deserve our hearty congratulations.

Mr. Speaker, it is with great pleasure that I note another event of historic interest to Long Islanders and the Nation. A recent New York State Senate resolution pays tribute to one of America's heroes, Nathan Hale, who, when passing through the Barren Pines of Suffolk County to report on troop movements, was captured by the British and hanged.

Nathan Hale's words on the gallows before his execution—"I only regret that I have but one life to lose for my country"—galvanized the revolutionary movement, and stand today as the ultimate expression of the American spirit of freedom and dedication.

Mr. Speaker, I would like to have this resolution, introduced by my good friend and colleague, State Senator Kenneth LaValle, read into the RECORD. I believe that remembering the role of Nathan Hale is appropriate. To a nation whose younger generation sometimes forgets the importance of our rich history, it is necessary to provide reminders of our heroic past.

The resolution follows:

RESOLUTION

Whereas, Attendant to the heroic sacrifice of Nathan Hale in giving his young life for the cause of America's freedom, it is the sense of this Legislative Body to memoralize The Honorable Mario M. Cuomo, Governor, to proclaim Saturday, September twenty-second, nineteen hundred eighty-four, as "Nathan Hale Day" in the State of New York; and

Whereas, Nathan Hale was born in Coventry, Connecticut, in 1755; and

Whereas, While advancing through the Barren Pines of Suffolk County to give General George Washington information concerning troop movement of the British Troops in Suffolk County; Nathan Hale was recognized by his cousin, Samuel Hale, who turned him in to the British; and

Whereas, On September twenty-second, seventeen hundred seventy-six, Nathan Hale was hanged without being given a trial; he was executed by order of Sir William Howe who was in command of the British Troops during the American Revolution; and

Whereas, While on the gallows, Nathan Hale was to utter these immortal words, words that will live forever in the annals of American history: "I only regret that I have but one life to lose for my country"; and

Whereas, Through his consummate heroism Nathan Hale did so bravely and so singularly contribute to the preservation, enhancement and effectuation of that Patrimony of Freedom which is our American Heritage: Now, therefore, be it

Resolved, That this Legislative Body pause in its deliberations and memorialize The Honorable Mario M. Cuomo to proclaim Saturday, September twenty-second, nineteen hundred eighty-four, as "Nathan Hale Day" in the State of New York, recalling, in turn, the unique role which Suffolk County played in ultimately effecting the freedom of This Beloved Nation; and be it further

Resolved, That a copy of this Resolution, suitably engrossed, be transmitted to The Honorable Mario M. Cuomo, Governor of the State of New York.●

ERISA

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. CLAY. Mr. Speaker, both in the Employee Retirement Income Security Act of 1974 [ERISA] and in its subsequent amendments, the Congress manifested its concern over the operation of pension plans. Congress acted to provide independent oversight of pension fund management and to insure adequate funding for employee pensions.

ERISA requires fund managers to act prudently, with diligence, care, and skill in their management of pension funds. Following our guidance, the Department of Labor required fund managers to develop systematic methods of insuring that employers who are obligated to contribute to the plan in fact fulfill their obligations (41 F.R. 12740 (1976)).

Recently I have been shown evidence which clearly demonstrates that this approach is working. Numerous Federal courts have issued recorded decisions in cases in which audits of employer records have led to recovery of thousands of dollars in unpaid contributions for the pension funds.

Furthermore, the audit approach appears to be cost-effective. For example, a recently completed study by the independent certified public accounting firm of Arthur Young & Co. of the Central States Pension and Health and Welfare Funds indicates that for every dollar spent on auditing in 1983, over $7 in deliquent contributions has been identified. Indepcndently, Central States estimated that over one-third of the underpayments they found during the first half of 1980 were due to persons covered by the Central States pension and health and welfare plans who were not reported by the employer.

I am placing in the RECORD the results of the Central States' study and a summary of the court decisions. The permissible scope of field audits is currently under judicial review. I intend to monitor this judicial review process and, if necessary, will suggest congressional action to protect the right of employee plans to assure their financial integrity through employer audits.

TABLE 1.—CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS HEALTH AND WELFARE AND PENSION FUNDS—SUMMARY OF AUDIT FINDINGS DUE TO NONREPORTING JAN. 1, 1980 THROUGH JUNE 30, 1980

Month/year	Total audit findings [1]	Total audit findings due to nonreporting	Number of nonreported participants
January	$251,788.50	$47,155.00	54
February	29,906.00	110,463.50	79
March	343,634.00	91,622.00	79
April	163,317.00	80,411.50	191
May	231,578.50	38,093.00	53
June	96,311.00	29,189.00	39
Total [2]	1,116,555.00	396,934.00	495

[1] Audit findings represent the auditor's judgment as to the obligations due and reflect a net figure after all credits during period in question.
[2] 78 employers were audited during this time period; 32 of those account for all of the findings due to nonreporting of participants.

TABLE 2.—SELECTED LISTING OF RECENT FEDERAL COURT DECISIONS

Case	Circumstance	Approximate amount owed
Laborers Health & Welfare Trust Fund v. Kaufmann & Broad of Northern California, Inc., 707 F.2d 412 (9th Cir. 1983).	Audit indicated a discrepancy to controversy regarding covered or uncovered status of particular nonunion labor	$130,000
Burgher v. Consolidated X-Ray Service Corp., 705 F.2d 1426 (5th Cir. 1983), reh'g. denied, 711 F.2d 713 (1983), cert. denied, 52 U.S.L.W. 3844 (U.S. May 21, 1984).	Audit uncovered contributions due on behalf of covered employees who employer erroneously believed were not covered.	100,000
Audit Services, Inc. v. Rolfson, 641 F.2d 757 (9th Cir. 1981)	Deficiency revealed due to failure to contribute on behalf of nonunion covered employees	25,000
I.A.M. National Pension Fund v. Industrial Gear Manufacturing Company, 723 F.2d 944 (D.C. Cir. 1983)	Audit revealed that employer had failed to make all required payments	90,000
Jim McNeff, Inc. v. Todd, 103 S. Ct. 1753 (1983)	Audit revealed that employer owed contributions on behalf of five employees that employer had never reported as covered.	5,000
Brick Masons Pension Trust v. F.K. Pullen, 113 L.R.R.W. 3040 (C.D. Cal. 1983)	An audit of employer records revealed unpaid contributions	44,000

HUMAN RIGHTS VIOLATIONS IN MAINLAND CHINA

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. SOLOMON. Mr. Speaker, during recent months many enlightened opinion makers in political and academic circles have been falling over one another in their effusions of praise for the liberalization and reforms that are supposedly taking place in the People's Republic of China. Cheered on by the news media, public opinion has been led to believe that the inner circles of the mainland Chinese political leadership are filled with moderates and reformers who are determined to undo the mistakes and excesses of the past.

The truth is not quite so pleasant. And Amnesty International has performed an important service by throwing a bucket of cold water on the parade. A new report just released by Anmesty International paints a sharply different picture of life in the People's Republic of China than that which is applauded by fashionable circles in the West, a safe distance away.

The report centers around five concerns in the People's Republic of China:

First, the arrest and imprisonment of prisoners of conscience and the existence of legislation providing for their detention.

Second, the prolonged detention without trial of people arrested on political grounds. A notable case in this regard concerns the Roman Catholic Bishop of Shanghai. Now 84 years old, Bishop Ignatius Gong Pinmei was arrested in 1955. Five years later he was brought to trial and convicted on the trumped up charges of leading a "counter-revolutionary clique under the cloak of religion." He is still in prison today, 29 years after he was arrested.

Third, inadequate trial procedures and the absence of legal safeguards to assure fair and open trials for people arrested on political grounds. One particularly shocking practice in this regard concerns so-called mass sentencing rallies, in which condemned prisoners are paraded into stadiums, their crimes are denounced, and the death sentence is pronounced in front of cheering crowds.

Fourth, the reported ill-treatment of prisoners, usually in detention centers administered by Public Security Bureaus, and conditions of detention.

Fifth, the extensive use of the death penalty. A wave of executions carried out late last year marked the bloodiest period in contemporary Chinese history since the early 1970's.

It must be noted that Amnesty International submitted a memorandum to the Government of the Peoples' Republic of China in February 1983. The memorandum described in detail Amnesty International's concerns and invited a response from the Government. Despite two subsequent attempts to establish contact with the Government, no response had been received as of June 1984, when this new report was in its final stages of preparation.

Mr. Speaker, I understand that a copy of the report has been sent to each congressional office. I urge all of my colleagues to read it and to give it serious thought. Amnesty International is to be commended for its report, and I ask unanimous consent that a news release describing the contents of the report be printed in the RECORD.

AMNESTY INTERNATIONAL CALLS FOR REFORMS TO PROTECT HUMAN RIGHTS IN CHINA

Amnesty International today, (Wednesday, September 26, 1984), urged wideranging reforms to protect human rights in China.

In a major new report, the worldwide human rights movement called on the Chinese Government to free all citizens imprisoned for their beliefs, to guarantee fair trials for all political prisoners, and to abolish the death penalty.

The report cites evidence of mass executions of political prisoners held for years without trial or convicted after summary proceedings, and of ill-treatment of prisoners.

The 132-page report includes detailed case studies of prisoners of conscience and a memorandum submitted to the government. Amnesty International offered tc publish comments from the Chinese authorities, but it said today that none had been received.

The report says non-violent dissent has been suppressed in China by convicting political activists of "counter-revolutionary offences" which carry sentences of 10 to 15 years in prison.

Prisoners include workers and students active in the "democracy movement" that emerged in China in 1978, Roman Catholic priests loyal to the Vatican and Tibetans accused of supporting nationalist groups.

Some of the political trials have been held behind closed doors, with only selected audiences allowed to attend. In some cases, prisoners' families were not even told trials were taking place.

In other cases, political prisoners have been held for years without charge or trial, assigned to labour camps for "re-education through labour". Some prisoners are reported to have been held in solitary confinement, manacled day and night for days or weeks, beaten or made to stand without moving for 24 hours without food.

Wei Jingsheng, editor of an unofficial magazine which has now been banned, is reported to have been held in solitary confinement since his trial in 1979, allowed out for exercise only once a month. Reports reaching Amnesty International said he became mentally disturbed as a result and was twice moved to hospital in Beijing (Peking) for treatment.

Amnesty International said it did not have enough information to estimate the number of political prisoners now held in Chinese prisons and labour camps. It noted that former inmates say there are political prisoners in more of the country's penal institutions.

Expressing concern about mass executions that began with the launching of a nationwide anti-crime campaign in August 1983, the report points out that 44 crimes are now punishable by death in the People's Republic of China. These include "counter-revolutionary offenses", theft, embezzlement, molesting women and pimping.

Summary proceedings have been used during the campaign in trials resulting in the death penalty.

Defendants can be brought to trial without being given a copy of the indictment first. Appeal procedures have been cut short; the report cites cases in which the accused were executed within six days of the alleged offence.

The report notes that "there is no recognition—either in law or in practice—of the right to be presumed innocent before being proved guilty in a court of law".

Public executions were supposed to have stopped under the law of criminal procedure in January 1980. But the report cites evidence that some executions are still carried out in public and the prisoners' bodies left on display.

Executions are carried out by the traditional method of shooting the victim in the back of the head while he or she kneels.●

A TRIBUTE TO BLANCHE NARBY, "THE PEDDLER OF ZIONISM"

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. LENT. Mr. Speaker, we seldom take the time to recognize the average American citizens who are the real life heroes of our everyday world. I'm talking about the men and women whose brave actions in the face of danger or hardship speak volumes about their concern for their fellow man. They have a deep commitment to higher values, such as freedom and human rights.

I would like to share with my colleagues today a story of one of these everyday heroes: Mrs. Blanche Narby of Bellmore, Long Island. Blanche is a constituent of mine in the Fourth Congressional District. I am very proud to know this fine lady who has done an outstanding job as president of the Conference of the Jewish Organizations of Nassau County. I have worked with Blanche, along with the Long Island Committee for Soviet Jewry, on many occasions in efforts to aid Soviet Jews and I am continually impressed with the energy and commitment this woman devotes to this effort in the cause to preserve human rights.

In early August 1984, Blanche Narby, along with Dr. Phyllis Pacheco of the Suffolk Jewish Communal Planning Council, and a group of 25 people set off on a tour of the Soviet Union. During the tour, Mrs. Narby and Dr. Pacheco would slip away from the tour to visit Soviet refuseniks, Soviet Jewish citizens who have been refused permission to emigrate from the Soviet Union. The women would bring the refuseniks books, newspapers, and other items difficult to obtain in the Soviet Union. They brought the refuseniks something else equally important. They brought them hope in knowing that people in the outside world had not forgotten them in their struggle for religious freedom.

On one trip, the two women set out to visit a Soviet Jewish family. When they got out of their cab, the area was dark and deserted. Suddenly, three plainclothes Soviet KGB agents appeared. They arrested the two women, hauled them into the police station, and charged them with "anti-Soviet activities." As you can imagine, that have been a very frightening experience.

The two women were separated and interrogated for over five hours by local KGB goons who tried their hands at searching them and then trying to extort confessions of wrongdoing from them. During this time, they were forbidden from contacting the American Consulate or their American tour guide.

Their photos appeared on Russian television, and a story appeared in the Soviet official newspaper, Pravda. The announcement read: "Peddlers of Zionism" Blanche Narby and Phyllis Pacheco had been captured, criminals who were part of a zionist plot to stir up the "Jewish problem." A second similar story appeared in the August 3, 1984, edition of the Leningrad Evening News entitled "Zionism Peddlers."

After this exhausting and terrifying experience, the women were released by the Soviet police for "humanitarian reasons," and were allowed to continue their tour with the rest of the group. However, it is doubtful they will ever be permitted to enter the Soviet Union again.

The Kremlin's way to handle its Soviet Jewish citizens is through inhuman repression of their basic rights and freedoms. However, these latest incidents of harassment and violence against American citizens who help Jews in the Soviet Union is extremely disturbing. It is intolerable. These violations against American citizens must be loudly protested by the U.S. Government. Such incidents prove the Kremlin is so paranoid about our protests over their persecution of Soviet Jews that it will go to almost any length to discourage outside contact with Soviet Jews to keep the world from learning the truth about their tragic situation.

These brave women, Blanche Narby and Phyllis Pacheco, deserve our highest commendation. They risked their personal safety to reach their fellow Jews who struggle under the tyranny and oppression of communism.

Now, more than ever we must persist in our strong and vigilant efforts to help Soviet Jews. And I think Mrs. Narby said it very well when she remarked of Soviet Jews and her experience: "We are their lifeline. We are their only contact with the outside world. And if they are not afraid of the repercussions, we should not be."

A translated copy of the story which appeared in the Leningrad newspaper follows.

ZIONISM "PEDDLERS"

The episode that took place on night of August 2 in Leningrad could in honest be a part of a cheap detective movie.

At 8:00 PM a group of American tourists arrived here on a ship from Simferopol. They arrived to hotel "Pribaltiiskaya" and in a couple of hours two dames out of the group: Phillis Pacheco and Blansh Narbi, both residents of the N.Y. City, wandered to the taxi stand, both bending under the weight of two backpacks of rather impressive size. Anxiously glancing around, they ordered the driver to take them to one of remote neighborhoods on outskirts of the city, refused help offered by the driver and disappeared in the dark.

Following the taxi driver's report, militia soon found the suspicious ladies-foreigners and took a curious look at their "cargo". In the bags they found a lot of goods from underwear to the lastest examples of photografic equipment made in Western countries. Even quick approximate appraisal of the "merchandise" gave an amount in four figures.

When asked to explain the reason for the night journey in a strange city, discontented "peddlers" tried to mumble something about a wish to "exchange souvenirs with Soviet citizens". But their notebooks, when checked, did not leave any doubts in the true nature of the incident.

Once again, under the mask of tourists we have found a representative of international zionists organizations, the same that are trying all the time to artificially arise "Jewish problem" in the USSR, nationalistic mood among the Soviet citizens of Jewish descent, using cheap "uncharitable" gifts as a means of encouragement and support of the fictitious "oppressed", who let themselves to be fooled by them.

This time we were dealing with well known for its brazen anti-Sovietism organization "Joint Council for protection of Soviet Jews" which has a headquarters in Washington, D.C. As a president there acts certain Linn Singer, who became known thru the press reports about her hostile anti-Soviet escapades and who is forbidden entry in the USSR. It was she who recruited Phillis Pacheco and Blansh Narbi for the purpose of bringing to Leningrad a portion of "feeding" for somebody who is well known in the zionist circles as a zionist instigator. This is certain A.Ya.Taratuta, a former astronomer who chose not to be a stoker in public bath in order to be able to act as one of the "oppressed and persecuted". The last words are within quotation marks not by a chance: judging from the contents of the undelivered cargo, Taratuta's profit from his activities mounts to much more then simply a doubtful fame of a "fighter for the rights of the oppressed".

Moved by a humanism, competent organs decided this time not to be harsh and only gave a strict warning to Phillis Pacheco and Blansh Narbi to strictly comply with regular rules and regulations for foreigners. They were permitted to complete the rest of their tour to Leningrad after which they will be allowed to collect their "schmates" (my tanslation of the Russian word 'triapieo', Ed.) in order to return it to the zionist trappers of dirty souls.

As recently became known, foreign zionist centers undertook lately a real "mass attach" of anti-Soviet activity. In Leningrad only within last three month were retained while passing the customs in Pulkavo Airport citizens of France Mark Medenberg and Marie Clod Khalifa, who tried to smuggle zionist literature in their baggage and hidden packets. Their compatriots Simon Moille and Alen Saada who were sent to our country as tourists by so called "Committee 15" tried to collect slanderous and tendencious information in exchange for foreign-made cloth. Despite of an education in law which as one would expect gives a person an elementary understanding of lawful limits of behavior, American lawyers Bernard Shavits and Harold Volsky endeavored to meet a bunch of former conmen in search of "facts and documents" which of course would be of the anti-Soviet trend. Citizens of the USA Ben. Hollender and Stanley Epstein tried to organize here "lectures" for the prozionist inclined elements. All this and similar attempts were suppressed.

Our country advocates a wide international contacts in all spheres—political, busi-

ness, cultural. But we always will keep an unwreckable bariers against ideological saboteurs.●

AN END TO SEX DISCRIMINATION IN PENNSYLVANIA'S INSURANCE RATES

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. WALGREN. Mr. Speaker, last week the Pennsylvania Supreme Court held that gender-based auto insurance rates are discriminatory. Last year, among bitter controversy, the Energy and Commerce Committee defeated H.R. 100, the Non-Discrimination in Insurance Act, which would have eliminated sex discrimination in all types of insurance.

I have excerpted portions of the Pennsylvania decision which may be of interest.

[In the Supreme Court of Pennsylvania, Eastern District]

HARTFORD ACCIDENT AND INDEMNITY COMPANY *v.* INSURANCE COMMISSIONER OF THE COMMONWEALTH OF PENNSYLVANIA

PHILIP V. MATTES AND STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY, INTERVENORS

Appeal of Hartford Accident and Indemnity Company and State Farm Mutual Automobile Insurance Company

OPINION

(Filed: September 27, 1984)

In this appeal we have agreed to review the Commonwealth Court's affirmance of an order of the Insurance Commissioner of Pennsylvania ("Commissioner") rescinding his prior approval of Hartford Accident and Indemnity Company's ("Hartford") gender-based automobile insurances rates on the ground they were "unfairly discriminatory" under section 3(d) of the Casualty and Surety Rate Regulation Act ("Rate Act"). . . . We have concluded that the Commissioner's action was both within his statutory authority and mandated by the Rate Act, and, therefore, affirm.

The action was initiated by Philip V. Mattes, a Hartford automobile policyholder, who filed a complaint with the Commissioner challenging the legality of the Commissioner's earlier approval of Hartford's gender-based rates. Mattes established at an evidentiary hearing that, as a twenty-six year old unmarried male with an unblemished driving record, he was obligated to pay $148 more in annual premiums than would a similarly situated female insured for identical coverage. Hartford sought to justify its rating plan on the ground that actuarial data indicated that male policyholders in Mattes' age group are more likely to incur accident losses than female policyholders in the same age group.

[NOTE.—The statistics relied upon by Hartford did not reflect whether the policyholder was the actual operator of the vehicle involved in a given accident. While Hartford also offered accident statistics complied by the Pennsylvania Department of Transportation in support of the rate plan, that data had not been employed in the ratemaking process.]

The Commissioner, interpreting the Rate Act's prohibition of "unfairly discriminatory" rates in light of this Commonwealth's public policy against sex discrimination as embodied in the Equal Rights Amendment, concluded that Hartford's gender-based rates were "unfairly discriminatory" and therefore invalid.

The legislature's purpose in enacting the Rate Act is clearly set forth in section one:

"The purpose of this Act is *to promote the public welfare by regulating insurance rates to the end that they shall not be excessive, inadequate or unfairly discriminatory . . .*"

The central provision of the Rate Act is section three. . . . The overriding consideration is section three's mandate that rates may not be "excessive, inadequate or unfairly discriminatory."

Thus the Rate Act, *independent of any federal or state constitutional provision*, proscribes "unfairly discriminatory" ratemaking by insurers in this Commonwealth and provides administrative and judicial remedies therefor.

The basic issue in this appeal is the proper interpretation of the phrase "unfairly discriminatory". That phrase is not defined in the Rate Act itself. The Commissioner concluded that he was compelled to interpret the statutory prohibition against "unfairly discriminatory" rates in a manner consistent with the strong public policy against gender-based discrimination under law as expressed in Pennsylvania's Equal Rights Amendment. Appellants Hartford and State Farm attack that conclusion arguing in favor of a narrow interpretation of the phrase which would limit the prohibition of section 3(d) to rates which are not "actuarially sound."

In the proceedings before the Commissioner, Mattes established conclusively that Hartford required him to pay a significantly higher premium than a similarly situated woman would be charged for identical Hartford coverage solely on the basis of his gender.

The question to be resolved is whether such discrimination falls within the parameters of the Rate Act's prohibition against "unfairly discriminatory" rates.

We conclude that section 3(d) manifests separate legislative objectives which represent the recognition that a rate may be justified by the actuarial data offered in its support, yet unfair in its underlying assumptions and its application to the individual. Accordingly, appellants' narrow, technical view of the Rate Act's mandate of "fairness" must be rejected.

We must next consider whether the Commissioner was justified in looking to the Pennsylvania Equal Rights Amendment in his determination of whether Hartford's gender-based rate plan was "unfair." Appellants seek to characterize the Commissioner's disapproval of Hartford's rate plan as an unauthorized attempt to impose his personal theories and perceptions of social policy upon the insurance industry. We disagree. As we have already concluded, it was appropriate for the Commissioner to look beyond actuarial statistics in evaluating the fairness of Hartford's discriminatory rates. Since those rates were based on the gender of the insured, the Equal Rights Amendment was necessarily relevant.

The Equal Rights Amendment was adopted by the voters of this Commonwealth on May 18, 1971. The Amendment provides:

"Prohibition against denial or abridgement of equality of rights because of sex.

"Equality of rights under the law shall not be denied or abridged in the Commonwealth of Pennsylvania because of the sex of the individual."

We have not hesitated to effectuate the Equal Rights Amendment's prohibition of sex discrimination by striking down statutes and common law doctrines "predicated upon traditional or stereotypic roles of men and women. . . ."

The text of Article I, section 28 makes clear that its prohibition reaches sex discrimination "under the law." As such it circumscribes the conduct of state and local government entities and officials of all levels in their formulation, interpretation and enforcement of statutes, regulations, ordinances and other legislation as well as decisional law. The decision of the Commissioner in a matter brought pursuant to the Rate Act is not only "under the law" but also, to the extent his adjudication is precedent on the question decided, "the law."

Thus, in light of the Pennsylvania Constitution's clear and unqualified prohibition of discrimination "under the law" based upon gender, we conclude that the Commissioner's disapproval of Hartford's discriminatory sex-based rates on the ground they were "unfair" and contrary to established public policy was in conformity with section 3(d) of the Rate Act and an appropriate exercise of his statutory authority.

Accordingly, the Order of the Commonwealth Court affirming the adjudication of the Insurance Commissioner is affirmed.●

DOUBLE STANDARDS IN THE MEDIA

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. HUNTER. Mr. Speaker, the following editorial which appeared in the Wall Street Journal accurately describes the double standard which the U.S. media has established in scrutinizing the financial affairs of national political figures. I commend it to my colleagues.

ABOUT PRESS VENDETTAS

The ethicists of the press have been clucking about two things these past two weeks, and the comparison tells a lot about their standards, moral and professional. Despite the release of a 385-page independent counsel's report, they have decided questions remain to be asked about the financial affairs of Ed Meese and his wife. But all questions about the finances of Geraldine Ferraro and her husband have been answered, and anyone insisting on asking more will get booed by the defenders of the public's right to know.

To take the Ferraro matter first, tongues have been clicking in pressdom about our Sept. 13 story by Jonathan Kwitny and Anthony De Stefano. It revealed that Rep. Ferraro's father-in-law, Philip Zaccaro, had a pistol license revoked for signing a character reference for a notorious gangster, owned a building that served as a front address for another top gang figure, and made large loans to an individual who later was convicted of labor racketeering and also contributed to Rep. Ferraro's election campaigns. Rep. Ferraro served as attorney to the four buyers of the front-address building, and the story reported that three of

them could not be found and detailed the curious background of the fourth, a "body broker" on Mulberry Street. (For later details, see "Update" nearby.)

The press ethicists came down on the same side as many of our letter writers today; they spied a press vendetta. Columnist William Safire wrote about "the fury of the assault on Mr. Mondale's running mate by The Wall Street Journal, which regularly poohpoohs ethical lapses by higher government officials but finds shocking the revelation that Representative Ferraro's dead father-in-law may have signed a pistol permit for a Mafioso." Columnist Mike Royko chatted about being "an 11th cousin of Gambino." The New York Times and the Washington Post carried press stories, making much of the placement of the story on the editorial page." Is there a subliminal message here? innuendoed Sam Zagoria, "ombudsman" for the Post. The question was framed directly by Newsweek: "Has Ferraro been the victim of a hit job?"

The ethicists seen inexplicably to have forgotten the ongoing controversy over the adequacy of Rep. Ferraro's financial disclosures. For years she has claimed a disclosure exemption to which she is patently not entitled. The tax returns released at her Kennedy Airport news conference are missing the schedules that would disclose the sources of her husband's income. While the press applauded at the end of her press conference, the House Ethics Committee felt it had to charter a formal investigation. Our interest in the Zaccaro finances starts not with vowels at the end of names, but with these disclosure problems.

Nor was Phillip Zaccaro some 11th cousin. He was the founder of the business at issue in the refusal to disclose the sources of John Zaccaro's income. Rep. Ferraro is herself an owner and officer of the central corporation, P. Zaccaro Co. Inc. What we know about John Zaccaro's own activities—his renting to pornography distributors and clubs drawing gambling raids, his being removed as conservator of an estate after lending himself $175,000 of its funds—is a natural matter of curiosity.

So our own reporters pored over the public records, doing their own investigation. They uncovered a rather interesting story, and it seemed to us appropriate to share it with the public. Our story was not sensationalized, but written in a restrained and responsible way. The voters can make their own judgments about the relevancy of the Philip Zaccaro legacy to Rep. Ferraro's fitness as a potential president. Some will find that her refusal of more complete disclosure raises large questions of character; obviously others will support her as the underdog attacked while down. But however the electoral balance cuts, we are utterly mystified by the ethicists' suggestion that it is somehow the responsibility of journalists to stand in the way of telling the story.

As we read the ethicists on our Ferraro article, the question that kept running through our minds was, what if it were Ed Meese? What if he refused to disclose the sources of his wife's income? What if he were an officer of a corporation started by a man who gave a character reference for a top gangster? What if he dealt with such questions by complaining about prejudice against names ending in silent vowels, and having his press secretary declare, "These are not valid questions"? Would Newsweek be asking, "Has Meese been the victim of a hit job?"

In the Meese case there is by now no question of full disclosure. The facts have been detailed by an independent counsel, appointed by the D.C. Court of Appeals, armed with five deputy independent counsel and a grand jury. As an example of the kind of things raised by the press and studied by the counsel, see the matter of the cuff links nearby. The counsel found no reason to charge Mr. Meese with any wrongdoing by the standards of the criminal law, which at least provides a codified standard that can be applied with some evenhandedness. The report duly noted that the law does not cover all morality.

Despite the caveat, the counsel's report was no merely technical or equivocal dismissal of the charges. A friend who made loans to Mrs. Meese received a government job, but he obtained the job "without the knowledge of (or any intervention by) Mr. Meese." A savings and loan decision to extend his mortgages rather than foreclosing was "sound from a business point of view." While early and later-corrected disclosure statements were incomplete, there was "no substantial evidence of any motive on Mr. Meese's part to conceal," and "no indication of any underlying improper or illegal conduct."

How do the ethicists react to this language by a court-appointed independent counsel? "It means only that their actions were not indictable as crimes. They did nothing criminal, but they did plenty to provoke suspicion, which in a public official is wrong," pooh-poohed William Safire. "The law does not make an independent counsel an ethical ombudsman or an arbiter of good tast, judgment or competence," Stuart Taylor Jr. wrote in a New York Times News Analysis. Everyone now talks of "qualifications for the office," though clearly the nomination would have been confirmed months ago except for the allegations the independent counsel has now dismissed.

A decade ago we made ourselves unpopular with our colleagues of the press by insisting that the Watergate charges be subjected to some standard of procedure and proof. While this role is not the sort of thing for which one expects laurels, it has been a source of pride to us. For by the time President Nixon resigned, the nation had reached a true consensus that he should do so. Perhaps the most amazing part of the episode is that today no substantial minority of citizens feels Mr. Nixon was merely houndred from office by an adversarial press. Relatively little rancor remains now because he had some "defenders" then.

We had hoped, too, that this would set some standard concerning press scandals, that substantial proof and some degree of consensus would be necessary to force out public officials. This so far has not turned out to be the case, at least when the officials have been conservative Democrats or Reaganite Republicans. Mr. Safire forced Bert Lance out of government, and did not turn in his Pulitzer Prize when the jury failed to convict. More recently, he has been giving sermons about such weighty ethical concerns as the Wick tapes and the Deaver diet book (the game here is the parochial power politics of an inbred company town; "Mr. Deaver, who may one day finish writing his diet cookbook, returned my calls"). Anne Gorsuch Burford was permanently hounded from public life, though Justice Department investigators couldn't find anything she did wrong and even her critics can't seem to agree on what it might have been. No one booed reporters for rudeness when they camped on Richard Allen's laws; he was forced out over a watch and $1,000 in a safe.

If these are the prevailing community standard, the history of P. Zaccaro Co. has to be newsworthy; surely it is not the duty of journalists to conceal it. Indeed, we suspect some voters may be more interested in a legacy of crime connections than a conflict of interest in a diet book or the value of Ed Meese's cuff links.

But no, the ethicists who established these standards have suddenly decided this kind of scrutiny is unfair—when it happens to be applied to a liberal, Democratic, feminist candidate. The ethicists have the further gall to suggest that it is we who are following a double standard. We did not invent the standards, but if they exist they should be impartially applied.

No one would be happier than we if solicitude over fairness to Rep. Ferraro were leading the ethicists to rethink the standards they apply to stories of scandal or personal controversy, but sadly their reaction to the Meese report suggests that so far this is not the case. What they express in their Ferraro attitudes is instead a double standard, pure, simple and outrageous.●

LEGISLATION TO IMPROVE THE 1985 FEED GRAINS PROGRAM

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. BEDELL. Mr. Speaker, I am today introducing legislation which would require the Secretary of Agriculture to include a paid diversion component as a part of the previously announced 1985 acreage reduction program for feed grains.

Mr. Speaker, corn producers in Iowa, and I, were greatly disappointed when we learned the details of the 1985 feed grains program as announced by Secretary of Agriculture John Block on September 14. Although we were pleased with the early date on which the program was made public, we were particularly distressed to find that, despite the continuing crisis in agriculture, the program advanced by the Secretary actually assumes still lower prices for farmers, an increase in production and surplus stocks, stagnant exports, and generally no relief for the terrible problems currently plaguing our farm economy. Indeed, the details of the 1985 feed grains program appear to give the clearest evidence yet that this administration does not recognize the magnitude of the crisis facing our farmers today.

Please let me explain the details of the announced program. According to the USDA announcement, corn farmers must idle 10 percent of their corn base in 1985 in order to qualify for commodity loans and price protection. The loan rate offered will be $2.55 per bushel and the target price $3.03—the minimum levels required by law (the Secretary has the authority to increase these amounts) and the same

levels provided under the 1984 program announced 1 year ago.

Most alarming, however, are the price and income projections which USDA itself assumes will result as a consequence of its program. First, USDA assumes that just 53 percent of our farmers will participate in the 1985 program, compared to 55 percent this year and 72 percent last year. This means a program less effective in reducing production, and more farmers without some form of price protection.

Second, USDA assumes that under normal weather conditions, U.S. corn farmers will produce a 7.8-billion bushel corn corp which, if it materializes, would be the fourth largest crop on record. In the meantime, because USDA expects corn exports to remain stagnant next year, and domestic consumption is expected to increase only slightly, surplus corn stocks are expected to increase from just over 1 billion bushels after the 1984 marketing year to almost 1.3 billion after 1985.

The final blow, however, is delivered in the price projections offered by the Department of Agriculture. According to USDA analysts, the season average price for the 1985 crop of corn is expected to be just $2.70 per bushel, which translates to a cash price for famers in my part of Iowa below $2.50 per bushel. That's well below the farmer's cost of producing corn, which Iowa State University calculates to be near $3 per bushel this year.

Moreover, USDA's $2.70 season-average price projection for the 1985 crop is 19 cents lower than the current year's price and a full 54 cents per bushel less than the price received by farmers in 1983. I must point out that even when corn prices were much higher in 1983, total net farm income was just $16.1 billion and farm bankruptcies and foreclosures were escalating. In light of this, how can we possibly hope that the lower prices expected in the future will pull agriculture out of its current nose dive?

Mr. Speaker, this is the final week of the legislative session and I know that time will not allow us to move my legislation yet this year. However, signup for the 1985 feed grains program does not end until March 1 of next year, thus providing us the opportunity to enact an improved feed grains program early in 1985.

Fortunately, there are indications that Secretary Block is beginning to recognize the shortcomings of the feed grains program he announced. Just one day after the Committee on Agriculture called him before the committee, at my request, to explain his position on the various farm programs for 1985, he stated that he may augment the announced program with a paid diversion if corn carryover projections increase over the course of the next several weeks.

The purpose of my legislation today, Mr. Speaker, is to alert the Secretary of Agriculture to my intention of making this bill the first order of business at the start of next year if he does not improve the announced program in the face of increasing carryover projections.

Farmers must have some hope that relief is on the way or I believe that we can anticipate the broad failure of many farmers, small businesses and some rural banks next year. Our rural economy cannot wait longer for economic recovery to take hold.

The text of the bill follows:

To direct the Secretary of Agriculture to carry out an acreage limitation program and a land diversion program for the 1985 crop of feed grains

H.R. 6413

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 105B(e)(1)(C) of the Agricultural Act of 1949 (7 U.S.C. 1444d(e)(1)(C)) is amended by adding at the end thereof the following new sentence:

"Notwithstanding the foregoing provisions of this subparagraph or any previous announcement to the contrary, (1) the Secretary shall, for the 1985 crop of feed grains, provide for a combination of an acreage limitation program as described in paragraph (2) and a land diversion program as described in paragraph (5) under which the acreage planted to feed grains for harvest on the farm would be limited to the acreage base for the farm reduced by a total of 15 percentum, consisting of a reduction of 5 percentum under the acreage limitation program and a reduction of 10 percentum under the diversion program, and the diversion payment rate for corn shall be established by the Secretary at $1.50 per bushel; and (2) as a condition of eligibility for loans, purchases, and payments on the 1985 crop of feed grains, the producers on a farm must comply with the terms and conditions of the combined acreage limitation and land diversion program.".●

UPDATE ON THE SALE OF CONRAIL

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. BROYHILL. Mr. Speaker, I want to take a few minutes to bring my colleagues up to date on the proposed sale of Conrail. At the outset, let me congratulate the Secretary of Transportation, Elizabeth Hanford Dole, on the excellent progress she has made in carrying out the congressional mandate to sell Conrail under the procedures prescribed by Congress in the Northeast Rail Services Act of 1981. Her efforts to date can best be appreciated by putting the Conrail sale process in perspective.

Conrail was established in 1976 by Congress in order to preserve vital rail service in the Northeast. At that time, a series on bankruptcies of rail carriers threatened to discontinue service to the communities and shippers of this region.

Since Conrail began its operations, the Federal Government has dedicated over $7 billion to continue service, ensure labor protection, transfer commuter service, and purchase the properties from the bankrupt carriers. From the outset, it was clear that Conrail required these subsidies in order to operate successfully. Saddled with a costly labor protection program, a swollen work force, commuter service and a lagging traffic base, Conrail required substantial Federal subsidies until 1981.

At that point, Congress enacted the Northeast Rail Services Act of 1981 [NERSA]. NERSA gave Conrail the "tools" it so badly needed to bring its head above water. Guided by very competent management, Conrail has been able to reduce its labor protection costs, rid itself of commuter service, reduce its work force and obtain wage concessions under NERSA. Deregulation under the Staggers Rail Act of 1980 has also played an important role in Conrail's recovery. Legislated flexibility in the setting of rates and establishment of routes, have enabled Conrail to respond to the needs of the marketplace and become a competitive entity with other transportation modes.

The rebound of Conrail has culminated in a finding of "profitability" by the U.S. Railway Association [USRA]. Profitability is important because NERSA instructed the Secretary of Transportation to sell Conrail as an ongoing entity if USRA found that Conrail was profitable, according to criteria set forth in the statute. In June 1983, USRA found Conrail to be profitable. The Secretary of Transportation then hired the investment banking firm of Goldman, Sachs in accordance with the requirements of the statute, and began the search for a buyer of Conrail.

To date, 15 bids to purchase Conrail have been received by the Secretary. These include offers from the Railway Labor Executives Association [RLEA], rail carriers, investment groups, and private individuals. Negotiations proceeded through the summer months, and on September 11, the Secretary announced she had narrowed the field of prospective purchasers to three: The Norfolk Southern Corp., the Marriott/Bass Group, and the Alleghany Corp. At the same time, the Secretary submitted these offers to the Department of Justice and the Department of the Treasury for review. The Justice Department will carefully examine the competitive impact of a sale to each prospective purchaser. The Department of the Treasury will analyze

each bid in terms of its tax or financial impact.

I commend the Secretary for following a prudent and deliberative course of examining all ramifications of the sale. Some have charged that the process for completing the sale is somehow on a "political track" and that the Secretary intends to announce a final purchaser prior to the November elections. Frankly, I have no idea when the Secretary will make her final decision, but I am satisfied that she is carefully following the law and is conducting a careful, deliberative process in consummating the sale.

Once a selection is made, perhaps sometime this fall, the Secretary will transmit her recommendation to Congress. Appropriate legislation will have to be enacted to facilitate a sale, ensuring congressional review of the transaction.

It is important, Mr. Speaker, that the Northeast region of the United States be assured, for the long term, essential rail service. It is also critiical that Conrail be sold into the private sector once a recommendation is made by the Secretary, so as to make certain that the Northeast is not treated as a "stepchild" with respect to rail service.

I am hopeful that in the 99th Congress the necessary legislation will be enacted to permit the purchaser selected by the Secretary to take over the reins of Conrail. The Conrail experience has taught us all that Government ownership is no longer necessary or desirable. Any congressionally imposed delay in the sale, at this point in time, is not in the interest of Conrail's employees or shippers, nor is it conducive to a successful sale process.●

DUNBAR DAVIS

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. PURSELL. Mr. Speaker, I rise to honor an individual whose years of civic service in Michigan's Second District are an inspiration and example to us all. Dunbar Davis, judge of the 35th District Court in Plymouth, MI, is retiring this year. I would like to take a few moments to relate some of the accomplishments of this remarkable man I am proud to count among my very closest friends.

Dunbar Davis was born in Southport, NC, in 1913. He graduated from high school there in 1930, then moved to Richmond, IN, to attend Earlham College. Before earning his A.B. in 1934, Mr. Davis had played on the baseball and tennis teams—earning his varsity letter—and won the college public speaking contest. He also managed to meet a charming and attractive coed named Martha Beck.

Dunbar earned his juris doctorate degree from the University of Michigan in 1937, the same year he married Martha Beck. After working as a steelworker for 2 years in Baltimore, Mr. Davis saved enough money to buy the necessary law books and hang out his shingle in Plymouth. He went into partnership with Nandino Perlongo, a blind classmate to whom Dunbar had to read aloud during law studies.

Dunbar took 2 years out of building his successful practice to serve his country in World War II, in the Military Police Division of the U.S. Army. In 1946, he returned to private practice, continuing his long record of public service by being elected to the Plymouth City Council.

In 1967, he was appointed a municipal judge by the Plymouth City Commission, serving in that capacity for a year. The State of Michigan then reorganized the local court system from municipal courts to district courts. In 1968, Mr. Davis was elected as the inaugural judge in the newly formed 35th District Court. State law required him to give up his highly successful 30-year law practice at that time. He has since won two successive bids for reelection, and is now retiring from the post which he has filled so capably and honorably.

Mr. Speaker, I am not the only person to recognize the value of Mr. Davis' service to his community. In 1981, the District Court Administration Board voted to name the newly constructed district court building the "Dunbar Davis Hall of Justice," making him one of only three judges in Michigan to ever be so honored.

Dunbar Davis has also played a vital role in countless young peoples' lives. Because of his concern for young people, he established an effective, workable probation department for the 35th district court, which currently utilizes 75 volunteers and 5 employees.

Dunbar also encourages young people to become acquainted with the law by inviting school classes to visit his court, where he speaks to them, answers questions, and allows them to witness actual court proceedings. Along the same lines, he initiated observance of "Law Day" on May 1. With the help of local attorneys and high school teachers, he assists high school students simulate trials and court procedures.

He donated a house and lot in Plymouth to the Plymouth YMCA. He has served as a judge for Boy Scout contests, high school oratorical contests, and other youth programs. As youth leader of the First Baptist Church of Plymouth, he helped build a log cabin on some of his own wooded acreage, which was used as a weekend retreat for boys in the church.

He has performed more than 4,000 wedding ceremonies, receiving letters from many of the newlyweds commending him on his beautiful and unusual services. I know that Dunbar has a deep commitment to the institution of marriage, and has directed that commitment to performing a private, intimate ceremony that is appropriate to the sanctity of the institution.

His leadership shows up in other areas of the community also. He is active in the Plymouth Community Chamber of Commerce, the Plymouth Kiwanis Club, the Plymouth Historical Society, the Masons, Eastern Star, Odd Fellows, Senior Citizens Club of Plymouth and Plymouth Township, and is a former member of the Plymouth Symphony Board, Family Services Board, and the Northville Rotary Club.

Dunbar is also committed to serving his church. As a member of the First Baptist Church of Plymouth, he has served as Sunday school superintendent, Sunday school teacher, chairman of the board of deacons and board of trustees, member of the men's fellowship, and a member of the State Executive Board of the American Baptist Churches of Michigan.

In recognition of Dunbar Davis' untiring community service, in 1976, the American Legion named him Citizen of the Year. In 1980, the Gideons International awarded him the title "Man of the Year."

Mr. Speaker, this man's admirable record of leadership and service is an example that any of us would do well to follow. After 71 years of vigorous trailblazing, he is going to concentrate on spending time with his grandchildren, counseling other young people, jogging, enjoying his hobby of photography, and, as he puts it, "reciting poetry to anyone who will listen." I might add that he will also spend part of his time trying to beat his Congressman in tennis.

Dunbar has been a part of my life for over 37 years. Our friendship has meant much to me and my family. We love and respect this great man. He is an inspiration to this great community and the United States of America.

Reviewing Dunbar's accomplishments reminds me of the fundamentally great nature of this Nation's citizenry. With spirit and energy like Mr. Davis', I feel confident that our country's future is brighter and better than ever.●

TOO MUCH GLOOM AND DOOM ON FUTURE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. PHILIP M. CRANE. Mr. Speaker, I find it extremely disheartening to hear politicians pessimistically pro-

jecting the rapid destruction of our environment, the decline of our economy, the likelihood of a nuclear confrontation with the Soviet Union, et cetera. At a time when America seems to be back on the right track again, it is beyond my comprehension why some people appear to be bent on discounting our prosperity and forecasting more gloom and doom ahead. I realize that election year politics has something to do with this, but to hear these predictions from political leaders of this country is both frightening and repulsive. One can only hope that these doomsayers are really just attempting to exploit a political angle and do not actually believe that the end is near. America does not need pessimists for leaders.

As a father of eight, I am especially alarmed that this pessimism now plagues the academic environment. Without hope for the future and a belief in this country, how well prepared is the next generation of America's leaders going to be for the tasks that confront them?

The following article by Albert Shanker, president of the American Federation of Teachers, describes a study by the Hudson Institute that revealed that a cloud of pessimism hangs over our high school students and the Nation in general. Optimism and the hard work ethic is what built this great country, and these philosophies still hold the key to its continued prosperity and future.

The article follows:

[From the New York Times, July 22, 1984]

STUDENTS NEED A BALANCED VIEW—TOO MUCH GLOOM AND DOOM ON FUTURE

(By Albert Shanker)

What people think makes a difference in how they act. The philosopher William James used the example of someone hanging onto the edge of a cliff. If the person is an optimist or has at least some faith, he may well hang on long enough for rescuers to come. If, on the other hand, he feels all is hopeless, that he is doomed no matter what, he may well let go too soon—just before someone comes to save him.

Our schools play a role in creating optimism or pessimism. In addition to teaching math, English and other basics, schools—in social studies, science and other classes—give children a vision of the future. If that vision is unrealistic in either direction—overly optimistic or overly pessimistic—students may well grow into adults who sit on their hands and do nothing.

If it's overly optimistic, they may think there's nothing they have to do; if it's too pessimistic, they may think there's nothing they *can* do—and, like the hopeless cliff-hanger, they may just give up. What have our schools been teaching children about the future?

Well, mostly they've been reflecting the larger society. During the last few decades the American public has been given a very pessimistic view of what the future holds. There have been best sellers devoted to the rapid destruction of our environment. There have been books, magazine articles and television shows devoted to the depletion of vital energy and mineral resources and predictions of massive starvation resulting from world population growth.

For the most part, only one side of the argument has been made, that side. Sure, there's usually someone who disagrees, but that someone is portrayed as representing a special interest whose goal is to exploit nature to make a fast buck now. All of this has had an enormous impact on the curricula of the schools. Nothing is more "relevant," interesting or exciting than for teachers to gather these exposés and make this generally accepted wisdom the basis for teaching the daily lesson in science or social studies.

Of course, there's no doubt that we did neglect to take care of our environment, and much of the emphasis on the effects of pollution, of chemicals in food, of problems with waste disposal has resulted in necessary corrective steps. But, one of the results of this recent teaching has been to create a pessimistic bias in many textbooks and courses. The late Herman Kahn, founder of the Hudson Institute, one of America's most important think tanks, was shocked by what he called the "cloud of pessimism" hanging over our high school students and the nation.

The institute examined 63 basic high school textbooks published since 1962 to see how they dealt with questions of population growth, environment, natural resources and economic development. (The study formed the basis of *Why Are They Lying to Our Children?* by Herbert I. London, director of the Hudson Institute's Visions of the Future program, which seeks to present students and teachers with a more balanced view of the world's problems and America's role. It's just been published by Stein & Day, Briarcliff Manor, N.Y.)

The study found "an astonishing amount of misinformation and sloppy writing," contradictions, a "lack of objectivity" in textbooks—and that they were clearly aimed at changing student attitudes and behavior in one direction. One text, published in 1981, presented this apocalyptic vision: "You may have heard about the 'four giant horsemen' galloping across the face of the earth. One stands for Famine, the second for Disease, the third for War, and the fourth for Death. Today, these four gaint horsemen are galloping more swiftly than even before. But many, many others still do not see the danger."

According to Jane Newitt, director of demographic studies at the Hudson Institute, writing in the January 1984 issue of *Social Education*, "A reasonable desire—to impress students with the magnitude of the world's problems—has been pushed to the point of substituting indoctrination for substantive instruction." Newitt says the doom and gloom books are so intent upon making their points that they fail to mention the vast increases in per capita income since 1960 in the countries with 94% of the world's population, or the huge increases in life expectancy.

The population is said to be growing faster and faster, but few books mention the fact that the population growth rate peaked nearly 20 years ago and has been declining ever since. The books predict massive famines—but fail to report that world food production has outpaced population growth for three decades. Of course, there are people starving, but not because there's not enough food. The reason is the political problem of how to get the food to those who need it. If we don't tell that to students, their efforts are going to be focused in the wrong direction.

Newitt demonstrates that there's a clear political and moral message in these books. "We" are responsible because we are eating, wasting and consuming too much. That's why "they," the have-nots, are deprived. "Thirty-one textbooks allude to looming ecological castastrophes of global proportions.

Invariably, it is 'especially affluent human beings like the Americans' whose profligate and irresponsible consumption threatens 'to make the earth unlivable' and accounts for the plight of the Third World's starving masses. What is relatively new," she writes, "is the intrusion of this moral mission into the traditionally dry matter of textbooks." It is "ideology," she says, "and rigid. By placing students on the morally reprehensible side of the 'gap,' it denies legitimacy to their competitive spirit and their desire for the life-enriching experiences money can buy."

More important, the global pessimism of these textbooks sends students the wrong message about their own country. Newitt says there is no reason to believe American students would become complacent about the world's problems "if they were encouraged to view themselves as part of the spectrum of nations—and as a part that makes many contributions to the betterment of the whole." ●

RUSSELL E. CLARK COMMENDED

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. DAUB. Mr. Speaker, Russell E. Clark of Omaha, NE, has recently been named as the grand worthy president and leader of the largest fraternal organization in the world, the Fraternal Order of Eagles.

This is a well-earned honor and a deserved recognition of Russ's outstanding accomplishments. As a friend of Russ and a fellow member of South Omaha Aerie No. 154, I am proud of his achievement and take this opportunity to share his success story with my colleagues in the Congress.

THE 1984-85 GRAND WORTHY PRESIDENT

All success stories have a beginning, and an ultimate attainment, of the rise to the top! Russ's story began as all other with his birth to his parents, Ross & Nina Clark, on the family farm in Polk County, Nebraska. After moving to Shelby, Nebraska, he attended schools in Shelby and graduated from Shelby High School. After graduation, Russ held many different jobs in his career, but concluded his last 30-years as a linotype operator for newspapers: The Wahoo Wasp, Omaha World-Herald and at the Livestock Press. During this time, he served for a period of time as Secretary-Treasurer of the State Typographical Union in Nebraska. Russ and Darlene were married in Wahoo in 1943 and have three children, Russ, Jr., of Seattle, Washington; John from Pasadena, California; and Debbie of Culver City, California. They are also blessed with two grandchildren, Emily and Cody.

Russ became a member of South Omaha Aerie No. 154 in 1957 and immediately became involved in this great fraternity. His

first assignment was Entertainment Chairman for the Saturday night dances. After serving on this committee, Russ was appointed Aerie Conductor and became Aerie President during the 1962-63 Eagle term. At the conclusion of his presidency, Russ began an uninterrupted 15 years as a member of the Board of Trustees and then attained Chairman of the Board. These 15 years were filled with many great Eagle activities for Russ, as he became an officer in the Nebraska State Aerie, and in 1972 became State President of our State Fraternal Order. During these years, Russ was also Worthy Conductor of his Aerie Ritual Team and earned the honor of All-State Conductor for eleven consecutive years. Russ assumed the Chair of President of Aerie Ritual Team—which, as a unit, has since won four Class B National Championships.

In 1974, Russ became 154 Aerie Secretary and Editor of the 154 Hi-Flyer—a post he still holds today.

Russ began his rise in the Grand Aerie when he was appointed to the position of West Central Regional President in 1973-1974. He also found time during these years to serve as West Central Regional President of both the Max Baer Heart Fund and the Jimmy Durante Childrens' Fund. Both of these National Funds have raised millions of dollars for research and aid.

Russ's election as Worthy Chaplain in 1977 of the Grand Aerie was followed by four years on the Grand Board of Trustees. His continued rise in the Grand Aerie to Vice-President and then to Grand Worthy President-Elect has culminated in the achievement of his position as Grand Worthy President for the year 1984-1985—the very first man from Nebraska to reach this goal.●

FUTURE FARMERS OF AMERICA AWARDS

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. DE LA GARZA. Mr. Speaker, a significant event occurred in the Capital recently when awards were presented to 37 State winners, and to the top five national winners, in a Future Farmers of America competition in designing imaginative applications of computer technology for agriculture.

The Future Farmers organization, which includes many young people in our rural high schools around the country, is one of the best training grounds we have for future leaders in agriculture and rural affairs.

The program demonstrates that the FFA is moving forward to help the coming generation understand and make full use of the benefits of modern computer and communications technology. Today's farmers, with all the problems they face in production and marketing, are finding more and more that they can make effective use of tools like computers to get timely information and to produce faster, more efficient decisions in their complex businesses.

I want to bring this latest FFA program to the attention of the House because I think it is a hopeful sign that our oncoming generation of new young people in agriculture will be well equipped for the fast-moving and difficult fields they are entering.

When the FFA computer program awards were presented in Washington in August, the national FFA executive secretary, Coleman Harris, commented that the computer has been identified by FFA as "one of the most important tools necessary for success in the tough agricultural climate." The awards were sponsored by the National FFA Foundation in cooperation with a private agricultural information and communications service, AGRIDATA Resources, Inc., of Milwaukee.

The first place national winner in the contest was Kevin E. Gingerich of Kokomo, IN. National runner-ups were: Debra Dee Haack of Fond du Lac, WI; Dotty Behne of Sherburn, MN; Barry A. Hines of Philpot, KY; and Lonnie Webb of Lincoln, AZ.

Other State winners in the contest were: Robert Powalski of Fairbanks, AK; David Martin, Jr. of Brierfield, AL; Kim Gray of Gilbert, AZ; Scott Eric Johnson of Platteville, CO; Wilson Korth of Cornwall, CT; Steve Kaufman of Sarasota, FL; Timothy Harrell of Whigham, GA; Brian Gosch of Webster City, IA; Vern Steiner of Bruneau, ID; Craig Perkinson of Thawville, IL; Max Schmidt of Canton, KS; Tammie Michelle Miller of Iota, LA; Dean Tobey of Corunna, MS; Randall Lee Horine of Norborne, MO; Thomas Lechner of Winifred, MT; Donna Keidel of Mandan, ND; Ronald Glinsmann of Ravenna, NE; Eric Lavoie of Barrington, NH; Bill Perez of Elwood, NJ; Steve Stearns of Nogal, NM; John Robert Mudd of Websterville, OH; Scott Carlson of Boardman, OR; Wynn Richardson of Pocasset, OK; Lynwood Nester of Mechanicsburg, PA; Charles Hill of Abbeville, SC; Arlin Hobbie of Flandreau, SD; Paul Tannos of League City, TX; Ladell C. Swallow of Fillmore, UT; Randy Landes of Weyers Cave, VA; Fred Peet of Middlebury, VT; Amanda Ann Bryom of Glenoma, WA; and Oscar Garnant of Greybull, WY.

In addition to this competition, Mr. Speaker, I should point to another evidence of FFA leadership in making use of new technology in agriculture. The organization has prepared and made available on the AGRIDATA network a package of information for vocational agriculture teachers and lesson plans, for use in classrooms, on the use of computer technology in agriculture. The development of this system grew out of a decision by FFA leaders that farmers need more training in business planning, management, and economic skills.●

"ODE TO THE IRS"

HON. ED BETHUNE

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. BETHUNE. Mr. Speaker, the inimitable Sunday Observer for the New York Times Magazine, Russell Baker, has eloquently penned an "Ode to the IRS." Below are excerpts I commend to my colleagues:

I've got this form here.
It's called Ten Forty.
It's the long form, not the shorty.
The long form's for the sporty
and it comes with Schedule E.

I love a schedule. I'm so precise.
That's why I think the I.R.S. is nice.
To offer Schedule E
—how much sweeter could they be?
But not just Schedule E
—Schedules A, B, C and D!
It makes me wish that I could pay them twice.

And, yes, yes, here's 1040 ES. It requires you to guess,
1040 ES, and guessing I hate.
"Come press your fate,"
says 1040 ES. "come, estimate."

I guess what I'll owe next year.
It can be amended later if you've got the proper form.
They seldom jail you if the guess is warm,
I guess. And the proper form
must be somewhere here.

Let's see: I've got depreciation and sworn declaration.
I've got wage estimation and amortization.
What I'd like to have and haven't got
is Alternative Minimum Tax Computation
unless you are very, very rich.

Why does a man with Form Ten Forty long;
a man entitled to Schedules A, B, C, D and E;
a man who has W-2 and 1040 ES,
a man with access to depreciation,
sworn declaration,
wage estimation,
wage amendment estimation
and amortization
—why does such a man want Alternative Mini-minimum Tax Computation?

Because then they'd give me Form 6251 to attach.
I love attaching. It's such a gas.
And attaching Form 6251 has so much class.
I'll tell you why: It can be attached to Form 990T.

Alas for you and me, chances are we'll die and never know the pleasure of attaching to Nine-nine-zero T.

Mr. Speaker, we can all enjoy a chuckle from Mr. Baker, but it's also sad that our tax structure has to be this complex and cumbersome on the American people. Hopefully, a year or so from now this Congress will have enacted tax reform legislation and he will be able to pen something fast and simple like:

It used to be at tax time,
We would wrench and fret and blast.
Now that tax reform has passed,
We can all sit back and FAST.●

THE TORTILLA CURTAIN

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. PHILIP M. CRANE. Mr. Speaker, it seems that the congressional conferees are trying to reconcile the House and Senate versions of the Simpson-Mazzoli immigration bills to no avail.

This certainly is not the first time that these bills have met resistance. There have been stumbling blocks all along because of proposals such as employer sanctions and amnesty for illegal aliens. These provisions encourage incentives to discriminate against Hispanics and would create a new underground industry for forged, stolen, and fraudulent documents. In addition it penalizes those who have waited patiently to follow current U.S. laws to enter the country legally.

To further explain a few of these problems, I would like to share with my colleagues the following article entitled "Defending the Tortilla Curtain" that appeared in the Wall Street Journal on September 24, 1984.

DEFENDING THE TORTILLA CURTAIN

Congressional conferees are tying themselves into knots trying to reconcile the House and Senate versions of the Simpson-Mazzoli immigration bill, and we have a proposal to break the deadlock. To wit, the next meeting of the conference committee should be convened in the El Paso Blood Plasma Center.

Lacking that, the conferees could glance at the attached rendering of a photograph recently taken on the border there, at high tide on the Rio Grande. To get your back wet, you have to lie down in the river. The scene is typical of 1,990 miles of border. For the other 10 miles, in downtown El Paso, the Rio Grande runs through a concrete culvert fortified with chain-line fence. This is called the tortilla curtain.

This is where you get the reality of the border. El Paso, a city of 425,000 (60% Hispanic), shares the border with Ciudad Juarez, a metropolis of perhaps a million Mexicans. Some people live in El Paso and work in Juarez, and vice versa; legal border crossings come to 100,000 a day. Immigration officers, some of whom are naturalized Hispanics, look in the cars and ask your nationality. If you look Hispanic, you may actually have to show some identification.

Since Mexico allows U.S. citizens to visit for 72 hours without papers, the U.S. has to reciprocate. For more than 20 years, the immigration service has been issuing border-crossing cards to Mexicans who have permanent roots, such as a residence and a job, in Mexico. The cards allow 72-hour crossings, and are permanent for repeated use. The U.S. government has no record of how many are outstanding, and officials say the counterfeits are excellent.

The Border Patrol is proud of its new low-light TV monitors, aimed at the frequent gaps in the tortilla curtain. When the officers manning the central monitors see, say, a group of immigrants dash into a waiting car, they phone a road patrol with descriptions of who to stop. Some 200,000 illegal aliens were apprehended in El Paso last year, and more than a million nationally. Attorney General William French Smith said this was "a tribute to the great job the men and women of the Border Patrol are doing."

When the Border Patrol apprehends an alien, he or she will routinely "accept voluntary departure," and the Patrol provides a ride to the bridge. By some estimates there are 70,000 live-in maids in El Paso; local folklore holds that if they are picked up in a shopping center they are back at work before the Border Patrol gets back to its office.

If a suspect alien picked up within the U.S. chooses to resist deportation, legally the burden of proof rests on the immigration service to show he or she is deportable. A good immigration lawyer can buy you four years of due process, during which time you can probably get free on bail and maybe have a child, which changes your status because the child is an American citizen. The Border Patrol's detention center holds a few hundred souls, the largest number of whom have recently been Salvadoran.

Oh yes, the blood plasma center, which is located maybe 100 yards inside the freeway inside the Rio Grande. If you wade the river, go through the gap in the fence, brave the freeway and get into the blood plasma center, you can get $25 for a pint of blood. Then the patrol arrives and gives you a free ride to the bridge. In Juarez, $25 is a week's wages.

Simpson-Mazzoli will give us "control of our borders," both houses of Congress have in their wisdom decided. The immigrants will stop coming through the tortilla curtain if employers can get fined or jailed for hiring an illegal alien. Provided the employer employs at least four people—no one wants to send the poor maids back.

There's room to doubt that this will more than marginally change the incentives for illegal immigration. But beyond doubt it will provide some employers an incentive to hire immigration lawyers to contest the deportations that would trigger sanctions against themselves. The great nightmare of the Border Patrol is that some part of a million aliens a year will suddenly stop agreeing to "accept voluntary departure."

If they visit the blood plasma center, congressmen may begin to understand that the U.S. has no realistic alternative to a liberal immigration policy, and that any system will inevitably be messy. It is a tribute to the men and women of the immigration service, and to the illegal immigrants, that the border works as well as it does. Congress should stop kidding itself and leave well enough alone.●

BUILDING OUR AMERICAN COMMUNITIES PROGRAM

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. DE LA GARZA. Mr. Speaker, the Future Farmers of America has long been recognized as one of the Nation's most valuable training grounds for young men and women. Participation in FFA programs has long been a foundation for future success and leadership in agriculture and allied fields, and in community leadership as well.

Earlier this week, on October 2, I was privileged to take part in a ceremony honoring the State and national winners in one of the FFA's nationwide programs, the Building Our American Communities [BOAC] Program. This valuable activity is a special project of the National FFA Foundation and is sponsored by R.J. Reynolds Industries, Inc., of Winston-Salem, NC.

The BOAC Program, begun in 1971, has developed over the years into an important contribution to our efforts to promote community development.

Young people who take part in this program learn the fundamentals of what needs to be done to improve our rural communities. They take part in planning and operating a BOAC Program in their local FFA chapter. They learn how to promote the development of agriculture, agribusiness and natural resources at the local level. And they learn how to work for local, State, and Federal resources which can contribute to community development.

Since 1983, FFA has presented Achievement in Volunteerism Awards to honor individuals who take part in BOAC programs. I was happy to address the State and national winners about the importance of their efforts and the importance of agriculture to the Nation when the 1984 awards were presented a few days ago by Gerald Long, president of the R.J. Reynolds, Co. The ceremony was conducted by Ron Wineinger, the National FFA president.

Now, Mr. Speaker, I want to spread on the RECORD for the attention of our colleagues the names of the individual State BOAC winners for 1984, the 10 national finalists, and the 3 young people who won the top awards. In all cases, these winners were selected from FFA chapters which won State competitions. Of course, as a Texan, I am especially proud of the accomplishments of the State winner in my home State. But I think we can be equally proud of all of these winners.

The top national winner announced October 2 was the West Virginia State winner, Bonnie Kay Spencer of Farmington, WV, a member of the Marion County chapter.

The second place national winner was the Kansas State winner, Darren Nicholas Esslinger of Mankato, KS, a member of the Mankato chapter.

The third place national winner was the Missouri State winner, Carrie Teresa Louk of Osceola, MO, a member of Osceola chapter.

The remaining seven national finalists, all of whom of course were State winners, were:

Scotty Shirley of Daleville, AL, a member of Daleville chapter; Mike

Hoke of Craig, CO, a member of Moffat County chapter; Gina Badger of Bunnell, FL, a member of Bunnell chapter; Don Yocum of Franklin Grove, IL, a member of Franklin Center chapter; Vince Mendive of Gold Creek, NV, a member of Duck Valley chapter; Orville Mowry of Elma, WA, a member of Elma Chapter; and Lori Korell of Lingle, WY, a member of Rawhide chapter.

The remaining 40 State winners were:

Kim Rohr of Delta Junction, AL, Delta Junction chapter; Darryl Walker of Young, AR, Young chapter; Chris Kirksey of Amity, AK, Amity chapter; Miguel A. Rocha of Arleta, CA, Francis Polytechnic chapter; Amy Brayman of Glastonbury, CT, Glastonbury chapter; Keith Shane of Smyrna, DE, Smyrna chapter; Mel Johnson of Covington, GA, Newton chapter; Karen Nakayama of Kapaau, HI, Kohala chapter; Joseph Schumaker of Culdesac, ID, Culdesac chapter; John Bleill of Fountain City, IN, Northeastern Wayne chapter.

Kelly Fehr of Whittmore, IA, Algona chapter; Troy Shouse of Taylorsville, KY, Spencer County chapter; Rodney Manning of Oak Grove, LA, Oak Grove chapter; Raymond Gagnon of Caribou, MI, Caribou chapter; Paul Strong of Lexington, MA, Minuteman Regional Vo-Tech High School chapter; Matt Sowers of Burkettsville, MD, Brunswick chapter; Junior Stealy of Battle Creek, MI, Marshall chapter; Heath Petersen of Sherburn, MN, Sherburn chapter; Jeff McKinney of Caledonia, MS, Caledonia chapter; Wes Wadsworth of Fairfield, MT, Fairfield chapter.

Marc Ahrens of Ravenna, NE, Ravenna chapter; Neil Mooers of Strafford, NH, Much To Do chapter; Wayne Beal of Bridgeton, NJ, Cumberland chapter; Robert Kasuboski of Roswell, NM, Goddard chapter; Benjamin English of Greenwich, NY, Greenwich chapter; Angela Diane Lewis of Newport, NC, West Carteret chapter; Neil Buchholtz of Jamestown, ND, Jamestown chapter; Rudiger Baumgaertel of Albany, OH, Alexander chapter; Greg Westermier of Arcadia, OK, Guthrie chapter; Tom Freels of Elgin, OR, Elgin chapter.

Gary Krall of Lebanon, PA, Cedar Crest chapter; Heidi Burnham of North Kingstown, RI, Kingstown chapter; Melody Cooper of Spartanburg, SC, Dorman chapter; Darin de Vries of Harrisburg, SD, Harrisburg chapter; Jim Kite of Rogersville, TN, Cherokee chapter; Mark Rothwell of Spring, TX, Klein chapter; Stacy Evans of Goshen, UT, Payson chapter; John Martin of Dunnsville, VA, Essex chapter; Chris Nonemacher of Randolph, VT, Central Vermont chapter; Robbie Mikkelson of Oregon, WS, Oregon chapter.●

ANTITRUST IMMUNITY TO LOCAL GOVERNMENTS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. PHILIP M. CRANE. Mr. Speaker, the Senate is currently completing action on House Joint Resolution 648, the continuing resolution for fiscal year 1985.

One section of the continuing resolution addresses antitrust immunity to local governments, and within it is a provision stating that jury verdicts should be treated as evidence. Therefore, treble damages should be awarded. It is precisely this provision that must be stricken.

Juries must not be allowed to second-guess local officials who are elected to make decisions based upon what they believe to be in the best interest of their constituents. To allow this to happen is to ignore the social values the elected officials were duly sworn to protect. The "jury verdict sanctity" is, in reality, legislating the law of the land to protect the private interests of a few individuals.

Proper remedy approaches have been introduced in both Houses of Congress to limit antitrust action against local government units to suits for injunctive relief rather than money suits. They do not provide immunity from antitrust violations, but do relieve local taxpayers and local decisionmakers from the threat of treble damages. Without this type of legislation, local taxpayers will be forced to foot the bill in antitrust cases.

To further explain the harmful effects of treble damages in antitrust violations, I would like to share with my colleagues the following editorial that appeared in the Chicago Tribune on September 28, 1984.

THE SHERMAN ACT AND CITIES

A bill approved by the House of Representatives to grant local governments relief from provisions of the Sherman Antitrust Act has run into unexpected opposition in the Senate. Although there does not appear to be any substantial opposition to the concept that local governments should be treated differently from private corporations in antitrust cases, some senators are concerned about provisions in the House bill that give cities and counties retroactive protection.

That amendment was inserted by Representative Henry Hyde, a suburban Republican, to nullify a $28 million treble-damage award in federal court against Lake County and Grayslake for refusing to grant a sewer connection to a developer. The same developer has a similar suit pending against Du Page County, which Representative Hyde represents.

The Senate should approve the House version. The taxpayers of those jurisdictions should not be punished with a jury award that surpasses the county's annual tax levy even if their elected officials exceeded their statutory authority in refusing a sewer hook-up.

Entrepreneurs who feel they have been wronged by local governments would still have the recourse of seeking injunctive relief through the federal courts.

Failure to act on the antitrust exemption will leave municipalities and counties across the nation vulnerable to pressure from people who happen to disagree with their decisions. It may severely inhibit the ability of such agencies to act in the best interest of their residents in regulatory matters ranging from taxi franchises to zoning cases.

The Sherman Act was passed in 1890 to prohibit anticompetitive collusion in private industry, and in 1943 the Supreme Court ruled that states were exempt from the law because of their sovereign powers to protect the health, safety and welfare of their citizens. That exemption was for decades presumed to extend to municipalities and counties, and in some states they are still protected.

Local governments' legal problem with the Sherman Act began in 1978 when the U.S. Supreme Court, in a case involving municipal utilities in Louisiana, struck down their assumed exemption. The situation became murkier earlier this year when a Federal District Court jury found Lake County and Grayslake guilty of antitrust violations. But the U.S. Appeals Court in Chicago, in a sewer case involving Eau Claire, ruled that Wisconsin municipalities were exempt because state law there extended the state exemption to local governments.

Complicating the situation was a campaign by various federal agencies to encourage regional cooperation among local government on such public works projects as sewer systems. As a result of the 1972 Federal Water Pollution Control Act, Lake County had set up a countywide sewage treatment system and signed a set of agreements with municipalities to regulate the new system. The agreement between Lake County and Grayslake that gave the municipality veto power over sewer connections to nearby subdivisions was the genesis of the antitrust case it lost in federal court.

It is surely not the purpose of the Sherman Act to make a federal case out of every local decision that affects someone's financial interests. Congress needs to rectify that situation.

Federal law should continue to protect the public against gross abuses of power that result from attempts by local governments to transfer their antitrust exemption to private industry, or from operating municipal utilities in such a way that precludes fair competition.

On the other hand, municipalities and counties should be granted the same general exemptions available to the states to regulate the health, welfare and safety without the fear of being assessed treble damages every time somebody feels wronged.●

CALL TO CONSCIENCE FOR SOVIET JEWRY

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. LEACH of Iowa. Mr. Speaker, as the 98th Congress draws to a close we look back over a bleak 2-year period for the Jewish community in the Soviet Union. During this period, Members of this body have taken the floor many times to appeal to Soviet authorities to relax their restrictive human rights policies. Yet, as we know all too well, emigration rates have tumbled to nearly negligible levels and anti-Semitism has increased alarmingly. Religious and cultural freedom have been curtailed and members of the Jewish community have been arrested, imprisoned, and harassed or otherwise intimidated, becoming in effect a captive people within Soviet borders. Some individuals, like Ida Nudel and Anatoly Shcharansky, have become world-renowned for their personal sacrifice and courage of conviction. However, multitudes more, whose names are not so familiar to us, share deeply in that plight.

During the past 2 years, as the chairman of the Arms Control and Foreign Policy Caucus, I have been a strong advocate of arms control and the need for improved bilateral security relations between the United States and the Soviet Union. It is deeply unfortunate that the deteriorating human rights situation in the Soviet Union has added further difficulty to the desire for peace among the peoples of both our Nations. As such, I applaud the initiative of President Reagan in meeting with Soviet Foreign Minister Gromyko last week to begin a new level of dialog on arms control and other bilateral issues. The United States needs to do more in this regard but we cannot do it alone. There must be a good faith effort by both sides to start afresh in our common effort to secure a nuclear arms accord and greater stability in superpower relations.

It is in that context that I join so many colleagues in the House to once again appeal to Soviet authorities to reconsider their human rights policies and open emigration gates to the Jewish community. Few signals could so quickly or so strongly convey to the American people the genuine desire of the Soviet Union to bridge the gulf that divides us.

Mr. Speaker, Soviet authorities must understand that the Members of this body reflect the concerns of the American people. We did so faithfully last year in adopting the nuclear freeze resolution. We do so faithfully when we rise to speak out on issues of human rights for Soviet Jewry. As a participant in the 1984 Congressional Call to Conscience Vigil for Soviet Jews, it is my hope that in the coming weeks, before the 99th Congress convenes, Soviet authorities will weigh our message more carefully than ever before. We would welcome the opportunity as the next Congress convenes to begin in a new climate of expectation and hope.●

"DOC" FREDA: A LIVING LEGEND RETIRES

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. GILMAN. Mr. Chairman, Rockland County, NY received a rude awakening one morning last week. For the first time in 20 years, Dr. Carmine Freda was no longer a political party chairman.

As news of Doc Freda's retirement as the Rockland County Republican chairman spread throughout the county and the entire Mid-Hudson Valley, Republicans, Democrats, Conservatives, Liberals, Independents—in fact, Americans of every shade of political opinion—began to reflect on how much respect and honor Doc Freda has earned. For Doc Freda, during his many years of public service in New York State had become a living legend.

The reason Doc declined to seek an 11th term as Republican chairman of Rockland County was not quite apparent to many of his friends. It is true that he said, "this is the time I should pursue other things," but we know that Doc Freda's energy cannot be contained. Doc is now 83 years young—and he has been devoting himself to the public for so long, and with such vitality and enthusiasm—that many of us cannot believe he is going to truly retire now.

Doc Freda was elected mayor of the Village of Grandview, NY, and served for 10 years, before many of our colleagues were even born. He also served as a trustee in that village for an additional 10 years, and was a member of the South Orangetown School Board for 10 years. Doc, who has been a volunteer fireman in the Piermont and Grandview Fire Cos. for many years, is an active member of the New York State Alcoholic Beverage Control Board.

Doc did not confine his service to the Rockland County region or even to New York State. He distinguished himself in the U.S. Navy, from whence he retired as a commander. He received the Presidential Commendation for Meritorious Service from the President of the United States and the U.S. Marine Corps. Doc initiated the navigation bombadier program in the U.S. Marine Corps, and to this day is a licensed pilot and instructor, a licensed navigator, and a licensed meteorologist.

When his retirement was announced last week, a close friend of Doc's remarked that, if you add up all of the years of public service that Doc has devoted, it adds up to over 100 years.

Doc is happily married and devoted to his charming wife, Hazel. He and Hazel are proud of their two sons and five grandchildren. Doc is a graduate of Stuyvesant High School in New York City and of the Long Island College of Podiatry, and like so many of us, is pleased that he was able to pass on a better life to his sons and to his grandchildren.

When Doc was elected to his first term as Rockland County Republican chairman in 1964, his many admirers were pleased because, at the age of 63, he was preparing to retire from his highly respected medical practice and devote full time to the party.

Today, after 20 years as a county chairman, after serving as a delegate to five Republican National Conventions, and after serving as a member of the electoral college twice, we reluctantly concede that Doc has certainly earned his retirement.

He has become such an integral part of all of our lives, however, that it will not be the same in Rockland County without Doc in the battlefield.

Last week, the Rockland County Republican Committee unanimously elected Doc Freda their first "Chairman Emeritus," signalling another new role for this public spirited citizen.

Mr. Speaker, I invite all of our colleagues on both sides of the aisle to join with me in saluting an outstanding fellow public servant, Dr. Carmine Freda, a living legend in his own time.●

EDWINNA M. MARSHALL HONORED AT LOMA LINDA

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. LEWIS of California. Mr. Speaker, it is with great pride that I join with family, friends, and colleagues in honoring a truly remarkable woman. Edwinna M. Marshall will be honored at a luncheon on October 21, 1984, in San Bernardino, CA, by the Loma Linda University Occupational Therapy Alumni Association. On this 25th anniversary of Miss Marshall's career at Loma Linda, the alumni association is recognizing her dedication to her profession and her devotion to the enrichment of the many lives she has touched.

In 1959, Edwinna worked to develop an occupational therapy program at the university. She has served faithfully as the chairman of that department since then. However, Miss Marshall's service to occupational therapy education did not stop with her duties at Loma Linda. Her more than 30 years in the field include her work as a consultant, which has aided in the design and organization of occupational therapy training programs across the land.

Edwinna's heartfelt commitment to her profession is evident. She is a hard-working perfectionist, loyal and dedicated, and always willing to extend a helping hand to those in need. Miss Marshall has served on numerous advisory committees on both the State and National levels and has been active in collaborative studies and research. Many OT professionals have benefited from her published work and lectures.

Mr. Speaker, I take great pride in commending to my colleagues, Miss Edwinna M. Marshall, a dedicated professional who has, through her selfless years of hard work, contributed to her community in a most beneficial way.●

MARIO MARTINEZ—SOLEDAD'S OLYMPIC MEDAL WINNER

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. PANETTA. Mr. Speaker, it is with great pride that I call on my colleagues to join me in congratulating Mario Martinez of Soledad, CA, the silver medal winner at the Los Angeles Summer Olympics in the superheavyweight division of the weightlifting competition. The people of Soledad recently held a day for Mario, who hails from Bryant Canyon, just outside of Soledad, and I am pleased to be able to share in the pride we feel throughout Monterey County for our local Olympian.

In winning the silver medal and narrowly missing the gold, Mario broke the American record for weightlifters in his weight class, becoming the first American to lift a combined total of 900 pounds in the event.

Mario, who attended Soledad Grammar School and Gonzales Union High School, first began lifting weights seriously as a teenager at the ranch of his parents, Ray and Abby Martinez, outside Soledad. He got better and better over the years, and in 1981 he began to run off a series of first-place finishes, including the 1981 Sports Festival and Pan American Games, the 1982, 1983, and 1984 U.S. National Championships, and the 1984 U.S. Olympic trials in Las Vegas.

In Los Angeles, when he finished his lifts, it appeared that Mario would be the winner, but the Australian competitor edged him out with a spectacular lift, and Mario won the silver instead. But as his coach, Jim Schmitz, has pointed out, Mario performed his personal best and broke the American record in the most important competition and under more pressure than in any other competition. He proved himself to be a truly great athlete and competitor.

September 11, 1984, was proclaimed by Soledad Mayor Graig Stephens as Mario Martinez Day in that city. I know my colleagues join me and the people of Soledad in congratulating Mario on his Olympic success. The medal he won is both a symbol and a well-deserved reward for his hard work, dedication, perseverance, and excellence. Those qualities will serve him well throughout his life, and I want to wish him the very best for the future.●

SOCIAL SECURITY COLA'S

HON. DONALD JOSEPH ALBOSTA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. ALBOSTA. Mr. Speaker, earlier this week the House considered legislation that reaffirms this Government's commitment to Social Security. I am referring to H.R. 6299, as passed by the House, which guarantees a Social Security cost-of-living [COLA] benefit increase of 3 percent even if the Consumer Price Index [CPI] falls below 3 percent.

I believe that it is the duty of Congress to protect those citizens whose livelihood depends on the money they receive from the Social Security System. Should those people's real income be reduced just because the CPI is not above 3 percent for the third quarter of this year? I say no! If the previous COLA formula which used the first quarter statistics were still in effect, Social Security recipients would be receiving a 3.6 percent COLA this year.

If this bill had failed to pass and the CPI for the third quarter falls below 3 percent, real income for Social Security recipients would decline. This legislation will increase benefits to Social Security recipients at a rate equal to that of inflation in order to maintain a beneficiary's standard of living.

Each Member of Congress can cite, I am certain, numerous instances from within his or her own congressional district where elderly citizens have been reduced to choosing between buying food and attempting to heat a cold dwelling because they simply lack the money to do both. While a 3 percent COLA will not eradicate the problem, it is certainly a step in the right direction.

A little over 16 percent of my constituents are senior citizens and a majority of them depend solely on their monthly Social Security checks in order to live. To target this group of people for cuts so that the Federal Government can hold the line on the national debt, is totally unfair. Seniors are hard-working individuals who have been paying into the Social Security System since its inception. These are proud people who have not shirked their responsibility to this country. It is up to the Congress of the United States to ensure that their loyality is not repaid with could indifference during their time of need. I commend this body for taking the action that was necessary at the appropriate time.●

FIGHTING FOR JUSTICE: KEEPING THE FAITH

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. PATTERSON. Mr. Speaker, I would like to draw to the attention of my colleagues in the House the courageous efforts of Dr. Quynh Kieu to fight discrimination and injustice. Dr. Kieu is to be commended for her faith in the democratic system of equal justice for all and for her tenacity in her pursuit of that justice.

Dr. Kieu is a Vietnamese pediatrician practicing in Orange County, CA. She was one of the 54 predominantly Indochinese physicians singled out for investigation and suspension by the State of California in the women, infants and children's investigation that came about in February of this year. Dr. Kieu knew she had done no wrong and rather suspected that many of her colleagues were innocent as well. As a result of the tremendous publicity given to this case Dr. Kieu's professional reputation was at stake. Even more important to Dr. Kieu, however, was the reputation of the newly established Vietnamese community in southern California.

With this in mind, Dr. Kieu began her quest for justice. Dr. Kieu and the Vietnamese community immediately responded to the charges waged against them by throwing their full support for the punishment of the guilty, and the swift clearing of the innocent. They stood united in their support for upholding the law. Dr. Kieu and the Vietnamese community were not asking for special treatment, just equal treatment before and under the law. She questioned the propriety of releasing the names of the accused physicians prior to their being informed of the charges against them, and before they had an opportunity to respond to these charges. She also

questioned what seemed to be a singling out of Indochinese doctors for investigation by the State.

Dr. Kieu and the Vietnamese community fought their battle within the traditional confines of the American democratic process. In her initial letter to me requesting assistance, Dr. Kieu expressed eloquently her love and respect for her adopted country—even under these difficult circumstances. She said, "Despite the tremendous wrong caused by a public official, I still hold an unshakable faith in our democracy with justice for all." Dr. Kieu was subsequently cleared of the charges against her by the State of California, as were most of her colleagues. However, her struggle continued. For being cleared by the State, was not the same as being cleared in the public's eye.

To this end, I would like to commend the Los Angeles Times for its May 6, 1984, editorial that recognized the efforts of Dr. Kieu to seek justice in this matter. She clearly demonstrated not only to the Vietnamese community, but to all of us that "keeping the faith" in justice can—and does—pay off.

Mr. Speaker, I take pride in sharing with my colleagues the text of the Los Angeles Times editorial: "Refugee's Victory Is a Win for All."

[From the Los Angeles Times, May 6, 1984]

REFUGEE'S VICTORY IS A WIN FOR ALL

Last February state health officials suspended 54 physicians (most of whom were Indochinese) in Orange and Los Angeles counties from a federally funded nutrition program because they allegedly submitted inaccurate health data that allowed patients to obtain food coupons.

Nearly one-third of those doctors, including 13 of the 22 in Orange County, recently were reinstated because the suspensions were a mistake—the result of what the state termed a "clerical error." One reason for the corrections was the courage of Dr. Quynh Kieu, a Vietnamese pediatrician at UC Irvine who fought the suspensions because she knew she hadn't done anything wrong—and because of the confidence she had in the democratic system of her adopted country.

Her faith, and spunk, should serve as an inspiration to other refugees—and all Americans.

When the suspensions were first disclosed, many refugee leaders reported an increase in anti-Vietnamese sentiment. Kieu, too, worried about the damage to the Vietnamese community, and that "most Southeast Asians do not fight back." She wanted her people to understand that the system here was different, and they could fight back and "rectify any unfair treatment." She contacted the state, which prompted health officials to reexamine the suspensions.

She also wrote to The Times to say to the community: "It is contrary to all the principles of democracy to condemn people without irrefutable proof of wrongdoing. The most beautiful thing about our system is its protection of individuals of all races against unfunded allegations. . . . I have come to these shores to bring a meaningful contribution to the most democratic country in the world. Please help me to maintain this faith."

Dr. Kieu "maintained the faith." She proved her point to other Vietnamese refugees and to all Americans. She won. So did we all.●

TRIBUTE TO LARRY WINN

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 2, 1984

● Mr. BIAGGI. Mr. Speaker, as we approach the final days of the 98th Congress, I wish to pay tribute to a most distinguished colleague who has served in this body since the 90th Congress—the gentleman from Kansas, LARRY WINN.

LARRY WINN has served the people of the Third District in Kansas with special effectiveness for the past 18 years. He has been a dedicated protector of their interests in the House and has had a longstanding reputation for his constituent service.

Larry has served with distinction as a ranking minority member of the House Foreign Relations Committee and is the ranking minority member on the all important Subcommittee on Europe and the Middle East. Larry has also served most ably as the ranking minority member of the Science and Technology Committee. Both committees will miss LARRY's services as he has made numerous important contributions to their deliberations and legislative accomplishments over the past 18 years.

LARRY and I were located in nearby suites on the fourth floor of the Rayburn Building for a number of years. I used to enjoy our walks over to the House floor and discussions we would have. He is a most genial man with warmth and a special sense of humor. He leaves the House to go onto other endeavors. I wish him all the best in his future and know he must take comfort in the fact that he has made a difference in the House during his years of service.

As LARRY prepares to move on, I wish he and his wife Joan and their children many happy years together and I hope we continue to see LARRY as a private citizen in the years ahead.●

WORLD DEBT: A POLITICAL REALITY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. PHILIP M. CRANE. Mr. Speaker, sooner or later U.S. banks and moneylenders will be forced to face the fact that their rescue efforts in foreign lands are nothing more than short-term solutions designed to save foreign debtors from economic ruin. Those who support increasing IMF funds refuse to believe that they are aggravating the problem with these Band-Aid type solutions, not alleviating it.

However, soon reality will have to be confronted. The IMF and bankers continue to pour money into Third World nations. No longer, though, are banker's motives that of gain; but rather, today loans are made out of sheer desperation and with little hope of receiving repayment. The situation takes on a still more grave twist as currently, not only are debtors financially unable to pay interest rates on debts, but rather, with money in hand, they are refusing to do so.

It angers me to stand by while the U.S. Treasury saves U.S. banks from their own lack of good investment sense. It angers me still further to see money being poured into the IMF when it cannot enforce its conditions. Argentina, the biggest rebel in this Latin American debt crisis, defiantly rejects conditions set down by the IMF and instead calls on Latin America to stand united against the very same "bloodsucker banks" who are averting their countries' ruin.

Gentlemen, it is time we question these IMF austerity programs and the serious effects that are resulting. More importantly, we need to aim for long-term solutions, rather than short-term solutions. In short, we need to re-evaluate the entire lending scheme. I urge you, gentlemen, to read Prof. Paul Craig Robert's article "World Debt: the IMF Solution Has Been the Problem," in which he expresses his concern over the IMF solution and the present plight of world economy.

WORLD DEBT: THE IMF SOLUTION HAS BECOME THE PROBLEM

As critics predicted, increased U.S. funding for the International Monetary Fund has failed to solve the world debt crisis, but the involvement of the IMF in the contractual arrangements between debtor countries and credit or banks has opened a Pandora's box. The dynamics of the debt problem have broken out of the solution designed to contain the crisis, forcing a rethinking of the problem along the lines suggested by critics of the IMF approach.

To refresh memories: The Reagan Administration's opposition to a 50% increase in U.S. funding for the IMF collapsed in the summer of 1982, when it became clear that, thanks to the Volcker recession, Mexico would not be able to service its $80 billion foreign debt. Much of the debt is held by the large money-center banks in New York, and the specter of default, banking panic, and financial crisis quickly arose. Proponents of increased IMF funding won support for an $8.5 billion increase in the U.S.'s contribution by presenting it as a necessary step to avoid the collapse of the international financial system.

The IMF was anxious to seize the opportunity to enlarge its scope and acquire at-

tributes of a world central bank charged with maintaining the stability of the international financial system. It used its increased funding to lend money to the debtor countries so they could service their debt, and it encouraged the creditor banks, which had already overexposed their capital abroad, to do likewise. The immediate result of lending money to pay interest was to pile debt upon debt, worsening the exposure of the creditors.

POLITICAL REALITY

The debt buildup was supposed to be a stopgap measure to allow the IMF time to step in and impose conditions that would straighten out the economies of debtor nations and allow them to pay their debts. The conditions consist of higher taxes, currency devaluation, and reductions in government spending. By reducing domestic demand, these measures are supposed to reduce imports and increase exports, thereby producing the foreign-exchange earnings with which to service the debts.

The IMF's solution to the world debt crisis quickly ran afoul of political reality. The IMF conditions impose austerity on the debtor countries—people widely perceived to be poor—in order to pay many billions of dollars in interest to New York banks—widely perceived to be rich. The IMF soon found itself portrayed as a tool of the Yankee banks, and domestic politics in debtor countries elevated those who resisted the IMF conditions and pulled down those who cooperated with the fund's recommendations.

Last year the head of the Argentine central bank was detained by court order, charged with compromising his country's sovereignty in debt negotiations. This year the situation was worsened. The new president of Argentina, Raúl Alfonsín, has accused his country's creditors of "a new form of colonialism" and has refused to pay the debts "with the hunger of our people." Similar rhetoric is taking hold in Brazil, and even Mexico has let it be known that the IMF austerity program is not sustainable.

NO SECOND OFFER

Critics predicted all this. The involvement of the IMF, the U.S. Treasury, the Federal Reserve Board, and other government institutions in the contractual relationship between debtors and creditors has politicized the loans, making it inevitable that they would not be repaid on the terms envisioned by the banks and the IMF. As a Latin American official recently declared, "The debt issue is now firmly placed on a political level."

The consequences for the IMF were also predicted. It waded in and imposed conditions that it can't make stick. Argentina has swept aside the conditions and, bypassing IMF negotiating officials, sent a letter directly to the IMF board setting out Argentina's conditions. "This is the offer," said Argentine Economics Minister Bernardo Grinspun, adding: "There will be no second offer." Faced with such hardball tactics, the IMF may have to back off and weaken the conditions it imposes for continued lending to Argentina, thereby undermining its authority over the economies of other debtor countries.

As the IMF-led bailout unravels, banks are beginning to reclassify their Argentine loans to reflect their nonperforming status. Previously, the IMF and the Fed resisted this move on the grounds that banks would not continue lending if loans were realistically valued. Since continued lending is a central feature of the IMF approach, U.S. bank examiners looked the other way. But the mounting failure of the IMF approach has given the Comptroller of the Currency cold feet, and he has finally moved to enforce proper accounting.

Eventually the banks are going to have to write down some part of the loans, one way or another, and stretch out the remainder. If this process had begun two years ago, the market would not be showing its lack of confidence in bank stocks and certificates of deposit today. Unfortunately, the responsible approach was delayed by the hubris of policy managers who tried to substitute a bailout for sound banking principles.●

DEELY A. HUNT

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. IRELAND. Mr. Speaker, I would like to take a few moments of our time to honor the late Deely A. Hunt, former president of Citrus World, Lake Wales, FL. Deely died September 27, 1984 at the age of 87 after many years of service as a civic leader and businessman in the Lake Wales area.

Deely was the driving force behind Citrus World, one of Florida's largest citrus processors. His involvement in all aspects of the citrus business over the last 60 years made him not only our institutional memory, but also our consultant and friend.

A native of Ohio, Hunt joined the Army in 1917 and served in France and Belgium where he received a Purple Heart after being wounded. After the war, he came to Florida to study citrus and veterinary science at the University of Florida.

Deely and his brother Charles started in the citrus business with a grove caretaking business which was later expanded into the Hunt Bros. Packing House. In 1930, he organized Citrus World and after 16 years as general manager, became its president.

The recent outbreak of citrus canker in Florida demonstrates to us the breadth of Deely's career. In 1921 he served on the State canker eradication program, the last time our industry was beset by this virulent disease. He shared his knowledge and experience, gained over the decades, with others in the business and those wishing to become a part of the Florida citrus industry. His contribution to making our citrus industry the sucess it is today cannot be emphasized enough.

Deely Hunt served his company and his community with enthusiasm and distinction. His absence will be felt both inside and out of the citrus community.●

CITIZENSHIP FOR WILLIAM AND HANNAH PENN

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. BORSKI. Mr. Speaker, I rise in support of Senate Joint Resolution 80, and welcome the opportunity to convey the importance of posthumously granting honorary citizenship to William Penn and his wife, Hannah Callowhill Penn.

As you well know, Mr. Speaker, honorary citizenship through joint resolutions are rare indeed. In fact, so far only the great statesman Winston Churchill and Raoul Wallenberg, the Swedish diplomat who helped thousands of Jews during the Holocaust, have been bestowed this honor. And yet, such worthy precedents demonstrate the wisdom of Congress in selectively granting such an honor in extraordinary circumstances. It is my view that the reasons for conferring honorary citizenship in this instance are numerous and compelling.

Actually, William and Hannah Penn were not able to become citizens, because they died before our Nation was born. For a couple who contributed so much, it is indeed ironic that the Penns are not recognized as citizens. Penn's extensive contributions include the famous "concessions and agreements" of colonial New Jersey. This document is generally considered to be the precursor of our bill of rights. It promised settlers the right of petition, trial by jury, religious freedom, and prohibited arbitrary imprisonment for debt. In fact, Thomas Jefferson considered Penn to be one of the great lawmakers of all times.

William Penn continued this enlightened spirit when he established Pennsylvania. Penn's "holy experiment" with its emphasis on religious toleration and civil liberties became a central theme of the American experience. It was also in Pennsylvania that Penn's wife, Hannah, became the first female administrator of a colony in the new world. Like her husband, this first First Lady of Pennsylvania devoted her life to the pursuit of justice and peace.

Now we have the historic opportunity to recognize their outstanding contributions by granting honorary citizenship to William and Hannah Penn.

Mr. Speaker, I also want to take a moment to recognize Elaine Peden, a valiant lady from my own district in Philadelphia, without whose tireless efforts, this resolution would never have been considered. For over 12 years, Mrs. Peden has almost singlehandedly been the driving force behind this movement to grant honorary citizenship to the Penns.

For having this dream and pursuing it against all odds, for gathering enormous support in the Congress, and, perhaps most of all, for bringing the worthiness of her project to the attention of the country, I salute Mrs. Penden.

Mr. Speaker, I also want to acknowledge the hard work done by my colleague from Pennsylvania, BILL GOODLING. BILL GOODLING sponsored the House resolution, and has been the prime mover in Congress for its enactment. I salute him for his leadership in bringing this issue to the attention of Congress and the American people.

Thanks to his work, and the work of Mrs. Peden, this resolution has widespread support, and now has a chance to become a reality. It has the full backing of no less than the entire Pennsylvania delegation, the Governors of Pennsylvania and Delaware, the senate of New Jersey, and the National Society of Daughters of American Colonists. This resolution now needs only the support of this House to grant the Penns the honor they so richly deserve.

Finally, Mr. Speaker, this resolution is a symbolic act which stands for the principles of liberty and freedom embodied in the lifelong contributions of William and Hannah Penn to this Nation. In truth, this resolution is not merely a gesture, but rather the fulfillment of William and Hannah Penn's rightful claim to citizenship; its purpose is not just to honor their memories, but to cherish the ideals for which they stood; it is intended not so much for the benefit of these two great heroes gone nearly for three centuries, but for the benefit of all living Americans who share their beliefs.

May I suggest, Mr. Speaker, that most of us take our American citizenship for granted because we receive this privilege by virtue of birth. William and Hannah Penn, on the other hand, were not born here. However, by their contribution to our Nation they have clearly earned the right to be called American citizens. I urge the House to act favorably on this resolution.●

DAVID PHILIPSON NAMED FULBRIGHT SCHOLAR

HON. NORMAN LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. LENT. Mr. Speaker, I would like to take this opportunity to recognize the accomplishments of one of my constituents, David Philipson, son of Thelma and James Plesser and also the late Leon Philipson of Syosset, NY. A local newspaper, the Syosset Advance, has written a very complimentary article in tribute to David's outstanding achievement. A copy of the article follows.

[From the Syosset Advance, Sept. 7, 1984]

PHILIPSON NAMED FULBRIGHT SCHOLAR

David M. Philipson, B.F.A., '82, California Institute of the arts, has been awarded a Fulbright grant to study North Indian Classical Music for the Bansuir (bamboo flute) in Bombay, India, it was announced recently by the Board of Foreign Scholarships and the United States Information Agency.

Philipson was born and brought up in Syosset and is the son of Thelma and J. James Plesser and also the late Leon Philipson.

Philipson's music education began while a student at the Walt Whitman Elementary School and continued at the Harry B. Thompson Jr. High School. He attended The Choate School in Wallingford, Connecticut, where he was a Merit Commendation winner. He started his intensive training on the flute while at The Cambridge School of Weston, Massachusetts, and graduated in June, 1978.

Philipson has completed his first two years in the Master's degree program at Cal Arts where he was a Teaching Assistant for North Indian Music. Since 1978 he has studied the music of North and South India, Bali and Java with eminent teachers at Cal Arts and also North Indian Music at the Ali Adbar College of Music in San Rafael, California. In November 1983, he won first prize and was a featured soloist in the first all North America Music Competition and Conference held in Berkeley, California.

Philipson has performed widely in the Los Angeles area and in March, 1984 performed at the Los Angeles County Museum's Light of Asia Buddhist Art Exhibition, He also performed on Bansuri for a Bengali Dance Drama by Rabindranath Tagore sponsored by the L.A. County Museum with music direction by Shubo Shankar son of Ravi Shankar.

This past summer Philipson, as a member of the Cal Arts Contemporary Music Ensemble, performed in Karlheinz Stockhausen's Sternklang (Park Music for 21 players) under the direction of Stephen Mosko. This performance was part of the Olympic Arts Festival in Los Angeles and was also broadcast on National Public Radio.

He can be heard as a guest artist with the Eternal Wind Orchestra on Flying Fish records (scheduled for release in September 1984).●

U.S. POLICY ON THE ARMENIAN GENOCIDE

HON. CHARLES PASHAYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. PASHAYAN. Mr. Speaker, once again I am compelled to note for the record yet another attempt by Turkish apologists to deny the Armenian genocide and to intimidate the House of Representatives from any recognition or remembrance of the first genocide of the 20th century. Once again a Member of Congress has been accused that simple recognition of historical fact shall aid and abet terrorism.

In response to passage of House Joint Resolution 247, which commemorates April 24, 1985, as a day of remembrance of man's inhumanity to man, and in anticipation of passage of H.R. 171, which affirms U.S. policy on the Armenian genocide, I received the following extraordinary letter:

DEAR CONGRESSMAN PASHAYAN: We strongly protest House Joint Resolution 247 and House Resolution 171, which seek to validate Armenian claims. Passage of these resolutions will not only effectively destroy Turkish-American relations, but may cause Turkey to re-evaluate her relationship with the United States.

We deeply believe these resolutions abet radical Armenian terrorism against Turks here and abroad by giving credence to grossly distorted historical facts. Are you aware of the insidious discriminations against the Turkish-American community particularly in California?

We would hope that your political interests be in promoting the best possible relationship between the United States and her longtime ally and NATO partner, Turkey. We are also aware that this is an election year.

Respectfully,

BONNIE JOY KASLAN, *President,*
Turkish-American Association
of California.

Mr. Speaker, the charges contained within Ms. Kaslan's letter mirror precisely those hurled by the Republic of Turkey, opposition political parties in Turkey, and the state-controlled Turkish press. Despite precise and public explanations in both Chambers regarding the genesis, the content, and the intent of our deliberations on this matter, the Republic of Turkey continues to cajole, to demand, and to threaten. The thrust of the Turkish request is straightforward—the United States is expected to expunge the Armenian Genocide of 1915–23 and by so doing to expunge Armenian history and again by so doing to retreat from the high principle of the inviolability of history.

If the United States does not respond to the request, Members of Congress have been advised via every conceivable channel of communication that the Republic of Turkey may, among other things, re-evaluate her relationship with the United States and boycott U.S. firms presently conducting business with that nation. More ominously, my office has also learned that as a direct result of growing hostile Turkish public sentiment obviously created and orchestrated by the government-controlled press, concerns are now being expressed for the safety of the American diplomatic community, as well as the remnants of the Armenian community, in Turkey.

Mr. Speaker, I am outraged by the irresponsible and immature conduct of the Republic of Turkey, and I am chagrined that the State Department continues to transmit, rather than to rebuff, Turkey's attempts at intimidation. I should like to recall for my colleagues that the State Department itself created the problem, which a bi-

partisan majority of the House is attempting to resolve.

The record of American and Armenian history has been put into doubt by the State Department, presumably at the behest of the Republic of Turkey. Since the original Department blunder of August 1982, the Republic of Turkey has attempted to seize the moment to reverse seven decades of U.S. policy.

I urge the House of Representatives to maintain the cause, to pass the resolutions, and thereby to maintain the integrity of this great body.●

ASSISTANT ENGINEERS NEEDED FOR NORTHEAST CORRIDOR TRAINS

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. MORRISON of Connecticut. Mr. Speaker, today I am placing in the CONGRESSIONAL RECORD a summary of the study done on behalf of the Brotherhood of Locomotive Engineers on the causes and extent of stress on engineers in the Northeast corridor.

This is a matter that has been of concern to many Members of this House, especially those representing the States along the Northeast corridor. We have found in this study that the engineers encounter a number of sources of stress in their work, some of which undoubtedly contribute to the high rate of accidents that have occurred on Amtrak. I hope that Amtrak will look at this study and will implement its recommendations including reinstituting the use of assistant engineers in the cabs. This, the study reports, will help passengers on trains in the Northeast corridor. A summary of the study, which reveals that working conditions facing Amtrak engineers in the Northeast corridor are stress inducing, follows. The adverse effects of these working conditions on the welfare of engineers, and the consequent possible risk for passengers, demand immediate improvement of these conditions.

SUMMARY

Sponsored by the Brotherhood of Locomotive Engineers, two studies were conducted this past winter and spring by Decision Dynamics, a branch of Tactical Decisions Group. Principal investigators were Drs. Brian F. Blake and Erika Wick. The former is also director of the consumer-industrial research program and professor of psychology at Cleveland State University; the latter is a licensed psychologist and professor of psychology at St. John's University, New York.

In the first study, 161 Amtrak engineers participated in a mail survey assessing the degrees of stress they experience due to various working conditions. In the second study, 22 engineers took part in intensive clinical interviews, completed a series of written psychological measures, and provided physiological indices of their reactions on a physiograph. These interviews were conducted in the laboratories of St. John's University. Numerous steps were taken to ensure that the data were reliable and accurately reflected engineer experiences, for example, checking that verbal reports were substantiated by physiological recordings and including hidden lie scales in the written tests.

Results clearly indicated that the job stress felt by engineers was real and that their verbal statements were not exaggerations or lies. In fact, the studies found that many engineers may encounter even more job related stress than their direct statements reflected.

The work-related conditions found to be most stressful can be classified into two broad areas: safety issues and worker-manager relations. Within the safety area, the engineers cited inoperable safety devices, faulty speedometers, operation of defective engines, vandalism along the right of way, foreign objects on the track, and risk of accidents as particularly stress producing. Within the area of worker-management relations they cited pressure to operate in violation of the rules and being treated in a disrespectful, demeaning manner by supervisors and other Amtrak officials as factors which create a stressful work environment. Working without a backup assistant engineer was also an important source of stress.

The study makes a number of recommendations which the authors believe will reduce stress. These include that (1) complaints about stressful working conditions should be given close attention; (2) consideration should be given to job redesign and policy change in order to reduce stress in the two broad areas cited above; (3) efforts to ensure that engineers are placed on predictable work schedules should be undertaken; (4) a task force composed of both union and management be constituted to identify means of reducing job stress; (5) stress awareness be raised in both management and the union so that its role in the workplace will be recognized more fully; (6) programs should be made available to union members so that they can more effectively cope with those unavoidable stresses in the job; (7) faulty equipment, especially speedometers and radios should be improved; (8) certain management procedures which produce stress by forcing union workers to break safety rules should be curbed; (9) the manner in which investigation of accidents is carried out should be reconsidered with an eye toward reducing those portions of the procedure which produce the greatest stress for the engineer; and (10) the reinstatement of assistant engineers. This last point is elaborated in the report as follows:

For quite a few engineers (especially older ones) the lack of an assistant engineer is stress in inducing in its own right. For the majority of the other engineers interviewed the assistant engineer is a method of stress reduction. Without the assistant, these engineers are buffeted by stress induced by numerous job aspects.

Given the pivotal role of the assistant engineer as a stress reducer or avoider, and given that numerous facets of the work environment currently function in a manner productive of stress, it would follow that the assistant engineer be reinstated.

Should he be reinstated on all runs? After all, the value of the assistant engineer would be greatly diminished if the stress inducing job aspects were all corrected. Yes. He should be returned to all runs. Gradually the position could be eliminated—but only after solid empirical evidence is presented to document the correction of the stress inducing conditions.

These and other steps, the report indicates, are clearly in order. The continued existence of intense, and often unnecessary stress is a time bomb, whose explosion can potentially have serious personal, social, and economic consequences.●

TRIBUTE TO LARRY WINN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 2, 1984

● Mr. SKELTON. Mr. Speaker, I would like to join with my colleagues in paying tribute to a man I have known long and well, Representative LARRY WINN of Kansas, who will be retiring at the end of this Congress.

For 18 years, LARRY WINN has served with distinction, representing the people of the Third District of Kansas. He has in those 18 years, made important contributions in the fields of science and technology and foreign affairs through his service as ranking minority member and second ranking minority member, respectively of those committees in the House. He has also given much of his time to further the causes of groups that he believes in, ranging from the Boy Scouts to the United Way.

I have known LARRY WINN since the days before either of us were elected to Congress, and it saddens me to see LARRY retire. Congress and the residents of the Third District are losing a fine, able legislator in the person of LARRY WINN.

LARRY, I wish you and your family all the best of luck in whatever your retirement may bring.●

TRIBUTE TO HON. JOHN N. ERLENBORN

HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, October 1, 1984

● Mr. COLEMAN of Missouri. Mr. Speaker, I am happy to be able to participate today in this special order to honor our good friend, JOHN ERLENBORN.

I have had the honor of serving with JOHN on the Education and Labor Committee for the past 6 years and have come to view him both as an outstanding leader and as a valued friend. As the House concludes its business this week, and we pause to review JOHN'S accomplishments over the last 20 years, one is struck by the tremendous contribution he has made in a wide variety of legislative areas.

In honoring JOHN today, I will limit my comments to that area of JOHN'S work I know best, higher education. As the ranking Republican on the Subcommittee on Postsecondary Education the last 4 years, I have found JOHN'S knowledge and appreciation of the issues and challenges facing our Nation's colleges and universities to be remarkable. JOHN is rightly considered an expert in the area of guaranteed student loans. I personally have looked to him during the last 4 years as a person who understands both the history and the intricate details of this complex program.

In talking to educators across the country, I have repeatedly found that JOHN is credited with having played a central role in achieving stability in the GSL Program at a time when its entire structure was being called into question. JOHN was an early and enthusiastic proponent of establishing a national secondary market for guaranteed student loans. At the time, 1972, there was no secondary market for these loans and lenders were beginning to severely curtail or cease making new commitments to students. GSL lenders needed to be able to sell their student loans shortly after making them or at least before they entered repayment after the in-school deferment. With the proceeds of the sale of these loans, lenders could then make new commitments and thus increase the total credit available to students.

The response to this liquidity crisis was the creation of the Student Loan Marketing Association. JOHN devised the name of the corporation so that it could be called Sallie Mae. Today Sallie Mae is an essential part of the GSL Program. It is a profitmaking entity which is succeeding without any direct Federal subsidy.

The work of the gentleman in higher education has not been limited to Sallie Mae. Throughout his career he has stood as a watchdog against waste or excesses in all Federal student aid programs. He had the courage to oppose liberalization of eligibility tests for student loans and grants, for example, at a time when the popularity of such liberalizations was nearly overwhelming. Similarly, he has consistently sought to perfect these programs against fraud and abuse.

In the last 2½ years as the ranking Republican of the Committee on Education and Labor, JOHN ERLENBORN has proven to be a leader which Members on both sides of an issue can work with. I view him as a pragmatic, hard-working Member who is willing to master the details of legislative problem and then forge a workable compromise. His skill in this regard is exceptional. More than once this skill has enabled legislation about to fail for want of a bipartisan agreement to proceed to passage.

As a Member of Congress, JOHN ERLENBORN represents the qualities which serve to enhance the image and reputation of the House of Representatives across the country. As this Congress closes, he is completing 20 years of service in which he has maintained a well-deserved reputation for honesty and hard work. His positions on legislation have been remarkably consistent, reflecting his well-thought out and sincere conservatism.

In honoring JOHN today, it is easy to become sad. His good humor on the floor and in committee will be missed. I wish him and Dodie well as JOHN pursues new opportunities and challenges in the practice of law. I am grateful to have had the opportunity to serve in this body with him.●

MARINE WORLD WINS A REPRIEVE

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. LANTOS. Mr. Speaker, recently I raised the problem of Marine World/Africa U.S.A., a special institution located in Redwood City in my district. Campeau Corp., which owns the land on which the park is located, plans to develop a hotel and office complex on the site and asked that Marine World vacate the land by October 15 of this year. A new location has been found, but the new facilities cannot be completed until 1986.

The problem for Marine World is that the trained animals would suffer serious and possibly irreparable problems if they were moved to a temporary location before being permanently relocated. To avoid that difficulty, many of us have fought to see that Marine World is given a 1 year delay before being forced to relocate.

Mr. Speaker, I am delighted to report to this House that our effort has been successful. This morning Campeau Corp. agreed to allow Marine World to remain in its present site for an additional year.

A number of individuals contributed to the successful outcome of these negotiations, most important the Friends of Marine World, an organization of local citizens concerned about the fate of Marine World, and Don C. Reed, author of "Notes From an Underwater Zoo" and chief diver at Marine World.

I place in the RECORD a statement from the Friends of Marine World on this latest and most welcome development.

The statement follows:

FRIENDS OF MARINE WORLD

Friends of Marine World is delighted that agreements have been reached with Marine World, Inc., and Campeau Corporation California to allow the Marine World/Africa USA wildlife and entertainment park to remain open in Redwood City for another season. The agreements provide that Marine World's animals will not be moved for purposes of developing the hotel and office complex on the site before September 15, 1985. We believe that this one year extension will allow all of Marine World's animals to be moved directly to the new site in Vallejo, which is scheduled to open to the public in the Spring of 1986. In return for the extension, Friends of Marine World has agreed not to oppose Campeau's development or the relocation of the animals following the 1985 season.

Since July 17, when Campeau and Marine World, Inc. announced that Marine World would close on October 14, 1984—one year sooner than expected—Friends of Marine World, an association of park employees, scientists and concerned citizens, has voiced concerns about the impact of the early closing on Marine World's animals. At the very least, the October closing meant a double move for the animals—first to temporary storage sites then to the new park—at worst it meant the end of this one-of-a-kind educational, recreational and scientific resource in the Bay Area.

We would like to commend Campeau and Marine World, Inc. for responding to all of these concerns and for their good faith in reaching this agreement.

We owe thanks to a large list of people. We are grateful to Congressman Tom Lantos for his non-stop efforts, William Schumacher, Jacqueline Speier and the entire San Mateo County Board of Supervisors for all of their support. Assemblyman Bob Naylor and numerous other local governments and political figures for their special efforts. We owe an enormous debt of gratitude to our legal counsel, Pillsbury, Madison and Sutro for all their work.

We would also like to thank members of the local news media for their professional integrity, and for their tireless efforts to find and report the basic issues that could easily have been lost amid the barrage of confusing and conflicting information. And lastly, we are grateful and deeply indebted

to the thousands of people in the Bay Area who supported our efforts through petitions, letters and telephone calls. Their overwhelming response was the key to the preservation of Marine World/Africa USA.●

THE RETIREMENT OF CONGRESSMAN LARRY WINN

HON. BILL EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 2, 1984

● Mr. EMERSON. Mr. Speaker, I am pleased, but a little saddened today, as I join my colleagues in paying tribute to LARRY WINN, who will be leaving this House after 18 years of service.

Last Wednesday evening I attended a farewell gathering for LARRY given by many of his friends from Washington and Kansas. It was interesting to me that as one person after another spoke on LARRY'S behalf making the usual comments about dedicated service to his district and years of hard work, one theme seemed to be repeated again and again—that here was a man who had brought with him to the Congress something perhaps a bit unique—a businesslike, no-nonsense, "let's get down to brass tacks" type of approach to issues.

In his work on committee and on this floor, LARRY had the ability to cut through the rhetoric—the bureaucratese—of an issue and get to its core. That is a quality too few of us possess, or if we do possess it when we get here, we soon lose it in the maze that is the legislative process. Not so with LARRY WINN, and we are going to miss that, as we are going to miss him as a Member of this body.

I have known LARRY for 22 years. We first met when he served as campaign chairman for Congressman Bob Ellsworth who represented this same Kansas district and for whom I once served as a staff assistant. LARRY was a businessman then and a leader in his community. His background was in the building and construction field. Perhaps that background provided him with the solid, sensible approach to problems and issues I am speaking of—a background that has been invaluable to his work—first on the Subcommittee on Space Science and then as ranking member of the Science and Technology Committee.

The National Aeronautics and Space Administration has presented Congressman LARRY WINN with the Distinguished Public Service Award for his work on behalf of NASA programs from the Moon landing to the space shuttle to the proposed space station. It is a well deserved award for service rendered to the Nation's Space Program.

And, as LARRY certainly deserves this recognition from NASA, he also deserves the recognition of this House and of the people of the Third District of Kansas. He has served us well and he has served them well. He will be missed here in the Congress, but I know he is looking forward to going home to Kansas and I wish him the very best in his retirement.●

FREEDOM OF POSTAL CLERKS NOT TO SERVICE DRAFT REGISTRANTS IF CONTRARY TO RELIGIOUS BELIEFS OF CLERKS

HON. WILLIAM L. CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. CLAY. Mr. Speaker, I have consistently opposed the requirement of the Postal Service that postal clerks must service draft registrants although such actions may be contrary to the religious beliefs of those clerks. The Postal Service has contended that it would be administratively burdensome to excuse postal clerks from those duties. As an alternative, they proposed that such clerks could request reassignment to less desirable duties or less convenient tours of duty. Oversight hearings which I conducted as then-chairman of the Subcommittee on Postal Personnel and Modernization were unsuccessful in encouraging the Postal Service to modify its position.

Now, I am pleased to learn through a recent edition of the Daily Labor Reporter that on June 28, 1984, the U.S. District Court for the northern district of California held that postal clerks cannot be compelled to register youth for the draft if such registrations are contrary to the religious beliefs of such clerks on the grounds that this was an improper employment practice under title VII of the Civil Rights Act of 1964.

I understand that the Postal Service has filed a notice of appeal with the U.S. Court of Appeals for the Ninth Circuit. Hopefully this welcomed decision by the district court will be sustained.

The Summary of the Daily Labor Reporter story follows:

The California case was filed by Robert Davis and Alice Lindstrom, who worked as window clerks at two San Francisco post offices. Since mid-1980, window clerks have supplied, reviewed, and accepted draft registration forms under an agreement between the Postal Service and the Selective Service System. Despite his religious objections, Davis agreed to serve draft registrants and kept his job but Lindstrom refused to handle draft registration forms and was transferred to a distribution clerk job. Davis and Lindstrom sued for religious discrimination under Title VII, claiming that the Postal Service failed to "reasonably accommodate" their religious beliefs.

Judge Henderson held that granting window clerks the option of transferring to less desirable distribution clerk positions was not a "reasonable accommodation," and that allowing window clerks with religious objections to refer draft registrants to other clerks would not result in "undue hardship" to the Postal Service.

"[T]he Postal Service's speculative and hypothetical claims of administrative inconvenience are wholly undermined by the nature of the accommodations—postal clerks currently refer customers to other windows for a variety of reasons—and the very small number of draft registrants processed by postal clerks monthly," the court said.●

MEMORIAL TO VICTIMS OF JASENOVAC DEATH CAMP

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. KLECZKA. Mr. Speaker, the memory of the Jasenovac Death Camp from World War II stands as a recurring nightmare of man's inhumanity to man. More than 800,000 people died at the camp, including more than 750,000 Serbian people. These victims were murdered by the fascist Ustashi of Hitler's puppet Independent State of Croatia, a declared enemy of the United States.

The Serbian Orthodox Church long ago set aside September 12 of every year to commemorate the 750,000 innocent victims, and on September 2, 1984, a Serbian Orthodox Church was consecrated in Jasenovac, Yugosolvia, in memory of those killed.

The Reverend Milan Markovina of the St. Sava Serbian Orthodox Cathedral in Milwaukee, WI, is leading the efforts to keep the memory of these victims alive, and he should be commended for his efforts. A huge percentage of Yugoslavia's population died at the vicious hands of the Nazis. A higher proportion of Yugoslavia's population was killed than that of any other country during the war. These deaths must not be forgotten.

Mr. Speaker, it is said that those who cannot remember the past are condemned to repeat it. If we are to prevent slaughters like that which occurred in Yugoslavia and other countries during World War II, we must follow the lead of concerned people such as Reverend Markovina. To remember past tragedies does not require bitterness or vindictiveness.

What is needed is the love and compassion to maintain an eternal vigilance in our own world. We cannot change the past, but we can honor it. We cannot predict the future, but we can act to protect it. I pay tribute to Reverend Markovina and his efforts at keeping our memories of past atrocities alive, while leading the path to a better tomorrow.●

IN HONOR OF JOSEPH JUSTINIAN CHRISTIAN

HON. RON de LUGO

OF VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. DE LUGO. Mr. Speaker, true dedication is a quality that is found in very few people. Virgin Islanders, however, have not had to look very far to find a man who exemplifies this quality. Joseph Justinian Christian has dedicated 42 years of his life to the people of the U.S. Virgin Islands, and for that we express our gratitude.

In Resolution 1181 to honor Mr. Christian, the 15th Legislature of the Virgin Islands commended him for his 21 years of service to the Department of Health. He began there in July 1942, maintaining stock records of medicines and food supplies as clerk-general at Knud-Hansen Hospital. Through continued study, Mr. Christian was able to use his knowledge of accounting and management to improve the standard of operation in the VI Department of Health.

Mr. Christian spent another 21 years working with other numerous departments in the Virgin Islands government. His clerical skills in the legislative offices from 1952-59 proved to be invaluable to the maintenance of important legislative documentation. His experience in accounting, bill drafting, budget writing, and commercial law afforded him the unique privilege of preparing the first line-item budget for the Virgin Islands. That is a format that is still in use today. Mr. Speaker, I ask that the Members of the U.S. House of Representatives join with me in honoring Joseph Christian of St. Croix, U.S. Virgin Islands.●

THE GREAT ACCOMPLISHMENT OF OHIO FIRE DIVISION TEAM

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. WYLIE. Mr. Speaker, I am very proud that this year's winner of the International Rescue and Emergency Care Association's 34th annual first aid contest was a five-man Columbus, OH, fire division team. The contest was held in Cherry Hill, NJ, and included 24 teams representing the United States, Canada, and Aruba. This is the Columbus team's fourth world title in 17 years and is the result of much hard work. The team anchor is Chuck Werner, who is 50 years old, the other members of the winning team include team captain Gary Patrick, 35 years old; Barry Cheney, 39 years old; Marco Miller, 35 years old; and Robert Moore, 35 years old. They credit their ability to their every day encounter with emergencies in Columbus. The teams were judged on speed, team skills, and the priority of treatment of injuries. Each team was given three test problems to solve and 20 minutes allotted for each problem. This is a very honorable distinction to be bestowed on our city and our team. I commend them for their hard work, showmanship, and excellence in performing their duties. It gives our city a great deal of pride to be represented by such a team and a great deal of confidence that they serve our city in times of emergency. Congratulations on this great accomplishment.●

NATIONAL SCIENCE WEEK—1985

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. FUQUA. Mr. Speaker, I would like to begin by making several observations. First, the already critical importance of science and technology innovation to society will steadily increase in the future.

Second, I have observed that the American public is genuinely interested in science and technology. A survey done for the National Science Board's report Science Indicators 1982 found that 70 percent of Americans held favorable attitudes toward science and technology, and that 20 percent of them could be called attentive and informed to some degree. Thus, we need public education programs which will take advantage of the interest of both the attentive 20 percent and reach out to the remaining 80 percent of our citizens.

Recognizing the need to increase the American public's knowledge and their awareness of the importance of science, technology, and engineering in our daily lives, the National Science Foundation last year began a project to attract interest in science by designating 1 week in May as Science Week. The first Science Week was aimed primarily at the Washington area audience.

It was made possible with funding by several private corporations who enthusiastically shared the National Science Foundation's goals of improving the quality of science programs which presently exist, as well as encouraging the development of new approaches. Science Week 1984 was comprised of a week's worth of diverse activities including: A hearing by the House Science and Technology Committee on the research infrastructure at colleges and universities; a Congressional Reception and Science Demonstration for families at the Air and Space Museum; the creation of a lecture series honoring the achevement of our first American scientist, Benjamin Franklin, and delivered by 1983 Nobel Laureate, Dr. William Fowler; and the creation of a unique, cooperative workshop involving scientists and the students of Benjamin Banneker High School.

Science Week 1984 was successful as an initial attempt to convey the importance and excitement of science and technology to its Washington audience. Encouraged by the enthusiasm and interest generated by last year's program, the National Science Foundation perceives the need to broaden the scope of succeeding Science Weeks to include activities around the United States, in order to develop a truly national program. To that end, Science Week 1985, planned for the week of May 12-18, 1985, will encourage grassroots organizations—schools, universities, museums, professional societies, industry, and individuals—to work cooperatively with the National Science Foundation and each other to develop programs, events, and materials that will further increase public attention and commitment to science and technology.

The major goals of Science Week 1985 are to broaden the audience that now considers itself informed about or sympathetic to science issues and to attract the interest of more young people, decisionmakers, and other nonscientists who come into contact with science and technology daily, but who are not aware of the impact that science has, and will continue to have, on their lives.

With a high level of grassroots involvement, public visibility, enthusiasm, and cooperative efforts—encouraged and assisted by the National Science Foundation—Science Week could become an important annual event. It seems to me that Science Week should stand as a celebration of science: A popular activity that draws attention, creates interest and a personal identification between science and the American public on a national level, while stimulating other educational activities that are more specific in content and local in scale.

I plan to introduce a resolution when the 99th Congress convenes in January, designating May 12-18, 1985, as National Science Week 1985. Science Week 1985 represents to me, a valuable opportunity to define that nebulous term "Science" in more meaningful language that will be embraced by a broader audience. It is also an ideal way to capitalize on the inherent interest that most of us, young and old alike, share about natural wonders and phenomenon, and on our human desire to improve the present environment or to seek challenging new ones. I urge my colleagues to support that resolution when introduced next year.●

ST. JAMES TOWERS CELEBRATES ITS 21ST ANNIVERSARY

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. TOWNS. Mr. Speaker, adequate housing remains a major concern for constituents in the 11th Congressional District. One of the most successful housing efforts in New York City has been the Mitchell-Lama cooperative program. One of the oldest cooperatives in Brooklyn is the 326-unit St. James Towers complex which is in its 21st year. St. James Towers' presence in the Ft. Greene/Clinton Hill area, of my district, has contributed to a stabilized community and the economic development of the surrounding neighborhood.

I want to congratulate the board of directors and the residents of St. James Towers, Inc., on their 21st anniversary. I believe that this cooperative provides an outstanding example of moderate income housing for urban communities. The city and country would greatly benefit from additional cooperatives such as St. James Towers.●

RECOGNITION OF SISTER MARIE MICHELLE PEARTREE

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. CONABLE. Mr. Speaker, I'd like to pay special tribute today to Sister Marie Michelle Peartree, member of the Sisters of St. Joseph of Rochester, NY and president of the American Association of Homes for the Aging.

This October, Sister Marie Michelle will be ending her 2-year tenure as president of the American Association of Homes for the Aging, the first woman ever to hold that office. Her energetic and dedicated leadership has brought dramatic change to this association of nearly 2,400 nonprofit health-related and housing facilities for the elderly. Under her guidance and inspiration, and that of Sheldon L. Goldberg, executive vice president, AAHA has sustained an all-time high in membership growth by providing the services and promoting the philosophy that enable these nonprofit facilities to provide quality care to their residents. Among her initiatives at AAHA must be mentioned the implementation of a national group purchasing program, the first of its kind in the country; the organization of a capital formation program which will help finance new care facilities for the elderly; and the establishment of a national accreditation program for nonprofit continuing care retirement communities.

Prior to being elected President in late 1982, Sister Marie Michelle served as AAHA's president-elect, vice president, and chairman of the public policy and resident life committees. She has been a member of the AAHA executive board and house delegates since 1979. Nationally, Sister Marie Michelle served on the White House Conference on Aging Task Force in 1980 and 1981 and was a delegate to that conference in 1981. Within Rochester, she has served on the boards of Catholic Charities, the Rochester Regional Hospital Association, the Monroe County Long Term Care Program, Inc., the YWCA, and the United Way.

Sister holds a master's degree in hospital administration from Saint Louis University, as well as a master's in science in education degree and a bachelor of science degree from Nazareth College. In addition to her long time concern with health issues and the elderly, Sister Marie Michelle spent 23 years as a teacher and school principal.

Sister Marie Michelle brought an unequaled degree of energy and enthusiasm to the American Association of Homes for the Aging. This October she will be honored at AAHA's annual meeting in San Antonio. Those of us in Congress who have been working to assure a secure future for the elderly of this country join with AAHA in celebrating Sister's achievements and her untiring service to the elderly.●

MART NIKLUS, AN ESTONIAN FREEDOM FIGHTER

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mrs. JOHNSON. Mr. Speaker, I would like to share with my colleagues the concerns that I and my Estonian constituents have regarding the deterioration of human rights in Soviet occupied Estonia, and specifically the situation of Mart Niklus, an imprisoned Estonian freedom fighter.

Mrs. Vaike Lugus, president of the Connecticut Estonian Society, spoke clearly on behalf of Mart Niklus and the struggle the Estonian people face:

September 1984 marks 40 years of Russian occupation in Estonia.

Estonian people have lost their freedom. Estonian human rights activists are arrested and sent to prison and labor camps.

Estonian Americans are especially concerned about Mart Niklus, an Estonian freedom fighter, who at the present time is a prisoner in the infamous Chistopol prison. He is held in solitary confinement, and his health is deteriorating rapidly.

Mart Niklus has been an outspoken defender of human rights. Adopted by Amnesty International, he must now rely upon our courage and determination to not let his suffering be in vain, as we speak out in protest of the human rights abuses in the Soviet Union. I hope that increased contact between our two nations will lead to a halt to the repressive actions of the current leaders.●

MICHAEL D. TOMSEY: VA'S OUTSTANDING HANDICAPPED EMPLOYEE FOR 1984

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. MONTGOMERY. Mr. Speaker, Vietnam veterans are often misrepresented to the public. The vast majority of the 8.2 million living today, however, are well-adjusted men and women contributing to the standards of life they so ably represented while members of the Armed Forces more than a decade ago.

I am pleased today to pay tribute to one such representative of that era. Michael D. Tomsey, a 34-year-old disabled combat veteran of Vietnam, has been named 1 of the 10 Outstanding Handicapped Federal Employees of 1984.

Of particular pride to me is the fact that Mr. Tomsey is the vocational rehabilitation and counseling officer at the Veterans Administration Regional Office of Baltimore. Maryland veterans are assured of the best in VA services through Mr. Tomsey.

As an 18-year-old marine in Vietnam, Mr. Tomsey lost the use of his right hand and suffered severe wounds to both legs. While recovering in the hospital, he taught himself to write with his left hand and completed his high school education.

Returning to civilian life, he worked as a day laborer but could not continue because of his disabilities. He tried college under the VA vocational rehabilitation program but ran into problems because of his disabilities and the additional trauma of being a Vietnam veteran on a college campus during that period.

Determined to try again, he reentered college and completed his B.A. degree at Rutgers University. He went on to earn a master's degree in vocational rehabilitation. While in college, he worked with juvenile offenders and at the Damian School for Handicapped Children.

Following several years in the private sector, Mr. Tomsey began working for the Federal Government in 1978. He was serving at the VA's

Washington Regional Office when he was nominated for the award. In particular, Mr. Tomsey was cited for his active role in assisting hearing impaired veterans. As liaison with Gallaudet College, he also worked with children of veterans attending the institution.

In addition to membership in most of the major veterans organizations, he belongs to the National Rehabilitation Association, the American Personnel and Guidance Association, and the National Association of the Deaf. He is a board member of the Mount Vernon Mental Health Center and serves as chairperson for the Special Olympics.

Born in Tiffin, OH, Mr. Tomsey lives with his wife and son in Alexandria, VA. Mr. Tomsey has demonstrated a deeply felt commitment to Vietnam veterans and his compatriots.

Mr. Speaker, I know that my colleagues will want to join me in proudly saluting this remarkable man, 1 of the 10 Outstanding Handicapped Federal Employees of 1984.●

NATURAL GAS LEGISLATION

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

Mr. ROTH. Mr. Speaker, today I want to again pledge my support for H.R. 4277, the Sharp-Madigan natural gas bill. I am disappointed that Congress has not yet had the opportunity to vote on this important legislative solution to a problem which has caused great hardship for consumers across the Nation.

In January more than half of the Nation's gas production will be decontrolled. Lifting of price ceilings on more than half of the Nation's natural gas production may result in substantial increases in residential heating bills next year.

Unless Congress acts now, gas consumers will be forced to tolerate higher gas prices. Residential consumers have seen gas prices more than double since 1978. These increases have hurt senior citizens, homeowners, farmers, small businesses, and industry. Further increases in gas prices just cannot be tolerated.

This bill if passed, would freeze gas prices for 2 years so that contracts covering the gas scheduled to be decontrolled could be renegotiated. Together with amendments such as the proposed Gephardt amendment, consumers would save nearly $300 per household over the next 2 years.

In July, I joined with 217 of my colleagues in submitting a letter to the House leadership urging action to be scheduled on this bill which had been reported from the Energy and Commerce Committee in April. I am not alone in my commitment to protect consumers from soaring natural gas prices.

The cost of inaction is too high. Consumers need price relief. Congress must act before the start of another heating season and before the scheduled December decontrol date.

Mr. Speaker, I urge the House to consider H.R. 4277 and encourage swift approval in Congress.●

A TRIBUTE TO DR. GEORGE A. ROBERTS

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. LEVINE of California. Mr. Speaker, I rise today in honor of Dr. George A. Roberts, a resident of Santa Monica, CA, who will be honored with the Americanism Award by the Great Western Council, Inc., Boy Scouts of America on October 29, 1984.

Past recipients of this prestigious award have included General Jimmy Doolittle, President Gerald Ford, and Bob Hope. In honor of this very special occasion, I would like to share Dr. Robert's impressive background with my colleagues in the U.S House of Representatives.

Dr. Roberts is currently the President of Teledyne, Inc. Prior to his election to the presidency of Teledyne in 1966, he was president and chairman of the board of Vasco Metals Corp.

Born in Uniontown, PA, February 18, 1919, Dr. Roberts entered the U.S. Naval Academy in 1935. He transferred to the Carnegie Institute of Technology (now Carnegie-Mellon University) in 1937, where he received his D.Sc. degree in Metallurgy in 1942. While at CMU he was associated with the Bell Telephone Laboratories as a laboratory technician. From 1941 to 1966, Dr. Roberts was employed by the Vasco Metals Corp.; first as research metallurgist, as chief metallurgist in 1945, as vice president of technology in 1953, and was elected president on October 31, 1961. He was made chairman of the board of directors of Vasco in 1964.

Dr. Roberts was elected a member of the National Academy of Engineering in 1978. He is a life trustee of the Carnegie-Mellon University. On October 17, 1980, he was awarded the Carnegie-Mellon University Distinguished Achievement Award. He is also a Fellow of The American Society for Metals and of The Metallurgical Society. He was president of The American Society for Metals (ASM) in 1954-55; and in 1955-56 was president of the ASM Foundation for Education and Research, and continued to serve as trustee through 1959 and again in 1963 through 1964. Dr. Roberts received the Gold Medal of The American Society for Metals in 1977. In addition, he is past chairman of the Pittsburgh Chapter of the ASM, and has served on the Publications Committee of the Society. He served as national director of the Metal Powder Association from 1952-55 and as President from 1957-58. He was president of the Metal Powder Industrial Foundation from 1958-61.

Dr. Roberts has published a number of technical papers and several books on Tool Steels. Subjects in which Dr. Roberts enjoys a particular expertise include Heat Treatment and Physical Metallurgy of steels, Alloy Steels, and Powder Metallurgy.

On February 15, 1984, Dr. Roberts was awarded the Humanitarian Award from the National Conference of Christians and Jews. He is a member of the Advisory Board of the Great Western Council, Inc., Boy Scouts of America; and began Scouting as a Lone Scout in Pennsylvania.

It is a pleasure to be able to highlight Dr. Roberts numerous accomplishments, and I ask that my colleagues join me in commending his for his outstanding achievements.●

DEPARTMENT OF ENERGY, INNOVATION AWARD RECIPIENTS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. SKELTON. Mr. Speaker, I would like to share with my colleagues the commendable achievements of the Central Missouri State University Safety Center, Cottey College, Missouri State Office of Administration and the Remington Arms Co. Each of these organizations received the National Award for Energy Innovation this week. The award is given by the Department of Energy for unique conservation and renewable energy projects which may be expanded for use throughout the country.

I congratulate these Energy Innovation Award recipients for their diligent and innovative efforts. Their achievements encourage other individuals and organizations and benefit all of us. To each individual contributing to energy savings projects, I take this means to extend my congratulations.●

THE PHILADELPHIA PROTESTANT HOME—94 YEARS OF SERVICE

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. BORSKI. Mr. Speaker, it pleases me to join with the friends of the Philadelphia Protestant Home in recognizing its 94 years of service to the elderly and the community. Located in the Lawndale section of Philadelphia since 1890, the Home exemplifies the best principles of a life care community.

On Saturday, October 13, 1984, the Protestant Home will embark on another chapter in its distinguished history of care and service. In order to expand its commitment to quality care for the elderly, a cornerstone will be laid for a multimillion dollar expansion project on its 11-acre estate.

While the Philadelphia Protestant Home is already a thriving life care community for its over 400 residents, this project will permit it to offer comfort and security to substantially more people.

The Protestant Home is supported by 34 churches. Its services include both residential care and independent living arrangements, as well as a fully staffed medical clinic. The residential care program offers a worry-free life by providing residents with a spacious private room, three daily meals, housekeeping and maintenance services. Independent living arrangements, on the other hand, rely on greater self-sufficiency, although health care and other services are still available from the Home.

Its medicare-certified skilled care facility maintains the highest quality standards in caring for and attending to each of its residents. Not once in the Protestant Home's history has a resident been asked to leave due to a lack of funds. In fact, this year alone, almost $400,000 in free care was provided to residents unable to pay for services not reimbursable through either private insurance or Government programs.

Mr. Speaker, I want to commend the Philadelphia Protestant Home for its 94 years of quality life care. I am proud to be a part of the dedication ceremonies which signal that its commitment is strong and still growing. Let this occasion serve to remind us all to rededicate ourselves to the service of older Americans.●

LETTER FROM THE FARM

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. DORGAN. Mr. Speaker, all of us receive many letters from constituents. Because I represent a rural State, a good number of the letters I receive are from farmers, and, because of the perilous state of the farm economy, a number of these are from farmers and ranchers who are losing their land.

But seldom do I receive a letter that sets out the difficulties facing our farmers, and the courage, strength and hard work with which farmers attempt to overcome these difficulties, with such eloquence as the one I recently received from a dairy farmer in my State. It is all the more poignant because Roger Drevlow's extraordinary efforts to stay in farming were defeated. On September 20 he and his wife Joanne held a farm auction to sell their cattle and farm machinery. He writes, he says, not to sound like sour grapes, but to try to change things for the better—"If our loss could help just one farmer in the future, it would give us reason to be proud," is the way he put it. I'd like to share this remarkable letter with my colleagues:

DEAR CONGRESSMAN DORGAN: On the 20th of September 1984 my wife, Joanne, and I are having a farm auction of all our cattle and farm machinery. I am writing to you because this situation is very troubling to me. I would doubt very seriously if there is anything that can be done to help Joanne and I to maintain our family farm, but if we do not speak out, the same problems will go on and on.

I am 32 years old. I have a wife and 5 children. We live on a dairy farm ten miles southwest of Maddock, North Dakota. We started farming in 1977. That year we experienced a complete drought. The crop from our entire farm was 160 small square bales of hay. 1978 proved to be a little better, but in December our hog barn burnt to the ground resulting in a great loss to us. We expanded our dairy herd to offset the loss and worked even harder.

In 1979 we started the year enthused about farming. We rented 140 extra acres, and with our own 200 acres we worked on. The crop was a beautiful one—the best we had ever seen, but the great North Dakota hail storm of '79 destroyed it completely. In December of '79 our house was burned completely to the ground with all of our belongings.

We struggled on, built a very modest new house and went on. We were encouraged to increase the dairy herd and we did, to around 50 cows. We were very short of space and FmHA borrowed us money to build an addition to the dairy barn. When we completed the barn and went back to FmHA for money to add more cows, they told us that they were very much against increasing the size of dairy herds in light of the huge dairy surplus and falling dairy prices.

We felt as if now we were not only fighting the elements but the Federal Government. We saw farmers financed with FmHA get disaster loans and in years when we were unable to buy clothes and food, watched them take trips to Europe, play the futures market and buy skads of new machinery. In years when we struggled night and day to make enough hay for our dairy cows out of sloughs and road ditches, we watched other farmers simply leave hay land that they considered too light to bother with. When there was an ASCS program for free oats we watched them haul truckload after truckload of government oats, while we did not qualify because we had put up everything we could find. When we went to buy land we would talk to FmHA as to what we could offer for a bid, and find that they would borrow $100-$200 more per acre to someone financed with them that already had a thousand acres.

When other farmers talked about their huge PIK payments we again found we were ineligible because we had never raised wheat. Those who created the huge surplus received the bulk of the payments.

I am not writing this letter to sound like sour grapes. We are losing our farm and we will come to terms with that. Joanne and I started farming in '77 with no family help. We went into it strictly on our own and too often now we hear that you really can't expect to make it without family help, and that is a shame. I have nothing against farms being passed on from generation to generation, but at the same time there is very little room for "new blood" in agriculture, and that is very sad. We have been a very strong positive addition to the community and I am sure that anyone here would testify that we have worked harder than most and contributed far more than the average to the community and church. We will be a loss to the community, and rural communities will die a little more.

In conclusion, let this be our lesson—lending agencies should look at each case on its own merits or problems. Government policies must be designed to benefit all sectors of agriculture, not just the large, and we must be concerned about the future of agriculture and rural America not only as an economic value, but from a personal standpoint.

Joanne and I entered agriculture because we felt it a very noble profession. We had been taught to love the smell of fresh turned soil and the sight of young crops coming through the soil. We worked hard, thinking we were producing food for a hungry world, only to have our own government tell us we produced too much, there was too much milk and grain, and still people starve, while this country builds weapons of destruction that cost millions.

I know that you are concerned about people and that is why I write. Our situation seems hopeless, but if we could just feel that our loss could help just one farmer in the future, it would give us reason to be proud. I know farm programs are necessary, that it is hard to make them fair; I know that it is hard to deal with large surpluses, but there has got to be a more humane way to dispose of them.

We have cried a thousand tears over losing our farm. We have built what we have here with the strength of our backs, sweat and love. We had a dream for the future and that is lost. We will find a new dream and serve our God and country as best we can. Please work hard to keep the dream alive for others.

With Respect and Hope for a Better Future.

ROGER DREVLOW.●

WASHINGTON GOLD MEDALISTS

HON. ROD CHANDLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. CHANDLER. Mr. Speaker, I am proud to congratulate on the House floor today two Olympic gold medalists from Washington's Eighth Congressional District.

Kristi Norelius and her eight teammates were the first Americans ever to win gold medals in women's rowing. Their gold came in the eight-oars-with-coxswain category. The team trailed midway through the 1,000-meter race, but came from behind to take the gold and overcome a 3-year swing of second-place finishes in the World Championships.

Kristi is a graduate of Issaquah High School and Washington State University. Twelve members of her family traveled to Los Angeles to watch her compete.

William E. Buchan of Bellevue, with his crewman, Steve Erickson of Edmonds, in the neighboring First Congressional District, also staged a dramatic come-from-behind win to take the gold medal in the Star class competition in the yachting event. The same day, Bill's son, Carl, and crew Jonathan McKee, both from the first congressional district, won the gold in the Flying Dutchman class. Bill and Carl became the first father-and-son combination in Olympic history to win gold medals in separate yachting events.

Bill has been a world class sailor for more than 20 years and, at 49, was the oldest member of the U.S. Olympic team. The Buchans and their crew will be presented with signed copies of the Olympic Yachting Venue Charts in a ceremony in their honor on October 10.

I know I speak for the families and friends of Kristi Norelius and Bill Buchan and the people of Washington's Eighth Congressional District in saluting these outstanding athletes. After years of sacrifices, practice, and determination, they have reached the pinnacle of success in their events. I congratulate them on their victories and thank them for instilling in us a deep sense of national pride.●

TRIBUTE TO BARBER CONABLE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 1984

● Mr. BIAGGI. Mr. Speaker, I rise to join scores of my colleagues in paying tribute to one of our finest—BARBER CONABLE who has elected to retire at the end of this 98th Congress. With this decision one of the most respected Members of this institution moves on to a different life.

BARBER CONABLE is a leader in this body—pure and simple. He has served with special distinction as the ranking minority member of the House Ways and Means Committee and in that capacity has had an enormous influence on the many legislative accomplishments this committee has produced not only in the 98th Congress but throughout BARBER'S 20 years in this House.

BARBER CONABLE, despite his considerable power and influence not only in this body but in our Nation is a humble self-assuming man. He recognizes that his is a position of public service and trust. He realizes that the concerns of his constituents are paramount above all others and as a result BARBER has a reputation which few can match in terms of constituent service.

BARBER CONABLE'S retirement is a significant loss to the Committee on Ways and Means, the Joint Committee on Taxation, the whole House, and the Nation. Having served with BARBER over the past 14 years on the New York congressional delegation, I know how much he has contributed to our work.

In our appreciation for our colleagues, we should never lose sight of the personal qualities that each possess. BARBER CONABLE is a warm, friendly and sincere man who can see the forest through the trees. He is a man who has chosen to retire rather than being forced to. He realizes that there are other things that he can and should do with his life. For those who have been fortunate to have BARBER as a friend, we will remember him for many reasons—but on this occasion only want to wish him the very best in his future endeavors whatever they might entail. He has left his mark in the House, one that will endure for years to come. To BARBER and Charlotte my best wishes now and in the future.●

IRVINGTON COLUMBUS DAY PARADE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

Mr. RODINO. Mr. Speaker, I look forward with great anticipation to the honor of participating in the annual Columbus Day Parade sponsored by the Irvington Department of Parks and Recreation this Monday, October 8.

The parade takes on a special meaning this year, as we embark on the planning to celebrate in 1992 the Christopher Columbus Quincentenary Jubilee. The landing of Columbus on the island of San Salvador nearly 500 years ago was a remarkable feat, one that was destined to change the course of world history. We, the American people, are the prime beneficiaries of Columbus' vision and courage, so it is fitting that we have a truly national observance that will be carried out with dignity and distinction.

All of our people, not just Italian-Americans, will be honoring Columbus for his discovery of this blessed land. I like to think that the great story of Columbus and his discovery is part of a continuing story, of which an important chapter was written recently when we saw the first woman and the first Italo-American nominated as Vice Presidential candidate of one of our great political parties. The discovery of GERALDINE FERRARO is, in a larger sense, the rediscovery of America's meaning—that the American dream can indeed be realized by any man or woman. That is America's real greatness—and that is what we celebrate on Columbus Day.

The Irvington Parade will be an outstanding and a memorable affair. The grand marshal will be Rick Masucci, past commander of the Irvington Elks Club, who is being honored for his involvement in a vast array of community activities. The parade queen will be an Irvington high school senior, Ms. Rosalie Puerari. The festivities will culminate with an Italian Festival to be held after the parade in front of the Irvington Library.

Mr. Speaker, America has fulfilled the dreams of countless millions who have come to our shores in quest of a land where all people, regardless of origin, can reach their full potential. And I am proud that this fulfillment can be traced to Christopher Columbus, who is rightly called, "The Father of Immigration."

So it is with pride and pleasure that I will join with Irvington's Mayor Anthony Blasi and all my friends in the city of Irvington on Monday to commemorate Columbus Day.●

THE GOOD WORK OF RICK ALAN HAYMAN

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. MURTHA. Mr. Speaker, during the recent flood tragedy which was suffered in Glencoe in the area I represent, we once again saw how tragedy can lead to heroic actions.

I wish to take a second to commemorate Rick Alan Hayman who during the flooding risked his own life to save several lives. On another aspect of his character, my staff praised Rick for the helpfulness and aid he gave to

them as they worked to help the residents of the area recover.

I often remark that the greatest strength of America rests with its people, with their dedication to principles and concern for others. When I reflect that Rick is only 16 years old, it is another indication of the optimism we should all have about our Nation's future.

Once again, it is my pleasure to praise Rick Alan Hayman for his excellent work during the Glencoe flood.●

PUBLIC SUPPORT FOR SEATBELT LAWS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. DINGELL. Mr. Speaker, I insert for the RECORD, and for the benefit of my colleagues, a September 21, 1984, article from the American Medical News which highlights a public opinion poll indicating that 77 percent of all New York adults and 69 percent of all adults nationally favor the idea of mandatory seatbelts. This data contradicts the age worn myth that mandatory seatbelt use requirements are overly intrusive and constitute a violation of individual freedom. After all, the right to endanger oneself behind the wheel of a car is no more an absolute privilege than it is to play Russian roulette in a crowded theater.

The public acceptability of mandatory seatbelt laws has been evidenced by the enactment of mandatory seatbelt legislation in New York, which will become effective January 1, 1985. Our domestic automakers are currently engaged in a vigorous campaign to encourage drivers to buckle up voluntarily and for States to pass mandatory belt use laws. I intend to reintroduce in the next Congress my legislation, H.R. 4175, currently cosponsored by 60 of my colleagues, to provide financial incentives to encourage States to pass seatbelt use laws.

What we are seeing is a recognition by the American public that significant strides can be made in saving lives in automobile accidents by making seatbelt use a priority, and a requirement. This can be done with little regulation and minimal expense. It is in the public interest to do so. We must achieve this goal.

POLLS: PUBLIC ENDORSES MANDATORY SEAT BELT USE

Mandatory seat belt use is an idea that now sits very well with the public, according to a recently released public opinion survey that was commissioned by the American Medical Association and the Medical Society of the State of New York.

In a survey of 400 New Yorkers, randomly selected to represent the state's adult population, and in a national survey of 1,503 people, respondents in both groups strongly endorsed the idea of seat belt use.

The survey, conducted by Kane, Parsons and Associates, a New York-based research organization, was conducted this year, just before New York became the first state in the nation to require seat belts in a new law that becomes effective Jan. 1, 1985.

In response to the question: "When driving or riding in a car, do you wear your seat belt always, sometimes, or never?" only 26 percent of the respondents nationally and 29 percent of the New Yorkers polled said they always wore seat belts, while a similar number, 29 percent nationally and 27 percent in New York, responded that they never wore the belts.

The main reason given for not using the belts, said the majority—37 percent in both the national and state polls—was being "too lazy or careless." To that same question, another large group—29 percent nationally and 28 percent statewide—said the belts were a "nuisance."

To the same question, only 9 percent in the national survey and 8 percent in New York replied that they did not use the belts because "seat belts are dangerous."

The respondents also resoundingly agreed—in an 88 percent majority in both polls—that "people riding in the front seat of a car should wear seat belts at all times."

Those surveyed also supported the idea of "federal or state government [proposals] requiring all motorists to wear seat belts." In New York, 77 percent of those individuals polled favored the idea of mandatory seat belts, while 69 percent nationally endorsed the idea.

Both groups surveyed overwhelmingly supported the idea of requiring children under a certain age to wear seat belts, with 93 percent in favor of the idea nationally and 95 percent affirming in New York.

Both the AMA and the Medical Society of the State of New York have long lobbied for the seat belt as an important public health measure, the medical society noted in releasing the survey.

The New York medical society, which will see its efforts realized next year, has been working for a mandatory seat belt law since 1982, when it formed the New York Coalition for Safety Belt Use in conjunction with the American Assn. for Automotive Medicine.●

TRIBUTE TO CARVER J. LEACH, JR., ROVING LEADER

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. FAUNTROY. Mr. Speaker, in the city of Washington, DC, we have long appreciated and valued the talents, dedication and creativity of Carver J. Leach, Jr., director, Roving Leader Program.

The Roving Leader Program is a unique program that provides guidance, counseling and direct services to problem youths. While many cities across the United States have developed and sustained a variety of programs for troubled youth, none have been as exemplary as the Washington Roving Leader Program. The unique design, the successful working of this program, and its adoption in many other regions of our country and in foreign lands is a tribute to the dedication and efforts of Carver J. Leach, Jr.

In addition to working the street during public events, demonstrations, and special celebrations, a Roving Leader can be assigned to work in a particular block with a troublesome youth or group of youths. The Roving Leader has the training and mission to coordinate that youth's school work, his family life, his social contacts, and his behavior so that what was a delinquent pattern turns around. Countless youth have been guided to constructive and productive lives through the often round-the-clock services of the Roving Leader. For the first time in youth street work, the Roving Leader was able to maintain his contact with all parties concerned: The police, the courts, the school system, and the detention centers. In the case of the youth in the criminal justice system, this eliminated that fragmentation of services which often permitted the youth to slip through the cracks of the social service delivery system.

A Roving Leader serves in many other capacities and is a much respected, much appreciated community worker in services to be delivered to the nondelinquent youth as well.

It was in this context that I wish to commend with gratitude from all of the residents of the city of Washington the extraordinary energy and effort Carver Leach put forth in the July 4 Family Celebration Day in Lafayette Park this year, 1984. It was a hot day. The work of moving platforms, sound systems, directing program participants proved too much for Mr. Leach and he suffered a heart attack. Carver is slowly recovering from this unfortunate circumstance.

From all of us—in total gratitude and appreciation—I salute the years of unselfish humanitarian contributions of Carver J. Leach, Jr., and wish him a speedy, complete recovery.●

COMPREHENSIVE STUDY ON THE FUTURE OF NUCLEAR ARMS CONTROL

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. FASCELL. Mr. Speaker, I would like to inform my colleagues that I have asked the Congressional Research Service to undertake a comprehensive study of the role of nuclear arms control in U.S. national security policy. This request reflects the Foreign Affairs Committee's longstanding interest in nuclear arms control matters. It is, however, more specifically, a direct outgrowth of committee hearings earlier this year entitled "the

Role of Arms Control in U.S. Defense Policy."

I believe that this study will reveal the important contribution that nuclear arms control has made to U.S. national security interests. I plan to coordinate this study on nuclear arms control policy with a series of briefings and hearings in the 99th Congress. It is my hope that this arms control agenda will facilitate an informed debate in 1985 on the numerous arms control issues which will come before the new Congress.

As chairman of the Foreign Affairs Committee and its Subcommittee on International Security and Scientific Affairs, my objective in requesting this study is to sustain careful congressional oversight of executive branch arms control policy while encouraging members of the Foreign Affairs Committee to continue to play a well-informed, active leadership role on arms control matters.

Just as the Committee on Foreign Affairs has forged and maintained a broad bipartisan consensus against binary nerve gas production, for the enhancement of the Arms Control and Disarmament Agency, and for acceptance of the nuclear freeze proposal by the House of Representatives during the 98th Congress, we need to create a similar bipartisan consensus in the 99th Congress in such areas as avoiding an arms race in space, in achieving a negotiated ban on nuclear weapons testing by the two superpowers, and in resuming nuclear arms control talks with the Soviet Union.

The study that I have requested will focus on the evolution of the basic components of U.S. nuclear arms control policy and how that policy has been put into practice in negotiations with the Soviet Union. It will illustrate how the questions of what to control, how to control it, and how to guarantee its control have been addressed at the national policymaking level and in negotiations with the Soviet Union. It will, most importantly, explore possible options for the future in this critical area.

A great deal can be learned from the arms control policy and negotiations of the past. As Members of Congress, we are aware of and share our constituents' deep concern about war and peace issues, nuclear weapons, and the fact that Ronald Reagan is the first President since Harry Truman not to have reached an agreement with the Soviet Union to control nuclear arms.

Congress can and must continue to provide leadership on nuclear arms control policy. Rhetorical solutions do not suffice when it comes to nuclear weapons and our national security. Congress must be prepared to offer constructive nuclear arms control alternatives. It is my hope that this comprehensive study will contribute to that effort.●

IN MEMORY OF MR. ADOLF O. IMMER

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. COURTER. Mr. Speaker, I would like to take a moment to remember a fine American who passed away Wednesday, Adolf Immer. Mr. Immer was a loving husband and devoted father who exemplified the true spirit of giving every day of his life. Handicapped himself, Mr. Immer donated much of his time to service organizations for the handicapped. He was a Veteran of World War II, serving in the Army.

Mr. Immer's dedication and unyielding spirit were inspirational to all who knew him. He was an active Republican and a member of the Somerset County Republican Campaign Committee.

I got to know Mr. Immer when he volunteered in my Somerville district office. He was a warm compassionate human being who devoted his entire life to helping others. I know I speak for many when I say he will be sadly missed.●

THE 250TH ANNIVERSITY OF THE EGYPT UNITED CHURCH OF CHRIST

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. RITTER. Mr. Speaker, I would like to commend the congregation and pastor, George S. Toth, of the Egypt United Church of Christ in Whitehall, PA, in my congressional district, on the occasion of the church's 250th anniversary. The church celebrated their 250th year through an 8-week series of services and special events, beginning on September 2, 1984.

This church has been serving the people of the Whitehall community for the past 250 years, and this service and sincere dedication to the word of God is worthy of much praise and recognition.

The church was founded on September 23, 1734, when David Traxel was baptized by the Reverend John Phillip Boehm. Services were first held in the homes of Peter Traxel, George Kern, and in the Deshler Fort.

In 1747 Michael Schlatter became the first ordained minister and was instrumental in distributing Bibles to the congregation. These Bibles were printed in German, and a copy of one of these Bibles is still with the church.

The church was originally known as the Egypt Reformed Church and in 1756 the Troxell-Steckel House was constructed, where services were held. This structure is still standing and is listed as a historical landmark. In 1759 the reformed church merged with the Egypt Lutheran Church to form the Egypt Union Church. A three-sided log church structure was built in 1764.

A new stone building was constructed in 1785 and the first organ was installed in 1786. There were not many organs in the area at that time, and the church's organ was a local novelty.

The first Sunday school was held in 1844, and in 1851 the present building was erected. Through the history of the church, several persons have been ordained into the ministry. They are: Herbert Rice of York and Linda Magyar of Mertztown. Also, the church has sent two missionaries into the field: Mary Fedde to Japan and Timothy G. Toth, son of the present pastor, to Conception, Chile. Since November 1, 1975, the church has been led by the Reverend George S. Toth, Jr. of Bethlehem.

The 250th anniversary committee was made up of: Mr. and Mrs. Robert Smith, Mr. and Mrs. Daniel Delong, Mr. and Mrs. Fred Feldman, Mr. and Mrs. Ralph Remaley, Edith Kuhns, Betty Nichols, Robert Nagle, Mr. and Mrs. Larry Jasper, Mr. and Mrs. Jack Welliver, Mr. and Mrs. Dollard Guth, Mr. and Mrs. Lloyd Gantz, and Mary-Etta Semmel.

Mr. Speaker let me once again praise the Egypt United Church of Christ for its fine history of service and commitment to the work of God and the community, and I hope the church is able to celebrate many more such anniversaries.●

DR. JACQUELINE HODGE HONORED

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. COELHO. Mr. Speaker, I rise today to offer congratulations to my good friend and constituent, Dr. Jacqueline Hodge, who was honored last week by the Congressional Black Caucus and awarded their first annual Education Braintrust Award for her contribution to education.

Dr. Hodge has distinguished herself in every facet of her life. She has served her community through her work with and for countless organizations; she has established herself as a respected writer and educator, having taught in the West Fresno Public Schools for 30 years; and she has raised five children and instilled in them the same values and strength of character that has been the driving force in her life.

Dr. Hodge is one of only 24 black women school superintendents in the

entire country. It is truly an honor for me to acknowledge the work of this outstanding individual for her contribution to excellence in education.●

HONORING MR. PAUL KAPCHAN

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. ACKERMAN. Mr. Speaker, I would like to ask my colleagues in the U.S. House of Representatives to take this moment to join me in honoring Mr. Paul Kapchan, president of the Democratic Club of Flushing-Whitestone-College Point in Queens County, NY.

The Democratic Club is paying tribute to our Republican colleague JAMES SCHEUER, and Mr. Kapchan for their many years of dedication and service to the public, at an annual dinner-dance on October 26, 1984.

Mr. Speaker, I know my colleagues in this body are aware of Congressman SCHEUER's vital contributions to the House of Representatives, his constituents, and the citizens of this Nation. But I would like to take a few moments to describe what the contributions of someone they may not know have accomplished for the people of Flushing.

Paul Kapchan's ideas, leadership, and spirit of tolerance and understanding have dramatically changed the appearance and the heart of Flushing. Although he is serving his first term as president of the Democratic Club, he has been deeply involved in the club and the community for many years, to the benefit of every citizen in Flushing. As president of the Flushing Merchants Association, Paul has been the catalyst for revolutionizing the relationships between immigrant and resident merchants, and between the business community and surrounding neighborhoods.

Paul has fought hard, with persistence and diplomacy, for a safer, cleaner, more dynamic Flushing. Through his efforts in negotiating better cooperation between merchants and the police department, every citizen now enjoys better protection and a safer way of life. He led a drive to welcome and support Chinese and Korean immigrant merchants and to break down barriers of prejudice and misunderstanding among business owners.

Paul Kapchan is not an out-of-town merchant seeking to influence policies and politics that don't affect him. He has lived in Flushing for many years, built his life, his business, and his friendships there. As a cofounder of the Democratic Club in Flushing and proprietor of a men's clothing store, he had a vision for the community—a vision of harmony between businesses and neighborhoods; of people working together for a common goal; of successful business owners extending the hand of friendship to struggling immigrant merchants.

Mr. Speaker, that vision is being realized in Flushing. Some citizens wish for a better, brighter way of life for themselves and their children. Paul Kapchan turns those ideals into reality.

I ask every Member of the U.S. House of Representatives to join with me now in paying tribute to Mr. Paul Kapchan.●

MAYOR HAROLD LEATHERS COMMENDED

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. DAUB. Mr. Speaker, the frontlines of representative democracy is local government, and no group of elected officials lives closer to the needs and problems of their constituents than the mayors of our Nation's cities.

For the past 12 years, the residents of LaVista, NE, have benefited by the seasoned leadership of their neighbor and mayor, Harold Leathers. The mayor has an exemplary record of meeting the needs and solving the problems of the citizens of LaVista, and for this good reason, they continually returned this outstanding executive to office.

To our regret, Mayor Leathers has recently announced his retirement. He and his remarkable wife, Mary, plan to spend some time visiting their beautiful new granddaughter, and we know he will bring the same enthusiasm and energy to being a grandfather as he did to being mayor.

His impressive public service career will stand as a lasting tribute to this true gentleman and friend, and I appreciate this opportunity to share this with my colleagues and join with his many friends in wishing Mayor Harold Leathers a rewarding and fulfilling retirement.●

TRIBUTE TO MERCY VOCATIONAL HIGH SCHOOL

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. BORSKI. Mr. Speaker, I rise to pay tribute to Mercy Vocational High School, in Philadelphia, for being recognized by the exemplary private school recognition project.

The project, sponsored by the Council for American Private Education through a grant from the U.S. Department of Education, is an outgrowth of the National Commission on Excellence in Education, and seeks to identify schools that exemplify overall good educational practices.

Mercy Vocational was 1 of only 60 private schools nationally to be selected for this honor, from among the over 6,000 private schools across the country which were eligible to compete. Together, these exemplary schools represent a national profile of private schools. They are denominational and secular, coeducational and single-sex, large and small, as well as urban, suburban and rural.

Although many factors were considered, the council sought to recognize those schools which are successful at helping students do their best intellectually, creatively, developmentally and artistically. An effort was also made to identify those schools which are vitally interested in and attentive to their students as growing human beings.

Mr. Speaker, perhaps what makes Mercy Vocational's selection all the more special, is that this school emphasizes vocational training for students, some of whom had little success in other educational settings. In fact, this outstanding Philadelphia institution was the only vocational school so honored. While I am pleased to learn the accomplishments of Mercy Vocational were recognized by the council, I am certainly not surprised.

Rich in tradition and founded in 1950 to provide an education within a Catholic atmosphere for students whose abilities and interests lay in vocational skills rather than in the pursuit of a purely academic roster, Mercy Vocational has an outstanding record of educational achievement. The school's program is rooted in Christian principles, which touch not only the academic curriculum but also other curricular and extracurricular activities. Its philosophy is to give students an appreciation of the dignity of work, and through personal interest, patience and encouragement aims to prepare students for economic independence and individual fulfillment.

Because I recognize that a good education is such a critical factor in the development of our young, it especially pleases me to congratulate the faculty and student body of Mercy Vocational for achieving this prestigious recognition they so richly deserve. Through its standards of excellence, Mercy Vocational offers students not only the opportunity for the best possible education, but also the best possible chance for success in life.

Again, Mr. Speaker, I salute Mercy Vocational High School, and wish this exemplary learning facility continued success in the pursuit of its commitment to education.●

CALIFORNIA ESCROW ANNIVERSARY

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. DANNEMEYER. Mr. Speaker, in 1984, the California Escrow Association celebrates its 60th anniversary. It is also the 34th anniversary of the Orange County Escrow Association. In October, the association holds its 29th Annual Education Conference. It is entirely fitting that October be known as "Escrow Month."

These associations perform a vital public service in educating the escrow community in the highest professional standards. The 31 regional associations also serve related industries in accounting, title insurance, and real estate law. Workshops on current legislation, loan processing, manufactured housing, business escrow, county recorder's offices, notary, and many other topics ensure a well-informed escrow community for serving the public.

The Orange County Association of 350 members and its State parent have been a vital link in the dramatic development of the county and State. Mr. Speaker, I am certain that all Members of the California delegation would subscribe to the following resolution which honors this profession of trust:

Whereas, the Orange County Escrow Association, a regional association of the California Escrow Association, a state association, which in turn is part of the American Escrow Association, a national association, has been dedicated to the continuing education and elevation of the Escrow Profession through adherence to its Code of Ethics for 34 years; and

Whereas, the parent group, the California Escrow Association, formerly the Los Angeles Escrow Association, similarly devoted its efforts since 1924 and now has nearly 3,500 members within thirty-one regional associations through the State of California; and

Whereas, the Orange County Escrow Association has faithfully pursued its covenant to foster, promote and improve escrow education and service to its members and to the public to elevate the standards of the Escrow Profession;

Now, therefore, the Orange County and California Escrow Associations are to be commended for their outstanding contributions to the people of this state on the occasion of the 29th Annual Education Conference.●

THE SPIRIT OF ISRAEL COMES TO ORANGE COUNTY

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. PATTERSON. Mr. Speaker, the Jewish Federation of Orange County, CA, in association with affiliated organizations and the synagogues in our area has decided to hold its annual Israel Fair Day on October 28. The Israel Fair provides a unique opportunity for all citizens in our metropolitan area to learn more about Jewish heritage and culture.

Although Jews represent a tiny segment of the human race—14 million out of 3.5 billion—it is hard to conceive of a group that has had more influence on Western civilization than the Jewish people. The values that we hold dear: free expression of religious and political conviction; protection of human rights; perseverance and unfaltering faith; the pursuit of art and knowledge; a nurturing family; and the work ethic, are values that the Jewish people have brought to the forefront of our culture. For the last 3,000 years, man's history and Jewish history have been intertwined. Today, the State of Israel is as much a symbol of man's struggle as it is a symbol of the struggle of the Jews.

Over the last 10 years, I have worked with the Orange County Jewish community on many issues of common concern, including problems affecting older Americans and our young people, business and trade issues, and the sale of American-made weaponry to hostile nations in the Middle East. Most recently, the drastic drop in emigration from the Soviet Union has given me particular cause for concern. As the status of United States-Soviet relations has deteriorated under the Reagan administration, emigration from Russia has plummeted to fewer than 100 per month for the first half of 1984—only 2 percent of the 4,000 emigrees allowed to emigrate per month in 1979.

The promise of the State of Israel has been denied to more than half a million Jews who await emigration. The Israel Fair is a time for celebration but it is also a time to remember. We must continue to press the Soviets to increase emigration and to reduce the degree of internal oppression of Jews in the Soviet Union. The Israel Fair can serve as the impetus for our renewed commitment. Together we spark the hope that may someday ignite the flame of freedom.●

MART NIKLUS

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. McKINNEY. Mr. Speaker, today I would like to bring the attention of this body two noteworthy anniversaries, neither of which were happy occasions. September 1984 marked 40 years of Russian occupation in the country of Estonia, as well as the 50th birthday of Mart Niklus, the symbol of Estonian resistance to the Soviet occupation. Unfortunately, for Mr. Niklus, his birthday was spent in solitary confinement in the infamous Chirstopol prison.

The Estonian people have lost their freedom. Since 1944, when the Soviets began their occupation of their country, Estonian human rights activists have been arrested and sent to prison and labor camps for doing nothing more than speaking their minds, a freedom that we here in the United States take for granted as an everyday occurrence. Mart Niklus is one of those Estonians trying desperately to regain his country's freedom.

Being accused of so-called anti-Soviet activity, Mr. Niklus has repeatedly been sentenced to years of imprisonment in Soviet labor camps and prisons. In 1958, he was sentenced to 10 years of hard labor followed by 3 years of internal exile for sending 15 photographs depicting the terrible conditions in Soviet-occupied Estonia to a Western journalist. After his release in 1966, he found work as a teacher, but was still repeatedly arrested. After pressure from the KGB, he was released from his teaching position in 1979.

Mr. Niklus' harassment has not ended. Several articles denouncing him appeared in newspapers. In 1980, he was refused permission to leave Estonia and live with relatives in Sweden. Subsequently, on March 19, 1980, Niklus was again arrested and sentenced to 13 days confinement for "disobeying a government official." After his release, he checked into Maarjamoisa Hospital for treatment of radiculitis, a disease afflicting the spinal cord which he had contacted in Siberian prison camps. Again, after pressure from the KGB, he was forced to leave the hospital before being fully recovered. The day after leaving the hospital, he was arrested and placed in isolation in Tallinn's central prison.

At a trial staged in Tallinn, the supreme court of the Estonian SSR sentenced Mr. Niklus to 10 years special regime hard labor camp and 5 years internal exile for "anti-Soviet agitation and propaganda." Despite his weakened condition due to a lengthy hunger strike and his worsening radiculitis, Mr. Niklus was sent to a labor camp at the foot of the Ural Mountains in the Soviet Union. In 1983, he was transferred to the infamous Christopol prison, where he spent his 50th birthday in continuing solitary confinement. He is currently in the midst of another hunger strike, which his mother fears may be his last.

Together with innumerable other Estonian dissidents, Mart Niklus is a symbol of Estonian resistance to the Soviet occupation of their homeland. He has earned the deep respect and

31-059 O-87-16 (Pt. 22)

admiration of his fellow Estonians who are all suffering under the Soviet regime. As the 98th Congress concludes and we return to our districts, we must continue to keep his plight as well as all other prisoners of conscience before the public's attention. If we continue to do so, perhaps Mr. Niklus can celebrate his 51st birthday in freedom.●

IN RECOGNITION OF BUSINESS AND PROFESSIONAL BUSINESS WOMEN'S WEEK OCTOBER 21 THROUGH OCTOBER 28, 1984

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. TORRICELLI. Mr. Speaker, I rise today to take the opportunity to recognize the Palisades Chapter of the Business and Professional Women's Club of New Jersey. The membership and executive committee, specifically, President Mary C. Marcopul, President-Elect Colleen Hart, First Vice President Raymond Kizma, Second Vice President Mary Kizma, Treasurer Sophie Marcopul, and Secretaries Nancy Gasewind and Alice Heck have made significant efforts to promote the contributions of working women throughout Bergen County in the State of New Jersey.

The week of October 21 through October 28 will be acknowledged as National Business Women's Week. This time has been officially designated to encourage the celebration of the achievements of all business and professional women as they contribute daily to our economic, civic, and cultural growth.

On behalf of all women across our country who have benefited from the dedication of this organization, I applaud their talents and perseverance and extend my wishes for their continued achievement.●

THE LEGACY OF NASRA COURY

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 5, 1984

● Mr. FEIGHAN. Mr. Speaker, the late Hubert H. Humphrey often spoke of our responsibilities to those in the twilight of life, the elderly and those in the shadows of life, the sick and needy.

The caring of those who are unable to help themselves is a great vocation and I would like to honor the members of an outstanding family from my district who have greatly contributed to such a vocation.

The Coury family opened its first nursing home, the Aristocrat West, on the west side of Cleveland, in 1966. Since that time, the family has expanded its elderly-care operation, known as Aristocrat Management, to 10 facilities throughout northern Ohio.

But behind the bricks and mortar of the Coury empire, lies another story.

The family matriarch, Nasra Coury, immigrated to America from Lebanon in 1910. It was here where she met her husband Joseph, a Pennsylvania coal miner. After her husband's death in 1951, she moved her eight children: Elias, Anthony, Joseph, John, Thomas, Robert, Anne, and Martha to Cleveland and continued raising the family in her quiet but determined style.

In September of this year, Mrs. Coury died. She was 85 years old. The last 4 years of her life were spent in one of the nursing facilities owned and operated by Aristocrat Management, now a monument to her life.

The nursing home operation extends care to over 1,000 patients and employs over 1,500 people, including 25 family members,

One unique notion of the Coury approach to caring for the elderly is that of rehabilitation. They believe that a person enters a nursing home, not to die but to regain strength and return to the community."Never give up" is their philosophy. It's the philosophy that Nasra Coury held all her life and it's the philosophy that the Coury's expect their patients to adopt.●

SENATE—*Tuesday, October 9, 1984*

(Legislative day of Monday, September 24, 1984)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Commit your way unto the Lord, trust also in Him, and He shall bring it to pass.—Psalm 37:5.

Father in Heaven, we are here under duress, but we have imposed this upon ourselves. All of us would rather be some place else, doing something else. Plans have had to be changed, commitments canceled, families and others as well as ourselves disappointed. We invoke Your presence here today—Your wisdom—Your enablement—that deadlock may be broken, differences compromised, and agreement achieved. Gracious God, intervene in the deliberations and lead Congress to a true and just and wise resolution. We pray for the sake of Your honor and glory and the welfare of all. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDING OFFICER. The majority leader is recognized.

SENATE SCHEDULE

Mr. BAKER. Mr. President, over the years, I have made sometimes facetious and sometimes serious remarks about the opening prayer of our distinguished Chaplain. But I say again facetiously, although somewhat seriously, that he has never been more right than he was today when he said that we are here under duress.

Frankly, Mr. President, I confess that I had not planned to be here today at all. I had planned for the Senate to have adjourned sine die and to find my leisure on the campaign trail in behalf of worthy Republican candidates. But other factors have intervened to interrupt my plans, and here I am.

It was a pleasure, as it always is, to meet this morning informally with the press accredited to the Senate gallery, but I had not planned to do that today. I had planned on their future careers subsisting on someone else's flesh, but that was not to be. So I am here, and the Senate is once more in session, and there is nothing we can do about it.

Someone asked today in the press gallery, "How long are we going to be in session?" or, "When are we going to adjourn?" I said, again facetiously, "In the immortal words of Thomas Jefferson, how in the world would I know?"

All I can say is that we are not out today and we probably will not be out tomorrow. This is why I say that: We have a conference committee meeting on the continuing resolution. The chairman of the Senate Appropriations Committee is not here. He is not here not because he does not wish to attend to his duties and responsibilities; he is not here because of fog in Chicago.

So the Lord acts in strange and wondrous ways, his miracles to perform. The chairman is in Des Moines, and the chairman is trying hard to figure out how you get from Des Moines to Washington, which is a pastime that many of us have inquired about from time to time in Presidential campaigns. But in this case, it is the question of how you get from Des Moines to Washington, DC, because of the weather.

So I do not know when we will have the conference report on the continuing resolution completed, but we must do that before we can adjourn. I do not know when we are going to have the debt limit finished, but we must do that before we can adjourn. I do not know when all of those things are going to occur, but I am sure we will continue working and doing the things that are necessary while we wait for those two things to occur.

So, Mr. President, after these verbal meanderings, may I say that it is the plan of the leadership on this side to continue our debate on the debt limit resolution and to try to finish that today. If we finish the debt limit today or if, for some reason, it appears that we cannot finish the debt limit resolution today, it is the intention of the leadership on this side to ask the Senate to proceed during this day, at some point, to consideration of the OCS revenue sharing conference report, which is at the desk and is privileged.

After that, it would be the intention of the leadership, if we are still here and still have not done the continuing resolution and the debt limit, to proceed to the consideration of the Genocide Convention.

Mr. President, that is an ambitious schedule, but that is the schedule until we finish the continuing resolution and the debt limit. There may be other matters that we can do and will do.

I know that my distinguished friend from Arizona, Senator GOLDWATER, is extremely anxious to do a cable TV bill. We thought we had it cleared on Friday, and it turned out at the last moment that we did not.

Incidentally, I say to Senator GOLDWATER, who is in the Chamber, that I tried to contact a Member on the other side who is also interested in this matter, and I find that he is in Cleveland—also because of the weather, I believe.

In any event, we have other matters that may be cleared for action as they present themselves and as the leadership can contrive it. But two things we have to do are the continuing resolution conference report and the debt limit.

The present short continuing resolution expires tonight at midnight. I have attempted to reach the Speaker, who is not yet in, to ask him to consider our plight in that respect. If we do not have a continuing resolution finished shortly and passed by the House, which must act first, and presented to the Senate today—which I think would be short of a religious miracle—I see no alternative except to consider another short continuing resolution, much as I hate to say that.

I will have a further report to make in that respect after I have had an opportunity to consult with the minority leader and the Speaker of the House and the minority leader of the House.

Mr. President, that is more than I had planned to say today—indeed, I had not planned to be here today.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that today, after the recognition of the two leaders under the standing order, there be a period for the transaction of routine morning business until 12 noon.

The PRESIDING OFFICER (Mr. SYMMS). Without objection, it is so ordered.

ORDER FOR RECESS FROM 12 NOON UNTIL 2 P.M.

Mr. BAKER. Mr. President, today being Tuesday, I ask unanimous consent that at 12 noon the Senate stand in recess, in order to accommodate a requirement for caucuses away from

the floor of the Senate, until 2 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I ask unanimous consent that in the time for the transaction of routine morning business, Senators may speak for not more than 5 minutes each, with the exception of the two leaders, against whom no limitation of time will apply.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I ask those Senators who asked for leader time if that would work just as well in morning business time which has now been provided?

I gather that it would.

Mr. President, with that, I am prepared now to yield the floor.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. Under the previous order, the Democratic leader is recognized.

SENATE SCHEDULE

Mr. BYRD. Mr. President, may I say the distinguished majority leader is very realistic in his prognosis of the schedule and I find that he is, I think, precisely on point.

The two things that have to be accomplished before we adjourn sine die are the debt limit extension and the continuing resolution conference report.

I will work with the majority leader in an effort to find other matters if at times during the day we see that we are not making progress and need to take up something else that is important. We will on our side attempt to help as much as we possibly can to move things along so that adjournment sine die will be realized as early in the week as possible.

If the distinguished majority leader has no objection, I yield to my friend Mr. EXON.

Mr. EXON. I thank the minority leader.

Mr. President, I am wondering if the majority leader might answer a question or two that I have.

I certainly understand the difficult position that both the majority and minority leaders are in. Therefore, while there are some of us who may have wanted to add things on to the debt ceiling bill, I would hope that my colleagues could reserve as much as possible the practice of putting things on the debt ceiling bill because it seems to me it is going to only cause future problems in working out a schedule.

While we are not doing anything very important then in the meantime I would ask the majority leader if it would be possible to clear Calendar Order No. 952, S. 1407, that is reported and has been languishing on the calendar since June of this year.

I think this is a bill essentially that has universal acceptance in the Senate. I understand we have a hold on that side of the aisle.

I have talked to my distinguished colleague from Missouri, who is in the Chamber, and who had an integral part in passing out this odometer fraud bill, which is a major piece of anticrime legislation. I am wondering if we might get that cleared and get that passed today, if he could enlighten me on that. I suspect his answer will be no. But from his remarks, and I think I understand and appreciate them, we are here under duress, but we are here to carry out our duties so I do not apologize for that. I know that the majority leader and minority leader feel as badly as the rest of us. We are here because we have to be here, so I do not complain too much about that.

Second, is there any preliminary date that the majority leader feels we might adjourn this week or does he plan, if necessary, to go through Saturday and through Sunday? What is his plan for the upcoming weekend so we may have some idea as to arranging the schedules that have been interrupted by all of the Members of the Senate because of the untimely delay on the matters that confront us?

Mr. BAKER. Mr. President, I thank the Senator.

Let me answer his first question first. I will be glad to recheck Calendar Order No. 952 and see what its status is.

There are 68 pages of calendar today and our calendar staff has been working very hard to clear as much of that as possible. That will become very difficult in the closing moments of the session. But I will take another look at that matter and see what might be done with it.

On the question of the date, I told the minority leader earlier in private conversation that I really am not yet prepared to make an estimate. So much depends on when the conference committee meets again and how fast they can proceed. Then the House of Representatives must act first on the continuing resolution and then we must act and then we have to find out with some assurance whether or not the President will sign the resolution or whether he is going to veto it, and all of those things are so interdependent, each upon the other, that I really cannot make a prediction right now except to say that I think it is unlikely we are going to get out of here before Thursday.

We might make it Wednesday night, but it would be a dramatic and swift set of moves by Congress if that were to occur.

I think Members probably are going to have to assume it will be later than Wednesday, but I will consult with the minority leader on that as soon as I have information and I will try to have an announcement to make further, and I will make a further announcement as circumstances warrant it.

Mr. EXON. I thank the majority leader.

I am wondering if my friend from Missouri could enlighten us any at this time on Calendar Order No. 962, S. 1407, with which he is thoroughly familiar and of which is a strong supporter.

Mr. DANFORTH. Mr. President, I am familiar with it and I am attempting to track down the source of the Senator's problem, and we will discuss it with the Senator from Nebraska forthwith.

Mr. EXON. I thank the Senator.

Mr. BYRD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The minority leader has 4 minutes remaining.

Mr. BYRD. Mr. President, I ask unanimous consent that I may yield those 4 minutes to Mr. PROXMIRE.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent to use those 4 minutes in connection with the 5 minutes that I will later have during the morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

The Senator from Maryland is recognized.

HOWARD H. BAKER, JR.

Mr. MATHIAS. Mr. President, the milestones of life not only mark our passage, but also remind us to take stock that we may know what we have spent, what we have gained and what we have left. The adjournment of Congress, sine die, is such a milestone that reminds us to pause for a moment of reflection.

The realization that HOWARD BAKER is taking his leave from the Senate is the sober fact that we must confront. The question of how we shall manage without him springs to mind. But before the answer to that question is apparent, we are warmed by the awareness of how fortunate we have been.

When the Senate is blessed with a successful leader, each Senator's life is

better, more satisfying, less hectic, and less frustrating. That is a desirable condition, but does not alone mark a successful leader. It is the work of the Senate, not the convenience of the Senate that is appraised.

It is by this standard that I would evaluate the years of leadership that HOWARD BAKER has given the Senate. Even the most cursory summary reveals the unusual nature of this political experience. It calls to mind the observation made by Woodrow Wilson:

In what then, does political leadership consist? It is leadership in conduct, and leadership in conduct must discern and strengthen the tendencies that make for development. The legislative leader must perceive the direction of the nation's permanent forces and must feel the speed of their operation. There is initiative here, but not novelty; there are old thoughts, but a progressive application of them.

HOWARD BAKER fulfills this perceptive definition of political leadership so completely that it is almost as if President Wilson had anticipated him.

As a Republican in a border State, HOWARD BAKER very early learned to read the vital signs and to determine the basic trends of people and events. Against all the odds, he applied this political instinct so successfully that he became the first elected Republican Senator in the history of Tennessee. Having achieved that victory, he then consolidated his gain by a combination of competence and knowledge that goes beyond the native shrewdness that propelled his rise. He thinks old thoughts and gives them progressive applications. He has recognized that restraint is important as well as activity. Again, he meets the Wilsonian standard:

Let us fairly distinguish . . . the peculiar and delicate duties of the popular leader from the not very peculiar or delicate crimes of the demagogue. Leadership, for the statesman, is interpretation. He must read the common thought, he must test and calculate very circumspectly the preparation of the nation for the next move in the progress of politics. The nice point is to distinguish the firm and progressive popular thought from the momentary and whimsical popular mood, the transitory and mistaken popular passion.

One of the most astounding things about HOWARD BAKER is his wealth of information and knowledge. His reserve in flaunting these resources is unusual. But in casual conversation or relaxed exchanges it shines through the cloak of modesty that he wears so well. It is clear that he knows more about atomic and nuclear energy, civilian, and military, than anybody now serving in the Congress, he can speak the arcane language of central bankers, he understands both the constitutional foundation and the political structure of the civil rights movement. But he also likes the landscapes of Capability Brown and has very definite opinions about the restoration of the Capitol. His camera has become famous, but it is the discriminating and observant eye being the lens that is responsible for the pictures. He volunteers very little of this deep and wide reservoir of knowledge, but it is always on tap. His friends make a mistake when they do not call upon him to use it and his adversaries err when they forget about it.

This is the sort of remarkable man who should be remembered in Government, not because it will add much to his own self-esteem, but because it is an example for others to emulate. To ensure that his career is recalled beyond the memory of those with whom he worked it would be appropriate to associate his name with a part of the fabric of the Capitol. No place could be more fitting than the rooms in which he himself exercised his powers of leadership, the office now reserved for the Republican leader of the Senate. HOWARD BAKER has a very personal affection for these rooms and has seen to their maintenance and care with a full appreciation of their historic character. He boasts that their windows have the best view in Washington, in spite of the contention of Ronald Reagan that it is only the second best.

I, therefore, shall introduce today a resolution to designate room S-230 in the U.S. Capitol as the Howard H. Baker, Jr., room. In accordance with the precedents of the Senate, which HOWARD BAKER, of all people, would not want to violate, I shall not press for action in this session while he is still a Member of the Senate. I shall, however, renew this proposal in January and hope that it will have the unanimous approval of the Senate.

Mr. President, I send a copy of the resolution to the desk on behalf of myself and Mr. MOYNIHAN and I ask unanimous consent that it be held at the desk for the rest of the day so that others may be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution reads as follows:

S. RES. 476

Resolved, That the room S230 in the United States Capitol Building is hereby designated as, and shall hereafter be known as, the "Howard H. Baker, Jr., Room".

WILL THE CONGRESS DISHONOR THE UNITED STATES?

Mr. PROXMIRE. Mr. President, the economy may be about to slide into a period of slow growth and very possible a recession. In the third quarter of 1984 the "flash" estimate reflects an overall economic growth of only 3.8 percent. At that level, revenues will rise much more slowly than they have over the past 2 years since the trough of the recession in November 1982. During that period growth exceeded 8 percent and revenues increased but still fell far behind the increase in Federal spending. If growth stays down below 4 percent, revenues will no longer rise as rapidly. But Federal Government spending will continue on its expansionary path. It will do so regardless of which of the two major Presidential candidates wins election on November 6. In 4 years President Reagan has presided over an increase in Federal spending at about the same rate as President Carter. There is little evidence that he would slow the rate of spending down significantly in a second term. Indeed, he is intent on a substantial increase in military spending, including a brandnew antimissile or "Star Wars" program that will cost just for beginning research $24 billion over the next 5 years and eventually may cost a trillion dollars. Also, since the exuberant recovery has stalled out and unemployment is about the same now as it was in May, it is unlikely the President can make any significant, net economies in spending on such programs as unemployment compensation, food stamps, welfare, and the vast array of other Federal expenditures for the needy. There is also a real likelihood that the economy could suffer a recession in the next year or so.

How would the Congress respond to a recession? Do we then increase taxes to keep the deficit from soaring out of sight? Or do we cut taxes to give hard-pressed businesses and individuals the badly needed respite from falling income. In a recession, even if we increase tax rates we can expect Federal revenues to fall. The more we increase taxes in a recession the fewer people will be working. Those who do work will receive less income. Businesses will suffer diminished profits. So what will the Congress do under such circumstances? It will probably not increase taxes. It is much more likely to cut taxes. If so, then what happens to the Federal deficit which is already close to $200 billion? Would it rise to $300 billion or $400 billion? And what would be the ultimate effect on the economy of such a huge increase in Federal deficits? The answer is not easy because we have never experienced this kind of continually huge and increasing deficit before. The net effect on the economy would not be simple. It would be complex and it would be conflicting. Such a supermonster deficit might increase growth in the economy. It could also wreck the economy. A deficit of that size normally would have a tremendously stimulative effect on the economy. The expansionary effect would work this way: It would tend initially to slow down the rise in unemployment. It would increase consumer demand, retail sales and industrial production. It should also increase after-tax personal income. So it should go a long

way to put the country back on the road to recovery.

All that has been true of big deficits until now. But now with the already colossal overhanging and exploding national debt already in excess of $1½ trillion, deficits of $300 and $400 billion will not only have some stimulative effect on the economy, they will have an immense slowdown effect on the economy. How can this be? How can such a colossal program of leaving more in the economy than it takes out possibly slow the economy down? The answer is that every penny of that deficit has to be borrowed and it has to be borrowed by a Federal Government that is already on its way to being $2 trillion in debt. Borrowing all that credit certainly will drive up the price of credit, which is interest. High interest rates will—as they always have—cripple home building. They will sharply slow auto buying. They will stop farmers from buying tractors and combines and other farm implements. The big interest rate sensitive sector of our economy will slow to a crawl. Employment, wage income, and profits in those industries will all diminish.

Worst of all, the debt will grow like some horror movie monster that swallows up everything in sight. Here's how: The huge deficit will drive up the cost of servicing the national debt in two ways. It will drive up interest rates. It will also shove the debt on which the interest is computed to ever higher levels. Unlike every other kind of expenditure, we cannot cut interest on the national debt no matter how strong our determination. We can cut everything else. We can cut military expenditures. We can cut spending for health and education, for nutrition, for the FBI, for food stamps, and legal services. We can end our environment protection programs, and highway construction. We can stop all Government building. But we cannot cut the cost of interest on the national debt by a single penny. No matter how we cut other spending programs, no matter how much we increase tax rates, that colossal and exploding interest cost will assure us of one massive deficit after another. So we will suffer a continuously and explosively growing national debt. Oh, of course, we can repudiate it. We can declare bankruptcy. We can become a deadbeat nation. We can declare that the full faith and credit of the Government of the United States is of no value. But we will not do that.

All of this means that we are not just in a painful dilemma that will require unusual political courage on the part of elected Federal officials; not just that we have to slash and sacrifice good programs—which most of us favor; not just that we have to increase taxes sharply against the will of the people who elected us. It means we have to act decisively and now. If we fail to act, the problem may literally become insoluble. The United States may be forced to the most ignominious disgrace of all. This great country may have to repudiate its word and its honor.

ARMS CONTROL VERIFICATION DEPENDS ON ANTISATELLITE TREATY—NOW

Mr. PROXMIRE. Mr. President, what is the one arms control agreement that both Americans and Russians should be able to agree is absolutely critical to the prospect of arms control agreements in the future? Answer: An agreement to prohibit testing, production and deployment of antisatellite weapons. Why? Because both the United States and the Soviets Union have progressed dangerously close to a point where either superpower could shoot down the other's high altitude space satellites. Why is an agreement to stop these programs before they proceed further vital to the future of arms control? The answer is that satellites, especially high-altitude satellites, are literally quintessential to arms control verification. Almost all of the most reliable information we have about military developments in the Soviet Union and especially about the testing, production, and deployment of nuclear weapons comes from satellites. Former Central Intelligence Agency Director, William Colby, has testified before the Senate Defense Appropriations Subcommittee that no other intelligence source we have or are likely to have in the foreseeable future is nearly as accurate, as detailed, or as reliable are our satellite reconnaissance. And this opinion comes from a man who headed the agency whose preeminent responsibility was to develop and interpret intelligence about the Soviet Union. Of course, the Soviets also use satellites to acquire intelligence about our military force.

Why is satellite reconnaissance more critical for the United States than for the U.S.S.R. Here is why: Ours is an open society. The Russians can find out a great deal about our military by reading our free press, subscribing to our military and scientific journals, and studying congressional hearings. The United States has no corresponding access to information about the Soviets. And the satellites provide an astonishingly comprehensive and detailed blueprint of Soviet military activity and progress.

Unless the United States and the Soviet Union reach an agreement to stop testing antisatellite weapons and reach it soon, each side will within a short time have the capacity to shoot down the other's satellites and in the process to poke out the eyes and blind the effective intelligence capability of the other side. And, Mr. President, when I say blind, I mean blind. Oh sure, we could secure scattered reports from refugees, from espionage agents, from radio eavesdropping, and from careful scrutiny of the meager and often unreliable data published by the Soviets about their military activity. We could determine what the Soviets want us to determine about their nuclear weapons buildup. But any effective kind of arms control verification would be virtually impossible. And with the loss of verification we can literally kiss arms control goodbye.

As so often happens with the Reagan administration when it comes to arms control, the administration argues that we should not negotiate for an antisatellite treaty with the Russians now. They say that we can consider antisatellite arms control later when we have caught up with the Russians. Mr. President, that argument makes no sense—none. The fact is that we have not only caught up with the Russians in antisatellite technology, we are way ahead of them. In an article in the September 14 New York Times, Tom Wicker points out that:

> In the opinion of qualified non-government authorities, the U.S. is not behind the Soviet Union in ASAT technology. For one thing, the air-launched ASAT scheduled for testing against a target in space would be far superior to the cumbersome, ineffective Soviet ASAT the Pentagon labels "operational."

Both superpowers presently have the power to destroy satellites in space. But, up until now, neither superpower has developed, let alone tested, antisatellite weapons that could find and destroy high-altitude satellites, those operating 22,000 miles from Earth. As Wicker points out in his New York Times article, these high-altitude satellites are essential to nuclear deterrence because they warn of missile launches and give both sides reassurance they are not under attack.

Mr. President, if the purpose of our defense spending is to prevent war and preserve the peace, then we should not spend our resources to develop weapons that endanger the peace, when we can and should negotiate an agreement that neither superpower would test or produce or deploy such weapons. This is particularly true of antisatellite weapons that would destroy the very heart of arms control verification. It is especially true of antisatellite weapons because right now we truly negotiate from strength on these weapons. We are ahead of the Soviet Union. They know it. The fact that they are so ready to negotiate makes it clear that they know that we are ahead.

Mr. President, the Reagan administration has a golden opportunity to prove its genuine interest in arms control by promptly negotiating with the Soviet Union to agree to no further

testing of antisatellite weapons by either side. If the administration fails to do this, and if both sides proceed as they certainly will in the absence of such a treaty, we can expect to hear from now on that we cannot rely on any arms control agreements because the Soviet Union has the capability of destroying verification of whatever agreement we wish to make at will by simply shooting down the satellites on which arms control verification squarely depends.

Mr. President, I ask unanimous consent that the article from the New York Times of September 14, 1984, by Tom Wicker, entitled "Weapons in Space," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WEAPONS IN SPACE

(By Tom Wicker)

Walter Mondale is ready to enter a moratorium on the testing of new space weapons but the Reagan Administration still refuses to do so. Secretary of State Shultz now says he'd be willing to talk about it, if arms control negotiations were resumed, but that only suggests that the Administration still is determined to test an antisatellite (ASAT) weapon this fall.

Yet, in the opinion of qualified nongovernmental authorities, the U.S. is not behind the Soviet Union in ASAT technology. For one thing, the air-launched ASAT scheduled for testing against a target in space would be far superior to the cumbersome, ineffective Soviet ASAT the Pentagon labels "operational."

More important, a U.S. interceptor fired from Kwajalein Island in the Pacific located and destroyed a Minuteman warhead in space last June 10. That was called a "ballistic missile defense experiment," but it also demonstrated effective ASAT capability, as Richard Garwin and Kurt Gottfried wrote in The New York Times on July 12, 1984, "a projectile that can find a warm warhead against the cold background of space could, more easily, demolish a low-orbit satellite which is a larger and more fragile target."

Mr. Garwin, a physicist at I.B.M., and Mr. Gottfried, a professor of physics at Cornell, are authorities on military space programs. In a letter to me, they emphasized that the Army's June 10 test "demonstrates that the U.S. already has an ASAT capability at least equivalent to the Soviets' . . ." so that no further testing is necessary to redress an imbalance in Moscow's favor.

The same point was made in a Washington Post article (Aug. 28, 1964) by Harold M. Agnew, formerly director of the Los Alamos Scientific Laboratory, now president of GA Technologies Inc. "Any missile," he wrote, "that can carry a ton or so of payload, travel several thousand miles, and land within a few hundred yards of a target can very readily be programmed to detonate at a point in space with the same accuracy." That means that either U.S. or Soviet ICBM's can be used as ASAT's, with nuclear or conventional warheads.

Mr. Agnew argued that since existing ICBM's give both sides ASAT capability, no "additional systems are required," but also that "no treaty against such a capability would be meaningful." Mr. Garwin and Mr. Gottfried, on the other hand, remain strong advocates of a treaty banning all further tests of space weapons, as a means of preventing either superpower from developing an ASAT that could quickly destroy high-altitude satellites (those operating mostly at about 22,000 miles from earth).

The Garwin-Gottfried argument is that high-altitude satellites are essential to nuclear deterrence because they warn of missile launches and give both sides "continuous reassurance" that they are not under attack. If either superpower could successfully attack the other's high-altitude satelities, blinding the victim against nuclear attack, either side might be led to do so out of fear that the other would do it first. Thus, deterrence would be disastrously undermined by high-altitude ASAT weapons.

Lower-orbit satellites are not vital to deterrence; so the fact that both sides now have low-altitude ASAT capability, based on ballistic missiles, does not threaten deterrence, as Mr. Garwin and Mr. Gottfried see it.

But they want to ban further space weapons tests because the laser and particle-beam systems envisioned in President Reagan's "strategic defense initiative"—the so-called "Star Wars" defense—could quickly "destroy a high-altitude satellite by heating it for a new minutes." This could be accomplished more easily, they believe, than the same weapons could destroy Soviet missiles in flight because "the satellite is always there, while missiles are fired without warning and are vulnerable for at most several minutes."

Laser and particle-beam weapons moreover, even if successfully tested only against low-orbit targets, "would provide a high-altitude ASAT capability without further tests." Therefore, Mr. Garwin and Mr. Gottfried argue that a treaty banning further tests of any new space weapons at any altitude is a goal "far more important to U.S. security than the improvement of our low-altitude ASAT's."

A self-enforcing moratorium on weapons tests in space could be an important first step toward such a treaty. And if President Reagan really wants to show Foreign Minister Gromyko "that the United States means no harm," accepting such a moratorium could be just the thing.

VIOLATIONS OF HUMAN RIGHTS IN CHINA: THE NEED FOR THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, Amnesty International has just issued a comprehensive report on abuses of human rights which are now taking place in the People's Republic of China. Their 132-page report cites evidence of mass executions, of political prisoners held for years without trial or convicted after summary proceedings, and of ill treatment of prisoners.

Amnesty International was unable to estimate the number of political prisoners that were being held by Chinese authorities but the litany of abuses reported here will sound familiar to anyone who has followed the mistreatment of Chinese citizens that has accompanied the Communist regime's 35 years of control:

Political trials behind closed doors; in some cases, prisoners' families did not even know trials were taking place;

Prisoners manacled day and night for days and weeks at a time, beaten or made to stand without moving for 24 hours without food; and

A suspect anticrime campaign that looks like a cover for suppression of political dissent that employs summary proceedings leading to the death penalty.

None of these tactics of repression are new, Mr. President, nor completely unexpected by a regime that butchered millions of its own citizens upon seizing power.

But this report by Amnesty International reminds us, Mr. President, that we must not forget the reality that this regime represents as the so-called New China tries to put its best public relations foot forward. Our own fascination with China cannot permit us to ignore or sweep aside such gruesome violations of human rights.

While none of the actions described in Amnesty's report appear to fit the very narrow definition of genocide contained in the Genocide Convention, this Senator believes that the United States should be in the forefront of efforts to end these abuses now underway in China. And the reality is that we cannot successfully protest China's unconscionable actions if our own record of action on international human rights is open to question at all.

Ratification of the Genocide Convention would go a long way toward strengthening our hand in these matters and to enable us to resume our rightful place at the head of the Western nation's human rights movement. Time is growing short in the 98th Congress but I hope my colleagues will join with me in seeing the Genocide Convention ratified before the close of this Congress, and, once the Genocide Convention is ratified, to join me in prompting the administration to take the lead in protesting China's human rights abuses.

Mr. President, I yield the floor.

SENATOR HOWARD BAKER

Mr. DANFORTH. Mr. President, the Senate's work load is infinite, its rules permissive, its Members often difficult. Bringing some order out of what verges on chaos requires the highest form of leadership.

During the past 4 years, the efforts of HOWARD BAKER have made the Senate's many achievements possible. Day after day, he has bridged seemingly irreconcilable differences so that the work of the Senate could move forward. He has an uncanny sense of timing, knowing when pressure can steer legislation in a desirable direction, and knowing when to let events seek their own course. He can diffuse legislative landmines, cool the most heated tempers and create a sense of

common purpose out of previously intractable positions.

HOWARD BAKER's personal qualities are the basis of his leadership skills. He has an exceptional mind, yet his intellect is warm and unassuming, not arrogant or ostentatious. He has a sense of humor which brings light to the Senate's dark moments. He can laugh at himself, but he never belittles others. In this place of immense egos, he conducts himself with modesty. He gives of himself for the good of the country.

Before the 1980 election, I supported HOWARD BAKER for President of the United States. I am proud of that. I do not know that he will ever be President. Perhaps he is not pushy enough to get there. But I do know this. He has been a great leader of the Senate—a great servant of this country. The Senate will suffer for his absence, and I will miss my leader and my friend.

Mr. President, there is but one fitting, parting word for HOWARD BAKER. It is a paraphrase of the immortal statement of his associate and pilot, Lonnie Strunk: "Adios, HOWARD BAKER, adios."

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

TRIBUTE TO SENATOR HOWARD BAKER

Mr. GORTON. Mr. President, at the end of this calendar year, I will have served for 26 consecutive years in elected political office. During that time, I have been singularly blessed with the colleagues I have met and with the people I have come to know. I have worked with a group of intelligent, public spirited, dedicated, and hard-working men and women in the Washington State House of Representatives, among the State Attorneys General of the United States, and here in the U.S. Senate. Yet, I do not believe that anyone of them would feel envy or disagreement with my statement that the most remarkable and most memorable of all of the men and women with whom I have served is the majority leader of the U.S. Senate, HOWARD BAKER.

Sharply contrasting views, strongly held and differing positions, and intense debate are the nature and the purpose of a legislative body, including, perhaps most preeminently, the Senate of the United States. Indeed, if all of the 100 Members of this body agreed with one another on all major issues, there would be no need for a Senate of the United States, nor a purpose for its existence. Yet, HOWARD BAKER has operated to facilitate that exchange of opinion, to diffuse conflict with his wit and his humor, and to see to it that Members of the U.S. Senate debate issues and not personalities. Time after time in our 4 years here together, when debate seems to have left the issue and to be debate for debate's sake, the majority leader has come to the floor and, with a careful comment, a show of patience, a willingness to listen to all sides, has put the Senate of the United States back on course.

Perhaps one of the most remarkable tributes to his qualities as an individual and as a leader is that the love and trust which is directed toward him comes almost equally from members of his own party and from members of the Democratic Party.

During the course of a dispute on the floor, time after time I have observed half a dozen members of both parties surrounding the majority leader asking for his views, asking for his help, with the implicit trust that he would provide it fairly and objectively to all. Courage is sometimes defined as grace under pressure. No person exemplifies courage pursuant to that definition more than HOWARD BAKER, a man constantly under pressure, yet constantly gracious.

Wisdom as well is one of his qualities, both in person relationships and in the way in which policies are made and are chosen. No Member of this body has failed, after asking Senator BAKER for advice on an issue, to come from that conversation with a greater depth of understanding about not only the issue itself but about the tactics which deal with it.

Yet, if I were to attribute any one quality to our retiring majority leader which stands in my mind above all others, it would be the quality of patience. HOWARD BAKER is certainly the most patient individual I have ever met, dealt with, or observed in the political world. At times when I, Mr. President, and you, I am sure, are simply consumed with frustration and sometimes with anger at what we feel to be the unreasonable demands of some of our colleagues, the majority leader has dealt with those problems with that greatest of all qualities, patience. His patience almost without exception ends up providing the solution to the deeply conflicting points of view, which is a quality which in time leads to an answer to all questions.

So, as he leaves here, and as I reflect on his imprint on me, I hope that it will be a greater appreciation for and a greater attempt to show that quality of patience.

The Senate of the United States is, of course, more than any one individual Member. Beginning in January 1985, the Senate will continue as a vital focal point for the American political debate without the presence of HOWARD BAKER of Tennessee.

His absence, nevertheless, will leave each of us the lesser for not having his daily company, his daily advice, his daily counsel. More importantly, however, HOWARD BAKER will leave each of us the greater and the better, as individual Members of this body, for his willingness to share this part of his life with each of us and with the people of the United States.

APPOINTMENTS

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 98-361, appoints the Senator from Washington [Mr. GORTON] and the Senator from Ohio [Mr. GLENN] as advisory members of the National Commission on Space.

HOWARD H. BAKER, JR.

Mr. DOLE. Mr. President, long ago, a very wise man announced that the right of command was no longer an advantage transmitted by nature; like an inheritance, he said, it is the fruit of labors, and the price of courage.

Now as then, anyone who would presume to lead must be willing to assume the responsibility for change. He must take the risk and shoulder the blame. He must be willing to submerge his own preferences while never yielding his basic principles. He must find some way to weld together the fragments of opinion that surround him, without becoming paralyzed by conflicting views and differing priorities. He must speak the language of his colleagues, while simultaneously raising their sights.

For 4 memorable years, HOWARD BAKER has done all this and more. He has introduced bipartisanship where the national good outweighed mere politics as usual. He has served as RONALD REAGAN's indispensable right hand in channeling the impulses of less government and more freedom into the book of law. He has made even this old institution a little more efficient. And he bequeathed to future Members, as well as students of public policy, an example of leadership that belongs in the company of Clay and Webster and Taft and Johnson.

Every leader leaves his mark, and HOWARD BAKER's imprint on the events of our time is impressive indeed. Large as it may be in the headlines, it will loom still large in the history books. For now, let me simply say what a privilege it has been to work with you, HOWARD. Our paths have crossed often—in the committee rooms, here on the floor, in the snows of New Hampshire.

Our paths have crossed—but never our swords. And I am grateful, indeed, to have had such a commander at the head of our troops. I fully expect HOWARD to refute General MacArthur's dictum about old soldiers fading away—on the other hand, I would not mind if he decided to take up the gen-

ral's example and tell us "he shall eturn."

But whatever the future may hold, he past is magnificently clear. And owever much the Senate of the nited States has gained from OWARD BAKER's leadership, the American people have gained still more. I annot imagine a greater contribution, or a more generous verdict on anyone who makes his life public property. We will miss you, HOWARD. I can only ope that we will also emulate you.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

IMPUTED IMPRUDENCE

Mr. MELCHER. Mr. President, imputed interest rates unwisely and unfairly enacted in the 1984 tax bill is unfinished business that demands the attention of Congress before adjournment. Restructuring the recently enacted statute concerning imputed interest rates that the Internal Revenue Service can require in seller-financed property sales has to be corrected. Only a few months ago—June 29 to be exact—we addressed the inequity concerning imputed interest in the 1984 tax bill. The Senate accepted and the House agreed and the President signed into law some partial corrections in the technical amendment of a monumental invasion of seller-financed property sales contained in the 1984 tax bill.

Nevertheless, what remained in the final version of the 1984 bill, including the modifications in the technical amendment, is enough impractical imputed interest law that will automatically handcuff seller-financed property sales to slow down economic recovery. That is why homebuilders, realtors, small business, and developers have been uniting in a coalition strongly urging Congress to correct the law before adjournment. If the law is not corrected a great percentage of seller-financed property sales will be blocked.

How imprudent this imputed interest, to assume that sellers would unwisely accept financing sales that taxes them on interest they do not receive.

There are two approaches for correction. One would repeal the 1984 provisions, leaving everyone where they were prior to the enactment of that tax bill. This approach has the simplicity of everyone involved knowing what the law is because they have lived with it for the past 3 years.

The second approach would be to raise the exemptions where the new law does not apply, change the formula that IRS could use on those amounts above the exemptions with an easily understood and workable imputed interest, leave assumable loans alone by not causing them to be renegotiated and imputed interest applied, and not saddle small business property sales with partial or total strangulation by inflicting them with stringent unrealistic Internal Revenue Service requirements on imputed interest.

The imputed interest means that whether or not the seller finances the sales contract at an interest rate imputed by the law, the seller's income will be computed as if the seller actually received the higher imputed interest rate as income. To the average American not acquainted with the Internal Revenue Service philosophy on this matter, coupled with the mistakes of Congress in allowing it, this sounds so unconstitutional that they only shake their heads in confusion. The clear result will be that there will be very few seller-financed property sales. That means that any estimate of revenue gained by the new 1984 tax law provisions will likely be greatly overestimated by the Treasury Department, which blithely assumes that the same historic level of seller-financed property sales will continue. That will not be the case because it will be a very rare bird indeed that will find it sensible to sell property on a contract that will make liable the seller for more income tax based on interest income that the seller has never received. Sellers simply will not be able to finance sales on that kind of a basis. Buyers will have to find other types of financing that will doubtlessly result in higher interest, and if the buyers cannot afford to pay the higher interest the sale just will not be made.

As surely as night follows day the Treasury Department estimate of revenue loss of $2.2 billion, if the provisions were repealed, is a false estimate, more worthy of fiction than fact. What Congress must do is straighten out this mess, and we cannot adjourn until that is done.

I shall seek to make the proper corrections with proper exemptions on imputed interest rates in the debt ceiling bill, or any other bill that will reach the House and receive consideration in the House before adjournment. The real question is straightening out idiotic proposals on imputed interest rates that the Treasury Department has snookered through Congress. Sellers and home buyers, farmers and ranchers, small business and developers must have the opportunity for seller-financed property sales so that these sales can continue at interest rates that they can live with. This must be done before January 1 or economic recovery in 1985 will be seriously hampered.

Mr. President, it would be imprudent indeed for Congress to adjourn without correcting the mess on imputed interest rates.

S. 3063 PORNOGRAPHY VICTIMS PROTECTION ACT

Mr. SPECTER. Mr. President, last Thursday, October 4, 1984, I had asked that the text of the bill, S 3063, be printed at the conclusion of my remarks on page 29170. This was inadvertently omitted. I ask unanimous consent that the text of my bill on the protection of pornography victims be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 3063

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pornography Victims Protection Act of 1984".

SEC. 2. Section 2251 of title 18, United States Code, is amended—

(1) in subsection (a), by striking out "subsection (c)" and inserting in lieu thereof "subsection (c)" and by inserting before the period at the end thereof the following: "or if such person knows or has reason to know that the minor was transported in interstate or foreign commerce for the purpose of producing any such visual depiction of such conduct";

(2) in subsection (b), by striking out "subsection (c)" and inserting in lieu thereof "subsection (c)" and by inserting before the period at the end thereof the following: "or if such person knows or has reason to know that the minor was transported in interstate or foreign commerce for the purpose of producing any such visual depiction of such conduct";

(3) by inserting immediately after subsection (b) the following:

"(c)(1) Any person who coerces, intimidates, or fraudulently induces an individual 18 years or older to engage in any sexually explicit conduct for the purpose of producing any visual depiction of such conduct shall be punished as provided under subsection (d), if such person knows or has reason to know that such visual depiction will be transported in interstate or foreign commerce or mailed, if such visual depiction has actually been transported in interstate or foreign commerce or mailed, or if such person knows or has reason to know that the individual 18 years or older was transported in interstate or foreign commerce for the purpose of producing any such visual depiction of such conduct.

"(2) Proof of one or more of the following facts or conditions shall not, without more, negate a finding of coercion under this subsection:

"(A) that the person is or has been a prostitute;

"(B) that the person is connected by blood or marriage to anyone involved in or related to the making of the pornography;

"(C) that the person has previously had, or been thought to have had, sexual relations with anyone, including anyone involved in or related to the making of the pornography;

"(D) that the person has previously posed for sexually explicit pictures for or with anyone, including anyone involved in or related to the making of the pornography at issue;

"(E) that anyone else, including a spouse or other relative, has given permission on the person's behalf;

"(F) that the person actually consented to a use of the performance that is changed into pornography;

"(G) that the person knew that the purpose of the acts or events in question was to make pornography;

"(H) that the person signed a contract to produce pornography; or

"(I) that the person was paid or otherwise compensated.";

(4) in subsection (c), by striking out "(c)" and inserting in lieu thereof "(d)"; and

(5) by amending the heading to read as follows:

"§ 2251. Sexual exploitation".

SEC. 3. (a) Section 2252(a)(1) of title 18, United States Code, is amended by adding at the end thereof the following:

"(C) the producing of such visual depiction involved the use of an adult who was coerced, intimidated, or fraudulently induced to engage in sexually explicit conduct and the person knows or has reason to know that the adult was coerced, intimidated, or fraudulently induced; and

"(D) such visual depiction depicts such conduct; or".

(b) Section 2252(a)(2) is amended by—

(1) striking out "and" and the semicolon in clause (A) and inserting in lieu thereof "or the production of visual depiction involved the use of an adult who was coerced, intimidated, or fraudulently induced to engage in sexually explicit conduct and the person knows or has reason to know that the adult was coerced, intimidated, or fraudulently induced; and".

(c) The heading for section 2252 is amended to read as follows:

"§ 2252. Certain activities relating to material involving sexual exploitation".

SEC. 4. (a) Chapter 110 of part I of title 18, United States Code, is amended by redesignating section 2255 as section 2261.

(b) Chapter 110 of part J of title 18, United States Code, is amended by inserting after section 2254 the following:

"§ 2255. Civil remedies.

"(a) The district courts of the United States shall have jurisdiction to prevent and restrain violations of section 2251 or 2252 by issuing appropriate orders, including—

"(1) ordering any person to divest himself of any interest, direct or indirect, in any legal or business entity;

"(2) imposing reasonable restrictions on the future activities or investments of any person including prohibiting such person from engaging in the same type of legal or business endeavor; or

"(3) ordering dissolution or reorganization of any legal or business entity after making due provision for the rights of innocent persons.

"(b) The Attorney General or any person threatened with loss or damage by reason of a violation of section 2251 or 2252 may institute proceedings under section (a) and, in the event that the party bringing suit prevails, such party shall recover the cost of the suit, including a reasonable attorney's fee. Pending final determination, the court may at any time enter such restraining orders or prohibitions, or take such other actions, including the acceptance of satisfactory performance bonds, as it shall deem proper. For purposes of this section, a violation of section 2251 or 2252 shall be determined by a preponderance of the evidence.

"(c) Any victim of a violation of section 2251 or 2252 who suffers physical injury, emotional distress, or property damage as a result of such violation may sue to recover damages in any appropriate United States district court and shall recover threefold the damages such person sustains as a result of such violation and the cost of the suit, including a reasonable attorney's fee. For purposes of this section, a violation of section 2251 or 2252 shall be determined by a preponderance of the evidence.

"(d) A final judgment or decree rendered in favor of the United States in any criminal proceeding brought by the United States under this chapter shall estop the defendant from denying the essential allegations of the criminal offense in any subsequent civil proceeding.

"§ 2256. Civil penalties.

"(a) Any person found to violate section 2251 or 2252 by a preponderance of the evidence shall be liable to the United States Government for a civil penalty of $100,000 and the foreiture of any interest in property described in section 2254. The Attorney General may bring an action for recovery of any such civil penalty or forfeiture against any such person. If the Attorney General prevails he may also recover the cost of the suit, including a reasonable attorney's fee.

"(b) If the identity of any victim of an offense provided in section 2251 or 2252 is established prior to an award of a civil penalty made to the United States under this section, the victim shall be entitled to the award. If there is more than one victim, the court shall apportion the award among the victims on an equitable basis after considering the harm suffered by each such victim.

"§ 2257. Venue and process.

"(a) Any civil action or proceeding brought under this chapter may be instituted in the district court of the United States for any district in which the defendant resides, is found, has an agent, or transacts his affairs.

"(b) In any action under section 2255 or 2256 of this chapter in any district court of the United States in which it is shown that the ends of justice require that other parties residing in any other district be brought before the court, the court may cause such parties to be summoned, and process for that purpose may be served in any judicial district of the United States by the marshal of such judicial district.

"(c) In any civil or criminal action or proceeding under this chapter in the district court of the United States for any judicial district, a subpoena issued by such court to compel the attendance of witnesses may be served in any other judicial district except that no subpoena shall be issued for service upon any individual who resides in another district at a place more than one hundred miles from the place at which such court is held without approval given by a judge of such court upon a showing of good cause.

"(d) All other process in any action or proceeding under this chapter may be served on any person in any judicial district in which such person resides, is found, has an agent, or transacts his affairs.

"§ 2258. Expedition of actions.

"In any civil action instituted under this chapter by the United States in any district court of the United States, the Attorney General may file with the clerk of such court a certificate stating that in his opinion the case is of general public importance. A copy of that certificate shall be furnished immediately by such clerk to the chief judge or in his absence to the presiding judge of the district in which such action is pending. Upon receipt of such copy, such judge shall designate immediately a judge of that district to hear and determine the action. The judge designated to hear and determine the action shall assign the action for hearing as soon as practicable and hold hearings and make a determination as expeditiously as possible.

"§ 2259. Evidence.

"In any proceeding ancillary to or in any civil action instituted under this chapter the proceedings may be opened or closed to the public at the discretion of the court after consideration of the rights of affected persons.

"§ 2260. Limitations.

"A civil action under section 2255 or 2256 of this chapter must be brought within six years from the date the violation is committed. In any such action brought by or on behalf of a person who was a minor at the date the violation was committed, the running of such six-year period shall be deemed to have been tolled during the period of such person's minority.".

SEC. 5. (a) The section analysis for chapter 110 of part I of title 18, United States Code, is amended to read as follows:

"CHAPTER 110—SEXUAL EXPLOITATION

"Sec.
"2251. Sexual exploitation.
"2252. Certain activities relating to material involving sexual exploitation.
"2253. Criminal forfeiture.
"2254. Civil forfeiture.
"2255. Civil remedies.
"2256. Civil penalties.
"2257. Venue and process.
"2258. Expedition of actions.
"2259. Evidence.
"2260. Limitations.
"2261. Definitions for chapter.
"2262. Severability.".

(b) The chapter analysis for part I of title 18, United States Code, is amended by striking the item relating to chapter 110 and inserting in lieu thereof the following:

"110. Sexual Exploitation ..... 2251".

SEC. 6. Chapter 110 of title 18, United States Code, is amended by inserting after section 2261 the following:

"§ 2262. Severability.

"If the provisions of any part of this Act or the amendments made by this Act, or the application thereof, to any person or circumstances is held invalid, the provisions of the other parts of this Act or the amendments made by this Act and their application to other persons or circumstances shall not be affected.

"(e) Nothing in this section shall be construed to authorize any order restraining the exhibition, distribution or dissemination of any visual material without a full adversary proceeding and a final judicial determination that such material contains a visual depiction of sexually explicit conduct, as defined by section 2261 of this chapter, engaged in by a minor or by a person who was coerced, intimidated, or fraudulently induced to engage in such sexually explicit conduct."

POSTMASTER GENERAL WILLIAM F. BOLGER

Mr. GLENN. Mr. President, before the 98th Congress adjourns, I want to take a short period of the Senate's time to salute a fine civil servant, William F. Bolger, who at the end of this

ear will call a halt to a productive areer in the Postal Service spanning 4 years.

Bill Bolger, the 65th Postmaster eneral of the United States, worked is way up the ladder from the rank-nd-file and successively more signifi-ant management assignments in the ormer Post Office Department. He, hus, was well aware of both the trengths and weaknesses of that orga-ization. He become a forceful and ersuasive advocate of the Postal Re-rganization Act which established he modern Postal Service, over which e assumed chief management respon-ibilities in 1978.

Having served as the chairman of he Governmental Affairs Subcommit-ee with jurisdiction over postal mat-ers, I can attest to how far the Postal Service has come under his leadership. These past several years have vindicat-d his position in support of the reor-ganization, as well as his confidence, not only in himself but also in the ini-iative and dedication of those who worked under him—more than half a million people.

During Bill Bolger's tenure, the Postal Service has had a surplus in 3 of 5 fiscal years, including the last 2 years in a row. And there are indica-tions that a fourth surplus will be banked for fiscal year 1984. Even more significant, perhaps, is the fact that the Postal Service has received no tax-payer subsidies during the last 3 sur-plus years.

Stable postal finances breed stable rates, and under Mr. Bolger's leader-ship at the Postal Service rates have remained stable, compared to most other products and services. When new postal rates go into effect next year, it will have been nearly 4 years since the prior increase. I would sug-gest that very few products or services have enjoyed such stability in this period of time. This favorable develop-ment, I believe, is largely attributable to innovative work sharing and service concepts that have helped engender an increase in mail volume from 99 bil-lion pieces to more than 130 billion pieces a year. That truly is a stagger-ing amount of mail.

I for one will be sorry to see Bill Bolger leave, and I'm sure that many of my Senate colleagues will agree with me that he is deserving of our thanks for long, dedicated, and effec-tive service. I wish him well in what ever endeavors he undertakes.

THE FUTURE OF THE ST. LAWRENCE SEAWAY

Mr. DIXON. Mr. President, I want to thank my colleague from South Dakota, Senator ABDNOR, and the Sen-ator from New York, Mr. MOYNIHAN, for making their strong presentations on the great need for the Senate to pass water resource legislation.

I also want to thank my good friend, Senator ABDNOR, for accepting the St. Lawrence Seaway amendment pro-posed by the Great Lakes Senators.

Mr. President, the St. Lawrence Seaway is vital to the Nation and to shippers from the Midwest and North Central regions who depend upon the Great Lakes and the St. Lawrence Seaway as their outlet to world mar-kets.

The St. Lawrence Seaway, which is celebrating its 25th anniversary, is an important and intergral part of our total national water transportation system. For the past quarter century, farmers and manufacturers through-out the Midwest have depended upon economical water transportation to ship commodities to international markets. This year, the seaway achieved a signficiant milestone, having handled 1 billion tons of car-goes since 1959, with an overall value of over $200 billion.

We must enable the seaway to con-tinue to be an economical avenue of trade, to reduce our balance-of-trade deficit which is contributing to the flow of jobs out of the United States to other countries, and to assist the economic revitalization of the Mid-west/North Central States which, unlike many other parts of the Nation, continue to bear substantial burdens of unemployment and economic dislo-cation due to the recent recession. Specifically, I call upon my colleagues of the Senate to support legislation that would:

First, authorize appropriations of funds to the St. Lawrence Seaway De-velopment Corporation to cover annual costs of operations and mainte-nance, which are only $9.2 million.

Second, authorize negotiations with the Government of Canada for the purpose of reducing or eliminating seaway tolls.

Third, direct that if the National Commission on Harbor Maintenance, created under Senator ABDNOR's amendment, recommends user charges for the Great Lakes for the sharing of costs by non-Federal interests, then the tolls paid by vessels transiting the seaway and calling at U.S. ports on the Great Lakes should be considered credits against any user charges.

Let me briefly discuss why the seaway is so vital to the Nation as a part of the total water transportation system. Congress authorized the con-struction of the St. Lawrence Seaway on May 13, 1954, with the passage of the Wiley-Dondero Act, also known as the Seaway Act. Construction of the seaway began in 1955, and was com-pleted in 1959, at a total cost of about $470 million, of which Canada paid $336.5 million and the U.S. share was $133.8 million.

Cargoes shipped through the Mon-treal-Lake Ontario section of the seaway increased from 20.6 million metric tons in 1959 to 57.4 million metric tons in the peak year of 1977, an increase of 179 percent or about 9.4 percent annual growth. With the downturn in the world economy, seaway traffic decreased to 42.8 mil-lion tons in 1982, a 3.6 percent annual drop in cargoes from 1977. However, with the beginning of the economic re-covery in the United States in 1983, seaway tonnage increased by 5.4 per-cent to 45.1 million tons. Primary com-modities shipped through the Montre-al-Lake Ontario section of the seaway in 1982 included 13.9 million metric tons of wheat—32.4 percent of total traffic, 7.4 million tons of corn—8.8 percent, 3.2 million tons of barley—7.5 percent, and 2.8 million tons of iron and steel products—6.5 percent.

Since its opening in 1959, the seaway has been the only deep-draft water transportation facility constructed by the Federal Government, within the continental United States, that is re-quired to be self-supporting from the standpoint of operations and mainte-nance. From 1959 through 1982, the United States had collected $160 mil-lion in tolls from seaway users. This amount exceeded by $26.2 million the amount that the United States paid to build the seaway.

Through 1981, the St. Lawrence Seaway Development Corporation had paid back a total of $64.4 million to the U.S. Treasury in debt service pay-ments, along with annually covering all operations and maintenance costs of the two U.S. locks on the seaway. In each of these years, under the Depart-ment of Transportation in the Federal budget, there has been a line item for the St. Lawrence Seaway Development Corporations. However, under the column marked "fiscal year appropria-tion" there has appeared, for each of the past 25 years, a hyphen, meaning the seaway would receive no Federal funds for its operations or for mainte-nance of the seaway.

It is ironic, at a time when the United States is facing a record trade imbalance along with a record deficit in our balance of payments, that users of the seaway are burdened by tolls, which in fact discourage some ship-pers from using the seaway because of the price sensitivity of some commod-ities to transportation costs. Just a few weeks ago, the Commerce Department reported that the U.S. balance-of-pay-ments deficit was a record $24.4 billion in the second quarter of this year. On top of the $19.7 billion deficit in our current account for the first quarter, our total balance-of-payments deficit was $44.1 billion for the first 6 months of 1984. This exceeded the $41.56 bil-lion deficit for all of 1983. Commerce Secretary Baldrige now predicts an overall balance-of-payments deficit of over $100 billion for the full year.

The U.S. dominance of world trade in agricultural products has been withering like corn in a summer drought. Since the late 1970's, the U.S. share of the world wheat market has shriveled from 45 percent to 36 percent. Since 1980, the U.S. share of export coarse grains, such as corn, has fallen from 72 percent to 60 percent. Also of concern has been the decline of exports of our capital goods, generally considered the driving force of economic recovery and expansion. Between 1981 and 1983, our exports of construction equipment, much of which is produced in the Midwest, fell by 63 percent while U.S. shipments of machine tools, another industry vital to the Midwest, fell by 60 percent.

Clearly, steps need to be taken now to reverse these trends, and making our exports more competitive is one important way to accomplish this. Congress can now take steps to ensure the competitive position of our grain exports for future years' harvests. We can take steps to make the Midwest producers of farm implements and machinery better able to compete with those foreign companies that are rapidly cutting into our share of the world market.

Were the Federal Government to appropriate funds to the St. Lawrence Seaway Development Corporation to operate and maintain the seaway, the annual impact would be to increase Federal expenditures by only $9 to $10 million. However, this will be far offset by benefits to U.S. shippers in selling their goods in international markets, increased employment throughout the Midwest and greater tax revenues to the Federal Government. According to an analysis prepared by Quantum Research Corp., based here in Washington, DC, a 2.5-percent increase in U.S. shipments via the seaway would have minimum direct and induced economic impacts of $18 million annually, nearly double the tolls collected by the United States from users of the seaway.

Because of the bilateral nature of the seaway, and our close working relationship with Canada over the past 25 years in operating the seaway, we should initiate negotiations with the Government of Canada to discuss ways to reduce and eliminate seaway tolls, consistent with our international responsibilities.

Furthermore, we should specify, in the event the National Commission on Harbor Maintenance recommends user charges for the Great Lakes, that the tolls paid by vessels transiting the seaway and calling at U.S. ports should be considered as credits against any user charges. This provision is important as it would avoid, or at least minimize, the problem of Great Lakes shippers being burdened with double-payments for both user charges and seaway tolls.

Our House Joint Resolution 567 designated 1984 as the "Year of the St. Lawrence Seaway." The resolution acknowledges the importance of the St. Lawrence Seaway to the economic well-being of mid-Continent North America and the significance of the St. Lawrence Seaway-Great Lakes navigation system in the overall transportation network of the United States. My proposals will have a positive impact upon the economy of the Midwest and improve the competitive posture of shippers from the Midwest agricultural and industrial heartland of the Nation in overseas markets.

RETIREMENT OF HON. JENNINGS RANDOLPH

Mr. GLENN. Mr. President, when the 98th Congress adjourns sine die, an era will end because of the retirement of the distinguished Senator from West Virginia, the Honorable JENNINGS RANDOLPH.

My friend from West Virginia—whose State is a good neighbor to Ohio—is the only sitting Member of either the Senate or the House who was in office during those historical first 100 days of the Presidency of Franklin Delano Roosevelt. Thus, his departure, in a sense, marks the end of the New Deal era. It also marks the end of a remarkable political career, though, I am sure, not the end of JENNINGS RANDOLPH'S contribution to the public life of the United States of America or of his beloved and beautiful Mountaineer State.

The Senator from West Virginia leaves behind an extraordinary record of achievement, ranging from the universal 18-year-old voting age to the Interstate Highway System. He has left his mark upon our land, and upon the public policies by which we govern our affairs, through more than a half century of public service. That, Mr. President, is service above and beyond the call of duty. But JENNINGS RANDOLPH has never shirked the call of duty.

Mr. President, I join all those countless people who salute JENNINGS RANDOLPH upon his retirement from the U.S. Senate. Those of us who reside across the Ohio River from West Virginia, especially those from the Appalachian region of southeast Ohio, have reasons, indeed, to express our thanks and appreciation to Senator RANDOLPH. He has truly been a dedicated public servant and, through it all for more than 50 years, a gentleman.

THE HIGHWAY BILL

Mr. RANDOLPH. Mr. President, earlier today there was discussion in the Senate about the prospects for enacting the highway bill before adjournment. Those prospects frankly are not good.

Last Thursday, the Senate completed action on its version of the highway bill. On Friday we requested a conference with the House and appointed conferees on highways and uniform relocation assistance. The House has declined to appoint conferees or even to discuss with us a way out of this impasse.

The problem of the moment, Mr. President, stems not from highway legislation but from the fact that the House bill includes a title increasing authorizations for urban mass transportation. In the Senate the jurisdiction for that subject lies with the Committee on Banking, Housing, and Urban Affairs. That committee has developed no companion legislation on transit during this Congress and is disinclined to address the subject prior to expiration of existing authorizations in fiscal year 1986.

The House Public Works and Transportation Committee, on the other hand, feels very strongly that the transit programs should be expanded and refuses to meet with us on highway matters alone.

Without placing blame on anyone, I consider this to be a deplorable situation. More than $7 billion of highway construction funds will be denied to our States if some type of highway legislation is not enacted. I remind my colleagues that highway funds for the second half of fiscal 1984—a year which ended a week ago—were never released and the 1985 funds are not available to the States. If the Congress adjourns without doing its duty, it could well be next spring at the earliest before the States can obtain these funds. By that time, important construction projects will have been delayed significantly and completion of the Interstate System pushed even further into the future.

There is little time remaining before we adjourn for the year. We do not have the luxury of seeing which party in this dispute can outwait the other. It is imperative that we reach agreement on a way to release the highway money even if it means deferring some other important issues until next year.

For all of my congressional career, I have been deeply involved in legislation to further our highway transportation system. I sincerely hope that I will not be forced to end my career in this body unable to secure passage of this legislation.

I stand ready at a moment's notice to meet with anyone, at any time, at any place, to devise a method for breaking the logjam and releasing the highway construction funds.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate now stands in recess until 2 p.m.

Thereupon, at 11:58 a.m., the Senate recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. BOSCHWITZ].

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, will the Chair please state the pending business?

The PRESIDING OFFICER. The time for morning business has expired.

PUBLIC DEBT LIMIT INCREASE

The PRESIDING OFFICER. The Senate will resume the pending business, which the clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 654) increasing the statutory limit on the public debt.

The Senate resumed the consideration of the joint resolution.

The PRESIDING OFFICER. The pending amendment is the amendment by the Senator from Massachusetts [Mr. TSONGAS].

SENATE SCHEDULE

Mr. BAKER. Mr. President, I indicated earlier today that there are two items which we must finish before we adjourn sine die. This is one of them. The other is the continuing resolution. There are other matters we can and no doubt will take up in the time remaining to us, before our long overdue time for adjournment. I urge Senators to consider that this matter is one of prime importance among the two items that must yet be disposed of before that happy moment arrives.

Mr. President, if, for whatever reason, it does not appear that we can finish the debt limit this afternoon, it would be the intention of the leadership on this side to ask the Senate to proceed to the consideration of a privileged matter, temporarily laying aside the pending business, and that privileged matter is the conference report on OCS revenue sharing.

For the benefit of Senators, I remind them of my announcement earlier today that, in addition to that, it is the intention of the leadership to try to reach the Genocide Convention, also, before we adjourn. Other matters can be taken up and perhaps other conference reports will be taken up, and no doubt other routine matters will be taken up.

At the moment, I wish to make that point and to put the Senate on notice of this situation.

Mr. TSONGAS. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. TSONGAS. Does the Senator have any indication as to whether the highway bill is likely to escape its gridlock?

Mr. BAKER. I say to the Senator from Massachusetts that after we pass the highway bill in this body, in the ordinary course of affairs, we ask for a conference with the House on the disagreeing votes of the two Houses. So far, the House has not agreed to the conference. I hope they will. It is a matter of vital importance to the country, and it is a matter we should dispose of. But my information is that the House has not yet agreed to a conference, and anything that any Member can do to try to prevail on them to go to conference would be greatly appreciated.

Mr. TSONGAS. Senator RANDOLPH is here, but my understanding is that the Senate will not appoint conferees to the mass transit portion of the conference, and for that reason, the House will not meet.

I urge the Speaker to be involved, and maybe the Senator from Tennessee could be involved as well. All the work that Senator RANDOLPH and others have put into this matter for 2 years will be down the drain if it is not resolved.

Mr. BAKER. I am told by staff that we have appointed conferees on both parts of the bill—that is, title I and title II—but that the mass transit portion of the bill was not dealt with by the Senate. The bill was adopted without that section. I do not quite understand, then, why we appointed conferees for that section, but we have. In any event, conferees have been appointed on the part of the Senate for title I and title II.

Mr. TSONGAS. I appreciate that information.

Mr. BAKER. Mr. President, I am prepared to yield the floor. The pending question is the Tsongas amendment. I see the distinguished Senator from Kansas, the chairman of the Finance Committee, in the Chamber, and he is the manager on this side.

I yield the floor.

Mr. DOLE. Mr. President, I hope that the distinguished majority leader will move on to other business. I have a meeting with the chairman of the Ways and Means Committee in the next hour or two, to see what his disposition will be with respect to amendments on the debt ceiling—only the amendment pending but also other amendments that may be offered. That is very critical.

It seems to me that it might be in the interest of the Senate and those of us who would like to dispose of our business to determine in advance what the attitude of the other body might be. I have been told, as I indicated last Friday, that if amendments were adopted, there would be no conference; that the chairman of the Ways and Means Committee would simply send us another extension of the debt ceiling, for a much shorter term.

So I urge the majority leader to temporarily set aside the pending business and perhaps move on to other matters that are of some concern.

Mr. BAKER. Mr. President, the chairman of the committee makes a good point. I have no desire to leave this resolution. As I have already indicated, we have to do it before we go out. But if we are not prepared yet to deal with this question or the entire issue, I believe the time of the Senate might be better spent on something else.

I have not yet had an opportunity to consult with the minority leader on this, but I am prepared, if the parties want me to do so, to temporarily take us off the debt limit and put us on the OCS revenue sharing conference report, which is the conference report to accompany S. 2463. I do not now do that, but I will be ready to do that after I consult with the minority leader and other Senators.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, while we complete the clearance with the minority leader on proceeding to the conference report, I am told that there is a need for morning business; and for fear that it may involve this speaker, I assure Members that I will leave the floor instantly.

I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond 2:25 p.m., under the same terms and conditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

RETIREMENT OF SENATOR HOWARD BAKER

Mr. RUDMAN. Mr. President, I have found a sure way to get the majority leader off the floor of the U.S. Senate. He is departing because I will address a few words to this Chamber this afternoon about him. As we all know, he is nearly at the end of a very distinguished career.

Mr. President, I do not intend to take up much of the Senate's time today. I realize that there is still important business to which we must attend. I also realize that what I am about to say comes as no great revelation to my colleagues and to those who

follow our proceedings closely. However, I cannot permit the 98th Congress to come to a close without taking a few minutes to publicly acknowledge the efforts of an individual whose patient, yet forceful, leadership has guided this institution and served us all well during the past 4 years. Indeed, I know that I speak for many of my colleagues when I suggest that HOWARD BAKER has the respect and admiration of every Member of this body. During his tenure as majority leader he has moved to strengthen the Democratic processes in the Senate, provided for a fair and open exchange of strongly held viewpoints, and ensured that all such opinions are accorded the utmost respect.

He has reaffirmed our belief that men of integrity, simply by setting an example, can influence the resolution of difficult issues in an orderly and honorable manner.

It is not my intention today to launch into a lengthy discussion of HOWARD BAKER's distinguished public career, as we are all well aware of the details. Rather, I would like to take a moment to suggest that as we attempt to take the measure of a public man, we consider not only what that person has accomplished but also how he has done it. Having spent a good part of the past 15 years in public life, I am increasingly concerned over the quality and level of our public debate. Put simply, I do not think we listen to each other enough. Our rhetoric gets too strained, our voices too loud.

In doing so, I think we lose sight of the important qualities of our Democratic process—the right of each to have his or her voice heard, their point of view considered, and the need for diversity and exchange.

It is the great accomplishment of HOWARD BAKER that he is a party leader whose civility and decency make him other than a partisan. His deliberate leadership style ensures that reason will not succumb to the passions of debate. This has been especially true in this body, where leading a diverse, competitive group of disparate souls would strain the patience of even the most gentle of men.

Yet, lead this body is precisely what Senator BAKER has done. As the debate has raged around him, his fairness, his dignity and his intelligence has kept chaos within bounds, temper within limits, and made progress possible. Ideology to one side, HOWARD BAKER's grace and equity and decency has meant much to the Senate he leads and the country it serves.

He has elevated the role of politician and proven that to be effective, you do not have to yell louder or more frequently than the next, but rather that political advancement is possible if one acts also on the basis of reason and compassion.

In closing, I would like to add one personal note. Four years ago I stood on this floor a freshman Member of the Senate undergoing a rite of passage as I prepared to deliver my maiden speech. I will never forget the Senate majority leader's kind remarks. I believe it only proper that as we witness another rite of passage—the departure from this body of a unique and very special leader—that we acknowledge his tremendous contributions to this country. Said simply, there is no man whose counsel and friendship I cherish more. He is, indeed, a very unique person. And, while this historic Chamber will soon be without him, his presence will always be felt. HOWARD BAKER may be succeeded; but he will never be replaced.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO HOWARD BAKER

Mr. NICKLES. Mr. President, it is with great pleasure that I pay my tribute to a good friend and colleague, the majority leader, HOWARD BAKER.

I, as well as all of our colleagues and associates, have a great deal of respect for HOWARD BAKER as a person, as a Senator, and as a leader in this country.

For the last 4 years he served as majority leader in the Senate. He has worked well as a leader in this country, working well with the White House, working well with the leaders in the House of Representatives, and working well to lead a Senate of 100 Senators with egos which are very large and with agenda which are quite divergent.

That is a difficult task and one that I think he has managed quite well.

HOWARD BAKER, these last several years, has treated everyone fairly and I think has earned the respect of all the Members of the Senate. He has shown and exerted a great deal of peace, a great deal of patience, and in a body that sorely lacks both. He has shown a lot of integrity, a lot of ingenuity. His word is as good as gold, and he does get things done.

Generally, he has been kind. Also, the little giant from Tennessee, when he is angry, is 10 feet tall. He stands tall, I think, in the tradition of great Senators.

I am grateful to have had the opportunity of serving with HOWARD BAKER. I think the people of Tennessee are very fortunate indeed to have had him represent them as their Senator for the last 18 years, and I know the people of this country have been fortunate to have as great a statesman as HOWARD BAKER in the U.S. Senate.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, is the Senate still in morning business?

The PRESIDING OFFICER. The Senate is in morning business.

EXPANDING THE AFGHAN WAR: A DANGEROUS DEVELOPMENT

Mr. BYRD. Mr. President, many of my colleagues read the front page story in the Sunday, October 7, Washington Post, describing the attacks on Pakistani villages by the Soviet-backed Afghan Government. These are raids on refugee settlements where perhaps as many as 3 million Afghan men, women, and children have fled following the destruction of their farms and villages during more than 4 years of Soviet occupation and barbarism. These refugee camps are also home to some of the thousands of courageous freedom fighters who battle that Soviet aggression.

In a vain effort to destroy the Afghan's compelling drive for freedom and self-determination, the Soviets and their puppets in Kabul have begun these ruthless attacks on refugee settlements. Since they were unable to kill or maim these people in Afghanistan, they are willing to cross into another country to try and finish the deed. Make no mistake; the Soviets are not only after the Afghan resistance fighters. They are after the civilians as well because the Soviets appreciate that, to control Afghanistan, they must destroy every Afghan they cannot threaten or co-opt into compliance with Soviet goals.

It is a strange and bitter irony that the Soviet Union which sponsors these raids into Pakistan is the same Soviet Government that murdered 269 defenseless men, women, and children just over 1 year ago. My colleagues will recall that the Soviet regime shot down a civilian airliner because a navigational error led it to stray into Soviet airspace. Now, the Soviets are sending their Afghan puppets into Pakistani airspace in military aircraft for the express purpose of killing people inside Pakistan. Several years ago, the United States provided the Government of Pakistan with 40 of the most modern fighter planes in the

U.S. arsenal, along with an integrated air defense system. Thus equipped, the Pakistani Government is in a position to secure its border with occupied Afghanistan. The events of the past several weeks should convince the Government of Pakistan—if it needs such evidence—that the threat to its security comes from the Soviet Union, not from traditional rivalries on the subcontinent. I believe the Pakistani Government understands this reality, and will act accordingly.

I very much hope that the Soviet leaderships will reflect on the consequences of this new and dangerous policy. If the Soviets cannot successfully prosecute a war of occupation inside Afghanistan, they are foolish to imagine that they can end the resistance by reaching into the sovereign territory of a neighboring country. If the Soviets are dissatisfied with the reality of Afghan refugees and the presence of the freedom fighters, then the answer is simple. The Soviet Union should engage in a negotiated withdrawal from Afghanistan. If the objective of the Soviet occupation is to produce stability on the Soviet's southern border, then it must now be apparent that the way to achieve that goal is to leave Afghanistan to the Afghans, and to seek peace with them over the conference table; not at the end of a gun barrel. Otherwise, no amount of repression and no amount of butchery will guarantee stability. And any attacks against Pakistan can do nothing but increase the risk that Soviet adventurism in South Asia will escalate the conflict.

Mr. President, I ask unanimous consent that the Washington Post article of October 7, 1984, entitled "Rebels in Pakistan Fear New Attacks" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REBELS IN PAKISTAN FEAR NEW ATTACKS

(By William Claiborne)

TERI MANGAL, PAKISTAN.—The picturesque Kurram Valley on the tense border with Afghanistan is bracing itself for new Afghan Air Force bombardments nine days after this remote guerrilla staging base was rocked by nighttime explosions that killed 32 insurgents.

Although some questions have been raised about the source of the explosions that destroyed several guerrilla hostels in a crowded bazaar here on Sept. 27, Pakistani officials and guerrilla leaders regard Teri Mangal as a prime target of Afghan Air Force jets, and witnesses say they are sure the blasts occurred during an air raid.

Late last week, Afghan rebels loaded pack horses with artillery shells and other supplies for reprisal raids against Soviet and Afghan troops in adjacent Paktia Province of Afghanistan. They said they expected that their successes against the forces of Afghan President Babrak Karmal would result in a new wave of cross-border air raids into the Pakistani territory that is openly used by the insurgents as a sanctuary.

The bombing and retaliation raids illustrate how Pakistan has been drawn unwillingly into the fighting between Afghan rebels and the armed forces of that country's Soviet-backed government.

The Moslem rebels said they doubted whether the conventional Pakistani air defense guns surrounding this border outpost would be effective against Soviet MiG fighter-bombers. However, they added that they intended to continue their attacks in Paktia, where western diplomatic sources estimate that two regiments totaling 12,000 to 14,000 Soviet troops have been deployed in an effort to stem cross-border guerrilla raids.

This outpost was shelled and bombed at least nine times between Aug. 13 and 24, and there have been frequent air strikes against other villages in this rugged Pathan tribal district that lies only about 50 miles from the Afghan capital of Kabul.

Teri Mangal, about 110 miles west of the Northwest Frontier Province capital of Peshawar, is at the tip of a finger of Pakistani territory that juts deep into Afghanistan near where Paktia and Nangarhar provinces meet. A western diplomat in Islamabad referred to it as the "Parrot's Beak," an allusion to the small salient in Cambodia that was used as a sanctuary by North Vietnamese forces during the Vietnam War.

Pakistani officials say there have been more than 40 shelling and air bombardments of Pakistani territory, resulting in more than 130 deaths. In August alone, they said, 54 persons were killed.

Also citing frequent violations of Pakistani airspace by Afghan Air Force warplanes, Foreign Minister Yaqub Khan told the U.N. General Assembly Monday that "Pakistan has so far acted with restraint, and it hopes that the concern of the international community over the continuation of such attacks and their dangerous consequences would compel those responsible to desist from further aggression."

Because of the remoteness of this border outpost and an absence of effective communications, there were conflicting reports about the Sept. 27 explosions that killed 32 persons and injured 48, while destroying more than 50 horses and mules.

Afghan guerrillas insisted in interviews that they heard the sound of a diving jet moments before the explosions destroyed mud-brick structures. They said the village was brightly lighted by parachute flares.

"We all heard the plane in the darkness. One plane came in three times and dropped two bombs. The bazaar was lighted like daytime," said Ghaffar Khan, 35, a mujaheddin, or guerrilla.

Zain Uddin, 22, of Logar Province of Afghanistan, said he was standing on a hilltop overlooking the bazaar when he heard "the noise of a plane in the darkness, and then some big explosions."

Uddin, who said he was leaving in two hours for a guerrilla raid in Logar Province, said that while a 10-square-mile area was lighted by flares, the bombing appeared to be from a fairly high altitude.

A week after the explosions, there was evidence of heavy damage in the bazaar and there were at least 30 freshly dug graves in a nearby "martyrs' cemetery."

A large crater was all that remained on a mud-brick stucture that guerrillas said was a hotel, and another building nearby had been completely flattened.

However, although spokesmen for the Pakistani government insist that the explosions were caused by aerial bombardment, the circumstances of the reporting of the incident have raised questions that the bombs could have been planted on the ground.

Radio Afghanistan has claimed—somewhat unconvincingly—that the explosions were caused by bombs planted by rival guerrilla faction. One Pakistani official, who asked not to be identified, noted that the initial report of the incident mentioned only "explosions" and that it was not until four hours later that there was a reference to an aircraft. The official suggested that bombs could have been planted by agents of Khad, the secret service of the Babrak government.

However, in nearby Parachinar, Sang-e-Marjan, political agent of the Kurram tribal district, said, "It was a bombardment. We have found nobody who said this was done by Khad agents."

Marjan cited other aid raids in his tribal district, including 22 bombs dropped on the village of Kunjalizai in August, killing one women, and an attack on Zeran, in which 12 planes bombed and strafed the village, killing one person. He said those daylight attacks could be seen from Parachinar.

Although the tribal political agent, the senior Pakistani official in the district, insisted that only "innocent refugees" were killed in the Teri Mangal explosions, guerrillas in the staging camp said otherwise. They said all of the dead were armed fighters.

Ghaffar Khan estimated that 4,000 to 5,000 armed *mujaheddin* were in Teri Mangal that night, and said that the bombing was in retaliation for a guerrilla attack eight days earlier against a Soviet and Afghan army convoy in Chakari Malang, in which he said 300 government and Soviet troops were killed. He said that more than 2,000 guerrillas remain here now, with the rest having left for reprisal attacks across the border.

Although tribal agency police are constantly present in Teri Mangal, the ostensible refugee camp is openly a staging base for guerrilla raids across the porous border, barely a mile away.

Pack horses laden with wooden crates containing mortar shells and ammunition for machine guns and Chinese-made assault rifles could be seen winding their way in broad daylight up the main dire path through the village and toward the Afghan border that is visible just to the east.

Guerrillas armed with Kalashnikov rifles and wearing bandoleers of cartridges readied their gear and talked candidly about the missions they said they were about to embark upon. Most of the rickety shops in the dusty bazaar look like army surplus stores, selling everything from rifles and ammunition to knapsacks, canteens and combat boots.

Sitting on a dirt pile nearby, Azim Gul, 25, patted a heavily bandaged foot that he said was wounded by shrapnel in a raid in Chakaro, near Kabul, three days earlier. He vowed to return to battle as soon as he could walk. Gul, a member of the Hezb-i-Islami guerrilla group, said he was in Teri Mangal the night of the explosions and left the next morning with 65 other fighters for a reprisal raid.

The accounts of battle offered by the guerrillas, while colorfully laced in the traditional Pathan manner with embellishments of valor and daring, dramatically illustrate the shortness of distances in this commuter war that began with December 1979 Soviet invasion of Afghanistan and the subsequent influx of 2 million to 3 million Afghan refugees to Pakistan.

That Gul could leave Teri Mangal on Sept. 28, participate in a guerrilla operation outside Kabul, spend two days riding back on a horse and talk of returning to battle exactly a week after leaving here underscores the dilemma facing the Soviets and the Babrak government as they attempt to cope with their U.S.-backed neighbor to the east.

Pakistan's president, Gen. Mohammed Zia ul-Haq, consistently has refused to acknowledge responsibility for the cross-border raids into Afghanistan, saying that if the Soviets think the winding, rugged border between the two countries can be sealed, then they should do it.

But while looking the other way at the cross-border traffic, the Pakistani government also is faced with a dilemma: If Soviet and Afghan army troops continue to suffer from stepped-up guerrilla activity, Pakistan could become the target of reprisal air raids into its territory.

With an inadequate air defense system in the tribal regions and Pakistani pilots under strict orders not to engage Afghan or Soviet air force planes unless they can be certain of a kill inside their own airspace, the Pakistani military can do little to prevent further air raids on refugee camps that also serve as guerrilla staging bases, western military analysts say.

"For Pakistan, striking back would be contrary to the basic policy of not letting themselves be provoked," a western diplomat said, noting that Afghanistan's Soviet-directed air defense system would, in any case, be too much for the Pakistani Air Force.

OCEAN AND COASTAL RESOURCES MANAGEMENT AND DEVELOPMENT BLOCK GRANT ACT—CONFERENCE REPORT

Mr. BAKER. Mr. President, as I indicated earlier today, it is the intention of the leadership on this side to go to a privileged matter temporarily laying aside the present pending business and the pending question. Let me hasten to say, however, that even though the OCS revenue-sharing conference report is privileged and is available at this time, if we have not finished that measure by later this afternoon, say 4:30 or 5 o'clock, it would be the intention of the leadership on this side to ask the Senate to return to consideration of the debt limit. That does not mean I am going to abandon OCS conference report. I am not, but it does mean that in the time remaining to us we, I think, need to try to cut and fit our available time to the business that we still have to do.

So with that statement, with the assurance that we are going back to debt limit sometime today, I submit a report of the committee of conference on S. 2463 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2463) to authorize appropriations of funds for certain fisheries programs, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of September 10, 1984.)

Mr. BAKER. Mr. President, the distinguished chairman of the Commerce Committee will manage on this side. He is on his way to the floor. While he arrives, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The conference report on S. 2463.

Mr. PACKWOOD. I thank the Chair.

Mr. President, I would like to make a few brief remarks to support and explain the conference report on S. 2463.

S. 2463 contains two titles. The first established a program to share Federal Outer Continental Shelf [OCS] leasing receipts with coastal States. The second reauthorizes certain programs of the Department of Commerce regarding fisheries management and makes some clarifying amendments to the Fisheries Conservation and Management Act of 1976. Since only the first title provides for a new program, I will limit my remarks to its provisions.

Title I of this conference report would establish a Federal OCS revenue-sharing program with coastal States. Coastal States and territories would be eligible to receive, subject to appropriations—I emphasize that, subject to appropriations; this is not an entitlement program—block grants to be used for mitigation of the onshore impacts of OCS development, as well as for ocean and coastal management activities. These block grants would be distributed according to a formula which recognizes the special needs of States directly impacted by OCS development as well as the common needs of all coastal States. The source of these funds would be a portion of Federal OCS receipts. Four percent of these receipts would initially establish the fund, which would be limited to $300 million for fiscal year 1985. In subsequent years, funding may increase no more than 5 percent per year. In addition, one-third of the block grant that is passed to the State must be passed through to local governments.

Mr. President, the majority of the energy which this Nation uses—for industry, consumer purposes, and national defense—is derived from oil and gas. The last decade has shown us dramatically how dependent we have become on outside sources for this energy. While we are currently enjoying some respite from the pressures of this dependence, we know that our vulnerability has not disappeared, and unless we face and solve the problem, it will again occur.

We will need as large a domestic supply of energy as technology and sound environmental poilicy can make available. One of those domestic sources exsits offshore, beneath the Outer Continental Shelf. Development of this energy source will create special responsibilities and problems for our coastal States which could adversely impact their long-term economics, employment patterns, and coastal environments. The legislation before us will provide the means by which the States can plan and meet these special responsibilities.

The demands placed on the coastal areas of this Nation increase every day. Population pressures, strain on costal infrastructure such as roads and schools, waste disposal, transportation, recreation, and the development of both living and nonliving resources are problems that must be recognized.

These problems are not solely State problems but a national problem. This legislation acknowledges the scope of these problems, and responds by recognizing that a partnership should be forged in the spirit of federalism between the Federal Government and the States.

Mr. President, the goal of this measure is to provide funding for management and development of our renewable ocean and coastal resources from the revenues derived from the development of nonrenewable resources. This is a wise investment in the future of coastal States, as well as tangible evidence of a true Federal-State partnership in the development of our OCS.

The aggressive leasing schedule initiated by Interior Secretary Watt has met stiff resistance from coastal States who are disappointed about both their exclusion from the decisionmaking process as well as their exclusion from the benefits of lease sales off their shores. Coastal States and localities can be expected to be more supportive of Federal OCS leasing activities if they have a positive financial stake in OCS development and are included in the lease-sale decisionmaking process through the Coastal Zone Management Act. From a coastal State perspective, the national benefits of this program are diffuse and ab-

stract, while the potential environmental risks and onshore impacts are all too real. State resistance to leasing will only abate once the Federal Government begins treating the States as full partners in the OCS leasing process.

The OCS mineral development program is the only exception to a longstanding Federal policy of sharing with affected States a significant portion of receipts from resource development activities on federally-owned property. Some examples of other programs include:

The National Forest Revenue Act, the Mineral Leasing Act, the Taylor Grazing Act, and the Payment in Lieu of Taxes Act. Payments to States for these programs exceeded $1 billion in fiscal year 1983.

Mr. President, I urge my colleagues to support this measure to establish a true Federal-State partnership in developing the OCS in an equitable manner. Without such a partnership, the distrust of the Federal Government will continue to grow, impeding our Nation's progress toward energy independence.

The conference report is supported by both Democrats and Republicans, the environmental community, the oil and gas industry, and State and local governments. It is a fair proposal that deserves the Senate's support.

Mr. President, I yield the floor.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that my comments on S. 2463 not count against the two-speech rule under rule XIX.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURENBERGER. Mr. President, I rise in opposition to S. 2463, the so-called Outer Continental Shelf revenue-sharing bill. Before I go into the merits of the proposal itself, let me state the obvious with regard to the budgetary effects of this new entitlement program. We have been struggling around here for almost a year to put in place some kind of downpayment on the deficit. Now, in the week Congress is to adjourn sine die, there is an effort to slip through a brandnew entitlement program that will actually increase the deficit by over $300 million a year in perpetuity. In its first year, this program will cost some $300 million, growing a cumulative 5 percent each year thereafter. This means that over the next 3 years, this program will add almost $1 billion to the Federal deficit.

Now, I know the proponents of this new program are making the argument that it is different from the original Outer Continental Shelf revenue sharing bill, which was introduced as S. 800, which was reported out of the Commerce Committee in May of this year. They tell us the program is no longer an entitlement program; that moneys must be appropriated every year, and thus they hope to convince us that it will not be an uncontrollable drain on the Federal budget. But, we all know, Mr. President, once a program such as this is put in place, the pressure will be irresistable to fund it every year, and there are similar programs in this area. So, if it is not an entitlement with a capital "E," it is certainly one with a small "E" and just as uncontrollable the way things work around here.

Now Mr. President, the vehicle before us is a conference report on S. 2463. S. 2463, Mr. President, is a fisheries bill. Let me remind my colleagues that the OCS revenue sharing part of this conference report has never even been debated on the floor of this body, much less passed by it. The original Senate OCS bill, S. 800, was reported out of the Commerce Committee in May and provoked such opposition that it was never brought to the Senate floor. Instead, the Senate went to conference with the House on S. 2463, the fisheries bill, to which the House has attached the OCS revenue sharing program. We all know why the Senate receded to the House's position in spite of the history of this legislation in the Senate. All one has to do is look at the States represented by the Senate conferees. The fact that the Senate has never had an opportunity to debate this measure is sufficient to warrant our rejecting this conference report.

If the proponents of this program want to debate and vote on the program, let them bring it up in the normal order of things when both sides can be fully prepared to debate its merits. Let us not try to slip it through on a conference report at the 11th hour. This is just another indication that honest and full debate is giving way to special interest pressure and greed.

I admit the opponents of this legislation are in a tough situation. We know the President is committed to vetoing it if it passes and so it is a free vote for all practical purposes. We can all go ahead and vote for the bill with full assurance that the President will shield us and the country from its bad effects by vetoing it. And, even if there were the votes to override a veto, which I am confident there are not, there would not be enough time remaining in this session to bring it to a vote. Yes, we can all have our cake and eat it, too, on this particular legislation. But is this responsible behavior on the part of the U.S. Senate? I think it is not. I urge my colleagues to face this bill squarely for what it is—bad legislation—and to vote it down directly rather than hiding behind a Presidential veto.

Mr. President, there are sound reasons to oppose this legislation on the merits. It is poor policy. What the bill does is create an open-ended revenue sharing program limited to a few coastal States, and just enough other States thrown in to spread the money widely enough to build a majority coalition. We have seen it all before. I call it pork barrel federalism. And, my fellow Senators, political pork by any other name still smells the same. This program may be an entitlement spelled with a small "E," but it is pork barrel politics spelled with a capital "P."

The proponents of the legislation argue that the program is justified on two grounds. First, it is argued this is a matter of "equity." Proponents contend that OCS mineral development is the only exception to a longstanding Federal policy of sharing, with affected States, a significant portion of receipts from resource development activities on federally owned lands. I take exception with this assertion on two counts. First, although funds are not specifically earmarked from OCS receipts, Congress has in fact recognized that off-shore development produces some adverse effects on coastal States and has created specific programs to deal with the problem. The coastal zone management programs were funded at $28 million in fiscal year 1984. And these programs exist exclusively for the benefit of coastal States.

My second exception to the so-called equity argument is that the comparison of off-shore receipts with on-shore receipts is misleading and invalid. The status of on-shore Federal lands was in dispute from the time the States containing this land came into the Union. This dispute was settled, for the most part, with passage of the Mineral Leasing Act of 1921, in which it was agreed that the Federal Government would retain possession of these lands and their minerals. But, in exchange, the Federal Government agreed to share a portion of the receipts from these lands with the State in which the lands lay. The payment-in-lieu-of-taxes programs, which the proponents characterize as "revenue sharing," exist for entirely different reasons. Federal property is tax exempt but States containing this property must provide public services for it. Congress recognized that the local governments providing the public services should be compensated, since they could not levy their property tax. These are not "shared receipts" in the true sense. They represent Congress' best judgment as to the burden these lands place on State and local governments. In this sense, PILT programs resemble more the coastal zone management programs than shared revenues.

The status of off-shore land is quite different. Prior to World War II, most coastal States claimed jurisdiction over submerged lands extending out-

ward from the coast to a 3-mile limit. In 1945, President Truman issued a proclamation asserting Federal jurisdiction over areas beyond the 3-mile limit. This was not disputed by the States. Then, in 1947 the Supreme Court ruled that, contrary to State claims, the Federal Government also had jurisdiction over submerged lands up to the 3-mile limit. Finally, in 1953, Congress rejected this view and passed the Submerged Lands Act to overturn the Supreme Court's decision. In other words, Congress gave coastal States jurisdiction over submerged lands up to the 3-mile limit lock, stock, and barrel. The 1953 act went so far as to give some coastal States jurisdiction extending out to as much as 10.5 nautical miles to reflect prior boundary claims.

So, Mr. President, it is true that the Federal Government does not share revenues from off-shore lands over which there has been an historic dispute, as with on-shore lands. Instead, Congress actually gave these lands outright to the coastal States. If there is a question of "inequity" involved, it is certainly not one of injustice done to the coastal States. What this legislation seeks to do is claim for the States a share of the revenues from OCS lands that coastal States have never laid claim to. The so-called equity argument is weak, if not totally invalid.

The second argument advanced by proponents of this legislation is that the development of Federal off-shore lands produces adverse social and economic effects on the coastal States, and further, that current Federal policy does not address these detrimental impacts. The fact that such developmental impacts exist is not at issue. As I indicated earlier, Congress recognizes that they exist and has made provision for compensating coastal States in the coastal zone management programs.

What is controversial—the reason why this ought to have a debate on its merits at some length, some other time—is precisely how detrimental are the effects of off-shore development? The proponents claim they are substantial and that existing programs do not adequately address them. But, Mr. President, there is ample evidence that these claims are overstated—greatly overstated. For one thing, the Federal Government takes almost total responsibility for the environmental damage that might occur from off-shore development. In addition, the problems we have had in letting off-shore leases demonstrate that the States have powerful tools they can bring to bear in the courts to halt or slow down any development they fear will produce unwanted and adverse effects.

But, let me go back to the original question: How serious are the on-shore social and economic impacts of the off-shore development? A 1982 report by the General Accounting Office sheds considerable light on this question. I ask unanimous consent that the relevant portion of that report be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Amounts are in millions of dollars and may not add due to rounding]

State	Guaranteed grant	Taxpayer burden	Net benefit
Alabama	8.05	5.57	2.48
Alaska	20.64	1.23	19.41
Arizona		4.86	−4.86
Arkansas		3.04	−3.04
California	26.85	51.93	−25.08
Colorado		6.07	−6.07
Connecticut	7.89	8.04	−0.15
Delaware	6.95	1.26	1.26
Florida	17.79	19.02	−1.23
Georgia	2.0	8.68	−6.68
Hawaii	7.34	1.91	5.43
Idaho		1.41	−1.41
Illinois	2.0	25.55	−23.55
Indiana	2.0	9.83	−7.83
Iowa		5.40	−5.40
Kansas		4.67	−4.67
Kentucky		5.32	−5.32
Louisiana	79.43	7.57	71.86
Maine	7.64	1.63	6.01
Maryland	11.12	9.16	1.96
Massachusetts	12.81	11.72	1.09
Michigan	13.81	17.65	−3.84
Minnesota	2.0	7.90	−5.90
Mississippi	6.80	3.11	3.69
Missouri		8.64	−8.64
Montana		1.36	−1.36
Nebraska		2.89	−2.89
Nevada		1.87	−1.87
New Hampshire	6.32	1.76	4.56
New Jersey	12.62	17.54	−4.92
New Mexico		1.99	−1.99
New York	16.94	35.90	−18.96
North Carolina	7.75	8.92	−1.17
North Dakota		1.22	−1.22
Ohio	2.0	20.41	−18.41
Oklahoma		5.62	−5.62
Oregon	7.43	4.82	2.61
Pennsylvania	8.25	22.36	−14.11
Rhode Island	6.99	1.81	5.18
South Carolina	7.92	4.37	3.55
South Dakota		1.03	−1.03
Tennessee		7.10	−7.10
Texas	2.0	30.28	−28.28
Utah		2.20	−2.20
Vermont		0.78	−0.78
Virginia	6.0	10.24	−4.24
Washington	9.46	9.21	0.25
West Virginia		2.92	−2.92
Wisconsin	9.91	8.31	1.60
Wyoming		1.13	−1.13
District of Columbia		1.58	−1.58

Sea grant funded at 10 percent of total—$40.05—not included in above grants.

Mr. DURENBERGER. Mr. President, this report found that in general, "only (in) rare instances are the public costs of correcting socioeconomic effects not compensated by later increases in public revenue."

Mr. President, I think any prudent observer must conclude that there is a genuine Federal responsibility to help mitigate the impacts of off-shore development. I also believe that any objective observer must conclude, after close study, that current funding of the programs designed to address development costs has not been so low as to create serious problems for coastal States. If there is a problem, I pledge my support to strengthen the appropriate programs to see that the job gets done fully. Finally, I believe it is obvious to anyone who takes the time to study this proposal that the OCS revenue sharing program offered here is by orders of magnitude too large to be justified by any real need for impact assistance.

As I have stated, the smell of pork is in the air, and I must admit, some in my own State have gotten a whiff of it and have encouraged me to support this legislation. But, I cannot in good conscience vote to accept this payoff for my State. How can I? Let me use the case of my State of Minnesota to illustrate how really ridiculous this legislation is. The bill is justified as sharing OCS receipts with States affected by coastal development, and yet there are some 7 noncoastal States guaranteed money—my own State of Minnesota among them. I ask my colleagues if they realize that the furthest point from any coastal shore line in the entire country lies in my State up around Saint Vincent, MN. It is some 1,300 statute miles from a shore line.

It is even worse than this, because the claims made by the proponents of this bill regarding the benefits to recipients, especially Great Lakes recipients, are misleading. Proponents tell us that Great Lakes States will greatly benefit from the program. I suggest, to the contrary, it will cost citizens of the Great Lakes much more in Federal taxes and borrowing costs to support this program than their State governments can ever hope to recover from the program's grants. At this time, I ask unanimous consent to have printed in the RECORD a fact sheet on the proposed benefits of the original S. 800 legislation. It demonstrates clearly that only a very few States will actually benefit—and only one Great Lakes State—at considerable expense to the rest of the Nation. This information was based upon the assumption that the funds to be distributed would amount to over $400 million rather than $300 million. I have not had time to recalculate this fact sheet based upon the figures, but common sense only tells you it will be worse for most States since there is now $100 million less to spread around.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FACTSHEET ON DISTRIBUTION OF FUNDS UNDER S. 800

The purpose of this fact sheet is to evaluate for each State the net value of the Outer Continental Shelf Revenue Sharing Grants under the Ocean and Coastal Development Impact Assistance Block Grant Act, S. 800. Under the allocation formula contained in this bill, 30 States will be eligible for grants. All are Coastal States. 8 of the 30 eligible States are Great Lakes States. These 8 States receive 22 percent of the funds under the formula. The remaining 22 States receive 78 percent of the funds.

Some of the Great Lakes States appear to receive significant amounts of money if one looks only at the size of the grant to which

they are entitled. However, this neglects the cost side of the equation. The important question for the Great Lakes States is how does the size of the grant compare to the burden of the States' taxpayers who must pay Federal taxes to support the program.

Since this program will result in a direct reduction of revenues to the Federal Treasury, the money to support the program will have to come from Federal borrowing. The total cost to Federal taxpayers will amount to the sum of the interest paid to borrow these funds plus the amount of the principal which must be repaid. The following Table compares each State's estimated grant under the program to the cost of citizens of that State. It is assumed for the sake of simplicity, that the Federal government replaces the foregone Outer Continental Shelf revenues by selling the necessary amount of one-year Treasury Notes which currently bear an interest rate of 9.68 percent.

The allocations under the program are Commerce Committee estimates assuming the program were to be funded at $400 million in FY 1984. The Congressional Budget Office has estimated that the cost is likely to reach $440 million in FY 1984. The taxpayer cost in each State is estimated by apportioning the principal and the first year's interest on the basis of each State's relative Federal tax burden.

ENERGY DEVELOPMENT CAUSES VARYING IMPACTS AND RESPONSES

Energy development effects on a community can be tracked in phases. At the beginning of the development phase, public sector costs for facilities and services rise much faster than the revenues generated. This can produce negative socioeconomic effects on the host community. These impacts usually stem from the influx of energy workers and their families which increases an area's population to the point of burdening the existing housing and public facilities and services. Some problems which might occur include a short supply of permanent and rental housing, inadequate solid waste disposal, and overburdened medical facilities, schools, transportation systems, and law enforcement. Also, the ability of communities to handle these impacts vary depending on the size of the existing population, the infrastructure in place at the time of the impacts, and the resources available to the community.

As the development phase ends, revenues generally outrun costs by a wider margin than costs exceeded revenues prior to the development. This is because energy development usually brings significant economic benefits to an area. For example, new population generally brings an increased tax base in the form of property and sales tax. Also, in some cases revenue is generated by severance tax on the minerals produced. Energy development brings employment opportunities to the area not only in the energy industry itself, but also in the services required by the new population.

An August 1980 Department of Commerce study states that for the coastal zone areas there are only rare instances that the public costs of correcting socioeconomic effects are not compensated by later increases in public revenue. While this may be true, there are instances where this and the other conditions described above may not exist.

One is if the deficit is not followed by a revenue surplus as in OCS development where the States and communities are not able to tax the actual energy facility but are limited to taxing onshore support facilities. The same situation could also exist if the revenue generated goes to the State level and is not passed back to the local community being impacted.

There are also cases in the coastal zone where an area has an underutilized infrastructure capacity which may or may not be usable, has significant unemployment, or is a very large community. For example in the Atlantic region, States such as New Jersey and Massachusetts encourage locating facilities in areas with underutilized infrastructure capacity. In this case, unless the infrastructure would require upgrading, the effects of increased energy development could probably be absorbed by the area.

Mr. DURENBERGER. Mr. President, I made reference earlier in my comments to the views of the administration. For the benefit of my colleagues, I will read a letter addressed to the majority leader, dated September 18, 1984, signed by Donald T. Regan, Secretary of the Treasury; William P. Clark, Secretary of the Interior; David A. Stockman, Director of the Office of Management and Budget; and Donald Paul Hodel Secretary of Energy:

DEAR HOWARD: As the Senate prepares to take up the Conference Report on S. 2463, legislation to create a new Federal grant program using revenues derived from Outer Continental Shelf oil and gas leasing, we wish to reiterate the Administration's strong opposition to the bill.

Revenues from OCS leasing in Federal waters are a national resource that should be used for the benefit of the people of every state. That is what happens under existing law. A portion of OCS revenues are used for acquisition of new park and refuge lands, while the remainder go into the Treasury and reduce the need for tax revenues.

As drafted, the Conference Report provides windfall payments to states that are completely unaffected by OCS leasing. In addition, the formula by which grants are determined provides virtually no incentive to state and local governments to encourage their assistance in carrying out the OCS exploration and development program established by the Outer Continental Shelf Lands Act of 1978. Finally, the Conference Report would effectively remove a number of federal programs from the annual appropriations process by earmarking funds, thereby adding further to the deficit.

In total, reflecting the additional debt that the Treasury will incur in order to make up for the new grants authorized in the bill, S. 2463 will add more than $2 billion to the deficit over the next five years. If the nation is serious about controlling spending, the first place to start is avoiding the creation of unnecessary and unjustified new programs.

For the reasons stated above, we will be unanimous in recommending that the President veto this bill if it reaches his desk.

Sincerely yours,

DONALD T. REGAN,
Secretary of the Treasury.
WILLIAM P. CLARK,
Secretary of the Interior.
DAVID A. STOCKMAN,
Director, Office of Management and Budget.
DONALD PAUL HODEL,
Secretary of Energy.

Mr. President, I also have a copy of a letter from the Director of the Office of Management and Budget addressed to the Honorable ROBERT MICHEL, who is the Republican leader of the House of Representatives, dated September 13, 1984, in which Director Stockman says:

DEAR BOB: We have been working together for nearly four years to carry out the President's goal of reducing Federal spending, but it seems that some people have yet to get the message.

Once again, a budget-busting new spending program is coming to the floor of the House. This time, masked as "revenue sharing," the big spenders hope to create a new entitlement program. I am referring of course to S. 2463, the so-called Outer Continental Shelf Revenue Sharing bill.

The argument for this bill—that states adjacent to Federal offshore lands on which oil and gas production takes place have a special claim to the revenues from that production—tends to break down pretty quickly when one realizes that many states will get money that do not even have one mile of coastline.

Others have spelled out for you the numerous technical flaws in S. 2463: it gives no incentive for states to facilitate leasing; it makes states jump through numerous bureaucratic planning hurdles before getting their grants; it turns certain NOAA programs into entitlements removed from the annual appropriations cycle; it distributes money with a keen eye on attracting votes, but with little regard to state's actual offshore oil production; and so on.

But the real issue is pretty simple and straightforward: how can we possibly justify creating a massive new Federal spending program while we have a deficit approaching $200 billion? We hear so much about how this spending cut will harm that interest group and would be "unfair." Well, here is a chance to vote against spending that won't hurt anyone by voting against creating a new program. If this bill is enacted, the Treasury will be $2 billion smaller over the next five years. That means we will need to find another $2 billion worth of programs to cut or face the prospect of another $2 billion in tax increases that could be avoided.

The President's senior advisers will be unanimous in recommending that he veto S. 2463 because we believe that the bill is totally inconsistent with this Administration's pledge to control spending. I urge your colleagues to join you in supporting the motion to recommit the bill.

Sincerely,

DAVID A. STOCKMAN,
Director.

Mr. President, I also wish to read to my colleagues a letter addressed to the Honorable GENE SNYDER, U.S. House of Representatives, dated September 12, 1984:

DEAR GENE: As the House prepares to take up the Conference Report on S. 2463, legislation to create a new Federal grant program using revenues derived from Outer Continental Shelf oil and gas leasing, we wish to reiterate the Administration's strong opposition to the bill and express our support for your recommittal motion.

Revenues from OCS leasing in Federal waters are a national resource that should be used for the benefit of the people of

every state. That is what happens under existing law. A portion of OCS revenues are used for acquisition of new park and refuge lands, while the remainder go into the Treasury and reduce the need for tax revenues.

As drafted, the Conference Report provides windfall payments to states that are completely unaffected by OCS leasing. In addition, the formula by which grants are determined provides virtually no incentive to state and local governments to encourage their assistance in carrying out the OCS exploration and development program established by the Outer Continental Shelf Lands Act of 1978. Finally, the Conference Report would effectively remove a number of federal programs from the annual appropriations process by earmarking funds, thereby adding further to the deficit.

In total, reflecting to additional debt that the Treasury will incur in order to make up for the new grants authorized in the bill, S. 2463 will add more than $2 billion to the deficit over the next five years. If the nation is serious about controlling spending, the first place to start is avoiding the creation of unnecessary and unjustified new programs.

For the reasons stated above, we will be unanimous in recommending that the President veto this bill if it reaches his desk.

We hope that your colleagues will join you in your motion to recommit. If we can provide any further information, please let us know.

Sincerely yours,

DONALD T. REGAN,
Secretary of the Treasury.
WILLIAM P. CLARK,
Secretary of the Interior.
DAVID A. STOCKMAN,
Director, Office of Management and Budget.
DONALD PAUL HODEL,
Secretary of Energy.

(Mr. TRIBLE assumed the chair.)

Mr. DURENBERGER. Now, Mr. President, let me share with my colleagues a special review of the OCS issues involved by those in the Department of the Interior who have responsibility for, as these letters indicate, the expenditures of a national resource for the benefit of the people of every State of the Union.

FEDERAL OCS REVENUE SHARING: A CRITICAL REVIEW OF ISSUES

Background

Attempts have long been underway to establish a system of sharing with the coastal states revenues that accrue to the Federal government through leasing lands in the Outer Continental Shelf (OCS). Several bills have been introduced in the Congress to implement such a plan; however, no such legislation has been enacted as of this writing. A new bill may soon be introduced which embodies compromises between versions of the legislation that have been debated in the House of Representatives and the United States Senate. Some who have followed this issue believe this compromise has bipartisan support—

And I believe the chairman of the committee indicated that the bill before us today does have that kind of bipartisan support and as he indicated he thought it should be passed for that reason by both Houses of Congress in this session.

—and could be passed by both Houses of Congress in the current session.

Although the compromise legislation may have considerable support in Congress, there is no consensus that the legislation or the concept represents sound public policy. In fact, the arguments against OCS revenue sharing are compelling. Accordingly, the Administration has opposed the concept of revenue sharing and the Congressional bills that have been proposed to date.

This paper presents a critique of the arguments that have been offered in support of an OCS revenue sharing plan. Many of these arguments do not bear close scrutiny. To a major extent, the arguments are those that have been already raised in the Congress during debate on the various pieces of legislation referred to above.

In the earliest phases of the debate over OCS revenue sharing, two arguments were offered as a rationale for its implementation.

(1) Development and production activities associated with Federal OCS leasing impose negative impacts on the coastal areas of affected states;

(2) Many states receive a significant share of the revenue derived from the leasing of Federal mineral lands located within the boundaries of these states.

Thus, both arguments are based on the idea that a fundamental imbalance exists between the ways in which coastal states and inland states benefit from Federal mineral leasing.

Congressional advocates of revenue sharing have recently introduced an additional argument in debate over legislation. It is asserted that a sharing plan aimed at funding state Coastal Zone Management Programs (CZM) will create a "partnership" between the Federal Government and the coastal states. Such a sharing arrangement, it is alleged, will give the states "an incentive" to support the OCS program and thereby reduce the costly delays in leasing activities that have resulted from recent litigation.

Each major point mentioned in support of an OCS revenue sharing plan will be addressed in turn. The paper concludes with additional comments on budgetary and fiscal arguments against the implementation of such a plan.

Impacts of OCS Leasing

Congressional proponents and other advocates of OCS revenue sharing have emphasized the supposedly adverse impact of OCS leasing in attempts to demonstrate a need for a revenue sharing arrangement with the respective coastal states. Two types of impacts are commonly cited: 1) the environmental consequences of OCS activity and 2) the socioeconomic adjustments with which the affected areas must cope. Although it can be established that these types of impacts have occurred, it can also be shown that these impacts do not constitute a particularly persuasive case for the sharing of OCS revenue.

Environmental Impacts

The environmental consequences of OCS leasing can take several forms. However, in the public mind, concern is focused on oil spills. This concern is largely the result of one serious but isolated incident—the 1968 Santa Barbara oil spill. This single oil spill triggered a wave of public alarm which is still felt to the present day. Even though a study by the University of California found that no serious or lasting harm resulted from this spill, the public outcry prompted a move toward greater stringency in the regulation of OCS operations. Also, the Santa Barbara oil spill has induced the petroleum industry to reduce the probability of oil spills and to increase the efficiency with which oil spills can be cleaned up.

What has been the upshot of these developments? Although public concern over the possibility of oil spills has remained great, the following considerations attest to the fact that the environmental record for the OCS has been exemplary:

Since the new regulations were implemented in 1970, of 4 billion barrels of oil produced, only 791 barrels of oil have been lost from blowouts;

There have been no major oil spills since new blowout prevention regulations were implemented in 1970;

Since 1970, the total amount of oil lost from all Federal Offshore facilities has averaged 5,700 barrels a year, or just 0.002 percent of the oil produced;

By contrast, the leakage of oil from natural seeps at the Coal Oil Point area near Santa Barbara alone amounts to between 22,000 and 36,000 barrels per year;

The volume of oil pollution in U.S. waters that results from the movement of oil tankers is twenty-eight times greater than that accounted for by all OCS operations.

In light of the excellent environmental performance of oil and gas operations in the OCS, it is clear that the facts regarding oil spills do not create costs that justify the transfer of OCS revenues to coastal States.

Can a convincing case be made that the esthetic impacts of oil and gas operations on coastal communities are serious enough to justify revenue sharing? Do they create visual "eyesores" near coastal areas that would warrant compensation through a revenue-sharing procedure? Again, it is unlikely that such impacts are of any significant importance. OCS operations can be no closer to the coastline than the outer boundary of a State's coastal waters. State waters extend 3 miles beyond the coastlines of all coastal States.

There are some exceptions there for the western coast of Florida and the Texas coast where State waters extend 3 marine leagues, which is equivalent to 9 miles. At a distance of 3 miles, OCS operations are visible. However, the visual impact of such objects, however ugly they might be, is unlikely to be esthetically onerous to a degree that would warrant financial compensation through the sharing of OCS revenues. In this connection, it should not be overlooked that some coastal areas with OCS operations will also have State offshore oil and gas activity. These latter operations will be close to shore and will therefore impose esthetic burdens much greater than any resulting from OCS activity. In the case of California, approximately 85 percent of the wells drilled offshore have been in State waters.

But let me deal with the opinion of the Department of Interior relative to the issue of marine life and the environmental impact on such industries

as fishing. The question is: Can normal OCS oil and gas activites be linked to any such destruction?

While there may be some risk of harm, the reverse seems to be the case. The rigs used in OCS operations seem to function as artificial reefs in which fish and other forms of marine life thrive. In fact, the presence of OCS operations appears to affect marine life in such a way that positive economic benefits accrue to State fishing industries and coastal communities. It is estimated that from 80 to 90 percent of the fish harvested in the Gulf of Mexico are caught within 150 feet of a drilling or production platform. Consequently, this type of environmental impact offers no justification for the sharing of OCS revenues.

Nothing in the above discussion is intended to suggest that coastal communites have not suffered some environmental costs as a result of OCS activies. Rather, the observations only underscore the unlikely nature of many of the potential forms of environmental impact that have been raised as issues. However, even if one assumes that negative environmental consequences are more common than the above comments would suggest, can a plausible case then be made for OCS revenue sharing?

The 1978 amendments to the Outer Continental Shelf Lands Act were carefully designed to provide adequate protection for, and appropriate compensation to, coastal areas that might be affected adversely by oil pollution and other environmental impact. For example, provisions were designed to compensate coastal areas that have been adversely affected by oil spills. Title III of the OCS Lands Act, as amended, establishes an "Offshore Oil Spill Pollution Fund." Section 303, which covers damages and claimants, contains the following language:

"Claims for economic loss, arising out of or directly resulting from oil pollution may be asserted for—

(1) removal costs; and

(2) damages, including—

(A) injury to, or destruction of, real or personal property;

(B) loss of real or personal property;

(C) injury to, or destruction of, natural resources;

(D) loss of use of natural resources;

(E) loss of profits or impairment of earning capacity due to injury to, or destruction of, real or personal property or natural resources; and

(F) loss of tax revenue for a period of one year due to injury to real or personal property."

Thus, the most serious environmental impacts likely to be felt by coastal communities are already addressed by specific provisions of the OCS Lands Act, as amended. A program of revenue sharing for this purpose would be a duplication of effort and a wasteful use of resources.

SOCIOECONOMIC IMPACTS

Proponents of OCS revenue sharing also point out that coastal communities sustain a negative socioeconomic impact from OCS activity that is not felt beyond the locality or region. Although "affected" communities share the benefits of the OCS discoveries with the rest of the Nation, it is argued that they alone are forced to cope with social and economic burdens and adjustments associated with the OCS activities. This argument has a certain plausibility and has managed to generate some sympathy for the idea of sharing revenues from OCS operations.

However, this argument does not withstand close scrutiny. It is true that new OCS oil and gas operations can impose significant pressure on the fiscal capacities of coastal communities. With increased population and activity attendant to OCS operations, there may be an increased demand for roads, water and sewage systems, and schools, for example. It cannot be denied that the immediate financial burden of providing such services and facilities falls on the affected communities. However, there are three fundamentally important points to bear in mind regarding burdens borne by the affected localities.

First, there are numerous Federal programs that provide assistance to communities bearing such impacts. Prominent examples are the Local Government Fiscal Assistance Trust Fund, General Revenue Sharing, and the Federal Aid Highway Program. Other examples exist. The Land and Water Conservation Fund and the Historic Preservation Fund are supported in large part by offshore leasing revenues. Approximately $950 million is deposited into the latter two funds by the Minerals Management Service each year to augment other revenues committed to the support of Federal, State, and local programs.

A second important point is that OCS activities bring increased employment and income and thus an expanded tax base to the affected communities. In addition, during the entire period that OCS operations are located near particular coastal communities, it is almost always the case that the net economic benefits accruing to the community vastly exceed the costs imposed.

A study done in 1983 at Louisiana State University [LSU] assessed the impact of the offshore oil industry on the Louisiana economy. That study found that "every time a job is created in the petroleum sector by new sales in oil and gas production, two new jobs are also created by a 'ripple effect' in other sectors of the Louisiana economy." The study also shows that "for every job created in the petroleum refining industry through sales, nearly six new jobs are created in Louisiana." The LSU study also found that offshore oil and gas production valued at $19 billion created $1.8 billion in additional household income in the State. It was estimated that 55 percent of this additional income was indirectly generated outside the petroleum industries.

To the extent that the long-term economic net benefits tend to be positive it would appear that some localities will have the resources and financial flexibility necessary to adapt and adjust to any impacts that might be sustained. In these cases, the investments that must be made in roads, sewers, water systems, and schools can be handled through the issuance of bonds or any other credit instruments that provide the community with resources in the present in anticipation of income and tax receipts in the future.

A third point addresses situations in which efforts to raise funds through the issuance of bonds may be difficult because of the uncertainties inherent in the early stages of offshore activities. In such instances, the oil and gas companies have demonstrated a willingness to provide necessary funds. In the early phases of leasing and exploration, a newly affected coastal community will have no assurance that long-term benefits, tax receipts, will be forthcoming. In other words, it is possible that no major discoveries will result from exploratory activity. A bill has been introduced in the Congress designed to provide additional incentives to industry in assisting communities which face the risks and lags which occur between the time of initial economic impacts and any subsequent accrual of revenues.

The Energy Community Self Help Act (S. 1897), has been introduced to deal with the types of situations described above. In brief, this bill is designed to "assist in lessening any impact on communities resulting from rapid growth related to energy or resource development." The bill amends the International Revenue Code of 1954 by essentially granting oil companies and mining companies tax deductions for contributions or advance payments of royalties and taxes to States or local governments with the stipulation that these funds are used by the relevant jurisdictions to deal with the impacts of the types of rapid growth mentioned above. Although this legislation was initially designed to deal with the impacts of onshore energy development, its provisions would apply to any impacts on coastal areas imposed as a result of OCS activities.

In summary, it is unlikely that a credible argument for OCS revenue sharing can be based on economic impacts sustained by coastal localities. There is no evidence that these impacts are negative over the long-term

existence of OCS operations. In addition, to the extent that such legitimate impacts emerge, numerous other Federal programs are available to communities.

INEQUITABLE SHARING OF FEDERAL MINERAL REVENUES

Since the Federal Government returns to the States 50 percent, 90 percent in the case of Alaska, of all mineral leasing revenues collected on Federal lands within a State's boundaries, it is sometimes argued that it is inequitable not to share revenues from the OCS in a similar manner. It is pointed out that States obtain more than $1 billion annually from inland Federal leasing activities. Advocates of OCS revenue sharing assert that this arrangement constitutes an inequity because the inland States receive this share of Federal leasing revenue as a compensation for the negative impact of mineral development. In their view, equity would be restored by a sharing arrangement in which coastal States are compensated for the impacts of OCS activities.

However, those who defend the current system respond by saying that no inequity exists since onshore leasing occurs within the boundaries of a State while OCS leasing takes place entirely outside a State's coastal waters. Those who support OCS revenue sharing are critical of this point of view and assert that Federal lands are held in trust by the Federal Government "as the natural heritage of all Americans." Furthermore, the argument is made that even though a particular tract of land may be "situated within one State does not provide that State with any unique interest in, or claim to, that land except as its use or development bear upon the State."

In sorting out the respective merits of these arguments it is important to note that two issues are really being addressed. First, the allegation is being made that some States are being compensated for the negative impacts of mineral leasing, while others are not receiving compensation. The second issue is raised in the counter argument that the location of Federal minerals within a State boundary establishes a legitimate claim to compensation that does not exist in the case of States with adjacent OCS operations. With respect to the first of these issues, it must be reemphasized that little concrete evidence exists to support the claim that coastal States have suffered negative net impacts as a result of OCS leasing activities. It has also been shown that in the event that such impacts occur, numerous Federal assistance programs are available to these coastal States.

While little credence can be attached to the argument that inland States merit compensation solely because leased Federal minerals are located within the boundaries of the respective States, there are at least two considerations that may justify the existing onshore sharing arrangement. First, the Federal Government has retained title to much of the land and mineral interests within these States. The sharing of leasing revenues can be seen, in part, as a compensation to the States for the retention of these property rights on the part of the Federal Government. Second, the surface of Federal lands enclosed within a State's boundary can yield important economic benefits to the economy of the affected State. Agricultural use would be one of the most obvious examples of such benefit. However, the leasing of these lands by the Federal Government for mineral development nearly always restricts the access to and use of the land for productive alternative purposes. Consequently, the affected inland State bears a cost as a result of Federal leasing activity. The coastal States, on the other hand, bear a much lower opportunity cost as a result of OCS activity.

Thus, it appears there is no major inequity to redress in the sharing of Federal revenues from mineral leasing. The inland States appear to bear costs as a result of Federal mineral leasing that do not have any counterpart in the case of coastal States with adjacent OCS activity.

PARTNERSHIP BETWEEN THE COASTAL STATES AND THE FEDERAL GOVERNMENT

In defense of recent legislation aimed at the implementation of OCS revenue sharing, the case has been made that there is a need to establish a partnership between the Federal Government and the coastal States.

The following comments were made during floor debates by sponsors of H.R. 5 in support of the partnership rationale:

> One of the primary financial justifications for approving H.R. 5 is that revenue sharing would help establish a working partnership between State governments and the Federal Government with regard to OCS development. The clear failure to establish such a relationship in the past has delayed the development of vital domestic oil and gas supplies, caused a significant loss of revenues to the Federal Treasury, and hampered effective coastal zone management.
>
> There is good reason to believe that these problems could get worse . . . the current administration has repeatedly targeted State coastal management programs for elimination. Without alternative funding schemes, like revenue sharing, the coastal States . . . will resort to whatever tactics are at their disposal until they can adequately assess the impacts of OCS exploration, development and production plans.

This legislation would establish the Ocean and Coastal Resources Management and Development Fund with OCS revenues. Block grants would be distributed to all coastal States including the Great Lakes States. To qualify for block grants under the program, States must have implemented a CZM program as defined under the Coastal Zone Management Act. Most of the funds distributed to the States would be committed to the support of CZM programs. A relatively small percentage would be designated for the alleged problems related to the impact of OCS activities.

The partnership is established essentially by funding State CZM programs with OCS revenues. There are several legitimate criticisms must be offered regarding this means of creating a partnership between the Federal Government and the coastal States. First, the legislation does not create an incentive for the States to support the OCS program. There are no provisions in the so-called compromise bill that offer an advantage to States in having OCS activities offshore. Furthermore, the amount of money that each coastal State would receive would not be large enough to induce a State to change its political position with respect to OCS leasing. It would instead only create an incentive to lobby for increases in the percentage of OCS receipts allocated to the fund. Thus, once the proposed revenue sharing plans were in effect, individual States could continue to resist OCS leasing without suffering any adverse consequences.

One approach to OCS revenue sharing that has been suggested would probably create some incentive for the affected States to support the OCS program. That plan would not involve the sharing of revenue on the basis of participation in programs such as those related to coastal zone management. Rather, a State's share of OCS revenues would be determined on the basis of the value of OCS oil production accounted for by operations off the State's coast. Although, this alternative would represent a dramatic improvement over that which is contained in proposed legislation, it would not in itself make OCS revenue sharing a sound public policy.

Second, coastal zone management problems faced by coastal States are not related in any important way to OCS leasing. There is no obvious rationale for the funding of CZM programs with OCS revenues. The coastal zone problems faced by the respective States are largely the result of onshore activity and the regulatory mismanagement of the States. For example, in coastal Louisiana, marine life has been adversely affected in areas near the mouth of the Mississippi. This situation may well represent a serious coastal zone management problem. However, it is a problem that has arisen because of numerous activities along the entire length of the river. These include:

Industrial and municipal dumping; dredging and channeling; agricultural erosion and overfertilization; overfishing; and flood control efforts which

affect erosion rates, shapes of shorelines and nutrient levels.

To a major extent, the resulting situation has emerged because of regulatory neglect at the State level. Although the construction of OCS related facilities has resulted in some disruption in coastal zones, the major problems in coastal zone management are not connected with OCS activity in any predominant way. Thus, if OCS revenues are to be channeled into block grants at the State level, use of the funds should be limited to alleviation of only legitimate problems that arise directly from OCS activities.

Third, although the announced rationale for tying block grants to CZM programs was that of establishing the partnership, the actual intent in the Congress was apparently quite different. By using CZM programs as a qualifying criterion for block grants, the sponsors of the legislation have been able to expand the number of States that would be beneficiaries under the bill and thus to broaden congressional support for the proposed legislation. This approach would provide a means of continuing Federal funding of a program that has been given much lower budget priority by both the Congress and the administration.

Fourth, with respect to a need for a partnership between the Federal Government and the coastal States, it should be pointed out that a type of partnership has always existed. A partnership is created by the fact that all of the States in the Union benefit from the OCS program. These benefits take the form of more secure energy supplies and tax displacing revenues which flow into the U.S. Treasury. These are benefits which accrue directly or indirectly to every American and give citizens of coastal States a vested interest in an expedited, efficient, and well managed OCS program.

BUGETARY AND FISCAL ARGUMENTS AGAINST THE SHARING OF OCS REVENUES

There are three additional arguments that should be made against the implementation of a revenue sharing plan:

First, the Federal Government is currently operating with very high deficits; the implementation of a revenue sharing program would only aggravate an already serious problem.

Second, the system of block grants provided for in existing legislation would reduce Federal budgetary flexibility.

Third, a program of sharing OCS revenues through block grants would necessarily require an administrative and regulatory mechanism at both the Federal and State level.

The first point raised above does not require much elaboration. Although the legislation currently being considered would provide for a fund of an amount up to $300 million, it can readily be seen that once the fund is in existence, pressure would be applied in the Congress to increase its size. In other words, once the door is opened it is reasonable to expect that the fund would receive even larger shares of total tax receipts.

Second, budgetary flexibility would be reduced by any OCS revenue sharing program even though funding would be established through an appropriation process on an annual basis. The statutory existence of a fund would add institutionalizing rigidity to the appropriation process; the States would have an established forum in which to lobby for expanded funding for block grants. This process would almost certainly result in a commitment of OCS revenues to programs the merit of which has already been challenged at the Federal level.

The third point focuses on the administrative burden that would be imposed by the proposed OCS revenue sharing procedure. This burden would be borne at both the Federal and State level; it would be made costly by the regulatory procedures that would be required to implement such a plan. In light of the points rasied in the preceding discussion, it is doubtful that the benefits would justify the costs that would be involved.

CONCLUSIONS

The arguments in favor of OCS revenue sharing have rested on the following considerations;

The need to compensate States for environmental and socioeconomic impacts of OCS leasing;

The need to redress inequity in the ways in which States benefit from the revenues generated from Federal mineral leasing; and

The need to form a partnership between the Federal Government and the States in the management of coastal resources.

In the first instance it was pointed out that negative net impacts of OCS leasing on coastal communities are not readily apparent. To the extent that legitimate impacts occur, Federal programs are already available to deal with problems arising from OCS activity.

The inequity issue raised by the Federal mineral revenue sharing arrangement with the inland States also fails to provide a convincing rationale for OCS revenue sharing. It was pointed out that inland States may sustain legitimate burdens as a result of the leasing of Federal minerals lands within State boundaries. These burdens have no obvious counterpart in the manner in which coastal States may be affected by OCS leasing.

The most flawed of the three arguments for OCS revenue sharing is that based on the need for a partnership between Federal, State, and local governments. OCS revenue sharing has been offered as a means of generating support for the OCS program at the State level. However, it is clear that it will do no such thing. No incentive would be created for any State to support the program since the proposed sharing formulas largely ignore central issues such as OCS impacts and the extent of OCS activity off the coast of States. The proposed sharing formulas are determined on the basis of a State's implementation of a Coastal Zone Management Program as defined under Federal law. Such an arrangement has several unfortunate implications:

First, many States without offshore leasing would be beneficiaries;

Second, States such as Texas without a CZM program would receive nothing even though Texas has extensive offshore leasing;

Third, coastal zone problems addressed by these programs are largely unrelated to OCS activity;

Fourth, States benefiting from the proposed sharing arrangement could continue to resist additional leasing without affecting their respective shares of revenues;

Fifth, the Federal Government would loose much needed revenue to support CZM entitlements even though these programs, CZM, have been given dramatically reduced priority in the Federal budget; and

Sixth, the proposed sharing arrangement would require a costly regulatory and administrative mechanism; this consequence would run counter to this administration's efforts to reduce the administrative and regulatory burdens imposed on the American public.

Mr. President, I could go on for much longer but I will stop for now. I cannot in good conscience support this measure. I am prepared to debate it at some length. Indeed, I have an additional comprehensive critical review of the issue. At this point, however, I will relinquish the floor for now so that other Senators may have an opportunity to speak.

Mr. TOWER. Mr. President, this so-called Outer Continental Shelf revenue-sharing legislation has reached the Senate in a form that is vastly different from the original bill. It does not, in my estimation, achieve its stated objective of sharing OCS revenues with States participating in OCS development. Instead it operates under a thinly veiled disguise to disburse Federal funds to States that may or may not be participating in OCS development, even to States that may or may not have coastal waters. In fact, under the allocation formula in this legislation, a State could oppose OCS leasing, exploration, and development, yet still receive substantial grants from the OCS revenue-sharing fund.

This measure creates a new entitlement program that will add $3 billion

to the deficit in the next 10 years. The administration has made no secret of its intention to veto the bill. I submit that the Senate should follow the lead and think twice before passing this ill-conceived piece of legislation.

In addition, the bill would earmark one-quarter of the OCS receipts for coastal zone management programs. Yet, funding for these programs has been reduced by Congress during the last few years. This legislation is attempting to fund a program that, although possibly related, is not directly tied to OCS development. Under the same allocation formula, States would be penalized for choosing not to establish a coastal zone management plan. Incentives for establishing such operations have been enacted. While I recognize the importance of balancing environmental concerns with energy development, I oppose this end-run attempt to earmark funds for coastal zone management programs.

In short, Mr. President, this bill is not a revenue-sharing bill for States involved in OCS activity. Instead it adds to the deficit by rewarding some non-OCS States and penalizing other States with a significant role in OCS development.

For these reasons, I urge my colleagues to oppose this bill.

Mr. GORTON. Mr. President, I support passage of the conference report on S. 2463, the NMFS authorization. This legislation establishes the ocean and coastal resources management and development fund from which block grants will be made to coastal States and territories, and which authorizes appropriations for several National Marine Fisheries Service (NMFS) programs and deep seabed mining.

I would particularly like to focus on the provisions contained in section 205 of this bill relating to the Magnuson Fishery Conservation and Management Act (MFCMA). The amendments to the MFCMA are intended to expand foreign trade opportunities for our American fishing industry and to ensure that our own fishing industry receives the maximum obtainable benefits whenever the Federal Government allocates surplus fish in our 200-mile zone to foreign nations.

The "fish and chips" policy embodied in the MFCMA is a sound, fundamental premise of our fishery management process, and it has provided substantial benefits to many sectors of our fishing industry. Strengthening of the act's provisions governing allocations, however, should bring those practices more into line with the act's purpose.

Allocations of fish from our fishery conservation zone (FCZ) to foreign nations is not a right on which foreign nations should rely. It is a privilege—a privilege that is only conferred in return for cooperation on their part. To date, that cooperation has not been fully satisfactory.

The provisions in this bill would accomplish three principal objectives. First, it would more sharply define our "fish and chips" policy by explicitly stating that purchases of processed fishery products, particularly bottomfish, and not just purchases of unprocessed fish, are expected in return for allocations. This does not mean that joint venture over-the-side purchases from U.S. fishermen are not desirable or beneficial to our industry. They are. It simply means that purchases of fish by themselves are not all we're trying to accomplish—that by themselves, they are not enough. The purpose of the allocation criteria is to stimulate purchase of American processed fish. The benefits to our fish-processing industry are to be given importance, equivalent to that of the fish-harvesting industry.

Second, the conference report clarifies the Magnuson Act so that there is no doubt that allocations to a foreign nation occur when we are satisfied with that foreign nation's arrangements to purchase U.S. fish and fish products—and clarifies that full allocation of the total allowable level of foreign fishing, or TALFF, is not required by law.

Third, S. 2463 sharpens the focus of "fish and chips" to require an evaluation of what the foreign nation seeking an allocation is doing for our domestic industry in the fishery for which an allocation of pollock must show what it is doing to open its market to American exports for pollock and cannot merely gain an allocation credit by purchasing other species of fish.

These reforms to the allocation provisions of the Magnuson Fishery Conservation and Management Act should provide a significant boost to our fishing industry's efforts to expand and improve its utilization of our FCZ's fishery resources. These reforms should also make it clearer to foreign nations wishing to fish in our FCZ that the privilege of access carries the responsibility of cooperation and reciprocal market access.

I would now like to focus on title I of S. 2463. The development of this title was guided by several principles.

First, a portion of Federal revenues from the extraction of nonrenewable OCS mineral resources should be applied toward continued management and development of renewable ocean and coastal resources;

Second, in accordance with current initiatives to expand OCS mineral leasing, emphasis should be placed on providing funds for State management efforts, block grants, and State decision flexibility. This facilitates the development of a partnership on OCS development versus the traditional adversary roles between the State and Federal Governments; and

Support of certain ocean and coastal programs should be maintained in the block grant concept, including coastal zone managmeent, long-range scientific research, as well as living and nonliving marine research programs.

The State of Washington, the first State with an approved coastal zone management program, has a deep and longstanding interest in programs which would receive funding under this bill. The Coastal Zone Management Program, as well as other living and nonliving resource development programs, are activities which significantly contribute to the quality of life and to the economy of Washington State.

In conclusion, I would like to point out that the amount paid into the fund is tied to expanded offshore development. As OCS activity increases, Federal revenues increase, and the size of the fund grows. Furthermore, mitigation of coastal energy impacts is a major goal of S. 2463. The allocation formula reflects this goal. Sixty percent of the formula is tied to energy activity, with 40 percent of the portion emphasizing OCS activity exclusively. Therefore, State next to producing and frontier regions of the OCS will receive the largest grants. Last, this program will be entirely subject to the control of Congress through the normal authorization and appropriations process.

Mr. DURENBERGER. Mr. President, while I disagree with the conclusion, I compliment the Senator from Washington on the articulate statement. He did talk in much of his statement about an industry that is important to the State of Washington. He did point out, as I did in my opening statement, that the Congress a number of years ago in the coastal zone managmeent legislation provided for appropriate measures of protection.

Mr. HATFIELD. Mr. President, I do not need to repeat the comments which have already been made regarding the need for Outer Continental Shelf oil and gas revenue sharing with States and local communities. However, I would like to associate myself with those remarks. This program will provide a timely and important "shot in the arm" for economically depressed coastal communities and will put them in parity with inland States which, for years, have received a portion of Federal oil, gas, and mineral reserves.

More importantly, Mr. President, for many areas of the country where new development is taking place, this action by the Senate is taken in advance of actual oil and gas leasing in order that coastal communities may receive "up front" funding to mitigate

the socioeconomic impacts associated with accelerated oil and gas leasing in the Outer Continental Shelf. As you can imagine, it is unique for the Congress to act in anticipation of such a problem.

I want to express my strong personal support and interest in the Ocean and Coastal Resource Institute which will be funded with shared OCS receipts made available by this legislation. While the immediate relationship of such an institution to oil and gas leasing may be lost on many, I must say that institutes like this are fundamental to assuring that coastal States and communities are not used and left as "ghost towns" once oil and gas development is completed. Using money now available from OCS oil and gas revenues, coastal communities will be allowed to plan for future diversified economic development once oil and gas leasing has concluded.

Finally, Mr. President, contrary to some comments made regarding the funding of this bill, the revenue sharing provision will be subject to the appropriation process and will not be an entitlement program. As such, this funding will be fully considered through the congressional budget and appropriation process in addition to the State process which is contained in the legislation. As a Member interested in coastal issues and as chairman of the Senate Appropriations Committee, I applaud the Commerce Committee's consideration and resolution of this funding issue.

Mr. President, I thank you and the sponsors of this legislation for your thoughtful and timely action.

Mr. LONG. Mr. President, I wish to offer my strong support for adoption of the conference report on S. 2463. This measure provides for the establishment of an Outer Continental Shelf revenue-sharing program. Similar to the program I cosponsored in S. 800, the Ocean and Coastal Resources Management and Development Block Grant Act. Enactment of this legislation is critical to ensure development of offshore energy sources and to enable States to effectively manage their coastal zones.

The compromise language in this report provides for the sharing of 4 percent of the revenue from OCS oil and gas development. All coastal States and territories will be assisted in fulfilling their obligations to protect and manage their coastal zones. This is particularly important in a State such as Louisiana which is losing approximately 50 square miles of coastal lands each year.

OCS revenue sharing funds will be allocated to State and local governments in the form of block grants. A similar approach has gained wide favor under the general revenue sharing program. The flexibility and local discretion the OCS plan affords will allow State and local governments to respond to their most pressing coastal needs.

This revenue sharing proposal will also give coastal States a real interest in OCS development. Enactment of this program will give many coastal States, for the first time, an incentive to work with the Federal Government to ensure prudent development of the Outer Continental Shelf.

Mr. President, the sharing of revenues from mineral production on Federal lands is not a new concept. Interior States already receive 50 percent of the revenues from production on Federal lands within their boundaries. It is only fair that coastal States be afforded an opportunity to share in the proceeds from Federal offshore development, so that important coastal responsibilities may be met.

I strongly urge my colleagues to support the adoption of this conference report.

Mr. HOLLINGS. Mr. President, during the last few sessions of Congress, we have seen a great deal of legislative activity concerning the Outer Continental Shelf [OCS], and particularly offshore oil and gas exploration. This has long been a highly controversial issue area because the Outer Continental Shelf is an invaluable storehouse of both nonrenewable resources, such as oil and gas, and renewable resources, such as fish. And the perception is that from time to time our legislative goals for stewardship of the nonrenewable resources conflict with our goals for the renewable resources.

This perception is not entirely unfounded. Issues surrounding both the conservation and development of these precious resources have been difficult to resolve. That is why I am so pleased that at long last we finally have a legislative measure which recognizes the legitimacy of both these interests and provides incentives for OCS oil and gas exploration and development. This legislation is a bipartisan effort and is consistent with the administration's position to strengthen State and local governments.

I am speaking, of course, of the conference report on S. 2463 which carries the House-Senate compromise bill on OCS revenue sharing. And I join our chairman of the Committee on Commerce, Science, and Transportation, Senator PACKWOOD, as a sponsor of this legislation.

S. 2463 establishes a program to share receipts from the Federal OCS leasing program with 30 coastal States and 5 territories through a block grant program. The grants, to be used for ocean and coastal management, would be distributed under a formula which considers both energy and coastal-related factors.

Mr. President, there is no question that opposition from State and local governments is having an adverse impact on the Federal OCS leasing program. It now appears that the OCS leasing progam will generate less than half of the $15.8 billion in Federal revenue that the administration had predicted for fiscal year 1985. This bill will not solve all of our problems with the OCS leasing program, but it will demonstrate our concern for the needs of State and local governments and provide them with a strong incentive to cooperate with our national goals.

We have witnessed almost a decade of lawsuits brought by coastal States against the Federal Government over when, how, and how much OCS oil and gas leasing would occur off their shores. And how, to further intensify matters, the Federal OCS oil and gas leasing program has been accelerated tremendously, thereby putting even greater pressure on the coastal States to respond to commensurate onshore energy needs. Continued litigation will potentially cost the U.S. Treasury hundreds of millions to billions of dollars in revenues.

I do not believe that the Supreme Court's decision this past January affecting the Federal consistency provision of the Coastal Zone Management Act will settle the controversy. The litigation will continue. The States have a legitimate stake in Federal decisions affecting their shores, and particularly their coastal zones. It is only equitable to enable them to mitigate the impacts of these Federal activities with balanced resource management programs.

Opposition to this measure is based largely on economic grounds—that it will bust the budget.

Everyone in this Chamber is aware of my efforts to reduce deficit spending. They know I would not support legislation that would sharply increase the deficit. But they are also aware that I know a good investment when I see one. And that is precisely what this compromise legislation is—a modest investment that will soon pay off with substantial savings.

And it is indeed a modest investment. The funding that would be provided through the block grants represents only 4 percent of Federal OCS revenues over the last 3 years—with a cap of $300 million.

This money will act as a disincentive to court action—that is, the funding will provide States with options other than suing the Federal Government to achieve a balance in offshore resource use. Thus, we will be preventing needless litigation and delays in OCS development that could cost our Federal Treasury well into the hundreds of millions of dollars. I'm sure we will recover our investment within a short period of time. Meanwhile, we will be doing much to increase total Federal revenues from OCS leasing, as well as providing our Nation with increased

energy security and environmental protection.

So in the long run, S. 2463 is good economic and public policy.

More importantly, this measure provides States with coastal zone management plans with the funds they need to ensure an uninterrupted permit process. For this reason, I cannot for the life of me understand why the administration is so opposed to funding for State CZM programs. Apparently, they fail to realize that these programs control the permit process. Without funding, the process will slow down—or more likely grind to a halt. These delays will increase costs for the private sector, and ultimately they will translate into a substantial loss of Federal revenues.

There are other reasons why the block grants are necessary, of course. Benefits from offshore oil and gas development are national in scope, yet coastal States, and their local governments and communities, bear a disproportionate burden of the costs. Inland States are compensated by the Federal Government for mineral development within State boundaries. But coastal States receive no such help in conjunction with OCS oil and gas development. It is only equitable that our coastal States share directly in Federal revenues from the Outer Continental Shelf since they bear the burden of that development.

The conference report on S. 2463 does cover more than OCS revenue sharing, and I would like to briefly describe some of its other components.

This compromise legislation reauthorizes, without reduction, the ongoing programs of the National Marine Fisheries Service in the National Oceanic and Atmospheric Administration [NOAA] for fiscal year 1985. These programs include fisheries information collection and analysis activities, fishery conservation and management activities, and State and industry assistance programs. In addition, the bill contains a 2-year reauthorization of the Deep Seabed Hard Minerals Resources Act. Finally, we have included an amendment to the Magnuson Fishery Conservation and Management Act which would provide additional flexibility for the U.S. Government to permit foreign vessels in U.S. waters and increase our foreign trade leverage for U.S. fishery products. None of these matters is controversial.

S. 2463 has 33 other cosponsors in the Senate, and when looking at the list I believe my colleagues will find that the measure is more than bipartisan. It also represents a wide range of philosophies: Senators STEVENS, JOHNSTON, INOUYE, MURKOWSKI, RUDMAN, PELL, TSONGAS, COHEN, MITCHELL, RIEGLE, CHILES, DODD, LONG, THURMOND, CHAFEE, MATSUNAGA, HAWKINS, MOYNIHAN, TRIBLE, BRADLEY, QUAYLE, PERCY, SARBANES, MATHIAS, LEVIN, KENNEDY, LAUTENBERG, GLENN, WILSON, D'AMATO, HUMPHREY, SPECTER, and GORTON. In addition, I understand that Senator LOWELL WEICKER also supports this bill, although he is not a cosponsor.

On March 11 of last year, Senator STEVENS and Chairman PACKWOOD introduced S. 800, the first version of Senate OCS revenue sharing. Shortly thereafter, on March 21, 1983, Senator JOHNSTON and I introduced a second version of the OCS revenue sharing concept. On April 5, after 2 weeks of intense negotiations between our four offices plus those of Senators INOUYE and WEICKER, the Commerce Committee favorably reported the compromise bill, S. 800.

Meanwhile, the House was working on its own version of OCS revenue sharing, H.R. 5. It is important to note that the House actually has a much longer record of interest and action in this area than we do. Under the leadership of the able chairman of the Merchant Marine and Fisheries Committee, Representative WALTER JONES, the House has passed OCS revenue sharing bills in each of the last several years.

This year, the House added H.R. 5 as an amendment to S. 2463, which was originally a fisheries bill. S. 2463, in turn, was passed by the House and became the primary subject of the conference committee. I consider the committee's compromise bill a good and fair one, reflecting the major facets of both the House and Senate bills.

It is important that all my colleagues know that the conference committee—consisting of Senators STEVENS, PACKWOOD, GORTON, INOUYE, and myself on the Senate side, and Congressmen JONES, BREAUX, STUDDS, D'AMOURS, PRITCHARD, YOUNG, and CARNEY from the House—Republican, Democrat, conservative, and liberal alike, voted unanimously for this compromise bill in conference, and every single member of the conference signed the statement of managers. In addition, the House passed the conference report last Thursday by a vote of 312 to 94.

A look at some of the outside supporters of this measure is revealing: The National Governors' Association plus four other Governors' organizations—the New England Governors' Conference, the Western Governors' Association, the Southern Governors' Association, and the Coastal States' Organization. In addition, 28 Governors have issued OCS statements supporting this effort. The U.S. Conference of Mayors supports revenue sharing, as does the National Association of Counties and the Coalition of Coastal Counties. Other organizations include the National Conference of State Legislatures, the National Association of Attorneys General, the National Association of Conservation Districts, the National Association of State Universities and Land Grant Colleges, the American Society of Landscape Architects, the American Planning Association, the American Institute of Certified Public Accountants, the Western Interestate Energy Board, the Western States Land Commissioners Association, the International Association of Fish and Wildlife Agencies, the Interstate Oil Compact Commission, as well as the Atlantic, Gulf, and Pacific Fisheries Commissions, several energy companies, and the environmental community.

Mr. President, I could go on and on, but the point is obvious: The support for this bill is overwhelming. And if you have any doubt, take a look again at the vote in the House last Thursday—312 Members in favor of the bill—over two-thirds of that body.

It is important that we address the questions of Federal-State relations, OCS activities and protection of our ocean and coastal resources. Clearly, S. 2463 is a viable mechanism to address these concerns. The bill will help promote balanced leasing and development of the OCS by providing coastal States with a more direct financial interest in Federal OCS activities. The bill will also provide a long term, predictable source of funds to States to apply to offset the effects of OCS and other energy-related activities, and maintain effective and efficient management of our coastal areas.

I urge my colleagues to support the conference report on S. 2463.

Mr. INOUYE. Mr. President, I wish to express my support for this legislation establishing an Ocean and Coastal Resource Management and Development Fund. This legislation is the result of long hours of negotiations and represents a bipartisan as well as bicameral compromise.

The time for this action is now. The present administration has embarked on an accelerated leasing schedule for the Outer Continental Shelf for oil and gas exploration. Such development may cause adverse impacts throughout the Nation's coastal areas and require States to assume additional responsibilities at a time when their financial resources are inadequate to respond to these economic and natural resource management dislocations.

Since the revenues of the Outer Continental Shelf are obtained through the development of this Nation's nonrenewable offshore resources, some of these revenues would be invested in this Nation's ocean and coastal resource management and efforts to enhance the use, conservation, and understanding of our ocean and coastal resources.

The establishment of this Ocean and Coastal Resource Management and Development Fund, as proposed in

this legislation would provide all coastal States and territories enhanced financial resources to manage and protect this Nation's vital natural resources. The approach taken by the bill is, I feel, both efficient and equitable. It recognizes that those States with the greatest need for funds to offset OCS development should receive the largest grants. The amendment also recognizes that all coastal States and territories have resource management and development needs and thus provides each with an adequate minimum grant. Taken as a package, this legislation offers a balanced approach to the inevitable impacts of accelerated Outer Continental Shelf leasing.

Mr. RIEGLE. Mr. President, I rise in strong support for this legislation which will finally bring a measure of parity to the Great Lakes in the Coastal Zone Management Program. By acknowledging the Great Lakes as the fourth seacoast, we are making an affirmative statement that the benefits of the National Coastal Zone Management Program should be distributed in an equitable fashion to all coastal States, be they freshwater or saltwater.

The Coastal Zone Program provides block grants to States which have enacted approved coastal zone programs. The funds are generated by revenues from the Outer Continental Shelf leasing program. These moneys are designed to provide States with the means to offset the impacts of energy development and energy-related activities, including energy transportation effects.

Mr. President, the Great Lakes contain 95 percent of the surface freshwater in the United States, enough to fill the Grand Canyon 179 times. They provide drinking water for more than 23 million people, and are of tremendous commercial, industrial, and recreational importance to the entire Nation. I am grateful that the Senate has moved to approve this legislation. It is necessary, it is balanced, and will be of great assistance to the States in my region to maintain the vitality of the Great Lakes.

● Mr. JOHNSTON. Mr. President, few realize how important the Outer Continental Shelf is to the future of the United States. Roughly half of the oil and gas we will need by the year 2000 has not yet been discovered. But we do know that 65 percent of our future domestic crude oil discoveries and 35 percent of our future domestic gas discoveries will be made offshore. Currently, 12 percent of our domestic crude and 27 percent of our gas production comes from the OCS. So the OCS has a very important role to play in the energy future of the United States.

At the same time it is essential that we protect and properly manage the natural resorces of our coastal areas. My State of Louisiana has proven over many years that production of OCS oil and gas and protection of coastal resources are mutually consistent goals. As of the beginning of 1981, over half of all OCS acreage leased for the entire Nation was leased in waters off my State. I am convinced that as OCS actively spreads to other areas and increases in intensity that achieving OCS oil and gas development as well as protecting and nurturing OCS resources will require a cooperative effort between Federal, State, and local government.

I am particularly pleased to rise in support of the conference report on S. 2163, the Ocean and Coastal Resources Management and Development Block Grant Act. I was an original cosponsor of the measure (S. 800) which was reported from the Committee on Commerce, Science, and Transportation. I endorse this bill as reported by the conferees because it will provide the necessary framework for the intergovernmental cooperation that is essential for future OCS development and protection. The bill provides Federal block grants to States for coastal zone management programs, coastal energy impact programs, and activities relating to living marine resources and natural resources in coastal areas. The amount of block grants allocated to States is tied to: First, OCS acreage leased, and oil and gas produced; second, planned OCS lease sales; third, coastal-related energy facilities; fourth, shoreline mileage; and fifth, coastal population.

This bill involves local government in coastal areas in particular. S. 2163 requires that each State pass through at least one-third of their block grants to local government to be expended for eligible uses.

Mr. President, I think that it is important to note that this bill does not create an entirely new program. Most of us are concerned about the creation of new programs, given our deficit situation. Instead, S. 2163 consolidates current coastal zone management programs and coastal energy impact programs into a block grant program that properly gives States more flexibility to fashion the programs to fit their own situations.

Another concern that has been raised is whether this bill is an entitlements program. In fact S. 2163 is simply an authorization bill that moves existing coastal programs into a block grant program. The whole bill is subject to appropriations, so there is no entitlements aspect to this bill at all.

Moreover, the authorization level in this bill is a function of Federal OCS revenues. The estimates of the Department of the Interior are that OCS revenues will actually decline this year and next as compared to last year. By tying the authorization ceiling to the amount of Federal OCS revenues collected and by tying a States respective allocation to oil and gas production and lease sales off its shores, the bill gives States a greater stake in the development of OCS oil and gas resources. Hopefully, enactment of this bill will reverse the immediate trend of declining OCS Federal revenues.

Finally, I want to congratulate Senator STEVENS, Senator PACKWOOD, Senator HOLLINGS, and other members of the Commerce Committee for the hard work they put into this legislation. I urge all my colleagues to support the adoption of this conference report.●

THE "SATISFACTORY PROGRESS" DETERMINATION FOR A COASTAL STATE WITHOUT AN APPROVED CZM PROGRAM

● Mr. PERCY. Mr. President, I would like to engage the distinguished Senator from Oregon [Mr. PACKWOOD] in a colloquy regarding the conference report to S. 2463, the Ocean and Coastal Resources Management and Development Block Grant Act.

From 1974-78, Illinois participated in the Federal Coastal Zone Management Program and developed a program that would have established a State/local partnership designed to address the significant coastal issues of the Illinois coastal area. Unfortunately, enabling legislation did not pass the general assembly and Illinois was unable to obtain final program approval.

Since that time, Illinois has utilized the blueprint designed during that period to ensure the wise management of coastal resources within the State. The State's activities include the development of a comprehensive shore protection plan, strict enforcement of construction activities in coastal waters, the development and expansion of recreational activities and facilities and public access in the coastal zone, to name but a few.

Mr. President, the goals of the CZM program are worthwhile, and it is my understanding that the government of the State of Illinois will continue its good faith efforts to come within the umbrella of the Federal Coastal Zone Management Program.

My question to the Senator is, am I correct in understanding that these ongoing coastal resource management activities will enable Illinois to receive a satisfactory progress determination from the Secretary as outlined in section 5(e)1?●

● Mr. PACKWOOD. Mr. President, let me say to my good friend from Illinois that he is absolutely correct in his understanding. The purpose of that provision in the legislation is to allow States, like Illinois, that are establishing the programs and policies necessary for program approval under section 306 of the Coastal Zone Management Act to receive a finding of satis-

factory progress for up to 2 years and qualify to receive full funding under this revenue sharing program.●

● Mr. PERCY. I thank my colleague for his clarification on this vital matter.●

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I would ask the distinguished Senator from Minnesota if he would clarify a point that I may have missed. It was with reference to an amendment to the Tax Code. Did I understand the Senator to say that this conference report would amend the Tax Code?

Mr. DURENBERGER. No; I did not say that.

Mr. LAUTENBERG. Then I misunderstood the Senator. I will not pursue the question.

Mr. President, I rise in support of the conference report on S. 2463. The report provides that the Federal Government begin to share with States, some small portion of the revenues it receives from energy development in the Outer Continental Shelf, just off the shores of our coastal States.

Mr. President, I was pleased to be an early cosponsor of S. 872, Senator HOLLINGS' OCS revenue sharing bill, and a cosponsor of S. 800, Senator STEVENS' OCS revenue sharing bill, which was ultimately reported with amendments by the Commerce Committee. The effort to provide OCS revenue sharing has been a long one.

OCS revenue sharing serves three goals, Mr. President.

First, it provides coastal States like New Jersey with a source of funding for State programs that manage and protect our coastal resources—our fragile and valuable coastal resources. This administration has sought, time after time, to gut our Nation's coastal programs. Creating a dedicated fund, to support State efforts, would provide a measure of stability that has been sorely lacking.

Second, it recognizes the Federal Government's obligation to compensate coastal States for bearing the brunt of the impact of OCS energy development, energy development that benefits the Nation as a whole. This is in keeping, Mr. President, with a longstanding national policy, embodied in the Federal Mineral Leasing Act. Under that law, mostly Western States enjoy a share of Federal revenues, gained from oil, gas, coal, and other mineral leases on Federal lands. It is argued, these States must bear the burdens of the development. By the same principle, Mr. President, coastal States should receive some compensation for the burdens they bear.

Third, Mr. President, this bill would link the Federal Government and the States in a stronger partnership to develop our energy resources. It is unfortunate that this administration has done so much to drive a wedge between States and the Federal Government, in the area of OCS development. The Governor of my own State, a member of the President's party, was compelled to take Secretary Watt to court, over his refusal to heed limited objections to wholesale leasing off New Jersey. At stake was the health of New Jersey's commercial fishing industry and the delicate habitat of ocean life. Creation of the fund for sharing OCS revenues would give States a stake in energy development—responsible energy development—environmentally sound energy development.

Mr. President, there is some discussion about a veto of if this report is adopted, and the bill sent to the President. I have a copy of a letter signed by the Secretary of the Treasury, the Secretary of the Interior, the Secretary of Energy, and the Director of the Office of Management and Budget. Mr. President, I invite any of the authors of this letter to come to New Jersey, to speak to the people in the towns and counties along the coast, and explain to them why the Federal Government will share, for example, $145 million with the State of Wyoming, for oil and gas leases in that State, but it would be "unnecessary and unjustified" to share a portion of OCS revenues with New Jersey.

Mr. President, OCS revenue sharing is fair; it is important to the coast; and its time has come. I urge my colleagues to support the adopting of the conference report.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH Mr. President, the Congress is now past due its adjournment date. We hope that we would have adjourned sometime last week. The date has been put off longer and longer because of the problem with the continuing resolution.

Mr. President, I think it is fair to say that the conference report on Outer Continental Shelf revenue sharing is an afterthought. This is what could be called a filler, to fill time at the end of the session. There was no intention, as far as I know, on the part of the leadership to bring up OCS revenue sharing during the regular session of the Congress until our time had to be extended because of the difficulties of the conferees.

Mr. PACKWOOD. Will my colleague yield just to set the record straight on this?

I have offered to bring up any number of things. I told the leader I was ready to bring it up at least for the last 3 weeks. It only passed the House about 3 weeks ago in terms of a conference report. This was not brought up just for the sake of bringing it up today. If my good friend thinks that this is just a filler, I would be glad to yield a time limit of another hour on a side and we can vote on it tonight and eliminate it as a filler.

Mr. DANFORTH. I certainly consider it as a filler and as an afterthought. I have been one Senator and I know Senator GORTON, Senator NICKLES, and other Senators have been making speeches about the great job that the majority leader has done in managing affairs of the Senate, and I really believe that. I think that he is a great majority leader and that he has a marvelous sense of timing and a sense of when to bring up important legislation and what sort of legislation really deserves the hearing. I just have too high a regard for the majority leader to believe that he would have brought up this piece of legislation in a serious vein. It is considered seriously by Senators from those States which happen to be blessed by the largess which is included in this legislation, and I understand that.

If there was a bill floating around somewhere which would heap enormous benefits on the State of Missouri, I, too, would be favorably disposed—in fact, I would feel compelled to be favorably disposed—to such regional legislation at this. So I can understand the enthusiasm of some, but as a matter of national policy I do not think many of us would view this as being a serious effort to put forth national policy, and therefore it should be viewed in the context in which it is offered. We have reached the end of the line as far as the 98th Congress is concerned. We are all about to go out and campaign, and we are waiting to get out. And so the OCS revenue-sharing bill——

Mr. STEVENS. Will the Senator yield to me just a moment?

Mr. DANFORTH. Of course.

Mr. STEVENS. I ask unanimous consent that the Senator not lose the floor by doing so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I am a conferee on the continuing resolution and unable to be here during the whole debate. The State that the Senator just spoke of I am certain had to be my State, with half the coastline of the United States and probably 40 to 50 percent of the potential oil and gas that is affected by the bill that is now before the Senate.

I have been involved with it for a long time and hoped that we would find the time when a conference report on the OCS revenue sharing bill would be on the floor of the Senate. I hoped that it might be under more favorable circumstances but in view of the adamant position taken by the Office of Management and Budget

those favorable circumstances have not developed.

It is not new by the way, Mr. President. From the days of the tidelands cases involving Louisiana, Texas, and California, the old Bureau of the Budget and now the OMB has maintained this position on behalf of the Federal Government and we have seen the OCS program continue to slide along and never really materialize as it could. But I say to my good friend, I hope we could see this bill come to a vote. It is a conference report that represents a great deal by work of the people of this Congress. Many people including my good friend, the chairman on the other side, Congressman WALTER JONES, have called me repeatedly to try and see if we could not hasten the day when there would be a vote on the conference report. So I hope there will be a conference report vote. I do intend to support it. I congratulate the chairman for bringing it up. Again, I wish it could be under more favorable circumstances, but I am sure the Senator from Missouri realizes that we anticipate that this bill would not find easy sailing once it left the Hill. Unfortunately, that is my projection, but I hope that he will allow the bill to come to a final vote so that we may get that test and find out what really its future will be. I do thank the Senator for yielding to me.

Mr. DANFORTH. Mr. President, Alaska is certainly one of the States which would benefit greatly by this legislation, but it is not the only State. There are a few others. Alaska between 1974 and 1983 had average receipts from the coastal zone management bill and the coastal energy impact program of $2.58 million, and under this program it would get an estimated $36.2 million, for an increase of 1,170 percent. So Alaska would certainly be one of the big winners, but it would not be the biggest winner. There are some that would even do better, and I would point that out to the Senate and I will point that out as we proceed with this debate.

But let me say now, Mr. President, we do bring this up in the late days of this Congress as a conference report. That is the subject before us, a conference report on the Outer Continental Shelf revenue sharing bill. We have not had a chance to vote on this on the floor of the Senate. This issue was not raised on the floor of the Senate until it came to us in the form of a conference report. As I understand the situation, a totally nongermane, irrelevant bill was passed by the Senate, and the House struck everything after the enacting clause and inserted this.

It was not passed in the Senate. It did not come to the floor of the Senate, and I would suggest the reason it did not come to the floor of the Senate is that it would be viewed by most Senators—well, maybe not most, but a good number of Senators—as being so clearly unfair, such clearly regional legislation that it would have very heavy going if it came to the floor of the Senate in the form of a bill.

Mr. President, I ask unanimous consent that my remarks so far not be counted as a speech under rule XIX which restricts the number of speeches to two on one subject in a legislative day.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. If I might just respond briefly to my colleague from Missouri to put a question to him about the timing of this filler bill, as he describes it. I remind him with all due respect that this bill was reported by the committee in April of 1983. Still, no opportunity was made available to fully debate it on the floor of the Senate, to consider the issues, to see whether the bill was purely regional or was, in fact, a bill of national interest. I agree with him that the timing is not very good; but that does not, in my view—and I would guess in the view of supporters of the conference report—negate the fact that this is an important piece of legislation. It does address a situation that is terribly inequitable, because there is hardly any difference, in my view, between sharing the revenues derived from property wholly within the State borders and that which is along the coast.

So, with all due respect to my esteemed colleague from Missouri, the time was there; unfortunately, the willingness to have this full debate was not.

Mr. DANFORTH. Mr. President, in my view, this bill is so raw and so contrary to the general interests of the country as a whole that it would have been very tough sledding had it been brought to the Senate in the usual form, and we would have been able to debate it and amend it. Instead, it comes to us as a conference report.

I look forward to having the opportunity to continue the debate. I have a few notes to sustain me in that effort. But I understand that the Senator from Idaho has something on his mind. Therefore, I am happy to yield the floor now, with the understanding—which I believe has been reached by unanimous consent—that my remarks so far will not be construed as a speech for the purpose of rule XIX, which limits the number of speeches on one subject in 1 day.

Mr. MELCHER. Mr. President——

The PRESIDING OFFICER (Mr. DURENBERGER). The Senator from Montana.

Mr. MELCHER. Mr. President, I call for the regular order.

PUBLIC DEBT LIMIT INCREASE

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 654) increasing the statutory limit of the public debt.

The Senate resumed the consideration of the joint resolution.

AMENDMENT NO. 7080

(Purpose: To amend the Internal Revenue Code of 1954 to clarify the application of the imputed interest and interest accrual rules in the case of sales of residences, farms, and real property used in a trade or business)

Mr. MELCHER. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. MELCHER] proposes an amendment numbered 7080 to amendment numbered 7072.

Mr. MELCHER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection?

Mr. DANFORTH. Mr. President, I suggest the absence of a quorum.

SEVERAL SENATORS addressed the Chair.

The PRESIDING OFFICER. Is there objection to reading of the amendment?

Mr. SYMMS. Mr. President, I seek recognition.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. What did the Chair rule on?

Mr. MELCHER. This amendment is on imputed interest, and I think it is time to get back to that.

Mr. SYMMS. Mr. President, I was seeking recognition at the time.

The PRESIDING OFFICER. No one was eligible to be recognized.

Mr. SYMMS. Mr. President——

The PRESIDING OFFICER. It was a determination as to whether or not the clerk should read the amendment proposed by the Senator from Montana.

At the end of the pending amendment, insert the following new section:

SEC. . (a) Subsection (e) of section 483 of the Internal Revenue Code of 1954 (relating to reduced rate of interest in case of sales of principal residences or farms) is amended to read as follows:

"(e) REDUCED RATE OF INTEREST IN CASE OF SALES OF RESIDENCES, ARMS, OR REAL PROPERTY USED IN A TRADE OR BUSINESS.—

"(1) IN GENERAL.—in the case of any debt instrument arising from a sale or exchange

to which this subsection applies, the discount rate under subsections (b) and (c)(1)(B) shall not be greater than 10 percent and 9 percent, respectively.

"(2) SALES OR EXCHANGES TO WHICH THIS SUBSECTION APPLIES.—This subsection shall apply to any sale or exchange—

"(A) of property for use as a residence by an individual,

"(B) of a farm (within the meaning of section 6420(c)(2))—

"(i) by an individual, estate, or testamentary trust,

"(ii) by a corporation which as of the date of the sale or exchange is a small business corporation (as defined in section 1244(c)(3)), or

"(iii) by a partnership which as of the date of the sale or exchange meets requirements similar to those of section 1244(c)(3), or

"(C) of real property by any person (whether or not described in subparagraph (A)) used in a trade or business of such person or held by such person for the production of income.

"(3) DOLLAR LIMITATION.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to the portion of the stated principal amount of the debt instrument arising from the transaction which exceeds the applicable limit.

"(B) APPLICABLE LIMIT.—For purposes of this paragraph, the term 'applicable limit' means the limit determined in accordance with the following table:

"If the transaction is described in:	The limit is:
Paragraph (2)(A)	$250,000
Paragraph (2)(B)	2,000,000
Paragraph (2)(C)	1,000,000

"(C) REDUCTION IN APPLICABLE LIMIT WHERE SALES PRICE EXCEEDS APPLICABLE LIMIT.—In the case of any transaction with respect to which the sales price exceeds the applicable limit, the applicable limit shall be the amount which bears the same ratio to the applicable limit as—

"(i) as the applicable limit, bears to

"(ii) the sales price.

"(f) SPECIAL TEST RATES FOR SALES OR EXCHANGES INVOLVING CERTAIN REAL PROPERTY.—

"(1) IN GENERAL.—In the case of any sale or exchange to which this subsection applies, subsection (c)(1)(B) shall be applied by substituting—

"(A) '80 percent' for '110 percent' in the case of any debt instrument described in paragraph (3), and

"(B) '100 percent' for '110 percent' in the case of any debt instrument described in paragraph (4).

"(2) SALES OR EXCHANGES TO WHICH THIS SUBSECTION APPLIES.—

"(A) IN GENERAL.—Except as provided in this paragraph, this subsection applies to any sale or exchange of—

"(i) land, or

"(ii) 15-year or 18-year real property (within the meaning of section 168), disregarding de minimis amounts of personality associated with such real property.

"(3) DEBT INSTRUMENTS TO WHICH 80 PERCENT RATE APPLIES.—A debt instrument is described in this paragraph if—

"(A) the term of the instrument (determined with regard to any extension or renewal) is not greater than the lesser of—

"(i) 12 years, or

"(ii) in the case of a debt instrument involving recovery property, ⅔ of the recovery period under section 168 for such property, and

"(B) the total deferred payments under such instrument, when added to the sum of the total deferred payments under all other debt instruments issued in connection with the sale or exchange—

"(1) to which this paragraph applies, and

"(ii) which were issued before such instrument was issued,

do not exceed $4,000,000.

"(4) DEBT INSTRUMENTS TO WHICH 100 PERCENT RATE APPLIES.—A debt instrument is described in this paragraph if—

"(A) the rate of interest stated in the instrument is not less than the applicable Federal rate,

"(B) such instrument provides for—

"(i) the unconditional payment each year of at least 80 percent of the interest so stated, or

"(ii) after the close of the 2-year period beginning on the date such instrument was issued the instrument provides the unconditional payment each year of the total interest accruing thereunder, and

"(C) such instrument is not described in paragraph (3).

"(5) SPECIAL RULES FOR DETERMINATIONS OF DISCOUNT RATES.—

"(A) IN GENERAL.—If the applicable Federal rate determined under section 1274(d) for any period (other than the Federal short-term rate) exceeds by more than 2 percent such rate for the preceding period, such applicable Federal rule for purposes of applying this section to any debt instrument to which this subsection applies shall be equal to the greater of—

"(i) the sum of—

"(I) such applicable Federal rate for such preceding period, plus

"(II) the greater of 1 percent or one-half of such excess, or

"(ii) the highest such applicable Federal rate during the 2-year period before the period for which such determination was made after the application of this paragraph.

"(B) SPECIAL RULES FOR 1985 AND 1986.—Notwithstanding any other provision of this section, in the case of any sale or exchange with respect to which a binding contract was entered into during 1985 or 1986—

"(i) TEST RATE.—The discount rate for purposes of applying subsection (c)(1)(B) to any debt instrument described in paragraph (3) shall not be greater than the rate determined in accordance with the following table:

"For contracts entered into during the period:	The rate is:
Jan. 1–June 30, 1985	10.5
July 1–Dec. 31, 1985	11
Jan. 1–June 30, 1986	11.5
July 1–Dec. 31, 1986	12

For purposes of applying subsection (c)(1)(B) to any debt instrument described in paragraph (4), the discount rate shall not be greater than the rate determined in accordance with the table, plus one-half percentage point.

"(ii) IMPUTED RATE.—The discount rate for purposes of applying subsection (b) to any debt instrument described in paragraph (3) or (4) shall not be greater than the rate determined under clause (i), plus 1 percentage point.

"(6) AGGREGATION RULES.—For purposes of this subsection—

"(i) all debt instruments arising from any transaction (or any series of related transactions) shall be treated as 1 sale or exchange.

"( ) SALES PRICE.—For purposes of this paragraph, the sales price shall be determined as of the time of the sale or exchange.

"(7) APPLICATION WITH SUBSECTION (f).—In those cases of any qualified sale (as defined in subsection (f)(2)), the applicable limit determined under paragraph (3) shall be reduced by the amount of any debt instrument to which subsection (f)(1) applies."

(b) Special rule for determination of Applicable Federal Rate for 1984.

In the case of any debt instrument issued during the first 6 months of 1985 pursuant to a sale or exchange for which a binding contract was entered into during 1984, the applicable Federal rate for purposes of Section 483 and 1274 of the Internal Revenue Code of 1954 shall be 10 percent.

(c) Subparagraphs (A) and (B) of Section 1274(c)(2) (relating to exceptions from the determination of the issue price in the case of certain debt instruments issued for property) are amended to read as follows:

"(A) SALES OF FARMS AND REAL PROPERTY USED IN A TRADE OR BUSINESS.—Any debt instrument arising from a sale or exchange described in subparagraph (B) or (C) of section 483 (e) (2) but only to the extent of that portion of the stated principal amount to which Section 483(e) applies."

"(B) RESIDENCES.—Any debt instrument arising from the sale or exchange of any property for use as the residence of the obligor under such instrument."

(d)(1) Section 483 (d) of the Internal Revenue Code of 1954 (relating to exception and limitations) is amended by adding at the end thereof the following new paragraph:

"(5) ASSUMPTIONS.—This section shall not apply to any debt instrument which is assumed (or taken subject to) by the transferee as part of the sale or exchange of property, or to the portion or any wraparound mortgage equal to the unpaid balance of the seller's existing financing."

(2) Section 1274 (c)(4) of such Code (relating to exceptions) is amended by adding at the end thereof the following new subparagraph:

"(G) ASSUMPTIONS.—Any debt instrument which is assumed (or taken subject to) by the transferee as part of the sale or exchange of property, or to the portion or any wraparound mortgage equal to the unpaid balance of the seller's existing financing."

(e) Subparagraph (F) of section 1274(c) (relating to exceptions for sales or exchanges to which section 483(e) applies) is amended by striking out "section 483(e)" in the text and heading thereof and inserting in lieu thereof "section 483(f)."

(f) The amendments made by this section shall take effect as if included in the amendments made by the Tax Reform Act of 1984.

The PRESIDING OFFICER. The floor is now available.

Mr. DANFORTH. Mr. President——

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SYMMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. DANFORTH. I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk continued the call of the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I had not meant that there would be a call for the regular order which would bring this back, and I did not ask unanimous consent to proceed to this matter.

I now move that the Senate proceed to consideration of the conference report on OCS revenue sharing.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion is agreed to.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

OCEAN AND COASTAL RESOURCES MANAGEMENT AND DEVELOPMENT BLOCK GRANT ACT—CONFERENCE REPORT

The PRESIDING OFFICER. The conference report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2463) to authorize appropriations of funds for certain fisheries programs, having met, have agreed that the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment.

The Senate continued with the consideration of the conference report.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, I had thought that perhaps we would be moving on to other matters and that perhaps the Outer Continental Shelf revenue sharing bill would be dropped at this point, but it is not. Therefore, I want to resume where I was a few minutes ago in discussing the thrust of this bill.

As I said earlier, this bill has never really been on the floor of the Senate before. It comes to us for the first time in the form of a conference report. We do not have the option, therefore, of going into it in any detail for the purpose of amending it, determining what the pluses or minuses are. When this was in the Commerce Committee, I was the member of the Commerce Committee who opposed the bill, and it occurred to me, after we reported that bill, that it ever reached the floor of the Senate, I would have some amendments to offer which I think would make the bill somewhat more acceptable. I am denied that possibility because it was never brought to the floor. It is here, instead, in the form of a conference report, and not subject to any input that I or any other Senator would care to bring to it.

Let me say at the outset, Mr. President, that this bill, to say the least, is very controversial. It is a bill which is not only not supported by the administration, but also, it is vigorously opposed by the administration—opposed by the administration to the point of various Cabinet members suggesting that should this be enacted, the result would be a Presidential veto.

In this day and age, when everybody is talking about the deficit and the problem of the deficit, when we are in an election year, just weeks before the election, and both candidates for the Presidency are positioning themselves on the question of the budget and what to do about the deficit, maybe it would be a good thing politically for a Republican Senator to let this go to the President. Maybe we should adopt the conference report and send this to the President and allow him to veto it, because this would give the President an opportunity to take a very strong position to the American people that he is a President who is serious about cutting our ridiculous programs, or at least preventing the enactment of new programs which would simply cost money to the Federal Treasury.

Mr. President, I should like to read to the Senate a letter, or two, or three, which I think do a pretty good job of setting out the position of the administration on this bill.

Here is a letter dated September 18, 1984, from the Office of Management and Budget—at least, on its stationery—addressed to the Honorable HOWARD H. BAKER, Jr., Senate majority leader. The letter is as follows:

DEAR HOWARD: As the Senate prepares to take up the Conference Report on S. 2463, legislation to create a new Federal grant program using revenues derived from Outer Continental Shelf oil and gas leasing, we wish to reiterate the Administration's strong opposition to the bill.

Revenues from OCS leasing in Federal waters are a national resource that should be used for the benefit of the people of every State. That is what happens under existing law. A portion of OCS revenues are used for acquisition of new part and refuge lands, while the remainder go into the Treasury and reduce the need for tax revenues.

As drafted, the Conference Report provides windfall payments to States that are completely unaffected by OCS leasing. In addition, the formula by which grants are determined provides virtually no incentive to State and local governments to encourage their assistance in carrying out the OCS exploration and development program established by the Outer Continental Shelf Lands Act of 1978. Finally, the Conference Report would effectively remove a number of Federal programs from the annual appropriations process by earmarking funds, thereby adding further to the deficit.

In total, reflecting the additonal debt that the Treasury will incur in order to make up for the new grants authorized in the bill, S. 2463 will add more than $2 billion to the deficit over the next 5 years. If the Nation is serious about controlling spending, the first place to start is avoiding the creation of unnecessary and unjustified new programs.

For the reasons stated above, we will be unanimous in recommending that the President veto this bill if it reaches his desk.

This letter is signed by Donald T. Regan, Secretary of the Treasury; David A. Stockman, Director of the Office of Management and Budget; William Clark, Secretary of the Interior; and Don Hodel, Secretary of Energy.

So, Mr. President, the situation is as follows: We have here a letter dated last month signed by not one member of the President's Cabinet but by four members of the President's Cabinet stating the very clear position that if Congress were to enact this law, these four members of the Cabinet would unite in asking the President to veto the bill. If this is not a tribute, I do not know what is.

Here we are in the last days of the Congress trying to get some work done on the continuing resolution, pass the increase in the debt ceiling, and we are in effect killing time with a bill which if passed would simply put the administration in the position of having to recommend a Presidential veto. So really, I think we are accomplishing nothing at all by having this bill before us at this time.

I think that the letter of these four members of the Cabinet makes a number of points which are worth the consideration of the Senate.

First, the letter says that—

In total, reflecting the additional debt that the Treasury will incur in order to make up the new grants authorized in the bill, S. 2463 will add more than $2 billion to the deficit over the next 5 years.

Mr. President, that is a reason for caution lights to flash on any piece of legislation—$2 billion added to the Federal deficit by this bill. Is this really what we want to do when the deficit is one of the No. 1 issues before the country? All of talk about it all of the time. We make speeches about the deficit. We send out newsletters about the deficit. We answer constitutents' letters about the deficit. In the Presidential debate a couple nights ago, the deficit was one of the key questions raised by Vice President Mondale, anyhow.

Now we are told that by a single stroke we are going to be adding $2 billion over 5 years to the Federal deficit.

Those who support this would want us to vote on that. Do we want to increase the deficit by $2 billion over 5 years?

I submit that the answer to that question is no, we do not.

I think deficits are bad. i think we better watch the size of the deficit. Some people say, "Well, don't worry about spending. We can always raise taxes. Let's have a tax increase." And that is a position that many people in politics take. What is the difference? People are not being taxed enough. They say we should not have had a 25-percent tax reduction a few years ago. We should increase taxes. So let us increase spending.

I do not think the American people want tax increases. I do not think that they want bigger deficits. I think they want Government to get its spending in hand. They want Government to bring spending under control.

Every time we in Congress have to cut an existing program, we go through torture. Our constituents write in and say, "Don't cut our favorite program."

What is involved in this matter before us now is not whether or not we are going to have a cut in any existing program. That is not at stake here. What is at stake now before the Senate is whether we are going to have new legislation and start a brand-new program, mint a new program which will spend more money.

Mr. LAUTENBERG. Mr. President, will the Senator yield for a question?

Mr. DANFORTH. I yield.

Mr. LAUTENBERG. In pursuit of the interest of reducing the budget deficit, would the Senator recommend that we repeal the law governing the sharing of onshore leasing revenues? That could save more than $450 million each and every year. Maybe that is one way to equalize the situation and reduce the deficit substantially.

Mr. DANFORTH. I am sure there are a number of programs that deserve review. I have not given any particular thought to that one. The Senator from New Jersey is making the suggestion. I would be happy to review his suggestion with great care because I have the greatest respect for him. But I think that what is involved here has nothing to do with repealing an existing program. At the very least, we should not enact new programs and particularly programs such as this.

I think that there is a difference between minerals which are located within the boundaries of the State and the desirability of sharing revenues from those minerals located within a State's boundaries with the State government. I think there is a difference between that, on one hand, and, on the other hand, what is proposed by this legislation which is sharing revenues from oil and gas production which is not located within the boundardies of any State.

The very nature of Outer Continental Shelf oil and gas production is that it does not take place within the jurisdiction of any State. It takes place 3 miles beyond any State. So this would be similar, for example, to paying the people of the State of Missouri or the State of Missouri revenues gained from coal mining in Illinois, and I think that if I were to propose such a thing people would say, Why do that? I mean, why set out a special program for Missouri because of coal that is located beyond the jurisdiction of Missouri?

Mr. PACKWOOD. Mr. President, will my colleague yield for a question?

Mr. DANFORTH. I yield.

Mr. PACKWOOD. Is my distinguished colleague saying that the State of Alaska is totally unaffected by the mining that goes on off its shore by the Federal Government and, therefore, should get nothing for those offshore revenues because they belong to the local government, and they do not affect Alaska?

Mr. DANFORTH. Right; as far as this Outer Continental Shelf, yes, I do.

Mr. PACKWOOD. They clearly affect Alaska.

Mr. DANFORTH. Positively or negatively?

Mr. PACKWOOD. Both; a little of both. The economy that comes in, just as with coal mining in Wyoming, just as with oil in Texas that happens to be on Federal lands, there is a positive and a negative effect. By and large, the reason we share revenues, whether they come from the sale of timber in Oregon or coal from Wyoming, all of which are Federal public lands, is we feel that the activity has some negative effect on the State.

I am separating this from the so-called payment in lieu of taxes. That is an issue that has come to the floor only in the last 10 years.

We passed that act in 1976. The sole purpose of that act is to say to the State, "This is money you otherwise get if this land were private property and we pay you payments in lieu of taxes." But we have shared receipts with State governments and local government for the sale of timber and minerals off the Federal lands for years.

For the life of me, I fail to see any difference between oil that is located 5 or 10 or 15 miles offshore and oil that may be located 2 or 3 miles underground. You are saying in one case the State can share in the receipts and in the other it cannot, and I do not see the logic.

Mr. DANFORTH. Well, if the purpose of the legislation is to compensate States for some loss or for some sacrifice which the States are making, then should not the program be targeted to that purpose? This program is not targeted to any such purpose at all.

Mr. PACKWOOD. Let us go back then to the general mineral lease, timber leasing that exists now. Take Wyoming—it is how much? A total of $145 million for mineral leasing. That is not targeted. It just goes to the State of Wyoming to use for what purpose it wants because the coal was dug off the Federal land in Wyoming.

Mr. DANFORTH. Tell me, then: Why should the State of Michigan get $11.2 million for oil and gas that is produced on the Outer Continental Shelf? Would the Senator say that that situation is analogous to the mining of coal in Wyoming? I would say not at all. I think it has no relationship at all to the State of Michigan.

Mr. PACKWOOD. The Great Lakes States are covered because of the mineral development, mainly coal, that happens around the Great Lakes States.

Mr. DANFORTH. This is Outer Continental Shelf exploration.

Mr. PACKWOOD. That is the name of the bill. But we intended to apply to all riparian States recompense for any damage done to the States because of minerals taken from Federal lands around the State.

Mr. DANFORTH. What is riparian about the State of Michigan with respect to the oil and gas produced a minimum of 3 miles off the coast of our oceans?

Mr. PACKWOOD. It is riparian to coal produced around the Great Lakes area.

Mr. DANFORTH. Then can Missouri get a little something because we produce coal?

Mr. PACKWOOD. If you want to amend this bill to say States adjacent to the Mississippi River are entitled to something—the Senator could have made that offer in the Commerce Committee, as I recall.

Mr. DANFORTH. I could not have made it on the floor.

Mr. PACKWOOD. No; but you could have made it in committee. I think the Senator is a little piqued because this bill was reported out of committee 14 to 1 and he was the only Senator who voted against it at the time and realized if he offered that amendment—he talks about this bill would be killed on the floor without a doubt—he realized if he offered that amendment it would have failed miserably in the committee and so chose not to offer it.

Mr. DANFORTH. No; it is silly. The problem with almost any amendment to correct this is that if you go that route, if you say, "Well, let's extend it to everything," it just gets sillier and sillier, and that is the case here.

Honestly, there is only one reason that I can see to include Michigan and

Ohio in the largess of this bill, and that is because if you include Michigan maybe you will pick up the Michigan congressional delegation to support it. If you include Ohio, you might pick up the Ohio congressional delegation to support it. Otherwise, you would have a sure loser.

But I think the Senator would have to realize that there is no logical connection between anything that goes on in the State of Michigan and the exploration for oil and gas and the production of oil and gas in the Outer Continental Shelf. This is not 3 miles or 5 miles away from the State border. This is 1,000 miles from the State border.

Mr. PACKWOOD. The Great Lakes States will receive about 6.7 percent of the total amount of money distributed under this formula.

Mr. DANFORTH. Let us take Michigan as an example. The State of Michigan, located, I would guess, 1,000 miles from the closest Outer Continental Shelf oil and gas production which is contemplated, now receives, has been receiving an average of $1,230,000 from the coastal zone management and the coastal energy impact program. Under this bill, that would increase from $1.2 million to $11.2 million. That is almost a tenfold increase; actually, the way it turns out it is about an 811-percent increase for Michigan. And that is wonderful for Michigan; wonderful. But I would submit that there is no logical basis for having this kind of windfall for the State of Michigan for oil and gas produced offshore.

Now, my point, Mr. President, is not to pick on Michigan or any other State. My point is to simply say this: Heretofore, oil and gas produced on the Outer Continental Shelf was to produce revenue which was to be available for the country as a whole. This bill alters that. This bill sets out a fund of that money, a portion of that money to create a new special program not for the country as a whole but for certain designated States.

And I would submit that there is no rational basis for the selection of those States. Some of the States are inland States. The Great Lakes States have been included. Why have the Great Lakes States been included? I would say the reason is politics, to get the votes of the congressional delegation of those States.

How about the inclusion of other States? Is it a reward for their cooperation in their exploration of oil and gas? No. Massachusetts is a State which has done everything it can to oppose the production of oil and gas on the Outer Continental Shelf mainly by the filing, I am told, of various strike suits to prevent the production of oil and gas. That is why the administration takes the position that the effect of this bill would be, instead of to encourage the carrying out of the program, to discourage it by rewarding certain States for trying to throw monkey wrenches into the program of developing the Outer Continental Shelf.

To go back to the letter that was signed by the Secretary of the Treasury, the Director of OMB, the Secretary of the Interior, and the Secretary of Energy, this letter says, first, that the conference report provides windfall payments to States that are completely unaffected by OCS leasing. I have made that point. Windfall payments to States which have no connection with the Outer Continental Shelf; windfall payments to States which are located maybe 1,000 miles away from the Outer Continental Shelf. Those are windfalls.

Then the letter goes on to say:

> In addition, the formula by which grants are determined provides virtually no incentives to State and local governments to encourage their insistence in carrying out the OCS exploration and development program established by the Outer Continental Shelf Land Act of 1978.

The meaning of that is that if a State is recalcitrant, if a State is doing everything it can to oppose Outer Continental Shelf development, it still gets the payment. Why does it get the payment? Again, because the votes of its delegation are needed.

Then the letter goes on to say?

> Finally, the conference report would effectively remove a number of Federal programs from the annual appropriations process by earmarking funds, thereby adding further to the deficit.

Mr. President, I would think that those who say that this is not an entitlement program, not a new entitlement program, are really relying on a very legalistic analysis of what is an entitlement progam.

Referring to the language in the bill, this is in section 104, it says:

> Beginning in fiscal year 1985, and in each fiscal year thereafter, the Secretary of the Treasury shall deposit into the fund, not later than 60 days after the end of the previous fiscal year, an amount equal to 4 per centum of the average amount of all sums deposited in the Treasury of the United States pursuant to section 9 of the Outer Continental Shelf Lands Act.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. DANFORTH. Mr. President, I am happy to yield to the majority leader.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I have consulted with the minority leader on this matter. There is a stack of routine matters to be dealt with now. If he is ready, I would like to go ahead and do those.

I ask unanimous consent that there now be a period for the transaction of routine morning business until not past the hour of 4:45 p.m. under the same terms and conditions.

Mr. LAUTENBERG. Mr. President, will we return to the discussion at hand?

Mr. BAKER. That will automatically happen.

Mr. DANFORTH. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator for Missouri.

Mr. DANFORTH. I wonder if the majority leader would include in his unanimous-consent request a request that my remarks not be counted as a speech for the purposes of rule XIX.

Mr. BAKER. Yes, Mr. President; I make that request.

The PRESIDING OFFICER. Is there objection?

Mr. MELCHER. Mr. President, reserving the right to object, and I shall not object, I want to use this opportunity to say that whatever procedure is used to get back on the debt ceiling bill that my amendment would be pending. And, of course, it would be one of the opportunities for the chairman of the Finance Committee to immediately move to table the amendment. I want to make sure that all Senators know that this is the imputed interest amendment and we should debate it as quickly as possible because it is one of the must pieces of legislation that must be cleared up before adjournment.

The PRESIDING OFFICER. Without objection, the request of the majority leader is so ordered.

Mr. BAKER. I thank the Chair.

THE CALENDAR

Mr. BAKER. Mr. President, there are a number of matters that appear to be cleared for action by unanimous consent on this side.

I will identify them as I ask the Chair to proceed to them. The minority leader is on the floor. We have consulted through staff on, I believe, all of these items. So I hope, and believe, that they can all be handled routinely.

HEALTH RESEARCH EXTENSION ACT—CONFERENCE REPORT

Mr. BAKER. Mr. President, I submit a report of the committee of conference on S. 540 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 540) to amend the Public Health Service Act to establish a National Institute of Arthritis and Musculoskeletal and Skin Diseases, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective

Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the House proceedings of the RECORD.)

Mr. HATCH. Mr. President, I urge my colleagues to expeditiously consider S. 540, the Health Research Extension Amendments of 1984. This is a landmark in public health legislation representing a complete recodification of title IV of the Public Health Service Act which authorizes the National Institutes of Health. It also established a new National Institute of Arthritis and Musculoskeletal and Skin Diseases, an Ethics Advisory Board, and extends the authorization of appropriations for various research boards and clearinghouses.

The conference agreement extends for 2 fiscal years the authorization of appropriations for expiring authorities of the National Institutes of Health [NIH]. These authorities include the National Cancer Institute, the National Heart, Lung and Blood Institute, the National Library of Medicine's Library Assistance Act, and the National Research Service Awards Program. Funding is also authorized for research in spinal cord injury and regeneration, Alzheimer's disease, bioengineering to overcome paralysis and mental retardation.

In addition, the legislation updates the statutory authority for the NIH, strengthens procedures for the investigation of scientific misconduct, provides for issuance of guidelines to assure the proper care and treatment of animals used in research, and increases the emphasis on research related to the prevention of disease.

This legislation is essential to maintain our world leadership in basic biomedical research. It provides authority for funding at a level sufficient to improve our research effort in all areas, and provides a much needed and overdue emphasis on research related to arthritis, musculoskeletal and skin diseases. And it provides enough support for more than 10,000 science trainees per year, which will encourage our talented young men and women to persue careers in biomedical research.

Mr. President, I urge my colleagues to approve this legislation and send it to our colleagues in the House for expeditious consideration. All of our citizens will enjoy the benefits of this investment for many years to come.

Mr. KENNEDY. Mr. President, I rise in support of the Health Resources Extension Act of 1984. This act amends the Public Health Service Act by revising and extending the authorities under which the National Institutes of Health operates.

The measures in this act will enable more people than ever to benefit from the work of this great institution. Health care quality and disease prevention, two areas which I have struggled for improvement, are strengthened significantly.

In addition to revisions in the NIH authorities, the bill includes a measure in which I take particular pride: The establishment of a Congressional Commission on Biomedical Ethics Analysis. The ethical questions that pervade the practice of medicine and biomedical research have become increasingly important topics of public policy discussion every day. It is vital that practitioners, the public, and the policymakers have an authoritative body for guidance and advice on these sensitive, complex, and critical questions.

A key change in the NIH authority is the establishment of the musculoskeletal and skin diseases and revises and extends programs in biomedical research at the National Institutes of Health.

Arthritis is a disease that our society suffers from at great cost. Arthritis and related musculoskeletal disease afflicts 35 million Americans, or 15 percent of the population. Over 250,000 of these are children. Research on arthritis is currently conducted under the National Institute of Arthritis, diabetes and digestive and kidney diseases. This act divides NIADDK into a new National Institute of Arthritis, Musculoskeletal and Skin Diseases, and renames the balance of the Institute as the National Institute of Diabetes and Digestive and Kidney Diseases. Creation of the new Institute will allow us to appropriately focus our national research effort on the prevention, diagnosis, treatment, and eventual cure of arthritis and related debilitating diseases.

The two largest research Institutes at NIH are the National Cancer Institute and the National Heart, Lung, and Blood Institute. Under this legislation, funding for these Institutes is extended through fiscal year 1986. In addition, we have expanded cancer research and cancer control programs to support research projects improving long-term care of the cancer patient and his or her family. Better methods are needed to optimize care for the cancer patient during the different stages of the disease process, as well as for the psychosocial support of families, medical staff, and patients. We have provided for the continued operation of the International Cancer Research Data Bank, an invaluable tool for both cancer patients and physicians throughout the Nation.

The problems of the mentally retarded are of special concern to me; I have continually supported efforts to better the lives of those who suffer this disease. Outstanding centers around the country have engaged in research on the causes, prevention, and treatment of mental retardation. These centers have been highly successful in improving our knowledge of the condition. This act directs the National Institute of Child Health and Human Development to make grants to the centers, and also adds research on mental retardation to the statement of purpose of the institute.

As our Nation continues to advance the science of new energy technologies, more and more questions will arise regarding the health effects of these technologies, particularly as they relate to nuclear energy. People who develop these technologies, and the communities surrounding such facilities must be informed of the risks therein and of the precautions necessary to prevent potential health problems. This act authorizes the Secretary of the Department of Health and Human Services to establish an independent research center on the health effects of nuclear and other new energy technologies.

Public health emergencies have regularly recurred over the past decade, and given that history, we must improve our ability to quickly understand and manage the resulting crises. The Health Resources Extension Act authorizes the Secretary, in consultation with the heads of the NIH, FDA, and CDC, to designate public health emergencies and to expedite the review process for research applications designed to ultimately contain and to eliminate the threat to public welfare.

Alzheimer's disease, a progressive disorder of the brain affecting memory, thought, and language, has become of increasing concern to the Nation. Our elderly, a growing population, and the largest user group of health care services, suffer terribly from this disease, as do their families and loved ones. This act allows continued funding for centers whose goals are to understand and conquer this disease.

In this act we have required the Secretary to prepare for Senate and House committees an annual report on NIH procedures involving grants, contracting, accountability, and peer review. In addition, the Institute Directors must notify their advisory boards of any investigation of a grant or grant recipient. These requirements are important to insure the high quality of research at NIH and the continued good faith the American public has in its findings.

We have for the first time created within the NIH an Institute of Nursing to engage in the research germane to that profession. It has become increasingly clear that we must look to all members of the health care team for solutions to modern day problems of prevention, access and delivery.

Many of these problems are best addressed by better understanding of the dynamics of the health care process, dynamics to be addressed in the Institute of Nursing.

The reestablishment of a permanent, independent, and nonpartisan body to examine issues of biomedical ethics is a cause for which I have worked long and hard. Every day, citizens, physicians, researchers, and policymakers face ethical questions which are vitally important and extremely difficult. In this session of Congress alone, questions of appropriate treatment for severely disabled infants with life threatening conditions, and the conditions under which fetal research should be conducted have been hotly debated.

Questions of biomedical ethics often have no obvious answers. Decisionmaking in these areas is often difficult for policymakers, organizations of health professionals, and for citizens.

No commission can produce answers to these questions that will always satisfy the conscience of every citizen and policymaker. Nor will the recommendations of such a commission induce either legislative action or individual decisionmaking.

Despite these limitations, however, the old President's Commission on Biomedical Ethics demonstrated that a process of careful examination of the issues by experts and citizens of good will could provide consensus where none previously existed. Moreover, even where consensus cannot be achieved, a thinking-through of the issues by a competent body and a comprehensive review of the relevant factual material can assist all those concerned in making their own decisions as to the most ethical course of action.

The importance of having a permanent qualified body available to perform this function was dramatically illustrated.

Yesterday, the NIH reauthorization conference was deadlocked over the issue of the appropriateness of fetal research and conditions for fetal research waivers. The resolution of the issue was to institute a temporary moratorium on such waivers and to request the new Commission created by this bill to study the issue. Without the creation of this new Commission, there might have been no acceptable place to locate the study, and this important legislation would have been unable to go forward.

The Commission this bill creates is patterned after the successful structure of OTA. There is a bipartisan board of congressional managers. This board will exercise general supervision over a broad-based advisory committee consisting of distinguished scientists, physicians, ethnicists, and experts in such fields as law, the humanities, health administration, and government, as well as public members. This committee will hire the staff and conduct the studies that will be the principle activity of the Commission.

I urge my colleagues to support the Health Resources Extension Act of 1984. The act facilitates the activities of the NIH by broadening programs and by increasing funding. The direct effect will be improved health care and decreased suffering for thousands of Americans.

Mr. RANDOLPH. Mr. President, today I join the Senator from Utah, Mr. HATCH, and the Senator from Massachusetts, Mr. KENNEDY, in expressing my strong support for S. 540, the Health Research Extension Act of 1984. I commend my two distinguished colleagues for their diligent and cooperative efforts as they led our committee in the development of this legislation and I commend all members of the Senate-House conference committee on their efforts in developing this compromise measure.

S. 540 revises and extends a number of programs under the Public Health Services Act, primarily those relating to the National Institute of Health (NIH)—the principal medical research arm of the Federal Government. The National Institutes of Health are among the Nation's most valuable assets, leading the world in biomedical research. By increasing our understanding of the processes underlying human health, and by acquiring new knowledge for prevention, detection, diagnosis, and treatment of disease, the NIH has served all Americans in our attainment of more healthful lifestyles. This legislation will enable NIH to continue its current work, as well as establish a number of important new activities, including the establishment of the National Institute of Arthritis and Musculoskeletal and Skin Diseases, whose development will allow us to focus a national effort on research for the prevention, diagnosis, treatment, and eventual cure of arthritis and related debilitating diseases that afflict over 35 million Americans, or 15 percent of our population.

S. 540 reauthorizes the National Heart, Lung and Blood Institute (NHLBI) and the National Cancer Institute (NCI), the two largest Institutes at NIH, and the only ones requiring periodic reauthorization. The size of these two entities reflect the impact that the diseases they study have on the well-being of the American people.

In 1971, Congress legislated the National Cancer Act which provided the necessary resources for our scientific community to significantly wage its "War on Cancer." Although the National Cancer Institute was established in 1937 by the National Cancer Institute Act, it was not until 1971, that the Institute was provided with the adequate authority, responsibility, and resources with which to effectively fight the disease.

The National Cancer Institute has established the most effective apparatus for cancer care and research ever developed. Its efforts extend to every major university, medical school, and research institute in the United States in its search for the prevention, cure, and management of malignant disease. One particularly effective program that is carried out by NCI, and which was given prominent emphasis in the National Cancer Act in 1971, is the Cancer Center Program. These centers were expected to, and have in fact, become important reservoirs of competence in basic biomedical research related to cancer, and equally important, they conduct clinical investigation of high quality in a coordinated fashion.

To date, 59 new cancer centers have been developed, including 20 broadly based comprehensive centers. Many of these centers receive core grants from NCI which enable them to pay for research resources which are shared by investigators whose individual research grants would otherwise be unable to cover the cost of their work. Further, as explained by Dr. John E. Ultmann, of the Association of American Cancer Institutes, in past testimony before the House of Representatives' Subcommittee on Labor-HHS-Education Appropriations.

> Core grants enhance collegiality and cement staff together in a common purpose. Cancer Centers optimize communication between disciplines, encouraging creative and rapid exploitation of new leads in the fight against cancer. Core grants are often described as "the glue that holds the centers together." Core grants provide an essential infrastructure, cohesiveness and purpose without which the quality of research would certainly suffer.

Therefore, I feel that it is imperative we continue to provide these centers with strong core grant support. A collection of individual R-01 and P-01 grants simply cannot, alone, establish or maintain a center with optimum productivity.

In our conference report on S. 540, we strongly support the Cancer Center Program. Although conferees agreed not to mandate a minimum level of support for the Cancer Center Program, it was stated that there is strong bipartisan support and encouragement for the Director of the National Cancer Institute to maintain current programs and expand this effort as resources permit.

Also in our conference report, the conferees recognized the current efforts of those at West Virginia University for the establishment of a regional cancer center in West Virginia, which would serve the Appalachian Plateau. I thank Senators HATCH and KENNEDY, and other members of the conference committee for their recognition of the need for a cancer center in this region of the Nation. As stated in the report, "Development of this

Center at the West Virginia University will accomplish a great deal to serve the citizens of this area."

Over the past 2 years, West Virginia University has been working closely with NCI to establish a cancer program which would serve as a model in establishing a regionalized, rural-based National Cancer Center, stressing strong integration with existing community hospitals. By the coordination of programs throughout the Appalachian Plateau aimed at cancer prevention and education and through the development of affiliated programs in the major population areas of West Virginia, the Center will provide an organized approach to cancer prevention, early detection, and availability of specialized care to all of West Virginia.

Currently of the 59 cancer centers in the United States, none are within a 100-mile radius of the Appalachian Plateau. As a result, 30 percent of West Virginia's cancer patients are forced to leave the State for all or part of their care. Further it is estimated that one-third of those dying from cancer in West Virginia might have been saved by earlier diagnosis and treatment. The magnitude of cancer problems facing the State today primarily relate to that lack of an organized statewide approach to cancer prevention, detection, and treatment. This is most important when justifying the need for a cohesive, academically based cancer program at West Virginia University.

Through the interconnecting network of the Cancer Centers Program, the Cooperative Cancer Clinical Investigative Groups, and the Cancer Control Program, the NCI has insured that new and successful treatments for cancer have rapid and widespread application as community standards of treatment.

Now more than ever, when we are seeing the results of our efforts, we must keep up the fight against cancer until we eliminate the costly disease. Furthermore, we must assure all Americans, whether they live in the rural mountains of Appalachia, or in our heavily populated inner cities, of access to the most progressive forms of cancer prevention, diagnosis, and specialized treatment available.

S. 540 is a good bill, that should provide the National Institutes of Health with the resources to maintain a firm base of support for their ongoing activities. Thus I strongly support and encourage its passage. Again, I commend Senators, HATCH and KENNEDY, as well as my other able colleagues on the Committee on Labor and Human Resources, for the development of a fine legislative initiative. I am gratified to be a part of these cooperative efforts.

Mr. BAKER. Mr. President, I move the adoption of the conference report.

There being no objection, the motion was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ADOLESCENT FAMILY LIFE DEMONSTRATION PROGRAM EXTENSION—CONFERENCE REPORT

Mr. BAKER. Mr. President, I submit a report of the committee of conference on S. 2616 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2616) to extend the adolescent family life demonstration program, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the House proceedings of the RECORD.)

Mr. HATCH. Mr. President, as chairman of the Senate Labor and Human Resources Committee, I ask that the Senate adopt the conference agreement accompanying S. 2616, the Adolescent Family Life Act. The conference agreement contains the legislative language in S. 2616 which unanimously passed the Senate on June 29, 1984. However, the agreement only extends this program for 1 year. The conference agreement further contains a 1-year reauthorization of the Federal family planning programs authorized under title X of the Public Health Service Act.

The conferees were in disagreement on proposed changes in the Federal family planning programs. However, we were able to agree that no previous legislative reports accompanying H.R. 5600 and S. 2616 would be considered as legislative history for the purpose of interpreting either this conference agreement or the intention of Congress with regard to these programs. But our agreement to continue these programs for 1 year is complicated. I will describe in detail the extent of our commitment that both bodies will fully examine all the sensitive health, moral, and statutory issues in Federal funding of family planning.

First, I would like to reinterate my pleasure to be a part of the effort to develop and now reauthorize the Adolescent Family Life Act. Senator DENTON has educated this body on the importance of this legislation. There still exists extensive national concern over the numbers of teenage pregnancies. While the Federal Government continues to spend millions of dollars providing contraceptives to teens without their parents' knowledge or consent, the problems related to adolescent sexual activity continue to worsen. In 1981, I was pleased to join a bipartisan effort to develop an alternative program to the existing ineffective Federal policies for preventing teenage pregnancy. The result was the Adolescent Family Life Act with goals directed toward providing services to pregnant teens to help them avoid abortion and to help them deal with other serious problems confronting them. In addition to providing coordinating services to adolescents, the law promotes increased parental involvement, encourages adoption as an alternative for unmarried adolescents who do not want to keep their babies, and provides for expanded research into the issues of adolescent pregnancy and the problems which both precede and follow in its wake.

Our distinguished colleague, Senator DENTON, deserves principal credit for authorizing what many of us believe is the only solution in sight to a serious national problem. Senator DENTON and I and the other Senators who have cosponsored this program in the Labor and Human Resources Committee believe that this approach will help solve the problems associated with teenage pregnancy.

The Adolescent Family Life Act was developed as an alternative to, but not a replacement for, the Federal family planning program authorized under title X. The Adolescent Family Life Act was not enacted to appease my concerns with title X—Federal family planning programs. I still contend that the title X programs are in need of modification and clarification, that they are in need of change. I intend to describe those necessary changes at this time.

First and foremost, the preamble to the Constitution of this great Nation recognizes and records the origin of all governments. It specifies that governments receive their authority and power to govern from the people whom they govern. To fulfill, therefore, the intent of our Founding Fathers the Federal Government when formulating legislation for the benefit of citizens should be guided by that principle and respond to the needs, desires, moral values, and opinions of those citizens from whom it derives its power. Because values vary from region to region and from State to State, Federal policy should be sufficiently flexible to adjust to those variances.

As many in this body are fully aware, I support parental involvement in the delivery of family planning services to teenagers. It is my firm belief that the physical and emotional health of teenagers is best achieved when parents are involved in the counseling and decisionmaking process. One of the primary functions of the family organization is the socializing and directing of children. It is parents who must accept the primary responsibility for educating their children about morality, about values, and about religious belief. Nowhere is their guidance and direction more needed and more valuable than when dealing with issues of sexuality. On one hand society insists that parents accept responsibility for the actions of their children, but on the other hand it turns around and in the form of Federal family planning regulations, denys those same parents the right to participate in the decisionmaking, counseling process.

Too frequently our Federal programs have intervened between parents and children. Former Secretary of Health and Human Services and a former Senate colleague, Richard Schweicker, stated that we have allowed government "to build a 'Berlin wall' between parents and children." One of the reasons I worked with Senators DENTON and KENNEDY in developing the Adolesent Family Life Act was my desire to develop approaches to deal with the problems of adolescent sexual activity which would maximize the input and involvement of parents. Now, I am urging that we allow States, as our Founding Fathers intended, to determine whether or not parents shall be involved in the family planning services provided to their teenage children.

It is interesting to note that the overwhelming majority of parents are not even aware that their children—even children as young as 11 or 12—can obtain prescription birth control devices or birth control pills, paid out of the taxpayer's deep pocket, without their knowledge or consent. All other prescription drugs require parental consent. Perhaps this fact does not adversely impress the citizens of many States. However the majority of Utah citizens are angered that the Federal Government would fund organizations which provide such sensitive services to their children without their knowledge. They are appalled that the Federal Government which they empowered and fund would support such activities that are adverse to the moral climate in their communities. Utah citizens initiated debate and decided that when their Federal dollars are involved, they do not approve of this secretive program. As a consequence, the Utah Legislature initiated and passed a law which requires parental knowledge and consent prior to dispersal of birth control prescriptive pills or devices.

This legislative decision is in harmony with the opinions of the majority of Utah citizens. Senator Bryce Flamm, a Utah State senator, expressed this consensus when he testified before the Senate Subcommittee on Family and Human Services hearings on the reauthorization of title X programs. I ask unanimous consent that his remarks be printed in the official RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

UTAH STATE SENATOR BRYCE FLAMM—TESTIMONY BEFORE THE SENATE LABOR AND HUMAN RESOURCES COMMITTEE, SUBCOMMITTEE ON FAMILY AND HUMAN SERVICES ON THE REAUTHORIZATION OF TITLE X PROGRAMS

Chairman DENTON and honorable Senate committee members; I would like to read aloud the letter I gave to each of you. Does it shock you?

You have received copies of Utah's intent language and Senate Bill 3-1981.

Section 2 of SB3 addresses our concern directly. It states that "no public funds shall be used to provide contraceptive or abortion services to an unmarried minor without the prior written consent of the minor's parent or guardian.

We feel that any state should be allowed to use this or similar legislation for several reasons, namely:

1. The constitution guarantees parents this right. They have the right to teach their children religious values without interference from government. I have a copy for each of you of United States Supreme Court decisions which clearly state this.

2. We believe that all major churches promote sexual purity. When the government not only condones, but finances immorality, they encourage it. The government could be viewed to be in opposition to church teachings for our youth.

We feel as does the Supreme Court that parents have the right and responsibility to teach their children moral and religious values.

3. If government should intervene, it should be the state and not the federal government. In all other matters concerning youth, the state rules, not the Federal Government. The state decides when youth are emancipated, their degree of educational requirements and the age they can marry without parental consent.

4. We feel it is unconscionable to tax parents and then use this money to go behind their backs, without their knowledge or consent, to finance immoral acts referred to by every church as unrighteous.

We request a waiver for Utah and any other state that desires to try their own program. How else can we compare whether our program is the best or even good. The present program for Title X has been forced now on every state. Its whole premise was a theory that has failed miserably.

I would like now to give you Utah's figures before SB3 and after. We have something to compare. I combined all teens for the figures for all years because they had been arbitrarily separated. The figures are dramatic.

They point out why states should be allowed to run their own programs. There may be even better programs than ours waiting to happen.

I estimate that our rates of teen age pregnancy, abortion, and live births would not have increased from 22 percent to 50 percent from 1975 to 1980 had we had the programs during these years, but may have even decreased.

We believe that parents would wake up and teach their children in many homes if they received the letter that each of you received today. I also have copies of bar graphs on abortions in various states. You can see where states have fought back.

Thank you.

STATEMENT OF INTENT

It is the intent of the legislature that all title X family planning funds coming into the State of Utah be administered through the State department of health, and the State department of health subcontract with units of State government and with local governments of State, allowing local governments the freedom to design, establish, and maintain family planning programs which meet the standards, needs, and interests of the communities making application and the minimum Federal requirements of the title X program.

CHAPTER 123.—CONTRACEPTION OR ABORTION SERVICES OR DEVICES

(Passed March 4, 1981. In effect May 12, 1981.)

An act relating to contraception and abortion; providing that no public funds shall be used to provide contraceptive or abortion services to an unmarried minor without parental or custodial consent; and providing that no public agency shall approve any application for public funds from an organization that provides contraceptive or abortion services to an unmarried minor without parental or custodial consent.

Be it enacted by the Legislature of the State of Utah:

Section 1. Contraceptive and abortion services—Definitions.

As used in this act:

(1) "Contraceptive services" means any material, program, plan, or undertaking which provides instruction on the use of birth control devices and substances, encourages individuals to use birth control methods, or provides birth control devices.

(2) "Abortion services" means any material, program, plan, or undertaking which seeks to promote abortion, encourages individuals to obtain an abortion, or provides abortions.

Section 2. Public funds for provision of contraceptive or abortion services restricted.

No public funds shall be used to provide contraceptive or abortion services to an unmarried minor without the prior written consent of the minor's parent or guardian.

Section 3. Public funds for support entities providing contraceptive or abortion services restricted.

No public agency shall approve any application for public funds to support, directly or indirectly, any organization or health care provider that provides contraceptive or abortion services to an unmarried minor without the prior written consent of the minor's parent or guardian. No institution shall be denied state or federal funds under relevant provisions of law on the ground that a person on its staff provides contra-

ceptive or abortion services in that person's private practice outside of such institution.

Section 4. Violation of restrictions on public funds for contraceptive or abortion services as misdemeanor.

Any agent of a state agency acting alone or in concert with others who violates section 2 or 3 is guilty of a class B misdemeanor.

Approved March 26, 1981.

SENATOR AND MRS. ————, your daughter has come to us to learn of and possibly receive contraceptive and abortion services. Would you please sign and give your consent to this educational and possibly medical arrangement? This could include arranging for birth control pills or the use of an I.U.D. She could possibly receive an abortion, without your knowledge, if she should get pregnant. This is of course to guarantee her rights of privacy.

The Kanter-Zelnik study indicates that about 40 percent of the teens using contraceptives do get pregnant.

• Please sign your name giving permission for these arrangements.

I/We consent.....

Date.....

P.S.—We did perform abortions on approximately 4 percent of the white teenage girls, ages 15-19 in our State last year. At the present rate, we will perform abortions on over 20 percent of our teenage girls during their teens. This rate has nearly doubled the past 10 years. The rate of abortions to nonwhite girls in Washington, Florida, Massachusetts, California, and Rhode Island is over 10 percent per year and over 50 percent of these girls will have abortions before the age of 20.

UTAH STATISTICS

Population	1975	1976	1977	1978	1979	1980	1981	1982	Increase each 3 percent to comparable to 1980
18 and 19	26,818	27,693	28,214	29,087	29,939	30,253	27,759	29,229	
15 to 17	37,395	37,756	38,177	37,944	37,532	36,707	35,776	35,725	
Total teens	64,213	65,449	66,391	67,031	67,471	66,960	63,535	64,954	66,903
						+ 2,747		2,006	
						+ 4%		3%	
Pregnancies:									
18 and 19	2,794	2,896	3,217	3,382	3,615	3,575	3,479	3,285	3,384
15 to 17	1,370	1,470	1,590	1,531	1,615	1,658	1,519	1,467	1,511
Total	4,164	4,366	4,807	4,913	5,230	5,233	5,098	4,752	4,895
						+ 1,069		481	338
						+ 25%		9%	6%
Abortions:									
18 and 19	378	384	487	464	536	537	525	485	500
15 to 17	198	241	234	227	302	317	274	297	306
Total	576	625	721	691	838	854	799	782	806
						+ 270		72	48
						+ 50%		8%	5%
Live births	3,588	3,741	4086	4,222	4,392	4,379	4,299	3,970	4,096
						+ 791		409	283
						+ 22%		9.3%	6.2%

FIGURE 17.—*1980 induced abortion rates[1] for white females 15 to 19 years old in rank order for responding States*

California	46.0
Massachusetts	42.8
Florida	41.7
Washington	41.6
Virginia	37.7
Rhode Island	37.2
New York	32.4
North Carolina	32.3
Hawaii	31.3
Colorado	31.0
Montana	29.1
South Carolina	29.0
Pennsylvania	28.2
Missouri	27.0
Tennessee	26.3
Nebraska	25.3
Michigan	24.7
New Mexico	24.5
Connecticut	24.4
Maine	24.1
Kansas	22.7
Illinois	22.4
Arizona	21.3
Arkansas	20.1
Ohio	16.3
Idaho	15.4
South Dakota	13.3
Louisiana	13.2
Utah	12.8
Wyoming	10.0

[1] The number of induced abortions per 1,000 white females ages 15 to 19.

FIGURE 18.—*1980 induced abortion rates[1] for nonwhite females 15 to 19 years old in rank order for responding States*

Rhode Island	133.3
Washington	126.6
Florida	124.2
Massachusetts	122.9
California	109.0
Nebraska	82.5
Connecticut	81.9
New York	79.8
Pennsylvania	77.7
Colorado	63.6
Michigan	58.6
Missouri	47.8
Ohio	45.8
Illinois	43.4
North Carolina	41.7
Virginia	38.8
Montana	35.8
Arizona	34.6
Hawaii	34.1
Louisiana	33.3
Kansas	30.5
Tennessee	29.4
Utah	29.4
Idaho	28.9
South Carolina	22.5
Wyoming	19.1
South Dakota	18.9
New Mexico	18.7
Arkansas	17.6
Maine	

[1] The number of induced abortions per 1,000 nonwhite females ages 15 to 19.

Mr. HATCH. Senator Flamm's testimony reinforced my concerns with the current provision of title X family planning programs, concerns which are serious and need to be addressed by both the House and the Senate. They are not limited to issues of notification and consent of parents. The need for modification in Federal policy encompasses a wide range of issues. The need for parental involvement in the delivery of family planning services to unmarried minors, the need for more specificity in abortion restrictions, the need to assure priority of family values in sex educational materials, and the need for adoption and infertility services to be provided under title X funding are all vitally important. Title X federally authorized programs must be addressed and restructured. As always, I am willing and, in fact, desirous of participating in a legislative conference for as long as it takes to come to a firm resolution on these sensitive issues.

Many circumstances have heightened my concern over the regulations and provisions of our current family planning programs. I have in my possession two letters provided by the American Life Lobby, Inc., an organization whose purpose is self-explanatory. Each letter relates the personal experience of an individual who is concerned over Federal policy relating to abortion. I ask unanimous consent that the full text of each of those letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICAN LIFE LOBBY, INC.,
Washington, DC, September 18, 1984.
Hon. ORRIN G. HATCH,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR SENATOR HATCH: I enclose two affidavits that prove that grantees of the title X Public Health Service Act Program are arranging abortions for 13 year olds without parental involvement and that employees of Title X grantees are assisting in the operation of abortion clinics.

It will be a major anti-life act if any action is taken on any bill that contains a reauthorization of the Title X program in advance of consideration by your Committee on Labor and Human Resources of reforms requested by numerous witnesses at the April 5, 1984 hearings on Title X and the reforms that are suggested by the highly critical Government Accounting Office reports HRD 81-68 and HRD 82-106.

I also remind you that no action has been taken by your Committee or any other Committee to eliminate the Federal Regulations that have been found to invalidate the Utah Law (SB 3, I believe) that requires parental consent prior to providing family planning services.

At this late date in the 98th Congress, a full scale reform of the Title X Program is not possible, therefore no action on Title X reauthorization is the only pro-life position. Full scale reform can be the first item of business in the 99th Congress.

With God for Life,
JUDIE BROWN, *President.*

JULY 10, 1984.

Mr. JOHN STOOS,
American Life Lobby, Inc.,
Sacramento, CA.

DEAR MR. STOOS: I was employed as a Community Health Worker for San Vicente Hospital Family Planning Clinic, located at 6000 San Vicente Blvd., Los Angeles, from 1976 thru 1978. The Family Planning Clinic was a community outreach clinic sustained by a LARF (Los Angeles Regional Family Planning Council) grant, working in co-operation with San Vicente Hospital and operating on the hospital premise, and I worked as an assistant to the Family Planning Director.

My primary responsibilities as the only full-time Family Planning Staff Worker (apart from the Director) included family planning counselling (explaining contraception methods and use), assisting the physician in pelvic exams and IUD insertions during clinic hours, processing and reviewing LARF patient forms and chart upkeep, and maintaining supplies for clinic use. We had clinic one-two days each week, so the above tasks probably required about 50-60% of my time.

In addition to these responsibilities, I was required to work with the San Vicente Hospital Staff, doing abortion counseling (explaining whichever abortion procedure each woman would undergo, whether an A&C (local anesthesia aspiration and curatage), a D&C (general anesthesia dialation and curatage), or a saline induced abortion), assisting the physician whenever needed during A&C abortion procedures and saline injections, and offering support to women who were experiencing saline induced labor to expel their fetus. San Vicente Hospital probably performed 15-40 or more abortions each day, the majority of which occurred in the morning, so I was expected to assist hospital counselors, nurses, and physicians on a daily basis. Because I was usually the only counselor available in the later afternoons, I also needed to be available to counsel, assist, and offer support to women who were having abortions during that time. I probably spent 40-50% of my working hours as an "abortion counselor" and assisting in abortion procedures during my employment at San Vicente Hospital.

I hope that this information will be helpful to you in your efforts in Sacramento. Feel free to contact me for any further information relating to my prior role and function while working for LARF at San Vicente.

Sincerely,
(Mrs.) CINDY S. FRITSCH.

ROSEVILLE, CA,
June 8, 1984.

Congressman WILLIAM DANNEMEYER,
Longworth Building,
Washington, DC.

DEAR CONGRESSMAN DANNEMEYER: As a concerned Pro-Lifer I called PLANNED PARENTHOOD of Sacramento on March 30, 1984. They are located at 2507 21st Street and they are listed under "Surgical Suite—Abortion Info" (916) 446-6921.

I obtained the telephone number from the White Pages Directory of Pacific Telephone, January, 1983, Sacramento, page 416. The same information is available in the January, 1984 white pages of Pacific Bell, Sacramento, page 420, listed simply as Abortion, with the same telephone number.

I posed as a concerned benefactress to an imaginary 13 year old girl, explaining to the secretary that this 13 year old had confided in me that she was pregnant and did NOT wish her parents to ever have that knowledge, I asked if an abortion could be arranged so that the girl need not be away from home overnight. The secretary asked me what trimester my so-called young friend was in, and I replied the first trimester. The secretary very positively stated that it could easily be so arranged. I ended the conversation by telling the secretary that I would pass on the information to the 13 year old and get back to PLANNED PARENTHOOD.

Congressman Dannemeyer, I hope my letter and my having related my own personal experience with PLANNED PARENTHOOD will prove to be of some help to you.

Respectfully yours,
JOAN E. CONROY,
Vice-President,
Sacramento/Placer Pro-Life Coalition.

Mr. HATCH. Repeated comments and complaints similar to those detailed in these letters have heightened my determination to seek more specific guidelines for appropriate uses of Federal family planning funds and to monitor more stringently conformance by participating organizations to those guidelines.

In conclusion, I would like to reiterate my discomfort and disappointment that full consideration of these sensitive issues has been incomplete. However, I am comforted somewhat by the bipartisan commitment of both the House and the Senate conferees who have promised thorough investigation and review of present planning legislative policies. With that commitment in mind, I urge your final approval of the conference agreement on S. 2616.

Mr. President, I ask unanimous consent to have printed in the RECORD the final draft of the conference substitute.

There being no objection, the draft was ordered to be printed in the RECORD, as follows:

FINAL DRAFT OF CONFERENCE SUBSTITUTE ADOLESCENT FAMILY LIFE; FAMILY PLANNING

October 4, 1984

That whenever in this Act an amendment of repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 2. (a) Section 2010(a) (42 U.S.C. 300z-9(a)) is amended by striking out "and" after "1983," and by inserting before the period a comma and "and $30,000,000 for the fiscal year ending September 30, 1985".

(b) Section 2001(a)(5) (42 U.S.C. 300z(a)(5)) is amended to read as follows:

"(5) pregnancy and childbirth among unmarried adolescents, particularly young adolescents, often results in severe adverse health, social, and economic consequences including: a higher percentage of pregnancy and childbirth complications; a higher incidence of low birth weight babies; a higher infant mortality and morbidity; a greater likelihood that an adolescent marriage will end in divorce; a decreased likelihood of completing schooling; and higher risks of unemployment and welfare dependency; and therefore, education, training, and job research services are important for adolescent parents;".

(c) Section 2001(b)(3) (42 U.S.C. 300z(b)(3)) is amended by inserting "both" before "for pregnant adolescents" in the matter preceding subparagraph (A).

(d) Section 2002(a)(4)(H) (42 U.S.C. 300z-1(a)(4)(H)) is amended by striking out "and referral to such services".

(e) Section 2008(g) (42 U.S.C. 300z-(g)) is repealed.

SEC. 3. (a) Section 1001(c) (42 U.S.C. 300(c)) is amended by striking out "and" after "1983;" and by inserting before the period a semicolon and "and $158,400,000 for the fiscal year ending September 30, 1985".

(b) Section 1003(b) (42 U.S.C. 300a-1(b)) is amended by striking out "and" after "1983;" and by inserting before the period a semicolon and "and $3,500,000 for the fiscal year ending September 30, 1985".

(c) Section 1005(b) (42 U.S.C. 300a-3(b)) is amended by striking out "and" after "1983;" and by inserting before the period a semicolon and "and $700,000 for the fiscal year ending September 30, 1985".

Amend the title so as to read: "An Act to extend for one year titles X and XX of the Public Health Service Act".

Mr. KENNEDY. Mr. President, I urge the Senate to act favorably on the reauthorization of the adolescent family life and family planning programs. These programs both serve vital needs. Without the family planning program, our current problems of unwanted teenage pregnancies, with all their associated problems of poverty, child abuse, and disruption of normal life plans, would be far worse. The right of each child to be a wanted

child would be in far greater jeopardy. The ability to each family to plan pregnancies that maximize the opportunities for that family to provide a stable and healthly child-rearing environment would be diminished. And the opportunities of every infant—wanted or unwanted—to receive the appropriate prenatal care so vital to good health in later life would be reduced.

The Adolescent Family Life Demonstration Program also makes a valuable contribution to the national well-being. While aspects of the program need further evaluation, the need for care and support for pregnant teenagers and involvement of families, where possible, in providing that support is unquestionable. Amendments incorporated in this authorization suggested by Senator DODD will make a significant contribution to improving the life chances of persons participating in the AFL Program.

While I applaud the reauthorization of these programs, I must express my disappointment that the authorizations are only for 1 additional year. These programs need stability if they are to carry out their important work, and they deserve at least a 3-year reauthorization.

Mr. BAKER. Mr. President, I move the adoption of the conference report.

There being no objection, the motion was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PREVENTIVE HEALTH AMENDMENTS

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2301.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2301) entitled "An Act to revise and extend programs for the provision of health services and preventive health services, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause, and insert:

SECTION 1. (a) This Act may be cited as the "Preventive Health Amendments of 1984".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 2. (a) Section 317(j)(1) (42 U.S.C. 247b(j)(1)) is amended—

(1) by striking out "immunize children against immunizable diseases" and inserting in lieu thereof "immunize against vaccine-preventable diseases", and

(2) by striking out "and" after "1983," and by inserting before the period a comma and the following:, "$52,000,000 for the fiscal year ending September 30, 1985, $59,000,000 for the fiscal year ending September 30, 1986, and $65,000,000 for the fiscal year ending September 30, 1987".

(b) Section 317(j)(2) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$8,000,000 for the fiscal year ending September 30, 1985, $9,000,000 for the fiscal year ending September 30, 1986, and $10,000,000 for the fiscal year ending September 30, 1987".

SEC. 3. (a) The first sentence of section 318(d)(1) (42 U.S.C. 247c(d)(1)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$60,000,000 for the fiscal year ending September 30, 1985, $67,500,000 for fiscal year ending September 30, 1986, and $75,000,000 for the fiscal year ending September 30, 1987".

(b)(1) Subsection (a) of section 318 is amended by striking out "research" and all that follows in such section and inserting in lieu therof the following: "research in, and training and public health programs for, the prevention and control of sexually transmitted diseases.".

(2) Subsection (b) of section 318 is amended to read as follows:

"(b) The Secretary may make grants to States, political subdivisions of States, and any other public and nonprofit private entity for—

"(1) research into the prevention and control of sexually transmitted diseases;

"(2) demonstration projects for the prevention and control of sexually transmitted diseases;

"(3) public information and education programs for the prevention and control of such diseases, and

"(4) professional (including appropriate allied health personnel) education, training, and clinical skills improvement activities in the prevention and control of such diseases.".

(3) Subsection (c) of section 318 is amended by inserting "and" at the end of paragraph (3), by striking out paragraph (4), and by redesignating paragraph (5) as paragraph (4).

(4) Subsection (d)(1) of section 318 is amended by striking out "5 per centum" and inserting in lieu thereof "10 per centum".

(5)(A) Section 318 is amended by redesignating subsections (d) through (f) as subsections (e) through (g) and by adding after subsection (c) the following new subsection:

"(d) The Secretary, acting through the Director of the Centers for Disease Control, may make grants to public and nonprofit private entities for information and education programs on, and for the diagnosis, prevention, and control of, acquired immune deficiency syndrome. The authority to make grants under this section for acquired immune deficiency syndrome is not the exclusive authority to make grants under this Act for acquired immune deficiency syndrome.".

(B) Subsection (e)(1) of section 318 (as so redesignated) is amended—

(i) by striking out "(b) and (c)" and inserting in lieu thereof "(b), (c), and (d)",

(ii) by striking out "(b) or (c)" and inserting in lieu thereof "(b), (c), or (d)", and

(iii) by adding at the end the following: "If the appropriations under the first sentence for fiscal year 1985 exceed $50,000,000, one-half of the amount in excess of $50,000,000 shall be made available for grants under subsection (d); if the appropriations under the first sentence for fiscal year 1986 exceed $52,500,000, one-half of the amount in excess of $52,500,000 shall be made available for such grants; and if the appropriations under the first sentence for fiscal year 1985 exceed $55,000,000, one-half of the amount in excess of $55,000,000 shall be made available for such grants.".

(6)(A) Section 318 is amended by striking out "venereal disease" each place it occurs and inserting in lieu thereof "sexually transmitted diseases".

(B) The heading for such section 318 is amended by striking out "VENEREAL DISEASE" and inserting in lieu thereof "SEXUALLY TRANSMITTED DISEASES AND ACQUIRED IMMUNE DEFICIENCY SYNDROME".

(C) Section 318 is amended by striking out the subsection (g) which was in effect on the day before the date of enactment of this Act.

SEC. 4. (a) Section 1901(a) (42 U.S.C. 300w(a)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$98,500,000 for the fiscal year ending September 30, 1985, $98,500,000 for the fiscal year ending September 30, 1986, and $98,500,000 for the fiscal year ending September 30, 1987".

(b) Section 1901(b) is amended by striking out "$3,000,000" and inserting in lieu thereof "$3,500,000".

(c) Section 1905(c)(4) (42 U.S.C. 300w-4(c)(4)) is amended to read as follows:

"(4) agrees to make grants for preventive health service programs for hypertension in amounts equal to 65 percent of the total amount provided by the Secretary in fiscal year 1981 to the State and entities in the State under section 317 for such programs;".

SEC. 5. (a) Section 1905(c) is amended by striking out "and" at the end of paragraph (7), by striking out the period at the end of paragraph (8) and inserting in lieu thereof "; and", and by inserting after paragraph (8) the following:

"(9) will, not later than October 1, 1984, as prescribed by the Secretary by regulation collect data, using a uniform system prescribed in such regulation, on preventive health and preventive health services programs in the State assisted by funds from allotments under this part, including a summary of the services which were provided, the providers of such services, and the individuals who received such services.".

(b) The last sentence of section 1905(c) is amended by inserting before the period the following: "(other than the requirements of paragraph (9))".

(c) Section 1906(a)(2) (42 U.S.C. 300w-5(a)(2)) is amended by striking out "burdensome" and inserting in lieu thereof "unnecessarily burdensome".

AMENDMENT NO. 7081

Mr. BAKER. Mr. President, I now move that the Senate concur with the House amendment, with a further Senate amendment which I send to the desk on behalf of Senator HATCH.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. BAKER], for Mr. HATCH, proposes an amendment numbered 7081.

Mr. BAKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

That this Act may be cited as the "Preventive Health Amendments of 1984".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 2. (a) Section 317(j)(1) (42 U.S.C. 247b(j)(1)) is amended—

(1) by striking out "immunize children against immunizable diseases" and inserting in lieu thereof "immunize individuals against vaccine-preventable diseases", and

(2) by striking out "and" after "1983," and by inserting before the period a comma and the following: "$52,000,000 for the fiscal year ending September 30, 1985, $59,000,000 for the fiscal year ending September 30, 1986, and $65,000,000 for the fiscal year ending September 30, 1987".

(b) Section 317(j)(2) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$8,000,000 for the fiscal year ending September 30, 1985, $9,000,000 for the fiscal year ending September 30, 1986, and $10,000,000 for the fiscal year ending September 30, 1987".

SEC. 3. (a) The first sentence of section 318(d)(1) (42 U.S.C. 247c(d)(1)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$57,000,000 for the fiscal year ending September 30, 1985, $62,500,000 for the fiscal year ending September 30, 1986, and $68,000,000 for the fiscal year ending September 30, 1987".

(b)(1) Subsection (a) of section 318 is amended by striking out "research" and all that follows in such section and inserting in lieu thereof the following: "research in, and training and public health programs for, the prevention and control of sexually transmitted diseases.".

(2) Subsection (b) of section 318 is amended to read as follows:

"(b) The Secretary may make grants to States, political subdivisions of States, and any other public and nonprofit private entity for—

"(1) research into the prevention and control of sexually transmitted diseases;

"(2) demonstration projects for the prevention and control of sexually transmitted diseases;

"(3) public information and education programs for the prevention and control of such diseases; and

"(4) education, training, and clinical skills improvement activities in the prevention and control of such diseases for health professionals (including allied health personnel).".

(3) Subsection (c) of section 318 is amended by inserting "and" at the end of paragraph (3), by striking out paragraph (4), and by redesignating paragraph (5) as paragraph (4).

(4) The second sentence of section 318(d)(1) is amended by striking out "5 per centum" and inserting in lieu thereof "10 per centum".

(5)(A) Section 318 is amended by redesignating subsections (d) through (f) as subsections (e) through (g) and by adding after subsection (c) the following new subsection:

"(d) The Secretary, acting through the Director of the Centers for Disease Control, may make grants to public and nonprofit private entities for information and education programs on, and for the diagnosis, prevention, and control of, acquired immune deficiency syndrome. The authority to make grants under this section for acquired immune deficiency syndrome is not the exclusive authority to make grants under this Act for acquired immune deficiency syndrome.".

(B) Subsection (e)(1) of section 318 (as so redesignated) is amended—

(i) by striking out "(b) and (c)" in the first sentence and inserting in lieu thereof "(b), (c), and (d)",

(ii) by striking out "(b) or (c)" in the second sentence and inserting in lieu thereof "(b), (c), or (d)", and

(iii) by adding at the end the following: "If the appropriations under the first sentence for fiscal year 1985 exceed $50,000,000, one-half of the amount in excess of $50,000,000 shall be made available for grants under subsection (d); if the appropriations under the first sentence for fiscal year 1986 exceed $52,500,000, one-half of the amount in excess of $52,500,000 shall be made available for such grants; and if the appropriations under the first sentence for fiscal year 1987 exceed $55,000,000, one-half of the amount in excess of $55,000,000 shall be made available for such grants.".

(6)(A) Section 318 is amended by striking out "venereal disease" each place it occurs and inserting in lieu thereof "sexually transmitted diseases".

(B) The heading for such section 318 is amended by striking out "venereal disease" and inserting in lieu thereof "sexually transmitted diseases and acquired immune deficience syndrome".

(C) Section 318 is amended by striking out the subsection (g) which was in effect on the day before the date of enactment of this Act.

SEC. 4. (a) Section 1901(a) (42 U.S.C. 300w(a)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$98,500,000 for the fiscal year ending September 30, 1985, $98,500,000 for the fiscal year ending September 30, 1986, and $98,500,000 for the fiscal year ending September 30, 1987".

(b) Section 1901(b) is amended by striking out "$3,000,000" and inserting in lieu thereof "$3,500,000".

SEC. 5. (a) Section 1905(c) (42 U.S.C. 300w-4) is amended by striking out paragraphs (2) and (4) and redesignating paragraphs (3) and (5) through (8) as paragraphs (2) through (6), respectively.

(b) Section 1906(a)(1)(B) (42 U.S.C. 300w-5) is amended by striking out "activities of the State under this part" and inserting in lieu thereof "preventive health and preventive health services programs in the State assisted by funds from allotments under this part, including a summary of the services which were provided, the providers of such services, and the individuals who received such services".

(c) Section 1906 is amended by adding at the end the following:

"(d) The Secretary, in consultation with appropriate national organizations, shall develop model criteria and forms for the collection of data and information with respect to services provided under this part to enable States to share uniform data and information with respect to the provision of such services.".

(d) Subsection (e) of section 1905 is repealed.

SEC. 6. (a) Section 339(a)(5) (42 U.S.C. 255(a)(5)) is amended by striking out "and" after "1983," and by inserting before the period a comma and "September 30, 1985, September 30, 1986, and September 30, 1987".

(b) Section 339(b)(5) is amended by striking out "and" after "1983," and by inserting before the period a comma and "September 30, 1985, September 30, 1986, and September 30, 1987".

SEC. 7. Part A of title XIX is amended by inserting after section 1909 (42 U.S.C. 300w-8) the following new section:

"EMERGENCY MEDICAL SERVICES FOR CHILDREN

"SEC. 1910. (a) For activities in addition to the activities which may be carried out by States under section 1904(a)(1)(F), the Secretary may make grants to not more than four States in any fiscal year to support a program of demonstration projects in such States for the expansion and improvement of emergency medical services for children who need treatment for trauma or critical care. Any grant made under this subsection shall be for a one-year period.

"(b) The Secretary may renew a grant made under subsection (a) for one additional one-year period only if the Secretary determines that renewal of such grant will provide significant benefits through the collection, analysis, and dissemination of information or data which will be useful to other States.

"(c) To carry out this section, there are authorized to be appropriated $2,000,000 for fiscal year 1985 and for each of the two succeeding fiscal years.".

SEC. 8. Part A of title XIX (as amended by section 7 of this Act) is amended by adding at the end the following new section:

"STATE PLANNING GRANTS"

"SEC. 1910A. (a) The Secretary may make grants to assist States to—

"(1) develop long range plans to achieve the goals, objectives, and priorities established by the Secretary pursuant to title XVII;

"(2) identify particular needs within States for services and activities that may be conducted with payments made under allotments under section 1902; and

"(3) determine the progress of States in achieving the goals, objectives, and priorities described in paragraph (1) and, to the extent feasible, use scientifically valid measures to make such determinations.

"(b) To carry out this section, there are authorized to be appropriated $5,000,000 for fiscal year 1985 and for each of the two succeeding fiscal years.".

SEC. 9. 1001 (42 U.S.C. 300) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) The Secretary, at the request of a recipient of a grant under subsection (a), may reduce the amount of such grant by the fair market value of any supplies or equipment furnished the grant recipient by the Secretary. The amount by which any such grant is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment on which the reduction of such grant is based. Such amount shall be deemed as part of the grant and shall be deemed to have been paid to the grant recipient.".

Mr. HATCH. Mr. President, I am pleased to bring up for consideration today S. 2301, The Preventive Health Amendments of 1984. S. 2301 was passed by the Senate in late September, and was amended by the House and sent back to this body. After careful consideration and intensive negotiations with the House sponsors, the Senate sponsors have arrived at a compromise which we can accept and which I expect to be adopted without amendment by the House.

The centerpiece of the bill, the Preventive Health and Health Services [PHHS] Block Grant, has succeeded in providing a push to State and local efforts in addressing preventive and abuse-related health objectives while preserving to the State and local authorities the flexibility to address local and State priorities within a streamlined administrative framework.

It has proven to be the effective mechanism my committee expected it would when it authorized the program in 1981. The compromise bill reauthorizes this program at $98,500,000 per year for fiscal years 1985, 1986, and 1987. It slightly increases the rape-crisis program set-aside, while making no continuation of the hypertension set-aside.

The vital immunization portion of this bill raises the authorization level for this critically important health program to $52,000,000 for fiscal year 1985, $59,000,000 for fiscal year 1986, and $65,000,000 for fiscal year 1987.

There are compelling reasons for such an increase. That is, the recent dramatic rise in the cost of diptheria, pertussis and tetanus [DPT] vaccine. I have just learned that during the past year, the cost of vaccines for the Utah State Department of Health has increased 433 percent.

As I have stated earlier, only one pharmaceutical company is left to supply this vaccine, and their prices have recently risen to accommodate for increased investments in research for safer vaccines and expenditures for liability. Regardless of the reasons, some States are faced with dramatic shortfalls in funding to maintain their childhood vaccination programs.

Significant changes are made to the venereal disease prevention and control program. Projects for professional education, training and clinical skill improvement activities in the prevention and control of sexually transmitted diseases may be carried out not only by State agencies, but by other public and private nonprofit organizations. The minimum amount of the discretionary funds the Secretary must expend is increased from 5 to 10 percent, and new authority is given to the Secretary through the Centers of Disease Control to make grants for education, research, prevention, and treatment of acquired immune deficiency syndrome. Authority is given to the Secretary to make these grants out of the regular appropriation when the appropriation exceeds certain levels. The term "venereal disease" is replaced with the term "sexually transmitted disease" and includes acquired immune deficiency, and the title of the program is changed accordingly. The sexually transmitted disease program is reauthorized at $57,500,000 for fiscal year 1985, $62,500,000 for fiscal year 1986, and $68 million for fiscal year 1987.

This bill would amend title XIX of the Public Health Service Act by providing a demonstration program relating to emergency health care for children who need treatment for trauma or critical care. Under the program, $2 million would be authorized for fiscal year 1985 through 1987, for 1-year grants to no more than four States in any fiscal year. Presumptively this will allow 12 States to participate over the 3 years although the Secretary may renew a demonstration project for 1 additional fiscal year if it is determined that the extension of the project will provide a significant benefit which will be useful to other States.

Of all the patients receiving care in hospital emergency departments, approximately 20 to 35 percent are children. Yet various statistics suggest that insufficient attention has been placed on the needs of children. Although our emergency medical services programs have demonstrated their extraordinary ability to save lives, special priority needs to be given to upgrading their capacity to provide emergency care for children who are critically ill.

Finally, new authority is provided to States to undertake planning and coordination of their prevention activities.

I urge my colleagues to expeditiously approve this legislation.

Mr. KENNEDY. Mr. President, I am pleased to support the enactment of S. 2301, the Health Services and Preventive Health Programs Act of 1984. This legislation reauthorizes a number of programs vital to the health of the American people, including the preventive health block grant and grant programs supporting childhood immunizations, tuberculosis control and venereal disease control. It also establishes several important new authorities, including a demonstration program for emergency medical services for children, a program to fund AIDS, prevention and treatment services, and a new program of preventive health planning and measurement grants to States. For the first time, funds are made available to assist States in providing DPT vaccine in their childhood immunization programs.

I commend all those involved in working out this bill, including Senator HATCH, Senator BUMPERS—who was particularly helpful in securing higher authorization levels for the block grant and childhood immunizations—Congressman WAXMAN, Congressman MADIGAN, and others. Senators RANDOLPH, INOUYE, and MATSUNAGA took the initiative in securing enactment of the important emergency medical services demonstration program for children.

The preventive planning grant authority is, in my view, a particularly important step forward in our national effort to develop an efffective program of preventive health.

A new planning grant authority for prevention was included in the omnibus health services and health services research reauthorization bill that I introduced on March 20 and that was cosponsored by all the Democratic members of the Labor and Human Resources Committee. A systematic planning and reporting effort is essential to an effective prevention effort.

Since the days when I first attempted to place health promotion and disease prevention at the center of our national health agenda, there has been a growing recognition that a comprehensive, aggressive prevention strategy can be our most effective weapon in the struggle to secure health and well-being for the American people. As Assistant Secretary Brandt recently stated, "The time has come for us to turn our attention as a Nation to the preservation of good health, the promotion and enhancement of healthful lifestyles, and the prevention of disease and disability."

The knowledge base for rapid improvements in the health of the American people through an effective prevention strategy is now in place. The 1979 Surgeon General's report, "Healthy People," identified major health problems for each of five broad age groups and 15 priority areas for further action. The Surgeon General's 1980 followup report, "promoting health/preventing disease," established 226 measurable prevention objectives for these 15 priority areas. The Center of Disease Control has developed model prevention standards for community health services. The prevention-oriented activities of the public health service have been inventoried and given renewed emphasis.

Implementation of the goals outlined in this series of reports will result in dramatic improvements in the health and well-being of the American people. By the end of this decade, we can anticipate: A 35 percent reduction in infant mortality; a 20 percent drop in deaths among children; a 25 percent death rate among adults; and 20 percent less disability for older Americans.

But these lower death and disability rates and all they imply for healthier, happier, more active and productive

lives will not occur simply because we have a roadmap showing how to get from here to there. An aggressive national policy can help us not only achieve but surpass these goals.

The major missing ingredient in our national prevention strategy has been the lack of an effective Federal-State partnership to assure comprehensive prevention planning and service delivery at the State and community level where people can be reached most effectively.

The preventive health block grant should be the key vehicle for development of an effective Federal-State partnership. Instead, this block grant is an example of the Reagan so-called New Federalism at its worst. Essentially a thinly disguised attempt to eliminate the Federal responsibility for a grab bag of categorical programs, this block was established without standards, priorities, accountability, measurement, or a clear relationship to either national or local objectives.

I believe this block grant should be restructured into an effective vehicle for achieving the goals and objectives established in the Surgeon General's report. As a condition for receiving block grant funds, States should be required to go through a conscious prevention-planning process to establish goals and objectives in each of the Surgeon General's 15 preventive areas, to establish at least one high priority prevention objective for each of the five age groups identified in healthy people, and to develop a plan for meeting the priority objectives selected by the State itself utilizing not only PHS funds, but other appropriate public and private resources, and to measure progress toward fulfillment of the State plan and national prevention goals. As the witness from the Association of State and Territorial Health Officers stated in testifying before our committee, "We want to be held accountable."

A number of States, including my own State of Massachusetts, Utah, and Texas have already gone through this process of establishing comprehensive State prevention plans and developing a measurement and reporting system to ensure the plan objectives are achieved.

S. 2301, with its new planning grant authority, is a step in the right direction, but does not, in any judgment, go far enough. The key lack is a comprehensive planning and reporting requirement as opposed to the planning and reporting assistance included in the bill.

In addition, despite modest increases placed in the bill as it worked its way from the committee through the Senate floor to this final agreement, the funding levels in the bill are not high enough.

All the witnesses before the Labor Committee who dealt with the question of funding indicated Federal support was inadequate. Prevention is our most cost-effective health investment; it does not make good sense to spend over $100 billion on Federal service and financing programs and less than $100 million on the prevention block grant.

I urge my colleagues to pass S. 2301 today, so that these programs that are so vital to the health of the American people can be continued without interruption and so that the improvements included in this bill can be implemented without delay.

Mr. MATHIAS. Mr. President, I am pleased to see the continuation of a program of services to victims of rape and their families in this reauthorization of the Preventive Health and Health Services Block Grant.

This small, but important program continues an annual State grant program through fiscal year 1987 for community-based rape crisis centers at a $3.5 million level. As the sponsor of this program, I have been pleased with reports I have received on the range and level of services provided as a result of this funding. Types of direct services eligible for funding under this section include: Accompaniment of the victim to medical, social, and legal services; counseling and referral services for the victim and her immediate family; operation of telephone hotlines; consultation with and training of crisis center staff by allied professionals; public education materials and programs, such as speaker programs, films, and pamphlets geared to specific audiences such as school children and senior citizens; emergency shelter programs; and offender rehabilitation and counseling.

As a result of this grant program thousands of victims of sexual assault and their families have been assisted by approximately 525 of the estimated 700 public and private rape crisis centers. Most of these crisis centers rely heavily on volunteers to provide most of these services. The grants have helped defray part of the expenses of volunteers, office space, utilities and equipment, and part salary expenses of staff.

Nonetheless, the funds provided for this program are insufficient to support comprehensive victim services throughout the Nation. In fact, it doesn't even fund all of the existing crisis centers. And those that it does fund receive grants ranging from $5,000 to $15,000—a pittance when one is trying to operate a 24-hour hotline and comprehensive services. At present, there is no other Federal assistance provided to these crisis intervention programs for victims. So rape crisis centers remain staffed mostly by volunteers and continue to rely on private donations and fundraisers to remain open.

Mr. President, national FBI crime statistics tell us a rape is committed in the United States once every 7 minutes; 85,000 rapes are reported to the police every year. Because of underreporting of this crime, the Department of Justice estimates that an average of 190,000 rapes actually occur each year. The underreporting of child and adolescent victims is even greater. The probability is that 1 woman out of every 15 and 1 child out of every 15 will be raped in their lifetime. Our wives, mothers, children, other relatives, and friends are at risk.

Although statistics give us some sense of the magnitude of the problem, they do not convey the guilt, fear, and anguish experienced by those victimized. The trauma of rape for the victim and her family is a profound, long-term one which changes the way they behave toward one another and others and alters their perspective on life. Their sense of freedom and of privacy are shattered.

Rape crisis centers and their dedicated volunteers perform an invaluable service to the victim during her most traumatic time of need. They counsel the victim; accompany her to the hospital, police, and court; and provide short-term therapy to the victim and her family, including play therapy for child victims of sexual assault. They also provide a community service by speaking to school groups, church groups, senior citizens, and others about rape prevention measures.

Only recently has society recognized and begun to address the needs of victims of crime. Our criminal justice system has been preoccupied with the offender, his rights, punishment, and rehabilitation, and with prison capacities. We are now beginning to view the causes of crime and the restoration of victims as part and parcel of a comprehensive system.

I am pleased to support this reauthorization of the Preventive Health and Health Services Block Grant Program.

The PRESIDING OFFICER. Without objection, the motion of the majority leader is agreed to.

BILL PLACED ON CALENDAR—H.R. 5496

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be discharged from further consideration of H.R. 5496, and that that item be placed on the calendar.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

VIETNAM VETERANS NATIONAL MEDAL ACT

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate Calendar Order No. 525.

The PRESIDING OFFICER. Is there objection? Without objection, the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1870) to require the Secretary of the Treasury to coin and sell a national medal in honor of the members and former members of the Armed Forces of the United States who served in the Vietnam conflict.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The bill (H.R. 1870) was considered, ordered to a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

OSAGE INDIAN EXEMPTION FROM ESTATE OR INHERITANCE TAX

Mr. BAKER. Mr. President, I ask the Chair to lay before the Senate H.R. 3971 which is being held at the desk.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill, to provide that any Osage headright or restricted real estate or funds which is part of the estate of a deceased Osage Indian who did not possess a certificate of competency at the time of death shall be exempt from any estate or inheritance tax imposed by the State of Oklahoma.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 3971) was read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

OSAGE TRIBE OF INDIANS

Mr. BAKER. Mr. President, I now ask the Chair to lay before the Senate a bill at the desk, H.R. 6303.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 6303) to make certain technical corrections in various acts relating to the Osage Tribe of Indians of Oklahoma.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read the first and second times by title and the Senate will proceed to its immediate consideration.

The bill (H.R. 6303) was considered, ordered to a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BILL HELD AT DESK—H.R. 6342

Mr. BAKER. Mr. President, I ask unanimous consent that once the Senate receives from the House H.R. 6342, a bill approving the governing international fishery agreements with Iceland and the European Economic Community, that that bill be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURES PLACED ON CALENDAR

HOUSE JOINT RESOLUTION 594

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of House Joint Resolution 594 and that that matter be placed on the Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSE CONCURRENT RESOLUTION 196

Mr. BAKER. Now, Mr. President, I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of House Concurrent Resolution 196 and that that measure be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 386

Mr. BAKER. Mr. President, I further ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of Senate Resolution 386 and that that resolution be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 3034

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of S. 3034 and that that bill be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

H.R. 4401

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of H.R. 4401 and that that measure be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

H. R. 2087

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of H.R. 2087 and that that measure be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

H. R. 1095

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of H.R. 1095 and that it be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

H. R. 2823

Mr. BAKER. Mr. President, I ask unanimous consent that the Environment and Public Works Committee be discharged from further consideration of H.R. 2823 and that that measure be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

VETERANS COMPENSATION

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 5688.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendments of the Senate to the bill (H.R. 5688) entitled "An Act to amend title 38, United States Code, to provide a cost-of-living increase for fiscal year 1985, in the rates of compensation paid to veterans with service-connected disabilities and the rates of dependency and indemnity compensation paid to survivors of such veterans, and for other purposes", with the following amendments: In lieu of the matter inserted by the amendment of the Senate to the text of the bill, insert:

SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE

SECTION 1. (a) This Act may be cited as the "Veterans' Benefits Improvement Act of 1984".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION

PART A.—RATE INCREASES

DISABILITY COMPENSATION

SEC. 101. (a) Section 314 is amended—

(1) by striking out "$64" in subsection (a) and inserting in lieu thereof "$66";

(2) by striking out "$118" in subsection (b) and inserting in lieu thereof "$122";

(3) by striking out "$179" in subsection (c) and inserting in lieu thereof "$185";

(4) by striking out "$258" in subsection (d) and inserting in lieu thereof "$266";

(5) by striking out "$364" in subsection (e) and inserting in lieu thereof "$376";

(6) by striking out "$459" in subsection (f) and inserting in lieu thereof "$474";

(7) by striking out "$579" in subsection (g) and inserting in lieu thereof "$598";

(8) by striking out "$671" in subsection (h) and inserting in lieu thereof "$692";

(9) by striking out "$755" in subsection (i) and inserting in lieu thereof "$779";

(10) by striking out "$1,255" in subsection (j) and inserting in lieu thereof "$1,295";

(11) by striking out "$1,559" and "$2,185" in subsection (k) and inserting in lieu thereof "$1,609" and "$2,225", respectively;

(12) by striking out "$1,559" in subsection (l) and inserting in lieu thereof "$1,609";

(13) by striking out "$1,719" in subsection (m) and inserting in lieu thereof "$1,774";

(14) by striking out "$1,954" in subsection (n) and inserting in lieu thereof "$2,017";

(15) by striking out "$2,185" each place it appears in subsections (o) and (p) and inserting in lieu thereof "$2,255";

(16) by striking out "$938" and "1,397" in subsection (r) and inserting in lieu thereof "$968" and "$1,442", respectively;

(17) by striking out "$1,404" in subsection (s) and inserting in lieu thereof "$1,449"; and

(18) by striking out "$271" in subsection (t) and inserting in lieu thereof "$280";

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

ADDITIONAL COMPENSATION FOR DEPENDENTS

SEC. 102. Section 315(1) is amended—

(1) by striking out "$77" in clause (A) and inserting in lieu thereof "$79";

(2) by striking out "$128" and "$41" in clause (B) and inserting in lieu thereof "$132" and "$42", respectively;

(3) by striking out "$52" and "$41" in clause (C) and inserting in lieu thereof "$54" and "42", respectively;

(4) by striking out "$62" in clause (D) and inserting in lieu thereof "$64";

(5) by striking out "$139" in clause (E) and inserting in lieu thereof "$143"; and

(6) by striking out "$116" in clause (F) and inserting in lieu thereof "$120".

CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS

SEC. 103. Section 362 is amended by striking out "$338" and inserting in lieu thereof "$349".

DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES

SEC. 104. (a) Subsection (a) of section 411 is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

"Pay grade	Monthly rate	Pay grade	Monthly rate
E-1	$476	W-4	$682
E-2	490	O-1	602
E-3	502	O-2	621
E-4	535	O-3	665
E-5	549	O-4	703
E-6	561	O-5	775
E-7	589	O-6	873
E-8	621	O-7	944
E-9	[1] 649	O-8	1.035
W-1	602	O-9	1.111
W-2	626	O-10	[2] 1.217
W-3	644		

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $700.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,305.".

(b) Subsection (b) of such section is amended by striking out "$53" and inserting in lieu thereof "$55".

(c) Subsection (c) of such section is amended by striking out "$139" and inserting in lieu thereof "$143".

(d) Subsection (d) of such section is amended by striking out "$68" and inserting in lieu thereof "$70".

DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 105. Section 413 is amended—

(1) by striking out "$233" in clause (1) and inserting in lieu thereof "$240";

(2) by striking out "$334" in clause (2) and inserting in lieu thereof "$345";

(3) by striking out "$446"; and

(4) by striking out "$432" and "$87" in clause (4) and inserting in lieu thereof "$446" and "$90", respectively.

SUPPLEMENTAL DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 106. Section 414 is amended—

(1) by striking out "$139" in subsection (a) and inserting in lieu thereof "$143";

(2) by striking out "$233" in subsection (b) and inserting in lieu thereof "$240"; and

(3) by striking out "$118" in subsection (c) and inserting in lieu thereof "$122".

EFFECTIVE DATE

SEC. 107. Sections 101 through 106 shall take effect on December 1, 1984.

PART B—COMPENSATION PROGRAM AMENDMENTS

TRIAL WORK PERIOD AND VOCATIONAL REHABILITATION PILOT PROJECT

SEC. 111. (a)(1) Subchapter VI of chapter 11 is amended by adding at the end the following new section:

"§ 363. Temporary program for trial work periods and vocational rehabilitation for certain veterans with total disability ratings

"(a)(1) The disability rating of a qualified veteran who begins to engage in a substantially gainful occupation during the program period may not be reduced on the basis of the veteran having secured and followed a substantially gainful occupation unless the veteran maintains such an occupation for a period of 12 consecutive months.

"(2) For purposes of this section:

"(A) The term 'qualified veteran' means a veteran who has a service-connected disability, or service-connected disabilities, not rated as total but who has been awarded a rating of total disability by reason of inability to secure of follow a substantially gainful occupation as a result of such disability or disabilities.

"(B) The term 'program period' means the period beginning on February 1, 1985, and ending on January 31, 1989.

"(b) During the program period, the Administrator shall make counseling services described in section 1504(a)(2) of this title and placement and postplacement services described in section 1504(a)(5) of this title available to each qualified veteran (whether or not the veteran is participating in a vocational rehabilitation program under chapter 31 of this title).

"(c)(1)(A) Except as provided in paragraph (4) of this subsection, in the case of each award during the program period of a rating of total disability described in subsection (a)(2)(A) of this section to a veteran, the Administrator shall provide to the veteran, at the time that notice of the award is provided to the veteran, a statement providing—

"(i) notice of the provisions of this section;

"(ii) information explaining the purposes and availability of and eligibility for, and the procedures for pursuing, a vocational rehabilitation program under chapter 31 of this title; and

"(iii) a summary description of the scope of services and assistance available under that chapter.

"(B) After providing the notice required under subparagraph (A) of this paragraph to a veteran, the Administrator shall arrange as promptly as is practical for the veteran to be provided an evaluation in order to make a determination as to whether the achievement of a vocational goal by the veteran is reasonably feasible. Such evaluation shall include a personal interview of the veteran by a Veterans' Administration employee who is trained in vocational counseling. The Administrator shall provide the veteran with reasonable notice of the schedule for the evaluation.

"(2) If the veteran fails, for reasons other than those beyond the veteran's control, to participate in an evaluation under paragraph (1)(B) of this subsection in the manner required by the Administrator in order to make the determination described in that paragraph, the Administrator shall reduce the veteran's disability rating to the rating that would be applicable to the veteran but for the determination of the veteran's inability to secure or follow a substantially gainful occupation. Any such reduction shall remain in effect for the duration of such failure.

"(3)(A) If, after completion of an evaluation under paragraph (1)(B) of this subsection, the Administrator determines that achievement of a vocational goal by the veteran is reasonably feasible, the Administrator shall formulate an individualized written plan of vocational rehabilitation for the veteran under chapter 31 of this title.

"(B) If the Administrator determines that the veteran has failed to pursue (or to continue to pursue) the vocational rehabilitation program described in such plan, the Administrator shall provide the veteran with notice that, if the veteran fails, for reasons other than those beyond the veterans' control, to initiate or resume pursuit of such program within 60 days the Administrator provided such notice (or such longer period as the Administrator determines is the shortest period within which it is reason-

ably feasible for the veteran to initiate or resume pursuit), the Administrator will provide for the results of the evaluation to be considered in the next scheduled review of the veteran's eligibility for a rating of total disability based on inability to secure or follow a substantially gainful occupation. Unless the veteran initiates or resumes such pursuit within such 60 days (or such longer period, if applicable), the Administrator shall provide for such results to be so considered.

"(4) This subsection does not apply with respect to a veteran as to whom the Administrator determines that an evaluation of vocational rehabilition potential or achievement of a vocational goal is not reasonably feasible.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"363. Temporary program for trail work periods and vocational rehabilitation for certain veterans with total disability ratings.".

(b)(1) Not later than April 1, 1985, the Administrator of Veterans' Affairs shall provide to each veteran described in paragraph (2) a statement providing—

(A) information explaining the provisions of section 363(b) of title 38, United States Code (as added by subsection (a)(1);

(B) information explaining the purposes and availability of and eligibility for, and the procedures for pursuing, a vocational rehabilitation program under chapter 31 of such title; and

(C) a summary description of the scope of services and assistance available under that chapter.

(2)(A) A veteran to whom a statement is to be provided under paragraph (1) is a veteran who has a service-connected disability, or service-connected disabilities, not rated as total but who, as of January 31, 1985, has been awarded a rating of total disability by reason of a determination of inability to secure or follow a substantially gainful occupation as a result of such disability or disabilities.

(B) Notice under paragraph (1) need not be provided to a veteran who has a rating of total disability described in subparagraph (A) which is protected by the first sentence of section 110 of title 38, United States Code.

(C) Not later than April 15, 1988, the Administrator of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the results of the implementation of section 363 of title 38, United States Code (as added by subsection (a)(1)), during the three-year period beginning on February 1, 1985. The report shall include—

(1) information regarding—

(A) the number of veterans with a disability rating of total based on inability to secure or follow a substantially gainful occupation who during such period followed a substantially gainful occupation for a period of 12 consecutive months and the work experience of those veterans and their disability ratings after completing such 12-month period and (if known) the number of veterans with such a rating who during the period covered by the report followed a substantially gainful occupation but did not maintain employment in it for a period of 12 consecutive months,

(B) the number of veterans who during the period covered by the report were provided with evaluations under subsection (b) of such section,

(C) the number of veterans provided such evaluations for whom a plan of vocational rehabilitation was formulated pursuant to such subsection,

(D) the number of veterans for whom such a plan was formulated who elected, and who did not elect, to pursue a vocational rehabilitation program,

(E) the extent to which those veterans who elected to pursue such a program completed the program, and

(F) the subsequent work experience and disability ratings of the veterans who were provided such evaluations;

(2) a tabulation of the reasons given by such veterans for not electing to pursue such a program by those who did not elect to pursue such a program; and

(3) the Administrator's assessment of the value (including the cost-effectiveness) and effect of such implementation and any recommendations of the Administrator for administrative and legislative action based on such results and assessment.

TECHNICAL AMENDMENT

SEC. 112. (a) Section 335 is amended by striking out "50 per centum" and inserting in lieu thereof "30 percent".

(b) The amendment made by subsection (a) shall take effect as of October 1, 1978.

TITLE II—VETERANS' REHABILITATION, EDUCATION, AND EMPLOYMENT PROGRAMS

PART A—RATE INCREASES

RATES OF REHABILITATION SUBSISTENCE ALLOWANCES FOR VETERANS WITH SERVICE-CONNECTED DISABILITIES

SEC. 201. The table contained in section 1508(b) is amended to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional training:				
Full-time.	$310	$384	$452	$33
Three-quarter time.	233	288	339	25
Half-time.	155	193	227	17
Farm cooperative, apprentice, or other on-job training:				
Full-time.	271	327	377	24
Extended evaluation:				
Full-time.	310	384	452	33
Independent living training:				
Full-time.	310	384	452	33
Three-quarter.	233	288	339	25
Half-time.	155	193	227	17".

RATES OF GI BILL EDUCATIONAL ASSISTANCE FOR VIETNAM-ERA VETERANS

SEC. 202. Chapter 34 is amended as follows:

(1) The table contained in paragraph (1) of section 1682(a) is amended to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional training:				
Full-time.	$376	$448	$510	$32
Three-quarter time.	283	336	383	24
Half-time.	188	224	255	17
Cooperative.	304	355	404	23";

(2) Section 1682(b) is amended by striking out "$342" and inserting in lieu thereof "$376".

(3) The table contained in section 1682(c) is amended to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Basis	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Full-time.	$304	$355	$404	$23
Three-quarter time.	228	266	303	18

"Column I	Column II	Column III	Column IV	Column V
Basis	No dependents	One dependent	Two dependents	More than two dependents
Half-time.	152	178	202	12"; and

(4) Section 1692(b) is amended by striking out "$76" and "$911" and inserting in lieu thereof "$84" and "$1,008", respectively.

RATES OF EDUCATIONAL ASSISTANCE FOR SURVIVORS AND DEPENDENTS

SEC. 203. Chapter 35 is amended—

(1) by striking out "$276" in section 1732(b) and inserting in lieu thereof "$304"; and

(2) by striking out "$342", "$108", "$108", and "$11.44" in section 1742(a) and inserting in lieu thereof "$376", "$119", "$119", and "$12.58", respectively.

RATES OF TRAINING ALLOWANCES FOR APPRENTICESHIP OR OTHER ON-JOB TRAINING

SEC. 204. Chapter 36 is amended as follows:

(1) Section 1786(a)(2) is amended by striking out "$342" and inserting in lieu thereof "$376".

(2) The table contained in section 1787(b)(1) is amended to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Periods of training	No dependents	One dependent	Two dependents	More than two dependents
First 6 months.	$274	$307	$336	$14
Second 6 months.	205	239	267	14
Third 6 months.	136	171	198	14
Fourth and any succeeding 6-month periods.	68.	101	131	14"; and

(3) Section 1798(b)(3) is amended by striking out "$342" and inserting in lieu thereof "$376".

EFFECTIVE DATE

SEC. 205. The amendments made by this part shall take effect as of October 1, 1984.

PART B—VETERANS' EMPLOYMENT PROGRAMS

EXTENSION AND REVISION OF VETERANS READJUSTMENT APPOINTMENT PROGRAM

SEC. 211. (a) Subsection (a) of section 2014 is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end the following new paragraph:

"(2) For the purposes of this section, the term 'agency' means a department, agency, or instrumentality in the executive branch.".

(b) Subsection (b) of such section is amended—

(1) in paragraph (1)—

(A) by striking out "GS-7" in clause (A) and inserting in lieu thereof "GS-9".

(B) by striking out "and" at the end of clause (B);

(C) by striking out the period at the of clause (C) and inserting in lieu thereof a semicolon and "and"; and

(D) by adding at the end the following new clause:

"(D) a veteran given an appointment under the authority of this subsection whose employment under the appointment is terminated within one year after the date of such appointment shall have the same right to appeal that termination to the Merit Systems Protection Board as a career or career-conditional employee has during the first year of employment."; and

(2) in paragraph (2), by striking out "September 30, 1984" and inserting in lieu thereof "September 30, 1986".

(c) Subsection (c) of such section is amended—

(1) by striking out "department, agency, and instrumentality in the executive branch" and inserting in lieu thereof "agency"; and

(2) by striking out "such department, agency, or instrumentality" and inserting in lieu thereof "such agency".

(d) Subsections (d) and (e) of such section are amended to read as follows:

"(d) The Office of Presonnel Management shall be responsible for the review and evaluation of the implementation of this section and the activities of each agency to carry out the purpose and provisions of this section. The Office shall periodically obtain (on at least an annual basis) information on the implementation of this section by each agency and on the activities of each agency to carry out the purpose and provisions of this section. The information obtained shall include specification of the use and extent of appointments made by each agency under subsection (b) of this section and the results of the plans required under subsection (c) of this section.

"(e)(1) The Office of Personnel Management shall submit to the Congress annually a report on activities carried out under this section. Each such report shall include the following information with respect to each agency:

"(A) The number of appointments made under subsection (b) of this section since the last such report and the grade levels in which such appointments were made.

"(B) The number of individuals receiving appointments under such subsection whose appointments were converted to career or career conditional appointments, or whose employment under such an appointment has terminated, since the last such report, together with a complete listing of categories of causes of appointment terminations and the number of such individuals whose employment has terminated falling into each such category.

"(C) The number of such terminations since the last such report that were initiated by the agency involved and the number of such terminations since the last such report that were initiated by the individual involved.

"(D) A description of the education and training programs in which individuals appointed under such subsection are participating at the time of such report.

"(2) Information shown for an agency under clauses (A) through (D) of paragraph (1) of this subsection—

"(A) shall be shown for all veterans; and

"(B) shall be shown separately (i) for veterans of the Vietnam era who are entitled to disability compensation under the laws administered by the Veterans' Administration or whose discharge or release from active duty was for a disability incurred or aggravated in line of duty, and (ii) for other veterans.".

EXTENSION OF EMERGENCY VETERANS' JOB TRAINING ACT PROGRAM

SEC. 212. (a) Section 5(b)(3)(A) of the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77; 97 Stat. 445) is amended by striking out "60 days" and inserting in lieu thereof "90 days".

(b) Section 16 of such Act is amended by striking out "September 30, 1986" and inserting in lieu thereof "September 30, 1987".

(c) The text of section 17 of such Act is amended to read as follows:

"SEC. 17. Assistance may not be paid to an employer under this Act—

"(1) on behalf of a veteran who initially applies for a program of job training under this Act after February 28, 1985; or

"(2) for any such program which begins after September 1, 1985.".

TITLE III—OTHER BENEFIT RATE INCREASES AND PROGRAM IMPROVEMENTS

VOCATIONAL TRAINING AND HEALTH-CARE ELIGIBILITY PROTECTION FOR PENSION RECIPIENTS

SEC. 301. (a)(1) Subchapter II of chapter 15 is amended by adding at the end the following new sections:

"§ 524. Temporary program of vocational training for certain new pension recipients

"(a)(1) Subject to paragraph (3) of this subsection, in the case of a veteran under the age of 50 who is awarded pension during the program period, the Administrator shall determine whether the achievement of a vocational goal by the veteran is reasonably feasible. Any such determination shall be made only after evaluation of the veteran's potential for rehabilitation, and any such evaluation shall include a personal interview of the veteran by a Veterans' Administration employee who is trained in vocational counseling. If the veteran fails, for reasons other than those beyond the veteran's control, to participate in the evaluation in the manner required by the Administrator in order to make such determination, the Administrator shall suspend the veteran's pension for the duration of such failure.

"(2) Subject to paragraph (3) of this subsection, if a veteran who is 50 years of age or older and who is awarded pension during the program period applies for vocational training under this section and the Administrator makes a preliminary finding on the basis of information in the application that, with the assistance of a vocational training program under subsection (d) of this section, the veteran has a good potential for achieving employment, the Administrator shall provide the veteran with an evaluation in order to determine whether the achievement of a vocational goal by the veteran is reasonably feasible. Any such evaluation shall include a personal interview by a Veterans' Administration employee trained in vocational counseling.

"(3) Not more than 2,500 veterans may be given evaluations under this subsection during any 12-month period beginning on February 1 of a year.

"(4) For the purposes of this section, the term 'program period' means the period beginning on February 1, 1985, and ending on January 31, 1989.

"(b)(1) If the Administrator, based upon an evaluation under subsection (a) of this section, determines that the achievement of a vocational goal by a veteran is reasonably feasible, the veteran shall be offered and may elect to pursue a vocational training program under this subsection. If the veteran elects to pursue such a program, the pro-

gram shall be designed in consultation with the veteran in order to meet the veteran's individual needs and shall be set forth in an individualized written plan of vocational rehabilitation of the kind described in section 1507 of this title.

"(2)(A) Subject to subparagraph (B) of this paragraph, a vocational training program under this subsection shall consist of vocationally oriented services and assistance of the kind provided under chapter 31 of this title and such other services and assistance of the kind provided under that chapter as are necessary to enable the veteran to prepare for and participate in vocational training or employment.

"(B) A vocational training program under this subsection—

"(i) may not exceed 24 months unless, based on a determination by the Administrator that an extension is necessary in order for the veteran to achieve a vocational goal identified (before the end of the first 24 months of such program) in the written plan formulated for the veteran, the Administrator grants an extension for a period not to exceed 24 months;

"(ii) may not include the provision of any loan or subsistence allowance or any automobile adaptive equipment of the kind provided under chapter 39 of this title; and

"(iii) may include a program of education at an institution of higher learning (as defined in sections 1652(b) and 1652(f), respectively, of this title) only in a case in which the Administrator determines that the program involved is predominantly vocational in content.

"(3) When a veteran completes a vocational training program under this subsection, the Administrator may provide the veteran with counseling of the kind described in sections 1504(a)(2) of this title, placement and postplacement services of the kind described in section 1504(a)(5) of this title, and training of the kind described in section 1504(a)(6) of this title during a period not to exceed 18 months beginning on the date of such completion.

"(4) A veteran may not begin pursuit of a vocational training program under this subsection after the later of (A) January 31, 1989, or (B) the end of a reasonable period of time, as determined by the Administrator, following either the evaluation of the veteran under subsection (a)(1) of this section or the award of pension to the veteran as described in subsection (a)(2) of this section. Any determination by the Administrator of such a reasonable period of time shall be made pursuant to regulations which the Administrator shall prescribe.

"(c) Notwithstanding subsection (c) of section 525 of this title, a veteran who pursues a vocational training program under subsection (b) of this section shall have the benefit of the provisions of subsection (a) of section 525 of this title beginning at such time as the veteran's entitlement to pension is terminated by reason of income from work or training (as defined in subsection (b) of that section).

"(d) Payments by the Administrator for education, training, and other services and assistance under subsection (b) of this section (other than the services of Veterans' Administration employees) shall be made from the Veterans' Administration appropriations account from which payments for pension are made.

"§ 525. Temporary protection of health-care eligibility

"(a) In the case of a veteran whose entitlement to pension under section 521 of this title is terminated during the program period by reason of income from work or training, the veteran shall retain for a period of three years beginning on the date of such termination all eligibility for care and services under such chapter that the veteran would have had if the veteran's entitlement to pension had not been terminated. Care and services for which such a veteran retains eligibility include, when applicable, drugs and medicines under section 612(h) of this title and special priority with respect to such care and services under section 612(i)(5) of this title.

"(b) For the purposes of this section:

"(1) The term 'terminated by reason of income from work or training' means terminated as a result of the veteran's receipt of earnings from activity performed for remuneration or gain, but only if the veteran's annual income from sources other than such earnings would, taken alone, not result in the termination of the veteran's pension.

"(2) The term 'program period' means the period beginning on February 1, 1985, and ending on January 31, 1989.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 523 the following new items:

"524. Temporary vocational training for certain new pension recipients.
"525. Temporary protection of health-care eligibility.".

(b) Not later than April 15, 1988, the Administrator of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the results of the implementation of sections 524 and 525 of title 38, United States Code (as added by subsection (a)(1)), during the period beginning on February 1, 1985, and ending on January 31, 1988. The report shall include—

(1) information regarding—

(A) the number of veterans who during the period covered by the report were provided with evaluations under paragraphs (1) and (2) of subsection (a) of such section 524,

(B) the number of such veterans for whom a vocational goal was determined to be feasible,

(C) the number of such veterans who elected, and who did not elect, to pursue a vocational training program under subsection (b) of that section,

(D) the extent to which those veterans who elected to pursue such a program completed the program,

(E) the subsequent work and pension-eligibility experience of the veterans who were provided with such evaluations, shown according to their participation in and completion of vocational training programs, and

(F) the number of veterans who received the benefit of such section 525;

(2) a tabulation of the reasons given by such veterans for not electing to pursue such a program by those for whom a vocational goal was determined to be reasonably feasible but who did not elect to pursue such program; and

(3) the Administrator's assessment of the value (including the cost-effectiveness) and effect of such implementation and any recommendations of the Administrator for administrative and legislative action based on such results and assessment.

REPORT ON MEDICAL EXAMINATIONS OF CERTAIN PENSION RECIPIENTS

SEC. 302. (a) Not later than 28 months after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report containing a statistical tabulation of the results of the medical examinations conducted under subsection (b)(1)(A) and the determinations made under subsection (b)(1)(B).

(b)(1) The Administrator—

(A) shall provide for the selection of a sampling of the class of pension recipients described in paragraph (3) to undergo, and each recipient in such sampling shall undergo, a medical examination of the kind provided a veteran under 65 years of age who is applying for pension under section 521 of title 38, United States Code; and

(B) shall determine what, if any, percentage rating would be applicable to the recipient under the schedule of ratings adopted pursuant to section 355 of such title.

(2) The sampling of pension recipients selected under paragraph (1)(A) shall be selected in a manner that is statistically valid for the purpose of estimating the disability ratings of all recipients in the class described in paragraph (3).

(3) The class of pension recipients referred to in paragraphs (1) and (2) are those individuals who, during the two-year period beginning on the date of the enactment of this Act, are awarded pension under section 521 of title 38, United States Code, by reason of being considered, under section 502(a) of such title, to be permanently and totally disabled by reason of being 65 years of age or older or becoming unemployable after age 65.

PARTICIPATION IN THERAPEUTIC OR REHABILITATIVE ACTIVITIES

SEC. 303. Section 618 is amended by adding at the end the following new subsection:

"(f) Neither a veteran's participation in an activity carried out under this section nor a veteran's receipt of remuneration as a result of such participation may be considered as a basis for the denial or discontinuance of a rating of total disability for purposes of compensation or pension based on the veteran's inability to secure or follow a substantially gainful occupation as a result of disability.".

SPECIALLY ADAPTED HOUSING ASSISTANCE

SEC. 304. (a) Section 802 is amended—

(1) in subsection (a), by striking out "$32,500" and inserting in lieu thereof "$35,500"; and

(2) in subsection (b), by striking out "$5,000" and inserting in lieu thereof "$6,000".

(b) The amendments made by subsection (a) shall take effect on January 1, 1985.

AUTOMOBILE AND ADAPTIVE EQUIPMENT ASSISTANCE

SEC. 305. (a) Section 1902(a) is amended by striking out "$4,400" and inserting in lieu thereof "$5,000".

(b) Subsection (c) of section 1903 is amended to read as follows:

"(c)(1) An eligible person shall not be entitled to adaptive equipment under this chapter for more than two automobiles or other conveyances at any one time or (except as provided in paragraph (2) of this subsection) during any four-year period.

"(2) In a case in which the four-year limitation in paragraph (1) of this subsection precludes an eligible person from being entitled to adaptive equipment under this chapter, if the Administrator determines that, due to circumstances beyond the control of such person, one of the automobiles or other conveyances for which adaptive equip-

ment was provided to such person during the applicable four-year period is no longer available for the use of such person, the Administrator may provide adaptive equipment to such person for an additional automobile or other conveyance during such period. Provision of adaptive equipment under this paragraph is within the discretion of the Administrator. Any action to provide adaptive equipment under this paragraph shall be made pursuant to regulations which the Administrator shall prescribe.".

(c)(1) The amendments made by this section shall take effect on January 1, 1985.

(2) In the case of a person who during the four-year period ending on December 31, 1984, was provided adaptive equipment under chapter 39 of title 38, United States Code, for an automobile or other conveyance and who has such automobile or other conveyance available for use on the date of the enactment of this Act, the first four-year period applicable to such person under subsection (c) of section 1903 of such title (as amended by subsection (a)) shall begin on the most recent date before January 1, 1985, on which such person was provided such equipment.

TITLE IV—MISCELLANEOUS PROVISIONS

REPEAL OF ANNUAL REPORTING REQUIREMENT

SEC. 401. Section 1796 is amended by striking out subsection (d).

SUSPENSION OF COMPENSATION AND PENSION PAYMENTS TO CERTAIN INSTITUTIONALIZED VETERANS; WAIVER

SEC. 402. (a) Section 3203(b)(1) is amended—

(1) by designating the first and second sentences as subparagraphs (A) and (B), respectively;

(2) in subparagraph (A), as so designated—

(A) by striking out the comma after "treatment" in the first sentence and inserting in lieu thereof "or";

(B) by striking out "by reason of mental illness"; and

(C) by inserting "(excluding the value of the veteran's home unless there is no reasonable likelihood that the veteran will again reside in such home)," after "the veteran's estate"; and

(3) by adding at the end the following new subparagraph:

"(C) The Administrator may waive the discontinuance under this paragraph of payments to a veteran with respect to not more than 60 days of care of the veteran during any calendar year if the Administrator determines that the waiver is necessary in order to avoid a hardship for the veteran. Any such waiver shall be made pursuant to regulations which the Administrator shall prescribe.".

(b) The Administrator shall prescribe regulations under subparagraph (C) of section 3203(b)(1) of title 38, United States Code (as added by subsection (a)), not later than 60 days after the date of the enactment of this Act.

In lieu of matter inserted by the amendment of the Senate to the title of the bill, insert: "An Act to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans and of dependency and indemnity compensation for surviving spouses and children of veterans, to increase the rates of subsistence and educational assistance allowances for veterans pursuing vocational rehabilitation programs under chapter 31 of such title and for veterans and eligible persons pursuing programs of education or training under chapter 34, 35, or 36 of such title, to increase the opportunities for vocational rehabilitiation of certain veterans receiving disability compensation, and to provide vocational training opportunities for certain veterans receiving pension; and for other purposes.".

Mr. SIMPSON. Mr. President, it gives me great pleasure to speak today, in strong support of the final passage of H.R. 5688, the proposed "Veterans' Benefits Improvement Act of 1984." This bill was passed by the Senate by unanimous consent along with a title amendment and two amendments to the committee bill on October 2, 1984. S. 2736 was passed by the Senate as an amendment in the nature of a substitute to the House of Representatives companion measure, H.R. 5688, the proposed "Veterans' Compensation Amendments for Fiscal Year 1985" which was passed by the House on June 18, 1984. The pending measure, embodies a compromise agreement between the Veterans' Affairs Committees of the Senate and the House. I believe we have reached a reasonable compromise agreement through the full cooperation of both committees to insure that we pass a fair, equitable, and comprehensive compensation bill to benefit our Nation's veterans.

The most important provision of the compromise bill is the 3.2-percent across-the-board cost-of-living increase in the rates of disability compensation and dependency and indemnity compensation, effective Demember 1, 1984. This rate increase is based on the most recent estimate by the Congressional Budget Office of the projected Consumer Price Index as of December 1, 1984. I am pleased that a change in economic conditions has resulted in a significantly lower projected inflation rate that had been estimated previously. Although the compromise provision does not include the alternative rate adjustment provision included in the original Senate bill, it reflects the intent behind that provision, which would have required the Administrator of Veterans' Affairs to compute and pay alternative rate increases based on the actual Consumer Price Index as of December 1, 1984. I strongly endorse the compromise provision since it reflects the truest estimate available at this time of the inflation rate as of December 1. Thus, the compromise COLA increase reflects the intent of the original Senate provision, that the COLA increase keep pace with the actual rate of inflation.

Mr. President, the compromise bill would also provide for other reasonable rate increases, including the provision contained in the Senate bill, S. 2736, which would provide a 10-percent rate increase, effective October 1, 1984, for all VA education programs. Also, the maximum amount of the one-time automobile assistance allowance paid to certain severely service-connected disabled veterans would be increased to $5,000, effective January 1, 1985, and the maximum amount of the specially service-connected disabled veterans and the adapted housing assistance allowance for veterans with service-connected total blindness or the loss or loss of use of both upper extremities would be increased to $35,500 and $6,000, respectively effective January 1, 1985.

The compromise agreement would provide for a 2-year extension of the Veterans' Readjustment Appointment [VRA] Program, an increase in the maximum grade level at which appointments may be made to GS-9, and limited appeal rights for certain appointees under the program. The compromise would also enhance the Emergency Veterans' Job Training Act Program by extending the eligiblity periods for certificates and the availability of funds, as well as the time in which to apply and to commence training under the programs.

Through extensive negotiations, the committees have agreed to several other important provisions contained in the compromise bill which are designed to provide employment incentives for certain severely disabled and certain disadvantaged veterans who are unemployed, to assist them as much as possible to rejoin the work force and to become productive members of society once again, despite their disabilities. The compromise bill incorporates many of the facets of the two trial work pilot projects which were originally contained in the Senate-passed bill plus an additional pilot vocational training program for pensioners derived from a provision in the original House bill. These pilot programs would be in effect for 4 years and would require the Administrator to report back to the Congress after the end of the first 3 years on the results of these employment incentive programs. This information will help to enable the Congress to determine whether it is feasible for these categories of disabled veterans to regain and maintain substantial gainful employment if they are provided sufficient vocational training and rehabilitation assistance, health benefits, and a degree of financial security while making the transition back into the work force. Mr. President, my floor statement on October 2, 1984, the date of Senate passage of S. 2736 contains a full discussion of the two trial work pilot programs which are substantially the same as the provisions contained in the compromise bill. I had some significant objections to the original House-passed version of the vocational training provisions for pension recipients; however, the modifications which have been incorporated in the compromise have alleviated my concerns and I trust will provide a

very unique opportunity to study the possibilities of training or retraining these severely disabled veterans so that they might live more useful and productive lives, especially when coupled with the trial work period. The benefits of accomplishing this goal would be varied and most worthwhile to the veteran, his or her family, and to the country.

The compromise would place this vocational training program in chapter 15, title 38, of the United States Code rather than in chapter 31 as in the House-passed bill. It was important to me however to separate the two programs by placing this pilot effort in chapter 15 with other pension matters. This new program for nonservice-connected veterans is intended to be more limited and focused but similar to those contained under the chapter 31 program of vocational rehabilitation and counseling for service-connected veterans. I also expect that the program will be administered under the auspices of the existing vocational rehabilitation program.

Another important difference of the compromise from the House-passed measure is the intent to focus specifically on job placement and to provide workplace training and work adjustment training and counseling necessary to provide seriously disabled veterans with all the ammunition they need to succeed in a new field. The intent of this training is not to provide higher education and nonfocused learning experiences, but to provide immediate placement when possible and training in the workplace or, if not possible, vocational training that would lead to placement of such veterans in jobs that would be appropriate considering their disabilities. The counseling services provided under the compromise are not intended to be merely analytical or therapeutic in nature but to relate directly to job-adjustment concerns that a severely disabled veteran might encounter.

I anticipate that this program would provide a useful opportunity to see how many new pensioners, for whom it is determined that the pursuit of a vocational goal would be reasonably feasible, would take that opportunity to pursue a training program and obtain substantial gainful employment. The bill limits the number of evaluations in any year of the program to 2,500. I intend to monitor that limitation very closely in order to ensure that this number would not result in a significant number of veterans being excluded from the possibility of training which might lead to employment during the life of this project.

I strongly support the passage of these pilot programs which are not only designed to benefit those veterans who will achieve the personal satisfaction of demonstrating their ability to maintain gainful employment, but in the process will also benefit the VA compensation and pension program as these veterans return to work and will no longer be totally dependent on their VA payments.

Finally, I wish to note a technical change made to section 335 of title 38, which would reduce the percentage of peacetime service-connected disability required for additional compensation for dependents, to conform with VA practice which is based on a provision found in section 334. I agree to this technical amendment. However, I wish to emphasize that, in my view, this change does not indicate my support, or lack of support, for the current practice of providing the same level of benefits to peacetime and wartime veterans.

Mr. President, this bill as amended once again has provided an excellent opportunity for us to join in bipartisan support of a fair and reasonable compromise which incorporates many important provisions of both the Senate and the House versions of the bill.

Mr. President, in conclusion, I wish to express my sincere appreciation to Senator CRANSTON, the distinguished ranking minority member of the committee for his dedicated assistance throughout the entire process of the development of this bill; each of my colleagues who serve as committee members; G.V. "SONNY" MONTGOMERY, the effective and distinguished Chairman of the House Veterans' Affairs Committee, as well as JOHN PAUL HAMMERSCHMIDT, the respected ranking minority member of the House committee.

I also wish to thank the committee staff members for their superb efforts on this bill, particularly my most dependable and extraordinary chief counsel and staff director, Anthony Principi, his deputy and legislative director, Julie Susman, Kathleen McTighe, Jody Sanders, Becky Hucks, Kay Eckhardt, James McRae, and Brenda Meyer. I also wish to express my appreciation for the outstanding work of the members of the minority staff, particularly, Johnathan Steinberg, chief counsel and staff director; Ed Scott, Babette Polzer, and Ingrid Post. I also thank the staff of the House Veterans' Affairs Committee, especially Mack Fleming, the fine chief counsel and staff director; Arnold Moon and Charles Peckarsky, and Rufus Wilson, the most capable minority chief counsel, who were instrumental in achieving this equitable compromise.

Mr. President, I am most pleased to have the opportunity to urge that my colleagues in the Senate ratify this measure on behalf of the entire committee, all Members of which are cosponsors of this measure. I urge the Senate's favorable consideration of this bill. I ask unanimous consent that the joint explanatory statement be printed in the RECORD in lieu of a conference report.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATORY STATEMENT OF HOUSE BILL (H.R. 5688), SENATE AMENDMENT (S. 2736), AND COMPROMISE AGREEMENT ON H.R. 5688, THE VETERANS' BENEFITS IMPROVEMENT ACT OF 1984

This document explains the provisions of H.R. 5688 as passed by the House of Representatives (hereinafter referred to as the "House bill"), the provisions of the Senate amendment in the nature of a substitute to the House bill as passed by the Senate (hereinafter referred to as the "Senate amendment"), and the provisions of a compromise on H.R. 5688 as agreed to by the Veterans' Affairs Committees of the House and Senate. The differences between the House bill, the Senate amendment, and the compromise agreement are noted below, except for clerical corrections, conforming changes made necessary by agreements reached between the Committees, and minor drafting, technical, and clarifying changes.

TITLE I—DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION

PART A—RATE INCREASES

DISABILITY COMPENSATION

Both the House bill (sections 101 through 103) and the Senate amendment (sections 101 through 103) would amend chapter 11 of title 38, United States Code, relating to compensation for service-connected disability or death, to increase, effective December 1, 1984, the basic rates of service-connected disability compensation for veterans, the rates payable for certain severe disabilities, the dependents' allowances payable to veterans rated 30-percent or more disabled, and the annual clothing allowance for certain disabled veterans. The House bill would increase such rates and allowances by 4.3 percent and the Senate amendment (subject to the alternative-rate-increase provision set forth in section 108 of the Senate amendment discussed below), by 4.7 percent, with increases rounded to the nearest dollar.

The compromise agreement (sections 101 through 103) would amend chapter 11 to increase, effective December 1, 1984, such rates and allowances by 3.2 percent, with increases rounded to the nearest dollar.

The Committees note that this increase is in accordance with the Congressional Budget Office's most recent (August 1984) economic assumption relating to the anticipated increase in the Consumer Price Index from the third quarter of fiscal year 1985 through the third quarter of fiscal year 1984 and the assumptions underlying the First Concurrent Budget Resolution for FY 1985, as approved by the Congress on October 1, 1984.

DEPENDENCY AND INDEMNITY COMPENSATION

Both the House bill (sections 104 and 105) and the Senate amendment (sections 104 through 106) would amend chapter 13 of title 38, relating to dependency and indemnity compensation for service-connected deaths, to increase, effective December 1, 1984, rates of dependency and indemnity compensation (DIC) payable to the surviving spouses and children of veterans whose deaths were service connected. The House bill would increse such rates by 4.3 percent

and the Senate amendment (subject to the alternative-rate-increase provision set forth in section 108 of the Senate amendment, discussed below), by 4.7 percent, with increase rounded to the nearest dollar.

The compromise agreement (sections 104 through 106) would amend chapter 13 to increase, effective December 1, 1984, such rates by 3.2 percent, with increases rounded to the nearest dollar.

The justification for this percentage increase is discussed above in connection with the increase provided in disability compensation.

ALTERNATIVE RATE INCREASES

The Senate amendment (section 108), but not the House bill, would provide that, if the December 1984 increase under the Social Security Act is not 4.7 percent, the Administrator of Veterans' Affairs would compute and pay effective December 1, 1984, in lieu of the 4.7-percent rate increases, alternative increases at the same percentage as rates increased under the Social Security Act.

The compromise agreement does not contain this provision.

PART B—COMPENSATION PROGRAM AMENDMENTS

The House bill (section 111(a)), but not the Senate amendment would amend section 301(3) of title 38, relating to the definition of "chronic diseases" for purposes of service-connected disability compensation, to include in the definition of that term lupus erythematosus, systemic (SLE).

The compromise agreement does not contain this provison.

The Committees note that the absence of the provision in the compromise agreement in no way indicates any intent that the VA alter the manner in which SLE is currently evaluated and adjudicated for purposes of compensation.

MANIFESTATION OF DISEASES

The House bill (section 111(b)), but not the Senate amendment, would amend section 312 of title 38, relating to presumptions with respect to certain diseases and disabilities, to remove the references "to a degree of 10 per centum or more" and "or aggravated by". The removal of the phrase "to a degree of 10 per centum or more" would remove the requirement that the diseases be manifested to a specific minimum measurable degree of disability during the prescribed post-service period and would require only that the disease be shown to exist during those periods. A technical change would eliminate the phrase "or aggravated by" from section 312.

The compromise agreement does not contain these provisions.

TRIAL WORK PERIOD AND VOCATIONAL REHABILITATION PILOT PROJECT

The Senate amendment (section 110), but not the House bill, would further amend chapter 11 of title 38 to establish a 3-year trial work pilot program (which the Administrator could extend to 4 years) for veterans whose service-connected disabilities are rated less than totally disabling but who are assigned service-connected total disability ratings by reason of individual determinations of unemployability ("IU ratings") during the program. Under the pilot program, a veteran with an IU rating would have the opportunity to participate in one 12-month trial work period and would be eligible for certain counseling and placement services. Also, if the veteran were to work after completion of a trial work period and lose the IU rating, the rating would be automatically restored—subject to immediate review—if, in any month during the 12-month period following the veteran's trial work period, the veteran's employment earnings fell below $300. In addition, all veterans with IU ratings would be provided with eligibility for certain counseling, placement, and post-placement services under chapter 31 regardless of whether they are pursuing a chapter 31 program. Not later than 39 months after the pilot program went into effect, the Administrator would be required to report on the results of the first 3 years' experience under the pilot program.

In a free-standing provision of law, the Administrator would be required to provide all IU-rated veterans with information regarding the trial work period and chapter 31.

The Senate amendment would further amend chapter 11 of title 38 to provide that each veteran receiving an IU rating after the fourth full month following the date of enactment undergo a vocational rehabilitation evaluation under chapter 31 of title 38, if eligible therefor, and pursue a VA vocational rehabilitation program if one is developed. In the case of a veteran with such a new IU rating who failed to comply with the requirement to participate in the evaluation or the rehabilitation program, the Administrator would be required to provide for a review of the veteran's eligibility for that rating and for the veteran's noncompliance to be considered as part of the review.

The compromise agreement (section 111) contains provisions, derived from these provisions, to add a new section 363, "Temporary program for trial work periods and vocational rehabilitation for certain veterans with total disability ratings", to title 38, to establish a 4-year program—from February 1, 1985, through January 31, 1989—providing certain protection for the IU ratings of veterans who wish to try to return to work. Under the compromise agreement, a veteran with an IU rating who regains employment during that 4-year period would not, as a result of doing so, be determined to have regained the ability to follow "a substantially gainful occupation" (the standard used in VA regulations, 38 C.F.R. § 4.16, for deciding whether the veteran is or is not entitled to an IU rating) unless the veteran has maintained that employment for at least 12 consecutive months.

The compromise agreement contains the provisions making counseling, placement, and post-placement services available to all IU-rated veterans and notification provisions requiring that IU-rated veterans be advised about the provisions of the compromise agreement affecting them and about the chapter 31 vocational rehabilitation program.

Regarding new recipients of IU ratings undergoing vocational rehabilitation evaluations, the compromise agreement would establish a program applicable to veterans who receive such ratings during the 4-year period beginning February 1, 1985, and ending January 31, 1989. Under this program, after the Administrator provides the veteran with notice of the IU-rating award and the requirement that the veteran undergo a vocational rehabilitation evaluation, the Administrator, in order to determine whether achievement of a vocational goal is reasonably feasible, would be required to arrange promptly for a chapter 31 evaluation (to be conducted by a VA employee trained in vocational counseling) and notify the veteran of the schedule for it. Failure of the veteran, for reasons other than those beyond the veteran's control, to participate in evaluation would result in suspension of the veteran's IU rating for the duration of the failure. If a chapter 31 vocational rehabilitation program is developed for the veteran and the veteran fails to pursue it, the Administrator would notify the veteran that, if for reasons other than those beyond the veteran's control, the veteran were to fail to begin or resume pursuit of the program within 60 days (or within any longer period the Administrator determines is the shortest period within which it would be reasonably feasible for the veteran to begin or resume pursuit), the Administrator would provide for the veteran's evaluation results to be considered in the next scheduled review of the veteran's IU-rating eligibility. If the veteran failed to begin or resume pursuit, the Administrator would be required to provide for the results to be so considered. These provisions would not apply to veterans for whom the Administrator determines that participation in evaluation or achievement of a vocational goal is not feasible.

Not later than April 15, 1988, the Administrator would be required to submit to the Committees a report on the first 3 years' experience under this new section of title 38 with particular reference to the program's cost-effectiveness and the extent to which the new provisions contribute to veterans becoming employable and employed.

The Committees anticipate that the Administrator, in order to meet the April 15 reporting deadline, will begin preparation of the report well in advance of the end of the first three years of the program.

The Committees also note that, under current VA procedures, set forth in the Department of Veterans' Benefits Adjudication Procedure Manual (M 21-1, paragraph 55.08), veterans with IU ratings are required to provide annually information regarding their employment. The Committees approve of this procedure and note that the compromise agreement provisions relating to veterans with these ratings are designed to fit in with this procedure. Thus, if the Administrator ever intends to eliminate or modifly this procedure, the Committee direct the Administrator to provide them with reasonable notice of the intention to do so.

TECHNICAL AMENDMENT

The House bill (section 112), but not the Senate amendment, would amend section 335 of title 38, relating to dependents allowances for veterans receiving compensation as a result of a disability incurred or aggravated during peacetime service, to make a technical, conforming change to clarify the VA's authority to continue to pay such allowances to such veterans in the same manner that they are paid to veterans with disabilities incurred or aggravated during wartime service.

The compromise agreement (section 112) contains this provision.

TITLE II—VETERANS' REHABILITATION, EDUCATION, AND EMPLOYMENT PROGRAMS

PART A—RATE INCREASES

The Senate amendment (sections 201 through 205) and sections 101 through 103 of H.R. 5398 as passed by the House on August 6, 1984 (hereinafter referred to as H.R. 5398), would amend chapters 31, 34, 35, and 36 of title 38, United States Code, relating to certain rehabilitation and education programs, to increase rates of all VA educa-

tion programs, including rehabilitation subsistence allowances for veterans with service-connected disabilities; educational assistance allowances and special supplementary (tutorial) assistance for eligible veterans; training assistance allowances for apprenticeship and other on-job training; and educational assistance and special training allowances for eligible survivors and dependents. The House bill would increase such rates and allowances by 15 percent, effective January 1, 1985, and the Senate amendment by 10 percent, effective October 1, 1984.

The compromise agreement contains the Senate provision.

The Senate amendment, but not the House bill nor H.R. 5398, would amend section 1784(c) of title 38, relating to reporting fees paid to educational institutions to defray the costs to them of reports and certifications required by the VA, to increase the amounts of such fees from $7 to $9 annually for each eligible veteran or eligible person enrolled at an educational institution under chapter 34 or 35 or from $11 to $13 annually for each enrollee receiving advance payment of educational assistance allowances.

The compromise agreement does not contain this provision.

H.R. 5398 (section 101(c)(1)), but not the Senate amendment, would amend section 1774(b) of title 38, relating to reimbursement of expenses to State approving agencies, to increase the allowances for administrative expenses by 15 percent, effective January 1, 1985.

The compromise agreement does not contain this provision.

PART B—VETERANS' EMPLOYMENT PROGRAMS

EXTENSION AND REVISION OF VETERANS' READJUSTMENT APPOINTMENTS

Both the Senate amendment (section 301) and H.R. 5398 (section 201) would amend section 2014(b) of title 38, relating to the authority for veterans readjustment appointments, to extend the authority. H.R. 5398 would extend the authority for three years, until September 30, 1987, and the Senate amendment for one year, until September 30, 1985. Further, H.R. 5398, but not the Senate amendment, would raise the maximum grade level at which appointments may be made from GS-7 to GS-11 and remove the requirement that non-service-connected disabled Vietnam-era veterans be educationally disadvantaged in order to be eligible for a veterans readjustment appointment. Finally, both the Senate amendment and H.R. 5398 would provide limited appeal rights during the first year of an appointment and provide for annual, instead of semi-annual, reports on the program. H.R. 5398 would, in addition, make technical changes in the reporting requirement in order to reflect more accurately how the system of obtaining the information for the report operates in practice.

The compromise agreement (section 211) would extend the veterans readjustment appointment authority for two years, until September 30, 1986; raise to GS-9 the maximum grade level at which appointments may be made; provide limited appeal rights; and require an annual, rather than semi-annual, report (incorporating the technical changes proposed in H.R. 5398).

EXTENSION OF EMERGENCY VETERANS' JOB TRAINING ACT

Both the Senate amendment (section 302) and H.R. 5398 (section 301) would amend the Emergency Veterans' Job Training Act of 1983, Public Law 98-77, to extend by 6 months, until September 1, 1985, the date by which veterans previously certified must commence a training program under that Act and to extend to 90 days the lifetime of certifications of eligibility furnished to veterans under the Act. In addition, H.R. 5398, but not the Senate amendment, would extend by 6 months, until May 29, 1985, the date by which veterans may apply to participate in the program. Finally, the Senate amendment, but not H.R. 5398, would extend the availability of appropriated funds under the program for one year.

The compromise agreement (section 212) incorporates both the House and Senate provisions except that the application date deadline is extended for three months, through February 28, 1985.

OTHER EDUCATION PROVISIONS

The Senate amendment (section 210), but neither the House bill nor H.R. 5398, would amend certain provisions of chapters 31, 34, and 35 of title 38, relating to time limits for completion of programs of education or training, to toll the eligibility period for GI Bill and certain other educational benefits and vocational rehabilitation programs for certain veterans and eligible persons who have been prevented from participating in such programs because of alcohol or drug dependence or abuse. In the case of a veteran with a general discharge, an individual determination that the discharge was under conditions other than dishonorable would be required.

The compromise agreement does not contain this provision.

The Senate amendment (section 211), but neither the House bill nor H.R. 5398, would amend section 1796 of title 38, relating to limitations on certain advertising, sales, and enrollment practices, to repeal a Veterans' Administration reporting requirement pertaining to deceptive advertising practices by educational institutions.

The compromise agreement (section 401) contains this provision.

The Committees expect the Administrator to continue to monitor closely advertisement practices by educational institutions enrolling GI Bill trainees and to keep the Committees fully informed about any significant developments relating to deceptive advertising practices by such institutions.

The Senate amendment (section 212), but neither the House bill nor H.R. 5398, would require the Administrator to consult with the VA's educational advisory committee (establishment pursuant to section 1792 of title 38) prior to changing any requirements for educational institutions to report enrollments of GI Bill trainees.

The compromise agreement does not contain this provision.

The Committees note that they do not believe that a statutory requirement is needed to bring about the consultation sought by the Senate amendment, since this is the purpose for which Congress established the advisory committee.

TITLE III—OTHER BENEFIT RATE INCREASES AND PROGRAM IMPROVEMENTS

VOCATIONAL TRAINING AND HEALTH-CARE-ELIGIBILITY PROTECTION FOR PENSION RECIPIENTS

Both the House bill (section 202) and the Senate amendment (section 401) contain provisions that would amend chapter 15 of title 38, relating to VA need-based pension programs for permanently and totally disabled elderly wartime veterans and for survivors of wartime veterans, to establish temporary programs designed to help enable certain disabled veteran-pensioners to return to work.

The House bill would establish a 5-year program of vocational training for disabled veterans under age 50 who are newly found to be entitled to pension. Under the House bill, the Administrator would be required to determine, after a personal interview of the veteran by a VA employee trained in vocational counseling, whether the achievement of a vocational goal by the veteran is reasonably feasible. Failure of the veteran to participate as required by the Administrator in order to make the determination would result in suspension of the veteran's pension until the required participation was completed. If achievement of a vocational goal were determined to be reasonably feasible, the veteran could elect to undertake a program of vocational training that would be carried out as a vocational rehabilitation program under chapter 31 of title 38 but would not include any chapter 31 loans or subsistence allowances. Such a program could not exceed 48 months, and following completion of the program the veteran would be eligible for certain chapter 31 counseling, placement, and post-placement services for up to 18 months. Also, in the case of a veteran who is permanently housebound or in need of regular aid and attendance, who has completed a vocational training program under these provisions, and whose pension was thereafter terminated solely because the veteran's annual income exceeded the applicable maximum limitation, the veteran's eligibility for drugs and medicine under section 612(h) of title 38 would be continued for one year after pension termination.

The Senate amendment would establish a 3-year pilot program (which the Administrator could extend to 4 years) to allow any permanently and totally disabled veteran pension recipient to participate in a 36-month period of trial work. Any work performed by the veteran during that period could not be taken into account in any review of the veteran's ability to secure and follow a substantially gainful occupation. Veterans participating in the program would retain their pension-based VA health-care eligibility during their trial work periods even if their pensions were terminated as a result of their work income. Also, a veteran whose pension was terminated due to income derived from participation in a VA or State vocational rehabilitation program would have an additional 12-month eligibility period for VA health-care services. All income received from employment during the trial work period, with the exception of certain subsistence allowances associated with vocational rehabilitation programs, would be counted in determining the veteran's income for pension purposes. The Administrator would be required to report on the results of the pilot program's first 3 years of implementation not later than 39 months after its effective date.

The compromise agreement (section 301) contains provisions derived from these provisions to add new sections 524, "Temporary program of vocational training for certain new pension recipients", and 525, "Temporary protection of certain health-care eligibility", establishing a 4-year—February 1, 1985, through January 31, 1989—program providing for vocational training and VA health-care eligibility protection for permanently and totally disabled veterans receiving awards of VA pension during that period. Under the compromise agreement, a veteran under age 50 who is found to be en-

titled to pension would be required to undergo evaluation, as under the House bill, to determine whether a vocational goal is reasonably feasible. Failure to participate in the evaluation as required would result in suspension of the veterans' pension if the failure were for reasons other than those beyond the veterans' control. If a vocational goal were determined to be reasonably feasible, the veteran would be eligible for vocational training. New recipients of pension who are 50 years of age or older would be permittted to apply for vocational training under this program. If the Administrator finds that information on the veteran's application shows a good potential for achieving a vocational goal, the age 50-and-over veteran would be given an evaluation and would be eligible for vocational training under this program if the evaluation indicates that achievement of a vocational goal is reasonably feasible.

For a veteran who elects to pursue vocational training under this program, the training would consist of vocationally-oriented rehabilitation services and assistance of the kind provided under chapter 31 and only such other services and assistance of the kind provided under that chapter as are necessary for the veteran to prepare for and pursue vocational training or employment. The compromise agreement would provide that vocational training programs under the program are to be designed to emphasize, whenever appropriate, work-place training and work-place-adjustment counseling during such training. However, no loans or allowances and no automobile adaptive equipment could be provided, and a program of education at an institution of higher learning could be provided only if the program were predominantly vocational in content. A vocational training program for a veteran would be limited to 24 months unless the Administrator were to grant an extension of up to 24 months based on a determination that the extension was necessary in order for the veteran to achieve a vocational goal that was identified during the first 24 months in the veteran's written plan of vocational rehabilitation. The deadline for initiating pursuit of vocational training under this program would be the later of January 31, 1989, or the expiration of a reasonable time (to be determined under regulations to be prescribed by the Administrator) after the evaluation of a veteran under age 50 or the award of pension to a veteran age 50 or over, as the case may be. The compromise agreement would limit to 2,500 the number of veterans who could participate in evaluation under the temporary program during each 12-month period.

Following the veteran's completion of a vocational training program, the veteran would be eligible for certain follow-up services for a period not to exceed 18 months. Payments for all services and assistance under this program (other than the services of VA employees) would be made from the VA appropriations account from which pensions are paid. Also, in the case of a veteran who enters vocational training under the new program and who thereafter loses entitlement to pension because his or her work income causes the annual income limitation applicable to him or her to be exceeded, the veteran's VA health-care eligibility (including any applicable priority) would be preserved for the 3-year period following the date on which his or her pension it terminated.

In addition, under the Senate amendment, the same health-care protection for the same duration would be provided for any veteran whose pension is terminated, during the period of February 1, 1985, through January 31, 1989, because the veteran's work income caused the applicable income limitation to be exceeded. The provision in the Senate amendment that training allowances received by a veteran during the trial work period not be counted for pension purposes is not included in the compromise agreement.

Not later than April 15, 1988, the Administrator would be required to submit to the Committees a report with particular reference to the program's cost-effectiveness and the extent to which the new provisions contribute to veterans becoming employable and employed.

The Committees anticipate that the Administrator, in order to meet the April 15 reporting deadline, will begin preparation of the report well in advance of the end of the first three years of the program.

The Committees note that this new temporary vocational training program is intended to have a vocational and employment focus. In that regard, only where necessary to enable a catastrophically-disabled veteran to participate in training or employment, services and assistance under this program should be provided to the veteran in order to help the veteran overcome problems in daily living. It is the Committees' intention that vocational training programs under this program be designed to emphasize, whenever appropriate, work-place training, personnel-adjustment counseling, and work-adjustment training.

The Committees also not that, since rehabilitation services and assistance would be provided under subsection (b) of the new section 525 of title 38—and not under chapter 31 of title 38—an injury suffered by a veteran as a result of pursuit of vocational training under this program would not be a basis—as it would if it were suffered under chapter 31—for an award of compensation under section 351 of title 38 or for health-care eligibility under section 610(a)(3) of title 38.

REPORT ON MEDICAL EXAMINATIONS OF CERTAIN PENSION RECIPIENTS

The Senate amendment (section 402), but not the House bill, for the purpose of determining the actual percentage disability ratings of certain VA pension recipients, would require the Administrator to prepare and submit a report on the results of conducting, during the 2-year period following the enactment date, medical examinations of veterans awarded VA pension based on their being age 65 or older.

The compromise agreement (section 302) would require that the Administrator, not later than 28 months following the date of enactment, submit to the Committees a report on the results of medical examinations given to a statistically valid sampling of these veterans.

PARTICIPATION IN THERAPEUTIC OR REHABILITATIVE ACTIVITIES

The Senate amendment (sections 602(a), (b), and (c)), but not the House bill, would require the VA to conduct a 39-month demonstration project (and submit by February 1, 1987, a report on the first 2 years' experience) under which the income received by veterans for their participation in VA incentive-therapy and compensated-work-therapy programs would not be counted as income for the purpose of VA pension programs.

The compromise agreement does not contain this provision.

The Senate amendment (section 602(d)), but not the House bill, would amend section 618 of title 38, relating to therapeutic and rehabilitation activities, to specify that a veteran's participation in a VA incentive-therapy or compensated-work-therapy program will not be considered a basis for denying or discontinuing a total disability rating for VA compensation or pension purposes.

The compromise agreement (section 303) contains this provision.

INCREASES IN MAXIMUM AMOUNTS OF SERVICEMEN'S GROUP LIFE INSURANCE

Both the House bill (section 203) and the Senate amendment (section 504) would amend section 767 of title 38, relating to persons insured and maximum amounts of life insurance coverage available under the Servicemen's Group Life Insurance (SGLI) program. The House bill would, effective October 1, 1984, increase the maximum amount of coverage from $35,000 to $50,000. The Senate amendment would, effective January 1, 1985, permit individuals insured under SGLI and who have served on active duty (or in a reserve component) for a minimum of five years to elect an additional amount of coverage (in multiples of $5,000) up to a maximum of $50,000 in total coverage.

The compromise agreement contains neither provision.

SPECIALLY ADAPTED HOUSING ASSISTANCE

The Senate amendment (section 501) and section 1(a) of H.R. 5617 as passed by the House on May 21, 1984 (hereinafter referred to as "H.R. 5617"), would amend chapter 21 of title 38, to increase maximum amounts of assistance available under that program. The Senate amendment would increase from $32,500 to $35,750, effective July 1, 1985, the maximum amount of the specially adapted housing assistance grant for certain severely service-connected disabled veterans with mobility impairments, and from $5,000 to $5,500, effective July 1, 1985, the maximum amount of special housing assistance for service-connected veterans who are blind or have lost, or lost the use of, both upper extremities. H.R. 5617 would increase those amounts to $35,000 and $6,000, respectively, effective October 1, 1984.

The compromise agreement (section 304), effective January 1, 1985, would increase to $35,500 the maximum amount of the specially adapted housing assistance grant and to $6,000 the maximum amount of special housing assistance.

VA HOME-LOAN GRANT MAXIMUMS

H.R. 5617 (sections 1(b) and (c)), but not the Senate amendment, would amend chapter 37 of title 38, relating to the VA's home-loan guaranty program, to increase effective, October 1, 1984, the maximum amount of the VA home-loan guaranty from $27,500 to $30,000 in the case of conventional housing and from $20,000 to $22,000 in the case of manufactured housing.

The compromise agreement does not contain this provision.

AUTOMOBILE ADAPTIVE ASSISTANCE

Both the House bill (section 204(a)) and the Senate amendment (section 502) would amend section 1902 of title 38, relating to the automobile adaptive assistance program, to increase the automobile assistance grant for certain severely disabled service-connected veterans. The House bill would increase the maximum grant from $4,400 to $5,000, effective October 1, 1984, and the Senate amendment to $4,840, effective July 1, 1985.

The compromise agreement (section 305(a)) would increase the maximum amount of the automobile assistance grant to $5,000, effective January 1, 1985.

The House bill (section 204(b) and the Senate amendment, incorporating the provisions of S. 2514, to H.R. 5618 (section 7), as passed by the Senate on August 9, 1984 (hereinafter referred to as "the Senate amendment to H.R. 5618"), would amend section 1903(c) of title 38, relating to the furnishing of automobile adaptive equipment, to modify the manner in which reimbursement for adaptive equipment is made to certain severely service-connected disabled veterans. The House bill would provide that a veteran may transfer title of a previously-adapted vehicle to any person and retain entitlement to reimbursement for adaptive equipment within the limit, currently prescribed by VA regulation, of 3 adaptations within a 2-year period with ownership limited to no more than one vehicle at any one time. The Senate amendment to H.R. 5618 would provide that a veteran is not entitled to reimbursement for more than 2 vehicles at any one time or for more than 2 vehicles in a 4-year period (with a waiver of the 2-in-4 limitation if the adapted vehicle is no longer available to the veteran due to circumstances beyond the control of the veteran).

The compromise agreement (section 305(b)) contains the Senate provisions.

TITLE IV—MISCELLANEOUS AMENDMENTS

DEFINITION OF VIETNAM ERA

The Senate amendment (section 601), but not the House bill, would amend section 101 of title 38, United States Code, relating to definitions for purposes of title 38, to expand the definition of the Vietnam era (August 5, 1964, through May 7, 1975) for the purposes of title 38, United States Code, to include the period beginning on February 21, 1961, and ending on August 5, 1964, in the case of those who served in Vietnam during that time.

The compromise agreement does not contain this provision.

ADVISORY COMMITTEE ON VETERANS EXPOSED TO IONIZING RADIATION

The House bill (section 201), but not the Senate amendment, would amend chapter 3, relating to the organization of the Veterans' Administration, to establish an Advisory Committee on Veterans Exposed to Ionizing Radiation to review and advise the Administrator with respect to the special problems and needs of veterans exposed to ionizing radiation.

The compromise agreement does not contain this provision.

The Committees note that the compromise agreement on H.R. 1961/S. 1651 as passed by the House of Representatives on October 3, 1984, would establish a Veterans' Advisory Committee on Environmental Hazards, including a Scientific Council thereof. The Council would be composed of two panels, one of which would focus on the health effects on certain veterans of those veterans' exposure to ionizing radiation during service. The Committees believe that this Scientific Council will address a number of the objectives of section 201 of the House bill.

HEADSTONES OR GRAVEMARKERS

H.R. 5617 (section 2), but not the Senate amendment, would amend section 1004(c) of title 38, relating to the administration of national cemeteries and the marking of gravesites therein, to require, effective October 1, 1984, that with respect to persons who die after September 30, 1984, markers provided to mark graves in such cemeteries be upright unless the person to be buried previously requested (or the survivor or legal representative of the person buried requests) that the grave be marked with a flat marker, and that, if the grave is marked with a flat marker, the grave be in a portion of the cemetery set aside from graves with flat markers. H.R. 5617 further provides that the administrator may waive the requirement and deny a request for an upright marker with respect to persons who die on or after October 1, 1984, and before January 1, 1985, if the national cemetery in which the burial will take place does not have a section reserved for graves with upright markers. Finally, H.R. 5617, would require the Administrator, prior to January 1, 1985, to designate a section of each cemetery in the National Cemetery System in which graves will be marked with upright markers and a section in which graves will be marked with flat markers.

The compromise agreement does not contain this provision.

The Committees are not satisfied with the cost data submitted by the Veterans' Administration in justifying the Administration's opposition to the House provision requiring the use of upright markers in national cemeteries. It is the Committee's intent that the Veterans' Administration reconsider this cost estimate in preparation for further Committee hearings on this issue next year.

EFFECTIVE DATE OF REDUCTIONS

The Senate amendment (section 603), but not the House bill, would amend section 3012(b) of title 38, relating to the effective date of reductions in compensation, disability, disability and indemnity compensation, and pension, to establish the last date of school attendance as the termination date for certain veterans' dependents' allowances paid on behalf of children between the ages of 18 and 23 who are attending school.

The compromise agreement does not contain this provision.

SUSPENSION OF COMPENSATION AND PENSION PAYMENTS TO CERTAIN INSTITUTIONALIZED VETERANS; WAIVER

The Senate amendment (section 604), but not the House bill, would amend section 3203(b)(1) of title 38, relating to limitations on the size of certain single, institutionalized, incompetent veterans' estates which, when exceeded, result in the suspension of benefit payments by the VA, to remove a reference to mental illness as the cause of the incompetence; to permit the VA to exclude the value of the veteran's home from the estate unless there is no reasonable likelihood that the veteran will again reside in the home; and to permit the Administrator, where necessary in order to avoid a hardship for the veteran, to waive the suspension of benefits requirement in the case of a veteran who is institutionalized for a total of not more than 60 days during any calendar year.

The compromise agreement (section 402) contains this provision.

The Committees intend that the Administrator use this discretionary authority only in those cases where it is established that without the waiver the veteran will suffer significant financial hardship. The waiver is not to be used as an administrative expediency nor where liquid assets are readily available to meet current expenses.

GENDER REFERENCES

The Senate amendment (section 605), but not the House bill, would amend section 103 of title 38, relating to special provisions relating to marriages, to remove various gender references.

The compromise agreement does not contain this provision.

The Committees note their intention to develop a measure that will remove all gender references throughtout title 38 and to pursue enactment of that measure in the next Congress.

Mr. CRANSTON. Mr. President, as the ranking minority member of the Committee on Veterans' Affairs, I am delighted to join with my good friend, the committee chairman [Mr SIMPSON], in urging the Senate to concur in the House amendments to the Senate amendments to H.R. 5688, the proposed "Veterans' Benefits Improvement Act of 1984." The House substitute amendment reflects a compromise agreed to between the two Veterans' Affairs Committees after extensive discussions and negotiations. This is a vitally important measure that provides for a VA compensation cost-of-living adjustment—COLA—and GI bill rate increase, together affecting over 3½ million persons, along with a wide range of other provisions to improve benefits programs for our Nation's veterans—especially those with service-connected and other serious disabilites.

BACKGROUND

Mr. President, H.R. 5688 was first passed by the House on June 18, 1984. On October 2, 1984, the Senate took up S. 2736 as reported by the Committee on Veterans' Affairs. The Senate substituted the provisions of S. 2736, with two floor amendments, as an amendment to the text of H.R. 5688 as passed by the House and then passed H.R. 5688, returning it to the House. Earlier today, the House of Representatives amended the Senate amendment with a substitute which, as I just noted, represents a compromise agreement reached by the Veterans' Affairs Committees. Hence, this legislation before the Senate today is in the nature, although not the form technically, of a conference report.

Mr. President, the compromise agreement represents a most equitable resolution of the differences between the two bodies on this legislation. The Senate's position on the matters addressed in the compromise—including a number of key provisions derived from provisions I authored—are well represented in the final agreement. The committees, both majority and minority members, have worked closely together in achieving this compromise. The end result is an excellent demonstration of our committee's bipartisan, continuing concern for our Nation's veterans.

PROVISIONS OF THE COMPROMISE AGREEMENT

Mr. President, each of the provisions of the compromise agreement is described authoritatively in the explanatory statement developed by the two Committees on Veterans' Affairs that the chairman of the Senate committee has inserted in the RECORD as part of his remarks and which was inserted in identical form by the chairman of the House committee when this measure was considered in the other body. I wish to highlight certain elements of the compromise agreement.

COMPENSATION RATE INCREASE

I firmly believe that the needs of the 2.3 million veterans with service-connected disabilities and the 300,000 survivors of those who died from service-connected causes must be our committees' No. 1 priority. The continuing fulfillment of the commitment we've established for our highest priority veterans to grant compensation benefit increases at least equal to increases in Social Security and VA pension benefits is, therefore, a matter of great importance to me.

Thus, I want to stress my strong support for the 3.2-percent increase that this compromise agreement would provide, effective December 1, 1984, in the rates of compensation for service-connected disabled veterans and of dependency and indemnity compensation—DIC—for survivors.

Mr. President, I was delighted to join on June 7 with the distinguished chairman of the committee [Mr. SIMPSON] in introducing S. 2736 to propose this increase and am especially delighted that the increase will be effective on December 1 of this year—rather than on April 1, 1985, as the administration had proposed. This policy on the effective date was established by section 108 of Public Law 98-223, which I authored last year, expressing the sense of the Congress that the effective date for compensation COLA's in fiscal year 1985 and beyond should be December 1—the same as the effective date for Social Security and VA pension COLA's.

Mr. President, S. 2736 as passed by the Senate provided that if the Social Security/VA pension COLA that will take effect this year on December 1 by operation of law is not 4.7 percent, the COLA rate provisionally provided for in the committee bill on the basis of the Congressional Budget Office's projection of the increase in the Consumer Price Index—CPI—from the third quarter of fiscal year 1983 to the third quarter of fiscal year 1984, the VA compensation COLA would be adjusted to correspond to the actual Social Security/VA pension COLA.

However, during negotiations with the House Veterans' Affairs Committee, we agreed on an increase of 3.2 percent rather than including this administrative-adjustment provision in the compromise agreement. That percentage is what the informal CBO estimate is at present for the Social Security CPI increase, and the budget resolution for fiscal year 1985, House Concurrent Resolution 280, adopted on October 1, allows room in function 700, veterans' benefits and services, for a compensation COLA in that amount.

GI BILL RATE INCREASE

Mr. President, I also fully support the provisions of the compromise agreement that would increase the rates of GI bill and vocational rehabilitation training, education, and subsistence allowances. The increases to be provided by this measure—which are the same as those proposed in a measure I also joined the distinguished chairman in introducing on June 7, and which are consistent with the budget recommendations this committee made in March—would be 10 percent, effective October 1, 1984, and would benefit more than half a million GI bill trainees in fiscal year 1985. Although this percentage is less than I proposed when I introduced S. 9 a year and a half ago, and less than the administration finally got around to agreeing to propose a year later, which was the increase approved by the House, it would take effect 3 months sooner than the administration or the House had proposed. Our October 1 effective date would mean that more assistance will be available to the individual veteran throughout the upcoming fiscal year than would be the case under the administration's approach and that the assistance would be available near the beginning of the school year when the costs of education are greatest.

TRIAL WORK AND VOCATIONAL REHABILITATION

Mr. President, as a principal author both of the Rehabilitation Act of 1973, the basic law providing for the Federal-State Vocational Rehabilitation Program and a wide range of other programs, and establishing certain civil rights, for disabled persons, and of the 1980 legislation, title I of Public Law 96-466, that comprehensively restructured the VA's Rehabilitation Program for service-connected-disabled veterans—and because of my deep personal commitment to helping make it possible for individuals with disabilities to participate fully in all aspects of our society—I am particularly enthusiastic about sections 111 and 301 of the compromise agreement. These sections would establish two 4-year pilot programs designed to help identify and overcome work disincentives under current law—one program for certain service-connected-disabled veterans and the other for disabled wartime veterans receiving need-based VA pension—and to assist veterans in both categories in returning to work.

I am particularly pleased that we have been able to reach agreement with the House committee—and are at the point of enacting—these provisions giving tangible recognition to the proposition that a return to employment is a real possibility for those who are permanently and totally disabled and that national policy should be to remove disincentives to their working as well as to provide them with specific assistance and encouragement in their efforts to rejoin the work force.

In the 1978 conference with the House on legislation enacted in the Veterans' and Survivors' Pension Improvement Act of 1978, we on the Senate side fought long and hard to retain Senate provisions to avoid—by providing for a partial disregard of the work earnings of low-income veterans—the creation of work disincentives in the new VA pension program that was to be created by that measure. Because our House counterparts at that time were adamantly opposed to our approach, we were totally unsuccessful at that time in our efforts to gain acceptance of the Senate provisions—or any compromise on them. The essence of the House position at that time was that the Senate provisions were entirely inappropriate in a needs-based income-maintenance program for permanently and totally disabled veterans and veterans over 65 years of age.

Thus, I am delighted that the House committee this year proposed, in section 202 of H.R. 5688, a vocational rehabilitation pilot project for certain disabled veteran-pensioners, and I am deeply grateful that the House committee leadership worked so helpfully and cooperatively with us on the Senate side to blend together, in section 301 of the compromise agreement, the House provisions and the Senate-passed trial-work provisions that I authored relating to the pension program. I am likewise grateful that our House counterparts worked with us so constructively regarding our proposal for a new pilot program, now embodied in section 111 of the agreement to provide trial-work and increased vocational rehabilitation opportunities for service-connected disabled veterans who have total disability ratings by reason of individual determinations of unemployability—so-called IU ratings.

I believe strongly that the compromise agreement provisions regarding training and rehabilitation for disabled veterans are significant improvements on the provisions in these areas that each House initially developed.

Mr. President, on June 13, 1974, I introduced S. 2759, a bill to provide for periods of trial work—comparable to periods of trial work for Social Security Act disability recipients—for veterans with IU ratings. Also, in connection with our committee's June 27 hearing, I put forward, and sought the comments of the witnesses on, draft proposals to refine the provisions of S. 2759 and to provide for a trial-work period, including VA health-care eligi-

bility provisions, for veteran-pensioners. These provisions—with certain enhancements and limitations on the duration of these programs worked out with our distinguished committee chairman [Mr. SIMPSON]—were included in S. 2736 as reported in the Senate amendment. Those provisions, together with the compromise agreement provisions are, as I have noted, described in the explanatory statement that Senator SIMPSON has inserted at the conclusion of his remarks on this measure.

With respect to the provisions in section 301 of the compromise agreement, combining, with modifications, the House's vocational rehabilitation services provisions with the provisions I proposed to protect the VA healthcare eligibility of veteran-pensioners who lose their pension eligibility by virtue of their work income, I note that I was initially reluctant to accept the House provisions. My reluctance was based on the fact that the House bill would have given non-service-connected-disabled veterans eligibility for services under the VA's vocational rehabilitation program for service-connected disabled veterans, which is conducted under chapter 31 of title 38. I do not believe that a special program such as this for service-connected disabled veterans should be opened up to other veterans and thereby possibly lose its identity and have its resources diluted. However, our colleagues on the House committee were most flexible in working out a reshaping of their provisions. Thus, the compromise agreement reflects changes under which the services involved would be provided outside of chapter 31—and not necessarily through the VA personnel who provide chapter 31 evaluation and counseling services, although that would be permitted and would probably be desirable—and would be clearly focused on vocationally oriented objectives; funding for training and any services purchased would be funded out of the pension account not the readjustment benefits account, out of which chapter 31 benefits are paid; persons over age 50 could also participate—something I felt strongly about; and the number of veterans covered by the House bill being evaluated in each year would be limited to 2,500.

Thus, I am truly delighted now to be able to give my full support to these provisions and am most grateful to my friend, Chairman SIMPSON, for his openmindedness in agreeing to them as well as for his many contributions in helping reshape them. Again, I congratulate the House committee for initiating the efforts which I believe are about to lead to some very innovative and highly creative new programs.

Mr. President, I would note that these are pilot programs, with reports to be submitted by the Administrator on the first 3 years' experience under them. As our committee report noted, the programs were specifically designed in light of their time-limited nature. Thus, the committees have made no decisions on what modifications might be needed if the programs were to be made permanent at some later date.

Another provision related to helping disabled veterans in returning to work, section 301 of the compromise agreement, would specify that a veteran's participation in a VA incentive-therapy [IT] or compensated-work-therapy [CWT] program will not be considered a basis for denying or discontinuing a total disability rating for VA compensation or pension purposes. This provision was a part of a provision I authored, originally included in section 8 of S. 2514 as reported by our committee in May but later deleted from that bill and included as section 602 in S. 2736 in response to procedural Budget Act considerations. The provisions would have required the VA to conduct a 3-year demonstration project, ending on December 31, 1987, during which income earned by participants for their participation in IT and CWT Programs would not be counted in determining annual income for VA pension purposes. I believe such a demonstration project is necessary so as to determine the nature and size of the impact of a recent change made by the VA to count such income for pension purposes, thereby resulting in a reduction in pension payments for many participants in the two programs. The anecdotal information available to our committee was that the change has resulted in a significant drop in the number of individuals willing to participate in what are generally regarded as successful therapy programs.

I regret that our colleagues in the House were unwilling to accept this demonstration project. Since the General Accounting Office is already looking into the issue as part of an ongoing GAO study of VA psychiatric programs, I am confident that we will gain information on the impact of the VA's policy change. However, I deeply regret the significant disruption and hardship that will be occurring to seriously disabled, impoverished veterans while that information is being gathered.

OTHER PROVISIONS

I'm delighted that provisions derived from a number of other measures I have introduced or proposed as amendments in committee are included in the compromise agreement.

EMPLOYMENT PROGRAMS

Section 211 would extend the authority for veterans readjustment appointments—VRA's—by 2 years, until September 30, 1986. On February 7, 1984, I introduced S. 2268 with committee members RANDOLPH, MATSUNAGA, and DECONCINI, as well as Senator BYRD. That bill proposed a 3-year extension. However, in committee, a 1-year extension was all we could achieve agreement on for this program, which has provided employment opportunities in the Federal Government to hundreds of thousands of Vietnam-era veterans. I am delighted that the compromise agreement will extend the program for 2 years. The compromise agreement also incorporates, as I proposed, an administration-requested provision to provide first-year VRA appointees with certain limited appeal rights.

Section 212 would extend by 6 months—through September 1, 1985—the period that veterans have to apply for participation in the program established by the Emergency Veterans' Job Training Act of 1983—EVJTA—and by 3 months—to February 28, 1985—the date by which a veteran must enter a program of training under EVJTA. This section would also extend from 60 to 90 days the lifetime of the certificate of eligibility furnished veterans under that program. On June 13, 1984, I introduced, with Senator DECONCINI, S. 2760, which would have extended both deadlines by 6 months in addition to extending the lifetime of the certificate. These provisions of the compromise agreement will go a long way toward helping veterans who have been determined to need job training assistance.

EVJTA, enacted on August 15, 1983, was designed to provide employers with incentives, in the form of payments to defray training costs, to hire and train long-term unemployed Korean-conflict and Vietnam-era veterans. Section 17(a) of EVJTA provided that, if funding for the program had been appropriated and made available to the VA by October 1, 1983, a veteran desiring to participate would be required to apply by September 30, 1984, and to enter a program of training by December 31, 1984. However, because of the possibility that appropriations might not become available by that date, I proposed and the law incorporated a tolling period. Under this mechanism, in section 17(b) of the law, the veteran has until 1 year after the date on which appropriations are made available for the program to apply and until 15 months after that to enter training.

The first $75 million in funds for the program were appropriated on November 14, 1983, as part of a continuing appropriations resolution for fiscal year 1984, Public Law 98-151. Since these funds were not released by the Office of Management and Budget to the VA until November 29, 1983, eligible veterans have until November 29, 1984, to apply, and until March 1, 1985, to enter training. The remainder of the full amount, $150 million, authorized by section 16 of EVJTA to be

appropriated for fiscal year 1984 for payments to employers under this program was provided when a second $75 million appropriation was included in the fiscal year 1984 supplemental appropriations measure, Public Law 98-161, enacted on November 30, 1983.

Despite the very high degree of interest that veterans have shown in the program, it got off to a very slow start in terms of the placement of eligible veterans in approved jobs. As of September 4—according to the VA—246,547 veterans had applied for the program and 201,655 had been certified as eligible. Also as of that date, 27,111 employers had been approved to offer training for 60,379 job slots. This means that jobs are available or could be made available for nearly 30 percent of those eligible for the program. However, as of that date, only 13,717 veterans had been placed in jobs under EVJTA—less than 25 percent of the number of approved job slots.

Mr. President, I have been dissatisfied with the performance under the program thus far and continue to believe strongly that the program can be of much greater assistance in meeting the needs of long-term unemployed veterans of the Vietnam era and the Korean conflict. A partial cause for the disappointing performance may have been that the program became effective at the beginning of the holiday season, which may have slowed the rate at which employers began to participate in the program at the outset.

However, Mr. President, I'm concerned that at the root of the failure of the program to be as successful as it could be is the failure on the part of the Department of Labor and the VA—the agencies jointly responsible for implementation of the program—to be sufficiently aggressive in carrying out their responsibilities, particularly their placement responsibilities—that is, their responsibilities for matching eligible veterans with available job slots.

Thus, I'm pleased that both committees have agreed that the program should be given additional time in order to achieve its potential.

ADAPTIVE HOUSING AND AUTOMOBILE ASSISTANCE

Section 304 of the compromise agreement would grant an increase, effective January 1, 1985, in the rates of maximum assistance available for adapted housing for certain service-connected, severely disabled veterans. In the case of veterans receiving assistance under the major program—the so-called "wheelchair home" program—the maximum level of assistance would be increased from $32,500 to $35,500. In the case of veterans receiving assistance for home adaptations necessitated by the loss, or loss of use, of both upper extremities, or by blindness, the level of assistance would be increased from $5,000 to $6,000. On February 7 and March 20, I introduced S. 2264 and S. 2451, respectively, the latter of which is cosponsored by Senators RANDOLPH, MATSUNAGA, DECONCINI, and SARBANES. These measures proposed increases in the levels of assistance under these two programs from $32,500 and $5,000, respectively, to $38,800 and $6,000. Although the rates for the specially adapted housing grant are lower than we had proposed, I am gratified that the committees have agreed to increases in these allowances that will help ameliorate the erosion in the value of these benefits made by increases in housing costs.

Section 305 would grant an increase, effective January 1, 1985, in the automobile assistance allowance. On February 7, I introduced S. 2267, which is cosponsored by Senators RANDOLPH, MATSUNAGA, and DECONCINI. This measure proposed an increase in the automobile assistance allowance to $4,840 and that was the level subsequently approved by the Senate in S. 2736. The increase in the compromise agreement—from $4,400 to $5,000—would help ameliorate the erosion in the value of this benefit for certain service-connected, severely disabled veterans made by increases in automobile costs.

MISCELLANEOUS AMENDMENTS

Other provisions in the compromise agreement, Mr. President, would make a technical, conforming change relating to the manner in which dependents' allowances are paid to veterans with service-connected disabilities incurred during peacetime; would repeal a VA reporting requirement relating to deceptive advertising by educational institutions; and would modify provisions specifying what is considered to be part of the veteran's estate for purposes of payment of benefits to certain institutionalized, incompetent veterans and provide the Administrator with authority to waive, under certain circumstances, the suspension of benefits for such institutionalized veterans.

ITEMS NOT CONTAINED IN COMPROMISE AGREEMENT

Mr. President, as I noted, this measure is a compromise and, as with all compromises, it does not contain all of the provisions each of the parties would like to have included. Some provisions—a number of which I had great interest in and supported strongly—were dropped in reaching the final agreement.

Section 210 of the Senate-passed legislation contained provisions, similar to ones I proposed and the committee and the Senate have now approved four times, to toll a veteran's or eligible person's delimiting period when the individual has been prevented from using his or her GI bill benefits on account of a drug or alcohol dependence or abuse condition from which he or she has recovered. These provisions, which I have been pursuing since 1979 and are strongly supported by the distinguished Senator from Minnesota [Mr. BOSCHWITZ], were incorporated into the Senate measure at our request. I deeply regret that once again, for the fourth time, the House has refused to accept these provisions.

Section 212 of the Senate amendment would have required the Administrator, prior to making any changes in the enrollment certifications required to be submitted by educational institutions on behalf of their GI bill students, to consult with and obtain the recommendations of the VA's Advisory Committee on Education. This provision, which I authored, was designed to ensure that, before the VA proceeds with any proposal such as the one now pending—published in the Federal Register on June 30, 1983—to require schools to certify attendance on a term-by-term basis, the advisory committee would first make recommendations on the proposal and on possible alternatives to accomplish the goal of reducing overpayments. This process would help ensure that any changes that are implemented are carefully reviewed and considered by the education experts on the advisory committee who can evaluate fully the effect and workability of any such proposal. However, since a subcommittee of the advisory committee is already reviewing the new proposal, it was decided that it was not necessary to include this provision in the compromise agreement. It would be my expectation that the Administrator will not proceed to implement any proposals prior to receiving the recommendations of that committee. In that regard, I point out that the committees' explanatory statement, printed in the RECORD by our committee chairman, states:

> The Committees note that they do not believe that a statutory requirement is needed to bring about the consultation sought by the Senate amendment, since this is the purpose for which Congress established the advisory committee.

Section 601 of the Senate-passed bill—derived from section 2 of S. 2269 as introduced—would have modified the definition of the Vietnam era for title 38 purposes to include, in the case of those who served in the Republic of Vietnam, the period beginning on February 28, 1961, the date established in Public Law 89-257 for acceptance of foreign awards for service in Vietnam, and ending on May 7, 1975, the current law ending date for the Vietnam era. I continue to believe that it makes little sense to tell veterans who served in Vietnam prior to August 5, 1964—the starting date of the "Vietnam era" for title 38 purposes—particularly those who faced combat conditions

during their service, that they are not Vietnam veterans. Thus, I am disappointed that our colleagues in the House were unwilling to accept the Senate-passed change.

Finally, in connection with items not contained in the compromise agreement that were in the Senate amendment, I am deeply disappointed that, in conjunction with the increases in GI bill benefits, the committees were not able to agree on the issue of increases in reporting fees and increases in State approving agency allowances. Thus, the compromise agreement does not contain increases in either amount. I strongly believe that an increase in the amount of the reporting fee—last increased in 1977—is merited, and I think it is noteworthy that the administration concurs in that belief. I will, therefore, be pursuing this issue as well as others deleted from the Senate measure, in an appropriate fashion next Congress.

Other provisions not included in the compromise agreement that were contained in the Senate-passed bill are provisions to increase maximum amounts of Servicemen's Group Life Insurance, to establish a termination date for certain compensation and pension benefits paid on behalf of dependents enrolled in higher education, to delete various gender references in title 38, United States Code, and to provide for a demonstration project under which income received by participation in an IT or CWT program would not be counted for VA pension purposes, which I discussed earlier.

HOME LOAN GUARANTY INCREASE NOT INCLUDED

Finally, Mr. President, I must mention the adverse resolution of one matter that is a particular disappointment to me, the noninclusion in this compromise agreement of an increase in the maximum amounts of VA home loan guaranties. Earlier this year, in S. 2451, I had proposed that the maximum amount of the guaranty for conventional housing be increased from $27,000 to $35,000, and for manufactured housing from $20,000 to $22,000. Unfortunately, this proposal was not incorporated in the Senate bill.

However, in connection with H.R. 5617, the House approved increases in these amounts to $30,000 and $22,000, respectively. Therefore, I was hopeful that action on this matter could occur in the compromise agreement.

Regrettably, Mr. President, despite my strong support for these increases in the deliberations on the compromise agreement, it does not contain them. Nevertheless, my support for appropriate increases continues, and I assure my colleagues that I will be pursuing this issue vigorously in the next Congress.

CONCLUSION

Mr. President, before concluding my remarks, I want to take a moment to express my thanks to those who worked so diligently on this measure, both for their outstanding efforts and for the cooperation and courtesy that was extended to me and the members of the committee's minority staff. I would first thank the distinguished chairmen of each committee, Senator SIMPSON and Congressman MONTGOMERY, and the ranking minority member [Mr. HAMMERSCHMIDT] of the House Committee, for their many contributions to the development of this measure.

In addition, the excellent work on this measure by staff members of the House Committee—Mack Fleming, Frank Stover, Arnold Moon, Charlie Peckarsky, Jill Cochran, Rufus Wilson, Gloria Royce, and Pat Ryan—as well as the technical assistance of Robert Cover, assistant counsel, Office of the House Legislative Counsel, was invaluable and is deeply appreciated. I also want to make special note of the fine work done on this measure by the Senate Committee's majority staff members, Anthony Principi and Julie Susman.

Further, I want to take this opportunity to welcome aboard the committee's newest staff member on the majority, Kathleen McTighe, the committee counsel. Cathy joined the staff only recently, and despite the fact that during the height of work on the pending measure she suffered a deep, personal tragedy, she contributed significantly to the development of the measure. Thus, I want to express to her my particular appreciation for work as well as my sincere sympathies on her loss.

Finally, I also express my deepest appreciation to the members of the minority staff for their usual excellent work on my behalf—Babette Polzer, Bill Brew, Ed Scott, Ingrid Post, Charlotte Hughes, Jennifer McCarthy, and Jon Steinberg.

With final passage of this compromise agreement at hand, Mr. President, the Congress is once again reaffirming its commitment to those who, as a result of so serving, now bear the scars of battle. It is also initiating some truly creative pilot programs to assist disabled veterans in becoming employable and employed.

Mr. President, the compromise agreement now before the Senate is a truly excellent one. I urge my colleagues to approve it unanimously.

Mr. BAKER. Mr. President, I move that the Senator concur in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I may say to the minority leader I will next propose to take up the budget waiver with respect to H.R. 3942 and then to proceed to the bill itself if the waiver is granted, if the minority leader has no objection.

Mr. BYRD. I have no objection.

Mr. BAKER. I thank the minority leader.

BUDGET ACT WAIVER

Mr. BAKER. Mr. President, I ask the Chair to lay before the Senate Calendar Order No. 1325.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 464) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 3942.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The resolution (S. Res. 464) was considered and agreed to as follows:

S. RES. 464

Resolved, That, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of H.R. 3942. Such waiver is necessary because H.R. 3942 authorizes the enactment of new budget authority which would first become available in fiscal year 1985 and such Act was not reported on or before May 25, 1984, pursuant to section 402(a) of the Congressional Budget Act of 1974 for such authorizations. H.R. 3942 would authorize not to exceed $4,000,000 for fiscal year 1985 for activities of the Department of Transportation.

It was not possible for the Committee of Commerce, Science, and Transportation to have reported H.R. 3942 before the statutory deadline, as it was not received in the Senate until June 7, 1984. In addition, the commercial space launch and launch operation activities authorized in H.R. 3942 were not established within the Department of Transportation until February 1984, pursuant to Executive Order Numbered 12465.

H.R. 3942 will enhance the ability of the Federal Government to establish a licensing scheme to assist the private sector in expanding the potential for growth in the commercial applications of space technology that have been developed over the past twenty-five years. Facilitation of the commercial development of expendable launch vehicles is an important component of the Nation's space transportation program. The authorization of appropriations in H.R. 3942 will permit activities which will produce a stronger, more efficient launch capability for the United States that will contribute to the Nation's continued leadership in space.

The Department of Transportation has advised the Committee on Commerce, Science, and Transportation that current funding levels within the account of the Office of the Secretary for fiscal year 1985 are adequate for implementation of this legislation. Thus, congressional consideration of this authorization will neither interfere with nor delay the appropriations process, nor increase outlays in fiscal year 1985.

COMMERCIAL SPACE LAUNCH ACT

Mr. BAKER. Mr. President, I now ask the Chair to lay before the Senate H.R. 3942.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3942) to facilitate commercial space launches, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike out all after the enacting clause, and insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Commercial Space Launch Act".

FINDINGS

SEC. 2. The Congress finds and declares that—

(1) the peaceful uses of outer space continue to be of great value and to offer benefits to all mankind;

(2) private applications of space technology have achieved a significant level of commercial and economic activity, and offer the potential for growth in the future, particularly in the United States;

(3) new and innovative equipment and services are being sought, created, and offered by entrepreneurs in telecommunications, information services, and remote sensing technology;

(4) the private sector in the United States has the capability of developing and providing private satellite launching and associated services that would complement the launching and associated services now available from the United States Government;

(5) the development of commercial launch vehicles and associated services would enable the United States to retain its competitive position internationally, thereby contributing to the national interest and economic well-being of the United States;

(6) provision of launch services by the private sector is consistent with the national security interest and foreign policy interests of the United States and would be facilitated by stable, minimal, and appropriate regulatory guidelines that are fairly and expeditiously applied; and

(7) the United States should encourage private sector launches and associated services and, only to the extent necessary, regulate such launches and services in order to ensure compliance with international obligations of the United States and to protect the public health and safety, safety of property, and national security interests and foreign policy interests of the United States.

PURPOSES

SEC. 3. It is therefore the purpose of this Act—

(1) to promote economic growth and entrepreneurial activity through utilization of the space environment for peaceful purposes;

(2) to encourage the United States private sector to provide launch vehicles and associated launch services by simplifying and expediting the issuance and transfer of commercial launch licenses and by facilitating and encouraging the utilization of Government-developed space technology; and

(3) to designate an executive department to oversee and coordinate the conduct of commercial launch operations, to issue and transfer commercial launch licenses authorizing such activities, and to protect the public health and safety, safety of property, and national security interests and foreign policy interests of the United States.

DEFINITIONS

SEC. 4. For purposes of this Act—

(1) "agency" means an executive agency as defined by section 105 of title 5, United States Code;

(2) "launch" means to place, or attempt to place, a launch vehicle and payload, if any, in a suborbital trajectory, in Earth orbit in outer space or otherwise in outer space;

(3) "launch property" means propellants, launch vehicles and components thereof, and other physical items constructed for or used in the launch preparation or launch of a launch vehicle;

(4) "launch services" means those activities involved in the preparation of a launch vehicle and its payload for launch and the conduct of a launch;

(5) "launch site" means the location on Earth from which a launch takes place, as defined in any license issued or transferred by the Secretary under this Act, and includes all facilities located on a launch site which are necessary to conduct a launch;

(6) "launch vehicle" means any vehicle constructed for the purpose of operating in, or placing a payload in, outer space and any suborbital rocket;

(7) "payload" means an object which a person undertakes to place in outer space by means of a launch vehicle, and includes subcomponents of the launch vehicle specifically designed or adapted for that object;

(8) "person" means any individual and any corporation, partnership, joint venture, association, or other entity organized or existing under the laws of any State or any nation;

(9) "Secretary" means the Secretary of Transportation;

(10) "State", and "United States" when used in a geographical sense, mean the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the United States Virgin Islands, Guam, and any other commonwealth, territory, or possession of the United States; and

(11) "United States citizen" means—

(A) any individual who is a citizen of the United States;

(B) any corporation, partnership, joint venture, association, or other entity organized or existing under the laws of the United States or any State; and

(C) any corporation, partnership, joint venture, association, or other entity which is organized or exists under the laws of a foreign nation, if the controlling interest (as defined by the Secretary in regulations) in such entity is held by an individual or entity described in subparagraph (A) or (B).

GENERAL RESPONSIBILITIES OF THE SECRETARY AND OTHER AGENCIES

SEC. 5. (a) The Secretary shall be responsible for carrying out this Act, and in doing so shall—

(1) encourage, facilitate, and promote commercial space launches by the private sector; and

(2) consult with other agencies to provide consistent application of licensing requirements under this Act and to ensure fair and equitable treatment for all license applicants.

(b) To the extent permitted by law, Federal agencies shall assist the Secretary, as necessary, in carrying out this Act.

REQUIREMENT OF LICENSE FOR PRIVATE SPACE LAUNCH OPERATIONS

SEC. 6. (a)(1) No person shall launch a launch vehicle or operate a launch site within the United States, unless authorized by a license issued or transferred under this Act.

(2) No United States citizen described in subparagraph (A) or (B) of section 4(11) shall launch a launch vehicle or operate a launch site outside the United States, unless authorized by a license issued or transferred under this Act.

(3)(A) No United States citizen described in subparagraph (C) of section 4(11) shall launch a launch vehicle or operate a launch site at any place which is both outside the United States and outside the territory of any foreign nation, unless authorized by a license issued or transferred under this Act. The preceding sentence shall not apply with respect to a launch or operation of a launch site if there is an agreement in force between the United States and a foreign nation which provides that such foreign nation shall exercise jurisdiction over such launch or operation.

(B)(i) Except as provided in clause (ii) of this subparagraph, this Act shall not apply to the launch of a launch vehicle or the operation of a launch site in the territory of a foreign nation by a United States citizen described in subparagraph (C) of section 4(11).

(ii) If there is an agreement in force between the United States and a foreign nation which provides that the United States shall exercise jurisdiction over the launch of a launch vehicle or operation of a launch site in the territory of such nation by a United States citizen described in subparagraph (C) of section 4(11), no such United States citizen shall launch a launch vehicle or operate a launch site in the territory of such nation, unless authorized by a license issued or transferred under this Act.

(b)(1) The holder of a launch license under this Act shall not launch a payload unless that payload complies with all requirements of Federal law that relate to the launch of a payload. The Secretary shall ascertain whether any license, authorization, or other permit required by Federal law for a payload which is to be launched has been obtained.

(2) If no payload license, authorization, or permit is required by any Federal law, the Secretary may take such action under this Act as the Secretary deems necessary to prevent the launch of a payload by a holder of a launch license under this Act if the Secretary determines that the launch of such payload would jeopardize the public health and safety, safety of property, or any national security interest or foreign policy interest of the United States.

(c)(1) Except as provided in this Act, no person shall be required to obtain from any agency a license, approval, waiver, or exemption for the launch of a launch vehicle or the operation of a launch site.

(2) Nothing in this Act shall affect the authority of the Federal Communications Commission under the Communications Act of 1934 (47 U.S.C. 151 et seq.) or the authority of the Secretary of Commerce under the Land Remote-Sensing Commercialization Act of 1984 (15 U.S.C. 4201 et seq.).

AUTHORITY TO ISSUE AND TRANSFER LICENSES

SEC. 7. The Secretary may, consistent with the public health and safety, safety of prop-

erty, and national security interests and foreign policy interests of the United States, issue or transfer a license for launching one or more launch vehicles or for operating one or more launch sites, or both, to an applicant who meets the requirements for a license under section 8 of this Act. Any license issued or transferred under this section shall be in effect for such period of time as the Secretary may specify, in accordance with regulations issued under this Act.

LICENSING REQUIREMENTS

SEC. 8. (a)(1) All requirements of Federal law which apply to the launch of a launch vehicle or the operation of a launch site shall be requirements for a license under this Act for the launch of a launch vehicle or the operation of a launch site, respectively, except to the extent provided in paragraph (2).

(2) If the Secretary determines, in consultation with appropriate agencies, that any requirement of Federal law that would otherwise apply to the launch of a launch vehicle or the operation of a launch site is not necessary to protect the public health and safety, safety of property, and national security interests and foreign policy interests of the United States, the Secretary may by regulation provide that such requirement shall not be a requirement for a license under this Act.

(b) The Secretary may, with respect to launches and the operation of launch sites, prescribe such additional requirements as are necessary to protect the public health and safety, safety of property, and national security interests and foreign policy interests of the United States.

(c) The Secretary may, in individual cases, waive the application of any requirement for a license under this section if the Secretary determines that such waiver is in the public interest and will not jeopardize the public health and safety, safety of property, or any national security interest or foreign policy interest of the United States.

LICENSE APPLICATION AND APPROVAL

SEC. 9. (a) Any person may apply to the Secretary for issuance or transfer of a license under this Act, in such form and manner as the Secretary may prescribe. The Secretary shall establish procedures and timetables to expedite review of applications under this section and to reduce regulatory burdens for applicants.

(b) The Secretary shall issue or transfer a license to an applicant if the Secretary determines in writing that the applicant complies and will continue to comply with the requirements of this Act and any regulation issued under this Act. The Secretary shall include in such license such conditions as may be necessary to ensure compliance with this Act, including an effective means of on-site verification that a launch or operation of a launch site conforms to representations made in the application for a license or transfer of a license. The Secretary shall make a determination on any application not later than 180 days after receipt of such application. If the Secretary has not made a determination within 120 days after receipt of such application, the Secretary shall inform the applicant of any pending issues and of actions required to resolve such issues.

(c) The Secretary, any officer or employee of the United States, or any person with whom the Secretary has entered into a contract under section 14(b) of this Act may not disclose any data or information under this Act which qualifies for exemption under section 552(b)(4) of title 5, United States Code, or is designated as confidential by the person or agency furnishing such data or information, unless the Secretary determines that the withholding of such data or information is contrary to the public or national interest.

SUSPENSION, REVOCATION, AND MODIFICATION OF LICENSES

SEC. 10. (a) The Secretary may suspend or revoke any license issued or transferred under this Act if the Secretary finds that the licensee has substantially failed to comply with any requirement of this Act, the license, or any regulation issued under this Act, or that the suspension or revocation is necessary to protect the public health and safety, safety of property, or any national security interest or foreign policy interest of the United States.

(b) Upon application by the licensee or upon the Secretary's own initiative, the Secretary may modify a license issued or transferred under this Act, if the Secretary finds that the modification will comply with the requirements of this Act.

(c) Unless otherwise specified by the Secretary, any suspension, revocation, or modification by the Secretary under this section—

(1) shall take effect immediately; and

(2) shall continue in effect during any review of such action under section 12 of this Act.

(d) Whenever the Secretary takes any action under this section, the Secretary shall notify the licensee in writing of the Secretary's finding and the action which the Secretary has taken or proposes to take regarding such finding.

EMERGENCY ORDERS

SEC. 11. (a) The Secretary may terminate, prohibit, or suspend immediately the launch of a launch vehicle or the operation of a launch site which is licensed under this Act if the Secretary determines that such launch or operation is detrimental to the public health and safety, safety of property, or any national security interest or foreign policy interest of the United States.

(b) An order terminating, prohibiting, or suspending any launch or operation of a launch site licensed by the Secretary under this Act shall take effect immediately and shall continue in effect during any review of such order under section 12.

ADMINISTRATIVE AND JUDICIAL REVIEW

SEC. 12. (a)(1) An applicant for a license and a proposed transferee of a license under this Act shall be entitled to a determination on the record after an opportunity for a hearing in accordance with section 554 of title 5, United States Code, of any decision of the Secretary under section 9(b) to issue or transfer a license with conditions or to deny the issuance or transfer of such license.

(2) A licensee under this Act shall be entitled to a determination on the record after an opportunity for a hearing in accordance with section 554 of title 5, United States Code, of any decision of the Secretary—

(A) under section 10 to suspend, revoke, or modify a license; or

(B) under section 11 to terminate, prohibit, or suspend any launch or operation of a launch site licensed by the Secretary.

(b) Any final action of the Secretary under this Act to issue, transfer, deny the issuance or transfer of, suspend, revoke, or modify a license or to terminate, prohibit, or suspend any launch or operation of a launch site licensed by the Secretary shall be subject to judicial review as provided in chapter 7 of title 5, United States Code.

REGULATIONS

SEC. 13. The Secretary may issue such regulations, after notice and comment in accordance with section 553 of title 5, United States Code, as may be necessary to carry out this Act.

MONITORING OF ACTIVITIES OF LICENSEES

SEC. 14. (a) Each license issued or transferred under this Act shall require the licensee—

(1) to allow the Secretary to place Federal officers or employees or other individuals as observers at any launch site used by the licensee, at any production facility or assembly site used by a contractor of the licensee in the production or assembly of a launch vehicle, or at any site where a payload is integrated with a launch vehicle, in order to monitor the activities of the licensee or contractor at such time and to such extent as the Secretary considers reasonable and necessary to determine compliance with the license or to carry out the responsibilities of the Secretary under section 6(b) of this Act; and

(2) to cooperate with such observers in the performance of monitoring functions.

(b) The Secretary may, to the extent provided in advance by appropriation Acts, enter into a contract with any person to carry out subsection (a)(1) of this section.

USE OF GOVERNMENT PROPERTY

SEC. 15. (a) The Secretary shall take such actions as may be necessary to facilitate and encourage the acquisition (by lease, sale, transaction in lieu of sale, or otherwise) by the private sector of launch property of the United States which is excess or is otherwise not needed for public use and of launch services, including utilities, of the United States which are otherwise not needed for public use.

(b)(1) The amount to be paid to the United States by any person who acquires launch property or launch services, including utilities, shall be established by the agency providing the property or service, in consultation with the Secretary. In the case of acquisition of launch property by sale or transaction in lieu of sale, the amount of such payment shall be the fair market value. In the case of any other type of acquisition of launch property, the amount of such payment shall be an amount equal to the direct costs (including any specific wear and tear and damage to the property) incurred by the United States as a result of the acquisition of such launch property. In the case of any acquisition of launch services, including utilities, the amount of such payment shall be an amount equal to the direct costs (including salaries by the United States civilian and contractor personnel incurred by the United States as a result of the acquisition of such launch services.

(2) The Secretary may collect any payment for launch property or launch services, with the consent of the agency establishing such payment under paragraph (1).

(3) The amount of any payment received by the United States for launch property or launch services, including utilities, under this subsection shall be deposited in the general fund of the Treasury, and the amount of a payment for launch property (other than launch property which is excess) and launch services (including utilities) shall be credited to the appropriation from which the cost of providing such property or services was paid.

(c) The Secretary may establish requirements for liability insurance, hold harmless agreements, proof of financial responsibil-

ity, and such other assurances as may be needed to protect the United States and its agencies and personnel from liability, loss, or injury as a result of a launch or operation of a launch site involving Government facilities or personnel.

LIABILITY INSURANCE

SEC. 16. Each person who launches a launch vehicle or operates a launch site under a license issued or transferred under this Act shall have in effect liability insurance at least in such amount as is considered by the Secretary to be necessary for such launch or operation, considering the international obligations of the United States. The Secretary shall prescribe such amount after consultation with the Attorney General and other appropriate agencies.

ENFORCEMENT AUTHORITY

SEC. 17. (a) The Secretary shall enforce this Act. The Secretary may delegate the exercise of any enforcement authority under this Act to any officer or employee of the Department of Transportation or, with the approval of the head of another agency, any officer or employee of such agency.

(b) In carrying out this section, the Secretary may—

(1) make investigations and inquiries, and administer to or take from any person an oath, affirmation, or affidavit, concerning any matter relating to enforcement of this Act; and

(2) pursuant to any lawful process—

(A) enter at any reasonable time any launch site, production facility, or assembly site of a launch vehicle, or any site where a payload is integrated with a launch vehicle, for the purpose of inspecting any object which is subject to this Act and any records or reports required by the Secretary to be made or kept under this Act; and

(B) seize any such object, record, or report where there is probable cause to believe that such object, record, or report was used, is being used, or is likely to be used in violation of this Act.

PROHIBITED ACTS

SEC. 18. It is unlawful for any person to violate a requirement of this Act, a regulation issued under this Act, or any team, condition, or restriction of any license issued or transferred by the Secretary under this Act.

CIVIL PENALTIES

SEC. 19. (a) Any person who is found by the Secretary, after notice and opportunity to be heard on the record in accordance with section 554 of title 5, United States Code, to have committed any act prohibited by section 18 shall be liable to the United States for a civil penalty of not more than $100,000 for each violation. Each day of a continuing violation shall constitute a separate violation. The amount of such civil penalty shall be assessed by the Secretary by written notice. The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty which is subject to imposition or which has been imposed under this section.

(b) If any person fails to pay a civil penalty assessed against such person after the penalty has become final or if such person appeals an order of the Secretary and the appropriate court has entered final judgment in favor of the Secretary, the Secretary shall recover the civil penalty assessed in any appropriate district court of the United States.

(c) For purposes of conducting any hearing under this section, the Secretary may (1) issue subpoenas for the attendance and testimony of witnesses and the production of relevant papers, books, documents, and other records, (2) seek enforcement of such subpoenas in the appropriate district court of the United States, and (3) administer oaths and affirmations.

CONSULTATION

SEC. 20. (a) The Secretary shall consult with the Secretary of Defense on all matters, including the issuance or transfer of each license, under this Act affecting national security. The Secretary of Defense shall be responsible for identifying and notifying the Secretary of those national security interests of the United States which are relevant to activities under this Act.

(b) The Secretary shall consult with the Secretary of State on all matters, including the issuance or transfer of each license, under this Act affecting foreign policy. The Secretary of State shall be responsible for identifying and notifying the Secretary of those foreign policy interests or obligations of the United States which are relevant to activities under this Act.

(c) The Secretary shall consult with other agencies, as appropriate, in order to carry out the provisions of this Act.

RELATIONSHIP TO OTHER LAWS AND INTERNATIONAL OBLIGATIONS

SEC. 21. (a) No State or political subdivision of a State may adopt or have in effect any law, rule, regulation, standard, or order which is inconsistent with the provisions of this Act. Nothing in this Act shall preclude a State or a political subdivision of a State from adopting or putting into effect any law, rule, regulation, standard, or order which is consistent with this Act and is in addition to or more stringent than any requirement of or regulation issued under this Act. The Secretary may, and is encouraged to, consult with the States to simplify and expedite the approval of space launch activities.

(b) A launch vehicle or payload shall not, by reason of the launching of such vehicle or payload, be considered an export for purposes of any law controlling exports.

(c) Nothing in this Act shall apply to—

(1) any—

(A) launch or operation of a launch vehicle,

(B) operation of a launch site, or

(C) other space activity,

carried out by the United States on behalf of the United States; or

(2) any planning or policies relating to any such launch, operation, or activity.

(d) The Secretary shall carry out this Act consistent with any obligation assumed by the United States in any treaty, convention, or agreement that may be in force between the United States and any foreign nation. In carrying out this Act, the Secretary shall consider applicable laws and requirements of any foreign nation.

REPORT ON LEGISLATION

SEC. 22. (a) Not later than the last day of each fiscal year ending after the date of enactment of this Act and before October 1, 1989, the Secretary shall submit to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report describing all activities undertaken under this Act, including a description of the process for the application for and approval of licenses under this Act and recommendations for legislation that may further commercial launches.

(b) Not later than July 1, 1985, the Secretary shall submit to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report which identifies Federal statutes, treaties, regulations, and policies which may have an adverse effect on commercial launches and include recommendations on appropriate changes thereto.

SEVERABILITY

SEC. 23. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act and the application of such provision to any other person or circumstance shall not be affected by such invalidation.

AUTHORIZED APPROPRIATIONS

SEC. 24. There are authorized to be appropriated to the Secretary $4,000,000 for fiscal year 1985.

EFFECTIVE DATE

SEC. 25. (a) Except for section 15 and the authority to issue regulations, this Act shall take effect 180 days after the date of enactment of this Act.

(b) Section 15 shall take effect on the date of enactment of this Act, except that nothing in this Act shall affect any agreement, including negotiations which are substantially completed, relating to the acquisition of launch property or launch services of the United States entered into on or before the date of enactment of this Act between the United States and any private party.

(c) Regulations to implement this Act shall be promulgated not later than 180 days after the date of enactment of this Act.

Mr. TRIBLE. Mr. President, the passage of H.R. 3942, the Commercial Space Launch Act, is an important step for the American commercial space industry.

This measure represents a balanced compromise between the bill passed by the House and S. 2931, the legislation that I introduced with Senators GORTON and HEFLIN and 10 cosponsors.

The central purpose of this legislation is to encourage the growth of a commercial space launch capability which will complement NASA's successful space transportation system.

The current Government approval process for private space launch operations is a regulatory minefield involving as many as 18 Federal agencies and 22 different statutes—statutes which were never intended to apply to commercial space launch activities. This bill replaces this burdensome, patchwork approach with a regulatory framework which promotes private launch activities, protects public health and safety, and preserves foreign policy and national security concerns.

This bill designates the Department of Transportation as the lead Government agency for encouraging and facilitating the commercialization of expendable launch vehicles. In providing a one-stop-shopping service to space entrepreneurs, DOT will be required to consult with the Department of State in matters affecting foreign policy, and the Department of Defense in matters affecting national security.

Also, the Secretary, in consultation with officials of other appropriate Federal agencies, shall determine which existing Federal statutes may apply to space launch activities and shall determine what steps are necessary for the applicant to comply with those statutes. It is the intent of the bill's sponsors that applicants should not have to contact any other Federal department or agency other than the Transportation Department; any necessary contacts or communications with other agencies or departments should be carried out by the Secretary on behalf of the applicant. Furthermore, the launch licenses issued by the Transportation Department are to be exclusive, with the exception of those licenses issued under the Communications Act of 1934 and the Land Remote-Sensing Commercialization Act of 1984.

The Transportation Department is also authorized to facilitate commercial use of excess Government launch property and to establish, after consultation with appropriate agencies, the terms and conditions of such use.

Our Nation no longer holds a monopoly in the space-launch business. By encouraging a commerical ELV capability, this legislation will enhance our international competitiveness in the space-launch marketplace and promote economic growth. This fledging industry can provide jobs and other benefits for our people as we approach the 21st century.

Exploiting the vast economic potential of space requires the Federal Government to be a partner, rather than obstacle. The Commercial Space Launch Act, is an important step in opening the final frontier of space to private enterprise.

The committee amendment in the natue of a substitute was agreed to.

The amendment was ordered to be engrossed and the bill to be read the third time.

The bill was read the third time and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BILL PLACED ON CALENDAR—H.R. 6100

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Armed Services be discharged from consideration of H.R. 6100 and that that bill be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESOLUTION PLACED ON CALENDAR—H.J. RES. 332

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from consideration of House Joint Resolution 332 and that the resolution be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, may I inquire, at the conclusion of the time for the transaction of routine morning business which we have just provided, what will be the pending business and the pending question when the Senate returns to regular business?

The PRESIDING OFFICER. The pending business will be the conference report on the OCS.

Mr. BAKER. I thank the Chair.

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, I ask the Chair to inquire if there is further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ORDER OF PROCEDURE

Mr. PACKWOOD. Mr. President, will the majority leader yield for a question?

Mr. BAKER. Yes.

Mr. PACKWOOD. I have no objection to the conference report being used as a filler for a reasonable period of time. I understand the problem. I understand my good friend from Missouri is going to speak at some length. Could the leader advise us to what his plans are?

Mr. BAKER. Yes, Mr. President; I thank the Senator from Oregon.

The situation that has developed here is not altogether unexpected. We all hoped that this conference report, which is privileged, might be disposed of. It appears, to say the least, unlikely. I note the nod of assent from the Senator from Missouri.

In view of that, it would be the intention of the leadership on this side to ask the Senate to return to the consideration of the debt-limit resolution.

Mr. President, since we found that the call for regular order has been made which displaced the conference report, it was necessary to make a motion to proceed to the consideration of the conference report, which was done.

May I inquire of the Chair, did that return the debt limit resolution to the calendar?

The PRESIDING OFFICER. No; it did not. A conference report is privileged.

Mr. BAKER. I thank the Chair. The call for regular order, however, would not bring back that resolution?

The PRESIDING OFFICER. The majority leader is correct. It would not.

Mr. BAKER. It would require unanimous consent or a motion to proceed to that measure in order to once again reach the debt-limit resolution.

The PRESIDING OFFICER. Once, again, the majority leader is correct.

Mr. BAKER. The majority leader is gratified.

PUBLIC DEBT LIMIT INCREASE

Mr. BAKER. Mr. President, I expect this may be objected to, but I ask unanimous consent that the Senate return to the consideration of the debt limit resolution.

The PRESIDING OFFICER. Is there objection?

Mr. MELCHER. Reserving the right to object, and I only do so in order to express a desire to have some time for debate of this imputed interest before a tabling motion would be in order.

Mr. BAKER. Mr. President, would the Senator be willing to accept, say, a 30-minute time limitation and then to permit me or the manager of the bill to be recognized for the purpose of making a tabling motion?

Mr. MELCHER. Yes; it would be agreeable.

Mr. BAKER. I assure the Senator I shall do that, so let me do it this way: I ask unanimous consent that the Senate now return to the consideration of the debt limit resolution. I further ask unanimous consent that upon the resumption of consideration of that measure, there be 30 minutes of debate on the Melcher amendment, which is the pending question, the time to be equally divided in the usual form.

At the end of that time, I ask unanimous consent that I may be recognized for the purpose of making a tabling motion against the Melcher second-degree amendment.

The PRESIDING OFFICER. Is there objection?

Mr. SYMMS. Reserving the right to object, I just want to ask the Parliamentarian if that unanimous-consent agreement would rule out the Senator from Idaho making an amendment to the Melcher amendment.

Mr. BAKER. I inquire in turn, is the Melcher agreement a second-degree amendment?

The PRESIDING OFFICER. The Melcher amendment is a first-degree amendment. It would rule out the amendment of the Senator from Idaho.

Mr. BAKER. Mr. President, I have no problem with that. If I could consult with the chairman of the Committee on Finance, I am prepared to pro-

vide an additional time for debate on a second-degree amendment——

Mr. SYMMS. I would still have my right. We would not have disposed of the debt limit after this.

Mr. BAKER. That is correct.

Mr. SYMMS. In the event that the Melcher amendment is not tabled, then it would be in order for me to offer an amendment?

The PRESIDING OFFICER. That is correct.

Mr. SYMMS. I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the majority leader? Without objection, it is so ordered.

The clerk will state the pending business.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 654), increasing the statutory limit on the public debt.

The Senate continued with the consideration of the joint resolution.

IMPUTED INTEREST

Mr. MELCHER. Mr. President, there is not any question that we must resolve the situation involving imputed interest rates before we adjourn. The question is just how we do that. There may have been some remarks by the chairman of the Committee on Finance that an imputed interest rate amendment on the debt ceiling would not be acceptable because the House would not like to have it there, Mr. President, there are 300 Members of the House that are either cosponsors of the proposal that I have or a proposal that the Senator from Idaho has.

My proposal refines, extends the exemption where imputed interest rates could be charged by IRS on a self-financed sale of property. The junior Senator from Idaho [Mr. SYMMS] has an amendment which would repeal those provisions in the 1984 tax bill that dealth with imputed interest. His amendment would simply put us back in the same position of law on imputed interest rates that were in on June 28, prior to the passage of the 1984 Tax Act. I made no secret about it, I shall vote for that amendment and 300 Members of the House have indicated by their cosponsorship that they would either vote for outright repeal similar to the repeal contained in the amendment of the Senator from Idaho or for my proposal.

The chairman of the Finance Committee says that a proper vehicle on imputed interest rates will be offered and the Senate can vote on it. Well, the problem we have with a proper vehicle, Mr. President, is this: If there is any way that a minor bill with an imputed interest amendment on it, passed by the Senate, sent over to the House, would fall between the cracks, then we have lost the ball game and the 1984 Tax Act requirements on imputed interest will go into effect on January 1.

Let me give you some background, Mr. President. We have had these types of provisions in the Tax Code since 1964. In 1979, when Treasury said they were going to raise the imputed rate from 6 to 9 percent, myself and others had a great deal of misgiving. Nevertheless, it was not until 1981 and the tax bill that we were able to address this situation, and we passed then an amendment, adopted by the Senate 100 to nothing, to place some restrictions on the IRS as to when they could impose imputed interest rates. And so we come to 1984, when this tax bill was passed this last June, and the restrictions and provisions calling for imputed interest were so drastic that we had almost an open rebellion throughout the country by those involved in seller-financed sales.

For those who might think this is a very peculiar term and a term that is not well understood, imputed interest is the rate that is set by Treasury, under the laws that we pass on seller-financed property sales, which affects the seller in such a way that if the property that the seller is financing does not carry with it a rate set by Treasury, then the Treasury will impute that rate and charge the seller taxes on income as if the seller actually received that higher rate. To many Americans it sounds so unconstitutional they cannot believe it. Nevertheless, it is the law. What we are seeking to do is increase the exemption for those who are selling property and financing that sale on a basis with which they can live.

Now, there has been a lot of talk, and I am sure there will be a lot more, about how realtors want this change. Well, of course, they want a change. Realtors are not the sellers in hardly any instance. They are the ones who broker the sales. Realtors want it changed and want to be able to have seller-financed sales because they know it is extremely important in the property sales transactions among Americans.

When a seller offers financing as a means of disposing of a house or an apartment or a farmer selling some land or a small businessman selling either all of his property or only a portion of his property and knows that in order to make the sale he is going to have to carry that financing at a lower rate of interest than is available at commercial rates, that is a fact of life. The seller simply will not enter into that type of agreement if the IRS is going to impute a rate higher for purposes of that seller's income, and therefore the seller would have to pay taxes on income he did not receive, and the sale is off. So the question goes much deeper than who wants it. Realtors and homebuilders and farmers and ranchers and small business people understand this issue and they want corrections. You cannot have corrections without having a bill passed because it now is law; it goes into effect January 1, unless we modify or repeal those provisions included in the 1984 tax bill. So it is very desperate that we attend to this situation at this time.

Mr. President, I now reserve the remainder of my time.

The PRESIDING OFFICER. Who seeks recognition?

Mr. DOLE. Mr. President, it was my hope that we might all agree on some amendment, we would offer it and work it out. But while we were trying to work it out, while the Senator from Kansas was over on the House side meeting with the chairman of the Ways and Means Committee, the Senator from Montana offered an amendment, so I do really know how we can work it out on that basis, since there is going to be some difficulty, whatever happens, with the chairman of the Ways and Means Committee, who will resist very strongly any effort to amend the debt ceiling.

Now, we have a compromise amendment that is supported by a number of organizations.

The compromise, which I understand Senator JEPSEN will offer—which we hope will carry—is supported by the American Land Development Association, the National Apartment Association, the National Association of Homebuilders, the National Association of Realtors, the National Federation of Independent Businesses, the National Multihousing Council, and the National Small Business Association.

It is something that we have been working on with Treasury, with Secretary Regan, with the Joint Committee on Taxation plus our own staff, with the industry, with those I have listed, and others.

Mr. SYMMS. Will the distinguished chairman yield for a question?

Mr. DOLE. I am happy to yield.

Mr. SYMMS. I thank the distinguished chairman.

I realize some of the national associations that he has named have signed on to this 19-page compromise, but is he aware that some of the State associations have not signed on to this compromise? Most of the State associations have not—they have not in my State. I say to the distinguished chairman I very much fear that this is an inside-the-beltway compromise; that outside the beltway this compromise is little understood and not agreed to.

I hope, rather than be concerned about what the chairman of the Ways and Means Committee is going to do, the Senate will simply not table the Melcher amendment and then amend it to repeal the law and send it back over to the other body.

What would be the course of action if that happened?

Mr. DOLE. My answer would be that I am trying to get some relief for the realtors and the homebuilders this year. I do not know what I need to say to convince people. But I have been speaking to the chairman of the Ways and Means Committee. I went on the House floor less than an hour ago. I talked to the chairman on the telephone today. I think he feels very strongly this is something we ought to do next year. I do not want to characterize the chairman in any critical way; he has a responsibility, too—but I am still hopeful that we can persuade Chairman ROSTENKOWSKI to accept the compromise, and do it this year, because this bill takes effect January 1. Then we would provide some relief.

We can talk about repeal, and I assume at some time the Senator is going to have a chance to offer his amendment to repeal what happened, but I hope that we would set aside the Melcher amendment and then adopt an amendment on which we have all worked, that is supported by a number of organizations, that is reasonable, that has an estimated revenue loss of about $400 million instead of $2.2 billion. And, I might also say, there is no assurance that the Senator from Ohio and others are going to sign off on the compromise. I do not want to leave the impression that it is all greased and ready to go; that if we take the compromise, everybody is going to be on board.

The Senator from Ohio [Mr. METZENBAUM] has raised some questions. He thinks it should be tightened up in certain areas.

I do not mean any criticism of the efforts by the Senator from Idaho. I only say that Mr. Treadwell, who is a bona fide realtor, sat in on all the discussions. He is trying to make a living in Michigan and does pretty well. He is president of the National Association of Realtors. I believe that my State of Kansas, for one, supports the efforts we are making, and I think other States do. I cannot speak for Idaho or other States that may be involved.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. RANDOLPH. Mr. President, I will not speak to the substance of one of the several approaches by which we are attempting to rectify the imputed interest dilema that we have been confronted with since the enactment of the tax bill earlier this year. I am concerned of the effect the changes in imputed interest have had on the housing industry.

This weekend, I counseled with the realtors of the State of West Virginia at a meeting in Huntington. There is some confusion that realtors are not united in one approach or another. I did find this underlying comment. Realtors feel—and I ask the chairman if he agrees—that now, not later they need the passage, before the 98th Congress adjourns, of a measure which would be a fair and practical solution to their current problem.

The real estate industry contributes in a positive degree to the provision of useful structures of all kinds for the small businessman, the farmer, and home owner. They deserve our assistance.

Mr. DOLE. There is no doubt about it. I think the Senator makes a very good point. That is why I hope we will be realistic, pragmatic, objective, and fair.

Repeal might make a lot of sense to a lot of people, but it will not happen. I think the realtors, homebuilders, and most developers understand that.

They also understand that they need some action this year. They need action on farms and principal residences and even vacation homes, and they cannot wait until next year.

It will not have a direct impact this year, but come January, it will have an impact. It may even have an impact starting now.

Everybody knows what will happen, and it will happen next year. The Senator from West Virginia will not be here next year. We do not hit the ground running. We do not start early enough, and it may be February, March, or April before we work out a compromise.

I suggest to the Senator from Idaho that we take the compromise. That does not foreclose changing it next year. But let us at least have some relief on the table come January 1. That will not prejudice the efforts of the Senator from Idaho or the efforts of anyone else who wants to broaden the so-called compromise.

It is my hope that we will table the Melcher amendment—when the motion is made by the majority leader—and get down to the serious business of a compromise. I pledge to my colleagues that which I have been trying to do all day, to get something done that we can do, not something we cannot do. I say that with all sincerity.

I hope that when Senator JEPSEN arrives, we can work out an agreement with the chairman of the Ways and Means Committee not to attach it to the debt ceiling but to put it on another revenue bill, and we have a number of them on this side. If they are willing to accept it on the House side, I hope we will not amend the debt limit at all. We already have one amendment pending on the debt ceiling. That causes difficulty in the House.

I am not here to defend the House. They do not need it. But, under the rules of the House, they can instruct the conferees, and they are not certain that they can pass the debt ceiling. The only way to pass the debt ceiling in the House is when it comes to us automatically, when they pass the budget resolution.

It seems that a lot of House Members vote for all the spending and against the debt ceiling, and then they can use that in their reelection kits.

In any event, I hope we are not going to foreclose anyone's efforts about some additional approach. I just hope we do not do it on the debt ceiling.

The problem with the Melcher amendment is that it would allow tax shelter syndicators to obtain the benefits of below-market seller financing to bloat the basis of depreciable real estate above its fair market value. A 30-year note bearing 9 percent deferred interest can allow a buyer of a $1 million property to claim a tax basis of over $3.2 million.

The Melcher amendment would also allow for transactions that mismatch interest income and interest deductions in syndicated tax shelters.

The Melcher amendment also drops the safeguards against sale-leasebacks contained in the compromise bill.

In short, although the Melcher amendment is not any simpler than our compromise, it does not even have the virtues of the compromise bill. It does not close down the abuse of tax shelter transactions that the compromise restricts.

I recall that when we were here, I think, in June, the Senator from Idaho was willing to settle for much less.

I see that the distinguished Senator from Iowa has been able to get out of the bad weather in the Midwest and has arrived in Washington, DC.

I say to my colleague that I was just indicating that I hoped we could table the Melcher amendment and work out some procedure on some piece of legislation to consider the Jepsen amendment, which is a compromise in which we have the support of the following organizations: American Land Development Association, National Apartment Association, National Association of Home Builders, National Association of Realtors, National Federation of Independent Businesses, National Multihousing Council, National Small Business Association.

As I understand it, the Senator from Iowa is prepared to offer that amendment. We can discuss that amendment with him during the rollcall vote.

Again, I hope we can find some way not to put it on the debt ceiling, get some agreement with the chairman of the Ways and Means Committee to accept it on another revenue bill. We have four or five floating around. We can put it on another revenue bill and send it to the House with the understanding that they will accept it. We can even hold back final action on the

debt ceiling until we have more assurance on the House side.

If we really want to help, as the Senator from West Virginia has just indicated, we should do something we can do—maybe not what we would like to do, but something we can sell to the Treasury, which we have, and sell to the Members, which we have, and get done. If any Senators have influence on the House side, we would appreciate any assistance.

Mr. President, how much time remains on this side?

The PRESIDING OFFICER. Two minutes remain.

Mr. DOLE. How much on the other side?

The PRESIDING OFFICER. Seven minutes.

Mr. MELCHER. Mr. President, I yield 3 minutes to the Senator from Idaho.

Mr. SYMMS. Mr. President, I think the situation we are in here is simply this: The Senator from Montana has an amendment pending which is better than the present law which was passed last July. The Senator from Kansas and the Senator from Iowa have a compromise that they wish to get before the Senate, which is a 19-page piece of legislation that was hastily thrown together here, which the Washington establishment lobbyists have signed onto; but outside the beltway, nobody has signed onto this.

I hold it up. Nineteen pages of tax policy which is just like explaining TEFRA or the tax bill of last summer, or something else. I you want to go home and explain that, fine.

The Senator from Minnesota [Mr. DURENBERGER] has a much simpler compromise than the one proposed by the so-called Washington compromise, the inside-the-beltway compromise which was worked out here hastily last week. It says that every taxpayer is entitled to a $1.5 million seller-financed transaction, one per taxpayer per year, which would solve a big share of the problem. So in many ways it would be more liberal from the taxpayers' point of view than compromise by the distinguished Senator from Kansas.

My amendment, which I hope to get before the Senate before we get off this measure, simply repeals the present law that was passed in July of this summer and goes back so we will just be under current law. I think that would be the simplest place for us to be and simply repeal this law and then start next year and try to work out a compromise.

So what is happening here is we are being told by the chairman of the Ways and Means Committee of the other body that if we put any amendments on the debt increase then he will send back over a debt increase that simply is a clean debt increase that goes to January 30. That might not be the worst of all solutions to end up with, and we could adjourn this place and get out of here, and candidates for Congress could get home to campaign and shut this place, which would probably be a blessing to the country.

All I suggest to my colleagues is I am going to vote against tabling the motion of the distinguished Senator from Montana because I think if we table the Melcher motion we are only putting ourselves in a situation where then the choice will be the next one which will be the one offered by the Senator from Iowa, and I still think what we need to do is take a clean vote here and find out how many people in this Congress would just like to back up to where we were the 1st of July 1984—that is what may amendment does—and allow us to address this issue.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SYMMS. I thank the Chair.

Mr. MELCHER. Mr. President, the real issue here is, Are we going to get a vote on imputed interest? If we want to repeal, and that is my first choice, the proper method to do that is to beat back the tabling motion and allow the repealer to be offered and then it pass.

What the Senator from Kansas, the very able and very gracious chairman of the Finance Committee, a man who I fondly admire, states and what he is proposing, however, does not get us to the point where we can tell our small business people, our farmers and ranchers or homeowners that we have done the right kind of job on imputed interest. I vigorously disagree with his 19-page proposal. If it is ever offered by him or by some other Senator, it will take an exceedingly great amount of work to modify it because here is what it does: The chairman of the Finance Committee, whether he offers it or someone else offers it, that 19 pages of very complicated tax legislation would limit the exemption for residential property so that no property for which a seller has claimed depreciation during the 2 years immediately before may be exempt for the 90-percent rate.

In other words, it would have to have the higher rate. For example, if a seller is temporarily assigned overseas or somewhere away from home and rented his residence during his absence that seller would not be eligible for the lower rate of the proposal that I am making or the proposal that the Senator from Idaho is making. In other words, we let the seller sell his property and finance the sale if he wants to without getting tangled up with IRS. I am afraid my friend from Kansas would continue the entanglement.

The farm and ranchland must have been used actively in farming for the previous 3 years under the proposal submitted by the Senator from Kansas and the land must be intended for further farming, and such provisions in existing tax law have always been very difficult to prove and the burden is always on the taxpayer. So that is not much help to farmers or ranchers.

What about small business people? Under the chairman's proposal, the Senator from Kansas, the business must have been active for the previous 5 years. And why should there be an arbitrary deadline? What is better about 5 than 4, or 3 than 2, or 2 than 1? And why not stay out of the IRS? Why not keep them out of it? What people are so tired about in paying taxes is IRS dictating any means that they have of selling property and what the tax is going to be on it and how many other things IRS sticks its nose into.

What we are trying to do is get back some of the integrity for the tax law and keep people and IRS from taking so much power from the laws we pass so that they can really stop seller-financed property sales.

Last, let me mention one other point: What the chairman recommended in 19 pages of amendment is that assumables, that is where a willing buyer assumes a loan that a seller is willing to give up as part of the terms for the sale lower than the current interest rates of the banking institution or the loan institution, the assumables, would not be available. They would be outlawed. They would be subject to these higher interest rates. There is no reason for allowing that. True, the Senator would grandfather old ones but would not allow new ones.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Kansas.

Mr. DOLE. Mr. President, I will take a minute and suggest a quorum for the leader to come and move to table.

We think we addressed a number of the concerns raised by the distinguished Senator from Montana. I do not want to discredit the Senator from Montana. He has been a leading force in this effort. But I do believe that his amendment has some flaws plus I think if we really want to do something—again you know the Senate is going to speak in a moment—it is up to the Senate. If they want to say OK, we are not going to take anything but repeal, we can stay here and we can vote on repeal and if repeal passes the Senate I am willing to predict that is as far as it is going to go. But I do not think repeal will pass the Senate. I think there are some Senators who will not let repeal come to a vote. I would guess from all these people we have been hearing from in our States——

31-059 O-87-18 (Pt. 22)

Mr. SYMMS. Will the distinguished chairman yield for a question?

Mr. DOLE. No; I only have about 2 minutes.

If we really want to do something, I think this is an opportunity. It does not foreclose anyone next year from doing anything they want. But my realtors are telling me they believe in a compromise that we have worked out.

We have also addressed the concerns Senator MELCHER expressed on assumptions, and it is a very, very complicated piece of legislation. But we have tried to take care of a lot of complicated transactions.

I would hope that we would table the amendment, then move on to the amendment of the distinguished Senator from Iowa, Senator JEPSEN; but not today. Give us an opportunity to find a vehicle other than the debt ceiling, and if we cannot find anything and everything else fails, then the Senator from Kansas will join anyone in offering whatever we need to offer to the debt ceiling. But if we really want to do something, I just suggest that if we want to help the realtors, the homebuilders, the farmers, and the others, then we ought to adopt the compromise. If we do not, we do not.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

Mr. METZENBAUM. Mr. President, before the Senator suggests the absence of a quorum, may I be heard?

Mr. DOLE. I do not have time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I ask unanimous consent, since the majority leader is not on the floor, that the Senator from Ohio be allocated 3 minutes to express his views.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, this is a matter that concerns me. I have heard talk about the Association of Realtors, various other groups that are interested in the amendment. I think we have another interest we should concern ourselves about as well and that is the question of how do we balance the budget.

Let us not kid ourselves. The issue of imputed interest has to do with some of the tax gimmicks that have been used by the tax shelter sales people around the country, not that they have not used imputed interest for that purpose but the whole issue comes up because there have been deals structured so that the interest rate was lowered, the price of the deal was raised in order to provide greater depreciation and greater tax shelter.

I respect the chairman of the Finance Committee who is about, I gather, to make a motion to table. I respect him for the fact that he understands the problem, and I think there is somewhat of a problem not nearly as much as the lobbyist groups would claim. I think there is somewhat of a problem, but I think the chairman of the Finance Committee has been sufficiently aware that, as you move on this issue, you also impact the revenues into the Federal Treasury.

I am concerned, and I am frank to say that the amendment of the Senator from Montana whom I am going to join in supporting to table I will do so because I do not think it provides the necessary protection against some of the tax shelters that will still be permitted under his amendment. And if there is an effort made to repeal it entirely I have no hesitancy in saying that I am free all of next week, and I will be happy to explain that amendment to the people of this country.

Mr. MELCHER. Will the Senator yield?

Mr. METZENBAUM. No; I cannot at this moment.

So I would just urge that although I am not certain that the Senator from Kansas is prepared to go as far as I think he should with respect to his so-called compromise amendment, I do believe very strongly that the Symms amendment to repeal and the Melcher amendment, too, in this respect does not provide adequate protection for the Treasury against those who would use our tax laws in order to create tax shelters and further more tax loopholes thus impacting the Federal Treasury.

I am happy to yield to the Senator from Montana if I have any time remaining.

Mr. MELCHER. I thank the Senator from Ohio for yielding. I do not think he is aware that the proposal I make, while better for small business people, does not change the Treasury's position on revenue one iota compared with the proposal of the Senator from Kansas. My proposal just happens to be simpler, happens to be liked better by small business people and does not change the revenue picture, as far as Treasury is concerned, any dollar amount over the amount of the proposal by the Senator from Kansas.

Mr. METZENBAUM. Does the Senator from Montana indicate that Treasury has represented that? Have they so stated?

Mr. MELCHER. The Joint Tax Committee has represented that to me.

Mr. METZENBAUM. I thank the Senator.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. BAKER. Mr. President, pursuant to the order previously entered, I seek recognition and move to table the Melcher amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee [Mr. BAKER] to table the amendment of the Senator from Montana [Mr. MELCHER]. The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Mississippi [Mr. COCHRAN], the Senator from Illinois [Mr. PERCY], and the Senator from Delaware [Mr. ROTH], are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Arkansas [Mr. BUMPERS], the Senator from Florida [Mr. CHILES], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Vermont [Mr. LEAHY], the Senator from Michigan [Mr. LEVIN], the Senator from Louisiana [Mr. LONG], the Senator from Maine [Mr. MITCHELL], the Senator from New York [Mr. MOYNIHAN], the Senator from Georgia [Mr. NUNN], the Senator from Tennessee [Mr. SASSER], and the Senator from Mississippi [Mr. STENNIS], are necessarily absent.

I further announce that, if present and voting, the Senator from Michigan [Mr. LEVIN] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 23, nays 59, as follows:

[Rollcall Vote No. 285 Leg.]

YEAS—23

Baker	Heflin	Rudman
Chafee	Humphrey	Simpson
Danforth	Lautenberg	Stafford
Denton	Laxalt	Thurmond
Dole	Lugar	Tower
Evans	Mathias	Trible
Goldwater	Packwood	Wallop
Gorton	Proxmire	

NAYS—59

Abdnor	Dixon	Hawkins
Andrews	Dodd	Hecht
Armstrong	Domenici	Heinz
Baucus	Durenberger	Helms
Biden	Eagleton	Huddleston
Bingaman	East	Inouye
Boren	Exon	Jepsen
Boschwitz	Ford	Kassebaum
Burdick	Garn	Kasten
Byrd	Glenn	Matsunaga
Cohen	Grassley	Mattingly
Cranston	Hart	McClure
D'Amato	Hatch	Melcher
DeConcini	Hatfield	Metzenbaum

Murkowski	Randolph	Tsongas
Nickles	Riegle	Warner
Pell	Sarbanes	Weicker
Pressler	Specter	Wilson
Pryor	Stevens	Zorinsky
Quayle	Symms	

NOT VOTING—18

Bentsen	Johnston	Moynihan
Bradley	Kennedy	Nunn
Bumpers	Leahy	Percy
Chiles	Levin	Roth
Cochran	Long	Sasser
Hollings	Mitchell	Stennis

So the motion to lay on the table amendment (No. 7080) was rejected.

AMENDMENT NO. 7082

Mr. DOLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Kansas [Mr. DOLE] proposes an amendment numbered 7082.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

SEVERAL SENATORS. Objection.

The bill clerk resumed reading the amendment as follows:

On line 6 of the resolution, strike out "$1,823,800,000,000" and insert in lieu thereof "$1,823,800,000,001 on and after October 2, 1984."

AMENDMENT NO. 7083

Mr. JEPSEN. Mr. President, I send an amendment to the Dole amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Iowa [Mr. JEPSEN] proposes an amendment numbered 7083 to the Dole amendment, numbered 7082.

Mr. DOLE. Mr. President, I suggest that further reading of the amendment be dispensed with.

SEVERAL SENATORS. Objection.

The PRESIDING OFFICER. Objection is heard.

Mr. DOLE. Mr. President, may we have order so we can hear the reading of the amendment?

The PRESIDING OFFICER. The Senate will be in order.

The bill clerk resumed reading the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Without objection, it is so ordered.

The amendment is as follows:

AMENDMENT No. 7083

In lieu of the matter proposed to be inserted, insert the following: "$1,823,800,000,002 on and after October 1, 1984."

SEC. . TAX TREATMENT OF CERTAIN DEFERRED PAYMENTS.

(a) REDUCTION IN INTEREST RATES UNDER SECTION 483.—Section 483 of the Internal Revenue Code of 1954 (relating to interest on certain deferred payments) is amended—

(1) by redesingnating subsections (f), (g), and (h) has subsection (h), (i), and (j) and

(2) by striking out subsection (2) and inserting in lieu thereof the following new subsections:

"(e) REDUCED RATE OF INTEREST IN CASE OF CERTAIN SALES OF RESIDENCES, FARMS, OR TRADES OR BUSINESSES.—

"(1) IN GENERAL.—In the case of any debt instrument arising from a sale or exchange to which this subsection applies, the discount rate under subsection (b) or (c) (1)(B) shall be the rate prescribed by the Secretary in regulations but shall not be greater than 10 percent and 9 percent, respectively.

"(2) SALE OR EXCHANGES TO WHICH THIS SUBSECTION APPLIES.—This subsection shall apply to any of the following sales or exchanges:

"(A) RESIDENCES.—Any sale or exchange of a residence by an individual, an estate, or a testamentary trust, but only if—

"(i) either—

"(I) such residence on the date of such sale or exchange (or in the case of an estate or testamentary trust, on the date of death of the decedent) was the principal residence (within the meaning of section 1034) of the individual or decedent, or

"(II) during the 2-year period ending in such date, no substantial portion of such residence was of a character subject to an allowance under this title for depreciation (or amortization in lieu thereof) in the hands of such individual or decedent, and

"(ii) such residence was not at any time, in the hands of such individual, estate, testamentary trust, or decedent, described in section 1221(1) (relating to inventory, etc.).

"(B) FARMS.—Any sale or exchange by a qualified person of—

"(i) real property which was used as a farm (within the meaning of section 6420(c)(2)) at all times during the 3-year period ending on the date of such sale or exchange, or

"(ii) tangible personal property which was used in the active conduct of the trade or business of farming on such farm and is sold in connection with the sale of such farm,

but only if such property is sold or exchanged for use in the active conduct of the trade or business of farming by the transferee of such property.

"(C) TRADES OR BUSINESSES.—

"(i) IN GENERAL.—Any sale or exchange by a qualified person of any trade or business.

"(ii) APPLICATION WITH SUBPARAGRAPH (B).—This subparagraph shall not apply to any sale or exchange of any property described in paragraph (B).

"(iii) NEW SECTION 38 PROPERTY.—This subparagraph shall not apply to the sale or exchange of any property which, in the hands of the transferee, is new section 38 property.

"(3) DOLLAR LIMITATION.—

"(A) IN GENERAL.—Paragraph (1) shall apply to any debt instrument to the extent that the sales price does not exceed the applicable limit with respect to such sale or exchange.

"(B) APPLICABLE LIMIT DEFINED.—For purposes of this paragraph, the term 'applicable limit' means the limit determined in accordance with the following table:

"If the transaction is described in: The limit is:

Paragraph (2)(A)	$250,000
Paragraph (2)(B)	2,000,000
Paragraph (2)(C)	1,000,000

"(4) BLENDED RATE WHERE SALES PRICE EXCEEDS APPLICABLE LIMIT.—In the case of any sale or exchange to which this subsection applies with respect to which the sales price exceeds the applicable limit—

"(A) TEST RATE.—The discount rate under subsection (c)(1)(B) shall, in lieu of the rate under paragraph (1), be equal to the sum of—

"(1) 9 percent, multiplied by a fraction the numerator of which is the applicable limit and the denominator of which is the sales price, and

"(ii) 110 percent of the applicable Federal rate, multiplied by a fraction—

"(I) the numerator of which is the sales price minus the applicable limit, and

"(II) the denominator of which is the sales price.

In the case of a transaction described in paragraph (2)(A), clause (ii) shall be applied by substituting '100 percent' for '110 percent'.

"(B) IMPUTED RATE.—The discount rate under subsection (b) shall, in lieu of the rate under paragraph (1), be equal to the rate determined under subparagraph (A) by substituting '10 percent' for '9 percent' and, except in the case of any transaction described in paragraph (2)(A), '120 percent' for '110 percent' each place it appears.

"(C) RATES AS ADJUSTED.—For purposes of this paragraph, if the Secretary prescribes, pursuant to paragraph (1), a lower discount rate under subsection (c)(1)(B) or (b) than the maximum rate allowed under paragraph (1), such lower rate shall apply in lieu of '9 percent' or '10 percent' in subparagraphs (A)(i) or (B), respectively.

"(5) AGGREGATION AND ALLOCATION RULES.—For purposes of this subsection, except as provided in regulations—

"(A) DEBT INSTRUMENTS.—All debt instruments arising from a transaction (or any series of related transactions) shall be treated as 1 debt instrument.

"(B) SALES AND EXCHANGES.—All sales and exchanges which are part of the same transaction (or a series of related transactions) shall be treated as 1 sale or exchange.

"(C) PRORATION OF APPLICABLE LIMIT WHERE MORE THAN ONE PERSON HOLDS AN INTEREST.—In the case of a sale or exchange of any property (or a trade or business) described in paragraph (2) with respect to which there is more than 1 owner, the applicable limit under paragraph (3) shall be apportioned among each owner on the basis of the ratio which the fair market value of such owner's interest bears to the fair market value of all interests of such owners.

"(6) APPLICATION WITH SUBSECTION (h).—In the case of any qualified sale (as defined in subsection (h)(2)), the applicable limit determined under paragraph (3) shall be reduced by the amount of any debt instrument to which subsection (h)(1) applies.

"(7) DEFINITIONS.—For purposes of this subsection—

"(A) QUALIFIED PERSON DEFINED.—The term 'qualified person' means—

"(i) a person who—

"(I) is an individual, estate, or testamentary trust,

"(II) is a corporation which immediately prior to the date of the sale or exchange has 35 or fewer shareholders, or

"(III) is a partnership which immediately prior to the date of the sale or exchange has 35 or fewer partners,

"(ii) is a 10-percent owner of a farm or a trade or business,

"(iii) pursuant to a plan, disposes of—"(I) an interest in a farm or farm property, or

"(II) his entire interest in a trade or business and all substantially similar trades or businesses, and

"(iv) the ownership interest of whom may be readily established by reason of qualified allocations (of the type described in section 168(j)(9)(B), one class of stock, or the like.)

"(B) 10-PERCENT OWNER DEFINED.—The term '10-percent owner' means a person having at least a 10-percent ownership interest, applying the attribution rules of section 318 (other than subsection (a)(4)).

"(C) SALES PRICE DEFINED.—The term 'sales price' means the sum of—

"(i) money and fair market value of property received in the sale or exchange, plus

"(ii) the stated principal amount of any debt instrument issued in such sale or exchange.

"(D) TRADE OR BUSINESS DEFINED.—

"(i) IN GENERAL.—The term 'trade or business' means any trade or business, including any line of business qualifying as an active trade or business, qualifying as an active trade or business within the meaning of section 355.

"(ii) RENTAL OR REAL PROPERTY.—For purposes of this subparagraph, the holding of real property for rental shall not be treated as an active trade or business.

"(f) SPECIAL TEST RATES FOR SALES OR EXCHANGES INVOLVING CERTAIN REAL PROPERTY.—

"(1) IN GENERAL.—In the case of any sale or exchange to which this subsection applies, subsection (c)(1)(B) shall be applied by substituting—

"(A) '80 percent' for '110 percent' in the case of any debt instrument described in paragraph (3), and

"(B) '100 percent' for '110 percent' in the case of any debt instrument described in paragraph (4).

"(2) SALES OR EXCHANGES TO WHICH THIS SUBSECTION APPLIES.—

"(A) IN GENERAL.—Except as provided in this paragraph, this subsection applies to any sale or exchange of—

"(i) land, or

"(ii) real property described in subparagraph (D) or (F) of subsection (c)(2) of section 168 (whether or not such property is of a character subject to an allowance under this title for depreciation (or amortization in lieu thereof) in the hands of the purchaser),

including de minimis amounts of tangible personal property associated with such real property.

"(B) CERTAIN PROPERTY NOT INCLUDED.—This subsection shall not apply to any sale or exchange—

"(i) of new section 38 property, or

"(ii) with respect to which the transferor and transferee are related persons.

"(3) DEBT INSTRUMENTS TO WHICH 80 PERCENT RATE APPLIES.—A debt instrument is described in this paragraph if—

"(A) the term of the instrument (determined with regard to any extension or renewal) is not greater than the lessor of—

"(i) 12 years, or

"(ii) in the case of a debt instrument issued in exchange for recovery property, ⅔ of the shortest recovery period under section 168 for such property, and

"(B) the total deferred payments under such instrument, when added to the sum of the total deferred payments under all other debt instruments issued in connection with the sale or exchange—

"(i) to which this paragraph applies, and

"(ii) which were issued before such instrument was issued,

do not exceed $4,000,000.

"(4) DEBT INSTRUMENTS TO WHICH 100 PERCENT RATE APPLIES.—A debt instrument is described in this paragraph if—

"(A) the rate of interest stated in the instrument is not than the applicable Federal rate,

"(B) such instrument provides for—

"(i) the unconditional payment each year of at least 80 percent of the interest so stated, or

"(ii) after the close of the 2-year period beginning on the date such instrument was issued the instrument provides the unconditional payment each year of all interest accruing thereunder for that year, and

"(C) such instrument is not described in paragraph (3).

"(5) SPECIAL RULES FOR DETERMINATION OF DISCOUNT RATES.—

"(A) IN GENERAL.—If the applicable Federal rate determined under section 1274(d) for any period after June 30, 1985 (other than the Federal short-term rate) exceeds by more than 2 percentage points such rate for the preceding period as limited by this paragraph, such applicable Federal rate shall not exceed the greater of—

"(i) the sum of—

"(I) such applicable Federal rate for such preceding period, plus

"(II) one-half of such excess, or

"(ii) the highest such applicable Federal rate during the 2-year period before the period for which such determination was made after the application of this paragraph.

"(B) SPECIAL RULES FOR 1985 AND 1986.—Notwithstanding any other provision of this section, in the case of any sale or exchange with respect to which a binding contract was entered into during 1985 or 1986—

"(i) TEST RATE.—The discount rate for purposes of applying subsection (c)(1)(B) to any debt instrument described in paragraph (3) shall not be greater than the rate determined in accordance with the following table:

"For contracts entered into during the period:	The rate is:
Jan. 1–June 30, 1985	10.5
July 1–Dec. 31, 1985	11.0
Jan. 1–June 30, 1986	11.5
July 1–Dec. 31, 1986	12.0

For purposes of applying subsection (c)(1)(B) to any debt instrument described in paragraph (4), the discount rate shall not be greater than the rate determined in accordance with the table, plus one-half percentage point.

"(ii) IMPUTED RATE.—The discount rate for purposes of applying subsection (b) to any debt instrument described in paragraph (3) or (4) shall not be greater than the rate determined under clause (i), plus 1 percentage point.

"(6) AGGREGATION RULES.—For purposes of this subsection, all sales and exchanges which are part of the same transaction (or a series of related transactions) shall be treated as 1 sale or exchange.

"(7) RELATED PERSON DEFINED.—For purposes of this subsection and subsection (g), the term 'related person' means a person who is related (within the meaning of section 267(b) or section 707(b)(1)) to another person other than a qualified 5-percent or less partner (within the meaning of section 267(e)(5)(B)).

"(g) SPECIAL RULES FOR APPLICATION OF THIS SECTION.—For purposes of this section—

"(1) APPLICATION OF SUBSECTIONS (e) AND (f).—In the case of any sale of exchange, either subsection (e) or subsection (f) may be applied, but not both.

"(2) TREATMENT OF ASSUMPTIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), if, after December 31, 1984, any person—

"(i) assumes any debt obligation issued after October 15, 1984, or described in subparagraph (C), in connection with the sale or exchange of any property, or

"(ii) takes such property subject to any such debt obligation,

and the terms and conditions of such debt obligation are not changed, then this section shall apply only to the person assuming, or taking property subject to, such obligation and the obligation shall be treated as issued by the purchaser to the seller in the transaction in which such obligation was assumed or the property taken subject to such obligation.

"(b) OTHER ASSUMPTIONS.—In the case of any assumption to which subparagraph (A) does not apply, the rules regarding assumptions as in effect prior to the enactment of the Deficit Reduction Act of 1984 shall apply.

"(C) OBLIGATIONS DESCRIBED IN THIS SUBPARAGRAPH.—A debt obligation is described in this subparagraph if such obligation—

"(i) was issued on or before October 15, 1984, and

"(ii) was assumed (or property was taken subject to such obligation) in connection with the sale or exchange of property (including a deemed sale under section 338(a)) the sales price of which is greater than $100,000,000.

"(D) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to effect the purpose of this subsection, including regulations relating to tax-exempt obligations, government subsidized loans, or other similar instruments.

"(E) CERTAIN EXEMPT TRANSACTIONS.—The Secretary shall prescribe regulations under which any transaction shall be exempt from the application of this paragraph if such exemption is not likely to significantly reduce the tax liability of the purchaser by reason of the overstatement of the adjusted basis of the acquired asset.

"(3) FAIR MARKET VALUE RULE IN POTENTIALLY ABUSIVE CASES.—In the case of any potentially abusive situation (within the meaning of section 1274(b)(3)(B)), the principal amount of any debt instrument received in any sale or exchange of property to which this section applies shall be the fair market value of such property adjusted to take into account other consideration involved in the transaction.

"(4) SALE-LEASEBACKS.—Subsections (e) and (f) shall not apply to any sale or exchange if, pursuant to a plan, the transferor or any related person leases such property.

"(5) RULES NOT TO APPLY WHERE PREPAYMENT PROHIBITED.—Subparagraph (A) of paragraph (1) shall not apply to any obligation arising from a loan from a third-party creditor, pursuant to which the obligor is not permitted to pay the instrument prior to maturity.

"(6) NO IMPUTATION RATE WHERE RESTRICTIONS ON STATED INTEREST APPLY.—Except as otherwise provided in regulations, in any case in which State law applicable to a transaction prohibits the parties from stat-

ing interest sufficient to satisfy the applicable rate under subsection (c)(1)(B), the rate under subsection (b) shall be considered equal to the rate so applicable udner subsection (c)(1)(B).".

(b) INTEREST INCOME AND DEDUCTIONS COMPUTED ON CASH BASIS IN CERTAIN CASES.—

(1) IN GENERAL.—Section 1274 of such Code (relating to determination of issue price in the case of certain debt instruments issued for property) is amended by adding at the end thereof the following new subsection:

"(e) SPECIAL RULES FOR CERTAIN SALES OR EXCHANGES TO WHICH INTEREST RULES OF SECTION 483 APPLY.—Notwithstanding any other provision of this subpart—

"(1) TRANSACTIONS TO WHICH SECTION 483 (E) APPLIES.—In the case of any sale or exchange to which section 483(e) applies—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any inclusion in income or deduction under this title with respect to interest on any debt instrument issued in connection with such sale or exchange shall be computed on the cash receipts and disbursements method of accounting.

"(B) SALES PRICE EXCEEDS APPLICABLE LIMIT.—In any case in which the sales price exceeds the applicable limit under section 483(e)(3)—

"(i) except in the case of any transaction to which section 483(e)(2)(A) applies, subparagraph (A) shall not apply, and

"(ii) the discount rates under subsections (c)(3) and (b)(2)(B) shall be equal to the rates determined under subparagraphs (A) and (B) of section 483(e)(4).

"(2) TRANSACTIONS TO WHICH SECTION 443(F) APPLIES.—In the case of any sale or exchange to which section 483(f) applies—

"(A) TRANSACTIONS WITH 80 PERCENT TEST RATE.—

"(i) IN GENERAL.—Except as provided in clause (ii), any inclusion in income or deduction under this title with respect to interest on any debt instrument described in section 483(f)(3) shall be computed on the cash receipts and disbursements method of accounting.

"(ii) SPECIAL RULE FOR TRANSACTIONS NOT QUALIFYING FOR 80 PERCENT TEST RATE.—Clause (i) shall not apply to any debt instrument issued in such sale or exchange if, in addition to such instrument, a debt instrument not described in section 483(f)(3) is issued in such sale or exchange.

"(B) TRANSACTIONS TO WHICH SUBPARAGRAPH (A) DOES NOT APPLY.—

"(i) IN GENERAL.—If subparagraph (A) does not apply to any debt instrument issued in such sale or exchange, subsection (c)(3) shall be applied—

(I) in the case of any debt instrument described in section 483(f)(4), by substituting '100 percent' for '110 percent', and

"(II) in the case of any debt instrument described in section 483(f)(3), by substituting '80 percent' for '110 percent'.

"(ii) SPECIAL RULES FOR 1985 AND 1986.—In the case of any debt instrument to which clause (i) applies issued during 1985 or 1986, the discount rate under subsection (c)(3) shall not be greater than the rate determined under section 483(f)(5).

"(3) SPECIAL RULE FOR HOLDING AND TRANSFER OF DEBT OBLIGATION.—

"(A) Paragraphs (1)(A) and (2)(A) shall apply to the holder of a debt obligation only if such obligation is—

"(i) held by the first obligee of such obligation or such obligee's spouse or estate, and

"(ii) secured by the property sold or exchanged in the transaction in which such obligation is issued.

"(B) Except as otherwise provided in regulations, in the case of a transfer of property by the obligor in which the obligation is not satisfied and the transferee does not become liable to pay such obligation to the first obligee, any deduction for interest on any indebtedness paid or incurred by the transferee to the immediate transferor attributable to such obligation shall be deferred until such time as such deduction would have been allowed if such obligation had been assumed by the transferee.

"(C) In any case in which the transferee assumes or takes property subject to any obligation under subparagraph (A) or is considered to do so under subparagraph (B), the transferee shall compute the amount of the deduction for any interest on such obligation on the cash receipts and disbursement method of accounting.

"(4) SUBSECTION ALSO TO APPLY TO DEBT USED TO CARRY OBLIGATIONS.—In any case in which an obligor of a debt obligation to which paragraph (1)(A) or (2)(A) applies pays or incurs interest on indebtedness to carry such debt obligation, any deduction for such interest shall be deferred to the extent necessary to achieve a proper matching of interest income and expense.

"(5) REGULATIONS TO PREVENT ABUSE OF REQUIRED CASH ACCOUNTING.—The Secretary may by regulation prescribe rules to prevent the mismatching of interest income and interest deductions in connection with obligations on which interest is computed on the cash receipts and disbursements method of accounting.

"(6) OTHER RULES APPLY.—For purposes of this subsection, rules similar to the rules under subparagraphs (B) and (D) of section 483(g)(2) shall apply.".

(2) SPECIAL RULE FOR ASSUMPTIONS.—Paragraph (4) of section 1274(c) of such code (relating to debt obligations to which section applies) is amended by adding at the end thereof the following new subparagraph:

"(G) TREATMENT OF ASSUMPTIONS.—

"(I) IN GENERAL.—Except in the property described in subsection (e)(2)(A) of section 483, if, after December 31, 1984, any person—

"(I) assumes any debt obligation issued after October 15, 1984, or described in clause (II) in connection with the sale or exchange of any property, or

"(II) takes such property subject to any such debt obligation,

and the terms and conditions of such debt obligation are not changed, then this section shall apply only to the person assuming, or taking property subject to, such obligation and the obligation shall be treated as issued by the purchaser to the seller in the transaction in which such obligation was assumed or the property taken subject to such obligation.

"(ii) OBLIGATION DESCRIBED IN THIS CLAUSE.—A debt obligation is described in this clause if such obligation—

"(I) was issued on or before October 15, 1984, and

"(II) was assumed (or property was taken subject to such obligation) in connection with the sale or exchange of property (including a deemed sale under section 338(a)) the sales price of which is greater than $100,000,000.

"(III) CERTAIN EXEMPT TRANSACTIONS.—The Secretary shall prescribe regulations under which any transaction would be exempt from the application of this subparagraph if such exemption would not significantly reduce the tax liability of the purchaser by reason of the overstatement of the adjusted basis of the acquired asset.

"(iii) OTHER ASSUMPTIONS.—In the case of any assumption to which subparagraph (A) does not apply, the rules regarding assumptions as in effect prior to the enactment of the Deficit Reduction Act of 1984 shall apply.

"(iv) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to effect the purpose of this subsection, including regulations relating to tax-exempt obligations, government subsidized loans, or other similar instruments."

(c) SPECIAL RULES FOR CERTAIN SALES OR EXCHANGES OF RESIDENCES BY DEALERS IN SUCH PROPERTY.—

(1) IN GENERAL.—Section 1274 of such Code is further amended by adding at the end thereof the following new subsection:

"(f) SPECIAL RULES FOR CERTAIN SALES OR EXCHANGES OF RESIDENCES BY DEALERS IN SUCH PROPERTY.—Notwithstanding any other provision of this subpart—

"(1) IN GENERAL.—In the case of any debt instrument described in paragraph (4) arising from a sale or exchange to which this subsection applies—

"(A) subsection (c)(3) shall be applied by substituting '80 percent' for '110 percent', and

"(B) subsection (b)(2)(B) shall be applied by substituting '110 percent' for '120 percent'.

"(2) SALES OR EXCHANGES TO WHICH THIS SUBSECTION APPLIES.—

"(A) IN GENERAL.—This subsection applies to any sale or exchange of any residence by a dealer who holds such residence as section 1221(1) property to a person who intends to occupy such residence if the sales price of such residence does not exceed $250,000.

"(B) PRORATION OF APPLICABLE LIMIT WHERE MORE THAN ONE PERSON HOLDS AN INTEREST.—In the case of a sale or exchange of any property described in subparagraph (A) with respect to which there is more than 1 owner, the applicable limit under subparagraph (A) shall be apportioned among each owner on the basis of the ratio which the fair market value of such owner's interest bears to the fair market value of all interests of such owners.

"(3) BLENDED RATE WHERE SALES PRICE EXCEEDS $250,000.—In the case of any sale or exchange to which this subsection would otherwise apply with respect to which the sales price exceeds $250,000—

"(A) TEST RATE.—The discount rate under subsection (c)(3) shall, in lieu of the rate under paragraph (1)(A), be equal to the sum of—

"(i) 80 percent, multiplied by a fraction the numerator of which is $250,000 and the denominator of which is the sales price, and

"(ii) 100 percent of the applicable Federal rate, multiplied by a fraction—

"(I) the numerator of which is the sales price minus $250,000, and

"(II) the denominator of which is the sales price.

"(B) IMPUTED RATE.—The discount rate under subsection (5)(2)(B) shall be the rate under paragraph (1)(B).

"(4) DEBT INSTRUMENT.—A debt instrument is described in this paragraph if it provides conspicuous notice to the obligor in a manner prescribed by regulations that if the obligor of such instrument places the residence in service in a trade or business the depreciation rules under section 168(f)(16) shall apply.

"(5) SALES PRICE DEFINED.—For purposes of this subsection, the term 'sales price' means—

"(i) money and fair market value of property received in the sale or exchange, plus

"(ii) the stated principal amount of any debt instrument issued in such sale or exchange.

"(6) RULES RELATING TO INTEREST TO CARRY DEALER OBLIGATIONS ARISING UNDER THIS SUBSECTION.—

"(A) EXCESS DEDUCTIONS DISALLOWED.—For each year the interest expense paid or incurred on any debt incurred or continued to carry any dealer obligation shall be disallowed to the extent such expense exceeds interest income includable with respect to such dealer obligation for such year.

"(B) DISALLOWED INTEREST EXPENSE ALLOWED IN SUBSEQUENT YEARS.—For any year the amount of disallowed interest expense shall be allowed as a deduction with respect to any dealer obligation in an amount equal to the disallowed interest expense as of the close of such year (not including any amount previously allowed under this subparagraph) multiplied by a fraction—

"(i) the numerator of which is the sum of the principal payments on such dealer obligation made in such year, and

"(ii) the denominator of which is the total amount of principal outstanding on such dealer obligation at the beginning of such year.

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) DEALER OBLIGATION DEFINED.—The term 'dealer obligation' means on obligation arising pursuant to a transaction to which paragraph (1) of this subsection applies.

"(ii) DISALLOWED INTEREST EXPENSE DEFINED.—The term 'disallowed interest expense' means the aggregate amount of interest expense disallowed under subparagraph (A) with respect to any dealer obligation.

"(D) NO INFERENCE.—Nothing in this paragraph shall be construed to imply that any transaction described in this paragraph is or is not subject to the rules of section 453B, and any determination of such issue shall be made as if this paragraph had not been enacted.".

(d) RULE WHERE SPECIAL STATE LAW APPLIES.—Section 1274 of such Code is further amended by adding at the end thereof the following new subsection:

"(g) NO IMPUTATION RATE WHERE RESTRICTIONS ON STATED INTEREST APPLY.—Except as otherwise provided in regulations, in any case in which State law applicable to a transaction prohibits the parties from stating interest sufficient to result in an adequate stated interest in the transaction, a rule similar to the rule of section 483(g)(6) shall apply.".

(e) CONFORMING AMENDMENTS.—Paragraph (4) of section 1274(c) of such Code (relating to certain excepted debt instruments) is amended—

(1) by striking out subparagraphs (A) and (B),

(2) by striking out "section 483(e)" and "SECTION 483(e)" in subparagraph (F) and the heading to subparagraph (F), respectively, and inserting in lieu thereof "section 483(i)" and "SECTION 483(1)", respectively, and

(3) by redesignating subparagraphs (C), (D), (E), and (F) as subparagraphs (A), (B), (C), and (D), respectively.

(f) DEPRECIATION.—Subsection (f) of section 168 of such Code (relating to accelerated cost recovery system) is amended by adding at the end thereof the following new paragraph—

"(16) SPECIAL RULES FOR CERTAIN RESIDENCES.—In the case of any debt instrument described in section 1274(f)(1), the original principal amount of the debt instrument shall be deemed to be the lesser of—

"(A) the stated principal amount, or

"(B) the imputed principal amount determined by applying section 1274(f) using a discount rate of 110 percent of the applicable Federal rate at the time the debt was issued.".

(g) FAIR MARKET VALUE IN POTENTIALLY ABUSIVE SITUATIONS.—Subparagraph (B) of section 1274(b)(3) of such Code (relating to fair market value rule in potentially abusive situations) is amended in clause (ii), by striking out "or" at the end of subclause (III), by redesignating subclause (IV) as subclause (V), and by adding after subclause (III) the following new subclause: "(IV) deferred interest, or".

(h) DETERMINATION OF APPLICABLE FEDERAL RATE.—

(1) IN GENERAL.—Paragraph (1) of section 1274(d) of such Code (relating to determination of applicable Federal rate) is amended by adding at the end thereof the following new subparagraph:

"(E) AUTHORITY FOR SECRETARY TO DETERMINE RATE MORE FREQUENTLY.—If there is a significant decrease in any applicable Federal rate following any 6-month test period referred to in subparagraph (B), the Secretary may determine the applicable Federal rate on the basis of a more recent period (not less than 30 days) as he determines appropriate to reflect such decrease.".

(2) SPECIAL RULE FOR 1984.—

(A) IN GENERAL.—In the case of any debt instrument issued during the first 6 months of 1985 pursuant to a sale or exchange for which a binding contract was entered into during 1984, the applicable Federal rate for purposes of sections 483 and 1274 of the Internal Revenue Code of 1954 shall be 10 percent.

(B) PARAGRAPH NOT TO APPLY.—Subparagraph (A) shall not apply to any debt instrument to which section 483 (e) or (f) of the Internal Revenue Code of 1954, as amended by this section, applies.

(i) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 41 of the Deficit Reduction Act of 1984.

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order, please.

Mr. JEPSEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. JEPSEN. Mr. President, I have been closely following the problems associated with imputed interest rates for several months now.

During debate on the Deficit Reduction Act, I was a cosponsor of the Melcher amendment which attempted to change the tax bill provisions. When that effort failed, I became a chief cosponsor of the next Melcher bill, S. 2894. In August I submitted a statement to the Senate Finance Committee when they held a hearing on imputed interest rates. I then cosponsored the Symms bill to repeal the changes made in the tax bill. I tell you this to demonstrate my conviction that we cannot adjourn until the imputed interest rate problem is solved.

I am now pleased to offer an amendment which is a good, workable compromise. This compromise will help alleviate the devastating effect that imputed interest rates have on American families, farms, and small businesses.

For the record I would like to illustrate how seriously the changes in the imputed rules would have affected Iowa. According to figures provided by the National Association of Realtors, Iowa would have lost 1,200 jobs, 200 farm sales, 225 home sales, $315 million in commercial sales, and $47 million in overall economic activity. Clearly, imputed interest rates affect our lives more seriously than some people might imagine. The changes we are making now will help alleviate some of the burden but not all of it. Personally, I won't be satisfied until we have done away with imputed rates completely. As far as I'm concerned, imputed interest rates are unconstitutional. Someone wants to sell his property should be able to so without the Government sticking its nose in the deal.

As I have said before, imputed interest rates are devastating to our families, farms, and businesses. Rather than providing incentives for keeping property in the family, imputed interest rates force owners to bypass youngsters and sell to outsiders.

Imputed interest rates also affect a person's ability to retire. If a parent, for instance, wants to sell the family home and only has offers that involve sell financing, he may be reluctant or unable to sell the home if he will have a large tax bill for doing so.

In addition, a farmer suffers double anguish because of the imputed interest rate. On one hand, if he weren't subject to the rate, he would have a better chance of keeping the farm in the family or selling it to someone dependable who wants a start in life. Nothing tears up a farmer more than the thought of selling his farm to someone who will let it run down.

On the other hand, a farmer or any person ready to retire wants to know that the money he has is sufficient to support him for the rest of life. He really doesn't care if he has $10,000 or $1,000,000, just so he can live out his life in peace. With imputed interest rates, however, a farmer may be forced to sell outside the family because someone can offer a higher price and not require seller financing.

So it is evident, Mr. President, that we have some distance to go before we have solved all the problems associatied with imputed interest rates. The amendment before us is a good start, however, and I urge my colleagues to support it.

Mr. DOLE. Mr. President, this summer we enacted the imputed inter-

est and original issue discount provisions of the Deficit Reduction Act to close loopholes which were estimated to reduce Federal receipts by approximately $2.2 billion within the next 3 years. We were not, however, intending to force average Americans to restructure their sales of property to conform with any prescribed notion of what fair interest rates were. There has been a lot of confusion on this matter and it is understandable. The concepts are complex, but the potential for abuse was real and reform was necessary.

THE ABUSES THAT SHOULD BE PROHIBITED

It may be useful to describe in summary form the type of abuses that were intended to be prohibited. There are two major types of games that taxpayers could play using the imputed interest rates and accounting rules that were in place prior to the enactment of the Deficit Reduction Act. First, by using a combination of low interest rates and the installment method of accounting, taxpayers could defer tax on installment payments beyond what would be possible if they were required to account for economic interest in an appropriate way. Second, and more importantly, taxpayers could state deliberately low interest rates in order to argue that their basis in property which was purchased in a transaction with seller financing was far in excess of the real value of that property according to any reasonable estimate of that value. By doing this, the taxpayer could take unreasonably high amounts of investment tax credits and correspondingly high depreciation deductions. These deductions could far outweigh the value of interest-paid deductions which would be available if the real value of the property were used amounts were recharacterized as interest.

The Internal Revenue Service could argue that the fair market value of the property really was not as high as the taxpayer was claiming and thus disallow some of the credits and depreciation, but reputable law firms were giving opinions that the taxpayer had a reasonable basis for taking the position that the low rates of interest could be used as a basis for determining the value of the property.

These were not hypothetical cases—they were real and prospectuses were printed showing how investors take advantage of this tax reduction scheme.

LIMITATIONS ARE APPROPRIATE

We did not, however, intend to adversely affect the average American who decided that it was in his best interest to provide financing in order to sell a piece of property. While it is undoubtedly appropriate to conform the tax laws to economic reality, the practical reality that some taxpayers are less sophisticated than others should also be taken into account.

This amendment strikes a balance between our rightful concern that tax abuses should be curtailed and the concern that average Americans should not have to be a tax specialists in order to comply with the law. The amendment will conform the tax law to economic reality for large transactions with the greatest potential for abuse to the economic reality of the deal. It will, however, not require individuals selling their residences or their vacation homes, people selling their small businesses or their family farm to learn any substantial new rules with respect to the calculation or reporting for tax purposes of interest when they finance their sale.

The amendment also addresses the concern that even larger sales of real estate were being forced to recharacterize too much of their gain from a transaction as interest income rather than gain. And finally, the amendment provides additional relief, on a transitional basis, to give taxpayers more time even in the larger transactions to adapt to the new rules. Of course, there are a number of additional protections to make the application of the tax law in these types of transactions fairer recognizing the need for stability in interest rates in order to avoid discouraging the sales of property.

A COMPROMISE SOLUTION

Probably the best indication that this is a reasonable compromise between the needs of taxpayers and the concerns of the Federal Treasury is the groups who have helped us design it and who unequivocally support it. These groups include the American Land Development Association, the National Apartment Association, the National Association of Homebuilders, the National Association of Realtors, the National Federation of Independent Business, the National Multi-Housing Council, and the National Small Business Association. Mr. President, this is a very broad spectrum of support. To my knowledge, the only groups who have not endorsed this compromise represent those who engage in the largest commercial real estate transactions with the greatest opportunity for tax abuse. The groups who represent the average taxpayer—people selling their own homes or farms, people selling thier business, and people building single family homes and apartment buildings—all support this compromise.

TREASURY'S POSITION

On the other side, Treasury also believes that this compromise goes far to meet the objections of taxpayers while curtailing the worst abuses. They would still prefer the provisions enacted this summer, but acknowledge that changes of the type included in this amendment are appropriate. They support this amendment although they think we may have provided too much relief for taxpayers.

This Senator acknowledges that this is not the simplest legislation that would be possible. However, the structure of the amendment reflects the fact that this is a compromise which reflects the special needs of taxpayers in different positions. We worked carefully with representatives of these taxpayers to assure that we accommodated their needs without sending up new loophoes. I am confident we have succeeded.

The compromise follows:

IMPUTED INTEREST COMPROMISE

1. RESIDENCES

a. General rule

A person who sells his residence or vacation home residence with a purchase price of $250,000 or less would be subject to a 9 percent imputed interest test rate.

If commercial interest rates went down, Treasury would have the authority to lower the 9 percent rate. They would not have authority to raise the 9 percent rate.

The 9 percent rate would apply to both principal residences (at the time of the sale) and vacation homes. Vacation homes would be defined as residences on which depreciation was not allowable for the 2 years before the sale. Inventory property (e.g., a homebuilder's inventory) would not qualify for this rule.

If the purchase price is greater than $250,000, the applicable test rate would be a weighted "blend" of 9 percent and 100 percent of the applicable Federal rate.

No sale-leasebacks would be allowed and both buyer and seller would account for the transaction on a cash basis.

b. Dealer property

A homebuilder or realtor selling a residence which he holds in inventory and sells for a purchase price of $250,000 or less would be subject to an imputed interest rate of 80 percent of the applicable Treasury rate (10.5 percent for the first 6 months of 1985).

The 80 percent rate would apply to sales of homes to be occupied by the owner. It would not apply to residences on which depreciation is claimed by the buyer. If the buyer subsequently took depreciation on the property, the benefit of the 80 percent rate would be recaptured.

If the purchase price is greater than $250,000, the applicable test rate would be a weighted "blend" of 80 percent of the Federal rate and 100 percent of the applicable Federal rate.

For borrowings to carry seller-financing, interest deductions on the borrowing would be limited to current interest income, including imputed interest, recognized on seller financing; deferred interest deductions would be allowed on a pro-rata basis as the homebuyer made payments on his mortgage.

The seller would account for the seller financing on an accural basis under the original issue discount rules.

2. FARMS AND RANCHES

A farm or ranch with a purchase price of not more than $2 million would also be subject to a 9 percent test rate.

Treasury would have authority only to lower the rate, if appropriate.

The property must have been used by any person (not necessarily the seller) as a farm or ranch for the 3 prior years and the purchasers must intend to use the property as a farm or ranch.

If the purchase price is over $2 million, the test rate will be a weighted blend of 9 percent and the applicable Federal rate.

No sale-leasebacks would be allowed, both buyer and seller would account for the transaction on a cash basis, and the 9 percent rate would not apply to new section 38 (investment tax credit) property. The seller would not be required to liquidate his farm interests.

3. SMALL BUSINESS

This rule would apply only to businesses with a value of no more than $1 million. The sale of a business with a purchase price of $1 million or less would be subject to a 9 percent test rate.

Treasury would have the authority only to lower the rate, if appropriate.

The 9 percent rate would apply to sale of a complete line of such business and to a sale of an ownership interest in such a business.

If the business is worth more than $1 million, then the test rate will be a weighted "blend" of 9 percent and 100 percent of the applicable Federal rate.

No sale-leasebacks would be allowed, both the buyer and seller would account for the transaction on a cash basis, and the 9 percent rate would not apply to new section 38 property.

4. MEDIUM-SIZED REAL ESTATE TRANSACTIONS

For sales of real property involving no more than $4 million of deferred payments, the applicable rate would be 80 percent of the applicable Federal rate (about 10.5 percent for the first 6 months of 1985).

Payments under the agreement would not extend for more than 12 years. Any amount exceeding the $4 million amount would be subject to a rate equal to 100 percent of the applicable Federal rate. Buyer and seller would account for the transaction on a cash basis.

5. LARGE REAL ESTATE TRANSACTIONS

For sales of real property involving more than $4 million of deferred payments, the test interest rate would be 100 percent of the applicable Federal rate.

The maximum rate for transactions subject to the 100 percent of the Federal rate would be 11 percent for the first 6 months of 1985. Thereafter, the rate could be increased no more than 50 basis points (0.5 percent) every 6 months until the rate equaled 100 percent of the applicable Federal rate.

The payments would be accounted for under the original issue discount rules.

Eighty percent of interest due under the contract would be required to be paid currently.

6. OTHER TRANSACTIONS

Transactions not meeting any of the preceding rules would have a test rate of 110 percent of the applicable Federal rate.

7. ASSUMPTIONS

Assumptions of loans originally entered into before date of enactment of these rules would be grandfathered under pre-Deficit Reduction Act rules. Sales of principal residences and vacation homes would also be exempt from the new assumption rules together with other transactions where the Secretary of Treasury determined there was no tax avoidance problem.

8. LIMITATION OF INCREASE IN RATES

If applicable Federal rate increases by more than 2 percent during a 6-month period, the imputed interest test rate generally may not be increased by more than half the amount of the increase (with a minimum of 1 percent).

If there is a significant drop in interest rates, the Secretary of Treasury may reduce the imputed interest rate to reflect the drop in rates.

Mr. DOLE. I am pleased that we were able to work out a compromise bill on imputed interest that satisfies the legitimate tax policy concerns which led to the administration's original proposal, and also satisfies the concerns of homeowners, farmers and ranchers, small businesses, and the major real estate associations that have endorsed the compromise.

I have every reason to believe the bill should also be satisfactory to Members, since it permits nonabusive seller financing to be provided on terms essentially similar to existing practice in the real estate industry, while preventing tax shelters that overvalue the tax basis of depreciable property or mismatch the timing of interest income and interest deductions.

The only remaining concern that I am aware of relates to the problem of complexity. I would like to address that concern in detail. Despite the fact that the compromise bill is long—I believe it will not be complex or difficult to apply in practice.

Although there are essentially five new rules in the bill, the vast majority of transactions will be clearly within one rule or another. And once the seller or his real estate agent knows which rule applies—the rules are relatively simple and straightforward to apply.

RULE NO. 1. HOMEOWNERS

The vast majority of homeowners selling their principal residences or vacation homes have one very simple rule to apply. Seller financing must provide for 9 percent compound interest, and interest income and deductions are accounted for on the cash basis. In the relatively infrequent case where a home is sold for more than $250,000, the required interest rate is not 9 percent but a blended interest rate somewhat higher than 9 percent. The blend is a simple arithmetic calculation that I am confident every licensed realtor and every seller of a $250,000 residence will be able to compute.

RULE NO. 2. FARMS AND RANCHES

Every farmer or rancher selling farm land or ranch property for less than $2 million also has a very simple rule to apply. The transaction must state 9 percent compound interest, and income and deductions are computed on the cash method. If the sale exceeds $2 million a blended interest rate applies involving a simple arithmetic computation, and accounting is done on the accrual method. Once again, these computations are not at all burdensome or complex in the context of a $2 million transaction.

RULE NO. 3. SMALL BUSINESSES

Any small businessman selling his business, or a separate line of business or buying out one or more of his partners also has a simple rule. The 9-percent interest rate applies, and cash method accounting applies. Only if the business is worth more than $1 million does the owner have to think about anything else. And the same arithmetic blending formula for interest rates applies for such larger businesses.

RULE NO. 4. SMALL REAL ESTATE TRANSACTIONS

For all small real estate transactions, involving less than around $1 million, the rule is also simple. State an interest rate equal to 80 percent of the Federal rate on a note no longer than 12 years, and the imputed interest rules are satisfied. That will satisfy the exception for transactions with less than $4 million of deferred payments.

RULE NO. 5. LARGER REAL ESTATE TRANSACTIONS

For sales of real estate involving more than $4 million of deferred payments—about a $1 million purchase price if all interest is deferred—there are several options, and several computations that must be done if a taxpayer wants to figure out all of his choices. But, again, $1 million real estate deals are not done today without figuring the tax consequences and the options for different kinds of depreciation and other tax benefits. So I do not believe it will be too complex to offer sophisticated real estate investors some choices on the imputed interest rules.

Mr. MURKOWSKI. I rise today in support of this amendment. By this time, we all are aware of the imputed interest provisions that are scheduled to become effective January 1, 1985, as a result of the tax legislation passed this summer. These provisions would require that sellers financing the sale of real property, with limited exceptions, must receive interest at least equal to 110 percent of the 6 month average interest rate on Federal securities of comparable maturity. If interest is not charged at this level, then the IRS will impute interest to the transactions and tax the seller as if interest equal to 120 percent of the Federal rate were received. If the new rules were effective today sellers would have to charge at least 14.3 percent interest or be taxed as if receiving 15.6 percent interest. I believe this would eliminate seller financing as an affordable alternative to conventional third party financing.

There seems to be a general agreement that final congressional action on this issue overreached the target and that the Senate never intended to

catch up in its antitax abuse net millions of routine property transactions in which ordinary Americans have no choice but to accept part of the financing role themselves. We are now presented with the opportunity to extricate ourselves from that net. We should take advantage of it.

To those who would suggest that repeal or modification of there provisions would result in substantial revenue loss, I must disagree. Those revenue estimates assume that the same number of transactions now occurring would continue under the new set of rules. This is simply not true. I have received too many letters from constituents that contradict that assumption. In fact, the suggestion has been made, that the Government may experience a revenue loss if this change is not made. This would be attributable to the fact that a certain number of the current seller-financed transactions would never occur.

Many individuals have worked hard to reach a compromise that is acceptable to the interested parties. I think this amendment strikes an equitable solution that protects both the interests of the Government and the public alike.

Mr. President, I urge the adoption of this amendment and hope that my colleagues will join me.

Mr. DECONCINI. Mr. President, I would like to confirm that I am correct in my understanding of this measure as it pertains to the reduced safe harbor test rates available to homebuilders taking back purchase money mortgages from home buyers. As I read this legislation, no interest will be imputed to the debt instrument if it satisfies the specially reduced test rate, provided that it contains a conspicious notice alerting the purchaser to possible adverse consequences to the depreciable basis of the property if it is used in a trade or business. If the homebuilder subsequently borrows against the purchase money obligation which satisfies this requirement, its deductions for interest paid or incurrred on such a loan will be limited to the amount of interest income on the purchase money obligation included in the homebuilder's income, subject to another special rule for deducting interest paid or incurred in excess of such amounts. I would like to know if I am correct in concluding that, if a homebuilder chooses to omit from a purchase money obligation the required legend concerning depreciable basis, imputed interest can, nevertheless, be avoided under certain other exceptions if the debt instrument satisfies test rates of either 80 percent or 100 percent of the applicable Federal rate and the special rules for those instruments with below market rates. As an alternative to any of these new special provisions, the homebuilder should be able to elect to apply test and imputed rates on the obligation of 110 percent and 120 percent, respectively, of the applicable Federal rate, as would currently be mandatory under the present law, and deductions for interest on indebtedness incurred to carry loans against the purchase money obligation would not be limited to the amount of interest income on the purchase money obligation.

Can the chairman of the committee assure me that this is the way the legislation will work?

Mr. DOLE. The distinguished Senator is correct in his analysis.

Mr. WARNER. Mr. President, if a home owner today sells his home and takes back a second mortgage, he is required by the Internal Revenue Service to charge at least 9 percent interest on the loan, or the IRS will treat the home seller as if he actually charged 10 percent.

As a result of passage and enactment of the Deficit Reduction Act, that same seller—after January 1, 1985—will be required to charge interest equal to 110 percent of the rate paid by the Federal Government on obligations of similar maturity.

In the case, for example, of a 10-year loan the rate would be approximately 14.3 percent.

If the seller does not charge that rate he will be treated by the IRS as if he charged the buyer 16 percent.

There are, of course, some exceptions to this rule. They include:

The sale of principle residences below $250,000; farms sold for less than $1 million; or land sales between family members below $500,000.

Mr. President, the effect of this new standard, which I opposed when it was enacted, is to severely restrict an alternative means of financing which has kept the real estate market from suffocating under extraordinarily high interest rates while promoting still higher interest rates.

The Congress should not put itself in the position of promoting artificially high interest rates.

Yet that is exactly what the imputed interest provisions of the Deficit Reduction Act will do.

The role of the Congress should be one of enabling the free market to work its will on interest rates.

If the market wants higher interest rates, that's the business of the market.

Likewise, if the market wants lower interest rates, the market should be free to move interest rates in that direction.

But the imputed interest provisions of the Deficit Reduction Act preempt the ability of the market to do that.

As a result, the imputed interest provisions impose undersirable restraints on the real estate market and foreclose for millions of Americans the opportunity to buy and/or sell their homes, farms, and small businesses.

Mr. President, I appreciate the intentions of both the Congress and the Treasury in their efforts to address capital gains abuses.

But the weapon used to combat those abuses will injure the innocent as well as penalize the guilty.

It is the shotgun approach to killing ants.

Therefore, it is imperative that Congress act quickly to undo what has been done before harm comes to those innocent victims.

That's why I joined the distinguished Senator from Idaho [Mr. SYMMS] as a cosponsor of his measure to repeal the onerous imputed interest provisions of the Deficit Reduction Act.

I support the efforts of Senators JEPSEN, SYMMS, and MELCHER, and I am grateful to the distinguished chairman of the Finance Committee to work with Senators to reach a proper agreement, curbing a tax abuse while ensuring that undue harm is not inflicted on our Nation's strong economic recovery.

The PRESIDING OFFICER. The time having expired on the amendment of the Senator from Montana, further amendments are in order but they are not debatable.

The question is on agreeing to the amendment.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk wiil call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. MELCHER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. SYMMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. MELCHER. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue the call of the roll.

The assistant legislative clerk resumed the call of the roll.

Mr. SYMMS. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Mississippi [Mr. COCHRAN] and the Senator from Illinois [Mr. PERCY] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from Oklahoma [Mr. BOREN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Arkansas [Mr. BUMPERS], the Senator from Florida [Mr. CHILES], the Senator from Colorado [Mr. HART], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Vermont [Mr. LEAHY], the Senator from Michigan [Mr. LEVIN], the Senator from Louisiana [Mr. LONG], the Senator from Maine [Mr. MITCHELL], the Senator from New York [Mr. MOYNIHAN], the Senator from Georgia [Mr. NUNN], the Senator from Tennessee [Mr. SASSER], and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

I further announce that, if present and voting, the Senator from Michigan [Mr. LEVIN] would vote "yea."

The PRESIDING OFFICER (Mr. WILSON). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 81, nays 0, as follows:

[Rollcall Vote No. 286 Leg.]

YEAS—81

Abdnor	Garn	Murkowski
Andrews	Glenn	Nickles
Armstrong	Goldwater	Packwood
Baker	Gorton	Pell
Baucus	Grassley	Pressler
Biden	Hatch	Proxmire
Bingaman	Hatfield	Pryor
Boschwitz	Hawkins	Quayle
Burdick	Hecht	Randolph
Byrd	Heflin	Riegle
Chafee	Heinz	Roth
Cohen	Helms	Rudman
Cranston	Huddleston	Sarbanes
D'Amato	Humphrey	Simpson
Danforth	Inouye	Specter
DeConcini	Jepsen	Stafford
Denton	Kassebaum	Stevens
Dixon	Kasten	Symms
Dodd	Lautenberg	Thurmond
Dole	Laxalt	Tower
Domenici	Lugar	Trible
Durenberger	Mathias	Tsongas
Eagleton	Matsunaga	Wallop
East	Mattingly	Warner
Evans	McClure	Weicker
Exon	Melcher	Wilson
Ford	Metzenbaum	Zorinsky

NOT VOTING—19

Bentsen	Hollings	Moynihan
Boren	Johnston	Nunn
Bradley	Kennedy	Percy
Bumpers	Leahy	Sasser
Chiles	Levin	Stennis
Cochran	Long	
Hart	Mitchell	

So the amendment was agreed to.

Mr. JEPSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, what is the pending question?

The PRESIDING OFFICER. The pending question is the amendment of the Senator from Kansas [Mr. DOLE], as amended by the amendment of the Senator from Iowa [Mr. JEPSEN].

Mr. BAKER. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. That measure must now be disposed of before the Melcher amendment is further amendable, is that correct?

The PRESIDING OFFICER. That is correct.

Mr. BAKER. Mr. President, I ask unanimous consent that I may proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, let me say this: As I see the situation right now, we have two amendments that are going to be dealt with on this subject of imputed interest at this point. One of them is the Dole amendment, which is now the pending question as amended by Mr. JEPSEN. The other is an amendment that I shall offer on behalf of Mr. JEPSEN, which is identical to the Jepsen amendment just adopted to the Dole amendment, but this will be offered to Mr. MELCHER. It will be after Dole is disposed of.

It is my hope that, since we have already dealt with this issue, we can do both those things by voice vote. That does not mean that other amendments on imputed interest cannot be offered; indeed, they may be. What it does mean is that we shall have then fulfilled the requirement of the time limitation on Melcher. So any further amendment on this or any other subject would be open to debate.

Mr. President, let me at this point also say what I see in prospect for the balance of the day. What I should say, perhaps, is what I do not see in prospect. I do not see sine die in prospect, which is an aggrievement of great proportion for this Senator.

Mr. President, I am advised that the conferees on the continuing resolution will not reconvene until about 7:30 this evening. Based on the information that I have at hand, it would not appear likely that they will soon reach an agreement. I would like to be mistaken about that, but that is my best judgment at this moment.

I have spoken to the Speaker of the House, who indicates that the House will consider sending us another short conference report—I requested one that would extend through Thursday midnight—yet tonight. But it is my understanding that that cannot occur until about 8 or perhaps later.

So, Mr. President, it is my hope that we could dispose of this train of amendments—that is, Dole as amended; the amendment that I will then offer to Melcher after Dole is disposed of; then the Melcher amendment as amended. Then, Mr. President, the bill will be open to further amendment. I would not be certain, by any means, that we are going to have any further Record votes on the subject. I know that the Senator from Idaho has another amendment to offer, but I expect there will be a considerable debate on that issue.

As soon as we get the conference report from the House, the short conference report, the leadership on this side would expect to ask the Senate to take it up and to pass it, I hope, by voice vote. I hope all that can happen by 8:30 or 9 o'clock, then we shall plan to go out until tomorrow at 10:30.

That is the schedule as I now see it, Mr. President. I thank the Senate for its attention.

Mr. President, have the yeas and nays been ordered on the Dole amendment?

The PRESIDING OFFICER. They have not.

The question is on agreeing to the amendment of the Senator from Kansas, as amended.

The amendment (No. 7082), as amended, was agreed to.

Mr. BAKER. I move to reconsider the vote, Mr. President.

Mr. JEPSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 7084

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. I now send to the desk for the distinguished Senator from Iowa [Mr. JEPSEN] an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. BAKER], for Mr. JEPSEN, proposes an amendment numbered 7084 to amendment No. 7080 by Mr. MELCHER.

Mr. BAKER. I ask unanimous consent that further reading be dispensed with.

Mr. MELCHER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Is there objection to dispensing with the reading of the amendment?

Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. . TAX TREATMENT OF CERTAIN DEFERRED PAYMENTS.

(a) REDUCTION IN INTEREST RATES UNDER SECTION 483.—Section 483 of the Internal Revenue Code of 1954 (relating to interest on certain deferred payments) is amended—

(1) by redesignating subsections (f), (g), and (h) as subsections (h), (i), and (j), and

(2) by striking out subsection (e) and inserting in lieu thereof the following new subsections:

"(e) Reduced Rate of Interest in Case of Certain Sales of Residences, Farms, or Trades or Businesses.—

"(1) IN GENERAL.—In the case of any debt instrument arising from a sale or exchange to which this subsection applies, the discount rate under subsection (b) or (c)(1)(B) shall be the rate prescribed by the Secretary in regulations but shall not be greater than 10 percent and 9 percent, respectively.

"(2) SALES OR EXCHANGES TO WHICH THIS SUBSECTION APPLIES.—This subsection shall apply to any of the following sales or exchanges:

"(A) RESIDENCES.—Any sale or exchange of a residence by an individual, an estate, or a testamentary trust, but only if—

"(i) either—

"(I) such residence on the date of such sale or exchange (or in the case of an estate or testamentary trust, on the date of death of the decedent) was the principal residence (within the meaning of section 1034) of the individual or decendent, or

"(II) during the 2-year period ending on such date, no substantial portion of such residence was of a character subject to an allowance under this title for depreciation (or amortization in lieu thereof) in the hands of such individual or decedent, and

"(ii) such residence was not at any time, in the hands of such individual, estate, testamentary trust, or decedent, described in section 1221(1) (relating to inventory, etc.).

"(B) FARMS.—Any sale or exchange by a qualified person of—

"(i) real property which was used as a farm (within the meaning of section 6420(c)(2)) at all times during the 3-year period ending on the date of such sale or exchange, or

"(ii) tangible personal property which was used in the active conduct of the trade or business of farming on such farm and is sold in conncection with the sale of such farm,

but only if such property is sold or exchanged for use in the active conduct of the trade or business of farming by the transferee of such property.

"(C) TRADES OR BUSINESSES.—

"(i) IN GENERAL.—Any sale or exchange by a qualified person of any trade or business.

"(ii) APPLICATION WITH SUBPARAGRAPH (B).—This subparagraph shall not apply to any sale or exchange of any property described in subparagraph (B).

"(iii) NEW SECTION 38 PROPERTY.—This subparagraph shall not apply to the sale or exchange of any property which, in the hands of the transferee, is new section 38 property.

"(3) DOLLAR LIMITATION.—

"(A) IN GENERAL.—Paragraph (1) shall apply to any debt instrument to the extent that the sales price does not exceed the applicable limit with respect to such sale or exchange.

"(B) APPLICABLE LIMIT DEFINED.—For purposes of this paragraph, the term 'applicable limit' means the limit determined in accordance with the following table:

"If the transaction is described in:	The limit is:
Paragraph (2)(A)	$250,000
Paragraph (2)(B)	$2,000,000
Paragraph (2)(C)	$1,000,000.

"(4) BLENDED RATE WHERE SALES PRICE EXCEEDS APPLICABLE LIMIT.—In the case of any sale or exchange to which this subsection applies with respect to which the sales price exceeds the applicable limit—

"(A) TEST RATE.—The discount rate under subsection (c)(1)(B) shall, in lieu of the rate under paragraph (1), be equal to the sum of—

"(i) 9 percent, multiplied by a fraction the numerator of which is the applicable limit and the denominator of which is the sales price, and

"(ii) 110 percent of the applicable Federal rate, multiplied by a fraction—

"(I) the numerator of which is the sales price minus the applicable limit, and

"(II) the denominator of which is the sales price.

In the case of a transaction described in paragraph (2)(A), clause (ii) shall be applied by substituting '100 percent' for '110 percent'.

"(B) IMPUTED RATE.—The discount rate under subsection (b) shall, in lieu of the rate under paragraph (1), be equal to the rate determined under subparagraph (A) by substitution '10 percent' for '9 percent' and, except in the case of any transaction described in paragraph (2)(A), '120 percent' for '110 percent' each place it appears.

"(C) RATES AS ADJUSTED.—For purposes of this paragraph, if the Secretary prescribes, pursuant to paragraph (1), a lower discount rate under subsection (c)(1)(B) or (b) than the maximum rate allowed under paragraph (1), such lower rate shall apply in lieu of '9 percent' or '10 percent' in subparagraphs (A)(1) or (B), respectively.

"(5) AGGREGATION AND ALLOCATION RULES.—For purposes of this subsection, except as provided in regulations—

"(A) DEBT INSTRUMENTS.—All debt instruments arising from a transaction (or any series of related transactions) shall be treated as 1 debt instrument.

"(B) SALES AND EXCHANGES.—All sales and exchanges which are part of the same transaction (or a series of related transactions) shall be treated as 1 sale or exchange.

"(C) PRORATION OF APPLICABLE LIMIT WHERE MORE THAN ONE PERSON HOLDS AN INTEREST.—In the case of a sale or exchange of any property (or a trade or business) described in paragraph (2) with respect to which there is more than 1 owner, the applicable limit under paragraph (3) shall be apportioned among each owner on the basis of the ratio which the fair market value of such owner's interest bears to the fair market value of all interests of such owners.

"(6) APPLICATION WITH SUBSECTION (h).—In the case of any qualified sale (as defined in subsection (h)(2)), the applicable limit determined under paragraph (3) shall be reduced by the amount of any debt instrument to which subsection (h)(1) applies.

"(7) DEFINITIONS.—For purposes of this subsection—

"(A) QUALIFIED PERSON DEFINED.—The term 'qualified person' means—

"(i) a person who—

"(I) is an individual, estate, or testamentary trust,

"(II) is a corporation which immediately prior to the date of the sale or exchange has 35 or fewer shareholders, or

"(III) is a partnership which immediately prior to the date of the sale or exchange has 35 or fewer partners,

"(ii) is a 10-percent owner of a farm or a trade or business,

"(iii) pursuant to a plan, disposes of—

"(I) an interest in a farm or farm property, or

"(II) his entire interest in a trade or business and all substantially similar trades or businesses, and

"(iv) the ownership interest of whom may be readily established by reason of qualified allocations (of the type described in section 168(j)(9)(B), one class of stock, or the like).

"(B) 10-PERCENT OWNER DEFINED.—The term '10-percent owner' means a person having at least a 10-percent ownership interest, applying the attribution rules of section 318 (other than subsection (a)(4)).

"(C) SALES PRICE DEFINED.—The term 'sales price' means the sum of—

"(i) money and fair market value of property received in the sale or exchange, plus

"(ii) the stated principal amount of any debt instrument issued in such sale or exchange.

"(D) TRADE OR BUSINESS DEFINED.—

"(i) IN GENERAL.—The term 'trade or business' means any trade or business, including any line of business, qualifying as an active trade or business within the meaning of section 355.

"(ii) RENTAL OF REAL PROPERTY.—For purposes of this subparagraph, the holding of real property for rental shall not be treated as an active trade or business.

"(f) SPECIAL TEST RATES FOR SALES OR EXCHANGES INVOLVING CERTAIN REAL PROPERTY.—

"(1) IN GENERAL.—In the case of any sale or exchange to which this subsection applies, subsection (c)(1)(B) shall be applied by substituting—

"(A) '80 percent' for '110 percent' in the case of any debt instrument described in paragraph (3), and

"(B) '100 percent' for '110 percent' in the case of any debt instrument described in paragraph (4).

"(2) SALES OR EXCHANGES TO WHICH THIS SUBSECTION APPLIES.—

"(A) IN GENERAL.—Except as provided in this paragraph, this subsection applies to any sale or exchange of—

"(i) land, or

"(ii) real property described in subparagraph (D) or (F) of subsection (c)(2) of section 168 (whether or not such property is of a character subject to an allowance under this title for depreciation (or amortization in lieu thereof) in the hands of the purchaser),

including de minimis amounts of tangible personal property associated with such real property.

"(B) CERTAIN PROPERTY NOT INCLUDED.—This subsection shall not apply to any sale or exchange—

"(i) of new section 38 property, or

"(ii) with respect to which the transferor and transferee are related persons.

"(3) DEBT INSTRUMENTS TO WHICH 80 PERCENT RATE APPLIES.—A debt instrument is described in this paragraph if—

"(A) the term of the instrument (determined with regard to any extension or renewal) is not greater than the lesser of—

"(i) 12 years, or

"(ii) in the case of a debt instrument issued in exchange for recovery property, ⅔ of the shortest recovery period under section 168 for such property, and

"(B) the total deferred payments under such instrument, when added to the sum of the total deferred payments under all other debt instruments issued in connection with the sale or exchange—

"(i) to which this paragraph applies, and

"(ii) which were issued before such instrument was issued,

do not exceed $4,000,000.

"(4) DEBT INSTRUMENTS TO WHICH 100 PERCENT RATE APPLIES.—A debt instrument is described in this paragraph if—

"(A) the rate of interest stated in the instrument is not less than the applicable Federal rate,

"(B) such instrument provides for—

"(i) the unconditional payment each year of at least 80 percent of the interest so stated, or

"(ii) after the close of the 2-year period beginning on the date such instrument was issued the instrument provides the unconditional payment each year of all interest accruing thereunder for that year, and

"(C) such instrument is not described in paragraph (3).

"(5) SPECIAL RULES FOR DETERMINATION OF DISCOUNT RATES.—

"(A) IN GENERAL. If the applicable Federal rate determined under section 1274(d) for any period after June 30, 1985 (other than the Federal short-term rate) exceeds by more than 2 percentage points such rate for the preceding period as limited by this paragraph, such applicable Federal rate shall not exceed the greater of—

"(i) the sum of—

"(I) such applicable Federal rate for such preceding period, plus

"(II) one-half of such excess, or

"(ii) the highest such applicable Federal rate during the 2-year period before the period for which such determination was made after the application of this paragraph.

"(B) SPECIAL RULES FOR 1985 AND 1986.—Notwithstanding any other provision of this section, in the case of any sale or exchange with respect to which a binding contract was entered into during 1985 or 1986—

"(i) TEST RATE.—The discount rate for purposes of applying subsection (c)(1)(B) to any debt instrument described in paragraph (3) shall not be greater than the rate determined in accordance with the following table:

"For contracts entered into during the period:	The rate is:
Jan. 1-June 30, 1985	10.5
July 1-Dec. 31, 1985	11
Jan. 1-June 30, 1986	11.5
July 1-Dec. 31, 1986	12.

For purposes of applying subsection (c)(1)(B) to any debt instrument described in paragraph (4), the discount rate shall not be greater than the rate determined in accordance with the table, plus one-half percentage point.

"(ii) IMPUTED RATE.—The discount rate for purposes of applying subsection (b) to any debt instrument described in paragraph (3) or (4) shall not be greater than the rate determined under clause (i), plus 1 percentage point.

"(6) AGGREGATION RULES.—For purposes of this subsection, all sales and exchanges which are part of the same transaction (or a series of related transactions) shall be treated as 1 sale or exchange.

(7) RELATED PERSON DEFINED.—For purposes of this subsection and subsection (g), the term 'related person' means a person who is related (within the meaning of section 267(b) or section 707(b)(1)) to another person other than a qualified 5-percent or less partner (within the meaning of section 267(e)(5)(B)).

"(g) SPECIAL RULES FOR APPLICATION OF THIS SECTION.—For purposes of this section—

"(1) APPLICATION OF SUBSECTIONS (e) AND (f).—In the case of any sale or exchange, either subsection (e) or subsection (f) may be applied, but not both.

"(2) TREATMENT OF ASSUMPTIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), if, after December 31, 1984, any person—

"(i) assumes any debt obligation issued after October 15, 1984, or described in subparagraph (C), in connection with the sale or exchange of any property, or

"(ii) takes such property subject to any such debt obligation,

and the terms and conditions of such debt obligation are not changed, then this section shall apply only to the person assuming, or taking property subject to, such obligation and the obligation shall be treated as issued by the purchaser to the seller in the transaction in which such obligation was assumed or the property taken subject to such obligation.

"(B) OTHER ASSUMPTIONS.—In the case of any assumption to which subparagraph (A) does not apply, the rules regarding assumptions as in effect prior to the enactment of the Deficit Reduction Act of 1984 shall apply.

"(C) OBLIGATIONS DESCRIBED IN THIS SUBPARAGRAPH.—A debt obligation is described in this subparagraph if such obligation—

"(i) was issued on or before October 15, 1984, and

"(ii) was assumed (or property was taken subject to such obligation) in connection with the sale or exchange of property (including a deemed sale under section 338(a)) the sales price of which is greater than $100,000,000.

"(D) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to effect the purpose of this subsection, including regulations relating to tax-exempt obligations, government subsidized loans, or other similar instruments.

"(E) CERTAIN EXEMPT TRANSACTIONS.—The Secretary shall prescribe regulations under which any transaction shall be exempt from the application of this paragraph if such exemption is not likely to significantly reduce the tax liability of the purchaser by reason of the overstatement of the adjusted basis of the acquired asset.

"(3) FAIR MARKET VALUE RULE IN POTENTIALLY ABUSIVE CASES.—In the case of any potentially abusive situation (within the meaning of section 1274(b)(3)(B)), the principal amount of any debt instrument received in any sale or exchange of property to which this section applies shall be the fair market value of such property adjusted to take into account other consideration involved in the transaction.

"(4) SALE-LEASEBACKS.—Subsections (e) and (f) shall not apply to any sale or exchange if, pursuant to a plan, the transferor or any related person leases such property.

"(5) RULES NOT TO APPLY WHERE PREPAYMENT PROHIBITED.—Subparagraph (A) of paragraph (1) shall not apply to any obligation arising from a loan from a third-party creditor, pursuant to which the obligor is not permitted to pay the instrument prior to maturity.

"(6) NO IMPUTATION RATE WHERE RESTRICTIONS ON STATED INTEREST APPLY.—Except as otherwise provided in regulations, in any case in which State law applicable to a transaction prohibits the parties from stating interest sufficient to satisfy the applicable rate under subsection (c)(1)(B), the rate under subsection (b) shall be considered equal to the rate so applicable under subsection (c)(1)(B).".

(b) INTEREST INCOME AND DEDUCTIONS COMPUTED ON CASH BASIS IN CERTAIN CASES.—

(1) IN GENERAL.—Section 1274 of such Code (relating to determination of issue price in the case of certain debt instruments issued for property) is amended by adding at the end thereof the following new subsection:

"(e) SPECIAL RULES FOR CERTAIN SALES OR EXCHANGES TO WHICH INTEREST RULES OF SECTION 483 APPLY.—Notwithstanding any other provision of this subpart—

"(1) TRANSACTIONS TO WHICH SECTION 483(E) APPLIES.—In the case of any sale or exchange to which section 483(e) applies—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any inclusion in income or deduction under this title with respect to interest on any debt instrument issued in connection with such sale or exchange shall be computed on the cash receipts and disbursements method of accounting.

"(B) SALES PRICE EXCEEDS APPLICABLE LIMIT.—In any case in which the sales price exceeds the applicable limit under section 483(e)(3)—

"(i) except in the case of any transaction to which section 483(e)(2)(A) applies, subparagraph (A) shall not apply, and

"(ii) the discount rates under subsections (c)(3) and (b)(2)(B) shall be equal to the rates determined under subparagraphs (A) and (B) of section 483(e)(4).

"(2) TRANSACTIONS TO WHICH SECTION 483(F) APPLIES.—In the case of any sale or exchange to which section 483(f) applies—

"(A) TRANSACTIONS WITH 80 PERCENT TEST RATE.—

"(i) IN GENERAL.—Except as provided in clause (ii), any inclusion in income or deduction under this title with respect to interest on any debt instrument described in section 483(f)(3) shall be computed on the cash receipts and disbursements method of accounting.

"(ii) SPECIAL RULE FOR TRANSACTIONS NOT QUALIFYING FOR 80 PERCENT TEST RATE.—Clause (i) shall not apply to any debt instrument issued in such sale or exchange if, in addition to such instrument, a debt instrument not described in section 483(f)(3) is issued in such sale or exchange.

"(B) TRANSACTIONS TO WHICH SUBPARAGRAPH (A) DOES NOT APPLY.—

"(i) IN GENERAL.—If subparagraph (A) does not apply to any debt instrument issued in such sale or exchange, subsection (c)(3) shall be applied—

"(I) in the case of any debt instrument described in section 483(f)(4), by substituting '100 percent' for '110 percent', and

"(II) in the case of any debt instrument described in section 483(f)(3), by substituting '80 percent' for '110 percent'.

"(ii) SPECIAL RULES FOR 1985 AND 1986.—In the case of any debt instrument to which clause (i) applies issued during 1984 or 1986, the discount rate under subsection (c)(3) shall not be greater than the rate determined under section 483(f)(5).

"(3) SPECIAL RULE FOR HOLDING AND TRANSFER OF DEBT OBLIGATION.—

"(A) Paragraphs (1)(A) and (2)(A) shall apply to the holder of a debt obligation only if such obligation is—

"(i) held by the first obligee of such obligation or such obligee's spouse or estate, and

"(ii) secured by the property sold or exchanged in the transaction in which such obligation is issued.

"(B) Except as otherwise provided in regulations, in the case of a transfer property by the obligor in which the obligation is not satisfied and the transferee does not become

liable to pay such obligation to the first obligee, any deduction for interest on any indebtedness paid or incurred by the transferee to the immediate transferor attributable to such obligation shall be deferred until such time as such deduction would have been allowed if such obligation had been assumed by the transferee.

"(C) In any case in which the transferee assumes or takes property subject to any obligation under subparagraph (A) or is considered to do so under subparagraph (B), the transferee shall compute the amount of the deduction for any interest on such obligation on the cash receipts and disbursements method of accounting.

"(4) SUBSECTION ALSO TO APPLY TO DEBT USED TO CARRY OBLIGATIONS.—In any case in which an obligor of a debt obligation to which paragraph (1)(A) or (2)(A) applies pays or incurs interest on indebtedness to carry such debt obligation, any deduction for such interest shall be deferred to the extent necessary to achieve a proper matching of interest income and expense.

"(5) REGULATIONS TO PREVENT ABUSE OF REQUIRED CASH ACCOUNTING.—The Secretary may by regulation prescribe rules to prevent the mismatching of interest income and interest deduction in connection with obligations on which interest is computed on the cash receipts and disbursements method of accounting.

"(6) OTHER RULES APPLY.—For purposes of this subsection, rules similar to the rules under subparagraphs (B) and (D) of section 483(g)(2) shall apply.".

(2) SPECIAL RULE FOR ASSUMPTIONS.—Paragraph (4) of section 1274(c) of such Code (relating to debt obligations to which section applies) is amended by adding at the end thereof the following new subparagraph:

"(G) TREATMENT OF ASSUMPTIONS.—

"(i) IN GENERAL.—(Except in the case of property described in subsection (e)(2)(A) of Section 483, if after December 31, 1984, any person—

"(I) assumes any debt obligation issued after October 15, 1984, or described in clause (ii) in connection with the sale or exchange of any property, or

"(II) takes such property subject to any such debt obligation,

and the terms and conditions of such debt obligation are not changed, then this section shall apply only to the person assuming, or taking property subject to, such obligation and the obligation shall be treated as issued by the purchaser to the seller in the transaction in which such obligation was assumed or the property taken subject to such obligation.

"(ii) OBLIGATION DESCRIBED IN THIS CLAUSE.—A debt obligation is described in this clause if such obligation—

"(I) was issued on or before October 15, 1984, and

"(II) was assumed (or property was taken subject to such obligation) in connection with the sale or exchange of property (including a deemed sale under section 338(a)) the sales price of which is greater than $100,000,000.

"(III) CERTAIN EXEMPT TRANSACTIONS.—The Secretary shall prescribe regulations under which any transaction would be exempt from the application of this subparagraph if such exemption would not significantly reduce the tax liability of the purchaser by reason of the overstatement of the adjusted basis of the acquired asset.

"(iii) OTHER ASSUMPTIONS.—In the case of any assumption to which subparagraph (A) does not apply, the rules regarding assumptions as in effect prior to the enactment of the Deficit Reduction Act of 1984 shall apply.

"(iv) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to effect the purpose of this subsection, including regulations relating to tax-exempt obligations, government subsidized loans, or other similar instruments."

(c) SPECIAL RULES FOR CERTAIN SALES OR EXCHANGES OF RESIDENCES BY DEALERS IN SUCH PROPERTY.—

(1) IN GENERAL.—Section 1274 of such Code is further amended by adding at the end thereof the following new subsection.

"(f) SPECIAL RULES FOR CERTAIN SALES OR EXCHANGES OF RESIDENCES BY DEALERS IN SUCH PROPERTY.—Notwithstanding any other provision of this subpart—

"(1) IN GENERAL.—In the case of any debt instrument described in paragraph (4) arising from a sale or exchange to which this subsection applies—

"(A) subsection (c)(3) shall be applied by substituting '80 percent' for '110 percent', and

"(B) subsection (b)(2)(B) shall be applied by substituting '110 percent' for '120 percent'.

"(2) SALES OR EXCHANGES TO WHICH THIS SUBSECTION APPLIES.—

"(A) IN GENERAL.—This subsection applies to any sale or exchange of any residence by a dealer who holds such residence as section 1221(1) property to a person who intends to occupy such residence if the sales price of such residence does not exceed $250,000.

"(B) PRORATION OF APPLICABLE LIMIT WHERE MORE THAN ONE PERSON HOLDS AN INTEREST.—In the case of a sale or exchange of any property described in subparagraph (A) with respect to which there is more than 1 owner, the applicable limit under subparagraph (A) shall be apportioned among each owner on the basis of the ratio which the fair market value of such owner's interest bears to the fair market value of all interests of such owners.

"(3) BLENDED RATE WHERE SALES PRICE EXCEEDS $250,000.—In the case of any sale or exchange to which this subsection would otherwise apply with respect to which the sales price exceeds $250,000—

"(A) TEST RATE.—The discount rate under subsection (c)(3) shall, in lieu of the rate under paragraph (1)(A), be equal to the sum of—

"(i) 80 percent, multiplied by a fraction the numerator of which is $250,000 and the denominator of which is the sales price, and

"(ii) 100 percent of the applicable Federal rate, multiplied by a fraction—

"(I) the numerator of which is the sales price minus $250,000, and

"(II) the denominator of which is the sales price.

"(B) IMPUTED RATE.—The discount rate under subsection (b)(2)(B) shall be the rate under paragraph (1)(B).

"(4) DEBT INSTRUMENT.—A debt instrument is described in this paragraph if it provides conspicuous notice to the obligor in a manner prescribed by regulations that if the obligor of such instrument places the residence in service in a trade or business the depreciation rules under section 168(f)(16) shall apply.

"(5) SALES PRICE DEFINED.—For purposes of this subsection, the term 'sales price' means—

"(i) money and fair market value of property received in the sale or exchange, plus

"(ii) the stated principal amount of any debt instrument issued in such sale or exchange.

"(6) RULES RELATING TO INTEREST TO CARRY DEALER OBLIGATIONS ARISING UNDER THIS SUBSECTION.—

"(A) EXCESS DEDUCTIONS DISALLOWED.—For each year the interest expense paid or incurred on any debt incurred or continued to carry any dealer obligation shall be disallowed to the extent such expense exceeds interest income includable with respect to such dealer obligation for such year.

"(B) DISALLOWED INTEREST EXPENSE ALLOWED IN SUBSEQUENT YEARS.—For any year the amount of disallowed interest expense shall be allowed as a deduction with respect to any dealer obligation in an amount equal to the disallowed interest expense as of the close of such year (not including any amount previously allowed under this subparagraph) multiplied by a fraction—

"(i) the numerator of which is the sum of the principal payments on such dealer obligation made in such year, and

"(ii) the denominator of which is the total amount of principal outstanding on such dealer obligation at the beginning of such year.

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) Dealer obligation defined.—The term dealer obligation' means an obligation arising pursuant to a transaction to which paragraph (1) of this subsection applies.

"(ii) Disallowed interest expense defined.—The term 'disallowed interest expense' means the aggregate amount of interest expense disallowed under subparagraph (A) with respect to any dealer obligation.

"(D) NO INFERENCE.—Nothing in this paragraph shall be construed to imply that any transaction described in this paragraph is or is not subject to the rules of section 453B, and any determination of such issue shall be made as if this paragaph had not been enacted.".

(d) RULE WHERE SPECIAL STATE LAW APPLIES.—Section 1274 of such Code is further amended by adding at the end thereof the following new subsection:

"(g) NO IMPUTATION RATE WHERE RESTRICTIONS ON STATED INTEREST APPLY.—Except as otherwise provided in regulations, in any case in which State law applicable to a transaction prohibits the parties from stating interest sufficient to result in an adequate stated interest in the transaction, a rule similar to the rule of section 483(g)(6) shall apply."

(e) CONFORMING AMENDMENTS.—Paragraph (4) of section 1274(c) of such Code (relating to certain expected debt instruments) is amended—

(1) by striking out subparagraphs (A) and (B),

(2) by striking out "section 483(e)" and "SECTION 483(e)" in subparagraph (F) and the heading to subparagraph (F), respectively, and inserting in lieu thereof "section 483(i)" and "SECTION 483(i)", respectively, and

(3) by redesignating subparagraphs (C), (D), (E), and (F) as subparagraphs (A), (B), (C), and (D), respectively.

(f) DEPRECIATION.—Subsection (f) of section 168 of such Code (relating to accelerated cost recovery system) is amended by adding at the end thereof the following new paragraph—

"(16) Special rules for certain residences.—In the case of any debt instrument described in section 1274(f)(1), the original

principal amount of the debt instrument shall be deemed to be the lesser of—

"(A) the stated principal amount, or

"(B) the imputed principal amount determined by applying section 1274(f) using a discount rate of 110 percent of the applicable Federal rate at the time the debt was issued.".

(g) FAIR MARKET VALUE IN POTENTIALLY ABUSIVE SITUATIONS.—Subparagraph (B) of section 1274(b)(3) of such Code (relating to fair market value rule in potentially abusive situations) is amended in clause (ii), by striking out "or" at the end of subclause (III), by redesignating subclause (IV) as subclause (V), and by adding after subclause (III) the following new subclause:

"(IV) deferred interest, or".

(h) DETERMINATION OF APPLICABLE FEDERAL RATE.—

(1) IN GENERAL.—Paragraph (1) of section 1274(d) of such Code (relating to determinations of applicable Federal rate) is amended by adding at the end thereof the following new subparagraph:

"(E) AUTHORITY FOR SECRETARY TO DETERMINE RATE MORE FREQUENTLY.—If there is a significant decrease in any applicable Federal rate following any 6-month test period referred to in subparagraph (B), the Secretary may determine the applicable Federal rate on the basis of a more recent period (not less than 30 days) as he determines appropriate to reflect such decrease.".

(2) SPECIAL RULE FOR 1984.—

(A) IN GENERAL.—In the case of any debt instrument issued during the first 6 months of 1985 pursuant to a sale or exchange for which a binding contract was entered into during 1984, the applicable Federal rate of purposes of sections 483 and 1274 of the Internal Revenue Code of 1954 shall be 10 percent.

(B) PARAGRAPH NOT TO APPLY.—Subparagraph (A) shall not apply to any debt instrument to which section 483 (e) or (f) of the Internal Revenue Code of 1954, as amended by this section, applies.

(1) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 41 of the Deficit Reduction Act of 1984.

Mr. BAKER. Now, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Now, Mr. President, what is the pending question?

The PRESIDING OFFICER. The pending question is the majority leader's amendment to the amendment of the Senator from Montana.

Mr. BAKER. Mr. President, does the Senator from Montana wish to speak?

Mr. MELCHER. Yes, Mr. President.

Mr. BAKER. I ask unanimous consent, Mr. President, that the Senator from Montana may speak for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. I thank the majority leader.

I want to make sure that everybody understands what we are doing. We are incorporating the Dole proposal into my proposal, or substitute the Dole proposal for mine.

Now, at some point there will be other amendments eligible to one or the other place in this bill, or to several places. There are some points Senator DOLE has proposed with which I do not agree, although we are very close. And after discussion with the chairman, Senator DOLE, and others, I will still have the opportunity to offer some corrections on which the whole Senate can vote. So I think this is fair, and I am glad we are doing this by voice vote because we have to reach a conclusion with which everybody in the Senate can live, so that we can have this package sent over to the House and they can agree to it, whether it is on the debt ceiling or some other bill.

I thank the majority leader.

Mr. SYMMS. Will the distinguished majority leader yield to me for 1 minute?

Mr. BAKER. Mr. President, I ask unanimous consent that the Senator from Idaho may be recognized for purposes of making a statement for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMMS. I thank the distinguished majority leader.

Mr. President, I appreciate the plight of the majority leader.

The parliamentary situation is such that there still may be a chance to vote for a clean repeal, which would give us the opportunity next year to work out these problems.

The Senator from Idaho voted both for the position of the Senator from Montana and the Senator from Iowa. That would not preclude Senators, if the opportunity avails itself tomorrow, to vote for repeal, which would set us back to where we were from 1964 to 1984, current law. I still think it would be in the best interests of the country to come back next year and straighten this thing out.

I think the votes are here to do that, I say to my friend, the majority leader, and I understand the reasons why the Finance Committee chairman has problems. He is trying to pass a debt limit which has profound importance to the country.

I think we should understand that we may still get that opportunity, and it is the intention of this Senator to press this to a vote on this debt ceiling bill before we leave.

Mr. BAKER. I thank the Senator.

Mr. President, I ask unanimous consent that the distinguished Senator from Iowa may be recognized for the purpose of making a statement of not more than 1 minute in length.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEPSEN. Mr. President, I thank the majority leader. I also wish to state that my colleagues, Senator MELCHER and Senator SYMMS, have worked side by side on imputed interest. The reason that the amendment which I have proposed is better than repeal at this point in time is that it does provide latitude for people to dispose of their property under the circumstances in the agriculture community, specifically for businesses and farms, and do so to escape the phantom tax and help young people get started. It provides that latitude. Repeal does not provide that latitude.

So I say we come back next year to work on total repeal and maybe even lower the imputed interest rate as far as I am concerned. But right now we need something which we can address and have go into effect immediately in the agriculture community.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 7084).

The amendment (No. 7084) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, what is the pending question now?

The PRESIDING OFFICER. The pending business is the amendment of the Senator from Montana, as amended by the amendment of the majority leader.

The amendment (No. 7080), as amended, was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I indicated previously to the distinguished Senator from Idaho and others principal to this controversy that at this point it was the intention of the leadership on this side to take us off this measure and resume consideration of it tomorrow.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent there now be a period for the transaction of routine morning business until not later than 8 p.m., in which Senators may speak for not more than 10 minutes each, with the exception of the two leaders, against whom no limitation of time will apply.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, Senators should not assume that this means there will be no more votes. I hope it means there will be no more votes, but the business yet to be transacted is to pass a short continuing resolution, if and when it is received from the House of Representatives, or other matters with which we must deal.

So the fact that we are now in morning business does not necessarily mean we are free of record votes for the evening.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

Mr. MATHIAS. Mr. President, will the Senator withhold that request?

Mr. BYRD. I withhold.

The PRESIDING OFFICER. Does the majority leader wish to continue advising the Senate as to his plan?

Mr. BYRD. May I say to the Chair, I would like to suggest the absence of a quorum for just a moment.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PAUL TSONGAS

Mr. MATHIAS. Mr. President, The retirement at the end of this session of the Senate of the Senator from Massachusetts [Mr. TSONGAS] is a matter of regret to me. I am particularly sad that the decision he made was based on medical advice.

On the other hand, we are all indebted to him for restoring our perspective, our sense of proportion, by identifying so clearly what is truly important in life. He has stated a table of priorities with which no responsible person can disagree. In a day when family values are often exalted in oratory and ignored in practice, he has placed his responsibility to his family in the forefront of his life. It is a powerful example for every man and woman in public life.

I shall miss him and his staff as neighbors in the Russell Senate Office Building. Even more, I shall miss the intellectual challenges that he offers. We have not always seen eye to eye on issues, but we have always worked to reconcile our different points of view and we have always come to a mutually acceptable position.

PAUL TSONGAS' commitment, concern, and patent dedication are his hallmarks in the Senate. They will accompany him in the next chapter of his career, which I hope will be as successful as his service in the Congress and even longer and more fulfilling for him.

Mrs. Mathias joins me in saying farewell and wishing happiness and success to Senator and Mrs. TSONGAS and to their children.

ASHRAF GHORBAL—THE GOOD NEIGHBOR

Mr. MATHIAS. Mr. President, the retirement of Ashraf Ghorbal as Ambassador of the Arab Republic of Egypt and his departure from Washington brings to a close a dramatic period of history. It is an era that saw a transition from virtual estrangement between Egypt and the United States to the climax of renewed relations at Camp David and the establishment of a working partnership that persists in the face of frustrations and dangers.

Ashraf Ghorbal has not only been a part of this positive change, he has been one of the principal causes of it. His role is recorded in history and is fully set out for the world to read as future generations study these tumultuous years. It would be presumptuous of me, therefore, to repeat what is so universally known and acknowledged.

What does bear repetition, however, is the story that cannot be retold too often of the courage and commitment of the three Moslem Ambassadors in Washington who showed us all how citizens of the world must act to help our neighbors, regardless of where the neighborhood may be.

Ashraf Ghorbal is the last of the three Ambassadors to leave Washington. Ardeshir Zahedi, the Ambassador of Iran, is now living as an exile from his country. Sahabzada Yakub-Khan, the Ambassador of Pakistan, is now the Foreign Minister. But when Ambassador Ghorbal takes his leave, their story will not be forgotten.

When a group that had adopted an Islamic name and style seized the national headquarters of B'nai B'rith and took a number of hostages, there was widespread concern and worry. In any form of terrorism there is always unpredictability. Fear for loss of life pervaded the Capital of the United States. All the might, majesty, power, and dominion of the world's greatest Nation was confounded by the dilemma. To stage a shootout would surely jeopardize the hostages, but to do nothing was intolerable.

Into this breach stepped the three Moslem Ambassadors. They came as friends of America, who wanted to help, and as citizens of the world, who knew that the price of civilization must be paid in every generation. They were willing to accept responsibility for their share, even though that involved acceptance of high risk and physical danger.

Without weapons, armed only with the tenets of the Islamic faith, they entered the B'nai B'rith headquarters and put themselves in the power of the terrorists. By persuasion and negotiation they brought about an end to the siege and release of the hostages. They brought a solution to a problem that had paralyzed the efforts of municipal forces and embarrassed the Nation.

Above all, they gave us an example of what is meant by brotherhood.

When Ambassador and Mrs. Ghorbal return to Alexandria to continue their lives in their own country, they will take with them many honors and many well-earned expressions of esteem and appreciation. They will certainly carry with them the wishes of their American friends for continued health and happiness.

Ashraf Ghorbal will also carry with him our recognition as our brother. He offered to lay down his life to save the lives of Americans who were in mortal danger. By that act he became our brother and we shall never forget it.

Mrs. Mathias joins me in wishing Ambassador and Mrs. Ghorbal health and happiness and the repose that they both have earned.

TRIBUTE TO SENATOR BAKER

Mr. McCLURE. Mr. President, "The great mind knows the power of gentleness," according to a verse once composed by Robert Browning.

I should like to offer today a tribute to a great mind and a great man. He has wielded his gentle power over this body and particularly over his Republican colleagues with wisdom, justice, and forbearance for 7 eventful years. I refer, of course, to our distinguished majority leader, HOWARD BAKER.

Throughout his remarkable 18-year service in the Senate, HOWARD BAKER has been characterized by that gracious, easy courtesy for which Southerners are well known.

Henry Clay, a great statesman and one of our most distinguished predecessors, once observed that "The courtesies of a small and trivial character are the ones which strike the deepest to the grateful and appreciating heart." It is for those countless small and endearing courtesies that we will always remember HOWARD BAKER. Freshman and junior Senators now becoming seasoned legislators will remember Senator BAKER for his kindly, patient help, and instruction. They will cherish the Senator's many words of encouragement during those challenging first weeks and months.

While energetic in the execution of his arduous duty, HOWARD BAKER has been ever mindful of the prerogatives of seniority and careful to preserve the dignity of his senior colleagues.

The occasional foe found in Senator BAKER a skilled and formidable opponent but an equally chivalrous and generous victor. And in defeat, few among us have been as gracious and forgiving as the Senator from Tennessee.

HOWARD BAKER has led the Senate through one of the most momentous periods in the history of our country and of the world. Never before in the long history of democratic institutions has so much depended on the wisdom, concord, and unity of purpose of 100 men and women. As minority and later majority leader, HOWARD BAKER has been a unifying force in the Senate. He has patiently composed numberless disagreements, healed deep and serious wounds, reconciled passionate foes. He has been our mirror, light, counselor, and true guide.

As he goes to a well-earned respite from the cares of Government, Senator BAKER leaves behind an exemplary record of legislation cordially enacted, a working relationship between the Senate and the President restored, and a national era of good will which he has done so much to bring about. He has brought a new meaning to the notion of comity and has managed the Senate in a manner which has earned him the gratitude of all official Washington.

I might also add, Mr. President, that all Senators are by profession listeners to and evaluators of speeches. Senator BAKER's oratory has seldom been equalled in this company of professional rhetoricians since the spellbinding eloquence of Senator, mentor, and friend, the beloved Ev DIRKSEN.

In style, Senator BAKER has demonstrated an extraordinary facility in the use of the enthymeme or "rhetorical syllogism," as mentioned by the classical rhetorician Demetrius in his text, "on style."

The enthymeme, as we all know, is a syllogism with one of its three propositions missing. The missing term must therefore come "from the heart." Senator BAKER has on countless occasions masterfully touched the hearts of his colleagues, even in the midst of passionate debate, by appealing to those unquestioned universal principles, those "touchstones," which inseparably link us together, liberal and conservative, Republican and Democrat, Northerner and Southerner.

His voice can drop in timbre from full-throated resonance to a hushed whisper. By his skillful control of the cadence of his speech, the majority leader can, at will, like Shakespeare's Prospero, control the tempest of debate and weave a spell over this Chamber which often lingers long after the leader's immediate purpose is achieved.

Like Willmoore Kendall, Will Rogers, Davy Crockett, William Faulkner, and other famous soldiers, statesmen, scholars, and humorists of his native South, HOWARD BAKER has that wonderful gift of anecdote—a heritage of the region's rich oral tradition. His abundant stock of stories, jokes, aphorisms, and lore, together with his quick wit and warm sense of humor, have supplied our deliberations with an essential leavening, an ingredient that only can come from a wise and understanding heart.

I know I speak for many here today and many long absent when I express to the majority leader our sincere and most profound gratitude for his faithful and farsighted stewardship.

TRIBUTE TO SENATOR TOWER

Mr. McCLURE. Mr. President, I rise in tribute today to the honored senior Senator from the great State of Texas, JOHN TOWER.

It is with sadness and fond remembrance that we take our leave, at the close of this Congress, of a man who has become an institution during his 23 years of distinguished service in the Senate.

Samuel Taylor Coleridge once remarked "the three great ends for a statesman are security to possessors, facility to acquirers, and liberty and hope to the people." The record of JOHN TOWER's public life reflects, accordingly, the achievements of a successful statesman.

Few men in Government have done more to promote the financial security of the people than has Senator TOWER. His work as chairman of the Financial Institutions Subcommittee of the Banking Committee has alone helped to restore the confidence of the world in the integrity of U.S. banks and in the soundness of the U.S. dollar. Senator TOWER has labored timelessly to facilitate the endeavors of thousands of aspiring entrepreneurs, whose daring and ambition provide employment for millions of Americans and provide this Nation with a standard of living unmatched in history. These outstanding men and women—the most creative, the most productive, the visionaries; in short, the best and brightest—owe a tremendous debt to one of their own, JOHN TOWER, for securing the freedom which makes their progress possible. Free enterprise has always had a true and trusted friend in JOHN TOWER.

Freedom has been menaced for half a century by a totalitarian foreign state. JOHN TOWER recognized this threat from his first days in the Senate. While others sought accommodation with tyranny through paper guarantees and dissembling "negotiation," Senator TOWER has fought for the real security that comes only with military preparedness.

Throughout the 1960's and 1970's Senator TOWER waged a heroic and often lonely battle in the Armed Services Committee to preserve as much as he could of our ebbing military strength in the face of a mortal threat, unprecedented in our history. Millions of Americans are secure and free today because JOHN TOWER was there to check and ~~~ntain the damage of a disastrous policy of unilateral disarmament so popular in this town about a decade ago. As chairman of the Armed Services Committee, Senator TOWER set about the task of restoring our neglected defenses. Today, we are well on the way to completing that restoration and providing the free world with a shield that will protect it for decades to come.

JOHN TOWER has left a legacy of liberty and hope to a generation of Americans. And while we will no longer have the privilege of having him directly at our side, we trust that this body and the great Republic which it serves will yet have the benefit of his wise counsel and clearsighted statesmanship.

For his service past and for service still to come, let us give him our salute.

TRIBUTE TO SENATOR RANDOLPH

Mr. McCLURE. Mr. President, it is my pleasure today to offer tribute to the distinguished senior Senator from West Virginia, JENNINGS RANDOLPH.

Montaigne has wisely observed that "every society has its particular forms of civility" and that "the knowledge of courtesy and good manners is a very necessary study."

Perhaps no institution in the world is so conscious of its unique code of activity; nowhere is the rule of courtesy so zealously enforced than in the U.S. Senate.

Yet freshmen Senators, scholars, veteran observers of the Senate will search in vain for a printed book of etiquette that could instruct them in the management of relations between Senators. No such publication exists. The rule of courtesy, the "forms of civility," in this Chamber are learned by example only.

Since its first session in March 1789 the Senate has always had among it a conspicuous few placekeepers, able and respected Senators who instructed by personal example their younger or less experienced colleagues in the subtle ways of representative government.

When I entered the Senate in 1972, I was fortunate to have JENNINGS RANDOLPH's example before me as proper guide to the daily conduct of legislative affairs.

Several generations of Senators, in fact, owe much of what they have learned of the business of government to the quiet tutelage of this venerable statesman during his 26 years in the Senate.

Senator RANDOLPH's great achievements in legislation to aid the handicapped, to promote and develop U.S. aviation, to extend the franchise to millions of young adults, to improve and extend our public highways, to

assist the veterans of our Armed Forces, and to make our country energy sufficient—these and other public services are too well known to all of us here today to require further exposition.

Rather, I would like to recognize my esteemed colleague for the lesson he has taught by means of the whispered confidence, the silent gesture, the humorus anecdote, the gentle rebuke, the welcome plaudit, and all of the characteristic wit and wisdom of a gentleman we will always remember with affection. JENNINGS RANDOLPH embodies the finest traditions of the U.S. Senate. He has been, and will always be, a Senator's Senator.

PRESIDENT REAGAN SIGNS THE OLDER AMERICANS ACT AMENDMENT OF 1984

Mr. RANDOLPH. Mr. President, today it was my privilege to be present at the White House when President Reagan signed the Older Americans Act Amendments of 1984 into law.

As we all know, the Older Americans Act programs are among the most effective federally sponsored and funded programs in place today enjoying broad-based, bipartisan support in both the Congress and the executive branch.

I am pleased that we are able to increase authorization levels for these activities, particularly those sections dealing with nutrition and health and employment opportunities.

Mr. President, during this current fiscal year, total funding for older Americans is set at $1.12 billion. Beginning in fiscal year 1985, funding is authorized to rise to $1.25 billion, to $1.30 billion in fiscal year 1986, and to $1.37 billion in fiscal year 1987. This represents approximately $3.9 billion to be spent over the 3-year life of this bill. In West Virginia, which ranks 15th in the Nation as the State having a very large portion of its population—approximately 341,269—over the age of 60 years, these new services and funding levels will be greeted with gratitude.

Our senior citizens nationwide deeply appreciate Federal support for Older Americans Act activities, and they are particularly pleased with this bill because it contains a new focus on growing problems not previously addressed; that is, such as elder abuse, employment needs, and services for victims of Alzheimer's disease and their families. We have only recently begun to learn about Alzheimer's disease, and we must do more and more to provide services to those victims and families who must learn to cope with a progressive, incurable disease that accelerates the aging process—Alzheimer's is not the same—but is far worse, than the advent of senility that affects many older Americans.

Mr. President, I am pleased also to note that the funding in fiscal year 1984 for the Senior Community Service Employment Program increased from $317.3 million to $319.5 million; and is authorized to increase to $335 million in fiscal year 1985—an increase of $15.5 million to provide jobs for the elderly. Older Americans, we have come to realize, want a helping hand, not a handout. The employment opportunity programs provided for under title V of the act provide instances in which our senior citizens can work a few hours each week to supplement their low, fixed incomes. In turn, these job opportunities have a vital impact on their feelings of selfworth, is a boost to their morale, and brings them a better quality of life.

According to 1982 figures, Mr. President, there are 8.2 million persons who are between the ages of 74 and 84 years in this country. There are 2.4 million persons in the United States today who are over the age of 85 years. We have come a long way toward dispelling many myths concerning old age—that we are more sickly than most, or that we are mostly feeble and not interested in participating in the daily activities of community life, or the world of work. This is not necessarily so. Older Americans—many of them in my age group—between the ages of 74 and 84—are perfectly willing and able to work. That is why I am pleased to see the increased authorization of funds that can be spent on title V of the Older Americans Act—for these, little jobs mean a great deal to their recipients—enabling them to be self sufficient and independent while at the same time contributing much to their communities.

Another problem addressed in the legislation the President signed today, is one of elder abuse. This act allows local offices on aging to operate elderly abuse prevention and intervention programs—again holding out a helping hand to those senior Americans who are at risk, and provides for counseling for the abusive family member or other caretakers of the elderly, or action where possible to remove those at risk from an environment where abuse occurs.

The bill signed into law today allows States to shift more funds between the title III supportive services and nutrition programs, from the 20 percent allowed under old law, to 27 percent in fiscal year 1985, 29 percent in fiscal year 1986, and 30 percent in fiscal year 1987. States will be able to use 5 percent of their total title III allotment, or $300,000 whichever is greater, for administration—representing a major change from current law. Currently, Mr. President, State administration is a separate "line item" appropriation within the Labor, HHS, and Education appropriations bill. Under this new arrangement, State administration would be funded out of the title III allotment.

Mr. President, I have highlighted only a few of the new provisions in the Older Americans Act, but I would be remiss if I did not congratulate the Members who drafted and perfected these amendments for requiring that proposed regulations to implement the new act must be issued within 120 days of enactment, and that regulations must be finalized within 90 days after publication of the proposed rules. This will allow appropriated funds to flow more freely and quickly to the States so that essential services can and will be provided to eligible older Americans without undue and unwarranted delays.

Mr. President, I was a cosponsor of S. 2603, the bill enacted by Congress and signed by the President today. I take this opportunity to commend my colleagues on the Committee on Labor and Human Resources for this effort, representing as it does many long hours of hard and dedicated work. I particularly commend the ranking minority member of the Subcommittee on Aging, Mr. EAGLETON of Missouri, as well as the subcommittee chairman, Mr. CHARLES GRASSLEY of Iowa. Of course, we owe our thanks to the chairman of the full committee, Senator ORRIN HATCH, and the ranking minority member EDWARD KENNEDY of Massachusetts for reporting S. 2603 favorably, and recommending its passage by the full Senate. Their sincere commitment to the needs of an aging population is well-known, and deeply appreciated by everyone at the Federal, as well as the State levels, where this work must go forward every day in accordance with the intent of the legislation to serve, and to serve equitably and well, the older citizens of the United States who are eligible for and who desperately need our assistance.

By February of next year the proposed rules implementing these programs should be published in the Federal Register, and by April the final rules should be in place for driving the funds to the States where those who are eligible can be assisted through these Federal efforts on their behalf. I am leaving the Senate in January 1985, and I will not be a part of the process when the new act, which I witnessed being signed into law today, becomes effective. Although I am retiring from congressional service, I am not retiring from the world of work or the activities of the citizens of West Virginia on behalf of the elderly, or from the ongoing activities of life in Washington. I am pleased to be living proof that the usual myths of aging are myths—in that even though I will reach the age of 83 soon after my retirement next year, I am far from re-

tiring from the everyday activities of life.

ADDRESS AT CLEMSON UNIVERSITY BY NANCY HARVEY STEORTS, CHAIRMAN OF THE U.S. CONSUMER PRODUCT SAFETY COMMISSION

Mr. THURMOND. Mr. President, in an address on Friday, October 5, 1984, at Clemson University in my State of South Carolina, Nancy Harvey Steorts, Chairman of the Consumer Product Safety Commission [CPSC], has set forth a detailed policy of Government, business, and consumers working cooperatively to achieve the goal of consumer safety in the American marketplace. It is a policy which has developed at CPSC during the last 3 years when Chairman Steorts has led the agency, producing more results with less resources and, perhaps more importantly, more cooperation with less confrontation. As she has stated in her address, it has begun a new era of partnership with benefits accruing to each American. I commend her for her foresight and perseverance in developing such a concept and practice of regulatory effectiveness.

Mr. President, Chairman Steorts made her remarks last Friday at the Strom Thurmond Institute for Government and Public Affairs at Clemson and I am highly pleased that she could deliver this informative policy address at the institute which bears my name.

In addition to her speech, Chairman Steorts has also written an article which was published recently in Directors and Boards magazine, even more extensively setting forth this new policy of cooperation and effectiveness in behalf of all consumers.

Mr. President, in order that my colleagues may have the opportunity to review both her address and the article which she has written on this important subject, I ask unanimous consent for the text of both the address and the article to be printed in the CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

"CONSUMER PRODUCT SAFETY: A PUBLIC POLICY ISSUE"

(By Nancy Harvey Steorts)

THE CONSUMER PRODUCT SAFETY COMMISSION IN A NEW NATIONAL ENVIRONMENT

I am very pleased to have this opportunity to share with you my experiences and views as Chairman of the U.S. Consumer Product Safety Commission.

Since becoming Chairman in 1981, I have witnessed and been part of dramatic changes in the Commission's approach to protection of the American consumer. During this past three years, a new more positive, open and constructive relationship among the consumer, business and government has evolved. In and of itself. this new relationship is very significant.

But, perhaps more importantly, it reflects a change in national attitude, a maturing of American consumerism and a new willingness of American business and government to communicate and cooperate.

GOVERNMENT-BUSINESS COOPERATION: AN AMERICAN TRADITION REBORN

In characterizing the relationship between the U.S. Consumer Product Safety Commission and American business over the past three years, the words which always come to mind are "communication" and "cooperation."

From its inception, the U.S. Consumer Product Safety Commission had been too often cast in an adversarial role in its relationships with American business and industry. Too often, it was assumed that this independent regulatory agency and those whom it regulated were "natural enemies" with no common purpose.

As we entered the decade of the 1980's the time had arrived to question that basic assumption. Whether because of enlightened self-interest or a genuine concern for the American consumer, American business had come to learn the marketing advantages of safer consumer products.

A NEW PARTNERSHIP IN THE REAGAN ERA

President Reagan set the tone and provided the framework for a new cooperative relationship between government and business while simultaneously maintaining the paramount importance of consumer protection.

The time was right for the growth of a new partnership among business, the consumer and government. I am happy to report that this new approach has worked because, for the most part, business has made a new commitment to safety; because government has been willing to listen; and, because the consumer has a new sense of confidence in both business and government.

While this new partnership represented a dramatic departure from the government's approach to regulation of the immediate past, it also symbolized a return to philosophy of government-business compatibility espoused in colonial America.

EROSION OF THE COOPERATIVE APPROACH

Last year, I had the privilege of chairing a seminar on "Business, Government, and Public Policy" during the Third Annual Donald S. McNaughton Symposium at Syracuse University.

As part of this seminar, Bruce L.R. Smith of Brookings Institution pointed out that, in its early days, our nation took a posture which fostered cooperation between business and government. That philosophy was subsequently eroded by social, political and economic trends.

It was Alexander Hamilton who early on laid out a blueprint for a partnership between business and government in his "Report on Manufacturers."

THE IMPACT OF AMERICAN INDUSTRIAL GROWTH

As Smith points out, in the 19th Century and the early part of the 20th Century, a new pattern of business-government relations emerged as the Social Darwinists entered the picture. It was during this period that William Graham Summer developed his doctrine of "business survival of the fittest" and the concept of laissez faire capitalism became popular.

It was during this period that the nation's giant corporations were experiencing their most dramatic growth. America's industrial complex had been formed and big business was becoming the foundation of the nation's economic structure. Not only was the business-government partnership being brushed aside, but the stage was being set for a new relationship, one in which the government and business would be at odds.

Journalists aroused the ire of the nation's citizenry by spotlighting the abuses which grew up along with the new industrial America. Government stepped in with legislation and regulation designed to control American business.

SEPARATION OF BUSINESS AND STATE DOMINATED THIS CENTURY

The gap between government and industry had grown wider and there arose a new relationship in which partnership was replaced by confrontation. The fact that this pattern existed for at least six decades helps explain the signficance of the new cooperative business-government relationship which we are now witnessing.

The technological revolution which began after World War II and which has accelerated ever since spawned a new breed on consumerism, fanning the flames of the adversarial relationship which had grown up between business and governement.

Technology began delivering new, more complex and more diverse products. Consumers began to feel that they needed help in making wise decisions in the marketplace.

But, just as importantly, technology gave rise to a revolution in communication. Mass marketing of products reached new levels of effectiveness. And, activists quickly gained access to a net network of instantaneous, national communication, primarily television.

THE TURBULENT 60S: A NEW ERA

At the Consumer Product Safety Commission's National Conference for Retailers last week, Virginia Knauer, Special Adviser to the President for Consumer Affairs, put this into perspective when she described the mood of the American consumer during the 1960s.

She said, "In the field of consumerism, distrust between the public and business was rampant. All the faults—and there were many real ones—were magnified by the television camera—and picket lines by protesting consumers were not unusual sights. The public was concerned about shoddy and unsafe products, warranties that offered little or no protection and about the 'runaround' from business."

It was a group of housewives in Denver that captured the attention of this nation's consumers when they called for a national boycott of beef in 1966. Their message spread overnight and the new battle lines between the consumer and business had been drawn.

THE CONSUMER PRODUCT SAFETY COMMISSION IS BORN

It was in this atmosphere that our Federal government formed a national commission to address the problem of consumer product safety. One of the outgrowths of this two-year study group was the establishment of the Consumer Product Safety Commission.

In justifying the creation of the Consumer Product Safety Commission, the report of the group stated that "* * * hazards must be controlled and limited not at the option of the producer but as a matter of right to the consumer. Many hazards described are unnecessary and can be eliminated without substantially affecting the price to the consumer."

With this as its credo, and amidst the business-government-consumer tensions which prevailed, the Consumer Product Safety Commission was born on October 27, 1972.

Perhaps as a product of its roots or perhaps as a reflection of the mood of the era, in its early years, the Commission took an adversarial stance toward business. Its emphasis was on mandatory decrees and litigation of violations.

THE BALANCE REDRESSED: FORD AND REAGAN

When President Ford initiated a series of deregulation efforts in the mid-1970s, the groundwork was being laid for a new, healthier relationship between government and business. This trend culminated under President Reagan, who took the process one step further. He called on the states and the private sector to be equal partners with the Federal government in developing solutions to public needs.

Nowhere is the wisdom President Reagan's approach more evident than in the achievements of the Consumer Product Safety Commission on behalf of the American consumer during the past three years.

In 1981, the Commission embarked on a new course characterized by communication and cooperation. The Commission has opened up, its activities are focused and its serves as a catalyst for voluntary action by American industry.

A NEW APPROACH TO THE CPSC MANDATE

Although the Commission's philosophy and approach have changed, its congressional mandate to protect the consumer from unreasonable risk of injury associated with consumer products has not changed.

The Commission administers five safety laws: The Consumer Product Safety Act; The Federal Hazardous Substances Act; The Flammable Fabrics Act; The Poison Prevention Packaging Act; and, the Refrigerator Safety Act. It has jurisdiction over 15,000 generic consumer products.

As a direct result of its programs, thousands of accidents, injuries and deaths have been averted and billions of dollars have been saved. However, its job is far from complete.

Every year, consumer products are involved in the deaths of 28,000 Americans and injuries to 33-million others. The annual cost of these accidents is a staggering $12-billion.

MEETING THE CHALLENGE: COMMISSION PROGRAM

The Commission strives to reduce this annual toll in five ways:

1. By working with industry in the development of voluntary standards;

2. By recalling products from the marketplace;

3. By issuing packaging or labeling requirements;

4. By issuing bans or creating mandatory standards; and

5. By informing and educating consumers on the safe use of products.

As I indicated, I prefer and emphasize voluntary, cooperative action before using the regulatory power of the Commission. However, because consumer product safety is the Commission's overriding concern, we do not hesitate to regulate when an industry or manufacturer does not respond. When we regulate, we regulate fairly by taking into consideration the needs of the consumer as well as the limitations of industry.

OPENING UP THE COMMISSION

As John Naisbitt said in his book Megatrends, "People whose lives are affected by a decision must be part of the process of arriving at that decision." The lines of communication between the Commission and the consumer and industry have opened up in specific, programmatic ways, such as outside involvement in the Commission's priority setting national conferences, open meetings and special meetings.

1. Priority-setting

Last year, the Commission held its first public meeting on priority-setting, soliciting the views of a wide range of consumer and industry representatives. This input was invaluable to us in charting the future course of the Commission and setting the national agenda for consumer product safety.

2. Open meetings

I believe that it is crucial for the Commission to get direct, unfiltered information. For this reason, I insist on meeting directly with chief executive officers, not the legal officers of industry. Many CEO's make presentations before the Commission; and the improved communication and understanding have resulted in the more efficient resolution of problems in an atmosphere of cooperation.

3. Public participation

A major change in the Commission's meeting policy permits members of the public to participate in policy issue discussions on a case-by-case basis.

4. Special meetings

In addition, the Commission has special meetings with consumers and industry to allow for the exchange of views and information.

BUSINESS IS RESPONDING: SAFETY IS GOOD BUSINESS

Business is responding to these new opportunities to communicate more openly and more effectively with the Consumer Product Safety Commission. Manufacturers and industries find that it is much better to work with the Commission than against it, especially in view of the trend of increasing consumer demand for safety.

The Food Marketing Institute study

A study conducted earlier this year for the Food Marketing Institute provides evidence of the importance of quality and safety in today's marketing program, Robert O. Aders, President of the Institute, has said that the study clearly shows that consumers are demanding excellence in the products they purchase and that they shop until they find that excellence.

The Whirlpool study

A landmark study conducted for the Whirlpool Corporation noted that when making judgment of the quality of manufactured goods, consumers place safety at the top of the list of indicators. Some 80 percent of Americans named safety as an always important indicator, Safety was followed by workmanship (74 percent) and materials (66 percent).

Consumer Federation of America findings

Further, research done for the Consumer Federation of America indicates that while product safety may be somewhat of an intangible, it is an important factor in a consumer's decision to buy a product. If consumers have doubts about the safety of a product, sales decrease; and, because consumers will be demanding more consumer product safety information, they will increasingly buy the products of those manufacturers and retailers who emphasize consumer information and education.

The corollary to these findings is that the manufacturer whom consumers identify with excellence and safety already have a definite marketing edge in this new ERA of consumerism.

While there are many case studies I could cite to illustrate this point, there are two which I feel deserve our attention and recognition.

The General Electric Answer Center

The first is the General Electric Answer Center, a 24-hour toll-free information service. The Answer Center employs 150 trained specialists, handling calls for not only major appliances, but all GE consumer products. Consumers can ask questions about the use, installation and maintenance of products and even do-it-yourself advice.

According to Mr. Roger W. Schipke, Senior Vice President and Group Executive of the General Electric Appliance Group, consumers have responded. The Answer Center gets an average of 8,000 calls a day, seven days a week. Mr. Schipke reports that since the Answer Center opened two years ago, it has handled over 3-million calls with a prefect safety record, not one injury resulting from any form of the Center's do-it-yourself advice.

General Electric has opened its doors to consumers through its Answer Center. The information it provides consumers is valuable in itself but the underlying message is even more important. Through its Answer Center, GE is showing its sense of corporate responsibility to the American consumer. It is hard to imagine that this would not be a factor in the purchasing decisions of the consumers it has reached.

The chain saw industry

A second example which comes to mind is the chain saw industry. Every year, there are more than 23,000 injuries and 12 deaths resulting from the rotational kickback of chain saws. We worked with that industry to develop new safety standards to minimize this problem.

I am happy to report that in March, 1985, the new standard for low-energy chains goes into effect. It is anticipated that 80 percent of these kickback injuries and possibly all of the deaths will eventually be eliminated as a result.

More significant is the fact that four of five chain saws already meet this new standard. And, some companies which launched pioneering information and education campaigns on the safety aspects of chain saws gained a market advantage. Their efforts to have consumers retrofit older chain saws with the new, safer chains have been outstanding.

THE NEW STATUS OF PRODUCT SAFETY

Why is American industry now taking actions such as these? Because the importance of product safety has been upgraded in the mind of today's corporate executive. Product safety is no longer an esoteric, technical issue in American industry. There is a clear trend to make it part of the overall management agenda, moving it from the technical laboratory to the CEO's desk and the boardroom.

This trend signals a new era for consumer product safety and an environment in which the Consumer Product Safety Commission can work in a more fruitful manner with both industry and the consumer. There is growing and convincing evidence that we can achieve so much more for the American consumer when we work together.

None of the three partners in this relationship can do it alone. Should government try to solve these problems without the involvement of industry, the process would be expensive and inefficient. A case-in-point is the ongoing consumer information and education programs of the Commission.

COOPERATIVE INFORMATION AND EDUCATION

During the past three years, the Commission has conducted several high-impact information and education campaigns in cooperation with industry, consumer and volunteer groups and state and local governments.

Electrical safety awareness

Our most recent success story in this regard is the National Electrical Safety Awareness Campaign, launched in February of this year. We wanted to reach consumers with vital information on the safe use of electricity in their homes.

Each year, 600 Americans are electrocuted in and around their homes; some 205,000 residential fires of electrical origin cause 1,100 deaths and an estimated 16,300 injuries. Property losses total about $950-million from such fires.

The goal of the program was to have consumers check the electrical safety of their homes through the use of a room-by-room checklist developed by the Commission.

To date, more than four million of these checklists have been distributed to American consumers. And, government has not footed the bill. Most of these checklists have been printed and distributed by business and industry at their own expense.

More than 70 organizations, including trade associations, consumer and volunteer groups, fire organizations, state and local governments and businesses were actively involved. The 500,000 member General Federation of Women's Clubs lent major support to the campaign, with many local affiliated clubs reproducing the document at their own expense.

Several companies reprinted the checklist and distributed it to their employees and customers; and, most recently, daily and weekly newspapers have printed it as a service to their readers.

The smoke detector program

In a similar effort, the Consumer Product Safety Commission cooperated with nearly 1,600 communities, 26 states and scores of businesses and volunteer groups in a program to place smoke detectors in American homes.

By joining forces, we were able to have 1.5 million smoke detectors installed in low income homes; and, countless more were installed as a result of the information and education aspects of this campaign.

A partnership? Yes! But, more importantly, an indication that it is possible for government to serve as a catalyst and an equal partner in cooperative efforts to meet public needs.

THE CHANGING ROLE OF THE REGULATOR

Partnerships, Cooperation, Communication. It may strike you as being somewhat incongruous with the role of the head of a Federal regulatory agency. You may ask, as others have, if there is not an inherent danger in conciliatory relationships between the regulators and the regulated.

But the greater danger is insulation of one from the other. Consumerism is a force with which American business has reckoned; and, American business is increasingly recognizing its responsibility to the American consumer and the advantages of being responsive.

Under the conditions, to attempt to improve consumer product safety within a Federal regulatory cocoon would not be cost-effective for the American taxpayer nor efficient for the American consumer.

In the vast majority of cases, our new approach has worked. Millions of products have been voluntarily recalled; safety standards for scores of products have been upgraded; and consumer information and education has been improved and increased.

WHEN REGULATION IS NECESSARY

However, the Commission has encountered resistance and lack of responsiveness by some manufacturers and industries. When it has, it has acted in the best interests of the consumer.

We have made great progress through the development of voluntary standards. For example, the Upholstered Furniture Action Council has worked with the Commission in developing furniture far more resistant to ignition of a smoldering cigarette, which is the single most frequent cause of fire death.

Voluntary standards for lawn mowers are beginning to reduce the thousands of injuries associated with these products in the past.

While the voluntary approach has worked in most instances, the Commission has had to issue mandatory standards, ban products or require certain labeling and packaging. However, it has used these regulatory powers only after encountering a lack of cooperation or an inability by manufacturers and industries to solve the problems themselves.

THE RETAILER AS THE MISSING LINK

The emphasis of the Commission has most definitely been on manufacturers. We recognize that to solve the problems we face, everyone on the consumer product safety chain must be involved.

The missing link in this chain is the retail industry; and, we are now taking steps to build that link by developing a cooperative program with retailers, similar to the one we have with manufacturers.

At the first National Consumer Product Safety Conference For Retailers held in September, we began the process of communication and information which is essential to the success of this new initiative.

Frankly, I was very impressed by the retailers' presentations at the conference. Many have well-established, sophisticated consumer product safety programs. We need retailers if we are to make even further progress in consumer product safety.

We want retailers involved in our major consumer information and education campaigns; we need retailers to make product recalls more effective; and, we will help retailers meet their legal responsibilities to report potential product hazards.

A GROWING COALITION

The Consumer Product Safety Commission is now extending its hand to retailers as the last important group to be brought into the new fold.

This coalition we have formed with the American consumer and American business will be a powerful force in achieving consumer product safety. There will become discord and differing points of view but we will continue to have the opportunity to listen to and understand one another.

REDISCOVERING THE COOPERATIVE PHILOSOPHY

Business-Government cooperation may not be the simple proposition it was when Alexander Hamilton wrote his "Report on Manufactures." The implementation of the principle is certainly more complex in technical, political, social and economic terms.

Our return to a philosophy which emphasizes communication and cooperation over litigation and confrontation is yielding benefits for all three members of our new partnership: the consumer, business and government.

The record of the Consumer Product Safety Commission during the first half of this decade symbolizes a rebirth of an American tradition. Our goal of "safer products, safer people" is being realized. I know that our nation will be stronger as a result.

NEW DIRECTIONS IN PRODUCT-SAFETY REGULATION

(By Nancy Harvey Steorts)

The book "Megatrends" by John Naisbitt, which has been on the best-seller lists for a year, is being compared by some critics to such influential books as "The Organization Man" and "Future Shock." Of personal interest to me is the fact that several of the ideas expressed in this book parallel my own. For example, in a chapter that outlines the current movement away from representative democracy and toward a participatory democracy, Naisbitt voices a philosophy that applies to the new era of product-safety regulation: "People whose lives are affected by a decision must be part of the process of arriving at that decision."

Here are 10 related trends that I see occurring in the field of consumer product-safety regulation—which I call my reg-u-trends for the corporate executive of tomorrow.

1. A NEW STATUS FOR PRODUCT SAFETY

The first major trend I see is the upgrading of the importance of product safety in the minds of corporate executives: It has moved from the technical level to the executive level—out of the research laboratory and into the boardroom. In years past, product safety was solely the province of the scientists, the engineers, and the product designers. This is no longer the case. Instead, it is now frequently the primary concern of one of the major officers of the company: sometimes a vice president in charge of quality control or consumer affairs, and often a chief executive officer.

No doubt the consumer movement that began in the 1950s served to raise the corporate consciousness about the need for product safety, a fact that was driven home by the creation of the Consumer Product Saftey Commission 10 years ago. The development of "Nadarism" and the subsequent increased emphasis on litigation have made the executive painfully aware of the meaning of product liability.

I have seen numerous examples of companies taking the responsibility for safety testing and for incorporating safety in production. A toy-manufacturing company, Fisher-Price, tests each of its products before it leaves the factory. At Carrier Corp. safety is made a vital part of an extensive quality-control program that double-checks safety factors at each stage in the manufacturing process. Celanese Corp. has put out a booklet titled "Product Safety: It's Everybody's Business." In the introduction are these important statements: "Product safety is on the very cutting edge of social responsibility. The product-safety program at Celanese is the focal point of the corporation's overall commitment to health, safety, and environmental protection. . . . Product safety is more than just complying with the law or

being a good corporate citizen. It also makes good business sense."

Conscience of the board

The safety issue, whether it is product safety, food safety, airplane safety, or whatever, should be a part of the overall management agenda of the corporation. I also think it should be a part of the agenda for corporate boards of directors. The board represents different publics, and I feel very strongly that there should be directors who can be the conscience of the board on safety issues. There are directors who have this expertise and there are those who don't, but it is extremely important that the public concern for safety be on the board agenda on a continuous basis.

2. BALANCE OF CONSUMER/BUSINESS NEEDS

As with many new movements, the initial consumer movement was excessively one-sided. Because of this the Consumer Product Safety Commission, a child of the marriage between consumerism and big government, was born with an adversarial chip on its shoulder. A confrontational relationship was quickly established between the agency and the business community. The thinking went something like this: The consumer could do no wrong and the manufacturer could do no right. By the same token, industry and business felt that a government agency created to regulate them could not contribute anything to the development of a better product.

Fortunately, these attitudes are changing, and I am doing everything in my power to foster a nonadversarial relationship. Today we are in an era of cooperation. Cost-benefit analyses are now part of the decisionmaking process, and bottom-line considerations are being taken into account without overlooking the needs of the consumer. Much more can be accomplished if there is a three-way balanced partnership among the producer (manufacturer), the protector (the commission), and the purchaser (consumer). This has been a guiding principle during my years as chairman and will continue to be.

3. OUT WITH THE LAWYERS

In his book Megatrends, Naisbitt points out that "Lawyers are like beavers: They get in the mainstream and damn it up." When I first came to the commission I was criticized for seeking to get rid of the lawyers. Early in my chairmanship I said that I felt it was much more important for the commission to deal directly with corporate executives, rather than through lawyers or third-party representatives.

It is my preference that when there is a problem and an industry needs to come before the commission, the executives should come in person and not be represented only by their lawyers. I find that much more can be accomplished if the executives who make the decisions—the marketing, design, advertising, consumer affairs, and technical representatives—are present to hear our side and for us to hear their position. In addition, and maybe most importantly, no time or meaning is lost in the translation. The actions of Johnson & Johnson in involving top management to resolve a serious product-safety problem represent what I consider the epitome of corporate responsibility. (See sidebar on page 31.)

$25 million settlement

Industry is facing extremely expensive product-liability suits today. Consider, for example, the $25 million out-of-court settlement against Robertshaw Controls Co. because of a gas valve that did not work. Large awards and expensive litigation are facts of life and will continue in the future. Consumers know that they can use the courts and they will use the courts. It's up to the corporate executive to know that if there is a problem with a product he must resolve it immediately, either by getting it out of the marketplace or by correcting it. To sit around and play litigation games is not the way to act.

4. SHARING OF INFORMATION

I believe that no one can work effectively—in government or in industry—if he does not have all the information. Shortly after coming to the commission I learned that the consumer complaints we received were not being sent on to the manufacturers concerned. The complaints were being stored up in our data-collection system, and not shared with industry.

I felt that this was unfair. The company producing the product should know what we know, as soon as we know it. In this way they have a chance to deal with the situation immediately—evaluate it and respond to it voluntarily. If the consumer takes the time to write a letter or to make a phone call, the corporate executive should take the time to see it as an early warning of something he may need to address and to handle it.

Advisory letters to chairmen

Consequently, the commission has instituted several changes so that manufacturers will be getting consumer complaints expeditiously. Advisory letters are going out over my signature directly to the chairman or president. Additionally, and for the first time, companies will also be receiving copies of any in-depth investigations that the commission undertakes.

Just as we are trying to let industry and business know about the complaints that we are receiving, industry should let us know when it discovers a problem. Improved reporting under Section 15 of the Consumer Product Safety Act, which requires producers to report to the commission product defects that could create substantial product hazards in a timely fashion is a priority project of the commission for 1984. The fine for not reporting properly can be as much as $500,000. We will increase our efforts to identify hazardous products that should be removed from the market and recalled from consumers, and we will develop additional sources of information concerning products that may present substantial product hazards.

I also ask that when a company has been doing research on a product problem, this information be shared with us. In spite of many fears and the naysayers who contend otherwise, this can work, and it has. Here are two examples:

The commission and the kerosene-heater industry worked on a joint project to study pollution emissions and fire hazards. As a result, important provisions of the existing voluntary standards will be upgraded. Over the eight months the study was conducted, the industry and the commission staff shared what they knew at every step.

The American Gas Association, the American Gas Association Laboratories, the Gas Research Institute, and the manufacturers of gas-fueled appliances have agreed to form a task force with the commission to study consumer exposure to emissions from unvented gas space-heaters and their health consequences.

5. THE FOOD AND DRUG INITIATIVE

In many respects, the food and drug industries have led the way on the innovative consumer-oriented issues—for example, in the development of nutritional labeling with substantial consumer information. The food industry had leaders like Bill Smithburg at Quaker Oats and Jim Ferguson at General Foods who understood that they had to address these issues.

I have also noticed a change when food and drug corporations take consumer-product companies under their corporate umbrellas. When this happens an interrelationship develops, particularly in the areas of quality control and hazard analysis, as many of the high performance standards used for food and drugs are also applied to consumer products.

6. THE BOTTOM-LINE BENEFIT OF CONSUMER INFORMATION

In addition to the development of safer products by change of design, I firmly believe in the need for adequate consumer education and information. After all, the vast majority of safety problems are created by consumer misuse rather than by product fault. It has been theorized that only 20 percent of the problems with unsafe products can be dealt with through government regulation.

Application of information

The commission has addressed several product-safety problems specifically through information and education—creatively and effectively:

One of our priority projects for 1983 was a highly successful smoke-detector campaign, because smoke detectors provide an early-warning system when fire strikes. Another was our electrical safety awareness program. Over 1.6 million electrical safety audit checklists have been distributed through public/private-sector cooperative programs.

The commission has had meetings with representatives of the mesh-sided-crib industry, the chainsaw industry, and the gas-valve-control industry. All three are developing consumer-information programs as a technique to reduce or eliminate death and injury associated with their products.

A study conducted for Coca-Cola Co. in cooperation with American Express Co. supports my philosophy on consumer information. This study is the first report to demonstrate that education programs can be a cost-effective way to improve corporate image and brand loyalty. Briefly, here are some of the findings:

Confidence in the sponsoring company increases;

There is an indication that more of the sponsoring company's products will be purchased;

The sponsoring company enjoys the benefits of a better educated consumer base;

The findings also suggest a behavioral change can be achieved by consumer-education campaigns.

There is outstanding opportunity today for corporate America to conduct educational programs in cooperation with the public sector. Suggestions should be coming forward from top management and the board.

7. THE NEED TO SELL SAFETY

Closely aligned with the need for consumer education and information is what I describe as the need to "sell" safety. I firmly believe that safety features of a product will help sell it if the product is marketed properly.

Manufacturers and retailers need to look at their preconceived ideas of why a customer selects one product over another. For a very long time price has been believed to be the prime consideration, followed by color, brand name, convenience, status, etc., in one order or another. However, times have changed. These traditional tyrants of product selection are being replaced by a combination of new factors, with safety a prime consideration.

This is borne out in a unique national study conducted by Research & Forecasts Inc. for Whirlpool Corp. Titled "The Whirlpool Report on Consumers in the 80s: America's Search for Quality," this study noted that when making judgments of the quality of manufactured goods, four characteristics are said to be important all the time by more than half of all Americans. At the top of the list is safety: 80 percent of Americans named safety as an always important key indicator of quality. Safety was followed by workmanship (74 percent), and materials (66 percent). Incidently, a high price was considered a key indicator of quality by only 24 percent of those polled.

The truth is that safety features add value to a product. Instead of burying this information, the manufacturers and the retailers should promote it. Many consumers will pay more if they are aware that they are buying a safer product.

8. THE MISSING LINK: THE RETAILER

In the past, consumer-product safety has been though of primarily in terms of manufactures. This is consistent with the old idea that product safety is only a technical/design concern. As I see it, the only way to fully achieve product safety is to bring the retailer in closer.

I intend to get the retailer more involved in this aspect of merchandising. Safety should feed straight through the entire merchandising process. The retailer is the manufacturers' consumer. It is the retailer that can ensure that only safe products reach the marketplace.

Retailers' persuasive power

It is a matter of buying power. One excellent example, of retail cooperation recently came out of a meeting with executives at Macy's. In response to a compliance letter regarding noncompliance sleepwear, the president, Herbert Yalof, came to a meeting in my office. As a result of that meeting, Macy's is going to create a training tape for its buyers and assistant buyers. In addition, a training tape for all members of the National Retail Merchants Association is being developed.

The retailer will have an effect particularly if he takes upon himself the responsibility to be sure—to test—to see that the products he buys are safe. Additionally, if this happens manufacturers will probably be much more careful in adhering to safety standards.

9. LOCAL/WORLD INTERRELATIONSHIP

According to Naisbitt, one of the current megatrends is a change from a national economy to a world economy: We must now adjust to living in a world of interdependent communities. The burgeoning international trade in goods is giving rise to new consumer concerns.

This is already evident in the field of consumer-product safety, where America is looked to as the world leader. With just a few exceptions, we have the best and strongest consumer-product safety standards in the world. From talking to representatives, I know that many American assocations are working closely with foreign manufacturers to bring them up to date on what is being done in this country. This is particularly true with toys, chainsaws, and kerosene heaters. But more still needs to be done to bring the importer into the safety circle.

Last year I was invited to speak in both England and Sweden about the Consumer Product Safety Commission and how it works. In response to this quest for knowledge about product safety, I have initiated briefings for embassy trade officials to keep them informed about consumer-product safety. A new global interrelationship is developing, and safety is, again, a prime consideration.

Made in the U.S.A.

Recently, the commission affirmed its existing export policy under the Consumer Product Safety Act and the Federal Hazardous Substances Act. I voted to retain this policy because I feel that in the minds of the people of the world, "Made in the U.S.A." stands for quality and safety, and this should never be compromised to any degree.

10. THE IMPORTANCE OF INVOLVEMENT IN PRODUCT SAFETY

As my final reg-u-trend, I return to the point made in the beginning: namely, Naisbitt's assertion that, "People whose lives are affected by a decision must be part of the process of arriving at that decision." I have related my insistence on involving corporate executives in meetings concerning problems with their products, and the ways in which changes have been made in the distribution of consumer complaints. Here are two other examples of consumer and industry involvement:

On June 27, 1983, the commission held its first public meeting on setting priorities, obtaining input from outside the agency regarding priority projects for fiscal year 1985.

On July 29, 1983, the commission voted 5-0 to change its rules on public participation. Prior to that date members of the public were allowed to attend commission meetings, but their attendance was limited to observation. The rules stated flatly that attendance "shall not include participation." In fact, to allow the June meeting, the commission had to waive this rule. The rule has now been changed, and future participation shall be at the commission's decision.

Everyone—and that includes top management and the board—needs to be involved in product safety, and we at the Consumer Product Safety Commission are doing our part to be sure that everyone can and will participate.

SHIMON PERES

Mr. BAKER. Mr. President, I had the welcome opportunity on yesterday to meet with the new Prime Minister of Israel, Shimon Peres. The Prime Minister, who has long been a distinguished leader in Israel, has embarked on what surely must be one of the most difficult endeavors of his career.

The Israeli elections resulted in a coalition that represents the broadest possible spectrum of the Israeli electorate. Under the best of circumstances, a coalition formed in this fashion would be a new experiment in the governing of Israel. However, with the compounded difficulties of Lebanon and the staggering Israeli economy, the road ahead for Prime Minister Peres will be most difficult.

The Prime Minister and other members of his cabinet are here to discuss both of these problems with the administration. In his usual careful and methodical way, Prime Minister Peres described in our conversation his own view of the options available with respect to both problems. I was pleased to note the President's announcement this afternoon of the administration's willingness fully to explore these options in our mutual search for Israeli economic recovery and peace in Lebanon and in the region at large.

Mr. President, I have the highest admiration for the Prime Minister and wish him well on his endeavors. He and his government merit our support and our help.

TRIBUTE TO SENATOR JENNINGS RANDOLPH

Mr. BURDICK. Mr. President, I would like to take a few moments to pay tribute to my dear friend and colleague from West Virginia, JENNINGS RANDOLPH, who as you know is retiring at the end of the 98th Congress, 52 years after having first been elected to public office.

I have been fortunate to work with JENNINGS in this great body. But I am not the only member of my family who has had the privilege of working with this great statesman, my late father, Usher Burdick, served with JENNINGS RANDOLPH in the House of Representatives.

It is testimony to the commitment and love JENNINGS RANDOLPH feels to this Nation that he chose to spend his life serving the people during six of the decades of this century. But JENNINGS did more than simply serve, he lead. I've been fortunate to work with JENNINGS RANDOLPH on the Environment and Public Works Committee where he was chairman for 14½ years. During that time he had the vision to sponsor major legislation that helped improve the lives of millions of Americans. His work has earned him the title of America's Environmental Architect. Among the visionary legislation he has sponsored are: The Clean Air Act, the Resource Recovery and Conservation Act and Superfund. He has also helped to create the greatest system of highways the world has known: The Interstate Highway System.

Through all the difficult deliberations on these monumental pieces of legislation, JENNINGS RANDOLPH has been a fair and thoughtful moderator as well as a superb advocate. He has gone out of his way to make sure that all Members regardless of political affiliations or seniority could count on having their proposals considered.

It is one of the greatest privileges of my life to serve with JENNINGS RANDOLPH, a fair and compassionate man, a man of intelligence and understanding, a man who was always cooperative and considerate of others. I will miss nim as I know the Senate will.

GOLDEN WEDDING ANNIVERSARY OF MABEL AND ORVILLE TANNER

Mr. HEFLIN. Mr. President, I rise today to give proper recognition to the golden wedding anniversary, on October 14, 1984, of Mabel and Orville Tanner of Hartselle, AL. During their 50 years of marriage, the Tanners have built a life together using the basic American values of commitment, honesty and true concern for another. They provided a stable and happy home for their four sons and are now blessed with seven grandchildren.

Mr. President, the Tanners are a fine example of Alabama and American family life at its best. Mr. and Mrs. Tanner's happy 50 years together reminds us that the family is indeed the fundamental building block of our society and a key to America's future.

I am submitting for the RECORD a copy of a resolution passed by the Alabama House of Representatives in honor of the Tanner's 50th wedding anniversary.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

H.J. RES. 176

Congratulating Mr. and Mrs. Orville W. Tanner of Hartselle, Alabama, on their forthcoming 50th Wedding Anniversary

Whereas the Legislature of Alabama notes with pleasure the forthcoming Golden Wedding Anniversary on October 14, 1984, of Mr. and Mrs. Orville W. Tanner of Hartselle, Alabama; and

Whereas Mr. Tanner and his wife, Mrs. Mabel L. Tanner were united in marriage by the Reverend Pickens on October 14, 1934, in the parsonage of Southside Baptist Church in Decatur; following the ceremony, Mr. and Mrs. Tanner, who were 24 and 21 years of age respectively, left for their wedding trip to scenic Athens, Alabama; and

Whereas later moving to Hartselle, Mr. and Mrs. Tanner became the parents of four sons—Bill Charles, Orville Joe, Thomas Jeff and John F. Tanner; they also are the grandparents of seven grandchildren—Terry, Billy, Blake, Tonja, Jeff, Junior, Kristin Nichole and John F., Junior; and

Whereas Mr. and Mrs. Tanner, who attend the First Baptist Church of Hartselle, have live their lives as one and, in devotion each to the other, have remained steadfastly faithful to their marriage vows, setting an enviable example for others; now: Therefore be it

Resolved by the Legislature of Alabama, both Houses thereof concurring, That we join with family and friends in congratulating this exemplary Morgan County couple, Mr. and Mrs. Orville W. Tanner, and direct that they receive a copy of this resolution that they may know of our congratulations and sincere best wishes for every future happiness together.

INDEPENDENT RETAIL PHARMACISTS LAUNCH FIGHT AGAINST DRUG ABUSE

Mrs. HAWKINS. Mr. President, I would like to bring to the attention of the Senate a new drug program whose aim is to enlist the support of the independent retail pharmacists in the fight against drug abuse.

The National Association of Retail Druggists and the Eli Lilly & Co. should be commended for their new national effort entitled "Drug Abuse: What, Who, How, and Why and Strategies for Prevention and Treatment." Mr. President, I ask unanimous consent that the text of the news release of the National Association of Retail Druggists on this important program be printed in the RECORD.

There being no objection the material was ordered to be printed in the RECORD as follows:

INDEPENDENT RETAIL PHARMACISTS LAUNCH FIGHT AGAINST DRUG ABUSE

ALEXANDRIA, VA, September 25, 1984.—Independent retail pharmacists will fight drug abuse in cities and towns throughout the United States in a major education effort announced today by the National Association of Retail Druggists [NARD].

"Many of the nation's smaller communities—which are served exclusively by independently owned pharmacies—often are overlooked in massive drug abuse education programs," said William E. Woods, NARD Executive Vice President. "The new NARD program can reach these communities because our members are local businessmen and businesswomen who want to take an active role in serving people in their home towns. We are very excited about this important new program which has been funded by Eli Lilly and Company.

"This grassroots campaign combines three elements in our effort to educate people about the abuse of prescription drugs, illicit substances, and alcohol," Woods continued. "First, through an eight-hour course, member pharmacists will become among the best-informed health professionals about drug abuse. Second, our members will have an informative audio-visual program they can present to service clubs, schools, and other community groups. Third, we are sending details about this program to local chapters of service clubs around the country encouraging them to call upon NARD members to present community drug abuse programs."

This continuing education program, designed to keep pharmacists abreast of new developments in drug abuse, was developed by Sidney Cohen, M.D., of the Neuropsychiatric Institute at UCLA and an internationally-recognized authority on drug abuse; Helen D. Gouin, P.D., a long-time member of NARD and currently Director of the U.S. Army Drug and Alcohol Program and Technical Activity; and Joseph A. Mosso, P.D., a Latrobe, Pennsylvania, independent community pharmacist long active in drug abuse prevention.

"We want to give NARD members the latest information about new drugs and other substances being abused," said Dr. Cohen. "For example, there is a synthetic compound called MPTP many addicts are now using in place of heroin. Neurologists recently discovered that a single dose of MPTP can cause an irreversible case of Parkinson's disease."

The NARD course also covers new data about older drugs of abuse, such as the amotivational syndrome from regular marijuana use. Users, even when not intoxicated by marijuana, typically have a low energy level, lose their former drive, interests, and ambition, and may regress to an existence of withdrawal.

"Community groups will find the NARD audio-visual program informative and stimulating," said Mosso. "It's thirteen minutes packed with insights, ideas, and suggestions for dealing with adolescent and adult drug problems. Follow this presentation with a question-and-answer session with an NARD-member pharmacist and you have a community program that's hard to beat. Interested groups should contact their independent community pharmacist or the National Association of Retail Druggists."

The National Association of Retail Druggists represents the owners of more than 30,000 independent retail pharmacies, where over 75,000 pharmacists practice their profession. Together, these pharmacists fill approximately 70 percent of all prescriptions and serve 18 million consumers daily.

TRIBUTE TO SENATE MAJORITY LEADER HOWARD BAKER

Mr. WEICKER. Mr. President, I want to express my admiration and gratitude for the service of HOWARD BAKER to this body throughout his career as Senator and leader.

As a freshman, Senator, I had the opportunity to observe HOWARD BAKER at close range as a member of the Senate Watergate Committee, of which he was the ranking minority member. His integrity and persistent pursuit of the truth in that critical time helped to bring the Nation through those dark days with Constitution and the rule of law intact.

As leader of the Republicans in the Senate, he has shown a reverent understanding of the importance of this institution and a commitment to stewardship of the Senate's unique role. Having served as minority leader, he learned the value of our rules and procedures which protect the rights of minority parties and viewpoints. As majority leader, he didn't forget those lessons. He sought and achieved the proper balance between maintaining the integrity and spirit of the Senate and our need to responsibly carry out the Nation's business. He managed the rigors and frustrations of a body seemingly invented for inefficiency, with all the grace and good humor that could be expected of a human being.

Mr. President, having read about Senator BAKER's plans when he leaves the Senate, I now understand with greater clarity his repeated claims for the value of Senators being involved in private sector affairs of the Nation we serve. I wish him success in his future endeavors away from this place.

We in the Senate and the Nation as a whole can be very grateful that men of HOWARD BAKER's character and abil-

ity still devote themselves to service to the greater good. They are the link between the greatness of our past and the America yet to be.

For that, HOWARD, we thank you.

TRIBUTE TO SENATOR PAUL TSONGAS

Mr. LUGAR. Mr. President, the career of PAUL TSONGAS has exemplified courage in advocating bold and controversial ideas and sensitivity in attempting to find effective ways for a public servant to meet the needs of underprivileged persons in this country and around the world.

I have been moved by his work in the Foreign Relations Committee to bring other members to an understanding of both the sense of hope and the fact of enormous suffering faced by human beings in Africa and Central America. PAUL TSONGAS is proud of his service in the Peace Corps and that service has given him insights which he has shared on many occasions with us. I admire his sense of humanity and his ability to articulate important points of view.

He has been an important spokesman for his political party and has frequently put aside short-term advantage to emphasize necessary long-term adjustments. Many of his ideas were at work during a very important legislative struggle which surrounded the provision of temporary loan guarantees for the Chrysler Corp.

Given the remarkable success of Chrysler Corp., there is ample room to credit the corporate and union leadership and the many thousands of rank-and-file persons in management and labor who made Chrysler profitable again.

Nevertheless, as an eye-witness observer to how the legislation for Chrysler came to pass at all, I must attempt to set history straight by pointing out that PAUL TSONGAS and I fashioned a bipartisan coalition in the Senate Banking Committee and created a formula which provided the fragile majority which the Chrysler legislation finally obtained in the U.S. Senate. His words at the conclusion of the Chrysler debate in the U.S. Senate were most important as he pointed out that if Senate amendments to our legislation had taken away too many of the sacrifices which we had thought were necessary, all of the plan would come to naught. Fortunately, the plan had been crafted with sufficient reserves to stand the onslaught of a seeimingly endless number of difficult circumstances. All those who rejoice in the success of Chrysler owe a large debt to PAUL TSONGAS.

But the Chrysler battle was only one important example of his ability to espouse new ways in which American industry and the American people might surmount outmoded institutions and procedures. He has been a champion of sound economic growth, productivity, and democracy in public institutions.

Senator TSONGAS is also a good husband and a good father for his children. I admire his devotion to essential family goals and I know that he and his family will continue to offer leadership and inspiration to all of us in the years to come.

I am hopeful that he will continue to write and to speak out on important issues which face our country and to offer the same bold insights in private life which we have been privileged to hear during his service in the U.S. Senate.

TRIBUTE TO SENATOR JOHN TOWER

Mr. LUGAR. Mr. President, as this legislative session draws to a close, I would like to recognize one of our colleagues who is completing a long and distinguished Senate career. JOHN TOWER of Texas has given more than 23 years of continuous and dedicated service in the U.S. Senate.

Senator TOWER has been a strong and forceful Senate leader in many areas. He has been active on important budget issues, a leader in banking, housing, and urban affairs, and a strong chairman of the Republican Policy Committee. But I am certain that many colleagues would agree with me that his accomplishments in the area of national security have been most significant.

JOHN TOWER'S leadership on the leading defense and foreign policy issues of our times has been remarkable. From his position as chairman of the Armed Services Committee, has helped to rebuild the Nation's defenses during the past 4 years. It is not too much to say that the President's program would have had a far more difficult time in securing support were it not for the disciplined and competent leadership of JOHN TOWER. He has been an articulate spokesman for national defense, both in the Senate and throughout the United States.

I have been most impressed by the way in which Senator TOWER has maintained the close connections between military preparedness and foreign policy. It is all too easy to lose sight of the goals of our policies when debating the merits of defense procurement bills. Likewise, it is all too easy to lose sight of the fact that our national goals in foreign policy necessarily depend upon appropriate choices affecting our military preparedness.

JOHN TOWER has never lost sight of these relationships. He know the importance of coordinating our military choices with our foreign policy goals, and many of us have benefited from his wealth of knowledge.

I am confident that JOHN TOWER will continue to contribute to our national education in the coming years. I look forward to Senator TOWER'S continuing contributions with much expectation. He has become a national resource, and we have every reason to anticipate that JOHN TOWER will provide leadership in many ways for many years to come.

TRIBUTE TO SENATOR JENNINGS RANDOLPH

Mr. LUGAR. Mr. President, I will always remember JENNINGS RANDOLPH of West Virginia as a Senator who brought a sense of reverence, a sense of duty, and a sense of history to the proceedings of the U.S. Senate.

He stood at his desk to vote on thousands of occasions from 1958 through 1984 and asked that the Senate maintain a sense of order that all Senators might be heard and that greater thoughtfulness might be given to the privilege of voting on important issues.

He gave generously of himself to the Senate Prayer Breakfast Group with his thoughful comments based upon a great lifetime of experience and with his profound prayers which uplifted each of us in his circle of friends.

It always seemed most appropriate that one of the most senior members of the U.S. Senate should be a great champion for the rights, privileges, and responsibilities of young people in our country.

His championship of the right of 18-year-old citizens to register and vote is an important part of American history. His annual sponsorship of youth luncheons honoring scholarship and scientific achievement provided opportunities for all of us to celebrate the achievements of young people and to honor them appropriately under his leadership.

I remember the celebration of the 100th anniversary of the birth of Franklin D. Roosevelt and the participation by JENNINGS RANDOLPH in that joint session of Congress. He recalled the opening days of Franklin Roosevelt's first Presidential term of office and he provided, on the floor of the U.S. Senate, numerous insights into the legislative and executive leadership of our country during the past 50 years.

JENNINGS RANDOLPH is a personal testimony to the idea that public life is enriched through the continuity of great public servants who span decades of history and make important contributions in each year of that service. Our country will be blessed for many years by the ability of JENNINGS RANDOLPH to articulate not only the living history which he has influenced but additional goals and aspirations which we should have before us.

I look forward to witnessing his many achievements in the life of the great State of West Virginia which he has served so well and in the continued inspiration which his thoughts will give to the U.S. Senate.

TRIBUTE TO SENATOR HOWARD BAKER

Mr. LUGAR. Mr. President, HOWARD BAKER was elected leader of Republicans in the Senate on January 3, 1977, by a vote of 19 to 18. The Presidential election of 1976 had not been kind to Republicans but eight freshman Republican Senators were sworn into the Senate on January 3, 1977, and HOWARD BAKER appealed, successfully, to a substantial majority of that group. I remember receiving a telephone call from HOWARD BAKER at 4 p.m. on January 2. He asked me for support for leader and in response to my question, he affirmed that he thought he had at least 13 supporters. I gave him my personal commitment and sought to find others. I will always count that vote among the most significant that I have cast. Every expectation that I had for HOWARD'S leadership was fulfilled abundantly, again and again.

He will be remembered as the Republican leader who led the Republican Party in the Senate to accept responsibility for the governance of this country as a majority party. The transition form a quarter of a century of vigorous opposition to acceptance of the chairmanship of committees and subcommittees and responsibility to work with the President could have led to many stumbles and subsequent lack of confidence.

From the first legislative day in 1981, it was apparent that HOWARD BAKER would be chief advocate of President Ronald Reagan in the U.S. Senate and that he would attempt to obtain 51 votes for every reasonable administration proposal. He won those votes with an extraordinary combination of intelligence, patience, humility, good timing, personal eloquence, and careful vote-counting on all occasions, with generous accommodation for those Members who could not give help, immediately, but could be summoned to help in a later emergency.

President Reagan articulated a bold series of programs, but they took on legislative flesh only because HOWARD BAKER was able to enlist a majority of Senate Republicans to debate and, occasionally, to improve upon original proposals before enacting them into Senate legislation. At a recent dinner, President Reagan summed up the feeling of all of us when he said that he could not bear to think of HOWARD'S leaving the Senate because it simply hurt too much.

I have cherished him as a mentor and a loyal friend. I have seen him in temporary defeat but never in total discouragement or despair. He has not lacked ambition as his three tries to become leader of Republicans in the Senate and his campaign for the 1980 Presidential nomination will testify, but he has been prepared to subordinate personal recognition to the demands as which the history of this country put upon his shoulders and he leaves the Senate with universal respect and affection for an unparalleled leadership achievement.

Throughout all of this, his romance with Joy has continued and his pride in Cissy and Derek is enormous.

He is a good, sound, and complete man fully prepared for new adventure and for important service to our country.

CHILD SEXUAL ABUSE PREVENTION: TIPS TO PARENTS

Mrs. HAWKINS. Mr. President, the National Association of Retail Druggists has joined with the Department of Health and Human Services in introducing a new national campaign to assist parents in better understanding how to prevent the sexual abuse of their children.

"Child Sexual Abuse Prevention: Tips to Parents," a new HHS brochure developed by the National Center on Child Abuse and Neglect, was unveiled at the 86th Annual Convention of the National Association of Retail Druggists in Miami Beach, FL, September 30, 1984. The brochure carries the NARD service-mark, "Ask Your Family Pharmacist®." This symbolizes the typical role played by these health care professionals, who serve 18 million citizens daily, and are deeply involved in community and civic activities.

The National Association of Retail Druggists is to be complimented for its efforts to better inform the public about this most serious of national concerns.

Mr. President, I ask unanimous consent to print in the RECORD a copy of a letter dated September 28, 1984, from HHS Secretary Margaret Heckler to NARD outlining the new awareness campaign and saluting the NARD for its social commitment and leadership as well as printing a copy of the new brochure, "Child Sexual Abuse Prevention: Tips to Parents," and an article from the New York Times.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF HEALTH AND HUMAN SERVICES,
Washington, DC, September 28, 1984.

DEAR NARD MEMBER: In the last few weeks, 44 million American youngsters have returned to school. An additional six million preschool children will be in and out of home child care while their parents work. For most of these preschool and school aged girls and boys, the new academic year will be a rewarding and successful one; but for some, the months ahead will be fraught with uncertainty, fear, pain and indignity. Child abuse and neglect will darken the present and the future of those American children.

The statistics are awesome. This year the names of more than 1.5 million children will be reported to local child protective services agencies as the suspected victims of child abuse or neglect. We obviously cannot count or calculate the unreported cases. But we can fairly estimate that more than 100,000 youngsters will fall victim to sexual abuse.

This is an authentic American tragedy. It touches every sector of our society. It is a plague that can attack any child. Worst of all, our best estimate is that more than 80 percent of child sexual abuse occurs at the hands of a relative or adult who is known and trusted by the child.

The only silver lining in the storm cloud of recent reports about the sexual molestation of children in day care centers, schools and community organizations is that those sordid accounts have sounded a national alarm. Parents and the public have been alerted—a counter-attack is being mobilized.

Parents are not helpless. There are safeguards which can help parents prevent sexual abuse: by listening to their children, by recognizing the signs of child maltreatment, by teaching their children that their bodies belong to them alone and that any child has the right to say "no" to adults who make them feel uncomfortable. Parents must also subject their child care service choices to careful and continuous scrutiny.

You too can help us to do something about this problem. Our National Center on Child Abuse and Neglect has prepared a leaflet for parents, "Child Sexual Abuse Prevention: Tips for Parents." As health care professionals and as business persons, you have broad access to the public. More importantly, you have the public's trust. By assisting us in the distribution of this information, you become a valuable ally in the war against child abuse and neglect. When you hand this pamphlet to your customers—when you put it into their shopping bags, you are rendering a genuine public service. Your professional and personal concern for consumers and for children will serve as an inspiration to other national groups.

Thank you for your cooperation. It will benefit our nation's children. They are both our most valuable resource and our destiny. I salute the social commitment and the leadership of your National Association for reaching out to work with us and with you in this important task.

Sincerely,

MARGARET M. HECKLER,
Secretary.

CHILD SEXUAL ABUSE PREVENTION: TIPS TO PARENTS

LISTEN AND TALK WITH YOUR CHILDREN

Perhaps the most critical child sexual prevention strategy for parents is good communication with your children. This is not only challenging to every parent but also can be difficult, especially for working parents and parents of adolescents.

Talk to your child every day and take time to really listen and observe. Learn as many details as you can about your child's activities and feelings. Encourage him or her to share concerns and problems with you.

Explain that his or her body belongs only to them alone and that he or she has the

right to say no to anyone who might try to touch them.

Tell your child that some adult may try to hurt children and make them do things the child doesn't feel comfortable doing. Often these grownups call what they're doing a secret between themselves and the child.

Explain that some adults may even threaten children by saying that their parents may be hurt or killed if the child ever shares the secret. Emphasize that an adult who does something like this is doing something that is wrong.

Tell your child that adults whom they know, trust and love or someone who might be in a position of authority (like a babysitter, an uncle, a teacher or even a policeman) might try to do something like this. Try not to scare your children—emphasize that the vast majority of grownups never do this and that most adults are deeply concerned about protecting children from harm.

CHOOSING A PRESCHOOL OR CHILD CARE CENTER

Although the vast majority of this nations preschools and child care centers are perfectly safe places, recent reports of child sexual abuse in these settings are a source of great concern to parents.

Check to make sure that the program in reputable State or local licensing agencies, child care information and referral services, and other child care community agencies may be helpful sources of information. Find out whether there have been any past complaints.

Find out as much as you can about the teachers and caregivers. Talk with other parents who have used the program.

Learn about the school or center's hiring policies and practices. Ask how the organization recruits and selects staff. Find out whether they examine references, background checks, and previous employment history before hiring decisions are made.

Ask whether and how parents are involved during the day. Learn whether the center or school welcomes and supports participation. Be sensitive to the attitude and degree of openness about parental participation.

Ensure that you have the right to drop in and visit the program at any time.

Make sure you are informed about every planned outing. Never give the organization blanket permission to take your child off the premises.

Prohibit in writing the release of your child to anyone without your explicit authorization. Make sure that the program knows who will pick up your child on any given day.

If you think that your child has been abused—

Believe the child. Children rarely lie about sexual abuse.

Commend the child for telling you about the experience.

Convey your support for the child. A child's greatest fear is that he or she is at fault and responsible for the incident. Alleviating this self-blame is of paramount importance.

Temper your own reaction, recognizing that your perspective and acceptance are critical signals to the child. Your greatest challenge may be to not convey your own horror about the abuse.

Do not go to the school or program to talk about your concern. Instead, report the suspected molestation to a social services agency or the police.

Find a specialized agency that evaluates sexual abuse victims—a hospital or a child welfare agency or a community mental health therapy group. Keep asking until you find a group or an individual with appropriate expertise.

Search for a physician with the experience and training to detect and recognize sexual abuse when you seek a special medical examination for your child. Community sexual abuse treatment programs, childrens' hospitals and medical societies may be sources for referrals.

Talk with other parents to ascertain whether there are unusual behavior or physical symptoms in their children.

Remember that taking action is critical because if nothing is done, other children will continue to be at risk. Child sexual abuse is a community interest and concern.

Make sure that your child knows that if someone does something confusing to them, like touching or taking a naked picture or giving them gifts, that you want to be told about it. Reassure the child and explain that he or she will not be blamed for whatever an adult does with the child.

OBSERVE PHYSICAL AND BEHAVIORAL SIGNS

Children who may be too frightened to talk about sexual molestation may exhibit a variety of physical and behavioral signals. Any or several of these signs may be significant. Parents should assume responsibility for noticing such symptoms including:

Extreme changes in behavior such as loss of appetite.

Recurrent nightmares or disturbed sleep patterns and fear of the dark.

Regression to more infantile behavior such as bedwetting, thumb sucking, or excessive crying.

Torn or stained underclothing.

Vaginal or rectal bleeding, pain, itching, swollen genitals, and vaginal discharge.

Vaginal infections or venereal disease.

Unusual interest in or knowledge of sexual matters, expressing affection in ways inappropriate for a child of that age.

Fear of a person or an intense dislike at being left somewhere or with someone.

Other behavioral signals such as aggressive or disruptive behavior, withdrawal, running away or delinquent behavior, failing in school.

Finally, do not blame yourself. Sexual abuse is a fact in our society. Many individuals who molest children find work through employment and community activities which give them access to children. The vast majority of abuse occurs in situations where the child knows and trusts the adult. Do your homework well, but remember a community and national consciousness is needed before we can stamp out sexual molestation in our society.

[From the New York Times, Oct. 4, 1984]

SYMPOSIUM STUDIES CHILD MOLESTATION

WASHINGTON, Oct. 3.—The United States Justice Department today called child molestation one of the country's most frequent, least understood crimes and said that it might be affecting as many as one out of four children.

About 80 medical, mental-health, legal and social-service experts attended a two-day national symposium that ended this afternoon at the department. They shared professional opinions about the treatment of molesters, education to prevent sexual abuse of children and legislation to deal with the problem. The Federal Bureau of Investigation cited a study recently that said child molestation in this country could affect as many as 25 percent of the country's female children before they reach the age of 13. It also said that perhaps only 1 to 10 percent of the incidents of child molestation are reported.

Assistant Attorney General Lois Haight Herrington aid that child molestation was "perhaps the least understood and most poorly handled crime by our communities and our mental-health and criminal-justice systems."

She added that statistics on child molestation reflect "only the tip of the iceberg" and that the crime "is often not reported or discovered, let alone adequately investigated, prosecuted and sentenced."

Patti Linebaugh, the founder and executive director of Society's League Against Molestation, an organization, known as SLAM, that has branches in 43 states, called for an increase in Federal and state legislation and funds.

In her address at the symposium she said: "We must convince every state in the union to enact laws for mandatory, determinate prison sentences for first-time molesters." Mrs. Linebaugh told the group that her 2-year-old granddaughter was raped and strangled by a man who admitted to having committed at least 150 other acts of child molestation before he was put in prison.

"If the chain remains unbroken, by the turn of the century, just 15 years from now, the majority of our children will become victims of a molester," she said.

Last Friday, Congress authorized an increase that more than doubles the amount allocated for child-protection programs. Awaiting President Reagan's signature, the legislation authorizes about $158 million to be used in the next three years for the prevention and treatment of child abuse. The legislation also authorizes a three-year, $63 million program of matching grants to states for programs serving victims of family violence.

Society has a responsibility "to promise the abused child that the administrative and judicial system will protect him, will provide him with justice," Senator Paula Hawkins, Republican of Florida, told the group. "I am not sure that I can guarantee that today." Senator Hawkins, who earlier this year revealed she had been sexually molested by a neighbor as a child, said that too many sexually abused children were dealt with by a judicial system that humiliates and frightens them.

The symposium participants frequently referred to the final report, issued last month, of the Attorney General's Task Force on Family Violence. Among other recommendations was a suggestion that all Federal regulations require criminal-history backgrounds on all volunteers or employees working for agencies receiving Federal funding and providing care, training, supervision or otherwise dealing with children.

The task force also recommended that the Federal Government provide financial incentives to encourage states to train criminal-justice personnel. It suggested that states enact laws to extend the statute of limitations in criminal cases of child sexual abuse.

The Department of Health and Human Services is working with the National Association of Retail Druggists to seek funding for national distribution in pharmacies of a brochure for parents about the detection and treatment of child abuse occurring outside the home.

The brochure, "Child Sexual-Abuse Prevention: Tips to Parents," points to the most common behavior patterns in children who are being or have been molested, some of which include loss of appetite; recurrent

nightmares or disturbed sleep patterns; bedwetting and thumb-sucking; aggressive or delinquent behavior, and fear of a person or an intense dislike for being left alone with someone. For the free brochure, write to the National Center on Child Abuse and Neglect, P.O. Box 1182, Washington, D.C. 20013.

ANNIVERSARY OF THE CONSTITUTION, 1984

Mr. HATCH. Mr. President—

On Monday the 14th of May, A.D. 1787, and in the eleventh year of the independence of the United States of America, at the State-House in the city of Philadelphia—in virtue of appointments from their respective States, sundry deputies to the Federal convention appeared—but, a majority of the States not being represented, the Members present adjourned from day to day until Friday the 25th of the said month.

With these words the journal of the Constitutional Convention begins its account of the remarkable 16 weeks of work done by 55 men 197 years ago. The first act of the Convention on May 25 was to elect unanimously as chairman the man referred to affectionately in Madison's original journal of the proceedings as the general, George Washington. The last act of the Convention on September 17 was the signing by 39 delegates of the document which has formed the foundation of our liberties for nearly two centuries. Many have striven to describe with suitable majesty the forces and philosophies that gave rise to the Constitution. It seems to me, however, that Abraham Lincoln, speaking in 1860 when the Constitution withstood its greatest test, captured fittingly the motivating principle of the document:

Prosperity is not the result of accident. It has a philosophical cause. Without the Constitution and the union, we could not have attained the result; . . . . yet, there is something back of these entwining itself more closely about the human heart. That something is the principle of "liberty to all—" the principle that clears the path for all—gives hope to all—and, by consequence, enterprise and industry to all.

The liberties preserved by our Constitution are indeed the source of our prosperity and hope for the future. Accordingly, on September 17, 1984, the 197th anniversary of the signing of the Constitution, I was pleased as chairman to welcome as witnesses four students who had participated in an essay contest on the subject of the doctrine of federalism within the Constitution. I would like to submit for the RECORD the essay of each first-place winner, as well as the second and third place winners from the States that participated in the essay contest. At this time, I would also like to recognize and thank the judges from my home State of Utah who were involved in selecting the winners. They are as follows: Representative Donna Dahl, R-SL, Dr. W. Cleon Skousen, Dr. R.J. Snow, and Representative James Witucki, D-SL.

Mr. President, I ask unanimous consent that the essays be printed in the RECORD.

There being no objection, the essays were ordered to be printed in the RECORD, as follows:

FEDERALISM: A PERSEVERING FORCE IN AMERICAN GOVERNMENT

(Sloane Kathryn Ivancich, Salt Lake City, Utah)

Following the Revolutionary War, the people of America needed to form their own system of government. Because of the lack of freedom the colonies had under the rule of Great Britain, the people were determined to ensure the rights of the individual states. Hence, the people would not allow the new government to be a unitary one. Yet, it was soon realized that a confederation of sovereign states and a national government without power, the government under the Articles of Confederation, was inadequate to run a country. As a result, a federal system of government was established and the doctrine of federalism emerged. Federalism is the distribution of political power between two independent spheres of government: a national government, with authority over the entire country; and many separate, local governments.[1] Or as political theorist K.C. Wheare once suggested, ". . . federalism is a system in which two levels of government operate within the same geographical limits and neither has the power to destroy the other." [2] Although federalism is not a system without flaws, it has remained a part of our government and is perpetuated by the beliefs and institutions inherent in American society.

The United States Constitution has helped to form the basis for maintaining federalism in the American governmental structure. Although it is not directly stated in the Constitution that the United States is based on a federal system of government, there are three key clauses in the Constitution that have determined the character of American federalism.[3] The first of these clauses is the Tenth Amendment which helps to draw the distinction between what the states can and cannot do. This amendment states that the "powers not delegated to the United States by the Constitution, nor prohibited by it to the States are reserved to the States respectively, or to the people." [4] In adding this amendment to the Constitution, it was clarified that all powers not enumerated to the national government would be left to the states.

The second of these clauses is the "supremacy" clause. It is written into Article IV of the Constitution and begins, "This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be made the supreme law of the land . . ." [5] Thus, if a state constitution or law conflicts with the United States Constitution, a national law, or treaty, the national ordinance prevails.

The third key clause in the Constitution that determines the system of federalism in America is the "necessary and proper clause." It is the eighteenth grant of power to Congress in section 8 of Article I and gives Congress the power to "make all laws which shall be necessary and proper for carrying into execution the foregoing powers and all other powers vested by this Constitution in the government of the United States or in any department or officer thereof." [6] This clause, also known as the elastic clause, enables the national government to stretch its powers beyond the enumerated powers. This interpretation of the clause was affirmed by the Supreme Court in the 1819 case of *McCulloch v. Maryland*, in which the Court stated, ". . . we think the sound construction of the Constitution must allow to the national legislature that discretion, with respect to the means by which the powers it confers are to be carried into execution, which will enable that body to perform the high duties assigned to it, in the manner most beneficial to the people." [7]

Thus, in three key clauses of the Constitution, America's system of federalism is outlined. Moreover, it has been sustained by the traditional strength of the United States Constitution.

However, because the Constitution does not set absolute limits to the power of the national government, it is often difficult to define the boundaries between state and national powers. It is thereby necessary to find an arbitrator to solve the conflicts between the state governments and the national government. This arbitrator was found in the Supreme Court. Without it, the federal system could not last. As author Bernard Schwartz points out in his book, *The Reins of Power*, ". . . the high bench is the bolt that holds the federal machinery together. Draw it out and there would be no real federal system, but only a moral union between the states." [8] Yet, even the Supreme Court cannot always determine the exact boundary between what should fall under the authority of the states and what should fall under the authority of the national government. One example of this is the difficulty in trying to determine what is interstate commerce and what is intrastate commerce. By decree of the Constitution, the national government has the right to regulate interstate commerce. But it is extremely difficult to determine when intrastate commerce becomes interstate commerce. In cases such as this, it is necessary for both levels of government to compromise.[9]

Not everyone believes that federalism has remained a vital part of our government. Some people feel that federalism no longer exists because the national government has swallowed-up much of the power of the states. These people feel that federalism exists only in theory and that it is no longer in practice.[10] However, the increases in na-

[1] Robert Carr, Marver Bernstein, Donald Morrison, and Joseph McLean, *American Democracy: In Theory and Practice;* (New York: Holt, Rinehart, and Winston, 1960), p. 74

[2] Kenneth C. Wheare, *Federal Government* in John P. Roche, "Constitutional Law," *International Encyclopedia of the Social Science.*

[3] Carr, Bernstein, Morrison, and McLean, p. 75

[4] *Ibid*, p. 75

[5] *Ibid*, p. 76

[6] Carr, Bernstein, Morrison, and McLean, p. 77.

[7] Peter Woll, *American Government: Readings and Cases* (Boston: Little, Brown and Company, 1981), pp. 86-87.

[8] Schwartz, (New York: Hill and Wang, 1963), p. 200.

[9] Carr, Bernstein, Morrison, and McLean, p. 97.

[10] Andrew C. McLaughlin, *A Constitutional History of the United States* (New York: Appleton-Century Company, Inc., 1963), p. 789.

tional power are based on the nation's needs at a particular time. The first Hoover Commission once said, "Emphasis shifts from generation to generation as the American people fashion their government to meet the needs of changing times and changing conditions."[11] For example, during President Franklin D. Roosevelt's administration, the country was faced with a severe economic depression. Roosevelt's New Deal, which shifted a lot of power to the national government, was an effort to alleviate the problems caused by the poor economy. Thus, federalism allows for a national or centralized government to deal with nationwide problems. And that does not mean that the states are losing all of their powers. Furthermore, the national government exercises its increased powers through the state governments, still allowing the states to retain much of their power.[12] The welfare system, the interstate highway system, city improvement projects, and grant-in-aid programs are all examples of programs in which the national government doesn't exactly govern as much as it attempts to encourage the states to govern in agreement with national plans.[13]

In addition, the people are unwilling to allow the national government to destroy the power of the state and local levels. Not only do they fear too strong a national government, but they also still depend on a largely localized government because of the differences between various localities.[14] The needs of one community are not always identical to the needs of another community. States can maintain their independence because of a commitment by Americans "to the idea of local self-government and on the fact that Congress consists of persons who are selectecd by and responsive to local constituencies."[15] Hence, the people of America play a large role in keeping the federal system working. As Alexis de Tocqueville stated after observing American federalism in 1831, "I have never been more struck by the good sense and the practical judgement of the Americans than in the manner in which they elude the numberless difficulties resulting from their federal constitution."[16] Tocqueville again praised the American people when he stated:

"The accidental defects of the federal system which originate in the laws may be corrected by the skill of the legislator, but there are evils inherent in the system which cannot be remedied by any effort. The people must therefore find in themselves the strength necessary to bear the natural imperfections of their government."[17]

According to Tocqueville, federalism works in the United States, even though it often fails in other countries, because of the good sense, pragmatism, and tolerance of the American people.

The country of Brazil, for example, tried to imitate the United States' federal system, but it failed for two major reasons. First, the principals of federalism were foreign to Brazil and were never adequately combined with the nation's traditions.[18] However, the situation is different in the United States. The federal system was developed by the American people to suit their own needs; it was not a copy of another country's government. Second, the states within Brazil were too dissimilar.[19] There were only a few states in Brazil with the financial resources that could support a modern government; the rest of the states were, to a large degree, backward. Thus, in Brazil there could not be a balance between the states and the central government because only a few states had the means to support the central government.[20] In contrast is the United States. As Alexis de Tocqueville points out, "The circumstance which makes it easy to maintain a Federal government in America is not only that the states have similar interests, a common origin, and a common language, but they have also arrived at the same stage of civilization."[21]

The system of federalism has been sustained in the American society. The factors that have added to its perpetuation are many. The traditional strength of the United States Constitution is a vital force in maintaining federalism. In addition, the American people, themselves, have made a contribution in their determination to preserve the federal system. And, lastly, the grass-roots structure of the American society has added to the perpetuation of federalism.

BIBLIOGRAPHY

Carr, Robert; Bernstein, Marver; Morrison, Donald; McLean, Joseph. *American Democracy: In Theory and Practice.* New York; Holt, Rinehart and Winston, 1960.

Elazer, Daniel J. "Federalism." *International Encyclopedia of the Social Sciences.* 1968 ed.

Lipson, Leslie. *The Great Issues of Politics.* New Jersey, Prentice-Hall, Inc., 1981.

McLaughlin, Andrew C. *A Constitutional History of the United States.* New York: Appleton-century Company, Inc., 1963.

Morley, Felix, *Freedom and Federalism.* Chicago: Henry Regnery Company, 1959.

Roche, John P. "Constitutional Law." *International Encyclopedia of the Social Sciences.* 1968 ed.

Schwartz, Bernard. *The Reins of Power.* New York: Hill and Wang, 1963.

Wilson, James Q. *American Government: Institutions and Policies.* Lexington: D.C. Heath and Company, 1983.

Woll, Peter. *American Government: Readings and Cases.* Boston: Little, Brown and Company, 1981.

FEDERALISM

(By Miss Claire Lawerence, Judge Memorial High School, Salt Lake City, UT)

"If we are unwilling to be placed in this perilous situation; if we still adhere to the design of a national government, or, which is the same thing, of a superintending power, under the direction of a Common council, we must resolve to incorporate into our plan those ingredients which may be considered as forming the characteristic difference between a league and a government; we must extend the authority of the Union to the persons of the citizens—the only proper objects of government." Alexander Hamilton, *The Federalist*[1]

"American government can no longer be understood from the singular perspective of the national, state or local—if it ever could. Its operations are too intertwined, engaging more than one level in almost all operations. Whether the function is as universally essential as sewage disposal or as esoteric as support for a symphony orchestra, more than one government is likely to be involved. Understanding requires consideration of all governments and their interactions. Furthermore, the relationships themselves have consequences for the adoption and implemenation of public policy." Parris N. Glendening and Mavis M. Reeves, *Pragmatic Federalism*[2]

Federalism is the central characteristic of American government and politics. In its American form it is the relationship between the intricate aspects and levels of government. It is impossible to understand the workings of America's government without understanding the doctrine of federalism—that of the diffusion of power between the national and local governments.

"Federalism is a governmental operation seen as being developed in America for the purpose of providing a balance between the completely democratic government in which injustices could be fostered by the spread of popular passion and the autocratic and dictatorial government in which abuses could take place at the hands of a few powerful men".[3]

Our founding fathers, in creating the federalistic Constitution, sought to eliminate in our system the despotism that can exist in all forms of government, from the largest democracy to the smallest dictatorship.

After the failure of the Articles of Confederation our government was set up as a political experiment in the principle known as covenant—a lasting but limited contract between men—and not a hierarchical system of contracts between governments.[4] The word *federal* is in fact ". . . derived from the Latin *feodus*, which means covenant, first used in 1645 in the midst of the English Civil War to describe covenantal relationships of both a political and theological nature."[5] Federal as a word was not used in its present sense until 1777 during the American Revolution.

To understand federalism one must first realize that our founding fathers (Jefferson, Hamilton, Madison and the rest) were not the first to come up with the idea of a federal system of government. Examples throughout history had shown the successes and failures of a centralized government; there were models and ideas readily available for them to build on.

One of the main problems these men had to face was the size and geographic diversity of the area they were trying to govern. A prime question was the ability of a central government to send messages and govern

---

[11] Commission on Organization of the Executive Branch of the Government, *Overseas Administration, Federal-State relations, Federal Research,* in Carr, Bernstein, and McLean, p. 111.

[12] James Q. Wilson, *American Government: Institutions and Policies,* (Lexington: D.C. health and Company, 1983), p. 45.

[13] *Ibid,* pp. 45-46.

[14] Felix Morley, *Freedom and Federalism* (Chicago: Henry Regnery Company, 1959), p. 234-235.

[15] James Q. Wilson, p. 45.

[16] "Democracy in America: the Federal Constitution," quoted by Woll, p. 74.

[17] *Ibid.* p. 81.

[18] Leslie Lipson, *The Great Issues of Politics,* (New Jersey: Prentice-Hall, Inc., 1981), p. 302.

[19] *Ibid,* p. 302.

[20] Not available.

[21] "Democracy in America: The Federal Constitution," quoted by Woll, p. 74.

[1] Alexander Hamilton, *The Federalist,* as quoted in Alpheus T. Mason, *Free Government in The Making: Readings in American Political Thought,* Oxford University Press, New York, 1956, p. 270.

[2] Glendening, Parris N. and Reeves, Mavis M. *Pragmatic Federalism: An Intergovernmental View of American Government.* Palisades Publishers, Pacific Palisades, California, 1977, p. vii.

[3] Parris N. Glendening, and Mavis M. Reeves, *Pragmatic Federalism: An Intergovernmental View of American Government,* Palisades Publishers, Pacific Palisades, California, 1977, p. 300.

[4] Geoffrey Sawer, *Modern Federalism,* C. A. Watts & Co., Ltd., London, 1969, p. 8.

[5] *Ibid.*

when transportation and mail carrying were risky at the least.

The Roman Empire was a historical example of a huge sovereign empire controlled by a strong central government. Because it conquered many countries and cultures and covered a vast territory, it is an example of division of power down to the governments under control of the Emperor and how sovereign states can exist while being controlled by a strong central government. Its contribution to modern federalism is its employment of coordinated authority and its seeking to reduce imperial domination to the authority of councils, etc.

Johannes Althanasius became one of the first federalistic thinkers when, influenced by Jean Bodin's concept of sovereignty, he wrote about sovereign states bound together by pacts or classes of laws dealing with mutual aid, defense against internal and external attack and the settlement of disputes between members of a federalistic system. Althanasius developed the idea of "corporation"—recognizing not only the states in the confederation but also the importance of other lower divisions such as cities being vehicles of government.

Pirfendorf was the next to add any serious ideas to the doctrines of federalism. He developed his theory of a state containing states within itself and of a confederation being the most logical form of a union of states. He developed the idea of a federal assembly to govern and decide among the states while allowing them to maintain their sovereignty.

To understand how the doctrine of federalism developed it is necessary to understand the political climate of the times in which it began. John Locke had destroyed the theory of "divine right of kings" and the political thinkers were just beginning to deal with the concept of popular government. Rousseau's federal ideas were of the small state in which every citizen could take part in the governing of that state. And Montesquieu dealt with two views—rituality and expediency, meaning that states in a confederation should be similar in goals and purposes. He also developed the ideas of representation proportional to the size and status of the confederate states.

In 1787 the Constitutional Convention met at Philadelphia, Pennsylvania. One of its purposes: to draw up a constitution for the United States of America that would give the newborn republic a chance of surviving as the weak and inefficient Articles of Confederation under which the country was presently struggling were nearing collapse. A distinguished and brilliant group attended: Thomas Jefferson, Benjamin Franklin, Alexander Hamilton, George Washington, James Madison—all statesmen of the highest caliber. They desired the formation of a stronger government, one that would sustain the country in times of peace and war and one that would bond the states together to form a republic. They drafted the Constitution—a startling and unprecedented document that set up a form of government that had never been tried before—that of a federalistic centralized republic.

The Constitution shocked states' rights advocates. They believed that under a federal system of government the states would lose their sovereignty and thus the country would again be under the control of an autocratic government as it was under Great Britain. Elbridge Gerry pointed out what he felt to be the major defect in the draft constitution:

"It is presumed the great body of the people unite in sentiment with the writer of these observations . . . They wish to see the Confederated States bound together by the most indissoluble union, but without renouncing their separate sovereignties and independence, and becoming tributaries to a consolidated fabric of aristocratic tyranny.—They wish to see government established, and peaceably holding the reins with honour, energy, and dignity; but they wish for no *federal city* whose 'cloud cap't towers' may screen the state culprit from the hand of justice, while its exclusive jurisdiction may protect the riot of armies encamped within its limits."[6]

Four states immediately ratified the Constitution. Three others soon joined, giving the two-thirds majority that was required to adopt it. It was formally adopted on June 21, 1788; but four states still had not ratified it.

Alexander Hamilton, John Jay and James Madison published a series of essays known as The Federalist in the New York newspapers under the pseudonym *Publius*. They were engineered chiefly as propaganda to promote ratification by the largest remaining dissenter, New York. This collection of papers set out the basic tenets of what was to become the American system of government, written in defense of the Constitution. The three main ideas set out in the eighty five essays were: the difficulties of administration would be lessened by a strong centralized government without interfering with the administration of local affairs; foreign policy would be more easily dealt with in a federation than a confederation of individual states; and, because of man's very nature, there would be dissention among the states unless a strong union formed by common goals was formed.

"Nothing is more certain than the indispensible necessity of Government, and it is equally undeniable that whenever and however it is instituted, the people must cede to it some of their natural rights, in order to vest it with requisite powers. It is well worthy of consideration therefore whether it would conduce more to the interest of the American people, that they should to all general purposes, be one nation under one federal government than that they should divide themselves into separate confederacies, and give to the head of each, the same kind of powers which they are reluctant to place in one national government.[7]

The preamble of the Constitution starts "We, the People", not "We, the States" as did the Articles of Confederation. Thus is implied a union of the American people as individuals involved in their own governing process, not a confederation of states, each separate and diverse and incapable of working together to foster our Great Experiment in democracy.

Influential in the formation of our form of government was nationalism—a patriotic feeling of pride and unity with one's country that was strongly fostered in young America because of its recent fight for liberty. To the founding fathers America was more than a country. It was an idea—liberty, freedom of the individual and escape from a monarchic government which controlled every aspect of life. They had a strong nationalistic sense and an intense desire to preserve the union. And the only way they could see to do this was to create a central government strong enough to discipline the states and avoid breaking up the union. Federalism did not evolve because the founding fathers were nationalistic in the modern sense, that they loved America because it was "the land of the free and the home of the brave." It was impossible for them to feel this way because the American character had not yet been shaped. Their feelings were for a set of ideas written in a document known as the Constitution—ideas that they prayed would work.

Sectionalism—the feeling of loyalty to a state or particular region of the country—also played a role in the shaping of American government. The American people were intensely frightened of strong government; they leaned much more closely towards anarchy. This was the cause of the weakness of the Articles of Confederation, in which a group of states were closely bonded together with no regulation of trade or of the amounts of currency coined. Disputes between states which were geographically, politically and socially diverse of course erupted, thus causing the articles to fail. Sectionalism was then of prime importance in influencing our founding fathers because it was the cause behind the Articles of Confederation which were themselves testament to the need for a strong government without the loss of individual rights.

Federalism is of great importance today. It deals with several of the questions raised in today's politics, such as the right of the federal government to place the MX missile sites and toxic waste dumps in federally owned Utah lands without the permission of the Utah State government. These are important questions that have a direct effect on our lives today and that can be answered only when we come to an understanding of exactly which powers belong to the state and federal governments. A people cannot safely maintain their government (and prevent abuses from taking place) if they are ignorant of the basic doctrines upon which it is based. I feel that it is important to have a knowledge of American federalism because it is an integral part of our government—a government that has so long protected us and given us freedom, but a government that, like all others, can become corrupt if the delicate system of checks and balances becomes upset.

"Americans . . . face unprecedented problems of national security—possibly even of survival—in a divided world, but they face critical problems at home in the preservation of American federalism, problems which few of them seem to realize. It is quite conceivable that the nation might survive, and its federal system of government by irretrievably lost.

"The American federal system has served the people well for nearly 200 years. It has great elements of strength. It has survived crises in the past and will, in all probability, survive others in the future. But there is no assurance that it will always continue to do so unless statesmanlike solutions are found—and found quickly—to meet new problems arising out of an almost completely different set of social and economic conditions under which it must operate now and in the future.

"The time may be later than we think."[8]

I feel this to be an overly pessimistic view of our federal system of government. One of the main reasons this government has endured has been its adaptability to changing circumstances. I feel that the system will

[6] Mason, *op. cit.*, p. 257.

[7] Daniel J. Elazar, *The Politics of American Federalism*, D. C. Heath & Co., Lexington, Mass., 1969, p. 2.

[8] Glendening and Reeves, *op. cit.*, p. 311.

continue to adapt as the world changes around it. Daniel Elazar has projected a policy framework that he feels our government will follow: "(1) All governments will continue to grow in size, expenditures and scope of activities. (2) Sharing of power will be equally important in the future and will even seem to increase. (3) The states will have to act constantly and with greater vigor to maintain their traditional position as the keystones in the American governmental arch. (4) Localities will have to struggle for policy—as distinct from administrative—control of new programs."[9]

I would add a fifth to his list of predictions, the fact that our government system can and will prevail if we understand it and learn how to use it to secure the common good. Based on one belief—that of the individual's right to liberty—all aspects of the American system are geared toward safekeeping democracy, especially the federalistic system because it is the only form in which we have known true freedom to survive.

BIBLIOGRAPHY

Bailey, Thomas A. and Kennedy, David M. *The American Pageant: A History of the Republic.* D. C. Heath & Co., Lexington, Massachu·etts. 1979.

Bernier, Ivan. *International and Legal Aspects of Federalism.* The Shoe String Press, Inc., Hamden, Connecticut. 1973.

Bowie, Robert R. and Friedrich, Carl J. *Studies in Federalism.* Little, Brown and Co., Boston, Massachusetts. 1954.

Elazar, Daniel J. *American Federalism: A View from the States.* Harper & Row, New York, New York. 1972.

Elazar, Daniel J. *The Politics of American Federalism.* D. C. Heath & Co., Lexington, Massachusetts. 1969.

Elazar, Daniel J., Carroll, R. Bruce, Levine, E. Lester and St. Angelo, Douglas. *Cooperation and Conflict: Readings in American Federalism.* F. E. Peacock Publishers, Inc., Itasca, Illinois. 1969.

Glendening, Parris N. and Reeves, Mavis M. *Pragmatic Federalism: An Intergovernmental View of American Government.* Palisades Publishers, Pacific Palisades, California. 1977.

King, Preston. *Federalism and Federation.* Croon Helm, London. 1982.

Leach, Richard M. *American Federalism.* W. W. Norton & Co., New York, New York. 1970.

Mason, Alpheus Thomas. *Free Government in the Making: Readings in American Political Thought.* Oxford University Press, New York, New York. 1956.

Mogi, Sobei. *The Problem of Federalism.* Macmillan Co., New York, New York. 1931.

Sawer, Geoffery. *Modern Federalism.* C. A. Watts & Co., Ltd., London. 1969.

Jay, John Hamilton, Alexander and Madison, James. *The Federalist.* October 27, 1787 to August 15, 1788.

FEDERALISM IN THE UNITED STATES

(By Mr. Jack Edward Ottaway, Weber High School, North Ogden, Utah)

The principle of federalism, since its inclusion in our Constitution, has become an integral part of the American government and history. The word federalism takes its origin from the Greek term foedus meaning treaty.[1] Today, however, historians describe federalism as the coexistence of two or more governmental levels, each with its own powers and duties, yet still maintaining unity. The federal system is unique from other democratic forms of government because of that. Confederacies and unitary systems allow for imbalances in power; a true federation does not.[2] Our American government has, for nearly two hundred years, sought to preserve this belief.

The beginnings of federalism were seen as early as Ancient Greece; however, the Holy Roman Empire is generally accepted as Eurasia's first federation.[3] Others included the early Swiss Confederation and the United Netherlands of the sixteenth century. In 1787 the United States of America became the first true federation in North America. The U.S. Constitution incorporated a bold new federalistic theory. Switzerland followed suit in 1848 with a constitution similar to that of America. Nineteen years later, the British-North America Act established a federal type of government in Canada. Britain's other large possession, Australia, became a federation in 1900.[4] Since then a number of federations have arisen in post-World War II Europe and the turbulent Central American countries.

The reasons for the Founding Fathers' choice of an American government involving federalism are debated even today. An opinion I share is that when a country encompasses a large number of special interest groups, it is best served by federalism. Such was the case during America's "Critical Period" betwen 1781 and 1789. A national government formed in 1781 under the Articles of Confederation proved itself much too weak and subordinate to the thirteen states. Significant weaknesses in the Articles were: no national executive branch, ineffective tax collection, no central power over interstate commerce, and the absence of a federal judiciary. As a result, the United States was shown disrespect at home and abroad. While disgruntled Massachusetts farmers staged a rebellion to demand more paper currency, scheming European countries plotted to recover territory in the Americas. In response, delegates to the Annapolis Convention of 1786 urged Congress to take action immediately.[5]

The Continental Congress, on February 21, 1787, decreed that a meeting of the states was imperative "for the sole and express purpose of revising" the Articles of Confederation.[6] Later that spring the Philadelphia Convention gathered to do so. Representatives from every state except Rhode Island spent nearly four months in session. The end product was a new United States Constitution composed of numerous compromises. The new government was intended to concede as much power to the states as possible without impairing national sovereignty.

Opposition to the Constitution swelled, nevertheless, especially from the less-educated people of agrarian background. Men who supported the Constitution took advantage of this apparent ignorance to accelerate the ratification process. Alexander Hamilton, James Madison, and John Jay authored the *Federalist*, a political thesis in support of the new government and federalism in general. The series of essays in the book was effective propaganda in that it convinced the states and people that their subordination would not lead to their obliteration. In essay forty-six Madison discussed that:

"The adversaries of the Constitution seem to have lost sight of the people * * * they must be told that the ultimate authority, wherever the derivative may be found, resides in the people alone * * *"[7]

Elsewhere in the book the philosophies of Montesquieu and Voltaire were incorporated to soothe fears of the new system. Ultimately the *Federalist* was successful; ratification concluded on July 2, 1788 with nine states giving the nod of approval.

Examples of federalism in the U.S. Constitution are evident. A compromise among convention delegates spurred the idea of a bicameral national legislation outlined in Article I of the Constitution. The House of Representatives pleased men of the "common interest," whereas the Senate was favorable to the aristocracy. Thus no region or interest took precedence over another.[8] Article I, Section 8 of the document "enumerates" the specific powers of the Congress and of the national government in whole. Section 9 goes on to discuss the limitations on the Congress. "Residual" or reserved powers to the states and people are found in the ninth and tenth amendments to the Constitution. "Those powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people."[9] Those privileges not specifically encountered in the above situations are held concurrently by both levels of government, or denied to both. An example of shared responsibility is the power to levy taxes on both a state and national level. In the same respect, neither level may grant a title of nobility. Overall, the structure of federalism in the U.S. Constitution began as a mere "skeleton"; the "meat" had yet to come.

Federalism has instituted a remarkable degree of success in the United States Constitution. The federal system unified our nation in a time of diverse opinions and interests. Moreover, the fragile position of the country was significantly bolstered by the strength of federalism. European nations had reason to respect the United States. Also, examples were set for all freedom-seeking countries desiring an effective government. Tested and tried by a civil war, two world wars, a massive economic depression, and changing politics, federalism appears to have succeeded in America.

The weaknesses of federalism are evident, just as strengths were. Notable was the lack of an effective national banking system until the twentieth century. The early attempts of Alexander Hamilton to secure a stong federal bank were futile. States' rights advocates, including President Andrew Jackson, stifled the early banks as a protection of their sovereign interests.[10] Not until the Federal Reserve Act of 1913 did a solution occur. A network of twelve national banks was designated to serve private banks throughout the country. Other challenges to federalism regarding commerce control, civil rights, et al. have seen review by either congressional legislation or court decisions. The menace of rampant bureaucracy is a problem still unsolved, though.

The excessive involvement between national and state governments is a concern of contemporary politicians and historians. One author, Michael Reagan, believes that the old style of federalism has been severely diminished in the wake of intergovernmental bureaucracy.[11] In his opinion, a "New Federalism" has evolved stressing the interdependence and sharing of functions between the levels of government. Today's federalism is changed not by the Constitution, but by court decisions, legislation, political custom.[12] Reagan explains this threat

---

[9] Elazar, *op. cit.*, pp. 221-225.

[1] Footnotes at end of article.

to federalism as the failure of states to adequately finance the services they provide. To remedy the problem, the federal government has involved itself in state affairs, thereby creating an unseparated system contrary to the idea of federalism. Now those same federal officials are seeking to get government "off the back" of the states.

President Ronald Reagan vowed in his 1980 inaugural address to see the proper division of responsibility between the levels of government. He proposed a "New Federalism" not of bureaucracy, but of efficiency.[13] Initial support for President Reagan's program came from the National Governors' Association, congresssional committees, and the Advisory Committee on Intergovernmental Relations (ACIR).[14] ACIR issued a report stating that "the federal government's influence has become more pervasive, more intrusive, more unmanageable, more ineffective, more costly, and above all, more unaccountable."

Murray Weidenbaum, Chairman of the President's Council of Economic Advisors, explained the reasons for the "New Federalism" in a September, 1981 speech. He stated that the administration is "committed to restoring and strengthening the federal system."[15] The states formed the federal government and therefore should not have to face some 1,259 regulations on use of federal grants, he believes. In addition, Weidenbaum cited the recommendations of the President's Federalism Advisory Committee as a reason for the "New Federalism."

To accomplish the "New Federalism," the Reagan administration implemented a "block grant" system. Block grants were designed to consolidate the 500 individual grants into a few large, moderately restricted grants.[16] Benefits of the block grants include: reduced overhead burdens on all levels, more accountability over expenditures to state and local governments, and overall better cooperation among the governments. Despite these promising reforms, opposition has been expressed to the block grants.

The poor reception of Reagan's "New Federalism" is apparent in Congress, and among the public. A bi-partisan Congress rejected the majority of the proposed block grants. Of the six planned block grants, only two were formed to consolidate a few health programs.[17] At the U.S. Conference of Mayors, concerns were raised about the program. Civil rights, education, and religious leaders also expressed wariness at entrusting finances to the states. Furthermore, citizens' groups have formed coalitions to oppose the President's plan.[18] The current outlook for the "New Federalism" is rather gloomy, and unlikely to improve in the wake of these protests. A compromise between conflicting groups is imperative to the well-being of federalism in the United States.

In the future, federalism will probably not meet its demise, but may be faced with more change. For nearly two centuries federalism has guided this nation; any catastrophes are unlikely. The people of America may change and the policies of our country may change, but this was to be expected in a federation. Just as conflicting interests were overcome in 1787, so will those facing us in years to come. Federalism in the United States Constitution truly has been influential in the success of America.

FOOTNOTES

[1] Garry Wills, *Explaining America: The Federalist* (Garden City: Doubleday & Co., 1981), p. 169.
[2] "Federalism," *Encyclopedia Americana*, 1979 ed.
[3] Ibid.
[4] Ibid.
[5] Thomas A. Bailey, David M. Kennedy, *The American Pageant* (Lexington: D.C. Heath & Co., 1979), p. 128.
[6] Ibid., p. 128.
[7] Alexander Hamilton, James Madison, John Jay, *The Federalist* (New York: The New American Library, 1961), p. 294.
[8] Selective References from the Writings of Frank W. Fox and LeGrand L. Baker, p. 3.
[9] U.S. Government Printing Office, ed., *The Constitution of the United State of America* (Washington: U.S. Government Printing Office, 1972), p. v.
[10] Bailey, pp. 238-240.
[11] Michael D. Reagan, *The New Federalism* (New York: Oxford University Press, 1972), pp. 3-4.
[12] Ibid., pp. 3-4.
[13] David L. Barnett, "Time to Rein in Federal Government?" *U.S. News and World Report*, 11 May 1981, p. 48.
[14] Ibid., p. 48.
[15] Murray L. Weidenbaum, "Strengthening Our Federal System," *Vital Speeches*, 15 October 1981, pp. 9-10.
[16] Ibid., p. 10.
[17] Walter Isaacson, "Block Those Grants!" *Newsweek*, 22 June 1981, p. 15.
[18] Ibid. p. 15.

BIBLIOGRAPHY

Bailey, Thomas A.; Kennedy, David M., *The American Pageant*. Lexington: D.C. Heath & Co., 1979.

Barnett, David L. "Time to Rein in Federal Government? *U.S. News and World Report*, 11 May 1981, pp. 48-58.

Encyclopedia Americana, 1982 ed., 11 V. "Federalism."

Hamilton, Alexander; Madison, James; Jay, John. *The Federalist*. New York: The New American Library, 1961.

Isaacson, Walter. "Block Those Grants!" *Newsweek*, 22 June 1981, p. 15.

Reagan, Michael D. *The New Federalism*. New York: Oxford University Press, 1972.

U.S. Government Printing Office, The Constitution of the United States of America. Washington: U.S. Government Printing Office, 1972.

Weidenbaum, Murray L. "Strengthening Our Federal System," *Vital Speeches*, 15 October 1981, pp. 9-10.

Wills, Garry. *Explaining America: The Federalist*. Garden City: Doubleday & Co., 1981.

FEDERALISM

(By Nanci Jean Bandes, Scottsdale, AZ.)

". . . An indestructible Union, composed of indestructible States." [1] As given by the Supreme Court justices in the case of Texas v. White, 1869, this definition represents the true essence of American federalism itself. Federalism has had the most impact on our democracy in the United States, and is the most important concept of American governmental organization today.

". . . American federalism is a form of political organization in which the exercise of power is divided between two levels of government, each having the same citizen body." [2] These powers of government are divided on a constitutional basis, and are divided between a central or national government and regional units or states. Both governments have authority, though limited, to act in ways which directly affect the people of the governed area.

Federalism is unique in that it permits local action in areas of local concern, yet also provides for the strength and power that come from a union of separate entities. New Jersey, for example, gives bus transportation to private as well as public school students, while other states may not. Other examples are Nebraska's unique unicameral legislature, and Nevada's legalized gambling.[3]

While permitting variance in local concerns, federalism also, however, provides unity and strength in national concerns, such as a natural disaster or a crisis in a particular state, when all the resources of the entire country are available for any necessary aid.

A primary principle of American federalism is that "the national government would use its superior resources to initiate and support national programs principally administered by the states and localities." [4] The sharing that occurs between national and state governments has a great effect on the lives of every American citizen.

It is important to note that the division of power by the Founding Fathers was based on the needs of the times rather than a preconceived formula, although some members of the Constitutional Convention knew of other federal systems in ancient Greece and Switzerland and were familiar with the theoretical literature about such systems.[5] Since that time, there have come to be certain principles common to all federal systems, as well as an important part of government in the United States.

1. The Federal relationship must be established or confirmed through a written covenant that outlines the terms by which power is shared.

2. Power is diffused into many substantially self-sustaining powers in noncentralization.

3. Territorial democracy is present to ensure equal representation of various groups and interacts, and to secure representation of diverse groups.[6]

Later, the new states to be admitted to the Union were even less interested in the legal or theoretical aspects of federalism as they were in its utility: "cooperation, joint enterprise, and partnership in building a prosperous nation." [7] The effects of the practical uses of federalism, past and present, in fact, are felt in every aspect of our national activity.

Like all governments, that of the United States began of necessity. The social, economic, and political problems of the 1780s proved the need for a stronger central government than that of the weak Congress under the Articles of Confederation.[8] Subject to many strong limitations on its powers, Congress could enforce no decision, and in many matters, including amendment, the consent of every state was required. Furthermore, before the states combined, the charters of the colonies defining the modes of their governments were radically different. In both war and peace, the people of the young nation could neither conduct their own affairs nor foreign relations. It was federalism that was needed to bring the country together in unity and strength.

Before the Constitutional Convention even met, it was known there would be a strong move towards federalism and the weakening of the states. In strong support of federalism, John Adams wrote in March, 1776, "Each colony should establish its own government and then a league should be formed between them all." [9] A collection of essays known as "The Federalist," was written and prepared by Alexander Hamilton, James Madison, and John Jay to persuade the New York convention to ratify the Constitution, with its federalistic principles.[10] On the other hand, however, anti-federalists Robert Yates and John Lansing felt that

[1] Footnotes at end of article.

the "consolidation" invaded "the individual states in their uncontrolled constitutional rights" and was not feasible for so extensive a country.[11]

In initiating a federal system of government, the Americans had the advantage of working with a modern society with no traditional hierarchies and being relatively isolated from the King and his power. The three major difficulties they did encounter in unifying the states, however, were: (1) uniting a traditionaly heirarchial society with equality and sharing of power; (2) dissolving the conflict between local autonomy and the need for a strong central government; and (3) resolving the problem of executive leadership and succession, which was not solved until the initiation of the elected presidency.[12] By solving these problems, the Americans laid the major foundations of American federalism.

The division of powers between national and state governments has many specifications, some provided by the Constitution and some by tradition of statutes. The question was originally raised as to the purpose of the federal government. On one side, the new federal government was paramount, and the states were simply subordinate political units. On the other hand, some felt that the central government was erected only to aid the states when they felt the need for it.[13] It is the former which has been upheld time and time, again, however, and the supremacy of the national government, combined with the balancing effect of the states' powers, is that which distinguishes American federalism from other governmental systems in other countries and provides the basis for a united country.

National supremacy was first established in 1819 in the case of Maryland v. McCulloch, when the Bank of the United States, a federal bank, refused to pay Maryland state taxes. The justices concluded that ". . . the government of the Union, though limited in its powers, is supreme within its sphere of action." [14] Consequently, no state had any power to "retard, impede, burden, or in any manner control the operations of the constitutional laws enacted by Congress." [15] Secondly, no form of state law may conflict with any form of national law. When Oregon entered the Union in 1859, for example, its Constitution prohibited voting by any person of Chinese descent. When the Fifteenth Amendment was added in 1870, however, the provision in the Oregon Constitution ceased to be effective.[16] Although many people feel that the federalistic principle of national supremacy gives too much power to a centralized source, it must be remembered that the national government actually has only certain powers.

The national government possesses only those powers delegated to it by the Constitution. There are three types of delegated powers: expressed, implied, and inherent. The expressed powers are those that are provided in so many words. Most are found in Article I, Section 8 of the Constitution, and include the powers to lay and collect taxes; to declare war; to make treaties, and to raise and maintain armed forces.[17] Secondly, the implied powers are not stated but may be reasonably implied from those which are. The "elastic clause" of the Constitution, found in Article I, Section 8, Clause 18, gives Congress the authority to ". . . make all laws which shall be necessary and proper . . ." [18] Lastly, the inherent powers are those which belong to the national government by virtue of its existence as the national government. They include the powers to regulate immigration; to acquire territory; and to protect the nation against internal subversion.[19] The powers which may be exercised only by the national government are known as exclusive powers.

Certain powers are also denied to the federal government. Some are stated, such as granting a title of nobility or levying a duty on exports. Other powers, such as the power to create public schools or enact national marriage laws, are denied to the national government only because of the Constitution's silence on the matter. The other powers denied to the national government are those which would threaten the existence of the federal system. They cannot, for instance, tax the government functions of the states, for it is then possible that one of the states could be taxed out of existence.[20]

The Constitution reserves to the states those powers that are not granted to the national government nor denied to the states through the Tenth Amendment. The states have the power to do anything which the Constitution does not specifically prohibit and which the national government has not been granted. The Tenth Amendment provides that, "The powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people." [21] Evidence indicates that the framers of the Constitution merely intended to reaffirm the principle of federalism that was implied in the original Constitution: the national government has delegated powers and the states have reserved powers.[22]

Some powers are expressly denied to the states; states may not enter into any treaty or alliance, or coin or print money, for example.[23] Some powers are also denied the states because of the existence of the national government or because the individual state Constitution contains denial of power to the state. Finally, the concurrent powers are those which belong to both the national government and the states. These powers include the authority to lay and collect taxes, define and punish crimes, and condemn property for public use.[24]

What, then, is the purpose of such specific instructions for national and state governments? Why did the framers of the Constitution provide such detailed specifications? The most crucial concept of federalism is that national and state governments are brought to work together for the best interests of all people. This is the most important application of federalism. The best example, however, lies in the amendment process, in that it best demonstrates the federalistic nature of our government, with proposal being a national function and ratification a state matter.[25]

In conclusion, therefore, by pinpointing the exact location of authority and power, the United States Constitution through federalism permits centralized action and national strength, distinguishing the American democracy from the governmental organization of all other countries. Federalism permits action where it is most needed. Federalism permits joint enterprise and cooperation. Federalism brings about a greater national unity. Federalism provides specific authority to national and state governments. Finally, federalism, by restricting the powers of the central government, protects the American people against the tyranny that our ancestors fled when they left their original homeland. By securing all rights of independent sovereignty to each state, and yet providing for the interests and safety of all, federalism has become the most important concept in American governmental organization.

BIBLIOGRAPHY

"Federalism," Encyclopaedia Britannica, 1978 ed., vol. 7, p. 205.

Grodzine, Morton, "The American System," Chicago, Rand-McNally and Co., 1980, p. 17.

Irish, Marian, and Prothro, James, "The Politics of American Democracy" Englewood Cliffs, N.J., Prentice-Hall, Inc., 1965, pp. 116, 129.

Leedham, Charles, "Our Changing Constitution," New York. Dodd, Mead, and Company, 1964, p. 50.

McClenaghan, William A., "Magruder's American Government," Boston, Allyn and Bacon, 1973, pp. 51, 57, 60-61, 63, 65-66, 534.

Mitchell, Broadus, and Mitchell, Louise, "A Biography of the Constitution of the United States," New York, Oxford University Press, 1964, pp. 125, 170.

Pritchett, C. Herman, "The American Constitution," New York, McGraw-Hill Book Company, Inc., 1959, pp. 63, 65.

Sayre, Wallace S., "American Government," New York, Barnes and Noble, Inc., 1964, p. 224.

Schwartz, Bernard, "The Reins of Power," New York, Hill and Wang, 1963, p. 21.

Young, William H., "Ogg and Ray's Introduction to American Government," New York, Meredith Publishing Company, 1966, p. 50.

FOOTNOTES

[1] William A. McClenaghan, "Magruder's American Government" (Boston, Allyn and Bacon, 1973), p. 534.

[2] C. Herman Pritchett, "The American Constitution" (New York, McGraw-Hill Book Company, Inc., 1959), p. 63.

[3] McClenaghan, p. 60.

[4] Morton Grodzins, "The American System" (Chicago, Rand-McNally and Co., 1980), p. 17.

[5] William H. Young, "Ogg and Ray's Introduction to American Government" (New York, Meredith Publishing Company, 1966), p. 50.

[6] "Federalism," "Encyclopaedia Britannica (1978 ed.), vol. 7, p. 205.

[7] Marian Irish and James Prothro, "The Politics of American Democracy" (Englewood Cliffs, N.J., Prentice-Hall, Inc., 1965), p. 129.

[8] McClenaghan, p. 51.

[9] Bernard Schwartz, "The Reins of Power" (New York, Hill and Wang, 1963), p. 21.

[10] Broadus Mitchell and Louise Mitchell, "A Biography of the Constitution of the United States" (New York, Oxford University Press, 1964), p. 125.

[11] Ibid., p. 170.

[12] Encyclopaedia Britannica, vol. 7, p. 205.

[13] Charles Leedham, "Our Changing Constitution" (New York, Dodd, Mead, and Company, 1964), p. 50.

[14] Pritchett, p. 65.

[15] Ibid., p. 65.

[16] McClenaghan, p. 66.

[17] McClenaghan, p. 61.

[18] Wallace S. Sayre, "American Government" (New York, Barnes and Noble, Inc., 1964), p. 224.

[19] McClenaghan, p. 63.

[20] McClenaghan, p. 63.

[21] Irish and Prothro, p. 116.

[22] Ibid., p. 116.

[23] McClenaghan, p. 65.

[24] McClenaghan, p. 66.

[25] Ibid., p. 57.

FEDERALISM—NATIONAL AND STATE GOVERNMENTS IN HARMONY

(By Amy Lynn Erb, Phoenix, AZ)

The concept of federalism is, and always has been, of great importance and significance to the success and survival of the United States of America. As a country dedicated to human ideals, we have incorporated into our system a form of federalism that

strives to accomplish the everchanging goals of a prosperous nation. While still experiencing some degree of imperfection, federalism has succeeded in maintaining and upholding the concepts of freedom that are existent in America today.

The American system of federalism was officially established in 1787 at the Constitutional Convention in Philadelphia. As an interwoven system of States governed by a weak national government under the Articles of Confederation, America's need for a better form of organization was considered a vital necessity by the Founding Fathers. While some of the prominent delegates like James Madison and Alexander Hamilton preferred a unitary system, most delegates agreed that a system of federalism was the only logical choice for our rapidly expanding country. Under a system of federalism, a stronger national government could be created while still retaining the State governments that were considered essential to the maintenance of liberty. Thus, through much compromising and hard bargaining, a system of federalism was designed to fit the needs of America.

Except for a few adjustments, the basic structure of our federal system is the same as it was when it was originated. Our American federal union is made up of one strong national government and fifty relatively strong State governments. To help maintain a division of power between the two levels of government, the Founding Fathers decided to enumerate those powers delegated to the national government. Accordingly, Section 8, Article 1 of the Constitution contains a formal list of the specific powers vested in Congress. By implication, the powers not delegated to the national government are reserved to the States unless specifically denied to them by other provisions of the Constitution. The Tenth Amendment explictly makes this statement valid.

To further secure a division of power and protect the concept of individual liberty, our federal system was designed so that neither the national government nor the State governments receive power from the other. Instead, the two governmental levels derive their power from a common source; the Constitution.

Within the Constitution is contained a basic set of guidelines as to the distribution of both national and State powers and limitations. The powers belonging to the national government are the delegated powers and are outlined in Section 8, Article 1 of the Constitution. While this list appears limiting, the provisions of an elastic clause have helped to broaden some of the national government's powers. The implied powers are those powers of the national government which are derived out of the delegated powers with the help of the elastic clause. the reserved powers are those powers of the State governments that embrace all powers not delegated to the national government or prohibited to the States. By not being specifically listed within the Constitution, the scope of the States' reserved powers are not as defined as the national government's powers. Those powers possessed by both the national government and the State governments are called concurrent powers. The fact that a certain power is delegated to the national government does not necessarily imply that the power is exclusive to that governmental level. Instead, if not expressly prohibited by the Constitution, certain powers can be shared by both levels of government. Within the concurrent powers, however, the States' powers must never conflict with the superior national powers. To help promote the belief in limited government, certain powers are withheld from both the national government and the State governments. The mutually forbidden powers help to protect the American ideal of individual liberty.

By instilling into the American system of federalism a distribution of powers as complex as these, the concept of a limited national government and a set of functioning State governments has survived over the years. The ability to change the constitutional distribution of powers only by mutual consent of the two levels of government has also strengthened the composition of our federal system.

Despite the amount of time and effort that was invested into forming a productive power distribution system, the people of the national and State governments have continued to debate and struggle with the extent of powers that they are allowed to have. The maneuvering for position and power between the two governmental levels had only just begun when the Connecticut Compromise was reached in 1787.

From Alexander Hamilton and Chief Justice Marshall through Abraham Lincoln and Franklin D. Roosevelt, have been those who supported a nation-centered federalism with a strong national government. From Thomas Jefferson and Thomas Burke and on to President Ronald Reagan have been others who have strived to prevent the continuing centralization of government. But as Woodrow Wilson once expressed it, "The relation of the State to the federal government is the cardinal of our constitutional system. It cannot, indeed, be settled by the opinion of any one generation." So the power debate has continued, and will continue, and certain changes have been made. In McCulloch versus Maryland the national powers were enlarged, while in the National League of Cities versus Usery the States' rights were confirmed.

In viewing federalism then, it is evident that it is a governmental concept that is able to respond to the changing needs and circumstances of the United States. Through almost 200 years, the most notable change in the federalism system has been a growth of power in the national government. This major change was not revolutionary and, with the exception of the Civil War and the Great Depression, was not conflict ridden. The change was brought about by many factors. The growth of national demands of Washington, D.C., the establishment of America as a world power with diverse interests and responsibilities, and the tremendous changes that have taken place in both communication and transportation have all been of great significance in the change to a more powerful national government.

To help counteract the growing national power within the United States, other changes have occurred and are still occurring. The introduction of "New Federalism" by President Ronald Reagan during his 1982 State of the Union address was a major step in the effort to decentralize the power of the national government. Under this plan, the State and local governments would receive fewer Federal grants but would once again be able to run their programs without national attachment.

Many advantages are embodied within the federal system of the United States. The chief advantage of federalism is that it provides a means of combining local autonomy in matters primarily of State concern with national unity in matters of general interest. Another major advantage of federalism is its ability to encourage experimentation. The States are able to serve as testing centers for new ideas and issues and help to promote nation-wide benefits. The virtue of the federal system to maintain and develop mechanisms vital to the fulfillment of governmental strength, political flexibility, and individual liberty is another asset that the people of America have come to appreciate and expect from their federal system.

Like all types of governmental concepts, federalism is not perfect. It does have a few disadvantages. The most obvious disadvantage is the surfacing of both conflict and competition for power. The power struggle also results in a certain degree of financial complications and adversities. The duplication of governmental machinery is another complexity that is associated with a system of federalism.

Despite a few minor disadvantages, it is clearly evident that federalism has served the needs of the American people well for nearly 200 years. It has great elements of strength and has survived crises in the past and in all probability will survive them in the future. The future of federalism, however, is dependent upon the satisfaction of the American people and the future of the nation as a whole. The American people have so far always been proud of their system of government and depending upon external factors, the concept of federalism will probably reign supreme within the United States of America forever. As Chief Justice Salmon P. Chase once said during a case of Texas versus White 1869, "The Constitution, in all its provisions, looks to an indestructible Union composed of indestructible States."

THE CONSTITUTIONAL DOCTRINE OF FEDERALISM

(The diffusion of authority between national and state governments)

(By Karen Elizabeth Forrester, Des Moines, Iowa)

One fact that very few people realize is that the government of the United States is a very old form of government. Since we are a young nation, it seems surprising that our constitution is older than those of the governments of very old nations in Europe and Asia. Perhaps the reason that the constitution has continued to serve its people so well and has been used by many other countries as a guide for the formation of their own governments is the flexibility in its doctrine of federalism.

When ratified in 1788, the constitution was a combination of two opposite political philosophies. Alexander Hamilton's supporters wanted a strong central government ruled by the better educated and wealthier members of society. The American people, however, would not tolerate a government that resembled the tyrannical monarchy from which they had just escaped. Thomas Jefferson's supporters wanted a weaker central government with strong state governments ruled by the common people. At that time in our history, however, the American people needed a government to unite them. The failure of the Articles of Confederation proved that the people of the United States were not yet mature or knowledgeable enough for such unrestricted self-government. The result of the Constitutional Convention was a federalistic government that combined both Hamilton's and Jefferson's philosophies.

It was Benjamin Franklin who persuaded the representatives to the Constitutional Convention to accept what most of them thought was an imperfect form of government. He stated that there is no such thing as a perfect government. He warned them that all governments eventually end in despotism when the people become so corrupted as to need a despotic government. Because all people possess prejudices, passions, and errors of opinion, a perfect government can not be produced by a group of people no matter how wise they might be. However, he thought that the constitution they had before them was as close to perfection as possible. "Thus I consent, Sir," said Benjamin Franklin in his speech to this convention of 1787, "to this constitution, because I expect no better, and because I am not sure that it is not the best."

The federal government was created to unify the states, to regulate interstate commerce, and to represent the country as a whole. The wording in the constitution concerning the powers of the federal government seems to be rather vaguely stated. This flexibility built into the constitution encourages debate among people with varying opinions. Debate creates an opportunity for all people to be represented, all ideas to be considered, and the most appropriate action for the particular situation to be taken. A choice between a liberal action or a conservative action, depending upon the situation, protects the government against unnecessary uprisings, rebellions and disorder. A more rigid form of government might not be able to adjust to an emergency; a more pliable government might not insure the rights of all the people.

The strength of the federal government has been periodically tested. In 1832 the Columbian Convention declared a federal tariff null and void within the borders of South Carolina. It called upon the South Carolina legislature to make necessary military preparations and threatened that South Carolina would secede if Washington used force to collect the customs. This enraged President (General) Jackson and he began preparing a sizeable army. A violent conflict was avoided, however, when the United States Congress passed the Compromise Tariff to pacify the South Carolinians and, as a face-saving device for the president, also passed the Force Bill which authorized the president to use military force if necessary to collect federal tariff duties.

The next test of the federal authority was the Civil War. The major issue at the beginning of the war was not slavery, but states rights versus the federal government. When the South was beaten, so was the argument for states rights. Since then the federal government has grown more powerful. There have been some presidents who have attempted to slow down the growth of the central government, but since the Civil War there has been no real champion for states rights.

After the Civil War a strong central government was needed to hold the country together. It continued to grow as Americans held on to the belief that since a larger government was successful then, it would be in the future. The belief was reinforced during the Great Depression. President Franklin Roosevelt's New Deal Acts greatly increased the size and power of the executive branch of government. During the depression Congress was in just as great a state of panic as the people were. It was ready to follow whatever lead the President took. Some of the laws passed by Congress early in the depression delegated legislative authority to the chief executive. For the first time the federal government intervened in state and local affairs. The government created jobs, helped farmers meet their mortgages and created the Home Owner's Loan Corporation. The federal government even put restrictions on business to aid labor. During the depression a strong federal government was needed to preserve the rights of the people and to provide for the general welfare. The President did provide relief to the suffering people so it was assumed that the only way to run the country efficiently was to have a strong central government.

In the face of many emergencies the flexibility of the United States Constitution has enabled the government to act promptly and efficiently while avoiding a needless revolution. It has been the general assumption, however, that the government would relinquish its emergency powers after the emergency has passed.

When the argument for states rights was abandoned after the Civil War, part of the flexibility of our government was also abandoned. Before the Civil War there was an alternative to increasing the influence of the federal government when a new problem arose. Responsibilities could even be given to the individual states. With the growth of the federal government came inefficiency. Many things just seemed to get lost in the oversized bureaucracy. Quality of services also went down.

When it is up to a community to directly support their own public services and schools, they put more care into their job. People become more thrifty when they are handling their own money. The small community understands its needs better than an outsider does. The needs of a small town are obviously different from those of a big city. The federal government, however, must generalize its programs for each town and city because it must support so many.

As time passes America changes. In the past a strong central government was needed. Now, however, America is growing rapidly. It is growing in population and is becoming more mature. The federal government can no longer efficiently control everything, nor should it try. People are now better educated and better informed than they were during Hamilton's time. The type of government he proposed was necessary to hold the states together until they matured. The federal government is still needed to preserve national unity and coordination and to provide national defense, but affairs within a state should usually be left to local governments.

President Reagan has now proposed what he calls a "new federalism." Under his plan the federal government would take care of medical benefits while welfare and thirty-five other programs would be turned over to the state governments. According to R. C. Wade of the *New York Times*, the "* * * new federalism will insure these programs will be more responsive to both the people they are meant to help and the people who pay for them." It is also the opinion of the Reagan administration that more people will participate in fundamental decisions since these decisions will have an immediate effect on their community.

"The President has been more successful in bringing the bureaucracy under control than any other president." declared White House personnel chief E. Pendleton James. Besides the reduction in federal services there has been some reduction in personnel. In 1981 roughly 43,000 nondefense jobs were cut with 75,000 more cuts proposed.

During the last few years the suburbs have been growing immensely. Because most federal policies favor urban centers, suburbanites want decentralization in the government. Sometimes their property taxes and health and welfare costs deplete one half of their county's budget, yet they receive very little federal aid. If more control were given to the local governments, this disproportionate aid could be leveled. As a result perhaps fewer people would move to urban centers just to receive government services and welfare, and those in the suburbs would be able and willing to care for their own residents.

It is the flexibility of our constitution that has enabled this country and this government to endure so long. When a very strong central government like the one Alexander Hamilton advocated is needed, it can be supplied. When a freer and more democratic form of government like that which Thomas Jefferson supported is needed, it can be supplied. Our constitution is unique in that it can easily adjust to the needs of the times and to different national situations. Though it is not a perfect government, it is a good one. As long as the citizens of this country remain knowledgeable of its contents and purposes and are dedicated to the democratic principles which it was designed to preserve, this federalistic country will not only endure, but will continue to improve.

BIBLIOGRAPHY

Bailey, Thomas A. The American Pageant, Boston, D.C. Heath and Company, 1961, pp. 263-264, 839.

Barnett, D. L. "A War Reagan's Winning: Taming the Bureaucracy," U.S. News & World Report, (April 1982), pp. 26-27.

Flaherty, F. J. "States Rights Are Our Rights Too." Progressive (Feb. 1982), pp. 40-43.

Gehlmann, John and Bowman, Mary, Adventures in American Literature, Chicago, Harcourt, Brace and World, Inc., 1958, p. 485.

Miller, James E. Jr., Hayden, Robert, O'Neal, Robert, The United States in Literature, Glenview, Illinois, Scott, Foresman, and Company, 1976, p. 60c.

O'Brien, "Why Skinny Uncle Sam?" National Review (Oct. 1983), p. 1284.

Wade, R. C. "Suburban Roots of the New Federalism," New York Times, (August 1982) pp. 20-21.

THE FATE OF STATES' RIGHTS

(By Greg Martin)

Federalism, without it each of the fifty states would be no more than second rate powers in the international picture. With it, the fifty states assembled as one large nation, the United States has become the largest economic and military power in the world. This paper will discuss the Constitutional doctrine of federalism, the diffusion of authority between the state and national governments, and President Reagan's New Federalism.

Federalism is the principle according to which two levels of government, national and state, exist side by side, each possessing certain assigned powers and functions. Each level is limited to its own sphere, and within that sphere is autonomous and independent; neither may arrogate to itself power assigned to the other; each operates directly upon the people, and neither is dependent upon the other for its legislation, taxes, or administration.

The Founding Fathers outlined the role each level was to play in the Constitution, which is the foundation of the American system of Federalism. To the national government, they supplied what they hoped was sufficient power to create order and unity in the new nation and to provide security. It also gave the national government enough power to deal with the disputes between the states, but not to infringe on certain inalienable rights of the states and their citizenry. To the states, they granted the right to maintain an independent political existence and to serve as centers of local government, without extinguishing their separate administrations, legislatures, and local patriotisms.

Two ways the Constitution wove the power of the states into that of the nation were through the processes it required before the Constitution could be ratified and amended. Ratification or approval of the Constitution was not to be made by the people of the nation as a whole, but by the states.

"In ratifying the Constitution," James Madison said, "each state . . . is considered as a sovereign body, independent of all others, and only bound by its own voluntary acts." Thus, "the new Constitution if established," he concluded, "be a *federal* and not a *national* Constitution" because each of the states will have been intimately involved in its adoption."

Amendment of the Constitution was likewise dependent upon the states. Amendments could be proposed by two-thirds of both houses of Congress or by two-thirds of the state legislatures. But whatever their origin, amendments could become law only after the approval of the legislatures or conventions of three-quarters of the states. Under this rule, Madison pointed out, the states would not only have a say in the ratification of the Constitution, but would continue to play an important role in its development and alteration.

In the American system of Federalism the national authority is supreme but, in most instances, that does not exclude the state authorities wherever they can be helpful in a situation. The states are to deal with those areas in which they are not specifically prohibited from, as long as those powers are not granted to the federal government in the Constitution as stated under Amendment 10.

The framers of the Constitution were careful to delegate to the national government only specifically enumerated powers which they listed in Article 1, Section 8, of the Constitution. All those rights and powers not listed in that section were to remain with the states. At the same time, the framers of the Constitution were also careful to allow the states a voice in almost every exercise of authority that the national government might undertake, so that state and national power were inextricably and intimately woven together.

The Constitution spelled out national powers as clearly as possible, but it made no list of the powers granted to the states. It was simply assumed that the states would continue to exercise all those powers that they had before the Constitution—except for those that had been given to the national government. The states would maintain control of their own internal affairs, from the regulation of intrastate commerce, to education, state judicial systems and other local matters.

Article I, Section 10 of the Constitution specifically denied certain powers to the states. No state, for instance, was permitted to "enter into any Treaty, Alliance, or Confederation" or to "coin money." Nor could any state, "without the consent of Congress, lay Imposts or Duties on Imports or Exports." These restrictions on state power helped to eliminate the financial and commercial problems that had arisen under the Articles of Confederation.

The Constitution also made provisions to secure the individual liberties of the citizens from the government. The founding fathers realized that in a Federalist form of government, the people must be given certain irrevocable privileges and rights in order to preserve what was so fiercely fought for in the Revolution. The Bill of Rights so eloquently states what sacred areas that no state or national government may infringe upon. The framers of the Constitution knew that the preservation of the liberties of the people would be the basis for the survival of the Federalist system. For every American once he steps into the voting booth, has as an equal say in the structure of his or her government. If certain groups of Americans were not allowed to speak freely for their candidate or if certain sectors of the American public are kept from voting, or if the rights of the people were not to be maintained, the very substance of our nation as it is today would be quickly eroded.

A major problem with our federalist system is the large and quick growth of the national government. Big government is dangerous because it is enormously wasteful and tends to erode the Federalism that was envisioned by the founding fathers. Centralized government was the very thing the founding fathers sought to minimize.

In the eighteenth and nineteenth centuries, the power was centered with the states. The states seemed to work out the level of government necessary for them. The states in the west were concerned with internal improvements, such as roads and canals. On the other hand, the states in the south were concerned about advancements in agriculture. Each state had programs that could handle their needs for governmental assistance and regulation. The national government, at this time, was still trying to consolidate the states into the union and was still trying to consolidate its power.

For example, in the Supreme Court case *United States v. Peters* (1809), Pennsylvania refused to abide by a decision in federal court which overturned a ruling by a state court. The state, however, ignored the reversal and asserted its rights as a sovereign and independent government to decide matters for itself. The Court had to decide whether a state could be compelled to abide by a decision by the federal courts. Chief Justice Marshall came down firmly on the side of the national government. At first, Pennsylvania attempted to resist the decision by calling out the militia. But President Madison countered the threat of rebellion by calling out a federal posse of two thousand troops. Pennsylvania then backed down and obeyed the ruling.

Much of the energy of the federal government at this time was also being used in settling the nation and trying to console differences between different regions of the nation, especially between the north and south on the issue of slavery. The north and south seemed destined to a military conflict that only a strong national government could resolve. The Civil War would mark the beginning of the end for states' rights, the national government would assume more power in subduing the Confederate States of America.

Near the end of the nineteenth century, with the advent of the corporation, some states proved to inadequately handle "big business." In an unprecedented move, Congress passed the Interstate Commerce Act in 1887 to enable the regulation of railroads and other public utilities. Congress also passed the Sherman Antitrust Act in 1890, which enabled the federal government to deal with large monopolistic corporations, which was similar to a set of laws that existed in Massachusetts nearly thirty years earlier.

The drive for a stronger national government, however, continued to grow. Between 1901 and 1909 the strongly nationalist administration of Theodore Roosevelt sponsored federal legislation in the area of conservation and supported further regulation of big business. In 1913 nation-centered federalism was given another enormous boost by the adoption of the Sixteenth Amendment to the Constitution, which gave Congress the power "to lay and collect" a tax on the incomes of American citizens. The federal income tax opened a vast new source of revenue to the national government. The income tax, marked the beginning of a rapid rise in federal authority and the decline of state and local importance. But more significantly, it gave the federal government a source of almost unlimited income that could be used to finance any undertaking it may choose to pursue.

A large increase in federal power came about during the Great Depression. The New Deal legislation under Franklin Delano Roosevelt, put even more power into the hands of the federal government. The federal government assumed control or created several programs in banking and finance, farm relief, public works job creation, conservation of water, the national park system, and other areas of environmental concern. Although, the largest increase of federal power is largely due to the Great Society legislation of Lyndon Johnson.

President Johnson sought and received federal programs guaranteeing medical aid to the poor and the needy and the elderly. He expanded federal support for education, the arts and science. He made available student loans for college students like never before. His War on Poverty created many new and expensive programs, of which the likes of had never been seen before. These programs set the precedent for the many social programs in place at the federal level today.

The Federal government has assumed control or created more and more programs. In 1960, the federal government administered 132 Grants-in-aid programs that cost $7 billion. By 1980, only twenty years later, these programs had more than tripled in number, to 500, while their cost had grown by more than fourteen times the original amount, rising to nearly $110 billion. In the Congress, it takes at least 166 committees just to try to keep track of them. Since neither the president nor the Congress can properly oversee this jungle, the growth of these grants has led to a distortion of the vital functions of government.

In recent years the national government has set a bad example for the states, with huge budget deficits and millions of employees that seem to do less and less every year. Like the national government, the state governments have increased spending and have become wasteful, prodigal, and a threat to the liberties of their respective citizens. It is time for less government on all levels, but particularly at the national level where all

the trouble began. If the states are to have more and more power revoked from them each year then they will become mere agents and provinces of the federal government.

That is why this author supports President Reagan's New Federalism. It is designed to keep the big brother type of government from developing. It would transfer 43 different programs from the national government to the states. The New Federalism would transfer $22.8 billion out of a federal budget of $777.6 billion to the states. Out of the $22.8 billion, $7.925 billion would involve social, health, and nutrition services, $6.53 billion community development services, $4.442 billion education and training programs, $2.0174 billion transportation programs, and $1.9 billion for energy assistance programs.

This program is designed to accomplish three major tasks. First, it would relieve Congress and the federal government of many trivial responsibilities that now absorb their time and leave them free to concentrate on more important issues. Second, it would cut down on the waste in government, because the programs could be handled more efficiently by the states.

Third, it would allow the states and localities themselves to decide what programs they wished to finance and which to eliminate. A significant amount of responsibility for decision making would be returned to the states and a new balance of federalism achieved. The drift of power toward Washington would be checked.

With the current state of the federal government we are headed for a major social and economic disaster. The large unchecked federal government is eroding federalism in the nation, and the large federal deficit, which comes from retaining too much power at the federal level, is destroying our economy with artificially high interest rates. But with President Reagan's New Federalism we could recover from the current plight of our nation.

BIBLIOGRAPHY

Goode, S. *The New Federalism.* New York: Watts, 1983.

Jay, John and Alexander Hamilton and James Madison. *The Federalist Papers.* New York: Rossitier, 1962.

Patterson, J. T. *The New Deal and The States.* New York: Millan, 1969.

The Constitutional Doctrine of Federalism

"All men are endowed by their creator with certain unalienable rights. . . ." This phrase from the Declaration of Independence is one of the principles upon which our country was founded; one of the "rocks" upon which our Constitution was built.

Unlike any other society in the history of the world, the United States governmental structure is based upon a conviction that the people derive certain unalienable rights from God, and a Federal Government derives its rights and its powers from the people. There is a contract which establishes this principle and that contract is the Constitution. The Constitution provides for a Federal Government with certain limited powers and by ratifying the Constitution, the states and the people agree to be governed by or according to the terms of that document. The people are governed with their permission and that permission extends only to the principles found in the Constitution.

Contrary to what some people have been lead to believe, the people and the states receive no rights from the federal government as in the case in some forms of government. A government which can give people rights can also deprive people of rights. One of the major elements of the U.S. Constitution is the protection of the people from their own government.

Our system of government is known as a Republic. It is a system in which established law rules. Although democratic processes are used in our system to elect officials and pass laws, no majority has the power to infringe upon our fundamental freedoms. Although this is characteristic of a free society, rights and freedoms must sometimes be limited in a system of pre-emptive rights which requires a free people to exercise rights in a responsible, common-sense way.

The first ten amendments to the Constitution are referred to as the Bill of Rights. They are known as the Bill of Rights but the "Bill of Limitations" would be a more proper name for them because the first ten amendments clearly state what the federal government cannot do:

First Amendment: "The Congress shall pass no law * * *"

Second Amendment: "* * * the right of the people * * * shall not be infringed."

Third Amendment: "No soldier shall * * *"

Fourth Amendment: "The right of the people * * * shall not be violated * * *"

The Federal Government shall not * * * This is the commandment of the first eight amendments and to be sure that there would be no misunderstanding, the ninth and tenth amendments specify further that power stays with state and local governments or with the people themselves when not specifically given to the federal government.

When our forefathers left Europe, it was to escape a harsh dictatorship. They fled the oppression of Kings and Monarchs where religious freedom, among other things, were infringed upon. Naturally, when the pioneers settled on the new land, they were reluctant to form a national government of any kind. The wise men who wrote the constitution and signed the Declaration of Independence really had to convince the people and the states of the need for a federal government. The people already had all the rights that were to be had, and a central government could give them no more. The only need was for a body to conduct foreign affairs; provide a postal system; and, above all, provide the national defense. It was for consideration of such items as these that the people were eventually persuaded that a federal government would be to their advantage but only if it were very limited in its power over them.

It seemed that a society in which the federal government was very limited in power and that most of the power was as close to the people as possible was what most everyone would be happy with. So, in 1789, the people of the states ratified the constitution. The people were then assured that they would not be forced to obey a law that violated the principles contained in their new constitution.

The Republic established by our forefathers created a free society unlike any other in history. In the absence of interference by government, the American people were free to pursue their goals without unreasonable obstacles and restraint from government. With the incentive to own what they produced and working within the free enterprise system, Americans gave the world the automobile, mass production, the radio, miracle drugs, mechanized agriculture, electricity, etc. With these modern inventions of the industrial age came the attendant benefits which produced the highest standard of living the world had ever known. The freedoms of America resulted in more advancement in civilization in 200 years than the world had witnessed in the previous 5,000 years.

Solid evidence produced throughout the last 200 years proves that our Constitutional Republican form of government is the most humane and workable model of government ever devised by man. Still, some forces are working hard to lessen the importance of the constitution and they are meeting with some success. The federal government, which already has too much power, is growing. While centralization of power progresses, waste increases; a gigantic bureaucracy becomes unmanageable; tax burdens increase to the point of stunting the growth of production; and the free enterprise system is slowly being suffocated.

The freedoms we cherish and the principles upon which our nation was founded are eroding as the meaning and significance of the constitution are lost. Freedom from religion, some argue, means the same thing as freedom of religion. As the taxation of everything becomes the norm, the absence of a tax is now considered by some to be synonymous with a subsidy from government. Some cry for greater roles by the federal government in education while ignoring the fact that the constitution provides no authority for this. A national defense budget is described by some as an "an assault upon the poor" by those who seem not to know that the most fundamental responsibility of government is to defend and protect innocent human life.

While there are those who argue that the United States Constitution is obsolete, it seems obvious that no such document could endure forever in its original form. The farmers understood this, however, and provided the means for changing the Constitution in order to maintain order and a government of the people. If the principles by which we have agreed to govern and be governed are to be changed by judicial fiat, distorted, or simply ignored, that barrier between tyranny and justice; order and anarchy; freedom and slavery . . . . .will crumble.

The Ingenious Separation of Powers Under the U.S. Constitution

(By Shaun Kevin Kirby, Essex Junction, Vermont)

Our founding fathers made the arduous, three thousand mile voyage across the Atlantic Ocean in search of freedom and a better way of life. Some sought expansion of trade, others freedom of religion or land ownership. Most importantly, the desire for self-government as opposed to the restraining European monarchy drove the explorers of the seventeenth century to flee their native lands. Our courageous forefathers such as William Penn, Lord Baltimore, and others founded the thirteen American Colonies, and their descendants won our freedom on the battlefields of the American Revolution. As an independent nation in the eyes of a world hungry for conquest, we needed a strong national government to bind us together as one people and protect us from invasion.

The Articles of Confederation, our first plan of national government, proposed a loose conglomeration of states which re-

tained sovereignty. This plan of government failed due to its lack of federal authority. It did not provide for a chief executive nor a judicial body. Moreover, it lacked the power to tax the citizens.

In May 1787, our nation's most sage and seasoned politicians gathered at Independence Hall to revise the Articles. Behind closed doors and drawn blinds they secretly rejected them and began discussing the plan of government which they later drafted into the United States Constitution. The founding fathers envisioned a democracy—a government of the people, by the people, and for the people. Remembering the inappropriate balance of power in their European governments (monarchs held great sovereignty), they sought to establish a strong, central leader whose authority would be checked and kept in control. The Constitution which they drafted establishes a Chief Executive, head of the Executive Branch of government, and two other branches to check his power—the Legislative Branch and the Judicial Branch. These three branches of government harmonize and provide the centralization of government which our newly freed colonies desperately needed but lacked under the Articles of Confederation.

Our forefathers endowed each branch with specific federal powers and rights so that no single branch could ever assume total control of our nation. Nevertheless, the federal government remains strong. For nearly two hundred years this master plan of government has withstood the violent upheavals of changing times and society. Only the appropriate separation of powers and the elaborate system of checks and balances in our Constitution makes this possible.

Article I, Section 1 of our Constitution states that "All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and a House of Representatives." This clause establishes a bicameral legislature with the sole power to make laws—the Legislative Branch. It does not, however, grant the Legislative Branch supreme power to legislate. The president may make an "executive agreement" (with a foreign country) which has the impact of a law. Theodore Roosevelt, the great progressive President of the early twentieth century, greatly expanded the presidental power in this respect when he used the "executive agreement" in place of a treaty. In addition, treaties made "under the Authority of the United States" (Article VI, Section ii) have the force of laws.

Likewise, when the Supreme Court hands down a decision, it sets a precedent which serves to guide further decisions. In this respect, a precedent is similar to a law. The greatest check on the law making power of the Legislative Branch is vested in the Chief Executive himself. He must sign all legislation before it becomes law. He may veto a bill which he feels unfit for our nation, but the Congress may override his vote by a two-thirds vote. Thus the lawmaking power of the Legislative Branch remains strong and effective, but not absolute nor overbearing. This unique interrelation between the three branches of government and the separation of legislative power serve to balance our federal government.

In addition to legislative supremacy, the Legislative Branch possesses the enumerated and implied powers which give it the national authority the Articles of Confederation lacked. Article I, Section 8 of our Constitution grants it the power to levy and collect taxes, borrow money, coin money, and regulate a currency system. These powers give our federal government the efficiency it needs to achieve financial stability for our nation and economic competition in foreign markets. The Legislative Branch may also punish counterfeiters and piracy, but this power is checked by the Supreme Court since it has the final decision in all federal suits. The Legislative Branch may also provide for an army and a navy, of which the President of the United States is Commander in Chief. The Legislative Branch retains the final authority in the declaration of war. This balance and counterbalance of power works efficiently and prevents any one branch from assuming total power to direct our armed forces. As an overseer of the states, the Legislative Branch has the power to issue patents and copyrights, regulate foreign and interstate commerce, and establish uniform rules of naturalization and bankruptcies. This "policing" of the states binds our nation as a whole since it precludes the states from following their own political whims and diverging from one another. The most important power granted to the Legislative Branch, the "Elastic Clause" of Article I, Section 8, paragraph 18, is the power "To make all laws which shall be necessary and proper for carrying into Execution the foregoing Powers." Although the Supreme Court may attempt to declare an act of Congress unconstitutional, Congress may use this clause to support its stand in many cases by arguing that its actions were "necessary and proper" to the functioning of our government. Indeed, the powers granted to the Legislative Branch in the Constitution give it strength, and yet it remains effectively checked by the Executive and Judicial Branches.

The Executive Branch consists of the President and his cabinet and associates. The President retains the greatest power of any government official, but our founding fathers prevented him and his office from becoming a monarchy by subjecting the President and the Executive Branch of government to many restraints under the Legislative Branch. Article II, Section 2 states that "He shall have power, by and with the Advice and Consent of the Senate, to make treaties . . . appoint Ambassadors, other public Ministers and Consuls, Judges of the Supreme Court and all other officers of the United States." This gives the President great opportunity to supervise the execution of legislation, which the Constitution enumerates as his chief duty.

Also, working with the men he knows and likes best, he can perform his duties more efficiently. He does by no means, due to the checks and balances of Article II, maintain absolute power. He may enter into foreign treaties only when two-thirds of the Senators concur. Likewise, he may ask the opinion of his chief advisers in a decision. Although Congress limits his power to legislate, he delivers his annual State of the Union Address to the Senate and House of Representatives, thus greatly influencing their legislative decisions. The office of the President greatly strengthens the Federal government and provides the centralization necessary to fortify our nation against threats to our independence. Thus we see the careful planning and separation of powers between the Executive and Legislative branches of government.

The Judicial Branch insures that the Legislative and Executive Branches adhere to the principles of our Constitution which our forefathers so precisely constructed. Article III, Section 1 states that "The Judicial Power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time establish."

Article IV, Section 2 grants the Supreme Court jurisdiction over cases involving the Constitution and laws of Congress. With this power, the Supreme Court can declare acts of Congress unconstitutional. This greatly strengthens the Judicial Branch of Government and prevents our Legislative Branch from exercising too much power.

The Judicial Branch may also settle disputes involving "admiralty and maritime jurisdiction" and controversies involving states, citizens, and foreign parties. This supplies the Federal government with the sovereignty over states it needs and balances the Legislative Branch's powers to regulate interstate commerce.

Although powerful itself, the Supreme Court is limited by the Legislative and Executive Branches. The President must appoint the Supreme Court Justices. With this advantage, he has more power over their decisions. If Congress does not favor a Supreme Court decision declaring a law unconstitutional, it can propose an amendment (under Article V) to the Constitution which would allow the law. Congress may also impeach and try the members of the Supreme Court. In this way Congress balances the Presidential power of appointment.

In addition, Article III, Section 2 states that Congress may "regulate" the appellate jurisdiction of the Supreme Court. This clause, although severely diminishing the Supreme Court's power, has been seldom employed. Thus the Supreme Court exercises a powerful check on the Legislative and Executive Branches while remaining sufficiently restrained by them at the same time.

As we have seen, our forefathers erected a network of interlocking powers in the United States Constitution. In many cases one branch of government has the power to overrule an action of another branch. In some cases this "overruling" itself may be overruled. Similarly, various powers granted to one branch are balanced by similar powers granted to another branch. The system of checks and balances provides the key to the prosperity of our national government.

Why has our Constitutional government endured conflict and crisis both foreign and domestic? Why are we, as Americans, the freest and yet the most responsible, coherent people in the world? What makes the United States a supreme world leader? Our Constitution provides us with the government we need—a strong, central government with the proper limitations so that the people maintain an active voice in politics. Only because of this may we justly term our government a democracy. We may rest assured that no one branch of government will assume the stifling power of the European monarchs under which the founding fathers suffered. We have a unique and ingenious separation of power in our federal government—that is what gives our nation its enduring prosperity and influence on the world. We are truly "One nation, under God, indivisible, with liberty and justice for all."

BIBLIOGRAPHY

Bowen, Catherine Drinker, *Miracle at Philadelphia* (Boston, 1966).

Corwin, Edward S., *The Constitution and What It Means Today*, 14th ed. (Princeton, 1978).

Midgley, David A., *American History and Social Studies*, 6th ed. (New York, 1982).

A TRIBUTE TO SENATOR JOHN TOWER

Mr. WEICKER. Mr. President, I want to say a few words of farewell today to my departing colleague, Senator JOHN TOWER. JOHN TOWER came to the Senate over 23 years ago to fill a seat vacated by Lyndon Johnson. Growing up in a small, rural community in east Texas, the son of a Methodist minister, JOHN acquired a strong sense of self and a willingness to fight for what he believed in.

With an intense interest in defense issues from the start, JOHN TOWER gravitated toward the Armed Services Committee, and since becoming a member of that committee in 1965, he has involved himself in all aspects of military affairs. As chairman of the committee since 1981, JOHN TOWER has emerged as an important figure—a powerful leader and a man to be reckoned with on all matters relating to defense. He has been a staunch advocate of President Reagan's defense policies and programs, guiding the administration's budget requests through Congress, fending off attacks, and engaging all nonbelievers in fierce debate along the way. As one such nonbeliever, I can tell you that JOHN TOWER is a hard man to beat.

Mr. President, perhaps JOHN TOWER's greatest single contribution in the defense field has been his persistence in attempting to bring the two major sectors of the defense budget—the procurement account versus personnel and operating accounts—into better balance. He believes that the quality of manpower and leadership are as important to our military strength as technology and weapons. Many pay lip service to this idea but few have adhered to it as tenaciously as JOHN TOWER. He was instrumental as armed services chairman in bringing to life the famous Nunn-Warner amendment, and that measure helped turn the tide in the military in the early 1980's by halting the hemorrhaging of talent from its ranks and restoring morale.

While we disagree on some defense issues, I greatly respect and admire the role that JOHN TOWER has played in national security affairs. It has been a necessary and important one, and one that he has played with a high degree of success. He believes that the United States can afford both guns and butter. I can't disagree with that; our difference is one of emphasis only.

Upon his retirement, JOHN TOWER will become a professor of undergraduate studies at Southern Methodist University. In keeping with his character, we can expect JOHN to engage his students in lively discussion and encourage them to hold their beliefs with conviction. I wish JOHN TOWER well in this and all future endeavors.

DOD PUBLIC RELATIONS CAMPAIGN ON DEFENSE RESOURCES MANAGEMENT

Mr. NUNN. Mr. President, recently a number of stories have appeared in the press about the efforts the Department of Defense has made to correct abuses and eliminate waste in the acquisition of weapons and spare parts. All of us are aware of the horror stories of such things as $400 hammers and $7,600 coffee pots.

Some of these recent stories originated because the Department of Defense discovered the abuse. Some of the stories have originated from members of the Armed Services; and some stories have originated from Congress performing its oversight functions.

However, there were also press reports that these stories were the result of a preplanned media campaign, approved by the Secretary of Defense, to combat the public image that the Pentagon has serious management problems. At least one of these stories reported on a press conference given by the Department of Defense Inspector General, Joseph Sherick.

When these news reports first surfaced, Senator BINGAMAN and I had a colloquy on the floor in which we expressed our concern about the impact of Mr. Sherick's participation in this campaign and about the propriety of the campaign in general.

Our concerns have been heightened by the release by Common Cause of two Department of Defense memorandums which corroborate the press reports that Mr. Sherick's press conference, and the other statements by other Department of Defense officials are part of an orchestrated media blitz, apparently with political purposes in mind.

One is a memorandum, dated July 24, 1984, for the Under Secretary of Defense [R&E] Dr. DeLauer, from Russell Rourke, the Assistant Secretary of Defense for Legislative Affairs. The memorandum notes, and I quote,

> The Senate Armed Services Committee is concerned over the press this weekend concerning the Department's program for disposal of spare parts. This, coupled with the press we received on prices paid for selected spare parts, I.E., claw hammer, stool cap, allen wrench, if gone unchecked, will definitely be a key campaign issue. The opposition will cite these examples and portray the Department as having serious management problems.

The memo goes on to say that the committee would like certain information for use in rebutting these press stories.

As the ranking Democrat on the Armed Services Committee, I have no knowledge of nor participated in any request of this nature. Nor have I seen any of the material apparently requested on behalf of the committee.

The second memorandum dated August 31, 1984, is from Kathleen Troia, the principal Deputy Assistant Secretary of Defense for Public Affairs. The memorandum indicates that the Secretary of Defense has approved a public affairs plan, which is attached to Ms. Troia's memorandum, to "enhance media and public understanding and support for the Department's management improvement program" concerning the procurement process. The memorandum details a series of steps including speeches by Secretary Weinberger and Deputy Secretary Taft and the press briefing by the Department's Inspector General. It also encourages local military commanders to take such steps as necessary to participate in this overall effort. Interestingly, the program concludes on November 3, only 3 days before the election.

I am more troubled by this memo. First, it has long been a tradition in this country that the Secretaries of State and Defense do not engage in political activities during presidential political campaigns. This media campaign clearly calls that tradition into question. I have written to the General Accounting Office and asked them to look into this matter to determine if it is consistent with all applicable rules and regulations governing the activities of career Federal employees. I ask that my letter to GAO be inserted in the RECORD at this point.

Mr. President, I am particularly concerned about the role of the Department of Defense Inspector General in these activities. The Congress enacted a number of provisions in 1983 to ensure the independence of the Department of Defense Inspector General. In my view, it is essential that the Inspector General of the Department of Defense be independent and of the highest integrity. He should not engage in partisan political activities nor permit his office to be so used. It is therefore particularly disturbing to see Mr. Sherick's participation in this campaign. I have written directly to Mr. Sherick expressing my concern and asking him to provide me with his views on the legality and propriety of his participation, as well as that of other DOD employees, in this program. I ask unanimous consent that my letter by printed in the RECORD.

Finally, Mr. President, we all support efforts to find waste, fraud, and mismanagement in Government, particularly in the Defense Department. But I am concerned that this process should not be used for political purposes. I intend to carefully monitor these activities and to study the responses from GAO and Mr. Sherick.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, October 5, 1984.

Hon. CHARLES A. BOWSHER,
Comptroller General of the United States, General Accounting Office, Washington, DC.

DEAR MR. BOWSHER: Mr. Fred Wertheimer of Common Cause has recently provided the Committee on Armed Services with two Department of Defense memoranda which establish that the Department of Defense, including the Department's Inspector General, has launched a "plan to enhance media and public understanding and support for the Department's management improvement program." Those two memoranda are attached.

The program, which is well underway, involves a number of speeches, press conferences, and other public events, which conclude on November 3, 3 days before the general election. It appears to have clear political overtones. There have been suggestions that the participation of the Department's inspector general and other government employees in this program may raise questions of legality and propriety.

Enclosed is a copy of my remarks on the floor of the Senate in which I stated that I believe Congress should carefully monitor these activities.

I request that the General Accounting Office examine this program to determine if there are any violations of law or regulations. I believe that your inquiry should address the following questions:

What is the nature and extent of this program? How many personnel are involved and what is the cost? Is there more to it than is disclosed by the August 31 memorandum from Deputy Assistant Secretary Kathleen Troia?

Does the participation of the Inspector General of the Department of Defense in such a program violate any applicable law or regulation?

Does the participation of other Department of Defense personnel, both military and civilian, violate any applicable law or regulation?

Are any public moneys being spent in violation of applicable laws or regulations?

I look forward to your report at the earliest possible time.

Sincerely,

SAM NUNN,
Ranking Minority Member.

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, October 4, 1984.

Hon. JOSEPH H. SHERICK,
Inspector General, Department of Defense, Washington, DC.

DEAR MR. SHERICK: Last week, press reports indicated that you had provided a press briefing designed to show that the Pentagon is vigorously attacking fraud and corruption. According to these same press reports, this briefing was the first in a series scheduled between now and the Presidential election on this general subject. Common Cause has now provided documents to this committee detailing an elaborate public relations campaign that has strong overtones of partisan political activity.

Frankly, I am concerned that your participation in this type of program undermines the independence of the Office of Inspector General within the Department of Defense. It certainly was not the intent of Congress that any Inspector General, including the Defense Department Inspector General, should become involved in partisan political activities.

These same concerns were expressed last week on the Senate floor during consideration of the Conference Report on the fiscal year 1985 defense authorization bill. I am enclosing the relevant portions of this discussion from the CONGRESSIONAL RECORD for your information.

As I indicated on the Senate floor, I have been very supportive of your work since your appointment as Inspector General. You have a reputation for integrity and frankness. In that spirit, I would appreciate your views as to the legality and propriety of the participation of the Inspector General of the Department of Defense, as well as other DOD civilian and military employees, in the program outlined by the attached DOD documents. In addition, I would also like your views as to how you intend to maintain the independence and nonpartisan nature of your office, as well as your credibility, if you continue to participate in this type of public relations campaign.

Sincerely,

SAM NUNN,
Ranking Minority Member.

DEFENSE DEPARTMENT INVOLVEMENT IN PRESIDENTIAL CAMPAIGN

Mr. BINGAMAN. Mr. President, I want to join Senator NUNN in expressing concern about the interjection of the Defense Department into the political arena. I associate myself entirely with his remarks and support the letters Senator NUNN is sending to the GAO and Mr. Sherick. The documents which Common Cause released last Wednesday look to this politician, and I believe would look to anyone, like Presidential campaign planning documents. Drawing them up seems to me not to be the proper role of the Pentagon's public affairs office and executing the plans seems to me not to be the proper role for the Pentagon's Inspector General or career civil servants and military officers. The release of these documents confirms the suspicions that I raised on September 27, when I addressed this issue on the floor of the Senate.

I would like to note, however, that the public relations campaign has not been going entirely as planned, and is not having the intended effect of assuring the public that all problems have been solved.

Mr. Sherick, at his September 26 briefing, made it clear that mismanagement and malfeasance in the Defense Department and in the defense industry were still widespread. He said: "I keep turning over rocks and each one I turn over, I keep finding things." Mr. Sherick should be commended both for his efforts thus far as the Pentagon's Inspector General to combat waste, fraud, and abuse, and for his honesty in admitting much remains to be done.

The same thing apparently happened at last Wednesday's briefing according to articles in last Thursday's papers. Mary Ann Gilleece, the Deputy Under Secretary of Defense for Acquisition Management, outlined Pentagon efforts to increase competition in defense procurement. This is something which many of us in the Congress have supported, with Senators COHEN and LEVIN out front as principal sponsors of the Competition in Contracting Act passed in June. Unfortunately for the Reagan administration, Ms. Gilleece's charts at last Wednesday's briefing showed that much of the increase in competition in defense procurement since the mid-1970's actually occurred in the Carter/Mondale administration, though the trend toward increased competition has continued in this administration. And I might note that we clearly have more to do to foster real competition in the defense industry.

Finally, I would like to give credit to a Marine Corps lieutenant colonel, David Evans, who serves in the Office of the Secretary of Defense and who published an op-ed piece entitled "A Runaway Pentagon," in last Wednesday's New York Times. Presumably, this was not part of the Pentagon Public Affairs Office's campaign plan. For it is an indictment of the way the Pentagon goes about its weapons system acquisition process. The article is reminiscent of the points which another member of Secretary Weinberger's staff, Chuck Spinney, has been making for some time about a plans-reality mismatch. As Colonel Evans points out, costs are never as low as expected. We add bells and whistles to our weapons in response to threats which are not real. And we get, as a result, a vicious cycle of rising costs, declining production rates, and fewer weapons, all of which combine to produce tremendous pressure for increased defense spending.

I would ask unanimous consent that the entire text of Colonel Evans' article appear at the end of my remarks.

Mr. President, we clearly do have many problems before us that we will need to tackle in the new Congress. The briefings by Mr. Sherick and Ms. Gilleece, and the article by Colonel Evans, amply point to unsolved problems. We are going to need to approach these problems on a bipartisan basis. And the Pentagon's involvement in the Presidential campaign is not going to foster such bipartisan cooperation. I hope they will reconsider their current plans.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Oct. 3, 1984]

A RUNAWAY PENTAGON

(By David Evans)

WASHINGTON.—At a recent internal Pentagon briefing concerning the fiscal 1986 defense budget, the Air Force speaker raised irony to a new level. A tentative budget of "only" $109 billion, he said, placed "severe fiscal constraints" on the Air Force. This conviction, shared equally by the Army and Navy, is as unconvincing as the kid who laps down a three-scoop ice cream cone and says he's "still hungry." But the remark is revealing. Despite the biggest sustained budget growth since the World War II mobilization, the Pentagon still regards a shortage of money as the main obstacle to a full renaissance of American military power.

The perception of a cash shortage is driven, first, by an out-of-control requirements process. One immutable law of Pentagon force planning is that the Joint Chiefs of Staff will generate requirements greater than the existing force, irrespective of the strategy in vogue at the time. It is the inevitable result of a cycle that a former officer calls "incestuous amplification."

It begins with the services each going through an elaborate itemization of the number of ships, planes and divisions they want. These listings are stapled together to produce the whole. Real trade-offs—say, giving up a wing of Air Force F-15 fighters for an extra Army division—do not intrude on this stylized ritual. The process is additive, and the result is an inflated "requirements menu" with a five-year cost of about a trillion dollars more than the existing force. Naturally, any peacetime defense budget compared to this target appears woefully inadequate.

The perception of a cash shortage stems also from the seductive notion that we can fight a "sanitary" war using complex (and costly) weapons—sophisticated target-acquisition devices, computers, long-range missiles, etc.—that will whittle down a numerically superior foe before he can use his own arms. The unstated premise is that the side doing the whittling will suffer minimal losses.

From this optimistic vision of conventional conflict the "force multiplier" idea originates: a single fighter equipped to shoot down five MIG's at long range is really the equivalent of more than one plane. There are two assumptions: first, the enemy will accommodate us by charging blindly into the teeth of this technology; second, he will continue to do so in the face of unacceptable losses. In short, a predictable foe destroyed by arms that always work perfectly.

This video-game vision would be fine were it not for a few real-world problems. Not only are these expensive and difficult-to-maintain systems vulnerable to saturation attacks, they can be thwarted in cheap and unpredictable ways, as Iran is doing by using simple radar reflectors to lure Iraqi Exocet missiles away from their intended targets, the oil tankers at Kharg Island.

It is also doubtful that our heavy investment in this "beyond visual range" technology will be used in a shooting war, where the rules of engagement dictate positive identification of the target before shooting. This means that the pilot must make sure the blip on his radar screen is an enemy plane, not a buddy. But combat at such close quarters does not require complex technology: short-range missiles and cannons are brutally effective. More importantly, aircraft stripped of all the electronic "black boxes" and heavy long-range missiles are much more agile. Greater effectiveness does not necessarily come at greater cost.

The net result is the creation of a self-fulfilling prophecy. Long-range capability is touted as essential to prevail against a numerically superior foe; this drives up each weapon's cost, which reduces the number that can be bought. The inevitable numerical shortfall is then served up to justify spending additional sums. This is why, after an increase in the defense budget of more than $100 billion in the past four years, the claim is still made that Moscow is "outproducing" us.

The budgetary arguments are clouded still further by the "should cost" dilemma. Billion dollar warships and $50 million fighters may no longer raise eyebrows among inside budgeteers, but do these huge sums reflect what these weapons *should* cost? The unappreciated answer from A. Ernest Fitzgerald, a cost analyst for the Secretary of the Air Force, is that the Pentagon is generally getting taken to the cleaners by contractors charging anywhere from two to 10 times what would be expected in the private sector. The brouhaha over the $400 claw hammer is symptomatic of how major items like bombers and cruisers themselves are priced.

Closely related to the "should cost" phenomenon is the habit of underestimating initial production costs and assuming that they will decline as experience is gained on the production line. Actual experience dictates otherwise. Costs are generally underestimated and tend to increase over the life of the production cycle.

While these costing assumptions are at odds with reality, they are bureaucratically useful for getting programs started. The system in effect rewards underbid proposals for new weapon systems. The result? A vicious cycle of rising costs, declining production rates and fewer weapons, all of which combine to produce tremendous pressure for increased defense spending.

Speaking for myself, I think that exaggerated force requirements, inappropriate technology and high costs are symptomatic of a runaway system. A 45 percent real increase in defense spending over the past four years has been necessary just to keep the force from shrinking. The former Army Chief of Staff, Gen. Edward C. Meyer, was on target when he said: "Either we are going to spend ourselves into extinction, or we have to come up with alternative strategies and new way to allocate resources."

MESSAGES FROM THE HOUSE

At 7:52 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3398) to change the tariff treatment with respect to certain articles, and for other purposes.

The message also announced that the House has agreed to the amendments of the Senate to the following bills:

H.R. 2790. An act to amend the Colorado River Basin Salinity Control Act to authorize certain additional measures to assure accomplishment of the objectives of title II of such Act, and for other purposes; and

H.R. 3331. An act to authorize the exchange of certain lands between the Bureau of Land Management and the city of Los Angeles for purposes of the Santa Monica Mountains National Recreation Area.

The message further announced that the House has agreed to the amendments of the Senate to the following bills:

H.R. 5121. An act to designate certain national forest system lands in the State of Virginia as wilderness; and

H.R. 6163. An act to amend title 28, United States Code, with respect to the places where court shall be held in certain judicial districts, and for other purposes.

The message also announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 771. An act to revise and extend provisions of the Public Health Service Act relating to health promotion and disease prevention, to provide for the establishment of centers for research and demonstrations concerning health promotion and disease prevention, and for other purposes.

The message further announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 144. Concurrent resolution authorizing the rotunda of the United States Capitol to be used in connection with the proceedings and ceremonies for the inauguration of the President-elect and Vice President-elect of the United States.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 371. Concurrent resolution directing the Clerks of the House of Representatives to make a correction in the enrollment of the bill H.R. 2790.

At 8:35 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, each without amendment:

S. 2526. An act to authorize appropriations for the Coast Guard for fiscal years 1985 and 1986, and for other purposes; and

S. 2565. An act to extend programs under the Head Start Act, and for other purposes.

The message also announced that the House agrees to the amendment of the Senate to the following bill:

H.R. 999. An act to provide for the conservation, rehabilitation, and improvement of natural and cultural resources located on public or Indian lands, and for other purposes.

The message further announced that the House agrees to the amendments of the Senate to the following bills:

H.R. 6007. An act to establish certain procedures regarding the judicial service of retired judges of District of Columbia courts, and for other purposes; and

H.R. 6224. An act to provide for the assumption of selected functions, programs, and resources of Saint Elizabeths Hospital

by the District of Columbia, to provide for the establishment of a comprehensive mental health care system in the District of Columbia, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 540) to amend the Public Health Service Act to establish a National Institute of Arthritis and Musculoskeletal and Skin Diseases, and for other purposes.

The message further announced that the House agrees to the amendment of the Senate to the amendment of the House to the bill (S. 2301) to revise and extend programs for the provision of health services and preventive health services, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2616) to extend the Adolescent Family Life Demonstration Program.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2574) to revise and extend title VIII of the Public Health Service Act, relating to nurse education.

The message also announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 5716. An act providing for the conveyance of public lands, Seneca County, Ohio; and

H.J. Res. 663. Joint resolution making further continuing appropriations for fiscal year 1985.

The message further announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 372. A concurrent resolution to correct the enrollment of H.R. 3398; and

H. Con. Res. 373. A concurrent resolution to correct a technical error in the enrollment of the bill H.R. 6257.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker has signed the following enrolled bills and joint resolutions:

S. 607. An act to amend the Communications Act of 1934;

S. 648. An act to facilitate the exchange of certain lands in South Carolina;

S. 1102. An act to provide authorization of appropriations for title III of the Marine Protection, Research, and Sanctuaries Act of 1972, and for other purposes;

S. 1151. An act to compensate heirs of deceased Indians for improper payments from trust estates to States or political subdivisions thereof as reimbursements for old age assistance received by decedents during their lifetime;

S. 1330. An act to establish a National Council on Public Works Improvement to prepare three annual reports on the state of the Nation's infrastructure, to amend the provisions of title 31, United States Code, relating to the President's budget to require it to separately identify and summarize the capital investment expenditures of the United States, and for other purposes;

S. 1510. An act to establish uniform audit requirements for State and local governments receiving Federal financial assistance;

S. 1790. An act to authorize the Secretary of the Interior to enter into contracts or cooperative agreements with the Art Barn Association to assist in the preservation and interpretation of the Art Barn in Rock Creek Park in the District of Columbia, and for other purposes;

S. 2048. An act to provide for the establishment of the Task Force on Organ Transplantation and the Organ Procurement and Transplantation Network, to authorize financial assistance for organ procurement organizations, and for other purposes;

S. 2125. An act to designate certain national forest system lands in the State of Arkansas for inclusion in the National Wilderness Preservation System, and for other purposes;

S. 2166. An act to reauthorize and amend the Indian Health Care Improvement Act, and for other purposes;

S. 2303. An act to amend the Public Health Service Act to revise and extend the authorities of that Act for assistance for alcohol and drug abuse and mental health services;

S. 2483. An act to rename Dulles International Airport in Virginia as the "Washington Dulles International Airport";

S. 2496. An act to extend the authorization of appropriations for certain education programs, and for other purposes;

S. 2663. An Act pertaining to the inheritance of trust or restricted land on the Lake Traverse Indian Reservation, North Dakota and South Dakota, and for other purposes;

S. 2773. An act to designate certain National Forest System lands in the State of Georgia as wilderness, and for other purposes;

S. 2808. An act to designate certain National Forest System lands in the State of Mississippi as wilderness, and for other purposes;

S.J. Res. 80. Joint resolution to grant posthumously full rights of citizenship to William Penn and to Hannah Callowhill Penn; and

S.J. Res. 273. Joint resolution to designate the week of October 7, 1984, through October 13, 1984, as "Smokey Bear Week".

MEASURES PLACED ON THE CALENDAR

The Committee on the Judiciary was discharged from the further consideration of the following measures; which were placed on the calendar:

S. 3034. A bill to grant a Federal charter to the National Society, Daughters of the American Colonists;

H.R. 1095. An act to grant a Federal charter to the 369th Veterans Association;

H.R. 2087. An act for the relief of Hans Robert Beisch;

H.R. 4401. An act for the relief of Shu-Ah-Wei, her husband Yen Wei, and their sons, Teh-fu Wei and Teh huei Wei;

H.J. Res. 332. Joint resolution to designate the week beginning May 20, 1985, as "National Medical Transcriptionist Week"; and

H.J. Res. 594. Joint resolution designating the week beginning February 17, 1985, as a time to recognize volunteers who give their time to become Big Brothers and Big Sisters to youths in need of adult companionship.

The Committee on Foreign Relations was discharged from the further consideration of the following measures; which were placed on the calendar:

S. Res. 386. A resolution entitled the "Mandela Freedom" resolution; and

H. Con. Res. 196. A concurrent resolution calling upon the President to study the advisability and practicality of a collaborative people-to-people program between the United States and Mexico.

The Committee on Environment and Public Works was discharged from the further consideration of the following bill; which was placed on the calendar:

H.R. 2823. An Act to amend title I of the Reclamation Project Authorization Act of 1972 in order to provide for the establishment of the Russell Lakes Waterfowl Management Area as a replacement for the authorized Mishak National Wildlife Refuge, and for other purposes.

The Committee on Armed Services was discharged from the further consideration of the following bill; which was placed on the calendar:

H.R. 6100. An act to clarify the intent of Congress with respect to the families eligible for a commemorative medal authorized for families of Americans missing or otherwise unaccounted for in Southeast Asia.

The Committee on Labor and Human Resources was discharged from the further consideration of the following bill; which was placed on the calendar:

H.R. 5496. An act to amend the Public Health Service Act to rename the National Center for Health Services Research as the National Center for Health Services Research and Medical Technology Assessment, and for other purposes.

The Committee on the Judiciary was discharged from the further consideration of the following measure; which was placed on the calendar:

H.R. 2671. An act for the relief of Edgar Gildardo Herrera.

The Committee on Governmental Affairs was discharged from the further consideration of the following measure; which was placed on the calendar:

H.R. 4473. An act to designate the Federal Archives and Records Center in San Bruno, California as the "Leo J. Ryan Memorial Federal Archives and Records Center".

MEASURES HELD AT THE DESK

The following bill was ordered held at the desk by unanimous consent:

H.R. 6342. An act approval of the governing international fishery agreements with Iceland and the European Economic Community.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED IN THE SENATE

The following enrolled bills and joint resolutions, signed by the Speaker of the House of Representatives on Friday, October 5, 1984, and transmitted to the Senate were signed on October 5, 1984 by the President pro tempore [Mr. THURMOND]:

S. 416. An act to amend the Wild and Scenic Rivers Act by designating a segment of the Illinois River in Oregon and the Owyhee River in Oregon as components of the National Wild and Scenic Rivers System, and for other purposes.

S. 1146. An act to amend the Federal Aviation Act of 1958 to provide for the revocation of the airman certificate and for the transportation by aircraft of controlled substances, and for other purposes.

S. 1711. An act providing for a fifteen-year extension of patent numbered 3,376,198.

S.J. Res. 299 Joint resolution to designate November 1984, as National Diabetes Month.

S.J. Res. 309. Joint resolution authorizing and requesting the President to designate January 1985 as "National Cerebral Palsy Month".

H.J. Res. 659. Joint resolution making further continuing appropriations for fiscal year 1985.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The Secretary reported that on today, October 9, 1984, he had presented to the President of the United States the following enrolled bills and joint resolutions:

S. 416. An act to amend the Wild and Scenic Rivers Act by designating a segment of the Illinois River in Oregon and the Owyhee River in Oregon as components of the National Wild and Scenic Rivers System, and for other purposes;

S. 566. An act to direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain tracts of land conveyed to the South Carolina State Commission of Forestry, and to direct the Secretary of the Interior to convey certain mineral interests of the United States in such land to such Commission, and for other purposes;

S. 905. An act to establish the National Archives and Records Administration, and for other purposes;

S. 1097. An act to consolidate and authorize certain atmospheric and services programs and functions of the National Oceanic and Atmospheric Administration under the Department of Commerce;

S. 1146. An act to amend the Federal Aviation Act of 1958 to provide for the revocation of the airman certificates and for additional penalties for the transportation by aircraft of controlled substances, and for other purposes;

S. 1711. An act providing for a fifteen-year extension of patent numbered 3,376,198;

S. 1868. An act to add $2,000,000 to the budget ceiling for new acquisitions at Sleeping Bear Dunes National Lakeshore;

S.J. Res. 295. Joint resolution to provide for the designation of the week of October 14 through October 20, 1984, as "Myasthenia Gravis Awareness Week";

S.J. Res. 299. Joint resolution to designate November 1984, as "National Diabetes Month"; and

S.J. Res. 309. Joint resolution authorizing and requesting the President to designate January 1985 as "National Cerebral Palsy Month".

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MATHIAS (for himself, Mr. MOYNIHAN, Mr. GORTON, Mr. THURMOND, and Mr. PELL):

S. Res. 476. A resolution to designate room S230 in the United States Capitol Building as the "Howard H. Baker, Jr., Room;" to the Committee on Rules and Administration.

ADDITIONAL COSPONSORS

S. 2266

At the request of Mr. CRANSTON, the name of the Senator from Illinois [Mr. PERCY] was added as a cosponsor of S. 2266, a bill to grant a Federal charter to Vietnam Veterans of America, Inc.

S. 2720

At the request of Mrs. HAWKINS, the names of the Senator from Rhode Island [Mr. CHAFEE] and the Senator from West Virginia [Mr. BYRD] were added as cosponsors of S. 2720, a bill to recognize the organization known as the Women's Army Corps Veterans' Association.

S. 3008

At the request of Mr. ARMSTRONG, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 3008, a bill to recognize the organization known as the Retired Enlisted Association, Inc.

SENATE JOINT RESOLUTION 351

At the request of Mr. SASSER, the names of the Senator from Maryland [Mr. SARBANES], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Illinois [Mr. PERCY], the Senator from New Mexico [Mr. DOMENICI], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from South Dakota [Mr. ABDNOR], the Senator from Delaware [Mr. ROTH], and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of Senate Joint Resolution 351, a joint resolution designating the week beginning February 17, 1985, as a time to recognize volunteers who give their time to become Big Brothers and Big Sisters to youth in need of adult companionship.

SENATE CONCURRENT RESOLUTION 133

At the request of Mrs. HAWKINS, the names of the Senator from Rhode Island [Mr. CHAFEE], the Senator from Wisconsin [Mr. KASTEN], the Senator from South Carolina [Mr. THURMOND], the Senator from Indiana [Mr. LUGAR], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of Senate Concurrent Resolution 133, a concurrent resolution to express the sense of the Congress that television stations should publicize kidnaped children cases.

SENATE RESOLUTION 467

At the request of Mr. ROTH, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of Senate Resolution 467, a resolution expressing the appreciation of the Senate to members of the entertainment industry, especially the Entertainment Industries Council, for their concern over the drug problem in America, and urging the industry to undertake a comprehensive program to communicate to the citizens of the United States the dangers of drug abuse.

SENATE RESOLUTION 476—DESIGNATING ROOM S-230 IN THE CAPITOL AS THE "HOWARD H. BAKER, JR., ROOM"

Mr. MATHIAS (for himself, Mr. MOYNIHAN, Mr. GORTON, and Mr. THURMOND) submitted the following resolution; which was referred to the Committee on Rules and Administration.

S. RES. 476

Resolved, That the room S230 in the United States Capitol Building is hereby designated as, and shall hereafter be known as, the "Howard H. Baker, Jr., Room".

(The remarks of Mr. MATHIAS on this resolution appear earlier in today's RECORD.)

AMENDMENTS SUBMITTED

INCREASING THE PUBLIC DEBT LIMIT

MELCHER AMENDMENT NO. 7080

Mr. MELCHER proposed an amendment to amendment No. 7072 proposed by Mr. TSONGAS (and others) to the joint resolution (H.J. Res. 654) increasing the statutory limit on the public debt; as follows:

At the end of the pending amendment, insert the following new section:

SEC. . (a) Subsection (e) of section 483 of the Internal Revenue Code of 1954 (relating to reduced rate of interest in case of sales of principal residences or farms) is amended to read as follows:

"(e) REDUCED RATE OF INTEREST IN CASE OF SALES OF RESIDENCES, FARMS, OR REAL PROPERTY USED IN A TRADE OR BUSINESS.—

"(1) IN GENERAL.—In the case of any debt instrument arising from a sale or exchange to which this subsection applies, the discount rate under subsections (b) and (c)(1)(B) shall not be greater than 10 percent and 9 percent, respectively.

"(2) SALES OR EXCHANGES TO WHICH THIS SUBSECTION APPLIES.—This subsection shall apply to any sale or exchange—

"(A) of property for use as a residence by an individual,

"(B) of a farm (within the meaning of section 6420(c)(2))—

"(i) by an individual, estate, or testamentary trust,

"(ii) by a corporation which as of the date of the sale or exchange is a small business corporation (as defined in section 1244(c)(3)), or

"(iii) by a partnership which as of the date of the sale or exchange meets requirements similar to those of section 1244(c)(3), or

"(C) of real property by any person (whether or not described in subparagraph (A)) used in a trade or business of such person or held by such person for the production of income.

"(3) DOLLAR LIMITATION.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to the portion of the stated principal amount of the debt instrument arising from the transaction which exceeds the applicable limit.

"(B) APPLICABLE LIMIT.—For purposes of this paragraph, the term 'applicable limit' means the limit determined in accordance with the following table:

"If the transaction is described in:	The limit is:
Paragraph (2) (A)	$250,000
Paragraph (2) (B)	2,000,000
Paragraph (2)(C)	1,000,000

"(C) REDUCTION IN APPLICABLE LIMIT WHERE SALES PRICE EXCEEDS APPLICABLE LIMIT.—In the case of any transaction with respect to which the sales price exceeds the applicable limit, the applicable limit shall be the amount which bears the same ratio to the applicable limit as—

"(i) as the applicable limit, bears to

"(ii) the sales price.

"(f) SPECIAL TEST RATES FOR SALES OR EXCHANGES INVOLVING CERTAIN REAL PROPERTY.—

"(1) IN GENERAL.—In the case of any sale or exchange to which this subsection applies, subsection (c)(1)(B) shall be applied by substituting—

"(A) '80 percent' for '110 percent' in the case of any debt instrument described in paragraph (3), and

"(B) '100 percent' for '110 percent' in the case of any debt instrument described in paragraph (4).

"(2) SALES OR EXCHANGES TO WHICH THIS SUBSECTION APPLIES.—

"(A) IN GENERAL.—Except as provided in this paragraph, this subsection applies to any sale or exchange of—

"(i) land, or

"(ii) 15-year or 18-year real property (within the meaning of section 168), disregarding de minimis amounts of personality associated with such real property.

"(3) DEBT INSTRUMENTS TO WHICH 80 PERCENT RATE APPLIES.—A debt instrument is described in this paragraph if—

"(A) the term of the instrument (determined with regard to any extension or renewal) is not greater than the lesser of—

"(i) 12 years," or

"(ii) in the case of a debt instrument involving recovery property, ⅔ of the recovery period under section 168 for such property, and

"(B) the total deferred payments under such instrument, when added to the sum of the total deferred payments under all other debt instruments issued in connection with the sale or exchange—

"(i) to which this paragraph applies, and

"(ii) which were issued before such instrument was issued.

do not exceed $4,000,000.

"(4) DEBT INSTRUMENTS TO WHICH 100 PERCENT RATE APPLIES.—A debt instrument is described in this paragraph if—

"(A) the rate of interest stated in the instrument is not less than the applicable Federal rate,

"(B) such instrument provides for—

"(i) the unconditional payment each year of at least 80 percent of the interest so stated, or

"(ii) after the close of the 2-year period beginning on the date such instrument was issued the instrument provides the unconditional payment each year of the total interest accruing thereunder, and

"(C) such instrument is not described in paragraph (3).

"(5) SPECIAL RULES FOR DETERMINATION OF DISCOUNT RATES.—

"(A) IN GENERAL.—If the applicable Federal rate determined under section 1274(d) for any period (other than the Federal short-term rate) exceeds by more than 2 percent such rate for the preceding period, such applicable Federal rate for purposes of applying this section to any debt instrument to which this subsection applies shall be equal to the greater of—

"(i) the sum of—

"(I) such applicable Federal rate for such preceding period, plus

"(II) the greater of 1 percent or one-half of such excess, or

"(ii) the highest such applicable Federal rate during the 2-year period before the period for which such determination was made after the application of this paragraph.

"(B) SPECIAL RULES FOR 1985 AND 1986.—Notwithstanding any other provision of this section, in the case of any sale or exchange with respect to which a binding contract was entered into during 1985 or 1986—

"(i) TEST RATE.—The discount rate for purposes of applying subsection (c)(1)(B) to any debt instrument described in paragraph (3) shall not be greater than the rate determined in accordance with the following table:

"For contracts entered into during the period:	The rate is:
Jan. 1–June 30, 1985	10.5
July 1–Dec. 31, 1985	11
Jan. 1–June 30, 1986	11.5
July 1–Dec. 31, 1986	12.

For purposes of applying subsection (c)(1)(B) to any debt instrument described in paragraph (4), the discount rate shall not be greater than the rate determined in accordance with the table, plus one-half percentage point.

"(ii) IMPUTED RATE.—The discount rate for purposes of applying subsection (b) to any debt instrument described in paragraph (3) or (4) shall not be greater than the rate determined under clause (i), plus 1 percentage point.

"(6) AGGREGATION RULES.—For purposes of this subsection—

"(i) all debt instruments arising from any transaction (or any series of related transactions) shall be treated as 1 sale or exchange.

"( ) SALES PRICE.—For purposes of this paragraph, the sales price shall be determined as of the time of the sale or exchange.

"(7) APPLICATION WITH SUBSECTION (f).—In the case of any qualified sale (as defined in subsection (f)(2)), the applicable limit determined under paragraph (3) shall be reduced by the amount of any debt instrument to which subsection (f)(1) applies."

(b) Special rule for determination of Applicable Federal Rate for 1984.

In the case of any debt instrument issued during the first 6 months of 1985 pursuant to a sale or exchange for which a binding contract was entered into during 1984, the applicable Federal rate for purposes of Sections 483 and 1274 of the Internal Revenue Code of 1954 shall be 10 percent.

(c) Subparagraph (A) and (B) of Section 1274(c)(2) (relating to exceptions from the determination of the issue price in the case of certain debt instruments issued for property) are amended to read as follows:

"(A) SALES OF FARMS AND REAL PROPERTY USED IN A TRADE OR BUSINESS.—Any debt instrument arising from a sale or exchange described in subparagraph (B) or (C) of section 483(e)(2) but only to the extent of that portion of the stated principal amount to which section 483(e) applies."

"(B) RESIDENCES.—Any debt instrument arising from the sale or exchange of any property for use as the residence of the obligor under such instrument."

(d)(1) Section 483(d) of the Internal Revenue Code of 1954 (relating to exceptions and limitations) is amended by adding at the end thereof the following new paragraph:

"(5) ASSUMPTIONS.—This section shall not apply to any debt instrument which is assumed (or taken subject to) by the transferee as part of the sale or exchange of property, or to the portion or any wraparound mortgage equal to the unpaid balance of the seller's existing financing."

"(2) Section 1274(c)(4) of such Code (relating ot exceptions) is amended by adding at the end thereof the following new subparagraph:

"(G) ASSUMPTIONS.—Any debt instrument which is assumed (or taken subject to) by the transferee as part of the sale or exchange of property, or to the portion or any wraparound mortgage equal to the unpaid balance of the seller's existing financing."

(e) Subparagraph (F) of section 1274(c) (relating to exceptions for sales or exchanges to which section 483(e) applies) is amended by striking out "section 483(e)" in the text and heading thereof and inserting in lieu thereof "section 483(f)."

(f) The amendments made by this section shall take effect as if included in the amendments made by the Tax Reform Act of 1984.

PREVENTIVE HEALTH AMENDMENTS

HATCH AMENDMENT NO. 7801

Mr. BAKER (for Mr. HATCH) proposed an amendment to the amendment of the House of Representatives to the bill (S. 2301) to revise and extend programs for the provision of health services, and for other purposes; as follows:

In lieu of the matter proposed to be inserted by the amendment of the House of Representatives to the text of the bill, insert the following:

That this Act may be cited as the "Preventive Health Amendments of 1984".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 2. (a) Section 317(j)(1) (42 U.S.C. 247b(j)(1)) is amended—

(1) by striking out "immunize children against immunizable diseases" and inserting in lieu thereof "immunize individuals against vaccine-preventable diseases", and

(2) by striking out "and" after "1983," and by inserting before the period a comma and the following: "$52,000,000 for the fiscal year ending September 30, 1985, $59,000,000 for the fiscal year ending September 30, 1986, and $65,000,000 for the fiscal year ending September 30, 1987".

(b) Section 317(j)(2) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$8,000,000 for the fiscal year ending September 30, 1985, $9,000,000 for the fiscal year ending September 30, 1986, and $10,000,000 for the fiscal year ending September 30, 1987".

SEC. 3. (a) The first sentence of section 318(d)(1) (42 U.S.C. 247c(d)(1)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$57,000,000 for the fiscal year ending September 30, 1985, $62,500,000 for the fiscal year ending September 30, 1986, and $68,000,000 for the fiscal year ending September 30, 1987".

(b)(1) Subsection (a) of section 318 is amended by striking out "research" and all that follows in such section and inserting in lieu thereof the following: "research in, and training and public health programs for, the prevention and control of sexually transmitted diseases,".

(2) Subsection (b) of section 318 is amended to read as follows:

"(b) The Secretary may make grants to States, political subdivisions of States, and any other public and non-profit private entity for—

"(1) research into the prevention and control of sexually transmitted diseases;

"(2) demonstration projects for the prevention and control of sexually transmitted diseases;

"(3) public information and education programs for the prevention and control of such diseases, and

"(4) education, training, and clinical skills improvement activities in the prevention and control of such diseases for health professionals (including allied health personnel).".

(3) Subsection (c) of section 318 is amended by inserting "and" at the end of paragraph (3), by striking out paragraph (4), and by redesignating paragraph (5) as paragraph (4).

(4) The second sentence of section 318(d)(1) is amended by striking out "5 per centum" and inserting in lieu thereof "10 per centum".

(5)(A) Section 318 is amended by redesignating subsections (d) through (f) as subsections (e) through (g) and by adding after subsection (c) the following new subsection:

"(d) The Secretary, acting through the Director of the centers of disease control, may make grants to public and non-profit entities for information and education programs on, and for the diagnosis, prevention, and control of, acquired immune deficiency syndrome. The authority to make grants under this section for acquired immune deficiency syndrome is not the exclusive authority to make grants under this Act for acquired immune deficiency syndrome.".

(B) Subsection (e)(1) of section 318 (as so redesignated) is amended—

(i) by striking out "(b) and (c)" in the first sentence and inserting in lieu thereof "(b), (c), nd (d)",

(ii) by striking out "(b) or (c)" in the second sentence and inserting in lieu thereof "(b), (c), or (d)", and

(iii) by adding at the end the following: "If the appropriations under the first sentence for fiscal year 1985 exceed $50,000,000, one-half of the amount in excess of $50,000,000 shall be made available for grants under subsection (d); if the appropriations under the first sentence for fiscal year 1986 exceed $52,500,000 shall be made available for such grants; and if the appropriations under the first sentence for fiscal year 1987 exceed $55,000,000, one-half of the amount in excess of $55,000,000 shall be made available for such grants.".

(6)(A) Section 318 is amended by striking out "veneral disease" each place it occurs and inserting in lieu thereof "sexually transmitted diseases".

(B) The heading for such section 318 is amended by striking out "venereal disease" and inserting in lieu thereof "sexually transmitted diseases and acquired immune deficience syndrome".

(C) Section 318 is amended by striking out the subsection (g) which was in effect on the day before the date of enactment of this Act.

SEC. 4. (a) Section 1901(a) (42 U.S.C. 300W(a)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$98,500,000 for the fiscal year ending September 30, 1985, $98,500,000 for the fiscal year ending September 30, 1986, and $98,500,000 for the fiscal year ending September 30, 1987".

(b) Section 1901(b) is amended by striking out "$3,000,000" and inserting in lieu thereof "$3,500,000".

SEC. 5. (a) Section 1905(c) (42 U.S.C. 300W-4) is amended by striking out paragraphs (2) and (4) and redesignating paragraphs (3) and (5) through (8) as paragraphs (2) through (6), respectively.

(b) Section 1906(a)(1)(B) (42 U.S.C. 300W-5) is amended by striking out "activities of the State under this part" and inserting in lieu thereof "preventive health and preventive health services programs in the State assisted by funds from allotments under this part, including a summary of the services which were provided, the providers of such services, and the individuals who received such services".

(c) Section 1906 is amended by adding at the end the following:

"(d) The Secretary, in consultation with appropriate national organizations, shall develop model criteria and forms for the collection of data and information with respect to services provided under this part to enable States to share uniform data and information with respect to the provision of such services.".

(d) Subsection (e) of Section 1905 is repealed

SEC. 6. (a) Section 339(a)(5) (42 U.S.C. 255(a)(5)) is amended by striking out "and" after "1983," and by inserting before the period a comma and "September 30, 1985, September 30, 1986, and September 30, 1987".

(b) Section 339(b)(5) is amended by striking out "and" after "1983," and by inserting before the period a comma and "September 30, 1985, September 30, 1986, and September 30, 1987".

SEC. 7. Part of title XIX is amended by inserting after section 1909 (42 U.S.C. 300W-8) the following new section:

"EMERGENCY MEDICAL SERVICES FOR CHILDREN

"SEC. 1910. (a) For activities in addition to the activities which may be carried out by States under section 1904(a)(1)(F), the Secretary may make grants to not more than four States in any fiscal year to support a program of demonstration projects in such States for the expansion and improvement of emergency medical services for children who need treatment for trauma or critical care. Any grant made under this subsection shall be for a one-year period.

"(b) The Secretary may renew a grant made under subsection (a) for one additional one-year period only if the Secretary determines that renewal of such grant will provide significant benefits through the collection, analysis, and dissemination of information or data which will be useful to other States.

"(c) To carry out this section, there are authorized to be appropriated $2,000,000 for fiscal year 1985 and for each of the two succeeding fiscal years.".

SEC. 8. Part A of title XIX (as amended by section 7 of this Act) is amended by adding at the end the following new section:

"STATE PLANNING GRANTS

"SEC. 1910A. (a) The Secretary may make grants to assist States to—

"(1) develop long range plans to achieve the goals, objectives, and priorities established by the Secretary pursuant to title XVII;

"(2) identify particular needs within States for services and activities that may be conducted with payments made under allotments under section 1902; and

"(3) determine the progress of States in achieving the goals, objectives, and priorities described in paragraph (1) and, to the extent feasible, use scientifically valid measures to make such determinations.

"(b) To carry out this section, there are authorized to be appropriated $5,000,000 for fiscal year 1985 and for each of the two succeeding fiscal years.".

SEC. 9. Section 1001 (42 U.S.C. 300) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) The Secretary, at the request of a recipient of a grant under subsection (a), may reduce the amount of such grant by the fair market value of any supplies or equipment furnished the grant recipient by the Secretary. The amount by which any such grant is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment on which the reduction of such grant is based. Such amount shall be deemed as part of the grant and shall be deemed to have been paid to the grant recipient.".

INCREASE IN PUBLIC DEBT LIMIT

DOLE AMENDMENT NO. 7082

Mr. DOLE proposed an amendment to the joint resolution (H.J. Res. 654), supra; as follows:

On line 6 of the resolution, strike out "$1,823,800,000,000" and insert in lieu thereof "$1,823,800,000,001 on and after October 2, 1984"

JEPSEN AMENDMENT NO. 7083

Mr. JEPSEN proposed an amendment to amendment No. 7082 proposed by Mr. DOLE to the joint resolution (H.J. Res. 654), supra; as follows:

In lieu of the matter proposed to be inserted, insert the following: "$1,823,800,000,002 on and after October 1, 1984."

SEC. . TAX TREATMENT OF CERTAIN DEFERRED PAYMENTS.

(a) REDUCTION IN INTEREST RATES UNDER SECTION 483.—Section 483 of the Internal Revenue Code of 1954 (relating to interest on certain deferred payments) is amended—

(1) by redesignating subsections (f), (g), and (h) as subsections (h), (i), and (j), and

(2) by striking out subsection (e) and inserting in lieu thereof the following new subsections:

"(e) REDUCED RATE OF INTEREST IN CASE OF CERTAIN SALES OF RESIDENCES, FARMS, OR TRADES OR BUSINESSES.—

"(1) IN GENERAL.—In the case of any debt instrument arising from a sale or exchange to which this subsection applies, the discount rate under subsection (b) or (c) (1)(B) shall be the rate prescribed by the Secretary in regulations but shall not be greater than 10 percent and 9 percent, respectively.

"(2) SALES OR EXCHANGES TO WHICH THIS SUBSECTION APPLIES.—This subsection shall apply to any of the following sales or exchanges:

"(A) RESIDENCES..—Any sale or exchange of a residence by an individual, an estate, or a testamentary trust, but only if—

"(i) either—

"(I) such residence on the date of such sale or exchange (or in the case of an estate or testamentary trust, on the date of death of the decedent) was the principal residence (within the meaning of section 1034) of the individual or decedent, or

"(II) during the 2-year period ending on such date, no substantial portion of such residence was of a character subject to an allowance under this title for depreciation (or amortization in lieu thereof) in the hands of such individual or decedent, and

"(ii) such residence was not at any time, in the hands of such individual, estate,

testamentary trust, or decedent, described in section 1221(1) (relating to inventory, etc.).

"(B) FARMS.—Any sale or exchange by a qualified person of—

"(i) real property which was used as a farm (within the meaning of section 6420 (c)(2)) at all times during the 3-year period ending on the date of such sale or exchange, or

"(ii) tangible personal property which was used in the active conduct of the trade or business of farming on such farm and is sold in connection with the sale of such farm,

but only if such property is sold or exchanged for use in the active conduct of the trade or business of farming by the transferee of such property.

"(C) TRADES OR BUSINESSES.—

"(i) IN GENERAL.—Any sale or exchange by a qualified person of any trade or business.

"(ii) APPLICATION WITH SUBPARAGRAPH (B).—This subparagraph shall not apply to any sale or exchange of any property described in subparagraph (B).

"(iii) NEW SECTION 38 PROPERTY.—This subparagraph shall not apply to the sale or exchange of any property which, in the hands of the transferee, is new section 38 property.

"(3) DOLLAR LIMITATION.—

"(A) IN GENERAL.—Paragraph (1) shall apply to any debt instrument to the extent that the sales price does not exceed the applicable limit with respect to such sale or exchange.

"(B) APPLICABLE LIMIT DEFINED.—For purposes of this paragraph, the term 'applicable limit' means the limit determined in accordance with the following table:

"If the transaction is described in:	The limit is:
Paragraph (2)(A)	$250,000
Paragraph (2)(B)	2,000,000
Paragraph (2)(C)	1,000,000

"(4) BLENDED RATE WHERE SALES PRICE EXCEEDS APPLICABLE LIMIT.—In the case of any sale or exchange to which this subsection applies with respect to which the sales price exceeds the applicable limit—

"(A) TEST RATE.—The discount rate under subsection (c)(1) (B) shall, in lieu of the rate under paragraph (1), be equal to the sum of—

"(i) 9 percent, multiplied by a fraction the numerator of which is the applicable limit and the denominator of which is the sales price, and

"(ii) 110 percent of the applicable Federal rate, multiplied by a fraction—

"(I) the numerator of which is the sales price minus the applicable limit, and

"(II) the denominator of which is the sales price.

In the case of a transaction described in paragraph (2)(A), clause (ii) shall be applied by substituting '100 percent' for '110 percent'.

"(B) IMPUTED RATE.—The discount rate under subsection (b) shall, in lieu of the rate under paragraph (1), be equal to the rate determined under subparagraph (A) by substituting '10 percent' for '9 percent' and, except in the case of any transaction described in paragraph (2)(A), '120 percent' for '110 percent' each place it appears.

"(C) RATES AS ADJUSTED.—For purposes of this paragraph, if the Secretary prescribes, pursuant to paragraph (1), a lower discount rate under subsection (c) (1) (B) or (b) than the maximum rate allowed under paragraph (1), such lower rate shall apply in lieu of '9 percent' or '10 percent' in subparagraphs (A) (i) or (B), respectively.

"(5) AGGREGATION AND ALLOCATION RULES.—For purposes of this subsection, except as provided in regulations—

"(A) DEBT INSTRUMENTS.—All debt instruments arising from a transaction (or any series of related transactions) shall be treated as 1 debt instrument.

"(B) SALES AND EXCHANGES.—All sales and exchanges which are part of the same transaction (or a series of related transactions) shall be treated as 1 sale or exchange.

"(C) PRORATION OF APPLICABLE LIMIT WHERE MORE THAN ONE PERSON HOLDS AN INTEREST.—In the case of a sale or exchange of any property (or a trade or business) described in paragraph (2) with respect to which there is more than 1 owner, the applicable limit under paragraph (3) shall be apportioned among each owner on the basis of the ratio which the fair market value of such owner's interest bears to the fair market value of all interests of such owners.

"(6) APPLICATION WITH SUBSECTION (H).—In the case of any qualified sale (as defined in subsection (h) (2)), the applicable limit determined under paragraph (3) shall be reduced by the amount of any debt instrument to which subsection (h) (1) applies.

"(7) DEFINITIONS.—For purposes of this subsection—

"(A) QUALIFIED PERSON DEFINED.—The term 'qualified person' means—

"(i) a person who—

"(I) is an individual, estate, or testamentary trust,

"(II) is a corporation which immediately prior to the date of the sale or exchange has 35 or fewer shareholders, or

"(III) is a partnership which immediately prior to the date of the sale or exchange has 35 or fewer partners,

"(ii) is a 10-percent owner of a farm or a trade or business,

"(iii) pursuant to a plan, disposes of—

"(I) an interest in a farm or farm property, or

"(II) his entire interest in a trade or business and all substantially similar trades or businesses, and

"(iv) the ownership interest of whom may be readily established by reason of qualified allocations of the type described in section 168 (j) (9) (B), one class of stock, or the like).

"(B) 10-PERCENT OWNER DEFINED.—The term '10-percent owner' means a person having at least a 10-percent ownership interest, applying the attribution rules of section 318 (other than subsection (a) (4));

"(C) SALES PRICE DEFINED.—The term 'sales price' means the sum of—

"(i) money and fair market value of property received in the sale or exchange, plus

"(ii) the stated principal amount of any debt instrument issued in such sale or exchange.

"(D) TRADE OR BUSINESS DEFINED.—

"(i) IN GENERAL.—The term 'trade or business' means any trade or business, including any line of business, qualifying as an active trade or business within the meaning of section 355.

"(ii) RENTAL OF REAL PROPERTY.—For purposes of this subparagraph, the holding of real property for rental shall not be treated as an active trade or business.

"(f) SPECIAL TEST RATES FOR SALES OR EXCHANGES INVOLVING CERTAIN REAL PROPERTY.—

"(1) IN GENERAL.—In the case of any sale or exchange to which this subsection applies, subsection (c)(1)(B) shall be applied by substituting—

"(A) '80 percent' for '110 percent' in the case of any debt instrument described in paragraph (3), and

"(B) '100 percent' for '110 percent' in the case of any debt instrument described in paragraph (4).

"(2) SALES OR EXCHANGES TO WHICH THIS SUBSECTION APPLIES.—

"(A) IN GENERAL.—Except as provided in this paragraph, this subsection applies to any sale or exchange of—

"(i) land, or

"(ii) real property described in subparagraph (D) or (F) of subsection (c)(2) of section 168 (whether or not such property is of a character subject to an allowance under this title for depreciation (or amortization in lieu thereof) in the hands of the purchaser),

including de minimis amounts of tangible personal property associated with such real property.

"(B) CERTAIN PROPERTY NOT INCLUDED.—This subsection shall not apply to any sale or exchange—

"(i) of new section 38 property, or

"(ii) with respect to which the transferor and transferee are related persons.

"(3) DEBT INSTRUMENTS TO WHICH 80 PERCENT RATE APPLIES.—A debt instrument is described in this paragraph if—

"(A) the term of the instrument (determined with regard to any extension or renewal) is not greater than the lesser of—

"(i) 12 years, or

"(ii) in the case of a debt instrument issued in exchange for recovery property, ⅔ of the shortest recovery period under section 168 for such property, and

"(B) the total deferred payments under such instrument, when added to the sum of the total deferred payments under all other debt instruments issued in connection with the sale or exchange—

"(i) to which this paragraph applies, and

"(ii) which were issued before such instrument was issued,

do not exceed $4,000,000.

"(4) DEBT INSTRUMENTS TO WHICH 100 PERCENT RATE APPLIES.—A debt instrument is described in this paragraph if—

"(A) the rate of interest stated in the instrument is not less than the applicable Federal rate,

"(B) such instrument provides for—

"(i) the unconditional payment each year of at least 80 percent of the interest so stated, or

"(ii) after the close of the 2-year period beginning on the date such instrument was issued the instrument provides the unconditional payment each year of all interest accruing thereunder for that year, and

"(C) such instrument is not described in paragraph (3).

"(5) SPECIAL RULES FOR DETERMINATION OF DISCOUNT RATES.—

"(A) IN GENERAL.—If the applicable Federal rate determined under section 1274(d) for any period after June 30, 1985 (other than the Federal short-term rate) exceeds by more than 2 percentage points such rate for the preceding period as limited by this paragraph, such applicable Federal rate shall not exceed the greater of—

"(i) the sum of—

"(I) such applicable Federal rate for such preceding period, plus

"(II) one-half of such excess, or

"(ii) the highest such applicable Federal rate during the 2-year period before the period for which such determination was made after the application of this paragraph.

"(B) SPECIAL RULES FOR 1985 AND 1986.—Notwithstanding any other provision of this section, in the case of any sale or exchange with respect to which a binding contract was entered into during 1985 or 1986—

"(i) TEST RATE.—The discount rate for purposes of applying subsection (c)(1)(B) to any debt instrument described in paragraph (3) shall not be greater than the rate determined in accordance with the following table:

"For contracts entered into during the period:	The rate is:
Jan. 1–June 30, 1985	10.5
July 1–Dec. 31, 1985	11
Jan. 1–June 30, 1986	11.5
July 1–Dec. 31, 1986	12

For purposes of applying subsection (c)(1)(B) to any debt instrument described in paragraph (4), the discount rate shall not be greater than the rate determined in accordance with the table, plus one-half percentage point.

"(ii) IMPUTED RATE.—The discount rate for purposes of applying subsection (b) to any debt instrument described in paragraph (3) or (4) shall not be greater than the rate determined under clause (i), plus 1 percentage point.

"(6) AGGREGATION RULES.—For purposes of this subsection, all sales and exchanges which are part of the same transaction (or a series of related transactions) shall be treated as 1 sale or exchange.

"(7) RELATED PERSON DEFINED.—For purposes of this subsection and subsection (g), the term 'related person' means a person who is related (within the meaning of section 267(b) of section 707(b)(1)) to another person other than a qualified 5-percent or less partner (within the meaning of section 267(e)(5)(B)).

"(g) SPECIAL RULES FOR APPLICATION OF THIS SECTION.—For purposes of this section—

"(1) APPLICATION OF SUBSECTIONS (E) AND (F).—In the case of any sale or exchange, either subsection (e) or subsection (f) may be applied, but not both.

"(2) TREATMENT OF ASSUMPTIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), if, after December 31, 1984, any person—

"(i) assumes any debt obligation issued after October 15, 1984, or described in subparagraph (C), in connection with the sale or exchange of any property, or

"(ii) takes such property subject to any such debt obligation,

and the terms and conditions of such debt obligation are not changed, then this section shall apply only to the person assuming, or taking property subject to, such obligation and the obligation shall be treated as issued by the purchaser to the seller in the transaction in which such obligation was assumed or the property taken subject to such obligation.

"(B) OTHER ASSUMPTION.—In the case of any assumption to which subparagraph (A) does not apply, the rules regarding assumptions as in effect prior to the enactment of the Deficit Reduction Act of 1984 shall apply.

"(C) OBLIGATIONS DESCRIBED IN THIS SUBPARAGRAPH.—A debt obligation is described in this subparagraph if such obligation—

"(i) was issued on or before October 15, 1984, and

"(ii) was assumed (or property was taken subject to such obligation) in connection with the sale or exchange of property (including a deemed sale under section 338 (a)) the sales price of which is greater than $100,000,000.

"(D) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to effect the purpose of this subsection, including regulations relating to tax-exempt obligations, government subsidized loans, or other similar instruments.

"(E) CERTAIN EXEMPT TRANSACTIONS.—The Secretary shall prescribe regulations under which any transaction shall be exempt from the application of this paragraph if such exemption is not likely to significantly reduce the tax liability of the purchaser by reason of the overstatement of the adjusted basic of the acquired asset.

"(3) FAIR MARKET VALUE RULE IN POTENTIALLY ABUSIVE CASES.—In the case of any potentially abusive situation (within the meaning of section 1274(b)(3)(B)), the principal amount of any debt instrument received in any sale or exchange of property to which this section applies shall be the fair market value of such property adjusted to take into account other consideration involved in the transaction.

"(4) SALE-LEASEBACKS.—Subsections (e) and (f) shall not apply to any sale or exchange if, pursuant to a plan, the transfer or any related person leases such property.

"(5) RULES NOT TO APPLY WHERE PREPAYMENT PROHIBITED.—Subparagraph (A) of paragraph (1) shall not apply to any obligation arising form a loan from a third party creditor, pursuant to which the obligor is not permitted to pay the instrument prior to maturity.

"(6) NO IMPUTATION RATE WHERE RESTRICTIONS ON STATED INTEREST APPLY.—Except as otherwise provided in regulations, in any case in which State law applicable to a transaction prohibits the parties from stating interest sufficient to satisfy the applicable rate under subsection (c)(1)(B), the rate under subsection (b) shall be considered equal to the rate so applicable under subsection (c)(1)(B).".

(b) INTEREST INCOME AND DEDUCTIONS COMPUTED ON CASH BASIS IN CERTAIN CASES.—

(1) IN GENERAL.—Section 1274 of such Code (relating to determination of issue price in the case of certain debt instruments issued for property) is amended by adding at the end thereof the following new subsection:

"(e) SPECIAL RULES FOR CERTAIN SALES OR EXCHANGES TO WHICH INTEREST RULES OF SECTION 483 APPLY.—Notwithstanding any other provision of this subpart—

"(1) TRANSACTIONS TO WHICH SECTION 483 (E) APPLIES.—In the case of any sale or exchange to which section 483 (e) applies—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any inclusion in income or deduction under this title with respect to interest on any debt instrument issued in connection with such sale or exchange shall be computed on the cash receipts and disbursements method of accounting.

"(B) SALES PRICE EXCEEDS APPLICABLE LIMIT.—In any case in which the sales price exceeds the applicable limit under section 483(e)(3)—

"(i) except in the case of any transaction to which section 483(e)(2)(A) applies, subparagraph (A) shall not apply, and

"(ii) the discount rates under subsections (c)(3) and (b)(2)(B) shall be equal to the rates determined under subparagraphs (A) and (B) of section 483(e)(4).

"(2) TRANSACTIONS TO WHICH SECTION 483(F) APPLIES.—In the case of any sale or exchange to which section 483(f) applies—

"(A) TRANSACTIONS WITH 80 PERCENT TEST RATE.—

"(i) IN GENERAL.—Except as provided in clause (ii), any inclusion in income or deduction under this title with respect to interest on any debt instrument described in section 483(f)(3) shall be computed on the cash receipts and disbursements method of accounting.

"(ii) SPECIAL RULE FOR TRANSACTIONS NOT QUALIFYING FOR 80 PERCENT TEST RATE.—Clause (i) shall not apply to any debt instrument issued in such sale or exchange if, in addition to such instrument, a debt instrument not described in section 483(f)(3) is issued in such sale or exchange.

"(B) TRANSACTIONS TO WHICH SUBPARAGRAPH (A) DOES NOT APPLY.—

"(i) IN GENERAL.—If subparagraph (A) does not apply to any debt instrument issued in such sale or exchange, subsection (c)(3) shall be applied—

"(I) in the case of any debt instrument described in section 483(f)(4), by substituting '100 percent' for '110 percent', and

"(II) in the case of any debt instrument described in section 483(f)(3), by substituting '80 percent' for '110 percent'.

"(ii) SPECIAL RULES FOR 1985 AND 1986.—In the case of any debt instrument to which

clause (i) applies issued during 1985 or 1986, the discount rate under subsection (c)(3) shall not be greater than the rate determined under section 483(f)(5).

"(3) SPECIAL RULE FOR HOLDING AND TRANSFER OF DEBT OBLIGATION.—

"(A) Paragraphs (1)(A) and (2)(A) shall apply to the holder of a debt obligation only if such obligation is—

"(i) held by the first obligee of such obligation or such obligee's spouse or estate, and

"(ii) secured by the property sold or exchanged in the transaction in which such obligation is issued.

"(B) Except as otherwise provided in regulations, in the case of a transfer of property by the obligor in which the obligation is not satisifed and the transferee does not become liable to pay such obligation to the first obligee, any deduction for interest on any indebtedness paid or incurred by the transferee to the immediate transferor attributable to such obligation shall be deferred until such time as such deduction would have been allowed if such obligation had been assumed by the transferee.

"(C) In any case in which the transferee assumes or takes property subject to any obligation under subparagraph (A) or is considered to do so under subparagraph (B), the transferee shall compute the amount of the deduction for any interest on such obligation on the cash receipts and disbursements method of accounting.

"(4) SUBSECTION ALSO TO APPLY TO DEBT USED TO CARRY OBLIGATIONS.—In any case in which an abligor of a debt obligation to which paragraph (1)(A) or (2)(A) applies pays or incurs interest on indebtedness to carry such debt obligation, any deduction for such interest shall be deferred to the extent necessary to achieve a proper matching of interest income and expense.

"(5) REGULATIONS TO PREVENT ABUSE OF REQUIRED CASH ACCOUNTING.—The Secretary may by regulation prescribe rules to prevent the mismatching of interest income and interest deductions in connection with obligations on which interest is computed on the cash receipts and disbursements method of accounting.

"(6) OTHER RULES APPLY.—For purposes of this subsection, rules similar to the rules under subparagraphs (B) and (D) of section 483(g)(2) shall apply.".

(2) SPECIAL RULE FOR ASSUMPTIONS.—Paragraph (4) of section 1274(c) of such Code (relating to debt obligations to which section applies) is amended by adding at the end thereof the following new subparagraph:

"(G) TREATMENT OF ASSUMPTIONS.—

"(i) IN GENERAL.—(Except in the case of property described in subsection (e)(2)(A) of section 483, if, after December 31, 1984, any person—

"(I) assumes any debt obligation issued after October 15, 1984, or described in clause (ii) in connection with the sale or exchange of any property, or

"(II) takes such property subject to any such debt obligation,

and the terms and conditions of such debt obligation are not changed, then this section shall apply only to the person assuming, or taking property subject to, such obligation and the obligation shall be treated as issued by the purchaser to the seller in the transaction in which such obligation was assumed or the property taken subject to such obligation.

"(ii) OBLIGATION DESCRIBED IN THIS CLAUSE.—A debt obligation is described in this clause if such obligation—

"(I) was issued on or before October 15, 1984, and

"(II) was assumed (or property was taken subject to such obligation) in connection with the sale or exchange of property (including a deemed sale under section 338(a)) the sales price of which is greater than $100,000,000.

"(III) Certain exempt transactions.—The Secretary shall prescribe regulations under which any transaction would be exempt from the application of this subparagraph if such exemption would not significantly reduce the tax liability of the purchaser by reason of the overstatement of the adjusted basis of the acquired asset.

"(iii) OTHER ASSUMPTIONS.—In the case of any assumption to which subparagraph (A) does not apply, the rules regarding assumptions as in effect prior to the enactment of the Deficit Reduction Act of 1984 shall apply.

"(iv) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to effect the purpose of this subsection, including regulations relating to tax-exempt obligations, government subsidized loans, or other similar instruments."

(c) SPECIAL RULES FOR CERTAIN SALES OR EXCHANGES OF RESIDENCES BY DEALERS IN SUCH PROPERTY.—

(1) IN GENERAL. Section 1274 of such Code is further amended by adding at the end thereof the following new subsection:

"(f) SPECIAL RULES FOR CERTAIN SALES OR EXCHANGES OF RESIDENCES BY DEALERS IN SUCH PROPERTY.—Notwithstanding any other provision of this subpart—

"(1) IN GENERAL.—In the case of any debt instrument described in paragraph (4) arising from a sale or exchange to which this subsection applies—

"(A) subsection (c) (3) shall be applied by substituting '80 percent' for '110 percent', and

"(B) subsection (b)(2) (B) shall be applied by substituting '110 percent' for '120 percent'.

"(2) SALES OR EXCHANGES TO WHICH THIS SUBSECTION APPLIES.—

"(A) IN GENERAL.—This subsection applies to any sale or exchange of any residence by a dealer who holds such residence as section 1221 (1) property to a person who intends to occupy such residence if the sales price of such residence does not exceed $250,000.

"(B) PRORATION OF APPLICABLE LIMIT WHERE MORE THAN ONE PERSON HOLDS AN INTEREST.—In the case of a sale or exchange of any property described in subparagraph (A) with respect to which there is more than 1 owner, the applicable limit under subparagraph (A) shall be apportioned among each owner on the basis of the ratio which the fair market value of such owner's interest bears to the fair market value of all interests of such owners.

"(3) BLENDED RATE WHERE SALES PRICE EXCEEDS $250,000— In the case of any sale or exchange to which this subsection would otherwise apply with respect to which the sales price exceeds $250,000—

"(A) TEST RATE.—The discount rate under subsection (c)(3) shall, in lieu of the rate under paragraph (1)(A), be equal to the sum of—

"(i) 80 percent, multiplied by a fraction the numerator of which is $250,000 and the denominator of which is the sales price, and

"(ii) 100 percent of the applicable federal rate, multiplied by a fraction—

"(I) the numerator of which is the sales price minus $250,000, and

"(II) the denominator of which is the sales price.

"(B) IMPUTED RATE.—The discount rate under subsection (b)(2)(B) shall be the rate under paragraph (1)(B).

"(4) DEBT INSTRUMENT.—A debt instrument is described in this paragraph if it provides conspicuous notice to the obligor in a manner prescribed by regulations that if the obligor of such instrument places the residence in service in a trade or business the depreciation rules under section 168(f)(16) shall apply.

"(5) SALES PRICE DEFINED.—For purposes of this subsection, the term 'sales price' means—

"(i) money and fair market value of property received in the sale or exchange, plus

"(ii) the stated principal amount of any debt instrument issued in such sale or exchange.

"(6) Rules relating to interest to carry dealer obligations arising under this subsection.—

"(A) EXCESS DEDUCTIONS DISALLOWED.—For each year the interest expense paid or incurred on any debt incurred or continued to carry any dealer obligation shall be disallowed to the extent such expense exceeds interest income includable with respect to such dealer obligation for such year.

"(B) DISALLOWED INTEREST EXPENSE ALLOWED IN SUBSEQUENT YEARS.—For any year the amount of disallowed interest expense shall be allowed as a deduction with respect to any dealer obligation in an amount equal to the desallowed interest expense as of the close of such year (not including any amount previously allowed under this subparagraph) multiplied by a fraction—

"(i) the numerator of which is the sum of the principal payments on such dealer obligation made in such year, and

"(ii) the denominator of which the total amount of principal outstanding on such dealer obligation at the beginning of such year.

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) DEALER OBLIGATION DEFINED.—The term 'dealer obligation' means an obligation arising pursuant to a transaction to which paragraph (1) of this subsection applies.

"(ii) DISALLOWED INTEREST EXPENSE DEFINED.—The term 'disallowed interest expense' means the aggregate amount of interest expense disallowed under subparagraph (A) with respect to any dealer obligation.

"(D) NO INFERENCE.—Nothing in this paragraph shall be construed to imply that any transaction described in this paragraph is or is not subject to the rules of section 453B, and any determination of such issue shall be made as if this paragraph had not been enacted.".

(d) RULE WHERE SPECIAL STATE LAW APPLIES.—Section 1274 of such Code is further amended by adding at the end thereof the following new subsection:

"(g) NO IMPUTATION RATE WHERE RESTRICTIONS ON STATED INTEREST APPLY.—Except as otherwise provided in regulations, in any case in which State law applicable to a transaction prohibits the parties from stating interest sufficient to result in an adequate stated interest in the transaction, a rule similar to the rule of section 483(g)(6) shall apply.".

(e) CONFORMING AMENDMENTS.—Paragraph (4) of section 1274 (c) of such Code (relating to certain excepted debt instruments) is amended—

(1) by striking out subparagraphs (A) and (B),

(2) by striking out "section 483(e)" and "SECTION 483(e)" in subparagraph (F) and the heading to subparagraph (F), respectively, and inserting in lieu thereof "section 483(i)" and "SECTION 483(i)", respectively, and

(3) by redesignating subparagraphs (C), (D), (E), and (F) as subparagraphs (A), (B), (C), and (D), respectively.

(f) DEPRECIATION.—Subsection (f) of section 168 of such Code (relating to accelerated cost recovery system) is amended by adding at the end thereof the following new paragraph—

"(16) SPECIAL RULES FOR CERTAIN RESIDENCES.—In the case of any debt instrument described in section 1274(f)(1), the original principal amount of the debt instrument shall be deemed to be the lesser of—

"(A) the stated principal amount, or

"(B) the imputed principal amount determined by applying section 1274(f) using a discount rate of 110 percent of the applicable Federal rate at the time the debt was issued.".

(g) FAIR MARKET VALUE IN POTENTIALLY ABUSIVE SITUATIONS.—Subparagraph (B) of section 1274(b)(3) of such Code (relating to fair market value rule in potentially abusive situations) is amended in clause (ii), by striking out "or" at the end of subclause (III), by redesignating subclause (IV) as subclause (V), and by adding after subclause (III) the following new subclause:

"(IV) deferred interest, or".

(h) DETERMINATION OF APPLICABLE FEDERAL RATE.—

(1) IN GENERAL.—Paragraph (1) of section 1274(d) of such Code (relating to determination of applicable Federal rate) is amended by adding at the end thereof the following new subparagraph:

"(E) AUTHORITY FOR SECRETARY TO DETERMINE RATE MORE FREQUENTLY.—If there is a significant decrease in any applicable Federal rate following any 6-month test period referred to in subparagraph (B), the Secretary may determine the applicable Federal rate on the basis of a more recent period (not less than 30 days) as he determines appropriate to reflect such decrease.".

(2) SPECIAL RULE FOR 1984.—

(A) IN GENERAL.—In the case of any debt instrument issued during the first 6 months of 1985 pursuant to a sale or exchange for which a binding contract was entered into during 1984, the applicable Federal rate for purposes of sections 483 and 1274 of the Internal Revenue Code of 1954 shall be 10 percent.

(B) PARAGRAPH NOT TO APPLY.—Subparagraph (A) shall not apply to any debt instrument to which section 483 (e) or (f) of the Internal Revenue Code of 1954, as amended by this section, applies.

(i) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 41 of the Deficit Reduction Act of 1984.

JEPSEN AMENDMENT NO. 7084

Mr. BAKER (for Mr. JEPSEN) proposed an amendment to amendment No. 7080 proposed by Mr. Melcher to the joint resolution (H.J. Res. 654), supra; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. . TAX TREATMENT OF CERTAIN DEFERRED PAYMENTS.

(a) REDUCTION IN INTEREST RATES UNDER SECTION 483.—Section 483 of the Internal Revenue Code of 1954 (relating to interest on certain deferred payments) is amended—

(1) by redesignating subsections (f), (g), and (h) as subsections (h), (i), and (j), and

(2) by striking out subsection (e) and inserting in lieu thereof the following new subsections:

"(e) REDUCED RATE OF INTEREST IN CASE OF CERTAIN SALES OF RESIDENCES, FARMS, OR TRADES OR BUSINESSES.—

"(1) IN GENERAL.—In the case of any debt instrument arising from a sale or exchange to which this subsection applies, the discount rate under subsection (b) or (c) (1)(B) shall be the rate prescribed by the Secretary in regulations but shall not be greater than 10 percent and 9 percent, respectively.

"(2) SALES OR EXCHANGES TO WHICH THIS SUBSECTION APPLIES.—This subsection shall apply to any of the following sales or exchanges:

"(A) RESIDENCES.—Any sale or exchange of a residence by an individual, an estate, or a testamentary trust, but only if—

"(1) either—

"(I) such residence on the date of such sale or exchange (or in the case of an estate or testamentary trust, on the date of death of the decedent) was the principal residence (within the meaning of section 1034) of the individual or decedent, or

"(II) during the 2-year period ending on such date, no substantial portion of such residence was of a character subject to an allowance under this title for depreciation (or amortization in lieu thereof) in the hands of such individual or decedent, and

"(ii) such residence was not at any time, in the hands of such individual, estate, testamentary trust, or decedent, described in section 1221 (1) (relating to inventory, etc.).

"(B) FARMS.—Any sale or exchange by a qualified person of—

"(i) real property which was used as a farm (within the meaning of section 6420 (c)(2)) at all times during the 3-year period ending on the date of such sale or exchange, or

"(ii) tangible personal property which was used in the active conduct of the trade or business of farming on such farm and is sold in connection with the sale of such farm,

but only if such property is sold or exchanged for use in the active conduct of the trade or business of farming by the transferee of such property.

"(C) TRADES OR BUSINESSES.—

"(i) IN GENERAL.—Any sale or exchange by a qualified person of any trade or business.

"(ii) APPLICATION WITH SUBPARAGRAPH (B).—This subparagraph shall not apply to any sale or exchange of any property described in subparagraph (B).

"(iii) NEW SECTION 38 PROPERTY.—This subparagraph shall not apply to the sale or exchange of any property which, in the hands of the transferee, is new section 38 property.

"(3) DOLLAR LIMITATION.—

"(A) IN GENERAL.—Paragraph (1) shall apply to any debt instrument to the extent that the sales price does not exceed the applicable limit with respect to such sale or exchange.

"(B) APPLICABLE LIMIT DEFINED.—For purposes of this paragraph, the term 'applicable limit' means the limit determined in accordance with the following table:

"If the transaction is described in:	The limit is:
Paragraph (2)(A)	$250,000
Paragraph (2)(B)	$2,200,000
Paragraph (2)(C)	$1,000,000

"(4) BLENDED RATE WHERE SALES PRICE EXCEEDS APPLICABLE LIMIT.—In the case of any sale or exchange to which this subsection applies with respect to which the sales price exeeds the applicable limit—

"(A) TEST RATE.—The discount rate under subsection (c)(1)(B) shall, in lieu of the rate under paragraph (1), be equal to the sum of—

"(i) 9 percent, multiplied by a fraction of the numerator of which is the applicable limit and the denominator of which is the sales price, and

"(ii) 110 percent of the applicable Federal rate, multiplied by a fraction—

"(I) the numerator of which is the sales price minus the applicable limit, and

"(II) the denominator of which is the sales price.

In the case of a transaction described in paragraph (2)(A), clause (ii) shall be applied by substituting '100 percent' for '110 percent'.

"(B) IMPUTED RATE.—The discount rate under subsection (b) shall, in lieu of the rate under paragraph (1), be equal to the rate determined under subparagraph (A) by substituting '10 percent' for '9 percent' and, except in the case of any transaction described in paragraph (2)(A), '120 percent' for '110 percent' each place it appears.

"(C) RATES AS ADJUSTED.—For purposes of this paragraph, if the Secretary prescribes, pursuant to paragraph (1), a lower discount rate under subsection (c)(1)(B) or (b) than the maximum rate allowed under paragraph (1), such lower rate shall apply in lieu of '9 percent' or '10 percent' in subparagraphs (A)(1) or (B), respectively.

"(5) AGGREGATION AND ALLOCATION RULES.—For purposes of this subsection, except as provided in regulations—

"(A) DEBT INSTRUMENTS.—All debt instruments arising from a transaction (or any series of related transactions) shall be treated at 1 debt instrument.

"(B) SALES AND EXCHANGES.—All sales and exchanges which are part of the same transaction (or a series of related transactions) shall be treated as 1 sale or exchange.

"(C) PRORATION OF APPLICABLE LIMIT WHERE MORE THAN ONE PERSON HOLDS AN INTEREST.—In the case of a sales exchange of any property (or a trade or business) dscribed in paragraph (2) with respect to which there is more than 1 owner, the applicable limit under paragraph (3) shall be apportioned among each owner on the basis of the ratio which the fair market value of such owner's interest bears to the fair market value of such owner's interests of such owners.

"(6) APPLICATION WITH SUBSECTION (h).—In the case of any qualified sale (as defined in subsection (h)(2)), the applicable limit determined under paragraph (3) shall be reduced by the amount of any debt instrument ot which subsection (h)(1) applies.

"(7) DEFINITIONS.—For purposes of this subsection—

"(A) QUALIFIED PERSON DEFINED.—The term 'qualified person' means—

"(i) a person who—

"(I) is an individual, estate, or testamentary trust,

"(II) is a corporation which immediately prior to the date of the sale or exchange has 35 or fewer shareholders, or

"(III) is a partnership which immediately prior to the date of the sale or exchange has 35 or fewer partners.

"(ii) is a 10-percent owner of a farm or a trade or business,

"(iii) pursuant to a plan, disposes of—

"(I) an interest in a farm or farm property, or

"(II) his entire interest in a trade or business and all substantially similar trades or businesses, and

"(III) the ownership interest of whom may be readily established by reason of qualified allocations (of the type described in section 168 (j)(9)(B), one class of stock, or the like).

"(B) 10-PERCENT OWNER DEFINED.—The term '10-percent owner' means a person having at least a 10-percent ownership interest, applying the attribution rules of section 318 (other than subsection (a)(4))".

"(C) SALES PRICE DEFINED.—The term 'sales price' means the sum of—

"(i) money and fair market value of property received in the sale or exchange, plus

"(ii) the stated principal amount of any debt instrument issued in such sale or exchange.

"(D) TRADE OR BUSINESS DEFINED.—

"(i) IN GENERAL.—The term 'trade or business' means any trade or business, including any line of business, qualifying as an active trade or business within the meaning of section 355.

"(ii) RENTAL OF REAL PROPERTY.—For purposes of this subparagraph, the holding of real property for rental shall not be treated as an active trade or business.

"(f) SPECIAL TEST RATES FOR SALES OR EXCHANGES INVOLVING CERTAIN REAL PROPERTY.—

"(1) IN GENERAL.—In the case of any sale or exchange to which this subsection applies, subsection (c)(1)(B) shall be applied by substituting—

"(A) '80 percent' for '110 percent' in the case of any debt instrument described in paragraph (3), and

"(B) '100 percent' for '110 percent' in the case of any debt instrument described in paragraph (4).

"(2) SALES OR EXCHANGES TO WHICH THIS SUBSECTION APPLIES.—

"(A) IN GENERAL.—Except as provided in this paragraph, this subsection applies to any sale or exchange of—

"(i) land, or

"(ii) real property described in subparagraph (d) or (F) of subsection (C)(2) of section 168 whether or not such property is of a character subject to an allowance under this title for depreciation (or amortization in lieu thereof) in the hands of the purchaser)

including de minimis amounts of tangible personal property associated with such real property.

"(B) CERTAIN PROPERTY NOT INCLUDED.—This subsection shall not apply to any sale or exchange—

"(i) of new section 38 property, or

"(ii) with respect to which the transferor and transferee are related persons.

"(3) DEBT INSTRUMENTS TO WHICH 80 PERCENT RATE APPLIES.—A debt instrument is described in this paragraph if—

"(A) the term of the instrument (determined with regard to any extension or renewal) is not greater than the lesser of—

"(i) 12 years, or

"(ii) in the case of a debt instrument issued in exchange for recovery property, ⅔ of the shortest recovery period under section 168 for such property, and

"(B) the total deferred payments under such instrument, when added to the sum of the total deferred payments under all other debt instruments issued in connection with the sale or exchange—

"(i) to which this paragraph applies, and

"(ii) which were issued before such instrument was issued.

do not exceed $4,000,000.

"(4) DEBT INSTRUMENTS TO WHICH 100 PERCENT RATE APPLIES.—A debt instrument is described in this paragraph if—

"(A) the rate of interest stated in the instrument is not less than the applicable Federal rate,

"(B) such instrument provides for—

"(i) the unconditional payment each year of at least 80 percent of the interest so stated, or

"(ii) after the close of the 2-year period beginning on the date such instrument was issued the instrument provides the unconditional payment each year of all interest accruing thereunder for that year, and

"(C) such instrument is not described in paragraph (3).

"(5) SPECIAL RULES FOR DETERMINATION OF DISCOUNT RATES.—

"(A) IN GENERAL.—If the applicable Federal rate determined under section 1274 (d) for any period after June 30, 1985 (other than the Federal short-term rate) exceeds by more than 2 percentage points such rate for the preceding period as limited by this paragraph, such applicable Federal rate shall not exceed the greater of—

"(i) the sum of—

"(I) such applicable Federal rate for such preceding period, plus

"(II) one-half of such excess, or

"(ii) the highest such applicable Federal rate during the 2-year period before the period for which such determination was made after the application of this paragraph.

"(B) SPECIAL RULES FOR 1985 AND 1986.—Notwithstanding any other provision of this section, in the case of any sale or exchange with respect to which a binding contract was entered into during 1985 or 1986—

"(i) TEST RATE.—The discount rate for purposes of applying subsection (c)(1)(B) to any debt instrument described in paragraph (3) shall not be greater than the rate determined in accordance with the following table:

"For contracts entered into during the period:	The rate is:
Jan. 1-June 30, 1985	10.5
July 1-Dec. 31, 1985	11.0
Jan. 1-June 30, 1986	11.5
July 1-Dec. 31, 1986	12.0

For purposes of applying subsection (c)(1)(B) to any debt instrument described in paragraph (4), the discount rate shall not be greater than the rate determined in accordance with the table, plus one-half percentage point.

"(ii) IMPUTED RATE.—The discount rate for purposes of applying subsection (b) to any debt instrument described in paragraph (3) or (4) shall not be greater than the rate determined under clause (1), plus 1 percentage point.

"(6) AGGREGATION RULES.—For purposes of this subsection, all sales and exchanges which are part of the same transaction (or a series of related transactions) shall be treated as 1 sale or exchange.

"(7) RELATED PERSON DEFINED.—For purposes of this subsection and subsection (g), the term 'related person' means a person who is related (within the meaning of section 267(b) or section 707(b)(1)) to another person other than a qualified 5-percent or less partner (within the meaning of section 267(e)(5)(B)).

"(g) SPECIAL RULES FOR APPLICATION OF THIS SECTION.—For purposes of this section—

"(1) APPLICATION OF SUBSECTION (E) AND (F).—In the case of any sale or exchange, either subsection (e) or subsection (f) may be applied, but not both.

"(2) TREATMENT OF ASSUMPTIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), if, after December 31, 1984, any person—

"(i) assumes any debt obligation issued after October 15, 1984, or described in subparagraph (C), in connection with the sale or exchange of any property, or

"(ii) takes such property subject to any such debt obligation,

and the terms and conditions of such debt obligation are not changed, then this section shall apply only to the person assuming, or taking property subject to, such obligation and the obligation shall be treated as issued by the purchaser to the seller in the transaction in which such obligation was assumed or the property taken subject to such obligation.

"(B) OTHER ASSUMPTIONS.—In the case of any assumption to which subsection (A) does not apply, the rules regarding assumptions as in effect prior to the enactment of the Deficit Reduction Act of 1984 shall apply.

"(C) OBLIGATIONS DESCRIBED IN THIS SUBSECTION.—A debt obligation is described in this subparagraph if such obligation—

"(i) was issued on or before October 15, 1984, and

"(ii) was assumed (or property was taken subject to such obligation) in connection with the sale or exchange of property (including a deemed sale under section 338 (a)) the sales price of which is greater than $100,000,000.

"(D) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to effect the purpose of this subsection, including regulations relating to tax-exempt obligations, government subsidized loans, or other similar instruments.

"(E) CERTAIN EXEMPT TRANSACTIONS.—The Secretary shall prescribe regulations under which any transaction shall be exempt from the application of this paragraph if such exemption is not likely to significantly reduce the tax liability of the purchaser by reason of the overstatement of the adjusted basis of the acquired asset.

"(3) FAIR MARKET VALUE RULE IN POTENTIALLY ABUSIVE CASES.—In the case of any potentially abusive situation (within the meaning of section 1274(b)(3)(B)), the principal amount of any debt instrument received in any sale or exchange of property to which this section applies shall be the fair market value of such property adjusted to take into account other consideration involved in the transaction.

"(4) SALE-LEASEBACKS.—Subsections (e) and (f) shall not apply to any sale or exchange if, pursuant to a plan, the transferor or any related person leases such property.

"(5) RULES NOT TO APPLY WHERE PREPAYMENT PROHIBITED.—Subparagraph (A) of paragraph (1) shall not apply to any obligation arising from a loan from a third-party creditor, pursuant to which the obligor is not permitted to pay the instrument prior to maturity.

"(6) NO IMPUTATION RATE WHERE RESTRICTIONS ON STATED INTEREST APPLY.—Except as otherwise provided in regulations, in any case in which State law applicable to a transaction prohibits the parties from stating interest sufficient to satisfy the applicable rate under subsection (c)(1)(B), the rate under subsection (b) shall be considered equal to the rate so applicable under subsection (c)(1)(B).".

(b) INTEREST INCOME AND DEDUCTIONS COMPUTED ON CASH BASIS IN CERTAIN CASES.—

(1) IN GENERAL.—Section 1274 of such Code (relating to determination of issue price in the case of certain debt instruments issued for property) is amended by adding at the end thereof the following new subsection:

"(e) SPECIAL RULES FOR CERTAIN SALES OR EXCHANGES TO WHICH INTEREST RULES OF SECTION 483 APPLY.—Notwithstanding any other provision of this subpart—

"(1) TRANSACTIONS TO WHICH SECTION 483 (e) APPLIES.—In the case of any sale or exchange to which section 483(e) applies—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any inclusion in income or deduction under this title with respect to interest on any debt instrument issued in connection with such sale or exchange shall be computed on the cash receipts and disbursements method of accounting.

"(B) Sales price exceeds applicable limit.—In any case in which the sales price exceeds the applicable limit under section 483(e)(3)—

"(i) except in the case of any transaction to which section 483(e)(2)(A) applies, subparagraph (A) shall not apply, and

"(ii) the discount rates under subsections (c)(3) and (b)(2)(B) shall be equal to the rates determined under subparagraphs (A) and (B) of section 483(e)(4).

"(2) TRANSACTIONS TO WHICH SECTION 483(f) APPLIES.—In the case of any sale or exchange to which section 483(f) applies—

"(A) TRANSACTIONS WITH 80 PERCENT TEST RATE.—

"(i) IN GENERAL.—Except as provided in clause (ii), any inclusion in income or deduction under this title with respect to interest on any debt instrument described in section 483(f)(3) shall be computed on the cash receipts and disbursements method of accounting.

"(ii) SPECIAL RULE FOR TRANSACTIONS NOT QUALIFYING FOR 80 PERCENT TEST RATE.—Clause (i) shall not apply to any debt instrument issued in such sale or exchange if, in addition to such instrument, a debt instrument not described in section 483(f)(3) is issued in such sale or exchange.

"(B) TRANSACTIONS TO WHICH SUBPARAGRAPH (A) DOES NOT APPLY.—

"(i) IN GENERAL.—If subparagraph (A) does not apply to any debt instrument issued in such sale or exchange, subsection (c)(3) shall be applied—

"(I) in the case of any debt instrument described in section 483(f)(4), by substituting '100 percent' for '110 percent', and

"(II) in the case of any debt instrument described in section 483(f)(3), by substituting '80 percent' for '110 percent'.

"(ii) SPECIAL RULES FOR 1985 AND 1986.—In the case of any debt instrument to which clause (i) applies issued during 1985 or 1986, the discount rate under subsection (c)(3) shall not be greater than the rate determined under section 483(f)(5).

"(3) SPECIAL RULE FOR HOLDING AND TRANSFER OF DEBT OBLIGATION.—

"(A) Paragraphs (1)(A) and (2)(A) shall apply to the holder of a debt obligation only if such obligation is—

"(i) held by the first obligee of such obligation or such obligee's spouse or estate, and

"(ii) secured by the property sold or exchanged in the transaction in which such obligation is issued.

"(B) Except as otherwise provided in regulations, in the case of a transfer of property by the obligor in which the obligation is not satisfied and the transferee does not become liable to pay such obligation to the first obligee, any deduction for interest on any indebtedness paid or incurred by the transferee to the immediate transferor attributable to such obligation shall be deferred until such time as such deduction would have been allowed if such obligation had been assumed by the transferee.

"(C) In any case in which the transferee assumes or takes property subject to any obligation under subparagraph (A) or is considered to do so under subparagraph (B), the transferee shall compute the amount of the deduction for any interest on such obligation on the cash receipts and disbursements method of accounting.

"(4) SUBSECTION ALSO TO APPLY TO DEBT USED TO CARRY OBLIGATION.—In any case in which an obligor of a debt obligation to which paragraphs (1)(A) or (2)(A) applies pays or incurs interest on indebtedness to carry such debt obligation, any deduction for such interest shall be deferred to the extent necessary to achieve a proper matching of interest income and expense.

"(5) REGULATIONS TO PREVENT ABUSE OF REQUIRED CASH ACCOUNTING.—The Secretary may by regulation prescribe rules to prevent the mismatching of interest income and interest deductions in connection with obligations on which interest is computed on the cash receipts and disbursements method of accounting.

"(6) OTHER RULES APPLY.—For purposes of this subsection, rules similar to the rules under subparagraphs (B) and (D) of section 483(g)(2) shall apply.".

(2) SPECIAL RULE FOR ASSUMPTIONS.—Paragraph (4) of section 1274(c) of such Code (relating to debt obligations to which section applies) is amended by adding at the end thereof the following new subparagraph:

"(G) TREATMENT OF ASSUMPTIONS.—

"(i) IN GENERAL.—Except in the case of property described in subsection (e)(2)(A) of section 483, if after December 31, 1984, any person—

"(I) assumes any debt obligation issued after October 15, 1984, or described in clause (ii) in connection with the sale or exchange of any property, or

"(II) takes such property subject to any such debt obligation,

and the terms and conditions of such debt obligation are not changed, then this section shall apply only to the person assuming, or taking property subject to, such obligation and the obligation shall be treated as issued by the purchaser to the seller in the transaction in which such obligation was assumed or the property taken subject to such obligation.

"(ii) OBLIGATION DESCRIBED IN THIS CLAUSE.—A debt obligation is described in this clause if such obligation—

"(I) was issued on or before October 15, 1984, and

"(II) was assumed (or property was taken subject to such obligation) in connection with the sale or exchange of property (including a deemed sale under section 338(a)) the sales price of which is greater than $100,000,000.

"(III) Certain exempt transactions.—The Secretary shall prescribe regulations under which any transaction would be exempt from the application of this subparagraph if such exemption would not significantly reduce the tax liability of the purchaser by reason of the overstatement of the adjusted basis of the acquired asset.

"(iii) OTHER ASSUMPTIONS.—In the case of any assumption to which subparagraph (A) does not apply, the rules regarding assumptions as in effect prior to the enactment of the Deficit Reduction Act of 1984 shall apply.

"(iv) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to effect the purpose of this subsection, including regulations relating to tax-exempt obligations, government subsidized loans, or other similar instruments."

(c) SPECIAL RULES FOR CERTAIN SALES OR EXCHANGES OF RESIDENCES BY DEALERS IN SUCH PROPERTY.—

(1) IN GENERAL.—Section 1274 of such Code is further amended by adding at the end thereof the following new subsection:

"(f) SPECIAL RULES FOR CERTAIN SALES OR EXCHANGES OF RESIDENCES BY DEALERS IN SUCH PROPERTY.—Nothwithstanding any other provision of this subpart—

"(1) IN GENERAL.—In the case of any debt instrument described in paragraph (4) arising from a sale or exchange to which this subsection applies—

"(A) subsection (c)(3) shall be applied by substituting '80 percent' for '110 percent', and

"(B) subsection (b)(2)(B) shall be applied by substituting '110 percent' for '120 percent'.

"(2) SALES OR EXCHANGES TO WHICH THIS SUBSECTION APPLIES.—

"(A) IN GENERAL.—This subsection applies to any sale or exchange of any residence by a dealer who holds such residence as section 1221(1) property to a person who intends to occupy such residence if the sales price of such residence does not exceed $250,000.

"(B) PRORATION OF APPLICABLE LIMIT WHERE MORE THAN ONE PERSON HOLDS AN INTEREST.—In the case of a sale or exchange of any property described in subparagraph (A) with respect to which there is more than 1 owner, the applicable limit under subparagraph (A) shall be apportioned among each owner on the basis of the ratio which the fair market value of such owner's interest bears to the fair market value of all interests of such owners.

"(3) BLENDED RATE WHERE SALES PRICE EXCEEDS $250,000.—In the case of any sale or exchange to which this subsection would otherwise apply with respect to which the sales price exceeds $250,000—

"(A) TEST RATE.—The discount rate under subsection (c)(3) shall, in lieu of the rate under paragraph (1)(A), be equal to the sum of—

"(i) 80 percent, multiplied by a fraction the numerator of which is $250,000 and the denominator of which is the sales price, and

"(ii) 100 percent of the applicable Federal rate, multiplied by a fraction—

"(I) the numerator of which is the sales price minus $250,000, and

"(II) the denominator of which is the sales price.

"(B) IMPUTED RATE.—The discount rate under subsection (5)(2)(B) shall be the rate under paragraph (1)(B).

"(4) DEBT INSTRUMENT.—A debt instrument is described in this paragraph if it provides conspicuous notice to the obligor in a manner prescribed by regulations that if the

obligor of such instrument places the residence in service in a trade or business the depreciation rules under section 168(f)(16) shall apply.

"(5) SALES PRICE DEFINED.—For purposes of this subsection, the term 'sales price' means—

"(i) money and fair market value of property received in the sale or exchange, plus

"(ii) the stated principal amount of any debt instrument issued in such sale or exchange.

"(6) RULES RELATING TO INTEREST TO CARRY DEALER OBLIGATIONS ARISING UNDER THIS SUBSECTION.—

"(A) EXCESS DEDUCTIONS DISALLOWED.—For each year the interest expense paid or incurred on any debt incurred or continued to carry any dealer obligation shall be disallowed to the extent such expense exceeds interest income includable with respect to such dealer obligation for such year.

"(B) DISALLOWED INTEREST EXPENSE ALLOWED IN SUBSEQUENT YEARS.—For any year the amount of disallowed interest expense shall be allowed is a deduction with respect to any dealer obligation in an amount equal to the disallowed interest expense as of the close of such year (not including any amount previously allowed under this subparagraph) multiplied by a fraction—

"(i) the numerator of which is the sum of the principal payments on such dealer obligation made in such year, and

"(ii) the denominator of which is the total amount of principal outstanding on such dealer obligation at the beginning of such year.

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) DEALER OBLIGATION DEFINED.—The term 'dealer obligation' means an obligation arising pursuant to a transaction to which paragraph (1) of this subsection applies.

"(ii) DISALLOWED INTEREST EXPENSE DEFINED.—The term 'disallowed interest expense' means the aggregate amount of interest expense disallowed under subparagraph (A) with respect to any dealer obligation.

"(D) NO INFERENCE.—Nothing in this paragraph shall be construed to imply that any transition described in this paragraph is or is not subject to the rules of section 453B, and any determination of such issue shall be made as if this paragraph had not been enacted.".

(d) RULE WHERE SPECIAL STATE LAW APPLIES.—Section 1274 of such Code is further amended by adding at the end thereof the following new subsection:

"(g) NO IMPUTATION RATE WHERE RESTRICTIONS ON STATED INTEREST APPLY.—Except as otherwise provided in regulations, in any case in which State law applicable to a transaction prohibits the parties from stating interest sufficient to result in an adequate stated interest in the transaction, a rule similar to the rule of section 483(g)(6) shall apply.".

(e) CONFORMING AMENDMENTS.—Paragraph (4) of section 1274(c) of such Code (relating to certain excepted debt instruments) is amended—

(1) by striking out subparagraphs (A) and (B),

(2) by striking out "section 483(e)" and "SECTION 483(e)" in subparagraph (F) and the heading to subparagraph (F), respectively, and inserting in lieu thereof "section 483(i)" and "SECTION 483(i)", respectively, and

(3) by redesignating subparagraphs (C), (D), (E), and (F) as subparagraphs (A), (B), (C), and (D), respectively.

(f) DEPRECIATION.—Subsection (f) of section 168 of such Code (relating to accelerated cost recovery system) is amended by adding at the end thereof the following new paragraph—

"(16) SPECIAL RULES FOR CERTAIN RESIDENCES.—In the case of any debt instrument described in section 1274(f)(1), the original principal amount of the debt instrument shall be deemed to be the lesser of—

"(A) the stated principal amount, or

"(B) the imputed principal amount determined by applying section 1274(f) using a discount rate of 110 percent of the applicable Federal rate at the time the debt was issued.".

(g) FAIR MARKET VALUE IN POTENTIALLY ABUSIVE SITUATIONS.—Subparagraph (B) of section 1274(b)(3) of each Code (relating to fair market value rule in potentially abusive situations) is amended in clause (ii), by striking out "or" at the end of subclause (III), by redesignating subclause (IV) as subclause (V), and by adding after subclause (III) the following new subclause:

"(IV) deferred interest, or".

(h) DETERMINATION OF APPLICABLE FEDERAL RATE.—

(1) IN GENERAL.—Paragraph (1) of section 1274(d) of such Code (relating to determination of application Federal rate) is amended by adding at the end thereof the following new subparagraph:

"(E) AUTHORITY FOR SECRETARY TO DETERMINE RATE MORE FREQUENTLY.—If there is a significant decrease in any applicable Federal rate following any 6-month test period referred to in subparagraph (B), the Secretary may determine the applicable Federal rate on the basis of a more recent period (not less than 30 days) as he determines appropriate to reflect such decrease.".

(2) SPECIAL RULE FOR 1984.—

(A) IN GENERAL.—In the case of any debt instrument issued during the first 6 months of 1985 pursuant to a sale or exchange for which a binding contract was entered into during 1984, the applicable Federal rate for purposes of sections 483 and 1274 of the Internal Revenue Code of 1954 shall be 10 percent.

(B) PARAGRAPH NOT TO APPLY.—Subparagraph (A) shall not apply to any debt instrument to which section 483 (e) or (f) of the Internal Revenue Code of 1954, as amended by this section, applies.

(i) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 41 of the Deficit Reduction Act of 1984.

CORRECTING THE ENROLLMENT OF H.R. 3398

DANFORTH AMENDMENT NO. 7085

Mr. BAKER (for Mr. DANFORTH) proposed an amendment to the concurrent resolution (H. Con. Res. 372) to correct the enrollment of H.R. 3398; as follows:

At the end of H. Con. Res. 372, add the following:

In section 806(a): delete "805" and insert in lieu thereof "805(a)".

In section 806(b)(1)(C): delete "905" and insert instead "805(a)".

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

DURENBERGER AMENDMENT NO. 7086

Mr. BAKER (for Mr. DURENBERGER) proposed an amendment to the bill (S. 1052) to make certain changes in the membership and operations of the Advisory Commission on Intergovernmental Relations; as follows:

Strike all after the enacting clause and insert in lieu thereof the following: That this Act may be cited as the "Advisory Commission on Intergovernmental Relations Amendments of 1984".

SEC. 2. (a) Section 3(a) of the Act entitled "An Act to establish an Advisory Commission on Intergovernmental Relations", approved September 24, 1959 (73 Stat. 704; 42 U.S.C. 4273(a)), hereafter in this Act referred to as the "Act", is amended—

(1) by striking out "twenty-six members" in the matter preceding paragraph (1) and inserting in lieu thereof "twenty-eight members";

(2) by striking out "Governors' Conference" in paragraph (4) and inserting in lieu thereof "National Governors' Association";

(3) by striking out "board of managers of the Council of State Governments" in paragraph (5) and inserting in lieu thereof "National Conference of State Legislatures";

(4) by striking out "and" at the end of paragraph (6);

(5) by striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon; and

(6) by inserting after paragraph (7) the following new paragraphs:

"(8) One appointed by the President from a panel of at least two elected officers of a township submitted by the National Association of Towns and Townships; and

"(9) One appointed by the President from a panel of at least two elected school board members submitted by the National School Boards Association.".

(b) Section 3 of such Act (42 U.S.C. 4273) is further amended by adding at the end thereof the following new subsection:

"(d) For purposes of subsection (a)(8), the term 'township' means a township as described in the Governmental Organization volume of the 'Census of Governments' publication most recently issued by the Bureau of the Census prior to the date on which an appointment is made under such subsection.".

SEC. 3. Section 4 of the Act (73 Stat. 705; 42 U.S.C. 4274) is amended—

(1) in subsection (d), by inserting "or otherwise voluntarily resigns," after "section 3 (a),"; and

(2) by striking out subsection (e) and inserting in lieu thereof the following:

"(e) One-half of the members appointed and serving on the Commission shall constitute a quorum, but two or more members shall constitute a quorum for the purpose of conducting hearings. The use of proxies or voting by alternates shall not be permitted by the Commission.".

SEC. 4. Section 6 of the Act (73 Stat. 705; 42 U.S.C. 4276) is amended—

(1) in subsection (d) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) to procure temporary and intermittent services under section 3109 of title 5, United States Code, as if the Commission were an agency and the Chairman were the head of an agency (as used in subsection (b) of such section)."; and

(2) by adding at the end thereof the following new subsection:

"(g) Not later than 120 days after the effective date of the Advisory Commission on Intergovernmental Relations Amendments of 1984, the Commission shall issue such bylaws governing the operations and procedures of the Commission as the Commission considers appropriate.".

SEC. 5. Section 7(b) of the Act (42 U.S.C. 4277(b)) is amended to read as follows:

"(b) Unless prohibited by State or local law, members of the Commission, other than those to whom subsection (a) of this section applies—

"(1) shall be paid compensation in accordance with the guidelines with respect to uniform rates of pay established for members of advisory committees pursuant to section 7 (d)(1) of the Federal Advisory Committee Act (5 U.S.C. App.) for each day they are engaged in the performance of their duties as members of the Commission; and

"(2) Shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Commisison, as provided in subsection (a) of this section.".

SEC. 6. The amendments made by this Act shall take effect January 1, 1985.

NOTICES OF HEARINGS

SUBCOMMITTEE ON PUBLIC LANDS AND RESERVED WATER

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Senate Subcommittee on Public Lands and Reserved Water on Thursday, November 8, 1984, in Stevenson, WA. The subcommittee will receive testimony on the management by Federal and non-Federal entities of land within the Columbia River Gorge in the States of Oregon and Washington and the possible need for Federal legislation to protect scenic, natural, cultural, and other resource values in the Columbia River Gorge.

The hearing will be held at the Skamania County Recreation Center on Second Street, Stevenson, WA, starting at 9 a.m. Those wishing to testify should contact the office of Senator EVANS, 3206 Jackson Federal Office Building, Seattle, WA, 98174. Telephone (206) 442-0350. Those wishing to testify must sign up in advance no later than Monday, November 5, 1984.

Oral testimony will be limited to no more than 3 minutes and possibly less, depending on the number of witnesses who wish to testify. Witnesses will be placed in panels. Witnesses are requested to bring 15 copies of their testimony with them to the hearing.

For further information regarding this hearing, contact Senator EVANS' office at the above-listed number or Mr. Tony Bevinetto of the subcommittee staff at (202) 224-5161.

ADDITIONAL STATEMENTS

COLORADO RIVER SALINITY CONTROL ACT AMENDMENTS

● Mr. SIMPSON. Mr. President, it is with great pleasure that I express my support for passage of the Colorado River Salinity Control Act amendments. This has been an issue that affects seven Western States in the Colorado River Basin as well as our relations with our fine neighbor to the south—Mexico. In addition, the passage of this measure will have some very positive environmental consequences.

Ten years ago, after a decade of intense discussions between the Republic of Mexico, the U.S. Government and the Colorado River Basin States, Congress enacted the Colorado River Basin Salinity Control Act. This important legislation—drafted in order to meet our country's treaty commitments—established a program to reduce the concentration of salts in the Colorado River flowing into Mexico. To accomplish this worthwhile task, the act provided a mechanism in which the Federal Government and the basin States worked closely together in order to prevent increases in the amount of salts entering the Colorado River. In addition, the Bureau of Reclamation was authorized to construct four salinity control units and to investigate the possibility of the construction of others. To complete the overall program, the Agriculture Department was directly involved for purposes of assisting in reducing salts from irrigated lands.

Since the mechanism was put in place, the basin States have worked with the Federal Government and have suggested necessary amendments that are needed to fulfill the purposes of the original act.

To accomplish this, the Senators from the basin States joined together and introduced these amendments early in this Congress. Similar legislation was also introduced in the House.

Through the legislative process of hearings and negotiations, I am pleased to say that we have fashioned a package of amendments that are apparently agreeable to all of the concerned parties. The package of amendments that the Senate is considering at this time has the support of the Senate sponsors, the House sponsors, the seven basin States, this administration, as well as the support of the National Wildlife Federation and the Environmental Policy Institute.

I have been in this legislation arena long enough to know that type of support does not just happen. It is a long and always difficult process, during which the communication between the parties is often full and rich—but it is so necessary if we are ever to get this type of comprehensive and important legislation to become law.

Mr. President, I will not go into a detailed explanation of the bill for my Senate colleagues—others have, and more will do so. However I would wish to emphasize to my fine colleagues that this bill is actually a culmination of 10 years of concerted effort. Effort that has involved many diverse interests and needs. And the bill before the Senate meets those needs. The passage of this bill will enable the United States to keep its treaty commitments to Mexico as well as to improve the quality of water and conditions of life all through the Colorado River Basin—and I add that this includes the wildlife interests as well.

I would also wish to express my gratitude to my fellow colleagues from the seven Colorado Basin States and thank them for their untiring effort in bringing this bill to fruition. In addition, the bill would never have become a reality without the full-fledged support of the Colorado River Basin salinity control forum with its representatives from each basin State. Their efforts have been nothing less than Herculean—and I commend them.

With these remarks, I urge my Senate colleagues to support this measure.●

ARE NUCLEAR WEAPONS OBSOLETE?

● Mr. KENNEDY. Mr. President, the August/September issue of the Bulletin of the Atomic Scientists features an important article by Bernard Weissbourd entitled "Are Nuclear Weapons Obsolete?" Drawing on recent studies of the probable climatic effect of even a limited nuclear exchange—the nuclear winter—Mr. Weissbourd demonstrates that the only way to ensure against nuclear catastrophe by accident, miscalculation or design is through a dramatic reduction in the number of nuclear warheads on both sides. Mr. Weissbourd argues persuasively that the best means for achieving significant reductions is through a strengthened conventional defense.

The article discusses the two avenues that could lead to greater conventional security—negotiations such as MBFR and improved conventional forces. Mr. Weissbourd is under no illusions that strengthening our conventional posture will be cheap or easy to achieve in light of political obstacles. But his essay makes clear the enormous benefits that would come about from pursuing this course.

Mr. President, I have long considered that raising the nuclear threshold is one of the most important chal-

lenges facing our national security needs today. Mr. Weissbourd's article provides a cognent and compelling argument which should be carefully studied by all who are interested in reducing the risk of nuclear war. I commend it to my colleagues and ask that the article appear in the RECORD.

The article follows:

ARE NUCLEAR WEAPONS OBSOLETE?

(By Bernard Weissbourd)

The momentum of the arms race has been carrying us steadily, inexorably, toward the acceptance of nuclear weapons as useful tools of war. Improvements in missile accuracy have given rise to the fear—and, in some quarters, the hope—that these weapons have become just that, weapons, devices that can be used to achieve military objectives other than deterring their use by others. The arms race has thus come to follow a perverse logic: each side seeks to insure deterrence by developing warfighting capabilities which by their nature threaten deterrence.

Animated by fear, this trend is, ironically, sustained by an illusion of control: the illusion that nuclear weapons can be used in limited, calculable, predictable ways. In view of what we know—and, more important, do not know—about the effects of nuclear war, this illusion is impossible to maintain.

A stunning demonstration of this is provided by recent studies of the possibility that a nuclear war might precipitate a climatic catastrophe—a "nuclear winter." These studies deepen our awareness of how precarious our situation is. They force us to recognize the extent of our ignorance about the effects of nuclear war. They powerfully reinforce arguments for massive reductions in the world's nuclear arsenals. And, as I will argue below, they make providing an adequate conventional defense of Europe a matter of the utmost urgency. In short, far from becoming useful and usable, nuclear weapons are becoming obsolete. The central goal of defense policy should be to hasten their obsolescence.

The "nuclear winter" findings have been reported in the April 1984 Bulletin and elsewhere.[1] Briefly, they indicate that even a relatively small nuclear exchange might result in the extinction of the human species due to a factor earlier studies neglected to consider—the dense clouds of soil particles and the smoke from fires that would be generated by nuclear explosions. Beyond a certain threshold, nuclear dust and smoke would largely block out sunlight for months, perturbing the Earth's climate. Temperatures would fall. Crops would fail. Ecological systems would be disrupted. Radiation would be several times more intense than previously estimated. When the soot and smoke clouds lifted, ultraviolet rays from the sun could reach unbearable levels because of ozone loss. And there might be still worse synergistic effects not yet identified. As a result of these developments, the human population "conceivably could be reduced to prehistoric levels or below, and extinction of the human species itself cannot be excluded."[2]

The precise threshold beyond which a climatic catastrophe would occur cannot be fixed with any certainty. But it appears to be extremely low relative to the 12,000 megatons of yield in the world's nuclear arsenals. Carl Sagan offers this estimate of the number of nuclear explosions beyond which a nuclear winter would occur:

"There is an indication of a very rough threshold at which severe climatic consequences are triggered—around a few hundred nuclear explosions over cities, for smoke generation, or around 2,000 to 3,000 high-yield surface bursts at, e.g., missile silos, for dust generation and ancillary fires.[3]"

The single most startling finding in Sagan's report is that a 100-megaton exchange, causing the centers of 100 major NATO and Warsaw Pact cities to burn, could bring on a nuclear winter. In other words, even a relatively small and contained nuclear war—one employing less than one percent of the world's nuclear arsenals—could threaten the survival of the human species.

These findings are necessarily hypothetical. They are based upon various models, simulations, scenarios and projections. While the conclusions of the report have been endorsed by a large number of American scientists, and the findings have been confirmed by Soviet scientists, some of the assumptions used have been challenged. It is important to recognize, however, that the ultimate significance of these studies resides not only in their contribution to our knowledge of the effects of nuclear war but also in the sharp reminder they provide of how incomplete that knowledge is. Ironically, they improve our perspective by enlarging our uncertainty; they extend our knowledge by forcing us to recognize how little we know. It is chastening to realize that policies and strategies upon which the fate of the world hangs have been formulated in ignorance of the possibility of the nuclear winter phenomenon. And it is only prudent, in light of the evidence amassed thus far and in view of what is at stake, to assume the worst case, pending further investigation.

Once political leaders become aware of the risk of climatic catastrophe due to a nuclear exchange, we will be safer than we are now. In general, the nuclear winter findings strengthen deterrence. More specifically, they render obsolete scenarios for "winning" a limited nuclear war through a counterforce attack. For an effective counterforce strike by either superpower would require several thousand warheads, enough to trigger a nuclear winter. No rational leader would contemplate such an attack, knowing it would mean suicide for his own country, even if there were no retaliation.

Nations do not, however, always have rational leadership. And a nuclear war may start by miscalculation or accident as well as by design. The only way to be sure that humanity will not be extinguished in the event of a nuclear war is to keep the tonnage of nuclear weapons in the world well below the threshold beyond which a climatic catastrophe may occur. It is thus imperative that we work toward reducing the world's nuclear arsenals by more than 99 percent.

This is an ambitious goal. Where should we start? Where might we most productively invest our efforts? I believe that the crucial first step is to provide an adequate conventional defense of Europe. Such a course would ease the great dangers inherent in present NATO policies. It would eliminate a major stimulus to the arms race: the U.S. effort to compensate for NATO's conventional inferiority by seeking nuclear superiority. And it would help to create the conditions for achieving massive reductions of nuclear weapons.

Our present policy seeks to remedy NATO's conventional inferiority by threatening the first use of nuclear weapons in the event of a conventional attack. In view of the risk of uncontrollable escalation threatened by any use of nuclear weapons, this policy is at once unworkable and reckless. In view of the possibility that a relatively small nuclear war in Europe, even if it remained "limited," might produce a climatic catastrophe that would extinguish the human species, it is intolerable.

The present NATO policy of "flexible response" is designed to bring about escalation to the use of nuclear weapons. Because of the perception that NATO's conventional defense is inadequate, we installed tactical nuclear weapons in Europe. Because some of our allies believe that there is a "gap" between our tactical nuclear weapons and our strategic ones, we are now deploying intermediate weapons—Pershing II and cruise missiles—in Europe. We have thus constructed an "escalation ladder" to assure our allies that our strategic arsenal will indeed be used in the event of a conventional attack.

In order to escape from the perverse logic of this policy, we must correct the asymmetry at the bottom of the escalation ladder: we must, in short, provide an adequate conventional defense of Europe. There is, in fact, growing support for this course of action. Cost need not be an insurmountable barrier. And the nuclear winter findings should help make clear to all that there is no sensible alternative.

What is an adequate conventional defense of Europe? There are several relevant considerations:

The Soviet Union cannot win a war of attrition against the Allies because of our industrial superiority. In World Wars I and II this superiority proved decisive.

The measure of an adequate conventional defense is not that it be certain to succeed in any possible circumstances. Rather, an adequate defense is one that will stop a blitzkreg. If a would-be attacker perceives that a blitzkrieg is likely to fail and to evolve into a war of attrition, he will be deterred from initiating hostilities.[4]

Adequacy does not mean equality. Adequate NATO conventional forces, even if less than equal, can stop a Soviet offensive, since more troops are required for offense than defense. Morever, new precision-guided munitions give an added advantage to the defense.

The ability to turn any conventional attack into a war of attrition is a more credible deterrent than the threat of using nuclear weapons under circumstances of nuclear parity. At present the lack of an adequate conventional defense leads the United States to threaten the first use of nuclear weapons as a means of deterring a conventional attack. If NATO had an adequate conventional defense, then conventional war would be deterred and the situation would be reversed. NATO's sole need for nuclear weapons would then be to deter a first use of nuclear weapons by others.

I do not call for a pledge of no-first-use but rather for creation of the conditions that would make a policy of no-first-use possible. Such a policy would be reflected in the types of weapons developed and deployed, their location, the training of troops and so on. A policy of this sort would make a real difference, while a pledge, in the absence of such a policy, might be broken by a superpower with "its back to the wall."

Footnotes at end of article.

There are two ways in which an adequate conventional defense of Europe can be achieved: by negotiation or by strengthening NATO's conventional capabilities. The former course is obviously preferable: we are far more likely to achieve true security by negotiating a balance at a lower level than by building up to a balance at a higher level. Moreover, successful negotiations would nurture mutual confidence and help create the conditions for realizing our ultimate goal of massive reductions in nuclear arsenals.

The chief avenue for pursuing a negotiated balance in conventional forces is the Mutual and Balanced Force Reduction (MBFR) talks in Vienna. The objective of these negotiations is to reduce the forces on each side in Central Europe below the levels required for a successful offensive. Initiated 12 years ago, they have thus far yielded little. But the obstacles to progress do not seem insurmountable, and the potential benefits of an agreement are great. The MBFR talks should thus be vigorously pursued.

They should also be expanded to include the objective of eliminating tactical nuclear weapons in Europe. In view of the close relationship between achieving conventional adequacy and reducing reliance on tactical nuclear weapons, negotiations in these areas should be combined. Were agreement reached on force reductions, there would be a strong incentive to remove tactical weapons. For under circumstances of conventional parity the great danger posed by these weapons would clearly outweigh any possible benefit.

Another important and complementary objective for negotiation is the establishment of a nuclear-weapons-free zone on either side of the East-West border in Central Europe. Such a zone would significantly lessen the danger of nuclear war in Europe by reducing the pressures to use nuclear weapons early in a conflict—pressures currently arising from the "use them or lose them" posture of NATO's tactical nuclear weapons.[5]

Serious consideration should be given to taking the initiative by withdrawing NATO's tactical nuclear weapons to the rear. Such a move could help create a positive climate for negotiations and might elicit reciprocal moves on the part of the Soviet Union. In any case, it would be in our interest, for there is little doubt that these weapons, as presently deployed, pose more of a threat to NATO than to the Warsaw Pact.

In the absence of successful negotiations, NATO must strengthen its conventional defenses. There is resistance to this course of action for several reasons: cost, political obtacles within the Alliance and the risk of provoking a conventional arms race. Yet if negotiations fail, there is no alternative; the dangers that attend our present course are intolerable. Conventional modernization has the potential to reduce those dangers. It also has the potential to compound them. So we must proceed with great care and clarity of purpose.

An important element in the effort to strengthen NATO's conventional defenses will be a rapidly advancing area of military technology known as "precision-guided munitions" (PGMs) which promise to shift the technological advantage away from offense and toward defense. Spawned by the computer revolution, PGMs are small missiles, equipped with conventional warheads, which are designed to destroy large targets such as tanks, planes and ships. Their effectiveness is a product of their accuracy; equipped with sophisticated guidance systems, they have a high probability of striking their targets. There are various weapons in this category—ranging from devices small enough to be shoulder-launched by a single infantryman to long-range cruise missiles capable of striking targets deep in enemy territory.

The essential feature of PGMs is that they make attack more difficult and defense easier. Light, mobile and relatively cheap, they render large, powerful, expensive vehicles—such as tanks—vulnerable. And they make the individual soldier far more valuable. In the past anti-tank weapons were of limited value and armored columns could virtually ignore pockets of infantry. Now anti-tank PGMs must be suppressed before the tank advances. Moreover, the increased firepower available to the individual soldier reduces the size of the force required to hold a front, thereby releasing troops for use in a strategic reserve or for deployment as part of a defense in depth.[6]

Economical and effective, PGMs thus hold great promise—the promise of helping to render tactical and theater nuclear weapons obsolete. They will undoubtedly be an important ingredient in any recipe for an adequate conventional defense of Europe. Their promise is not, however, without attendant difficulties and risks. For one thing, there is an open question as to the effectiveness of countermeasures now being developed to increase the survivability of tanks and aircraft against PGMs. There are also difficult questions regarding how best to orchestrate the transition from a defense relying on nuclear weapons to a defense relying on PGMs. The most troubling of these have to do with long-range, as opposed to battlefield, PGMs—specifically with missiles like the cruise which strategists contemplate using for deep strikes against enemy assets necessary for a successful blitzkrieg.

Some have argued against this strategy on the ground that it would create pressures for a Soviet preemptive strike early in a conflict and so would lower rather than raise the nuclear threshold. This argument fails to take into account one of the distinguishing characteristics of cruise missiles; their small size and mobility make them undetectable. While this feature makes them difficult, if not impossible, to subject to effective arms control, it also has the potential to contribute to crisis stability. For how can you preempt that which you cannot locate? It should thus be possible to deploy cruise missiles armed with conventional warheads in a manner that reinforces conventional deterrence without offering provocative targets for preemption.

A more serious problem is posed by the fact that these missiles can be used to deliver both nuclear and conventional warheads. A situation in which each side is armed with missiles, some of which have nuclear and some conventional warheads, is confusing and dangerous, for it is difficult to tell whether an incoming missile is conventional or nuclear. Thus a purely conventional attack against non-nuclear targets might trigger a nuclear response.

This is the chief difficulty with proposals for raising the nuclear threshold in Europe by strengthening NATO's conventional defenses by means of PGMs, while continuing to rely on nuclear weapons. One of the best known such proposals is that of General Bernard Rogers, currently the Supreme Allied Commander in Europe.[7] He argues that for a modest additional expenditure NATO could achieve an adequate conventional capacity by the end of the decade. Specifically, he would bring current forces up to peacetime standards, improve electronic sensor systems which can look deep into the aggressor's territory, improve information and control functions, and make heavy use of both battlefield and long-range PGMs. His use of these weapons, as I understand it, would not be governed by the objective of eliminating nuclear weapons but rather of supplementing them. This could result in a situation that is more, rather than less, dangerous, because a conventional attack might be mistaken for a nuclear attack.

A plan such as General Rogers' which makes heavy use of PGMs while continuing to rely on nuclear weapons, would, according to one study, cost roughly $20 billion over several years.[8] By contrast, the cost of providing an adequate NATO defense without relying on tactical or theater nuclear weapons has been estimated at $100 billion over six years, or $16-17 billion per year.[9] My argument accepts the latter figure. There is no way around the fact that a conventional defense of Europe that does not ultimately rely on nuclear weapons will cost more. But it will also purchase more: a conventional deterrent to conventional war which will not increase the risk of nuclear war.

Such an approach to NATO's security predicament is technically and financially feasible. Is it also politically feasible?

The United States' guarantee to defend Western Europe against an attack with conventional weapons by the Soviet Union was given at a time when we had a monopoly on nuclear weapons. Under present conditions of nuclear parity the credibility of that guarantee has been undermined. As Lawrence Freedman has observed, the doctrine of flexible response involves an inadequate conventional defense backed by an incredible nuclear guarantee. The real value of the doctrine, he argues, is that it serves as a basis for an alliance consensus, but "its prime political attribute—that it can mean all things to all men—is a serious military failing."[10]

Consider the dilemmas this state of affairs gives rise to. Not only is it hard for the United States to make its strategic guarantee seem ironclad, but, as David Schwartz has observed, its efforts to do so give rise to "the opposite fear within the alliance, namely, that the United States could commit its allies to a nuclear war they neither want" nor, given their vulnerability to Soviet nuclear attack, could suvive. This fundamental dilemma "force the United States to walk a thin line between European fear that the American strategic arsenal does not affort protection and fear that it does, with potentially suicidal consequences."[11]

In September 1979 Henry Kissinger put the point bluntly. "The secret dream of every European," he told an audience in Brussels, "was, of course, to avoid a nuclear war but, secondly, if there had to be a nuclear war, to have it conducted over their heads by the strategic forces of the United States and the Soviet Union."[12]

That is a characterization of the European position from an American perspective. The European perspective is that a conventional war fought by the superpowers on European soil would devastate their countries. What deters such a war, they believe, is precisely the threat of nuclear catastro-

phe. While Kissinger may have overstated the case, the conflict between the desire of Europeans to avoid a conventional war on their soil and the desire of Americans to avoid a nuclear war involving targets in the United States remains unresolved.

Perhaps the nuclear winter findings—and the recognition they force upon us of how little we know about the effects of nuclear war—will make a difference. They introduce a new factor: a war "fought over their heads" between the United States and the Soviet Union could create a nuclear winter that would destroy human life in Europe as well. The NATO policy of flexible response has built a doomsday machine which may be triggered by miscalculation, accident or irrational behavior. Surely it is now as apparent from a European perspective as it is from an American that there are better ways to deter conventional war.

It is often claimed that the chief threat to Western Europe is not armed attack by the forces of the Warsaw Pact but rather political intimidation and economic coercion. General Rogers is among those who have made this argument. The Soviet Union, he says, "does not want war, but she [sic] does wish to expand her influence in areas which lack of resistance permits. Her objective for Western Europe is to dominate it without having to fire a shot." [13]

Regardless of Soviet intentions, an adequate conventional defense will deter intimidation as well as war. But there is a larger point.

After World War II we were concerned that the Communist Parties in several West European countries would come to power. Since we believed these groups were subservient to the Soviet Union, we feared that the Soviet Union would dominate Europe through its "puppets." Today with much weaker Communist Parties in Western Europe, many of which are anti-Soviet, we fear "intimidation." Most Europeans would reject this view. The point is that where fear is mobilized, it does not matter whether a particular perceived threat is correct or not. If one such view is refuted, scenario writers will create another.

Much of the debate over nuclear weapons policy is based upon illustrations that are highly improbable, such as Albert Wohlstetter's example of a Soviet use of nuclear weapons against military targets in the course of an attack against the northernmost counties of Norway.[14] Other illustrations are only slightly more realistic. For example, it is said that an uprising in Eastern Europe that is getting out of control, or a U.S.-Soviet clash in Iran, or conflict in the Middle East may tempt the Soviet Union to gamble and try to end what they see as a great threat to their security. And so on.

We expect military strategists to practice a prudent vigilance. But too often the exercise of their proper role elides into a narrow, blinkered sort of vision that proves, in practice, to be anything but prudent. Indeed, there is a sense in which the single greatest threat to deterrence may be the strategic mindset that focuses narrowly on threats to deterrence. Seeking to anticipate and counter every conceivable situation in which deterrence might break down, this orientation has all too often generated the very dangers it seeks to prevent. We are captives of the flawed logic that issues from the premise: "if deterrence fails. . . ." Again and again we have pursued security by means that have brought us only insecurity; again and again we have sought to reinforce deterrence by means that have undermined it. Surely we have now had enough experience with this pattern to recognize its futility.

There is another way. It proceeds from the premise that deterrence must not fail. And it is animated by the knowledge that there can be no real security so long as nuclear weapons exist in such numbers. Its ultimate objective, repeat, is to reduce the world's nuclear arsenals by more than 99 percent; and its immediate priority is to provide an adequate conventional defense of Europe.

Under this approach, if security is established, it will be primarily a political, not a military, achievement. It will be a matter of working through differences of perspective—within the United States, with our allies and, ultimately, with the Soviets—toward policies and agreements that serve our profound common interest in survival. This approach is not without risks, but seen in the light of what we do and do not know about the effects of nuclear war, those risks pale beside the risks that daily attend our present ocurse.

FOOTNOTES

[1] R.P. Turco *et al.*, "Nuclear Winter; Global Consequences of Multiple Nuclear Explosions," *Science* (Dec. 23, 1983), p. 1,283; Nuclear Freeze Foundation, "The World Wide Consequences of Nuclear War, Transcript of Kennedy-Hatfield Joint American-Soviet Scientific Forum on Nuclear War" (Dec. 8, 1983).

[2] Paul Ehrlich *et al.*, "Long-Term Biological Consequences of Nuclear War," *Science* (Dec. 23, 1983), p. 1,293.

[3] Carl Sagan, "Nuclear War and Climatic Catastrophe: Some Policy Implications," *Foreign Affairs* (Winter, 1983/84), p. 267.

[4] John Mearsheimer, *Conventional Deterrence* (Ithaca, New York: Cornell University Press, 1983).

[5] Independent Commission on Disarmament and Security Issues, *Common Security: A Programme for Disarmament* (London: Pan Books, 1982).

[6] Philip Morrison and Paul F. Walker, "A New Strategy For Military Spending," *Scientific American* (Oct. 1978), p. 55; Mearsheimer, *Conventional Deterrence.*

[7] Bernard Rogers, *Manchester Guardian* (Oct. 2, 1983), p. 9.

[8] Report of the European Security Study, *Strengthening Conventional Deterrence in Europe* (New York: St. Martins, 1983).

[9] Kurt Gottfried *et al.*, " 'No First Use' of Nuclear Weapons," *Scientific American* (March 1984), p. 33. This figure, it should be noted, is less than France, Britain and the United States are now spending on nuclear weapons—weapons rendered obsolete by the findings on nuclear winter.

[10] Lawrence Freedman, "NATO Myths," *Foreign Policy,* 45 (Winter 1981-82), p. 16.

[11] David Schwartz, *NATO's Nuclear Dilemmas* (Washington, D.C.: The Brookings Institution, 1983), p. 3.

[12] *Ibid.*, p. 234.

[13] Rogers, *loc. cit.*

[14] Albert Wohlstetter, "Bishops, Statesmen, and Other Strategists on the Bombing of Innocents," *Commentary* (June 1983), p. 30.●

70001 CELEBRATES AN IMPORTANT MILESTONE

● Mr. METZENBAUM. Mr. President, it is a sad fact that only three out of every four ninth-grade students will ever graduate from high school. The fourth will drop out because of pregnancy, illness, family problems, drugs, or economic need. Without help, many of them will drop out of society as well, their futures clouded by lack of skills and the absence of hope.

Today, I would like to recognize an organization that for 15 years has been providing high school dropouts with the skills and hope necessary to contribute to society—70001 Ltd., the Youth Employment Company.

In November, 70001 Ltd. celebrates its 15th anniversary. For the more than 32,000 young people who have benefited from 70001's unique program of preemployment training, educational upgrading, motivational activities, and job placement assistance, this anniversary is a special time. What began as a pilot project in Wilmington, DE, in 1969 in now a network of more than 50 programs in 16 States. Thanks to the cooperative efforts of the public/private sectors, these young people are not only helping themselves, but society as well by contributing to the economy and volunteering in the commmunity.

70001 works because it depends on the motivation of its participants and the goodwill of its supporters. 70001 exemplifies the spirit that is America—the idea that the American dream of prosperity and progress is within the grasp of every American. I congratulate 70001 on their commitment to excellence and encourage our support of them in their future endeavors.●

COMMENDING THE WYOMING CATASTROPHIC INFORMATION NETWORK

● Mr. WALLOP. Mr. President, at this time I would like to commend a woman who has searched for and found a creative answer to the problems that victims of catastrophic illness face. Shirley Phillips, a former medicaid employee, has created a unique organization called the Wyoming Catastrophic Information Network, Inc. Her program has set a shining example for other States that are feeling the crunch from pared Federal funding for health care programs.

The Wyoming Catastrophic Network, Inc., basically serves as a crisis hotline, matching victims of catastrophic illness with financial aid and other resources. The network tries to pinpoint the proper local, State, Federal, or other agency that can help to offset the patient's medical costs through loans, research grants or stipends. Then the patient is guided through the redtape that leads to securing that aid.

I am proud to say that, since the network's inception last March, it has initiated 45 contacts between callers and resources. Even more impressive is that the administrative costs for the network are funded entirely through donations and special funding from Wyoming's Governor and the Wyoming Committee on Aging. I heartily applaud Shirley Phillips and her colleagues for the intitiative they have taken. I know that their services will help to allay the confusion and fear

that accompanies catastrophic illness. Furthermore, I hope that their efforts will spark similar action across the country.

I submit for the RECORD a related article dated September 21, 1984:

NETWORK IS AIDING CATASTROPHICALLY ILL PATIENTS IN WYOMING

Patricia Cowley, a 48-year-old divorced Wyoming mother of three, faced more than the trauma of a second hospitalization when physicians told her earlier this year that she needed surgery to stem the onslaught of Crohn's disease.

She was looking at $10,000 in outstanding bills from her first operation last spring and a potential $15,000 for the procedure ahead of her. Besides those worries, the former waitress didn't know who was going to foot the food and rent bills for herself or her two daughters at home until she learned of the Wyoming Catastrophic Information Network, Inc.

Its sole purpose is to help patients like Patricia Cowley, who have come to the end of both their financial resources and emotional rope and need to know where they can find help—fast.

The network is a non-profit organization that seeks to match victims of catastrophic illnesses with financial and other resources, it helps patients and their families first find programs to offset the high costs of their diseases and then work through the paperwork maze to secure that aid.

When Cowley, whose married daughter introduced her to the agency, was through, she knew not only where to find the support but also how to apply for it. She received a hospital grant to cover medical expenses and discovered she was eligible for Aid to Families with Dependent Children (AFDC).

The Wyoming Catastrophic Information Network Inc. provides a reservoir of data about local, state, federal, and other agencies that offer loans, research grants, or stipends to cover medication, long-term hospice care, transportation, hospitalization, and related costs.

Its goals are to gather and distribute such information as eligibility requirements and emergency aid provisions for programs sponsored by a variety of organizations, including medical societies.

Spearheading the agency is Shirley Phillips, a 38-year-old former Medicaid employee who is more than a little familiar with bureaucratic red tape. On disability for a variety of lung and other diseases including bronchitis, asthma, arthritis, and diabetes, she knows the confusion and panic that can accompany a chronic illness.

Phillips organized the network last year after helping raise $42,000 for a friend's son whose skin cancer had spread to the liver. In the course of his illness, Robert Conkling Jr, 21 has accrued $35,000 in medical bills and was facing a $5,000 cash deposit before he could enter a Colorado hospital for further treatment. He died in May, 1983.

Phillips' crusade didn't end with Conkling, however. In the fund-raising process she also found many others who feared both their medical traumas and the debts they had to bear to fight them.

Often that aid exists, but victims of catastrophic illnesses just don't know where to look for it, Phillips said, noting, for example, the medication and services provided free at some major medical centers if patients qualify for their research programs.

"We believe there are resources out there," she said, citing as examples the National Spine Injury Assn. and Heart Assist and Transplant Fund programs that cover partial costs of medications. "You just have to tap into them, and it won't alway be in a big way."

It may range from informing a 60-year-old massive stroke victim that he is eligible for Veterans Administration benefits to finding a dialysis machine for an automobile crash victim to sorting out a computer mix-up that kept a critically ill man from receiving Social Security disability benefits.

Phillips' only frustrations are with patients whom the network can't help—because their diseases aren't catastrophic, or they have too high an income for aid, or research programs that might meet their needs aren't available to them.

It's not just the poor who are encountering problems, she said. Many middle-income families fall short of the social service program criteria and consequently fall through the cracks.

She notes, however, that although her agency focuses on people with catastrophic illnesses, it doesn't turn anyone away. She describes a catastrophic disease as "anything that overturns a family economically."

It does not necessarily have to be a chronic condition such as multiple sclerosis, a terminal illness such as cancer, or an ailment associated with the heart and lung, she said. There also is no dollar definition.

A $10,000 hospital bill might mean nothing to a wealthy couple secure in their retirement while $200 in medical fees to a husband and wife in their 80s with little resources can be catastrophic, she said. At the same time, catastrophic illness "can make the rich look poor."

Its $50,000-a-year administrative costs are covered by donations and special funding from Wyoming's governor and the Wyoming Committee on Aging. Once the network gets its tax-exempt status, however, she wants to approach foundations for support.

Phillips hopes that eventually the service will expand from a local and state network of contacts to one that links research, hospital, and other funding programs nationally. To further that aim, Phillips already, has launched a letter-writing campaign to medical associations for information on both research and financial programs.

Since the program was initiated formally last March, the agency has made 45 contacts between callers and resources. Although her primary target population comprises the residents of Wyoming, a state whose geographical vastness makes networking difficult, citizens throughout the country could benefit from a computer matching and medical information service, Phillips said. She already has received inquiries from as far away as Alabama and New York.

Response from both social agencies and physicians has been positive, she said. Her network not only relieves stress for patients but also removes the burden from other professionals who may not know how to help their patients or clients.

"The network helps sort out a lot of the red tape and misunderstanding that comes from dealing with government agencies," said Darryl Bindschadler, MD, internist, who sees its greatest value as an information network. "For that purpose alone, it's valuable."

The organization's credibility is enhanced because it doesn't have ties to a "big brother," he added. Its role in locating research programs and funds for patients is essential in a time of and increased awareness in paring welfare rolls and decreased availability of traditional funding sources.

"We don't have the mental stress of the family or the physician," Phillips said. "We can look at this situation more objectively and, therefore, can go to bat more easily for them, too."—Christine A. Hinz●

RURAL ELECTRIC AND TELEPHONE REVOLVING FUND SELF-SUFFICIENCY ACT

● Mr. SYMMS. Mr. President, I would like to call my colleagues' attention to S. 1300, the Rural Electric and Telephone Revolving Fund Self-Sufficiency Act. Through loans obtained from the revolving fund, rural cooperatives have established electric and telephone service in many remote and otherwise inaccessible parts of Idaho and the Nation.

Since 1935, when the Rural Electrification Administration [REA] began providing services for rural areas, Idaho has been a major benefactor. Idaho, with a population close to 1 million, is one of the few remaining States with a legitimate need for rural electrification funding.

I understand the great advantage rural cooperatives have provided for farmers and other citizens in rural communities throughout my State.

To assist rural cooperatives, revolving fund loans have been and continue to be made at very low interest rates. The original revolving fund, however, has been depleted by the increased demand for cooperative loans. To meet this demand, the REA borrowed additional funds, but at a much higher interest rate. The gap between lending rates caused the fund to accumulate a debt.

As our current national deficit threatens all of us with higher taxes and higher interest rates, we must now make decisions on what our Federal spending priorities are. If Federal spending is not consciously controlled and the debt curbed, the health of our national economy may be threatened. Though S. 1300, if passed, would benefit the State of Idaho, spending tax dollars in a multitude of problem-plagued Federal programs is not a solution to, but a cause of, our budget problems.

I feel that any further appropriations to the rural electric and telephone revolving fund, as in S. 1300, will aggravate the growing deficit and do little to solve the underlying problems of the rural electrification program. Legislation must be adopted that will do more than provide a temporary solution.●

TERRORISM

● Mr. GOLDWATER. Mr. President, with the word "terrorism" on the lips

of almost everyone in Government, it is always a relief to find somebody writing on the subject who seems to know a little bit about it or at least a little bit about how to approach this almost undefinable, unapproachable subject at this time.

Appearing in the Defense Systems Review magazine for September is an editorial by Martha Cosgriff-Martin, who is the editorial director of that magazine, on this subject, which should be read by my colleagues. I ask that it be printed in the Record.

The editorial follows:

TERRORISM: BAD, AND GETTING WORSE

(By Martha Cosgriff-Martin)

According to the State Department, terrorism against Americans is on the increase and will increase further still. The most unsafe city for Americans to visit is Paris, says Robert DuBose, Director of the Office of Global Issues, Bureau of Intelligence and Research in the State Department. Top business executives and government personnel obviously are in the highest risk category.

Terrorism can be defined as the deliberate use of terrorist tactics, or the threat of terrorist tactics, to achieve notoriety for a cause. However, this is only one type of terrorism, though still virtually impossible to predict or control. DuBose, speaking at a meeting recently in Northern California, highlighted some of the State Department's concerns about international terrorism. Statistics alone, however, do not provide too much information on a subject that is something most people try to avoid thinking about.

How prepared is the United States to cope with terrorism? Not very, appears to be the consensus. The free movement within democracies is something that by its nature provides a sort of hot-house environment for budding terrorists. While U.S. police departments see terrorism as simply crime, the State Department's involvement in terrorism in its various manifestations bears ample witness to a state of mind that acknowledges a political basis for these acts. At their minimum, terrorist activities often involve conspiracy, kidnapping, illegal detainment, flight from prosecution, and numerous other illegal acts. At its worst, terrorism is a state-directed tool for the subversion of a specific group or entire nation.

This aspect of being state-directed is part of a terrorist evolution, and most of us alive today have witnessed its startling growth. The Soviet Union or its surrogates, namely Cuba, appear to be behind much of the terrorism in the Western Hemisphere. Willing accessories in the Eastern Hemisphere include, primarily, Syria and Libya. The arch-terrorist for some time was Yassar Arafat and his polyglot band of goons. Now this same group is applying for membership in the recognized society of states—just which state Arafat represents has yet to be defined. The Israelis have maintained and have produced captured documents from Lebanon that Arafat was under the direct control of Moscow. This impact on Americans is not felt until Americans visit Israel, at which time the spector of terrorism assumes vivid form. There is no doubt, visiting that nation, that terrorism is a fact of life for which Israeli citizens are increasingly becoming prepared, as evidenced by the April bombing of a square in Jerusalem. The terrorists were fired upon by armed private citizens, and most were captured or killed. Thus a law of counterterrorism also was highlighted: nothing so discourages terrorists as being shot at. As soon as the first retaliatory shots were fired in Jerusalem, the majority of the attackers took to their heels.

According to DuBose, the U.S. policy is non-negotiation with terrorists. This means sacrificing valuable personnel at times to the demands of kidnappers. Americans posted abroad with the Foreign Service understand these rules before accepting assignments. Military personnel live with the fact of terrorist assault not only in the Middle East, but in Puerto Rico and other American possessions. While the policy is not diminishing terrorist attacks, neither is there a dramatic increase in incidents, but rather a steady increase. This in itself provides proof of an organized, state-ordered terrorist operation, if proof be needed.

DuBose stated that most of the terrorist groups did not appear to be organized among each other to any great degree—for instance, there seems no direct connection between the IRA and the Palestinian organization. Yet the State Department apparently knows of at least one Irish national in a Syrian terrorist training camp, giving instruction in explosive devices. Some literature provided by ex-terrorist indicates definite links between groups, especially Marxist groups, though DuBose thinks that these links are not very strong if they exist at all; and that they have been greatly exaggerated by writers of espionage and terrorist fiction.

The fact that Paris is the most dangerous place for Americans to be, even more dangerous than the Middle East, bears witness to the state of affairs in an increasingly politically uncertain Europe. A new generation of people who do not remember World War II, who are troubled by seeing their nations a potential battleground between the Soviets and the U.S., provide a far more hospitable climate for terrorism than should be the case. The vacillation at the top enhances the trend.

Within the United States, the climate for terrorism is never better than when international thuggery is condoned by misguided citizens and a misguided media. Terrorists make use of extensive psychological tools, as well as grenades, bombs, and automatic weapons. Reckless assults on the established order of things, and momentarily popular causes are bound to attract the sympathies of a young audience, while older and presumably wiser people are inclined to minimize the enormity of terrorist activities for various reasons.

The media in particular has been guilty in the past of providing just exactly the type of coverage the terrorists have as a primary motivation; and the removal of this type of coverage may be one of the strongest deterrents available within this country. It is not necessary to give a murderer equal time with the victim as if the two are engaged in some sort of political dabate. When the victim has been kidnapped by force and held hostage, he is not engaged in a polite disagreement. He has become the victim of a crime; and when he is murdered, he is dead. His death becomes a travesty when wrongly handled by the media; he is robbed of his last civil right, which is dignity and honor in death.●

SIGNING OF SOCIAL SECURITY DISABILITY REFORM ACT

● Mr. DOLE. Mr. President, I am pleased to announce that President Reagan today signed into law H.R. 3755, the Social Security Disability Amendments of 1984. This is a major accomplishment and one that should provide a new sense of confidence to the disabled population in the disability review process. This new law, which has broad bipartisan support, makes major changes in the way disability reviews are conducted. For the first time, a clear standard of review will be spelled out in the law. A finding of medical improvement or some other change in the beneficiary's condition will be required in order to terminate benefits. In addition, clear standards of rulemaking will be spelled out for the Social Security Administration with the hope of reducing some of the confusion surrounding the criteria being used by the State agencies, administrative law judges, and the Federal courts.

For over 2 years, the Congress has been working to develop a bipartisan approach to disability reform and to forge a bill that could protect the interests of the disabled population without prompting the runaway growth the program experienced in the 1970's. With the cooperation of the administration, I believe we now have a law that meets these objectives.

I would like to remind my colleagues that the legislation mandating a review of Social Security's 2.7 million disabled workers every 3 years was passed by Congress in 1980 and signed by President Carter. It is unfortunate that the Congress did not anticipate the problems that would result by requiring that such a massive review be conducted in such a short period of time.

Many people are to be commended for the role they played in the development of the reform bill. Congressman PICKLE, chairman of the House Social Security Subcommittee, and the House conferees showed a real willingness to try to accommodate the Senate position on reform. The Senate conferees—Senators PACKWOOD, ROTH, DANFORTH, LONG, BENTSEN, and MOYNIHAN—and other of my colleagues—Senators COHEN, HEINZ, LEVIN, DURENBERGER, and HELMS, to name a few—worked diligently to help resolve the difficult issues. And, of course, I would like to note the support we received from the administration in helping to develop this new law.

Mr. President, again, all of us involved in the development of this legislation are grateful that with the signing of the bill today we can finally offer to the disabled of this country the assurance that the disability program will be administered in a fair and equitable fashion.●

THE HOUSE PASSES THE AMERICAN CONSERVATION CORPS ACT

● Mr. MOYNIHAN. Mr. President, the Civilian Conservation Corps [CCC] is back.

Earlier today, the House of Representatives voted 296 to 75 to concur in the Senate amendment to H.R. 999, a bill to create an American Conservation Corps [ACC]. The 3-year effort to pass ACC-authorizing legislation—through seven congressional hearings, eight committee or subcommittee markups, and three rollcall votes in the House—has ended successfully. Now, the President must decide whether to sign the measure. If he does, he will put thousands of unemployed youths to work restoring and improving our public lands and facilities.

I sponsored the Senate amendment to H.R. 999. It authorizes program funding levels of $50 million, $75 million, and $100 million for fiscal years 1985, 1986, and 1987, respectively. Admittedly, such levels are below the $1.8 billion—$300 million annually from fiscal year 1984 through fiscal year 1989—authorized in H.R. 999 as passed by the House on March 1, 1983, or in my original ACC measure, S. 27. Nonetheless, we have taken an important first step toward preventing the continued erosion of our natural and human resources. Funded at $50 million, the ACC will enroll over 18,500 youths in the first year of operation.

A half century ago, President Franklin D. Roosevelt, recognized that creating a youth conservation corps would combat two serious problems: unemployment and the deterioration of our natural and cultural heritage. From 1933 to 1942, the CCC enrolled over 3 million young men, who planted over 2 billion trees, constructed thousands of miles of trails and access roads, and spent 6.5 million days fighting forest fires. The work of the CCC is evident even in the Washington, DC, area—in Rock Creek Park, along the Chesapeake and Ohio Canal, and at Camp David. The CCC was a good idea then; the ACC is a good idea now.

It is interesting to note that Ronald Reagan, as Governor of California, founded an ecology corps in 1971. In July 1976, its programs were transferred to the newly created California Conservation Corps. Since the "Cal Corps" was created, nearly 20,000 young men and women have performed over 15 million hours of public service. The corps' work—through fiscal year 1982—has been valued at $136 million, a return of $1.65 in appraised conservation work for every $1 expended. It is difficult, of course, to quantify the value of providing work experience for heretofore unemployed youths.

Mr. President, I wish to mention several people who have played integral roles in securing passage of ACC legislation. The late Senator Henry M. Jackson was a tireless champion of the ACC and its predecessors—the Youth Conservation Corps and the Young Adult Conservation Corps. Senator MATHIAS, ably assisted by staff member John Rixey, has been my partner in promoting the ACC.

Representative SEIBERLING has steered the ACC admirably through three recorded votes in the House of Representatives. His staff member, Loretta Neumann, deserves high accolades.

Some 45 organizations, representing a variety of concerns, have supported the ACC. Sydney Howe, executive director of the Human Environment Center, assumed the prodigious task of coordinating the groups' efforts on behalf of ACC. Mr. Howe deserves special commendation. No one is more dedicated to youth conservation programs than he. Mr. President, I have dwelled upon the benefits that accrue to our natural and cultural resources when programs such as the ACC are implemented. There is, of course, the human dimension to consider, as well. I ask that a letter appearing in the 1983 Annual Report of the California Conservation Corps be printed in the RECORD. This unsolicited letter from corp member Lawrence A. Wiggins speaks in eloquent terms to the human benefits of such a program.

The letter follows:

DO ALL THAT YOU CAN DO . . . IN THE CCC

It's been two months since I left the C's and began working for the National Park Service. I guess I've proved that there is "Life After the Corps", but I also wanted to tell you a few things about my life "during the Corps".

I believe I've learned more about hard work, people and life in my 20 months in the Corps than I did with 4 years in army life.

I've learned perseverance, integrity, honesty, and a little about love too. I learned how to admit to myself that I make mistakes but that I can learn from them as well . . . I've felt tired, blisters, heat and sweat and the good feeling one gets from hugging someone for no particular reason at all. I even learned how to open myself up a little and let other people in. . . .

I learned how to tune an engine, and listen to it . . . how to do brakes, change wheel bearings, timing chains and clutches. I learned how to weld (arc and gas) sweat pipe and how to lay a panel for a solar system so it would give a camper a good hot shower.

I could keep going on, I know; but I feel I've said enough.

Except perhaps thank you. And thanks to all the people who've put together such a wonderful program and keep it working.

It's been a wonderful experience. I will always cherish it.

LAWRENCE A. WIGGINS.●

U.S. ARMED FORCES

● Mr. GOLDWATER. Mr. President, an excellent article, appearing in the September issue of Defense Systems Review, puts the lie to those people who continually state that our forces are not up to what they were a few years ago. I ask that this article be printed in the RECORD.

The article follows:

AIR FORCE STATUS REPORT: "WE ARE BETTER THAN WE HAVE EVER BEEN."

(By Harry V. Martin)

Recent congressional criticism that U.S. forces are less prepared to fight a major war today than they were in 1980, are not only challenged by several high-ranking U.S. Air Force officers—but these military leaders emphatically contend that many positive trends have been esablished over the past four years.

From theatre commanders in Europe and the Pacific, to supporting forces commanders from TacAir to SAC, the same blunt message is stated: "We are better . . . there is absolutely no doubt about it." Reviewing the complete status of Air Force readiness were Gen. Richard L. Lawson (Deputy Commander-in-Chief, European Command); Lt. Gen. David L. Nichols (Deputy Chief of Staff, Plans and Operations Headquarters, USAF); Lt. Gen. Jack I. Gregory (Commander, Twelfth Air Force Tactical Air Command); Lt. Gen. Robert F. Coverdale (Vice-Commander, Military Airlift Command); Lt. Gen. James E. Light, Jr. (Commander, Fifteenth Air Force Strategic Air Command); and Brig. Gen. Jimmy C. Pettyjohn, director for Intelligence, Pacific Command.

The generals acknowledge that sustainability, not readiness, is the prime question of the military. Each officer individually admitted that spares and munitions are not at the level they should be to assure force sustainability in wartime, but they are eager to emphasize that the conditions today are vastly improved from four years ago. "You don't correct a decade of neglect overnight," Lt. Gen. Nichols said. He called the Nunn Report and one released by the House Appropriations Subcommittee on Defense as "not an accurate depiction" on the true status of military readiness in this country. "We changed our standards," Nichols added, "our current system is more demanding . . . when half the engines necessary were available in 1980 it meant we had C-1. Now if 60 percent is available we are at C-4."

Nichols pointed to some specific areas to prove the Air Force's increased readiness:

First term enlistments up 66 percent.

Current fighters delivered 2100 from 1000 in 1980.

Pilot retention up 70 percent.

Cruise missiles delivered 1195 from 0.

Air-to-air missiles delivered 14,200 from 3,300.

Support airlift capability up 67 percent.

Tactical flying time up 23 percent.

Mishaps down.

Guided munitions for training up 125 percent.

Airlift JCS exercises increased 50 percent.

Mobility, chemical protection up 100 percent.

Supportable tactical sorties up 62 percent.

"We have better weapons, better being combat-operational within two hours of landing. U.S. air forces have 25 main and standby bases operating in Europe.

Lt. Gen. Jack I. Gregory concurred with Nichols on the increased fighting fitness of U.S. forces. He said four years ago TacAir was not flying much and was not ready to go to war. Several years ago TacAir aver-

aged 11½ sorties per month and eight flights per crew. That level has increased by 78 percent, he said, emphasizing that the absolute minimum average sorties has risen to 15 to 16. Recognizing that in the next conflict TacAir will be expected to fly a surge rate of between three and four sorties a day, Gregory said it normally takes two to four hours to turn an aircraft around. Through increased training and maintenance methods, the turn-around period can be reduced to 30 minutes. Training methods have increased tremendously, he said, the most dramatic of which is simulation training. In 1980, Gregory said, TacAir training could only simulate 12 percent of Soviet electronics—today 80 percent of Soviet electronics are simulated in bi-weekly training sessions. Through this training, Gregory declares, "We have the ability to roll back or suppress the enemy's electronics." Gregory also stated that TacAir crews can concentrate on assigned combat areas and be familiar with their theatre. "We look for detail to make crews knowledgeable about bed-down bases as well as home bases. Commanders involved go to bed-down base locations annually." Gregory said that the prehand knowledge of the territory, language, allies, etc., has had some real pay-backs. "We have demonstrated the ability to move combat units to every theatre in 24 hours and be combat-operational in two hours," he added. Emphasizing that sustainability is the Air Force's biggest worry today, Gregory noted that in the early 80s there was a serious sustainability problem. "We're a lot better now than we were." Compounding the problem, however, is the ability to obtain parts for the aircraft spares kit. "We were on a starvation diet in 1978 and 1979," he said, "and because of this many companies that made the spares went out of business." Of 936 parts (this does not include 1936 bolts) required in the F-16 spares kit, the Air Force is short 450 pieces.

The Military Airlift Command has gained substantial capabilities over the last few years, according to Lt. Gen. Robert F. Coverdale. "We have 200 planes a day flying anywhere in the world," he said. Coverdale indicated that 40 percent of MAC's airlifts are provided by the Reserves. Military aircraft currently available include: 70 C-5s, 234 C-141s, 520 C-130s (302 being operated by the Reserves), 80 C-21s and 40 C-12s. A special operating force consists of: 13 MC-130s, 20 AC-130s, 4 EC-130s, 8 HH-53s, 6 HH-3s, and 9 UN-INs. MAC can also rely on 300 aircraft from its CRAF long-range program which incorporates the use of domestic airlines. In the last few years funding has become available for the C-5 Wing Modification Program, C-130 Wing Modification Program, the purchase of 50 C-5Bs, plus a CRAF Enhancement Program which upgrades 19 Boeing 747s used in commercial aviation. The development of the C-17—which can operate on smaller ramps, has a greater chance of survivability, and can reduce missions by 37 percent—is seen as eliminating any shortfall in MAC's airlift capacity.

Lt. Gen. James E. Light, Jr. stated emphatically, "The Air Force sustains the highest readiness that it ever has had." Light indicated the readiness of SAC to increase its conventional warfare capabilities. "A conventional encounter is much more likely than a nuclear one," he said. The general believes that the U.S. would have to contend with conflicts closer to Soviet territory than to U.S. territory, thus forcing the use of long range bombing and logistics. "The enemy would have the initiative," Light said, "and we would have to get there quickly to blunt the attack." Light maintained that the delivery of the B-1B would significantly improve SAC's conventional posture—having a lower radar cross section, more agility and capable of carrying more conventional payload. Light said the key to SAC operations is refueling. "Refueling is the key ingredient for rapid projection," he said. The focus of Light's message was: "As a nation we need to be combat ready." Light's assessment is that the nation is in such a status.

PACIFIC AND EUROPEAN THEATRE ASSESSMENT

"We have seen some very positive trends from Washington," admitted Brig. Gen. Jimmy C. Pettyjohn. The intelligence officer referred to the shift in the importance Washington is giving to the Pacific region. "The Pacific has become an important region—economically, politically and militarily," he said, adding "There is greater unity among Asian allied efforts than we ever thought possible."

Pettyjohn warned that the Soviets are rapidly modernizing their forces in the Pacific theatre. The menace is so great that the People's Republic of China insists that the U.S. should maintain strong military forces in the region. The complexity of the Asian alliance with the U.S. is viewed in the relationship of which country is perceived to be the enemy: The PRC, USSR, North Korea, or Vietnam—even Japan is still eyed warily. "Some Asian allies see the PRC as a greater threat than the Soviets," he said. "Some view Japan's buildup as dangerous. But, as a whole, relations with Pacific allies are sound."

Japan is reluctant to build up its military but their forces are gradually strengthening. Many Japanese believe their nation should not become involved in war with the Soviets and advocate a neutral stance. Korea is the most fully integrated military ally the U.S. has according to Pettyjohn. Great problems are associated with the Philippines. "We are greatly concerned with this area," he said. "Any loss (of U.S. bases) would be very harmful to our military posture in the Pacific," he added. But the U.S. is confident that any successor to President Marcos won't change the status with the U.S., he said, adding "But that is a big assumption." He indicated that the U.S. was not overly concerned about the New Peoples' Army. "We don't see them taking over the government—the guerrilla forces are not large, and the Philippine Army is well-equipped to handle them." Behind Pettyjohn's assumption is the fact, he said, that the Soviets are neither backing nor supplying the rebel force.

Some uncertainty is currently voiced concerning the ANZUS Pact nations of Australia and New Zealand: the Labor government in both nations are attempting to establish nuclear free movements. "The status of the ANZUS agreement is in some question. People in the civil section and the military side say it will work out," Pettyjohn said.

A major potential flashpoint to watch, according to Pettyjohn, is Korea—where the North is expanding and modernizing its forces far beyond a defense capability. "North Korea could initiate a large scale attack at any time with no outside help. It is the most militarized country in the world," he said. Vietnam is also a trouble spot with 170,000 troops in Kampuchea—and conducting limited incursions into Thailand. "We are concerned about a potential large scale incursion in to Thailand, though we believe it is highly improbable" he added, noting that the PRC is acting as a favorable counterbalance in Asia by tying down 40 percent of the Vietnamese forces in the south and 90 percent of Soviet Asian-deployed forces in the north. "The PRC may be a moderating force on Korea," he said, "but there are no guarantees." Soviet forces are increasing rapidly in Asia with 30 percent of its total navy divided between Vladivostok and Cam Ranh Bay. Deployment of Bear Aircraft has established a Soviet ocean reconnaissance force. In mid-November of last year, the Soviets deployed Badger aircraft to give them the potential of interdiction in Pacific waters.

Pettyjohn said the Soviets obviously desire to develop a two-front war capability. "They have that capability today," he said. One-third of the Soviet's SS-20s (about 135) are now deployed in Asia and their mobility enhances their survivability. The SS-20 ranges makes Thailand to the east, the Philippines to the south and Alaska to the north, vulnerable targets. The Backfire Bomber's range means the Soviets can strike targets as far south as the San Francisco Bay Area, Pettyjohn said.

With deployment of Flogger and Fencer aircraft, the Soviets hold a strike advantage over the U.S. defenses that will make any campaign against the Soviets a formidable challenge. "The Soviets maintain medium to high altitude early warning cover. What they lack in low altitude early warning is being filled by the MIG-23 (Foxer)." The U.S. has limited aircraft in the area—with the 5th Air Force located in Korea and Japan and the 13th in the Philippines. An F-16 wing will be dispatched to Misawa in Northern Japan—with the arrival of the first aircraft in April 1985 and the first squadron formation in September 1985. A second squadron will be formed by October 1987. "We have a pressing requirement for consumables," Pettyjohn said, "We are seeing improvements in every sustainable area. We think the Administration's long-range plans will correct the majority of these problems by 1988 to 1989." The ammunition shortfall will take several years to overcome—"it is neither easily nor quickly corrected," he said. Pettyjohn also feels that the deployment of either the F-111 or Strike Eagle to the Pacific Theatre will greatly improve the U.S. tactical strike capability. "Tactical intelligence upgrades are needed," he added. Pettyjohn emplasized that the Soviets are not great risk takers and that it is incumbent on the U.S. to place them at risk by building stronger forces in the Pacific.

Gen. Richard L. Lawson stated flatly that with the deployment of SS-20s, the Soviets were desirous of a role of superiority, not equilibrium. The U.S. deployment of Pershing and ground-launched Cruise missiles—which was originally requested by the German Chancellor—has found NATO allied governments standing shoulder-to-shoulder in unison, Lawson said. "There has always been a massive manpower military edge for Soviets. Now their technology is catching up as well—and the Soviet policy of defense in Europe has shifted to thoughts in terms of offense."

Lawson believes that the U.S. can count on the French in any conflict even though they are not part of the military participation in NATO. Spain can also be expected gradually to meld itself into NATO as well, despite political questions concerning Spain's role.

The gravest concern to General Lawson is air and sealift capabilities. "If we don't get airlift and sealift there [Europe in time of conflict] our ability to defend [Europe] will be measured in days," he said. NATO can conduct credible conventional defenses, he insisted. Lawson analyzed the European continent and the ability of the allies to hold against attack.

Norway: "We believe we can reinforce this area by air and Marine amphibious operations. This area can be held unless the Soviets use chemical warfare."

Central Europe: "The Soviets are stretched thin here and we will be able to hold them as far forward as possible. The Soviet C2 is extremely susceptible to electronic warfare and we have a chance to hold them."

Southern Europe: "We can hold the Soviets in Northern Italy."

Greece and Turkey: "The Navy can hold the Soviets if we can contain Greek and Turkish interfighting."

Lawson stated that the NATO allies are in strong shape, "They are prepared. We have the best we've ever had and that expands to the rest of the alliance," he said. Though Lawson maintains that NATO must be prepared for a solid front from the Warsaw Pact, he said he would not like to be a Soviet commander and go through Eastern Bloc nations.

Lawson said the top national security priority in NATO is to educate the U.S. and allied societies. "Society is not properly informed," he said, stating that only a properly informed society could give the allied military the tools they need to prevent Soviet aggression. "Those Soviets are not like us," he said. "You tell your fellow Americans that we can debate all we want, but that you're playing with the lives and the blood of young men and women because the Soviets don't think like you."●

SENATOR CRANSTON ADDRESSES KEY TRADE ISSUES

● Mr. DECONCINI. Mr. President, our colleague, the Democratic whip, ALAN CRANSTON, has outlined a most helpful agenda for the international trade issues confronting our Nation. In a piece recently published in the San Jose Mercury-News, Senator CRANSTON has laid out a clear set of priorities for consideration in the next Congress. As a member of the Senate Committees on Banking and Foreign Relations, Senator CRANSTON brings a great deal of experience together with his usual insight to this task.

I commend Senator CRANSTON's article to the attention of my colleagues and ask that it be printed in the RECORD.

The address follows:

TRADE AND THE AMERICAN FUTURE

(By Alan Cranston)

Californians are world-renowned for being the first to solve tomorrow's problems.

This glimpse of the future has always been a part of the excitement of the California experience.

Our talent for producing new ideas and technology together with our reputation for tolerance of cultural diversity has brought legions of energetic entrepreneurs to our state.

As a result, California has proven an extraordinary example of capitalism's ability to expand the economic pie and offer a better future for our citizens.

Today this ability to grow through innovation is threatened. The deterioration of America's position in internatonal trade presents potential dangers for our future economic health. The latest trade figures show a hemorrhaging of red ink—a monthly trade deficit exceeding $10 billion—and an annualized rate of more than $130 billion. Importing $130 billion more in goods and services than we export means that $130 billion is being drained from our national wealth. More ominous for the long term, we not only are exporting wealth, we are exporting jobs. The Commerce Department estimates that for every $1 billion decline in U.S. exports, 25,000 jobs are lost or not created.

If this trend continues, it will ensure the relentless mortgaging of the working future of a whole generation of Americans.

While the trade deficit soars, a somewhat sterile debate continues over "free trade versus protectionism" and the desirability of an "industrial policy" versus a noninterventionist federal attitude of "laissez-faire."

This debate is unhelpful in the task of reinvigorating U.S. trade efforts. The debate offers at one extreme the myth of a perfectly free trading system, a system which does not exist in the world today where government intervention and bilateral marketing arrangements are the rule. At the other extreme, it accepts the so-called "fallacy of the last move"—the naive notion that if America erected more protectionist barriers against foreign products, we would not face mutually harmful retaliation from abroad.

The debate over industrial policy is similarly polarized. Opponents fear an industrial policy would pervert our capitalist system, but they ignore the great success of federal participation in such national programs as the development of American agriculture. And many who advocate lavish rewards for growth industries offset by abandonment of declining ones are just too insensitive to the human costs involved in such a high-risk strategy.

I believe we need to move beyond this debate to take some prudent, real-world action. We need a mix of affirmative federal action and a rollback of federal impediments if we are to improve our international competitiveness.

My agenda for a stronger American trading future contains four essential components:

Investment in people: Human resources are the key to maintaining American competitiveness. We need new federal and business initiatives for an improved education system, particularly in the sciences, foreign cultures and languages, and international marketing practices. And we need better pay for teachers willing to forgo the benefits of the private sector to train a new generation of workers to meet the demands of the twenty-first century.

Support for entrepreneurs: Industries at the vanguard of American growth merit affirmative federal action on such measures as research and development tax credits, antitrust exemptions for joint R&D efforts and low capital gains tax rates.

Defense of fair trade: The federal government must be aggressive in its defense of American workers and industries against unfair foreign trade practices. We should work to uphold the principles of multilateralism in such arrangements as GATT (General Agreement on Tariffs and Trade). Trade is a two-way street; cheaper imports benefit American consumers and lower our inflation rate. But we must be realistic about the need to fight for reciprocity in the treatment of specific products in specific markets. For example: It is self-deluding to have our negotiators preach about the desirability of free trade at times when the Japanese are dumping high tech products below cost on the relatively open U.S. market while hiding behind high tariff barriers which harm American farmers and American industries. Determined defense of fair trade principles and reciprocity is the best alternative to potentially dangerous protectionist barriers.

Promotion of exports: Washington must recognize once and for all the crucial importance of exports to our economic future. Governments don't make most of our international business deals; businesses do. Exporters would like nothing more than to get the government off their backs and gain relief from burdensome licensing regulations, especially the draconian measures invoked by the Customs Service and the Pentagon to delay high technology exports to West Europe and Japan in the name of "national security." But there is much the federal government can do beyond removing such trade impediments. It must begin with a renewed commitment to financing assistance and the Export-Import Bank and energetic support of American business in our embassies abroad and at the Departments of Agriculture, State and Commerce at home. And it must encourage cooperative export planning with all sectors of private industry.

Two overreaching federal issues are also directly related to the success of any export action agenda: the budget deficit and defense spending.

Until we lower our budget deficit, we will continue to export jobs. The high interest rates needed to finance the soaring deficit keeps the dollar at a level many feel is overvalued and keeps American exports noncompetitive. Sound monetary policies must allow for reduced interest rates and for orderly growth in our money supply.

The dramatic growth in our defense budget must be curbed so that we can dedicate greater human and financial resources to the production of goods and services for export. So many of the best American minds are now dedicated to producing military items that add little to our long-term international competitiveness. The United States absolutely must maintain the lead in innovative technology with civilian commercial applications if we are to avoid continued erosion of our international trading position.

The economic security of our country relies on progress in taking such steps. We absolutely must make such progress if we are to stop mortgaging our future and to begin creating new opportunities for Americans.

[From the San Jose Mercury News]

TURNING THE TIDE ON FOREIGN TRADE

(By Alan Cranston)

Californians are world-renowned for being the first to solve tomorrow's problems.

This glimpse of the future has always been a part of the excitement of the California experience.

Our talent for producing new ideas and technology together with our reputation for tolerance of cultural diversity has brought

legions of energetic entrepreneurs to our state.

As a result, California has proven an extraordinary example of capitalism's ability to expand the economic pie and offer a better future for our citizens.

Today this ability to grow through innovation is threatened. The deterioration of America's position in international trade presents potential dangers for our future economic health.

The lastest trade figures show a hemorrhaging of red ink—a monthly trade deficit exceeding $10 billion—and an annualized rate of more than $130 billion. Importing $130 billion more in goods and services than we export means that $130 billion is being drained from our national wealth.

More ominous for the long term, we not only are exporting wealth, we are exporting jobs. The Commerce Department estimates that for every $1 billion decline in U.S. exports, 25,000 jobs are lost or not created.

If this trend continues, it will ensure the relentless mortgaging of the working future of a whole generation of Americans.

While the trade deficit soars, a somewhat sterile debate continues over "free trade vs. protectionism" and the desirability of an "industrial policy" vs. a non-interventionist federal attitude of laissez faire.

This debate is unhelpful in the task of reinvigorating U.S. trade efforts. The debate offers at one extreme the myth of a perfectly free trading system, a system which does not exist in the world today where government intervention and bilateral marketing arrangements are the rule.

At the other extreme, it accepts the so-called "fallacy of the last move"—the naive notion that if America erected more protectionist barriers against foreign products, we would not face mutually harmful retaliation from abroad.

The debate over industrial policy is similarly polarized. Opponents fear an industrial policy would pervert our capitalist system, but they ignore the great success of federal participation in such national programs as the development of American agriculture.

And many who advocate lavish rewards for growth industries offset by abandonment of declining ones are just to insensitive to the human costs involved in such a high-risk strategy.

I believe we need to move beyond this debate to take some prudent real-world action. We need a mix of affirmative federal action and a rollback of federal impediments if we are to improve our international competitiveness.

My agenda for a stronger American trading future contains four essential components;

Investment in People: Human resources are the key to maintaining American competitiveness. We need new federal and business initiatives for an improved education system, particularly in the sciences, foreign cultures and languages, and international marketing practices.

And we need better pay for teachers willing to forgo the benefits of the private sector to train a new generation of workers to meet the demands of the 21st century.

Support for entrepreneurs Industries at the vanguard of American growth merit affirmative federal action on such measures as research and development tax credits, antitrust exemptions for joint research and development efforts and low capital gains tax rates.

Defense of fair trade: The federal government must be aggressive in its defense of American workers and industries against unfair foreign trade practices. We should work to uphold the principles of multilateralism in such arrangements as GATT (General Agreement on Tariffs and Trade). Trade is a two-way street, cheaper imports benefit American consumers and lower our inflation rate.

But we must be realistic about the need to fight for reciprocity in the treatment of specific products in specific markets. For example, it is self-deluding to have our negotiators preach about the desirability of free trade at times when the Japanese are dumping high-tech products below cost on the relatively open U.S. market while hiding behind high tariff barriers which harm American farmers and American industries. Determined defense of fair trade principles and reciprocity is the best alternative to potentially dangerous protectionist barriers.

Promotion of exports. Washington must recognize once and for all the crucial importance of exports to our economic future. Governments don't make most of our international-business deals, businesses do. Exporters would like nothing more than to get the government off their backs and gain relief from burdensome licensing regulations, especially the draconian measures invoked by the Customs Service and the Pentagon to delay high technology exports to West Europe and Japan in the name of national security.

But there is much the federal government can do beyond removing such trade impediments. It must begin with a renewed commitment to financing assistance and the Export-Import Bank and energetic support of American business in our embassies abroad and at the Departments of Agriculture, State and Commerce at home. And it must encourage cooperative export planning with all sectors of private industry.

Two overreaching federal issues are also directly related to the success of any export action agenda; the budget deficit and defense spending.

Until we lower our budget deficit, we will continue to export jobs. The high interest rates needed to finance the soaring deficit keeps the dollar at a level many feel is overvalued and keeps American exports noncompetitive. Sound monetary policies must allow for reduced interest rates and for orderly growth in our money supply.

The dramatic growth in our defense budget must be curbed so that we can dedicate greater human and financial resources to the production of goods and services for export. So many of the best American minds are now dedicated to producing military items that add little to our long-term international competitiveness.

The United States absolutely must maintain the lead in innovative technology with civilian commercial applications if we are to avoid continued erosion of our international trading position.

The economic security of our country relies on progress in taking such steps. We absolutely must make such progress if we are to stop mortgaging our future and to begin creating new opportunities for Americans.●

1984 SMALL BUSINESS NATIONAL ISSUES CONFERENCE

● Mr. ARMSTRONG. Mr. President, "The good health and strength of America's small businesses are a vital key in the health and strength of our economy. Small business employs about half of our private work force, contributes 42 percent of sales, and generates about 38 percent our gross national product. Small firms are on the cutting edge of innovation, providing products, ideas, and opportunities for the future. Small business is dreaming impossible dreams and making those dreams come true."

These are the words President Reagan used in convening the 1984 Small Business National Issues Conference. This conference, sponsored by the American Institute of CPA's, the U.S. Chamber of Commerce, the National Federation of Independent Business and Small Business United, developed comprehensive recommendations to help American small business flourish and prosper.

The conference's 41 recommendations are a blueprint for action by Congress. The recommendations are sound, and ones I fully endorse, including such commonsense proposals as:

Enact a constitutional amendment to balance the budget.

Enact a constitutional amendment giving the President line item veto authority.

Oppose tax increases as the solution to reduce budget deficits.

Retain tax indexing.

Simplify tax laws, particularly in the areas of payroll tax deposit, inventory accounting, and debt-equity rules.

Increase small business access to equity capital.

Enact tax reform through promoting fringe benefit equity.

These and other reforms, if fully implemented by Congress, would spark a golden era for small business in America. I will work to implement these recommendations, and I encourage my colleagues to do so as well.

Mr. President, allow me a moment to express my home State pride that Coloradan Tom Brock, a certified public accountant from Longmont, served as founder and conference chairman. He did a masterful job in uniting the interests of small business and small business men and women congratulate him for his efforts.

Mr. President, I ask that the 41 recommendations for the Small Business National Issues Conference be printed at this point in the CONGRESSIONAL RECORD.

The recommendations are as follows:

CONFERENCE RECOMMENDATIONS

1. FEDERAL DEFICIT REDUCTION

Issue

Spending by the Federal Government of the United States is out of control. The Federal deficits resulting from this spending jeopardize American families and future generations, and could lead to the economic and social collapse of the Country and its institutions. Deficits contribute to high inflation, higher interest rates, higher unemployment, and a lower standard of living for all Americans. Previous attempts at balanc-

ing the budget or reducing spending have failed. Elected representatives have not demonstrated an ability to place the economic survival of the Country before political re-election goals.

Goals

The "down payment" proposals now before Congress are woefully inadequate. Dramatic action is essential this year, not promises for next year.

A. Short Term (immediate action)

1. An immediate one-year freeze of the total FY 1985 spending at FY levels.

2. Permanent adjustment of COLA increases to less than the CPI increases.

B. Long Term (five-year)

1. *Balanced Budget Amendment.*—Small business supports the concept of a constitutional amendment to force a balanced federal budget (to include all federal spending), provided that the requirement can be overridden by a two-thirds majority of both the House and the Senate.

2. *Limiting Federal Spending.*—Small business supports the effort to balance the budget and reduce the federal deficit by limiting total Federal spending to a percentage of G.N.P.

3. *Line-item Veto Amendment.*—Small business supports a constitutional amendment giving the President of the United States appropriation bill line-item veto power. The veto could be overridden by a simple majority of the House and Senate.

4. *Waste Reduction.*—Small business supports intensive effort to eliminate government inefficiency and waste, including implementing those Grace Commission recommendations which are appropriate, and eliminating direct or indirect government competition with small business.

C. Taxation

1. Tax increases must not be used by Congress as a bailout for failure to implement the short and long term recommendations above.

2. Tax indexation must not be eliminated or delayed.

2. GOVERNMENT COMPETITION: DIRECT AND INDIRECT

Issue

Government at all levels is increasingly competing unfairly with the private sector, in two ways. It competes directly by producing commercially available services and products internally. It competes indirectly by procuring these items from nonprofits, universities, and regulated industries whose tax exemptions and other economic preferences immunize them from effective competition. This unfair competition removes a major market from the private sector's reach—a market that under fair competitive conditions the private sector would ultimately serve more efficiently than subsidized sources can. In addition, it induces organizations that should be concentrating on public policy, education, and research to divert critical resources to commercial activities, at taxpayers' expense.

Proposed action

To minimize direct competition, establish through Federal legislation a national policy of procuring commercial goods and services from the taxpaying private sector. To control indirect competition, provide that preferences such as tax exemptions, postal rate discounts, and contracting priorities not be available to the commercially competitive activities of nonprofit and regulated industries. Extend those policies to state and local governments by withholding Federal funds from programs that violate them.

3. INEQUITABLE EFFECTIVE TAX RATES* (T)

Issue

Because they are labor, and often, inventory intensive, small businesses pay payroll, income, and other taxes at extremely high effective rates. These effective rates are far in excess of the average for all business.

Small businesses should carry their fair share of the responsibility of providing necessary Federal revenues, not a disproportionate burden.

The Congress and Administration are urged to undertake a comprehensive review of the tax structure to correct the disparity in effective tax rates which presently exists, as well as eliminate unnecessary tax complexities in the tax treatment of a small business.

Many believe that this can only be done through fundamental reform and restructuring of the tax code. Others think it preferable to work within the framework of the present system.

Equity, fairness, simplicity, and parity in effective tax rates for all businesses should be the guiding principles followed in addressing this issue.

While tax reform is of great concern to small business, it should not be used as an excuse to increase taxes or implement taxes of any kind on small firms in view of this already high effective tax rate.

Proposed action

Immediate and appropriate actions to rectify the current inequities are:

A. Graduated Income Tax

Replace the present corporate tax graduation schedule with a graduated rate scale, specifying a graduated rate schedule up to $500,000.

B. Used Equipment Investment Tax Credit

The tax credit limitation should be increased in the near term to $50,000.

In the long term, there appears to be no reason for retaining any distinction for purposes of the investment tax credit between new and used equipment; therefore, the limitation should be eliminated.

C. Accumulated Earnings Tax

This tax is assessed only on small businesses, ignores potential economic and business down turns, and was instituted when tax rates on "unearned income" was in excess of 50%. This section of the Internal Revenue Code should be repealed.

D. Proposed Double Taxation of Corporate Liquidations—Subchapter C Reform

The repeal of I.R.C. Sections 336 and 337 is strongly opposed by the small business community. Further, the bias in the tax code which provides a tax advantage for mergers with larger businesses is also opposed by small business.

4. SIMPLIFICATION OF TAX RULES AND REGULATIONS (T)

Issue

Unnecessarily complex tax rules and regulations continue to impose paperwork and compliance burdens which are costly to small business. Many of these can be greatly simplified and/or eliminated.

Some rules and regulations are complex to the point of effectively denying small businesses the utilization of beneficial provisions in the tax code.

Proposed action

It is proposed that the following immediate and appropriate actions be taken:

A. Debt Equity Rules

1. Clear legislative guidelines must be promulgated to allow a determination of whether a small business is at risk from the IRS assertions regarding debt and equity. Clear guidelines should be adopted to provide certainty for small firms based upon the following safe harbor rules:

(a) $1 million exemption for inside debt;

(b) Provision for a five-year exemption for new businesses, after which the regulation would apply;

(c) Provision for a 5:1 inside debt equity ratio; and

(d) Provision for using fair market value as a means for determining net assets and the ratio of debt to equity.

2. In the absence of clear legislative guidelines, Congress should repeal Section 385 of the Internal Revenue Code.

B. Payroll Tax Deposit Rules

Several changes in the IRS regulations would ease the burden of payroll taxes on small firms while in no way reducing the responsibility of the business owner.

1. Amend IRS regulations by changing the threshold for making payroll tax deposits from $3,000 to $7,500.

2. Employers with gross annual deposits of less than $75,000 will be considered to have complied if the deposit is not less than 90% of the taxes for the period.

3. Penalties should not be assessed against the potential shortfall of taxes owed for 1st penalties in a fiscal year and when the gross payroll rules change due to increases in total payroll.

4. Notification of penalty and taxes past due should include a detailed account of computations.

C. Inventory and Accounting Methods Simplifications

Simplified accounting and inventory valuation rules must be instituted to foster capital formation and retention. In this context, the following proposals should be enacted:

1. Increase to $10 million in annual sales the limitation for firms who can use simplified LIFO pooling rules.

2. Permit any small business to use a single inventory pool and a single price index for determining the LIFO deferral.

3. Allow any small business to elect the cash method of accounting if gross sales are less than $3 million.

4. The Department of Treasury should complete with all due speed the study of inventory and accounting methods which Congress requested in the 1981 Economic Recovery Tax Act.

5. SPIRALING PAYROLL TAXES: A DETERRENT ON SMALL BUSINESS GROWTH (T)

Issue

Payroll taxes have a disproportionate impact on small business because small firms are generally labor intensive and a larger portion of their total payroll is subject to these taxes.

Payroll taxes now constitute approximately 33% of Federal revenue collections. But perhaps even more significant is their growth. Between 1970 and 1990 there have already been or are now scheduled to be implemented nine FICA (Social Security) rate increases totaling 60%, 19 FICA base in-

* (T) After a ranking indicates a tie in the delegate voting.

creases totaling an estimated 677%, three FUTA (Unemployment Compensation) rate increases totaling 94%, and three FUTA base increases totaling 133%.

Congress has relied heavily on payroll-based taxes to fund social policy programs without consideration of how payroll-based taxes impact on labor-intensive small firms.

Proposed action

Payroll taxes must become part of the broad tax policy debate. Despite immediate as well as long-term problems of funding Medicare, Social Security, and unemployment compensation reserves, Congress must be convinced that the small business community can no longer support this continuing upward spiral. Therefore, any further increase in payroll taxes is opposed by small business.

6. PROCUREMENT

Issue

Current government procurement practices result in the waste of billions of dollars annually and the denial of the opportunity for millions of small businesses to participate in Federal procurements. Numerous studies have consistently confirmed that increasing the share of procurements from small business will result in substantial savings to the Federal government. Legislation should be enacted and policies developed and implemented to ensure that the maximum amount of goods and services are procured competitively from the private sector in a manner that creates the maximum opportunity for the direct participation of small business in government procurement.

Proposed action

Specifically, the small business community recommends the following:

A. The passage of current Senate and House amendments to the 1985 Defense Authorization Act and legislation from the Senate and House Small Business Committee addressing competition in spare parts procurement.

B. The initiation of administrative action to increase the use of incentives for prime contractors and Federal procurement officers to contract with small business.

C. Based on early indications of extraordinary success, the Small Business Innovation and Research Program (SBIR) should be strongly supported.

D. Full and prompt payment should be made for progress payments and for final payments on work satisfactorily completed. This includes payment on direct federal contracts, contracts using federal funding, and requires that prime contracts provide the same payment terms in their subcontracts as they are provided in the prime contract.

7. GRACE COMMISSION

Issue

The President's Commission on Cost Containment (the Grace Commission) recently offered recommendations that could eliminate significant waste. These savings can be effected with and without legislation and could significantly reduce the Federal budget deficit.

Proposed action

It is recommended that the President and Congress take immediate action to implement appropriate recommendations of the Commission. Specifically:

A. The President should mandate affected departments and agencies to take appropriate administrative action to implement cost saving recommendations by December 31, 1984, and report their progress by August 31, 1985.

B. The Office of Management and Budget should monitor the implementation plans of the agencies and recommend appropriate steps to accomplish the intent of the recommendations.

C. The Congress should review the Commission report by December 31, 1984, and report appropriate implementing legislation by August 31, 1985.

8. SMALL BUSINESS PARTICIPATING DEBENTURES (SBPD)

Issue

Current tax laws discourage investors from directing funds to small businesses in the form of either loans or equity.

Proposed action

Enabling legislation should be passed which would permit the issuance of SBPDs, providing for a fixed rate of interest plus a participation redeemable at a predetermined price on a future date and involving no ownership interest. The participating share of earnings would be taxes to the investor as a long-term capital gain, but deductible by the issuing company. Losses would be deductible in the amount of $100,000. SBPDs would combine the benefits of equity and debt financing which would make private investment in small businesses more desirable.

9. INTERNATIONAL TRADE INCENTIVES/DISINCENTIVES (T)

Issue

With the continuing movement from a world of national economies to an ever more interdependent global economic system, increased export trade and investments are vital to the future economic well-being of the United States and its employment base. Many believe that it is primarily through aggressive and enhanced world trade that record U.S. trade and national deficits and overall economic vitality can be substantially improved.

Proposed action

Recognizing the shift toward a world economy, the 1984 Small Business National Issues Conference strongly recommends that the Federal government of the United States take the following actions to provide equal and fair access to world markets for all the United States businesses.

A. U.S. Export-Import Bank

1. Credit worthy banks which serve the small business community should be granted greater discretionary lending authority to facilitate small business export sales in which the financing does not exceed $3,000,000.

2. Eximbank should establish a direct lending program to finance small business sales to countries where Eximbank is "open for business" but commercial banks are not willing to participate.

3. Eximbank should standardize commercial risk coverage at a level which will make export financing attractive to commercial banks which serve small business and allow states to implement supplemental commercial risk coverage.

4. Congress should play a strong oversight role in assuring that the Export-Import Bank carriers out its small business mandate.

B. FSC Alternative to DISC

Support an amendment to proposed Foreign Sales Corporation legislation that would include service firms and allow small businesses with up to $10 million in gross export receipts to use the small FSC exception to foreign requirements for a 5-year transition period; then impose a $5 million ceiling.

C. Department of International Trade

A Cabinet-level Department of International Trade should be established to consolidate export promotion and trade functions and to:

1. Negotiate, monitor, and forcefully support all United States international trade policy.

2. Coordinate the activities of all Federal government agencies which have an impact on the ability of small businesses to export.

3. Support regional and state export promotion assistance, and education programs.

D. Other Incentives

Congress is urged to continue, and where possible expand, export incentives such as the Export Trading Company Act and the Carribean Basin Initiative. Ambiguities of the Foreign Corrupt Practices Act should be simplified to encourage, rather than discourage, exports.

10. REDUCING REGULATORY ABUSE AND PAPERWORK BURDEN

Issues

Far too often, small business owners are required to deal with unreasonable regulation, duplicative paperwork, and egregious enforcement that cannot be justified. And to make this problem worse, the most serious regulatory, paperwork, and enforcement problems are found in the Internal Revenue Service and the Defense procurement system which have successfully exempted themselves from the scope of these laws. Agencies and the courts have tried to continually reduce the scope and strength of each of these Acts which were designed to reduce administrative costa and burdens on small business.

Proposed action

A. The Equal Access to Justice, Regulatory Flexibility and Paperwork Reduction Acts should be strongly enforced and extended to specifically include the Internal Revenue Service and the Defense Procurement system.

B. The Equal Access to Justice Act and Paperwork Reduction Act should be made permanent law.

C. The Equal Access to Justice Act "substantially justified" test should be applied to all of an agency's activities and not just the agency's position in court.

D. In keeping with the thrust of these public laws, the Federal Government must:

1. recognize and internalize the unique characteristics, limitations, and requirements of small business;

2. improve the size and quality of educational programs, particularly in the more technical regulatory areas;

3. develop a more co-operative and less adversarial approach to regulatory development and enforcement.

11. PRODUCT LIABILITY

Issue

Due to inconsistent and conflicting state laws and court decisions, businesses at all levels of the manufacturing, distribution and service chain are incurring high legal costs and unpredictable liability awards. The awards often penalize parties that were not actually responsible for any injuries incurred.

Proposed action

Enact a national law in the area of product liability that would:

A. Define manufacturers', distributors', and other parties' obligations in product liability for products they make, sell or service; and

B. Make only the party responsible for any injury caused by a product or service liabile for that injury.

12. INDUSTRIAL POLICY

Issue

Historically, policies of the United States have emphasized large institutions, i.e., big government, big business and big labor, as the vehicles for meeting our social and economic goals. Recent research recognizes that smaller enterprises are a major resource that must be considered as a significant partner in these efforts. As a partner, small business wishes to state its position regarding the government's role in guiding the growth of the United States economy.

Proposed action

A. Limitation of Government Role

1. Government should not play the role of central planner or industry leader. A more appropriate path to economic health is to encourage growth in the small business sector of our economy, where the bulk of jobs are generated, initial job training occurs, and a large share of innovation occurs.

2. The government should avoid policies which artificially distort the decision-making process implemented by the competitive market, including subsidies of all types and penalties which handicap some types of economic activity in favor of others. Competitive markets should guide the flow of our resources, not government policies.

3. The Federal government is not the appropriate vehicle for training or retraining workers.

B. Human and Non-Human Capital

1. It does not make sense to use total employment as a tax base. Financing government spending by raising taxes on employees artificially discourages the hiring of people by making them more expensive relative to equipment.

2. We must have even-handed treatment for non-human capital and human capital which does not discriminate between large and small firms, either in terms of benefits received or the cost of participation. Tax credits for investment should apply equally to machines and people so that firms are not artificially biased by the tax code in their decisions to hire people or buy machines.

C. Equal Treatment

There must be no discrimination in government programs against business because of small size; the cost of participation must not be disproportionate for small business.

13. PERPETUATING THE CLOSELY-HELD SMALL BUSINESS—FEDERAL ESTATE TAX BURDENS

Issue

The Federal estate and gift tax, which is a minor income producer for the government, is a major concern for many family-owned small businesses and farms. Its imposition after the death of an owner has caused the forced sale of many businesses and farms, despite sincere efforts to insure against such eventuality, often at the sacrifice of liquidity during the owner's lifetime.

Proposed action

A. Efforts to repeal or postpone the increase in the Unified Estates Tax Credit or postpone reduction in the estate and gift tax rates should be strongly opposed.

B. It is proposed that these rates be adjusted to reflect inflation. These adjustments should be similar to legislation enacted in the 1981 tax act which indexed individual income tax rates.

C. Since estate and gift taxes represent a negligible portion of total Federal revenues and are a major burden in passing small businesses from one generation to another, it is recommended that Federal estate and gift taxes be repealed.

14. DAVIS-BACON ACT

Issue

The Davis-Bacon Act severely reduces competition in government construction. It eliminates the productive use of labor, the greatest advantage small contractors have, from the competitive bidding process. Small contractors cannot afford to pay the prevailing wage rate from the closest SMSA (Standard Metropolitan Statistical Area). Currently, Davis-Bacon does not allow for the inclusion of non-union labor in the determination of the prevailing wage. Therefore, small businesses do not bid on Davis-Bacon covered contracts; this eliminates smaller contractors from government construction and drives up the cost of contruction to government.

Proposed action

The Davis-Bacon Act should be repealed as well as those provisions in program statutes which refer to the Davis-Bacon Act in establishing prevailing wage standards. Until the Davis-Bacon Act is repealed, legislation should be enacted providing for an increase in the Act's contract threshold to at least $5,000,000.

15. INCREASING SMALL BUSINESS ACCESS TO EQUITY CAPITAL

Issue

Existing small businesses and start-up entrepreneurs seeking less than $500,000 continue to have major difficulty getting capital. This problem must be alleviated within the private sector without creating or expanding government programs.

Proposed action

Support a concept which would allow depository institutions to establish restricted funds to invest in qualifying small business equities with certain protections for the business to control ownership and decision-making authority. Investment appreciation would be taxed as a long-term capital gain; dividends on bank-held stock would be tax-exempt; and net losses would be allowable as deductions. The Congress should work for prompt introduction and passage of this enabling legislation.

16. TAX DEFERRAL ON REINVESTMENT OF CAPITAL GAINS IN QUALIFYING SMALL BUSINESSES

Issue

Lack of long-term investment capital remains a concern for small business owners who are unable to attract financing to expand. Tax incentives are directed so that capital leaves small business investments for big business investments. An incentive to arrest the flight of capital from small business and which would also attract new capital to small business is the capital gains rollover proposal. The rollover proposal would allow an individual a deferral on capital gains taxes from the sale of any capital asset if the proceeds from the sale of the asset were to be reinvested in the common stock of a small business.

Proposed action

Legislation should be enacted to allow for a deferral of capital gains taxes on the sale of any capital asset or investment, if the proceeds are reinvested in the common stock of a small business.

17. JOBS CREATION CREDIT

Issue

The majority of small businesses are labor intensive and do not benefit proportionally from the investment tax credit. They need capital for growth, but do not have the same access to the capital markets as do big businesses. A jobs creation credit, based on employee growth, would direct capital to growing small businesses and provide additional working capital, thus providing new opportunities for employment and vocational jobs retraining.

Proposed action

It is proposed that a jobs creation credit based on employee growth be instituted to assist labor intensive small businesses. The tax credit should be applied against income tax liability.

18. SMALL BUSINESS REPRESENTATION

Issue

The influence and impact of small business operations affect every facet of American life at least as much as do big business and big labor. Despite this, small business interests are inadequately represented on Government policy and advisory boards.

Proposed action

It is recommended that representatives of the small business community be appointed to all policy-making, regulatory and advisory bodies of the executive and legislative branches of the federal government, such as Federal Reserve Board, Internal Revenue Service, or Department of Defense, and Department of Energy.

19. INTERNATIONAL TRADE POLICY

Issue

As the primary international currency, the U.S. dollar is subject to numerous market forces that have caused a significant misalignment of the U.S. dollar versus other world currencies and consequent disruptions in the free flow of international trade.

Proposed action

The Federal government must develop and implement domestic and international policies that will result in a more equitable and stable international currency exchange rate environment and oppose any efforts to restrict free and equal trade opportunities in the world marketplace, including any protectionist measure, such as the domestic content legislation, that may affect the United States' ability to promote and support its interests in world markets.

20. HEALTH CARE COST CONTAINMENT

Issue

There has been a persistent, rapid increase in health care costs in recent years. These increases in costs have affected government programs, insurance coverage purchased by employers for their employees, by individuals for themselves, and by the self-insured. A great many small firms do not provide health insurance for their employees due to excessive costs.

Annual health insurance premiums are currently increasing at rates which range from 15% to 30%, depending on the size and location of the business. These increases are

ultimately shared by employers, employees and consumers and adversely affect the health of American industry.

Proposed action

Employee health care costs can be monitored, moderated, and competition strengthened among the health care providers and private insurers by:

A. Encouraging states to enact legislation requiring hospitals and health care providers to charge all patients on the same equitable basis.

B. Forbidding cost shifting from one group to another.

21. MAINTAIN CURRENT LAWS GOVERNING THE USE OF INDUSTRIAL REVENUE BONDS

Issue

Industrial Revenue Bonds (IRBs) are productive instruments for promoting small business development by making saving and investment more attractive to individuals and businesses.

Congress enacted reasonable and responsible reforms to the IRB Program in 1982 to address criticisms armed at marginal activities being financed by IRBs. These reforms should be given an opportunity to work. Further limitations of IRBs will severly hamper the economic recovery by preventing many smaller businesses from realizing their expansion potential. Not only will this decrease productivity, but it will also defeat efforts to reduce unemployment.

Proposed action

Small issue IRBs and the pooling of IRBs should be preserved and expanded. Any new limitations or restrictions on IRBs should be opposed. Any restrictions on the volume of IRBs financing should be based not on state quotas but on a maximum size limitation on issues for any specific company and project.

22. UTILITY RATEMAKING AND TELECOMMUNICATIONS

Issue

Small business subsidizes other users of energy and telecommunications. Further, the relative amount of that subsidy appears to be increasing. The issue, therefore, involves the distribution of costs among rate-paying classes, rather than the absolute cost of energy and telecommunications to all consumers. Possible actions must recognize that small businesses and their organizations simply do not have the resources to intervene in every rate hearing as the process is now structured.

Proposed action

Realistic alternatives require means to simplify or consolidate small business participation. These actions should include:

A. State Legislatures or the Public Utility Commissions (PUCs) should require that the utilities provide a small business cost-of-service analysis in every rate increase request.

B. Utility commissions should address issues of competition and adverse effects on small business; and

C. The $6.00 telephone access charge for businesses with more than one line should be postponed until a uniform system of charges is adopted for all users.

D. When rate-based financed intervenors exist to enter rate cases on behalf of groups other than small business, similar treatment should be accorded small firms.

23. UNEMPLOYMENT COMPENSATION (T)

Issue

Unemployment compensation cost must be controlled, while setting the level of unemployment benefits to provide subsistence, not maintenance level of income.

Proposed action

A. Proposed legislation to defer or forgive repayment of federal loans should be opposed.

B. Changes intended to provide extensions of benefits during periods of lower unemployment, to reduce qualifying requirements, or otherwise make unemployment compensation more expensive, should be opposed.

C. The Federal Supplemental Compensation program should be allowed to expire on March 31, 1985.

D. Cost burdens should be fairly levied on those businesses, large and small, which have had adverse experience. States should take action to control cost increases by improving experience rating and targeting of benefits, rather than raising taxes.

E. The duration of benefits should be minimized to encourage job seeking.

F. Unemployed persons who are found to be below a subsistence level after normal payments terminate should be transferred into other public assistence programs.

G. The small business community supports the current state-by-state system of unemployment compensation.

H. Congress should enact legislation to exempt employers from paying unemployment compensation taxes for employees who are never eligible for benefits (i.e. corporate officer-employees).

24. PERMIT POOLING OF SBA GUARANTEED LOANS FOR SALE IN SECONDARY MONEY MARKETS (T)

Issue

Participation of financial institutions in the U.S. Small Business Administration (SBA) guaranteed loan program is inadequate and can be increased by allowing the sale of SBA guaranteed loans in the secondary market.

Proposed action

Increase the participation of financial institutions in the SBA guaranteed loan program by the following actions:

A. Give statutory authority for the sale of loans in the secondary market.

B. Permit pooling of SBA guaranteed loans.

C. Mandate administrative reforms to ensure greater efficiency in the secondary market.

There is a need to develop broad-based support in the business and banking community for prompt passage of enabling legislation.

25. SMALL BUSINESS INVESTMENT INCENTIVE (T)

Issue

Most small business people today do not have access to financing vehicles such as the public sale of equity securities, the issuance of bonds and venture capital markets. Most of the capital available for small business comes for personal savings, friends, relatives and business associates. The investment in small business is generally considered a high risk venture, thus many people with available capital are discouraged from making this kind of risk investment. This is also compounded by present tax laws which make this kind of venture unattractive, including double taxation on corporate dividends, capital loss limitations on the sale of stock, and the treatment of loans to small business as nonbusiness loans.

Proposed action

Permit a qualified small business to raise up to $250,000 for operations and expansion through the sale of stock, while allowing individual investors a deduction of up to $15,000 on their tax returns ($30,000 on a joint return) for stock purchased in that small business.

ADDITIONAL ISSUES

26. INCREASING PENSION FUND INVESTMENTS IN SMALL BUSINESS

Issue

Public and private pension funds should be used better to promote the goals of a maximum return consistent with security for the beneficiaries along with targeted economic development to finance small businesses.

Proposed action

A. A legislative or administrative rule allowing for an effective class exemption requiring appropriate safeguards from the prohibited transaction rule under ERISA and allowing a small firm to borrow up to 25% of its plan assets should be supported.

B. The establishment of a market in targeted small business funds should be supported. Some of these would be privately insured, set up as mutual funds, or in a similar manner, and marketed to pension managers.

27. SMALL BUSINESS ADMINISTRATION

Issue

The Small Business Administration was formed under a broad general mandate to protect and promote the interests of small business in the American economy. For more than 30 years, SBA has stood as the sole government advocate for the small business community.

Unfortunately, SBA's programs have become increasingly too diverse, and conducted to serve constituencies beyond the small business community.

Proposed action

The Small Business Administration *must* maintain its status as an autonomous agency whose sole mission should be to advocate for and assist the small business community, with the private sector having a stronger partnership role.

To ensure that SBA's mission remains focused on areas of greatest need:

A. The independent role of the Office of Advocacy must be maintained and strengthened.

B. The Congress should mandate a comprehensive review of all SBA programs to assess their efficiency and their appropriateness to the broad needs of the small business community. That review should be conducted under the direction of the private sector, with the leadership of the small business constituency.

C. In the delivery of lending and management assistance services, SBA should be directed to increase its reliance on the local resources in the private business sector which have expertise in its program area.

D. To increase small business' role in policy-making, the SBA Administrator should be a member of all Cabinet Councils affecting commerce, trade and the economy.

28. BANKING DEREGULATION

Issue

The small business community favors competition and deregulation, including a balanced and orderly deregulation of the financial sector. Unfortunately, a haphazard deregulation of the banking and financial services industries has been proceeding by use of legal loopholes and regulatory action. This haphazard development could injure small business and has the potential of seri-

ously interrupting the flow of debt financing available to small business.

Proposed action

Small business favor deregulation of the financial services industry. This should be done in an orderly and equitable manner, and Congress is urged to deal with it quickly.

Until the development of a fair and comprehensive program, Congress should act immediately to stabilize an increasingly chaotic situation and close the non-bank bank loophole, while preventing banks from entering commercial activities such as real estate and insurance.

29. YOUTH AND ENTRY-LEVEL EMPLOYMENT OPPORTUNITY WAGE

Issue

The number of jobs for the least employable must be increased.

Proposed action

A. Legislation should be enacted providing for a youth employment opportunity wage program less than the present Federal minimum wage to provide more entry-level jobs and training for America's youth.

B. Legislation should be enacted to broaden the small business exemption to at least $1 million to reflect inflation and to provide more entry-level jobs for youth, the handicapped, and others entering the labor force.

30. SUNSET PROVISIONS IN GOVERNMENT

Issue

Too many government regulations, programs and instrumentalities are created or promulgated without any stipulated provisions for review of their efficacy/effectiveness at a future date ("sunset provision"). This has led to a proliferation of these facets of government, many of which are of questionable value or applicability years after they were initiated. Since no formal procedure is extant to prompt the comprehensive review necessary, few if any are eliminated once they come into being.

Proposed action

All Federal regulations, agencies, departments, and spending programs should be automatically terminated, unless they are specifically reauthorized by Congress or repromulgated by the cognizant agency at least every ten (10) years.

31. EXPANDING THE SOURCES OF EQUITY CAPITAL FOR SMALL GROWTH COMPANIES

Issue

New and expanding small growth firms have a significant impact on our economy in terms of job creation, product innovations and generation of tax revenues. Yet, many of these firms are unable to secure capital from traditional venture capital sources. SBICs, MESBICs and publicy-owned BDCs provide equity capital and long-term subordinated debt to these small growth companies, but their capacity is restricted for a variety of reasons.

Proposed action

To expand the capacity of SBICs, MESBICs, and BDCs so they can be a major source of equity capital for small growth companies, the following actions should be taken:

A. A privately-owned, Congressionally chartered corporation for small business investment should be established; it would act as a financial intermediary between the capital markets and the SBIC industry (similar to FNMA). This new institution would channel billions of dollars into small growth companies through SBICs and MESBICs.

B. The statutory and regulatory impediments to full development of BDCs should be removed, including the granting of "pass-through" tax treatment to these publicly-owned investment firms. These changes will expand the opportunity for public investment in small growth firms through this new investment medium.

32. ANTITRUST ENFORCEMENT

Issue

Open and fair competition is the essence of the American free enterprise system. The success of a small, independent business depends upon its ability to compete; and competition is dependent upon the vigorous enforcement of the laws that govern activities that restrain trade. The enforcement of these laws is sporadic and varies from year to year and from administration to administration.

Proposed action

The antitrust laws should be vigorously enforced, including those dealing with merger activity. All current exemptions to the antitrust laws should be reviewed and the granting of new exemptions should be strictly limited. The role the FTC plays in preventing restraint of trade in the marketplace should be strongly reaffirmed. Further, new mechanisms should be enacted to limit mergers and acquisitions involving a substantial drain on credit resources.

33. IMPROVED DATA AND STATISTICS

Issue

Because most of our national economic aggregates were devised in the 1930's and have not been updated since, flawed and out-of-date national data negatively influence policy with great frequency, including small business policy. Peter Drucker estimates that our gross national economic aggregates are distorted 25 to 40 percent, when they should be plus or minus only 5 percent.

Proposed action

Accelerate the revisions of the Standard Industrial Classification codes so that we can track the economy as it is and as it is becoming, and make the revisions far-reaching enough to provide the same detailed classification of the fast-growing services sector as now covers manufacturing and agriculture.

34. CONGRESSIONAL OVERSIGHT OF FEDERAL REGULATION

Issue

In enacting regulatory laws, Congress as unfortunately provided regulatory agencies with overly broad delegations of authority to regulate the business community without adequate guidance as to Congressional intent and statutory authority.

Proposed action

Congress should enact regulatory laws which clearly provide statutory guidance and authority for regulatory agencies and which require Congress, on a timely basis, to approve proposed major regulations before they take effect, and which give Congress the opportunity to disapprove all other proposed regulations before they take effect.

35. FRINGE BENEFIT EQUITY

Issue

Small business owners are discriminated against by federal tax laws which provide tax deductible statutory fringe benefits to incorporated businesses, but do not allow similar tax deductible fringe benefits to the owners of unincorporated businesses. In cases where tax deductible fringe benefits are allowed to types of businesses, unfair restrictions are placed on small businesses.

Proposed action

A. Legislation should be enacted providing fringe benefit equity in small business. As an example, partners and proprietors should be included as "employees" as being eligible for participation in Accident Health Plans, group Term Life Insurance, Employee Death Benefit, etc., for the purpose of having these benefits provided as a normal business expense.

B. Internal Revenue Code provisions relating to top-heavy pension plans should be reviewed for their effect and impact on small business.

36. ENTREPRENEURSHIP AND INDEPENDENT BUSINESS OWNERSHIP

Issue

Development of entrepreneurship and independent business ownership must be encouraged.

Proposed action

A. Government can aid the entrepreneurial process best by balancing the budget, keeping interest rates in line, and curbing inflation.

B. Within the education process, from the primary grades onward, independent business ownership should be offered as a viable career choice.

C. The Federal government should explore ways in which the expansion of independent business ownership can be used as an economic development tool.

D. Independent business development information and resources should be integrated into public assistance programs and job training programs.

37. ERISA REFORMS

Issue

Inequities in the ERISA provisions for multi-employer and single employer pension plans should be eliminated.

Proposed solution

Appropriate legislation should be enacted to:

A. Eliminate coercion to join multi-employer pension plans.

B. An employer should have flexibility in choosing how to terminate a pension plan, i.e., to purchase annuities or to renegotiate benefits previously committed for his employees.

C. Employers should only be liable for their own obligations under a retirement plan and should not be forced to undertake pension liabilities for employees of other employers.

38. BANKRUPTCY REFORM

Issue

Small businesses are facing large losses of working capital from individuals or businesses filing bankruptcy to escape debt. Many of these same "bankrupt" individuals continue to live better and maintain far more individual wealth than those small business owners filed against. Future earning ability is not considered. Also frequently, debtors who are contemplating bankruptcy front-end load debt against unsuspecting creditors.

Proposed action

The bankruptcy code should be amended to make bankruptcy a less attractive alternative and to allow the court to consider a debtor's income in determining whether the debtor qualifies for straight bankruptcy.

39. FREEDOM OF INFORMATION ACT REFORM

Issue

In accordance with various Federal regulations and procedures, companies are required to convey to the Government confidential, proprietary, and competitive-sensitive information. Small businesses have been, and continue to be, injured by the release of this information by the Government to third parties which request access to the data under the FOIA. Under the Act, the Government can do so without notifying the originator of the data, or over its objection, should the originator be notified of the request.

Proposed action

The FOIA should be amended to contain provisions which would require:

A. Notice to the originator of the information that a request for its release has been received.

B. Adequate time for the originator to make known any objections it has to such release (with the rationale for this position).

C. Notice to the originator that the Government agrees or disagrees with the originator's position and its intended disposition of the data.

D. Should the judgment be for release, the opportunity for a prompt *de novo* review by an unbiased tribunal to hear the arguments for and against release and determine the ultimate disposition.

40. FEDERALIZATION OF WORKERS' COMPENSATION STANDARDS

Issue

The Federal government should not be involved in setting state workers' compensation standards.

Proposed action

The current state-by-state system of workers' compensation should be maintained. The states should ensure that this is the sole remedy.

41. OSHA REFORM BILL

Issue

Reasonable worker safety should be ensured without police state type of enforcement activities. A change in the thrust away from punitive to ensure and encourage constructive administration and enforcement of the Act in line with most recent experience is needed.

Proposed action

To maintain the recent improvement in the reduction of the number of worker injuries, the occupational safety and health legislation should be changed to promote an employer-governmental cooperative approach, rather than adversarial and punitive approach.●

THE GENOCIDE CONVENTION AND COMMUNISM

● Mr. GOLDWATER. Mr. President, I approach the subject of the Genocide Convention with torn emotions. On the one hand, I condemn the practice of genocide as the worst abomination any government can commit against humankind. If the Genocide Convention was actually focused on that horrible practice, which I would call the attempted annihilation of an entire people, religion, or race, I would be the first to stand here and favor the convention. But it is not limited to genocide as most persons understand that term.

For example, most people would think of genocide as being the attempted mass murder of an entire people, but that is not what the convention says. It defines genocide as an action intended to injure only individual members of a group.

Second, I would point out that the convention applies not alone to physical injury, but to mental harm, a phrase that might mean the effect caused by racial prejudice, something our country has been attempting to eliminate since the Civil War. Is the United States guilty of genocide because some remnants of discrimination may remain in our society that cause mental anguish to those who are discriminated against?

Also, the convention does not clearly protect American citizens against being dragged into foreign courts on charges of committing genocide. For example, under the convention, U.S. men and women who served in the Armed Forces in Vietnam might have been subject to prosecution for the alleged crime of genocide against a part of the Vietnamese people. All these problems must be corrected before the United States agrees to ratification of the convention.

Today, I wish to raise a different issue. I want to know whether the atrocities being committed by Communist and Communist supported regimes will escape the convention?

For example, I might ask about the genocide committed by the Soviet Union against Ukraine. Is that covered by the convention? The historical record provides overwhelming evidence that the Soviets have ruthlessly persecuted all independent religious groups in Ukraine.

Church leaders and the faithful have been arrested at random and executed as "enemies of the people" in Ukraine. Soviet post offices refuse to accept church literature. Church schools have been closed. Many churches were torn down. Others were transformed into antireligious museums. One became a state hog breeding farm.

In the 1940's, all Ukrainian Catholic bishops were sentenced to concentration camps and all members of Ukrainian Catholic orders and nuns were arrested. By 1950 the Catholic Church was liquidated in Ukraine.

Or, what about the Soviet invasion of Afghanistan? The Soviets are systematically eliminating significant parts of the Afghanistan nation. There were 15 million Afghans when Russians invaded in 1979. One-third of that number has been killed or forced to flee their country as refugees into Pakistan and Iran. Is this forced exodus and terror a crime under the Gencide Convention?

Now, let me turn to Communist China. I wonder how many of my colleagues know that Red China has been officially condemned for committing genocide. In 1960 the International Commission of Jurists found Red China guilty of genocide. The commission concluded that Communist China had systematically intended to destroy religious groups in Tibet.

Among the documented evidence reported to the legal inquiry committee was proof that newborn children were taken away from their mothers at birth, being literally ripped out of their arms, and sent into the interior of China in order to prevent them from having a religious upbringing. Buddhist monks were flogged, starved, and subjected to cruel physical abuse. One abbot of a monastery was made to eat grass and harnessed like a horse. People of the village were forced to ride him and beat him as if he were an animal.

But this is not all. What about the enormous loss of life suffered in mainland China during the so-called "Great Leap Forward" from 1958 through 1961. Thirty million Chinese people died and 37 million births were prevented because of the widespread starvation and malnutrition of the entire population resulting from official policies of the Communist regime.

Mr. President, I regret that the answer to these questions is, "No." The murder and brutality committed by Communist governments is not covered by the convention. There is an exception for political crimes.

When the original U.S. declaration against genocide was adopted in December 1946, it specifically referred to genocide committed on political grounds. But the Soviet Union and other Communist governments objected so strongly to the inclusion of this category of crimes that it was stripped from the convention.

Since the governments in Communist nations treat every act of independent behavior and every sign of dissent or resistence, as a crime against the state, the massive crimes against occupied peoples being committed every day by Communist regimes are exempt from the genocide convention.

Mr. President, there is no way the convention, as presently written, could be applied even handedly against Communist governments. The worst criminals of all will escape free of any prosecutions, while it will be a strong club in the hands of our enemies for use in criticizing the United States and nations friendly to us. For this reason alone, I must oppose the convention unless and until it is restored to its original form so that it will have meaning in the real world.

If the Genocide Convention is to have significance in the 1980's, it must

reach the atrocities committed by Lennist-Marxist totalitarian governments. They are the primary source of genocide in the second half of the 20th century, not the democracies. Our Nation need not ratify the Genocide Convention to demonstrate its total opposition to genocide. Our record speaks for itself.

Go back to the negotiating table and bring us a document that is aimed against the real culprits. Then I can support it.●

HEALTH CARE IN THE 1990'S

● Mr. BAUCUS. Mr. President, the American College of Hospital Administrators [ACHA] has recently completed an interesting report which I would like to bring to the attention of my colleagues.

The ACHA is a professional society of 19,000 health care executives from across the Nation. They have a long history of providing education and training for health care professionals. The ACHA recently surveyed 1,000 experts throughout the health care field including hospital leaders, physicians, other providers, legislators, regulators, suppliers, and payors. The objective of these surveys, and the resulting report, was to determine what consensus there was about changes which were likely to take place over the next 20 years. The ACHA prepared this report, entitled "Health Care in the 1990's," in coopration with Arthur Andersen & Co.

The survey presents a number of important observations about trends which will be shaping our health care system. A surprising degree of consensus emerged among the experts on several important issues dealing with payment systems, marketing and corporate structure, and financing of health care.

The ACHA found that the experts surveyed believe that the prospective payment system based on diagnostic related groups will prevail through the 1990's. Also expected is an increased market share for health maintenance organizations, and declines in physicians' income and job satisfaction. Another interesting result is that the experts believe commercial payors will push actively for State of federally mandated all-payor systems in the coming years.

In terms of competition and marketing, the experts see physicians playing a key role in patients' choice of hospitals. However, more outpatient and urgent care centers are expected to provide greater competition for traditional hospitals. And, by the mid nineties a greater need is projected for nonacute care facilities.

Investor-owned hospitals are expected to increase 60 percent by 1995, and multihospital systems are projected to grow significantly. Corporate organizations and new business ventures will also increase.

In the area of financing, the report sees medicare's share of health expenditures growing by 19 percent over the next 20 years and hospitals' share of health care markets decreasing. Unfortunately, the experts also project that medical and hospital cost inflation will exceed the overall consumer price index inflation rate through the 1990's. And while multihospital hospital systems are expected to expand, we are also told to expect more hospital financial failures.

Mr. President, I don't agree with all the conclusions reached in this report. However, I feel the American College of Hospital Administrators' study provides important insights on changes which may be taking place in our health care system. There are the trends and problems the Congress will have to confront in the near future. I commend the ACHA study to my colleagues and I ask that selected portions of the report be included at this point in the RECORD.

The material follows:

1. PAYMENT SYSTEMS

Over the past thirty years, insurance has been viewed as the best way to protect the majority of the public from the high costs of health care.

It was with the advent of Medicare and Medicaid that our social philosophy of health care swung furthest, making services available to the two groups who needed it most but could least afford to pay—the elderly and the poor. These programs employed payment systems with incentives for hosptials and physicians to provide services to the program beneficiaries; the cost-based reimbursement system was geared to expansion of the system and access to it.

It was not long before the first signs appeared indicating that there were few controls against the potential for over-utilization of the Medicare and Medicaid programs. When the federal government introduced changes designed to limit its financial outlay for health care, providers often were able to make up for payment shortfalls by shifting unmet costs to nongovernemnt payors.

Prospective pricing, as implemented by Medicare in 1983, now provides incentive to hold down costs through tighter utilization of inpatient facilities and services. Other health care payors are redesigning the incentives in their plans as one way of ending their exposure to cost shifting, thus protecting themselves and their subscribers from escalating rates.

Prospective payment/DRG's will prevail by 1990

The DRG prospective payment system will continue to be utilized by Medicare over the next five years, according to 85% of the panelists. Only half of the panelists, however, think that it will still be in use by 1995. Many panelists predict that Medicare will base its prospective payment system on something other than DRGs by that time.

The use of a DRG system by other payors is expected as well. Three-quarters of the respondents see Medicaid using DRGs by 1990; slightly fewer believe that Blue Cross plans will adopt DRGs and two-thirds of the respondents predict that commercial insurance companies will adopt DRGs. Panelists speculate that Blue Cross and the commercial payors will drop the DRG methodology before 1995 and put their prospective payment systems on some other basis.

Negotiated payment rates will be the primary method used by preferred provider organizations (PPOs) and HMOs through 1995, according to a large majority of the study participants. By 1990 and through 1995, say two-thirds of the panelists, only self-pay patients will be paying full charges.

PO's and HMO's will increase market share fivefold

The panels predict that PPOs and HMOs will account for approximately 10% of all hospital revenues by 1995, five times their 1982 percentage. This growth, to some degree, will be at the expense of Blue Cross and commercial insurance, which will experience a decline to 27% of hospital patient revenues by 1995, down from 33% in 1982. Some of the shift, however, will be attributable to commercial payors starting PPOs and HMOs themselves in order to protect their market shares and to guard against cost shifting.

Physicians will be pressured to control costs

As a result of the Medicare DRG program, nearly all physician and hospital panelists anticipate that hospital management will exert significant pressure on medical staff members to reduce patient length of stay and the number of diagnostic tests performed for Medicare patients. Both panels also are in complete agreement that there will be a trend toward prescribed diagnostic and treatment standards or protocols in the future.

Hospital (58%) and physician panelists (77%) see a significant increase in competition and conflict among physicians. The DRG system will also result in increased consolidation of physicians' practices as they attempt to develop larger referral bases, according to 93% of the combined panels and 85% of the physicians. Virtually all agree that there will be an increase in the formation of joint ventures between hospitals and physicians.

As a result of the expected competition, conflict, prescribed standards and decreased autonomy, physician and hospital panelists believe that physicians will derive less personal satisfaction from their medical practices. Eight of ten of these same panelists predict a decline in physician compensation levels.

Medicare prospective payments will expand to all inpatient services

Almost all Medicare inpatient-related health care services will be covered under a prospective payment methodology by 1990. Most of the panelists also believe that it is likely that capital costs, physicians' professional and nonprofessional charges, skilled nursing care, home care, rehabilitative care, psychiatric/substance abuse care and durable medical equipment for home use will be paid by Medicare on a prospective payment basis. The panelists are not as certain about the inclusion of medical education, ambulance service and return-on-equity in the prospective payment program.

Cost shifting will be attacked

In addition to launching their own PPOs and HMOs as vehicles through which to negotiate lower rates and remain competitive, the commercial payors are expected to push actively for state or federally mandated "all-payor" systems under which all insurers pay

according to the same methodology but can negotiate their own rates or discounts. Panelists also expect these insurers to encourage or require their policy holders to use alternative delivery systems.

2. COMPETITION AND MARKETING

The notion of competition is not new to the health care market. It has always existed in the form of institutional pride and a desire to be viewed as the facility of choice. The prestige of the medical staff and the availability of the most modern equipment and facilities have been competitive factors for decades.

Competition in the next ten years will be redefined. It will now be based more on financial criteria and the ability to survive in a market structured on financial factors. Many of the traditional factors of competition will continue as institutions vie for the largest share of the patient population.

What will be different is that the cost of care will be a competitive factor along with quality. Sensitivity to cost will lead patients to seek care at alternative sites that are less expensive and more convenient than inpatient facilities. Many new providers will enter the market and there will be intense competition among them.

Physicians determine choice of hospital

All panels agree that a physician's recommendation currently is the most influential factor in the patient's choice of a hospital. They also concur that the institution's reputation in the community is the second strongest factor in this decision. Physicians, payors and suppliers believe that the next most important consideration is the location of the facility, while hospital management believes it to be the patient's previous use of the facility.

For 1990, there is less agreement as to what will be the deciding factors. All concur that the physician's recommendation will still be the most influential factor but the hospital, supplier and payor respondents believe that HMO or PPO affiliation will rank second; physicians predict that the facility's reputation in the community will continue to be second. All panels agree that hospital location will become less important as more patient groups will be tied to specific hospitals through HMO, PPO or other contractual arrangements.

More outpatient and urgent care centers will compete with hospitals

Panelists predict that hospitals will face stiff competition from alternative providers during the next five years. Outpatient clinics, diagnostic centers, minor emergency centers, surgery centers, home health agencies and hospices are predictd by over nine out of ten panelists to be successful in their competition with hospitals for patients.

Free-standing outpatient centers will be very successful in competing with hospitals in 1990, predict over half of the panelists. Forty-six percent of all panelists predict that minor emergency centers also will be very successful competitors against hospitals, while home health care agencies (42%) and surgery centers (31%) are viewed as the next most successful in the future. Panelists see dialysis centers as the least likely to be successful competitors.

The push for shorter lengths of stay in hospitals and the increase in the aged population will create the need for more extended care facilities through 1995, predict 98% of the panelists.

There also will be more need for rehabilitation facilities, in the opinion of 86% of the respondents. The panelists hold the same view for substance abuse facilities, with 80% predicting an increase in need.

Over half of the combined panelists predict a greater need for psychiatric facilities through 1995, but there are wide variations among individual panels on this point. Hospital panelists (75%) feel strongest about this need, and the legislator/regulator (70%) and other providers panels (68%) agree. Only 37% of the physicians, 27% of the supplies and 15% of the payors foresee an increased need for psychiatric facilities.

Patients will become prudent buyers

As patients become responsible for a greater share of their health care expenditures, their price awareness will increase, according to 99% of the study participants.

Almost all think that this development also will increase competition among providers. Panelists believe that self-diagnosis and treatment will increase slightly as patients become more responsible for a share of their medical costs.

The respondents do not believe the quality of care will change as people have greater financial responsibility for their care. They do believe, however, that there will be a slight decrease in the availability of health services, which coincides with the position of 89% of the combined panelists who feel that there will be decreased patient demand for services.

Patients, in conjunction with their physician, will continue to make their own selection of a hospital when inpatient care is needed, the panelists predict. However, with the growth of HMOs and PPO, more patient groups will be tied to specific hospitals.

Future marketing efforts will be directed toward the price-conscious consumer as well as the admitting physician. Patients more often will consider where their physician has staff privileges when they are choosing a new physician.

Patients will be more inclined to question and reject physician recommendations for testing and treatment. Panelists believe second opinions for major interventions will be the rule, rather than the exception, by 1990.

3. CORPORATE STRUCTURE

Until the late 1970s, the corporate structure of hospitals had been simple in design and stable over the years. Because most hospitals operated as single entity organizations, including those in religiously sponsored systems, a basic corporate structure served its purpose well.

It was not until the burdens of regulated payment systems were felt that hospital executives began to look upon new corporate structures as strategic vehicles. Multihospital systems were among the first to emerge because they offered a way of sharing expertise and services. The need to increase philanthropic support and to protect these funds gave rise to separate foundations within the corporate structure. In recent years, many institutions have begun to restructure extensively as the potential benefits of vertical integration and diversification in the coming competitive environment began to surface.

The next decade will witness a proliferation of new corporate designs as providers maneuver for position in a highly competitive marketplace filled with increased risks. Greater consolidation of hospitals will occur as multihospital systems expand through acquisitions and mergers. Nonhospital providers will invade the hospital marketplace and hospitals will respond by expanding their own production lines. Hospitals also will offer new and traditional services at locations away from their main campuses and convenient to the patient. In doing so, many will find that their existing corporate structures do not meet their needs and will form holding companies, subsidiaries, partnerships and joint ventures. These business vehicles will enable them to reach new capital markets, quickly adapt to new laws and regulations, offer patient services in innovative ways and limit liability to their existing operations.

Investor-owned hospitals will increase 60 percent by 1995

Investor-owned hospitals will constitute 19% of the nation's hospitals by 1990 and 23% by 1995, up from 14% in 1982, according to combined responses from all panelists; executives of investor-owned facilities share this prediction for 60% total growth in this hospital sector by 1995.

Government hospitals will lose 6 percentage points of their share and constitute 29% of acute care hospitals by 1995. Not-for-profit hospitals will fall to 48% in ten years, down 3 percentage points from their 1982 position, according to the respondents.

Multihospital systems will grow significantly

The combined panels forecast that over 40% of nongovernmental hospitals will be owned, leased or controlled by multihospital systems by 1995, an increase of one-third over their 1982 position. Projections of executives of hospitals currently associated with these systems are in line with the combined panel responses, predicting a 40% market share by 1995. Much of the growth in these systems is expected in the investor-owned sector, but not-for-profit systems will be growing as well.

Mergers and acquisitions will be based on the need to protect or expand market areas and to achieve economies of scale by spreading the high costs of personnel and technology.

In addition to this growth in multihospital systems, the percentage of hospitals managed by systems will more than double by 1995, increasing to 13% from 6% in 1982, the combined panels believe. Payors see a somewhat greater increase in contract management of hospitals, predicting that 15% of the nation's hospitals will be managed by such systems in 1995.

Corporate reorganization activity will increase

Corporate and/or structural reorganizations completed in the last ten years have provided hospitals the flexibility to respond to a changing environment, according to nearly all of the panelists. They also believe hospital reorganizations have facilitated greater access to capital, increased reimbursement from cost-based payors, reduced regulatory constraints and, to a lesser degree, limited liability to certain operations within the hospital organization.

There is unanimity among responding hospital executives, trustees, and legislators and regulators on the prediction that corporate reorganization activity will increase between now and 1990, with two-thirds believing it will be a significant increase.

Business ventures will increase greatly

Many health care providers already are entering into cooperative business ventures to expand their revenue bases, protect or expand their service areas, increase their access to capital and/or enter nontraditional markets. Panelists expect this trend to accelerate during the balance of 1980s. The

most prevalent ventures will be between hospitals and physicians, in the eyes of virtually all respondents. These ventures will come in a variety of legal structures and will be formed so that the parties can acquire and operate different medically related enterprises on a joint basis.

The following is a summary of environmental characteristics that will exist in the next ten years and some of the benefits expected to be derived from cooperative business ventures.

Environmental characteristics: Declining patient census, Greater competition, Limited capital resoruces, Patient demand for convenient delivery points, Physician oversupply, and Rapidly changing regulations.

Business venture benefits: Share risks, Expand access to capital, More cost-effective patient care, Tax advantages, Expand/protect markets, Expand/diversify revenues, and Share management talent.

4. FINANCE

Lower patient census, payment limitations on government programs, new payment systems, tighter capital and outright competition add up to greater financial risks for health care providers in the years ahead. Many providers will venture into new alliances or seek new ways to generate revenue, but most will find that attention to managing costs will make the greatest difference between success and failure.

In the past, financial success has been often tied to volume increases, often aided by recruitment of new physicians. One panelist predicts, "Most business managers for hospitals and physicians have focused on maximizing revenues. They will have trouble and will probably resist change to increasing efficiency and reducing costs."

Continued financial viability is CEO's top concern

Hospital executive panelists agree that the number one management concern over the next ten years will be the continued financial viability of their institutions.

Ranked second is access to and availability of capital, and number three is their concern over decreasing inpatient census. Concerns over competition and reimbursement/payment systems are ranked fourth and fifth, respectively.

Medicare's share of health expenditures will go up 19 percent

Panelists predict that Medicare's percentage of the total U.S. expenditures for health care will increase from 16% in 1982, to 18% in 1990, and rise to 19% by 1995.

This represents a 19% total increase during the period. The aging population is the driving factor; population forecasts project that, by 1995, persons 65 + years of age will make up 13% of the population, up from 11% in 1980. The U.S. government, therefore, will continue to be the single largest purchaser of health care.

Little, if any, change is forecast in the share represented by Medicaid (11%). Other state and federal programs will drop in share slightly, from 16% in 1982 to 15% for 1990 and 1995. Private insurers and other third party payors are expected to increase their percentage of total expenditures by one percentage point to 30% through 1995. Direct patient payments will decline two percentage points by 1990 and another percentage point by 1995, dropping to 25%.

Hospitals' share of health care market will decrease

The growth experienced by hospitals in their share of total health expenditures is predicted to have peaked in 1982 at 42%. Panelists project that it will decrease to 40% in 1990 and drop to 38% by 1995, the latter share equaling that which was experienced in the late 1960s.

Nursing homes are expected to undergo the greatest percentage increase, rising from a share of 9% in 1982, to 11% in 1990 and to 13% in 1955, a 44% increase between 1982 and 1995. Physician services will remain constant at 19–20% through 1995, as will other personal services (dental, drugs, eyeglasses, etc.) which also command a 19–20% share.

Medical and hospital inflation will exceed overall CPI

The hospital and medical care components will continue to exceed the overall CPI under the new prospective payment system, according to nine out of ten respondents. Unless some form of all-payor system is implemented, cost shifting will continue because providers will not be able to cut costs sufficiently to keep within the Medicare prices, thus driving up hospital price inflation.

Greater competition for capital anticipated

Competition for capital will be a key financial issue facing hospitals in the next ten years. The need to finance the federal deficit and investors' likely tendency to shy away from hospital securities (debt and equity) until the full effects of prospective payment can be evaluated are two prominent reasons driving up the cost of money to hospitals.

Panelists, however, do not see significant shifts through 1995 in the percentage of hospital capital provided by the current sources. What will change are the ways in which hospitals will compete for capital. Providers and their investment bankers and financial consultants will develop creative investment strategies and vehicles.

More nonhospital providers will compete for capital

The anticipated increase in the number of nonhospital health care providers will mean more competition for capital. Outpatient diagnostic centers, surgicenters, urgicenters, birthing centers and other such facilities will require start-up capital. Panelists rank the following capital sources as the ones most likely to provide these funds:

(1) Individual investors, (2) Loans from banks and insurance companies, (3) Public sale of debt and equity securities, (4) Venture capitalists, (5) Tax exempt financing, and (6) Advances from hospitals.

Hospitalization will decrease

Annual admissions to acute care hospitals will decrease from 170 per thousand population in 1982 to 165 in 1990 and to 160 in 1995, the panelists believe. They also envision average lengths of stay at these facilities to drop from the 1982 level of 7.6 days to 7.0 in 1990 and to 6.5 days five years later. The combined effect of these reductions will mean a 20% decrease in hospital patient days per 1,000 population between 1982 and 1995. With the U.S. population expected to grow less than 12% during the same period, the net result would be an absolute decrease in hospitalization in the next ten years.

Outpatient services will expand substantially

In 1982, outpatient revenues comprised 13% of total hospital patient care revenue. The panelists predict that, by 1990, they will constitute 20% and will grow to 25% of patient revenues by 1995. The physician panel projects an even greater trend in th direction, forecasting 22% by 1990 and 29 five years later. Conversely, legislators a regulators see less movement in this are projecting that this revenue source will ri to 17% in the next five years and to 21% 1995.

Panelists expect hospitals to expand a bulatory services to counter the intrusion new providers in this traditional hospit market. Other forces affecting the tren toward ambulatory care will be changes the payment system and technology th allows more patient conditions to be treate on an ambulatory basis.

Some new technologies expected to recove costs

Over three-fourths of the respondents b lieve health care providers can recover th cost of acquiring equipment and renderin patient care through the use of ultrasoun lasers, CT scanners, and drug therapy a immunization. Over half believe that ang oplasty and magnetic resonance imaging a procedures which can recover their cos through utilization. Less than one-third the panelists, however, believe that genet engineering can recover its costs while eve fewer (approximately one-fourth) feel tha organ transplantation and artificial orga implantation can recover their underlyin costs through patient revenues.

Productivity is a key to hospital financial success

Improved productivity is seen as a ke strategy for countering the negative effect that many of the changes discussed thus fa will have on the hospital's bottom line. Im provements in operating revenues will be in creasingly difficult to effect through eithe volume or price increases. Attention to cost will be imperative. Because well over half o typical hospital's costs are related to person nel, productivity improvements hold th most potential for substantially affectin operating expenses.

The panelists believe that the areas o most promise for improving productivity are: compensation tied to productivity, im proved productivity measurement and moni toring, and improved automated informa tion systems.

Ambulatory care will be more profitable

The study participants expect that inpa tient and emergency room services will b less profitable for hospitals in 1990 than they are today. With the changes in pay ment incentives, panelists envision ambula tory services, including home care, hospice care and outpatients surgery, as well as ex tended care, physical therapy and rehabili tation, to become more profitable.

Multihospital systems will show greater profits

Eighty-five percent of the respondents expect investor-owned multihospital systems to be more profitable in 1990 than they are today. Not-for-profit systems also will be more profitable, according to 79% of the panelists.

Panelists are not as decisive regarding the trend in profitability of free-standing investor-owned facilities, with 23% forecasting increased profits, 23% predicting no change and 54% believing there will be a decrease in their profitability.

Free-standing not-for-profit hospitals represent the group in greatest danger of falling profits, according to the forecasts of 86% of the panelists.

Hospital financial failures will increase

Financial failures among hospitals in the next decade will be most prevalent among small free-standing institutions.

Not-for-profit hospitals under 50 beds are expected to experience the greatest increase in failures, according to 89% of the panel. Those with between 50 and 200 beds also will experience increased failures, say 72% of the respondents. Likewise, increased failures by free-standing investor-owned facilities with less than 50 beds are predicted by 69% of the panelists.

The participants see the hospitals best positioned for survival as those over 200 beds and associated with systems; for those in investor-owned systems, increased failures are predicted by only 6% of the panelists, and for those associated with not-for-profit systems, only 10% see increased failures.●

ARMY AIRCRAFT READINESS

● Mr. GOLDWATER. Mr. President, appearing in the Armed Forces Journal for October is a report on Army aircraft readiness that, once again, puts the lie to those people who stoutly maintain that our Armed Forces are not ready for anything. I ask that the report be printed in the RECORD.

The report follows.

ARMY AIRCRAFT READINESS

[October 1980 vs April 1984; in percent]

	AH–1		CH–47		UH–1H		UH–60		Total helicopters (worldwide)	
	October 1980	April 1984	October 1980	April 1984	October 1980	April 1984	October 1980	April 1984	October 1980	April 1984
Not mission-capable (supply)	8.0	7.0	10	8.0	6.0	6.0	15.0	6.0	8.0	6.0
Not mission-capable (maintenance)	19.0	14.0	27	27.0	21.0	19.0	13.0	11.0	20.0	18.0
Mission-capable	73.0	79.0	63	65.0	73.0	75.0	72.0	83.0	72.0	76.0
Fully mission-capable	64.0	73.0	58	59.0	62.0	72.0	71.0	80.0	64.0	72.0
Average flying hours	10.3	9.6	12	10.2	19.1	16.8	26.1	12.6	15.5	13.8

Note.—The data illustrated above seem to verify the Army's contention that aircraft readiness has improved on the whole since the Reagan administration took office. Fully-mission-capable helicopter rates worldwide improved by 8 percent since October 1980, for instance, while not-mission-capable (supplies and maintenance) helicopter rates decreased by 2 percent. The Army tells AFJ that no single factor contributed to the improved rate, but that it was a combination of improved maintenance, increased parts, and reduced flying hours.●

RHODE ISLAND'S MINORITY SMALL BUSINESS PERSON

● Mr. PELL. Mr. President, I would like to salute an outstanding citizen of my State, Ms. Barbara L. DuBois, who has been selected as "Minority Small Business Person of the Year" by the Small Business Administration's Providence district office.

Ms. DuBois is chief operating and chief executive officer of Barbara's Office Products, Inc., a company she founded in August 1977 with the assistance of SBA financing guarantees. The company has grown and flourished and is now fully competitive in its field, with a professional staff and a loyal list of customers.

Barbara's Office Products is notable for its commitment to expanding the role of women in business. Six of the seven-person staff are women, and a concerted effort is made to patronize other businesses owned and operated by women. Female high school students are brought into the company for business training during the summer months, and Ms. DuBois also counsels female accounting majors at Bryant College.

Ms. DuBois is prominent in community affairs, serving on the Board of Directors of the Greater Providence Chamber of Commerce, on the Board of Governors of the Rhode Island Urban Project, and as president of WTP Inc., a community development organization. She has also served as a commissioner of the Providence Human Relations Commission.

Ms. DuBois studied at Ohio State University and Temple University, majoring in business administration and accounting. She is a licensed real estate broker, a notary public and a certified scuba diver.

She was invited to sit on the White House Advisory Committee on Small Business chaired by Mrs. Rosalyn Carter, and she was nominated by the Greater Providence Chamber of Commerce for the SBA's 1984 Women in Business Advocacy Award. Her designation as the Providence district's "Minority Small Business Person of the Year" is being made in conjunction with the observance of Minority Enterprise Development Week October 7 through 13.

Mr. President, Barbara DuBois exemplifies the vitality and commitment that underlies the strength of small businesses everywhere and of our national economy as a whole. I congratulate her for the recognition which she has won so deservedly and wish her well in her endeavors.●

ENHANCEMENT OF MILITARY CAPABILITIES

● Mr. GOLDWATER. Mr. President, during the last convention of the Air Force Association, it was the pleasure of all of us attending to hear an exceptionally interesting address by Dr. G.A. Keyworth, Science Adviser to the President and Director of the Office of Science and Technology Policy, Executive Office of the President.

I ask that this interesting discussion be printed in the RECORD.

The discussion follows.

REMARKS OF DR. G.A. KEYWORTH II

"TODAY'S BIG STICK: TECHNOLOGY"

Those of you who have heard me speak at other Air Force Association events know that I'm a strong, even perhaps abrasive, proponent of the value of using technology to enhance our military capabilities. Specifically, I'm firmly convinced that the strongest lever the United States can use in assuring its national security is to take full advantage of our tremendous scientific and technical capabilities. And I would add that I do generally find a strongly positive reaction to that idea when I meet with this organization.

Today I'd like to explore the impacts of technology on national security in a fairly broad sense—you might say even in a philosophical sense. And rather than discuss, as I have before, the payoffs of new technology in specific weapons systems, I want to look instead at the impact that a wise use of technology can have on what may be people's most fundamental concerns—nuclear stability.

Now, frankly, I find it puzzling that with all the public attention given to concern over nuclear stability, almost all the attention is focused on strategic nuclear arms—and very little on tactical nuclear weapons. I find that surprising, because the challenges to long-term nuclear stability decidedly include both kinds of nuclear weapons—strategic and tactical. In fact, the reluctance to face up to the full impact of this situation sometimes extends to what I consider to be alarming extremes.

Sometimes, when people are discussing tactical nuclear weapons, we hear them say there's little real difference between a small nuclear explosive and a large conventional one. Well, I worked in nuclear weapons research for many years, and I don't believe that for a minute. Nuclear weapons are a different class of animal, and crossing the line between conventional and nuclear is probably the most dangerous step I can imagine in a battlefield scenario. They call that boundary the nuclear threshold for very good reason, because once crossed it becomes very difficult to control the escalation toward the use of more and larger nuclear weapons.

But tactical nuclear weapons have one undeniable attribute: They're an effective and economical way to counter the massive Soviet and Warsaw Pact deployments of men and machines. For the West, those tactical nuclear weapons are a way to have the

defensive strength of mobilization without really mobilizing. The question we have to ask ourselves is whether we're willing to accept the inherent instability of that situation.

My own answer is that we shouldn't be. The presence—or even worse, the reliance—on those weapons creates an unacceptably low-nuclear threshold. I recently had a conversation with General Rogers, the Supreme Allied Commander in Europe, in which he pointed out the difference between tactical nuclear weapons as deterrents and as actual war-fighting tools. As deterrents they're very effective—and to an intelligent adversary they loom very large. But the history of the world reminds us that it's not necessarily expected events and rational people who start wars—and that's the unpredictable factor that could lead to a resort of ultimate weapons.

Well, we do have a choice, a choice and can make well in advance of a crisis. That choice is to take the high road, to use our technology to develop far more effective conventional tactical weapons—weapons to displace the need for nuclear weapons and, consequently, start raising that nuclear threshold.

Let me call in some higher authority to back me up on this statement. In a speech last year the President addressed this same issue when he said, and I quote:

". . . we must take steps to reduce the risk of a conventional military conflict escalating to nuclear war by improving our nonnuclear capabilities. America does possess—now—the technologies to attain very significant improvements in the effectiveness of our conventional nonnuclear forces. Proceeding boldly with these new technologies, we can significantly reduce any incentive that the Soviet Union may have to threaten attack against the United States or its allies."

If you encounter anyone who still wonders how strongly committed President Reagan is to developing and taking advantage of technology in improving our national security, you can refer them to that statement. And I'll let you in on something else. That strong support for the use of technology to enhance our conventional forces was a key part of the President's famous 1983 "Star Wars" speech—a speech that in fact laid out an often-overlooked broad vision about national security.

The President's position is that conventional weapons are a key to the transition away from dependence on those tactical nuclear weapons deployed in the field near potential battlegrounds. That position reflects the many ways in which technology enables us to exchange our current dependence on the brute force of nuclear munitions for the surgical precision of super-smart conventional munitions.

But moving in this direction really involves two different debates—and both involve money. I said earlier that tactical nuclear weapons were economical. Such a statement provokes expressions of disbelief from many people who assume, because nuclear weapons seem to get the most attention in the press, that the high cost of defense can be attributed to them. But as most of you know, the persistence of tactical nuclear weapons in the NATO alliance stems from their low-cost relative to the two alternatives. One alternative is to match the Soviets in terms of men and machines—which would mean for the Western nations to go on the kind of quasi-war footing that characterizes totalitarian countries. In today's world that's highly unlikely.

The other alternative is to spend the money necessary to gain the kind of leverage that technology can give. Frankly, the costs of incorporating revolutionary technological advances into weapons systems cannot be ignored. There's no free lunch in this department, but there are tremendous payoffs in terms of the security of the free world—security both against the threat of physical incursion across borders and against the grave fear that a relatively small argument could grow to deadly proportions.

The challenge before us is to convert the free world's remarkable scientific and industrial strengths into a meaningful military capability. This is obviously a major task, because an enhanced technological capability has to be well enough integrated into the military structure to permit displacement of our present dependence on those nuclear weapons.

That's a big and intimidating transition. The only way we can get to that point is through a coordinated effort. It's not enough for the people in the lab to come up with a great idea. Just as the military will have to rethink their missions, the scientists and engineers in industry will have to show they can provide the military with the kind of operational flexibility and reliability that high-tech systems all-too-often fail to deliver. But in many ways these are the kinds of steps that our industrial scientists and engineers are taking today in their competition with the Japanese in the commercial marketplace. The battlefield requires the same ingenuity—both to avoid a resort to armed confrontation with an adversary in the first place, or to be successful in the unavoidable situation where conflict occurs.

The potential is there, no question about it. Our industrial and military R&D programs already offer a host of new technologies and opportunities. These include, but aren't limited to, stealth technology, precision munitions, advanced radars, improved reconnaissance, and advances in fundamental technologies such as data processing, new materials, and communications.

The primary reason that the Soviets have been able to build their immense—and increasingly modern—military force has been because of their doggedness in making incremental and steady improvements in their weapons systems. But the West has an overwhelming advantage over the Soviets in its industrial and technical base, as well as in the free enterprise system that fuels it. If we could link that resource with the kind of resolve and steady effort the Soviets manage to sustain, I think it would be no contest—just as there's no contest in the industrial arena.

Now it's an interesting, almost pathological, phenomenon that although almost everyone is enthusiastic about using technology to reduce reliance on tactical nuclear weapons, many of those same people run in the other direction if it's suggested that we can use technology to reduce our reliance on strategic nuclear weapons.

The reason, I think, for this reaction has little to do with technology, but a lot to do with a kind of theology—that is, a set of beliefs that have become deeply ingrained and resistant to questioning. The real challenge today is to step back from that dogma and become more willing to rethink the role of strategic nuclear arms in assuring national security—and to explore unconventional actions that offer new hope for a peaceful future.

I'm going to ask your indulgence to present a brief chronology about nuclear arms, because it helps to understand how that theology developed.

For most of the past 40 years the world has seen a steady buildup of nuclear arsenals. In that buildup the United States retained a significant military advantage for many years, some think until the late 1960s. But since the early 1970s there's been essential parity between the Soviet Union and us in terms of the technologies of strategic systems, though each country has chosen quite different mixes of weapons to deploy. In any case, for the past twenty years we've both been basing our national securities on the threat of massive nuclear retaliation if the other side should attack first. There are many who conclude that for all practical purposes we've entered a kind of suicide pact to which most people in the world, willing or not, are signatories.

But there still remains a sizable body of public opinion that asserts that this mutual standoff provides a high degree of protection. People who subscribe to that belief view with great suspicion any proposals that threaten to alter the relative balances of weapons. They point out that balanced offensive forces, even though they've grown immensely over the years, have maintained the nuclear peace. In truth, the history of the modern nuclear arms race has, ironically, been a peaceful history.

However, there are compelling reasons that warn us not to live in the past. History consists of epochs, and the convergence of several independent trends at some point can suddenly transform history's course. I have little confidence in the view that what has worked so far will continue to work into the future, because that view ignores those converging trends. In reality, each year more people are sensing that the stability of this standoff is diminishing and that sooner or later we'll have to move to some other means of self-protection.

I really do believe there's an inevitability about this transition. To me the question is not if but when we're going to modify the current posture—which the President has likened to two people holding pistols at each others' heads. Somewhere on our path there's a crossroad. Maybe 1984 is the year we turn off, maybe later. But I'm sure we will in time.

Let me offer some reasons why I think we're near a major shift in the way we think about strategic nuclear weapons. First, we're coming to see that our continuing difficulties over the decades in achieving meaningful arms reductions don't stem from lack of effort or from lack of desire to succeed. The fact is that the central stumbling block is the difficulty of coming up with a formula that suits both sides. Everyone—Soviets, Americans, Democrats, and Republicans—wants to reduce stockpiles of strategic arms. But I think most people have grown weary and suspicious of the naive assertion that if we really wanted to reduce arms we could simply sit down at the table and do so. People are beginning to realize that there are fundamental problems to overcome on the path to successful negotiations—problems that are rooted in the differing military objectives that each side has for its nuclear forces. So there's an increasing public awareness that we need some bold departure from the past several decades to break out of that arms control stalemate.

A second reason that the future won't simply be an extension of the past is the relentless march of technology. Our nuclear deterrent—by which I mean our threat of massive retaliation should the Soviets

ttack us first—is effective only if it remains argely invulnerable to that first strike. Fifeen years ago our triad of deterrents—airplanes, land-based ballistic missiles, and submarine-based ballistic missiles—provided us with triple insurance against a pre-emptive ttack. Each could deliver a crippling retalitory blow.

That was fifteen years ago. Today the Soviet Union has concentrated its nuclear firepower in a massive, modern ICBM force hat's optimized for use in a pre-emptive trike against us. In fact, if we were struck without warning by a Soviet pre-emptive ttack it's possible that 90 percent of our own ICBMs would be destroyed, that most, f not all, or our bombers would be gone, and that more than half of our strategic submarine fleet would be sunk in port. That means that today, under worst-case circumstances, we already rely to an inordinate degree on a single arm of that deterrent triad—the ability of our remaining submarines to stay hidden at sea.

It was new technology that compromised our formerly secure ICBMs and bombers. And who's to say how many more years it will take to compromise submarines as well? I'm not saying we have a problem with submarines today, but I'm describing a consistent trend away from the stability of invulnerable nuclear deterrents and towards an instability that confers increasing advantage on the side that strikes first. So that's another important factor that's forcing us to reconsider traditional strategy.

The third reason I think change will occur is the other side of that technology coin. Forty years ago technology, in the form of the nuclear explosive, completely rewrote the book on strategic war. Today, after four decades of post-war scientific and technological upheavals, it appears that we have the possibility of bringing about similarly farreaching changes in how we view national and world security.

The reason is not so profound. After all, notwithstanding the technical brilliance that they embody, nuclear weapons are the world's best example of the brute force approach to war—and to preventing war. But modern technologies point toward the day when we can achieve comparable strategic and tactical military objectives using nonnuclear weapons. Is it possible, then, that just as new technology put us on the nuclear treadmill two generations ago, newer technology can get us off that treadmill in the future? Or is there an inevitability to our current course, one that will resist all attempts to change direction?

I, for one, believe that the option to change from today's massive nuclear standoff is not only possible, not only inevitable, but that it is already being offered to us.

Obviously that statement needs some substantiation. Because of the constraints on our time, I can't go into great detail here, but let me try to outline my rationale.

When the President took office nearly four years ago he inherited a situation in which the Soviet Union had made startling military progress through the 1970's—far more than we had. First of all, they had produced highly effective conventional weapons system—such as aircraft and air defense systems, tanks and other battlefield armaments, and surface ships and submarines. It was clear that if we were ever forced into conflict, we and our allies would have our hands full.

Even worse, the seventies were a time for vast expansion and improvement in the Soviet's strategic arsenal. As I said earlier, they built and deployed a huge force of land-based ICBM's—the reason, incidentally, for NATO's decision to deploy new missiles—and they moved boldly as well into the development of new submarines. The technical ability of their land-based ICBM's to deliver warheads now virtually equals ours. But in addition, their land-based ICBM's outnumber ours by a margin of more than three-to-one. And while their submarines are still less capable than ours, they've closed that gap substantially as well.

In 1981 the President's initial response to this situation was to embark on the strategic modernization program. That was an overdue response to the near-obsolescence that overtook many of our strategic weapons during the 1970s. But the President also realized that while making up for those years of neglect was essential to restoring short-term balance and to pressuring the Soviets to take our arms reductions proposals seriously, it didn't really address the problem of long-term strategic stability.

Now don't misunderstand; in no way am I saying that we don't still have a strong deterrent. But Presidents, if they're true leaders, have to think about more than just today. They have to consider how their actions are going to affect the options they prepare for their successors. They have to consider the legacy they'll leave for future Presidents. It was with that perspective that Ronald Reagan addressed the Nation on March 23 of last year.

He proposed that we should re-examine our fundamental strategic doctrine. He proposed that we shouldn't tactily accept the likelihood that our different forces would become increasingly vulnerable, that we shouldn't thoughtlessly drift or blunder into a future less stable than today. In particular, he asked if emerging technologies could support a transition to a lessened dependence on offensive forces for retaliation and to an increased dependence on defensive measures.

Let me emphasize this point—the President has essentially asked that we examine the tools we'll need and the tools we can develop to affect future strategic stability. He has made no recommendation yet for deployment of defenses, and the technologies we might some day deploy will probably be considerably changed from what we have available today. But he has made it clear that our responsibility to the future is to develop the technical knowledge that will permit an intelligent assessment of future options.

Today, and for the foreseeable future, the Soviets' massive force of land-based ICBM's constitutes the most destabilizing military capability on earth. Our goal, broadly, would be a defensive system capable of stopping ballistic missiles from being successfully used against us or our allies. Under this goal, even the initial stages of an anti-ballistic missile defense could drastically reduce, if not eliminate, any ICBM first-strike capability. The reason is that a first strike, or a pre-emptive strike, is an all-or-nothing military gamble. It can't partly succeed, because unless it essentially annihilates the other side's ability to retaliate, a first strike opens the door to terrible retribution upon the attacker. So even a partial ballistic missile defense would create great uncertainty that a first strike could succeed. And no military planner would seriously contemplate a first-strike unless he had a very high confidence that his opponent would be crippled by it—that is, unable to retaliate.

For that reason, even the short-term returns from an anti-ballistic missile defense would have extremely important consequences for long-term stability. Such a defense would effectively change the strategic value of the ICBM, because it would eliminate its possible use as a first-strike weapon. That's an incredibly important step, because it's been the threat of a first strike on one side—countered by the need to have enough surviving ICMB's on the other side—that's largely driven the arms race in ballistic missiles.

Among the benefits, then, of moving toward a strategic defense system would be the far greater likelihood that we and the Soviets could at last agree on meaningful reductions in ICBM forces, the most fearsome of today's strategic weapons. So strategic defense can be an important catalyst for arms control. Strategic defense can be that bold departure from tradition that I mentioned earlier.

If we had more time I could go into greater detail on the recent technical breakthroughs that make the Strategic Defense Initiative so attractive today, as well as on the high-leverage role it could play in arms reductions. But the point I really want to make is that advanced technology offers us enormous potential for enhancing our national security, whether it's in the area of strategic or tactical weapons.

I've taken advantage of the Air Force Association's kind offer of this platform to offer this overview and to show why I think we're now in a period where great change is possible in the realm of nuclear arms. More than anything I would urge everyone to do some rethinking about how we got to our current situation and how we might break out of it. This is a good time to set aside preconceived ideas and stifle our instincts to protect ideological turf against new approaches. The Strategic Defense Initiative, as well as the extreme leverage we can gain using advanced technologies in conventional arms, are variations on the same theme. Each uses forefront technology defuse the instability of nuclear weapons. The two approaches, taken together, can finally begin to reverse decades of increasing nuclear tensions and point the way to the kind of world we want to pass along to our children.●

TECHNOLOGY AND HEALTH CARE COSTS

● Mr. BAUCUS. Mr. President, health care is one of the basic necessities of life. In recent years, we have witnessed great strides in medical technology, making possible the cure or containment of life-threatening diseases. In the United States, we have also witnessed unprecendented gains in the availability of expert health care to all, almost regardless of the ability of the patient to pay. As a result, people are living longer, healthier lives.

But these improvements in health care have come at a price. The cost of getting sick is becoming a national crisis. In fact, health care costs may be the No. 1 domestic issue during the 1980's.

In 1970, health care comprised 7.5 percent of the gross national product, and Americans paid an average of $358 a year for health care. By 1982, the Nation's medical bill was $32 billion, or 10.5 percent of the gross national

product. And each person paid on average $1,365 for health care, nearly four times the amount paid just 12 years earlier.

It is also important to recognize that high health costs at home are making it more difficult for American businesses to compete in world markets.

Federal, State, and local governments—who pay over 40 percent of the Nation's health care bill—are racking up record budget deficits to meet the soaring costs of medicare and medicaid.

In 1982 alone, Federal outlays for medicare jumped 21.5 percent. Spending on hospital care is growing much more rapidly than the income derived from Federal payroll tax revenues. The Congressional Budget Office has been projecting that the medicare trust fund would bankrupt in the early 1990's. Recently, CBO told the House Ways and Means Health Subcommittee that new estimates show that the medicare trust fund will go bankrupt in 1994.

TECHNOLOGY AND TOUGH CHOICES

There are some who say rising health care costs are the price we must pay for living longer and curing diseases. But the truth of the matter is we don't have unlimited resources. We can't continue to pay such a high price for health care.

But none of us wants to return to the "old days." We should not have to limit the access of Americans of any age or in any part of the country to quality health care. And we shouldn't limit the availability of new lifesaving technology or stop supporting research that can lead to medical breakthroughs.

But new medical technology, drugs, procedures, and devices are responsible for nearly a third of the annual increase in medicare's costs, according to a new study. This study, conducted by the Congressional Office of Technology Assessment, concludes that unless some way is found to bring about more cost-effective use of both existing and new medical technologies, medicare costs will continue to spiral out of control.

Costly examples cited in the study include the Kidney Dialysis Program, which started at about $250 million 10 years ago and now costs $1.8 billion. Also cited are coronary bypass operations. Of the approximately 50,000 performed on medicare patients in 1982, OTA estimates that 15 percent may have been of little medical value.

The findings of the OTA show that Congress needs to modify the medicare program to deal in a more flexible and sophisticated way with modern medical technology. But the challenge of that is to find ways that don't limit access of our senior citizens to affordable, high quality health care.

A recent editorial in the New York Times discussed some of the miraculous technological breakthroughs that have been achieved by American medical researchers. The development of artificial skin offers the hope of finding new ways to treat and replace failing body parts.

But every new breakthrough brings new questions of cost and access. Mr. Frank Samuel, president of the Health Industry Manufacturers Association—an association of 320 companies which manufacture medical devices and diagnostic products—addressed that problem in a letter responding to the Times editorial.

In the letter, Mr. Samuel warns that the pressures of cost control may very well cause a rationing of new ideas in health care—something that could shortchange future generations.

Mr. President, I believe Mr. Samuel has raised a very serious concern. While we must strive to reduce costs, we must not take quality for granted. If we are to avoid rationing new ideas and assure Americans the kind of care they want and deserve, we must not allow cost control to crowd out innovation. This is the nature of the challenge that faces us in the coming decade.

I ask that the editorial and the letter from Mr. Samuel appear in the RECORD.

The editorial follows:

[From the New York Times, Aug. 21, 1984]

THE FUTURE, IN A YARD OF SKIN

One day, people who need new hearts or kidneys or livers won't have to depend on risky transplants or complex machines. A laboratory will grow a new organ out of their own tissue. That's not entirely science fiction; the first step has already been taken. Skin is an organ, and can now be grown outside the body.

The new method, developed by Howard Green at the Harvard Medical School, has helped save the lives of two young boys who lost more than 95 percent of their skin from burns. Stamp-sized patches of skin taken from the armpit yielded a square yard of new skin for each boy.

Growing cells outside the body is a fine art. Only cancer cells proliferate with abandon; ordinary cells must be coaxed to multiply by guessing at the natural signals to which they respond. Skin is grown with the help of cholera toxin, which keeps a balance between skin cells in different phases of development; a related kind of mouse cell, which provides necessary growth factors, and a hormone that promotes skin growth.

Developing that recipe has taken a decade, and there's still a way to go. As yet, only the epidermis or outer layers of skin can be grown. Since the epidermis consists of simple sheets of cells, it forms easily in culture and organizes itself correctly when grafted onto the body. But the dermis beneath is a more complex structure, with blood vessels and collagen fibers, that cannot yet be grown in culture. It remains to be seen if the two boys will regenerate their own dermis, or whether the body can do without it.

Heart cells grown in the test tube will form strands of contracting muscle. But no one knows how to approach the next step, that of persuading the cells to organize themselves into proper three-dimensional form.

Dialysis machines and artificial hearts are makeshift remedies. Transplantable organs are in short supply and must be accompanied by immunosuppressive drugs. The ultimate remedy for bodily damage, once we master the signals that control living fabric, is to regrow the worn-out parts of ourselves. After all, salamanders regenerate limbs, and children sometimes grow back lost fingertips. The yards of epidermis grown in Boston are the first step into a strange realm of medicine.

[From the New York Times, Sept. 8, 1948]

ON RATIONING NEW IDEAS IN HEALTH CARE

To the EDITOR: The Times suggests that the medical world of tomorrow may be characterized by the phenomenon of actually growing new body organs—just as scientists in Boston have grown new skin for two badly burned boys ("The Future, in a Yard of Skin," editorial Aug. 21). This type of medical breakthrough has set the United States apart as a leader in the development of creative new medical technology—products that save and improve life.

But technology costs money to develop and use. And cost control is now the overwhelming influence on American hospital administrators and politicians. This environment sends the wrong signals to the manufacturers who translate today's research into tomorrow's patient care.

In effect, we may see an unfortunate form of health care rationing—rationing at the idea stage. If that happens, the journey from research laboratory to marketplace—that is, to the patient—will no longer be assured.

As we contemplate discovery of artificial skin and the prospect of growing artificial organs, we face an equally difficult challenge. We must recognize that undeniable improvements in patient care and well-being have costs. If we are unwilling to bear those costs, we are in effect denying ourselves and our families improved care.

This is not a vision of the future that any of us, as individuals, is willing to accept.

FRANK E. SAMUEL, Jr.,
President, Health Industry Manufacturers Association.

WASHINGTON.●

ADDRESS OF GEN. CHARLES A. GABRIEL TO THE AIR FORCE ASSOCIATION CONVENTION

● Mr. GOLDWATER. Mr. President, at the recent convention of the Air Force Association, the Chief of Staff of the Air Force, Gen. Charles Gabriel, gave a very interesting address which I think my colleagues would benefit by reading. Therefore, I ask that it appear at this point in my remarks.

The address follows:

GEN. CHARLES A. GABRIEL—AIR FORCE ASSOCIATION, SEPTEMBER 19, 1984

Monday evening the AFA recognized several courageous airmen. Their deeds epitomize the convention theme of global access through aerospace: General Leigh Wade in the Douglas Cruiser, H. Ross Perot, Jr., and J. Coburn in the Bell 206 Longranger, and Major John Durham and Lt. Colonel Bill Thurston in the B-52 can all be proud of

eir achievements in circumnavigating the be.

Yesterday, another pioneering airman, re- ed Air Force Colonel and ex-POW, Joe ttinger, completed the first solo trans-At- ntic balloon flight. Joe holds several cords, not the least of which is the world's ghest parachute jump, 102,800 feet. His cent flight of 84 hours and 3,558 miles is so a record.

Yesterday was also important because the S. Air Force had another birthday. uring 37 years as a separate service we ve matured into the greatest Air Force in e world. And you in this room have played major role as partners in this effort. I'm ppy to report that progress in the last w years has been especially good—morale "Sky-High", our combat readiness is uch better, and because of it we as a tion are safer. A momentum has been es- blished and we as a nation have to keep it oing. Winston Churchill told us why that is nportant. Almost forty years ago he said, I am convinced that there is nothing the oviets admire so much as strength and here's nothing for which they have less re- pect than weakness, especially military eakness." I believe Churchill's insight is as rrect today as it was in 1946.

Fortunately, the American people believe a strong national defense. And thanks to heir backing, the administration and Con- ress have been providing the resources to nsure continued progress toward rebuilding ur military capabilities. Improvements in eadiness, training, recruiting, and retention re continuing and accelerating.

Since 1980, we have made real progress in estoring the military balance and insuring eterrence. Deterrence is the cornerstone of American defense policy—deterrence based n nuclear capabilities both strategic and heater—and conventional capabilities trong enough to convince our enemies that ggression would be foolish.

During the 1960s and 1970s, the Soviets ncreased their capacity for nuclear attack while our ability to respond became less redible. Low defense budgets put deter- rence at risk during these years. However, we are now engaged in a concerted effort, along with our allies, to restore the strategic and theater nuclear force balance. We have seen significant results.

Two weeks ago we rolled out the first B-1B, and development of the advanced tech- nology bomber is on track.

B-52s are being modified to carry air- launched cruise missiles, and new offensive avionics have improved bombing accuracy by 50%. Better defensive avionics are also being added to increase survivability.

Tanker support for our bombers is getting much better—upgraded engines will add re- fueling capability to KC-135's, 20% to the Guard and Reserve and 50% to the active KC-135's.

Our small ICBM program is on solid foot- ing. We have also improved the accuracy of our Minuteman III's by nearly 30% through the guidance upgrade program. Our big ICBM problem area is the Peacekeeper mis- sile—the key element of the Scowcroft Com- mission's recommendations to maintain strong deterrent forces. Lack of support for Peacekeeper sends the wrong message to both adversaries and friends. Without it, we are grossly outgunned in this crucial leg of the triad—and our arms reduction negotiat- ing position is weakened.

Last December we deployed the first ground-launched cruise missiles in Great Britain and the Army began putting Per- shing II's in Germany. In March, our second GLCM base at Comiso, Italy became oper- ational, and last month we established the third base at Florennes, Belgium. NATO's deterrent has been upgraded substantially by these improvements. The dangerous the- ater imbalance in Europe that resulted from the Soviet Union's aggressive SS-20 deploy- ments is finally being redressed, thanks to strong, cohesive action by all NATO na- tions.

We and our allies have also improved our conventional capabilities, on the U.S. side we have increased the daily carrying capac- ity of our strategic airlifters by 28% since 1980—through added capacity, some modifi- cations, and increased spares. We have stretched all the C-141's, giving them 30% more lift capability. The C-5A wing mod in- creases airframe life by 30,000 hours, and two KC-10 squadrons have been activated. We have also equipped five reserve squad- rons with new C-130H's since 1980 and are now moving C-141's and C-5's into the Air Reserve forces.

Last month we rolled out the first C-23—a small intratheater airlift airplane. This system will add 30 percent more combat sor- ties in Europe by expediting parts and en- gines to the bases. All these improvements are tied together by the airlift master plan, which identifies airlift needs and tells how we can best fill them. Clearly brought home is the need for the C-17 in reaching the 66 million ton mile per day goal indentified by the congressionally mandated mobility study. Our plan will move C-17s directly into both the Active and Reserve units.

B-52G's now carry harpoon missiles. This new Air Force maritime operations capabil- ity resulted from the October 1982 Air Force-Navy Memorandum of Agreement.

Four years ago we had about 4,300 fight- ers in the total force—most of them older F-4s, A-7s and F-106s. Today, we have 4,800 fighters, and most are modern F-15s, F-16s and A-10s. We can fly 62 percent more war- time sorties in Europe and our aircrews are getting 23 percent more flying time.

Another key factor in our improved war- fighting posture has been the aggressive de- velopment and procurement of modern mu- nitions. Munitions funding has grown five- fold and bins are being filled with modern, effective munitions.

These improvements mean better trained and more combat-ready forces. New fighters using improved munitions give us a 34 per- cent increase in delivery accuracy. This was demonstrated in our most recent "shoot- out"—The gunsmoke competition. In 1981, the winner flew an A-7 and dropped bombs within 29 feet of the target. Last year an F-16 won the competition with bombs dropped within 5 feet of the target.

Even though we've been flying more and doing it more aggressively, our safety record is the best in history. Last year I told you of our unbelievably low recordsetting 2.33 rate in '82-1983's record was 1.73 accidents per 100,000 hours of flying—realistic training, not just boring holes in the sky. To date, our 1984 record is about the same as last year's. Many of you have helped us achieve this outstanding record. You are the ones designing and building our airplanes with safety, reliability and maintainability in mind.

Secretary Orr told you of our heavy com- mitment to improve readiness and sustain- ability. The Secretary also talked of how we are improving the way we buy spares. Today, I want to stress a couple of points that amplify his comments. We now have strong competition advocacy programs at all air logistics centers—more emphasis on breakout for competition, value engineering in spare parts and repair kits—along with a welcome spirit of cooperation in the con- tractor community. These efforts have al- ready produced savings of nearly $400m in costs of spare parts. We are using these sav- ings to buy more parts at the lower prices. If these trends continue, we can fill our war- time requirement years ahead of our cur- rent schedule.

In the conventional forces arena, some people are suggesting our Air Force is not as ready and capable today as it was four years ago.

Critics have focused on c-ratings in making their arguments. The problem is that c-ratings are a JCS logistic manage- ment tool and offer only a snapshot of a unit's capability against the current goals—they are not an accurate measure of capabil- ity over time. This is because we intention- ally move the goal line. Since 1980, we've ad- justed the rating system several times—by expanding the areas rated and tightening the criteria. For example, in '80 only 67 tac- tical fighter squadrons were committed to deploy and fight for a period of time—either 15 or 30 days. Today 86 squadrons are com- mitted—all of them for 30 days of combat—spare engines and critical parts are now rated—they weren't before, and as I said earlier, we're flying more—crews are more proficient, 62% more combat missions are available in Europe today as well as 28% more airlift to take us to the fight. All this build-up in capability, and the dramatic im- provements in the effectiveness of modern aircraft and munitions are not considered in the c-ratings. We in the military are at fault for not having a rating system that Con- gress and others can use to track our capa- bilities from year to year. The JCS are working on a better way to tell our story. We've got to clear up the confusion being created by the present system.

In September 1947, Tooey Spaatz became the first Air Force Chief of Staff. When he took over, he faced the challenges of an un- certain future. Today's challenges are dif- ferent from those Gen. Spaatz had to face—but we still must deal with an uncertain future. Many challenges lie ahead.

We depend on space systems for strategic warning, command, control, communica- tions and surveillance—and the Soviet threat highlights the need for a unified space command. Just as we employ our land, sea and air forces—through the unified and specified command structure—we should have a unified space command to exercise control of U.S. military space systems.

I mentioned earlier the bombers, missiles and other strategic systems—our challenge is to continue the President's strategic mod- ernization program and to stay on the path charted by the Scowcroft Commission.

As we pursue our strategic program we must continue to be aware of the changing threat, the need to be sensitive to arms re- duction negotiations and the possibility of strategic defensive systems in the future. Our sea-based strategic nuclear forces must also continue to be integrated with bomber and ICBM programs, and all forces must be supported by strategic connectivity.

Another tough challenge will be meeting increasing manpower needs for the Active and Air Reserve Forces. Declining youth population, increased mission demands, and increased competition for available man- power from a robust economy require that we develop a comprehensive manpower plan

for the future. The plan will have to look at all aspects of the recruiting and retention picture, as well as innovative approaches to reduce manpower requirements, such as better designed, more reliable and maintainable weapons systems.

In the past, the key factors in our acquisition process have been cost, schedule and performance. This week Secretary Orr and I signed a policy statement directing that supportability be the fourth leg under the acquisition stool. Improved reliability and maintainability is a vital part of the solution. The Air Force has 490,000 enlisted people today. About one out of every three works in aircraft maintenance. Let me compare some weapons systems in terms of maintenance man hours per flying hour and highlight the importance of improvements we are making in reliability and maintainability.

The F-16 requires about ½ the maintenance manhours per flying hour as the older F-4—and the F-15 requires ⅓ less than the F-4. The C-17 will require about a third that of the C-5A. The B-1B will require 25 percent fewer than the B-52. The reduced workloads translate directly into manpower and cost savings.

We will have to look for new opportunities to increase the Guard and Reserve Force contribution to the total force—as we are doing with strategic airlift C-141's and C-5's in the Reserve Forces. We are pursuing more host nation support, and increasing the use of civilians and outside contracting. This is a big undertaking, but we'll be hard pressed to man the force unless we can manage these and other manpower efficiencies.

Almost 20 years ago, Gen. John McConnell and Army Chief of Staff Harold Johnson signed a landmark MOU for closer Army-Air Force cooperation. It assigned fixed wing aircraft missions to the Air Force and rotary wing to the Army. In May, Gen. John Wickham and I, working with that same spirit, put together a team of our brightest, most objective experts—they started out with a blank sheet of paper, looked at the jobs we had to do in the combat environment, and identified areas where we had duplication and voids. From this list, we identified 31 initiatives. Some commit the Air Force and Army to terminate programs where the need can be filled by other programs. For example, the Air Force has canceled development of its ground-based electronic warfare system, COMFY challenge, because the Army is developing a system that can do that for us. The Army has terminated its program for an airborne radar jamming system—the Air Force will provide this support.

We are also institutionalizing cross-service participation in the development of our annual budgets. Service programmers are actively taking part in the other service's review process. For closer cooperation in areas of mutual interest 7 Army staff officers have been assigned exchange duty to the air staff, while 7 Air Force officers work on the Army staff.

There is still a lot to do. Former Secretary of State Henry Kissinger was once asked how difficult it was to make foreign policy decisions. He answered that making the decisions was nothing compared to getting them implemented. Some of our initiatives are already being implemented. The best example is the recently signed memorandum of agreement to develop the C-18 as the single platform for the joint surveillance and target attack radar system—JSTARS. We will now have a common radar and a common platform. A more controversial initiative that has met some resistance is the proposal to transfer our rotary wing special operations force mission to the Army. Here's the way I see it. The Army operates more than 8,000 helicopters and their troops conduct special operations. The Air Force has only 9 PAVE low helicopters capable of supporting the full range of special operations. This adds up to an Army mission.

As we go along, we will thoroughly monitor each initiative—we're not going to do anything dumb—before we transfer missions the gaining service will be fully prepared and combat ready. But I can assure everyone here that John Wickham and I are committed to the fullest implementation—we won't stand for a "slow roll."

I also see possibilities for greater cooperation with the Navy. In addition to the expanded AF/Navy operations we have managed the last few years—F-15's, AWACS and tankers to extend the outer air battle, and B-52's with Harpoons—the CMO, Admiral Jim Watkins, will in the very near future tell us how the Navy might fit into our project. We are making good progress with these efforts to enhance the Nation's military posture and field the most affordable and effective combined combat capability.

Meeting these challenges—and opportunities—will take a lot of hard work and dedication—as President Reagan has said "a safer world—will not be realized simply through honorable intentions and good will—it requires a dedicated effort to support our friends and defend our interests." We have to do this: the taxpayers deserve it and the Nation's security demands it. The Air Force Association can help and we look to you for continued support.

Thank you.●

IN RECOGNITION OF ALPHA DELTA KAPPA WEEK, OCTOBER 14-20, 1984

● Mr. PELL. Mr. President, it is with great pride that I urge my colleagues to join in celebrating the recognition of Alpha Delta Kappa Week, which will be celebrated worldwide during the week of October 14-20. This special celebration marks the 37th anniversary of this distinguished international sorority for women educators. The sorority has more than 94,000 members in 1,700 local chapters throughout the United States and 8 foreign nations, including a very active chapter in my own home State of Rhode Island.

As the ranking member of the Senate Subcommittee on Education, Arts, and Humanities, I am particularly aware of the excellent objectives to which this fine organization is dedicated. They include promoting high standards of education, building a fraternal fellowship among women in the teaching profession, recognizing and honoring outstanding women educators, and supporting a series of educational and charitable projects, including college scholarship programs.

As Alpha Delta Kappa celebrates another successful year, I want to convey my best wishes for its continued success and my deep appreciation for the fine contributions its members are making to the betterment of education.●

CHEMICAL WARFARE

● Mr. GOLDWATER. Mr. President, several weeks ago, the Senate Select Committee on Intelligence was presented with some extremely uncomfortable and disturbing facts about chemical warfare, disturbing particularly as to our inability at the present time to do a lot about it.

The major thrust of this article, as you will notice in the appended chart, shows that the U.S.S.R. has 85,000 people dedicated to this subject; we have 7,000. When we get into the number of large mobile devices to reconnoiter chemical warfare, the Soviets have 20,000; we have 1,000. Looking quickly at the offensive capabilities of the U.S.S.R. versus United States, and I call attention of my colleagues to the complete inventory listed in the article, we find that in the types of agents, the Soviets have at least 12 and we have 3. So on it goes. Here is an area of our military that we are almost completely defenseless in; our public is not aware at all of the dangers or the possibilities, and our troops are not nearly sufficiently prepared for any onslaught in which the enemy, in this case, the possibility of the Soviets, would use these weapons. Don't sit back and say, "Oh, they won't do that." They are doing it. They are doing it in Afghanistan; they've done it all over the world wherever they or their allies have been engaged in offensive action.

This most interesting and informative article appears in an excellent magazine, Journal of Defense and Diplomacy, and I ask that it be printed in the RECORD.

The article follows.

LAND WAR No. 3: Chemical Warfare

(By Theodore S. Gold)

Chemical weapons are not a pleasant subject. Emotions run high, and facts become obscured. In spite of the clearly identified and widely shared goal of eliminating the threat of chemical warfare, abhorrence of this subject makes public discussion of means to achieve U.S. objectives extremely difficult. It is not sufficient to accuse the military of an irrational desire for new and more terrible weapons. They share the public's loathing of chemical warfare and desire for an effective chemical arms ban. They do not want to be threatened or attacked with chemical weapons. It is not sufficient to say "do nothing" or "wait a little longer" on the retaliatory component.

The issue is not one of being for or against chemical weapons. The issue is how best to assure that chemical weapons are not used against the men and women of the U.S. armed forces, are not used against U.S. allies and, indeed, are not used against people anywhere. The historical evidence, particularly the absence of chemical warfare in World War II, indicates that possession of a credible retaliatory capability in

conjunction with protective measures is an effective deterrent.

The United States has not produced any chemical weapons for 15 years; consequently, largely due to obsolescence of delivery means, current stocks of aging weapons have little military value today. During this same period, the Soviet Union continued to produce chemical weapons and expanded its capabilities to wage chemical warfare. Congress, in spite of the efforts and recommendations of the House Armed Services Subcommittee on Procurement and Military Nuclear Systems, did not provide the funds requested the past two years to reestablish an effective retaliatory capability.

The U.S. lack of such a capability today is increasingly dangerous. It would allow Soviet forces to operate largely unencumbered by protective equipment and posture while imposing these severe restrictions of U.S. and allied forces. The effect of such one-sided use can be devastating, severely hampering U.S. ability to defend positions, resupply, treat casualties, lead troops, generate and fly air sorties, repair equipment and perform other critical wartime tasks. Thus, the current chemical weapons asymmetry can offset efforts to improve U.S. conventional forces. By negating these improvements, it will increase U.S. reliance on threatening a nuclear response to deter nonnuclear conflict. This is the wrong direction. I believe all Americans want to decrease, not increase, such reliance.

Finally, U.S. lack of a credible retaliatory capability provides no incentive for the Soviets to conclude a chemical arms ban. The Soviet leaders are practical men, who will not give something away for nothing. For years the United States has tried to achieve an effective chemical arms ban while unilaterally freezing production and allowing its capabilities to erode. This has not worked.

Last year the administration provided an alternative approach offering greater possibility for successfully obtaining an effective ban. This year's budget provisions for the retaliatory element of the program follows the path taken last year. The administration is not asking for monies to produce chemical weapons. It is requesting funds to prepare for production. Production could not occur without subsequent congressional approval and additional funding.

An alternative approach, in which the United States expresses its resolve by preparing for production, provides a balance between restraint and resolve and offers a sound path toward eliminating the threat of chemical warfare. It reflects the U.S. desire for an arms control solution to the chemical threat and allows an opportunity to achieve a treaty before any weapons are produced. At the same time, it provides an incentive to the Soviets to negotiate seriously, by signaling U.S. resolve to take steps necessary to emininate the current Soviet advantage. It also provides insurance to the West in case an effective treaty cannot be achieved.

The need for the United States to act to eliminate the threat of chemical warfare is unfortunately illustrated by the proliferation of chemical weapons use in the world. Militarily, proliferation underlines the need to deter chemical weapons use against the United States and its allies in areas other than NATO. Of equal importance, proliferation shows that lack of world concern and resulting lack of concerted action by the international community in response to chemical and toxin use engenders that spread of such use. The United States has demonstrated its opposition to chemical warfare by drawing worldwide attention to the use of chemical and toxin weapons in Southeast Asia and Afghanistan. Regrettably, the world is once again faced with chemical weapons use in the Iran-Iraq conflict.

The best solution to chemical weapons proliferation is a complete, worldwide ban on these weapons. The United States has shown its restraint through its 15-year unilateral freeze on chemical weapons production. However, U.S. restraint by itself has not eliminated the threat of chemical warfare. It has not brought about a chemical arms ban. It has become apparent that, by itself, U.S. restraint will not induce the Soviets to conclude a treaty, to cease their production, to destroy their weapons.

U.S. policy continues to be to seek an arms control solution to the chemical threat and, in accordance with international treaty, not to possess any biological or toxin weapons. Further, and again in accordance with international agreement, U.S. policy for many years has been to possess chemical weapons for deterrence until a complete and verifiable ban can be achieved. Finally, it is U.S. policy never to use chemical weapons first. Rather, use would be considered only if they were first used against the United States or its allies and then only in a proportionate manner for the sole purpose of discouraging further use.

The issue, therefore, is not whether to have a chemical weapons stockpile, but what kind of stockpile to have. The current stockpile of aging munitions and agent is hazardous to handle and move, and it lacks essential military capabilities. This stockpile can be replaced with one that is smaller, safer and much more militarily effective. Taking steps now to prepare for such replacement would provide necessary support for ongoing U.S. chemical arms control initiatives.

CHEMICAL ARMS CONTROL

The United States continues to be extremely active on the chemical arms control front. In February 1983, Vice President George Bush addressed the Committee on Disarmament (CD) in Geneva. He reaffirmed the U.S. commitment to a complete and verifiable chemical weapons ban and exhorted member nations to accelerate their efforts toward this goal. At that time, the United States also submitted to the CD a paper providing detailed views of the contents of a verifiable ban.

These efforts were followed with another major paper on verification of stockpile destruction during the 1983 summer session of the CD. Then in November, the United States hosted an international workshop on this subject at the Tooele Army Depot in Utah, attended by 50 delegates from 29 nations. From the Soviet bloc, only Romania participated. The highlight of this extraordinary event was the destruction of chemical munitions, along with a demonstration of the types of measures believed necessary for verification of destruction, including permanent presence of a small number of international inspectors as well as sensors and other instruments.

Finally, in January of this year, Secretary of State George Shultz announced U.S intent to submit a draft treaty at the CD in the coming months of a complete ban on chemical weapons. The Soviets have yet to match U.S. enthusiasm or initiatives for a chemical arms ban. There are, however, some recent signs of possible movement on their part. In August 1983, they indicated acceptance of the principle of international on-site inspection (albeit only for one of the several critical verification issues—stockpile destruction—and only on a quota system that the U.S. government views as inadequate). More recently, the Soviet Union has announced a willingness to consider the concept of the permanent presence of inspectors during stockpile destruction.

If these are indeed signs of Soviet seriousness to conclude a verifiable chemical arms ban, they are most welcome. Formidable obstacles and differences remain. An effective treaty not only requires verification of destruction of declared stocks but also verified destruction of declared production facilities, verification that permitted activities are not used to violate the treaty and, finally and most difficult, verification that there are no clandestine stocks or facilities. There must be a high confidence that no party to a chemical weapons ban could achieve a chemical weapons monopoly without detection.

CHEMICAL PROTECTION

Although not sufficient by itself, chemical protection is an essential element of deterrence. To reestablish a credible deterrent, the United States has made major investments in protection. U.S. efforts first concentrated on fielding a basic survival capability. This objective is nearly accomplished, although the navy is still working on its initial issue of protective suits. Efforts are now directed at reducing the problems caused by the protective equipment itself and improving U.S. ability to sustain operations in a chemical environment.

When assessing the current situation in chemical warfare programs, it is important to remember recent history. This nation intentionally deemphasized chemical warfare during most of the 1970s in the belief that the problem could be negotiated away. The research, development and acquisition base, the training and doctrinal base and the management base for the chemical program were essentially dismantled. When it was apparent that the Soviets had not shared U.S. restraint and that U.S. forces faced a threat they were unprepared to handle, it became necessary to redress the most severe deficiencies quickly. To illustrate the severity of the problem, as late as 1977, the U.S. Air Force could not launch a single combat aircraft under chemical attack conditions. Clearly, the United States could not wait the years necessary to reestablish an adequate technical and management structure before taking action. Certainly mistakes were made. However, today, U.S. forces can at least survive a chemical attack and have some, although limited, capability to fight in a chemical environment. That is an enormous improvement over the situation in the 1970s.

The administration is not satisfied with the current situation and is continuing to take steps to improve it. There are now established chemical warfare focal points in the Office of the Secretary of Defense, the Joint Chiefs of Staff, the services, the joint commands and the major subordinate service commands. There is an established DOD Chemical Weapons Steering Committee, as well as interagency groups. Objectives and guidance have been clarified for the military, and their budgets and programs have been reviewed. Several special reviews are under way on subjects such as Bigeye, the current stockpile, demilitarization and the development and acquisition process. At my request, the American Defense Preparedness Association (ADPA) sponsored a work-

ing conference in June 1983 on ways to improve chemical materiel acquisition management. The Defense Department is now working to implement its recommendations. The services have been working together and are nearing completion of a new joint service agreement on chemical research and development designed to increase cooperation and make the system more responsive. The army has undertaken a cooperative effort by their users and developers to examine ways of fielding chemical defense materiel quickly. Also, the joint logistics commanders, the four-star generals from each service reponsible for development and acquisition, are working together to find ways to improve the process. Although much remains to be done, the Defense Department is making progress in reestablishing a sound managerial, technical and doctrinal basis for chemical programs and expects these to lead to greater efficiency and military capability.

RETALIATORY PROGRAM

In the chemical weapons area, the U.S. proposals before congress differ significantly from last year's. Last year, the administration wanted to fund all the facilities needed for initial production of the 155mm binary artillery projectile, the Bigeye bomb and for initial production of 155mm artillery projectiles. This was in accordance with the normal Defense Department practice of fully funding procurement programs—particularly ammunition programs. Chemical weapons modernization has been an extremely difficult issue for several years, and last year, after intense debate, the program was authorized but not funded.

This year's authorization act, while authorizing the program, imposes a number of restrictions. It precludes stockpile growth by requiring that a serviceable artillery projectile be rendered useless for each new binary munition produced. It also emphasizes a concern for arms control by imposing delays on the execution of the program. It allows preparations for production (facilities and acquisition of munitions components), but the act specifically prohibits the final assembly of any weapons until Oct. 1, 1985. Even then, assembly cannot begin until the president certifies to congress that production remains in the national interest. The funds for the final assembly—what we call load, assemble and pack—would have had to be held until we were allowed to proceed.

The fiscal year 1984 authorization act struck a sound and effective balance between the need to redress a critical military deficiency and the desire to achieve what we all hope for—a complete, verifiable ban on these weapons. The act placed teeth in U.S. resolve by getting ready to produce and by establishing a specific time frame. On the other hand, it demonstrated restraint by delaying production and allowing time to achieve a treaty if the Soviets were to become willing.

In the 1985 retaliatory modernization program, the request for funds matches the intent of the 1984 authorization act. The government has asked only for those funds necessary to get ready to start initial production at some future time. The request includes time-sensitive munitions components and portions of the facility projects. It is an intentional deviation from the normal full-funding practice, a deviation that was the intent of the 1984 act. The request does not include funds for complete facilities or for all the component parts, nor for the load, assemble and pack of munitions. Before any munitions could be produced, congress would have to authorize and appropriate additional funds for critical component parts, the assembly process and for the remaining facilities.

The United States's most critical stockpile deficiency remains a lack of capability against targets beyond artillery range. Thus, it is faced with a situation in which the Soviets can attack, contaminate and severely degrade (or halt) operations at U.S. and allied airfields, ports, supply and maintenance centers, command and control facilities and other vital combat support and supply functions while the United States has no capability to impose similiar restrictions on them. This asymmetry can be decisive by negating current and planned U.S. conventional force improvements and thus encouraging the Soviets to employ chemical weapons. The Bigeye binary bomb is needed to redress this imbalance.

THE BIGEYE PROGRAM

The Bigeye program, from a technical standpoint, is in better shape this year. The problem that delayed the program (pressure buildup in the event the bomb could not be dropped after mixing) has been addressed and the solution (not mixing until after the bomb is dropped) demonstrated. The problem arose in the fall of 1982. The program was reviewed; at that time, the program was declared solvable, but as it was unlikely that the changes could be made and validated in time to obligate procurement funds in 1984, they were deleted from the budget request.

Based on testing to date, DOD expects that the Bigeye will perform as required and add an essential capability to U.S. chemical deterrence posture. Consequently, DOD is requesting funds for a portion of the Bigeye production facilities and for munitions components.

The retaliatory component of U.S. chemical deterrent must have both effective long- and short-range systems. Thus, in addition to the Bigeye, the administration is requesting funding for M-687 binary 155mm artillery projectile components. The M-687 is fully compatible with modern artillery pieces, has greater range than the existing items and is much easier and safer to handle throughout its life cycle.

The present inventory of artillery projectiles is inadequate in type and capability. The potentially useful portion of the stockpile consists of 155mm and 8-inch nerve agent projectiles. More than half of these are filled with the persistent agent VX, which is tactically unsuited to the U.S. Army's highly mobile, aggressive defense doctrine. Further, the 155mm shells cannot withstand the higher propellant charges used with the modern howitzers and, thus, have a shorter range than high-explosive shells or the new M-687 as it will be produced—of approximately 5 kilometers less. Also, the current stockpile of artillery projectiles was produced between 1955 and 1968. The agent itself was produced even earlier. During this long life, the agent fill has deteriorated, and it is expected to continue to do so.

CHEMICAL WARFARE PROTECTIVE CAPABILITIES U.S.-U.S.S.R.

	U.S.S.R.	United States
As of January 1, 1984:		
Number of dedicated personnel	85,000	7,000
Number of large, mobile, decon and recon devices	20,000	1,000
Individual protection	Yes	Yes

CHEMICAL WARFARE PROTECTIVE CAPABILITIES U.S.-U.S.S.R.—Continued

	U.S.S.R.	United States
Collective protection:		
Vehicles, ships	Yes	Few
Key facilities	Yes	Few
Detection and warning:		
Automatic alarms and detector kits	Yes	Yes
Reconnaissance vehicles	Yes	No
Education and training:		
Military chemical schools	4	1
Length of longest course	5 yrs	6 mos
Conducts chemical training:	Yes	Yes
Field training areas	78	0
Formal training (hrs/yr)	100–400	16–100
Use of live agents	Yes	No
GW defense exercises	Yes	Yes

CHEMICAL OFFENSIVE/RETALIATORY CAPABILITIES U.S.-U.S.S.R.

	U.S.S.R.	United States
As of January 1, 1984:		
Types of agents:		
Nerve	4	2
Blister	6	1
Blood	1	0
Incapacitant	Probable	0
Toxins	1+	0
Types of delivery systems:		
Aerial rockets	Probable	No
Tactical Rockets	Yes	No
Ballistic missiles	Yes	No
Multiple rocket launchers	Yes	No
Artillery and mortars	Yes	Yes
Spray tanks	Yes	Yes
Bulk fill tanks	Yes	Yes [1]
Cluster bombs	Yes	No
Mines	Yes	Yes
Production facilities	Many	0

[1] U.S. nonpersistent nerve only.

To help better understand the impact of deterioration, a distinguished group of experts in chemistry, metallurgy and explosives was asked to provide an assessment of the present and future physical condition of U.S. artillery projectiles. Some of these findings were reassuring (munition components appear to be in good shape today; there is no evidence of metallurgical degradation) while others were not (there is the possibility of catastrophic agent decomposition that would render the munitions almost useless by 1990, and there are concerns over flashing; i.e., agent burning during dispersal, which reduces or eliminates its effectiveness). On the key issue of the future condition of the munitions, the panel stated that there is insufficient evidence to predict reliably their condition in 1990. The experts' best estimate was that at least 50 percent of the agent, plus or minus 10 percent, should still be present by 1990. Neither the uncertainty nor the best estimate is reassuring, particularly when combined with the previously mentioned flashing and catastrophic decomposition concerns.

Additional laboratory testing and analyses are in progress that would sharpen predictive capabilities, and the panel's recommendation for field testing is being considered. On balance, the panel's findings, with the existing deficiencies of improper agent mix, inadequate range and logistical and operational safety, support the need to at least take steps to prepare to replace these rounds.

DEMILITARIZATION PROGRAM

The U.S. program also provides for the disposal of chemical munitions and agents. This is a formidable task because of agent toxicity, presence of explosives and the need

to destroy or decontaminate metal parts and other components that may have been in contact with the chemical agent. If a verifiable ban is achieved, the United States will, of course, dispose of its entire chemical stockpile. The technology is in hand to acomplish this safely. In the absence of such a ban, and independent of decisions regarding new munitions procurement, the government plans to dispose of its unserviceable and obsolete munitions. Indeed, since 1972, the United States has safely demilitarized over 7,000 tons of chemical agent in munitions or in bulk containers.

The demilitarization program continues as planned to eliminate that portion of the stockpile with potential safety risks, while performing research and development to find less expensive technology to dispose of the remainder of the stockpile. The program will first eliminate all BZ (an obsolete incapacitating agent), all rockets (obsolete and potentially hazardous combinations of munition, agent, explosive and propellant) and defective munitions. The pace of additional demilitarization will depend upon continuing safety studies, technical developments in cost reduction and progress in arms control efforts.

The development program has been successful in reducing cost estimates and continues to promise further cost reductions. Cost estimates for destroying the rockets and other obsolete munitions on Johnston Island have decreased from $575 million in October 1981 to $262 million. The overall estimates for complete demilitarization of all stocks (from 1984 on) has decreased from over $3 billion (1981) to $1.8 billion (current), with substantial further reduction expected from ongoing research and development. Finally, and perhaps most significantly, the program has begun to take an explicit and important role in supporting U.S. arms control efforts. As mentioned earlier, a major U.S. Initiative of last year was efforts on demilitarization verification highlighted by the Tooele international workshop last fall. The workshop was both a technical and diplomatic success, contributing to arms control efforts, and surely a factor in the Soviet willingness to discuss permanent onsite verification of stockpile destruction.

ALTERNATIVES?

A 15-year unilateral freeze has not brought an elimination of the chemical threat; rather, it has brought us to a dangerous situation. How do we deter chemical warfare without effective chemical weapons? How do we motivate the Soviets to negotiate away an unchallenged superiority? The administration's proposals couple an aggressive pursuit of a chemical arms ban with a restrained program to reestablish a credible retaliatory deterrent. Those who do not accept this course need to offer realistic, pragmatic alternatives.●

RESIGNATION OF DR. JOHN BYRNE AS ADMINISTRATOR OF THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

● Mr. WEICKER. Mr. President, I would like to pay tribute today to my friend and colleague, Dr. John Byrne, who is leaving his position as the Administrator of the National Oceanic and Atmospheric Administration [NOAA]. I have enjoyed working with John, who has shared my commitment to developing and protecting our Nation's oceans' resources.

I have always been a believer of this Nation's ocean potential to meet the growing needs of our economy. Recent scientific and technological advances have rapidly expanded our use of the oceans to encompass such diverse activities as oil and gas exploration and development, exploration and research with deep-sea submersible vessels, fisheries and acquaculture research and development, and increased use of satellites in our weather forecasting activities. Developing sound policies to deal with these diverse uses has been one of my highest priorities as a Member of this Senate. Dr. John Byrne, as the Administrator of NOAA, has played a key role in the development of these policies.

In the past few years the Federal budget has come under increased pressure. This pressure has been felt most acutely by the Nation's oceanic and atmospheric programs. As a member of the Senate Appropriations Subcommittee on Commerce, Justice, State, and the Judiciary, I have been particularly aware of the stresses that budget stringencies have placed on environmental research. These circumstances have resulted in difficult choices for John, and I deeply appreciate his cooperation in directing and maintaining sound oceans and atmospheric research programs within NOAA. Under the leadership of Dr. Byrne, NOAA has seen the expansion of its undersea research programs, the upgrading of atmospheric programs to enhance the Nation's ability to predict weather, and the advancement of a sound satellite program. Under his leadership we have seen improvements in fisheries and coastal management, new developments in acquaculture, and the introduction of Ocean Service Centers to distribute atmospheric and marine scientific data throughout the country.

John Byrne's new position as president of Oregon State University serves him well: he originally came to NOAA from OSU, bringing with him the scientific expertise necessary to run the agency. Oregon State is gaining a great asset, and I know that John will continue to contribute to the Nation's marine research efforts by maintaining OSU's fine tradition of marine scientific research and education. I think that it is critical for an agency such as NOAA to be directed by an individual who has expertise in the natural sciences. John's experience as a geologist, educator, and administrator gave him much of the background needed to direct NOAA. Furthermore, NOAA has a longstanding tradition of maintaining a strong liaison with educational institutions throughout the country. It has been one of the stimuli for States, territories, and the Federal Government to have education, management, and research project that provide the foundation for a sound oceans policy. I look forward to working with John in the future to further NOAA—university relations so that the broader goals of ocean scientific research can be served.

I am sure my colleagues all share my appreciation of the services John has performed in his tenure with NOAA, and join me in wishing him the best of luck in his new position.●

B-1 PROGRAM CONTINUES 2½ MONTHS AHEAD OF SCHEDULE

● Mr. GOLDWATER. Mr. President, it's very difficult to pick up a paper or to listen to any form of media where one is not told of the terrible deficiencies of our military. It's getting to be almost a joke among those of us who follow the military closely, and to keep my readers of the CONGRESSIONAL RECORD aware of these incidents, I intend, whenever it is possible, to put in refuting material.

Appearing in the magazine, Defense Systems Review, in September, is an article on the B-1 program and how it continues to stay 2½ months ahead of schedule and under cost estimates. I ask that the article be printed in the RECORD.

The article follows:

[From Defense Systems Review, September 1984]

B-1B PROGRAM CONTINUES 2½ MONTHS AHEAD OF SCHEDULE

(By Mike Mathews)

Effective management by members of a large, exceptionally talented aeronautical team is the dominant characteristic of the U.S. Air Force B-1B program. Encompassing the efforts of four major and diverse associate contractors, combined with the contributions of a network of more than 5,200 subcontractors and suppliers nationwide, the B-B1 program remains on cost and ahead of schedule in its thrid year since production go-ahead. This is a tribute to the professional competence of America's advanced technology, aerospace industry, and enlightened U.S. Air Force management.

Taking the leads in the program are Rockwell International's North American Aircraft Operations—systems contractor; General Electric—engines; The Boeing Company—offensive avionics; and Eaton's AIL Division—defensive avionics. All associate contractors are under contract to the U.S. Air Force, which directs the program through the B-1B System Program Office at Wright-Patterson Air Force Base, Ohio.

The performance of the organizations and people involved is particularly noteworthy in view of the almost unprecedented challenges of the program. Not the least of these challenges is the collective responsibility by all concerned for the strict cost and schedule management of the program. The cost of $20.5 billion in fiscal 1981 dollars for 100 aircraft has been formally certified to Congress by the President; and since the beginning of full-scale development in January 1982, Secretary of Defense Caspar Weinberger has received bi-weekly briefings from the Air Force on the overall status of the program.

In addition to the program management challenges there are significant technical challenges. The multirole B-1B is expanding the frontiers of military aircraft technology as the most advanced long range combat aircraft in the Free World.

Another key factor is that the B-1B has a rich inheritance which augments its credibility. The airplane is the direct descendant of the very successful B-1A development program.

The basic capabilities of the B-1B long range combat aircraft are: (1) survivability, (2) mission flexibility, (3) payload diversity, (4) large payload capacity, and (5) tanker-independence.

Ensuring the survivability and effectiveness of the B-1B against potential threat system—which are growing in numbers, deployment, sophistication, and effectiveness—is a major design driver. Solutions to this challenging threat environment included such requirements as:

Hardening against nuclear effects, including overpressure, gust, thermal, electromagnetic pulse (EMP), and transient radiation effects on electonics (TREE).

Self-sufficiency, including self-test capability, speed and ease of refueling, rapid replacement of expendables, auxiliary power units, and a high flotation landing gear system.

Rapid alert reaction and base escape, provided by quick engine start, short takeoff distance, fast acceleration, a high-lift aerodynamic configuration, and reduced navigation system alignment time required.

High speed, low altitude terrain following/terrain avoidance (TF/TA) penetration (with "soft-ride" capability to alleviate crew fatigue).

A high degree of penetrativity assured by low observables and the most sophisticated electronic countermeasures suite ever installed in any aircraft.

Accurate enroute navigation and weapon delivery systems.

Damage tolerant/durable structure, tested and verified utilizing fracture mechanics technology, to assure a 30-year operational lifetime.

The basic penetration mission, at low altitude, dictated variable sweep wings. The B-1B wings sweep from 15 degrees in the full forward position to 67.5 degrees in the full aft position for best performance through the envelope of all speed and altitude conditions. Forward-position sweep produces the high aerodynamic lift required for short takeoff and landing, loiter, best cruise conditions, and aerial refueling.

Conversely, aft wing sweep is required for high speed-low altitude penetration, supersonic high altitude flight, minimized frontal area and drag, sensitivity to gusts, and reduced radar cross section. Design trade studies were performed to optimize wing pivot location. An inboard pivot increases pivot loads (and weight), but total wetted area and frontal area are reduced. While the swing-wing design for the B-1B increases complexity, the penalties are offset by reduced structural weight.

Before termination of the original B-1A production program, the design challenge was met in providing the B-1 with significant improvements over the B-52. This included half again the sea-level penetrating speed, up to twice the payload, and comparable range.

In the current program, because of design enhancements and the advance of technology, the B-1B is significantly improved over the B-1A:

In range—The B-1B allowable gross takeoff weight has been increased from 395,000 pounds to 477,000 pounds. This translates into added payload and fuel-carrying capacity, which gives the airplane intercontinental, multi-mission performance capability without the need for refueling.

For weapons-carrying versatility—The B-1B has three weapon bays, but a movable bulkhead has been designed between the two forward bays, which permits longer advanced weapons, such as the air-launched cruise missile, to be carried internally.

In reduced radar cross section—The B-1A radar signature is 10 times smaller than that of the B-52. The B-1B signature is more than 10 times smaller than that of the B-1A—or 100 times smaller than the B-52.

In improved offensive and defensive avionic systems—The interim between the 1977 termination of the B-1A production program and the 1982 start of the B-1B, Boeing, and Eaton have expanded and improved the aircraft's avionic systems capabilities. Though most of these capabilities are classified, they are designed to insure the B-1B's ability to penetrate sophisticated defenses anywhere in the world for many years to come.

In improved engines—General Electric's F101-GE-102 turbofan powerplants for the B-1B have significant versatility, durability, and reliability advantages over the F101's GE-100 engines that were manufactured for the B-1A. The new engines include a simplified exhaust nozzle with fewer parts, and a neutral airframe system, so that the engines can be installed in any of the four nacelle bays. In the B-1A, two sets of engines were designed to be used only on either the left or right-hand side of the airplane, which would have been an undesirable operational feature.

In mission versatility—the B-1A was optimized for low-level penetration capability; the B-1B is a true multi-mission aircraft. Its low-level capability remains the same, but it is designed to perform a wide range of conventional, nuclear, and standoff cruise missile missions.

The challenges of B-1 production are being met through the close cooperation and coordinated effort of the program's team members located throughout the nation.

From the beginning, and with USAF concurrence, agreement was reached among Rockwell, General Electric, Boeing and Eaton to work to an accelerated schedule that has put the program approximately two and a half months ahead of the contractual schedule with the Air Force. The program is currently running ahead of this enhanced schedule.

The experience of the original four-aircraft B-1A program has given impetus to the B-1B effort. For Rockwell International and the B-1B industry team this has resulted in outstanding progress on all fronts since the production go-ahead on January 20, 1982.

Only hours after the contract was signed, virtually all of Rockwell's major subcontractors were turned on to production effort. Tooling and approximately two and a half shipsets of material were taken out of storage and put into work. Stored numerical machining tapes were reemployed, permitting the first B-1B machined part to be produced and inspected only 10 days after production began.

Significant accomplishments on the program at Rockwell include:

Manpower. Approximately 17,000 Rockwell employees have been hired at the four principal sites where B-1B work is being performed—El Segundo, California (Program management, administration, engineering, and detail parts fabrication); Columbus, Ohio (forward intermediate fuselage, wing carry-through structure, and engine nacelles fabrication); Tusla, Oklahoma (composite structures); and Palmdale, California (forward fuselage fabrication and final assembly operations).

Facilities. More than seven million square feet of facilities are dedicated to B-1B production at the North American Aircraft Operations. This includes construction of an $83 million, one-million-square foot aircraft final assembly complex at Palmdale.

Equipment. Of the more than $400 million in capital investments Rockwell has committed to the B-1B program, more than $40 million was used to order 22 five-axis, Cincinnati Milacron profilers now in operation in the El Segundo and Columbus heavy machining centers. Other equipment additions include automatic riviting machines, tube bending machines, CAD/CAM capability expansion, and establishment of extensive avionics facilities at Lakewood, California.

Flight testing. Employing the No. 2 G-1A prototype that was modified with the B-1B flight control system, the B-1B flight test program got underway ahead of schedule in March 1983 at the Air Force Flight Test Center, Edwards Air Force Base. A second B-1A prototype, the No. 4 aircraft, is outfitted with the advanced offensive and defensive avionics components from Boeing and Eaton and began flight tests in July 1984.

Cost and Schedule. Outstanding performance in both cost and schedule by all four associate contractors has marked the program's progress from the beginning. The first B-1B was completed at Rockwell's aircraft assembly plant at Palmdale. The first set of production engines plus two spares were available at the final assembly site. Despite the crash of a B-1A bomber a week earlier, rollout and first flight was accomplished on schedule early in September.

When the B-1B enters the flight test program at Edwards Air Force Base the aircraft will be well on its way to demonstrating that the program's design challenges have been met through the outstanding performance of the U.S. Air Force and team members at all levels of effort. It will be well on its way to demonstrating that as an advanced technology aircraft it is ready to accept the challenging role as a mainline Triad weapon system replacing the venerable B-52 for the Strategic Air Command during the rest of this century and beyond.●

QUORUM CALL

Mr. MATHIAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time for

the transaction of routine morning business be extended until 9 p.m., under the same terms and conditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

TARIFF TREATMENT OF CERTAIN ARTICLES—CONFERENCE REPORT

Mr. BAKER Mr. President, I submit a report of the committee of conference on H.R. 3398 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3398) to change the tariff treatment with respect to certain articles, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of October 5, 1984.)

Mr. DOLE. Mr. President, the agreement of the conferees on the trade bill, H.R. 3398, represents a remarkable achievement. The conferees faced substantial editorial opposition, threats of Presidential veto, strong expressions of opposition from many domestic groups and foreign governments, and extreme time pressure. Despite significant differences among the conferees on many issues, the result of 2 days of hard bargaining is a good bill by almost everyone's standards.

MISCELLANEOUS TARIFF AMENDMENTS

Titles I and II of H.R. 3398 contain 95 miscellaneous tariff and customs matters of importance to a great many Senators, as well as a few related matters; almost all of these are duty reductions and suspensions that will make many U.S. firms more highly competitive. While I would prefer for the President to negotiate these reductions in return for concessions from the beneficiary countries, the President has had no authority to do so, and I am satisfied that these measures benefit the U.S. economy.

RECIPROCITY

Title III of the bill contains the International Trade and Investment Act, a matter that Senators DANFORTH and BENTSEN have worked on for 2 years now to refine and to improve. The act contains several changes to title III of the 1974 Trade Act that will strengthen the hand of the President in responding to foreign unfair trade practices and in his efforts to seek to reduce barriers to U.S. services trade. Over half of the Members of the Senate cosponsored this act; it is now time that we bring it to fruition.

U.S.-ISRAEL TRADE

Title IV of the bill contains authority for which I am especially pleased—the authorization for the President to negotiate a free-trade area with Israel. This proposal, initiated by Israel, holds great opportunities for U.S. exporters, and has been the subject of discussions between our two governments for several months now. With the passage of this bill, final negotiations may be completed quickly.

I must emphasize that this bill simply authorizes the President to negotiate an agreement with Israel within the existing framework of U.S. trade negotiating objectives, although he now will be enabled to address tariff as well as nontariff barriers; compliance with the requirements of the Trade Act of 1974 requires the President to submit the agreement for expedited consideration by the Congress. In this regard, the House bill simply would have allowed the President to proclaim the tariff reductions without further congressional review. I am pleased that the Senate position on final approval prevailed, given the strong sensitivity of many domestic groups to the proposed arrangement.

Although we compromised by agreeing to waive the period of prior notice and review that normally applies to such agreements, the bottom line is that the Congress will have final say over approval of the agreement. We have Ambassador Brock's commitment for full consultations with the Congress prior to submission of the implementing bill despite this waiver, and I am confident that we can ensure that any agreement that is completed will be in the best interest of the United States.

I ask unanimous consent to have printed in the RECORD a letter from Ambassador Brock confirming this commitment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE U.S. TRADE REPRESENTATIVE,
Washington, October 9, 1984.

Hon. ROBERT DOLE,
U.S. Senate,
Washington, DC.

DEAR BOB: I appreciate your concern regarding the waiver of the Section 102(e) Notice requirement as it relates to the proposed agreement with Israel. However, I assure you that such a waiver would neither be used to limit the opportunity for Congress to review fully any proposed agreement with Israel, nor to circumvent the intended purpose of the statute.

From the beginning of our negotiations with Israel last January, the Administration has scrupulously followed the procedures in section 102 that serve as the basis for obtaining expedited Congressional consideration of trade agreements. We have followed these procedures in order to obtain the information and advice from the International Trade Commission and our private sector advisors. In addition, frequent consultations have been held with the Congress on issues related to the proposed United States-Israel Free Trade Area.

Therefore, consistent with our past actions, even though the notice requirement will not technically be in effect, I assure you that the Congress will be notified immediately if any agreement is signed with Israel. In addition, following the conclusion of an agreement with Israel, the Administration will not submit to the Congress an implementing bill, as provided for in section 102(e)(2), until it is determined after consultation with the Committee on Finance in the Senate and the Committee on Ways and Means in the House of Representatives that it is an appropriate moment to do so. In these ways we can make certain that Congress will have a full opportunity to review the agreement between the United States and Israel and give final approval to it through the necessary implementing legislation.

Very truly yours,

WILLIAM E. BROCK.

GSP

Mr. DOLE. Mr. President, the bill achieves another principal goal of the Senate: To renew the generalized system of preferences, the authority for which would otherwise expire on January 3, 1985. This trade preference program for developing countries has proven to be a good development tool for the poorer nations of the world, without creating any threat of injury to U.S. industries competing with GSP-eligible imports. The authority to renew the program contains some amendments that will strengthen its effect in encouraging developing countries to assume greater responsibilities in the world trading system. In particular, the authority would contain significant incentives for such countries to develop adequate and effective means of recognizing U.S. intellectual property rights. Thus, those interested in the fight against counterfeiting will be pleased over the conference agreement.

The House and Senate conferees differed strongly on several points regarding new authority for the GSP program. Nevertheless, hard work and a willingness to compromise again produced a bill that will please most Senators. The principal idea urged by our conferees—nondiscriminatory eligibility criteria for beneficiary countries—is preserved in the final bill. Yet, the bill also incorporates House ideas for more specificity regarding the graduation of the major beneficiary countries from full benefits under the GSP, and further, the bill introduced new country eligibility criteria that will require the President to review what steps countries are taking to promote internationally recognized workers' rights. The conferees agreed to extend the GSP for 8½ years, and I believe all will be satisfied with this outcome.

TRADE REMEDY AMENDMENTS

Both the Senate and House bills contained numerous provisions intended to improve the operation of the trade remedy laws. Certain of these excited fears of a trade war, and were the basis on which many urged the conferees to sink the bill. Again, I am pleased that the conferees proved these fears unfounded.

One of the noncontroversial provisions is the creation of a Small Business Assistance Office, contained in title II. Senators COHEN and MITCHELL deserve particular thanks for leading efforts to provide better access to trade remedies for small business.

Title VI of the bill contains 23 provisions that will, for the most part, streamline the administration of the antidumping and countervailing duty laws, as well as codify existing administrative practice in this area so that certainty will be brought into these procedures for relief. Several controversial items must be reviewed in the next Congress, but I believe the conferees' work will satisfy most for now.

I wish to comment specifically on one provision, section 613, which relates to the notion of "upstream subsidies" as a practice to which the countervailing duty laws apply. The conferees adopted compromise language intended to clarify this area of the law. Section 613 would add at the end of section 771 of the 1930 Tariff Act a paragraph defining upstream subsidies as subsidies on significant inputs or components of the finished product which bestow a competitive benefit on that product—some or all of the subsidy bestowed on the input producer is passed through to the producer of the finished product. The provision does not affect the basic definition of subsidy in any way. The potential for an upstream subsidy exists only when a sector-specific benefit meeting all other criteria for being a subsidy is provided to the input producer.

The amount of any upstream subsidy will be included in the amount of subsidy found with respect to the finished product. Normally, the administering authority will find a competitive benefit when the price actually paid for the input is lower than the price the exporter would otherwise pay for the product in obtaining it from another seller in an arms-length transaction. However, where the administering authority has made a prior finding of a subsidy on the input that is used for comparison purposes, it will adjust the price or select a price from another source. Whenever there is an investigation of upstream subsidization, the time periods for making preliminary and final determinations may be extended. Further, the provision is limited to subsidies bestowed by the country in which the final product is manufactured, except that a customs union shall be treated as one country if the subsidy or subsidies are provided by the customs union.

The section on upstream subsidies was revised in conference. As originally drafted, both the Senate and House provisions contained ambiguities that might have led to interpretations inconsistent with our intent. As redrafted, the provision clearly and unambiguously manifests our intent generally to codify current Commerce Department practice in the area. That practice was and will be consistent with U.S. international obligations.

CUSTOMS SERVICE, ITC, AND USTR AUTHORIZATIONS

Title VII of the bill contains the authorization of appropriations for fiscal year 1985 for the Customs Service, the International Trade Commssion, and the U.S. Trade Representative's Office. These authorizations were not part of H.R. 3398 as passed by the Senate, but are almost identical in amount to those contained in H.R. 5188, an authorizations bill reported by the Finance Committee. I therefore am pleased that the authorizations are included in this bill.

STEEL AGREEMENTS' ENFORCEMENT

Title VIII contains another major feature of the bill—authority to enforce the import restraint agreements that will be the backbone of the President's recently announced program to provide the steel industry with relief from the massive unfair practices that pervade trade in that sector. While the Senate bill contained a simple grant of import licensing authority, the House bill went much further: it called for extensive Government review of individual companies' performances as a condition of the authority. The conferees agreed to the concept of conditionality of relief, and to a specific commitment by the major companies to funding for worker retraining; nevertheless, the Senate's insistence on minimizing the Government's monitoring of the companies also is reflected in the scope of the final conditions for relief, and the waiver included on the training commitment. The resulting compromise is one of those about which I am least enthusiastic, but given the success of the Senate on other matters in the bill, I believe the steel provisions are a small price to pay for what otherwise is a very good bill.

WINE EQUITY

Finally, title IX of the bill incorporates the bulk of the "Wine Equity Act" so effectively promoted by Senator WILSON and others. I believe these provisions will enable the President to address with more force the many unfair foreign barriers to U.S. wine exports. In addition, a related provision, which will give grape growers the ability to be included in ITC injury investigations involving imported wine, was approved and is contained in section 612 of the bill. Although this provision will terminate in 2 years, the inclusion of it in the bill will at least temporarily rectify an anomaly of ITC administrative practice that has denied grape growers the opportunity to be heard on the injurious effects of subsidized wine imports. I congratulate Senator WILSON for his work on this matter.

CONCLUSION

Mr. President, the shepherding to a successful conclusion of an omnibus trade bill such as H.R. 3398—provisions of which over two-thirds of the Members have either sponsored or cosponsored—is an enormously complex and time-consuming task. In closing, I want to acknowledge the great leadership and perseverance of Senator DANFORTH as he presents the final product to us today. Without the efforts of the Senator from Missouri, we would not have a hundred tariff bills, enhanced authority to address unfair trade practices, a renewal of the GSP, the authority to negotiate a trade agreement with Israel, or many other important segments of this package. H.R. 3398 is a good bill for U.S. trading interests, and I wish to pay tribute to the efforts of the chairman of the Subcommittee on International Trade for bringing us to this point of success.

Mr. LONG. Mr. President, I have not signed the report of managers of this bill.

There are some worthy provisions in this bill, such as the free trade area for Israel. But the conferees rejected a provision that should be in this bill. This is the House provision on natural resource subsidies.

This provision was added to H.R. 3398 by the House after the Senate passed its version of the bill. Therefore, there was no Senate provision on natural resources subsidies. Notwithstanding the lack of a Senate provision, however, the conference should have accepted the House provision in any event. My two Senate Democratic colleagues on the conference voted with me for an amended version of the House natural resources provision. But since no Republican conferee voted for the amended provision, it was not accepted by the conference.

The result is to risk losing tens of thousands of petrochemical industry jobs in this country and billions of dollars of investment to an unfair trade practice. In my State alone, there is a $35 billion investment in the petrochemical industry. Failure to adopt the amendment also means jobs lost in other U.S. industries, such as the cement industry, which is also competing with imports that receive natural resources subsidies.

Under the House provision as I proposed to amend it, the United States could assess offsetting duties against imports from non-GATT and non-Communist countries, in which a natu-

ral resources subsidy resulted in discounting a significant portion of the cost of that import. A natural resources subsidy is the difference between the price at which a foreign government sells a natural resource to its own nationals and the fair market value of that resource, measured by the free, uncontrolled price of the natural resource in the world market. There is no U.S. remedy for U.S. industries threatened by such subsidies under current law.

Assessing such an offsetting duty is a limited, effective, GATT-legal remedy to a problem that, absent such action, will eventually drive the U.S. petrochemical industry out of business, as well as dozens of other U.S. industries.

In light of the growing use of natural resources subsidies, and the danger they present to vital U.S. industries, I cannot support a conference result that allowed the chance to slip by of taking action to offset this subsidy.

Mr. DANFORTH. Mr. President, today the Senate is considering the conference report to accompany H.R. 3398, the Trade and Tariff Act of 1984. The Senate originally approved H.R. 3398 on September 20, and went to conference with the House on October 4. Measures subject to the conference included H.R. 3398. as passed by both the House and Senate, along with legislation approved by the House pertaining to trade remedies, steel, wine trade, customs forfeiture, authorizations, and various tariff measures.

Today I am proud to present to the Senate the product of that House-Senate conference. As reported by the conference committee, the Trade and Tariff Act contains nine separate titles. I would like to summarize these briefly for the Senate.

Title I contains some 68 changes in the tariff schedules of the United States, primarily tariff suspension or elimination provisions. Of these, more than a dozen are extensions of existing duty suspensions which expired in 1983 and 1984. Others, such as those involving telecommunications products, when protein and laminated textile fabrics are tariff reclassifications—designed to improve the collection of trade statistics or close loopholes in the tariff schedules.

Title II contains almost 30 amendments to customs and trade laws. Some of these simply relate to entry requirements, others represent significant changes in U.S. trade law and U.S. trade policy. One key provision would amend section 201 of the Trade Act of 1974 to clarify the law as it relates to criteria in the determination of injury. These changes are being made by the Congress in response to the recent decision of the International Trade Commission that imports of nonrubber footwear are not injurious to the domestic industry. American shoe manufacturers will now be in a position to have the ITC consider elements related to injury which were apparently disregarded in the recent shoe investigation and decision. Other important title II provisions include the establishment of a Small Business Trade Assistance Office in the ITC; authority for the President to retaliate against discriminatory Canadian tax practices involving border broadcasting; and a statement of the sense of Congress on possible action by the EEC on corn gluten feed and soybean products.

Among the more routine provisions of title II is section 207, relating to certain country of orgin marking requirements. In implementing section 207 of this bill with respect to certain pipes and fittings, we would expect the Secretary of the Treasury to prescribe a reasonable method of marking under section 304(a)(1) that does not preclude imported pipe and fittings from meeting industry technical specifications, such as those of the American Petroleum Institute.

Title III is the International Trade and Investment Act, the so-called Danforth-Bentsen reciprocity bill. First, it provides for an annual accounting of major foreign barriers to U.S. exports of goods, services and foreign direct investment. Second, the bill broadens and strengthens section 301 of the Trade Act, particularly as it relates to foreign investment barriers and intellectual property righs, and as it relates to retaliatory authority with respect to services and investment performance requirements. Finally, it provides negotiating mandates and authority for trade agreements in services, investment, and high technology—including authority for the reduction of certain tariffs on semiconductor imports in the context of comparable reductions by our trading partners.

Title IV provides authority to the President for 3 years to negotiate a reciprocal free trade arrangement with Israel. Similar authority could be used by the President to negotiate trade agreements with other countries to reduce tariff and nontariff bariers—subject to the approval of the Finance and Ways and Means Committees. All such agreements would have to be submitted to the Congress for approval under the "fast-track" legislative procedures set out in sections 102 and 151 of the 1974 Trade Act.

Title V would reauthorize the Generalized System of Preferences [GSP] Program, which expires on January 3, 1985, for another 8½ years. Key changes have been incorporated in the legislation which are designed to improve the program's graduation mechanism for the more advanced developing countries and to enable the United States to enhance our export objectives in GSP-beneficiary countries. Among the changes are provisions which would require consideration of a beneficiary country's treatment of U.S. exports, intellectual property rights, and investment, in determining country and product eligibility, along with authority to reduce by half the current competitive need limits on GSP benefits. It is my expectation and that of the others involved in the reformulation of this program, that the USTR will enforce vigorously the new graduation and conditionality provisions contained in this legislation.

Title VI contains various measures that would reform U.S. trade laws with respect to the treatment of unfairly dumped or subsidized products. Many of these changes, such as those pertaining to "upstream subsidies," are in response to concerns expressed by American business about unfair import competition. Other provisions are designed to streamline our unfair trade practice laws to render them less cumbersome and thereby increase their availability to small business and others with limited redources. Finally, this title would require the administration to undertake a major study on foreign industrial trageting practices.

Section 612 of the bill pertains to the definition of industry for the purpose of bringing a case under our antidumping or subsidy/countervailing duty statutes. The provision is based on a measure passed by the House which limits the change in the industry definition for processed agricultural products to wine and grape products. The conferees agreed to limit this change to 2 years and it was the understanding of the Senate conferees that the International Trade Commission, in interpreting this statute, will continue to conform to current practice in attempting to define the affected industry as those segments of production that are closely integrated with one another. In this regard, it was further the understanding of the Senate conferees that in such a case the International Trade Commission will focus on that portion of the grape producing industry that specifically produces grapes used or to be used for the production of wine.

Title VII consists of authorization measures for the U.S. Customs Service, the International Trade Commission and the Office of the U.S. Trade Representative for fiscal year 1985.

Title VIII pertains to U.S. trade and competitiveness in steel. Entitled the "Steel Import Stabilization Act," it includes enforcement authority for the President's steel program and for the United States-European Communities' arrangement on steel pipes and tubes. This title also contains measures designed to encourage the American steel industry to reinvest, modernize plant and equipment, hold down costs of production, and provide for the retraining of steelworkers. While the

Senate receded to the House on its proposal for enforcement authority, a number of changes were made to reduce governmental intrusion into the operation of the steel companies.

Title IX addresses foreign barriers to trade in wine.

There is no question that H.R. 3398 is the most important trade bill to come before the U.S. Congress since the Trade Agreements Act of 1979. The measures contained in the Trade and Tariff Act are diverse and complex. But in the final analysis, it is a trade-liberalizing bill of substantial economic significance to the United States. It is legislation that encompasses the work of many in Congress, in the administration, and in the private sector, over a period of years. It is a measure in which we can take some pride.

Mr. MATSUNAGA. Mr. President, I am pleased to support the report of the conferees on H.R. 3398, the Omnibus Trade and Tariff Act of 1984. Most of the provisions which the Senate passed by a vote of 96–0 a few weeks ago are retained in the bill.

This legislation contains nine titles, many of major importance. In addition to titles I and II, which contain over 80 miscellaneous and technical tariff changes, the bill—

Authorizes negotiation of a free trade area with Israel;

Extends the life of the generalized system of preferences on a new basis for a period of 8½ years beginning January 3, 1985;

Revises and updates U.S. trade remedy laws, such as the antidumping and countervailing duty and escape clause laws; and

Provides for a steel import program.

Mr. President, many worthwhile and long awaited changes are in this bill. The conferees worked night and day resolving many complex problems.

I am particularly gratified to see the Generalized System of Preferences of GSP reestablished. This program provides zero rates of duty on a limited list of imports from developing countries. Only about 3,000 of the 12,000 line items in the U.S. tariff schedules are eligible for GSP, and they amount to only about 3 percent of U.S. imports. Despite the small size of the program there were those who wanted to discontinue GSP.

Under the provision adopted by the conferees, countries that now make the most frequent use of GSP will be forced over the next 2 years to gradually lose some of their benefits. No one country, however, will lose all benefits under the program. All in all the conference report is in accord with what the Senate adopted by unanimous RECORD vote on September 20. I urge adoption of the conference report.

Mr. HEINZ. Mr. President, I will support this conference report on H.R. 3398 reluctantly because it fails to address some of the major trade policy issues facing the United States today, particularly in the area of long-overdue trade reform legislation.

The conference report deals adequately with a number of the specific issues, including sectoral matters, that have been topics of much discussion in the press. The conference report provides for enforcement authority for the President's steel program, it extends the Generalized System of Preferences Program, and it reconciles the differing House and Senate versions of the Israel free trade area proposal. In addition, it enacts the reciprocity legislation which Senator DANFORTH and I first introduced in 1981, and it disposes of a large number of minor tariff items.

There is nothing wrong with these items, but taken together they do not make much of a trade policy. In particular they do little to stimulate the creation of a freer international trading system.

By that I mean a system where free-market principles are the rule rather than the exception, where dumping and subsidizing are not employed, and where performance requirements and barriers to others exports are taken down. With respect to these objectives I suspect I do not differ much with either the administration or the other members of the Finance Committee. Where we do differ, however, is over the means of achieving these objectives. In general, I have maintained for some time that our approach has been too soft and insufficiently assertive or our rights internationally. Instead we have adopted weak policies and discretionary legislation, with the result that policymaking has been captured by the bureaucracy with its traditional "don't rock the boat mentality."

This conference report also fails this test of effectiveness, and I fear that while we may be congratulating ourselves today for passing major trade legislation, 6 months or a year, or 2 years from now things will not be much different than they are today. We have given the bureaucracy some marginal new authority—which is unlikely to be used, and we have avoided addressing some of the most important new problems on the trade front this year.

For example, the conferees dropped any mention of the downstream dumping problem, despite the fact that both House and Senate bills contained provisions on this subject—a decision that probably would have made this report subject to a point of order in the House, had not all such points been conveniently waived. The conferees also dropped the House provision on so-called natural resources subsidies, along with a number of other trade reform provisions that were put in the House bill by Congressman GIBBONS and in the Senate bill by my amendment No. 4266.

Mr. President, some of these issues are large and some of them are small. I would not pretend to have the right answers, or even a firmly fixed view on all of them. They are, however, the issues that will face our trading system in the next decade, and we have just passed up an important opportunity to address them. The whole postwar history of the international trading system has been an effort to structure and institutionalize dispute settlement mechanisms and to regularize principles and rules of international economic conduct. We have made significant progress in that direction, most recently in the multilateral trade negotiations and the numerous codes that emerged from them. Yet for every new rule we write, we seem, both in our law and in international law, to also create a new loophole. As tariffs have been reduced, nontariff barriers have become more intrusive. As we attack the latter one by one, new types develop. That is not an unnatural process, and we must not allow it to discourage us in continuing strong efforts at shutting the door to unfair trade. At the same time, however, we should also be advancing the debate. We should be identifying new forms of subsidies and new unfair practices and should be attacking them. We have done this on occasion—we have launched something of an effort against European Community agricultural subsidies, which are not new, but are certainly a sacred cow in our trade relations. And we have begun an effort to fight performance requirements whenever they are imposed on our businesses. Those are salutary efforts which should be continued, although this bill does not give much hope that any of its discretionary tools will be used in those areas.

Clearly, upstream and downstream and natural resource problems, not to mention the vexing question of measuring unfair trade practices of nonmarket economies, also fall into this growing category of the next generation of market distorting practices. Congressman GIBBONS, the chairman of the Trade Subcommittee in the other body, is ahead of the rest of us in this perception, and he held extensive hearings in 1983 and 1984 to document these problems. I regret the Finance Committee did not do the same. Unfortunately, the Senate's failure to meet its responsibilities prevailed in the conference, an most of the important items in the trade reform areas were dropped. As a result we have missed one of those rare opportunities to advance the debate over free trade in any significant way. I do not have any illusions, Mr. President, that anything we could do in this bill would solve all these problems. Successful

international action is probably years away, but we have nevertheless missed a golden opportunity to put these issues on the table, to identify them as problems, of the future if not the present and to signal our determination that we and our trading partners address them.

It is that missed opportunity in this conference report that I regret the most, Mr. President, and it is the reason for the reluctance of my support. The problem with the bill is not what is in it but rather what is missing from it. I am sure that those who engineered this result are congratulating themselves today for having struck a blow for free trade—I know several newspapers that will take that approach. Unfortunately that analysis is wrong. We may have opened the door to more imports entering this country and done little to promote our exports over the resistance of our trading partners, but real free trade is not that one-way street into this country. Free trade is a collective adherence to market principles and a determination to abjure the neomercantilism that plagues the international economic system. And that is a confrontation we have skillfully but tragically postponed in this bill.

Having said that, Mr. President, I want to alert Senators that these issues will be back next year, and I will be back next year. The Finance Committee thus far has not shown a great deal of enthusiasm for addressing these questions in much detail, even through a modest schedule of hearings. I will announce now, however, that I plan to seek such comprehensive hearings next year, along with committee and floor action. Failing that, I will have no alternative but to take my concerns directly to the floor as appropriate vehicles come along. We seem to have had this tradition of passing significant, trade legislation only at 5-year intervals. This time, however, another 5-year wait is too long—these problems are too large and the trade deficit too big to permit it. And so, Mr. President, I ask those who praise this bill to consider more carefully what they have done—or rather what they have not done—and to prepared themselves for the continuation of this debate in 1985.

Mr. THURMOND. Mr. President, I considered raising a point of order in connection with the conference report on H.R. 3398, the miscellaneous tariff bill.

Specifically my concerns deal with section 12 of the Senate version of this bill. Section 12 of H.R. 3398 deals with downstream dumping. Downstream dumping occurs when a product used in the manufacturing process is purchased at a price below its foreign market value. Section 12 would have given domestic industries the right to obtain countervailing-dumping remedies for this special type of subsidy.

Mr. President, I have clearly noted that the Senate version of H.R. 3398 contained this provision. It is also a fact, that the House version contained very similar language dealing with downstream dumping. Yet, this important language has been totally stripped from the conference report on H.R. 3398.

Mr. President, it is my contention that the conference committee went beyond its scope of authority in removing this language. Both Houses had spoken on this issue. Both Houses had approved versions giving our domestic import sensitive industries an avenue to follow in effort to obtain relief for cheaply produced and subsidized foreign imports.

Mr. President, I would be well within my rights in raising a point of order on this issue, and I am confident that the Parliamentarian would agree that the conferees went beyond their authority in this matter. However, I am also confident that under an appeal the Senator would overturn the ruling of the Chair. There is no point in pressing this issue on this bill. I merely seek to express my displeasure on the decison by the conferees to drop this proposal and to remind my colleagues that we must be willing to take positive steps to preserve our industrial base. If we are not willing to take such actions, then we must simply accept the fact that there will be continued job-loss in import sensitive industries such as steel, textiles, apparel, leather goods and footwear.

Mr. BYRD. Mr. President, the conference report on H.R. 3398 represents the first major piece of completed trade legislation to come before the Senate in several years. This is an unfortunate fact, since the past few years have been witness to an unprecedented decline in this country's position as economic leader of the world. This year we face the prospect of a trade deficit that could exceed $130 billion. Despite a decline in oil prices and a growth in American exports, we continue to experience the largest trade shortfall in our history. None of this has led the current administration to develop a programmatic response to the loss of America's economic leadership.

I commend the Members of the House and Senate who have worked so diligently to craft this legislation. Everyone involved in this effort acknowledges that this bill will not solve our problems. We all understand that government cannot legislate the country into a position that will guarantee a return to American leadership in the world economy. Certainly that is not possible when the current administration pursues policies that result in an artificially overvalued dollar and a Federal budget deficit that undermines the economic health of the Nation. We can only try to address some of the problems that confront American workers and businesses as they try to compete in the world marketplace.

That was my intent in introducing an amendment to the bill in the Senate which would have provided for a breakpoint pricing plan to assure that American ferroalloy producers are not undercut by anti-market pricing and subsidies by foreign producers. I understand that my amandment—along with a host of other meritorious amendments—was dropped without prejudice by the committees in conference. I wish to thank Senator DANFORTH for his commitment to the conferees that the ferroalloy proposal will receive a full hearing in his subcommittee. I am convinced of the merits of this proposal, and believe that the issue is of profound importance to the national security and our defense production base. Accordingly, I am grateful that it will be fully discussed by the subcommittee.

Furthermore, I commend the conferees for their insight in including much of Congressman ROSTENKOWSKI's proposal for the steel industry. Last week, I spoke in support of that legislation. I believe that a commitment to adjust and modernize is an absolute prerequisite for assistance to the steel industry. The men and women who work in America's steel plants need to know that management is committed to regaining the industry's status as a world class steel producer. The President's rejection of the International Trade Commission's recommendation along these lines left open the prospect that the industry would be allowed to continue down the path of involuntary liquidation. The success of Mr. ROSTENKOWSKI's legislation may help to assure that this will not be the case.

Mr. President, I represent a State that ranks third in the Nation in the percent of its manufactured goods which go to the export market. West Virginia's economy and West Virginia jobs are heavily dependent on America's leadership in a changing world marketplace. It is my sincere hope that, when the 99th Congress convenes, we will put even greater emphasis on this issue of trade policy and trade law reform, and that the President—whoever he will be—will join with the Congress in a sincere attempt to assist American workers and companies meet the challenge of that market.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. MATSUNAGA. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MAKING CERTAIN CORRECTIONS IN THE CONFERENCE REPORT

Mr. BAKER. Mr. President, there is at the desk a House Concurrent Resolution No. 372 making certain corrections in the conference report that was just passed. Is that measure at the desk?

The PRESIDING OFFICER. The measure is at the desk.

Mr. BAKER. Mr. President, I ask that the Chair lay that measure before the Senate.

The PRESIDING OFFICER. The clerk will state the concurrent resolution.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 372) to correct the enrollment of H.R. 3398.

AMENDMENT NO. 7085

Mr. BAKER. Mr. President, I send to the desk an amendment on behalf of the distinguished Senator from Missouri [Mr. DANFORTH] and ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. BAKER] for Mr. DANFORTH proposes an amendment numbered 7085.

Mr. BAKER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of H. Con. Res. 372, add the following: In section 806(a): delete "805" and insert in lieu thereof "805(a)".

In section 806(b)(1)(C): delete "905" and insert instead "805(a)".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment (No. 7085) was agreed to.

Mr. MATSUNAGA. Mr. President, I support the concurrent resolution.

It corrects an inadvertent error made in the conference report itself. It is so that the Members on this side will be fully protected. I concur in the adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution as amended.

The concurrent resolution, as amended, was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. MATSUNAGA. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FURTHER CONTINUING APPROPRIATIONS, 1985

Mr. BAKER. Mr. President, I am advised now that a short continuing resolution just passed by the House of Representatives, that is to say, House Joint Resolution 663, extending the appropriations through Thursday midnight, is at the desk; is that correct?

The PRESIDING OFFICER. The majority leader is correct.

Mr. BAKER. Mr. President, I ask the Chair to now lay this measure before the Senate.

The PRESIDING OFFICER. The clerk will state the joint resolution.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 663) making further continuing appropriations for fiscal year 1985.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, clearance has been granted on this side by our Members and we have no objection to proceeding, and, as far as I am concerned, we may do it by voice vote.

Mr. BAKER. Mr. President, the question pending before the Senate is House Joint Resolution 663; is that correct?

The PRESIDING OFFICER. The majority leader is correct.

The question is on agreeing to the joint resolution.

The joint resolution (H.J. Res. 663) was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. MATSUNAGA. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I have a few things that appear to be routine in nature, if I may present them now to the minority leader and ask his indulgence while I proceed.

BILL PLACED ON CALENDAR—H.R. 4473

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be discharged from further consideration of H.R. 4473, a bill to designate the Federal Archives and Records in San Bruno, CA, as the "Leo J. Ryan Memorial Federal Archives and Records Center" and that it be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

BILL PLACED ON CALENDAR—H.R. 2671

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of H.R. 2671, for the relief of Edgar Gildardo Herrera, and that it be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADVISORY COMMISSION INTERGOVERNMENTAL RELATIONS AMENDMENTS

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1052.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1052) entitled "An Act to make certain changes in the membership and operations of the Advisory Commission on Intergovernmental Relations", do pass with the following amendment: Strike out all after the enacting clause, and insert:

SECTION 1. This Act may be cited as the "Advisory Commission on Intergovernmental Relations Amendments of 1984".

SEC. 2. Section 3 of the Act entitled "An Act to establish an *Advisory Commission on Intergovernmental Relations*" (42 U.S. 4271 et seq.), hereafter in this Act referred to as the "Act", is amended by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a) The Commission shall be composed of thirty-seven members as follows:

"(1) eight appointed by the President of the United States, three of whom shall be officers of the executive branch of the Government, and five private citizens, all of whom shall have had experience or familiarity with relations between the levels of Government;

"(2) four appointed by the President of the Senate, who shall be Members of the Senate;

"(3) four appointed by the Speaker of the House of Representatives, who shall be Members of the House;

"(4) four appointed by the President from a panel of at least eight Governors submitted by the National Governor's Association;

"(5) one appointed by the President either from a panel of at least two elected Indian tribal government officials submitted jointly by the National Congress of American Indians and the National Tribal Chairmen's Association, or from among such other Indian tribal government officials as may be nominated by governing bodies of Indian tribes as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B);

"(6) four appointed by the President from a panel of at least eight members of State legislative bodies submitted by the National Conference of State Legislatures;

"(7) one appointed by the President from a panel of at least two school officials submitted jointly by the National School Boards Association and the Council of the Great City Schools;

"(8) four appointed by the President from a panel of at least eight mayors submitted jointly by the National League of Cities and the United States Conference of Mayors;

"(9) one appointed by the President from a panel of at least two elected officers of units of local government with a population of less than 75,000 submitted jointly by the National League of cities and the National Association of Towns and Townships;

"(10) four appointed by the President three of whom shall be elected officials from a panel of at least six submitted by the National Association of Counties; and one of whom shall be an elected official from a panel of at least two submitted by the National Association of Regional Councils;

"(11) one appointed by the Chief Justice of the United States, who shall be a judge of the United States Court of Appeals or district court;

"(12) one appointed by the Chief Justice of the United States from a panel of two or more justices or judges of a State court of last resort submitted by the Conference of Chief Justices.

"(b) The members appointed from private life under paragraph (1) of subsection (a) and the members appointed under paragraphs (5), (11), and (12) of such subsection shall be appointed without regard to political affiliation. Of each class of members appointed under paragraphs (2) and (3) of such subsection, two shall be members of the majority party and two shall be members of the minority party of their respective Houses. Of each class of members appointed under paragraphs (4), (6), (8), and (10) of such subsection, not more than two shall be members of the same political party. Of each class of members appointed under paragraphs (6), (8), and (10) of such subsection, not more than one member shall be from any one State. At least one of the members appointed under paragraph (8) of such subsection shall be from cities with a population of less than 500,000 individuals.".

SEC. 3. Section 4 of the Act is amended—

(1) by inserting "or otherwise voluntarily resigns," after "section 3(a)," in subsection (d); and

(2) by striking out subsection (e) and inserting in lieu thereof the following:

"(e) Eighteen members of the Commission shall constitute a quorum, but two or more members shall constitute a quorum for the purpose of conducting hearings. Votes may be cast only by duly appointed members of the Commission. The use of proxies or voting by alternates shall not be permitted by the Commission. No report or recommendation shall be issued by the Commission unless a quorum shall be present and voting at the time of approval by the Commission of such report or recommendation.".

SEC. 4. Section 6 of the Act is amended—

(1) by striking out paragraph (2) of subsection (d) and inserting in lieu thereof the following:

"(2) to procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code."; and

(2) by adding at the end thereof the following new subsection:

"(g) Not later than 120 days after the date of enactment of the Advisory Commission on Intergovernmental Relations Amendments of 1984, the Commission shall issue bylaws governing the operations and procedures of the Commission.".

SEC. 5. Section 8 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act for each of the fiscal years 1985 through 1989.".

SEC. 6. The amendments made by this Act shall be effective on January 1, 1985, and shall apply to all appointments (and reappointments) made to the *Advisory Commission on Intergovernmental Relations* after that date.

AMENDMENT NO. 7086

(Purpose: To make a substitute)

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendment with a further Senate amendment which I send to the desk on behalf of Senator DURENBERGER.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. BAKER], on behalf of Mr. DURENBERGER, proposes an amendment numbered 7086.

Mr. BAKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Advisory Commission on Intergovernmental Relations Amendments of 1984".

SEC. 2. (a) Section 3(a) of the Act entitled "An Act to establish an Advisory Commission on Intergovernmental Relations", approved September 24, 1959 (73 Stat. 704; 42 U.S.C. 4273(a)), hereafter in this Act referred to as the "Act", is amended—

(1) by striking out "twenty-six members" in the matter preceding paragraph (1) and inserting in lieu thereof "twenty-eight members";

(2) by striking out "Governors' Conference" in paragraph (4) and inserting in lieu thereof "National Governors' Association";

(3) by striking out "board of managers of the Council of State Governments" in paragraph (5) and inserting in lieu thereof "National Conference of State Legislatures";

(4) by striking out "and" at the end of paragraph (6);

(5) by striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon; and

(6) by inserting after paragraph (7) the following new paragraphs:

"(8) One appointed by the President from a panel of at least two elected officers of a township submitted by the National Association of Towns and Townships; and

"(9) One appointed by the President from a panel of at least two elected school board members submitted by the National School Boards Association.".

(b) Section 3 of such Act (42 U.S.C. 4273) is further amended by adding at the end thereof the following new subsection:

"(d) For purposes of subsection (a)(8), the term 'township' means a township as described in the Governmental Organization volume of the 'Census of Governments' publication most recently issued by the Bureau of the Census prior to the date on which an appointment is made under such subsection.".

SEC. 3. Section 4 of the Act (73 Stat. 705; 42 U.S.C. 4274) is amended—

(1) in subsection (d), by inserting "or otherwise voluntarily resigns," after "section 3(a),"; and

(2) by striking out subsection (e) and inserting in lieu thereof the following:

"(e) One-half of the members appointed and serving on the Commission shall constitute a quorum, but two or more members shall constitute a quorum for the purpose of conducting hearings. The use of proxies or voting by alternates shall not be permitted by the Commission.".

SEC. 4. Section 6 of the Act (73 Stat. 705; 42 U.S.C. 4276) is amended—

(1) in subsection (d) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) to procure temporary and intermittent services under section 3109 of title 5, United States Code, as if the Commission were an agency and the Chairman were the head of an agency (as used in subsection (b) of such section)."; and

(2) by adding at the end thereof the following new subsection:

"(g) Not later than 120 days after the effective date of the Advisory Commission on Intergovernmental Relations Amendments of 1984, the Commission shall issue such bylaws governing the operations and procedures of the Commission as the Commission considers appropriate.".

SEC. 5. Section 7(b) of the Act (42 U.S.C. 4277(b)) is amended to read as follows:

"(b) Unless prohibited by State or local law, members of the Commission, other than those to whom subsection (a) of this section applies—

"(1) shall be paid compensation in accordance with the guidelines with respect to uniform rates of pay established for members of advisory committees pursuant to section 7(d)(1) of the Federal Advisory Committee Act (5 U.S.C. App.) for each day they are engaged in the performance of their duties as members of the Commission; and

"(2) shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Commission, as provided in subsection (a) of this section.".

SEC. 6. The amendments made by this Act shall take effect January 1, 1985.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Without objection, the motion is agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDERS FOR WEDNESDAY

ORDER FOR RECESS UNTIL 10:30 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR PROXMIRE

Mr. BAKER. Mr. President, I ask unanimous consent that on tomorrow, after the recognition of the two leaders under the standing order, the distinguished Senator from Wisconsin [Mr. PROXMIRE] be recognized on special order not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I further ask unanimous consent that after the execution of the special order that there be a time for the transaction of routine morning business until 11:30 a.m. with statements limited therein to 5 minutes each, with the exception of the two leaders, against whom no limitation of time shall apply.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL CONFEREES—H.R. 5504

Mr. BAKER. Mr. President, I ask unanimous consent that the following Senators be added as conferees to the mass transit portion of H.R. 5504: Senators GARN, TOWER, and PROXMIRE.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, on tomorrow the Senate will convene at 10:30 a.m. After the recognition of the two leaders under the standing order, the Senator from Wisconsin [Mr. PROXMIRE] will be recognized on a special order of not to exceed 15 minutes.

After the execution of the special order, there will be a period for the transaction of routine morning business until 11:30 a.m. in which Senators may speak for not more than 5 minutes each.

At 11:30 a.m. tomorrow, the Senate will resume consideration of the debt limit resolution. It is anticipated, Mr. President, that, in addition to the debt limit resolution on tomorrow the Senator will be asked to turn to the consideration of the Genocide Convention and perhaps the continuing resolution making appropriations. It is also anticipated that tomorrow may be a late evening. It is hoped by the leadership on this side that the Senate can complete its business tomorrow and adjourn sine die. There is a possibility, however, that we will be in session beyond that time.

AUTHORITY FOR CERTAIN ACTION

Mr. BAKER. Mr. President, I ask unanimous consent that the President pro tempore or the acting President pro tempore be authorized to sign and the Secretary of the Senate to receive and sign and enroll the short continuing resolution which was just passed by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. BAKER. Mr. President, if there are no other Senators seeking recognition—and the minority leader has indicated he has nothing further—I move, in accordance with the order previously entered, that the Senate now stand in recess until the hour of 10:30 a.m. tomorrow.

The motion was agreed to; and, at 8:48 p.m., the Senate recessed until Wednesday, October 10, 1984, at 10:30 a.m.

HOUSE OF REPRESENTATIVES—*Tuesday, October 9, 1984*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore [Mr. WRIGHT].

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Guide us, O God, in the paths of truth and keep our hearts open to knowledge. May we not claim righteousness only for ourselves, but humbly seek the common ground of understanding. Help us to be sensitive to the beliefs of others and enable us to celebrate Your presence in the lives of all people, whatever their background or responsibility. May our land continue to be a haven of tolerance and peace, for in You do we trust. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills, joint resolutions, and a concurrent resolution of the House of the following titles:

H.R. 437. An act for the relief of Patrick Starkie;

H.R. 440. An act for the relief of Fredrick Francisco Akers;

H.R. 932. An act for the relief of Harry Chen Tak Wong;

H.R. 1072. An act for the relief of Margot Hogan;

H.R. 1152. An act for the relief of Tomoko Jessica Kyan;

H.R. 1426. An act for the relief of Phillip Harper;

H.R. 1713. An act for the relief of Elizaveta Fankukhina;

H.R. 1865. An act for the relief of Nery De Maio;

H.R. 1932. An act for the relief of Mireille Laffite;

H.R. 2372. An act to recognize the organization known as the Navy Wives Clubs of America;

H.R. 2418. An act for the relief of Anis Ur Rahmaan;

H.R. 3382. An act for the relief of Dennis L. Dalton;

H.R. 3401. An act to designate the U.S. Post Office and Courthouse located at 245 East Capital Street in Jackson MS, as the "James O. Eastland U.S. Courthouse";

H.R. 3402. An act to designate that hereafter the Federal building at 10 West Capital Street in Jackson, MI will be known as the Dr. A. H. McCoy Federal Building;

H.R. 4025. An act to authorize the administrator of General Services to transfer to the Smithsonian Institution without reimbursement the General Post Office Building and the site thereof located in the District of Columbia, and for other purposes;

H.R. 5691. An act for the relief of Sutu Bungani William Beck;

H.R. 5787. An act to remove an impediment to oil and gas leasing of certain Federal lands in Corpus Christi, TX, and Port Hueneme, CA, and for other purposes;

H.R. 6101. An act to amend the Panama Canal Act of 1979 to authorize quarters allowances for certain employees of the Department of Defense serving in the area formerly known as the Canal Zone;

H.R. 6228. An act providing for an extension until April 21, 1992, of five patents relating to oral hypoglycemic drugs of the sulfonylurea class;

H.R. 6311. An act to combat international terrorism;

H.J. Res. 482. Joint resolution authorizing the Law Enforcement Officers Memorial Fund to establish a memorial in the District of Columbia or its environs;

H.J. Res. 638. Joint resolution designating October 1984 as "National Head Injury Awareness Month";

H.J. Res. 655. Joint resolution designating February 16, 1985, as "Lithuanian Independence Day"; and

H. Con. Res. 369. Concurrent resolution to direct the Clerk of the House of Representatives to make technical corrections in the enrollment of the bill H.R. 5167.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2867), "An act to amend the Solid Waste Disposal Act to authorize appropriations for the fiscal years 1984 through 1986, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1330), "An act to authorize the U.S. Army Corps of Engineers to provide grants to the several States to encourage and foster the construction of necessary public capital investment projects, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the bill (S. 1889), "An act to amend the act authorizing the establishment of the Congaree Swamp National Monument to provide that at such time as the principal visitor center is established, such center shall be designated as the 'Harry R. E. Hampton Visitor Center'."

The message also announced that the Senate disagrees to the amendment of the House to the amendments of the Senate to the bill (H.R. 3398), "An act to change the tariff treatment with respect to certain articles, and for other purposes," agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. DOLE, Mr. PACKWOOD, Mr. ROTH, Mr. DANFORTH, Mr. LONG, Mr. BENTSEN, and Mr. MATSUNAGA to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to the Senate amendments with an amendment to a bill of the Senate of the following title:

H.R. 5479. An act to amend section 504 of title 5, United States Code, and section 2412 of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to the Senate amendment with amendment to a bill of the Senate of the following title:

H.R. 5946. An act to reform the Residential Conservation Service and to repeal the Commercial and Apartment Conservation Service.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 3331. An act to authorize the exchange of certain lands between the Bureau of Land Management and the city of Los Angeles for purposes of the Santa Monica Mountains National Recreation Area; and

H.R. 6224. An act to provide for the assumption of selected functions, programs, and resources of St. Elizabeths Hospital by the District of Columbia, to provide for the establishment of a comprehensive mental health care system in the District of Columbia, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2449. An act for the relief of the Sisters of Mercy of the Union, Province of St. Louis, MO;

S. 2526. An act to provide authorization of appropriations for the U.S. Travel and Tourism Administration, and for other purposes; and

S. 2623. An act to implement the Montreal Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation, and for other purposes.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker pro tempore signed the following enrolled bills and joint resolutions on October 5, 1984:

H.J. Res. 659. Joint resolution making further continuing appropriations for fiscal year 1985;

S. 416. An act to amend the Wild and Scenic Rivers Act by designating a segment of the Illinois River in Oregon and the Owyhee River in Oregon as components of the National Wild and Scenic Rivers System, and for other purposes;

S. 1146. An act to amend the Federal Aviation Act of 1958 to provide for the revocation of the airman certificates and for additional penalties for the transportation by aircraft of controlled substances, and for other purposes;

S. 1711. An act providing for a 15-year extension of patent numbered 3,376,198;

S.J. Res. 299. Joint resolution to designate November 1984, as National Diabetes Month; and

S.J. Res. 309. Joint resolution authorizing and requesting the President to designate January 1985 as "National Cerebral Palsy Month."

MONDALE SHOWS HIS TRUE COLORS ON TAX INCREASES

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I have to say that Walter Mondale performed very well Sunday night.

He nearly fooled all the people all the time. And Abe Lincoln said it couldn't be done.

Something Walter Mondale said, however, didn't fool me. He said, and I quote, "I would repeal indexing."

Indexing is the cornerstone of the Reagan tax reforms, indexing protects lower- and middle-income American families from having their taxes raised by bracket creep.

Walter Mondale apparently likes bracket creep.

Repeal of indexing won't affect the rich, but it will hurt the poor and the middle class.

Indexing benefits those earning less than $50,000 a year. Repealing indexing will mean a 22-percent tax increase for those earning between $20,000 and $30,000 a year.

If Walter Mondale becomes President he will have to tax the poor and the middle class to pay for his promises and Sunday night, he finally admitted he's going to do just that.

WHAT A DIFFERENCE A DAY MAKES

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, there is the old song, "What a Difference a Day Makes." Sunday, October 7, will clearly make a significant difference in the outcome of this Presidential election. Walter Mondale illustrated his intelligence and finesse in dealing one on one with President Reagan. The President articulated his previously stated positions, but his performance demolished the existing myth that he is invincible. Two myths were destroyed in the debate: First, that Walter Mondale is weak; and, second, that Ronald Reagan is the great communicator.

More importantly, however, is the need in a free society for the leaders in our two major political parties to engage, head to head, in debate. How a President will govern is based far more on how he reacts under heated pressure in a debate context than in 30-second TV spots. And while I personally believe that the Mondale effort was far superior to the President's effort in the debate, the public interest is well served by matching the Presidential and Vice Presidential candidates against each other. It is indeed healthy for the leader of the strongest Nation in the world to be chosen by people who see how that leader reacts under fire.

THE DEFICIT

(Mr. SLATTERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SLATTERY. Mr. Speaker, during the 1960's, the Federal Government only had to borrow 10 percent of net savings to finance the Federal deficit.

During the 1970's, this figure increased to 27 percent.

Currently, the Federal Government must borrow 56 percent of net savings to finance the deficit. This is why we still have record high real interest rates. The Federal Government must borrow more than half of net savings to finance the Federal deficit.

Mr. Speaker, I was, frankly, very alarmed when I heard the President say during the debate that there was not a connection between huge deficits and interest rates. I must join the business leaders, economists, farmers, bankers, and other people all over America who strongly disagree with the President on this point.

I sincerely hope the President's remark was a misstatement during the heat of this debate.

If the President does not believe there is a connection between huge deficits and high interest rates, I question whether we can have the kind of leadership we need from the President on this issue during the next 4 years.

□ 1210

TIME TO STEER A COURSE

(Mr. DORGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN. Mr. Speaker, I have been a little puzzled for a long while by Mr. Reagan's actions on the deficit. He professes to be against Federal deficits and yet he has proposed the highest deficits in the history of America, and I have wondered why.

I think I discovered in the debate the other night one of the reasons. He, along with his Secretary of the Treasury, say, well, deficits do not matter that much; deficits are not that important. President Reagan in the debate said Federal deficits really have nothing at all to do with the level of interest rates.

Now I do not know of any two people in the country that believe that except Ronald Reagan and Donald Regan, the Secretary of the Treasury. The fact is, our Government is hip deep in the credit market, we are crowding out private borrowers, pushing demand for credit upward, and increasing interest rates; it is that simple.

Now the President, when he came to office, spoke at the microphone behind me and he said our debt was a stack of 1,000-dollar bills 67 miles high. But in his first five budgets, this President has added to another stack of 1,000-dollar bills more than 67 miles high to this debt. This from a person who says he does not like deficits; this from a person who says deficits do not matter because they do not affect interest rates.

That is hogwash; this country cannot afford that kind of fiscal policy, and it is time we begin steering a straight course toward an economic future this country deserves—one where we "pay as we go" for what this country needs.

THIS IS THE RONALD REAGAN THAT PEOPLE SAW IN THE PRESIDENTIAL DEBATE

(Mr. WILLIAMS of Montana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILLIAMS of Montana. Mr. Speaker, and my colleagues, during the Presidential debate, many millions of Americans were greatly surprised at the President's performance: Halting, uncertain, forgetful, confused. Many others were not surprised. Journalists, Members of Congress, top Government officials, those who work with the President in the unscripted give and take of confrontation have understood for 3 years now that this Presi-

dent is woefully unacquainted with the issues.

Unprotected by cue cards, scripts, or teleprompter, this President is the Ronald Reagan that people saw in the first Presidential debate.

PRESIDENT REAGAN'S LEGACY

(Mr. WALGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALGREN. Mr. Speaker, what was said and what was not said in debates is often very revealing. In speaking of deficit spending the other night, President Reagan was careful to say that "there was a trillion-dollar debt when we got here." What was unsaid was that after 4 years of Reaganomics, that debt has almost doubled.

Federal deficits have gone from $27 billion per year in 1979 to $210 billion per year just 4 years later. It took 204 years, from George Washington on through Jimmy Carter for the national debt to reach $1 trillion in 1980. The Reagan administration will go through the second trillion dollars in just one administration.

Many say the size of this deficit doesn't mean much to the public because someone else will pay for it later on. But we must pay the interest to carry these large deficits from year to year, even if paying the debt itself is left to our children and grandchildren. And the increase in government spending just to carry the deficits of just the last 4 years has become astronomical.

The cost of interest for the experiment of Reaganomics is now one of the largest programs in the universe of Federal spending. Next year we will pay $70 billion in interest on just the debt associated with Reaganomics an amount second in size only to Defense and Social Security—an amount of new spending that dwarfs all the "welfare programs of the Federal Government many times over.

Looking back in history, we will see the legacy of several Presidents: Among President Kennedy's legacies is the Medicare program whose value is critical and who's total cost today is something in the range of $60 billion per year. The legacy of President Reagan will involve greater spending—$70 billion, year-after-year in interest payments.

WHAT A FARCE

(Mr. CAMPBELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAMPBELL. Mr. Speaker, there is an old saying that the "proof is in the pudding." In 1976, when Mr. Mondale went into office with Mr. Carter, the prime rate of interest in this country was 6.25 percent; when he left it was 21.5 percent. When Mr. Mondale went into office at that time with Mr. Carter, we had an inflation rate in America of 4.8 percent; when he left, we had an inflation rate of 12.5 percent.

Between 1976 and 1980 the cost of owning a house in this country went up 133 percent. Now, the same man is running again saying, let us go back to the good old days again; let us raise taxes so we can solve your problems.

What a farce.

ASSURANCE OF A SERIOUS PRESIDENTIAL CONTEST

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN of Michigan. Mr. Speaker, the biggest winner of the debate Sunday evening was the American people.

We are now insured that there will be a serious Presidential contest—that on the Republican as well as Democratic side it will have to consist of more than balloons, bands and banter.

Walter Mondale is now the credible candidate he always really was. And the President can no longer hide behind the facade of the present, with its fragile peace and prosperity, but must talk about the genuine domestic and international problems of the immediate and long-term future.

Those who were riding high—smug with their brew of Adam Smith and Jerry Falwell—have been brought down to Earth.

In a word, the radical right—that helped write the Republican platform and whose echoes have been projected into these halls—will not control inner sanctums of the White House, at the very least without a major battle at the polls.

EXACTLY WHAT IS THE PRESIDENT'S RECORD?

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, Sunday's debate suggests that President Reagan is somewhat confused about his record.

Contrary to President Reagan's denial, the record shows that in 1983 he asked Congress to cut $19.4 billion from medicare by increasing premiums and cutting benefits of recipients.

Again, contrary to President Reagan's claim, in 1981 he asked Congress to approve a wide variety of reductions in Social Security including cuts for those retiring at age 62, a one-third reduction for the disabled, and elimination of the minimum benefit and student assistance. Over a 5-year period, these proposals would have cost recipients $82 billion.

President Reagan also was wrong when he claimed that he had slowed the rate of increase in poverty. In fact, the rate of people falling below the poverty line under President Reagan has been nearly twice as fast as in the previous administration. According to an Urban Institute study, President Reagan's budget cuts alone accounted for 560,000 persons falling into poverty—325,000 of them were children.

Mr. Speaker, when President Reagan announced his intention to seek a second term, he said he would run on his record. After Sunday's debate, he would be well advised to find out exactly what his record is.

THE PRESIDENT'S MEMORY IS FAULTY

(Ms. OAKAR asked and was given permission to address the House for 1 minute.)

Ms. OAKAR. Mr. Speaker, I am proud of Fritz Mondale and his concern for the elderly which he has shown all of his life in legislation and as Vice President of the United States. In the debate Sunday, Walter Mondale told the truth. Ronald Reagan proposed cuts, much of which passed, after he asked the American people to solicit their Congressmember's votes, his budget proposals.

Ronald Reagan's cuts in medicare, which meant more out-of-pocket expenses for the elderly were passed. Ronald Reagan does not remember his Social Security cuts, but the 75- to 90-year-old women who had their minimum benefit cut from $122 a month to $88 a month remember. Mr. Reagan may not remember the cuts he recommended for women who were head of households who had their children's educational benefits cut, but they will.

Ronald Reagan may not know that he cut housing for the elderly astronomically, he cut it in half, but the elderly in this country who are on a waiting list for safe and decent housing will remember.

Mr. Speaker, Walter Mondale was telling the truth and the elderly know this. That is why Vice President Mondale won the debate Sunday.

MAJOR CORPORATIONS PAY LESS IN TAXES THAN AVERAGE FAMILY

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, we are informed that a House-passed bill boosting the Federal Government's borrowing authority by another $250 billion—to $1.823 trillion, enough to cover Government needs through next

September—is stalled in the other body.

Unless the debt limit is raised, the Federal Government will have no authority to continue borrowing the $21 million an hour the Federal Government needs to make up the difference between taxes and spending.

Over the weekend, the Associated Press reported nationwide that 128 large, profitable U.S. corporations paid no Federal income tax in at least 1 of the last 3 years. Those 128 American corporations earned profits of $56.7 billion from U.S. operations during 1981, 1982, and 1983.

In 1983 alone 130 major U.S. corporations earned profits totaling $45 billion, but paid less than the 12 percent paid by the average family.

Many of the companies actually paid less than no tax—legally taking advantage of the Federal tax system to gain refunds totaling $5.7 billion, according to a report by Citizens for Tax Justice.

It's no wonder our taxpaying constituents keep on asking us in Congress to do something to cause the big corporations to pay their fair share of taxes.

DEBATE BRINGS DEMOCRATS BACK TO MONDALE

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, at least one thing we can say about the debate, it has brought the Democrats back to Walter Mondale. Before, they were all running away from him. Now they are evidently going to be running with him, and I hope that is true.

Because we ought to have a vote this November on whether you want to raise spending, whether you want to raise taxes, whether you are not concerned about maintaining the strong national defense push that the President embarked on when he got here.

We like to talk about the deficit, evidently that is Mr. Mondale's big line; the big issue he is going to talk about. So let us just look at the National Taxpayers Union rating, which rates every single vote of every single Member that impacts on spending at all and it shows consistently where the big spenders are: In Walter Mondale's camp. In fact, those of the ones who wanted Walter Mondale to run. Those are the ones who wanted Walter Mondale and those are the ones most vociferous in selecing Walter Mondale.

So the election is not going to be based on some debate over who looked best, but on where you stand on the issues.

Mr. Mondale made one thing perfectly clear the other night, and that is his answer is not that we are spending too much but that we are taxing too little. The President has a different approach. In November, we will make the decision. I think the American people will make the proper decision.

POPE JOHN PAUL II TO VISIT PUERTO RICO

(Mr. CORRADA asked and was given permission to address the House for 1 minute.)

Mr. CORRADA. Mr. Speaker, this Friday for the first time in the history of Puerto Rico, His Holiness, Pope John Paul II, will be visiting us.

The entire people of Puerto Rico will welcome him warmly, not just the majority of Catholics on the island but all Christians as well as men of good faith. Pope John Paul II is a champion of justice and peace, and we are honored in the Island of Puerto Rico, a part of the United States, to have this great man visit us on Friday, and we will welcome him wholeheartedly to Puerto Rico.

WITHDRAWAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 5745

Mr. CORRADA. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 5745.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Puerto Rico?

There was no objection.

DEMOCRATS RESIST SPENDING CUTS

(Mr. LOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOTT. Mr. Speaker, I continue to be amazed at the concern of my democratic colleagues about the deficit. And yet at every opportunity they have had over the past 2 years to cut spending, they voted to raise it or opposed opportunities for reduced spending. On 18 key amendments, a vast majority of the Democrats voted to raise spending. Whether it was the Science Foundation authorization, where we had a little amendment just to cut $50 milion out of it, 139 Republicans voted to cut it, and only 11 Democrats voted to cut it. Whether it was transportation appropriations; or whether it was opportunities to cut some of these appropriations bills just by 4 percent, or some percent, across the board, the Democrats always voted against reducing spending.

Now, on the matter of Sunday's debate. Mondale has continued to espouse the same old, tired, tried, and failed policies of the Democratic left: Raise taxes and more spending for every conceivable social program. And his campaign manager after the debate said that they would do just that; take those taxes that would be raised and spend them in more programs throughout the country that we really don't need.

PRESIDENT QUESTIONS CBO FIGURES

(Mr. ANTHONY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANTHONY. Mr. Speaker, the other night during the debate, President Reagan denounced and said that he did not believe the figures from CBO, the bipartisan Congressional Budget Office.

I can understand that he would deny that, but the other day David Stockman, his own appointee to OMB, the Office of Management and Budget, testified before the Ways and Means Committee. I asked directly to Mr. Stockman: Can we grow our way out of the deficits by 1989? His response was, Mr. President: "We can grow our way out of poverty. We cannot grow our way out of the deficit."

Mr. President, you cannot do anything about Rudy Penner, but you can fire David Stockman and get somebody in there you can believe.

REAGAN-BUSH ADMINISTRATION DESERVES CREDIT FOR RECOVERY

(Mr. COATS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COATS. Mr. Speaker, millions of Americans watched the debate Sunday night, as all of here did. We saw the statistics fly back and forth and today we see the House Members again arguing about the numbers.

A lot of questions have been asked this morning. What did Ronald Reagan propose, what was actually enacted? What was Reagan's record, what was Mondale's record? But when all the smoke clears, when all the statistics are put aside, the central question remains: What kind of a Nation were we in 1980, after 4 years of the Carter-Mondale administration, and what kind of Nation are we today in 1984, after 4 years of the Reagan-Bush administration?

In 1980, I saw a nation in deep trouble. We were heading for economic disaster. We were a nation adrift, without traditional values. We had suffered a loss of respect worldwide, and negativism and frustration characterized the American people.

Today in 1984, after 4 years of the Reagan administration, I see a nation undergoing the greatest economic recovery in 40 years. I see a nation that has restored some of its basic values. I see a nation that has gained the re-

spect of the world's nations and I see a people full of hope and optimism and looking forward to the future.

I think the President deserves a great deal of credit for this and that is why the American people will overwhelmingly send him back for another 4 years in the White House.

ROCKY I, II, AND III

(Mr. MARKEY asked and was given permission to address the House for 1 minute.)

Mr. MARKEY. Mr. Speaker, on Sunday we saw Rocky I, as Walter Mondale went toe-to-toe with Ronald Reagan, and the President's men may be correct when they say that Fightin' Fritz did not score a knockout punch but he certainly staggered Mr. Reagan.

This Thursday night we are going to be Rocky II when GERALDINE FERRARO knocks out GEORGE BUSH, and on October 21 in Kansas City we are going to see Rocky III when Walter Mondale finally knocks out the champ.

□ 1230

MONDALE REDUCTION IN MEDICARE

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, we have heard Walter Mondale's legislative team out here defending his record and defending the proposals he put forward the other night, I suppose including his deficit reduction proposal, since we heard so much talk about deficits.

In one of the most analyzed exchanges in that debate the other night, Walter Mondale criticized the President for proposing medicare cuts, and guess what? I have here a copy of Walter Mondale's deficit reduction plan, and it calls for a $12 billion reduction in medicare.

How can that be? Wonder of wonders. This man who criticized the President for proposing medicare cuts is proposing medicare cuts himself to the tune of $12 billion?

Is Walter Mondale not even familiar with his own deficit reduction plan?

GOOD NEWS ON EMPLOYMENT

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and exchange his remarks.)

Mr. GEKAS. Mr. Speaker and Members of the House: The gentleman from Indiana quite properly enunciated the good news that the people of the United States have been hearing for the last 4 years. That is underscored when we recognize that the latest statistics that have come out on employment and unemployment show that in the month of September thousands of more Americans went back on the employment rolls or found new jobs. At the same time, unemployment went down.

It was not too long ago, ladies and gentlemen and Members of the House, that people are taking the well of the House to criticize the President of the United States and to blame him for the then climbing unemployment and the lowering of the employment rolls, They laid the blame for that at the President's feet.

In now, in October of 1984, the trend is just the reverse and the economic recovery is growing every minute of the day, so to speak, then it is now to be intellectually honest and give the President credit for the highest number of people ever employed in the history of the United States, unemployment going down, and the cycle of economic growth steadily going up.

THE DIFFERENCE BETWEEN BONDAGE AND FREEDOM

(Mr. HUNTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNTER. Mr. Speaker, on the 24th and 25th of October, students at many universities around the country will have the opportunity to debate the difference between bondage and freedom, because on the 25th of October, approximately 100 medical students from Grenada will be appearing at colleges and universities across the Nation to let America's students know what it was like to be rescued by President Ronald Reagan.

There will also be a cable documentary followed by a live call-in show on the 24th and 25th of October. We invite universities across the Nation to join with us in celebrating decisive action by a strong President who rescued 599 American citizens.

THE REAGAN PLAN IS WORKING

(Mr. MYERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS. Mr. Speaker, although the debater arguing for high taxes was unable to convince his audience that he has a real plan for the future, some partisans and a couple of newsmen whose bias has been evident for years tried to carry the ball for him after the debate. With their greater experience in molding public opinion, and admitted talent in that dubious activity, they probably enjoyed more success than he.

What they chose to ignore is the fact that the present administration not only has a plan, a good one and possibly the best for all Americans at this time in our history, but one that is already at work.

That plan is not a mix of mishmash and political rhetoric hashed up to promote the ambitions of a poor finisher in past political battle, which attempts to raise longtime complaints about his own policies and to place them at the door of the party in power.

Who did the most to create the specter of deficit? And whose policies of high taxes have failed time and again?

Those elements of today's Democrat philosophy have been proven wrong—by Democrats themselves—as well as by the effective work of this administration.

The Reagan plan, the Republican plan today, is one that is growing and developing with positive force for good—for all Americans and America—a plan for the future, as President Reagan described in the debate: a plan for the future built on the effective action of the past 4 years as well as the foundation of good, common sense which has demonstrated the worth of principles dating back to the founding of this Nation and beyond. That plan calls for lower, not higher taxes; for growth, not stagnation; for the expansion of the job market, instead of the recession the last administration left us with.

I don't want even to seem to be trying to claim all the credit for the Reagan administration. The credit is due the American people who have made the plan work to date. If there is any credit due the administration it is because this administration has the good sense to urge the people to continue counting gains and to build on the benefits of hard won improvement in our growth, not only ourselves, but for the entire world.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following message from the Clerk of the House of Representatives:

WASHINGTON, DC,
October 9, 1984.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5, Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House at 3:05 p.m. on Monday, October 8, 1984 and said to contain H.R. 1362, an Act for the relief of Joseph Karel Hasek, and a veto message thereon.

With kind regards, I am,

Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

A BILL FOR THE RELIEF OF JOSEPH KAREL HASEK—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 98-274)

The SPEAKER pro tempore laid before the House the following veto message from the President of the United States.

To the House of Representatives:

I am returning herewith H.R. 1362, a bill for the relief of Joseph Karel Hasek.

I am sympathetic to the plight of hundreds of thousands of individuals who have fled the tyranny of communist rule imposed after World War II upon countries of eastern Europe and whose property has been confiscated by those governments. The United States government over the years has been successful in providing some measure of relief to some of these individuals by providing for the adjudication of these claims by the Foreign Claims Settlement Commission of the United States and by the negotiation of agreements with the offending governments to obtain funds for at least partial payment for such losses. The most recent example is the claims settlement agreement reached with the Government of Czechoslovakia by this Administration which has provided substantial although not full restitution for American citizens with valid claims against Czechoslovakia under international law. Such agreements have been possible only through adherence by the United States to the rule of international law that a government may only espouse such claims against a foreign government where American-owned property has been expropriated.

In 1958 the Foreign Claims Settlement Commission of the United States was authorized to determine the validity and amount of claims by United States citizens against the Government of Czechoslovakia caused by the confiscation of property owned at the time by United States nationals. Joseph Karel Hasek along with over 4,000 other claimants submitted claims to the Commission. After careful consideration the Commission was required to deny his claim due to the failure of Mr. Hasek to establish that any property owned by him was expropriated at a time when it was owned by a United States national. Mr. Hasek's claim was one of many denied on similar grounds. The Commission completed this program, and in 1962 all of its decisions became final and not subject to further review.

This bill would allow Mr. Hasek, but none of the others in like circumstances, to reopen his claim despite the termination of the program.

This bill directs that Mr. Hasek's claim be considered as valid despite the fact that it is not a valid claim for the United States to espouse under international law and the long-standing policy of the United States government. It seeks to provide special relief for one individual while ignoring the many thousands of United States citizens of Polish, Czechoslovakian, Yugoslavian, Bulgarian, Romanian, Hungarian, and German heritage who have suffered like losses but have been denied relief in a number of claim programs because their property was not expropriated at a time when it was owned by a United States national.

Finally, the bill would require payment to Mr. Hasek, who did not qualify for compensation, through the transfer to him of funds expressly obtained and set aside to compensate those American citizens who were claimants and did establish meritorious claims against Czechoslovakia for the confiscation of American-owned property. These claimants will therefore receive even less by way of restitution for their losses.

This result fails the elemental test of fairness and equity to thousands of American citizens who have suffered losses as egregious as those suffered by Mr. Hasek. I therefore have withheld my approval from H.R. 1362.

If relief is warranted in the case of Mr. Hasek, it centers on the beneficiary's claim that new evidence is available that was not available prior to the statutory expiration of the Czechoslovakian claims review in 1962. Accordingly, I would be willing to consider alternative relief legislation which would afford Mr. Hasek another review of the available evidence. I have directed my Administration to work with the Congress to consider such alternatives.

RONALD REAGAN.

THE WHITE HOUSE, *October 8, 1984.*

The SPEAKER pro tempore. The objections of the President will be spread at large upon the Journal, and the message and bill will be printed as a House document.

The Chair recognizes the gentleman from Texas [Mr. SAM B. HALL, JR.].

Mr. SAM B. HALL, JR. Mr. Speaker, I ask unanimous consent that the veto message of the President, together with the accompanying bill, H.R. 1362, be referred to the Committee on the Judiciary.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

A WALK DOWN MEMORY LANE

(Mr. KASICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KASICH. Mr. Speaker, maybe we ought to take a walk down memory lane. Let us go back to when Gerry Ford left the Office of the Presidency. Inflation in January of 1977 was 4.[illegible] percent; interest rates were 6.5 per cent; and unemployment was 7.5 per cent.

What were those rates when Ronald Reagan took office? That inflation rate that was 4.8 percent under Gerry Ford became 12.4 percent; the interest rates that were 6.5 percent became 21.5 percent; and the unemployment stayed the same.

Where has it gone under Ronald Reagan? That inflation that reached 12.4 percent under Jimmy Carter is presently about 4 percent; the interest rates which reached 21½ percent are now 12¾ percent; and the unemployment is lower today than it was when Jimmy Carter left office.

The simple fact of the matter is, if you look at the record, the record is clear: Do we go forward and make further gains in this economy or do we go backwards to the Carter-Mondale administration?

AUTHORIZING USE OF ROTUNDA ON JANUARY 21, 1985, BY JOINT CONGRESSIONAL COMMITTEE ON INAUGURAL CEREMONIES

Mr. FOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 144) authorizing the rotunda of the U.S. Capitol to be used on January 21, 1985, in connection with the proceedings and ceremonies for the inauguration of the President-elect and the Vice President-elect of the United States, and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 144

Resolved by the Senate (the House of Representatives concurring), That the rotunda of the United States Capitol is hereby authorized to be used on January 21, 1985, by the Joint Congressional Committee on Inaugural Ceremonies in connection with the proceedings and ceremonies conducted for the inauguration of the President-elect and the Vice President-elect of the United States. Such Committee is authorized to utilize appropriate equipment and the services of appropriate personnel of departments and agencies of the Federal Government, under arrangements between such Committee and the heads of such departments and agencies, in connection with such proceedings and ceremonies.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF SENATE AMENDMENT TO H.R. 5121, VIRGINIA NATIONAL FOREST WILDERNESS ACT OF 1984

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 609 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 609

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House, without intervening motion, a motion to take from the Speaker's table the bill (H.R. 5121) to designate certain national forest system lands in the State of Virginia as wilderness, and for other purposes, together with the Senate amendment thereto, and to concur in the Senate amendment. Said amendment shall be considered as having been read, and the previous question shall be considered as ordered on the motion to final adoption, without intervening motion.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Mississippi [Mr. LOTT], for purposes of debate only, and pending that I yield myself such time as I may consume.

Mr. Speaker, the resolution provides for consideration in the House of a motion to take from the Speaker's table the bill (H.R. 5121), the Virginia National Forest Wilderness Act of 1984, together with the Senate amendment thereto, and to concur in the Senate amendments to the bill.

Mr. Speaker, since the motion to concur in the Senate amendment is offered in the House, it will be considered under the 1-hour rule. Under the precedents, the time is controlled by the gentleman making the motion but, by custom, half of the time is yielded for debate to the minority.

The rule provides that the amendment will be considered as read. The amendment has been available in printed form for at least 3 days. The previous question will be considered as ordered. As a result, at the conclusion of debate, there is an up-or-down vote on the bill, as amended by the Senate, and when passed the measure will be cleared for the President's signature.

Mr. Speaker, H.R. 5121 originally passed the House on May 8, 1984, by a vote of 376 to 20 under suspension of the rules. On October 4, 1984, the Senate passed S. 2805 with an amendment.

Mr. Speaker, the Senate amendment contains additions that are not in the House-passed bill and makes technical changes. S. 2805 would add 40 more acres to the James River Face Wilderness addition for a total of 200 acres. It also provides for the Secretary of Agriculture, in consultation with the Environmental Protection Agency and the State of Virginia, to evaluate and report to Congress within 2 years after enactment of the bill on the effects of air quality of the proposed industrial development site at Covington, VA, and on the locations designated as wilderness study areas.

Finally, Mr. Speaker, the Senate amendment would add a provision to the effect that Congress does not intend that the designation of wilderness areas in Virginia will lead to the creation of protective perimeters or buffer zones around such wilderness areas and the fact that nonwilderness activities or uses can be seen or heard from wilderness areas will not preclude such activities or uses up to the boundary of the wilderness areas.

Mr. Speaker, this is not an unusual procedure for consideration of Senate amendments to a House bill, but the fact that we are nearing the end of this Congress requires that we consider this legislation in this fashion.

□ 1240

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is the first of four closed rules the House will consider today. This resolution provides for a motion to take the Virginia wilderness legislation from the Speaker's table and concur in the Senate amendment without intervening motion.

This process will mark the second time the House is being forced to consider the Virginia wilderness legislation without the opportunity for amendments, and the House should not be stampeded in this manner.

Mr. Speaker, this bill was originally considered in the House last May under our suspension of the rules procedure, and various Members were prevented from offering amendments at that time.

Last Friday, the Committee on Rules turned down two requests for open rule. So here we are, on the eve of adjournment, once again preventing Members from offering amendments to the bill.

Mr. Speaker, the Virginia wilderness legislation designates some 55,984 acres as wilderness and sets aside another 25,075 acres as wilderness study areas.

Mr. Speaker, this is a closed rule, pure and simple. It allows for very limited debate, and it prevents Members from offering amendments. I do not think the House should adopt this rule.

Mr. Speaker, I have no requests for time.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF SENATE AMENDMENTS TO H.R. 6163, FEDERAL DISTRICT COURT ORGANIZATION ACT OF 1984

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 606 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 606

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House, without intervening motion, a motion to take from the Speaker's table the bill (H.R. 6163) to amend title 28, United States Code, with respect to the places where court shall be held in certain judicial districts, and for other purposes, together with the Senate amendments thereto, and to concur in the Senate amendments. Said amendments shall be considered as having been read, and the previous question shall be considered as ordered on the motion to final adoption, without intervening motion.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Mississippi [Mr. LOTT], for purposes of debate only, and pending that, I yield myself such time as I may use.

Mr. Speaker, the resolution provides for consideration in the House of a motion to take from the Speaker's table the bill (H.R. 6163), the Federal District Court Organization Act of 1984, together with the Senate amendments thereto, and to concur in the Senate amendments to the bill.

Mr. Speaker, since the motion to concur in the Senate amendments is offered in the House, it will be considered under the 1 hour rule. Under the precedents, the time is controlled by the gentleman making the motion but, by custom, half of the time is yielded for debate to the minority.

The rule provides that the amendment will be considered as read. The amendment has been available in printed form for 4 days. The previous question will be considered as ordered. As a result, at the conclusion of debate, there is an up-or-down vote on the bill, as amended by the Senate, and if passed, the bill will be cleared for the President's signature.

Mr. Speaker, the Senate amendments constitute a comprehensive package of patent, trademark, and court bills attached to a technical court bill. This measure incorporates a number of matters, almost all of which have passed the House in other forms.

Mr. Speaker, one dispute in the Rules Committee was on whether or not to permit a separate vote on title 2, the State Justice Institute. Since there has already been a 243-to-176 House vote on that matter, we did not

consider that necessary or appropriate at this stage in the session. However, of course, the House will now make the final determination on our recommendation.

Although I am aware of that concern, I think there is general agreement that matters in this bill are vital and must be considered promptly.

Title 1 is very similar to H.R. 6285, which was passed by the House on a voice vote October 1. This bill, in the words of the able chairman of the subcommittee [Mr. KASTENMEIER], "clarifies the trademark law and acts to reestablish its basic principles * * *." I would commend the gentleman for his prompt action to defend our legislative prerogatives and to reassert existing law over the court decision that prompted this legislation under this rule. The House concurs with the minor change of the Senate, which is entirely consistent with the legislative intent of the House, as ably explained by the gentleman from Wisconsin here last week.

Title 2 is similar to H.R. 4145, the State Justice Institute which was considered by the House on May 22. The vote was 243 to 176. Although that was insufficient under the suspension procedure, it demonstrates the strong bipartisan support for this initiative to improve the State court systems. Most of the opposition to the bill was on fiscal grounds, and the Senate amendment addresses those concerns.

Title 3 is virtually identical to H.R. 5525, the Semiconductor Chip Protection Act, which passed the House 388 to 0. Needless to say, it is an outstanding piece of legislation. I strongly commend the committee for the manner in which this vital matter has been addressed. The gentleman from Wisconsin has exhibited real leadership in addressing this difficult technological and legal issue.

Title 4 includes three court reform measures already passed by the House, H.R. 5645 and H.R. 6163, which passed the House by voice vote, and H.R. 4222, which passed the House by unanimous consent. The second measure makes adjustments in judicial districts and places of sitting. In the Rules Committee hearing, it was the subject of an eloquent plea by the distinguished gentleman from Texas, Mr. DE LA GARZA. The committee is particularly delighted to be able to accommodate the able gentleman in his tireless efforts on behalf of this concern in his district.

Mr. Speaker, title 5 of the bill is a substantial revision of H.R. 5003, a bill reported to the House by the Committee on Science and Technology. The bill, as modified, provides a cautious approach to allow small business and nonprofit institutions to benefit from certain Government patents. I am advised that most of these are in the energy area, and that the Secretary of Energy believes the amendment provides a reasonable framework within which he can balance public interests.

The distinguished chairman of the Committee on Energy and Commerce appeared before the Rules Committee and voiced some concern about this title. After extensive consultation between the appropriate committees. The gentleman from Michigan agreed not to object to the request for a rule.

I would like to commend the gentleman for his diligence and his cooperation. We are at a point in the session which requires considerable vigilance, and the Rules Committee greatly appreciates this kind of guidance on the details of legislation rushing past us.

Mr. Speaker, the rule is not unusual. The committee considers the procedure necessary. However, I want to stress again that the bill is important and virtually every component has been developed in a very fair and open manner, and has been subject to the full legislative process in this Chamber.

Mr. Speaker, I urge adoption of the rule to permit the House to deal with these vital matters.

□ 1250

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman for yielding the customary time.

Mr. Speaker, House Resolution 606 is the rule designed to speed consideration and eventually to pass this package of bills which the other body attached to H.R. 6163, the Federal District Court Organization Act.

The Committee on Rules concocted this rather unique arrangement last Friday and the House is being asked to ratify the rule and the package itself here today. Despite the fact that there are some very important items in this package, I am opposed to the rule and urge the House to defeat the rule.

Mr. Speaker, there are seven apples in this little basket brought to us by the Committee on the Judiciary. Six of them could well be described as Golden Delicious. Nobody objects and everybody just cannot wait to bite down on them.

They make very important changes in the areas of patent and trademark law, patent protections for semiconductor chips, procedural orders for the handling of civil cases, boundary changes for three U.S. district courts, the operation of the U.S. District Court of Appeals for the Federal Circuit, and patent policy toward research and development of science and technology.

All of those titles to the bill, added together by the other body, make it a very nice set of apples. However, there is one spoiled apple in the basket.

Mr. Speaker, last May this House defeated a bill creating something called the State Justice Institute. The idea was to set up a nonprofit organization that would make grants to the States in order to help them improve their State judicial systems. Now, that is at a time when we do not have adequate jail systems. It is at a time when local sheriffs and police departments cannot get assistance to do their jobs in really dealing with crime and preventing crime. And yet, we are going to set up an institute with grants to help State judicial systems. It makes no sense at all and the House spoke on that. The House defeated that bill under the suspension of the rules process and we thought we had heard the last of it; but this spoiled apple is in this basket, Mr. Speaker.

The other body added this bill to the package it has wrapped together around H.R. 6163 and the rule forces the House to take the whole process, the whole package, when it takes the other apples.

I do not believe this is proper legislative procedure, so I am asking that the rule be defeated.

Mr. Speaker, our colleagues know that this is the last day of the session. I guess since these remarks were prepared maybe there have been some changes on that. We may have many more days of this session before it is over, so there is no need to put all these things in this one package. At least some of us hope to wrap this thing up in the next day or two. But when we proceed in this manner, we are abusing the procedures and the rules of the House.

I am not going to insist on a recorded vote because I know there are some Members who are not here and still cannot get back here; but when we create this process where we take a bill that the House defeated on suspension and put it in with some very other deserving pieces of legislation, it is a bad way to do business.

Mr. KASTENMEIER. Mr. Speaker, would the gentleman from Mississippi yield?

Mr. LOTT. Mr. Speaker, I would be glad to yield to the gentleman from Wisconsin for a question or a comment.

Mr. KASTENMEIER. Mr. Speaker, insofar as it would appear that the gentleman has characterized this as brought to the Rules Committee by the Judiciary Committee, that we are imposing this package on the House, we have not. This was passed by the Senate in precisely this form. We would have preferred to deal with each piece of legislation as we did individually, but we are confronted with the present situation. It is not something we of our own volition are imposing on the House of Representatives.

Mr. LOTT. Mr. Speaker, this is one time I am willing to absolve the Judiciary Committee of being responsible

for the problem that we have before us. It was created by the other body. I acknowledged that. I said it in my remarks, and I think we should put it at their doorstep. But, of course, the Rules Committee could have made in order an amendment that would have deleted that State Justice Institute. In fact, it was tried in the Rules Committee and was not made in order. But I accept the gentleman's comments.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF SENATE AMENDMENT TO H.R. 999, AMERICAN CONSERVATION CORPS ACT OF 1983

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 608 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 608

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House, without intervening motion, a motion to take from the Speaker's table the bill (H.R. 999) to provide for the conservation, rehabilitation, and improvement of natural and cultural resources located on public or Indian lands, and for other purposes, together with the Senate amendment thereto, and to concur in the Senate amendment. Said amendment shall be considered as having been read, and the previous question shall be considered as ordered on the motion to final adoption, without intervening motion.

The SPEAKER pro tempore (Mr. ANTHONY). The gentleman from California [Mr. BEILENSON] is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Mississippi [Mr. LOTT], pending which I yield myself such time as I may consume.

Mr. Speaker, the rule before the House provides for the consideration of the bill, H.R. 999, the American Conservation Corps Act of 1983, with a Senate amendment thereto.

Under the procedure provided for in the rule, after the rule's adoption, a motion would be in order to take the bill from the Speaker's table and concur in the Senate amendment. The Senate amendment would be considered as having been read. The motion would be debatable in the House under the hour rule, the time being controlled by the Member who offers the motion. As is customary in such a situation, half the time allotted would be yielded for purposes of debate only to the ranking minority member of the relevant committee. The previous question shall be considered as having been ordered on the motion to final adoption.

The effect of this rule is to give the House the opportunity to take a straight up-or-down vote on the Senate amendment in the nature of a substitute. No amendment to that amendment would be in order.

Mr. Speaker, H.R. 999 was passed by the House on March 1, 1983, by a vote of 301 to 87. The bill was subsequently passed by the Senate last week, on October 3, 1984, with an amendment in the nature of a substitute that would be subjected to a vote of the House under the rule before us.

The bill would establish an American Conservation Corps. American citizens between the ages of 16 and 25 would make up the corps and be charged with carrying out conservation, rehabilitation, and improvement projects on public and Indian lands. I know that all of my colleagues are well aware of the accomplishments which were achieved by the old Civilian Conservation Corps. That program provided employment for more than 2½ million Americans, many of whom would otherwise have been destitute. It resulted in the completion of countless public works projects, the benefits of which are still evident today.

Mr. Speaker, we, again, with this bill have the potential not only to eliminate a substantial backlog of needed conservation, rehabilitation, and improvement projects for our Nation's public lands, but also to provide the opportunity for our Nation's youth to gain work experience that will be a benefit to them for the rest of their lives.

Mr. Speaker, the legislation authorizes the appropriation of $75 million in fiscal year 1985 and $100 million in fiscal year 1986 for the establishment of the program, money which I am sure my colleagues will agree would be well spent and which would produce benefits for our generation and for generations to come.

Mr. Speaker, I yield now 30 minutes to the gentleman from Mississippi [Mr. LOTT].

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is the third of four closed rules the House will consider today. The rule provides for a motion to take the American Conservation Corps legislation from the Speaker's table and to concur in the Senate amendment without intervening motion.

When the House passed H.R. 999 in early March of last year, it authorized $300 million annually for a youth employment program patterned after the Civilian Conservation Corps of the 1930's.

The other body amended the bill to reduce the funding levels to $50 million in fiscal 1983, $75 million in fiscal 1986, and $100 million in fiscal 1987.

Mr. Speaker, despite the amendments made by the other body, the administration still opposes this bill because:

The 3-year cost of $225 million is unjustifiably high;

The program duplicates other youth employment efforts;

The jobs to be created are not sufficiently targeted to the most needy youth; and

The jobs to be created will not provide adequate skills for the youths to use for other jobs.

Mr. Speaker, under this rule, there will be no opportunity for Members to offer amendments to the bill. It is a take-or-leave-it situation, one that short-circuits the legislative process.

Despite the wide support this bill received when it first passed the House, I ask our colleagues to remember that the House action took place over 19 months ago. Now, we are asked to take what the other body sends us.

□ 1300

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. BEILENSON. Mr. Speaker, we have no requests for time either, and I urge the adoption of the rule.

I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF S. 2565, HUMAN SERVICES REAUTHORIZATION ACT

Mr. WHEAT. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 607 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 607

Resolved, That upon the adoption of this resolution it shall be in order to take from the Speaker's table the bill (S. 2565) to extend programs under the Head Start Act, and for other purposes, and to consider the bill in the House, and all points of order against the consideration of the bill for failure to comply with the provisions of section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived. The following amendment shall be considered as pending: "Strike out section 502". Debate on the bill and on the amendment shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority members of the Committees on Education and Labor and Energy and Commerce. The previous ques-

tion shall be considered as ordered on the amendment and on the bill to final passage without intervening motion except one motion to commit.

The SPEAKER pro tempore. The gentleman from Missouri [Mr. WHEAT] is recognized for 1 hour.

Mr. WHEAT. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Mississippi [Mr. LOTT], and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 607 provides for consideration of S. 2565. A bill which extends programs under the Head Start Act. All points of order against the bill for failure to comply with section 402(a) of the Budget Act are waived. Section 402(a) is the rule which prohibits consideration of authorizations which have not been reported by May 15 preceding the beginning of the fiscal year for which the authorization becomes effective. The waiver was considered necessary because S. 2565 was reported in the Senate on May 24 and in addition, several of the authorizations in the bill were not reported in the House by the May 15 deadline.

Upon adoption of the resolution, it shall be in order to take the bill from the Speaker's table and to consider the bill in the House. An amendment which strikes out section 502 of the bill shall be considered as pending when the bill is called up. Section 502 provides authorizations for a research center at the University of Utah which will examine the health effects of nuclear energy and other new energy technologies. Section 502 would normally fall under the jurisdiction of the Committee on Energy and and Commerce, and the amendment to strike was made in order at the request of the distinguished chairman of that committee, Mr. DINGELL.

Debate on the bill and amendment shall continue for a period not to exceed 1 hour. To be equally divided and controlled by the chairmen and ranking minority members of the Committees on Education and Labor and Commerce.

The previous question shall be considered as ordered on the amendment and the bill without intervening motion except one motion to commit.

In effect, this rule simply allows 1 hour of debate in the House followed by a vote on the amendment and then a vote on final passage of the bill. No other amendments or motions would be in order.

Mr. Speaker, S. 2565 extends authorizations for the Head Start Program. Although the House passed H.R. 5885, a measure which would have extended Head Start, the Senate failed to enact an authorization until last Thursday.

In order to reauthorize Head Start programs. The House has to proceed in an expeditious manner. We are expecting the House to adjourn in the next few days and this bill is the only vehicle by which the programs can be extended.

Mr. Speaker, we all understand the importance of extending the Head Start Program. Further, there is a need to consider this measure as quickly as possible. I urge my colleagues to adopt the rule so that we may proceed to consideration of this important measure.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 607 is essentially also a closed rule that provides for consideration of a bill from the other body to authorize a whole series of education and welfare programs and projects, several of which the House has not yet seen before today.

The Committee on Rules did not even have a copy of the bill while we were considering it, and got it at the last minute just before we were asked to vote on this rule for the bill, S. 2565.

We heard this testimony last Friday and in very brief fashion. As I said, we barely even got a chance to look at the copy, let alone go through it and see what all this closed rule provides.

It provides that one amendment and only one amendment shall be considered as pending. Otherwise the bill made in order by this rule is not amendable unless the majority floor manager yields for that purpose.

This rule is a mockery of the legislative process. It presents to the House a bill that contains totally new authorizations which have not undergone the committee hearing and reporting process, and it should be defeated.

The bill reauthorizes for 2 years the Head Start and Follow Through Programs. It reauthorizes the Community Services block grants and the Low Income Energy Assistance and Native American Programs.

Those are all fairly straightforward reauthorizations and they are generally for a shorter period of time and at lower costs than originally approved by the House.

As a supporter of the Head Start and Follow Through Programs I was tempted to sit quietly by and watch 49 pages of legal sized paper sail through this House. Again, we are in a bind here in these last hours of our session to be asking for votes on this rule. But I have to keep reminding the House on each one of them we are abusing the rule of the House and we should not be going forward in his way.

We attempted to find out what else was in this bill during our hearings in the Committee on Rules, but did not do a very good job of it because no one seemed to know for sure.

Now that we have had the weekend to read the bill we find several new grant programs. These include grants to the States for child care services, grants to the States for Federal merit and scholarships for high school students to attend college, and funding for special projects to build a Center for Excellence in Education at Indiana University, and to build a research center at the University of Utah.

How many universities and how many States across this country do you know that would like to have such a research center at their university; and yet they are in Indiana and Utah, and I suspect they are there because of some of my colleagues in the other body. But I do not feel comfortable with that at all. They just have a way of appearing in these bills and we make it impossible to get at them.

Mr. Speaker, given the lack of testimony about these new authorizations during our Rules Committee hearing last Friday I certainly cannot say today that they are indeed worthy ideas. We really may not know. Perhaps they are. But the legislative procedure being employed here does not give us much opportunity to look into them.

This rule says that an amendment to strike section 502 of the bill shall be considered as pending. The time for debate on that amendment is equally divided. So I am looking forward to finding out exactly what section 502 is and why it should be singled out in the bill when several other provisions of the bill have not been before the House during this session, and yet they are not subject to that type of consideration.

The rule prevents any other substantive amendments from being offered. It is a fast track procedure and it is designed to close off debate and hold down the number and type of amendments.

This procedure should not be used in the House and if it were any other day I would be demanding votes on each of these rules.

I oppose this rule and I suspect some of the substance in the bill, but we are not going to have much opportunity to really find out what the substance is.

I have no requests for time.

Mr. WHEAT. Mr. Speaker, I have no requests for time.

Mr. LOTT. Mr. Speaker, I yield back the balance of my time.

Mr. WHEAT. Mr. Speaker, this is a meritorious program. As the gentleman from Mississippi points out, it is indeed unfortunate that the other body has seen fit to attach several other programs to this Headstart authorization legislation. But, in and of themselves, they are meritorious programs and demonstrably bring back more money to the Federal Government than they cost.

For that reason, I would encourage the adoption of the rule and the passage of the bill.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FEDERAL DISTRICT COURT ORGANIZATION ACT OF 1984

Mr. KASTENMEIER. Mr. Speaker, pursuant to the provisions of House Resolution 606, I move to take from the Speaker's table the bill (H.R. 6163) to amend title 28, United States Code, with respect to the places where court shall be held in certain judicial districts, and for other purposes, with the Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the provisions of House Resolution 606, the Senate amendment is considered as having been read.

The text of the Senate amendments is as follows:

Strike out all after the enacting clause and insert:

TITLE I

SHORT TITLE

SEC. 101. This title may be cited as the "Trademark Clarification Act of 1984".

AMENDMENT TO THE TRADEMARK ACT

SEC. 102. Section 14(c) of the Trademark Act of 1946, commonly known as the Lanham Trademark Act (15 U.S.C. 1064(c)) is amended by adding before the semicolon at the end of such section a period and the following: "A registered mark shall not be deemed to be the common descriptive name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the common descriptive name of goods or services in connection with which it has been used".

DEFINITIONS

SEC. 103. Section 45 of such Act (15 U.S.C. 1127) is amended as follow:

(1) Strike out "The term 'trade-mark' includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others." and insert in lieu thereof the following: "The term 'trademark' includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify and distinguish his goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.".

(2) Strike out "The term 'service mark' means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others." and insert in lieu thereof the following: "The term 'service mark' means a mark used in the sale or advertising of services to identify and distinguish the services of one person, including a unique service, from the services of others and to indicate the source of the services, even if that source is unknown.".

(3) Add at the end of subparagraph (b) in the paragraph which begins "A mark shall be deemed to be 'abandoned' ", the following new sentence: "Purchaser motivation shall not be a test for determining abandonment under this subparagraph.".

JUDGMENTS

SEC. 104. Nothing in this title shall be construed to provide a basis for reopening of any final judgment entered prior to the date of enactment of this title.

TITLE II

SHORT TITLE

SEC. 201. This title may be cited as the "State Justice Institute Act of 1984".

DEFINITIONS

SEC. 202. As used in this title, the term—

(1) "Board" means the Board of Directors of the Institute;

(2) "Director" means the Executive Director of the Institute;

(3) "Governor" means the Chief Executive Officer of a State;

(4) "Institute" means the State Justice Institute;

(5) "recipient" means any grantee, contractor, or recipient of financial assistance under this title;

(6) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States; and

(7) "Supreme Court" means the highest appellate court within a State unless, for the purposes of this title, a constitutionally or legislatively established judicial council acts in place of that court.

ESTABLISHMENT OF INSTITUTE; DUTIES

SEC. 203. (a) There is established a private nonprofit corporation which shall be known as the State Justice Institute. The purpose of the Institute shall be to further the development and adoption of improved judicial administration in State courts in the United States. The Institute may be incorporated in any State pursuant to section 204(a)(6) of this title. To the extent consistent with the provisions of this title, the Institute may exercise the powers conferred upon a nonprofit corporation by the laws of the State in which it is incorporated.

(b) The Institute shall—

(1) direct a national program of assistance designed to assure each person ready access to fair and effective system of justice by providing funds to—

(A) State courts;

(B) national organizations which support and are supported by State courts; and

(C) any other nonprofit organization that will support and achieve the purposes of this title;

(2) foster coordination and cooperation with the Federal judiciary in areas of mutual concern;

(3) promote recognition of the importance of the separation of powers doctrine to an independent judiciary; and

(4) encourage education for judges and support personnel of State court systems through national and State organizations, including universities.

(c) The Institute shall not duplicate functions adequately performed by existing nonprofit organizations and shall promote, on the part of agencies of State judicial administration, reponsibility for the success and effectiveness of State court improvement programs supported by Federal funding.

(d) The Institute shall maintain its principal offices in the State in which it is incorporated and shall maintain therein a designated agent to accept service of process for the Institute. Notice to or service upon the agent shall be deemed notice to or service upon the Institute.

(e) The Institute, and any program assisted by the Institute, shall be eligible to be treated as an organization described in section 170(c)(2)(B) of the Internal Revenue Code of 1954 (26 U.S.C. 170(c)(2)(B) and as an organizaton described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3)) which is exempt form taxation under section 501(a) of such Code (26 U.S.C. 501(a)). If such treatments are conferred in accordance with the provisions of such Code, the Institute, and programs assisted by the Institute, shall be subject to all provisions of such Code relevant to the conduct of organizations exempt from taxation.

(f) The Institute shall afford notice and reasonable opportunity for comment to interested parties prior to issuing rules, regulations, guidelines, and instructions under this title, and it shall publish in the Federal Register, at least thirty days prior to their effective date, all rules, regulations, guidelines, and instructions.

BOARD OF DIRECTORS

SEC. 204. (a)(1) The Institute shall be supervised by a Board of Directors consisting of eleven voting members to be appointed by the President, by and with the advice and consent of the Senate. The Board shall have both judicial and nonjudicial members, and shall, to the extent practicable, have a membership representing a variety of backgrounds and reflecting participation and interest in the administration of justice.

(2) The Board shall consist of—

(A) six judges, to be appointed in the manner provided in paragraph (3);

(B) one State court administrator, to be appointed in the manner provided in paragraph (3); and

(C) four members from the public sector, no more than two of whom shall be of the same political party, to be appointed in the manner provided in paragraph (4).

(3) The President shall appoint six judges and one State court administrator from a list of candidates submitted to the President by the Conference of Chief Justices. The Conference of Chief Justices shall submit a list of at least fourteen individuals, including judges and State court administrators, whom the conference considers best qualified to serve on the Board. Whenever the term of any of the members of the Board described in subparagraphs (A) and (B) terminates and that member is not to be reappointed to a new term, and whenever a vacancy otherwise occurs among those members, the President shall appoint a new member from a list of three qualified individuals submitted to the President by the Conference of Chief Justices. The President may reject any list of individuals submitted by the Conference under this paragraph and, if such a list is so rejected, the President shall request the Conference to submit to him another list of qualified individuals. Prior to consulting with or submitting a list to the President, the Conference of Chief Justices shall obtain and consider the recommendations of all interested organiza-

tions and individuals concerned with the administration of justice and the objectives of this title.

(4) In addition to those members appointed under paragraph (3), the President shall appoint four members from the public sector to serve on the Board.

(5) The President shall make the intitial appointments of members of the Board under this subsection within ninety days after the effective date of this title. In the case of any other appointment of a member, the President shall make the appointment not later than ninety days after the previous term expires or the vacancy occurs, as the case may be. The Conference of Chief Justices shall submit lists of candidates under paragraph (3) in a timely manner so that the appointments can be made within the time periods specified in this paragraph.

(6) The intitial members of the Board of Directors shall be the incorporators of the Institute and shall determine the State in which the Institute is to be incorporated.

(b)(1) Except as provided in paragraph (2), the term of each voting member of the Board shall be three years. Each member of the Board shall continue to serve until the successor to such member has been appointed and qualified.

(2) Five of the members first appointed by the President shall serve for a term of two years. Any member appointed to serve an unexpired term which has arisen by virtue of the death, disability, retirement, or resignation of a member shall be appointed only for such unexpired term, but shall be eligible for reappointment.

(3) The term of initial members shall commence from the date of the first meeting of the Board, and the term of each member other than an initial member shall commence from the date of termination of the preceding term.

(c) No member shall be reappointed to more than two consecutive terms immediately following such member's initial term.

(d) Members of the Board shall serve without compensation, but shall be reimbursed for actual and necessary expenses incurred in the performance of their official duties.

(e) The members of the Board shall not, by reason of such membership, be considered officers or employees of the United States.

(f) Each member of the Board shall be entitled to one vote. A simple majority of the membership shall constitute a quorum for the conduct of business. The Board shall act upon the concurrence of a simple majority of the membership present and voting.

(g) The Board shall select from among the voting members of the Board a chairman, the first of whom shall serve for a term of three years. Thereafter, the Board shall annually elect a chairman from among its voting members.

(h) A member of the Board may be removed by a vote of seven members for malfeasance in office, persistent neglect of, or inability to discharge duties, or for any offense involving moral turpitude, but for no other cause.

(i) Regular meetings of the Board shall be held quarterly. Special meetings shall be held from time to time upon the call of the chairman, acting at his own discretion or pursuant to the petition of any seven members.

(j) All meetings of the Board, any executive committee of the Board, and any council established in connection with this title, shall be open and subject to the requirements and provisions of section 552b of title 5, United States Code, relating to open meetings.

(k) In its direction and supervision of the activities of the Institute, the Board shall—

(1) establish policies and develop such programs for the Institute that will further the achievement of its purpose and performance of its functions;

(2) establish policy and funding priorities and issue rules, regulations, guidelines, and instructions pursuant to such priorities;

(3) appoint and fix the duties of the Executive Director of the Institute, who shall serve at the pleasure of the Board and shall be a nonvoting ex officio member of the Board;

(4) present to other Government departments, agencies, and instrumentalities whose programs or activities relate to the administration of justice in the State judiciaries of the United States, the recommendations of the Institute for the improvement of such programs or activities;

(5) consider and recommend to both public and private agencies aspects of the operation of the State courts of the United States considered worthy of special study; and

(6) award grants and enter into cooperative agreements or contracts pursuant to section 206(a).

OFFICERS AND EMPLOYEES

SEC. 205. (a)(1) The Director, subject to general policies established by the Board, shall supervise the activities of persons employed by the Institute and may appoint and remove such employees as he determines necessary to carry out the purposes of the institute. The Director shall be responsible for the executive and administrative operations of the Institute, and shall perform such duties as are delegated to such Director by the Board and the Institute.

(2) No political test or political qualification shall be used in selecting, appointing, promoting, or taking any other personnel action with respect to any officer, agent, or employee of the Institute, or in selecting or monitoring any grantee, contractor, person, or entity receiving financial assistance under this title.

(b) Officers and employees of the Institute shall be compensated at rates determined by the Board, but not in excess of the rate of level V of the Executive Schedule specified in section 5316 of title 5, United States Code.

(c)(1) Except as otherwise specifically provided in this title, the Institute shall not be considered a department, agency, or instrumentality of the Federal Government.

(2) This title does not limit the authority of the Office of Management and Budget to review and submit comments upon the Institute's annual budget request at the time it is transmitted to the Congress.

(d)(1) Except as provided in paragraph (2), officers and employees of the Institute shall not be considered officers or employees of the United States.

(2) Officers and employees of the Institute shall be considered officers and employees of the United States solely for the purposes of the following provisions of title 5, United States Code: Subchapter I of chapter 81 (relating to compensation for work injuries); chapter 83 (relating to civil service retirement); chapter 87 (relating to life insurance; and chapter 89 (relating to health insurance). The Institute shall make contributions under the provisions referred to in this subsection at the same rates applicable to agencies of the Federal Government.

(e) The Institute and its officers and employees shall be subject to the provisions of section 552 of title 5, United States Code, relating to freedom of information.

GRANTS AND CONTRACTS

SEC. 206. (a) The Institute is authorized to award grants and enter into cooperative agreements or contracts, in a manner consistent with subsection (b), in order to—

(1) conduct research, demonstrations, or special projects pertaining to the purposes described in this title, and provide technical assistance and training in support of tests, demonstrations, and special projects;

(2) serve as a clearinghouse and information center, where not otherwise adequately provided, for the preparation, publication, and dissemination of information regarding State judicial systems;

(3) participate in joint projects with other agencies, including the Federal Judicial Center, with respect to the purposes of this title;

(4) evaluate, when appropriate, the programs and projects carried out under this title to determine their impact upon the quality of criminal, civil, and juvenile justice and the extent to which they have met or failed to meet the purposes and policies of this title;

(5) encourage and assist in the furtherance of judicial education;

(6) encourage, assist, and serve in a consulting capacity to State and local justice system agencies in the development, maintenance, and coordination of criminal, civil, and juvenile justice programs and services; and

(7) be responsible for the certification of national programs that are intended to aid and improve State judicial systems.

(b) The Institute is empowered to award grants and enter into cooperative agreements or contracts as follows:

(1) The Institute shall give priority to grants, cooperative agreements, or contracts with—

(A) State and local courts and their agencies;

(B) national nonprofit organizations controlled by, operating in conjunction with, and serving the judicial branches of State governments; and

(C) national nonprofit organizations for the education and training of judges and support personnel of the judicial branch of State governments.

(2) The Institute may, if the objective can better be served thereby, award grants or enter into cooperative agreements or contracts with—

(A) other nonprofit organizations with expertise in judicial administration;

(B) institutions of higher education;

(C) individuals, partnerships, firms, or corporations; and

(D) private agencies with expertise in judicial administration.

(3) Upon application by an appropriate Federal, State, or local agency or institution and if the arrangements to be made by such agency or institution will provide services which could not be provided adequately through nongovernmental arrangements, the Institute may award a grant or enter into a cooperative agreement or contract with a unit of Federal, State, or local government other than a court.

(4) Each application for funding by a State or local court shall be approved, consistent with State law, by the State's su-

preme court, or its designated agency or council, which shall receive, administer, and be accountable for all funds awarded by the Institute to such courts.

(c) Funds available pursuant to grants, cooperative agreements, or contracts awarded under this section may be used—

(1) to assist State and local court systems in establishing appropriate procedures for the selection and removal of judges and other court personnel and in determining appropriate levels of compensation;

(2) to support education and training programs for judges and other court personnel, for the performance of their general duties and for specialized functions, and to support national and regional conferences and seminars for the dissemination of information on new developments and innovative techniques;

(3) to conduct research on alternative means for using nonjudicial personnel in court decisionmaking activities, to implement demonstration programs to test innovative approaches, and to conduct evaluations of their effectiveness;

(4) to assist State and local courts in meeting requirements of Federal law applicable to recipients of Federal funds;

(5) to support studies of the appropriateness and efficacy of court organizations and financing structures in particular States, and to enable States to implement plans for improved court organization and finance;

(6) to support State court planning and budgeting staffs and to provide technical assistance in resource allocation and service forecasting techniques;

(7) to support studies of the adequacy of court management systems in State and local courts and to implement and evaluate innovative responses to problems of record management, data processing, court personnel management, reporting and transcription of court proceedings, and juror utilization and management;

(8) to collect and compile statistical data and other information on the work of the courts and on the work of other agencies which relate to and effect the work of courts;

(9) to conduct studies of the causes of trial and appellate court delay in resolving cases, and to establish and evaluate experimental programs for reducing case processing time;

(10) to develop and test methods for measuring the performance of judges and courts and to conduct experiments in the use of such measures to improve the functioning of such judges and courts;

(11) to support studies of court rules and procedures, discovery devices, and evidentiary standards, to identify problems with the operation of such rules, procedures, devices, and standards, to devise alternative approaches to better reconcile the requirements of due process with the need for swift and certain justice, and to test the utility of those alternative approaches;

(12) to support studies of the outcomes of cases in selected subject matter areas to identify instances in which the substance of justice meted out by the courts diverges from public expectations of fairness, consistency, or equity, to propose alternative approaches to the resolving of cases in problem areas, and to test and evaluate those alternatives;

(13) to support programs to increase court responsiveness to the needs of citizens through citizen education, improvement of court treatment of witnesses, victims, and jurors, and development of procedures for obtaining and using measures of public satisfaction with court processes to improve court performance;

(14) to test and evaluate experimental approaches to providing increased citizen access to justice, including processes which reduce the cost of litigating common grievances and alternative techniques and mechanisms for resolving disputes between citizens; and

(15) to carry out such other programs, consistent with the purposes of this title, as may be deemed appropriate by the Institute.

(d) The Institute shall incorporate in any grant, cooperative agreement, or contract awarded under this section in which a State or local judicial system is the recipient, the requirement that the recipient provide a match, from private or public sources, not less than 50 per centum of the total cost of such grant, cooperative agreement, or contract, except that such requirement may be waived in exceptionally rare circumstances upon the approval of the chief justice of the highest court of the State and a majority of the Board of Directors.

(e) The Institute shall monitor and evaluate, or provide for independent evaluations of, programs supported in whole or in part under this title to ensure that the provisions of this title, the bylaws of the Institute, and the applicable rules, regulations, and guidelines promulgated pursuant to this title, are carried out.

(f) The Institute shall provide for an independent study of the financial and technical assistance programs under this title.

LIMITATIONS ON GRANTS AND CONTRACTS

SEC. 207. (a) With respect to grants made and contracts or cooperative agreements entered into under this title, the Institute shall—

(1) ensure that no funds made available to recipients by the Institute shall be used at any time, directly or indirectly, to influence the issuance, amendment, or revocation of any Executive order or similar promulgation by any Federal, State, or local agency, or to undertake to influence the passage or defeat of any legislation or constitutional amendment by the Congress of the United States, or by any State or local legislative body, or any State proposal by initiative petition, or of any referendum, unless a governmental agency, legislative body, a committee, or a member thereof—

(A) requests personnel of the recipients to testify, draft, or review measures or to make representations to such agency, body, committee, or member; or

(B) is considering a measure directly affecting the activities under this title of the recipient or the Institute;

(2) ensure all personnel engaged in grant, cooperative agreement or contract assistance activities supported in whole or part by the Institute refrain, while so engaged, from any partisan political activity; and

(3) ensure that such recipient that files with the Institute a timely application for refunding is provided interim funding necessary to maintain its current level of activities until—

(A) the application for refunding has been approved and funds pursuant thereto received; or

(B) the application for refunding has been finally denied in accordance with section 9 of this title.

(b) No funds made available by the Institute under this title, either by grant, cooperative agreement, or contract, may be used to support or conduct training programs for the purpose of advocating particular training programs for the purpose of advocating particular nonjudicial public policies or encouraging nonjudicial political activities.

(c) The authorization to enter into cooperative agreements, contracts or any other obligation under this title shall be effective only to the extent, and in such amounts, as are provided in advance in appropriation Acts.

(d) To ensure that funds made available under this Act are used to supplement and improve the operation of State courts, rather than to support basic court services, funds shall not be used—

(1) to supplant State or local funds currently supporting a program or activity; or

(2) to construct court facilities or structures, except to remodel existing facilities to demonstrate new architectural or technological techniques, or to provide temporary facilities for new personnel or for personnel involved in a demonstration or experimental program.

RESTRICTIONS ON ACTIVITIES OF THE INSTITUTE

SEC. 208. (a) The Institute shall not—

(1) participate in litigation unless the Institute or a recipient of the Institute is a party, and shall not participate on behalf of any client other than itself;

(2) interfere with the independent nature of any State judicial system or allow financial assistance to be used for the funding of regular judicial and administrative activities of any State judicial system other than pursuant to the terms of any grant, cooperative agreement, or contract with the Institute, consistent with the requirements of this title; or

(3) undertake to influence the passage or defeat of any legislation by the Congress of the United States or by any State or local legislative body, except that personnel of the Institute may testify or make other appropriate communication—

(A) when formally requested to do so by a legislative body, committee, or a member thereof;

(B) in connection with legislation or appropriations directly affecting the activities of the Institute; or

(C) in connection with legislation or appropriations dealing with improvements in the State judiciary, consistent with the provisions of this title.

(b)(1) The Institute shall have no power to issue any shares of stock, or to declare or pay any dividends.

(2) No part of the income or assets of the Institute shall enure to the benefit of any director, officer, or employee, except as reasonable compensation for services or reimbursement for expenses.

(3) Neither the Institute nor any recipient shall contribute or make available Institute funds or program personnel or equipment to any political party or association, or the campaign of any candidate for public or party office.

(4) The Institute shall not contribute or make available Institute funds or program personnel or equipment for use in advocating or opposing any ballot measure, initiative, or referendum.

(c) Officers and employees of the Institute or of recipients shall not at any time intentionally identify the Institute or the recipient with any partisan or nonpartisan political activity associated with a political party or association, or the campaign of any candidate for public or party office.

SPECIAL PROCEDURES

SEC. 209. The Institute shall prescribe procedures to ensure that—

(1) financial assistance under this title shall not be suspended unless the grantee, contractor, person, or entity receiving financial assistance under this title has been given reasonable notice and opportunity to show cause why such actions should not be taken; and

(2) financial assistance under this title shall not be terminated, an application for refunding shall not be denied, and a suspension of financial assistance shall not be continued for longer than thirty days, unless the recipient has been afforded reasonable notice and opportunity for a timely, full, and fair hearing, and, when requested, such hearing shall be conducted by an independent hearing examiner. Such hearing shall be held prior to any final decision by the Institute to terminate financial assistance or suspend or deny funding. Hearing examiners shall be appointed by the Institute in accordance with procedures established in regulations promulgated by the Institute.

PRESIDENTIAL COORDINATION

SEC. 210. The President may, to the extent not inconsistant with any other applicable law, direct that appropriate support functions of the Federal Government may be made available to the Institute in carrying out its functions under this title.

RECORDS AND REPORTS

SEC. 211. (a) The Institute is authorized to require such reports as it deems necessary from any recipient with respect to activities carried out pursuant to this title.

(b) The Institute is authorized to prescribe the keeping of records with respect to funds provided by any grant. cooperative agreement, or contract under this title and shall have access to such records at all reasonable times for the purpose of ensuring compliance with such grant, cooperative agreement, or contract or the terms and conditions upon which financial assistance was provided.

(c) Copies of all records pertinent to the evaluation, inspection, or monitoring of any recipient shall be submitted on a timely basis to such recipient, and shall be maintained in the principal office of the Institute for a period of at least five years after such evaluation, inspection, or monitoring. Such reports shall be available for public inspection during regular business hours, and copies shall be furnished, upon request, to interested parties upon payment of such reasonable fees as the Institute may establish.

(d) Non-Federal funds received by the Institute, and funds received for projects funded in part by the Institute or by any recipient from a source other than the Institute, shall be accounted for and reported as receipts and disbursements separate and distinct from Federal funds.

AUDITS

SEC. 212. (a)(1) The accounts of the Institute shall be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent certified public accountants who are certified by a regulatory authority of the jurisdiction in which the audit is undertaken.

(2) The audits shall be conducted at the place or places where the accounts of the Institute are normally kept. All books, accounts, financial records, reports, files, and other papers or property belonging to or in use by the Institute and necessary to facilitate the audits shall be made available to the person or persons conducting the audits. The full facilities for verifying transactions with the balances and securities held by depositories, fiscal agents, and custodians shall be afforded to any such person.

(3) The report of the annual audit shall be filed with the General Accounting Office and shall be available for public inspection during business hours at the principal office of the Institute.

(b)(1) In addition to the annual audit, the financial transactions of the Institute for any fiscal year during which Federal funds are available to finance any portion of its operations may be audited by the General Accounting Office in accordance with such rules and regulations as may be prescribed by the Comptroller General of the United States.

(2) Any such audit shall be conducted at the place or places where accounts of the Institute are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and other papers or property belonging to or in use by the Institute and necessary to facilitate the audit. The full facilities for verifying transactions with the balances and securities held by depositories, fiscal agents, and custodians shall be afforded to such representatives. All such books, accounts, financial records, reports, files, and other papers or property of the Institute shall remain in the possession and custody of the Institute throughout the period beginning on the date such possession or custody commences and ending three years after such date, but the General Accounting Office may require the retention of such books, accounts, financial records, reports, files, and other papers or property for a longer period under section 3523(c) of title 31, United States Code.

(3) A report of such audit shall be made by the Comptroller General to the Congress and to the Attorney General, together with such recommendations with respect thereto as the Comptroller General deems advisable.

(c)(1) The Institute shall conduct, or require each recipient to provide for, an annual fiscal audit. The report of each such audit shall be maintained for a period of at least five years at the principal office of the Institute.

(2) The Institute shall submit to the Comptroller General of the United States copies of such reports, and the Comptroller General may, in addition, inspect the books, accounts, financial records, files, and other papers or property belonging to or in use by such grantee, contractor, person, or entity, which relate to the disposition or use of funds received from the Institute. Such audit reports shall be available for public inspection during regular business hours, at the principal office of the Institute.

REPORT BY ATTORNEY GENERAL

SEC. 213. On October 1, 1987, the Attorney General, in consultation with the Federal Judicial Center, shall transmit to the Committees on the Judiciary of the Senate and the House of Representatives a report on the effectiveness of the Institute in carrying out the duties specified in section 203(b). Such report shall include an assessment of the cost effectiveness of the program as a whole and, to the extent practicable, of individual grants, an assessment of whether the restrictions and limitations specified in sections 207 and 208 have been respected, and such recommendations as the Attorney General, in consultation with the Federal Judicial Center, deems appropriate.

AMENDMENTS TO OTHER LAWS

SEC. 214. Section 620(b) of title 28, United States Code, is amended by—

(1) striking out "and" at the end of paragraph (3);

(2) striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

(3) inserting the following new paragraph (5) at the end thereof:

"(5) Insofar as may be consistent with the performance of the other functions set forth in this section, to cooperate with the State Justice Institute in the establishment and coordination of research and programs concerning the administration of justice.".

AUTHORIZATIONS

SEC. 215. There are authorized to be appropriated to carry out the purposes of this title, $13,000,000 for fiscal year 1986, $15,000,000 for fiscal year 1987, and $15,000,000 for fiscal year 1988.

EFFECTIVE DATE

SEC. 216. The provisions of this title shall take effect on October 1, 1985.

TITLE III

SHORT TITLE

SEC. 301. This title may be cited as the "Semiconductor Chip Protection Act of 1984".

PROTECTION OF SEMICONDUCTOR CHIP PRODUCTS

SEC. 302. Title 17, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 9—PROTECTION OF SEMICONDUCTOR CHIP PRODUCTS

"Sec.
"901. Definitions.
"902. Subject matter of protection.
"903. Ownership and transfer.
"904. Duration of protection.
"905. Exclusion rights in mask works.
"906. Limitation on exclusive rights: reverse engineering; first sale.
"907. Limitation on exclusive rights: innocent infringement.
"908. Registration of claims of protection.
"909. Mask work notice.
"910. Enforcement of exclusive rights.
"911. Civil actions.
"912. Relation to other laws.
"913. Transitional provisions.
"914. International transitional provisions.

"§ 901. Definitions

"(a) As used in this chapter—

"(1) a 'semiconductor chip product' is the final or intermediate form of any product—

"(A) having two or more layers of metallic, insulating, or semiconductor material, deposited or otherwise placed on, or etched away or otherwise removed from, a piece of semiconductor material in accordance with a predetermined pattern; and

"(B) intended to perform electronic circuitry functions;

"(2) a 'mask work' is a series of related images, however fixed or encoded—

"(A) having or representing the predetermined, three-dimensional pattern of metallic, insulating, or semiconductor material present or removed from the layers of a semiconductor chip product; and

"(B) in which series the relation of the images to one another is that each image has the pattern of the surface of one form of the semiconductor chip product;

"(3) a mask work is 'fixed' in a semiconductor chip product when its embodiment in the product is sufficiently permanent or

stable to permit the mask work to be perceived or reproduced from the product for a period of more than transitory duration;

"(4) 'distribute' means to sell, or to lease, bail, or otherwise transfer, or to offer to sell, lease, bail, or otherwise transfer;

"(5) to 'commercially exploit' a mask work is to distribute to the public for commercial purposes a semiconductor chip product embodying the mask work; except that such term includes an offer to sell or transfer a semiconductor chip product only when the offer is in writing and occurs after the mask work is fixed in the semiconductor chip product;

"(6) the 'owner' of a mask work is the person who created the mask work, the legal representative of that person if that person is deceased or under a legal incapacity, or a party to whom all the rights under this chapter of such person or representative are transferred in accordance with section 903(b); except that, in the case of a work made within the scope of a person's employment, the owner is the employer for whom the person created the mask work or a party to whom all the rights under this chapter of the employer are transferred in accordance with section 903(b);

"(7) an 'innocent purchaser' is a person who purchases a semiconductor chip product in good faith and without having notice of protection with respect to the semiconductor chip product;

"(8) having 'notice of protection' means having actual knowledge that, or reasonable grounds to believe that, a mask work is protected under this chapter; and

"(9) an 'infringing semiconductor chip product' is a semiconductor chip product which is made, imported, or distributed in violation of the exclusive rights of the owner of a mask work under this chapter.

"(b) For purposes of this chapter, the distribution or importation of a product incorporating a semiconductor chip product as a part thereof is a distribution or importation of that semiconductor chip product.

§ 902. Subject matter of protection

"(a)(1) Subject to the provisions of subsection (b), a mask work fixed in a semiconductor chip product, by or under the authority of the owner of the mask work, is eligible for protection under this chapter if—

"(A) on the date on which the mask work is registered under section 908, or is first commercially exploited anywhere in the world, whichever occurs first, the owner of the mask work is (i) a national or domiciliary of the United States, (ii) a national, domiciliary, or sovereign authority of a foreign nation that is a party to a treaty affording protection to mask works to which the United States is also a party, or (iii) a stateless person, wherever that person may be domiciled;

"(B) the mask work is first commercially exploited in the United States; or

"(C) the mask work comes within the scope of a Presidential proclamation issued under paragraph (2).

"(2) Whenever the President finds that a foreign nation extends, to mask works of owners who are nationals or domiciliaries of the United States protection (A) on substantially the same basis as that on which the foreign nation extends protection to mask works of its own nationals and domiciliaries and mask works first commercially exploited in that nation, or (B) on substantially the same basis as provided in this chapter, the President may by proclamation extend protection under this chapter to mask works (i) of owners who are, on the date on which the mask works are registered under section 908, or the date on which the mask works are first commercially exploited anywhere in the world, whichever occurs first, nationals, domiciliaries, or sovereign authorities of that nation, or (ii) which are first commercially exploited in that nation.

"(b) Protection under this chapter shall not be available for a mask work that—

"(1) is not original; or

"(2) consists of designs that are staple, commonplace, or familiar in the semiconductor industry, or variations of such designs, combined in a way that, considered as a whole, is not original.

"(c) In no case does protection under this chapter for a mask work extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

"§ 903. Ownership, transfer, licensing, and recordation

"(a) The exclusive rights in a mask work subject to protection under this chapter belong to the owner of the mask work.

"(b) The owner of the exclusive rights in a mask work may transfer all of those rights, or license all or less than all of those rights, by any written instrument signed by such owner or a duly authorized agent of the owner. Such rights may be transferred or licensed by operation of law, may be bequeathed by will, and may pass as personal property by the applicable laws of intestate succession.

"(c)(1) Any document pertaining to a mask work may be recorded in the Copyright Office if the document filed for recordation bears the actual signature of the person who executed it, or if it is accompanied by a sworn or official certification that it is a true copy of the original, signed document. The Register of Copyrights shall, upon receipt of the document and the fee specified pursuant to section 908(d), record the document and return it with a certificate of recordation. The recordation of any transfer or license under this paragraph gives all persons constructive notice of the facts stated in the recorded document concerning the transfer or license.

"(2) In any case in which conflicting transfers of the exclusive rights in a mask work are made, the transfer first executed shall be void as against a subsequent transfer which is made for a valuable consideration and without notice of the first transfer, unless the first transfer is recorded in accordance with paragraph (1) within three months after the date on which it is executed, but in no case later than the day before the date of such subsequent transfer.

"(d) Mask works prepared by an officer or employee of the United States Government as part of that person's official duties are not protected under this chapter, but the United States Government is not precluded from receiving and holding exclusive rights in mask works transferred to the Government under subsection (b).

"§ 904. Duration of protection

"(a) The protection provided for a mask work under this chapter shall commence on the date on which the mask work is registered under section 908, or the date on which the mask work is first commercially exploited anywhere in the world, whichever comes first.

"(b) Subject to subsection (c) and the provisions of this chapter, the protection provided under this chapter to a mask work shall end ten years after the date on which such protection commences under subsection (a).

"(c) All terms of protection provided in this section shall run to the end of the calendar year in which they would otherwise expire.

"§ 905. Exclusive rights in mask works

"The owner of a mask work provided protection under this chapter has the exclusive rights to do and to authorize any of the following:

"(1) to reproduce the mask work by optical, electronic, or any other means;

"(2) to import or distribute a semiconductor chip product in which the mask work is embodied; and

"(3) to induce or knowingly to cause another person to do any of the acts described in paragraphs (1) and (2).

"§ 906. Limitation on exclusive rights: reverse engineering; first sale

"(a) Notwithstanding the provisions of section 905, it is not an infringement of the exclusive rights of the owner of a mask work for—

"(1) a person to reproduce the mask work solely for the purpose of teaching, analyzing, or evaluating the concepts or techniques embodied in the mask work or the circuitry, logic flow, or organization of components used in the mask work; or

"(2) a person who performs the analysis or evaluation described in paragraph (1) to incorporate the results of such conduct in an original mask work which is made to be distributed.

"(b) Notwithstanding the provisions of section 905(2), the owner of a particular semiconductor chip product made by the owner of the mask work, or by any person authorized by the owner of the mask work, may import, distribute, or otherwise dispose of or use, but not reproduce, that particular semiconductor chip product without the authority of the owner of the mask work.

"§ 907. Limitation on exclusive rights: innocent infringement

"(a) Notwithstanding any other provision of this chapter, an innocent purchaser of an infringing semiconductor chip product—

"(1) shall incur no liability under this chapter with respect to the importation or distribution of units of the infringing semiconductor chip product that occurs before the innocent purchaser has notice of protection with respect to the mask work embodied in the semiconductor chip product; and

"(2) shall be liable only for a reasonable royalty on each unit of the infringing semiconductor chip product that the innocent purchaser imports or distributes after having notice of protection with respect to the mask work embodied in the semiconductor chip product.

"(b) The amount of the royalty referred to in subsection (a)(2) shall be determined by the court in a civil action for infringement unless the parties resolve the issue by voluntary negotiation, mediation, or binding arbitration.

"(c) The immunity of an innocent purchaser from liability referred to in subsection (a)(1) and the limitation of remedies with respect to an innocent purchaser referred to in subsection (a)(2) shall extend to any person who directly or indirectly purchasers an infringing semiconductor chip product from an innocent purchaser.

"(d) The provisions of subsections (a), (b), and (c) apply only with respect to those

units of an infringing semiconductor chip product that an innocent purchaser purchased before having notice of protection with respect to the mask work embodied in the semiconductor chip product.

"§ 908. Registration of claims of protection

"(a) The owner of a mask work may apply to the Register of Copyrights for registration of a claim of protection in a mask work. Protection of a mask work under this chapter shall terminate if application for registration of a claim of protection in the mask work is not made as provided in this chapter within two years after the date on which the mask work is first commercially exploited anywhere in the world.

"(b) The Register of Copyrights shall be responsible for all administrative functions and duties under this chapter. Except for section 708, the provisions of chapter 7 of this title relating to the general responsibilities, organization, regulatory authority, actions, records, and publications of the Copyright Office shall apply to this chapter, except that the Register of Copyrights may make such changes as may be necessary in applying those provisions to this chapter.

"(c) The application for registration of a mask work shall be made on a form prescribed by the Register of Copyrights. Such form may require any information regarded by the Register as bearing upon the preparation or identification of the mask work, the existence or duration of protection of the mask work under this chapter, or ownership of the mask work. The application shall be accompanied by the fee set pursuant to subsection (d) and the identifying material specified pursuant to such subsection.

"(d) The Register of Copyrights shall by regulation set reasonable fees for the filing of applications to register claims of protection in mask works under this chapter, and for other services relating to the administration of this chapter or the rights under this chapter, taking into consideration the cost of providing those services, the benefits of a public record, and statutory fee schedules under this title. The Register shall also specify the identifying material to be deposited in connection with the claim for registration.

"(e) If the Register of Copyrights, after examining an application for registration, determines, in accordance with the provisions of this chapter, that the application relates to a mask work which is entitled to protection under this chapter, then the Register shall register the claim of protection and issue to the applicant a certificate of registration of the claim of protection under the seal of the Copyright Office. The effective date of registration of a claim of protection shall be the date on which an application, deposit of identifying material, and fee, which are determined by the Register of Copyrights or by a court of competent jurisdiction to be acceptable for registration of the claim, have all been received in the Copyright Office.

"(f) In any action for infringement under this chapter, the certificate of registration of a mask work shall constitute prima facie evidence (1) of the facts states in the certificate, and (2) that the applicant issued the certificate has met, the requirements of this chapter, and the regulations issued under this chapter, with respect to the registration of claims.

"(g) Any applicant for registration under this section who is dissatisfied with the refusal of the Register of Copyrights to issue a certificate of registration under this section may seek judicial review of that refusal by bringing an action for such review in an appropriate United States district court not later than sixty days after the refusal. The provisions of chapter 7 of title 5 shall apply to such judicial review. The failure of the Register of Copyrights to issue a certificate of registration within four months after an application for registration is filed shall be deemed to be a refusal to issue a certificate of registration for purposes of this subsection and section 910(b)(2), except that, upon a showing of good cause, the district court may shorten such four-month period.

"§ 909. Mask work notice

"(a) The owner of a mask work provided protection under this chapter may affix notice to the mask work, and to masks and semiconductor chip products embodying the mask work, in such manner and location as to give reasonable notice of such protection. The Register of Copyrights shall prescribe by regulation, as examples, specific methods of affixation and positions of notice for purposes of this section, but these specifications shall not be considered exhaustive. The affixation of such notice is not a condition of protection under this chapter, but shall constitute prima facie evidence of notice of protection.

"(b) The notice referred to in subsection (a) shall consist of—

"(1) the words 'mask work', the symbol *M*, or the symbol M (the letter M in a circle); and

"(2) the name of the owner or owners of the mask work or an abbreviation by which the name is recognized or is generally known.

"§ 910. Enforcement of exclusive rights

"(a) Except as otherwise provided in this chapter, any person who violates any of the exclusive rights of the owner of a mask work under this chapter, by conduct in or affecting commerce, shall be liable as an infringer of such rights.

"(b)(1) The owner of a mask work protected under this chapter, or the exclusive licensee of all rights under this chapter with respect to the mask work, shall, after a certificate of registration of a claim of protection in that mask work has been issued under section 908, be entitled to institute a civil action for any infringement with respect to the mask work which is committed after the commencement of protection of the mask work under section 904(a).

"(2) In any case in which an application for registration of a claim of protection in a mask work and the required deposit of identifying material and fee have been received in the Copyright Office in proper form and registration of the mask work has been refused, the applicant is entitled to institute a civil action for infringement under this chapter with respect to the mask work if notice of the action, together with a copy of the complaint, is served on the Register of Copyrights, in accordance with the Federal Rules of Civil Procedure. The Register may, at his or her option, become a party to the action with respect to the issue of whether the claim of protection is eligible for registration by entering an appearance within sixty days after such service, but the failure of the Register to become a party to the action shall not deprive the court of jurisdiction to determine that issue.

"(c)(1) The Secretary of the Treasury and the United States Postal Service shall separately or jointly issue regulations for the enforcement of the rights set forth in section 905 with respect to importation. These regulations may require, as a condition for the exclusion of articles from the United States, that the person seeking exclusion take any one or more of the following actions:

"(A) Obtain a court order enjoining, or an order of the International Trade Commission under section 337 of the Tariff Act of 1930 excluding, importation of the articles.

"(B) Furnish proof that the mask work involved is protected under this chapter and that the importation of the articles would infringe the rights in the mask work under this chapter.

"(C) Post a surety bond for any injury that may result if the detention or exclusion of the articles proves to be unjustified.

"(2) Articles imported the violation of the rights set forth in section 905 are subject to seizure and forfeiture in the same manner as property imported in violation of the customs laws. Any such forfeited articles shall be destroyed as directed by the Secretary of the Treasury or the court, as the case may be, except that the articles may be returned to the country of export whenever it is shown to the satisfaction of the Secretary of the Treasury that the importer had no reasonable grounds for believing that his or her acts constituted a violation of the law.

"§ 911. Civil actions

"(a) Any court having jurisdiction of a civil action arising under this chapter may grant temporary restraining orders, preliminary injunctions, and permanent injunctions on such terms as the court may deem reasonable to prevent or restrain infringement of the exclusive rights in a mask work under this chapter.

"(b) Upon finding an infringer liable, to a person entitled under section 910(b)(1) to institute a civil action, for an infringement of any exclusive right under this chapter, the court shall award such person actual damages suffered by the person as a result of the infringement. The court shall also award such person the infringer's profits that are attributable to the infringement and are not taken into account in computing the award of actual damages. In establishing the infringer's profits, such person is required to present proof only of the infringer's gross revenue, and the infringer is required to prove his or her deductible expenses and the elements of profit attributable to factors other than the mask work.

"(c) At any time before final judgment is rendered, a person entitled to institute a civil action for infringement may elect, instead of actual damages and profits as provided by subsection (b), an award of statutory damages for all infringements involved in the action, with respect to any one mask work for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally, in an amount not more than $250,000 as the court considers just.

"(d) An action for infringement under this chapter shall be barred unless the action is commenced within three years after the claim accrues.

"(e)(1) At any time while an action for infringement of the exclusive rights in a mask work under this chapter is pending, the court may order the impounding, on such terms as it may deem reasonable, of all semiconductor chip products, and any drawings, tapes, masks, or other products by means of which such products may be reproduced, that are claimed to have been made, imported, or used in violation of those exclusive rights. Insofar as practicable, applications for orders under this para-

graph shall be heard and determined in the same manner as an application for a temporary restraining order or preliminary injunction.

"(2) As part of a final judgment or decree, the court may order the destruction or other disposition of any infringing semiconductor chips products, and any masks, tapes, or other articles by means of which such products may be reproduced.

"(f) In any civil action arising under this chapter, the court in its discretion may allow the recovery of full costs, including reasonable attorneys' fees, to the prevailing party.

"§ 912. Relation to other laws

"(a) Nothing in this chapter shall affect any right or remedy held by any person under chapters 1 through 8 of this title, or under title 35.

"(b) Except as provided in section 908(b) of this title, references to 'this title' or 'title 17' in chapters 1 through 8 of this title shall be deemed not to apply to this chapter.

"(c) The provisions of this chapter shall preempt the laws of any State to the extent those laws provide any rights or remedies with respect to a mask work which are equivalent to those rights or remedies provided by this chapter, except that such preemption shall be effective only with respect to actions filed on or after January 1, 1986.

"(d) The provisions of sections 1338, 1400(a) and 1498 (b) and (c) of title 28 shall apply with respect to exclusive rights in mask works under this chapter.

"(e) Notwithstanding subsection (c), nothing in this chapter shall detract from any rights of a mask work owner, whether under Federal law (exclusive of this chapter) or under the common law or the statutes of a State, heretofore or hereafter declared or enacted, with respect to any mask work first commercially exploited before July 1, 1983.

"§ 913. Transitional provisions

"(a) No application for registration under section 908 may be filed, and no civil action under section 910 or other enforcement proceeding under this chapter may be instituted, until sixty days after the date of the enactment of this chapter.

"(b) No monetary relief under section 911 may be granted with respect to any conduct that occurred before the date of the enactment of this chapter, except as provided in subsection (d).

"(c) Subject to subsection (a), the provisions of this chapter apply to all mask works that are first commercially exploited or are registered under this chapter, or both, on or after the date of the enactment of this chapter.

"(d)(1) Subject to subsection (a), protection is available under this chapter to any mask work that was first commercially exploited on or after July 1, 1983, and before the date of the enactment of this chapter, if a claim of protection in the mask work is registered in the Copyright Office before July 1, 1985, under section 908.

"(2) In the case of any mask work described in paragraph (1) that is provided protection under this chapter, infringing semiconductor chip product units manufactured before the date of the enactment of this chapter may, without liability under sections 910 and 911, be imported into or distributed in the United States, or both, until two years after the date of registration of the mask work under section 908, but only if the importer or distributor, as the case may be, first pays or offers to pay the reasonable royalty referred to in section 907(a)(2) to the mask work owner, on all such units imported or distributed, or both, after the date of the enactment of this chapter.

"(3) In the event that a person imports or distributes infringing semiconductor chip product units described in paragraph (2) of this subsection without first paying or offering to pay the reasonable royalty specified in such paragraph, or if the person refuses or fails to make such payment, the mask work owner shall be entitled to the relief provided in sectons 910 and 911.

"§ 914. International transitional provisions

"(a) Notwithstanding the conditions set forth in subparagraphs (A) and (C) of section 902(a)(1) with respect to the availability of protection under this chapter to nationals, domiciliaries, and sovereign authorities of a foreign nation, the Secretary of Commerce may, upon the petition of any person, or upon the Secretary's own motion, issue an order extending protection under this chapter to such foreign nationals, domiciliaries, and sovereign authorities if the Secretary finds—

"(1) that the foreign nation is making good faith efforts and reasonable progress toward—

"(A) entering into a treaty described in section 902(a)(1)(A); or

"(B) enacting legislation that would be in compliance with subparagraphs (A) or (B) of section 902(a)(2); and

"(2) that the nationals, domiciliaries, and sovereign authorities of the foreign nation, and persons controlled by them, are not engaged in the misappropriation, or unauthorized distribution or commercial exploitation, of mask works; and

"(3) that issuing the order would promote the purposes of this chapter and international comity with respect to the protection of mask works.

"(b) While an order under subsection (a) is in effect with respect to a foreign nation, no application for registration of a claim for protection in a mask work under this chapter may be denied solely because the owner of the mask work is a national, domiciliary, or sovereign authority of that foreign nation, or solely because the mask work was first commercially exploited in that foreign nation.

"(c) Any order issued by the Secretary of Commerce under subsection (a) shall be effective for such period as the Secretary designates in the order, except that no such order may be effective after the date on which the authority of the Secretary of Commerce terminates under subsection (e). The effective date of any such order shall also be designated in the order. In the case of an order issued upon the petition of a person, such effective date may be no earlier than the date on which the Secretary receives such petition.

"(d)(1) Any order issued under this section shall terminate if—

"(A) the Secretary of Commerce finds that any of the conditions set forth in paragraphs (1), (2), and (3) of subsection (a) no longer exist; or

"(B) mask works of nationals, domiciliaries, and sovereign authorities of that foreign nation or mask works first commercially exploited in that foreign nation become eligible for protection under subparagraphs (A) or (C) of section 902(a)(1).

"(2) Upon the termination or expiration of an order issued under this section, registrations of claims of protection in mask works made pursuant to that order shall remain valid for the period specified in section 904.

"(e) The authority of the Secretary of Commerce under this section shall commence on the date of the enactment of this chapter, and shall terminate three years after such date of enactment.

"(f)(1) The Secretary of Commerce shall promptly notify the Register of Copyrights and the Committees on the Judiciary of the Senate and the House of Representatives of the issuance or termination of any order under this section, together with a statement of the reasons for such action. The Secretary shall also publish such notification and statement of reasons in the Federal Register.

"(2) Two years after the date of the enactment of this chapter, the Secretary of Commerce, in consultation with the Register of Copyrights, shall transmit to the Committees on the Judiciary of the Senate and the House of Representatives a report on the actions taken under this section and on the current status of international recognition of mask work protection. The report shall include such recommendations for modifications of the protection accorded under this chapter to mask works owned by nationals, domiciliaries, or sovereign authorities of foreign nations as the Secretary, in consultation with the Register of Copyrights, considers would promote the purposes of this chapter and international comity with respect to mask work protection.".

TECHNICAL AMENDMENT

SEC. 303. The table of chapters at the beginning of title 17, United States Code, is amended by adding at the end thereof the following new item:

"9. Protection of Semiconductor Chip Products..... 901".

AUTHORIZATION OF APPROPRIATIONS

SEC. 304. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this title and the amendments made by this title.

TITLE IV—FEDERAL COURTS IMPROVEMENTS

Subtitle A—Civil Priorities

ESTABLISHMENT OF PRIORITY OF CIVIL ACTIONS

SEC. 401. (a) Chapter 111 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1657. Priority of civil actions

"(a) Notwithstanding any other provision of law, each court of the United States shall determine the order in which civil actions are heard and determined, except that the court shall expedite the consideration of any action brought under chapter 153 or section 1826 of this title, any action for temporary or preliminary injunctive relief, or any other action if good cause therefor is shown. For purposes of this subsection, 'good cause' is shown if a right under the Constitution of the United States or a Federal Statute (including rights under section 552 of title 5) would be maintained in a factual context that indicates that a request for expedited consideration has merit.

"(b) The Judicial Conference of the United States may modify the rules adopted by the courts to determine the order in which civil actions are heard and determined, in order to establish consistency among the judicial circuits.".

(b) The section analysis of chapter 111 of title 28, United States Code, is amended by

adding at the end thereof the following new item:

"1657. Priority of civil actions.".

AMENDMENTS TO OTHER LAWS

SEC. 402. The following provisions of law are amended—

(1)(A) Section 309(a)(10) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(10)) is repealed.

(B) Section 310(c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437h(c)), is repealed.

(2) Section 552(a)(4)(D) of title 5, United States Code, is repealed.

(3) Section 6(a) of the Commodity Exchange Act (7 U.S.C. 8(a)) is amended by striking out "The proceedings in such cases in the court of appeals shall be made a preferred cause and shall be expedited in every way.".

(4)(A) Section 6(c)(4) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136d(c)(4)) is amended by striking out the second sentence.

(B) Section 10(d)(3) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136h(d)(3)) is amended by striking out "The court shall give expedited consideration to any such action.".

(C) Section 16(b) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136n(b)) is amended by striking out the last sentence.

(D) Section 25(a)(4)(E)(iii) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w(a)(4)(E)(iii)) is repealed.

(5) Section 204(d) of the Packers and Stockyards Act, 1921 (7 U.S.C. 194(d)), is amended by striking out the second sentence.

(6) Section 366 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1366) is amended in the fourth sentence by striking out "At the earliest convenient time, the court, in term time or vacation," and inserting in lieu thereof "The court".

(7)(A) Section 410 of the Federal Seed Act (7 U.S.C. 1600) is amended by striking out "The proceedings in such cases in the court of appeals shall be made a preferred cause and shall be expedited in every way.".

(B) Section 411 of the Federal Seed Act (7 U.S.C. 1601) is amended by striking out "The proceedings in such cases shall be made a preferred cause and shall be expedited in every way.".

(8) Section 816(c)(4) of the Act of October 7, 1975, commonly known as the Department of Defense Appropriation Authorization Act of 1976 (10 U.S.C. 2304 note) is amended by striking out the last sentence.

(9) Section 5(d)(6)(A) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(d)(6)(A)) is amended by striking out "Such proceedings shall be given precedence over other cases pending in such courts, and shall be in every way expedited.".

(10)(A) Section 7A(f)(2) of the Clayton Act (15 U.S.C. 18a(f)(2)) is amended to read as follows: "(2) certifies to the United States district court for the judicial district within which the respondent resides or carries on business, or in which the action is brought, that it or he believes that the public interest requires relief pendente lite pursuant to this subsection, then upon the filing of such motion and certification, the chief judge of such district court shall immediately notify the chief judge of the United States court of appeals for the circuit in which such district court is located, who shall designate a United States district judge to whom such action shall be assigned for all purposes.".

(B) Section 11(e) of Clayton Act (15 U.S.C. 21(e)) is amended by striking out the first sentence.

(11) Section 1 of the Act of February 11, 1903, commonly known as the Expediting Act (15 U.S.C. 28) is repealed.

(12) Section 5(e) of the Federal Trade Commission Act (15 U.S.C. 45(3)) is amended by striking out the first sentence.

(13) Section 21(f)(3) of the Federal Trade Commission Improvements Act of 1980 (15 U.S.C. 57a-1(f)(3)) is repealed.

(14) Section 11A(c)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78k-1(c)(4)) is amended—

(A) by striking out "(A)" after "(4)"; and

(B) by striking out subparagraph (B).

(15(A) Section 309(e) of the Small Business Investment Act of 1958 (15 U.S.C. 687a(e)) is amended by striking out the sixth sentence.

(B) Section 309(f) of the Small Business Investment Act of 1958 (15 U.S.C. 687a(f)) is amended by striking out the last sentence.

(C) Section 311(a) of the Small Business Investment Act of 1958 (15 U.S.C. 687c(a)) is amended by striking out the last sentence.

(16) Section 10(c)(2) of the Alaska Natural Gas Transportation Act (15 U.S.C. 719h(c)(2)) is repealed.

(17) Section 155(a) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1415(a)) is amended be striking out "(1)" and by striking out paragraph (2).

(18) Section 503(b)(3)(E) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2003(b)(3)(E)) is amended by striking out clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively.

(19) Section 23(d) of the Toxic Substances Control Act (15 U.S.C. 2622(d)) is amended by striking out the last sentence.

(20) Section 12(e)(3) of the Coastal Zone Management Improvement Act of 1980 (16 U.S.C. 1463a(e)(3)) is repealed.

(21) Section 11 of the Act of September 28, 1975 (16 U.S.C. 1910), is amended by striking out the last sentence.

(22)(A) Section 807(b) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3117(b)) is repealed.

(B) Section 1108 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3168) is amended to read as follows:

"INJUNCTIVE RELIEF

SEC. 1108. No court shall have jurisdiction to grant any injunctive relief lasting longer than ninety days against any action pursuant to this title except in conjunction with a final judgment entered in a case involving an action pursuant to this title.".

(23)(A) Section 10(b)(3) of the Central Idaho Wilderness Act of 1980 (Public Law 96-312; 94 Stat. 948) is repealed.

(B) Section 10(c) of the Central Idaho Wilderness Act of 1980 is amended to read as follows:

"(c) Any review of any decision of the United States District Court for the District of Idaho shall be made by the Ninth Circuit Court of Appeals of the United States.".

(24)(A) Section 1964(b) of title 18, United States Code, is amended by striking out the second sentence.

(B) Section 1966 of title 18, United States Code, is amended by striking out the last sentence.

(25)(A) Section 408(i)(5) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 346a(i)(5)) is amended by striking out the last sentence.

(B) Section 409(g)(2) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 348(g)(2)) is amended by striking out the last sentence.

(26) Section 8(f) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 618(f)) is amended by striking out the last sentence.

(27) Section 4 of the Act of December 22, 1974 (25 U.S.C. 640d-3), is amended by striking out "(a)" and by striking out subsection (b).

(28)(A) Section 3310(e) of the Internal Revenue Code of 1954 (26 U.S.C. 3310(e)) is repealed.

(B) Section 6110(f)(5) of the Internal Revenue Code of 1954 (26 U.S.C. 6110(f)(5)) is amended by striking out "and the Court of Appeals shall expedite any review of such decision in every way possible".

(C) Section 6363(d)(4) of the Internal Revenue Code of 1954 (2 U.S.C. 6363(d)(4)) is repealed.

(D) Section 7609(h)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 7609(h)(3)) is repealed.

(E) Section 9010(c) of the Internal Revenue Code of the 1954 (26 U.S.C. 9010(c)) is amended by striking out the last sentence.

(F) Section 9011(b)(2) of the Internal Revenue Code of 1954 (26 U.S.C. 9011(b)(2)) is amended by striking out the last sentence.

(29)(A) Section 596(a)(3) of title 28, United States Code, is amended by striking out the last sentence.

(B) Section 636(c)(4) of title 28, United States Code, is amended in the second sentence by striking out "expeditious and".

(C) Section 1296 of title 28, United States Code, and the item relating to that section in the section analysis of chapter 83 of that title, are repealed.

(D) Subsection (C) of section 1364 of title 28, United States Code, the section heading of which reads "Senate actions", is repealed.

(E) Section 2284(b)(2) of title 28, United States Code, is amended by striking out the last sentence.

(F) Section 2349(b) of title 28, United States Code, is amended by striking out the last two sentences.

(G) Section 2647 of title 28, United States Code, and the item relating to that section in the section analysis of chapter 169 of that title, are repealed.

(30) Section 10 of the Act of March 23, 1932, commonly known as the Norris-LaGuardia Act (29 U.S.C. 110), is amended by striking out "with the greatest possible expedition" and all that follows through the end of the sentence and inserting in lieu thereof "expeditiously".

(31) Section 10(i) of the National Labor Relations Act (29 U.S.C. 160(l)) is repealed.

(32) Section 11(a) of the Occupational Safety and Health Act of 1970 (29 U.S.C. 660(a)) is amended by striking out the last sentence.

(33) Section 4003(e)(4) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1303(e)(4)) is repealed.

(34) Section 106(a)(1) of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 816(a)(1)) is amended by striking out the last sentence.

(35) Section 1016 of the Impoundment Control Act of 1974 (31 U.S.C. 1406) is amended by striking out the second sentence.

(36) Section 2022 of title 38, United States Code, is amended by striking out "The court shall order speedy hearing in any such case and shall advance it on the calendar.".

(37) Section 3628 of title 39, United States Code, is amended by striking out the fourth sentence.

(38) Section 1450(1)(4) of the Public Health Service Act (42 U.S.C. 300j-9(i)(4)) is amended by striking out the last sentence.

(39) Section 304(e) of the Social Security Act (42 U.S.C. 504(e)) is repealed.

(40) Section 814 of the Act of April 11, 1968, (42 U.S.C. 3614), is repealed.

(41) The matter under the subheading "Exploration of National Petroleum Reserve in Alaska" under the headings "ENERGY AND MINERALS" and "GEOLOGICAL SURVEY" in title I of the Act of December 12, 1980 (94 Stat. 2964; 42 U.S.C. 6508), is amended in the third paragraph by striking out the last sentence.

(42) Section 214(b) of the Emergency Energy Conservation Act of 1979 (42 U.S.C. 8514(b)) is repealed.

(43) Section 2 of the Act of February 25, 1885 (43 U.S.C. 1062), is amended by striking out "; and any suit brought under the provisions of this section shall have precedence for hearing and trial over other cases on the civil docket of the court, and shall be tried and determined at the earliest practicable day".

(44) Section 23(d) of the Outer Continental Shelf Lands Act (43 U.S.C. 1349(d)) is repealed.

(45) Section 511(c) of the Public Utilities Regulatory Policies Act of 1978 (43 U.S.C. 2011(c)) is amended by striking out "Any such proceeding shall be assigned for hearing at the earliest possible date and shall be expedited by such court.".

(46) Section 203(d) of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1652(d)) is amended by striking out the fourth sentence.

(47) Section 5(f) of the Railroad Unemployment Insurance Act (45 U.S.C. 355(f)) is amended by striking out ", and shall be given precedence in the adjudication thereof over all other civil cases not otherwise entitled by law to precedence".

(48) Section 305(d)(2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 745(d)(2)) is amended—

(A) in the first sentence by striking out "Within 180 days after" and inserting in lieu thereof "After"; and

(B) in the last sentence by striking out "Within 90 days after" and inserting in lieu thereof "After".

(49) Section 124(b) of the Rock Island Transition and Employee Assistance Act (45 U.S.C. 1018(b)) is amended by striking out ", and shall render a final decision no later than 60 days after the date the last such appeal is filed".

(50) Section 402(g) of the Communications Act of 1934 (47 U.S.C. 402(g)) is amended—

(A) by striking out "At the earliest convenient time the" and inserting in lieu thereof "The"; and

(B) by striking out "10(e) of the Administrative Procedure Act" and inserting in lieu thereof "706" of title 5, United States Code".

(51) Section 405(e) of the Surface Transportation Assistance Act of 1982 (Public Law 97-424; 49 U.S.C. 2305(e)) is amended by striking out the last sentence.

(52) Section 606(c)(1) of the Rail Safety and Service Improvement Act of 1982 (Public Law 97-468; 49 U.S.C. 1205(c)(1)) is amended by striking out the second sentence.

(53) Section 13A(a) of the Subversive Activities Control Act of 1950 (50 U.S.C. 792a note) is amended in the third sentence by striking out "or any court".

(54) Section 12(a) of the Military Selective Service Act of 1967 (50 U.S.C. App. 462(a)) is amended by striking out the last sentence.

(55) Section 4(b) of the Act of July 2, 1948 (50 U.S.C. App. 1984(b)), is amended by striking out the last sentence.

EFFECTIVE DATE

SEC. 403. The amendments made by this subtitle shall not apply to cases pending on the date of the enactment of this subtitle.

Subtitle B—District Court Organization

SEC. 404. This subtitle may be cited as the Federal District Court Organization Act of 1984".

SEC. 405. The second sentence of subsection (c) of section 112 of title 28, United States Code, is amended to read as follows:

"Court for the Eastern District shall be held at Brooklyn, Hauppauge, and Hempstead (including the village of Uniondale).".

SEC. 406. (a) Subsection (a) of section 93 of title 28, United States Code, is amended—

(1) in paragraph (1) by striking out "De Kalb," and "McHenry,"; and

(2) in paragraph (2)—

(A) by inserting "De Kalb," immediately after "Carroll,"; and

(B) by inserting "McHenry," immediately after "Lee,".

(b) The amendments made by subsection (a) of this section shall apply to any action commenced in the United States District Court for the Northern District of Illinois on or after the effective date of this subtitle, and shall not affect any action pending in such court on such effective date.

"(c) The second sentence of subsection (b) of section 93 of title 28, United States Code, is amended by inserting 'Champaign/Urbana,' before 'Danville'."

SEC. 407. (a) Subsection (b) of section 124 of title 26, United States Code, is amended—

(1) by striking out "six divisions" and inserting in lieu thereof "seven divisions";

(2) In paragraph (4) by striking out ", Hidalgo, Starr"; and

(3) by adding at the end thereof the following:

"(7) The McAllen Division comprises the counties of Hidalgo and Starr.

"Court for the McAllen Division shall be held at McAllen.".

(b) The amendments made by subsection (a) of this section shall apply to any action commenced in the United States District Court for the Southern District of Texas on or after the effective date of this subtitle, and shall not affect any action pending in such court on such effective date.

SEC. 408. (a) Paragraph (1) of section 90 (a) of title 28, United States Code, is amended—

(1) by inserting "Fannin," after "Dawson,";

(2) by inserting "Gilmer," after "Forsyth,"; and

(3) by inserting "Pickens," after "Lumpkin,".

(b) Paragraph (2) of section 90(a) of title 28, United States Code, is amended by striking out "Fannin,", "Gilmer,", and "Pickens,".

(c) Paragraph (6) of section 90(c) of title 28, United States Code, is amended by striking out "Swainsboro" each place it appears and inserting in lieu thereof "Statesboro".

(d) The amendments made by this section shall apply to any action commenced in the United States District Court for the Northern District of Georgia on or after the effective date of this subtitle, and shall not affect any action pending in such court on such effective date.

SEC. 409. Section 85 of title 28, United States Code, is amended by inserting "Boulder," before "Denver".

SEC. 410. The second sentence of section 126 of title 28, United States Code, is amended by inserting "Bennington," before "Brattleboro".

SEC. 411. (a) The amendments made by this subtitle shall take effect on January 1, 1985.

(b) The amendments made by this subtitle shall not affect the composition, or preclude the service, of any grand or petit jury summoned, impaneled, or actually serving on the effective date of this subtitle.

"SUBTITLE C—AMENDMENTS TO THE FEDERAL COURTS IMPROVEMENTS ACT OF 1982"

This subtitle may be cited as the "Technical Amendments to the Federal Courts Improvement Act of 1982".

SEC. 412. (a) Section 1292(b) of title 28, United States Code, is amended by inserting "which would have jurisdiction of an appeal of such action" after "The Court of Appeals".

(b) Section 1292(c)(1) of title 28, United States Code, is amended by inserting "or (b)" after "(a)".

SEC. 413. Section 337(c) of the Tariff Act of 1930 (19 U.S.C. 1337(c)) is amended in the fourth sentence by inserting ", within 60 days after the determination becomes final," after "appeal such determination".

SEC. 414. (a) Sections 142, 143, and 144 of title 35, United States Code, are amended to read as follows:

"§ 142. Notice of appeal

"When an appeal is taken to the United States Court of Appeals for the Federal Circuit, the appellant shall file in the Patent and Trademark Office a written notice of appeal directed to the Commissioner, within such time after the date of the decision from which the appeal is taken as the Commissioner prescribes, but in no case less than 60 days after that date.

"§ 143. Proceedings on appeal

"With respect to an appeal described in section 142 of this title, the Commissioner shall transmit to the United States Court of Appeals for the Federal Circuit a certified list of the documents comprising the record in the Patent and Trademark Office. The court may request that the Commissioner forward the original or certified copies of such documents during pendency of the appeal. In an ex parte case, the Commissioner shall submit to the court in writing the grounds for the decision of the Patent and Trademark Office, addressing all the issues involved in the appeal. The court shall, before hearing an appeal, give notice of the time and place of the hearing to the Commissioner and the parties in the appeal.

"§ 144. Decision on appeal

"The United States Court of Appeals for the Federal Circuit shall review the decision from which an appeal is taken on the record before the Patent and Trademark Office. Upon its determination the court shall issue to the Commissioner its mandate and opinion, which shall be entered of record in the Patent and Trademark Office and shall govern the further proceedings in the case.".

(b) Paragraphs (2), (3), and (4) of subsection (a) of section 21 of the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes",

approved July 5, 1946 (15 U.S.C. 1071(a) (2), (3), and (4)), are amended to read as follows:

"(2) When an appeal is taken to the United States Court of Appeals for the Federal Circuit, the appellant shall file in the Patent and Trademark Office a written notice of appeal directed to the Commissioner, within such time after the date of the decision from which the appeal is taken as the Commissioner prescribes, but in no case less than 60 days after that date.

"(3) The Commissioner shall transmit to the United States Court of Appeals for the Federal Circuit a certified list of the documents comprising the record in the Patent and Trademark Office. The court may request that the Commissioner forward the original or certified copies of such documents during pendency of the appeal. In an ex parte case, the Commissioner shall submit to that court a brief explaining the grounds for the decision of the Patent and Trademark Office, addressing all the issues involved in the appeal. The court shall, before hearing an appeal, give notice of the time and place of the hearing to the Commissioner and the parties in the appeal.

"(4) The United States Court of Appeals for the Federal Circuit shall review the decision from which the appeal is taken on the record before the Patent and Trademark Office. Upon its determination the court shall issue its mandate and opinion to the Commissioner, which shall be entered of record in the Patent and Trademark Office and shall govern the further proceedings in the case.".

(c) The amendments made by this section shall apply to proceedings pending in the Patent and Trademark Office on the date of the enactment of this Act and to appeals pending in the United States Court of Appeals for the Federal Circuit on such date.

SEC. 415. Any individual who, on the date of the enactment of the Federal Courts Improvement Act of 1982, was serving as marshal for the Court of Appeals for the District of Columbia under section 713(c) of title 28, United States Code, may, after the date of the enactment of this Act, so serve under that section as in effect on the date of the enactment of the Federal Courts Improvement Act of 1982. While such individual so serves, the provisions of section 714(a) of title 28, United States Code, shall not apply to the Court of Appeals for the District of Columbia.

SEC. 416. Title 28, United States Code, is amended in the following respects:

(a) There shall be inserted, after section 797 thereof, in chapter 51 thereof, the following new section 798, which shall read as follows:

"798. PLACES OF HOLDING COURT; APPOINTMENT OF SPECIAL MASTERS.

"a. The United States Claims Court is hereby authorized to utilize facilities and hold court in Washington, D.C., and in four locations outside of the Washington, D.C., metropolitan area, for the purpose of conducting trials and such other proceedings as may be appropriate to executing the court's functions. The Director of the Administrative Office of the United States Courts shall designate such locations and provide for such facilities.

"b. The Chief Judge of the Claims Court may appoint special masters to assist the count in carrying out its functions. Any special masters so appointed shall carry out their responsibilities and be compensated in accordance with procedures set forth in the rules of the court."

(b) The caption of chapter 51, title 28 shall be amended to include the following item:

"798. PLACES OF HOLDING COURT; APPOINTMENT OF SPECIAL MASTERS.".

TITLE V—GOVERNMENT RESEARCH AND DEVELOPMENT PATENT POLICY

SEC. 501. Chapter 18 of title 35, United States Code, is amended—

(1) by adding "or any novel variety of plant which is or may be protectable under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.)" immediately after "title" in section 201(d);

(2) by adding ": *Provided*, That in the case of a variety of plant, the date of determination (as defined in section 41(d) of the Plant Variety Protection Act (7 U.S.C. 2401(d))) must also occur during the period of contract performance" immediately after "agreement" in section 201(e);

(3) in section 202(a), by amending clause (i) to read as follows: "(i) when the contractor is not located in the United States or does not have a place of business located in the United States or is subject to the control of a foreign government,"; by striking the word "or" before "iii", and by adding, after the words "security of such activities" in the first sentence of such paragraph, the following: "or, iv) when the funding agreement includes the operation of a Government-owned, contractor-operated facility of the Department of Energy primarily dedicated to that Department's naval nuclear propulsion or weapons related programs and all funding agreement limitations under this subparagraph on the contractor's right to elect title to a subject invention are limited to inventions occurring under the above two programs of the Department of Energy.".

(4) by amending paragraphs (1) and (2) of section 202(b) to read as follows:

"(b) The rights of the Government under subsection (a) shall not be exercised by a Federal agency unless it first determines that at least one of the conditions identified in clauses (i) through (iii) of subsection (a) exists. Except in the case of subsection (a)(iii), the agency shall file with the Secretary of Commerce, within thirty days after the award of the applicable funding agreement, a copy of such determination. In the case of a determination under subsection (a)(ii), the statement shall include an analysis justifying the determination. In the case of determinations applicable to funding agreements with small business firms, copies shall also be sent to the Chief Counsel for Advocacy of the Small Business Administration. If the Secretary of Commerce believes that any individual determination or pattern of determinations is contrary to the policies and objectives of this chapter or otherwise not in conformance with this chapter, the Secretary shall so advise the head of the agency concerned and the Administrator of the Office of Federal Procurement Policy, and recommend corrective actions.

"(2) Whenever the Administrator of the Office of Federal Procurement Policy has determined that one or more Federal agencies are utilizing the authority of clause (i) or (ii) of subsection (a) of this section in a manner that is contrary to the policies and objectives of this chapter, the Administrator is authorized to issue regulations describing classes of situations in which agencies may not exercise the authorities of those clauses.";

(4A) By adding at the end of section 202(b) the following new paragraph:

"(4) If the contractor believes that a determination is contrary to the policies and objectives of this chapter or constitutes an abuse of discretion by the agency, the determination shall be subject to the last paragraph of section 203(2)."

(5) by amending paragraphs (1), (2), (3), and (4) of section 202(c) to read as follows:

"(1) That the contractor disclose each subject invention to the Federal agency within a reasonable time after it becomes known to contractor personnel responsible for the administration of patent matters, and that the Federal Government may receive title to any subject invention not disclosed to it within such time.

"(2) That the contractor make a written election within two years after disclosure to the Federal agency (or such additional time as may be approved by the Federal agency) whether the contractor will retain title to a subject invention: *Provided*, That in any case where publication, on sale, or public use, has initiated the one year statutory period in which valid patent protection can still be obtained in the United States, the period for election may be shortened by the Federal agency to a date that is not more than sixty days prior to the end of the statutory period: *And provided further*, That the Federal Government may receive title to any subject invention in which the contractor does not elect to retain rights or fails to elect rights within such times.

"(3) That a contractor electing rights in a subject invention agrees to file a patent application prior to any statutory bar date that may occur under this title due to publication, on sale, or public use, and shall thereafter file corresponding patent applications in other countries in which it wishes to retain title within reasonable times, and that the Federal Government may receive title to any subject inventions in the United States or other countries in which the contractor has not filed patent applications on the subject invention within such times.

"(4) With respect to any invention in which the contractor elects rights, the Federal agency shall have a nonexclusive, nontransferrable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States any subject invention throughout the world: *Provided*, That the funding agreement may provide for such additional rights; including the right to assign or have assigned foreign patent rights in the subject invention, as are determined by the agency as necessary for meeting the obligations of the United States under any treaty, international agreement, arrangement of cooperation, memorandum of understanding, or similar arrangement, including military agreements relating to weapons development and production.".

(6) by striking out "may" in section 202(c)(5) and inserting in lieu thereof "as well as any information on utilization or efforts at obtaining utilization obtained as part of a proceeding under section 203 of this chapter shall";

(7) by striking out "and which is not, itself, engaged in or does not hold a substantial interest in other organizations engaged in the manufacture or sales of products or the use of processes that might utilize the invention or be in competition with embodiments of the invention" in clause (A) of section 202(c)(7);

(8) by amending clause (B)–(D) of section 202(c)(7) to read as follows: "(B) a requirement that the contractor share royalties with the inventor; "(C) except with respect to a funding agreement for the operation of

a Government-owned-contractor-operated facility, a requirement that the balance of any royalties or income earned by the contractor with respect to subject inventions, after payment of expenses; (including payments to inventors) incidental to the administration of subject inventions", be utilized for the support of scientific research; or education; (D) a requirement that, except where it proves infeasible after a reasonable inquiry, in the licensing of subject inventions shall be given to small business firms; and (E) with respect to a funding agreement for the operation of a Government-owned-contractor-operated facility, requirements (i) that after payment of patenting costs, licensing costs, payments to inventors, and other expenses incidental to the administration of subject inventions, 100 percent of the balance of any royalties or income earned and retained by the contractor during any fiscal year, up to an amount equal to five percent of the annual budget of the facility, shall be used by the contractor for scientific research, development, and education consistent with the research and development mission and objectives of the facility, including activities that increase the licensing potential of other inventions of the facility; provided that if said balance exceeds five percent of the annual budget of the facility, that 75 percent of such excess shall be payed to the Treasury of the United States and the remaining 25 percent shall be used for the same purposes as described above in this clause (D) and (ii) that, to the extent it provides the most effective technology transfer, the licensing of subject inventions shall be administered by contractor employees on location at the facility."

(9) By adding "(1.) before the word "With" in the first line of section 203, and by adding at the end of section 203 the following: "(2) A determination pursuant to this section or section 202(b)(4) shall not be subject to the Contract Disputes Act (41 U.S.C. s. 601 et seq.). An administrative appeals procedure shall be established by regulations promulgated in accordance with section 206. Additionally, any contractor, inventor, assignee, or exclusive licensee adversely affected by a determination under this section may, at any time within sixty days after the determination is issued, file a petition in the United States Claims Court, which shall have jurisdiction to determine the "appeal on the record and to affirm, reverse, remand or modify, ", as appropriate, the determination of the Federal agency. In cases described in paragraphs (a) and (c), the agency's determination shall be held in abeyance pending the exhaustion of appeals or petitions filed under the preceding sentence.";

(10) by amending section 206 to read as follows:

"§ 206. Uniform clauses and regulations

"The Secretary of Commerce may issue regulations which may be made applicable to Federal agencies implementing the provisions of sections 202 through 204 of this chapter and shall establish standard funding agreement provisions required under this chapter. The regulations and the standard funding agreement shall be subject to public comment before their issuance.";

(11) in section 207 by inserting "(a)" before "Each Federal" and by adding the following new subsection at the end thereof:

"(b) For the purpose of assuring the effective management of Government-owned inventions, the Secretary of Commerce authorized to—

"(1) assist Federal agency efforts to promote the licensing and utilization of Government-owned inventions;

"(2) assist Federal agencies in seeking protection and maintaining inventions in foreign countries, including the payment of fees and costs connected therewith; and

"(3) consult with and advise Federal agencies as to areas of science and technology research and development with potential for commercial utilization."; and

(12) in section 208 by striking out "Administrator of General Services" and inserting in lieu thereof "Secretary of Commerce".

(13) By deleting from the first sentence of section 210(c), "August 23, 1971 (36 Fed. Reg. 16887)" and inserting in lieu there of "February 18, 1983", and by inserting the following before the period at the end of the first sentence of section 210(c) "except that all funding agreements, including those with other than small business firms and nonprofit organizations, shall include the requirements established in paragraph 202(c)(4) and section 203 of this title."

(14) by adding at the end thereof the following new section:

"Sec. 212. Disposition of rights in educational awards

"No scholarship, fellowship, training grant, or other funding agreement made by a Federal agency primarily to an awardee for educational purposes will contain any provision giving the Federal agency any right to inventions made by the awardee." and

(15) by adding at the end of the table of sections for the chapter the following new items:

"212. Disposition of rights in education awards.".

The SPEAKER pro tempore. The gentleman from Wisconsin [Mr. KASTENMEIER] is recognized for 1 hour.

□ 1310

Mr. KASTENMEIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me state at the outset that I will yield for purposes of debate only.

Mr. Speaker, I rise in not only strong support of H.R. 6163, as amended by the Senate, but in urgent support of it.

H.R. 6163 is entitled a bill to amend title 28, United States Code, "with respect to the places where court shall be held in certain judicial districts." Looking at the length and complexity of the Senate amendment, however, the amended bill bears little resemblance to the bill that we passed unanimously under suspension of the rules of September 24, 1984. A clear and concise four-page bill has become a 65-page bill with five titles.

What has the Senate wrought? Is it trying to jam down the House's throat a long list of special interest projects? Is the Senate sending us the residue of certain ill-fated legislative projects? Or has the Senate simply used its finite time in the waning days of the 98th Congress to refashion into an omnibus package a number of House-passed initiatives that have broad-based support in the House and Senate or have become high priorities with the administration?

In all candor, there may have been a little bargaining in the other body; it nonetheless is my contention that the Senate has sent us a responsible package: a package that we should pass. In my capacity as chairman of the House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice, I feel qualified to make this statement. An examination of the Senate amendment shows that every section in it falls within my subcommittee's jurisdiction, either in the court reform area or as relates to copyright, patents and trademarks. I and my staff have reviewed the bill in its entirety. As to substance, the amendment's provisions satisfy the high standards necessary for enactment of a public law. There are no special interest provisions, no private patent or trademark bills, no water projects. There is not a single section in the bill that has not received the attention of my subcommittee.

The Federal budgetary implications for the package are minimal. It is estimated that the increased tax revenues, both corporate and employee, resulting from title III of the bill (semiconductor chip protection), standing alone, will more than offset the cost impact of title II (State Justice Institute).

With two exceptions, the Senate amendment to H.R. 6163 is a collection of bills passed unanimously by the House either under suspension of the rules or by consent. The two exceptions were both reported by House Committees: One of these—the State Justice bill—was given a strong majority vote on the House floor but failed on suspension. The other was reported by voice vote by the House Science and Technology Committee.

I should state at the outset that the package was not my idea. I did confer with several Senators, however, and made it abundantly clear that certain items—that previously had received no treatment or had substantial opposition in the House—should not be added to the bill. In addition, I worked very closly with my counterpart Senate subcommittee chairman, the senior Senator from Maryland [CHARLES MCC. MATHIAS, JR.] to reach agreement of the semiconductor chip and trademark improvement bills. I would like to single him out for his efforts.

I would also like to thank Senators THURMOND, DOLE, HATCH, LEAHY, and METZENBAUM for their cooperation and assistance. Senate staff is also recognized for its efforts. I additionally would like to express appreciation to the members of my subcommittee. [Mr. BROOKS, Mr. MAZZOLI, Mr. SYNAR, Mrs. SCHROEDER, Mr. GLICKMAN, Mr. FRANK, Mr. MORRISON of Connecticut, Mr. BERMAN, Mr. MOORHEAD, Mr. HYDE, Mr. DEWINE, Mr. KINDNESS, and Mr.

SAWYER] for their unwavering support on this package. I have to admit that being chairman of a 14-member subcommittee is a bit of a burden. However, having 13 highly-qualified and experienced lawyers as members certainly provides me the necessary ingredients for a great team effort.

Now, Mr. Speaker, I would like to inform the Members about the Senate amendment in some detail. Under my discussion of each title, I will highlight previous House action on the proposed legislation. At the end of my remarks, I will submit into the record further analysis of several changes to House bills made by the Senate amendment in order to supplement the legislative history. This latter analysis will primarily focus on the semiconductor chip legislation, the most important provision in the package, but may touch briefly on other elements in the package.

TITLE I: TRADEMARK IMPROVEMENTS

Title I of the Senate amendment clarifies the circumstances under which a trademark may be canceled or considered abandoned. Originally presented to the House as H.R. 6285, this title passed on October 1, 1984, unanimously by voice vote.

Title I of this bill includes provisions which clarify the circumstances under which a trademark can be found to have become generic. The language in the bill before us is derived from the version reported by the Senate Judiciary Committee in S. 1990, with an amendment. The House passed a bill with the identical purpose on October 1, 1984, as H.R. 6285. The substance of the two bills is identical. The only difference between the two bills related to the effective date section. The measure before us includes an effective date section which uses the language not found in the House-passed bill. The informal negotiations on this measure produced both the effective date amendment and the following statement of explanation.

This act does not overrule the Anti-Monopoly decision as to the parties in that case. *Anti-Monopoly, Inc.* v. *General Mills Fun Group, Inc.*, 684 F.2d 1316 (9th Cir. 1982), cert. denied, 103 S.Ct. 1234 (1983). The bill merely overturns certain elements in the reasoning in that case. In addition, this act also does not say whether or not monopoly is a valid trademark. This Congress is not in a position to make a decision on the validity of that mark.

Section 104 does not forbid the reopening of judgments on grounds other than the passage of this legislation, such as on the basis of newly discovered evidence. It does, however, clearly forbid the reopening of any judgment entered prior to the date of enactment of this act based on the provisions of this legislation.

By virtue of this act, Congress does not intend to alter accepted principles of collateral estoppel and res judicata. These are judicial doctrines of continuing validity, and should be applied by the courts in accordance with all appropriate equitable considerations.

In section 104, the phrase "final judgment" is used in the same sense as "judgment" is used in the Federal Rules of Civil and Appellate Procedure to include a decree and any order from which an appeal lies. (See rule 54, Fed. R. Civ.P.)

Any student interested in the legislative history of section 104 will note that my explanatory language is virtually identical to that presented on the Senate floor by my counterpart subcommittee chair Senator CHARLES MCC. MATHIAS, JR. Our joint language, in the absence of a conference report, represents the official legislative history of section 104.

In construing the meaning of this provision the courts should, of course, be guided by the plain language of the statute. To the extent that there is any ambiguity, the courts will primarily look to the floor statements of the bill's sponsors. See *Turpin* v. *Burgess*, 117 U.S. 504, 505-506 (1886); *National Small Shipments Conference* v. *Civil Aeronautics Board*, 618 F.2d 819, 828 (D.C. Cir. 1980).

I insert in the RECORD a letter to me from Senator MATHIAS that clarifies our understanding:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, DC, October 9, 1984.

Hon. ROBERT W. KASTENMEIER,
Chairman, Subcommittee on Courts, Civil Liberties, and the Administration of Justice, Committee on the Judiciary, House of Representatives, Washington, DC.

DEAR CHAIRMAN KASTENMEIER: I am writing in my capacity as Chairman of the Senate Subcommittee on Patents, Copyrights, and Trademarks, to clarify the legislative intent of the Trademark Clarification Act of 1984, which passed the Senate on October 3, 1984 as Title I of H.R. 6163. As you know, this bill is a compromise between S. 1990, a bill reported out of the Subcommittee on Patents, Copyrights, and Trademarks, and H.R. 6285, a bill reported out of the House Subcommittee on Courts, Civil Liberties, and the Administration of Justice.

I want to confirm at this time our mutual understanding about section 4 of this Act, which is adapted from section 4 of H.R. 6285. As you know, it is possible that there might be future litigation about trademarks whose validity has previously been adjudicated under the test of the *Anti-Monopoly* case. Should such litigation arise, the courts should apply accepted principles of *res judicata* and collateral estoppel. These are complex, multi-factor doctrines developed by the courts, and there is a large body of decisions applying these doctrines. The citation of any particular court decisions in any of the legislative history of this measure should not be construed as an indication that such cases are to be given any greater weight than other cases applying these complex doctrines.

With best wishes,
Sincerely,
CHARLES MCC. MATHIAS, JR.,
U.S. Senator.

TITLE II: STATE JUSTICE INSTITUTE

Title II of the Senate amendment is designed to aid State and local governments in strengthening their judicial systems and improving the fight against crime through the creation of a State Justice Institute. This title was brought to the House in the form of H.R. 4145 on May 22, 1984. It had over 40 cosponsors from both sides of the aisle. Although H.R. 4145 received a strong majority vote of 243 to 176, it failed to achieve the necessary two-thirds for passage on the suspension calendar. Parenthetically, I should note that the Senate amendment changed the funding of the Institute from $20,000,000 (fiscal year 1985), $25,000,000 (fiscal year 1986), and $25,000,000 (fiscal year 1987) to $13,000,000 (fiscal 1986), $15,000,000 (fiscal 1987), and $15,000,000 (fiscal 1988). This reduction represents a total saving to the Federal Government of $28,000,000. In addition, the Senate amendment increases the State matching grant requirement from 25 to 50 percent. Last, the amendment gives the Attorney General of the United States responsibility to report to Congress on whether the Institute is being cost effective, is meeting its statutory purposes, and is respecting the limitations and restrictions placed on it by the Congress. Thus, from an opponent's perspective, the bill before us today is a better bill than we voted on several months ago.

In all other respects, the Senate passed bill is the same as H.R. 4145.

Mr. Speaker, since we last considered the issue of a State Justice Institute, one issue has arisen that I want to clarify for the legislative history. Fear has been expressed that the statutory provision relating to "grants and contracts" may be construed to exclude, on a noncompetitive basis, entities other than those listed in section 206(b)(1) of the Senate amendment to H.R. 6163.

I would like to emphasize that what is contemplated is that research and experimentation will be conducted by a diversity of institutions. The proposed institute is specifically designed to be administered in keeping with the doctrines of federalism and separation of powers. This means that the State Chief Justices and the State courts themselves will play a key role in determining the nature and recipient of the institute's funds. Further, the institute is designed to be a small developmental and coordinating agency rather than a large operating agency with a centralized bureaucracy. This is to ensure that different kinds of research could be carried out by those institutions best equipped to do research, without wasteful duplication of facilities. The same holds true for judicial education.

In order to achieve the legislation's research mandate, which admittedly is only one aspect of the institute's overall charge, it will be necessary to call upon the strengths of our academic centers as well as the research operations of our judicial institutions.

I, therefore, contemplate a mix of research by institutions connected to the judiciary and by independent academic centers with a proven capacity for high quality research of this Nation's justice system. I also envision the possibility of major law schools working together with their State supreme court on an experiment designed to improve the judiciary of their respective State.

My own State of Wisconsin has a highly respected law school; members of the faculty has commented on and assisted in the drafting of this legislation. The University of Wisconsin Law School, through its legal assistance to inmates program and its disputes processing research program, has established itself as a center for high quality work in both the civil and criminal justice areas. Other law schools have similar fine programs. There certainly is every intention of utilizing in the public interest the resources of law schools such as my own.

In short, the priority treatment accorded State courts in section 206 of the Senate amendment will not serve to preclude law schools from engaging in any endeavor designed to improve the functioning of our State judicial systems. On the contrary, this Nation's legal institutions are encouraged to come forward and to engage in a mutually stimulating exchange between academic centers, research institutions attached to the judiciary, and State judges and court administrators.

TYPE III: SEMICONDUCTOR CHIP PROTECTION

Without question, title III of the Senate amendment is the most important section in the bill. It amends the Copyright Act to protect semiconductor chip products in such a manner as to reward creativity, encourage innovation, research, and investment in the semiconductor industry, and prevent piracy. The Senate amendment is a 95 percent recession to the measure that was brought before the House on June 11, 1984 (see H.R. 5525) and that passed by a recorded vote of 388 to 0. Title III is an opportunity to create the first new form of intellectual property since passage of the Lanham Act in the 1870's. I know that the administration places a great deal of emphasis on passage of the semiconductor chip legislation.

Before discussing the next title, I would like to pause and note the efforts of two respected colleagues from California, Mr. EDWARDS and Mr. MINETA, who as chief sponsors of the semiconductor chip legislation, have worked without fatigue over the past 6 years to achieve what we are voting on today: intellectual property protection for semiconductor chip products.

Title III of H.R. 6163 is the culmination of extensive negotiations between my subcommittee, the Subcommittee on Courts, Civil Liberties, and the Administration of Justice, and the Senate Judiciary Subcommittee on Patents, Trademarks, and Copyrights. Lengthy negotiations were necessary for several reasons. First, there was a fundamental difference in the drafting of the House and Senate bills: the Senate accorded protection for chip products under copyright law and the House established a new sui generis form of protection. In addition, the truly technical characteristics of the property deserving of protection—mask works to semiconductor chip products; the chip, of course, being smaller than a thumbnail—made statutory drafting almost as difficult as understanding the property itself. Last, the House and Senate had different positions on the initial date for commercial exploitation of chip products to be set legislatively in order to qualify for protection under the act. The Senate used January 1, 1980 as the qualifying date and the House set January 1, 1984 as the date.

In any event, we have resolved these and other issues.

In addition to recognizing the efforts of Mr. EDWARDS and Mr. MINETA I again thank my Senate counterparts, the Senator from Maryland, CHARLES MCC. MATHIAS, JR., and the Senator from Vermont, PAT LEAHY, ranking minority member, and their staffs for their hard work. I would be remiss if I did not mention the unwavering cooperation and support that I have received from my own subcommittee members and especially my ranking minority member [Mr. MOORHEAD] on title III.

The measure that I bring before the House today is good legislation. It is a better measure than the one we passed in June by a unanimous vote, and that was a well drafted bill.

The measure before us today is essentially the House-passed version. The Senate amendment contains clarifying and drafting changes which are discussed at length in an "Explanatory Memorandum of the Senate Amendment to S. 1201 (as Considered by the House of Representatives)" which I will insert in the hearing record at the end of my statement, thereby making it part of the legislative history of the act.

Mr. Speaker, this legislation is the first new intellectual property law—as opposed to recodifications—passed by Congress in nearly 100 years. The fundamental import of title III is that it recognizes industrial property as a right.

I am very pleased to report that the House prevailed on the sui generis approach, as opposed to copyright, for protection of semiconductor chip products. The approach that was incorporated in H.R. 5525, and that now has been accepted by the Senate, is that a free-standing form of protection is uniquely suited to the protection of mask works, which represent a unique form of industrial intellectual property.

This new form of industrial property should be contrasted with so-called author's copyright in literary and artistic works protected under traditional copyright principles.

Quite clearly, a mask work is not a book. The measure before us today, therefore, does not engage in the fatal flaw of treating books and mask works similarly.

By not suffering from a "fallacy of analogy"—the words of Judge Stephen Breyer—the act will do no harm to the integrity and substance of copyright law. To the contrary, it may even strengthen traditional copyright principles.

Establishment of general principles of law and consistent application of the law are matters of great import. As observed by Prof. Lyman Patterson, Emory University Law School, before my subcommittee,

> While consistency for its own sake is a virtue of small consequence, consistent principles for a body of law are essential for integrity in the interpretation and administration of that law.

The House therefore prevailed on what I considered to be the most important difference between the House and Senate bills.

I have to admit, however, that the compromise before us incorporates several changes that probably led the Senate at the outset to choose a copyright solution to the problem of chip piracy. Senators MATHIAS and LEAHY have so stated in their floor statements, and I can summarize their thoughts by observing that the compromise before us today is stronger in three regards. First, the House report and the explanatory memoranda introduced during this and Senate floor debate assuage fears of uncertainty in the law, leading possibly to years of litigation while a new body of judicial precedent is established. Without question, litigation will result; but no more or less than arises from any legislative enactment.

Second, the effective date provisions of the act have been strengthened. The Senate amendment provides that the act become effective on the date of enactment, thereby allowing and encouraging commercial exploitation of several chips that have been held off the market awaiting passage of this act. The Copyright Office will have 60 days to prepare for administration. Last, chips commercially exploited on or after July 1, 1983, will receive protection under the act, subject to a 2-

year compulsory license that allows infringers to continue to sell and distribute their inventory of chip products in existence on the date of enactment if they agree to pay reasonable royalties. I am not aware of any infringing chips that presently fall within the category—July 1, 1983 to the present—covered by the act.

Third, I have agreed to clarify that the House-Senate amendment is based on an understanding that Congress does not take a position on the legality, under current law, of chip copying prior to the effective date of this act. There is some language to this effect in the House report. Whether under Federal law—including copyright law—State law, or common law, this act is not intended to affect any legal rights available to chip products commercially exploited prior to July 1, 1983.

An element in the Senate amendment that the House can take some credit for is an international transition provision. Under H.R. 5525 it was possible for foreign concerns to obtain mask work protection in the United States by transferring all rights under the proposed legislation to a U.S. national or domiciliary before the mask work is commercially exploited, or alternatively by first commercially exploiting the mask work in the United States. The Senate bill (S. 1201)—based of course on copyright—was somewhat ambiguous on what protection was to be accorded foreign chips.

The Senate amendment is a dramatic improvement over both bills. It preserves the option contained in the House bill, but also creates a transition period during which multilateral and bilateral cooperation directed toward creation an international order of chip protection is encouraged. The Secretary of Commerce is authorized to extend the right to obtain chip protection under the act to nationals of foreign countries if three conditions are met: That country is making progress in the direction of mask work protection; nationals of that country or persons controlled by them are not pirating or have not in the recent past been engaged in the piracy of semiconductor chip products or the sale of pirated chips; and the entry of an interim order would promote the purposes of the act and achieve international comity with respect to the protection of mask works.

The Secretary's authority is sunset after 3 years. Two years after the date of enactment of this act he will report, after having consulted with the Register of Copyrights, to the House and Senate Judiciary Committees.

Among the stimuli that led to creation of an international transition period was a letter that I, along with Senator MATHIAS, received from the Honorable Akio Morita, president of the Electronics Industries Association of Japan [EIAJ] and chairman and chief executive officer of the Sony Corp. Mr. Morita referred to the joint recommendations of the United States-Japan Work Group on High Technology Industries, made in November 1983:

> Both governments should recognize that some form of protection to semiconductor producers for their intellectual property is desirable to provide the necessary incentives for them to develop new semiconductor products. And both governments should take their own appropriate steps to discourage the unfair copying of semiconductor products and the manufacturing and distribution of the unfairly copied semiconductor products.

Mr. Morita further observed that passage of legislation is "* * * highly desirable, both of itself and as an indication of the proper direction for the international protection of such intellectual property." He concluded by stating that EIAJ will ask the Government of Japan to provide a form of semiconductor protection, as expeditiously as possible, through a legislative framework.

Other countries have also expressed interest in the legislation before us today.

So, in the spirit of international comity and mutual respect among nations, the Senate amendment allows foreign countries with domiciliaries that produce semiconductor chips to benefit from the protection of our laws during a 3-year window and only if they respect the rights of American chip companies.

I am excited about this innovative provision of law; I hope it works, because it may serve as a useful precedent in other areas of law; and I look forward to working with the Secretary of Commerce, and the Register of Copyrights, on the international aspects of the act.

The Senate receded to the House approach of not having criminal penalties in the act. It seems that every day we are creating a new panel statute of some sort with little thought given to investigative and evidentiary problems, to the burdens on judges and juries, and to the goals of and pressures on the correctional system. I am pleased to state that we have not so erred in this act. I am confident that the strong civil penalty section in the act will serve as adequate deterrence to theft of industrial property.

With these thoughts in mind, I commend title III of the Senate amendment to H.R. 6163 to the House of Representatives.

TITLE IV: FEDERAL COURTS IMPROVEMENTS

Title IV of the Senate amendment is composed of three subtitles, each improves the functioning of the Federal judicial branch of Government. Title IV is supported by the administration and the Judicial Conference.

SUBTITLE A: CIVIL PRIORITIES

Subtitle A permits the courts of the United States to establish the order of hearing for certain civil matters. It attains this objective by repealing the 80 or so calendar priorities and by creating a general rule that expedited treatment can be obtained for good cause shown or cases involving temporary or preliminary injunctions. A virtually identical measure passed the House unanimously by voice vote on September 11, 1984, as H.R. 5645.

Title IV (subtitle A) of the bill, relating to civil priorities, was amended by the Senate to strike out the repeal of certain expediting provisions relating to civil rights cases. In my view this change was unnecessary. In all cases involving applications for temporary or preliminary injunctions, such cases would receive a priority status anyway under the provisions of proposed section 1657 of title 28, United States Code. Moreover, any other civil rights cases involving money damages alone can, in appropriate cases, be granted expedited treatment under the good cause provisions.

It should also be noted that the amendment adopted by the Senate and before us today technically does not accomplish its alleged purpose. Proposed section 1657 provides that notwithstanding any other provision of law there are no civil priorities except the general rules set forth in section 1657 of title 28.

SUBTITLE B: PLACES OF HOLDING COURT

Subtitle B amends the judicial code to create four new places of holding court, to realign the boundaries of divisions in three judicial districts, and to change the place of holding court in one judicial district. This subtitle passed the House unanimously by voice vote on September 24, 1984 (see H.R. 6163).

The Senate amendment in this regard is identical to H.R. 6163.

For pertinent legislative history, see House Report 98-1062 and the House debate that occurs at 129 CONGRESSIONAL RECORD (daily edition September 24, 1984).

SUBTITLE C: TECHNICAL AMENDMENTS TO PUBLIC LAW 97-164

Subtitle C makes technical amendments with respect to the Federal Courts Improvement Act of 1982 (see Public Law 97-164). These technical amendments passed the House on the Consent Calendar on August 6, 1984.

Subtitle C of title IV contains identical language to that found in H.R. 4222, the House-passed bill.

The Senate amendment, however, adds two further technical amendments, both relating to the U.S. Claims Court. The first change authorizes the Claims Court to utilize facilities and hold court not only in Washington, DC, but also in four locations outside of the Washington, DC,

metropolitan area. The Claims Court must use these facilities for the purpose of holding trials and for such other proceedings as are appropriate to execute the court's functions. The Director of the Administrative Office of the U.S. Courts, with direction from the Judicial Conference of the United States, shall designate such locations and provide for such facilities. The second change allows the chief judge of the Claims Court to appoint special masters to assist the court in carrying out its functions. Special masters shall carry out such duties as are assigned; they are to be compensated in accordance with procedures set forth by the rules of the Claims Court. It was not necessary to state in statutory language that the Federal Rules of Civil Procedure apply to special masters serving the Claims Courts.

Both additions made by the Senate qualify as technical amendments to Public Law 97-164. Furthermore, the need for both changes is found in Senate hearings relating to oversight of the Claims Court.

TITLE V: GOVERNMENT RESEARCH AND DEVELOPMENT PATENT POLICY

Title V of the Senate amendment relates to Government research and development policy. This provision had its origin in an executive communication from the U.S. Department of Commerce that took the form of H.R. 5003 and S. 2171. Hearings were held in the House Committee on Science and Technology and the Senate Judiciary Committee. The House committee reported H.R. 5003; the Senate Judiciary Committee reported an extremely diluted version of the original bill—a version that only amended Public Law 96-517, thereby only affecting universities and small businesses. As chief sponsor of the legislation that led to enactment of Public Law 96-517, I greatly appreciate the efforts of the Science and Technology Committee not only in the oversight area but also as relates to processing legislation necessary to effectuate the act's original purposes. In this regard, I shortly will yield time to Chairman FUQUA and Subcommittee Chairman WALGREN to discuss in further detail title V of the Senate amendment. These two Members will generally speak to their ongoing attempts to achieve a more uniform Government patent policy. They, I am sure, will indicate that title V of the Senate amendment is a watered down version of what started out as an administration effort to assist big business. Title V, which now only applies to universities and small businesses, still has substantial merit.

Mr. Speaker, I would like my colleagues to be aware of three points which relate to title V. First, my subcommittee held no hearings this Congess on its contents. Second, I have agreed to hold hearings next Congress on not only title V, but also on the broader issue of Government patent policy. I therefore have assured Members that the Judiciary Committee will review the bill that we are voting on today and reopen it for amendment if it is defective in policy implications or drafting. I do note that there are several drafting problems in the bill. For example, in section 501(4) the reference to "clause (i) through (iii)" should read "clause (i) through (iv)." Today we are only in a position of deferring to Senate judgment. Early next year we will assess the merits of the Senate's decisions and reverse or modify them, as is necessary. I have received assurances from Senator DOLE, author of title V, that he will assist in this process. Third, and last, I would like to make it clear that nothing in title V extends the authority of the Secretary of Commerce beyond the provisions of Public Law 96-517, as we are amending it today. We are not extending the authority of the Secretary of Commerce to make systemwide pronouncements and decisions, binding on other agencies, that relate to Government patent policy.

This concludes my discussion of the five titles of H.R. 6163, as amended by the Senate.

I can confidently state that on balance the package is a very good deal for the House. Five unanimously approved House bills are in the Senate amendment. A title of the bill received a 70-vote majority in the House. The final title was approved in part by the House Science and Technology Committee.

More importantly, the contents of H.R. 6163 are sound public policy; they are legislative ideas whose time has come to the fore; we should vote for them and send them on to the President for his signature. Not only will the semiconductor industry, trademark owners, the Federal and State courts, all benefit form this legislation, but citizens across this country will be better off as a result of its enactment.

In conclusion, I ask for an aye vote on H.R. 6163, as amended by the U.S. Senate.

EXPLANATORY MEMORANDUM OF THE SENATE AMENDMENT TO H.R. 6163, TITLE III, AS CONSIDERED BY THE HOUSE OF REPRESENTATIVES

This memorandum essentially follows the format of the "Explanatory Memorandum of Mathias-Leahy Amendment to S. 1201" introduced during the Senate floor debate on H.R. 6163 (Federal District Court Organization Act) to which the amendment was attached as Title III). See 129 CONGRESSIONAL RECORD S12912 (daily ed. Oct. 3, 1984).

Indeed, since the House and Senate worked together and agreed in advance on the amendment to the semiconductor legislation, this memorandum coupled with the Senate's document represent an informal "conference report."

However, to the extent that the Senate emphasizes changes to its original bill (S. 1201), this memorandum counters this emphasis by highlighting changes to the House's original bill (H.R. 5525).

The House-Senate compromise makes thirteen changes to H.R. 5525. Several of these changes are clarifying and technical; these latter modifications are nonetheless discussed in this memorandum in order to present a clear and concise legislative history in the House of Representatives.

I. DEFINITION OF COMMERCIAL EXPLOITATION: SEC. 901(a)(5)

The amendment to section 901(a)(5) sharpens the definition of "commercially exploit," a concept that is important in determining when protection commences under the Act, and when it expires. In this clarified definition, the amendment substitutes the words "for commercial purposes" for the phrase "for profit." Many non-profit organizations, such as universities, engage in research and development in the semiconductor chip product field. If such an organization distributes a new chip to others for commercial purposes, its not-for-profit status should not place it in a different position than an ordinary commercial business undertaking the same conduct. The ten-year term of protection should commence, and the clock should begin to run on the two-year registration requirement.

Although H.R. 5525 used the phrase "for profit" in a broad sense and would not have barred non-profit organizations from receiving protection for their mask works, this clarifying change improves the legislation.

II. ORIGINALITY: SECTION 902(b)

The Senate amendment follows the House bill by including, in section 902(b), a provision that makes mask works unprotectable under the Act if they are made up of "designs that are staple, familiar, or commonplace in the semiconductor industry or variations of such designs, combined in a way that, considered as a whole, is not original." The phrase "considered as a whole" is added by the Senate amendment to insure that the subject matter of a mask work must be original, when considered in its totality, even though, if the individual elements of the mask work were removed away from the whole they may appear familiar or commonplace (see H. Rep. 98-781 (Star Print) at 19).

III. RECORDATION OF OWNERSHIP TRANSFER AND LICENSING: SECTION 903(c)

Although S. 1201 did not have a specific recordation section for ownership, transfer and licensing, a recordation procedure similar to that found in the copyright Act (see 17 U.S.C. § 205) would have been authorized. H.R. 5525 lacked a recordation section altogether. The Senate amendment, by inserting a recordation provision, entitles mask work owners and other concerned parties to record transfers and licenses relating to mask works in the Copyright Office. Recordation constitutes constructive notice of the transfer or license. In this regard, a security interest under the Uniform Commercial Code or other state law may also be recorded as a transfer.

IV. DURATION OF PROTECTION: SECTION 904

S. 1201 provided mask work protection from the initial fixation of a mask work, such as in a drawing. Section 904(a) of H.R. 5525 began protection for mask works only when they are registered (after fixation of the work in a semiconductor chip product) or upon their first commercial exploitation, whichever occurs first. The Senate amendment basically adopts the House language.

The Senate amendment adds two refinements to section 904. First, the words "anywhere in the world" are added to clarify and carry forward the original intent of that section. Second, a change is made to clarify how long mask work protection continues after its commencement. All terms of mask work protection continue until the end of the calendar year of the tenth year after registration or first commercial exploitation, whichever is first. To accomplish this latter end, a new section 904(c) is added to make this section conform to 17 U.S.C. § 305, a provision of the Copyright Act previously incorporated by S. 1201 by implication.

The Senate amendment therefore results in slightly larger protection of mask works, depending of course on when registration or first commercial exploitation occurred during the calendar year.

V. REVERSE ENGINEERING: SECTION 906(a)

Although the reverse engineering provisions of S. 1201 and H.R. 5525 were almost identical, the Senate amendment includes a provision (see section 906(a)(2)) to clarify the intent of both chambers that competitors are permitted not only to study protected mask works, but also to use the results of that study to design, distribute and import semiconductor chip products embodying their own original mask words. While this intent appears indisputable from the legislative history in both Houses, it seems prudent to spell in out in the bill itself.

The end product of the reverse engineering process is not an infringement, and itself qualifies for protection under this Act, if it is an original mask work, as contrasted with a substantial copy. If the resulting semiconductor chip product is not substantially identical to the original, and its design involved significant toil and investment so that it is not a mere plagiarism, it does not infringe the original chip, even if the layout of the two chips is, in part, similar. As noted in the House Report (p. 21), the courts are not likely, as a practical matter, to find it unduly difficult to draw the line between reverse engineering and infringement, because the additional work required to come within the privilege established by section 906(a) will ordinarily leave a "paper trail."

Of course, apart from the foregoing, the Senate amendment, like both bills, incorporates the familiar copyright principle of substantial similarity. Although, as a practical matter, copying of an insubstantial portion of a chip and independent design of the remainder is not likely, copying of a material portion nevertheless constitutes infringement. This concept is particularly important in the semiconductor ship industry, where it may be economical, for example, to copy 75 percent of a mask work from one chip and combine that with 25 percent of another mask work, if the copied parts are transferable modules, such as units from a cell library.

The reverse engineering section, as amended, strikes the appropriate balance between the rights of the creator and the needs of the public. Courts, in reviewing whether a given reproduction qualifies for a reverse engineeriong exception, will do so on a case-by-case basis, as they do for the copyright doctrine of "fair use."

VI. FIRST SALE: SECTION 906(b)

Section 906(b) of the Senate amendment simply clarifies the intent of H.R. 5525 as relates o aplication of the first sale doctrine to mask works. It is made clear that a customer is free to use a semiconductor chip product unit as he chooses, after becoming its owner by buying it from the mask work owner or its licensee. However, the customer's permissible use does not include reproducing the semiconductor chip product (except in the course of reverse engineering, which is separately governed under section 906(A)).

VII. REGISTRATION OF CLAIMS OF PROTECTION: SECTION 908

In general, the Senate amendment follows the pattern of H.R. 5525, which in turn largely replicates the corresponding provisions of the Copyright Act.

Some technical changes were necessary, however, to clarify the intent of the House Bill. The Senate amendment therefore revises section 908(a) to set forth a procedure pursuant to which mask work owners file applications for registration under the Act. Also, section 908(c) is modified to require applicants to pay a fee, and to submit identifying materials prescribed by the Copyright Office. Applicants should not, of course, be required to deposit material that would disclose trade secrets or would facilitate domestic or foreign chip piracy; it is anticipated that the Copyright Office's implementing regulations should reflect this principle to the greatest extent possible, while keeping in mind the necessity of benefitting the public by keeping a public record.

Further, section 908(g) permits applicants to go immediately to court in emergency situations, when the Register of Copyrights refuses or fails to issue a certificate of registration within a specific time frame. Failure to issue a certificate after four months (as opposed to three months as was provided in H.R. 5525) shall be deemed a refusal to issue for purposes of being able to bring a civil cause of action. Also, the Senate amendment authorizes a reviewing district court, upon a showing of good cause, to shorten such four-month period.

VIII. NOTICE: SECTION 909

H.R. 5525 created a new, M-in-a-circle symbol for its nonmandatory or discretionary notice, and also allowed use of the words "Mask Work." Since printers do not usually carry M-in-a-circle symbols in stock, and most typewriters and word processing equipment also lack them, the Senate amendment provides an alternative abbreviation: "*M*". The Senate amendment also eliminates the notice requirement found in H.R. 5525 for the year in which the mask work was first fixed in a semiconductor chip product.

IX. COMMERCE: SECTION 910(a)

In order to avoid any constitutional questions on the issue of whether, as both Houses found, mask works can be protected as "writings" within the meaning of the Constitution's intellectual property clause, section 910(a) of the Senate amendment includes a commerce limitation, so that it reaches only conduct in or affecting commerce.

This modification, found to be unnecessary in the House (see H. Rep. 98-781 at 16, n. 36), limits somewhat the scope of the bill.

X. ENFORCEMENT OF EXCLUSIVE RIGHTS AND CIVIL ACTIONS: SECTIONS 910 AND 911

Clarifying changes to the House bill are also made in other parts of section 910. In section 910(b), a clause is added to make it clear that a timely registrant may sue for pre-registration damages (as well as for post-registration damages) so long as they occur as a result of conduct during the ten-year term. Additional clarification of section 910(b) permits the exclusive licensee of all rights in a mask work to sue, as an owner may. A change in section 910(c) permits the Customs Service to exclude not only infringing copies but also products used for purposes of contributory infringement in violation of the rights of mask work owners.

The Senate amendment authorizes Federal district courts to issue impounding orders against infringing chip products. S. 1201 authorized exercise of this judicial remedial power based on the Copyright Act, but H.R. 5525 omitted it. Like temporary restraining orders and preliminary injunctions, impounding orders are a useful and important remedy, if not abused. To prevent such abuse, the Senate amendment provides that applications for impounding orders should be heard, where practicable, in the same manner as applications for temporary restraining orders and preliminary injunctions: that is, not ex parte, and with customary procedural safeguards.

XI. RELATION TO OTHER LAWS: SECTION 912

The relationship of the Semiconductor Chip Protection Act to other laws is made somewhat complicated by the uncertainty of the application of those laws to mask works—the very predicament that motivated this legislation in the first place.

Enactment of this bill will provide an explicit Federal remedy for misappropriation and unauthorized copying of mask works. Within the carefully defined ambit of the reach of this legislation, the remedy it provides is intended to be exclusive. However, four factors limit the effect of this principle.

First, as expressed in section 912(e), nothing in the bill affects rights in mask works first commercially exploited prior to July 1, 1983. The rights that remain untouched by this bill include claims arising under the Copyright Act. As is evident in the legislative history, the availability of copyright protection for mask works was "sufficiently doubtful" to discourage investment and inovation; but this amendment should clarify that Congress does not find that such protection is available. The decision not to provide relief under this Act for future misappropriations of mask works that come to market before July 1, 1983 should not be misinterpreted as a conclusion that no such protection ought to be accorded.

With respect to state law, the same principles apply. The states are permitted to regulate these older chips as they see fit, so long as the state enactment does not directly conflict with some other Federal law. Of course, since state contract law is not affected by this Act, existing license agreements with respect to pre-July 1, 1983 mask works may still be enforced. Nor are future enactments, or future decisions of state or Federal courts barred from this field. As to chips first commercially exploited prior to July 1, 1983, this legislation simply has no preemptive effect.

Second, with respect to mask works first commercially exploited after July 1, 1983, the preemption of "equivalent" state law remedies is ineffective until January 1, 1986. This provision of the Senate amendment, section 912(c), conforms with the House bill.

The third limiting principle is that state law remedies which are not "equivalent" are not preempted, even after January 1, 1986, unless they directly conflict with the Federal act. As the House Report recognized (at page 29), "state trade secret law is a necessary adjunct to this Act, and provides a needed protection during a time period

when this law provides none," referring to the period prior to commercial exploitation or registration.

Finally, enactment of the bill has no preemptive or superseding effect upon other, more general legislation which may affect the semiconductor industry, e.g., unfair trade practice laws or patent laws.

Subject to these limiting principles, the Act is intended to provide an exclusive remedy. Congress does not intend to provide protection which is (as to post-July 1, 1983 chips) cumulative to the protections that may be claimed under the Copyright Act; as to these chips, the Act will replace copyright protection. Similarly, the privileges created by this Act, such as the reverse engineering right, may not be restricted by reference to the narrower privileges that obtain under copyright, such as fair use. The legislative history of this bill includes repeated assurances that mask work protection in no way erodes copyright protection for subject matter such as computer programs or data bases, even if that subject matter is embodied in a semiconductor chip. The converse is also true; assertions of copyright in mask works masquerading as copyright subject matter should not be permitted to detract from the integrity and exclusivity of the protection scheme created by this Act.

In short, the failure of this Act to provide mask work infringement remedies against the piracy of pre-July 1, 1983 semiconductor chip products should not be interpreted as a legislative declaration condoning such unfair competition or stating a Federal policy against state or Federal law enforcement activity to prohibit or remedy such piracy. To the contrary, absent declarations to the contrary, Congress generally takes the view that works produced prior to a legislative act should not be stripped of existing protection that they have under pre-existing law. When Congress intervenes in an area of new technology, it should not weaken any existing rights unless it is necessary to replace them with other rights and remedies with which the prior rights would interfere. That is not the case here for pre-July 1, 1983 semiconductor chip products. The decision to leave chips commercially exploited prior to July 1, 1983, simply reflects a decision to leave them subject to the more general laws that would remain in effect absent this legislation. In other words, pre-July 1, 1983 chips are left no better or worse off by this legislation.

XII. TRANSITIONAL PROVISIONS: SECTION 913

The Senate amendment follows the confines of H.R. 5525, with some changes and clarifications.

The amendment makes the Semiconductor Chip Protection Act fully effective upon enactment, as opposed to January 1, 1985, as is provided in H.R. 5525. However, section 913(a) holds the registration and enforcement mechanisms in abeyance for sixty days, to allow adequate time for the Copyright Office to prepare to receive applications for registration. The Copyright Office, not only during its preparation period, but also thereafter, will keep the House and Senate Judiciary Committees apprised of its problems and experiences with the Act.

Section 913(b) clarifies that the bill has no retroactive effect. No act of chip piracy that occurred prior to the date of enactment is an actionable infringement under the Act. The disposition of semiconductor chip products that result from such pre-enactment unauthorized copying is governed by section 913(d).

Subsection (d) deals with protection of mask works first commercially exploited between July 1, 1983 and the date of enactment. Unauthorized copies of chips embodying these mask works may be imported or distributed, subject to a compulsory license that includes two important conditions, both found in H.R. 5525. First, the importation and distribution privilege applies only to semiconductor chip product units that were in existence on the date of enactment. In other words, existing inventory may be disposed of, but further manufacture must cease upon enactment. Second, the importer or distributor must agree to pay a reasonable royalty to the mask work owner. If he does not agree, or if he fails to make such payments, the importer or distributor forfeits the compulsory license privilege, and the mask work owner may make use of the remedies provided for post-enactment mask works, including injunctions and exclusion orders.

The owner of a mask work first commercially exploited after July 1, 1983 but before enactment may obtain protection (subject to the compulsory license just described) by registering the mask work with the Copyright Office before July 1, 1985. The license terminates two years after such registration. Thus, by July 1, 1987, all privileges will have expired, and the pre-enactment mask work will be treated identically to one first commercially exploited after enactment. The two-year period provides ample time to dispose of inventory of unauthorized copies of chips, and removes from litigation within a reasonable time the potentially contentious factual issue of when a particular semiconductor chip product unit was manufactured.

In short, section 913 remains essentially as found in H.R. 5525. The major change is a six-month recession to the Senate—from January 1, 1984 back to July 1, 1983—relating to the time period of first commercial exploitation in order to qualify for protection under this Act.

XIII. INTERNATIONAL TRANSITION: SECTION 914

H.R. 5525 denies protection to foreign owners of mask works unless the works were first commercially exploited in the United States. While it was contemplated that foreign countries would eventually obtain full protection by concluding treaties or enacting chip protection legislation, no protection was available in the interim other than by transferring rights to a U.S. national or domiciliary before first commercial exploitation. In order to encourage such steps toward a regime of international comity in mask work protection, the Senate amendment includes important international transitional provisions, contained in Section 914.

Section 914(a) provides that the Secretary of Commerce may extend the privilege of interim protection under the Semiconductor Chip Act to nationals of foreign nations under certain conditions. These are: (1) that the foreign nation in question is making progress (either by treaty negotiation or legislative enactment) toward a regime of mask work protection generally similar to that under the Act; (2) that its nationals and persons controlled by them (such as subsidiaries or affiliated companies) are not engaging and have not in the recent past engaged in chip piracy or the sale of products containing infringing semiconduct components; and (3) that entry of the Secretary's order would promote the purposes of the Act and of achieving international comity toward mask work protection.

The Secretary is particularly well situated to make these determinations because of the Department's broad ranging intellectual property, trade, and foreign relations responsibilities. The Assistant Secretary of Commerce and Commissioner of Patents and Trademarks is in a position to evaluate the legal adequacy of proposed foreign legislation and, as well, can advise the Secretary on the international intellectual property law aspects of foreign chip protection. The International Trade Administration with its worldwide network of Foreign Commercial Service Officers in the United States Embassies is in a position to provide input on commercial activities in foreign countries where they may be concern with actual or potential misappropriation of United States semiconductor chip products. The Secretary thus will have the benefit of balanced consideration of legal and trade issues to draw upon in making the determination to extend, deny, or withdraw the interim protection provided under section 914.

In making determinations of good faith efforts and progress (section 914(a)(1)), the Secretary should take into account the attitudes and efforts of the foreign nation's private sector, as well as its government. If the private sector encourages and supports action toward chip protection, that progress is much more likely to continue. See, e.g., letters dated July 18, 1984, to Hon. ROBERT W. KASTENMEIER and CHARLES MCC. MATHIAS, Jr., from Akio Morita (President, Electronic Industries Association of Japan.) With respect to the participation of foreign nationals and those controlled by them in chip piracy, the Secretary should consider whether any chip designs, not simply those provided full protection under the Act, are subjected to misappropriation. The degree to which a foreign concern that distributes products containing misappropriated chips knows or should have known that it is selling infringing chips is a relevant factor in making a finding under section 914(a)(2). Finally, under section 914(a)(3), the Secretary should bear in mind the role that issuance of the order itself may have in promoting the purposes of this chapter and international comity.

The Secretary's order is to be made in an informal rule-making proceeding, reviewable in an appropriate district court under the Administrative Procedures Act for abuse of discretion or want of substantial evidence. If the privilege of interim protection is abused, or if the conditions that led to its issuance appear to the Secretary no longer to exist, the Secretary may rescind the order in a further informal rule-making proceeding (or simply allow it to expire). Proceedings may be initiated by the Secretary upon his own motion or at the request of a foreign nation, or other interested party. The Secretary may begin any such proceeding and may issue an appropriate order at any time after the enactment of this Act. In the case of those countries already having a system allowing mask work protection, or having substantial semiconductor industries (such as Japan), expedited action may be particularly appropriate to encourage and facilitate efforts to establish international comity. Also, the Secretary has discretion to make his order effective as of the date he receives a request to initiate a proceeding under section 914.

The Secretary may set the expiration date of the order. A short-term order may be appropriate where progress is not substantial enough to justify a longer order. As a consequence, a foreign nation might be unable actually to introduce any proposed law for the protection of semiconductor chip products,

because its parliament is out of session. Yet, it might be able to announce its intention to propose such a law, and then appoint a study group to draft appropriate legislation that would be consistent with stated general principles. In such circumstances, it would be appropriate that the Secretary enter a short-term order, and subsequently re-evaluate the situation. If reasonable progress was being made, the Secretary would then issue a further order for an additional appropriate period.

The interim protection would permit citizens of the relevant foreign nation to apply for mask work registration under section 908, to sue for infringement of mask work rights under section 910(b), and to secure legal and equitable remedies under section 911, as United States citizens may, during the ten-year terms of their mask work registrations. If a Secretarial order were rescinded, the effect would be to withdraw the privilege of further registrations, but not the ten-year period of rights under those registrations previously issued. It would be unfair to punish those foreign nationals and domiciliaries who choose to participate in this legislative scheme for the actions of others, outside their control.

The Secretary's power under this section is limited to three years, and all orders issued will expire at that time. In close consultation with the Register of Copyrights (whose office, of course, will have principal administrative responsibility for the Act but who also is extemely well-qualified in the area of international intellectual property law), the Secretary is to report to the Congress one year before the expiration of his authority, as to the progress being made toward international comity in mask work protection, and as to the further steps, if any, that are believed appropriate. The Secretary's report undoubtedly will become the subject of a hearing before the House and Senate Judiciary Committees.

Of course, aside from the interim order procedure created by section 914, it remains possible for a foreign concern to obtain mask work protection in the United States by transferring all rights under the Act to a U.S. national or domiciliary before the mask work is commercially exploited, or by commercially exploiting the mask work first in the United States. This was the scheme originally envisioned by H.R. 5525 and this option is unchanged by the Senate amendment. As noted above, a transferee of all rights (under this Act) in the mask work is an "owner," and the nationality of ownership on the date of registration or first commercial exploitation (whichever occurs first) governs eligibility for protection under section 902(a)(1)(A). As a consequence, if a foreign subsidiary of a U.S. company owns a mask work that has not been commercially exploited, it may transfer all rights under this act to its U.S. parent. The parent would then be entitled to obtain protection under this Act by registering the mask work or commercially exploiting it. By the same token, a U.S. subsidiary of a foreign company would be entitled to claim protection under the bill for a mask work created by its foreign parent by securing a transfer of all rights under this act from the parent prior to first commercial exploitation. Finally, both under the original terms of H.R. 5525 and the Senate amendment (see section 902(a)(1)(B)), a mask work that is first commercially exploited in the United states is eligible for protection, regardless of the nationality of its owner.

LEGISLATIVE ANALYSIS OF THE SENATE AMENDMENT TO H.R. 6163, TITLE V, AS CONSIDERED BY THE HOUSE OF REPRESENTATIVES

As a general proposition, Title V of H.R. 6163 contains a number of improvements to the university-small business patent bill (P.L. 96-517) that this body approved unanimously in 1980. Title V of H.R. 6163 makes the following changes to that law.

First, this measure allows agencies to limit patent ownership by small business or nonprofit organizations that are not located or do not have a place of business in the United States.

Second, the exception authority in 96-517 which allows agencies to retain ownership of inventions produced by nonprofit organizations that operate Government-owned laboratories or facilities is repealed by Title V. This Act provides for uniform treatment of all domestic nonprofit organizations regardless of where they perform their federally-funded work. Title V contains specific authority for the Department of Energy to own inventions relating to its naval nuclear propulsion or weapons-related programs made by the nonprofit operators of its Government-owned labs.

Third, Title V imposes a limit on the amount of royalties that the contract operator of a Government-owned laboratory is entitled to retain after paying patent administrative expenses and a share of the royalties to the inventor. The limit is based on five percent of the annual budget of the laboratory, but includes an incentive provision rather than a simple cap to stimulate continued efforts to transfer technology if royalties ever reach the five percent limit.

Fourth, Title V codifies the current invention reporting and ownership election procedures established administratively by OMB Circular A-124. The procedures have been proven to work and small business and nonprofit organizations should be assured of their continuance. The OMB Circular will sunset in February, 1985, and it is important that there be no discontinuity in the instructions to agencies on what terms to include in R & D contracts.

Fifth, the bill removes the provision in 96-517 that limits the time period for which nonprofit organizations can grant exclusive licenses without funding agency agreement. This solves a serious problem that occurs when products require a long development or testing period after the initial licensing.

Sixth, the authority to issue regulations under 96-517 is consolidated from the General Services Administration and the Office of Management and Budget into the Department of Commerce. The Secretary's authority is limited to the provisions of this Act.

In conclusion, these provisions are of great importance to the university community that perform so much of the country's basic research with Federal funding. The inventions that result from this work are frequently the foundation of whole new lines of technology and industry. It is vital to the economic future of the country that the universities have the ability to manage these inventions properly and the contents of Title V are designed to help improve their ability.

□ 1320

Mr. MOORHEAD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 6163, and the Senate amendments thereto. H.R. 6163 represents a compromise package of Judiciary Committee initiatives dealing with copyright, patent, trademark, and court reform measures.

Title I of H.R. 6163 embodies the Trademark Amendments Act of 1984 which passed the House unanimously by voice vote on October 1, 1984, as H.R. 6285. This proposal would clarify the standard courts use to determine when a trademark may be canceled or considered abandoned because the term has become generic. It does to propose a new standard for genericness, but reiterates the basic test for maintaining a trademark, which is whether the public recognizes the name as a trademark.

Title II of H.R. 6163 contains the State Justice Institute Act of 1983 which, although rejected by the House on the Suspension Calendar on May 22, 1984, did receive a strong majority vote of 243 to 176. Members who have had reservations about this proposal in the past should note that the current version of State Justice Institute, incorporated in the package, contains authorized funding levels that are substantially reduced from earlier versions of the bill acted upon by the House. In addition, the Department of Justice is given a stronger oversight role, and the State matching fund requirement has been increased from 25 to 50 percent.

The Semiconductor Chip Protection Act of 1984 which passed the House by a recorded vote of 388 to 0 on June 11, 1984, As H.R. 5525 comprises title III of H.R. 6163. Recently, the Cabinet Council on Commerce and Trade directed its Working Group on Intellectual Property which is chaired by the Commissioner of Patents and Trademarks, Jerry Mossinghoff, to consider the need to protect semiconductor chip designs. It found that while the United States dominates this important market, it faces a serious challenge from foreign competition. It also found that the R&D costs for a single complex chip could reach $4 million, while the costs of copying such a chip could be less than $100,000. The Semiconductor Chip Protection Act addresses this situation by providing significant and needed protection for the semiconductor industry in a manner that will allow it to retain its competitive edge in this important field of high technology.

Title IV of H.R. 6163, is comprised of three parts, all dealing with the Federal courts system. The first part of title IV is the Civil Priorities Act of 1984 which passed the House unanimously by voice vote on September 11, 1984, as H.R. 5645. This important court reform initiative eliminates most of the existing civil priorities with certain narrow exceptions, thereby allowing the courts to establish the order of hearing for certain civil matters. While I am happy that the other body

saw fit to include this proposal as part of H.R. 6163, I am disappointed at their lack of action on the Supreme Court Mandatory Appellate Jurisdiction Act of 1984, which passed the House unanimously by voice vote on September 11, 1984. I hope that the other body will see fit to consider this important legislation in a timely manner next Congress.

Part 2 of title IV is the Federal District Court Organization Act of 1984 which passed the House unanimously by voice vote as H.R. 6163 on September 24, 1984. This proposal creates three new places of holding court, realigns the boundaries of divisions of three districts and changes the place of holding court in one district. All of these changes, which will help keep the Federal judicial system up to date with demographic, economic, and societal changes in several of its districts, have been approved by the Judicial Conference of the United States and U.S. Department of Justice.

The third part of title IV is the Technical Amendments to the Federal Courts Improvements Act which passed the House on the consent calendar on August 6, 1984, as H.R. 4222. This amendment makes technical amendments with respect to the Court of Appeals for the Federal circuit.

Finally, title V of H.R. 6163 is comprised of the Uniform Science and Technology Research Development Utilization Act which was reported by the House Science and Technology Committee by voice vote as H.R. 5003. This amendment improves upon the principles of the law passed in 1980, which allowed universities and small businesses to retain ownership of inventions made under Government grants and contracts. The bill before us creates even greater flexibility in university licensing practices by improving the ability of the university to license its technology. In addition these improvements assure university ownership of inventions made while functioning as the contractor for a Government-owned laboratory subject to certain exceptions. This provision is strongly supported by the administration.

On balance this package contains major and for the most part noncontroversial legislation. I would like to commend Mr. KASTENMEIER, the chairman of the Subcommittee on Courts, Civil Liberties, and the Administration of Justice, as well as my colleagues on the subcommittee, Messrs. BROOKS, MAZZOLI, SYNAR, Mrs. SCHROEDER, Messrs. GLICKMAN, FRANK, MORRISON of Connecticut, BERMAN, HYDE, DEWINE, KINDNESS, and SAWYER, who were responsible for processing six of the seven proposals contained in this package, five of which the House has overwhelmingly endorsed on previous occasions. Accordingly, I urge my colleagues' strong support for the passage of H.R. 6163.

□ 1330

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from New York.

Mr. FISH. Mr. Speaker, I rise in support of the package, as has my colleague, the gentleman from California.

Most of these matters have been overwhelmingly adopted by this body before this. I appreciate my colleague stressing the importance of the semiconductor chip title to this package, and also I underscore his remarks with respect to the State Justice Institute.

Whatever reservations Members on our side might have had previously, this is a scaled-down version that is before us today that I think everybody in this House can accept.

Mr. KASTENMEIER. Mr. Speaker, I yield 2 minutes, for the purpose of debate only, to the author of the bill on semiconductor chips, the gentleman from California [Mr. EDWARDS].

Mr. EDWARDS of California. Mr. Speaker, I rise in strong support of H.R. 6163 and I heartily commend the chairman, Congressman KASTENMEIER, Mr. MOORHEAD, the distinguished members of the Judiciary Committee's Subcommittee on Courts, Civil Liberties, and the Administration of Justice, and the staff, for bringing this package to us today. They have worked long and hard to bring these important measures to fruition and I congratulate them on their successful endeavors to date.

While I support passage of the entire package, in the interest of time I will limit my remarks to a few particularly addressed to title III of the bill, which is the Semiconductor Chip Protection Act of 1984. Back in 1978, I and my colleague from the South Bay, Congressman NORMAN MINETA, introduced our first bill on this issue. It's been a long haul and much work that brings us here today for this final vote; and this vote occurs not a moment too soon. The piracy of the creative work of innovating semiconductor chip firms threatens the economic health of our semiconductor industry and it has only worsened over time. With this measure, innovating firms finally will be able to combat the unfair chip piracy that is sapping their strength and destroying their incentive to continue to invest in the crucial, but very expensive, creative endeavors necessary to maintain American leadership in this field.

I urge my colleagues to support this final report on the Semiconductor Chip Protection Act of 1984 today, as they did on June 11, 1984, when the House passed the bill 388 to 0. I urge my colleagues to support the entire package contained in H.R. 6163 which is before us today.

Mr. KASTENMEIER. Mr. Speaker, before I yield to the gentleman from California [Mr. MINETA] I will say that the semiconductor chip intellectual property protection is the most important part of the bill. Over the past 6 years there has been no industry that has had a greater champion than the gentleman from California [Mr. EDWARDS] and the gentleman from California [Mr. MINETA] in support of what we are able ultimately to pass here today, and I compliment them both.

Mr. Speaker, I now yield 2 minutes, for purposes of debate only to the gentleman from California [Mr. MINETA].

Mr. MINETA. I thank the gentleman for yielding time.

Mr. Speaker, I rise to express my support for the Federal District Court Organization Act. It is my firm belief that all aspects of this legislation are worthy of favorable consideration by my colleagues. I do, however, wish to speak in particular about the Semiconductor Chip Protection Act which is embodied in this package.

The Semiconductor Protection Act is a bill that my outstanding colleague, Mr. EDWARDS, and I have been working on since 1978. I am very gratified that our efforts have come to fruition and I wish to thank my colleagues, Mr. KASTENMEIER, Mr. EDWARDS, and Mr. MOORHEAD and the many fine members of the Judiciary Committee for producing such an outstanding bill.

This legislation is indeed a solution to a problem—how best to make copyright protection responsive to technological change. After wrestling for some time about the best way to approach this problem, we have ultimately come up with a means to protect designers and producers of semiconductor chips from unauthorized copying and pirating of semiconductor chip designs. Like books and records and any other product of individual design, the financial and creative investment in a new semiconductor chip design are enormous and the product is worthy of protection from any infringements.

To semiconductor manufacturers, millions of dollars and thousands of man-hours are at stake. Therefore, in these closing hours of this Congress, I am particularly proud that we are extending protections to this industry that are much needed and, I can promise you, will be much welcomed by one of this country's most outstanding and promising industries.

Again, I thank my colleagues and urge a favorable vote on this very worthy legislation.

Mr. KASTENMEIER. Mr. Speaker, I have one further request. I yield 4 minutes to the gentleman from Florida [Mr. FUQUA], the distinguished chairman of the Science and Technology Committee, who has made really

an enormous contribution, particularly to the last title of this bill.

Mr. FUQUA. Mr. Speaker, I rise in support of title V, Government Research and Development Patent Policy, much of which originated in H.R. 5003 as reported from the Committee on Science and Technology to the House, on August 8 with bipartisan support. I would like to assure my colleagues that almost every provision contained in this title was considered and favorably approved by the committee I chair. I would refer my colleagues to House Report 98-983, Part 1 for an explanation of these provisions. Those provisions, added by the Senate, tend to be minor in comparison and clarifying in nature.

I am certain the gentleman from Wisconsin [Mr. KASTENMEIER] recalls our colloquy of November 21, 1980, upon the passage of Public Law 96-517 where we agreed to try to achieve a more uniform Government patent policy. I consider this bill to be another major step forward towards that objective.

Title V is a series of amendments to Public Law 96-517 which established a uniform government patent policy for inventions arising under contracts between the Government and small business and nonprofit organizations including universities. Public Law 96-517 which was passed because of the leadership of BOB KASTENMEIER was a landmark bill replacing a wide variety of agency practices with a uniform Government-wide policy of giving those rights to the contractor except in specified situations. This approach has worked well and has contributed to the explosion of new products and companies at and around university communities. We now have the benefit of over 3 years of experience using these provisions and the desirability of certain improvements has become obvious. I would like to point out to my colleagues that with the exception of Government-owned, contractor-operated [GO-CO] facilities this legislation does not extend beyond the limits of Public Law 96-517. Clearly, there is much remaining work to be done on the broader public policy considerations of Government-wide patent policy, but such deliberations will have to wait until the 99th Congress. Since there is a qualitative difference between major Government contracts with larger businesses and smaller grants and cooperative agreements with universities and nonprofit organizations, it should not be assumed that the specific provisions of Public Law 96-517 will be those that are applied to larger businesses in next Congress' legislation. The section by section analysis which follows compares the pertinent provisions of H.R. 5003 with the Senate-passed language.

SECTION-BY-SECTION ANALYSIS COMPARING PERTINENT PROVISIONS OF H.R. 5003 WITH SENATE-PASSED LANGUAGE

H.R. 5003 as reported	Senate-passed title V	Comments
(1) Sec. 402(15) (B) and (C)	Sec. 501 (1) and (2)	These two provisions are identical in both bills except for a reference in the House version to sexually propagated variety of plants. These words were added as a clarifying amendment; therefore, the omission of the reference in the Senate version does not change the scope of this definition.
(2) Sec. 402(15)(D)	Sec. 501(3)	This section originated in H.R. 5003 as reported. A contractor which is subject to the control of a foreign government is one in which at least 50 percent of the voting stock is controlled by that government. The new code Section 202(a)(iv) is identical to the wording of Sec. 301(a)(5) of H.R. 5003 which is described on pages 18 and 19 of House Report 98-983 Part I. While those laboratories such as Oak Ridge National Laboratory which are run for the government by large companies are not formally covered by this section, it is hoped that the Department of Energy, using its Federal Non-nuclear Act authority will develop a standard patent policy consistent with this Title for all its GOCO facilities.
(3) Sec. 402(15)(E)	Sec. 501(4)	There is no provision in H.R. 5003 comparable to code Sec. 202(b)(1) in the Senate version. Code sec. 202(b)(2) of the Senate version is identical to H.R. 5003's code sec. 202(b)(5) except that the authority to act under this section rested with the Director of OMB rather than with his subordinate. The Administrator of OFPP; since the Director of OMB presumably would have delegated this authority to OFPP, the change is not viewed as significant. The new code section 202(b)(4) originated in H.R. 5003 as reported. Its intent is to give an aggrieved contractor the right to an immediate appeal of a contractual decision not to grant him patent rights rather than forcing the contractor to wait to appeal such a decision until an invention arises under the contract. The word "provisions" was substituted for "policies and objectives" in the Senate version to avoid any possibility of tying this section to a set of findings and purposes.
(4) Sec. 402(15)(F)	Sec. 501(5)	Paragraphs 202(c)(1) through (3) are virtually identical in both versions. Their intent is to codify existing regulations. Paragraph (4) of the Senate version has no comparable House provision, although its intent is clearly consistent with the House intent.
(5) Sec. 402(15)(G)	Sec. 501(6)	This provision is identical in both bills and strengthens Freedom of Information Act protections for a contractor subjected to code Sec. 203's march-in procedures.
(6) Sec. 402(15) (H) and (I)	Sec. 501 (7) and (8)	The House struck code section 202(c)(7)(A) while the Senate struck the second half of this provision; the result of the Senate's action is to retain a requirement that a non-profit organization get agency approval before assigning title to an invention to a commercial invention management firm while at the same time to allow all such firms to be treated on an equal basis. Both bills strike code paragraph (B) which places limits on the ability of contractors to grant exclusive licenses. The Senate moved what was code section 202(c)(9) in the House version to code section 202 (c)(7)(D) and changed slightly the formula for distribution of royalty revenues found in that code section. This important section, originated in the House version and is explained in the first paragraph of House Report 98-983 Part 1 page 21. The formula for distribution of royalty revenues, should not be applied to contracts for third party sponsored research at GOCOs between operators of GOCO facilities and private sector persons where the private sector is paying for the research through collaborative arrangements or work for others agreements. Such arrangements should be treated as an agreement between two private entities and patent rights should be assigned as provided in that agreement. GOCO subcontracts, funded by the government, are covered by the section.
(7) Sec. 402(15)(J)	Sec. 501(9)	The Senate-passed version's new code section (203)(2) is taken almost in its entirety from H.R. 5003 as reported. It includes the administrative appeals procedure added by the House Science and Technology Committee as an alternative to judicial review. It also contains the provision from H.R. 5003 which requires an agency determination to be held in abeyance pending the exhaustion of appeals; this will prevent the agency from granting third parties licenses or disseminating the technical information to the public in a manner that could make a victory on appeal by the contractor meaningless. The one substantive Senate change was to require judicial review to be on the administrative record.
(8) Sec. 402(15)(L) (code Sec. 206)	Sec. 501(10)	The Senate-passed version authorizes the Secretary of Commerce, subject to public comment, to issue implementing regulations for this Title. H.R. 5003 as reported had the Secretary of Commerce initiating these regulations with the Director of the Office of Management and Budget promulgating after full consideration of agency and public comment. The Commerce Department is expected to consult with affected agencies in the regulation-drafting process.

SECTION-BY-SECTION ANALYSIS COMPARING PERTINENT PROVISIONS OF H.R. 5003 WITH SENATE-PASSED LANGUAGE—Continued

H.R. 5003 as reported	Senate-passed title V	Comments
(9) Sec. 202	Sec. 501(11)	The Senate moved three discretionary functions granted to the Secretary of Commerce by Section 202 of H.R. 5003 as reported, to a new code section 207(B). These functions are described on page 17 of House Report 98-983 Part 1. Commerce's role in each case is advisory, not managerial, and it is anticipated that most activities will be performed at the request of the client agency.
(10) No House provision	Sec. 501(12)	The Senate has substituted the Secretary of Commerce for the Administrator of General Services as the promulgator of the terms and conditions under which any federally-owned invention may be licensed on a non-exclusive, partially exclusive, or exclusive basis. The Secretary is expected to consult with affected agencies in the drafting of such regulations and to promulgate only after opportunity for full consideration of public comments.
(11) No House provision	Sec. 501(13)	The Senate extended the applicability of code section 202(c)(4) (retention of non-exclusive license by the government) and code section 203 (march-in rights and related appeals) to all contractors.
(12) Sec. 402(15)(L) (code Sec. 213)	Sec. 501 (14) and (15).	The Senate redesignated as code sec. 212, the new code sec. 213 from H.R. 5003 as reported. This section is described on pages 24 and 25 of House Report 98-983, Part 1. This provision prohibits the practice of government retention of patent rights arising under financial aid agreements; these clauses have made it difficult for students receiving federal financial aid also to work on privately-funded university research projects.

I would like to thank the gentleman from Wisconsin, [Mr. KASTENMEIER] for his critical leadership in working with me to assure that the House provisions which assist the university research community were added to the Senate bill. These provisions involving disposition of intellectual property rights in educational awards and of royalties from inventions under university and nonprofit GO-CO contracts solve a number of long-standing problems in the university community.

In closing, I would like to commend the gentleman from Pennsylvania [Mr. WALGREN] and the gentleman from New Hampshire [Mr. GREGG] for their hard work in developing this legislation at the subcommittee level. Without their bipartisan efforts, it is unlikely that we would be able to vote on this legislation today.

Mr. LUJAN. Mr. Speaker, will the gentleman yield?

Mr. FUQUA. I yield to my friend, the gentleman from New Mexico.

Mr. LUJAN. Mr. Speaker, I want to congratulate the gentleman and join him in support of this legislation, but I do have some questions that I would like to refer to the gentleman, if I possibly could.

Is my understanding correct that this bill will not prevent the Department of Energy from determining that exceptional circumstances exist for other technologies than those listed in the new section 202(a)(iv)?

Mr. FUQUA. Yes. That Department can still request exceptional circumstances treatment when appropriate. Several such circumstances are mentioned on page 18 of House Report 98-983 part 1 which the Committee on Science and Technology filed on the bill H.R. 5003.

Mr. LUJAN. Will the gentleman give further examples of exceptional circumstances where this section may be appropriate?

Mr. FUQUA. Yes, appropriate circumstances may occur regarding technologies related to intelligence and national security, classified technologies, and defense programs work not covered by section 202(a)(iv). The fact that a facility falls within section 202(a)(iv) does not preclude the exceptional circumstances provisions applying to other work done at that facility. Technologies that are under or may be under agreements with foreign interests may also need exceptional circumstances coverage to permit the U.S. Government to protect these technologies for U.S. industry. Various agencies are also involved extensively in international collaborative agreements in which patent and data rights are at issue. This bill is not intended to impair the ability of these agencies to enter into and carry out existing or future international agreements.

Mr. LUJAN. Regarding the provision which modifies section 203, must a party adversely affected by a decision under section 203 or section 202(b)(4) exhaust all remedies under the administrative appeals procedure to be established under this act prior to initiating a petition for review by the U.S. Claims Court?

Mr. FUQUA. Yes, a party adversely affected must exhaust his administrative remedies prior to seeking judicial review by the U.S. Claims Court. Further, the determination to be issued under this section prior to a U.S. Claims Court appeal is to be a final determination on the administrative record.

Mr. LUJAN. Would the gentleman please clarify the provision under proposed section 202(b)(2) that permits the Office of Federal Procurement Policy [OFPP] to issue regulations describing classes of situations in which agencies may not exercise the authorities under section 202?

Mr. FUQUA. It is envisioned that the OFPP would confer with and work with the affected agencies to ensure that any regulations or guidelines issued in accordance with this section do not impair these agencies' ability to accomplish agency missions.

Mr. LUJAN. Would the gentleman please clarify the regulation drafting procedures under section 206 and the effect that these new regulations will have on funding agreements excepted from the act under section 202(a)(i) through (iv)?

Mr. FUQUA. The Department of Commerce is expected to consider the views and special circumstances of the various affected agencies because of their long experience in their respective high-technology fields both in the drafting of these regulations and in their interpretation. For agencies that have patent policies prescribed by statute such as the DOE and NASA, these agencies are not precluded from using provisions required by such statutes and regulations promulgated pursuant to these statutes to govern inventions falling within section 202(a) (i) through (iv).

Mr. OBERSTAR. Mr. Speaker, I support the trademark law provisions of H.R. 6163 because it provides us the opportunity to reaffirm the long-established, effective test for determining whether a registered trademark has remained a trademark or whether it has become merely a generic term, without significant market value.

Prior to a 1982 decision by the Ninth Circuit Court of Appeals, the test was whether the public considered a trademark something special—unique—or only a general term. If the latter, then the name was no longer a trademark.

The ninth circuit decision added the further requirement that the consumer also know the name of the producer. Such a test is unrealistic. It will make it far more difficult for a business to retain its trademark. Trademarks, which have served to guide consumers in their purchases of long known, reliable goods and services, will no longer serve such a function.

Imitators will use the former trademarks to sell their inferior goods. They will use the trademarks of the best American products and services. Moreover, the manufacturers and providers of the best products and services will suffer the most as the result of attempts to unload shoddy, less desirable goods and services on an unsuspecting public.

We should be particularly concerned about foreign manufacturers who would attempt to unload imitation goods on the market to compete with higher quality, higher cost, American goods no longer uniquely labeled by the trademarks so carefully developed over the years, and which are developed at considerable capital investment by the manufacturer.

The legislation now before the House will provide incentives for quality producers to continue to offer the level of quality associated with their trademarked goods. If we do not pass this legislation, those producers will be hurt financially, and ultimately, so will be the consumers who have relied upon trademarks to guide their purchases.

The legislation before the House will insure consumers more and better information than they would receive as the result of the ninth circuit decision. It will also protect American jobs against unfair, predatory competition from cheap, imitation foreign imports taking a free ride on American ingenuity, investment, worker productivity, and consumer trust in a trademark, trust founded upon years of experience with a particular product.

The House passed title I of H.R. 6163 as separate legislation last week. I urge the House to approve it again as part of the larger legislative package of H.R. 6163 because the trademark standard contained in the legislation is long-established, sensible, and straightforward. If we act today, we can send this legislation to the White House for prompt action by the President. American consumers and businesses will be better for it.

● Mr. FRENZEL. Mr. Speaker, I support the conference report on H.R. 6163. It was good when it left the House and is better now.

The other body has improved our original H.R. 6285, the Trademark Clarification Act of 1984, by the addition of some worthy hitchhikers, notably the semiconductor title. All of them, especially the semiconductor bill, are important and necessary.

But the original Trademark Act is also important and necessary to overturn a regrettable decision of the Ninth Circuit Court. Title I of H.R. 6163 does, in my judgment overturn

this unusual decision, and restores the traditional Lanham Act protection of trademarks that has been the standard for a half a century.

Passage of this conference report will restore needed certainty to our trademark laws.●

● Mr. WALGREN. Mr. Speaker, I rise in support of title V of H.R. 6163, which is entitled "Government Research and Development Patent Policy." As chairman of the Committee on Science and Technology's Science, Research and Technology Subcommittee where most of the provisions of this title originated, I want to recommend these provisions to the House. These provisions were developed over a period of several months in a bipartisan effort involving discussions with all affected parties.

Title V contains a variety of amendments to Public Law 96-517, more commonly known as the Bayh-Dole Act, a law that for a first time established a uniform policy for allocation of intellectual property rights arising under contracts between the Government and nonprofit organizations or small businesses. This law is generally credited with beginning the commercialization of a much higher percentage of inventions occurring under Government contract. The amendments to the Bayh-Dole Act we have before us today reflect our experience under that act.

The first two amendments deal with the definition of "invention" and "subject invention" as used in the act and borrow the definition of "plant" as used in the Plant Variety Protection Act. That act is not amended by this title and the record should clearly state that there is no intention of attempting to do so.

These amendments also change the treatment of Government-owned, contractor-operated [GO-CO] facilities under the Bayh-Dole Act. Currently an agency has the right to exempt Government-owned, contractor-operated facilities from operation of the Act. After enactment of this legislation, an exemption for the Department of Energy's defense programs and naval reactors programs will remain covering such work done by these programs at DOE labs, but a new GO-CO provision will apply to other GO-CO laboratories and programs. The contractors who operate these labs will be able to retain title to inventions occuring under their operating contracts in order to handle the licensing of the inventions.

Royalties from this licensing activity will be divided in the following manner. First, they will be used to cover licensing costs and payments to inventors. Second, an amount equal to 5-percent of the lab's annual budget may be retained by the contractor for use in research and development or educational programs in furtherance of the mission of the laboratory. Finally, funds in excess of the 5-percent level will be split between the lab and the U.S. Treasury on a 25/75-percent basis with the Treasury getting the larger share. This should give everyone concerned the incentive to get the inventions of these laboratories into the commerical marketplace. This approach has been endorsed by the Department of Energy and by many of the other affected parties.

Other amendments contained in this title include codification of regulations promulgated under the Bayh-Dole Act, clarification of invention rights under financial aid agreements, and a variety of other provisions clarifying responsibilities among executive branch agencies and clarifying ambiguities in the present text of the Bayh-Dole Act.

The changes have a wide base of support in the university community and elsewhere. I therefore, urge my colleagues to support this package because it is a major step forward in Government patent policy.●

● Mr. MOAKLEY. Mr. Speaker, as manager for the Committee on Rules on the resolution providing for the consideration of this matter, I have previously discussed the procedure under which we are operating.

However, I would like to take the opportunity to discuss one aspect of this legislation in more detail and, again, to commend the bipartisan leadership of the Committee on the Judiciary for their handling of this matter. The able subcommittee chairman, the gentleman from Wisconsin [Mr. KASTENMEIER], and his distinguished ranking minority member, the gentleman from California [Mr. MOORHEAD], have done an outstanding job in handling this matter.

The Senate amendments constitute a comprehensive package of patent, trademark, and court bill attached to a technical court bill. This measure incorporates a number of matters, most of which are noncontroversial, and almost all of which have passed the House in other forms:

Mr. Speaker, title I of the Senate amendment is very similar to the bill (H.R. 6285) to clarify the circumstances under which a trademark may be canceled or considered abandoned, which was passed by the House on a voice vote on October 1, 1984. I would commend the gentleman for his prompt action to defend our legislative prerogatives and to reassert existing law over the one aberrant court decision that prompted this legislation.

Under the pending motion, Mr. Speaker, the House recedes to the minor changes of the Senate, which are entirely consistent with the legislative intent of the House, as ably explained by the gentleman from Wisconsin here last week.

Mr. Speaker, I want to take a few moments to address some new language that appears in section 104 of H.R. 6163, which is quite different in form from its counterpart section 4 of H.R. 6285, approved by the House on October 1 of this year. Section 104 says that "Nothing in this title shall be construed to provide a basis for reopening of any final judgment entered prior to the date of enactment of this title." In light of some of the controversies we have seen when Congress has endeavored to enact retroactive legislation, this section deserves some elaboration.

First, the Trademark Clarification Act of 1984 is not retroactive in application to any cases completed before the enactment of that act. Therefore, where any final judgment has been entered—and I use "final judgment" in the sense that the Federal Rules of Civil Procedure uses it—the parties to that litigation may not reopen the case on the basis of this new legislation. Rule 54 defines "judgment" as including a decree or order from which an appeal lies; rule 60(b) refers to "final judgment" in such a way as to make clear that it is a judgment from which no appeal lies. That is obviously what section 104 is referring to.

Thus the statement of the law of trademark genericism set out in the legislation will, and is intended to, apply to ongoing cases. That is not a form of retroactivity, since the entire legislative history of the legislation emphasizes that it is intended to clarify and clearly restate the law of trademark genericism as it stands throughout most of the country, as it has stood for almost 40 years, and as it should stand in every Federal court in the land.

Second, the new law quite plainly will not let General Mills reopen its litigation with Anti-Monopoly, Inc. Even though that litigation gave rise to the ninth circuit opinions, the reasoning of which this legislation is intended to overturn, it also gave rise to a final judgment entered by the district court in the northern district of California in August 1983. That final judgment will not be disturbed by this new act, just as section 104 states.

Third, and finally, it is important to note that this legislation will in no way interfere with the ability and right of General Mills to litigate the validity of its valuable "Monopoly" trademark in Federal courts in the future. The district court in the Anti-Monopoly litigation did not rule on the validity of the "Monopoly" mark, so the language of the court of appeals could well have been challenged even without this legislation. Since title I of H.R. 6163 speaks to the errors in the ninth circuit's opinion, I would not at all be surprised to see that opinion

challenged in that circuit and in others after this bill is signed into law.

That point is entirely consistent with the various statements in the Senate that this title is not intended to alter established principles of collateral estoppel. Under those principles, judicial holdings in one case may be used to estop relitigation of the same issues in later cases involving a party to the earlier litigation. That assuredly does not mean that the second court must reach the same result as the first when the first court applied erroneous principles of law. So, even without this legislation, General Mills would be perfectly free to litigate the validity of its "Monopoly" mark in 11 other circuits, and could even try to persuade the ninth circuit that its trademark was valid as against some party other than Anti-Monopoly, Inc. (whose judgment would be protected by the doctrine of res judicata). With this legislation—which essentially declares that the ninth circuit's reasoning in the General Mills litigation was erroneous on a number of distinct grounds—application of the "principles" of collateral estoppel will facilitate, rather than hinder, that company's ability to establish the validity of its "Monopoly" trademark. For the courts have long recognized that a modification of the controlling legal principles of a case, such as this legislation brings about, gives rise to a recognized exception to the doctrine of collateral estoppel.

Mr. Speaker, Judge Helen Nies, who testified before the House subcommittee considering an earlier version of this bill, wrote a Customs and Patent Appeals Court decision in which she observed that General Mills "has built up an enormous goodwill in the mark MONOPOLY, which has been used since 1935 for a board game" and that "MONOPOLY may properly be termed a 'famous' mark." (*Tuxedo Monopoly, Inc.* v. *General Mills Fun Group, Inc.*, 648 F.2d 1335, 1336 (CCPA 1981).) While the decision whether "Monopoly" remains a valid trademark in the ninth circuit and elsewhere is one for the courts, and not the Congress, this legislation will make sure that the courthouse doors remain open to determine that question. And it will make sure that the rational of the ninth circuit's 1982 decision will not be applied at that time.●

□ 1340

Mr. KASTENMEIER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. Pursuant to the provisions of House Resolution 606, the previous question is considered as ordered on the motion.

The question is on the motion offered by the gentleman from Wisconsin [Mr. KASTENMEIER].

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 363, nays 0, not voting 69, as follows:

[Roll No. 451]

YEAS—363

Ackerman	de la Garza	Hutto
Addabbo	Dellums	Hyde
Akaka	Derrick	Ireland
Albosta	DeWine	Jacobs
Anderson	Dicks	Jeffords
Andrews (NC)	Donnelly	Johnson
Andrews (TX)	Dorgan	Jones (NC)
Annunzio	Dowdy	Jones (OK)
Anthony	Downey	Jones (TN)
Applegate	Dreier	Kaptur
Archer	Duncan	Kasich
AuCoin	Durbin	Kastenmeier
Badham	Dwyer	Kazen
Barnard	Dyson	Kemp
Barnes	Early	Kennelly
Bartlett	Eckart	Kildee
Bateman	Edwards (AL)	Kindness
Bates	Edwards (CA)	Kleczka
Bedell	Edwards (OK)	Kolter
Bellenson	Emerson	Kostmayer
Bennett	English	Kramer
Bereuter	Erdreich	Lagomarsino
Berman	Erlenborn	Lantos
Bevill	Evans (IA)	Leach
Biaggi	Fascell	Leath
Billirakis	Fazio	Lehman (CA)
Bliley	Fiedler	Lehman (FL)
Boehlert	Fish	Leland
Boggs	Flippo	Lent
Boland	Florio	Levin
Bonior	Foglietta	Levine
Bonker	Foley	Lewis (CA)
Borski	Ford (TN)	Lewis (FL)
Bosco	Fowler	Lipinski
Boucher	Frenzel	Livingston
Boxer	Frost	Lloyd
Breaux	Fuqua	Loeffler
Britt	Gaydos	Long (LA)
Brooks	Gejdenson	Long (MD)
Brown (CA)	Gekas	Lott
Brown (CO)	Gephardt	Lowry (WA)
Broyhill	Gibbons	Lujan
Burton (CA)	Gilman	Luken
Burton (IN)	Gingrich	Lungren
Campbell	Glickman	Mack
Carney	Gonzalez	MacKay
Carper	Goodling	Madigan
Carr	Gore	Markey
Chandler	Gradison	Marlenee
Chappell	Green	Martin (IL)
Chappie	Gregg	Martin (NY)
Clarke	Gunderson	Martinez
Clay	Hall (OH)	Matsui
Coats	Hall, Ralph	Mavroules
Coelho	Hall, Sam	Mazzoli
Coleman (MO)	Hamilton	McCain
Coleman (TX)	Hammerschmidt	McCandless
Collins	Hance	McCloskey
Conable	Hansen (UT)	McCollum
Conte	Harrison	McCurdy
Conyers	Hartnett	McDade
Cooper	Hawkins	McGrath
Corcoran	Hayes	McHugh
Coughlin	Hertel	McKernan
Courter	Hightower	McKinney
Coyne	Hillis	McNulty
Craig	Holt	Mica
Crane, Philip	Hopkins	Michel
Daniel	Horton	Mikulski
Dannemeyer	Hoyer	Miller (CA)
Darden	Hubbard	Miller (OH)
Daschle	Huckaby	Mineta
Daub	Hunter	Minish
Mitchell	Rinaldo	Stangeland
Moakley	Ritter	Stark
Molinari	Roberts	Stokes
Mollohan	Robinson	Stratton
Montgomery	Rodino	Studds
Moody	Roe	Stump
Moore	Roemer	Sundquist
Moorhead	Rogers	Swift
Morrison (CT)	Rose	Synar
Morrison (WA)	Rostenkowski	Tallon
Mrazek	Roukema	Tauzin
Murphy	Rowland	Taylor
Murtha	Roybal	Thomas (CA)
Myers	Rudd	Thomas (GA)
Natcher	Russo	Torres
Neal	Sabo	Towns
Nelson	Sawyer	Traxler
Nichols	Schaefer	Udall
Nielson	Scheuer	Valentine
Nowak	Schneider	Vander Jagt
O'Brien	Schroeder	Vandergriff
Oakar	Schulze	Vento
Oberstar	Schumer	Volkmer
Olin	Seiberling	Vucanovich
Owens	Shannon	Walgren
Oxley	Sharp	Walker
Packard	Shaw	Watkins
Panetta	Shelby	Waxman
Parris	Shumway	Weiss
Pashayan	Shuster	Wheat
Patterson	Sikorski	Whitehurst
Pease	Siljander	Whitley
Penny	Sisisky	Whittaker
Pepper	Skeen	Whitten
Petri	Skelton	Wirth
Pickle	Slattery	Wise
Porter	Smith (FL)	Wolf
Price	Smith (IA)	Wolpe
Pritchard	Smith (NE)	Wortley
Quillen	Smith (NJ)	Wright
Rahall	Smith, Denny	Wyden
Rangel	Smith, Robert	Wylie
Ratchford	Snowe	Yates
Ray	Snyder	Yatron
Regula	Spence	Young (AK)
Reid	Spratt	Young (FL)
Richardson	St Germain	Young (MO)
Ridge	Staggers	Zschau

NAYS—0

NOT VOTING—69

Alexander	Frank	Martin (NC)
Aspin	Franklin	McEwen
Bethune	Garcia	Obey
Boner	Gramm	Ortiz
Broomfield	Gray	Ottinger
Bryant	Guarini	Patman
Byron	Hall (IN)	Paul
Cheney	Hansen (ID)	Pursell
Clinger	Harkin	Roth
Crane, Daniel	Hatcher	Savage
Crockett	Hefner	Sensenbrenner
D'Amours	Heftel	Simon
Davis	Hiler	Solarz
Dickinson	Howard	Solomon
Dingell	Hughes	Stenholm
Dixon	Jenkins	Tauke
Dymally	Kogovsek	Torricelli
Edgar	LaFalce	Weaver
Evans (IL)	Latta	Weber
Feighan	Levitas	Williams (MT)
Ferraro	Lowery (CA)	Williams (OH)
Fields	Lundine	Wilson
Ford (MI)	Marriott	Winn

□ 1400

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous ma-

terial, on H.R. 6163, the bill just passed.

The SPEAKER pro tempore (Mr. ANTHONY). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

COLORADO RIVER BASIN SALINITY CONTROL ACT AMENDMENTS

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2790) to amend the Colorado River Basin Salinity Control Act to authorize certain additional measures to assure accomplishment of the objective of title II of such Act, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 10, after line 12, insert:

"(F) in entering into contracts or agreements pursuant to section 202(c)(2)(C), require a minimum of 30 per centum cost-sharing contribution from individuals or groups of owners and operators of farms, ranches, and other lands as well as from local governmental and nongovernmental entities such as irrigation districts and canal companies, unless the Secretary finds in his discretion that such cost-sharing requirement would result in a failure to proceed with needed on-farm measures.".

Page 13, strike out lines 6 to 12, inclusive, and insert:

(b) Section 205(a)(1) of such act is amended by inserting before "shall be nonreimbursable." the words "authorized by section 202(a) (1), (2), and (3), including 75 per centum of the total costs of construction, operation, and maintenance of the associated measures to replace incidental fish and wildlife values foregone, 70 per centum of the total costs of construction, operation, maintenance, and replacement of each unit or separable feature thereof authorized by section 202(a) (4) and (5), including 70 per centum of the total costs of construction, operation, and maintenance of the associated measures to replace incidental fish and wildlife values foregone, and 70 per centum of the total costs of implementation of the on-farm measures authorized by section 202(c), including 70 per centum of the total costs of the associated measures to replace incidental fish and wildlife values foregone,". Section 205(a)(1) of such act is further amended by adding at the end thereof "The total costs remaining after these allocations shall be reimbursable as provided for in paragraphs (2), (3), (4), and (5), of section 205(a)".

(c) Section 205(a)(2) of such act is amended by striking "Twenty-five per centum" and inserting in lieu thereof "The reimbursable portion".

Page 13, line 13, strike out "(c)" and insert "(d)".

Page 14, line 2, strike out "(d)" and insert "(e)".

Page 16, line 13, strike out "(e)" and insert "(f)".

Page 16, line 24, strike out "(f)" and insert "(g)".

Page 17, line 5, strike out "(g)" and insert "(h)".

Page 17, line 10, strike out "(h)" and insert "(i)".

Mr. SEIBERLING (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Ohio?

Mr. LUJAN. Mr. Speaker, reserving the right to object, I do so for the purpose of asking the gentleman from Ohio [Mr. SEIBERLING] if he would explain the contents of the legislation to us.

Mr. SEIBERLING. Mr. Speaker, if the gentleman would yield, this is a bill which Chairman UDALL was going to handle, but he had to step out for a few minutes because of a prior commitment.

Mr. Speaker, early last week the House passed H.R. 2790, the Colorado River Salinity Control Act. Last Friday the Senate took up that legislation and passed it with two amendments. Those amendments go to the cost-sharing requirements for the Bureau of Reclamation salinity control units and the on-farm salinity control measures to be instituted by the Department of Agriculture.

Mr. Speaker, I see that Chairman UDALL is here, so perhaps he would like to explain the Senate amendments.

Mr. LUJAN. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Arizona [Mr. UDALL].

Mr. UDALL. I thank the gentleman for yielding.

Mr. Speaker, the first amendment increases the cost-sharing requirement for the Bureau of Reclamation units from 25 to 30 percent. Those costs to be paid by the Upper Basin States will be repaid over time, with interest. Those costs to be paid by the Lower Basin States will be paid up front, as the construction costs are incurred.

The second amendment directs the Secretary of Agriculture to require a minimum of 30 percent cost sharing from farmers, irrigation districts or other non-Federal entities for the costs of on-farm salinity control measures. The Secretary may, in his discretion, adjust the requirement if he finds that it would result in a failure to proceed with needed on-farm measures.

These amendments were worked out by the Colorado River Salinity Control Forum with Senator METZENBAUM. Although they impose a tougher cost sharing requirement on the seven Basin States, I believe the Salinity Control Program is essential to the continued well-being of the States, and I support the compromise.

Mr. LUJAN. Mr. Speaker, I thank the gentleman for his explanation.

Mr. Speaker, I rise in support of H.R. 2790. H.R. 2790 provides for control of the salinity of the Colorado River.

The increased levels of salinity, or total dissolved solids, in the Colorado River are an important concern to the seven Colorado River Basin States. Heightened salinity, or worsened water quality levels can damage crop growth and make water unpotable, thus increasing water treatment costs. Colorado River salinity is also an important concern of the Federal Government, since the Federal Government owns 70 percent of the lands in the Colorado River Basin. In fact, half of the salinity from natural sources in the Colorado River comes from Federal lands. And the Federal Government has agreed by treaty with the Government of Mexico to certain controls on the salinity of water coming to Mexico from the Colorado River.

The committee amendment which is being offered today represents a series of compromises between supporters of the legislation and the environmental community. In particular:

The bill was revised to make it acceptable on wildlife mitigation and environmental review issues.

The bill was revised to drop certain projects, and impose limits on certain others, where objections were raised on environmental grounds.

The bill was changed to limit the involvement of the Federal Government in certain aspects of project implementation, for both fiscal and environmental reasons.

The bill was changed to sharply increase the effective levels of local cost-sharing required.

Let me stress that at this point, there is agreement on almost every aspect of this bill. This means that there is agreement on the following issues:

First, salinity is an important water quality problem in a major area of the West;

Second, the projects proposed in this bill are a sensible means of dealing with this problem;

Third, the projects proposed will be subject to proper environmental review and control.

The administration was willing, as I understand it, to accept 25 percent cost sharing. To my knowledge, this would be just about the highest cost-sharing percentage in a generic program such as this that we have authorized. Some people have suggested that this is not high enough. In response, I would point out that:

First, the Federal Government is a major pollution contributor in the Colorado;

Second, Colorado River salinity control helps to maintain the structure of our Federal treaty commitment;

Third, the Colorado is a multistage resource, and this level of cost sharing is one which guarantees contributions from all of the States involved.

For these reasons, I believe the House should follow the committee's judgment and support the bill as amended by the committee.

● Mr. DE LA GARZA. Mr. Speaker, I rise in support of the Senate amendment to H.R. 2790, a bill designed to strengthen water salinity control programs in the Colorado River Basin.

One portion of the Senate amendment relates to a matter within the jurisdiction of the House Agriculture Committee. The provisions that I refer to would authorize the Secretary of Agriculture to set up a cost-sharing cooperative program with Colorado River Basin landowners to improve farm management and reduce erosion. These are identical, with one exception, to provision contained in the House-passed bill and have their origin in H.R. 3903, the Colorado River Basin Agricultural Conservation Program, which the Agriculture Committee favorably reported last November and which the House passed and sent to the Senate a week later, on November 16, 1983.

The goal of the cost-sharing program is to improve current efforts to control salinity in the region where high salt content in water has become an increasingly serious problem for downstream farmers and urban residents. To carry out this program, the bill would authorize the Secretary of Agriculture to: First, identify salt source areas and salt loading resulting from irrigation; second, develop plans for implementing actions to reduce salt loads; third, provide technical and cost-sharing assistance for voluntary water management and salinity control measures on private and public nonfederal lands; and fourth, provide for related education, research, and monitoring programs.

The Senate amendment would add a new provision to this program that would limit the Federal share of costs to 70 percent, but at the same time would authorize the Secretary to exceed this limit in individual cases if that is necessary to carry out on-farm conservation measures.

This legislation would be an important and useful step in our overall national efforts for soil and water conservation.●

Mr. LUJAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2790, the legislation just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

AUTHORIZING THE CLERK TO MAKE CORRECTION IN ENGROSSMENT OF H.R. 2790, COLORADO RIVER BASIN SALINITY CONTROL ACT AMENDMENTS

Mr. UDALL. Mr. Speaker, I have a concurrent resolution (H. Con. Res. 371) at the desk, and I ask unanimous consent for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

H. CON RES. 371

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H.R. 2790), to amend the Colorado River Basin Salinity Control Act to authorize certain additional measures to assure accomplishment of the objectives of title II of such Act, and for other purposes, the Clerk of the House of Representatives shall make the following correction in the first sentence in section 1:

Change "the Act (15 U.S.C. 1591(b))" to read: "the Colorado River Basin Salinity Control Act, (43 U.S.C. 1591(b)), hereinafter referred to as the 'Act',".

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

Mr. LUJAN. Mr. Speaker, reserving the right to object, I do so simply to ask the gentleman from Arizona [Mr. UDALL] if this is the concurrent resolution to correct an error in the citation in the bill?

Mr. UDALL. Mr. Speaker, if the gentleman will yield, that is correct. It is a statutory citation that was incorrectly referred to. This makes that change.

Mr. LUJAN. It is my understanding that it is purely a technical correction.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Concurrent Resolution 371, the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

□ 1410

AUTHORIZING EXCHANGE OF CERTAIN LANDS BETWEEN BUREAU OF LAND MANAGEMENT AND CITY OF LOS ANGELES

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3331) to authorize the exchange of certain lands between the Bureau of Land Management and the city of Los Angeles for purposes of the Santa Monica Mountains National Recreation Area, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 1, strike out "subparagraph" and insert "subparagraphs".

Page 2, lines 3 and 4, strike out "(acting through the Bureau of Land Management)".

Page 3, line 2, strike out "1976."." and insert "1976.".

Page 3, after line 2, insert:

"(C) The city shall assume full responsibility for the protection of cultural resources and shall develop a cultural resource management program for the public lands to be transferred to the city in the vicinity of the Haiwee Reservoir. The program shall be developed in consultation with the Secretary of the Interior, the California State Historic Preservation Officer, and the Advisory Council on Historic Preservation.".

Mr. SEIBERLING (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. LUJAN. Mr. Speaker, reserving the right to object, I would just make the reservation at this time to inquire, are we on the Santa Monica bill, H.R. 3331?

Mr. SEIBERLING. Yes, we are, Mr. Speaker.

Mr. LUJAN. In that event, Mr. Speaker, under my reservation I yield to the gentleman from Ohio [Mr. SEIBERLING] to explain the purposes of the bill.

Mr. SEIBERLING. Mr. Speaker, I thank the gentleman from New Mexico for yielding.

Mr. Speaker, H.R. 3331, as passed by the House on August 2, 1984, would provide for an equal value land exchange between the Department of the Interior and the city of Los Angeles.

The Santa Monica Mountains National Recreation Area [SMMNRA], established in 1978 (Public Law 95-625) has within its boundary lands owned by the city of Los Angeles. The act provides for donation of such lands to the National Park Service, at the discretion of the city, but does not permit exchange for other Federal land. H.R. 3331, would allow a specific exception to that general prohibition.

The city operates the Haiwee Reservoir in Inyo County, CA, which is located partially on Federal lands administered by the Bureau of Land Management. The city desires to obtain ownership of the lands around Haiwee Reservoir and favors an equal value exchange for city lands within the boundary of the Santa Monica Mountains NRA.

The Senate amendments to H.R. 3331 are technical, except for an added requirement that the city of Los Angeles will develop a cultural resource management plan for all lands at Haiwee Reservoir transferred to their jurisdiction by this act.

Mr. Speaker, I urge that we accept these amendments and pass H.R. 3331.

Mr. LUJAN. Mr. Speaker, I thank the gentleman for his explanation, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Ohio?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on the matter just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

VIRGINIA NATIONAL FOREST WILDERNESS ACT OF 1984

Mr. SEIBERLING. Mr. Speaker, pursuant to the provisions of House Resolution 609, I move to take from the Speaker's table the bill (H.R. 5121) to designate certain National Forest System lands in the State of Virginia as wilderness, and for other purposes, with the Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the provisions of House Resolution 609, the Senate amendment is considered as having been read.

The text of the Senate amendment is as follows:

Strike out all after the enacting clause and insert:

That this Act may be cited the "Virginia Wilderness Act of 1984".

DESIGNATION OF WILDERNESS AREAS

SEC. 2. In furtherance of the purposes of the Wilderness Act (16 U.S.C. 1131-1136), the following lands in the State of Virginia are hereby designated as wilderness and, therefore, as components of the National Wilderness Preservation System:

(1) certain lands in the Jefferson National Forest, Virginia, which comprise approximately six thousand three hundred and seventy-five acres, as generally depicted on a map entitled "Beartown Wilderness—Proposed", dated February 1984, and which shall be known as the Beartown Wilderness;

(2) certain lands in the Jefferson National Forest, Virginia, which comprise approximately five thousand five hundred and eighty acres, as generally depicted on a map entitled "Kimberling Creek Wilderness—Proposed", dated February 1984, and which shall be known as the Kimberling Creek Wilderness;

(3) certain lands in the Jefferson National Forest, Virginia, which comprise approximately five thousand seven hundred and thirty acres, as generally depicted on a map entitled "Lewis Fork Wilderness—Proposed", dated February 1984, and which shall be known as the Lewis Fork Wilderness;

(4) certain lands in the Jefferson National Forest, Virginia, which comprise approximately three thousand four hundred acres, as generally depicted on a map entitled "Little Dry Run Wilderness—Proposed", dated February 1984, and which shall be known as the Little Dry Run Wilderness;

(5) certain lands in the Jefferson National Forest, Virginia, which comprise approximately three thousand eight hundred and fifty-five acres, as generally depicted on a map entitled "Little Wilson Creek Wilderness—Proposed", dated February 1984, and which shall be known as the Little Wilson Creek Wilderness;

(6) certain lands in the Jefferson National Forest, Virginia, which comprise approximately eight thousand two hundred and fifty-three acres, as generally depicted on a map entitled "Mountain Lake Wilderness—Proposed", dated February 1984, and which shall be known as the Mountain Lake Wilderness;

(7) certain lands in the Jefferson National Forest, Virginia, which comprise approximately three thousand three hundred and twenty-six acres, as generally depicted on a map entitled "Peters Mountain Wilderness—Proposed", dated February 1984, and which shall be known as the Peters Mountain Wilderness;

(8) certain lands in the Jefferson National Forest, Virginia, which comprise approximately two thousand four hundred and fifty acres, as generally depicted on a map entitled "Thunder Ridge Wilderness—Proposed", dated February 1984, and which shall be known as the Thunder Ridge Wilderness;

(9) certain lands in the Jefferson National Forest, Virginia, which comprise approximately two hundred acres, as generally depicted on a map entitled "James River Face Wilderness Addition—Proposed", dated September 1984, and which are hereby incorporated in, and shall be deemed to be part of, the James River Face Wilderness as designated by Public Law 93-622;

(10) certain lands in the George Washington National Forest, Virginia, which comprise approximately six thousand seven hundred and twenty-five acres, as generally depicted on a map entitled "Ramseys Draft Wilderness—Proposed", dated January 1984, and which shall be known as the Ramseys Draft Wilderness; and

(11) certain lands in the George Washington National Forest, Virginia, which comprise approximately ten thousand and ninety acres, as generally depicted on a map entitled "Saint Mary's Wilderness—Proposed", dated January 1984, and which shall be known as the Saint Mary's Wilderness.

MAPS AND DESCRIPTIONS

SEC. 3. As soon as practicable after enactment of this Act, the Secretary of Agriculture shall file a map and a legal description of each wilderness area designated by this Act with the Committee on Interior and Insular Affairs and the Committee on Agriculture of the United States House of Representatives and with the Committee on Agriculture, Nutrition, and Forestry of the United States Senate. Each such map and description shall have the same force and effect as if included in this Act, except that correction of clerical and typographical errors in each such map and description may be made by the Secretary. Each such map and description shall be on file and available for public inspection in the Office of the Chief of the Forest Service, Department of Agriculture.

ADMINISTRATION OF WILDERNESS

SEC. 4. Subject to valid existing rights, each wilderness area designated by this Act shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the date of enactment of this Act.

EFFECT OF RARE II

SEC. 5. (a) The Congress finds that—

(1) the Department of Agriculture has completed the second roadless area review and evaluation program (RARE II); and

(2) the Congress has made its own review and examination of National Forest System roadless areas in the State of Virginia and of the environmental impacts associated with alternative allocations of such areas.

(b) On the basis of such review, the Congress hereby determines and directs that—

(1) without passing on the question of the legal and factual sufficiency of the RARE II final environmental statement (dated January 1979) with respect to National Forest System lands in States other than Virginia, such statement shall not be subject to judicial review with respect to National Forest System lands in the State of Virginia;

(2) with respect to the National Forest System lands in the State of Virginia which were reviewed by the Department of Agriculture in the second roadless area review and evaluation (RARE II) and those lands referred to in subsection (d), except those lands designated for wilderness study upon enactment of this Act, that review and evaluation or reference shall be deemed for the purposes of the initial land management plans required for such lands by the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest management Act of 1976, to be an

adequate consideration of the suitability of such lands for inclusion in the National Wilderness Preservation System and the Department of Agriculture shall not be required to review the wilderness option prior to the revisions of the plans, but shall review the wilderness option when the plans are revised, which revisions will ordinarily occur on a ten-year cycle, or at least every fifteen years, unless prior to such time the Secretary of Agriculture finds that conditions in a unit have significantly changed;

(3) areas in the State of Virginia reviewed in such final environmental statement or referenced in subsection (d) and not designated as wilderness or for wilderness study upon enactment of this Act shall be managed for multiple use in accordance with land management plans pursuant to section of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976: *Provided*, That such areas need not be managed for the purpose of protecting their suitability for wilderness designation prior to or during revision of the initial land management plans;

(4) in the event that revised land management plans in the State of Virginia are implemented pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, and other applicable law, areas not recommended for wilderness designation need not be managed for the purpose of protecting their suitability for wilderness designation prior to or during revision of such plans, and areas recommended for wilderness designation shall be managed for the purpose of protecting their suitability for wilderness designation as may be required by the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, and other applicable law; and

(5) unless expressly authorized by Congress, the Department of Agriculture shall not conduct any further statewide roadless area review and evaluation of National Forest System lands in the State of Virginia for the purposes of determining their suitability for inclusion in the National Wilderness Preservation System.

(c) As used in this section, and as provided in section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, the term "revision" shall not include an "amendment" to a plan.

(d) The provisions of this section shall also apply to National Forest System roadless lands in the State of Virginia which are less than five thousand acres in size.

DESIGNATION OF WILDERNESS STUDY AREAS

SEC. 6. (a) In furtherance of the purposes of the Wilderness Act, the Secretary of Agriculture shall review, as to their suitability for preservation as wilderness, the following lands in the State of Virginia:

(1) certain lands in the George Washington National Forest, which comprise approximately nine thousand three hundred acres, as generally depicted on a map entitled "Rough Mountain Wilderness Study Area—Proposed", dated February 1984, and which shall be known as the Rough Mountain Wilderness Study Area;

(2) certain lands in the George Washington National Forest, which comprise approximately five thousand six hundred acres, as generally depicted on a map entitled "Rich Hole Wilderness Study Area—Proposed", dated January 1984, and which shall be known as the Rich Hole Wilderness Study Area;

(3) certain lands in the Jefferson National Forest, which comprise approximately five thousand eight hundred and seventy-five acres, as generally depicited on a map entitled "Barbours Creek Wilderness Study Area—Proposed", dated February 1984, and which shall be known as the Barbours Creek Wilderness Study Area; and

(4) certain lands in the Jefferson National Forest, which comprise approximately four thousand three hundred acres, as generally depicted on a map entitled "Shawvers Run Wilderness Study Area—Proposed", dated February 1984, and which shall be known as the Shawvers Run Wilderness Study Area.

(b) In carrying out the review required under this section, the Secretary shall give public notice at least sixty days in advance of any hearing or other public meeting concerning a study area.

(c) Subject to valid existing rights, the wilderness study areas designated by this section shall, until Congress determines otherwise, be administered by the Secretary so as to maintain their presently existing wilderness character and potential for inclusion in the National Wilderness Preservation System.

(d) The Secretary, in consultation with the Environmental Protection Agency and the State of Virginia, shall evaluate and report to Congress no later than two years after the date of enactment of this Act on the effects of the proposed industrial development site at Covington, Virginia, on air quality on the areas designated for wilderness study by this Act. The Secretary shall provide an interim report to the appropriate committees of Congress no later than one year after the date of enactment of this Act.

BUFFER ZONES

SEC. 7. Congress does not intend that designation of wilderness areas in the State of Virginia lead to the creation of protective perimeters or buffer zones around each wilderness area. The fact that nonwilderness activities or uses can be seen or heard from areas within the wilderness shall not, of itself, preclude such activities or uses up to the boundary of the wilderness area.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. SEIBERLING] is recognized for 1 hour.

Mr. SEIBERLING. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from New Mexico [Mr. LUJAN] and reserve 30 minutes for myself. I now yield myself 4 minutes.

Mr. Speaker, I rise in strong support of H.R. 5121, the Virginia Wilderness Act of 1984. With three relatively minor exceptions, the bill is identical to the one which passed the House on May 8 of this year by a vote of 376 to 20. I regret having to consume the House's time to reconfirm a measure which received only 20 negative votes the last time around, but our efforts to bring the bill up by unanimous consent last week were objected to, and there will not be another Suspension Calendar this year.

The facts concerning this legislation are very simple. The bill designates 10 new national forest wilderness areas in Virginia, totaling approximately 55,784 acres, and adds 200 acres to the existing James River Face Wilderness. Four other areas, which were originally considered for wilderness, have been, as will be discussed in a minute, designated as wilderness study areas. The bill also provides for the release of some 134,000 acres of roadless land not designated as wilderness or wilderness study, so that the released land can continue to be available for nonwilderness types of uses. I should note that the bill is strongly supported by both Senators from Virginia and passed the Senate unanimously last week. It also has the endorsement and strong backing of: Congressmen BOUCHER and OLIN, in whose congressional districts the wilderness proposals lie; Governor Robb; and numerous organizations and individuals throughout the State of Virginia.

Indeed, the only real opposition to this bill comes from the Westvaco Corp., which despite overwhelming evidence against their case, and several concessions made to accommodate them, still persists in opposing the bill. Westvaco's complaint with the bill is based on the proposition that even though the new wilderness proposals will not, under current law, impair their planned expansion of their bleached board manufacturing facility at Covington, VA, some future Congress, might change the law and upgrade wilderness areas near Covington to class 1 air quality status, and that class 1 status might somehow inhibit their planned expansion. Despite the tenuous basis for these concerns, Congressmen OLIN and BOUCHER agreed to accommodate them by downgrading the four wilderness proposals within 20 miles of Covington to wilderness study proposals. Senators WARNER and TRIBLE further amended the House bill to provide for a special study to determine whether class 1 status might harm the planned expansion, and also added language to insure that the designation of wilderness would not be construed to require the creation of protective buffer zones around the wilderness areas. In addition, both our committee and Senator HELMS' Committee on Agriculture, to whom the bill was referred in the Senate, carefully examined the wilderness/clean air relationship and concluded that the possibility of class 1 designation was virtually nil. As Senator HELMS' committee report notes:

> The committee believes, with the addition of this comprehensive study (air quality) study, that the legitimate concerns of industry in southwestern Virginia will be met . . . (Senate Report 98-612, pg. 9)

I would also point out that to further allay Westvaco's concerns, Congressmen BOUCHER and OLIN asked the Virginia conservation groups which pushed for H.R. 5121 whether they would ever seek class 1 designation for the new wilderness. In response, the

major groups involved sent us the following letter, which was reprinted in our committee report on the legislation. The key phrase in that letter reads:

> We therefore wish it to be known that we can foresee no set of circumstances under which we would either initiate or support any effort to reclassify wilderness areas in Virginia to air quality class 1. We believe that any such effort would be unnecessary and ill-advised.

While such a letter cannot, of course, absolutely bind future Congresses or conservation groups, it stands as testimony to the clear intent of all concerned and constitutes a printed record of that intent.

Mr. Speaker, as I have already mentioned, our committee and Senator HELMS' committee conducted a thorough investigation into the wildeness/clean air ramifications of this legislation. Four full pages of our committee report are devoted to the issue and the matter was discussed at length during floor debate of the bill last May. Senator HELMS' committee report devotes two full pages to the issue and reaches the exact same conclusion as we did. Namely, that Westvaco's concerns with this bill are not legitimate, and their fears of being adversely impacted by the action of some future Congress are not well founded. I would be happy to discuss the wilderness/clean air issue in further detail if Members so desire, but I believe enough has been said at this point.

I urge approval of H.R. 5121 as amended by the Senate.

Mr. LUJAN. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I rise in support of H.R. 5121, the Virginia Wilderness bill.

The Senate-passed version is essentially the same as that which passed the House on May 8 with only 20 votes against it. I supported it then and intend to do so today.

There is some opposition from the gentleman from Virginia [Mr. BLILEY] and the gentleman from Kentucky [Mr. HUBBARD] and I respect their concerns. I believe they are responding to the concerns of the employees of Westvaco Corp., and I commend them for doing so.

However, I do not believe the company's fears are founded. Perhaps the debate will help reassure them.

As the chairman [Mr. SEIBERLING] has explained, the issue involves the Clean Air Act and the proximity of Westvaco's Covington Mill to the proposed wilderness areas. Wilderness areas are class 2 and the mill meets the class 2 requirements but they intend to expand their operations and hesitate to do so with the remotest possibility that one of the wilderness areas could be reclassified as a class 1 area.

The important point is that to be reclassified, the Governor of Virginia would have to request it. It is not likely that a Governor would move to put his own industry out of business.

Despite the unlikelihood of such an event, our committee and the other body left the areas closest to the mill in wilderness study and the other body went even further by requiring a study by the Forest Service, in consultation with EPA and the State of Virginia, to determine the impact of the increased emissions on the wilderness study areas. The company is invited to participate fully in the study.

The company has requested that five additional areas be left in study rather then designated wilderness by the bill.

I do not believe that this degree of caution is necessary. With the assurances we have from the State, the delegation, and the groups involved, I do not believe the areas will ever be reclassified or even considered for such designation.

We cannot bind a future Congress but I believe we have put provisions in this bill which come as close to that as possible.

I intend to support the bill and urge my colleagues to do so.

□ 1420

Mr. WHITEHURST. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. I yield to the gentleman.

Mr. WHITEHURST. Mr. Speaker, I just rise in support of the bill and thank my colleague for yielding to me.

I commend him for this statement. It is significant that both the Senators of our State are in favor of this bill.

The record on behalf of the legislation has already been established and I think in view of that, the sentiment of the House already having been measured, that this bill deserves passage.

Mr. LUJAN. Mr. Speaker, I thank the gentleman.

Mr. SEIBERLING. Mr. Speaker, I yield 4 minutes to one of the distinguished authors of this legislation, the gentleman from Virginia [Mr. OLIN].

Mr. OLIN. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of the Senate amendments to H.R. 5121, the Virginia Wilderness Act, and urge their adoption. Three of the areas designated for wilderness, the addition to the existing James River Face Wilderness Area, and two of the areas designated for wilderness-study under this bill are in the Sixth Congressional District of Virginia which I have the honor of representing in Congress. The others sites contained in the bill are in the congressional district of my colleague from Virginia, Congressman BOUCHER.

The amendments added by the Senate to H.R. 5121 are modest and do not change the basic provisions of this bill as passed by the House on May 8 of this year. As you will recall, the vote on this bill at that time was 376 to 20. The other body added language clarifying that it is not the intent of Congress that buffer zones be created around these wilderness areas. It also added 40 acres of wilderness to the existing James River Face Wilderness Area. This addition was made at the request of the U.S. Forest Service. Finally, language was added to the bill calling upon the Forest Service, in consultation with the EPA and the State of Virginia, to prepare a study on the effects of wilderness designations on economic growth in western Virginia. Other than these changes, the bill is the same as passed the House earlier this year. I support the amendments.

Mr. Speaker, I would also like to take this opportunity to thank the Virginia Senators for their valuable contributions to this legislation and for their fine work in guiding this bill through the other body. In addition, I would like to thank the chairman of the subcommittee, Mr. SEIBERLING, for all of his help in bringing this legislation to this point. His guidance and assistance has been invaluable.

Adoption of this legislation will be a tribute to the tireless work of countless Virginians who have testified on this legislation, written letters, circulated petitions, and generally worked to heighten attention to the need for this legislation. I will not attempt to name all of these people, but I would like to give a special tnanks to Mr. Ernest Dickerman of Swoope, VA. Ernie has been working on this for as long as anyone can remember.

Finally, Mr. Speaker, I would like to emphasize as strongly as I can that the adoption of this legislation, and the designation of these sites as wilderness areas will not threaten jobs or economic development. This has been a crucial consideration of mine throughout this process. If I believed that there was any realistic possibility that this bill would jeopardize jobs, I would not be enthusiastically supporting it as I am. Further, once again, I pledge to vigorously oppose any efforts in the future to redesignate air quality standards. These wilderness areas will be class 2 and I am committed to the making sure they remain class 2.

Mr. Speaker, this is a well-balanced and carefully drafted bill. The Senate amendments clarify our intentions and should be adopted. I urge my colleagues to join me in supporting this legislation and clearing the measure for the President.

Mr. SEIBERLING. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Virginia [Mr. BOUCHER], who is also one of the authors of this bill.

Mr. BOUCHER. Mr. Speaker, I want to thank the gentleman from Ohio for yielding time to me. I also want to commend him for his outstanding leadership in helping to bring this measure forward. We in Virginia very much appreciate his assistance.

Mr. Speaker, I rise in strong support of H.R. 5121, the Virginia National Forest Wilderness Preservation Act of 1984. The gentleman from Virginia [Mr. OLIN] and I, joined in sponsorship by Mr. WHITEHURST, introduced this bill which the House approved in May by a margin of 376 to 20. The version of H.R. 5121 before us now reflects three changes made by the other body; I fully support these changes.

H.R. 5121 represents a balance of diverse interests which was developed through many months of debate and discussion. My colleague from Virginia, Mr. OLIN, and I worked closely with the Forest Service field representatives who are most familiar with the RARE II study areas, and our bill reflects their advice. We also attempted to work with as many of the Forest users as possible. H.R. 5121 was drafted after careful consideration of the interests of those to whom the Forest is a means of livelihood, a recreational resource, an avenue of learning and scientific study, or a provider of drinking water. The selection of areas for wilderness protection and the recommendations for the boundaries of each of these areas evolved from the suggestions of thousands of Virginia citizens.

H.R. 5121 designates as wilderness for hunting, fishing, camping, hiking, and other compatible uses approximately 56,000 acres, comprising somewhat less than 4 percent of Virginia's national forest lands. It places approximately 25,000 acres in further study, and it releases to multiple use 157,000 acres which have been studied and restudied for possible wilderness designation.

I would like to address briefly the three changes which the other body has made to the bill. First, 40 acres are added to the James River Face existing wilderness area. The Forest Service requested this addition so that adequate access to the area is assured. I support this addition, which increases the size of this area to 200 acres.

Second, language has been added prohibiting the establishment of buffer zones around the wilderness areas. Although I believe that the bill is clear in its sole applicability to designated wilderness and not to adjoining areas, I have no objection to this provision.

Third, language has been added recognizing concerns which have been raised by a very important employer in Virginia, Westvaco Corp. Westvaco has expressed concern that the designation of areas as wilderness may at some point in the future be followed by their redesignation as class 1 regions for purposes of the Clean Air Act. Westvaco has recently announced an important expansion of its Covington, VA plant and is concerned that such a redesignation might impair the expansion.

To address these concerns, Mr. OLIN and I left in place the current class 2 air standards for each of the proposed wilderness areas in H.R. 5121. We also included letters in the bill's House Committee report from national environmental groups stating that they have no plans to recommend new class 1 designations in Virginia and from key environmental groups in Virginia stating that they will not seek or support redesignation of these areas to class 1.

Additionally, Mr. OLIN and I chose not to make wilderness recommendations for the four areas which are closest to Westvaco's plant at this time. Because of the strong citizen interest in the preservation of these areas and the value of their wilderness resources, however, we designated the areas as wilderness study areas rather than releasing them to mutliple use.

Finally, as mentioned earlier, the other body also added a provision to the bill to allay Westvaco's concerns. The U.S. Forest Service, in conjunction with the Environmental Protection Agency and the Commonwealth of Virginia, is directed to study the effects of air quality standards in the areas adjacent to the four wilderness study areas. This study is to be completed no later than 2 years after the date of the bill's enactment. This provision parallels a similar request Mr. OLIN and I have made to the EPA. I support this provision, and I look forward to reviewing the study 2 years hence to determine whether the designation of these four areas as wilderness is appropriate.

In summary, I fully support H.R. 5121 with the three provisions which the other body has added regarding additional wilderness acreage, buffer zones, and the air quality study, and I believe that it deserves the favorable consideration of the House.

Mr. LUJAN. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Speaker, I rise in opposition to the bill. Mr. Speaker, I am as concerned about the preservation of Virginia's natural beauty as any of my colleagues in this House. This is my home and I am proud of it. I want to know that my grandchildren will be able to know the beauty of this great State. However, I am also concerned about something else—something that I think we should all be concerned about now, and that is: Jobs. I don't understand why the preservation of jobs isn't as important to my colleagues as is the preservation of wilderness.

It is not my desire to try and destroy this legislation. I am simply seeking an opportunity to amend it so that I and my colleagues from neighboring States can support it. I want to make sure the facts are in before Congress makes its decision.

If this bill passes today, it will do so without benefit of the facts—facts which will have potentially serious effects on industries in Virginia and neighboring States. I was hoping to have any opportunity to offer an amendment which, I believe, addresses our concerns. The rule that was just passed prevents me from doing so, however. My amendment would have shifted four areas designated as wilderness to wilderness study status. In addition, after completion of the 2-year study period, the Secretary of Agriculture would be required to report findings to the President so as to enable him to make recommendations to Congress regarding future designation of all study areas.

Why is that so frightening? Are we afraid of what we will find out in such a study? If the proponents are so certain that wilderness designation will not adversely affect the industrial community, why are they afraid to prove it? What possible difference will 2 years of study make to the wilderness area? I don't believe the land is going to disappear in 2 years. The land will still be there and we will know with more certainty the impact that a wilderness designation will have on the surrounding area.

Let's be sure of the facts before we make such a serious decision. If we are going to make a mistake, let's at least do it with our eyes open and all of the facts before us.

□ 1430

Mr. SEIBERLING. Mr. Speaker, I yield 1 minute to the distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Arizona [Mr. UDALL].

Mr. UDALL. Mr. Speaker, Virginia is a place of unusual and diverse beauty, from the Chesapeake Bay to the ocean beaches, to the estuaries of the James River, to the special part of that State that lies in the Piedmont country where the streams rise and move on to the ocean. It always tests the statesmanship of a congressional delegation when a wilderness proposal or a national park proposal is made in your district or your State.

But I want to commend the members of the Virginia delegation, both the House and Senate, for the responsible way in which they have worked with our committee and the Agriculture Committee, and with Chairman SEIBERLING, to produce a fine piece of legislation. Against the bill we find

today really only one company which mistakenly believes that this bill will cost jobs and economic growth, and I think the facts are clearly otherwise.

On the side of passage are the Members or most of the Members of the House delegation, including the two who represent the areas involved, both Members of the Senate delegation, the Governor, and other groups and individuals who have been mentioned here.

We passed the bill 317 to 20 just a few months ago. I think we ought to do about as good today, and I urge adoption of the motion.

● Mr. DE LA GARZA. Mr. Speaker, I rise in support of H.R. 5121, as amended, a bill designating wilderness areas in national forests in the State of Virginia. The bill, which was referred jointly to the Committee on Agriculture and the Committee on Interior and Insular Affairs, was passed by the House on May 8, 1984. The bill was amended by the Senate to change slightly the acreage for one of the wilderness areas, require the Forest Service, in consultation with the Environmental Protection Agency and the State of Virginia, to conduct a study on the effect of emissions from the Covington, VA, Westvaco paper mill on certain wilderness study areas, and make clear that Congress does not intend that the designation of wilderness areas will lead to the creation of buffer zones around such areas.

Except for the changes described above, H.R. 5121, as passed by the Senate, is substantially the same as the House-passed bill. I am pleased to concur in the Senate amendments and encourage my colleagues to do likewise.●

Mr. SEIBERLING. Mr. Speaker, I simply want again to commend the members of the Virginia delegation and particularly the two gentlemen in whose districts these wilderness areas lie for their outstanding work on this legislation.

I have no further requests for time, and I yield back the balance of my time.

Mr. LUJAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. Pursuant to the provisions of House Resolution 609, the previous question is considered as ordered on the motion.

The question is on the motion offered by the gentleman from Ohio [Mr. SEIBERLING].

The motion was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the matter just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

AMERICAN CONSERVATION CORPS ACT OF 1983

Mr. SEIBERLING. Mr. Speaker, pursuant to the provisions of House Resolution 608, I move to take from the Speaker's table the bill (H.R. 999) to provide for the conservation, rehabilitation, and improvement of natural and cultural resources located on public or Indian lands, and for other purposes, with the Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the provisions of House Resolution 608, the Senate amendment is considered as having been read.

The text of the Senate amendment is as follows:

Strike out all after the enacting clause and insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "American Conservation Corps Act of 1984".

CONGRESSIONAL FINDINGS AND PURPOSE

SEC. 2. (a) FINDINGS.—The Congress finds that—

(1) conserving or developing natural and cultural resources and enhancing and maintaining environmentally important lands and waters through the use of the Nation's young men and women, is beneficial not only to the youth of the Nation by providing them with education and work opportunities, but is also beneficial for the Nation's economy and its environment; and

(2) through this work experience opportunity, the Nation's youth will further their understanding and appreciation of the natural and cultural resources in addition to learning basic and fundamental work ethics including discipline, cooperation, understanding to live and work with others, and learning the value of a day's work for a day's wages.

(b) PURPOSE.—It is the purpose of this Act to—

(1) enhance and maintain conservation, rehabilitation, and improvement work on Federal and non-Federal publuc lands and Indian lands, improve and restore Federal and non-Federal public lands and Indian lands, resources, and facilities, conserve energy and restore and maintain community lands, resources, and facilities;

(2) establish an American Conservation Corps to carry out a program to improve, restore, maintain, and conserve these lands and resources in the most cost-effective manner;

(3) assist State and local governments in carrying out needed non-Federal public land and resource conservation, rehabilitation, and improvement projects;

(4) provide for implementation of the program in such manner as will foster conservation and the wise use of natural and cultural resources through the establishment of working relationships among the Federal, State, and local governments, Indian tribes, and other public and private organizations; and

(5) increase (by training and other means) employment opportunities for young men and women including, but not limited to, those who are economically, socially, physically, or educationally disadvantaged and who may not otherwise be productively employed.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) The term "Federal public lands" means any lands or waters (or interest therein) owned or administered by the United States.

(2) The term "non-Federal public lands" means any lands or waters (or interest therein) owned or administered by any agency or instrumentality of a State or local government.

(3) The term "program" means the conservation, rehabilitation, and improvement program established by this Act.

(4) The term "program agency" means any Federal agency or instrumentality with responsibility for the management of any public or Indian lands, any State agency designated by the Governor to manage the program in that State, and the governing body of any Indian tribe.

(5) The term "Indian tribe" means any Indian tribe, band, nation, or other group which is recognized as an Indian tribe by the Secretary of the Interior. Such term also includes any Native village corporation, regional corporation, and Native group established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1701 et seq.).

(6) The term "Indian" means a person who is a member of an Indian tribe.

(7) The term "Indian lands" means any real property owned by an Indian tribe, any real property held in trust by the United States for individual Indians or Indian tribes, and any real property held by individual Indians or Indian tribes which is subject to restrictions on alienation imposed by the United States.

(8) The term "employment security service" means the agency in each of the several States with responsibility for the administration of unemployment and employment programs, and the oversight of local labor conditions.

(9) The term "chief administrator" means the head of any program agency as that term is defined in paragraph (4).

(10) The term "enrollee" means any individual enrolled in the American Conservation Corps in accordance with section 5.

(11) The term "crew leader" means an enrollee appointed under authority of this Act for the purpose of supervising other enrollees engaged in work projects pursuant to this Act.

(12) The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(13) The term "economically disadvantaged" with respect to youths has the same meaning given such term in section 4 (8) of the Job Training Partnership Act.

PUBLIC LANDS CONSERVATION, REHABILITATION, AND IMPROVEMENT PROGRAM

SEC. 4. (a) ESTABLISHMENT OF PROGRAMS.—There is hereby established within the Department of the Interior and the Department of Agriculture and American Conservation Corps.—

(1) ESTABLISHMENT OF PROGRAM ON FEDERAL PUBLIC LANDS.—Not later than ninety days after the enactment of this Act, the Secretary of the Interior and the Secretary of Agriculture, after consultation with the Secretary of Labor, shall establish and administer a conservation, rehabilitation, and improvement program on Federal public lands and Indian lands to carry out the purposes of this Act.

(2) ESTABLISHMENT OF PROGRAM ON NON-FEDERAL PUBLIC LANDS.—The Secretary of the Interior, after consultation with the Secretary of Agriculture and the Secretary of Labor, shall establish and administer a conservation, rehabilitation, and improvement program on non-Federal public lands to carry out the purposes of this Act.

(b) REGULATIONS AND ASSISTANCE.—The Secretary of the Interior and the Secretary of Agriculture, after consultation with the Secretary of Labor, shall jointly promulgate the regulations necessary to implement the programs established by subsection (a). Within thirty days after the enactment of this Act, the Secretary of the Interior and the Secretary of Agriculture shall establish procedures to give Federal and non-Federal program agencies and other interested parties, including the public, adequate notice and opportunity to comment upon and participate in the formulation of such regulations. The Secretary of the Interior and the Secretary of Agriculture shall provide assistance, consistent with the terms of this Act, to program agencies for the establishment and operation of residential and nonresidential American Conservation Corps centers and for the implementation by the American Conversation Corps of projects designed to carry out the purposes of this Act.

(c) PROJECTS INCLUDED.—The programs established under this section may include projects such as—

(1) wildlife habitat conservation, rehabilitation, and improvement;

(2) rangeland conservation, rehabilitation, and improvement;

(3) recreational area development, maintenance, and improvement;

(4) urban revitalization;

(5) historical and cultural site preservation and maintenance;

(6) fish culture and habitat maintenance and improvement and other fishery assistance;

(7) road and trail maintenance and improvement;

(8) erosion, flood, drought, and storm damage assistance and control;

(9) stream, lake, and waterfront harbor and port improvement, and pollution control;

(10) insect, disease, rodent, and fire prevention and control;

(11) improvement of abandoned railroad bed and right-of-way;

(12) energy conservation projects and renewable resource enhancement;

(13) recovery of biomass from public lands, particularly forestlands;

(14) reclamation and improvement of strip-mined land; and

(15) forestry, nursery, and silvicultural operations.

(d) PREFERENCE FOR CERTAIN PROJECTS.—The programs shall provide a preference for those projects which—

(1) will provide long-term benefits to the public;

(2) will instill in the enrollee involved a work ethic and a sense of public service;

(3) will be labor intensive; and

(4) can be planned and initiated promptly.

(e) LIMITATION TO FEDERAL AND NON-FEDERAL PUBLIC LANDS.—Projects to be carried out under the program shall be limited to projects on Federal and non-Federal public lands or Indian lands except where a project involving other lands will provide a documented public benefit as determined by the Secretary of the Interior or the Secretary of Agriculture. The regulations promulgated under subsection (b) shall establish the criteria necessary to make such determinations.

(f) CONSISTENCY.—All projects selected and carried out under this Act for conservation, rehabilitation, or improvement of any Federal or non-Federal public lands or Indian lands shall be consistent with the provisions of law and policies relating to the management and administration of such lands, with all other applicable provisions of law, and with all management, operational, and other plans and documents which govern the administration of the area.

(g) CONSERVATION CENTERS.—(1) Each program agency may apply for approval of conservation centers to carry out projects under this Act.

(2) Applications for approval of conservation centers on Federal public lands shall be submitted to the Secretary of the Interior or the Secretary of Agriculture in such manner as is provided for by the regulations promulgated under subsection (b). Applications for the approval of conservation centers on non-Federal public lands or Indian lands shall be submitted to the Secretary of the Interior. No application may be submitted to the Secretary of the Interior or the Secretary of Agriculture before the 30-day period for review and comment by the appropriate State Job Training Coordinating Council (established under the Job Training Partnership Act), if any, which shall consult with the appropriate Private Industry Council, or Councils, in the area in which a project is carried out. Comments of the State Job Training Coordinating Council and Private Industry Council shall be forwarded to the Secretary at the time the grant application is submitted.

(3) No grant or other agreement may be entered into under this section unless an application is submitted to and approved by the Secretary of the Interior or the Secretary of Agriculture, as the case may be. Each application shall contain—

(A) a comprehensive description of the objectives and performance goals for the conservation center and a description of the types of projects to be carried out, including a description of the types and duration of training and work experience to be provided;

(B) a plan to make arrangement for certification of the training skills acquired by enrollees under this Act;

(C) a plan to make arrangements for the award of academic credit by educational institutions and agencies to enrollees for competencies developed under training programs or from work experience under this Act;

(D) an estimate of the number of enrollees and crew leaders necessary for the proposed projects, the length of time for which the services of such personnel will be required and the services which will be required for their support;

(E) a description of the facilities and equipment to be available for use in the center;

(F) a plan for managing the conservation center, supplying the necessary equipment and material, and administering the payroll; and

(G) such other information as the Secretary of the Interior and the Secretary of Agriculture shall prescribe.

(4) In approving the location and type of conservation centers, the Secretary of the Interior and the Secretary of Agriculture shall give due consideration to—

(A) the proximity of the center to the work to be done;

(B) the cost and means of transportation available between the center and the homes of the enrollees who may be assigned to those centers;

(C) the access of economically, socially, physicially, or educationally disadvantaged youths to the centers; and

(D) the cost of establishing the center.

Every effort shall be made to assign youths to residential or nonresidential centers as near to their homes as practicable.

(5)(A) Every conservation center shall have sufficient supervisory staff appointed by the chief administrator which may include enrollees who have displayed exceptional leadership qualities.

(B) No project shall be undertaken without the on-site presence of knowledgeable and competent supervision, and all projects undertaken shall be documented in advance in an approved written project plan.

(h) LOCAL GOVERNMENT PARTICIPATION.—Any State carrying out a program under this Act shall provide a mechanism under which local governments within the State may be approved by the State to participate in the program and to carry out projects in accordance with the requirements of this Act.

(i) AGREEMENTS.—Program agencies may enter into contracts and other appropriate arrangements with local government agencies and nonprofit organizations for the management of conservation centers under the program.

(j) JOINT PROJECTS.—The Secretary of the Interior and the Secretary of Agriculture are authorized to develop jointly with the Secretary of Labor regulations designed to allow, where appropriate, joint projects in which activities supported by funds authorized under this Act are coordinated with activities supported by funds authorized under employment and training statutes administered by the Department of Labor (including the Job Training Partnership Act). Such regulations shall provide standards for approval of joint projects which meet both the purposes of this Act and the purposes of such employment and training statutes under which funds are available to support the activities proposed for approval. Such regulations shall also establish a single mechanism for approval of joint projects developed at the State or local level.

ENROLLMENT, FUNDING, AND MANAGEMENT

SEC. 5. (a)(1)(A) ENROLLMENT IN PROGRAM.—Enrollment in the American Conservation Corps shall be limited to individuals who, at the time of enrollment, are—

(i) unemployed;

(ii) not less than sixteen or more than twenty-five years of age (except that programs limited to the months of June, July, and August may include individuals not less than fifteen years and not more than twenty-one years of age at the time of their enrollment); and

(iii) citizens (including those citizens of the Northern Mariana Islands as defined in Public Law 98-213 (97 Stat. 1459)) or lawful permanent residents of the United States.

(B) Special efforts shall be made to recruit and enroll individuals who, at the time

of enrollment, are economically disadvantaged.

(C) In addition to recruitment and enrollment efforts required in subparagraph (B), the Secretary of the Interior and the Secretary of Agriculture shall make special efforts to recruit enrollees who are socially, physically, and educationally disadvantaged youths.

(D) Notwithstanding subparagraph (A), a limited number of special corps members may be enrolled without regard to their age so that the corps may draw upon their special skills which may contribute to the attainment of the purposes of the Act.

(2) Except in the case of a program limited to the months of June, July, and August, individuals who at the time of applying for enrollment have attained age sixteen but not attained age nineteen, and who are no longer enrolled in any secondary school shall not be enrolled unless they give adequate written assurances, under criteria to be established by the Secretary of the Interior and the Secretary of Agriculture, that they did not leave school for the express purpose of enrolling. The regulations promulgated under section 4(b) shall provide such criteria.

(3) The selection of enrollees to serve in the American Conservation Corps in any conservation center shall be the responsibility of the chief administrator of the program agency. Enrollees shall be selected from those qualified persons who have applied to, or been recruited by, the program agency, a State employment security service, a local school district with an employment referral service, an administrative entity under the Job Training Partnership Act, a community or community-based nonprofit organization, the sponsor of an Indian program, or the sponsor of a migrant or seasonal farmwork program.

(4)(A) Except for a program limited to the months of June, July, and August, any qualified individual selected for enrollment may be enrolled for a period not to exceed twenty-four months. When the term of enrollment does not consist of one continuous twenty-four-month term, the total of shorter terms may not exceed twenty-four months.

(B) No individual may remain enrolled in the American Conservation Corps after that individual has attained the age of twenty-six, except as provided in section 5(a)(1)(B).

(5) Within the American Conservation Corps the directors of centers shall establish and stringently enforce standards of conduct to promote proper moral and disciplinary conditions. Enrollees who violate these standards shall be transferred to other locations, or dismissed, if it is determined that their retention in that particular center, or in the Corps, will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees. Such disciplinary measures will be subject to expeditious appeal to the appropriate Secretary.

(b) SERVICES, FACILITIES, SUPPLIES, ET CETERA.—The program agency shall provide quarters, board, limited and emergency medical care, transportation from conservation centers to work sites, and other services, facilities, supplies, and equipment. Whenever possible, the Secretary of the Interior and the Secretary of Agriculture shall make arrangements with the Secretary of Defense to have such logistical support provided by a military installation near the proposed center, including the provision of temporary tent centers where needed. Basic standards of work requirements, health, nutrition, sanitation, and safety for all conservation centers shall be established and enforced.

(C) REQUIREMENT OF PAYMENT FOR CERTAIN SERVICES.—Enrollees shall be required to pay a reasonable portion of the cost of room and board provided at conservation centers into rollover funds administered by the appropriate Secretary. Such payments and rates are to be established after evaluation of costs of providing the services. The rollover funds established pursuant to this section shall be used solely to defray the costs of room and board for enrollees. The Secretary of the Interior and the Secretary of Agriculture are authorized to make available to program agencies surplus food and equipment as may be available from Federal programs.

FEDERAL AND STATE EMPLOYEE STATUS

SEC. 6. (a) IN GENERAL.—Enrollees, crew leaders, and volunteers are deemed as being responsible to, or the responsibility of, the program agency administering the project on which they work. Non-Federal program agencies shall be required as a minimum to provide tort claims protection and work related injury claim benefits to enrollees and crew leaders. Except as otherwise specifically provided in the following paragraphs, enrollees and crew leaders in Federal projects for which funds have been authorized pursuant to paragraphs (2), (3), (4), and (5) of section 13(a) shall not be deemed Federal employees and should not be subject to the provisions of law relating to Federal employment:

(1) For purposes of subchapter I of chapter 81 of title 5, United States Code, relating to the compensation of Federal employees for work injuries, enrollees and crew leaders serving Federal program agencies shall be deemed civil employees of the United States within the meaning of the term "employee" as defined in section 8101 of title 5, United States Code, and the provisions of that subchapter shall apply, except—

(A) the term "performance of duty" shall not include any act of an enrollee or crew leader while absent from his or her assigned post of duty, except while participating in an activity authorized by or under the direction and supervision of the Secretary of the Interior or the Secretary of Agriculture or the conservation supervisory staff (including an activity while on pass or during travel to or from such post of duty); and

(B) compensation for disability shall not begin to accrue until the day following the date on which the injured enrollee's or crew leader's employment is terminated.

(2) For purposes of chapter 171 of title 28, United States Code, relating to tort claims procedure, enrollees and crew leaders on Federal projects shall be deemed employees of the United States within the meaning of the term "employee of the Government" as defined in section 2671 of title 28, United States Code.

(3) For purposes of section 5911 of title 5, United States Code, relating to allowances for quarters, enrollees and crew leaders shall be deemed employees of the United States within the meaning of the term "employee" as defined in that section.

(b) AMENDMENT OF TITLE 5.—Section 8332(b) of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (11);

(2) by striking out the period at the end of paragraph (12) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (12) the following new paragraph:

"(13) service as an enrollee or crew leader only if the enrollee or crew leader in the American Conservation Corps later becomes subject to this subchapter.".

USE OF VOLUNTEERS

SEC. 7. Where any program agency has authority to use volunteer services in carrying out functions of the agency, such agency may use volunteer services for purposes of assisting projects related to conservation centers established under this Act and may expend funds made available for those purposes to the agency, including funds made available under this Act, to provide for services or costs incidental to the utilization of such volunteers, including transportation, supplies, lodging subsistence, recruiting, training, and supervision. The use of volunteer services permitted by this section shall be subject to the condition that such use does result in the displacement of any enrollee.

TENNESSEE VALLEY AUTHORITY

SEC. 8. The Board of Directors of the Tennessee Valley Authority may accept the services of volunteers and provide for their incidental expenses to carry out any activity of the Tennessee Valley Authority except policy-making or law or regulatory enforcement. Such volunteers shall not be deemed employees of the United States Government except for the purposes of chapter 81 of title 5 of the United States Code, relating to compensation for work injuries, and shall not be deemed employees of the Tennessee Valley Authority except for the purposes of tort claims to the same extent as a regular employee of the Tennessee Valley Authority would be under identical circumstances.

SPECIAL RESPONSIBILITIES

SEC. 9. (a) PAY.—(1) The rate of pay for enrollees shall be 95 percent of the pay rate for members of the Armed Forces in the enlisted grade E-1 who have served for four months or more on active duty, from which a reasonable charge for enrollee room and board shall be deducted by the program agency.

(2) Enrollees shall receive $50 cash incentive stipends for every three months of enrollment in the program.

(3) The rate of pay for crew leaders shall be at a wage comparable to the compensation in effect for grades GS-3 to GS-7.

(b) COORDINATION.—The Secretary of the Interior and the Secretary of Agriculture and the chief administrators of other program agencies carrying out programs under this Act shall coordinate the programs with related Federal, State, local, and private activities.

(c) CERTIFICATION AND ACADEMIC CREDIT.—Pursuant to the provisions of paragraphs (B) and (C) of section 4 (G)(3), the Secretary of the Interior and the Secretary of Agriculture shall provide guidance and assistance to program agencies in securing certification of training skills or academic credit for competencies developed under this Act.

(d) RESEARCH AND EVALUATION.—The Secretary of the Interior and the Secretary of Agriculture shall provide for research and evaluation to—

(1) determine costs and benefits, tangible and otherwise, of work performed under this Act and of training and employable skills and other benefits gained by enrollees, and

(2) identify options for improving program productivity and youth benefits, including

improved alternatives for: organization, subjects, sponsorship, and funding of work projects; recruitment and personnel policies; siting and functions of conservation centers; work and training regimes for youth of various origins and needs; and cooperative arrangements with programs, persons, and institutions not covered under this Act.

(e) DEMONSTRATIONS.—The Secretary of the Interior and the Secretary of Agriculture may authorize pilot or experimental projects to demonstrate or test new or alternative arrangements or subjects of work and training for programs under this Act, which may include alternatives identified under subsection (d)(2).

(f) CCC SITES.—The Secretary of the Interior, after consultation with the Secretary of Agriculture, shall study sites at which Civilian Conservation Corps activities were undertaken for purposes of determining a suitable location and means to commemorate the Civilian Conservation Corps. Not later than one year after the date of the enactment of this Act, the Secretary of the Interior shall submit a report to the Congress containing the results of the study carried out under this section. The report shall include cost estimates and recommendations for any legislative action.

(g) STUDY.—(1) program agencies shall not use more than 10 per centum of the funds available to them to provide training and educational materials and services for enrollees and may enter into arrangements with academic institutions or education providers, to include local education agencies, community colleges, four-year colleges, area vocational-technical schools and community based organizations, for academic study by enrollees during nonworking hours to upgrade literacy skills, obtain a high school diploma or its equivalency, or college degrees, or enhance employable skills. Enrollees who have not obtained a high school diploma or its equivalency shall have priority to receive services under this subsection. Whenever possible, an enrollee seeking study or training not provided at his or her conservation center shall be offered assignment to a conservation center providing such study or training.

(2) Standards and procedures with respect to the awarding of academic credit and certifying educational attainment in programs conducted under paragraph (1) shall be consistent with the requirement of applicable State and local law and regulations.

(h) GUIDANCE AND PLACEMENT.—Program agencies shall provide such job guidance and placement information and assistance for enrollees as may be necessary. Such assistance shall be provided in coordination with appropriate State, local, and private agencies and organizations.

ANNUAL REPORT

SEC. 10. The Secretary of the Interior and the Secretary of Agriculture shall prepare and submit to the President and to the Congress at least once each year a report detailing the activities carried out under this Act. Such report shall be submitted not later than December 31 of each year following the date of enactment of this Act. The report shall describe (1) conservation work procedures, accomplishments, and benefits; (2) the short-term post-program experience of enrollees, including data on the number of those terminating from the program who are unemployed, employed, have left the labor force, and are enrolled in further education and shall also report on the long-term impacts of the program on the employability of enrollees; (3) other youth benefits; and (4) problems and opportunities encountered in carrying out the act which require attention. The Secretary of the Interior and the Secretary of Agriculture shall include in such report such recommendations as each considers appropriate.

LABOR MARKET INFORMATION

SEC. 11. The Secretary of Labor shall make available to the Secretary of the Interior and the Secretary of Agriculture and to any program agency under this act such labor market information as is appropriate for use in carrying out the purposes of this Act.

EMPLOYEE APPEAL RIGHTS

SEC. 12. (a) In the case of—

(1) the displacement of a Federal employee (as defined in paragraph (1) of section 7511(a) of title 5, United States Code) or the failure to reemploy such a federal employee from a reemployment priority list or return a federal employee from furlough affected under title 5, United States Code, part 351 or part 752, contrary to a certification under section 13(b) (1) or (2), or

(2) the displacement of such a Federal employee by reason of the use of one or more volunteers under section 7 of this act,

such employee is entitled to appeal such action to the Merit Systems Protection Board under section 7701 of title 5, United States Code.

(b) In the case of—

(1) the displacement of any other individual employed (either directly or under contract with any private contractor) by a program agency or grantee, or the failure to reemploy an employee in layoff status, contrary to a certification under section 13(b) (1) or (2), or

(2) the displacement of such individual by reason of the use of one or more volunteers under section 7 of this Act,

the requirements contained in section 144 of the Job Training Partnership Act (Public Law 97-300) shall apply, and such individual shall be deemed an interested person for purposes of the application of such requirements.

(c) for purposes of this section, the term "displacement" includes, but is not limited to, any partial displacement through reduction of nonovertime hours, wages, or employment benefits.

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. (a) DISTRIBUTION OF FUNDS.—Of the sums appropriated pursuant to subsection (f) to carry out this Act for any fiscal year—

(1) not less than 35 per centum shall be made available to the Secretary of the Interior for expenditure by State program agencies;

(2) not less than 25 per centum shall be made available to the Secretary of Agriculture for expenditure by program agencies within the Department of Agriculture;

(3) not less than 25 per centum shall be made available to the Secretary of the Interior for expenditure by program agencies within the Department of the Interior;

(4) not less than 5 per centum shall be made available to the Secretary of the Interior for expenditures by the governing bodies of participating Indian tribes; and

(5) the remaining amount shall be made available to the Secretary of the Interior and the Secretary of Agriculture, under such terms as are provided for in regulations promulgated under section 4(b), for expenditure by other Federal program agencies and for demonstration projects or projects of special merit carried out by any program agency or by any nonprofit organization or local government which is undertaking or proposing to undertake projects consistent with the purposes of this Act.

Fifteen per centum of the amount disbursed to State program agencies under paragraph (1) (or to local governments within the State where subsection (c) applies) shall be divided equally among the States and 85 per centum of such amount shall be distributed among such States proportionately according to the total youth population of such States between the ages of fifteen and twenty-five (as determined on the basis of the most recent census). Any State receiving funds for the operation of any conservation center shall be required to provide not less than 15 per centum of the cost of operation of such center. Any State receiving funds for any fiscal year shall provide not less than 10 per centum of such funds to local governments approved by the State under section (4)(h) to carry out projects under this Act unless no such local government in that State is approved before the end of such fiscal year. In any case where no such local government is approved before the end of such fiscal year, such 10 per centum may be expended by the State in accordance with this Act.

(b) AWARDS OF GRANTS.—The Secretary of the Interior and the Secretary of Agriculture shall not make any grant to, or enter into any agreement with any program agency for the funding of any conservation center under this Act unless such agency certifies that projects carried out by the conservation center will not—

(1) result in the displacement of individuals currently employed (either directly or under contract with any private contractor) by the program agency concerned (including partial displacement through reduction of nonovertime hours, wages, or employment benefits);

(2) result in the employment of any individual when any other person is in a layoff status from the same or substantially equivalent job within the jurisdiction of the program agency concerned; or

(3) impair existing contracts for services.

(c) STATE SHARE TO LOCAL GOVERNMENTS.—If, at the commencement of any fiscal year, any State does not have a program agency designated by the Governor to manage the program in that State, then during such fiscal year each local government within such State may establish a program agency to carry out the program within the political subdivision which is under the jurisdiction of such local government. In any such case, the State share (or a reasonable portion thereof, including amounts authorized to be appropriated pursuant to subsection (f) for such State) may be made available by the Secretary of the Interior for expenditure by such local government program agencies to carry out the program within such political subdivisions. Such local government program agencies shall be in all respects subject to the same requirements as State program agencies. Where more than one local government within a State has established a program agency under this subsection, the Secretary of the Interior shall allocate funds between such agencies in such manner as he deems equitable.

(d) PAYMENT TERMS.—Payments under grants under this section may be made in advance or by way of reimbursement and at such intervals and on such conditions as the

Secretary of the Interior or the Secretary of Agriculture, as appropriate, finds necessary.

(e) USE OF FUNDS.—Contract authority under this Act shall be subject to the availability of appropriation. Funds provided under this Act shall only be used for activities which are in addition to those which would otherwise be carried out in the area in the absence of such funds. Not more than 10 per centum of the funds made available to any program agency for projects during each fiscal year may be used for the purchase of major capital equipment.

(f) APPROPRIATION LEVELS.—There is authorized to be appropriated for the purposes of carrying out this Act $50,000,000 for fiscal year 1985, $75,000,000 for fiscal year 1986, and $100,000,000 for fiscal year 1987. Funds appropriated under this Act shall remain available until expended.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. SEIBERLING] is recognized for 1 hour.

Mr. SEIBERLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to bring to the House floor again H.R. 999, the American Conservation Corps Act of 1984. As I noted in my remarks last Wednesday, this will mark the fourth time the House of Representatives will have voted on this legislation. That we are, at last, going to vote on final passage does not attest so much to our tenacity as to the merits of this important legislation.

To summarize, H.R. 999 would establish a youth conservation jobs program to provide meaningful work for our Nation's young people in helping to improve our Nation's public lands and community resources. The program is modeled after previous conservation work programs, but with a number of substantial improvements.

The Senate version of H.R. 999, for the most part, simply fine-tunes the House version. It passed the Senate by unanimous consent. I was pleased to note that the Senate retained the House approach relating to the standards for participation by enrollees. Our intent was to ensure that disadvantaged youth would be major beneficiaries of the program, but not to preclude the opportunity for other young people, especially those in areas of high unemployment, to be served. The Senate language, which I support, states that special efforts will be made to recruit and enroll disadvantaged youth. The Senate further included language to define economically disadvantaged youth as that term is defined in the Job Training Partnership Act. The age requirements and differentiation between the summer and year-round components of the program remain the same.

I also note that the Senate version would include a stronger role for the Secretary of Agriculture in developing regulations for the program, in consultation with the Secretary of Labor and with the participation of other Federal and non-Federal agencies and the public. Both Secretaries, however, would retain authority for administering the programs within their respective departments. Provisions are retained, with only technical changes, for the establishment of both residential and nonresidential conservation centers.

The House bill authorized $300 million a year through fiscal 1989 for an American Conservation Corps program. Appropriations were to be charged against moneys the Federal Government receives from various Federal leasing and permitting activities. The rationale was to take some of the revenues generated by public resources and put them back to work in improving these resources and in helping our Nation's youth.

The Senate version drastically reduces the authorized funding levels to $50 million in fiscal 1985, $75 million in 1986, and $100 million in 1987. The funds would be derived from general revenues and not from the earmarked receipts as in the House bill.

As I noted on Wednesday, a $50 million Federal outlay would fund 18,517 youth jobs; over the 3-year life of the program as provided in the Senate version, less than 85,000 youth would be served. By contrast, the House level of $300 million would have served a total of over 113,000 youth each year, and well over 600,000 youth over the 6 years. This does not include the additional youth that would be served by spin-off programs established by State and local agencies and nonprofit organizations.

There are currently 1.4 million teenagers who are looking for work and who can't find a job. The unemployment rate for black teenagers alone is nearly 42 percent; they and other disadvantaged youth are the most in need of work and least able to find it.

I feel that the funding levels for the program will need to be reevaluated early in the next Congress, particularly if youth unemployment continues at the unacceptably high levels we have been experiencing in the past few years.

I was pleased to see that the Senate version retains the distribution formula for the funding. Specifically, the funds would be distributed as follows: 35 percent for State agencies (to be matched on a 15-percent basis, with 10 percent of the allocation to be shared with local governments); 25 percent for programs of the Department of Agriculture; 25 percent for programs of the Department of the Interior; 5 percent for programs by participating Indian tribes and the remainder for other Federal agencies and demonstration projects or projects of special merit.

The Senate version also retained, and expanded upon, the requirements for providing educational opportunities and for evaluating and reporting on the programs.

In summary, while I regret the low funding levels in the bill, I believe that the legislation represents a good compromise and certainly a good first step in the right direction for this program.

Again, I thank all of the Members on both sides of the aisle and in both the House and the Senate for all their work on this legislation.

Mr. Speaker, I yield 30 minutes to the gentleman from New Mexico [Mr. LUJAN].

Mr. LUJAN. Mr. Speaker, I yield myself 3 minutes.

□ 1440

Mr. Speaker, This legislation would establish an American Conservation Corps, comprised of unemployed youths between the ages of 16 and 25, for authorized improvement programs on Federal, State, and Indian lands. The program is patterned after the Civilian Conservation Corps Program of the 1930's and would replace two terminated Federal youth employment on public lands programs.

H.R. 999 passed the House on March 1, 1983, by a vote of 301 to 87. Authorized at a level of $300 million per year, the ACC program called for in the House bill was opposed by the administration as overly broad and too expensive. As amended in the Senate, H.R. 999 would create an ACC to carry out conservation and rehabilitation projects on Federal, State, local, and Indian lands. Projects will include—but not be limited to—wildlife habitat conservation, rehabilitation, and improvement; recreational area development and maintenance; urban revitalization.

The bill would require the ACC to be comprised of unemployed youths between the ages of 16 and 25 for year-round programs and 15 and 21 for summer programs. The amendment does not contain targeting or employment quotas, but does direct the Secretary of the Interior and the Secretary of Agriculture to employ special efforts to recruit and enroll economically disadvantaged youths. The bill would also allow enrollees to receive the equivalent of the minimum wage plus $50.00 cash bonus incentives, and will pay a reasonable charge for housing.

Finally, H.R. 999 would establish funding authorization levels at $50 million, $75 million, and $100 million for fiscal years 1985, 1986, and 1987, respectively. Funded at $100 million annually, the program will enroll over 37,000 youths in year-round and summer programs.

I urge my colleagues to support this legislation.

Mr. SEIBERLING. Mr Speaker, I yield 3 minutes to one of our most distinguished colleagues in the Commit-

tee on Interior and Insular Affairs, the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I thank the chairman.

First of all I want to commend the chairman Mr. SEIBERLING, for his tenacity in terms of working for the American Conservation Corps. As Rep. SEIBERLING pointed out in his opening comments, this is the fourth time that this matter has been before the House.

Mr. Speaker, I regret this program was not available to serve young adults in 1983 and 1984 when I believe it was very much needed. But I am pleased to note that with the passage anticipated today that it will be available for the future because indeed the problem of youth unemployment persists as a very serious one in our society today.

Mr. Speaker, the American Conservation Corps as has been pointed out by other speakers, had its genesis in the 1930's in the Civilian Conservation Corps. It was a good concept and a good idea and most importantly the CCC worked. Indeed it was an idea that needs to be encouraged with improvements, which have been learned from past experience with the CCC.

From the standpoint of tax dollars spent the American Conservation Corp. will yield a favorable cost benefit in work accomplished or training given. It pays to invest in people. While we are justifiably concerned about our natural resources it is perhaps more important that we do a good job of developing the human resources in our society, and to build in our society a conservation and work ethic which I believe is imperative to the preservation of our natural heritage.

No matter how stringent the environmental and land use laws we write Mr. Speaker, the fact of the matter is that without a proper conservation ethic on the part of the American people, and especially on the part of the American youth, that we will not be successful in attaining the goals that are embodied in the laws of this land developed to protect our great, wonderful natural heritage.

As society changes, more often we find that youth do not have the opportunity to work in close contact with our natural resources, with the land. It is important that we provide opportunities where young adults can learn the lessons that can only be gained by firsthand experience, whether through the planting of trees or constructing a hiking paths in parks or any of the numerous activities related to maintaining our natural resources and environment. These experiences will serve an important purpose.

The legislation before us allows the Congress to address the needed maintenance of our natural resources base and alleviate youth unemployment, giving special emphasis to disadvantaged youth. The American Conservation Corps can show young people that they have a stake in the natural resource heritage of our country. So I urge my colleagues to support this legislation. This is a sound concept which I think will, in terms of the training, and the job opportunities, for youth, be a tremendous benefit, but most importantly it will help in developing a conservation ethic, for the young adults in our society.

Mr. Speaker, I yield back the balance of my time.

Mr. SEIBERLING. Mr. Speaker, I yield 6 minutes to the distinguished gentleman from the State of Washington, Mr. DICKS.

Mr. Speaker, will the gentleman yield?

Mr. DICKS. I yield to the chairman of the subcommittee.

Mr. SEIBERLING. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would like to commend the gentleman [Mr. DICKS] for the effort he has made in the Committee on Appropriations to try to continue the funding for youth corps programs.

With 42 percent of the minority youth unemployed and with widespread youth unemployment throughout this country, it is absolutely essential that we give them an opportunity to have a work experience, earn some money, and feel that they are also contributing in a constructive way to their community and their country.

Mr. Speaker, I thank the gentleman for yielding.

Mr. DICKS. I thank the distinguished chairman, Mr. SEIBERLING, for those very kind remarks. Two of the people whom I have respected most during my service in Congress are Henry M. Jackson of the State of Washington, who originally was the sponsor of the Youth Conservation Corps and Lloyd Meeds, who served on the same committee with the distinguished gentleman from Ohio [Mr. SEIBERLING], they put the YCC program into place.

Mr. Speaker, I have been a stout defender of the program. I might say that there is no one, though, in this Congress who deserves more credit than the gentleman from Ohio [Mr. SEIBERLING], not only for his work in behalf of the American Conservation Corps and the Young Adult Conservation Corps and the Youth Conservation Corps but also for the many wilderness bills that he has passed this year. I do not think there is anyone in the Congress, probably in the history of this Congress who has done more to preserve the natural environment of this country than the distinguished chairman from Ohio.

Mr. Speaker, I would like to take this opportunity to add my strong support for H.R. 999, authorizing the American Conservation Corps. I believe the ACC will be an invaluable program for young people throughout our country, and I strongly urge my colleagues to support this legislation.

For many years, I have been the advocate of a similar program, the Youth Conservation Corps, in the Interior Appropriations Subcommittee. I have fought for funding for the YCC all of these years for one simple reason—I have seen the program in action and I know that it works. Let me give you some examples of its effectiveness:

The YCC has provided meaningful employment to the youth of this Nation—many of whom have never spent a summer working out-of-doors. Since its inception, YCC has given summertime employment and training to over 250,000 high school youths from every State in the country;

The YCC has accomplished useful and needed conservation work on our public lands and national parks, totalling over $282 million in value during the program's first 10 years in operation. In Washington State alone, over 9,000 young people have been deployed by YCC through the years, and they have accomplished over $17 million of conservation work, clearing and rebuilding trails, planting trees, and getting an environmental education that is unequalled in any other Federal or State program;

The Federal portion of YCC funding alone has built more tha 3,600 miles of fence and over 4,600 miles of trails. Over 60,000 acres of trees have been planted, an area 1½ times the size of the District of Columbia. The YCC has picked up enough litter from enough miles of roads and trails to travel the length of the United States-Canada border three times. Enough visitors to public parks and recreation areas have been assisted by the YCC to populate the State of Alabama;

Finally, the YCC program has been cost-effective through its years of operation. For every Federal dollar spent on the YCC State Grants Program, $1.25 of needed work has been returned.

The Youth Conservation Corps has served this country well through the years, offering employment, training and education in an environment which fosters appreciation for conservation and preservation of our Nation's natural resources, all at minimal cost to the Federal Government. This despite the fact that providing funding for the program has been an uphill battle every year, and appropriations bills have included barely enough funds to keep the program alive.

I realize that the American Conservation Corps differs in significant respects from the YCC, but I hope that the YCC's beneficial elements will be preserved, and that we will soon have

a strong youth employment program operating once again.

I thank the Speaker.

□ 1450

The American Conservation Corps is needed because it deals with an unemployment problem that is bigger. It handles kids for a different age bracket than the YCC. We have been only able to get about $10 million a year for the YCC, even though it has been a great program.

This legislation that the gentleman from Ohio brings to the floor today is absolutely essential, in my judgment, to deal with the youth unemployment problem that is so significant in this country. If we are worried about drugs, if we are worried about young people getting in trouble, then why can we not in our national parks, our national recreation areas, our wilderness areas and in our State programs give them meaningful summer work during the entire year?

I think this legislation does that and does it very effectively.

Mrs. BURTON of California. Mr. Speaker, will the gentleman yield?

Mr. DICKS. I yield to the gentlewoman from California.

Mrs. BURTON of California. I thank the gentleman for yielding.

Mr. Speaker, I would like to commend the gentleman for his speech. I would also like to commend the gentleman from Ohio who has done a tremendous job this year.

This particular bill is very important. In San Francisco it will mean a great deal and the gentleman from Washington [Mr. DICKS] just explained what it does for the youth of the country. All races, all creeds work together in the American Conservation Corps.

I do want to commend the chairman again for doing a splendid job for everything that is good for our children and grandchildren.

Mr. DICKS. Again, I appreciate the comments of the gentlewoman from California. I know that in her great State of California we have had a very successful program. We have had a successful program in the State of Washington.

I think the American Conservation Corps offers an opportunity for youth all over this Nation. I would hope that this House would unanimously pass this important piece of legislation.

Mr. LUJAN. Mr. Speaker, I yield 5 minutes to the gentleman from Vermont [Mr. JEFFORDS].

Mr. JEFFORDS. Mr. Speaker, I rise in support of H.R. 999.

This legislation is substantially the same bill the House passed on March 1, 1983, with rather broad bipartisan support. At that time, I urged my colleagues to support the bill because it addressed the problem of unemployed youth in a constructive manner. The bill gives special emphasis to disadvantaged youth and to those who live in areas of high unemployment. Programs created under this bill will be labor intensive and will yield positive results toward eliminating the backlog of needed conservation work that we have in this country.

As has been pointed out by others, it is cost effective. For each dollar spent, the Government will get back more than a dollar's worth of value.

I am particularly pleased that the bill recognizes the importance of creating links between education and training, especially for disadvantaged youth. This is a change over the old program. This type of program must have a longer termed effect on its participants beyond their employment in the program.

By reserving a small portion of the funds, the bill encourages program enrollees to participate in educational programs that will upgrade their literacy skills, obtain high school diplomas or enhance their employability skills. Without this critical link to education and training programs I would be skeptical of the program's potential.

Despite the long delay that we in the House have experienced in waiting for the Senate to act on this proposal, I welcome this opportunity to reaffirm my support for the program. I am disappointed that the Senate did not choose to accept more reasonable authorizations for appropriations.

This is important to remember, that the authorization levels in this bill for all 3 years of program operation are less than any 1 year's authorized appropriation level except for the start-up year under the original House bill.

I would point out that the information given out by the administration is incorrect in this regard where they indicate one of the reasons for opposition that there will be a $225 million annual cost. This is incorrect.

The total cost over the 3 years, if total appropriations met authorizations, would be $225 million. Thus, again, I have a difficult time in understanding why the administration should still be against this bill.

Quite frankly establishment of any program of this import at this late date in the session represents an accomplishment for our Nation's youth.

I urge adoption of the bill.

Mr. LUJAN. Mr. Speaker, I yield 3 minutes to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Speaker, I urge my colleagues to join me today in once again giving House approval to a laudable bill, the American Conservation Corps Act of 1983 (H.R. 999) as amended by the other body.

A fiscally prudent bill, H.R. 999 would establish a double barreled conservation and youth employment and training program. During fiscal years 1985–87, a minimal $225 million would be used to put approximately 83,300 young people—ages 15–25—to work at minimum wage. While learning vital job skills, these workers will perform essential conservation tasks on Federal, State, local, and Indian tribal lands. Maintenance of roads and trails, emergency rehabilitation services, urban revitalization—these are just some of the Jobs Corps members will do to supplement existing, yet woefully inadequate, Federal, State, and local programs.

The bill before us now is a stripped down version of the measure which passed this House in March 1983, by an overwhelming 301–87 vote margin. Planned funding has been drastically reduced from the initial $300 million per year level contemplated in the House's original bill. That spending level could have provided desperately needed employment to 113,000 enrollees annually. Allocations, however, remain at 35 percent for States; 25 percent each to the Department of Agriculture and the Department of Interior; 10 percent to other Federal agencies—for example, the Tennessee Valley Authority—and 5 percent to Indian tribes. To obtain funds, States must pledge to pay 15 percent of State project costs and to pass on 10 percent of their funds to local governments.

An impressive coalition of national organizations, ranging from the U.S. Conference of Mayors to the National Wildlife Federation to the YMCA of the USA, supports enactment of this legislation. A proven concept, 27 programs in 17 States now expend $98 million annually in similar youth labor. Canada, recognizing the lasting human and environmental value of such a program, already spends $100 million per year on similar endeavors. Invest in America's youth. Give them a chance to work, earn and learn. I urge my colleagues to again give this worthy program a strong bipartisan endorsement.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman for the work he has put into this bill and for the support that he has given it. I think that it exemplifies the kind of bipartisan support it has had throughout. The same kind of support was given by the gentleman from New Mexico [Mr. LUJAN], the gentleman from Massachusetts, [Mr. CONTE], the gentleman from Vermont [Mr. JEFFORDS] and many others on that side of the aisle as well as this side.

I think that the spirit of this legislation has really caught on across the board. I want to thank all these many

Members for their tremendous support.

Mr. BEREUTER. I thank the gentleman for his compliments. The gentleman's leadership has been outstanding and I also appreciate very much the support of the gentleman from New Mexico for this laudable legislation.

Mr. LUJAN. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I hate to throw cold water on this love feast, but I think we ought to understand just exactly what it is we are about to do here.

We tried to do this the other evening by unanimous consent and this gentleman decided that we ought to at least have a vote on this bill. I decided we ought to have a vote for a number of reasons. Not because I do not believe that it will pass, I think it will. It is new money. It is a new idea or another idea with the very best of intentions, I have no doubt about that, and we will probably pass the bill based upon its intentions.

However, this is brand new funding. It is new funding to the tune of $225 million over 3 years; $225 million of money that is not now authorized, is not now in the budget, is not now being spent. Any time we hear all these folks out here talking about deficits, this is where they come from.

They come out here bipartisanly. It is very obvious that we have bipartisan support for this bill. OK. The deficits in this sense are bipartisan and that is exactly what we are going to get.

I think we ought to look at this particular bill. The work that is going to be performed under this bill fails to provide adequate skills that can be used for other jobs. So it is not really a training program. The jobs would not be sufficiently targeted toward needy youth. There is no assurance in this program that you are going to really get to needy youth under the program. As a matter of fact, under this program you could get nonneedy young people employed as well as those who are needy.

□ 1500

The program certainly duplicates others that are already serving disadvantaged youth. In other words, what we are doing is piling a new program on top of others that already exist doing similar kinds of things. And there is some question of whether or not that demands $225 million.

But here is the real problem with it: If you break the funding down on this thing, you find out that we are not getting very much of a bargain. Here is the bargain that we are proposing on the floor today: This bill, in its first year of operation under $50 million, will give you one job in every municipality in the country. We are going to spend $50 million here today, authorize it, to give you one job in every municipality in the country.

Now, that is not a very big bargain. I would submit that even when you get up to the $100 million in authorization, you are going to end up with something in the order of three jobs in every municipality in the country, three jobs in every municipality, and we are going to be spending at a rate of $100 million a year to do it.

I would suggest that is not a bargain, that is not cost effective. As a matter of fact, the argument that this program really does not cost anything is the kind of argument we hear all the time.

I have never heard of so many bills that we have had on the floor this year that do not cost anything, that we get more back than we actually spend for them.

Well, the problem is that we are still spending the money, and in spending the money we are ending up with these huge deficits.

Anybody who votes for this bill, I know, will vote for it because they have the very best of intentions in mind, but they also ought to know that they are spending money on a program that will create one job in every municipality at fantastic costs.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman for his statement. I think it is about time we told people what this bill really does. We are restoring a program that we had zeroed out previously. And it was never missed.

The tiny amount of good this bill does in the very selective picking of a few young people to do the work. The work is obviously useful and good work, but it could be handled in other ways more cheaply for the taxpayer.

The bill certainly does not do the great social good of employing every kid in America who wants to go out and breathe fresh air. It is a highly selective program and one that simply is going to cost the taxpayers money, for which they will get no return.

I think the gentleman is very brave to have made his statement.

Mr. WALKER. I thank the gentleman, and I would point out to the gentleman that one of the other ways that we could carry out the needed work of employing young people of this country would be to move to a youth opportunity wage that would assure that we would create hundreds of jobs in every municipality in the country. But, of course, we never get those bills out on the floor, because that is not in the liberal welfare state tradition.

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I will be glad to yield to the gentleman from Washington.

Mr. DICKS. I appreciate the concern of the gentleman from Washington about overall spending. I serve on the Interior subcommittee that has jurisdiction over the existing program. I can tell the gentleman that if this work is not done by young people, it will be deterred and will cost more later.

This is actually a savings for the taxpayer because these trails are going to be fixed, they are going to have to plant those trees, it is better to do this work now.

I know that the gentleman is always concerned about saving money. I can guarantee him that with this program we are not only going to save money, but also, at the same time, we are going to aid a lot of young people and put them back to work in jobs that they desperately need.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania [Mr. WALKER] has expired.

Mr. LUJAN. Mr. Speaker, I yield 2 additional minutes to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

I appreciate the point the gentleman makes, but I guess I would feel a little more sanguine about what the gentleman is proposing here if, in fact, what we were doing was actually putting the money in the National Park Service or some of these places for them to employ some young people in the summertime. This is an attempt to create another new bureaucratic mechanism for all of the best of intentions. And that is the problem with it.

It seems to me that the gentleman from Minnesota is absolutely correct, that what we have is a situation here that it is a highly selective kind of program. I have some real concerns about it.

As I say, the real concern is that the American people are being asked to spend $50 million to create one job in every municipality.

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Washington.

Mr. DICKS. I understand there will be 18,000 jobs created across the country in the first year.

Mr. WALKER. That is right.

Mr. DICKS. Now, that is a lot of jobs when you look at the cost.

Mr. WALKER. And there are 18,000 municipalities. That is where that figure comes from.

Mr. DICKS. The gentleman, I think, would like to correct his own record; 25 percent of this money would go to the Agriculture Department for the Forest Service, 25 percent will go to the Interior Department, and 35 percent will go to the States for their parks and recreation areas, as well.

Mr. WALKER. And all we would have to do is provide the money and tell them to have a summer program and we would not have to go through the creation of this whole new program with a whole separate funding stream in order to accomplish that goal. That is what this gentleman is arguing about. We are creating a bureaucracy in order to help youth. What we will end up with is more bureaucracy and a lot less jobs for youth.

Mr. SEIBERLING. Mr. Speaker, I yield myself 3 minutes.

Of course, this does not create a single job in every municipality in the country. That is absurd. The money would be divided among the Department of Agriculture for the Forest Service, the Department of the Interior and the States, and with some left over for other Federal agencies and Indian tribes.

I am old enough to remember the Civilian Conservation Corps of the 1930's, and I think probably every Member in this House—even the gentleman from Pennsylvania—has probably gotten letters from people saying, "Why can't we have a new Civilian Conservation Corps and put all of these young people to work?"

The amount that we are spending to fight crime in our inner cities alone—and I might say that crime has also become prevalent in a lot of our rural areas—is far and away in excess of the amount that this program would cost, and this program is an anti-crime program as well as a conservation program.

We had testimony from people who were in the Civilian Conservation Corps, many of them today successful businessmen, who told us that, if it had not been for the CCC, they knew that they were headed for the penitentiary. They testified that the CCC gave them the opportunity to work on the land, to learn a work ethic and to learn to get along with other people, and that that made the difference that turned them from drifting into a life of crime to building a life of constructive contributions to our society.

So, all I can say is that the debate that we have just heard reminds me of the famous remark by Oscar Wilde that some people know the cost of everything and the value of nothing. How much value do you put on saving human lives? Forty-two percent of our minority youth in this country are unemployed; 1,400,000 of all our youth are unemployed. The most recent jump in employment in this country, according to the latest statistics, did not reduce the black youth unemployment one iota. It is still nearly 42 percent.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Pennsylvania.

Mr. WALKER. How does the gentleman feel about the youth opportunity wage? Is the gentleman willing to put some premium on the value of human labor and have a youth opportunity wage that would assuredly employ hundreds of thousands of people, not tens of thousands?

Mr. SEIBERLING. I am not willing to support a program like that which puts adults out of work in order to employ youth.

Mr. WALKER. Well, there is no evidence of that, I would say to the gentleman.

Mr. SEIBERLING. I will not yield further to the gentleman.

Mr. CRAIG. Mr. Speaker, will the gentleman yield?

Mr. SEIBERLING. I yield to my colleague, the gentleman from Idaho.

Mr. CRAIG. Mr. Speaker, in all honesty, I have been struggling with the decision of whether I would vote for or against this legislation. One of the things that has lured me toward it is the concept of trying to recreate the Civilian Conservation Corps concept. I can appreciate the comparison, but I have to dispute the reality.

The reality is we are not creating a new CCC because we cannot under today's laws provide the kind of training and learning experience——

The SPEAKER pro tempore. The time of the gentleman from Ohio [Mr. SEIBERLING] has expired.

Mr. SEIBERLING. Mr. Speaker, I yield myself 1 additional minute, and I yield further to the gentleman from Idaho.

Mr. CRAIG. I appreciate the gentleman yielding.

I think my chairman will agree with me that under today's laws we cannot create the kind of environment under which the old CCC program was operated. We know that it was operated in quasi military format. There was an extensive disciplinary program, there were actual skills taught. Those young men who went into that program were afforded discipline and opportunity and skill that cannot be provided in these programs simply because we know today the courts will not allow us to enforce the disciplinary environment that existed in the old Civilian Conservation Corps.

Now, that is the reality of what we are doing, and I do not believe, although my chairman wishes to accomplish a similar kind of situation, that you can effectively make the comparison between what we are attempting in this legislation today and what existed in the past. The courts will simply not allow it.

Mr. SEIBERLING. Well, I simply say to the gentleman that if you will read the bill you will find that participants who do not comply with the rules of the program can be dismissed. There will be plenty of discipline.

Mr. Speaker, I reserve the balance of my time.

Mr. LUJAN. Mr. Speaker, I have one additional speaker. I yield one minute to the gentleman from Minnesota [Mr. FRENZEL].

□ 1510

Mr. FRENZEL. Mr. Speaker, we have been led to believe by a number of members discussing this program that this is going to take all the young people out of the ghettos of the cities and have them improve all of our national parks.

Obviously, it is not going to do that. It is going to be restricted to 18,000 very selectively chosen youth to do work which might well be done by others more effectively.

The administration indicates that the jobs will not be sufficiently targeted to the most needy, and will not provide adequate skills that can be used in other jobs. That is a persuasive argument against it.

This bill sounds wonderful. It sounds like it is the old CCC brought back to life again. But a cursory inspection reveals it is not. Instead, the American Conservation Corps is a program that we can well do without, that will probably never be funded, and that will perceptibly deficit if ever funded.

Mr. LUJAN. Mr. Speaker, I yield myself 30 seconds to say that it is a wonderful program. Admittedly it is not a social program designed to cure all the ills of youth unemployment. But it is a good conservation program.

These kids will go on out there and do all the work that is necessary that has to be done anyway. We are going to pay for it one way or the other. It is a wonderful program; it is a wonderful way to carry on the business of this country.

Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

Mr. SEIBERLING. Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, I would simply invite the attention of the gentleman from Minnesota to the provisions of the bill, and there are several of them that are to the same effect, but I will just read one. It says:

> The Secretary of the Interior and the Secretary of Agriculture shall make special efforts to recruit enrollees who are socially, physically, and educationally disadvantaged youths.

All I can say is that, of course, this does not help as many youths as we would like, because the Senate has radically reduced the funding. But it is a kind of bootstraps, "Catch-22" argument to say that because they reduced the funding, the program does not help enough people. Of course, it will help 18,000 the first year, and it will go up to a total of over 100,000 in the 3 years. It certainly helps, and, if it

works as I believe it will, it gives us a basis for expanding the program some day.

The total cost of this program is less than the cost overrun on one defense contract, a minor fraction of the excess profits of Lockheed Corp. on the C–5 modernization contract. And it will help far more young people and do something of lasting benefit for thousands more.

Mr. Speaker, I yield back the balance of my time.

● Mr. ERLENBORN. Mr. Speaker, I rise in opposition to the bill before us, H.R. 999, the American Conservation Corps Act. As in past discussions of this bill, I do not oppose it on the basis of its intent, but rather whether it should be a funding priority of this Congress. With this bill, we would reauthorize two programs that have essentially been terminated over the past few years. Should we in a time of scarce resources start up a warmed-over version of programs that we already have determined to be of low priority?

We hurriedly considered this bill early in 1983 with the promise that the other body would take immediate action. We are now in the closing days of this Congress. Clearly, the other body did not view this program as much of a priority, to only now be returning it to us. Additionally, in our haste, the Committee on Education and Labor did not hold a single hearing during this Congress on the issue. We are relying on testimony received over 3 years ago as documentation of support for this program. Further, then as now, the administration's support for this program is questionable.

Although past concerns regarding the adminstration and implementation of this program have been touched upon by this bill, I do not believe that they have been resolved satisfactorily. First, the program continues to be established within two separate administrative departments of the Federal Government. Second, when the record of cost and targeting of the previous Conservation Corps programs are compared with other youth employment and training programs, even greater doubt is raised regarding reasons to support this program. With high levels of youth unemployment, support should be focussed on youth programs that combine employment experiences with related education or training components as under the Job Training Partnership Act. In that manner the social gains for the participants are not just the short-term employment provided, but the long-term benefits of additional education and employability skills. Third, although the targeting provisions have been strengthened in this bill, scarce resources should be directed to those most in need—the disadvantaged, unemployed youth.

I do not believe that a vote against this bill, H.R. 999, indicates a lack of concern for the issue of youth unemployment. Instead such a vote calls a halt to duplicative programs and reduces the drain on scarce Federal dollars. It also gives consideration to the fact that if additional dollars were available for youth training programs, those dollars should be directed toward already existing programs to meet the training needs of our disadvantaged youth. I urge my colleagues to vote against this bill.●

● Mr. HAWKINS. Mr. Speaker, I support the motion by Mr. SEIBERLING that the House concur in the Senate-passed substitute amendment to the House-passed text of H.R. 999, the American Conservation Corps Act.

Last year, the Committee on Education and Labor joined the Committee on Interior and Insular Affairs in favorably reporting H.R. 999 to the House, and the bill was passed by suspension on March 1, 1983, by a vote of 301 to 87. Now 1½ years later, after painstaking efforts by a bipartisan group of Senators to reconcile differences in viewpoints on details of the legislation, the Senate has amended the House-passed version in terms reasonably close to the original House-passed bill.

The final version of the legislation before us makes clear that special efforts must be made to recruit and enroll unemployed individuals aged 16 to 25 who are economically disadvantaged or who are socially, physically, or educationally disadvantaged. These requirements are similar to the provisions in the original House-passed legislation.

The problems of unemployment remain severe for our young people 16 to 25 years of age. The American Conservation Corps will at least put some of them to constructive work on a year-round basis in activities conserving and improving our national resources. Compared to the enormous number of unemployed youths, the Senate-passed substitute is extremely modest in terms of its authorized funding levels of $50 million for fiscal year 1985, $75 million for fiscal year 1986, and $100 million for fiscal year 1987.

Last month's official unemployment rate for teenagers 16 to 19 years old which was announced by the Bureau of Labor Statistics last Friday was 19.3 percent—a rise of nine-tenths of 1 percentage point over the previous month. Millions of youths are in dire need of work.

I had hopes that the legislation presented to us would have authorized more satisfactory funding levels. Nevertheless, it is clear that there will be no further opportunity in this Congress to enact legislation to provide greater work opportunities for unemployed youths. I, therefore, urge the House to concur in the Senate-passed amendment to H.R. 999.●

● Mrs. BURTON of California. Mr. Speaker, passage of the American Conservation Corps Act of 1984 could bring youth employment and training funds to San Francisco over the next 3 years. H.R. 999 provides a total of $225 million in funding through 1987 for this program and, under the formula of this legislation, San Francisco would be eligible for a portion of the State's allocation to municipalities.

We in California and San Francisco are especially aware of the value of the Conservation Corps concept. In fact, San Francisco was the first city in the country to create a municipal conservation corps. This effort was due largely to the concerned activists in our community who saw wasted human potential among our youth and who sought to channel these neglected energies into meaningful projects. While this is but a start, and in no way nears the massive effort of the Civilian Conservation Corps of the 1930's, I think the Congress has made a significant beginning to revive one of the Nation's most successful job training programs.

San Francisco provides an ideal situation for implementation of the American Conservation Corps. The opportunities are abundant with facilities such as the Golden Gate National Recreation Area [GGNRA] and other nearby public lands and resources areas where young people can get job training and assist in the improvement of those areas. Both the State version of the CCC and the city's own conservation corps have been quite successful and have provided an avenue of hope for thousands of our young people.

With unemployment remaining at a staggeringly high level for our youth, I believe the American Conservation Corps, even at the modest level approved by the House and Senate, opens the door for many. This is an important Federal boost for our city and for many other urban areas across the Nation to involve inner-city youth who want to do something constructive. This is the kind of investment where the returns are high in allowing the unemployed to develop skills for the future and in preserving and enhancing our parks and recreation areas. I am very pleased to be associated with this important effort for San Francisco and the many other urban beneficiaries throughout our country.●

● Mr. CONTE. Mr. Speaker, I rise in strong support of this legislation to establish an American Conservation Corps.

Mr. Speaker, let me take this opportunity to commend the able work of Representative SEIBERLING. As an original sponsor of H.R. 999, I've worked with the gentleman from Ohio

for over 3 years on this bill, and his leadership in guiding this legislation through his committee and in prying the distinguished other body is commendable.

Mr. Speaker, this bill has a long and successful history in the House of Representatives but a slow and dismal life in the other body.

In the 97th Congress, the House passed the bill by a wide margin but it died in the Senate. In March 1983, the House approved H.R. 999 by an overwhelming margin—301 to 87. Since that time this important conservation and youth employment program has been stalled by a few in the other body.

The legislation now before the House is well balanced and very conservatively funded, maybe even underfunded. The Senate amendments provide $50 million in fiscal year 1986, $75 million the year after and $100 million in fiscal year 1987. This authorization would serve some 18,500 youth in the first year, and 37,000 in the third year. The House authorized funding level would serve as estimated 113,000 young people annually.

Fiscally minded members—as we all are—should also be pleased with the cost effectiveness of this type of program. Do you remember the old CCC of the Depression era of the YACC?

Programs like the ACC have a clear and demonstrated record of success. During the last Congress, administration officials testified before a House subcommittee that for each dollar spent in the YCC program, $1.04 was returned in the value of the work, averaged nationwide. In the case of the YACC, the cost/benefit ratio is even higher. The average return was $1.20 for each $1 spent. In fact, for some individual cases, the value of the work reached over $7 per dollar expended.

Besides addressing the chronic problem of high unemployment among our youth, this program is productive, worthwhile and needed. It's not a make-work program. Some projects undertaken by the ACC would include the conservation of forests and rangelands; the preservation of fish and wildlife habitat; the revitalization of urban areas; the preservation of historic and cultural sites; and so forth.

Mr. Speaker, I urge my colleagues to support this cost-effective program designed to ease youth unemployment and at the same time to address legitimate conservation needs.●

LEGISLATIVE PROGRAM

(Mr. WRIGHT asked and was given permission to speak out of order.)

Mr. WRIGHT. Mr. Speaker, my purpose in seeking this time is to announce to the Members the program for the remainder of the day, and what it looks like for the continuing resolution.

After we have completed action on this bill presently pending, there is one more bill, the Head Start Act, on which we will vote. Then we go to the trade bill conference committee. After that, there are eight bills listed for consideration under suspension of the rules, and we will cluster those votes at the end of the debate on those eight bills. That is the sequence of the recorded program.

We expect the likelihood that the conferees between the two bodies on the continuing resolution may break up in disagreement over one or more items. If that should occur, since it will require some time for their report to be reduced to its proper written form for action in the House, we may seek a recess until perhaps 8 o'clock expecting to come back in at that time and vote on those propositions in disagreement.

The propositions in disagreement, assuming that is what comes to us, will give to Members of the House the opportunity to express themselves as to whether we collectively want to stand by certain positions with which the Senate may be in disagreement, or conversely, to yield from certain positions we have previously held in an effort to obtain agreement with the Senate.

So Members may expect votes of that kind later this evening. Unless the House yields to those matters that the Senate finds most necessary and the converse occurs and the Senate yields on those matters which we find most indispensable, it seems improbable, though still possible, that we might conclude this matter tonight.

It is my disposition and that of the Speaker and the leadership to try to stay in and complete our work if there is any possibility that that might be availing. If not, then we would find it necessary, before midnight tonight, to pass another short continuing resolution permitting the functions of the Government to continue while, yet again tomorrow, the conferees attempt to find that magic compromise that will be acceptable in both the House and Senate.

That is about the extent of all I can tell the Members at the moment. I would be glad to yield to my distinguished friend, the gentleman from Illinois or any other Member if they wish.

Mr. LUJAN. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman.

Mr. LUJAN. I thank the gentleman for yielding to me.

Mr. Speaker, could the gentleman tell us basically, so that the other Members who might be listening in would know, what those areas of disagreement are likely to be that we might have to vote on?

Mr. WRIGHT. Well, only in somewhat broad and general terms. To do a more specific thing would be to anticipate the actions of the conferees. I think the gentleman from New Mexico is aware, as are other Members, that several matters are in disagreement with the conference at this time, unless agreement can be found.

One of those is the question of Nicaragua; whether to continue funding a covert war in that country. Another is the question of the so-called Star Wars concept, what we do about that. Yet, another has to do with water projects, some of which were authorized in the terms of this bill on the House side. Those are three of the matters that, so far as I am able to determine, have not yet been resolved among the conferees.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the distinguished minority leader.

Mr. MICHEL. I thank the gentleman for yielding.

The gentleman mentioned the possibility of a recess until 8 o'clock or rather going forward with the program and then maybe a recess until 8. That, I gather, is not firmly established? I would gather from what the gentleman has said that conceivably, if we find that there is no legislative matters for us to consider until say 9 or 10, surely that recess would run until we were able to come back here to do something substantive on the continuing resolution. Is that not correct?

Mr. WRIGHT. I am glad the gentleman made that clear. That is the thought I intended to convey, and it would be foolhardy to establish a specific time now and then discover later that time would be utterly unavailing and needless to have us back at a given hour, and just be stuck with a commitment that we were going to do it at that time.

We will try to make a judgment later on, after we have completed our action on the program scheduled as to just when it would be productive for us to come back and then recess until that time.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman.

Mr. WALKER. I thank the gentleman for yielding.

Is there any chance that instead of going into recess that the leadership might consider putting additional legislation on the calendar that should be acted on before we leave Congress this year?

Mr. WRIGHT. There is that chance, but I think it is unlikely because these are things that take a second place always to the continuing resolution, while we try to be as productive as

possible. We have important legislation: The American Conservation Corps Act, which we are debating now, and the Head Start Act, which comes up next, are not matters of insignificance by any means.

I think all of us agree basically, that the one overriding consideration of the moment is to pass a continuing resolution in order that both House and Senate may adjourn sine die and Members may return to their districts.

□ 1520

Mr. WALKER. If the gentleman would yield, the only thing that I was suggesting was that instead of going into recess, would not it be more useful to utilize that time on legislation that at least some of us believe that the American people are very interested in seeing us vote on.

Mr. WRIGHT. Well, I guess if we have to have a survey of 435 Members, we would discover 435 separate ideas of what is the most important thing second to the continuing resolution.

That is what the leadership is for. We are trying to make those judgments based upon what is relatively of greatest significance to the country and has the greatest relative prospect of actually passing and becoming law. And so that is what we will try to do.

If we can be productive, of course we want to be.

The SPEAKER pro tempore. All debate has ended.

Pursuant to the provisions of House Resolution 608, the previous question is considered as ordered on the motion.

The question is on the motion offered by the gentleman from Ohio [Mr. SEIBERLING].

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SEIBERLING. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 296, nays 75, not voting 61, as follows:

[Roll No. 452]

YEAS—296

Ackerman	Bellenson	Brooks
Addabbo	Bennett	Brown (CA)
Akaka	Bereuter	Burton (CA)
Albosta	Berman	Byron
Anderson	Bevill	Campbell
Andrews (TX)	Boehlert	Carper
Annunzio	Boggs	Carr
Anthony	Boland	Chandler
Applegate	Bonior	Chappell
AuCoin	Bonker	Clarke
Barnard	Borski	Clay
Barnes	Bosco	Clinger
Bateman	Boxer	Coats
Bates	Breaux	Coleman (MO)
Bedell	Britt	Coleman (TX)
Collins	Jones (TN)	Ray
Conte	Kaptur	Regula
Conyers	Kasich	Reid
Cooper	Kastenmeier	Richardson
Coughlin	Kazen	Ridge
Courter	Kennelly	Ritter
Coyne	Kildee	Roberts
Crockett	Kindness	Rodino
Daniel	Kleczka	Roe
Darden	Kogovsek	Roemer
Daschle	Kolter	Rogers
de la Garza	Kostmayer	Rostenkowski
Dellums	LaFalce	Rowland
Derrick	Lagomarsino	Roybal
DeWine	Lantos	Russo
Dicks	Leach	Sabo
Dingell	Lehman (CA)	Savage
Donnelly	Lehman (FL)	Sawyer
Dorgan	Leland	Scheuer
Dowdy	Lent	Schneider
Downey	Levin	Schroeder
Duncan	Levine	Schulze
Durbin	Levitas	Schumer
Dwyer	Lewis (FL)	Seiberling
Dyson	Lipinski	Sharp
Early	Lloyd	Shelby
Eckart	Long (MD)	Shuster
Edwards (AL)	Lowery (CA)	Sikorski
Edwards (CA)	Lowry (WA)	Sisisky
Emerson	Lujan	Skelton
English	Luken	Slattery
Erdreich	MacKay	Smith (FL)
Evans (IA)	Madigan	Smith (IA)
Fascell	Markey	Smith (NJ)
Fazio	Martin (NY)	Smith, Robert
Feighan	Martinez	Snowe
Fiedler	Matsui	Spence
Fish	Mavroules	Spratt
Flippo	Mazzoli	St Germain
Florio	McCloskey	Staggers
Foglietta	McCurdy	Stangeland
Foley	McDade	Stark
Ford (TN)	McGrath	Stokes
Fowler	McHugh	Stratton
Frank	McKernan	Studds
Frost	McKinney	Swift
Fuqua	McNulty	Synar
Garcia	Mica	Tallon
Gaydos	Mikulski	Tauzin
Gejdenson	Miller (CA)	Thomas (CA)
Gephardt	Mineta	Thomas (GA)
Gibbons	Minish	Torres
Gilman	Mitchell	Towns
Gingrich	Moakley	Traxler
Glickman	Mollohan	Udall
Gonzalez	Moody	Valentine
Goodling	Morrison (CT)	Vander Jagt
Gore	Morrison (WA)	Vandergriff
Green	Mrazek	Vento
Hall (OH)	Murphy	Volkmer
Hall, Ralph	Murtha	Walgren
Hall, Sam	Natcher	Watkins
Hamilton	Neal	Waxman
Hammerschmidt	Nelson	Weiss
Hance	Nichols	Wheat
Harrison	Nowak	Whitehurst
Hatcher	O'Brien	Whitley
Hawkins	Oakar	Whitten
Hayes	Oberstar	Williams (MT)
Hertel	Olin	Williams (OH)
Hightower	Ortiz	Wilson
Hillis	Owens	Wirth
Hopkins	Panetta	Wise
Horton	Pashayan	Wolf
Hoyer	Patman	Wolpe
Huckaby	Patterson	Wortley
Hughes	Pease	Wright
Hutto	Penny	Wyden
Ireland	Pepper	Wylie
Jacobs	Petri	Yates
Jeffords	Pickle	Yatron
Johnson	Price	Young (AK)
Jones (NC)	Rahall	Young (MO)
Jones (OK)	Ratchford	

NAYS—75

Archer	Chappie	Fields
Badham	Cheney	Frenzel
Bartlett	Corcoran	Gekas
Bilirakis	Craig	Gradison
Bliley	Crane, Philip	Gregg
Brown (CO)	Dannemeyer	Gunderson
Broyhill	Daub	Hansen (UT)
Burton (IN)	Dreier	Hiler
Carney	Edwards (OK)	Holt
Hubbard	McCollum	Schaefer
Hunter	Michel	Shaw
Hyde	Miller (OH)	Shumway
Kemp	Molinari	Siljander
Kramer	Montgomery	Skeen
Latta	Moore	Smith (NE)
Leath	Moorhead	Smith, Denny
Lewis (CA)	Myers	Snyder
Livingston	Nielson	Stump
Loeffler	Oxley	Sundquist
Lott	Packard	Taylor
Lungren	Parris	Vucanovich
Mack	Porter	Walker
Marlenee	Quillen	Whittaker
McCain	Robinson	Young (FL)
McCandless	Rudd	Zschau

NOT VOTING—61

Alexander	Ford (MI)	Paul
Andrews (NC)	Franklin	Pritchard
Aspin	Gramm	Pursell
Bethune	Gray	Rangel
Biaggi	Guarini	Rinaldo
Boner	Hall (IN)	Rose
Boucher	Hansen (ID)	Roth
Broomfield	Harkin	Roukema
Bryant	Hartnett	Sensenbrenner
Coelho	Hefner	Shannon
Conable	Heftel	Simon
Crane, Daniel	Howard	Solarz
D'Amours	Jenkins	Solomon
Davis	Long (LA)	Stenholm
Dickinson	Lundine	Tauke
Dixon	Marriott	Torricelli
Dymally	Martin (IL)	Weaver
Edgar	Martin (NC)	Weber
Erlenborn	McEwen	Winn
Evans (IL)	Obey	
Ferraro	Ottinger	

□ 1530

Mr. JONES of Oklahoma changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 999, the bill just considered.

The SPEAKER pro tempore [Mr. HARRISON]. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PROVIDING FOR CONVEYANCE OF PUBLIC LANDS IN SENECA COUNTY, OH

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the bill (H.R. 5716) providing for the conveyance of public lands, Seneca County, OH, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. LUJAN. Mr. Speaker, reserving the right to object, I do so only to ask the gentleman from Ohio [Mr. SEIBERLING] to explain the subject matter in-

volved in this bill, and I yield to the gentleman for his explanation.

Mr. SEIBERLING. Mr. Speaker, H.R. 5716 would authorize the Secretary of the Interior to convey specified public lands in Seneca County, OH, to citizens of the United States claiming title in good faith thereto.

The lands in question were part of the lands which the treaty of September 29, 1817, reserved for the Seneca Indians.

Under a subsequent treaty (February 28, 1831), the Seneca Indians ceded the lands covered by the bill to the United States with the provision that the lands be sold and the proceeds be given to the Indians.

However, according to the Department of the Interior, the lands covered by the bill were never sold by the United States and therefore remain in Federal ownership.

In 1839, according to the Department of the Interior, the State of Ohio sold the lands covered by the bill, evidently upon the (erroneous) belief that title had passed to the State from the United States.

The 15 parties who would be the beneficiaries of H.R. 5716 hold titles based on the State's 1839 conveyances. The bill provides relief of the type that would be granted under the Color-of-Title Act, but the beneficiaries of the bill would not have to meet certain requirements of that act. The basis for conveyance would be fair market value, reduced by a credit for equities including (but not limited to) the amount the applicant paid for the land; the length of time of chain of title; the longevity of the applicant's claim; and the payment of taxes on the land.

All mineral rights to the lands covered by the bill would be reserved to the United States.

Mr. Speaker, I urge the passage of H.R. 5716.

Mr. LUJAN. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Ohio [Mr. LATTA], the sponsor of this legislation.

Mr. LATTA. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I listened intently to the statement just made by the gentleman from Ohio [Mr. SEIBERLING], and I agree with it completely.

Mr. Speaker, the purpose of H.R. 5716, the bill which is before you today, is to assist some of my constituents, who own land situated in section 16, Adams Township, Seneca County, OH. The Government has laid claim to and had planned to sell this land.

In 1839, the State of Ohio erroneously believed title to section 16 had passed to it and sold this land without color of title.

H.R. 5716, which I have introduced, would provide clear title for those presently owning property in section 16. The report from the U.S. Department of the Interior gives a history of the treaties involved with this land and indicates the Department's support of the legislation.

The controversy stems from a mistake made by the Ohio Legislature in 1839 when it erroneously sold section 16 of Adams Township in the county to raise money for schools. The State sold the 640-acre section without clear title because of a Federal treaty with the Seneca Indians. There has been a cloud on the title ever since even though the Government made a final settlement with the Indians in 1958. The 15 parties who would be benefited by H.R. 5716 hold title based on these conveyances by the State.

My bill provides the type of relief that would be granted the qualified applicants under the Color-of-Title Act, but eliminates certain provisions of the act that should not apply under the facts of this case. While the Color-of-Title Act has been used to convey title to one claimant in section 16 and could possibly be used by other claimants in the area, this legislation provides a clear, equitable remedy for every claimant in the section. The basis for conveyance under this bill would be fair market value of the land reduced by a credit for the same types of equities, in the same manner as the fair market values of the land would be reduced by a credit for equities in a claim under the Color-of-Title Act. Moreover, section 3 of H.R. 5716, which deals with surveys, presents a solution to a problem caused by local subdividing and is an acceptable procedure, supported by the U.S. Department of the Interior.

Additionally, enactment of H.R. 5716 provides an equitable and efficient method of disposing of the last public domain holding in the State of Ohio, which amounts to 400 acres. Without this legislation, the only alternative left to the Bureau of Land Management would be to initiate costly trespass procedures. Given the long history of these occupancies, this is not appropriate and would render an injustice on the present holders of title. These people have already been penalized by not having clear title to land which they bought in good faith. The Department of the Interior believes this would be the equitable way to solve their title problems.

I urge favorable consideration of H.R. 5716.

Mr. LUJAN. Further reserving the right to object, Mr. Speaker, let me say that I think this legislation is totally appropriate. It is supported by the Department of the Interior as the most efficient way of handling this matter.

With that, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore Is there objection to the request of the gentleman from Ohio [Mr. SEIBERLING]?

There was no objection.

The Clerk read the bill, as follows:

H.R. 5716

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of any other law, the Secretary of the Interior, subject to the terms and conditions set forth in sections 1-5 of this Act, may convey public lands in section 16, township 3 north, range 16 east, first principal meridian, Seneca County, Ohio, to citizens of the Untied States that claim title in good faith and in peaceful, adverse possession.

SECTION 1. The Secretary shall determine that such conveyance is in the public interest and will serve objectives which outweigh all public objectives and values which would be served by retaining such lands in Federal ownership and shall also determine that no other statutory authority exists whereby the Secretary may afford the appropriate relief.

SEC. 2. The Secretary may sell public land on a direct basis to a purported current title holder of record as evidenced by documents duly recorded in local government or State government offices. The Secretary shall appraise the land applied for on the basis of its fair market value at the time of appraisal. From this amount, the Secretary shall deduct the value of improvements or development by the applicant or his predecessors in interest in determining the price payable by the applicant. The Secretary may further discount the price payable based upon the equities of the applicant. Such equities may include but are not limited to:

(a) the amount the applicant paid for the land,

(b) length of time of chain of title,

(c) longevity of the applicant's claim, and

(d) payment of taxes on the land.

SEC. 3. Lands conveyed under this Act shall be described in accordance with the rectangular system of survey as reflected on the Federal plat of survey. In the event that an individual tract does not conform to said survey, the Secretary is authorized to convey to a trustee acting on behalf of more than one claimant for purposes of conforming the legal description to said plat.

SEC. 4. In any conveyance made pursuant to this Act, the Secretary shall reserve to the United States all mineral deposits found at any time in the land and the right to prospect for, mine, and remove the same.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

HUMAN SERVICES REAUTHORIZATION ACT

Mr. HAWKINS. Mr. Speaker, pursuant to the provisions of House Resolu-

tion 607, I move to take from the Speaker's table the Senate bill (S. 2565) to extend programs under the Head Start Act, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The text of the Senate bill is as follows:

S. 2565

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Human Services Reauthorization Act".

TITLE I—HEAD START

TECHNICAL AMENDMENT

SEC. 101. Section 637 (2) of the Head Start Act is amended by inserting "the Commonwealth of" before "the Northern Mariana Islands".

AUTHORIZATION OF APPROPRIATIONS

SEC. 102. Section 639 of the Head Start Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 639. There are authorized to be appropriated for carrying out the provisions of this subchapter $1,003,030,000 for fiscal year 1985, and $1,221,000,000 for fiscal year 1986,".

RESERVATION OF FUNDS FOR TRAINING AND TECHNICAL ASSISTANCE

SEC. 103. (a) Section 640 (a) (2) (C) of the Head Start Act is amended by inserting before the semicolon the following: "as described in section 648 of this subchapter, in an amount for each fiscal year which is not less than the amount expended for training and technical assistance activities under this clause for fiscal year 1982".

(b) Section 640(a)(2) of the Head Start Act is amended by adding at the end thereof the following new flush sentences: "The minimum reservation contained in clause (C) of this paragraph shall not apply in any fiscal year in which the appropriation for the program authorized by this subchapter is less than the amount appropriated for fiscal year 1984. No funds reserved under this paragraph may be combined with funds appropriated under any other Act if the purpose of combining funds is to make a single discretionary grant or a single discretionary payment, unless such funds appropriated under this subchapter are separately identified in such grant or payment and are used for the purposes of this subchapter.".

DESIGNATION OF HEAD START AGENCIES

SEC. 104. (a) Section 641(a) of the Head Start Act is amended by inserting after "agency" the second time it appears ", within a community,".

(b) Section 641(c) of the Head Start Act is amended—

(1) by striking out ", except that" in the matter preceding clause (1) and inserting in lieu thereof "unless";

(2) by striking out "shall, before giving such priority, determine" in clause (1) and inserting in lieu thereof "makes a finding";

(3) by striking out "meets" in clause (1) and inserting in lieu thereof "fails to meet"; and

(4) by inserting "except that" before "if" in clause (2).

(c) Section 641 of the Head Start Act is amended by redesignating subsection (d) as subsection (f) and by inserting after subsection (c) the following new subsections:

"(d) If there is no Head Start agency as described in subsection (c)(2), and no existing Head Start program serving a community, then the Secretary may designate a Head Start agency from among qualified applicants in such community. Any such designation shall be governed by the program and fiscal requirements, criteria, and standards applicable on September 1, 1983, to then existing Head Start agencies.

"(e) The provisions of subsections (c) and (d) shall be applied by the Secretary in the distribution of any additional appropriations made available under this subchapter during any fiscal year as well as to initial designations of Head Start agencies.".

PARTICIPATION OF HEAD START PROGRAMS

SEC. 105. (a) Section 645(a) of the Head Start Act is amended by adding at the end thereof the following: "During the period beginning on the date of the enactment of the Human Services Reauthorization Act and ending on October 1, 1986, and unless specifically authorized in any statute of the United States enacted after such date of enactment, the Secretary may not make any change in the method, as in effect on April 25, 1984, of calculating income used to prescribe eligibility for the participation of persons in the Head Start programs assisted under this subchapter if such change would result in any reduction in, or exclusion from, participation of persons in any of such programs.".

(b) Section 645 of the Head Start Act is amended by adding at the end thereof the following new subsection:

"(c) Each Head Start program operated in a community may provide more than one year of Head Start services to children from age 3 to the age of compulsory school attendance in the State in which the Head Start program is located.".

TECHNICAL ASSISTANCE AND TRAINING

SEC. 106. Section 648 of the Head Start Act is amended—

(1) by striking out "may" and inserting in lieu thereof "shall"; and

(2) by inserting before the period at the end thereof a comma and the following: "including a centralized child development training and national assessment program which may be administered at the State or local level leading to recognized credentials for such personnel, and resource access projects for personnel of handicapped children".

RESEARCH, DEMONSTRATION, AND PILOT PROJECTS

SEC. 107. Section 649 of the Head Start Act is amended by adding at the end thereof the following new subsection:

"(c) No funds appropriated under this subchapter may be combined with funds appropriated under any other Act if the purpose of combining funds is to make a single discretionary grant or a single discretionary payment, unless such funds appropriated under this subchapter are separately identified in such grant or payment and are used for the purposes of this title.".

EVALUATION

SEC. 108. The second sentence of section 651(b) of the Head Start Act is amended to read as follows: "Any revisions in such standards shall not result in the elimination of nor any reduction in the score or types of health, education, parental involvement, social or other services required to be provided under the standards in effect on November 2, 1978.".

STATE GRANTS FOR DEPENDENT CARE PLANNING AND DEVELOPMENT

SEC. 109. Chapter 8 of title VI of the Omnibus Budget Reconciliation Act of 1981, relating to community services programs, is amended by inserting at the end thereof the following new subchapter:

"Subchapter D—Grants to States for Planning and Development of Dependent Care Programs and for Other Purposes

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 670A. For the purpose of allotments to States to carry out the activities described in section 670D, there are authorized to be appropriated $20,000,000 for each of the fiscal years 1985 and 1986.

"ALLOTMENTS

"SEC. 670B. (a) From the amounts appropriated under section 670A for each fiscal year, the Secretary shall allot to each State an amount which bears the same ratio to the total amount appropriated under such section for such fiscal year as the population of the State bears to the population of all States, except that no State may receive less than $50,000 in each fiscal year.

(b) For the purpose of the exception contained in subsection (a), the term "State" does not include Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.

"PAYMENTS UNDER ALLOTMENTS TO STATES

"SEC. 670C. The Secretary shall make payments, as provided by section 6503(a) of title 31, United States Code, to each State from its allotments under section 670B from amounts appropriated under section 670A.

"USE OF ALLOTMENTS

"SEC. 670D. (a) Subject to the provisions of subsections (c) and (d), amounts paid to a State under section 670C from its allotment under section 670B for fiscal year 1985 and fiscal year 1986 may be used for the planning, development, establishment, expension, or improvement by the States, directly or by grant or contract with public or private entities, of State and local resource and referral systems to provide information concerning the availability, types, costs, and locations of dependent care services. The information provided by any such system shall include—

"(1) the types of dependent care services available, including services provided by individual homes, religious organizations, community origanizations, employers, private industry, and public and private institutions;

"(2) the costs of available dependent care services;

"(3) the locations in which dependent care services are provided;

"(4) the forms of transportation available to such locations;

"(5) the hours during which such dependent care services are available;

"(6) the dependents eligible to enroll for such dependent care services; and

"(7) any resource and referred system planned, developed, established, expanded, or improved with amounts paid to a State under this subchapter.

In carrying our clause (7) of the previous sentence, no information shall be included with respect to any dependent care services which are not provided in compliance with the laws of the State and localities in which such services are provided.

"(b)(1) Subject to the provisions of subsections (c) and (d), amounts paid to a State

under section 670C from its allotment under section 670B for fiscal year 1985 and fiscal year 1986 may be used for the planning, development, establishment, expansion, or improvement by the States, directly, or by grant or contract, with public agencies or private nonprofit organizations of programs to furnish school-age child care services before and after school in public or private school facilities or in community centers in communities where facilities are not available.

"(2) The State, with respect to the uses of funds described in paragraph (1) of this subsections shall—

"(A) provide assurances, in the case of an applicant that is not a State local educational agency, that the applicant has or will enter into an agreement with the State or local educational agency, institution of higher education or community center containing provisions for—

"(i) the use of facilities for the provision of before or after school child care services (including such use during holidays and vacation periods),

"(ii) the restrictions, if any, on the use of such space, and

"(iii) the times when the space will be available for the use of the applicant;

"(B) provide an estimate of the costs of the establishment of the child care service program in the facilities;

"(C) provide assurances that the parents of school-age children will be involved in the development and implementation of the program for which assistance is sought under this Act;

"(D) provide assurances that the applicant is able and willing to seek to enroll racially, ethnically, and economically diverse as well as handicapped school-age children in the child care service program for which assistance in sought under this Act;

"(E) provide assurances that the child care program is in compliance with State and local licensing laws and regulations governing day care services for school-age children to the extent that such regulations are appropriate to the age group served; and

"(F) provide such other assurances as the Governor may reasonably require to carry out the provisions of this Act.

"(C) Of the allotment to each State in each fiscal year—

"(1) 40 percent shall be available for the activities described in subsection (a);

"(2) 60 percent shall be available for the activities described in subsection (b).

"(d) A State may not use amounts paid to it under this subchapter to—

"(1) pay the costs of operation of any resource and referral system or before or after school child care program established, expanded, or improved under subsection (a);

"(2) make cash payments to intended recipients of dependent care services including child care services;

"(3) subsidize the direct provision of dependent care services including child care services;

"(4) pay for construction or renovation; or

"(5) satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

"(e)(1) The Federal share of any project supported under this subchapter shall be not more than 75 percent.

"(2) Not more than 10 percent of the allotment of each State under this subchapter may be available for the cost of administration.

"(f) Projects supported under this section to plan, develop establish, expand, or improve a State or local resource and referral system or before or after school child care program shall not duplicate any services, which prior to the date of enactment of this subchapter, are provided by the State or locality which will be served by such system.

"(g) The Secretary may provide technical assistance to States in planning and operating activities to be carried out under this subchapter.

"APPLICATION AND DESCRIPTION OF ACTIVITIES; REQUIREMENTS

"SEC. 670E. (a)(1) In order to receive an allotment under section 670B, each State shall submit an application to the Secretary. Each such application shall be in such form and submitted by such date as the Secretary shall require.

"(2) Each application required under paragraph (1) for an allotment under section 670B shall contain assurances that the State will meet the requirements of subsection (b).

"(b) As part of the annual application required by subsection (a), the chief executive officer of each State shall—

"(1) certify that the State agrees to use the funds allotted to it under section 670B in accordance with the requirements of this subchapter; and

"(2) certify that the State agrees that Federal funds made available under section 670C for any period will be so used as to supplement and increase the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs and activities for which funds are provided under that section and will in no event supplant such State, local, and other non-Federal funds.

The Secretary may not prescribe for a State the manner of compliance with the requirements of this subsection.

"(c) The chief executive officer of a State shall, as part of the application required by subsection (a), also prepare and furnish the Secretary (in accordance with such form as the Secretary shall provide) with a description of the intended use of the payments the State will receive under section 670C, including information on the programs and activities to be supported. The description shall be made public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during development of the description and after its transmittal. The description shall be revised (consistent with this section) until September 30, 1987, as may be necessary to reflect substantial changes in the programs and activities assisted by the State under this subchapter, and any revision shall be subject to the requirements of the preceding sentence.

"(d) Except where inconsistent with the provisions of this subchapter, the provisions of section 1903(b), paragraphs (1) through (5) of section 1906(a), and sections 1906(b), 1907, 1908, and 1909 of the Public Health Service Act shall apply to this subchapter in the same manner as such provisions apply to part A of title XIX of such Act.

"REPORT

"SEC. 670F. Within three years after the date of enactment of this subchapter, the Secretary shall prepare and transmit to the Senate Committee on Labor and Human Resources and the House Committee on Education and Labor a report concerning the activities conducted by the States with amounts provided under this subchapter.

"DEFINITIONS

"SEC. 670G. For purposes of this subchapter—

"(1) the term 'community center' means facilities operated by nonprofit community-based organizations for the provision of recreational, social, or educational services to the general public;

"(2) the term 'dependent' means—

"(A) an individual who has not attained the age of 17 years;

"(B) an individual who has attained the age of 55 years; or

"(C) a person with a developmental disability;

"(3) the term 'developmental disability' has the same meaning as in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act;

"(4) the term 'equipment' has the same meaning given that term by section 198(a)(8) of the Elementary and Secondary Education Act of 1965;

"(5) the term 'institution of higher education' has the same meaning given that term under section 1201(a) of the Higher Education Act of 1965;

"(6) the term 'local educational agency' has the same meaning given that term under section 198(a)(10) of the Elementary and Secondary Education Act of 1965;

"(7) the term 'school-age children' means children aged five through thirteen;

"(8) the term 'school facilities' means classrooms and related facilities used for the provision of education;

"(9) the term 'Secretary' means the Secretary of Health and Human Services;

"(10) the term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands; and

"(11) the term 'State educational agency' has the meaning given that term under section 198(a)(17) of the Elementary and Secondary Education Act of 1965.".

TITLE II—COMMUNITY SERVICES BLOCK GRANT

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. Section 672(b) of the Community Services Block Grant Act (hereinafter in this title referred to as the "Act") is amended by adding at the end thereof the following new sentence: "There is authorized to be appropriated $400,000,000 for the fiscal year 1985, and $415,000,000 for the fiscal year 1986, to carry out the provisions of this subtitle.".

DEFINITIONS

SEC. 202. (a)(1) The second sentence of section 673(1) of the Act is amended to read as follows: "The term 'eligible entity' also includes any limited purpose agency designated under title II of the Economic Opportunity Act of 1964 for fiscal year 1981 which served the general purposes of a community action agency under title II of such Act, unless such designated agency lost its designation under title II of such Act as a result of a failure to comply with the provisions of such Act, any grantee which received financial assistance under section 222(a)(4) of the Economic Opportunity Act of 1964 in fiscal year 1981, and any organization to which a State which applied for and received a waiver from the Secretary under Public Law 98-139 made a grant under this Act in fiscal year 1984.".

(2) Section 673(1) of the Act is amended by adding at the end thereof the following two sentences: "In any geographic area of a State not presently served by an eligible entity, the Governor of the State may decide to serve such a new area by—

"(A) requesting an existing eligible entity which is located and provides services in an area contiguous to the new area to serve the new area;

"(B) if no existing eligible entity is located and provides services in an area contiguous to the new area, requesting the eligible entity located closest to the area to be served or an existing eligible entity serving an area within reasonable proximity of the new area to provide services in the new area; or

"(C) where no existing eligible entity requested to serve the new area decides to do so, designating any existing eligible entity, any organization which has a board meeting the requirements of section 675(c)(3) or any political subdivision of the State to serve the new area. The governor's designation of an organization which has a board meeting the requirements of section 675(c)(3) or a political subdivision of the State to serve the new area shall qualify such organization as an eligible entity under this Act.".

(b) Section 673(2) of the Act is amended by inserting at the end thereof the following new sentence: "Whenever the State determines that it serves the objectives of the block grant established by this subtitle the State may revise the poverty line to not to exceed 125 percent of the official poverty line otherwise applicable under this paragraph.".

APPLICATIONS AND REQUIREMENTS

SEC. 203. (a)(1) Section 675(c)(2)(A)(i) of the Act is amended by striking "1982 only" and inserting in lieu thereof "1985 and for each subsequent fiscal year".

Section Section 675(c)(2)(A)(i) of the Act is amended by inserting before the semicolon a coma and the following: "except that no more than 7 percent of the funds available for this subclause shall be granted to organizations which were not eligible entities during the previous fiscal year".

(3) Section 675(c)(2)(A) of the Act is amended—

(A) by striking out "(i)"; and

(B) by striking out division (ii).

(4) Section 675(c)(2)(B) of the Act is amended by inserting after "than" the following: "the greater of $55,000 or".

(5) Section 675(c)(5) of the Act is amended—

(A) by striking out "or the energy" and inserting in lieu thereof "the energy", and

(B) by inserting ", or the Temporary Emergency Food Assistance Act of 1983" before the semicolon.

(b) Section 675 of the Act is amended—

(1) by striking out "and" at the end of clause (9);

(2) by striking out the period at the end of clause (10) and inserting in lieu thereof a semicolon and the word "and"; and

(3) by adding at the end thereof the following new clause:

"(11) provide assurances that any community action agency or migrant and seasonal farmworker organization which received funding in the previous fiscal year under this Act will not have its present or future funding terminated under this Act unless after notice, and opportunity for hearing on the record, the State determines that cause existed for such termination subject to review by the Secretary as provided in section 676A.".

(c) Section 675 is amended by adding at the end thereof the following new subsection:

"(i)(1) For purposes of determining compliance with this subchapter the Secretary shall conduct, in several States in each fiscal year, evaluations of the uses made of funds received under this subchapter by such States.

"(2) The results of such evaluations shall be submitted annually to the chairman of the Committee on Education and Labor of the House of Representatives and the chairman of the Committee on Labor and Human Resources of the Senate.".

(d) The Act is amended by inserting after section 676 the following new section:

"TERMINATION OF FUNDING REVIEW

"SEC. 676A. The Secretary shall upon request review any termination of funding to a community action agency or migrant and seasonal farmworker organization protected by a State's assurance under section 675(c)(11), Such review shall be conducted promptly and shall be based upon the record and no determination shall become effective until a finding by the Secretary confirming the State's finding of cause.".

DISCRETIONARY PROGRAM

SEC. 204. (a)(1) The matter preceding clause (1) of section 681(a) of the Act is amended by striking out "public and other organizations and agencies" both times it appears and inserting in lieu thereof "public agencies and private nonprofit organizations".

(2) Section 681(a) of the Act is amended—

(A) by striking out "and" at the end of clause (1);

(B) by striking out the period at the end of clause (2) and inserting in lieu thereof a semicolon and the word "and"; and

(C) by adding at the end thereof the following new clause:

"(3) training and technical assistance to aid States in carrying out their responsibilities under this subchapter.".

(b) Section 681(a) of the Act is amended by adding at the end thereof the following new flush sentence: "In addition, grants, loans, and guarantees made pursuant to this subsection may be made to a private nonprofit organization applying jointly with a business concern.".

WITHHOLDING

SEC. 205. (a) Section 679(b) of the Act is amended—

(1) in paragraph (2) by striking out "he" and inserting in lieu thereof "the Secretary", and

(2) in paragraph (3) by striking out "may" and inserting in lieu thereof "shall".

(b) Section 679 of the Act is amended by striking out subsection (d).

COMMUNITY FOOD AND NUTRITION PROGRAM

SEC. 206. The Act is amended by inserting after section 681 the following new section:

"COMMUNITY FOOD AND NUTRITION

"SEC. 681A. (a) The Secretary may through grants to public and private nonprofit agencies, provide for community-based, local, and statewide programs—

"(1) to coordinate existing private and public food assistance resources, whenever such coordination is determined to be inadequate, to better serve low-income populations;

"(2) to assist low-income communities to identify potential sponsors of child nutrition programs and to initiate new programs in underserved or unserved areas; and

"(3) to develop innovative approaches at the State and local level to meet the nutrition needs of low-income people.

"(b) There is authorized to be appropriated $2,500,000 for each of the fiscal years 1985 and 1986 to carry out the provisions of this section.".

CONSTRUCTION

SEC. 207. Notwithstanding any other provisions of law the provisions of section 675(c)(2) of the Act made by the amendments contained in paragraphs (1), (2) and (3) of section 203 of this Act shall apply to the funds appropriated for the Act for fiscal year 1985.

TITLE III—FOLLOW THROUGH

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. Section 663(a)(1) of the Follow Through Act is amended to read as follows:

"(1) There is authorized to be appropriated for carrying out the purposes of this subchapter $10,000,000 for the fiscal year 1985 and $7,500,000 for the fiscal year 1986.".

REPEALER

SEC. 302. Section 670 of the Follow Through Act is amended by striking out "1984" and inserting in lieu thereof "1986".

TITLE IV—WEATHERIZATION PROGRAM

STATE ELECTION OF LITHEAP INCOME ELIGIBILITY LEVEL

SEC. 401. Section 412(7) of the Energy Conservation in Existing Buildings Act of 1976 (42 U.S.C. 6862(7)) is amended by striking out "or" before the beginning of clause (B), by striking out the period at the end of the paragraph and inserting in lieu thereof a comma, and by adding at the end of the paragraph "or (C) if a State elects, is the basis for eligibility for assistance under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621), provided that such basis is at least 125 percent of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget.".

NEW TECHNOLOGY AND ELIMINATION OF A RULEMAKING REQUIREMENT

SEC. 402. Section 412(9) of the Energy Conservation in Existing Buildings Act of 1976 (42 U.S.C. 6862(9)) is amended by—

(1) amending paragraph (B) to read as follows:

"(B) furnace efficiency modifications, including, but not limited to—

"(i) replacement burners, furnaces, or boilers or any combination thereof;

"(ii) devices for minimizing energy loss through heating system, chimney, or venting devices; and

"(iii) electrical or mechanical furnace ignition systems which replace standing gas pilot lights;"; and

(2) striking out "by rule" in paragraph (G).

MAXIMUM EXPENSES

SEC. 403. Section 415 of the Energy Conservation in Existing Buildings Act of 1976 (42 U.S.C. 6865) is amended—

(1) by striking out the first sentence in subsection (a) and inserting in lieu thereof: "An average of at least forty percent of the funds provided in a State under this part for weatherization materials, labor, and related matters described in subsection (c) shall be spent for weatherization materials."; and

(2) by amending subsection (c) to read as follows:

"(c)(1) The expenditure of financial assistance provided under this part for labor, weatherization materials, and related matters shall not exceed an average of $1,600 per dwelling unit weatherized in that State. Labor, weatherization materials, and related matter includes, but is not limited to—

"(A) the appropriate portion of the cost of tools and equipment used to install weatherization materials for a dwelling unit;

"(B) the cost of transporting labor, tools, and materials to a dwelling unit;

"(C) the cost of having onsite supervisory personnel; and

"(D) the cost of making incidental repairs to a dwelling unit if such repairs are necessary to make the installation of weatherization materials effective.

"(2) Dwelling units partially weatherized under this part or under other Federal programs during the period September 30, 1975, through September 30, 1979, may receive further financial assistance for weatherization under this part.".

PERFORMANCE FUND

SEC. 404. Section 415 of the Energy Conservation in Existing Buildings Act of 1976 (42 U.S.C. 6862) is amended by adding at the end thereof the following new subsection:

"(d) Beginning in fiscal year 1986, not less than 5 percent and no more than 15 percent of the amount appropriated under this part for each fiscal year shall be allotted by the Secretary to a performance fund, which shall be available only to provide financial assistance under this part to those States which the Secretary determines to have demonstrated the best performance during the previous fiscal year in providing weatherization assistance. The Secretary shall make such determination on the basis of such information as may be available to the Secretary, to include, but not be limited to, the percentage of eligible dwelling units within the State which have been weatherized using low-income weatherization assistance program funds during the relevant reporting period. In assessing the quality of the weatherization assistance provided, the Secretary shall consider comparable energy savings data supplied by the States.".

TITLE V—HIGHER EDUCATION AND RESEARCH PROJECT

CENTER FOR EXCELLENCE IN EDUCATION AUTHORIZED

SEC. 501. (a) The Secretary of Education (hereinafter in this section referred to as the "Secretary") is authorized in accordance with the provisions of this title, to provide financial assistance to Indiana University located in Bloomington, Indiana, to pay the Federal share of the cost of the construction, and related costs, including renovation costs, for the Center for Excellence in Education facility at Indiana University, to be used as a national research and training resource for individuals who intend to become exemplary elementary and secondary school teachers and administrators.

(b)(1) No financial assistance may be made under this title unless an application is made at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

(2) For the purpose of this section, the Federal share of the cost of the Center for Excellence in Education facility at the Indiana University should not exceed 50 percent.

(c) There are authorized to be appropriated such sums, not to exceed $6,000,000, as may be necessary to carry out the provisions of this title. Funds appropriated pursuant to this title shall remain available until September 30, 1987.

RESEARCH CENTERS

SEC. 502. (a)(1) The Secretary of Health and Human Services (hereinafter in this section referred to as the "Secretary") is authorized, in accordance with the provisions of this section, to provide financial assistance to the University of Utah located in Salt Lake City, Utah, to pay the Federal share of the cost of the establishment and operation (including construction, and related costs, including renovation costs) of a center for research on the health effects of nuclear energy and other new energy technologies.

(2)(A) No financial assistance may be made under this subsection unless an application is made at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

(B) For the purpose of this subsection, the Federal share of the cost of the center shall not exceed 50 percent.

(3) There are authorized to be appropriated such sums, not to exceed $4,000,000, as may be necessary to carry out the provisions of this subsection. Funds appropriated pursuant to this subsection shall remain available until September 30, 1987.

(b)(1) The Secretary shall, through the National Cancer Institute, establish or support at least one clinic or health facility for cancer screening and research in St. George, Utah. Such clinic shall be affiliated with a health science center capable of providing clinical, research, and interdisciplinary technical assistance to such clinic or facility, and shall make its services accessible to the preponderance of the residents of the areas that have received the greatest fallout from the Nevada nuclear tests.

(2) There are authorized to be appropratred such sums, not to exceed $6,000,000, as may be necessary to carry out the provisions of this subsection. Funds appropriated pursuant to this subsection shall remain available until September 30, 1987.

TITLE VI—LOW-INCOME HOME ENERGY ASSISTANCE

AUTHORIZATION OF APPROPRIATIONS

SEC. 601. Section 2602(b) of the Low-Income Home Energy Assistance Act of 1981 (hereinafter in this title referred to as the "Act") is amended to read as follows:

"(b) There is authorized to be appropriated to carry out the provisions of this title $2,140,000,000 for the fiscal year 1985, and $2,275,000,000 for the fiscal year 1986.".

DEFINITION

SEC. 602. (a) Section 2603(1) of the Act is amended—

(1) by striking out "intervention"; and

(2) by inserting before the period "and other household energy-related emergencies".

(b) Section 2603(4) of the Act is amended to read as follows:

"(4) The term 'poverty level' means, with respect to a household in any State, the income poverty line as prescribed and revised at least annually pursuant to section 673(2) of the Community Services Block Grant Act, as applicable to such State.".

ENERGY CRISIS INTERVENTION

SEC. 603. (a) Section 2604(c) of the Act is amended—

(1) by inserting after "reserved" the following: "until March 15 of each program year"; and

(2) by adding at the end thereof the following new sentence: "The program for which funds are reserved by this subsection shall be administered by public or nonprofit entities which have experience in administering energy crisis programs under the Low-Income Energy Assistance Act of 1980, or under this Act, experience in assisting low-income individuals in the area to be served, and the capacity to undertake a timely and effective energy crisis intervention program.".

(b) Section 2604(d)(1) of the Act is amended by striking out "otherwise be paid" and inserting in lieu thereof "otherwise be payable".

(c) Section 2604(e) of the Act is repealed.

(d) Section 2604(f) of the Act is amended by striking out "its allotment" and inserting in lieu thereof "the funds payable to it".

STATE ALLOTMENTS

SEC. 604. (a) Section 2604(a)(2) is amended to read as follows:

"(2) For purposes of paragraph (1), for fiscal year 1985 and thereafter, a State's allotment percentage is the percentage which expenditures for home energy by low-income households in that State bears to such expenditures in all States, except that States which thereby receive the greatest proportional increase in allotments by reason of the application of this paragraph from the amount they received pursuant to Public Law 98–139 shall have their allotments reduced to the extent necessary to ensure that—

"(A)(i) no State for fiscal year 1985 shall receive less than the amount of funds the State received in fiscal year 1984; and

"(ii) no State for fiscal year 1986 and thereafter shall receive less than the amount of funds the State would have received in fiscal year 1984 if the appropriations for this title for fiscal year 1984 had been $1,975,000,000, and

"(B) any State whose allotment percentage out of funds available to States from a total appropriation of $2,250,000,000 would be less than 1 percent, shall not, in any year when total appropriations equal or exceed $2,250,000,000, have its allotment percentage reduced from the percentage it would receive from a total appropriation of $2,140,000,000.".

(b) Section 2604(a) is amended by adding at the end thereof the following new paragraph:

(4) For the purpose of this section, the Secretary shall determine the expenditure for home energy by low-income households on the basis of the most recent satisfactory data available to the Secretary.".

APPLICATIONS AND REQUIREMENTS

SEC. 605. (a)(1) Section 2605(b)(1) of the Act is amended by striking out "subsection" and inserting in lieu thereof "section".

(2) Subclause (B) of section 2605(b)(2) of the Act is amended by inserting after the semicolon and flush to the margin of subclause (B) the following: "except that no household may be excluded from eligibility under this subclause for payments under this title for fiscal year 1986 and thereafter if the household has an income which is less than 110 percent of the poverty level for such State for such fiscal year".

(3) Section 2605(b)(5) is amended by inserting before the semicolon a comma and the following: "except that the State may not differentiate in implementing this section between the households described in clauses (2)(A) and (2)(B) of this subsection".

(4) Section 2605(b)(7)(C) is amended by striking out "any differently" and inserting in lieu thereof "adversely".

(5) Section 2605(b)(8) of the Act is amended by inserting after "that" the following: "(A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and (B)".

(6) Section 2605(b)(9)(A) of the Act is amended to read as follows:

"(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year and not transferred pursuant to section 2604(f) for use under another block grant; and".

(7) Section 2605(b)(10) of the Act is amended by striking out "every year" and inserting in lieu thereof "every two years".

(8) Section 2605(b) of the Act is amended—

(A) by striking out "and" at the end of clause (12);

(B) by striking out the period at the end of clause (13) and inserting in lieu thereof a semicolon; and

(C) by adding at the end thereof the following new clauses:

"(14) describe the procedures by which households in the State are identified as eligible to participate under this title and the manner in which the State determines benefit levels;

"(15) describe the amount that the State will reserve in accordance with section 2604(c) in each fiscal year for energy crisis intervention activities together with the administrative procedures (A) for designating an emergency, (B) for determining the assistance to be provided in any such emergency, and (C) for the use of funds reserved under such section for the purposes under this title in the event any portion of the amount so reserved is not expended for emergencies;

"(16) describe energy usage and the average cost of home energy in the State, identified by type of fuel and by region of the State; and

"(17) cooperate with the Secretary with respect to data collecting and reporting under section 2610.".

(9) Section 2605(b) is amended by adding at the end thereof the following new sentence: "The Secretary shall issue regulations to prevent waste, fraud, and abuse in the programs assisted by this title.".

(b)(1) Section 2605(c)(1) of the Act is amended to read as follows:

"(c)(1) As part of the annual application required in subsection (a), the chief executive officer of each State shall prepare and furnish to the Secretary, in such format as the Secretary may require, a plan which—

"(A) describes how the State will carry out the assurances required under subsection (b);

"(B) contains estimates of the amount of funds the State will use for each of the programs under such plan;

"(C) describes the eligibility requirements to be used by the State for each type of assistance to be provided under this title;

"(D) describes weatherization and other energy-related home repair the State will provide under subsection (k); and

"(E) contains any other information determined by the Secretary to be appropriate for purposes of this title.

The chief executive officer may revise any plan prepared under this paragraph and shall furnish the revised plan to the Secretary.".

(2) Section 2605(c)(2) of the Act is amended—

(A) by inserting "and each substantial revision thereof" after "Each plan prepared under paragraph (1)", and

(B) by striking out the period at the end thereof and inserting in lieu thereof "or substantial revision.".

(c) Section 2605 (d) of the Act is amended to read as follows:

"(d) The State shall expend funds in accordance with the State plan under this title or in accordance with revisions applicable to such plan.".

(d) Section 2605(e) of the Act is amended to read as follows:

"(e) Each State shall, in carrying out the requirements of subsection (b)(1), obtain financial and compliance audits of any funds which the State receives under this title. Such audits shall be made public within the State on a timely basis. The audits shall be conducted at least every two years by an organization or person independent of any agency administering activities under this title. The audits shall be conducted in accordance with the Comptroller General's standards for audit of governmental organizations, programs, activities, and functions. Within 30 days after completion of each audit, the chief executive officer of the State shall submit a copy of the audit to the legislature of the State and to the Secretary.".

(e) Section 2605(f) of the Act is amended by inserting before the comma the first time it appears the following: "unless enacted in express limitation of this paragraph".

(f) Section 2605(h) of the Act is amended by inserting "(but not less frequently than every three years)" after "time" the second place it appears.

PAYMENTS TO STATES

SEC. 606. (a)(1) The second sentence of section 2607(b)(2)(A) of the Act is amended by inserting "or the amount payable to" after "of".

(2) Section 2607(b)(2)(A) of the Act is amended by inserting after the first sentence thereof the following: "Such request shall include a statement of the reasons that the amount allotted to such State for a fiscal year will not be used by such State during such fiscal year and a description of the types of assistance to be provided with the amount held available for the following fiscal year.".

(b)(1)(A) The first sentence of section 2607(b)(2)(B) of the Act is amended by striking out "25 percent" and inserting in lieu thereof "15 percent".

(B) The first sentence of section 2607(b)(2)(B) of the Act is further amended by striking out "allotted to such State for such prior fiscal year" and inserting in lieu thereof "payable to such State for such prior fiscal year and not transferred pursuant to section 2604(f)".

(2) The second sentence of section 2607(b)(2)(B) of the Act is amended by striking out "allotted to a State" and inserting in lieu thereof "payable to a State but not transferred by the State".

(c) Section 2607(b)(2) of the Act is amended by adding at the end thereof the following new subparagraph:

"(C) The Secretary shall reallot amounts made available under this paragraph for the fiscal year following the fiscal year of the original allotment in accordance with paragraph (1) of this subsection.".

STUDIES

SEC. 607. (a) Section 2610(a)(2) of the Act is amended—

(1) by inserting "amount," before "cost"; and

(2) by adding at the end thereof the following: "for households eligible for assistance under this title".

(b) Section 2610(a) of the Act is amended by—

(1) striking out "and" at the end of clause (4);

(2) redesignating clause (5) as clause (6); and

(3) inserting after clause (4) the following new clause:

"(5) the number of households which received such assistance and include one or more individuals who are 60 years or older or handicapped; and".

(c) Section 2610 (a) of the Act is amended by adding at the end thereof the following new flush sentence: "Nothing in this subsection may be construed to require the Secretary to collect data which has been collected and made available to the Secretary by any other agency of the Federal Government.

(d) Section 2610 (b) of the Act is amended to read as follows:

"(b) The Secretary shall, no later than June 30 of each fiscal year, submit a report to the Congress containing a detailed compilation of the data under subsection (a) with respect to the prior fiscal year.".

TECHNICAL AMENDMENT

SEC. 608. Section 2608(b)(2) of the Act is amended by striking out "he" and inserting in lieu thereof "the Secretary".

EFFECTIVE DATES

SEC. 609. (a) Except as provided in subsections (b), (c), and (d), the amendments made by this title shall take effect on the date of enactment of this Act.

(b) The amendments made by section 605 shall take effect on the first day of the first fiscal year beginning after the date of the enactment of this Act.

(c) The amendments made by section 606 shall apply to amounts held available for fiscal years beginning after September 30, 1985.

(d) The amendment made by section 607 shall apply to data collected and compiled after the date of the enactment of this Act. Section 2610 of the Act as in effect before the date of the enactment of this Act shall apply with respect to the report submitted under such section 2610 for fiscal year 1984.

TITLE VII—POSTSECONDARY EDUCATION SCHOLARSHIP PROGRAM

AMENDMENT TO TITLE V OF THE HIGHER EDUCATION ACT OF 1965

SEC. 701. Title V of the Higher Education Act of 1965 is amended by inserting after part D the following new parts E and F:

"PART E—CARL D. PERKINS SCHOLARSHIP PROGRAM

"DECLARATION OF PURPOSE; AUTHORIZATION OF APPROPRIATIONS

"SEC. 561. (a) It is the purpose of this part to make available, through grants to the States, scholarships during fiscal years 1986 through 1990 to a maximum of ten thousand individuals who are outstanding high school graduates and who demonstrate an interest in teaching, in order to enable and encourage those individuals to pursue teaching careers in education at the elementary or secondary level. Such scholarships shall be referred to as 'Carl D. Perkins Scholarships'.

"(b) There are authorized to be appropriated $20,000,000 for fiscal year 1986, $21,000,000 for fiscal year 1987, $22,000,000 for fiscal year 1988, and $23,000,000 for fiscal year 1989, for Carl D. Perkins Scholarships to eligible students under this part.

"ALLOCATION AMONG STATES

"SEC. 562. (a) From the sums appropriated pursuant to section 561 for any fiscal year, the Secretary shall allocate to any State an amount which bears as nearly as possible the same ratio to such sums as the number of persons in that State bears to the number of persons in all States.

"(b) For the purpose of this section, the number of persons in a State and in all States shall be determined by the most recently available data from the United States Census Bureau.

"GRANT APPLICATIONS

"SEC. 563. (a) The Secretary is authorized to make grants to States in accordance with the provisions of this part. In order to receive a grant under this part, a State shall submit an application at such time or times, in such manner, and containing such information as the Secretary may prescribe by regulation. Such application shall set forth a program of activities for carrying out the purposes set forth in section 561(a) in such detail as will enable the Secretary to determine the degree to which such program will accomplish such purposes and such other policies, procedures, and assurances as the Secretary may require by regulation.

"(b) The Secretary shall approve an application only if the application—

"(1) describes the selection criteria and procedures to be used by the State in the selection of scholarships under this part which satisfy the provisions of this part;

"(2) designates the State agency which administers the program under subpart 3 of part A of title IV, relating to State student incentive grants, or the State agency with with the Secretary has an agreement under section 428(b);

"(3) describes the outreach effort the State agency intends to use to publicize the availability of Carl D. Perkins scholarships to high school students in the State;

"(4) provides assurances that each recipient eligible under section 565(b) of this part who receives a Carl D. Perkins Scholarship shall enter into an agreement with the State agency under which the recipient shall—

"(A) within the ten-year period after completing the postsecondary education for which Carl D. Perkins Scholarship was awarded, teach, for a period of not less than two years for each year for which assistance was received, in a public elementary or secondary school in any State, in a public education program in any State, or in a private nonprofit school located and serving students in a district eligible for assistance pursuant to chapter 1 of the Education Consolidation and Improvement Act of 1981, or, on a full-time basis, handicapped children or children with limited English proficiency in a private nonprofit school, except that, in the case of individuals who teach in a school serving large numbers or high concentrations of economically disadvantaged students, or who teach children with limited English proficiency or handicapped children, the requirements of this subparagraph shall be reduced by one-half;

"(B) provide the State agency evidence of compliance with section 566 of this part as required by the State agency; and

"(C) repay all or part of a Carl D. Perkins Scholarship received under section 564 of this part plus interest and, if applicable, reasonable collection fees, in compliance with regulations issued by the Secretary under section 567 of this part, in the event that the conditions of clause (A) are not complied with except as provided for in section 568 of this part;

"(5) provides that the agreement entered into with recipients shall fully disclose the terms and conditions under which assistance under this part is provided and under which repayment may be required. Such disclosure shall include—

"(A) a description of the procedures required to be established under paragraph (6); and

"(B) a description of the appeals procedures required to be established under paragraph (7) under which a recipient may appeal a determination of noncompliance with any provision under this part;

"(6) provides for procedures under which a recipient of assistance received under this part who teaches for less than the period required under paragraph (4)(A) will have the repayment requirements reduced or eliminated consistent with the provisions of sections 567 and 568 of this part;

"(7) provides for appeals procedures under which a recipient may appeal any determination of noncompliance with any provision under this part;

"(8) provides assurances that the State agency shall make particular efforts to attract students from low-income backgrounds or who express a willingness or desire to teach in schools having less than average academic results or serving large numbers of economically disadvantaged students; and

"(9) provides assurances that Carl D. Perkins Scholarships will be awarded without regard to sex, race, handicapping condition, creed, or economic background.

"(c) The selection criteria and procedures to be used by the State shall reflect the present and projected teacher needs of the State, including the demand for and supply of elementary teachers in the State, the demand for and supply of secondary teachers in the State, and the demand for teachers with training in specific academic disciplines in the State.

"(d) In developing the selection criteria and procedures to be used by the State, the State shall solicit the views of State and local education agencies, private educational institutions, and other interested parties. Such views—

"(1) shall be solicited by means of (A) written comments; and (B) publication of proposed selection criteria and procedures in final form for implementation; and

"(2) may be solicited by means of (A) public hearings on the teaching needs of elementary and secondary schools in the State (including the number of new teachers needed, the expected supply of new teachers, and the shortages in the State of teachers with training in specific academic disciplines); or (B) such other methods as the State may determine to be appropriate to gather information on such needs.

"AMOUNT AND DURATION OF AND RELATION TO OTHER ASSISTANCE

"SEC. 564. (a) Subject to subsection (c), each Carl D. Perkins Scholar shall receive a $5,000 scholarship for each academic year of postsecondary education for study in preparation to become an elementary or secondary teacher. No individual shall receive scholarship assistance for more than four years of postsecondary education, as determined by the State agency.

"(b) Notwithstanding the provisions of title IV of this Act, scholarship funds awarded pursuant to this part shall be considered in determining eligibility for student assistance under title IV of this Act.

"(c) Carl D. Perkins Scholarship assistance awarded by the statewide panel established pursuant to section 565 to any individual in any given year, when added to assistance received under title IV of this Act, shall not exceed the cost of attendance, as defined under section 482(d), at the institution the individual is attending. If the amount of the Carl D. Perkins Scholarship assistance and assistance received under title IV of this Act, exceeds the cost of attendance, the Carl D. Perkins Scholarship shall be reduced by an amount equal to the amount by which the combined awards exceed the cost of attendance.

"(d) No individual shall receive an award under the Carl D. Perkins Scholarship established under this part, in any academic year, which shall exceed the cost of attendance, as defined under section 482(d), at the institution the individual is attending.

"SELECTION OF CARL D. PERKINSSCHOLARS

"SEC. 565. (a) Carl D. Perkins Scholars shall be selected by a seven-member statewide panel appointed by the chief State elected official, acting in consultation with the State educational agency, or by an existing grant agency or panel designated by the chief State elected official and approved by the Secretary of Education. The statewide panel shall be representative of school administrators, teachers and parents.

"(b) Selections of Carl D. Perkins Scholars shall be made from students who have graduated or who are graduating from high school and who rank in the top 10 per centum of their graduating class. The State educational agency shall make applications available to high schools in the State and in other locations convenient to applicants, parents and others. The statewide panel shall develop criteria and procedures for the selection of Carl D. Perkins Scholars. Such criteria may include the applicant's high school grade point average, involvement in extracurricular activities, financial need, and expression of interest in teaching as expressed in an essay written by the applicant. The panel may also require the applicant to furnish letters of recommendation from teachers and others.

"SCHOLARSHIP CONDITIONS

"SEC. 566. Recipients of scholarship assistance under this part shall continue to receive such scholarship payments only during such periods that the State agency finds that the recipient is (A) enrolled as a full-time student in an accredited postsecondary institution; (B) pursuing a course of study leading to teacher certification; and (C) maintaining satisfactory progress as determined by the postsecondary institution the recipient is attending.

"SCHOLARSHIP REPAYMENT PROVISIONS

"SEC. 567. Recipients found by the State agency to be in noncompliance with the agreement entered into under section 563(b)(3) of this part shall be required to repay a pro rata amount of the scholarship awards received, plus interest and, where applicable, reasonable collection fees, on a schedule and at a rate of interest to be prescribed by the Secretary by regulations issued pursuant to this part.

"EXCEPTION TO REPAYMENT PROVISIONS

"SEC. 568. (a) A recipient shall not be considered in violation of the agreement en-

tered into pursuant to section 563(b)(4)(C) if the recipient (1) returns to a full-time course of study related to the field of teaching at an eligible institution; (2) is serving, not in excess of three years, as a member of the armed services of the United States; (3) is temporarily totally disabled for a period of time not to exceed three years as established by sworn affidavit of a qualified physician; (4) is unable to secure employment for a period not to exceed twelve months by reason of the care required by a spouse who is disabled; (5) is seeking and unable to find full-time employment for a single period not to exceed twelve months; (6) is seeking and unable to find full-time employment as a teacher in a public elementary or secondary school or a public education program; or (7) satisfies the provisions of additional repayment exceptions that may be prescribed by the Secretary in regulations issued pursuant to this part.

"(b) A recipient shall be excused from repayment of any scholarship assistance received under this part if the recipient becomes permanently totally disabled as established by sworn affidavit of a qualified physician.

"FEDERAL ADMINISTRATION OF STATE PROGRAMS; JUDICIAL REVIEW

"SEC. 569. (a) The Secretary shall not finally disapprove any application for a State program submitted under section 563, or any modification thereof, without first affording the State agency submitting the program reasonable notice and opportunity for a hearing.

"(b) Whenever the Secretary, after reasonable notice and opportunity for hearing to the State agency administering a State program approved under this part, finds—

"(1) that the State program has been so changed that it no longer complies with the provisions of this part, or

"(2) that in the administration of the program there is a failure to comply substantially with any such provisions,

the Secretary shall notify such State agency that the State will not be regarded as eligible to participate in the program under this part until the Secretary is satisfied that there is no longer any such failure to comply.

"(c)(1) If any State is dissatisfied with the Secretary's final action under subsection (b)(1) or (2), such State may appeal to the United States court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The Secretary shall forthwith certify and file in the court the transcript of the proceedings and the record on which the action was based.

"(2) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify any previous action, and shall certify to the court the transcript and record of further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(3) The court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"PART F—NATIONAL TALENTED TEACHER FELLOWSHIP PROGRAM

"DECLARATION OF PURPOSE

"SEC. 571. It is the purpose of this part to establish a national fellowship program for outstanding teachers.

"AUTHORIZATION OF APPROPRIATIONS; ALLOCATION AMONG STATES

"SEC. 572. There are authorized to be appropriated $1,000,000 for fiscal year 1986. $2,000,000 for fiscal year 1987, $3,000,000 for fiscal year 1988, and $4,000,000 for fiscal year 1989, for fellowships to outstanding teachers under this part. Not more than 2½ per centum of these funds shall be used for purposes of administering this part.

"TALENTED TEACHER FELLOWSHIPS

"SEC. 573. (a)(1) Except as provided under paragraph (3), sums available for the purpose of this part shall be used to award one national teacher fellowship to a public or private school teacher teaching in each congressional district of each State, and in the District of Columbia, and the Commonwealth of Puerto Rico; and one such fellowship in Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

"(2) Fellowship awards may not exceed the average national salary of public school teachers in the most recent year for which satisfactory data are available, as determined by the Secretary. Talented teacher fellows may not receive an award for two consecutive years. Subject to the repayment provisions of section 576, talented teacher fellows shall be required to return to a teaching position in their current school district or private school system for at least two years following the fellowship award.

"(3) If the appropriation under section 572 is not sufficient to provide the number of fellowships required by paragraph (1) at the level required under paragraph (2), the Secretary shall determine and publish an alternative distribution of fellowship which will permit fellowship awards at that level and which is geographically equitable. The Secretary shall send a notice of such determination to each of the statewide panels established under section 574.

"(b) Talented teacher fellows may use such awards for such projects for improving public education as the Secretary may approve, including (1) sabbaticals for study or research directly associated with the objectives of this part, or academic improvement; (2) consultation with or assistance to other school districts or private school systems; (3) development of special innovative programs; or (4) model teacher programs and staff development.

"SELECTION OF TALENTED TEACHER FELLOWSHIPS

"SEC. 574. Recipients of talented teacher fellowships in each State shall be selected (in accordance with section 575) by a seven-member statewide panel appointed by the chief State elected official, acting in consultation with the State educational agency, or by an existing panel designated by the chief State elected official and approved by the Secretary of Education. The statewide panel shall be representative of school administrators, teachers, parents, and institutions of higher education.

"EVALUATION OF APPLICATIONS

"SEC. 575. (a) An applicant for talented teacher fellowship assistance shall submit proposals for projects under section 573(b), and shall indicate the extent to which the applicant wishes to continue current teaching duties. The applicant shall submit such proposals to the local education agency for comment prior to submission to the statewide panel (appointed under section 574) for the State within which the project is to be conducted. In evaluating proposals, such statewide panel shall consult with the local education agency, requesting two recommendations from teaching peers; a recommendation from the principal; and a recommendation of the superintendent on the quality of the proposal and its benefit to the local education agency; and any other criteria for awarding fellowships as is considered appropriate by such statewide panel. Selection of fellows shall be made in accordance with regulations prescribed by the Secretary of Education.

"(b) Announcement of awards shall be made in a public ceremony.

"FELLOWSHIP REPAYMENT PROVISIONS

"SEC. 576. Repayment of the award shall be made to the Federal Government in the case of fraud or gross noncompliance.

"MATH SCIENCE TECHNICAL AMENDMENT

"SEC. 702. Section 711 of the Education for Economic Security Act is amended by striking out "(a)" and by striking out subsection (b) of such section.

"TITLE VIII—FEDERAL MERIT SCHOLARSHIPS

"AMENDMENT TO THE HIGHER EDUCATION ACT OF 1965

"SEC. 801. (a) Part A of title IV of the Higher Education Act of 1965 (hereafter in this title referred to as "the Act") is amended by redesignating subpart 6 as subpart 7 and by inserting after subpart 5 the following new subpart:

"Subpart 6—Federal Merit Scholarships

"STATEMENT OF PURPOSE

"SEC. 419A. It is the purpose of this subpart to establish a Federal Merit Scholarship Program to promote student excellence and achievement and to recognize exceptionally able students who show promise of continued excellence.

"DEFINITION

"SEC. 419B. For the purpose of this subpart—

"(1) the term 'secondary school' has the same meaning given that term under section 198(a)(7) of the Elementary and Secondary Education Act of 1965; and

"(2) the term 'State' means each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

"SCHOLARSHIPS AUTHORIZED

"SEC. 419C. (a) The Secretary is authorized, in accordance with the provisions of this subpart, to make grants to States to enable the States to award scholarships to individuals who have demonstrated outstanding academic achievement and who show promise of continued academic achievement.

"(b) Scholarships under this section shall be awarded for a period of one academic year for the first year of study at an institution of higher education.

"(c) A student awarded a scholarship under this subpart may attend any institution of higher education.

"ALLOCATION AMONG STATES

"SEC. 419D. From the sums appropriated pursuant to section 419K for any fiscal year, the Secretary shall alllocate to each State having an agreement under section 419E—

"(1) $1,500 multiplied by the number of individuals in the State eligible for merit scholarships pursuant to section 419G(b), plus

"(2) $10,000, plus 5 percent of the amount to which a State is eligible under clause (1) of this section.

"AGREEMENTS

"SEC. 419E. The Secretary shall enter into an agreement with each State desiring to participate in the merit scholarship program authorized by this subpart. Each such agreement shall include provisions designed to assure that—

"(1) the State educational agency will administer the merit scholarship program authorized by this subpart in the State;

"(2) the State educational agency will comply with the eligibility and selection provisions of this subpart;

"(3) the State educational agency will conduct outreach activities to publicize the availability of Federal merit scholarships to all eligible students in the State, with particular emphasis on activities designed to assure that students from low-income and moderate-income families have access to the information on the opportunity for full participation in the merit scholarship program authorized by this subpart;

"(4) the State educational agency will pay to each individual in the State who is awarded a merit scholarship under this subpart $1,500 at an awards ceremony in accordance with section 419I; and

"(5) the State educational agency will use the amount of the allocation described in clause (2) of section 419D for administrative expenses, including the conduct of the awards ceremony required by section 419I.

"ELIGIBILITY OF MERIT SCHOLARS

"SEC. 419F. (a) Each student awarded a scholarship under this subpart shall be a graduate of a public or private secondary school or have the equivalent of a certificate of graduation as recognized by the State in which the student resides and must have been admitted for enrollment at an institution of higher education.

"(b) Each student awarded a scholarship under this subpart must demonstrate outstanding academic achievement and show promise of continued academic achievement.

"SELECTION OF MERIT SCHOLARS

"SEC. 419G. (a) The State educational agency is authorized to establish the criteria for the selection of merit scholars under this subpart.

"(b) The State educational agency shall adopt selection procedures which are designed to assure that ten individuals will be selected from among residents of each congressional district in a State (and in the case of the District of Columbia and the Commonwealth of Puerto Rico not to exceed ten individuals will be selected in such district or Commonwealth).

"(c) In carrying out its responsibilities under subsections (a) and (b), the State educational agency shall consult with school administrators, school boards, teachers, counselors, and parents.

"STIPENDS AND SCHOLARSHIP CONDITIONS

"SEC. 419H. (a) Each student awarded a merit scholarship under this subpart shall receive a stipend of $1,500 for the academic year of study for which the scholarship is awarded.

"(b) The State educational agency shall establish procedures to assure that a merit scholar awarded a scholarship under this subpart pursues a course of study at an institution of higher education.

"AWARDS CEREMONY

"SEC. 4191. (a) The State educational agency shall make arrangements to award merit scholarships under this subpart at a place in each State which is convenient to the individuals selected to receive such scholarships. To the extent possible, the award shall be made by Members of the Senate and Members of the House of Representatives (by the Delegate in the case of the District of Columbia and the Resident Commissioner in the case of the Commonwealth of Puerto Rico) who represent the State, Commonwealth, or District, as the case may be, from which individuals come.

"(b) The selection process shall be completed, and the awards made prior to the end of each secondary academic year.

"CONSTRUCTION OF NEEDS PROVISIONS

"SEC. 419J. Nothing in this subpart, or any other Act, shall be construed to permit the receipt of a merit scholarship under this subpart to be counted for any needs test in connection with the awarding of any grant or the making of any loan under this Act or any other provision of Federal law relating to educational assistance.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 419K. There are authorized to be appropriated $8,000,000 for each of fiscal years 1986, 1987, and 1988 to carry out the provisions of this subpart.".

(b)(1) Section 419 of the Act is redesignated as section 420.

(2) Section 420 of the Act is redesignated as section 420A.

TITLE IX—LEADERSHIP IN EDUCATIONAL ADMINISTRATION

SHORT TITLE; PURPOSE

SEC. 901. (a) This title may be cited as the "Leadership in Educational Administration Development Act of 1984".

(b) It is the purpose of this title to improve the level of student achievement in elementary and secondary schools through the enhancement of the leadership skills of school administrators by establishing technical assistance centers for each State to promote the development of the leadership skills of elementary and secondary school administrators with particular emphasis upon increasing access for minorities and women to administrative positions.

(c) It is the intention of Congress that contractors seeking to establish technical assistance and training centers should design programs which upgrade the skills of elementary and secondary school administrators in—

(1) enhancing the schoolwide learning environment by assessing the school climate, setting clear goals for improvement, and devising strategies for completing manageable projects with measurable objectives;

(2) evaluating the school curriculum in order to assess its effectiveness in meeting academic goals;

(3) developing skills in instructional analysis to improve the quality of teaching through classroom observation and supervision;

(4) mastering and implementing objective techniques for evaluating teacher performance; and

(5) improving communication, problem-solving, student discipline, time-management, and budgetary skills.

AUTHORIZATION OF APPROPRIATIONS

SEC. 902. (a) There are authorized to be appropriated to carry out this title for fiscal year 1985 and each succeeding fiscal year ending prior to October 1, 1990, such sums as may be necessary but not to exceed $20,000,000 in any fiscal year.

(b) Of the amount appropriated pursuant to subsection (a) for any fiscal year, the secretary shall make available such amount, not less than $150,000 for each State, as may be necessary for establishing and operating a technical assistance center in each State.

TECHNICAL ASSISTANCE CENTERS

SEC. 903. (a) The Secretary shall, subject to the availability of funds pursuant to section 902, enter into contracts with local educational agencies, intermediate school districts, State educational agencies, institutions of higher education, private management organizations, or nonprofit organizations (or consortium of such entities) for the establishment and operation of training centers in each State in accordance with the requirements of this section and section 904.

(b) Each contract entered into under subsection (a) shall require the contractor—

(1) to make the services of the technical assistance center available to school administrators from any of the local educational agencies located within the State served by that contractor;

(2) to collect information on school leadership skills;

(3) to assess the leadership skills of individual participants based on established effective leadership criteria;

(4) to conduct training programs on leadership skills for new school administrators and to conduct training seminars on leadership skills for practicing school administrators, with particular emphasis on women and minority administrators;

(5) to operate consulting programs to provide within school districts advice and guidance on leadership skills;

(6) to maintain training curricula and materials on leadership skills drawing on expertise in business, academia, civilian and military governmental agencies, and existing effective schools;

(7) to conduct programs which—

(A) make available executive from business, scholars from various institutions of higher education, and practicing school administrators; and

(B) offer internships in business, industry, and effective school districts to school administrators,

for the purpose of promoting improved leadership skills of such administrators;

(8) to disseminate information on leadership skills associated with effective schools; and

(9) to establish model administrator projects.

(c) In making a selection among applicants for any contract under this section, the Secretary shall take into account whether the applicant, if selected, would be able to operate its programs in a manner which would emphasize development of leadership skills identified by graduate schools of management and graduate schools of education.

GENERAL CRITERIA FOR CONTRACTS

SEC. 904. (a) The following criteria shall apply to each contract:

(1) The contract shall assure the involvement of private sector managers and executives in the conduct of such programs.

(2) The contract shall contain assurances of an ongoing organizational commitment to carrying out the purposes of this title

through (A) obtaining matching funds for such programs in cash or in kind at least equal in amount to the amount of funds provided under this title, (B) making inkind contributions to such programs, (C) demonstrating a commitment to continue to operate such programs after expiration of funds under this title, and (D) organizing a policy advisory committee including (but not limited to) representatives from business, private foundations, and local and State educational agencies.

(3) The contract shall demonstrate the level of development of human relations skills which its programs will instill by (A) identifying the credentials of the staff responsible for such development; (B) describing the manner in which such skills will be developed; and (C) describing the manner in which the program deals with human relations issues facing education administrators.

(4) The contract shall establish a system for the evaluation of the programs conducted.

(b) Each contract shall be for a term of three years. Such contract shall not be renewable, except that a single three-year extension may be granted if the contractor agrees to maintain the programs with assistance under this title reduced by one-half.

REGULATIONS

SEC. 905. The Secretary is authorized to prescribe such regulations as may be necessary to carry out this title.

DEFINITIONS

SEC. 906. For the purposes of this title—

(1) the term "Secretary" means the Secretary of Education;

(2) the term "institution of higher education" has the meaning provided by section 1201 of the Higher Education Act of 1965;

(3) the term "school administrator" means a principal, assistant principal, district superintendent, and other local school administrators;

(4) the term "local educational agency" has the meaning provided by section 595 of the Education Consolidation and Improvement Act of 1981; and

(5) the term "leadership skills" includes, but is not limited to, managerial, administrative, evaluative, communication and disciplinary skills and related techniques.

TITLE X—NATIVE AMERICAN PROGRAMS

SHORT TITLE

SEC. 1001. This title may be cited as the "Native American Programs Act Amendments of 1984".

DISTRIBUTION OF FINANCIAL ASSISTANCE

SEC. 1002. (a) Section 803(a) of the Native American Programs Act of 1974 is amended by adding at the end thereof the following: "Every determination made with respect to a request for financial assistance under this section shall be made without regard to whether the agency making such request serves, or the project to be assisted is for the benefit of, Indians who are not members of a federally recognized tribe. To the greatest extent practicable, the Secretary shall insure that each project to be assisted under this title is consistent with the priorities established by the agency which receives such assistance.".

(b) Section 803(c) of the Native American Programs Act of 1974 is amended—

(1) by inserting "(1)" after "(c)", and

(2) by adding at the end thereof the following new paragraph:

"(2) No project may be disapproved for assistance under this title solely because the agency requesting such assistance is an Indian organization in a nonreservation area or serves Indians in a nonreservation area.".

ADMINISTRATION OF PROGRAMS

SEC. 1003. Section 812 of the Native American Programs Act of 1974 is amended to read as follows:

"ADMINISTRATION; DELEGATION OF AUTHORITY

"SEC. 812. (a)(1) The general administration of the programs authorized by this Act shall remain within the Department of Health and Human Services and, notwithstanding any authority under any other law, may not be transferred outside of such Department.

"(2) The Secretary shall continue to administer grants under section 803 through the Administration for Native Americans. The Commissioner of such Administration may not delegate outside of the Administration the functions, powers, and duties of the Commissioner to carry out such section.

"(b)(1) Except as provided in subsection (a)(2), the Secretary may delegate only to the heads of agencies within the Department of Health and Human Services any of the functions, powers, and duties of the Secretary under this title, and may authorize the redelegation only within such Department of such functions, powers, and duties by the heads of such agencies.

"(2) Funds appropriated to carry out this title, other than section 803, may be transferred between such agencies if such funds are used for the purposes for which they are authorized and appropriated.

"(c) Nothing in this section shall be construed to prohibit interagency funding agreements made between the Administration for Native Americans and other agencies of the Federal Government for the development and implementation of specific grants or projects.".

DEFINITIONS

SEC. 1004. Section 813 of the Native American Programs Act of 1974 is amended—

(1) in paragraph (3) by striking out the period and inserting in lieu thereof "; and", and

(2) by adding at the end thereof the following new paragraph:

"(4) 'Secretary' means the Secretary of Health and Human Services.".

EXPENDITURE OF AVAILABLE FUNDS

SEC. 1005. Section 814 of the Native American Programs Act of 1974 is amended—

(1) by striking out "1981" and inserting in lieu thereof "1986",

(2) by inserting "(a)" after "SEC. 814.", and

(3) by adding at the end thereof the following new subsection:

"(b) Not less than 90 per centum of the funds made available to carry out the provisions of this title for a fiscal year shall be expended to carry out section 803(a) for such fiscal year.".

The SPEAKER pro tempore. Pursuant to the provisions of the House Resolution 607, an amendment to strike out section 502 is considered as pending.

Under the rule, the gentleman from California [Mr. HAWKINS] will be recognized for 15 minutes, the gentleman from Wisconsin [Mr. PETRI] will be recognized for 15 minutes, the gentleman from Michigan [Mr. DINGELL] will be recognized for 15 minutes, and the gentleman from North Carolina [Mr. BROYHILL] will be recognized for 15 minutes.

The Chair recognizes the gentleman from California [Mr. HAWKINS].

Mr. HAWKINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Committee on Education and Labor presents for consideration today S. 2565, the Human Services Reauthorization Act. This bill represent the efforts of both the House and Senate to reauthorize those programs which assist those in our country who are in need—the poor and disadvantaged—young and old alike. This bill reflects much of what the House, on June 26, overwhelmingly passed in H.R. 5885, the Head Start and Human Services Amendments of 1984. It includes the reauthorization of Head Start, Follow Through, the Native Americans Program, and low-income energy assistance and provides for other new initiative and legislative finetuning.

Head Start is a program which continually proves itself. As recently as 2 weeks ago, new research was presented by the administration validating the positive impact of early education programs like Head Start as long as 15 years after the children participated. Among those children who participated, rates for dropping out of school, being arrested, needing special education, being on welfare, or having teenage pregnancies were remarkably lower than for similar children who did not participate. Rates for graduating from high school, being employed, and attending college were remarkably higher. The return through cost savings on the Federal dollar invested was documented at 7 to 1. That is a primary reason I am pleased to bring S. 2565 before the House.

Mr. Speaker, it is imperative that we reauthorized Head Start. Its authority expired 9 days ago. While it can certainly be continued intermittently, as part of a continuing resolution, that prospect does not bode well for program consistency. In addition, Head Start spending would be locked in at last year's appropriation level which would not be sufficient to maintain the level of current services. Based on what we now know, at the very time that we should be expanding Head Start participation, it is all too likley that we would be forced to trim children from the Head Start roles. Even now, Head Start provides for only 1 of 5 eligible children. It would be a shame if the House of Representatives—through no fault of its own, I might add, since we acted last June—should be depicted as allowing those disadvantaged children who are being served to become victims of inflation, or of our failure to act.

S. 2565 also contains modest perfecting amendments which will make Head Start a stronger and better pro-

gram. They will guarantee that the quality services which have been the hallmark of Head Start will be maintained. The functions critical to supporting Head Start workers will continue to be funded, including training for staff and parents; training assessment and credentialing components of the child development associate program and, resource access projects which improve services to handicapped children. Finally, the bill ensures that Head Start's highly effective comprehensive performance standards will continue to help programs across the country deliver the best possible care to Head Start children and their families.

The other programs being reauthorized by S. 2565—Follow Through Native American programs, and low-income energy assistance—all make vital contributions to the well-being of those members of our Nation who are most vulnerable. They all have the common goal of giving those in need "Hand ups" rather than "hand outs".

Our bill also makes several legislative changes in the Community Services Block Grant Program which were included in the bipartisan, House-passed H.R. 5885. Several small new initiatives, also presented in H.R. 5885, are included as well. S. 2565 adds authority for a scaled-down community food and nutrition program, and expands the scope of information and referral programs to include services for the elderly and handicapped, as well as children. Other education initiatives, some of which were passed by the House in other bills, such as the Carl D. Perkins Scholarship Program, are provided for also.

In conclusion, let me strongly recommend this bill for support by the House. It has the support of Republicans and Democrats in both Chambers of the Congress—as well it should. Let me also recognize the contribution of members of the Subcommittee on Human Resources who have worked for the development and improvement of these programs. Congressman TOM PETRI has provided his able assistance and cooperation in this matter and was a coauthor of H.R. 5885. The efforts of subcommittee members, Congressman PAT WILLIAMS, The author and major proponent of the Native Americans programs, and Congressman MAJOR OWENS, the author or the Low-Income Energy Assistance Act are to be particularly commended.

The House voted to reauthorize the programs contained in S. 2565 on June 26, by a vote 409 to 10. The Senate dragged its feet on the bill, then after an agreement had been struck late last week, added on some of its favorite programs in the 11th hour, holding Head Start and other needed activities hostage. Though I am the chairman of the Education and Labor Committee, I was not privy to these last minute maneuvers. Nor should the House be held accountable. I urge my colleagues to rise above partisanship and reauthorize these needed and proven programs. To do anything less would be an abdication of the role of Congress in helping those who need it most.

Usually, in closing, I would ask the House for its support—hopefully its bipartisan support. In this instance I feel confident, in view of the importance of the programs involved, in suggesting unanimous support.

□ 1550

The SPEAKER pro tempore. The Chair recognizes the gentleman from Wisconsin [Mr. PETRI].

Mr. PETRI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to urge my colleagues to join me in voting for S. 2565. S. 2565 is not simply the work of the Senate Labor and Human Resources Committee, but the result of hours of negotiations between House and Senate staff representing legislators from both parties. The new chairman of the House Education and Labor Committee, Mr. HAWKINS, deserves special credit for the way he has quickly assumed leadership in getting the matter before us today. S. 2565 represents the equivalent of a conference report without a formal conference ever having been called. Like a conference report, no one is perfectly content with every provision in the Senate amendments, but all participants in the negotiations seem generally satisfied with the overall compromise that was reached. On that basis, and with time running out in this session of Congress, I urge an affirmative vote on this measure today.

The core of this legislation, the balloon carrying all the other provisions, is reauthorization of the Head Start Program. A recent study by the High/Scope Educational Research Foundation confirmed what most of us on the Education and Labor Committee believed already, that Head Start does make a difference. The study found that two-thirds of disadvantaged youngsters attending preschool later graduated from high school, compared to one-half of a similar control group not attending preschool. Preschooling also halved the percentage of such individuals classified as retarded later in life while doubling the percentage later enrolling in postsecondary education. Those participating in preschool education also showed significantly lower arrest, unemployment, and teenage pregnancy rates when they got older than the others. In short, Head Start was shown to be a key force for breaking the poverty cycle that binds all too many disadvantaged American families. I have seen this at work in my own central Wisconsin district, where the University of Wisconsin-Oshkosh and a number of CAP agencies' run top-notch Head Start programs.

This legislation is needed to maintain and improve Head Start. With formal authorization for the program having expired 9 days ago, it's high time we pass this legislation continuing this exceptional program for 2 additional years. One possibly ambiguous provision included here modifies the requirement for selecting Head Start grantees to require the Secretary of Health and Human Services to make a finding that an existing grantee fails to meet programmatic and fiscal requirements before a priority for designation can be denied. It is my understanding, based on the Senate committee report on this bill, that it is not the purpose of the amendments to bar the Department of Health and Human Services from awarding an expansion grant to a new grantee in an area already served by an existing grantee. Rather, the purpose of the amendments is only to require that such an expansion grant not be made to a new grantee until after the Department has first given priority to the existing grantee.

In one sure sign that this session is drawing to a close, the Senate has added a variety of education and public assistance programs to this bill reauthorizing Head Start. Certainly the most controversial is a new formula from the Senate for low-income energy assistance. The most I can say good about this formula is that it contains a basic hold-harmless provision protecting needy senior citizens and other low-income individuals from devastating cuts in the assistance needed to defray heating costs during the cold Wisconsin winters.

Perhaps the best new program added to this bill is the revised Leadership in Educational Administration Development [LEAD] Act. I joined the gentleman from Pennsylvania [Mr. GOODLING], in introducing the original version of this measure as H.R. 4775 last February. Since then, we have received much support for our effort to improve principal education from our colleagues and several outside organizations, including the American Association of School Administrators, the National Association of Secondary School Principals, and the National Education Association. I especially want to thank the junior Senator from Rhode Island [Mr. CHAFEE], and the senior Senator from Florida [Mr. CHILES], for their dogged support of this act in the Senate and their deep commitment to excellence in education. Further. I have been particularly encouraged by the interest in the LEAD concept expressed by the Wisconsin Department of Public Inspection, led by Superintendent Herbert J. Grover who hopes to establish a LEAD academy in my State. Several

other States are also moving in similar directions, including New Jersey, South Carolina, Utah, and Minnesota.

During the past 8 months, we have also received several suggestions about how we could make our LEAD proposal even better. The version contained in S. 2565 incorporates some of those suggestions without changing our basic concept. Studies have shown that the key to a good school is a good school administrator. Yet, too little has been done on the Federal level to help improve the quality of school administrators. This measure provides Federal seed money to start—or expand—a nationwide network of LEAD academies where school administrators can receive continuing education in the latest leadership and management techniques drawn from business executives, expert educators, and the military. I know of no more cost-effective way to improve the quality of public education in America than this modest investment in principal education.

The core programs contained in this measure are authorized or reauthorized through 1986. That means we must look at them over again next session. This includes the Community Services Block Grant Act, which was not due to expire until 1986 anyway. I have talked with the chairman of the Human Resources Subcommittee, the gentleman from North Carolina [Mr. ANDREWS], about the need to closely examine the CSBG program before it is extended for any additional time. I am supporting the minor changes in the CSBG Act contained in this measure as merely a prelude to a more comprehensive review of the act during the next Congress.

With these comments in mind, let me close by again urging my colleagues to vote for this measure. Head Start is too good a program to let die, or let hang in the limbo of a continuing resolution. Children are our most valuable resource. Head Start maximizes this resource. It deserves to be reauthorized. Vote for S. 2565.

Mr. HAWKINS. Mr. Speaker, I yield 30 seconds to the gentleman from Indiana [Mr. MCCLOSKEY].

Mr. McCLOSKEY. Mr. Speaker, I rise in support of the Human Resources Reauthorization Act, and of title V in particular. In addition to reauthorizing Head Start. Program of historic significance to the children of Indiana, and programs such as low Income Energy Assistance, which helps many Hoosiers during Indiana's cold winters, this legislation will also authorize funds for a center which will help all American children, a model Center for Excellence in Education at Indiana University at Bloomington.

In the past 2 years, a series of reports have heightened our awareness of the dire need for a national commitment to revitalize and improve the quality and level of education in our elementary and secondary schools. These reports, which include the National Commission on Excellence in Education and the Task Force on Education for Economic Growth, spoke to America's need for:

The application of computer and communication technology to teaching and learning;

The need for new teacher training methods;

The need to retrain elementary and secondary school teachers in science, math, and foreign language; and

The need to develop partnerships between educational institutions, business, and private industry, and Government to prepare for the needs of the next century.

The National Science Board wrote in its report:

> We must return to the basics, but the "basics" of the 21st century are not only reading, writing, and arithmetic. They include communication and higher problem solving skills, and scientific and technological literacy—the thinking tools that allow us to understand the technological world around us.

As our society changes with the computer and telecommunications, so our educational needs change. I am proud to say that Indiana University is stepping forward to meet this challenge.

In addition to training primary and secondary school teachers, the center will also:

Provide an active model for an education partnership that involves schools, universities, business, industry, and every level of government.

The Indiana University Center will bring the new interactive computer and telecommunications technology into the educational process. It will conduct research in innovative methods of instruction. And it will provide educational materials and training programs for teachers and administrators all over the country.

This facility will benefit from the resources of Indiana University's prestigious:

College of Arts and Sciences;

Departments of Computer Sciences and Telecommunications;

The School of Business;

The School of Library and Information Sciences;

The School of Public and Environmental Affairs; and

The School of Education.

In addition to the authorization provided by this legislation, Indiana University is bringing together other necessary funds for the success of this project. The university is raising $17,300,000 from private corporations and foundations. The State of Indiana has designated a $15 million facility to be used for the center. And the State has committed itself to providing annual operating support for the next 6 years, totaling $44 million.

Education flourishes in a nurtured and disciplined environment, tended by teachers and parents, by texts and equipment, by scholarship and research. The Center for Excellence in Education at Indiana University will bring these factors together, and match them with its financial commitments and skillful faculty to help secure our educational integrity. Because we cannot persevere as a Nation at risk, I ask that my colleagues support title V of this important legislation.

Mr. HAWKINS. Mr. Speaker, I yield 30 seconds to the gentleman from New York [Mr. OWENS].

Mr. OWENS. Mr. Speaker, I rise in support of S. 2565, the Human Services Reauthorization Act. The bill before us represents a compromise among competing interests and perspectives. As such, it will disappoint some and please others. Overall, however, it must be viewed as the means by which divergent perspectives were reconciled to maintain programs and services which are vital to the American people.

Head Start was born out of the hope that an early educational experience would have a significant impact on later school performance. It has proved its worth. A recent study not only showed that Head Start children did better in school, but that they also experienced lower rates of delinquency, dropping out of school, and lower rates of adolescent pregnancy. The results are not surprising. Children who perform well in school are given the message that there is hope in their future—that they will be able to attain the skills and education needed for better jobs. Children without such a positive vision of the future are far more likely to fall by the wayside early in life. Head Start is one important way in which we prevent these early casualties and teach confidence in the future.

The Reauthorization Act, in recognition of the need to find ways to care for school-age children with working parents, includes a small but new program to address the need for after-school care. Going home to an empty house may be unpleasant for an adult. Children are placed at a greater disadvantage and because of the fact that there is no one to see that homework is done and safety assured there is a constant problem for both children and parents. The act takes a step forward by beginning to address this problem.

The reauthorization of Follow Through is another positive aspect of the bill before us. Although the authorization level has been reduced, it will provide the needed funds to keep this program alive until its accomplishments can be evaluated. It is my belief that Follow Through is a critical

element in preserving the gains made by Head Start.

The community services block grant is reauthorized for 2 years. This gives the Community Action Programs a new lease on life as they seek to ameliorate the devastating problems of the rapidly increasing poor. The CAP's are needed as a finger in the dike, but we must understand that they cannot stem the tide of misery caused by rampant unemployment in an economy which is experiencing an increasing gap between jobs and workers.

The Community Food and Nutrition Program is a new and small initiative to identify food resources and to develop networks to share information and resources. Recent efforts to distribute surplus foods through community-based organizations make it clear that community groups need some assistance to accomplish this and similar tasks. Community groups which want to develop food pantries or provide meals need support. This very minimal program should serve to encourage and assist community groups.

The last major component of the Reauthorization Act is the Low Income Energy Assistance Program. As the sponsor of House legislation on LIEAP, I am pleased that several important changes are included in this bill. There has been a problem with serving the noncategorically eligible, be they workers or retirees. The reauthorizaton prevents discrimination against low-income people who are not categorically eligible. It also requires that the States report on the households served with elderly or handicapped individuals. Nondiscrimination and reporting should serve to facilitate access to the program by the working poor, the elderly, and the handicapped. This change is responsive to the widely held belief that these groups are not adequately served.

I strongly support the Human Services Reauthorizaton Act and urge all of my colleagues to join me. Reaching a resolution on so many issues has not been easy and I commend my colleagues for their patience and tenacity.

Mr. HAWKINS. Mr. Speaker, I yield 4 minutes to the gentleman from Oregon [Mr. WYDEN].

Mr. WYDEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

I rise today to support S. 2565, the Human Services Reauthorization Act, and the vitally important programs it contains.

One of these programs is the Talented Teacher Act which I cosponsored with Representatives PAUL SIMON, BILL GOODLING, TOM COLEMAN. Senators ORRIN HATCH, TED KENNEDY, and DON RIEGLE all deserve great credit for their support for the legislation in the Senate.

The Talented Teachers Act provides scholarships to the brightest students in our high schools who agree to go into the teaching profession—and fellowships for outstanding teachers now in the classroom, to advance themselves professionally.

With the Talented Teachers Act, Congress can add a new focus to the Federal role in education: Excellence. Traditionally, the Federal Government has focused on access and equity with regard to education. Today, by passing the Talented Teacher Act we can make a clear statement that now is the time to create new incentives so that we can enlist some of the most talented to teach our young.

We've had innumerable commissions and blue ribbon task forces that have all reached one conclusion—our education system lacks the magnets to attract excellence to this critical area.

The Talented Teacher Act is one of the first major legislative efforts to directly address these recommendations.

The goal of the Talented Teacher Act is simple: To help ensure that the best and brightest of our young people are attracted to the teaching profession—and encouraged to stay there.

And it sets about achieving this goal in a straightforward—and cost-conscious—fashion. The act sets up a 4-year experimental program which will provide up to $5,000 a year in scholarships for the best and brightest high school graduates to attract them to the teaching profession. The students will be required to teach for 2 years for each year they received this college scholarship.

The program also provides fellowships for outstanding teachers to take a 1-year sabbatical for study and further development of their teaching skills. One teacher in each congressional district will be singled out for his or her contributions to education. After the year, the teachers will return to their school districts to share the knowledge they've gained with their students and colleagues.

The Talented Teacher Act does not pretend to solve all the problems of our education system. But it does acknowledge that while good facilities, books, and high-tech gadgetry are important to a quality education, without top-notch teachers, they are mere window dressing. In other words, the Talented Teacher Act is a first step toward recognizing that teachers are the essential component for learning in the classroom.

Not only is the Talented Teacher Act an important first step in the effort to achieve the goal of excellence in American education, but it is a modestly priced one. The price tag is $96 million over 4 years, for both the fellowship and scholarship programs.

The authorization is as follows: For the scholarship program, for fiscal year 1986, $20 million; for fiscal year 1987, $21 million; for fiscal year 1988, $22 million; for fiscal year 1989, $23 million. For the fellowship program the following is authorized, for fiscal year 1986, $1 million; for fiscal year 1987, $2 million; for fiscal year 1988, $3 million; for fiscal year 1989, $4 million.

The Talented Teacher Act has been endorsed by every major education association and has received widespread bipartisan support both here in Congress and around the country.

Finally and very importantly, I would like to give special thanks to Albert Shanker, the president of the American Federation of Teachers, and Ernest Boyer, president of the Carnegie Foundation for the Advancement of Education for their technical assistance and generous support. Both men worked hard for the passage of this legislation, with the American Federation of Teachers legislative staff working almost around the clock in recent days as interested Senators and House Members worked to hammer out the details of the legislation.

Before this Congress leaves, let's pass this bill and send the country a message that education reform consists of more than studies. Let's show we're ready to act on a good idea. The Talented Teacher Act is an appropriate and needed first step to give teachers the recognition they deserve. I urge my colleagues to support this bill. Thank you.

□ 1600

Mr. PETRI. Mr. Speaker, the gentleman from Illinois [Mr. ERLENBORN] the ranking Republican member of the Education and Labor Committee, was called away from the floor a few minutes ago for a meeting at the White House, and he has noted his opposition to this bill in a statement that will be submitted for the RECORD under general leave.

Mr. Speaker, I yield 2 minutes to my colleague, the gentleman from Missouri [Mr. COLEMAN].

Mr. COLEMAN of Missouri. Mr. Speaker, I am pleased that the bill before us includes the Talented Teachers Act, a bill on which I am an original cosponsor.

As a member of the Merit Pay Task Force, I was involved in studying the many problems facing the teaching profession and considering possible solutions. The Talented Teachers Act, which recognizes the importance of the teacher in the classroom, embodies two of the recommendations shaped by the Merit Pay Task Force.

The bill provides for scholarships to scholastically high ranking college students who pursue teaching in return for a pledge to teach for up to 8 years. It also provides for fellowships to able teachers allowing them to conduct research, study, and travel which would

enable them to enhance their future teaching pursuits.

The Talented Teachers Act addresses two of the most fundamental problems facing the teaching profession today: attracting the best and the brightest students into teaching and keeping the most talented teachers in the classroom.

This legislation gives us a tremendous opportunity to take a first step toward obtaining and keeping quality teachers in the classroom.

I am pleased to see the inclusion of the Talented Teachers Act in the Human Services Amendments of 1984.

Mr. HAWKINS. Mr. Speaker, I yield such time as I have remaining to the gentleman from North Carolina [Mr. ANDREWS].

However, first, may I say at this time that the passage of this bill is a tribute to his leadership as chairman of the subcommittee. I know of no one who has worked as hard as he has in connection with the passage of this legislation. It certainly is a great privilege to be able to yield at this time to him for a brief statement.

The SPEAKER pro tempore. The gentleman from California [Mr. HAWKINS] has 7 minutes remaining, and the gentleman from North Carolina [Mr. ANDREWS] will be recognized for 7 minutes.

Mr. ANDREWS of North Carolina. Mr. Speaker, I am pleased to rise in support of S. 2565, the Human Services Reauthorization Act. Under the able guidance of GUS HAWKINS, the Committee on Education and Labor Chair, the House has a chance to renew programs that are vital to the lives of many Americans less fortunate than some of us. Among them are three which I would like to mention briefly, Head Start, Follow Through, and Programs for Native Americans.

Head Start has a proven track record of helping poor preschoolers by addressing their physical, social and intellectual development, and the needs and well-being of their families. Over 90 percent of all Head Start families live below the poverty line. Almost two-thirds of all Head Start children are minority; about 12 percent are handicapped. Today almost 415,000 children are enrolled in full-time Head Start programs. Head Starts unique approach, emphasizing direct parental involvement, strong community support and a deep commitment to helping families meet all their needs, more than pays for itself through lower dropout rates and increased self-sufficiency.

Follow through develops and provides high quality classroom programs and supportive services to disadvantaged children across the United States. The program literally "Follows Through" on gains made by children in preschool programs such as Head Start. Some 30,000 children are currently served by the program directly, with another 500,000 benefiting indirectly. Follow Through provides a high quality full-day classroom program covering basic skills, social studies, arts, and sciences, as well as access to comprehensive health, social, nutritional and psychological services. Parental involvement is also an integral part of the program

Native American Programs seek to foster the development of stable, diversified local economies and economic activities which provide jobs, promote economic well-being and reduce dependency on welfare services. Programs also support local access to, and coordination of, services which safeguard the health and well-being of Native Americans which are essential to a stable economy. One of the primary objectives of the programs are reductions in the rates of unemployment among Native Americans.

Mr. PETRI. Mr. Speaker, I would just like to say that the necessity to manage this bill on the floor made it impossible for me to be over at the signing of the Older Americans Act as well. But it is certainly a great day to see that bill signed into law.

Mr. Speaker, I yield such time as he may consume to my colleague, the gentleman from Massachusetts, the Honorable SILVIO CONTE.

Mr. CONTE. Mr. Speaker, S. 2565 is a funny bill. It contains some very worthwhile programs, like the Head Start reauthorization, the community services block grant reauthorization, and even the Low Income Home Energy Assistance Program reauthorization.

But the Senate has tacked a number of other things on, including authorizations for projects in Utah, and others, as well as authorizations for a number of programs that we know very little about, including Federal merit scholarships, leadership in educational administration and others. And the Senate has put the House in a position of accepting these items or having time expire before a program like Head Start can be reauthorized.

I have no problem with the Head Start reauthorization. In fact, I support it, and supported it when the House bill was passed here.

But there are a number of provisions that concern me, and one provision that concerns me greatly.

In this bill, there is a new formula for low income energy assistance. Those involved in negotiating this formula have indicated to me that the formula arrived at is the best of all the formulas that have been considered in this session of Congress. I have had a letter from the Governor of Massachusetts, stating that he favored this formula, as well as calls from people like the Massachusetts Secretary of the Executive Office of Economic Development, Amy Anthony, stating their agreement with the formula.

The formula will lower the allocation to the region of the country that has the highest per capita expenditures due to heating costs, New England. In the formula, there is a hold harmless, such that in fiscal year 1985, no State will receive less than it did in fiscal year 1984.

However, in the provision for a hold harmless for fiscal year 1986, that hold-harmless figure drops from $2.075 billion to $1.975 billion. As a result, there will be decreases in certain States in fiscal year 1986. I am shocked that the Governor of the State of Massachusetts would consent to that provision, but he has, as have other Representatives of Massachusetts.

I have had conversations with some of the key people in the Senate who were working on this formula. In fact, in the Senate debate on this bill, Senator JOHNSTON included a statement that the only reason he had agreed to any hold harmless was in deference to the Speaker's and my concern over the effect of this formula on Massachusetts.

But frankly, I cannot understand why there has been acceptance of a hold harmless in fiscal year 1986 that is below the current level of appropriations, which means that some people who have been kept out of the cold will no longer receive assistance with their high New England heating bills. That greatly distresses me.

When I found out about this bill, and the procedure by which it would be considered in the House, I contacted various Members of both the House and the Senate on this issue. The Senate was intransigent on this one small change of raising the hold harmless, and the House went ahead to get a closed rule while I was in conference on the continuing resolution.

Meanwhile, everyone has been telling me, don't try to change this bill, it will kill it, and programs like Head Start won't get reauthorized. The Children's Defense Fund offered me a dozen roses if I didn't try to change the bill, and in the meantime, mysteriously, my office began to get many, many calls from Head Start folks in my district.

This is not the way we should be legislating. The House has never passed a low income energy reauthorization, and now we are being asked to swallow whole the Senate package. I am disappointed in this bill, and in the process. In fact, the only way to express concern over any particular provision in the bill is on the up or down vote on final passage. I feel that is patently unfair to the Members of this House.

Mr. PETRI. Mr. Speaker, I now yield 3 minutes to my colleague, the gentleman from Vermont [Mr. JEFFORDS].

Mr. JEFFORDS. Mr. Speaker, I rise in support of S. 2565, the "Human Services Reauthorization Act," which extends and amends the Head Start, Follow Through, and Low-Income Home Energy Assistance Programs. In addition to providing for a series of changes in the Community Services Block Grant Program, this measure authorizes a new State grant program for Dependent Care Planning and Development. The Senate also has included five additional education authorizations that I will not be addressing in these brief remarks.

On June 26, the House passed H.R. 5885, the Human Services Amendments of 1984, by a vote of 409–10. Final action in the other Chamber has been delayed because of disagreements over authorization levels for expiring programs, the merits of continuing the Follow Through Program, certain features in the House-passed Child Care Information and Referral initiative and some very difficult Low-Income Energy Assistance Program formula issues.

It now appears that the outstanding points of difference have been resolved and we can take final action here today to insure that a number of vital human services programs will be extended and their important benefits and services continued.

I would have preferred a 3-year reauthorization of the expiring Head Start Program, rather than the 2-year reauthorization provided for in the Senate measure, and the higher House-approved funding levels. On balance, however, I believe that the Head Start provisions incorporated in the bill we have under consideration are sound and constructive ones and the authorizations sufficient to enable this successful program to continue to provide vital education and support services to low-income pre-school children.

I am pleased that the Human Services package that has come over to us calls for a new 2-year Dependent Care State Grant Program. Authorized at $20 million each for fiscal years 1985 and 1986, this program is designed to assist the States in planning for, developing, and improving State and local resource and referral systems to provide information concerning the availability, types, costs, and locations of a variety of dependent care services.

Again, while I would have preferred language similar to that included in the House-passed title that would have provided some assistance for operational costs for these types of programs, I believe that the Senate provisions represent an important first step forward.

Finally, the bill contains a 2-year authorization of the Low-Income Home Energy Assistance Program (LIHEAP). For years, this program has been plagued by a complex and confusing allocation formula. The LIHEAP provisions in this bill include a revised allocation formula based upon factors that reflect the total heating and cooling expenditures to low-income households in a State. To minimize the disruption that a change in formula can sometimes cause in program operation, there is a hold harmless provision included so that no State shall receive less than it did in fiscal year 1984, at an appropriations level of $2.075 billion. Additionally, the fiscal year 1986, there is a lower hold harmless at an appropriations level of $1.975 billion, and a small State minimum which is triggered at an appropriations level of $2.25 billion. In effect then, the formula change will not be felt until fiscal year 1986.

There were further changes made to the law that respond to criticisms related to fraud, waste, and abuse in program administration. States will be required to expend funds received under this program in accordance with their State plans, and to explain for what purpose funds are being carried over from one year to the next. In addition, the percent of funds that can be carried forward is reduced from 25 to 15 percent. Current law specifically prevents the Secretary from promulgating regulations for this program. This bill requires the Secretary to issue regulations to prevent waste, fraud, and abuse. The intent is clear—to strengthen the program against current criticisms.

I am particularly pleased that this bill contains a provision that clarifies that States cannot differentiate between households that are, and are not, receiving other public assistance benefits in order to receive benefits under this program. This provision has great import to the working poor and the elderly who have, in some instances, been excluded from participating under the current program.

None of these compromises was easily reached. In each instance, the intent was to improve the quality of the program and the services provided. I urge my colleagues to vote in support of this conference report.

Mr. HAWKINS. Mr. Speaker, I yield 1 minute to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS of Montana. Mr. Speaker, S. 2565 is a very important bill. It not only strengthens the Head Start Program, but also helps to insure Federal funds to improve the quality of child care through the Child Development Associate Program. There has been increased concern about the quality of child care in this country. By providing funds for child development associate training as well as assessment and credentialing, this bill encourages workers to improve their skills as care-givers.

Without Federal resources, the costs of a CDA credential would be beyond the reach of low-paid Head Start and Child Care workers. CDA was created under the Nixon administration as a tool to improve the quality of child care; 15,000 child care workers currently have a CDA credential. S. 2565 guarantees that many more will be able to become Child Development Associates and strive to provide better support to children and their families.

Mr. PETRI. Mr. Speaker, I yield 1 minute to the gentleman from Utah [Mr. NIELSON].

Mr. NIELSON of Utah. Mr. Speaker, I would like to engage the ranking minority member of the subcommittee on this issue in a colloquy.

I would like to address my inquiry by way of clarification. My inquiry is this: Could a State use a portion of its dependent care grant funds for planning or developing or improving resource and referral systems that extend to programs for senior citizens who are in need of elder day-care services?

Mr. PETRI. Mr. Speaker, will the gentleman yield?

Mr. NIELSON of Utah. I yield to the gentleman from Wisconsin.

Mr. PETRI. The gentleman is correct in his understanding. A portion of a State's allotment could be used for these purposes. The bill defines "dependent" to include persons over 55 years of age.

Mr. NIELSON of Utah. I thank the gentleman.

I would like to make one other comment. I am pleased to see that a compromise in low-income energy assistance has been reached. The formula which was adopted is similar to that first proposed in the Energy and Commerce Committee, on which I have the privilege of sitting. It was a good formula because it recognized total energy used in both heating and cooling by low-income recipients.

In the Education and Labor Committee on which I also sit, I tried unsuccessfully to get the formula amendment passed but I am happy with the compromise reached because I think the formula is fair to all Americans.

I thank the gentleman for yielding and urge support of the bill.

Mr. HAWKINS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. PETRI. Mr. Speaker, I understand I have 1 minute remaining, and I yield that remaining time to my colleague, the gentleman from Pennsylvania, [Mr. WILLIAM GOODLING].

□ 1610

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I want to bring to our attention some very good programs here. Head Start has been one that got off to a slow start but is one of the better programs that we are involved in from the Federal level, along with

title I or chapter 1. The lead program is necessary because we always spend so much time doing a lot of things for teachers but we never do anything about the leaders, and the leaders are the principals.

Mr. Speaker, nothing changes in a school unless the principal leads.

The Talented Teachers Act is a good program now that it is cleaned up. The latchkey part of the dependent care is good.

I would recommend to the Appropriations Committee that they not fund the Federal Merit Scholarship Program because that is a redundant program. We already are doing it in some of these other programs that are already in this bill. That was something attached on the Senate side.

Mr. Speaker, as I said, I hope the Appropriations Committee would not fund that particular part of the program.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Michigan [Mr. DIGELL].

Mr. DINGELL. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana [Mr. SHARP].

Mr. SHARP. Mr. Speaker, I stand in support of S. 2565. The legislation we are now considering is comprised of six programs that cross the spectrum of human need—from the educational needs of our Nation's disadvantaged children to the heating, cooling, and nutritional needs of our Nation's low-income elderly. There is little dispute among the Members on this floor today that these are worthy programs. Yet several of these programs have disproportionately been the target of efforts to balance the budget, not by belt tightening for all programs, but rather at the expense of people who have nothing more to give. This bill does not fully meet the needs of the people using these programs, but it is an appropriate compromise between human concerns and budgetary concerns.

The bill contains the Head Start Program which, through its high-quality preschool education effort, has provided rich benefits to our Nation's children. A new study by the High-Scope Education Research Foundation provides the first real measure of what rewards can be reaped from the modest Head Start expenditures.

The researchers compared disadvantaged children who attended preschool with those who did not. They found that those with the additional early schooling had substantially higher high school graduation rates, lower incidence of teenage pregnancy, markedly less incidence of criminal arrest, and only 18 percent were on welfare at age 19 compared with 32 percent of those who did not attend preschool.

The bill also contains the Community Services Block Grant Program. In the State of Indiana this program is run through the department on aging and community services, the same department which administers the Low-Income Weatherization and Energy Assistance Programs.

The proposed funding level for Indiana is approximately $5 million. This $5 million is used for occupational development centers, job training, low-income elderly housing rental, financial counseling, consumer awareness, food co-ops, and meals-on-wheels to mention a few. Since its inception no program has been as comprehensive, responsive, innovative, and successful in meeting the needs of low-income citizens.

The weatherization portion of this bill will allow the State to conform the eligibility requirements of the Department of Energy Low-Income Weatherization Program with the Low-Income Home Energy Assistance Program. It also adds the authority to fund furnace modifications, which in many instances can save as much or more than simple insulation efforts.

The bill also provides the States with needed flexibility in deciding how to get the most out of each home retrofit by providing a maximum average expenditure of $1,600 per household rather than the current $1,400 per household absolute ceiling. This flexibility will serve in the long run to greatly diminish the need for low-income fuel bill aid. Finally, the weatherization title provides for the Department of Energy to review what has worked in the States and, in turn, to use this to reward successful States by increasing their allocation from a newly created performance fund. For the State of Indiana, which has been widely recognized for its superior efforts in this area, this would be a welcome pat on the back for work well done.

Finally, of greatest interest to the Subcommittee on Fossil and Synthetic Fuels which I chair, is the Low-Income Home Energy Assistance Program. The Committee on Energy and Commerce has worked hard over the past 2 years with the Committee on Education and Labor to hammer out the provisions of this title.

Although the legislation contains several program adjustments, there are three major issues that have been the central focus of subcommittee hearings and heated debate: Funding level, allocation formula, and information requirements.

The foremost issue is that the poor and elderly are increasingly being faced with utility bills they cannot pay. I have heard from people in Indiana whose gas bills are higher than their monthly mortgage payment. These are not deadbeats; they are for the most part solid citizens who do not want a handout. But people on Social Security, or people out of a job, or people struggling to make ends meet cannot pay utility bills that keep on going up.

Since 1978, the average electricity bill in America has increased by 65 percent, the average natural gas bill by 100 percent, and the average heating oil bill by 140 percent. And if this is a cold winter, the impact will be even worse. I have had people in Indiana call my office, crying, asking how they can keep their heat from being shut off. I believe most Americans want to help those in greatest need. But I also know that the rates for other consumers will go up further if the poor and elderly are unable to pay their bills.

In the past 3 years, the administration's budget request for energy assistance has been abysmally low. A bipartisan majority of the Congress has raised it each year.

In past hearings the committees have heard testimony that to protect the poor against residential energy price increases since 1978 would require at least $3.5 billion in fiscal year 1985.

Even in face of this clear need, the House committees' decision on the appropriate authorization level for this program took into account the need to reduce Federal deficits.

In an attempt to balance these factors, the original House committee version provided $2.26 billion in fiscal year 1985, rising to $2.80 billion by fiscal year 1988.

The bill as seen today would authorize $2.14 billion for fiscal year 1985 and $2.275 billion for fiscal year 1986. Thus, the bill, although lower in funding level, still allows for modest inflationary increases.

Second, and probably the most hotly debated issue, is how to allocate funds to the States. Currently allocation formulas are based on a variety of complex factors, including heating degree days, heating degree days squared, the increase in home heating expenditures from 1978 to 1980, and population below 125 percent of poverty, to mention a few.

Witnesses and Members have expressed concern that the current allocation formula is flawed because it calculates State need based upon energy price increases only between 1978 and 1980. Without question, to approximately distribute funds to those most affected by rising energy prices, it is essential that the base period for calculating these increases be updated to use the most current data available. This is done by requiring the most recent available expenditure data be used. By making this change, the allocation formula in the proposed legislation would take into account the rapid

natural gas price increases of the past 3 years.

Further, the formula has been streamlined to consider only the heating and cooling expenditures of low-income households rather than all household energy expenditures. This change gets to the heart of the philosophy behind the program and most accurately reflects the needs of the eligible population.

Because some States could potentially receive funding levels under the formula lower than they had planned for, the formula change would provide a hold-harmless provision for fiscal year 1985. This provides that for any appropriation above $2.075 billion, no State shall receive fewer dollars than they would have received at $2.075 billion under the old formula. In fiscal year 1986 this hold harmless level would drop to $1.975 billion, recognizing that the States have had time to adapt their programs to the new funding procedures. Finally, the new formula recognizes that certain very small States would have their funds cut in half at certain funding levels, and thus they are given a modest protection. In sum, the formula will now be easier to understand and more logically related to the purposes of this program.

Finally, States currently are required to report very little to the Department of Health and Human Services or the Congress on program operation. Consequently, several Members have expressed their concern with the potential for waste, fraud, and abuse to which this lack of information contributes. The proposed legislation addresses this concern by requiring slightly more detailed information for program oversight. For some States there would be no increased burden other than sending data they have already collected to the Department of Health and Human Services.

I believe this bill responsibly balances budgetary concerns with our requirement to meet basic human needs, and I strongly urge the passage of their legislation.

JOHNSTON-STAFFORD FISCAL YEAR 1985 (FLOOR AT FISCAL YEAR 1984 SHARES OF $2.075B) FUNDING ASSUMPTION —$2.1B

State	Percent	Dollars
Alabama	0.00874242	18,315,551
Alaska	.00558048	11,691,226
Arizona	.00422794	8,857,618
Arkansas	.00667088	13,975,631
California	.04690055	98,257,595
Colorado	.01589429	33,298,846
Connecticut	.02073466	43,439,520
Delaware	.00283151	5,932,075
District of Columbia	.00331301	6,940,826
Florida	.01383312	28,980,670
Georgia	.01093721	22,913,663
Hawaii	.00107056	2,242,837
Idaho	.00619983	12,988,769
Illinois	.05904538	123,701,249
Indiana	.02643182	55,375,189
Iowa	.01841560	38,581,058
Kansas	.00870122	18,229,238
Kentucky	.01391233	29,146,609
Louisiana	.00893779	18,724,839
Maine	.01343275	28,141,884

JOHNSTON-STAFFORD FISCAL YEAR 1985 (FLOOR AT FISCAL YEAR 1984 SHARES OF $2.075B) FUNDING ASSUMPTION —$2.1B—Continued

State	Percent	Dollars
Maryland	.01633422	34,220,518
Massachusetts	.04147618	86,893,424
Michigan	.05448673	114,150,781
Minnesota	.03925461	82,239,179
Mississippi	.00749527	15,702,740
Missouri	.02292379	48,025,791
Montana	.00727201	15,235,000
Nebraska	.00910722	19,079,813
Nevada	.00198574	4,160,160
New Hampshire	.00785060	16,447,153
New Jersey	.03961485	82,993,895
New Mexico	.00514469	10,778,223
New York	.12572199	263,390,082
North Carolina	.01927685	40,385,380
North Dakota	.00789960	16,549,820
Ohio	.05223446	109,432,244
Oklahoma	.00803608	16,835,753
Oregon	.01231874	25,808,013
Pennsylvania	.06753125	141,479,319
Rhode Island	.00682722	14,303,154
South Carolina	.00694327	14,546,280
South Dakota	.00641586	13,441,352
Tennessee	.01409289	29,524,890
Texas	.02301370	48,214,165
Utah	.00738611	15,474,053
Vermont	.00588430	12,327,727
Virginia	.01989691	41,684,416
Washington	.02026264	42,450,626
West Virginia	.00920685	19,288,524
Wisconsin	.03533478	74,027,071
Wyoming	.00295724	6,195,471
Total	1.00000000	2,095,019,909

Note.—Excludes $2,139,000 for Federal Administration and 0.001354 percent for the territories.

JOHNSTON-STAFFORD FISCAL YEAR 1986 (FLOOR AT FISCAL YEAR 1984 SHARES OF $1.975B AND AT $2.14B PERCENTAGES FOR SMALLEST STATES) FUNDING ASSUMPTION—$2.275B

State	Percent	Dollars
Alabama	0.01115663	25,323,119
Alaska	0.09587145	13,326,919
Arizona	0.00539548	12,246,562
Arkansas	0.00851303	19,322,737
California	0.04721758	107,173,646
Colorado	0.01396270	31,692,305
Connecticut	0.01894692	43,005,395
Delaware	0.00320352	7,271,304
District of Columbia	0.00422789	9,596,401
Florida	0.01765311	40,068,736
Georgia	0.01295749	31,680,479
Hawaii	0.00105100	2,385,542
Idaho	0.00608400	13,809,359
Illinois	0.05970695	135,521,811
Indiana	0.02643182	59,994,493
Iowa	0.01617761	36,719,670
Kansas	0.00872078	19,794,287
Kentucky	0.01505963	34,182,089
Louisiana	0.01140594	25,889,002
Maine	0.01180031	26,784,147
Maryland	0.02084488	47,313,360
Massachusetts	0.03643571	82,701,151
Michigan	0.05230339	118,717,347
Minnesota	0.03448412	78,271,455
Mississippi	0.00956507	21,710,641
Missouri	0.02067100	46,918,691
Montana	0.00713600	16,197,171
Nebraska	0.00893800	20,287,320
Nevada	0.00253409	5,751,845
New Hampshire	0.00770400	17,486,408
New Jersey	0.04218217	95,744,372
New Mexico	0.00504900	11,460,134
New York	0.11044339	250,682,523
North Carolina	0.02460011	55,836,911
North Dakota	0.00775200	17,595,357
Ohio	0.05593527	126,960,922
Oklahoma	0.01025523	23,277,147
Oregon	0.01082169	24,562,876
Pennsylvania	0.05932439	134,653,486
Rhode Island	0.00670000	15,207,545
South Carolina	0.00886063	20,111,717
South Dakota	0.00629600	14,290,553
Tennessee	0.01711428	38,845,711
Texas	0.02936889	66,661,007
Utah	0.00724800	16,451,387
Vermont	0.00577500	13,107,996
Virginia	0.02373736	53,878,655
Washington	0.01780018	40,402,547
West Virginia	0.00963361	21,866,210
Wisconsin	0.03104066	70,455,549
Wyoming	0.00290200	6,586,910
Total	1.00000000	2,269,782,910

Note.—Excludes $2,139,000 for Federal administration and 0.001354 percent for the territories.

HEALTH AND HUMAN SERVICES DESCRIPTION OF ROBIN HOOD HOLD-HARMLESS

The proportional increases of States are capped at whatever point is needed to provide just enough funds to bring other States to the floors provided by the formula. If a State's share of home energy expenditures represents an increase from fiscal year 1984 which is less than the proportional increase cap needed to bring losing States up to the floor, that State's share of total funds available is simply its share of home energy expenditures. In fiscal year 1985, with a floor of 1984 shares of $2.075 billion and total funds of 2.1 billion, all but one State are either being reduced from their shares of home energy expenditures or being raised to the minimum floor.

Mr. DINGELL. Mr. Speaker, under the rule granted this bill, an amendment to strike section 502 is pending by action of the Rules Committee.

Mr. Speaker, I commend the Rules Committee for granting the rule and I commend them for that section. At the time the rule was granted and at the time that action was taken, the amendment was important. The section that I have referred to provides for $10 million for a uranium health effects laboratory and clinic in Utah.

I support the purpose of the section and I support the clinic and the health effects laboratory in Utah. When the Committee on Energy and Commerce participated in the request for this rule, it was the intention of our committee that the provision referred to should be stricken from this bill. That is, there should be stricken from this bill. That is, there should be stricken from this bill provisions nearly identical to those contained in a conference report on the National Institutes of Health authorization legislation. And it did not seem at that time to make sense to approve the same provision in two bills at the same time.

However, in the interest of saving time in the House and avoiding a situation which could require further action by the other body which is now to approve the NIH conference report this afternoon, I would urge defeat of the amendment at this time as a housekeeping action by this Congress, not terminating the provision of the uranium health effects laboratory and clinic in Utah, which as I have indicated is meritorious, but which does not need to be in two bills.

It is clear that when these pieces of legislation are codified, the appropriate technical and conforming changes can then be made to insure that only one provision actually becomes law, as I have mentioned. I would therefore urge my colleagues to reject the pending amendment permitting final passage of the Head Start bill in a form

identical to that passed by our colleagues in the other body.

In addition to the Head Start legislation which I strongly support, the legislation contains also an extremely important reauthorization for the low-income home energy assistance program, as well as making some changes in the administration of the low-income weatherization programs.

To sum up, Mr. Speaker, I urge my colleagues to defeat the pending amendment. It will not hurt the purposes of those who have sought the amendment, since it is included in other legislation; and, then to pass this important legislation.

Mr. Speaker, I reserve the balance of my time

The SPEAKER pro tempore. The Chair recognizes the gentleman from California [Mr. MOORHEAD].

Mr. MOORHEAD. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Maine [Ms. SNOWE].

Ms. SNOWE. Mr. Speaker, I rise in support of S. 2565, legislation to reauthorize the Head Start Program, and other programs including the Low Income Home Energy Assistance Program. Recognizing the vital need for the continuation of energy assistance for Maine residents, I support its reauthorization, but I also wish to register my dissappointment that Maine and other States will receive a smaller apportionment under the new formula for this program during fiscal year 1986.

This winter, over 68,000 Maine households will receive energy assistance funding. The average recipient in Maine received $350 from this program. This assistance provides an essential service to help eligible recipients cope with our high energy costs. Low income households in Maine are paying up to 40 percent of their hard-earned income on heating fuel. Without this assistance, the results would be tragic; with this assistance, the State is still left short of meeting these needs adequately. The waiting list in Maine to receive LIHEAP assistance grows longer every year.

Mr. Speaker, I believe that it is extremely disappointing that Maine and other States stand to receive smaller portions of the Federal funding for such an important program. Under the new formula for this 2 year reauthorization, Maine stands to receive a smaller allocation. While a "hold harmless" provision for fiscal year 1985 will keep Maine's level of assistance from declining below the level the State received this year, $28 million, no such provision is in place for 1986, and Maine stands to lose $1.35 million as a result.

It is especially discouraging to note that Maine will lose under this formula, whereas other States whose cold weather energy assistance needs are not as great stand to gain significantly. States in the Northeast have argued strongly against unfair legislative proposals to shift funds to other States who use most of their funds for air-conditioning. Given that an earlier alternative proposal would have provided Maine and other Northeast States a significantly smaller allocation of total funding for the LIHEAP Program, I recognize that this proposal has come as the result of a compromise, which I reluctantly accept. I believe the implications raised by not reauthorizing the LIHEAP Program are far worse for Maine. In short, it appears that this is the best distribution formula the State of Maine can obtain, and I urge the support of my colleagues.

Mr. MOORHEAD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Head Start bill before us today includes a title reauthorizing the low-income energy assistance program. An important feature of this authorization is a new formula for allocating LIHEAP funds among the States.

Almost a year ago, the House expressed its judgment that the current formula needed to be changed when it adopted an amendment I offered that would have established a new formula. We agreed that the current formula was unfair and failed to respond to the assistance needs of low-income households. We acted to address this problem—and mandated that low-income energy assistance be distributed, at least in part, on the basis of energy expenditures by low-income households. Unfortunately, because this amendment was tacked on to an unrelated bill and taken to the floor in late November, the formula change was not enacted into law. The amendment was dropped in conference after representations were made that the authorizing committees would address the formula issue this year.

I commend my colleagues in both bodies and on both sides of the aisle who have taken up this challenge and who have joined with me in working diligently to respond to the concerns expressed by the House last year. This has been an extremely difficult task. It is not an easy proposition to fashion a formula that is fair to all 50 States.

While I am not entirely satisfied with the formula before us today, I believe it represents an important step in the right direction. It is simple and easily understood. It begins to end the current discrimination against large areas of our country. But most importantly, by allocating LIEAP funds on the basis of low-income households' energy expenditures, this new formula is designed to further the stated goals of the LIEAP Program—providing low-income energy assistance to those Americans truly in need of such assistance.

I believe, Mr. Speaker, that it would be best that this legislation be adopted without amendment. It is late in the session. It should be adopted without the need of a conference which perhaps would be necessary if we made changes in the bill which passed the Senate.

Mr. Speaker, I have no further request for time, and I yield back the balance of my time.

Mr. DINGELL. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

● Mr. ERLENBORN. Mr. Speaker, I rise in opposition to S. 2565, the Human Services Reauthorization Act. This bill has also been described as a bill to reauthorize the Head Start Program and for other purposes.

At the outset, Mr. Speaker, let me state for the record my support for the Head Start title of this bill. The funding levels established for the 2-year extension of this highly successful program are adequate; they are not excessive. The remaining Head Start policy changes provided for are appropriate and should enable this important and proven education and support service program to continue to serve well educationally disadvantaged preschool children.

So, my quarrel is clearly not with the Head Start provisions of this legislation. I would, nonetheless, have preferred a free-standing measure limited in its scope to the Head Start Program.

Let's take a closer look at the other provisions—those other purposes—that are now part and parcel of this 1984 Human Services reauthorization package.

Again, we are being asked to reauthorize the Follow Through Program as a separate categorical activity for 2 additional years, with authorizations of appropriations of $10 million and $7.5 million for fiscal years 1985–86, respectively. It is important to review the original intent and purpose of the Follow Through Program. It was created and designed to develop, implement, and refine innovative approaches to meet the special educational and support service needs of disadvantaged children—approaches that would enable them to retain and build upon gains recorded through Head Start and similar preschool compensatory educational experiences.

Since its inception in 1968, an estimated $750 million has been spent on this program to date.

As I indicated when our committee considered H.R. 2148, the Follow Through Amendments of 1983, this program has achieved its original purpose and goal. It has provided the Nation's educational system with a broad spectrum of proven, replicable models

which provide the comprehensive education, health, nutrition, social and related services necessary to the continued development of its target population.

I believe that Follow Through can continue to be an invaluable resource to State and local educators in the development of education curricula in school districts across the Nation. To this end, however, it need not be continued as a categorical program with separate authorizations of appropriations. Under the terms of the Omnibus Budget Reconciliation Act of 1981, Follow Through is phased into chapter 2 of the Education Consolidation and Improvement Act. This is as it should be. Since Follow Through models are widely recognized as being tried, proven successful, and cost effective, in my view many State and local education planners will place a high priority on investing their chapter 2 ECIA resources in replicating or custom tailoring Follow Through models to meet their special educational needs.

In a word, Mr. Speaker, I find no compelling argument for reauthorizing this program for an additional 2 years at total authorizations of $17.5 million to continue to reinvent the wheel.

S. 2565 creates a $40 million 2 year program of State grants and dependent care planning and development.

I am sympathetic to the need for quality day care type services for preschool children, school-age children before and after school hours, and for others who may be in need of supervision.

I believe, however, that, to date, we have addressed the provision of child care, elder care, and dependent care, in general, in a piecemeal fashion.

If Federal financial assistance is needed, I believe that we should identify first those groups who are in greatest need of such care, and then proceed to carefully develop a comprehensive measure that will address fully this area of growing concern.

The Low-Income Home Energy Assistance Program [LIHEAP] has effectively provided heating assistance to low-income families during the past several years. My objection to the inclusion of this program in a bill of this magnitude is not on the merits of the program itself, but rather with the process we have utilized to bring the program before us today.

As I stated in my views when the Committee on Education and Labor considered this bill in May of this year, "Rushed and superficial consideration of LIHEAP legislation is becoming something of a tradition in the Committee on Education and Labor." It appears that not only is this manner of legislative consideration becoming a tradition in that committee, but on the floor of this body as well. Hasty action always seems justified at the time, but in submitting to the pressure, we abrogate our responsibility as legislators. Programs of this size deserve our careful and detailed consideration before we sanction their provisions.

LIHEAP was brought before the full Education and Labor Committee 48 hours after its introduction. Subcommittee consideration had been waived despite the fact that not a single oversight hearing had been held. The bill was never brought to the House floor for consideration because the two committees of record could not reach accord on the allocation formula. Similarly, prior to the Senate taking action on the LIHEAP Program, negotiations took place among staff to devise a new allocation formula that none of us has really had adequate time to analyze or to understand fully. There are States that will suffer the loss of millions of dollars should this allocation formula be accepted. I wonder if the Members of this House from those States will be able to explain to their constituents the rationale for that loss? This haphazard approach to legislation should not be allowed to continue.

Again, I am not questioning the overall merits of this program, but rather the manner in which we are being pressed into accepting what could be significant changes to the program. I cannot, in good conscience, go along with this last minute casual approach.

I am also disturbed by the inclusion in S. 2565 of authorizations for not one, but five education or research programs. As presently written, the bill would authorize up to $171 million in new Federal expenditures for programs of questionable merit.

The so-called Talented Teachers Act, for example, is included in the bill. Supposedly, the bill addresses the need for educational reform called for in the report, "A Nation at Risk;" 48 States, however, have already responded to the recommendations included in the report. These States are raising graduation requirements, establishing master teacher or career ladder programs, and raising teacher salaries. The Talented Teachers Act would add little or nothing to these efforts. In fact, the false promises of legislation like the Talented Teachers Act may unintentionally have the effect of discouraging State legislatures to take the steps necessary to improve education in their States.

The bill also contains a merit-scholarship proposal designed to reward the outstanding academic achievement of college-bound students. Under the bill, 10 students from each congressional district would receive one-time awards of $1,500. Members of Congress and Senators would be encouraged to participate in the awards ceremonies. This proposal has not been the subject of hearings in either the Senate or the House. Yet today we are asked to enact it into law. I question whether this new program is advisable in light of the fact that Federal funding for existing student aid programs is as limited as it is.

Also in the bill are special authorizations for a research center on excellence in education at Indiana University and for a research center on the effects of nuclear radiation to be housed at the University of Utah. Also to be located in Utah is a cancer screening center for persons exposed to radiation from nuclear testing. Why are these authorizations in S. 2565? Because the sponsors of these pork-barrel projects suspect that authorizations such as these would never be enacted in the normal legislative process.

Finally, the bill includes the leadership in Educational Administration Development Act. This bill was sponsored by my good friends, the gentleman from Wisconsin, Mr. PETRI, and the gentleman from Pennsylvania, Mr. GOODLING. I believe this proposal, unlike some of the others included in S. 2565, has substantial merit. I do not, however, believe that its inclusion in what was supposed to be a bill reauthorizing various human service, antipoverty programs is appropriate.

Christmas has arrived early this year, Mr. Speaker, as it seems to in every election year. And, in the spirit of this season, we should perhaps refer to S. 2565, not as the Human Services Reauthorization Act, but, more accurately, as the "Christimas Tree Act of 1984." Clearly, we are looking at a very large, green tree, onto which many gleeful admirers have skillfully hung a long and expensive string of "me too" tinsel and ornaments totaling over $7 billion.

Mr. Speaker, I urge my colleagues to join me in voting against S. 2565 and, in so doing, reject this collection of "me too" social sugar plums.●

● Mr. ECKART. Mr. Speaker, S. 2565 includes a provision which I sponsored in the Education and Labor Committee to reestablish the Community Food and Nutrition Program [CFNP] as a national program to be administered by the Office of Community Services at HHS to provide grants to local and statewide public and private nonprofits.

These grants are for the purpose of funding innovative programs to initiate or expand child nutrition programs to unserved or underserved areas and to better coordinate public and private resources to improve ongoing efforts to provide adequate nutrition to all Americans. For example, in my State, the Ohio Hunger Task Force has targeted the expansion of the Outside School Hours Program as a priority activity.

CFNP could fund the initial site visits and establish a local advisory committee and perform other tasks necessary to meet the critical need for this program created by the huge increase of mothers with school age children in the work force.

Cuts in child nutrition programs have caused drops in participation in these programs. For example, 3 million children have dropped out of the School Lunch Program.[1] It is my hope that CFNP support can assist local sponsors of child nutrition programs in identifying private sources of support to these programs and in making more creative use of existing resources to expand participation.

Although my original amendment in the Education and Labor Committee called for a separate authorization of $5 million per fiscal year, I feel that the compromise authorization of $2.5 million for 1985–86 is at least a starting point and that this program should receive an appropriation to its full authorization level.●

● Mr. SIMON. Mr. Speaker, I rise in support of the bill, S. 2565, the Human Services Reauthorization Act. Included in this omnibus bill are several programs in which I have had a great interest and I strongly support.

Recent studies have shown that Head Start preschool education has a significant long-term impact on disadvantaged children who participate. A 22-year study shows that preschool education helps these children by improving their performance in school and work, as well as their general social adjustment.

As a result of preschool education, fewer students are placed in special education, while more students graduate from high school and attend college or postsecondary vocational programs. The students who attend preschool also have a lower rate of arrests and a higher employment rate. The teenage pregnancy rate of women in the preschool group is half the rate of their peers.

Unfortunately, however, only one out of every five disadvantaged 3-year-olds, and only two out of five 4-year-olds are enrolled in an educational program.

Mr. Speaker, we need to expand Head Start and Follow Through, not cut it back. It should serve more than the 430,000 students now participating, not less, especially since the cost of preschool programs is returned at least seven times over.

The Senate bill also includes the Indiana University Center for Excellence in Education. The center will conduct research, develop products, conduct practice, and publish studies on the structure and organization of schools, school curriculum and school personnel.

This center will be placed at Indiana University at Bloomington, and will be enriched by Indiana University's outstanding departments and professional schools and its vast experience working with elementary and secondary schools, other higher education institutions and the professional and business communities.

This center exemplifies several recommendations of the Education and Labor Committee's Merit Pay Task Force regarding heightening school-university interaction, developing partnerships between business, universities and schools for improving school management, and conducting research on teacher performance and evaluation. I am very pleased that it has been included in S. 2565.

Mr. Speaker, there is another provision of S. 2565 in which I have an obvious interest—the Talented Teacher Act. This bill passed the House on August 8 as H.R. 4477. It contains a program of 10,000 4-year scholarships named for Carl D. Perkins, for outstanding students who want to become teachers and competitive fellowship grants for classroom teachers.

The Senate provisions have modified the House bill somewhat. The fellowships have been reduced in number from two per congressional district to one, and the authorization in the bill have been set for the out-years at $25 million for fiscal year 1986, $30 million for fiscal year 1987, and $35 million for fiscal year 1988, instead of such sums in the House bill.

The Senate bill also allows participation by private school teachers in the fellowship competition. These changes were made to accommodate cost concerns by the Senate, and while I would like to see the Talented Teacher Act expanded rather than contracted, the program does allow this experimental program to begin.

I would also like to take this opportunity to clarify several provisions in S. 2565 as they apply to title IV of the Higher Education Act, as amended by the bill. A concern has been raised in the financial aid community about the impact of certain sections of the House-passed bill on low- and middle-income students who might qualify for title IV assistance and be awarded a Carl D. Perkins Scholarship.

It was the intent of the House that such a student receive all of his or her Perkins Scholarship—up to the $5,000 limit—as long as the cost of attendance at the institution was not exceeded. If that student also qualified for a Pell Grant or other title IV aid, those grants, work study or loans could be added to the Perkins Scholarship up to the cost of attendance.

Section 564 of S. 2565 clarifies similar provisions in H.R. 4477, by requiring that Perkins Scholarships be considered in the determination of need for title IV assistance and requiring the reduction of a Perkins Scholarship if the total exceeds the cost of attendance.

It is our intent that the Perkins Scholarship shall first be used to replace self-help student assistance to ensure that such students receive maximum grant awards. This language is an important improvement and harmonizes this new program with the other title IV programs.

This bill has obtained widespread nationwide attention and its congressional support is strongly bipartisan. Moreover, Mr. Speaker, it is a fitting memorial to our beloved colleague Carl Perkins, who championed educational opportunity and excellence throughout his distinguished congressional career.

So, Mr. Speaker, I urge my colleagues in the House to vote "aye" on H.R. 2565, completing Congress's work on education and human services in the 98th Congress.●

● Mr. HILLIS. Mr. Speaker, I rise in support of S. 2565, and congratulate the members of the Education and Labor Committee on putting this compromise legislation together under the time limitations which have pressed on all of us these last few weeks.

I would especially like to urge my colleagues' support of this legislation because of the important inclusion of an authorization for a Center of Excellence in Education at Indiana University. As we are all so well aware, the publication of the report of the National Commission on Excellence in Education, "A Nation at Risk," emphasized some very basic weaknesses in our educational system. Congress has acted this year to help the States correct these problems, and the research and informational resources which can only be provided in an academic setting will now be addressed with the passage of this measure.

There are other, very important steps being taken in this measure to address the problems of our educational systems. The Talented Teachers Act and Leadership in Educational Administration Development Act provide the necessary seed money to improve the overall quality of both the students who will choose teaching as a career and the administrators of our schools.

Without the academic support of higher education, however, these efforts will be incomplete. Indiana University is uniquely able and suited to serve the Midwest and the Nation as a center for educational research and information. The $6 million authorization is only a portion of the funds which are needed for the Center of Excellence in Education. The State of Indiana and the University are providing the facility for the center, and are

[1] Statistics from an analysis of USDA published data comparing average monthly participation on school lunch progams in 1980–81—(year before cuts) as opposed to 1981–82 (first year cuts.) Study by Center on Budget and Policy Priorities.

pursuing private donations to fund the start-up costs. The State also has committed a total of $44.4 million to the operation of the center.

Thus, the Federal contribution is necessary to guarantee full utilization and national nature of the center's program, and to give private contributors confidence in the future of this necessary program. I urge my colleagues' support for the authorization for the Center for Excellence in Education and for S. 2565.●

● Mr. MILLER of California. Mr. Speaker, I rise in support of S. 2565. S. 2565 will insure the Head Start continue to provide high quality and effective services to children and families. S. 2565 reauthorizes this successful program which has demonstrated that comprehensive child development services can improve the futures of low-income children. This bill also strengthens Head Start by assuring that adequate funds are available for training Head Start workers and parents.

The bill also guarantees the continuation of the training, assessment, and credentialing component of the Child Development Associate [CDA] program which encourages workers to seek training and earn a credential which improves their skills as child care providers. In addition, S. 2565 provides Resource Access Projects which help Head Start to work with handicapped children.

Existing grantees with successful track records in serving children and their families will be given priority when new Head Start funds are distributed, insuring that those agencies which have built Head Start continue to effectively service their communities. Head Start's important Performance Standards, which guarantee a high level of quality in each program, are also maintained.

Finally, this bill guarantees that programs will provide a rich enough Head Start experience to insure that our most vulnerable children and families derive significant benefits from the program by giving grantees the option of serving children for more than 1 year.

I would like to take particular note of the fact that "Families and Child Care: Improving the Options," a major report issued late last week by my Select Committee on Children, Youth and Families, highlights both Head Start and the Child Development Associates Program.

One of the 11 major recommendations of this bipartisan report calls for:

The Department of Health and Human Services [to] continue without interruption current national training and credentialing programs, and, in addition, expand those efforts to ensure training for family day care providers and infant caregivers.

I am also pleased that 11 of our colleagues joined Representative PAT SCHROEDER and me in urging expansion of Head Start. Our views follows:

HEAD START

The importance of the high quality preschool education provided to disadvantaged children has been again confirmed by a recent privately funded long-term study of a Michigan early childhood education program.

For 20 years the High/Scope Educational Research Foundation in Ypsilanti, MI followed the lives of 123 black children with low test scores, from families with little education, half of whom lived with only one parent. Half of them received high quality preschool education beginning at age 3 and the others had no early childhood education, following instead the traditional school program.

The results of the study, "Changed Lives," were startling. Preschool graduates required far less remedial work in their elementary and secondary years. Almost twice as many preschool graduates hold jobs or have gone on to college or post-high school vocational training. Of the girls studied, only half as many became pregnant as teenagers. Substantially fewer preschool students dropped out of school, became involved in crime, or received welfare. The authors of the study estimate that the reductions in crime have saved the taxpayer over $3,000 for each person in the preschool group.

In spite of Head Start's proven effectiveness in providing high quality early childhood education for disadvantaged children, the program still serves fewer than one out of five eligible children.

Since a comprehensive early childhood education program can reverse the trends for low income, disadvantaged children, we strongly recommend an annual incremental increase in the number of children who can participate in the Head Start Program, without any dimunition in the scope or quality of the services provided. It is essential that we continue programs that are effective in improving the long-term prospects of disadvantaged children.

Mr. Speaker, S. 2565 is a sound bill that continues one of the soundest investments that the Federal Government has made in families with children.●

● Mr. GILMAN. Mr. Speaker, I rise in strong support of the legislation now before us, S. 2565, a measure combining several educational programs which I full endorse. Among the programs encompassed by this bill are reauthorizations for the Head Start and Follow Through Programs, the important low-income energy assistance program, and several other new programs which I am pleased to support.

Of the new provisions are funds for thousands of scholarships to outstanding students to help them pursue careers as teachers. In return for this, these students agree to teach in a designated area for 2 years for every year of assistance received. Another provision of the bill, which I had cosponsored, would incorporate the Leadership in Educational Administration Development Act, which establishes LEAD academies in each State to develop business and educational leadership skills among school administrators. Each State will receive at least $150,000 for the project. The measure before us would mandate at least 50 percent in State matching funds for these LEAD academies.

Another new program worthy of mention is the merit aid program, wherein each State can award 10 scholarships, of $1,500 to recognize and assist exceptionally able students who show continued promise of excellence. Each student recipient must be a graduate of secondary school, and must have been accepted at a postsecondary institution. Through S. 2565, we have now established parallel recognition of the importance of encouraging excellence by principals, and distinguished high school and college students. Earlier this Congress, legislation was enacted which authorizes funding for teachers, as contained in the Emergency Math and Science Education Act.

This multifaceted approach is an important recognition of the new priorities we have established for education in this country. And to further round out this legislation, I am especially pleased that a block grant program has been established to assist States in planning and developing various childcare services programs.

The growing number of parents in the work force necessitates the need for a comprehensive approach to day care information. The legislation now pending authorizes $20 million for day care information programs, so that interested parents have one complete source to turn to when considering the types and costs of day care services. I know that many parents in my district have been frustrated in their efforts to pinpoint the one service that is right for them—this new program is meant to ease that search.

One other aspect of S. 2565, which I mentioned earlier, is the Low Income Energy Assistance Program. This important initiative is, through this legislation, reauthorized for 2 years, at $2.1 billion for fiscal year 1985, and $2.3 billion for fiscal year 1986. One specific, important aspect of this reauthorization is that no State can receive less than its fiscal year 1984 appropriation; for a State such as New York, where the need for this program is great, such a provision is welcome indeed.

Mr. Speaker, S. 2565 is truly a piece of legislation that we all can support. It has been carefully crafted to recog-

nize and aid excellence in education, and to ensure the continued viability of programs that benefit the needy. Accordingly, I urge my colleagues to join me in passage of this measure.●

The SPEAKER pro tempore. All time has expired.

Pursuant to the provisions of House Resolution 607, the previous question is considered as ordered on the amendment and on the bill.

The question is on the amendment.

The amendment was rejected.

The SPEAKER pro tempore. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the Senate bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. PETRI. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 376, nays 6, not voting 50, as follows:

[Roll No. 453]

YEAS—376

Ackerman	Carper	Edwards (OK)
Addabbo	Carr	Emerson
Akaka	Chandler	English
Albosta	Chappell	Erdreich
Anderson	Chappie	Erlenborn
Andrews (NC)	Clarke	Evans (IA)
Andrews (TX)	Clay	Fascell
Annunzio	Clinger	Fazio
Anthony	Coats	Feighan
Applegate	Coleman (MO)	Fiedler
Archer	Coleman (TX)	Fields
AuCoin	Collins	Fish
Badham	Conte	Flippo
Barnard	Conyers	Florio
Barnes	Cooper	Foglietta
Bartlett	Corcoran	Foley
Bateman	Coughlin	Ford (TN)
Bates	Courter	Fowler
Bedell	Coyne	Frank
Beilenson	Craig	Frenzel
Bennett	Crockett	Frost
Bereuter	D'Amours	Fuqua
Berman	Daniel	Garcia
Bevill	Darden	Gaydos
Biaggi	Daschle	Gejdenson
Bilirakis	Daub	Gekas
Bliley	de la Garza	Gephardt
Boehlert	Dellums	Gibbons
Boggs	Derrick	Gilman
Boland	DeWine	Gingrich
Bonior	Dicks	Glickman
Bonker	Dingell	Gonzalez
Borski	Dixon	Goodling
Bosco	Donnelly	Gore
Boxer	Dorgan	Gradison
Breaux	Dowdy	Green
Britt	Downey	Gregg
Brooks	Dreier	Gunderson
Brown (CA)	Duncan	Hall (OH)
Brown (CO)	Durbin	Hall, Ralph
Broyhill	Dwyer	Hall, Sam
Burton (CA)	Dyson	Hamilton
Burton (IN)	Early	Hammerschmidt
Byron	Eckart	Hance
Campbell	Edwards (AL)	Harrison
Carney	Edwards (CA)	Hatcher
Hawkins	McKernan	Schulze
Hayes	McKinney	Schumer
Hertel	McNulty	Seiberling
Hightower	Mica	Shannon
Hiler	Michel	Sharp
Hillis	Miller (CA)	Shaw
Hopkins	Miller (OH)	Shelby
Horton	Mineta	Shuster
Hoyer	Minish	Sikorski
Hubbard	Mitchell	Siljander
Huckaby	Moakley	Sisisky
Hughes	Molinari	Skeen
Hunter	Mollohan	Skelton
Hutto	Montgomery	Slattery
Hyde	Moody	Smith (FL)
Ireland	Moore	Smith (IA)
Jacobs	Moorhead	Smith (NE)
Jeffords	Morrison (CT)	Smith (NJ)
Johnson	Morrison (WA)	Smith, Robert
Jones (NC)	Mrazek	Snowe
Jones (OK)	Murphy	Snyder
Jones (TN)	Murtha	Solarz
Kaptur	Myers	Solomon
Kasich	Natcher	Spence
Kastenmeier	Neal	Spratt
Kazen	Nelson	St Germain
Kemp	Nichols	Staggers
Kennelly	Nielson	Stangeland
Kildee	Nowak	Stark
Kindness	O'Brien	Stokes
Kleczka	Oakar	Stratton
Kogovsek	Oberstar	Studds
Kolter	Obey	Sundquist
Kostmayer	Olin	Swift
Kramer	Ortiz	Synar
LaFalce	Owens	Tallon
Lagomarsino	Oxley	Tauzin
Lantos	Packard	Taylor
Latta	Panetta	Thomas (CA)
Leach	Parris	Thomas (GA)
Leath	Pashayan	Torres
Lehman (CA)	Patman	Towns
Lehman (FL)	Patterson	Traxler
Leland	Pease	Udall
Lent	Penny	Valentine
Levin	Pepper	Vander Jagt
Levine	Petri	Vandergriff
Levitas	Pickle	Vento
Lewis (CA)	Porter	Volkmer
Lewis (FL)	Price	Vucanovich
Lipinski	Pritchard	Walgren
Livingston	Quillen	Walker
Lloyd	Rahall	Watkins
Loeffler	Ratchford	Waxman
Long (LA)	Ray	Weber
Long (MD)	Regula	Weiss
Lott	Reid	Wheat
Lowery (CA)	Richardson	Whitehurst
Lowry (WA)	Ridge	Whitley
Lujan	Rinaldo	Whittaker
Luken	Ritter	Whitten
Lundine	Roberts	Williams (MT)
Lungren	Robinson	Williams (OH)
MacKay	Rodino	Wilson
Madigan	Roe	Wirth
Markey	Roemer	Wise
Marlenee	Rogers	Wolf
Martin (NY)	Rostenkowski	Wolpe
Martinez	Roukema	Wortley
Matsui	Rowland	Wright
Mavroules	Roybal	Wyden
Mazzoli	Rudd	Wylie
McCain	Russo	Yates
McCandless	Sabo	Yatron
McCloskey	Savage	Young (AK)
McCollum	Sawyer	Young (FL)
McCurdy	Schaefer	Young (MO)
McDade	Scheuer	Zschau
McGrath	Schneider	
McHugh	Schroeder	

NAYS—6

Crane, Philip	Hansen (UT)	Smith, Denny
Dannemeyer	Shumway	Stump

NOT VOTING—50

Alexander	Conable	Franklin
Aspin	Crane, Daniel	Gramm
Bethune	Davis	Gray
Boner	Dickinson	Guarini
Boucher	Dymally	Hall (IN)
Broomfield	Edgar	Hansen (ID)
Bryant	Evans (IL)	Harkin
Cheney	Ferraro	Hartnett
Coelho	Ford (MI)	Hefner
Heftel	McEwen	Sensenbrenner
Holt	Mikulski	Simon
Howard	Ottinger	Stenholm
Jenkins	Paul	Tauke
Mack	Pursell	Torricelli
Marriott	Rangel	Weaver
Martin (IL)	Rose	Winn
Martin (NC)	Roth	

□ 1630

Mr. BARTLETT changed his vote from "nay" to "yea."

So the Senate bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 calendar days in which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ST. ELIZABETH'S HOSPITAL AND DISTRICT OF COLUMBIA MENTAL HEALTH SERVICES ACT

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6224) to provide for the assumption of selected functions, programs, and resources of Saint Elizabeths Hospital by the District of Columbia, to provide for the establishment of a comprehensive mental health care system in the District of Columbia, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 10, line 14, strike out "and".

Page 10, line 19, strike out "services." and insert "; and".

Page 10, after line 19, insert:

(7) identify the specific real property, buildings, improvements, and personal property to be transferred pursuant to section 8(a)(1) of this Act needed to provide mental health and other services provided by the Department of Human Services under the final system implementation plan.

Page 21, line 11, after "property" insert: needed to provide mental health and other services provided by the Department of Human Services identified pursuant to section 4(c)(7) of this Act

Page 21, after line 15, insert:

(b) On or before October 1, 1991, the Mayor shall prepare, and submit to the Committee on the District of Columbia of the House of Representatives and the Committees on Governmental Affairs and Labor and Human Resources of the Senate, a master plan, not inconsistent with the comprehensive plan for the National Capital, for the use of all real property, buildings, improvements, and personal property comprising Saint Elizabeths Hospital in the District of Columbia not transferred or ex-

cluded pursuant to subsection (a) of this section. In developing such plan, the Mayor shall consult with, and provide an opportunity for review by, appropriate Federal, regional, and local agencies. Such master plan submitted by the Mayor shall be approved by a law enacted by the Congress within the twelve-month period following the date such plan is submitted to the Committee on the District of Columbia of the House of Representatives and the Committees on Governmental Affairs and Labor and Human Resources of the Senate. Immediately upon the approval of any such law, the Secretary shall transfer to the District, without compensation, all right, title, and interest of the United States in and to such property in accordance with such approved plan. The real property, together with the buildings and other improvements thereon, including personal property used in connection therewith, known as the Oxon Cove Park and operated by the National Park Service, Department of the Interior, shall not be transferred under this Act.

Page 21, line 16, strike out "(b)" and insert "(c)".

Mr. DELLUMS (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from California?

□ 1640

Mr. McKINNEY. Mr. Speaker, reserving the right to object, I would ask the gentleman to explain the amendments.

I yield to the gentleman from California for his response.

Mr. DELLUMS. If the gentleman will yield, the Senate amendment requires the Mayor to submit to the Congress before October 1, 1991, a master plan for the use of any land and facilities at the St. Elizabeths Hospital grounds which is not specifically used for the comprehensive mental health care system.

Such plan shall be approved by the Congress and enacted into law within 1 year of its submission.

Mr. McKINNEY. Mr. Speaker, I thank the gentleman for his explanation.

Mr. Speaker, I thank the gentleman for his explanation. Although I would personally have preferred retaining the House passed provisions concerning the property and facilities at St. Elizabeths Hospital, I realize that to insist on that position could result in no legislation being passed. Resolving a dilemma that has faced the Congress for 20 years is more important than having that resolution exactly as I or any other Member of Congress would like to have it read.

I think the House passed version of this bill implicitly expressed a measure of trust in the local government. The amendment attached in the other body adds some guarantees that should the city propose to do something outrageous or inappropriate with any portion of the land or facilities at St. Elizabeths Hospital the Congress can easily prevent such action from taking place. Rather than relying on the ability of Congress to step in at any time and undo what the city has done, we now require advance approval before certain things can be done by the local government. I believe the House passed bill is consistent with the letter and the spirit of home rule.

Yet in the final analysis, the difference is not between a good bill and a bad bill, but rather between a good bill and a better one. Either version deserves support, and on that basis, I urge approval of the bill, as amended.

Mr. McKINNEY. Mr. Speaker. I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California.

There was no objection.

A motion to reconsider was laid on the table.

ESTABLISHING PROCEDURES REGARDING JUDICIAL SERVICES OF RETIRED JUDGES OF DISTRICT OF COLUMBIA COURTS

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6007) to establish certain procedures regarding the judicial service of retired judges of District of Columbia courts, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 4, after line 11, insert:

CHANGES IN THE SMALL CLAIMS COURT OF THE DISTRICT OF COLUMBIA

SEC. 4. Section 1321 of title 11 of the District of Columbia Code is amended by striking out "$750" and inserting in lieu thereof "$2,000".

Page 4, line 13, strike out "SEC. 4" and insert "SEC. 5.".

Mr. DELLUMS (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from California?

Mr. McKINNEY. Mr. Speaker, reserving the right to object, I would ask that the gentleman explain the amendment.

I yield to the gentleman from California for his response.

Mr. DELLUMS. The Senate amendments adds a sentence which has already passed the House of Representatives as part of another bill. It raises the dollar limit of cases which can be handled in small claims court in the District of Columbia from the present $750 ceiling to a $2,000 ceiling.

I say to my colleagues this is a piece of legislation that already passed the House added on by the Senate to another piece of legislation.

Mr. McKINNEY. Mr. Speaker, I thank the gentleman for his explanation. H.R. 6007, as amended, is the combination of that bill plus one part of H.R. 5951, which passed the House on the same date. What has been accomplished by the other body is the defusing of what some have considered a hot potato. Gone is the House-passed provision for the mayoral appointment of local judges, subject to confirmation by the City Council. Unfortunately, that will have to wait, perhaps until we can give the District of Columbia full judicial autonomy and prosecutorial authority.

In any event, Mr. Speaker, half a loaf is better than none, and in the case of H.R. 6007, as amended, I believe we have the more important half of that loaf. The administrative improvements in the local judicial system that will result from this legislation will go a long way toward removing the enormous case backlog in the District of Columbia Superior Court, first by providing for the use of retired judges who are properly certified for additional service, and next, by increasing the jurisdiction of the local small claims court from the current $750 to $2,000.

We have tried to do our best to fashion these and other administrative improvements in the operation of the local judicial system, and I urge support for the bill as amended.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 3398, TARIFF AND TRADE ACT OF 1984

Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to the unanimous-consent agreement of Friday, October 5, 1985, I call up the conference report on the bill (H.R. 3398) to amend the trade laws, authorize the negotiation of trade agreements, extend trade preferences, change the tariff treatment with respect to certain articles and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The clerk will read the conference report.

The Clerk proceeded to read the conference report.

(For conference report and statement, see proceedings of the House of Friday, October 5, 1984, part II, at page H11531.)

Mr. ROSTENKOWSKI (during the reading). Mr. Speaker, inasmuch as the conference report was printed in Friday's CONGRESSIONAL RECORD, I ask unanimous consent that further reading be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. STARK. Mr. Speaker, reserving the right to object, under my reservation I yield to the chairman of the Ways and Means Committee and ask if he could explain why a provision to protect American cordage manufacturers from inexpensive Korean imports, and amendment which I authored which passed our committee by a vote, I believe, of 20 to 10, was dropped from the conference report.

I yield to the gentleman for his response.

Mr. ROSTENKOWSKI. Some members of the conference including some on the House side, objected to it, and because of that I did not have the votes, so we receded.

Mr. STARK. Mr. Speaker, further reserving the right to object, I ask the gentleman if there was a vote of the conferees on that issue.

I again yield to the gentleman for his response.

Mr. ROSTENKOWSKI. Well, as the gentleman knows, it was in the House bill and the Senate conferees would not accept it. Therefore the House conferees dropped it.

Mr. STARK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 30 minutes and the gentleman from Minnesota [Mr. FRENZEL] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am bringing to the floor for immediate consideration the conference agreement on H.R. 3398. As H.R. 3398 passed the House on June 28, 1983, it contained numerous miscellaneous tariff and customs provisions. The Senate then passed H.R. 3398 on September 20, 1984, after adding a number of provisions to the bill amending the countervailing duty and antidumping laws; authorizing trade agreements with Israel, Canada, and other countries subject to congressional approval; renewing the program of generalized system of preferences for 10 years; measures relating to reciprocal trade relations and negotiating objectives on services, foreign investment, and high technology goods; measures to expand foreign market opportunities for U.S. wine exports; amending the criteria for industries to obtain import relief; providing special import protection for the copper and ferroalloy industries; and additional tariff and customs measures.

On October 3, prior to going to conference on H.R. 3398, the House added its versions of a 5-year GSP renewal; authority for a free trade area with Israel only; amendments to improve the operation of the trade remedy laws as originally passed the House in H.R. 4784; requirements for adjustment by the steel industry and steel import enforcement authority; a services industries development program; authorization of appropriations for major trade agencies as earlier passed by the House; and all of the miscellaneous tariff and customs provisions originally passed by the House in H.R. 3398, H.R. 6064, and H.R. 4901.

Mr. Speaker, the conference agreement I bring you today represents a compromise between the House and Senate versions, that removes the most controversial elements while retaining the basic elements of the House bill. The agreement contains essential changes in the trade remedy laws addressing foreign subsidies and dumping to reduce the time and expense of processing cases, to improve administration of the laws, and to assist small business.

The provisions in the House bill on rule-of-origin requirements, application of existing trade remedy laws, and expedited relief for agricultural imports were retained in the authority for a free trade area with Israel. That agreement will be subject to a congressional expedited approval procedure; no tariff agreement with any other country could be negotiated under the expedited congressional approval procedure without prior agreement of the House Ways and Means and Senate Finance Committees and a congressional consultation period.

The conference agreement renews the GSP Program for 8½ years. The agreement retains the House criteria for designating countries, including protection of intellectual property rights and of internationally recognized worker rights. While the agreement does not include all the House provisions to reduce benefits for advanced developing countries it does contain limits similar to those in the House bill on authority to waive competitive need ceilings and requires graduation of countries from GSP that reach a per capita GNP of $8,500.

The House agreed to Senate provisions which include the program for service industries passed by the House plus amendments to provide greater reciprocity in trade relations on services, foreign investment, and high technology trade similar to provisions on H.R. 1571 as passed by the Committee on Ways and Means.

The agreement includes provisions similar to the House bill on wine. On steel, the House bill required the steel industry and each of the major steel companies to commit substantially all of their net cash flow to reinvestment and modernization, and to set aside 1 percent of net cash flow for worker retraining, as a condition for continued enforcement of steel export restraints. The Senate version would have granted the President enforcement authority without either of these commitments from the industry. The conference agreement retains both an industry-wide commitment to reinvestment and modernization, and a company specific commitment of 1 percent to worker retraining, but does not require termination of the enforcement authority if one company fails to comply. The conference agreement also includes an expectation that steel imports would be reduced to a market share of 17 to 20.2 percent as opposed to 17 percent in the House bill.

Mr. Speaker, we have wrestled with the dilemma of our steel industry for years. The committee has granted numerous tax incentives in an attempt to foster greater competition, to boost investment and to retain the industry's highly skilled work force. We have continuously fought for assistance to both steel companies and workers displaced by foreign imports.

The compromise House plan, worked out with cooperation with members of the Steel Caucus, stops short of out-and-out quotas—but does demand stiffer import levels than does the President's plan. And we go far beyond the White House in linking import relief to the industry's investment performance.

To do nothing today is to invite further unfair trade practices among some steel exporting countries—and the need for long-term restructuring of one of America's most fundamental industries.

The conference agreement also includes the House provisions authorizing appropriations for the U.S. Cus-

toms Service and other major trade agencies, about 90 miscellaneous tariff and customs measures and provisions relating to customs seizure and forfeiture. The House accepted Senate provisions on copper and import relief only after their controversial aspect were removed.

Mr. Speaker, it was not possible to obtain agreement by the Senate conferees on every provision of the House bill amending the countervailing duty and antidumping laws and ensure a bill that would not be vetoed by the President. The agreement, however, contains basic and essential improvements of these and other trade laws representing the work of the Committee on Ways and Means and the House during the past 2 years.

Finally, Mr. Speaker, there is no way I can adequately express my appreciation for the leadership and expertise of the distinguished chairman of the Subcommittee on Trade, my friend and colleague, SAM GIBBONS. I know that all members of the Committee on Ways and Means appreciate the hard work and fairness that SAM and the members of his subcommittee brought to this bill.

SAM spent countless hours with the subcommittee over the past 2 years working on ways to improve and make more available our complex trade laws. He also undertook thorough hearings on the State of the U.S. steel industry and initiated extensive hearings on the causes of the U.S. trade deficit. But most importantly, SAM was the impetus behind much of this legislation we have before us today. He not only authored the substantial changes in U.S. trade remedy laws, but also championed the legislation authorizing the free trade area with Israel. His fair handling of the numerous, and very important miscellaneous tariff bills, his role in fashioning a reasonable wine equity bill, and his useful suggestions on the steel provisions all have made this a good trade.

Mr. Speaker, this bill walks a very bold line between protectionism and neglect. America remains the most open trader in the world. It has been a hallmark in our economic and foreign policy. Recently, however, our trade deficit has jumped to historic levels—sectors of our economy are threatened by mounting imports—and we continue to suffer unfair trade policies abroad.

The conference agreement recognizes these dynamics. It demands no dramatic shifts in policy. It stiffens our traditional trade ties—and opens new doors. It is both moderate and timely.

□ 1650

Mr. Speaker, I reserve the balance of my time.

Mr. FRENZEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, It is hard to imagine a larger, more comprehensive trade package than is contained in this conference report. It includes over 100 separate bills, most of them responsible, trade-enhancing legislation. It is also hard to imagine a conference report that could have more successfully removed bad policy from both House and Senate bills. There were at least a half-dozen veto possibilities.

What is being presented today is not pure, singing trade law, but it is a surprisingly good package which makes the very best of some very sticky situations. It panders modestly to protectionism without long-term perversion of trade law, and makes important trade-expansion progress with the GSP extension and the United States-Israel Free Trade Agreement.

The Washington Post correctly characterized both Houses' bills as antitrade bills. The Senate wine version, the House trade remedies bill, the Senate 201 language, and part of the House steel and GSP bills were potential violations of our international treaties, and certainly represented counterproductive trade policy.

The first miracle is that the conferees, the managers of both Houses, and the administration, mostly Ambassador Bill Brock, approached the reconciliation of the two bills in a businesslike manner with a clear intent to make a good, acceptable conference report. The second miracle is that they succeeded.

The package is voluminous. It includes the administration's two priorities, GSP extension and Israel free trade. It also includes the steel bill with its necessary powers to enforce the previously announced protection program of the administration. The wine bill is in it, too, although in a less harsh version.

The many reciprocity bills, which have passed several committees in both Houses, are, in this package, in a relatively constructive form. Three noncontroversial authorizations are included. Over 100 tariff bills, most suspensions and reductions, carefully pruned to set no dangerous precedent, are included.

Some originally virulently-protectionist relief features from the House trade remedies bill and some equally nasty Senate section 201 language has been mostly defanged. What remains will not make free-traders dance with joy, but it won't make major cataclysmic trade policy changes, either.

Peripheral issues in the package include a customs forfeiture law to help drug enforcement, and a customs broker's bill to make the paperwork of trade easier.

When the Ways and Means Committee narrowed the changes in the definition of "industry" to include only wine and grape producers, and this amendment of mine was later approved by the House, it was intended that the grape growers to be included as a part of the industry be only those whose grape production went primarily into the production of wine. The definition would not include grape production not associated with wine, such as table grapes and raisins. The conference accepted the House position.

Title VI of the bill contains 23 provisions that will, for the most part, streamline the administration of the antidumping and countervailing duty laws, as well as codify existing administrative practice in this area so that certainty will be brought into these procedures for relief.

I wish to comment specifically on one provision, section 613, which relates to the notion of "upstream subsidies" as a practice to which the countervailing duty laws apply. The conferees adopted compromise language intended to clarify this area of the law. Section 613 would add at the end of section 771 of the 1930 Tariff Act a paragraph defining upstream subsidies as subsidies on significant inputs or components of the finished product which bestow a competitive benefit on that product—some or all of the subsidy bestowed on the input producer is passed through to the producer of the finished product. The provision does not affect the basic definition of subsidy in any way. The potential for an upstream subsidy exists only when a sector-specific benefit meeting all other criteria for being a subsidy is provided to the input producer.

Members with strong protectionist inclinations will be a little disappointed in the bill, but even they will probably want to vote for it to salvage a few of the half-loaves that are in it. Steel caucus members would like a stronger, more comprehensive steel section, but they will surely want to vote for the enforcement language that remains.

The 300-plus authors of the wine bill will certainly want to be recorded in favor of their bill. The Energy and Commerce and Foreign Affairs Committee members who helped fashion the reciprocity bill will want to support their own work. So will the Judiciary members who worked on customs forfeiture.

Members who support Israel, and that must be nearly all of us, will want to put a vote on the board, too. And the several hundred sponsors of the tariff suspension bills will likely feel the same.

My suspicion is that this bill will be one of the more popular bills of the session. There are a lot of things in it that a lot of Members like. To be sure, there is still a little bit of mischief in it, too, but compared to what might have been, the mischief is minimal.

One must compliment the chairmen of subcommittee jurisdiction, our own SAM GIBBONS and the Senate's JOHN DANFORTH. It has already been noted that the bill's passage was miraculous. The distinguished gentlemen from Florida and Missouri were the principal miracle workers, ably encouraged and abetted by Chairmen ROSTENKOWSKI and DOLE.

Also, our former colleague, Bill Brock, the U.S. Trade Representative, must be congratulated. When the year began, his and the administration's chances to pass their priorities were 1 in 1,000. His patience, persistence, and persuasion keep everybody involved in the process hard at work even when chances for any bill looked slim. Ambassador Brock has proved himself a worthy encumbent in a long line of distinguished Trade Representatives.

Finally, it is especially important to note that protectionism is still in the ascendency, both in the Congress and in the country at large. Receding unemployment has not caused protectionism to wane.

For the future, American firms can expect to face continuing competition from abroad in local markets. Our major goal must be to reduce the deficit, to reduce interest rates, to reduce the artificial strength of the dollar. That, plus reasonable world recovery, and improvements in productivity and competitiveness, will begin to right the inbalance of trade, and ease the pressure on U.S. producers. And, we hope that will take a little pressure off of us, too.

It is a pleasure for me to have worked on this conference, and to recommend the bill to this House.

I reserve the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 4 minutes to the gentleman from Florida [Mr. GIBBONS].

Mr. GIBBONS. Mr. Speaker, this bill should be supported. It is a very comprehensive and very complex bill, and before I try to explain the provisions of it I cannot think of anything that I should say that would be more appropriate than to salute the chairman for the masterful way he handled the parliamentary situation and handled the conference.

I also want to say some very fine things about the Members of my subcommittee who worked so hard on this. Mr. PEASE and Mr. FRENZEL and Mr. DOWNEY all did outstanding work.

Mr. FRENZEL and Mr. PEASE on the very complex matter of the GSP, the Generalized Special Preference Program. This was an orphan type of program that really had no strong supporters in the House of Representatives. It took a great deal of dedication on the part of Mr. PEASE and Mr. FRENZEL to put this compromise together.

I think it is a good compromise. It held up through conference and I commend both of them for their outstanding work.

□ 1700

The gentleman from New York [Mr. DOWNEY] was outstanding in his work on Israel. Many other members of the subcommittee assisted him on that, but it was his leadership and his toughness and his ability to explain the legislation and to explain the problems that made it necessary to structure this legislation as the committee did.

The gentleman from California [Mr. THOMAS] was particularly careful to craft the agricultural section so as not to injure industries and agricultural interest.

Out of all the hard work by committee members, we got a good bill. There are so many things in this bill that 4 minutes is not nearly an adequate amount of time to explain it all.

There is one particular provision that I want to explain. The provision dealing with Israel also grants to the President the power to negotiate free trade arrangements with other countries around the world if the President first consults with the Committee on Ways and Means and with the Senate Finance Committee. I point this out particulary because this was a provision that was forced on the House conferees by the other body. It was a crucial matter in the conference. It was one that I support in principle, but I regret that we did not have a thorough discussion of that when we had this bill here on the House floor.

I think all of my colleagues who have followed this legislation, both in the House and the Senate, knew that it was one of the ultimate compromises that we must make in the conference, and the conferees came to a position of supporting that ability of the President to negotiate those matters.

The gentleman from Illinois [Mr. ROSTENKOWSKI] made the best of a real bad situtation in the steel industry and he provided, I think, a far better and far more workable proposal than the other body had, and I commend him for his outstanding work in that area.

None of this could be done without a fine and outstanding staff, both at the full committee level and at the subcommittee level.

This is a good bill and I urge its adoption.

Mr. CAMPBELL. Mr. Speaker, would the gentleman yield for just a moment?

Mr. GIBBONS. I do not have much time, but I yield to the gentleman from South Carolina.

Mr. CAMPBELL. I thank the gentleman for yielding.

Mr. Speaker, the gentleman might remember a colloquy that we had on the floor concerning the commitment that Ambassador Brock made on free trade zones concerning three points: First, that they would take into consideration the sensitivity of the textile and apparel problem in negotiations; second, that they would require Israel to eliminate all of their subsidies in these areas before the granting of the free trade zone; and third, that they would negotiate a phasing out of traiffs on sensitive categories of textiles and apparel.

The SPEAKER pro tempore. The time of the gentleman from Florida [Mr. GIBBONS] has expired.

Mr. FRENZEL. Mr. Speaker, I yield 2 additional minutes to the gentleman from Florida [Mr. GIBBONS].

Mr. CAMPBELL. If the gentleman will yield further, was there anything done in conference to change that understanding?

Mr. GIBBONS. There was nothing done in conference that would change the understanding that we had at the time the House bill passed the House on the items that the gentleman mentioned.

Mr. CAMPBELL. Is it still the understanding of the distinguished chairman of the Trade Subcommittee of the House that that understanding still exists with the Ambassador and the administration?

Mr. GIBBONS. There was nothing that was done in the conference that I had any knowledge of, and I think I would have known about it, that affected the colloquy that the gentleman and I had at the time the bill passed the House.

Mr. CAMPBELL. That would be our understanding of the situation as we discussed it.

Mr. BROYHILL. Mr. Speaker, will the gentleman yield on that point, or at least an allied point?

As I understand, the conference report does provide the President the authority to proclaim duties on those Israeli products that the International Trade Commission determines are a substantial cause of serious injury to the industries that seek relief under section 201; that if the industry seeks relief and there is such a finding, that there have been substantial cause of serious injury, the President can suspend duty-free treatment. Is that correct? That is what I read in the report.

Mr. GIBBONS. I do not want to make any legislative history that I am not familiar with, and the gentleman has gone past my area of competence, I would say to the gentleman.

Mr. FRENZEL. If the gentleman will yield, I think the gentleman is referring to 201 relief, which we can get under the current law. That is not modified. We would be able to get the same relief under the free trade agreement.

Mr. GIBBONS. Yes. We did not change any of the basic, fundamental

laws about the relief provisions or the unfair trade practices in the Israeli section. We did change a lot of unfair trade practices laws in the unfair trade practices section, but I think all of the ones we changed the gentleman would approve of. In fact, we did not get as many as the gentleman and I may have approved of, but that is not the fault of the gentleman or I.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. LUNDINE].

Mr. LUNDINE. I thank the gentleman for yielding this time to me.

Mr. Speaker, I would like to ask the distinguished chairman of the Committee on Ways and Means to clarify a provision contained in the steel section of the conference report. It is my understanding that the conference report provides the President with authority to enforce bilateral arrangements between the United States and any foreign country setting quantitative limitations or other restrictions on the exportation to the United States of steel products. In agreeing to this provision, I understand that the House receded to the Senate in terms of the definition of "steel products" and "steel industry." Is my understanding correct?

Mr. ROSTENKOWSKI. Mr. Speaker, if the gentleman will yield, the gentleman from New York is correct that the House did recede to the Senate on these definitions. Therefore, the terms "steel products" and "steel industry," as used in the conference report, encompass whatever was covered by the Senate amendment.

Mr. LUNDINE. Mr. Speaker, I thank the gentleman.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. MURTHA].

Mr. MURTHA. I thank the gentleman for yielding this time to me.

Mr. Speaker, I want to express the appreciation of so many of us who have unemployed steelworkers throughout the country. In 1977 I had 15,000 working in Johnstown, and today I have 3,500, and one of the big problems has been this subsidized steel coming into the United States.

The President came up with a proposal which he felt would reduce steel, but we thought it had to be implemented, and your plan, we appreciate the work the gentleman did and the cooperation of the gentleman on not only this bill but over the years in trying to help us reduce the amount of steel coming into the United States.

I know the United Steelworkers themselves are particularly appreciative of the chairman and the work he has done in helping us to try to reduce this and put some Americans back to work. We hear all kinds of things about helping people go to work, but one of the things that is so important is reducing the amount of subsidized steel coming in and reducing what they call free trade and we say we need fair trade.

The steelworkers and those of us who are working on this are deeply obligated to the chairman for his work. I know the gentleman does not have a lot of steel in Chicago, and we are not going to have much steel left in Pennsylvania if they keep sending it in from foreign countries, but we appreciate the technical work that the gentleman from Ohio [DON PEASE] did and all his help in this thing.

We know this: Over the years the chairman has been good to not only the steelworkers but the steel industry in trying to help in this very, very complicated and difficult situation. I appreciate all the work the gentleman has done over the years and applaud his efforts in helping the steel industry, but also in helping to get the steelworkers back to work in the steel industry.

Mr. FRENZEL. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Louisiana [Mr. MOORE], a member of the Committee on Ways and Means.

Mr. MOORE. I thank the gentleman for yielding this time to me.

Mr. Speaker, I am going to support this conference report. It is a good one. All the people who have worked on it deserve to be credited and to be thanked.

But it is not perfect. That is reflective of the fact that the trade situation that the United States faces today is not perfect, and I want to take this time to express a concern, not a complaint about this conference report, but to express a concern.

I am very, very concerned from what I have seen in my years on the Committee on Ways and Means that the trade laws we have now and the way we go about settling complaints about violations of those trade laws are not working as they should. They are not perfect. I do not think they are satisfactory.

We also still have problems with foreign countries in terms of unfair trade. We find situations where we have tariffs that ought to be higher or lower, and we ask why they aren't and we are told it is because we have not negotiated on them yet. I think we have to realize that negotiating process is also not satisfactory.

There are two provisions I believe should have been in this conference report that were in House or Senate bill in conference.

On the Senate side there was a provision raising the duty on imported melamine, a chemical product manufactured in my State. It is a bill I introduced in the House and I think should have been passed as it was in the Senate. The duty on melamine in other countries is higher than here creating an unfair trade advantage for foreign producers of melamine. It was dropped in conference.

□ 1710

There was also a provision in the House bill dealing with subsidies of raw materials. It was a provision I helped draw and this House passed. It was dropped in conference. This ignores subsidies by foreign government of raw materials on natural resources creating another unfair trade advantage.

Those are things that someone like me who unabashedly says that I am a free trader thinks ought to be done to bring some fair trade into free trade. When that gets dropped, you are putting people like me in a situation where you are slowly backing us into a protectionist corner as we see more and more industries not being able to survive due to unfair trade, and we are not even willing to do some minimal things, in my opinion, to try to make these laws tougher and free trade fairer.

So I simply express a concern that I do not think we have done enough. I foresee we are going to have more industries in trouble. I believe we are fast approaching the day where a future Congress will be outright protectionist, because it will have no other political choice, as we seem to be the only ones living under the idealistic notion that free trade is in all instances fair, that everything is working satisfactorily, that negotiations and that complaint procedures are all adequate.

Talk to the business people who are trying to work in this morass, and you will find that it is not. They spend years without any resolution and then they are told we will negotiate, but there are no negotiations ongoing and we do not know when the next ones will be.

So I express this concern, no complaint, this concern that all is not working as it should. And that is putting great pressure on those of us who support free trade.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. DOWNEY].

Mr. DOWNEY of New York. Mr. Speaker, I want to thank our subcommittee chairman, SAM GIBBONS, who feels strongly about the issue of trade and is probably as knowledgeable as any Member of Congress regarding the issue of trade. It is because of his hard work, and the diligence the gentleman from Ohio [Mr. PEASE] and Minnesota [Mr. FRENZEL] and the other members of the Trade Subcommittee that we were able to get a good bill.

This is a good bill. This is a bill that is not going to make everyone happy, as my friend, the gentleman from Louisiana just said.

We have a tendency when we have industries that have problems to represent their interests, when in the back of our minds we realize that the United States is a remarkably competitive nation and that if barriers to trade were reduced, we would be able to out compete most of of the countries we have to compete against.

There are two provisions in this bill I want to make a special effort to point out to the Members. One is the landmark legislation on free trade zones. It would not have been possible without the work of the gentleman from Florida [Mr. GIBBONS], the chairman of the committee [Mr. ROSTENKOWSKI] and members of the minority who, in a bipartisan way, decided that a free trade zone with Israel was not only good trade policy, but good economic policy for the United States as well.

With respect to GSP, the gentleman from Ohio [Mr. PEASE] must get enormous credit for the work that he did in this difficult and sensitive area. The GSP program has few here who care about it, but it is important to our country. It is important also to our trading partners.

Throughout the process of renewing GSP, I have been particularly concerned about the problem of counterfeiting and pirating. I believe that the way the GSP program is structured in this legislation enables us to deal with the Taiwanese, the people from Hong Kong, the people from Singapore, the people from Korea, in an effective and imaginative way. Hopefully, over time, it will shut down the piracy that is ongoing and costing American jobs.

I would hope that when our special trade representative carefully reads the transcript of this particular debate, he will recognize that the Members of Congress are concerned about counterfeiting and that we want him to use GSP as a lever over the countries who have done the pirating and the counterfeiting.

Again, my heartfelt thanks to the gentleman from Florida [Mr. GIBBONS] for all he has done this year to bring us a meaningful and rational trade policy.

Mr. FRENZEL. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New York [Mr. LENT], a member of the conference committee from the Energy and Commerce Committee.

Mr. LENT. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I also want to commend the conferees and join my colleagues in supporting the conference report on H.R. 3398. I am particularly pleased to support and draw attention to the provisions of title III which are designed to promote the export of U.S. services. Much of this title is derived from H.R. 2848, the Service Industries Commerce Development Act of 1984, which passed the House on Tuesday night.

Trade in services is a vital part of our economy and our international trade. While U.S. exports in general have been hard hit, growing exports of U.S. services have been one of the few bright spots. Recently, however, service exports have not grown as much as they should have. Americans who would provide services in other countries are being frustrated by an array of barriers similar to those that have been erected against U.S. goods.

This bill is intended to send a clear signal to our trading allies that we are committed to the pursuit of an open trade environment for services as well as goods.

I see this bill accomplishing just that by:

First, making the negotiation of an international agreement on services a principal trade objective under the Trade Act of 1974; second, establishing a comprehensive service industries development program in the Department of Commerce; and third, strengthening the President's authorities to address service sector problems.

I had concerns about the data collection authority in the House-passed bill. The Secretary of Commerce would have been authorized to require persons to submit information to the Department of Commerce. If the person did not submit such information, the Secretary could have brought civil action to require submission of the information and imposed a penalty. I am pleased to report to my colleagues that these provisions were dropped in conference.

In conclusion, I want to reiterate my support for the conference report on H.R. 3398. I am confident that this bill will enhance the international competitiveness of the U.S. service sector, thereby producing more jobs and a better standard of living for all Americans.

Mr. FRENZEL. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Ohio [Mr. MILLER].

Mr. MILLER of Ohio. Mr. Speaker, it appears that the conference report on H.R. 3398, the omnibus trade bill, will help, in some degree, the steel industry. It should help these workers, and I am grateful to the members of the Ways and Means Committee for the work that they have done in order to accomplish this; but I am concerned that the bill does not help to solve the problems of the ferroalloy workers in the United States who are being hurt by foreign subsidized ferroalloy imports.

The Senate version of this bill included an amendment that would have helped the ferroalloy industry and its workers. Unfortunately, our House conferees disagreed and wiped out that amendment that would have helped the ferroalloy industry people. The Senate amendment would have established a break point price tariff for ferroalloy imports. I believe that this amendment would have helped the industry.

So I guess what I want now is some assurance from the chairman of the Ways and Means Committee that somewhere down the line we are going to help those people that are in the ferroalloy industry and the many workers in my congressional district. I might add that the State of Ohio contains about 40 percent of the ferroalloy producing capacity in the United States. Somewhere along the line these ferroalloy workers need assistance and we had a means of assistance in this bill before that language was struck. The House wiped it out in conference.

I am wondering, when are we going to help save the ferroalloy industry?

This industry is extremely important to our national security and must not be allowed to wither and die. These subsidized imports must not be permitted to undermine this vital industry. Amazingly, the United States is even importing ferroalloys from the Soviet Union.

Is there anyone that can give us some assurance that we are going to address the problems of the ferroalloy industry in the near future?

Mr. ROSTENKOWSKI. Is the gentleman addressing a question to someone over here?

Mr. MILLER of Ohio. The question is, will hearings be held? What assistance can be given by the Ways and Means Committee?

The gentleman is the chairman of the committee that would need to handle the issue of subsidized ferroalloy imports that are flowing into this country. I am interested in having some commitment from the gentleman that at least we will have hearings, that we will look into the problem and do what we can to resolve that problem.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. FRENZEL. Mr. Speaker, I yield 1 additional minute to the gentleman from Ohio.

Mr. MILLER of Ohio. Mr. Speaker, I thank the gentleman.

Mr. ROSTENKOWSKI. Well, Mr. Speaker, if the gentleman will yield.

Mr. MILLER of Ohio. I will yield to the gentleman from Illinois.

Mr. ROSTENKOWSKI. Mr. speaker, I will be glad to consult with my subcommittee chairman to see just what he has provided for in his scheduling with respect to this problem that the gentleman points out, and if there are some steps he wants to take legislatively, I am sure that he will be in touch with us.

Mr. MILLER of Ohio. Well, that is hardly good enough as far as I am concerned.

Mr. ROSTENKOWSKI. Well, that is as much as the gentleman is going to get.

Mr. MILLER of Ohio. It probably is as much as I am going to get, but I attended the conference committee meeting last Thursday evening about 9:30, and the Senator from Kansas made a motion to bring up the ferroalloy issue again for consideration. I regret that there was an objection to doing this.

I am just looking for some assistance. We have only the gentleman from Illinois to turn to and we are looking for something that will be beneficial to keep those hundreds and hundreds of ferroalloy workers working.

The SPEAKER pro tempore. The time of the gentleman from Ohio has again expired.

□ 1720

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Washington [Mr. BONKER].

Mr. BONKER. I thank the distinguished chairman and want to congratulate him and the gentleman from Florida [Mr. GIBBONS] and others who were responsible for negotiating this very difficult bill and bringing the conference report to the House floor.

This Nation is facing a very serious trade deficit that is now pegged at a staggering $130 billion for this year. This puts a lot of pressure on Congress to do something about the trade deficit.

We can do either one of two things. We can go for export promotion—and I might add that we are now engaged in intense negotiations in conference on the Export Administration Act to remove obstacles and expedite licensing procedures so that our industry can compete more effectively in what has become a fiercely competitive world market—or we can go down the path of protectionism.

This legislation was very tempting for many people who want protectionist measures to keep out imports. I think what has happened instead is that the conferees have brought us a report that is responsible, it is restrained, and it certainly advances the best trade interests of this country.

So for those who are concerned about free trade or fair trade, you can have both by adopting this conference report.

Mr. Speaker, going into the conference this bill had a lot of excess baggage; most of which, I am happy to say, originated in the other body. In almost all cases, the conferees acted responsibly by cutting blunt, import-restricting measures out of the bill:

First, a Senate proposal to impose prohibitive tariffs of ferroalloy imports was dropped by the conference;

Second, Senate-passed amendments to section 201 of the Trade Act of 1974, which would have dramatically relaxed injury standards, were deleted;

Third, another Senate amendment requiring the President to enter into negotiations to restrict world copper production was wisely defeated;

Fourth, a Senate proposal establishing an unreasonable pricing standard for imports from nonmarket economies for purposes of countervailing and antidumping investigations was excised;

Fifth, the House-passed sense of the Congress setting a fair import level for steel at 17 percent of domestic consumption was responsibly amended to give the President greater flexibility; and

Sixth, a 2-year limitation was placed on a provision in the Wine Equity Act, passed by both houses, allowing grape growers to bring unfair trade petitions against foreign wine producers.

At the same time the conference retained several important reforms that will make the trading system fairer and help expand U.S. exports:

First, the conference approved a responsible extension of the Generalized System of Preferences and gave the President authority to negotiate a free trade area with Israel;

Second, the conference endorsed a reciprocity bill that will increase the President's retaliatory powers under section 301 of the Trade Act of 1974, as a means of increasing his leverage in negotiations to lift unfair foreign barriers to U.S. investors and exporters of goods and services;

Third, conferees agreed to establish a new program in the Department of Commerce to promote exports of U.S. services;

Fourth, a House-passed provision requiring the steel industry to invest virtually all of its profits in the modernization of its steelmaking capabilities, in return for import protection was wisely approved;

Fifth, the establishment of an office in the International Trade Commission to help small businesses decipher the trade remedy process was endorsed by the conference; and

Sixth, new language expressly incorporating upstream subsidies within the definition of an unfair trade practice was approved by the conferees.

In sum, the conferees transformed what could have been a very damaging bill into one that this Congress can be proud of. It is both responsible and fair, and it deserves our support. The conference has demonstrated that we in Congress can act wisely and responsibly, even under the intense pressure of an imminent election.

I applaud the work of the conference and urge my colleagues to support the conference report.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon [Mr. WYDEN].

Mr. WYDEN. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the conference agreement and a provision in that agreement that will bring more jobs, more trade and less bureaucracy to the Pacific Northwest.

This legislation accomplishes these ends by creating a new customs district—called the Columbia-Snake Customs District—in the Pacific Northwest. I first proposed this action in a separate bill last April—and I believe it is critical if the Pacific Northwest is to realize its potential as an international trading hub.

Let me explain. To continue to grow as a trading center, the Pacific Northwest needs to offer our shippers, customs brokers, freight forwarders, and others the opportunity to work through just one customs office.

Right now, however, we cannot do so. Our region has literally been balkanized into three customs district and two customs regions, completely ignoring the natural geographic boundaries and commercial cargo routes of the Columbia-Snake System.

In fact, to look at the current customs district map, you would think that the ports of the Columbia-Snake System have no more connection with each other than New York City has with Portland, OR. For example, the Port of Lewiston, just over the eastern Washington border in Idaho is part of the Great Falls District and the Chicago region. The Port of Clarkston, which is directly opposite Lewiston on the Washington side of the Snake River, is part of the Seattle district and Los Angeles region.

Mr. Speaker, this problem is not purely academic. It is causing delays for shippers and Pacific Northwest businesses, creating extra work for customs officials, and cost the Government and the private sector money.

Let me provide a specific example. A shipment of grain is imported from Canada. It is loaded on barges at the Port of Lewiston in Idaho and then shipped down river, where it will be inspected and cleared in Portland. But there is one problem. The Port of Lewiston is in the Great Falls District and the Chicago region. So Portland customs officials must spend time coordinating the shipment's documentation with the Great Falls customs officials.

Such bureaucracy is illogical and unnecessary. But by modifying the existing boundaries, the Columbia-Snake River system will be identified by the Customs Service for what it truly is—a

unique, natural trading, and transportation system.

Mr. Speaker, the Columbia-Snake system needs and deserves a customs district that cuts needless paper shuffling, that can serve as a new marketing tool for exporters throughout the West seeking to tap Pacific rim markets, and that will recognize the area as a unique trade zone and transportation system. This provision achieves those goals.

Because it achieves these important goals, this provision has widespread and bipartisan support in the Northwest among my Northwest colleagues. All the Members representing the new district—Congressmen AuCoin, Foley, Robert Smith, Bonker, Morrison, Craig, and Hansen cosponsored the original measure I introduced. In addition, the six Senators from Oregon, Washington, and Idaho have expressed support for the measure.

Moreover, the Northwest maritime and trade communities are solidly behind the legislation. The Columbia-Snake Customs District is supported by the Pacific Northwest International Trade Association [PNITA], the Columbia River Customs Brokers and Freight Forwarders Association, the Pacific Northwest Waterways Association, and the Columbia-Snake Marketing Group.

Gary Conkling, president of the Pacific Northwest International Trade Association, testified in support of a Columbia-Snake Customs District before the Ways and Means Trade Subcommittee this past June. At that time, Mr. Conkling noted that "trade emanating from Boise is not linked to Chicago. It is linked to the Columbia-Snake corridor."

Mr. Conkling also emphasized the important point that the Columbia-Snake River system shows tremendous growth potential for the future, which justifies expansion of customs services in our region that will support that growth and foster more growth.

In short, this provision enjoys strong support among the Northwest congressional delegation and among the shippers and traders of the Northwest.

I commend and thank my colleagues on the Ways and Means Committee, particularly Chairman Rostenkowski, Chairman Gibbons, and the gentleman from Minnesota, Mr. Frenzel, who worked long and hard to reach an accord on this conference agreement and for including the Columbia-Snake Customs District as part of this agreement. I also wish to thank Senator Packwood of my home State of Oregon for his support of this important legislation in the conference.

I yield back the balance of my time.

Mr. FRENZEL. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Ohio [Mr. Regula].

Mr. REGULA. Mr. Speaker, first of all I want to congratulate the conferees on dealing with a very difficult topic. I recognize that putting together a bill such as this represents a compromise among many different groups and certainly it is a tribute to the conferees and their leadership that we are getting a bill at all.

In my opinion the bill will bring about trade expansion in the free world. This is essential if we are to have economic growth for all countries. As each country in the Free world experiences economic growth, the others will likewise have greater opportunities for expansion of their trade.

I also think the feature of the bill dealing with the remedies on countervailing duties and dumping are important because they strengthen the ability to ensure that there is fairness as well as freeness in our trade policy. There is a growing concern on the part of the American people that we are not getting a fair shake in the world of trade, that while we have for a long period of time been dedicated to free trade, that we have not done enough to ensure that it is fair.

I think that this bill takes a substantial step in that direction.

I am especially pleased to see much of the Steel Stabilization Act incorporated in this bill. I especially want to congratulate the chairman of the Ways and Means Committee, the gentleman from Illinois [Mr. Rostenkowski], for his leadership in getting a bill at all because without that effort we would not have the necessary enforcement tools that the President needs to achieve the goals of his decision on the International Trade Commission remedies. Thanks again to his leadership most of the provisions of the Steel Stabilization Act have been incorporated, which include modernization of the industry as the quid pro quo for getting some degree of restraint on imports.

Second, it provides for the retraining of workers, and this is important for those that are going to be faced with structural unemployment.

I think in the overall that the features of this conference as it relates to steel will result in an increase in jobs in the steel industry, will bring greater fairness to this industry, and will provide the necessary breathing room for the steel industry to modernize, to gain the ability to compete in the world marketplace in the future.

This, of course, is important for the continuation of the steel jobs, for the economic base of our Nation, and particularly for national security, because as we provide for the modernization of our steel industry we enhance the national security position of the United States.

I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. Coelho].

Mr. COELHO. Mr. Speaker I want to compliment the chairman of the full committee, the gentleman from Illinois [Mr. Rostenkowski], and the chairman of the subcommittee, the gentleman from Florida [Mr. Gibbons], for their outstanding work in regards to the Wine Equity Act. We all appreciate the work of all of the conferees but these two gentleman in particular understood what was trying to be done here, and that was that we not only wanted free trade, but we also wanted some fair trade, and that they were able to get this bill not only through the conferees but through the Senate process was a big victory for grape producers all over this country. California does benefit from it, but what I think most people do not realize is that there are a great number of grape producers in practically every State of the Union, now in 38 States. And this is a victory for all of them.

We are very indebted and appreciative of the chairman of the full committee and the chairman of the subcommittee.

I yield back the balance of my time.

Mr. FRENZEL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California [Mr. Thomas] a member of the Committee on Ways and Means.

Mr. THOMAS of California. I thank my colleague for yielding.

First of all, all of us understand that trade is cooperation. But I think it is also true that the area of trade legislation more so than any other area, is a little like trying to tapdance in a crowd. No matter where you go you are going to step on someone's toes.

Therefore I want to compliment both the chairman of the full committee and the chairman of the Subcommittee on Trade and the Members on my side of the aisle, with whom we had more than one disagreement, and the Members of the other body and the administration. I thought everyone carried on as though they really wanted a trade bill. And without that kind of an attitude it is very difficult to have a trade bill.

I want to reassure my colleagues that when this legislation deals with agriculture, whether it is written large or whether it is written small in terms of specialty agriculture, that in these trade bills we have a better understanding of agriculture in the United States than we have ever had before.

In the generalized system of preferences reauthorization, in the free trade area with Israel, and with its own separate recognition in the Wine Equity Act, specialty agriculture in the United States and agriculture in general concerns were noted and there was response.

I want to thank all my colleagues who participated in crafting this prod-

uct, the peoples' representatives served well and I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. PEASE].

Mr. PEASE. Mr. Speaker, this is a good conference report that very much merits the support of the Members of the House. It represents a great deal of hard work by the conferees in the House and in the other body.

Like other Members, I would like to particularly express appreciation to Chairman ROSTENKOWSKI for his usual masterful job in trying to bring about the necessary compromises in the conference committee to bring back a report to the full Chamber. I am especially pleased as this conference report comes to the floor of the House to be a member of the Trade Subcommittee and to have the privilege of working under the chairman of that subcommittee, the gentleman from Florida [Mr. GIBBONS], without whom we would not have this product before us today.

In addition I would like to single out the gentleman from Minnesota [Mr. FRENZEL] who has been instrumental in the provisions of this bill. But far beyond that, he is a genuine resource, a national treasure, if you will, in the area of trade policy as the most influential member of our subcommittee on the minority side.

The gentleman from New York [Mr. DOWNEY] has taken a particular interest in several provisions of this bill, including GSP and the Israel free trade area, and it has been a pleasure for me to work with him.

In fact, I think all of the members of this subcommittee deserve some commendation for the work that they have done.

□ 1730

The work of the Trade Subcommittee is extraordinarily important to the Congress and to the country. We have many, many difficult, contentious issues which come before us. We are constantly striving to walk the fine line between free trade and protectionism, constantly striving to define what free trade is and what fair trade is.

That is a very difficult assignment.

I think the subcommittee discharges that responsibility well.

Mr. Speaker, I would not want to conclude without offering my special thanks and admiration to the staff of the Subcommittee on Trade and the full Committee on Ways and Means.

Whenever we are in a situation, as we were last week, where we are trying to put together a conference report on difficult, complex issues in a very short period of time, I come once again to admire the very, very admirable talents and dedication of the members of the staffs.

So I think they deserve special praise.

As I said, this is a good conference report.

Mr. Speaker, this represents a compromise in the best sense of the word among the competing interests in the commerce of the United States, the competing interests here in the House and certainly competing provisions in the House bill and the bill before the other body.

Mr. Speaker, it is hard for me to imagine how through the process of compromise, in a democratic, deliberative body like ours, we could have come up with a better product than we did. For that reason I heartily urge its support among all of my colleagues.

And so, Mr. Speaker, it gives me great pleasure to rise in support of the conference report before us today. For many of us on the Ways and Means Subcommittee on Trade, this omnibus trade package represents a hard-won compromise on a number of critical trade issues and springs from almost 2 years of solid work by our subcommittee and our dedicated chairman, Mr. GIBBONS.

For example, the subcommittee held 9 full days of hearings on the problems facing our domestic steel industry. H.R 6301, Steel Import Stabilization Act, is the outcome. It authorizes the President to implement and enforce those import restrictions announced in his September 18 steel program. More importantly, however, the Congress has taken historic steps to fill in the irresponsible omissions contained in the President's program that threaten the very long-term stability and revitalization of the steel industry that the President claimed was his goal in promising import restraints.

The Trade Subcommittee hearings documented critical problems emanating from worldwide excess steelmaking capacity, dilapidated domestic steel plants, critical underfunding of research and development of world-class steel making technology, surges in steel imports, and inadequate funding of worker retraining programs. The Congressional Budget Office estimates that reducing the share of the U.S. market held by steel imports over a 5-year period will raise the price in domestic manufactured steel and generate approximately $25 billion in funds to the industry. The President chose to advocate negotiated restraints on steel imports, yet he failed to tie the $25 billion to any kind of performance standards. With no linkage to modernization, no requirement for research and development and a total absence of any specific program to assist jobless workers in acquiring new and marketable skills, the President proposed to hand the taxpayer the check for $25 billion in assistance to the industry without requiring any assurances that at the end of the 5 years our steel industry will be any more competitive or our jobless workers graduated from government assistance program to the production line.

H.R. 6301 and the inclusion of its essential provisions in the conference report before us today represent an historic linkage of import relief to requirements that the industry reinvest substantially all of its cash in plant modernization and worker retraining. With respect to the future vitality of the steel industry and its workers in my area, the President's program ignored modernization and its direct effect on long-term job security for those workers fortunate to still have a job, and it ignored retraining for the jobless. I feel confident that the Congress, under the leadership of Chairman ROSTENKOWSKI, takes with this bill major steps to breathe new life and a brighter future into both the industry and its workers in my district in Ohio and nationwide. I also would like to note for the record that this landmark legislation closely parallels former Vice President Mondale's proposal to assist the steel industry and reflects his longstanding commitment to the meaningful revitalization of it.

My colleagues on the Trade Subcommittee have blazed new territory in another bill of enormous important to developing countries and to American industries and workers, the generalized system of preferences.

First, the GSP Renewal Act of 1984 breaks new ground in the advancement of international human rights through its linkage of trade preferences to respect for labor rights. If a developing country wants duty-free access to the American marketplace for its products, that country from now on will have to demonstrate that it is taking positive steps to respect the right of association and the right to organize and bargain collectively, to prohibit forced labor, and to establish acceptable conditions of work regarding minimum wages, working hours, and occupational safety and health as well as a minimum age for the employment of children. Each year groups and individuals concerned with international labor rights will be able to formally challenge before the USTR the designation of any particular country or some of its articles for duty-free treatment on the grounds that that country does not respect basic labor rights and treats its workers with contempt.

Second, H.R. 6023 makes progress toward establishing a systematic framework for graduating from the GSP Program those developing countries that are increasingly adept at exporting manufactured products that compete with our products. It provides for phasing out duty-free status after a developing country's per capita reaches the equivalent of $8,500 and it

caps the President's authority to waive competitive need limits.

A third important section of the conference report, authorization for the President to negotiate a free agreement with Israel, also ploughs new ground in bilateral trade negotiations. It is my intention in supporting the Israeli free trade agreement that it will enhance rather than supplant our current multilateral trading agreements. I strongly support the bill's provisions to address the problems of transshipment by other countries of their goods through Israel to the United States.

Among the miscellaneous trade and tariff provisions included in the conference committee are sections to amplify the public disclosure of information on imports reflected on manifests and a continuation of duty-free treatment for flat knitting machines and parts through December 31, 1988. In sponsoring these bills, I was pleased to note that the former bill will enable American companies to compete more effectively with imports and that the latter will be helpful in providing our domestic knitting industry with the machines it requires to modernize. It is my understanding that there is no domestic manufacturer of the flat knitting machine covered in this bill. With respect to the manifest information issue, both the House and Senate bills contained identical language requiring the U.S. Customs Service to provide greater press access to information concerning cargos imported into U.S. ports, and requiring that the name of the foreign shipper of the merchandise be included in the manifest.

The scope of access to manifest information was also the subject of litigation in *Twin Coast Newspapers, Inc.* v. *U.S. Department of the Treasury,* Civil Action No. 83-1113 (D.D.C.). Two consent orders and implementing regulations (49 Fed. Reg. 19952 (May 10, 1984) and 49 Fed. Reg. 23339 (June 6, 1984)) were issued in that case by the Customs Service subsequent to House passage of H.R. 3398 and consideration of the bill by the Senate Committee on Finance. Clarification of the relationship between Section 203 and the consent orders and implementing regulations is therefore necessary

As an original sponsor of section 203, I want to make clear what the original intent of this provision was and how it should therefore affect the consent orders and implementing regulations.

First, unlike the consent orders, section 203 of H.R. 3398 does not require that the importer or consignee in its biennial certification state reasons for requesting confidentiality for the importer's name and address and/or the identity of the shipper of merchandise to that importer. Second, section 203 requires the submission of the name of the foreign shipper which is not required by the consent orders. Section 203 does not, however, and was not intended to alter other requirements imposed by consent orders which, inter alia, permit greater access to manifest information than is affirmatively required by this provision.

Mr. Speaker, I believe the Members of the House can be pleased at the final result we have produced during a particularly difficult time. I urge expeditious approval of this conference report.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The gentleman [Mr. PEASE] yields back 1 minute.

Mr. FRENZEL. Mr. Speaker, I yield myself 1 minute.

To sum up, this omnibus trade bill conference report is calculated to be tilted more toward trade expansion than to trade-contracting protectionism. Even so, there is enough protectionism in it to remind all of us where the balance of power in the Congress is. The conferees avoided the worst of the protectionism pitfalls, and both legislation bodies showed courage in rejecting those pitfalls which were the subject of floor votes.

We have skated close to the open water of blatant protectionism which is the stuff of which trade wars are made. I hope we will be as lucky or as smart, in the future years in resisting our basest urges.

Mr. Speaker, I would like to echo the sentiments of the Members who have praised everyone who had anything to do with this bill.

If we are dishing out too many kudos, if we lavish too many congratulations on one another, I hope the House will realize that the conferees are presenting 2 years' worth of work of an important subcommittee in a single 1-hour shot. In fact, there is more legislation in this package than the Trade Subcommittee has otherwise processed since it was created in 1975.

The conference report is, in my judgment, an outstanding contribution which is worthy just this one time, of what would usually be extravagant praise.

Mr. Speaker, I yield back the remainder of my time.

● Mr. FLORIO. Mr. Speaker, I rise in support of the conference report on the trade bill.

Anyone who has any familiarity with the subject knows that the process of amending U.S. trade laws is slow and gradual. The bill before us today represents the first major revision of our trade laws in 5 years.

Thus, we should all recognize that the changes this conference report will make in current law have been thoroughly and carefully considered. This bill is not a reaction to concerns of the moment. Instead, it reflects more than 2 years of work on how best to deal with a growing number of very serious trade problems.

I am particularly happy that, for the first time, this conference report deals in a meaningful way with trade problems of U.S. service industries. The subcommittee I chair has been investigating these problems for more than 2 years.

World trade in services such as tourism, transportation, insurance, communications, data processing, and fiancial services has grown at an annual rate of 17 percent over the last decade—more than three times as fast as trade in goods. During this period, the United States has remained the world's largest service exporter.

Today, the majority of all new jobs created in the U.S. economy are in the service sector. The Commerce Department estimates that about 60 percent of the U.S. GNP is attributable to the services sector and that about 70 percent of the nonfarm work force in the United States is employed in the services sector.

All the news on services, however, is not good. Although the United States continues to dominate world trade in services, its position is being eroded more and more by other countries. In 1972, the United States accounted for 20 percent of all world trade in services; yet, by 1980 the U.S. share fell to only 15 percent.

Like U.S. merchandise exports, American service exports have also begun to decline seriously. Only a few years ago, America's surplus in services trade was large enough to offset our merchandise trade deficit. Experts now say that in just a few years the United States will have a deficit in services trade nearly as large as our deficit in merchandise trade.

There are two important reasons U.S. leadership in service industry trade is now being challenged. First, the governments of our major foreign competitors generals have done a better job than we have in providing business with information on world market opportunities and conditions. Second, in the absence of an international trade agreement on services, many countries are arbitrarily establishing protectionist barriers that discriminate against U.S. service firms.

To address these problems, the nations of the world need to negotiate an agreement on trade in services. U.S. efforts to initiate the negotiating process at the GATT level have had very limited sucess so far. Even after negotiations begin, it will be a long time before a services agreement can be implemented.

Thus, the bill before us will be needed in order to permit the United States to limit foreign access to the domestic service market, if appropriate, in order to promote fair services trade relations between the United

States and other countries. Finally, much better data is needed in order to understand more accurately the nature and problems of the service sector and to develop an effective trade policy.

U.S. service industries have sought trade in services legislation for several years. The conference report we are considering today has the strong support of the Committee on Energy and Commerce and the Committee on Ways and Means, both of which reported services legislation more than a year ago.

The conference report has two major parts dealing with trade in services. The first part would establish a service industries development program within the Commerce Department which would be responsible for advising U.S. service firms concerning world market opportunities and trends. It would also have responsibility for improving the Government's data gathering and analysis functions on services so that effective trade policy can be developed.

The administration has recognized the inadequacy of official data for a long time. The Work Program on Trade in Services approved by the administration's Cabinet-level Trade Policy Committee in April 1981, states that the lack of adequate service trade data is a major obstacle to U.S. efforts to develop service sector trade policy.

At our hearing on this matter witnesses from the Commerce Department and the Office of the U.S. Trade Representative [USTR] acknowledged that data currently available to the Government does not accurately measure the competitiveness of U.S. service firms in world markets—overall or by specific service industry. For example. The Commerce Department concluded over a year ago that data on the foreign operations of U.S. insurance firms was inadequate to permit the Government to develop a sound policy on international insurance issues.

The second part of the conference provision on services would amend section 301 of the Trade Act of 1974 to make it clear that the President has the same authority to deal with unfair trade practices in the services sector that he currently has in the good sector.

Under the conference report, the President is given authority to deny the issuance of what the bill calls "service sector access authorizations" to foreign service firms in retaliation for discrimination against U.S. firms. Service sector access authorizations are defined as being "licenses, permits," and so forth, issued under the authority of Federal law. Thus, under this new authority, the President could deny the issuance of licenses, for example, to Canadian or Mexican truckers in retaliation for discrimination against U.S. truckers.

Industry, the administration and most of Congress agree that this type of authority provides the best incentive for our trading partners to negotiate a meaningful international treaty concerning services and to protect our firms against unfair competition.

Mr. Speaker, we need these provisions to begin to re-establish fair trade in services for American firms. With almost three quarters of our workers and nearly two-thirds of our GNP attributable to the service sector, our economic future is greatly dependent on the health of our service industries. I, therefore, urge my colleagues to vote for this conference report.

Thank you.●

● Mr. CONABLE. Mr. Speaker, I support the conference report on H.R. 3398, but I do so more with relief than enthusiasm.

I am relieved because the legislation contains some very much needed amendments, notably an extension of the Generalized System of Preferences, or GSP. This extremely important program is scheduled to expire January 3, 1985—before the next Congress would have a chance to deal with it. So I am glad this conference report assures its continuation.

As I have indicated earlier, I would have preferred an extension longer than 8½ years, and I fear that some details of the program, under terms of the extension, may be flawed. But the leading negotiators for the House on this matter, the gentlemen from Minnesota and Ohio, Messrs. FRENZEL and PEASE, did an effective job of turning what could have been a disaster into an acceptable proposition.

There are a couple of provisions, however, that bridle slightly my enthusiasm about the conference report. For example, I am concerned about the language on steel. I understand the political necessity of dealing with the issue in this context; it would be expecting too much of the Congress to leave alone the President's new policy, announced September 18, 1984. I also understand the industry's vulnerability here; it has not been in the forefront of modernization and innovation efforts within our economy. Nevertheless, I do not believe the requirements relating to reinvestment and retraining are necessary or appropriate. I always am wary, in fundamental principle, of Government intrusion into operations and decisionmaking of business—even if, as sometimes happens, they ask for it. And I have more practical and specific concerns about the ability of Government to make sound assessments as to whether a company has committed substantially all of its net cash flow from carbon and alloy production to effective modernization. Additionally, the retraining requirements of the legislation are fuzzily worded, leaving too much to the discretion of Federal monitors, and not enough instruction, definition, or guidelines to the companies.

The conference report also contains changes in the definition of "industry" under our countervailing duty and dumping laws solely for wine producers and grape growers. I remain concerned about the GATT implications of this change, but the conference did succeed in narrowing the definition of grape growers to give greater emphasis to the connection with wine production, and the whole provision sunsets after 2 years. Thus, over the long term, the integrity of the industry definition in our trade laws should be preserved.

All of this is not to damn the conference report with faint praise. I do support it. It encompasses a wide range of improvements in our trade and tariff laws, including authority for a new free trade arrangement with Israel and provisions for a possible accommodation of a similar nature with Canada. It provides improvements in our countervailing and antidumping laws, and authorization of appropriations for the International Trade Commission, the Customs Service, and the office of our Special Trade Representative, as well as a host of noncontroversial adjustments in the tariff schedules.

In many respects, Mr. Speaker, this conference report represents a classic congressional compromise, in which virtually every interested party loses a little in order that all interested parties gain much of mutual value. In my 20 years of service in this body, I have participated in scores of conferences, all of which have struggled to reach compromise, or failed. This particular conference fits the mold perfectly. If I were completely happy with it, others would be too discontented, and the result would be failure for all. It is fitting, therefore, that such a conference should be my last.

Mr. Speaker, In a personal vein I would like to comment further, but briefly, on the work of my colleague, Mr. FRENZEL. As I leave the Congress, I want to express my thanks and gratitude to this member of the Committee on Ways and Means. He not only has pulled a strong oar but has steered a straight course in matters of international trade. He has been a prodigious worker and an articulate spokesman, and more than any of us, he has put forth a constantly strong effort in behalf of trade outreach. His realistic and enlightened work has, in my view, enhanced our national interests. I have depended on him and I am proud of the understanding and the detail which has characterized his labors.

I urge my colleagues to join me in supporting this legislation.●

● Mr. LONG of Louisiana. Mr. Speaker, I am disappointed in the results of the conference on the trade bill and I

will vote against the conference report.

For over 2 years now I have been warning that foreign governments in the energy-rich countries are subsidizing the inputs in the production of petrochemicals. The Reagan administration refuses to acknowledge this practice as a subsidy and will provide no remedy to U.S. producers who are hurt by these subsidies. The legislation that the House sent to conference contained what is called the "natural resource subsidy" provision, which is based on a bill I introduced last August. This provision was endorsed by a 26 to 2 vote in the Ways and Means Committee, but due to opposition from the Senate Republican conferees it was deleted from the bill in conference.

It is ironic that the reason why this provision did not survive conference was that the U.S. petrochemical industry has not as yet felt the full brunt of the unfair subsidies being provided to their foreign competitors. The energy-rich countries are just beginning to build petrochemical facilities and, only when many more of these facilities have been built, will U.S. companies feel the competitive pressure. At that time many more companies will have woken up to the threat caused by these subsidies and they will undoubtedly join in calling for relief. Unfortunately, by then much of the damage will have been done and it will be much harder to take effective action. The foreign plants have not as yet been built; once they are built it will be much harder to demand a change in the economic premises—for example, subsidies—relied upon in building them.

What we really are talking about here is the second wave of the "energy crisis." We have been subjected to cartel pricing of energy. Next we will see our petrochemical industry destroyed as the energy-rich countries utilize subsidized feedstocks to produce bulk, and later specialty, petrochemicals. First they'll cut prices and then, when they control the market, they'll revert to cartel prices.

This next crisis will be slow to come for many sectors of the petrochemical industry. Now the principal impact is felt by the U.S. producers of ammonia and carbon black. Which other petrochemicals will feel the impact next depends solely on which petrochemicals the energy-rich countries choose to produce. If the energy-rich countries are permitted to provide natural gas and petroleum feedstocks to these new petrochemical firms at a fraction of the market price, there are no limits to the share of the world petrochemical market that these energy-rich countries can capture. No U.S. company, no matter how efficient, can compete when his foreign competitor receives the key production inputs—which with petrochemicals comprise 50 to 70 percent of the total production costs—at subsidized prices.

When the full impact of this threat sinks in, we'll get action by the Congress on the natural resource subsidy issue. My only fear is that it will be too late to prevent enormous damage, perhaps irreversible damage, from being done to this vital industry. If you think there has been harm done by the decline of the U.S. steel industry, consider the fact that the U.S. petrochemical industry is substantially larger. This issue is far too important to Louisiana and other sectors of our country where petrochemicals are produced to stop now. I will continue to raise this issue until we adopt a strategy to meet this threat. In failing to adopt the natural resource provision in this bill, the Congress in no way has ratified the administration's skewed interpretation of the countervailing duty law; when Congress finally understands the issue it will speak loud and clear to reverse the administration's position.●

● Mr. ALBOSTA. Mr. Speaker, I would like to take a moment to express my sincere appreciation to the members of the House-Senate conference committee on the work they have done on the bill, H.R. 3398, that amends the trade laws and changes the tariff treatment with respect to certain articles.

I commend the conferees and their staffs—in particular, Mr. ROSTENKOWSKI and Mr. GIBBONS—for their assistance in reaching an agreement and securing passage of this legislation during the last remaining hours of the 98th Congress. Thank you.●

● Mr. SHUMWAY. Mr. Speaker, today the House will consider the conference report on H.R. 3398, the Trade and Tariff Act of 1984. While I plan to support this package as a whole—because it includes many important trade reforms—I remain strongly opposed to a provision that will provide for a permanent reduction in the duty on imported fresh asparagus air freighted to the United States and entered between the period September 15 to November 15.

The domestic asparagus industry is already being ravaged by foreign competitors which enjoy special Government treatment and employ dirt-cheap labor. This tariff reduction adds insult to injury. The following letter, authorized by the executive manager of the California Asparagus Growers' Association, details the legitimate concerns of the domestic asparagus industry:

CALIFORNIA ASPARAGUS
GROWERS' ASSOCIATION, INC.,
Stockton, CA, September 28, 1984.

Re: Conference Committee—Bills Proposing A Reduction In Duty On Certain Fresh Asparagus H.R. 6064, H.R. 3398, S. 2896.

DEAR CONGRESSMAN: California is the leading producer of domestic asparagus and the Association's membership includes a majority of the California producers of asparagus. The Association is confronted with a matter of dire importance. We sincerely hope you can provide some assistance to the domestic asparagus industry before it is too late.

The Honorable Congressman Frenzel of Minnesota introduced H.R. 4255 on October 31, 1983, calling for a reduction in the tariff on fresh asparagus entered by air from September 15 to November 15, from 25% to 5%. The Association immediately voiced its strong opposition to the bill, for reasons I will set forth below. It appeared to us that the H.R. 4255 was not moving, but we have now found that the asparagus tariff reduction provided for in H.R. 4255 has been amended into H.R. 6064, with a good number of other amendments, and has just passed the House. At the present time, we understand that there is no Senate counterpart or the bill does not contain the fall tariff reduction for fresh asparagus, and it therefore appears that a conference committee will immediately be considering the matter. S. 2896, however, is apparently the counterpart to H.R. 3398, and we suspect that an attempt will be made to therein inject the H.R. 6064 provisions.

To give you some idea of the seriousness of this problem, commencing in about 1965, the domestic production of asparagus began to decline due to loss of export markets to foreign competition. Having captured the foreign markets, the foreign producers have directed their attention to the U.S. market. Foreign producers enjoy cheap labor costs and since the cultivation of asparagus is labor intensive, they are virtually driving the domestic producers out of asparagus production, thereby resulting in significant losses of domestic employment. The situation is made even worse by incentives and other benefits provided by foreign governments to the foreign producers.

The present tariff rates to some extent, albeit small, offset the meager labor costs of the foreign producers. The present rates, however, do not provide adequate protection and should be increased.

We understand that it has been erroneously said that the reduced duty period of September 15 to November 15 would be at a time when domestic producers are not marketing fresh asparagus. To the contrary, growers in the Sacramento-San Joaquin Delta and the Imperial Valley areas of California produce, harvest, and sell asparagus during the September 15 through November 15 period. In fact, the very reason for production and marketing by the Delta growers during the subject period is in an attempt to alleviate the problem of Spring oversupply resulting from increased Spring imports from foreign producers. It is the intention of Delta growers to increase the fall production and marketing of asparagus in an attempt to save the industry. Thus, it is simply untrue that a reduction in duty during Fall has no impact on domestic producers. Reducing the Fall duty will, in effect, deprive domestic producers of any opportunity to alleviate or mitigate the damaging effect of Spring imports. Even in the absence of any domestic production during the pertinent period, canned and frozen domestic asparagus is being marketed during the September 15–November 15, 1984 period. Clearly, the proposed air shipments would directly compete with domestic frozen and canned products.

It has also been said that since the proposed tariff on fresh asparagus would apply only for costly air shipments, the amount of asparagus imported in such manner would

somehow be insubstantial. That is a proposition unsupportable by fact. First of all it should be recognized that it would be foolhardy to even attempt to ship fresh asparagus from many foreign producers, other than perhaps Mexico, to the United States by any method other than air since asparagus decays very rapidly. In fact, even domestic producers use air shipping. Thus, the limitation of the proposed tariff to shipments by air is in reality no limitation at all. In fact, we can safely predict that in order to take full advantage of the proposed tariff revision, virtually all asparagus from foreign producers other than Mexico will be shipped in large lots to reduce air shipping costs. Moreover, it would behoove even Mexican producers to take advantage of short distance air shipping costs to obtain the duty savings while at the same time increasing the length of time to market the product before it decays. Mexican imports continue to increase, thus exacerbating the problems of domestic growers. We can only surmise that the ultimate design of the instant bill will be to guarantee the final demise of domestic asparagus production.

The Association seriously questions the bona fides of any claim that the duty reduction would guarantee affordable supplies of fresh asparagus when domestic supply is unable to meet consumer demands. We are aware of no facts to support any claim that domestic producers cannot meet consumer demand.

It should further be noted that the proposed reduction is clearly a special interest measure which can and will lead to further special requests for reduction in duties, both on asparagus and other items as well. The thirst of foreign producers for reduction in duties, and their concomitant increase in profits, will not be quenched by the proposed reduction. In fact, passage of the subject revision will encourage further requests. In a sense, passage of the instant bill would be tantamount to opening "Pandora's Box". Furthermore, passage of the instant bill would reduce federal revenues which are already stretched to the limit.

Finally, and perhaps most importantly, some consideration should be given to the employees in the domestic asparagus industry who suffer the loss of jobs when domestic producers are driven to the cultivation of other crops. Additionally, the cultivation of asparagus provides work during periods of the year when other agricultural employment is simply unavailable.

The California Asparagus Growers' Association is strongly opposed to the proposed reduction and respectfully requests that the above be given careful consideration. One of the things that alarms us the most, however, is that we understand that the fresh asparagus tariff reduction was erroneously reported as a non-controversial item. To the contrary the measure has always been controversial. The manner in which the measure was, without any shape or form of due process, slipped from H.R. 4255 where we have gone on record in opposition, into H.R. 6064, unequivocally displays the controversial nature of the bill. With this in mind, it is greatly apparent that the domestic asparagus producer is not being treated fairly, either procedurally or substantively. The Association therefore would greatly appreciate anything you can do to rectify this grave injustice and see that the serious problems already confronting the American asparagus grower are not made so great as to cause the demise of the domestic industry.

Yours very truly,

WILLIAM P. DEPAOLI,
Executive Manager.●

● Mr. ROBERT F. SMITH. Mr. Speaker, I rise in support of this conference agreement. A provision included in this measure would create the Columbia-Snake River Customs District. Such a reorganization would facilitate consolidation and streamlining of U.S. Customs operations in the Northwest, bringing less bureaucracy, more trade and more jobs.

Currently, the Columbia-Snake System endures a patchwork of customs districts and regions that multiply the workload of both importers and exporters. By failing to account for the natural geographic and transportation conditions of this region, the U.S. Government is wasting not only the taxpayer's money on inefficient operations, but private enterprise funds as well. I believe it makes sense for traders to have only one customs office to deal with in the conduct of their everyday business.

When this illogical and unnecessary situation is corrected, traders in the Northwest will be much better prepared to increase their participation in Pacific rim markets. Expanded entry into these markets has been long recognized as fundamental to the economic recovery and growth of Oregon, Idaho, and Washington. Without a doubt, this change will bring more jobs and greater prosperity to the entire region.

This provision enjoys nearly unanimous support of the delegations from all three States. They have joined with many private and public interests in the region in calling for this improvement. Such widespread support serves to underscore the tremendous need for the legislation improving the ability of the Northwest to act as the international trading hub I know it will be.●

Mr. ROSTENKOWSKI. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 386, nays 1, not voting 45, as follows:

[Roll No. 454]

YEAS—386

Ackerman	Edwards (CA)	Leland
Addabbo	Edwards (OK)	Lent
Akaka	Emerson	Levin
Albosta	English	Levine
Alexander	Erdreich	Levitas
Anderson	Erlenborn	Lewis (CA)
Andrews (NC)	Evans (IA)	Lewis (FL)
Andrews (TX)	Evans (IL)	Lipinski
Annunzio	Fascell	Livingston
Anthony	Fazio	Lloyd
Applegate	Feighan	Loeffler
Archer	Fiedler	Long (LA)
AuCoin	Fields	Long (MD)
Badham	Fish	Lott
Barnard	Flippo	Lowery (CA)
Barnes	Florio	Lowry (WA)
Bartlett	Foglietta	Lujan
Bateman	Foley	Luken
Bates	Ford (TN)	Lundine
Bedell	Fowler	Lungren
Beilenson	Frank	MacKay
Bennett	Franklin	Madigan
Bereuter	Frenzel	Markey
Berman	Frost	Marlenee
Bevill	Fuqua	Martin (IL)
Biaggi	Garcia	Martin (NY)
Billirakis	Gaydos	Martinez
Billey	Gejdenson	Matsui
Boehlert	Gekas	Mavroules
Boggs	Gephardt	Mazzoli
Boland	Gibbons	McCain
Bonior	Gilman	McCandless
Bonker	Gingrich	McCloskey
Borski	Glickman	McCollum
Bosco	Gonzalez	McCurdy
Boxer	Goodling	McDade
Breaux	Gradison	McGrath
Britt	Green	McHugh
Brooks	Gregg	McKernan
Brown (CA)	Guarini	McKinney
Brown (CO)	Gunderson	McNulty
Broyhill	Hall (IN)	Mica
Burton (CA)	Hall (OH)	Michel
Byron	Hall, Ralph	Miller (CA)
Campbell	Hall, Sam	Miller (OH)
Carney	Hamilton	Mineta
Carper	Hammerschmidt	Minish
Carr	Hance	Mitchell
Chandler	Hansen (UT)	Moakley
Chappell	Harkin	Molinari
Chappie	Harrison	Mollohan
Clarke	Hatcher	Montgomery
Clay	Hawkins	Moody
Clinger	Hayes	Moore
Coats	Hertel	Moorhead
Coelho	Hightower	Morrison (CT)
Coleman (MO)	Hiler	Morrison (WA)
Coleman (TX)	Hillis	Mrazek
Collins	Hopkins	Murphy
Conte	Horton	Murtha
Conyers	Hoyer	Myers
Cooper	Hubbard	Natcher
Corcoran	Huckaby	Neal
Coughlin	Hughes	Nelson
Courter	Hunter	Nichols
Coyne	Hutto	Nielson
Craig	Hyde	Nowak
Crane, Daniel	Ireland	O'Brien
D'Amours	Jacobs	Oakar
Daniel	Jeffords	Oberstar
Dannemeyer	Johnson	Obey
Darden	Jones (NC)	Olin
Daschle	Jones (OK)	Ortiz
Daub	Jones (TN)	Owens
de la Garza	Kaptur	Oxley
Dellums	Kasich	Packard
Derrick	Kastenmeier	Panetta
DeWine	Kazen	Parris
Dicks	Kennelly	Pashayan
Dingell	Kildee	Patman
Dixon	Kleczka	Patterson
Donnelly	Kogovsek	Pease
Dorgan	Kolter	Penny
Dowdy	Kostmayer	Pepper
Downey	Kramer	Petri
Dreier	LaFalce	Pickle
Duncan	Lagomarsino	Porter
Durbin	Lantos	Price
Dwyer	Latta	Quillen
Dyson	Leach	Rahall
Early	Leath	Ratchford
Eckart	Lehman (CA)	Ray
Edwards (AL)	Lehman (FL)	Regula

Reid	Sisisky	Udall
Richardson	Skeen	Valentine
Ridge	Skelton	Vander Jagt
Rinaldo	Slattery	Vandergriff
Ritter	Smith (FL)	Vento
Roberts	Smith (IA)	Volkmer
Robinson	Smith (NE)	Vucanovich
Rodino	Smith (NJ)	Walgren
Roemer	Smith, Denny	Walker
Rogers	Smith, Robert	Watkins
Rostenkowski	Snowe	Waxman
Roth	Snyder	Weber
Roukema	Solarz	Weiss
Rowland	Solomon	Wheat
Roybal	Spence	Whitehurst
Rudd	Spratt	Whitley
Russo	St Germain	Whittaker
Sabo	Staggers	Whitten
Savage	Stangeland	Williams (MT)
Sawyer	Stark	Williams (OH)
Schaefer	Stokes	Wilson
Scheuer	Stratton	Wirth
Schneider	Studds	Wise
Schroeder	Stump	Wolf
Schulze	Sundquist	Wolpe
Schumer	Swift	Wortley
Selberling	Synar	Wright
Sensenbrenner	Tallon	Wyden
Shannon	Tauke	Wylie
Sharp	Tauzin	Yates
Shaw	Taylor	Yatron
Shelby	Thomas (CA)	Young (AK)
Shumway	Thomas (GA)	Young (FL)
Shuster	Torres	Young (MO)
Sikorski	Towns	Zschau
Siljander	Traxler	

NAYS—1

Crane, Philip

NOT VOTING—45

Aspin	Ford (MI)	Martin (NC)
Bethune	Gore	McEwen
Boner	Gramm	Mikulski
Boucher	Gray	Ottinger
Broomfield	Hansen (ID)	Paul
Bryant	Hartnett	Pritchard
Burton (IN)	Hefner	Pursell
Cheney	Heftel	Rangel
Conable	Holt	Roe
Crockett	Howard	Rose
Davis	Jenkins	Simon
Dickinson	Kemp	Stenholm
Dymally	Kindness	Torricelli
Edgar	Mack	Weaver
Ferraro	Marriott	Winn

□ 1750

Mr. LUJAN changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CORRECTING ENROLLMENT OF H.R. 3398

Mr. ROSTENKOWSKI. Mr. Speaker, I send to the desk a concurrent resolution (H. Con. Res. 372) to correct the enrollment of H.R. 3398, and ask unanimous consent for its immediate consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 372

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H.R. 3398) to amend the trade laws, authorize the negotiation of trade agreements, extend trade preferences, change the tariff treatment with respect to certain articles and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(1) At the end of subtitle C of title II of the bill, insert the following:

SEC. 250. HOGS AND PORK PRODUCTS FROM CANADA.

The pork industry contributes $9,000,000,000 annually to the United States economy;

Over four hundred fifty thousand United States farmers produce pork for domestic and foreign markets;

United States imports of live hogs from Canada averaged one hundred thousand animals each year between 1970 and 1974, yet since 1981, such imports have increased yearly from one hundred forty-six thousand head to an estimated more than one million head in 1984;

The adverse economic effect of the recent surge in imports of Canadian hogs and pork products on United States pork producers has been estimated to be in excess of $500,000,000 in 1982 and 1983, and approximately $300,000,000 during the first five months of 1984;

The Canadian Government provides price support for hogs at a level equal to 90 per centum of the previous five-year average market price, indexed for changes in cash costs of production of hogs, which represented a payment of $6.54 per head to Canadian pork producers last year, and all but one provincial government of Canada also provide direct production assistance to support Canadian pork producers; and

It is essential that the administration act immediately to address the threat to the United States pork production industry caused by the dramatic increase in imports of hogs and pork products from Canada.

It is the sense of the Senate that the President should direct appropriate members of the administration, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussions with the Canadian Government directed toward resolving this situation and use all available authorities in an effort to protect the economic viability of the United States pork industry and to promote free and fair trade.

(2) Amend the table of contents of the bill to reflect the amendment made under paragraph (1).

(3) Paragraphs (1) and (2) of section 126 of the bill are amended to read as follows:

(1) on or after April 1, 1985—

(A) item 606.93 is amended by striking out "8.3% ad val. + additional duties (see headnote 4)" and inserting in lieu thereof "2% ad val.",

(B) such item 606.93 is further amended by striking out "6% ad val. + additional duties (see headnote 4)" in the LDDC column, and

(C) item 911.29 of the Appendix is repealed; and

(2) on or after April 1, 1986, item 606.93 is amended by striking out "2% ad val." and inserting in lieu thereof "Free".

Mr. ROSTENKOWSKI (during the reading). Mr. Speaker, I ask unanimous consent that the concurrent resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The concurrent resoltuion was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FRENZEL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 3398 just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill.

S. 540. An act to amend the Public Health Service Act to establish a National Institute of Arthritis and Musculoskeletal and Skin Diseases, and for other purposes.

A message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill.

S. 2616. An act to extend the Adolescent Family Life Demonstration program.

Mr. ROSTENKOWSKI (during the reading). Mr. Speaker, I ask unanimous consent that the concrrent resoltuion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

The message also announced that the Senate agrees to the amendments of the House to the amendment of the Senate to the bill (H.R. 5688) "An act to amend title 38, United States Code, to provide a cost-of-living increase for fiscal year 1985 in the rates of compensation paid to veterans with service-connected disabilities and the rates of dependency and indemnity compensation paid to survivors of such veterans, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House with an amendment to a bill of the Senate of the following title:

S. 2301. An act to revise and extend programs for the provision of health services

and preventive health services, and for other purposes.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3942. An act to facilitate commercial space launches, and for other purposes.

The message also announced that pursuant to the provisions of Public Law 98-361, the Vice President appoints Mr. GORTON and Mr. GLENN as advisory members of the National Commission on Space.

CORRECTING TECHNICAL ERROR IN ENROLLMENT OF H.R. 6257, MOTOR VEHICLE THEFT LAW ENFORCEMENT ACT OF 1984

Mr. EDWARDS of California. Mr. Speaker, I send to the desk a concurrent resolution (H. Con. Res. 373) to correct a technical error in the enrollment of the bill H.R. 6257, and ask unanimous consent for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 373

Resolved by the House of Representatives (the Senate concurring), That, in the enrollment of the bill (H.R. 6257) to amend the Motor Vehicle and Information Cost Savings Act to impede those motor vehicle thefts which occur for purposes of dismantling the vehicles and reselling the major parts by requiring passenger motor vehicles and major replacement parts to have identifying numbers or symbols, and for other purposes, the Clerk of the House of Representatives shall make a correction in section 512(a)(3) of title 18, United States Code (as added by section 201(a) of the bill), by striking out "not" and inserting in lieu thereof "carried out as".

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GEKAS. Mr. Speaker, reserving the right to object, I simply want to ask the gentleman from California if he would put into the RECORD how it was discovered that this technicality existed and to explain what it is, briefly.

Mr. EDWARDS of California. If the gentleman will yield, Mr. Speaker, last week both Houses passed a bill, H.R. 6257, to deter motor vehicle thefts. A part of the bill called for the forfeiture of motor vehicles and motor parts that had identification numbers that were altered or obliterted.

It was intended to exempt from forfeiture vehicles or parts whose identification numbers were obliterated by collision or fire or by legitimate activities of motor vehicle scrap processors and motor vehicle demolishers. Unfortunately, a "not" crept into the bill where it did not belong, and the language in the bill approved by both Houses has exactly the opposite effect of what was intended.

The concurrent resolution simply authorizes the enrolling clerk to correct this typographical error by striking out the offending word.

Mr. GEKAS. I thank the gentleman for his explanation.

Mr. Speaker, we concur in the discovery of this error, and we concur also in the way it is being resolved.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has been concluded on all motions to suspend the rules.

CONFERENCE REPORT ON S. 2616, EXTENDING THE ADOLESCENT FAMILY LIFE DEMONSTRATION PROGRAM

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and agree to the conference report on the Senate bill (S. 2616) extending the Adolescent Family Life Demonstration Program.

The Clerk read the title of the conference report.

The SPEAKER pro tempore. Is a second demanded?

Mr. BROYHILL. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

(For conference report and statement, see Proceedings of the House of October 5, 1984.)

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes and the gentleman from North Carolina [Mr. BROYHILL] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference report on S. 2616 contains a reauthorization of the Federal Family Planning Programs and of the Federal Adolescent Family Life Programs—titles X and XX of the Public Health Service Act. The report extends these authorities for 1 year only and at the funding levels from the House bill, which passed the House on suspension earlier this year.

The bill is a simple reauthorization of the Federal Family Planning Program. No changes in present law are made.

The bill also contains a minor change in the adolescent family life authority that was requested by the Senate. The change clarifies the program's unemployment services and makes a change in paperwork requirements. The change comes from the Senate bill and at the request of the author of the program—Senator DENTON. It is noncontroversial.

Mr. Speaker, the Federal Family Planning Programs have served the Nation well. They are effective health services in human and economic terms. This conference report does not authorize any changes in the program as it now exists.

The Adolescent Life Program—A new demonstration program—is reauthorized to allow the gathering of data on the program goals. Although a great deal of controversy surrounds this program, the conferees agreed to continue the authority for 1 year while oversight investigations go on.

The conference agreement is a practical compromise. I urge Members to support it.

Mr. BROYHILL. Mr. Speaker I yield 5 minutes to the gentleman from Illinois [Mr. MADIGAN].

Mr. MADIGAN. Mr. Speaker, I urge my colleagues to join me in supporting the conference agreement to reauthorize for 1 year titles X and XX of the Public Health Service Act, the Family Planning and Adolescent Family Life Programs.

The conferees agreed to a simple reauthorization of these two programs for 1 year only, with the understanding that hearings will be conducted in this House and in the other body during the next year before any substantial changes are made in either program.

I strongly believe that both these programs are important in addressing the problems of adolescent and post-adolescent pregnancy.

I urge my colleagues to support this legislation.

□ 1800

Mr. BROYHILL. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I rise to support the conference agreement to reauthorize the Family Planning Program and the adolescent family life demonstration projects for fiscal year 1985.

The Family Planning Program authorizes grants for voluntary family planning services designed primarily for persons with low incomes and for teenagers. Statutory language in the title that authorizes family planning specifically prohibits funding of programs that use abortion as a method of family planning.

The adolescent family life demonstration projects are designed to address the problems associated with adolescent sexual activity and pregnancy. Among the objectives of the projects are to encourage the prevention of premarital sexual activity and to support research projects in the areas of adolescent sexual activity, pregnancy and child rearing.

I urge my colleagues to join me in supporting the reauthorization of these programs for 1 year.

● Mr. LELAND. Mr. Speaker, I rise in strong support of the conference report accompanying S. 2616, reauthorizing title X and title XX of the Public Health Service Act and I commend the conferees for reaching a compromise on this vital legislation. A simple, 1-year extension of authority for these programs will allow services to proceed, while discussion of the scope and mandate of the programs continues.

Title X—the Family Planning Program and title XX—the Adolescent Family Life Demonstation projects are programs of particular interest and concern to me. Both of these programs are critical to the health and welfare of our Nation, and have been demonstrated to be effective and cost efficient. Further, I believe that both programs need the authority to proceed in an unrestricted, straightforward manner. I am looking forward, once again, to participating in the dialog surrounding these programs.

Mr. Speaker, titles X and XX are cornerstones of this country's public health policy and deserve our full support. Both of these programs enhance the quality of life, save lives and are our future. I strongly urge favorable consideration of this conference report.●

Mr. WAXMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BROYHILL. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and agree to the conference report.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the conference was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 540, NATIONAL INSTITUTE OF ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES ACT OF 1984

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and agree to the conference report on the Senate bill (S. 540) to amend the Public Health Service Act to establish a National Institute of Arthritis and Musculoskeletal and Skin Diseases, and for other purposes.

The SPEAKER pro tempore. Is a second demanded?

Mr. MADIGAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

(For conference report and statement see proceedings of the House of October 5, 1984, at page 30378.)

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes, and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to announce to my colleagues that the conferees on S. 540, the Health Research Extension Act of 1984 have resolved their differences and have reported a conference report to extend the research authorities of the National Institutes of Health for 2 fiscal years.

Our Nation's biomedical research effort is second to none in its scope and accomplishments. NIH has done more to expand human knowledge about the cause, treatment, and prevention of disease than any other research institution in the world.

The discoveries resulting from NIH activities have enabled dramatic improvements in the quality and effectiveness of health care services. The benefits of these activities in reducing human suffering and prolonging life are clear.

With the Congress' continued support, America's investment in health research will continue to produce generous dividends. The opportunities for major breakthroughs have never been better.

The conference agreement represents a necessary and forceful statement of support for the biomedical research programs of the NIH. It was the result of extensive subcommittee and committee consideration during the 97th and 98th Congresses. The legislation has broad support within the Congress and the scientific community. Without objection, I include a copy of a November 23, 1983, letter from James B. Wyngaarden, Director of the National Institutes of Health, in the RECORD at this point:

NATIONAL INSTITUTES OF HEALTH,
DEPARTMENT OF HEALTH & HUMAN SERVICES,
Bethesda, MD, November 23, 1983.

Hon. HENRY A. WAXMAN,
House of Representatives,
Washington, DC.

DEAR MR. WAXMAN: On behalf of the National Institutes of Health (NIH), I want to thank you for your efforts in achieving compromise legislation to reauthorize expiring NIH programs. The passage of appropriate reauthorization legislation is extremely important for us not only because it provides for continuation of critical biomedical research, but also because it reflects a reaffirmation of congressional confidence in us. I know that you have provided critical leadership in this process, and I am grateful for your support.

Sincerely yours,
JAMES B. WYNGAARDEN, M.D.,
Director.

Mr. Speaker, S. 540 contains a number of important provisions which I would like to describe for the benefit of our colleagues.

The statutory responsibilities of NIH under title IV of the Public Health Service Act have not been revised since 1944. These provisions have been in need of revision for many years in order to provide a consistent, comprehensive and coordinated authority for the National Institutes of Health and each of the individual national research institutes. The conference agreement adequately defines the responsibilities of the NIH and streamlines redundant or inconsistent authorities.

In addition, the legislation extends for 2 fiscal years the authorization of appropriations for expiring research authorities. These authorities include: first, the National Cancer Institute; second, the National Health, Lung and Blood Institute; third, the National Library of Medicine's Medical Library Assistance Act; and fourth, the National Research Service Awards Program.

The legislation also makes a number of important changes to promote the more effective and efficient management of the NIH. These changes include procedures for peer review of intramural research and research contracts, as well as establishment of a system for investigating reports of scientific misconduct.

Mr. Speaker, a major concern of the House has been NIH resistance to placing serious emphasis upon the support of research related to the prevention of disease. Yet research on prevention holds the greatest promise of one day reducing the incidence of a wide range of illnesses and warrants high priority within this Nation's research agenda.

As a preliminary step toward encouraging the national research institutes to place greater emphasis on this

aspect of the research spectrum, the conferees have established new positions of Associate Director for Prevention Research within the National Cancer Institute, the National Institute of Child Health and Human Development and the Office of the NIH Director. A similar position is already in existence within the National Heart, Lung and Blood Institute.

The new Associate Directors for Prevention should be selected from among the Nation's most outstanding prevention and public health professionals. They should not be appointed from current NIH officials who have little or no background in the prevention field. Each Associate Director should devote full time to prevention related activities and not have significant responsibilities for other nonprevention activities. The principal responsibility of the Associate Directors should be to insure that research regarding the prevention of disease is a high priority of their respective institutes. With respect to the Associate Director for Prevention within the Office of the NIH Director, this responsibility includes the activities of the entire NIH.

The Associate Directors are to assure that the research plans of each institute include sections dealing with such prevention-related research as investigations into the epidemiology of disease, studies of the etiology of diseases—including the effect of diet and other personal habits on the development of disease, and the effect of environmental factors, including air, water, radiation, and toxic substances, on the development of disease—research into immunizations against disease, studies of the means to preclude the development of disease through changes in personal habits and environmental factors, and studies of methods for, and the cost effectiveness of, population screening programs. Each Associate Director should submit recommendations annually to the Director for the specific activities and resources required to carry out the institute's prevention-related activities.

Mr. Speaker, one of the most important provisions of S. 540 is the establishment of a new research institute, the National Institute of Arthritis and Musculoskeletal and Skin Diseases. Creation of an arthritis institute has been a special interest of the distinguished chairman of the House Rules Committee, Mr. PEPPER. Over many years of public service Congressman PEPPER has carefully studied the progress of arthritis research in this country and at his urging the Energy and Commerce Committee voted last year to expand the Federal commitment to arthritis research through establishment of a separate national research institute.

The conference agreement also includes provisions to define the circumstances under which research involving living human fetuses may be conducted. The agreement has been worked out with Senator HATCH and Senator DENTON. It provides clarification that fetuses outside the womb may be exposed to no added risk and that fetuses that are to be aborted may be exposed to only the same type of risk to which fetuses that would be carried to term may be exposed. That has been the standard for almost 10 years at NIH, and the bill clarifies what some groups have maintained is unclear in the regulations. The legislation also provides for a 3-year moratorium on the Secretary's ability to grant a waiver of risk standards and for a study of such waivers.

This issue has been a controversial one for a number of years in the Congress. Some groups have alleged that NIH has misused its funds and is conducting unethical research. Others have suggested that unscrupulous doctors urge abortions on unwilling patients just to have more research subjects. Still others have said fetal research is unnecessary.

There is no evidence to support any of these allegations.

In 1974 the Congress adopted a moratorium on research involving fetuses and commissioned a panel of ethicists and scientists to study the same issue. That study resulted in the present regulations on protection of human subjects, under which NIH has been operating for almost 10 years.

During that time, NIH has done much to improve the lives and chances for life of fetuses and low-birth-weight babies, and much of that improvement has been the direct result of fetal research. During the same period, those who oppose fetal research have been unable to document any charges of abuse or misuse of funds. The reports of strange experiments or objectionable practices have been of research conducted without Government support or outside of the United States or of research that was never conducted at all.

The research that has gone on has brought hope of life and health to millions who might never have lived or breathed without the medical advances that have resulted from research on pregnancy and fetal growth. Prematurity, fetal lung distress, Rh factors—all have killed infants in years past, and all are under investigation by scientists whose only tool to save lives is research involving fetuses.

I would like to insert at this point, the statement of policy on fetal research from the American Academy of Pediatrics, as illustrative of the importance of the issue.

[From Pediatrics, Vol. 74, No. 3, September 1984]

FETAL RESEARCH

In the past several decades, we have witnessed astounding improvements in the health of infants and children as a result of successes in translating knowledge derived from laboratory and clinical research into effective therapies for the fetus and newborn. Improvements in the survival and reduction in newborn suffering would not have been possible without direct evaluation of the safety and efficacy of these therapies in the pregnant woman and fetus. For example, work done with pregnant women and their fetuses has led directly to the current Rh screening programs and the use of Rhogam, and has resulted in a marked decrease in pregnancy wastage and newborn morbidity due to erythroblastosis.

The outcome of thousands of pregnancies has been improved as a result of the evaluation of fetal lung maturity by lecithin-sphingomyelin ratio (L/S ratio) and the administration of glucocorticosteroids to enhance lung maturity in infants at risk for hyaline membrane disease. Again, in these studies validation of normal developmental profiles and evaluation of safety and efficacy were required.

Our current success in monitoring pregnancy outcome is based on the safe evaluation of normal growth and our ability to detect adverse genetic and environmental influences in the developing fetus. We now can recognize fetal hypoxia during pregnancy and at delivery by knowledge of fetal heart rate profiles obtained by fetal research. Even the effects of noninvasive measures such as maternal bed rest and improved nutrition on fetal outcome in the pregnancy complicated by maternal hypertension must be assessed by continued fetal research.

Modern ultrasound has brought another dimension to the early diagnosis of major malformations. Defects such as diaphragmatic hernia can now be diagnosed prenatally to prepare physicians for early postnatal intervention. There is the promise that ultrasound will permit definition of defects amenable to surgical correction or therapy in utero. Fetuses with heart failure and hydrops secondary to congenital heart block have been treated with maternal digoxin administration. Progress likely will be made in the intrauterine correction of anatomic defects such as genitourinary obstruction and hydrocephalus.

Advances in genetics made possible by fetal research permit the early diagnosis of a wide range of genetic disorders and the more fundamental promise of treatment and even cure of genetic diseases that currently result in death and disability. The diagnosis of sickle cell disease and thalassemia by DNA hybridization techniques is routine. α-Feto-protein is available for prenatal diagnosis of anencephaly and spinal bifida. Fetal research, however, is essential if further advances are to occur in diagnosis, early detection, and treatment.

Although we have seen significant progress, major problems remain. Low birth weight remains a leading cause of mortality and long-term morbidity in infants and children. Affected families may suffer great financial expenses and long-term emotional burdens. The development of safe methods to evaluate and prevent low birth weight requires the investigation of safe and effective interventions during pregnancy. Although we endorse the use of every available means of testing these therapies in the laboratory and in experimental animals, safety and efficacy in the human must ultimately be defined in the human.

Obstetrics and pediatrics are on the brink of a therapeutic and technologic explosion—

new technologies such as nuclear magnetic resonance (NMR) and refinements in ultrasound will permit the noninvasive study of fetal metabolism and anatomy in health and disease. Gene therapy will offer the possibility of cure of disorders such as the hemoglobinopathies and phenylketonuria. The ultimate beneficiaries of fetal research will be the mothers, fetuses, and infants of the future.

The American Academy of Pediatrics emphasizes the need for continued improvements in maternal and infant health through the safe and effective introduction of new therapies and methods of assessing risk. We endorse the recommendations in Research on the Fetus, a report by the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research.[1] These recommendations amplify and supplement the original 1975 Code of Ethics for the Use of Fetuses and Fetal Material for Research.[2]

Research may be defined as the careful, systematic, patient study and investigation to discover or establish facts or principles. Nowhere in medicine will the discovery of new facts of principles have more relevance to the prevention of disability and disease than in fetal and newborn medicine. The American Academy of Pediatrics supports the need for research to increase knowledge and improve care of the fetus and newborn infant.

Committee on Research, 1983-1984:
MOSES GROSSMAN, MD, *Chairman.*
ROBERT L. BRENT, MD.
ROBERT A. HOEKELMAN, MD.
ROBERT C. NEERHOUT, MD.
ROBERT W. MILLER, MD.
ROBERT H. PARROTT, MD.
JAMES M. SUTHERLAND, MD.

Liaison Representatives:
LAWRENCE M. GARTNER, MD.
ROBERT P. KELCH, MD.
PAUL MCCARTHY, MD.
JOSEPH B. WARSHAW, MD.

I believe that the regulations under which NIH has been operating since the 1974-75 study have been appropriate and effective. If anything, the regulations have been too proscriptive, have limited research too severely, and have driven valuable scientists out of the NIH.

The legislation before us does not create new barriers to research: Indeed, in large part, the legislation places in statute the practices of the NIH and the regulations that have guided those practices. I do not believe that any of the language adopted here will have an effect on research that is ongoing at the NIH; nor do I believe that researchers need fear that the NIH will be forced by political considerations to turn away from valuable research programs.

In one particular area, however, this language does make a substantive—if temporary—change in the status quo. Under present regulations, the Secretary is allowed to waive restrictions if the applicant's Institutional Review Board, the Advisory Council of the appropriate NIH institute, and a specially convened Ethics Advisory Board deem it necessary to do so. Under this legislation, the Secretary will be unable to grant such waivers for a period of 3 years. During that time the IRB review and the Advisory Council review, and the Ethics Advisory Review may certainly go on, but the Secretary may not actually grant a waiver before October 31, 1987.

This moratorium comes at the request of the Senate. It was not contained in the House-passed bill, and I do not believe that it is necessary. The Senate, however, did insist on the provision and, given the time-limited nature of the moratorium, I believe that it is a restriction that can be endured while tempers cool and rhetoric dies down. It is clear from the statutory language and the statement of the managers that the Secretary will be able to exercise her authority to waive the regulations again in 1986 without further Congressional action.

I am concerned, however, by the policy behind this restriction. The 1974-75 study considered the issues of waivers in detail, and I find its examples compelling. Let me quote from one part of the study:

In the case of congenital rubella syndrome, descriptions of the condition (which comprises congenital heart disease, cataracts, deafness, and mental retardation) and its etiology (maternal rubella infection during pregnancy) were drawn from research on the living child and material from dead fetuses. Attenuation of the rubella virus for vaccine purposes was accomplished in tissue culture using nonhuman cells. Vaccine trials were conducted on adults and children. The vaccine was found safe and effective and it was licensed in 1969, 28 years after the congenital rubella syndrome was first described.

No research on the living human fetus was required to develop the vaccine. A question remained, however, as to the safety of administering the vaccine during pregnancy or to women in child-bearing years. Should a pregnant woman, without immunity to rubella, be vaccinated to prevent the risk to the fetus that would ensue if she contracted natural rubella? Some experimental animal models for the rubella condition had been developed, the rhesus monkey being the closest one to the human. Accordingly, pregnant monkeys were inoculated with either rubella virus or the vaccine virus. Subsequent studies showed that five of six monkey fetuses whose mothers received slightly attenuated rubella virus were infected, but none of the six monkey fetuses whose mothers received vaccine virus was infected. Thus, the animal model suggested that the vaccine virus did not cross the placenta and was safe to administer during pregnancy, although other vaccine viruses were known to cross the human placenta.

Human studies were then undertaken. Because of the potential risk to the fetus, women requesting therapeutic abortion were employed as subjects. These volunteers received the vaccine and underwent the abortion 11 to 30 days later. Examination of tissues from the dead aborted fetuses showed that, *in contrast to the results in monkeys, the vaccine virus did cross the human placenta and infect the fetus. On the basis of this research* involving the fetus in anticipation of abortion, as well as subsequent reports of damage to the fetus following accidental rubella vaccination during pregnancy, *administration of rubella vaccine to pregnant women or women who might become pregnant within 60 days of vaccination is proscribed.* [Emphasis added.]

This research was carried on in 1969, before the present regulations were in place. If this research were now to come to the NIH for funding, I believe it would require a secretarial waiver of risk standards, since the risk to the fetus is unknown. If this research were to come to the NIH for funding during the proposed moratorium on the Secretary's authority to grant waivers, it could not be approved.

Such restrictions are dangerous. Without the 1969 study, we might have had an epidemic of blind, deaf, and retarded rubella-syndrome babies, babies whose well-intentioned mothers were only going by the best—if mistaken—advice of their doctors on how to protect their pregnancy.

During the next 3 years there will be a multitude of new drugs and therapies introduced in American medicine, many of them to be used by pregnant women. Without secretarial waiver authority, NIH will be unable to fund research on the effects of such drugs and therapies on fetuses or pregnant women. I trust that the medical community will be cautious in its approaches during the time when we must remain ignorant of new products' effects on pregnancy, I hope that no new epidemics of birth defects will come to haunt those who insist that we halt testing.

Moreover, a number of new therapies—for diabetes, for spinal cord damage, for prematurity, for Alzheimer's disease and for retarding conditions—are on the horizon. During the 3 years of the moratorium, many of them may be left unfunded and unresearched as we explore a subject already studied and resolved by a government panel on ethics.

Such restrictions are also unnecessary. The waiver authority that is now in place has been used only once—to produce the diagnostic device for sickle cell anemia that is now the leading method for detecting the disease and other in-born genetic defects. Such detection leads not just to the ability for parents to elect to end a pregnancy that might result in pain, suffering, and death for the child. Such detection also leads to further

[1] National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research: Research on the Fetus. Dept. of Health, Education and Welfare Publication No. (OS) 76-127, 1975.

[2] AAP Task Force on Pediatric Research, Informed Consent, and Medical Ethics: AAP Code of Ethics for the Use of Fetuses and Fetal Material for Research. Pediatrics 1975; 56:304.

research on the disease, its treatment, and its eventual prevention.

During the 3-year moratorium on the Secretary's waiver authority, the newly devised Biomedical Ethics Advisory Committee of the Biomedical Ethics Board is to study the nature, advisability, and biomedical and ethical implications of the waiver of risk standards. I would emphasize that the charge to this committee is not to redo the entirety of the 1974–75 study. The question before this committee is not fetal research at large, but the very specific issues of research that involve unknown or greater-than-minimal risk to the fetus.

This subject was considered extensively by the previous study. I trust that the committee will not consider this congressional request for a second look to be the equivalent of a remand in search of a different result. The legislation before us does not imply dissatisfaction with the 1974–75 study or the regulations that have grown out of it. (Indeed, the waiver regulations are intended to be automatically reinstated in 3 years, whether the committee has completed its review and made recommendations or not.) I believe that the regulations have functioned well and that the primary failing of the Secretary's administration of them has been an unwillingness to appoint an Ethics Advisory Board to implement them fully. In 3 years' time, after full and evenhanded review, perhaps the Secretary will be willing to proceed with the responsibilities to pursue research ethically and without regard to purely political pressures.

Finally, let me add that, although this moratorium is temporary, I believe that the Congress' heavyhanded intrusion into this area is not just dangerous and unnecessary, but also a precedent that we should carefully avoid in all future legislation to fund research. We as politicians, are not medical doctors or ethicists. Few of us have disabled children or life-threatening diseases. To tell scientists to turn away from their studies in this instance is not far removed from censorship, from intrusions into academic freedom, from burning a book. It is sometimes politically dangerous to be in favor of free investigation. It is always scientifically dangerous to be opposed to it.

Mr. Speaker, support of S. 540 will establish health research as among the highest priorities of the 98th Congress. An effective biomedical research program will lead to a healthier, more productive population.

I urge each Member's support for this important legislation.

Mr. MADIGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today, Members of both the House and Senate have the opportunity to support legislation which provides for the continuation and improvements to the legislative authority for the foundation of our Nation's biomedical research activities. The conference report on S. 540 provides for the reauthorization of the National Cancer Institute and the National Heart, Lung, and Blood Institute and makes several very important changes to the research activities at the National Institutes of Health.

S. 540 maintains the provision of the House-passed bill which provides for the establishment of a National Institute of Nursing. As the author of the original amendment establishing the institute, I want to compliment the conferees on S. 540 for the inclusion of this provision within the conference report. The National Institute of Nursing will bring nursing research into the mainstream of scientific investigation, allowing for closer interaction with research in other health care disciplines.

S. 540 also provides for a National Institute of Arthritis and Nusculoskeletal Disease. This proposal has been a part of NIH reauthorizing legislation for the past 4 years and will result in the enhancement of research for this very debilitating disease.

The conferees have tried very hard to meet the needs of all individuals in drafting language on fetal research. The conferees agreed to a moratorium on the granting of waivers under the NIH fetal research regulations for 3 years and required the newly established Biomedical Ethics Advisory Committee to study the biomedical and ethical implications of granting fetal research waivers. The legislation also assures that the determination of minimal risk for the fetus to be aborted is the same for the fetus going to term. I believe this language satisfactorily addresses the fetal research issue, while providing a continuing forum for continued discussion of this difficult issue.

In addition, the conferees on S. 540 have minimized management directives and line-item authorization levels within the bill. The conference report on S. 540 also very clearly maintains the Secretary of HHS's authority under section 301 of the Public Health Service Act to conduct and fund biomedical research. This authority has been the basis of the success of the Federal Government's biomedical research endeavors, and I believe this legislation strengthens this authority.

In summary, I urge my colleagues to join me in supporting the conference report on S. 540. This legislation will provide for the continued stabilitiy of federally funded biomedical research.

Mr. WAXMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama [Mr. SHELBY].

Mr. SHELBY. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of the conference report to S. 540, a bill to reauthorize the expiring authorities of the National Institutes of Health for 2 years. The bill sets a high priority on research related to the most common disorders and diseases affecting our citizens. The bill establishes a new Institute in NIH on arthritis and musculoskeletal and skin diseases. Also, a new Institute of Nursing is created.

Mr. Speaker, this conference report maintains the strong congressional commitment to the internationally acclaimed research activities of NIH. The ongoing biomedical research community at NIH has operated with integrity and distinction, and relatively free to respond appropriately to scientific needs as they develop. The professionals at NIH deserve the vote of confidence and the recognition of their expertise this bill accords.

Significant agreements were made in several areas, and I am pleased that compromises were reached on the issues of establishing a Biomedical Ethics Advisory Committee, and placing a moratorium of fetal experimentation. The work at NIH is simply too important to the vitality of our national biomedical research activities not to be reauthorized this year.

Some of my colleagues will recall my endorsement, particularly, of a component of the House-passed bill which authorized the creation of 25 centers of disease prevention and health promotion. In an era of increasing awareness of good health combined with the rising costs of illness, disease prevention efforts will serve a natural and cost-efficient purpose. While this conference report deletes the centers' provision, I am assured that similar Senate-passed legislation on this issue will be brought before the House for approval soon.

The conference report does retain a strong financial commitment to the cause of cancer research and prevention and the legislation reauthorizes the National Cancer Institute at funding levels of $1.2 billion in fiscal year 1985 and $1.3 billion in fiscal year 1986. These levels provide a justified budget increase to demonstrate our national commitment to fighting the public's No. 1 dreaded disease. As the disease Americans fear most, any progress toward finding a cure for these dreaded diseases is positive progress.

Mr. Speaker, this conference report is a good compromise—and a good product. It gives the scientific and medical community at NIH an encouraging and approving sign with which to carry on the outstanding biomedical work under way. I urge my colleagues' approval.

Mr. WAXMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MADIGAN. Mr. Speaker, I yield such time as he may consume to the

distinguished ranking member of the Energy and Commerce Committee [Mr. BROYHILL].

Mr. BROYHILL. I thank the gentleman for yielding to me.

Mr. Speaker, I urge my colleagues to join me in supporting the conference report on S. 540. This legislation represents a bipartisan agreement between the House and Senate conferees which provides for an extension of the research authorities of the National Cancer Institute and National Heart, Lung and Blood Institute and the establishment of the National Institute of Arthritis and Musculoskeletal Disease and the National Institute of Nursing.

The conference report on S. 540 represents the first time in the past two Congresses that the House and Senate have been able to reach an agreement on the reauthorization of this important agency. Funding levels in S. 540 in most cases represent a reduction in the authorizations in the House-passed bill. In several cases, the funding levels in S. 540 are actually lower than the appropriation levels in the House and Senate-passed fiscal year 1985 appropriation bills.

The language in S. 540 concerning fetal research has been drafted to meet the concerns voiced by many Members of this body. The legislation provides for a prohibition of fetal research on living nonviable human fetuses exutero and only allows fetal research that improves the chances of survival of the fetus if viability is in question. The legislation includes a statement which assures that the determination of minimal risk is the same for the fetus going to term as it is for the fetus to be aborted. The statute also includes a 3-year moratorium on the regulation, which provides for a waiver of fetal research regulations dealing with risk, while the newly established Bioethics Advisory Committee studies the waiver issue and provides recommendations.

For these and many reasons, I urge my colleagues to join me in supporting this legislation. Your vote will ensure the continued success of our Nation's biomedical research efforts.

Mr. Speaker, at this point in the RECORD, I include a summary of the NIH conference report:

SUMMARY OF NIH CONFERENCE REPORT

The conferees agreed that the rewrite in the House-passed bill of the authorities of the National Institutes of Health under title IV of the Public Health Service [PHS] Act largely be maintained. Included in several places of the redraft of the law are statements that refer to Section 301 of the Public Health Service Act which provides the Secretary with the authority to fund and carry out biomedical research. The authority in Section 301 is in no way limited by the new authority in title IV.

The rewrite of title IV of the PHS Act provides specific authority for the NIH Institutes and their directors, the Director of NIH, the report of the Director, and the Institutes' directors. Unlike the House-passed bill, the NIH Advisory Board is not created in statute. The composition of the Institutes' Advisory Council have been revised so that two-thirds of the members be representatives of health and scientific disciplines which may include public health, behavioral of social scientists.

Other major revisions to the House-passed bill include:

(1) *Authorization Levels.*—See chart below:

(2) *Fetal Research.*—The House-passed bill contained language which would restrict fetal research on fetuses to be aborted unless the fetus would be subjected to minimal risk and the research is the only way to obtain important biomedical knowledge. The House bill also provided for a waiver of the fetal research restriction when the risk is unknown and the research is the only way to obtain important biomedical knowledge.

The conferees have agreed to not codify the NIH fetal research regulations, therefore, not bringing in question their validity. The legislation provides for a prohibition of fetal research on living non-viable human fetuses ex-utero and only allows fetal research that improves the chances of survival of the fetus if viability is in question. Research that poses no risk to the fetus is permitted for both of these groups if it is the only way to obtain important knowledge. The legislation includes a statement which assures that the determination of minimal risk is the same for the fetus going to term as it is for the fetus to be aborted. The statute also includes a 3-year moratorium on the regulation, which provides for the waiver, while the newly established Biomedical Ethics Advisory Committee described in (#10) on the next page studies the waiver issue and provides recommendations.

(3) *Nursing Institute.*—A National Institute of Nursing as in the House-passed bill is established.

(4) *Prevention.*—The provisions in the NIH bill dealing with prevention have been revised or eliminated, with the agreement that the House consider S. 771, which provides for 13 prevention centers funded by the Public Health Service. Therefore, the prevention centers in the NIH bill have been dropped and Assistant Directors for prevention are established at only three Institutes [NCI, NHLBI, NCHHD]. An Associate Director for Prevention at the NIH level as established in the Senate bill has been incorporated into the NIH bill.

(5) *Cancer Centers.*—The stipulation that 55 Cancer Centers be funded is eliminated.

(6) *Disease Centers, Data Systems, Clearinghouses.*—The conferees have agreed that the authorization of appropriations for disease centers, data systems and clearinghouses in current law be removed in an effort to delete all line-item authorization level from the NIH bill. Authority for these activities remains in the legislation.

(7) *Arthritis Institute.*—The Senate language establishing a new Arthritis Institute is included in the bill.

(8) *Secretary of HHS Authority.*—The authority of the Secretary to reorganize or abolish Institutes is reinstated in the bill.

(9) *Interagency Committees.*—The interagency committees established in both the House and Senate bills (on spinal cord injury, learning disabilities, and lupus erythematous) are included but all are time-limited and not established as permanent authority.

(10) *Biomedical Ethics Advisory Committee.*—The House bill established a Presidential Commission on Genetic Engineering, while the Senate bill provided for the Congressional Office of Technology Assessment (OTA) to establish a bioethics advisory board. The conferees have proposed that an independent body similar to the OTA be established to address these issues. The Board of this body made up of 3 members of the House and 3 from the Senate would appoint a bioethics commission to study issues including genetic engineering and fetal research. An authorization of appropriations is provided for FY 1985–87 at $2 million, $2.5 million and $3 million respectively.

(11) *National Research Service Award.*—The conferees have proposed that 1% of these awards be granted by the National Center for Health Services Research and be devoted to health services research and primary care.

(12) *Health Effects of Nuclear Energy.*—The legislation contains a provision for the establishment of a research center to study the health effects of nuclear energy. Funding is authorized at $2 million. The legislation also includes a provision that establishes a cancer screening center for individuals exposed to nuclear fallout in Nevada.

SUMMARY OF NIH CONFERENCE

[Authorization levels in millions]

	House	Senate	Conference
National Cancer Institute:			
1985	$1,400	$1,057	$1,248
1986	1,504	1,110	1,345
National Heart, Lung and Blood Institute:			
1985	818	655	820
1986	936	688	870
National Research Services Awards:			
1985	220	205	220
1986	251	215	236
National Library of Medicine:			
1985	11	11	11
1986	12	11.5	12
Total:			
1985	2,449	1,928	2,299
1986	2,703	2,024.50	2,463

Mr. O'BRIEN. Mr. Speaker, I rise in support of the conference report on S. 540, the Health Research Extension Act, and in particular, that section of the bill creating the National Institute of Nursing.

The conferees are to be congratulated for their forward-thinking in providing for the long overdue upgrade of the nursing profession which the creation of the NIN accomplishes.

I specifically want to commend the chairman of the Subcommittee on Health and the Environment of the Energy and Commerce Committee, Mr. WAXMAN of California, and the ranking Republican of the subcommittee, Mr. MADIGAN of Illinois, for their perserverance over the past year which has resulted in the new Institute.

In my view, Mr. Speaker, the new Institute nicely dovetails with the National Institutes of Health family of professionals who are dedicated to research on ways and means to improve the quality of health care. The NIN, as part of that family, will focus its research on the care part of that system.

Care research is a necessary part of the totality of research funded by the American taxpayer for the benefit of all Americans.

I expect nursing research will concentrate on prevention of diseases, promotion of health care, insuring the proper application of health care, teaching patients to cope with disease, and on patient recovery.

There may have been in the past an assumption that such goals were acquired from on the job training. Our late 20th century medical care system is too complex, too sophisticated, and too rapidly changing, to leave the care part of the health care system to chance. With the creation of NIN, there is congressional acknowledgement that nursing care and research into nursing care has been overlooked. That has now been changed.

The institute will be charged with the responsibility for undertaking research that takes into account the fact that nurses require an ever-increasing knowledge, understanding, and overall sophistication to achieve the professional standards of competence and excellence which we have come to expect from the total medical system in the United States. The Institute will provide a forum wherein medicine will be translated into English. In other words, cure research will be transmitted to the patient and public in terms of what it means to them—personally.

Mr. Speaker, the National Institute of Nursing is a forward step in bringing quality health care to the people. It is another in a long series of actions that will, over the long term, mean a more professional, more competent, more up-to-date system of health care in the most cost-effective means available.

I am pleased to report, Mr. Speaker, that the conference committee on the Labor, Health and Human Services, and Education appropriation bill for fiscal year 1985 has provided $5 million for the new National Institute of Nursing.

● Mr. DINGELL. Mr. Speaker, there is a single provision of this conference report that is worthy of special attention. It restricts administrative expenditures at the National Institutes of Health to 5.5 percent of total expenditures.

I introduced this provision during committee consideration because of the persuasive evidence that creation of new institutes has the perverse effect of reducing the funds available for research itself. New funds are consumed by the overhead and administration of the new institutes and in a period of constrained budgets the effect is reduce the amount available to fund research.

I intend to ask the General Accounting Office to audit expenditures for the fiscal year just completed so that the Institutes may be held to the tight 5.5 percent administrative cost limit in succeeding years.●

● Mr. GORE. Mr. Speaker, it is with great pleasure that I join my colleagues in both the House and the Senate in supporting the conference report on S. 540, the Health Research Extension Act. The legislation is the product of extensive work by Members on both sides of the aisle and I commend them for their efforts.

The conference agreement contains many important provisions that I believe will unquestionably strengthen our Nation's program in biomedical research. I am particularly pleased to see as part of the final agreement provisions that would: First, establish a Biomedical Ethics Board; second, address fraud within biomedical research; and third, continue the interest of Congress in research into the role of diet in treating end stage renal disease.

As chairman of Science and Technology's Subcommittee on Investigations and Oversight, I held hearings on each of these important subjects, where many troubling questions were raised. I am pleased to note that this bill provides the opportunity to answer these questions. And I would like to personally thank the chairman of the Health Subcommittee, Mr. WAXMAN, whose willingness to work with my subcommittee provided the opportunity to address these questions in this timely fashion.

I specifically would like to note the importance of the Biomedical Ethics Board which expands upon the Commission on Human Application of Genetic Engineering that I had authored as part of the original House bill. The duties of the Board, which is to be patterned after OTA, includes a comprehensive examination of developments in human genetic engineering and the social, ethical, legal, and medical issues raised by them.

As this change suggests, a purpose of the Board will be to help prepare our country to address the many complex issues raised by the application of the new genetic technology to human beings. Necessary to the formulation of public policy on any issue, especially one of this magnitude, is the development of a national consensus on the issues. Resolution of the difficult issues raised by human genetic engineering will be crucial as our Nation moves toward a cohesive approach to biotechnology and its implications.

How will the Board help? First, the Board will monitor developments in genetic technology that have implications for human genetic engineering; second, the Board will provide a mechanism to educate the public about genetic engineering; and third, and most important, the Board will provide a forum for consideration of the tremendous ethical and societal issues that will be generated by human genetic engineering.

The new genetic technology has the potential for tremendous benefit to our society. At the same time, however, it could be adhorrently misused. Our present system of bioethics is based on medical treatments and ideas vastly different from those that will be brought about by the new technology, and their advent raises a number of moral and ethical questions that are not easily answered. A new body of bioethics—genethics—must be constructed to enable us to come to grips with the technology. The Board will facilitate that effort.

The need for answers to these questions was made very clear at a 3-day hearing on human genetic engineering, held in November 1982, by the Subcommittee on Investigations and Oversight. The need for a panel to look at these questions was emphasized last year when a number of clergymen signed a resolution calling for a prohibition on genetic engineering, fearing that the technology, once developed, could be severely misused.

It is a primary responsibility of Government not only to promote science but to attempt to foresee the future of technology and the problems it might present. This bill takes an important step in doing just that.

Mr. Speaker, I urge support for the legislation.●

Mr. MADIGAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and agree to the conference report.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference reports on the Senate bills, S. 540 and S. 2616, just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection?

CONFERENCE REPORT ON S. 2574, NURSE EDUCATION AMENDMENTS OF 1984

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and agree to the conference report on the Senate bill (S. 2574) to amend the Public Health

Service Act, to revise and extend title VIII of the Public Health Service Act, relating to nurse education.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is a second demanded?

Mr. MADIGAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second is considered as ordered.

There was no objection.

(For conference report, see proceedings of the House of Thursday, October 4, 1984, part III, at page 30183.)

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes, and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

□ 1810

Mr. WAXMAN. Mr. Speaker, first of all, I yield 2 minutes to the distinguished gentleman from New Mexico [Mr. RICHARDSON], and I want to at this time commend him for the significant role he played in the development of this legislation.

Mr. RICHARDSON. Mr. Speaker, I wish to thank the chairman of the subcommittee [Mr. WAXMAN] for his leadership on this issue. I also want to commend the minority for their role in seeing that this legislation is passed. In this connection, I particularly wish to commend Mr. NIELSON of Utah.

I was the author of the provision that extends for 3 years the National Health Service Corps Program. This bill also would modify provisions related to the areas and the types of practice in which scholarship recipients may fulfill their service obligations.

These modifcations in this legislation are necessary to: First, assure that particular populations or institutions are not deprived of needed National Health Service Corps placements if the overall physicians supply in the shortage area increases; and second, it assures that physicians who are able to serve their payback time in a private practice setting are meeting this statutory obligation does serve all medicare and medicaid recipients and to serve others without regard to their ability to pay.

This bill will extend the life of the National Health Service Corps, which is critical to many rural communities around the country. It is critical to many minorities, especially Hispanics and native Americans who are critically dependent on these clinics for their health care.

This bill also authorizes another amendment of mine, $3 million for plague research. The plague has afflicted many communities in the Southwest causing many deaths, particularly in New Mexico, and for this reason I urge passage of the bill. Additionally, I commend the bipartisan spirit underscoring the need for this legislation.

Mr. MADIGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge my colleagues to support the agreement reached by the conferees from this House and the other body to reauthorize several titles of the Public Health Service Act.

S. 2574 reauthorizes the following programs:

First, the Health Professions Training Assistance Program which provides grants to various health professions schools as well as guaranteeing education loans;

Second, the Nurse Training Program which provides special support for traineeships and the Advanced Education Programs of Professional Nurses, Nurse Anesthetists, and Nurse Practioners;

Third, the National Health Service Corps Field and Scholarship Program which provides financial assistance for the education of physicians who agree to serve in health manpower shortage areas upon graduation; and

Fourth, the community health centers and migrant health centers which serve as important providers of care to populations not adequately served by the private sector.

I want to thank the gentleman from California, the subcommittee chairman, for working with myself and my colleagues on this side of the aisle in reaching a conference agreement that contains authorization levels which are reasonable and fiscally responsible.

I urge my colleagues to join me in supporting the conference report on S. 2574.

Mr. Speaker, I reserve the balance of my time.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, I, too, want to indicate to the Members that what we have before us are a series of bills in the health field and are compromises, accommodations brought together by the diligent work of the majority and the minority, both in the House and in the other body.

I think they represent a great deal of progress in answering the very real health needs of the American people. This particular item of legislation would reauthorize and revise the health professions educational programs in titles VII and VIII of the Public Health Service Act, and reauthorize and revise the community health centers and migrant health centers programs, as well as the National Health Service Corps and the Health Maintenance Organization Programs also under the Public Health Service Act.

Title I of the bill reauthorizes programs in title VII of the Public Health Service Act that assist disadvantaged, low-income, and other students who can no longer afford the high costs of education to become doctors, dentists, public health workers, and other health professionals. These programs also create opportunities for physicians to become primary care practitioners instead of subspecialists and address severe national shortages in public health, preventive medicine, and health administration. The programs in title I of the bill include:

First, HEAL insurance for market-rate student loans;

Second, HPSL low-interest student loans;

Third, scholarships for students of exceptional financial need;

Fourth, capitation assistance to schools of public health;

Fifth, support for departments of family medicine;

Sixth, the area health education centers;

Seventh, support for programs to train physician assistants;

Eighth, programs and traineeships in general internal medicine, general pediatrics, family medicine, and general dentistry;

Ninth, assistance for students from disadvantaged backgrounds;

Tenth, project grant authorities for health professions schools;

Eleventh, support for schools with advanced financial distress; and

Twelfth, support for programs and traineeships in health administration, public health, and preventive medicine.

Title I would also:

For the first time, set aside 50 percent of new Federal HPSL loan funds for students from disadvantaged backgrounds; and,

Provide for the improvement of health professional training in geriatrics.

Title II would extend nursing education programs for 3 years. This title principally supports education in the advanced nursing fields of education, research, and clinical specialities. The programs affected include:

First, special project grants and contracts;

Second, support for educational programs in advanced nursing, and for training nurse practitioners and nurse midwives;

Third, traineeships for advanced nursing and nurse anesthetists.

Title III of the bill would extend for 3 years the National Health Service Corps Program. The bill also would modify provisions related to the areas and the types of practice in which scholarship recipients may fulfill their service obligations. These modifications are necessary to:

Assure that particular populations or institutions are not deprived of needed National Health Service Corps

placements if the overall physician supply in a shortage area increases; and

Assure that physicians who are able to serve their payback time in a private practice setting are meeting their statutory obligation to serve all medicare and medicaid recipients and to serve others without regard to their ability to pay.

Title IV would extend for 4 years the programs of support for health maintenance organizations and migrant and community health centers. The effect of the community health center extension is not to extend the primary care block grant option. This is done because no State has actually put that block grant into operation and the Department of Health and Human Services has been enjoined from proceeding with implementation because it had failed to administer the program in accordance with the statute. Instead, a new Primary Care Block Grant Program is authorized in title V.

Title V creates a new program of grants to States for primary care research, demonstration, and services.

Title VI creates a new requirement that the Secretary study criteria and methods for collecting and disseminating health care consumer information. This title also provides for grants for control of plague, requires a study of health care for the homeless, and designates a laboratory for experimental medicine as a regional primate research center.

Mr. Speaker, these programs address important national goals at modest cost. They deserve our continued support.

Mr. Speaker, I urge my colleagues to adopt this legislation.

Mr. MADIGAN. Would the gentleman yield?

Mr. WAXMAN. I would be pleased to yield to my colleague.

Mr. MADIGAN. Mr. Speaker, I wonder if the gentleman could explain in some more detail the provision here dealing with nurse anesthetists.

Mr. WAXMAN. I am glad the gentleman asked that question, and if my colleague will yield, I will try to explain it in detail.

Mr. Speaker, nurse anesthetist students are in need of special traineeship funds, and this bill would authorize traineeship funds for those students.

There is also a set-aside for the faculty in order to encourage the availability of more trained personnel to extend to nurse anesthetists the information they will need in their course of study.

Mr. MADIGAN. I thank the gentleman.

Mr. WAXMAN. If the gentleman will yield to me further, I think all of these activities will be enhanced by the creation of a new Institute of Nursing at NIH, which is now part of the legislation on its way to the President, for which the gentleman is to be highly commended.

I think this Institute at the National Institutes of Health will fill a gap that has long existed in research in nursing. I am pleased by the creation of that institute as well as the Institute on Arthritis and the continuation of funding for what I think is a gem in terms of the activities of the Federal Government, something that we are all proud of, both parties, the administration as well as the Congress, and that is the basic biomedical research which we hope will lead to the prevention and cure and control of diseases that are prevalent today which we hope will be nonexistent tomorrow because of the expenditure of Federal dollars in this area.

□ 1820

Mr. MADIGAN. If the gentleman will yield further, would the gentleman agree that the creation of the National Institute of Nursing within the National Institutes of Health will probably bring about a greater focus of the attention of the researchers on the activities of nurse anesthetists?

Mr. WAXMAN. I have no doubt about it, and I think that was certainly the intent behind the gentleman's proposal and the reason why we all support it.

Mr. MADIGAN. I thank the gentleman for elaborating on his statement.

Mr. Speaker, I yield 2 minutes to the gentleman from Utah [Mr. NIELSON] a member of the subcommittee.

Mr. NIELSON of Utah. I thank the gentleman for yielding this time to me.

Mr. Speaker, I would first like to commend the chairman of the Subcommittee on Health and the Environment of the Committee on Energy and Commerce, the gentleman from California [Mr. WAXMAN], and the ranking member of that subcommittee, the gentleman from Illinois [Mr. MADIGAN], and also my colleague, the gentleman from New Mexico [Mr. RICHARDSON], for his help on the health, manpower, and related programs conference report.

When the gentleman from New Mexico [Mr. RICHARDSON] came forward with his proposal for rural health care, it was aimed mainly at the low-cost and low-income people on the Indian reservations. Since I have a number of Indians in my district, I was very happy to help him on that. I think it has been a very useful bit of legislation.

This is the second of seven bills from our subcommittee, and of all the bills, this is the one I like best of all. I think it does the best job. There are some I am not enthusiastic about and will oppose, in fact, but this is a very good bill. I think it does take care of the health care needs we have, particularly in the low-income areas, and particularly the public health areas, which are often neglected.

I think the work in the physician-assistant and nurse-anesthetist programs are very useful additions to our present programs, and I again commend these individuals and also the Members from the Senate on the conference committee for coming back with a good bill that we can all support.

Mr. MADIGAN. Mr. Speaker, I yield 5 minutes to another member of our subcommittee, the distinguished gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. I thank the distinguished ranking minority member of the Health Subcommittee for yielding this time to me.

Mr. Speaker, we are in the closing days of this, the 2d year of the 98th Congress, and I suspect the sentiment on the part of the membership is to approve these conference reports and return to our districts and get on with the campaign season, but I would like to bring to the attention of my colleagues something about this bill, and my remarks should not be misconstrued.

I do not oppose the concept of the elements that are contained in this bill. I think they are a valid use of the Federal tax dollar for promoting the purpose that were outlined. But if we wonder how Federal spending just creeps up and up and up and reaches the point today that a lot of us say is out of control, this bill is a classic example for that illustration.

In 1984, the fiscal year that closed just at the end of last month, we appropriated for all purposes for this bill $605 million. When this bill was heard in the subcommittee earlier this year, I offered an amendment to permit it to rise to $678 million. I like to bring to the attention of my colleagues that what this conference report suggests for 1985 is some $969 million. In other words, a growth from $605 million in 1984 to $969 million in 1985.

This is what this House and the Senate, by a conference agreement, are suggesting will fill this need, so I am not surprised that my colleague, the gentleman from California [Mr. WAXMAN], who is a brilliant exponent of promoting the health care of American citizens, would be glad to support this conference because it is based on the premise that the more money we spend on these programs, the more we are going to improve the health of our American citizens.

I am not sure that this principle of the liberal welfare state is valid in the category of health care; perhaps it is, perhaps it is not. One thing is for sure: We are going to expand the bureaucracy and is the infrastructure that is

dealing with the distribution of health care services markedly with this bill. That is for sure, and those people should take comfort because their jobs are secure in the infrastructure of the health care delivery system, of the Federal, State, and local governments, and they should take comfort because their ability to expand that bureaucracy is going to be significantly increased with this legislation. I am not so sure it is going to mean any added delivery of health care to the people who need it, but perhaps time will tell.

When we analyze what this bill does with respect to what the administration requested, we again see how Presidents propose and Congresses dispose. There is almost no relationship between what the administration has asked for and what this conference agreement talks about.

For example, in health manpower, the administration asked for $84.9 million; the conference committee is $158.4 million.

Nurses' training: The administration asked for $12.3 million; the conference report is $69.75 million.

National Health Service Corps: The administration asked for $67 million; the conference agreement is $75 million.

Community Health Centers: The administration, starting a program in 1981, suggested that this was something that could be placed in a block grant program; provision was made for it, and we have been engaged in a tussle ever since. Who is going to control these activities, the bureaucrats in Washington, DC, or the bureaucrats at the State and local level? The administration opted to have the bureaucrats at the State and local level control them and that, of course, is not consistent with the proponents of the liberal welfare state. They want that control to be right here on the Potomac by the Bay, Washington, DC.

There are lots of reasons why I think this conference report should be rejected. The fiscal side that I have tried to bring to the attention of my colleagues shows that the spending that we are authorizing by this program is totally out of relation to what the administration asked for, it is totally out of relation to what was spent in 1984. It is necessary to promote the health of the American people, but it is also appropriate to ask by what authority do those of us who are living today have the moral authority to spend and consume and transfer to future generations the duty of paying for what we consume.

The growth from $605 to $969 million in 1 year is an irresponsible use of our resources.

Mr. WAXMAN. Mr. Speaker, as I indicated, this is a good bill.

I have no further requests for time. I urge my colleagues to accept the legislation, and I yield back the balance of my time.

Mr. MADIGAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and agree to the conference report on the Senate bill, S. 2574.

The question was taken.

Mr. DANNEMEYER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn in light of that ruling.

PREVENTIVE HEALTH AMENDMENTS OF 1984

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and take from the Speaker's table the Senate bill (S. 2301) to revise and extend programs for the provision of health services and preventive health services, and for other purposes with a House amendment and a Senate amendment to the House amendment thereto, and concur in the Senate amendment to the House amendment.

The Clerk read the title of the Senate bill.

The Clerk read the House amendment and the Senate amendment to the House amendment, as follows:

Strike out all after the enacting clause, and insert:

SECTION 1. (a) This Act may be cited as the "Preventive Health Amendments of 1984."

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 2. (a) Section 317(j)(1) (42 U.S.C. 247b(j)(1)) is amended—

(1) by striking out "immunize children against immunizable diseases" and inserting in lieu thereof "immunize against vaccine-preventable diseases", and

(2) by striking out "and" after "1983," and by inserting before the period a comma and the following: "$52,000,000 for the fiscal year ending September 30, 1985, $59,000,000 for the fiscal year ending September 30, 1986, and $65,000,000 for the fiscal year ending September 30, 1987".

(b) Section 317(j)(2) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$8,000,000 for the fiscal year ending September 30, 1985, $9,000,000 for the fiscal year ending September 30, 1986, and $10,000,000 for the fiscal year ending September 30, 1987".

SEC. 3. (a) The first sentence of section 318(d)(1) (42 U.S.C. 247c(d)(1)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$60,000,000 for the fiscal year ending September 30, 1985, $67,500,000 for the fiscal year ending September 30, 1986, and $75,000,000 for the fiscal year ending September 30, 1987".

(b)(1) Subsection (a) of section 318 is amended by striking out "research" and all that follows in such section and inserting in lieu thereof the following: "research in, and training and public health programs for, the prevention and control of sexually transmitted diseases.".

(2) Subsection (b) of section 318 is amended to read as follows:

"(b) The Secretary may make grants to States, political subdivisions of States, and any other public and non-profit private entity for—

"(1) research into the prevention and control of sexually transmitted diseases;

"(2) demonstration projects for the prevention and control of sexually transmitted diseases;

"(3) public information and education programs for the prevention and control of such diseases, and

"(4) professional (including appropriate allied health personnel) education, training, and clinical skills improvement activities in the prevention and control of such diseases.".

(3) Subsection (c) of section 318 is amended by inserting "and" at the end of paragraph (3), by striking out paragraph (4), and by redesignating paragraph (5) as paragraph (4).

Subsection (d)(1) of section 318 is amended by striking out "5 per centum" and inserting in lieu thereof "10 per centum".

(5)(A) Section 318 is amended by redesignating subsections (d) through (f) as subsections (e) through (g) and by adding after subsection (c) the following new subsection:

"(d) The Secretary, acting through the Director of the Centers for Disease Control, may make grants to public and non-profit private entities for information and education programs on, and for the diagnosis, prevention, and control of, acquired immune deficiency syndrome. The authority to make grants under this section for acquired immune deficiency syndrome is not the exclusive authority to make grants under this Act for acquired immune deficiency syndrome.".

(B) Subsection (e)(1) of section 318 (as so redesignated) is amended—

(i) by striking out "(b) and (c)" and inserting in lieu thereof "(b), (c), and (d)",

(ii) by striking out "(b) or (c)" and inserting in lieu thereof "(b), (c), or (d)", and

(iii) by adding at the end the following: "If the appropriations under the first sentence for fiscal year 1985 exceed $50,000,000, one-half of the amount in excess of $50,000,000 shall be made available for grants under subsection (d); if the appropriations under the first sentence for fiscal year 1986 exceed $52,500,000, one-half of the amount in excess of $52,500,000 shall be made available for such grants; and if the appropriations under the first sentence for fiscal year 1985 exceed $55,000,000, one-half of the amount in excess of $55,000,000 shall be made available for such grants.".

(6)(A) Section 318 is amended by striking out "venereal disease" each place it occurs and inserting in lieu thereof "sexually transmitted diseases".

(B) The heading for such section 318 is amended by striking out "VENEREAL DISEASE" and inserting in lieu thereof "SEXUALLY TRANSMITTED DISEASES AND ACQUIRED IMMUNE DEFICIENCY SYNDROME".

(C) Section 318 is amended by striking out the subsection (g) which was in effect on the day before the date of enactment of the Act.

SEC. 4. (a) Section 1901(a) (42 U.S.C. 300w(a)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$98,500,000 for the fiscal year ending September 30, 1985, $98,500,000 for the fiscal year ending September 30, 1986, and $98,500,000 for the fiscal year ending September 30, 1987".

(b) Section 1901(b) is amended by striking out "$3,000,000" and inserting in lieu thereof "$3,500,000".

(c) Section 1905(c)(4) (42 U.S.C 300w-4(c)(4)) is amended to read as follows:

"(4) agrees to make grants for preventive health service programs for hypertension in amounts equal to 65 percent of the total amount provided by the Secretary in fiscal year 1981 to the State and entities in the State under section 317 for such programs;".

SEC. 5. (a) Section 1905(c) is amended by striking out "and" at the end of paragraph (7), by striking out the period at the end of paragraph (8) and inserting in lieu thereof "; and", and by inserting after paragraph (8) the following:

"(9) will, not later than October 1, 1984, as prescribed by the Secretary by regulation collect data, using a uniform system prescribed in such regulation, on preventive health and preventive health services programs in the State assisted by funds from allotments under this part, including a summary of the services which were provided, the providers of such services, and the individuals who received such services.".

(b) The last sentence of section 1905(c) is amended by inserting before the period the following: "(other than the requirements of paragraph (9))".

(c) Section 1906(a)(2) (42 U.S.C. 300w-5(a)(2)) is amended by striking out "burdensome" and inserting in lieu thereof "unnecessarily burdensome".

Senate amendment to House amendment: In lieu of the matter proposed to be inserted by the amendment of the House, insert:

That this Act may be cited as the "Preventive Health Amendments of 1984".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provisions, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 2. (a) Section 317(j)(1) (42 U.S.C. 247b(j)(1)) is amended—

(1) by striking out "immunize children against immunizable diseases" and inserting in lieu thereof "immunize individuals against vaccine-preventable diseases", and

(2) by striking out "and" after "1983," and by inserting before the period a comma and the following: "$52,000,000 for the fiscal year ending September 30, 1985, $59,000,000 for the fiscal year ending September 30, 1986, and $65,000,000 for the fiscal year ending September 30, 1987".

(b) Section 317(j)(2) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$8,000,000 for the fiscal year ending September 30, 1985, $9,000,000 for the fiscal year ending September 30, 1986, and $10,000,000 for the fiscal year ending September 30, 1987".

SEC. 3. (a) The first sentence of section 318(d)(1) (42 U.S.C. 247c(d)(1)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$57,000,000 for the fiscal year ending September 30, 1985, $62,500,000 for the fiscal year ending September 30, 1986, and $68,000,000 for the fiscal year ending September 30, 1987".

(b)(1) Subsection (a) of section 318 is amended by striking out "research" and all that follows in such section and inserting in lieu thereof the following: "research in, and training and public health programs for, the prevention and control of sexually transmitted diseases.".

(2) Subsection (b) of section 318 is amended to read as follows:

"(b) The Secretary may make grants to States, political subdivisions of States, and any other public and non-profit private entity for—

"(1) research into the prevention and control of sexually transmitted diseases;

"(2) demonstration projects for the prevention and control of sexually transmitted diseases;

"(3) public information and education programs for the prevention and control of such diseases, and

"(4) education, training, and clinical skills improvement activities in the prevention and control of such diseases for health professionals (including allied health personnel).".

(3) Subsection (c) of section 318 is amended by inserting "and" at the end of paragraph (3), by striking out paragraph (4), and by redesignating paragraph (5) as paragraph (4).

(4) The second sentence of section 318(d)(1) is amended by striking ot "5 per centum" and inserting in lieu thereof "10 per centum".

(5)(A) Section 318 is amended by redesignating subsections (d) through (f) as subsections (e) through (g) and by adding after subsection (c) the following new subsection:

"(d) The Secretary, acting through the Director of the Centers for Disease Control, may make grants to public and non-profit private entities for information and education programs on, and for the diagnosis, prevention, and control of, acquired immune deficiency syndrome. The authority to make grants under this section for acquired immune deficiency syndrome is not the exclusive authority to make grants under this Act for acquired immune deficiency syndrome.".

(B) Subsection (e)(1) of section 318 (as so redesignated) is amended—

(i) by striking out "(b) and (c)" in the first sentence and inserting in lieu thereof "(b), (c), and (d)",

(ii) by striking out "(b) or (c)" in the second sentence and inserting in lieu thereof "(b), (c), or (d)", and

(iii) by adding at the end the following: "If the appropriations under the first sentence for fiscal year 1985 exceed $50,000,000, one-half of the amount in excess of $50,000,000 shall be made available for grants under subsection (d); if the appropriations under the first sentence for fiscal year 1986 exceed $52,500,000, one-half of the amount in excess of $52,500,000 shall be made available for such grants; and if the appropriations under the first sentence for fiscal year 1987 exceed $55,000,000, one-half of the amount in excess of $55,000,000 shall be made available for such grants.".

(6)(A) Section 318 is amended by striking out "venereal disease" each place it occurs and inserting in lieu thereof "sexually transmitted diseases".

(B) The heading for such section 318 is amended by striking out "venereal disease" and inserting in lieu thereof "sexually transmitted diseases and acquired immune deficiency syndrome".

(C) Section 318 is amended by striking out the subsection (g) which was in effect on the day before the date of enactment of this Act.

SEC. 4. (a) Section 1901(a) (42 U.S.C. 300w(a)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$98,500,000 for the fiscal year ending September 30, 1985, $98,500,000 for the fiscal year ending September 30, 1986, and $98,500,000 for the fiscal year ending September 30, 1987".

(b) Section 1901(b) is amended by striking out "$3,000,000" and inserting in lieu thereof "$3,500,000".

SEC. 5. (a) Section 1905(c) (42 U.S.C. 300w-4) is amended by striking out paragraphs (2) and (4) and redesignating paragraphs (3) and (5) through (8) as paragraphs (2) through (6), respectively.

(b) Section 1906(a)(1)(B) (42 U.S.C. 300w-5) is amended by striking out "activities of the State under this part" and inserting in lieu thereof "preventive health and preventive health services programs in the State assisted by funds from allotments under this part, including a summary of the services which were provided, the providers of such services, and the individuals who received such services".

(c) Section 1906 is amended by adding at the end the following:

"(d) The Secretary, in consultation with appropriate national organizations, shall develop model criteria and forms for the collection of data and information with respect to services provided under this part to enable States to share uniform data and information with respect to the provision of such services.".

(d) Subsection (e) of Section 1905 is repealed.

SEC. 6. (a) Section 339(a)(5) (42 U.S.C. 255(a)(5)) is amended by striking out "and" after "1983" and by inserting before the period a comma and "September 30, 1985, September 30, 1986, and September 30, 1987".

(b) Section 339(b)(5) is amended by striking out "and" after "1983," and by inserting before the period a comma and "September 30, 1985, September 30, 1986, and September 30, 1987".

SEC. 7. Part A of title XIX is amended by inserting after section 1909 (42 U.S.C. 300w-8) the following new section:

"EMERGENCY MEDICAL SERVICES FOR CHILDREN

"SEC. 1910. (a) For activities in addition to the activities which may be carried out by States under section 1904(a)(1)(F), the Secretary may make grants to not more than four States in any fiscal year to support a program of demonstration projects in such States for the expansion and improvement of emergency medical services for children who need treatment for trauma or critical care. Any grant made under this subsection shall be for a one-year period.

"(b) The Secretary may renew a grant made under subsection (a) for one additional one-year period only if the Secretary determines that renewal of such grant will provide significant benefits through the collection, analysis, and dissemination of information or data which will be useful to other States.

"(c) To carry out this section, there are authorized to be appropriated $2,000,000 for

fiscal year 1985 and for each of the two succeeding fiscal years.".

SEC. 8. Part A of title XIX (as amended by section 7 of this Act) is amended by adding at the end the following new section:

"STATE PLANNING GRANTS

"SEC. 1910A. (a) The Secretary may make grants to assist States to—

"(1) develop long range plans to achieve the goals, objectives, and priorities established by the Secretary pursuant to title XVII;

"(2) identify particular needs within States for services and activities that may be conducted with payments made under allotments under section 1902; and

"(3) determine the progress of States in achieving the goals, objectives, and priorities described in paragraph (1) and, to the extent feasible, use scientifically valid measures to make such determinations.

"(b) To carry out this section, there are authorized to be appropriated $5,000,000 for fiscal year 1985 and for each of the two succeeding fiscal years.".

SEC. 9. Section 1001 (42 U.S.C. 300) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) The Secretary, at the request of a recipient of a grant under subsection (a), may reduce the amount of such grant by the fair market value of any supplies or equipment furnished the grant recipient by the Secretary. The amount by which any such grant is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment on which the reduction of such grant is based. Such amount shall be deemed as part of the grant and shall be deemed to have been paid to the grant recipient.".

The SPEAKER pro tempore. Is a second demanded?

Mr. MADIGAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 20 minutes.

The Chair first recognizes the gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill reauthorizes the most effective preventive health programs in the Public Health Service—childhood immunizations, and tuberculosis and venereal disease control.

The bill also provides authority for the Centers for Disease Control to make grants for AIDS information, education, diagnosis, treatment, and control. With 12 to 13 cases of the disease being reported to CDC each day, these project grants are especially urgent.

In awarding these project grants, HHS should give priority to those cities and areas with the highest incidence of AIDS. For education and information program grants, priority clearly should be given to those groups at risk of contracting the disease. Such groups have shown themselves capable of establishing communications that have effectively reached millions of people and they deserve Federal support to continue such public health activity.

The bill passed the House earlier this week by a vote of 368 to 18.

The Senate amendment to the bill reauthorizes two small home health programs and also adds funds for emergency medical services for children and for preventive health planning grants to States.

The amendment also gives the Secretary the authority to provide family planning supplies in lieu of cash to family planning grantees. This provision comes at the request of the administration and is to allow the more economical bulk purchase of supplies for family planning clinics. I would emphasize to Members that this authority is to be exercised only at the discretion of the grantees and that it does not in any way require grantees to accept the substitution if they deem it not to meet their needs. I also would encourage the Secretary in any exercise of this authority to make a broad array of contraceptives available: There is ample evidence that all women should not use the same contraceptive. For health reasons and personal reasons, different women may request or need different contraceptives. If this authority is to be helpful to the grantees and to recipients of services, the Secretary should use it broadly.

The Senate amendment is noncontroversial and is supported by both the ranking minority members of the House Energy and Commerce Committee and the Health and Environment Subcommittee.

I urge Members to concur in the amendment and pass the bill.

□ 1830

Mr. MADIGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of S. 2301, the Preventive Health Amendments of 1984. This bill is almost identical to H.R. 5538, which passed the House earlier this week by a vote of 368 to 18.

S. 2301 reauthorizes the preventive health and health services block grant for 3 years, at a flat level of $98.5 million per year. This vital block program, established by the 1981 budget reconciliation, funds such activities as rape prevention, hypertension, fluoridation, and urban rat control. The General Accounting Office has reported that States prefer funding these programs through the block rather than categorical approach, and that the added flexibility assists States in setting priorities.

This bill also provides funding for three existing categorical programs which are not contained in block grants. The vital childhood immunization program would be authorized at $52 million for fiscal year 1985, $59 million in 1986, and $65 million in 1987. Immunization of children is one of the most successful preventive health measures available. Through the appropriate use of vaccine, several childhood diseases, such as smallpox, diptheria, and tetanus, have been eliminated in this country. It is important to note that the cost of many vaccines has risen markedly just this year. The cost of the DPT—diptheria, pertussis, tetanus—vaccine has risen 400 percent in 1984 alone, primarily due to the withdrawal of several domestic companies from the vaccine market because of increased liability exposure. Therefore, I believe the level of funding in this bill is necessary.

The bill also provides $8 million in fiscal year 1985—$9 million in 1986, $10 million in 1987—to continue the tuberculosis control categorical. TB is still the leading cause of death among communicable diseases reported nationally. These funds would be used to continue community outreach activities and surveillance needed to ensure treatment of noncompliant tuberculosis patients, as well as examination and appropriate treatment for exposed persons.

This legislation would also reauthorize the existing venereal disease program—renamed "sexually transmitted diseases"—and include within it specific funding for prevention of acquired immune deficiency syndrome, termed the Nation's No. 1 public health concern by the Department of Health and Human Services. The overall fatality rate among AIDS victims is 45 percent, with over 85 percent of those diagnosed with the disease for 2 years or longer having died. There is no known cure for this disease. The authorization levels for this categorical program are $15 million less—over 3 years—than in the House bill passed on Monday.

S. 2301 provides $5 million per year to assist States in developing long-range plans to achieve the goals established by HHS for the prevention programs, and $2 million for a limited demonstration project on emergency medical services for children. Finally, two existing home health programs which were originally created under the orphan drug bill are reauthorized under this legislation.

The bill before us represents a fair approach to funding for these important preventive health measures, and it in no way retracts from the commitment made by this body in 1981 to fund most of our health programs through the block grant mechanism. I

wish to congratulate Mr. WAXMAN for his willingness to listen to all sides in developing this legislation, and I urge my colleagues to support this measure.

Mr. WAXMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MADIGAN. Mr. Speaker, I yield 3 minutes to my distinguished colleague on the Health and Environment Subcommittee, the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Speaker, I thank my colleague for yielding me this time.

This Member does not intend to ask for a rollcall vote on this measure because the House expressed its sentiments with respect to the issue last week, as my colleague, the gentleman from California [Mr. WAXMAN] pointed out, but I just want to point out again to my colleagues just what we are doing here.

The administration asked for funding for preventive health, a block grant of $89 million. This conference committee authorizes $98.5 million; that is $89 million to $98.5 million.

The administration asked for $34 million in immunizations. The conference committee report authorizes $52 million.

For tuberculosis control, the administration requested zero. This conference report contains $8 million.

In venereal disease, the administration asked for $45.5 million. This conference report contains $57 million.

Here again it is just amply demonstrated that Presidents propose and Congress disposes. Congress determines the level of spending and when you compare the level of authorizations in this bill with what was appropriated in 1984, you even have more startling rises; for instance, immunizations, $30.5 million in 1984, rises to $52 million under this bill.

If we ever are to get a handle on the runaway spending in this House, every agency of the Federal Government activity must come under a freeze or a modest adjustment upward for the impact of inflation. Apparently we cannot even do that.

I recognize that when you talk about health care, there is a tendency on the part of a lot of Members to run from the necessity of suggesting that even health care has to come under a scrutiny that all other programs come under, but I would hope that my colleagues some day will come to the realization that we cannot go on with this process of increasing spending for programs, no matter how meritorious, 15 or 20 percent every year. It just cannot go on; otherwise it will further exacerbate the deficit that we are attempting to deal with today.

Mr. MADIGAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and concur in the Senate amendment to the House amendment to the Senate bill, S. 2301.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment to the House amendment was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on S. 2574 and on the Senate bill, S. 2301.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

HEALTH PROMOTION AND DISEASE PREVENTION AMENDMENTS OF 1984

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 771) to revise and extend provisions of the Public Health Service Act relating to health promotion and disease prevention, to provide for the establishment of centers for research and demonstrations concerning health promotion and disease prevention, and for other purposes, as amended.

The Clerk read as follows:

S. 771

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Health Promotion and Disease Prevention Amendments of 1984".

SEC. 2. (a)(1) Section 1701(a) of the Public Health Service Act (42 U.S.C. 300u(a)) is amended—

(A) by striking out "and" after the semicolon in paragraph (8);

(B) by striking out the period at the end of paragraph (9) and inserting in lieu thereof a semicolon and "and";

(C) by inserting after paragraph (9) the following new paragraph:

"(10) establish in the Office of the Assistant Secretary for Health an Office of Disease Prevention and Health Promotion, which shall—

"(A) coordinate all activities within the Department which relate to disease prevention, health promotion, preventive health services, and health information and education with respect to the appropriate use of health care;

"(B) coordinate such activities with similar activities in the private sector;

"(C) establish a national information clearinghouse to facilitate the exchange of information concerning matters relating to health information and health promotion, preventive health services, and education in the appropriate use of health care, to facilitate access to such information, and to assist in the analysis of issues and problems relating to such matters; and

"(D) support projects, conduct research, and disseminate information relating to preventive medicine, health promotion, and physical fitness and sports medicine.";

(D) by striking out "and with health planning and resource development activities undertaken under titles XV and XVI" in the last sentence; and

(E) by adding at the end thereof the following: "The Secretary shall appoint a Director for the Office of Disease Prevention and Health Promotion established pursuant to paragraph (10) of this subsection. The Secretary shall administer this title in cooperation with health care providers, educators, voluntary organizations, businesses, and State and local health agencies in order to encourage the dissemination of health information and health promotion activities.".

(2) Section 1701(b) of such Act is amended to read as follows:

"(b) To carry out this title, there are authorized to be appropriated $9,000,000 for the fiscal year ending September 30, 1985, $9,500,000 for the fiscal year ending September 30, 1986, and $10,000,000 for the fiscal year ending September 30, 1987.".

(b) Paragraph (6) of section 1704 of such Act (42 U.S.C. 300u-3(6)) is repealed.

(c) Sections 1706, 1707, 1708, 1709, and 1710 of such Act (42 U.S.C. 300u-5, 300u-6, 300u-7, 300u-8, and 300u-9) are repealed.

(d) Title XVII of such Act is amended by adding at the end thereof the following new sections:

"CENTERS FOR RESEARCH AND DEMONSTRATION OF HEALTH PROMOTION AND DISEASE PREVENTION

"SEC. 1706. (a) The Secretary shall make grants or enter into contracts with academic health centers for the establishment, maintenance, and operation of centers for research and demonstration with respect to health promotion and disease prevention. Centers established, maintained, or operated under this section shall undertake research and demonstration projects in health promotion, disease prevention, and improved methods of appraising health hazards and risk factors, and shall serve as demonstration sites for the use of new and innovative research in public health techniques to prevent chronic diseases.

"(b) Each center established, maintained, or operated under this section shall—

"(1) be located in an academic health center with—

"(A) a multidisciplinary faculty with expertise in public health and which has working relationships with relevant groups in such fields as medicine, psychology, nursing, social work, education and business;

"(B) graduate training programs relevant to disease prevention;

"(C) a core faculty in epidemiology, biostatistics, social sciences, behavioral and environmental health sciences, and health administration;

"(D) a demonstrated curriculm in disease prevention;

"(E) a capability for residency training in public health or preventive medicine; and

"(F) such other reasonable qualifications as the Secretary may prescribe;

"(2) conduct—

"(A) health promotion and disease prevention research, including retrospective studies and longitudinal propective studies in population groups and communities;

"(B) demonstration projects for the delivery of services relating to health promotion and disease prevention to defined population groups using, as appropriate, community outreach and organization techniques and other methods of educating and motivating communities; and

"(C) evaluation studies on the efficacy of demonstration projects conducted under subparagraph (B) of this paragraph.

The design of any evaluation study conducted under subparagraph (C) shall be established prior to the commencement of the demonstration project under subparagraph (B) for which the evaluation will be conducted.

"(C)(1) During fiscal year 1985, the Secretary shall make grants or enter into contracts for the establishment of three centers under this section. During fiscal year 1986, the Secretary shall make grants or enter into contracts for the establishment of five centers under this section and the maintenance and operation of the three centers established under this section in fiscal year 1985. During fiscal year 1987, the Secretary shall make grants or enter into contracts for the establishment of five centers under this section and the operation and maintenance of the eight centers. established under this section in fiscal years 1985 and 1986.

"(2)(A) In making grants and entering into contracts under this section, the Secretary shall provide for an equitable geographical distribution of centers established, maintained, and operated under this section and for the distribution of such centers among areas containing a wide range of population groups which exhibit incidences of diseases which are most amenable to preventive intervention.

"(B) The Secretary, through the Director of the Centers for Disease Control and in consultation with the Director of the National Institutes of Health, shall establish procedures for the appropriate peer review of applications for grants and contracts under this section by peer review groups composed principally of non-Federal experts.

"(d) For purposes of this section, the term 'academic health center' means a school of medicine, a school of osteopathy, or a school of public health, as such terms are defined in section 701(4).

"(e) To carry out this section, there are authorized to be appropriated $3,000,000 for the fiscal year ending September 30, 1985, $8,000,000 for the fiscal year ending September 30, 1985, and $13,000,000 for the fiscal year ending September 30, 1987.".

SEC. 3. Subsection (a) of section 338G of the Public Health Service Act (42 U.S.C. 254r(a)) is amended by inserting "clinical psychologists," after "pharmacists,".

SEC. 4. (a) Section 526(a)(2) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360bb(a)(2)) is amended by striking out "which occurs so infrequently in the United States that" and inserting in lieu thereof "which (A) affects less than 200,000 persons in the United States, or (B) affects more than 200,000 in the United States and for which".

(b) Section 5(b)(2) of the Orphan Drug Act (21 U.S.C. 360ee(b)(2)) is amended by striking out "which occurs so infrequently in the United States that" and inserting in lieu thereof "which (A) affects less than 200,000 persons in the United States, or (B) affects more than 200,000 in the United States and for which".

SEC. 5. (a) section 305 of the Public Health Service Act (42 U.S.C. 242c) is amended—

(1) by striking out "National Center for Health Services Research" and inserting in lieu thereof "National Center for Health Services Research and Health Care Technology Assessment";

(2) in subsection (b), by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and", and by adding after paragraph (4) the following:

"(5) the safety, efficacy, effectiveness, cost effectiveness, economic, and social impacts of health care technologies."; and

(3) by redesignating subsection (e) as subsection (i) and by adding after subsection (d) the following:

"(e)(1) The Center shall advise the Secretary respecting health care technology issues and make recommendations with respect to whether specific health care technologies should be reimbursable under federally financed health programs.

"(3) In making recommendations respecting health care technologies, the Center shall consider the safety, efficacy, and effectiveness, and, as appropriate, the cost-effectiveness and appropriate uses of the technology.

"(3) In carrying out its responsibilities under this section respecting health care technologies, the Center shall cooperate and consult with the National Institutes of Health, the Food and Drug Administration, and any other interested Federal departments or agencies.

"(f)(1) The Secretary, acting through the Center, shall undertake and support (by grant or contract) research regarding technology diffusion, methods to assess health care technology, and specific health care technologies.

"(2) Any grant or contract under paragraph (1), the direct cost of which will exceed $50,000, may be made or entered into only after consultation with National Advisory Council on Health Care Technology Assessment.

"(g)(1) There is established the National Advisory Council on Health Care Technology Assessment (hereinafter in this section referred to as the 'Council'). The Council shall advise the Secretary and the Director of the Center with respect to the performance of the health care technology assessment functions prescribed by this section. The Council shall assist the Director in developing criteria and methods to be used by the Center in making health care technology coverage recommendations.

"(2) The Council shall consist of—

"(A) the Director of the National Institutes of Health, the Chief Medical Director of the Veterans' Administration, the Assistant Secretary of Health and Environment of the Department of Defense, the head of the Centers for Disease Control, the head of the Health Care Financing Administration, and such other Federal officials as the Secretary may specify, who shall be ex officio members, and

"(B) twelve voting members appointed by the Secretary.

"(3) The Secretary shall make appointments to the Council as follows:

"(A) The Secretary shall appoint six members of the Council from individuals who are distinguished in the fields of medicine, engineering, and science (including social science) and shall appoint four members from individuals who are distinguished in the fields of law, ethics, economics, and management. Of the members appointed under this subparagraph—

"(i) at least two shall be physicians,

"(ii) two shall be selected from individuals who represent business entities engaged in development or production of medical technology,

"(iii) one shall be selected from individuals who represent hospital administrators, and

"(iv) one shall be selected from individuals who represent health insurance companies or self-insured employers.

"(B) The Secretary shall appoint two members from members of the general public who represent the interest of consumers of health care.

"(4)(A) Each appointed member of the Council shall be appointed for a term of three years, except that—

"(i) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and

"(ii) of the members first appointed after the date of the enactment of this subsection, four shall be appointed for a term of three years, four shall be appointed for a term of two years, and four shall be appointed for a term of one year, as designated by the Secretary at the time of appointment.

Appointed members may be appointed for additional terms and may serve after the expiration of their terms until their successors have taken office.

"(B) Members of the Council who are not officers or employees of the United States shall receive for each day they are engaged in the performance of the functions of the Council compensation at rates not to excess the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule, including traveltime; and all members, while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(5) The Council shall annually elect one of its appointed members to serve as Chairman until the next election.

"(6) The Council shall meet at the call of the Chairman, but not less often than three times a year.

"(7) The Director of the Center shall (A) designate a member of the staff of the Center to act as Executive Secretary of the Council, and (B) make available to the Council such staff, information, and other assistance as it may require to carry out its functions.

"(h) In each fiscal year, seven and one-half percent of the amount made available under section 2113 for such fiscal year for evaluations shall be made available to the Assistant Secretary for Health to conduct or support (by both grants and contracts) through the Center, evaluations of health services and health care technology which evaluations are not being conducted or supported under this section or section 304.".

(b) Subsection (i) of such section (as so redesignated) is amended by striking out "subsections (b), (c), and (d) of".

(c)(1) Section 304 of such Act (42 U.S.C. 242b) is amended by striking out "National Center for Health Services Research" each place it occurs and inserting in lieu thereof "National Center for Health Services Research and Health Care Technology Assessment".

(2) Such section is amended by striking out ", the National Center for Health Statistics, and the National Center for Health Care Technology" each place it occurs and inserting in lieu thereof "and the National Center for Health Statistics".

(3) Such section is amended by striking out ", the National Center for Health Statistics, or the National Center for Health Care Technology" and inserting in lieu thereof "or the National Center for Health Statistics".

(4) The heading for such section is amended by striking out "and Health Care Technology" and inserting in lieu thereof ", and Health Care Technology Assessment".

SEC. 6. Section 305(c) is amended—

(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(2) by inserting "(1)" before "The"; and

(3) by adding at the end thereof the following new paragraph:

"(2) In carrying out this section, the Secretary shall assist State and local health agencies through a user liaison program and a technical assistance program.".

SEC. 7. (a)(1) The first sentence of paragraph (1) of section 308(i) of such Act (42 U.S.C. 242m(i)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$20,500,000 for the fiscal year ending September 30, 1985, $22,750,000 for the fiscal year ending September 30, 1986, and $24,750,000 for the fiscal year ending September 30, 1987".

(2) The second sentence of such paragraph is amended (A) by inserting after "Research" the following: "and Health Care Technology Assessment", and (B) by striking out "and at least 5 per centum of such amount or $1,000,000, whichever is less, shall be available only for dissemination activities directly undertaken through such Center" and inserting in lieu thereof "and at least 10 per centum of such amount or $1,500,000, whichever is less, shall be available only for the user liaison program and the technical assistance program referred to in section 305(c)(2) and for dissemination activities directly undertaken through such Center".

(3) Such paragraph is amended by adding after the second sentence the following: "For health care technology assessment activities undertaken under subsections (b)(5), (e), (f), and (g) of section 305 the Secretary shall obligate from funds appropriated under this paragraph not less than $3,000,000 for the fiscal year ending September 30, 1985, $3,500,000 for the fiscal year ending September 30, 1986, and $4,000,000 for the fiscal year ending September 30, 1987. For grants under section 309 the Secretary shall obligate from funds appropriated under this paragraph not less than $500,000 for the fiscal year ending September 30, 1985, $750,000 for the fiscal year ending September 30, 1986, and $750,000 for the fiscal year ending September 30, 1987.".

(4) The last sentence of such paragraph is amended by striking out "for each" through "1984," and inserting in lieu thereof "for any fiscal year".

(b) Paragraph (2) of such section is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$47,000,000 for the fiscal year ending September 30, 1985, $49,000,000 for the fiscal year ending September 30, 1986, and $52,000,000 for the fiscal year ending September 30, 1987".

SEC. 8. Section 309 of the Public Health Service Act (42 U.S.C. 242n) is amended to read as follows:

"COUNCIL ON HEALTH CARE TECHNOLOGY

"SEC. 309. (a)(1) In accordance with this section, the Secretary shall make grants for the planning, development, establishment, and operation of a Council on Health Care Technology. The Council shall comply with the provisions of this section.

"(2)(A) The Secretary shall make an initial grant under paragraph (1) to the National Academy of Sciences for the planning, development, and establishment of the Council with the membership prescribed by subsection (d)(1). The amount of such grant may not exceed $500,000 and may be made for not more than two-thirds of the cost of the planning, development, and establishment of the Council.

"(B) The Secretary may not make a grant for the operation of the Council unless the application submitted to the Secretary for the grant contains written assurances from the applicant that the applicant will expend from non-Federal sources for the operation of the Council an amount equal to at least twice the amount of the grant applied for.

"(b) The purposes of the Council shall include—

"(1) promoting the development and application of appropriate health care technology assessments; and

"(2) the review of existing health care technologies in order to identify obsolete or inappropriately used health care technologies.

"(c)(1) The Council shall—

"(A) serve as a clearinghouse for information on health care technologies and health care technology assessment;

"(B) collect and analyze data concerning specific health care technologies;

"(C) identify needs in the assessment of specific health care technologies and research on assessment methodologies;

"(D) develop and evaluate criteria and methodologies for health care technology assessment;

"(E) promote education, training, and technical assistance in the use of health care technology assessment methodologies and results; and

"(F) stimulate, coordinate, and commission assessments of health care technologies.

"(2) No funds from any grant made by the Secretary under this section for the planning, development, and establishment of the Council may be used to conduct any assessment of a health care technology.

"(d)(1) For purposes of a grant for the planning, development, and establishment of the Council, the Council shall be composed of:

"(A) At least ten members appointed by the National Academy of Sciences from individuals who have education, training, experience, or expertise relating to the quality and cost-effectiveness of health care technologies and who are representatives of organizations of health professionals, hospitals, and other health care providers, health care insurers, employers, consumers, and manufacturers of products for health care.

"(B) Three members appointed by the Secretary of Health and Human Services.

"(C) The Director of the Office of Technology Assessment, who shall be an ex officio member.

"(2) Any vacancy in the Council shall not affect its power and, for purposes of a grant for the planning, development, and establishment of the Council, shall be filled in the manner prescribed by paragraph (1).

"(f) The President of the National Academy of Science shall designate one of the members appointed to the initial Council under subsection (d)(1)(A) as Chairman of the Council for a one-year term. Thereafter, the members of the Council shall elect one of its members as Chairman for such terms as may be determined by the Council.

"(g) The recipient of a grant under subsection (a) shall submit an annual report to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate on the Council's activities.

"(h) No grant may be made under this section unless an application is submitted to the Secretary in such form and containing such information as the Secretary shall prescribe.".

The SPEAKER pro tempore. Is a second demanded?

Mr. MADIGAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 771 provides for a revision and extension of the Office of Health Promotion and Disease Prevention of the Public Health Service. The authority for these programs has been condensed and revised—a proposal that comes at the request of the administration. The Office of Health Promotion is extended for 3 fiscal years.

The bill also creates a network of centers for health promotion and disease prevention, much like those that were created in H.R. 2350, which passed the House late last year. This proposal was originally authored by my colleagues from the Energy and Commerce Committee—Congressman SHELBY, Congresswoman MIKULSKI, and Congressman SCHEUER. These centers are to perform basic and applied research in preventive health, an area of research that has received too little emphasis in the traditional fields of academic medicine.

In addition, the legislation would change the statutory definition of rare disease or condition in the Orphan Drug Act to clarify when a drug can be designated by FDA as an orphan drug. Under the amendment a drug for a disease which affects less than 200,000 people in the United States would be an orphan drug.

This bill is sponsored by Senator ORRIN HATCH. The proposal enjoys broad bipartisan support. There is

wide agreement that we should not be paying the high costs to treat diseases that we know are preventable.

The major differences between the centers created under this bill and the similar provisions of H.R. 2350 are the placement of the centers within the Department of Health and Human Services and the funding levels proposed. Under the original House bill, the centers would have been administered by the Director of the National Institutes of Health. Under the Senate bill, the centers are to be created within the Public Health Service, with the full expectation that the Secretary and the Assistant Secretary will place the centers within the Centers for Disease Control.

I believe that this change is a constructive one: The mission of the Centers for Disease Control is more closely parallel to such a program of research and demonstration. The CDC has over the years demonstrated a capacity to bridge the gaps between academic health care and the daily workings of State and local public health agencies. I support the Senate provision that permits the Secretary to administer this important activity through the CDC.

The purpose of these centers is to conduct research into the prevention of illness and the promotion of good health. One of the reasons this program is so necessary is that high quality research in the prevention field has been extremely limited. The legislation would require that proposals to receive center grants must be rigorously peer reviewed to assure the scientific validity of the research proposed to be undertaken. In providing for peer review of grant proposals the Secretary should consider the appropriateness of utilizing the peer review procedures and expertise in place through the NIH's division of research grants.

The legislation also requires that demonstration projects conducted by the centers incorporate prospectively designed evaluation components. Such prospective evaluations are necessary to assure that demonstration projects will yield valid new knowledge about health promotion and disease prevention strategies.

In approving grants for centers under this authority, it is intended that the principal activities funded by the award will be the actual conduct of research and demonstration projects which have been described in the center grant application which underwent peer review. The centers program is not intended merely to provide core support of researchers and related support staff.

The funding levels in this bill for the centers are lower than those in the original House-passed bill. While I believe that higher funding could be usefully spent on these programs, I am willing to support these lower levels in order to bring a bill forward at this time. The legislation authorizes $3 million in fiscal year 1985, $8 million in fiscal year 1986, and $13 million in fiscal year 1987. These authorizations will permit support of 13 center grants over a 3-year period.

Mr. Speaker, S. 771 also authorizes appropriations for health care technology assessment, health services research, and health statistics.

These provisions retain the essential features of the House bill H.R. 5496 passed in June, and incorporates compatible features passed by the Senate as part of its health manpower legislation. In particular, the amendment agrees with the provision of the House bill which:

Enhance the authority and stature of the technology assessment unit in the Department of Health and Human Services;

Earmark specific levels of funding for the Department's technology assessment functions; and

Reinstitute an Advisory Council of outside experts to provide guidance to the Department on technology assessment.

In addition, the Senate has agreed to blend the provision, which appeared in both the House and Senate versions, authorizing Federal funding, on a matching bases, for a private sector consortium. This consortium would undertake technology assessment functions in addition to those conducted in the Department, including serving as a clearinghouse, developing and evaluating assessment criteria and methods, and promoting both research on technology assessment and greater use of technology assessments.

The amendment authorizes an initial grant, to be made to the National Academy of Sciences, to plan, develop, and establish a Council on Health Care Technology. Other third-party payors, health care providers, consumer groups, manufacturers, and others interested in technology assessment would be expected to contribute resources and to participate in the Council. The amendment includes various requirements regarding the initial composition and activities of the Council, designed to assure that the Council is established on a strong foundation. It also prohibits the Council from using any of the initial Federal grants funds for conducting assessments. The purpose of this prohibition is to make sure the Council gives priority during the first year to becoming firmly established and to carrying out its other functions.

It is our expectation that, once the Council is established. It will become autonomous and that Federal grants will be made directly to the Council, rather than to the Academy. It is also our intent that once established, the Council itself would determine such issues as its composition, its priorities, and how it carries out its functions. Since our purpose in supporting this function in the private sector is to maximize the Council's resources and credibility, and to allow it to take advantage of whatever opportunities are presented to contribute to a better understanding and better use of technology assessment, neither the Congress nor the Department should encumber the Council with directives and requirements. We believe that continued representation on the Council by persons designated by the Secretary, such as the Director of the National Institutes of Health and the Director of the National Center for Health Services Research, will assure adequate consideration of departmental views and interests.

Mr. Speaker, this bill provides us with an excellent opportunity to make a sound investment in high quality and cost-effective health care. Much concern is being expressed these days about the high rate of inflation in health care costs and the pending bankruptcy of the medicare trust funds. However, we should not merely be trying to slash out at the costs of health care; we should be trying to avoid spending money on useless or ineffective care, so that we can spend it wisely on the most appropriate and effective care. This bill would increase our ability to do that.

I wish to thank the ranking member of our subcommittee, Mr. MADIGAN, for his valuable contributions to this bill. I also wish to acknowledge the contributions made by Senator HATCH, Senator KENNEDY and, especially, Senator QUAYLE, in putting these provisions together.

Mr. Speaker, I urge support for the legislation.

Mr. MADIGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to urge the support of my colleagues for S. 771 which provides for the reauthorization of the Office of Disease Prevention and Health Promotion and establishes 13 centers to undertake research and demonstration projects in health promotion and disease prevention.

S. 771 was passed by the Senate on September 21, 1983. The House amendment to S. 771 being considered today reauthorizes the prevention activities by the Department of Health and Human Services at the levels in the Senate-passed bill. The legislation also establishes 13 prevention centers over a 3-year period. Similar prevention centers established in S. 540, legislation reauthorizing the National Institutes of Health, have been deleted.

Although the Secretary of Health and Human Services is afforded the flexibility to establish and fund these prevention centers through any agency within the Department, consideration should be given to placing

31-059 O-87-24 (Pt. 22)

these centers within the Centers of Disease Control. CDC has worked very well with States and localities to bridge the gap between research and treatment services and would be most effective in administering the 13 prevention centers established in this legislation.

I believe this legislation is noncontroversial and should be supported by the Members of this House.

Mr. WAXMAN. Mr. Speaker, before yielding further to our colleagues, I do want to point out that this bill, as amended, also incorporates the Senate amendment to H.R. 5496, Health Care Technology. It also makes a technical correction dealing with a recent problem on orphan drugs.

Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Alabama [Mr. SHELBY], who is one of the original authors of this legislation, who has worked very long and hard in shepherding this program into reality. It has been a difficult road, but I am pleased that we are now at this point in the legislation where, with an act of this House, we will send the bill to the Senate for further action and then on to the President.

□ 1840

Mr. SHELBY. Mr. Speaker, I rise in support of S. 771, to establish centers for research and demonstration projects concerning disease prevention and health promotion at selected schools of public health and academic health centers.

I am pleased that in the closing hours of the Congress, we can make this significant move toward containing health care costs, and reducing the level of personal suffering associated with illness. This legislation represents a new course in Federal health policy—one which will bring us closer to the time when most major causes of death and disability can be effectively eliminated.

Mr. Speaker, this bill will place major importance on research in health promotion and disease prevention—an often underestimated area of our national health policy. The bill will establish nationwide centers for research into the causes of illness and disease and for the promotion of healthier lifestyes among all Americans. The center created in the bill will have defined, sick and well populations under observation. They will dispense information and conduct activities relating to biostatistics, nutrition, environmental health and behavorial science, as examples. Existing public health knowledge can now be disseminated to our communities in an effective, cost-efficient manner.

We need to balance the scales of disease-oriented research—which has yielded remarkable advances in health care—with yet another approach to health care, the prevention of disease before it leads to enormous costs. We need to educate more health professionals in ways to encourage patients to avoid risk and enhance their health. We need to devote a greater share of our health care dollar toward measures not only to treat illness, but to reduce its occurrence, and toward measures which will not merely set a higher quality of life as a policy goal, but will actually achieve such a goal.

I would mention that the legislation before us today gives the Secretary of HHS discretion in determining the most appropriate agency of Government to establish and maintain such centers across the country. While we refrained from explicit statutory language directing the Secretary to select one agency over the other, it should be stated for the Record that congressional preference is that administration of the centers rest with the Center for Disease Control. The CDC has demonstrated that it is accustomed to directing public health projects which translate research findings into actual community and group practice.

This bill will place health promotion and disease prevention on a higher plane of public awareness. It will place a higher priority on prevention efforts in the broad health care arena and provide real promise in addressing rapidly escalating health care costs.

I strongly urge my colleagues' favorable consideration of S. 771.

Mr. MADIGAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WAXMAN. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Oregon, [Mr. WYDEN].

Mr. WYDEN. I want to commend the chairman for the tremendous job that he has done on this package of bills.

Mr. Speaker, I rise to speak in favor of title VI of this bill, which bring consumers one step closer to being able to get the information they need to help make the health care market work.

Mr. Speaker, Members of Congress talk all the time about the need to bring down the high cost of health care, which has grown to a staggering $360 billion a year. We talk about the need to pay hospitals prospectively and ways to encourage physicians to take assignment of medicare claims. We also have talked at length about the responsibility of consumers in the health care arena to compare health care services and make sure that they are getting the best quality care for the best price.

Although half a loaf from its original construction, title VI will bring us one step closer to a health care system where competition really works and consumers really can shop for the care they need. In looking for ways to curtail the health care cost dilemma, we can either choose competition, regulation, or some combination of the two. Title VI in its original form would have helped swing the scales toward real competition in the health care marketplace.

Title VI, in its present form, will mean that purchasers like business groups, labor unions, and senior groups will have to wait a little longer before they can obtain state-of-the-art information on how they can use health care data to get the most value for their health care dollars.

As originally written, this title would have required the Secretary of Health and Human Services to study how private consumer groups could collect and interpret their own data on health care services and prices, prepare a plan to get information from the study—the tools to data collection—into the hands of consumers, and then actually go forward and assist purchaser groups trying to gather health care data on the local level.

In its present form, this title will ask the Secretary to study the issue, and recommend ways to get the results of the study into consumers' hands, but stop short of actually giving consumers the tools to collect health care data.

Businesses, labor groups, and consumers of all kinds are bombarded with information on the price and quality of nearly every goods they buy, from cars to shampoos. But when it comes to buying health care, one of the most important and most costly purchases most people ever make, they are asked to pay the bills with their eyes closed.

Businesses have been trying for a decade to rein in their health care costs. Some are doing so by decreasing benefits or encouraging use of prevention plans. Others want to do so by finding out what they are paying all their dollars for and looking for ways to get it for less.

Although title VI won't give consumers and physicians this information, it can eventually be used to help them learn how to get it and how to interpret it responsibly. And most of all, it does send right now the very valuable signal that the Congress is serious about getting health care costs under control and encouraging consumers, including businesses, labor groups, and senior citizen groups, to get involved in looking at prices.

Although the title doesn't go as far as we had hoped it would, it is a valuable first step.

Title VI is a testament to the hard work and support of many groups, from the U.S. Chamber of Commerce, the National Association of Manufacturers, the Washington Business Group on Health, to the AFL-CIO, the Gray Panthers, and the American Association of Retired Persons, and the hard work of many of my col-

leagues on both sides of the aisle and both Houses of the Congress, especially Mr. WAXMAN, the distinguished chairman of the Health and Environment Subcommittee, Mr. TAUKE, and Senator GRASSLEY.

I appreciate the hard work and good effort of my colleagues and of so many groups that went to the line on this moderate, bipartisan provision. I look forward to continuing work with them in this area in the future and I urge my colleagues to support this important provision in the bill.

I also rise to speak in favor of the provisions in this bill which will give chiropractic students access to funds in two specific areas—the Health Professions Student Loan Program and Educational Assistance for Individuals from Disadvantaged Backgrounds.

With health care costs taking up more than 10 percent of our gross national product, we need to look for ways to increase competition in health care. Including other quality providers in the system is one way of doing it.

The health manpower hearings that were held on this bill left us with two clear messages—that the cost of health care education is extremely burdensome and contributes to rising health care costs and that students from disadvantaged backgrounds are finding it extremely difficult to meet that burden.

This bill recognizes these needs by including alternate health care provider groups. The chiropractic profession requires 4 years of training after the usual undergraduate requirements. Recent statistics from the Bureau of Health Professions indicate that chiropractic students are the third largest users of the Health Education Assistance Loans Program.

I am very pleased with our recognition of this fact and of the potential for making the health care market more competitive by encouraging greater use of less expensive, high-quality health care providers. I encourage my colleagues to support this important intent of the bill and the chiropractic provisions which will help us achieve this goal.

Mr. WAXMAN. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and pass the Senate bill, S. 771, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

COAST GUARD AUTHORIZATIONS FOR FISCAL YEARS 1985 AND 1986

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2526), to authorize appropriations for the Coast Guard for fiscal years 1985 and 1986, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

Mr. CARNEY. Mr. Speaker, reserving the right to object, and I do not plan to object, I just wish to explain to my colleagues that this bill is virtually identical to the Coast Guard Authorization Act which the House passed last Thursday.

The only significant difference between the two bills is that this bill would essentially maintain the status quo with respect to the number of operational high- and medium-endurance Coast Guard cutters on the Atlantic and gulf coasts. The bill we passed last Thursday would have permitted a reduction in the number of those cutters. I think that maintaining the present number of Coast Guard cutters in those areas makes good sense, especially given the increasing demands of our Nation's drug interdiction efforts.

I urge my colleagues to support Chairman JONES' unanimous consent request.

Mr. JONES of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. CARNEY. I now yield to the chairman of the committee for a further explanation.

Mr. JONES of North Carolina. I appreciate the gentleman yielding, but I think he read my script, I am not sure. So there is no need to repeat the language which the gentleman has just used. He made a very good explanation.

Actually this action today will be the final action the Congress must take to clear this bill for the signature of the President. That is how important the Coast Guard authorization is.

I thank the gentleman for yielding.

● Mr. YOUNG of Alaska. Mr. Speaker, I rise in support of the Coast Guard authorization bill, S. 2526. This bill gives the Coast Guard funding for fiscal years 1985 and 1986 and is virtually identical to S. 1689 as it passed the House last week. The bill provides $2.4 billion and $2.6 billion for each of those years respectively so that the Coast Guard has the people and equipment to perform its important at-sea operations, including search and rescue, law enforcement, icebreaking, marine safety, and military readiness.

As in the House-passed version, there are specific items that are important for my State of Alaska and for the rest of the Nation in this legislation. These provisions include:

The sum of $30 million for the design and construction of a search and rescue facility in the Aleutian Islands to permit prompt response to all fishing vessels in the Bering Sea;

Planning for icebreakers to replace the existing wornout cutters;

Establishment of a C-130 fleet of aircraft (27 planes) to insure a continued level of service throughout the Nation;

Development of an electronic surveillance system for C-130's to improve search and rescue capabilities as well as maximize fisheries law enforcement and prosecution;

Authorization for the Coast Guard to pay travel expenses from remote areas such as Alaska for an orientation visit for potential candidates for appointment to the Coast Guard Academy;

Clarification of pilot requirements, including when a pilot is required on board vessels in Prince William Sound; and

Technical clarifications needed in the Commercial Fishing Industry Vessel Act.

In addition, the bill contains provisions that would provide for legal equity for women in the Coast Guard by eliminating gender-specific terms, for coastal and inland navigation safety by reauthorizing two valuable safety advisory committees and making a certain inland rule change, and for improvements in the management and efficiency of Coast Guard programs, including the administration of health care for Coast Guard personnel. These three general areas were the subject of legislation I introduced earlier this Congress and are among the provisions in the bill requested by the administration. Finally, the bill provides for better mobilization planning by allowing the Commandant to appoint the number of Reserve flag officers required.

All Coast Guard duties need to be fully funded and this bill should be a step to achieve that goal. Therefore, I urge adoption of this important bill.●

● Mr. DAVIS. Mr. Speaker, I rise in support of the Coast Guard authorization bill of 1984 which provides $2.4 billion for 1985, and $2.6 billion for 1986 and direction for Coast Guard

capital improvements with regard to maintaining both vessel and aircraft fleets. In addition, the bill contains the military and civilian manning levels for the Coast Guard in each of these years. Beyond money and manpower, the bill contains other important measures concerning Coast Guard programs or laws administered by the Coast Guard. Finally, there are many items included in the legislation that were supported or requested by the administration.

I was particularly pleased that certain provisions that concern the Great Lakes were included. Specifically, these provisions include:

Amendments to the Coastwise Load Line Act which exempts certain barges operating close to shore on the Great Lakes from load line requirements but establishes special operating regulations to ensure safety; and

Clarification of the logbook requirements in the shipping laws so that vessels traveling to Canada are exempt from this requirement as they had been prior to the enactment of subtitle II of title 46, United States Code.

Mr. Speaker, the Coast Guard is recognized throughout the Nation as a highly professional and cost-effective service. Those of us who represent maritime areas, such as the Great Lakes, can assure you that these services are essential. This bill not only provides for adequate funding of the Coast Guard and its important programs, but also fulfills our oversight responsibilities to review the programs and laws of the Coast Guard and make improvements where required.●

Mr. CARNEY. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2526

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Coast Guard Authorization Act of 1984".

AUTHORIZATION OF FUNDS

SEC. 2. Funds are authorized to be appropriated for necessary expenses of the Coast Guard for fiscal years 1985 and 1986 as follows:

(1) For the operation and maintenance of the Coast Guard, including expenses related to the Capehart housing debt reduction, $1,800,000,000 for fiscal year 1985 and $1,950,000,000 for fiscal year 1986; and for increases in salary, pay, and other employee benefits authorized by law, and for the full amount of fixed costs associated with operation of five Coast Guard polar icebreaking vessels manned Coast Guard military personnel, such sums as may be necessary for each such fiscal year.

(2) For the acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto, $580,000,000 for fiscal year 1985 (of which $30,000,000 shall be for design, survey, acquisition and construction of a search and rescue facility in Western Alaska to serve the Aleutian Islands) and $680,000,000 for fiscal year 1986 (of which $30,000,000 shall be for construction of such facility).

(3) For research, development, test, and evaluation, $35,000,000 for fiscal year 1985 and $38,000,000 for fiscal year 1986.

(4) For the alteration or removal of bridges over navigable waters of the United States, constituting obstructions to navigation, $8,700,000 for fiscal year 1985, and such sums as may be necessary for expenses of the Coast Guard for such purposes for fiscal year 1986.

(5) For retired pay including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and for payments for medical care of retired personnel and their dependents under the Dependents' Medical Care Act, such sums as may be necessary for fiscal years 1985 and 1986.

PERSONNEL LEVELS

SEC. 3. Notwithstanding any other provision of law, the Coast Guard's full-time equivalent strength levels for fiscal years 1985 and 1986 shall be maintained as follows:

(1) For active duty military personnel, not less than 39,150 for fiscal years 1985 and 1986, which shall not include members of the Ready Reserve called to active duty under the authority of section 712 of title 14, United States Code, or Public Health Service officers on active duty with the Coast Guard.

(2) For civilian employees of the Coast Guard, not less than 5,484 for fiscal years 1985 and 1986.

MILITARY TRAINING

SEC. 4. For fiscal years 1985 and 1986, the Coast Guard is authorized average military training student loads as follows:

(1) For recruit and special training, 3,500 student-years.

(2) For flight training, 118 student-years.

(3) For professional training in military and civilian institutions, 556 student-years.

(4) For officer acquisition, 1,038 student-years.

TRANSFER OF FUNDS

SEC. 5. (a) Whenever the Secretary of the department in which the Coast Guard is operating determines it to be in the national interest, the Secretary may transfer not to exceed 5 percent of the funds appropriated for the purposes described in paragraph (1) or (2) of section 2 of this Act for use for any purpose described in any paragraph of section 2, except that the total available for the purposes for which the funds are transferred shall not be increased by more than 10 percent as a result of the transfer.

(b) No transfer of funds may occur under subsection (a) of this section until 15 days after the Secretary has provided written notification to the Chairman of the Committee on Commerce, Science, and Transportation of the Senate and the Chairman of the Committee on Merchant Marine and Fisheries of the House of Representatives stating reasons for the determination and a description of the purposes for which the funds proposed to be transferred will be used.

POLAR ICEBREAKING

SEC. 6. (a) It is the sense of the Congress that the United States has important security, economic, and environmental interests in developing and maintaining a fleet of icebreaking vessels capable of operating effectively and independently in the heavy ice regions of the Arctic and Antarctic.

(b) The Secretary of the department in which the Coast Guard is operating shall prepare design and construction plans for the purchase of at least 2 new polar icebreaking vessels to be operational by the conclusion of fiscal year 1990, and shall provide detailed reports to the Congress describing the status of those plans in January 1985 and January 1986. In preparing such plans, the Secretary shall consult with other interested Federal agencies for the purpose of ensuring that all appropriate military, scientific, economic and environmental interests are taken into account.

ALCOHOL USE BY BOATERS

SEC. 7. (a) Section 2302 of title 46, United States Code, is amended by redesignating subsection (c) as subsection (d) and inserting immediately after subsection (b) the following:

"(c) An individual who is intoxicated when operating a vessel, as determined under standards prescribed by the Secretary by regulation, shall be—

"(1) liable to the United States Government for a civil penalty of not more than $1,000; or

"(2) fined not more than $5,000, imprisoned for not more than one year, or both.".

(b)(1) Section 6101(b) of title 46, United States Code, is amended by adding at the end thereof the following: "Each report filed under this section shall include information as to whether the use of alcohol contributed to the casualty.".

(2) Section 6102(a) of title 46, United States Code, is amended by inserting immediately before the period at the end thereof the following: ", including information and statistics concerning the number of casualties in which the use of alcohol contributed to the casualty".

(3) Section 13102(c)(4) of title 46, United States Code, is amended by inserting immediately after "program" the following: ", that includes the dissemination of formation concerning the hazards of operating a vessel when under the influence of alcohol".

RECREATIONAL BOATING SAFETY AMENDMENTS

SEC. 8. (a) Section 4307(a)(1)(A) of title 46, United States Code, is amended—

(1) by inserting "(i)" immediately after "(A)";

(2) by striking "or" at the end of clause (i), as so redesignated by paragraph (1) of this subsection, and inserting in lieu thereof "and"; and

(3) by adding at the end thereof the following:

"(ii) it does not contain a defect which has been identified, in any communication to such person by the Secretary or the manufacturer of that vessel, equipment or component, as creating a substantial risk of personal injury to the public; or".

(b) Section 4311(b)(1) of title 46, United States Code, is amended by inserting "defect or the" immediately before "nonconformity".

(c) Section 4311(f)(1) of title 46, United States Code, is amended by inserting "or the manurfacturer of that vessel, equipment or component a defect which creates a substantial risk of personal injury to the public" immediately before the semi-colon.

RESCUE SWIMMING PROGRAM

SEC. 9. The Secretary of the department in which the Coast Guard is operating shall use such sums as are necessary, from amounts appropriated for the operation and maintenance of the Coast Guard, to establish a helicopter rescue swimming program for the purpose of training selected Coast Guard personnel in rescue swimming skills.

LIFESAVING EQUIPMENT ON PASSENGER FERRIES

SEC. 10. The Secretary of the department in which the Coast Guard is operating shall proceed vigorously with efforts to develop improved lifesaving equipment for use on passenger ferries.

SAN FRANCISCO VTS

SEC. 11. (a) Of the funds authorized to be appropriated by paragraph (1) of section 2 of this Act, such sums as are necessary shall be used to maintain in full operation the vessel traffic service (VTS) system in San Francisco, California, throughout fiscal years 1985 and 1986.

(b) None of the funds authorized to be appropriated by this Act may be used to develop or issue a request for proposals to contract any function or activity involved in operating the vessel traffic service (VTS) system in San Francisco, California, which is, on the date of enactment of this Act, performed by Coast Guard personnel.

(c) None of the funds authorized to be appropriated by this act may be used to hire, train, or otherwise utilize civilian personnel to replace Coast Guard military personnel involved in operating the vessel traffic service (VTS) system in San Franscisco, California, until the Coast Guard has conducted a study in accordance with this subsection and has submitted the results of such study to the Congress. Such study shall identify the costs, efficiencies, and benefits, if any, that would accrue to the Federal Government, the Coast Guard, the ports, the Navy, and other users of the vessel traffic service (VTS) system in San Francisco, California, from the use of civilian personnel in that system.

LONG RANGE SEARCH AND SURVEILLANCE AIRCRAFT

SEC. 12. (a) Of the amounts authorized to be appropriated by paragraphs (1) and (2) of section 2 of this Act, such sums as are necessary shall be used to procure, maintain, and operate a fleet of not less than twenty-seven long range search and surveillance aircraft for use by the Coast Guard.

(b) The Secretary of the department in which the Coast Guard is operating is encouraged to conduct the research, development, test and evaluation necessary for an electronic surveillance system, capable of producing and documenting images for search and rescue or law enforcement purposes, for the long range search and surveillance aircraft of the Coast Guard.

PROTECTION OF SEAMEN

SEC. 13. (a) Chapter 2 of title 46, United States Code, is amended by adding at the end thereof the following:

"§ 2114. Protection of seamen against discrimination

"(a) An owner, charterer, managing operator, agent, master, or individual in charge of a vessel may not discharge or in any manner discriminate against a seaman because the seaman in good faith has reported or is about to report to the Coast Guard that the seaman believes that a violation of this subtitle, or a regulation issued under this subtitle, has occurred.

"(b) A seaman discharged or otherwise discriminated against in violation of this section may bring an action in an appropriate district court of the United States. In that action, the court may order any appropriate relief, including—

"(1) restraining violations of this section; and

"(2) reinstatement to the seaman's former position with back pay.".

(b) The analysis of chapter 21 of title 46, United States Code, is amended by adding at the end thereof the following:

"2114. Protection of seamen against discrimination.".

CONTRACTING FOR SERVICES PERFORMED BY THE COAST GUARD

SEC. 14. (a) The Secretary of the department in which the Coast Guard is operating is encouraged to identify those functions and services presently performed by Coast Guard personnel which are not inherently governmental in nature, and which may be performed with equal effectiveness and at lower cost under contract to the private sector.

(b) None of the funds authorized to be appropriated by this Act may be used—

(1) to issue any contract that would have the effect, either by itself or in combination with other contracting proposals, of causing a deterioration in the overall ability of the Coast Guard to carry out its missions in behalf of the security, safety, and economic and environmental well-being of the United States; or

(2) to issue a request for proposals to contract out any function or activity which is, on the date of enactment of this Act, performed by civilian employees or members of the Coast Guard, unless a period of 30 days in which either the Senate or House of Representatives is in session has expired after the Secretary has submitted in writing to the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Committee on Commerce, Science, and Transportation of the Senate, and the Chairman of the Committee on Merchant Marine and Fisheries of the House of Representatives a full and complete statement (including relevant supporting studies) concerning the proposed contracting and the reasons therefor.

(c) Prior to the beginning of fiscal years 1985 and 1986, the Secretary shall submit to the Congress a list of functions or activities for which the Secretary expects to submit notifications required by subsection (b)(2) of this section during that fiscal year.

(d) The requirements of subsection (b)(2) of this section do not apply to contracts for functions or activities which are performed by three or fewer Coast Guard personnel.

LEGAL EQUITY FOR WOMEN

SEC. 15. (a)(1) Section 371 of title 14, United States Code, is amended—

(A) by striking "male" both places it appears in the second sentence of subsection (a);

(B) in subsection (c)(1)—

(i) by striking "he agrees in writing that, upon his" and inserting in lieu thereof "the person agrees in writing that, upon"; and

(ii) by striking "he will" and inserting in lieu thereof "the person will"; and

(C) by striking "he has the consent of his parent or guardian to his agreement" in subsection (c)(2) and inserting in lieu thereof "the person has the consent of the person's parent or guardian to the agreement".

(2) The first sentence of section 487 of such title is amended by striking "widows" and inserting in lieu thereof "surviving spouses".

(3)(A) The following sections of such title are amended by striking "enlisted man" each place it appears and inserting in lieu thereof "enlisted member": 353, 354, 355, 357, 359, 360, 361, 362, 365, 366, 367, 370, 421, 423 and 424.

(B) The following sections of such title are amended by striking "enlisted men" each place it appears and inserting in lieu thereof "enlisted menbers": 41, 211(a)(2), 212(a)(2), 213(a)(1), 214, 357, 432(c), 478(d) and 480.

(C) The following sections of such title are amended by striking "Enlisted men" each place it appears and inserting in lieu thereof "Enlisted members": 41, 352, 367, 478(a), 481 and 482.

(D) The following sections of such title are amended by striking "officers and enlisted men" each place it appears and inserting in lieu thereof "members": 92(b), 144(a), 145(a)(2), 148, 149, 487 and 832.

(E) Section 149 of such title is amended by striking "Officers and enlisted men" and inserting in lieu thereof "Members".

(F) Section 351(a) of such title is amended by striking "men" and inserting in lieu thereof "persons".

(G) Section 361 of such title is amended by striking "the man" and inserting in lieu thereof "the member".

(H) Sections 192 and 483 of such title is amended by striking "commissioned officer, warrant officer, or enlisted man" each place it appears and inserting in lieu thereof "member".

(I) Section 488 of such title is amended by striking "officers and men" and inserting in lieu thereof "members".

(4)(A)(i) The heading of section 149 of such title is amended to read as follows:

"§ 149. Detail of members to assist foreign governments".

(ii) The item relating to such section in the analysis of chapter 7 of such title is amended to read as follows:

"149. Detail of members to assist foreign governments.".

(B)(i) The heading of section 360 of such title is amended to read as follows:

"§ 360. Recall to active duty with consent of member".

(ii) The item relating to such section in the analysis of chapter 11 of such title is amended to read as follows:

"360. Recall to active duty with consent of member.".

(C)(i) The heading of section 361 of such title is amended to read as follows:

"§ 361. Relief of retired enlisted member promoted while on active duty".

(ii) The item relating to such section in the analysis of chapter 11 of such title is amended to read as follows:

"361. Relief of retired enlisted member promoted while on active duty.".

(D)(i) The heading of section 487 of such title is amended to read as follows:

"487. Procurement and sale of stores to members and civilian employees".

(ii) The item relating to such section in the analysis of chapter 13 of such title is amended to read as follows:

"487. Procurement and sale of stores to members and civilian employees.".

(E)(i) The heading preceding section 350 in such title is amended to read as follows:

"ENLISTED MEMBERS"

(ii) The heading preceding the item relating to section 350 in the analysis of chapter 11 of such title is amended to read as follows:

"ENLISTED MEMBERS"

(b)(1) The first section of the Act of August 19, 1950 (33 U.S.C. 771) is amended—

(A) by striking "he" in clause (1) and inserting in lieu thereof "that employee";

(B) by amending clause (2) to read as follows:

"(2) the surviving spouse of the former employee was married to the former employee prior to the retirement of the former employee from the Lighthouse Service and has not remarried—"; and

(C) by striking "such widow, so long as she" in the material after clause (2) and inserting in lieu thereof "the surviving spouse, so long as the surviving spouse".

(2) Section 2 of such Act (33 U.S.C. 772) is amended—

(A) by amending clause (2) to read as follows:

"(2) the surviving spouse of the employee has not since remarried,"; and

(B) by striking "such widow, so long as she" in the material after clause (2) and inserting in lieu thereof "the surviving spouse, so long as the surviving spouse".

COASTAL AND INLAND NAVIGATION SAFETY

SEC. 16. (a) Subsection (e) of Public Law 96-380 (33 U.S.C. 1231a(e)) is amended by striking "five years from the date of enactment of this Act" and inserting in lieu thereof "on September 30, 1990".

(b)(1) Rule 24(i) of the Inland Navigational Rules, enacted by section 2 of the Inland Navigational Rules Act of 1980 (33 U.S.C. 2024(i)), is amended by inserting "(except below the Huey P. Long Bridge on the Mississippi River)" immediately after "Western Rivers".

(2) Section 5 of the Inland Navigational Rules Act of 1980 (33 U.S.C. 2073) is amended—

(A) by amending the second sentence in subsection (c) to read as follows: "Members of the Council, while away from their home or regular place of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code."; and

(B) by striking "5 years from the date of enactment of this Act" in subsection (d) and inserting in lieu thereof "on September 30, 1990".

(c) Rule 14 of the Inland Navigational Rules, enacted by section 2 of the Inland Navigational Rules Act of 1980 (33 U.S.C. 2014), is amended—

(1) in subsection (a), by striking "When" and inserting in lieu thereof "Unless otherwise agreed, when"; and

(2) by adding at the end thereof the following:

"(d) Notwithstanding paragraph (a) of this Rule, a power-driven vessel operating on the Great Lakes, Western Rivers, or waters specified by the Secretary, and proceeding downbound with a following current shall have the right-of-way over an upbound vessel, shall propose the manner of passage, and shall initiate the maneuvering signals prescribed by Rule 34(a)(i), as appropriate.".

COAST GUARD MANAGEMENT AND EFFICIENCY

SEC. 17. (a) Section 971(b) of title 10, United States Code, is amended—

(1) by striking "and" at the end of clause (1);

(2) by striking the period at the end of clause (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(3) no officer of the Coast Guard may be credited with service as a midshipman at the United States Naval Academy or as a cadet at the United States Military Academy, United States Air Force Academy, or United States Coast Guard Academy.".

(b)(1) Section 257 of title 14, United States Code, is amended by adding at the end thereof the following:

"(e) An officer whose involuntary retirement or separation is deferred under section 295 of this title is not eligible for consideration for promotion to the next higher grade during the period of that deferment.".

(2)(A) Chapter 11 of such title is amended by inserting immediately after section 294 the following:

"§ 295. Deferment of retirement or separation for medical reasons"

"(a) Subject to subsection (b), the Secretary may defer the retirement or separation of a commissioned officer, other than a commissioned warrant officer, if the evaluation of the physical condition of the officer and determination of the officer's entitlement to retirement or separation for physical disability require hospitalization, medical observation, or other physical disability processing that cannot be completed before the date on which the officer would otherwise be retired or separated.

"(b) A deferment under subsection (a)—

"(1) may only be made with the consent of the officer involved; and

"(2) if the Secretary receives written notice from the officer withdrawing that consent, shall end not later than the end of the 60-day period beginning on the date the Secretary receives that notice.".

(B) The analysis of such chapter is amended by inserting immediately after the item relating to section 294 the following:

"295. Deferment of retirement or separation for medical reasons.".

(3)(A) Section 647 of such title is amended by striking "$25,000" and inserting in lieu thereof "$100,000".

(B) The amendment made by subparagraph (A) of this paragraph shall apply to all claims considered, ascertained, adjusted, determined, compromised or settled on or after the date of enactment of this Act.

(4) Section 367 of such title is amended—

(A) by striking "(a)" before "Under regulations";

(B) by striking "person detained" and inserting in lieu thereof "member detained"; and

(C) by striking "(1) of this subsection" and inserting in lieu thereof "clause (1)".

(c) Section 1114 of title 18, United States Code, is amended by striking "any officer or enlisted man of the Coast Guard," and inserting in lieu thereof "any member of the Coast Guard, any employee of the Coast Guard assigned to perform investigative, inspection or law enforcement functions,".

(d) Section 402(d) of title 37, United States Code, is amended by inserting "and the Secretary of Transportation with respect of the Coast Guard when it is not operating as a service in the Navy" immediately after "Secretary of Defense".

(e)(1) Subsection (a) of section 3732 of the Revised Statutes of the United States (41 U.S.C. 11) is amended—

(A) by striking "except in the War and Navy Departments" and inserting in lieu thereof "except in the Department of Defense and in the Department of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy" and

(B) by striking "or transportation" and inserting in lieu thereof ", transportation, or medical and hospital supplies".

(2) Subsection (b) of such section is amended by inserting "and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy" immediately after "The Secretary of Defense".

(3) The first proviso under the heading "MEDICAL DEPARTMENT" in the Act entitled "An Act making appropriations for the support of the Army for the fiscal year ending June thirteenth, nineteen hundred and seven", approved June 12, 1906 (34 Stat. 255), is repealed.

(f)(1) Section 911 of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c) is amended—

(A) by striking "and the Secretary of Health and Human Services" each place it appears and inserting in lieu thereof ", the Secretary of Health and Human Services, and the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy"; and

(B) by inserting "the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy," immediately before "and the appropriate officials".

(2) Section 1252 of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d) is amended—

(A) by striking "and the Secretary of Health and Human Services" each place it appears and inserting in lieu thereof ", the Secretary of Health and Human Services, and the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy"; and

(B) by inserting "and the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy" immediately after "with the Secretary of Health and Human Services" each place it appears.

(g)(1) The first section of the Act of March 23, 1906 (33 U.S.C. 491), popularly known as the "Bridge Act of 1906", is amended—

(A) by striking "and Chief of Engineers for their approval, nor until they" and inserting in lieu thereof "for the Secretary's approval, nor until the Secretary";

(B) by striking "by the Chief of Engineers and";

(C) by striking "of the Chief of Engineers and"; and

(D) by striking "of Transportation" the second and third place it appears.

(2) Section 502(b) of the General Bridge Act of 1946 (33 U.S.C. 525(b)) is amended—

(A) by striking "the Chief of Engineers and"; and

(B) by striking "they" both places it appears and inserting in lieu thereof "the Secretary".

REPEAL OF DUPLICATE TANKERMAN MANNING REQUIREMENT

SEC. 18. Section 8703(b) of title 46, United States Code, relating to tankerman manning requirements, is repealed.

INCLUSION OF SECRETARY OF TRANSPORTATION IN CERTAIN MEDICAL MATTERS

SEC. 19. Chapter 55 of title 10, United States Code is amended—

(1) in section 1072—

(A) by striking all after "by" through "may be," in paragraph (2)(D)(iii) and inserting in lieu thereof "the administering Secretary"; and

(B) by adding at the end thereof the following:

"(3) 'Administering Secretaries' means the Secretaries of executive departments specified in section 1073 of this title as having responsiblity for administering this chapter.";

(2) in section 1073, by striking all after "jurisdiction," through "Navy, and" and inserting in lieu thereof "the Secretary of Transportation shall administer this chapter for the Coast Guard when the Coast Guard is not operating as a service in the Navy, and the Secretary of Health and Human Services shall administer this chapter";

(3) in section 1074, by striking "Secretary of Defense and the Secretary of Health and Human Services" each place it appears and inserting in lieu thereof "administering Secretaries";

(4) in section 1074a(a), by striking "Secretary of Defense and the Secretary of Health and Human Services" and inserting in lieu thereof administering Secretaries";

(5) in section 1076(b) and (d), by striking "Secretary of Defense and the Secretary of Health and Human Services" and inserting in lieu thereof "the administering Secretaries";

(6) in section 1078(a) and (b), by striking "the Secretary of Health and Human Services" and inserting in lieu thereof "the other administering Secretaries";

(7) in section 1079—

(A) by striking "the Secretary of Defense and the Secretary of Health and Human Services" each place it appears and inserting in lieu thereof "the administering Secretaries"; and

(B) by striking "with the Secretary of Health and Human Services" in subsections (a), (h)(2) and (k) and inserting in lieu thereof "with the other administering Secretaries";

(8) in section 1080, by striking "the Secretary of Health and Human Services" and inserting in lieu thereof "the other administering Secretaries";

(9) in section 1081, by striking "the Secretary of Defense or the Secretary of Health and Human Services" and inserting in lieu thereof "the appropriate administering Secretaries";

(10) in section 1083, by striking "the Secretary of Health and Human Services" and inserting in lieu thereof "the other administering Secretaries";

(11) in section 1084—

(A) by striking "the Secretary of Defense or the Secretary of Health and Human Services" and inserting in lieu thereof "an administering Secretary"; and

(B) by striking "he" and inserting in lieu thereof "the administering Secretary";

(12) by amending the text of section 1085 to read as follows:

"If a member or former member of a uniformed service under the jurisdiction of one executive department (or a dependent of such a member or former member) receives inpatient medical or dental care in a facility under the jurisdiction of another executive department, the appropriation for maintaining and operating the facility furnishing the care shall be reimbursed at rates established by the President to reflect the average cost of providing the care.";

(13) in section 1086—

(A) by striking "the Secretary of Health and Human Services" in subsection (a) and inserting in lieu thereof "the other administering Secretaries"; and

(B) by striking "the Secretary of Defense and the Secretary of Health and Human Services" in subsection (e) and inserting in lieu thereof "the administering Secretaries"; and

(14) in section 1092(a)(1), by striking "Secretary of Health and Human Services" and inserting in lieu thereof "other administering Secretaries".

CUTTER AVAILABILITY

SEC. 20. Throughout fiscal years 1985 and 1986, there shall be available for service at all times on the Atlantic and Gulf Coasts of the United States not less than, in the aggregate, thirty high and medium endurance Coast Guard cutters.

COAST GUARD REPRESENTATION ON RESERVE FORCES POLICY BOARD

SEC. 21. Section 175(b) of title 10, United States Code, is amended to read as follows:

"(b) Whenever the Coast Guard is not operating as a service in the Navy, the Secretary of Transportation may designate two officers of the Coast Guard, Regular or Reserve, to serve as voting members of the Board.".

EXPOSURE SUITS

SEC. 22. (a)(1) Chapter 31 of title 46, United States Code, is amended by adding at the end thereof the following:

"§ 3102. Exposure suits

"(a) The Secretary shall by regulation require exposure suits on vessels designated by the Secretary that operate in the Atlantic Ocean north of 32 degrees North latitude or south of 32 degrees South latitude and in all other waters north of 35 degrees North latitude or south of 35 degrees South latitude. The Secretary may not exclude a vessel from designation under this section only because that vessel carries other lifesaving equipment.

"(b) The Secretary shall establish standards for an exposure suit required by this section, including standards to guarantee adequate thermal protection, buoyance, and flotation stability.

"(c)(1) The owner, charterer, managing operator, agent, master, or individual in charge of a vessel violating this section or a regulation prescribed under this section is liable to the United States Government for a civil penalty of not more than $5,000. The vessel also is liable *in rem* for the penalty.

"(2) The owner, charterer, managing operator, agent, master, or individual in charge of a vessel violating this section or a regulation prescribed under this section may be fined not more than $25,000, imprisoned for not more than 5 years, or both.".

(2) The analysis of chapter 31 of title 46, United States Code, is amended by inserting immediately after the item relating to section 3101 the following:

"3102. Exposure suits.".

(b) Section 3102 of title 46, United States Code (as added by subsection (a) of this section), does not limit the authority of the Secretary of the department in which the Coast Guard is operating to prescribe regulations requiring exposure suits on vessels not required by section 3102 to have exposure suits.

(c) The regulations prescribed under section 3102 of title 46, United States Code (as added by subsection (a) of this section), shall be effective not later than 60 days after the date of enactment of this Act.

(d) Not later than 6 months after the date enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall submit a report to the Congress evaluating the benefits and disadvantages of extending the regulations prescribed under section 3102 of title 46, United States Code (as added by subsection (a) of this section) to require exposure suits on designated vessels operating in all waters north of 31 degrees North latitude or south of 31 degrees South latitude.

VESSEL FIRE RESPONSE CAPABILITY

SEC. 23. (a) The Secretary of the department in which the Coast Guard is operating shall make a grant to the Maritime Fire and Safety Association, a non-profit organization incorporated in the State of Oregon. Such grant shall be used for a demonstration project to develop a fire response capability for vessels through the acquisition of equipment and supplies and through training of fire response personnel. The Secretary shall ensure that funds made available by such grant are used for such purposes.

(b) For purposes of subsection (a) of this section, there are authorized to be appropriated not to exceed $349,000 for fiscal year 1985, not to exceed $160,000 for fiscal year 1986, and not to exceed $103,000 for fiscal year 1987.

CADET PREAPPOINTMENT TRAVEL EXPENSES

SEC. 24. (a) Chapter 9 of title 14, United States Code, is amended by inserting immediately after section 181 the following:

"§ 181a. Cadet applicants; preappointment travel to Academy

"The Secretary is authorized to expend appropriated funds for selective preappointment travel to the Academy for orientation visits of cadet applicants.".

(b) The table of sections at the beginning of such chapter is amended by inserting immediately after the item relating to section 181 the following:

"181a. Cadet applicants; preappointment travel to Academy.".

COMMODORE AND REAR ADMIRAL RESERVE POSITIONS

SEC. 25. (a)(1) Section 42(b) of title 14, United States Code, is amended by striking ".375" both places it appears and inserting in lieu thereof "0.375".

(2) Section 290 of such title is amended by striking "Board" in the fourth sentence and inserting in lieu thereof "Boards".

(3) The table of sections at the beginning of chapter 13 of such title is amended by striking the item relating to section 462a.

(4) Section 724 of such title is amended—

(A) by striking "(1)" immediately after "(b)";

(B) by striking the last sentence; and

(C) by adding at the end thereof the following:

"(2) The authorized number of Reserve officers in an active status not on active duty in the grades of commodore and rear admiral is a total of two. However, the Secretary of the department in which the Coast Guard is operating may authorize an additional number of Reserve officers not on active duty in the grades of commodore and rear admiral as necessary in order to meet planned mobilization requirements.".

(b)(1) The matter in the table in section 201(a) of title 37, United States Code, under the heading "Navy, Coast Guard, and National Oceanic and Atmospheric Administration" and in the columns for 0–8 and 0–7 is amended to read as follows:

"Rear admiral

"Commodore".

(2)(A) The heading of section 202 of such title is amended to read as follows:

"§ 202. Pay grade: retired Coast Guard commodores".

(B) The item relating to section 202 in the table of sections at the beginning of chapter 3 of such title is amended to read as follows:

"202. Pay grade: retired Coast Guard commodores.".

(c) The matter in the table in section 741(a) of title 10, United States Code, under the heading "Navy and Coast Guard" is amended—

(1) by striking "Rear admiral (Navy) and Rear admiral (upper half) (Coast Guard)" and inserting in lieu thereof "Rear admiral"; and

(2) by striking "Commodore (Navy) and Rear admiral (lower Half) (Coast Guard)" and inserting in lieu thereof "Commodore".

ASSOCIATE DEPUTY SECRETARY OF TRANSPORTATION

SEC. 26. (a) Section 102 of title 49, United States Code, is amended by redesignating subsection (d) as subsection (e) and inserting immediately after subsection (c) the following:

"(d) The Department has an associate Deputy Secretary appointed by the President, by and with the advice and consent of the Senate. The Associate Deputy Secretary shall carry out powers and duties prescribed by the Secretary.".

(b) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following: "Associated Deputy Secretary, Department of Transportation.".

(c) Notwithstanding any other provision of law, until April 15, 1985, the position created by subsection (a) of this section may be held by a person named by the President alone from among qualified individuals.

FLAT RATE PER DIEM TEST

SEC. 28. (a) Before October 1, 1986, the Secretary of the department in which the Coast Guard is operating may test a flat rate per diem allowances system for military travel allowances.

(b) Such flat rate per diem allowances shall be an amount determined by the Secretary to be sufficient to meet normal and necessary expenses in the area in which travel is performed, but such allowances may not be more than $75 for each day in the continental United States.

(c) The test authorized by this section may not begin before the Committees on Commerce, Science, and Transportation and Armed Services of the Senate and the Committees on Merchant Marine and Fisheries and Armed Services of the House of Representatives are notified of the test.

IMPROVEMENTS IN SHIPPING LAWS ADMINISTERED BY THE COAST GUARD

SEC. 29. (a) Section 7101(e)(3) of title 46, United States Code, is amended to read as follows:

"(3) has a thorough physical examination each year while holding the license, except that this requirement does not apply to an individual who will serve as a pilot only on a vesssel of less than 1600 gross tons;".

(b) Section 8101(g) of title 46, United States Code, is amended by striking "or part B of this subtitle applies" and inserting in lieu thereof "applies or which is subject to inspection under chapter 33 of this title".

(c) Section 8301(a) of title 46, United States Code, is amended—

(1) by inserting "(except the Great Lakes)" immediately after "lakes"; and

(2) by striking "to which part B of this subtitle applies" and inserting in lieu thereof "subject to inspection under chapter 33 of this title".

(d) Section 8301(a)(1) of title 46, United States Code, is amended by inserting "propelled by machinery or carrying passengers" immediately after "vessels".

(e) Section 8501(a) of title 46, United States Code, is amended by striking "part" and inserting in lieu thereof "subtitle".

(f)(1) Section 8502(a) of title 46, United States Code, is amended to read as follows:

"(a) Except as provided in subsection (g) of this section, a coastwise seagoing vessel shall be under the direction and control of a pilot licensed under section 7101 of this title if the vessel is—

"(1) not sailing on register;

"(2) underway;

"(3) not on the high seas; and

"(4)(A) propelled by machinery and subject to inspection under part B of this subtitle; or

"(B) subject to inspection under chapter 37 of this title.".

(2) Section 8502 of title 46, United States Code, is amended by adding at the end thereof the following:

"(g) The Secretary shall designate by regulation the areas of the approaches to and waters of Prince William Sound, Alaska, on which a vessel subject to this section is not required to be under the direction and control of a pilot licensed under section 7101 of this title.".

(3)(A) Chapter 85 of title 46, United States Code, is amended by adding at the end thereof the following:

"§ 8503. Federal pilots authorized

"(a) The Secretary may require a pilot licensed under section 7101 of this title on a self-propelled vessel when a pilot is not required by State law and the vessel is—

"(1) engaged in foreign commerce; and

"(2) operating on the navigable waters of the United States.

"(b) A requirement prescribed under subsection (a) of this section is terminated when the State having jurisdiction over the area involved—

"(1) establishes a requirement for a State licensed pilot; and

"(2) notifies the Secretary of that fact.

"(c) For the Saint Lawrence Seaway, the Secretary may not delegate the authority under this section to an agency except the Saint Lawrence Seaway Development Corporation.

"(d) A person violating this section or a regulation prescribed under this section is liable to the United States Government for a civil penalty of not more than $25,000. Each day of a continuing violation is a separate violation. The vessel also is liable in rem for the penalty.

"(e) A person that knowingly violates this section or a regulation prescribed under this section shall be fined not more than $50,000, imprisoned for not more than five years, or both.".

(B) The analysis of chapter 85 of title 46, United States Code, is amended by inserting immediately after the item relating to section 8502 the following:

"8503. Federal pilots authorized.".

(g) Section 7 of the Ports and Waterways Safety Act (33 U.S.C. 1226) is repealed.

(h) Section 10 of the Ports and Waterways Safety Act (33 U.S.C. 1229) is amended by striking "6, and 7" and inserting in lieu thereof "and 6".

LOGBOOK REQUIREMENT

SEC. 30. Section 11301(a) of title 46, United States Code, is amended to read as follows:

"(a) Except a vessel on a voyage from a port in the United States to a port in Canada, a vessel of the United States shall have an official logbook if the vessel is—

"(1) on a voyage from a port in the United States to a foreign port; or

"(2) of at least 100 gross tons and is on a voyage between a port of the United States on the Atlantic Ocean and on the Pacific Ocean.".

TRENT RIVER RAILROAD BRIDGE

SEC. 31. Notwithstanding any other provision of law, the Trent River Railroad Bridge, mile 0.0, in New Bern, North Carolina, is deemed an unreasonable obstruction to navigation.

AMENDMENTS TO THE COASTWISE LOAD LINE ACT

SEC. 32. (a) Section 1(b) of the Act of August 27, 1935 (46 App. U.S.C. 88(b)), popularly known as the "Coastwise Load Line Act, 1935", is amended to read as follows:

"(b) This Act does not apply to—

"(1) a fish tender vessel of not more than 500 gross tons—

"(A) constructed, under construction, or contracted to be constructed as a vessel of this type before January 1, 1980; or

"(B) converted for use as a vessel of this type before January 1, 1983; and

"(2) a fish processing vessel of not more than 5,000 gross tons, except a vessel constructed after August 15, 1974, or converted for use as a vessel of this type after January 1, 1983.".

(b) Section 2 of such Act (46 App. U.S.C. 88a) is amended to read as follows:

"SEC. 2. (a) For vessels to which this Act applies, the Secretary of the department in which the Coast Guard is operating shall establish by regulation load lines and marks indicating the maximum depth to which these vessels may be loaded safely.

"(b) In prescribing regulations under this Act, the Secretary shall consider the age, condition, character, design, and construction of a vessel to which this Act applies, including subdivision and stability characteristics.

"(c) This act applies to the Great Lakes, except that the Secretary may establish special operating regulations for barges operating close to shore between Calument Harbor, Illinois, and Burns Harbor, Indiana, that exempt these barges from the load line and marking requirements of this section.

"(d) The Secretary may not establish on any vessel a load line that is above the actual line of safety.".

TECHNICAL AMENDMENTS REGARDING COMMERCIAL FISHING INDUSTRY VESSELS

SEC. 33. (a) Section 4502(b)(3) of title 46, United States Code, is amended by striking "the exemption" and inserting in lieu thereof "this chapter".

(b) Section 4503 of title 46, United States Code, is amended by striking "shall be deemed" and inserting in lieu thereof "is deemed".

(c) Section 8104(k) and (l) of title 46, United States Code, is amended by striking "may" and inserting in lieu thereof "shall".

(d) Section 402(130 of the Act of July 17, 1984 (Public Law 98-364) is amended by striking "Section 10101(a)" and inserting in lieu thereof "Section 10101".

SAILING SCHOOL VESSELS

SEC. 34. (a) Section 21101 of title 46, United States Code, is amended:

(1) in clause (21)(B), by inserting "or a sailing school vessel" immediately after "vessel" the first time it appears; and

(2) in clause (27), by striking all after "by sail" and inserting in lieu thereof "and may include—

"(A) any subject related to that operation and to the sea, including seamanship, navigation, oceanography, other nautical and marine sciences, and maritime history and literature; and

"(B) only when in conjunction with a subject referred to in subclause (A) of this clause, instruction in mathematics and language arts skills to sailing school students having learning disabilities.".

(b) Section 206 of the Sailing School Vessels Act of 1982 (46 App. U.S.C. 446(b) is amended by inserting "section 1101 (a)-(c) of title 46, United States Code," immediately before "and".

COMPENSATION OF COMMANDANT OF THE COAST GUARD

SEC. 35. (a) Footnote 2 of the table entitled "COMMISSIONED OFFICERS" in section 101(b)(1) of the Uniformed Services Pay Act of 1981 (Public Law 97-60; 95 Stat. 990) is amended—

(1) by striking "or"; and

(2) by inserting "or Commandant of the Coast Guard," immediately after "Corps,".

(b) The first sentence of footnote 4 of the table in section 1401 of title 10, United States Code, is amended—

(1) by striking "or"; and

(2) by inserting "or Commandant of the Coast Guard," immediately after "Corps,".

(c) The amendments made by this section shall become effective on October 1, 1984.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

RESOLUTION PROVIDING FOR PASSAGE OF H.R. 6027, LOCAL GOVERNMENT ANTITRUST ACT OF 1984

Mr. EDWARDS of California. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 613) providing for the passage of the bill (H.R. 6027) Local Government Antitrust Act of 1984.

The Clerk read as follows:

H. RES. 613

Resolved, That upon the adoption of this resolution the bill, H.R. 6027, together with the Senate amendment thereto, be and is hereby taken from the Speaker's table to the end that the Senate amendment be and is hereby agreed to with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment to the text of the bill, H.R. 6027, insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Local Government Antitrust Act of 1984."

DEFINITIONS

SEC. 2. For purposes of this Act—

(1) the term "local government" means—

(A) a city, county, parish, town, township, village, or any other general function governmental unit established by State law, or

(B) a school district, sanitary district, or any other special function governmental unit established by State law of one or more States,

(2) The term "person" has the meaning given it in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), but does not include any local government, and

(3) the term "State" has the meaning given it in section 4G(2) of the Clayton Act (15 U.S.C. 15g(2)).

LOCAL GOVERNMENT DAMAGE LIMITATION

SEC. 3. (a) No damages, interest on damages, costs, or attorney's fees may be recovered under section 4, 4A, or 4C of the Clayton Act (15 U.S.C. 15, 15a, 15c) from any local government, or official or employee thereof acting in an official capacity.

(b) This section shall not apply to cases pending on the date of enactment of this Act unless the defendant establishes and the court determines, in light of all the circumstances, including but not limited to the stage of the litigation and the availability of alternative relief under the Clayton Act, that it would be inequitable not to apply this section. In taking into account the stage of litigation of a pending case, a court shall consider a jury verdict or district court judgment, or any stage of litigation subsequent thereto, as creating a strong presumption that it would be inequitable to apply this section to a pending case.

ANCILLARY DAMAGE LIMITATION

SEC. 4. (a) No damages, interest on damages, costs, or attorney's fees may be recovered under section 4, 4A, or 4C of the Clayton Act (15 U.S.C. 15, 15a, 15c) in any claim against a person based on any official action directed by a local government, or official or employee thereof acting in an official capacity.

(b) This section shall not apply to cases pending on the date of enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. SAWYER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. EDWARDS] will be recognized for 20 minutes and the gentleman from Michigan [Mr. SAWYER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. EDWARDS].

□ 1850

Mr. EDWARDS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to commend my chairman, Mr. RODINO, Mr. FISH, and Mr. HYDE and all the many involved Members of this body for their diligence and care in crafting this piece of legislation. It is a measured response to what can only be termed an antitrust paradox—a paradox in which for purposes of antitrust protection, the Supreme Court has found that States and local governments are on very different footings. While the Court has accepted two cases on certiorari for this coming term which may clarify some of the substantive confusion, our local government cannot wait for the case law to synthesize into a coherent theory. They must continue to act in this period of uncertainty, and act without fear of massive damage liability.

H.R. 6207 as amended, is a thoughtful bill that offers a measured response to both the problems of local government and the needs of private parties. It does this, I might add, without doing violence to the constitutional concerns of federalism and State sovereignty upon which the *City of Boulder* decision was based.

H.R. 6027, as amended, avoids the conceptual difficulties of the state action doctrine by providing local governments with immediate and certain remedial relief. Private parties suffering economic harm as a result of the official conduct of a local government will still retain a right of redress through injunctive relief. For those concerned that private parties may be denied a restitution remedy for economic harm suffered, I should note that nothing in H.R. 6207, as amended, precludes an injured plaintiff recovering on alternative claims such as due process or equal protection denial under 42 U.S.C. 1983.

Though late in the day for the 98th Congress, we finally have before us legislation that addresses what I consider to be one of the most important problems faced by this Congress in the past several years. That we have done so in a measured, bipartisan manner is a gratifying thought to me as we approach adjournment.

● Mr. RODINO. Mr. Speaker, last week, the other body passed, with an amendment, the bill H.R. 6027, the Local Government Antitrust Act of 1984.

Today, the Members have an opportunity to approve this bill with a further amendment that we believe will be acceptable to both bodies. The committee had an opportunity at the staff level to discuss changes with representatives of the other body to narrow greatly any differences on the substantive provisions of the bill.

With respect to the application of this legislation to pending cases, the amendment I am proposing would accept the other body's language that applies this bill to third party defendants only in claims filed after the date of enactment. The amendment also places the burden on a local govern-

ment to establish inequitable circumstances in order to have the bill apply to pending claims against the local government.

The amendment does change the wording, but not the meaning and intent, of the other body's provision in order to rectify a possible constitutional problem that could arise if jury verdicts were singled out for special treatment. There is an additional change to make clear that the listing of equitable factors to be considered by the court is not intended as an exclusive list—the court may consider nonlisted factors in determining the equities.

The amendment also does not include any provision to reauthorize the FTC to conduct administrative proceedings against local governments. Section 510 of Public Law 98-411, enacted earlier this year, prohibited the FTC from using any of the appropriated funds for fiscal year 1985 for any such proceedings.

I opposed this restriction on expenditure of FTC funds when it was offered. Its inclusion, however, was overwhelmingly approved by this House. If there is to be change in the position of the House, I believe it should be initiated by the committees with jurisdiction over the FTC's authorization and appropriations.

I urge my colleagues to approve this legislation that was overwhelmingly passed by the House on August 8. We have here a bill that is urgently sought by local governments all over the country. Its enactment will not immunize local governments from the antitrust laws—it will restrict the use of damage suits and free local governments from what many of us believe is the inappropriate threat of treble damage liability arising out of private suits.●

GENERAL LEAVE

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California.

There was no objection.

Mr. SAWYER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, because of the importance of the matter before us, and because sometimes I think we all feel that the antitrust laws are about as interesting as watching paint dry or grass grow, I think it important that I take just a minute to orient what the problem is here.

First of all, the House on August 8 passed a bill that was identical to this bill except for one section, and that bill was passed by the Committee on the Judiciary.

The question going back before that is a problem created by the so-called city of Boulder decision, Boulder, CO.

In 1943 in the Parker decision, the Supreme Court decided in Parker versus Brown that States were basically immune from the antitrust laws. In 1978, that doctrine had always been thought that that also applied to municipalities and counties under the umbrella of the State.

In 1978 in the so-called Lafayette decision the Supreme Court decided that that exemption did not apply to municipalities and States and since then lawsuits came raining down, one of them being the city of Boulder case.

That court there expressly decided, the city of Boulder, acting on an official matter within the official confines of the duties of the city commission and the officials, were liable for antitrust treble damages.

Since then the flood of litigation has been tremendous, the most egregious and horrendous of which involves the little town of Grayslake in Illinois and Lake County, IL.

There a jury brought in and this was strictly a question whether a city decided whether another municipality or another area could use their sewer plant which felt for whatever reason, either the capacity was insufficient or whatever, would not allow it; a jury brought in a verdict against the town of Grayslake of $28 million, which is 6,000 percent the total tax revenues of that city, and against Lake County in which it is situated, and it is 150 percent of the tax collections of Lake County, which will go from one of the most prosperous counties in the United States to bankruptcy if this type of thing is allowed to stand.

Now we all agree that this practice ought to stop and we ought to confine the remedy to injunctive relief, if in fact people are being hurt in violation of the antitrust laws in performance of official duties.

However, the question is there are 200 pending cases against cities and counties all over the United States, not just Grayslake and Lake County in Illinois, but 200 of them.

The question is now do we make that retroactive as it normally would be to allow injunctive relief and attorneys' fees and costs, which was in the House bill, but not damages or treble damages against the taxpayers? That is the sole question. That bill containing that relief passed the House 414 to 5 on August 8. A very similar bill, but with a different provision on retroactivity, passed the Senate and the Senate has appointed their conferees.

The chairman of the Committee on the Judiciary will not go to conference and instead they introduce a bill on suspension which takes out the House amendment dealing with retroacitivity and makes it, in effect, not retroactive, for all practical purposes, and leaves all of the 200 pending cases treated differently than in all history any other city or county has ever been treated or will in the future be treated.

It just singles them out. I think it is an evasion of our procedure to refuse to go to conference and then put in a bill on suspension that undoes what the House worked its will doing, the Judiciary Committee and the subcommittee worked their wills doing.

To my mind it is practice that ought not be allowed. I think this bill should be voted resoundingly down. Please do not minimize its importance; it may sound like a dull subject, but 200 cities and counties in the United States are presently subject to pending suits for treble damages.

If this bill is enacted and therefore evades the conference, those cities are going to be left as unique and different than all other cities before or after or in the future, and be subject to these absolutely destructive treble damage actions.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. EDWARDS of California. Mr. Speaker, I yield as much time as he may consume to the gentleman from Texas [Mr. BROOKS], a valued member of the subcommittee.

Mr. BROOKS. I thank the chairman of the subcommittee.

Mr. Speaker, I harbor reservations about this amendment in the nature of a substitute to H.R. 6027—the Local Government Antitrust Act—similar to those I expressed earlier on August 8, 1984, when this bill was considered by the House for the first time. I support the goal of H.R. 6027 to provide relief for local governments and their officials from the full application of the antitrust laws to their official activities, but as with the original bill, I am concerned about several aspects of this substitute amendment.

On August 8, I argued that the retroactive application provided for in H.R. 6027 was inappropriate. I am pleased to note that the substitute provides in the main only for the prospective application of this law. It should be clear that this substitute is intended to provide relief to local governments in future cases which may arise. Only in the most unusual circumstances is discretion afforded to judges to apply this law to cases which have already been brought. The language of the substitute allows retroactive application of this law by a court only if the defendants can prove that the circumstances of that case are so special that justice requires the unusual step of applying this new law to the old case. The substitute explicitly states that there will be an especially strong presumption against applying

this law to any pending suit in which a jury verdict or district court judgment has been rendered. I do not believe that Congress has ever undercut a jury verdict by passing a new retroactive law. This legislation should not provide the first instance.

It is clear, therefore, that this law will be applied retroactively, if at all, only in the most unusual of circumstances. Those who are currently pursuing law suits should feel confident that new rules will not be applied to them.

While the substitute goes a long way in alleviating my concern about the retroactive application of this law, there is not a significant change to the bill's provisions regarding the scope of the bill. As I indicated earlier, the scope of this legislation may be, if it is improperly interpreted, too broad. The substitute applies not only to local governments and their officials, but in some instances to private parties whose actions have been directed by local governments. This extension to private firms, as with the previous bill, is an attempt to express the existing court-developed State action doctrines and apply them at the local level.

The exemption for private firms should not extend beyond these existing court doctrines which afford protection only if the private activity has been so compelled by the Government as to make it tantamount to the Government's action. If this exemption is not construed narrowly to codify only the existing court doctrine, it will create a giant loophole by which private businesses can manipulate their relations with local governments to secure the antitrust immunities intended in this legislation for local governments.

Further, in my previous statement I cautioned that the term, "official conduct," should also be narrowly construed. This holds true for the term, "official action," as specified in the substitute. Conduct or action outside the clear authority of the local government is not to be protected under this bill.

To avoid these pitfalls, it is important that the proper interpretations of the bill's intended application and scope are made. I urge the courts in construing this bill to review the various committee reports and congressional statements on this legislation.

Mr. SAWYER. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. PHILIP M. CRANE].

Mr. PHILIP M. CRANE. I thank the distinguished gentleman from Michigan [Mr. SAWYER] for yielding this time to me. I commend the gentleman for the remarks he just made.

Mr. Speaker, as the House considers legislation on Federal antitrust laws, it should be noted that we have traveled this road before. On August 8 of this year, the house overwhelmingly passed antitrust legislation, H.R. 6027, by a vote of 414 to 5. It clarified the application of Federal antitrust laws and the impact they have on local governments. However, the Senate recently substitute its own language to H.R. 6027 which completely deletes retroactivity. It is absolutely essential that the original language, which included injunctive relief and retroactivity, is retained. The measure now being taken up under suspension of the rules is incomplete, and as such is seriously flawed.

Originally the House Judiciary Committee approved an amendment by Congressman HYDE limiting antitrust action against local government units to suits for injunctive relief rather than money suits. This amendment eliminated local governments from possible treble damage judgments brought under Federal court. They do not provide immunity from antitrust violations, but do relieve local taxpayers and local decision makers from the threat of treble damages. Without the type of amendment offered by Congressman HYDE, local taxpayers will be forced to foot the bill in antitrust cases.

A retroactivity provision that includes injunctive relief is necessary to address the approximately 300 lawsuits currently pending against cities and other units of local government that have been filed since the Supreme Court rulings which permitted such suites. It will provide new hope for Lake County and Grayslake in their fight to reverse a stunning damage award assessed against them earlier this year. In this case, a Federal court ruled that Grayslake and Lake County must pay $28.5 million in antitrust damages to a developer in a sewer hookup dispute. This judgment represents 6,000 percent of the property tax collected last year by the Village of Grayslake and 150 percent of the amount collected by all of Lake County. If Lake County were to increase its taxes to the maximum legal rate and still provide necessary services to its citizens, it would take the taxpayers 70 years to pay this judgment. Even if they used all of their cash reserves of $14.8 million, payment would still require 35 years.

Although this is only one case in which a treble damage judgment was brought, Federal antitrust lawsuits could destroy an entire community. It is of utmost importance that protection be afforded to localities and local officials retroactively as well as prospectively. It would be most unfair, a "manifest injustice", as the Supreme Court noted in Bradley versus Richmond School Board, to single out the one case in which a jury verdict has been rendered. It should also be noted that a jury verdict does not necessarily constitute final legal action. By providing for retroactivity, we are ensuring that this important piece of legislation does not include narrowly crafted, ill-conceived wording that will accomplish little but to provide one individual some sense of vengeance. We should not allow our legislative powers and responsibilities to be so manipulated.

Further, it should be noted that the Senate has no intention of accepting this bill. The matter of contention does not relate to the above noted problem, but the result will be the same—no legislation at all. The shame is that the House did not go to conference several days ago when the Senate changed H.R. 6027 as passed by the House. At the very least, a rule allowing for the consideration of Congressman HYDE's committee amendment should have been provided. A piece of legislation of this import should not be considered under Suspension of the Rules.

At this point in the RECORD, I should like to include two letters from my district which bear directly upon this matter. The first is representative of misinformation being distributed and the second letter comes from the chairman of the board of Lake County, IL, Mr. Glenn E. Miller. Mr. Miller's letter places into proper prospective the situation that exists and further illuminates the disappointing "tilt" given the legislation.

VILLAGE OF ROUND LAKE PARK,
Round Lake Park, IL, August 28, 1984.
To Whom It May Concern:

Recently there has been a great deal of publicity and ado concerning the Alter judgment against Lake County and Grayslake, wherein a jury found the municipalities along with certain of their officials guilty and assessed damages in the millions. Consider for a moment that the jury would not have returned a guilty verdict unless the evidence supported that verdict.

What about Round Lake Park and its residents. They were the Village that the guilty parties attempted without our consent to exert authority over our people, and to determine our future destiny. It is our constitutional right as residents of Round Lake Park through our duly elected officials to decide what occurs within our Village limits, and not the right of adjoining local governments to tell us what we can and cannot do, unless we voluntarily consent and agree.

Let's set the record straight on how all this came about and how our Village's future was controlled illegally by other than our duly elected Village officials.

The fact that Lake County in past years has tried to control growth in Western Lake County has been documented by developers and Crane Chicago Business publication. Many articles have been published in the Chicago newspapers quoting "Lake County has a No Growth Policy".

Today, the County of Lake has a stated policy called "Controlled Growth", with growth along the North Shore communities, and minimal growth in Western Lake County. Primarily those communities with a sphere of influence over the County sewer system dictate the growth and progress of other nonconsenting communities.

Some years back the Village of Round Lake Park entered into a written agreement with Lake County with respect to treatment of sewage. The County Board members who served on that committee assured the President and Trustees of the Round Lake Park Village Board that all Lake County sewer contracts were the same. Our Village officials entered into this contract in good faith based on the representations made by certain County Board members.

After the Alter property was annexed to our Village, Mr. Alter approached the Lake County Board requesting the right to tie into the Lake County interceptor sewage line, and proposing to pay at his cost for all improvements. It was then that he learned he would have to get approval from the Village of Grayslake, notwithstanding that the Alter property was within the corporate limits of Round Lake Park.

This was the first indication that the Village of Round Lake Park has, that the County had granted special concessions to other communities, including the Village of Grayslake, giving them a so-called sphere of influence or authority over a one and one-half mile radius outside their corporate boundaries to determine who and when anyone could tie into the County sewer system. A search of the records then revealed that the County sewer agreements were not all the same.

At the time that the sphere of influence was granted to the Village of Grayslake, the County Board Chairman was Norman Geary, who also at that time was Avon Township Supervisor and a resident of Grayslake. Our Village feels that this was a major factor in the special treatment and consideration given to the Village of Grayslake, enabling them to exercise authority over a non-consenting municipality.

We felt then as we do now that the agreement was unconstitutional and wrong. Our Mayor at that time based on opinion of the Village attorneys so advised County Board member Joseph Tobolik, and requested that he seek an opinion on behalf of the County Board from the State's Attorney of Lake County.

During the hearings on the annexation of the Heartland property to Round Lake Park, the Grayslake Village Board requested a meeting with the members of the Round Lake Park Village Board which was attended by our officials. At that time the Grayslake Village Board passed a resolution giving William Alter access to the County sewer system providing that the Round Lake Park Village Board would not annex Heartland without dividing a portion of the Heartland properties with Grayslake. Our Village Board felt it was in the best interests of the Villlage of Round Lake Park to annex the Heartland property, and pursuant to hearing and appropriate ordinance did annex said property as a result of which Grayslake rescinded the Alter sewer resolution.

It is documented fact that the Village of Hainesville has requested permission from Grayslake to hook up to the County Sewer system. The Mayor of Hainesville, George Benjamin, has stated that the Mayor of Grayslake informed that there would be no problem if the Village of Hainesville annexed to Grayslake. The people of Hainesville decided not to annex to Grayslake, and so were denied access to the County sewer system.

It is the position of Round Lake Park that one municipality cannot exert authority or dictate what another municipality can or cannot do unless they consent to such an arrangement. In effect, what they are doing is telling the residents of another community what their future destiny will be, and is clearly an abuse of power.

The jury in the Alter anti-trust suit against Grayslake and Lake County determined that those two local units of government did conspire to prevent William Alter from gaining access to the County Sewer system, as a result of which he was unable to develop and improve his land. The cost to the residents of the Village of Round Lake Park has been tremendous. With the Alter land remaining vacant and unimproved, we have lost real estate taxes, sales taxes, state income taxes, jobs for our people, etc.

The backbone of our judicial system is the right of trial by jury. It is interesting to note that the County officials and Grayslake officials involved in the Alter suit are not willing to accept the judgment of their peers. The are attempting to set aside the jury findings by contacting State and Federal officials for help outside the judicial system. Notwithstanding that the jury found them guilty of violating the anti-trust laws, with regard to their agreement as to exercising a sphere of influence to the damage of Alter and the Village of Round Lake Park.

Prior to the revision of the anti-trust laws, public officials were exempt from monetary penalties, as a result of which they have taken advantage of others including municipalities without fear or danger of punishment. If in fact there are over 200 to 300 anti-trust suits pending, a serious problem of abuse by state and local officials must exist. Many small communities are unable to pursue Court action for relief because of the time involved and high cost of litigation.

It is the position of the Round Lake Park Board that municipal officals who knowingly and wantonly abuse their powers of office at the expense of neighboring communities should be punished. Without the financial penalties there would be no deterrent to protect the rights of others from this abuse of authority and power. We cannot have a double standard, one for elected officials and one for ordinary citizens. The law must apply equally to all or we are in serious trouble.

COUNTY OF LAKE,
BOARD CHAIRMAN'S OFFICE,
Waukegan, IL, September 28, 1984.

Hon. PHILIP CRANE,
Longworth Office Building,
Washington, DC.

DEAR MR. CRANE: It has come to our attention that a "To Whom It May Concern" letter dealing with the *Unity Ventures* v. *Lake County* case is being widely circulated. The letter is on Round Lake Park stationary, but no one was willing to sign it. Like so much of the massive, carefully orchestrated lobbying effort recently mounted by William Alter, this anonymous letter is filled with distortion that demands honest response.

1. The letter says the jury would not have returned a guilty verdict unless the evidence supported it. That issue is the subject of a pending post-trial motion, which Mr. Alter has repeatedly delayed. He apparently prefers to have his verdict blessed by Congress before he lets the judge that presided at the trial give his views on whether the jury properly discharged its duty. The Illinois Attorney General is given primary responsibility for the enforcement of the antitrust laws throughout the State. He has filed a brief with the federal trial court urging that the *Unity Ventures* verdict be set aside as legally unsupportable.

2. The letter asserts that the "guilty parties" interfered with the internal affairs of Round Lake Park. The opposite is true. The disputed sewer was built and paid for by Lake County, Grayslake and several neighboring villages to serve those Villages. Round Lake Park refused to join in sharing the cost of the sewer; indeed, it demanded and got a written commitment from Lake County guaranteeing that it would not have to pay any of the sewer cost. If Grayslake bought a fire engine, would Round Lake Park claim its "internal control" over fire service was infringed if Grayslake refused to let Round Lake Park use the Grayslake fire engine?

Round Lake Park had a sewer of its own (built in combination with Lake County just like the Grayslake sewer); Mr. Alter had every right to use it, and Round Lake Park every right to let him use it. It had ample capacity. He didn't use it only because it would have cost about twice as much to build a connecting main to it as to the Grayslake sewer.

3. The letter says Lake County "deceived" Round Lake Park about the nature of the many sewer agreements. Recorded transcripts of its meetings with Lake County show that all the village cared about the sewer agreements was to be sure that: (1) that Round Lake Park would not have to pay any cost associated with the Grayslake sewer; and (2) that Mr. Alter would have the right to use the Round Lake Park sewer. The County agreed to both demands.

All of the sewer agreements were matters of readily accessible public record. Many communities—not just Grayslake—had agreements with "sphere of influence" provisions. That provision was designed to protect communities that had agreed to take existing village-owned sewer plants out of service and wanted some assurance of future capacity in the new regional system as a quid pro quo. Round Lake Park had no existing plant and thus the sphere of influence concept was irrelevant to its situation.

4. The letter refers to a meeting and proposed agreement between Round Lake Park and Grayslake. The letter totally misstates the facts. Sworn, uncontradicted testimony at the *Unity Ventures* trial established that both villages were invited to the meeting by the Regional Planning Commission, which was gravely concerned with the irresponsible annexation and zoning practices of Round Lake Park. The Commission asked if Grayslake would agree to let Round Lake Park use the Grayslake sewer if Round Lake Park would agree to enter into a joint planning study with the Commission and Grayslake before either Village annexed a large controversial parcel. Both villages agreed to the proposal; Grayslake took a formal vote to approve it and Round Lake Park agreed to convene a meeting within a week to take its formal vote. However, at that meeting, instead of honoring its agreement, Round Lake Park repudiated it by annexing the disputed parcel.

These are the major points which the Round Lake Park letter seeks to convey. It makes a host of less important claims and allegations, most of which contain demonstrable inaccuracies and none of which merit extending this letter to address.

Sincerely,

GLENN E. MILLER,
Chairman, Lake County Board.

□ 1900

Mr. SAWYER. Mr. Speaker, will the gentleman yield?

Mr. PHILIP M. CRANE. I yield to the gentleman from Michigan.

Mr. SAWYER. I thank the gentleman for yielding.

Is it not true that a municipality or anyone defending under the antitrust laws cannot use health or public welfare—which are the very things they are charged with defending—as a defense to the antitrust laws?

Mr. PHILIP M. CRANE. Absolutely. I thank the gentleman for making that observation.

Mr. EDWARDS of California. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. MATSUI].

Mr. MATSUI. Mr. Speaker, I would like to thank the chairman of the subcommittee and also the minority member managing this bill, the gentleman from Michigan.

Mr. Speaker, I would like to direct several inquiries to the bill's sponsor concerning its application to pending cases. Am I correct that, in addition to the factors stated in the bill, a court would be required to consider all of the circumstances of a particular case in deciding whether section 3(a) should apply?

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. MATSUI. I yield to the gentleman from California.

Mr. EDWARDS of California. I thank the gentleman for yielding.

The gentleman is correct. The intent of the bill is to have a trial court consider all pertinent factors needed to make the equitable determination of whether section 3(a) shall apply to pending cases.

Mr. MATSUI. I am interested in the other factors that a court would consider in determining whether section 3(a) would be applicable to pending cases. Would two of these factors include: First, the need to protect local units of government and their taxpayers from the considerable financial harm that could result from a damage award; and second, the degree to which the local government's action was directed by, or predicated on Federal law or direction?

Mr. EDWARDS of California. The answer is, yes. These factors, among others, might well be considered by a court in determining whether the bill is applicable to a particular pending case. However, it will, of course, be up to the court on a case-by-case basis.

Mr. MATSUI. The bill provides that a court, in taking into account the stage of litigation, shall consider a jury verdict or district court judgment as creating a strong presumption that it would be inequitable to apply section 3(a) to a pending case. Am I correct that, on the other hand, the fact that pretrial discovery has not been completed in a pending case might then support a determination that section 3(a) is applicable.

Mr. EDWARDS of California. The gentleman is correct. That is the essential difference between the first and second sentences of section 3(b) for purposes of retroactive application.

Mr. MATSUI. Likewise, in looking to the availability of alternative relief—another factor expressly mentioned in the bill—the court would determine whether an injunction would be sufficient to halt continuing injury caused by an ongoing antitrust violation. And the presence of this factor in a particular case might also support a determination that section 3(a) is applicable.

Mr. EDWARDS of California. The gentleman is correct, that it might be one of two relevant factors to be considered.

Mr. MATSUI. Finally, am I correct that, for the purposes of determining whether section 3(a) is applicable, the court would also determine whether the defendant acted in good faith while exercising its normal legislative, regulatory, executive, administrative, or judicial powers or providing traditional public services. And the presence of this factor in a particular case might support a determination that section 3(a) is applicable.

Mr. EDWARDS of California. The intent is that this factor, or any other relevant concern, may be brought to the court's attention for purpose of proving that retroactive application is or is not equitable in the circumstances.

Mr. MATSUI. I would like to thank the gentleman for his colloquy. I would also like to thank the gentleman from Michigan as well.

Mr. EDWARDS of California. Mr. Speaker, this is a good bill. This gives both sides something. If it is not passed our cities are going to be in considerable trouble. There are already more than 300 lawsuits. Before a bill could be passed in the next Congress, in the 99th Congress, there might well be 200 or 300 more lawsuits.

I urge approval of this very important bill.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SAWYER. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Speaker, I think it is well to note at the outset that it has been 2 years since the Boulder decision was handed down by the Supreme Court of the United States. During that time the Congress has done little to address a very, very serious problem. In that time, 200 lawsuits have been filed against various units of local government with billions and billions of dollars at stake under the Boulder decision, while the Congress has failed to come to grips with a serious threat to local government and to the viability of our federal system.

The sponsors of the motion here today would have us believe that if we did not adopt it, somehow this legislation would be lost. It is rather amazing to me to look at the record and see that we passed H.R. 6027 2 months ago and had a chance to go to conference last week. The Judiciary Committee spurned that offer.

If we defeat the motion today we should then immediately, as we should have earlier, go to conference to provide for legislation to address this very serious problem of local government antitrust liability in a proper way and not work in this unusual method to try to pass through a measure that has not received hearings before any committee, that seems to be snuck in, in part, to address a single problem of a single litigant in a single lawsuit.

□ 1910

I refer to the only lawsuit of the 300 that are pending across the country under the Boulder decision that has gone to jury verdict, one in a county in my district, Lake County, one brought by a company owned by a successful businessman, a constituent of mine, against that county, and one where a jury verdict was rendered in the amount of $28.5 million. This provision, the one that is being offered today, could, by possibility, be interpreted to virtually make that verdict into a judgment that had to be paid by the county regardless of whether the court thought that it ought to be paid or not. It could be interpreted to make a strong presumption that this Congress intended that the jury verdict become, in effect, a judgment. It could be said to do away with the chance for remitter; it could be said to do away, virtually, with the chance for posttrial motions; it could be said to do away, virtually, with any chance for appeal and to make one litigant $28.5 wealthier if we pass this motion today rather than send the bill to conference where it ought to be and where this ought to be worked out in a proper way. That seems to me to be wrong.

There is only one case—I repeat, only one case—in the United States that a portion of this bill applies to, one that has gone to jury verdict, and one that could, possibily, be made virtually sound and untamperable by a court by the strong presumption language that is contained in the bill, and let me read that strong presumption language:

In taking into account the stage of litigation of a pending case, a court shall consider a jury verdict or district court judgment or any stage of litigation subsequent thereto as creating a strong presumption that it would be equitable to apply this section to a pending case.

There is only one case it applies to, and that is the case against Lake County IL. As my able and distinguished colleague, the gentleman from Illinois [Mr. CRANE] said a moment ago, if the County of Lake or the village of Grayslake would have to come up with that kind of money, it would mean bankruptcy for those units of local government. It seems to me that is entirely wrong.

What has happened, of course, since the bill passed out of this House is that is there has been some very, very high-powered lobbying over in the other body. When the original bill passed out of this House, it contained a specific provision that no case pending would be given special treatment. But as the gentleman from Michigan [Mr. SAYWER] said just a moment ago, if this legislation passes in this form, if we agree to this motion, there will be nobody before the Boulder case that ever recovered against a municipality treble damages and there will be nobody after this bill whoever will recover treble damages; there will be only one case in the history of the country where such a recovery has occurred. That simply, I say to my colleagues, is not fair or equitable and should not be allowed to occur.

We should send this matter, this bill, to conference. It should be worked out equitably. There are important rights of litigants involved. I recognize that. It ought to be worked out and brought back before the House in the normal way and not be allowed to slip through and bankrupt the local county and the local municipality involved.

Mr. SAWYER. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. HYDE].

Mr. HYDE. Mr. Speaker, I think I may have this debate reproduced at some length, with explanatory notes, and send them to every political science teacher in the country, because they will learn something from this process. They think, foolishly and naively, that when the House passes a bill out of committee, out of subcommittee, over to the other body, and when the other body passes a bill over to this Chamber, that the procedure is you go to conference and you work out your differences. But how wrong they would be, because if this body, if the chairman of the committee and his affiliates and associates—I do not say coconspirators, I say affiliates and associates—if they do not like the bill that the House passed, they just sit on it, they do not appoint conferees. There will be no conference. What you do is you get the bill in the shape you want it in, not as it passed out of committee, not as it passed out of this Chamber, 414 to 5, something like that, but as you want it, and then you bring it up under suspension, where no amendments are possible, and you take it or leave it. That is politics, 1984 style, and I think it ought to be studied carefully by students of political science.

Now, this legislation is important. We need it. We have antitrust laws governing judgments of local government, which is really nonsense because they only look at the anticompetitive factors of an action, whereas local governments must consider environment, safety and health, and many other reasons for making their judgments. We need the legislation. But why, oh why, are you singling out one case to immunize from the action of this legislation? Why?

I will wait forever for an answer, although I think I know the answer. I would love to see it formulated from those who are undertaking this bizarre procedure which bypasses and undercuts and erodes the action of this body and of the Senate by refusing to go to conference.

Are there no rooms in which the conferees could meet? Can we not find people to appoint to the conference who understand the issues? Why? Why?

Interesting procedure.

I have worked for remedial legislation on this subject for nearly 2 years. But I cannot support this version, because it is uniquely contrived to protect one plaintiff in one lawsuit in Illinois.

It is a curious thing for lawyers to be associated with, for people whose commitment is equality before the law and fairness and due process. But I will not take very seriously anymore the importance of committee hearings and committee markups because they do not have a thing to do with the way the legislation ultimately comes out of this Chamber, do they?

Mr. Speaker, it now appears that one of the most unfortunate casualties of the last-minute theatrics of the 98th Congress may be the Local Government Antitrust Act of 1984.

The puzzling impasse over legislation which has passed both the Senate and the House of Representatives is a sad commentary on our inability as a national legislature to deal with what, undeniably, is a national problem. If this important legislation does not pass, it will be the victim of high powered special interests, bad judgment, and last minute petty, political manuevering.

The purpose of this legislation is to protect units of local government from the ominous threat of treble damages under the Federal antitrust laws. Because of two recent Supreme Court decisions, localities now find themselves subject to suits challenging the anticompetitive side effects of legitimate local decisions in such areas as zoning, licensing, franchising, mass transit, and waste disposal. Since these are suits under the antitrust laws, courts are unable to weigh factors other than competititive, marketplace factors. So, the very basis and legal authority of a local decision—protection of the public health, safety, welfare, or environment—cannot even be considered by the court or a jury.

On June 15, the Senate Judiciary Committee favorably reported legislation (S. 1578) to protect localities from such suits. On August 8, the House of Representatives passed our version of this legislation (H.R. 6027) by a 414 to 5 vote. Action on the Senate bill, however, was stalled because of parliamentary manuevering related to language that had been added to the Commerce, State, Justice, and Judiciary appropriations bill. This so-called taxicab rider was aimed at prohibiting the Federal Trade Commission from bringing enforcement actions; that is, suits for injunctive relief against cities, This rider was enacted as section 510 of Public Law 98-411 on August 30. Because many in the other body sought repeal of this rider almost from the minute it was enacted, the substantive antitrust bill was held up. In fact, subsequently, it was attached to the continuing resolution for fiscal year 1985 (H.J. Res. 648) as part of a defensive strategy to prevent repeal of the FTC rider.

Finally, last Thursday, this logjam was broken and the conferees on the continuing resolution removed both S. 1578 and a provision to repeal the FTC rider from House Joint Resolution 648. Almost immediately, the chairman of the Senate Judiciary Committee brought S. 1578, containing the repeal language, to the Senate floor—where it promptly passed. Senate conferees were named.

But now, the chairman of the House Judiciary Committee refuses to go to conference. Instead, we find ourselves voting on another version of this legislation that the Judiciary Committee has never considered. Why? Similar bills dealing with local government antitrust liability have passed both Houses. Furthermore, he originally opposed the FTC rider as bad public policy. (See remarks of Hon. PETER W. RODINO, JR., CONGRESSIONAL RECORD, Vol. 130, No. 72, May 31, 1984, at 14609. Only two issues need to be resolved by a conference committee. First, whether the protections of this bill should apply to local governments in pending cases and, second, whether the authority of the FTC to bring suits for injunctive relief shoud be restored.

As the author of the amendment contained in the House-passed bill, applying its provisions to pending cases, I am prepared to go to conference. In my view, we can work out reasonable and appropriate language on the pending case problem. The pending case issue is not the reason why we are not going to conference. There must be other, unknown factors that have now

come into play. Why, as we near the finish line, are we being prevented from reaching a solution to a national problem that cries out for prompt action? What are the reasons, Mr. Chairman? Local governments and taxpayers everywhere deserve to know why.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. SAWYER] has 3½ minutes remaining.

Mr. SAWYER. Mr. Speaker, I yield myself 1½ minutes.

Mr. Speaker, I would just like to say, in summary, that we are talking about cases where cities enact zoning laws, where they do the things they are charged with doing, and they cannot bring in the environmental aspect as a defense, they cannot bring in the esthetic aspect or the health aspect; they have to depend solely on a defense that the marketplace was not affected. And, of course, many of these actions by cities do affect marketplaces. Whether your property is zoned commercial or zoned residential has a tremendous impact on value, in many cases.

So also do things like franchises that cities historically do give out. These things are all anticompetitive in their nature. But the city cannot bring in the things that they are charged with determining, namely what is good for the residents of the city, what is good for the environment, what is good for health and general welfare. And those are not defenses under the antitrust law. That is what is happening with these verdicts.

I would say that the gentleman from Illinois [Mr. HYDE] pointed, and understandably, to the one case in his jurisdiction that has gone to an actual jury verdict but it is pending on appeal, there is no final judgment outstanding. But there are 200 other cases involving billions and billions of dollars against municipalities, cities, and counties all over this country, probably some in your own State. They will all be left subject to treble damages, attorneys fees, and costs and interest, maybe to the devastation—you know we are very quick to protect New York, we are quick to protect Chrysler, we are quick to protect Lockheed, but how about these cities with citizens, and so forth, from this unique—you are putting 200 of them in a unique, never-to-be-repeated category and never-to-have-come-before category.

This bill allows injunctive relief to prevent the cities from trespassing on legitimate economic rights, but only inhibits damages. In the original House bill, we even allowed reasonable attorneys' fees and costs. We just took away this horrendous idea of not only damages, but multiplying them by three, which only is in effect normally to serve the public interest to encourage the bringing of suits to protect the public interest in the antitrust laws, but certainly not by the citizens themselves whose interest it is.

Mr. Speaker, I yield back the balance of my time.

● Mr. FISH. Mr. Speaker, the urgent need to protect local governments against antitrust treble damage claims has not diminished since the House acted on this matter 2 months ago when it passed H.R. 6027. There are between 200 and 300 pending lawsuits against municipalities which have an incalculable potential for creating havoc with municipal budgets and taxation. The House acted wisely, therefore, when on August 8, it ratified the Judiciary Committee amendment barring damages in pending as well as future cases.

On October 4, the other body passed the House bill with an amendment and asked for a conference. Two important issues now divide the two Houses of Congress. The House bill is fully retroactive as to damages, while the Senate bill is not retroactive, unless the defendant municipality can carry the burden of demonstrating that it would be inequitable not to provide zero damages in its particular case. The House bill is silent on an issue which has preoccupied the other body: The repeal of the prohibition against the FTC bringing enforcement actions against local governments, the so-called taxicab rider. The Senate bill contains a repealer.

We could have gone to conference on these differences. There has been time to do so, and possibly there is yet time—witness the immigration bill conferees who are back in session this afternoon. But in lieu of that we are asked to pass an amendment to the Senate amendment which concedes everything to the other body on the retroactivity issue. And it is silent on the repeal of the taxicab rider, which, considering the time constraints, could doom the bill in the other body.

Mr. Speaker, had we gone to conference, we could have worked out our differences. The House would certainly not have yielded on the retroactivity issue to the degree it has in the proposed amendment. As reasonable men and women, I believe we could have achieved a fair compromise, as we did last month on the joint research and development bill, S. 1841. I continue to believe that more effective and enduring legislation—legislation which would have afforded more protection for our beleaguered local governments—could have and should have been worked out.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. EDWARDS], that the House suspend the rules and agree to the resolution, House Resolution 613.

The question was taken.

Mr. EDWARDS of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

□ 1920

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has now been concluded on all motions to suspend the rules.

Pursuant to clause 5 of rule I, the Chair will now put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained.

Votes will be taken in the following order: S. 2574, de novo; and House Resolution 613, de novo.

The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

NURSE EDUCATION AMENDMENTS OF 1984

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the conference report on the Senate bill, S. 2574.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. WAXMAN], that the House suspend the rules and agree to the conference report on the Senate bill, S. 2574.

The question was taken.

Mr. DANNEMEYER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 363, nays 13, not voting 56, as follows:

[Roll No. 455]

YEAS—363

Ackerman	Bartlett	Boggs
Akaka	Bateman	Boland
Albosta	Bates	Bonior
Alexander	Bedell	Bonker
Anderson	Beilenson	Borski
Andrews (NC)	Bennett	Bosco
Andrews (TX)	Bereuter	Boxer
Annunzio	Berman	Breaux
Anthony	Bevill	Britt
Archer	Biaggi	Brooks
AuCoin	Billrakis	Brown (CA)
Barnard	Billey	Brown (CO)
Barnes	Boehlert	Broyhill

Burton (CA)	Heftel	Natcher
Byron	Hertel	Neal
Campbell	Hightower	Nelson
Carney	Hiler	Nichols
Carper	Hillis	Nielson
Carr	Hopkins	Nowak
Chandler	Horton	O'Brien
Chappell	Hoyer	Oakar
Chappie	Hubbard	Oberstar
Clarke	Huckaby	Obey
Coats	Hughes	Olin
Coelho	Hunter	Ortiz
Coleman (MO)	Hutto	Owens
Coleman (TX)	Hyde	Oxley
Collins	Ireland	Packard
Conte	Jacobs	Panetta
Cooper	Jeffords	Pashayan
Corcoran	Johnson	Patman
Coughlin	Jones (NC)	Patterson
Courter	Jones (OK)	Pease
Coyne	Jones (TN)	Penny
D'Amours	Kaptur	Pepper
Daniel	Kastenmeier	Petri
Darden	Kazen	Pickle
Daschle	Kennelly	Porter
Daub	Kildee	Price
de la Garza	Kindness	Pritchard
Dellums	Kleczka	Quillen
Derrick	Kogovsek	Rahall
DeWine	Kolter	Ratchford
Dicks	Kostmayer	Ray
Dingell	LaFalce	Regula
Dixon	Lagomarsino	Reid
Donnelly	Lantos	Richardson
Dorgan	Latta	Ridge
Dowdy	Leach	Rinaldo
Downey	Leath	Ritter
Dreier	Lehman (CA)	Roberts
Duncan	Lehman (FL)	Robinson
Durbin	Leland	Rodino
Dwyer	Lent	Roe
Dyson	Levin	Roemer
Early	Levine	Rogers
Eckart	Levitas	Rostenkowski
Edwards (AL)	Lewis (FL)	Roth
Edwards (CA)	Lipinski	Roukema
Edwards (OK)	Livingston	Rowland
Emerson	Lloyd	Roybal
English	Loeffler	Russo
Erdreich	Long (LA)	Sabo
Erlenborn	Long (MD)	Savage
Evans (IA)	Lott	Sawyer
Evans (IL)	Lowery (CA)	Schaefer
Fascell	Lowry (WA)	Scheuer
Fazio	Lujan	Schneider
Feighan	Luken	Schroeder
Fiedler	Lundine	Schumer
Fields	MacKay	Seiberling
Fish	Madigan	Shannon
Flippo	Markey	Sharp
Florio	Marlenee	Shaw
Foglietta	Martin (IL)	Shelby
Foley	Martin (NY)	Shuster
Ford (TN)	Martinez	Sikorski
Fowler	Matsui	Siljander
Frank	Mavroules	Sisisky
Franklin	Mazzoli	Skeen
Frenzel	McCain	Skelton
Frost	McCandless	Slattery
Fuqua	McCloskey	Smith (FL)
Gaydos	McCollum	Smith (IA)
Gejdenson	McCurdy	Smith (NE)
Gekas	McDade	Smith (NJ)
Gephardt	McGrath	Smith, Robert
Gibbons	McHugh	Snowe
Gilman	McKernan	Snyder
Gingrich	McKinney	Solomon
Glickman	McNulty	Spence
Gonzalez	Mica	Spratt
Goodling	Michel	St Germain
Gradison	Miller (CA)	Staggers
Green	Miller (OH)	Stangeland
Gregg	Mineta	Stark
Guarini	Minish	Stokes
Gunderson	Mitchell	Stratton
Hall (IN)	Moakley	Studds
Hall, Ralph	Molinari	Sundquist
Hall, Sam	Mollohan	Swift
Hamilton	Montgomery	Synar
Hammerschmidt	Moody	Tallon
Hance	Moore	Tauke
Harkin	Morrison (CT)	Tauzin
Harrison	Morrison (WA)	Taylor
Hatcher	Mrazek	Thomas (CA)
Hawkins	Murphy	Thomas (GA)
Hayes	Myers	Torres
Towns	Waxman	Wise
Traxler	Weber	Wolpe
Udall	Weiss	Wortley
Valentine	Wheat	Wright
Vander Jagt	Whitehurst	Wyden
Vandergriff	Whitley	Wylie
Vento	Whittaker	Yates
Volkmer	Whitten	Yatron
Vucanovich	Williams (MT)	Young (AK)
Walgren	Williams (OH)	Young (FL)
Walker	Wilson	Young (MO)
Watkins	Wirth	Zschau

NAYS—13

Craig	Kramer	Shumway
Crane, Daniel	Lungren	Smith, Denny
Crane, Philip	Moorhead	Stump
Dannemeyer	Rudd	
Hansen (UT)	Sensenbrenner	

NOT VOTING—56

Addabbo	Edgar	Martin (NC)
Applegate	Ferraro	McEwen
Aspin	Ford (MI)	Mikulski
Badham	Garcia	Murtha
Bethune	Gore	Ottinger
Boner	Gramm	Parris
Boucher	Gray	Paul
Broomfield	Hall (OH)	Pursell
Bryant	Hansen (ID)	Rangel
Burton (IN)	Hartnett	Rose
Cheney	Hefner	Schulze
Clay	Holt	Simon
Clinger	Howard	Solarz
Conable	Jenkins	Stenholm
Conyers	Kasich	Torricelli
Crockett	Kemp	Weaver
Davis	Lewis (CA)	Winn
Dickinson	Mack	Wolf
Dymally	Marriott	

□ 1940

Mr. HUNTER changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 5, rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on the additional motion to suspend the rules on which the Chair has postponed further proceedings.

RESOLUTION PROVIDING FOR PASSAGE OF H.R. 6027, LOCAL GOVERNMENT ANTITRUST ACT OF 1984

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, House Resolution 613.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. EDWARDS] that the House suspend the rules and agree to the resolution, House Resolution 613.

The question was taken.

Mr. PORTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. The Chair will remind Members that this is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 220, nays 160, not voting 52, as follows:

[Roll No. 456]

YEAS—220

Ackerman	Gibbons	Obey
Addabbo	Glickman	Ortiz
Akaka	Gonzalez	Owens
Albosta	Green	Panetta
Alexander	Guarini	Patterson
Anderson	Hall (IN)	Pease
Andrews (NC)	Hamilton	Penny
Andrews (TX)	Hance	Petri
Annunzio	Harkin	Pickle
AuCoin	Harrison	Price
Barnard	Hatcher	Pritchard
Barnes	Hawkins	Rahall
Bateman	Hayes	Ratchford
Bedell	Heftel	Ray
Beilenson	Hertel	Reid
Berman	Hoyer	Richardson
Bevill	Huckaby	Ridge
Biaggi	Hughes	Rinaldo
Boehlert	Hutto	Ritter
Boggs	Jones (NC)	Rodino
Boland	Jones (OK)	Roe
Bonior	Jones (TN)	Roemer
Bonker	Kaptur	Roukema
Borski	Kastenmeier	Rowland
Bosco	Kazen	Roybal
Boxer	Kennelly	Rudd
Breaux	Kildee	Sabo
Britt	Kleczka	Savage
Brooks	Kogovsek	Scheuer
Brown (CA)	Kostmayer	Schneider
Burton (CA)	LaFalce	Schroeder
Byron	Lantos	Schumer
Carper	Leach	Seiberling
Carr	Lehman (CA)	Shannon
Chandler	Lehman (FL)	Sharp
Chappell	Leland	Sikorski
Clarke	Levin	Sisisky
Coelho	Levine	Slattery
Coleman (TX)	Lipinski	Smith (FL)
Conte	Long (LA)	Smith (IA)
Cooper	Long (MD)	Smith (NJ)
Courter	Lowry (WA)	Spratt
Coyne	Luken	St Germain
Darden	Lundine	Staggers
Daschle	MacKay	Stark
de la Garza	Markey	Stokes
Dellums	Martinez	Studds
Derrick	Matsui	Stump
Dicks	Mavroules	Swift
Dingell	Mazzoli	Synar
Dixon	McCloskey	Tallon
Donnelly	McCurdy	Tauzin
Dorgan	McDade	Thomas (GA)
Downey	McHugh	Torres
Dwyer	McKinney	Towns
Dyson	McNulty	Traxler
Early	Mica	Udall
Eckart	Mikulski	Valentine
Edwards (CA)	Miller (CA)	Vento
Erdreich	Mineta	Volkmer
Erlenborn	Minish	Walgren
Fascell	Mitchell	Watkins
Fazio	Moakley	Waxman
Feighan	Mollohan	Weiss
Flippo	Moody	Wheat
Florio	Morrison (CT)	Whitten
Foglietta	Morrison (WA)	Wilson
Foley	Mrazek	Wirth
Fowler	Murtha	Wise
Frank	Natcher	Wright
Fuqua	Neal	Wyden
Gejdenson	Nowak	Young (MO)
Gekas	Oakar	
Gephardt	Oberstar	

NAYS—160

Anthony	Bennett	Broyhill
Applegate	Bereuter	Campbell
Archer	Bilirakis	Carney
Bartlett	Bliley	Chappie
Bates	Brown (CO)	Clinger

Coats	Ireland	Regula
Coleman (MO)	Jacobs	Roberts
Collins	Jeffords	Robinson
Corcoran	Johnson	Rogers
Coughlin	Kindness	Rostenkowski
Craig	Kolter	Roth
Crane, Daniel	Kramer	Russo
Crane, Philip	Lagomarsino	Sawyer
D'Amours	Latta	Schaefer
Daniel	Leath	Sensenbrenner
Dannemeyer	Lent	Shaw
Daub	Levitas	Shelby
DeWine	Lewis (FL)	Shumway
Dowdy	Livingston	Shuster
Dreier	Lloyd	Siljander
Duncan	Loeffler	Skeen
Durbin	Lott	Skelton
Edwards (AL)	Lowery (CA)	Smith (NE)
Edwards (OK)	Lujan	Smith, Denny
Emerson	Lungren	Smith, Robert
English	Madigan	Snowe
Evans (IA)	Marlenee	Snyder
Evans (IL)	Martin (IL)	Solomon
Fiedler	Martin (NY)	Spence
Fields	McCain	Stangeland
Fish	McCandless	Stratton
Franklin	McCollum	Sundquist
Frenzel	McGrath	Tauke
Frost	McKernan	Taylor
Gaydos	Michel	Thomas (CA)
Gilman	Miller (OH)	Vander Jagt
Gingrich	Molinari	Vandergriff
Goodling	Montgomery	Vucanovich
Gradison	Moore	Walker
Gregg	Moorhead	Weber
Gunderson	Murphy	Whitehurst
Hall, Ralph	Myers	Whitley
Hall, Sam	Nelson	Whittaker
Hammerschmidt	Nichols	Williams (MT)
Hansen (UT)	Nielson	Williams (OH)
Hightower	O'Brien	Wortley
Hiler	Olin	Wylie
Hillis	Oxley	Yates
Holt	Packard	Yatron
Hopkins	Pashayan	Young (AK)
Horton	Patman	Young (FL)
Hubbard	Pepper	Zschau
Hunter	Porter	
Hyde	Quillen	

NOT VOTING—52

Aspin	Ford (MI)	McEwen
Badham	Ford (TN)	Ottinger
Bethune	Garcia	Parris
Boner	Gore	Paul
Boucher	Gramm	Pursell
Broomfield	Gray	Rangel
Bryant	Hall (OH)	Rose
Burton (IN)	Hansen (ID)	Schulze
Cheney	Hartnett	Simon
Clay	Hefner	Solarz
Conable	Howard	Stenholm
Conyers	Jenkins	Torricelli
Crockett	Kasich	Weaver
Davis	Kemp	Winn
Dickinson	Lewis (CA)	Wolf
Dymally	Mack	Wolpe
Edgar	Marriott	
Ferraro	Martin (NC)	

□ 1950

Messrs. LEATH of Texas, FISH, STRATTON, JACOBS, ROSTENKOWSKI, and YATES, Mrs. COLLINS, and Messrs. HORTON, NELSON of Florida, and SOLOMON changed their votes from "yea" to "nay."

Messrs. ROEMER, VOLKMER, and HANCE changed their votes from "nay" to "yea."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

LEGISLATIVE PROGRAM

(Mr. WRIGHT asked and was given permission to proceed out of order.)

Mr. WRIGHT. Mr. Speaker, Members will be interested to know that there will be presented very shortly, almost immediately after perhaps two unanimous-consent requests, a simple extension for 2 days of the existing continuing resolution. This does not indicate by any means whatever that we expect it to take until Thursday before we finish. Quite the contrary, we believe there is reason to expect that if we come in at noon tomorrow, we may have a continuing resolution to vote on at noon tomorrow, which will permit us to adjourn sine die.

That will be our purpose. I shall make two unanimous-consent requests, and I think two committee chairmen have unanimous-consent requests to make, and then the chairman of our Appropriations Committee, the gentleman from Mississippi [Mr. WHITTEN] will present a short continuing resolution which will permit the Government to stay in operation after midnight tonight. When that is done, there will be no reason why we should not adjourn for the evening and go over until noon tomorrow.

We expect that the conferees will continue to meet tonight and early tomorrow and have ready for us, if at all possible, a more permanent resolution on which we can vote when we come in at noon tomorrow.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. Of course, I yield to the distinguished gentleman from Mississippi.

Mr. LOTT. Just a couple points before the gentleman asks the unanimous-consent requests.

Do we anticipate any other business to be before the House other than the continuing resolution tomorrow?

Mr. WRIGHT. I have no knowledge of any other business to come before the House. This continuing resolution, of course, has priority over any and all other business. After it is out of the way, there is no reason why we must stay here for other business. Other business could be attended to in the next session of Congress.

Mr. LOTT. What about the debt limit legislation, which we would not have to vote on, I presume, if the Senate passed it without any amendments, which they have not done so. I assume if they did that with an amendment or amendments to that bill, we would have to also consider that debt ceiling.

Mr. WRIGHT. The gentleman is exactly correct. It is in the other body and the Senate still has not acted on it, to my knowledge. If they were to act upon it without amendment, then of course there would be no need for our acting further. If they attached amendments to it, it might create the kind of controversy that would make it difficult for us to come to grips with it.

Mr. LOTT. Mr. Speaker, I thank the gentleman.

□ 2000

AUTHORIZING THE SPEAKER TO DECLARE RECESSES FOR REMAINDER OF TODAY AND FOR TOMORROW

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that it shall be in order for the remainder of the day and for tomorrow for the Speaker to declare recesses, subject to the call of the Chair.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HOUR OF MEETING ON TOMORROW, WEDNESDAY, OCTOBER 10, 1984

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

FURTHER CONTINUING APPROPRIATIONS, FISCAL YEAR 1985

Mr. WHITTEN. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 663) making further continuing appropriations for fiscal year 1985.

The Clerk read as follows:

H.J. RES. 663

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the joint resolution of October 5, 1984 (Public Law 98-455), is hereby amended by striking out "October 9, 1984" and inserting in lieu thereof "October 11, 1984".

SEC. 2. (a) Federal employees furloughed as a result of the lapse of appropriations from midnight October 3, 1984, until the date of enactment of this joint resolution, will be compensated at their standard rate of compensation for the period during which there was a lapse of appropriations.

(b) All obligations incurred in anticipation of the appropriations and authority provided in this joint resolution for the purposes of maintaining the minimum level of essential activities necessary to protect life and property and bringing about orderly termination of other functions, are hereby ratified and confirmed if otherwise in accordance with the provisions of this joint resolution.

The SPEAKER. Is a second demanded?

Mr. CONTE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Mississippi [Mr. WHITTEN] will be recognized for 20 minutes and the gentleman from Massachusetts [Mr. CONTE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN]

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may require.

This is a simple resolution which extends the existing continuing resolution, which expires at midnight tonight, until existing midnight October 11, 1984.

In addition, language has been included to allow payment to those Federal employees who were furloughed last week when there was a brief lapse of appropriations. This language has been included at the request of my colleague from Massachusetts [Mr. CONTE] so those who through no fault of their own might have had a shortened paycheck will receive their normal remuneration.

Again I say this resolution merely continues the existing resolution so that we can operate under existing rules, and at the current rates, until October 11.

That is all there is to it, Mr. Speaker.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, very briefly, the resolution extends the current continuing resolution through Thursday, October 11, and adds two provisions in order to ensure that Federal employees do not become innocent victims of the disagreement between the House and the Senate over the big continuing resolution.

I offered these two provisions in the continuing resolution conference, and they were accepted by the conferees.

Since there will be a Federal payday before the end of this week, it is important that these provisions be included in this extension, and I thank my chairman for doing so.

The first provision relates to employees who were furloughed when appropriations lapsed at midnight last Wednsday. Although the levels in the continuing resolution provide sufficient funds to pay those employees, because of the Attorney General's ruling in 1980, there is no legal authority to do so. My first provision provides that authority. Federal employees should not receive short paychecks because we cannot complete our business on time.

The second provision relates to Federal employees who were kept on the job to perform essential services, and to begin the orderly termination of other services. The Attorney General's opinion suggests that these activities are permissible during a period of lapsed appropriations. However, I think it is preferable that Congress speak directly to that question, by statute, and specifically ratify obligations incurred for those purposes.

Mr. Speaker, if you go back and check the RECORD, and the debates on every one of these extensions, I stood here and I said that it was foolhardy to think that we could have 2- and 3-day extensions. I said this as a joke, Mr. Speaker, we are going to be back here asking for another one.

And here we are, Mr. Speaker. You do not want to hear the truth. I said make it a week.

Mr. Speaker, everybody thinks we are hung up in conference because of four or five little defense issues that we have. But the real reason is that when we first went down in the well here and we had a clean resolution that the Rules Committee brought out, unfortunately 171 Members on the other side said no. I said stay with CLAUDE PEPPER and his courageous soldiers. If you vote down that clean rule, I said, we will make the pigsty at the Chicago Stockyards look anemic by contrast. And I said wait until it gets over to the other body, it is going to get even worse.

So what happened? That pigsty got so big that the fences got knocked out and we have been trying to chase the pigs all over to catch them, corral them, and bring them back in.

I will tell you, it is like a country fair. Most of them have got grease on them and they are slipping right out of my hands. I cannot hold them.

But I tell you, I am going to do my level best to corral as many as I can before Thursday night. And if we could do that I am sure we are going to go home.

But that is the key. That is the key. If we could settle that public works part of that bill, everything will fall into place and we can all go home.

And I wish you all a lot of luck in your campaigns.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may consume.

The gentleman from Massachusetts and I both supported House Joint Resolution 648 in our appearance before the Rules Committee.

May I say that many of the amendments agreed to House Joint Resolution 648 on the other side were written and ready to be introduced before the House passed the resolution, so do not think it is all on this side.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN] that the House suspend the rules and pass the Joint resolution, House Joint Resolution 663.

The question was taken.

Mr. WALKER. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. 317 Members being present and 35 having requested a roll-call, the yeas and nays are not ordered.

So the yeas and nays were refused.

So (two-thirds having voted in favor thereof) the rules were suspended, and the joint resolution was passed.

A motion to reconsider was laid on the table.

COMMERCIAL SPACE LAUNCH ACT

Mr. FUQUA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3942) to facilitate commercial space launches, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "Commercial Space Launch Act".

FINDINGS

SEC. 2. The Congress finds and declares that—

(1) the peaceful uses of outer space continue to be of great value and to offer benefits to all mankind;

(2) private applications of space technology have achieved a significant level of commercial and economic activity, and offer the potential for growth in the future, particularly in the United States;

(3) new and innovative equipment and services are being sought, created, and offered by entrepreneurs in telecommunications, information services, and remote sensing technology;

(4) the private sector in the United States has the capability of developing and providing private satellite launching and associated services that would complement the launching and associated services now available from the United States Government;

(5) the development of commercial launch vehicles and associated services would enable the United States to retain its competitive position internationally, thereby contributing to the national interest and economic well-being of the United States;

(6) provision of launch services by the private sector is consistent with the national security interests and foreign policy interests of the United States and would be facilitated by stable, minimal, and appropriate regulatory guidelines that are fairly and expeditiously applied; and

(7) the United States should encourage private sector launches and associated services and, only to the extent necessary, regulate such launches and services in order to ensure compliance with international obligations of the United States and to protect the public health and safety, safety of property, and national security interests and foreign policy interests of the United States.

PURPOSES

SEC. 3. It is therefore the purpose of this Act—

(1) to promote economic growth and entrepreneurial activity through utilization of the space environment for peaceful purposes;

(2) to encourage the United States private sector to provide launch vehicles and associated launch services by simplifying and expediting the issuance and transfer of commercial launch licenses and by facilitating and encouraging the utilization of Government-developed space technology; and

(3) to designate an executive department to oversee and coordinate the conduct of commercial launch operations, to issue and transfer commercial launch licenses authorizing such activities, and to protect the public health and safety, safety of property, and national security interests and foreign policy interests of the United States.

DEFINITIONS

SEC. 4. For purposes of this Act—

(1) "agency" means an executive agency as defined by section 105 of title 5, United States Code;

(2) "launch" means to place, or attempt to place, a launch vehicle and payload, if any, in a suborbital trajectory, in Earth orbit in outer space, or otherwise in outer space;

(3) "launch property" means propellants, launch vehicles and components thereof, and other physical items constructed for or used in the launch preparation or launch of a launch vehicle;

(4) "launch services" means those activities involved in the preparation of a launch vehicle and its payload for launch and the conduct of a launch;

(5) "launch site" means the location on Earth from which a launch takes place, as defined in any license issued or transferred by the Secretary under this Act, and includes all facilities located on a launch site which are necessary to conduct a launch;

(6) "launch vehicle" means any vehicle constructed for the purpose of operating in, or placing a payload in, outer space and any suborbital rocket;

(7) "payload" means an object which a person undertakes to place in outer space by means of a launch vehicle, and includes subcomponents of the launch vehicle specifically designed or adapted for that object;

(8) "person" means any individual and any corporation, partnership, joint venture, association, or other entity organized or existing under the laws of any State or any nation;

(9) "Secretary" means the Secretary of Transportation;

(10) "State", and "United States" when used in a geographical sense, mean the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the United States Virgin Islands, Guam, and any other commonwealth, territory, or possession of the United States; and

(11) "United States citizen" mean—

(A) any individual who is a citizen of the United States;

(B) any corporation, partnership, joint venuture, association, or other entity organized or existing under the laws of the United States or any State; and

(C) any corporation, partnership, joint venture, association, or other entity which is organized or exists under the laws of a foreign nation, if the controlling interest (as defined by the Secretary in regulations) in such entity is held by an individual or entity described in subparagraph (A) or (B).

GENERAL RESPONSIBILITIES OF THE SECRETARY AND OTHER AGENCIES

SEC. 5. (a) The Secretary shall be responsible for carrying out this Act, and in doing so shall—

(1) encourage, facilitate, and promote commercial space launches by the private sector; and

(2) consult with other agencies to provide consistent application of licensing requirements under this Act and to ensure fair and equitable treatment for all license applicants.

(b) To the extent permitted by law, Federal agencies shall assist the Secretary, as necessary, in carrying out this Act.

REQUIREMENT OF LICENSE FOR PRIVATE SPACE LAUNCH OPERATIONS

SEC. 6. (a)(1) No person shall launch a launch vehicle or operate a launch site within the United States, unless authorized by a license issued or transferred under this Act.

(2) No United States citizen described in subparagraph (A) or (B) of section 4(11) shall launch a launch vehicle or operate a launch site outside the United States, unless authorized by a license issued or transferred under this Act.

(3)(A) No United States citizen described in subparagraph (C) of section 4(11) shall launch a launch vehicle or operate a launch site at any place which is both outside the United States and outside the territory of any foreign nation, unless authorized by a license issued or transferred under this Act. The preceding sentence shall not apply with respect to a launch or operation of a launch site if there is an agreement in force between the United States and a foreign nation which provides that such foreign nation shall exercise jurisdiction over such launch or operation.

(B)(i) Except as provided in clause (ii) of this subparagraph, this Act shall not apply to the launch of a launch vehicle or the operation of a launch site in the territory of a foreign nation by a United States citizen described in subparagraph (C) of section 4(11).

(ii) If there is an agreement in force between the United States and a foreign nation which provides that the United States shall exercise jurisdiction over the launch of a launch vehicle or operation of a launch site in the territory of such nation by a United States citizen described in subparagraph (C) of section 4(11), no such United States citizen shall launch a launch vehicle or operate a launch site in the territory of such nation, unless authorized by a license issued or transferred under this Act.

(b)(1) The holder of a launch license under this Act shall not launch a payload unless that payload complies with all requirements of Federal law that relate to the launch of a payload. The Secretary shall ascertain whether any license, authorization, or other permit required by Federal law for a payload which is to be launched has been obtained.

(2) If no payload license, authorization, or permit is required by any Federal law, the Secretary may take such action under this Act as the Secretary deems necessary to prevent the launch of a payload by a holder of a launch license under this Act if the Secretary determines that the launch of such payload would jeopardize the public health and safety, safety of property, or any national security interest or foreign policy interest of the United States.

(c)(1) Except as provided in this Act, no person shall be required to obtain from any agency a license, approval, waiver, or exemption for the launch of a launch vehicle or the operation of a launch site.

(2) Nothing in this Act shall affect the authority of the Federal Communications Commission under the Communications Act of 1934 (47 U.S.C. 151 et seq.) or the authority of the Secretary of Commerce under the Land Remote-Sensing Commercialization Act of 1984 (15 U.S.C. 4201 et seq.).

AUTHORITY TO ISSUE AND TRANSFER LICENSES

SEC. 7. The Secretary may, consistent with the public health and safety, safety of property, and national security interests and foreign policy interests of the United States, issue or transfer a license for launching one or more launch vehicles or for operating one or more launch sites, or both, to an applicant who meets the requirements for a license under section 8 of this Act. Any license issued or transferred under this section shall be in effect for such period of time as the Secretary may specify, in accordance with regulations issued under this Act.

LICENSING REQUIREMENTS

SEC. 8. (a)(1) All requirements of Federal law which apply to the launch of a launch vehicle or the operation of a launch site shall be requirements for a license under this Act for the launch of a launch vehicle or the operation of a launch site, respectively, except to the extent provided in paragraph (2).

(2) If the Secretary determines, in consultation with appropriate agencies, that any requirement of Federal law that would otherwise apply to the launch of a launch vehicle or the operation of a launch site is not necessary to protect the public health and safety, safety of property, and national security interests and foreign policy interests of the United States, the Secretary may by regulation provide that such requirement shall not be a requirement for a license under this Act.

(b) The Secretary may, with respect to launches and the operation of launch sites, prescribe such additional requirements as are necessary to protect the public health and safety, safety of property, and national security interests and foreign policy interests of the United States.

(c) The Secretary may, in individual cases, waive the application of any requirement for a license under this section if the Secretary determines that such waiver is in the public interest and will not jeopardize the public health and safety, safety of property, or any national security interest or foreign policy interest of the United States.

LICENSE APPLICATION AND APPROVAL

SEC. 9. (a) Any person may apply to the Secretary for issuance or transfer of a license under this Act, in such form and manner as the Secretary may prescribe. The Secretary shall establish procedures and timetables to expedite review of applications under this section and to reduce regulatory burdens for applicants.

(b) The Secretary shall issue or transfer a license to an applicant if the Secretary determines in writing that the applicant complies and will continue to comply with the requirements of this Act and any regulation issued under this Act. The Secretary shall include in such license such conditions as may be necessary to ensure compliance with this Act, including an effective means of onsite verification that a launch or operation of a launch site conforms to representations made in the application for a license or transfer of a license. The Secretary shall make a determination on any application not later than 180 days after receipt of such application. If the Secretary has not made a determination within 120 days after receipt of such application, the Secretary shall inform the applicant of any pending issues

and of actions required to resolve such issues.

(c) The Secretary, any officer or employee of the United States, or any person with whom the Secretary has entered into a contract under section 14(b) of this Act may not disclose any data or information under this Act which qualifies for exemption under section 552(b)(4) of title 5, United States Code, or is designated as confidential by the person or agency furnishing such data or information, unless the Secretary determines that the withholding of such data or information is contrary to the public or national interest.

SUSPENSION, REVOCATION, AND MODIFICATION OF LICENSES

SEC. 10. (a) The Secretary may suspend or revoke any license issued or transferred under this Act if the Secretary finds that the licensee has substantially failed to comply with any requirement of this Act, the license, or any regulation issued under this Act, or that the suspension or revocation is necessary to protect the public health and safety, safety of property, or any national security interest or foreign policy interest of the United States.

(b) Upon application by the licensee or upon the Secretary's own initiative, the Secretary may modify a license issued or transferred under this Act, if the Secretary finds that the modification will comply with the requirements of this Act.

(c) Unless otherwise specified by the Secretary, any suspension, revocation, or modification by the Secretary under this section—

(1) shall take effect immediately; and

(2) shall continue in effect during any review of such action under section 12 of this Act.

(d) Whenever the Secretary takes any action under this section, the Secretary shall notify the licensee in writing of the Secretary's finding and the action which the Secretary has taken or proposes to take regarding such finding.

EMERGENCY ORDERS

SEC. 11. (a) The Secretary may terminate, prohibit, or suspend immediately the launch of a launch vehicle or the operation of a launch site which is licensed under this Act if the Secretary determines that such launch or operation is detrimental to the public health and safety, safety of property, or any national security interest or foreign policy interest of the United States.

(b) An order terminating, prohibiting, or suspending any launch or operation of a launch site licensed by the Secretary under this Act shall take effect immediately and shall continue in effect during any review of such order under section 12.

ADMINISTRATIVE AND JUDICIAL REVIEW

SEC. 12. (a)(1) An applicant for a license and a proposed transferee of a license under this Act shall be entitled to a determination on the record after an opportunity for a hearing in accordance with section 554 of title 5, United States Code, of any decision of the Secretary under section 9(b) to issue or transfer a license with conditions or to deny the issuance or transfer of such license.

(2) A licensee under this Act shall be entitled to a determination on the record after an opportunity for a hearing in accordance with section 554 of title 5, United States Code, of any decision of the Secretary—

(A) under section 10 to suspend, revoke, or modify a license; or

(B) under section 11 to terminate, prohibit, or suspend any launch or operation of a launch site licensed by the Secretary.

(b) Any final action of the Secretary under this Act to issue, transfer, deny the issuance or transfer of, suspend, revoke, or modify a license or to terminate, prohibit, or suspend any launch or operation of a launch site licensed by the Secretary shall be subject to judicial review as provided in chapter 7 of title 5, United States Code.

REGULATIONS

SEC. 13. The Secretary may issue such regulations, after notice and comment in accordance with section 553 of title 5, United States Code, as may be necessary to carry out this Act.

MONITORING OF ACTIVITIES OF LICENSEES

SEC. 14. (a) Each license issued or transferred under this Act shall require the licensee—

(1) to allow the Secretary to place Federal officers or employees or other individuals as observers at any launch site used by the licensee, at any production facility or assembly site used by a contractor of the licensee in the production or assembly of a launch vehicle, or at any site where a payload is integrated with a launch vehicle, in order to monitor the activities of the licensee or contractor at such time and to such extent as the Secretary considers reasonable and necessary to determine compliance with the license or to carry out the responsibilities of the Secretary under section 6(b) of this Act; and

(2) to cooperate with such observers in the performance of monitoring functions.

(b) the Secretary may, to the extent provided in advance by appropriation Acts, enter into a contract with any person to carry out subsection (a)(1) of this section.

USE OF GOVERNMENT PROPERTY

SEC. 15. (a) The Secretary shall take such actions as may be necessary to facilitate and encourage the acquisition (by lease, sale, transaction in lieu of sale, or otherwise) by the private sector of launch property of the United States which is excess or is otherwise not needed for public use and of launch services, including utilities, of the United States which are otherwise not needed for public use.

(b)(1) The amount to be paid to the United States by any person who acquires launch property or launch services, including utilities, shall be established by the agency providing the property or service, in consultation with the Secretary. In the case of aquisition of launch property by sale or transaction in lieu of sale, the amount of such payment shall be the fair market value. In the case of any other type of acquisition of launch property, the amount of such payment shall be an amount equal to the direct costs (including any specific wear and tear and damage to the property) incurred by the United States as a result of the acquisition of such launch property. In the case of any acquisition of launch services, including utilities, the amount of such payment shall be an amount equal to the direct costs (including salaries of United States civilian and contractor personnel) incurred by the United States as a result of the acquisition of such launch services.

(2) The Secretary may collect any payment for launch property or launch services, with the consent of the agency establishing such payment under paragraph (1).

(3) The amount of any payment received by the United States for launch property or launch services, including utilities, under this subsection shall be deposited in the general fund of the Treasury, and the amount of a payment for launch property (other than launch property which is excess) and launch services (including utilities) shall be credited to the appropriation form which the cost of providing such property or services was paid.

(c) The Secretary may establish requirements for liability insurance, hold harmless agreements, proof of financial responsibility, and such other assurances as may be needed to protect the United States and its agencies and personnel from liability, loss, or injury as a result of a launch or operation of a launch site involving Government facilities or personnel.

LIABILITY INSURANCE

SEC. 16. Each person who launches a launch vehicle or operates a launch site under a license issued or transferred under this Act shall have in effect liability insurance at least in such amount as is considered by the Secretary to be necessary for such launch or operation, considering the international obligations of the United States. The Secretary shall prescribe such amount after consultation with the Attorney General and other appropriate agencies.

ENFORCEMENT AUTHORITY

SEC. 17. (a) The Secretary shall enforce this Act. The Secretary may delegate the exercise of any enforcement authority under this Act to any officer or employee of the Department of Transportation or, with the approval of the head of another agency, any officer or employee of such agency.

(b) In carrying out this section, the Secretary may—

(1) make investigations and inquiries, and administer to or take from any person an oath, affirmation, or affidavit, concerning any matter relating to enforcement of this Act; and

(2) pursuant to any lawful process—

(A) enter at any reasonable time any launch site, production facility, or assembly site of a launch vehicle, or any site where a payload is integrated with a launch vehicle, for the purpose of inspecting any object which is subject to this Act and any records or reports required by the Secretary to be made or kept under this Act; and

(B) seize any such object, record, or report where there is probable cause to believe that such object, record, or report was used, is being used, or is likely to be used in violation of this Act.

PROHIBITED ACTS

SEC. 18. It is unlawful for any person to violate a requirement of this Act, a regulation issued under this Act, or any term, condition, or restriction of any license issued or transferred by the Secretary under this Act.

CIVIL PENALTIES

SEC. 19. (a) Any person who is found by the Secretary, after notice and opportunity to be heard on the record in accordance with section 554 of title 5, United States Code, to have committed any act prohibited by section 18 shall be liable to the United States for a civil penalty of not more than $100,000 for each violation. Each day of a continuing violation shall constitute a separate violation. The amount of such civil penalty shall be assessed by the Secretary by written notice. The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty which is subject to imposition or which has been imposed under this section.

(b) If any person fails to pay a civil penalty assessed against such person after the penalty has become final or if such person appeals an order of the Secretary and the appropriate court has entered final judgment in favor of the Secretary, the Secretary shall recover the civil penalty assessed in any appropriate district court of the United States.

(c) For purposes of conducting any hearing under this section, the Secretary may (1) issue subpoenas for the attendance and testimony of witnesses and the production of relevant papers, books, documents, and other records, (2) seek enforcement of such subpoenas in the appropriate district court of the United States, and (3) administer oaths and affirmations.

CONSULTATION

SEC. 20. (a) The Secretary shall consult with the Secretary of Defense on all matters, including the issuance or transfer of each license, under this Act affecting national security. The Secretary of Defense shall be responsible for identifying and notifying the Secretary of those national security interests of the United States which are relevant to activities under this Act.

(b) The Secretary shall consult with the Secretary of State on all matters, including the issuance or transfer of each license, under this Act affecting foreign policy. The Secretary of State shall be responsible for identifying and notifying the Secretary of those foreign policy interests or obligations of the United States which are relevant to activities under this Act.

(c) The Secretary shall consult with other agencies, as appropriate, in order to carry out the provisions of this Act.

RELATIONSHIP TO OTHER LAWS AND INTERNATIONAL OBLIGATIONS

SEC. 21. (a) No State or political subdivision of a State may adopt or have in effect any law, rule, regulation, standard, or order which is inconsistent with the provisions of this Act. Nothing in this Act shall preclude a State or a political subdivision of a State from adopting or putting into effect any law, rule, regulation, standard, or order which is consistent with this Act and is in addition to or more stringent than any requirement of or regulation issued under this Act. The Secretary may, and is encouraged to, consult with the States to simplify and expedite the approval of space launch activities.

(b) A launch vehicle or payload shall not, by reason of the launching of such vehicle or payload, be considered an export for purposes of any law controlling exports.

(c) Nothing in this Act shall apply to—

(1) any—

(A) launch or operation of a launch vehicle,

(B) operation of a launch site, or

(C) other space activity,

carried out by the United States on behalf of the United States; or

(2) any planning or policies relating to any such launch, operation, or activity.

(d) The Secretary shall carry out this Act consistent with any obligation assumed by the United States in any treaty, convention, or agreement that may be in force between the United States and any foreign nation. In carrying out this Act, the Secretary shall consider applicable laws and requirements of any foreign nation.

REPORT ON LEGISLATION

SEC. 22. (a) Not later than the last day of each fiscal year ending after the date of enactment of this Act and before October 1, 1989, the Secretary shall submit to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report describing all activities undertaken under this Act, including a description of the process for the application for and approval of licenses under this Act and recommendations for legislation that may further commercial launches.

(b) Not later than July 1, 1985, the Secretary shall submit to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report which identifies Federal statutes, treaties, regulations, and policies which may have an adverse effect on commercial launches and include recommendations on appropriate changes thereto.

SEVERABILITY

SEC. 23. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act and the application of such provision to any other person or circumstance shall not be affected by such invalidation.

AUTHORIZED APPROPRIATIONS

SEC. 24. There are authorized to be appropriated to the Secretary $4,000,000 for fiscal year 1985.

EFFECTIVE DATE

SEC. 25. (a) Except for section 15 and the authority to issue regulations, this Act shall take effect 180 days after the date of enactment of this Act.

(b) Section 15 shall take effect on the date of enactment of this Act, except that nothing in this Act shall affect any agreement, including negotiations which are substantially completed, relating to the acquisition of launch property or launch services of the United States entered into on or before the date of enactment of this Act between the United States and any private party.

(c) Regulations to implement this Act shall be promulgated not later than 180 days after the date of enactment of this Act.

□ 2010

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that further reading of the amendment be dispensed with, and that it be printed in the RECORD.

The SPEAKER pro tempore [Mr. MOAKLEY]. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Florida [Mr. FUQUA]?

Mr. LUJAN. Reserving the right to object, Mr. Speaker, I shall not object but only take this occasion to ask the gentleman from Florida to explain the purpose of the legislation.

Mr. FUQUA. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. Under my reservation, Mr. Speaker, I yield to the gentleman from Florida [Mr. FUQUA].

Mr. FUQUA. I thank the gentleman for yielding.

Mr. Speaker, this bill represents the culmination of long and careful deliberations in both the House and Senate. I want to recognize especially the exemplary efforts and leadership of the chairman of the Subcommittee on Space Science and Applications, Mr. VOLKMER, and the senior minority member of the subcommittee, Mr. LUJAN, in preparing this legislation for consideration by the House today. I also want to thank the distinguished ranking minority member of the full committee, Mr. WINN, for his leadership on this measure.

Mr. Speaker, the Senate and House versions are very similar, and I believe the Senate amendment represents improvements that warrant adoption by the House. I urge my colleagues to support the Senate amendment to H.R. 3942, the Commercial Space Launch Act, which passed the House on June 5, 1984.

This legislation is designed to encourage the U.S. private sector to provide launch vehicles and associated launch services and to designate an executive department—the Department of Transportation—to oversee and coordinate the conduct of commercial launch operations. The step we take by passing this legislation anticipates an increase in world market demand for launch services and an expansion of U.S. commercial launch services as a complement to the space shuttle. These activities should enhance domestic economic activity and U.S. competitiveness in capturing the space launch market.

The bill responds to these changing conditions by providing for issuance of commercial launch licenses and by facilitating and encouraging private sector utilization of Government developed space technology. Government supervision over private launch activities is required to protect public health and safety, safety of property, and national security and foreign policy interests of the United States.

I urge all Members to support the Senate amendment, so that we can get this bill to the President for signature and take another important step toward our efforts to commercialize space.

Mr. LUJAN. Further reserving the right to object, Mr. Speaker, I thank the gentleman for bringing up this bill.

I think the purpose of all Government research should be for the benefit of mankind. I think the commercialization of space certainly fits into that category. We ought to commercialize it as much as possible.

Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Speaker, I too rise in strong support of the Senate amendment to H.R. 3942, the Commercial Space Launch Act. The Senate version before us today preserves the

essential features of the House bill adopted June 5, 1984. I believe most of the changes made by the other body reflect enhancements to the legislation which can be fully endorsed by the House.

As chairman of the subcommittee, Mr. Speaker, I would like to commend the chairman of the full committee, the gentleman from Florida, Mr. FUQUA, and also the ranking minority member, the gentleman from Kansas, Mr. LARRY WINN, and the gentleman from New Mexico, Mr. LUJAN, for their work. Also, I would like to commend the original cosponsors of this legislation who brought us the idea for commercializing efforts in space, the gentleman from Hawaii, Mr. AKAKA. Along with that, as we deliberated in the subcommittee on the legislation, I also wish to commend the gentleman from Washington, Mr. ROD CHANDLER, and the gentleman from Virginia, Mr. HERB BATEMAN, for their expert work and assistance in getting this legislation through this body.

Also, Mr. Chairman, I would like to incorporate in the RECORD the major differences between S. 2931 as reported and H.R 3942 as passed by the House.

MAJOR DIFFERENCES BETWEEN S. 2931, AS REPORTED, AND H.R. 3942, AS PASSED BY THE HOUSE

The Senate bill clarifies the extent of U.S. authority over launch activities conducted by U.S citizens in international territory, and within foreign territory—the State Department endorses the Senate language.

The Secretary is given responsibility for determining whether a payload to be launched complies with all requirements of Federal law. The House bill had assigned this responsibility to the appropriate agencies under current law.

The Secretary's administration and enforcement activities under the act are required to be consistent with and protective of public health and safety, safety of property, and national security and foreign policy interests of the United States. The House bill had required the Secretary to carry out the act consistent with "safety of life of property, and national security and foreign policy interests of the United States."

A determination by the Secretary to issue a license must be made within 180 days of receipt of application the House bill required a 120-day turnaround.

Any order by the Secretary to suspend, revoke, or modify a license shall take effect immediately, unless otherwise specified by the Secretary. The House bill required such orders to take effect 30 days following issuance.

In monitoring the activities of licensees under the act, the Secretary is authorized to enter into a contract to carry out such activities. The House bill authorized the Secretary to place only Federal officers or employees at launch sites.

Payments for purchase of or reimbursements for use of Government launch property or services shall be established by the agency providing the property or service, in consultation with the Secretary. In the case of acquisition of launch property by sale or transaction in lieu of sale, the amount of such payment shall be fair market value. The House bill provided that the amount of such payments be set solely by the Secretary, on the basis of fair market value or benefit to the recipient, whichever is greater.

The Senate bill requires the Secretary to consult with the Secretary of Defense on all matters under the act affecting national security and with the Secretary of State on all matters under the act affecting foreign policy. This is an elaboration on a general consultation requirement between the Secretary and other agencies in the House bill.

The bill prohibits any State from having in effect any law or regulation which is inconsistent with the act; however, a State may adopt laws or regulations in addition to, or more stringent than the act, so long as they are consistent with the act. Thus, while States may adopt regulations in the interests of protecting the public health and safety, for example, such regulations should be designed so as not to impede the achievement of the objectives of the legislation, that is, to encourage private sector launches and associated services. This approach recognizes a necessary balancing of interests, and should be sufficiently flexible to preserve the interests of all parties. The House bill did not affect the authority of States to regulate space launch activities.

The bill establishes that the launching of a launch vehicle or payload shall not be considered an export for purposes of any law controlling exports. The House bill did not address payloads in this context.

The bill directs the Secretary to report annually for 5 years on the activities undertaken pursuant to the act, and by July 1, 1985, to report on legal and regulatory impediments to commercial launch operations. The House bill required a report be submitted to Congress a year following enactment.

The bill shall take effect upon enactment, except for the authority to issue regulations and the provisions of the bill—section 15—dealing with use of Government property. Nothing in the act shall affect any agreement entered into or any negotiations which are substantially completed relating to the acquisition of launch property or services of the United States on or before the date of enactment. The House bill established an effective date—except for the authority to issue regulations—180 days following enactment.

I urge all Members' support for this legislation.

Mr. LUJAN. Mr. Speaker, further reserving the right to object, I yield to the gentleman from New York [Mr. MCGRATH].

Mr. MCGRATH. I thank the gentleman for yielding.

Mr. Speaker, I congratulate the chairman and the ranking member and the ranking member of the subcommittee and the subcommittee chairman for bringing this bill before us. This is an important piece of legislation to commercialize the expendable launch vehicles to consolidate all of the permits necessary. Presently nine different permits are necessary to commercialize these expendable launch vehicles. We will establish a one-stop shop here with this legislation which I think is important for our endeavors in space in the future.

Mr. Speaker, I again thank the gentleman for yielding.

Mr. LUJAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Florida?

There was no objection.

A motion to reconsider was laid on the table.

CORRECTING TECHNICAL ERRORS IN ENROLLMENT OF H.R. 3942, COMMERCIAL SPACE LAUNCH ACT

Mr. FUQUA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the concurrent resolution (H. Con. Res. 374) to correct technical errors in the enrollment of the bill, H.R. 3942.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. LUJAN. Mr. Speaker, I reserve the right to object, and I do so only to have the gentleman [Mr. FUQUA] explain the concurrent resolution.

Mr. FUQUA. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. Under my reservation of objection, I yield to the gentleman from Florida.

Mr. FUQUA. I thank the gentleman for yielding.

Mr. Speaker, I appreciate the time. This concurrent resolution simply corrects a technical error in the bill by extending provisions on administrative and judicial review to cover the Secretary's decision concerning payloads. This change is consistent with the House and Senate intent that such request be provided and was covered in the report language. However, through oversight the language was

not included in the bill text and this action would correct that oversight.

Mr. LUJAN. I thank the gentleman for his explanation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the concurrent resolution, as follows:

HOUSE CONCURRENT RESOLUTION 374

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H.R. 3942) to facilitate commercial space launches, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(1) At the end of section 12(a)(1) add the following: "An owner or operator of a payload shall be entitled to a determination on the record after an opportunity for a hearing in accordance with section 554 of title 5, United States Code, of any decision of the Secretary under section 6(b)(2) to prevent the launch of such payload.".

(2) In section 12(b) after "the Secretary" the second place it appears insert the following: "or to prevent the launch of a payload".

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

DECLARING THAT THE UNITED STATES HOLDS CERTAIN LANDS IN TRUST FOR COCOPAH INDIAN TRIBE OF ARIZONA

Mr. UDALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5760) to declare that the United States holds in trust for the Cocopah Indian Tribe of Arizona certain land in Yuma County, Arizona, with Senate amendments, thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

TITLE I—COCOPHA INDIAN TRIBE OF ARIZONA

SEC. 101. Subject to all valid existing rights, all right, title, and interest of the United States in the following described tracts of land shall be held by the United States in trust for the Cocopah Indian Tribe of Arizona and shall be part of the reservation of such tribe:

(1) As part of the West Cocopah Reservation, containing 2,096 acres, more or less:

Gila and Salt River Base and Meridian, Arizona

Township 9 south, range 24 west

Section 18, lot 17;

Section 19, lots 24 and 25; and

Section 30, lots 19 and 27.

Township 9 south, range 25 west

Section 24, lots 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12.

Section 34, lots 1 and 2; and

Section 35, all within the United States.

Township 10 south, range 25 west

Section 2, lots 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23, 24, 25, 26, and 27;

Section 10, lots 1 and 2;

Section 11, lots 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16;

Section 14, lots 8 and 9; and

Section 15, lots 5, 6, and 7, and northeast quarter northeast quarter.

(2) As part of the East Cocopah Reservation, containing 1,548.87 acres, more or less:

Gila and Salt River Base and Meridian, Arizona

Township 9, south, range 23 west

Section 30, southeast quarter southwest quarter and

Section 31, north half, north half south half, southwest quarter southwest quarter, and southwest quarter southeast quarter.

Township 10 south, range 24 west

Section 1, lots 1, 2, 5, and 8, and south half northeast quarter and east half southeast quarter

Section 12, northeast quarter and east half southeast quarter; and

Section 13, lots 7 and 9, and east half northeast quarter, northeast quarter southeast quarter, south half southeast quarter, and south half southwest quarter.

(3) As the North Cocopah Reservation, containing 614.18 acres, more or less:

San Bernardino Base and Meridian, Arizona

Township 16 south, range 21 east

Section 25, lots 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17; and

Section 24, lot 1.

Township 16 south, range 22 east

Section 19, lot 10, and

Section 30, lots 11, 12, 13, 19, 20, and 22, and south half southwest quarter.

SEC. 102. (a) Nothing in this Act shall deprive any person or entity of any legal existing right-of-way, legal mining claim, legal grazing permit, legal water right, accretion claim, or other legal right or interest which such person or entity may have in lands described in section 101 of this Act.

(b) That portion of the lands described in paragraph 2 of section 101 which are the subject of a dedication for a garbage disposal recorded at book 167, page 464 of the Yuma County Recorder's office shall remain subject to such dedication for as long as such lands are used for land fill or related purposes.

SEC. 103. Notwithstanding any other provision of this title, Executive Order Numbered 11988 of May 24, 1977, 42 Federal Register 26951, as amended, shall apply to lands described in section 101 of this Act.

SEC. 104. (a) There are reserved to the United States the following rights-of-way upon, over, and across the lands described in section 101 of this Act:

(1) A right-of-way of sixty feet from the margin of the Colorado River on the international boundary with the Republic of Mexico, as described in Public Land reservation of May 27, 1907;

(2) Rights-of-way for existing facilities of the Yuma Reclamation Project, the Colorado River Front Work and Levee System, and the Yuma Mesa Conduit;

(3) A right-of-way of fifty feet on each side of the center line of the Pesch Header, as shown on the United States Bureau of Reclamation, Yuma Project drawing numbered 35-303-634;

(4) A right-of-way for power and transmission facilities within the north seventeen feet of the south fifty feet of the southeast quarter southwest quarter, section 30, township 9 south, range 23 west, Gila and Salt River Base and Meridian;

(5) A right-of-way of two hundred feet measured horizontally landward from the high water mark of the Colorado River bankline for channel rectification, bankline maintenance, and preservation of the floodway, as well as a right, at all proper times and places, to free ingress to, passage over, and egress from the lands described in section 101 of this Act, for the purpose of exercising, enforcing, and protecting the rights reserved in this right-of-way; and

(6) A right-of-way for sludge disposal for the Yuma Desalting Plant on Sections 24, 25 (excluding lots 5 and 6), township 16 south, range 21 east, San Bernardino Base and Meridian, Arizona and sections 19, 30, township 16 south, range 22 east, San Bernardino Base and Meridian, Arizona. This right-of-way shall terminate on the earlier of the date that is 5 years after the date of the enactment of this Act, or the date on which the Secretary of the Interior determines that such right-of-way is not needed for such purpose. Any determination by the Secretary of the Interior under this subsection shall be published in the Federal Register:

Provided, That should any of the rights-of-ways reserved by this section be abandoned, as determined by the Secretary of the Interior, such rights shall revert to the Cocopah Tribe.

SEC. 105. In the event that title to any private lands located within section 1 or 2, township 10 south, range 25 West, Gila and Salt River Base and Meridian, which are contiguous to the West Cocopah Reservation, is subsequently acquired by the Cocopah Tribe, such lands shall thereupon become part of, and shall be within, the exterior boundary of the West Reservation of the Cocopah Tribe.

TITLE II—CLAIMS OF THE NAVAJO INDIAN TRIBE

SEC. 201. Notwithstanding sections 2401 and 2501 of title 28, United States Code, or section 12 of the Act of August 13, 1946 (60 Stat. 1052; 25 U.S.C. 70k), or any other provision of law, jurisdiction is hereby conferred upon the United States Claims Court to hear, determine, and render judgment on the claims of the Navajo Indian Tribe against the United States which (1) arose before August 13, 1946, (2) were timely presented under section 2 of the Act of August 13, 1946 (60 Stat. 1050; 25 U.S.C. 70a), (3) were withdrawn without approval by the Tribe and the Secretary of the Interior, and (4) were held by the Court of Claims in Navajo Tribe Indians against United States, Docket Numbered 69, on June 13, 1979, to have been voluntarily dismissed by the Tribe before being considered or decided on their merits, and which are no longer pending before the United States Claims Court and have not been previously determined on the merits by the United States Court of Claims. Such claims must be filed within six months after the date of enactment of this Act.

SEC. 202. This title shall not affect the finality of the judgments entered in Indian Claims Commission Docket Numbers 229 and 353 or alter the effect, if any, of those judgments on other litigation brought by the Navajo Indian Tribe against the United States as third parties in other judicial proceedings.

Amend the title so to read: "An Act to declare that the United States holds certain lands in trust for the Cocopah Indian Tribe of Arizona, and for other purposes.".

Mr. UDALL (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the Senate amendment be dispensed with, and that it be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Arizona?

Mr. LUJAN. Reserving the rights to object, Mr. Speaker, I take this time again simply to ask the gentleman from Arizona to explain the contents of the legislation.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. I yield to the gentleman from Arizona.

Mr. UDALL. I thank the gentleman for yielding.

Mr. Speaker, H.R. 5760 provides that certain public lands in Arizona will be held in trust for the Cocopah Indian Tribe of Arizona. The House passed this bill on October 2. The Senate passed the bill on October 4 with an amendment in the nature of a substitute.

First, the Senate substitute makes two minor, but germane, amendments to the Cocopah land provision. We have reviewed these changes and find them acceptable. I know of no opposition to them.

Second, the Senate substitute inserts a new title II which adds a nongermane provision authorizing the Navajo Tribe to file certain claims against the United States in the court of claims. The claims involved are claims which the Navajo Tribe filed before the old Indian Claims Commission. These claims were dismissed by the Commission on a motion of the tribe's former attorney without the consent of either the tribe or the Secretary of the Interior.

All this provision will do is to permit the tribe to refile these claims and to have them heard on their merits. Similar legislation is pending before the Judiciary Committee but I understand there is no objection to concurring in this Senate amendment.

Mr. LUJAN. Mr. Speaker, I thank the gentleman for his explanation.

Further reserving the right to object, Mr. Speaker, I yield to my friend, the gentleman from Ohio [Mr. KINDNESS].

Mr. KINDNESS. I thank the gentleman for yielding.

Mr. Speaker, I take this time solely for the purpose of pointing out that although the Judiciary Committee has not acted on the subject matter of the amendment to the bill, I would not voice objection at this point. If it turns out there is opposition by the administration, if the bill is vetoed, I would certainly be very happy to work with those interested to effect resolution of this in the days ahead in the next Congress, if I have the opportunity to be here to do that. But I would not raise objection at this point.

Mr. LUJAN. I thank the gentleman for his comments.

Mr. Speaker, there has been some problems with this as far as the Committee on the Judiciary is concerned, but I think we have straightened those matters out.

Because of that, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Arizona?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

THE PRESIDENTIAL DEBATE

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, both President Ronald Reagan and Democratic challenger Walter Mondale revealed themselves to the American people in Louisville last Sunday night for the first time. Contrary to the harsh, often strident image which Walter Mondale is portrayed in his disastrous television advertising, Walter Mondale appeared as he really is to those who know him, a person in command of the issues and easy to articulate them.

By contrast, without the aid of a teleprompter and cue cards, Ronald Reagan stumbled, appeared to be confused, and was ill prepared for the challenger.

Ronald Reagan made the mistake of trying to be something that he is not—in command of facts—and he forgot his real strength, and that is one who portrays emotion. When the President moves away from emotion and tries to deal with facts, he is not in command.

I include a transcript of the debate for the RECORD so that the American people can review for themsleves who was in command in Louisville:

[From the New York Times, Oct. 9, 1984]

TRANSCRIPT OF LOUISVILLE DEBATE BETWEEN REAGAN AND MONDALE

PARTICIPANTS IN THE DEBATE

The following people participated in Sunday night's Presidential debate in Louisville:

Candidates: President Reagan, Republican, and Walter F. Mondale, Democrat.

Moderator: Barbara Walters, correspondent, ABC News.

Panelists: Diane Sawyer, correspondent, CBS News; Fred Barnes, Washington correspondent, The Baltimore Sun, and James G. Wieghart, political correspondent, Scripps-Howard Newspapers.

Following is a transcript of the televised debate between President Reagan and Walter F. Mondale sponsored by the League of Women Voters in Louisville Sunday night, as recorded by The New York Times through the facilities of CBS News:

Dorothy Ridings: Good evening from the Kentucky Center for the Arts in Louisville, Ky. I'm Dorothy Ridings, president of the League of Women Voters, the sponsor of tonight's first Presidential debate between Republican Ronald Reagan and Democrat Walter Mondale.

Tonight's debate marks the third consecutive Presidential election in which the league is presenting the candidates for the nation's highest office in face-to-face debate.

Our panelists are James Wieghart, national political correspondent for Scripps-Howard News Service; Diane Sawyer, correspondent for the CBS program "60 Minutes," and Fred Barnes, national political correspondent for The Baltimore Sun.

Barbara Walters of ABC News, who is appearing in her fourth Presidential debate is our moderator. Barbara:

Moderator: A few words as we begin tonight's debate, about the format. The position of the candidates, that is, who answers questions first, and who gives the last statement was determined by a toss of the coin between the two candidates. Mr. Mondale won. And that means that he chose to give the final closing statement. It means, too, that the President will answer the first question first. I hope that's clear. If it isn't, it will become clear as the debate goes on.

Further, the candidates will be addressed as they each wanted and will therefore be called Mr. President and Mr. Mondale. Since there will also be a second debate between the two Presidential candidates tonight will focus primarily on the economy and other domestic issues.

The debate itself is built around questions from the panel. In each of its segments a reporter will ask the candidates the same general question. Then—and this is important—each candidate will have the chance to rebut what the other has said. In the final segment of the debate will be the closing segment and the candidates will each have four minutes for their closing statement. And as I have said, Mr. Mondale will be the last person on the program to speak.

And now I would like to add a personal note, if I may. As Dorothy Riding's pointed out, I have been involved now in four Presidential debates, either as a moderator or as

a panelist. In the past there was no problem in selecting panelists. Tonight, however, there were to have been four panelists participating in this debate. The candidates were given a list of almost 100 qualified journalists from all the media and could agree on only these three fine journalists.

As moderator and on behalf of my fellow journalists I very much regret as does the League of Women Voters that this situation has occurred. And now let us begin the debate with the first question from James Wieghart. Mr. Wieghart.

DEFICITS AND THE BUDGET

Q: Mr. President, in 1980, you promised the American people, in your campaign, a balanced budget by 1983. We've now had more and bigger deficits in the four years you've been in office. Mr President, do you have a secret plan to balance the budget some time in the second term, and if so, would you lay out that plan for us tonight?

Reagan: I have a plan. Not a secret plan. As a matter of fact, it is the economic recovery program that we presented when I took office in 1981. It is true that earlier, working with some very prominent economists, I had come up, during the campaign, with an economic program that I thought could rectify the great problems confronting us: the double-digit inflation, the high tax rates that I think were hurting the economy, the stagflation that we were undergoing. Before even the Election Day, something that none of those economists had even predicted had happened, that the economy was so worsened that I was openly saying that what we had thought the basis of our plan could have brought a balanced budget; that was no longer possible.

So the plan that we have had and that we're following, is a plan that is based on growth in the economy, recovery without inflation, and reducing the share of the, that the Government is taking from the gross national product, which has become a drag on the economy. Already we have a recovery that has been going on for about 21 months, to the point that we can now call it an expansion. Under that, this year, we have seen a $21 billion reduction in the deficit from last year, based mainly on the increased revenues the government is getting without raising tax rates.

Value of tax cut seen

Our tax cut, we think, was very instrumental in bringing about this economic recovery. We have reduced inflation to about a third of what it was. The interest rates have come down about 9 or 10 points, and we think must come down further. In the last 21 months, more than six million people have gotten jobs. There have been created new jobs for those people to where there are now 105 million civilians working where there were only 99 million before, 107 if you count the military.

So we believe that as we continue to reduce the level of government spending, the increase, rate of increase in government spending, which has come down from 17 to 6 percent, and at the same time as the growth in the economy increases the revenues the Government gets without raising taxes, those two lines will meet. And when they meet, that is a balanced budget.

Climbing deficit projected

Q. Mr. President, the Congressional Budget Office has some bad news. The lines aren't about to meet according to their projection; they project that the budget deficit will continue to climb. In the year 1989 they project a budget deficit of 273 billion. In view of that and in view of the economic recovery we are now enjoying, would it make sense to propose a tax increase or take some other fiscal measures to reduce that deficit now when times are relatively good?

Reagan: The deficit is a result, it is a result of excessive Government spending. I do not, and very frankly, take seriously the Congressional Budget Office projections because they have been wrong on virtually all of them, including the fact that our recovery wasn't going to take place to begin with. But it has taken place. But as I said we have the rate of increase in Government spending down to 6 percent. If the rate of increase in Goverment spending can be held to 5 percent—We're not far from there—by 1989 that would have reduced the budget deficits down to a $30 billion or $40 billion level. At the same time if we can have a 4 percent recovery continue through that same period of time, that will mean without an increase in tax rates, that will mean $400 billion more in Government revenues. And so I think that the limits can meet. Actually, in constant dollars, in the domestic side of the budget there has been no spending increase in the four years that we have been here.

Q: Mr. Mondale, the Carter-Mondale Administration didn't come close to balancing the budget in its four years in office either, despite the fact that President Carter did promise a balanced budget during his term. You have proposed a plan combining tax increases and budgetary cuts and other changes in the administration of the Government that would reduce the projected budget deficit by two-thirds to approximately $87 billion in 1989. That still is an enormous deficit that we'll be running for these four years. What other steps do you think should be taken to reduce this deficit and position the country for economic growth?

Mondale: One of the key tests of leadership is whether one sees clearly the nature of the problem confronted by our nation. And perhaps the dominant domestic issue of our times is what do we do about these enormous deficits.

Respect for President

I respect the President. I respect the Presidency and I think he knows that.

But the fact of it is every estimate by this Administration about the size of the deficit has been off by billions and billions of dollars. As a matter of fact, over four years, they've missed the mark by nearly $600 billion. We were told we would have a balanced budget in 1983. It was $200 billion deficit instead. And now we have a major question facing the American people as to whether we'll deal with this deficit and get it down for the sake of a healthy recovery. Virtually every economic analysis that I've heard of, including the distinguished Congressional Budget Office, which is respected by, I think, almost everyone, says that even with historically high levels of economic growth, we will suffer a $263 billion deficit. In other words, it doesn't converge, as the President suggests. It gets larger, even with growth.

Foreign trade problems

What that means is that we will continue to have devastating problems with foreign trade. This is the worst trade year in American history by far. Our rural and farm friends will have continued devastation. Real interest rates, the real cost of interest, will remain very very high. And many economists are predicting that we're moving into a period of very slow growth because the economy is tapering off and may be a recession.

I get it down to a level below 2 percent of gross national product with a policy that's fair. I've stood up and told the American people that I think it's a real problem, that it can destroy long-term economic growth, and I've told you what I think should be done.

I think this is a test of leadership and I think the American people know the difference.

Q: Mr. Mondale, one other way to attack the deficit is further reductions in spending. The President has submitted a number of proposals to Congress to do just that, and in many instances the House, controlled by the Democrats, has opposed them.

Isn't it one aspect of leadership for prominent Democrats such as yourself to encourage responsible reductions in spending and thereby reduce the deficit?

MONDALE: Absolutely. And I have proposed over $100 billion in cuts in Federal spending over four years. But I am not going to cut it out of Social Security and Medicare and student assistance and things that people need.

These people depend upon all of us for the little security that they have. And I'm not going to do it that way. The rate of defense spending increase can be slowed; certainly we can find a coffee pot that costs something less than $7,000.

And there are other ways of squeezing this budget without constantly picking on our senior citizens and the most vulnerable in American life.

And that's why the Congress, including the Republicans, have not gone along with the President's recommendations.

MODERATOR: I would like to ask the audience please to refrain from applauding either side. It just takes away from the time for the candidates. And now it is time for the rebuttal, Mr. President: one minute of rebuttal.

REAGAN: Yes, I don't believe that Mr. Mondale has a plan for balancing the budget. He has a plan for raising taxes. As a matter of fact, the biggest single tax increase in the nation's history took place in 1977, and for the five years previous to our taking office, taxes doubled in the United States and the budget's increased $318 billion, so there is no ratio between taxing and balancing a budget. Whether you borrow the money or whether you simply tax it away from the people, you're taking the same amount of money out of the private sector unless and until you bring down Government's share of what it is taking.

With regard to Social Security I hope there'll be more time than just this win it—minute—to mention that, but I will say this: A President should never say never. But I'm going to violate that rule and say "never." I will never stand for a reduction of the Social Security benefits to the people that are now getting them.

Moderator: Mr. Mondale.

Mondale: That's exactly the commitment that was made to the American people in 1980. He would never reduce benefits. And of course what happens right after the election is they proposed to cut Social Security benefits by 25 percent, reducing the adjustment for inflation, cutting out minimum benefits for the poorest on Social Security, removing education benefits for dependents whose widows were trying, with widows trying to get them through college. Everybody remembers that. People know what happened. There's a difference. I have fought for Social Security and Medicare and for things to help people who are vulnerable

all my life, and I will do it as President of the United States.

LEADERSHIP QUALITIES

Moderator: Thank you very much. We will now begin with segment No. 2 with my colleague, Diane Sawyer. Miss Sawyer.

Q. Mr. President, Mr. Mondale. The public opinion polls do suggest that the American people are most concerned about the personal leadership characteristics of the two candidates, and each of you has questioned the other's leadership ability. Mr. President, you have said that Mr. Mondale's leadership would take the country down the path of defeatism and despair and Vice President Bush has called him whining and hoping for bad news. And Mr. Mondale, you have said that President Reagan offers showmanship, not leadership, that he has not mastered what he must know to command his Government. I'd like to ask each of you to substantiate your claims. Mr. Mondale first. Give us specifics to support your claim that President Reagan is a showman, not a leader, has not mastered what he must know to be President after four years, and then second, tell us what personal leadership characteristics you have that he does not.

Mondale: Well first of all, I think the first answer this evening suggests exactly what I'm saying. There is no question that we face this massive deficit. And almost everybody agrees unless we get it down the chances for long-term healthy growth are nil. And it's also unfair to dump these tremendous bills on our children. The President says it will disappear overnight because of some reason; no one else believes that's the case. I do and I'm standing up to the issue with an answer that's fair. I think that's what leadership is all about.

There's a difference between being a quarterback and a cheerleader and when there's a real problem, a President must confront it. What I was referring to, of course, in the comment that you referred to, was the situation in Lebanon. Now, for three occasions, one after another, our Embassies were assaulted in the same way by a truck with demolition. The first time, and I did not criticize the President because these things can happen once, and sometimes twice, the second time the barracks in Lebanon were assulted as we all remember. There was two or three commission reports, recommendations by the C.I.A., the State Department and the others, and third time there was even a warning from the terrorists themselves.

Now I believe that a President must command that White House and those who work for him. It's the toughest job on earth. And you must master the facts and insist that things must be done, are done. I believe the way in which I will approach the Presidency is what's needed. Because all my life that has been the way in which I have sought to lead. And that's why in this campaign I am telling you exactly what I want to do; I am answering your questions; I am trying to provide leadership now before the election so that the American people can participate in that decision.

Sending a message

Q. You have said, Mr. Mondale, that the polls have given you lower ratings on leadership than President Reagan because your message has failed to get through. Given that you have been in public office for so many years, what accounts for the failure of your message to get through?

Mondale: Well, I think we're getting better all the time, and I think tonight, as we contrast for the first time our different approach to government, to values, to the leadership in this country, I think as this debate goes forward, the American people will have, for the first time, a chance to weigh the two of us against each other. And I think as a process, as a part of that process, what I am trying to say will come across. And that is that we must lead, we must command, we must direct, and a President must see it like it is. He must stand for the values of decency that the American people stand for, and he must use the power of the White House to try to control these nuclear weapons and lead this world toward a safer world.

Q: Mr. President, the issue is leadership in personal terms. First, do you think, as Vice President Bush said, that Mr. Mondale's campaign is one of whining and hoping for bad news. And, second, what leadership characteristics do you possess that Mr. Mondale does not?

Reagan: Well, whether he does or not, let me suggest my own idea about the leadership factor, and since you've asked it. And incidentally, I might say that with regard to the 25 percent cuts of Social Security before I get to the answer of your question the only 25 percent cut that I know of was accompanying that huge 1977 tax increase was a cut of 25 percent in the benefits for every American who was born after 1916.

Now, leadership. First of all, I think you must have some principles you believe in. In mine, I happen to believe in the people and believe that the people are suppose to be dominant in our society. That they, not government, are to have control of their own affairs to the greatest extent possible with an orderly society.

Now, having that, I think also that in leadership, well, I believe that you find the people—positions such as I'm in—who have the talent and ability to do the things that are needed in the various departments of government.

I don't believe that a leader should be spending his time in the Oval Office deciding who's going to play tennis on the White House court. And you let those people go with the guidelines of overall policy, and not looking over their shoulder and nitpicking the manner in which they go at the job. You are ultimately responsible, however, for that job.

But I also believe something else about that. I believe that—and when I became Governor of California I started this and I continue it in this office—that any issue that comes before me I have instructed Cabinet members and staff they are not to bring up any of the political ramifications that might surround the issue. I don't want to hear them. I want to hear only arguments as to whether it is good or bad for the people. Is it morally right.

And on that basis, and that basis alone, we make a decision on every issue.

Now, with regard to my feeling about why I thought that his record bespoke his possible taking us back to the same things that we knew under the previous Administration, his record is that he spoke in praise of deficits several times. Said they weren't to be abhorred. That as a matter of fact he at one time said he wished the deficit could be doubled because they stimulate the economy and help reduce unemployment.

Q. As a follow-up, let me draw in another specific if I could, a specific that the Democrats have claimed about your campaign; that it is essentially based on imagery. And one specific that they allege is that, for instance, that recently you showed up at the opening ceremony of a Buffalo old age housing project when in fact your policy was to cut Federal housing subsidies for the elderly, yet you were there to have your pciture taken with them.

Reagan: Our policy was not to cut subsidies. We have believed in partnership and that was an example of a partnership between not only local government and the Federal Government but also between the private sector that built that particular structure. And this is what we've been trying to do is involve the Federal Government in such partnerships. We are today subsidizing housing for more than 10 million people, and we're going to continue along that line. We have no thought of throwing people out into the snow, whether because of age or need. We have preserved the safety net for the people with true need in this country and it has been pure demagoguery that we have in some way shut off all the charitable programs or many of them for the people who have real need. The safety net is there and we're taking care of more people than has ever been taken care of before by any administration in this country.

Moderator: Mr. Mondale—an opportunity for you to rebut.

Mondale: Well, I guess I'm reminded a little bit of what Will Rogers once said about Hoover. He said it's not what he doesn't know that bothers me, it's what he knows for sure just ain't so. The fact of it is, the President's budget sought to cut Social Security by 25 percent. It's not an opinion; it's a fact, and when the President was asked the other day, 'What do you want to cut in the budget?' he said, 'Cut those things I asked for but didn't get.' That's Social Security and Medicare.

The second fact is that the housing unit for senior citizens that the President dedicated in Buffalo was only made possible through a Federal assistance program for senior citizens that the President's budget sought to terminate. So if he'd had his way, there wouldn't have been any housing project there at all. This Administration has taken a meat cleaver out in terms of Federal-assisted housing, and the record is there. We have to see the facts before we can draw conclusions.

Reagan: Well, let me just respond with regard to Social Security.

When we took office we discovered that the program that the Carter-Mondale Administration had said would solve the fiscal problems of Social Security for the next 50 years, wouldn't solve them for 5. Social Security was due to go bankrupt before 1983. Any proposals that I made at that time were at the request of the chairman, a Democrat, of one of the leading committees, who said we have to do something before the program goes broke and the checks bounce.

And so we made a proposal. And then in 1982 they used that proposal in a demagogic fashion for the 1982 campaign. And three days after the election in 1982 they came to us and said, Social Security, we know, is broke. Indeed, we had to borrow $17 billion to pay the checks.

And then I asked for a bipartisan commission, which I'd asked for from the beginning, to sit down and work out a solution, and so the whole matter of what to do with Social Security has been resolved by bipartisan legislation and it is on a sound basis now for as far as you can see into the next century.

IMPACT OF RELIGION

Moderator: We begin segment No. 3 with Fred Barnes.

Q. Mr. President, would you describe your religious beliefs, noting particularly whether you consider yourself a born-again Christian and explain how these beliefs affect your Presidential decisions?

Reagan: Well, I was raised to have a faith and a belief and have been a member of a church since I was a small boy. In our particular church we didn't use the term born again so I don't know whether I would fit that—that particular term.

But I have, thanks to my mother, God rest her soul, the firmest possible belief and faith in God. And I don't believe—I believe, I should say, as Lincoln once said, that I could not—I would be the most stupid man in the world if I thought I could confront the duties of the office I hold if I could not turn to someone who was stronger and greater then all others; and I do resort to prayer.

At the same time, however, I have not believed that prayer could be introduced into an election or be a part of a political campaign, or religion a part of that campaign. As a matter of fact I think religion became a part of this campaign when Mr. Mondale's running mate said I wasn't a good Christian. So, it does play a part in my life. I have no hesitancy in saying so. And as I say, I don't believe that I could carry on unless I had a belief in a higher authority and a belief that prayers are answered.

Q. Given those beliefs, Mr. President, why don't you attend services regularly, either by going to church or by inviting a minister to the White House, as President Nixon used to do, or someone to Camp David, as President Carter used to do.

Reagan: The answer to your question is very simple—about why I don't go to church. I start—I have gone to church regularly all my life. And I started to here in Washington. And now, in the position I hold and in the world in which we live, where embassies do get blown up in Beirut, we're supposed to talk about that in the—on the debate the 21st, I understand.

But I pose a threat to several hundred people if I go to church. I know the threats that are made against me. We all know the possibility of terrorism. We have seen the barricades that have had to be built around the White House.

And therefore, I don't feel—and my minister knows this and supports me in this position. I don't feel that I have a right to go to church, knowing that my being there could cause something of the kind that we have seen in other places; in Beirut, for example.

And I miss going to church but I think the Lord understands.

Moderator: May I ask the audience please to refrain from applause. Can we have your second question?

Q. Mr. Mondale, would you describe your religious beliefs and mention whether you consider yourself a born-again christian and explain how those beliefs would affect your decisions as President.

Mondale: First of all, I accept President Reagan's affirmation of faith. I'm sure that we all accept and admire his commitment to his faith and we are strengthened all of us by that fact.

I am a son of a Methodist minister, my wife is the daughter of a Presbyterian minister, and I don't know if I've been born again, but I know I was born into a Christian family, and I believe I've sung at more weddings and more funerals than anybody ever to seek the Presidency. Whether that helps or not I don't know. I have a deep religious faith, our family does, it is fundamental, its's probably the reason I'm in politics. I think our faith tells us, instructs us about the moral life that we would lead, and I think we're all together on that.

Political use of religion

What bothers me is this growing tendency to try to use one's own personal interpretation of faith politcally, to question others' faith, and to try to use instrumentalities of government to impose those views on others. All history tells us that that's a mistake.

When the Republican platform says that from here on out we're going to have a religious test for judges before they're selected for the federal court and then Jerry Falwell announces that that means they get at least two Justices of the Supreme Court, I think that's an abuse of faith in our country. This nation is the most religious nation on earth. More people go to church and synagogues than any other nation on earth, and it's because we kept the politicians and the state out of the personal exercise of our faith. That's why faith in the United States is pure and unpolluted by the intervention of politicians, and I think if we want to continue as I do to have a religious nation, let's keep that line and never cross it.

Moderator: Thank you. Mr. Barnes, a question? We have time for rebuttal now.

Q. I think I have a follow-up.

Moderator: Yes, I asked you if you did. I'm sorry I thought you waived it.

Q. Yes. Mr. Mondale, you've complained just now about Jerry Falwell, and you've complained other times about other fundamentalists in politics. Correct me if I'm wrong, but I don't recall your ever complaining about ministers who are involved in the civil rights movement, in the anti-Vietnam War demonstrations or about black preachers who've been so involved in American politics. Is it only conservative ministers that you object to?

Mondale: No. What I object to—what I object to—what I object to is someone seeking to use his faith to question the faith of another or to use that faith and seek to use the power of Government to impose it on others. A minister who is in civil rights or in the conservative movement because he believes his faith instructs him to do that, I admire. The fact that the faith speaks to us and that we are moral people hopefully I accept and rejoice in. It's when you try to use that to undermine the integrity of private political—or private religious faith and the use of the state is where for the most personal decisions in American life—that's where I draw the line.

Moderator: Thank you. Now, Mr. President. Rebuttal.

Reagan: Yes, it's very difficult to rebut, because I find myself in so much agreement with Mr. Mondale. I, too, want that wall that is in the Constitution, separation of church and state, to remain there. The only attacks I have made are on people who apparently would break away at that wall from the Government side using the Government, using the power of the courts and so forth, to hinder that part of the Constitution that says the Government shall not only not establish a religion, it shall not inhibit the practice of religion, and they have been using these things to have Government, through court orders, inhibit the practice of religion.

A child wants to say grace in a school cafeteria, and a court rules that they can't do it. And because it's school property.

There are the types of things that I think have been happening in a kind of a secular way that have been erroding that separation, and I am opposed to that. With regard to a platform in the Supreme Court, I can only say one thing about that. I don't—I have appointed one member of the Supreme Court, Sandra Day O'Connor, I'll stand on my record on that, and if I have the opportunity to appoint any more. I'll do it in the same manner that I did in selecting her.

Moderator: Mr. Mondale, your rebuttal, please.

Mondale: The platform to which the President refers in fact calls for a religious test in the selection of judges. And Jerry Falwell says that means we get two or three judges. And it would involve a religious test for the first time in American life.

Let's take the example that the President cites. I believe in prayer. My family prays. We've never had any difficulty finding time to pray. But do we want a constitutional amendment adopted of the kind proposed by the President that gets the local politicians into the business of selecting prayers that our children must either recite in school or be embarrassed and ask to excuse themselves? Who would write the prayer? What would it say? How would it be resolved when those disputes occurred?

It seems to me that a moment's reflection tells you why the United States Senate turned that amendment down. Because it will undermine the practice of honest faith in our country by politicizing it. We don't want that.

CHANGING ELECTORATE

Moderator: Thank you, Mr. Mondale. Time is up for this round; we go into the second round of our questioning—begin again with Jim Wieghart. Jim.

Q. After that discussion, this may be like going from the sublime to the ridiculous, but here goes: I have a political question for you, Mr. Mondale. Polls indicate a massive change in the electorate, away from the coalition that has long made the Democratic Party a majority. Bluecollar workers, young professionals, their children and much of the middle class now regard themselves as independents or Republican instead of Democrats. And the gap, the edge the Democrats had in party registration, seems to be narrowing.

I'd like to ask you, Mr. Mondale, what is causing this? Is the Democratic Party out of synch with the majority of Americans? And will it soon be replaced as the majority party by the Republicans? What do you think needs to be done about as a Democrat?

Mondale: My answer is that this campaign isn't over yet. And when people vote, I think you're going to see a very strong verdict by the American people that they favor the approach that I'm talking about.

The American people want arms control; they don't want this arms race. And they don't want this deadly new effort to bring weapons into the heavens. And they want an American foreign policy that leads toward a safer world.

The American people see this debt, and they know it's got to come down. And if it won't come down, the economy's going to slow down, maybe go into a recession. They see this tremendous influx and swamping of cheap foreign imports in this country that

has cost over three million jobs, given farmers the worst year in American history.

And they know this debt must come down, as well, because it's unfair to our children.

The American people want this environment protected. They know that these toxic waste dumps should have been cleaned up a long time ago. And they know that people's lives and health are being risked because we've had an Administration that has been totally insensitive to the law and the demands for the protection of the environment.8

The American people want their children educated; they want to get our edge back in science, and they want a policy, headed by the President, that helps close this gap that's widening between the United States and Europe and Japan.

The American people want to keep opening doors. They want those civil rights laws enforced; they want the equal rights amendment ratified; they want equal pay for comparable effort for women. And they want it because they've understood from the beginning that when we open doors, we're all stronger. Just as we were at the Olympics.

I think as you make the case, the American people will increasingly come to our cause.

Q. Mr. Mondale, isn't it possible that the American people have heard your message and they are listening but they are rejecting it?

Mondale: Well, tonight we had the first debate over the deficit. The President says it will disappear automatically. I've said it's going to take some work. I think the American people will draw their own conclusions. Secondly, I've said that I will not support the cuts in Social Security and Medicare and the rest that the President's proposed. The President answers that it didn't happen or if it did, it was resolved later in a commission. As the record develops I think it's going to become increasingly clear that what I am saying and where I want to take this country is exactly where the country wants to go, and the comparison of approaches is such that I think will lead to further strength.

Q. Mr. President, you and your party are benefiting from what appears to be an erosion of the old Democratic coalition, but you have not laid out a specific agenda to take this shift beyond Nov. 6. What is your program for America for the next decade, with some specificity?

Reagan: Well, again, I am running on the record. I think sometimes Mr. Mondale's running away from his, but I'm running on the record of what we have asked for, will continue to try and get things that we didn't get in the program that has already brought the rate of spending of Government down from 17 percent to 6.1 percent, a program of returning authority and autonomy to the local and state governments that has been unjustly seized by the Federal Government and you might find those words in the Democratic platform of some years ago. I know because I was a Democrat at that time. And I left the party eventually because I could no longer follow the turn in the Democratic leadership that took us down an entirely different path, a path of centralizing authority in the Federal Government, lacking trust in the American people.

I promised when we took office that we would reduce inflation. We have, to one-third of what it was. I promised that we would reduce taxes. We did, 25 percent across the board. That barely held even with—if it did that much—with the gigantic tax increase imposed in 1977. But at least it took that burden away from them. I said that we would create jobs for our people, and we did, six million in the last 20 or 21 months. I said that we would become respected in the world once again and that we would refurbish our national defense to the place that we could deal on the world scene and then seek disarmaments, reduction of arms, and hopefully an elimination of nuclear weapons. We have done that.

All of the things that I said we would do, from inflation being down, interest rates being down, unemployment falling—all of those things we have done. And I think this is something the American people see. I think they also know that we have.

We had a commission that came in a year ago with a recommendation on education, on excellence in education, and today without the Federal Government being involved other than passing on to them, the school districts, the words from that commission, we find 35 states with task forces now dealing with their educational problems, we find that schools are extending the curriculum to now have forced teaching of mathematics and science and so forth. All of these things have brought an improvement in the college entrance exams for the first time in some 20 years. So I think that many Democrats are seeing the same thing this Democrat saw. The leadership isn't taking us where we want to go.

Q. Mr. President, there's a—much of what you said affects the quality of life of many Americans—their income, the way they live and so forth. But there's an aspect to quality of life that lies beyond the private sector which has to do with our neighborhoods, with our cities, our streets, our parks, our environment. In those areas I have a difficulty seeing what your program is and what you feel the Federal responsibility is in these areas of the quality of life in the public sector that affects everybody. And even enormous wealth by one individual can't create the kind of environment that he might like.

Reagan: There are tasks that Government legitimately should enforce and tasks that Government performs well, and you've named some of them. Crime has come down the last two years for the first time in many, many decades that it has come down or, since we kept records, two consecutive years, and last year it came down—the biggest drop in crime that we've had. I think that we've had something to do with that, just as we have with the drug problem nationwide.

The environment, yes, I feel as strongly as anyone about the preservation of the environment. When we took office we found that the national parks were so dirty and contained so many hazards, lack of safety features that we stopped buying additional parkland until we had rectified this with what was to be a five-year program, but it's just about finished already—a billion dollars—and now we're going back to budgeting for additional lands for our parks.

We have added millions of acres to the wilderness lands, to the game refuges. I think that we're out in front of most, and I see that the red light is blinking so I can't continue but I got more.

Moderator: Well, you'll have a chance when your rebuttal time comes up perhaps, Mr. President. Mr. Mondale, now it's your turn for rebuttal.

Mondale: The President says that when the Democratic Party made its turn he left it. The year that he decided we had lost our way was the year that John F. Kennedy was running against Richard Nixon. I was chairman of Minnesotans for Kennedy. Reagan was chairman of a thing called Democrats for Nixon. Now maybe we made a wrong turn with Kennedy, but I'll be proud of supporting him all of our life—all of my life. And I'm very happy that John Kennedy was elected, because John Kennedy looked at the future with courage, saw what needed to be done, and understood his own Government.

The President just said that his Government is shrinking. It's not. It's now the largest peacetime Government ever in terms of the take from the total economy and instead of being strong where we should be strong, he wants to make it strong and intervene in the most private and personal questions in American life. That's where Government should not be.

Moderator: Mr. President.

Reagan: Before I campaigned as a Democrat for a Republican candidate for President, I had already voted for Dwight Eisenhower to be President of the United States so my change had come earlier than that. I hadn't gotten around to re-registering as yet. I found that was rather difficult to do but I finally did it.

There are some other things that have been said here, back—and you said that I might be able to dredge them up. Mr. Mondale referred to the farmer's worst year. The farmers are not the victims of anything this Administration has done. The farmers were the victims of the double-digit inflation and the 21½ percent interest rates of the Carter-Mondale Administration and the grain embargo which destroyed our reliability nation-wide as a supplier.

All of these things are presently being rectified and I think that we are going to salvage the farmers—as a matter of fact, the—there has been less than one-quarter of 1 percent of foreclosures of the 270,000 loans from government the farmers have.

POLICY ON ABORTION

Moderator: Thank you, Mr. President. We'll now turn to Diane Sawyer for her round of questions. Diane.

Q. I'd like to turn to an area that I think few people enjoy discussing. But that we probably should tonight because the positions of the two candidates are so clearly different and lead to very different policy consequences. And that is abortion and right to life. I'm exploring for your personal views of abortion. And specifically how you would want them applied as public policy.

First, Mr. President, do you consider abortion murder or a sin? And second, how hard would you work, what kind of priority would you give in your second term legislation to make abortion illegal? And specifically, would you make certain, as your party platform urges, that Federal justices that you appoint be prolife?

Reagan: I have believed that, in the appointment of judges, that all that was specified in the party platform was that they have a, they respect the sanctity of human life. Now that, I would want to see in any judge, and with regard to any issue having to do with human life.

But with regard to abortion, and I have a feeling that this is, there's been some reference, without naming it here in remarks of Mr. Mondale, tied to injecting religion into government.

With me, abortion is not a problem of religion. It's a problem of the Constitution. I

believe that until and unless someone can establish that the unborn child is not a living human being, then that child is already protected by the Constitution, which guarantees life, liberty and the pursuit of happiness to all of us.

And I think that this is—what we should concentrate on, is trying—I know there was weeks and weeks of testimony before a Senate committee. There were medical authorities, there were religious, there were clerics there, everyone talking about this matter, of pro-life. And at the end of all of that, not one shred of evidence was introduced that the unborn child was not alive. We have seen premature births that are now grown up happy people going around.

Also there is a strange dichotomay in this whole position about our court's ruling that abortion is not the taking of a numan life.

In California, some time ago, a man beat a woman so savagely that her unborn child was born dead with a fractured skull. And the California state legislature unanimously passed a law that was signed by the then Democratic Governor, signed a law that said that any man who so abuses a pregnant woman that he causes the death of her unborn child shall be charged with murder. Now isn't it strange that that same woman could have taken the life of her unborn child and it was abortion and not murder but if somebody else does it, that's murder. And it recognizes, it used the term death of the unborn child.

So this has been my feeling about abortion, that we have a problem now to determine. And all the evidence so far comes down on the side of the unborn child being a living human being.

Q. A two-part follow-up. Do I take it from what you've said about the platform, then, that you don't regard the language and don't regard in your own appointments' abortion position a test of any kind for justices that it should be? And also, if abortion is made illegal, how would you want it enforced? Who would be the policing units that would investigate? And would you want the women who have abortions to be prosecuted?

Reagan: The laws regarding that always were state laws. It was only when the Supreme Court handed down a decision that the Federal Government intervened in what had always been a state policy. Our laws against murder are state laws. So I would think this would be the point of enforcement on this.

I, as I say, I feel that we have a problem here to resolve, and no one has approached it from that matter. It does not happen that the church I belong to had that as part of its dogma; I know that some churches do.

Now, it is a sin if you're taking a human life. On the same time in our Judeo-Christian tradition, we recognize the right of taking a human life in self-defense. And therefore I've always believed that a mother, if medically it is determined that her life is at risk if she goes through with the pregnancy, she has a right then to take the life of even her own unborn child in defense of her own.

Q. Mr. Mondale, to turn to you, do you consider abortion a murder or a sin? And bridging from what President Reagan said, he has written that if society doesn't know whether life does—human life—in fact does begin at conception, as long as there is a doubt, that the unborn child should at least be given the benefit of the doubt and that there should be protection for that unborn child.

Mondale: This is one of the most emotional and difficult issues that could possibly be debated. I think your questions, however, underscore the fact there is probably no way that Government should, or could, answer this question in every individual case and in the private lives of the American people.

The Constitutional Amendment proposed by President Reagan would make it a crime for a woman to have an abortion if she had been raped or suffered from incest.

Is it really the view of the American people, however you feel on the question of abortion, that Government ought to be reaching into your livingrooms and making choices like this?

I think it cannot work, won't work and will lead to all kinds of cynical evasions of the law. Those who can afford to have them will continue to have them. The disadvantaged will go in the back alley as they use to do.

I think these questions are inherently personal and moral. And every individual instance is different. Every American should be aware of the seriousness of the step but there are some things that Government can do and some things they cannot do.

Now the example that the President cites has nothing to do with abortion. Somebody went to a woman and nearly killed her. That's always been a serious crime and always should be a serious crime. But how does that compare with the problem of a woman who is raped? Do we really want those decisions made by judges who've been picked because they will agree to find the person guilty? I don't think so and I think it's going in exactly the wrong direction.

In America, on basic moral questions we have always let the people decide in their own personal lives. We haven't felt so insecure that we've reached for the club of state to have our point of view. It's been a good instinct and we're the most religious people on earth.

One final point: President Reagan as Governor of California, signed a bill which is perhaps the most liberal pro-abortion bill of any state in the Union.

Q. But if I can get you back for a moment on my point which was the question on when human life begins, a two-part follow-up. First of all at what point do you believe that human life begins in the growth of a fetus? And second of all, you said that government shouldn't be involved in the decision, yet there are those who would say that government is involved and the consequence of the involvement was 1.5 million abortions in 1980. And how do you feel about that?

Mondale: The basic decision of the Supreme Court is that each person has to make this judgment in her own life, and that's the way it's been done. And it's a personal and private moral judgment. I don't know the answer to when life begins.

And it's not that simple either. You've got another life involved. And if it's rape, how do you draw moral judgments on that? If it's incest, how do you draw moral judgments on that? Does every woman in America have to present herself before some judge picked by Jerry Falwell to clear her personal judgment? It won't work.

Moderator: I'm sorry to do this but I really must talk to the audience. You're all invited guests. I know I'm wasting time in talking to you but it really is very unfair of you to applaud sometimes louder, less loud, and I ask you as people who were invited here and polite people to refrain, We have our time now for rebuttal. Mr. President.

Reagan: Yes. but with regard to this being a personal choice, isn't that what a murderer is insisting on? His or her right to kill someone because of whatever fault they think justifies that. Now, I'm not capable and I don't think you are, any of us, to make this determination that must be made with regard to human life. I am simply saying that I believe that that's where the effort should be directed to make that determination. I don't think that any of us should be called upon here to stand and make a decision as to what other things might come under the self-defense tradition. That, too, would have to be worked out then when you once recognize that we're talking about a life. But in this great society of ours wouldn't it make a lot more sense, in this gentle and kind society, if we had a program that made it possible for when incidents come along which someone feels they must do away with that unborn child, that instead we make it available to the adoption, there are a million-and-a-half people out there standing in line waiting to adopt children who can't have them any other way.

Moderator: Mr. Mondale?

Mondale: I agree with that, and that's why I was a principal sponsor of a liberal adoption law so that more of these children could come to term so that the young mothers were educated, so we found an option, an alternative. I'm all for that. But the question is whether this other option proposed by the President should be pursued, and I don't agree with it. Since I've got about 20 seconds let me just say one thing.

The question of agriculture came up a minute ago, and that farm income is off 50 percent in the last three years, and every farmer knows it, and the effect of these economic policies is like a massive grain embargo which has caused farm exports to drop 20 percent. It's been a big failure. I opposed the grain embargo in my Administration; I'm opposed to these policies as well.

Moderator: I'm sitting here like the great school teacher letting you both get away with things. Because one did it, the other one did it. May I ask in the future that the rebuttals stick to what the rebuttal is and also, foreign policy will be the next debate. Stop dragging it in by its ear into this one. Now having admonished you, I would like to say to the panel, you are allowed on question and one follow-up. Would you try as best you could not to ask two and three. I know it's something we all want to do, two or three questions as part one, and two and three as part two. Having said that, Fred, it's yours.

Q. Thank you. Mr. Mondale, let me ask you about middle class Americans and the taxes they pay. I'm talking about—not about the rich or the poor. I know your views on their taxes. But about families earning $25,000 to $45,000 a year. Do you think that those families are overtaxed or undertaxed by the Federal Government.

Mondale: In my opinion as we deal with this deficit, people from about $70,000 a year on down have to be dealt with very, very carefully because they are the ones who didn't get any relief the first time around. Under the 1981 tax bill people making $200,000 a year got $60,000 in tax relief over three years while people making $30,000 a year, all taxes considered, got no relief at all or their taxes actually went up. That's why my proposal protects everybody from $25,000 a year or less against any tax increases and treats those $70,000 and under in a way that is more beneficial than the

way the President proposes with a sales tax or a flat tax.

What does this mean in real life? Well, the other day Vice President Bush disclosed his tax returns to the American people. He's one of the wealthiest Americans and he's our Vice President. In 1981 I think he paid about 40 percent in taxes. In 1983 as a result of these tax preferences he paid a little over 12 percent, 12.8 percent in taxes. That meant that he paid a lower percent in taxes than the janitor who cleaned up his office or the chauffeur who drives him to work.

I believe we need some fairness, and that's why I propose what I think is a fair and responsible proposal that helps protect these people who've already gotten no relief or actually got a tax increase.

Q. It sounds as if you were saying you think a group of taxpayers making $25,000 to $45,000 a year is already overtaxed, yet your tax proposal would increase their taxes. I think your agent said those earning about $25 to $35,000, their tax rate would go up and their tax bill would go up $100, and from $35,000 to $45,000 more than that, several hundred dollars. Wouldn't that stifle their incentive to work and invest and so on, and also hurt the recovery?

Mondale: The first thing is everybody $25,000 or under would have no tax increase. Mr. Reagan after the election is going to have to propose a tax increase. And you will have to compare what he proposes, and his Secretary of the Treasury said he's studying a sales tax or a value-added tax; they're the same thing to hit middle and moderate income Americans and leave wealthy Americans largely untouched. Up until about $70,000, as you go up the ladder, my proposals will be far more beneficial. As soon as we get the economy on a sound ground, as well, I would like to see the total repeal of indexing. I don't think we can do that for a few years but at some point we want to do that as well.

Q. Mr. President, let me try this on you. Do you think middle-income Americans are overtaxed or undertaxed?

Reagan: You know, I wasn't going to say this at all, but I can't help it: There you go again. I don't have a plan to tax or increase taxes; I'm not going to increase taxes. I can understand why you are, Mr. Mondale, because as a Senator you voted 16 times to increase taxes. Now, I believe that our problem has not been that anybody in our country is undertaxed, it's that Government is overfed. And I think that most of our people—this is why we had a 25 percent tax cut across the board which maintained the same progressivity of our tax structure in the—the brackets on up.

And as a matter of fact, it just so happens that in the quirks of administering these taxes, those above $50,000 actually did not get quite as big a tax cut percentage-wise, as did those from $50,000 down. From $50,000 down those people paid two-thirds of the taxes and those people got two-thirds of the tax cut.

Now the Social Security tax of '77—this, indeed, was a tax that hit people in the lower brackets the hardest. It had two features: it had several tax increases phased in over a period of time; there are two more yet to come between now and 1989. At the same time, every year it increased the amount of money—virtually every year, there may have been one or two that we're skipping there—that was subject to that tax. Today it is up to about $38,000 of earnings that is subject to the payroll tax for Social Security. And that tax, there are no deductions, so a person making anywhere from $10, $15, $20, they're paying that tax on the full gross earnings that they have after they have already paid an income tax on that same amount of money.

Now I don't think that to try and say that we were taxing the rich and not the other way around, it just doesn't work out that way. The system is still where it was with regard to the progressivity, as I've said, and that has not been changed. But if you take it in numbers of dollars, instead of percentage, yes you can say, well that person got 10 times as much as this other person. Yes, but he paid 10 times as much also. But if you take it in percentages then you find out that it is fair and equitable across the board.

Q. I thought I caught, Mr. President, a glimmer of a stronger statement there in your answer than you've made before. I think the operative position you had before was that you would only raise taxes in a second term as a last resort, and I thought you said flatly that "I'm not going to raise taxes." Is that what you meant to say, that you will not—that you will flatly not raise taxes in your second term as President?

Reagan: Yes, I had used—last resort would always be with me. If you got the government down to the lowest level that you yourself could say it could not go any lower and still perform the services for the people. And if the recovery was so complete that you knew you were getting the ultimate amount of revenues that you could get through that growth, and there was still some slight difference there between those two lines, then I had said once that yes, you would have to then look to see if taxes should not be adjusted. I don't foresee those things happening. So I say with great confidence, I'm not going to—I'm not going to go for a tax.

With regard to assailing Mr. Bush about his tax problems and the difference from the tax he once paid and then the later tax he paid, I think if you looked at the deductions, there were great legal expenses in there. It had to do possibly with the sale of his home and they had to do with his setting up of a blind trust. All of those are legally deductions—the deductible in computing your tax. And it was a one-year thing with him.

Moderator: Mr. Mondale, here we go again; this time for rebuttal.

Mondale: Well, first of all, I gave him the benefit of the doubt on the House deal. I'm just talking about the 12.8 percent that he paid—and that's what's happening all over this country with wealthy Americans. They've got so many loopholes, they don't have to pay much in taxes.

Now, Mr. President, you said: "There you go again." Right. Remember the last time you said that?

Reagan: Um hmm.

Mondale: You said it when President Carter said that you were going to cut Medicare. And you said: "Oh, no, there you go again, Mr. President." And what did you do right after the election? You went out and tried to cut $20 billion out of Medicare.

And so when you say, "There you go again," people remember this, you know. And people will remember that you signed the biggest tax increase in the history of California, and the biggest tax increase in the history of the United States.

And what are you going to do? You've got $260 billion deficit. You can't wash it away. You won't slow defense spending; you refuse to do that.

Moderator: Mr. Mondale, I'm afraid your time is up.

Mondale: Sorry.

Moderator: Mr. President.

Reagan: Yes. With regard to Medicare, no. But it's time for us to say that Medicare is in pretty much the same condition that Social Security was, and something is going to have to be done in the next several years to make it fiscally sound.

And, no, I never proposed any $20 billion should come out of Medicare. I have proposed that the program—we must treat with that particular problem.

And maybe part of that problem is because during the four years of the Carter-Mondale Administration, medical cost in this country went up 87 percent.

RELIEF FOR THE POOR

Moderator: We can't keep going back for other rebuttals. There'll be time later. We now go to our final round. The way things stand now we have time for only two sets of questions and by lot it will be Jim and Diane and we'll start with Jim.

Q. Mr. President, the economic recovery is real but uneven. The Census Bureau just a month ago reported that there are more people living under poverty now—a million more people—than when you took office. There have been a number of studies, including studies by the Urban Institute and other non-policical organizations, that say that the impact of the tax and budget cuts in your economic policies have impacted severely on certain classes of Americans—working mothers, head of households, minority groups, elderly poor. In fact, they're saying the rich are getting richer and the poor are getting poorer under your policies. What relief can you offer to the working poor, to the minorities and to the women heads of households who have borne the brunt of these economic programs. What can you offer them in the furture in your next term?

Reagan: Some of those facts and figures just don't stand up. Yes, there has been an increase in poverty but it is a lower rate of increase than it was in the preceding years before we got here. It has begun to decline, but it is still going up. On the other hand, women heads of household, single women, heads of household, have for the first time—there's been a turn down in the rate of poverty for them. We have found also in our studies that in this increase in poverty it all has to do with their private earnings. It had nothing to do with the transfer payments from government, by way of many programs. We are spending now 37 percent more on food for the hungry in all the various type of programs than was spent in 1980. We're spending a third more on all the programs of human service. We have more people receiving food stamps than were ever receiving them before—2,300,000 more are receiving them even through we took 850,000 off the food stamp rolls because they were making an income that was above anything that warranted their fellow citizens having to support them. We found people making 185 percent of the poverty level were getting Government benefits. We have set a line at 130 percent so that we can direct that aid down to the truly needy.

Sometime ago Mr. Mondale said something about education and college students and help of that kind—half, one out of two of full-time college students in the United States are receiving some form of Federal aid, but there again we found people that there were—under the previous Administration—families that had no limit to income were still eligible for low-interest college

loans. We didn't think that was right. And so we have set a standard that those loans and those grants are directed to the people who otherwise could not go to college, their family incomes were so low.

So there are a host of other figures that reveal that the grant programs are greater than they have ever been, taking care of more people than they ever have—7.7 million elderly citizens who were living in the lowest 20 percent of earnings, 7.7 million have moved up into another bracket since our Administration took over, leaving only 5 million of the elderly in that bracket when there has been more than 13 million.

Q. Mr. President, in a visit to Texas, in Brownsville, I believe it was, in the Rio Grande Valley, you did observe that the economic recovery was uneven. In that particular area of Texas unemployment was over 14 percent whereas statewide it was the lowest in the country, I believe 5.6 percent. And you made the comment that, however, that man does not live by bread alone. What did you mean by that comment and, if I interpret it correctly, it would be a comment more addressed to the affluent who, who obviously can look beyond just the bread they need to sustain them with their wherewithal.

Reagan: That had nothing to do with the other thing of talking about their needs or anything. I remember distinctly I was sequeing into another subject. I was talking about the things that have been accomplished and that was referring to the revival of patriotism and optimism, the new spirit that we're finding all over America. And it is a wonderful thing to see when you get out there among the people. So that was the only place that was was used.

I did avoid, I'm afraid, in my previous answer also, the idea of uneven, yes, there is no way that the recovery is, even across the country, just as in the depths of the recession there were some parts of the country that were worse off but some that didn't even feel the pain of the recession.

We're not going to rest, and not going to be happy, until every person in this country who wants a job can have one, until the recovery is complete across the country.

Q. Mr. Mondale, as you can gather from the question of the President the celebrated war on poverty obviously didn't end the problem of poverty, although it may have dented it. The poor and the homeless and the disadvantaged are still with us. What should the Federal Government's role be to turn back the growth in the number of people living below the poverty level, which is now 35 million in the United States and to help deal with the structural unemployment problems that the President was referring to in an uneven recovery?

Mondale: No. 1, we've got to get the debt down, to get the interest rates down so the economy will grow and people will be employed. No. 2, we have to work with cities and others to help generate economic growth in those communities—to the Urban Development Action Grant program. I don't mind those enterprise zones, let's try them, but not as s substitute for the others. Certainly education and training is crucial. If these young Americans don't have the skills that make them attractive to employees, they're not going to get jobs.

The next thing is to try to get more entrepreneurship in business within the reach of minorities so that these businesses are located in the communities in which they're found. The other thing is we need the business community as well as government heavily involved in these communities to try to get economic growth. There is no question that the poor are worse off. I think the President genuinely believes that they're better off. But the figures show that about 8 million more people are below the poverty line than four years ago. How you can cut school lunches, how you can cut student assistance, how you can cut housing, how you can cut disability benefits, how you can do all of these things and then the people receiving them—for example the disabled who have no alternative, how they're going to do better, I don't know. Now we need a tight budget, but there's no question that this Administration has singled out things that affect the most vulnerable in American life, and they're hurting.

One final point if I might. There's another part of the lopsided economy that we're in today, and that is that these heavy deficits have killed exports and are swamping the nation with cheap imports. we are now $120 billion of imports, 3 million jobs lost and farmers are having their worst year. That's another reason to get the deficit down.

Q. Mr. Mondale, is it possible that the vast majority of Americans who appear to be prosperous have lost interest in the kinds of programs you're discussing to help those less privileged than they are?

I think the American people want to make certain that that dollar is wisely spent. I think they stand for civil rights. I know they're all for education in science and training which I strongly support.

They want these young people to have a chance to get jobs and the rest. I think the business community wants to get involved. I think they're asking for new and creative ways to try to reach it, and with everyone involved. I think that's part of it.

I think also that the American people want a balanced program that gives us long-term growth, so that they're not having to take money that's desperate to themselves and their families and give it to someone else. I'm opposed to that, too.

Moderator: And now it is time for our rebuttal for this period. Mr. President.

Reagan: Yes, the connection that's been made again between the deficit and the interest rates—there is no connection between them. There is a connection between interest rates and inflation.

But I would call to your attention that in 1981, while we were operating still on the Carter-Mondale budget that we inherited, that the interest rates came down from 21½ toward the 12 or 13 figure and while they were coming down, the deficits had started their great increase: they were going up.

Now, if there was a connection, I think that there would be a different parallel between deficit getting larger and interest rates going down.

The interest rates are based on inflation. And right now, I have to tell you, I don't think there is any excuse for the interest rates being as high as they are, because we have brought inflation down so low. I think it can only be that they're anticipating or hope—expecting, not hoping—that maybe we don't have a control of inflation and it's going to go back up again.

Well, it isn't going to go back up. We're going to see that it doesn't.

Moderator: Mr. President.

Reagan: And I haven't got time to answer with regard to—

Moderator: Thank you Mr. President. Mr. Mondale?

Mondale: Mr. President, if I heard you correctly, you said that these deficits don't have anything to do with interest rates. I will grant you that interest rates were too high in 1980 and we can have another debate as to why—energy prices and so on. There's no way of glossing around that. But when these huge deficits went in place in 1981, what's called the real interest rates, the spread between inflation and what a loan costs you, doubled. And that's still the case today, and the result is interest costs that have never been seen before in terms of real charges and it's attributable to the deficit.

Everybody, every economist, every businessman believes that. Your own Council of Economic Advisers, Mr. Feldstein in his report, told you that. Every chairman of the Finance and Ways and Means committees, Republican leaders in the Senate and the House, are telling you that. That deficit is ruining the long-term hopes for this economy. It's causing high interest rates, it's ruining us in trade, it's given us the highest small-business failure in 50 years, the economy is starting downhill, with housing . . .

Moderator: Thank you Mr. Mondale.

VIEW OF OPPONENT

Moderator: You're both very obedient, I have to give you credit for that. We now start our final round of questions. We do want to have time for your rebuttal and we start with Diane: Diane Sawyer.

Q. Since we are reaching the end of the question period, and since in every Presidential campaign the candidates tend to complain that the opposition candidate is not held accountable for what he or she says, let me give you the chance to do that. Mr. Mondale, beginning with you, what do you think the most outrageous thing is your opponent said in this debate tonight?

Mondale: You want to give me some suggestions? I'm going to use my time a little differently. I'm going to give the President some credit. I think the President has done some things to raise the sense of spirit and morale, good feeling, in this country. And he's entitled to credit for that.

What I think we need, however, is not just that but to move forward not just congratulating ourselves, but challenging ourselves to get on with the business of dealing with America's problems.

I think in education, when he lectured the country about the importance of discipline, I didn't like it at first but I think it helped a little bit.

But now we need both that kind of discipline and the resources and the consistent leadership that allows this country to catch up in education and science and training.

I like President Reagan and—this is not personal—there are deep differences about our future and that's the basis of my campaign.

Q. Follow up in a similar vein then. What remaining question would you most like to see your opponent forced to answer?

Mondale: Without any doubt I've stood up and told the American people that that $263 billion deficit must come down. And I've done what no candidate for President's ever done, I told you before the election what I'd do.

Mr. Reagan, as you saw tonight, President Reagan takes the position it will disappear by magic. It was once called voodoo economics. I wish the President would say, yes, the C.B.O. is right. Yes, we have a $263 billion deficit. This is how I'm going to get it done. Don't talk about growth because even though we need growth, that's not helping,

it's going to go in the other direction as they're estimated. And give us a plan.

What will you cut? Whose taxes will you raise? Will you finally touch that defense budget? Are you going to go after Social Security and Medicare and student assistance and the handicapped again, as you did last time?

If you'd just tell us what you're going to do, then the American people could compare my plan for the future with your plan. And that's the way it should be. The American people would be in charge.

Q. Mr. President, the most outrageous thing your opponent has said in the debate tonight?

Reagan: Well, now, I have to start with a smile since his kind words to me. I'll tell you what I think has been the most outrageous thing in political dialogue both in this campaign and the one in '82, and that is the continued discussion and claim that somehow I am the villain who is going to pull the Social Security checks out from those people who are dependent on them. And why I think it is outrageous; first of all, it isn't true. But why it is outrageous is because for political advantage, everytime they do that, they scare millions of senior citizens who are totally dependent on Social Security, have no place to turn, and they have to live and go to bed at night thinking is it true; is someone going to take our check away from us and leave us destitute? And I don't think that that should be a part of political dialogue. Now, to—I just have a minute here?

Q. You have more time. You an keep going.

Reagan: O.K. All right. Now, Social Security, let's lay it to rest once and for all. I told you never would I do such a thing. But I tell you also now Social Security has nothing to do with the deficit. Social Security is totally funded by the payroll tax levied on employer and employee. If you reduce the outgo of Social Security, that money would not go into the general fund to reduce a deficit. It would go into the Social Security Trust Fund. So Social Security has nothing to do with balancing a budget or erasing or lowering the deficit.

Now, again to get to whether I have—am depending on magic—I think I have talked in straight economic terms about a program of recovery that was—I was told wouldn't work and then after it worked, I was told that lowering taxes would increase inflation and none of these things happened. It is working and we're going to continue on that same line. As to what we might do and find in further savings cuts, no, we're not going to starve the hungry. But we have 2,478 specific recommendations from a commission of more than 2,000 business people in this country through the Grace Commission, that we're studying right now and we've already implemented 17 percent of them that are recommendations as to how to make Government more efficient, more economic.

Q. And to keep it even. What remaining question would you most like to see your opponent forced to answer?

Reagan: The deficits are so much of a problem for him now, but that in 1976 when the deficit was $52 billion and everyone was panicking about that, he said, no, that he thought it ought to be bigger because a bigger deficit would stimulate the economy and would help do away with unemployment. In 1979 he made similar statements, the same effect, that the deficits—there was nothing wrong with having deficits. Remember there was a trillion dollars in debt before we got here. That's got to be paid by our children, and grandchildren too, if we don't do it. And I'm hoping we can start some payments on it before we get through here. That's why I want another four years.

Moderator: Well, we have time now; if you'd like to answer the President's question or whatever rebuttal.

Mondale: Well, we've just finished almost the whole debate and the American people don't have the slightest clue about what President Reagan will do about these deficits. And yet that's the most important single issue of our time. I did support the '76 measure that he told about, because we were in a deep recession and we needed some stimulation. But I will say, as a Democrat I was a real piker, Mr. President. In 1979 we ran a $29 billion deficit, all year. This Administration seems to run that every morning, and the result is exactly what we see: This economy is starting to run downhill. Housing is off, last resort on new purchases is the lowest since 1982, our growth is a little over 3 percent now, many people are predicting a recession, and the flow of imports into this country is swamping the American people. We've got to deal with this problem, and those of us who want to be your President should tell you now what we're going to do so you can make a judgment.

Moderator: Thank you very much. We must stop now. I want to give you time for your closing statements. It's indeed time for that from each of you. We will begin with President Reagan.

CLOSING STATEMENTS

Moderator: I'm sorry. Mr. Reagan you had your rebuttal and I've just cut you off because our time was going. You have a chance now for rebuttal before your closing statement. Is that correct?

Reagan: No, I might as well just go with . . .

Moderator: Do you want to go with—

Reagan: I'm all confused now.

Moderator: Technically, you did. I have little voices that come in my ear. You don't get those same voices, I'm not hearing it from here, I'm hearing it from here. You have waived your rebuttal. You can go with your closing statement.

Reagan: Well, we'll include it in that.

Four years ago in similar circumstances to this I asked, are you better off than you were four years before. The answer to that obviously was no, and as a result I was elected to this office and promised a new beginning. Now, maybe I'm expected to ask that same question again. I'm not going to because I think that all of you or, not everyone, those people that have—are in those pockets of poverty and haven't caught up, they couldn't answer the way I would want them to. But I think that most of the people in this country would say yes they are better off than they were four years ago.

The question I think should be enlarged. Is America better of than it was four years ago? And I believe the answer to that has to also be yes.

I promised a new beginning. So far it is only a beginning. If the job were finished, I might have thought twice about seeking reelection to this job. But we now have an economy that for the first time—well, let's put it this way, in the first half of 1980 gross national product was down a minus 3.7 percent. the first half of '84 it's up 8.5 percent. Productivity in the first half of 1980 was down a minus 2 percent. Today it is up a plus 4 percent. Personal earnings after taxes per capita have gone up almost $3,000 in these four years. In 1980 or 1979 the person with a fixed income of $8,000 was $500 above the poverty line, and this maybe explains why there are the numbers still is poverty. By 1980 that same person was $500 below the poverty line.

We have restored much of our economy with regard to a business investment. It is higher than it has been since 1949. So there seems to be no shortage of investment capital. We have, as I said, cut the taxes but we have reduced inflation and for two years now it has stayed down there, not a double digit but in the range of 4 or below.

We believe that we had also promised that we would make our country more secure. Yes, we have an increase in the defense budget. But back then we had planes that couldn't fly for lack of spare parts or pilots. We had navy vessels that couldn't leave harbor, because of lack of crew or again, lack of spare parts. Today we're well on our way to a 600-ship navy. We have 543 at present. We have—our military, the morale is high, I think the people should understand that two-thirds of the defense budget pays for pay and salary—or pay and pension. And then you add to that food and wardrobe and all the other things and you only have a small portion going for weapons. But I am determined that if ever our men are called on they should have the best that we can provide in the manner of tools and weapons. There has been reference to expensive spare parts, hammers costing $500. Well, we are the ones who found those.

I think we've given the American people back their spirit. I think there is an optimism in the land and a patriotism and I think that we're in a position once again to heed the words of Thomas Paine who said: "We have it in our power to begin the world over again."

Moderator: Thank you Mr. Reagan. Mr. Mondale, the closing words are now yours.

Mondale: I want to thank the League of Women Voters and the city of Louisville for hosting this evening's debate. I want to thank President Reagan for agreeing to debate. He didn't have to and he did, and we all appreciate it.

The President's favorite question is, "Are you better off?" Well, if you're wealthy, you're better off. If you're middle income, you're about where you were, and if you're of modest income, you're worse off. That's what the economists tell us. But is that really the question that should be asked. Isn't the real question, "Will we be better off? Will our children be better off? Are we building the future that this nation needs?"

I believe that if we ask those questions that bear on our future—not just congratulate ourselves but challenge us to solve those problems—you'll see that we need new leadership.

Are we better off with this arms race? Will we be better off if we start this star wars escalation into the heavens? Are we better off when we de-emphasize our values in human rights? Are we better off when we load our children with this fantastic debt? Would fathers and mothers feel proud of themselves if they loaded their children with debts like this nation is now, over a trillion dollars, on the shoulders of our children? Can we be—say, really say, that we will be better off when we pull away from sort of that basic American instinct of decency and fairness?

I would rather lose a campaign about decency than win a campaign about self-interest. I don't think this nation is composed of

people who care only for themselves. And when we sought to assault Social Security and Medicare, as the record shows we did, I think that was mean spirited. When we terminated 400,000 desperate, hopeless, defenseless Americans who were on disability, confused and unable to defend themselves, and just laid them out on the street as we did for four years, I don't think that's what America is all about. America is a fair society, and it is not right that Vice President Bush pays less in taxes than the janitor who helps him. I believe there's fundamental fairness crying out that needs to be achieved in our tax system.

I believe that we will be better off if we protect this environment. And contrary to what the President says I think their record on the environment is inexcusable and often shameful. These laws are not being enforced, have not been enforced and the public health and the air and the water are paying the price. That's not fair for our future.

I think our future requires the President to lead us in an all-out search to advance our education, our learning and our science and training, because this world is more complex and we're being pressed harder all the time.

I believe in opening doors. We won the Olympics in part because we've had civil rights laws and the laws that prohibit discrimination against women. I have been for those efforts all my life. The President's record is quite different.

The question is our future. President Kennedy once said in response to similar arguments, we are great but we can be greater. We can be better if we face our future, rejoice in our strengths, face our problems and by solving them build a better society for our children.

Thank you.

Moderator: Thank you Mr. Mondale, and thank you Mr. President, and our thanks to our panel members as well. And so we bring to a close this first of the League of Women Voters Presidential debates of 1984. You two can go at each other again in the final League debate on Oct. 21 in Kansas City, Mo., and this Thursday night, Oct. 11, at 9 P.M. Eastern daylight time, Vice President Bush will debate Congresswoman Geraldine Ferraro in Philadelphia. And I hope that you will all watch once again; no matter what the format, these debates are very important. We all have an extremely vital decision to make. Once more gentlemen, our thanks, once more to you our thanks, and now this is Barbara Walters wishing you a good evening.

□ 1220

IN MEMORY OF OFFICER MARTIN MURRIN, KILLED IN THE LINE OF DUTY

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'BRIEN. Mr. Speaker, I take this opportunity to include in the RECORD remarks of a distinguished Catholic priest from my hometown of Joliet, IL, the Reverend Vytas Memenas, Joliet Police Department chaplain and assistant chaplain of Fraternal Order of Police, Illinois State Lodge. Reverend Memenas' remarks were made at the service for a heroic Joliet Police officer, Martin Murrin, killed in the performance of his duties in contributing to the security of the community. Martin Murrin will remain alive in the memories of all who knew him until we all meet again.

Herewith is the text of the Reverend Memeans' remarks:

We are here today to pray for the repose of the soul of Joliet Police Officer Martin Murrin, to express our deepest sympathy to his wife Pamela, his children Norman and Erin, his parents, brothers, sister and relatives. We bid farewell to a loving father, devoted husband and an outstanding policeman. We are also here to remind ourselves of God's love despite this tragic loss. The badge officer Murrin wore so proudly has been washed in blood and star 215 will be put away but his memory will live forever among Joliet police officers. Martin was a brave, honest, compassionate, understanding, knowledgeable, and considerate officer.

He loved what he was doing; protecting and serving the people of Joliet. On Wednesday afternoon of this week, around 5:00 P.M., he was serving us when he and his partner Officer Thomas Ponce were trying to apprehend a criminal suspect in the performance of his duty. They were trying to remove a dangerous person from our streets; a man wanted for aggravated battery. He lost his life while serving us. He gave his life!

As Jesus Christ gave himself for all mankind, a police officer sacrifices himself for his community. He is here to protect us and our property, to fight crime, to patrol our streets, and to help the helpless. His payment for all of this is only a fraction of what he gives us which is life, peace, security and justice. In all of this he shares in the work of God. Police Officers are dedicated and devoted servants of God. They are peacemakers! They try to bring peace and justice to our society.

As we pay farewell to our brother, those of us who are not police officers should ask ourselves how we can repay them. We can repay them with our love and respect. The police officer today in our society is often scorned, abused, and ridiculed to a degree that should be reserved for the criminal. We talk so much about police brutality. Police are the only profession that is so violently attacked by our society. No lawyer, no doctor, nobody is so attacked in our society as the police. I am not justifying the fact that there are some bad apples. There are bad apples in any profession. Why don't we talk sometime as our State Attorney Petka did just two days ago about civilian brutality against police. You never hear that term do you? You lay people do not see it! You're not in the squad car! I have seen it right here in the city of Joliet. Try riding one night in a squad car and you'll see what these men and women are subjected to. We expect them to be super human beings. They are scorned, abused, ridiculed and this is a good time to think about how we do treat our cops. The State Attorney has said, "They are underpaid." They are underpaid! How many of us would put our lives at stake for $1,500 per month? How many of you would be willing to do as Martin Murrin did? This is a good time to think about it!

Officer Murrin knew all this but nevertheless he remained a dedicated and selfless servant of God, his family, and his city. He gave everything he had for the city. He gave his life. He was a great family man. They loved him because he loved them. He will be missed. In their kitchen is a plaque which reads, "Home is where the heart is." His family made his heart their home. He often talked about his wife, children and future.

Now Martin walks on a golden street and God is on his side. A song written to honor fallen police officers written by Pat Boone says. "A cop will never walk alone." God has said Martin will never walk alone. He is on a golden street where there is no more pain, suffering, tears, prejudice, crime, or murder.

We all express our sympathy to his wife, children, parents, and family.

□ 2020

LOCAL GOVERNMENT ANTITRUST ACT OF 1984

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. PORTER] is recognized for 5 minutes.

Mr. PORTER. Mr. Speaker, earlier today we considered on suspension, House Resolution 613, which provided a motion to concur in a Senate amendment and amend that to include language that would specifically have addressed a lawsuit pending in the Federal district court in Illinois against the county of Lake and the village of Grayslake for trebled damages under the Clayton Act and could have been interpreted to provide, in effect, that the jury verdict in that case would be treated as a judgment.

The House defeated House Resolution 613 on suspension and I think sent a message to the Judiciary Committee that this matter should be sent immediately to conference, the Senate is willing to go to conference on it, has been willing since last week to go to conference on it, and unfortunately that normal course has been resisted by the Judiciary Committee.

But if we are not to go to conference then the language of the section that I have just described ought to be modified to treat pending cases fairly and properly.

I submit that there is language that would be fair to the litigants, fair to the municipalities affected by pending cases, and would properly apply the intent of the House of Representatives and the other body in enacting legislation of this type.

It reads as follows:

Subsection (a) shall not apply to cases pending on the date of enactment of this Act unless the defendant establishes and the court determines, in light of all the circumstances, that it would be inequitable not to apply subsection (a) to a pending case. Included among the factors that the court shall consider are:

(A) the stage of litigation;

(B) the availability of alternative relief;

(C) whether the unit of local government was exercising its legislative, regulatory, executive, administrative, or judicial authority;

(D) the adverse impact that an antitrust damage award would have on the unit of local government and its residents; and

31-059 O-87-25 (Pt. 22)

(E) whether the action taken by the unit of local government was in furtherance of Federal or state laws, policies, or regulations.

Mr. Speaker, this seems to me to be eminently fair to all parties and I would urge that if the Judiciary Committee does not go to conference in regard to H.R. 6027, this language be placed in the bill and placed before this body for another vote and that we adopt it and send it immediately over to the other body for their concurrence.

I think it is fair. I think it is proper. I think it is the only fair and proper way for this body to proceed.

GENERAL LEAVE

Mr. PORTER. Mr Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of my special order tonight.

The SPEAKER pro tempore (Mr. MOAKLEY). Is there objection to the request of the gentleman from Illinois?

There was no objection.

EL SALVADORAN REFUGEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 5 minutes.

● Mr. MOAKLEY. Mr. Speaker, I rise today to express my continued concern regarding the current Reagan administration policy of deporting Salvadoran refugees now in the United States back to the violence and political unrest in their homeland. We deport, on average, about 100 Salvadorans a week.

There are some who proclaim that in light of the recent elections in El Salvador that many of these refugees have nothing to fear—and that they can go back to El Salvador without the threat of torture, imprisonment, or death. Though I am heartened, like many of my colleagues in Congress, by the election of José Napoleon Duarte, I am not so naive as to believe that he or anyone else can end overnight a brutal civil conflict that has been raging since 1979.

On the contrary, from most accounts, there is still a great deal to be concerned about in El Salvador. On September 9, the New York Times reported that Salvadoran Army troops killed 68 undefended residents in a tiny village during a sweep against leftist guerrillas. The Washington Post ran a front page story on September 17 asserting that Mr. Duarte has limited control over the Salvadoran military. There have also been numerous other reports of indiscriminate and intentional violence against innocent people. In short, El Salvador is a country still in turmoil.

As many of my colleagues may know, the administration has the authority to quickly reverse its current policy by implementing a procedure called extended voluntary departure status. This is merely a temporary stay of deportation that is granted to nationals from countries that are experiencing extreme civil strife. This temporary relief is currently granted to Poles, Ugandans, Ethiopians, and Afghans.

Yet, despite the overwheming evidence that the conditions in El Salvador are equally desperate—the administration refuses to suspend deportations. In view of this, many American citizens—of all faiths and backgrounds—have felt compelled to offer these refugees temporary safe haven. Many churches and synagogues have declared what is called sanctuary.

I understand the sentiments that cause a church or synagogue to declare sanctuary. It is a difficult decision that is not taken lightly or made in a casual manner. Those who are involved in the sanctuary movement are motivated by their scriptural commitment to help the oppressed. They believe that it is our obligation to help people who are fleeing dangerous civil conflicts.

It is those same sentiments that have lead me to take action on this issue. I introduced legislation, H.R. 4447, which would temporarily suspend the deportation of Salvadorans now in the United States. The bill also calls on the President to provide Congress with a study on the conditions in El Salvador so that Congress can make a determination as to when it would be safe for Salvadorans to return to their homeland.

I believe that there is the necessary support in the House—and the Senate—to pass this legislation. Unfortunately, due to the heavy legislative calendar, H.R. 4447 did not make it to the House floor for a vote. Nonetheless, I intend to promptly reintroduce the bill at the start of the next session of Congress.

In the meantime, I am appealing to the Reagan administration to halt the deportation of Salvadorans, at least until Congress has had a chance to consider this legislation early next year. I, along with several of my colleagues, have sent a letter to the President urging him to take this action.

Mr. Speaker, for the benefit of my colleagues, I would like to insert in the RECORD a copy of that letter—as well as an article which recently appeared in the Boston Globe concerning a Salvadoran family now living in Boston.

The material follows:

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: Though we are heartened by the election of President Jose Napoleon Duarte and his recent announcement to negotiate in good faith with his country's guerrilla groups, we nonetheless remain deeply concerned about continued reports of violence and political unrest in that country.

We have supported legislation in the House and Senate which would temporarily suspend the deportation of Salvadorans now in the United States, until such time as it is safe for them to return to their homeland. Whatever positive future steps Mr. Duarte implements, the changes necessary to restore stability will take time. In the meantime, Salvadoran refugees are living in a state of limbo, unable to return to their homes, and unless they are allowed to stay, as illegal aliens in a foreign country.

With 153 cosponsors in the House, we believe that the legislation has the necessary support to be passed by both the House and Senate. Unfortunately, the heavy legislative calendar at the end of the session has prevented it from coming to the floor. Therefore, we respectfully request that you suspend the deportation of Salvadorans now in the United States at least until the Congress has had an opportunity to act on this legislation early next year.

Sincerely,

JOHN JOSEPH MOAKLEY,
Member of Congress.
RALPH REGULA,
Member of Congress.

SALVADOR FAMILY ASKS TO STAY HERE: SAYS RELATIVES HAVE BEEN MURDERED

(By Julia Preston)

A family of Salvadoran refugees named Vides, living illegally in Boston, is asking immigration authorities to grant them political asylum in the United States.

Members of the Vides family contend they cannot return to their homes, in a forested hamlet in the northern Salvadoran province of Cabanas, because frequent sweeps by government forces engaged in a four-year-old civil war with leftist guerrillas have forced all the residents to flee.

They also say, in affidavits the family is currently filing, that since 1979, El Salvador's security forces, especially the national guard, have murdered Vides relatives from the Cabanas region whenever they were captured on the suspicion that they sympathized with the guerrillas.

In all, six Vides family members are named in two petitions for asylum. They have been living illegally, without valid visas, in Allston.

In the past five years, at least 14 close relatives of the family, including two small children, have been killed by the security forces, another disappeared, and yet another died in combat, according to death certificates, human rights reports and relatives who were eyewitnesses.

"The guardsmen kept telling us they were going to do away with every Vides down to the last one," said Olimpia Vides, 34, a textile worker here. "If I have to go back. I'm afraid they'll be laying in wait for me."

The family's most recent victims were Gloria Vides, 24, and her two children, aged 2 and 6 months. On July 19, Gloria Vides was killed while running from a sweep by Salvadoran army units through the steep hills near the hamlet of Santo Olaya, which once was home to the whole family.

Army troops unloaded their automatic rifles on Gloria as she crouched over her children, said Elvira Vides, 23, a cousin who survived the July sweep and was interviewed in September near Santo Olaya. Vides family members in Boston were stunned to

learn of the deaths by reading about them in the newspaper here.

The deaths of Gloria and her children convinced the Vides family in Boston that the new Christian Democrat president in El Salvador, Jose Napoleon Duarte, has not made life any safer for them in their home country.

According to statistics of the U.S. Immigration and Naturalization Service, in the past 18 months only 3 percent, or 282, of 9,326 petitions for political asylum presented by refugees from El Salvador were granted. By contrast, 25 percent of the petitions presented by refugees worldwide were granted, official figures show.

In most cases, the INS or immigration courts ruled that Salvadorans were economic—not political—refugees, moved more by a dread of instability and unemployment than by "a well-founded fear of political persecution," as the asylum law requires.

Some lawyers who represent Salvadorans in asylum petitions charge that the State Department's human rights bureau, which makes a recommendation in each asylum case, looks unfavorably on accusations that El Salvador's government acts repressively. The Reagan Administration supported El Salvador with $527 million in aid this year alone.

"El Salvador is the clearest example where foreign policy considerationis have injected themselves into the adjudication process," said Arthur Helton, an immigration expert at the New York-based Lawyers' Committee for International Human Rights.

But Charles T. Cobb, INS district director in Boston, said a country's relations with the United States do not influence whether its citizens get asylum. Petitions are processed "on a case-by-case basis," Cobb said. "It's not done by any nationality."

Mauro Vides, 33, who works in a Cambridge car-parts factory by day and a Boston restaurant by night, is a central figure in the asylum cases. Mauro says his family's travail began in 1979, when his 21-year-old brother, Ovidio Vides, became a leftist "subversive."

Ovidio was beaten and robbed once by national guardsmen in a town near Santo Olaya, Mauro recalls. To avenge himself, Ovidio became a rifle-toting guerrilla commander. In November 1981, Ovidio was killed in a shootout with army regulars, family members said.

"Now the soldiers would even kill me," said Isabel, 26, Mauro's wife, who works in an electronics factory in Boston. "Mauro was never a guerrilla. But since his brother was, the guardsmen said Mauro was, too. And since I was Mauro's wife, they said I was, too." The Vides family members who are petitioning for asylum say they have never been politically active, either in El Salvador or the United States.

El Salvador's top military officer, the minister of defense, is also named Vides: Gen. Carlos Eugenio Vides Casanova, and Mauro says he is a distant relative. Said Mauro: "Nobody's going after him. He's the big muckety-muck. He's so high up he can't see what's happening down where we are."

According to Mauro, when word spread in 1979 that Ovidio was a "subversive," national guardsmen came patrolling in Santo Olaya, disguised as guerrillas, with a list of names in hand. They caught up with Mauro's uncle, Antonio Quezada Vides, 28, in a corn field. Finding Antonio's name on the roster, they shot him on the spot, said Mauro, who says he helped bury the body.

Only days later, guardsmen came again, this time looking for Mauro. They shot down the door of his house with rifles but no one was inside. When the family crept back to the house, "the bed was full of bullets," Mauro's wife Isabel remembers.

That year, 1979, was also when government troops began descending on the hamlet in frequent sweeps. Mauro said, "The guardsmen sent word that anyone who wanted to stay alive should move away from Santo Olaya, because anyone who stayed would die."

Some of the Vides women with sons said they hid the boys' shoes in the bush so probing troops wouldn't realize that any males lived in their houses.

By mid-1980, Mauro said, the Vides family and others were forced out of the hamlet, leaving it deserted. "There were only dogs howling at night in hunger," he recalled. Reporters who walked through the area this September confirmed that Santo Olaya remains abandoned. Surrounding hamlets are populated by villagers who proclaim their allegiance to the leftist guerrillas.

By 1980, Mauro had moved his family to a more tranquil village in western El Salvador. After he left Cabanas, 11 other family members were reported murdered or disappeared.

As a result, still nervous about their family name even in western El Salvador, in 1982 Mauro and Isabel paid a Mexican smuggler $600 each to sneak them into Texas. They trekked for eight days through the Texas desert, Isabel recalls, at times using a tube of hand cream to soothe their blisters enough to walk.

In 1983 they took a bus to Boston to join cousin Olimpia Vides, who had been living here for five years. Mauro and Isabel, speaking no English, still can't understand most street and place names in Boston. They guide their lives entirely along familiar bus routes.

Mauro said they cannot bear any longer the fear of sudden arrest by immigration authorities. Another of Mauro's brothers, Juan, 35, was caught last month by INS agents in Houston and is facing deportation there.

The Vides family is represented by two groups that provide legal services to immigrants. the International Institute of Boston and Centro Presente in Cambridge. Lawyers there said they expect the INS, pressed with bureaucratic backlogs, will take two or three years to act on the asylum request. During the proceedings the Vides family cannot be deported

But until the case is decided, Mauro and Isabel cannot bring their three young children, whom they haven't seen in more than three years, from El Salvador.

Family Members Reported Slain

(By Julia Preston)

Mauro and Isabel Vides left Cabanas nearly five years ago. But they say that Vides family members who stayed there, even though they joined neither the guerrillas nor the army, paid a high price.

Mauro's brother Fredy, then 19, was captured by army troops and disappeared late in 1979.

A cousin, Oscar Vides. 22, was shot to death Jan. 18, 1980, when he was caught carrying a pistol by national guardsmen.

A 50-year-old uncle, Adan Vides, was gunned down March 1, 1980, during a military search-and-destroy mission through the hamlets, according to relatives and the records of Amnesty International.

Three more uncles, Salvador, Toribio and Ramon, were shot by soldiers with machine guns in Salvador's home on May 7, 1980. Salvador Vides' daughter, Elvira, still lives in the Cabanas hills, cooking for leftist rebels and expecting a child. In a September interview, she said her father had been a government policeman for 25 years, but grew disillusioned and began to lean toward the guerrillas. He and his two brothers were assassinated by his subordinates, she said.

An aunt, Anita, 60, was shot down by national guardsmen while shopping in a marketplace near Santo Olaya in 1980.

Another of Mauro's brothers, David, 19, fled to San Salvador. But he was soon arrested at a national guard roadblock. His death certificate states that a relative found his body, arms fractured and face flayed, tossed alongside a highway north of the capital on Aug. 13, 1981.

Three other Vides relatives also died, reportedly at national guard hands. "A captured Vides is a dead Vides," said cousin Nelly, 19, who now lives in Boston.

Salvador Control of Rebels Seen by 1986

WASHINGTON.—A top Pentagon official said yesterday that a continuation of "favorable" trends in El Salvador could bring that nation's leftist insurgents "under control" by the end of 1986.

Fred C. Ikle, deputy undersecretary of defense for policy, said in a telephone interview that a variety of factors is making US officials optimistic the Salvadoran military can control the rebel forces.

The United States has supplied increasing amounts of aid to the Salvadoran government to try to help it fight back the rebels.

One of the main factors for the improved situation is the failure of outsiders, especially the Nicaraguan government, to significantly increase shipments of military supplies to the Salvadoran rebels, according to Ikle.

"If that changes, then the favorable trend can be reversed," Ikle said.

The Reagan Administration has contended that the leftist Nicaraguan government is supplying aid to the rebels in nearby Salvador.

He said one reason for the trend is that the pressure of US-backed rebels fighting inside Nicaragua against the Sandinista government has prevented the Sandinistas from increasing aid to Salvadoran rebels.

Other positive factors cited by Ikle for the optimism about El Salvador were:

Better leadership of the Salvadoran military.

A better and steady supply of US equipment to El Salvador, allowing the armed forces to carry out long-range rebuilding plans.

"An improvement in the human rights situation, which improves the morale of the population."●

NETWORK PROJECTION VS. VOTER RIGHTS

The SPEAKER pro tempore. Under a previous order for the House, the gentleman from Colorado [Mr. WIRTH] is recognized for 5 minutes.

● Mr. WIRTH. Mr. Speaker, the public outcry over the continuing disdain by the television networks for our democratic electoral process has been loud and persistent. The strong feeling that the television networks should

not tell us who is winning a race before the polls close goes well beyond the Congress. Both Houses of Congress have passed a resolution expressing our sense that the networks should voluntarily refrain from projecting or characterizing the winner of a race before the polls for that race have closed. Yet, only 2 days ago, the Subcommittee on Telecommunications, Consumer Protection and Finance, which I chair, heard executives from the three networks tell us that these characterizations will continue.

Bill Woods, a political scientist at American University, captured the public outrage over the danger to the electoral process posed by network projections in a recent article in the Los Angeles Times.

As Mr. Woods noted, no one would ever suggest a poll of a jury be broadcast to that jury before their final vote. The networks persist, however, in interjecting their exit polling results and characterizations to voters in the middle of the most fundamental right we have as Americans—our democratic electoral process.

I find Mr. Woods' description of this situation most compelling, and I believe that other Members would find his article informative.

The article follows:

NETWORK PROJECTIONS VS. VOTER RIGHTS

UNTIL POLLS CLOSE, FAIRNESS TO ALL REQUIRES WITHHOLDING TALLIES

(By Bill Woods)

The practical effect of the early-evening network projections of a presidential winner on Election Day will be to persuade 427,977 voters to stay home. That is one estimate of potential voters who will hear the news and believe that their votes are fruitless, in the 13 Western States where the polls will still be open. When voters (wrongly) believe that their ballots are meaningless because media executives lack public responsibility, democracy is endangered.

Not only will the networks reduce the voting power of the Western States to a trivial exercise in democratic symbolism, their authoritative reports will work against those local candidates whose supporters go late to the polls. In recent elections, several Western congressional seats have been lost by merely 1% of the vote.

Such interference is unconscionable, and raises serious constitutional questions. The problem is whether free speech may subvert free choice, or whether free speech is supposed to serve the ends of free choice.

In response to that challenge, the networks have largely refused the requests of Congress and the parties voluntarily to postpose all characterizations about election results until the last polls close-although they routinely make choices about what is to get the broadcast every day. There are, however, sufficient Supreme Court cases to suggest the possibility of a congressional and judicial mechanism for preventing network interference with the election process. The court has indeed given broad protection to the substance of speech, but it also has allowed for its regulation in time, place and manner.

Directly analogous to the election process is the jury process. It is the one other strategic and sensitive mechanism for pubic decision-making within our democratic system. It is also an arena wherein speech and choice values often collide, and have been accommodated by the court.

In Sheppard vs Maxwell, the court overturned Dr. Sam Sheppard's conviction because of publicity prejudicial to a fair jury verdict. The court catalogued permissible judicial restrictions on the press such as not communicating with witnesses and jurors, and proscribing extra-judicial statements to the press by police and other officials. In Nebraska Press Assn. vs Stuart, the court overturned a gag rule imposed on the press because it was unwarranted, ineffective and too vague. But Chief Justice Warren E. Burger left open the constitutionally valid possibility of a restraining order that could meet those tests if necessary to restrict irresponsible press practices.

Regarding essentially political speech, Justice Hugo L. Black, allowed the government in *Adderly* vs. *Florida* to regulate the time, place and manner of speech in public places in order to maintain other important values—if the substance of speech were not regulated and if the proscription were narrowly drawn. In that case, the police had arrested civil-rights protesters who were blocking the driveway to a jail and threatening its secure operation. Even in their dissent, Justices William O. Douglas, Earl Warren, William J. Brennan and Abe Fortas allowed for the possibility that the First Amendment could be curtailed under criminal law if the evil were isolated and narrowly drawn.

It might seem that Black forbade any direct regulation of the press in *Mills* vs. *Alabama*, which overturned a state statute forbidding partisan newspaper editorials on Election Day. The statute was to protect the public from confusing last-minute charges made too late for rebuttal. Mills was about protecting the quality of what Douglas called political speech "in a basic form: the right to express views."

But the networks materially degrade the quality of political speech because their authoritative projections purport to show the conclusion before many have chosen, and because they occupy essentially a monopoly position in controlling the broadcast public dialogue. No losing candidate or Western voter has the opportunity (or right) before the polls close to comment about the projections on the air.

The court would never allow an entry poll of a jury to be broadcast to that jury before their final vote. By the same token, network projections in the middle of an election should not be allowed to prejudice the fairness of that election process. In Adderly, Black wrote that the constitutional guarantee of liberty implies the existence of a society maintaining public order, without which liberty would be lost in the excesses of anarchy.

Congress could protect the integrity of elections by making it illegal to release official results before all polls close. And as the Canadians do, Congress could make it illegal to "publish the result or purported result of any polling" before the polls close. Those who say that this would be a direct assault on freedom of expression would appreciate that Election Day involves the people speaking: Rights of the private media must give way to the rights of the electorate on the day when the voice of the people must be heard above all others.

Citizenship is a public office, deserving respect and protection. But the networks' projections undermine citizens' belief in their own power.●

A NEW CALL TO PUBLIC SERVICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, this year marks the 20 year anniversary of the Volunteers in Service to America [VISTA] and the 23 year anniversary of the Peace Corps. These two Federal programs represent vivid examples of Americans volunteering to better the lives of those less fortunate both here at home and abroad. I rise today because I believe that we can expand upon these examples and others like it, in an attempt to tap the vast reservoir of Americans of all ages, and particularly of young people, who I believe are willing to answer a new call to public service.

As a nation, we are committed to providing assistance for our elderly, ill, and disabled citizens; caring for our children; conserving and protecting our environment and our natural resources; rebuilding our cities; educating our young people and helping educationally disadvantaged adults. Many valuable and worthwhile government programs exist to help us reach these goals. Yet, the last few years have seen a growing realization that government alone cannot provide all the answers. As we move into the end of the 20th century, we must expand our horizons; we must draw all the resources available to us; we must use imagination and innovation. I believe that voluntary youth service is one of the most promising of our alternatives to meet these challenges, a vast natural resource which we have barely begun to tap. Many opportunities for service already exist. We must provide the encouragement and assistance needed to transform this potential for greater service into a reality.

I am introducing legislation today—the Voluntary Youth Service Act of 1984—which would provide the necessary incentives for the development of a truly broad-based program of voluntary youth service in our Nation's local communities. By providing matching Federal grants to State and local voluntary youth service programs this legislation would encourage young people ages 17 to 24 to volunteer to serve in local nonprofit, social services, or government agencies that meet important human, social, or environmental needs. Under these State programs, participants would volunteer full-time for a minimum 6 months of service with an approved sponsor organization.

In order to be eligible for a Federal grant, State Youth Service Programs

must provide participants with stipends, housing, food, or other in-kind assistance ranging in value from 50 to 110 percent of the Federal minimum wage. The State programs may also provide participants with health benefits or post-service benefits—including education loans and grants or matching salary grants for post-service employment. Total benefits would range between the equivalent of 80 to 160 percent of the Federal minimum wage. The sponsor organizations who receive youth service volunteers must contribute a portion of their volunteers' living allowances to the program.

While the Federal grants would be administered nationally by the Director of the ACTION Agency, the overall focus of the program is at the local level. In this way, local individuals would be working directly in responding to local needs and situations. Participants would be recruited locally in any number of ways including through service orientation programs at local high schools. The regional programs would maintain computerized information on various service opportunities to allow participants to match their interests with available service opportunities.

States and localities must be allowed the flexibility necessary to develop innovative programs that encourage the maximum participation of young people in meeting the needs of their communities. The State and local programs are free to determine the exact combination of living allowances and post-service benefits that would best encourage youth service in their locality. This legislation also contains protections for salaried employees from replacement by voluntary youth service participants. Finally, under this legislation individuals, businesses, foundations, and other groups can contribute time and money to local youth service programs. The key to the success of a voluntary youth service program is not only to enhance the service-ethic in this country but to energize local communities behind these projects.

Already a number of cities and States have seized upon this potential for public service. The Washington State Service Corps, the Seattle Program for Local Service, and the California Conservation Corps are all examples of innovative local efforts to focus the energies of young people toward meaningful constructive public service. Major Koch of New York City has recently announced plans for a city wide national service program for approximately 3,000 18-year olds. The Governor of New York, Mario Cuomo, has also taken the initiative on the idea of youth service by appointing a 20-member commission to study the possibilities of a State-wide program. Most recently, the State of Minnesota has begun to explore the possibility of a youth service initiative. With these and other initiatives underway at the State and local levels, I believe it is essential for the Federal Government to lend its support to these programs.

Mr. Speaker, the development of a program of voluntary youth service will not only spark our Nation's spirit of activism and service but will help fulfill unmet social needs that must be addressed if we are to move into the 21th century as one nation. Not only would such a program provide important social benefits but would impart lasting personal benefits to those who participated. Personal growth and self-esteem, a sense of participation in one's community as well as useful on the job training and experience are valuable products of public service. The fact is that public service can have unique and invaluable results in terms of personal growth of its individual participants—growth which reflects back on the society of which those individuals are a part.

Our young people represent our most precious resource, our investment in America's future. We cannot allow an entire generation to become dispirited and demoralized. It is shocking that 18.4 percent of American youth are currently unemployed and it is a national tragedy that over 300,000, 41.7 percent, of our black teenagers are jobless. Public service can serve as a barrier against the aimlessness and despair these high rates of unemployment can foster, in addition to making constructive use of idle energies and talents. It is unacceptable—economically, morally, politically, and socially—to allow the vitality and creativity of these young people to go to waste.

It is time that we revive the notion of citizenship. I continue to believe we can rekindle the spirit and activism which has motivated American youth in the past. John F. Kennedy sent out a call and received an answer to the challenge "ask not what you country can do for you . . . ask what you can do for your country." I believe that my proposal for Voluntary National Service Program can succeed in rekindling this flame of activism and sounding a new call to national service. It is my hope that the challenge of national service will be answered in the upcoming 99th Congress. I sincerely hope that these remarks, and the legislation which follows, will help foster a renewed debate on the immense potential of voluntary service. For the convenience of my colleagues the text of my legislation follows:

H.R. 6422

A bill to authorize the Director of the ACTION Agency to provide grants to States and units of general local government for youth service projects, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Voluntary National Youth Service Act".

PURPOSE

SEC. 2. The purpose of this Act is to encourage persons who are between 17 and 24 years of age, inclusive, to participate in voluntary national service by providing matching grants to eligible States and units of general local government for the operation of youth service projects.

DEFINITIONS

SEC. 3. For purposes of this Act:

(1) The term "Director" means the Director of the ACTION Agency.

(2) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

(3) The term "unit of general local government" means any city, county, town, township, parish, village, or other general purpose political subdivision of a State, or any combination of such political subdivisions recognized by the Director. Such term also includes any public body or agency, including a political subdivision, created by or under the laws of a State or two or more States, or any combination of such public bodies or agencies.

YOUTH SERVICE PROJECT GRANTS

SEC. 4. The Director of the ACTION Agency may provide, to States and units of general local government determined to be eligible under section 6, grants for youth service projects adminstered by such States and units of general local government.

DESIGNATION OF SERVICE CATEGORIES

SEC. 5. (a) The Director shall by regulation designate specific activities as service categories in which persons serving in youth service projects may serve for purposes of this Act.

(b) An activity may be designated as a service category under subsection (a) if the Director determines that—

(1) such activity is of substantial social benefit in meeting human, social, or environmental needs of or in the community where service it to be performed;

(2) involvement of persons serving in youth service projects under this Act in such activity will not interfere unreasonably with the availability and the terms of employment of employees of employers with positions available in such activity;

(3) persons serving in youth service projects under this Act are able to meet the physical, mental, and educational qualifications that such activity requires; and

(4) such activity is otherwise appropriate for purposes of this Act.

(c) The service categories referred to in subsection (a) may include—

(1) positions in State, local, and regional governmental agencies;

(2) positions in public, private, and parochial schools;

(3) positions in nonprofit hospitals;

(4) positions in law enforcement agencies;

(5) positions in penal and probation systems;

(6) positions in private nonprofit organizations whose principal purpose is social service; and

(7) any other position that the Director determines to be appropriate for purposes of this Act.

(d) The Service categories referred to in subsection (a) may not include any position in any—

(1) business organized for profit;

(2) labor union;

(3) partisan political organization;

(4) organization engaged in religious activities, unless such position does not involve any religious functions; or

(5) domestic or personal service company or organization.

ELIGIBILITY FOR GRANTS

SEC. 6. (a) In order to be eligible for any grant under section 4, a State or unit of general local government shall—

(1) submit a plan that describes the existing or proposed youth service project for which such grant will be used; and

(2) demonstrate to the satisfaction of the Director that it will expend, for purposes of a youth service project assisted under this Act, an amount from public or private non-Federal sources (including the direct cost of employment or training services provided by State or local programs, private nonprofit organizations, or private for-profit employers) equal to the amount made available to such State or unit of general local government under section 4.

(b) The plan referred to in subsection (a)(1) shall include—

(1) a list of positions from which any person serving in such project may choose a service position, which list shall, to the extent practicable, identify a sufficient number and variety of positions so that any person living within such State or unit of general local government who desires to serve in voluntary youth service may serve in a position that fufills the needs of such person;

(2) a list of requirements to be imposed on any employer of any person serving in a youth service project under this Act, including a provision that any employer who invests in any project that has been awarded matching funds by making a cash contribution or by providing free supervision and training of any person serving in such project shall be given preference over any employer who does not make such an investment;

(3) a provision that any permanent part-time or full-time employee of any employer shall not be displaced from any position by any person serving in a youth service project under this Act;

(4) a provision that any person serving in a youth service project under this Act who is not a high school graduate shall be encouraged to earn, and assisted in earning, a high school diploma or its equivalent;

(5) a provision that any person serving in a youth service project under this Act may arrange to receive academic credit for service satisfactorily completed;

(6) a provision that persons who are eligible to serve in a youth service project under this Act shall be consulted as to the types of positions that should be available to persons who serve in youth service projects under this Act;

(7) a provision that the percentage of persons who are below the poverty level and who are recruited to serve in a youth service project under this Act shall be twice the percentage of persons below the poverty level in the general population of the State or unit of general local government that is receiving a grant for such youth service project under this Act, as determined by the Director from available statistics;

(8) a provision that the percentage of persons who are unemployed and who are recruited to serve in a youth service project under this Act shall be twice the percentage of persons who are unemployed in the general population of the State or unit of general local government that is receiving a grant for such youth service project under this Act, as determined by the Director from available statistics;

(9) a provision that no person serving in a youth service project under this Act may serve in any position unless the grant, contract, or agreement with the employer offering such position provides that such employer shall not discriminate with respect to such position on the basis of race, creed, belief, color, national origin, sex, handicap, or political affiliation; and

(10) a schedule providing for an aggregate amount of wages and benefits, to be distributed to any person who serves in a youth service project under this Act—

(a) equal to not less than 80 percent and not more than 160 percent of the amount such person would have earned if such person had been paid at a rate equal to the minumum wage under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) during the period of service of such person; and

(B) that includes a subsistence allowance of not less than 50 percent and not more than 110 percent of such minimum wage, to be paid to such person during such period of service.

SELECTION CRITERIA

SEC. 7. The Director shall distribute grants among eligible States and units of general local government on the basis of which such States and units of general local government will best use such funds to further the purposes of the this Act, as determined by the Director on the basis of the plans submitted by such States and units of general local government under section 6.

NONDISCRIMINATION PROVISION

SEC. 8. (a) No person in the United States shall on the grounds of race, creed, belief, color, national origin, sex, handicap, or political affiliation, be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with, any youth service project for which any State or unit of general local government receives a grant under section 4.

(b) For puposes of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), any youth service project for which any State or unit of general local government receives a grant under section 4 shall be considered to be receiving Federal financial assistance.

LIMITATIONS

SEC. 9. (a) Any person who serves in a youth service project under this Act shall be not less than 17 years of age and not more than 24 year of age on the date of beginning such service.

(b)(1) No person may serve in a youth service project under this Act for more than a 3-year period.

(2) Any person who agrees to serve in a youth service project under this Act shall agree to serve for not less than a 6-month period.

(c) Any person who does not hold a high school diploma or its equivalent may not be accepted for service in a youth service project under this Act unless such person has not been enrolled as a high school student during the 3-month period before the date of such acceptance.

(d) Not more than 10 percent of any grant awarded to any State or unit of general local government under section 4 may be used for administrative expenses.

REVIEW AND REPORTING REQUIREMENTS

SEC. 10. (a) Each State and unit of general local government that receives any grant under section 4 shall provide oversight of service by any person in a youth service project under this Act, and of the operations of any employer of such person, in accordance with procedures established by the Director. Such procedures shall include fiscal control, accounting, audit, and debt collection procedures to ensure the proper disbursal of, and accounting for, funds received under this Act. In order to carry out this section, each State and unit of general local government that receives a grant under section 4 shall have access to such information concerning the operations of any employer as the Director determines to be appropriate.

(b) Each State and unit of general local government receiving a grant under section 4 shall prepare and submit an annual report to the Director on such date as the Director shall determine to be appropriate. Such report shall include—

(1) a description of activities conducted by the youth service project for which such grant was awarded during the year involved;

(2) characteristics of persons serving in such youth service project;

(3) characteristics of positions held by such persons;

(4) a determination of the extent to which relevant standards, as determined by the Director, were met by such persons and their employers; and

(5) any additional information that the Director determines to be appropriate for purposes of this Act.

CONFORMING AMENDMENTS

SEC. 11. (a) Section 401 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5041) is amended—

(1) in the fifth sentence thereof, by striking out "one Associate Director" and inserting in lieu thereof "two Associate Directors";

(2) in the sixth sentence thereof, by striking out "Such Associate Director" and inserting in lieu thereof "One such Associate Director"; and

(3) by inserting before the period at the end of the sixth sentence the following: ", and one such Associate Director shall carry out operational responsibility for all programs authorized under the Voluntary National Youth Service Act".

(b) Section 402 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5042) is amended—

(1) by inserting "or the Voluntary National Youth Service Act" after "this Act" the first place if appears; and

(2) by inserting "or the Voluntary National Youth Service Act" after "this Act" each place it appears in paragraphs (3), (5), (7), (11), (13), and (14) thereof.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. There are authorized to be appropriated to carry out the provisions of this Act such sums as may be necessary for fiscal year 1986 and for each succeeding fiscal year. Any amount appropriated under this section shall remain available until expended.●

A TRIBUTE TO THE HONORABLE J. KENNETH ROBINSON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. WHITEHURST] is recognized for 60 minutes.

Mr. WHITEHURST. Mr. Speaker, few colleagues in my 16 years of congressional experience have impressed me so much as KENNETH ROBINSON has by his dedication to public service. Although I never served in the Virginia General Assembly, I knew of KEN ROBINSON's reputation when he was a member of that body. He was known then as a person of uncompromising integrity and unsurpassed industry. These virtues he brought with him to this body, and it was because of them that he was recognized early on as a particularly unique and valuable colleague. His appointment to the Appropriations Committee was wise because it insured that there would always be a voice of moderation and caution on that key committee.

It is significant to me that in the Virginia congressional delegation, more often than not, it is KEN ROBINSON's vote that frequently triggers a positive response by the other Virginia Members. It is his counsel that is sought when there is uncertainty with respect to an amendment or vote on a particular piece of legislation. I cannot recall in the past any colleagues of mine whose opinion in my delegation was so highly valued.

In the last 6 years, I have had the privilege of serving with KEN on the House Permanent Select Committee on Intelligence. He always brought to very sensitive subjects keen perception and a high sense of doing what best served the vital interests of the United States. Although, in recent times, there have been sharp divisions within that committee, KEN ROBINSON always retained the respect and esteem of Members on both sides of the table.

KEN's departure from our ranks leaves a great void in Virginia and in this House. It is not likely that we will see anyone of his stature among us again soon. I speak for all of us when I say that we will miss him very much in the succeeding Congresses, but we wish for him and for his wife, Kit, continued good health and happiness, and hope that he will be available for another public service role that will be less demanding. His talents are too precious to be lost.

□ 2030

Mr. ADDABBO. Mr. Speaker, will the gentleman yield?

Mr. WHITEHURST. I yield to the gentleman from New York.

Mr. ADDABBO. I thank the gentleman for yielding, and I thank him for taking this time to give us an opportunity to express our views on the wonderful service of a great American, KEN ROBINSON.

Mr. Speaker, I rise today in high regard for my colleague Congressman KEN ROBINSON, who will be leaving this Chamber at the end of this session. KEN has decided to give up the long legislative nights and extended hearings, and spend all his time in the beautiful mountains and valleys of Virginia. It sounds very appealing especially today, as we continue to prolong debate over the continuing resolution.

In his seven terms of service to this Chamber, KEN ROBINSON has committed all his energies and knowledge towards serving his people. By doing so, he has not only served them well, he has served the country and added distinction to the House of Representatives.

Indeed, his district is a land filled with important history. The Blue Ridge Mountains and the Shenandoah Valley are the site of some of America's bloodiest and most violent battles. These country roads are also the home of our Founding Fathers and former Presidents. Presidents Jefferson, Madison, and Monroe all made their home in this region. KEN ROBINSON well understands the important role history plays in a community and has enlisted his efforts in advancing our appreciation and understanding of all that has taken place.

I have had the privilege to work closely with KEN ROBINSON on the Defense Appropriations Subcommittee. His true dedication to the job is evident. While we may differ on a few matters, I greatly admire his conviction and contributions towards our National defense. America is a free and great country because men like KEN ROBINSON enlist their energies in Government service.

He has given untiring effort, knowledge, and dedication as the ranking minority member of the Intelligence Committee.

I will miss his expertise and dedication.

I wish to thank him for his service to the committee and wish KEN, his wonderful wife Kit, and his family the best in their future endeavors. He will be missed.

Mr. WHITEHURST. I thank my colleague for his comments.

Mr. BLILEY. Mr. Speaker, will the gentleman yield?

Mr. WHITEHURST. I yield to my colleague, the gentleman from Virginia.

Mr. BLILEY. I thank the gentleman for yielding.

Mr. Speaker, Virginia is proud of its long tradition of service and leadership to the country. In addition to being the home of eight of our Nation's Presidents, our Commonwealth lists among her sons and daughters some of America's most able and noteworthy public servants. J. KENNETH ROBINSON must certainly be named among those on Virginia's honor roll.

For the past 14 years, KEN ROBINSON has represented the citizens of Virginia with the kind of determination and singlemindedness that characterize our great leaders. He has been diligent in protecting the rights of his constituents and in protecting the values on which America and Virginia were founded. I believe that it's fitting that a former distinguished minority leader referred to KEN ROBINSON as the "Rock of Gibraltar." KEN has brought stability and tough thinking in a time of ambiguity and the quick fix. America and the U.S. Congress have been better for his contribution.

When I arrived in the House of Representatives nearly 4 years ago, I was privileged to have KEN ROBINSON take me under his wing. His counsel and advice on defense and intelligence issues were invaluable and provided an education and insight that few of us have the opportunity to receive. I consider my friendship with KEN ROBINSON to be one of the highlights of my career in Government. And I consider his assistance to be one of the most important assets for my work in the House of Representatives. Through his encouragement and example, my colleagues and I in the Virginia delegation have been able to serve and represent the citizens of the Commonwealth with renewed energy and wisdom.

It's impossible to speak of KEN ROBINSON without mentioning his contributions in strengthening the defense of our country. As the only Virginia member of the House Appropriations Committee, KEN has provided that consistent voice on the Defense Subcommittee that reflects the traditional beliefs of our State's citizens in a strong national defense. His support of President Reagan in establishing a policy of Peace through Strength is a reflection of KEN ROBINSON's long standing efforts in behalf of America's security.

Ken has also shown his commitment for a strong America in his tireless work to strengthen and maintain the United State's intelligence activities. As the ranking member of the House Intelligence Committee, Ken has been a diligent watchdog of this vital national function. We saw this most graphically displayed in his effective action to retain required intelligence capabilities at the Vint Hill Army Installation in Virginia.

But KEN's efforts have not been limited merely to national defense issues. As a strong supporter of President Reagan's economic policies, the gentleman from Winchester has played a vital role in America's future. As a supporter of the Reagan tax cuts, Ken has helped to turn around our Nation's economy and insure stability

and prosperity for people across the country. As a sponsor of the balanced budget amendment and strong right-to-work legislation, KEN has provided an example of sanity in a Congress sometimes preoccupied with economic chaos. Millions more Americans are working today because of KEN ROBINSON's willingness to speak out and work for progress.

KEN ROBINSON is leaving us now. He and Kit will be sorely missed. They have represented the people of Virginia with enthusiasm, charm, and intelligence. In an age that often lacks these attributes, we can ill afford to be deprived of such noble and gracious examples. I know that KEN and Kit will continue to provide moral and spiritual leadership in whatever they do. I'm thankful that they're returning full-time to their home in the Old Dominion to enjoy a well-deserved rest. We are saddened by their retirement, but thankful that we have for so many years been blessed by their service and dedication. God bless you both.

Mr. WHITEHURST. I thank the gentleman.

Mr. Speaker, I yield to my colleague, Mr. BATEMAN, from Virginia's First District.

Mr. BATEMAN. I thank the gentleman for yielding, and I appreciate your having obtained this special order so that Members of the House may have this opportunity to speak to the subject of our colleague, J. KENNETH ROBINSON.

Mr. Speaker, it is always a pleasure for this Member to have the opportunity to speak words of praise about my colleague from Virginia, J. KENNETH ROBINSON. It is also an easy thing to do: There are nothing but good things to say about KENNETH.

But today is nevertheless a sad occasion for me, as I face the reality that Congressman ROBINSON will not be among us next year. In my freshman term, I have received valued counsel and guidance from many of you in this Chamber, but no one in the Congress has been more consistently helpful to me than KENNETH. He is a dear friend and a mentor without peer.

KENNETH came to the House in 1971 after 6 years in the Virginia State Senate, during the last 2 of which he was my colleague and chairman of the Republican delegation. Since coming to Washington he has encountered little difficulty in being reelected six times—clearly the people of the Seventh Congressional District of Virginia know a good thing when they have one.

In the House, he has made his mark as a man dedicated to conservative principles and a diligent member of the Committee on Appropriations, where he serves as second ranking minority member of the important Subcommittees on Agriculture and Defense. He is also ranking minority member of the House Permanent Select Committee on Intelligence, a demanding and usually thankless assignment.

KENNETH is above all a man of sound judgment, and possesses that uncommon virtue of common sense, in an unusually high degree.

All who know KENNETH will miss him, and his district, his State, and the whole Nation will be poorer for his taking leave of the House. I wish for KENNETH, his charming wife Kit, who like KEN is our dear friend, and all members of the Robinson family every blessing in the years ahead.

Mr. WHITEHURST. I thank the gentleman.

Mr. Speaker, I yield to the gentleman from Louisiana [Mr. LIVINGSTON].

Mr. LIVINGSTON. Mr. Speaker, I want to thank the distinguished gentleman from Virginia for yielding to me, as well as for calling for this special order on behalf of our good friend, KEN ROBINSON.

KEN is one more of those valuable people on whom the House depends so heavily, and will miss so greatly. As a seven-term Member of the House, senior member of the Committee on Appropriations and the Agriculture and Defense Subcommittees, as well as ranking member on the House Intelligence Committee, KEN will indeed be sorely missed.

It is unfortunate that men like KEN ROBINSON, JACK EDWARDS, BARBER CONABLE, JOHN ERLENBORNE, and others are leaving the House. KEN ROBINSON has particularly been an able and effective Member, combining his vast experience as World War II infantry veteran, farmer, administrative chieftan, community and civic leader, State and Federal legislator, husband, and father of seven children, to produce his outstanding achievements as a stalwart and eminently respected Representative of the people of the Shenandoah Valley.

A quiet, thoughtful and religious man, KEN has been one of those Members who enjoys the deep admiration and respect of his colleagues, as was evidenced by the standing ovation he received along with JACK EDWARDS at the last meeting of the Appropriations Committee.

His deep-seated beliefs in the traditions and values of this great Nation were always at the forefront of his service to the House. Thus, he was dependable—"like the Rock of Gibraltar" according to former minority leader John Rhoads. He never hesitated to back programs or policies which put the interest of his country first—before any other priorities; and he likewise supported the policy of standing by our friends—no matter the odds.

KEN ROBINSON has always been a man on whom you could count—so while we shall miss him greatly—we have no doubt but that he will find much success and happiness wherever life takes him. There simply are not enough men like KEN ROBINSON—and he will be much in demand.

Mr. WHITEHURST. I thank my colleague.

Mr. Speaker, I yield now to my colleague, the gentleman from Alabama [Mr. EDWARDS].

Mr. EDWARDS of Alabama. I thank the gentleman for yielding and for taking this time for all of us to be able to express our thoughts about our colleague, KEN ROBINSON.

Mr. Speaker, I suppose that I have no closer friend in the House of Representatives than KEN ROBINSON and his lovely wife Kit. For the 10 years that I have been ranking Republican on the Defense Appropriations Committee, KEN has sat next to me and we have become extremely close. I have come to know him as a person who has this tremendous ability to get into a subject and grasp the heart of it almost immediately, and he has this very incisive mind that sometimes makes me sit there in bewilderment when I am still trying to figure out what is being discussed in the hearing and KEN has already got it up here in his head. He has been a real credit to our Defense Subcommittee, a real rock when it comes to concern about the defense of this country, a real asset when it comes to the question of trying to carry out the President's program of rebuilding the defenses of this country, adding that strength that we need as we attempt to deal with the Soviet Union in the bargaining process. So he is the kind of person that one is very proud to serve with in the Congress and especially on the Defense Subcommittee. He also serves, as has been said, on the Agriculture Subcommittee of Appropriations and does yeoman's service there. How he has time for that as well, I do not know.

□ 2040

But even more than that, I think perhaps the place where he has done probably the most service to this country and to this Congress is in his ranking Republican position on the Intelligence Committee.

KEN went on that committee at a time when the intelligence community was in considerable disarray. From many quarters there were those who were raising sincere and severe criticism of the agencies—the intelligence agencies. That committee, much because of KEN ROBINSON's leadership, I think, has brought a sense of responsibility back to this whole discussion of the intelligence communities; and what he has done, along with his colleagues on that committee, has helped to reorient the work of the intelligence community. It is once again a

viable, active, responsible part of our governmental process.

I think we can say to KEN ROBINSON in that context that he has done tremendous work there. I am going to miss him, and I will tell you, if the gentleman would permit, that I am also retiring at the end of this year. If it were not for that, I would really be fussing at KEN ROBINSON, but I do not know how to fuss at him when I am leaving, too.

This House is going to miss him.

Mr. WHITEHURST. If the gentleman would permit, I would say the House will miss both of you.

Mr. EDWARDS of Alabama. Well, I thank the gentleman. I was not fishing for anything; I was trying to make a point. Many Members who are leaving I would love to fuss at, but I cannot do it. This is one person that I feel so close to. We have worked together; we have played together. I have been at his home in Virginia; he has been in my home in Alabama. We have become so close—his wife and my wife and KEN and I. It is my fond hope that after we depart this phase of our lives we will all be able to visit from time to time and renew the acquaintances that we have enjoyed for so long.

I want to commend the gentleman again and say that my wife Jolane joins me in extending the very, very best to KEN and Kit in their retirement.

Mr. WHITEHURST. I thank the gentleman, and I yield now to the gentleman from Illinois [Mr. O'BRIEN].

Mr. O'BRIEN. I thank the gentleman for yielding.

IN HONOR OF J. KENNETH ROBINSON, ON HIS RETIREMENT

Mr. Speaker, we are about to lose one of the sturdy, steadiest hands the minority party in the House of Representatives has known in recent years. J. KENNETH ROBINSON, the distinguished Representative of Virginia's Seventh District, is retiring after 14 years of unbroken service.

Once referred to by minority leader John Rhodes as "the Rock of Gibraltar," J. KENNETH ROBINSON has consistently urged passage of a balanced budget measure, the creation of a smaller Federal bureaucracy, and a practical, well-thought-out program of national defense.

Indeed, in 1982, one of his major interests was the proper support of maintenance and personnel in the armed services—programs he said at the time would have problems that would come back to haunt Congress if not adequately funded.

I am especially sad to see KENNETH ROBINSON retire, as he is a fellow minority member of the House Appropriations Committee. He has served with distinction as the second ranking minority member of the Subcommittees on Agriculture and Defense, and as a member of the Permanent Select Committee on Intelligence. In past congressional sessions, he has served on the Committees on Agriculture and Government Operations.

His congressional service comes after two terms as Virginia State Senator in the 1960's. In 1968 and 1969, he led the Republican delegation in the State General Assembly.

Since coming to Washington, J. KENNETH ROBINSON has seen his scenic and bountiful district in the Shenandoah Valley become the fastest-growing congressional district in the State.

A native of Winchester, VA, J. KENNETH ROBINSON continues to hold orchard, fruit packing, real estate, and other business interests in the area. He is past president of the Shenandoah Apple Blossom Festival and a past director of Winchester Memorial Hospital and the Winchester-Frederick County Chamber of Commerce. He is a former member of the Dulles International Airport Development Commission.

The past president of Virginia Fruit Growers, J. KENNETH ROBINSON will now return to the historic Shenandoah Valley to continue with his family orchard business.

I ask my fellow Members of Congress to rise in honor of this champion of fiscal conservatism and valued Member of this body.

Mr. Speaker, one final note with respect to KEN ROBINSON: He was never a part of the wind on Capitol Hill. He only spoke when the issue required it, and when there was something of value to be said. He is one of a handful of outstanding Members about whom that compliment can be said.

He and Kitty, like JACK and Jolane EDWARDS, have something special in common: They have class. I personally regret his leaving, and I will sorely miss him.

Mr. WHITEHURST. I thank the gentleman, and I now yield to the gentleman from Virginia [Mr. DANIEL].

Mr. DANIEL. I thank the gentleman for yielding and for taking this special order.

Mr. Speaker, with the retirement of Congressman J. KENNETH ROBINSON, this body loses one of its most valuable contributors to our national security. His service on the House Defense Appropriations Subcommittee and the Permanent Select Committee on Intelligence has significantly identified him as one who conscientiously goes about his tasks in quiet way with positive results.

KENNETH has devoted long hours and keen insight into matters of highest national concern and possesses the kind of balanced thinking which we so badly need today. Loss of those who have been closely connected with any area of our national life always leaves a void, but this is particularly true in the case of Defense and Intelligence.

Congressman ROBINSON has ably represented the Seventh Congressional District of Virginia since 1971, after distinguished service in the Virginia State Senate. There also, he demonstrated the attributes of a hard-working, caring legislator and brought with him to Washington a genuine concern for his State and Nation.

He is typical of many who have served in the Congress over the years who approach their task with a multiplicity of purposes. He has served well the varied interests of the people in the Seventh District who elected him; he has brought distinction to Virginia as a member of our delegation; he has discharged his committee responsibilities in a most impressive way and represented his constituency and the national interest on the floor year after year.

The growing responsibilities of this job are beginning to take a toll on those who serve here—and Members do not stay as long as they once did. This, too, is a national loss—because prospective Members, with the background, the dedication, the spirit, and the energy of KENNETH ROBINSON are not easy to find.

Although it is difficult to imagine that KENNETH will ever retire, in the commonly held meaning of that term, we wish him well in whatever he does, and the best wishes of all of us go with him and his family.

Mr. WHITEHURST. I thank the gentleman for his remarks and I yield to the gentleman from Arizona [Mr. RUDD].

Mr. RUDD. I thank the gentleman for yielding to me.

Mr. Speaker, I applaud the gentleman for taking this special order out with regard to J. KENNETH ROBINSON, our colleague and our friend, and a great human being, as well as being a highly distinguished Member of this great body.

Mr. Speaker, the first day I arrived here, having been elected by the people of the State of Arizona, I met KEN ROBINSON at that time. I have come to know him very well. I feel close to him; I have watched his activities here. I know that he has really presented himself in a very honorable way in all of the activities that he has engaged in here in the House of Representatives. He is a gentleman that everyone here knows has struck a real blow for the defense of our country and in the manner in which he has conducted himself on the Defense Subcommittee of the Appropriations Committee. He always kept in mind a very reasonable way that defense is the most key part of the survival of this Nation. I am very proud to be a part of this special order for KEN ROB-

INSON, a great human being and a great American.

Mr. Speaker, I am pleased to take part in this special order this afternoon to pay tribute to one of the stalwart leaders of this house, my friend and colleague, KEN ROBINSON.

KEN has left an indelible mark on numerous pieces of legislation in this house, but his leadership has been especially important in the area of defense. He has worked hard to ensure that our Nation remains strong and that aggression from abroad is deterred. His efforts have helped to protect the liberty and freedom of all our people.

KEN has been a good friend and ally. It is therefore with profound sadness that we look to his retirement.

KEN will be missed by all of us, and especially missed by the people of Virginia's Seventh District, whom he has served so well.

Mr. WHITEHURST. I thank the gentleman for his comments and I now yield to the gentleman from Ohio [Mr. MILLER].

Mr. MILLER of Ohio. I thank the gentleman for yielding to me.

Mr. Speaker, the Seventh District of the great State of Virginia will soon lose one of the most effective and responsible voices in Government with the retirement of my good friend and House colleague, J. KENNETH ROBINSON. For the past 14 years, KEN ROBINSON has honorably served the citizens of one of the Nation's most historic regions: the Blue Ridge of Virginia. He has listened to their concerns and put their concerns before the Congress of the United States.

I have had the privilege to serve with KEN ROBINSON on the House Appropriations Committee, and I can assure the American people that his hard work and attention to detail has been responsible for sound legislative action on this important committee. I have seen him demonstrate the kind of leadership that is essential in our turbulent society. I have seen him stand out in the midst of debate and bring reason to issues that are being buried in controversy and ill feelings. I have seen him stand up for democratic principles and speak out for the programs that will benefit not only the people who have sent him to Congress, but all of America.

We will miss KEN in this Chamber and on the committee. He has served us well and I, for one, am grateful to have served here with him.

Mr. WHITEHURST. I thank the gentleman and I yield now to the gentleman from California [Mr. COELHO].

Mr. COELHO. I thank the gentleman for yielding.

Mr. Speaker, I just heard that the gentleman was doing a speical order for the gentleman from Virginia, KEN ROBINSON, and I just want to say that in the last couple of years I got to know KENNY and his wife, and they are outstanding people and he is an outstanding Member of this body.

As one on the other side of the aisle, I am very sad to see him leave. He is a credit to this institution and has been a tremendous force on the Appropriations Committee. We are, as a House, sadder and less fortunate that he is not with us. I appreciate the gentleman bringing this to our attention.

□ 2050

Mr. WHITEHURST. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Speaker, first I would like to say to Mr. WHITEHURST, my colleague, congratulations for making this effort to recognize one of the great members of the Appropriations Committee and the House of Representatives.

It has been my privilege to serve with KEN in the Appropriations Committee and I watched with great respect the fantastic job that he has done there. That is a very, very tough committee. As you know, the country has gone through leaps and bounds in terms of the public's attitude about what we should do with our defense systems.

Following Vietnam we faced that time when people wanted to withdraw from the world and there was an undermining of our defense systems and the appropriations therefor. Through all of those years, KEN was on the mark. He recognized that if you truly are concerned about freedom in the world; if you are concerned about peace in the world, that that is accomplishable better with a strong America.

So he has been there up front, willing to fight the tough battles, but it was not so popular to fight those battles.

We need men and women in public affairs who look to more than just partisanship alone. KEN ROBINSON is one of those people who has demonstrated by the deep friendship that he has experienced on both sides of the aisle, that he is the kind of person who recognizes that we are here first to govern.

You have to deal with people problems in a human kind of way and you have got to deal with your colleagues in that same fashion. I must say to my colleague that KEN ROBINSON in another sense reflects the best among us, for he has an understanding that not all issues are partisan politics, but that beyond that, you need some flexibility in public affairs, a very sensitive, decent human being who came here to serve and indeed he served his people well.

Mr. WHITEHURST. I thank the gentleman for his remarks.

I recognize the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Speaker, I thank the gentleman for taking out this special order and for allowing us to express our sentiments about KEN ROBINSON, and let me simply say as a member of the House Armed Services Committee, the same committee that the gentleman from Virginia [Mr. WHITEHURST] serves on, knowing that KEN has served on the Appropriations Defense Subcommittee and also on the Select Committee on Intelligence, I have been very impressed with his capability of being able to analyze defense systems and to do what the country needs, and to move on programs that the country needs, but also to be kind of a very strong force, an anchor if you will, on foreign policy.

There is an element, the dimension of foreign policy in the Select Committee on Intelligence, and on the Committee on Appropriations and the Defense Subcommittee, and I have watched KEN ROBINSON stand up here when it was pretty darn tough to take a strong stance with regard to Central America and I think the fact that Mr. Duarte is leading the government in El Salvador now and seems to have a fair chance of success in making that fragile democracy work has to be attributed to some degree to the efforts of people like KEN ROBINSON, who stood up here and defended America's right and America's interest in giving El Salvador and other nations that military shield, if you will, while they develop their very fragile representative political system, and I want to commend also the gentleman [Mr. WHITEHURST] as being one of those champions who stood shoulder to shoulder with KEN ROBINSON and made that work.

I think now we have a chance of making that Government work down there and seeing a new democracy come into the Americas and that, I think, for that those people and many other people in the world can thank KEN ROBINSON for taking efforts when it was a very difficult thing to do and for standing tall and being that anchor and I thank the gentleman for taking out this special order.

Mr. WHITEHURST. I thank the gentleman for his remarks and contribution.

Mr. Speaker, I recognize the gentleman from Colorado [Mr. KRAMER].

Mr. KRAMER. I appreciate the gentleman's yielding to me.

Mr. Speaker, let me first express my appreciation to the gentleman [Mr. WHITEHURST] for taking out this special order for a very notable individual who will be leaving us. Clearly while I am from Colorado there is no question that the Virginia delegation stands very tall in the House of Representatives and in the Senate of the United, States and it has been a historical role, I think, if my memory serves me cor-

rectly, Colorado having produced more presidents than any State has contributed.

KEN ROBINSON has made a very tremendous impact not only on this House but more importantly on this country. He served on the Intelligence Committee at a time when intelligence capabilities was a dirty word, and he not only persevered, served as a steady rock and steady anchor on that committee, but I think through his leadership helped turn that situation around where today we recognize the need for good solid intelligence information.

In making that contribution, I think that many of us who never really know the full extent of the value of his service because, as we all recognize, so many of the things that go on on that committee cannot be publicly made known, but certainly the impact of whether the country stands today and its place in the world is well-known not only to the House of Representatives but to our allies and again perhaps most importantly of all, to our potential adversaries.

In making the United States stand tall again, certainly the contribution of KENNETH ROBINSON is one that needs to be recognized and called to people's attention.

● Mr. FUQUA. Mr. Speaker, I appreciate this opportunity by our colleague from Virginia [Mr. WHITEHURST] to pay tribute to Congressman KEN ROBINSON. KEN has served ably and well since his election in 1970 and he will be missed.

As a member of the Appropriations Committee, he has served with distinction and made many valuable contributions. His work on the Agriculture Subcommittee will have a lasting and positive impact on rural areas, such as those I am privileged to represent, and through his work on the Defense Subcommittee he has helped ensure that our military is strong and ready to meet any challenge.

The Select Committee on Intelligence has extremely important work to perform and, as ranking minority member, KEN has stood firm for the role the intelligence community must play to ensure our freedom at home.

He has been a key Member of this body and he will be missed. The people of Winchester, VA, and surrounding area are losing a strong and positive voice in the House of Representatives.●

● Mr. PARRIS. Mr. Speaker, it saddens me to have to rise today to say goodbye to a trusted, dear friend, a collegue whose 14 years in this august Chamber have been filled with honors.

KEN ROBINSON is a good friend to us all, and he has been a good friend to the people of the Seventh Congressional District of Virginia, and to all of the people of this great Nation. I shall miss him, and I wish him well in his private life once he crosses the Potomac and heads for the Shenandoah Valley.

I have known him longer than most of you, for KEN ROBINSON and I served in the Virginia General Assembly in the late 1960's. He was a force to be reckoned with then, and he remains a force to be reckoned with now.

He has been an outspoken and effective supporter of an improved national defense, casting votes in favor of the B–1 bomber, new nuclear aircraft carriers and sponsored and helped enact tougher legislation designed to protect the identities of U.S. undercover agents on dangerous missions overseas. He has a great grasp of national defense issues because of the perspective he enjoys as a member of the House Appropriations Defense Subcommittee, and as a member of the Select Committee on Intelligence.

He shares with many of us the philosophy that too much Federal Government needlessly infringes upon the activities of private citizens and adds wasteful expense, both to the Government and to the citizens and businesses who must do the paperwork to comply with the regulations.

KEN ROBINSON has sponsored a proposed constitutional amendment to require a balanced Federal budget as one of many reform measures aimed at improving the performance and the responsiveness of the Federal Government to the taxpayers.

I could go on and on in my praise of KEN ROBINSON, but there is no need. All of us know what he stands for, and how he stands up for what he believes is in the best interest of this Nation.

I could call him successful, but that would be redundant, for to those of us who know him, KEN ROBINSON means success.

I shall miss him, and I hope that every so often he will leave the apple orchards of Winchester, cross the Potomac River, and visit us. And, speaking for all of us, I believe, I can say with all honesty that we will also miss those little bags of apples he drops off every now and then. I would hope that the distinguished gentleman from the Seventh Congressional District of Virginia would recommend to his successor that Congress would appreciate being kept on the apple list.●

● Mr. SHUMWAY. Mr. Speaker, I am delighted to have this opportunity to recognize the outstanding congressional record of our friend and colleague, J. KENNETH ROBINSON, and to extend every best wish to him as he prepares to leave the Halls of the House of Representatives.

Since his election to Congress in 1970, KEN has provided those he is privileged to represent with excellent leadership and sound reason. That latter quality has been of critical importance not only to his personal constituency but the entire Nation as a result of his prudent decisions as a member of the Appropriations Committee. We in this House use a descriptive expression which can truly be said to describe KEN ROBINSON: He is, indeed, "the gentleman from Virginia."

I will certainly be sorry to see KEN go, but I wish him the very best for continued success, security, and prosperity. He has left a mark which his colleagues will long remember, as will those who have been fortunate enough to have had his representation.●

● Mr. BOLAND. Mr. Speaker, as chairman of the Permanent Select Committee on Intelligence, I welcome this opportunity to participate in this special order in honor of our colleague, KEN ROBINSON.

As Members of the House know, but as too few members of the public appreciate, KEN ROBINSON has been the ranking minority member of the Intelligence Committee since 1979.

He has been a Member of the Committee since its inception in 1977 and throughout has served as the ranking minority member of the Subcommittee on Program and Budget Authorization.

Too few appreciate what KEN ROBINSON has done for the security of this country through his service on the committee.

Too few appreciate the improvements that he has helped ensure in our intelligence capabilities.

Too few will ever realize the enormous and debilitating workload that KEN has assumed in his service on the Intelligence Committee.

Mr. Speaker there is no member of the committee who has worked harder.

There is no member—including the chairman—who can claim as thorough a knowledge and as sound a judgment in reviewing and overseeing intelligence matters.

I have said so often but to too few that KEN ROBINSON is the rock on which the Intelligence Committee has endured.

I say it again.

His dedication to fiscally sound, fair, bipartisan solutions has made the task of reaching agreement on many complex intelligence issues so much more achievable than it otherwise would have been.

I know of no Member of this body of whom I could extend these accolades and still fail to properly express the great service that KEN has provided to the committee, to the House, and to the American public.

Mr. Speaker, KEN ROBINSON didn't just work hard, he has acquired a detailed knowledge of intelligence systems, intelligence capabilities, and most difficult of all, a sense of the actual nature of the art of intelligence that outstanding judgment to which I

referred earlier, plus the knowledge, the tireless application, and the long hours all have resulted in a credibility to which none but KEN ROBINSON can rightly claim.

It is a credibility that did not end within the Intelligence Committee.

It is one that was and is respected without hesitation in the Appropriations Subcommittee on Defense in which he also serves.

Finally, it is accepted throughout the intelligence community itself as a benchmark of probity.

Mr. Speaker, some will say I have described a paragon of virtues in KEN ROBINSON and indeed I have.

What makes this glowing description work, however, is not just hard work or a keen intellect or even superb judgment.

KEN ROBINSON has all those things.

But, first and last, he is and will always be a gentleman of the highest order.

His true courtesy and respect for me, for his colleagues, and for all those who have appeared before the committee have offered a guide to us all.

Mr. Speaker, all of us in the House, KEN'S constituents in the Seventh District of Virginia, but most of all, the United States of America, will suffer from the loss of this good and faithful servant of this Nation's security.

The debt of gratitude we all owe him will not soon be repaid and I trust that the richly deserved accolades delivered tonight will not soon be forgotten.●

● Mr. LAGOMARSINO. Mr. Speaker, tonight we honor one of the most distinguished members of this body, the Honorable J. KENNETH ROBINSON, who has ably represented the Seventh District of Virginia during his 14 years of service in the House of Representatives.

KEN has done an outstanding job here in the Congress, particularly in the areas of national defense and intelligence-related activities. His dedication and loyalty to not only his constituents, but to enhancing the safety and security of all Americans will be remembered by all involved in this field, and KEN will be sorely missed.

One of KEN'S many outstanding attributes is his ability to work closely with Members on both sides of the aisle in order to find real, workable solutions to the varied and complex problems facing America's defenses and intelligence community. He has performed admirably in this regard (his legislative successes are a testament to this), and his experience and insight into the political process will, again, be sorely missed.

All of us thank you, KEN, for your outstanding service, your dedication, your love of country and your friendship. We wish you the best in your future endeavors. Congratulations on a job well done.●

● Mr. LOEFFLER. Mr. Speaker, it is an honor for me to pay tribute to a man who has served his Nation and the people of the Commonwealth of Virginia with distinction and who will be sorely missed in the 99th Congress.

KENNETH ROBINSON has devoted his years of public service to bettering the lives of all Americans. He has worked diligently, as ranking Republican on the Select Intelligence Committee, in support of our efforts to combat the Marxist threat in Central America, and for this I am deeply grateful. I have had the privilege of working alongside him on the Appropriations Committee, where he has contributed special expertise on issues relating to agriculture, rural development, and defense. Finally, he has stood firmly by his principles that hard-working Americans should not be overburdened by Government regulation and taxes and that free enterprise is the great hope for the development of human potential.

Thank you, KEN for your dedicated efforts in behalf of our country. We will miss you. Stay in close touch.●

● Mr. SISISKY. Mr. Speaker, I am proud to be among those joining today in paying our respects to J. KENNETH ROBINSON, the distinguished Congressman from Virginia's Seventh Congressional District.

KEN has served in the House of Representatives since 1970. You don't work around here for 14 years without leaving your mark on Congress, and without being missed when you leave. His work as Virginia's only member on the Appropriations Committee will long be missed.

KEN is a skilled politician, an effective Congressman. His gentleness, his decency, his sense of humor, his ability to disagree without being disagreeable—this is what membership in this House ought to be all about.

One of the greatest assets of this distinguished body is the membership, which reflects the diversity of our Nation. It is encouraging when diverse members put aside their differences and work together toward common goals.

We Virginians are proud of the fact that we can work together for the good of our Commonwealth and our Nation—no matter which side of the aisle we stand on. J. KENNETH ROBINSON has been a proud part of that tradition.

KEN, you will also be missed by your constituents. You are known in Virginia for your strong commitment to those you represent. When your people needed you, you were there to help. Of that, you should be especially proud.

As Members of this body, we hear the word gentleman countless times daily. Well, I am pleased to report that KENNETH ROBINSON is not just a gentleman, but he is a Virginia Gentleman. And where I come from, that is something special indeed.

Many know KEN as a man of strength and uncommon skill as a legislator. But, as I'm sure many will attest, he has been a friend to us all—and in times like these, we need friends like KEN ROBINSON.

This member will miss you, KEN, and I wish you health and happiness as you return to Frederick County and to Virginia. And thank you for all your years of service to Virginia and to this Nation.●

● Mr. DICKS. Mr. Speaker, I am pleased to join in this special order recognizing the outstanding contributions of KEN ROBINSON during his 14 years of service in the House of Representatives.

During the last 6 years it has been my pleasure and privilege to serve with KEN ROBINSON on the Defense Appropriations Subcommittee. While we have served on opposite sides of the aisle, we share the common objective of a strong national defense that is well managed and structured to provide the capabilities we need without waste and extravagance.

KEN has been particularly valuable as the Defense Appropriations Subcommittee's representative on the Select Committee on Intelligence. His expertise in this critical area is well respected by all of his colleagues on the subcommittee, and it has been repeatedly relied upon as we considered these matters.

KEN'S contribution to the defense appropriations will be sorely missed, along with that of his close friend, JACK EDWARDS. But I know that while he will be missed here in the House, he will continue his lifelong interest in public policy questions.●

● Mr. RUSSO. Mr. Speaker, it's refreshing to see that nice guys don't always finish last. Representative J. KENNETH ROBINSON is one of the nicest Members if has been my pleasure to work with and, rather than come in last, his hard work and diligence and commitment have often placed him in the forefront. Especially in the area of defense and intelligence, his efforts have made a significant contribution to our Nation's security.

KEN is such a soft-spoken gentleman that you may not notice at first how effective he is. And then you realize that in his understated fashion, he has most skillfully made his point and gotten the job done—or entertained you with his wry humor. It's a most welcome change in an environment sometimes too full of loud words and shrillness and I admire KEN for a style that makes him a good friend as well as capable legislator.

It has been a great personal pleasure for me to work with KEN and I wish him and his lovely wife Kit all the best in the future. I know I also speak for

many when I commend KEN for a job well done in representating the people of Virginia's Seventh District and the Nation. He will be greatly missed here.●

● Mr. EMERSON. Mr. Speaker, I am pleased to participate in this special order today in honor of our friend and colleague, J. KENNETH ROBINSON. KEN, unfortunately, will be leaving the House after 14 years of service to the Congress and his constituents in Virginia.

Since first coming to the House, KEN has earned a reputation for unswerving commitment to the principles in which he believes—principles, I might add, which he and I share. It was this strength of conviction that led our former minority leader, John Rhodes, to call him "the Rock of Gibraltar," and I believe that term accurately describes KEN's record in the House.

Throughout his career, KEN ROBINSON has demonstrated a keen interest in the needs of our agricultural community. From his seat on the Agriculture Appropriations Subcommittee he has worked hard on behalf of farmers across the Nation, and I know the farmers of my own congressional district in Missouri have benefited from his presence here.

In addition, KEN ROBINSON has been quietly adamant about our need to maintain a strong national defense and has left his mark in this area through his service on the Defense Appropriations Subcommittee and the Intelligence Committee.

KEN's constituents in the Seventh District of Virginia did not want to see him go and neither do I. But he has served both his constituents and his country with strength and courage and his retirement is well earned. He will be sorely missed in this body, and my best wishes go with him in the years ahead.●

● Mr. DICKINSON. Mr. Speaker, distinguished colleagues, I am pleased to be here today to speak in honor of my long-time friend and respected colleague, KEN ROBINSON, who will retire this year after 14 years of active, determined and productive service to his State, his country, and this House of Representatives.

KEN came to the House in 1970, 6 years after my own arrival here, and his friendship has been a strong and a valuable one to me from the outset. It is with a great sense of my personal loss and the loss to this body that I see him retire. His absence in this Chamber will be a noticeable one, as will his absence on the House Appropriations Committee, that Committee's Subcommittees on Agriculture and Defense, and the Permanent Select Committee on Intelligence on which he has diligently and effectively served. KEN recognizes the tremendous and vital importance of maintaining and improving America's national defense, and has spent immeasurable energy in his contributions in the areas of defense and intelligence. As a member of the House Armed Services Committee, I am grateful for his leadership and resolve.

My desire is that he have good health and contentment in his retirement, that he enjoy the remainder of his career as an apple producer and packager, and that he reflect with pride and fondness on his years of service to this body. I am grateful for this opportunity to express my appreciation, my respect and my gratitude to KEN, as I am for his friendship and for his hard work in Congress.

Thank you.●

● Mr. QUILLEN. Mr. Speaker, I would like to take this opportunity, along with my colleagues, to pay tribute to the distinguished gentleman from Virginia, Congressman, J. KENNETH ROBINSON, and to congratulate him on the outstanding job he has done during his many years on Capitol Hill.

The tremendous work he has done in serving his constituents and our Nation is a shining example for others to follow, and his efforts will long be remembered.

Because of the proximity of our congressional districts, and through the urgings of a mutual friend, KEN and I worked together to obtain for the university of Virginia a lithotripter, a device which disintegrates kidney stones by means of shock waves. This, of course, was no small feat, as the machine, in 1983, was still in the testing stages, and only five had been approved for FDA studies to be sent from the manufacturer in Germany. After numerous letters to military officials, diplomatic officials, and custom officials, the mission was accomplished, and the equipment is now fully operational at the University of Virginia.

KEN has served with distinction on the Permanent Select Committee on Intelligence and has played an important part in the congressional oversight of our country's intelligence activities.

There have been many noteworthy achievements throughout his legislative career, and I know KEN will continue his high level of service as he moves on to new and even greater challenges. He will be sincerely missed in the House of Representatives.●

● Mr. YOUNG of Florida. Mr. Speaker, I commend the gentleman from Virginia for requesting this time today to honor our colleague KEN ROBINSON for his 14 years of service to our Nation.

KEN and I were first elected to Congress in 1970, and ever since then our paths have continued to cross as we share many of the same committee assignments. Most notably, KEN was the first and only ranking minority member of the Permanent Select Committee on Intelligence on which I have served for the past 6 years. During that time, KEN was a leader in our efforts to strengthen and improve our Nation's intelligence-gathering capabilities.

We have also served together on the closely related Appropriations Subcommittee on Defense where we appropriate funds for many of the same programs we authorize on the Intelligence Committee. The subcommittee also oversees the entire Department of Defense budget. In this role, KEN has been instrumental in the strengthening of our Nation's defense.

Because these two assignments involve numerous sensitive and highly classified programs, we have spent many long hours in closed committee hearings. Through our work together, I have come to understand why KEN is one of the most respected Members of the House.

All Americans will miss KEN's work in Congress, especially his dedication to provide for our national security. The people of the Seventh Congressional District of Virginia certainly will miss KEN's efforts in Congress on their behalf. Through his position on the Appropriations Committee, and its Subcommittee on Agriculture, KEN has been able to provide important Federal support to the large population of western Virginia farmers.

Just as his two decades of service will be missed by his friends and neighbors back home, his strong leadership and special friendship will be missed by me and his many colleagues in Congress. I join with all Americans in thanking KEN for his service on behalf of our Nation, and in wishing him and his wife Kathryn the best of luck as they return home to the beautiful countryside of Winchester, VA.●

● Mrs. HOLT. Mr. Speaker, today I join with my colleagues in honoring KEN ROBINSON who is retiring at the end of this year after seven terms of consistent support for defense and foreign policy. I have always been impressed by KEN's reliability and straightforward attitude toward the problems we encounter in Congress. His intelligence and sincerity have been an inspiration to me and my good wishes go with him as he returns to northern Virginia and one of the most beautiful countrysides in the United States. We will miss KEN and the wisdom that comes from his accumulated experience in the House of Representatives. He has truly been a fine representative of his district.●

● Mr. McGRATH. Mr. Speaker, I rise today to bring to the attention of my colleagues the announced retirement of J. KENNETH ROBINSON. KEN has selflessly and with staunch determination served the people in the Commonwealth of Virginia and the Nation. As ranking minority member of the

House Select Committee on Intelligence, this gentleman has proven himself an outstanding leader and valued friend. KEN's contributions to this body include a wide diversity of legislative initiatives ranging from such areas as agriculture and rural development to defense. A leader who Members of both sides of the aisle can work with and respect.

J. KENNETH ROBINSON has served the Seventh District of Virginia for 14 years. Born and raised in Winchester, this gentleman has never forgotten the roots of his heritage. His constituency has been served by an individual who can be credited for his personnal understanding of the intricate needs and details of an area rich in history.

I am happy to be able to participate today in this special order to honor our good friend, J. KENNETH ROBINSON. It saddens me to see KEN retire, but I am equally confident that this gentleman will leave an impressive mark wherever his career and personal endeavors lead him.●

● Mr. STUMP. Mr. Speaker, I wish to associate myself with the laudatory remarks of my colleagues paying tribute to J. KENNETH ROBINSON from Virginia. I, too, wish to join in the chorus of paying tribute and recognizing the everlasting contributions KENNETH has made to this institution and our Nation.

Few Members of Congress have achieved universal respect during their service. J. KENNETH ROBINSON is such a Member. All of his colleagues—Republican and Democrat, conservatives and liberals—hold him in the highest regard. His expertise, his wise counsel, and the day-to-day privilege of his companionship will be sorely missed in this Chamber upon his retirement at the end of this Congress.

In addition to serving the good people of the Seventh District of Virginia for the past 14 years, KENNETH ROBINSON has served all the American people in an area vital to their well-being—the national security of the United States. Those of us who served with him on the Permanent Select Committee on Intelligence or the Committee on Appropriations know that KEN's leadership on national security issues has contributed tremendously to the improved security this Nation enjoys today. A list of his achievements as the ranking minority member of the Intelligence Committee and as a senior member of the Appropriations Committee would constitute a ballad of an unsung hero—unsung because he has worked assiduously and without fanfare to improve the Nation's most sensitive classified intelligence programs.

Through his service as ranking member on the Intelligence Committee and on the Committee's Budget Subcommittee, KEN led us in the rebuilding of America's intelligence capabilities. I am personally knowledgeable of his dedication to this purpose—and for this achievement the American people will be eternally grateful.

Mr. Speaker, I had the privilege to serve under KEN ROBINSON on the Intelligence Committee and the Budget Subcommittee. I consider that association to have been one of the greatest privileges that accompanied my election to this body.

Mr. Speaker, we wish KEN well as he moves forward to new pursuits. God bless, KEN, and Godspeed.●

● Mr. WOLF. Mr. Speaker, I am pleased to join with my colleagues in this special order to pay tribute to my colleague from Virginia, KEN ROBINSON, as he nears the end of his service in Congress after 14 years as the Representative of the Seventh District. I thank our colleague from Virginia [Mr. WHITEHURST] for organizing this special time.

It has been an honor to serve in this House for the past 4 years with KEN ROBINSON. It has been reported that former Minority Leader John Rhodes once called KEN ROBINSON the "Rock of Gibraltar," and that's a good description of KEN: always steady, always there and available and willing to help when you needed it. We will miss your steadying influence, KEN.

Since coming to the House in 1971, KEN ROBINSON has been true to his conservative beliefs and throughout his service has consistently urged a balanced budget, reduced Government growth, and a stronger national defense. His service in Congress has provided him with the opportunity to work for those principles in the important Appropriations Committee in the Subcommittees on Defense and Agriculture, and as the ranking Republican on the Intelligence Committee. He has recognized that the United States must be strong to be free and a part of being strong means adequate spending for personnel, equipment, and maintenance. He has worked in his quiet, yet firm and steadfast way to make those vital improvements necessary for the security of our Nation, motivated only by what needs to be done and what is best to make this Nation secure.

What has impressed me, too, about KEN ROBINSON is his solid devotion as a family man and his high ethical standards. Those are attributes every Member of Congress would do well to emulate.

KEN ROBINSON has been a true asset to the Virginia delegation and has served his constituents and this Nation with honor and distinction. He will leave a void in the delegation and in this House that will be hard to fill. I would hope that this administration will see the wisdom in using KEN ROBINSON in some capacity in the future on defense and intelligence-related matters and I will be working to convince administration officials that KEN ROBINSON can make a vital contribution to this Nation through his experience and expertise in these crucial issues.

There has been no finer gentleman to serve in this House than KEN ROBINSON. The Seventh District of Virginia, the Congress and the Nation are better because of his unselfish devotion to public service. My best wishes go to KEN and his family in all his future endeavors.●

● Mr. LENT. Mr. Speaker, I would like to join my colleagues today in paying deserved tribute to my good friend and distinguished colleague, Representative J. KENNETH ROBINSON, who will be retiring at the end of this session of Congress.

First elected in 1970, KEN and I were classmates together in the 92d Congress. In recent years, we occupied offices nearly opposite each other in the Rayburn House Office Building. Over the many years we have shared in Congress together, our personal and professional friendship has continued to grow. I have come to know and respect KEN as a man of honesty and integrity. Throughout his career, KEN has been a dedicated public servant, committed to doing the best job possible in representing the fine people of Virginia's Seventh Congressional District. His efforts on their behalf deserve our highest commendation.

With his key committee assignments, KEN has also had a significant impact on legislation important to our Nation, particularly in the defense and intelligence areas. As ranking minority member on the House Select Committee on Intelligence, KEN has demonstrated leadership and skill as one of our Nation's most able legislators. He is also a longstanding and influential member on the powerful House Appropriations Committee. In this capacity, KEN has been a key force in determining the all-important funding priorities for our Federal Government's programs and operations from top to bottom. KEN has met the challenges and responsibilities of his demanding post with energy and enthusiasm and has carried out his duties with the highest standards of excellence. He is an outstanding individual, and I am gratified to have served with him in the House of Representatives.

I know I speak for my colleagues in saying that we greatly appreciate KEN ROBINSON's exceptional contributions to this great Nation. He will be long remembered as one of our country's finest legislators.

My wife Barbara and I extend our warmest wishes to KEN, his lovely wife Kit, and their six children for happiness and success in the years ahead.●

● Mrs. VUCANOVICH. Mr. Speaker I am pleased that my colleague, Congressman WHITEHURST, has called this special order to recognize the many

contributions that Congressman KENNETH ROBINSON has made during his service in the Congress.

KEN ROBINSON has served the Seventh District of Virginia well for the last 14 years. He has served this House well particularly as the Ranking Minority member on the Select Committee on Intelligence. He has consistently supported funding for our intelligence operations and worked diligently to insure that our intelligence and defense needs are met. He will be greatly missed.

Although I have only served in this body for 2 years, I have come to rely on KEN ROBINSON'S opinions especially in defense and intelligence areas. He has provided his colleagues with accurate information when guiding intelligence legislation on this floor. I regret that KEN ROBINSON has chosen to leave this House, but I wish him the best of luck in whatever new endeavors he pursues.●

● Mr. SCHULZE. Mr. Speaker, I rise today to pay tribute to my friend, the Honorable J. KENNETH ROBINSON. KEN will retire at the end of this Congress, having faithfully served the Seventh District of Virginia since he was elected in 1970.

In point of fact, the most enduring accomplishment of KEN ROBINSON has indisputably come about through his service on the House Select Committee on Intelligence. Looking back on the late 1970's—when our intelligence community suffered through a blizzard of revelations regarding its intelligence capabilities—is not a savory experience. It is still not possible to calculate the extent to which our national security was damaged.

The fact that our intelligence community has only slowly bounced back to the point where it is again a sacrosanct and effective servant in the subtleties of our national security is due in great portion to the tireless, stable, and studied dedication of KEN ROBINSON.

Mr. Speaker, it is in the nature of intelligence work that few can be entrusted with its handling. The American people will never know all the contributions that KEN has made to their collective security because of the overriding dictates of confidentiality.

But it is safe to say that our country would be the worse had not KEN ROBINSON been called to serve in this body.

KEN, it won't be the same in the 99th Congress without you, but your decency, public spiritedness, and commitment to the welfare of the American people will always infuse this Chamber. I wish you Godspeed as you return to your Jeffersonian paradise in Virginia.●

Mr. WHITEHURST. I yield back the balance of my time.

GENERAL LEAVE

Mr. WHITEHURST. Mr. Speaker, I ask unanimous consent that all members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the subject of my special order tonight.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 663. Joint Resolution making further continuing appropriations for fiscal year 1985.

A TRIBUTE TO THE HONORABLE RAY KOGOVSEK OF COLORADO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado [Mr. BROWN] is recognized for 60 minutes.

Mr. BROWN of Colorado. Mr. Speaker, I rise to pay tribute to my good friend and colleague from Colorado, RAY KOGOVSEK, who unlike others of us, has the good sense to be leaving this body voluntarily at the end of this session.

In addition to being a dedicated Member of Congress since his election in 1978, RAY is a close friend—even to Republicans. I had the honor of serving with him in the Colorado State Senate. He has always served the public with integrity, and I want to take this occasion to wish him well in any future endeavor—at least nonpolitical ones.

Just 43 years old, RAY is giving up his House seat to return home to Colorado. He plans to become a consultant on natural resources, education, and labor issues. As many of us have, RAY has felt the pressures of working hard to serve his district in the House—the constant travel, missing home and family, living on airplanes. He has decided that his family is more important than political considerations, and who among us can argue with him? RAY is leaving us for the best of reasons. I know he will miss his two colleagues from Arkansas and Connecticut, with whom he shared bachelors quarters. But I imagine this loss will be tempered by the fact that neither of these esteemed gentlemen are known for their culinary skills.

The son of a Pueblo, CO, steelworker, RAY has spent his 6 years in the House as a member of the Interior and Insular Affairs Committee, including its Subcommittees on Public Lands and National Parks, Water and Power, Mining, Forest Management and Bonneville Power Administration; and the Education and Labor Committee and its Subcommittees on Employment Opportunities and Post-Secondary Education. He also served one term on the House Public Works and Transportation Committee and its Surface Transportation Subcommittee. RAY was active in several House organizations, including those focusing on solar and renewable energy resources, coal, steel, rural problems, tourism, small business, U.S. relations with Mexico and the Democratic whip organization, and we forgive him for that last activity.

From 1968 until 1978, RAY served in the Colorado General Assembly, the last 5 years as minority leader of the Colorado Senate. During those years, RAY was actively involved in working on the State budget and served as chairman of the Audit Committee. Education was a special interest then, as it has continued to be.

As a Member of Congress, RAY has used the money he has received as pay raises to fund a college scholarship for a specially deserving resident of his congressional district. So far, seven individuals have been provided with a year's tuition and books. Now as he is leaving Congress, he would like his relationship with education to continue. He will become a part-time visiting professor to hold seminars for students on the practical side of politics.

As is traditional for Representatives from Colorado, RAY has vigorously been involved with water and public lands issues.

□ 2100

Of the more than 40 pieces of legislation he has sponsored in his House career, most have touched in these areas. These include legislation to provide Federal payments in lieu of taxes, additional Colorado wilderness, and vitally needed Colorado water projects.

Mr. Speaker, I know my colleagues will join me in wishing RAY all the best in the future. I will miss his wise counsel, his sense of humor, and his friendship. Colorado will miss his dedicated service. Indeed, the House will be a poorer place without him.

Mr. Speaker, I would like to yield to my colleague, the gentleman from California [Mr. COELHO].

Mr. COELHO. I thank the gentleman for yielding.

Mr. Speaker, when RAY and you and I and others were first elected, he came here and joined the Committee on Interior and Insular Affairs and became one of the more responsible members of that committee, understanding the tough decisions that needed to be made in regard to balance, and so forth. He has done a tremendous job there.

But the thing that RAY has done is that he has been able to develop his personal relationships with so many of us in the House. He is one of the more popular Members of this body, and he is sorry that his wife, Eulice, could not spend more time with him here. She and my wife, Phyllis, became very good friends, and we know that his commitment to his family is uppermost in the family, and we appreciate and respect his decision to leave.

While the gentleman in the well forgave him for being in the Democratic whip organization, we have not forgiven him for leaving the House because we felt that he could keep that seat as long as he wanted to.

But we are here tonight, those of us who are, to let RAY and the people in Colorado know that he will be missed. His friendship in particular will be missed by me and many others. But we know that he will be successful in his new chosen field and we wish him luck.

Mr. BROWN of Colorado. I thank the gentleman for his comments.

While it is clear that he was the only Democrat who could hold that seat, we are delighted to have him relinquish it.

Mr. COELHO. If the gentleman will yield further, I think that the gentleman in the well knows that while we are going to miss RAY and his counsel and his friendship that he has set things up in that district so that we will have a replacement from the same side of the aisle. I do not want to mention party labels here, but from the same side of the aisle.

Mr. BROWN of Colorado. The gentleman from California is well known for his sense of humor.

Mr. Speaker, I would like to yield at this time to the gentleman from Colorado [Mr. KRAMER].

Mr. KRAMER. I thank the gentleman for yielding and for taking out this special order. I am going to try to have a little bit of fun here. I know these are always so formal, so I hope that the person on behalf of whom this special order is taken out, who happens to be in the chair now, will allow me to have a little liberty with my prepared remarks.

Our good friends, the gentleman from California, had some liberty with his remarks, so think it is only fair that this side of the aisle get to join in the fun.

Mr. Speaker, I rise in tribute to my good friend and colleague from Colorado delegation, RAY KOGOVSEK. Too often around here when we use the expression "good friend," you better watch out because you know that perhaps something other than that is intended. But in this context, I truly mean that: a good friend, one that I will sorely miss.

RAY has only been here three terms, but he has made a mark on this body and he will be retiring; as you pointed out, one of the few to retire voluntarily from this institution.

I went back to figure out how long I had known our colleague from the Third Congressional District, and in my case I came up with a decade. Perhaps he will not believe this, and perhaps he will not want to believe it, but our careers in elective office are very much parallel.

We served together in the Colorado State house, he as a Senator and I as a Representative. In 1978 the people of our neighboring districts both sent us back here to represent them in the House. In the 96th and 97th Congresses, we both served on the Committee on Education and Labor, a committee on which RAY still serves with steadfast dedication.

Now RAY is leaving us, so in January, for the first time in many, many years, we will not be serving together as legislators.

I had the privilege of attending a dinner in Pueblo last evening at which RAY was the featured speaker and the honored guest, and it was very obvious from the loud accolades and standing ovation that he received how well regarded, and I would say beloved, Congressman KOGOVSEK is in his wonderful hometown of Pueblo.

RAY is the grandson of immigrants from Yugoslavia, and he has shown the best of what the American dream is really all about, that a person can rise as far as his dreams and aspirations will take him.

I am going to get in a few unprepared comments here that I just made note of as we were waiting to go on this evening.

RAY, I am going to give you forgiveness tonight for that dastardly statement that you made about me one time in which you indicated to a press reporter that I would not be the kind of guy who you would want to sit down and have a drink with, but I think this needs to be explained and taken in context.

RAY was under a great deal of pressure, in a vigorous campaign that I had, to make some rather adverse comments about me in order to help the opposition. He was continually hit upon by this reporter day after day after day, and finally in some kind of relinquishment, that was the worst thing that he could come up with about me. I know that many have done much better in that regard. So, RAY, not only are you forgiven, but you have my sincere appreciation for not having taken the gloves off when you had a full opportunity to do so.

I might make another observation about why I am personally so sad to see you leave, RAY. When those disclosure statements come out once a year and we have to make those annual filings, I know some folks around here are very hesitant to make those filings because their assets are so voluminous that it is embarrassing to have to state them.

Others of us sometimes make those statements with trepidation because our assets are so inconsequential. Quite frankly, by my calculations, although I was never good at mathematics, with your departure I now become the poorest Member of the delegation, so I have my personal reasons to really regret your departure.

RAY, let me say, if I might, that you are taking this in really the good natured way in which it was intended. One of the things that characterizes you as such a fine person is your good humor, down-to-earth style, optimistic outlook—rare commodities in Washington. You are always smiling.

Over the years you and I have often come down on opposite sides of the issues, probably more often than not, but I might say that in doing so you have always been a gentleman and it has been a real pleasure to serve with you not only in the Colorado Legislature but here as well. I only regret that I have not been able to convert you to my way of thinking. Nevertheless, your departure from this body does not in any way mean that I will relinquish future attempts to do so.

I know that I echo the sentiments of our colleagues, RAY, when I say that I hope you do come back and frequently visit the Nation's Capital.

My heartfelt good wishes to you and Eulice and the girls, and I sincerely hope your return to private life will bring you all the success and happiness in the world.

□ 2110

Mr. BROWN of Colorado. Mr. Speaker, I yield to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Speaker, I appreciate the gentleman yielding.

I think it is only appropriate that the gentleman from Colorado [Mr. BROWN] took this special order, because I know he appreciates RAY tremendously for a number of reasons, foremost among them, however, is the fact that RAY interrupted the line of succession and took Jim Johnson's white whale off the district's hands.

RAY, of course, continues to be well-known in town, driving one of the more antique automobiles that was ever found abandoned on Capitol Hill. It looks like something that just barely missed a role in Ghostbusters, but it has gotten him back and forth to Dulles Airport and all of us who enjoy flying from Denver and back on a regular basis with RAY know how important it is to have him along on those trips to keep us all in good morale.

I wanted to provide some solace to our good friend, the gentleman from Colorado [Mr. KRAMER]. He said that

RAY is a guy who said at one time that you could not sit down and have a drink with him. Well, I can say the same about RAY. You cannot sit down and have a drink with RAY, either; five maybe, but not one.

RAY is the kind of guy who makes friends easily and they will go to the wall for him. I remember, as a matter of fact, during our first time here when Mr. KRAMER and Mr. KOGOVSEK worked so closely together for the benefit of Colorado in regard to Fort Carson. All of us remember just exactly the effect of that teamwork. It split our class right down the middle, as I remember.

But RAY, there are a lot of reasons why I am pleased to be here tonight. Foremost among them is the fact that there are so few others here. This evening, of course, with the camera panning the floor, as I am sure it normally does, somehow a misimpression may be sent back to Pueblo and it is embarrassing, of course, to have you in the chair to preside over this, but I want everyone to know, I want to go on record that HANK BROWN did not plan it this way. This was supposed to be an outpouring of feeling from your friends. I am sure others eventually will join us here on the floor in order to be able to provide you with some real sense of your value and worth to your colleagues.

I think particularly it is important that you know who your friends are and I think you can really very quickly conclude tonight just exactly who they are.

It is not inappropriate for me to be here this late, because many times during the last 6 years you have kept me out late and it has normally been among the more enjoyable evenings that I get to spend here, because truly, you have been somebody who it has been very enjoyable to get to know and to deal with in ways that go beyond the business of the floor and the activities of Congress and reelection and the things that normally take all of the attention and time of Members, to the point where we rarely have a chance to really get to know each other as individuals.

I know you very well. I know you are the kind of guy who will let my socks burn up in the dryer. You do not do it regularly, because I never asked you to help me again in that regard after the time it did happen; but without being too facetious, you are the kind of guy, RAY, who it was enjoyable rooming with and spending evenings with and helping, because you appreciated it. We were and still are and hopefully will continue to be people who got beyond the surface here. It so often does not happen that way.

I have been privileged to sit on the Water and Energy Subcommittee and to know more about the problems of your district than I had ever intended or frankly any interest in knowing.

I assume that you will continue to keep me educated on this subject, not only during the next 2 years, but perhaps in the future beyond that when I hope you have an opportunity to continue to serve the people of Colorado in perhaps even a broader sense.

There is, I think, some courage you are showing as you leave, and I am serious about this now. I felt this way when JIM SHANNON made a decision, an ill-fated one in retrospect, to take the courage to look beyond the immediacy of his career at a young age to try to move on to another place in time, the Senate. You had the same kind of courage to stand up to the pressure that we all feel simply to maintain ourselves in office, the pressure to try just one more term in Congress to see whether or not we could find some other option, some other way to go. You had the courage to face up to the fact that there is life after Congress and we can make it so if we simply have the will to do it.

I respect more than I can say your dedication to Eulice and your family and to the people of Pueblo and to the people hopefully in the Greater Colorado area appreciate your service here.

I think you will continue to serve them in many other ways, both private and public. I certainly respect your willingness to go into the future with courage and dedication to some real values that transcend the kind of things that propel and motivate most of us to come here and perhaps stay longer than we should.

Let me conclude simply by saying that I intend to do anything I can to perpetuate your memory. I may introduce a bill next year to name a bookstore in Pueblo after you. I am sure after my bill would be enacted and signed into law that certainly would cause it to be closed, but only through your most diligent efforts have you prevented that absolute catastrophe from happening over the last 6 years. I have been ashamed to have some role in assisting you in that regard, as a matter of fact.

Let me conclude simply by thanking the gentleman from Colorado [Mr. BROWN] for giving us this opportunity for a bipartisan tribute to a man who I think among many in our class of real substance stands out and really is alone in his courage and in the number of people who truly find him a friend.

Mr. BROWN of Colorado. Mr. Speaker, I thank the gentleman from California.

I might say that those of us on the Republican side who have been concerned about Mr. KOGOVSEK, because obviously he is talked about as a possible candidate for Governor or Senator, and in planning tonight there was some concern about speaking in negatives in regard to him; but frankly, our Democratic colleagues have done such a good job on that, I do not think we need to go ahead with that.

I would like to yield at this time to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Speaker, I thank the gentleman for yielding.

I just happened to be walking by and I heard we were having a roast, so I thought I would come on over and talk a little bit. It was interesting to listen to my colleague, the gentleman from Colorado [Mr. KRAMER], also from Colorado, speaking about the parallels between his career and RAY KOGOVSEK's career.

I noticed he said you served in the State House together. You served in Congress together. You had the same committees and now, Congressman KRAMER, RAY is leaving Congress. I wonder if that tells you anything about your present campaign for reelection. I hope not.

Let me just say that this is a gentleman with whom I have had few opportunities to stand on some common ground. We do not have any committees together. We have not worked on legislation together, but one thing I have noticed about RAY is that somehow you remember him and you remember your very incidental contacts with RAY.

You know, there are so many trappings in this job and so many different dimensions to it, being here in Washington with the people that you meet and the things that you do, it seems that really the most important thing to us and the things that really stay with us the longest are the people we meet and the people of truly fine character. I have not known RAY for a great deal of time and I have not had those common committees or that common ground, but he truly stands out as a guy who has a lot of depth, who can disagree with you on issues without being disagreeable, which I think is a very important thing in this House of Representatives.

I am very sorry to see RAY leave. Even though he is from the other side of the aisle, I think that he has brought a great deal of decency and good will to this House and that is something we have been in very short supply on lately.

So I thank the gentleman, my friend from Colorado, for taking out this special order.

Mr. BROWN of Colorado. Mr. Speaker, I thank the gentleman from California.

I might say that his observation about the similarity between Congressman KRAMER's career and Congressman KOGOVSEK's career is certainly apropos and well understood. Those who know the two well understand that they have complementary voting

records; that is to say if Congressman KOGOVSEK would get a 95 AFL-CIO rating, Congressman KRAMER would get a 5, the other 5, and when Congressman KRAMER got a 90 in the conservative index, Congressman KOGOVSEK got the other 10; so they have worked as a team I think to balance things out.

I would like to yield at this time to the gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. First, HANK BROWN, I appreciate your taking out this special order on behalf of our dear friend, RAY KOGOVSEK.

I must tell you that I had no idea that we were doing this bit tonight. Frankly, I only learned of it—if the gentleman would share with me his attention—I only learned about this after spending 2 hours waiting at the Democrat Club for RAY to join me and inquiring in his office, I heard they were having this affair on the floor in his behalf.

□ 2120

He is an amazing fellow. I am frankly amazed that a fellow from Pueblo could have these kinds of friends. I am kind of amazed that a fellow from Pueblo can have friends at all.

But to go to the extent, RAY, of moderating, as you have, KEN KRAMER, I mean if there is a contribution to be remembered it is that when I first met you you said "I am not sure I want to have a drink with KEN KRAMER." I mean at this point in time what you have done with him is probably going to radically readjust our side of the aisle for all time to come.

It is interesting to see as many people over here talking about RAY KOGOVSEK as there were on the other side. I remember as we came to Congress together one of our early conversations involved our sharing a mutual frustration about this place; that is, that everything tends to be painted in partisan terms. "What is this business, that side of the aisle and this side of the aisle?" And instead of dealing with each other as people and recognizing that issues and problems are involved by realizing there is a lot more involved than just partisan politics, you were one of those people who early on around here communicated once again that it does not have to be that way.

Rather than just having this be an ongoing roast, I would like to make a serious point, if you will. Your predecessor, Jim Johnson, was a very decent guy, the kind of person I believe we need in public affairs, and he chose to leave early. You, in turn, coming into his place reflected the fact that your district appreciates talent, not just partisanship.

The kind of people that we need in public affairs are those who recognize that we have got a job to do and a contribution to make, that the job is a lot more important than just our ego maybe.

The crime of it all, however, is centered around the fact that in the Congress these days, in the goldfish bowl that is a part of our life, in the reality that the fourth estate tends to deal in the negative, the pressures are such that often very capable, very talented people like yourself, for any number of reasons, choose to leave early.

I am not one of those who is here to say that I am glad you were able to make a decision to leave voluntarily. I frankly think the House will be the lesser for it, and I think we would all be better off if we had more people like you, and there were reasons, circumstances that encouraged you to stay an awful lot longer.

This not going to be the end of your work in public affairs. You have a great contibution to make, there is no doubt about that in my mind. And as you go out there and enjoy some of the value in a material sense of the private sector, I am sure that you are going to be chipping away at trying to make a difference.

It has been for me a real thrill to be able to say that RAY KOGOVSEK is a friend, and he is a friend who will be a part of my life and relationship long beyond this evening.

Congratulations, RAY.

Mr. CARR. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Colorado. I yield to the gentleman from Michigan.

Mr. CARR. I just want to wish you well, RAY. If you get out there and decide you want to come back after a sabbatical, give me a call and I will show you how to do it.

You will be missed, and it has been my privilege to serve with you. I hope we will always be friends.

Mr. NIELSON of Utah. Will the gentleman yield?

Mr. BROWN of Colorado. I yield to the gentleman from Utah.

Mr. NIELSON of Utah. I was on the phone for an hour on a radio talk show, because we had scheduled a debate for this evening and we decided to do it from here. When I got out of that I understood that we were having a roast for Mr. KOGOVSEK, and so I felt there were two things that I could say.

First I think it is very clever, first of all, to be presiding at your own eulogy. Very few of us have that opportunity.

Second, I would like to point out I do have some claim to association with RAY because we share a common border, the whole length of the State of Utah on the east side which is shared with you, and we have at least one project, the Deserette G&T Program which has an electric powerplant in Utah, and using coal from neighboring Colorado.

We also have common interests in the Synthetic Fuels Corporation activities in our common area, plus the fact that we have competiton among our ski resorts. Yours are almost as good as Deer Valley and Park City, and we appreciate that common ground.

Finally, we have been on the Education and Labor Committee together this last time. Let me say I have never heard you raise a partisan voice in that committee. You have been a moderating influence. You have helped to keep some of the more expansive rhetoric down from your side of the aisle. I cannot say you have done it one our side, but you at least have done it on your side.

It is a pleasure to know you, and to know you as a good colleague and a neighbor, and I hope whoever they do send from the district will be as fine a Congressman as you are.

Mr. BROWN of Colorado. I might note for the benefit of our colleagues that know Colorado pretty well, political leaders in Colorado have been noted sometimes for their name changes. It is not an uncommon event in Colorado for political leaders to decide they would like a different name, and Congressman KOGOVSEK is certainly no exception.

Well I remember in the State senate that Senator Harry Lock used to refer to him as Congressman Kovofig. Yet sometimes Senator Lock changed that, and we finally convinced Senator Lock to change that and correct his pronunciation of RAY's name, and thereafter he became known as Congressman or Senator Kosygin. It was by that title that Senator Lock referred to him often in the senate chamber.

But RAY's name changes did not stop there. In Pueblo at the Columbus Day dinner that they have, he has become known as Congressman or Senator Kogoselli.

RAY never seems to bother with those. He seems pleased by all of those different names.

Mr FAZIO. Will the gentleman yield?

Mr. BROWN of Colorado. I am pleased to yield.

Mr. FAZIO. I might just point out that our good friend from Alabama, Congressman BEVILL, calls RAY Kogosek, Congressman Kogo-sek. The good thing is that he does know how to pronounce animus laplata and has done so each year in the appropriations bill.

Mr. BROWN of Colorado. He seems to excel at that during campaign time, and he finally gave up having people learn his name and he changed his

name during the campaign to Congressman Kogo.

But in spite of the name changes, because name changes do not seem to bother politicians from Colorado, RAY has prospered, and I think some historian will look back some day and could well ask the question why RAY has been so well liked and so effective, because he has indeed been both.

I think it is because he is poised enough to admit it when he has made a mistake. I think it is because he is wise enough to listen to others. I think it is because he is honest and modest, even in the heat of a campaign when we are all not necessarily at our best.

I remember a time when Congressman KOGOVSEK was the leader of the Democratic Party in the State senate and I was assistant majority leader in that same State senate, and we had a chance to testify or to speak before the Colorado Counties Association. I was well prepared for him. I had him dead to rights on the issues. He and his party had done horrible things, or at least proposed horrible things to the Colorado counties, and indeed this would be my chance to make sure that the county commissioners of both parties throughout the State knew their sins in detail. So I prepared with great vigor at the chance that I had to make my presentation, and I made it with all of the vigor that I could, and enthusiasm, dealing in infinite detail, and I had him dead to rights.

After I sat down RAY came to the microphone knowing, knowing there was not a thing that he could do to defend himself, knowing he had indeed sinned on the issues before the Colorado counties, and his response was something to the effect of what a nice person HANK BROWN was and how much he liked him, and he could not understand what had gotten into HANK today, but normally, he assured them, they would like me very much, and he utterly destroyed me before the group that I had come to destroy him before.

I pass that on because I suspect in the future there will be those who think they have RAY KOGOVSEK dead to rights and they will find his charm and wit and his intelligence and his candor may well reverse the tables.

It has been a privilege to serve with you, RAY, and I suspect you are not finished with your public service. At least I think our State and our Nation will be poorer if that is the case.

● Mr. FORD of Michigan. Mr. Speaker, I rise today to commend my distinguished colleague from Colorado, RAY KOGOVSEK. RAY will be retiring from the Congress at the end of this session and his presence will be sorely missed by those of us who have had the opportunity and good fortune to serve with him over the past 6 years.

I have had the pleasure of working with RAY as a colleague on the Education and Labor Committee and more specifically as a fellow member on the Subcommittee on Postsecondary Education. He has served that subcommittee well by his attentiveness and quick grasp of the issues and his willingness to dedicate his time and energies to the many difficult problems that presented themselves. For example, RAY is responsible for handling a floor amendment to an omnibus education bill this summer that will ensure the smooth operation of the Federal student financial aid system for the next 2 years.

Above and beyond his legislative activities, I have found RAY KOGOVSEK a pleasure to work with. He has at all times conducted himself with the integrity and decency that brings honor to the House of Representatives. As a legislator he was always on the side of those who needed help and were struggling for their rights. As a person, he fought for his beliefs in a direct and honest manner that reflected well not only on him but also on our institution.

Serving in the Congress was not RAY'S first effort in the political arena. In fact, most of his adult life has been spent in public service. He is a veteran legislator with 10 years experience in the Colorado Legislature before coming to Washington. I wish him well in his future and feel confident that he will use the benefits of his experience and expertise to continue to serve the public as he enters the private sector.●

● Mr. WIRTH. Mr. Speaker, I rise with my colleagues from Colorado and the House today to commemorate the conclusion of the outstanding congressional career of my good friend from Colorado's Third Congressional District, Mr. KOGOVSEK. I am pleased to join with RAY'S many other friends from this body in extending this well-deserved tribute to my fellow Coloradan.

I'm not sure all of the Members realize the challenges anyone faces when he or she aspires to represent Colorado's Third District. For those unfamiliar with the Third District, let me point out that it is among the five largest geographic areas represented in this body. It is certainly among the most beautiful of any in the Nation. Yet, ultimately it is the third's diversity that really stands out. From the industrialized southern end of the Front Range around Pueblo, to the agricultural areas of the Western Slope, the Third District provides a stark contrast between Colorado's agricultural and ranching heritage, its older urban industrial areas and its new, growing technology interests. To be sure, the task of representing a district as large and diverse as Colorado's Third is not an easy one. But it is in that very challenge—that of representing his district—that we all owe RAY KOGOVSEK our utmost praise and respect.

When Mr. KOGOVSEK first joined this body in 1979, he wisely sought and won assignments on both the Education and Labor and the Interior Committees—assignments that allowed him the opportunity to work daily on the issues which impact most dramatically on his constituents. From his work on public lands issues, to those involving Native Americans, to the questions of how best to protect the West's precious water resources, RAY'S work on these and the other issues within the purview of his committee assignments are indicative of his real commitment to serving the needs of Coloradans within and outside his district.

Many of my colleagues are aware that RAY grew up the son of a steelworker in Pueblo, CO. It's important to remember that background in labor and a working class family when assessing the strength of RAY'S career. Ultimately, it is that background and its attendant concern for common American families everywhere that has guided RAY'S achievements in the House.

Mr. Speaker, I'm sure many of my colleagues rising today will eloquently speak to the many accomplishments of RAY KOGOVSEK'S career in this body. I will not build on that any further, but, rather, close by praising my friend from Colorado for his concern, for his caring, for his tireless work on behalf of his constituents and the people of Colorado. RAY, here's hoping the people of the third will always be so adeptly represented.●

● Mr. SEIBERLING. Mr. Speaker, I rise to pay tribute to Congressman RAYMOND P. KOGOVSEK, who is retiring from the House. It has been my pleasure to work with RAY on the Subcommittee on Public Lands and National Parks and on the full Interior Committee.

The House is certainly losing a fine Member. RAY is a warm, intelligent, thoughtful, and considerate individual. His charm and grace have certainly made it very easy to work with him. RAY is a quiet but effective legislator who gives careful reflection to every issue.

Several years ago, I worked with RAY to get wilderness legislation enacted for the State of Colorado. As is often the case with such legislation, there were competing interest at work which made it hard to reach a consensus. RAY worked diligently and tirelessly to find a compromise which was acceptable to all the interested parties. I enjoyed working with RAY on this

issue, as I have enjoyed working with him on various wilderness and national park legislation. The people of Colorado should be very proud of his efforts.

I also greatly appreciated RAY's help in passing the 1980 Alaska lands bill. While RAY and I did not agree on every issue during the debate on that landmark legislation, I certainly did appreciate his reasoned approach to the matter. His support for the final version of the bill was very helpful in getting the bill through Congress, and he and the people of his State can be proud of the role that he played.

RAY, those of us who have worked with you will miss you a great deal. The people of your District are losing a fine Representative.

RAY KOGOVSEK has represented the people of Colorado well. He has consistently been a strong supporter of working people across the country, and he has never forgotten those who elected him to Congress. RAY has made a lasting contribution to the work of the House, and RAY's colleagues will miss him a great deal.●

Mr. BROWN of Colorado. I yield back the balance of my time.

PLANT CLOSING AND THE COLLECTIVE-BARGAINING PROCESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. CONTE] is recognized for 60 minutes.

● Mr. CONTE. Mr. Speaker, back-to-back recessions have educated us as to the harsh realities of plant closings and layoffs. There is no definitive data that outlines clearly the national dimensions of the problem, but the Bureau of National Affairs estimates that there were 619 closures directly affecting 215,525 workers in 1982. Other studies suggest that those figures are conservative. In my home State of Massachusetts, a survey of plants with over 50 employees was conducted to determine the impact of plant closings. Recently completed, the survey revealed that between January 1982 and December 1983, 67 plants closed and 12,368 jobs were lost. In that same report, a study of permanent and indefinite layoffs during the 8-month period between January through August of 1983 showed that 11,696 people were laid off from 72 companies. Whatever the exact figures, no elaboration of the considerable personal and social suffering associated with these decisions is required.

To ensure the compilation of more complete and comprehensive data on the national level, I worked this year through my position as ranking minority member on the House Appropriations Committee to secure $5 million to fund and create a plant closing data collection project in the Bureau of Labor Statistics. This money will be used to establish an official national statistic on plant closings and mass layoffs. In a time of budgetary constraint, it is difficult to advocate the creation of new programs, but I fought for this money without hesitation because I strongly believe that addressing the plant closing issue needs to be a priority for Federal policymakers.

Creation of a national plant closing statistic is an important step forward, but it is not a solution. My friend and colleague from Michigan [Mr. FORD] has led the effort to fashion a comprehensive Federal response to this problem. We are all familiar, however, with the problems that have plagued the legislation he has sponsored. After 10 years of debate, the National Employment Priorities Act remains before committee, and further revision is understood by almost all parties to be necessary. In an effort to help further the stalled plant closing debate, I have introduced new legislation addressing this critical issue. The measure is not yet in perfect form. It is introduced, in effect, as a discussion draft, designed to inject a new idea into the debate and help put the plant closing issue back on the front burner.

In essence, my bill (H.R. 6258) would amend the National Labor Relations Act [NLRA] to include plant closing as a mandatory topic of collective bargaining. Plant closing would be defined as any change of operations that may reasonably be expected to result in the unemployment of 100 employees or 15 percent of the work force at a particular plant, whichever is less. This standard is borrowed from the Ford bill.

Currently under the NLRA, "wages, hours, and other terms and conditions of employment" are mandatory topics of bargaining between the union and management. "Terms and conditions of employment" have been defined by the courts and the National Labor Relations Board [NLRB] to include severance pay, work rules, health and retirement benefits, and other related issues. In First National Maintenance Corp. versus NLRB (1981), however, the Supreme Court ruled that management's decision to close a plant is not a term and condition over which the Congress has mandated bargaining. My legislation would, in its simplest restatement, reverse that decision.

What will this mean? Currently, a number of collective bargaining agreements contain plant closing provisions, such as notice requirements and job relocation assistance. Recent contracts negotiated by the United Rubber Workers and the United Auto Workers are perhaps the best known such examples. Management, however, is not required by law to negotiate to impasse over this issue, and labor is not permitted to strike if agreement cannot be reached with respect to plant closing. Given the uncertainties of today's economy, plant closing and job security have joined wages and benefits as labor's priority items in negotiation. H.R. 6258 would provide organized labor with the statutory protection it needs to ensure that plant closing will be a subject of bargaining.

Although the bill is applicable to union shops only, a survey of Fortune 500 firms by Robert Schmenner provides some evidence indicating that collective bargaining over plant closing could have considerable impact. Of the facilities surveyed by Schmenner, 66 percent of the closings involved unionized plants—although only 52 percent of the surveyed firms were unionized.

The bill also contains a mechanism that would be applicable should a plant closing decision be made during the life of the existing labor agreement. This four-step process would proceed as follows:

First, when management makes a decision to change its operations that would result in a plant closing—as defined above—it must notify the union and the Federal Mediation and Conciliation Service [FMCS] of the proposed change in operations.

Second, no later than 21 days after receipt of that notice, the FMCS must decide whether bargaining over the proposed decision would be futile. In making that determination, there will be a presumption that bargaining should be required. Management can rebut that presumption only by demonstrating that bargaining at that point would not "further the purposes of the NLRA." This phrase is defined in the NLRA's preamble to mean "maintaining industrial peace." Put in layman's terms, this broadly defined standard would mandate bargaining in most cases, except those were management can prove that negotiation would be unquestionably futile. Labor would certainly be afforded the opportunity to participate in that decisionmaking process.

Third, if management cannot rebut that presumption, a 90-day period of bargaining would be required in an effort to save the plant and/or jobs.

Fourth, if at the end of the 90-day period an agreement has not been reached, management would be free to proceed with its decision to change operations unless the FMCS determined that management had not bargained in good faith or that an extension of the bargaining period held out the reasonable possibility of saving jobs at the plant. In either case, the FMCS

would be empowered to extend the negotiating period.

This four-step process would be superceded by an similar provision agreed to by labor and management and embodied in a local contract.

Several points are worth noting about this process. First, and perhaps most importantly, the negotiating authority embodied in this mechanism should be distinguished from authority that labor currently has to bargain over the effects of a plant closing, or effects bargaining. H.R. 6258 would give unions the authority to bargain with respect to the actual decision to close, or decisions bargaining.

Second, until the decision in First National Maintenance there had been considerable debate in the courts and the NLRB about the impact of a per se rule that would require bargaining in all plant closing decisions. Although the simplicity of a per se rule is attractive, there certainly are those situations where no amount of bargaining would change the decision—the closing is, in effect, unavoidable. A natural disaster that destroys the plant is the most extreme such example, but there are other circumstances that demonstrate the need for permitting management to retain some degree of flexibility in ordering a closing relatively quickly.

I believe, however, that bargaining has the potential to make a difference in most decisions. Dispute resolution is the legacy of collective bargaining, and there can be no more important issue of potential dispute between labor and management than the ultimate decision to close a plant.

The task then is to strike a balance between management's need to retain flexibility in certain limited circumstances on the one hand, and the considerable potential that bargaining holds for saving jobs on the other. The rebuttable presumption test contained in H.R. 6258 is an attempt to strike that appropriate balance. It would presumptively mandate bargaining in all cases except those where management can convince the FMCS that bargaining would be futile. In recognition of the time-sensitive nature of those closing decisions, the FMCS would be required to make that determination within 21 days.

With the close of the 90-day period mandated for bargaining, another difficult hurdle presents itself for resolution. If no grant of authority is made to permit extension of the negotiations, there remain the possibilities that management may use this process solely as a means of extracting new concessions from workers or that either party may simply stonewall throughout the 90-day period. To surmount these obstacles, the bill vests authority in an independent third party which can act as final arbiter in this process by extending the negotiations if it believes management has not negotiated in good faith or that an extension holds out the reasonable possibility of saving jobs and/or the plant. Admittedly, this new authority increases the role and responsibilities of the FMCS. This would have been the case, however, regardless of which agency was given this new authority. Given that the FMCS is established under the NLRA and currently has authority to intervene in labor disputes, I believe it is the most appropriate agency to assume the functions specified in the bill.

The following example illustrates how I envision this process working. The management of Company X makes a decision that profit margins are no longer at a level that will support continued operation of the plant—shipping rates have increased and overhead at the plant is too high. Under current law, that decision to close is clearly, and solely, within the purview of management. Under H.R. 6258, however, management would be required to notify the union and the FMCS of its proposed decision to close, once made. If management argues that this decision is unavoidable and that no amount of bargaining could possibly change it, the FMCS would have up to 21 days to decide if bargaining would truly have no impact with respect to modifying or reversing the decision. In the example cited, increased shipping rates are likely to be a fixed cost that bargaining cannot directly affect. The implementation of cost-saving measures at the plant, however, could indirectly compensate for or overcome the total increased manufacturing costs caused by the change in shipping rates.

Assuming, therefore, that management is unable to meet the burden of demonstrating that bargaining would be futile, a 90-day period of bargaining would be mandated to explore alternatives to the closing. If at the end of that 90-day period a conclusion to the negotiations has not been reached, the FMCS is authorized to extend the bargaining period if it concludes that management has not bargained in good faith or if further negotiations hold out the reasonable possibility of saving jobs at the plant.

It should be remembered that this process would be superseded by any similar provision contained in the local contract. The trust of the bill is to give deference to the collective-bargaining process whenever possible, and if the parties have negotiated a process through which a plant closing decision is to be bargained, that process should be respected. Once plant closing is made a mandatory topic of bargaining, presumably most or all local contracts will contain plant closing provisions within the next few years. In the interim, H.R. 6258 provides a resolution mechanism in the event the closing occurs during the life of the contract and the contract does not yet contain an applicable provision.

One of the most attractive features of using the collective-bargaining process for this purpose is that it will allow plant closing solutions to be tailored to meet the specific needs and circumstances surrounding a particular shutdown proposal. This has been one of the most troubling problems confronted during the plant closing debate of the last 10 years—fashioning an omnibus bill that meets universal concerns but remains flexible enough to meet specific factors contributing to a particular closing. The Massachusetts report cited earlier conceded that macroeconomic and international factors often motivate a decision to close. The study noted, however, that regional and firm-specific factors also contribute to most closing decisions. "Boilerplate" solutions, therefore, may simply be inadequate, inappropriate, or both. H.R. 6258 would ensure that at least some plant closing solutions would be sensitive to local needs.

It is also important to note that H.R. 6258 mandates no new programs, no new bureaucracies, no new Federal dollars. It mandates only collective bargaining, a process with a tried and true history in this country.

Let's look at the bottom line—can this process work? Recent history indicates that it can. Detroit Trim makes seat covers for Chrysler cars. In 1981, Chrysler determined that it could purchase seat covers of the same quality from vendors using non-UAW labor at a substantial savings. As rumors about a plant closing circulated in the factory, UAW representatives contacted management in an effort to forestall the decision. In response, management conducted a study which found that the savings originally thought to be gained from a closing were unrealistic, given the rollover of certain management salaries, pension costs, and other items.

An independent consultant was hired to research cost-saving measures, and management and labor split the fee. Using the consultant's recommendations, a joint labor-management steering committee authored a new productivity plan that saved the plant. Total employment—including management personnel—at the plant was reduced, work rules were made more flexible, and job barriers dropped. It was a difficult pill to swallow but, given the alternative, the union approved the agreement by a 4-to-1 margin and the plant was saved. The moral is clear—good faith bargaining between labor and management can

save a plant. H.R. 6258 seeks to make results like this the rule—if not the law—rather than the exception.

In conclusion, I must reiterate that H.R. 6258 is not intended as a comprehensive solution, nor is it perfect in its current form. With an eye toward next year, it is presented as a discussion draft that asks a simple question—given the plant closing stalemate, is the collective-bargaining process worth exploring as a partial solution to this dilemma? I believe that question can be answered in the affirmative, and I encourage my colleagues and other interested parties to work with me in refining this legislation and moving it forward.●

ARKANSANS EXPERIENCE TWO IRELANDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas [Mr. ALEXANDER] is recognized for 30 minutes.

● Mr. ALEXANDER. Mr. Speaker, my old friends, Bill and Marian Penix of Jonesboro, AR, have evolved an unusual way of helping the younger generation of their family relate history and current events. As their grandchildren reach the age to celebrate the 12th anniversary of their birth, Bill and Marian take the youngster on a visit to a foreign nation where history and current events associate in a living mix and where the youngster can observe, and perhaps participate, in the culture of the nation.

Most recently, the Penixes traveled, with their grandson, Justin Mixon, to Northern Ireland and to the Republic of Ireland. And, as he has in past years, Bill Penix, newspaperman turned lawyer, shared with the readers of the Jonesboro, AR, Sun, observations on their experiences, including a visit to Jonesboro, County Armagh, Northern Ireland.

I believe that my colleagues might be interested in learning of the reactions of people like the Penixes, interested, thoughtful Americans visiting Northern Ireland and the Republic of Ireland, to gain firsthand knowledge of how religious, national, and cultural history may be impacting today's events in this region of the world and of how peoples living in a storm center of economic, political, and religious tension may be coping with the everyday business of living. Thus, I want to include in the CONGRESSIONAL RECORD at this point an account of the Penix-Mixon visit to Ireland recently published in the Jonesboro, AR, Sun.

The article follows:

ARKANSANS EXPERIENCE TWO IRELANDS

(My globetrotting friends, Jonesboro residents Bill and Marian Penix, along with grandson Justin Mixon, recently returned from a trip to that Emerald Isle, Ireland—a land of contrasts, a deeply troubled land where, in author Leon Uris' words, there is "a terrible beauty." Their observations:)

Seven of us were isolated from other airport passengers and subjected to severe search of our persons and baggage in the Aberdeen, Scotland airport Friday, July 6. We were whisked away aboard a small plane. Less than two hours later we were in Belfast, Northern Ireland.

After landing, while Bill was renting a car, Justin and Marian discovered from the map of Northern Ireland (Ulster to the British) that about 40 miles to the south of Belfast lay the town of Jonesboro. It was to be our first objective in the North.

From the airport we drove 25 miles to our lodging, The Conway, a Trust House Forte Hotel, like the Excelsior in Little Rock. The only difference was that The Conway had been blown to smithereens by a the I.R.A. at the time Bobby Sands who lived a short distance away, starved himself to death in a Northern jail four or five years ago.

The Conway is a luxury hotel, but heavily patrolled by armed guards. It was well lighted and surrounded by cyclone fences and coils of barbed wire. We hurried from the Conway down the roads southward about 40 miles to Newry (scene of recent rioting) and on four or five miles more to Jonesboro (earlier called Jonesborough) in County Armagh. Jonesboro is very near to County Down, but, more significantly Jonesboro is within a few hundred yards of the border between Northern Ireland and the Republic of Ireland to the south.

Jonesboro is a very old settlement. It has a fort, hundreds of years old, built to defend against invaders from the South. Its primary school building is 130 years old. Near the town is the oldest Christian monument in Ireland.

Although a part of Northern Ireland, Jonesboro must be 99 percent Catholics who are anxious to move the border a few hundred yards to the North and join the Republic. The people were warm, friendly and impressed to know we came from a Jonesboro of over 30,000 people who are predominantly Protestant. Marian kept her promise to return home and send such printed matter on our Jonesboro as the Chamber of Comerce could furnish her.

We felt perfectly safe in Northern Ireland. All the British soldiers we encountered were very friendly and helpful but very tense and nervous about their situation. We grieved several days later to learn that two of the soliders a man and a woman, who we probably had encountered crossing into the Republic near Sligo, had been ambushed and killed; probably by the I.R.A. Bill had wanted to drive across some fields and cross unoffically into the South in order to save 40 miles of driving to a checkpoint. The British had, in a friendly but firm manner, insisted we stay on the main roads to avoid explosive mines. The two soliders who died were killed by a mine at this point.

The six counties of Northern Ireland have about 1.5 million people. Until 1972 Northern Ireland was governed by a locally elected parliament (the Stormont) which remained responsible to the central government in London. In March 1972, because of increased rioting, the Northern Ireland Act of the British Parliament suspended the Northern parliament and the North has remained under virtual martial law, controlled from London.

When we arrived in the Republic the tensions and the soldiers disappeared. The Republic did not have the apparent wealth of shipyards and factories of the North, but it was as beautiful as the North. And peaceful.

Throughout the Northern six counties there were banners across the highways and signs preparing the populace for July 12, the anniversary of the victory over the Catholics by William of Orange in the Battle of the Boyne in 1690. Catholics of the North told us they dreaded the annual Boyne celebration because their Protestant neighbors wouldn't speak to them for a couple of weeks while things returned to normal. We decided that the annual binge of July 12 in the North pointed up the insoluble problems of Northern Ireland.

For a time in early Irish history the migrant Scots were as hungry and mistreated as the Irish and they were as one. From this brief period came the happy comingling of the two peoples into what we still today call the Scotch-Irish.

It ended for all time when Oliver Cromwell, the Lord Protector, with his massacres at Drogheda and Waterford, in the name of a Protestant God, took their lands from the Catholics and gave them to Protestants, particularly in the North.

Two weeks is a short time in which to travel the six counties of the North and 17 of the 25 in the Republic and evaluate a people and their problems. But, we could not help believe that Rev. Ian Paisley and his "Free Presbyterian Church of Ulster" together with events like the July 12 Boyne celebrations, are as destructive of Northern Irish peace as the I.R.A. with all of its horrible violence. However, the I.R.A. is as unacceptable by the government and most of the people of the Republic as it is in the North.

The citizens of both the North and of the Republic in the South are among the friendliest on earth. The wonderful Irish make fun of themselves to a degree that doesn't exist anywhere else on this earth. They are a small country, hardly the size of Arkansas, but they surely have made more of an impression upon the American personality than any other people on earth.

It is an oversimplification of the Northern Irish problem to see it in terms of Catholics vs. Protestants. We found this to be true only in the sense that the Protestant leadership of the North refuses to allow economic equality for the Catholic minority. There is an unreasoning fear that the Ulster Catholics someday will breed themselves into a political majority which will take over the six counties.

Some of the great martyrs of the Republic were Protestants who were hanged beside their Catholic comrades. And, it must be remembered that the great school in Dublin, Trinity University, is Protestant.

Yes, we found the green, green Ireland to have the beauty we expected. The Republic's flag has the colors green, white and yellow, as does the land. Everything in Ireland seems to be in miniature. The farms are small. There is an illusion of even more compactness by the fact that Irishmen throughout the centuries have neatly piled up rock fences into a national checkerboard of what appear as small lots within fields.

Leon Uris has given us his epic Irish historical novel, "Trinity," which paints a sad, but true, history of how Ireland, North and South, got to where the island is today. Uris has no solutions. Nor do we.

Only this past spring after 11 months of meetings and discussions, leaders of the North and the Republic met in Dublin seeking fresh alternatives to Irish unity. Interestingly, the most uncompromising parties were led by a lawyer-turned-preacher, Rev. Ian Paisley of the North.

Alas, like all the rest of the world, Ireland has too many politicians and too few statesmen.●

□ 2130

THE PRESIDENTIAL DEBATE: THESE ARE THE FACTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 60 minutes.

Mr. WALKER. I thank the Speaker.

Mr. Speaker, the Nation watched with interest the other evening as the two candidates for President of the United States debated with each other, and I think that the analysis since that debate has made it clear that most people watching the debate felt that Walter Mondale won the debate on style, if not on substance.

One of the problems coming off the debate is the fact that nobody has done much analysis thus far of what it is that Walter Mondale said.

So this evening in this special order I want to talk a little bit about some of the incidents where Walter Mondale showed himself to be something less than familiar with the truth about some of the charges and countercharges that he made in the course of his debate the other evening.

In one of the most publicized incidents of that debate we saw Walter Mondale in an exchange accuse President Reagan of seeking to slash the Medicare Program. As I pointed out in a 1-minute speech this morning, that was a most interesting point for Walter Mondale to make, since his most recent deficit reduction program that he personally put forward to the Nation contained a $12 billion cut in, nothing else than, medicare.

The very thing that he accused President Reagan of doing is what he has done in his own deficit reduction program.

One has to wonder whether he simply forgot that that was in his deficit reduction program or whether or not he decided that it was something where you make a charge and hope that the people do not catch up with the facts.

What he said was that President Reagan, right after the election, referring to the election in 1980, tried to cut $20 billion out of medicare.

Well, that leaves a little bit of room for distortion. In reality, President Reagan's proposal did not come right after the election, it came in 1983, about 2 years after the election. And what he suggested at that time was that the rate of medicare growth, not the Medicare Program, but the rate of growth of the program, should be cut by $37 billion over a 5-year time period.

Now any kind of calculation will tell you that that is something just over $7 billion a year on average that Mondale was accusing President Reagan of proposing.

Now compare that with the 1-year cut that Walter Mondale has talked about in 1989 of $12 billion. In other words in terms of 1-year figures Walter Mondale's cut is greater than what he was accusing President Reagan of doing.

Now you have to be a little bit willing to distort the facts in order to make that kind of charge.

Another charge made by Walter Mondale the other evening was that President Reagan had been responsible for the rate of poverty going up in the country.

Now that ignores the fact that in the last year of the Carter-Mondale adminstration the poverty rate went up at 1.3 percent compared to an average of not much more than 1 percent in the 2 years of the Reagan administration, and in those first 2 years of the Reagan administration where we have got the statistics, those are years when we were in a recession as a result of the failed Carter-Mondale economic policies.

So it would be interesting to note that any poverty increases that might be noted in the Reagan years are, first of all, less than the last Carter year when we were in the process of going into that recession and then, also, that as a result of some of the things that President Reagan did, the actual rate came down from 1.3 down to 1 percent.

It also calls into question this whole war on poverty that was started back in the 1960's that Walter Mondale, as a Senator, helped put in place and enthusiastically endorsed over a period of years.

In 1966 when we committed ourselves to spending billions of dollars, in fact trillions of dollars that we have spent in the time since on the war on poverty, the poverty rate in this country was 14.7 percent.

Today after literally trillions of dollars of spending the poverty rate stands at 15.3 percent. Now that tells you that there is something wrong with the policies; the very policies that Walter Mondale and his allies have endorsed over a period of years, have failed.

The proposals he is putting forth today are precisely the same as the failed policies of the Carter-Mondale administration and the failed policies that go back over his entire 20 years of public life.

Yet he puts those forward as a solution to the future. The poverty rate alone shows that it has failed. The question has to be whether or not we do not need a new approach to helping people out of poverty, a new approach which promotes things like opportunity, self-interest, entrepreneurship, and a number of things that really do have an empirical record of lifting people out of poverty.

President Reagan was also accused by Walter Mondale the other evening of trying to terminate a program that Reagan had, days earlier, praised as a part of his campaign trip to Buffalo.

Well, one has to assume that what Mr. Mondale was referring to was the housing for the elderly program. Well, a look at the facts will find that President Reagan has not cut that program. In fact, the last Carter-Mondale budget projection for 1980 in that program was for $700 million. Today under the Reagan administration we are spending $802 million for that very program, $100 million higher than the last Carter-Mondale budget. It sounds to me as though Mr. Mondale did not check the facts too carefully.

One of the key points that Mr. Mondale has been making in his campaign is with regard to interest rates and how interest rates, how real interest in the country is the problem.

So therefore we have to raise taxes by $157 per month for every family across this country in order to get in more revenue to bring down real interest rates.

And he wants to tax our way to prosperity in order to bring down real interest. Now he did not put it in those terms the other night, but that is specifically what his program calls for.

And he talked about, in a somewhat garbled fashion I must say, how real interest rates had doubled. What he did not seem to mention is just when they doubled and under whose administration they doubled.

Well, let us look at the facts: In 1976 when the Carter-Mondale administration came to office, real interest rates in this country, that is the difference between inflation and the prime rate, real interest in this country was at 2 percent. We had 6.8 percent prime rate and an inflation rate of 4.8 percent leading to a real interest rate of 2 percent.

When the Carter-Mondale administration left office, real interest stood at 9.1 percent. We had at this point a 12.4-percent inflation rate and an unbelievable 21.5-percent interest rate, prime interest rate in the country, for 9.1 percent real interest.

Under the Reagan administration we have seen the real interest rate drop. It is still not low enough, it still needs to come down further, but real inter-

est today stands at 7.5 percent if you use the present prime rate of 12.5 percent being offered by a number of major banks; or, if you take the other major banks that are offering a 13-percent prime rate, the real interest in the country today stands at 8 percent.

□ 2140

That is lower than the final real interest rate of the Carter-Mondale administration and it is in fact the truth, as Walter Mondale says, that the real interest rate more than doubled. But it doubled under his administration. It was his policies. It was Jimmy Carter and Walter Mondale who doubled the real interest rate in this country.

The Reagan administration has been attempting to bring it back down.

So for the gentleman to make that kind of statement in the course of the debate and lay the blame on President Reagan's doorstep was a distortion of rather large magnitude.

Mr. HUNTER. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. HUNTER. I thank the gentleman for yielding.

I think the gentleman is making a very important point here. The gentleman is saying essentially that the real interest rate is the difference between the prime rate and inflation. So if you have a prime rate of 10, if you have inflation of 5 percent; then your real interest rate is 5. Is that right?

Mr. WALKER. That is right.

Mr. HUNTER. So, what the gentleman is saying is that the Carter-Mondale administration had a real interest rate of over 20 percent. What was it if the gentleman could give it to me again?

Mr. WALKER. Well, the real interest rate——

Mr. HUNTER. No, the prime rate?

Mr. WALKER. Indicates that that was 9.1 percent.

The prime rate stood at 21½ percent.

Mr. HUNTER. So they had a 21½-percent prime rate and they had what inflation rate; 12 point something?

Mr. WALKER. 12.4 percent.

Mr. HUNTER. 12.4 percent. So the real rate was 9.1 percent and he was upset because President Ford had a prime rate of 6.8 percent and an inflation rate of 4.8 percent. So he had a real interest of about 2 percent.

Mr. WALKER. Those are the figures as they show in the books.

Mr. HUNTER. Now, I think that is very interesting because we have now, we have taken under the Reagan administration, we have brought the Carter-Mondale prime interest rate down from 21.5 percent down to 12¾ percent. So we have cut it almost in half.

But what Mr. Mondale is really saying is that President Reagan has done a bad job because he has brought inflation down too low. Because if President Reagan had kept inflation at the same high rate that it was under Mr. Mondale, 13 percent or 12 percent, there would not be any increase in the real interest rate. It would be almost a flat comparison. There would be no increase in the real interest rate at all.

Mr. WALKER. The gentleman certainly makes a different analysis than I made, but it certainly makes the point that if you took the Carter-Mondale inflation rates and put those along side the Reagan interest rates, in fact, the real interest expenses would come down. Of course, the gentleman knows in a real economic world you cannot do that. If you are going to have raging double digit inflation, you are going to have interest rates go outrageously high, which is precisely what the Carter-Mondale people gave us.

The question you have to ask is: How did they get that massive inflation?

Well, they got that massive inflation by doubling taxes in the country. We were collecting twice the amount of tax revenue at the end of the Carter administration than we had been when the Carter administration began. They got it by pumping all of that money into the economy in unproductive government spending.

At the same time you had all that high inflation and those high interest rates, you had negative productivity in the country. You had a GNP that was dropping, not going up. You had all kinds of problems in the economy that went beyond the statistics that we have here. That is how you got there and that is precisely the solution that Walter Mondale is now proposing for the economy again. More taxes, more spending, which result in lower productivity, which will result in more inflation and more interest. How he is going to bring down real interest rates in that kind of a situation is beyond me. But his past record does not speak very well.

Mr. HUNTER. If the gentleman will continue to yield, I find it very interesting that former Vice President Mondale, candidate Mondale, talks increasingly about his plan, about his economic plan. He fees like he must give a great deal of time to explaining what his plan is, how he is going to produce this budget that is going to have a lower deficit by 1989.

I think that is good because I think when you are a 150 hitter—I am watching our San Diego Padres here win the World Series and I think they are going to do it and I was reminded—you have a lot to explain. This is a guy who brought us 21 percent interest rates and he is taking President Reagan to task for bringing about the greatest economic recovery and period of prosperity that we have had in many, many years. The guy who gave us 21-percent interest rates is asking the guy whose economic recovery is batting 1,000 is explain what he is doing.

I think that Mr. Mondale should explain just how the policies that he is putting together in his package right now will differ from the Carter-Mondale policies that brought us the 21-percent interest rates, brought us the 12-percent inflation rates, and produced a tremendous misery index that meant that millions of American housewives would go to the store on a fairly regular basis and would find that goods were going up on the shelves and the prices were going up on a weekly basis.

Mr. WALKER. The prices were going up so fast at that time if you did not reach for a can fast enough you got your hand stamped. They were changing the prices almost daily out there in the supermarkets as a result of 12-percent inflation rates.

Mr. HUNTER. I think that is the Mondale definition of a fast food. When inflation is going up that rapidly you have got to be fast to get the food before the price rises. I think that is where the definition come from.

I find another thing interesting that Mr. Mondale made some statement in the debate about a statement that he thought Will Rogers had made one time about Herbert Hoover, alluding to President Reagan perhaps as being a Herbert Hoover type. I am reminded that really in many ways President Reagan should be looked at as being an FDR type because the FDR administration followed the Hoover administration. And his program was to create jobs, to create a better standard of living, to put two chickens in every pot. In fact at one time he was working on balancing the Federal budget. I am reminded that President Ronald Reagan's programs, if you talk about jobs and if you look at Mr. Carter's administration as being the Hoover administration when we saw a crash, if not a stock market crash, at least a crash of prosperity and a crash of standard of living for the American people, if you look at President Reagan's program and you look at the number of jobs he has created, I will bet that he created in the 5½ million new jobs that have come about in the last 18 months, I would bet—I have not looked at the figures—that that is more new jobs being created than FDR created in his entire career.

Does the gentleman have any figures about hom many real jobs—not

Government make-work jobs—FDR created in the 1930's and 1940's?

Mr. WALKER. There are some figures that show that in a 1-year period of time recently that Ronald Reagan's programs created more jobs than at least the first 4 years of the New Deal created.

Mr. HUNTER. So he has created more jobs in the first year then the New Deal created in the first 4 years?

Mr. WALKER. That is right.

Mr. HUNTER. As I recall the statistics are to the effect that he has created more jobs in the last 18 months than Japan has in the entire decade of the 1970's and more jobs then Canada has since 1955 approximately.

Mr. WALKER. Or then the Common Market has in the entire decade of the seventies.

Mr. HUNTER. And he has persuaded the French President Francois Mitterrand, to take another look at policies of free enterprise because those bankrupt socialist radical policies have not created jobs and they have not brought inflation down. So he has the whole world looking at this great experiment in economics that is taking place and is working in America right now.

Mr. WALKER. The gentleman is absolutely correct. Of course, it also needs to be pointed out that none of us heard Walter Mondale criticizing President Carter when President Carter made his famous national malaise speech. When President Carter told us that the best days of America were behind us and that we were in a period of national malaise in which all of these things that could go wrong were not as a result of their leadership, but were as a result of the American people's problems. We never heard Walter Mondale contradict that. We never heard Walter Mondale exert leadership as Vice President saying "No, we ought to be more optimistic about the future."

It took a President Reagan to come along and start talking about optismism and start projecting the nation into the future.

The Carter-Mondale people had given up on this country. It took a President Reagan to come back and give the American people new hope and new spirit.

Now Mr. Mondale seems to want to be critical of that and yet be critical with facts that do not stand up to very good scrutiny.

□ 2150

Mr. Mondale said in the debate the other evening, and he said often on the campaign trail, that the Republican platform calls for an imposition of a religious test for the appointment of judges. I think maybe Mr. Mondale needs to get hold of the facts and read the Republican platform, because this is the section of the Republican platform that he refers to: It says that what will be done is judges will be picked "who represents traditional family values and the sanctity of innocent human life." That is what it says. It says, "who represent traditional family values and the sanctity of human life, should be appointed." That is the reference to judges.

What is Mr. Mondale saying? Is he saying that he will not appoint judges who represent traditional family values? Because that is what the platform says. I would hope that one of the standards that anybody would think about for Federal judges is whether or not they will stand for traditional family values as a part of their judicial performance.

So Mr. Mondale is just absolutely misrepresenting what is in the Republican platform. He is obviously doing it for political reasons. But it is distortion. It has no relationship to the facts whatsoever. There is nothing in the platform that indicates that someone from the outside, some religious groups from the outside, are going to have veto power over judges. All it says is that we ought to appoint judges who represent traditional family values and who will help preserve the sanctity of innocent human life. Those are not very radical statements. And I think for Walter Mondale to misrepresent them as terribly as he did in the debate the other night is a disservice.

One other point, it just interested me today as we heard a number of our Democratic colleagues come to the floor talking about the debate of Sunday night, and, of course, they were exuding the optimism that comes off the press reports that Walter Mondale was the winner. I did note, though, with some question, the fact that some of the very people who were out on the floor talking about that are the very people who have challengers who have told me in recent days that those people refused to debate them back in their home districts. Now, if this debate is such a good thing and the two Presidential candidates ought to face off against each other, and if incumbents have the duty to debate, one has to wonder why these Democrats in the House of Representatives who were talking about the debate on the House floor today have refused to debate their Republican challengers back in their districts.

Debate is a good thing. I think it was a good thing the other night. I think that some of the issues got aired. I think one of the important things that has come out of the analysis of the debates so far is that the American people may have agreed that Walter Mondale won on style and substance; however, they gave it to President Reagan because overwhelmingly, by 20-point margin, they are saying that they agreed with Reagan and what he was saying, not with Mondale. So that in terms of substance, and so on, I think the American people got something very important out of the debate the other night. They can get the same thing out of congressional debates.

I think it is very, very interesting that some of the very people who talked so loudly this morning about debating are some of the very people who are refusing to debate their challengers back home.

Let us have a debate. We ought to have a national debate. We ought to have a debate on this floor instead of these empty chairs tonight, if there is someone who believes that this information I am giving here is not correct, they ought to come out here and challenge me. I would like to hear some of those Democrats who spoke this morning come out and challenge some of these facts and figures, because they are the facts and figures, that anybody can find. And if Walter Mondale has not presented the facts right, then it seems to me that he needs to be challenged. If what I am saying is not the truth, let somebody come out and challenge it.

There are all kinds of seats here, we have got open microphones, they can come out here and challenge this. The fact is that I doubt we will get very much challenge on it because the facts are pretty clear, and the actual fact is that Walter Mondale did not exactly keep in close reference to the facts the other evening.

I would be very glad to yield to the gentleman from California.

Mr. HUNTER. I thank the gentleman for yielding.

I think particularly these facts that the gentleman has brought up with respect to Mr. Mondale's misstatements on the interest rates have been very interesting, and I just hope that there are not a lot of Americans who went out today, after listening to that debate, trying to buy a car for the real interest rate and paying a real interest rate.

What is a real interest rate? A real interest rate is what you have to pay the bank or the credit union or whoever is financing the particular item that you are buying. Mr. Mondale brought us the highest interest rates in 40 years. In fact, I think that the 21-percent prime rate that he brought us was what, the highest since the Civil War? Is that an accurate statement?

Mr. WALKER. I really do not know if that is an accurate statement. It is certainly one of the highest in the history of the country. We have never

had very many periods where we have experienced anywhere close to a 21-percent prime rate.

Mr. HUNTER. Well, I guess Congressman PEPPER is a Member who has been in one of the Houses for longer than anybody else here, I wonder if he has ever seen, in his lifetime, until he saw Walter Mondale's and Jimmy Carter's economic plan, if he had ever seen 21-percent interest rates.

Mr. WALKER. Of course, you may remember that you had trouble finding the Mondale-Carter economic plans because in 1 year, the last year they were in office, they had five of them in 1 year; so there was a constantly changing economic plan. The gentleman on our side of the aisle, I know, had trouble finding it, too.

Mr. HUNTER. I think the gentleman is right. It was like a multiple choice test. You had five choices, A, B, C, D and E. And finally the American people picked none of the above and they elected the guy, Ronald Reagan, who brought those interest rates down to 12.75 percent, brought inflation down to 4 percent and gave the American people a real feeling of optimism and hope. I hope that they follow their common sense and follow that substance that the gentleman talked about, and let Vice President Mondale run in another year.

Mr. WALKER. I thank the gentleman, and I think that that is precisely what the American people are likely to do. I think the American people are likely to say, "well, sure, Walter Mondale did a better job than we expected of him in the debates, and that is to his credit, but the fact is that we agree with President Reagan that we should not have to pay $157 a month out of our family budget for additional taxes, that we should not go back to policies that failed us in the past and that we need to keep the country moving ahead on economic recovery." Those are the issues that I think the American people will address in a few weeks when they vote, and there is no doubt that at that point they are going to choose to reelect President Reagan.

I yield back the balance of my time.

GRENADA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. HUNTER], is recognized for 60 minutes.

Mr. HUNTER. Mr. Speaker, on October 25, 1983, President Reagan and Eugenia Charles announced to the American people that the Marines and Rangers, elements of the Marines and Rangers, along with some of our allies in the Eastern Caribbean, had landed on Grenada, and I can recall sitting here on the House floor and watching some of the more liberal Members of the House, some Members who felt that the President's actions were not in the best interest of the country, rising and very strongly criticizing this action and saying, essentially, that the President's claim that the operation was justified in order to save American lives was not in fact the case but that they had heard that there were school officials from the medical school down in Grenada who were saying, actually "everything is fine, not only are the students safe, but send us more students."

As I sat there and listened to those statements, I thought the proof is going to come out when these medical students come back to the United States and when they tell us whether in fact they were in danger, whether they needed to be saved and whether they felt the President took appropriate action.

After the battle was over, some 18 American servicemen were killed, 116 were wounded, approximately 800 Cubans had been captured and 599 American citizens, most of them medical students, had been safely evacuated from Grenada at their request.

In a couple of weeks, on October 24 and 25 of this year, a number of those students will be returning to the United States, about 100 of them, and they will be speaking in colleges and universities across America, talking to our young people, holding forums, having question and answer sessions, teach-ins, what have you, and talking about the situation that they were in and talking about those very tense weeks in Grenada when Maurice Bishop, then the Prime Minister, was held in house arrest and ultimately was murdered in a very bloody coup along with several members of his cabinet and several dozens of innocent civilians.

I think it will be very interesting for the colleges and universities that are participating in this program to have these open forums and to invite all sorts of political organizations, Republican organizations, Democrat organizations, even service clubs, Rotary clubs and Kiwanis clubs, and the like, to come in and participate in these teach-ins and to have a debate, if you will, or at least to have a dialog with the students and to find out what really happened in Grenada on October 24 and 25 and what that meant to those students.

Along those lines, the American Marines and Rangers who liberated the students and landed on Grenada did something that had not been accomplished before. They captured and discovered about 35,000 pounds of documents. In these documents we have essentially the entire record of a Communist bureaucracy.

□ 2200

It appears that the Marxists in Grenada loved documentation; they loved to record things. Practically every meeting is recorded. I think that we have some very good lessons in Grenada that we can find in reading these documents. I think there are lessons for Members of Congress who are constantly propagandized. We have people come up and put on dog and pony shows for us and explain to us why we should support certain foreign policy stands, and when these people leave, I think sometimes we wonder, Democrats and Republicans, whether we were taken in. Whether these people really meant to do what they told us they were going to do.

Whether the human freedoms that we seek so vigorously in this country and that we seek in our foreign policy were really intended to come about or whether this was simply window dressing that was applied to Members of Congress in order for them to receive favorable attention from Members of these bodies.

In looking at the Grenada documents, and there are a lot of documents. Let me tell you, there are about 35,000 pounds of documents. This is one section, and it is about as thick as a phone book, and it has some very interesting and provocative statements in it.

But in looking at these documents you can see that in fact Maurice Bishop and a lot of his people really did intend to deceive the United States. I can remember Mr. Bishop coming back last spring and a colleague of ours, the gentleman from California [Mr. DELLUMS], allowing Members of the Armed Services Committee to meet with Mr. Bishop on an informal basis and several members of his entourage and we thanked Mr. DELLUMS for arranging this meeting and allowing us to have this dialog.

I can remember asking with other Members whether or not there were in fact political prisoners in Grenada, and I can remember Mr. Bishop saying essentially, no, we do not believe in political prisoners, and if we have a few people that are in jail, they are going to be released fairly shortly.

Yet, when we read a statement that was reported in a secret session of the Central Committee, we see that in fact Mr. Bishop, while saying those things to us as Members of the U.S. Congress intended just the opposite. Let me read one quote from Mr. Bishop that is in document 1, page 25. It was a quote made at a meeting of the Central Committee of the Marxist government in Grenada in September 1982.

He is talking about how laws and arrests are made in Grenada, and I quote:

I want to think of another area. Just consider, comrades, how laws are made in this country. Laws are made in this country when Cabinet agrees, and when I sign a document on behalf of Cabinet. And that is what everybody in the country, like it or don't like it, has to follow.

Or consider how people get detained in this country. We don't go and call for no votes; you get detained when I sign an order after discussing it with the National Security Committee of the party, or with a higher party body. Once I sign it, like it or don't like it, it is up the hill for them.

Of course at that time Mr. Bishop, who could not have imagined that on October 19, 1983, it would be up the hill for him and up against the wall, and he would be in fact assassinated by some of the same people that he was talking to in this Central Committee meeting who happened to be perhaps a little more radical than he was.

I yield to the gentleman from Pennsylvania.

Mr. WALKER. I think it is very interesting to look at some of the documents and the gentleman has obviously gone through them in some detail and understands just what is there. As I recall some of the speeches that we heard on the House floor at the time the liberation of Grenada was taking place, that one of the speeches that we heard here that day called it the moral equivalent of invading Duluth, MN.

From what the gentleman has learned from the documents there, I think we can assume that that was probably a statement that is pretty much out of line with the facts, was it not?

Mr. HUNTER. Absolutely. You know, when the students came back and said yes, they were in danger, I had the opportunity to interview one of the students, and I remembered the President being severely criticized for his actions, and I remember that statement. You ask the students, at least the ones that I talked to, and they said you are darn right we were in danger.

Let me just relate what was related to me when they were up in the dormitories and they heard the machinegunning in the village. Pretty soon the maintenance people who lived in the village came up to the dormitories and talked to them and said they are killing a lot of people down there. Then the Marxist guards came up and told them that they would be killed if they left the dormitories.

Now, I do not think that the person who uttered that statement that you referred to that this was the moral equivalent of invading Duluth, MN, would agree that that was a situation of safety for those students. When the Marxist guards came up armed with AK-47's and said, "You walk out the door, you are dead." I think that is pretty serious.

Perhaps the most telling statement that they made to me was when they huddled back in the dormitories knowing they would be shot on sight if they left them; if they made an attempt to escape. They started talking about how this could possibly be a recurrence of Iran. Thankfully, because they had a President who was decisive and who acted in the interests of saving American lives, even though he did not know at the time that this would be a politically good thing. This could have been ruinous politically, for the President. But he has to be, besides being a politician, he has to be the President of the United States. He took those actions; he saved those lives.

To get back to Mr. Mondale, I know Mr. Mondale made statements initially that were in disfavor of the President's action in Grenada. I understood that later on, after he consulted with one fairly knowledgeable Member of the House on the Democrat side that he said, well, really I think perhaps the action was in order, or words to that effect.

I yield to the gentleman from Pennsylvania.

Mr. WALKER. The gentleman understands that it took him about 11 months to come to that conclusion.

Mr. HUNTER. I think the gentleman has made my point. After 11 months, which is a long time to be in captivity if you are a hostage, whether you are in Iran or in Grenada, Mr. Mondale decided it was time to act. I hope that Mr. Mondale explains that situation when he has his foreign policy debate with President Reagan in a couple of weeks.

Mr. WALKER. If the gentleman would yield, the gentleman remembers, of course, that it did take the Carter-Mondale administration about 11 months to decide to undertake a rescue mission to try to get the hostages out of Iran, rather than moving quickly and do something to try to keep the hostages from being taken, they allowed them, first of all, to be captured. Then, it seems to me, I am not certain, but it was at least 10 or 11 months until they finally decided they were going to attempt a rescue mission. So it is about in the same timeframe as Walter Mondale finally deciding that what was done in Grenada was the right thing. It matches completely with the decisions going on in the Carter-Mondale administration with regard to Iran.

Mr. HUNTER. The gentleman makes a very good point. Let me say also that another statement that was made when Maurice Bishop was speaking informally to members of the Armed Services Committee, at least to me, was in response to our concern about the airport—the 10,000-foot runway that was being constructed by the Cubans on Grenada. Mr. Bishop said, essentially, as I recall, "No; that airport is simply for importing and exporting our spices, and for our commerce, and it is not intended to be a military airport.

Yet, according to the recording of a Central Committee meeting by Leon James, who was the deputy to General Austin, there is a statement in the meeting that is recorded and I quote: "Airport will be used for Cuban and Soviet military." This is what the Grenadians were saying in their private meetings while they were telling American Congressman that it was no sweat; that President Reagan was way off base when he made his assertion on April 27, 1983, that in fact that 10,000-foot runway posed a threat to the United States.

I yield to the gentleman.

Mr. WALKER. In other words, what the gentleman is saying is that here is one instance where the documents that we have show that the Grenadians, as they were coming to this country, talking to the Congress, were just telling baldfaced lies?

Mr. HUNTER. That is exactly right.

Mr. WALKER. I think another statement that we heard on the floor at the time of the liberation was that this was just like the Soviet invasion of Afghanistan—when the United States went into Grenada, that it was something just like or very similar to the Soviets invading Afghanistan.

What the gentleman is telling us here is that such statements are almost farcical in the context of what we now know from the documents that we captured. Is that correct?

□ 2210

Mr. HUNTER. That is absolutely correct, and you know, the tragedy of the statements that were made on the House floor is not that they were made with ill motive or with an intent simply to embarrass the President, because I do not think they were.

Mr. Speaker, they were made at a time when Members of this body, and I think it has been said several times, that sometimes we think that we are 435 Secretaries of State, but Members of this body on October 24, 25, and 26 could not possibly have all the facts at our disposal.

So for us to come out and severely criticize our President who is our leader in foreign policy, who has information that others do not have and who acts for all Americans to save and protect American lives and liberty in foreign countries.

When he takes this decisive action, important and necessary action to have Members of this Congress to get up and blast the President for that action before they could get all the

facts, I think is to do our foreign policy a disservice because you know, although we were able to carry this operation off and it was successful, the time could come, for example, we could have been in a situation where we would have needed the help of Great Britain, for example, or other allies.

If we would have needed the help of these allies and they could look over on American television and see Members of Congress blasting the President, and questioning the President's judgment; that type of opposition in the early stages when there is no way that they could tell whether or not the President had the proper information, that type of opposition could have curtailed our getting help from our allies. It could have put them off. It could have made them decide not to help us.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

I think the gentleman makes an excellent point. I think a number of these people did come to the floor and did not know the facts; had no idea what was really going on. Had only a passing familiarity with the situation there and made the statements.

But you know it is interesting that when they lacked the facts of what was going on they did, as Ambassador Kirkpatrick talked about at the Republican convention, they blame America first. That their first instinct in this instance was to blame not the Grenadians, who were in the process of slaughtering the present government, not the Cubans that were on the island with armed troops, but to blame America first.

Their immediate speeches out here blamed this country, blamed the President before they even had the facts at their command. And I think that that is one of the problems with foreign policy analysis that sometimes then we find out later just had no basis in reality at all.

What we now find out is there was no reason to blame America for what we were doing. We were doing the right thing not only in terms of protecting the lives of American citizens but in terms of helping to liberate the people of Grenada.

As the gentleman points out, that the runway there was designed to turn Grenada into an armed camp and the people of the country were going to suffer as a result, and what we did was absolutely right but the initial reaction of too many Members, I am afraid, of this House, was to blame America first.

Mr. HUNTER. I thank the gentleman.

Mr. Speaker, I think he has made some excellent points, and I hope that these documents and the remembrance of the liberation of Grenada on the 24th and 25th of October will give us some lessons, give some lessons to the American news media, for example, when they have leaders from other nations coming up and telling them that they intend to be democratic, that we want to be friendly, that they simply want to be left alone; that they are not in the Soviet camp and Soviet sphere.

I think that perhaps this type of revelation, a case history of deception of the American news media as well as the American Congress should lead our news media to be a little more careful, be a little bit sharper in cross-examination.

Do not let Mr. D'Escoto, the Foreign Minister of Nicaragua, get away with all of his statements.

I remember following that gentleman when the President was being chastized for the decision to mine American harbors; I remember following Mr. D'Escoto from media place to media place, from studio to studio as he put out his message about how the residents of the United States had done a terrible thing in allowing the mining of the Nicaraguan harbors.

Mr. Speaker, within a couple of days of making this tremendous media drive, and every place I went, Mr. D'Escoto's large black limousine was parked there and he was in telling Americans how they had a bad President.

Within a couple of days of his visit we had up here a resolution on the House floor and it whipped through by a fairly large margin. I think even a larger margin in the other body, and I was thinking to myself: My gosh, I wish I could drive legislation through that fast. I would be the most effective legislator in this House.

We allowed this person to do this, without questioning him; without cross-examining him. Without looking at some of the actions that have been taken by that country that belie the assertions that they are very peaceloving and do not want to bother the United States and are not a threat to our security.

I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, the gentleman is more familiar with the documents captured from Grenada than I am but it seems to me that some of the peripheral reading I have done of that has indicated that we have some documentation there that Nicaragua has been less than honest with this country in some of the things that they have told us; that some of the records of the Grenadian Government with regard to Nicaragua all show that Nicaragua has not been telling the truth a good part of the time in what they have been telling the world and telling the United States.

Is that correct?

Mr. HUNTER. That is absolutely correct.

Mr. Speaker, we have discovered some other things that are not manifested in the documents but as I understand it in the arms that we have captured, for example in Grenada, we have found arms that because of their serial numbers being consecutive to serial numbers of arms that are captured from Communists, Communist insurgents in El Salvador, we have come to the conclusion that they are part and parcel of the same shipment, and we have evidence that they have been moved from Grenada through Nicaragua ultimately to the insurgents in El Salvador.

So I can recall sitting and debating Mr. D'Escoto again and having him absolutely tell the host on the "MacNeil-Lehrer Report" that, no, they are not shipping arms to the El Salvadorans and yet the evidence that we have concerning the serial numbers and the arms that are cacheted in Grenada would tend to contradict that statement.

So, yes, in fact, the Grenada documents not only tell us about what happened, how the Bishop government came about; what happened to it, but also it gives us a good reflection of what the intent of Cuba and the Soviet Union and Nicaragua were with regard to their neighbors and to the United States.

Let me quote just a couple more statements here.

On page 6, document 26 of the Grenada papers, we read that: Grenada's revolution "has to be viewed as a world-wide process with its original roots in the Great October Revolution."

Now if that is not Marxist dogma, I do not know what is.

And to the extend that we can take credit for bringing any other country into this progressive fold, our prestige and influence would be greatly enhanced.

Two mentioned targets were Surinam and Belize. So already the Grenadians, while they were professing in the words of Mr. Bishop to the effect that they were simply peace-loving people who did not want to be ideologically aligned with anybody and simply wanted to go on about their business, those statements were absolutely false. They wanted to be a major base for Marxist operations in the Caribbean and yet when they came up and told us exactly the opposite, not only was the American media in a hurry to be taken in but I do not think Members of Congress gave the scrutiny and the cross-examination

that they should have given to these statements.

So, on the 24th and 25th of October, besides having these students and incidentally, this is a nonpartisan event. Everybody and anybody is invited whether they are members of service clubs, of PTA, VFW, American Legion, Democratic students, members of Republican student organizations or just students who want to go and talk to somebody who is over there because it is a very interesting part of our history. These forums will be absolutely open and I hope we have some debates, because I think out of these debates we can come up with some real answers about what the lessons of Grenada are.

So on the 24th and 25th, besides having these we will be having a 2-hour documentary on the 24th and a 1-hour documentary on the 25th, and we will talk about a number of the questions that are involved in Grenada.

We will be having, for example, Mr. Sam Donaldson talking about why he thinks American troops should have been accompanied by the American media when they went into Grenada; some of the peripheral issues.

We will be talking with students, Grenadian politicians, soldiers, marines who were over there. It will be a very interesting documentary.

□ 2220

This documentary will be followed each day, October 24 and 25, by a 1-hour talk show. It will be a cable program and we will be beaming it in to as many universities and colleges as will request it. So I think it will be an interesting time for America.

Certainly these documents are very, very enlightening. They are a very rich storehouse of information for historians and for people who have an interest in political science, to be able to really understand what is going on in the Caribbean. If you really want to understand the geopolitical politics of that area, the geopolitical situation, you need to get hold of a copy of the Grenada documents. If you are intensely interested and you want to do some in-depth research, you should get down to the Grenadian Archives, which are now available, and as I understand, all 35,000 pounds of documents will be available there. Take a look at them and do some analyzing, do some research, because here we see something that you do not see in the press releases, you did not see in the press releases, in the press conferences, and the meetings with Members of Congress, and all the self-serving statements that foreign leaders often make when they come to the United States.

Here are these documents. You can see what they really thought about us, what they really thought about America's politicians, what they really thought about America's leadership, and what they really thought about the American news media, and whether or not they figured they could manipulate them. It is a very interesting set of documents. I think it is a great thing for liberals, conservatives, Republicans and Democrats to take some interest in.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. HUNTER. Absolutely.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, I think the gentleman may be finishing up, and I just thought that since both this gentleman and the gentleman from California talked a lot about debates, I thought maybe we might want to yield some time to the gentleman from Colorado in the chair to give a rebuttal to all those folks who had talked so glowingly of him out here earlier.

It was very deserved, but we would be very glad to yield to the gentleman for rebuttal time if he would like it.

The SPEAKER pro tempore. The Chair would tell the gentleman from Pennsylvania that House rules prevent the Speaker from commenting on ongoing debate.

Mr. HUNTER. I thank the gentleman. I think that is perhaps why the gentleman in the chair had this roast, because they had him in a position in which they will never have him again.

Mr. Speaker, I thank the gentleman, and I yield back the balance of my time.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. McEWEN (at the request of Mr. MICHEL), for today, on account of official business.

Mr. TAUKE (at the request of Mr. MICHEL), until 5 p.m. today, on account of airline scheduling problem due to inclement weather.

Mr. GRAY (at the request of Mr. WRIGHT), for this week, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WORTLEY) to revise and extend their remarks and include extraneous material:)

Mr. CONTE, for 30 minutes, today.
Mr. GINGRICH, for 60 minutes, today.
Mr. WALKER, for 60 minutes, today.
Mr. HUNTER, for 60 minutes, today.
Mr. PORTER, for 5 minutes, today.

(The following Members (at the request of Mr. TORRES) to revise and extend their remarks and include extraneous material:)

Mr. MOAKLEY, for 5 minutes, today.
Mr. GLICKMAN, for 5 minutes, today.
Mr. WIRTH, for 5 minutes, today.
Mr. RAY, for 5 minutes, today.
Mr. PANETTA, for 5 minutes, today.
Mr. ANNUZIO, for 5 minutes, today.
Mr. GONZALEZ, for 60 minutes, today.
Mr. LEVIN of Michigan, October 10, for 5 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. OBERSTAR, to revise and extend his remarks on H.R. 6163 just prior to the vote on passage in the House today.

Mr. O'BRIEN, on the conference report on S. 540, immediately prior to the vote.

(The following Members (at the request of Mr. WORTLEY) and to include extraneous matter:)

Mr. GILMAN.
Mr. KEMP.
Mr. EMERSON.
Mr. DEWINE.
Mr. HILLIS.
Mr. LENT.
Mr. GEKAS.
Mr. LAGOMARSINO in two instances.
Mr. ROTH.
Mr. KRAMER.

(The following Members (at the request of Mr. TORRES) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. GONZALEZ in 10 instances..
Mr. ANNUNZIO in six instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. WHEAT.
Mr. CLARKE.
Mr. MAZZOLI.
Mr. HUBBARD.
Ms. FERRARO.
Mr. McHUGH.
Mr. HOWARD.
Mr. MORRISON of Connecticut in two instances.
Mr. BRYANT.
Mr. FAUNTROY.
Mr. MILLER of California.
Mr. ACKERMAN in two instances.
Mr. WON PAT.
Mr. KOSTMAYER.
Mr. ECKART.
Mr. SOLARZ.

Mr. HAYES.
Mr. VENTO.
Mr. ADDABBO.
Mr. RICHARDSON.
Mr. BROOKS.
Mr. WEISS.
Mr. MAVROULES.
Mr. BORSKI.
Mr. MOODY.
Mr. HAWKINS.
Mr. BONKER.
Mr. FORD of Michigan.
Mr. DYSON.
Mr. WALGREN.
Ms. KAPTUR.
Mrs. BURTON of California.
Ms. OAKAR.
Mr. LELAND.
Mr. HOYER.
Mr. OTTINGER.
Mr. MARKEY in two instances.

SENATE BILL REFERRED

A bill of the Senate of the following titles was taken from the Speaker's table and, under the rule, referred as follows:

S. 2449. An act for the relief of the Sisters of Mercy of the Union, Province of Saint Louis, MO; to the Committee on the Judiciary.

ENROLLED JOINT RESOLUTION SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 659. Joint resolution making further continuing appropriations for fiscal year 1985.

SENATE ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The SPEAKER pro tempore announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 416. An act to amend the Wild and Scenic Rivers Act by designating a segment of the Illinois River in Oregon and the Owyhee River in Oregon as components of the National Wild and Scenic Rivers System, and for other purposes;

S. 1146. An act to amend the the Federal Aviation Act of 1958 to provide for the revocation of the airman certificates and for additional penalties for the transportation by aircraft of controlled substances, and for other purposes;

S. 1711. An act providing for a 15-year extension of patent numbered 3,376,1989;

S.J. Res. 299. Joint resolution to designate November 1984, as National Diabetes Month; and

S.J. Res. 309. Joint resolution authorizing and requesting the President to designate January 1985 as "National Cerebral Palsy Month."

SENATE ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 607. An act to amend the Communications Act of 1934;

S. 648. An act to facilitate the exchange of certain lands in South Carolina;

S. 1102. An act to provide authorization of appropriations for title III of the Marine Protection, Research, and Sanctuaries Act of 1972, and for other purposes;

S. 1151. An act to compensate heirs of deceased Indians for improper payments from trust estates to States of political subdivisions thereof as reimbursements for old age assistance received by decedents during their lifetime;

S. 1330. An act to establish a National Council on Public Works Improvement to prepare three annual reports on the state of the Nation's infrastructure, to amend the provisions of title 31, United States Code, relating to the President's budget to require it to separately identify and summarize the capital investment expenditures of the United States, and for other purposes;

S. 1510. An act to establish uniform audit requirements for State and local governments receiving Federal financial assistance;

S. 1790. An act to authorize the Secretary of the Interior to enter into contracts or cooperative agreements with the Art Barn Association to assist in the preservation and interpretation to assist in the preservation and interpretation of the Art Barn in Rock Creek Park in the District of Columbia, and for other purposes;

S. 2048. An act to provide for the establishment of the Task Force on Organ Transportation and the Organ Procurement and Transplantation Network, to authorize financial assistance for organ procurement organizations, and for other purposes;

S. 2175. An act to designate certain national forest system lands in the State of Arkansas for inclusion in the National Wilderness Preservation System, and for other purposes;

S. 2166. An act to reauthorize and amend the Indian Health Care Improvement Act, and for other purposes;

S. 2303. An act to amend the Public Health Service Act to revise and extend the authorities of that Act for assistance for alcohol and drug abuse and mental health services;

S. 2483. An act to rename Dulles International Airport in Virginia as the "Washington Dulles International Airport";

S. 2496. An act to extend the authorization of appropriations for certain education programs, and for other purposes;

S. 2663. An act pertaining to the inheritance of trust or restricted land on the Lake Traverse Indian Reservation, North Dakota and South Dakota, and for other purposes;

S. 2773. An act to designate certain National Forest System lands in the State of Georgia as wilderness, and for other purposes;

S. 2808. An act to designate certain National Forest System lands in the State of Mississippi as wilderness, and for other purposes;

S.J. Res. 80. Joint resolution to grant posthumously full rights of citizenship to William Penn and to Hannah Callowhill Penn; and

S.J. Res. 273. Joint resolution to designate the week of October 7, 1984, through October 13, 1984, as "Smokey Bear Week."

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on October 5, 1984 present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.J. Res. 659. Joint resolution making further continuing appropriations for fiscal year 1985;

H.R. 2838. An act entitled the "Federal Timber Contract Payment Modification Act";

H.R. 2859. An act for the relief of John Brima Charles;

H.R. 2878. An act to amend and extend the Library Services and Construction Act;

H.R. 2889. An act to amend the National Historic Preservation Act, and for other purposes;

H.R. 3601. An act to modify the boundary of the Pike National Forest in the State of Colorado, and for other purposes;

H.R. 3697. An act to modify Federal land acquisition and disposal policies carried out with respect to Fire Island National Seashore, and for other purposes;

H.R. 4932. An act to withdraw certain public lands in Lincoln County, NV, and for other purposes;

H.R. 4994. An act to exempt from taxation by the District of Columbia certain property of the Jewish War Veterans, U.S.A. National Memorial, Incorporated;

H.R. 5223. An act to amend the Federal Meat Inspection Act and the Poultry Products Inspection Act to exempt restaurant central kitchens under certain conditions from Federal inspection requirements;

H.R. 5513. An act to designate the Delta States Research Center in Stoneville, MS, as the "Jamie Whitten Delta States Research Center";

H.R. 5540. An act to provide for restoration of Federal recognition to the Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians, to institute for such tribe those Federal services provided to Indians who are recognized by the Federal Government and who receive such services because of Federal trust responsibility, and for other purposes;

H.R. 5631. An act to provide for the acquisition of a visitor contact and administrative site for the Big Thicket National Preserve in the State of Texas;

H.R. 5782. An act granting the consent of Congress to an amendment to the Delaware River Basin Compact; and

H.R. 5818. An act to enable the Consumer Product Safety Commission to protect the public by ordering notice and repair, replacement or refund of certain toys or articles intended for use by children if such toys or articles contain a defect which creates a substantial risk of injury to children.

H.R. 5997. An act to designate the U.S. Post Office and Courthouse in Pendleton, Oregon, as the "John F. Kilkenny U.S. Post Office and Courthouse"; and

H.R. 6223. An act to amend the Act providing for the incorporation of certain persons as Group Hospitalization, Inc.

ADJOURNMENT

Mr. WALKER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 24 minutes p.m.) under its previous order, the House adjourned until tomorrow, Wednesday, October 10, 1984, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4144. A letter from the Secretary, Railroad Retirement Board, transmitting notification of an expenditure or obligation in excess of appropriation or apportionment, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

4145. A letter from the Deputy Assistant Secretary of Defense, transmitting notification of the Navy's intent to exercise the provision for exclusion of the clause concerning examination of record by the Comptroller General, pursuant to the act of June 30, 1949, chapter 288, section 304(c) (80 Stat. 850); to the Committee on Armed Services.

4146. A letter from the Secretary of Education, transmitting a report on institutions which did not satisfy the waiver requirements of section 312(2)(A)(ii) or 322(a)(2(A)(ii) of the Higher Education Act, pursuant to HEA, section 342(a)(2) (94 Stat. 1398); to the Committee on Education and Labor.

4147. A letter from the General Counsel, Department of Energy, transmitting a notice of meetings related to the International Energy Program; to the Committee on Energy and Commerce.

4148. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of items proposed for removal from the U.S. Munitions List, pursuant to AECA, section 38(f) (95 Stat. 1522); to the Committee on Foreign Affairs.

4149. A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting the Commission's 1983 annual report on operations under the War Claims Act of 1948, as amended and the International Claims Settlement Act of 1949, as amended, pursuant to the act of July 3, 1948, chapter 826, section 2(6) (79 Stat. 1312) and the act of March 10, 1950, chapter 54, section 3(c); to the Committee on Foreign Affairs.

4150. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a) (92 Stat. 993); to the Committee on Foreign Affairs.

4151. A letter from the Commissioner, Immigration and Naturalization Service, transmitting a report on the adjustment of status of nonimmigrants to that of aliens lawfully admitted for permanent residence, pursuant to Public Law 85–136, section 13(c); to the Committee on the Judiciary.

4152. A letter from the Acting Under Secretary of Agriculture for International Affairs and Commodity Programs, transmitting the initial commodity and country allocation table showing current programming plans for food assistance under title I/III of Public Law 480 for fiscal year 1985, pursuant to the act of July 10, 1954, chapter 469, section 408(b) (91 Stat. 552; 94 Stat. 2246; E. O. 11963); jointly, to the Committees on Agriculture and Foreign Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PANETTA:

H.R. 6422. A bill to authorize the Director of the ACTION Agency to provide grants to States and units of general local government for youth service projects, and for other purposes; to the Committee on Education and Labor.

By Mr. CONYERS:

H.R. 6423. A bill to amend the U.S. Housing Act of 1937 to require the Secretary of Housing and Urban Development to administer a program of construction and revitalization of public housing, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BROOKS:

H.R. 6424. A bill to provide for contribution of damages attributable to an agreement by two or more persons to fix, maintain, or stabilize prices under section 4, 4A or 4C of the Clayton Act; to the Committee on the Judiciary.

By Mrs. COLLINS:

H.R. 6425. A bill to require each depository institution to disclose to its customers all terms, conditions, and charges which apply to services offered by such depository institution; to the Committee on Banking, Finance and Urban Affairs.

Mr. DOWDY of Mississippi:

H.R. 6426. A bill entitled: the Bogue Chitto Creek Relief Act; to the Committee on Public Works and Transportation.

H.R. 6427. A bill entitled: the Purple Creek Relief Act; to the Committee on Public Works and Transportation.

By Mr. HOWARD (for himself and Mr. WRIGHT):

H.R. 6428. A bill to amend the Congressional Budget Act of 1974 to require the annual concurrent resolutions on the budget to separately identify and summarize the public civilian and military capital investment expenditures of the United States, and for other purposes; to the Committee on Rules.

By Mr. SCHUMER (for himself, Mr. GONZALEZ, and Mr. MCKINNEY):

H.R. 6429. A bill to authorize the Secretary of Housing and Urban Development to provide assistance for the construction and substantial rehabilitation of single-family homes, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HOYER.

H.J. Res. 662. Joint resolution making further continuing appropriations for fiscal year 1985; to the Committee on Appropriations.

By Mr. WHITTEN:

H.J. Res. 663. Joint resolution making further continuing appropriations for fiscal year 1985; to the Committee on Appropriations; committee discharged; rules suspended, considered and passed.

By Mr. UDALL:

H. Con. Res. 371. Concurrent resolution directing the Clerk of the House of Representatives to make a correction in the enrollment of the bill H.R. 2790; considered and agreed to.

By Mr. ROSTENKOWSKI:

H. Con. Res. 372. Concurrent resolution to correct the enrollment of H.R. 3398; considered and agreed to.

By Mr. EDWARDS of California:

H. Con. Res. 373. Concurrent resolution to correct a technical error in the enrollment of the bill H.R. 6257; considered and agreed to.

By Mr. FUQUA:

H. Con. Res. 374. Concurrent resolution to correct technical errors in the enrollment of the bill H.R. 3942; considered and agreed to.

By Mr. RODINO:

H. Res. 613. Resolution to provide for the concurrence in the Senate amendment to H.R. 6027 with an amendment; considered under the suspension of the rules and not agreed to.

MEMORIALS

Under clause 4 of rule XXII,

508. The SPEAKER presented a memorial of the Legislature of the State of California, relative to albacore fishing; jointly, to the Committees on Armed Services and Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 3024: Mr. PORTER and Mr. DANNEMEYER.

H.R. 3026: Mr. YOUNG of Alaska, Mr. JEFFORDS, and Mr. HUGHES.

H.R. 3300: Mr. SMITH of Iowa.

H.R. 3405: Mr. YOUNG of Alaska.

H.R. 4791: Mr. QUILLEN and Mr. CARPER.

H.R. 5032: Mr. PATTERSON.

H.R. 5423: Ms. OAKAR.

H.R. 5446: Mr. COLEMAN of Texas.

H.R. 5641: Mr. MCNULTY.

H.R. 5784: Mr. GREGG.

H.R. 5943: Mr. STUMP and Mr. RUDD.

H.R. 6021: Mr. RITTER.

H.R. 6043: Mrs. BOGGS and Mr. OBEY.

H.R. 6062: Mrs. KENNELLY.

H.R. 6074: Mr. SILJANDER.

H.R. 6096: Mr. WOLPE and Mr. VENTO.

H.R. 6203: Mrs. COLLINS, Mr. MARTINEZ, Mr. MOAKLEY, Mr. CROCKETT, Mr. DOWNEY of New York, Mr. WISE, Mr. KILDEE, Mr. DORGAN, Mr. BERMAN, Mr. FEIGHAN, Mr. DEWINE, Mr. TOWNS, Mr. ROE, Mr. SCHUMER, Mr. OWENS, Mr. YOUNG of Missouri, Mr. MITCHELL, Mrs. SCHNEIDER, Mr. RICHARDSON, Mr. BARNES, Mr. BEREUTER, Mr. RODINO, Mr. SIMON, Mr. SOLARZ, Mr. STARK, Mr. DURBIN, Mr. GEJDENSON, Mr. COYNE, Mr. LEVINE of California, Mr. LEVIN of Michigan, Mr. DASCHLE, Mr. SYNAR, Ms. KAPTUR, Mr. RANGEL, Mr. DELLUMS, Mr. WALGREN, Mr. OBERSTAR, Mr. FRANK, Mr. ACKERMAN, Mr. STOKES, Mr. SAVAGE, Mr. MOODY, Mr. HALL of Ohio, Mr. WAXMAN, Mr. JEFFORDS, Mr. BEDELL, Mr. TORRICELLI, and Mr. EDWARDS of California.

H.R. 6207: Mr. ADDABBO.

H.J. Res. 623: Mr. RINALDO and Mr. SYNAR.

H.J. Res. 627: Mr. ANNUNZIO.

H.J. Res. 630: Mr. MADIGAN and Mr. WOLF.

H. Con. Res. 306: Mr. DANNEMEYER.

H. Con. Res. 317: Mr. GREGG.

H. Con Res. 339: Mr. GINGRICH and Mr. BILIRAKIS.

H. Con. Res. 363: Mr. HUBBARD, Mr. LIVINGSTON, Mr. MCCLOSKEY, Mr. ARCHER, Mr. STENHOLM, Mr. STUMP, Mr. HALL of Ohio, Mr. HANSEN of Idaho, Mr. SKELTON, Mr. ECKART, Mr. YOUNG of Missouri, Mr. VOLKMER, and Mr. SKEEN.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 5745: Mr. CORRADA.

PETITIONS, ETC.

Under clause 1 of rule XXII,

416. The SPEAKER presented a petition of the Convention of the International Typographical Union, Colorado Springs, CO relative to clean air; which was referred to the Committee on Energy and Commerce.

EXTENSIONS OF REMARKS

THE STATE ROUTE TO HIGH TECHNOLOGY: NO EASY ROAD

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mrs. LLOYD. Mr. Speaker, the distinguished Governor of Arizona, the Honorable Bruce Babbitt, has authored a thoughtful article, "The States and the Reindustrialization of America," which appeared in the fall 1984 "Issues in Science and Technology." Governor Babbitt has served as the chairman of the Western Governors' Policy Office and the Nuclear Safety Oversight Committee. He is an author of several books and has written a most valuable article which outlines the problems and opportunities for the Federal Government and the States in the massive effort to achieve "the reindustrialization of America."

Governor Babbitt notes the critical need to nurture technology from the laboratory bench through the applied research stage on the way to product development by noting, "[t]he fruits of university research and development activity has little economic value unless they are systematically harvested in the marketplace."

While realizing the necessity for growing industry/university ties in research, he notes that it is not without problems: "[t]he emerging university-business ties raise subtle issues of academic freedom, proprietary restrictions on the dissemination of information, and patent and royalty rights."

He also comments on the rapidly achieved national consensus on upgrading the quality of our schools and our teachers: "[t]ougher academic standards and objective performance requirements, with greater emphasis on math and science, are now the rule across the Nation."

Governor Babbitt also recognizes the fact that the lure of high technology may be somewhat illusory and suggests an alternative: "[t]here should be more attention to using electronic technology to upgrade and revive traditional regional industries."

I hope that this article will catalyze more thoughtful debate on the question of this country's high technology future and help to dispel the prevailing misperception that the path of many States to such a future is easy or even necessarily desirable:

Two years ago ten American high technology companies, including Control Data, Honeywell, Lockheed, Motorola, Sperry, and NCR, stepped forward to meet the Japanese challenge for supremacy in supercomputer development by pooling resources to form a research consortium called Microelectronics and Computers Corporation (MCC). The consortium hired a former deputy head of the Central Intelligence Agency, Admiral Bobby Inman, to run MCC, and the admiral set out to find a permanent home for his new company.

Admiral Inman and his associates toured the country like an imperial court as mayors and governors extolled the virtues of their respective sites and offered up such tangible inducements as real estate, research facilities, and endowed professorships. When the bidding finally peaked with an unbeatable offer from Texas, Inman had secured a multimillion dollar package, including thirty million dollars in faculty endowments at the University of Texas in Austin, thirty-seven million dollars in equipment and operating expenses, twenty acres of land a nominal rent in the Balcomes Research Park, twenty million dollars worth of office space, subsidized home mortgages for MCC employees, a petty cash fund of a half-million dollars for country club initiation fees and other services, and a Lear jet with two pilots available at all times. Some sixty mayors and twenty-seven governors complained about the unfair advantage of Texas oil money and promised their constituents a better showing next time.

The great MCC bidding war marks a special chapter in American industrial history. State and local governments across the country have discovered scientific research and technological innovation as the prime force for economic growth and job creation. And local officials have also uncovered a broad base of public interest that can be translated into support for aggressive action programs. With the exception, perhaps, of the post-Sputnik era, such grassroots enthusiasm for science and technology had not been seen since the Gilded Age of the nineteenth century, when communities vied to finance the transcontinental railroads.

This renewed public interest in industrial innovation and technological progress is rooted, in some measure, in the sharp economic recession and increase in unemployment that began in 1980. It is a product of Japanese competition and of a growing awareness that helping new, small businesses creates more jobs than trying to lure giant smokestack industries. There is a realization that technology—the application of scientific knowledge—is the basis for economic expansion and diversification, the key to the formation of new business, and the competitive survival of old ones. This is very much a grassroots phenomenon, developing and taking shape through independent efforts in thousands of communities, hundreds of universities, and fifty state legislatures.

Across the country, governors have appointed public commissions to examine the role of state and local government in economic revitalization and to make recommendations for stimulating economic growth. In some states, the recommendations of these commissions amount to a state industrial policy, a comprehensive plan addressing all aspects of governmental performance including taxation, expenditures, regulatory policy, infrastructure development, and education. Other states have proceeded more cautiously, emphasizing such areas of traditional concern as public schools and better roads. Typically, however, state programs recognize that economic development is linked to technology and that technology in turn builds upon scientific research, public education, and the investment of capital.

Why should states be involved in all this? In part because they have unique capabilities that flow from a longstanding relationship with education. Elementary and secondary education is a state and local responsibility. State universities have long been the center of agricultural research, and in recent years they have expanded into medicine, computers, electronics, bioengineering, materials science, and other fields. State economic development planning, the involvement of states in budgeting university research, and the demand of the private sector for university excellence have made it possible to build close connections between university research and economic development and job creation.

Recent changes in the American economy have enhanced the role of state and local governments in formulating industrial policy. In past decades, technology had a centralizing impact. Only massive multinational corporations joined with big labor and big government to dominate our economic life. Washington and Wall Street made economic policy, and governors and state legislators contented themselves with placing ads in the Wall Street Journal offering tax breaks and discount real estate to any company willing to locate a branch facility.

The microelectronics revolution is now exerting an opposite, decentralizing force in the American economy. Big growth in the technology sector is coming from hundreds of new companies that did not even exist a few years ago. From Massachusetts to California, software companies in backyard garages are taking root and moving into the national market overnight. The near mythical story of Steven Jobs and Apple Computer inspires dissatisfied and restless corporate engineers to think about starting their own businesses.

The process of decentralization has also been accelerated by the liberation of industry from the constraints of geography. A circuit manufacturer or software company, with a high value added product and insignificant transportation costs, no longer needs a deep-water port or proximity to coal fields and steel mills. The new technology enterprise is free to locate anywhere its founders wish to go.

The technology-driven decentralization of the American economy and the dominant role of small business in job crreation were confirmed in 1979 by a landmark study undertaken by David Birch of the Massachusetts Institute of Technology. Based on a computerized analysis of six million businesses in the United States, Birch concluded that small businesses (those with fewer than twenty employees) generated two-thirds of all new jobs. Here were shared data reaffirming the diversity and decentralization of the American economy. The Birch study conveyed a strong message that state and local policies could be the crucial factor in the use of science and technology to create and sustain new companies and new jobs.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

31-059 O-87-26 (Pt. 22)

Nearly every state has increased its support for university-based research and development. In the West, state legislatures, lobbied by both businessmen and academics, have come to understand the crucial role that Stanford University played in providing the ideas, research, and scientific and engineering talent that produced Silicon Valley. In the East, Harvard and MIT did the same for the high-tech companies that flourished along Route 128.

A few years ago, in Arizona, a group of companies that included Motorola, Sperry, and Garrett banded together and offered matching grants to induce the state legislature to fund a fifty million dollar microelectronics and engineering center at Arizona State University. This year, the Arizona legislature, recognizing the potential of biotechnology and medical science, established a statewide commission, modeled after the National Science Foundation, to provide three million dollars a year in grants for medical research in the treatment of cancer and other diseases.

The pattern has been repeated in many other states. Texas has committed, over and above the MCC package, more than one hundred million dollars in added support for science and technology in the University of Texas system. North Carolina has budgeted forty million dollars for a multi-university microelectronic center. And Michigan plans to spend more than one hundred million dollars for major efforts in industrial technology, robotics, and molecular biology. In most cases, these programs have been linked with increased support from industry and private donors.

What is noteworthy is that behind this funding lies a new awareness that the fruits of university research and development activity have little economic value unless they are systematically harvested in the marketplace. Every student of Japanese industry knows that while basic research remains an American strength, the Japanese are much more successful at translating research into marketable products. Many state technology programs have recognized the traditional wall that separates the university from the business community as a barrier to innovation and business development; steps are being taken to eliminate the barriers and to build bridges of cooperation.

Research parks are proliferating across the country. Perhaps the best known are those at Stanford, Princeton, and Research Triangle Park in North Carolina. The University of Utah Research Park is noteworthy because of its successful initiation in a state without a strong tradition of high tech industry. The park was established in 1977 adjacent to the Salt Lake City campus. University participation was actively encouraged and produced an interesting mix of commercial ventures. Work in the electrical engineering department gave rise to a computer graphics company. The biology department pursued research that led to the formation of a public company that uses plant genetics to create new strains of native intermountain plants. And the park's much-publicized artificial heart research produced a medical products company that has expanded beyond the confines of the facility.

To be effective, a research park must have more than a prestigious location with the word "university" in its address. Success relies on a solid linkage between industry and university personnel working on shared research, a carefully thought-out university patent policy that encourages entrepreneurship, and a supportive university administration. The availability of venture capital and professional management skills is also important. Most universities have little notion of the potential commercial successes languishing in their research laboratories. To stimulate university interest, a few years ago Control Data Corporation devised a program called "Quest for Technology." For a negotiated fee, including royalty participation, Control Data arranged with several universities to conduct systematic analyses of all on-campus research to assess the prospects for commercialization.

These emerging university-business ties raise subtle issues of academic freedom, proprietary restrictions on the dissemination of information, patent and royalty rights, and other issues. But such problems are being resolved as they arise. The skeptics who warn against greater cooperation might recall the origins of one of America's greatest universities. Back in 1865, leaders of the emerging Boston industrial community tried to persuade Harvard to modify its rigidly classical curriculum and provide more applied science and engineering. Frustrated by an apathetic response, the civic leaders went down the Charles River and threw their support behind a more practical new institution called the Massachusetts Institute of Technology.

A step beyond the research park is the "incubator facility" in which government, the university, and industry join to provide a full spectrum of the management, technical, professional, and marketing services necessary to aid in the start-up of a new technology enterprise. Pennsylvania, with one of the most extensive programs based on the incubator concept, has established centers in partnership with universities, industry, and organized labor. Each "Ben Franklin Parternship Center" provides a one-stop cafeteria of services for the technology entrepreneur. An aspiring businessman can obtain assistance in preparing a business plan or feasibility study, as well as access to employee training and capital.

One such center in State College, Pennsylvania, uses a vacant school building, renovated and leased at three dollars per square foot. Another center uses an old building on the campus at Lehigh University together with shared space at an underutilized Bethlehem Steel research center. One start-up business consists of six laid-off photographers from Bethlehem Steel who have developed a process for linking photography with computer-aided design and computer-aided manufacturing techniques. Another new firm using incubator space and facilities developed a computer program for storage and retrieval of newspaper archives, a process requiring use of the mainframe computer on the Lehigh campus. In each case, the availability of support and business consulting services was essential to the venture's success.

These new programs to harness university resources to technology and business development have strong roots in American history. During the Civil War, Congress enacted the Morrill Act, creating land grant colleges with agricultural research stations. The agricultural experiment stations pioneered research in human nutrition. They developed the hybrid corn and wheat that revolutionized agricultural production. Research at experiment stations also aided in local economic development. Work at the University of California at Davis gave birth to the California wine industry. In the early 1900's, experimentation with varieties of Egyptian cotton led to the Pima cotton that became Arizona's major farm crop.

The Morrill Act also provided a unique American model for transferring university research to economic production. The county extension agent spread the benefits of research to farmers and their families through extension bulletins, demonstration programs, personal advice, and 4-H clubs. Today's research parks and incubator programs are attempting to do the same for modern technology.

The technology revolution has also revived public interest in education. A century ago, most Americans worked on farms. Productivity required a strong back and McGuffey's reader was sufficient education for most. Fifty years ago, most Americans worked in assembly lines and other industrial jobs that required basic literacy and some apprenticeship training. By the end of this century, however, vast numbers of Americans will be working in information and technology jobs requiring solid quantitative skills and a measure of computer literacy as a condition of employment.

The relationship between economic change and education can be dramatized by comparing a couple of help-wanted ads. The following ad was run in a San Francisco newspaper in 1860 by the organizers of the Pony Express: "WANTED: Young, skinny, wiry fellows, not over 18. Must be expert riders willing to risk death daily. Orphans preferred."

The following ad for engineers appeared in a recent edition of *The Los Angeles Times:* "Your background should include extensive experience with repetitivley-pulsed excimer lasers, with emphasis on pulsed power, fluid dynamics, and materials science aspects. An additional background in linear and nonlinear optics, electronics, and computer modeling would be helpful."

In 1960 most of those wiry young orphans couldn't read or write, which made little difference because literacy never has been a requirement for riding a horse. Many of today's new careers are far more sophisticated.

Paradoxically, as the information revolution accelerated the need for an educated work force, Americans drifted into an era of diluted educational standards, lower achievement levels, and technological pessimism. During those decades of decline, state attitudes toward education ranged from indifference to uncritical acceptance of programs put forth by teacher lobbies and other interest groups. Happily, this era of indifference is at an end, and the states are moving to reverse the seventeen-year decline in high school achievement scores. But many governors have advanced educational reform programs only to encounter opposition from teacher groups, taxpayer lobbies, and others. In many instances those governors have appealed directly to the public for support, usually with considerable success.

The most basic reform is to introduce strong curriculum standards. Before 1980 most states did not have minimum high school graduation requirements. It was not uncommon for high schools to graduate students with as little as one year of English and with no math or science instruction at all.

This trend is rapidly being reversed. Arizona, Illinois, California, and other states have all adopted minimum high school graduation standards that require two years of math and two years of science. Connecticut and Florida have mandated three years of mathematics and science. Most states

now require three or four years of high school English, and many are introducing computer literacy programs at both the elementary and high school levels.

Uniform student achievement testing, once controversial, has gained widespread acceptance. A majority of states now mandate some form of statewide achievement testing. A Florida provision requiring minimum test scores for high school graduation has been attacked as discriminatory and has been temporarily deferred. Nonetheless, the trend is undeniable: tougher academic standards and objective performance requirements, with greater emphasis on mathematics and science, are now the rule across the nation.

In recent years teacher shortages have become a serious problem, particularly in science and mathematics. Qualified math and science teachers can often double their salaries by simply crossing the street to work for a local technology company. All too often this means that a football coach with a course in college algebra winds up as the principal mathematics teacher.

Extensive efforts are underway in most states to improve teacher performance and to raise salaries. The movement to raise salaries has been especially strong in the South, which historically has lagged below national norms. In Arkansas, Governor Bill Clinton pushed through the legislature a state program of mandatory teacher testing that required all Arkansas teachers, old and new, to pass competency tests in reading, writing, mathematics, and other special subject areas. The proposal was sweetened by an increase in the state sales tax that raised an additional one hundred and fifty million dollars for teacher salaries.

In Tennessee, where teachers earned an average of seven thousand dollars a year, 30 percent below the national average, Governor Lamar Alexander has implemented a plan to raise salaries by an average of 20 percent, financed by a two-penny increase in the state sales tax.

The Alexander pay plan is tied to a comprehensive merit pay scheme. Teachers will be evaluated regularly by professional committees, and the most effective teachers will be eligible for merit promotions that carry additional responsibility and higher pay. The merit pay concept is a major departure from the American public school tradition of lock-step egalitarianism, where teacher salaries are based strictly on seniority and the number of academic degrees held. Superior teachers are paid exactly the same as average teachers, who are paid the same as mediocre teachers. The Tennessee plan was enacted over strong protests from teacher groups. Variants of the merit pay concept are now being implemented in California and several other states, and the idea is spreading despite strenuous opposition.

Efforts to reinvigorate public education have been matched by renewed attention to vocational education in both high schools and community colleges. Vocational education, which originally grew out of links with the county extension service, has all too often lagged behind the rapidly changing requirements of the marketplace. Many states now have programs underway to match training to the needs of the business community and to ensure that students are well grounded in basic literacy and computation skills.

The last wave of educational reform created in the late 1950s when the first Sputnik earth satellite sent a message that our science and technology was lagging. At that time, America responded from the top down by enacting the National Defense Education Act and by vastly increasing the budget of the National Science Foundation. There was immediate improvement, but the changes were not supported by sustained public interest and commitment. Perhaps the lack of sustained commitment was the byproduct of imposing broad reforms from the top down. There is reason to believe that the reforms of the 1980s will be more long lasting. They are being won at the local level with persistent leadership, intense debate, and widespread public involement. The reforms are coming more painfully and more slowly, but for precisely that reason they are likely to be more permanent.

The third area of state activity is the financing of new technology enterprises. Starting up a high technology business is the ultimate risky adventure. Developing a new product typically takes several years. The lemons ripen yearly, and the apples seem to develop more slowly. The reward can be very high but so is the risk of failure.

The typical venture will require several million dollars up front. The entrepreneur with a new idea and no track record of previous success will have a difficult time finding capital. The local bank is traditionally not a very good budget; all too often American bankers prefer real estate to research and would rather take their risks with Penn Square and loans to Argentina.

The banking industry, however, is beginning to change. Many banks are training loan officers to deal with the special problems of technology start-ups and are providing them with information and referral sources to guide risktakers to other sources of capital.

Some states have begun to consider public pension funds as a source of venture capital. A landmark study of California pension funds initiated by Governor Jerry Brown suggested that the multibillion dollar California pension funds, traditionally invested in Wall Street, could be used at home to stimulate technology growth. Based on this study, a number of proposals were advanced to utilize portions of various funds for investment in new high-tech enterprises in California. Many other states have followed suit, typically earmarking 2 to 5 percent of their funds for investment with venture capital companies. The cumulative national total of these changes will add many hundreds of millions of dollars of previously unavailable capital for innovative new enterprises.

The classic source of start-up finance is the private venture capital company. Venture magazine's list of the 100 largest venture capital firms reveals that one-third are located in New York and another third in California. This uneven distribution of capital and the clear link between risk capital and technology development have caused some states to use public funds to enter directly into the venture capital business.

Public venture financing originated in New England and the Great Lakes region in states that were heavily impacted by the economic stress of the last decade. A prototype is the Massachusetts Technology Development Corporation, established in 1979 by the Massachusetts legislature with an appropriation of two million dollars. So far, the Massashusetts fund has provided venture capital to more than fourteen new companies.

Another example is the Connecticut Product Development Corporation, which provides risk capital to existing companies for new products and procedures. While emphasizing technology, the corporation has also invested in such low-tech products as soupbase concentrate. The corporation receives its return from royalty payments, typically 5 percent of product sales. Since 1973 the corporation has invested eleven million dollars in products and received one million four hundred thousand dollars in royalties. Its biggest success has been a manufacturer of electronic key telephone systems with 1,000 employees and more than three hundred million dollars in annual sales.

The most comprehensive state initiative to date is a Rhode Island proposal called the "Greenhouse Compact." In 1982 the governor of Rhode Island appointed a Strategic Development Commission to formulate a plan for reviving the state's stagnating economy. The commission hired Ira Magaziner, a nationally known industrial policy advocate, to prepare a detailed analysis of the state's economy and to recommend action. In November 1983 the commission recommended improving the business climate by modifying taxation, expenditure, and regulatory polices. More significantly, the commission concluded that traditional laissez-faire polices were not enough. "Measures which improve the state's business climate will not by themselves be sufficient to turn around the state's economy." the commission reported. It then proposed to make Rhode Island a testbed of industrial policy ideas.

The resulting proposals resemble many of the policies being advanced at the national level for creation of a successor to the old Reconstruction Finance Corporation to invest public funds for expansion and modernization of industry. The Rhode Island plan called for one hundred and thirty million dollars in grants and loans to expand traditional industries, including fishing, boat building, jewelry manufacturing, and tourism. It also proposed to invest ninety million dollars in new technology industries through a forty million dollar venture capital fund and fifty million dollars to support research "Greenhouses." The Greenhouses were perceived as independent nonprofit institutions that would take technologies that were well advanced in basic research—such as those involved in new clinical drugs, robotics, and thin-film materials—and accelerate the process of commercial development.

Compared to other state efforts, the Rhode Island proposal is heavily weighted toward existing industries and somewhat thin on support for education and basic research. In June the Greenhouse Compact was submitted to the voters in a special referendum. After a heated campaign, it was rejected by a four-to-one margin. State leaders differ on the reasons for the overwhelming defeat. Some see it as a wholesale rejection of the concept of industrial policy. Others label it an antitax vote or even an expression of voter concern about charges of corruption in municipal government, summed up by the campaign slogan "Clean House, Then Greenhouse."

It is too soon to tell whether the Rhode Island episode represents the high tide of state activism. It is also still too early to evaluate many of the new experimental programs being carried out in other parts of the country. But it is certainly time to begin posing some questions.

For example, can the states carry the financial burden of reforming public education wihtout increased federal assistance? Can fifty states subsidize expensive basic research without duplication of effort and in-

efficiency? Can states, working with unions, industry, and the financial community, enhance the processes for translating basic knowledge into practical applications for the marketplace? To what extent should government attempt to pick technology winners and losers by allocating investment capital?

Even at this early point, it seems clear that public education will emerge a strong winner. Elementary and secondary education is a traditional state and local responsibility, and the renewal of public interest bodes well for science and technology, our economic competitiveness, and our national security. The push for higher standards and student performance is still gathering momentum. The campaign for adequate salaries and merit pay, however, is moving more slowly, trapped in a crossfire of opposition from taxpayer lobbies resisting additional public expenditures and teacher organizations opposed to merit pay.

State university systems are also a clear winner. But there are questions of emphasis and direction. The explosion of support for electronics has not been matched by support for research basics—mathematics and the physical sciences—and there has not been adequate consideration of the relationship between federal and state support for scientific research. At the federal level, the National Science Foundation has been a strong force for coordination and peer review, but there are few comparable institutions at the state level.

State initiatives to enter and manage the risk capital market are more ambiguous. States are powerfully attracted to the electronic glitter of Silicon Valley, but the ingredients of that success are not well understood. Not everyone believes there is a shortage of venture capital, and some argue that there is already too much money chasing too few deals.

Others question whether it is realistic to replicate Silicon Valley and advocate more attention to the relatinship between high-tech and low-tech, or the process of using electronic technology to upgrade and revive traditional regional industries.

Nonetheless, one overall trend seems clear. The flurry of governmental activism at the state and local levels amounts to an important rebalancing of the American system. Justice Brandeis once characterized the states as "laboratories of democracy," suggesting that the federal government should stay its heavy hand and learn from state experience before applying any one model to the entire country. The best new approaches to reinvigorate scientific research, to build new patterns of public and private cooperation, stimulate educational reform, and promote savings and capital investment are beginning to bloom somewhere out in the American heartland. It is still a little early to pick the fruit, but we can be confident that harvest time is not too far away.●

THE RETIREMENT EQUITY ACT

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Ms. FERRARO. Mr. Speaker, on August 9, the House gave final passage to the Retirement Equity Act and it was signed into law on August 23. I said at that time that this legislation, based on my Private Pension Reform bill and 4 years in the making, was just a first step in providing greater retirement equity and old age security for all American workers—men and women.

It was my intention to introduce in this Congress the VIP bill—a bill to substantially reform ERISA to reflect the workforce realities of today and the future. Because this 98th Congress is drawing to a close and because I will not be a Member of the 99th Congress, I have decided that rather than introduce this important legislation at the 11th hour, I would instead allow the discussion to begin by laying out in the CONGRESSIONAL RECORD the principles of the proposed VIP bill.

My distinguished colleague from Missouri, BILL CLAY, chairman of the Labor-Management Subcommittee of the Education and Labor Committee, who played such a key role in passage of the Retirement Equity Act, has assured me this legislation will be a priority of his in the 99th Congress.

On the Senate side, the Senator from Massachusetts, Mr. KENNEDY, has been working with me to develop the legislation and will actively pursue it in 1985.

We are calling this legislation the VIP bill because vesting, integration and portability are the three areas in which ERISA is in the greatest need of reform if it is to be fair to all workers and flexible enough to accommodate modern-day working patterns.

Here is what the bill will do:

VESTING

It reduces, from 10 years to 5 years, the number of years of service a pension plan participant must complete in order to earn a 100-percent nonforfeitable right to a retirement benefit.

It would permit multi-employer pension plans to retain 10-year vesting, on condition that there is complete reciprocity for workers who move from one regional pension plan to another within the same industry.

In a time when many industries, particularly the high tech industries, actually encourage workers to change employment every few years; when statistics show that the median number of years in one job is 2.5 years for women and 4 years for men; and when the high unemployment rate makes it difficult for many workers to accumulate 10 years of uninterrupted service under a pension plan, this reform will assure that far more workers receive benefits when they retire.

INTEGRATION

Integration is the practice of offsetting a pension plan participant's earned benefit by the amount of Social Security benefits the worker will receive on retirement. Some 45 percent of medium and large plans and almost all smaller pension plans use integration in calculating retirement benefits. The impact on the lowest-paid workers is very serious because integration can wipe out their entire pension, leaving them totally dependent on Social Security.

This legislation requires all integrated pension plans to provide a minimum benefit, above and beyond the Social Security benefit. For integrated defined benefit plans this minimum would be 1.5 percent of the employee's compensation over a 10-year period. For integrated defined contribution plans, the minimum would be 2.5 percent of compensation for all years of service.

PORTABILITY

Workers may vest in several pension plans during their work careers. With 5-year vesting, this will become even more common and the accrued benefit in each plan would be rather small.

This bill gives workers the opportunity to invest these small vested benefits in portable pension accounts in order to maximize their income upon retirement.

A worker who leaves employment having accrued a vested benefit of $7,000 or less would have the option of leaving it in his or her employer's pension plan, or withdrawing the money for deposit in his or her own Portable Pension Account.

The PPA would work like an individual retirement account with two major differences:

First, only the pension rollover could be deposited in this account. The worker would not be allowed to add $2,000 each year.

Second, any withdrawal from this account before age 59½ would be punishable with a 100-percent penalty excise tax. The purpose of this strict penalty is to assure that the money would be used as intended—for retirement income.

In addition, I expect the VIP legislation to call for a study of cost-of-living adjustments in private pension plans and a study of vesting rules as they relate to part-time workers. Both studies would be conducted by the Secretary of Labor.

Mr. Speaker, this year ERISA celebrated its 10th anniversary. This landmark legislation has significantly enhanced old age security for American workers. The Retirement Equity Act will further assure justice for women workers and the spouses of pension plan participants. It is my hope that VIP will complete our efforts to build an effective private pension system and that this legislation will be introduced and move swiftly in the 99th Congress.●

WELCOME TO OUR NEWLY NATURALIZED AMERICANS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. GILMAN. Mr. Speaker, it is with sincere pleasure that I congratulate the residents of New York's 22d Congressional District who have recently chosen to become citizens of the United States, with all of the privileges, freedoms, and responsibilities that American citizenship entails.

Our Hudson Valley region in New York State is proud of its newest citizens, and I invite my colleagues to join in welcoming the following newly naturalized Americans and extending to them our best wishes for a happy and prosperous life in their new homeland:

Mr. Antonio Abreu, Ms. Caterina Addino, Mr. J. Aghamkar, Mr. George Praca Alcoforado, Mr. Mir Wizarat Ali, Mr. Syed Mukhtar Ali, Mr. Soterios Andrikos, Ms. Carole Armand, Mr. Marc Armand, Ms. Carminia Erana Avecilla, Ms. Nursel Aydin, Mrs. Linda Yung Bae, Mr. Shimon Baum, Ms. Roselene Peggy Beauchard, Mr. Mordcai Blau, Ms. Paulette Lurine Bogle, Mr. Octave Borgelin, Ms. Ginette Bossicot, Mr. Lorenzo Boswell, Mr. Seamus Anthony Brady, Mr. Sergio Alcadio Castillo, Ms. Norma Bahia Cepeda, Mrs. Maria Cerzon, Mr. Edmar Elias Chahine, Ms. Hilda Chatelain, Mr. Jean Claude Chatelain, Mrs. Gloria Ray-Poo Chen, Ms. Susanne Clark, Ms. Chong Sin Chae Cleveland, Mr. Vicente Jovanni Cueva, Mrs. N. Cunha-Leite, Mr. Rodrigo Abadilla Custodio, Mr. Frantz Hercule Daniel, Mr. Eneliot Demosthene, Ms. Doris Carmela Diaz, Mrs., Gulden Dogan, Ms. Lydia Valenzuela Domingo, Mr. Evens Edouard, Mrs. Ching Mon Lau Eng, Mr. Peter Kowk Gong Eng, Mr. Sun Kwong Eng, Ms. Annemasse Carmand Etienne, Ms. Marie Yolande Etienne, Mr. Roger Etienne, Mrs. Nunziata Fanelli, Ms. Marie Assephie Felix, Ms. Marta Helena Fernandes, Ms. Devora Feuerstein, Mrs. Margaret Ellen Field, Mr. Clarence Delvin Fields, Ms. Anna Fiorisi.

Mrs. Evelyn Fischer, Mr. Antonio Forgione, Mr. Syslin Hyacinth Francis, Ms. Edna Lauchengco Francisco, Mr. Leo Chor-Yin Fung, Ms. Rachel Wai-Yin Fung, Mrs. Ana Maria Galarza, Mr. Dinesh Chunilal Ganatra, Ms. Ovenia Gaspard, Mr. Rodney Gelin, Mrs. C. Giacombe, Mrs. Yudith Gluck, Mrs. Miriam Gruber, Mr. Saul Jesus Henriquez, Mr. Edwin Rufus Herman, Mr. Ruben Everist Hernandez, Mr. George Julio Hidalgo, Mr. Jean Benice Hippolyte, Mrs. Diva Hurtado, Ms. Marie Modeste Innocent, Mrs. Durupadi Jagtiani, Mr. Samuel Haiti Jean, Ms. S. Jean-Baptiste, Mr. Romain Jean-Charles, Mr. Akasalayil Chummar John, Mr. Israel Francois Joseph, Mr. Eduardo Delano Josephs, Mrs. Maria Karasaridis, Mr. Nubar Karincaian, Mrs. Nubar Karincaian, Mr. Yohannes Kaypaghain, Mr. Daniel Kaypaghian, Mrs. F. Kaypaghian, Mr. Simon Kaypaghian, Mrs. Mina Kim, Ms. Yong Ok Kim, Mr. Amador Canda Laput, Ms. Aurora Pineda Laxamana, Ms. Hai-Ping Lee, Mrs. Kyung Ai Lee, Ms. Ock Kyung Lee, Ms. Lina Leibov, Mr. Mikhail Leibov, Mr. Robert Levi, Ms. Devorah Baila Levovitz, Mrs. K. Limniatis, Ms. Seema Shahid Lodhi, Ms. Mariouse Lubin.

Mr. Shui-Wai Louis Lung, Mr. Gerald Michel Lys, Ms. Mirka Madhere, Mrs. Farkhanda Malik, Mr. Martin Mandlsperger, Ms. Zehavit Avy Margalit, Mr. Derrick John Martin, Mr. L. Martinez, Mr. Luis Rafael Martinez, Mr. Saturnin Maurice, Mr. Luke Harrison Mauro, Ms. Anne Cecilia Maria Miller, Mr. Geoffrey Sloan Miller, Mrs. C. Millingen, Miss Musarrat Perveen Moghal, Mr. Jean Raymond Montilus, Ms. Sarah Neuman, Mr. Jose Manuel Noceda, Ms. Christa O'Leary, Ms. Virginia Mismonte Ocampo, Mrs. Laura Teresie Olsen, Mrs. M. Palaran, Mrs. Mayuri Parikshit Pandya, Ms. Panna Anil Parikh, Mrs. Ai Young Park, Mr. I. Parvulescu, Ms. Voica Parvulescu, Mr. Raymond John Pawlyk, Ms. Marta Paz, Ms. Bernardita Peckham, Mrs. Agnes Pertis, Mr. Peter Pertis, Ms. Francisca Maranan Pineda, Mr. Pascual Antonio Polanco, Mr. Dominador Suriba Ponsades, Mr. R. Poole-DiSalvo, Mrs. Nicolina Pupo, Ms. N. Purohit, Ms. Anna Quacquarelli, Ms. Haidee Pidor Quijano, Mr. Z. Quijano, Mrs. Gloria Ramos, Ms. Bandaru Rajani Reddy, Mr. Germain Gadner Remy, Mr. Camilo Roa, Mr. Efraim Roa, Jr., Mr. George Rogachevsky, Ms. Irina Rogachevsky, Mrs. Gloria Cecilia Romano, Mr. Ricardo Daniel Romano, Mr. Nambi Salgunan.

Mr. Raoul Salvant, Mrs. Judith Sandel, Ms. Eugenia Francisco Santos, Ms. Eufemia Hernandez Santos, Mr. Ludwig Schlesinger, Mrs. Ludwig Schlesinger, Mrs. Ingrid Waltraut Schulz, Ms. Catalina Schutak, Mrs. Ansuya Shah, Ms. Deval Anill Shah, Ms. Kamala Shankar, Ms. Chandrakala Sharma, Mr. Devendra Mohan Sharma, Mr. Aron Shtirmer, Mr. Gennady Shtirmer, Mrs. Yevgenia Shtirmer, Ms. Dhaminy Singh, Mr. Ram Singh, Mr. Rudy Balanga Somera, Mr. Antonios Souris, Mrs. Antonios Souris, Miss Ourania Souris, Ms. Athena Uranise St. Clair, Mrs. Rivka Leah Stein, Ms. Ruth I. Hsu Su, Ms. P. Sullivan, Mr. Mark Sun, Mr. Renardz Sylvain, Ms. Patty Kwan Hoo Tang, Ms. Guillermina Tello, Mr. David Moni Thomas, Ms. Jennifer Ter-Ry Ting, Mr. Jack Tao Ting, Mr. Giovanni Tulino, Mr. Tsuyoshi M. Tung, Ms. Maria Elsa Velez, Ms. Marie Angelle Venant, Ms. Elvira Calinescu Vladescu, Ms. Anita Vunnam, Mr. Ernest Newton Walker, Mrs. Breindel Weinstock, Mr. Tai-Sheng Wong, Mrs. Yu-Fun Shih Wu, Ms. Ursual Claudina Wynn, Mr. Claudio Silva Xerem, Ms. Christine Choon Ja Yoon, Mr. Amado Ronquillo Zapanta, Ms. Galina Zhuravlev, Mr. Olavo da Cunha-Leite.●

AN AMERICAN SUCCESS STORY: FRANK O'CONNOR

HON. JAMES McCLURE CLARKE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. CLARKE. Mr. Speaker, one of the pleasures I have had during my first term in Congress is to meet the many men and women who contribute so much of themselves to making our Nation's Capital such a special place. One friend I have made during the last 2 years has been a young man who works as an engineer for the Architect of the Capitol.

Kevin O'Connor has enthusiastically escorted countless numbers of my constituents from western North Carolina up hundreds of steps to the top of the Capitol Dome. Along the way he has provided each one of them a brief and informative history lesson regarding this most magnificent building. The trip has impressed some of my constituents so much that they have later written to say that it was the highlight of their trip to Washington.

Having come to know Kevin so well during these last 2 years I was pleased to read a recent article on his father, Frank O'Connor, which appeared in the July 13, 1984, Dunfermline Press, a newspaper published in Scotland.

Mr. Speaker, if ever there was a Horatio Alger story of a man going from a humble background to a rewarding and successful career, Mr. O'Connor's life certainly typifies it. Born in Scotland he came to the United States as a young boy who grew up fatherless but with an uncommon spirit worked hard and rose to become a distinguished business and community leader, serving with the Shell Oil Co. for some 40 years.

At an age when most men retire Mr. O'Connor embarked on a new career serving as the vice president of TK Valve, Ltd., owned by Mr. Henry Zarow of Tulsa, OK. Calling it one of the most fulfilling jobs of his life, Mr. O'Connor took on his new responsibilities with all the enthusiasm and vigor he displayed when he joined Shell some four decades ago. Together with Mr. Zarow they are working hard to bring new industry to Scotland which will provide employment and economic hope for the people of that land.

Earlier this summer at the request of Mr. Zarow, Frank O'Connor once again returned to Scotland to explore plans for further expansion of his company. It was a family affair which he shared with his lovely wife, Marcel, and daughters, Deirdre and Maura. In addition to Kevin, the O'Connor's have three other sons. During the course of their visit the story which I referred to earlier appeared on the front page of the Press.

Mr. Speaker, I would like to share this true success story of Mr. Frank O'Connor, a man who exemplifies the best of the "American Dream" and who never forgot where he came from, with all of my colleagues. I know they will enjoy it as much as I have.

The story follows:

HOMING IN ON FURTHER EXPANSION

Although he only spent the first 12 years of his life in the area, Frank O'Connor has never forgotten his native West Fife.

And Mr. O'Connor, who left for the United States with his family in 1926, has played a major role in the expansion plans of a firm which has become a major employer in West Fife.

In the 1930's he began working with the Shell Oil Company in the States and, after

40 years with them, he became Vice President of TK Valve Ltd., the industrial valve manufacturing concern, which opened a factory in Dunfermline in 1975.

Mr. O'Connor was a regular visitor to the Lyneburn Industrial Estate plant and, when TK Valve decided to expand and were looking for a part of the world in which to develop, the Lochgelly native was to the fore in promoting West Fife as the site for a new operation, as was managing director in Dunfermline, Mr. Tim Tompkins.

The TK Valve board in the United States agreed, and the massive new plant at Pitreavie Industrial Estate is the result.

This week, with Mr. O'Connor paying a visit to West Fife, TK Valve indicated that they have plans for further expansion at their Pitreavie site.

Commented Mr. Tompkins: "Mr. O'Connor played a major role in bringing the new plant to West Fife. There were many meetings and a major feasibility study was carried out, before a decision on the Dunfermline site was taken in preference to locations in Singapore and Australia.

"Mr. O'Connor fought from Dunfermline's corner and the new plant is here. Now matters have gone a stage further, and again Mr. O'Connor has been closely involved.

"There are still one or two rough edges to be smoothed over, but we intend to announce further plans for expansion at the Pitreavie site in the very near future."

Mr. O'Connor is delighted to see TK Valve continue development in the Dunfermline area for which he has always had the highest regard.

Mr. O'Connor was in West Fife on Wednesday with his wife, Marcel, and daughters, Deirdre and Maura. The couple also have four sons. This was Marcel's fourth visit to Scotland but the first for the girls.

Now 69-years-old, Mr. O'Connor was born in Lochgelly, one of four sons in a mining family, who left in 1926 for the United States where father, Frank, continued life as a mineworker.

Shortly after they had settled in their Pennsylvania home Mr. O'Connor senior was killed in an explosion.

Son Frank was to become involved in another sector of the energy industry.

He began undertaking office work with Shell in New Jersey in 1937. He worked his way up the ladder and became involved in selling products to the United States Defense Department, as well as becoming an adviser on Government legislation as it affected the company.

By the time he retired from Shell in 1977, he had become head of their operations in Washington.

In 1978 he joined TK Valve and became Vice President.

During his stay in Dunfermline on Wednesday, Mr. O'Connor and his family visited the City Chambers, where he met Councillor David Campbell, Lochgelly, Chairman of the District Council Policy and Resources Committee.

The O'Connor's also visited the Cowdenbeath and Lochgelly area.●

KISSINGER RETHINKS VIEW ON STRATEGIC DEFENSE POLICY

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mrs. LLOYD. Mr. Speaker, former Secretary of State Henry Kissinger wrote an article entitled "Should We Try To Defend Against Russia's Missiles?" which appeared in the September 23, 1984 Outlook section of the Washington Post. Mr. Kissinger is a distinguished diplomat who, besides serving as Secretary of State, has served several other administrations in a key advisory capacity and, thus, his perspective on the strategic defense initiative [SDI] is a valuable one. The article indicates that although Mr. Kissinger was initially less than enthusiastic about President Reagan's Star Wars speech, he now believes that the "arms control theory is now at a dead end" and that "[a] breakthrough requires reductions of the number of warheads on a scale inconceivable so long as the strategic balance depends entirely on offensive weapons." He goes on to discuss the possibility of reducing the level of strategic warheads to a few hundred on both sides and outlines the questions which must be answered to set the stage for such reductions. I recommend the article to my colleagues as a valuable contribution to the debate on strategic nuclear policy which, as Mr. Kissinger notes, has unfortunately characterized "by sloganeering."

The article follows:

We may be witnessing the preliminaries of a Soviet peace offensive. First, we are presented with the clumsily handled resurrection of Andrei Sakharov and his wife to calm Western opinion. Then an American television network is given a relatively free hand to report on the Soviet scene. Next Konstantin Chernenko releases an interview in Pravda which softens some of the harsher Soviet rhetoric. This is followed by the announcement that Andrei Gromyko would meet with President Reagan.

Whether all of these events are connected does not emerge clearly from the crablike manner by which Soviet diplomacy advances. A steady stream of attacks on the United States continues. But at a minimum, the Soviets seem intent on showing a milder face to the world. A full-scale peace campaign may await the outcome of our elections. But there can be little doubt that its centerpiece, whenever it comes, will be the demilitarization of outer space.

It is also safe to predict that the Soviets will follow their almost unvarying tactic of seeking to achieve their principal objective by insisting on their agenda. Thus Chernenko in characteristically elliptical fashion has put forward these propositions:

That negotiations about defensive space weapons must precede talks dealing with offensive weapons.

That the United States must commit itself at the outset to demilitarization of space.

That the United States must agree to a moratorium on testing weapons in space.

It is not too early to begin thinking about two basic issues. The first is whether the administration should continue to insist that talks on offensive and defensive weapons be conducted simultaneously. Second will be the question of what the U.S. position should be, including whether the United States can afford to commit itself to the demilitarization of space at the outset of negotiations.

As to the issue of linkage, a little history may be instructive. In 1967 President Johnson proposed to Prime Minister Alexei Kosygin that anti-ballistic missile (ABM) defenses be banned; Kosygin flatly rejected it. President Nixon finally submitted a plan for an American ABM to Congress in 1969. After Congress went along with the president, the Soviets opened the very negotiations they had rejected two years earlier. Now they would talk about no other subject, least of all offensive weapons. As late as three weeks before the final breakthrough, the Soviets put forward what is now the Chernenko ploy: they offered the "concession" of talking about offensive weapons but only after negotiations about defensive weapons had been completed. Finally in May 1971, the Soviets grudgingly agreed to link the two. Today the outcome is likely to be the same if the administration holds its ground.

The Soviets have been vociferous about banning defensive weapons in outer space, where U.S. technology is superior. They have been ambivalent or silent about land-based defensive weapons, in which they have conducted vigorous research and appear to be constructing radars that violate the spirit and almost surely the letter of the ABM treaty.

A few facts may help the reader: a treaty now limits both sides to one land-based ABM site. The United States has unilaterally dismantled its. The Soviets have maintained theirs and spurred research on traditional technology. The United States is doing research aimed at a new system which would destroy incoming warheads in space but would also require some defensive stations on the ground that catch the missiles that get through. To deploy such a system would require a renegotiation or abrogation of the ABM treaty.

I have not yet made up my own mind on what position the United States should ultimately take on that issue. I was less than enthusiastic about President Reagan's "Star Wars" speech when I first read it. As one of the architects of the existing ABM treaty, I instinctively resisted the proposition that it be modified. Too, a foolproof defense of civilian population—that seemed implied by that speech—is a mirage; even a 90 percent effective defense would still let enough weapons through to destroy an unacceptable proportion of our population.

As I reflected, that argument more and more struck me as superficial.

The nuclear age forces the statesman to navigate between the callousness which reduces mass slaughter to a mathematical equation of technicians and the nihilism which abdicates to totalitarianism in the name of survival. Since the ABM treaty was signed, it has become clear that to rely on a strategy of mutual annihilation based on unopposed offensive weapons raises profound and political issues. Has a president the right to expose our people forever to the vagaries of an increasing number of volatile decision-makers? Such a course involves the near certainty of a growth in pacifism or the risk of a holocaust as a

result of miscalculation or the gradual escalation of peripheral crises.

Even granting—as I do—that a perfect defense of our population is almost certainly unattainable, the existence of some defense means that the attacker must plan on saturating it. This massively complicates the attacker's calculations. Anything that magnifies doubt inspires hesitation and adds to deterrence.

The case grows stronger if one considers the defense of Intercontinental Ballistic Missile (ICBM) launchers. A defense of the civilian population would have to be nearly 100 percent effective, while a defense that protected even 50 percent of land-based missiles and air bases would add hugely to deterrence. The incentive for a first strike would be sharply, perhaps decisively, reduced if an aggressor knew that half of the opponent's ICBMs would survive any foreseeable attack.

Then there is the problem of third nuclear countries. Calculations and restraints that are highly plausible to advanced industrial societies are not necessarily equally persuasive to leaders of the Qaddafi variety. Although a foolproof civilian defense against a superpower is difficult to conceive of, substantially complete defense against third nuclear countries could be possible well into the next century.

Perhaps the most compelling argument is the possible beneficial effect of some missile defense on arms control. Arms control theory is now at a dead end; the stalemate in negotiations reflects an impasse in thought. The reductions proposed by the Reagan administration would add little to stability; the freeze which is its alternative would perpetuate what needs correction.

A breakthrough requires reductions of the numbers of warheads on a scale inconceivable so long as the strategic balance depends entirely on offensive weapons.

Under present conditions the reductions that can be verified are relatively small. They are either dangerous because they simplify an attacker's calculations, or they are irrelevant because they leave large residual numbers of warheads.

If, however, the strategic warheads of both sides were reduced to a few hundred—a number astronomically below any so far envisaged—the side capable of hiding even a thousand warheads might be able to disarm its opponent by a surprise attack or blackmail him into submission when the clandestine weapons are revealed. But with a properly designed defense, much larger numbers would be needed for a strategically decisive evasion, and those numbers could be detected.

I consider these arguments compelling with respect to three propositions:

We should not commit ourselves at this point to the demilitarization of space.

We should proceed actively with research and development and forgo moratoria.

We should be prepared to negotiate over arms control of all defensive weapons.

Before committing ourselves to actual deployment, an answer to the following questions is needed:

Is it possible to design a ballistic missile defense that is primarily useful for the defense of a retaliatory forces or against maverick third nuclear countries?

If such a limited defense were to become part of an arms control agreement, how would the limitation be expressed and verified?

Could we avoid loopholes for further expansion to a full-scale defense?

Would such a defense be destabilizing by tempting a first strike and relying on the defense to absorb the counterblow? (In theory this should not be, if both sides have relatively limited defenses.)

What in such a context would be the appropriate low level of offensive forces to bring about the breakthrough toward real arms control which has eluded us for a decade?

Or would strategic defense at any level destroy all hopes for an equilibrium?

The real debate will be joined after the American election. Theoretically both superpowers should have an interest to prevent war by miscalculation and irresponsible third nuclear powers from blackmailing them with nuclear weapons. Neither side can gain from seeking unilateral advantage.

Thus a renewal of negotiations will be a test less of ingenuity than of political maturity. There seems general concern with the precariousness, both physical and psychological, of a balance based on large unopposed offensive systems. This article argues that some limited defense—yet to be analyzed—coupled with a revolutionary approach to reduction of offensive forces by agreement may advance us toward the elusive goal of stability. It remains to be seen whether domestically we can overcome debate by sloganeering and internationally whether the superpowers can move the quest for peace from polemics to a joint enterprise.●

TRIBUTE TO REPRESENTATIVE JACK EDWARDS

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 1984

● Mr. QUILLEN. Mr. Speaker, I would like to take this opportunity to pay tribute to my good friend and colleague, JACK EDWARDS. He will be sincerely missed in the House of Representatives, and I want to congratulate him on the outstanding job he has done during his 20 years in the House.

The tremendous work he has accomplished in serving his constituents and our Nation is a shining example for others to follow, and his efforts will be long remembered. His record shows great dedication and ability, and it has been a privilege for me to serve with him in this legislative body.

JACK is known as a man who can get things done, not only in the First District of Alabama, but throughout this great country. In his position on the Committee on Appropriations, he has come to be respected as an authority on defense appropriations. He was among the first to express and address the problem of combat readiness, and among the most dedicated of those who favored fair value for every dollar spent in the Nation's defense budget.

My distinguished friend and I share many similarities: We are both Republicans, we are both Members of the House Republican leadership, and we are both from Southern States. Having worked so closely with JACK on our side of the aisle, I have a genuine admiration for him as a friend and as a fellow legislator. He has ably represented the Republican Party, faithfully represented his constitutents and their Southern heritage, and wisely advised Americans on matters of defense.

I have had the pleasure to know a number of fine Representatives while serving in the U.S. Congress, but none more diligent, more scholarly, or more gentlemanly than JACK EDWARDS. My best to you, JACK, and I know you will continue your high level of service as you move on to new challenges.●

TRIBUTE TO ALABAMA CONGRESSMAN JACK EDWARDS

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 1984

● Mr. SHELBY. Mr. Speaker, it is my privilege to join my colleagues today in tribute to the distinguished Congressman from Alabama's First Congressional District, the Honorable JACK EDWARDS, on the occasion of his retirement from the U.S. Congress.

JACK's departure will be a significant loss for the House of Representatives. He is a man of many achievements, abilities, and interests. More important, he has been a man of selfless service to the people of Alabama and the Nation during his 20-year tenure in Congress.

He combines all of the qualities that a good legislator should have, such as honesty, respect, dedication, skill, background, knowledge, and a willingness to apply himself to the task at hand.

In these troubled times, the House of Representatives has had to deal with many issues of grave concern to our country. These have involved national defense, fiscal soundness, adherence to constitutional principles and to our system of private enterprise. JACK EDWARDS could always be counted upon to be on the side of his country on these important and crucial issues. His work has made a great contribution to all legislation, but particularly legislation dealing with our national defense.

JACK has served on the House Appropriations Committee for 16 years, where he has been the third ranking Republican. On the defense subcommittee, he has been the senior Republican since 1975; and he has served on the Transportation Subcommittee for 14 years.

Within various appropriations bills through the years, JACK has been instrumental in funding the Theodore Channel, a valuable asset to the Port of Mobile; the Tennessee-Tombigbee,

Alabama-Coosa, and Warrior-Tombigbee Waterway projects; and a new Federal office building in downtown Mobile—just to mention a few of his efforts locally and throughout the State.

Through his efforts on his defense subcommittee, JACK backed foreign policies and military programs designed to promote the U.S. international interests and enhance the Nation's security.

I want JACK to know and to always remember that I have enjoyed our association and labors together. Our relations have always been most amiable and pleasant. It has been a privilege to work with him as we tried to serve our country and our Alabama constituency. My very best wishes are certainly extended to JACK and his lovely wife, Jolane, for their continued happiness when they return to private life.●

A HERO FOR OUR TIME

HON. JACK KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. KEMP. Mr. Speaker, Jack Javits is a giant among men. His contributions to this Nation during his 24 years as Senator from New York are without parallel. He left a legislative legacy on issues ranging from pension security and education for the handicapped to foreign affairs and support for peace that will continue to shape the debate on these issues for generations to come, as well as provide untold benefits to millions of Americans and millions of New Yorkers.

But Jack Javits has given us much more than the fruits of his legislative genius. He is courageously living with an illness that would leave a lesser individual without hope, and in doing so has provided us all with a lesson in life. Jack Javits said:

. . . my own philosophy is that you don't belong only to yourself. You have an obligation to the society which protected you when you were brought into the world, which taught you, which supported you and nurtured you. You have an obligation to repay it.

Mr. Speaker, Jack Javits has repaid this debt a thousand times over. I commend the following article to my colleagues' attention and thank him for his friendship, his counsel and most of all his tremendous example to all of us:

[From the Washington Post, Sept. 14, 1984]

THE PUBLIC TWILIGHT OF JACOB JAVITS

LIVING WITH INFIRMITY BUT NEVER LETTING UP

(By David Remnick)

STONY BROOK, NY.—Jacob Koppel Javits sits in a wheelchair behind his old Senate desk, 80-year-old public man.

A form of Lou Gehrig's disease has left his body a husk. He cannot lift a hand to sign his name or greet a visitor. A stiff collar keeps his head from slumping onto his chest. A portable respirator pumps life through a hole in his throat and into his lungs. A nurse feeds him clear soup through a straw, a solicitious aide sets a piece of correspondence before him for his inspection and approval.

The afternoon light in the Javits Room of the library is a bit weary and wan and so is the senator. Javits was a fiery orator in his 24 years in the senate, one born to the soapboxes of political New York and, in his prime, a match for the likes of Hubert Humphrey. The accent is still that familiar blend of Lower East Side edge and Senate elan, but the phrases last just a short breath. After each bundle of words, Javits waits for the respirator to fill him with the strength to speak:

"I was an active man, strong and in close touch with the world. Illness, you never think of those things. You just go on for years, working, taking life for granted. My illness is considered terminal. I had to think about what to do, what it means. And I decided I had to keep on as long as I could."

Javits still has the same clear and restless mind that distinguished his years in the Senate. Lou Gehrig's disease, or amyotrophic lateral sclerosis, is a devastating condition. Because of his illness, it takes Javits nearly three hours to prepare for the day, but what he does with the remaining hours is extraordinary.

He has given commencement addresses and testifed before congressional committees. He is in regular contact with his colleagues and may soon write a book about his illness. This week Javits has been in Washington to help celebrate the 10th anniversary of one of his many achievements in the Senate, the Employes Retirement Income Security Act.

This late-summer day a week ago on Long Island is also typically vigorous. Already Javits has reviewed portions of his papers, which he is collecting for the library of the State University of New York at Stony Brook, given a 90-minute speech on foreign policy before an audience of 250 students, held a news conference and appeared at a reception.

"I had to take a boxing course when I was a student and the instructor told me to put up my hands. The next thing I knew I was on my behind. He told me, 'There, that's the first lesson. Hit them from where you are.' And that's what I'm doing. I'm sick. Maybe I won't live much longer, but I'm hitting 'em from where I am. I'm not giving up a thing."

"Absolutely."

Jacob Javits knows the question is coming, and when he answers, his voice lifts and blue eyes sparkle. He is absolutely sure, he says, that he could be an effective senator now if he had the chance. Although both he and the public knew he was sick, Javits ran for a fifth term in 1980. After losing the Republican nomination to his right-wing challenger, Alfonse D'Amato, Javits campaigned under the Liberal Party banner. D'Amato did not hesitate to mention Javits' age and illness, and the supporters of Democrat Elizabeth Holtzman wanted him to bolt the race and leave the liberal constituencies undivided.

Javits had once been an avid tennis player, but now he could offer only mental vigor to his job. "The people of New York will have to decide if they want a tennis player or a brain," he said at the time. The electorate was unconvinced, and the formula of one conservative and two liberals cast the election in D'Amato's favor. Holtzman finished a close second, Javits a distant third.

Now, there seem to be 1,001 subjects he would rather discuss than Alfonse D'Amato.

"I haven't examined his Senate career with any particularity." Javits says. "He is a conservative. He's followed what he told the voters he would do. I have no comment on it. He hasn't done anything that particularly excites me. If he runs again, and I'm still alive, I'll see what I'll do."

But if he had won, could Javits have served?

"Absolutely," he says, "I told the people I would and, considering the schedule I've kept up, I've certainly shown it to be the case.

"I would have been chairman of the Committee on Foreign Relations. I had unbelievable seniority for a New Yorker. I had a great opportunity to be of influence with senators of my own party and with the Democrats. And justly so. I never let them down. When I told them I'd do something, I did it.

"I served a very useful role in the Senate and I felt it was my duty to the people of New York, who had brought me to such a high position, not to fire myself. There was no reason for it. But the campaign against me, the exploitation of my age and health combined with the appeal of the right wing of the Republican Party was obviously more than I could handle."

His wife, Marion, puts in this way: "For all his [health problems], my husband certainly would have done a better job than the man that replaced him. I know you'll think I'm biased, but I believe the world is starving for men like [Javits]. He would have functioned almost as well during his illness as he did before . . . I spoke to Senator McGovern recently, and told him, 'George, he's still working like he's in the Senate. The only difference is, he can't vote.' "

Throughout his Senate career Javits and his wife lived quite distinct lives. His devotion to the Senate was primary and consuming. As a liberal Republican, Javits was deeply involved in creating the Legal Services Corp., the War Powers Act, the Comprehensive Employment and Training Act and educational funding for both the gifted and mentally handicapped. He was a key supporter of Israel, the arts and the bailout of New York during the city's financial crisis in the mid-'70s.

Marion Javits found Washington life intolerable and rarely spent time in the capital. Though friends say their marriage has been complicated and even tempestuous at times, Richard Clurman, a writer and one of Javits' closest friends, says, "Marion is doing her loving, martial duty as well as anyone could now."

"My husband has never really had a personal life. And I was the one that always got blamed for it," Marion Javits says. "But his public spiritedness is total for him. It's just like other people regard their families or vacations. He wants us to be there for him, but it was never first for him. He chose that public life and that has always prevailed. The personal doesn't rank with the public. It never has. There's no use complaining now, but it's not easy to live with when you're another kind of person."

Jacob Javits nearly died two years ago. He was brought from Florida to Bethesda, where he was treated for severe respiratory problems.

"When he was in Bethesda, he was hooked up to all sorts of machines and res-

pirators," says a friend who asks not to be identified. "He was out of it. We thought it was the end. There was even discussion of pulling the plug. And Marion started to laugh and cry at the same time. I remember she said, 'What a time to fall in love with him.'"

Those who come now to Stony Brook or Manhattan to meet Javits typically expect to find a man whose mind is as wasted as his body. They are prepared to honor him and patronize him, to pay homage to him before he dies. Javits will not allow it. He immediately commands his listener's attention and respect.

"It's the most valiant dying I've ever seen," says Clurman. "I remember he made me feel foolish once. I'd made plans to visit him but I had to call and say that my back was bothering me and I couldn't make it. He said, 'No problem, I'll come to you.' And he did. He's acquired a scope and grandeur. He's put his accomplishments into a very human frame of intelligence and courage."

"He is as sharp as he's ever been," says John Trubin, Javits' law partner and closest confidant. "He's always been a driven person and he's still got that fire in him. His thing is living."

Javits has always been relentlessly public and he has found a new cause in his infirmity. "Jack looks at his own illness from a distance," says Clurman. "It's as if it were somebody else and he had to think about it on a political scale."

Several months ago, Javits was a patient at New York Hospital. At the hospital's weekly medical conference, the patient lectured 150 doctors, Javits said the most important thing in his life is to "keep my brain in order and functioning . . . This is the essence of life.

"If there is anything I can leave with you in terms of the treatment of patients with a terminal illness, it is this: We are all terminal—we all die sometime—so why should a terminal illness be different from terminal life? There is no difference."

Javits' impulse to think in terms of legislation has waned very little since leaving the Senate, and he urged the doctors to help develop a test "to enable us to determine socially who should live and who should die." He spent much of the summer thinking about that "test" and how its principal barometer should be the individual's mind. If that is gone, says Javits, then there is a question whether that life should be sustained.

"The more I thought about such a test, the more I believe it has worth for serious consideration," he says. "You must remember, my own philosphy is that you don't belong to yourself. You have an obligation to the society which protected you when you were brought into the world, which taught you, which supported you and nurtured you. You have an obligation to repay it."

Those closest to Jacob Javits are not surprised by the way he has led his "retirement." His autobiography, published three years ago, was given the title "Javits: The Autobiography of a Public Man," and the last chapter of his life will not do anything to alter its appropriateness

"It was poverty that made me this way," says Javits, the son of Jewish immigrants from eastern Europe. "Poverty made me see the importance of a public life. It's also talent. I could always speak and get people to listen. It's a certain gregarious quality. You like a crowd and you evaluate your deeds in terms of their worth and how many people they affect. And I'm sure, too, it's ego. It's a glorious feeling any time you have the power to persuade people toward a justifiable purpose."

When he was a boy, Javits learned a lesson about justifiable purposes from his father. Morris Javits had been a Talmudic scholar in the Ukraine but was forced to work endless hours as a janitor on the Lower East Side. To make a few extra dollars, Morris bought votes for the Tammany machine at $2 apiece.

The Democratic Party in New York in 1932 was the party of Tammany Hall and Jimmy Walker and corruption. Javits turned to a steady diet of progressive politics as a youth—even supporting the Socialists for a time—and so it seemed logical for him to join the party of reform and Fiorello La Guardia. Javits joined a Republican club on Third Avenue and 72nd Street and has resisted entreaties to switch parties ever since, even as he has become that increasingly rare political animal—the liberal Republican.

"I never can forget that my party's basic roots are in equality," he says. "I am, in philosophy and ideology, a liberal. As Lincoln said, government should do for the people what they cannot do, or do as well, for themselves. . . . When people like John Lindsay and Wayne Morse switched to the Democrats, I thought about it and had discussions about it, but I never really considered it too seriously."

In 1964, Javits supported Nelson Rockefeller for the presidency, but when Barry Goldwater won the Republican nomination, Javits could not support the party ticket. But he says he will vote for Ronald Reagan this year. His public explanation is vague, perhaps deliberately so. Those close to him say that Javits is unenthusiastic about both presidential candidates, but regards himself a "party man." Javits clearly feels he can be most useful as a critic-from-within. In his speech at the university earlier in the day, he supported the nuclear freeze movement and a nonmilitary approach to the conflicts in El Salvador and Nicaragua.

"I've never been inhibited about criticizing presidents before," he says, "and I won't hesitate now."

Javits did not go to Dallas this summer, but he did watch the Republican convention on television. He found his wing of the party in eclipse, if only temporarily. There was Sen. Lowell Weicker of Connecticut battling the Rev. Jerry Falwell and the evangelical right wing, but few liberals and fewer liberal mavericks could be heard above the nearly unanimous voice of the conservative movement.

"The progressive wing of the party must be represented," Javits says. "I'll do all I can to help develop the ideas and the leadership to help that along.

"But right now there is a big middle-class revolution going on. It still commands the majority and has Reagan way ahead in the polls. The revolt was against what was considered to be inadequately monitored or evaluated welfare programs and entitlements. The theory is that those who were enjoying the entitlements were doing so fraudulently. And the ones paying the bills weren't getting what they wanted.

"The whole thesis has been dressed up in patriotism and more military strength. I feel the premise is untrue. Yes, there was undoubtedly some waste and fraud and probably more experimentation than the public was interested in . . . But this revolution won't extend in 1988. I think you'll see a very different candidate for the Republicans."

"These things come in cycles," Javits says. "I've seen it all my life."

The room is getting darker and Jacob Javits' words are now almost pure breath.

Javits once told an aid, "I am more than a senator. I am an institution." The remark was neither humble nor false.

"I meant that I'd established an institutional character," Jacob Javits says the end of a long, long day. "What I stood for was institutional in the sense that probably my greatest ambition was the prestige, the capability, the authority of a senator. Mike Mansfield coined the term, 'a Senate man.' He was one. I believe I was another."●

TRIBUTE TO BARBER CONABLE

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. CLINGER. Mr. Speaker, my great admiration of BARBER CONABLE is rooted in the respect that I and all Members of this body have for him as a brilliant thinker and legislator. The keenness of his logic and the clarity of his vision have led us to do better work.

No one in this House has greater knowledge of the Tax Code and how changes will affect Americans than BARBER. In the field of financing, particularly, he has guided us to making more sound and equitable laws. He has used his position as ranking Republican on the Ways and Means Committee to advance crucial legislation, including the tax proposal at the beginning of the current administration, Tax Code reforms, Social Security solvency, revenue sharing, long-term care for the elderly, and financing of charities. He has been at the vanguard of the fight for a balanced budget amendment. His loss will be sorely felt in the coming battle.

His value as a legislator, however, goes beyond the quality of the legislation he has promoted. He has been instrumental in elevating the integrity of every Member with whom he has come in contact, a fact demonstrated by the great number of gentlemen from the other side of the aisle who are paying him tribute. I cannot think of anyone who has been more central in moving bipartisan legislation than BARBER CONABLE. He is truly the Congressman's Congressman, as evidenced by the accolades he has inspired. The people of New York and the people of the United States will miss his contributions in the House of Representatives.●

THE 67TH ANNIVERSARY OF THE BOLSHEVIK REVOLUTION—A DAY OF SORROW AND IRRECONCILABILITY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. BIAGGI. Mr. Speaker, November 7 of this year will mark the 67th anniversary of the Bolshevik Revolution in Russia. At this time, I would like to recognize this day as one of sorrow and irreconcilability with communism.

Since they seized power in 1917, the Soviets have oppressed and enslaved not only the Russian people but the people throughout Eastern Europe. These people continue to live under the brutality and inhumanity of Soviet tyranny. November 7, 1917, also marked the beginning of Soviet-sponsored aggression and terrorism throughout the world. This unbridled agression continues to manifest itself throughout the world—most notably in Afghanistan and throughout Eastern Europe where even the most basic of human rights are routinely and callously violated.

The list of innocent victims of Soviet-sponsored aggression is endless. The savage downing of the Korean Air Liner and continued Soviet support of Communist terrorism in Central America gravely threaten the peace and stability of the free world.

By recognizing the 67th anniversary of the Communist takeover in Russia as a day of sorrow and irreconcilability with communism, we commemorate and mourn all those who have perished at the hands of Soviet aggression and violations of human rights. It also displays our solidarity with, and unbending support for, all those still living under the yoke of Communist tyranny who seek freedom and self-determination. From Ukraine, to Estonia to Latvia, to the Russian Republic itself, the cry for freedom and human rights must never be ignored. To remain silent in the face of such gross violations of human rights would be an even greater crime against humanity.

The history of communism, as practices by the Soviet Union, is one of oppression, enslavement, and disregard for human rights. Unfortunately, this legacy persists, and in our recognition of this grim anniversary, we must express, without equivocation, our irreconcilability with communism and our undying resolve to defend the rights and liberty of free peoples throughout the world.

At this time, Mr. Speaker, I insert into the RECORD the following statement made by the Congress of Russian-Americans:

CONGRESS OF RUSSIAN-AMERICANS, INC.,
Nyack, NY, October 1984.

A DAY OF SORROW AND IRRECONCILABILITY—1984

As we approach November the 7th, the day when the Soviet Union annually celebrates international communism's arrogation of power in Russia, we—Russian-Americans—appeal to the U.S. Government and to freedom-loving citizens of this country to designate it as a Day of Sorrow and Irreconcilability.

Sadly, albeit fittingly, among all the ethnic groups making up the tapestry of these United States of America, only the Russian-Americans persist in annually asking their Government and their fellow Americans to observe this inglorious day. Russian-Americans feel it is their sacred duty to mark with mourning and defiance the day international communism claimed their former countrymen as its first victim. Thus, they honor their brothers living under the Soviet rule.

On this day we express our Sorrow for all the victims of the communist terror, and our Irreconcilability with the theory and practice of communist doctrine.

Moreover, let us not forget that November 7, 1917 marked not only the beginning of immeasurable sufferings for the Russian and other enslaved peoples of the Soviet Union, but also the beginning of a global human tragedy which today endangers the existence of the Free World. Utilizing the threat of a nuclear war, the Soviets have gradually taken over key strategic positions in all parts of the world. Today there hardly a nation on the face of the earth that has not been victimized by communist aggression.

Therefore, we ask the Government of the United States and all other Free World governments to designate November the 7th as a Day of Sorrow and Irreconcilability.

Over the past 67 years the Soviet government has spared no effort in trying to strip the Russian nation of its heritage. Despite the desecration and destruction of over 50,000 churches and monasteries, the persecution and extermination of millions of people in concentration camps and prisons, we witness today in the Soviet Union a revival of faith and awakening of national pride. The determination of the Russian people to live free blazes as never before. Perhaps the Russian soul, having nurtured its people through their long, barren winter of oppression, senses at last spring's hymm of freedom yearning to be sung. How more can we honor our brothers than by lending voices to this chorus? For by proclaiming this day of Sorrow and Irreconcilability, we intone "Let There Be Light" and indeed for all those who hear our voices in their darkness there is light!

BOARD OF DIRECTORS,
CONGRESS OF RUSSIAN AMERICANS.●

A TRIBUTE TO SERGEANT EARL K. BELL

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. FAUNTROY. Mr. Speaker, on Saturday, October 5, 1984, many of the residents of the District of Columbia will come together in testimony to a dedicated law enforcement officer who has worked to provide optimum public safety for this community.

Sgt. Earl K. Bell of the Washington, DC, Metropolitan Police Department has earned the highest respect and esteem from his superiors, fellow officers and District of Columbia residents. Throughout his 14 years of service on the DC Police Department, he has exhibited integrity, courage, compassion, and personal commitment. His choice of a career in law enforcement was based on his conviction and sincerity of purpose in combatting crime, protecting the citizens of the District, and giving something back to his community.

On March 14 of this year, Sergeant Bell was seriously injured in an automobile accident, which left him paralyzed from the waist down. He will need extensive medical treatment, speech and physical therapy. It is for this reason that the members of the Mount Airy Baptist Church and others in our community will hold a fundraiser in his honor. We are appreciative of the many contributions Sergeant Bell has made to this community and this tribute will afford us the opportunity to express our gratitude.

Sgt. Earl K. Bell has given unselfishly of himself and has upheld the highest standards of a public safety officer.

Mr. Speaker, I join the people of Washington, DC, in recognizing the outstanding example of public service that we find in Sergeant Bell.●

REMARKS OF CONNECTICUT SUPREME COURT CHIEF JUSTICE JOHN A. SPEZIALE

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. MORRISON of Connecticut. Mr. Speaker, I would like to share with my colleagues the remarks of the distinguished Chief Justice of the Connecticut Supreme Court, the Honorable John A. Speziale, at the annual Columbus Day celebration in New Haven, CT.

Chief Justice Speziale, who has served the people of Connecticut for 36 years in many capacities, will retire from the supreme court next month. He has been an outstanding jurist with a career dedicated to improving the administration of Connecticut's court system. He has been an inspiration to many, and I know he will continue to serve our State for many years to come in the private practice of law. I consider it a great privilege to have appeared before him as an attorney and to have worked together with him as a Member of Congress toward achieving our shared goals, including passage of the State Justice Institute

Act which passed the House today as part of H.R. 6163.

Chief Justice's Speziale's remarks, I believe, capture the spirit of Columbus Day—the aspiration, the dedication to hard work, the pride in achievement, which have been especially characteristic of the Italian-American community and which really represent what this country is all about. I am honored to share it with my colleagues.

The remarks follow:

REMARKS BY HON. JOHN A. SPEZIALE—COLUMBUS DAY DINNER

The themes of Columbus Day are many. There is much that can be said about our nation, our heritage, the spirit of exploration and the joy of discovery.

But, if I may beg your indulgence a few moments, I would like to begin with a quotation from a time before our country was born, even before Columbus set sail. It is one of the most often-quoted passages from the Bible. From Ecclesiastes:

"To every thing there is a season," it says, "and a time for every purpose under Heaven. A time to be born; and a time to die. A time to plant; and a time to reap."

This passage is important to me, because as many of you may know, I announced a few weeks ago that the time has come for me to harvest the plant sown almost a quarter of a century ago, when I left the practice of law to become a judge. That plant, first sown with my appointment to the then Court of Common Pleas, has grown to its fullest—it can grow no more—yet there is still time to sow, and sow I must. As the poet, Robert Browning, wrote: "A man's reach should exceed his grasp." And, if we who celebrate Columbus Day commemorate anything on this occasion, it is human daring, the quest for achievement, the willingness to reach out from where we are and to grab on to what beckons us.

For me, the beckoning dream has always been the law.

I do not use the word "dream" lightly. I can remember my youth, when a young girl laughed with ridicule at my dream of becoming a lawyer because I had patches on the knees and seat of my pants.

I can remember the long nights when I attended Duke University and the Duke Law School, studying so hard and also using the musical talents which God gave me to help pay not only for tuition and books, but also for food. And all the while, I would be wondering whether I would be able to afford another year of education. In fact, my mother even took a job in a factory to help provide the money for my schooling.

We did have those dreams. The dream to be educated. The dream to succeed. My dream was to become a lawyer; perhaps, someday, even a judge. All of us here tonight can remember similar dreams, and those days in which they were dreamt. We knew that if we persevered, we would succeed.

We persisted.

We persevered.

We succeeded;

But the struggle goes on.

Life today is no less a perilous journey than that faced by Columbus nearly 500 years ago because, as all of you know, we Americans of Italian heritage have experienced the prejudices and the biases. We have seen the doors close, the eyes turn away. We have seen and heard the huddled whispers. But today, we can point both within the boundaries of our state, and without, to the countless numbers of our heritage who have succeeded. For example:

We can point to our many elected and distinguished public officials, and prominent citizens, well-represented tonight by the presence of our esteemed Lieutenant Governor, Joseph Fauliso;

We can point to my colleague—the individual who honored me by his introduction this evening—Judge Robert Zampano, for his exemplary service; he was the first—and I might emphasize, the only—individual of Italian heritage ever appointed to the federal bench in Connecticut;

We can point to the Mayor of this great city, Mayor Biagio DiLieto, who several years ago led the effort which raised a half million dollars to help rebuild the earthquake ravaged town of Avellino, Italy, and who, here at home, is the personification of the new, vibrant, growing New Haven.

We can point to the strong, yet compassionate leadership of our late, beloved Governor, Ella T. Grasso, the first woman governor ever elected in her own right;

We can point with pride to the brilliance and the scholarly genius of A. Bartlett Giamatti, President of Yale University;

We can point to the achievement of Gov. Mario Cuomo of New York, and his eloquence at the Democratic National Convention;

Putting aside partisan politics, we can point with pride as a nation, and as people who are proud of their heritage, that today, at long last, an American of Italian heritage is seeking the second highest office in our nation; and that she is the first woman to be nominated by a major party;

And, I join you this evening with pardonable pride and a deep sense of humility, as the "first Chief Justice of Italian heritage in Connecticut history." It is a "pride" born in the realization that all of our hard-working, dedicated judges of Italian heritage have made significant contributions not only to our judicial system, but also to their community. It is a "humility" based on the knowledge that if it were not for the sacrifices of our families and the trust of our friends, we would not have had the opportunity to achieve as we have. We have come a long way, but there remains a long way to go.

For example, it was recently reported in the New York Post that the President of a huge household supply sales company told a Washington convention that in a certain mid-west town they still refer to people of Italian heritage as "wops." Questioned later by the Post, this executive was quoted as saying that the word was "not at all offensive" because it referred to Italian immigrants who came to this country "without papers." He added, "They ought to take the word with pride. . . . Out our way, you have fun with a guy and you call him a wop and he'll call you something else."

Now, really, is that something to brag about?

But what bothers me even more is that here in the State of Connecticut, today, the question is still being asked "whether there are too many people with Italian surnames being hired in certain judicial districts." This is clearly an attempt to influence and exploit possible ethnic prejudices.

So, it is apparent that the battle is not all won; the fight not over. But I do have faith that not only will our entire nation prevail, but also we will continue to succeed as an ethnic group within that nation. For no one who knows this country, its people, its land, and its history, can doubt that we are all blessed. Look around you, and you can see everywhere the signs of our nation's greatness and glory.

I am confident that the "Great American Experiment" will continue to survive its tests, and that it is fulfilling its destiny as the embodiment of "one nation, under God, with liberty and justice for all." We must continue to strive to give our people government that is responsive and caring; and, both capable and willing to deliver essential services to its people. I believe that we must continue to reach out toward the fulfillment of the principles of Jefferson, Jackson, and Lincoln, and all of our forefathers, for we will then have fulfilled the dreams which our ancestors carried with them from Italy. My entire career in public service has been devoted to the attainment of these principles.

For some time, however, my wife and I have seriously considered the possibility that the time may have come for me to retire as Chief Justice of the Supreme Court and to return to the private sector.

Since 1978, I have worked long and hard to implement the court unification and other innovations in our judiciary. The many pressures which were associated with those efforts were offset by the satisfaction that our accomplishments were having a constructive impact upon our judicial system.

On November 21, I will become 62 years of age. Retirement, for me, is out of the question because it is no secret that I am a workaholic. However, it has become apparent to me that while I am still young enough, and healthy enough to continue, the time has come to do other things where the pressures and responsibilities are not as demanding; and I may finally fulfill my desire to be able to better enjoy both my family and the world around me.

Therefore, after much soul-searching and long discussions with my wife and family, I am resigning my position of Chief Justice of the Supreme Court, effective November 21, 1984, to return to the private sector and the active practice of law.

Although I will be leaving the public sector, I plan to remain active as a private citizen in all aspects of the legal profession, which I love and respect so much. I plan to continue my lifelong efforts to fight for improvements in the administration of justice for all of the people of this great state.

This decision to accept anew and exciting challenge has not been an easy one. But I look back upon my career in public service with satisfaction and a strong sense of accomplishment. For most of my adult life, I have served in the legislative, executive, and judicial branches of state government.

For the last quarter of a century, I have worked in a wide range of judicial capacities: as a Judge of the Court of Common Pleas, Superior Court Judge, Chief Judge of the Superior Court, Presiding Judge of the Appellate Session, Justice of the Supreme Court, Chief Court Administrator, and since 1981, Chief Justice. During that period, every aspect of my life has been devoted to my judicial responsibilities. I believe I have done it all, and it is time to move on.

Three years ago, when I took the oath of office as Chief Justice, I said that, "for me, the American Dream has indeed become a reality." That is as true now as it was then. I shall be forever grateful for the honor and trust which was placed in me in all of these judicial positions, which afforded me the

opportunity to serve the people of our State.

We who are of Italian heritage have long prided ourselves on the strong family unit which we have emphasized and nurtured in our homes down through the years. We learned at an early age that success required discipline, dedication, perseverance, and hard work. I'm sure you agree that these qualities were ingrained in us by our parents and families, and that they were the ones who provided us the spiritual and emotional guidance to bring about this strong family unit. Their financial sacrifices afforded us the opportunity to receive the education and training that ultimately led to our accomplishments. I, for one, have been especially fortunate because throughout my professional life I have received the strong support of a women whom I have known and loved since we were childhood sweethearts in the eighth grade. I would like to take this opportunity to introduce to you my wife, Mary, and to publicly thank her for all she has done for me and our two children, and for all she has meant and will always mean to us.

I mentioned before that the last three years have been for me the fulfillment of the American Dream and that this was true now, even though I am resigning my position. This may seem difficult for some to understand.

But, I believe that "to fail to dream" is "to die in spirit." My decision to move on to other challenges in no way reflects on my respect and love for this office, but rather is because of my firm belief that "America is a land of opportunity" where we should continue to dream and to see those dreams fulfilled. The United States has afforded not only Americans of Italian heritage the opportunity to grow and become fulfilled, but also has provided the same opportunities to a host of other nationalities, races, and religions. Since the very inception of this nation, countless individuals of diverse backgrounds looked to the United States for a better life for themselves and their children. Waves of immigrants came to these shores. They, in turn, contributed to the fabric of American culture, and eventually received recognition for their particular gift. I am certain that those of you here this evening who are not of Italian ancestry, including my wife, Mary, who is of Hungarian ancestry, you, too, can look back upon your origins and point with justifiable pride to accomplishments of past and present generations. In what other nation could this merger of nationalities, races, and religions live together as one? In what other nation could we rely so faithfully on the precepts that we have God-given rights to life, liberty, and the pursuit of happiness.

Throughout my entire life—in all my endeavors—I have always prayed to God to give me the compassion and understanding, the humility and wisdom, and the strength and courage to carry out properly my duties and responsibilities. No one who has done what I have done and seen what I have seen can fail to look to Almighty God in Thanksgiving.

I would like to conclude with a story, which some of you may have heard, which is as true for me as it is for you—and it was also true in the days of Columbus.

One night a man had a dream. He dreamed he was walking along the beach with the Lord. Across the sky flashed scenes from his like. During these scenes he noted two sets of footprints in the sand. One set belonged to him and one set belonged to the Lord. When the last scene flashed before him, he looked back at the footprints and noticed that many times along the path there was only one set of footprints in the sand. He also noticed that this happened during the lowest and saddest times in his life. This really bothered him, and he questioned the Lord. "Lord, you said that once I decided to follow you, you would walk all the way with me, but I noticed during the most troublesome times of my life there was only one set of footprints. I don't understand why! When I needed you most, you deserted me." The Lord replied, "My precious, precious child, I love you and would never leave you. During your times of trial and suffering when there was only one set of footprints in the sand, it was then that I carried you in my arms."●

TRIBUTE TO BARBER CONABLE

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 1984

● Mr. RUSSO. Mr. Speaker, the Congress of the United States throughout its history has been served by many talented citizens of the country, and sometimes individuals possessing unusual insight and greatness have passed through the Halls of the Capitol, leaving behind a rich legacy for the people of America. BARBER CONABLE is just such an individual.

Throughout his life, Representative CONABLE has demonstrated his capacity to succeed and to accomplish. He has an impressive educational background. He has served this Nation in battle and in the legislative arena. He has raised a family and always cared about the people he has served. In short, he is a man with the rare capacity to live a full life, be an outstanding citizen and contribute to the common good.

Serving with Representative CONABLE on the Ways and Means Committee has been both a professional and personal pleasure for me. He has been a most impressive legislator there and a strong, nonpartisan voice to whom I was always comfortable to turn to for advice. He has never sought partisan advantage but always legislated with the interest of the country in mind. Possessing great integrity, he is surely one of the most honorable men it has been my pleasure to know, as well as being one of the most intelligent men in the Congress. His ability to comprehend the complexities of the Tax Code has been an inspiration and a challenge to us all.

Knowledgeable, hardworking and dedicated, we will miss him. He has served his State and his Nation with distinction, and I join with my colleagues in commending him for his fine work and wishing him all the best.●

NHS: A FORCE REVITALIZING KANSAS CITY'S NEIGHBORHOODS

HON. ALAN WHEAT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. WHEAT. Mr. Speaker, I take this opportunity to bring to the attention of my colleagues a program that is helping to revitalize neighborhoods in Kansas City and throughout the Nation.

Mr. Speaker, too many of our cities have troubled neighborhoods: Areas with deteriorated housing, an eroding tax base, and the social ills that accompany economic decline. Those who suffer most from these conditions—lower income minorities, single parents, the elderly and the disadvantaged—often feel helpless to improve their environment. Many of them gave up long ago. Yet today in Kansas City and in 136 other American cities, a very special program is helping the residents themselves turn around these neighborhoods.

This program is called Neighborhood Housing Services [NHS]. Each NHS is a local, nonprofit, privately supported partnership of residents, business leaders and local government officials. The commitment of public and private sector leaders to work as partners and share responsibility for neighborhood improvement creates a renewed sense of pride and optimism among residents. Together, each NHS partnership builds bridges of cooperation and understanding between the private and public sectors at the same time that it upgrades the physical, social, and economic elements of the neighborhood.

The improvement that NHS is able to achieve is remarkable. Deteriorated homes are repaired and brought up to housing code standards. Abandoned buildings are rehabilitated and new owners found for them. Vacant lots blossom into neighborhood miniparks or become the sites for new homes—in many instances, the first new construction in the neighborhood for decades. Neglected streets are repaired and crumbling curbs and sidewalks are replaced. Many NHS partnerships develop special improvement and beautification projects—free or low-cost house paint, neighborhood clean-up days, crime prevention programs, energy conservation assistance, and neighborhood block parties. Through NHS revitilization efforts, once declining areas are now becoming neighborhoods of choice.

Mr. Speaker, in Kansas City, NHS is celebrating its 10th anniversary and has been referred to as the "spearhead" for a remarkable resurgence in the appearance and value of some of

the older neighborhoods in our city. One current NHS effort includes turning a vacant school building into a 47-unit apartment complex for elderly and handicapped tenants.

The NHS is also working in partnership with 13 insurance companies to make major improvements in the neighborhoods. In addition to providing increased availability of insurance coverage, the companies are helping the NHS organize block clubs, provide loans to encourage absentee owners to renovate neighborhood properties, and carry out landscape projects to improve the neighborhoods' appearance.

Working with the NHS here in Kansas City is Neighborhood Housing Services of America [NHSA], a private, nonprofit organization created to work in concert with NHS to expand the private sector base of support of the local NHS partnerships. In particular, NHSA provides a national "secondary market" for the revolving loan funds of the local NHS organizations. A key factor in the success of the NHS programs is that all homeowners may participate in fixing up their homes, even those who do not qualify for home repair loans from conventional lending sources. For them, each NHS has a revolving loan fund from which they can borrow at interest rates and terms that meet their individual abilities to repay.

In light of its success here in Kansas City and nationally, NHS has been strongly endorsed by leaders in both the public and private sectors, including President Reagan and former Presidents Nixon, Ford, and Carter.

Mr. Speaker, I joined with more than half the Members of Congress to cosponsor legislation making the week of October 7, 1984, "National Neighborhood Housing Services Week." This proclamation will enable the Nation as a whole, and the business community in particular, an opportunity to recognize the progress the Neighborhood Housing Services programs have made in recent years in reversing the decline of America's neighborhoods. But the challenge remains—to expand current efforts so that every neighborhood in need, in Kansas City and elsewhere, is strengthened.●

CHILE PARTIES NEAR COALITION PACT

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. ACKERMAN. Mr. Speaker, last month's protest demonstrations in Chile—the latest in a series that began in May of 1983—and the Government's reaction to them should serve to remind us all of the continuing role that repression plays in that country. It is important to note that in contrast to its repeated calls for full democracy in Nicaragua, the State Department has remained silent on the restoration of democracy in Chile. If we are sincere in our efforts to promote democracy in this hemisphere, we must apply a single standard not only to governments opposed to our policies, but to our friends as well, even if they are the kind of rightwing dictatorships favored by this administration.

An article which appeared in a recent issue of the Council on Hemispheric Affairs' Washington Report on the Hemisphere, by staff researcher John Tweedy, outlines recent events in Chile. This article provides a broad overview of the efforts to achieve unity among the various opposition groups of differing ideologies. I recommend the article to the attention of all my colleagues who share an interest in seeing democracy returned to Chile in an expeditious manner:

CHILE PARTIES NEAR COALITION PACT

(A memorandum by John Tweedy, COHA Research Associate)

A ground-breaking cooperation agreement, bridging differences between Chile's major centrist and leftist parties and supported by unions and the Catholic Church, now appears on the verge of consummation. The pact would end 11 years of partisan bickering and demoralization within the opposition, presenting a united front to the dictatorship of Gen. Augusto Pinchot.

The political parties' move towards unity, one of several in recent years, came in part as a result of a rare Aug. 7 interview Pinochet gave Edward Schumacher of the New York Times, in which he rejected opposition demands for a return to democracy in advance of his 1989 timetable.

Prior to the interview, negotiations had been underway between Interior Minister Sergio Onofre Jarpa and the Christian Democratic-led Democratic Alliance (AD), over precisely that issue. The AD was seeking a congressional ballot in 1986.

These negotiations had riven deep divisions between center and left opposition groups, because they envisioned excluding the Communist Party—still a potent political force in Chile—from the elections. But with publication of the Times interview, in which Pinochet characterized opposition leaders as "caballeros who have been unemployed for the past 11 years and want to return to power and their privileges," and said that he had no confidence in "orthodox democracy," the AD realized that collaboration with the regime was futile. They therefore decided to join with the left Democratic Popular Movement (MDP) and the country's major union coalition, the National Workers' Command (CNT), in calling for major demonstrations Sept. 4 and 5.

The protests were deemed a complete success by both acting AD president Mario Sharpe and MDP president Manuel Almeyda, who hailed the "joint mobilization of the opposition." But the government reacted harshly, killing nine—including French priest Andre Jarlan—and arresting 1,000.

The new mood towards cooperation between the AD, MDP, and the Socialist Bloc—an array of left and center-left political groups—prompted negotiation of a "Constitutional Pact," the signing of which is believed imminent. The pact would commit signatories to renounce violence in the struggle against Pinochet and to cooperate in a transitional government after his ouster.

Calling the agreement a "guarantee [of] civilized coexistence among Chileans," Sharpe said in a Sept. 26 interview: "This pact must include the fundamental elements of a democratic institutionality, respect for human rights, and the bases of the country's economic structure, thus opening the way for a peaceful and orderly transition towards full democracy." The Movement of the Revolutionary Left (MIR), committed to armed struggle against the regime, is not a party to the negotiations.

The possibility of the unification pact is good news for Chile's labor unions, which for some time have maintained the most solid and unified opposition to Pinochet, and which also have borne the brunt of repression. Outlawed in 1979 from organizing beyond the plant level, the unions have moved beyond demands centering around working conditions to a comprehensive political agenda.

In May 1983, five major unions—including the Copper Workers' Confederation (CTC) and the leftist National Union Coordinator (CNS)—joined to form the CNT which, under the dynamic leadership of copper workers president Rodolfo Seguel, has become a major actor on the political scene. Seguel, jailed several times over the last 18 months, was beaten so badly during the September demonstrations that he had to be taken to a medical station on a stretcher.

The Sept. 4 shooting of Jarlan by government forces brought church-government relations to a new low as well. The local Archdiocese filed a criminal complaint over the murder, and Santiago Archbishop Juan Francisco Fresno termed the incident "a shame for our country." Jarlan's funeral at the Metropolitan Cathedral Sept. 6 drew over 10,000 mourners.

GOVERNMENT FRICTION

There are signs that Pinochet's new hard line is causing friction within the government itself. Interior Minister Jarpa was attending a conference in Ecuador, where he stated that the government did in fact have plans to speed up the election timetable, when Pinochet's Times interview was published. According to persistent rumors, reportedly confirmed by the Archbishop's office, Jarpa was so angered that he tendered his resignation to Pinochet, who refused to accept it. Other cabinet members also allegedly offered to resign.

For his part, Pinochet has formally charged 10 opposition leaders, including Sharpe, Seguel and Christian Democratic Party leader Gabriel Valdes, with trying to overthrow the government in connection with the recent demonstrations. Jailing Valdes would invite enormous international repercussions, given his lofty reputation and close connection to democratic leaders throughout the world. If convicted, they could receive up to five years in prison.●

ENDORSEMENT OF TERRORISM?

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. HUBBARD. Mr. Speaker, I read an excellent editorial in the October 2 Wall Street Journal entitled, "ASALA's Day," which I urge my colleagues in the House to read. Indeed, the points raised about considering resolutions in the House and Senate that might be interpreted as endorsing terrorism against the diplomats of a democratic ally, namely Turkey, are definitely worthy of our consideration.

The editorial follows:

ASALA's Day

In the 11 years since an Armenian terrorist campaign against Turkey began, 41 Turkish diplomats plus members of their families and other innocents have been murdered.

The Armenian Secret Army for the Liberation of Armenia (ASALA), one of the major perpetrators, seems reasonably clear in its long-range goal, although its objectives are sometimes clouded by factionalism. Its dominant faction wants to "liberate" the eastern provinces of Turkey and incorporate them into the Soviet Union. This was explicitly stated when the ASALA official journal editorialized: "Our forces never strike against the Soviet Socialist Republic of Armenia which is already liberated."

NATO bases in eastern Turkey, just the region that ASALA wants to liberate," are essential to any Western defense against a Soviet attack in the Mideast. The Soviets poured more than a billion dollars of arms through Bulgaria into the hands of both leftist and rightist Turkish terrorists during the 1970s in an attempt to destabilize the bulwark of NATO's southern flank. The Turks responded with martial law and defused the threat sufficiently to allow the present movement back to democracy. But there is no reason to believe that the Soviets have given up their campaign to isolate Turkey from its NATO allies.

The U.S. Congress has managed to bumble into this nasty game. Two bills now before that body seek to commemorate the large number of deaths of Armenians in eastern Turkey during World War I. There can be little doubt that the Armenian repression was a terrible chapter in history and perhaps the Turks have been too insistent on denying guilt. But it was only one part of a global tragedy that claimed nearly 15 million lives. Dredging it up now in Congress, some 70 years after the event, may be a generous gesture toward Americans of Armenian descent but is hardly an appropriate signal to U.S. enemies.

The milder version, sponsored by Rep. Tony Coelho (D., Calif.) and passed by the full House, calls for April 24, 1985, to be a day to commemorate the Armenian "genocide perpetrated in Turkey between 1915 and 1923." In specific terms, this bill would not directly affect U.S. policy.

But the bill that has recently passed the Senate Foreign Relations Committee makes no pretense of avoiding current policy implications. Sponsored by Sens. Carl Levin (D., Mich.) and Pete Wilson (R., Calif.), Senate Resolution 241 calls for U.S. foreign policy "to take into account the genocide of the Armenian people. . . ." No one knows exactly what this means. According to his spokesman, Sen. Levin wants to link U.S. aid to the Turkish record on human rights.

The Turks are understandably confused, worried and upset. The Senate bill specifically says that the Ottoman empire and not the modern Turkish republic was responsible for the killings of Armenians. So, perhaps, the Turks have reacted too strongly to the threat of its passage. But, after more than a decade of terrorism, they can be excused for suspecting that the bills are part of a wider political agenda to separate Turkey from the West.

In a week when Congress is examining ways to prevent attacks on our embassies, it is particularly ironic to consider resolutions that will be widely interpreted as endorsing terrorism against the diplomats of a democratic ally.●

EPA INACTION ON ASBESTOS DRIVES SCHOOLS TO COURTS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. FLORIO. Mr. Speaker, a Federal district court judge in Philadelphia recently approved a class action lawsuit brought on behalf of the thousands of school districts across the country which are currently mired in a desperate effort to contain the growing public health emergency posed by asbestos in the schools. The schools have sued 55 asbestos manufacturers who produced the materials which have caused these environmental hazards in the classroom.

The Department of Education has estimated that as many as 14,000 schools across the country have an imminent asbestos problem and that 15 million schoolchildren and 1.4 million school workers could be affected. Asbestos is an indisputed human carcinogen which can cause fatal diseases after even low level, short-term exposure.

Last week, the subcommittee I chair held a hearing on the Federal Government's effort to deal with the asbestos crisis. The Environmental Protection Agency's top official for the asbestos program told the subcommittee that EPA would continue to oppose congressional efforts to provide financial relief to the schools through a $600 million loan program authorized this past summer. The next day, EPA tried to retract his statement, saying that the Agency had made no decision on funding requests for the loan program. But in reporting on the retraction, the Washington Post correctly characterized it as an effort to contain a "public relations disaster."

The EPA official also testified that the Agency has no plans to improve the guidance documents which are the only materials available to school districts attempting to assess and debate the asbestos hazard. Many school officials have correctly noted that these guidance documents are totally inadequate and often serve only to confuse cleanup efforts.

The Agency's inaction on asbestos has produced a situation where school districts' only recourse is to seek relief in the courts. EPA's defiance of the law will only serve to delay the elimination of asbestos from our schools, leaving ultimate resolution to the lengthy and uncertain process of litigation. I commend the following article from the New York Times describing the school districts' plight to my colleagues.

[From the New York Times]

Class Action Set in Asbestos Cases—Federal Judge's Ruling Applies to About 14,000 Schools That Are Contaminated

(By Tamar Lewin)

A Federal district judge in Philadelphia has approved a suit against 55 asbestos manufacturers on behalf of the nation's primary and secondary schools. It would be the first nationwide class action for property damage arising out of a product liability question.

According to the United States Department of Education, about 14,000 of the nation's 36,000 public school districts and private schools have asbestos in their ceilings or in pipe and boiler insulation. The fibers, when inhaled, have been known to cause cancer and a variety of lung problems.

"In my view the school asbestos litigation is uniquely suitable to class action treatment," Judge James McGirr Kelly wrote in the decision issued Friday. "Instead of hundreds of thousands of school asbestos cases in separate forums, the litigation would be concentrated in a single forum, thereby economizing litigation expenses."

Thousands of school districts, the judge said "will be benefited by being relieved of the onerous burden of bringing a complex action which could consume in costs more than the recovery anticipated."

$1.4 BILLION COST ESTIMATED

The Department of Education has estimated that it will cost the schools $1.4 billion to remove the asbestos. About 50 school districts have already filed their own lawsuits against the asbestos companies.

Under Judge Kelly's ruling, school districts that have already spent money to remove asbestos would be able to use the class action to recover their costs from the asbestos companies. As other schools incur such expenses, they too will be able to seek compensation.

"I think this is a great decision, because it sets the framework for a global solution to the whole school asbestos problem," said David Berger, a lawyer for some of the schools.

The filing of some 25,000 individual personal injury cases by workers who had been exposed to asbestos prompted the Manville Corporation to file for reorganization under the bankruptcy law two years ago. Although claims against Manville are frozen as long as it is in bankruptcy, the company formerly the world's largest asbestos producer, is expected ultimately to shoulder some of the school liability as well.

SCHOOLS FREE TO CHOOSE

School districts that wish to bring their claims for compensation separately would be allowed to do so, but in order to seek punitive damages from the asbestos compa-

nies, schools would have to join the class action.

Lawyers for the school districts have said in their court filings that they would seek $200 million to $300 million in punitive damages from the asbestos manufacturers, and another $75 million to $150 million for medical monitoring of people who had been exposed and for monitoring schools after asbestos had been removed.

The Environmental Protection Agency has estimated that 15 million children and 1.4 million employees spend their days in schools that contain asbestos. Under E.P.A. rules, schools are required to test for the presence of asbestos and notify parents if the substance is present.

So far, Congress has appropriated $50 million for asbestos abatement in schools, but the E.P.A. has not requested any new money for the 1985 and 1986 fiscal years.

Judge Kelly's ruling has particular legal significance because product liability cases are usually handled on a state-by-state basis, since state laws govern the damage awards. However, dividing up the claimants by state often makes it difficult for those with small claims to join forces and share the costs of their legal efforts to win compensation.

Judge Kelly ruled that there were enough common issues, including the hazards of asbestos and the defendants' knowledge of those hazards, to warrant class treatment.●

TRIBUTE TO RON PAUL

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. PHILIP M. CRANE. Mr. Speaker, since Dr. RON PAUL won a special election in his Texas district in 1976, he has emerged as a leading spokesman for a genuine American philosophy. It is sad to consider that when the 99th Congress convenes, such an eminent gentleman will not be among its number.

RON came to Congress with strong beliefs and definite convictions. He has therefore, during his time in the House, fervently pursued the implementation of measures consistent with his beliefs through the sponsoring and the cosponsoring of many important bills. His persistent advocacy of sound money, economic and civil liberty and limited constitutional government have all won him national acclaim as a responsible and principled statesman.

RON has ended his time here serving on the House Committee on Banking, Finance and Urban Affairs and on three of its subcommittees. He has developed a particularly keen interest in economic affairs and has been concerned about inflation and the value of paper money. In 1981 he served on the U.S. Gold Commission and through his interest in the economy he founded the Foundation for Rational Economics and Education in 1976. He is also an author of three books.

I am proud to say that I have served with such an honorable legislator, and I feel sure that his loss will be regretted by us all, both socially and professionally.

However, knowing his many talents as I do, together with his experience and his personality, I am certain that we shall not have heard the last from RON PAUL. We shall all miss you, RON, but we will cherish the years that we have worked with you. May your future be blessed with good fortune, good health, and happiness.●

TRIBUTE TO RICHARD OTTINGER

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. BIAGGI. Mr. Speaker, one of the genuine losses the Congress will suffer at the end of the 98th Congress will be the departure of my friend and neighboring colleague from New York, RICHARD OTTINGER. Not only are the people of the 20th Congressional District losing a most effective representative—the Nation is as well.

DICK in his decision to retire perhaps articulated a concern which we must all feel on occasion—a sense of frustration over the job and our efforts to shape policy. Yet few have worked harder at trying to impact on policy than DICK OTTINGER in a Congressional career which began with his election in 1964. DICK OTTINGER throughout his career blended two seemingly diverse characteristics—idealism and pragmatism. In his mind and heart, he knew which way he wanted a particular policy to go but he also knew that at times to get something you must also give up something. The blend has produced more benefits than setbacks, over DICK's career. During his years in the House, he played a prominent role in such diverse areas as reforming House procedures—and working for a better environment. He was an unabashed champion of nuclear safety—even a pioneer on the subject.

DICK served with special effectiveness as Chairman of the powerful Energy Conservation and Power Subcommittee of the House Energy and Commerce Committee. He was also a leading member of the Science and Technology Committee. He was also the founder and past Chairman of the Environment Study Group which during his leadership was a most effective voice in the Congress on behalf of environmental causes.

I have had the especially good fortune to have worked more closely than many of my colleagues with DICK OTTINGER. On two different occasions in my 15 years in the House I have had the good fortune to represent a neighboring congressional district in part of Westchester County in New York. I therefore know first hand how revered DICK is among his constituents and how he has been an exemplary protector of their interests in Washington. DICK was active in the various communities which make up the 20th Congressional District and was a familiar figure.

I also worked closely with DICK on an issue of mutual interest—peace and justice for Northern Ireland. DICK has been a most valued member of the Ad Hoc Congressional Committee for Irish Affairs and in that capacity was the author of one of the more enlightened bills on Northern Ireland, H.R. 3465. This legislation seeks to have American firms doing business in Northern Ireland adhere to nondiscrimination in their hiring and promotion policies in the North. Last August, DICK traveled to Northern Ireland to conduct on-the-scene meetings with a number of officials from Northern Ireland to learn more about the problems related to discrimination. The very fact that he took the time to travel to the perilous area of Northern Ireland was indicative of his depth of commitment to a particular cause. I know that in his honor I will continue to work for the passage of this legislation in the 99th Congress.

DICK OTTINGER now returns to a more private life but all of us who know him know full well that DICK will continue to be involved in issues and causes. It is too much a part of him for him to do anything else. However in his future endeavors I wish him not only success—but satisfaction. I also wish he and Sharon health and happiness in the years ahead.

At this point in the RECORD I would like to insert an article from the Yonkers Herald Statesman but which was run throughout Westchester County in the various papers under the Gannett ownership focusing on the career and thoughts of DICK OTTINGER. It not only portrays DICK; it also provides some of DICK's thoughts and reflections on his own career.

[From the Yonkers Herald Statesman]

OTTINGER REFLECTS ON HIS 20 YEARS OF HIGHS AND LOWS IN WASHINGTON

(By Judith Horstman)

WASHINGTON.—It's a bittersweet week for Democratic Rep. Richard Ottinger. After 20 years of off-and-on service in Congress, he's coming home to Westchester.

Monday, colleagues will throw a wingding to say goodbye. Thursday, the 98th Congress hopes to adjourn.

The other day, with his feet propped on a coffee table, the 20th District representative talked about his Washington years. He mulled the high and low points, his reputation as a loner and "troublemaker," and took a few parting shots at House Speaker Thomas P. "Tip" O'Neill, D-Mass.

What he'll miss most. Ottinger said, are his friends in Congress and the ability "to

make some kind of action and effective noise about the outrages."

What he will not miss, he said, are the brutal demands of the job.

Ottinger is 55 and is tired and frustrated with the uphill fight to rekindle the Great Society. His said his job helped cause the failure of his first marriage, and probably contributed to his recent separation from his second wife.

"I won't miss not having control over my life," he said. "Having weekends. Getting home before midnight. Just staying home and reading books, actually reading some interesting books."

He plans to come home to Mamaroneck and hopes to teach part time, write, and create a television series showing how to fight bureaucracy.

"I really don't have Potomac fever," Ottinger said. "The only problem will be pressure put on me to maintain an active political life. Already people are pressuring me to run for county executive. I won't do it."

Ottinger's first attempt at politics came in 1957, when he belly-flopped with an unsuccessful run for Mount Pleasant town supervisor.

Undaunted, Ottinger, heir to the U.S. Plywood Co. fortune, became the second to enroll and serve in the brand new Peace Corps before he won the congressional seat from what was then the 25th District in 1964.

From the start, he was an independent idealist, a chain-smoking rumple-suited congressional freshman tackling environmental damage and corruption. He was such a workaholic, one wag quipped: "If Brownie badges were being given out, you could count on Ottinger being there."

Always in a rush and always preoccupied with larger issues, he sometimes overlooked small things and ended up walking in the wrong door or; once, getting on the wrong airplane. His staff, as a joke, pinned a note on his overcoat one election year that read "My name is Dick Ottinger. If I am found wandering, please call (the office number). He never even noticed it.

Ottinger shrugs aside a query about whether or not growing up rich made him a populist.

"Tradition has it the first generation makes it and the second generation gives it away, all right? I'm the second generation. I guess I follow that pattern."

And it wasn't getting his fortune from a wood company that fueled his fierce interest in environmental protection—It was "growing up in Westchester and appreciating the beauties that offers," he said.

"And corny as it sounds, it's true nonetheless that being a Boy Scout had something to do with it," he said with a shy smile.

His career had its ups and downs. An unsuccessful bid for the U.S. Senate in 1970 cost him $4.5 million ("Damn near ruined the family finances," he said) and he failed in his first bid to reclaim his congressional seat from Peter Peyser in 1972.

But re-elected in 1974, he was back in Congress by 1975 and elected chairman of the New Members Caucus—the high point of his Washington years, he said. He said that group would make wide reforms in House procedure.

Other high points were his chairmanship of the powerful Energy, Conservation and Power Subcommittee, and creation of the bipartisan Environmental Study Group.

The low point, he said, was losing a bid for Democratic Study Group chairman in 1979, because it showed him bluntly he would never have a major House leadership role.

"That was a very damaging blow to my ego and my aspirations for leadership in the institution," he said. He said his lack of obeisance to the House leadership put him on the outskirts of power.

"The leadership likes you to genuflect and say 'yes' to whatever they do and I'm not that way. And if you take on the speaker on issues where you disagreee with him, he tends to look at you as being disloyal and unreliable," he said.

"Even though I wrote the speaker a letter demonstrating to him that I have been one of his most loyal supporters, supporting him in terms of the votes, a lot more than many of his committee chairmen or his leadership group, he still views me as a troublemaker," Ottinger said.

But, Ottinger said, he has learned to deal with defeat and disappointment.

"I basically react the same whether it's losing the election or the tragedies I've experienced in my personal life. I pull up my socks and go on to the next challenge."

"I hurt, sometimes badly, but there's no sense dwelling on the past."

In a lighter moment, Ottinger was more than willing to deliver one-line comments on some of the figures he's known.

Lyndon Johnson: "Were it not for the Vietnam war, Lyndon Johnson would have been one of our greatest presidents."

Jimmy Carter: "I think he'll go down in history much better than present estimates."

George McGovern: "Don Quixote."

John Anderson: "Don Quixote's brother."

Sen. Patrick Moynihan: "Oversize ego, certainly one of the most creative people in politics."

Sen. Alfonse D'Amato: "Overachiever. He tries harder."

Gov. Mario Cuomo: "A magnificent human being."

Walter Mondale: "Very decent and totally colorless."

Geraldine Ferraro: "A woman who would make a splendid president."

Peter Peyser: "A superb showman."

Lt. Gov. Alfred Del Bello: Long pause. "My mother told me if I didn't have anything nice to say about anybody I shouldn't say anything at all and I'm not going to say anything about him."

John F. Kennedy: "One of the most inspiring presidents we ever had."

Ottinger wanted to say more.

"Kennedy really inspired the country to achieve its fullest, its best potential, whereas Reagan and Nixon played on people's fears and prejudices. Jack Kennedy brought out the best in people," he said.

It is possible to return to those ideals, Ottinger said.

"It takes another really affirmative leader to move us forward," he said. "One person makes all the difference in the world."

That is the optimistic philosophy he's carried through his years in Washington.

"It's been just the most fascinating thing anybody could do," he said. "There is no other job where you can get involved and have a meaningful impact on virtually anything going on in the country—or for that matter, the world. I would certainly do it over again."●

GOOD IMMIGRANT BILL

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. MAZZOLI. Mr. Speaker, I commend to the attention of my colleagues the following article by Brandeis University Pro. Lawrence H. Fuchs, which appeared in the October 9, 1984, New York Times.

Professor Fuchs' comments are very much on target and I hope my colleagues will give them careful consideration in the few hours remaining in the 98th Congress to give final approval to crucial immigration reform and control legislation.

The article follows:

GOOD IMMIGRANT BILL

(By Lawrence H. Fuchs)

WALTHAM, MASS.—In a minor miracle, a conference committee has reached a tenative compromise on the Senate and House versions of the Simpson-Mazzoli immigration bill. Months of bitter debate have produced a sound bill that deserves final approval. Even so, we are likely to hear again that the measure is racist and anti-family, that its legalization provision will open the immigration floodgates, that its employer-sanction measure will be ineffective and discriminatory.

The bill is not racist. The employer-sanction provision, which will penalize employers who knowingly hire illegal aliens, is designed also to protect everyone eligible to work—brown and black Americans and resident aliens alike. There was a concern that employers would use their fear of sanctions as a cover for discrimination against lawfully resident aliens. In fact, the bill provides for new mechanisms—including a new special counsel to investigate complaints—that will help protect aliens against such discrimination.

The bill is not anti-family. It emphasizes family reunification exactly as does present law. The crucial provision legalizing the status of undocumented aliens who have lived in America before 1981 will strengthen family reunification by allowing newly legalized aliens married to resident aliens to emerge from the shadows under the full protection of the law.

Nor will this provision open the floodgates to immigration. Even the most dramatic forecasts do not predict that more than two million will apply for legalization. Overall, the Simpson-Mazzoli bill will affect only marginally the total number of immigrants lawfully admitted in the years ahead, while bringing an exploitable underclass into more open participation in American life and also deterring future illegal immigration in a more effective way than the dangerous cops-and-robbers game that we call border enforcement.

How will Simpson-Mazzoli start us toward effective enforcement? Short term, the flow of illegal aliens will not be cut drastically. Employers will need time to move to a workforce that is substantially lawful. And it will take seven to 10 years to develop a universally secure system to validate those who can work and who can't. But by that time, the incentive to enter the country illegally will have been removed. The main reason

for starting now is to prevent the growth of a larger underclass and to protect us from the terrible divisiveness that would result from large-scale illegal migration in the future.

Simpson-Mazzoli will not work miracles. But it does do several important things. At one point, for example, efforts were made by restrictionist elements in Congress to make refugees (for example, those in Southeast Asia) compete with immigrants under an absolute ceiling. By repudiating these efforts, the bill keeps alive a humanitarian policy of accepting people who come here not with the primary purpose of seeking jobs but to escape persecution. It also makes more expeditious our method of deciding who is entitled to asylum (persons already in this country who fear persecution if deported). To that end, it provides an improved judicial system that will reduce delays and provide for greater uniformity in asylum cases. And it will reduce the underclass of illegal aliens in our midst through legalization while deterring the flow of illegal aliens in our midst through what eventually will become an effective mechanism of providing employment only to those who are lawfully permitted to work.

For various reasons, the bill is an improvement over earlier versions. It greatly strengthens the Senate's provisions against discrimination; it eliminates an ill-conceived House effort to allow up to a half million foreign workers to enter this country temporarily each year; it eliminates the Senate's absolute cap on the number of immigrants who can be reunited with their families; its legalization provisions cover more people than authorized by the Senate but are less costly than provisions proposed by the House. Simpson-Mazzoli deserves to triumph over wildly inaccurate rhetoric.●

TRIBUTE TO ABRAHAM KAZEN

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. UDALL. Mr. Speaker, a good friend and a longtime colleague in this House, ABRAHAM "CHICK" KAZEN, will be leaving us at the end of this Congress, and I'm sorry to see him go.

CHICK KAZEN is one of those folks who commands respect, and he has always had mine. Whether presiding over the Water and Power Resources Subcommittee or pleading the case for a piece of his own legislation, we've come to know that CHICK always speaks to us from the heart.

During all our years together on the Interior and Insular Affairs Committee, I've come to depend on CHICK. Behind this passionate man possessed of passionate beliefs, there has always been a fundamental fairness and decency. And like an oldtimer out in Arizona once told me, "that fella sure works hard at workin'."

CHICK KAZEN has been a credit to the Congress, to his native Texas and to the people of his congressional district. His example is what the Congress is all about.

I wish him and his family all the best of what they seek in the years ahead and extend to each of them my warmest regards.●

LIBRARY SERVICES FUND LEGISLATION HIGHLY DESIRABLE

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. OWENS. Mr. Speaker, I am pleased to rise and support the passage of the conference report for the Library Services and Construction Act Amendments of 1984. This report was passed on October 4, 1984. The resolution of the differences between the House and the Senate has been reasonable.

The conference report authorizes funds for library services, including the development of literacy services, as well as funds for construction. The library construction funds are clearly insufficient to meet the need for library construction in this country. However, it is my hope and the hope of others who worked to develop this bill, that these funds will serve as a catalyst which stimulates fundraising from other sources.

The library services funds can be put to many purposes as libraries expand their programs and reach out to those who have not yet discovered the knowledge, excitement, and reading pleasure which can be found in libraries. People talk about educational standards in this country and they forget that the most vital element in learning is reading—reading beyond that required in a class. There is so much available which will open new thoughts and interests. Children, with their natural curiosity, should be led to all that is available. Once started, they will develop the habit of reading which will serve them well in their personal and work lives. Every which will serve them well in their personal and work lives. Every book read not only adds to one's knowledge, but represents a triumph over the seduction of TV, the fast food of the mind. Libraries are a major component of the educational infrastructure of this Nation and libraries will continue to play a vital role in the creation and maintenance of the "learning society" advocated in the report, "A Nation at Risk."

The Library Services and Construction Act amendments are a beginning. I urge my colleagues to not only support the conference report, but to support the libraries in their districts as well as the efforts to expand and improve library services which were begun in this session of Congress. These efforts include the Academic Libraries and Information Technology Enhancement Act, the Computer Literacy Act, the Federal Correctional Educational Assistance Act, and several attempts to treat museums and libraries as public charities for income tax purposes.

Next year, as we consider the reauthorization of the Higher Education Act of 1965, we will have the opportunity to review college library assistance programs provided under title III of that act. This session's proposal, the Academic Libraries and Information Technology Enhancement Act (H.R. 5210) would have reauthorized funding for the college library resource development grant program, which has been reduced to zero, and targeted the new grants to needier insitutions. It would also have increased the proposition of title III funds allocated to library career training grants, contracts and fellowships and established a new program of 3-year grants to academic libraries to be used to acquire the technological equipment needed to participate in information-sharing networks.

The Computer Literacy Act (H.R. 3750) introduced this session would have addressed general computer literacy issues as well as providing grants to libraries to serve as a computer software and hardware loan centers for local schools and colleges and universities which will receive funds under the act. The concept of sharing computer information through libraries makes sense in light of the need for this resource and the costs of purchasing duplicative equipment and software when sharing can be used.

Several efforts were made to allow museums and libraries to be treated as public charities for income tax purposes. These efforts died in the Senate Finance Committee. Let us hope that those who urge charitable giving as a substitute for Government funding will see their way clear to provide some incentives for giving to libraries in the next session of Congress.

Prisoners are not a politically favored group. The Federal Correctional Educational Assistance Act (H.R. 5240) would have provided additional funds through a grant program to States. The funds would be for educational programs in juvenile and adult correctional institutions and would have included library services. At this time, the estimates of the illiteracy rates in prisons vary greatly. In many prison populations, the inmates who can read at or above the fifth grade level are less than 50 percent. This indicates a clear need to improve basic reading skills so that other skills can be learned. If we wish to prepare prisoners for any occupation other than crime, they must be able to read well enough to receive training.

Although I am disappointed that the measures discussed above did not

become law in this session, I remain optimistic that the Congress will take up these or similar measures in the next session. I urge all of my colleagues to discuss the needs of libraries with their constituents while they are back in their districts.●

CONYERS PROPOSES CONSTRUCTION OF 5 MILLION HOUSING UNITS IN RESPONSE TO PUBLIC HOUSING CRISIS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. CONYERS. Mr. Speaker, I am proud to announce the introduction of the Jessie Gray Housing Act. This bill is an essential response to the severe inadequacies of public housing in America.

The Jessie Gray Housing Act, named after the founding chairman of the National Tenants Organization, proposes the construction of 5 million new public housing units and the revitalization of 100,000 existing units each year for a period of 10 years. This project would be financed in part by a new National Housing Fund. In addition, a substantial percentage of the construction jobs created by this project would be set aside for unemployed individuals living in or near public housing. Finally, the share of personal income which all housing-aid recipients would be required to use for rent would be reduced to 25 percent, reversing a Reagan administration decision to set the share at 30 percent.

The passage of the Jessie Gray Housing Act is made vital by the regressive policies of the current administration. While the number of homeless in America has risen steadily, Federal expenditures for housing assistance have plummeted from $27 billion to $9.9 billion over the past 3 years. This administration is infatuated with voucher programs which fail to address either the shortage of actual housing units or the discrimination against low-income and minority rental applicants shown by landlords.

This act would reduce the public housing shortage by financing the construction of 500,000 new units each year for a total of 10 years. Funding would come from three sources: Direct Federal grants, the new National Housing Fund, and bonds issued by Public Housing Agencies [PHA's] and guaranteed by the Federal Government. During the first fiscal year, Federal grants to PHA's from general revenues would total $5 billion. During the same period, grants would be made to PHA's from the National Housing Fund in the aggregate amount of $15 billion. This fund would consist of revenues raised specifically for this purpose through a corporate income surtax. Finally, the Federal Government would assume responsibility for a total of $10 billion in bonds issued annually by PHA's. Figures for funding in subsequent fiscal years would be adjusted to reflect increases in the Consumer Price Index. At the end of the 10-year period covered by this bill, the National Housing Fund should have the resources to cover a greater percentage of future public-housing construction, thus eliminating the need for the selling of bonds.

This act would anticipate and prevent the "one step forward, two steps back" effect of allowing the destruction of existing public housing units while financing the construction of a smaller number of new ones. Under this bill, the demolition of public housing would be banned and the annual level of Federal funding made available for the revitalization of existing units would be increased.

No matter how much we tinker with voucher systems and other bureaucratic procedures, we cannot deny the fact that there is not enough public housing available for those who require it. New construction of public housing is a necessity, not a convenience, and the Jessie Gray Housing Act recognizes this fact.●

ROMAINE B. THOMAS—OUTSTANDING EDUCATOR

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. FAUNTROY. Mr. Speaker, at a time when our country is properly preoccupied with the quest for excellence in education, particularly in our public schools, I am pleased to bring to the attention of my colleagues the accomplishments of a talented educator, Ms. Romaine B. Thomas, the principal of Ketchum Elementary School in the District of Columbia.

Ms. Romaine B. Thomas has just been selected as one of the 54 nominees for the first annual National Distinguished Principals Program, jointly sponsored by the National Association of Elementary School Principals, the U.S. Department of Education, and Tandy Corp. This outstanding educator will be participating in a meeting with the Secretary of Education, T.H. Bell, as well as a formal awards banquet. She will also be honored, along with the other nominees, at a White House reception.

Mr. Speaker, I am extremely proud of Ms. Romaine B. Thomas, who is a civic leader in the Washington, DC, community, as well as a long distance runner for educational excellence.●

IN MEMORY OF THOMAS RAY GILMORE

HON. BILL EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. EMERSON. Mr. Speaker, on October 3, 1984, Thomas Ray Gilmore died at that age of 45. Mr. Gilmore was a prominent attorney and civic leader in Scott County, MO, and his life was distinguished by his commitment to achievement and service to his community.

Before graduating from high school, Mr. Gilmore served as a page in the U.S. Senate for Senator Stuart Symington. He graduated from Yale University where he was president of his college class. He obtained his law degree from Georgetown University, and while there, he served as a lieutenant in the Navy.

Mr. Gilmore served as assistant prosecuting attorney of Scott County and later as prosecuting attorney and was an active member of the American, Missouri, and Scott County Bar Associations. He was a member of the Missouri Law Enforcement Assistance Council and served as president of the Scott County Young Democrats. In addition, he was a member of the Sikeston Public Library Board, the Boy Scouts Executive Board and received the Boy Scouts of America District Award of Merit and the Silver Beaver Award.

Mr. Gilmore also served as judge of the Sikeston Municipal Court, vice-president of the Sikeston Industrial Development Council, and was a member of the Sikeston Chamber of Commerce, the United Fund Board, and the Silkeston Optimist Club. He was active in the First United Methodist Church of Sikeston and served on its administrative board and pastor-parish relations committee.

Thomas Ray Gilmore leaves behind family and friends who will miss him greatly, but who will remember him for his compassion and his untiring service to his community, his State and his country. The examples he set and the contributions he made will continue to enhance the lives of those who knew him for as long as we live.●

THE CONGRESSIONAL CAPITAL INVESTMENT PROGRAM INFORMATION ACT OF 1984

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. HOWARD. Mr. Speaker, today I am introducing the Congressional

Capital Investment Program Information Act of 1984.

Joining me on this important piece of legislation is the distinguished majority leader, Hon. JIM WRIGHT of Texas, who is to be complimented for his continued commitment to the issue of capital budgeting and the need for obtaining better data on our Nation's capital investments.

In testimony before the Rules Committee on Budget Act reforms, Congressman WRIGHT stated:

It seems to me that we have reached the point where in the United States we need to adopt that very sensible procedure. Here we are confronted, according to one of the news magazines, with a rather urgent necessity to expend some $2.5 trillion, if you believe their figures, in rebuilding, repairing, modernizing, updating the basic public infrastructure of our country, the roads, the bridges, the schools, the libraries, the public services of all kinds, the sewage plants, the water works, the drainage ditches that make up the public infrastructure of our Nation.

Those are our capital assets. They belong to all the public, and yet we are told that 40 percent of the bridges in the United States, and that is more than 200,000 of them, are structurally deficient and obsolete, some of them actually dangerous. At least 40 percent of them are more than 40 years old. They were built before 1940.

We face this necessity. Manifestly we are not going to be able to do an adequate job in rebuilding the infrastructure of our country out of operating expenses without running huge deficits.

Therefore, it seems plausible to me that the first and foremost important amendment to the Budget Act ought to be one which would carry out a recommendation made by the Hoover Commission in 1949, which was that we create a capital budget under which expenditures would be separated from current operating expenses.

Capital and investment type programs would be financed separately from the current expense programs, and would be costed out over a period of time sufficient to amortize the investment and to pay for them before they wear out, but not unrealistically expecting us to pay for everything in a current year. To do so seems to be defrauding ourselves.

It is in this spirit that the Congressional Capital Investment Act was formulated.

This bill addresses one of what I believe are three necessary components of a national infrastructure program: A mechanism for the President to gather budgetary information on capital investments; a national infrastructure initiative to meet program needs; and a mechanism for Congress to determine infrastructure priorities.

The first would be achieved through enactment of the conference report on S. 1330, the so-called capital budgeting bill. That bill requires the President, beginning with fiscal year 1986, to include as part of the annual budget submissions to Congress detailed budget analyses of major capital investments. That bill, which will soon become law, is a necessary first step in giving policymakers a dependable tool for analyzing the best combination of capital investment programs needed to maintain the Nation's infrastructure.

The second and most important component is the formulation of a national infrastructure proposal along the lines of H.R. 5948, the National Infrastructure Act. That bill would create a national infrastructure fund to make 20-year, interest-free loans available to the States and to serve as a depository for their repayment. It would allocate $3 billion per year for 10 years according to a formula based on State population.

The States would be required to spend the loans only on roads, bridges, mass transit facilities and equipment, water supply and distribution systems, and sewerage systems—the core life support systems of our economy. Each State would determine how to allocate its Federal funds with a requirement that at least 30 percent be set aside for municipal and country governments to invest.

Overall, the bill has three purposes: To provide a steady, dependable stream of capital to the States so that local managers can plan for future needs; to leave selection and dedication of projects with State and local governments; and to require that all funds be repaid, thereby containing the cost to the U.S. Treasury.

Legislative action on this bill is expected next Congress.

The third component—a logical extension of the first—is the development of a capital budget within the congressional budget process. That is what the bill I am introducing today does.

Section 2 of the bill requires that annual concurrent resolutions on the budget separately identify and summarize the public civilian and military capital investment expenditures of the United States.

Section 3 requires committees to review and comment on the President's analysis of capital investments, one of the new requirements of the recently passed capital budgeting bill.

Section 4 requires that the report accompanying the budget resolution include an identification and analysis of the principal policy issues and factors that affect capital needs.

Sections 5 and 6 provide for the allocation of the capital budget among respective House and Senate committees and within those committees by subcommittees and/or programs.

Section 7 provides that the definition of "public civilian and military capital investments" shall be the same as in the capital budgeting bill.

In essence, this bill parallels and complements what will be the new capital budgeting requirements of the executive branch. In addition, it provides the means by which Congress can assure that capital expenditures are separated from current operational outlays within the unified Federal budget.

With the enactment of this bill, Congress can then debate and set capital budget priorities clearly and deliberately within the context of overall capital policy objectives.

This is not a new concept, but it has yet to be implemented. Failure to put the Federal budget in a more rational, understandable order, will limit the ability of all levels of government to define and move forward with their own infrastructure strategies.

I encourage and welcome your support for this legislation.●

HONORING PAUL KAPCHAN

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. ACKERMAN. Mr. Speaker, I would like to ask my colleagues in the U.S. House of Representatives to take this moment to join me in honoring Mr. Paul Kapchan, president of the Democratic Club of Flushing-Whitestone-College Point in Queens County, NY.

The Democratic Club is paying tribute to our colleague JAMES SCHEUER and Mr. Kapchan for their many years of dedication and service to the public, at an annual dinner-dance on October 26, 1984.

Mr. Speaker, I know my colleagues in this body are aware of Congressman SCHEUER's vital contributions to the House of Representatives, his constituents, and the citizens of this Nation. But I would like to take a few moments to describe to you what the efforts of someone you may not know have done for the people of Flushing.

Paul Kapchan's ideas, leadership, and spirit of tolerance and understanding have dramatically changed the appearance and the heart of Flushing. Although he is serving his first term as president of the Democratic Club, he has been deeply involved in the club and the community for many years, to the benefit of every citizen in Flushing. As president of the Flushing Merchants Association, Paul has been the catalyst for revolutionalizing the relationships between immigrant and resident merchants, and between the business community and surrounding neighborhoods.

Paul has fought hard, with persistence and diplomacy, for a safer, cleaner, more dynamic Flushing. Through his efforts in negotiating better cooperation between merchants and the police department, every citizen now enjoys better protection and a safer way of life. He led a drive to welcome and support Chinese and Korean immigrant merchants and to break down barriers of prejudice and misunder-

standing among business owners. He has lived in Flushing for many years, built his life, his business and his friendships there. As a cofounder of the Democratic Club in Flushing and proprietor of a men's clothing store, he had a vision for the community—a vision of harmony between businesses and neighborhoods; of people working together for a common goal; of successful business owners extending the hand of friendship to struggling immigrant merchants.

Mr. Speaker, that vision is being realized in Flushing. Some citizens wish for a better, brighter way of life for themselves and their children. Paul Kapchan turns those ideals into reality.

I ask every Member of the U.S. House of Representatives to join with me now in paying tribute to Mr. Paul Kapchan.●

CHILDREN'S TELEVISION—A WASTELAND

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. BRYANT. Mr. Speaker, a major issue of concern to me has been and will continue to be the total lack of quality television programming on commercial networks designed exclusively for children.

I believe that the quantification of programming for children, as well as for elderly, women, and minorities, was the major stumbling block to successful resolution of the debate on legislation to deregulate the broadcast industry. And should this issue become the focus of legislative action in the 99th Congress, I am certain that the quantification of children's programming will again be one of my goals.

Recently, two excellent articles were published which clearly spell out the reasons broadcasters must focus more of their vast resources and allocate more air time to children's programming.

Fred Hechinger, in the October 3, 1984, New York Times article "Forgotten TV Audience: Children," considers a meeting called by Dr. David Hamburg, president of the Carnegie Corp. The discussion, on television and its educational potential for children, brought to light the fact that it is public television which is still providing the only quality programming for children available over the airwaves.

Dr. Hamburg pledged the Carnegie Corp. to pursue some further study and discussion of the state of children's television because "the impact and reach of the medium is such that we can't afford to ignore its educational potential. "I hope this is done soon as I totally agree with Chairman WIRTH's analysis that "the trend is down and children's television is deteriorating rapidly."

Peggy Charren and Cynthia Alperowicz, in an article titled "TV Should Turn on Children's Minds," discuss the enormous potential resource we have in television to educate our children. I am pleased to be an original cosponsor of legislation which would require commercial networks to broadcast 1 hour of programming, Monday through Friday, aimed at educating child viewers. I am appalled that while the average child will watch over 15,000 hours of television before he graduates from high school—so little is educational or even informative.

I commend both these articles to my colleagues for their consideration. The issue of children's television programming is one which I know will be the focus of my attention again in the 99th Congress.

The above mentioned articles follow:

[From the New York Times, Oct. 2, 1984]

FORGOTTEN TV AUDIENCE: CHILDREN

(By Fred M. Hechinger)

Children are television's forgotten audience. The networks have virtually abandoned children's programs, except for Saturday mornings' nonstop cartoon shows and occasional afterschool "special." Public television which continues to offer a few good children's programs suffers from a severe financial drought.

Last week two rays of hope broke through that darkness. The first was a meeting called by Dr. David Hamburg, president of the Carnegie Corporation, on Television and its Education Potential for Children. It served notice that a major foundation has reaffirmed its support of children's television. The second hopeful sign was an announcement by the Chidren's Television Workshop (C.T.W.) that it would present 20 new half-hour episodes as part of "3-2-1 Contact," its science program for 8- to 12-year-olds. In addition, the television workship has received financing to plan a mathematics program.

These were signs that, at least in public television, there is still life in children's programming. A representative of NBC said the network was considering a still secret children's program, rumored to be a news show. While this would suggest some hope that commercial television has not washed out regular programs for children altogether, the consensus among the conferees seemed to be that for the moment, children must depend largely on public television.

News from the television workshop dominates. The workshop is the creator of "Sesame Street," the preschool program that has achieved worldwide fame, and of the "Electric Company," which is intended to improve children's reading and writing skills.

In announcing that the television workshop had received financing to develop a math series, Joan Ganz Cooney, the president of the work-shop, pointed out that "many children come to dislike mathematics by the time they enter the upper elementary grades." She said she was certain that television could help.

The new science segments come at a time when schools face a serious lack of science teachers. The first episode, to be broadcast Oct. 22, shows a visit with astronauts. Later, the programs will cover electricity, the origins of the earth and measurements. Locations range from a junkyard in New Jersey to a walk along the rim of an active volcano. ("We were within about 50 feet of the lava vents, and the soles of my shoes were melting," says Judy Leak, the actress who plays one of the teen-age characters.)

Grants from the National Science Foundation, the Department of Education and the Corporation for Public Broadcasting virtually assure the production of 20 new programs each year through 1989.

The shows are built around three teenagers acting as hosts and an 11-year-old kid brother who asks lots of questions. Dr. Edward G. Atkins, a scientist responsible for much of the content, says the show tried to get youngsters to ask as many "Whys" as possible to allow the program to illustrate the answers. He stresses that the show does not want to replace a classroom curriculum but rather to arouse interest and give youngsters factual knowledge on which teachers can build.

"If kids aren't interested, they won't learn," Dr. Atkins says. "And if they haven't grasped certain basic concepts, they can't progress." He is not ashamed to admit that scientific content and entertainment must blend if the show is to work.

A preview last week showed a teen-age girl skirting the still fiery flow from an active volcano, helping a scientist to scoop up samples of the steaming mass for laboratory purposes. In this case, the scientist is a woman. Whenever possible, the program uses women and members of minority groups as professional role models.

Another segment looks at changes in the earth's surface over the past 450 million years. "Can you predict what things will be like in another 450 million years?" a youngster asks. The scientist smiles and explains the difficulty of such long-range forecasts. Discovering the past is easier.

A little boy's physical examination before he leaves for summer camp leads to the discovery of electricity in the human body or generated by it. "It's everywhere," says the doctor, and the program subsequently shows how body electricity can be used to allow an amputee to move an artificial hand.

The science program reports that it has an audience of well over seven million viewers. It is augmented by 3-2-1 Contact Magazine, and teachers' guides, published by the television workshop and made available free of charge to any teacher on request. So far, more than 650,000 guides have been ordered. (For information, write to C.T.W., One Lincoln Plaza, New York, N.Y. 10023).

Schools are encouraged to videotape the program, without fear of copyright violation, and to build the segments into the curriculum at convenient times. In the past, 26 countries have broadcast the series. West Germany, France and Spain have produced their own versions with native casts.

Despite such hopeful signs, participants at the Carnegie Corporation meeting were not sanguine about the future of children's television. Representative Timothy Wirth, the Colorado Democrat who is chairman of the House Subcommittee on Telecommunication, Consumer Protection and Finance, charged that the networks were pressing for complete deregualtion "so that there will be no check on what they are doing" for children. "The more we know about the power of TV as a teaching tool, the less we use it,"

he said. He favors legislation that would require the networks to reserve one hour a day for children.

The Carnegie Corporation, one of the original financers of "Sesame Street," pledged to pursue the issue after some further study. One of the possibilities, said Dr. Hamburg, is the creation of a fund of public and private resources for the support of independent productions, possibly to be broadcast first on public television and then made available to commercial broadcasters. The initial discussion, Dr. Hamburg said, reinforced his belief that "the impact and reach of the medium is such that we can't afford to ignore its educational potential." But speed, the observers at the meeting agreed, is of the essence. Mr. Wirth warned that "the trend is down" and children's television is deteriorating rapidly."

[From Newsday, July 24, 1984]

TV SHOULD TURN ON CHILDREN'S MINDS

(By Peggy Charren and Cynthia Alperowicz)

Can commercial television programs educate and inform children? Should they even try? Does the government have a right to make them try?

These are a few of the questions likely to be debated by Congress in the coming months. At the heart of the debate are issues crucial to communications policy in the United States: If the public owns the airwaves, can't the federal government mandate that broadcasters give back something to the public, in exchange for their license to use the airwaves? Or would that endanger precious broadcast freedoms?

Sen. Frank Lautenberg (D-N.J.) in August introduced a bill, S. 2909, that would require every television station to air one hour a day, Monday through Friday, of programing "designed to enhance the education of our children." Months earlier, in October, 1983, Rep. Timothy Wirth (D-Colo.) had presented a virtually identical bill, H.R. 4097, in the House.

In introducing his version of The Children's Television Education Act, Wirth said, "America is losing ground in competing with the rest of the world in an increasingly technological age. The place to start to fight back is education: both inside and outside our schools." Television, he explained, is so pervasive that by the time they finish high school, American teenagers have spent more hours in front of a TV—15,000 on the average—than in front of a teacher.

Lautenberg reminded the Senate that other nations have recognized TV's enormous potential. "England, Sweden, Australia and Japan all mandate more than 10 hours a week of educational programing for children," he noted.

Wirth and Lautenberg have commended public television for its role in educating young viewers. But they emphasize that public TV has neither the funds nor the mandate to become an educational children's network, and that it's time for Congress to require commercial stations to help shoulder the responsibility for educating children and teenagers. "The amount of children's programing has dropped from an average of 10.5 hours a week in 1974 to 4.4 hours a week in 1983," Lautenberg observes. "There is no regularly scheduled weekday programing for children on any of the commercial networks." Wirth cites statistics showing that commercial broadcasters now devote an average of three-quarters of 1 percent of their daily airtime to informational children's programs.

Commercial broadcasters, predictably, are cool to any suggestion that they have ignored their responsibilities to children, and lobbying to counteract the proposed regulation is in full force.

Edward Fritts, president of the National Association of Broadcasters, calls The Children's Television Act a "misguided approach." Nevertheless, a broad coalition is building—including Action for Children's Television, the American Academy of Pediatrics, the National Education Association, the National Council of Negro Women and the National PTA—to rally public and legislative support for the measure.

The story of Wirth's and Lautenberg's involvement in mandating informational children's programing is the story of the failure of the Federal Communications Commission to act on behalf of children.

Last December the FCC finally brought to an end a proceeding on children's television initiated in 1970 by Action for Children's Television. ACT had asked the commission to require daily children's programing, and the FCC had agreed to consider the idea.

In 1974, the commission adopted a policy statement emphasizing that "broadcasters have a special obligation to serve children" and "to develop and present programing which will serve the unique needs of the child audience." Leaving the door open to ACT's idea of mandatory children's programing, the commission set minimum standards for the amount and scheduling of children's programing.

Five years later, an FCC task force evaluated industry compliance with the 1974 policy statement and announced that broadcasters still had not met their obligation to improve children's television. Instead of moving to correct that neglect, the Reagan-appointed FCC simply ignored it. The children's television rulemaking sat on the back burner until at last, under a court order to take action one way or another the commission closed the proceeding. Not only did the commission decide not to require daily children's programing, but it chose to weaken its 1974 policy statement, arguing that with so many TV sources (cable, video cassettes, video discs, even adult shows) now available to children, commercial broadcasters need worry no more about children's viewing needs.

Enter Wirth and Lautenberg, asking Congress to step in where the FCC feared to tread by exploring commercial TV's potential for educating and informing young audiences. Sensitive to broadcasters' First Amendment freedoms, neither suggested that the government attempt to judge what makes *good* educational TV; Wirth and Lautenberg asked simply that Congress mandate *quantity*, not *quality*. Competition will keep the quality naturally high, in any case, Lautenberg reasons: "Once broadcasters are required to attend to the children in their audience, market forces will drive them to attract as many young audiences as they can, and they will do that by airing attractive educational programing."

Squire Rushnell, vice president for long-range planning and children's television at ABC, claims that children won't watch so-called educational programing. "If it kind of looks like school, we've lost them," he claims. But public television's "Sesame Street" has dispelled the myth that children can't enjoy TV while they learn. Before Reagan's deregulatory FCC took the heat off broadcasters to serve young audiences, CBS had "30 Minutes," a Saturday morning news magazine modeled after "60 Minutes," that gave children credit for being able to understand—and even enjoy—a discussion of serious topics: the turmoil in the Middle East, the troubles in Northern Ireland.

ABC's "Animals Animals Animals" explored myths, folk tales and facts about animal life. Both series proved popular with young audiences. Yet both were yanked off the TV lineup to make way for more cartoons.

Children's television is a significant money-maker for the commercial networks. According to View magazine, network sources predict that their revenues from advertising in the 1984-85 children's programing year will be a combined total of $190 million. What kinds of programs are the three networks giving children in return?

This fall, as last, the Saturday morning ghetto—the only airtime regularly turned over to young audiences—is filled with cartoons that push the toys on which they are based. It's a neat arrangement for the Big Three: more and more shows that look like ads, making for more and more advertiser satisfaction.

The trend in recent years has been to criticize television. It's called the "plug-in drug," the "boob tube." Wirth, Lautenberg and their supporters disagree. They think of children's television not as Pandora's box, filled with evil curses. Rather, they see children's TV as Aladdin's lamp, a source of hidden good fortune.

Anyone who has ever wished for children's television to be more like a children's library can now make that wish come true: Tell Congress it's time to let the genie out, by passing The Children's Television Education Act.●

HAPPY 20TH BIRTHDAY TO THE LONG WHARF THEATER

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. MORRISON of Connecticut. Mr. Speaker, I would like to pay tribute to the Long Wharf Theater, which is celebrating the opening of its 20th season on October 12, 1984.

The Long Wharf Theater, located in New Haven, CT, is a vital artistic institution, not only to the city of New Haven and my congressional district, but to the theatrical life of Connecticut and the entire Nation.

Begun in the summer of 1965 by two Yale drama students with the enthusiastic cooperation of local professional people, the theater produced its first show in an unusual location: a food market building in the commercial section of New Haven known as Long Wharf. The theater still operates in the original location. Since its debut, the Long Wharf has received two Pulitzer Prizes and three New York Drama Critics Circle Awards, and 12 of its 78 productions have gone on to new York to become major productions.

Under the leadership of Arvin Brown, artistic director, M. Edgar Rosenblum, executive director, and C.

Newton Schenck III, director of the board, Long Wharf has become an institution on our American theatrical scene.

For 20 years the Long Wharf Theater has enriched our lives with imaginative and excellent theater. It's a small theater—but it's the best. I know that all the people of Connecticut's Third Congressional District and theater-lovers all over the world join me in saying, "Happy Birthday, Long Wharf."●

H.H. HARVILL, SR., PIONEERING ARKANSAS COMMUNITY LEADER

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. ALEXANDER. Mr. Speaker, I wish to share with my colleagues the story of one of my States most respected and most effective community leaders.

When H.H. Harvill, Sr., of Humphrey, AR, gave the news that residents of countryside communities and small towns across southeast and south central Arkansas would benefit from the largest rural water project ever backed by the U.S. Farmers Home Administration, grins spread across many faces of his fellow Arkansans.

The Harvill magic had been put to work yet again.

Revered and respected by thousands, the H.H. Harvill, Sr., reputation for achieving results for his fellow Arkansans began building nearly half a century ago. So the success in getting funding for the Grand Prairie Regional Water Distribution System came, not as a surprise, but as one more demonstration of his faith and his dogged determination to help his people achieve a better life for themselves and their families.

Although retired now, H.H. Harvill began his career, like many in his region, as a farmer. He helped pioneer rice, soybean, and fish farming in our State even while growing the traditional crops of cotton and oats. Both the Farm Bureau and the Farmers Union are privileged to count him as a long-time member and supporter. Mr. Harvill was an organizer of the Arkansas County Farm Bureau.

He has served his religious faith as a member, deacon, and Sunday school teacher in Humphrey Baptist Church. H.H. Harvill, Sr., backed his belief in the principles of democratic, representative government with 46 years as a member of the Arkansas County Quorum Court. As a parent and supporter of education, he, for 25 years, put his energies to work for the Humphrey School as a member of the district's board of education.

Recognizing the benefits of electrical service and wanting those for his people, he worked successfully for the establishment of the Riceland Electric Cooperative, Inc., H.H. Harvill, Sr., was an incorporator of the people-owned cooperative, and has been a member of its board of directors since it came into being on July 29, 1940. He is the only president in the organization's 44-year history.

Mr. Harvill's role as incorporator of the rural electric cooperative was the first of a long history of such successes. He has served as an incorporator and member of the board of directors of Arkansas Electric Cooperatives, Inc., the statewide association of rural electric cooperatives. The Arkansas Electric Cooperative Corp., the statewide power supply cooperative of the Arkansas electric cooperatives, has benefited from his service as incorporator, board of directors member and president.

With the innate concern of a person who loves the land and water and believes the ravage of soil erosion is the enemy of all people, H.H. Harvill turned his formidable energies to land and water conservation and erosion prevention. Thus came into being his years as an incorporator, director, and continuous president and chairman of the Arkansas County Soil Conservation District, as well as area vice president of the Soil Conservation Districts of Arkansas, and as chairman of the board of directors of the Arkansas County Soil and Water Conservation Committee.

Mr. Harvill's concern with the availability of water to the people of his region has resulted in his investing his energies in the Tri-County Water Users Association as incorporator, member of the board of directors, president and board chairman, and in the Arkansas Rural Water Association as incorporator, director and chairman. This has been in addition to his work with the Grand Prairie Regional Water Distribution District which intends to provide domestic water supply to Arkansans in parts of Arkansas, Jerferson, Lonoke, Monroe, and Prairie Counties.

Another measure of H.H. Harvill, Sr.'s enthusiastic and unflagging service to his fellow Arkansans, may be found in his work as an incorporator and member of the board of directors of the Southeast Arkansas Economic Development District. As is the case with other community service-oriented organizations he has helped found and guide, SAEDD is a cooperative institution directed at helping Arkansans build better lives for themselves.

A project undertaken by H.H. Harvill, Sr., in the 1940's symbolizes his whole career of community service. At that time he began promoting the Telephone Utility District within Arkansas County. His efforts provided the catalyst which stirred investor-owned telephone service into being in Arkansas County.

H.H. Harvill, Sr., did "reach out and touch someone". He reached out and touched us all, and we are much better for that reaching.●

ANTITRUST REFORM ACT

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. BROOKS. Mr. Speaker, today I am introducing the Antitrust Reform Act. My bill would reform the antitrust laws in two areas. It creates a new right of contribution. This will permit defendants in a price-fixing case to bring into the case parties not sued by the plaintiff, but parties who may have conspired with the defendants to fix prices. A new statutory right of claim reduction is included in my bill. Settlements would not be discouraged under the principle of claim reduction. However, any judgment obtained by plaintiff in a price-fixing case would be reduced by the market share of those who settled.

The contribution and claim reduction principles represent sound policy and needed reform. All, not some, price-fixers will be punished. Those who believe they are innocent can litigate without fear that they will have to pay damages attributable to others.●

LEONARD FUNK: BRADDOCK HILLS DEDICATES MONUMENT TO WINNER OF CONGRESSIONAL MEDAL OF HONOR

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. WALGREN. Mr. Speaker, this September, the community of the Braddock Hills dedicated a monument, in honor of Leonard Funk, who earned the Congressional Medal of Honor in the European Theater during World War II and who recently retired after years of service as the Veterans' Administration division chief in the Pittsburgh region.

My generation can only mark and honor Leonard's bravery in action that saved the lives of many of the young Americans fighting with him.

The Congressional Medal of Honor is the highest award given by our country for military bravery. It is especially appreciated that the most important military honor our country best serves comes from the Congress, because the Congress is the part of

our Government that most closely represents the American people.

And it is to protect the American people that young men like Leonard Funk, have risked their lives completely throughout our history.

Just as importantly, we should take this occasion to honor Leonard's service to our country's veterans through his career with the Veterans' Administration.

Leonard's contribution in the delivery of veterans' services and benefits over the years of work with the Veterans' Administration is as important a contribution to the spirit and values of our country as were his instinctive reactions on the battlefield that earned him the Congressional Medal of Honor.

If our Nation does not honor and service its veterans we will lose our spirit without fail.

There are large challenges ahead of us as more veterans than ever before move into old age. Leonard Funk's service to our country should be our example against which to measure ourselves and our own commitment to the veteran.

What are we willing to contribute? Our commitment to these aging veterans is only beginning to be tested.

We should be grateful that Leonard Funk set such a good example for us to aspire to.●

INCREASING TAXES WOULD THREATEN OUR ECONOMIC RECOVERY

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. LENT. Mr. Speaker, I rise to call to the attention of my colleagues a recent interview in the magazine U.S. News & World Report with Willard Butcher, chairman of Chase Manhattan Bank. Mr. Butcher addresses a number of economic questions and provides us with some thoughtful and very perceptive insights. I was particularly impressed with Mr. Butcher's analysis of the dangers of increasing taxes in an effort to narrow the deficit. I share Mr. Butcher's concern that such a move would cause a downturn in the national economy. As the head of the Nation's third largest bank, Mr. Butcher's views should be given careful study. I urge my colleagues to give thoughtful consideration to Mr. Butcher's comments and I insert the full text of the U.S. News & World Report interview at this point in the RECORD:

WE'VE GOT TO ATTACK HIGH INTEREST RATES

Q. Mr. Butcher, do you look for today's high interest rates to bring a business slowdown, as many forecasters expect?

A. The danger is that we overstay high rates and that this can have a very deleterious effect on sound economic policy. It tends to have more effect on long-term investment than on short-term speculation.

Q. Why the danger?

A. Say you are a business manager and considering a new investment project. You are looking at a basic rate of interest of 15 percent in the U.S. today. That means that if you want to make 15 percent on the investment, you need prospects of a pretax rate of return of about 30 percent to make it worthwhile. There are not too many investments around like that. So what happens? You slow down the investment.

Q. Are you seeing such slowdowns already among clients?

A. We've seen some signs that the buoyancy is subsiding. This recovery was far more buoyant than anyone expected, but it has been very uneven. It has been very fine in some of the high-tech areas; very fine in consumer durables, including automobiles; very fine in other consumer goods; not very good in capital goods, in modernizing plants for the future. That's why we've beginning to see signs that some industries are slowing down.

Q. With inflation cooled off, why are interest rates so high?

A. There are a number of factors. One is an expectation issue: "Once burned, twice shy." The investor has been very, very badly burned by fixed-rate obligations of any length of time. Therefore, it is very hard to float 25 and 30-year fixed-rate money today.

Two, short term, there is the question of budget deficits. There is apprehension that the deficits will heat up inflation and worry that they will mop up some of the credit supply. If the government is floating 180 to 200 billion dollars of debt every year, that's fairly big percentage of our savings.

And you say, "Well, O.K., we'll import the rest of the money." But the rest of the world is not without its deficit spending also.

Clearly, neither we nor the rest of the world have become immune to the level of interest rates.

Q. Looking to 1985, what do you see interest rates doing?

A. I hope we will see rates somewhat lower over the next 12 months, if not in the immediate future. I hope this because it's going to be important to sustain economic development.

I think we get there by dealing with our budget deficit, by dealing with other elements that could be inflationary. I would hope labor settlements will be within a band that would not be inflationary. It also means that we have to add to production facilities to insure we don't run into short capacity.

Q. Are you saying that if interest rates continue at the 15 percent level and the deficit remains in the 180-to-200-billion-dollar level, the economy will slide into a recession?

A. I don't know that I see anything that dire. What I am saying is: I see an economy that long term will not sustain interest rates at this level and be a vital economy, that we risk having a lack of stability. Therefore, we've got to try and attack those things that are causing higher rates.

Q. Would you support a tax increase to narrow the deficit?

A. I don't think that's primarily what got us into trouble. President Kennedy's taxes and spending were approximately 19 percent of gross national product. Even after the famous Reagan tax cuts, taxes are still 19 percent of GNP. The trouble is spending has risen to 24 or 25 percent. The culprit, therefore, is spending.

My concern is that higher taxes will turn the economy back down again. It won't give the incentive to add to productive capacity and competitiveness of the economy. To the extent that politically you have to have some tax increase to go along with spending cuts, I would hope that the tax increases will be primarily on the consumption and not on the income side. This would be the fairest type of taxation. You can exempt the poor from consumption taxes. Food can be exempted. Clothing under a certain price can be exempted.

Q. Does that mean you would support a value-added tax?

A. I would, to the extent that you have to raise additional revenue.

Q. What kind of spending would you cut?

A. First, we've got to recognize that the poor and the disadvantaged need help. Our country should never turn its back on them. But a number of our so-called entitlement programs are entitlements for people who don't need them. They're a terribly expensive way of providing the middle class with a service. For example, I don't see why my future Social Security benefit necessarily should be tax-exempt. Why should it be? It's another form of pension.

I say to the young people in the bank: "Why should you pay for my pension out of your personal funds?" That's what we're talking about here.

Q. What do you think the next administration will do about the deficits?

A. I don't really know. But my impression is that both parties recognize the need for deficit reduction. I share President Reagan's view that much of that effort has to come from a spending cut. I just hope Congress will cooperate.

Q. You sound rather worried about this recovery. Should the Federal Reserve ease up on credit now to help interest rates come down?

A. I don't want to appear too troubled. But the problems require the most excruciatingly careful pursuit of monetary policy on the part of the Fed.

I can't think of any person that I would rather see chairman of the Federal Reserve than Paul Volcker. He has done a very good job. But we have to recognize that it's a high-risk job.

How do you forecast the economy 12 months out with any degree of precision and thereby set interest-rate targets and monetary targets that will result in a desirable mix that won't unduly damage the economy? It's a very narrow and tortuous path.

Q. All in all, the U.S. banking system has been taking quite a battering lately, what with Continental Illinois Bank nearly going under; fears about Financial Corporation of America, the savings and loan firm, and Third World debt problems. Can people still have confidence that their money is safe?

A. Oh, yes. I don't think that's really an issue. If one looks at statistics relative to the system, it is somewhat stronger today than it was a year ago, and considerably stronger than it was in the mid-'70s. Nonperforming loans as a percentage of capital, or as a percentage of loans outstanding, are about half of what they were in the trough of the recession of the mid-'70s.

Capital itself has begun to increase. Our own capital ratios—a bank's capital measured against its loans outstanding—were around 4.8 percent a year and a half ago and are now very close to 6 percent.

Q. But isn't the Third World debt problem still hanging over banks?

A. I don't want to underestimate the Third World debt problem, which is probably the biggest threat to the system. But I also think we ought to recognize that there has been very, very concrete improvement in the Third World situation. Since the nadir in the autumn of 1982, we've seen a strategy put in place among the major players to cause readjustment to occur in the less-developed countries, primarily in Latin America. In Mexico, the progress has really been quite remarkable. Are they out of the woods? No, but they're well along on a path through the woods.

Brazil, with fits and starts, is now beginning to show very positive signs. If you take all of Latin America, the balance-of-trade deficit has now moved into surplus.

Argentina is the one country that seems to be creating most of the problem, but, there again, the fundamental economic issues are improved. Indeed, they've got cash in the Federal Reserve Bank of New York that has secured some obligations.

I am surprised that the perceptions of improvement have not been as real as the improvement itself. I don't think people understand how these countries have moved into surplus, how they are beginning to meet their debts properly and that progress has been made.

Q. Can we expect more bank failures in this country on top of the large number we've already had this year?

A. There will always be bank failures. But I do not expect to see anything as traumatic as the Continental issue.

Q. What's behind the rash of failures?

A. Let's fact it, banks get into trouble primarily for one reason, and that's bad loans. When they reach a crisis, depositors sense it and run out.

Now, are there troubled assets in the banking system? Of course. Are our nonperforming loans up over the last several years? Yes. Why? One reason is obviously the Third World debt issue. Another is that we have some industries that are very, very troubled.

Q. Because of the uneven recovery you referred to?

A. You bet. Though the losses may not be as great as they were, the steel business isn't making any money. The nonferrous-metals business hasn't made any money in four years. The airline business's profitability has been extremely sketchy. The oil companies, even the most powerful and best managed, are earning half of what they were earning three or four years ago. So you have some very fundamental industries that are in trouble. And I don't see any early change.

Clearly, that's going to reflect itself on bank balance sheets. The issue is not whether there are problems. The issue is whether the problems can be dealt with. And I submit they can be.

Q. Has deregulation by Washington Caused the banking system to grow too fast, as some critics contend?

A. Let's talk about where the deregulation is. When I joined the banking industry 37 years ago, banks had approximately two thirds of the financial resources of the county. Today they have less than a third. We've been growing far less rapidly than has the economy as a whole.

There aren't a great many more powers available to banks today than they had 20 years ago. Most of the deregulation to date has simply permitted banks to compete for their traditional funds. The earlier limitations on interest rates applied only to the banking system and meant we couldn't compete for deposits.

What happend was that a Merrill Lynch or another money fund would pay the fair rate, take a skim off the top and turn it over to a bank. That's a fairly inefficient way of mobilizing financial resources.

Q. Many people feel that banks want you only to go to an automatic teller, and if you deposit a check from out of town, you have to wait three weeks to get at the money—

A. We've reduced the time for a check to clear, but there's more to be done. On the automation issue, it's no question but that we're going to automate. Automatic tellers don't take lunch breaks on Friday between 12:30 and 1:30. They also tend to be more accurate. Is that less personal? Yes, it is. but many people don't want to pay for personal service. Discount stores grew because people wouldn't pay. They respond to lower prices.●

DELCO ELECTRONICS: WORLD CLASS COMPUTER MANUFACTURER

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. HILLIS. Mr. Speaker, as cochairman of the congressional automotive caucus I have become acutely aware of the need for our domestic auto manufacturers to develop and apply the very latest technology to their product lines. I am inserting into the RECORD today an article from "Update," a publication of the General Motors Information Systems and Communications Activity, which describes a relatively recent development in the use of computer technology.

I am particularly proud that the Delco plant producing on-board control computers for General Motors automobiles is located in my district in Kokomo, IN. Annual module production is over 5 million units, some of which have life expectancies in excess of 10,000 years.

Clearly the development of this technology represents a distinct advancement in the production of American automobiles.

DELCO ELECTRONICS: WORLD CLASS COMPUTER MANUFACTURER

Is it any coincidence that the city which brought us stainless steel, canned tomato juice, and the gasoline-powered automobile should also be the city which boasts the world's most prolific computer maker along with a talented work force which ensures that the production happens?

Yes. GM's Delco Electronics Division, in the heart of Kokomo, Indiana, is the world's largest producer of on-board control computers.

ONE SMALL STEP FOR DELCO

Without fanfare, the motoring public was introduced to the first major application of computers when computer command controls were added to the 1980 GM cars and microprocessors demonstrated that they could replace mechanical components. The beauty of this introduction was the high degree of transparency—the driver received the same functions as before with no change in required behavior. Even today, many drivers are unaware of the existence of computers under the hood.

From a modest beginning of 400,000 computers in 1980, this year Delco plans production of more than 5 million engine control computers. In addition, plans call for 6.4 million radios, 5 million climate controls, 8 million voltage regulator modules, 8 million ignition modules, and 12 million barometric pressure sensors.

This aggressive production level has earned for Kokomo the nickname of *Silicon Flats.*

HOW DO THEY DO IT?

Making computers involves a series of highly complex, precision manufacturing steps—but Delco seems to do the job with one hand tied behind its back. The process begins with several parallel tasks for the first months of a project. These include: circuit design, circuit board design and production, wafer production, and software development.

Circuit design begins with a team of engineers who create circuits with the aid of sophisticated computer-aided engineering (CAE) and computer-aided design (CAD) computers which support the engineers' need to include various circuits in meaningful relationships to accomplish a given objective.

Computer-generated designs are plotted as large as 6′ x 12′ on paper for subsequent visual checkout. "Some circuit designs represent 10 to 15 man-years of effort in addition to computer support", according to Vince Newsom, CAD supervisor. When approved, the computer generates a magnetic tape which drives a pattern generator to produce a photo mask for printing circuits on silicon wafers using photolithographic techniques.

The process reduces the circuits so that they may be printed on a 4″ or 5″ diameter silicon wafer, in areas as small as 1/10″ square. Wafers may be exposed to as many as 12 masks until the desired integrated circuit is achieved on each tiny area.

After testing, good chips on the wafer are placed on lead frames. The frames then move to a bonding machine, where very fine gold wires are used to connect each chip to a larger component to make a module. Completed modules are enclosed in impact-resistant plastic, making components which are virtually impervious to the outside world. (Accelerated testing indicates that some of the modules have life expectancies in excess of 10,000 years.) The proper components are later soldered onto a printed-circuit board to make a functional control computer.

GROWING A CRYSTAL

Chip production begins by melting processed silicon (essentially refined beach sand) into a "soup" at 1400 °C., into which is introduced a seed (a crystal whose atoms are arranged in a desired structure). As the spike-shaped seed is rotated counterclockwise in the clockwise rotating soup, the silicon atoms begin to assume the same configuration as those in the seed.

A crystal begins to grow in a cylindrical shape as its atoms solidify around the seed. This process takes 16 to 20 hours. Following this, the silicon cylinder is cut into wafer-thin slices, polished to a high gloss, and tested. The chips next move to the clean

room where the photolithographic process occurs. Delco manufactures its own custom-designed integrated circuit chips, which account for 50 percent of its needs. Existing technology is purchased from outside vendors, accounting for the other 50 percent. This allows the division to concentrate its talents in the areas of greatest return on investment.

"After three decades of providing mechanically tuned radios for vehicles," commented Pat Recupito, Chief Engineer, Radios & Controls, "Delco has capitalized on the mushrooming technology of computers in an effort to respond to changing consumer requirements."

Exploitation of the potential inherent in electronics technology has positioned Delco Electronics as a world leader in control computer engineering and production. A new plant currently under construction features a 60,000-square-foot clean room and will increase the capacity for production of integrated circuits by a considerable amount.●

THE TRUTH ABOUT SUPERFUND

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. ECKART. Mr. Speaker, I read with interest a speech given recently by one of the opponents of the Superfund legislation. Not surprisingly, the speech expresses satisfaction that the industry opponents and the administration have killed Superfund for this year.

The speech blames the death of Superfund on the House sponsors of that legislation and its supporters. Someone must have forgotten that the House passed this bill 323–33, and that we have been waiting 2 months for the Senate to act.

Those shortsighted industry lobbyists who oppose reauthorization of Superfund this year, including the insurance industry lobbyist who gave this speech, do their own industries a disservice. Substantial resources must be devoted to cleaning up abandoned hazardous waste sites and delay only makes the problem more difficult.

Instead of passing a bill this year and giving the EPA the time to gear up for a massive cleanup effort, we will now be forced to pass legislation next year without the lead time for EPA. Not only have we lost a year of planning for cleannup, we have lost additional time in fiscal year 1986 while EPA figures out how to respond to the legislation. Every day of delay only increases the cost of cleanup, and most of the cost will eventually be borne by industry.

The speech accuses the House sponsors of the Superfund bill of "overweening pride." As a sponsor of this bipartisan bill I can assure my fellow Members that it was not pride that pushed this bill forward; it was concern for the environmental threat posed by abandoned hazardous waste sites that prompted the House to act.

Because of the opposition of the administration and unenlightened industry lobbyists, we will be back at this issue again next year. Contrary to the opinion of some, H.R. 5640 passed the House overwhelmingly, and I believe the House will pass a strong bill next year.

I urge my colleagues to read the following speech as an example of the misguided view of some in industry which led to the Senate defeat of this vital legislation.

The speech follows:

POLITICAL LESSONS FROM THE 1984 SUPERFUND REAUTHORIZATION FIGHT

(Remarks of Leslie Cheek III, Vice President—Federal Affairs, Crum & Forster Insurance Cos. to the Industry Suppliers Committee of the National Paint & Coatings Association, Washington, DC, Oct. 4, 1984)

Good morning. It is delightful to be with the marketing managers of so many of the fine companies that we have worked side-by-side with during this year's titanic struggle over the reauthorization of the hazardous waste cleanup Superfund. Your organizations, and NPCA in particular, are to be congratulated for the sophisticated and effective way in which you derailed what seemed to many of us to be an unstoppable legislative locomotive.

Barring any last-minute shenanigans with the continuing appropriations resolution, which would invite a Presidential veto, it appears that the 98th Congress will stagger to an end without reauthorizing Superfund, a fact for which your industry and mine must be extremely grateful.

Had either the House bill, with its $10.2 billion five-year price tag, or the Senate measure, with its $7.5 billion revenue target, become law, the international competitive position of your companies would have been severely compromised, if not entirely destroyed.

Had the Federal cause of action in the House Committee bill become law, my industry's ability to furnish or price environmental liability insurance protection for any business handling hazardous substances would have evaporated, and your industry would have faced uninsured legal liabilities that would have made your Superfund tax liabilities look like small change.

And had the "victim assistance demonstration program" in the Senate bill become law, our Nation would have taken the first step toward a gigantic national health and disability income entitlement program financed solely by our vital chemical and oil industries.

What all of us dodged in the collapse of the Superfund reauthorization effort this year was not a bullet, but a thermonuclear bomb. Had that bomb gone off, two of our Nation's most competitive industries would have been crippled, an entire line of insurance would have disappeared, and funds desperately needed for hazardous waste cleanup would have been siphoned off into a thoughtless entitlement program with incalculable future costs.

How did we come so close to being obliterated? Did we win this year's fight, or did the other side lose it? Are there lessons we can learn from this year's struggle that will help us next year? These are the questions that I would like to try to answer in my few minutes with you this morning.

First, how did we come so close to being obliterated? Or, put another way, how could legislative proposals as irrational and irresponsible as elements of both bills were come so close to enactment?

The easy answer to this question is that 1984 is both a Congressional and a Presidential election year, with perhaps the starkest contrasts even between the two major parties in their approach to environmental issues. The Democrats made no secret of their desire to capitalize on the extraordinary public support for higher spending on environmental control by forcing through the Congress a Superfund reauthorization measure that the President would be forced to sign if he didn't want to hand the issue-starved Democrats a golden opportunity.

And just as no Member of Congress in the late 1960's could vote against any measure with a "civil rights" label, so now there are few with the courage to oppose any bill touted as "environmental protection," especially in an election year.

But the more disturbing answer lies in the synergism between the Congressional "reforms" of the post-Watergate era and the growing complexity of the issues with which Congress must grapple in post-industrial America.

Power in the Congress was once vested in the Committee chairman and in the disciplinary authority of the party leadership. The post-Watergate "reforms" have dissipated the power of the Committee chairman among an extraordinary proliferation of Subcommittee chairmen, and the party leadership is incapable of punishing members no longer dependent on the parties for financial support.

At the same time, the issues with which the Congress must deal are progressively more technical and intractable. For example, this year's tax bill was 1,300 pages long, and Jim Florio's initial Superfund reauthorization proposal was 122 pages long. The technicality of the issues within their jurisdiction has compelled the Subcommittee chairman to hire staff experts with highly specialized academic training and, frequently, corresponding narrow political perspective.

The result of these phenomena is that the Subcommittee chairman, backed up, in Jim Florio's case, by a staff of twelve, wield enormous power within the areas of their jurisdiction, because very few other members have either the background or the time to challenge a Subcommittee chairman on matters within his or her expertise.

When the natural power of a Subcommittee chairman's subject matter jurisdiction and expertise is combined with fierce personal and staff partisanship and allied with a potent private sector lobby, the combination becomes a juggernaut. The Subcommittee staff, the sole point of leverage on the substantive aspects of the legislation, can afford to heed or ignore those with whom it disagrees at its whim.

And so it was that H.R. 4813 was born, the product of the collective fantasies of the envrionmental movement, Ralph Nader's Congress Watch, and the bureaucratic activists at the Justice Department and EPA, wholly unleavened by what we would call fairness, practicability, or, ultimately, political reality.

H.R. 4813, to my mind, the apothesosis of what I have come to call the "legislation by attrition" approach to public policy. It was so breathtaking in scope, so punitive in its

approach to every aspect of hazardous waste management, so egregiously conclusive on matters of inherent scientific uncertainty, as to be nearly laughable as a serious expression of Congressional policy.

But its advocates were deadly serious, and the prospect of the bill's adoption so terrified those who would be subject to it as to first immobilize them in disbelief and then to create among them a feeling approaching relief when a measure only marginally less draconian was substituted for it.

And so it was, when H.R. 4813 was rejected by Florio's own Subcommittee, that H.R. 5640 was born. It was, by any objective standard, a terrible bill, but in comparison to its predecessor, it seemed almost benign, and, for a while, had the same numbing effect on its opponents. It easily cleared Subcommittee, breezed largely unscathed through a vaguely unsettled Commerce Committee, and seemed well on its way toward its carefully scheduled enactment. From there it went downhill, for good reason.

So much for how close we came to being obliterated. The next questions is, did we win this year's fight, or did the other side lose it? My answer, which I realize denigrates the tremendous efforts that all of us put into defeating H.R. 5640, is that the other side lost it.

All of us learned early Lord Action's famous aphorism: "Power corrupts; absolute power corrupts absolutely." The advocates of H.R. 5640 forgot about Lord Action. They also fell prey to what the Greeks called "hybris," an overweening form of pride and self-confidence. Their success in the Energy and Commerce Committee led them to believe that they could shortcut the legislative process by stiff-arming the Judiciary Committee's entirely legitimate claim to jurisdiction and crushing the Public Works Committee's careful effort to craft a workable bill.

These decisions were an example of what the Greeks called "'até," an act of blind folly born of a misguided sense of power. They created among the membership of the two affected Committees a deep, and I believe, abiding resentment of what was plainly a grandstand play but was also, and more importantly, a completely gratuitous attack on the fundamental basis of those Committees' power—their jurisdiction.

Let me tell you what happened in the Public Works Committee and then let you imagine how its members must have felt when it was over. On the night before the Committee's one-week review period was to end, it labored for nearly six hours, adopting amendments that, ironically, would have made H.R. 5640 a politically acceptable bill. Seated in the front row were the representatives of the environmental and Naderite organizations, growing progressively more uncomfortable as the bill became more rational. Finally, as the vote to report the bill neared, one of their number penned a note, signed by all of them, to the Chairman of the Committee and the Chairman of its Water Resources Subcommittee. Here is what the note said, in so many words: "We do not like the direction this bill is taking. If it is reported in this form, we will excoriate this Committee, and we will create in Your districts the same outcry that accompanied your votes on (earlier legislation)."

When the roll was called to report the bill, these two men voted against the measure they had helped amend, and H.R. 5640 was left untouched by the Committee, despite its long evening labors.

In the offices of Judiciary Committee members and staff, majority and minority alike, the news that the Committee's request for an opportunity to review and comment on—not amend—the bill had been rejected set off a reaction whose fury was totally unanticipated by the bill's proponents. Every issue the bill raised that was within the Committee's jurisdiction was carefully researched, members were briefed and armed with written arguments.

Then the members of both these Committees, like the good politicians they are, waited quietly for the opportunity, not to get mad, but to get even.

Meanwhile, the proponents of H.R. 5640 committed yet another act of blind folly—they demanded and obtained from the Rules Committee the right to hitch the Superfund bill to another environmental measure—the RCRA reauthorization bill—already passed by both bodies and awaiting conference. This move, clearly aimed at cutting the more deliberate Senate committees entirely out of the Superfund reauthorization process, stunned even the environmental lobby, whose more moderate groups protested vehemently against the linkage ploy.

And so it was that the stage was set for the arrival of Nemesis, the Greek goddess of fate and the punisher of extravagant pride. As the House began floor debate on the afternoon of August 9, Nemesis appeared in the persons of Sam Hall, Tom Kindness, Bill McCollum and Hal Sawyer from the Judiciary Committee, Gene Synder, Arlan Stangeland and Hal Daub from the Public Works Committee.

The bill's sponsors, anticipating a cakewalk, were totally unprepared for the onslaught of arguments, amendments, figures and votes that the disenfranchised committees and their staffs had engineered. They lost the first amendment, defeated one, and accepted several others to Title I.

Then Nemesis struck with full fury. As debate began on the centerpiece of H.R. 5640's brave new world, the Title II Federal cause of action, Hal Sawyer rose to move that it be stricken from the bill. Member after member denounced it, and when the dust had settled, it was gone, by a vote of 208 to 200.

The proponents of the cause of action had a chance to snatch victory from the jaws of defeat when one of their number offered a fallback provision only marginally less irrational than the original. But its sponsor withdrew it after the environmentalists in a final spasm of greed and overreaching, rejected it.

The major factors in the defeat of the cause of action were not, I am loath to say, industry's arguments against it. They were, rather, a series of crucial miscalculations by its advocates, who so successfully walled themselves off from, or alienated, everyone else involved in the process that they could not discern the depth of the resentment they themselves created.

It is a fact that we in the private sector entertained no hope of even moderating, much less of entirely defeating, the cause of action in the House; we had banked on stopping it on the Senate floor. It is a fact that we had prepared no amendments to Title II and had not sought out disaffected members who might have been willing to offer them. It is a fact that none of us knew that Hal Sawyer would move to strike Title II before he rose to do so.

In the light of these facts, it seems clear to me that we didn't win the fight; the other side lost it.

That brings me to my final question: Are there lessons we can learn from this year's struggle that will help us next year? Clearly there are such lessons, and others' lists may be longer than, or different from, mine, which is as follows:

First, do not underestimate the essential decency and fair-mindedness of most Members of Congresss. What stands out in the entire debate on H.R. 5640, both on funding issues and on the cause of action, is that many members, notwithstanding the expertise and arguments of the bill's sponsors, simply didn't think that the bill was fair. This fact suggests to me the future importance of straightforward equitable considerations in the reauthorization of Superfund, and the power that instincts of fair play can exercise over cynical legal formulations aimed only at tapping the deepest pocket.

Second, never underestimate the capacity of the other side to screw up as badly as you do. I think a lot of us in the private sector thought that Jim Florio and the environmentalists (sounds like the name of a rock group, doesn't it?) were unbeatable, and, for a while, they looked like they were. But the history of H.R. 5640 shows, I think, that they were even more inept than we were. The decision to try to cut two House Committees and all the relevent Senate Committees out of the action was, in retrospect, suicide.

I also think that the effects of that misjudgment will be long-lasting, and that the Committees involved will be unusually attentive to the Superfund reauthorization bill next year. Moreover, the image of effectiveness and invincibility that Florio and his allies once had has been badly, perhaps irretrievably tarnished.

Third, your best friends often show up at times and in places where you least expect them to. The real stars of the House floor debate were not the show-horses, but the work-horses of the Congress—quiet, self-effacing, intelligent people like Tom Kindness and Hal Daub, who took the time to dig into the issues, thought about them long and hard, and then, having reached their own conclusions, articulated their views without prompting from the private sector. These men, and women like Nancy Johnson and Marge Roukema, were totally unexpected allies at a crucial hour.

A corrollary lesson here is that events, not our efforts, made these people our friends; it is now incumbent upon us to earn their continued trust and confidence.

Fourth, never underestimate the value of Congressional staff members. The unsung heroes and heroines of the fight against H.R. 5640 were the uniformly dedicated, well-informed and hard-working staffs of the Members and their Committees and Subcommittees. They were the glue that held the effort inside the House together, and a vital link in the communications apparatus between the public and private sectors.

Here are three anonymous examples of how much difference staff work made in the House debate:

A Judiciary Committee Counsel, hearing of the motion to strike the cause of action 1½ hours before it was to be offered, typed up a page of arguments in favor of the motion, duplicated it, and returned to the floor in time to distribute it to Members filing in to vote.

A Public Works Committee Counsel, anticipating the offer of a fallback cause of action proposal, drafted dozens of amendments to it, which a Member showed to the

sponsor of the proposal and threatened to use if the proposal was not withdrawn.

A Judiciary Committee Counsel, laboring for days, prepared arguments in favor of changes in procedural aspects of the bill that were so formidable that its sponsor accepted the changes en bloc.

The cogent arguments that our Congressional friends made were in most instances the product of careful preparation by trusted staff counsel. The lesson here is that staff can greatly enhance the impact of a single communication upon a particular Member, and assure its widespread distribution.

Fifth, the traditional lobbying tools are as good as they ever were. I think a lot of us were convinced that we could never overcome the enormous "grass-roots" power of the environmental lobby. After all, their members can vote; our institutional constituencies can't. But our Washington-postmarked letters and position papers clearly were read by a large number of Members and their staffs, and served to heighten concern about the issues we addressed.

As a former Hill staffer myself, I know the value to staff of having written materials in legislative files, particularly when the bill involved does not originate in the Member's committees.

The lesson here is that letters to every Member's office can and do make a difference, particulary among those Members who are unfamiliar with the issues involved. We should make sure that we articulate our concerns in writing next year.

The same holds for visits with Legislative Assistants. This is a time-honored function of the lobbyist, and one of the most important. These visits open avenues of communication that can become vital two-way streets, providing feedback on the impact of the message, and revealing weaknesses in its argumentation.

Sixth, even the loosest of coalitions is better than none at all. Unlike our adversaries, who had a single, well-defined, close-knit coalition with clear assignments of responsibility, the business community had no formal structure whatsoever within which to organize its opposition to H.R. 5640. This was partly a function of the fact that the bill gave every industry something different to dislike about it, and a reflection of the different priorities each business sector necessarily developed.

Nevertheless, like players in the floating crap game in "Guys and Dolls," we managed to get together in someone's garage often enough to trade important information and argumentation, even if the roster of attendees was never the same!

The lesson here, I think, is that the absence of a formal structure for our coalition made no real difference in our capacity to work together. Indeed, the creation of such a structure would have enabled the other side to focus its energies on overcoming a single "devil," when it was better for us for them to dissipate those energies in swatting at the mosquitoes we were. But we should start the crap game earlier this year, since we now know, more or less, who the players are.

Finally, trust in the political process. One of the clear lessons of this year's fight is that those who abuse the political process end up being beaten by it.

It is one thing to be a strong partisan of a political objective; it is quite another to expect to achieve that objective by short-circuiting the legislative process. From the very beginning, the 1984 Superfund reauthorization effort was the antithesis of the normal consensus-building process that produces legislation: it was adversarial, not consensual; it was closed, not open; its progress was achieved by chicanery and chutzpah, not reason and compromise.

A good bill welcomes scrutiny; a bad bill travels best by night. H.R. 5640 was of the latter variety; it was the creature of a small band of zealots more interested in their own agenda than in getting on with the job of cleaning up hazardous wastes. They were not only afraid of allowing relevant committees to look at it; they were unwilling to accept the changes that are an inevitable part of the legislative process and that, ironically, would have enabled the bill to become law.

A "compromise" in the normal political process is an agreement in which all interested parties participate and to which they all subscribe. In the 1984 Superfund reauthorization process, "compromise" was entirely unilateral, and consisted only of whatever crumbs the bill's advocates decided would be thrown in the direction of its critics. To my knowledge, there was not a single instance in which persons representing both sides of a given issue were parties to a "compromise."

Ultimately, of course, this strategy backfired, and what should have taken place in the orderly environment of the relevant committee markups took place in the chaos of floor debate. The net result of a calculated attempt to subvert the democratic process was the triumph of that process. Equally important, those who were the early victims of this cynical ploy are unlikely to forget the arrogance of its architects.

Superfund will be reauthorized next year, and it is profoundly to be hoped that the lessons of this year's struggle will be learned well by all the parties involved. The goal these parties have in common—the prompt cleanup of hazardous wastes—makes it imperative that we work together, not at cross-purposes to achieve it.●

EROSION OF THE PELL GRANT

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. FORD of Michigan. Mr. Speaker. In the New York Times of Saturday, October 6, an excellent article by Chancellor Joseph S. Murphy of the City University of New York appeared. This article presents some very gratifying case studies of young people who have been able to succeed because of the educational opportunities made available to them particularly through Federal student financial aid programs such as the Pell grant. This article also documents the erosion in the purchasing power of the Pell grant and the urgency of reversing that trend. I commend the article to the attention of my colleagues. I would also like to congratulate Chancellor Murphy and the other members of the National Pell Grant Coalition who succeeded in persuading the Appropriations Committees to provide sufficient funds for a maximum Pell grant of $2,100 covering up to 60 percent of educational costs in the next academic year. Their success begins a process or rebuilding the Pell grant so that it can once again serve as a key to the door of educational opportunity for talented students of limited means.

SAVING PELL GRANTS FOR STUDENTS

(By Joseph S. Murphy)

Separated by 3,000 miles, two members of the class of 1984 who graduated with top honors bear a striking resemblance.

Christopher Luu, valedictorian at City College University of New York, is one of the "boat people" who fled from Vietnam less than five years ago. Although he spoke almost no English when he started his education in America, Mr. Luu graduated first in his class and is pursuing graduate work at the Massachusetts Institute of Technology.

David K. Cheung, university medalist (valedictorian) at the University of California at Berkeley, came to the United States in 1969 from Hong Kong. He finished first in his high school class and now is studying medicine at the University of California at San Franscisco.

Both Mr. Luu and Mr. Cheung arrived in this country with little money, but rich in spirit and determination. Beyond the scholarships they won and their own efforts to work their way through college, they both required additional financial assistance in the form of Pell Grants, the major Federal program for needy college students.

Where would Christopher Luu and David Cheung be today without this essential aid? The question is a matter of indifference to the Reagan Administration, which proposed in 1982 to cut the $2.6 billion Pell Grant program by $1 billion. The educational aspirations of 2.8 million students nationwide who depend on Pell Grants—both those headed for graduate and professional schools and those just struggling to get college degrees so that they can become productive citizens in the workforce—are clearly not a priority of this Administration.

The Reagan Administration seems intent on reversing 50 years of social and educational progress by transferring resources from the poor, working-class and middle-class people to the rich and affluent. The result is that the children of poor, working-class and middle-class Americans, whose most effective road for upward mobility has been access to higher education, are seeing opportunities destroyed by skyrocketing tuition and living costs. College education, a dream for many, often is an economic nightmare: students are faced with the choice of dropping out of college or assuming crippling debts.

These men and women cannot hope to make it through college without Pell Grants. Three-fourths of Pell recipients come from families with incomes below $15,000. More than 40 percent are self-supporting. About one-third are members of minorities. Approximately two-thirds attend public two- and four-year colleges and one-third attend private colleges and technical schools.

Thus far, the intervention of Congress has rescued the Pell Grant program from the onslaughts of the Administration. Nonetheless, the effectiveness of the program has been seriously eroded. In 1979, Pell Grants covered 46 percent of college expenses; today, only about 31 percent.

More than 20 national educational associations, teachers' organizations, and civic, religious and community groups have

formed the National Pell Grant Coalition to try to restore the dwindling purchasing power of the grants. Currently, the maximum Pell Grant is $1,900, or 50 percent of college expenses, whichever is lower. The coalition's proposal to raise the maximum grant to $2,100 or 60 percent of covered costs was adopted by the House of Representatives early this summer. With the Senate about to act on similar legislation this fall, the coalition is on the threshold of gaining significant improvements in the program.

The parallel cases of Christopher Luu and David Cheung demonstrate important considerations. To deny support to education is to place the aspirations of our nation's young people in jeopardy. Curtailing the Pell Grant program will achieve one disastrous result. It will mean the end of education's unique ability to elevate capable, hard-working and ambitious Americans to their fullest potential as productive citizens. The legacy of that policy will be a heritage of shame.

With the help of thoughtful and concerned Americans, however, we can assure a more promising future for those eager to realize this nation's promise.●

SENATE—*Wednesday, October 10, 1984*

(Legislative day of Monday, September 24, 1984)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Trust in the Lord with all your heart, and do not rely on your own insight. In all your ways acknowledge Him and he will direct your paths.—Proverbs 3:5, 6 (RSV).

Almighty God of all wisdom and all power, manifest Yourself to us today, demonstrate Your imminence, Your availability, Your relevance, according to the proverb with which this prayer began. Enable the Senators to make God room in their deliberations, their negotiations and decisions. As they struggle for compromise, protect them from personal animosities which alienate and delay resolution. Restrain their tongue from speaking words which will later be regretted and despite all the pressure, Lord, may their thoughts be always issue oriented. Direct their paths in the way of respect and love and peace to just and satisfactory ends. In the name of the Prince of Peace. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE CHAPLAIN'S PRAYER

Mr. BAKER. Mr. President, I am trying hard to restrain myself from saying the impertinent thing I am about to utter about the Chaplain's prayer today; and, that is, the couplet that we would pray for just and satisfactory results. The two are not necessarily consistent always.

SENATE SCHEDULE

Mr. BAKER. Mr. President, I wish to outline the situation as I now see it.

I am afraid today is not certainly sine die day. It may be. But I have enhanced hopes that tomorrow is. I base that on the prospect that finally the conference on the continuing resolution will resolve and the House will act in time to send us that resolution either late today or early tomorrow.

In addition to that, Mr. President, we have a number of things that must be done. We have the debt limit which remains undisposed of on this side. We have the Genocide Convention. It is the intention of the leadership today to call up that matter at some point during the day, probably around 12:30 p.m. We have a highway bill that must be passed. We have other matters, including perhaps an REA bill which many Senators wish to have presented. The leadership on this side will probably try to get up some sort of bill such as S. 1300, and time is short. But in any event, for the time being Senators should be on notice that when we resume consideration of the pending business at 11:30 we will stay on that as long as it seems profitable and practical. But at around 12:30 or 1 o'clock, if we have not made good progress on the debt limit, it is the intention of the leadership on this side to ask the Senate to go into executive session for the purpose of considering the Genocide Convention.

I have no way of predicting, Mr. President, how long we will be in session today because that depends so much on the conferences now underway. But the Senate will be in session as long as necessary to complete our work and to enhance the prospects for early adjournment of this Congress.

Mr. President, I ask unanimous consent that the time I have remaining under the standing order may be reserved for my use during the remainder of this day, as may the time for the minority leader under the standing order. I further ask unanimous consent that I may suggest the absence of a quorum without it charging against special order time which is to follow after the standing order time.

The PRESIDING OFFICER (Mr. HECHT). Without objection, it is so ordered.

Mr. BAKER. I thank the Chair.

With those conditions, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Assistant Secretary of the Senate proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. I am advised through staff that the distinguished Senator from Wisconsin, Mr. PROXMIRE, has no need for his special order at this time. I ask unanimous consent that the special order be vitiated and that the Senate proceed to execute the order for morning business without altering the 11:30 a.m. limitation thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 11:30 a.m. with all statements therein, except those by the leaders, to be limited to 5 minutes each.

PRESIDENT DUARTE'S PEACE BID

Mr. DODD. Mr. President, recently Jose Napoleon Duarte, the President of El Salvador, announced his willingness to meet with the commanders of guerrilla forces fighting against his government. As one who has long acknowledged the need for political dialog between the warring factions in El Salvador, I know that many of my colleagues join me in applauding that decision.

That applause is well deserved, Mr. President. The potential significance of President Duarte's announcement should not be underestimated. It brings to mind the kind of political courage displayed by other bold leaders in other difficult times—the courage displayed by Anwar Sadat in going to Jerusalem in 1977, or by Charles de Gaulle in bringing an end to the Algerian crisis in the early 1960's. I believe President Duarte has demonstrated the sincerity of purpose and commitment as those illustrious peacemakers did in their peacetime. Mr. President, however, the success of President Duarte's mission in La Palma will not only depend on his sincerity and his commitment, but also upon the willingness of the various forces within the El Salvadoran Government, certainly the willingness of the insurgents, the willingness of this Government and others, and the international community to support this courageous first step.

Not only is President Duarte's willingness to meet with the rebels a very courageous step, Mr. President, it is a very pragmatic one that should be welcomed by all Members of this body and the people across the country and elsewhere.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The guerrilla groups in El Salvador have long stated their willingness to seek a political settlement to the Salvadoran conflict. During my 4 years in the Senate, Mr. President, many of my distinguished colleagues and I have urged that that willingness be tested. If the rebels are less than sincere, we have argued, why not call their bluff? If the rebels prove to be insincere, the United States always has other options, including that of additional military aid and support to the Salvadoran Government. But if the rebels truly are willing to negotiate a settlement, let us support the negotiating process and avoid the risks of further militarizing the Central American region. President Duarte's decision will test the insurgents' willingness, and potentially pave the way for the peaceful settlement to El Salvador's civil war we all hope to see.

Mr. President, Members of this body frequently disagree on questions of Central American policy, whether those questions involve funding levels, the nature of the threat to the region, or the best way of achieving our policy objectives. But, I think very few Senators disagree about our high regard and our support for President Duarte. Just last week, Mr. President, we expressed that support by adopting unanimously my amendment to stop all funding for El Salvador should President Duarte be deposed.

By making this courageous proposal, President Duarte has shown us once again why he deserves our respect and support. I hope that Mem/ers of this body will continue that support, Mr. President, in the coming days and weeks.

I hope that the administration will back President Duarte's decision with its actions as well as its words. Most of all, Mr. President, I hope the process President Duarte plans to begin next week will succeed. After years of violence and bloodshed, the people of El Salvador deserve nothing less.

Mr. President, I ask unanimous consent that two editorials, one appearing this morning in the New York Times and the other in the Washington Post—the editorial in the New York Times, "An Offer in El Salvador," and the Washington Post editorial, "Next Monday at La Palma"—be printed in the RECORD at this junction.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Oct. 10, 1984]

NEXT MONDAY AT LA PALMA

President Jose Napoleon Duarte's peace bid to El Salvador's guerrillas reflects precisely the sort of vision and courage his supporters had hoped for. In a dramatically concrete speech at the United Nations, he offered to meet the commanders of five guerrilla groups next Monday at La Palma, a Salvadoran town sitting on the edge of a guerrilla zone. The commanders responded in a positive way, and it looks as though the first full-fledged opportunity for conciliation in El Salvador's brutal grinding war may soon materialize.

After he was elected last June—in a contest in which the left did not take part—Mr. Duarte put off the attempt at "dialogue" to which he had alluded earlier. The justification for delay was that he needed first to bolster the government's military capacities, with American help, and to demonstrate that he could adequately control the death squads—which had ominously close links with the armed forces. Evidently Mr. Duarte decided he had made enough progress on both fronts to reach out to the guerrillas now. Perhaps he also felt that, with a strong political component now evident in the mist of the battle in Nicaragua, it was time to introduce a similar element in El Salvador.

The Salvadoran guerrillas have long argued, reasonably in our view, that the available security was insufficient for them to take up the Salvadoran government's offer to lay down arms and joint a government-run political process. Mr. Duarte, however, has been moving to meet these objections. A prisoner exchange was recently conducted as a test; it was a success. The La Palma meeting has been further designed as a test of the two sides' readiness to holster their arms in a specific area. Mr. Duarte asks the guerrilla leaders to come unprotected and unarmed and says he will do the same. He has opened up the agenda in a way that finesses the guerrillas' past claim that they were being invited merely to join a government charade.

Memory is long and confidence short in El Savador. Whether the hard right, which has not by a long shot lost all its connections in the armed forces, will stand still for a dialogue is no less a question than whether the Marxists in the guerrilla leadership will dare submit their political fate to the new elections Mr. Duarte has in mind. The wrong kind of signal from either side's foreign patrons could easily upset whatever process may conceivably get under way. It is a moment of great uncertainty, but of great promise, too.

[From the New York Times, Oct. 10, 1984]

AN OFFER IN EL SALVADOR

It's not his political neck that President José Napoleón Duarte risks with the offer to talk to El Salvador's leftist guerrillas. The violent right has slaughtered many Salvadoran democrats for entertaining the same idea. Yet Mr. Duarte, from the forum of the United Nations, says that unconditional discussions can begin next week in La Palma, a town in guerrilla-held territory near the Honduran border. The guerrillas instantly accepted, if a neutral observer attends.

What is going on here? The honest answer is that Mr. Duarte's calculations are not obvious. He may well agree with the Pentagon's assessment that the tide of battle is shifting to his Government's side. Or, less securely, he may be trying to use diplomacy to ward off an expected guerrilla offensive in the autumn dry season. He might even be moving ahead of his American allies, figuring that they will restrain him less during the United States election campaign.

In any case, the State Department says it had no advance warning that Mr. Duarte was going to abandon his recent skepticism about wide-ranging talks with guerrillas.

In a bid to end a civil war that has taken 50,000 lives since 1979, he now offers leftists a new chance not only in local elections, which they've rejected, but perhaps in a national plebiscite. To the leftists' demand for guarantees of safety and participation in the interim, pre-election regime, Mr. Duarte responds with a promise of "safety and security of a political place within a pluralistic, democratic constitutional system"—or a possible role in the Government plus a general amnesty.

Until this speech, Mr. Duarte had been saying he was ready to talk but not yet to negotiate. His new proposals surely sound like an agenda for negotiation. And he has shown some authority over the right-wing death squads.

Mr. Duarte's approach certainly accords with the spirit of the regional peace treaty that has been proposed by the Contadora countries—Mexico, Venezuela, Colombia and Panama—and encouraged by Europeans whose support he has gained in recent months. Nicaragua's acceptance of that treaty may also become a factor in the calculations of Salvadorans.

The obstacles, of course, are awesome. Hardliners in the Salvadoran armed forces, thirsting for victory over the guerrillas, may still be strong enough to thwart Mr. Duarte. Whether the leftists insurgents can settle for much less than their vision of victory also remains to be seen. It's only a small space that has opened in this bramble, but Mr. Duarte deserves applause for venturing forth with an offer to find a way to end the bitter yet deadlocked war.

THE GENOCIDE CONVENTION WILL HELP AMERICA PROTEST SOVIET HUMAN RIGHTS ABUSES

Mr. PROXMIRE. Mr. President, in less than 1 month, on November 7, the Russian Government will hold their annual celebration to commemorate the victory of communism in the Soviet Union. In anticipation of that anniversary, the Congress of Russian-Americans, Inc., wrote to all Members of Congress urging that we take note of the millions of martyrs of communism on that anniversary.

Their points is well taken, Mr. President. From the beginning of the Communist revolution through the Stalin purges and the Gulag of today, the Soviet regime has murdered millions of its own citizens—some, because they were political dissidents; others, because of their ethnic, religious, or racial background; and countless innocents, for no apparent reason. In addition, as the senior Senator from Arizona has pointed out to the Senate in the past, the Soviet regime has engaged in cultural annihilation as well as physical elimination in its efforts to suppress national or religious or ethnic identifications.

The sad reality is that these abuses continue even today. To be sure, the Soviet Government has became more sophisticated and slick in its efforts to suppress dissent and eliminate those who happen to be unlucky enough to be in disfavor. But that patina of sophistication does not mask the cold, cruel reality of Soviet oppression.

It is unfortunate that some find it uncomfortable to raise this fact and confront it head on. But I do not think that we can avoid facing the facts and, as the leading democracy in the world, we have a moral responsibility to press these points in every international forum that we have at our disposal. One of the most appropriate forums in which we can do that is the Helsinki Review Conference. But what have our representatives found when they tried to do just that? They have been faced with the tremendous political mileage—the tremendous propaganda value—that was accrued to the Soviet Union by enabling its representatives to attack the U.S. record on ratification of human rights treaties.

By cunningly shifting the spotlight from their record to our record of failure to ratify basic human rights treaties, the Soviet Government has repeatedly escaped our efforts to hold their feet to the fire for their abuses of the human rights of their own citizens.

Why do we let them do it, Mr. President? Why? This Senator can think of no reason that the American Government should hand such an escape hatch to the Soviet Government. Our domestic record on civil rights and human rights is unsurpassed. It has always been open to inspection by the entire world. And that is the way it should be in a democratic society. But isn't it time that we match that record at home with actions on the international level? Isn't it time that we take away any possible propaganda escape hatches?

I think it is, Mr. President. And the first step which we can take to eliminate those points of Soviet attack is now within reach. With the endorsement of the Genocide Convention by the Reagan administration last month, and the overwhelming recommendation of the Foreign Relations Committee that we act before the end of this Congress, we have an important step we can take. Ambassador Jeane Kirkpatrick has told us how crucial the Genocide Convention is to our national interest and how it will strengthen our efforts to hold the Soviets accountable for their actions. As the Congress of Russian-Americans notes in their resolution, "Let there be light" for those in the darkness of oppression. Let us now act, before the 98th Congress adjourns, to light a candle in that darkness by ratification of the Genocide Convention.

I ask unanimous consent to have the resolution of the Congress of Russian-Americans be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

CONGRESS OF RUSSIAN-AMERICANS, INC.,
Nyack, NY, October 1984.

A DAY OF SORROW AND IRRECONCILABILITY—1984

As we approach November the 7th, the day when the Soviet Union annually celebrates international communism's arrogation of power in Russia, we—Russian-Americans—appeal to the U.S. Government and to freedom-loving citizens of this country to designate it as a Day of Sorrow and Irreconcilability.

Sadly, albeit fittingly, among all the ethnic groups making up the tapestry of these United States of America, only the Russian-Americans persist in annually asking their Government and their fellow Americans to observe this inglorious day. Russian-Americans feel it is their sacred duty to mark with mourning and defiance the day international communism claimed their former countrymen as its first victim. Thus, they honor their brothers living under the Soviet rule.

On this day we express our Sorrow for all the victims of the communist terror, and our Irreconcilability with the theory and practice of communist doctrine.

Moreover, let us not forget that November 7, 1917 marked not only the beginning of immeasurable sufferings for the Russian and other enslaved peoples of the Soviet Union, but also the beginning of a global human tragedy which today endangers the existence of the Free World. Utilizing the threat of a nuclear war, the Soviets have gradually taken over key strategic positions in all parts of the world. Today there hardly a nation on the face of the earth that has not been victimized by communist aggression.

Therefore, we ask the Government of the United States and all other Free World governments to designate November the 7th as a Day of Sorrow and Irreconcilability.

Over the past 67 years the Soviet government has spared no effort in trying to strip the Russian nation of its heritage. Despite the desecration and destruction of over 50,000 churches and monasteries, the persecution and extermination of millions of people in concentration camps and prisons, we witness today in the Soviet Union a revival of faith and awakening of national pride. The determination of the Russian people to live free blazes as never before. Perhaps the Russian soul, having nurtured its people through their long, barren winter of oppression, senses at last spring's hymn of freedom yearning to be sung. How more can we honor our brothers than by lending voices to this chorus? For by proclaiming this day of Sorrow and Irreconcilability, we intone "Let There Be Light" and indeed for all those who hear our voices in their darkness there is light!

BOARD OF DIRECTORS,
CONGRESS OF RUSSIAN-AMERICANS.

NUCLEAR WINTER—A FORGOTTEN RESPONSIBILITY OF NATIONAL LEADERSHIP

Mr. PROXMIRE. Mr. President, a number of the most widely respected American and foreign scientists have agreed that a nuclear war—even a relatively small nuclear war—not involving the United States could create the greatest environmental disaster on the Earth in the past 65 million years. With surprising unanimity, they have concluded that the soot and smoke that would arise from the nuclear firestorms that would engulf large urban areas in the world would shut out the Sun's rays throughout the world for weeks. This would precipitate a period of paralyzing, bone-chilling 13 degrees below zero Fahrenheit cold that would last for months. Plants would die. Animals would die. Even those countries untouched by nuclear bombs and not even remotely involved in the nuclear war would suffer a loss of much, perhaps most, of the population as millions froze to death and many more millions died of starvation.

What has been the response to this nuclear winter revelation? Has it provided a stimulus to action? Has there been any kind of administration or congressional response to find out more about it and what we can do about it? No. The reaction has been the same as Gen. Omar Bradley's characterization of the public reaction to the prospect of a general nuclear war: colossal indifference. Really, Mr. President, a shocking and surprising indifference. Why? If you or I were told by the most competent police experts that we could expect that a gang of arsonists were planning to come up to the Capitol next Wednesday to set this Chamber on fire, you would see some action around this place. But when we are warned that the whole world may be on the verge of being fricasseed like a chicken and then blinded and frozen, and when the warning comes from the world's most respected scientific experts, we yawn, mutter "ho hum," roll over, and go back to sleep.

Mr. President, I have also introduced legislation calling on the Defense Department to study the implications for military strategy and doctrine of the nuclear winter with the specification that the Congress be furnished the report within 1 year. What irony! Here we have made elaborate and immensely expensive plans to fight a nuclear war, to carry on when our weapons and even our cities have been smashed by nuclear weapons. But we have ignored the grim fact that much of our equipment may not function in a soot- and radioactive-filled atmosphere and with temperatures consistently far below freezing. How do we adapt our military strength to that environmental disaster?

Even more fundamental, how do the American survivors of a nuclear war—including a nuclear war that might be fought entirely in Asia or Europe—continue to function economically in a nuclear winter? Can we find ways of swiftly protecting our crops and animals from the weeks of darkness and devastating cold? How do we feed our people? Could our critical transportation still operate? Could trains run? Could planes fly? Could autos travel

on highways? Would utilities be able to provide the essential life-giving heat to our shivering people, For how long would the utilities get the oil and coal they would need? What other sources of heat and energy could we tap? Could factories continue to produce goods? Could emergency police and fire protection continue? How could we assure that we could keep our hospitals open? Obviously, if this country or any country should be hit by an all-out superpower nuclear attack, these questions might all be academic. But such an attack would be the least likely nuclear war development. Far more likely is the kind of localized and limited but still environmentally disastrous nuclear war that could have profound worldwide environmental consequences that have not been discussed or speculated about outside of scientific laboratories. But, Mr. President, this is a real possibility.

None of us enjoys dwelling on the horror of nuclear war. This latest nuclear winter revelation makes the terrible nightmare even worse. Obviously, all of us recognize that we should do everything we can to prevent such a nuclear war from ever occurring. We disagee on how to achieve that. But we should be able to agree that we should have the courage to face the full gamut of nuclear war possibilities. We should recognize that some genuine possibilities growing out of the most likely kind of nuclear war may leave a genuine opportunity for our taking thoughtful measures now that could enable millions of Americans to survive. So what do we need now? We need to study the full implications of a nuclear winter and then determine just what we can and must do about it.

A TRIBUTE TO PAUL TSONGAS

Mr. DOLE. Mr. President, the junior Senator from Massachusetts [Mr. TSONGAS] has announced that he will leave this body at the end of the current session. It is a real loss to the Senate; not only to the members of his party, but to all Americans who desire an intelligent discussion of the issues that face our country.

PAUL TSONGAS is a liberal in the best sense of the word. He is a true believer in the rights of the individual and, most importantly, in protecting the rights of disadvantaged. America has benefited from PAUL TSONGAS' insights into legislation being considered by both Houses of Congress during the past decade.

Mr. President, Senator TSONGAS is an attorney from Massachusetts by trade; but above all, he is a devoted husband and father. He leaves public life—at least temporarily—to spend more time at home with his loving family.

The Senator from Kansas is joined, he is sure, by every Member of the Senate, in offering PAUL TSONGAS best wishes in his new private and public endeavors.

TRIBUTE TO SENATOR PAUL TSONGAS

Mr. KENNEDY. Mr. President, as the 98th Congress prepares to adjourn, I want to take this opportunity to pay tribute to my friend and outstanding colleague from Massachusetts, PAUL TSONGAS, who is retiring from the Senate as this session ends.

All of us respect the decision PAUL has made to leave the Senate after only a single term. But we understand his decision and we respect him all the more for it.

From the day he took his seat in the Senate, PAUL impressed us all with his unusual ability, profound commitment, and quiet passion. His uncommon eloquence in the cause of peace and his principled leadership in the search for arms control have immeasurably enriched our national debate on this all-important issue that will determine the fate of all humanity.

Time and again on the floor of the Senate, we have seen PAUL TSONGAS cut through the confusion of debate, and teach the Senate a new lesson and a new wisdom about the nuclear peril. Always, when the going has been toughest, he has summoned us to stand firm against any strategy that relies on relentless nuclear buildups and mindless nuclear militarism.

In this Chamber, PAUL TSONGAS has also been perhaps the truest and most persistent voice of our time on the issue of human rights. A quarter century ago, John F. Kennedy had the idealism and concern of young Americans like PAUL TSONGAS in mind when he created the Peace Corps. And in all the years since his own days as a volunteer, PAUL TSONGAS has generously fulfilled the dream my brother had for a new generation of American leaders who would dedicate themselves to the cause of hope and progress for all peoples everywhere.

In the Senate, PAUL TSONGAS has been a powerful voice for an end to the conflict in Central America, for freedom for Soviet Jews, for majority rule in South Africa, and for all those on this Earth who suffer from tyranny and oppression.

There was no finer moment in recent years in the U.S. Senate than when PAUL TSONGAS took the floor a few months ago, and in simple words of powerful eloquence made an irrefutable case to halt the flow of American dollars for terrorism against innocent civilians in Nicaragua. By the narrow margin of two votes, PAUL'S position failed. But, I suspect that everyone on the Senate floor who heard that debate understood in their heart—however they may have voted—that PAUL TSONGAS was right.

We will also remember PAUL for his extraordinary facility in dealing with new and complex economic principals, his dedication to education and high technology, and his perseverance in achieving compromises that others had found impossible on deeply divisive issues like the Alaska lands legislation, the rescue of Chrysler, and the future of the auto industry.

But most of all, PAUL TSONGAS left an indelible mark in the Senate through his leadership in urging a new agenda for the Nation that would be equal to the new challenges of the 1980's. And in all of these endeavors, PAUL has sought to point us to the future without losing sight of the values of the past. This is the lesson of his service—that if we seek new ideas—and we do—it is in order to advance the abiding principles of progress and justice, compassion and peace.

Truly, it can be said of PAUL TSONGAS that everything he touched, he left better than he found it. He gave something back to America in return for all it has given him.

Massachussetts will miss him in the Senate, and so will each of us. I am proud to have had him as a colleague and a friend, for he is one of the best Senators Massachusetts has ever had.

TRIBUTE TO JOHN C. DONOVAN

Mr. MITCHELL. Mr. President, the recent and untimely death of one of Maine's most public-spirited and best-loved citizens brought grief to his friends, his former colleagues and his students and readers throughout our State.

John Donovan's career and work spanned the Senate, when he worked for Senator Muskie; the Labor Department, when he headed up the manpower administration office, and Bowdoin College, where he taught and wrote for many years.

Judge Frank Coffin's words on the occasion of John's memorial service express for all of us who knew John Donovan the kind of citizen he was, and the kind of friend he was. I ask unanimous consent that the text of Judge Coffin's remarks be reproduced in the RECORD.

FAREWELL TO OUR FRIEND

(Remarks by Judge Frank M. Coffin at the Memorial Service for John C. Donovan)

To talk to you today of our friend John Donovan is one of the highest honors and saddest duties that I have ever had. We come to pay homage, not to one who has lived the fullness of his expected years, but to one taken when he had so much yet to contribute . . . and to savor. Taken quickly and without warning. So we feel for him everything from anguish to bitterness.

We also feel for ourselves. Each of us in this outpouring of friends from places far and near, positions lofty and humble, is here because we feel a personal loss. Something precious seems suddenly to have gone out of our lives.

In my case I miss the friend I first met on the Bates campus 46 years ago, whose life and mine ever since proceeded in tandem: Bates; Navy; graduate work at Harvard; living on the same street in Lewiston, he professing, I lawyering; then politics with each of us in turn chairing our party's state committee and running for Congress; then Washington, I in the House and he as Senator Muskie's key assistant; then the executive branch, he in the Labor Department and I in the Agency for International Development; finally, home for both of us, he to his beloved Bowdoin and I to my beloved bench. Each of you cherishes your own pattern of relationship and your own agony of loss—as college mates, Navy buddies, students, former students, faculty colleagues, co-authors, political and governmental coworkers, neighbors . . . and most of all as brother, sisters, and especially as devoted wife and loving children.

So this has been a time for grieving—for the bonding of remembrance, restoring with however fitful a light how he was, looked, and talked; for the fabricating of a future we would have liked for him and for us; and for the sorrowing that this cannot be. We cannot and should not wish this away. We are told and believe that grieving is part of the human condition, that it tests, case hardens, and ennobles the human spirit.

But grieving is something each of us will do alone or with others—and, whatever we do or say here, each will grieve deeply and long. Were we, however, to devote our brief time together simply to exchanging and augmenting or griefs, we would, I believe, be faithless to our reason for being together.

In the first place, we would be irritating a certain irrepressible, feisty, congenitally insouciant gentleman, born of formidable stock. As John recently wrote, "Both my parents were born in the Berkshires in the 1800's; one Irish-American; the other an authentic Yankee. In each case the background was Western Massachusetts yeoman-farmer—the folks who are likely to encourage a Shay's Rebellion. On my mother's side the tribe had hacked their way on October Mountain, if you know where that is, before the American Resolution." Add to this heritage the fact that John grew up in the resilient rough and tumble of "the rubber city" of Naugatuck, Connecticut, where the generations had learned to live with death and relish life. Such a gentleman, therefore—armed with a vigorous vocabulary—would be the first to move us to more positive, life-enhancing themes. I do not want to cross such a man.

In the second place, this is the unique occasion to solidify the precious essence that will never leave us, so long as we live—the presence of the man, now no longer to be sustained by new encounters but to be nourished solely by our own efforts.

What kind of a man was this John C. Donovan? When we had him for the asking, we took him for granted. Let's look at him with more care.

The first thing we remember is his relaxed and spontaneous fellowship. He always had time for people at all levels from Senators and Governors to store clerks, janitors, and cleaning ladies. After a chat with him, anyone felt better. The second thing was his penetrating conversation. In every meeting with him there was a nugget, whether it was his own serious thought, or his ardent wit pinioning some pomposity of doctrine or person or exposing the irony in a highly touted public policy, or simply a memorable anecdote. After such a chat, anyone felt a bit wiser.

Part of what John was saying is what he had seen and done. His wisdom and sanity stemmed from living and working in four separate fields of socially relevant action. As college teacher he brought the old fashioned virtue of unflinching analysis to 32 years of Bates and Bowdoin students; as coauthor of textbooks he brought his broad and perceptive views of our government institutions and processes to thousands of secondary school students. As political activist, organizer, a Senator's key assistant, and Congressional candidate, he did more than his share, in what he called "The Golden Years", to enrich and make relevant political life in this old state. As bureaucrat and top administrator initiating our first Manpower program under Secretary Wirtz, he earned the Labor Department's coveted Distinguished Service Award. Finally, as scholar and author, he ranged with rare authority across the three fields of political science, political economy, and history in that great trilogy, The Politics of Poverty, The Policy Makers, and The Cold Warriors. In these books and other writings he addressed the immensity and danger of our problems of poverty and the inadequacies of our ways of dealing with them, the tragedy of our obsession with Vietnam, and the distortions in official talk about national budgets. It was clear that beneath all of John's joviality, with, and irreverence, he was deadly serious about and reverent toward his pantheon of things that matter.

Three themes that he came to see as dominant in his thinking were: first, that American history should be interpreted honestly, that all was not and never had been sweetness, light, virtue, and harmony and that not only liberty and equality were in tension but also property and equality, daring to inject property as a prime American value; second, that a subtle threat to the integrity of the nation as a democracy lay in the effect on foreign policy of an elite, a small group of intimates from a narrow and privileged base, unwilling, as he put it, to "question official, bureaucratic dogma frozen in its own vacuity"; and third, that a similar threat lay in the influence of the meritocracy, whom he called "the new mandarins, the managers and manipulators of technology", whose techniques seem "to be able to solve every problem except the ones that are tearing us apart."

Earlier this year, John ended his valedictory address as President of the New England Association of Political Scientists, by saying, typical of the Shay's Rebellion kind of person he was, "The best advice I have to offer, . . . is to stay true to your own special angle of vision, especially if you share my faith in the importance of having a colony of conscience somewhere within this dear old democratic-republic of ours." Intrepid colonist in this conscience was our friend John.

Well, this is part of John Donovan, the part I call the public man. But he was a whole, an integrated man, illustrating what I am coming to believe, that the best men and women in any era are not necessarily, nor even often, those on whom the bright and evanescant spotlight of fame has shone. John had his own queer genius for friendship; we ourselves are the proof, that we who are all so different could each be the special objects of his friendship. He was a good and caring neighbor, as Federal Street in Burnswick and Potts in South Harpswell know. There, on the highest point of Hurricane Ridge sits his cottage. In his end of the glassed-in porch, he could be seen at his ancient typewriter on any early morn from May to September. There he would be crafting not only his books, articles, letters to the editor, but also, beginning in 1976, "Harpswell Notes", an affectionate journal about the comings and goings of ducks and dogs, family and friends, weather, politics, and other disasters, a journal evocative of a serene and happy man.

Perhaps the trust measure of this man is his finest product, his family: a community consisting of his beloved and equally vibrant partner, Bea, and Carey, Chris, Martha, and John, four affectionate, self-reliant, independent-minded, lovable, generously dedicated children. With more striving than we shall ever know, he, with their help, lived to see all of them complete splendid college educations.

This summer John bought himself a tacky blue and gold yacht captain's hat. But when he donned it, it suited him perfectly; he looked both commanding and jaunty. So, as we take leave of him, for the time being, in this place, let us imagine him in this hat—giving to all of us his memorable, untranslatable farewell of affection and solicitude: "Take it easy going through Bridgeport."

WHO IS TEACHING OUR CHILDREN?

Mrs. HAWKINS. Mr. President, last year, Mark Vogler, a reporter for the Florida Winter Haven News Chief began research into how an admitted child molester could be certified to teach in a Winter Haven School. His original series of articles on the "bad apples" in the Florida school system prompted the Florida State Legislature to enact child protection reforms which require a criminal background check as a prerequisite for teaching in Florida. In an attempt to discover if these teacher certification problems exist in other States, Mr. Vogler spent 6 months, and traveled over 4,000 miles to 14 States to develop this excellent expose on child molesters within the school system.

I ask unanimous consent that the entire series of articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

WHO IS TEACHING OUR CHILDREN?

(By Mark Vogler)

Individuals with criminal backgrounds could easily become classroom teachers throughout the nation because most states don't conduct thorough screening of applicants for teaching certificates.

And even when some of them become teachers and are identified, there is a good chance they will stay in the profession because of wide-spread poor handling of teacher misconduct cases by education administrators across America.

The likelihood of this situation happening appears to be greater in states like Maryland, Arkansas and Louisiana where sex offenders, child molesters, drug peddlers—and even murderers don't have to hide their criminal records because felony convictions haven't been considered grounds for revocation of a teaching certificate in those states.

The problem of policing the teaching profession is compounded by the fact that many local school districts are inclined to allow teachers suspected of misconduct to resign without reporting the case to the state department of education for possible revocation action against the teacher's certificate.

Documentation of teacher misconduct also is hindered by local administrators who often resolve such incidents quietly without involving the police, according to education officials in many states.

Those are the most glaring deficiencies uncovered by The News Chief in a comprehensive study of how state education departments handle teacher misconduct cases and screen the backgrounds of certificate applicants.

The major conclusion: Most states can't guarantee the moral fitness of people who are potential candidates for teaching positions—jobs where they would be looked upon as the ultimate role models of today's youth.

The consequences: An increase in the number of morally unfit teachers may weaken the quality of education overall. In cases where sex offenders go undetected, the mental health and safety of many children could be at stake, say education officials who are concerned about the situation.

"The possibility of having morally unfit teachers in the system is a growing concern and potentially a growing problem for everyone," said Barry Weiss, certificate placement manager of the Illinois State Board of Education.

"And the fact that I can't even say whether we have a problem in Illinois or not is quite disturbing. This is something that needs to be dealt with. It's one of those issues whose time has come," he said.

Weiss and dozens of other education officials interviewed by The News Chief suggest that the serious flaws evident in teacher screening and disciplinary procedures constitute a major problem in the American education system—but one that many officials refuse to acknowledge or would rather not talk about.

That was evident in Wisconsin, the only state where education officials refused to participate in the survey or answer questions as to how the state polices its teaching profession.

"It's not a concern to us. We're not interested in your survey . . . it looks like 12th grade research . . . it's not an issue here," said Lond Rodman, director for the Bureau of Teacher Certification and Education at the Wisconsin Department of Public Instruction.

Most of the officials interviewed by The News Chief disagree with Rodman and say it is an important issue that should be dealt with.

A two-month investigation by the newspaper, which included a nationwide survey of state education department certification officials and a fact-finding tour of 14 states along the eastern seaboard, culminated with these findings:

Officials in most states say they believe the situation reported in the "Bad Apples of Education" series is a problem that is common to many states throughout the nation.

The series, published by The News Chief in March, disclosed that dozens of convicted felons have gained access to the classrooms throughout Florida by keeping their criminal backgrounds hidden from their employers.

In more than three dozen cases during a 5-year period, sex offenders, child molesters, drug peddlers, thieves and other convicted felons were certified as school teachers because they had lied about their criminal backgrounds, the newspaper had learned from a review of state files of teacher disciplinary and revocation cases.

Gov. Bob Graham and other state officials later credited the newspaper with exposing serious flaws in the state's teacher certification program and contributing to the passage of a new law that would require closer scrutiny of school teachers.

There is considerable agreement among states that existing screening methods are inadequate. Four out of five state education officials surveyed say more could be done in conducting criminal background investigations of teacher applicants.

Officials in half of the 50 states acknowledge they are not doing all they can to ensure that only individuals of high moral character—free of criminal backgrounds—are allowed access to the classrooms.

For many states, an applicant's criminal background is not an issue in the granting of a teaching certificate. Fourteen states don't even ask the question on their license application forms.

There are virtually no criminal background checks included in the teacher certification process. Only five states conduct investigations of any kind to determine whether applicants are telling the truth. Only two of the 50 states conduct full state and federal checks through use of fingerprints.

Revocation—the primary means of ridding the teaching profession of unfit teachers—appears to be a seldom-used tool in most states.

In many cases, state education departments don't initiate certificate revocations despite felony convictions of educators. Such action won't be pursued unless requested by local school districts.

There are 10 states that haven't revoked any certificates during the last five years and 17 others that have revoked less than five certificates during that period, according to revocation information obtained from those states.

Those 17 states have an aggregate total of 40 revocations during the last five years—21 fewer than what Florida reported during the past fiscal year alone.

Overall enforcement action in teacher misconduct cases is weak. Several states haven't initiated revocation against teaching certificates in years despite evidence that warrants disciplinary action (including instances of convictions for serious crimes).

Maryland's education department takes the position that certification shouldn't entail scrutiny of a person's moral background—and therefore has no procedure for revoking teaching certificates. This enables individuals with undesirable backgrounds to go elsewhere to teach.

Poor communication among states in exchanging information on disciplinary action allows unfit educators to continue in the profession even though they should be removed.

In some instances, teachers later obtained recommendations from the school district where their separation occurred.

Nine out of 10 states responding to the survey said they believe there could be better cooperation among states in sharing information about individuals who have demonstrated themselves to be unfit as school teachers in other states.

Most states don't have a central reporting system for teacher misconduct cases, largely because most states regard teacher misconduct to be a local, home rule issue.

Certification officers in half of the 50 states say they are lacking agencies and administrative procedures for investigating misconduct allegations involving school teachers.

Some states couldn't provide statistics on the number of teacher revocations they had issued, even though such information was readily available in Florida Department of Education files.

For most states, certification is simply a paper process and an incomplete one.

An average of one out of three states doesn't ask whether the applicant has ever had a teaching certificate revoked. Three out of four states don't state on the application form a penalty for falsification of information.

And in most instances, unless the applicant acknowledges a prior criminal record or revocation or some other problem, no check is made to find out whether the applicant is telling the truth. So, there's a built-in incentive for applicants with questionable pasts to lie, acknowledge many state education officials.

The issue of taking civil or administrative action against an educator in response to a complaint of misconduct unbecoming of a school teacher is a matter of sharp debate.

Many states won't even investigate such allegations unless there is a record of a criminal conviction. Some states—like California and Florida—will take administrative action against a teaching certificate independent of any court disposition.

Powerful teacher unions in some instances make it difficult, if not impossible, for state officials to remove undesirable teachers from the profession. Because of this, quite often, problems get resolved at the local level and state officials are never informed of misconduct which may warrant revocation of a certificate.

A teacher investigator for the Department of Education in Albany, N.Y., complains that no matter how aggressive his agency is in taking action against unfit teachers, efforts can be undermined by teacher unions "who have unbelievable clout in this state."

Anthony E. Signoracci, senior professional conduct investigator, says fingerprinting of educators—similar to what is done in New York City which has its own certification system and operates independently of the state—would significantly improve the state's screening for criminal backgrounds of teacher applicants.

However, "don't ever expect to see fingerprinting in this state (statewide) because the teacher unions are powerful and would never allow it to happen," said Signoracci.

"The teacher unions are pretty powerful here. They own the governor. They own the secretary of education. They own the deputy secretary of education. And they own the Legislature. They carry a lot of clout," he said.

"One of my biggest concerns is a system that permits the school board attorney to enter into a negotiations process without the department's knowledge, which enables them to close the books on the person's character. So we never find out about the situation."

Item: The purchase of teacher contracts in New York is not an unusual method used by school districts to get rid of undesirable teachers.

The file of one such case reviewed by The News Chief showed how a teacher, who faced prosecution and allegations of misconduct for breaking an ammonia capsule under a student's nose which caused burns that required medical treatment, beat the system.

A closed-door negotiations session between the school board and the teacher's attorney culminated in the teacher's contract being "bought out." As a bonus, the board agreed to withdraw its formal charges against the teacher and expunge from his personnel file any reference to the disciplinary proceeding.

"I'm sure this sort of thing happens all the time," said Signoracci, who is the lone teacher investigator in a state that employes 216,000 teachers. His responsibility excludes the cities of Buffalo and New York, which have their own certification procedures.

"To fire a teacher who has tenure, you have to go through a long, drawn-out and expensive proceeding. So, it's not uncommon for teachers to have their certificates suspended for a year. In the long run, it's cheaper."

But is it the responsible action to take?

Signorraci offers a candid "No. Absolutely not" answer to that question.

He expressed considerable dismay that in one instance, state officials opted for a one-year suspension of a teacher convicted on federal charges for selling heroin and cocaine and conspiracy to distribute the illegal drugs. The court awarded five years of probation.

In another case a teacher "walked away" with resignation after sharing marijuana and having sex with a 14-year-old girl.

"It's so darn frustrating that the courts will allow the person, just because he is a teacher, to plea to a reduced charge. So for us to take action, we have to reconstruct the court case," said the New York investigator.

"It just seems the person who commits the worst kinds of acts always has the greatest attorney and gets off lightly."

Signoracci, a former investigator for a district attorney's office, attacks his job aggressively and claims he has "things under control," considering his heavy workload.

But without the ability to conduct extensive background checks on teachers and applicants for teaching certificates, he fears the unknown—the grim possibility that undesirable teachers are hiding in the classrooms.

"The biggest problem is we don't know how big the problem is, and that's pretty scary," he said.

At least New York is trying to do something about the problem, say officials in some states that are hampered by lack of procedures or weak laws.

The fact is New York, even with its obvious shortcomings in the system it uses to detect and remove "bad apple" teachers from the classrooms, ranks among the top 10 states in this area when compared to other education departments across the country.

Officials in several states admit they believe it is a real possibility that persons convicted of offenses that would make them unfit as school teachers are currently in the classrooms.

The systems in effect in some states invite that situation.

"We have teachers in the school system who have been convicted of felonies—drug dealing, armed robbery and other crimes. They're in the classroom right now and there's nothing we can do about it," said a Department of Education employee in Louisiana who agreed to be interviewed by The News Chief, providing he be granted anonymity, for fear that he could lose his job.

"The situation here is a tragedy at best. It's a crime at worst. And I'm not talking about a problem that's just restricted to Florida or Louisiana. I'm willing to bet that it happens a lot more than people think. As far as I'm concerned, it's a national problem," said the education department employee.

At least one Louisiana state education official is willing to talk on the record about the problem.

Robert Crew, director of teacher certification for the Louisiana Department of Education, said he's unaware of convicted felons actually teaching in the classrooms, But he said he thinks there is a strong possibility that convicted felons have teaching certificates.

"I know there are convicted felons with certificates, but I don't think they're in the classrooms . . . But, the problem is, right now, the only way to revoke a teaching certificate in this state is if it were obtained by fraud," Crew said in a July interview.

"We also have an attorney general's opinion that we can't revoke a teaching certificate unless the individual is employed," he said.

"There's nothing to prohibit us from certifying a person who is convicted of a felony. But we hope to resolve that problem soon."

The state's Department of Education has proposed a rule that would allow the Board of Elementary and Secondary Education to revoke the teaching certificate of teachers who are convicted of murder, rape or sexual or physical abuse of children. Crew said he expected the rule, which was tentatively approved by the Board of Education in August, could go into effect in Louisiana later this year, barring any last-minute opposition from teacher unions.

But under Louisiana Education Department regulations, any new rule adopted would only apply to teachers who are not employed. Until they are fired or quit a job, the state can't take away their right to teach, according to education officials.

Louisiana's situation is not unique, by any means. In Arkansas and several other states, a prior felony conviction doesn't constitute automatic grounds for revocation of a teaching certificate.

And in Maryland, anything goes.

The state issues teaching certificates, but doesn't take them away.

You can be fired for gross misconduct unbecoming of a teacher in Maryland. You can even be convicted of murder.

But because of a state philosophy that refers evaluation of moral character of teaching candidates to consideration by local school districts in the hiring process, notorious convicted killers like Florida's Ted Bundy would have no problem receiving a teaching certificate from Maryland, providing he fulfilled all the academic requirements.

As bad as that sounds, it's a fact that not even Maryland state education officials will deny.

Maine to Hawaii—How Are Teachers Checked?

Editor's note: Since late March, The News Chief has published numerous stories chronicling flaws in Florida's teacher certification program which enabled dozens of convicted felons to be certified as school teachers.

The newspaper also reported on lax disciplinary measures taken against educators who were involved in misconduct warranting revocation of their teaching certificates.

State officials later credited the newspaper's findings with contributing to the passage of a new state law that will require first-time educators to undergo more thorough criminal background checks in the future.

The editors of The News Chief decided to take a look and see how the Florida situation compares to other states throughout the nation.

During more than two months of research from June through August, News Chief staff writer Mark Vogler, the author of "The Bad Apples of Education" series, conducted a survey of state education departments throughout the nation on their policies for handling teacher misconduct cases and how they conduct criminal background checks of applicants for teaching certificates.

Here are some of the highlights of Vogler's survey and summary comments from officials he interviewed:

ALABAMA

"This has not proved to be a problem area at the present time," according to a response to The News Chief survey by this state's Department of Education. "This ('Bad Apples of Education') is not common in Alabama," claim state education officials.

Alabama is one of 14 states that doesn't request information about an individual's criminal background. It doesn't request information about revocation from other states. And officials say there is no agency and procedure for investigating teacher misconduct. "This is done at the local level," say officials. The state reports three revocations over the last five years.

ALASKA

"The state doesn't fingerprint teachers, but three of our school districts do that. We see it as a local responsibility," said Charlie Mae Moore, teacher certification administrator for Alaska's Department of Education.

The state does request information about criminal background and prior certificate revocations, but has no background check at the state level. There is a Professional Teaching Practices Commission which reviews misconduct allegations involving teachers. The state didn't provide statistics on revocations, although Florida files show Alaska has revoked four certificates over the last five years.

ARIZONA

"The Bad Apples of Education is common to all states. However, not to the degree as in Florida," said officials at the Arizona Department of Education who acknowledge the state is not doing enough in conducting criminal background checks of teacher applicants.

The certificate application does request information about criminal background and whether an applicant has ever had a teaching certificate revoked. But there are no checks. And officials recommend that an FBI criminal background check be required as part of the application process. Arizona reports the revocation of 14 certificates over the last five years, and that information is avilable in Florida files.

ARKANSAS

"Convicted felons could be school teachers in Arkansas because we don't investigate criminal background information as part of the teacher certification process," said Austin Hanner, coordinator of the Office of Teacher Education and Certification. "There's no question that convicted felons can get teaching certificates, because it's not an issue here," said Hanner.

Arkansas' teacher certificate application does request information about revocations of teacher certificates. But there is no request for information about an applicant's criminal background. Hanner says his state doesn't have an agency and procedure for investigating teacher misconduct cases. Arkansas was unable to provide statistics on revocations, although Florida records show the state has never revoked a certificate.

CALIFORNIA

"The Florida situation is very similar to the California situation in 1979-80. Our agency undertook and with the aid of the Legislature, enacted a series of reforms since that time," said Dr. John F. Brown, executive secretary of California's Commission on Teacher Credentialing.

California is one of two states that routinely fingerprints every teaching applicant. The state requests information about criminal background and revocation. It conducts a very thorough background check, which is considered by many states to be the best in the nation. There is an agency which conducts very aggressive investigations of misconduct allegations involving teachers. California reports 315 revocations over the last five years, and that information is available in Florida files.

COLORADO

"(State) Statute requires persons with criminal backgrounds not to be discriminated against if rehabilitation occurs," responded officials of Colorado's Department of Education, alluding to problems the state may have even if it discovers an applicant has criminal past.

Colorado does request in its application information about prior criminal background and whether a certificate has ever been revoked. There is an agency and procedure for investigating teacher misconduct cases. No criminal background checks. Officials acknowledge Florida's problem is "common" throughout the nation and admit more could be done in Colorado, where the state reports 10 revocations of teaching certificates over the last five years, four more than the revocation notices received by Florida.

CONNECTICUT

"The state probably could do more, but we really haven't thought about it as an issue," said Nicholas M. Rascati, of the Teacher Certification Unit of Connecticut's Department of Education. "It's a matter that has really been left up to the local districts."

The state requests criminal background information, but doesn't conduct a check of applicants. No information is sought on prior certificate revocations. There is no agency and procedure to investigate teacher misconduct allegations. The state attorney general has recommended that teachers be fingerprinted, although the education department has not been the need for such a proposal. Connecticut reports one certificate revocation over the last five years, although Florida files show no receipt of a revocation notice from the state since 1972.

DELAWARE

"Being a very small state, the State of Delaware has a strong belief in local autonomy. And if the administrators do their job, this shouldn't be a problem," said Ervin Marsh, state supervisor of the Delaware Department of Instructions certification and personnel division.

But Marsh says he recognizes the need to do more. The state does request information about criminal background and prior certificate revocations. But there is no check of applicant's background. There is no agency to investigate teacher misconduct allegations. Delaware reports no revocations over the past five years, and Florida files show no receipt of a revocation notice from that state since 1965.

FLORIDA

"We have recognized the problem in Florida and are doing all we can to improve the situation," said Garfield Wilson, director of teacher education, certification and staff development for the Florida Department of Education.

Beginning in October, Florida will become only the third state to fingerprint teacher applicants. The state requests information on its application regarding criminal background, but doesn't conduct a check. There is no request for information concerning prior revocations. The state has an aggressive agency and procedure for investigating teacher misconduct allegations. And the 61 revocations in Florida during the fiscal year which ended June 30 is more than any state—except California—has reported over the last five years. The state has revoked more than 200 certificates over the last five years.

GEORGIA

"I have this grandiose idea of wanting to see educators become the epitome of professionalism, and fingerprinting is just a part of that step, said James J. Carter, associate executive director of Georgia's Professional Practices Commission."I anticipate the commission will take a position on the issue this year."

The state requests information about criminal background and previous certificate revocations but there is no background check. Georgia's Professional Practices Commission was modeled 10 years ago after the commission in Florida, and it executive director was recruited from Florida. The commission has an aggressive reputation for investigating teacher misconduct cases. Georgia reports 26 revocations over the last five years, and that information has been provided to Florida.

HAWAII

"More could be done in prechecking (criminal background of teacher applicants) prior to certification," said Kathleen Jones, public relations officer for the Hawaii Department of Education. The problem experienced by Florida is "probably common to many states, but so far, has not been a problem in Hawaii, probably due to our isolation from the other 49 states, our structure as a single school district and in recent years, the fact that Hawaii has an oversupply of qualified teachers and has done very little hiring from other states."

Hawaii reports no revocations over the last five years. The application for teacher certification doesn't request information about criminal background or previous certificate revocations. There are no criminal background checks initiated at the state level, although there is an agency and procedure for investigating teacher misconduct allegations.

IDAHO

"What we do is adequate for our state," said officials of the Idaho Department of Education. The officials say they are doing all they can to screen out undesirable teachers. They request information related to criminal background and teaching certificate revocations. But there is no criminal background check to determine whether the applicant is telling the truth.

Idaho does have an agency and procedure for investigating misconduct allegations involving teachers. The state reports 30 revocations of teaching certificates over the last five years, although Florida files show only 10 revocations.

ILLINOIS

"It is indeed possible that we have people with undesirable criminal background in our classrooms because we don't have any procedures to check these people out, said Barry Weiss, certificate placement manager for the Illinois State Board of Education. "And I think it's about time we did something about it. I for one am going to discuss this issue with our legal department."

The state does request information about prior revocations and criminal background of applicant. But there is no check conducted at the state level and there is no agency and procedure for investigating misconduct allegations involving teachers. Illinois didn't furnish any statistics on revocations. But Florida files show the state hasn't revoked a certificate since 1973.

INDIANA

"We can't guarantee that there are no teachers with criminal backgrounds in the classrooms because we don't conduct any such checks," said Linda Cummins, a spokesperson for the Indiana Department of Education. "We could do more in this area."

The state doesn't request any information on criminal background or ask whether an applicant has ever had a certificate revoked. There is no agency and procedure for investigating teacher misconduct. Indiana reports no revocations over the last five years. Florida hasn't received a revocation notice from this state since 1976. "Our revocation authority is limited to conviction of a felony directly related to ability to teach," said Ms. Cummins.

IOWA

"We're apparently not doing enough in this area and certainly could be doing something about it," said Dr. Orrin Nearhoof, director of Teacher Education and Certification for the Iowa Department of Public Instruction.

The state doesn't request information about criminal background or prior revocation of teaching certificates. There is no check at the state level. There is an agency and procedure for investigating teacher misconduct allegations. The state didn't provide information on revocations, although Florida files say they are aware of eight revocations in Iowa over the past five years.

KANSAS

"I do feel that Kansas could do more in conducting criminal background investigations of teaching applicants," said Kathleen A. Homlish, director of Certification, Teacher Education and Accreditation for the Kansas Department of Education. "A procedures/system could be developed at the state level regarding criminal security

hecks of applicants for teaching certifiates."

She said the state has no agency and administrative procedure for investigating misonduct allegations involving teachers, although such a concept is under study. Kansas does request criminal background nd teacher certificate revocation informaion, but conducts no criminal background nvestigation of its applicants. The state reorts seven revocations, although Florida ecords show none.

KENTUCKY

Problems with unfit teachers encountered by Florida are "common throughout the nation," according to William C. Sanders Jr., unit director for certification at the Kentucky Department of Education.

Sanders said his state is not doing enough to keep undersirable teachers with criminal backgrounds out of the classroom. He said he can't recall any revocations of teaching certificates in the last 28 years. The state requests criminal background information from the applicant but doesn't ask whether a teaching certificate has ever been revoked. There is no statewide criminal background check on school teachers. Sanders' recommendation: When the state learns of a criminal conviction of a teacher, "take action and revoke certificate."

LOUISIANA

"I think it's time. We need this (background checks) desperately," said Robert Crew, director of teacher certification for the Louisiana Department of Education.

The state doesn't request information about criminal background or revocation of teaching certificates. There is no background check. There is no agency and procedure for investigating teacher misconduct allegations because the governor recently disbanded the professional practices commission. "I know there are convicted felons with certificates," says Crew, pointing out weaknesses in the state's revocation policies which don't restrict a convicted felon from holding a certificate. Louisiana didn't provide revocation information, although Florida files show receipt of three revocation notices from that state over the last five years.

MAINE

"Obviously, there's a great deal more we could do if the time, personnel and finances were available. As it stands right now, we assume that anybody who applies for a teaching certificate is of good moral character, and we don't check it out," said Steven R. Hamblin, director of certification and placement at the Maine Department of Educational and Cultural Services.

The state requests criminal background and revocation information from applicants, but no background check is conducted. There is an agency and process to investigate misconduct allegations involving teachers. Maine reports three revocations over the last five years, although Florida hasn't received a revocation notice from the state since 1963.

MARYLAND

"Our job is to review academic credentials, not moral character or whether an applicant has a criminal background. That's an employment issue which can best be addressed by the local school districts," said Herman E. Behling Jr., assistant state superintendent in certification and accreditation at the Maryland State Department of Education.

Criminal background and revocation information is not an issue in the certification process in this state. There is no background check of any kind. There is no revocation process. There is no agency and procedure to investigate teacher misconduct allegations.

MASSACHUSETTS

"Massachusetts agrees with you (Florida) about the problem—but not about the remedy," said Jim Case, associate commissioner of education at the Massachusetts Department of Education. "It does not seem to me we have a practical responsibility to carry out police investigations of our own, independent of the police. Because of privacy laws, you have to show me a conviction before we can take action against a certificate."

The state requests information about an applicant's criminal background or prior revocation of a teaching certificate. But there is no background check. There is no agency and procedure for investigating allegations of misconduct involving school teachers. Massachusetts reports two certificate revocations over the last five years. And that information is available in Florida files.

MICHIGAN

"We do check on people from out-of-state, but why should we advertise what checks we're running? What you're doing by publishing what states do, is making it easy for the guy who is the bad apple to find the weaknesses and take advantage of them," said Tom Farrell, assistant superintendent for public affairs of Michigan's Department of Education.

Although the state doesn't fingerprint teacher applicants, it does check the records of out-of-state applicants, according to Farrell, who declined to elaborate. The state requests information from an applicant on criminal background and prior teaching certificate revocations. There is an agency to investigate teacher misconduct allegations. Michigan reports 20 revocations over the last five years, 10 more than what Florida officials are aware of.

MINNESOTA

"There's no need to do any more. We're doing a fine job, and it's not a problem for us," said Ken Peatross, of the Minnesota Department of Education.

The state requests information about criminal background and prior certification revocations, but conducts no background checks on its teaching applicants. The attorney general investigates teacher misconduct allegations. Minnesota reports 30 revocations over the last five years, 18 more than what Florida files show.

MISSISSIPPI

"We've got a very strong weakness in this area. We are concerned about it and hope to do something to improve the situation in the future," said Dr. Robert H. Cheeseman, staff consultant to the Office of Teacher Certification at Mississippi's Department of Education.

The state application doesn't request information about prior criminal record or certificate revocations. There is no background check. There is no agency to investigate teacher misconduct allegations, although officials are studying the creation of a professional practices commission. Mississippi reports the revocation of three certificates over a 5-year period, although Florida files show no record of a revocation notice from that state since 1962.

MISSOURI

Officials at the Missouri Department of Elementary and Secondary Education acknowledge their certification program is not doing enough in screening out teacher applicants with undesirable criminal backgrounds. The certificate application requests information about prior revocation of teaching certificate, but doesn't ask the question of the applicant's criminal background. There is no criminal background check.

Officials say they believe problems experienced by Florida are common. There is no state agency and procedure to investigate teacher misconduct allegations unless a request comes from the local district. Missouri reports the revocation of 20 teaching certificates over the last five years, information that has been reported to Florida.

MONTANA

"It's not a problem for us and we don't need to do any more than what we're already doing," said Dr. John Voorhis, director of Teacher Certification and Education. Voorhis said he doesn't consider it the responsibility of the state or the local school boards to conduct criminal background checks of teacher applicants.

The state does request criminal background information and ask each applicant whether a certificate has ever been revoked. But no criminal background check. There is no agency to investigate teacher misconduct. Montana reports it has revoked 15 teaching certificates over the last five years, 12 more than what are reported in Florida files.

NEBRASKA

"I definitely do think we can do more. I just think a routine check through the FBI and state criminal justice system should be conducted prior to the issuance of a license," says Robert Wagner, executive director for the Nebraska Professional Practices Commission, the agency which investigates misconduct allegations in that state.

The state seeks criminal background and revocation information on each applicant, but conducts no formal check. Nebraska officials were unable to provide statistics on revocation, although Florida records show the state has not revoked a certificate since 1978. "I have been concerned in Nebraska about the state leaving this matter up to the local districts. I'm sure we should have six to eight revocations a year, maybe more," says Wagner.

NEVADA

"Our system is rather thorough. I would think that it would be a great deterrent to a lot of undesirable people who would want to get in," says Doug Stoker, director of certification for the Nevada Department of Education. His state is one of two in the nation that routinely fingerprints educators to determine whether they have a criminal background that would make them unfit to teach.

Improvements in that system are "not necessary," according to Stoker. Nevada reports six revocations over the last five years, two more than what it has reported to Florida. Stoker said it takes an average of three weeks for his state to receive criminal background information about applicants.

NEW HAMPSHIRE

"I doubt it's a major problem for us. But if it were, we probably wouldn't know about it because that kind of thing is usually handled at the local level," said George Lewis,

director of teacher certfication at the New Hampshire State Department of Education.

The state doesn't request any criminal background or revocation information. There is no background check. There is no agency and procedure for investigating misconduct allegations involving teachers. New Hampshire reports the revocation of four certificates over the past five years, and that information was made available to Florida.

NEW JERSEY

"There's no question about the level of interest in this area. When we learn of something, we leave no stone unturned. But, perhaps more could be done in screening teacher applicants," according to Dr. Celeste M. Rorro, director of teacher certification for the New Jersey Department of Education.

"The state doesn't request criminal background information and conducts no check of its teacher applicants. It does request information on previous revocations. There is an agency and procedure for investigating misconduct allegations involving teachers. New Jersey reports 28 revocations over the last five years, and that information has been received by Florida.

NEW MEXICO

"It has not been a big issue. I don't see where there's a responsibility for the state to do this (criminal background checks)," says Jim Pierce, director of certification for the New Mexico State Department of Education.

The state does not request information and prior certificate revocations and criminal background, but conducts no check to determine whether a teaching applicant is telling the truth. Pierce says there is no agency and procedure for investigating teacher misconduct allegations. New Mexico didn't provide revocation information, although Florida files has received one revocation notice from New Mexico over the last five years.

NEW YORK

"My major concern is the willingness on the part of attorneys to enter into deals with unions and school boards to squash a revocation and hide the record so that for all practical purposes—the guy resigns on his own volition, and his record is clean," says Charles C. Mackey Jr., supervisor of teacher education for the New York State Education Department.

The state requests criminal background and revocation information, but conducts no check. New York City does fingerprint school teachers, but operates independently of the state. There is an aggressive agency and procedure for investigating misconduct allegations involving teachers. New York reports 53 revocations over the last five years, 33 more than Florida is aware of.

NORTH CAROLINA

"We would be opposed to fingerprinting (school teachers) in our state because we don't see the problem as substantial as in Florida. It would be sort of like using a 16 inch gun to shoot a fly," said J. Arthur Taylor, director of the Division of Certification for the North Carolina Department of Public Instruction. "But certainly it's not an issue to be ignored."

The state requests criminal background and revocation information but conducts no background checks of its applicants. There is no agency and procedure to investigate misconduct allegations involving teachers. North Carolina reports eight revocations over the past five years—three more than the number of revocation notices than Florida has received from the state.

NORTH DAKOTA

"The problem isn't that great here. There's no need to do any more than we already have been doing," said Ordean Lindermann, director of teacher certification for the North Dakota Department of Public Instruction.

The state does request information about criminal background and prior certificate revocations, but conducts no background checks on its applicants. There is a professional practices commission which investigates misconduct complaints against teachers. North Dakota has revoked three certificates over the last five years, and that information is available in Florida files.

OHIO

"We don't have any indication that it's a problem. If it were a problem, we'd certainly know about it," said Dr. Robert Bowers, assistant superintendent of public instruction at Ohio's Department of Education.

The state requests information about criminal background and prior revocations, but conducts no background check on each applicant. There is an agency that investigates misconduct allegations involving teachers. Ohio reports 60 revocations over the last five years, although Florida files show no receipt of a revocation notice from that state since 1976.

OKLAHOMA

"We rely on other states to notify us when they revoke a certificate," said officials of Oklahoma's Department of Education. Yet, the application for teacher certification doesn't even ask whether an applicant has had a previous teaching revoked. The application does request infomation about criminal background. But the state doesn't conduct a check to see whether an applicant is telling the truth about prior arrest or conviction information. Officials say more could be done in this area and recommends that the state obtain access to the FBI's crime information system.

State officials say they have no agency and administrative procedure to investigate misconduct allegations involving teachers. The state reports two revocations of teaching certificates over the last five years.

OREGON

"There's a growing trend across this country in expunging things, and that includes some very serious sex-related matters. That ought to be part of your package," said Dick Jones, executive secretary of Oregon's Teacher Standards and Practices Commission, which reviews teacher misconduct allegations. "How many states can have people pleading guilty to sex-related offenses and have the record wiped clean? We got very liberal on these things 10 years ago and have done a number of things that protect the offender more than the victim."

The state requests information on criminal background and prior revocations. A small percentage of teacher applicants are subjected to a random criminal background check that doesn't involve fingerprinting. "We're not pleased with the system, it could be improved," says Jones. Oregon reports 50 revocations over the last five years, although Florida files show it hasn't received a revocation notice from that state since 1973.

PENNSYLVANIA

"Yes," more could be done by Pennsylvania. "Yes," the situation experienced by Florida with "Bad Apple" teachers is a common problem that exists by many states throughout the nation. "No," the state isn't doing enough to ensure that only individuals of high moral character—free of undesirable criminal backgrounds—are allowed access to the classrooms. That's how officials of the Pennsylvania Department of Education responded to the survey.

Applicants are required to furnish criminal background information. No information is sought on previous revocations. The state doesn't conduct criminal backgrounds of teaching applicants, but education officials have recommend that all applications be checked against police records. The state reports the revocation of 13 teaching certificates over the last five years—six more than what Florida records show.

RHODE ISLAND

"I think we do need some enabling legislation to conduct criminal background checks of certificate applicants. But I don't think it's as big a problem here as in your larger states. I'm not saying Rhode Island is lily white either," said Ed Dambruch, director of teacher certification for the state's Department of Education.

The state doesn't request information related to criminal background or previous certificate revocations. There is no background check. There is no agency and procedure to investigate teacher misconduct allegations. Rhode Island reports no revocations in the last five years, and Florida has never received a revocation notice from the state. But education officials plan improvements in the revocation process.

SOUTH CAROLINA

"At this point, because the school district is the employing agency, that's where the burden lies," said James H. Turner, chief of the state Education Department's Office of Teacher Education and Certification. "My personal view is that perhaps this is the one thing that's missing."

The state requests information about criminal background, but conducts no background check. An applicant is not required to produce information about prior revocations. There is no agency and procedure to investigate misconduct allegations involving teachers. South Carolina reports one certificate revocation over the last five years, although Florida files show no receipt of a revocation notice since 1951.

SOUTH DAKOTA

"No," South Dakota is not doing enough in conducting criminal background checks of its teaching applicants, according to James O. Hansen, state superintendent of the South Dakota Department of Education and Cultural Affairs. Hansen was the only official to answer the survey within a week of its mailout to education departments on June 5, and he responded within three days, suggesting that his state conduct "computer cross checks" as a remedy to its problems.

The state has revoked four teaching certificates over the last five years, identical to information available in Florida files. Although the state requests criminal background information, no request is made for prior revocation of teaching certificates. There are no criminal background checks at the state level.

TENNESSEE

"(We) Do not have enough information at this time to make a judgment," said officials of the Tennessee Department of Education over the need for better background checks of school teachers.

The state seeks no information as to whether an applicant has a criminal past or has had a certificate revoked. There is no criminal background check at the state level and no agency or procedure to investigate misconduct allegations involving teachers. Teachers are required by law to report to their employing school boards any criminal background information. Tennessee officials say the state has revoked "possibly one, by court order" over the last five years, although Florida files show no record of any certificate revocation.

TEXAS

"I think this is a common problem that we all share," said M. Starks McCullough, director of the Division of Teacher Certification for the Texas Education Agency, suggesting that Florida's experience with undesirable teachers is a national problem. Texas could do more, she says, adding "Having access to FBI crime information would greatly assist us in screening out-of-state applicants."

Applicants are asked about criminal background and whether they have ever had a certificate revoked. State education officials and local school districts have authority to obtain information on any record of a felony or misdemeanor conviction through the Texas Department of Public Safety. But this check is limited to state offenses. Texas reports three revocations over the past five years, and that information is noted in Florida files.

UTAH

"Yes, I do think we can do more to improve the system," said Anna Jeanne Lund, supervisor of teacher certification for the Utah State Office of Education.

Although the state requests criminal background information and asks whether an applicant has ever had a teaching certificate revoked, the certification process doesn't include a background check. Utah is recognized as having an excellent Professional Practices Advisory Commission which investigates teacher misconduct allegations. The state didn't provide revocation information. Florida records show Utah has revoked nine certificates over the last five years.

VERMONT

"We have one school board member for every four teachers. That's a lot of surveillance. Our state is so small and rural, it hasn't been an issue . . . and if it were, it would be a political issue and get resolved. The Legislature watches us very closely and is very sensitive to the issue of child abuse," said Donn McCafferty, chief of Educational Resources and Basic Education in the state's Department of Education.

The state doesn't request criminal background or revocation information. There are no background checks. There is no agency and procedure for investigating teacher misconduct allegations. Vermont reports one revocation over the last five years. But Florida has never received a revocation notice from the state.

VIRGINIA

"I hate to admit the problem could be that bad that we need to change things. But it's worth it even if it prevents just one child molesting," said Byrd G. Latham, senior certification specialist for Virginia's Department of Education. "As a parent, I'm disturbed at what school administrators may not do in this state because of their hands being tied by the civil libertarians."

The state requests information about criminal background, but does not check. No information is sought on prior revocations. There is an agency and system for investigating teacher misconduct allegations, although the state doesn't appear to be aggressive in this area. Virginia reports one revocation over the past five years, and that information has been received by Florida.

WASHINGTON

"We could utilize some more things like getting checks through the FBI and state judicial system—using fingerprints as California has done—these are things that can be done," said Don Hair, director of certification for Washington's Superintendent of Public Instruction office. Hair says he perceives Florida's situation with unfit teachers as a common problem throughout the nation.

The state requests criminal background information and asks whether an applicant has ever had a teaching certificate revoked. But there is no criminal background check conducted at the state level. The state has an agency and procedure for investigating misconduct allegations involving teachers. Washington reports 35 revocations over a 5-year period, 12 more than what it has reported to Florida.

WEST VIRGINIA

"Yes," more could be done by the state in conducting criminal security checks of applicants for teaching certificates, said officials of the West Virginia Department of Education. The state seeks information about an applicant's criminal background and whether a teaching certificate has ever been revoked. But that's the extent of the background check.

Officials say West Virginia is lacking an agency and procedure to investigate misconduct allegations involving teachers. The state reports the revocation of 40 teaching certificates over the last five years, although Florida Department of Education files contained no information on revocations.

WISCONSIN

"It's not a concern to us. We're not interested in your survey . . . it looks like 12th grade research . . . it's not an issue here," said Lond Rodman, director for the Bureau of Teacher Certification and Education at the Wisconsin Department of Public Instruction. His state was the only one that refused to participate in the survey.

The certificate application does request criminal background information and does ask whether the applicant has ever had a certificate revoked. Fingerprinting is not required, so there appears to be no thorough criminal background check at the state level. Florida files show Wisconsin revoked six certificates over the last five years.

WYOMING

"It really hasn't been an issue here," said Gary Lane, an official at the Wyoming Department of Education. Wyoming reports no revocations over the last five years. And according to Florida files, it hasn't received a revocation notice from Wyoming since 1976.

The certificate application seeks criminal background information and asks whether the applicant has ever had a certificate revoked. But there is no formal criminal background check conducted at the state level. Lane said the state has no agency and procedure for investigating misconduct allegations involving teachers.

FLORIDA CRACKING DOWN ON UNDESIRABLES

TALLAHASSEE.—When it comes to attracting the nation's most undersirable collection of candidates for educators, Florida has the reputation for being the East Coast magnet.

At least no other state west of California can take credit for employing dozens of convicted felons in its classrooms.

But next month, Florida should begin to shed its nasty image of being the ideal hideway spot for bad apple teachers when it becomes the third state in the nation—the first in the East—to fingerprint applicants for teaching certificates.

On Oct. 1, a state and criminal background check will be a requirement for first-time certification, as the result of a new law passed by the 1984 Florida Legislature.

"It certainly should help us to weed some of the bad ones out of the profession," said Rod Davis, administrator of teacher certification for the state Department of Education.

"I don't know whether we're going to track down a lot of criminals trying to get jobs as teachers. But I think it will be a big deterrent more than anything," he said.

"I think the overall effect will be that once the finger-print card shows up in the mail, anyone with something to hide is going to think twice before seeking that certificate."

Davis' office had 20,000 fingerprint cards on hand to accommodate the projected number of new certificate applications during the first year of the program.

California and Nevada have used fingerprints to conduct state and federal criminal background checks on their teaching applicants for several years.

This is how the new law will work:

Certification fees will be increased by $18 to cover the costs of the background check.

A complete set of fingerprint cards taken by any sworn law enforcement officer will be filed by each applicant.

The Florida Department of Law Enforcement will be able to determine within a one-to-four day period whether an individual has a criminal background record.

It will take 10 to 21 days for the Federal Bureau of Investigation to conduct a national background check.

"This is a part of the war we've declared on the child molester," said Rep. Fred Lippman in an interview following the passage of the fingerprinting bill he had authored as part of a child protection legislative package.

"It's going to strengthen our efforts to break the cycle of violence that has been committed by a small minority in the education field," said the Hollywood Democrat.

"We've seen too many cases of child molestation in the schools that could have been avoided by conducting background checks. Florida has said it's time to end this, and I hope other states will follow our path."

Lippman, a short man who has been recognized as a legislative giant in child protection reforms, is chairman of a House panel that is scheduled next year to review the performance of Florida's teacher disciplinary process.

The Education Practices Commission, the agency which determines whether an educator's certificate should be revoked or suspended is up for Sunset Review.

Because of the commission's aggressive record over its four years of existence, capitol observers say the question is not whether the commission should continue—but how it can be improved.

Five administrators, an equal number of teachers and three lay (of whom two are school board members) sit on the panel.

The commission has revoked 186 teaching certificates during its life—more than all states on the East Coast combined over the last five years.

A News Chief analysis of state education departments in East Coast states shows that Florida appears to be the most aggressive when it comes to policing the teaching ranks.

Item: Florida education officials are investigating possible misconduct in the case of a band instructor who had been hired by a Louisiana school district on the basis of a favorable recommendation from the same school district that fired him. Although Louisiana school officials terminated the man's contract after they learned of his revoked teaching certificate in Florida, it is doubtful that the teacher's misconduct would have cost him his certificate in most East Coast states.

The teacher lost his license in Florida for "gross immorality." He was cited for misconduct that involved the use of drugs and romantic relationships with minor female students.

As serious as the allegations appear, few states would be in a position to take disciplinary action.

Why?

(1) No criminal charges were ever filed in connection with the case. Even with allegations of an immoral nature, most state education departments on the eastern seaboard wouldn't act without a court conviction in such cases.

(2) Even if the states had an administrative hearing procedure similar to Florida that would allow disciplinary action in this case, they would have had difficulty because of the lack of an agency to investigate teacher misconduct cases.

The teacher was initially suspended after he was observed in a motel with a minor female student.

An investigation by one of the four teacher consultants for the Edcuation Department's Professional Practices Services later turned up allegations of drug use and other relations with female students over a two-year period.

"It's interesting that here in Florida we are investigating a subsidiary matter of a case that perhaps wouldn't result in a revocation in other states," said Donald Griesheimer, exectuvie director of the Education Practices Commission.

In Massachusetts where civil libertarian views seem to thrive, the idea of fingerprinting a school teacher is especially repulsive. And some officials say such a policy would clash with state privacy laws.

Furthermore, the money and effort needed for criminal background checks—even if possible—would hardly seem justified economically in light of the fact that a handful of unfit teachers would be screened out at the expense of imposing hardships on the vast majority of good teachers, suggested one Massachusetts official.

Massachusetts education officials, who have barely begun working with a revocation procedure adopted in 1982, subscribe to an attitude of "show me a conviction" before they disbar a teacher from the profession.

And that means individuals who agree to resign in order to avoid prosecution of sex-related crimes involving students can still maintain their teaching certificates.

But that position—which appears to be a common stance taken by many states—is not the philosophy of officials in Maine, including Ms. George, who points out the value of having procedures for civil administrative action.

"When we move against a certificate, we do not say pending the outcome of a criminal conviction," she said.

"I think the challenge is to have an overall process which is as effective as possible, but does not hinge on the outcome of what goes on in the courts. The criminal process is not the same as the employment process. They should be played out separately."

In the state of Rhode Island, where no teaching certificates have been revoked during the last five years, attempts by the state attorney general's office to prosecute allegations of sexual misconduct involving school teachers has developed into a political issue.

Denny Roberts, the Democrat incumbent attorney general, came under criticism from his Republican challenger in June after his office, for the second straight month, lost a jury trial involving the prosecution of Rhode Island educators facing sex crimes allegations.

A petition signed by educators called "Teachers For Violet," organized a seminar in which candidate Arlene Violet, a former educator and nun, gave advice to educators on how to defend themselves from the kinds of unwarranted prosecutions which "happen to educators every day."

One of Roberts' prosecutors remarked following the second acquittal: "I feel badly because I know what these families went through. It's unfortunate, they'll be a lot less people willing to come forward to report this kind of thing in the future."

But Roberts' re-election staff also offered an observation about the potential political overtones while defending its prosecution of the educators.

"Is Miss Violet saying that if she is elected Rhode Island's chief prosecutor, she will not vigorously investigate and prosecute criminal allegations lodged against teachers by children and their parents?," asked Paul E. Hanaway, the attorney general's campaign manager.

"As long as Dennis Roberts is attorney general, parents of Rhode Island school children and all Rhode Islanders can be assured that allegations of sexual assault and other misconduct by school teachers will be taken very seriously by police and prosecuted whenever the evidence dictates a teacher's guilt or innocence should be determined by a jury."

But some education and political observers in Rhode Island wondered whether Roberts' statements were purely campaign rhetoric and whether the two trial setbacks might discourage the attorney general's office from taking teachers to court in the future.

"Certainly the situation has been politicized by the other side and by some teachers who feel this was malicious prosecution," said Daniel Hackett, a spokesman for Roberts' office.

"Our losing the cases certainly doesn't help to enhance the credibility of the criminal justice system. Hopefully, the damage is not irreparable. Hopefully, people will still come forward. They should come forward."

In Concord, N.H., George Lewis said he doesn't consider criminal background screening of teacher applicants to be a problem even though the state's teacher certificate application doesn't concern itself with criminal background information.

Vermont, Rhode Island, New Jersey, and Maryland are the other eastern states that don't ask whether a prospective teacher has ever been convicted of a crime other than a routine traffic violation.

"It hasn't really been an issue with us and that's because of the relative infrequency of cases that have been brought to our attention," said Lewis, who is director of the New Hampshire Education Department's Office of Teacher Certification.

"What is a bigger issue and concern to me is the instances of individuals who engage in inappropriate activity such as child molesting," he said.

"Perhaps we aren't doing enough screening. But certainly we could do more monitoring of some unprofessional acts involving teachers."

New Hampshire has revoked four teaching certificates during the last four years—the most of any New England state. But like most of the states in the region, it has no agency and procedure for investigating allegations of teacher misconduct.

"I honestly don't know what would happen if some allegations came to the attention of this office. By the time we hear about it, there's already prosecution. And we generally wait and see what the court proceedings are," said Lewis.

"If I had a complaint, I would probably refer it to the attorney general's office for investigation or advice," he said.

In Hartford, Conn. Attorney General Joseph Lieberman appears to be better briefed on the need to screen criminal backgrounds than officials of the state's Department of Education.

He has proposed legislation that would require the fingerprinting of school teachers.

But in Connecticut, where only two teaching certificates have been revoked during the past dozen years, education officials don't recognize the problem or the need.

Ronald Harris, an attorney in the Education Department's legal affairs office, offers a candid explanation as to why the Hartford Courant newsroom library chronicles a batch of morals cases involving educators—while no action is taken on teaching certificates.

"If there is a problem with child molestation involving a teacher, the cases are usually handled locally. And some people do the laundry better than others. What can I say," said Harris.

"We have studies that show that superintendents throughout Connecticut are reluctant to report instances of violence and vandalism in the schools," he said.

"Unfortunately, the bottom line is this: the professional reputations of superintendents are at stake. They're not going to allow their reputations to be smirched by rampant reports by violence, vandalism and sexual abuse in their own schools. That perhaps is a more realistic problem than anything else—the outright reluctance to acknowledge a problem."

There are other states that are just as lax in dealing with teacher misconduct.

Records show that the state Department of Public Instruction in Delaware hasn't initiated revocation proceedings against a teaching certificate since 1965.

Yet, the state has been hit with several sex scandals involving educators in recent years, including one case where a Dover music teacher had pleaded guilty to a charge of second-degree sodomy involving a 14-year-old male student.

If he decided to seek another job in the teaching profession, there will be no record of revocation action.

Delaware regards the criminal background checks and teacher disciplinary action to be

a local, home rule matter, according to Ervin Marsh, state supervisor of the Delaware Department of Public Instruction's certification and personnel division.

"Being a small state, the state of Delaware has a strong belief in local autonomy," said Marsh.

"And if administrators do their job, this shouldn't be a problem. I think the most important thing a personnel director can do is check out the references thoroughly and ask the right questions at the interview."

One Delaware school administrator said he asked the right questions, but didn't obtain adequate information which could have "saved us some embarrassment."

The official said a questionable past of a former band instructor his school district hired came to light only after similar problems involving morals allegations resulted in the band instructor's resignation.

A Maryland school district concealed the band instructor's past.

"I don't think the revocation process in Delaware is very dependable, and perhaps it could be tightened up," said the offical, who allowed the band instructor to leave the school system with dignity.

The conditions which made possible the certification of dozens of convicted felons—child molesters, sex offenders, drug peddlers and thieves—as school teachers are unique to Florida and just don't exist in their states, some say.

But despite well-publicized problems that led to Florida enacting a law to require fingerprinting of first-time teaching applicants, Florida sizes up as the most aggressive state on the East Coast when it comes to policing the ranks of the education profession.

Beginning in October, Florida will have the most thorough criminal background check of any East Coast state when it becomes only the third state in the nation to adopt fingerprinting as a statewide policy for teacher certification.

In late March, The News Chief published a special report revealing flaws in Florida's teacher certification program which enabled convicted felons, in more than three dozen cases, to gain access to the classroom by lying about their criminal backgrounds.

Are things really so bad in Florida that it's so easy for child molesters and drug peddlers to gain access to the classrooms?

Or could such a thing happen in other states?

During a month-long tour of 14 states from June to July, the newspaper was unable to document evidence of dozens of convicted felons because most states don't maintain detailed records on teacher misconduct. And most states seldom revoke teaching certificates.

But, this fact-finding mission revealed a host of flaws—some more serious than what existed in Florida—which could enable undesirable job applicants to be certified as teachers.

And an overall lack of enforcement policies for policing the teaching ranks appear to make it easier for teachers who have been identified as "bad apples" to move on to jobs in other school districts or other states.

Item: Education Departments in eight states on the East Coast have revoked the same number or fewer teacher certificates as Vermont during the last five years, although there is evidence of teachers involved in acts of misconduct which would have warranted removal from the teaching profession in Florida.

As far as state departments of education go, Maryland has a bigger claim to fame than Vermont in that its officials hold a perfect record in the area of teacher misconduct: there have been no revocations of teaching certificates.

Herman E. Behling Jr., assistant state superintendent in certification and accreditation, said he sees no reason for that to change either.

Factors as to whether a teacher has a criminal background which could make him unsuitable for the classroom is not a matter to be considered when Maryland issues a teaching certificate, he said.

"The certificate only means you have completed the courses and the proper programs which would qualify one to teach in the classroom. And you shouldn't read any more into it than that," said Behling.

"Our job is to review academic credentials, not moral character or whether an applicant has a criminal record. That's an employment issue which can best be addressed by the local school districts," he said.

"And we have confidence that the local school districts can properly do the job. They are very responsible, concerned people. We have one of the finest educatonal systems in the country," said Behling.

Some education officials in other states say they are shocked that Maryland doesn't revoke teaching certificates and argue that such a policy is a disservice to states which attempt to police the teaching ranks.

"Tell the gentleman in Maryland—'Don't send them (unfit teachers) here,' because we don't want their problems," said John F. Brown, executive secretary of California's Commission on Teacher Credentialing.

"I think that kind of situation (Maryland) is appalling. I never realized that kind of thing is going on. I might recommend that we won't hire teachers from Maryland and other states which fail to take responsible action to remove bad teachers from the profession," he said.

"Without a doubt, licensing of school teachers is a statewide responsibility and employment is a local matter. If we left the responsibility of weeding out bad teachers to the local (agencies), somebody who is unfit could go on to the next 10 school districts. And that's no way to police the profession."

Some teacher certification officials in states on the East Coast take the position that because they haven't detected any evidence of a problem with undesirable teachers being certified, there's no need to tighten up screening methods.

State officials in Maine acknowledge that it took a sex scandal involving administrators and staff at the Baxter School for the Deaf before it became apparent that laws and regulations for handling teacher misconduct cases had to be changed.

Allegations that students at the school were sexually and physically abused throughout a period of several years dating back to the mid-1970s first surfaced in early 1982 and sparked a five-month criminal investigation by state Attorney General James Tierney's office which later criticized inaction by education officials.

The attorney general's final report concluded that "inexcusable abdication" by the state Education Department in probing past allegations at the school "contributed to the atmosphere of intimidation" and prevented prosecution of most incidents because the statute of limitations had run out.

Ellen Egan George, an attorney for Maine's Department of Education, said there has been a greater awareness in Maine since the Baxter School scandal rocked the state, noting that "we've had about a dozen cases of sexual misconduct involving guidance counselors or teachers over the past two years—and six or seven of them have wound up going to jail.

"Just because we are a rural state doesn't mean we don't have a problem. It may not be quite as big as what you have in other states, but it's not the kind of thing that should be measured in numbers or percentages," she said.

"Numbers are absolutely irrelevant. If you have just one of these cases a year, it's a concern, or at least it should be."

Ms. George said the Baxter school controversy put a focus on the shortcomings of the state's teacher certificate revocation procedures as well as the need for background checks of screening applicants.

Officials at the Florida Department of Education's Professional Practices Services, the agency's investigative arm are puzzled as to why Maine education officials never pursued revocation action against a former Baxter School academic dean who quit the post before being implicated in an attorney general's report with allegations of sexual abuse involving male students.

The administrator later acquired work in a South Florida school district. He left that job after his Maine past was discovered and faces possible revocation of his Florida teaching certificate.

"For years we had a mechanism to revoke, but no standards. I think the Baxter school situation made that pretty clear to the Legislature, said Ms. George.

"We hope to make more reforms in this area and also develop a meaningful system for checking backgrounds. We also need to develop guidelines for the handling of these cases—making it clear to school administrators that these cases are no longer their own dirty little secrets—that they need to report it to the police and notify the state authorities," she said.

While Massachusetts schools employ about 59,000 teachers—nearly six times the number of educators working in its northern neighbor, New Hampshire—the two teacher certificate revocations reported in the bay State during the last five years is only half the total claimed by New Hampshire.

"Florida is very pro-active in this area," said Thomas O'Connor, director of the Bureau of Teacher Certification at the Massachusetts Department of Education, referring to the way his state handles teacher misconduct cases.

He admits Massachusetts could do considerably more to strengthen its background screening and disciplinary action, but said there are limitations because of existing state laws and the philosophy of government.

"It's just a darn shame that other states don't revoke certificates because they have the same kinds of problems that we do," he said.

"It's kind of ridiculous that they won't revoke without a criminal conviction because a lot of parent's won't prosecute. And that just gives the bad teacher an opportunity to cause harm to more students," he said.

"It just points out a broad, pervasive problem in the educational community throughout the nation. In Louisiana, if they didn't check out the fact that the man had a teaching certificate revoked in Florida, he

would probably still be teaching there today."

School officials in the Jefferson Davis Parish (La.) School District terminated the teaching contract of Charles H. Fugate Jr. as band instructor at Lake Arthur High School last week following a News Chief article detailing the educator's problems in Florida.

Few states would have had the capability of conducting an investigation of Fugate's misconduct.

New York's Education Department has one full-time investigator to review teacher misconduct cases, although the Empire State has more than twice the number of teachers employed in Florida schools.

Only Georgia has as many investigators in a special agency that was modeled after the Florida System.

"I have always perceived Florida and Georgia as leaders in the nation in the area of scrutinizing the professional conduct of educators," said James J. Carter, executive director of Georgia's Professional Practices Commission.

"There was a fundamental belief and commitment on the part of Georgia officials 10 years ago when the commission was formed. And that commitment is still there today," he said.

"In March of 1973 before the Georgia commission got anywhere, we had to get an executive director. We knew Florida was very active in this area, and that's where we went to recruit our executive director."

CHILD MOLESTATION IN OUR SCHOOLS

MONTEPELIER, VT.—"Child molesting in our schools? This has not been an issue. It's not a problem in our state.

"Even if it were, it would become a political issue, and it would be resolved. We just don't see any evidence of it happening here."

Donn McCafferty appears confident when he makes that claim about Vermont.

As chief of Educational Resources and Basic Education in the state's Department of Education, he said he sees no reason to be concerned about the likelihood that any of the state's 6,000 teachers could be molesting students.

In fact, he boasts that the Vermont people do such a good job in screening their teachers that they have only revoked one certificate in the 200-year history of the department—and that was for a criminal conviction of forgery several months ago.

"We're such a small state—just a little over 500,000 people. The people here are very intimate and have a great deal of knowledge about who is being hired in their schools. There aren't very many secrets we could hide," he said during a June interview.

"In Vermont, we don't have a violent climate. We don't have the role models of crime. This state is much more like the 50s. We have no metropolitan area. People call us a state, but we're 240 villages," he said.

What McCafferty's office and the general population may not know could hurt them—and damage the lives of many young children.

About 15 minutes up the highway from the capital city, officials in the office of Social and Rehabilitation Services don't paint such a pristine picture of the schools in the lovely Green Mountain state.

A computer operator documents for an inquiring reporter three "confirmed" cases of child molestation involving school teachers during a 17-month period: two 12-year-old girls: one 13-year-old boy—the victims of sexual abuse at the hands of their teachers.

One of the female victims is receiving mental health counseling.

"I don't know how much it happens, but I suspect that teachers have been traditionally under-reporting this kind of thing," says Cheryl Glaser, a social services consultant for the agency.

"It does happen, and I don't think we are any different than any other state. My guess is that when it does happen, most communities would rather cut a deal and get rid of a teacher in the most informal way."

The informal way is a quiet resignation. No prosecution. No publicity. No revocation. No record that a cardinal sin of the teaching profession was ever committed.

McCafferty said his office was unaware of any sexual misconduct cases involving Vermont teachers. It will take a conviction in order for his office to initiate revocation action against a certificate.

Meanwhile, he boasts that Vermont has never revoked a certificate for sexual misconduct involving a teacher.

But his attitude appears to be typical of most teacher certification officers in states along the East Coast, from Maine to Florida.

But it is in Florida where recognition of a problem is visibly the strongest.

Many officials cite "the sun, fun and the beaches" as conditions which lure undesirable transient types to the teaching profession in the Sunshine State.

Education officials in states surveyed by The News Chief reported a total of 843 revocations during the last five years. Records kept at the Florida Education's certification office showed receipt of 556 revocations from the 49 other states through June of this year, dating back to 1979.

Garfield Wilson, director of teacher education, certification and staff development in the Florida Department of Education Department, said he is disturbed by the discrepancies between the revocation totals.

Florida is among more than 30 states participating in an interstate agreement for sharing revocation information. Most of the states not involved in the pact cooperate by sending information, according to Wilson.

"I'm very concerned if somebody's not reporting to us. I'd certainly like to know about it. I thought we had agreed to notify each other of all the revocations," said Wilson.

"This situation does trouble me and is something I intend to look into," he said.

Taylor said he also is concerned about the apparent lack of cooperation in exchanging revocation information, but is especially critical of the lack of aggressive policing action in various states.

He said he plans to recommend to the National Association of State Directors of Teacher Education and Certification that "some kind of action needs to be taken to address this kind of weakness in our system."

"Not to revoke certificates where there are adequate grounds; not to report instances of gross misconduct involving educators is a serious omission on the part of the states," said Taylor.

"And it does leave the type of gap that I'd like to see closed because the undesirable person is still wide open and free to seek certification in other states. This should be a concern to the association," he said.

Herman E. Behling, Jr., director of certification for Maryland and active president of the certification officers group, said he doesn't see it as an important issue and is not concerned about the problem.

"The Maryland State Department of Education does not gather information about such factors as a person's physical health, mental health, or past work experiences. These factors are within the province of local school systems to be considered in their final employment decisions but do not relate to whether the person has completed the necessary courses or programs," Behling wrote in a letter to The News Chief in June.

"Since Maryland believes in local control of schools and local school boards retaining as many decisions as possible, we are not proposing any changes in the data gathering functions to be carried out by the local school systems and the State Department of Education."

But Taylor pledged to "press this as an important issue when the association meets next year."

"Who is being remiss in taking responsible action in this area is a question that needs to be addressed. And failure to do so by our association would be a big mistake," he said.

Florida education officials like to point to one of the classic examples of irresponsible policing action by a school district: a case where a school administrator from Ellenville, N.Y. gave a good recommendation for a librarian he had fired for sexual misconduct involving elementary school girls.

The ex-librarian is now serving a 15-year prison term in Avon Park Correctional Institution following his conviction on six counts of lewd, lascivious or indecent assault on elementary school girls in St. Lucy County.

"We encourage our local school districts not to sweep the dirt under the rug for someone else to find," said Taylor.

And if North Carolina learns of the revocation of a teaching certificate in another state, it will not issue a certificate until the problems in the other state have been cleared up, he said.

"One of the obvious problems that exists when any state doesn't take a stand is that we are in the position of receiving that state's castoff. And that's a chicken or a coward's way out," he said.

"It is a little more difficult; a little more unpleasant for a school board to take the step of recommending that a person's certificate be revoked. But it's certainly a responsible step that will save a lot of grief for someone else," he said.

Taylor questions whether revocation totals tell the true story of teacher misconduct.

"What we see as a problem is really the tip of the iceberg. There's a lot more that goes undetected than reported, simply because nobody steps forward," he said.

BAD TEACHERS BEING SWEPT UNDER CARPET

(By Mark Vogler)

RALEIGH, NC.—Many school districts and state education departments are "too chicken to clean their own carpets the right way," complains J. Arthur Taylor.

They find it easier to sweep the dirt onto somebody else's rug, according to the North Carolina education official who says his state has received some of that dirt in the form of teacher "castoffs" who have proven themselves to be unfit in classrooms of other states.

Of the eight revocations of teaching certificates that Taylor's office reported during the last five years, he claims that in at least three cases, the teachers should have been

emoved from the profession for misconduct n other states:

In Virginia, a person involved in embezzlement of school funds was dismissed, but no action taken against the certificate. A similar situation in North Carolina later resulted in the revocation of that person's teaching license.

Another former teacher from Virginia was fired after he was reported to have had sexual relations with a minor. There was no revocation. But the man became a driver's education teacher in North Carolina and lost his certificate after having sex with a student in a driver's education vehicle.

Taylor's office learned that a teacher suspected of homosexual activity several years ago in a North Carolina school district resigned and left for employment in Florida where he later quit a teaching position amid similar allegations.

There was no revocation action in either case. But North Carolina finally revoked the teaching certificate when similar allegations came to light last year at the same North Carolina district that initially employed him.

"The situation came to light because the person's picture appeared in the local paper, and an employee recognized the photo and recalled the incident years earlier," said Taylor.

"The teacher finally resigned under some highly suspicious circumstances and didn't contest the revocation action. The initial force behind it was an investigative reporter for a newspaper which tracked down some things which made the person unsuitable," he said.

"No question that our state was probably remiss as any others in not taking action, especially the case of the school district which failed to document in their records where they had problems with this individual before," he said.

"I think all three cases indicate the mutual advantages of states taking a more active role in sweeping the dirt away. No state wants to receive the castoffs of other states."

What about the certificates that are revoked?

Do states cooperate as much as they should in sharing information about those documented "bad apples" teachers?

Probably not.

Nine out of 10 certification officers responding to The News Chief survey said they thought there could be greater cooperation among states in sharing information about individuals who have demonstrated themselves unfit as school teachers.

Item: A News Chief analysis of revocation notices received from 49 states by the Florida Department of Education throughout a five-year period shows Florida officials are not informed about as many as 35 percent of the certificates the other states claimed to have revoked.

CONGRESS GAINS INTEREST IN "BAD APPLES"

(By Mark Vogler)

WASHINGTON, DC.—Several members of Congress who already have drafted legislation providing for criminal background checks of teachers say the findings of a News Chief survey will spur greater interest in the issue on Capitol Hill.

"It's a sad commentary," U.S. Rep. Ralph Regula, R-Ohio, said, responding to findings of a News Chief survey which reveal major flaws in education certification programs throughout the nation that could enable child molesters and other convicted felons to become employed as school teachers.

"This is the type of thing that illustrates the need for federal legislation. But a public awareness established by research such as yours will do far more than any legislation," Regula said in an interview with The News Chief.

The Ohio Republican has introduced The Children's Defense Act of 1984 (H.R. 5486), legislation that would require certain youth-oriented organizations to make adequate inquiry to ensure that no individual, who has a prior conviction for a sexual offense of which the victim was a child, shall be hired by the organization.

Regula's proposed bill is one of several bills that will be debated in Congress next year that focus on the issue of criminal background checks of teachers, day-care center workers and others who work with children.

Sen. Charles E. Grassley, R-Iowa, has filed a measure that would create a central federal file which would be known as the "Child Care Protection and Employee Responsibility File." This would maintain records of all arrests and convictions in state and federal courts for all offenses involving sexual abuse of children.

The data back would allow businesses and organizations who hire persons whose employment brings them into regular contact with children to have access to criminal history information for the purpose of determining the suitability of job applicants.

Under Senate Bill 1924, hiring agencies could be tipped off as to whether job applicants have been involved in such offenses as child molesting, sexual abuse of a child or child pornography.

"I think they're (state education departments) taking the wrong approach," Grassley said in response to the newspaper's finding that more than 60 percent of the states operate under the philosophy that criminal background checks should be left up to the employing school districts.

"We have to be more thorough. The evidence is so overwhelming—pedophiles gravitate to a profession where they have easy access to children. And what you're telling me is that being a teacher makes that easy," he said.

Grassley said he was disturbed at a report that violence by students against teachers is more publicized in some states than crimes by teachers against children.

A News Chief inspection of newspaper morgues in East Coast capital cities revealed that violence against teachers appeared to be a greater public concern.

"It's about time we started considering a child's welfare just as much as we do the protection of the teacher," said the senator.

Sen. Arlen Specter, R-Pa., chairman of the Judiciary Committee's Subcommittee on Juvenile Justice, has introduced related legislation, referred to as the "Juvenile Detention Employees Clearance Act of 1983."

That measure stipulates that "no person shall be employed at a facility maintained for the detention, correction, care or treatment of juveniles unless a nationwide criminal record check has been conducted to ascertain whether the individual has engaged in criminal acts that have specific relationship to job performance and whether he poses a significant danger of abuse or mistreatment of the juveniles."

Although the Specter proposal deals specifically with employees of juvenile facilities, its procedures are similar to screening methods outlined in the legislation covering teacher background checks.

Specter says a crucial aspect of the child protection legislation under study by his committee is the ability to obtain all arrest information which is related to offenses against children and juveniles.

Regulations adopted by the Justice Department in 1974 prohibit the release of arrest data to state and local governments for purposes of employment and licensing when the arrest information is more than one year old and not accompanied by dispositional data.

"In order to protect our children from physical abuse and sexual exploitation by those entrusted with their care, we must ensure that employers have access to all available criminal record information on prospective employees which may have some bearing on their competence to properly care for children," Specter wrote U.S. Attorney General William French Smith in a letter dated April 26, 1984.

"Accordingly, I hereby request that the aforementioned regulations be revised to authorize the release of all arrest information with or without dispositional date, for employment and licensing purposes, as is currently the practice for law enforcement," the senator said.

That issue is under study by the Justice Department.

Regula, whose bill provides for consideration of convictions only, said he agrees that there should be access to arrest information, noting that perhaps as many as 90 percent of child molestation and sex offense cases are never prosecuted.

"Even though there's not a criminal conviction, I think the existence of arrest information would be important for crimes like this," he said.

If Regula's proposal were to become law, failure for youth-oriented organizations to conduct criminal background checks of any employees who work with children could jeopardize federal financial assistance.

The state attorney general and the director of the state agency having access to the federal crime information would have the option of requiring all other youth-oriented organizations and agencies not receiving federal assistance to also have access to the criminal information.

Once the FBI receives the record check request from the state funneling agency, on behalf of the youth-oriented organization, the bureau's identification division will search fingerprint card submissions against its criminal file and furnish to the state agency the information found.

The state agency would then inform the youth-oriented organization whether or not the prospective employee or volunteer has a past conviction of sexual offenses, according to Regula's bill.

"Banks, the securities and exchange commission and various other financial institutions already use the services of the FBI to conduct this very same type of check for prospective employees. These institutions are allowed to refuse employment for persons who were arrested for crimes ranging from shoplifting to murder to ensure that their money is safe," Regula testified during an April hearing before Specter's subcommittee.

"Can we do any less for the safety of our children? We must stop this travesty which maims the physical, emotional and psychological well being of the child," said the former Ohio school teacher.

Any qualified child care organization seeking criminal background information on a job applicant could submit the name to the

Department of Justice for an arrest and conviction search, according to Grassley's bill.

If the prospective employee has any combination of three or more arrests or any conviction on record, the Department of Justice will, within 48 hours of receiving the request for information, notify the requesting organization.

JOHN WALSH: EDUCATIONAL SYSTEM COVERING UP FOR CHILD ABUSERS

WASHINGTON.—Child protection advocate John Walsh says he is outraged by what he sees as a "cover-up" of child abuse and exploitation involving the highest levels of America's educational system.

He castigates school administrators and state officials throughout the nation as "accomplices" to crimes committed against children by unfit teachers.

"Thousands of children's lives have been destroyed," says Walsh, because the education profession has shirked the responsibility to screen and police its own ranks.

Walsh, who was appointed by President Reagan as a special consultant to the National Center of Missing and Exploited Children, has been instrumental in pushing significant state and federal child protection legislation.

He and his wife, Reve, focused national attention on the problems of missing and exploited children following the 1981 disappearance and murder of their 6-year-old son, Adam, who was abducted from a Hollywood, Fla., Shopping mall.

The South Florida man claims one of the most neglected areas of child abuse and exploitation is in the classrooms of America.

As part of his crusade to pass more child protection laws, Walsh is actively lobbying for legislation in several states that would require criminal background checks of teachers and others who come into close contact with children in the schools.

He also advocates more aggressive action by school administrators and law enforcement officials in prosecuting those teachers who are involved in child molestation and other crimes against children.

Walsh considers the teaching profession to be an ideal place for child molesters to seek employment because of the close access to children and because little is done to screen job applicants.

"And the most revolting of all the issues is the cover-up—the constant cover-up: the superintendent who is afraid to be brought down or criticized by the media . . . by his school board for bringing to bear the problem," Walsh said during an interview with The News Chief in July.

"It is a felony to assist someone in a crime . . . to be an accomplice. In essence, these superintendents and principals are accomplices to the crime of sexual battery by not reporting it," he said.

"They are allowing a person to commit a serious crime against a helpless, trusting adolescent; and for that person in order to save face to go to another state and perpetrate the crime again . . . they are actually giving them carte blanche saying I almost condone your conduct because 'I am not going to report it,' " he said.

"Would they not report it if it was a female teacher that was raped in the parking lot? Would the principal not report it if he was beaten severely on the school grounds and put in the hospital or if he was the victim of sexual abuse or sexual molestation on the school grounds? No . . . they would report it."

Walsh received a good reception in June as a keynote speaker before the national Parent-Teacher Association convention in Las Vegas.

He discussed the need for state legislation similar to the new law enacted in Florida this year that will require fingerprinting of first-time teacher applicants.

Walsh said "it's almost a fait accompli" that the national board of directors of the PTA will endorse the fingerprinting proposal as model legislation because of the overwhelming support expressed by rank and file members at the convention.

He had initially proposed the fingerprinting legislation introduced by Rep. Fred Lippman, D-Hollywood, which the 1984 Florida Legislature approved overwhelmingly.

In October, Florida will become only the third state requiring fingerprinting and federal criminal background checks of teacher applicants.

Although fingerprinting school teachers is a politically unpopular concept throughout the country, Walsh believes the public would accept it if the facts were known about the lack of background screening of teacher applicants.

"How do I think that people would react if they knew what was going on? . . . the cover-up, the lack of reporting (teacher misconduct), the lack of a centralized system, the lack of revocation of the (teacher) licenses . . . they will be as incensed as I am because they've got to realize one thing: their child could be next," said Walsh.

"The teacher that was not prosecuted in Massachusetts; the teacher whose license was not revoked in Massachusetts could come to your state and get a license and your child could be the next victim," he said.

By not addressing the sensitive problem of molestation and other crimes perpetrated by school teachers, society is actually contributing to future crime, he maintains.

"Teachers are turning out new molesters and new criminals . . . people have never considered that," said Walsh.

"The children are the ones who are going to grow up and run the country. They are the future of the country. They are the future teachers . . . If they are molested in the classroom . . . let's put it this way—80 percent of the convicted violent felons in prisons were either sexually molested or abused children."

For years, society has placed unlimited trust in members of the teacher profession and has conditioned young people to look up to their educators as the ultimate role models.

Many people would never suspect that teachers could be involved in such atrocious crimes as child molesting, sexual assault, pornography and other morals offenses. So, there's an acute lack of awareness by the public about the problem, according to Walsh.

Meanwhile, pedophiles—individuals who have a sexual preference for children—seek employment in professions where they can have easy access to children and gain their confidence. Teaching is an ideal job.

"Teachers have so much of an edge on children. First of all, we are taught all our lives to respect adults. And whom are we constantly taught to respect? . . . our teacher, the teacher that has us for seven hours a day," Walsh said.

"And children aren't as canny as adults are about strangers. You may take the bus every day, and the bus driver may take your toll, but you never consider him not a stranger or have a conversation with him . . .," he said.

"For a child . . . as trusting as they are, if they see someone three or four times or in a situation with the parent where the parent discusses something with that person, that person is no longer a stranger . . . so we disadvantage our children.

"Look at the advantage a teacher has . . . not only are they (children) taught and disciplined to respect the teacher . . . they're taught the teacher is a friend . . . the teacher is a trusted person . . . the teacher is not a stranger . . . the teacher is a figure of authority. . . . When that teacher says 'stay after school, I need to talk to you and go into the cloak room and take your pants down,' . . . a small person not only would believe that person, but is taught to respect that adult, taught that 'the teacher is teaching me' and this is a trusted authority figure—a trusted authority figure . . .".

Walsh said he is "abhorred" when he hears the argument offered by some school administrators that to conduct more thorough criminal background checks of educators isn't worth the bother because of costs and because of the hardships it would impose on the vast majority of honest teachers in the profession.

"That kind of attitude is totally irresponsible," he said.

"How about if I went to that superintendent or that principal and said, 'Listen, you're in a high crime area . . . it will probably happen that your wife is going to be raped . . . it will probably happen that your wife may be murdered . . . but it's not worth instituting more laws, physical costs . . . etc.' . . . I'd like to see what his response is."

While teacher groups and civil libertarians argue that fingerprinting constitutes an invasion of privacy and an affront on the rights of teachers, Walsh said nobody seems to be concerned about the rights of the children.

The horror stories widely publicized from the McMartin Pre-School in Manhattan Beach, Calif., where 200 counts of child molestation have already been alleged is a classic example as to why background checks of teachers and day-care center workers should be a routine policy, he said.

"Do try to put yourself in the case of the McMartin School . . . you've got 6- and 7-year-old girls who have been violated . . . you've got to deal with that sexual trauma . . . you've got to deal with that psychiatric counseling . . . the expense . . . the long, long expense of the psychiatric counseling," he said.

"It would be a lot easier if we qualified our teachers up front rather than that to happen . . . and it has happened to thousands of children . . . don't assume it couldn't happen to you . . ."

Walsh said he is optimistic that other states will adopt teacher fingerprinting legislation next year. He has discussed the legislation with governors and attorney generals during his speaking trips throughout the country.

In mid-July, Connecticut Attorney General Joseph Lieberman pledged his help to pass child protection laws, including background checks for educators following a meeting with Walsh.

But the powerful teacher unions appear to be a major obstacle to enactment of such laws.

Walsh says that the teaching profession looms as "a sacred cow" as far as child protection measures go because of the tremen-

dous lobbying clout they have. Teacher unions contribute heavily to political campaigns.

"I think people have to realize that the teachers unions are organized. They're powerful . . . and they have one intent—very pure, simple intent: to protect the teacher at all costs so the teacher will belong to the union and pay their dues," said Walsh.

"My question is . . . where is the union for children? Who pays the dues for the children . . . Who represents the children? If it isn't the legislators, if it isn't the parents, then no one represents the children . . . and children don't have a voice," he said.

"I'd like to have a child testify before a state legislature about a teacher that was a previously convicted child molester or a teacher who had been asked to leave a state and how that child felt on the fact that society, and adults, lawmakers, board of supervisors, superintendents of school had let that child down and allowed this teacher to continue."

Newspaper morgues of many East Coast capital cities visited by The News Chief show student violence against teachers to be a well-publicized issue, and apparently a more important concern than teacher violence inflicted upon students.

That bothers Walsh.

"Its proof positive to me how selfish most adults are. We are responsible as adults for the quality of children's lives," said Walsh.

"Teachers are lobbying to change state laws to protect them from violence inflicted by teenagers . . . but who is lobbying for the children to protect them from teachers? That's my point," he said.

"No adult female would want to go to a gynecologist that was a convicted rapist of women . . . But we allow our children to go to schools to teachers that have been convicted rapists and child molesters. Adults set a different standard for themselves . . . That's the saddest thing about this . . . There's a real double standard here . . . The laws apply to adults and are strong for adults, and the laws hardly apply to children at all."

Walsh said he developed an awareness of the potential problem of child abuse in the schools from reading press accounts and interviewing police officers.

From subscribing to a press clip service during a three-month period, he was able to document more than 750 cases of sexual or physical abuse of children in Florida alone. And some of the headlines involving school teachers jumped out at him.

But it was the talks with police officers that actually sharpened his awareness, he recalled.

"Police . . . that's were I almost got my first indication of the extent of it . . . I interviewed lots of police because I felt their response to the problem of missing and exploited children was poor," said Walsh.

"They showed me books and books of child molesters . . . and they said to me . . . society doesn't do anything about it . . . They were the first ones who gave me the clue of it . . . and they felt society was very negligent in dealing with the problem . . . all along the way it's just adults not wanting to deal with the problem," he said.

"People who have preyed upon children have always counted on society's aversion for dealing with the problem . . . these teachers have counted on the aversion of other teachers, principals and superintendents to bring the problem to bear . . . it's always been the ostrich in the sand syndrome . . . It can't happen to me . . . or it's too uncomfortable to deal with . . . or it's too disgusting," he said.

PEDOPHILES: SPECIAL BREED OF CHILD ABUSERS

It only takes the lewd acts of one pedophile to pervert the good name of the teaching profession.

And all it takes is that one pedophile on the prowl in the classroom to prey on the lives of hundreds—perhaps thousands—of defenseless children before he completes his repulsive deeds.

That's the grim, but expert opinion of FBI special gent Kenneth V. Lanning, a man who is considered one of the nation's leading authority's on the topic of the pedophile—a breed of child molester who has an impulsive desire for children.

"As far as I'm concerned, it's a problem facing every school district in America. And I hope the American public is waking up to the fact that a teacher can do this," Lanning said in a recent interview.

"But I want to emphasize that I think it would be a terrible injustice if the American public was led to believe that a bunch of people in the teaching profession are pedophiles," he said.

"Only a very small percentage of school teachers are pedophiles. It's not a quantity problem. There are not lots of them. But one teacher like this can cause unbelieveable harm and damage," he said.

"I don't think there should be a witch hunt against the teaching profession by school administrators. But I think they have an obligation to deal with this problem head-on."

Lanning, a special agent at the Behavioral Science Unit of the FBI Academy in Quantico, Va., makes a careful distinction between "pedophile" and "child molester."

A child molester has sex with children. A pedophile is a peculiar type of child molester. But not all child molesters are pedophiles, he says.

But a pedophile may be the most dangerous form of child molester because of the strong inner drive for his or her child victims.

"His behavior is persistent and compulsive. He is likely to assault 30 to 40 to several thousand children in his lifetime. He is good at what he does," said Lanning.

"What I generally tell police officers, if you've got a school teacher—a guy who has been in education for 30 years who is a pedophile . . . every year for 30 years, you can go back to every class he's taught and find victims in his class," he said.

These are the primary characteristics of the pedophile, as described by Lanning: He must gain easy access to children. This can be done by the neighborhood in which he lives, through marriage—marry a woman and adopt children. One of the most common ways of gaining access to children is through employment: a day-care center worker, a camp counselor, a school teacher, a guidance counselor and even a school administrator.

Lanning's expertise is sought by Congressional panels, reporters throughout the country and attorneys who prosecute child molestation cases. He has testified in the sentencing phases of several trials involving school teachers.

The teaching profession is an easy outlet for the pedophile, he says.

"If somebody tells me a school teacher is arrested of molesting kids, I'd say there's a high percentage of odds that he's going to be pedophile," said Lanning.

"An individual who becomes a school teacher so he can gain access to kids is a true pedophile," he said.

"Another individual could be a teacher who became a school teacher for all the right reasons . . . then one day maybe he's having problems under stress . . . starting to drink a little . . . the marriage has gone sour . . . so he turns to the child as a substitute. This kind of individual is not a pedophile. But it doesn't make it any better. If a school teacher has sex with any student, that's a serious violation of trust."

There is no set age for the pedophile's victims.

Each pedophile generally has his own age and sexual preference, according to Lanning.

If he likes young victims, he will teach in the lower grades. The pedophile teacher's preference can range all the way from preschool to high school, said the FBI agent.

Many pedophiles go undetected. But even when discovered, they can manage to escape prosecution and continue with their sexual exploitation of children.

Why?

It's a combination of "public naivety" or misconception about the pedophile, "bureaucratic irresponsibility," or an apprehension to deal with the problem, according to Lanning.

"Quite simply, the fact of the matter is that some schools would rather cover it up. Why? For a variety of reasons—there's legal liability . . . and bad publicity over something like this could destroy business in the case of private schools. That's the monetary angle," said the FBI agent.

"One of the problems you have in cases like this is the public holdover to the myth that the pedophile is the dirty old man in the rain coat—the scum of the earth. Then, it turns out in many cases that the teacher is a real nice guy," he said.

"The truth is they're just like anybody else. They're probably a little better than average teachers. They identify well with the students. Very frequently, they are outstanding teachers. Kids enjoy going to their class," he said.

"One of the things that concerns me is the public naivety. Many people have this belief that to commit such a crime, it has to be an evil individual. But the pedophile is a nice guy. He goes to church every Sunday. He mows his lawn. I just can't believe the naivety."

When a pedophile has been identified by law enforcement officials, it is a very unpleasant, unpopular task to prosecute these individuals.

Lanning said he tells police officers not to expect support, but anticipate some public resistance.

"I've seen cases where students will be out picketing after the arrest of a popular teacher," he said.

Parents feel guilt when their child has been abused. So there can be a tendency to deny that it happened, suggested Lanning.

"It's a tough ego shot to say 'I didn't adequately protect my child, therefore I'm a lousy parent.' So, the one way to defend the ego is to deny it," he said.

When pedophiles get together and organize, that presents another set of problems for law enforcement officials. Quite often, organized pedophile groups will engage in the child pornography business.

And there are some radical organizations such as the North American Man-Boy Love Association or Rene Guyon Society—the group that boasts the motto "Sex by eight

or else it's too late"—which publish material promoting pedophilia.

Lanning said there's a big difference between "the disgusting and repulsive literature" published by groups such as NAMBLA and the role of those groups, compared to the child pornography rings.

"I make a distinction between this kind of stuff (NAMBLA literature) and the pornography. The pornography has a tragic, personal impact on a person. The audio-visual sexually explicit stuff becomes a permanent record of the ultimate form of sexual abuse," said Lanning.

"The promotional stuff just fuels the pedophile's fantasy. You and I may think it's distasteful. But it's not quite as bad as the pornography," he said.

"I've known pedophiles who watch 'Leave it to Beaver' and get turned on. There are other pedophiles who get their kicks clipping underwear ads out of Sears & Roebuck catalogues."

NAMBLA, because of its racy publication and bold style of promoting pedophilia, has attracted considerable national attention.

Lanning said he believes the American public has a misconception about the role of groups like NAMBLA, largely because of the outrageous notoriety they have received.

"I personally feel these groups are stupid to go public. But when all this publicity came out about NAMBLA, many people called to see if they had NAMBLA chapters in their community," said Lanning.

"Some people got the idea that if they didn't have a NAMBLA chapter, they didn't have a problem. Simply because you don't have a NAMBLA chapter has nothing to do with whether you have a problem," he said.

"Groups like NAMBLA are an information network for pedophiles all over the country. They are very effective. They are actually a support network for those who aren't members."

While improved criminal background checks will increase the level of detecting pedophiles who seek employment in the schools, Lanning said that kind of defense alone is an inadequate way to deal with the problem.

He advocates that school administrators seek a greater public awareness, rather than attempt to downplay the problem—like in the case where one individual worked at eight different school districts, being dismissed for child molesting offenses at numerous jobs, before his conduct was finally reported.

"Bear in mind that most of these individuals don't have an arrest record, so you have to have a second line of defense," said Lanning.

"That second line of defense is awareness programs for students, parents and educators. That child should be trained to report sexually offensive behavior by a teacher, understanding the difference between a good touch and a bad touch and touching in the wrong places—and the idea that it's not the child's fault," he said.

"And when the child tells, you have to have somebody who is trained to believe that child. Too often, nobody bothers to listen to the child. Nobody believes the child, so we ignore the abuse that may be taking place. Quite often, adults feel it was the child's fault—that the child was the seducer. Parents and educators have got to become sensitized to listen to what a child may be saying," he said.

"But ultimately, we need to be more aggressive in reporting and prosecuting child molestation cases. What we need to do is have a system where everybody who is identified, make a record of it. When we catch these individuals, we need to make sure that there is a record."

When Lanning testifies at sentencing hearings, he tells the court he believes there is no cure for the pedophile.

"Is it a sickness or illness? Maybe. But that's not a defense in these crimes. The guy knew what he was doing was wrong."

SOCIAL SECURITY AND BUDGET DEFICITS

(By request of Mr. BYRD, the following statement was ordered to be printed in the RECORD:)

Mr. CHILES. Mr. President, President Reagan was completely wrong when he said during Sunday night's debate that his cuts in Social Security do not reduce the Federal deficit.

Social Security is part of the unified Federal budget which the President himself submits to Congress each year. I ask unanimous consent to insert in the RECORD at this point, a copy of page 5-114 from the President's budget for fiscal year 1984 which shows that the President's legislative proposals to cut Social Security reduce outlays in the Federal budget. Since any cuts in outlays reduce the Federal deficit dollar-for-dollar, these Social Security cuts do, in fact, lower the budget deficit. Indeed, the President has already used cuts in Social Security to try to lower the deficit on any number of occasions in his first term.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

THE BUDGET FOR FISCAL YEAR 1984

[Functional code 600; in millions of dollars]

Major missions and programs	1982 actual	1983 estimate	1984 estimate	1985 estimate	1986 estimate
OUTLAYS					
General retirement and disability insurance:					
Social Security (OASDI):					
Existing law	154,144	170,324	182,388	196,326	210,719
Proposed legislation		−2,056	−4,140	−4,548	−4,811
Railroad retirement	5,717	6,127	5,786	5,177	6,093
Benefits for disabled coal miners:					
Existing law	1,980	1,816	1,780	1,771	1,798
Proposed legislation			−37	−45	−52
Pension Benefit Guaranty Corporation:					
Existing law	−67	−32	−26	−18	−15
Proposed legislation			−132	−180	−202
Other	31	37	42	48	55
Subtotal, general retirement and disability insurance	161,805	176,216	185,661	198,531	213,585
Federal employee retirement and disability:					
Retirement and disability program:					
Existing law	19,616	21,250	22,941	24,720	27,000
Proposed legislation			−362	−1,116	−1,525
Federal employees workers' compensation:					
Existing law	264	218	228	217	201
Proposed legislation			−17	−30	−31
Federal employees life insurance fund	−492	−612	−636	−662	−688
Subtotal, Federal employee retirement and disability	19,388	20,856	22,153	23,129	24,956

THE BUDGET FOR FISCAL YEAR 1984—Continued

[Functional code 600; in millions of dollars]

Major missions and programs	1982 actual	1983 estimate	1984 estimate	1985 estimate	1986 estimate
Unemployment compensation:					
Existing law	23,756	35,020	28,774	25,867	24,707
Proposed legislation		1,850			
Subtotal, unemployment compensation	23,756	36,870	28,774	25,867	24,707
Housing assistance:					
Subsidized housing	6,880	7,774	8,532	9,235	9,690
Public housing operating subsidies	1,008	1,551	1,520	1,581	1,503
Indian housing (proposed legislation)			40	43	45
Rural housing block grant (proposed legislation)			280	561	850
Other housing assistance	155	257	450	454	459
Subtotal, housing assistance	8,043	9,582	10,823	11,874	12,547
Food and nutrition assistance:					
Food stamps and aid to Puerto Rico:					
Existing law	11,014	12,825	12,496	12,648	12,903
Proposed legislation			−757	−1,049	−1,101
Child nutrition and other programs:					
Existing law	4,565	5,008	4,878	5,042	5,273
Proposed legislation			−2	−295	−383	−456
Subtotal, food and nutrition assistance	15,579	17,831	16,322	16,258	16,619
Other income security:					
Supplemental security income:					
Existing law	7,677	8,760	7,509	8,252	8,404

Mr. CHILES. In 1981, the President's first round of budget cuts included $24 billion in Social Security cutbacks—measured over a 6-year period. These cuts were submitted to Congress as part of a plan to reduce the deficit and to balance the Federal budget by 1984. The first-round package of cuts also included a "magic asterisk"; that is, $111 billion of cuts that were to be specified later—page 5 of the President's Budget reform plan in "A Program for Economic Recovery," February 18, 1981. As 1981 progressed, concern mounted that deficits would be too high under the Reagan program and the new cuts were brought forward. The administration submitted $17 billion in cuts over 3 years for domestic discretionary programs. Similarly, in May, the President made a series of draconian proposals which would have cut Social Security spending by more than $40 billion over 5 years. As an example, a person retiring at the age 62 in 1987 would have had his benefits reduced by 40 percent relative to what they otherwise would have been. The Senate rejected all of these second-round Social Security proposals by a vote of 96 to 0.

Finally, the President included the recommendations of the National Commission on Social Security Reform in his budget request for fiscal year 1984. These changes lowered Federal deficits by over $15 billion over 4 years, according to the President's budget request which was sent to the

Congress. The President appears to be unaware of this fact.

The President also claimed on Sunday night that the draconian cuts he proposed for Social Security in May 1981 were necessary in order to preserve the solvency of the system. This claim is blatantly false. According to the administration's own press release at that time, those cuts were more than twice as large as would have been necessary to preserve the solvency of the Social Security system. The President would undoubtedly like to forget this fact, but the historical record will not let him.

I ask unanimous consent that table 2 from "A Program for Economic Recovery" be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—BUDGET SAVINGS PLAN

[Outlays in billions of dollars]

	1981	1982	1983	1984	1985	1986
Existing budget status:						
Current policy base	657.8	729.7	792.1	849.0	911.4	972.8
Added defense funds [1]	1.3	7.2	20.7	27.0	50.2	63.1
Current policy base with adequate defense	659.1	736.9	812.8	876.0	961.6	1,035.9
President's budget plan:						
Proposed spending ceiling	654.7	695.5	733.1	771.6	844.0	912.1
Budget savings target	4.4	41.4	79.7	104.4	117.6	123.8
President's budget savings proposals:						
Actions recommended now or to be included in March revisions:						
Budget outlay reductions	4.8	41.4	58.5	73.7	86.6	95.8
Off-budget outlay reductions	(.7)	(5.7)	(7.4)	(9.2)	(11.1)	(13.1)
User charges (receipts)	(. . . .)	(2.0)	(2.6)	(3.0)	(3.5)	(3.9)
Subtotal	(5.5)	(49.1)	(68.5)	(85.9)	(101.2)	(112.8)
*Budget savings to be presented subsequently			21.2	30.7	31.0	28.0

[1] These increased amounts do not include the savings for defense specified later in this document. They represent an outside estimate of potentially necessary defense increases after taking savings into account. These amounts will be fully reviewed and may be revised for the March budget submission.

THE PRESIDENT'S SECRET PLAN

(By request of Mr. BYRD, the following statement was ordered to be printed in the RECORD:)

Mr. CHILES. Mr. President, President Reagan conceded during the first debate that he has a plan to reduce Federal deficits. It is marked, "Do Not Open Until Christmas." Yet through the political wrapping paper, you can still feel the shape of the surprise.

The President suggested the deficits can be reduced by holding the growth in Federal spending to 5 percent each year. What he neglected to say is that, by 1989, the surprise package would require across-the-board cuts of 45 percent in programs like medicare, veteran's benefits, agricultural price supports, the space shuttle, the FBI, drug enforcement, and student loans. Under the President's plan exempting some programs from these cuts would require even deeper cuts in the programs that remain.

Holding spending growth to 5 percent a year sounds easy, but we need to keep in mind that during President Reagan's 4 years in office, total spending has grown by more than 10 percent per year. Under the policies that are now in place as a result of President Reagan's first term in office, spending is projected to grow at more than 9 percent per year through 1989 (see table 1). Therefore, the President would have to cut his own growth rates in half in order to achieve his plan. The President, however has requested huge defense increases averaging 12.4 percent over the next 5 years, and large increases in foreign military assistance as well. These excesses would have to be balanced by cutting deeper into domestic programs.

When we consider the domestic budget, we note that the President has indicated he would exempt Social Security—which is about one-fifth of the budget and which is projected to grow at about 7 percent per year over the next 5 years—from any further cuts.

Therefore, the burden of reducing spending to 5-percent growth would fall on only one-third of the budget, necessitating massive cuts in the affected programs. For example, by fiscal year 1989, the President's "secret plan" would allow for about $230 billion for all domestic spending—other than Social Security. Since the Congressional Budget Office estimates that $420 billion is needed to maintain current services in these programs, the President's plan would require an across-the-board cut of 45 percent for each of them (see table 2). If any of these programs were exempted from being cut, the percentage reduction in the other programs would be even greater. In the years before 1989, the cuts would also be gargantuan. In fiscal year 1985, $50 billion in cuts would be required, necessitating a 16-percent across-the-board reduction—see table 3 for a listing of current services outlays for major programs in fiscal year 1985. In fiscal year 1986, $90 billion in cuts would be required to execute the President's plan. Similarly, in fiscal year 1987, $130 billion in cuts would be required together with additional cuts of $170 billion in fiscal 1988.

This analysis is based on economic assumptions from the nonpartisan Congressional Budget Office which is headed now by a conservative Republican. The President said during the debate that he doesn't believe the Congressional Budget Office numbers. However, even utilizing budget numbers from the President's own Budget Office, we still find that huge domestic spending cuts would be needed in order to implement the Reagan plan. In fiscal year 1989 $100 billion would have to be cut above and beyond the $5 billion in cuts already called for in the President's midsession review of the fiscal year 1985 budget. This amounts to a 25-percent across-the-board cut for programs such as medicare, veterans' benefits, student loans, agricultural price supports, the space shuttle, drug enforcement, and the FBI.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—GROWTH RATES IN OUTLAY SPENDING

	Outlays (billions)	Percent increase over previous year
Fiscal year:		
1981	$657	13.8
1982	728	10.8
1983	796	9.3
1984	845	6.2
1985[1]	942	11.5
1986[1]	1,031	9.4
1987[1]	1,127	9.3
1988[1]	1,229	9.1
1989[1]	1,321	7.5

[1] Estimates for 1985–89 are based on Congressional Budget Office August baseline, except for defense and foreign assistance. For these accounts, figures from the President's budget request for fiscal year 1985 are used.

Note.—Average growth rate: 1980 to 1984 equals 10 percent; 1985 to 1989 equals 9.4 percent.

TABLE 2.—SPENDING CUTS NEEDED TO LIMIT GROWTH IN OUTLAYS TO 5 PERCENT PER YEAR

	Fiscal year—				
	1985	1986	1987	1988	1989
Total outlays with 5 percent growth	$887	$932	$978	$1,027	$1,078
Spending exempt from cuts:					
Defense and Foreign assistance	$289	$331	$370	$406	$437
Social Security	$188	$201	$215	$231	$248
Net interest	$132	$142	$151	$161	$161
Subtotal, exemptions	$609	$674	$736	$798	$846
Remaining outlays available	$278	$258	$242	$229	$232
Outlays needed to maintain current services in nonexempted programs	$331	$349	$373	$398	$422
Cuts below current services needed to limit total outlay growth to 5 percent	−$53	−$91	−$131	−$169	−$190
Across-the-board percentage cut needed for 5 percent growth	−16	−26	−35	−42	−45

Note.—Defense and foreign assistance figures are from President's budget request for fiscal year 1985. Other items are from Congressional Budget office August baseline. Net interest has been adjusted to reflect debt service savings resulting from limiting outlay growth to 5 percent per year.

TABLE 3.—SPENDING NEEDED TO MAINTAIN CURRENT SERVICES IN MAJOR PROGRAMS IN FISCAL YEAR 1985

	Outlays (millions)
Programs:	
Highways	$12,985
Urban Mass Transit	1,577
Amtrak	762
FAA	3,173
Airports	830
Coast Guard	2,354

TABLE 3.—SPENDING NEEDED TO MAINTAIN CURRENT SERVICES IN MAJOR PROGRAMS IN FISCAL YEAR 1985—Continued

	Outlays (millions)
Elderly Housing	856
Community Development Block Grants	3,858
Urban Development Action Grants	550
Postal Service (Federal payment)	1,158
Compensatory Education for the Disadvantaged	3,466
Pell Grants (low-income college student aid)	2,792
Job Training and Employment Services [JTPA]	3,698
Head Start	1,024
Administration on Aging	702
National Science Foundation	1,180
National Forest System	924
NASA	5,081
National Park System	622
Environmental Protection Agency	4,055
Agriculture Price Supports	12,454
Agricultural Credit Insurance Fund	1,557
Energy Conservation Water Projects	2,979
FBI	1,083
Immigration and Naturalization Service	544
Customs Service	606
IRS	3,390
General Revenue Sharing	4,574
Black Lung Program	975
Special Benefits for Disabled Coal Miners	1,029
Railroad Retirement	5,697
Civil Service Retirement	22,980
Military Retirement	15,728
Unemployment Compensation	19,717
Food Stamps	11,448
Women, Infants and Children Supplemental Feeding Program	1,462
Child Nutrition Programs	3,720
Supplemental Income Security for Low Income Elderly and Disabled	9,270
Aid to Families with Dependent Children	7,880
Low-Income Home Energy Assistance	1,932
Child Support Enforcement	618
Veterans Compensation	10,285
Veterans Pensions	3,954
Veterans Readjustment Benefits	1,176
Veterans' Medical Care	8,356
Veterans' Hospital Construction	577
Veterans' Administration Operating Costs	739
Medicare	65,419
Civilian Agency Pay Raises	1,191
Medicaid	22,282
Health Block Grants to States	814
National Institute of Health	4,576

TRIBUTE TO SENATOR PAUL TSONGAS

Mr. EXON. Mr. President, I hope that the retirement of PAUL TSONGAS from the U.S. Senate will not quiet PAUL'S voice in the debate of America's future. I have been proud to serve with Senator TSONGAS, a man of great vision and insight. More than anyone else, I think Senator TSONGAS represents the future of the Democratic Party. He is a man of compassion, but is aware of the limitations of government; he is a friend of the working man but also realizes that a healthy business environment brings jobs to the working people; he combines the strength of the Democratic Party's past with the new ideas of the future. Like many of the Members of our class of 1978, Senator TSONGAS defies the traditional labels of liberal or conservative.

The junior Senator from Massachusetts can take great pride in the economic strength of his home State. His work as the Congressman from the Fifth Congressional District is directly responsible for the hightech revolution now taking place in Massachusetts. As a former small businessman, I have been very impressed with the Senator's work on the Senate Small Business Committee. He has worked diligently to assure that the millions of small business owners are given a fair chance.

Over the years, I have been impressed with the Senator's efforts to control deficit financing. The Senator's victory on the Senate floor this last Friday, serves as a reminder of the Senator's commitment to bring fiscal discipline back to the Federal Government. His support of the bipartisan freeze and his most recent effort to make a spending freeze the first order of business upon the next consideration of a debt ceiling illustrate the Senator's strong sense of responsibility. The value of his efforts will not expire with the conclusion of his term. Repeatedly, the Senator has shown leadership rather than mere concern in addressing budget issues.

I will certainly miss the insight the junior Senator has brought to this body. The Senator's years in the Peace Corps brought a unique and much needed perspective to the foreign policy deliberations of this body. We need to be reminded that geopolitical considerations are more than extravagant games of strategy and that the decisions made in this body affect the lives of people across the globe.

I hope that we will be hearing from Senator TSONGAS often after he enters the private sector. The completion of his term in the Senate marks another significant accomplishment in a lifetime of public service. From the villages of Ethiopia to the plush offices of the most deliberative body in the world, Senator PAUL TSONGAS has left his mark. It is a mark of excellence and a clear vision of the future. I look forward to following the career of one of the Senate's brightest young stars. I wish the good Senator well in his new endeavors and consider myself fortunate to have worked with him over the years.

THE RETIREMENT OF SENATOR JOHN TOWER

Mr. EXON. Mr. President, since I became a member of the Senate Armed Services Committee in 1979, I have had the pleasure of working closely with Senator JOHN TOWER. I am saddened that this relationship will end with his decision to retire at the end of this Congress.

While there have been times when he and I disagreed on some specific issues as we worked toward our mutual goal of insuring a strong national defense, I have always found Senator TOWER to be an admirable colleague. As the chairman of the Senate Armed Services Committee, he has been extremely effective in insuring a proper and comprehensive addressal of those critical issues related to our Nation's security. His knowledge of defense issues is impressive and has been instrumental to the continuing influence and effectiveness of the Armed Services Committee. Senator TOWER's ability to comprehend and relate so many complex issues is a rare and admirable skill. Displaying firm but fair leadership, he has guided the committee through many difficult times and has always striven to act in the best interests of our great Nation.

I will miss his leadership, encouragement, and insight as the Senate goes on to face new challenges in the future. The Senate and the Nation have benefited immensely from Senator TOWER's efforts and experience. I know that I speak for all my colleagues on the Armed Services Committee when I wish Senator TOWER both farewell and best wishes for continued success in all his future endeavors.

IN HONOR OF SENATOR JENNINGS RANDOLPH

Mr. EXON. Mr. President, my good friend JENNINGS RANDOLPH is going home to West Virginia. He leaves Washington with a legacy which we all envy and will continue to learn from despite his absence. As JENNINGS RANDOLPH returns to the narrow, twisting roads which wind through the mountains and hollows of his beloved State he carries memories of Franklin Roosevelt's 100 days and the triumphs and tragedies of the Nation's history these past 52 years since his election to Congress. JENNINGS RANDOLPH has seen and has made much history during those 52 years of service to West Virginia and the Nation.

My good friend JENNINGS RANDOLPH has taught his colleagues the meaning of courtesy in the Senate. A body which functions by unanimous consent cannot function long without a sense of order and judicious self-restraint. JENNINGS RANDOLPH has taught us all that the Senate functions well only when its Members respect each other and recognize that each Member deserves to be heard. The world's greatest deliberative body can only be effective when its Members respect each other.

My good friend JENNINGS RANDOLPH has left monuments to his career around the Nation in the form of public works projects which he has shepherded through the Congress. He leaves his mark as a man who demonstrates that a State which is totally dependent upon natural resources can develolp in harmony with the environment and offer opportunities for individuals. He leaves his mark as a man who recognizes the important example we here in this body set for future generations of voters. Our actions directly motivate young Americans to participate or not participate in the political process.

My good friend JENNINGS RANDOLPH has made great efforts to remind each of us of the responsibility we bear for tomorrow's American citizens.

On behalf of all Nebraskans, I thank you for your 52 years of service and contributions to the Nation and its legacy which we are passing on to our children and their children. You have made a difference. You have made the world a better place than it was before you came here. That is all that we can hope for in our brief time here.

JENNINGS, you have succeeded in making a difference in people's lives and for that we are grateful and we will miss you here in the Senate.

LARGE BUDGET DEFICIT CAN LEAD TO HIGH INTEREST RATE

Mr. EXON. Mr. President, I was not only shocked but saddened, in listening to the debate between the two Presidential candidates Sunday last, to hear the President of the United States state that there is no connection between high deficits and interest rates. The President did not mention the skyrocketing national debt, but I think there is a relationship, as most of the people do, between the high deficit which at the end of each year is transferred over to the national debt, and which broke through the $1 trillion for the first time in the history of this Nation in 1981, and interest rates.

If the majority has its will, it will be raised to approximately $1.8 trillion at the request of the President of the United States sometime before we adjourn sine die.

I just want to point out that in the opinion of this Senator, who has had a great deal of experience both in business and in Government in balancing budgets, I think it is absolute folly to carry on any pretense that interest rates are not affected by the amount of debt that we continue to accumulate at an alarming rate in the United States.

I cite this record and the following article by Mr. Stockman, the Director of the Office of Management and Budget, to buttress my remarks that indeed, despite what the President of the United States believes, I think most Americans would agree that there is a significant connection between interest rates and excessive Government debt.

Madam President, I ask unanimous consent that immediately following my remarks there be printed in the RECORD an article from the Washington Post of June 12, 1984, entitled "Stockman Links Deficits, High Interest Rates."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 12, 1984]

STOCKMAN LINKS DEFICITS, HIGH INTEREST RATES

(By Jane Seaberry)

Office of Management and Budget Director David A. Stockman deftly departed from the position of other Reagan administration officials yesterday and said that large federal budget deficits can lead to high interest rates, because the deficits can affect the psychology of the financial markets.

Stockman, addressing an American Stock Exchange conference, said his view of deficits and interest rates isn't different from that of President Reagan or Treasury Secretary Donald T. Regan, who say there is no direct link between budget deficits and interest rates.

Many economists insist that continuous, large budget deficits help push up interest rates or keep them high, particularly when demand for credit by businesses and consumers is strong. At the seven-nation economic summit in London last week, some foreign critics complained that large U.S. deficits push up interest rates and attract savings from their countries into U.S. assets, forcing them to keep their rates high.

"I think most people recognize that the climate in the financial markets affects interest rates, the course of monetary policy affects interest rates and that the deficits may well have much to do with the climate, the psychology and the expectations of the market and with the options that are available to the Federal Reserve on a daily, monthly and quarterly basis to conduct monetary policy," Stockman said.

He said that, in sum, "If you boil it all down to the common-sense proposition, it is clear that chronic, massive deficit financing affects the financial system, monetary policy and, therefore, the course of interest rates."

Stockman was asked whether he meant that deficits and interest rates were linked. "The answer is yes," he responded, "but it has to be qualified in order not to create any disunity of view that doesn't actually exist."

Stockman also said that inflation may be low because of artificial factors such as a strong U.S. dollar, which "perhaps" could be temporarily suppressing inflation.

At the same conference, Congressional Budget Office Director Rudolph Penner said that Congress $140 billion "down payment" on the federal budget deficit will not be sufficient to stop the upward spiral in interest rates.

The package, although having no immediate effect on rates, will be "pretty impressive," Penner said, because it will reduce over time the percentage of gross national product consumed by the deficit. However, the down payment will not be sufficient to reduce the proportion of gross national product taken up by interest payments, Penner said.

Nevertheless, the down payment "deserves more attention than it is getting and is more important than the investment community gives it credit for being," Penner said.

AMERICAN AGRICULTURE AND FOREIGN POLICY

Mr. MELCHER. Mr. President, there are several reasons why people say that Walter Mondale won the debate with President Reagan Sunday night. For instance, the President indicated that farmers were better off under his administration because he had ended the Carter grain embargo and that interest rates had gone down.

The President may not know it, but he should know that American agriculture receives lower prices with less purchasing power than at any time since the Great Depression. The President should also know that agricultural debt and the number of liquidations and foreclosures is also the worst since the Great Depression.

Farmers and ranchers are in desperate situations. Part of their suffering is from continuing high interest and other production costs. Then the lack of sales of agricultural products abroad is compounded by a series of very inept decisions by the President's administration which ignored the basic problems and attempted to make everything right by a $12 billion payment-in-kind program which moved in exactly the wrong direction. That program [PIK] paid to idle 80 million acres of farm production rather than use American agriculture abundance for the hungry. The $12 billion neither cured farm prices nor served the broader goals of U.S. food policies. U.S. agriculture production can meet the needs of our people and the food shortages of the world.

The Sunday debate between the two Presidential candidates did not dwell on these matters, but Walter Mondale did correct the President that farmer and rancher income had dropped off more than 50 percent. They should both address these matters in detail in the October 21 debate on foreign policy because American agriculture has been decimated by bad trade policy and our foreign policy can be better predicated on using the inherent strength of American agriculture production in a manner that enhances not just the United States but our friends around the world. We need not just talk about guns and the threat of Communism when we deal with foreign policy. We have food, and the world needs it.

We should open our doors to the conditions that will establish that our food is available. For those who have the cash, such as Russia and China, sell it to them without embargoing U.S. materials for a natural gas pipeline from Russia to other countries, as the President did, or the President's mishandling of the Chinese textile imports, which is preventing grain sales to China from the United States.

For those who do not have cash, such as Mexico, the Philippines, or starving African nations, we can set the conditions for sending them food through Public Law 480 or section 416, to relieve their food shortages.

American farmers and ranchers know two basic facts: First, the prices they receive for their production are so low they are going broke; second,

they know that what they produce is needed for the hungry here and abroad.

The importance of using American food abundance as a vital, positive part of our foreign policy—both in the normal trade channels and for humanitarian uses for the hungry, malnourished, and starving—cannot be ignored. It is a more positive part of foreign policy than grants or sales of military equipment. Its strength as a part of our foreign policy lies in the world's need for life-nourishing food.

Presidential elections bring out in the campaign the strong feelings of the people. President Reagan's administration and campaign have not addressed both the blessing of American agriculture and the losing position of the producers on our farms and ranches.

Walter Mondale should address American agriculture much more than he has. This is not just a matter for farmers and ranchers and agribusiness; it is the business of all Americans. We should hear from both Presidential candidates on these matters during their October 21 debate.

SENATOR HOWARD H. BAKER, JR.

Mr. WALLOP. Mr. President, I am honored today to stand with my colleagues in recognition of my friend, and Tennessee's favorite son, the Honorable HOWARD H. BAKER, JR. It has truly been my privilege to serve under Senator BAKER's leadership since my freshman year in the Senate when be became its minority leader.

Over the years, he has proven to be an extremely capable leader of first the minority and then the majority party. Senator BAKER is a leader who has commanded the respect of both sides of the aisle. Perhaps the only person to question HOWARD's political leadership is his grandmother Ladd, a former sheriff back in Tennessee. Grandmother Ladd, an astute politician in her own right, told our then minority leader to get out of politics and go where the real power was—the sheriff's office. Well, I cannot speak for HOWARD; but I believe I speak for the entire U.S. Senate when I say how grateful we are that he forsook the sheriff's office for his political office.

In many respects, this advice of Grandmother Ladd's never had a chance of being carried out; for the life of HOWARD BAKER has always been intertwined with politics. Born in the small east Tennessee town of Huntsville, he grew up in fertile political soil. HOWARD's father served the Second Congressional District of Tennessee as its Representative in Washington, DC. While attending law school at the University of Tennessee, HOWARD was elected the student body president of that institution. In addition, he is married to Joy Dirksen, the daughter of his mentor, former minority leader Everett Dirksen of Illinois. In 1966, the people of Tennessee chose HOWARD BAKER to be the first popularly elected Republican to the U.S. Senate in that State's history. As a legislator, HOWARD demonstrated the qualities of intelligence, tact, and foresight which he has so successfully called upon in his role as majority leader. During his early days in the Senate, the Senator from Tennessee promoted legislation enhancing basic American values; granting greater responsibility to the individual in the Revenue Sharing Act of 1972, assuring equal rights under law for all citizens in the extension of the Voting Rights Act, and underpinning the Nation's strength to counter external threats through his strong support for the national defense. In 1973, Senator BAKER rose to national prominence in his role as the ranking Republican on the Senate Watergate Committee. Through his search for the truth on that committee, HOWARD BAKER holds much of the responsibility for the Republican Party's reversal of fortune over the past decade. The Republican Senators wisely voted him their leader in 1976.

With the ascendancy of those Republicans in 1980, HOWARD BAKER became our majority leader in a move heralded today by both Republican and Democratic Senators alike. Not only has Senator BAKER taken an eclectic group of Republican Senators and woven them into a solid majority; but also he has managed the Senate with such fairness and understanding that he has won the respect and admiration of the Democratic Senators serving with him as well. This respect further extends to the other House of Congress and the White House.

The President knows HOWARD BAKER as a loyal supporter and able fighter in a Congress where the Senator took a inexperienced opposition and transformed it into a capable legislature responsible for passing many of the administration's bills into law.

HOWARD BAKER will go down in history as one of the greatest Senate majority leaders because of the trust other Members of Congress and the President and executive branch have in him. He has fostered this trust by getting to know his colleagues as individuals and respecting their opinions and interests. HOWARD BAKER truly exemplifies the best in what we call a politician.

HOWARD, I salute you on your achievements and am grateful to have served both as your colleague and friend in the U.S. Senate.

SENATOR JOHN TOWER

Mr. WALLOP. Mr. President, 23 years have passed since Senator JOHN TOWER won in a special election held to fill Lyndon Johnson's seat. Today, on the brink of his departure from this esteemed body, I think we all realize just how special that election was. JOHN TOWER is not just the first Republican Senator from Texas since the Reconstruction, he is also a man of foresight, of vision. He knew the meaning of the words "peace through strength" long before they became popular. More importantly, he acted on that philosophy by committing himself to foreign policy and defense initiatives that served to fortify the United States.

JOHN TOWER's commitment to the protection of the United States and its ideals probably has its roots in World War II where he saw firsthand the threat that foreign powers can pose. During this time he served for 3 years aboard a landing support ship in the western Pacific. It has been said that the kamikaze planes swarmed as thick as bees, but I think these events only strengthened his resolve that he must do everything in his power to safeguard the United States.

And, that he did. As chairman of the Armed Services Committee and throughout his term, JOHN TOWER has insightfully analyzed our defense needs. He has accepted the fact that America has some catching up to do. Consequently, he has supported measures to upgrade our military capability in all areas, including strategic, conventional, nuclear and maritime.

As a member of the Naval Reserve since World War II, and I might add the only enlisted reservist in Congress, he has provided a strong link with the rank-and-file military personnel. He has recognized the importance of meeting their needs and maintaining their morale.

In foreign policy areas he has gained a reputation for wisdom and prudence. Over the past 8 years during which I have served as his colleague, I have watched him battle with the toughest. I remember hearing one time that his mother has a picture of him in his Navy outfit with cowboy boots. Now, some people might find that combination pretty strange, but I think it epitomizes the Senator from Texas. JOHN TOWER is all toughness, determination and patriotism. When he leaves the Senate, his colleagues, friends and Texans will have a difficult time finding someone to fill those cowboy boots.

SENATOR JENNINGS RANDOLPH

Mr. WALLOP. Mr. President, I am pleased to have the opportunity today to express my deep appreciation of, and admiration for, the Honorable JENNINGS RANDOLPH at the conclusion of his 38 years of service in the House of Representatives and the Senate. His

legislative craftsmanship and humanitarianism have left an indelible stamp on the people of West Virginia and the Nation.

Anyone taking the time to review Senator RANDOLPH's lengthy history as a statesman cannot help but feel a sense of awe. The wealth of historical figures he has encountered and his unique experiences make him a virtual compendium of our century. Senator RANDOLPH has memories of sitting on his father's knee at the 1912 Democratic Convention in Baltimore while watching Woodrow Wilson's nomination. He was a primary force in helping President Franklin Delano Roosevelt enact the New Deal. He has served under nine Presidents and lived through four wars and the Great Depression. And, the list continues.

Yet, more importantly on this particular occasion, we must honor the fact that Senator RANDOLPH has served seven consecutive terms in the House of Representatives and four terms in the Senate. When one tries to explain such enduring popularity, the answer inevitably lies not in what he did, but in how he did it. When describing life in his hometown of Salem, WV, Senator RANDOLPH often says, "I grew up in a town where Main Street was something, people stopped and talked." In my mind that one sentence really sums him up. He will always be remembered as the Senator who stopped to talk. Members of his staff complain that he often buries them with tiny scraps of paper he collects during trips home. These bits of paper record the concerns and needs of various people he encounters throughout the State. If his office cannot solve their specific problems, he promises to find the office that can. In other words, Senator RANDOLPH has converted the whole Nation into his Main Street. Everyone is his neighbor.

The kinds of legislation for which he has been responsible reflect this concern for State and country. While it would be impossible to sum up 38 years of service in a couple paragraphs, Senator RANDOLPH has constructed some pieces of legislation that we now call landmark legislation. He sponsored the Randolph-Sheppard Act, the Synthetic Liquid Fuel Act, the Appalachian Regional Development Act, the first black lung legislation and the 26th amendment to the Constitution. In addition, he was responsible for legislation that brought about the establishment of the U.S. Interstate Highway System, a separate U.S. Air Force, a network of nationwide airports, and the Air and Space Museum.

The motto of Senator RANDOLPH'S graduating class at Salem College was: "From Possibility to Actuality." Obviously Senator RANDOLPH took that phrase to heart throughout his career dedicated to public service. Although Senator RANDOLPH will not be with us in the 99th Congress, his wisdom, guidance, and example will be strongly felt for years and years to come.

THE COURAGE AND COMMITMENT OF JACOB JAVITS

Mr. KENNEDY. Mr. President, last month, the Washington Post published a remarkable and inspiring article about the many current interests and activities of our former colleague from the State of New York, Senator Jacob Javits.

As the article makes clear, Lou Gehrig's disease may have met its match in Jacob Javits. The effects of the disease have slowed him down a little—but only from 100 miles an hour to 95 miles an hour. All of us who knew and loved Jack Javits in the Senate know that the disease has not dimmed his enormous intellect nor diminished his passionate dedication to the great causes of his life in public service.

Many of us had the opportunity to renew our friendship with Jack when he returned to Washington last month for the ceremony marking the 10th anniversary of one of his greatest Senate achievements, the Employee Retirement Income Security Act. And the commemoration of the act also turned out to be a celebration of Jack Javits and his extraordinarily wide-ranging current activities. Few in the Senate could keep up with him then, and few can do so today.

Mr. President, all of us in Congress who served with Jack Javits and who admire his courage and commitment today will be interested in the article I have mentioned, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 14, 1984]

THE PUBLIC TWILIGHT OF JACOB JAVITS: LIVING WITH INFIRMITY BUT NEVER LETTING UP

(By David Remnick)

STONY BROOK, NY.—Jacob Koppel Javits sits in a wheelchair behind his old Senate desk, an 80-year-old public man.

A form of Lou Gehrig's disease has left his body a husk. He cannot lift a hand to sign his name or greet a visitor. A stiff collar keeps his head from slumping onto his chest. A portable respirator pumps life through a hole in his throat and into his lungs. A nurse feeds him clear soup through a straw, a solicitous aide sets a piece of correspondence before him for his inspection and approval.

The afternoon light in the Javits Room of the library is a bit weary and wan and so is the senator. Javits was a fiery orator in his 24 years in the Senate, one born to the soapboxes of political New York and, in his prime, a match for the likes of Hubert Humphrey. The accent is still that familiar blend of Lower East Side edge and Senate élan, but the phrases last just a short breath. After each bundle of words, Javits waits for the respirator to fill him with the strength to speak:

"I was an active man, strong and in close touch with the world. Illness, you never think of those things. You just go on for years, working, taking life for granted. My illness is considered terminal. I had to think about what to do, what it means. And I decided I had to keep on as long as I could."

Javits still has the same clear and restless mind that distinguished his years in the Senate. Lou Gehrig's disease, or amyotrophic lateral sclerosis, is a devastating condition. Because of his illness, it takes Javits nearly three hours to prepare for the day, but what he does with the remaining hours is extraordinary.

He has given commencement addresses and testified before congressional committees. He is in regular contact with his colleagues and may soon write a book about his illness. This week Javits has been in Washington to help celebrate the 10th anniversary of one of his many achievements in the Senate, the Employees Retirement Income Security Act.

This late-summer day a week ago on Long Island is also typically vigorous. Already Javits has reviewed portions of his papers, which he is collecting for the library of the State University of New York at Stony Brook, given a 90-minute speech on foreign policy before an audience of 250 students, held a news conference and appeared at a reception.

"I had to take a boxing course when I was a student and the instructor told me to put up my hands. The next thing I knew I was on my behind. He told me, 'There, that's the first lesson. Hit them from where you are.' And that's what I'm doing. I'm sick. Maybe I won't live much longer, but I'm hitting 'em from where I am. I'm not giving up a thing."

* * * * *

"Absolutely."

Jacob Javits knows the question is coming, and when he answers, his voice lifts and blue eyes sparkle. He is absolutely sure, he says, that he could be an effective senator now if he had the chance. Although both he and the public knew he was sick, Javits ran for a fifth term in 1980. After losing the Republican nomination to his right-wing challenger, Alfonse D'Amato, Javits campaigned under the Liberal Party banner. D'Amato did not hesitate to mention Javits' age and illness, and the supporters of Democrat Elizabeth Holtzman wanted him to bolt the race and leave the liberal constituencies undivided.

Javits had once been an avid tennis player, but now he could offer only mental vigor to his job. "The people of New York will have to decide if they want a tennis player or a brain," he said at the time. The electorate was unconvinced, and the formula of one conservative and two liberals cast the election in D'Amato's favor. Holtzman finished a close second, Javits a distant third.

Now, there seem to be 1,001 subjects he would rather discuss than Alfonse D'Amato.

"I haven't examined his Senate career with any particularity," Javits says. "He is a conservative. He's followed what he told the voters he would do. I have no comment on it. He hasn't done anything that particularly excites me. If he runs again, and I'm still alive, I'll see what I'll do."

But if he had won, could Javits have served?

"Absolutely," he says. "I told the people I would and, considering the schedule I've kept up, I've certainly shown it to be the case.

"I would have been chairman of the Committee on Foreign Relations. I had unbelievable seniority for a New Yorker. I had a great opportunity to be of influence with senators of my own party and with the Democrats. And justly so. I never let them down. When I told them I'd do something, I did it.

"I served a very useful role in the Senate and I felt it was my duty to the people of New York, who had brought me to such a high position, not to fire myself. There was no reason for it. But the campaign against me, the exploitation of my age and health combined with the appeal of the right wing of the Republican Party was obviously more than I could handle."

His wife, Marion, puts it this way: "For all his [health problems], my husband certainly would have done a better job than the man that replaced him. I know you'll think I'm biased, but I believe the world is starving for men like [Javits]. He would have functioned almost as well during his illness as he did before. . . . I spoke to Senator McGovern recently, and told him, 'George, he's still working like he's in the Senate. The only difference is, he can't vote.' "

Throughout his Senate career Javits and his wife lived quite distinct lives. His devotion to the Senate was primary and consuming. As a liberal Republican, Javits was deeply involved in creating the Legal Services Corp., the War Powers Act, the Comprehensive Employment and Training Act and educational funding for both the gifted and mentally handicapped. He was a key supporter of Israel, the arts and the bailout of New York during the city's financial crisis in the mid '70s.

Marion Javits found Washington life intolerable and rarely spent time in the capital. Though friends say their marriage has been complicated and even tempestuous at times, Richard Clurman, a writer and one of Javits' closest friends, says, "Marion is doing her loving, marital duty as well as anyone could now."

"My husband has never really had a personal life. And I was the one that always got blamed for it," Marion Javits says. "But his public spiritedness is total for him. It's just like other people regard their families or vacations. He wants us to be there for him, but it was never first for him. He chose that public life and that has always prevailed. The personal doesn't rank with the public. It never has. There's no use complaining now, but it's not easy to live with when you're another kind of person."

Jacob Javits nearly died two years ago. He was brought from Florida to Bethesda, where he was treated for severe respiratory problems.

"When he was in Bethesda, he was hooked up to all sorts of machines and respirators," says a friend who asks not to be identified. "He was out of it. We thought it was the end. There was even discussion of pulling the plug. And Marion started to laugh and cry at the same time. I remember she said, 'What a time to fall in love with him.' "

Those who come now to Stony Brook or Manhattan to meet Javits typically expect to find a man whose mind is as wasted as his body. They are prepared to honor him and patronize him, to pay homage to him before he dies. Javits will not allow it. He immediately commands his listener's attention and respect.

"It's the most valiant dying, I've ever seen," says Clurman. "I remember he made me feel foolish once. I'd made plans to visit him but I had to call and say that my back was bothering me and I couldn't make it. He said, 'No problem, I'll come to you.' And he did. He's acquired a scope and grandeur. He's put his accomplishments into a very human frame of intelligence and courage."

"He is as sharp as he's ever been," says John Trubin, Javits' law partner and closest confidant. "He's always been a driven person and he's still got that fire in him. His thing is living."

Javits has always been relentlessly public and he has found a new cause in his infirmity, "Jack looks at his own illness from a distance," says Clurman. "It's as if it were somebody else and he had to think about it on a political scale."

Several months ago, Javits was a patient at New York Hospital. At the hospital's weekly medical conference, the patient lectured 150 doctors. Javits said the most important thing in his life is to "keep my brain in order and functioning. . . . This is the essence of life.

"If there is anything I can leave with you in terms of the treatment of patients with a terminal illness, it is this: We are all terminal—we all die sometime—so why should a terminal illness be different from terminal life? There is no difference."

Javits' impulse to think in terms of legislation has waned very little since leaving the Senate, and he urged the doctors to help develop a test "to enable us to determine socially who should live and who should die." He spent much of the summer thinking about that "test" and how it principal barometer should be the individual's mind. If that is gone, says Javits, then there is a question whether that life should be sustained.

"The more I thought about such a test, the more I believe it has worth for serious consideration," he says. "You must remember, my own philosophy is that you don't belong only to yourself. You have an obligation to the society which protected you when you were brought into the world, which taught you, which supported you and nurtured you. You have an obligation to repay it."

Those closest to Jacob Javits are not surprised by the way he has led his "retirement." His autobiography, published three years ago, was given the title "Javits: The Autobiography of a Public Man," and the last chapter of his life will not do anything to alter its appropriateness.

"It was poverty that made me this way," says Javits, the son of Jewish immigrants from eastern Europe. "Poverty made me see the importance of a public life. It's also talent. I could always speak and get people to listen. It's a certain gregarious quality. You like a crowd and you evaluate your deeds in terms of their worth and how many people they affect. And I'm sure, too, it's ego. It's a glorious feeling any time you have the power to persuade people toward a justifiable purpose."

When he was a boy, Javits learned a lesson about justifiable purposes from his father. Morris Javits had been a Talmudic scholar in the Ukraine but was forced to work endless hours as a janitor on the Lower East Side. To make a few extra dollars, Morris bought votes for the Tammany machine at $2 apiece.

The Democratic Party in New York in 1932 was the party of Tammany Hall and Jimmy Walker and corruption. Javits turned to a steady diet of progressive politics as a youth—even supporting the Socialists for a time—and so it seemed logical for him to join the party of reform and Fiorello La Guardia. Javits jointed a Republican club on Third Avenue and 72nd Street and has resisted entreaties to switch parties ever since, even as he has become that increasingly rare political animal—the liberal Republican.

"I never can forget that my party's basic roots are in equality," he says. "I am, in philosophy and ideology, a liberal. As Lincoln said, government should do for the people what they cannot do, or do as well, for themselves. . . . When people like John Lindsay and Wayne Morse switched to the Democrats, I thought about it and had discussions about it, but I never really considered it too seriously."

In 1964, Javits supported Nelson Rockefeller for the presidency, but when Barry Goldwater won the Republican nomination, Javits could not support the party ticket. But he says he will vote for Ronald Reagan this year. His public explanation is vague, perhaps deliberately so. Those close to him say that Javits is unenthusiastic about both presidential candidates, but regards himself a "party man." Javits clearly feels he can be most useful as a critic-from-within. In his speech at the university earlier in the day, he supported the nuclear freeze movement and a nonmilitary approach to the conflicts in El Salvador and Nicaragua.

"I've never been inhibited about criticizing presidents before," he says, "and I won't hesitate now."

* * * * *

Javits did not go to Dallas this summer, but he did watch the Republican convention on television. He found his wing of the party in eclipse, if only temporarily. There was Sen. Lowell Weicker of Connecticut battling the Rev. Jerry Falwell and the evangelical right wing, but few liberals and fewer liberal mavericks could be heard above the nearly unanimous voice of the conservative movement.

"The progressive wing of the party must be represented," Javits says. "I'll do all I can to help develop the ideas and the leadership to help that along.

"But right now there is a big middle-class revolution going on. It still commands the majority and has Reagan way ahead in the polls. The revolt was against what was considered to be inadequately monitored or evaluated welfare programs and entitlements. The theory is that those who were enjoying the entitlements were doing so fraudulently. And the ones paying the bills weren't getting what they wanted.

"The whole thesis has been dressed up in patriotism and more military strength. I feel the premise in untrue. Yes, there was undoubtedly some waste and fraud and probably more experimentation than the public was interested in. . . . But this revolution won't extend to 1988. I think you'll see a very different candidate for the Republicans."

Javits has strong ties with liberal and moderate Senate Republicans such as Charles McC. Mathias (Md.), John Chafee (R.I.) and Charles Percy (Ill.) and believes figures like George Bush, Howard Baker or even Jack Kemp may emerge as surprisingly moderate candidates for national office four years from now.

"These things come in cycles," Javits says. "I've seen it all my life."

* * * * *

The room is getting darker and Jacob Javits' words are now almost pure breath.

Javits once told an aide, "I am more than a senator. I am an institution." The remark was neither humble nor false.

"I meant that I'd established an institutional character," Jacob Javits says at the end of a long, long day. "What I stood for was institutional in the sense that probably my greatest ambition was the prestige, the capability, the authority of a senator. Mike Mansfield coined the term, 'a Senate man.' He was one. I believe I was another."

TRIBUTE TO SENATOR HOWARD BAKER

Mr. PRESSLER. Mr. President, I wish to join in the chorus of personal tributes being paid to HOWARD BAKER of Tennessee in these final days of his service as our distinguished majority leader. The Senate will lose one of the most respected and capable Senators ever to serve in this Chamber when HOWARD BAKER retires at the end of this 98th Congress. I am personally saddened by the realization that Senator BAKER will not be here when the 99th Congress convenes next January.

Senator BAKER has been an inspiration to me and to all of his colleagues on both sides of the aisle. A skilled legislator and an able leader, he has shown logic, reason, and compassion in steering this body through its day-to-day operations, as well as through many rough and tough disputes. He has earned a reputation as a champion of fairness, a politician's politician, and a leader who gets things done in a calm, cool, and collected manner.

Serving beside him in the Senate has been a privilege and a priceless learning experience for me, as I know it has been for so many other Senators. Despite the high pressure nature of his job and the many demands on his time, Senator BAKER has always stayed in close tough with the needs of his State—and of his colleagues. He campaigned for me when I was a freshmen Congressman. After I became Senator, HOWARD BAKER visited my State of South Dakota both as a campaigner and as a legislator interested in the problems of South Dakotans. I am deeply indebted to him for his guidance, encouragement, and friendship.

It has been my pleasure to visit with Senator BAKER and his wife, Joy, in their Washington home on many occasions. I have the greatest admiration for the entire Baker family.

Senator BAKER has often joked that when he first came to the U.S. Senate 18 years ago, he was invariably introduced as the son of Congressman Howard Baker, Sr., and the son-in-law of Senator Everett Dirksen. HOWARD BAKER is returning to public life with a unique and enviable reputation of his own as a tremendously powerful and popular political leader.

I wish him the best of success in his new role in private life. At the same time, I hope and expect that we shall hear from HOWARD BAKER again, in other important political roles.

TRIBUTE TO SENATOR JENNINGS RANDOLPH

Mr. CRANSTON. Mr. President, the time is too quickly approaching when we will sadly have to bid fond farewell to one of the finest members this body, and indeed, the Congress, has ever known—the so very distinguished and so very able senior Senator from West Virginia, JENNINGS RANDOLPH.

Mr. President, JENNINGS RANDOLPH is a tireless, dedicated public servant and an advocate for those who are underprivileged, unemployed, or underrepresented. His more than 38 years of service to this Nation in the Congress are strewn with landmark legislation in which he played key roles. Over the years in which I've been privileged to serve with him in the Senate, I've witnessed instance after instance illustrating his fine ability, his keen insights, his great wisdom, and his humane approach to every issue.

I first came to know JENNINGS in 1969 when I was honored to assume the position he had held a year before as the chairman of the Subcommittee on Veterans' Affairs of what was then the Committee on Labor and Public Welfare. Since then, we've served together on the full Committee on Veterans' Affairs for the last 14 years. His record on veterans' issues is unmatched, and his concern and dedication is not only deep, but also very, very real. JENNINGS views each issue, each provision, each problem, from a personal perspective. And those of us who have served with Senator RANDOLPH in this area can readily attest to what we have learned from him.

Throughout the almost 16 years we have worked together on veterans' issues, Senator RANDOLPH has never failed to be anything less than a totally active participant. In the Veterans' Affairs Committee, he has always been there. When quorums were needed, when votes were to be taken, when issues were to be discussed, there was never any question that JENNINGS RANDOLPH would be there—and would be there right in the thick of it. That exemplifies his sense of responsibility to the position he has held and the manner in which he views the public trust he has so steadfastly upheld.

His record in the area of rights and benefits for Americans who suffer from disabilities is equally outstanding. To leave this body, after any number of years of service with one's name inscribed upon a major law is itself a great achievement. But for JENNINGS RANDOLPH, this feat marked just the beginning of his enduring record of service and achievement in this vital field. His record in the disability area began in 1936—nearly 50 years ago—when his efforts resulted in the enactment of what we know as the Randolph-Sheppard Act. This act established a program which became the vanguard of subsequent legislative efforts to promote the rehabilitation of handicapped individuals. As the first chairman of the Labor Committee's Subcommittee on the Handicapped, where I was privileged to serve with him for so many years, his leadership, compassion, and foresight contributed to virtually all legislation for disabled persons enacted during his career in the Congress, including programs to assist disabled children, and blind, and other handicapped persons, and to ensure for each handicapped child a free and appropriate public education.

Throughout his more than two decades on the Senate Labor and Human Resources Committee—during 12 years of which I was privileged to serve with him—JENNINGS left his mark on hundreds of legislative items dealing with health, education, and other human needs. He introduced the first black lung legislation in the Senate in 1969. His great concern for middle-age and older Americans was reflected in numerous pieces of legislation developed in the Labor Committee over the last 20 years.

As a member of the Committee on Environment and Public Works since 1958—and the chairman of that committee from 1966 through 1980—Senator RANDOLPH has been intimately involved with legislative issues concerning air and water pollution control, solid waste disposal, highways, environmental protection, aviation, and transportation. His expertise in these areas is enormous and his record is clear evidence of his effectiveness. He has guided the development of a variety of legislation in transportation, environment, economic development, and water resources. He authored the Appalachian Regional Development Act and the Public Works and Economic Development Act. He was the author of the Solid Waste Disposal Act and a major contributor to other basic environmental statutes, including the Clean Air Act, Clean Water Act, Endangered Species Act, and Superfund Act.

Page upon page of the CONGRESSIONAL RECORD would be needed to list all of his accomplishments including those related to the early New Deal legislation which created such landmark programs as Social Security, the Soil Conservation Service, the Fair Labor Standards Act, and so many, many more. Certainly no listing would be complete without reference to his efforts—beginning in 1942—which led to the ratification of the 26th amendment to the Constitution giving young Americans the right to vote.

And now, JENNINGS RANDOLPH is about to see the fulfillment of one of his oldest goals—the establishment of

a National Peace Academy. The President's signature on the Defense Authorization Act will mean that Senator RANDOLPH's efforts—begun in 1943 when he introduced a bill to create a Department of Peace—will have finally been successful. The establishment of the U.S. Institute of Peace is a fitting crowning achievement for a career marked with such brilliance, humanity, and commitment. The creation, within the Institute, of the Jennings Randolph Program for International Peace, through which scholars and leaders from the United States and abroad will pursue scholarly inquiry and other forms of communication on international peace, will forever bear witness to the Senator's commitment to the cause of world peace.

Mr. President, there is no question that Senator JENNINGS RANDOLPH will be sorely missed—both here in the Congress and as a dedicated, effective representative of and advocate for his beloved native West Virginia. His contributions have been legend and his achievements great.

But I know that his efforts to serve his fellow men and women are far from over. As he told us in the Veterans' Affairs Committee several weeks ago, he isn't retiring; he's just looking for a new line of work.

JENNINGS, I want to take this opportunity to wish you just as much success and happiness in the future as you've had so far. You leave behind a record and a reputation that will not soon be matched.

TRIBUTE TO HOWARD BAKER

Mr. DECONCINI. Mr. President, while all Members of the Senate are waiting impatiently for the adjournment of the 98th Congress, there is nevertheless a pall of sadness accompanying that day for the Senate will be losing, through retirement, some of the ablest and most distinguished Members this body has ever known.

At the top of that list is HOWARD BAKER. All Members, on both sides of the aisle, feel a deep sense of loss that the distinguished majority leader will not be here to guide this body through the next and succeeding Congresses. HOWARD BAKER will be sorely missed for his integrity, his patience, his compassion, his eloquence, and for his wit and engaging personality. Above all, he will be missed for his ability to forge the compromises that are crucial for the Senate to forge ahead with the work of the Republic. Henry Clay once said: "Do not despise compromise, for it is the cement that holds the Union together." It is also the cement that holds this institution together, and HOWARD BAKER has raised the art of political compromise to a level rarely known in this body.

The unique blend of talents embodied in HOWARD BAKER will be difficult, if not impossible, to replicate in another legislator. He has given his last full measure to the responsibilities of his job as majority leader and as the Senator from Tennessee. His patience and untiring efforts to accommodate the wishes of every Senator have earned him the respect of all his colleagues. Never, even under the most difficult of circumstances, has he failed to honor a commitment he has made to this Senator or to any other Members. In the final analysis, HOWARD BAKER epitomizes the very best in the term "public servant." This Nation, this body, and the State of Tennessee will be losing one of the ablest legislators and the most decent human being who has ever served in public office.

HOWARD BAKER is leaving this Chamber at the peak of his career, and I know he is looking forward to pursuing other endeavors. Whatever HOWARD BAKER does in the future, I am certain he will continue to serve and bless this Nation with his creative and constructive service.

It has been an honor and privilege for me to serve with HOWARD BAKER, and I shall miss him. But HOWARD BAKER can leave knowing he has left a lasting impression on the institution he loves so dearly and has served so well.

I wish HOWARD BAKER, his wife, Joy, and their family every happiness and success in the months and years ahead.

TRIBUTE TO SENATOR JENNINGS RANDOLPH

Mr. DECONCINI. Mr. President, it is with deep sadness that I bid farewell to my distinguished colleague from West Virginia, JENNINGS RANDOLPH, with whom I have had the great privilege to serve. I had heard of JENNINGS RANDOLPH for many years before being elected to this body and admit to surprise upon discovering that this politician with such a formidable reputation was such a kind, gentle, and humble man. I came to know JENNINGS RANDOLPH in a more personal way as a fellow member of the Senate Veterans' Affairs Committee, and feel enriched by that experience. JENNINGS RANDOLPH's dedication to the veterans of this Nation are a reflection of the deep commitment which accompanied all his legislative endeavors.

JENNINGS RANDOLPH's long and illustrious congressional career has spanned four decades. He was not only a witness to, but an active participant in, the great political events of this century—the New Deal, World War II, the New Frontier, the Great Society, Korea, and Vietnam. But it is my belief that the New Deal, and its commitment to creating opportunities for the poor and disadvantaged of our society, has been the underpinning of JENNINGS RANDOLPH's remarkable career.

Time does not permit a long recitation of JENNINGS RANDOLPH's legislative accomplishments. Suffice it to say that his contributions to improving educational opportunities for the handicapped, to creating an Interstate Highway System unparalleled in the history of modern civilization, to providing quality health care for the Nation's veterans and for the coal miners and steelworkers of his beloved State, and to establishing, through dogged determination, a national entity dedicated to the study and pursuit of peace are now embedded in the laws of the land.

JENNINGS RANDOLPH's stature as a skilled legislator is more than equaled by his stature as a human being. He is a man of enormous compassion, unequaled integrity, and an indomitable spirit. Throughout his career, JENNINGS RANDOLPH has never lost his enthusiasm for public service. And his love for the institution he has served so well for so many years has never diminished. It is this body that will be diminished without his presence.

I wish JENNINGS RANDOLPH good luck and Godspeed as he embarks on a new career remains a model for all legislators to emulate and he leaves this body with the profound respect of all his colleagues.

Mr. President, Senator BAKER and Senator RANDOLPH are two outstanding people whom we have heard a lot about and who will be dearly missed by this body. Although the Republic will continue, it will have lost two very great assets, in this Senator's judgment. I sincerely thank them for their friendship, aid, and assistance to me.

RETIREMENT OF REPRESENTATIVE JACK EDWARDS

Mr. STEVENS. Mr. President, when the Senate adjourns sine die for the 2d session of the 98th Congress it will mark the end of a very distinguished career in public service by Representative JACK EDWARDS of Alabama who is retiring.

Mr. President, it is not a regular practice that Members of one body pay tribute to retiring Members of the other body. Representative EDWARDS has distinguished himself by representing the First District of Alabama in a fair and commendable way. He is a tough negotiator and staunch defender of the interest of his district, State, and country. I have firsthand experience in knowing the extent of his skills as a legislator. As chairman of the Subcommittee on Defense Appropriations in the Senate, I have faced Representative EDWARDS at many defense conferences. From expe-

rience let me tell you, I feel much better when we are on the same side than I do when we have differing views.

Mr. President, it is with regret I note that next year when we go to the conference table, Representative JACK EDWARDS will not be there. His contributions will be missed by us all.

Although the Congress will lose the service of a skilled legislator, his accomplishments will long be remembered. The insight and dedication that JACK EDWARDS has demonstrated during the 20 years of his service to which all of us should aspire.

Mr. BAKER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Assistant Secretary of the Senate proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DANFORTH). Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, there are a few items that appear to be cleared for routine action. The minority leader and I have discussed it in a general way. Let me go through the list now and see if we can make some progress.

CIVIL SERVICE RETIREMENT SPOUSE EQUITY ACT

Mr. BAKER. Mr. President, I wish to call up H.R. 2300 if the minority leader does not object.

Mr. BYRD. Mr. President, there will be no objection.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. CRANSTON. Mr. President, on Wednesday night of last week, we engaged in rather intense procedural maneuvers regarding the amendment—amendment No. 7010—I had sought to add to the continuing resolution regarding the House-passed measure, title I of S. 958, requiring a study of the Federal workforce to determine whether job classification held predominantly by female workers were underpaid in contrast to job classification held predominantly by male workers although the job qualifications, working conditions, and requirements were comparable. This amendment, referred to as the Federal pay-equity or comparable-worth study, would simply give us some information on this issue. It is similar to studies going on in some 20 States with respect to public employees.

Mr. President, the reason I was forced to resort to offering this amendment to the continuing resolution was because the Senate Committee on Governmental Affairs has for over 3 months refused to go to conference on S. 958. The pay-equity study was added by the House as a new title I to S. 958. The Senate-passed version of S. 958 contained only provisions dealing with merit pay for Federal managers. The House-passed version of S. 958 has been held at the desk in the Senate since July 3 because of this unwillingness to deal with the pay-equity study issue.

This persistent desire to avoid dealing with the merits of the pay-equity study amendment manifested itself last week when the leadership went to great lengths to avoid an up or down vote on my amendment, despite the fact that it had been drafted in such a form that it would not constitute legislation on an appropriations measure. I am quite certain that these strenuous efforts were made because the opponents of this amendment, like myself, believe it would be passed by the Senate, as it was by the House, if we were ever afforded the opportunity to vote on the amendment.

Mr. President, at the time the leadership blocked an up or down vote on the pay-equity study amendment, I indicated that I intended to continue to press for such a vote at another time. When it became apparent that an effort was going to be undertaken to move onto another vehicle the part of S. 958 unrelated to the pay-equity study, I indicated that I would offer the pay-equity study amendment to such an amendment. Unfortunately, since other Senators did not want to face my amendment at this time, the result was that another important bill affecting women, H.R. 2300, relating to pension rights of divorced spouses of civil service retirees, was jeopardized. This pitted one women's issue against another. Despite my strenuous efforts to reach an agreement to let H.R. 2300 pass without any amendments, those efforts proved futile. It became quite clear that the opponents of the pay-equity study amendment were quite willing to kill both the divorced spouse bill and the merit pay bill rather than allow the pay-equity study amendment to come to a vote this year.

Mr. President, over the past several days, the Senator from Alaska [Mr. STEVENS], who is the chairman of the Subcommittee on Civil Service, Post Office, and General Services of the Senate Committee on Governmental Affairs, and I have entered into extensive discussions on how to resolve this impasse in a manner which would allow these other measures to move forward while at the same time ensuring that a pay-equity study would be conducted.

As a result, the Senator from Alaska has assured me of his personal interest in and commitment to seeing that a pay-equity study of the Federal workforce is carried out. Accordingly, we have reached agreement on a series of events that will take place over the next 8 months to bring about this type of review.

First, in order to lay the groundwork for the actual pay-equity study, the Senator from Alaska has agreed to join with me and the chairman of the House Committee on Post Office and Civil Service [Mr. FORD] and the chairman of the House Subcommittee on Compensation and Employee Benefits [Ms. OAKAR]—who also are parties to our agreement—and perhaps other Senators as well in a letter to the Comptroller General of the United States. That letter will request that the General Accounting Office provide, not later than March 1, 1985, to the House Committee on Post Office and Civil Service and the Senate Committee on Governmental Affairs a detailed report on options for carrying out a pay-equity study of the type which would have been mandated under my amendment and the House-passed title I of S. 958. GAO will thus develop a design for the actual study, including the scope of the work contemplated, the timeframe, an evaluation of the various methodologies that could be utilized, the costs if done by contract or directly, and the advantages and disadvantages of having the study done by a private contractor selected by OPM, by a private contractor selected by GAO, by GAO itself, or by OPM, or under some other suitable arrangement. The GAO will be requested to consult with the employee organizations and experts in the area of job-evaluation techniques as well as OPM in developing its report. The report will include a description of the studies and followup activities underway in the States and a discussion of the extent to which the various State studies—completed or currently underway—might provide appropriate models for the methodology selected for the Federal work force study.

Mr. President, in short, GAO will be asked to perform much of the preliminary work which would have taken place, under the legislation we proposed, through the Pay Equity Study Council, which would have assisted in designing the scope of the work and the methodologies to be used by the contractor.

Second, the Senator from Alaska has agreed that, not later than the week after the Easter recess, he will convene subcommittee hearings on the GAO report and the outline for the study to be conducted.

Third, following that hearing, the Senator from Alaska will consult closely with me, his subcommittee members, and others—such as the Senator from Washington [Mr. EVANS]—interested in the merit pay issue in an

effort to develop legislation to facilitate carrying out such a study, unless a decision has been reached that GAO itself should carry out the study, and will seek to have such legislation considered in committee and on the floor in a timely fashion.

Fourth, and finally, in the event that efforts to reach agreement on such legislation following the GAO report are unsuccessful, the Senator from Alaska has given me his personal assurances that he will do his best to provide us with an opportunity next year on an appropriate vehicle to have a vote on the merits of the issue.

Mr. STEVENS. Mr. President, the Senator from California has correctly stated the agreement we have reached regarding a plan and timetable for moving forward with a study of the type which would have been mandated by the amendment offered by the Senator from California. I believe that the issue of pay equity, or comparable worth is one which the Federal Government is going to have to deal with directly with respect to the Federal work force, and I believe that our agreement will lead to the carrying out of a review of the Federal wage system of the type sought by the Senator from California. I recognize that many of the States have already undertaken this type of effort, and the Federal Government ought to press ahead in a similar fashion regarding its own employees. If I am chairman of the Senate Post Office and Civil Service Subcommittee next year, I will pursue this understanding. If I am leader on our side of the aisle, I am certain my successor will honor my commitment.

Mr. CRANSTON. With those assurances, I will withhold offering the pay-equity study legislation as an amendment to the merit pay amendment to be added to H.R. 2300 and will interpose no further objection to consideration of H.R. 2300 as a vehicle for the merit pay amendment.

I thank the distinguished assistant majority leader for his cooperation on this matter.

Mr. President, let me say in conclusion that there are some who have wondered why I have insisted on pressing this issue so hard. The answer is that pay equity is probably the most important economic issue affecting American women that we will confront in the next decade. I was the first Member of Congress to introduce, having done so over 1 year ago, legislation, S. 1900, focused upon the pay equity problem. Much of the language contained in S. 1900 was incorporated into the House-passed measure. Shortly after the other body passed the pay equity amendment, I made a statement which appeared at 20775–76 in the RECORD of July 25, 1984, urging the Senate conferees to accept the House amendment.

We are already way behind State and local governments in looking at our antiquated personnel policies and practices; we are equally far behind many private employers. It is high time that the Federal Government caught up to the rest of the country on this issue. I intend to devote considerable time and effort during the next Congress to making sure it does.

Mr. BAKER. Mr. President, I ask the Chair to lay before the Senate H.R. 2300.

The PRESIDING OFFICER. The bill will be stated by title.

The bill clerk read as follows:

A bill (H.R. 2300) to provide retirement equity for former spouses of civil service retirees and for other purposes.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed immediately to the consideration of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider H.R. 2300.

AMENDMENT NO. 7087

(Purpose: To amend title 5, United States Code, to reform and improve the performance management and recognition of certain Federal employees and the management of senior executives)

Mr. BAKER. Mr. President, I send to the desk an amendment on behalf of the distinguished Senators from Virginia, Senators TRIBLE and WARNER, and I ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Tennessee [Mr. BAKER] for Mr. TRIBLE, Mr. WARNER and Mr. STEVENS proposes amendment No. 7087.

Mr. BAKER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new title:

TITLE II—PERFORMANCE MANAGEMENT AND RECOGNITION SYSTEM

ESTABLISHMENT OF PERFORMANCE MANAGEMENT AND RECOGNITION SYSTEM

SEC. 201. (a) Chapter 54 of title 5, United States Code, is amended to read as follows:

"CHAPTER 54—PERFORMANCE MANAGEMENT AND RECOGNITION SYSTEM

"Sec.
"5401. Purpose.
"5402. Coverage.
"5403. General pay increases.
"5404. Merit increases.
"5405. Pay administration.
"5406. Performance awards.
"5407. Cash award program.
"5408. Report.
"5409. Regulations.
"5410. Termination.

"§ 5401. Purpose

"It is the purpose of this chapter to provide for a performance management and recognition system which shall—

"(1) use performance appraisals as the basis for—a) determining adjustments in basic pay by general pay increases and merit increases, and b) making performance award determinations;

"(2) within available funds, recognize and reward quality performance by varying amounts of performance and cash awards;

"(3) within available funds, provide for training to improve accuracy, objectivity, and fairness in the evaluation of performance;

"(4) regulate the costs of performance awards by establishing funding level requirements; and

"(5) provide the means to reduce or withhold certain pay increases for less than fully successful performance.

"§ 5402. Coverage

"(a) Except as provided in subsection (b) or (c) of this section, this chapter shall apply to any supervisor or management official (as defined in paragraphs (10) and (11) of section 7103(a) of this title, respectively) who is in a position within grade GS–13, GS–14, or GS–15 of the General Schedule described in section 5104 of this title.

"(b)(1) Upon request filed under paragraph (3) of this subsection, the President may, in writing, exclude an agency, any unit of an agency, or any class of employees within any such unit, from the application of this chapter, if the President considers such exclusion to be required as a result of conditions arising from—

"(A) the recent establishment of the agency, unit, or class, or the implementation of a new program;

"(B) an emergency situation; or

"(C) any other situation or circumstance.

"(2) Any exclusion under this subsection shall not take effect earlier than 30 calendar days after the President transmits to each House of the Congress a report describing the agency, unit, or class to be excluded and the reasons therefor.

"(3) A request for exclusion of an agency, any unit of an agency, or any class of employees within any such unit, under this subsection shall be filed by the head of the agency with the Office of Personnel Management, and shall set forth reasons why the agency, unit, or class should be should be excluded from the application of this chapter. The Office shall review the request and reasons therefor, undertake such other review as it considers appropriate to determine whether the agency, unit, or class should be excluded from the application of this chapter and, upon completion of its review, recommend to the President whether the agency, unit, or class should be so excluded.

"(4) Any agency, unit, or class which is excluded pursuant to this subsection shall, insofar as practicable, make a sustained effort to eliminate the conditions on which the exclusion is based.

"(5) The Office shall periodically review any exclusion from coverage and may at any time recommend to the President that an exclusion under this subsection be revoked. The President may at any time revoke, in writing, any exclusion under this subsection.

"(6) The Office shall prescribe regulations under which an employee may be excluded from the application of this chapter other than as part of an agency, unit, or class so excluded under the preceding para-

graphs of this subsection. To the extent practicable, the regulations shall be based on the provisions of such paragraphs.

"(c) This chapter shall not apply to individuals employed under the Office of the Architect of the Capitol, the Library of Congress, the Botanic Garden, or the Administrative Office of the United States Courts.

"§ 5403. General pay increases

"(a) For purposes of this section, a pay adjustment period, in the case of an employee covered by this chapter, shall be the period beginning on the first day of the first pay period applicable to such employee commencing on or after the first day of the month in which an adjustment takes effect under section 5305 of this title and ending at the close of the day before the beginning of the following pay adjustment period.

"(b) A determination concerning a general pay increase under this section shall, for any pay adjustment period, be made based on the level of performance of the employee involved, as determined for the latest appraisal period under section 4302a of this title (or an equivalent rating system) before the beginning of such pay adjustment period.

"(c) Subject to section 5405(a)(1)(A) of this title, if the employee's performance is rated—

"(1) at the fully successful level or either of the 2 levels above the fully successful level, the rate of basic pay of the employee shall be increased by the full general pay increase, effective as of the beginning of the pay adjustment period;

"(2) at the level 1 level below the fully successful level, the rate of basic pay of the employee shall be increased by one-half of the full general pay increase, effective as of the beginning of the pay adjustment period; or

"(3) at the level 2 level below the fully successful level, the rate of basic pay of the employee shall not be increased under this section.

"(d) A full general pay increase for any pay adjustment period under this section shall be determined by multiplying the rate of basic pay of the employee involved on the day immediately preceding the pay adjustment period by the percentage corresponding to the percentage generally applicable under section 5305 of this title to positions not covered by this chapter which are in the same grade as the position held by such employee.

"(e)(1) The basic pay of an employee for whom a determination under section 4302a of this title (or an equivalent rating system) for the latest appraisal period is not available shall be adjusted under this subsection in such circumstances as the Office of Personnel Management shall be regulation prescribe.

"(2) Any adjustment made under this subsection shall be equal to an adjustment under subsection (c)(1) of this section.

"§ 5404. Merit increases

"(a) For purposes of this section—

"(1) the term 'applicable reference rate', as used with respect to the rate of basic pay of an employee, means the rate equal to the sum of—

"(A) the minimum rate of basic pay provided under section 5332 of this title for the grade of the position held by such employee; and

"(B) one-third of the difference between the maximum rate of basic pay provided for such grade under such section and the minimum rate of basic pay so provided;

"(2) the term 'merit increase' means, with respect to a grade, an increase equal to one-ninth of the difference between the maximum rate of basic pay provided for such grade under section 5332 of this title and the minimum rate of basic pay so provided; and

"(3) a reference to the performance rating of an employee shall, for purposes of any increase which may take effect under this section in a year, be considered to be a reference to the level of performance of such employee, as determined for the latest appraisal period under section 4302a of this title (or an equivalent rating system) before the effective date of such increase.

"(b) Subject to section 5405(a)(1)(A) of this title, under regulations prescribed by the Office of Personnel Management, the rate of basic pay of an employee covered by this chapter shall be increased each year in accordance with the applicable provisions of subsection (c) of this section, effective as of the beginning of the first applicable pay period commencing on or after October 1 of such year.

"(c)(1)(A) If the rate of basic pay of the employee does not equal or exceed the applicable reference rate on the day before the effective date of an increase under this section, and the performance of such employee is rated at the fully successful level or either of the 2 levels above the fully successful level, the rate of basic pay of the employee shall be increased by an amount equivalent to a merit increase.

"(B) If the rate of basic pay of the employee equals or exceeds the applicable reference rate on the day before the effective date of an increase under this section, and the performance of such employee is rated—

"(i) at the level 2 levels above the fully successful level, the rate of basic pay of the employee shall be increased by an amount equivalent to a merit increase;

"(ii) at the level 1 level above the fully successful level, the rate of basic pay of the employee shall be increased by an amount equivalent to one-half of a merit increase; or

"(iii) at the fully successful level, the rate of basic pay of the employee shall be increased by an amount equivalent to one-third of a merit increase.

"(2) The rate of basic pay of an employee whose performance is rated at either of the 2 levels below the fully successful level shall not be increased under this section for the year involved.

"(d) The Office of Personnel Management shall prescribe regulations under which this section shall be applied in the case of an employee for whom a determination under section 4302a of this title (or an equivalent rating system) for the latest appraisal period is not available.

"§ 5405. Pay administration

"(a)(1) An employee covered by this chapter—

"(A) may not be paid at a rate greater than the maximum rate of basic pay for the grade of the employee's position, as set forth in section 5332 of this title; and

"(B) except as provided in paragraph (2) of this subsection, may not be paid at a rate less than the minimum rate of basic pay for such grade, as set forth in section 5332 of this title.

"(2) An employee may be paid at a rate less than the minimum rate of basic pay for the grade of such employee's position to the extent that payment of the lesser rate is the result of the employee having received less than a full general pay increase under section 5403 of this title.

"(b) An employee whose position is brought under this chapter shall, as long as the employee continues to occupy the position, be entitled to receive basic pay at a rate of basic pay not less than the rate the employee was receiving when the position was brought under this chapter, plus any subsequent increases under sections 5403 and 5404 of this title.

"(c) The Office of Personnel Management shall prescribe regulations governing the method by which an increase under section 5403 of this title and an increase under section 5404 of this title shall be made in any case in which both of those increases are to take effect beginning on the same date.

"(d) Under regulations which the Office shall prescribe, the benefit of advancement through the range of basic pay for a grade shall be preserved for any employee who is covered by this chapter and whose continuous service is interrupted in the public interest by service in the Armed Forces, or by service in essential non-Government civilian employment during a period of war or national emergency.

"(e) For the purpose of section 5941 of this title, rates of basic pay of employees covered by this chapter shall be considered rates of basic pay fixed by statute.

"(f) In the case of an employee covered by this chapter for whose position a higher rate of basic pay has been established under section 5303 of this title, any reference in this chapter to a rate of basic pay provided under or set forth in section 5332 of this title shall be deemed to be a reference to the corresponding rate of basic pay established under such section 5303.

"§ 5406. Performance awards

"(a)(1) Any employee who is covered by this chapter, and whose performance for an appraisal period is rated under section 4302a of this title (or an equivalent rating system) at the level 2 levels above the fully successful level, shall be paid a performance award under this section for such period.

"(2)(A) The amount of a performance award referred to in paragraph (1) of this subsection shall be determined by the appropriate agency head, except that any such award shall be not more than 10 percent of the employee's annual rate of basic pay and, effective after fiscal year 1985, shall be not less than 2 percent of such annual rate.

"(B) Notwithstanding subparagraph (A) of this paragraph, a performance award exceeding 10 percent but not exceeding 20 percent of the employee's annual rate of basic pay may be paid if the agency head determines that such award is warranted by unusually outstanding performance.

"(b)(1) Any employee who is covered by this chapter, and whose performance for an appraisal period is rated under section 4302a of this title (or an equivalent rating system) at the level 1 level above the fully successful level or at the fully successful level, may be paid a performance award under this section for such period.

"(2) The amount of a performance award referred to in paragraph (1) of this subsection shall be determined by the appropriate agency head, except that any such award shall be not more than 10 percent of the employee's annual rate of basic pay.

"(c)(1) Subject to subsections (a)(2) and (b)(2) of this section, the aggregate amount of performance awards paid under this section by an agency during any fiscal year shall be—

"(A) not less than the product of—

"(i) the applicable minimum percentage for such year under paragraph (2) of this subsection, multiplied by

"(ii) the estimated aggregate amount of basic pay which will be payable to employees of the agency covered by the performance management and recognition system during such year, as determined by the head of the agency, taking into consideration the number of employees who were covered by such system during the preceding fiscal year (or by the merit pay system in the case of fiscal year 1984) and the applicable rates of basic pay in such preceding year; and

"(B) not more than the product of—

"(i) the applicable maximum percentage for such year under paragraph (2) of this subsection, multiplied by

"(ii) the amount under subparagraph (A)(ii) of this paragraph for such year.

"(2)(A)(i) The applicable minimum percentage—

"(I) shall be .75 percent for fiscal year 1985;

"(II) shall, for each of the 4 fiscal years thereafter, be adjusted incrementally (by equal increments or otherwise) over the percentage for the preceding fiscal year by the appropriate agency head in accordance with regulations which the Office of Personnel Management shall prescribe; and

"(III) shall, as a result of the final adjustment, be increased to 1.15 percent for fiscal year 1989.

"(ii) The applicable maximum percentage for each of the 5 fiscal years during which this chapter is in effect shall be 1.5 percent.

"(B)(i) Notwithstanding subparagraph (A) of this paragraph, in the case of an agency described in clause (ii) of this subparagraph the applicable minimum percentage for any fiscal year during which this chapter is in effect shall be a percentage, not less than the minimum percentage described in subsection (2)(A)(i) and not to exceed 10 percent, which the Office shall by regulation prescribe.

"(ii) This subparagraph applies to an agency in a fiscal year if the average number of employees employed under such agency during the immediately preceding fiscal year was equal to or less than the equivalent of 20 full-time employees.".

"(d) A failure to pay a performance award authorized by subsection (b) of this section may not be appealed.

"(e) A performance award paid to an employee under this section shall be in addition to the basic pay of the employee and any cash award paid under section 5407 of this title.

"§ 5407. Cash award program

"(a) The head of an agency may pay a cash award to, and incur necessary expenses for the honorary recognition of, any employee who is covered by this chapter, and who—

"(1) by the employee's suggestion, invention, superior accomplishment, or other personal effort, contributes to the efficiency, economy, or other improvement of Government operations, or achieves a significant reduction in paperwork; or

"(2) performs a special act or service in the public interest in connection with or related to the employee's Federal employment.

"(b) The President may pay a cash award to, and incur necessary expenses for the honorary recognition of, any employee who is covered by this chapter, and who—

"(1) by the employee's suggestion, invention, superior accomplishment, or other personal effort, contributes to the efficiency, economy, or other improvement of Government operations, or achieves a significant reduction in paperwork; or

"(2) performs an exceptionally meritorious special act or service in the public interest in connection with or related to the employee's Federal employment.

A Presidential cash award may be in addition to an agency cash award under subsection (a) of this section.

"(c) A cash award paid to an employee under this section shall be in addition to the basic pay of the employee and any performance award paid under section 5406 of this title. Acceptance of a cash award under this section constitutes an agreement that the use by the government of any idea, method, or device for which the award is made does not form the basis of any claim of any nature against the Government by the employee accepting the award, or the employee's heirs or assigns.

"(d) A cash award to, and expenses for the honorary recognition of, any employee who is covered by this chapter may be paid from the fund or appropriation available to the activity primarily benefiting, or the various activities benefiting, from the suggestion, invention, superior accomplishment, or other meritorious effort of the employee. The head of the agency concerned shall determine the amount to be contributed by each activity to any agency cash award under subsection (a) of this section. The President shall determine the amount to be contributed by each activity to a Presidential award under subsection (b) of this section.

"(e)(1) Except as provided in paragraph (2) of this subsection, a cash award under this section may not exceed $10,000.

"(2) If the head of an agency certifies to the Office of Personnel Management that the suggestion, invention, superior accomplishment or other meritorious effort of an employee for which a cash award is proposed is highly exceptional and unusually outstanding, a cash award in excess of $10,000 but not in excess of $25,000 may be awarded to the employee on the approval of the Office.

"(f) The President or the head of an agency may pay a cash award under this section notwithstanding the death or separation from the service of an employee, if the suggestion, invention, superior accomplishment, or other meritorious effort of the employee for which the award is proposed was made or performed while the employee was covered by this chapter.

"§ 5408. Report

"The Office of Personnel Management shall submit an annual report to the President and each House of the Congress evaluating the effectiveness of the performance management and recognition system established by this chapter. Each such report shall be prepared after consultation with the respective heads of a sufficient range of agencies so as to permit an adequate basis for making a meaningful evaluation.

"§ 5409. Regulations

"The Office of Personnel Management shall prescribe regulations to carry out this chapter.

"§ 5410. Termination

"This chapter and any regulations prescribed under this chapter shall cease to be effective after September 30, 1989.".

(b) The table of chapters at the beginning of part III of title 5, United States Code, is amended by striking out the item relating to chapter 54 and inserting in lieu thereof the following:

"54. Performance Management and Recognition System..... 5401".

PERFORMANCE APPRAISAL SYSTEMS

SEC. 202. (a) Chapter 43 of title 5, United States Code, is amended by inserting after section 4302 the following new section:

"§ 4302a. Establishment of performance appraisal systems for performance management and recognition system employees

"(a) Each agency shall develop 1 or more performance appraisal systems for employees covered by chapter 54 of this title which—

"(1) provide for periodic appraisals of job performance of such employees;

"(2) require the joint participation of the supervising official and the employee in developing performance standards with authority for establishing such standards resting with the supervising official; and

"(3) use the results of performance appraisals as a basis—

"(A) for adjusting the base pay and making performance award decisions with respect to any such employee in accordance with the applicable provisions of such chapter 54; and

"(B) for training, rewarding, reassigning, promoting, reducing in grade, retaining, and removing any such employee.

"(b) Under regulations which the Office of Personnel Management shall prescribe, each performance appraisal system under this section shall provide for—

"(1) 5 levels of summary performance ratings as follows:

"(A) 2 levels which are above the fully successful level;

"(B) a fully successful level; and

"(C) 2 levels which are below the fully successful level;

"(2) establishing, in writing, the critical elements of each employee's position and the performance standards for the fully successful level for each such element which will, to the maximum extent feasible, permit accurate evaluation of job performance on the basis of objective criteria related to the job in question;

"(3) communicating, at the beginning of each appraisal period and in writing, to each employee who is covered by chapter 54 of this title the performance standards and critical elements of the employee's position;

"(4) evaluating each such employee during the appraisal period on the basis of such standards;

"(5) assisting any such employee in improving performance rated at a level below the fully successful level; and

"(6) reassigning, reducing in grade, or removing any employee who continues to perform at the level which is 2 levels below the fully successful level, after such employee has been provided with written notice of such employee's rating and afforded reasonable opportunity to raise such employee's level of performance to the fully successful level or higher.

"(c)(1) Appraisals of performance under this section—

"(A) shall take into account individual performance and may take into account organizational accomplishment;

"(B) shall be based on factors such as—

"(i) any improvement in efficiency, productivity, and quality of work or service, including any significant reduction in paperwork;

"(ii) cost efficient;

"(iii) timeliness of performance;

"(iv) other indications of the effectiveness, productivity, and quality of performance of the employees for whom the employee is responsible; and

"(v) meeting affirmative action goals and achievement of equal employment opportunity requirements;

"(C) may be reviewed by an employee of the agency in accordance with procedures established by the Office of Personnel Management;

"(D) shall, on request of the employee whose performance is appraised, be reconsidered by an employee of the agency in accordance with procedures established by the Office; and

"(E) may not be appealed outside the agency.

"(2) Reconsideration of an appraisal under paragraph (1)(D) of this subsection may be made only by an employee who is in a higher position in the agency than each employee who made, reviewed, or approved the appraisal.

"(d)(1) In order to promote the purposes of this section, there shall be established within each agency a performance standards review board (hereinafter in this subsection referred to as the 'board'), consisting of at least 6 members, all of whom shall be chosen by the agency head from individuals employed in or under such agency. Of the members, at least one-half shall be employees who are covered by chapter 54 of this title and who are in the competitive service. A board shall be chaired by the member of the board designated for that purpose by the agency head.

"(2) It shall be the function of each board—

"(A) to assess, by the use of representative sampling techniques, the appropriateness of performance standards developed and used by the agency under this section;

"(B) to study the feasibility of an awards program based on the collective performance of units or other groups of employees who are covered by chapter 54 of this title, and to submit as part of its annual report under paragraph (3) of this subsection recommendations for any actions which the board considers appropriate with respect to any such program; and

"(C) to provide technique assistance with respect to any demonstration projects which may relate to performance standards of the agency under this section.

"(3) A board shall report to the head of the agency on its activities under this subsection annually.

"(e) In carrying out this section, neither the Office nor any other agency may prescribe a distribution of levels of performance ratings for employees covered by chapter 54 of this title.

"(f) The Office may not prescribe, or require an agency to prescribe, any specific performance standard or element for purposes of this section.

"(g) This section and any regulations prescribed under this section shall cease to be effective as of the date on which chapter 54 of this title ceases to be effective.".

(b) The table of sections for chapter 43 of title 5, United States Code, is amended by inserting after the item relating to section 4302 the following new item:

"4302a. Establishment of performance appraisal systems for performance management and recognition system employees.".

MERIT INCREASES AS EQUIVALENT INCREASES IN PAY

SEC. 203. Section 5335 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding subsection (d) or (e) of this section, an increase in pay granted under section 5404 of this title is an equivalent increase in pay within the meaning of subsection (a) of this section and shall be taken into account in the case of any employee who, before becoming subject to this section, was granted such an increase while covered by the performance management and recognition system established under chapter 54 of this title.".

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 204. (a) Title 5, United States Code, is amended—

(1) in sections 4501(2)(A), 5332(a), 5334(c)(2), 5334(f), 5335(e), 5336(c), and 5362(c)(3), by striking out "the merit pay system established under section 5402" each place it appears and inserting in lieu thereof "the performance management and recognition system established under chapter 54";

(2) in section 5361(5), by striking out "merit pay system" and inserting in lieu thereof "performance management and recognition system"; and

(3) in section 5948(g)(1)(C), by striking out "Merit Pay System" and inserting "performance management and recognition system".

(b) Section 1602 of title 10, United States Code, and section 731(b) of title 31, United States Code, are each amended by striking out "5401(a)" and inserting in lieu thereof "5401".

EFFECTIVE DATE; TRANSITION PROVISIONS

SEC. 205. (a) The amendments made by this title shall be effective as of October 1, 1984, and shall apply with respect to pay periods commencing on or after that date.

(b) The rate of basic pay for any individual serving in a position—

(1) which is in the merit pay system before the date on which the amendments made by this title take effect, but

(2) which does not become covered by the performance management and recognition system,

shall not be reduced on account of such position not becoming so covered.

(c) The rate of basic pay for any individual serving in a position which ceases to be covered by the performance management and recognition system as a result of the termination of such system under section 5410 of title 5, United States Code, as amended by this title, shall not be reduced on account of such termination.

(d)(1) Except as provided in paragraph (2), any agency or unit of an agency which, immediately before the date of enactment of this Act, was excluded from coverage under the merit pay system shall be excluded from coverage under the performance management and recognition system for the 12-month period beginning on such date of enactment.

(2) An exclusion under paragraph (1) may be revoked at any time in accordance with section 5402(b)(5) of title 5, United States Code, as amended by this Act.

TITLE III—SENIOR EXECUTIVE SERVICE

CONGRESSIONAL FINDINGS

SEC. 301. The Congress finds that the Senior Executive Service should be continued indefinitely.

PERFORMANCE AWARDS

SEC. 302. Subsection (b) of section 5384 of title 5, United States Code, is amended—

(1) in paragraph (2), by striking out "exceed" and inserting in lieu thereof "be less than 5 percent nor more than"; and

(2) by amending paragraph (3) of such subsection to read as follows:

"(3) The aggregate amount of performance awards paid under this section by an agency during any fiscal year may not exceed the greater of—

"(A) an amount equal to 3 percent of the aggregate amount of basic pay paid to career appointees in such agency during the preceding fiscal year; or

"(B) an amount equal to 15 percent of the average of the annual rates of basic pay paid to career appointees in such agency during the preceding fiscal year.".

REDUCTIONS IN FORCE

SEC. 303. (a) Section 3593(c)(1)(B) of title 5, United States Code, is amended by inserting "before October 1, 1984," after "title".

(b) Section 3594(b) of such title is amended to read as follows:

(b) A career appointee who has completed the probationary period under section 3393(d) of this title, and who—

"(1) is removed from the Senior Executive Service for less than fully successful executive performance as determined under subchapter II of chapter 43 of this title; or

"(2) is removed from the Senior Executive Service under paragraph (4) or (5) of section 3595(b) of this title;

shall be entitled to be placed in a civil service position (other than a Senior Executive Service position) in any agency.".

(c) Section 3595(b) of such title is amended—

(1) in paragraph (3)(B), by striking out "is entitled" and all that follows thereafter through "position." and inserting in lieu thereof "shall be placed by the Office in any agency in any vacant Senior Executive Service position unless the head of that agency determines that the career appointee is not qualified for that position."; and

(2) by striking out paragraphs (4) and (5) and inserting in lieu thereof the following:

"(4) A career appointee who is not assigned under paragraph (3)(A) may be removed from the Senior Executive Service due to a reduction in force if the career appointee declines a reasonable offer for placement in a Senior Executive Service position under paragraph (3)(B).

"(5) A career appointee who is not assigned under paragraph (3)(A) may be removed from the Senior Executive Service due to a reduction in force if the career appointee is not placed in another Senior Executive Service position under paragraph (3)(B) within 45 days after the Office receives certification regarding that appointee under paragraph (3)(B).".

(d) Section 3595(c) of such title is amended to read as follows:

"(c) A career appointee is entitled to appeal to the Merit Systems Protection Board under section 7701 of this title whether the reduction in force complies with the competitive procedures required under subsection (a).".

DIRECTED REASSIGNMENT; TRANSFER OF FUNCTION

SEC. 304. (a) Section 3395(a)(2) of title 5, United States Code, is amended to read as follows:

"(2)(A) Except as provided in subparagraph (B) of this paragraph, a career ap-

pointee may be reassigned to any Senior Executive Service position only if the career appointee receives written notice of the reassignment at least 15 days before the effective date of such reassignment.

"(B)(i) A career appointee may not be reassigned to a Senior Executive Service position outside the career appointee's commuting area unless—

"(I) before providing notice under subclause (II) of this clause (or seeking or obtaining the consent of the career appointee under clause (ii) of this subparagraph to waive such notice), the agency consults with the career appointee on the reasons for, and the appointee's preferences with respect to, the proposed reassignment; and

"(II) the career appointee receives written notice of the reassignment, including a statement of the reasons for the reassignment, at least 60 days before the effective date of the reassignment.

"(ii) Notice of reassignment under clause (i)(II) of this subparagraph may be waived with the written consent of the career appointee involved.".

(b) Section 3595 of such title is amended by adding at the end thereof the following new subsection:

"(e) The Office shall prescribe regulations under which the rights accorded to a career appointee in the event of a transfer of function are comparable to the rights accorded to a competing employee under section 3503 of this title in the event of such a transfer.".

(c) Section 7543(a) of such title is amended by striking out "or malfeasance." and inserting in lieu thereof "malfeasance, or failure to accept a directed reassignment or to accompany a position in a transfer of function.".

(d) Section 8336(d) of such title is amended by inserting after the first sentence the following new sentence: "For purposes of paragraph (1) of this subsection, separation for failure to accept a directed reassignment to a position outside the commuting area of the employee concerned or to accompany a position outside of such area pursuant to a transfer of function shall not be considered to be a removal for cause on charges of misconduct or delinquency.".

PAY LIMITATION

SEC. 305. Section 5383(b) of title 5, United States Code, is amended to read as follows:

"(b)(1) In no event may the aggregate amount paid to a senior executive during any fiscal year under sections 4507, 5382, 5384, and 5948 of this title exceed the annual rate payable for positions at level I of the Executive Schedule in effect at the end of such fiscal year.

"(2)(A) Any amount which is not paid to a senior executive during a fiscal year because of the limitation under paragraph (1) of this subsection shall be paid to that individual in a lump sum at the beginning of the following fiscal year.

"(B) Any amount paid under this paragraph during a fiscal year shall be taken into account for purposes of applying the limitation under paragraph (1) of this subsection with respect to such fiscal year.

"(C) The Office of Personnel Management shall prescribe regulations, consistent with section 5582 of this title, under which payment under this paragraph shall be made in the case of any individual whose death precludes payment under subparagraph (A) of this paragraph.".

MISCELLANEOUS SENIOR EXECUTIVE SERVICE AMENDMENTS

SEC. 306. (a) Section 3135(a) of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (8);

(2) by redesignating paragraph (9) as paragraph (10); and

(3) by inserting after paragraph (8) the following new paragraph:

"(9) the number of career appointees who have been placed in positions outside the Senior Executive Service under section 3594 of this title as a result of a removal under section 3595 of this title; and".

(b)(1) The first sentence of section 3393(b) of such title is amended by inserting before the period the following: "or commissioned officers of the uniformed services serving on active duty in such agency".

(2) Section 4312(b)(3) of such title is amended by inserting ", or (with the consent of the senior executive) a commissioned officer in the uniformed services serving on active duty," after "employee", and by striking out "executive".

(c)(1) Such title is amended by adding after section 3595 the following new section:

"§ 3595a. Furlough in the Senior Executive Service

"(a) For the purposes of this section, 'furlough' means the placement of a senior executive in a temporary status in which the senior executive has no duties and is not paid when the placement in such status is by reason of insufficient work or funds or for other nondisciplinary reasons.

"(b) An agency may furlough a career appointee only in accordance with regulations issued by the Office of Personnel Management.

"(c) A career appointee who is furloughed is entitled to appeal to the Merit Systems Protection Board under section 7701 of this title.".

(2) The table of sections for chapter 35 of such title is amended by inserting after the item relating to section 3595 the following new item:

"3595a. Furlough in the Senior Executive Service.".

EFFECTIVE DATE

SEC. 307. The amendments made by this title shall be effective following the expiration of the 90-day period beginning on the date of enactment of this Act, except that the amendments made by section 304 shall be effective as of such date of enactment.

Mr. TRIBLE. Mr. President, I ask unanimous consent to have printed in the RECORD a section-by-section analysis of this bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

II. SECTION-BY-SECTION ANALYSIS

Section 201. (a) amends Chapter 54 of title 5, United States Code and is entitled "Performance Management and Recognition System" (PMRS).

Section 5401 of such title provides for the purpose of the legislation. The purposes delineated are similar to those listed in current law, namely using performance appraisals to determine pay and awards, recognize and reward quality performance, train employees to improve the appraisal process, and to regulate the costs of awards. A new objective is to reduce or withhold pay increases for poor performance.

Subsection (a) of section 5402 of such title provides that coverage of the PMRS be the same as those covered under the Merit Pay System, i.e., supervisors and management officials employed in GS-13, 14 or 15 positions.

Subsection (b) grants the President similar authority as in current law to exclude various groups from the PMRS. The President may additionally exclude a class of employees within a unit from participating in the system.

Section 5403 of such title provides for comparability increases.

Subsection (a) provides that comparability adjustments be provided at the same time the rest of the General Schedule employees receive them.

Subsection (b) provides that the increases shall be based on performance ratings.

Subsection (c) provides that comparability adjustments shall be granted to those who receive fully successful ratings or better. The employee who receives a rating two levels below fully successful will not receive a comparability adjustment. An employee who receives a rating one level below fully successful will not receive full comparability but will receive one-half the full comparability at the time they are provided to everyone else.

Subsection (d) defines the comparability percentage increase to be calculated based on OPM regulations. Such regulations shall provide for maintaining the relationships between relative positions of the rates of pay paid under the performance management and recognition system and the corresponding General Schedule pay ranges for employees rated fully successful or above.

Subsection (e) provides that where employees cannot be rated, they may be give the full comparability increase.

Section 5404 provides for the schedule of merit increases equivalent to periodic step increases. An employee in the lower third of the pay range who receives a fully successful rating or above for the latest appraisal period shall receive the full equivalent of a step increase. An employee in the upper two-thirds of the pay range who receives the top level rating shall receive the full equivalent of a step increase. These merit increases are limited by the maximum rate of pay within each grade. An employee in the upper two-thirds who receives a rating one level above fully successful shall receive one-half of an equivalent of a periodic step increase. An employee in the same pay range who receives a fully successful rating shall receive one-third of an equivalent of a periodic step increase. An employee with a rating at either of the two levels below the fully successful shall not receive a merit increase.

Section 5405 provides guidelines for setting pay.

Subsection (a) provides that salaries are limited to the maximum and minimum of the pay range except that an employee can be paid less than the minimum rate of basic pay in the employee's grade as a result of a performance evaluation less than fully successful.

Subsection (b) provides that employees brought under the PMRS shall not be subject to a reduction in pay as long as the employee continues to occupy the same position.

Subsection (c) provides that OPM will prescribe, through regulation, methods used to make certain adjustments to base pay.

Subsection (d) preserves the benefits of the PMRS for employees who serve in the Armed Forces or serve in essential nongovernment civilian employment during a war or a national emergency.

Subsection (e) clarifies that cost of living allowances payable to employees stationed outside of the contiguous 48 States are not

part of basic pay for the purpose of the PMRS.

Section 5406 provides that an employee receiving a top level rating shall receive a performance award. An employee receiving a rating of fully successful or one level above fully successful may receive such an award as determined by the agency head. The awards shall be in addition to comparability and merit increases but will not be added to basic pay. Performance awards shall not be more than 10 percent of basic pay of any PMRS employee for any year and not less than 2 percent beginning in fiscal year 1986 for employees rated 2 levels above the FS level. An agency head may make a special exception and provide an award up to 20 percent for unusually outstanding performance.

Agencies are encouraged to use pay awards to a greater degree than had been used in the past. To accomplish this end, agencies are required to expend at least .75 percent of estimated aggregate salaries for performance awards in fiscal year 1985 and are required to the maximum extent feasible, in accordance with regulatory authority of the OPM, to increase that level of funding to at least 1.15 percent of aggregate salaries in fiscal year 1989. Agencies are encouraged to increase award funding to the maximum of 1.5 percent in any fiscal year. OPM may approve exceptions to these funding requirements for small agencies.

Failure to pay a performance award is not appealable.

Section 5407 of such title is identical to section 5403 of the current law providing a cash award program.

Section 5408 of such title requires that OPM submit an annual report to the President and the Congress evaluating the effectiveness of the PMRS. Each report shall be prepared after consultation with a range of agency heads.

Section 5409 of such title authorizes OPM to issue regulations for the PMRS.

Section 5410 of such title sunsets the performance management and recognition system 5 years after the date of enactment of this legislation.

Section 202. (a) of this Act amends title 5, United States Code by adding a new section 4302a establishing a new statutory performance appraisal system for PMRS employees.

Subsection (a) requires agencies to develop one or more performance appraisal systems for employees covered by the PMRS. Such systems shall provide for periodic appraisals of job performance the results of which shall be used in adjusting base pay, making award determinations and as a basis of other personnel actions. The responsibility for assigning work and establishing standards rests with the supervisor.

Subsection (b) requires OPM to issue regulations regarding the appraisal systems. Each system shall have five summary levels of performance with the middle level of performance termed the fully successful level. The system also shall assure accurate evaluation of job performance, communication with employees regarding the requirements of the job prior to each appraisal period, evaluation of the employee based upon the standards, assistance to employees performing below the fully successful level, reduction in grade or removal of employees who continually perform at the lowest level.

Subsection (c) lists a sampling of factors to be taken into account during a performance appraisal.

The employee is provided the right to have the performance appraisal rating reviewed by an officer or supervisor at a level within the agency above those participating in the original rating. Although the appraisal rating may not be appealed outside of the agency, the employee may appeal any resulting removal or downgrade action being taken because of poor performance.

Subsection (d)(1) provides for the use of an agency Performance Standard Review Board to assist agency heads in assessing the appropriateness of performance standards and looking at the possible use of group or unit performance awards. Such boards may provide technical assistance to the agency head in establishing performance based demonstration projects.

Subsection (e) prohibits OPM and an agency from directing a specific distribution or curve of ratings in an agency.

Subsection (f) prohibits OPM from directing agencies to include a specific performance standard or element in an agency's system. This is not intended to prevent OPM or an agency from examining the system where there appears to be extremes in the distributions of performance and questions.

Section 203 of the Act amends section 5335 of title 5, United States Code, to apply to employees moving from the performance management and recognition system to the general schedule and prevents dual pay adjustments for individuals who move from that PMRS to the General Schedule.

Section 301 is a congressional finding that the Senior Executive Service should be continued indefinitely.

Section 302 provides that a performance award to a senior executive cannot be less than 5 percent of the SES employees basic pay. The section also replaces the limitation on the SES employee's in an agency eligible for an award by limiting the amount of funding authorized for awards. Performance awards in an agency may not exceed 3 percent of the payroll of all career appointees in an agency, or an amount equal to 15 percent of the average annual rates of pay to career appointees in an agency during the preceding fiscal year, whichever is greater. This makes more SES career appointees eligible for an award. The 15 percent limitation provides flexibility to smaller agencies to assure there is sufficient funding available to pay awards. It is hoped, however, that with the increased flexibility in the award program, agencies will use the program prudently to grant larger awards to the superior performers.

Subsection (a) of section 303 limits the reinstatement rights to vacant SES positions to those SESers removed from the Senior Executive Service before October 1, 1984.

Subsection (b) amends section 3594 title 5 by entitling an SES employee who is removed from the SES as a result of a reduction in force to be placed in a Civil Service position in any agency. This means, in effect, any SES employee so removed cannot be removed from the civil service. The employee must be placed in a position in any agency. Such protections do not apply to such an employee for subsequent reductions in force.

Subsection (c) amends section 3595 title 5 which reforms the convoluted procedure of reductions in force of SES employees. This provision is replaced by a requirement to place a SES employee in a vacant SES position for which he is qualified in the employee's agency. If no such vacancy exists, he is then referred to OPM for a 45 day placement process. OPM must attempt to place the SES employee in the SES in any agency for which he is qualified. An agency head may certify that the SES employee is not qualified for such a position. If after 45 days the SES employee is not placed in a vacant SES position, then he may be removed from the SES and placed in a civil service position in any agency no less than a GS-15. If the SES employee is offered a SES position during the 45 day placement period, he may either accept that position or by declining it he would automatically be assigned to a GS-15 position in any agency. It is hoped the new placement program would be more of a cooperative effort than the current placement program. OPM is to design this placement program to minimize the disruption of recruitment of SES vacancies in other agencies.

Subsection (d) limits the number of appeals currently available to displaced SES employees to simply appeal whether a reduction in force complies with competitive procedures.

Subsection (a) of section 304 provides that a reassignment of a SES employee outside of the employee's commuting area must be prefaced by a 60 day notice period plus a statement of reasons for the reassignment plus consultation with the employee as to the reasons for the reassignment and the employees preferences with respect to a proposed reassignment. An employee may waive in writing the 60 day notice requirement. It is intended that in certain hardship cases the agency may grant additional time.

Subsection (b) guarantees that for the transfer of functions between agencies, the employee will be afforded similar rights to those in the competitive service when transferring from one agency to another.

Subsection (c) amends section 7543 of title 5 by clarifying the law with respect to the consequences for failing to accept a directed reassignment. Current law provides that a suspension or removal from the civil service of an SES employee may occur as a result of the employee's misconduct, neglect of duty or malfeasance. To suspend or remove an SES employee, an agency must find a failure to accept a reassignment meets one of the above definitions. The basic premise of the SES is to foster position and geographic movement when in the best interest of the agency. This subsection makes it absolutely clear that failure to accept the directed reassignment or to accompany a position in a transfer of function is grounds for suspension or removal.

Subsection (d) amends section 8336 of title 5 to clarify that an SES employee who is separated from the government due to failure to accept a directed reassignment or to accompany a position in a transfer of function will not jeopardize the employees eligibility to receive an annuity based upon an involuntary separation. Failure to accept a reassignment must be one outside of an employee's commuting area to not be considered misconduct or delinquency. Current law prohibits an employee that is removed for misconduct or delinquency from receiving benefits if eligible through involuntary separation.

Section 305 modifies the Executive Level I pay limitations for SES employees. If a performance bonus or a rank award paid to an employee would exceed the Executive Level I pay limitation, then that amount of money in excess of the limitation would be rolled over and granted to the employee in the following fiscal year in a lump sum.

OPM shall regulate the disbursement of such bonuses in the event of an employee's death.

Section 306 requires that OPM report to the Congress the number of career appointees who have been removed from the SES as a result of a reduction in force.

Subsection (b) of such section amends section 3393 of title 5 to permit commissioned officers in the uniformed services who are commanding officers, executive officers program managers and the like and who supervise SES personnel to serve as members of agency Executive Resources Boards. The change will allow higher levels of management in the Department of Defense as well as those civilian agencies with a commissioned corp to participate in the recruitment and executive development program utilized for the SES. In addition, the section permits commissioned officers in the uniformed services who are at executive levels above senior executives to review the executive performance appraisal under section 4312(b)(3) when requested by the executive.

Subsection (c) of such section grants furlough authority of senior executives to the Federal Government. An SES employee may appeal a furlough to the Merit Systems Board.

Section 307 provides that the effective date of this title shall be 90 days of enactment of this act except that section 304 shall be effective as of the date of the enactment.

Mr. STEVENS. Mr. President, I thank the distinguished chairman of the Governmental Affairs Committee, Senator ROTH, for his willingness to call up this bill. I also commend our distinguished Virginia delegation—Senators TRIBLE and WARNER and Congressman WOLF—for their commitment to Federal employees in securing passage of what must be termed the Trible/Warner/Wolf merit pay bill. Finally, I commend the distinguished Senator from Maryland, Senator MATHIAS, for his leadership on the spouse equity bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 7087) was agreed to.

AMENDMENT NO. 7088

(Purpose: To require payment of interest on certain deposits authorized to be made for the benefit of former spouses)

Mr. BAKER. Mr. President, there are four technical amendments which I offer on behalf of Senator STEVENS with the request that they be considered en bloc and adopted en bloc, which I now send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Tennessee [Mr. BAKER], for Mr. STEVENS, proposes an amendment numbered 7088.

(Purpose: To require payment of interest on certain deposits authorized to be made for the benefit of former spouses)

On page 4, line 24, strike out the period, and insert in lieu thereof the following: ", plus interest. For the purposes of the preceding sentence, the annual rate of interest for each year during which the annuity would have been reduced if the election had been in effect since the date the annuity commenced shall be six percent.".

On page 8, line 19, strike out the period, and insert in lieu thereof the following: ", plus interest. For the purposes of the preceding sentence, the annual rate of interest for each year during which an annuity would have been reduced if the election had been in effect on and after the applicable date referred to in such sentence shall be six percent.".

On page 10, line 17, strike out the period, and insert in lieu thereof the following: ", plus interest. For the purposes of the preceding sentence, the annual rate of interest for each year during which the annuity would have been reduced if the election had been in effect since the date the annuity commenced shall be six percent.".

On page 27, line 14, strike out "commenced;", and insert in lieu thereof "commenced, plus interest computed at the annual rate of six percent for each year during which the annuity would have been reduced if the election had been in effect on and after the date the annuity commenced".

On page 31, line 4, strike out the period and insert in lieu thereof the following: ", plus interest. For the purposes of the preceding sentence, the annual rate of interest for each year during which the annuity would have been reduced if the election had been in effect on and after the date the annuity commenced shall be six percent.".

(Purpose: To authorize an election to continue a reduction in the annuity of a retired employee or Member, after the reduction woud otherwise terminate, in order to provide a survivor annuity or an increased survivor annuity for a former spouse of the employee or Member)

On page 6, after line 3, insert the following:

"In the case of a retired employee or Member whose annuity is being reduced in order to provide a survivor annuity for a former spouse, an election to provide or increase a survivor annuity for any other former spouse (and to continue an appropriate reduction) may be made within the same period that, and subject to the same conditions under which, an election could be made under paragraph (5)(B) of this subsection for a current spouse (subject to the provisions of this paragraph relating to consent of a current spouse, if the retired employee or Member is then married). The opportunity to make an election under the preceding sentence is in addition to any opportunity otherwise afforded under this paragraph.".

(Purpose: To revise the remarriage limitation relating to the eligibility requirements for participation in the Federal employees health benefits program by former spouses)

On page 20, line 23, strike out "an unremarried" and insert in lieu thereof "a".

On page 20, after line 25, insert the following:

"(A) who has not remarried before age 55 after the marriage to the employee, former employee, or annuitant was dissolved,

On page 21, line 1, strike out "(A)" and insert in lieu thereof "(B)".

On page 21, line 7, strike out "(B)" and insert in lieu thereof "(C)".

(Purpose: To modify the documentation requirements relating to certain elections by certain retired Federal employees, for the purposes of the Civil Service Retirement and Disability System, who remarry after retirement)

On page 31, line 13, beginning with "original", strike out all through "other" or line 14, and insert in lieu thereof "such".

Mr. BAKER. Mr. President, has the clerk reported all four amendments in one amendment?

The PRESIDING OFFICER. There are four amendments, which the clerk has reported in one amendment.

Mr. BAKER. Yes, very well.

Mr. President, I ask unanimous consent that the four amendments be considered en bloc, and I assume that all four amendments have now been reported; is that correct?

The PRESIDING OFFICER. All four amendments have now been reported.

The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment (No. 7088) was agreed to.

Mr. TRIBLE. Mr. President, when Congress passed the Civil Service Reform Act of 1978, it was viewed as the most sweeping reform of the Civil Service since its creation in 1883. That act was intended to improve Federal job efficiency, productivity, and quality by making pay adjustments contingent on job performance rather than on length of service. The merit pay system, used for managers and supervisors in GS grades 13-15, and the senior executive service [SES], which includes GS grades 16-18 and certain positions in executive levels IV and V, are performance-based pay systems implemented in the 1978 Reform Act.

Nearly 6 years after enactment of the Civil Service Reform Act, the inescapable conclusion is that the merit pay system and portions of the SES do not work. Everyone agrees: The Senate, the House of Representatives, the administration, merit pay employees and their associations, and this argument is supported by an analysis done by the General Accounting Office. The merit pay system, once a key element in Federal personnel management reform, is now widely regarded as poorly implemented, inconsistent, and arbitrary.

Mr. President, both the House and the Senate have expressed strong support for legislation urgently needed to correct these deficiencies and to promote the concept of merit based pay. On March 1, the Senate unanimously passed S. 958, the Civil Service Amendments of 1984, legislation I introduced to reform the merit pay system and revise provisions of the SES. Led by Representative FRANK WOLF who worked with me throughout development of this reform measure, the House overwhelmingly approved legislation on June 28, calling for merit pay system reforms and SES revisions which are nearly identical to those in the Senate version.

Let me briefly outline the provisions of the proposed reforms:

The current merit pay system is replaced by a performance management

and recognition system. Under this system, job performance will be appraised based on a standardized, five-point performance appraisal system—ranging from unsuccessful, and minimally successful, to fully successful, exceeds fully successful, and outstanding. An employee's performance appraisal will be used as the basis for all pay decisions including comparability, merit increases, and cash awards.

This system is established as a 5-year experiment subject to reauthorization by Congress. This period of time will provide us with adequate data to determine the effectiveness of the system and to make modifications, if they are required.

Modifications are also made in the SES. The provisions would provide fallback rights for employees in the event of a reduction-in-force. Increased funding is provided for the cash bonus program and reassignment obligations and procedures are clarified.

Mr. President, these reform provisions have been the subject to extensive hearings and discussions, in the Senate and in the House. Managers and management organizations have been involved in the development of this legislation from the beginning. The comments of nearly every personnel director in the Federal Government regarding this proposal were solicited. Administrative officials, both appointees and careerists, were also consulted at all phases of the development process.

As a result of these efforts, the reform provisions are supported by the managers and their organizations, by the agency personnel directors, by the administration, and by the Senate and the House, as evidenced by their action earlier in this session. Clearly, we have wide support for the proposed changes.

The amendment that I am offering today will allow agencies to immediately implement the proposed changes in the merit pay system and the senior executive service.

Mr. President, we are very close to providing what Congress intended nearly 6 years ago—a true merit based pay system for key managers and supervisors and an enhanced SES. We should not permit another disastrous payout under the current merit pay system. Failure to enact reform legislation would be a shame.

I commend my distinguished colleague Senator STEVENS for his hard work and leadership in this matter.

I urge my colleagues to adopt this amendment.

Mr. STEVENS. Mr. President, the first amendment would require the payment of annual interest of 6 percent on certain deposits authorized to be made for the benefit of former spouses;

The second amendment would authorize an election to continue a reduction in a retiree's annuity to provide a survivor annuity or increased survivor annuity for a former spouse;

The third amendment would revise the remarriage limitation relating to the eligibility requirements for participation in the Federal Employees Health Benefits Program by former spouses, and;

The fourth amendment would modify the documentation requirements relating to certain elections by certain retired Federal employees who remarry after retirement.

Mr. WARNER. Mr. President, I join my Virginia colleague in cosponsoring this long-needed measure of relief for the Federal Government's merit pay personnel and members of the Senior Executive Service.

I was proud to be an original cosponsor of this legislation when it was first introduced in the Senate on March 24, 1983.

Having been favorably reported by the Senate Committee on Governmental Affairs on February 3, 1984, the measure was unanimously approved by this body on March 1, 1984.

The provisions contained in this amendment have won the approval of the full House of Representatives and have the backing of the Office of Personnel Management.

Furthermore, such notable organizations as the Senior Executives Association and the Federal Managers Association have also provided their endorsement.

Mr. President, this amendment provides an important resolution to a longstanding problem.

Morale in both the Merit Pay Program and the Senior Executive Service has been greatly boosted by the progress we have made thus far, and I call on all of my colleagues to join me in their support.

Let us keep the faith with our top level Federal managers and supervisors who are relying on us to finish the job we have started.

I cannot close without acknowledging the support provided to this effort by the distinguished chairman of the Senate Governmental Affairs Committee, Senator ROTH.

Furthermore, the leadership provided by the chairman of the Civil Service Subcommittee, Senator STEVENS, has been absolutely essential.

This legislation represents the culmination of 3 years of effort to bring about these reforms, and I, for one, am extremely grateful to all parties concerned, in both Houses of Congress and on both sides of the aisle.

Mr. MATHIAS. Mr. President, as we begin consideration of H.R. 2300, the Civil Service Retirement Spouse Equity Act, it is important to note that this piece of legislation has gone through a long, arduous process that involved extensive negotiations with the administration, the Senate, and the House. The result is a piece of legislation that is not entirely perfect, but that takes a great step toward correcting an intolerable inequity in present civil service retirement law.

Representatives SCHROEDER and OAKAR started the ball rolling when they introduced H.R. 2300 last March. Senator STEVENS and I took their good idea and added a few new twists—namely, permitting former spouses to obtain health benefits at group rates under the Federal employee health benefit plan, providing retroactive survivor benefits to certain former spouses, and allowing retiring annuitants to voluntarily designate a former spouse as a survivor. This version of H.R. 2300, the bill before the Senate today, incorporates the best features of the House and the Senate bills. I must also point out that the legislative and policy experts at the Office of Personnel Management were particularly helpful in drafting this legislation, and certainly the administration can be proud of its part in helping to get this measure enacted.

Briefly, H.R. 2300 changes civil service retirement law to permit former spouses of civil service employees to obtain survivor benefits by court order or by voluntary designation from the retired employee. In addition, a former spouse would be able to retain Government group health insurance after divorce provided that he or she met certain criteria. At present, former spouses cannot receive survivor benefits or health benefits at group rates.

The changes made by H.R. 2300 are long overdue. In recognizing that marriage is an economic partnership in which each spouse shares and enjoys the fruits of the other's labor, Congress has enacted various measures to protect each spouse's investment. In each instance, special attention was paid to pension rights and the notion that a pension is earned by both spouses and should therefore be considered as marital property. For example, significant strides have been made in this regard affecting Foreign Service and military spouses, Social Security beneficiaries, and more recently, spouses of those receiving private pension benefits. Spouses and former spouses of civil service employees and retirees would share these protection with enactment of this proposal.

While I strongly support this legislation and encourage my colleagues to vote in favor of its passage, I do have reservations about certain provisions. Most of the difficulties relate to technical deficiencies in the bill, which do not affect it substantively. However, I am concerned about one provision in the retroactive benefit section. Section 4(b)(1)(B)(iii) of H.R. 2300 states that a former spouse is not eligible to re-

ceive retroactive survivor benefits if he or she is receiving a retirement or survivor annuity, other than Social Security, from previous employment of the former spouse or employee. This section should be read narrowly.

This provision of section 4 is not intended to preclude a former spouse from receiving a retroactive survivor benefit if he or she is receiving any form of deferred compensation or retirement income. The only purpose of this section is to assure that a former spouse's survivor benefit is the primary annuity that he or she will receive from an employer. Thus, receipt of benefits from a profit sharing, stock option, deferred compensation plan or the like, or from a life insurance company, would not be considered an annuity for the purposes of this section. To be ineligible for a retroactive survivor benefit, the former spouse must be receiving a substantial retirement or survivor annuity directly from an employer's pension program.

In closing, again I want to stress the importance of enacting this legislation. Further delay only breeds further inequities. If we recognize this, as I am sure all of my colleagues in the Senate do, it is our responsibility to take positive action on H.R. 2300.

Mr. DURENBERGER. Mr. President, I support this legislation and applaud the Congress for its continuing efforts to provide equity in our civil service system. The Civil Service Retirement Spouse Equity Act of 1984 makes great strides toward providing equitable treatment for spouses and former spouses of Federal employees.

Unfortunately, the widows and former spouses of civil service retirees have found themselves among the increasing numbers of elderly women living in poverty. The median income of women between the ages of 55 and 65 is approximately $4,500 a year; 85 percent of all single persons living below the poverty level today are women. I have been urging and working Congress for some time now to enact legislation addressing this deplorable situation. I am a cosponsor of the Senate version of this legislation and I have introduced additional legislation to provide pension equity for spouses of civil servants.

Because of public pension laws, widows and former spouses of Federal employees have not fully received the benefits that they believed were provided for them. Widows have found themselves without survivor's benefits, with no advance notice. Former spouses, most with long-term marriages, have found themselves without survivor benefits even though such benefits were provided for them in a divorce decree. Most of these women were at home during their marriages and therefore are not eligible for Social Security or private pensions. Access to survivor's benefits is vital to them. The lack of these benefits has left many of these women with little or no income in their old age.

Further exasperating the situation, these women also are left with no health insurance coverage. With little or no income, attempting to purchase private health insurance is impossible because they cannot afford to pay the premium.

The plight of the displaced homemaker is becoming well recognized in a society where nearly 50 percent of all marriages end in divorce. Divorced women who had dedicated themselves to maintaining a home and a family for many years are left in dire financial straits. Family commitments during marriage has meant little work experience and consequently, no retirement benefits based on their own work records. Upon divorce, many cannot find work because of their lack of job experience, because they are considered too old by employers, or because their health does not permit them to hold regular jobs. Those who are fortunate enough to find work must take low-paying positions with few fringe benefits.

Clearly, elderly women have had to bear the economic costs of divorce. Taxpayers also have had to pick up the cost of this inequity in the form of food stamps, welfare and medicaid.

Congress began to address this issue by amending the Social Security Act in 1977 to provide pension benefits to divorced spouses married 10 years or longer. In 1980, Congress passed legislation allowing divorced spouses of Foreign Service personnel to receive a pro rata share of their former spouse's retirement annuity and survivor's benefits. In 1982, additional legislation was enacted separately to provide similar protections for CIA spouses and military wives.

With the passage of the Civil Service Retirement Spouse Equity Act of 1984, we finally have provided some of these much needed protections for the widows and former spouses of Federal employees. This legislation recognizes court orders granting survivor's benefits to former spouses of civil service employees; it permits a Federal employee or annuitant to voluntarily elect to provide survivor benefits to any former spouse; it provides for a joint waiver of survivor's benefits at the time of retirement; and, it allows Federal Employee Health Benefit coverage to certain former spouses of Federal employees.

I believe this legislation is progress toward effectively dealing with this very serious problem. I believe just as strongly however, that Congress must take further action in order to provide the same pension rights for divorced and widowed spouses of Federal employees that have been provided for spouses of those in the CIA, Foreign Service, military, and under Social Security. I will reintroduce legislation to provide these protections in the 99th Congress and will continue to urge Congress to address these remaining inequities. Congress cannot allow the plight of these women to continue to exist.

Mr. BINGAMAN. Mr. President, I support passage of H.R. 2300, as amended. It provides important new protections for former spouses of Federal employees and makes needed changes in the survivor benefit portions of the civil service retirement law.

The major provisions of the bill would: permit a retiring employee or annuitant to voluntarily designate a former spouse to receive survivor benefits; allow the Office of Personnel Management to recognize court orders awarding survivor benefits to a former spouse; change various provisions of current law regarding survivor annuities, more specifically, requiring a joint waiver of election at retirement, permitting certain annuitants to reelect survivor annuities upon remarriage, and prohibiting lump sum withdrawals by Federal employees when OPM determines that a former spouse has a present or future entitlement to a survivor annuity; provide retroactive survivor benefits to certain former spouses of deceased Federal retirees; and extend Federal employee health benefit coverage to certain former spouses of Federal employees and retirees.

I regret that the Committee on Governmental Affairs was unable to complete action on an amendment which I had offered during committee consideration. My amendment would have insured that all married retirees would be given the same opportunity to provide survivor benefits to their current spouses as this bill allows divorced retirees to provide to their former spouses. However, given the opposition of the administration to my amendment and the lateness of the hour, I was forced to drop this amendment.

As currently drafted the legislation allows any divorced retiree to voluntarily provide survivor benefits to a former spouse. There are no restrictions placed on these individuals except that, in fairness, they must pay a certain amount of money back into the retirement system and accept reduced annuities for the remainder of their lifetimes.

However, in cases where individuals remarried after retirement, only those who fall into two limited categories are provided this opportunity. In certain circumstances these individuals would be forced to demonstrate, by providing extensive documentation, that they fit into one of the acceptable categories.

I cannot understand why we would provide a clear path to people who

became divorced yet devise obstacles to confront those who remarried. My amendment would have eliminated those obstacles for remarried annuitants. I believe, they should be provided with an open route to provide survivor benefits as are divorced retirees, if they are willing to pay the price of the required redeposit. I regret this amendment was not adopted.

Mr. President, I am concerned with one other aspect of this legislation which I feel compelled to comment on. The retirement laws and procedures are one of the most complex areas of our law. There is enormous difficulty both with respect to making the procedures and regulations simple and understandable to the retirees for whom they are intended to protect, and to make them simple to administer. I have great fear that given the track record of claims processing difficulties, lost requests of retirees, and difficulty among retirees in receiving timely information on options, that this legislation may well present even greater administrative difficulty or confusion to retirees. I hope that every effort will be made by the Office of Personnel Management to administer this area of law in the least confusing manner possible.

With this assurance I am pleased to support this needed legislation. I urge my colleagues to approve the House-passed bill, as amended by the Senate.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 2300), as amended, was passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INTERNATIONAL FISHERY AGREEMENT

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate turn to the consideration of H.R. 6342, which is at the desk.

The PRESIDING OFFICER. The bill will be stated by title.

The bill clerk read as follows:

A bill (H.R. 6342) approving the governing international fishery agreements with Iceland and the European Economic Community.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider H.R. 6342.

Mr. HUDDLESTON. Mr. President, H.R. 6342 is fisheries and marine resources legislation containing a wide variety of provisions.

The bill will give congressional approval to two bilateral agreements entered into by the United States—one with the European Economic Community and the other with Iceland—relating to foreign fishing in U.S. waters.

The bill will provide authorizations for appropriations to cover activities of the National Marine Fisheries Service and to support the National Sea Grant College Program. It also contains a number of other provisions relating to marine resource management.

Further, H.R. 6342 covers two areas within the jurisdiction of the Agriculture Committee, on which I serve as ranking Democrat.

First, the bill will authorize appropriations for fiscal years 1984 and 1985 under the National Aquaculture Act of 1980.

The Aquaculture Act is designed to encourage the development of aquaculture in the United States. It requires the establishment, and periodic revision, of a national aquaculture development plan and provides for improved coordination among Federal agencies.

Aquaculture includes catfish and trout farming, as well as the propagation of other fresh and saltwater fish and aquatic species. Aquaculture has great potential as a way to strengthen the fisheries industry and help meet the Nation's food needs. The aquaculture industry should be fostered, as provided in the Aquaculture Act.

The levels of appropriations authorized for fiscal years 1984 and 1985 in H.R. 6342 are the same as those set by S. 1101, a bill favorably reported by the Agriculture Committee on July 20, 1983.

Second, H.R. 6342 will amend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) and the Food for Peace Act of 1966 to include fish and fish products in the definition of "agricultural commodity," as that term is used in those acts. Public Law 480 already authorizes the provision of domestically produced fishery products under the Public Law 480 programs. The amendment to Public Law 480 in H.R. 6342 will include all U.S. fish and fish products in the programs. The bill will also amend the Commodity Credit Corporation Charter Act to make Commodity Credit Corporation facilities and authorities available for export promotion efforts relating to fish and fish products, as well as agricultural commodities.

The effect of the amendments will be to enable the Department of Agriculture, at its option, to include fish and fish products in its export development programs. This is consistent with the purposes and policies underlying the National Aquaculture Act.

I would state, however, that it is important that the Department of Agriculture increase its efforts to develop and expand exports of agricultural commodities. Export markets are essential to U.S. producers of tobacco, corn, soybeans, wheat, cotton, rice, and other major agricultural commodities.

I expect the Secretary of Agriculture to use the new authorities provided by H.R. 6342 judiciously, in a manner consistent with his responsibility to stabilize and strengthen U.S. agriculture. Projects to promote exports of fish and fish products should not be entered into at the expense of programs to promote exports of agricultural commodities.

Mr. GORTON. Mr. President, I support passage of H.R. 6342, which provides congressional approval to the governing international fishery agreement between the United States and the European Economic Community and a similar agreement between the United States and Iceland.

This bill contains the following important provision: Title II establishes an artificial reefs program; title III provides the necessary legislative authority to implement the convention on conservation of Antarctic marine resources; and title IV authorizes several marine fisheries programs within the National Ocean and Atmospheric Administration [NOAA]. Title V of the bill reauthorizes the National Sea Grant College Program; title VI reauthorizes the Ocean Thermal Energy Conversion Act; and title VII requires certain vessels to carry exposure suits for their crews.

I would particularly like to focus on the provisions contained in sections 404 and 405 of this bill relating to the Magnuson Fishery Conservation and Management Act [MFCMA] and the Commodity Credit Corporation [CCC] respectively. The amendments of the MFCMA are intended to expand foreign trade opportunites for our American fishing industry and to ensure that our own fishing industry receives the maximum obtainable benefits whenever the Federal Government allocates surplus fish in our 200-mile zone to foreign nations.

The fish and chips policy embodied in the MFCMA is a sound, fundamental premise of our fishery management process, and it has provided substantial benefits to many sectors of our fishing industry. Strengthening of the act's provisions governing allocations, however, should bring those

practices more into line with the act's purpose.

Allocations of fish from our fishery conservation zone [FCZ] to foreign nations is not a right on which foreign nations should rely. It is a privilege—a privilege that is only conferred in return for cooperation on their part. To date, that cooperation has not been fully satisfactory.

The provisions in section 404 of H.R. 6342 would accomplish three principle objectives. First, it would more sharply define our fish and chips policy by explicitly stating that purchases of processed fishery products, particularly bottomfish, and not just purchases of unprocessed fish, are expected in return for allocations. This does not mean that joint venture over-the-side purchases from U.S. fishermen are not desirable or beneficial to our industry. They are. It simply means that purchases of fish by themselves are not all we're trying to accomplish—that by themselves, they are not enough. The purpose of the allocation criteria is to stimulate purchase of American processed fish. The benefits to our fish processing industry are to be given importance, equivalent to that of the fish-harvesting industry.

Second, this section clarifies the Magnuson Act so that there is no doubt that allocations to a foreign nation occur when we are satisfied with that foreign nation's arrangements to purchase U.S. fish and fish products—and clarifies that full allocation of the total allowable level of foreign fishing, or TALFF, is not required by law.

Third, H.R. 6342 sharpens the focus of fish and chips to require an evaluation of what the foreign nation seeking an allocation is doing for our domestic industry in the fishery for which an allocation of pollock must show what it is doing to open its market to American exports for pollock and cannot merely gain an allocation credit by purchasing other species of fish.

These reforms to the allocation provisions of the Magnuson Fishery Conservation and Management Act should provide a significant boost to our fishing industry's efforts to expand and improve its utilization of our FCZ's fishery resources. These reforms should also make it clearer to foreign nations wishing to fish in our FCZ that the privilege of access carries the responsibility of cooperation and reciprocal market access.

With respect to section 405, this provision would facilitate the export of American fish and fish products by providing the U.S. Department of Agriculture [USDA] and the Commodity Credit Corporation with the authority to include all fish and fish products in their existing export assistance programs. Current CCC and USDA export assistance programs extend to fish products if they are caught in freshwater streams or raised in fish ponds. It makes good sense to include all American caught and/or processed fish in our export assistance programs. I would note that this change creates no new programs and requires no additional appropriations.

These provisions in H.R. 6342 will do a lot to expand and enhance trade in American fish and fish products. For these and other reasons, I urge my colleagues to join me in passing this important legislation.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 6342) was ordered to a third reading, was read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZING CHANGES IN ENROLLMENT OF H.R. 6163

Mr. BAKER. Mr. President, this matter has been cleared, I believe, on both sides. I send to the desk a concurrent resolution on behalf of the Senator from Kansas [Mr. DOLE] and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

Mr. BYRD. Mr. President, reserving the right to object, and I shall not object.

Mr. President, I remove my reservation.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The bill clerk read as follows:

A concurrent resolution (S. Con. Res. 154) authorizing changes in the enrollment of H.R. 6163.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 154) was considered and agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

369TH VETERANS' ASSOCIATION FEDERAL CHARTER

Mr. BAKER. Mr. President, I ask the Chair to lay before the Senate Calendar Order No. 1341.

The PRESIDING OFFICER. The bill will be stated by title.

The bill clerk read as follows:

A bill (H.R. 1095) to grant a Federal charter to the 369th Veterans' Association.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider H.R. 1095.

AMENDMENT NO. 7089

(Purpose: To make a technical correction)

Mr. BAKER. Mr. President, on behalf of Senator THURMOND I send a technical amendment to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Tennessee [Mr. BAKER], for Mr. THURMOND, proposes an amendment numbered 7089.

Mr. BAKER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, line 9, delete "(60)" and insert in lieu thereof "(65)".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment (No. 7089) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CORRECTING THE ENROLLMENT OF H.R. 2790

Mr. BAKER. Mr. President, I now ask the Chair to lay before the Senate House Concurrent Resolution 371, which is a concurrent resolution correcting the enrollment of H.R. 2790, and I believe that measure is at the desk.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The bill clerk read as follows:

A concurrent resolution (H. Con. Res. 371) directing the clerk of the House of Representatives to make a correction in the enrollment of the bill H.R. 2790.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FISHERMEN'S PROTECTIVE ACT AMENDMENTS

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate Calendar Order No. 1036, H.R. 5051.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A bill (H.R. 5051) to improve the operation of the Fishermen's Protective Act of 1967.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation with amendments; as follows:

(The parts intended to be stricken are shown in boldface brackets and the parts intended to be inserted are shown in italic.)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That subsection (e) of section 7 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1977(e)) is amended by striking out "The provisions of this section shall be effective until October 1, 1984; except that payments" and inserting in lieu thereof "Payments".]

That section 7(e) of the Fishermen's Protective Act of 1967 (22 U.S.C. 1977(e)) is amended by striking "October 1, 1984" and inserting in lieu thereof "October 1, 1987".

SEC. 2. (a) Section 3 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1973) is amended—

(1) by striking out "Secretary of the Treasury in the amount certified to him by the Secretary of State" in the first sentence of subsection (a) and inserting in lieu thereof "Secretary of State in the amount determined and certified by him"; and

(2) by amending subsection (b)—

(A) by inserting "determination and" immediately before "certification" in the first sentence thereof, and

(B) by striking out "the Treasury" in the second and third sentences and inserting in lieu thereof "State".

(b) Section 5(a)(1)(A) of such Act of 1967 (22 U.S.C. 1975(a)(1)(A)) is amended by striking out "the Secretary of the Treasury" and inserting in lieu thereof "him".

(c) The first sentence of section 9 of such Act of 1967 (22 U.S.C. 1979) is amended by striking out "Secretary of the Treasury" and inserting in lieu thereof "Secretary of [the] State"; and by striking out "certified to him by the Secretary of State" and inserting in lieu thereof "determined and certified by him".

SEC. 3. (a) Section 2 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1972) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) any vessel of the United States is seized by a foreign country on the basis of claims to jurisdiction that are not recognized by the United States, or on the basis of claims to jurisdiction recognized by the United States but exercised in a manner inconsistent with international law as recognized by the United States;"; and

(2) by amending the matter appearing between subparagraph (D) and clause (i) of paragraph (2) to read as follows:

"the Secretary of State, unless there is clear and convincing credible evidence that the seizure did not meet the requirements under paragraph (1) or (2), as the case may be, shall immediately take such steps as are necessary—".

(b) Section 4 of such Act of 1967 (22 U.S.C. 1974) is amended by striking out "any fishery convention or treaty to which the United States is a party." and inserting in lieu thereof "any applicable convention or treaty, if that treaty or convention was made with advice and consent of the Senate and was in force and effect for the United States and the seizing country at the time of the seizure.".

(c) The amendments made by subsections (a) and (b) apply with respect to seizures made after April 1, 1983, by foreign countries of vessels of the United States.

Mr. BAKER. Mr. President, I ask unanimous consent that the amendments be considered en bloc and agreed to en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments were agreed to.

AMENDMENT NO. 7090

Mr. BAKER. Mr. President, on behalf of Senator PACKWOOD, I send to the desk an amendment in the nature of a substitute.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Tennessee [Mr. BAKER] on behalf of Mr. Packwood proposes an amendment numbered 7090.

Mr. BAKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "National Fisheries Marketing Council Act of 1984".

FINDINGS

SEC. 2. The Congress finds that—

(1) the commercial fishing industry of the United States significantly contributes to the national economy, and could make a greater contribution if fish resources within the United States Exclusive Economic Zone were more fully utilized;

(2) the commercial fisheries of the United States provide significant employment in coastal areas and in processing and distribution centers;

(3) fish contribute an important nutritional component to the American diet;

(4) due to the small and independent nature of the fishing industry, and the regional diversification of harvesting and production, no one entity in the industry is capable of securing the level of effort necessary to provide an effective generic marketing program for fish;

(5) Federally-supported development programs for commercial fisheries are unable to meet present and future marketing needs;

(6) many fish species are underutilized by the United States fishing industry because of underdeveloped markets; and

(7) the United States fishing industry has the potential to greatly expand its contribution to interstate and foreign commerce, favorably affecting the balance of trade.

PURPOSE

SEC. 3. The purpose of this Act is to—

(1) strengthen the competitive position of the United States commercial fishing industry in the domestic and international marketplace;

(2) encourage the development and utilization of all species of fish available for harvest by the United States industry;

(3) encourage the utilization of domestically-produced fish through enhancement of markets, promotion, and public relations;

(4) help the United States fishing industry develop methods to improve quality and efficiency in the marketplace;

(5) educate and inform consumers on the use of fish;

(6) develop better coordination of fisheries marketing and promotion activities with commercial fisheries research and development programs; and

(7) educate and inform the public about the nutritional value of fish in the diet.

DEFINITIONS

SEC. 4. As used in this Act, the term—

(1) "Administrator" means the Administrator of the National Oceanic and Atmospheric Administration;

(2) "Council" means the National Fisheries Marketing Council established by section 5;

(3) "consumer education" means actions undertaken to inform consumers on matters related to the consumption of fish;

(4) "fish" means finfish, mollusks, crustaceans, and all other forms of marine and freshwater animal life used for human consumption, and products derived therefrom;

(5) "Fund" means the Fisheries Marketing Fund established by section 10;

(6) "harvester" means any individual who is in the business of catching fish for purposes of sale;

(7) "importer" means any person who imports fish into the United States from another country for commercial purposes;

(8) "marketing and promotion" means an activity aimed at encouraging the consumption of fish or expanding or maintaining commercial markets for fish;

(9) "marketer" means any individual who is in the business of selling fish in wholesale, retail, or restaurant trade, but whose primary business function is not the processing or packaging of fish in preparation for sale;

(10) "member" means any person serving on the Council;

(11) "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or any private entity organized or existing under the laws of the United States or any State, commonwealth, territory or possession of the United States;

(12) "processor" means any individual who is in the business of receiving or otherwise acquiring fish from a harvester, and of pre-

paring or packaging such fish (including fish of the processor's own harvesting) for sale;

(13) "receiver" means any person who acquires fish for sale directly from a harvester;

(14) "research" means research activities related to the marketing of fish; and

(15) "United States" means the several States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands and any other territory, possession, or commonwealth of the United States.

ESTABLISHMENT OF THE NATIONAL FISHERIES MARKETING COUNCIL

SEC. 5. (a) There is established the National Fisheries Marketing Council.

(b)(1) The Council shall be composed of the Administrator (or the Administrator's designee), who shall be a nonvoting member, and fifteen voting members appointed by the Administrator.

(2) Nominations for appointees shall be submitted in a manner prescribed by the Administrator.

(c) The Council shall be comprised of regional representation from the Northeast, Southeast, Pacific, and Alaska regions. The Northeast region shall consist of the States of Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Delaware, Pennsylvania, Maryland, and Virginia. The Southeast region shall consist of the States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas, the Commonwealth of Puerto Rico, and the territory of the Virgin Islands. The Pacific region shall consist of the States of Idaho, Washington, Oregon, California, and Hawaii, the territories of Guam and American Samoa, and the Commonwealth of the Northern Mariana Islands. The Alaska region shall consist of the State of Alaska.

(d)(1) The voting members of the Council shall be—

(A) three members who reside in or do substantial fishing industry business in the Northeast region;

(B) three members who reside in or do substantial fishing industry business in the Southeast region;

(C) three members who reside in or do substantial fishing industry business in the Pacific region;

(D) three members who reside in or do substantial fishing industry business in the Alaska region;

(E) one member-at-large from an organized labor union, with demonstrated expertise in the United States fishing industry;

(F) one member-at-large with demonstrated expertise in the consumer and retail phases of the food industry; and

(G) one member-at-large with demonstrated expertise in freshwater and inland commercial fisheries.

(2) Of the members appointed pursuant to each of paragraphs (1)(A) through (D) of this subsection, one shall be a harvester, one shall be a processor, and one shall be a marketer.

(e)(1) Of the three members first appointed under each of subsections (d)(1)(A) through (D) and under subsections (d)(1)(E) through (G), one shall be appointed for a term of one year, one for a term of two years, and one for a term of three years. Thereafter, such appointments shall be for a term of three years.

(2) The tenure of a voting member may not exceed two successive terms.

(f) The Council shall annually elect a Chairman by a majority of those voting, if a quorum is present. Eleven members of the Council shall constitute a quorum, but a lesser number may hold hearings. A vacancy in the Council shall not affect its ability to function. The Administrator shall appoint a new member within sixty days to fill a vacancy in an unexpired term. Any member may remain on the Council beyond that member's term until a successor is appointed.

(g) The Council shall first meet within one hundred and eighty days after the date of enactment of this Act.

(h) Members of the Council shall serve without compensation, but shall be reimbursed in accordance with section 5703 of title 5, United States Code, for reasonable travel costs and expenses incurred in performing their duties as members of the Council.

FUNCTIONS AND DUTIES OF THE COUNCIL

SEC. 6. (a) The Council shall—

(1) prepare and submit to the Administrator, for the Administrator's review and approval, an annual marketing and promotion plan which contains descriptions of consumer education, research, and other marketing and promotion activities of the Council for the successive year, including activities related specifically to fish of each region, and shall implement such annual plan as approved by the Administrator;

(2) prepare and submit to the Administrator, for the Administrator's review and approval, an annual budget of the anticipated expenses and disbursements of the Council, including probable costs of a consumer education, research, and other marketing and promotion plans or projects, and of the collection and enforcement of assessments;

(3) maintain accounting records of the receipt and disbursement of all funds entrusted to the Council;

(4) maintain such books and records as the Administrator determines appropriate;

(5) receive, and report to the Administrator, complaints of violations of orders or rules relating to assessment requirements;

(6) reimburse the Administrator for the actual costs of the collection and enforcement of assessments;

(7) prepare and submit to the Administrator from time to time such reports or proposals as the Administrator or the Council determines appropriate for furthering the purposes and policies of this Act.

(b) Each annual marketing and promotion plan shall be directed at—

(1) increasing the general demand for fish;

(2) encouraging, expanding, or improving the marketing and promotion and utilization of fish; and

(3) improving the dissemination of data collected by consumer education, research, and other marketing and promotion activities.

(c) Consumer education and other marketing and promotion activities of the Council shall contain no reference to a private brand or trade name and shall avoid use of deceptive acts or practices in behalf of fish or with respect to the quality, value, or use of any competing product or group of products.

(d) The annual budget of the Council shall allocate operating funds in such a manner that—

(1) prior to January 1, 1989—

(A) an amount equal to 50 percent of such funds is allocated equally among each of the regions described in section 5(c) for the marketing and promotion of fish of each such region, which may include funds to regional development foundations or regional trade associations; and

(B) the remainder of such funds is allocated for national marketing and promotion and administration of the Council; and

(2) on and after January 1, 1989—

(A) an amount equal to 50 percent of the total amount collected from assessments in the previous year from each such region is allocated for the marketing and promotion of fish of each such region, which may include funds to regional development foundations or regional trade associations; and

(B) the remainder of the funds is allocated for national marketing and promotion and administration of the Council.

(e) The Council may employ and determine the salary of an executive director not to exceed Senior Executives Service Level 6. The executive director shall have demonstrated expertise in the marketing and promotion of food products and may, without regard to the provisions of title 5, United States Code, with the approval of the Council, select and employ additional staff as necessary.

(f) The Council may enter into agreements to develop and carry out activities authorized under this Act.

DUTIES OF THE ADMINISTRATION

SEC. 7. (a) The Administrator shall—

(1) review and approve the annual marketing and promotion plan and budget within sixty days after submission by the Council;

(2) administer the Fund and withdraw from the Fund such sums as are necessary to carry out the Council's approved marketing and promotion plan and budget, including reimbursement to the Administrator for the collection and enforcement of assessments;

(3) collect and enforce the payment of the assessments required under section 8(a) and issue such orders and amendments to such orders as are necessary to carry out the requirements for the payment of such assessments;

(4) promulgate regulations necessary to carry out the purposes and policies of this Act;

(5) provide such administrative assistance as the Council may require for purposes of its initial organization and operation; and

(6) make all appointments to the Council within ninety days after the date of enactment of this Act.

(b)(1) Except as provided in paragraphs (2) and (3), any information obtained pursuant to subsection (a)(3) shall be kept confidential by all officers and employees of the National Oceanic and Atmospheric Administration, and independent accountants and other persons who have access to such information.

(2) If the Administrator or an employee of the United States Government is party to a suit or administrative action involving an order issued under this section, the Administrator may disclose information obtained under subsection (a)(3) to the extent allowed by the judicial or administrative officer presiding over such suit or action.

(3) This subsection shall not prohibit—

(A) the issuance of general statements based upon—

(i) reports of the number of persons subject to an order which do not identify the information furnished by any person; or

(ii) statistical data based on such statements; or

(B) the publication by direction of the Administrator of the name of any person vio-

lating an order relating to the assessments required under section 8(a), and a statement of the particular provisions of such order violated by such person.

(4) Any individual who is required to keep information confidential under this subsection and who violates this subsection shall, upon conviction, be—

(A) subjected to a fine of not more than $1,000 or, if the violation was intentional, to imprisonment for not more than one year, or both; and

(B) removed from office if an officer or employee of the Council or the National Oceanic and Atmospheric Administration.

INDUSTRY PAYMENTS

SEC. 8. (a)(1) For those receivers and importers whose fish purchases in the twelve-month period immediately prior to the assessment date amount to $500,000 or more, the Administrator shall issue an order to pay, beginning October 1, 1987, an assessment equal to 0.2 per centum of the price of fish—

(A) sold by a harvester to a receiver; or

(B) imported into the United States by an importer.

(2) For transactions where the price of fish sold by a harvester to a receiver cannot be determined, the Administrator, with the concurrence of the Council, shall develop and promulgate regulations prescribing a means for determining such sale price.

(3) Notwithstanding paragraph (1), the Administrator (upon the request of the Council) may set an upper limit on the total assessment which a receiver or importer must pay during any twelve-month period.

(4) Receivers and importers shall make their books and records available for inspection solely for the purpose of determining the correct assessment as described in paragraph (1).

(5) The assessments shall, in the manner prescribed by an order issued by the administrator, be—

(A) paid and transmitted to the Administrator by a receiver and an importer; and

(B) deposited by the Administrator into the Fund.

(6) To facilitate the collection of assessments, the Administrator, upon the request of the Council, may vary assessment collection procedures among different types of receivers to reflect differences in marketing and promotion practices or procedures utilized in the industry.

(b) The Council may prepare and submit orders to the Administrator, which the administrator shall promulgate, that increase or decrease the rate of assessment to such level as the Council determines necessary to effectuate the purposes of this Act, except that such orders may not raise or lower the rate in any year by more than 0.1 percent over the rate during the previous fiscal year.

(c) Within one year after the date of enactment of this Act, a petition may be filed with the Administrator by persons engaged in a segment of the fishing industry, requesting exemption from any assessment requirement under this Act. If the Administrator determines that any such petition is signed by receivers and importers who handle over 50 percent of the volume of fish in a segment of the fishing industry, the Administrator shall exempt any such receiver or importer from the payment of the assessment. If a segment of the fishing industry is exempted pursuant to this subsection, no representative of that segment shall be appointed to or serve on the Council, and the Council shall undertake no activities under this Act for the specific benefit of that segment.

(d) Any receiver or importer who has paid an assessment under this section shall be entitled to demand and receive from the administrator a refund of such assessment. The demand for a refund shall be made within the time and in the manner prescribed by the Council and approved by the Administrator.

(e) Any person may make voluntary payments to help the council carry out its annual marketing and promotion plan and annual budget, and the Administrator shall deposit such payments into the Fund.

PETITION AND REVIEW

SEC. 9. (a) Any person subject to an assessment order under section 7 may file a written petition with the Administrator, stating that such order or any provision of such order or any obligation imposed under such order is not in accordance with law and requesting a modification of the order or an exemption for such person from such order. Such petition shall be filed within a period prescribed by the Administrator. Such person shall be given an opportunity for a hearing upon such petition, in accordance with regulations issued by the Administrator. After such hearing, the Administrator shall make a ruling upon the petition, and such ruling shall be final, if in accordance with law.

(b) The district courts of the United States, in any district in which such person is an inhabitant or carries on business, shall have jurisdiction to review such ruling. Any request for such review shall be filed within twenty days after the date of the entry of such ruling. Service of process in such proceedings may be had upon the Administrator by delivering to the Administrator a copy of the request. If the court determines that such ruling is arbitrary and capricious, an abuse of discretion, or not in accordance with law, it shall remand such proceedings to the Administrator with directions either (1) to make such ruling as the court determines to be in accordance with law, or (2) to take such further proceedings as, in the court's opinion, are required by law. The pendency of proceedings instituted pursuant to subsection (a) of this section shall not impede, hinder, or delay the United States or the Administrator from obtaining relief pursuant to section 12 of this Act.

ESTABLISHMENT OF MARKETING FUND

SEC. 10. (a) There is established in the Treasury of the United States a Fisheries Marketing Fund. The Fund shall be available to the Administrator and the Council as a revolving fund for the purpose of making payments to carry out the annual marketing and promotion plan and annual budget of the Council under this Act.

(b) There shall be deposited in the Fund—

(1) subject to appropriations, from the fisheries loan fund established pursuant to section 4(c) of the Fish and Wildlife Act of 1956 (16 U.S.C. 742(c))—

(A) $10,000,000, on October 1, 1984;

(B) $10,000,000, on October 1, 1985;

(C) $4,000,000, on October 1, 1986; and

(D) $4,000,000, on the first day of each fiscal year beginning on October 1, 1987, subject to the availability of funds;

(2) subject to appropriations, from the fund used by the Administrator pursuant to section 2(b) of the Act entitled "An Act to authorize the Federal Surplus Commodities Corporation to purchase and distribute surplus products of the fishing industry", approved August 11, 1939, as amended (commonly referred to as the Saltonstall-Kennedy Act, 15 U.S.C. 713c-3(b))—

(A) $4,000,000, on October 1, 1984;

(B) $4,000,000, on October 1, 1985;

(C) $4,000,000, on October 1, 1986; and

(D) $4,000,000, on October 1, 1987;

(3) assessments paid pursuant to section 8(a);

(4) amounts paid voluntarily and collected pursuant to section 8(e); and

(5) revenues received from investments made under subsection (d).

(c) No sum received from a private source paid pursuant to section 7 shall be subject to annual appropriations.

(d) Sums in the Fund that are not currently needed for the purposes of the Fund shall be kept on deposit in appropriate interest-bearing accounts that shall be established by the Secretary of the Treasury or invested in obligations of, or guaranteed by, the United States. Any revenue accruing from such deposits and investments shall be deposited in the Fund.

(e) Sums in the Fund shall be expended without further appropriations and without fiscal year limitation.

CONTINUATION OF THE COUNCIL

SEC. 11. (a)(1) Within ninety days before October 1, 1987, the Administrator shall—

(A) identify any importer or receiver with fish purchases of $500,000 or more for the twelve-month period ending thirty days prior to the date on which the survey under subparagraph (C) is initiated;

(B) identify any person who qualifies under paragraph (3) for inclusion in such survey; and

(C) initiate a survey of the persons identified under subparagraphs (A) and (B) who have not been exempted from assessment payments pursuant to section 8(c), to determine whether the Council shall continue.

(2) The survey shall be based upon the relative value of the fish imported by importers, purchased by receivers, and sold by persons qualified under paragraph (3), during the twelve-month period ending thirty days prior to the date on which such survey is initiated.

(3) Any person who is in the business of catching fish for purposes of sale shall be included in the survey if, no later than thirty days prior to the date on which such survey is to be initiated, that person—

(A) registers with the Administrator; and

(B) submits to the Administrator business records and other evidence which the Administrator determines to be sufficient proof of fish sales of $100,000 or more during the twelve-month period ending thirty days prior to the date on which such survey is to be initiated.

The Administrator's determination of the value of such fish for purposes of paragraph (2) shall be made solely on the basis of business records and other evidence submitted voluntarily by such person.

(b) The Council shall be terminated within ninety days after the date of the survey conducted pursuant to subsection (a)(1), if the continuation of the Council is disapproved by—

(1) importers whose relative value of fish imported;

(2) persons qualified under subsection (a)(3) whose relative value of fish sold; and

(3) receivers whose relative value of fish purchased,

collectively, equals or exceeds 35 percent of the total value of fish imported, sold, and purchased, by all persons included in such survey, during the period ending thirty days

prior to the date on which such survey is initiated.

(c) If the Council is not terminated pursuant to subsection (b), the Council shall continue until the total unrefunded contributions into the Fund for the previous twelve-month period are less than $1,000,000, or until a survey pursuant to subsection (d) determines that the Council shall be terminated.

(d) Any time after October 1, 1989, a survey on the continuation of the Council shall be undertaken by the Administrator within ninety days after its receipt of a petition for such a survey, signed by persons whose annual assessment payments are collectively at least 10 percent of the total annual assessments ordered, except that such a survey shall not be conducted earlier than two years after the completion of a previous survey under subsection (c) or this subsection. If a survey under this subsection determines that the continuation of the Council is disapproved by persons whose annual assessment payments are collectively at least 35 percent of the total annual assessments paid, the Council shall be terminated within ninety days after the date of such survey.

(e) If the Council is terminated, assessment moneys remaining in the Fund on the date of termination shall be transferred to their original sources, in proportion to assessment payments made.

ENFORCEMENT

SEC. 12. (a)(1) The district courts of the United States shall have jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any order or regulation made or issued pursuant to this Act.

(2)(A) Except as provided in subparagraph (B), any civil action authorized to be brought under this subsection shall be referred to the Attorney General for appropriate action.

(B) If the Administrator believes that the administration and enforcement of the provisions of this Act would be adequately served by taking administrative action pursuant to subsection (c) or providing written notice or warning to any person committing a violation of this Act, the Administrator is not required to refer such violation to the Attorney General.

(c)(1)(A) Any person who violates any provisions of any order or regulation issued by the Administrator pursuant to this Act, or who fails or refuses to pay, collect, or remit any assessment required under this Act, may be assessed a civil penalty by the Administrator of not less than $500 or more than $5,000 for each such violation. Each violation shall be a separate offense.

(B) In addition to or in lieu of such civil penalty, the Administrator may issue an order requiring such person to cease and desist from continuing such violation.

(C) No penalty shall be assessed or cease and desist order issued under this paragraph unless such person is given notice and opportunity for a hearing before the Administrator with respect to such violation.

(D) Any order of the Administrator under this paragraph assessing a penalty or imposing a cease and desist order shall be final and conclusive, unless the affected person files an appeal from the Administrator's order with the appropriate United States court of appeals.

(2)(A) Any person against whom a violation is found and a civil penalty assessed or cease and desist order issued under paragraph (1) may obtain review of such action in the United States court of appeals for the circuit in which such person resides or has his place of business or in the United States Court of Appeals for the District of Columbia Circuit by filing a notice of appeal in such court within thirty days after the date of such order and by simultaneously sending a copy of such notice by certified mail to the Administrator.

(B) The Administrator shall promptly file in such court a certified copy of the record upon which such violation was found.

(C) The findings of the Administrator shall be set aside only if found to be unsupported by substantial evidence or if not in accordance with law.

(3) Any person who fails to obey a cease and desist order after it has become final shall be subject to a civil penalty assessed by the Administrator of not more than $500 for each offense. Each day during which such failure continues shall be a separate offense.

(4)(A) If any person fails to pay an assessment of a civil penalty after it has become final, the Administrator shall refer the matter to the Attorney General.

(B) The Attorney General shall recover the amount assessed in a district court of the United States.

(C) In such action, the validity and appropriateness of the final order imposing a civil penalty shall not be subject to review.

INVESTIGATIONS

SEC. 13. (a) The Administrator may make such investigations as the Administrator determines necessary to—

(1) carry out the Administrator's responsibilities under this Act; and

(2) determine whether any person has engaged or is about to engage in any acts or practices which constitute a violation of this Act.

(b) For the purpose of such investigation, the Administrator may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, and documents which are relevant to the inquiry.

(c) Such attendance of witnesses and the production of any such records may be required from any place in the United States.

(d) In case of contumacy or refusal to obey a subpoena by any person, the Administrator may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, to require the attendance and testimony of witnesses and the production of books, papers, and documents. Such court may issue an order requiring such person to appear before the Administrator to produce records or to give testimony relating to the matter under investigation.

AUTHORIZATION

SEC. 14. There are authorized to be appropriated such sums as are necessary for the Administrator to carry out this Act.

COMPLIANCE

SEC. 15. Section 204(b)(7) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1824(b)(7)) is amended—

(1) by redesignating subparagraph (F) as subparagraph (G); and

(2) by inserting immediately after subparagraph (E) the following:

"(F) In any case in which the Secretary, in consultation with the Secretary of State and the Secretary of the department in which the Coast Guard is operating, determines that the vessels of a foreign nation have exhibited a consistent pattern of serious violations of United States fishery laws, the requirement that—

"(i) any vessel of such foreign nation which has been cited for a serious violation, and is seeking a permit to harvest fish in the fishery conservation zone, be boarded and inspected by an authorized United States fishery enforcement officer prior to commencing such fishing;

"(ii) each such vessel have on board a United States observer while engaging in fishing within the fishery conservation zone; and

"(iii) each such vessel be boarded and inspected by an authorized United States fishery enforcement officer upon completion of fishing in the fishery conservation zone.

The requirements specified in clauses (i), (ii) and (iii) of this subparagraph may be rescinded at such time as the Secretary, in consultation with the Secretary of State and the Secretary of the department in which the Coast Guard is operating, determines to be appropriate, taking into account the compliance of such foreign vessels with United States fishery laws.".

AMENDMENT TO THE NORTH PACIFIC FISHERIES ACT OF 1954

SEC. 16. (a)(1) In the administration of the North Pacific Fisheries Act of 1954 (16 U.S.C. 1021 et seq.), the United States Section may—

(A) in consultation with the National Marine Fisheries Service, initiate multinational symposia and provide other forums, including all nations, as determined by the United States Section in consultation with the National Marine Fisheries Service, that have a significant interest in North Pacific fishery matters, for the purpose of exchanging scientific information concerning all fishery stocks of the North Pacific; and

(B) initiate, in consultation with the National Marine Fisheries Service, a review of multinational cooperative development plans for North Pacific fishery stocks.

(2) The United States Section may employ and determine the salary of a professional administrator having scientific expertise and training in fisheries to ensure that the activities described in paragraph (1) are initiated on a timely basis.

(b) There are authorized to be appropriated such sums as are necessary to fund the expanded activities of the United States Section provided for in this section.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on agreeing to the amendment in the nature of a substitute.

The amendment in the nature of a substitute (No. 7090) was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 5051) was passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I have an amendment to the title which I now send to the desk and ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

Amend the title so as to read:

An Act to establish a National Fisheries Marketing Council to enable the United States fish industry to conduct a coordinated program of research, education, and marketing and promotion to expand markets for fisheries products, and for other purposes.

The PRESIDING OFFICER. Without objection, the title amendment is agreed to.

THE CALENDAR

Mr. BAKER. Mr. President, there are now several items that appear to be cleared for action by unanimous consent that I would like to identify for the consideration of the minority leader. If he has no objection, I would ask that these measures be considered en bloc and disposed of en bloc. They are Calendar Order Nos. 1310, 1331, 1332, 1335, 1337, 1338, 1342, 1343, 1344, and 1345.

Mr. BYRD. Reserving the right to object, Mr. President, momentarily.

Mr. President, I thank the majority leader for his indulgence. I have no objection.

Mr. BAKER. I thank the minority leader. I make that unanimous-consent request, Mr. President.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

COOPERATIVE EAST-WEST VENTURES IN SPACE

The Senate proceeded to consider the joint resolution (S.J. Res. 236) relating to cooperative East-West ventures in space as an alternative to a space arms race, which had been reported from the Committee on Foreign Relations, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italic.)

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President should—

(1) [renew] *endeavor, at the earliest practicable date, to renew* the 1972-1977 agreement between the United States and the Soviet Union on space cooperation for peaceful purposes;

(2) continue energetically to gain Soviet agreement to the recent United States proposal for a joint simulated space rescue mission;

[(2)] *(3) seek to* initiate talks with the Government of the Soviet Union, and with other governments interested in space activities, to explore [the] *further* opportunities for cooperative East-West ventures in space [as an alternative to an arms race in space,] including cooperative ventures in such areas as space medicine and space biology, [space rescue,] planetary science, manned and unmanned space exploration; and

[(3)] *(4)* submit to the Congress at the earliest possible date, but not later than [October 1, 1984,] *March 1, 1985,* a report detailing the steps taken in carrying out paragraphs (1) [and] (2) *and (3).*

Mr. MATSUNAGA. Mr. President, it is with a deep sense of personal satisfaction that I rise today to speak in favor of Senate Joint Resolution 236, calling for renewed United States-Soviet cooperation in space. I would like to thank my two colleagues who have joined me as original cosponsors of this legislation, the distinguished Senator from Rhode Island, Senator PELL, and the distinguished Senator from Maryland, Senator MATHIAS, for the keen attention paid to Senate Joint Resolution 236 during its consideration by the Foreign Relations Committee, and also for permitting me, although not a member of the committee, to join them in questioning witnesses during hearings chaired by Senator MATHIAS on September 13. I am also grateful to the distinguished chairman of the Foreign Relations Committee, Senator PERCY, for adding his wisdom to our efforts; I wholeheartedly concur with the amendments prepared under his judicious direction.

Mr. President, our resolution urges President Reagan to do four things:

First, endeavor to renew the 1972 United States-Soviet space cooperation agreement, which terminated in 1982, at the earliest practicable date; second, press forward with his effort to join with the Soviets in a simulated space rescue mission; third, seek to initiate talks with the Government of the Soviet Union, and with governments of other spacefaring nations, regarding further cooperative ventures in such areas as space medicine and space biology, planetary science, manned and unmanned space exploration; and fourth, report to the Congress no later than March 1, 1985, on the steps taken in carrying out the preceding steps.

But beyond that, Mr. President, our resolution opens up a whole new context for relating to the Soviets that could have a profound effect on humanity's destiny in space, and here on Earth as well. At present, the trend in space is toward confrontation, toward sending the arms race into orbit, literally and figuratively. Our resolution seeks to set a parallel trend in motion, toward cooperation, joint action, the unified approach to our future that the space age demands of our imperfect species and that, I am convinced, all of us, in our hearts, fervently desire.

Mr. President, I spoke of deep personal satisfaction with regard to this resolution because I have been seeking to encode its objectives for more than 2 years. Initially, it seemed as if I was talking to an empty room. In July 1982, I wrote an article for the Washington Post stating that, if events continued along their present course, we would one day look up to competing weapons platforms in space. As one means of correcting that ominous trend, I proposed that the first permanently-manned facility in space be an international project.

Weapons in space? "Senator," I was told, "you must be dreaming." Nonetheless, in September 1982, I introduced a resolution urging international cooperation in space, with initial emphasis on the first permanent facility. I had no cosponsors at the time, but I felt we had to begin somewhere, and at least place the issue of the record for further consideration. That was Senate Resolution 488. It subsequently evolved into Senate Concurrent Resolution 16, introduced in February 1983 with the distinguished Senator from Rhode Island [Mr. PELL] and in close consultation with the Nation's leading space scientists. Then, in March 1983, my so-called fantasy became national policy. We embarked upon an accelerated space weapons program, that, if it proceeds unchecked on both sides, will render the human race obsolete. Still, support for our resolution was limited by concerns on the one hand that it might unilaterally dilute space weapons development; and, on the other hand, that it might dilute the effort to promote space arms control negotiations.

So we tried again in 1984, this time with the most welcome support of the distinguished Senator from Maryland [Mr. MATHIAS] and this time, finally, we began to make headway. There are a number of reasons for our progress, but the most important, I think, is the underlying logic of our proposal. It is conceit carried to the point of sheer absurdity, if not madness, to assume that the cold war will simply march out from our tiny microbe of a planet into the infinite reaches of the cosmos. That sort of video game vision of the future has no place in mature councils. If we want to talk about vision, then let's be serious about it, or admit that space is really too much for us, because, no matter how futuristic our costumes and our machines, civilization is doomed if its advance into space is to be guided by tribal drumbeats.

I believe the people of the United States and the Soviet Union recognize that. So do their leaders. What is missing is some practical means for transcending our differences before it's too late, something more than what is provided either by weapons buildup or

formal negotiations to limit weapons buildup. We need the added dimension cited by Freud in his famous letter to Einstein on the subject of war, and here I quote:

> Anything that creates emotional ties between human beings must inevitably counteract war. Everything that leads to important shared action creates such common feelings. On them the structure of human society in good measure rests.

Shared action, Mr. President, is the saving dimension that cries out for new exploration. Mr. Herman Wouk, author of "The Winds of War," made a sage observation, worth the full attention of this body, in his letter to me in support of Senate Joint Resolution 236. He wrote:

> We joined forces with the Russians in the Second World War to eliminate the Axis menace to civilized life on earth. We achieved that aim without resolving our ideological differences or even discussing them. The menace confronting us was enough to make us cooperate. Now Americans and Soviets alike are confronted with a menace even more grave than Hilter's Axis. The menace is ourselves; our worser selves, frozen in suspicion, mistrust and ideological antagonisms.

Mr. President, Mr. Wouk is, of course, correct. The two superpowers cannot ever hope to halt their lockstep march toward oblivion, unless they first deal with the suspicion and mistrust which have infected their relationship at its core. Any belief that they can, has no place in the so-called real world where policies are made, and which the American people have entrusted us to administer.

And that, Mr. President, is where space comes in. If the superpowers are ever to break out of the hopeless maze in which they are presently entrapped, it will happen in space. For only space offers an arena, a theme and an organizing principle grand enough to permit us to transcend our differences and set humanity on a new and more hopeful course. I have attempted to chart the outlines of that course in a number of speeches and articles over the past 2 years. I ask unanimous consent to include in the RECORD at the conclusion of these remarks three brief articles belonging to that effort.

In these articles, I develop a rationale and a proposal for a joint program consisting of missions of gradually increasing complexity, linked to a moratorium on space weapons testing, building toward an international manned mission to Mars in the 21st century—the most stirring undertaking in human history. I have offered this program as a far less costly and more promising alternative to Star Wars, which is scheduled to be developed within the same timeframe. Unlike Star Wars, every aspect of it is within reach of existing technology. Indeed, Mr. President, a manned mission mission to Mars was the initial first choice of American space planners in the 1950's; NASA let out more than 60 design contract for manned Mars missions in the 1960's; Wernher Von Braun and others testified at length before committees of the U.S. Congress, and elsewhere, on how we could land on Mars in the 1970's. But at that time, we were too preoccupied with events in a remote corner of Southeast Asia. We had not yet realized then that we would find peace not through demonstration of military might, but through inspired application of the intellect, in alliance with the imagination, in pursuit of the one goal that we had overlooked—unity dynamically conceived.

Mr. President, we can begin to chart that new and more hopeful course right now, today. The Soviets have scheduled a scientific mission for 1988 to the Mars moon called Phobos. We have scheduled a scientific mission to Mars for 1990. Instruments for both missions are already under design. It makes no sense not to coordinate the two missions so as to permit maximum scientific return. Everyone in the world scientific community knows that. What's missing is the political will. We should, as a first priority, seek the establishment of an East-West Mars Working Group for the 1988 and 1990 missions that might subsequently prepare joint followup missions on a gradually expanding scale, based upon strict reciprocity, building toward a joint manned mission early in the 21st century.

Would a program of cooperation on that scale legitimize Soviet policies of repression toward Andrei Sakharov and other courageous Soviet dissidents? On the contrary, it would constitute the strongest and most effective rejection of those policies should it be developed as part of an American policy of aggressive cooperation, which would replace prevailing vacillation between no contacts with the Soviets and an uncritical pursuit of contacts on our part. It would set strict standards for cooperation and press them hard, into the teeth of Soviet repression, pushing the Soviets toward ever greater democratic openness.

Similarly, the belief that such a mission, or others like it, would result in one-way technology transfer, is based on pure myth. Insofar as Mars is concerned, the Soviets are already way ahead of us in essential areas. Just a few days ago, three Soviet cosmonauts landed after a record 237 consecutive days in orbit, nearly 8 months, breaking the old record of 205 days, also set by a Soviet crew, and further establishing Soviet preeminence in long duration spaceflight, including such related activities as closed-cycle life support systems. As policymakers, we might ask: Why are the Soviets devoting so much time and persistent energy to long duration space flight? The first generation of permanent space stations will be placed in low-Earth orbit and will be manned by comparatively short duration rotating crews employing easy-access vehicles, such as the shuttle or the Soviet Soyuz spacecraft. Similarly, the Moon is within easy reach. So why are the Soviets obsessed with long duration space flight? I posed that question to each of the four expert witnesses at the September 13 hearing on Senate Joint Resolution 236 and received the same answer in each case, an answer I had also received from other knowledgeable observers. Soviet absorption with long duration spaceflight only makes sense in the context of preparations for a manned mission to Mars, which would take about 7 months each way. Since a Mars crew would adjust for the return flight by spending a period of time on Mars, we can say that the Soviets' just-completed space flight—a record 8 months in duration—amounted, in important respects, to a journey to Mars.

When we add to that information recent reports that the Soviets are developing a heavy-lift launch vehicle, comparable to our discontinued Saturn 5 used for the Apollo program, and several times more capable than the shuttle for lifting large objects into space, we have two critical components for the assembly and launching of a manned mission to Mars. While we pursue a trillion-dollar crash program for weapons systems that will reach barely above the atmosphere, before turning and pointing their deadly cargo back down upon the Earth, the Soviets appear to be aiming much, much higher. Are we setting ourselves up for another sputnik? Many experts believe so. Should we respond, then, by launching a crash program aimed at beating the Soviets to Mars? And after that, Neptune? Pluto? The next galaxy? Or should we recognize the increasing absurdity of the whole process and try something creative for a change, that future generations, endless future generations, can build upon, guided by a unifying vision invoked by their forbears in the 20th century, even as they stood on the brink.

If we want a vision of the future worth pursuing, this is it. If we want small steps that will set us moving toward it, we have them. The stage is set. All we need is the courage to do what political leaders are supposed to do: Act.

Mr. President, I ask unanimous consent also to include in the RECORD written endorsements for Senate Joint Resolution 236 that I have received from Dr. Thomas O. Paine, former Administrator of NASA and chairman of the Northrop Corp.; Dr. Hubert Curien, former head of the French space program and recently elevated to a position in the French cabinet as

Minister of Science and Technology; and Mr. James Michener, the author, who has become a leading voice in space affairs; plus the transcript of a videotape prepared by Dr. Arthur C. Clarke and rushed here by courier from his residence in Sri Lanka, in response to my request for his views on this subject, in which he contrasts technological obscenities and technological decency in space. I have numerous other letters of support from prominent scientists that I will be happy to make available to my colleagues. I also call my colleagues' attention to the testimony at the September 13 hearing, which included the findings of a symposium attended by 13 of the Nation's leading space scientists, organized by the Office of Technology Assessment at the request of the original cosponsors of Senate Joint Resolution 236.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 4, 1982]

FIND PEACE WITH RUSSIA IN SPACE: CHANGE THE RULES: JOINT SPACE STATIONS WOULD WORK WONDERS

(By Spark M. Matsunaga)

Our best—and perhaps last—opportunity to reach a workable accommodation with the Soviets appears on the verge of being lost before it is properly recognized.

While disarmament talks and negotiations must necessarily continue, the greatest opportunity appears to lie not in the narrow confines of a conference room but in the reaches of space. Within this decade, the United States and the Soviet Union plan to build permanent manned space stations. The age of space colonization, which scientists say will be comparable to the time when life emerged from the sea to colonize the land, will have begun.

But why two hostile space stations? Space—the last and most expansive frontier—will be what we make it. Must we make it into another "real world" living on the brink of self-annihilation? Must we play the same old unwinnable game in space, too?

A more appealing alternative, it seems to me, is to seek to make the first orbiting space station a weapons-free international project involving the United States and the Soviet Union, as well as other interested nations having a space capability.

Reaching agreement with the Soviets on this won't be easy, but as a policy objective it is probably far more attainable than any tension-reducing alternative available here on earth.

Space is virgin territory, insofar as weapons are concerned.

By converting what must otherwise inevitably become the first space weapons platforms into a joint project, the Americans and the Soviets would, for the first time, decisively interrupt the suicidal process that has captured them. Even more significantly, we would begin turning that process around, by learning to work together in a challenging environment, as is perhaps only now possible in space. In that context, the dramatically successful Apollo-Soyuz mission of 1975 is worth recalling.

The project was sealed by a space cooperation agreement signed by President Nixon and Premier Kosygin in Moscow on May 24, 1972. Two days later, Nixon and Kosygin signed a strategic arms pact.

The two documents bore an instructive difference.

Whereas the strategic arms pact called for open-ended discussion in gilded conference rooms, the space agreement involved a nonsense design and construction timetable targeted toward a specific objective—a joint docking in space in 1975.

That tangible objective locked both sides into a train of technical imperatives which, in turn, influenced the basic character of their relations.

For instance, initial American requests for information ran up against compulsive Soviet secretiveness. Had they been negotiating over language and analyzing force strengths on the basis of contested definitions, the effort surely would have ended in stalemate. But they had spacecraft to design and build, communications systems to integrate, astronauts to train, joint docking systems, joint tracking systems, joint life-support systems.

As the timetable ticked off, the Soviets opened up to an unprecedented extent. Scientists and technicians from both nations became wholly absorbed in the project, integrating distinctly different operational styles under the pressure of a shared deadline and a shared professional commitment to make the project work.

Thus, in mid-1973, an American delegation was admitted to the previously top secret Soviet mission control center—again, for the technically-required purpose of coordinating communications and tracking. Looking out across the consoles, world maps, wall clocks, they saw, typed on the giant center screen: "Welcome American Colleagues."

The following year, American astronauts lived and trained at the Soviet space center outside Moscow, Soviet cosmonauts trained in Houston, and American public affairs officials successfully sold the Russians on live TV coverage for the event. All were firsts.

Before the project concluded on July 17, 1975, with a successful docking in space the Soviets and Americans had negotiated and signed 133 working documents—an unprecedented achievement.

Neil Hutchinson, the U.S. flight director of Apollo-Soyuz, summed up what was probably the project's most important contribution and what also turned out to be its greatest frustration for those involved:

"I wish there was another one of these flights. We've gone to all this trouble to learn how to work with these people. . . . I could run another Apollo-Soyuz with a heck of a lot less fuss than it took to get this one going."

So no one can say it can't be done. Not only that, but the stage is already set: In the seven years since Apollo-Soyuz, U.S. and Soviet space activities have followed strikingly complementary paths.

The Soviets have concentrated on long-duration space flights aboard orbiting house-trailer Salyut space stations (like our short-lived Skylab) serviced by manned Soyuz spacecraft and unmanned Progress resupply vehicles. Soviet cosmonauts have logged a solid two years of spaceflight, including a world record stint of six months.

The U.S. meanwhile, has concentrated on quick, easy access with a reusable space vehicle. As the first takeoff-and-landing space vehicle, the shuttle is more sophisticated than anything the Soviets have developed. But flight duration for the shuttle is limited to seven days with present power systems and a maximum of 30 days with adjustments.

Clearly, the Soviet and American space programs are in synch. From the perspectives of science, engineering and economics, both nations would benefit immensely from combining their efforts at this point.

Inevitably, there is the question of politics. The political drawbacks include concern about technology transfer (we are ahead in micro-electronics and computer technology) and the related policy of using cooperation itself as a bargaining chip, like the cruise missile. But in full perspective, the political drawbacks are far outweighed by the advantage of an opportunity to rein in the arms race and redirect its latent energies to meet a new, more inspiring and far more demanding challenge.

A joint project in space would add a refreshingly expansive dimension to life on a planet edging toward self-annihilation.

The arms buildup on planet earth could continue—Trident, MX, CX, BI, RDF, whatever our hearts desire. Arms control negotiation could continue. We might even continue antisatellite weapons testing, since that involves a ground-based Soviet weapon and an American weapon launched in the suborbital atmosphere from an F-16. So we would be protected.

But meanwhile, we also would be working on something with the Soviets. Something big. Something daring, bearing hope for the future.

And if it catches on, if we actually build some common ground up there, begin seeding it, wouldn't it be worth a try?

Tom Stafford, American flight commander for Apollo-Soyuz, said that when he opened the Apollo hatch to greet his Soviet counterpart, Alexei Leonov, as they spun in orbit 100 miles above the earth, he believed "we were opening back on Earth a new era in the history of man."

We need to give the Staffords and Leonovs of this world a chance.

[From the Washington Post-Los Angeles Times News Service, Apr. 13, 1984]

SENATOR MATSUNAGA: "COOPERATION, NOT WAR, IN SPACE"

(By Senator Spark M. Matsunaga)

When President Reagan told Congress April 2 that space arms-control agreements cannot be verified, he opened the way for an all-out effort to develop a new generation of "Star Wars" weaponry.

But cooperation in space, rather than confrontation, may offer the best opportunity for preventing nuclear war and for exploring and developing the next frontier as the president also wants.

Spare presents humankind with the greatest challenge in history. In seeking ways to approach that cosmic vastness together, Earth's superpowers would discover their common humanity. New possibilities for mutually beneficial interaction would multiply.

The process could be initiated quickly by inviting the Soviets to join in a moratorium on weapons testing in space, coupled with talks on joint activity in space.

The talks, which would be attended by other interested nations, would be aimed at developing a coordinated international space effort. This would begin modestly and move toward shared action of steadily increasing complexity.

So long as the process continued, weapons testing in space would be held in abeyance by the great powers. The longer the process continued, the greater the stake of each

participant in it, and the less likelihood of regression.

The Soviets are showing a growing interest in space cooperation. Their cosmonauts have been joined in orbit by "spaceanauts" from Mongolia, Eastern Europe, France and, most recently, India. And they recently offered to share all the data they collect during their upcoming probe of Halley's comet—the first time they have ever promised full disclosure for a space mission.

Among the many possibilities for joint action:

VENUS, UNMANNED MISSION

We are scheduling an orbiting radar mapping mission to Venus in 1988. The Soviets are the leading experts on Venus, having dispatched 16 probes since 1961, including two currently in orbit.

If they also are planning a Venus mission the same year as ours, as expected, the two activities might be designed for mutually beneficial interaction.

MOON, UNMANNED MISSION

The Soviets have a roving remote-controlled collector of ground samples that we lack. We are their superior in satellite communications capabilities.

Many American space scientists would like to use the Soviet collector, called Lunakhod, to gather samples from the as-yet unexplored back side of the moon. An American orbiter could serve as the communications relay for the roving Lunakhod. We would benefit from their technology, they from ours, without any giveaways on either side. And scientists of all nations would obtain important lunar materials not otherwise available.

MARS, UNMANNED MISSION

The American planetary science program includes a Mars orbiting mapper for 1990, leading to a return of a soil sample from Mars in 1996, funds permitting. The Soviets have been less successful with their unmanned Mars program, but they appear to be readying a new start.

Joint action would permit an expanded program at reduced costs, including an orbiter, a network of unmanned scientific stations and roving landers and a sample return. All this is preparation for a manned mission and eventually a permanent base in the 21st century.

PROJECT SPACEWATCH

In 1980, a NASA advisory group of prominent space scientists recommended a program, called Project Spacewatch, to develop a defense against a possible asteroid collision with our planet. The danger is real and at the moment we are helpless before it. Only 75 years ago, a 75-foot asteroid struck a remote area in Siberia with the force of a 15-megaton hydrogen bomb.

That same asteroid could have flattened New York City. Because so many hundreds of asteroids must be catalogued, and so many probed, the more nations involved in a Project Spacewatch the better. The project could lead to the testing of equipment to divert an incoming asteroid.

SHUTTLE-SALYUT PROJECT

The historic U.S.-Soviet space cooperation agreement negotiated by President Nixon and Soviet leader Leonid Brezhnev in 1972, renewed and expanded in 1977, then allowed to lapse by the U.S. in 1982, mapped out a series of U.S.-Soviet space activities leading to a Shuttle-Salyut program and an international space platform program.

Indeed, the 1975 Apollo-Soyuz joint docking in space only made sense as a shakedown for future activities, as called for but never implemented for foreign-policy reasons. Another objective was to develop compatibilities in equipment and procedures that would permit space rescue missions. It is irresponsible to deny astronauts and cosmonauts maximum capability to assist one another in distress.

In a related vein, Soviet space expert James Oberg has proposed a truly international convergence in space for 1985, when only minor modifications in the orbit of an American shuttle carrying a European Spacelab would permit a rendezvous with a Soviet Salyut.

That would be an ideal time to test emergency evacuation procedures. If we all sat down and talked in advance, other scientifically significant activities could be planned as well, for a dramatic European-Soviet-U.S. meeting in space in 1985.

MANNED LUNAR BASE

Many space scientists favor a research laboratory on the moon that would be used for materials processing, mining, developing life-support systems, space robotics. The base also might serve as a launch pad for exploration and possible colonization of other planets in the solar system and beyond.

Again, the construction of a lunar base requires no breakthroughs, only allocation of resources. Making it an international project, involving the United States, Soviet Union, Europe, Canada, Japan, China, India and others, would, among other things, reduce costs to mutually manageable levels.

MANNED MISSION TO MARS

Mars was the primary target of American space planners until President Kennedy ordered a man mission because it gave a better chance of beating out the Russians.

In 1978, the National Aeronautics and Space Authority updated a 1969 proposal by Werner von Braun for a Mars mission in the 1980's. The 1978 update forecast a 16-month mission to Mars in 1999 at a total cost of $25 billion spread out over 20 years. By comparison, the administration projects spending $27 billion on Star Wars research in 1985–89 alone.

Meanwhile, the Soviets have made no secret of their Mars aspirations. The Red Planet is the prime target of their space program. They intend to build toward it methodically from their space station base.

An international Mars project—a 16-month space voyage—would be history's most stirring undertaking.

The entire space-exploration program outlined above could be initiated for less than half the amount of the recently directed 1985–89 increase of $13 billion in space-weapons funding.

And all the above projects combined would, if developed in an international mode, cost us far less than the full-blown Star Wars scenario. We could thus proceed with Star Wars research and development—even increase it substantially—and still initiate a world-inspiring space-exploration program. Then, when operational decision points are reached in 1990, we would have two clearcut options to choose from. Isn't a policy of two choices for the price of one worth pursuing?

By the end of the 21st century, unmanned international scientific missions could be sailing to all the planets in the solar system and to the moons of Jupiter and Saturn. Manned spaceship traffic could steadily flow to scientific outposts and mining facilities on several asteroids, the moon and Mars.

Our children would look up to a fever of activity in space, moving toward the outer limits of the solar system, aiming for the stars. Compared to that inspiring prospect, a "high-ground" space-weapons program looks like an anthill.

[From the Washington Post, Sept. 9, 1984]

WITH MOSCOW TO MARS

(By Spark Matsunaga)

The case of Andrei Sakharov and Yelena Bonner dramatizes the central question of our nuclear age:

How are two nations which hold the fate of the world in their hands to relate to one another when their ruling value systems stand at diametrically opposing poles?

During the past 15 years, two sharply contrasting U.S. policies have emerged. The Nixon-Ford-Kissinger administration practiced with Richard Nixon aptly called "hardheaded détente." Its tools were trade and other forms of cooperation, combined with discreet pressure applied as part of a process of continuing negotiation.

Although it produced considerable flexibility for lateral movement, "hardheaded détente" could not last as an American policy for the same reason it held so much appeal to the Soviet leadership: it lacked moral content. Its goal was world order in the classic European sense. It was suspicious of internal forces for change that threatened established ruling elites—in the Soviet Union, Chile, wherever.

Jimmy Carter remedied that defect with a vengeance. He placed human rights at the center of his policy toward the Soviet Union and repeatedly "punished" (a word he favored) the Soviets for morally unacceptable behavior. The tools employed by Carter to administer punishment were, to a considerable extent, the various components of the web of interdependencies developed by Nixon-Ford-Kissinger.

Under Ronald Reagan, that moralistic emphasis reached an apex with the description of the Soviet Union as the "focus of evil," as relations between the superpowers deteriorated and the arms race accelerated.

Which approach is preferable? Each, in my view, contains serious deficiences. A policy in tune with American values and interests requires both moral concern and tactical flexibility, both calculation compassion.

One way to serve American values and interests at once would be to establish cooperative activity as an overriding national objective to be pursued with calculated sophistication and moral determination. This policy would replace the prevailing vacillation between no contacts and an uncritical pursuit of contacts, which the Soviets exploit by limiting their participation to party hacks. It would set strict standards for cooperation and push them hard.

A policy of aggressive cooperation would recognize that the chief enemy is less world communist ideology, which takes many evolving forms (China, Hungary, Yugoslavia), than it is the repressive Soviet police state, which is compulsively hostile to any evolution at all, communist or otherwise.

Instead of responding to repugnant Soviet behavior by cutting off contacts as "punishment" (which actually makes work easier for the police state apparatus), we would keep up the pressure, constantly pushing for new and expanded contacts of substance in the teeth of Soviet repression. Our principal target would be the emerging scientific and technical elite, the most sophisticated

and cosmopolitan segment of Soviet society, who enjoy the highest status, upon whom the totalitarian power structure depends for running the system.

In pursuing that target, we could expect much more support than now from our European and Japanese allies, who already favor increased cooperation and greater flexibility in dealing with the Soviets.

Would such a policy legitimize Soviet policies of repression toward Sakharov, Bonner and others? On the contrary, it would constitute the strongest and most effective rejection of those policies. The Soviet police apparatus thrives on insolation. Why assist its efforts? Under present conditions, whenever they want to tighten the screws at home, they need only create an incident. We have handed them flexibility at our expense. In an important sense, American policy has made itself hostage to the KGB.

A policy of aggressive cooperation might best be launched with a proposal to do something big with the Soviets. It must be a long-term undertaking that locks them into an expanding program of joint activity. Soviet policy makers must find it sufficiently appealing to stay in, although it places their reactionary system of internal controls increasingly at risk.

One promising possibility is an international manned mission to Mars in the 21st century. It could be put forward as an alternative to competing Star Wars space weapons systems, which would otherwise be developed in the same time frame.

Unlike Star Wars, it requires no technology breakthroughs and thus would be far less costly. Unlike Star Wars, which would polarize scientific inquiry on the greater frontier of space, it would mobilize the world's best scientists and engineers in a common endeavor on behalf of all humanity. Unlike Star Wars, it would mandate ever greater openness across an expanding front, to the thriving benefit of democratic values and interests. And unlike Star Wars, our allies would welcome it with relief and excitement, for it would be a response to the greatest problem of our time that is wholly in tune with the best in the American character.

Joint activity on a grand scale would respond to the deepest aspirations of Andrei Sakharov. In the late 1960s and early 1970s, Sakharov sought to nudge the Soviet Union in precisely that direction. Then the police apparatus moved in and re-established the "us" versus "them" condition upon which it thrives.

"Any action increasing the division of mankind, any preaching of the incompatibility of world ideologies and nations is madness and a crime," Sakharov wrote. With such utterances, his descent from official favor began, until, alone and isolated, he could retain his integrity only by lashing back at his captors.

But we should not confuse his entrapped response with the deep uiversal spirit that moved him to seek the intellectual freedom which must inevitably ensue from expanded communication and joint activity on an international scale. We have it in our power to resurrect that noble spirit. All we need is the will and determination—and the leadership.

THOMAS PAINE ASSOCIATES,
HIGH TECHNOLOGY ENTERPRISES,
Los Angeles, CA, September 6, 1984.

Senator SPARK M. MATSUNAGA,
Chief Democratic Party Whip, U.S. Senate, Hart Building, Washington, DC.

DEAR SENATOR MATSUNAGA: Arthur Clarke sent me a copy of your letter to him of August 13th on U.S.-U.S.S.R. Space Cooperation, and his response dated September 13th: A Martian Odyssey—Statement to the Committee on Foreign Relations, United States Senate. Since his response contained a quotation from a recent paper of mine, I thought you might like to have the enclosed whole paper: A Timeline for Martian Pioneers, presented at the Planetary Society's "Case for Mars II" conference at the university of Colorado.

Arthur refers to the Apollo-Soyuz joint space flight. The attached history describes how I initiated this program with the late President of the Soviet Academy of Sciences, Academician Mstislav Vsevolodovich Keldysh. As you can see, we started with NASA's plans for the future exploration of space, and asked the Soviets whether they saw areas where cooperative programs might be of mutual benefit. The initial response was suspicious, slow and cautious, but with persistence and patience significant success was finally achieved. I believe that the result was a more open Soviet program, a dramatic demonstration to both nations of the practicality and benefits of detente, and, for a while at least, a somewhat safer world for us all.

The coming Extraterrestrial Century, as outlined in my paper on the settlement of Mars, will present leaders of the United States and the Soviet Union with many opportunities for cooperative enterprises. Not all programs should be international, but many space ventures, like the Intelsat communication satellite network, are inherently global. Unlike terrestrial conquests, the conquest of Mars is not a "zerosum game" in which my victories are your defeats; victories on the space frontier are victories for all mankind.

With best personal regards,

Dr. THOMAS O. PAINE.

CENTRE NATIONAL
D'ÉTUDES SPATIALES,
Paris, le Juin 26, 1984.

Mr. SPARK M. MATSUNAGA:
U.S. Senator, Washington, DC.

DEAR SENATOR MATSUNAGA: I appreciate your informing me of your efforts to have the space cooperation agreement between the Soviet Union and the United States renewed and a fresh lease of life given to cooperation between the scientists of those two countries.

In the pursuit of its space programme, France is privileged to have close ongoing relationships with both the United States and the Soviet Union which have proved richly rewarding for us.

First of all, because they afford us an opportunity of participating in very worthwhile missions, but also because we are able thereby to establish closer and more open human relationships between scientists, regardless of national barriers. Despite the vagaries of the political climate, relationships between scientists remain deep and strong. To sever them on the pretext that Governments may be at odds on other issues is, to my mind, a mistake. Discarding what does or what can work is no way of improving what doesn't.

Scientists all over the world long for the free international exchange of ideas. Such exchange, when it is based on a pooling of programmes chosen from amongst the most ambitious of their kind, should be of particular benefit to mankind.

For instance, a joint initiative taken recently by the U.S. National Academy of Sciences and the European Science Foundation is a very promising one: the best specialists on both sides of the Atlantic met together in order to define what seemed to them the most desirable planetary missions for the years ahead. If, in future, such cooperation could also involve the Soviet Union still greater benefits would accrue.

I therefore congratulate you, Senator, on your initiative and I hope you may be heard by your country's authorities. I express this hope without reservation, convinced as I am that striving to promote better understanding between scientists throughout the world can in no way be regarded as interfering in the specific politics of each of our nations, matters which are, of course, outside my competence.

Yours sincerely,

H. CURIEN.

THE UNIVERSITY OF TEXAS,
THE GENERAL LIBRARIES,
Austin, TX, Sept. 14, 1984.

Senator SPARK M. MATSUNAGA,
U.S. Senate, Washington, DC.

DEAR SENATOR MATSUNAGA: All persons interested in the development of outer space follow with keen attention your attempts to guide its use into constructive channels. For some years now the proper utilization of space has been a major concern of mine, and I constantly hope that ways may be found to bring international order into this vital arena. Each year that passes, each new invention alters the old rules and presents new challenges. I hope the nations may be capable of adjusting to these changes and accepting the new possibilities.

I think you ought to stress with your people that the rate change is now so rapid that neither you nor I can possibly imagine what the capacities will be by the year 2000, and if through fear we are caught hibernating in some wintry cave of limited vision we shall be overrun by facts and outdistanced by others who have adjusted to those facts.

Manned travel to the planets is now practical. Permanent settlements on the Moon can be established at any time we wish. Low-orbiting space stations are already in existence to a degree and their proliferation is limited only by budget. I have acknowledged for some time of the ability of any major nation which wishes to spend the money and ingenuity to put into orbit vehicles of powerful military might. And unmanned exploration of the farthest reaches of our galaxy are possible.

Senator, I am speaking only of what we can do right now with the inventions we already have in hand. If we project our present rate of development ahead fifty years, only the most imaginative mind would come close to what will be possible. Some time ago I spent a summer listening to great experts theorize on what the world of space was going to look like by the year 2010, and they conceded that they could not extrapolate much beyond the next ten years. Nor would they speak with confidence even within that narrow perimeter, for they conceded that things might develop of which they had at that moment no cognizance.

If the speed of invention is so great, I think it incumbent upon us to spend careful thought on what we ought to be doing right now to utilize present capacity and then to pave the way for greater experimentation and achievement later on. That, it seems to me, is the obligation of any major nation.

I am peculiarly involved in such thinking, because I serve on a board whose responsibility it is to combat attempts by the Soviet Union to discolor the truth insofar as international politics are concerned, and I work diligently to protect the reputation of my nation. So I can certainly not be charged with any sentimental favoritism toward the Soviet Union. My job is to monitor her misbehaviors.

But when it comes to the long haul of science and the accomplishments of the future in space, I find myself ardently hoping that the fruitful bi-national cooperation which started with Apollo-Soyuz can be revived, because at some future time, perhaps before the end of this century, such international ventures will be commonplace and we might as well get started correctly now.

I do not see anything contradictory in this recommendation. Of course we are at odds with the Soviet Union on many basic points, and we must protect ourselves for to do otherwise would be irresponsible or worse. But we must also inhabit the Earth with the Russians and share in whatever forward steps are taken. This is a tricky co-responsibility, but I believe the United States is alert enough to manage it. I have always been guided by the military principle that when the first gun is fired in warfare, advisors should start holding consultations regarding the terms under which peace can be restored.

Now as to the specific targets of co-operation, my imagination cannot be as free-wheeling as that of scientists who are experts in these fields, but three possibilities dominate my attention: (1) Further exploration of the Moon, with the reminder that the Soviets got there first with their cameras and their rovers and thus had the privilege of naming most of the features on the far side; (2) manned exploration of Mars, which would be a major effort requiring enormous planning and much more than a year of absence from the Earth; and (3) extensive further exploration of the solar system, including concentration of problems relating to the Sun whose power ensures our existence on Earth.

I am sure there are other possibilities which would yield equally signficant results, but I must leave their identification to others, as I am not qualified to give advice.

I am, however, informed on the role of exploration in human existence. Once a frontier is negotiated there becomes, I believe, a categorical imperative to pursue its exploration to logical limits. People who follow this path acquire understanding and a control of their environment. Universities which behave in this manner become great. Nations which have this as a guiding principle develop new skills, aptitudes and mind-sets which enable them to prosper in comparison with other nations which lag behind. People and nations are not obligated to adopt every innovation, and prudent ones choose wisely lest they lose their historic headings; but they are obligated to know what's happening.

Conversely, those people, universities and nations which shy away from investigation of possibilities condemn themselves to a second-rate existence which can be satisfying in some respects but which misses the great challenges of their time. I am awed by the heavy penalties organizations pay when they fail to keep abreast of what is happening, and in my work I see the remains of many nations which failed. I do not want to see this happen to the United States.

A final difficult question remains. Could the United States conduct these space explorations alone? Yes, but it would be more fruitful, I believe, if we cooperated with the Soviet Union and with other space-competent nations in joint enterprises where scientific enlightenment is the goal. We shall be driven to isolated experimentation in those cases where military competency is at stake, but I do not believe that we should allow that necessity to dominate the world's behavior in space.

I therefore endorse heartily Senate Joint Resolution 236 and pray that it will become a guiding policy statement for our nation.

Sincerely,

JAMES A. MICHENER.

A MARTIAN ODYSSEY[1]

(By Arthur C. Clarke)

Chairman Matsunaga, distinguished Senators—I very much wish I could appear in person before your Committee. Despite my well-known slogan "Don't commute—communicate!" I would have gladly made the long journey from Sri Lanka to be with you; but in a little over two weeks I also have to address the Pontifical Academy of Science on "The Impact of Space Exploration on Mankind." On the very day of your SJR 236 deadline, 1 October, I hope to raise many of its points with the leading Russian (and Chinese) scientists who will also be present at the Vatican.

May I first, Mr. Chairman, deal briefly with space weapons—a subject which has concerned me ever since the *Royal Air Force Quarterly* published my essay "The Rocket and the Future of Warfare" in 1946 (1). Somewhat later, in August 1982, I presented an updated version, "War and Peace in the Space Age", to the UN Committee on Disarmament in Geneva. The following month it was inserted into the *Congressional Record* by Representative George Brown (2), and I refer you to what I devoutly hope is the final version in *1984: Spring.* I have also read a large fraction of the megawordage generated on the subject—including the unclassified summaries of the Fletcher Report, and its fascinating Soviet counterpart (3). I have also talked with many of the experts involved—hawks, doves, and those who, like myself, might be classified as anxious falcons.

There can be no doubt that ICBM's could be intercepted and destroyed, even at ranges of several thousand kilometers, by projectile or beam weapons. But it could only be done at gigantic expense, by dedicated crews of highly trained scientists and engineers. A 50% success rate against a modest salvo would be impressive; a 90% one would be astonishing, and I doubt if any informed person really believes that such a figure is possible.

Even if a 90% kill rate could be achieved, what would that imply? It has been pointed out that a full-scale thermonuclear exchange would be equivalent to "World War Two once a second, for the length of a lazy afternoon." (4) So if a ballistic missile defence system was a brilliant success, it might merely give you World War Two—every ten seconds. Either way, the result would make "The Day After" look like an optimistic exercise in wishful thinking.

Though these are of course only personal guesses, I do have some relevant experience. Forty years ago I was in charge of the most advanced radar system then in existence (2). It took the best brains of MIT—one went on to win a Nobel Prize—to keep it running. The Star Warriors are talking about systems hundreds of times more complex, whose failure would be immeasurably more catastrophic.[2]

For a critique of the more far-fetched schemes of "orbital fortresses" I would like to put on record a letter I wrote to the AIAA's *Astronautics*, ironically praising an article entitled "The Coming Weapons" for "catching to perfection the authentic Strangelovian delight in technological obscenities" (Annex A).

Let us now talk about technological decency. Fifteen years ago at the Cape, when we had finished cheering the first men on their way to the Moon, I saw the Vice-President of the United States turn to Walter Cronkite and say that we could put a man on Mars by the end of the century—and "we should do it . . . because the people want something to look forward to as an exciting objective." That sentence echoes a much more ancient saying that might well serve as a motto for your Committee: "Without vision, the people perish."

Could we put a man on Mars by the end of the century—now only one year further away than the launch of Apollo 11? Let me give the views of a man who, perhaps better than anyone, can answer that question.

With appropriate serendipity, Dr. Tom Paine, NASA Administrator for the critical years 1968–1970, has just sent me the paper "A timeline for Martian Pioneers" he delivered at the University of Colorado in July. Here is his prediction for the period beginning 1995—repeat, 1995:

"The decade opens with a triumphant Soviet expedition to Mars, including docking scenes at Phobos with spectacular extravehicular activities . . . that dominate TV. The President of the United States receives a Golden Fleece from an elderly senator for relinquishing America's scientific pre-eminence to the Soviet Union. In response he orders the Vice President to overhaul the American space program; she begins by firing the NASA Administrator for lack of boldness."

Dr. Paine has his tongue in his cheek, of course, but he is also deadly serious. When it is ready, the USSR will go to Mars. Why are its cosmonauts making space endurance records with times approaching those required for the Earth-Mars round trip? You don't need that capability, for missions this side of the Moon!

Sooner than they imagine, Americans will have to ask themselves: "Do we stand aside, when the Soviet Union heads for Mars? Do we go it alone? Or do we go with them?"

I admit my bias—indeed, my interest—in this area. As you doubtless know, the novel *2010: Odyssey Two* describes a joint US-USSR mission—though to Jupiter, not Mars!—and at this very moment Peter

---

[1] I have proudly borrowed this title from the classic short story by Stanley Weinbaum (1902-35), whose other memorial is an 80 kilometer-wide crater, lying between Wells and Burroughs, at 245 degrees West, 66 degrees South. (NASA *Atlas of Mars.*)

[2] For some ominous lessons about the reliability of sophisticated military equipment—and its human operators—under actual combat conditions, see the record of the Falklands War.

Hyams is filming it at MGM/UA. The novel is dedicated to Cosmonaut General Alexei Leonov, the first man to walk in space, and commander on the Apollo-Soyuz rendezvous. He was delighted to know that the ship is named after him: "Then it will be a good ship!" he exclaimed, when I told him this, in his apartment at 'Star village' (5). He was not quite so happy at sharing the dedication with Academician Sakharov; indeed, I am currently in disgrace in the Soviet Union, now that someone has noted the extraordinary coincidence that all seven Russians in *2010* are named after well-known dissidents.[3]

I am not so naive as to imagine that this could be achieved without excruciating difficulty, and major changes in the present political climate. But those changes have to be made, sooner or later, and I commend your Committee for its courage in recognising this fact.

Most of those changes will have to be made in Moscow, and may have to await the long-overdue extinction of the Kremlin dinosaurs. But not all the fault lies in the USSR; painful adjustments will also be required nearer home. In this context, please see my letter to General Graham (Annex B), answering a circular sent out by his High Frontier organisation after the shooting down of Korean Flight 007.

Now, to quote one of Stanley Kubrick's favorite remarks: "The only important question is what to do next." In this case, what we must do next is to strengthen and extend any existing space agreements. For example, the combined US-USSR-Canadian-French "Search and Rescue Satellite" (SARSAT) has already saved scores of lives, on the high seas and in the Arctic. It has received nothing like the recognition it should have done; if the public knew more about it, there would be a demand for more programs of this kind.

One might be—when its implications are fully explored—the International Monitoring Satellite (6), which could help to dispel the present poisonous political atmosphere by at last achieving President Eisenhower's dream of "Open Skies." I was happy to see a step in this direction with the release of the satellite photographs of the Soviet aircraft carrier under construction, and have a motto for the IMS—"Peace Through Truth." Of course, many nations would object to Big Brother watching them from space—but here on the ground most law-abiding citizens are quite happy to have TV cameras surveying high-crime areas. And let's face it—Planet Earth is a high-crime area.

Unfortunately, the United States has missed the opportunity to join the international fleet of space probes that will soon encounter Halley's Comet. Perhaps the storm of criticism that will then ensue—there may be a Golden Fleece awarded to the President well in advance of Tom Paine's scenario!—may have the salutary effect of focussing attention on this failure of nerve. Spring 1986 may be Sputnik time again.

But though unmanned space missions are essential and often highly cost-effective, they do not fire the imagination. And, contrary to what some scientists may have told you, in the long run it is the manned missions that will be the more important. Unfortunately, no-one can predict whether that run will last for centuries, or mere decades. Almost certainly it will exceed the attention span of even the most enlightened Administration.

I have just been listening to an historic and inspiring sound from the past—the applause of Congress as President Kennedy cried "We choose to go to the Moon!" One day the United States will return to the Moon. That will be exciting and important; but it will no longer be pioneering. The Moon, though an essential stepping stone to space, is only the offshore island of Earth. But Mars—a planet as large as our own, in terms of land area, is the first of the New Worlds.

Only eight years from now it will be exactly half a millenium, since three tiny ships sailed forth from Spain, to change the history of our species. And three is about right for the smallest practical Mars expedition—one unmanned cargo vessel, and two manned ships, either able to carry both crews in an emergency. The cost would be less than that proposed merely for research into anti-ICBM systems—let alone the bill for their actual deployment, which would be orders of magnitude greater. Even those who think, that such expenditure is necessary will surely deplore such a tragic diversion of resources.[4]

So is it absurdly optimistic to hope that, by Columbus Day 1992, the United States and the Soviet Union will have emerged from their long winter of sterile confrontation? That would be none to soon to start talking seriously about Mankind's next, and greatest, adventure.

When we said goodbye in Star Village, Alexei Leonov—who is a very good artist—gave me a copy of his book *Life Among Stars*. In it are the sketches he made during the Apollo-Soyuz mission, including excellent likenesses of his American colleagues—two of whom, I am happy to see, are testifying before your Committee.

The portrait of Tom Stafford is autographed as follows: "To my dear friend Alexei Leonov—many thanks for your friendship and wonderful co-operation—we have opened a new Era in the history of man. Tom Stafford, 18 July 1975."

General Stafford—over to you.

REFERENCES

1. Reprinted in *Ascent to Orbit*, (John Wiley, 1984) pp 71-9.

2. *Congressional Record* 21 September, 1982.

3. "Strategic and International-Political Consequences of creating a Space-based Anti-missile System using Directed Energy Weapons." (Institute of Space Research, Moscow, 1984).

4. Carl Sagan: *Cosmos* (Random House, 1980) p 321.

5. See "To Russia, With Love. . . " in *1984: Spring* (Del Rey).

6. See "War and Peace in the Space Age" (*1984: Spring*).

Annex A: Letter to *Astronautics* dated 7 Feb. 1983.

Annex B: Letter to General Daniel O. Graham dated 22 October 1983.

Mr. PELL. Mr. President, I am an original sponsor with the Senators from Hawaii [Mr. MATSUNAGA] and Maryland [Mr. MATHIAS] of Senate Joint Resolution 236. This resolution, which could open the way to renewed East-West space cooperation, well merits the strong support and endorsement of the Senate.

Senate Joint Resolution 236 has attracted substantial support in the Senate and widespread and enthusiastic support in the scientific community. The resolution was approved unanimously by the Committee on Foreign Relations on October 2 and ordered favorably reported with amendments.

The resolution calls for:

Renewal of a 1972 Nixon-Kosygin space cooperation agreement, which was subsequently renewed in a 1977 Vance-Gromyko agreement and allowed to lapse in 1982;

Initiation of talks with the Soviets and other governments to explore opportunities for cooperative ventures in space; and,

A report on actions taken pursuant to the resolution.

As amended in committee, the resolution's wording was altered slightly to emphasize the value of renewed co-operation on it own merits, more than as an alternative to a space arms race. As amended, the resolution urges the President to "endeavor, at the earliest practicable date, to renew" the agreement to allow the administration legitimate negotiating leeway. Finally, the resolution, reflects congressional support for the United States-Soviet simulated space rescue mission proposed by the President in June by calling upon him to "continue energetically to seek Soviet agreement" to his proposal.

Mr. President, according to the Congressional Office of Technology Assessment [OTA] two primary areas of scientific cooperation were first, space biology and medicine and second, the Moon, planets, and near-Earth space. In the first category, three areas were particularly fruitful, including exchanges of flight data on human response to spaceflight conditions, joint ground-based simulations of spaceflight conditions, and biomedical experiments done at U.S. request in Soviet spacecraft. In regard to planetary activities, OTA reports the strongest cooperation was in lunar studies, the exploration of Venus, and solar-terrestrial physics.

At its hearing on September 13, the committee received testimony from a

[3] Though perhaps not well-known enough. Despite my warnings, and his cheerful claim to have 'sanitised' the text, my Moscow friend and editor failed to spot these curious coincidences—and has accordingly lost his job. I feel both embarrassed and guilty. You may not remember that the Apollo-Soyuz mission was itself directly inspired by a Hollywood movie, "Marooned". Frankly, one of my purposes in writing *2010* was to start people thinking seriously once again about such co-operation.

[4] Of course, some research into ballistic missile defense is obviously essential to prevent—or perhaps discover—technological surprises; 50 years ago a situation arose which has a striking lesson for today. On 18 January 1935 the British Air Ministry's Director of Scientific Research asked Dr. Robert Watson-Watt if it was practical to develop a 'death ray' against German bombers. Whilst proving that this was beyond current technology, Watson-Watt discovered something much more useful—radar. "History never repeats itself—but historical situations recur."

panel of experts in the area of space activities and cooperation, including Dr. Carl Sagan, David Duncan professor of astronomy and space sciences and director, laboratory for planetary studies, Cornell University; Mr. Louis Friedman, executive director, the Planetary Society; Dr. Bernard Burke, William A.M. Burden professor of astrophysics, Massachusetts Institutes of Technology; and, Dr. Harold Masursky, senior scientist, U.S. Geological Survey. The administration was represented by Mr. Charles Horner, Deputy Assistant Secretary for Bureau of Oceans, Environment and Science, Department of State, and Mr. James Morrison, Deputy Assistant Administrator, International Affairs, National Aeronautics and Space Administration.

All four panelists strongly supported renewal of the 1972 umbrella agreement.

Mr. Masursky told the committee in answer to my question: "I favor a joint resolution, because they watch us very carefully, and I think this will help us in observing their program. Second, that we can avoid wasteful noncoordination, so our own exploration will be expedited, and we are sure we are not duplicating unnecessary work. And third, we may be able to engender more effective cooperation and do things that we cannot now do ourselves."

When I asked what would be the consequences of a failure to renew the agreement, Dr. Burke said: "In my view, the principal loss is likely to be the initiative in international scientific cooperation. The Soviets are moving aggressively. They have a number of cooperative space projects with the European scientists that are very good projects indeed. If they conduct their affairs well, I think that they will probably occupy the central position in international science eventually."

I asked whether the Soviets would respond favorably to a new United States initiative. Dr. Sagan told the Committee: "Yes; I think there is very convincing evidence, at least by the testimony of virtually every Soviet senior space scientist that we talk to, that such an American initiative would be greeted with a great sigh of relief over there."

In discussions of United States-Soviet cooperation in space and other areas, the concern of possible technology transfer has been raised. All four expert panelists assured committee members that, in their view, there is essentially no risk.

Mr. Morrison, speaking for NASA, to the committee that, throughout the course of cooperation, "the United States has sought to identify science applications and development projects which contribute to United States space objectives and utilize complementary Soviet space capabilities without incurring United States technology loss. We believe that the record shows that this can be done successfully."

In regard to future cooperation, Mr. Morrison said: "The projects should be scientifically justified, technically feasible, conducive to safeguards against technology transfer, and have at least comparable benefit to cost ratios as alternative projects on which the money could be spent."

Mr. President, space—the last frontier—is, for now, a nuclear weapons-free zone. Unfortunately, the administration so far has given no indication it appreciates the importance of keeping space free of weapons. There is no negotiation to control space-based or space-directed weapons in prospect, and the emphasis clearly is upon preparing to fight space wars. Undoubtedly, the Soviets are prepared to do the same.

Before it is too late, we must ask whether our own self-interest is space in which cataclysmic war is a looming threat, or is space in which an exemplary peace prevails. If we are wise enough to seek the latter situation, we will do all that we can to bring about space arms control and to foster peaceful cooperation for our benefit and that of all nations.

Our relations with the Soviets have deteriorated alarmingly in recent years. As various ties, such as the agreement on space, have been terminated, the incentives for the Soviets to be restrained and responsible in their international dealings have diminished. Isolating the Soviet Union will not make it better. Dealing with the Soviet Union in the full awareness that it is an adversary can help get both sides off the present collision course.

I have been a close observer of the Soviet Union for years. I led a Senate delegation there a year ago and came back convinced, more than ever, that, while maintaining strong defense, we must find productive ways to deal with them if we are to reduce tensions and spare mankind the terrible threat of nuclear war.

Cooperation in space offers an excellent and unique opportunity. Working together the two sides can engage in various scientific ventures which will provide concrete benefits to our societies and to other nations. Working on a people-to-people basis, we can discover and build upon those peaceful scientific aspirations we share. Each side has much to offer. We must be willing to choose cooperation.

Thank you, Mr. President.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The reported amendments to the preamble were agreed to.

The preamble, as amended, was agreed to.

The title was amended so as to read "Joint resolution relating to cooperative East-West ventures in space."

The joint resolution, as amended, and the preamble, as amended, are as follows:

S.J. RES. 236

Whereas the United States and the Soviet Union could soon find themselves in an arms race in space, which is in the interest of no one;

Whereas the prospect of an arms race in space between the United States and the Soviet Union has aroused worldwide concern expressed publicly by the governments of many countries;

Whereas the 1972-1975 Apollo-Soyuz project involving the United States and the Soviet Union and culminating with a joint docking in space was successful, thus proving the practicability of a joint space effort;

Whereas, shortly after the completion of the Apollo-Soyuz project, and intended as a followup to it, the United States and the Soviet Union signed an agreement to examine the feasibility of a Shuttle-Salyut program and an international space platform program, but that initiative was allowed to lapse;

Whereas the United States signed a five-year space cooperation agreement with the Soviet Union in 1972, renewed it in 1977, then chose not to renew it in 1982;

Whereas the United States recently proposed to the Soviet Union that the two Nations conduct a joint simulated space rescue mission;

Whereas the Soviet Union has not yet responded to the substance of this proposal; and

Whereas the opportunities offered by space for prodigious achievements in virtually every field of human endeavor, leading ultimately to the colonization of space in the cause of advancing human civilization, would probably be lost irretrievably were space to be made into yet another East-West battleground: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President should—

(1) endeavor, at the earliest practicable date, to renew the 1972-1977 agreement between the United States and the Soviet Union on space cooperation for peaceful purposes;

(2) continue energetically to gain Soviet agreement to the recent United States proposal for a joint simulated space rescue mission;

(3) seek to initiate talks with the Government of the Soviet Union, and with other governments interested in space activities, to explore further opportunities for cooperative East-West ventures in space including cooperative ventures in such areas as space medicine and space biology, planetary science, manned and unmanned space exploration; and

(4) submit to the Congress at the earliest possible date, but not later than March 1, 1985, a report detailing the steps taken in carrying out paragraphs (1), (2), and (3).

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

JOHN J. PERSHING VETERANS' ADMINISTRATION MEDICAL CENTER

The bill (H.R. 5252) to redesignate the Veterans' Administration Medical Center located in Poplar Bluff, MO, as the "John J. Pershing Veterans' Administration Medical Center," was considered, ordered to a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

RELIEF OF MARSHA D. CHRISTOPHER

The bill (H.R. 723) for the relief of Marsha D. Christopher, was considered, ordered to a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

RECOGNITION OF BIG BROTHER AND BIG SISTER VOLUNTEERS

The joint resolution (H.J. Res. 594) designating the week beginning February 17, 1985, as a time to recognize volunteers who give their time to become Big brothers and Big Sisters to youths in need of adult companionship, was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

MANDELA FREEDOM RESOLUTION

The Senate proceeded to consider the resolution (S. Res. 386) entitled the "Mandela Freedom Resolution."

Mr. LEVIN. Mr. President, this resolution, which I introduced on May 3, 1984, presents an opportunity for the Senate to make a significant statement in support of the inalienable rights of the black majority in South Africa. Similar legislation claiming the bipartisan support of more than 180 cosponsors was approved in the House, under suspension of the rules, a few days ago—September 18.

Mr. President, this resolution expresses the sense of the Senate that the Government of South Africa immediately release Nelson and Winnie Mandela from their more than 20-year imprisonment and detention. They are national symbols of opposition to the brutal policy of apartheid.

I am very pleased to have as cosponsors of this resolution Senator KASSEBAUM, chairman of the Subcommittee on African Affairs, Senator PERCY, chairman of the Committee on Foreign Relations, Senator HATFIELD, chairman of the Appropriations Committee and a ranking member of the Appropriations Subcommittee on Foreign Operations; Senator BOSCHWITZ, Senator SARBANES; Senator LAUTENBERG; Senator TSONGAS; Senator DIXON; SENATOR RIEGLE; Senator KENNEDY; Senator CRANSTON, and Senator BUMPERS.

In recent years, especially since 1980, there has been international pressure for the release of Nelson Mandela from life imprisonment in South Africa. Mr. Mandela is seen by many black South Africans as one of the most respected symbols of resistance against the racial discrimination and segregation laws of apartheid.

Mr. Mandela was born in Umtata, Transkei, in 1918. He was educated in mission schools and was admitted to Fort Hare University, South Africa in 1938. After being expelled from Fort Hare for participating in a student strike in 1940, Mandela went to Johannesburg. There he was apprenticed with a firm of white attorneys and continued his education at the university of Witwatersrand. In 1951, Mandela established in Johannesburg the first firm of black attorneys in South Africa. In 1952, he was appointed national volunteer-in-chief to head the defiance campaign, which resulted in 8,500 people voluntarily challenging race laws to go to jail as a protest against discrimination.

Mandela was arrested in 1952 and released after a short imprisonment, then arrested again in 1956 and charged with planning to overthrow the South African Government. The Government based its charges on the African National Congress' acceptance of the freedom charter drafted the previous year. The trial lasted until 1961, when he and all other accused ANC members were acquitted.

In March 1960, the Pan Africanist Congress organized an antipass law protest in which the demonstrators were to use nonviolent methods. The South African police opened fire on the demonstrators, killed 67 blacks, including women and children, and wounding 186 others. In May 1961, the ANC, despite being banned in 1960, organized a nationwide 3-day strike to coincide with an inauguration celebration at which South Africa was to be declared a republic. The Government reacted to the strike with massive intimidation and the arrest of thousands of blacks, following up with more legislation to suppress dissent.

Nelson Mandela traveled abroad in January 1962 to attend a Pan-African conference in Addis Ababa, Ethiopia. During his trip he also visited several African countries and Britain. Mandela was able to evade the police until August 1962, when he was arrested and charged with inciting the 1961 strike and with leaving South Africa illegally. In November of that year, he was sentenced to five years imprisonment.

While serving his 5-year sentence, Mandela and eight other ANC members were tried on charges of sabotage and conspiracy to overthrow the South African Government in the Rivonia trial, which lasted from July 1963 to 1964. Mandela and all but one of the others were sentenced to life imprisonment. They were imprisoned at Robben Island near Cape Town.

Black Consciousness culminated in the 1976 Soweto school boycotts, demonstrations, and riots, in which 600 students were killed. The following year its leader, Steve Biko, died in detention, and numerous antiapartheid groups were banned.

In 1982, Mondela was moved to Pollsmoor Maximum Security Prison on the mainland near Cape Town.

Winnie Mandela, since 1962, has been either banned or imprisoned for violations of her banning orders, although she was never charged with or tried for any violation of a law.

As a banned person, she is prohibited from leaving her home after 6 p.m. weekdays and all during the weekend. She is not permitted to enter any public institution such as church or school, nor is she permitted to attend any social gathering involving more than two other adults at a time. Although Mrs. Mandela is a social worker by training, she is permitted no employment.

On several occasions, Mrs. Mandela has been charged with minor violation of her banning order—for having more than two people in her apartment with her at the same time and for travelling to see her husband in prison by train rather than plane, which she cannot afford—and consequently has spent time in solitary confinement in jail, detained without trial.

Mrs. Mandela has been offered permission by the Government to leave South Africa but has refused because it would entail abandoning her husband.

For the last 6 years Mrs. Mandela's stipulated place of banishment has been Brandfort, 200 miles from Johannesburg in Orange Free State, a white Afrikaaner farmland region. Here, Mrs. Mandela has established the first black community home-agricultural project, a neighborhood emergency and first-aid health care unit, and most recently a child and older youth care center, servicing 100 children and staffed by three teachers with a house manager/cook.

Mr. President, I urge my colleagues to join in support of the Mandela freedom resolution. Let us stand united and resolute for the principles we hold so dear to in the United States.

CHAMPIONS OF JUSTICE IN SOUTH AFRICA

Mr. LAUTENBERG. Mr. President, I join as a cosponsor of Senate Resolution 386, the Mandela Freedom Resolution, calling for the immediate release by the South African Government of Nelson and Winnie Mandela, leaders in the struggle against apartheid.

A dedicated patriot, Nelson Mandela has been imprisoned for 20 of his 66 years for opposing the oppressive white minority government. Mr. Mandela has been a critic of the Government ever since he was expelled from Fort Hare University in 1940 for being the ringleader of a student strike. Mr. Mandela studied law at the University of Witwatersrand and in 1952, he and Oliver Tambo established the first law firm of African attorneys in Fox Street, Johannesburg. Although Nelson Mandela has been imprisoned for the last 20 years, he is still a symbol of resistance to the political and racial oppression of apartheid.

Mandela's wife, Winnie, is also a highly respected leader in the anti-apartheid movement. Winnie Mandela's only offense has been the violation of her banning orders, which deprive her of some human rights: to be photographed or quoted in any South African publication, or to meet in her home with more than one person at a time. She has been constantly harassed, detained, and abused by the South African security police. Ms. Mandela is under house arrest and is only allowed to spend 30 minutes with her husband on the few occasions when she is allowed to visit him.

In November 1982, despite a severe illness, Winnie Mandela refused to be treated at the nearby hospital for blacks. Because she was refused admittance to the all-white hospital, her lawyers obtained permission for her to receive treatment at a private multiracial clinic in Johannesburg.

Mr. President, the Mandela's struggle for basic human rights and dignity is a struggle for freedom: freedom against the immoral and indefensible system of apartheid. The United States must not support a system of apartheid that denies the black South African majority civil, political, and economic rights. The violation of the Mandela's human rights is no less flagrant than the violation of the rights of the Sakharovs and Jewish dissidents in the Soviet Union. The Mandelas have fought for decades to end the cruel racist system of apartheid that binds all blacks to the whipping post of oppression. The United States was founded upon a struggle for liberty; it is this historic struggle that should prompt all Americans to demand an end to the system of apartheid.

I therefore urge my colleagues to support Resolution 386 that calls for the long overdue release of the Mandelas.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, and the preamble, are as follows:

S. RES. 386

Whereas the Republic of South Africa has excluded blacks and other nonwhites from participation in the government of their country by means of a system of racially discriminatory laws and practices known as the apartheid system;

Whereas the South African practice of apartheid is based on violence, exploitation, and deprivation of basic human and civil rights, is incompatible with the dignity of mankind, and contravenes the most fundamental human and political rights as set forth in the Charter of the United Nations and the Universal Declaration of Human Rights;

Whereas the Government of the United States, the United Nations, and virtually every country in the world condemns the practice of apartheid by the Government of South Africa;

Whereas in 1944, Nelson Mandela joined, and later led, the banned African National Congress, which is committed to eradicating the South African Government's official policy of racial apartheid and in its place erecting a society in which the rights of all South African citizens shall be the same, regardless of race, color, or sex;

Whereas in 1964, when he was already in jail under a five-year sentence for inciting strikes and leaving the country without a permit, Nelson Mandela was again brought to trial and sentenced to life imprisonment for seeking to overthrow the government with violence and has been incarcerated ever since that time;

Whereas now, after twenty years in prison, Nelson Mandela nevertheless remains the leading symbol of resistance to political oppression, race and color prejudice in South Africa and the most widely recognized leader of that country's black majority population;

Whereas Winnie Mandela, the wife of Nelson Mandela and one of the most prominent and highly respected leaders of the anti-apartheid movement in South Africa, was arrested twenty years ago and, despite the fact that she has never been convicted of any offense except violations of her banning orders, has been systematically banned, detained, harassed, and abused by South Africa's security police and has spent less than eleven months of the past twenty years in freedom;

Whereas Winnie Mandela, as a banned citizen of South Africa, is confined to a home designated by the State and far removed from her friends and family, is not permitted to meet with more than one person at a time, may not be quoted or write any material for publication, and is prohibited from having her name or photograph appear in print anywhere in South Africa; and

Whereas the anti-apartheid movement in South Africa exemplifies the loftiest ideals and aspirations of the American people and all feedom-loving peoples the world over: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the Government of the Republic of South Africa should immediately release and free Nelson Mandela from prison and should revoke and cancel Winnie Mandela's banning order;

(2) the President of the United States should use his good offices to secure the release and freedom of Nelson and Winnie Mandela; and

(3) the President of the Senate is requested to transmit a copy of this resolution to the President of the United States and to the Prime Minister of the Republic of South Africa.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

FEDERAL CHARTER FOR NATIONAL SOCIETY, DAUGHTERS OF THE AMERICAN COLONISTS

The bill (S. 3034) to grant a Federal charter to the National Society, Daughters of the American Colonists, was considered, ordered to a third reading, read the third time and passed; as follows:

S. 3034

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

CHARTER

SECTION 1. National Society, Daughters of the American Colonists, organized and incorporated under the laws of the District of Columbia in 1921, is hereby recognized as such and is granted a charter.

POWERS

SEC. 2. National Society, Daughters of the American Colonists (hereinafter referred to as the "corporation") shall have only those powers granted to it through its bylaws and articles of incorporation filed in the State or States in which it is incorporated and subject to the laws of such State or States.

OBJECTS AND PURPOSES OF CORPORATION

SEC. 3. The objects and purposes for which the corporation is organized shall be those provided in its articles of incorporation and shall include a continuing commitment, on a national basis, to—

(1) conduct research with respect to the history and deeds of the American colonists, and record and publish the results of such research;

(2) publish the memoirs of American colonists;

(3) erect memorials to commemorate the history and deeds of the American colonists;

(4) promote respect and admiration for the institutions, laws, and flag of the United States;

(5) engage in mutual improvement and educational activities; and

(6) establish scholarships to assist needy and deserving students and to promote the improvement of educational institutions, engage in volunteer service and make contributions to veterans hospitals, and perform such other charitable activities including the national presidents' projects as may be provided by the articles of incorporation or bylaws of the society.

SERVICE OF PROCESS

SEC. 4. With respect to service of process, the corporation shall comply with the laws of the States in which it is incorporated and those States in which it carries on its activi-

ties in furtherance of its corporate purposes.

MEMBERSHIP

SEC. 5. Eligibility for membership in the corporation and the rights and privileges of members shall, except as provided in this Act, be as provided in the constitution and bylaws of the corporation, and terms of membership and requirements for holding office within the corporation shall not be discriminatory on the basis of race, color, religion, or national origin.

BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES

SEC. 6. The board of directors of the corporation and the responsibilities thereof shall be as provided in the articles of incorporation or bylaws of the corporation and in conformity with the laws of the State or States in which it is incorporated.

OFFICERS OF CORPORATION

SEC. 7. The officers of the corporation, and the election of such officers shall be as is provided in the articles of incorporation or bylaws of the corporation and in conformity with the laws of the State or States wherein it is incorporated.

RESTRICTIONS

SEC. 8. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director of the corporation or be distributed to any such person during the life of this charter. Nothing in this subsection shall be construed to prevent the payment of reasonable compensation to the officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the board of directors.

(b) The corporation shall not make any loan to any officer, director, or employee of the corporation.

(c) The corporation and any officer and director of the corporation, acting as such officer or director, shall not contribute to, support, or otherwise participate in any political activity or in any manner attempt to influence legislation.

(d) The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

(e) The corporation shall not claim congressional approval or Federal Government authority for any of its activities.

(f) The corporation shall retain and maintain its status as a corporation organized and incorporated under the laws of the State or States wherein it is incorporated.

EXCLUSIVE RIGHT TO NAME, EMBLEMS, SEALS, AND BADGES

SEC. 9. Subject to established or vested rights, the corporation shall have the sole and exclusive right to have and to use, in carrying out its purposes, the name National Society, Daughters of the American Colonists and any emblem, seal, or badge adopted or used by the corporation.

LIABILITY

SEC. 10. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

BOOKS AND RECORDS; INSPECTION

SEC. 11. The corporation shall keep correct and complete books and records of account and shall keep minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep at its principal office a record of the names and addresses of all members having the right to vote. All books and records of such corporation may be inspected by any member having the right to vote, or by any agent or attorney of such member, for any proper purpose, at any reasonable time. Nothing in this section shall be construed to contravene any applicable State law.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 12. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101), is amended by adding at the end thereof the following:

"(66) National Society, Daughters of the American Colonists".

ANNUAL REPORT

SEC. 13. The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as is the report of the audit required by section 11 of this Act. The report shall not be printed as a public document.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 14. The right to alter, amend, or repeal this Act is expressly reserved to the Congress.

DEFINITION OF "STATE"

SEC. 15. For purposes of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

TAX-EXEMPT STATUS

SEC. 16. The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1954. If the corporation fails to maintain such status, the charter granted hereby shall expire.

TERMINATION

SEC. 17. If the corporation shall fail to comply with any of the restrictions or provisions of this Act, the charter granted hereby shall expire.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

RUSSELL LAKES WATERFOWL MANAGEMENT AREA

The bill (H.R. 2823) to amend title I of the Reclamation Project Authorization Act of 1972 in order to provide for the establishment of the Russell Lakes Waterfowl Management Area as a replacement for the authorized Mishak National Wildlife Refuge, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

COMMEMORATIVE MEDAL FOR FAMILIES OF AMERICANS MISSING OR OTHERWISE UNACCOUNTED FOR IN SOUTHEAST ASIA

The bill (H.R. 6100) to clarify the intent of Congress with respect to the families eligible for a commemorative medal authorized for the families of Americans missing or otherwise unaccounted for in Southeast Asia, was considered, ordered to a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

NATIONAL MEDICAL TRANSCRIPTIONIST WEEK

The joint resolution (H.J. Res. 332) to designate the week beginning May 20, 1985, as "National Medical Transcriptionist Week," was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint bill was passed.

Mr. BYRD. I move to lay that motion on the table.

LEO J. RYAN MEMORIAL FEDERAL ARCHIVES AND RECORDS CENTER

The bill (H.R. 4473) to designate the Federal Archives and Records Center in San Bruno, CA, as the "Leo J. Ryan Memorial Federal Archives and Records Center," was considered, ordered to a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

Mr. BAKER. Mr. President, that completes my list for the moment. I expect that we will have other matters that will be cleared during the day for action by unanimous consent. As our staffs try to work those things out, I will be prepared to meet with the minority leader, and to arrange to conduct further routine business.

Mr. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. Yes.

Mr. BYRD. I wish to inquire of the distinguished majority leader what action is contemplated on Calendar No. 952.

Mr. BAKER. Mr. President, that is the odometer bill. The minority leader mentioned this to me, I guess, on yesterday, as did the Senator from Nebraska. Since then, I have conducted an inquiry. I believe we have that cleared for action on this side. Let me

make one further check to make certain that I have not dropped a stick someplace. But the indication I have at the moment is that we can probably include that on the list of the next items which we will take up for action routinely.

Mr. BYRD. Very well.

Mr. President, I thank the majority leader.

I am sure Mr. EXON will be grateful if that can be done.

Mr. BAKER. I thank the minority leader.

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, the time for morning business has expired, and I ask the Chair to lay before the Senate the pending business.

The PRESIDING OFFICER. Morning business is closed.

PUBLIC DEBT LIMIT INCREASE

The PRESIDING OFFICER. The clerk will report the pending business.

The bill clerk read as follows:

A joint resolution (H.J. Res. 654) increasing the statutory limit on the public debt.

The Senate resumed consideration of the joint resolution.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, we are on the debt ceiling; is that correct?

Mr. DANFORTH. The Senator is correct.

Mr. DOLE. Mr. President, the Senator from Idaho will have an opportunity to offer his amendment in a few moments. I know he feels strongly about it. But I would hope that after some period of debate we might dispose of the Symms amendment on the basis that we have worked out a pretty good compromise. It obviously does not satisfy everyone, but it does satisfy those who seem to represent the different groups around the country, with some few exceptions. I do not mean to suggest that everyone is satisfied.

Mr. President, I am now advised that the home builders, for example, out of 31 States contacted, have 30 States, including the State of Idaho, in support of the compromise. The one State that does not, as I understand, may be the State of Montana.

Mr. President, I ask unanimous consent to include in the RECORD at this point a telegram which was delivered to the Senator from Idaho, and I assume others, signed by Donald H. Treadwell, the president of the National Association of Realtors. In that telegram, he states:

The Jepsen amendment includes the essential elements of the compromise worked out with my full personal participation in meetings with Finance and Joint Committee staff and Treasury Department representatives. In my judgment it protects the legitimate needs of the buyers and sellers of real estate as well as eliminated abusive practices. Some provisions of the compromise are more desirable than a return to the law prior to the passage of the tax law of 1984. We urge continued support of the Jepsen amendment.

Mr. President, I ask that that telegram be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

(Copy of wire sent today (10/10/84) to Senator Symms, with respect to the critical issue of imputed interest likely to be further considered in the Senate today)

The Jepsen amendment includes the essential elements of the compromise worked out with my full personal participation in meetings with Finance and Joint Committee staff and Treasury Department representatives. In my judgment it protects the legitimate needs of the buyers and sellers of real estate as well as eliminates abusive practices. Some provisions of the compromise are more desirable than a return to the law prior to the passage of the tax law of 1984. We urge continued support of the Jepsen amendment.

Sincerely,

DONALD H. TREADWELL,
Realtor, Southgate, Michigan, President, National Association of Realtors.

Mr. DOLE. Mr. President, yesterday there was some discussion of the forced compromise, whether it was the staff that represents the six associations that I have referred to from time to time, or whether they were properly representing their members.

Involved in the discussions were representatives of the American Land Development Association, the National Apartment Association, the National Association of Homebuilders, the National Association of Realtors, the National Association of Independent Business, the National Housing Council, and the National Small Business Association.

Mr. President, we have just placed into the RECORD a telegram signed by Mr. Treadwell, a realtor from Michigan, president of the National Association of Realtors. He was very helpful in fashioning this compromise.

I should add that John Koelemij, a homebuilder from Tallahassee, Florida, first vice president of the National Association of Homebuilders, this week also actively worked with us in working out this proposal.

Again, Mr. President, I want to make it clear that there is no doubt in my mind that those who were seated around the table there for 2 or 3 days representing these groups also reflected the views of their constituents in their different associations, just as we believe we reflect the views of our constituents. Sometimes we may not have them all on board, but generally we reflect the views of our constituents.

Mr. President, I really hope that what we might do, if there is any way we can do it, is to agree that this will be the last amendment and maybe at some appropriate time we can table the amendment and go to conference with the House.

Again, as I said last night and the day before, I am not certain whether the House is willing to do anything on imputed interest. If they are not willing to take the compromise, I am certain they are not willing to go for repeal. I am not certain about the administration, which supports the compromise. We have been advised by Treasury Secretary Don Regan that they now support the compromise, moving from the point of nonopposition. They have opposed repeal and have indicated such.

Mr. President, if we really want to do something before we adjourn today or tomorrow, then I believe the one viable option is the compromise which we adopted here last night. We can quarrel that it does not go far enough or that repeal is better.

Also, though I think it is not a factor, this was in the President's budget and it does close a lot of abuses. We have heard the President criticized by his opponent for loopholes. Here is the President trying to close some loopholes and pick up some $2.2 billion over the next 3 years.

If we repeal what we did just a few months ago, then we have reopened the loopholes. Many of the tax shelter people will continue the abuses and the American people are going to wonder why we do not do something in Congress to tighten up some of these programs.

Mr. President, I will have some examples I will refer to later on for anybody who is not convinced there are abuses out there. Even those in the business recognize there are abuses.

Mr. President, as long as the law is not changed, I do not fault anybody for taking advantage of the law. But we are talking about a couple of billion dollars over the next 3 years. If we adopt repeal, we add that to the deficit.

Mr. President, I happen to believe the deficit is a problem. It is going to be an even greater problem in the years to come. I do not think we should add to it.

Mr. President, that does not mean that next year, after the compromise has been adopted, we cannot come back and if we have made a mistake, if we have gone too far, or if we have not gone far enough, obviously the Congress will be in session and I assume these groups, even though they indicate they do not see any change during the next Congress, if they find some mistakes or if we made a mistake, or have not dealt in good faith, they ought to come back and suggest

to Senator SYMMS, myself, and any other Senator that we need to make corrections.

Mr. President, I would conclude my remarks at this point, before the Senator from Idaho offers his amendment, by saying that I believe we have done a pretty good job. I want to congratulate Senators on both sides of the aisle. The Senator from Montana [Mr. MELCHER] has been like a bulldog in his efforts to have this changed. We have accommodated most of his concerns. The Senator from Iowa [Mr. JEPSEN] has been trailing me around for about 2 weeks, trying to figure out how we can resolve what he considers to be a serious problem in his State. Many other Senators on both sides of the aisle have had the same diligence.

Senator DURENBERGER was one of the first to recognize some of the shortcomings in the law that was passed. When Senator DURENBERGER wrote a "Dear Colleague" letter and when Senator MELCHER wrote a "Dear Colleague" letter, saying we had some problems with this new law, what we did was put the two "Dear Colleague" letters side by side and started from the Durenberger and Melcher letters and tried to build something we thought we could sell to the Congress and still protect the American taxpayer from abusive tax shelters.

Mr. President, we believe we have done it. There may be some who think we have gone too far in the compromise. I do not share that view. I think it is a good result.

It is my view, Mr. President, that all of us who want to do something will do what we can to encourage our colleagues on the House side to help push for a compromise before we leave here late tonight or tomorrow.

Mr. President, I yield the floor.

Mr. BUMPERS. Mr. President, the imputed interest provisions of the Deficit Reduction Act of 1984 were a mistake, and they should be repealed. These provisions were part of the broader effort to close loopholes and end abuses of the tax laws, but, in this instance, the effort went too far.

In an era of high interest rates, many Americans are effectively forced to finance the sale of homes, land, farms, and businesses by accepting the buyer's note to pay. They are quite willing to accept an interest rate which is comparable to what they are receiving on their savings.

They are not in the business of lending money, and they should not be compared to people who are. The imputed interest provisions, however, do just that. They assume that the seller's main interest is in making money off the proceeds, just like a banker, but his main interest is in selling the property for a fair price. The imputed interest provisions should take that into consideration, but they do not.

I realize that there is potential for abuse, but we must take a realistic look at that possibility. It is possible for a seller to increase the selling price of his property and accept a lower interest rate in exchange. Consequently, he will pay capital gains rates on the higher sales price rather than ordinary income tax rates on the interest which was reduced. This is clearly a tax benefit for the seller, but consider the tax aspects of the buyer's side of the transaction. Because he pays a lower interest rate, his interest deductions will be lower. Thus, the abuse is largely self-correcting, with the only loss to the Treasury being in the differing tax brackets of the buyer and seller. On the other hand, we are unrealistically and unduly imposing upon both parties.

In my State there is a further possible complication, the State usury laws, which tie the allowable interest rate to the discount rate. The current State limit for commercial loans is 14 percent, so if the Treasury rate applicable under the new rules rise to 12.75 percent, only slightly above current rates, Arkansans would be forced to break State usury ceilings or suffer the tax consequences. The modest revenue increases that may be realized do not justify this interference with State law. We should repeal the new provisions and reestablish the old rule which has served us well.

Mr. CRANSTON. Mr. President, I rise in support of the amendment offered by the Senator from Idaho [Mr. SYMMS] to repeal the original issue discount and imputed interest rate provisions of the 1984 Tax Act.

A significant number of real estate transactions of all kinds in California involve financing by the seller. Interest rates today are beyond the means of most home buyers, and I think it is a mistake for the IRS to dictate what interest rate sellers and buyers must agree to in arm's-length dealings. Something is amiss when business deals must be structured for the maximum advantage of the tax collector. The income tax clearly is not the best way to tax business dealings—if we need a tax on business deals let's find one, but not concoct elaborate laws with which to trap the unwary.

Last night in the Senate I voted for the compromise worked out by Senator DOLE and representatives of the real estate industry because that compromise represents the best chance for action at this late time in the life of the 98th Congress.

I will, however, also vote for the proposal by Senator SYMMS to repeal the imputed interest rate provisions should the Senate have that opportunity. I hope we will.

AMENDMENT NO. 7091 TO AMENDMENT NO. 7072

Mr. SYMMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Idaho [Mr. SYMMS] proposes an amendment numbered 7091 to amendment No. 7072.

Mr. SYMMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. METZENBAUM. Objection.

The PRESIDING OFFICER. Objection is heard.

The bill clerk read as follows:

On page , line , insert the following:

In the amendment offered by the Senator from Massachusetts, strike on page 5, beginning with line 2, all through the end of the amendment as amended and insert in lieu thereof:

(b)(1) Notwithstanding any other provision of law, the head of each Agency, or his/her designated subordinates, of the Federal Government shall take such actions as may be necessary to ensure that such agency is prepared to carry out promptly any provisions of law enacted pursuant to this section that require action to be taken by such agency. Actions taken by an agency pursuant to this paragraph shall include the development of contingency plans for carrying out the programs, projects, and activities of such agency in the event that the amounts available for obligation and expenditure by such agency during fiscal year 1986 are reduced pursuant to this section.

(2) For purposes of this subsection, the term "agency" has the meaning given to such term in section 101 of title 31, United States Code.

SEC. . REPEAL CHANGES TO SECTION 483 BY TAX REFORM ACT OF 1984.

(a) IN GENERAL.—Section 1274 of the Internal Revenue Code of 1954 (relating to determination of issue price in the case of certain debt instruments issued for property) is hereby repealed.

(b) CONFORMING AMENDMENT.—Subsection (b) of section 41 of the Tax Reform Act of 1984 (relating to amendment of section 483) is hereby repealed and the Internal Revenue Code of 1954 shall be applied and administered as if such subsection (b) (and the amendment made by such subsection) had not been enacted.

(c) Paragraph (4) of section 1273(b) of such Code is amended to read as follows:

"(4) OTHER CASES.—Except in any case to which paragraph (1), (2), or (3) of this subsection applies, the issue price of a debt instrument which is issued for property shall be the stated redemption price at maturity.".

(d) EFFECTIVE DATE.—June 1, 1984.

Mr. SYMMS. Mr. President, shortly after the passage of the Deficit Reduction Act of 1984, I introduced S. 2930, legislation to repeal the imputed interest rate and OID [original issue discount] provisions that were incorporated in the so-called Deficit Reduction Act of 1984.

The original issue discount and imputed interest rules of the tax law govern the timing of interest payment inclusions in and deductions from income and effectively set a minimum interest rate to be used in the sale of property involving a debt instrument

or deferred payments. The Deficit Reduction Act of 1984 changed these rules because of concerns that these rules were ineffective in preventing perceived tax shelter abuses. However, the changes that were incorporated in last summer's bill were drastic and went far beyond their alleged original purpose of curbing tax abuses. These new rules will substantially change and most likely kill legitimate, economic, non-tax-motivated seller financed transactions not only in the real estate industry, but in every business sector in the country.

I would daresay that most of the Members of this body did not realize these provisions were being enacted last summer, and probably to this day do not understand the scope of the provisions. I would venture to say that most Members did not realize that they voted to limit the mortgage interest deduction in that bill.

Section 1275(b)(1) of the code says that where seller financing of personal property occurs—for example, a personal residence, a home—and if imputed interest arises, the buyer cannot deduct the imputed interest on the mortgage he will be deemed to be paying to his seller. The seller will be taxed on additional interest income, but the buyer's deduction is not just deferred; it will never be allowed. Until the 1984 act, the buyer could deduct imputed interest. This new rule thus disallows part of the deduction for home mortgage interest. This is only one example of all of the unknown factors that the enactment of the provision has on our economy.

Mr. President, the Deficit Reduction Act of 1984 was a bill that was essentially written by staff.

Most of the Members of this body could not explain what was in that bill if their life depended on it.

I do not say that with any criticism of my colleagues, Mr. President, but it was 1,300 pages and it looked like IRS regulations rather than legislation that might have been passed by this body.

While there may have been part of that bill that should have been enacted, I know for a fact that the imputed interest and OID rule provisions should not have been passed by the Congress.

The able chairman of the Senate Finance Committee has attempted to put together a compromise package in an effort to thwart the passage of the amendment to repeal these provisions. I would dare say that if this body votes to implement that compromise package, we would again be voting on a proposal about which we know nothing. The compromise is extremely complex. In fact, it is 19 pages long. There are serious questions surrounding the technicalities of the proposal. The compromise, in my opinion, simply will create new loopholes and force taxpayers to go through unbelievable contortions in order to possibly qualify for some perceived benefit. In short, Mr. President, we will again be voting to implement legislation which will have a tremendous impact on viable business transactions without knowing what we are doing.

In light of the fact that many Members of this body want to simplify the Code, I believe that on those grounds alone we should vote down this proposal.

If there are abuses in this area of the law, I believe the Senate Finance Committee should properly investigate those abuses next year in a responsible fashion.

As a member of that committee, I would gladly participate in any effort to review the perceived abuses and support legislation to curb those abuses. But, I would say to my colleagues that the compromise will simply create new abuses, add extreme complexity to the code, and, in my opinion, kill off business activity in the economy.

Mr. President, I might just also say that while the Washington lobbyists inside the beltway have signed off on this compromise my constituents are still supporting repeal. These D.C. lobbyists have sent the word out to all the State associations to call and wire their Senators that they are for this compromise because if they do not get the compromise, they will get nothing. What has happened? I just received a phone call in my office from Kent Burkhardt from the Idaho Association of Homebuilders. He called to say they want repeal, they do not want a 19-page complex compromise.

As far as I am concerned, the lobbyists who agreed to this compromise sold their members a bill of goods, and I would bet that if the compromise is enacted, they are not going to take the blame for its complexity and unworkability. They are going to blame the Congress and say, that is the best thing they could get.

I am saying to my colleagues that there is a simple thing that could be done, and it could be done early next year when this matter can be rationally reviewed. That is to pass three simple changes in the Tax Code. One would be to force all taxpayers in the transaction to go to a cash method of accounting for the transaction only; second, go from simple interest to compound interest; and third, increase the safe harbor imputed rate from the current 9 to 10 percent, to 10 to 11 percent, or even 11 to 12 percent. That would solve the problem of the alleged abuses.

I want to go ahead and talk a little bit about the compromise. I compliment the chairman. I know he worked long and hard to work out some kind of compromise. I suppose that is his job as chairman of the committee. But I believe that the inside-the-beltway lobbyists do a great disservice to the thousands of members of their associations around the United States that are begging for simplicity in the U.S. Tax Code.

We held hearings in the Finance Committee for 3, or 4, or 5 days this year on ways to simplify the Tax Code. We had the Senator from Oregon [Mr. HATFIELD], the Senator from Indiana [Mr. QUAYLE], Representative KEMP, Senator BRADLEY, and others talking about we have an overcomplicated Tax Code, we need to simplify it. We had expert witnesses testifying to that effect but here we go again, as the President would say, complicating the Tax Code with another round of intrusive, intervening set of complex rules which will only end up having all of the people in the small business community who do the books for the small businesses, that provide most of the jobs in this country, come to us when we go to the Rotary Club, or go to the Kiwanis Club, or the local chamber of commerce, and say "What in the world is going on in Washington? Why can't you simply say that you made a mistake in the summer of 1984, repeal it, and then go back on a more rational basis and address just this issue and fix it?"

Mr. President, this country has gotten along from 1964 through 1984 with the previous imputed interest rate and OID rules in the law. There may be some abuses, but we can address those minimal abuses next year in a rationale manner, without tormenting every single legitimate taxpayer in the country. This is one Senator who is not going to go along with the beltway compromise. I do not care if the local lobbyists in Washington have sold out for what is perceived to be a compromise. Those beltway bandits agreed to this compromise before seeing the legislative language, and as a consequence, were not really able to ascertain the consequences of their actions.

The Senate Finance Committee staff compromise does not solve the problems that the new original issue discount and imputed interest rules would create for the real estate industry if the rules go into effect in January.

A number of the problems that the compromise does not solve have been identified over the weekend. More problems are likely to be buried in this most complicated and opaque 19 pages of tax law.

It appears that this compromise was imposed on some segments of the real estate industry because of their concern that the new rules might go into effect without at least some improvement.

I have to say that is understandable, Mr. President. I would agree with the chairman of the Finance Committee that it would be undesirable to try to impose the rules that were in the summer of 1984 act. This is understandable. But Congress can and must do better than the staff compromise. At this point, the best solution is repeal of the new rules. This would enable Congress to start with a clean slate next year and devise more justifiable, equitable, and simple legislation.

As a matter of fact, I see the distinguished Senator from Minnesota [Mr. DURENBERGER] on the floor. He has a more simple solution to this problem than what is proposed and what has now been made an amendment to this debt increase bill by the Senate yesterday.

The following are a few of the problems that either are not solved by the Finance Committee staff compromise or created by it. I want all my colleagues to realize some of the problems with the compromise, so I am going to go ahead and read through some of these problems.

No. 1. Failure to remove the adverse impact on legitimate non-tax-motivated, seller financed transactions. The problem: The Senate Finance Committee staff compromise does not significantly reduce the effective prohibition against seller-financed transactions caused by the new rules in areas such as low-income housing, office buildings, and shopping centers, large farms, small businesses larger than $1 million, vacation homes that are rented, and so forth.

In addition, the staff compromise unjustifiably discriminates between different segments of the industry in amounts of relief provided by setting a test equal to 80 percent of the applicable Federal rate for transactions under $4 million and a test rate equal to 100 percent of the applicable Federal rate for other transactions. This discrimination will cause investment decisions to be based on tax-motivated rather than business-motivated reasons.

Point 2. Failure to deal equitably with assumptions and wraparounds. The problem: The compromise fails to recognize the importance to the economy of assumptions and wraparound mortgages in times of high interest rates.

You cannot view a sale of real property with an assumed or wraparound mortgage as the sale of two separable assets, a financial asset, the assumable mortgage, and a physical asset, the real estate, for the following reasons:

First, these assets are legally inseparable. You cannot sell the mortgage without selling the property—it is not a negotiable instrument;

Second, the assets are logically inseparable. The loan was only made at the rate it carries because it is secured by the property;

Third, the assets are functionally inseparable. The financing is an integral part of the value of the property. It is one of the bundle of assets of real property, which also includes the physical "bricks and mortar," the location of the property, and its stream of rental payments;

The availability of assumptions and wraparound mortgages at reasonable interest rates is important to the economy at times of high market rates of interest.

Unlike seller financing generally, assumptions and wraparounds do not involve the tailoring of payment terms for tax purposes because the terms are not arranged between the buyer and seller.

Sales occur in a free market when both buyer and seller are ready, willing, and able to deal. Other than in foreclosure situations, if buyers cannot afford to purchase a property using commercially available financing at prices that sellers are willing to accept, there is no sale, and there is no revenue to the Treasury from the transaction. This "lock in" effect is the reason that the Treasury analysis fails to account for revenue impact properly and predicts revenue increases from the new rules that simply cannot occur. If the seller is unable to get a price that is more advantgeous than holding the property, there is no sale.

The seller is in a different posture from most commercial lenders in that he does not have to go out into the current money market and borrow at high rates, he already had arranged the financing at a time when rates were lower. The seller is, therefore, not engaged in arbitrating the interest rates. The financing that he has on his property is one of his assets. It provides some measure of certainty that he can sell the property if interest rates go up. The seller, when he offers seller financing, is merely deciding that he would rather take his equity out over time rather than initially.

The assumption of a below market rate mortgage, or its use in a wraparound, is no different from a commercial lender loaning money at a rate below other lenders because he borrowed the money before rates increased or borrowed someplace where rates are lower. Such a transaction is not evidence of any improper setting of basis in the companion property transaction, and neither is the usual seller financing transaction.

The impact of increasing interest rates on commercial property varies and is not a 1-to-1 exchange of interest rates for basis. If the seller has short-term leases, or if the leases have sufficient passthroughs, the value of his income-producing property increases when interest rates increase. This is because it costs more to build a competing new building, and the rents charged in such a building must be higher to cover the increased debt cost. Therefore, the owner of the existing building can raise his rents and increase his profit and still be competitive. If the property owner has only long-term leases, he cannot benefit from increasing rates. His property then will be more difficult to sell without seller financing because potential buyers will have to consider higher interest costs with a fixed stream of rental payments.

If interest rates fall, and if the existing property owner has short-term leases and cannot refinance at lower rates without cost, the value of his property decreases. This is because his tenants will move out unless he reduces his rents, and this would reduce his profit as long as he is forced to pay higher interest payments than his competitors. This is a risk that the borrower under a long-term debt bears. By preventing him from benefiting from an increase in interest rates, by effectively prohibiting assumptions and wraparounds, the new rules remove a possibility of benefit in an increase interest rate situation, but retain the risk of loss in a declining interest rate situation.

In the wraparound situation, the seller generally lends his money at the market rate. In such cases, the part of the wraparound based on the underlying obligation should not be counted in complying with the new rules.

The application of the OID rules to assumptions creates special problems where variable rate mortgages are involved. In such situations, it is often impossible to determine whether the test rate will be met in the future. Existing long-term financing at lower rates provides this reduction in uncertainty. The new rules and the compromise effectively remove this benefit while leaving the risk of long-term financing. This is the risk that interest rates will fall and the property owner may be unable to repay his relatively high interest rate loan.

What I am saying is that despite the tax theorists who will tell you that everybody will mark down the value of their real estate or business so that it will be sold, the reality is that the compromise will probably slow down, if not entirely close, the market. It would certainly have a negative, detrimental effect on commercial activity in the market. So I doubt that the tax theorists at Treasury and the IRS and the respective staffs around Capitol Hill are going to raise $2 billion for the Treasury. In reality what happens is actions of this nature close the market and you have no revenue to the Treasury. That is really what we are talking about, Mr. President.

Another problem: failure to provide a real safe harbor. The problem: the compromise purports to establish objective tests for determining whether

transactions would be subject to imputed interest penalties for the new rules. By adding as a potentially abusive situation, the mere presence of deferred interest, the compromise would permit the Internal Revenue Service to recast a transaction even if the test rate is met for real estate above $4 million. This test permits 20 percent of the interest to be deferred if the test rate of 100 percent of the applicable Federal rate is met. Under the proposed staff compromise, transactions meeting this test would still have no "safe harbor." It is no wonder that segments of the industry with such transactions could not agree to a compromise which provides no certainty for them and which therefore would effectively prohibit such transactions.

This may be, Mr. President, the reason why the U.S. Chamber of Commerce has not signed on to this compromise.

Mr. DECONCINI. Will the Senator yield?

Mr. SYMMS. Without losing my right to the floor——

Mr. METZENBAUM. Objection.

The PRESIDING OFFICER. The Senator has a right to yield for a question.

Mr. SYMMS. I yield for a question without losing my right to the floor.

Mr. DECONCINI. I thank the Senator.

Before I put a question to the Senator from Idaho, I appreciate his efforts, because I think he is moving in the right direction. But the Senator just expressed an opinion, or a view—a fact, I hope—that the Chamber of Commerce has not come out in support of the compromise that was voted yesterday. Is that correct? I have not heard.

Mr. SYMMS. That is my understanding. I think it would probably be advisable if we could confirm that. It is my understanding that the Chamber of Commerce has not endorsed the compromise. Some people have endorsed the compromise——

Mr. DECONCINI. If the Senator will yield for another question, is it safe to say that in the Senator's opinion the business community really would like to repeal this whole thing, go back to the way it used to be; it worked very well for businesses, small farms; it was not abusive? Is that the sentiment of the Senator?

Mr. SYMMS. The Senator from Arizona is stating the case better than this Senator could state it. That is what I am trying to say.

In a general sense, if we get outside the beltway, get away from the Washington, DC lobbyists, who are paid to try to make it look like they have accomplished something for the thousands of members who pay their salaries, people would say, "For Heaven's sake, why did Congress change a law that has been in effect since 1964 which has worked reasonably well."

There may be some abuses that people can point to that I think could be fixed. As I suggested, there are some ways we can fix it very simply. It has worked for 20 years. Now, all of a sudden, we are changing it. We changed it last summer. Most Senators did not realize how dramatic this was going to be in regard to transactions involving real estate, small business, farmers, commercial property, housing, because seller financing is a very vital part of not only real estate but all business activity in a high interest market.

Now, all I am saying is let us repeal it and go back to where we were July 1, 1984, and put it on the agenda for the Finance Committee early in 1985.

Mr. DECONCINI. I thank the Senator from Idaho. I wish the Senator from Ohio would pay mind for just a minute.

I ask the Senator from Idaho to renew his unanimous-consent request that he might yield to me for 3 or 4 minutes without losing his right to the floor. I would like to make a statement in support of the Senator's amendment. I realize the Senator from Ohio is objecting, but if he will, I would ask the Senator from Idaho to again ask unanimous consent to yield to me for not more than 5 minutes without losing his right to the floor.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

Mr. SYMMS. I do not want to lose my rights. I ask unanimous consent I get the floor back in 5 minutes.

The PRESIDING OFFICER. Is there objection?

The Chair hears none and it is so ordered.

Mr. DECONCINI. Mr. President, just to clarify, the Senator from Idaho has not lost his right to the floor, although he has permitted me to make my statement.

I rise in support of the amendment of the Senator from Idaho. Just last week we were on different sides on an issue that we were really on the same side of, and today I find myself supporting wholeheartedly the Senator's effort to repeal the imputed interest rate provision.

It seems that every major tax bill we pass in the Senate contains at least one provision so offensive that within 6 months this Congress has to repeal it. You might have thought that this Congress would have learned its lesson following the withholding debacle of a couple of years ago. The imputed interest provision has many parallels to that situation. It is a case of this administration attacking the American middle class through the Tax Code. As my colleagues know, I am the original Senate proponent of a flat-rate tax, one that will be fair to all Americans. But until that day comes, I will continue to fight to prevent outrages such as this.

The most incredible part of this whole debacle is that the new imputed interest provisions could results in no net gain to the Treasury. Original estimates by Treasury indicated that approximately $2.2 billion would be brought into the U.S. coffers over the next 3 years. However, this is a static analysis and a study commissioned by the National Association of Realtors indicates that Treasury could lose $2 billion over that same period.

I have heard the old expression, Mr. President, that figures never lie, but liars figure, so I am willing to concede that the true figure probably lies somewhere between these two extremes. I prefer to support the position that the realtors have taken, that there will not be that kind of loss. If that is the case, that would make the impact on the Treasury nonexistent. In the meantime, we will decimate the housing industry and cause serious financial difficulty for millions of Americans.

I urge my colleagues to join the Senator from Idaho.

At this time, I thank the Senator from Montana [Mr. MELCHER] for his valiant fight in moving in the direction that he did yesterday and the last couple of days. This is an important issue. There is always a time for compromise, and I realize the importance of that; but there is also a time to stand up for what is fair and right, and the Senator from Idaho is right in his position, and I compliment him for it.

Mr. SYMMS. I thank the distinguished Senator from Arizona. I appreciate his comments and support, as well as the support I have received from the Senator from Montana and the Senator from Minnesota in this field. As a matter of fact, 52 Senators, Republicans and Democrats, have cosponsored the position that is in the amendment before the Senate at the present time.

Mr. President, I will continue with some of the points I want to make before I summarize, and I will ask some questions of the committee chairman.

FAILURE TO DEAL WITH OTHER SERIOUS PROBLEMS

The compromise completely fails to deal with other serious problems of implementation of the new rules. For example, how are variable rate debt instruments handled? In such situations the parties cannot know when the transaction is made what the interest rates will be. These instruments play an increasingly important role in real estate transactions. The failure of the new rules or the staff compromise to deal with this issue will be a major

impediment to their use unless and until regulations are issued, which may not be for many months or years.

Another example is the failure to deal with the common occurrence of loan prepayments. What will happen if the buyer prepays the loan several years after a sale where, because of a foreclosure situation, the buyer had to sell with financing below the test rate and interest consequently was imputed and the basis of the property changed? In such a case, the seller would likely have a long term capital loss on the sale that he could not offset against the substantial income he could be deemed to get upon prepayment because of the $3,000 per year limitation on such offsets. This outcome would be unjustifiable and unfair, and punishes the risk takers of our society.

Yesterday, in listening to the discussion about whether or not we should vote for the Jepsen-Dole compromise and the Melcher proposal—and this Senator voted for both, because I suppose anything is better than nothing—I heard Senators on the floor, in private conversation, state that they were supporting the compromise because they thought it was better than prior law. They thought that the imputed rate of 9 percent would be repealed, entirely, for farms. In fact, farms will be worse off under the Jepsen-Dole compromise because they will go from 9 percent simple interest to 9 percent compound interest, which will be compounded semiannually. They will be allowed to use the cash method of accounting, but they were allowed to use that method of accounting prior to the passage of the Deficit Reduction Act of 1984.

I want to go through a few questions and make a point or two. I see that the distinguished chairman of the Finance Committee is not on the floor, and I would not expect that he or any other Senator would necessarily be able to answer all these questions.

Mr. MELCHER. Mr. President, will the Senator yield, without losing his right to the floor?

Mr. SYMMS. I yield to the Senator from Montana for a question, without losing my right to the floor.

Mr. MELCHER. For a statement.

Mr. SYMMS. For a statement.

Mr. MELCHER. I thank the Senator.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, at least we have taken the first step to get into position to correct the bad provisions on imputed interest rates.

We cannot forget the history of how we got to where we are now. The bad provisions that were put into the law on imputed interest rates went into law in June, with the 1984 tax bill. The Senate agreed to that. In the technical amendments of that bill, some of the poor imputed interest rate provisions were blunted by the amendment of the chairman of the Finance Committee, Senator DOLE. As part of that event, my efforts on June 29 to further correct the ill-advised provisions were thwarted by a successful tabling motion by Chairman DOLE.

While I have no doubt that the vast majority of Congress wants corrections in the remaining bad sections on imputed interest before adjournment, three points must be observed before that can be obtained.

First, seller-financed property sales are a necessity for many types of properties and many different kinds of situations. These are property sales that cannot be made through commercial lending institutions because they cannot be made at today's high interest rate. Knowing that sellers finance part or all of the sales at a lower rate of interest. These sales are not made to gain tax breaks, but are made because the seller needs to sell and the buyer cannot buy the property unless the interest rates are lower. Since the conditions of sale and the circumstances vary greatly, any restrictions imposed with respect to imputed interest rates must be thoroughly understood and evaluated by experienced accountants and tax lawyers before we adopt the modifications into law.

Until we were able to force this issue onto the Senate floor by calling for the regular order yesterday, so that I could offer an amendment to the debt ceiling bill, we had been unable to review the final language that Chairman DOLE, through Senator JEPSEN, is offering as the solution. While it has been said by the Washington lobbyists representing the realtors that I had been given a copy of this language several days ago, I must point out that that is only partially true, since each new copy of Chairman DOLE's proposal has been modified from day to day; and this latest and last version provided yesterday had grown from the original 15 pages to 21 pages in just 7 days.

Now that we have it before us for thorough examination, I have asked accountants and tax lawyers who work on various types of these seller-financed property sales to examine this language and see what corrections may be needed. I recommend to my colleagues that they do likewise. For my part, at least two necessary corrections are immediately apparent.

First, in this proposal, assumable loans cannot be made part of the future seller-financed property sales, and I find that highly objectionable.

Second, the 19 pages or the 21 pages of new language to correct the bad provisions on imputed interest rates are complicated and will likely lead to many additional pages of Internal Revenue Service regulations drawn to this proposal with respect to our intention.

Additionally, we must hew to the goal of making the proper corrections now before adjournment because leaving the problem to continue beyond this Congress will permit bad provisions to go into effect on January 1, which will thwart seller-financed property sales causing enough disruption in property sales which will jeopardize economic recovery.

Additionally, the Treasury Department estimates of revenue losses are based on their estimates of seller-financed property sales that have occurred during the past several years.

If the new provisions on imputed interest enacted into the 1984 tax bill would go into effect on January 1, there would probably be very few property sales made where the seller financed the sale.

The types of sales that we are dealing with are those sales by a homeowner or a homebuilder, a farmer or a rancher, small business or developer where in order to make the property sale a rate of interest lower than commercial rate has to be offered to attract the buyer on the basis of seller financing at lower rates of interest.

Place yourself in the shoes of the buyer and tell me whether Congress and the Internal Revenue Service should impose the minimum interest rate that you must pay. Or place yourself in the shoes of the property seller and tell me, should Congress and the IRS impose an interest rate that will not find a buyer, and if it did find a buyer, it means that you would have to pay income taxes on interest you did not receive.

This is too important an issue to approach in a haphazard or careless manner. We need to do the job right, and this means checking with the people involved to arrive at fairness and equity.

For the purpose of simplicity, the amendment that is before us now offered by the junior Senator from Idaho, an amendment that I shall vote for, is an amendment that has the beauty of simplicity.

It repeals those provisions on imputed interest rates in the 1984 tax bill. It takes us back to where we were in June of this year before that tax bill was passed.

Sellers and buyers and their agents know what the ground rules are under those provisions for seller financing. That is a distinct advantage. There is not any doubt, their tax accountants and their tax lawyers understand perfectly what the law was at that time. The disadvantage of the new provisions has been who knows what all it means until tax accountants and lawyers work with it this coming year? That is the most telling argument for the amendment before us right now.

Everybody would know what the rules are and everybody could contin-

ue on that basis and we would not have any blockage of economic recovery, such as we will have if we leave intact some of the provisions enacted in the 1984 Tax Act which absolutely prohibit any opportunity for seller-financed property sales.

The amendment that we have accepted in lieu of the language of the compromise language that I offer is very complicated containing 21 pages of text and certainly invite a host of new regulations by the Internal Revenue Service, and until we are sure of what those would be, we are still pretty much in the dark on whether we corrected the problem.

There are many reasons why we should consider this amendment and vote for it.

First, it is simple. Repeal simply turns the clock back to the period before the signing of the 1984 Tax Act. Sellers, buyers and their agents know what the ground rules are for sellers financing. Other approaches, in particular the Dole compromise, are agonizingly complicated. The Dole legislation itself runs 21 pages, and will create many more pages of new regulations and redtape for buyers and sellers of property. The complexity of the proposal, including two tiers of floating interest rates will result in many taxpayer mistakes and will cause taxpayers to suffer uncalled for tax penalties when they thought they were acting in good faith. At its worst, the complexity of the Dole approach will be enough in itself to discourage sellers from providing seller financing and will result in fewer property sales and a downturn in the housing sector of the economy.

Second, the need for new imputed interest rates and original issue discount rules has never been shown. Since 1979 I have challenged the Internal Revenue Service to do a study and submit it to Congress providing evidence of tax abuse in seller financing. They have never done this. When you ask why we need higher imputed interest rates, the Treasury responds that there is the potential for tax abuse in seller financing because the seller might write a contract so as to reduce interest income and increase capital gains. Where's the proof that this is happening? Neither Treasury nor the IRS has provided any. The fact is that the overwhelming number of people use seller financing at below market interest rates to help sell the property, not avoid taxes.

Third, the purpose of imputed interest rate rules is to stop tax abuse, and the current laws do that. The current laws on imputed interest rates set a minimum interest rate for deed for contract type sales at 9 percent. If a contract is written with lower interest rates, the rate is imputed by the IRS at 10 percent. This sets a floor for interest rates and avoids interest free or very low-interest rate loans that might legitimately be considered tax abuse actions. Stopping such tax abuse ought to be our goal, not trying to dictate that sellers use only market rate financing and then go on to tell them what the market rate has to be. This is the worst kind of government intervention in the free market.

Fourth, the new imputed interest rate rules are unfair and bad tax policy. Here are some examples:

A. BUYERS WILL LOSE LEGITIMATE INTEREST DEDUCTIONS

Section 1275 of the new tax law provides for the first time that if imputed interest rates are applied to the seller in a seller-financed mortgage that the buyer will not be allowed to deduct, as interest paid, any more than is written in the contract. This amounts to nothing less than a partial elimination of the mortgage interest deduction. Deductions for interest paid on mortgages is a basic part of our tax laws. A major policy change such as reducing or eliminating the mortgage interest deduction ought to be fully studied and debated in Congress, not included in the fine print of the 1,300-page tax bill. Buyers will for the first time lose their right to deduct the full cost of interest paid on mortgages under the changes made in the 1984 Tax Act.

B. LOAN ASSUMPTIONS

A Treasury official was quoted in a September 15 Washington Post article as saying that, "Treasury interprets the 1984 Tax Act to give them authority to impose the new imputed interest rate rules and original discount rules to assumptions of mortgages on real property." First, the right for a seller and buyer of a piece of property to arrange for the assumption of an existing mortgage is a basic part of our housing economy and has been for many years. Second, there was no language in either the Senate tax bill or the House tax bill, to the best of my knowledge, that provided this authority. The only mention of loan assumptions was committee report language. I don't believe that Members of the Senate intended to make loan assumptions subject to rules that will dictate mandatory higher interest rates.

C. THE NEW LAW TAXES "PHANTOM" INCOME

Provisions in the new imputed interest rates rules unfairly tax some sellers for income that has not been received. The rules setting out the requirement for accrual accounting in the new law actually requires that some sellers, particularly builders of new homes, to pay taxes on interest income before it is received in the sale of principal residences. There is not mismatching of deductions and income between the buyer and the seller in this situation because the buyers of a principal residence cannot depreciate it or take investment tax credits. Nor can homebuilders qualify for capital gains treatment of their income under the Tax Code. Rather than remedying a tax inequity, the new law creates a tax inequity because the seller will be taxed on income that has not been received while the buyer will not be allowed a deduction at all for payments made to the seller.

Fifth, undiscovered problems. One of the major problems with the imputed interest rate provisions and the new original issue discount rules is that they are so complicated and far reaching that we still don't know what all of the negative impact on housing of these tax changes will be. Almost, every time a tax lawyer takes another look at this legislation, a new set of problems is found. These provisions should be repealed before they go into effect on January 1, 1985, and then they can be looked at very carefully next year. There is no good reason to let them go into effect until the Senate is satisfied that it understands the full impact of these changes.

Sixth, similarity to the problems with withholding taxes on interest and dividends. The problems created by these new imputed interest rate provisions could have been avoided if the Treasury had concentrated on authority to catch tax cheaters rather than push for a law that penalizes the overwhelming number of ordinary people who pay the taxes they owe in order to catch the few that may be cheating. This wouldn't sell when it came to withholding on interest and dividends and it shouldn't on imputed interest rates.

Seventh, good tax and economic policy, not merely raising revenue for Treasury should be the goal of the Senate. It's not difficult to raise a lot of new revenue. It was done in both the 1982 and 1984 tax bills. The Treasury and IRS have files full of proposals to raise revenues. But, the Senate should not go along with proposals that are clearly bad tax and economic policy just to meet some arbitrary target for new revenue. This just gets us bad tax laws that must sooner or later be repealed.

Mr. SYMMS. Mr. President, if the Senator will yield, I wish to pose some questions. The distinguished chairman of the Finance Committee is here now.

Mr. MELCHER. I yield.

Mr. SYMMS. Mr. President, I thank my colleague from Montana.

I think he makes some good points for simplicity. I am going to propose a few questions here and maybe some of them the chairman of the Finance Committee would care to answer. If he does not care to answer, I will ask the questions simply so my colleagues will recognize the complications that they are going to be asked to answer if we do not simply go back to June 1984 and then start over with this.

For example, does the $4 million exception count all debts included in the sale, so that the sale with $5 million total debt—and only $4 million seller financing—does not qualify? That is the kind of a question that is going to be asked. I would say how will that be treated? I pose that question to my colleagues.

Another question: what happens if the term of the seller financing is more than 12 years? What are we going to do? How are balloon payments going to be treated? Does this exemption apply to all investment property so that the seller of a duplex is expected to be as sophisticated as a seller of an apartment complex?

These are the kind of questions that I think are going to be posed. I know it is difficult to have answers for questions like that. But those surely as night follows day are the kind of questions that will come up as a result of passage of this legislation.

I see the distinguished chairman and I am not trying to cause any problems for the distinguished chairman here only to point out that the reality of this is that the Washington lobbyists, the so-called experts that signed off on this thing in the heat of the night the other day had not even read the 19 pages of the legislation when they agreed to the compromise. Everybody has to survive and everybody has to do what they have to do and I respect them for that. But I am just stating a fact here that every time we pass another tax law here in Washington, we make it more complicated for the very people who we represent.

I am sure that the Senator from Ohio or if not he, someone else is going to get up and talk about some abuses that take place in the current law that has been on the books since 1964.

All I would say to that is there may be a few abuses but I think that we have to recognize that 99.9 percent of the transactions in the United States that take place in the sale of property, equipment, commercial, farms, residence and so forth are not tax motivated. They are simply businessmen, farmers, et cetera who are trying to do business, trying to sell their home, trying to participate in our society. If we as Members of this body decide to stay with the compromise and not support repeal, I just wish us all luck in trying to explain to our constituents how this law is going to work.

The last law that passed as one Member of the Senate I will be happy to say I could not explain it, and I say that most Senators in here could not explain what happened last summer. I just think that is not unusual when you pass a 1,300-page piece of complicated tax legislation, I would like to pose another question. Generally loans made before October 15, 1984, can be assumed by the first buyer and subsequent buyers without any imputed interest to the buyer or seller. Only the buyer, not the seller, has imputed interest if he assumes loans made after October 15, including loans made under the exemptions for farms, homes, businesses, and commercial property. There is not imputed interest if the debt cannot be repaid without penalty, but most States give the buyers the right to prepay after 3 years.

The question is, why are future assumptions subject to imputed interest? Why would that be? Why is that the case? If the loans are made after October 15 cannot be assumed freely what are or will be the imputed interest rate rules to buyers and sellers? There is another problem, in order to qualify for both the 9-percent exemption and the real estate exemption both the seller and the buyer must report the transaction as cash basis taxpayers.

What if one of the parties is on an accrual method? Must he or she change to a cash method for all transactions and get IRS approval?

I would say that is a question the distinguished chairman may wish to address; maybe he does not.

What happens if one party does not report on the cash method? What is the effect on the part and what is the effect on the other party? These are the kinds of questions that need to be answered.

How does the seller know if his sale qualifies for exceptions? What does he do, call a lawyer, accountant, or the IRS in order to sell something? I mean, we are viewing this—and the tax theorists at the Treasury—God love them; I hope he does, because it makes it very difficult for the rest of us to, I can assure you—take the assumption that somehow everything that takes place in the United States is some kind of tax shelter or tax abuse. And then you hear all of these numbers about how much money this costs the Treasury. And I would say that if you close the market, the Treasury will not get anything. And 70–80 percent of the real estate and commercial property, farms, ranches, and residence sales taking place in my State today are totally or partially seller financed, yet we are coming in here and throwing in a myriad of new rules. If it is a 19-page or 21-page piece of legislation, it is going to be 500 pages of regulations. That is what we are going to throw at our taxpayers out there and the people who are trying to do business. They may not find out for 2 years hence what the tax liabilities are that they may have if they do business in the next year.

Another question: How can the seller ensure that a buyer will use the property in the "active conduct" of farming? Does "active conduct" of farming include cash rent by the buyers? But what if the buyer lies and says he is going to farm but he does not, does the seller then have imputed interest? What happens if the buyer quits farming a year or 2 after the purchase and decides it is not profitable to farm and so he stops farming? What does the IRS do, go back to the seller and say, "Now, you have to impute this interest; you can no longer have the exemption that is in this bill"?

Why is there a minimum of 10 percent ownership requirement and why does the seller only get part of the $2 million exception? If a seller owns two farms, can he sell both farms or can he sell one farm?

These, Mr. President, are questions that we are going to have to answer. That is why I appeal to my colleagues that they just accept the simple repeal and save themselves and their constituents all across this broad land a great many headaches.

Are there any restrictions on the sales related to parties at 9 percent? In the case of trades or businesses with sale prices under $1 million, corporations and partnerships can have up to 35 shareholders or partners. The seller must own at least 10 percent and sell his entire interest, including all other interest in substantially similar businesses. If there is more than one owner, the seller only gets his proportionate share of the $1 million. In effect, the seller must be getting out of business.

So, in other words, let us say somebody owns two grocery stores or two anythings that are in a similar business and he would like to get rid of one location so he decides to sell that. Then he is not qualified for the exemption. So we put him in a disadvantaged situation in order to sell his property. This is a real interference and a deletion of freedom, I might say, to those property owners that may, for whatever reason that might escape those of us in this august Chamber choose to dispose of some of their property. It may be totally unrelated to the market or to the profitability of the business. It may have something to do with the person's own personal decision of why they wanted to dispose of one site.

The compromise states that if they do not get clear of the business, they cannot participate in some of the exemptions. Now, because the seller's ownership must be readily established, can a sole proprietorship qualify for 9 percent seller financing? Does the exception apply only to the sale of ownership interest? If so, what are the imputed interest rules for the sale of assets, both personal and real property? If not, what are the rules for the sales of personal and real property?

Those are questions, Mr. President, that should be answered before this Congress acts on this issue and that

should have been answered last summer before we acted. But they were not, so now I am just asking this body to go back to June 1984 and use the same law that has been on the books for the last 20 years. Somehow we have gotten by for the last 20 years without changing this.

Let me give you another question. If the seller owns three factories or stores in different cities, can the seller only sell one of those three at 9 percent? According to the way I read it, they have to sell them all. They cannot sell one. That is a real interference with someone's personal ability and freedom to do business in a free enterprise system, if you are going to tell people what they can or cannot do and punish them under the tax laws.

What are "substantially similar" businesses? Does it depend on the product? Is it consumer goods versus industrial goods? What type of business, manufacturing versus wholesale versus retail?

Mr. President, it occurs to me, as I ask these questions, that the reason the lawyers from Washington, DC, lobbying firms sign into a piece of legislation like this is because it is going to make a lot of money for a lot of lawyers. We are going to have to have one for every 100 of us or more out here in our society to take care of all of us.

I read an interesting article on that subject one day. The article stated that in Japan for every 1,000 engineers they train, they train 100 lawyers. In the United States, for every 1,000 engineers we train, we train 10,000 lawyers. I think it ought to be pointed out that we are making this thing more complicated than necessary. It just seems to me that we ought to use a little common sense once in a while around Washington, DC, and ignore all of these lobbyists that run around this town and tell us to make a compromise and get some kind of a deal and simply clean this thing up and go back to where we were last year.

Mr. President, I have just two or three more questions I want to pose here for my colleagues on this subject. Any time the distinguished chairman or any other Senator wishes to answer these I will be happy to have them do so. But I will pose them for the RECORD and then my colleagues can look at the RECORD and know that at least if they choose to vote with this Senator, that they will have had some questions posed that will support their vote for repeal.

Why must the seller sell the entire interest? What if the seller owns 100 percent and wants to sell the controlling interest to his children or to someone else to keep this business at least in the hands of the people in whom he has confidence? Are there any rules that would affect sales to family members? The compromise states that only certain types of sales will be allowed at 80 percent of the T-bill rate. This applies only to sales of land and depreciable real estate, commercial, and investment property. The total amount of all debt financing, including seller financing, must be less than $4 million. The term of the note, including extensions and renewals, must be no more than two-thirds of the depreciable life, such as 12 years for buildings. The exception does not apply to sales between related corporations or individuals. Do these rules apply to both someone who owns a duplex and someone who owns an apartment complex? Another general rule under the compromise is that if the seller does not charge the interest rate of at least 110 percent of the comparable T-bill rate, the IRS will impute the interest at 120 percent of the comparable T-bill rate.

The exceptions to that rule are that sellers can charge 9 percent on sales of homes, farms, and businesses under certain conditions and limits. Sales of other real estate commercial investment property can carry a rate equal to 80 percent of the T-bill rate, currently about 10.5 percent.

The sales allowed at 9 percent are personal residences, with a sales price under $250,000, a home must have been the principal residence for 2 years before the sale. Vacation homes can be sold at 9 percent so long as this property was never depreciated. Note, a vacation home that is depreciated will not be eligible for the exemption. Now, Mr. President that adds another complication.

I might say that I can understand why the homebuilders and realtors in my State, in areas like Ketchum, ID, would want repeal, because much of the commercial activity that takes place in many areas where there are ski resorts and other types of recreation are vacation homes. There are many good people that earn an honest living, working hard in the business of simply buying and selling and building those properties, and yet a great many of those are seller financed and we are going to impose on them a great many rules and restrictions.

Now, another question that ought to be brought up: why is the exemption based on the sale price instead of the amount of seller financing? Can a vacation home be sold at 9 percent if it is depreciated under the rules of section 280(a); that is, only used by the owner 2 weeks a year? What if the vacation home qualifies for depreciation under section 280(a) but no depreciation is actually taken? If a vacation home cannot be sold at 9 percent, what imputed interest rates will apply?

The compromise states that with respect to farmers, with a sales price under $2 million, the farm must be used as a farm for 3 years before the sale, and the buyer must use it in the active conduct of farming. The seller must own at least 10 percent of the farm and must sell his entire interest. If there is more than one owner, the seller only gets his proportionate share of the $2 million exception. Why is there a 3-year test? What will determine whether the property has been used as a farm for the past 3 years, the land or the seller—can the seller have a cash-rented farm and still sell it at 9 percent? I say, Mr. President, what you are doing is inviting the Internal Revenue Service to have to send an agent out to check every single real estate or commercial business transaction that has taken place that might apply for this exemption.

In another circumstance, I would like to ask the chairman of the Finance Committee, Mr. President, what happens in the case of a major construction project, such as an office or apartment building. In these projects, financing is not done by simply going to the bank and taking out a loan. What happens is that investors, which oftentimes include a financial institution, will loan money for the construction project at a certain rate, but they also want a percentage of the profits. For example, a bank might lend money at a 12-percent rate, but they will want a certain portion of the income/rents from that building once it is built.

In a situation such as this, how is the income from rents treated? Is that supposed to be imputed? If it is, wouldn't that drastically increase the 12-percent rate to much higher levels?

Also, how is the 12-percent rate treated as for as the lender is concerned? Does the lender get to deduct the increased interest cost if that cost is borne by the developer? How is the income from the rents treated?

And then what happens in a situation where the owner of a building brings in a renter and says, "If you will bring your business into my building, I will give you 6 months rent-free to get you over there, because the building is laying vacant anyway." Under the OID rules, the owner of the building is going to have to pay taxes as though he was receiving income from rent even though he is not. I cannot understand how we can get ourselves in a situation like this.

No one is answering these questions, Mr. President. I think the reason the people are not answering these questions is that the answers will be ground out by little green-shaded bureaucrats down at the Treasury and the IRS harassing the very people that we are here supposedly helping.

Mr. President, I think I could go on and on. I may speak later to this issue. But I appeal to my colleagues. I am sure the distinguished chairman has some plans to either amend my amendment or table it.

But I ask my colleagues in closing my remarks to consider what the situation is here. We passed a law last summer. This Senator did not happen to vote for it. But the majority of the Senate did. Within that law was the portion that changed all the rules which deal with imputed interest and the original issue discount provisions of the code.

Prior to the law we had a great deal of lobbying around this town by the real estate and homebuilding industry. At the time when I was lobbied, I told them they should be more concerned about this issue than about the proposal to increase the depreciation on real property from 15 years to 20 years. I received very little response from anybody in the industry. When the people from my State came back here I told them that the Federal Government is moving toward something that Treasury has wanted to do for years, that is to tax everybody on the time value of money and make them pay up front, whether or not they actually make any money. They want to tax them. Anyway, the law was passed. Then all of a sudden the real estate industry, the homebuilders, and everyone recognized there was a real problem out there because of the massive importance of seller financing to financial transactions in every sector of our economy. So we have made this effort.

There are 52 sponsors of this legislation to repeal the provisions enacted last summer. There are over 300 in the House. The Congress is clearly saying they would like to repeal these provisions. We now have a situation where a staff-Washington industry lobbyist compromise was worked out. I compliment my colleagues who have tried to achieve some sort of compromise. I only think that the compromise is overly complicated. I say that after all the questions I have posed.

I suppose that the compromise is better than the current law as passed last July. But I think we can do better than that.

I compliment Senator DOLE for his efforts on this. I compliment Senator JEPSEN for his interest and efforts on it.

Mr. President, I ask a parliamentary inquiry. Have the yeas and nays been ordered on the amendment?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. SYMMS. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SYMMS. Mr. President, I yield the floor.

Mr. DURENBERGER addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DOLE. Would the Senator yield for a moment?

Mr. DURENBERGER. Yes.

Mr. DOLE. I say at this time I do not want to impose on the Senator's time, but if the Senator from Idaho will give us the questions that have been proposed, we will attempt to provide answers. I think they are questions that should be answered. But I must say there were a lot of questions even under the old law that had to be resolved by accountants and others. I do not want to suggest the old law is very simple and some other new law is complicated. But if we can have a list of those 15 or 20 questions that have been given to the Senator from Idaho, we will be happy to try to provide some answers during the course of the day or tomorrow or sometime later on in the week.

Mr. DURENBERGER. Mr. President, I indicate to the chairman of the Finance Committee that I may have a little list to submit to him, too. They may be duplicative. I will be glad to send the list down.

Mr. President, I want to thank my colleague from Idaho for the generosity of his comments about the issue that lies before us today; that is not only the generosity toward the chairman of the Finance Committee, who has been working since June 29, having helped us create a problem and now working hard trying to help us resolve that problem, but also his generous comments toward a lot of the other people who have been involved in that process in one way or another.

Mr. President, I rise to speak in support of the repeal, not necessarily because I think it is a great idea to go back to pre-deficit reduction act law, but because I think the process of making law in the area of seller financing of real estate that I have observed between June 29 and today is just a lousy way to run a railroad and certainly an incredible way to do the public's business.

The chairman of the Finance Committee has talked earlier this morning about how we need to address this issue because we are facing tax loopholes. On Friday he talked about the tax-free, tax-sheltered millionaires out there in the business, the implication being that seller financing of real estate has somehow created a whole new class of millionaires in America. The reality is that just ain't so. I mean seller financing was in this country long before we found the Government involved, in one way or another, either through its tax policy or through a variety of agencies of government, in providing means by which property could be sold between sellers and buyers who would without Government arrange their own financing.

So the reality is we are making millionaires in this business in a couple of ways. One, over the last 15 years or so in particular we have been making them with inflation. You go back and look at Forbes or some of those magazines that write about who the millionaires are in America, and a fair number of them were not made by the sweat of their brow. They were made by inflation.

Of course, the second way we have been making millionaires is by the way we have been using the Tax Code in this country. That does get us into the chairman's remarks about loopholes.

I am going to take just a couple of minutes to share with my colleagues, except for those who may be smarter than we are and are at lunch today, a little bit about the impact that inflation has had and how we have responded to that inflation because I think it is an important rationale for not messing around with seller financing at a time in the history of our country when that is one of the very few means of financing transactions available to us.

Before the Depression, a lot of Americans were renters. Those who were not renters and could buy a home, they paid 50 percent down, and they paid the balance over 3 or 4 years. A lot of those arrangements were between buyers and sellers or maybe with the help of the hometown bank.

But when the Depression hit us, home mortgage foreclosures swept across this country and in a variety of ways the Government got involved. The Roosevelt administration created the Federal Housing Agency, and eventually the FHA created a 30-year mortgage.

Pretty soon, we had those houses you could buy with nothing down and payments stretched over 30 years. Everybody in the country could become a homeowner. The Federal Government made all of this possible by guaranteeing loans, and if there was a default none of the bankers ever lost their money because the Federal Government was always around to make it good.

In the early years, mortgage payments were almost entirely interest. To ease the burden and encourage more home ownership, the Government made mortgage interest deductible. It is not surprising that we have a lot of people on this floor talking about homeowners and the problems they are facing. Nobody could pass up a deal like America was offering for home ownership in this country.

It is a national policy in this country to get your name signed up for 30 years.

Mr. President, I am going to give you one family to show you how wonderful this has been for all of us. Ten years

ago the family bought a home with an FHA loan that cost $34,000 with 5 percent down. Their initial investment was negligible, and the payments were $400 a month, $4,800 a year, almost all of that being tax deductible. Their costs were really $3,600 a year.

Last year, with two-thirds of the mortgage left they sold this house for $125,000. They got a $91,000 capital gain in 10 years for an initial investment of next to nothing.

You subtract their annual cost of $3,600 from their annual gain of $9,100 and they were making $5,500 a year just being a homeowner.

Where did the $5,500 come from? It was not produced by the house. Once the house was built, it just sat there. Other than making a smart investment in the right suburb of the District of Columbia or some other city, the family really did not do anything to make $5,500.

Where did it come from? You know the answer to that. It was borrowed. In one national spiral of borrowing arranged by FHA and the Tax Code, this family now came out $55,000 ahead in just 10 years.

Mr. President, that is a true story and it has been repeated all over America many, many, many times. It has been replicated beyond housing in the area of business financing, commerical office buildings, you name it. That is how we made millionaires out of everybody in this country who has been smart enough to use this system we created.

We face a problem now as we try to come to grips with inflation. We used inflation to crank up the American dream and make it possible for everybody. Now we have decided to do war on inflation. So we have ourselves a big problem.

Logically, if you did war on inflation and you attacked all of these subsidies and loopholes and programs, the price of everything would come down.

Well, we cannot let the price of everything come down or there would not be any business for a lot of folks sitting in the gallery who represent people who buy and sell homes and other kinds of real estate investment. So we have to keep that part of inflation up.

But we do not do it for a lot of people that the Senator from Montana, the Senator from Idaho, the Senator from Kansas, and I represent.

There is a whole bunch of folks out there, who I will call the American farmer. In the 1970's, the American farmer shared a spot right at the top of this up escalator with the homeowner. We had massive exports early in the decade, encouraging every farmer to plant for the world market, young farmers convinced the only way to get ahead was to expand, plant hedgerow to hedgerow. We brought 50 million acres, about one-sixth of the total farm acreage in this country, into production in that 10-year period of time. Again we set off a spiral of inflation and borrowing.

There is a helpful statistical relationship between the value of farmland in my State of Minnesota, for example, and outstanding farm debt. Early in the 1970's, the value of the typical acre on the farm in Minnesota was about $200. At that time, total farm debt in the State was a little under $2 billion. By the end of the decade, the debt climbed to over $10 billion and the value of an acre climbed to $1,000.

When you look at the charts, debt and value climbed year by year, together, right up the ladder.

But there was a third factor that made this possible. That was the exports. Farm exports are an important part of national policy, one of the principal elements we have been using until recently, at least, to keep our trade balance in balance.

The oil embargo forced energy outlays up and part of the answer was to raise farm exports. When the Third World was crushed with the high price of oil, part of the policy was to lower the price of farm goods.

All of that peaked out in the end of this decade. We had wound this spiral up so tight we could not push it another notch for the farmer.

The Fed decided that tight money must be used as a discipline. Interest rates went up to 20 and 22 percent, and that took the value of the dollar up right along with it. While the rest of the economy staggered through with difficult adjustments, the farmer was being wiped out because to him high interest is a double whammy. Not only did it have an impact on the cost of his money, but it also destroyed his market. Hungry nations simply cannot afford U.S. wheat priced in U.S. dollars.

The value of agricultural land in Minnesota has dropped by a third to a half because there is no longer an expanding market for the commodities that land produced. In Minnesota alone, the loss in farm equity over the last 2 years is $7.448 billion, $7.5 billion lost in 2 years. That is $72,275 for the average 300-acre farm in my State. It is just a little more lost than the homeowner I was talking about made on his investment over the last 10 years.

The point, Mr. President, of these two examples is simply that our propensity to borrow and to do it in an economy that defends some and forgets others is having massive economic effects that are hidden from most of us most of the time.

What we are failing to do in the middle of this political campaign when we are debating aid, Social Security, deficits, and blaming everybody else for the problems, is we are just not facing up to the problems the deficits have created for all of us.

I say all of this, Mr. President, because I am going to appeal to you in just a minute to forget about all of this seller-financing business. It is important to the tax code. It is important to the chairman of the Finance Committee because he has invested a lot of time in it. It is important to the staff because they have put in a lot of time. It is important to the lobbyists up there because they have put in a lot of time. All kinds of folks have invested a lot of time in this issue and time is running out.

When I came to the floor, the rumors were that maybe we could get out by 1 o'clock. Would not that be a miracle, to get out at 1 o'clock instead of Thursday? All we have to do is take the Jepsen compromise and we can all get out and go do something else.

I do not intend to talk the rest of the day just so we can get past 1 o'clock, but I do intend to try to make a point to my colleagues that the options here are not just between STEVE SYMMS, who says let us go back to where we were before June 29 and then maybe in a more rational period of time we can do it right, and having to buy into the notion that in that period of time STEVE SYMMS is protecting a lot of millionaires, tax-sheltered, tax-free folks out there who somehow are ripping off this system through the system of seller financing.

If seller-financing is a loophole, it certainly was not very much talked about around here, it was not a prominent part of the revenue side of the President's budget. It may have been there, but I do not remember seeing it in his budget recommendations, how to close these loopholes.

Mr. President, we spent 6 or 8 weeks in the Finance Committee markup and I did not hear a lot of discussion in markup about closing this particular kind of a loophole. I will acknowledge that if it was in the President's budget, it came from Dave Stockman because Dave has his finger on every possible loophole or subsidy. I give him credit for that because I am not trying to defend this as one legitimate kind of subsidy.

Mr. President, I am just trying to make a point to my colleagues that maybe we are missing a point here about how we have set the rules for debate on this kind of an issue.

We have been through a Presidential debate, so-called, because all of us agree that it was not a debate. The rules of debate were not followed, but the folks on either side got together and they set the terms for something and they decided to call it a debate. We have the same problem here on making a choice between the Senator from Idaho and the Senator from Kansas. We have 100 different ver-

sions of what the terms of debate really are.

The way, as I understand it, the terms of the debate got set, the day we passed the enrolling legislation for the Deficit Reduction Act conference report. We did not talk about it in Finance Committee markup or maybe we talked about it on the day I was not there, but I do not recall it as a big loophole-closing deficit-downpayment reduction. But when we got together in this Chamber to vote on the work of the deficit reduction bill conference committee, we found that the Treasury was going to be successful in closing some of the so-called seller-financing loopholes. And at that meeting in this Chamber, and I presided over part of it, the terms of the debate were set.

Somebody stood up and said, hey, you are going to stop us from selling our homes. Somebody else got up and said, what are the farmers going to do about selling their farms? So the terms of the debate got set in terms of homes and farms, which is why I used the examples earlier in my comments today, and somebody else said what about my small business which I cannot sell at market rate. The issue was phrased in terms of business property rather than in terms of people. Nobody looked at it in terms of a person who may own a home, and a farm, or a business, or some combination of property.

As a result, the compromise, so-called, was drafted in those same kinds of terms, in terms of homes of one kind or another, in terms of farms of one kind or another, in terms of businesses of this size, that size, or some other size. But it was never really put in the context of individuals.

This piecemeal approach of carving out areas made the compromise so complex that it will require a battery of tax lawyers just to tell us days from now what it really means, and the people who want to sell property will have to seek counsel to make sure they do not run afoul of the new law.

Solutions developed in the manner that this compromise was—11th hour negotiations and hurried backroom drafting—often result in bad long-term policy. This compromise is bad tax policy as it in effect makes the Government a party to the sale of property. It is bad economic policy because it imputes a high rate of interest to contracts which is contra to letting the marketplace set the rates. It is bad economic policy because the high rates of interest imputed will tend to set a floor for interest rates making it difficult for rates to decline.

Another result of the way this compromise was drafted is that because of the way the carve-outs were done, different results happen for people who think they are situated similarly. Let me give you some examples of what I mean.

Two taxpayers own homes with a value under $250,000. One taxpayer is transferred and has to rent his home for 8 months before he can find a buyer. This taxpayer does not qualify for the 9-percent test rate while the other taxpayer does.

Two taxpayers own vacation homes valued under $250,000. One depreciates his under section 280A, the other does not. The taxpayer who uses section 280A can't get the 9-percent test rate.

Two farmers with farms valued at under $2 million. One farmer close to retirement lets his farm lie fallow for a year before he sells it. He does not get the 9-percent test rate.

Two farmers with farms valued at under $2 million. One sells to a buyer who does not farm the land. The other sells to another farmer. Only the latter qualifies for the 9-percent test rate.

Farmer who sells his farm to his son and leases it back until he retires will not qualify for the 9-percent test rate.

Businessman who has two stores dealing in the same line of goods can't sell only one of them and qualify for the 9-percent test rate—he must sell them both.

Why must the seller sell entire interest? What if seller owns 100 percent and wants to sell controlling interest to the children to keep it in the family?

Two taxpayers with small apartment complexes. One sells his with a $3.5 million note for 12 years. One sells his with a $3.5 million note for 13 years. The latter taxpayer does not qualify for the 80-percent test rate.

Two taxpayers with small apartment complexes. One sells with a $3.5 million note to a stranger. One sells with a $3.5 million note to his brother. The latter does not qualify for the 80-percent test rate.

I worked on this issue in an effort to make this area of the law simpler so that taxpayers would at least be treated the same if they were in essentially the same position.

However, my amendment costs about $50 million more than Senator JEPSEN and Senator DOLE'S compromise. But if this amendment costs more than the compromise, it is a small price to pay for simplicity and a clear safe harbor for those who need relief from the government intervention of imputed interest.

The Treasury Department and the Finance Committee chairman argue that the imputed interest and OID provisions are necessary to prevent tax abuse. This amendment retains prohibitions against what everybody agrees is the largest area for tax abuse—the mismatching of the seller reporting interest and the buyer deducting the interest payment.

What about the concerns of the people who have to live under this law? This amendment sets up a simple safe harbor exemption. It takes care of the farmer, the small businessman, the homeowner, and so forth, by providing that as long as the $1.5 million limit of seller financing is not exceeded in the taxable year, the transaction is subject to a 9-percent test rate.

I want to stress how simple this is.

It does not matter what kind of property is being sold.

It does not matter what the value of the property is. One only looks at the amount of seller financing.

This amendment just draws one line—below this line the test rate is capped at current law—9 percent. Above this line, the test rate is 80 percent of the applicable Federal rate.

One can argue that having such a simple but effective test will allow the big real estate syndications to have too much of a break.

Who are we kidding—this $1.5 million limit is designed to effectively protect the people who need below market seller financing in order just to sell their farms and small business. Without protection from imputed interest, these transactions will come to a halt as the interest rate climbs. Sure, because of simplicity, a small percentage of a big transaction can have a 9-percent rate, but just because an occasional big fish slips through the net does not mean you should throw it away.

My amendment did not get offered because the will of the Senate was to support the compromise. Last evening I ended up voting for the compromise—imputed interest is that bad.

However, I urge my colleagues to support the effort of Senator SYMMS. Then we can come back and maybe craft a better law, one that looks at people instead of property with the result being an easier law for the American people to deal with.

Mr. President, regardless of my view about the compromise, I compliment the able chairman of the Finance Committee and its staff for the hard work that they have done in trying to resolve this issue. In closing, I would like to indicate that if the repealer is successful and if people are still interested in improving on past law, my amendment that has been floating around for several days would do just that, and I suspect it might even be supported under certain circumstances by the Senator from Idaho.

AMENDMENT NO. 7092

(Purpose: To repeal the changes made to section 483 of the Internal Revenue Code of 1954 by the Tax Reform Act of 1984)

Mr. SYMMS. Mr. President, I thank the Senator for yielding. I send a perfecting amendment to my amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Idaho [Mr. SYMMS] proposes an amendment numbered 7092.

Mr. SYMMS. I ask unanimous consent that further reading be dispensed with.

Mr. METZENBAUM. Objection.

The PRESIDING OFFICER. Objection is heard. The clerk will state the amendment.

The bill clerk read as follows:

At the appropriate place in the joint resolution, insert the following new section:

SEC. . REPEAL CHANGES TO SECTION 483 BY TAX REFORM ACT OF 1984.

(a) IN GENERAL.—Section 1274 of the Internal Revenue Code of 1954 (relating to determination of issue price in the case of certain debt instruments issued for property) is hereby repealed.

(b) CONFORMING AMENDMENT.—Subsection (b) of section 41 of the Tax Reform Act of 1984 (relating to amendment of section 483) is hereby repealed and the Internal Revenue Code of 1954 shall be applied and administered as if such subsection (b) (and the amendment made by such subsection) had not been enacted.

(c) Paragraph (4) of section 1273(b) of such Code is amended to read as follows:

"(4) OTHER CASES.—Except in any case to which paragraph (1), (2), or (3) of this subsection applies, the issue price of a debt instrument which is issued for property shall be the stated redemption price at maturity.".

(c) EFFECTIVE DATE.—The Internal Revenue Code of 1954 shall take effect as if included in the amendments made by section 41 of the Tax Reform Act of 1984.

Mr. SYMMS. Mr. President, I ask for the yeas and nays on my perfecting amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, the time is now more than 30 minutes past the time I announced earlier I planned to go into executive session to take up the Genocide Convention. I would like to do that at this moment.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I thank the Senator from Minnesota. As I indicated earlier and I see the minority leader is on the floor, I am prepared now to go forward on the Genocide Convention.

I ask unanimous consent that the Senate go into executive session for the purpose of the consideration of Calendar Order No. 37.

The PRESIDING OFFICER. Is there objection?

Mr. MELCHER. Reserving the right to object, Mr. President, and I shall not object. I think it is only fair to say that some of the needed legislation that must pass this year has to be attached to something. I do not want to burden the chairman of the Finance Committee with too many other matters. I think imputed interest rates do belong on this vehicle.

For instance, there is a sodbuster bill that we passed through committee and on the agriculture appropriations bill. It still has not been enacted into law. We would like some vehicle on which to attach that. I just wish to draw that to the attention of the majority leader, because before we are done, we do want an opportunity to pass that bill.

Mr. BAKER. Mr. President, will the Chair put the question?

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to the consideration of executive business.

INTERNATIONAL CONVENTION ON THE PREVENTION AND PUNISHMENT OF THE CRIME OF GENOCIDE

The PRESIDING OFFICER. The clerk will state the treaty by title.

The bill clerk read as follows:

Convention on the Prevention and Punishment of the Crime of Genocide.

The PRESIDING OFFICER. Under the rule, the treaty will now be considered as in the Committee of the Whole article by article. The clerk will state article I.

The bill clerk read as follows:

ARTICLE I

The Contracting Parties confirm that genocide, whether committed in time of peace or in time of war, is a crime under international law which they undertake to prevent and to punish.

The PRESIDING OFFICER. Are there amendments to article I?

Mr. BAKER. Mr. President, would the Chair recognize me for a moment?

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, perhaps it would be in order at this time to explain as best I understand it how the Senate will proceed now in executive session to consider this convention. The Byrd precedent has been utilized to take us into executive session for a specific purpose. That is to consider the Genocide Convention.

The Genocide Convention has been reported. Now, as in a Committee of the Whole, as I understand it, the Senate will proceed to consider each one of the articles separately, one at a time, and amendments to those articles may be offered. But if no amendments are offered to each article, the Chair will automatically report the next article, and so on, until the convention is completed. After that is done, there will be a resolution of ratification and that will be voted on.

At this point, we are in effect acting as a Committee of the Whole, and each article will be presented one at a time. But after that process is complete, then the resolution will be subject to amendment.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. BOSCHWITZ. After the reading of all articles, it is my understanding the convention would also be subject to amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. BOSCHWITZ. Prior to the consideration of the resolution.

The PRESIDING OFFICER. The Senator is correct.

Mr. SYMMS. Mr. President, may I make a parliamentary inquiry?

The PRESIDING OFFICER. The Senator from Idaho is recognized for a parliamentary inquiry.

Mr. SYMMS. Mr. President, if I understood the majority leader correctly, the rules of the Senate require us to proceed as though in a committee of the whole, reading and considering the convention article by article?

The PRESIDING OFFICER. The Senator is correct.

Mr. SYMMS. We will read article by article?

The PRESIDING OFFICER. The Senator is correct.

Mr. BOSCHWITZ. Mr. President, if I may proceed.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. BOSCHWITZ. The first article has been read, and there were no amendments, as I understand it, offered to the first article. There were no opening statements made, so we may get them later. But now the second article is before us, is that correct?

The PRESIDING OFFICER. The second article has not yet been read.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I know there are certain Senators who wish to be present, and they are not on the floor. Before we proceed with the reporting of the next article and while the first article is still pending, I think it would be well to have a quorum call so that we can let everyone know we are proceeding as in the committee of the whole and that we are on the first article; that those who may be listening on their speakers in their offices should know the convention is before the Senate; that we are in a committee of the whole; that the first article is pending.

Now, Mr. President, I will recommend, if the managers are agreeable, rather than suggesting the absence of a quorum in order to gain time to let Senators know of the status of this matter, we have opening statements, and then before the first article is disposed of we will check again to make sure all interested parties are present

and aware of the parliamentary situation.

If that is agreeable to the two managers, I am going to yield the floor, and they may proceed.

The PRESIDING OFFICER. Who seeks the floor?

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, today the Senate has an opportunity to do what it should have done 35 years ago—give its consent to the Genocide Convention. We can all agree, I hope, that genocide—the killing of an entire people—is the most horrible of all crimes. Unfortunately it is a crime we have seen too often in this century.

Since 1900 we have seen Hitler's effort to destroy the Jews of Europe; we have seen the massacre of the Armenians in the Ottoman Empire; and we have seen the "auto-genocide" practiced by Cambodia's homicidal leaders on its own population. Millions and millions of lives have been lost. These acts were, without a doubt, crimes against all humanity and, as such, a matter of the gravest concern for men and women everywhere.

This convention recognizes that genocide is a matter of international concern by making genocide a crime under international law. The convention imposes on the contracting parties an obligation to prevent and punish the crime of genocide.

In many ways the impact of the convention is symbolic since enforcement is left to the individual contracting parties. The convention seeks, in the words of the Foreign Relations Committee report, "to set a higher standard of international morality." As such the convention can contribute to a better and more humane world.

For 35 years various objections have been raised to the Genocide Convention. This opposition, however, has now almost entirely disappeared. Ratification is supported by an impressive array of Protestant, Catholic, and Jewish religious leaders, by the American Bar Association, and by a range of human rights organizations. President Reagan has strongly endorsed ratification, and in so doing joins his predecessors, Presidents Truman, Kennedy, Johnson, Nixon, Ford, and Carter. The convention has been reported favorably to the Senate five times by the Foreign Relations Committee, most recently on September 19, 1984, by an impressive 17-0 vote.

Senate advice and consent to this convention would fulfill a goal I have had over my 24 years in the Senate. It would also fulfill a dream of my father's, who as U.S. delegate to the 1943-44 U.N. War Crimes Commission, argued forcefully that genocide a crime against humanity, should be made a crime under international law. Incidentally, my father's position ran into strong opposition from the State Department, which argued that punishing genocide would be an ex post facto law, and for his persistence my father was fired.

Approval of this convention would be a fitting tribute, too to Rafael Lemkin, who coined the term "genocide." A distinguished international legal scholar, Rafael Lemkin had most of his family exterminated in the Nazi Holocaust. It was he who conceived the idea of this convention and worked so hard for its adoption.

For 35 years it has been a matter of acute embarrassment, at home and abroad, that the United States has not ratified the Genocide Convention.

I can recall at the time I served as a delegate to the General Assembly of the United Nations other delegates would come up to me and say, "Why haven't you ratified the Genocide Convention? What is holding you up?" And it was always very hard to give them an explanation.

Now the Senate has a historic opportunity to rectify this. I hope the Senate will move expeditiously to give its consent to the Genocide Convention.

As we move to consideration of this convention, I would like to salute the Senator from Wisconsin [Mr. PROXMIRE] who has been the Senate's leader on this issue and who, through his speeches each day, has prodded us to act on the convention.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, I thank my good friends, the distinguished senior Senator from Rhode Island. Senator PELL not only has worked very hard for this treaty himself, but his father did a great deal at the United Nations to secure its unanimous support many, many years ago.

Mr. President, at long last we are beginning the final push toward ratification of this important human rights treaty. I remain hopeful that we will still be able to complete final action on the convention today. From the very beginning of September, when the Reagan administration announced its support for the Genocide Convention, with only 1 month remaining in the Senate's schedule, we knew we were racing against the clock. We knew it would be an uphill fight to get sufficient floor time to give the Genocide Convention the careful examination it deserves.

But we come to the floor today in a stronger position than we have ever had. Consider the contrast with a decade ago.

In 1974, the American Bar Association was officially opposed to the Genocide Convention. At that time we had a telegram from six presidents of the ABA and reports from numerous sections of the bar endorsing the convention but still the unalterable fact was that the American Bar Association still was on record, from their decision in 1950, to oppose the convention.

Today, we come with the overwhelming endorsement of the American Bar Association's House of Delegates and, more importantly, the unceasing work of their legislative staff here in Washington as well as president after president of the Bar Association prodding the Senate to act.

The American Bar Association has concluded that their concerns of 1950 have not withstood the test of time. They have concluded the treaty is in America's national interest and that the treaty poses no threat—and I mean none—to the rights of all Americans under the Constitution.

Second, we come with the strong support of the most conservative President in a generation. That support goes a long way toward removing the Genocide Convention from any hint of being a partisan issue or of being a liberal versus conservative fight. The President has clearly determined that the Genocide Convention is in the national interest and that the treaty is completely constitutional.

But the strong support of the President and the continuing assistance of the majority leader in seeing that the Genocide Convention remained on the Senate schedule has produced an important byproduct. We now have had a crucial opportunity for my colleagues to focus on the Genocide Convention, to review and study the issues and to reach a final decision.

And it is now clear to the supporters, and to the Senate leadership, that we now have the votes to give the Senate's overwhelming advice and consent to the Genocide Convention and, if necessary, to invoke cloture on debate.

The only issue now is whether we will have sufficient time in the remaining hours of the 98th Congress to complete all action or whether the Genocide Convention will be the first order of business in the 99th Congress.

Mr. President, the floor managers of the Genocide Convention, and this Senator, are prepared to stay as long as necessary to achieve that goal. The issue involved here is crucial.

As Ambassador Jeane Kirkpatrick noted in a statement to the Foreign Relations Committee:

> I believe that the Senate's ratification of the Genocide Convention will enhance the standing of the United States in the United Nations and other international organizations. The Soviets and others hostile to the United States have long focused on the United States' failure to ratify the Genocide Convention as part of their anti-American propaganda. It is contrary to our national interest to provide fuel to this campaign by failing to reaffirm clearly and unequivocally

U.S. support for the important objectives of this Convention.

Mr. President, Ambassador Kirkpatrick is right. The time for United States action to protect its vital interests is long since overdue. Ratification of the Genocide Convention will be an important step in that direction. A step that the U.S. Senate should take today.

The PRESIDING OFFICER (Mr. PACKWOOD). The Senator from Rhode Island.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for quorum call be rescinded.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. MATHIAS. Mr. President, today the U.S. Senate has before it, for advice and consent, the first major human rights treaty drafted by the United Nations, the Genocide Convention. It is an important decision, and an historic opportunity for the Senate to reaffirm the vitality of America's commmitment to fundamental human rights.

It is hard to imagine any treaty receiving more thorough consideration than this one. In the 36 years since the United States signed the Genocide Convention, over 13 hearings have been held by the Senate Foreign Relations Committee, and the convention was reported favorably to the full Senate on five separate occasions.

Despite bipartisan White House support over three decades, the Genocide Convention fell victim to the broader post-World War II debate over such issues as the appropriate use of treaty-making power, and the authority of the Federal Government to legislate on subjects that were within the jurisdiction of individual States. But most of these issues have long since been resolved. On a number of occasions the Supreme Court has affirmed that it is appropriate to conclude treaties setting minimum standards of human rights. In addition, the Senate Foreign Relations Committee has proposed three understanding and one declaration to make clear that application of the treaty in the United States must be in accord with the Constitution.

In the controversay over ratification, it is often forgotten that the United States played a leading role in the genesis of the convention. The term "genocide" was coined by Raphael Lemkin, an adviser to the U.S. Prosecutor at the Nuremberg War Crimes Trials, and the treaty itself was drafted by a United Nations committee whose chairman was U.S. Delegate John Maktos. The American delegation led the fight for adoption in the U.N. General Assembly, and signed the treaty only 2 days after its unanimous approval.

The time has come to give tangible expression to the U.S. commitment. In multilateral negotiations dealing with human rights, our negotiators are often remined of the failure of the United States to ratify the convention. Favorable action by the Senate today will have strong positive implications for American foreign policy.

Over the years, there have been many claims about what the Genocide Convention does or does not do. In sorting these out, the best guide is the language of the treaty itself, which defines genocide as, "acts committed with intent to destroy, in whole or in part, a national, ethnical, racial, or religious group as such." The convention does not alter the rules of warfare, or the obligations of parties to the Geneva Conventions on the treatment of prisoners of war and protection of civilian persons in time of war. It does not apply to civil wars or voluntary population control measures. And it is not retroactive.

The Genocide Convention stands for a simple, indisputable principle: Genocide is a crime against humanity, and an offense under international law. United States approval would, in the words of Elie Wiesel, "help strengthen the moral principle of accountability for those governments that take, rather than protect, the lives of their citizens."

Mr. President, I urge my colleagues to advise and consent to ratification of the Genocide Convention. We will send a strong message to the world community that the United States is determined to advance and protect what the Declaration of Independence described as one of man's unalienable rights—the right to life.

The PRESIDING OFFICER. Who seeks recognition?

Mr. DOLE. Mr. President, as cochairman of the Helsinki Commission, I have a special interest in Senate ratification of the convention on the prevention and punishment of the crime of genocide for, like the Helsinki Commission, the Genocide Convention represents an eloquent statement of human aspirations, which the United States fully and proudly shares.

Concern about genocide is compatible, indeed integral, to our national interest. We have great principles to defend and a great example to give to the world. Yet, we can never be the prime defender nor the greatest of examples if we fail to ratify a treaty that we helped create. The rights of all remain a major focus of our foreign policy, especially when we are today beset by issues of how to stem the advance of the enemies of human rights. Let us set an example for the world to follow. Let us ratify the Genocide Convention now.

Genocide is real and to some historic hypothesis. Clearly, the Armenian genocide was real as were Hitler's death camps. Abstention and withdrawl from the ratification process would be unworthy of us. The fundamental right for an individual to live requires us to grapple with the complexity of this issue. We must be willing to make an effort, one that is patient and determined. Well, we have been patient and we are now determined to ratify this treaty. Now is the time to act.

Today, we must address ourselves to a very fundamental and real question. Could genocide exist today? Perhaps that question should be asked to the immigrants from Cambodia who fled a Communist slaughter. Perhaps we should ask the Miskito Indians of Nicaragua, who have been forcibly relocated from their traditional villages by the Sandinista regime; and in some cases killed when they refused to go. Perhaps we should ask the Afghan people who are playing unwelcome hosts to the Soviets for the fifth year. As a result of Soviet aggression, Afghans have been forced to seek refuge from their oppressors by escaping to Pakistan and Iran. While we have a moral imperative to combat these atrocities, how can we do so credibly when we are not even a signatory to the Genocide Convention.

While the debate over ratifying the Genocide Convention these last 35 years has been genuine and the concerns which have been expressed valid, I am convinced we have now addressed the concerns raised in this body. The controversy over ratification has centered on two very important issues: First would ratification of the Genocide Convention if any way compromise the U.S. Constitution; and second, would the convention give the International Court of Justice or any other international tribunal jurisdiction over the U.S. Government, Federal officials, or U.S. citizens. In regard to the first issue, the Constitution is the supreme law of the land. It cannot be overridden by any external agreement, this one or any other. In the event of a conflict, the Supreme Court, in its own words, "has regularly and uniformly recognized the supremacy of the Constitution over a treaty." Furthermore, the Genocide Convention itself insures there shall be no conflict between it and the Constitution. In article V, the convention provides that implementing legislation shall be enacted by contracting parties, "in accordance with their respective constitutions."

In response to the second question, the International Court of Justice under the Genocide Convention will have no jurisdiction over American citizens, whether acting as Government officials or in a private capacity.

The ICJ is not a criminal tribunal. Under the terms of the treaty, it would be authorized to hear cases concerning interpretation of the treaty, but it cannot try or punish individuals. The court does not have the power to enforce its judgments and must rely on the Security Council of the United Nations, where the United States has a veto, to provide sanctions.

Mr. President it is now time for the U.S. Senate to go on record—to show our moral conviction that the heinous act of genocide must be obliterated from the Earth. The national interest of this matter is as simple as it is compelling: The world must know that as a country we share the common ideals embraced by the other 96 signatories of the convention.

Thank you Mr. President.

Mr. THURMOND. Mr. President, I rise in strong opposition to Senate ratification of the so-called Genocide Treaty unless understandings of the nature of those advocated by Senator HELMS are adopted.

This issue has received extensive debate both in the Senate Foreign Relations Committee and before the full Senate on several occasions. In 1950, the Senate Foreign Relations Committee first held hearings on the "Convention on the Prevention and Punishment of Genocide." After carefully studying the document and its possible implications, the committee refused to report the treaty to the Senate.

Another series of hearings were held on this issue in the early 1970's. On March 6, 1973, the Foreign Relations Committee did favorably report the treaty to the full Senate. The Senate debated the merits of this measure for 1 full week in 1974 and by votes of 55 to 36 and 55 to 38, failed to invoke cloture and vote on the treaty itself. Again in 1976, the Foreign Relations Committee reported the Genocide Treaty to the full Senate. Again, it was not ratified. Once more in 1980, hearings were held on the Genocide Convention; however, the Foreign Relations Committee did not report the treaty at that time.

Mr. President, in my well-considered judgment, the U.S. Senate has shown great wisdom over the past 35 years in refusing to ratify this treaty. Little has changed over the years, and I remain firm in my belief that ratification of this treaty would result in an invasion of the sovereignty of the United States and a deterioration of the personal liberties of our citizens.

Mr. President, to give an indication of just how little has changed on this issue, I would like to read selected excerpts from a statement that I gave on the Genocide Treaty in 1974. I will pick up my 1974 statement with a review of the nine substantive articles contained in the Genocide Convention.

Briefly, the provisions of the Genocide Convention are as follows:

In article 1, the contracting parties affirm "that genocide, whether committed in time of peace or in time of war, is a crime under international law which they undertake to prevent or to punish."

Article 2 reads as follows:

In the present convention, genocide means any of the following acts committed with intent to destroy, in whole or in part, a national, ethnical, racial or religious group, as such:

(a) Killing members of the group;

(b) Causing serious bodily or mental harm to members of the group;

(c) Deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part;

(d) Imposing measures intended to prevent births within the group;

(e) Forcibly transferring children of the group to another group.

Article 3 states that:

The following acts are punishable:

(A) Genocide;

(B) Conspiracy to commit genocide;

(C) Direct and public incitement to commit genocide;

(D) Attempt to commit genocide;

(E) Complicity in genocide.

Article 4 specifies that persons committing genocide or any other acts enumerated in article 3 shall be punished, whether they are constitutionally responsible rulers, public officials, or private individuals.

Article 5 obligates the contracting parties to enact the necessary legislation to give effect to the provisions of the convention and to provide effective penalties "for persons guilty of genocide or of any of the other acts enumerated in article 3."

Article 6 provides that "persons charged with genocide or any of the other acts enumerated in article 3 shall be tried by a competent tribunal of the nation in the territory of which the act was committed or by such international penal tribunal as may have jurisdiction with respect to those contracting parties which shall have accepted its jurisdiction."

Article 7 provides that the parties to the treaty pledge themselves in genocide cases to grant extradition in accordance with their laws and treaties.

Article 8 provides that "any contracting party may call upon the competent organs of the United Nations to take such action under the charter of the United Nations as they consider appropriate for the prevention and suppression of acts of genocide or any of the other acts enumerated in article 3."

Article 9 provides that "disputes between the contracting parties relating to the interpretation, application, or fulfillment of the present convention—shall be submitted to the International Court of Justice at the request of any of the parties to the dispute."

This brings me to the considerations which ought to deter the Senate from ratifying the Genocide Convention. Time compels me to limit my statement to only the most substantial of them.

First, if the Senate should ratify the Genocide Convention, the United States would be obligated by it to prosecute and punish public officials and private citizens in our country for acts alien to the concept embodied in the term genocide.

The definition of genocide appears in article 2 which states that the term genocide embraces five specified acts committed with intent to destroy, in whole or in part, a national, ethnical, racial, or religious group, as such. The convention definition of genocide is inconsistent with the real meaning of the term, which is the systematic, planned annihilation of a racial, political, or cultural group. The word annihilation clearly contemplates the complete destruction or the complete wiping out of the designated group.

Yet, the convention definition covers the destruction, either in whole or in part, of members of a group embraced by it. This could mean that a public official or a private individual is to be subject to prosecution and punishment for genocide if he intentionally destroys a single member of one of the specified groups.

The Senate Foreign Relations Committee has recommended the Senate announce that it understands this article to mean "the intent to destroy a national, ethical, racial, or religious group by the acts specified—in such a manner as to affect a substantial part of the group concerned." While this does clear up some of the ambiguity, in my opinion it is still not clear enough. The phrase "substantial part" is obviously subject to interpretation.

Second, article 2, section 2 of the Constitution provides that the President shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur. Article 6 of the Constitution provides that "the Constitution and the laws of the United States, which shall be made in pursuance thereof, and all the treaties made or which shall be made under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding."

If the Senate should ratify the Genocide Convention, these constitutional provisions would automatically make the convention the law of the land, put all of its self-executing provisions into immediate effect as such, and impose upon the United States the obligation to take whatever steps are necessary to make its non-self-executing provisions effective. This means that the provisions of the Genocide

31-059 O-87-29 (Pt. 22)

Convention would immediately supersede all State laws and practices inconsistent with them, and could nullify provisions of acts of Congress and prior treaties of the United States inconsistent with them. Obviously ratification of the Genocide Convention would have a drastic impact on our system of government, particularly on the States.

Third, another drastic impact that ratification of the Genocide Convention would have upon our system of government is in the criminal field. If the Senate should ratify the Genocide Convention, the duty and the power to prosecute and punish criminal homicides, assaults and batteries, and kidnapings, covered by categories (A), (B), and (E) of article 2 of the convention would be forthwith transferred from the States which have always has such duty and power in respect to these crimes to the Federal Government. To make this transfer of jurisdiction workable, Congress would be required to enact new laws laying down rules of procedure to govern the trial of these newly created Federal and international crimes. Pending the passage of such laws, our country could experience utter confusion in the administration of criminal justice in respect to homicides, assaults and batteries, and kidnapings.

In the absence of ratification of the convention, demands have already been made that the United Nations investigate the action of the legislature of one State in respect to welfare benefits on the ground that the legislative action constituted genocide under article 2(c). Furthermore, questions have been raised whether birth control clinics, school busing, discrimination against minority groups, and the incidents at My Lai in Vietnam could also constitute genocide.

I strongly question whether it is desirable to ratify a convention which would necessitate such fundamental alterations in the way in which criminal justice has been administered in the United States ever since our country was founded.

A fourth objection to the convention is that many of its terms are shrouded in uncertainty. For example, if the convention is ratified, article 2(b) would impose upon the United States the duty to prevent and to prosecute and punish public officials and individuals who cause mental harm to members of any one of the four groups named in the convention. What mental harm means in this context is totally incomprehensible and what psychological acts or omissions are made punishable in this context are left in obscurity. The Foreign Relations Committee would construe this term to mean permanent impairment of mental faculties. In my opinion, this construction adds little clarity.

If the convention is ratified, article 2(c) would impose upon the United States the duty to prevent and to prosecute and punish anyone who deliberately inflicts "on the group conditions of life calculated to bring about its physical destruction in whole or in part." What this means, no mind can fathom. Does it mean that a State or county official who refuses to give to a member of one of the four groups, designated in the convention, the amount of welfare benefits deemed desirable is to be punished or prosecuted for genocide? Does it mean that the Court of International Justice shall have power under article 9 to adjudge that Congress or a State legislature which does not make available to members of one of the four groups what the court deems to be adequate welfare benefits has violated the convention?

Able lawyers have expressed the fear that article 6 imposes upon the Congress an implied commitment to support the creation of an international court for trials of American citizens for genocide. I find myself in complete harmony with their opposition to subjecting our citizens and other persons within our territorial jurisdiction to trial, conviction, and sentence for acts of genocide committed in the United States by an international penal tribunal where they might not be surrounded by the constitutional safeguards and legal rights accorded persons charged with a domestic crime.

A fifth objection is that the convention could make American soldiers fighting under the flag of their country in foreign lands triable and punishable in foreign courts—even in courts of our warring enemy—for killing and seriously wounding members of the military forces of our warring enemy.

This is made indisputable by article 1 which provides that genocide is punishable under the convention whether it is committed in time of peace or in time of war, and by the fact that it contains no provision exempting soldiers engaged in combat from the coverage of the provisions of the convention. When soldiers kill or seriously wound members of a detachment of the military forces of a hostile nation, they certainly do so with intent to destroy, in whole or in part, a national group as such. Hence, their acts in combat fall clearly within the purview of the convention. In such cases, they are triable and punishable under article 6 in the courts of the Nation in whose territory their acts are committed, or in such an international penal tribunal as may have jurisdiction with respect to those contracting parties which shall have accepted its jurisdiction. These things being true, American soldiers who killed or seriously wounded North Vietnamese soldiers, or members of the Vietcong, or South Vietnamese civilians in South Vietnam, would have been triable and punishable in courts in South Vietnam, and American aviators who bombed North Vietnam would have been triable and punishable in the courts of North Vietnam. No sophistry can erase this obvious interpretation of the Genocide Convention.

A final objection to the convention relates to article 9, which provides that disputes between the parties to the convention relating to the interpretation, application, or fulfillment of the convention shall be submitted to the International Court of Justice at the request of any of the parties to the dispute.

Under this article the International Court of Justice would be empowered to decree that the President of the United States, as Chief Executive Officer of the United States, had interpreted and applied the provisions or the convention incorrectly and by doing so impose upon the President of the United States its notions as to how the convention should be interpreted and enforced. The International Court would have the power to adjudge that legislation enacted by Congress to give effect to the provisions of the convention was insufficient to fulfill the obligations imposed upon it by the convention, and to adjudge that the Supreme Court of the United States and Federal courts inferior to it had interpreted and applied the provisions of the convention incorrectly and by doing so require these tribunals to apply its notions as to how such provisions should be interpreted and applied to future cases coming before them. This would constitute a drastic and dangerous invasion of the sovereignty of the United States of America.

In this short talk, I have attempted to briefly outline the major objections to the Genocide Convention. In my opinion, these objections mandate that the convention not be ratified. The existing laws of the United States and all the States are adequate to punish all of the physical acts of violence denounced by the Genocide Convention. The Genocide Convention is an unnecessary and dangerous treaty which could severely damage our system of law and government.

Mr. President, that was the body of a statement I gave on the Genocide Treaty in 1974. I would ask my colleagues to note that each one of the arguments I used in 1974 are applicable today. It is clear that the Genocide Convention remains controversial, vague and unneeded.

Mr. President, I would like to emphasize that my remarks were not designed to undermine the good intention of those who drafted the Genocide Treaty, or those who seek its ratification. We are all strongly opposed to acts of genocide, and abhor such atrocities as those committed in Nazi

Germany during World War II. However, it remains my view that the Senate should not ratify a convention which would have such a drastic impact upon the system of law which has successfully governed this Nation for over 200 years.

In closing, again I state, Mr. President, that I am opposed to the Senate ratification of this so-called Genocide Treaty unless the understanding or similar understandings as proposed by the distinguished Senator from North Carolina, Senator HELMS, are adopted.

Mr. President, I hold in my hand a column by George F. Will entitled "Striking a Pose Against Genocide." This is a splendid article and I ask unanimous consent that it be printed in the RECORD following my remarks.

I also ask unanimous consent that a column by another famous columnist, James J. Kilpatrick, be printed in the RECORD following my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

STRIKING A POSE AGAINST GENOCIDE

(By George F. Will)

Although Ronald Reagan has suddenly become the seventh president to endorse ratification of the U.N. treaty against genocide, a conservative senator from North Carolina—Jesse Helms, taking up where Sam Ervin of North Carolina left off in the 1970s—has put sand in the gears of the process. How, you ask, can anyone oppose a treaty opposing genocide? Easily, if you start by reading it. Perhaps Eisenhower did; in any case, he did not favor it.

The United Nations adopted it in 1984. President Truman favored ratification, but the Senate Foreign Relations Committee would not send it to the floor. Nixon was the next president to send it to the Senate, where Ervin tied the process in wholesome knots.

The treaty commits signatories to prevent and punish individuals responsible for genocide, which it defines as committing any of the following acts against a national, ethnic, racial or religious group: killing members of the group; causing severe bodily or mental harm to members; inflicting conditions designed to bring about the group's physical destruction in whole or in part; preventing births; taking children away from the group.

"In part"? "Mental harm"? Under this language any act of war can qualify as genocide.

The traditional conservative objection to the treaty is that it jeopardizes U.S. sovereignty, giving foreign powers a pretext for stigmatizing, in their courts or international tribunals, U.S. racial or foreign policies as genocidal. But a graver objection is that the treaty, far from being likely to be promiscuously invoked, will remain what it manifestly has been for more than three decades—a dead letter. Thus, ratification would be yet another instance of the bad habit of striking poses and considering them policies.

You say large deficits are bad things? Outlaw them. Amend the Constitution—verily, call a constitutional convention. You say genocide is a bad thing? Ban it. Take the genocidal to court.

The New York Times says, "Ratification would reaffirm and strengthen the world's capacity to act against mass murder." Oh? Something like genocide is being committed against religious minorities in Iran and elsewhere, and ethnic groups in Uganda and elsewhere. Would ratification make a particle of difference to U.S. policy—and if so, how, or why?

The Los Angeles Times says that ratification will put the United States "firmly on record on behalf of the rule of law." Wrong. Ratification will not disguise the fact that no one thinks of it other than as a gesture. How is the rule of law enhanced by an unenforceable tissue of miscast definitions—by a document that disregards the fact that internatonal law, such as it is, is an intramural code for the like-minded, useful among nations that share common values but not germane to dealing with totalitarians and other gangster regimes?

The Washington Post says the treaty "allows the United States to make a clear moral statement." But acts of dubious morality do not make moral statements. Presenting this treaty as even relevant to the ongoing tragedy of genocide is an evasion of moral choice. Ratification deepens the moral self-satisfaction of the safe, while doing nothing for those in jeopardy.

The treaty had been ratified by nearly 90 nations in the mid-'70s when genocide consumed Cambodia. The treaty was irrelevant. The way to have prevented genocide in Cambodia was to have won the war in Indochina.

Under the language of the treaty, the Soviet regime is today, and has been for 67 years, guilty regarding its treatment of various national, ethnic and religious groups. If the treaty is ratified, would the United States promptly try to bring the Soviet regime to the bar of justice? Of course not; it is like pulling teeth to get even this conservative administration to issue congressionally mandated reports on Soviet violations of arms control agreements.

No, the treaty would be just another pretty patch on the quilt of hypocrisy typified by the Helsinki process, in which we solemnly discuss the rights of trade unions and journalists in the Soviet bloc, where there are no trade unions or journalists. Under the genocide treaty the United States would solemnly commit itself to act against certain crimes; then by not acting, the United States would implicitly acquit the Soviet regime of the crimes.

After 44 months of allowing the treaty to gather dust, the administration, two months before an election, has dusted it off. No doubt some deep thinker is thinking about the Jewish vote. One can imagine what survivors of the Holocaust think of a treaty perfectly designed to restrain through its moral authority any regime that believes in both genocide and the rule of law.

[From the Washington Post, Sept. 19, 1984]

THE HELMS RESERVATIONS

(By James J. Kilpatrick)

Once again the International Convention on the Prevention and Punishment of the Crime of Genocide is back in the news. If the Senate will agree to the two sensible and prudent reservations sought by Sen. Jesse Helms the treaty should be ratified.

The Genocide Convention was approved unanimously by the U.N. General Assembly in December 1948. The following June, President Truman sent the treaty to the Senate with a recommendation that it be approved. The Senate balked then, as it has balked for the ensuing 35 years, on questions of "understanding." It is time to have these questions resolved.

As the term "genocide" generally is understood, the crime arouses revulsion almost beyond description. Hitler's slaughter of more than 6 million Jews provides the most appalling example of genocide in this century, but there have been other instances that have aroused the condemnation of the civilized world. In his recent statement to the Senate Foreign Relations Committee, Helms spoke of the "horror" of genocide. It was precisely the right word.

Given this unanimity of opinion on genocide itself, why has a treaty with so noble a purpose languished so long? The answer lies in part with the language of the convention, and in part with the language of our own Constitution.

The convention defines five acts committed with intent to destroy "in whole or in part" a national, ethnical, racial or religious group. These are 1) killing members of the group; 2) causing serious bodily "or mental" harm to members of the group; 3) deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part; 4) imposing measures intended to prevent births within the group; and 5) forcibly transferring children of the group to another group.

The convention commits the signatories to adopting legislation "in accordance with their respective Constitutions"—note the language—providing for the punishment of public officials or private individuals who commit any of the prohibited acts. Such persons would be tried in the country in which the acts were committed "or by such international tribunal as may have jurisdiction with respect to those contracting parties which shall have accepted its jurisdiction."

Under Article IX of the convention—and this is one of the serious sticking points—questions of interpretation and state responsibility "shall be submitted to the International Court of Justice at the request of any of the parties to the dispute."

A threshold problem is that our own Constitution, in defining the supreme law of our land, says that the supreme law includes treaties "made under the authority of the United States." This convention would be such a treaty. It would bind all state and federal judges. The first of the Helms reservations would make it clear that the treaty authorizes only legislation "which would be valid in the absence of the convention." Surely this is a reasonable proposal.

Helms' second reservation goes to Article IX. He wants a formal understanding that the United States will not accept the World Court's jurisdiction over any domestic matter "as determined by the United States." This language echoes the Connally Amendment of 1946, which the Senate prudently adopted as a condition of recognizing the World Court at that time. Again, Helms is on sound ground.

It is unlikely that the Genocide Convention, if ratified, ever would be invoked in the United States. To be sure, opponents have concocted horror stories. By tortuous interpretation, the treaty conceivably could be invoked against racial homicides, or against a bigoted Louis Farrakhan who causes "serious mental harm" to Jews, or against public officials who fail to protect American Indians and braceros who come in to pick lettuce. These are frivolous conjectures.

It is doubtful the Genocide Convention ever will amount to anything more than a symbol of man's revulsion at inhumanity to

man. So long as it is made clear we are not effectively amending our Constitution and not surrendering sovereignty over our domestic affairs to any world tribunal, the Senate would do well to advise and consent.

(Mr. COCHRAN assumed the chair.)

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Mr. President, the Genocide Treaty after nearly 40 years of either gathering dust or being rejected by the Senate, has once again resurfaced. This treaty is before the Senate for consideration once again and I think it is rather amazing the rapid progress it has made this year in the Senate Foreign Relations Committee. Proponents of the ratification are arguing that after 2 score years it is past time that the Senate expedite the passage of the treaty.

Mr. President, I share the views of the Senator from South Carolina. I strongly disagree with the way this treaty is drafted, although I support the objections of the treaty to prohibit genocide. Without serious reservations and amendments I will not be in support of this treaty. In the past the Senate was far more liberal than it is today, and yet even then the treaty met with considerable opposition and lengthy debate, on both the floor and during the hearing process it inevitably failed to win the necessary margin of approval. The Foreign Relations Committee allowed for presentations from only two witnesses week before last. Both of them were from the administration and both favorable to the U.S. ratification of the Genocide Convention. I do not believe that it would be wise for the Senate to decide this issue based on such inadequate and onesided testimony. Any treaty is a serious undertaking and deserves serious treatment. The Senate was intended by the Founding Fathers to be a deliberative body.

I frankly think they would be appalled at the haste and cursory handling an issue of this consequence has received.

It has been 10 years since the treaty was last debated at length on the Senate floor. Only 28 Senators now in office heard that debate, and were witness to the arguments that were successfully advanced against it on the floor at that time. The apprehensions of treaty opponents were relevant to the debate then; they should be raised and heard again today.

What is the history of the convention? What was its purpose, its evolution, and what was its impact intended to be? Any study of the treaty is incomplete without a look at its formulation.

The Genocide Convention was never passed even under the shepherdship of the Truman administration.

Senator THURMOND mentioned earlier the article by the distinguished columnist, Mr. George Will, where he had made the point that it had been supported on and off by Presidents since Truman, and the only President who had not supported the Genocide Convention was President Eisenhower. He suggested that the reason President Eisenhower probably did not support it was because President Eisenhower read the convention.

Mr. BOSCHWITZ. Will the Senator yield for a question?

Mr. SYMMS. I yield.

Mr. BOSCHWITZ. Did the Senator say it was rejected?

Mr. SYMMS. No. They were never able to rally enough support to bring it to a vote on the Senate floor. They did not invoke cloture.

(At this point Mr. ANDREWS assumed the chair.)

Mr. BOSCHWITZ. Then the Senator is not suggesting that the treaty was rejected.

Mr. SYMMS. That is correct. I appreciate my colleague pointing that out. I meant to say it was 10 years ago that the treaty was debated at great length and there are 28 Members who are now in this body who heard that debate. At that time 10 years ago, when there was a much more liberal composition of the Senate than it has today, they failed to invoke cloture. We are now being asked to endorse this thing very quickly. I believe that it deserves more study and consideration. It may be that some of us who have reservations about it might remove some of those reservations if we had an opportunity to focus on it. But to bring it in now would be the kind of an issue that I think would much better be debated at great length in the Senate at a time when we are not being pressured for adjournment and we do not have a political campaign facing us.

After 20 years of dormancy under both Democratic and Republican Presidents, President Nixon forwarded the treaty to the Senate and asked for its consideration. According to Alfred Schweppe, then a spokesman for the American Bar Association, it was President Nixon's Secretary of State who urged ratification, believing the United States was being discredited in world opinion by not signing it, after we had supposedly displayed such leadership in its drafting. Mr. Schweppe is one of only a small number of Americans who thoroughly and tirelessly waded through the proceedings of the U.N. committees that eventually drew up the Genocide Convention. As he stated before the committee:

> Far from being an exercise in leadership by the United States, the cold record shows it to have been a pathetic case of followership—so pathetic as almost to drive one to tears • • • The United States delegation consistently caved on important matters of principle, and in order to get some kind of an agreement—any kind—abjectly acquiesced in a draft that is so faulty and confused that it does not prevent genocide where it regularly goes on (Czechoslovakia, Hungary, Poland, Africa, Asia) but, in a welter of confusion, creates new international crimes (the treaty becomes the supreme law of the land) that will make endless trouble for the United States.

What happened during these negotiations that so weakened the treaty? The United States initially insisted on including the term "political" as well as "national, ethnical, racial, and religious groups" in the group definition of potential victims of genocide. The Soviets do not view destruction of the political opposition as genocide. By eliminating that worrisome provision, they felt free to persecute dissidents or religious worshippers or any other "enemy of the state" without violating the treaty. The U.S. delegation also insisted, also unsuccessfully, that the words "complicity of government" be included in the definition of genocide. It was apparent in the case of Nazi Germany that Government complicity was what made genocide possible. Historically and logically, genocide is a cancer associated with totalitarian, autocratic, and imperialistic countries—like Nazi Germany, the U.S.S.R., and Red China.

As Bishop Dwyer, in a 1955 column from the Nevada Register commented:

> What does genocide mean? Surely our experience of it tells us that it is the political liquidation, enslavement, or brutalization of any particular race or racial group, on the basis of its alleged inferiority. But the convention, most amazingly, neglects to list political genocide in its catalog of contents. It is as though one were to draw up a charter of religious liberty and fail to mention the freedom to worship God.

Now, lest anyone misjudge my intentions, in no way do I mean to impugn the original objective and motivation of the Genocide Treaty. It was intended to express the world's outrage at the acts of Hitler's Germany to exterminate the Jewish population within its borders. But, like the infamous Kellogg-Briand Pact, which sought to outlaw war, it was an exercise in futility and self-delusion.

The strongest argument the treaty's proponents put forward is that we somehow are not able to argue effectively against genocide because we have not signed this treaty. Well, to those people I say that deeds are more important than words. The proponents completely overlook all of the truly valid arguments against signing it. Has the treaty helped prevent genocide? Absolutely not; the Communists conduct genocide today in Afghanistan, opposed only by the Afghans. Afghanistan, a signator to the treaty, is not even able to bring their case to the World Court because their government was replaced by the Soviet puppet government of Babrak Karmal. Not only has no case been tendered against Soviet actions in Af-

ghanistan; not one genocide case has been brought before the International Court of Justice to date.

Has world opinion been mobilized against the Soviets because of the Genocide Treaty? Again, absolutely not. The major forum for international discussion is the United Nations, which is rapidly anti-American and pro-Soviet. Communist abuses are typically ignored, and the United States is a common target of derision by the U.S.S.R., the bloc countries, and much of the "non-aligned" Third World countries.

Now, the United States, should it decide to become a signator to the Genocide Convention, will be accepting the jurisdiction of the World Court on genocide cases. In signing the U.N. Charter, we accepted the compulsory jurisdiction of the judicial entity of the United Nations which is the World Court. The World Court, which is about as busy as a Maytag repairman, most recently "tried" the United States on the issue of the mining of the harbors of Nicaragua. The World Court did not concern itself with the fact that the Sandinista government is aiding and supplying the guerrillas in El Salvador, that the Sandinista leadership has been caught red-handed smuggling drugs into the United States, or that Nicaragua is now host to a bevy of foreigners, North Koreans, Libyans, Bulgarians, Cubans, and Soviets, all bent on the destruction of the free world. The World Court did not seem to see any legitimacy in our treaties of mutual self-defense with Latin America which allow for the use of force to stop the spread of Marxist-Leninism and other aggressive powers from interfering in the Western Hemisphere, and that mining of harbors is a legitimate act of self-defense in response to a tangible threat. The World Court, despite the legitimacy of our actions, judged overwhelmingly against the United States on that issue. What delusion are we suffering if we believe the Court, which is a political, not a true judicial body, will be fair and equitable in other decisions when they have been so blatantly biased and prejudiced in this one?

Speaking of Nicaragua, it is curious that Daniel Ortega, the Communist junta leader of Nicaragua, in an interview at the United Nations this October 1, accused the United States of a "genocide" policy against his country. I think we can expect the flames to fan into fire if we actually sign the Genocide Treaty.

It is interesting to note that we sought the aid of the World Court in the Iranian hostage crisis. Eventually, our hostages were returned, but not because of the involvement of the World Court. The point is that lawless nations will never be either pressured or embarrassed by any findings of the Court. Lawful nations, however, like the United States, which would never take hostages, shoot down civilian airliners, confine political dissidents to mental institutions, or mandate coercive abortion programs, can be embarrassed at the U.N. and before the World Court by the very effective manipulation and disinformation of the Soviet Union and its allies.

I have also heard the argument that by signing the treaty, we will be building a body of international law, and that refusing to sign is damaging to our image. Nonsense. The only guilt we should feel is that we so completely failed in the original negotiations on the treaty. The Communist signators entered the treaty and then devised all means to circumvent the language of the convention. We have fallen into the same trap in the arms control process; the Soviets stonewall at the arms talks until the West grows anxious for a settlement, and the end result is that we sign an agreement with too many concessions. The Soviets have a great advantage over their Western counterparts: They do not have to contend with public opinion.

In the West, the treaty seems to have become more important to some of us than its content or its intended effect. If we sign this treaty, which has been emasculated by the left, are we not then just compounding our failures? In 1970, a Mrs. Rita Hauser, the U.S. Representative to the U.N. Human Rights Commission, testified before the Senate Foreign Relations Committee on the Genocide Treaty. She argued that the United States was left out of the debates at the United Nations because we had not yet ratified the Genocide Treaty. When we invoked the treaty, according to Mrs. Hauser, the response was always "Who are you to invoke a treaty that you are not a party to?"

This argument is laughable. If that is a sample of the talent of our debating team at the United Nations, I suggest the United States hire a new delegation. Mrs. Hauser seemed to readily lose sight of the fact that the United States has not committed genocide and most likely never will, and that the Communist countries have committed genocide and most probably will continue to. Mrs. Hauser did not seem to see any significance in the fact that while we have not signed the treaty, we have not been guilty of genocide, and that the perpetrators of genocide, nearly without exception, are signators to the convention.

What was the reaction of the non-Communist member nations of the United Nations to the Soviets and bloc countries exempting themselves from retribution under article IX of the treaty? Australia, Belgium, Brazil, Ceylon, China, Cuba, Ecuador, Greece, Norway, Vietnam, and the United Kingdom all objected to the reservations of the U.S.S.R. and the Soviet satellite nations. The Netherlands argued that the reservations were incompatible with the object and purpose of the convention. Their statement of objection to the exemptions read as follows:

> The Government of the Kingdom of the Netherlands therefore does not deem any state which has made or which will make such reservation a party to the Convention.

The Netherlands was not the only country to recognize that the Soviets and bloc countries had made a mockery of the treaty. I think my colleagues might be interested to know that my predecessor in this office, the late Senator Frank Church, who chaired numerous Genocide Treaty hearings back in the early 1970's, had this to say about it:

> To what degree are we merely interested in becoming a party to this Convention for purely symbolic reasons? I do not discount the importance of symbolic acts, but the Treaty is really pretty toothless. In fact, the Convention is about as toothless as one could be . . . Does a toothless tiger really frighten or deter?

Senator Church went on to add:

> I find it hard to conceive that any government even though it might be a signatory to this Convention, which actually engages in such a practice in the future, is either going to confess to the crime or is going to take any action to punish itself—that exceeds the bounds of realism.

Mr. President, we are a moral, law-abiding nation. Genocide is as removed from our nature as cannibalism or the old Hindu practice of suttee. We punish criminals in our society or at least, we try to, and we have punished mass murderers at times in our country. But the problem in some nations of the world is that it is the criminals who run the government, and so there is no justice in those countries.

Senator Church, to his credit, questioned the real value of the treaty in stopping genocide, or even deterring it. The real truth is that it is a token gesture, a Maginot line, a false facade behind which we hide, refusing to deal with reality. The reality today is that men, women, and children are being slaughtered around the world and no one at the U.N. has the moral courage to stand up to the nations responsible for the murders and take them to task. No one invokes the Genocide Treaty against the Soviet Union and demands their presence in the World Court. And I highly doubt that the United States, should it become a signator to the treaty, would show the fortitude to confront the ongoing atrocities being committed in the world under the terms of this convention.

The very same people who are pushing this treaty argue about the value of symbolism, and yet, they are the very same ones who oppose any reciprocal action because of the massacre

of 269 civilians aboard KAL 007, who oppose renaming the streets in front of the Soviet Embassies "Sakharov" avenue, who oppose direct aid to the Afghans, victims of the greatest genocide since the Chinese cultural revolution, because the Soviets might view it as provocative, and who, most recently, have opposed raising the issue of importing Soviet products made by slave labor or Soviet arms control violations, for fear of offending Russia.

Who are we kidding if we believe that signing the Genocide Treaty will give our U.N. delegation new ammunition in the U.N.? I do not think we would recognize ammunition if it blew up in our face! We are too busy wringing our hands and downplaying Soviet atrocities.

The major thrust of my argument is that, despite State Department rhetoric to the contrary, deeds are more important than words.

If we really wanted to put a stop to genocide, we have the capability to do so. The Afghan freedom fighters who have been before some of us in the Congress, have pleaded—I have had them say to me personally, "How much more blood do we have to shed before you will help us?" After 5 desperate years, there is only a trickle of money from the United States to the one country in the world that is battling the Red Army all by themselves. While efforts to allow these people to save their homes and villages, their culture, their religion, and their lives are defeated in the Congress, we considered giving lip service to genocide. They are defeated because we do not want to offend the Soviet Union. This is a terrible and bitter irony, and the worst part of it is that the great United States, the greatest economic power on Earth, has the capacity to do so much more.

We do not need to come in here and ratify some treaty to do something that will help those free people in the world who are fighting and trying to save their own lives, their own opportunities, have their own hopes and dreams, and expel the Soviets from within the borders of their own sovereign nation.

Let us never forget that the grisly atrocities of the Nazis, which inspired the creation of the Genocide Convention, were not stopped by any treaties to which Germany was a party. The Nazis only played for more time by Neville Chamberlain's appeasement policies, and they were stopped not by the pacifists or those who believed in negotiation and diplomacy, but by allied military superiority by foot soldiers, by brave men and women from the different allied countries who risked their lives to preserve freedom in Western Europe and to stamp out the Nazi tyranny.

That is what did it, Mr. President. It was not some treaty, some piece of paper. The real world was that it was soldiers, it was sacrifice, it was the war effort at home, the productive society here, the free enterprise, capitalist society in the United States, that provided the wherewithal for the United States and our allies to stamp out the Nazis.

It was not some treaty and it was not the appeasement policies of Neville Chamberlain. If we were really serious about stopping genocide, we would instruct our U.N. delegation to tell the General Assembly that the document as written is not worth the paper it is printed on, and that we are not going to be a party to any treaty that is such a sham and a charade. If we were truly serious about doing something about genocide, we would tell our diplomatic personnel to quit apologizing for the fact that the United States has not signed a worthless, ineffectual document and instead take the offensive and work toward helping the victims of genocide instead of squandering good time arguing about an emasculated treaty.

Let us not repeat the mistakes of the past. We have all expressed our disappointment at the failure of arms control talks. We became so anxious to reach an agreement that we lost sight of the content of the agreement. The signature became the most important goal, not the validity of the language, nor its effect. We have been blinded by the symbol of achievement and neglected the pursuit of the real achievement, the real objective.

I think another issue that should be raised in connection with the Genocide Treaty is the level of Jewish support for its passage. And I would not purport to come to the floor and claim to be an expert in this area. I have the highest respect for my dear colleague from Minnesota. He may not agree with what I am about to say, but my office has been contacted by an organization entitled "Jews for Morality," based in New York, with a membership of several thousand. This organization is strongly supportive of family values and is conservative on defense and foreign policy matters. Their spokesman pointed out the fact that the Daily World, which is the major Communist Party paper in the United States, has run articles for years with headlines like "Stop Israeli Genocide." He suggests that the impact of the Genocide Treaty could be, if the Senate chooses to ratify it, to inhibit pro-Israeli activities in the United States. In the United Nations, we have already witnessed the charges of the Third World and PLO-supportive groups, where anti-Semitism is disguised as anti-Zionism. As Secretary Shultz said in his opening address to the Holocaust Conference in mid-September, "There are things going on in the world today which, if not confronted squarely and defeated, can mushroom into wholesale threats to the foundation of our civilization."

I am simply saying, Mr. President, this treaty is going the wrong way to confront those threats. It simply gives a terrific propaganda tool to the anti-Israeli elements and to the Third World pawns of the Soviets.

It is interesting to note that it was the U.S. State Department advisers who were condemning Israel when they were confronting the Soviet surrogates, the Syrians, in northern Lebanon with great courage and great efficiency and effectiveness, I might add. It was the U.S. State Department advisers who were condemning them after years and years and years of an alliance with the United States and years and years and years of the U.S. taxpayers helping Israel maintain its strength so it could fend off it adversaries from its borders. When they finally started making some headway and accomplishment, it was the United States that came in and slowed them down and stopped them. If we are a signator to this treaty and ratification takes place, then you wait and see what will happen the next time the Israeli borders are threatened and they are forced to make defensive actions to protect their own freedom and liberty as they did in June 1982 and were not completely successful in accomplishing it because of criticisms they received from their own friends in the West. It is mind-boggling to me, as one Member of this body, that we could have been in that position, but we were.

Mr. President, I ask this question: Do we really want to give that tool to the groups who are already labeling orthodox Jewish groups as "Hitlerian" types and accusing Israel of genocidal intentions in the Middle East? I think this Senate does not want to do that.

According to an article in Human Events, there was no pressure either from U.N. members or the Jewish community to get the United States to ratify the treaty. The article stated that the President only got a smattering of applause when he announced before B'nai B'rith his support for its ratification. In addition, Jeane Kirkpatrick was quoted as having said she had not been pressed by her diplomatic colleagues on this issue, which flies in the face of State Department proponents who claim that failure to ratify has been an extreme embarrassment to the United States before the world community. I reiterate that deeds are more important than words, and that goes for the opinion of the world community as well.

Mr. President, I will propose an amendment to the Genocide Treaty at some appropriate point that I think is critically important, particularly in view of the interest it seems to have aroused in the United States, even in this Presidential campaign of 1984.

The amendment which I will propose at the proper time touches on an important issue which the treaty indirectly addresses. In article II of the treaty, which defines genocide, one provision reads: "Preventing births within groups * * *." Back in 1949, an article in the New England Journal of Medicine discussed the topic of "Medical Practices and Dictatorships." The content of the article, which I will submit to the RECORD, is appalling.

Mr. President, I ask unanimous consent that the article from the New England Journal of Medicine be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. SYMMS. Mr. President, the content of the article, as I said, has appalling information in it. Among the horrible medical crimes of the Nazis was the forced sterilization of women and men at Auschwitz. Since the Nazis' crimes were not limited to attempted genocide of Jews, the author of this article renamed the Nazi killings as "ktenology," the science of annihilation. The Nazis were not always discriminate killers. The term genocide implies discriminate killing. Today, there are well-founded reports from Red China that coercive abortion is commonplace; that female infanticide is a common practice, because of government population control programs.

Think of that. And they are signatory to this treaty we are talking about today.

Stephen Mosher, a firsthand witness to the Government abortion campaign there, wrote a book called "Broken Earth" on coercive abortion and infanticide in Red China. The Chinese forced abortion program, while seemingly indiscriminate, could be viewed as class genocide, since the program exempts the wives of Communist Party officials.

If we look closely at the wording of the treaty, I think we can make a case to argue that the authors of the Genocide Convention must have recognized that abortion is a form of genocide, since abortion, not to mention sterilization, prevents births. A similar argument could be made for infanticide.

Although I will state again my firm opposition to the ratification of this treaty, regardless of whether or not my amendment receives the approval of the Senate, I do believe that the practice of abortion is noticeably absent from the wording in the genocide definition under article II. Now, I would like to state some opinions and findings that support the inclusion of the term "abortion" in the definition of genocide as a crime against humanity.

In the Nuremburg International Military Tribunal for the trial of war criminals, the promotion of abortion among minority populations, especially the denial of the protection of the law to the unborn children of Russian and Polish women, was considered a crime against humanity.

The Federal Constitutional Court of the Federal Republic of Germany in 1975 ruled that the life which is developing itself in the womb of the mother is an independent legal value which enjoys the protection of the Constitution and the state's duty to protect human life before birth forbids not only direct state attacks, but also requires the state to protect this life from other persons.

Our own Declaration of Independence affirmed that all human beings are endowed by their Creator with certain inalienable rights among which is the right to life; and, as early as 1959, the American medical profession affirmed the independent and actual existence of the child before birth as a living being and condemned the practice of abortion at every period of gestation as the destruction of human life.

It seems inconsistent that our society makes so many efforts to protect human life before birth from the hazards of occupational sites, from dangerous drugs, from hazardous substances, such as excessive alcohol or cigarette smoking, and yet, we have failed to recognize the sanctity of the child in the womb. Even more compelling are the studies which now detail the reality of fetal pain in the abortion procedures. George Will wrote a particularly compelling editorial on pain and abortion. This is an element in the abortion debate that most pro-abortion advocates would rather avoid. There's an excellent book written by William Brennan called "Medical Holocausts" which parallels today's techniques for the destruction of human life—that is, the unborn, the Baby Doe case, and euthanasia with the situation which developed in Nazi Germany, where methodology triumphed over emotionality.

I urge that, at a minimum, this treaty be amended or defeated.

EXHIBIT 1

[From the New England Journal of Medicine, July 14, 1949]

MEDICAL SCIENCE UNDER DICTATORSHIP

(By Leo Alexander, M.D.)

BOSTON

Science under dictatorship becomes subordinated to the guiding philosophy of the dictatorship. Irrespective of other ideologic trappings, the guiding philosophic principle of recent dictatorships, including that of the Nazis, has been Hegelian in that what has been considered "rational utility" and corresponding doctrine and planning has replaced moral, ethical and religious values. Nazi propaganda was highly effective in perverting public opinion and public conscience, in a remarkably short time. In the medical profession this expressed itself in a rapid decline in standards of professional ethics. Medical science in Nazi Germany collaborated with this Hegelian trend particularly in the following enterprises: The mass extermination of the chronically sick in the interest of saving "useless" expenses to the community as a whole; the mass extermination of those considered socially disturbing or racially and ideologically unwanted; the individual, inconspicuous extermination of those considered disloyal within the ruling group; and the ruthless use of "human experimental material" for medico-military research.

This paper discusses the origins of these activities, as well as their consequences upon the body social, and the motivation of those participating in them.

PREPARATORY PROPAGANDA

Even before the Nazis took open charge in Germany, a propaganda barrage was directed against the traditional compassionate nineteenth-century attitudes toward the chronically ill, and for the adoption of a utilitarian, Hegelian point of view. Sterilization and euthanasia of persons with chronic mental illnesses was discussed at a meeting of Bavarian psychiatrists in 1931.[1] By 1936 extermination of the physically or socially unfit was so openly accepted that its practice was mentioned incidentally in an article published in an official German medical journal.[2]

Lay opinion was not neglected in this campaign. Adults were propagandized by motion pictures, one of which, entitled "I Accuse," deals entirely with euthanasia. This film depicts the life history of a woman suffering from multiple sclerosis; in it her husband, a doctor, finally kills her to the accompaniment of soft piano music rendered by a sympathetic colleague in an adjoining room. Acceptance of this ideology was implanted even in the children. A widely used high-school mathematics text, "Mathematics in the Service of National Political Education," [3] includes problems stated in distorted terms of the cost of caring for and rehabilitating the chronically sick and crippled. One of the problems asked, for instance, how many new housing units could be built and how many marriage-allowance loans could be given to newly wedded couples for the amount of money it cost the state to care for "the crippled, the criminal and the insane."

EUTHANASIA

The first direct order for euthanasia was issued by Hitler on September 1, 1939, and an organization was set up to execute the program. Dr. Karl Brandt headed the medical section, and Phillip Bouhler the administrative section. All state institutions were required to report on patients who had been ill five years or more and who were unable to work, by filling out questionnaires giving name, race, marital status, nationality, next of kin, whether regularly visited and by whom, who bore financial responsibility and so forth. The decision regarding which patients should be killed was made entirely on the basis of this brief information by expert consultants, most of whom were professors of psychiatry in the key universities. These consultants never saw the patients themselves. The thoroughness of their security can be appraised by the work of one expert, who between November 14 and December 1, 1940, evaluated 2109 questionnaires.

These questionnaires were collected by a "Realm's Work Committee of Institutions

Footnotes at end of article.

for Cure and Care." [4] A parallel organization devoted exclusively to the killing of children was known by the similarly euphemistic name of "Realm's Committee for Scientific Approach to Severe Illness Due to Heredity and Constitution." The "Charitable Transport Company for the Sick" transported patients to the killing centers, and the "Charitable Foundation for Institutional Care" was in charge of collecting the cost of the killings from the relatives, without, however, informing them what the charges were for; in the death certificates the cause of death was falsified.

What these activities meant to the population at large was well expressed by a few hardy souls who dared to protest. A member of the court of appeals, at Frankfurt-am-Main wrote in December, 1939:

"There is constant discussion of the question of the destruction of socially unfit life—in the places where there are mental institutions, in neighboring towns, sometimes over a large area, throughout the Rhineland, for example. The people have come to recognize the vehicles in which the patients are taken from their original institution to the intermediate institution and from there to the liquidation institution. I am told that when they see these buses even the children call out: 'They're taking some more people to be gassed.' From Limburg it is reported that every day from one to three buses with shades drawn pass through on the way from Weilmunster to Hadamar, delivering inmates to the liquidation institution there. According to the stories the arrivals are immediately stripped to the skin, dressed in paper shirts, and forthwith taken to a gas chamber, where they are liquidated with hydrocyanic acid gas and an added anesthetic. The bodies are reported to be moved to a combustion chamber by means of a conveyor belt, six bodies to a furnace. The resulting ashes are then distributed into six urns which are shipped to the families. The heavy smoke from the crematory building is said to be visible over Hadamar every day. There is talk, furthermore, that in some cases heads and other portions of the body are removed for anatomical examination. The people working at this liquidation job in the institutions are said to be assigned from other areas and are shunned completely by the populace. This personnel is described as frequenting the bars at night and drinking heavily. Quite apart from these overt incidents that exercise the imagination of the people, they are disquieted by the question of whether old folk who have worked hard all their lives and may merely have come into their dotage are also being liquidated. There is talk that the homes for the aged are to be cleaned out too. The people are said to be waiting for legislative regulation providing some orderly method that will insure especially that the aged feeble-minded are not included in the program."

Here one sees what "euthanasia" means in actual practice. According to the records, 275,000 people were put to death in these killing centers. Ghastly as this seems, it should be realized that this program was merely the entering wedge for exterminations of far greater scope in the political program for genocide of conquered nations and the racially unwanted. The methods used and personnel trained in the killing centers for the chronically sick became the nucleus of the much larger centers in the East, where the plan was to kill all Jews and Poles and to cut down the Russian population by 30,000,000.

The original program developed by Nazi hotheads included also the genocide of the English, with the provision that the English males were to be used as laborers in the vacated territories in the East, there to be worked to death, whereas the English females were to be brought into Germany to improve the qualities of the German race. (This was indeed a peculiar admission on the part of the German eugenists.)

In Germany the exterminations included the mentally defective, psychotics (particularly schizophrenics), epileptics and patients suffering from infirmities of old age and from various organic neurologic disorders such as infantile paralysis, Parkinsonism, multiple sclerosis and brain tumors. The technical arrangements, methods and training of the killer personnel were under the direction of a committee of physicians and other experts headed by Dr. Karl Brandt. The mass killings were first carried out with carbon monoxide gas, but later cyanide gas ("cyclon B") was found to be more effective. The idea of camouflaging the gas chambers as shower baths was developed by Brack, who testified before Judge Sebring that the patients walked in calmly, deposited their towels and stood with their little pieces of soap under the shower outlets, waiting for the water to start running. This statement was ample rebuttal of his claim that only the most severely regressed patients among the mentally sick and only the moribund ones among the physically sick were exterminated. In truth, all those unable to work and considered nonrehabilitable were killed.

All but their squeal was utilized. However, the program grew so big that even scientists who hoped to benefit from the treasure of material supplied by this totalitarian method were disappointed. A neuropathologist, Dr. Hallervorden, who had obtained 500 brains from the killing centers for the insane, gave me a vivid first-hand account.[5] The Charitable Transport Company for the Sick brought the brains in batches of 150 to 250 at a time. Hallervorden stated:

"There was wonderful material among those brains, beautiful mental defectives, malformations and early infantile diseases. I accepted those brains of course. Where they came from and how they came to me was really none of my business."

In addition to the material he wanted, all kinds of other cases were mixed in, such as patients suffering from various types of Parkinsonism, simple depressions, involutional depressions and brain tumors, and all kinds of other illnesses, including psychopathy that had been difficult to handle:

"These were selected from the various wards of the institutions according to an excessively simple and quick method. Most institutions did not have enough physicians, and what physicians there were either too busy or did not care, and they delegated the selection to the nurses and attendants. Whoever looked sick or was otherwise a problem was put on a list and was transported to the killing center. The worst thing about this business was that it produced a certain brutalization of the nursing personnel. They got to simply picking out those whom they did not like, and the doctors had so many patients that they did not even know them, and put their names on the list."

Of the patients thus killed, only the brains were sent to Dr. Hallervorden; they were killed in such large numbers that autopsies of the bodies were not feasible. That, in Dr. Hallervorden's opinion, greatly reduced the scientific value of the material. The brains, however, were always well fixed and suspended in formalin, exactly according to his instructions. He thinks that the cause of psychiatry was pemanently injured by these activities, and that psychiatrists have lost the respect of the German people forever. Dr. Hallervorden concluded: "Still, there were interesting cases in this material."

In general only previously hospitalized patients were exterminated for reasons of illness. An exception is a program carried out in a northwestern district of Poland, the "Warthegau," where a health survey of the entire population was made by an "S.S. X-Ray Battalion" headed by Professor Hohlfelder, radiologist of the University of Frankfurt-am-Main. Persons found to be infected with tuberculosis were carted off to special extermination centers.

It is rather significant that the German people were considered by their Nazi leaders more ready to accept the exterminations of the sick than those for political reasons. It was for that reason that the first exterminations of the latter group were carried out under the guise of sickness. So-called "psychiatric experts" were dispatched to survey the inmates of camps with the specific order to pick out members of racial minorities and political offenders from occupied territories and to dispatch them to killing centers with specially made diagnoses such as that of "inveterate German hater" applied to a number of prisoners who had been active in the Czech underground.

Certain classes of patients with mental diseases who were capable of performing labor, particularly members of the armed forces suffering from psychopathy or neurosis, were sent to concentration camps to be worked to death, or to be reassigned to punishment battalions and to be exterminated in the process of removal of mine fields.[6]

A large number of those marked for death for political or racial reasons were made available for "medical" experiments involving the use of involuntary human subjects. From 1942 on, such experiments carried out in concentration camps were openly presented at medical meetings. This program included "terminal human experiments," a term introduced by Dr. Rascher to denote an experiment so designed that its successful conclusion depended upon the test person's being put to death.

THE SCIENCE OF ANNIHILATION

A large part of this research was devoted to the science of destroying and preventing life, for which I have proposed the term "ktenology," the science of killing.7, 9 In the course of this ktenologic, research, methods of mass killing and mass sterilization were investigated and developed for use against non-German peoples or Germans who were considered useless.

Sterilization methods were widely investigated, but proved impractical in experiments conducted in concentration camps. A rapid method developed for sterilization of females, which could be accomplished in the course of a regular health examination, was the intra-uterine injection of various chemicals. Numerous mixtures were tried, some with iodopine and others containing barium; another was most likely silver nitrate with iodized oil, because the result could be ascertained by X-ray examination. The injections were extremely painful, and a number of women died in the course of the experiments. Professor Karl Clauberg reported that he had developed a method at the

Auschwitz concentration camp by which he could sterilize 1000 women in one day.

Another method of sterilization, or rather castration, was proposed by Viktor Brack especially for conquered populations. His idea was that x-ray machinery could be built into desks at which the people would have to sit, ostensibly to fill out a questionnaire requiring five minutes; they would be sterilized without being aware of it. This method failed because experiments carried out on 100 male prisoners brought out the fact that severe x-ray burns were produced on all subjects. In the course of this research, which was carried out by Dr. Horst Schuman, the testicles of the victims were removed for histologic examination two weeks later. I myself examined 4 castrated survivors of this ghastly experiment. Three had extensive necrosis of the skin near the genitalia, and the other an extensive necrosis of the urethra. Other experiments in sterilization used an extract of the plant *Caladium sequinum,* which had been shown in animal studies by Madaus and his co-workers [10 11] to cause selective necrosis of the germinal cells of the testicles as well as the ovary.

The development of methods for rapid and inconspicuous individual execution was the objective of another large part of the ktenolocic research. These methods were to be applied to members of the ruling group, including the SS itself, who were suspected of disloyalty. This, of course, is an essential requirement in a dictatorship, in which "cut-throat competition" becomes a grim reality, and any hint of faintheartedness or lack of enthusiasm for the methods of totalitarian rule is considered a threat to the entire group.

Poisons were the subject of many of these experiments. A research team at the Buchenwald concentration camp, consisting of Drs. Joachim Mrugowsky, Erwin Ding-Schuler and Waldemar Hoven, developed the most widely used means of individual execution under the guise of medical treatment—namely, the intravenous injection of phenol or gasoline. Several alkaloids were also investigated, among them aconitine, which was used by Dr. Hoven to kill several imprisoned former fellow SS men who were potential witnesses against the camp commander, Koch, then under investigation by the SS. At the Dachau concentration camp Dr. Rascher developed the standard cyanide capsules, which could be easily bitten through, either deliberately or accidentally, if mixed with certain foods, and which, ironically enough, later became the means with which Himmler and Goering killed themselves. In connection with these poison experiments there is an interesting incident of characteristic sociologic significance. When Dr. Hoven was under trial by the SS the investigating SS judge, Dr. Morgen, proved Hoven's guilt by feeding the poison found in Dr. Hoven's possession to a number of Russian prisoners of war; these men died with the same symptoms as the SS men murdered by Dr. Hoven. This worthy judge was rather proud of this efficient method of proving Dr. Hoven's guilt and appeared entirely unaware of the fact that in the process he had committed murder himself.

Poisons, however, proved too obvious or detectable to be used for the elimination of high-ranking Nazi party personnel who had come into disfavor, or of prominent prisoners whose deaths should appear to stem from natural causes. Phenol or gasoline, for instance, left a telltale odor with the corpse. For this reason a number of more subtle methods were devised. One of these was artificial production of septicemia. An intramuscular injection of 1 cc. of pus, containing numerous chains of streptococci, was the first step. The site of injection was usually the inside of the thigh, close to the adductor canal. When an abscess formed it was tapped, and 3 cc. of the creamy pus removed was injected intravenously into the patient's opposite arm. If the patient then died from septicemia, the autopsy proved that death was caused by the same organism that had caused the abscess. These experiments were carried out in many concentration camps. At the Dachau camp the subjects were almost exclusively Polish Catholic priests. However, since this method did not always cause death, sometimes resulting merely in a local abscess, it was considered inefficient, and research was continued with other means but along the same lines.

The final triumph of the part of ktenologic research aimed at finding a method of inconspicuous execution that would produce autopsy findings indicative of death from natural causes was the development of repeated intravenous injections of suspensions of live tubercle bacilli, which brought on acute military tuberculosis within a few weeks. This method was produced by Professor Dr. Heissmeyer, who was one of Dr. Gebhardt's associates at the SS hospital of Hohenlychen. As a means of further camouflage, so that the SS at large would not suspect the purpose of these experiments, the preliminary tests for the efficacy of this method were performed exclusively on children imprisoned in the Neuengamme concentration camp.

For use in "medical" executions of prisoners and of members of the SS and other branches of the German armed forces the use of simple lethal injections, particularly phenol injections, remained the instrument of choice. Whatever methods he used, the physician gradually became the unofficial executioner, for the sake of convenience, informality and relative secrecy. Even on German submarines it was the physician's duty to execute the troublemakers among the crew by lethal injections.

Medical science has for some time been an instrument of military power in that it preserved the health and fighting efficiency of troops. This essentially defensive purpose is not inconsistent with the ethical principles of medicine. In World War I the German empire had enlisted medical science as an instrument of aggressive military power by putting it to use in the development of gas warfare. It was left to the Nazi dictatorship to make medical science into an instrument of political power—a formidable, esential tool in the complete and effective manipulation of totalitarian control. This should be a warning to all civilized nations, and particularly to individuals who are blinded by the "efficiency" of a totalitarian rule, under whatever name.

This entire body of research as reported so far served the master crime to which the Nazi dictatorship was committed—namely, the genocide of non-German peoples and the elimination by killing, in groups or singly, or Germans who were considered useless or disloyal. In effecting the two parts of this program, Himmler demanded and received the co-operation of physicians and of German medical science. The result was a significant advance in the science of killing, or ktenology.

MEDICOMILITARY RESEARCH

Another chapter in Nazi scientific research was that aimed to aid the military forces. Many of these ideas originated with Himmler, who fancied himself a scientist.

When Himmler learned that the cause of death of most SS men on the battlefield was hemorrhage, he instructed Dr. Sigmund Rascher to search for a blood coagulant that might be given before the men went into action. Rasher tested this coagulant when it was developed by clocking the number of drops emanating from freshly cut amputation stumps of living and conscious prisoners at the crematorium of Dachau concentration camp and by shooting Russian prisoners of war through the spleen.

Live dissections were a feature of another experimental study designed to show the effects of explosive decompression.[12-14] A mobile decompression chamber was used. It was found that when subjects were made to descend from altitudes of 40,000 to 60,000 feet without oxygen, severe symptoms of cerebral dysfunction occurred—at first convulsions, then unconsciousness in which the body was hanging limp and later, after wakening, temporary blindness, paralysis or severe confusional twilight states. Rascher, who wanted to find out whether these symptoms were due to anoxic changes or to other causes, did what appeared to him the most simple thing: he placed the subjects of the experiment under water and dissected them while the heart was still beating, demonstrating air embolism in the blood vessels of the heart, liver, chest wall and brain.

Another part of Dr. Rascher's research, carried out in collaboration with Holzloehner and Finke, concerned shock from exposure to cold.[15] It was known that military personnel generally did not survive immersion in the North Sea for more than sixty to a hundred minutes. Rascher therefore attempted to duplicate these conditions at Dachau concentration camp and used about 300 prisoners in experiments on shock from exposure to cold; of these 80 or 90 were killed. (The figures do not include persons killed during mass experiments on exposure to cold outdoors.) In one report on this work Rascher asked permission to shift these experiments from Dachau to Auschwitz, a larger camp where they might cause less disturbance because the subjects shrieked from pain when their extremities froze white. The results, like so many of those obtained in the Nazi research program, are not dependable. In his report Rascher stated that it took from fifty-three to a hundred minutes to kill a human being by immersion in ice water—a time closely in agreement with the known survival period in the North Sea. Inspection of his own experimental records and statements made to me by his close associates showed that it actually took from eighty minutes to five or six hours to kill an undressed person in such a manner, whereas a man in full aviator's dress took six or seven hours to kill. Obviously, Rascher dressed up his findings to forestall criticism, although any scientific man should have known that during actual exposure many other factors, including greater convection of heat due to the motion of water, would affect the time of survival.

Another series of experiments gave results that might have been an important medical contribution if an important lead had not been ignored. The efficacy of various vaccines and drugs against typhus was tested at the Buchenwald and Natzweiler concentration camps. Prevaccinated persons and nonvaccinated controls were injected with live typhus rickettsias, and the death rates of

the two series compared. After a certain number of passages, the Matelska strain of typhus rickettsia proved to become avirulent for man. Instead of seizing upon this as a possibility to develop a live vaccine, the experimenters, including the chief consultant, Professor Gerhard Rose, who should have known better, were merely annoyed at the fact that the controls did not die either, discarded this strain and continued testing their relatively ineffective dead vaccines against a new virulent strain. This incident shows that the basic unconscious motivation and attitude has a great influence in determining the scientist's awareness of the phenomena that pass through his vision.

Sometimes human subjects were used for tests that were totally unnecessary, or whose results could have been predicted by simple chemical experiments. For example, 90 gypsies were given unaltered sea water and sea water whose taste was camouflaged as their sole source of fluid, apparently to test the well known fact that such hypertonic saline solutions given as the only source of supply of fluid will cause severe physical disturbance or death within six to twelve days. These persons were subjected to the tortures of the damned, with death resulting in at least 2 cases.

Heteroplastic transplantation experiments were carried out by Professor Dr. Karl Gebhardt at Himmler's suggestion. While limbs—shoulder, arm or leg—were amputated from live prisoners at Ravensbrueck concentration camp, wrapped in sterile moist dressings and sent by automobile to the SS hospital at Hohenlychen, where Professor Gebhardt busied himself with a futile attempt at heteroplastic transplantation. In the meantime the prisoners deprived of a limb were usually killed by lethal injection.

One would not be dealing with German science if one did not run into manifestations of the collector's spirit. By February, 1942, it was assumed in German scientific circles that the Jewish race was about to be completely exterminated, and alarm was expressed over the fact that only very few specimens of skulls and skeletons of Jews were at the disposal of science. It was therefore proposed that a collection of 150 body casts and skeletons of Jews be preserved for perusal by future students of anthropology. Dr. August Hirt, professor of anatomy at the University of Strassburg, declared himself interested in establishing such a collection at his anatomic institute. He suggested that captured Jewish officers of the Russian armed forces be included, as well as females from Auschwitz concentration camp; that they be brought alive to Natzweiler concentration camp near Strassburg; and that after "their subsequently induced death—care should be taken that the heads not be damaged [sic]" the bodies be turned over to him at the anatomic institute of the University of Strassburg. This was done. The entire collection of bodies and the correspondence pertaining to it fell into the hands of the United States Army.

One of the most revolting experiments was the testing of sulfonamides against gas gangrene by Professor Gebhardt and his collaborators, for which young women captured from the Polish Resistance Movement served as subjects. Necrosis was produced in a muscle of the leg by ligation and the wound was infected with various types of gas-gangrene bacilli; frequently, dirt, pieces of wood and glass splinters were added to the wound. Some of these victims died, and others sustained severe mutilating deformities of the leg.

MOTIVATION

An important feature of the experiments performed in concentration camps is the fact that they not only represented a ruthless and callous pursuit of legitimate scientific goals but also were motivated by rather sinister practical ulterior political and personal purposes, arising out of the requirements and problems of the administration of totalitarian rule.

Why did men like Professor Gebhardt lend themselves to such experiments? The reasons are fairly simple and practical, no surprise to anyone familiar with the evidence of fear, hostility, suspicion, rivalry and intrigue, the fratricidal struggle euphemistically termed the "self-selection of leaders," that went on within the ranks of the ruling Nazi party and the SS. The answer was fairly simple and logical. Dr. Gebhardt performed these experiments to clear himself of the suspicion that he had been contributing to the death of SS General Reinhard ("The Hangman") Heydrich, either negligently or deliberately, by failing to treat his wound infection with sulfonamides. After Heydrich died from gas gangrene, Himmler himself told Dr. Gebhardt that the only way in which he could prove that Heydrich's death was "fate determined" was by carrying out a "large-scale experiment" in prisoners, which would prove or disprove that people died from gas gangrene irrespective of whether they were treated with sulfonamides or not.

Dr. Sigmund Rascher did not become the notorious vivisectionist of Dachau concentration camp and the willing tool of Himmler's research interests until he had been forbidden to use the facilities of the Pathological Institute of the University of Munich because he was suspected of having Communist sympathies. Then he was ready to go all out and to do anything merely to regain acceptance by the Nazi party and the SS.

These cases illustrate a method consciously and methodically used in the SS, an age-old method used by criminal gangs everywhere: that of making suspects of disloyalty clear themselves by participation in a crime that would definitely and irrevocably tie them to the organization. In the SS this process of reinforcement of group cohesion was called "Blutkitt' (blood-cement), a term that Hitler himself is said to have obtained from a book on Genghis Khan in which this technic was emphasized.

The important lesson here is that this motivation, with which one is familiar in ordinary crimes, applies also to war crimes and to ideologically conditioned crimes against humanity—namely, that fear and cowardice, especially fear of punishment or of ostracism by the group, are often more important motives than simple ferocity or aggressiveness.

THE EARLY CHANGE IN MEDICAL ATTITUDES

Whatever proportions these crimes finally assumed, it became evident to all who investigated them that they had started from small beginnings. The beginnings at first were merely a subtle shift in emphasis in the basic attitude of the physicians. It started with the acceptance of the attitude, basic in the euthanasia movement, that there is such a thing as life not worthy to be lived. This attitude in its early stages concerned itself merely with the severely and chronically sick. Gradually the sphere of those to be included in this category was enlarged to encompass the socially unproductive, the ideologically unwanted, the racially unwanted and finally all non-Germans. But it is important to realize that the infinitely small wedged-in level from which this entire trend of mind received its impetus was the attitude toward the nonrehabilitable sick.

It is, therefore, this subtle shift in emphasis of the physicians' attitude that one must thoroughly investigate. It is a recent significant trend in medicine, including psychiatry, to regard prevention as more important than cure. Observation and recognition of early signs and symptoms have become the basis for prevention of further advance of disease.

In looking for these early signs one may well retrace the early steps of propaganda on the part of the Nazis in Germany as well as in the countries that they attempted to gain supporters by means of indoctrination, seduction and propaganda.

THE EXAMPLE OF SUCCESSFUL RESISTANCE BY THE PHYSICIANS OF THE NETHERLANDS

There is no doubt that in Germany itself the first and most effective step of propaganda within the medical profession was the propaganda barrage against the useless, incurably sick described above. Similar, even more subtle efforts were made in some of the occupied countries. It is to the everlasting honor of the medical profession of Holland that they recognized the earliest and most subtle phases of this attempt and rejected it. When Seiss-Inquart, Reich Commissar for the Occupied Netherlands Territories, wanted to draw the Dutch physicians into the orbit of the activities of the German medical profession, he did not tell them "You must send your chronic patients to death factories" or "You must give lethal injections at Government request in your offices," but he couched his order in most careful and superficially acceptable terms. One of the paragraphs in the order of the Reich Commissar of the Netherlands Territories concerning the Netherlands doctors of 19 December 1941 reads as follows: "It is the duty of the doctor, through advice and effort, conscientiously and to his best ability, to assist as helper the person entrusted to his care in the maintenance, improvement and re-establishment of his vitality, physical efficiency and health. The accomplishment of this duty is a public task." [16] The physicians of Holland rejected this order unanimously because they saw what it actually meant—namely, the concentration of their efforts on mere rehabilitation of the sick for useful labor, and abolition of medical secrecy. Although on the surface the new order appeared not too grossly unacceptable, the Dutch physicians decided that it is the first, although slight, step away from principle that is the most important one. The Dutch physicians declared that they would not obey this order. When Seiss-Inquart threatened them with revocation of their licenses, they returned their licenses, removed their shingles and, while seeing their own patients secretly, no longer wrote death or birth certificates. Seiss-Inquart retraced his steps and tried to cajole them—still to no effect. Then he arrested 100 Dutch physicians and sent them to concentration camps. The medical profession remained adamant and quietly took care of their widows and orphans, but would not give in. Thus it came about that not a single euthanasia or non-therapeutic sterilization was recommended or participated in by any Dutch physician. They had the foresight to resist before the first step was taken, and they acted unanimously and won out in the end. It is obvious that if the medical profession of a small nation under the conqueror's heel could resist so effectively the German

medical profession could likewise have resisted had they not taken the fatal first step. It is the first seemingly innocent step away from principle that frequently decides a career of crime. Corrosion begins in microscopic proportions.

THE SITUATION IN THE UNITED STATES

The question that this fact prompts is whether there are any danger signs that American physicians have also been infected with Hegelian, cold-blooded, utilitarian philosophy and whether early traces of it can be detected in their medical thinking that may make them vulnerable to departures of the type that occurred in Germany. Basic attitudes must be examined dispassionately. The original concept of medicine and nursing was not based on any rational or feasible likelihood that they could actually cure and restore but rather on an essentially maternal or religious idea. The Good Samaritan had no thought of nor did he actually care whether he could restore working capacity. He was merely motivated by the compassion in alleviating suffering. Bernal[17] states that prior to the advent of scientific medicine, the physician's main function was to give hope to the patient and to relieve his relatives of responsibility. Gradually, in all civilized countries, medicine has moved away from this position, strangely enough in direct proportion to man's actual ability to perform feats that would have been plain miracles in days of old. However, with this increased efficiency based on scientific development went a subtle change in attitude. Physicians have become dangerously close to being mere technicians of rehabilitation. This essentially Hegelian rational attitude has led them to make certain distinctions in the handling of acute and chronic diseases. The patient with the latter carries an obvious stigma as the one less likely to be fully rehabilitable for social usefulness. In an increasingly utilitarian society these patients are being looked down upon with increasing definiteness as unwanted ballast. A certain amount of rather open contempt for the people who cannot be rehabilitated with present knowledge has developed. This is probably due to a good deal of unconscious hostility, because these people for whom there seem to be no effective remedies have become a threat to newly acquired delusions of omnipotence.

Hospitals like to limit themselves to the care of patients who can be fully rehabilitated, and the patient whose full rehabilitation is unlikely finds himself, at least in the best and most advanced centers of healing, as a second-class patient faced with a reluctance on the part of both the visiting and the house staff to suggest and apply therapeutic procedures that are not likely to bring about immediately striking results in terms of recovery. I wish to emphasize that this point of view did not arise primarily within the medical profession, which has always been outstanding in a highly competitive economic society for giving freely and unstintingly of its time and efforts, but was imposed by the shortage of funds available, both private and public. From the attitude of easing patients with chronic diseases away from the doors of the best types of treatment facilities available to the actual dispatching of such patients to killing centers is a long but nevertheless logical step. Resources for the so-called incurable patients have recently become practically unavailable.

There has never in history been a shortage of money for the development and manufacture of weapons of war; there is and should be none now. The disproportion of monetary support for war and that available for healing and care is an anachronism in an era that has been described as the "enlightened age of the common man" by some observers. The comparable cost of jet planes and hospital beds is too obvious for any excuse to be found for a shortage of the latter. I trust that these remarks will not be misunderstood. I believe that armament, including jet planes, is vital for the security of the republic, but adequate maintenance of standards of health and alleviation of suffering are equally vital, both from a practical point of view and from that of morale. All who took part in induction-board examinations during the war realize that the maintenance and development of national health is of as vital importance as the maintenance and development of armament.

The trend of development in the facilities available for the chronically ill outlined above will not necessarily be altered by public or state medicine. With provision of public funds in any setting of public activity the question is bound to come up, "Is it worth while to spend a certain amount of effort to restore a certain type of patient?" This rationalistic point of view has insidiously crept into the motivation of medical effort, supplanting the old Hippocratic point of view. In emergency situations, military or otherwise, such grading of effort may be pardonable. But doctors must beware lest such attitudes creep into the civilian public administration of medicine entirely outside emergency situations, because once such considerations are at all admitted, the more often and the more definitely the question is going to be asked, "Is it worth while to do this or that for this type of patient?" Evidence of the existence of such an attitude stared at me from a report on the activities of a leading public hospital unit, which stated rather proudly that certain treatments were given only when they appeared promising: "Our facilities are such that a case load of 20 patients is regularly carried. . . in selecting cases for treatment careful consideration is given to the prognostic criteria, and in no instance have we instituted treatment merely to satisfy relatives or our own consciences." If only those whose treatment is worth while in terms of prognosis are to be treated, what about the other ones? The doubtful patients are the ones whose recovery appears unlikely, but frequently if treated energetically, they surprise the best prognosticators. And what shall be done during that long time lag after the disease has been called incurable and the time of death and autopsy? It is that period during which it is most difficult to find hospitals and other therapeutic organizations for the welfare and alleviation of suffering of the patient.

Under all forms of dictatorship the dictating bodies or individuals claim that all that is done is being done for the best of the people as a whole, and that for that reason they look at health merely in terms of utility, efficiency and productivity. It is natural in such a setting that eventually Hegel's principle tat "what is useful is good" wins our completely. The killing center is the *reductio ad absurdum* of all health planning based only on rational principles an economy and not on humane compassion and divine law. To be sure, American physicians are still far from the point of thinking of killing centers, but they have arrived at a danger point in thinking, at which likelihood of full rehabilitation is considered a factor that should determine the amount of time, effort and cost to be devoted to a particular type of patient on the part of the social body upon which this decision rests. At this point Americans should remember that the enormity of a euthanasia movement is present in their own midst. To the psychiatrist it is obvious that this represents the eruption of unconscious aggression on the part of certain administrators alluded to above, as well as on the part of relatives who have been understandably frustrated by the tragedy of illness in its close interaction upon their own lives. The hostility of a father erupting against his feebleminded son is understandable and should be considered from the psychiatric point of view, but it certainly should not influence social thinking. The development of effective analgesics and pain-relieving operations has taken even the last rationalization away from the supporters of euthanasia.

The case, therefore, that I should like to make is that American medicine must realize where it stands in its fundamental premises. There can be no doubt that in a subtle way the Hegelian premise of "what is useful is right" has infected society, including the medical portion. Physicians must return to the older premises, which were the emotional foundation and driving force of an amazingly successful quest to increase powers of healing and which are bound to carry them still farther if they are not held down to earth by the pernicious attitudes of an overdone practical realism.

What occurred in Germany may have been the inexorable historic progression that the Greek historians have described as the law of the fall of civilizations and that Toynbee[18] has convincingly confirmed—namely, that there is a logical sequence from Koros to Hybris to Ate, which means from surefeit to disdainful arrogance to disaster, the surfeit being increased scientific and practical accomplishments, which, however, brought about an inclination to throw away the old motivations and values by disdainful arrogant pride in practical efficiency. Moral and physical disaster is the inevitable consequence.

Fortunately, there are developments in this democratic society that counteract these trends. Notable among them are the societies of patients afflicted with various chronic diseases that have sprung up and are dedicating themselves to guidance and information for their fellow sufferers and for the support and stimulation of medical research. Among the earliest was the mental-hygiene movement, founded by a former patient with mental disease. Then came the National Foundation for Infantile Paralysis, the tuberculosis societies, the American Epilepsy League, the National Association to Control Epilepsy, the American Cancer Society, The American Heart Association, "Alcoholics Anonymous" and, most recently the National Multiple Sclerosis Society. All these societies, which are co-ordinated with special medical societies and which received inspiration and guidance from outstanding physicians, are having an extremely wholesome effect in introducing fresh motivating power into the ivory towers of academic medicine. It is indeed interesting and an assertion of democratic vitality that these societies are activated by and for people suffering from illnesses who, under certain dictatorships, would have been slated for euthanasia.

It is thus that these new societies have taken over one of the ancient functions of medicine—namely, to give hope to the pa-

tient and to relieve his relatives. These societies need the whole-hearted support of the medical profession. Unfortunately, this support is by no means yet unanimous. A distinguished physician, investigator and teacher at an outstanding university recently told me that he was opposed to these special societies and clinics because they had nothing to offer to the patient. It would be better to wait until someone made a discovery accidentally and then start clinics. It is my opinion, however, that one cannot wait for that. The stimulus supplied by these societies is necessary to give stimulus both to public demand and to academic medicine, which at times grows stale and unproductive even in its most outstanding centers, and whose existence did nothing to prevent the executioner from having logic on his side in Germany.

Another element of this free democratic society and enterprise that has been a stimulus to new developments is the pharmaceutical industry, which, with great vision, has invested considerable effort in the sponsorship of new research.

Dictatorships can be indeed defined as systems in which there is a prevalence of thinking in destructive rather than in ameliorative terms in dealing with social problems. The ease with which destruction of life is advocated for those considered either socially useless or socially disturbing instead of educational or ameliorative measures may be the first danger sign of loss of creative liberty in thinking, which is the hallmark of democratic society. All destructiveness ultimately leads to self-destruction; the fate of the SS and of Nazi Germany is an eloquent example. The destructive principle, once unleashed, is bound to engulf the whole personality and to occupy all its relationships. Destructive urges and destructive concepts arising therefrom cannot remain limited or focused upon one subject or several subjects alone, but must inevitably spread and be directed against one's entire surrounding world, including one's own group and ultimately the self. The ameliorative point of view maintained in relation to all others is the only real means of self-preservation.

A most important need in this country is for the development of active and alert hospital centers for the treatment of chronic illnesses. They must have active staffs similar to those of the hospitals for acute illnesses, and these hospitals must be fundamentally different from the custodial repositories for derelicts, of which there are too many in existence today. Only thus can one give the right answer to divine scrutiny: Yes, we are our brothers' keepers.

FOOTNOTES

[1] Bumke, O. Discussion of Faltihauser, K. Zur Frage der Sterilisierung geistig Abnormer. *Allg. Zischr. f. Psychial.* 96:372, 1932.

[2] Dierichs, R. Beitrag zur psychischen Anstaltsbehandlung Tuberkuloser, *Zischr. f. Tuberk.* 74:21-28, 1936.

[3] Dorner, A. *Mathematik in Dienste der Nationalpolitischen Erzichung: Ein Handuck fur Lehrer, herausgegeben in Auftrage des Reichstaltbands Deutscher mathematischer Gesilschaften und Vergine.* Second edition. (revised). Frankfurt: Moritz Diesterweg, 1935. Pp. 1-118. Third edition (revised), 1936. Pp. 1-118.

[4] Alexander. L. Public mental health practices in Germany, sterilization and execution of patients suffering from nervous or mental disease, Combined Intelligence Objectives Subcommittee, Item No. 24. File No. XXVIII-50. Pp. 1-173 (August), 1945.

[5] *Idem.* Neuropathology and neurophysiology, including electro-encephalography in wartime Germany. Combined Intelligence Objectives Subcommittee Item No. 24, File No. XXVII-1. Pp. 1-65 (July), 1945.

[6] *Idem.* German military neuropsychiatry and neurosurgery. Combined Intelligence Objectives, Subcommittee. Item No. 24, File No. XXVIII-49. Pp. 1-138 (August), 1945.

[7] *Idem.* Sociopsychologic structure of SS: psychiatric report of Nurnberg trials for war crimes. *Arch. Neurol. & Psychiat.* 59:622-634, 1948.

[8] *Idem.* War crimes: their social-psychological aspects. *Am. J. Psychiet.* 105:170-177, 1948.

[9] *Idem.* War crimes and their motivation: sociopsychological structure of SS and criminalization of society. *J. Crim. Law & Criminal.* 39:298-326, 1948.

[10] Madaus, G., and Koch, F. E. Tierexperimentelle Studien zur Frage der medikamentosen Sterilisierung (durch Caladium seguinum (Dieffenbachia seguina). *Ztschr. f. d. ges. exper. Med.* 109:68-87, 1941.

[11] Madaus, G. Zauberpflanzen im Lichte experimenteller Forschung, Das Schweigrohr—Caladium seguinum. *Umscheu* 24:600-602, 1941.

[12] Alexander, L. Miscellaneous aviation medical matters. Combined Intelligence Objectives Subcommittee, Item No. 24, File No. XXIX-21. Pp. 1-163 (August), 1945.

[13] Document 1971 a PS.

[14] Document No 220.

[15] Alexander, L. Treatment of shock from prolonged exposure to cold, especially in water. Combined Intelligence Objectives Subcommittee, Item No. 24, File No. XXVI-37, Pp. 1-228 (July), 1945.

[16] Seiss-Inquart. Order of the Reich Commissar for the Occupied Netherlands Territories Concerning the Netherlands Doctors. (Gazette containing the orders for the Occupied Netherlands Territories), pp. 1004-1026, December, 1941.

[17] Bernal, J. D. *The Social Function of Science.* Sixth edition. 482 pp. London: George Routledge & Sons, 1946.

[18] Toynbee, A. J. *A Study of History.* Abridgement of Vol. I-VI. By D. C. Somervell. 617 pp. New York and London: Oxford University Press, 1947.

Mr. EAST addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. EAST. I thank the Chair.

I should like to take a few minutes to indicate my concerns about this proposed treaty. I deeply respect the President's position on it, and at the outset of my remarks I concede that it is one of those issues about which fair and reasonable minds could differ. I would like briefly to outline my objections to the treaty. As it currently stands, I will have to vote in opposition to it.

I wish to point out that my predecessor, whose seat I now hold, Senator Ervin of North Carolina, when he was in the Senate, was a very strong opponent of this treaty, and so at least I feel, if nothing else, I am carrying on in a strong North Carolina tradition.

I shall quickly state my concerns with the treaty. Some of these points have already been made by others.

First of all, I think to overly legalize it is to miss the political implications. And that is exceedingly important in the intense political atmosphere in which this treaty, if ratified, will be released. It clearly gives sovereignty to the International Court of Justice over American citizenry.

The International Court of Justice that sits in the Hague is hostile to Western values, Western traditions, Western culture. It is loaded with anti-Western, anti-American, Third World nations. So the political implications therein are ominous as to how this treaty might be used against our own best self-interests politically and those of our allies.

Second, it is interesting to note in the treaty that the categories defined as genocidal include national, ethnical, religious, or racial groups but does not include political. Therefore, the Soviet Union and other countries would very cleverly argue through this loophole that it does not apply to their genocide in Afghanistan or in Cambodia.

It is interesting to note that 90 nations during the 1970's ratified this treaty calmly and without reflection while more than 2 million people in Cambodia were subject to genocide. Curious, is it not? Well, it was simply looked upon as political liquidation, not national, ethnic, racial, or religious.

Strange, is it not, that the word "political" is not in there, indicating that the Soviet Union and other Communist bloc countries would simply define their genocidal tendencies in Afghanistan or Cambodia as purely political, not national, ethnical, racial, or religious?

It is a gigantic loophole through which the Communist juggernaut will walk with impunity.

The very point I raise is that Israel ratified this treaty back in 1950, and with good reason, in response to the Holocaust. The great political cancer of the 20th century, along with the gulag, is the Holocaust.

I remind our friends, they and I among them supporters of Israel, that in the intense political climate of our time, of 1984, not 1948—this is the era of George Orwell now—the treaty would be used as a club against the State of Israel probably more than any other country in the world today, ironically. George Orwell wrote "1984" in 1948, the year treaty was produced. In the year of our Lord 1984, which George Orwell named his book about double-speak, it will be used against Israel probably more than any other country.

I had the pleasure of hearing Norman Podhoretz, the editor of Commonweal magazine, say that if you check the U.N. Assembly agenda in terms of the amount of time they spend condemning Israel versus the rest of the world's problems, it is appalling.

If we ratify this treaty, it gives it a dignity, and it will be an additional club by which the United Nations, the Soviet Union, and the Third World bloc, which is so vehemently, virulently anti-Israel, will use it further to club Israel or to say, "You are engaging in genocide against the PLO or this group or that."

So the great irony of the thing is that this treaty, which took place back at a time to stop holocausts—the horrible type that took place at Buchen-

wald, Dachau, and Auschwitz—would be used today to justify the gulags and would be used as a club against the very nations that it was originally designed to protect; namely, the people of Israel and the Jewish people in the world at large. That deep sensitivity to their concern I fully and totally share.

My fourth point refers to an article by George Will in the Washington Post of September 20, 1984, which the Senator from South Carolina [Mr. THURMOND] has already entered into the RECORD. I shall not proceed to clutter the RECORD with it further, but Mr. Will calls it purely posturing. He calls it a gesture. He says:

> No, the treaty would be just another pretty patch on the quilt of hypocrisy typified by the Helsinki process, in which we solemnly discuss the rights of trade unions and journalists in the Soviet bloc, where there are no trade, unions or journalists. Under the genocide treaty the United States would solemnly commit itself to act against certain crimes; then, by not acting, the United States would implicitly acquit the Soviet regime of the crimes.

It would give them a false sense of security. It is purely posturing. It is purely gesturing. But it would not really be used by the West; it would be used by the Soviet Union and the Third World. It would be used—once we, as leading nation in the free world, give it approval—as a club by which to beat our allies, such as Israel, and ourselves, in terms of certain kinds of conduct.

It is purely cosmetic. We ought not do things that are purely cosmetic, even though the label is good, and we should not do it in haste. Not all things done in the name of national defense necessarily help the national defense. Not all things done in the name of anticommunism are necessarily genuinely anti-Communist. Not all things done in the name of the civil rights movement genuinely help civil rights. Not all things done in the name of fighting genocide necessarily fight genocide.

We live in a period in which the media, as Solzhenitsyn said, is hasty and superficial. A minute or two, at most, at night, on the major networks, and the label sounds good. "You are opposed to genocide, are you not? Of course."

So those who speak out against it, I realize, take great political risks; but I submit that this treaty is not genuinely going to help fight genocide. Ironically, it may be turned against those who are genuinely fighting it. It is purely cosmetic. it will give a false sense of security.

I recommend that the Senate take two courses of action: either lay it aside until it can deal with it in a more dispassionate moment than in the closing days of this session or reject it. I do not think there is the time available to give it the careful and thoughtful and thorough examination it needs.

So, as it now stands, Mr. President, I must reluctantly say to my colleagues that I will vote against ratification, and I urge them to do likewise.

I yield the floor.

Mr. BOSCHWITZ. Mr. President, I thank the Senator from North Carolina and the Senator from Idaho for their remarks. I have heard a number of those arguments before and have talked to the Senator from Idaho about some of them.

I do know that there have been a dozen hearings over the years with respect to this. There were rather complete hearings in 1981. Senator THURMOND testified, as did the Liberty Lobby, the American Bar Association, and others.

There was rather limited testimony most recently because the only group that had not testified on the convention was the administration. So only administration witnesses were thought to be necessary this time around.

My friend from Idaho points out that no one seeks to impose the Genocide Convention. I point out to him that we will be unable, not being a signatory, to impose the Genocide Convention. If we indeed are the leaders of the free world and the countries that have conscience in these matters, it will be up to us to bring up the issue and, therefore, unless we ratify this convention we will continue to be unable to do so.

I also note my friend from Idaho made reference to a group entitled "Jews for Morality." I am not familiar with that group and, while I note their opposition to this treaty, their opposition really stands alone in the whole bevy of groups in the Jewish community who support it. Every major group in the Jewish community supports it. This group indeed may be an exception but I must tell the distinguished Senator from Idaho I would not classify them as a major group.

Mr. President, it is with a great deal of anticipation and a sense of history that I rise in the Senate and speak about the Genocide Convention as the Senate does indeed take up that Convention.

The anticipation comes from the fact that when the State Department on September 5 announced President Reagan's support for the Convention, the chances were greatly increased that at long last the Senate might finally give its advice and consent to the International Convention on the Prevention and Punishment of the Crime of Genocide.

The sense of history is not only because it has been so many years since the Genocide Convention was first considered by the Senate Foreign Relations Committee in 1950, but I also speak from a sense of personal history.

Most of my family were victims of the genocide in the Second World War. They were among the more than 6 million Jews who perished in the Nazi Holocaust against the Jewish people. It was only through the foresight of my father who decided to leave Germany in the very early days of Hitler's rise to power that we ourselves managed not to be among that number. I was a young boy then. Today, as a U.S. Senator, I stand here as the floor manager for the Convention. It is a poignant moment for me. It is another demonstration of the wonderful openness of our American democracy.

It would be highly meaningful, not only personally, but for this Senate to ratify the Genocide Convention now.

This session of Congress is in its final hours. We have had exhausting sessions but really we must take time to remember the dead and try to do what we can to help protect the living.

Saturday was Yom Kippur, the Day of Atonement, which to most Jews is the most holy day on the Jewish calendar, and a day of fasting as well. It also was a day that in synagogues throughout the world, prayers of remembrance were said for the victims of the genocide of the Second World War. Therefore, it would be all the more meaningful and symbolic if we Members of the Senate, gathered here in this Chamber of our democracy, can join today in approving the Genocide Convention.

We all realize, of course, that ratification will not prevent genocides in the future, or undo those of the past which affected not only Jews but also Armenians and Gypsies and Ukrainians and, more recently, the Cambodians.

It is important, however, that we underscore our oppositon and abhorrence of genocide, of murder on a mass scale intended to wipe out an entire people.

It is important that we try to strengthen the concept and rule of international law. I will not take the time of the Senate to go into detail on this or the history of the convention. The ground is very well covered by the speech of the chairman of our committee, Senator PERCY, who cannot be here today.

As Senator PERCY notes, "the significance of this convention is not merely symbolic, it forms part of a general network of treaties which declare certain actions to be international crimes, justifiying concerted action by all countries to bring the perpetrators to trial."

Mr. President, I know that there are Members who have understandings and reservations about the convention. I also understand that there has been a great deal of emotional reaction stirred up in certain quarters.

But I really believe that the expressed concerns that the convention will result in the United States being put on trial in the world court or our Constitution being overridden are not well founded. This treaty has been examined closely over the years by a succession of administrations. It is strongly supported by the American Bar Association.

It has been blocked on the other hand, for 35 years. Today, it is time that we finally act.

In the past few days, the Senate has been less than shining in the hours of wrangles over amendments to the continuing resolution. We have been bogged down in trivia and time-consuming maneuvers. The image of the Senate and Congress has been tarnished.

Approval of the Genocide Convention will not only redeem us, Mr. President, but show that we can rise to the occasion with a most meaningful convention that will also lift us in the eyes of the world. It is a good and it is a right thing to do. Therefore, I urge the Senate move expeditiously to provide its concept.

Mr. PROXMIRE. Mr. President, will the manager of the bill yield.

Mr. BOSCHWITZ. I yield.

Mr. PROXMIRE. Mr. President, I first wish to thank my good friend from Minnesota for a moving statement.

It is hard for anyone to realize what is at stake here. The Senator said that some of his family had been destroyed, that terrible heartbreaking tragedy that none of us can really understand unless we have had the kind of searing, traumatic, personal experience that the distinguished Senator from Minnesota has gone through, when you think that they were killed not because of any crime they committed or was even alleged against them. They were killed why? Because they were Jewish, because they were Jews, not because they had done anything that would violate the law.

They were killed not by a terrorist group or by some mindless drug addict. They were killed by the deliberate, planned program of a government of Adolf Hitler.

I wish to commend the distinguished Senator, and I think it is very fitting that he should be managing this bill because it is time that we realize that we are not talking about some vague theory or some treaty that will be put on the shelves and forgotten. This is a protest of the most tangible and real and genuine protest, the most effective protest that we can make against what Hitler did in Germany and against the genocides that have occurred since then.

So I thank my good friend from Minnesota for a statement which I hope Senators will consider and dwell on and understand because I say this goes far beyond any technical defense we can make of the treaty or any exposition that we could make of its details. As the Senator said, it has been examined by many, many experts and many administrations and found to be sound, and I thank the Senator.

Mr. BOSCHWITZ. I thank the senior Senator from Wisconsin. I yield the floor.

(By request of Mr. BOSCHWITZ, the following statement was ordered to be printed in the RECORD:)

● Mr. PERCY. Mr. President, this is a significant day in the history of the U.S. Senate. We now have a real opportunity to demonstrate in the clearest fashion that, indeed, the Senate is the greatest deliberative body in the world. We can do today what the Senate has failed to do for 35 years—advise and consent to ratification of the Genocide Convention.

The Genocide Convention or, as it is formally known, the International Convention on the Prevention and Punishment of the Crime of Genocide, was drafted in response to the Holocaust of World War II—the attempted wholesale extermination of an entire ethnic group—European Jewry. It was negotiated at the United Nations in 1947-48 and signed by the United States on December 11, 1948. The United States was a leading advocate of the treaty.

The word genocide was developed in 1944 by a noted international jurist, Raphael Lemkin. Lemkin was a Polish Jew who immigrated to the United States in 1941 and subsequently served as an adviser to Robert Jackson, the U.S. Prosecutor at the Nuremberg war crime trials. Forty-nine members of Raphael Lemkin's family were victims of Nazi genocide. He comprehended in the most personal way the enormous evil that sets genocide apart from other horrible crimes. It is murder on a mass scale intended to extinguish an entire people. It is a crime against civilization itself, a crime against humanity.

In 1949, President Truman submitted the Genocide Convention to the Senate for its consideration. The treaty was referred to the Foreign Relations Committee which in 1950 appointed a special subcommittee to review it. The subcommittee recommended that same year that the Genocide Convention be reported by the committee. However, no action was taken at that time.

Unfortunately, the Genocide Convention became caught up in the postwar debate about the treaty power and the authority of the Federal Government to make law by treaty, the so-called Bricker amendment debate. These questions have long since been resolved.

The treaty remained dormant in the Senate until the early 1970's when the Senate and President Nixon shared a renewed interest in it. At the same time, the American people and the Congress showed a growing interest in the relationship between the conduct of American foreign policy and concern for internationally recognized human rights. During that period, the Foreign Relations Committee held additional hearings on the Genocide Convention and examined in great detail every possible argument pro and con about the Genocide Convention. Throughout this period, a sizeable majority of the Foreign Relations Committee supported ratification of the Genocide Convention.

A very significant development in the long history of this treaty occurred in 1976 when the American Bar Association reversed its previous position and came out strongly in favor of the Genocide Convention. Backed by the ABA's support, the Foreign Relations Committee again urged the Senate to approve the Genocide Convention but no action was taken. In fact, the convention has been debated in the Senate at length only once, in 1974, when two attempts to break a filibuster mustered 55 votes, a majority of the Senate, but not enough for the Senate to proceed to a vote on the treaty.

The Senate acts on the convention at this time following President Reagan's decision, after careful review, to support ratification. He did so provided that the Senate approved as a part of the resolution of ratification the three understandings and one declaration recommended by the Foreign Relations Committee in its current report on the treaty. These are same understandings and declaration recommended by the committee in 1971, 1973, and 1976 and are intended to assure that the convention does not undercut the requirements and safeguards of our Constitution and Bill of Rights. I applaud the President's decision and believe that if we approve the Genocide Convention now, it will be an important and lasting accomplishment for the Senate and the Reagan administration.

In recent weeks, much has been written and said about the Genocide Convention. Some people acting out of sincere belief have argued that the Genocide Convention is unconstitutional, that it undermines the Bill of Rights, that it will place Americans in jeopardy by requiring their extradition to foreign countries to stand trial without due process of law. Certainly, if these allegations were true, it would be unthinkable that this Senator or the Senate as a whole would ever support such a treaty. But the allegations are not true. They are not backed up by one shred of evidence demonstrating that the Genocide Convention will subvert our American system of law and justice.

In this regard, I ask my colleagues to take into consideration the strong support of the American Bar Association for the Genocide Convention to which I have already made reference. We all know that the ABA is one of the most respected organizations in the United States and certainly is our preeminent legal association. The ABA has supported and continues to support the Genocide Convention with the understandings and declaration reported by the Foreign Relations Committee. I submit for the RECORD a copy of the testimony of the ABA representatives at the Foreign Relations Committee's 1981 hearing on the convention, to be printed in the RECORD at the conclusion of my remarks.

I urge my colleagues to read this testimony and the report of the Foreign Relations Committee on the Genocide Convention. The report and the ABA testimony rebut point by point the arguments that have been made against the Genocide Convention. I believe this is done so convincingly that it answers all the most frequently asked questions about the purpose and effect of the Genocide Convention.

It has been said that the Genocide Convention is of enormous symbolic value as a statement by the nations of the world that those who perpetuate genocide must not be allowed sanctuary anywhere. I agree with this. Yet, the significance of this convention is not merely symbolic. It forms part of a general network of treaties which declare certain actions to be international crimes, justifying concerted action by all countries to bring the perpetrators to trial. However new and untried this concept may have seemed to the Senate in 1949, there is nothing unusual about it today. During the summer of 1981, for example, the Senate approved by a vote of 98–0 two treaties which provide for just such international action, the first against those who take hostages for political purposes, and the second against those who divert nuclear materials for unauthorized use.

Another such treaty directed against those who seize diplomats for political purposes provided an important basis for our case against the Government of Iran, and added to the wide condemnation of the Khomeini government by the rest of the world for the holding of American hostages. If we can agree to condemn and seek to punish such violators of international law, why should we not agree to treat the perpetrators of genocide in the same manner?

Mr. President, ratification of the Genocide Convention by the United States may be a very small step in the scheme of things, but it does no credit to a great nation like the United States to hesitate in taking a small step forward for reasons which are not sustained by a serious consideration of American interests in the world. As the committee report notes:

Philosophical, moral, and constitutional questions have been raised [about the Convention] which go far beyond this modest step and probe man's relationship to his fellow man and the responsibilities of governments to protect the rights of their citizens. These questions appear inherent in the area of human rights treaties and legislation, and it is good that they are raised, because they serve to lift our sights to what is really at issue here, an attempt to curb the excesses of mankind. As our planet becomes more crowded, man's behavior towards his fellows must be governed by standards ever higher and more humane. This treaty seeks to set a higher standard of international morality and should be judged on that basis.

I urge the Senate to advise and consent to ratification of the Genocide Convention.

The testimony follows:

STATEMENT OF JOHN NORTON MOORE, VICE CHAIRMAN, DIVISION OF PUBLIC INTERNATIONAL LAW, SECTION OF INTERNATIONAL LAW

Mr. Chairman and Members of the Committee: My name is John Norton Moore, and I am honored to accept your invitation, on behalf of the American Bar Association President, to express the support of the 285,000-member ABA for immediate Senate advice and consent to ratification of the Convention on the Prevention and Punishment of the Crime of Genocide.

I appear today as the Divisional Vice Chairman for Public International Law of the ABA's Section of International Law. I am the Walter Brown Professor of Law at the University of Virginia and direct that university's Center for Law and National Security. Accompanying me are two distinguished international law scholars and recognized experts on the Genocide Convention.

The Honorable Thomas Buergenthal is Dean of the Washington College of Law of the American University, is a Judge on the Inter-American Court of Human Rights and serves as Chairman of the International Law Section's Committee on International Human Rights.

Mr. Bruno Bitker is a lawyer in Milwaukee, Wisconsin and is a member, and past chairman, of the Assocation's Standing Committee on World Order Under Law. Mr. Bitker is a leader, both within and without the Association, in the 32-year effort to ratify the Genocide Convention, and testified to that effect for the ABA before this Committee in 1977.

INTEREST OF THE AMERICAN BAR ASSOCIATION

Mr. Chairman, the ABA has concerned itself with this treaty for nearly as long as the Convention has been before the Senate. Some three months after the Convention was transmitted by President Truman to the Senate on June 16, 1949, for its advice and consent, the Association's House of Delegates resolved to oppose ratification of the treaty "as submitted" by the President. For over 20 years thereafter, various Association entities continued to study the constitutional issues raised by the Convention; a resolution in support of ratification was defeated in February 1970 by a 130–126 vote of our House of Delegates.

Subsequently, various ABA groups reviewed the understandings and declaration which were the basis for this Committee's approval of the Convention by voice early in 1973. These three understandings and a declaration fully resolved the constitutional concerns of the ABA. Consequently, in February 1976, the Association's House of Delegates by voice vote approved a resolution favoring ratification with the understandings and declaration recommended by this Committee.

Ratification of the Genocide Convention is now one of the legislative priorities of the ABA President, and as such is one of a handful of legislative goals of the highest importance to the Association. As Mr. Bitker told this Committee in 1977, "[C]ertainly nothing is more basic to the obligation the United States assumed when it ratified the U.N. Charter, than to outlaw mass murder of a national, ethnical, racial or religious group, as such, whether committed in time of peace or war . . . [United States'] failure to ratify borders on constituting a national disgrace." We urge this Committee, the Senate and our Government to end this period of national disgrace by promptly ratifying this Convention.

As lawyers, we think the legal profession has a unique role to play in this ratification process. In a May 1977 address to the 20th anniversary meeting of the Inter-American Bar Foundation, then—ABA President William B. Spann observed that the Association's Code of Professional Responsibility "makes it quite clear that a lawyer should not regard himself simply as a functionary of the legal system but as one who must defend and develop it." [1] There is no more basic human right for which the legal system was established to defend, than the right of a human to live.

There are countries throughout the world whose governmental recognition of this right could be questioned. Mass slaughter of hundreds of thousands of citizens from identifiable ethnic or religious groups has repulsed the world in recent years. These events were evidence that genocide is a crime against mankind and one threatening the peace and security of the world, that it can only be prevented and punished through enforcement of recognized international law, and that the United States should be the leading force in the world officially to condemn this crime. To state our opposition to genocide, but to refrain from actively seeking to prevent it, is merely to sanction its perpetuation.

In February 1976 the ABA's policy-making House of Delegates adopted the following resolution by voice vote:

Be It Resolved, That the American Bar Association favors the accession of the United States to the United Nations Convention on the Prevention and Punishment of the Crime of Genocide with the following Understandings and Declaration which have been approved by the Senate Committee on Foreign Relations: [2]

1. That the U.S. Government understands and construes the words "intent to destroy, in whole or in part, a national, ethnical, racial or religious group as such" appearing in article II to mean the intent to destroy a national, ethnical, racial or religious group by the acts specified in article II in such a

[1] William B. Spann, "Lawyers and the Promotion of Human Rights in America", the Legal Protection of Human Rights in the Western Hemisphere, 22, Inter-American Bar Foundation (March 1978).

[2] International Convention on the Prevention and Punishment of the Crime of Genocide, Report on Executive O, 81st Cong., 1st sess. (Ex. Report No. 93-5; Mar. 6, 1973).

manner as to affect a substantial part of the group concerned.

2. That the U.S. Government understands and construes the words "mental harm" appearing in article II(b) of this Convention to mean permanent impairment of mental faculties.

3. That the U.S. Government understands and construes article VI of the Convention in accordance with the agreed language of the Report of the Legal Committees of the United Nations General Assembly that nothing in article VI shall affect the right of any state to bring to trial before its own tribunals of any of its nationals for acts committed outside the state.

4. That the U.S. Government declares that it will not deposit its instrument of ratification until after the implementing legislation referred to in article V has been enacted.

Be It Further Resolved, That the President of the American Bar Association or his designee is hereby authorized to present the views of the Association as herein expressed before the appropriate committees of the Congress and other agencies of the Government of the United States.

The American Bar Association, through adoption of this policy, agrees with the Departments of State and Justice that the Convention, along with the recommended understandings and declaration, pose no constitutional obstacles to ratification. Were this not the case, the first stated purpose of the ABA—". . . to uphold and defend the Constitution of the United States . . ."—would prohibit us from supporting ratification, much less supporting it as strongly as we do.

WHAT THE CONVENTION PROVIDES—OBLIGATIONS OF THE UNITED STATES

The Genocide Convention has established within the body of international law the intentional crime of mass destruction of people—of the whole or substantial part of a national, ethnical, racial or religious group. Applicable in peacetime and during war, genocidal acts include intentional killing, causing of serious bodily or mental harm (understood by the United States to mean "permanent impairment of mental faculties"), inflicting living conditions so adverse as to intend to cause the group's destruction, imposing measures intended to prevent births within the group—thus destroying the group, and forcibly transferring children of the group to another group. Punishable acts include the actual commission of genocide, as well as conspiracy in, or direct and public incitement of, or attempt to commit, genocide, or complicity in committing genocide.

Persons charged with any of these offenses, whether public officials or private citizens, shall be tried in the state where the offense was alleged to have occurred or before an international tribunal. No such international tribunal of competent jurisdiction exists; if one were established, the United States Congress would have to approve submitting to the new court's jurisdiction. One of the understandings approved by the Foreign Relations Committee, and endorsed by the ABA, would make clear that U.S. citizens could be tried in U.S. courts for genocidal acts committed abroad. Furthermore, while the Convention provides that contracting parties shall grant extradition requests "in accordance with their laws and treaties in force" (Article VII), the Convention itself is not an extradition treaty. Since no current extradition treaties to which the U.S. is a party cover the crime of genocide, the U.S. would not be obligated to extradite U.S. citizens to a foreign country. Any future extradition treaty which might include the crime of genocide would, of course, be subject to the advise and consent power of the Senate. Each country would establish its own penalties to be imposed for convictions of the enumerated crimes.

A contracting party to the Convention may request appropriate U.N. entities to take action to assist in preventing or suppressing genocide (Article VIII). Also, the contracting parties will submit to the International Court of Justice disputes concerning the "interpretation, application or fulfillment" of the terms of the Convention (Article IX). This provision does not fall under the Connally amendment, by which the U.S. determines which cases are within the domestic juridiction of the U.S., and thus outside the court's jurisdiction. However, provisions comparable to Article IX for resolution of disputes by the International Court of Justice are included in such treaties as the Japanese Peace Treaty and the Antarctic Treaty, to which the U.S. is a party.

Finally, the United States has declared that it will not deposit its instrument of ratification following Senate approval until after enactment by Congress of implementing legislation.[3] Thus, the Genocide Convention is not a self-executing treaty, but rather one requiring the usual legislative approval of both Houses of Congress and the President.

Over the lengthy period of congressional debate over the meaning and possible adverse effects of the Convention's provisions, a number of recurring questions have been raised. For the benefit of the Committee, we attach to this statement nine of the most frequently asked questions, and our responses. To summarize the attached responses, the ABA simply finds no responsible support for various constitutional questions raised against the Convention. To suggest that the protection against mass murder of a selected people is an improper subject of international concern, and thus without this nation's treaty power, is nonsense. Similarly, other legal issues concerning, for instance, the effect of voluntary birth control, the acts of soldiers in wartime and the "incitement" language of Article III all have long ago been resolved in the context of U.S. domestic law or international law.

The fact that these legal issues are without merit is perhaps best substantiated by the testimony before this Committee in 1970 by then-Assistant Attorney General William H. Rehnquist:

"In 1950 some of the questions concerning Federal jurisdiction and the treaty power were considered somewhat novel. However, developments in the intervening years—the extensive use of the treaty power and the growth of Federal criminal jurisdiction—have, it seems, illuminated both these areas to the point where I believe I can safely say that the questions before the Committee and the Senate are more matters of policy than questions of legal power. Other witnesses in support of this treaty have, I believe, made this clear."

[3] See Ex. Report No. 93-5 for the text of proposed implementing legislation, pp. 21-23, 93d Cong., 1st sess. (Mar. 6, 1973).

THE GENOCIDE CONVENTION SHOULD BE RATIFIED NOW

The United States should ratify the Genocide Convention immediately because such an act would be a timely expression of this nation's unalterable commitment to the rule of law in international affairs, because it would strengthen our hand in the current conduct of foreign relations with allies and adversaries alike, and because it would place us in the company of 89 other nations—where we should have been long ago—in expressing our collective national repugnance to mass acts of murder of unspeakable proportions.

As a member nation of the United Nations, and as a signatory to the Helsinki Accords, among other agreements, the United States has demonstrated its leadership in seeking to bring more order to the peaceful relations among nations. The essence of this commitment is our devotion to an ordered existence governed by universally accepted rules and procedures—the rule of law. Since our own freedoms are assured through adherence to the rule of law—a concept by no means universally accepted throughout the world—our sovereignty is that much more enhanced through our efforts to expand the primary of the rule of law in our relations with other nations. Ratification of the Genocide Convention furthers this cause.

It is clear to most observers that the Soviet Union and other nations with less regard for the type of freedoms we take for granted pose the most serious threat to our national interests. As Dean Buergenthal recently stated, the threat of the Soviet Union "is not only military or subversive, it is also ideological and it must therefore be confronted on the ideological level as well . . . A sound human rights policy provides the U.S. with an ideology that distinguishes us most clearly from the Soviet Union and seriously undercuts the ideological appeal of Communism."

However, our ideological hand is not strong in dealing with the Soviets when our criticism of their treatment of religious or ethnic groups prompts the question of why the United States has not ratified the Genocide Convention. In the terminology of legal equity, ratification of the Convention would bring us to the international negotiating table with "clean hands."

Finally, it is important to remember that this threaty is hardly a novel idea. It has been in force for some 30 years and is the law in the majority of the world. The United States was a leading participant in drafting the treaty and in advocating its importance. The crime of genocide surely is the most difficult for civilized people to comprehend, and the most shocking to the human conscience. The extent to which most of the rest of the world has signaled its horror of this crime by ratifying the Convention is both a measure of this country's humiliation at not being a signatory, and the strongest reason why ratification should wait no longer.

Mr. Chairman, we thank you for this opportunity to again urge ratification of this Convention, and will be pleased to respond to your questions.

QUESTIONS AND ANSWERS CONCERNING THE GENOCIDE CONVENTION

I. Doesn't the convention allow the United Nations to investigate United States domestic officials and thus subject our Government to irresponsible charges of genocide in the world forum?

Artice VIII which empowers a contracting party to call upon the competent organs of the United Nations "to take such action under the Charter . . . as they consider appropriate for the powers of the United Nations. Genocide, involving mass murder on a broad scale, would violate not only the human rights provisions of the UN Charter but would normally involve a threat to the peace and therefore would clearly be within the powers of the UN to discuss. It need also be noted that article 2(7) of the UN Charter contains a proscription against intervention in matters which are essentially within the domestic jurisdiction of any state. . . ."

The argument that ratification of the Convention would subject the United States to irresponsible charges of genocide is without foundation. Ratification would not alter the present situation to our disadvantage. Spurious propaganda charges alleging genocide can be made by our enemies whether or not the United States is a party to the Convention. If anything, ratification would improve our position to rebut spurious charges by subjecting our behavior to a precise legal definition of genocide. Further, our failure to ratify in fact weakens the effectiveness of our replies.

II. Isn't it true that the genocide convention would allow United States POW's to be charged with genocide by enemy nations?

An inference such as this overlooks the simple reality that such a charge may be made by the authorities of a state involved in conflict with the United States with or without the Genocide Convention. There is nothing in the Genocide Convention that would provide warrant for charges by an enemy nation that our POW's are guilty of genocide. The existence of the Genocide Convention, and more importantly the ratification or rejection of the Convention by the United States, would have little effect on the treatment of American POW's. This was clear in the cases of American POW's held by North Viet Nam (where neither state was party to the Convention). Their peril will not be increased by approval of the Convention while peril may be avoided for tens of millions by ratification of the Convention.

III. Wouldn't the convention change the constitutional structure of the United States in that the United States lacks the constitutional power to make treaties in the human rights field because treatment by a state of its own nationals is a domestic matter and not properly the subject of an international agreement?

In the past, the power of the United States under the Constitution to make treaties in the human rights field has been questioned on the grounds that the treatment by a state of its nationals is a matter of domestic jurisdiction. This was one of the points raised in opposition to the Genocide Convention by the American Bar Association. However, the special Committee of Lawyers of the President's Commission for the Observance of Human Rights Year 1968 concluded after a survey of the constitutional issues involved and of the past treaty making practice of the United States that, "Treaties which deal with the rights of individuals within their own countries as a matter of international concern may be a proper exercise of the treaty-making power of the United States. . . ."

The Supreme Court declared in *Geofroy* v. *Riggs*, 133 U.S. 258, 267 (1890), that the treaty-making power may be exercised on any matter "which is properly the subject of negotiation with a foreign country". The United States is a party to numerous international agreements relating to the activities of its own citizens within the United States because those treaties deal with matters appropriate for international negotiation. Examples include treaties on narcotics, public health and nature conservation, and the Supplementary Convention on Slavery.

In the words of the Special Committee of Lawyers, of which retired Supreme Court Justice Tom C. Clark was chairman: "It may seem almost anachronistic that this question continues to be raised." This concern needs to be determined objectively in the light of the current interests of the United States in an interdependent world and contemporary concepts of international law—not on the basis of notions that may have been appropriate in a different historical time. In today's world the massive destruction of a racial, religious or national group in one country has an immediate impact on members of this group in other countries, stimulates demand for intervention and adversely affects international relations. As said by the Senate Foreign Relations Committee: "on both moral and practical grounds, the commission of genocide, involving as it must mass action, cannot help but be of concern to the community of nations".

IV. Isn't it true that the Genocide Convention would alter the balance of authority between the State and Federal Government?

The Constitution, Article I, Section 8, specifically gives Congress the power to "define and punish . . . offenses against the law of Nations". The act of genocide is almost universally recognized in treaties, international custom, and the acts of international organizations as an offense against the law of nations. It is thus clearly within the power of Congress to outlaw the crime of genocide. Ratification of the Genocide Convention will add no powers to those the Federal Government already possesses.

V. Wouldn't birth control offered on a voluntary basis be subject to attack as genocide?

This fear has no foundation. None of the five acts in the Convention definition is genocide unless "committed with intent to destroy in whole or in part" one of the named groups as such. Thus, basic to any charge of genocide is the element of intent. To avoid any misconceptions the United States ratification would be accompanied by an understanding that the intent required by the Convention be the intent to destroy one of the named groups "in such a manner as to affect a substantial part of the group concerned".

VI. Couldn't the Convention result in the bringing of United States citizens to arrest and trial in foreign areas on charges of genocide?

The Convention does impose an obligation on the State in whose territory acts of genocide had been committed to try all persons charged with committing genocide within that State. However, it is clear from the Convention's negotiating history that the Convention does not bar another State from trying before its own tribunals its nationals who had committed such acts outside the State. This theory of concurrent jurisdiction—jurisdiction based on the site of the alleged offense and jurisdiction based on the nationality of the offender—has been thoroughly explored. The United States government, however, has made it clear to the other contracting parties that it intends to construe the Convention so as to permit it to try its own nationals for punishable genocidal acts whether committed at home or abroad. This is recorded in the United States understanding that the United States Government "understands and construes Article VI . . . that nothing in Article VI shall affect the right of any State to bring to trial before its own tribunals any of its nationals for acts committed outside the State".

VII. Doesn't the Convention open the possibility that United States citizens can be extradited and subject to trial for genocide before a foreign tribunal without constitutional protections and benefits?

Ratification of the Convention would merely permit the adding on of one or more crimes—genocide—to the many crimes for which American citizens may already be extradited under existing extradition treaties. The Convention is not itself an extradition treaty. Neither United States law nor any of the U.S. extradition treaties at present cover genocide. Under the Convention extradition would take place only in accordance with laws and treaties in force. In any case, the United States does not grant extradition unless a prima facie case is established against the accused and unless the accused will be afforded by the requesting state the due process required by our Constitution. Such a treaty could be negotiated in the future with or without the Genocide Convention but it would need to be brought before the Senate for approval.

VIII. Isn't it true that ratification of the Convention would subject United States citizens to trial before international penal tribunals?

No. It is unfortunate draftsmanship that Article VI of the Convention provides persons charged with genocide shall be tried "by such international tribunal as may have jurisdiction . . ." No such international tribunal presently exists and there is no negotiation to create one. If any such tribunal were established it would not have jurisdiction over United States nationals unless the United States agreed to such jurisdiction either in the form of the Senate's advise and consent to ratification of a treaty or by statute expressing its consent.

IX. Doesn't the provision in the Convention for settlement of disputes by the International Court of Justice unreasonably limit United States sovereignity?

The provision in the Convention is not a new one in the United States practice. The United States has become a party to many international agreements providing for reference to the International Court of Justice of disputes arising under such agreements, including the Japanese Peace Treaty, the Antarctic Treaty and the Statute of the International Atomic Energy Agency. This provision for the settlement of disputes over the interpretation of the Genocide Convention does not unreasonably limit our sovereignity.

A number of countries, notably the communist countries, have entered reservations to their ratifications stating that they do not accept compulsory reference to the International Court of Justice. The United States is thus placed in a position to invoke those countries reservations in its own behalf to defeat the court's jurisdiction in cases brought under the Convention by countries which have made such a reservation. Our interests are better served by having any charges of genocide against us considered in a less politically motivated forum like the International Court of Justice.●

Mr. LAUTENBERG. Mr. President, I rise in strong support of ratification of the Convention on the Prevention and Punishment of the Crime of Genocide. The time has come for the United States of America to take its rightful place among the family of nations that have already ratified this document. We must delay no longer.

I have had many opportunities to study first hand the heartrending evidence of the most far-reaching campaign of genocide in history, the despicable work of the Nazis before and during World War II. That one group of human beings can turn against another in an attempt to wipe them off the Earth is beyond comprehension, and yet it has happened, again and again.

Early in this century, the Turkish slaughter of the Armenian people was an early and unfortunate example of genocide. What was originally called the Ukrainian famine of 1932-33 is now known as a broad and orchestrated campaign of starvation, physical abuse, and internment, and called genocide by many. Today Cambodia is reported to be the site of genocide killings.

The litany goes on. The victims are many, the voices of outrage too few. The ratification of an international treaty outlawing the practice of genocide seems a small enough protest against the enormity of the crime. Still, this is a government of laws, and we write the moral bases of our society into law.

It is therefore imperative, that after a 35-year delay, the Senate should give its advice and consent to the signing of the Genocide Treaty. In the closing days of the 98th Congress the Senate should write itself a place in history by following the recommendation of the Foreign Relations Committee to ratify the convention.

President Truman transmitted the Genocide Convention to the Senate for its advice and consent on June 16, 1949. Hard on the heels of the end of World War II and the revelation to the world of the Nazi extermination camps, the United Nations declared genocide a crime under international law. This was followed by the drafting of the Convention of Prevention and Punishment of the Crime of Genocide.

Let us not lose sight of the background. The world was shocked by the evidence of lengths to which man can go when driven by irrational forces. One reaction was the swift passage of measures to outlaw and punish such genocidal actions against a whole people.

The convention would have made it possible to punish those responsible for the atrocities committed against the Armenian people in Turkey during the time of the First World War. Some 1.5 million people of Armenian ancestry were killed throughout the Ottoman Empire and more were driven from their homes during that time.

The convention would have made it possible to punish those responsible for the actions of the Soviet Government during the early 1930's which resulted in wholesale deaths and displacement of the Ukrainian people.

The convention would have made it possible to punish those responsible for the deportation of Jews from all over Europe to slave labor and death camps in Germany and Eastern Europe for the express purpose of wiping out the Jewish people.

The convention would make it possible to punish those responsible for the intentional uprooting and killing of millions of the Cambodian people by the Khmer Rouge forces.

Mr. President, no reasonable objection can be made to a treaty that labels genocide an international crime which must be prevented and punished.

I urge my colleagues to vote to ratify this convention, along with the understandings and declaration approved by the Committee on Foreign Relations. All other additions to the Genocide Convention should be rejected. The United States must join over 90 of her sister nations in denouncing genocide.

Mr. HEINZ. Mr. President, the U.S. Senate today has the opportunity to join over 96 other nations in the world community by ratifying the only recognized international covenant condemning the crime of genocide.

It has been 36 years since the International Convention on the Prevention and Punishment of Genocide was transmitted to the U.S. Senate by President Harry Truman. Regrettably, it has taken this Nation over 36 years to ratify this treaty and thereby codify what we know to be this Nation's exemplary demonstrated commitment against genocide.

Mr. President, it is now time that this Nation deny to the Soviet Union—the nation with the most abusive record with regard to human rights the world has ever known—the ability to question the sincerity of our efforts on behalf of the oppressed peoples of the world simply by citing our failure to ratify the Genocide Convention.

Although the tragedy of Adolf Hitler's heinous acts against Jews in World War II gave impetus to the formulation of this convention, it is clear that genocide cannot be isolate to any one particular time period ethnic or religious group. Mr. President, genocide occurs today; it is occurring even as we stand here debating the ratification of this treaty. There is nothing theoretical about this ratification exercise. The oppressed people of the world deserve to know that the United States of America stands with them.

By ratifying this convention, this body, this country, and its President rise to cry out, "never again" against the horror inflicted on Jews in World War II, against the suffering of Mesquito Indians, Ukranians, Poles, and Estonians—indeed on behalf of all peoples who have been persecuted by brutal totalitarian ideologies.

Mr. President, if this Nation does not assert its moral leadership against genocide, who will? It is time to step out of the background—to make it clear that this Nation will unequivocably lend its power and leadership to end once and for all the greatest crime against humanity—genocide.

RATIFY THE GENOCIDE CONVENTION NOW

Mr. KENNEDY. Mr. President, I am gratified that the Senate has at long last agreed to turn to consideration of the Genocide Convention. After 35 years, our action is long overdue, and I urge my colleagues to act promptly to ratify the convention.

On December 11, 1946, the U.N. General Assembly voted unanimously to declare genocide a crime under international law. Two years later, the General Assembly unanimously approved the text of the Convention on the Prevention and Punishment of the Crime of Genocide. These actions reflected the world's universal horror and revulsion at the Nazis' deliberate and systematic efforts to exterminate the Jewish people.

Over the years, the Senate Foreign Relations Committee has reviewed the convention on several occasions. On two previous occasions the committee has voted to report the convention favorably. This year the committee voted unanimously to report the convention with the recommendation that the Senate give its advice and consent. At long last, the administration has voiced its support for having the United States join the 95 nations which have already agreed to the convention.

There is simply no excuse for the Senate to delay even 1 day longer in joining with the rest of the world to condem this most horrible of crimes.

The arguments against ratification or for proposed additional reservations are entirely without merit and can only be viewed as an unconscionable attempt to prevent the Senate's action on this critical measure. Nothing in the convention can conceivably override any of the basic protections of the Constitution, for it is well settled that a treaty does not supersede constitutional provisions. The understandings and declarations recommended by the Foreign Relations Committee further underscore this point. The convention makes clear that it is up to the ratifying States to adopt their own implementing legislation, and the Congress will have full opportunity to debate and discuss any further legislation pursuant to this treaty.

Mr. President, we owe it to all the victims and survivors of the Holocaust,

and all the peoples of the world, to join in condemning the crime of genocide. Thirty-five years is already too long to wait. We should not delay another day.

Mr. GLENN. Mr. President, I rise to express my strong support for Senate advice and consent to ratification of the International Convention on the Prevention and Punishment of the Crime of Genocide. After 35 years, U.S. ratification is long overdue. It is important that we seize this historic opportunity to ratify this convention for reasons of principle and realism.

As is well known, the impetus for this treaty was the greatest human tragedy of the 20th century, the Holocaust. Over 6 million Jews, and other minority groups, were ruthlessly and systematically exterminated by the Nazi regime. Genocide is the most heinous of human crimes, how can we fail to commit ourselves to the proposition that the perpetrators of genocide must and will be brought to justice?

Ratification of the Genocide Treaty is of utmost importance as a reaffirmation of our commitment to fundamental human rights. In addition to championing the rights of individuals, we must uphold their dignity as members of ethnic, racial, and religious groups. We must act now to make the principles underlying the convention legally as well as morally binding on civilized states. As a nation we must give effect to the universal moral principles that we cherish.

The ratification of this treaty is modest contribution to the advance of international law. The cumulative effect of the Genocide Convention and other human rights covenants is to modify the international behavior of states, to make them more accountable for their actions. Our ratification of this treaty gives greater moral authority to our commitment to human rights: We are the world's greatest democracy, and our deeds speak louder than our words.

Our failure to ratify the Genocide Convention has opened us to the propagandistic assaults of our adversaries. With ratification we strengthen our role as a leader in advancing human rights bilaterally and in international forums.

In answer to opponents of the convention who charge that ratification of this treaty would undermine our national sovereignty, I say that the three understandings and one declaration to the instrument of ratification clarify any ambiguities of the text by precisely defining terms, and preserve this Nation's jurisdiction over its citizens.

The convention is not self-effecting, and no treaty can supersede the U.S. Constitution. Furthermore, our declaration of advice and consent makes clear that the United States will not deposit its instrument of ratification with the U.N Secretary General until the Congress passes the necessary legislation for implementing its provisions. Our declaration is entirely consistent with the intent of the convention to urge nations to adopt domestic legislation outlawing and punishing the crime of genocide.

It is evident that we are better off with this treaty than without it. Through ratification, we reassert our own moral principles and the rule of law, and we increase our prestige and moral authority in international forums while preserving our national sovereignty.

Ratification is a nonpartisan issue. Democratic and Republican Presidents have consistently supported ratification. Let us now commit ourselves to ratifying this treaty and passing the implementing legislation with all deliberate speed. Let us not fail the American people and the principles of human rights upon which this Nation was founded. Only a failure of will or of principle can prevent us from ratifying the Genocide Convention now. Above all, we must ratify the convention for the fundamental reason that it is the right thing to do.

Mr. DURENBERGER. Mr. President, I was pleased to hear of President Reagan's recent call for ratification of the Convention on the Prevention and Punishment of the Crime of Genocide. It is my fervent hope that the Senate will quickly follow through on the President's initiative, and will exercise its constitutional role in granting its advice and consent before the end of the current session.

Largely inspired by widespread international revulsion at the genocidal crimes inflicted upon millions of Jews, Gypsies, and political and religious dissidents by Nazi Germany, the convention affirms that genocide is a crime under international law. It defines specific aspects of the crime, committed with "intent to destroy * * * a national, ethnical, racial, or religious group," and delineates actions that would be subject to punishment. The treaty deals with issues of trial, extradition, and resolution of disputes. In addition, it requires that all these provisions be given effect in accordance with the respective constitutions of the contracting parties. I am therefore convinced that acceptance of the Genocide Convention is not in conflict with our Constitution.

The United States, which had played the leading role both in drafting the treaty and in lobbying for its acceptance, was correctly among the first to sign the document in 1948. Although it was transmitted to the Senate in 1949, the United States has not yet ratified the Genocide Convention. Every administration, save one, has encouraged its ratification by the Senate. No fewer than 93 countries have already ratified the treaty. This number includes nearly all of our closest allies as well as the Soviet Union and many of its satellites. In various international organizations, the representatives of the Soviet Union have repeatedly used America's nonratification of the treaty as proof that the United States favors the use of genocide against its own citizens. While this charge is patently false, our failure to ratify has undermined America's claim to the moral high ground. I strongly believe that it is high time to correct this awkward position and join with our allies in acceding to this treaty.

As President Reagan noted on September 6:

> Anyone who has contemplated the horor inflicted on Jews during World War II, the deaths of millions in Cambodia or the travail of the Miskito Indians in Nicaragua must understand that if free men and women remain silent in the face of oppression, we risk the destruction of entire peoples.

As Senator for Minnesota, I have met with many such witnesses of man's inhumanity to man: Falasha Jews from Ethiopia, Hmongs from Laos, Ba'hias from Iran—just to name a few. These victimized peoples should have the voice of the people of the United States on their side; their suffering should not be answered by silence on our part. Rather than remaining silent on this issue any longer, we need to reaffirm our opposition to the obscene crimes referred to by the President. Even more important, we must ensure that similar tragedies do not occur in the future. Ratification of the Genocide Convention is a vital step in this regard. I would therefore urge my colleagues in the Senate to vote for ratification of this important treaty.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I have a series of parliamentary inquiries.

The PRESIDING OFFICER. The Senator will propound the parliamentary inquiries.

Mr. HELMS. I thank the Chair.

Prior to doing so, as we enter upon the consideration of this very important treaty, I hope that we can clarify the procedure to be followed.

As I have said on many occasions, I support the concept of the U.N. Convention on Genocide, but I have some doubts, along with many others, as to the conflict which appears between the provisions of the convention and the provisions of the U.S. Constitution.

Therefore, I hope that the Senate will use this opportunity to proceed in a deliberate and cautious manner so that whatever flaws that may be in the convention can be corrected and harmonized with the U.S. Constitution.

Having said that, Mr. President, my first inquiry is whether the rules of the Senate require us to proceed as in

the Committee of the Whole, reading and considering the convention article by article?

The PRESIDING OFFICER. That is what the Senate is doing, the Chair advises the Senator from North Carolina.

Mr. HELMS. That is correct. I thank the Chair.

Mr. President, if the treaty must be considered article by article, then is it also true that amendments to an article must be offered at the time when the Senate is on the particular article referenced by the amendment?

The PRESIDING OFFICER. No. If amendments are not offered to an article while it is pending as in the Committee of the Whole, they can be offered to the entire treaty when it is before the Senate.

Mr. HELMS. I thank the Chair.

Mr. President, is my understanding correct that while the matter is in the Committee of the Whole no Resolution of Ratification can be offerd?

The PRESIDING OFFICER. That is correct.

Mr. HELMS. Mr. President, may a Resolution of Ratification be proposed before consideration and report by the Committee of the Whole to the full Senate?

The PRESIDING OFFICER. No; it cannot.

Mr. HELMS. I thank the Chair.

Mr. President, may a Resolution of Ratification be proposed before consideration by the Senate of the action by the Committee of the Whole?

The PRESIDING OFFICER. No; it cannot.

Mr. HELMS. May a Resolution of Ratification be proposed before the consideration by the Senate of other amendments to the treaty?

The PRESIDING OFFICER. No; it cannot.

Mr. HELMS. Once again, I thank the Chair.

Mr. President, following the completion of the amendment process, is this treaty required to lay over 1 day before the Resolution of Ratification can be considered?

The PRESIDING OFFICER. The treaty does not have to lay over 1 day, but 1 day must elapse before the presentation of the Resolution of Ratification.

Mr. HELMS. I thank the Chair for the clarification.

Is that a calendar day, Mr. President?

The PRESIDING OFFICER. It is.

Mr. HELMS. I thank the Chair.

Now, if a cloture motion is filed and approved and the 100-hour post-cloture period elapses while the Committee of the Whole or the full Senate is still working on amendments, will a vote occur on the resolution of ratification even though the Resolution of Ratification has not yet been proposed?

The PRESIDING OFFICER. The cloture motion would include all facets of the treaty process, but it would not waive the 1-day rule.

Mr. HELMS. Is it correct, then, that the vote will not occur immediately on the Resolution of Ratification but, as the Chair just stated, as I understood him, the Resolution must lay over that 1 calendar day?

The PRESIDING OFFICER. That is correct.

Mr. HELMS. I thank the Chair.

Now, if, at the time when the 100-hour period elapses, first- and second-degree amendments are pending, must those amendments be voted on before the treaty can lie over for 1 calendar day?

The PRESIDING OFFICER. Any amendment pending at the end of the 100 hours must be voted on.

Mr. HELMS. Now, let me see if I have this in my mind. I will try to summarize what I have understood the Chair to say.

First, consideration in the Committee of the Whole of the treaty article by article, that comes first, right?

The PRESIDING OFFICER. That is correct.

Mr. HELMS. Then comes consideration of amendments in the Committee of the Whole as each article is considered?

The PRESIDING OFFICER. That is correct.

Mr. HELMS. Next is consideration of further actions to the articles in the Committee of the Whole at the conclusion of the article-by-article consideration?

The PRESIDING OFFICER. That is not in the Committee of the Whole, the Chair would advise the Senator.

Mr. HELMS. Then it occurs when the treaty is before the Senate?

The PRESIDING OFFICER. That is correct.

Mr. HELMS. I thank the Chair. Then comes the report of the Committee of the Whole to the Senate; is that correct?

The PRESIDING OFFICER. The report of the Committee of the Whole to the Senate comes at the conclusion of the article-by-article consideration.

Mr. HELMS. Right. And finally would come consideration by the Senate as such of the report of the Committee of the Whole, including any further amendments to the treaty, is that not right?

The PRESIDING OFFICER. Correct.

Mr. HELMS. The treaty must then lie over the 1 calendar day that the Chair has already stipulated?

The PRESIDING OFFICER. It is not the treaty that has to lie over.

Mr. HELMS. I beg the Chair's pardon?

The PRESIDING OFFICER. It is not the treaty that has to lie over but the resolution of ratification.

Mr. HELMS. Exactly; I stand corrected.

And then comes the consideration of there solution of ratification and consideration of amendments to the resolution of ratification, including reservations, understandings or declarations, and then the final vote on the resolution of ratification, as amended, if amended?

The PRESIDING OFFICER. That is correct.

Mr. HELMS. Very well.

Mr. President, at what point will the preamble of the convention be before the Senate?

The PRESIDING OFFICER. That is before the Senate at this moment, the Chair would advise the Senator.

Mr. HELMS. From the beginning; very well.

Mr. President, since the U.N. Convention on Genocide is available in five languages and each text is equally authentic, are all five texts before the Senate for ratification?

The PRESIDING OFFICER. They are not.

Mr. HELMS. Just in English?

The PRESIDING OFFICER. Just in English.

Mr. HELMS. What happens if there are variances in the text of the five languages, which version is approved by the Senate? I assume the English language version before us.

The PRESIDING OFFICER. The Chair cannot interpret international law.

Mr. HELMS. What does that mean?

The PRESIDING OFFICER. Well, the Chair is not in a position to answer.

Mr. HELMS. I understand that, Mr. President, but I am getting to the point of what happens if there are variations in the five versions. I ask that question to make a point. It is not a rhetorical question.

The PRESIDING OFFICER. The action of the Senate goes to the verbiage of the treaty as expressed in English.

Mr. HELMS. I thank the Chair.

I seek recognition once more.

The PRESIDING OFFICER (Mr. QUAYLE). The Senator is recognized.

Mr. HELMS. I thank the Chair.

Mr. President, I think it should be emphasized at the outset that nobody, least of all the Senator from North Carolina, is trying to block approval of the U.N. Convention on Genocide by this Senate. At the very outset, I made clear, both in committee and in public statements, that there would be no inclination on the part of this Senator to delay consideration of this convention.

All of us can understand how the topic of this Genocide Convention is one that arouses a great deal of emotion. The very notion of genocide is one that arouses a deep compassion in

the hearts of all of us. I have talked with the distinguished Senator from Minnesota and anyone who has done that cannot help but be deeply touched by his personal experiences.

There may be some who find it difficult to understand how we could hesitate for even one moment in rushing to judgment in approval of a proposal that has such great humanitarian aims. I have discussed this with a distinguished former Member of this body, a constitutional scholar par excellence, the Honorable Sam J. Ervin, Jr. He said this is one of the things that makes it difficult when a matter of this kind comes before the Senate. But, he said, it is absolutely essential that the sovereignty of the United States Constitution be protected and preserved beyond any peradventure. That is what some of us are saying and doing here, trying to make certain that the sovereignty of our Constitution and the American people is not violated.

The fact is that the United States Senate has hesitated to ratify this treaty for some 35 years. That has been discussed earlier today. Moreover, the reasons that have made the Senate hesitate for 35 years are just as sound today as they were in 1949. And I think that it is obvious that the reasons have nothing to do with a lack of compassion for victims of genocide.

The reasons that have given the Senate pause are purely and simply concerns for the sovereign independence of the United States. And the question is whether, in our concern for the victims of genocide, we might unthinkingly, unwittingly commit this Nation to be a subordinate to an international structure that in the long run would threaten our freedom and independence.

Mr. President, I do not believe that there is a single expert who has studied the U.N. Convention on Genocide who really thinks that it will prevent or even punish genocide in the world. What it is is a noble gesture—a noble gesture.

Let me illustrate what I mean. When you press the State Department—and I have done this—as to whether this convention would have prevented this or that historical example of genocide, the answer from the State Department is always a reluctant "No." If you press them on Afghanistan, as I have, the State Department experts say no, the mass murder of the people of Afghanistan by the Soviet Union would probably not be covered by this convention. If you ask them about the mass murder of the Cambodians, you get the same answer. There are always, you see, Mr. President, legal explanations as to why the convention does not apply to specific, precise, and practical examples. Nevertheless, this convention does commit the United States to a certain kind of international law. It does have consequences which would impact upon the U.S. Constitution. A whole succession of some of the finest legal minds in the United States have raised doubts about the wisdom of the unique course of action to which we would be committed by this convention.

That is why I have said, both as a member of the Senate Foreign Relations Committee and here today on the floor, that these doubts are worthy of careful examination by the United States Senate. That is all this Senator is seeking—careful examination of the doubts which have been raised, and a discussion of some proposed ways to cure the problems which have been pointed out.

With all due respect to my colleagues on the Committee on Foreign Relations, I cannot concede that we have had an opportunity for the careful consideration of this convention. We are standing here on the floor on one of the last days of this session of Congress, and for the past 2 or 3 weeks every Senator in this body has been working literally night and day with problems of the greatest urgency and magnitude, and we have all been caught up with highly technical issues that have been before us for months on end in our committees. We have been in markups and conference committees, caucuses, cloakroom discussions, floor debates, and have gone on all night. And one-third of us are acutely aware there is a little election on November 6. Some of us have been busy with that as well.

But the point I am making, Mr. President, is the farthest thing from the minds of most Senators has been the ramifications and legal technicalities of the U.N. Convention on Genocide. It is probably the issue that is at the bottom of the list of priorities for many in this critical period, not that genocide is not a matter of concern to us—no—but that it does not have the kind of urgency that, say, the continuing resolution has. The U.S. Government is not going to shut down if the resolution of ratification of the convention is not approved today.

The fact is—this is the point, Mr. President—very few, if any, Senators have really had the time to study or even think about the issues and the implications involved. There are few on the Senate floor right now—very few Senators. I think that a very large number of Senators would like to be on the floor, but it is simply not possible because of the conference committees and all of the other activities going on as adjournment approaches.

So let the record be clear. Nobody wants to block consideration of the U.N. Convention on Genocide. It is the press of adjournment that is preventing the kind of consideration that I know the American people would like for us to give to this matter if they understood the implications of this treaty; that is all.

Let us look at the record for just a moment of the schedule under which the U.N. Convention on Genocide has come to this point for consideration. As has been mentioned here earlier, the U.N. Convention on Genocide was sent to the Senate the first time 35 years ago, and there are not many Senators here today who were in the Senate 35 years ago. Over the years, the Foreign Relations Committee has held, as I recall my notes, some 11 hearings on the convention.

The committee has produced volumes of testimony, numerous reports, and it would be interesting to find out for sure how many Senators in this body have had occasion to look into even one of these volumes of testimony in the past months. I would be willing to wager that not over three of four, if that many.

Mr. PELL. Will the Senator yield for a question?

Mr. HELMS. Yes, sir.

Mr. PELL. Will the Senator not agree with me that, regarding our consideration of treaties, that sometimes we vote en bloc on 9 or 10 of them at once, and that in all of those cases a great deal of action is taken on faith. I would like to think we read everything we should read. We do not.

This particular treaty has been before us for 35 years. It has been the subject of much thought and extensive debate. I have thought about it almost 40 years. In the 24 years I have been in this body, and in my 20 years on the Foreign Relations Committee, I have pressed as hard as I can for its ratification. I have not looked at every volume, no, nor has any Senator, nor has any Senator ever done so. But I think this has been given more consideration than almost anything else. Can the Senator honestly say that there is no Senator in this body wanting to stop this treaty to go though? I think there are several, and they are doing it now.

Mr. HELMS. I am sorry the Senator feels that way about it. But the fact remains that the other legislature and treaty matters to which the Senator refers do not involve the sovereignty of the U.S. Constitution. This does.

The Senator is entitled to take whatever position he wants in terms of accelerating consideration of this convention. But this Senator believes with Sam Ervin and many other constitutional scholars that we ought to take our time and be sure that every Senator has a full opportunity to understand the implications of it. But I thank the Senator for his comments.

Until 3 weeks ago, the last time the committee took action on the convention was in 1976. Of the 17 Senators on the committee, only 3 were members of the committee at that time—

the distinguished chairman, the distinguished ranking minority member, and the distinguished Senator from Delaware [Mr. BIDEN].

In the Senate as a whole, only 44 Members remain from that time.

So I do not think that we can presume any intimate familiarity with the U.N. Convention on Genocide, and its history of action in the Senate on the part of our colleagues.

In 1981, the Foreign Relations Committee held hearings on the convention without any markup. I regret to say that no attempt appears to have been made by the committee at the time to seek out the many available distinguished jurists and legal scholars who were prepared to examine the convention critically and objectively. A few scholars favored the convention. Although some Senators appeared in opposition to the convention, no scholars were invited, nor did they appear, who were capable of expert legal opinion. Let me emphasize; this is not to say that none was available or that none would have wished to appear in 1981. Such a great number of legal scholars have contacted me in the past few weeks to raise critical points about the convention that I am convinced that the committee could have sought out such opinions in 1981 but did not do so.

There is simply not enough time for these scholars to do the careful research in the past few days and weeks that a scholarly examination requires. As everyone knows, the convention was a dead letter in the Senate until just about 1 month ago. The administration was engaged in a review of the convention for 3½ years, yet it was on September 5 that the administration announced that it supported ratification.

To illustrate how surprising it was, I was given to understand that the majority leader in the Senate did not know about it until he read it in the paper the following morning. Regrettably, there was no consultation with the committee or with Senate leaders before this decision was announced. All of us were taken by surprise. There was no opportunity beforehand to get the administration's views informally on the critical issues raised or how the issues appeared to be resolved.

But in any case, Mr. President, 2 days after the President publicly stated that he supported ratification "consistent with the U.S. Constitution"—let me stress those words: The President publicly stated that he supported ratification "consistent with the U.S. Constitution"—the Foreign Relations Committee announced that administration witnesses would be heard on Wednesday, September 12. This announcement was made at 6 p.m. on Friday.

By that time, this Senator was on his way to North Carolina and I was not aware of the hearing until Monday morning, September 10. So for practical purposes, there were only 2 days' notice to prepare for the hearing and to seek consultation with the administration.

On September 12, the hearing conducted by the Foreign Relations Committee lasted for less than an hour and-a-half, followed immediately by the first markup in 8 years. As I think I mentioned earlier, Mr. President, only three members of the present Foreign Relations Committee were members of that committee 8 years ago.

So I raised a question, and I was immediately criticized in the news media for attempting to block approval of the resolution of ratification of the convention, when all I was doing was trying to exercise normal committee prerogatives to put over the markup for 1 week, an entirely reasonable request. Any Senator who is vaguely aware of the implications of this convention would be obliged to do precisely what was done.

Apparently, after 2 days' notice and 90 minutes of testimony by administration witnesses, the committee gave the appearance of wanting to rubberstamp its approval in 5 minutes.

The fact is that in the 2 days notice we did have, I attempted to draft two understandings which would preserve the essence of the convention and yet attempt to resolve the classic difficulties that has been raised.

Let me candidly admit, Mr. President, in the haste to get something done that would be helpful, the first drafts of these two proposals were not perfect.

Mr. BOSCHWITZ. Will the Senator yield for a question?

Mr. HELMS. I would prefer to finish my statement. But, to my friend from Minnesota, of course I will yield.

Mr. BOSCHWITZ. Did I understand the Senator from North Carolina to say we only had 9 minutes of hearings?

Mr. HELMS. Ninety minutes, I advise the distinguished Senator.

Mr. BOSCHWITZ. I misunderstood the Senator.

Mr. HELMS. It must be my southern accent.

No, my proposals, drafted as we could draft them, were not perfect because there was no time to consult the administration, there was no time to get the administration's view of what the President meant when he said he supported ratification "consistent with the U.S. Constitution."

In my judgment, this is a major qualification and I wanted to know how to implement what the President meant. But first I had to know what he meant.

Then came the week between September 12 and September 17. We spent that week—"we" being my staff and I—engaged in countless hours of discussion with administration representatives, the State Department, and the Department of Justice. Many suggestions were made and my proposals were drafted and redrafted over and over again. Frankly, Mr. President, the more these proposals were redrafted, the more problems emerged with the U.S. Constitution.

I wish my colleagues could have had the opportunity to study the text carefully and to study the legal issues which have been raised by experts in the past. There are many Senators in this body who are far more expert than the Senator from North Carolina in the field of law. I am not a lawyer, and most of the time I am proud of it. But in this case I am sure that there are Senators who have more expertise than I do and who would have had many suggestions for improving the proposals advanced by the Senator from North Carolina.

But despite all of the hard work that we put in between September 12 and September 17, there was simply not time to come up with the perfected text before the committee met again.

On September 17, I think it is fair to say that the committee did not appear to be in much of a mood to scrutinize this convention carefully.

There was a great deal of rhetoric. Everybody came down hard against genocide. I yield to nobody in that, I hate genocide as much as anybody. But the fact remains that the Foreign Relations Committee really did not examine the convention and its potentially dangerous implications. The committee record does not show that any attempt was made to look at the text of the convention at all, much less a line-by-line scrutiny.

I say this not meaning any criticism of my colleagues, but I simply point out to the Senate that the Senate does not have the benefit of such an article-by-article, line-by-line analysis of the convention by the committee. That is why, Mr. President, I think Senators are within their rights to object to any waiving of the requirements of the rule for an article-by-article examination of the convention by the committee as a whole because if the Foreign Relations Committee itself had made such an examination perhaps other Senators would have had no objection to waiving their rights under the rule. But the committee of jurisdiction did not so examine the convention.

Let me say again, Mr. President, I do not know of any Senator who is attempting to block approval of the U.N. Convention on Genocide, but there are several Senators who hope that the convention could be approved in such a way that the sovereignty and independence of the United States are not in any way compromised through in-

advertence. No Senator wants to compromise the sovereignty of the Constitution. Let us get that nailed down at the outset. But I hope Senators are prepared to act with such zeal to preserve and protect the sovereignty of the Constitution and the people of this country. This will require some careful discussion and debate or, Mr. President, we will not be fulfilling our responsibilities to the American people.

The last time I checked, that was our duty. I believe that it will require somewhat more discussion than we can give it in the time available in the closing hours of a session.

Maybe not. Maybe we can agree to accept some understanding, reservation, or whatever. That remains to be seen. But as we begin this discussion today, I hope that we will bear in mind that the foremost responsibility of every one of the 100 Senators is to preserve and protect the sovereignty of the U.S. Constitution and the American people.

Mr. President, I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, the Senate now has before it a historic opportunity to correct an ugly blemish on its otherwise exemplary record in contemporary international affairs.

To do so, we should act decisively to give our advice and consent to the International Convention on the Prevention and Punishment of the Crime of Genocide. To do so is to renew our commitment to international law and justice. To do so is to serve the national interest. To do so is to acknowledge the most minimal standards of an acceptable international moral order.

The real impetus for an international prohibition against genocide was born in the gas chambers and crematoria of the Nazi Holocaust. The world recoiled upon learning that primitive hatreds combined with modern technology could come close to eradicating whole peoples from the face of the Earth.

History honors America's role in stopping Hitler and in welcoming to our shores so many of those who escaped his terrible design. But what will history say of the fact that, almost four decades later, the United States, virtually alone of the major nations of the world, has failed to join an international condemnation of genocide and a legal prohibition of future Holocausts?

Our late Supreme Court Chief Justice, Earl Warren, put it well: "We as a Nation, should have been the first to ratify the Genocide Convention . . . instead we may well be among the last." Nineteen years have passed since Chief Justice Warren issued that warning. Still we hesitate. And in that hesitation we renege on a debt we owe to both the victims of earlier genocides and the brave Americans who fought and died to prevent their recurrence.

Our refusal to act has been all the more glaring in light of the legislative history of the Genocide Convention.

No nation has acted more forcefully or constructively to build the international legal order that governs the world today. The United States has taken a back seat to no country in insisting that the precepts of law, not resort to violence, be the arbiter of relations among the nations of the world.

Americans helped write the Genocide Convention. President Truman asked the Senate to approve it 35 years ago. Presidents Kennedy, Johnson, Nixon, and Carter renewed his request. Earlier this year, President Reagan endorsed it as well. Five times, the Foreign Relations Committee has looked into the matter. Each time, without exception, it has recommended affirmative action to the full Senate. Last month, our committee once again made that recommendation—this time without a single negative vote.

The time for ratification is long past due.

Even with the advantage of hindsight, Mr. President, it is difficult to understand why we have waited so long.

Certainly, there is nothing esoteric or threatening about this convention. It boils down really to two direct and simple principles. First, the United States would declare that it recognizes genocide as a crime under international law. What can be the objection to that? We have undertaken solemn treaty obligations condemning the destruction of species of animals. What conceivable reason can there be to balk at prohibiting the extermination of entire races or nations of humankind?

Second, the United States would obligate itself to provide for the punishment of those who perpetrate genocide under its domestic jurisdiction. This Nation owes its very birth to a belief that each person was entitled to life, liberty, and the pursuit of happiness. The Constitution which governs us is rooted in the values of human dignity and individual liberty. Can we be true to that heritage and demur from punishing those who would destroy not a single life, but, in fact, the lives of whole multitudes? I think not.

The arguments that are raised against the Genocide Convention, Mr. President, are not new. They were raised and answered 30 years ago. They have been reiterated and rebutted ever since. Reading the record on the issue is frustrating—it is like listening to a dialog in which at least one of the parties is deaf. On the whole, however, it is now clear that this country and its citizens have nothing to fear, our reputation and our diplomacy have much to gain if we complete the long-overdue ratification of this treaty.

Let me very briefly suggest what is wrong with the main arguments against the convention. Those objections fall into two general, and contradictory, categories.

The first set of arguments maintains that the United States would subject itself to a variety of harassing, propagandistic prosecutions if we endorsed the Genocide Convention. American citizens and the American Government, we are told, would be hauled before kangaroo courts and victimized by ideological hanging judges on trumped-up charges.

Several points could be made here, Mr. President, but only one thing really needs to be said. The fact is that those things can happen now, or could happen in the future, whether or not we are a party to the convention. After all, by any rational standard, the Genocide Convention is already international law. Ninety-six nations are already its signatories. On every continent, these nations have already bound themselves to its enforcement. We hardly create an opportunity for those acting in bad faith to abuse its provisions by joining the rest of the world in condemning genocide. In fact, by refusing even to acknowledge that genocide is a crime, we inevitably supply ammunition to those who wish to brand us as an international outlaw.

A second set of arguments against the convention argues the opposite case. In fact, we heard some of those arguments only a few short seconds ago by the distinguished Senator from North Carolina. Instead of holding that the convention has the power to work great mischief, his position and that of those who have some difficulty with the convention, is that the treaty is virtually impotent.

The advocates for this position say the treaty cannot be enforced effectively. They point, as we have heard this afternoon, to the fact that the Soviet Union is a signatory, while operating its gulags and waging devastating warfare on the people of Afghanistan. They use the example that Cambodia initialed its agreement while its bulldozers were still pushing mountains of human skulls into mass graves.

Those facts are incontrovertible, Mr. President, but they are equally irrelevant to the debate as to whether we should ratify this convention.

The enforcement of international law is slow, unreliable, and imperfect.

But does an inability to make standards work perfectly and in every case mean that we should not try to establish standards at all? Is not the very fact that virtually all the nations of the world—even the Cambodias and

Vietnams—feel the need to record their allegiance to the Genocide Convention of itself proof of the compelling power of its wisdom?

The simple fact is that the first step to an international legal order has to be agreement on certain fundamental, universal obligations. The shortcomings of international enforcement procedures are a reason to devote ourselves to a search for their improvement—not an excuse for abandoning the field. And let us never torture the moral hypocrisy of Cambodia and the Soviet Union into a rationalization for moral indifference by this country.

Finally, Mr. President, it is said that the value of the Genocide Convention is, at best, merely symbolic.

But symbols are not meaningless. Symbols reflect basic values and important commitments. That is certainly true of the International Convention on the Prevention and Punishment of the Crime of Genocide.

It symbolizes a commitment to significance of human life, to a just world order, and to the rule of law. It is an embarrassment that this Nation which has so long epitomized these values should have delayed so long in renewing our dedication to them. I hope we will wait no longer.

Mr. President, it is particularly significant, if the Chamber will indulge me for just a moment, for me to be standing here on this day, the 10th of October of 1984, talking about the Genocide Convention. It was only some 34 years ago, in 1950, that my father, than a private practicing attorney in the State of Connecticut, testified before a subcommittee of the Foreign Relations Committee on behalf of the Genocide Convention.

Mr. President, I ask unanimous consent that the testimony of Thomas Dodd of Hartford, CT, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THOMAS DODD, MEMBER, SPECIAL COMMITTEE ON PEACE AND LAW THROUGH UNITED NATIONS OF THE AMERICAN BAR ASSOCIATION

Mr. DODD. My name is Thomas Dodd of Hartford, Conn.

I appear primarily as a private citizen, but I am also a member of the American Bar Association special committee on peace and law through United Nations, which was heard here this afternoon through Messrs. Rix, Finch, and Schweppe.

I would like to tell you, sir, that I am a new member of the committee, having been appointed in October. So that I did not participate in the deliberations of the committee or in its recommendation to the bar association, and I have had no opportunity to do so since my appointment to the committee.

I am also, as you will recall, one who served with Justice Jackson as his executive trial counsel at the first major Nuremberg trial, so I have a triple interest in this proposed convention—in my private capacity as a citizen; now a member of the bar association on peace and law, and also as one who had something to do with the proceedings in the first and so-called major trial at Nuremberg. I will not take but a few minutes, because I realize the hour is late and that much has been covered with respect to what I might say, but I would like to point out a few things that occurred to me while I was listening.

Senator MCMAHON. I might add you had a very distinguished record in the Nuremberg trial.

Mr. DODD. Thank you, sir. Because we have mentioned the Nuremberg trial, let me say this: It is a little out of place from what I had planned so far as my presentation is concerned.

At Nuremberg, we laid down the doctrine that individuals are responsible for some offenses, such as aggressive warfare. You will recall that there was some hue and cry raised in some places about the application of that doctrine. It always seemed to me that it is the people who make up the government, individual people, and I think the only way that we can effectively do anything in the field of international law is to hold individuals responsibile, and as I read this proposal, I note that article 4, I believe it is, specifically refers to persons committing genocide or any of the other acts enumerated in article 3 shall be punished, whether they are constitutional rulers, public officials, or private individuals. It doesn't seem to me that there is too much to ask that we move along and implement, so to speak, the Nuremberg doctrine with respect to this Genocide Convention.

CONVENTION ELIMINATES UNCERTAINTY

Parenthetically, let me say it intrigues me a little bit, some of the people who heaved at us at Nuremberg the charge that we were guilty of prosecution on an ex facto basis are some of the same people who are now in opposition to the ratification of this convention. At least, it occurs to me that they ought to be consistent. I don't concede that there was anything ex post facto in the proceedings at Nuremberg, but assuming for the sake of this side of the thing that there is something to what they have claimed against us. I should suppose that they would be among the foremost in suggesting that now, in time of peace, we join with the other good-intentioned people of the world in trying to establish a firm basis in law for the prevention of this kind of thing.

Now it has been suggested here, Senator, and I want to emphasize it again, that at Nuremberg, it was not possible for us to punish the defendants for many of the terrible things they did to people in peacetime, things that were clearly genocidal in character. That is one of the reasons why I am interested in seeing this convention adopted.

WILLING TO SETTLE FOR WHAT WE HAVE

Now I don't suppose that this is perfect; most of the things that fall from the hand of man are not. We are entering into a new field. It fascinates me that the members of the committee upon which I am privileged to serve offer as one of their objections that it does not go far enough, and I am inclined to agree. I wish it included political and economic groups, but I know we can't have everything at once in the nature of international cooperation. I am willing to settle for the good things that we can get, in the hope that later on we will be able to enlarge this field and perhaps get political and economic groups included. But I can't understand opposition, if you are for this thing, opposition that it doesn't go far enough.

MIGHT HAVE DETERRED HITLER

You have been asked what good would this have been against Hitler. I am one of those who believe, after living 18 months over there among the Hitler regime, that had this Genocide Convention been in existence in the early days of the Hitler regime, what happened might not have happened. For one thing, the Nazi state would have stood condemned. Its ministers and ambassadors would not stand in the same position as those of other nations not in violation of a genocidal convention, and great numbers of people inside Germany would have taken heart and might have been more vigorous in their resistance to the regime itself.

You have been asked what can we do about the Russians, who are perhaps and probably doing this same sort of thing behind the iron curtain now. Well, at least we will have the moral influence of the covenant of the convention. Russia in its plan, as I see it, wishes to influence people all over the world. If people all over the world see Russia as a nation which does not subscribe to or adhere to the Genocide Convention, she will be severely affected in her efforts to influence people everywhere, and the forces of good thinking and of right conduct in the world will be immeasurably strengthened.

I am not going to dwell upon the constitutional difficulties. I am one of those who believe with the Solicitor General that there are no insurmountable constitutional difficulties. These kinks can be worked out. I think, furthermore, that the good advice that you and your committee, the Senate, will get from capable constitutional lawyers will help to work that out.

MENTAL HARM

I would like to take just 1 minute to tell you that on this question of mental harm, I know what that means, having heard it from the mouths of people who knew what it meant subjectively. It was an established mechanism of the Nazi state, and it is practiced in other places as well, that the destruction, the disintegration of the human mind was a planned thing. It was one of the worst things that was done probably to individuals by the Nazis, and it is not too difficult for people who want to learn about it to read the records at Nuremberg, and they will have a very clear concept, when they have done so, as to what happens to people under a planned program of destroying their minds. There are all kinds of ways of doing it, and there are many, indeed.

I think we need to adopt this and ratify this convention, because the world needs that moral support. I can't imagine the United States refusing to do so, in a world that looks to us for moral leadership, and we will give hope to people everywhere in the world if we do ratify it, and I, as an individual, urgently suggest to your committee that it favorably view this ratification proposal.

Mr. DODD. Mr. President, furthermore, in 1965, Thomas Dodd, who in 1958 had become Senator Dodd from Connecticut, gave a speech in this city, endorsing once again the rationale for a genocide convention. I quote, if I may, from his remarks almost 20 years ago. He said:

What is the Genocide Convention about? In my opinion, there could be no simpler or

more fundamental moral issue written into a covenant between the nations of the world.

Essentially, the convention establishes that genocide is a crime under international law; and it defines genocide as the destruction of a racial ethnic or religious or national group, or part of that group, committed with the specific intent to destroy this group, in whole or in part. It includes the actual killing of members of the group, or causing them serious bodily or mental harm, or deliberately inflicting conditions of life on them calculated to bring about their physical destruction, or forcefully transferring children of the group to another group. It states that these acts are punishable, as well as conspiracy to commit genocide, to direct or publicly incite to commit genocide, or complicity in genocide.

Under article 5 of the Genocide Convention, the contracting parties undertake to enact, in accordance with their respective constitutions, legislation which would give effect to the provisions of the convention and which would establish penalties for persons guilty of acts of genocide.

It seems to me that nothing could be clearer than this.

For me the Genocide Convention has a special personal meaning because as executive trial counsel at Nuremberg I had spread before me, in nightmarish detail, the whole incredible story of Nazi barbarism, of its fiendish persecution of the Jewish people, and of the gas chamber and crematoria that snuffed out the lives of more than 5 million Jews and of millions of Ukrainians, Poles, and other Europeans.

The convicted Nazis were charged with crimes against humanity. The word "genocide" had not yet come into common usage at that time. But to a very large degree this is what the Nuremberg trial was about. For the first time there was spread on the record of an international tribunal the details of massive crimes involving millions of victims—crimes perpetrated not against individuals but against entire peoples and ethnic groups.

While I was at Nuremberg I learned about other acts of genocide that were not made part of the trial record.

I learned of the mass deportations of the Volga Germans and the Kalmuks and the Chechens and other Soviet minority people during the war years.

I learned the true facts about the massacre in the Katyn Forest of 10,000 Polish officers who had been prisoners of the Soviets.

I learned of the mass deportations of scores of thousands of intellectuals and community leaders from Lithuania, Latvia, and Estonia in the period following the Soviet occupation.

I learned, in short, that Communist totalitarianism, like Nazi totalitarianism, uses genocide as an instrument of policy, and that the death of nazism did not necessarily mean that we had put an end to the problem of genocide.

Mr. President, I ask unanimous consent that the full text of Senator Thomas J. Dodd's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

SPEECH OF HON. THOMAS J. DODD, OF CONNECTICUT, IN THE SENATE OF THE UNITED STATES, THURSDAY, MARCH 25, 1965

Mr. DODD. Mr. President, on March 11 it was my privilege to address a conference convened in Washington by the ad hoc Committee on the Human Rights and Genocide Conventions, a citizens' organization representing virtually every sector of the American community and embracing organizations that can claim to speak for some 100 million Americans.

The Genocide Convention has been languishing in the Foreign Relations Committee now for almost 16 years. Three other U.N. conventions dealing with the abolition of all forms of slavery, the abolition of forced labor, and the political rights of women, have been there almost as long.

I believe that our failure to ratify these conventions projects a most unfortunate image of the United States to the rest of the world. I also believe that much of the opposition to the ratification of these conventions is based upon misunderstanding and misconceptions.

I ask unanimous consent to insert into the Record at the conclusion of my remarks the text of my statement before the conference of the ad hoc Committee on the Human Rights and Genocide Conventions. I hope that my statement will help to throw some additional light on these sadly misunderstood measures. And, I hope too that support can be found to bring them to a vote before this session concludes.

There being no objection, the statement was ordered to be printed in the Record, as follows:

THE NEED TO RATIFY THE GENOCIDE CONVENTION AND OTHER U.N. CONVENTIONS ON HUMAN RIGHTS

(Remarks of Senator Thomas J. Dodd before the conference of the ad hoc Committee on the Human Rights and Genocide Conventions, Statler Hilton Hotel, Washington, D.C., Thursday, Mar. 11, 1965)

Mr. Bingham, reverend clergy, distinguished guests, I have accepted your invitation to address this conference out of a sense of duty because I believe there is no more important item of unfinished business on the calendar of the Senate than the ratification of the Genocide Convention.

It is now 17 long years since the Genocide Convention, with strong American backing, was approved by the U.N. General Assembly. And it is 15 years—almost 16 years—since it went to the Senate for ratification in June 1949.

The convention has been ratified by 67 nations to date, including all the members of the Communist bloc in the U.N. But for some strange reason, the great United States of America, which has done more to extend the frontiers of freedom than any other nation, has not ratified the convention.

In June of 1949, President Truman submitted the Genocide Convention to the Senate with his own enthusiastic endorsement.

In January of 1950, a special Genocide Subcommittee of the Senate Foreign Relations Committee, under the chairmanship of a great Connecticut Senator, Brien McMahon, conducted public hearings. It was my privilege to testify in favor of ratifying the convention before this committee. I say it was my privilege not only because of the great importance I attach to the convention but because of the exceptionally distinguished body of citizens, representing more than 50 national organizations, who took the witness stand with me to urge ratification.

In its report to the full Foreign Relations Committee, the McMahon subcommittee strongly recommended ratification of the convention. But despite extensive hearings, despite the declared approval of all the major religious, ethnic, civic, and veterans organizations, the covenant still languishes in the Foreign Relations Committee without affirmative action.

Fifteen years, sixteen years, is a long time to wait for the ratification of any treaty or convention. The long lapse of time, has, I am afraid, blurred our memories and obscured the issues and dulled our conscience. There have been times in our history when the Government has needed prodding, and other times when Congress has needed prodding or intervention from citizens and citizens' organizations. I believe that this national conference, representing as it does every sector of the American community and embracing organizations which can claim to speak for 100 million Americans, constitutes a citizens' intervention in the highest American tradition.

Those of you who have initiated this conference and those of you who have come here to participate in its deliberation will, in my opinion, merit the thanks of coming generations of Americans. This conference, from what I have already seen of it, will unquestionably serve to bring the issue of genocide to life again. And you will, I hope, be able to clear away the intellectual cobwebs that have obscured the issue and encourage the Senate to take the long overdue action of ratification.

What is the Genocide Convention about? In my opinion, there could be no simpler or more fundamental moral issue written into a covenant between the nations of the world.

Essentially, the convention establishes that genocide is a crime under international law; and it defines genocide as the destruction of a racial ethnic or religious or national group, or part of that group, committed with the specific intent to destroy this group, in whole or in part. It includes the actual killing of members of the group, or causing them serious bodily or mental harm, or deliberately inflicting conditions of life on them calculated to bring about their physcial destruction, or forcefully transferring children of the group to another group. It states that these acts are punishable, as well as conspiracy to commit genocide, to direct or publicly incite to commit genocide, or complicity in genocide.

Under article 5 of the Genocide Convention, the contracting parties undertake to enact, in accordance with their respective constitutions, legislation which would give effect to the provisions of the convention and which would establish penalties for persons guilty of acts of genocide.

It seems to me that nothing could be clearer than this.

For me the Genocide Convention has a special personal meaning because as executive trial counsel at Nuremberg I had spread before me, in nightmarish detail, the whole incredible story of Nazi barabarism, of its fiendish persecution of the Jewish people, and of the gas chamber and crematoria that snuffed out the lives of more than 5 million Jews and of millions of Ukrainians, Poles, and other Europeans.

The convicted Nazis were charged with crimes against humanity. The word "geno-

cide" had not yet come into common usage at that time. But to a very large degree this is what the Nuremberg trial was about. For the first time there was spread on the record of an international tribunal the details of massive crimes involving millions of victims—crimes perpetrated not against individuals but against entire peoples and ethnic groups.

While I was at Nuremberg I learned about other acts of genocide that were not made part of the trial record.

I learned of the mass deportations of the Volga Germans and the Kalmuks and the Chechens and other Soviet minority people during the war years.

I learned the true facts about the massacre in the Katyn Forest of 10,000 Polish officers who had been prisoners of the Soviets.

I learned of the mass deportations of scores of thousands of intellectuals and community leaders from Lithuania, Latvia, and Estonia in the period following the Soviet occupation.

I learned, in short, that Communist totalitarianism, like Nazi totalitarianism, uses genocide as an instrument of policy, and that the death of nazism did not necessarily mean that we had put an end to the problem of genocide.

Although 67 nations have ratified the Genocide Conversation it has, by and large, remained ineffective, inoperative, and without the necessary authority because the United States has thus far refused to add its ratification.

The years that have elapsed have witnessed situations where genocide has unquestionably been perpetrated and other situations where there was strong prima facie evidence of genocide.

In the case of Hungary the massacre of 25,000 Hungarian freedom fighters by the Red army, the subsequent mass execution and imprisonment of scores of thousands of Hungarian intellectuals, brought the charge from many quarters that the Soviets were guilty of genocide.

One year later the Chinese Communists crushed the Tibetan revolution with such ruthless measures that the International Commission of Jurists, in its report on the question of Tibet, made the unequivocal statement that Red China had been guilty of the crime of genocide.

In recent years we have witnessed in the Soviet Union a systematic campaign against the Jewish minority and the Jewish religion. While there have been no mass killings of Jews, it is clear that the objective of this campaign is the early and total obliteration of Jewish religion and of Yiddish culture. Is this genocide within the meaning of convention? This is a matter that might have to be decided by some property constituted authority. But certainly the allegation of genocide in the case merits the most careful consideration.

In each of these instances the conscience of America has been shocked. We have cried out in protest. Our leaders and our spokesmen have decried the mass killings, and in some cases, they have used the term "genocide" in referring to the crimes perpetrated by the Communists in these countries.

But the impact of our protest is weakened and our ability to intervene effectively remains seriously restricted so long as we ourselves have not ratified the Genocide Convention, which makes such acts international crime.

What is more, feel that our entire moral position, and our claim to leadership in the fight for freedom and justice and human decency, is prejudiced by our failure to ratify the Genocide Convention and the three other United Nations conventions dealing respectively with the abolition of all forms of slavery, the abolition of forced labor, and the political rights of women.

What an irony it is that this Nation, which abolished slavery almost 100 years ago, which does not practice genocide at any level of government, which long ago put an end to forced and indentured labor, and whose women enjoy the broadest political rights, should abstain from ratifying these four basic United Nations documents dealing with the rights of man, while the Communist nations, which are guilty on every score, have ratified all of these conventions or most of them.

What a false image of the United States our persistent failure to ratify these conventions projects to the world.

Needless to say, the Communists are clever enough to make use of our failure for the purpose of challenging our commitment to freedom and blackening our reputation. Among the newly emerging nations of the world, regrettably, the most widely believed facts about the United States are frequently those purveyed by radio Moscow or Peiping.

For example, in January of 1964, there was a debate in the UN subcommission on the prevention of discrimination and the protection of minorities. The Soviet member strongly opposed the establishment of international machinery for reporting upon and encouraging the elimination of racial and ethnic discrimination. At every point he was on the defensive. Finally, he decided to go over to the offensive.

The Soviet spokesman suggested that it was rather hypocritical of the American delegate to charge the Soviet Union with resisting the establishment of implementation machinery when "the United States had not ratified the Convention on the Prevention and Punishment of the Crime of Genocide or the Convention on Slavery."

The American delegate had to reply in embarrassment that he could only "regret of course that my country has not ratified the Convention on Genocide."

I am certain that as this exchange was reported over radio Moscow and radio Peiping, primitive peoples around the world were led to believe that the United States was opposed to ratification because it practices slavery and practices genocide.

It is time—high time—that we put an end to this invidious situation.

In the words of our martyred President, John F. Kennedy, "The United States cannot afford to renounce responsibility for support of the very fundamentals which distinguish our concept of government from all forms of tyranny."

There is only one way out of this dilemma. The Senate of the United States must at the earliest opportunity act to ratify the Genocide Convention and the Conventions on Slavery, Forced Labor, and the Political Rights of Women.

I know that some Senators have expressed the opinion that these measures will fail of ratification because we cannot get two-thirds of the Members of the Senate to vote for them. With this point of view I strongly disagree.

This conference has demonstrated in the most dramatic possible manner that the American people, in their overwhelming majority, favor the ratification of the four U.N. conventions dealing with the rights of man. I am confident that, given the necessary leadership, and given a patient exposition of the facts to the Members of the Senate, the Senate will not only ratify these measures, but will do so by a very substantial majority.

And I want to pledge to you that during the months to come I shall make this one of my chief objectives both within the Foreign Relations Committee and within the Senate itself.

There is one final proposal I would like to make. Looking forward to the time when the Genocide Convention has been ratified, I think we must start thinking in terms of practical measures to make it effective.

As the convention now reads, each nation ratifying the convention undertakes to enact legislation to implement the convention, and it also provides that any person charged with commission of an act of genocide should be tried by a court of the state in whose territory the act was committed.

These articles of the convention, in my opinion, constitute the most effective answer to those who charge that ratification of the convention would result in a surrender of our sovereignty to some unnamed and nonexistent international tribunal. But the articles leave something to be desired because it is questionable whether any Communist states can be trusted to prosecute their own nationals for the crime of genocide. And it is also questionable whether any state, Communist or democratic, will, in our lifetime, voluntarily agree to submit matters of such significance to the judgment of an international tribunal. I believe this is so despite the fact that no democratic state has practiced genocide or will practice it.

How then can we give effect to the Genocide Convention?

There is an approach to this problem which would involve no surrender of national jurisdiction, but which would be more effective as a deterrent to genocide than the present provisions of the treaty.

The United Nations has been at its best when it has been a matter of setting up an investigative committee to establish the facts in countries like Greece, or Hungary, or South Africa, or Borneo, or Vietnam. Invariably, these communities have reported objectively and fearlessly.

When the Genocide Convention is ratified, I would like to propose that serious thought be given to establishing a continuing investigative mechanism within the United Nations, under which serious allegations of genocide would lead to the appointment of special committees with the instruction to investigate and report back.

The member nations of the U.N. would be obligated to cooperate with such committees in any investigations conducted on their territory. The committees would have no juridical power, nor would the U.N. itself. But the mere power of investigation—the power to seek out the facts and bring them to public light—would, in my opinion, operate as a powerful deterrent to genocidal crimes and to other violations of human rights.

If the U.N. could be endowed with this responsibility by the consent of its member nations, it would give the world organization new meaning and a new lease on life.

I submit these thoughts for your consideration because I am confident that the Genocide Convention will be ratified, and the time is, therefore, arriving when we must begin to think of next steps.

I wish you godspeed in your deliberations.

Mr. DODD. Mr. President, it is clear on those remarks and in the volumes of testimony that have been collected over the past 35 years, that the Senator from North Carolina is not entirely wrong. Certainly the horrors of a Cambodia, of a Vietnam, of an Afghanistan, the atrocities that have been committed throughout the world during the past 35 years, would not necessarily have been stopped had a Genocide Convention been ratified by the United States. But certainly we must underestimate the moral force of our voice and our example as a beacon of hope and light to millions of people throughout the globe, who see this Nation as the symbol of freedom and responsibility and dignity. That force cannot be pushed aside by suggesting merely that this particular treaty would not be worth the paper it was written on because these acts may occur. That is the weakest argument of all for deciding not to ratify this convention. We only have a few short hours left, I presume, before we will adjourn sine die. But, after 35 years, after the work of people on both sides of the aisle, after hundreds and hundreds of witnesses from Europe, including some who were victims of the Nazi Holocaust, after the testimony of people from every quarter of this globe about the importance of this country's ratifying this convention, I hope we would not waste the time it takes to review that material once again now that we have had the opportunity to weigh it. I hope that after numerous sessions of the Senate have debated it; that we will see this Congress adjourn and have to begin this process all over again next year.

I would like to take particular final note, Mr. President of the presence of one of our colleagues who has stood alone on this floor countless days, months upon months, years upon years, every single day to remind the people of this country and the world of the importance of this convention. I speak of our distinguished colleague from Wisconsin [Mr. PROXMIRE], who virtually single-handed over the past many years has tried to raise the level of education about the Genocide Convention. He has demonstrated its importance not only to this country but to people around the globe who look to this Nation as a bulwark against genocide and the horrors it inflicts on so many millions. I know I speak on behalf of the millions of people who hope that this treaty might be ratified by the Senate when I thank the Senator for his contribution over the years. It really is a singular mark of heroism and dedication that he has waged this battle as long and diligently as he has, and I regret that the battle continues in this body to achieve ratification.

Mr. President, I intend to be here on the floor and to engage in debate, answer questions, if I can, along with others who have worked on this treaty so that we might be able to ratify it before we leave.

I also commend the President. President Reagan and I have not always agreed on issues over the past 3½ years, and I was certainly suspicious, like others, because it took 3½ years to decide that it deserved ratification. But I happen to believe their intentions are honest, that there are many people who do not understand this convention around the country and have been frightened by false information about what this convention would do, that it could destroy our sovereignty or damage our Constitution. The President does not believe that. His administration does not believe it. He certainly does not need my stamp of approval as a conservative. Yet, like the other administrations that have preceded his, he has determined that this convention does not threaten our Constitution; that, in fact, it would strengthen the very principles which underlie our Constitution.

So I hope that, in a sense of bipartisanship, in the closing hours of this session, even though the election is only a few weeks away, we can join President Reagan and his administration and ratify this Genocide Convention. It would be one of the most important things this Congress could achieve.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. PROXMIRE. I thank my good friend from Connecticut for his remarks. I also want to commend the Senator for pointing out that we have gone into great, meticulous detail on this treaty.

The opponents have said that is was kind of rushed through, but the distinguished Senator from Connecticut has put that to rest.

I have just had a chance to look at the summary: 12 days of hearings on this treaty over the years, 87 witnesses, 200 submissions, 1,500 pages. If it is not unique, that is about as exhaustive treatment as I can recall for any treaty that had come before the Senate.

This is not something on which there is great division. There are a few Members of the Senate opposed to it. But on September 19 of this year, the Senate Committee on Foreign Relations voted 17 to 0 to report the Convention on the Prevention and Punishment of the Crime of Genocide, and it has been recommended by President Reagan.

The committee also unanimously approved a resolution urging the Senate to act on the Genocide Convention prior to adjournment. I believe that resolution was offered by the Senator from Connecticut.

My colleague on the committee, the distinguished senior Senator from North Carolina, for whom I have great respect, has made a very interesting and effective statement on the floor, and he has appended a statement of some length to the committee report on the treaty. While the senior Senator from North Carolina did not vote against either of these measures, he raised a number of issues regarding the convention.

I have had a chance to discuss the objections of the Senator from North Carolina with the American Bar Association people, and I have put an analysis together to respond to the principal objections raised by the Senator from North Carolina. I ask unanimous consent to have the analysis printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

RESPONSES TO SENATOR HELMS' CONCERNS

On September 19, 1984, the Senate Committee on Foreign Relations voted 17-0 to report the Convention on the Prevention and Punishment of the Crime of Genocide favorably to the Senate subject to the three understandings and one declaration recommended by President Reagan. The committee also unanimously approved a resolution urging the Senate to act on the Genocide Convention prior to adjournment. While my colleague on the committee, the distinguished senior Senator from North Carolina did not vote against either of these measures, he raised a number of questions regarding the convention. The following analysis attempts to respond to the principal objections raised by Senator Helms.

First, Senator Helms suggested that, "While we have used multilateral treaties in the past . . ., the subjects were . . . truly international in scope . . . Genocide . . . can be perpetrated wholly within the borders of the offending nation, with no impact upon any other nation whatsoever.

The implication that genocide is an internal matter, and therefore not a proper subject for an international treaty, is incorrect on two counts. First, the occurrence of a situation completely within one country does not preclude its being dealt with under international law. As stated in the Restatement (Second) of Foreign Relations Law of the United States, "usually, matters of international concern have both international and domestic effects, and the existence of the latter does not remove a matter from international concern." § 117, Comment b. The Supreme Court has repeatedly held that the treaty power extends to all proper subjects of negotiation with foreign governments. *Geofroy* v. *Riggs*, 133 U.S. 258 (1890); *Santovincenzo* v. *Egan*, 284 U.S. 30 (1931). Quite correctly, the fact that communist persecution of various minorities is often "perpetrated wholly within the borders of the offending nation" has not prevented the American government from condemning these abuses and correctly so—and engaging in negotiations to deal with them. From both a legal and political perspective, it would be truly unfortunate were the United States to relinquish that role, leaving millions to languish without hope.

Second, genocide is quite plainly an international matter. According to the Restatement of Foreign Relations Law, it is a violation of customary international law if a

state "practices or encourages genocide, fails to make genocide a crime or to punish persons guilty of it, or otherwise condones genocide." This customary law is equally binding upon nations which have not ratified the Genocide Convention.

There is little question that genocide, whether committed in Nazi Germany, communist Cambodia or Khomeini's Iran, is an international matter. The United States Congress confirmed this fact in 1978 legislation which passed the Senate by an overwhelming majority. In an amendment to Public Law 95-435 (22 U.S.C.A. § 2151) cosponsored by Senators Helms, Thurmond and others, this statute recognizes genocide as an "international crime," and states the U.S. policy of disassociating from any foreign government engaged therein.

Second, Senator Helms said that, "The Convention on Genocide stands alone in creating an international criminal statute. It sets a precedent that is totally unparalleled."

In actuality, the Genocide Convention contains nothing in this regard that is unique or unprecedented. A number of treaties which have previously been ratified by the United States include the same obligations of criminalization and punishment of certain acts found in this convention. These other treaties have dealt with offenses involving slavery, narcotic drugs, certain acts of terrorism and a variety of other abuses of international law. Again, in each of these cases, the crime may be perpetrated wholly within the borders of a country, but is still covered by the treaty. In this regard, it is helpful to note the language found in the Senate Foreign Relations Committee report on the International Convention Against the Taking of Hostages, the ratification of which was supported by Senator Helms: "States who become parties not only agree to make such offenses criminal under their domestic laws but also to either prosecute or extradite persons reasonably accused of such crimes." The obligations under the Genocide Convention are no more and no less. Ratification of each of these treaties is both good law and good policy, fully consistent with U.S. accession to previous treaties.

Third, Senator Helms cited John Foster Dulles to the effect that, "Treaties make international law and also they make domestic law . . . Congressional laws are invalid if they do not conform to the Constitution, whereas treaty laws can over-ride the Constitution."

It must first be recognized that treaties such as the Genocide Convention make international law and domestic law, but they absolutely cannot override the Constitution. However, the treaty's provision will have no domestic legal effect whatsoever upon the contracting parties until they "enact, in accordance with their respective Constitutions, the necessary legislation to give effect to the provisions of the present Convention." Article V. This procedure is in keeping with the longstanding American principle that a treaty cannot legislate criminal law within the United States, as the criminal jurisdiction of Federal courts must be expressly mandated by Congress. *United States* v. *Hudson and Goodwin*, 7 Cr. (11 U.S.) 32 (1812); *United States* v. *Coolidge*, 1 Wheat. (14 U.S.) 415 (1816).

Therefore, the treaty will not become binding in the United States until appropriate amendments to the U.S. Code are considered by the Judiciary Committees of Congress, passed by the full Congress and signed by the President. To emphasize this point, the Senate Foreign Relations Committee has recommended a declaration to the effect that the President shall not deposit the U.S. instrument of ratification until this implementing legislation has been enacted.

The suggestion that treaties can override the Constitution is simply inaccurate. In the event of any conflict, the Supreme Court, in its own words, "has regularly and uniformly recognized the supremacy of the Constitution over a treaty." *Reid v. Covert*, 354 U.S. 1, 16-18 (1957). In testifying on the Genocide Convention, then Assistant Attorney General William Rehnquist stated definitively that "there are no constitutional obstacles to U.S. ratification of the treaty." He affirmed that the rights of American citizens would be fully protected under the Convention "because the Constitution is superior to a treaty no matter how interpreted." Hearings before a Subcommittee of the Senate Committee on Foreign Relations, 91st Cong., 2d Sess. 157, 160 (1970). In testimony before the Foreign Relations Committee last month, a Justice Department official noted that no case ever has held a treaty superior to the Constitution.

In addition, the Genocide Convention itself renders such a conflict impossible. The Convention explicitly provides that the implementing legislation—without which the treaty is unenforceable—shall be enacted by the contracting parties "in accordance with their respective Constitutions."

Fourth, Senator Helms has alleged that, "There is great leeway in the extradition process, but the accused's rights might be compromised by domestic political pressures or international policy questions unrelated to the allegations."

Fortunately, American law regarding extradition does not permit the accused's rights to be considered as cavalierly as Senator Helms suggests. American citizens have been, and will continue to be, protected by our law.

Some agreements (e.g. the 1929 Convention for the Suppression of Counterfeiting Currency) provide that offenses dealt with by those conventions shall be deemed to be automatically included in the various extradition treaties concluded by the contracting parties. In contrast, the Genocide Convention rejects this board-ranging approach; Article VII provides for extradition by the contracting parties only "in accordance with their laws and treaties in force." The United States currently has no extradition treaties in force which make reference to the crime of genocide, and U.S. law prohibits extradition of American citizens unless provided for in such treaties. *Factor* v. *Laubenheimer*, 290 U.S. 276, 287 (1933).

It would be the prerogative of the United States to negotiate or amend extradition treaties to specifically include genocide as an extraditable offense. Each such treaty would be separately subject to the ratification process, thus allowing the Senate to determine those countries to which extradition will be permitted for genocide. Of course, to assure the vigorous enforcement of the law, I would urge ratification of such treaties.

Fifth, Senator Helms stated that, "Ultimately, the sovereignty issue becomes mired in the ambiguities of Article IX."

Article IX of the Genocide Convention is quite straightforward. In providing that disputes regarding the interpretation, application of fulfillment of the convention may be submitted to the International Court of Justice, the Genocide Convention simply includes the very same procedure included in many treaties which the United States has previously ratified, a number of which have been supported by Senator Helms. This treaty provides nothing novel or unique in referring dispute resolution to the ICJ.

The Connally and Vandenberg reservations would in no way be affected by ratification of the Genocide Convention. Senators Connally and Vandenberg proposed their amendments to modify a 1946 Senate resolution concerning optional jurisdiction of the International Court of Justice under Article 36(2) of the Court's statute. Article 36(2) deals with the extension of the Court's jurisdiction, for example, to interpretation of treaties that do not otherwise provide for referral to the Court.

The Genocide Convention falls under Article 36(1) of the Court's statute, which deals with the compulsory jurisdiction of the Court in instances "provided for . . . in treaties and conventions in force." The United States has ratified a number of treaties which, like the Genocide Convention, provide for dispute settlement through the International Court. See e.g. Supplemental Statute on Slavery, 18 U.S.T. 3201 (1956); Antarctic Treaty, 12 U.S.T. 794 (1959); Statute of the International Atomic Energy Agency, 8 U.S.T. 1093 (1956). However, it must be understood that the International Court will have no jurisdiction to try cases of alleged genocide.

Sixth, Senator Helms has said that, "Not a single case [has] been brought under the Convention."

If Senator Helms is here referring to cases brought before the International Court of Justice, then he is completely accurate in noting that no case has yet been brought. If this is an objection to ratification of the Genocide Convention, however, one would be left to conclude that many treaties which Senator Helms and others have supported should not have been ratified. The Senate has previously given its advice and consent, without reservation, to some eighty multilateral and bilateral treaties which also provide for the International Court of Justice resolving disputes under the treaties pursuant to the court's jurisdiction under Article 36(1) of its statute. Virtually none of these treaties has ever given rise to a dispute; certainly in no case has this provision ever resulted in spurious or politically-motivated charges being brought against the United States.

On the other hand, if Senator Helms is here referring to cases brought under the judicial system of a state party to the convention, at least one case has in fact been brought under the Genocide Convention. Following its ratification of the treaty in 1950, the State of Israel enacted a domestic criminal statute to implement the convention's provisions, as provided for in Article V. This Israeli statute provided the basis for that country's 1965 prosecution of Adloph Eichmann.

Mr. DODD. Mr. President, I thank the Senator from Wisconsin for citing, once again, the voluminous evidence that has been accumulated over the past 35 years on the Genocide Convention and the testimony that has been given by countless scholars on this issue.

I should point out that only a very small minority of so-called constitutional experts subscribe to the argu-

ments that this convention would damage our sovereignty.

It is also worthwhile to point out that seven Presidents of the United States, seven Chief Executive Officers, four Democrats and three Republicans—the Eisenhower administration was the only exception not to take a position on the Genocide Convention—Truman, Kennedy, Carter, Johnson, Nixon, Ford, and Reagan—have said this is something America ought to stand for. That evidence alone ought to be compelling.

Those administrations cover the full political spectrum, running from conservative to moderate to liberal. Yet, all have one thing in common—they all support and endorse the ratification of the Genocide Convention.

So at last, here we are once again denying the collective wisdom of seven administrations and, as the Senator from Wisconsin pointed out, denying the collective wisdom of countless witnesses, countless scholars, and countless concerned individuals who understand the importance of trying to at least reduce the threat of genocide occurring again, and again we are dragging our feet. I think that is incredible and inexcusable.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter from the president of the American Bar Association to the majority leader, dated October 10, 1984.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN BAR ASSOCIATION,
Washington, DC, October 10, 1984.

Hon. HOWARD H. BAKER, Jr.,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR MR. MAJORITY LEADER: I was pleased to learn that you have scheduled the International Genocide Convention for consideration by the full Senate. I commend your leadership in bringing this important international criminal law treaty to the floor, as I commend President Reagan for his strong endorsement and Senator Percy for his leadership in having this treaty approved by the Foreign Relations Committee without a single dissent. On behalf of the 310,000-member American Bar Association, I reiterate the unequivocal support of the legal profession for prompt Senate advice and consent to ratification of this fundamental international document.

It would be a signal achievement of your leadership, if, after the thirty-five years this treaty has been pending before the Senate, the 98th Congress finally put the United States firmly in the position of condemning the most heinous form of international terrorism—genocide. Such action would underscore the fact that the United States stands first in line against those nations who would persecute their own people under a regime of lawlessness instead of protecting their own citizens, as does the United States, under the rule of law.

As President Reagan said to the Annual Meeting of B'nai B'rith last month, "anyone who has contemplated the horror inflicted on Jews during World War II, the deaths of millions in Cambodia, or the travail of the Misquito Indians in Nicaragua must understand that if free men and women remain silent in the face of oppression, we risk the destruction of entire peoples." The time now has come to ratify this document so that, as the President noted, it can be used "to expand human freedom and fight human rights abuses around the world."

Over the long history of Senate consideration of this treaty allegations have been made that its ratification would somehow undermine the sovereignty of the U.S. Constitution and would jeopardize the rights of U.S. citizens. As the President of the largest organization of lawyers in the world—an organization that for many years opposed this treaty on those very grounds, but which in 1976 resolved to its satisfaction all questions raised against the treaty—I must reject those assertions. The sovereignty of the U.S. Constitution simply cannot be overcome by a treaty. There has never been a decision by the Supreme Court holding that a treaty is superior to the Constitution. The top lawyers of the Departments of Justice, State and Defense over the decades have reiterated this fact, which is best exemplified by the 1970 testimony of then Assistant Attorney General William Rehnquist that there are no constitutional or legal impediments to ratification of the Genocide Convention.

Since this treaty cannot change any of the basic protections afforded U.S. citizens by the Constitution it then follows that nothing in the treaty could jeopardize the due process rights of U.S. citizens contrary to the provisions of the Constitution. Under the terms of the treaty (Articles IV, V, VI and VII) and of the third understanding recommended by President Reagan and the Senate Foreign Relations Committee, the authority of the United States to try persons in the United States alleged to have committed genocide—whether those crimes were alleged to have been commited in the United States or elsewhere—remains secure. This treaty does not provide for extradition of United States citizens and no existing treaty could authorize such extradition. However, as with numerous other treaties to which the United States is a party (including those outlawing international terrorism, aircraft sabatoge and other crimes) the United States most certainly will wish to negotiate such extradition treaties in the future to assure the strong enforcement of our law against persons in other nations alleged to have committed genocide in the United States.

I urge you and all of your colleagues to respond to the President's call for ratification of the Genocide Convention and promptly to give your advice and consent to ratification.

Sincerely,

JOHN C. SHEPHERD.

Mr. BOSCHWITZ. Mr. President, I point out to my colleagues some of the principal sentences in this letter.

It states that the 31,000-member American Bar Association reiterates unequivocal support for this treaty.

The president, Mr. John C. Shepherd, goes on to say that the sovereignty of the U.S. Constitution simply cannot be overcome by a treaty, and the rights of American citizens will not be jeopardized by this treaty.

I direct the attention of my colleagues to the entire letter.

Mr. President, the first article has been read. Is it now proper that we proceed to the second article?

The PRESIDING OFFICER. Are there any amendments to the first article?

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SYMMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMMS. Mr. President, a parliamentary inquiry. Are amendments now in order to article 1?

The PRESIDING OFFICER. Amendments are in order to article 1.

AMENDMENT NO. 7093

Mr. SYMMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

Add at the end of article I of the treaty the following new section:

"Nuclear war poses the greatest threat of genocide yet imagined in the world, and therefore the President will submit forthwith and on an annual basis thereafter to the Congress of the United States and to appropriate Representatives of the parties signatory to this treaty, a detailed and comprehensive report of all violations of nuclear arms control agreements to which the United States is a party; provided further that for purposes of the first report required hereunder, the President shall submit before the 98th Congress adjourns *sine die* the report prepared by the General Advisory Committee on Arms Control and Disarmament entitled: "A Quarter Century of Soviet Compliance Practices Under Arms Control Commitments 1958–1983(u).""

Mr. SYMMS. Mr. President, I offer this amendment because I believe it is very important that the much-discussed "GAC Report" on Soviet SALT violations is needed by the Senate and by the American people. Not only that, the "GAC Report" on Soviet SALT violations is needed by the Senate and by the American people in order for us to have a proper understanding of the arms control issue, and it is an important issue in the 1984 political campaigns.

I am reliably informed that the National Security Council staff has given President Reagan the "GAC Report" for his signature. President Reagan has the "GAC Report" on his desk today and could sign it and send it to Congress at any time.

I believe that even given that possibility, this amendment is necessary, in the context of the Genocide Treaty, because the treaty attempts to prevent genocide by nuclear war or any other way, but Soviet violations of the SALT

treaties might cause an increase in the risk of nuclear war.

I think this is something that should be clearly understood by all parties here in the Senate before any action is taken on this, and I say that the "GAC Report" might prove that the Soviet SALT violations have increased the risk of nuclear war and therefore the risk of genocide. The "GAC Report" can expose Soviet SALT violations as enhancing the risk of genocide.

I believe the Senate should support this amendment for this reason.

This amendment requests President Reagan to submit the "GAC Report" to Congress. It has the same thrust as an amendment passed by the Senate unanimously in June, and it also passed the other body unanimously in June, and the "GAC Report" amendment, therefore, should be noncontroversial and should be adopted unanimously.

Mr. SYMMS. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate?

Mr. PELL. Mr. President, I just had an opportunity to glance at this amendment with a proposed new section, and I would like to make two points.

First and most important, this amendment would require that the treaty would have to be negotiated with the 96 nations that have already signed it.

Second, the subject matter of the amendment is very extraneous to the subject matter of the treaty. Further, it would involve foreign governments in a requirement that the President of the United States report to the Congress of the United States. This would be a very unfortunate precedent.

So for both these reasons, I am compelled to oppose this amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOSCHWITZ. Mr. President, I also rise to oppose this amendment. An amendment, of course, to the treaty itself as opposed to the resolution of ratification would, in effect, void the treaty. But this amendment really appears to me not to be germane to have in an international treaty to have the President of the United States submit an annual report to Congress.

So my question to the Chair is whether or not this amendment is indeed germane.

Mr. SYMMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The Chair is about to rule.

In response to the Senator from Minnesota, the Chair states that there is no germaneness requirement on treaties.

Mr. SYMMS. Mr. President, I raise the question of germaneness and ask for the yeas and nays.

The PRESIDING OFFICER. There is no question of germaneness. The Chair has so stated.

Mr. BOSCHWITZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. KASSEBAUM). Without objection, it is so ordered.

Mr. BAKER. Madam President, an amendment has been offered by the distinguished Senator from Idaho, Senator SYMMS, which proposes at the end of article I of the treaty to add a new section, which is at the desk. I have a parliamentary inquiry. The parliamentary inquiry is this: If this amendment were adopted by the Senate, does this constitute a modification of the treaty itself, which would require renegotiation with the other signatory countries?

The PRESIDING OFFICER. Yes, the majority leader is correct, it would require renegotiation.

Mr. BAKER. Is the reason for that that it modifies the treaty itself and thus would require resubmission to the signatory countries?

The PRESIDING OFFICER. That is correct.

Mr. BAKER. Madam President, I thank the Chair.

I inquire of the Senator from Idaho if he intends to ask for a vote on this amendment. I hope that this amendment would not be pressed at this time. It is the hope of the leadership on this side that we can reach the place on this treaty where we can get to the resolution of ratification and then ultimately get to such things as questions of understandings and reservations and amendments. But this would in effect kill the treaty, I think, in that, according to the opinion of the Chair, it would require the resubmission of this treaty to all of the nations who have previously signed it.

Could I inquire of the Senator if he intends to press this point at this time or if he might be in a position to withdraw the amendment.

Mr. SYMMS. If the majority leader will yield, Madam President, I ask unanimous consent that the yeas and nays that have been ordered on this amendment be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMMS. I withdraw the amendment. However, I reserve the right to reoffer this amendment at a later time, and to try to appeal the ruling of the Chair.

Mr. BAKER. I thank the Senator from Idaho. I thank all Senators.

Mr. HELMS. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Madam President, I asking unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Madam President, I am involved in a conference committee that is going on and do not have time to speak at length on this matter. When this matter was before the Senate previously I voted for cloture on the genocide matter. I felt that it should be brought before the Senate and resolved. I express my admiration for the majority leader in bringing it before the Senate now.

I also think that the fact that a matter that has stayed unresolved before this body for so many years demonstrates there are basic misunderstandings concerning the impact of this treaty on our Nation. And I do want the record to show that I believe matters have been raised which require voting by the Senate on specific understandings of the Senate as acts to ratify this convention. It is important for us to take the time to resolve those matters, and to vote to demonstrate to the country that we have in fact entered into understandings which eliminate a great portion of the misunderstanding that has delayed this Genocide Treaty for so many years.

I would be happy to answer any questions anyone might have. I want to state so there is no question about it—I am sure my good friend is here, and he knows that there is no misunderstanding—the fact is that I seek to succeed the Senator from Tennessee in terms of the leadership of this Senate, and should that be my fate, I intend to see to it that the Senate addresses this issue early next year, and take the time to pursue these understandings, and get them to the point where the Senate will in fact adopt understandings which attempt to eliminate the basic cause of the delay

in ratifying this convention for so many years.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Madam President, I say to my good friend from Alaska that we indeed have over the years held an extraordinary number of hearings, I believe a dozen, one of them relatively recently, and one in 1981 at some length. There have been 1,500 pages of testimony. All aspects of this treaty and understandings have been examined in some detail. While we can probably serve some purpose by reexamining them and reconsidering them, this treaty, as you know, has been delayed and delayed. And really it is quite appropriate that we go forward with it now. It is my hope that during the course of the afternoon we will reach those understandings and examine whether or not they are new, and whether or not they present some new element that the Senate has not previously considered. In the event they do, perhaps that would be a cause for laying this convention aside. I do not believe they do. I believe that all aspects of the treaty have been previously considered, and a number of times. I hope we can move forward.

Madam President, may I ask if at this time we could proceed to article 2?

The PRESIDING OFFICER. Are there any amendments to article 1? If not, the clerk will report article 2.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Madam President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Madam President, in view of the observations we have had from our beloved and departing majority leader and the majority whip, it is evident what will be the outcome of today's discussion. The Senator from New York would only wish to state that this has been the outcome of all too many discussions, of all too many issues of comparable importance in this Congress. We have found within the week that we do not have the wherewithal to restate the provisions of the Civil Rights Act of 1964, a matter proposed by and supported by every President from the 1960's to 1980, and find today that we do not have the wherewithal to proceed to consider a convention which originates as much as any one thing with the initiatives of the United States and its support at the United Nations, which the President has urged upon us, and if the legitimate question is asked what has been its effect; a legitimate answer has been where has been our support.

What can be done on behalf of observance of an international standard put in treaty form not solely, but largely, an American initiative which the United States then did not adhere to; and not on a different level, one could ask what was the effectiveness of the League of Nations which the United States helped form and then declined in this body to join.

We will be back. And most particular, the Senator from Wisconsin will be back. A week ago, I had the occasion to put into the CONGRESSIONAL RECORD the first of 6,000 speeches which the Senator from Wisconsin gave on this subject. An equivalent act of endurance, of determination, of steadiness, of fixity, of moral purpose will not be found. An equivalent may be found. A greater certainly will not be found in the annals of this body. If I feel that the stature of this Chamber is somehow diminished by what we are doing now, may I say in that context the stature of the Senator from Wisconsin is all the more enhanced.

There are times when men and women stand alone. He is one such, and has stood alone in this Chamber for 6,000 consecutive speeches until at long last a response came forward only to find councils of fear, councils of unfamiliarity with the large world, councils of insularity, blocking him.

Again, they will not surmount him. He will prevail. We will yet honor those who drafted this treaty. We will yet consent to its ratification. We may one day, in that situation, speak in the councils of the world for its observance.

Let no one suggest that if the treaty has not had the effect anticipated for it, that that fact is not directly connected with the fact that the United States of America has not chosen to stand with the rest of the nations of the world in the condemnation of the international crime of genocide.

Madam President, I await the first speech of the Senator from Wisconsin, which I anticipate shall be on the 3d day of January 1985. I shall be here.

Mr. PROXMIRE. Madam President, I want to thank my good friend from New York. As a former U.N. Ambassador, he is an outstanding expert on foreign relations. He understands how important this treaty is in so many, many ways. I cannot tell him how much I appreciate those undeserved but very, very welcome words.

Mr. DODD. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objective, it is so ordered.

Mr. HATCH. Madam President, this distinguished body has been considering ratification of the Genocide Convention. I would like to join my colleagues in condemning the crime of genocide. I abhor the mass killing and destruction of any people on Earth. No one, with any degree of compassion and love for his fellow human beings, could possibly support genocide for any reason. Human life is sacred and every person on Earth—no matter what nationality, creed or tongue—is important and equal in the sight of God.

It is tragic that millions of people born into the Jewish faith were put to death in concentration camps under the ruthless hands of the Nazis—one of the most hideous commissions of genocide in our lifetimes.

It is also tragic that another nation—the Soviet Union—has periodically practiced genocide on its own people for over 60 years and continues to promote genocide on various groups outside their country through the support of revolutionaries and terrorists around the world.

It is also regrettable that a few countries today practice genocide on factions in their countries.

Madam President, I would like to encourage my colleagues in the Senate to carefully study each of the first nine articles of the Genocide Convention before they cast a vote in favor or against the treaty. The American people expect this body to carefully examine any treaty before it is ratified to ensure that it accords with the provisions of the Constitution and the concept of Republican government.

In the words of George Washington: "It is important* * * that the habits of thinking in a free country should inspire caution in those entrusted with its administration, to confine themselves within their respective Constitutional spheres.* * *"

Madam President, I would like to clarify two points which have become obscured in the current debate over the Genocide Convention.

First, the convention does not outlaw genocide by governments. Naturally, all Americans abhor the crime of genocide; however, as genocide is defined in the convention, it does not apply to mass killings and destructions of peoples by totalitarian governments. Article IV limits the application of the convention to "persons" committing genocide.

The original U.N. declaration on genocide, dated December 11, 1946, denounced the crime whether "committed on religious, racial, political, or any other grounds." When the decla-

ration was being converted into the convention, the Communist nations demanded that the term "political" be omitted from the listed categories and the United States capitulated. The omission of political groups effectively prevents the Communist nations, or any other nation, from ever being charged with genocide; consequently, the convention does nothing to aid tens of thousands of people behind the iron curtain and other thousands around the world who are considered enemies of a state.

Second, the convention allows the United Nations to write domestic law through international treaties. I am convinced that individuals who are seeking Senate ratification of the Genocide Convention do not understand the legal effect of such action on domestic law within the United States. Unlike many other nations, our Constitution mandates that treaties become "the supreme law of the land." In other words, a treaty nullifies all provisions of Congress, the States, and becomes binding domestic law.

Thomas Jefferson wrote in his manual of parliamentary practice that:

> By the general power to make treaties, the Constitution must have intended to comprehend only those objects which are usually regulated by treaty, and cannot be otherwise regulated.

In the course of hearings in 1953 on a proposed constitutional amendment to limit the power of treaties as domestic law, Secretary of State John Foster Dulles stated before a Senate Judiciary subcommittee:

> I do not believe that treaties should, or lawfully can, be used as a device to circumvent the constitutional procedures established in relation to what are essentially matters of domestic concern. (The United States) should favor methods of persuasion, education and example rather than formal undertakings . . .

In 1955, the U.S. Department of State in an official policy statement reaffirmed Dulles' declaration:

> Treaties are not to be used as a device . . . to try to circumvent the constitutional procedures established in relation to what are essentially matters of domestic concern.

These views accord with Mr. Charles Evans Hughes, who said, while President of the American Society of International Law, that:

> There (is) a limitation upon the treaty-making power that is intended for the purpose of having treaties made relating to foreign affairs and not make law for the people of the United States in its internal concerns.

In light of these statements should the treaty-making power be used to enact domestic legislation in the United States? I think not. It would do violence to our constitutional system of government. Government by treaty is just as abhorrent as government by the judiciary.

As a principle of constitutional law, the United States should not enter into or ratify any treaty or executive agreement governing rights in the domestic area. These issues should remain the exclusive jurisdiction of domestic legislation. There is no country in the world today to whom the United States needs to apologize with regard to our Nation's protection of individual rights.

If proponents of the convention are concerned about making genocide a crime within the United States, it can be done without the assistance of a treaty. State legislatures are capable of enacting domestic legislation in this area. In fact, this seems the wisest course of action.

THE GENOCIDE TREATY'S IMPACT ON AMERICA AND THE CONSTITUTION

Madam President, article 62, paragraph 2, of the Charter of the United Nations states that the Economic and Social Council is empowered, however, not required to:

> Make recommendations for the purpose of promoting respect for, and observance of, human rights and fundamental freedoms for all.

Acting upon this recommendatory power, a Commission on Human Rights, a subdivision of the Economic and Social Council, published at Geneva on December 27, 1947, the International Covenant of Human Rights and International Declaration on Human Rights. The covenant, when ratified by member nations, was to have the effect of international law. An international court for enforcement was to be created in the future.

The declaration, while not legally binding as international law, was a consensus of the Commission members concerning the political, economic, and social rights to be granted to individuals on earth. Although the Declaration did not carry the force of law, Mrs. Eleanor Roosevelt, chairman of the Commission on Human Rights, stated that the Declaration is considered an "authoritative interpretation" of the intent of U.N. Charter provisions.

The drafts of the covenant and declaration were submitted to member nations for comments and suggestions. In May and June 1948, after collection of the suggested revisions, the U.N. Commission on Human Rights drafted a revised version of the Declaration and published it in the United Nations Bulletin on July 1, 1948.

It was this Commission that took upon itself the task of drafting a bill of rights for the United States and other member nations. Stripped of all rhetoric, the covenant and declaration are mere proposals for the advancement of worldwide socialism.

It is important to note that the United Nations is an organization of sovereign states pledged to the promotion of peace. It is not a world government and according to article 2, section 7, of the Charter, the U.N. is prohibited from interfering "in matters which are essentially within the domestic jurisdiction of any state."

While there are statements in the Charter which discuss the "realization of human rights and fundamental freedoms for all," the fact remains that the United Nation is an organization of states. It functions on an international level with governments confronting governments.

A bill of rights exists for the sole purpose of outlining the rights of individuals. It defines the relations between individuals and the state or government, and is basically an internal or national document.

The members of the U.N. Commission on Human Rights and others were seeking to increase the power of the United Nation and the World Court when they drafted the covenant.

In order to enforce the provisions of the covenant and declaration or any international bill of rights, the United Nations would have to interfere continually in the internal affairs of the member nations. And that is exactly what the covenant and declaration would do, and exactly what the Genocide Treaty is designed to do.

The Genocide Treaty, a companion treaty to the International Covenant on Human Rights, seeks to make genocide an international crime subject to international jurisdiction.

Many proponents of the United Nation have been working unceasingly to create a body of treaty law at the international level which would require adherence of member states and increase the power of the World Court. In the process our national sovereignty was to be diluted and provisions of the U.S. Constitution were to be subordinated.

Senator Sam J. Ervin was aware of the movement to increase the power of the United Nations, and in testimony before a Subcommittee of the Committee on Foreign Relations on May 22, 1970, commented:

> During the 1940's some activists connected with the United Nations engaged in a strenuous effort to establish, by treaties, laws to supercede domestic laws of nations throughout the earth. The Genocide Convention represents one of these efforts. It originated in a resolution of the United Nations condemning genocide as a crime whether "committed on religious, racial, political, or any other grounds." When reduced to its final form it excluded genocide committed on "political grounds" because some of the parties to it did not wish to surrender even nominally their right to exterminate political groups hostile to their rulers. Under its provisions, individuals as well as persons exercising governmental power would be subject to trial and punishment for offenses which have always been regarded as matters falling within the domestic jurisdiction of the various nations."

The Genocide Convention was adopted by the General Assembly of

the United Nation on December 10, 1948 and submitted by President Harry S. Truman to the Senate for its consideration on June 16, 1949. The Senate Foreign Relations Committee appointed a subcommittee which conducted hearings in January and February 1950. The subcommittee reported to the full committee that the United States should not ratify the convention unless the Senate adopted four understandings and one declaration. The full committee refused to send the convention to the Senate floor. Since the report of the subcommittee was made, the Senate has refused to ratify the convention.

Three months after the convention was transmitted to the Senate, the House of Delegates of the American Bar Association met on September 8, 1949 to consider some resolutions recommended by the Section of International and Comparative Law on the Genocide Convention. It also pondered a report dealing with the convention prepared by the Special Committee on Peace and Law through the United Nations. After studying the recommendations made by the section and the report of the special committee, the House of Delegates adopted the following resolutions:

Be it Resolved, That it is the sense of the American Bar Association that the conscience of America like that of the civilized world revolts against genocide (mass killing and destruction of peoples); that such acts are contrary to the moral law and are abhorrent to all who have a proper and decent regard for the dignity of human beings, regardless of the national, ethnical, racial, religious or political groups to which they belong; that genocide as thus understood should have the constant opposition of the Government of the United States and of all of its people.

Be it Further Resolved, That the suppression and punishment of genocide under an international convention to which it is proposed the United States shall be a party involves important constitutional questions; that the proposed convention raises important fundamental questions but does not resolves them in a manner consistent with our form of government.

Therefore, be it resolved, that the Convention on Genocide now before the United States Senate be not approved as submitted.

The American Bar Association's Special Committee on Peace and Law through the United Nations contained the main arguments against the Genocide Convention. It consisted of 10 of the most influential lawyers in America—Carl B. Rix, chairman, Deane C. Davis, George A. Finch, Harold R. McKinnon, Frederick M. Miller, Nathan L. Miller, Orie L. Phillips, Author G. Powell, Alfred J. Schweppe, and Frank E. Holman, president, ex officio, ABA.

The committee report began with these words:

At a time in the history of the world when economic conditions, resulting largely from two devastating wars, are forcing nations to demand sacrifices of their individual freedoms to conform to Socialist states or alien ideologies, the same peoples are being asked to adjust themselves to revolutionary changes in their relations with their own people and the people of other nations. It does not seem to be enough that they should be led by example and teaching to new ways of conduct. Under international codes of conduct called treaties they are to accept the changes by law. Government by treaties is the new concept.

Wherever possible, trials before international courts for violations are demanded and, failing that, great bodies of domestic laws creating new rights and crimes are to be provided and enforced by the states. All this is under the claim that individual acts and conduct menace the peace and security of the world.

Peoples who do not know the meaning of freedoms are to be metamorphosed into judges of the freedoms of others. A common pattern is to be set for billions of people of different languages, religions, standards of living, culture, education, and mental and physical capacity. A few people, with beliefs utterly foreign to each other, meet, debate, and by majority vote seek to determine how the people of the world shall live on a common pattern. To bring some people to a higher standard, those far above those standards, under the guise of precarious sacrifice to the common good, are to accept the mediocrity of the average. Are the people of the United States ready for such sweeping changes? (Hearings, p. 159.)

The members of the committee realized that a highly motivated, emotionally charged group of international social reformers were attempting to thrust upon the United States and other nations a body of treaty law "with no consititutional basis at all."

Realizing that a treaty becomes the "supreme law of the land," and supercedes State laws and constitutions, the committee declared:

The effect in this country of a ratified treaty of human rights and, in a limited degree, the Genocide Treaty, in a field which has been almost exclusive in the States, is so-far reaching in its consequences that the word "revolutionary" is not fully descriptive. (Hearings, p. 162.)

The committee then included a statement made by George A. Finch, vice president of the American Society of International Law and fellow committee member, detailing that human rights are already secured in the United States.

We already have in this country a highly developed system for the protection of human rights, sanctified by constitutional provisions and applied and interpreted by our courts—provisions that are based upon the principle that the individual is himself sovereign and possesses inherent human rights without having to ask for them from anyone. In our attempts to reach an international level, we are meeting with different concepts where, for example, rights are granted by governments or where governments are undertaking to guarantee certain so-called rights. We are bound to have a head-on collision between these different concepts and approaches in an attempt to reach an international agreement.

The concern of our lawyers is with the situation in this country if and when the proposed international agreements, reached as the result of necessary compromise, become the law of the land by enactment in treaty form. No person in this room can deny that now, except where resident aliens are involved, the subject of human rights is a matter completely within the domestic jurisdiction of the United States Government and the States of the Union. Nor can anyone deny that the minute we make a treaty on the subject we transform the subject matter into one of international concern. Thereafter we would not only have the right to tell other contracting parties what we think of their actions in the matters covered by the treaty, and invoke any prescribed sanctions, but the other contracting parties would have a corresponding right to make similar protests and demands upon us.

Some of the crimes that are described in the Genocide Convention and in the Draft Convention on Human Rights may be ordinary common-law crimes as well as international crimes under those documents. Is the United States Government to place itself in the position where it will be obliged to enter into diplomatic explanations to foreign nations or some international agency in regard to the interpretation and application of the Constitution of the United States whenever an American citizen or his alien friends or fellow travelers may feel in a position to complain that his treatment in the courts of his own country is a denial of human rights?

If these proposals to protect human rights and to prevent genocide had been framed so as not to bring up internal constitutional questions, no one would have heard from the American Bar Association on this subject; but the proposals have not been framed that way. They have been framed, and I think purposely framed, so as to take American domestic questions out of the sole jurisdiction of American courts and place them under some form of international appellate jurisdiction.

A convention or covenant which can be interpreted to apply to individuals committing ordinary common-law crimes and which may be invoked to raise discussion to an international level every time such a crime is committed by an individual, would cause more friction between peoples and governments than the evil itself now does and would tend to promote war rather than to preserve peace between nations. (Hearings, pp. 173-174.)

The Special Committee report served as the vanguard publication outlining the reasons for opposing the Genocide Treaty for over two decades.

After laying dormant for 20 years under Eisenhower, Kennedy, and Johnson, President Richard Nixon resurrected the convention and sent it to the Senate for ratification. Hearings were held in April and May 1970 by the Senate Foreign Relations Committee.

On May 22, 1970, Senator Sam Ervin, a noted constitutional lawyer, outlined six basic objections to the Genocide Convention:

First. If the Senate should ratify the Genocide Convention, the U.S. would be obligated by it to prosecute and punish public officials and private citizens of our country for acts alien to the concept embodied in the term genocide. . . .

The convention definition of genocide is inconsistent with the real meaning of the

term, which is the systematic, planned annihilation of a racial, political, or cultural group. The word annihilation clearly contemplates the complete destruction or the complete wiping out of the designated group.

Yet, the convention definition covers the destruction either in whole or in part of members of a group embraced by it. This means that a public official or private individual is to be subject to prosecution and punishment for genocide if he intentionally destroys a single member of one of the specified group.

Second. . . . If the Senate should ratify the Genocide Convention, . . . constitutional provisions would automatically make the Convention the law of the land, put all of its self-executing provisions into immediate effect as such, and impose upon the U.S. the obligation to take whatever steps are necessary to make its nonexecuting provisions effective. This means that the provisions of the Genocide Convention would immediately supersede all State laws and practices inconsistent with them, and would nullify all provisions of all acts of Congress and prior treaties of the U.S. inconsistent with them.

Third. One of the most drastic impacts the ratification of the Genocide Convention would have upon our system of Government is in the criminal field. If the Senate should ratify the Genocide Convention, the duty and the power to prosecute and punish criminal homicides, assaults and batteries, and kidnappings, covered by categories (a), (b) and (e) of article II of the convention would be forthwith transferred from the states which have always had such duty and power in respect to these crimes to the Federal Government. To make this transfer of jurisdiction workable, Congress would be required to enact new laws laying down rules of procedure to govern the trial of these newly created Federal and international crimes. . . .

Fourth. If the Senate should ratify the Genocide Convention, it would place obligations upon the U.S. to prosecute and punish as genocides acts whose nature the convention fails to disclose and to take steps whose nature the convention fails to reveal.

If the convention is ratified, article II(b) would impose upon the U.S. the duty to prevent and to prosecute and punish public officials and individuals who cause "mental harm to members" of any one of the four groups named in the convention. What mental harm means in this context is totally incomprehensible, and what psychological acts or omissions are made punishable in this context are left in obscurity.

Fifth. If the Senate should ratify the Genocide Convention, it would make American soldiers fighting under the flag of their country in foreign lands triable and punishable in foreign courts—even in courts of our warring enemy—for killing and seriously wounding members of the military forces of our warring enemy.

This is made indisputable by article I which provides that genocide is punishable under the convention whether it is committed in time of peace or in time of war, and by the fact that it contains no provision exempting soldiers engaged in combat from the coverage of the provisions of the convention. . . .

Sixth. If the Senate should ratify the Genocide Convention, article I would impose upon the President, as the Chief Executive of the U.S., the duty to enforce both the provisions of the convention and any acts of Congress implementing them as the supreme law of the land." (Hearings, May 22, 1970.)

Senator Ervin's penetrating analysis of the far-reaching effects of the Genocide Treaty played a key role in preventing the ratification of the convention in 1970.

On March 6, 1973, the Senate Foreign Relations Committee approved the convention with three understandings and one declaration. It was debated on the Senate floor for 1 week in February and by votes of 55–36 and 55–38, they failed to invoke cloture and vote on the convention.

The Senate Foreign Relations Committee, without hearings, recommended the adoption of the convention again on April 13, 1976, but the Senate failed to take any action. On May 23, 1977, President Jimmy Carter recommended that the Senate ratify the convention. Hearings were held on May 24–26, 1977, but the convention never reached the Senate floor. A public hearing was held on December 3, 1981, but the convention was not reported out of committee.

On September 6, 1984, President Ronald Reagan announced that the administration will "vigorously support, consistent with the U.S. Constitution, ratification of the Genocide Convention."

Senator CHARLES PERCY scheduled a hearing on September 12. During that hearing, Senator HELMS introduced two understandings that were designed to uphold the President's desires to support the convention, "consistent with the U.S. Constitution." The State Department refused to support the HELMS' understandings, negating in the process, some feel, the President's desire to support the convention "consistent with the U.S. Constitution."

The convention was sent to the Senate floor for ratification on September 19, by a unanimous vote of the Foreign Relations Committee.

For 35 years, legal scholars in America have discussed the fundamental constitutional questions surrounding the Genocide Treaty and recommended that it not be ratified.

In light of the continued debate over the treaty I would like to encourage my distinguished colleagues to consider five basic constitutional questions before they cast their votes for or against the convention:

First, should the treaty-making power be used as the basis for enactment of domestic legislation in the United States?

Second, would the convention alter the balance of authority between the States and the Federal Government by making genocide a Federal crime?

Third, does the convention violate specific amendments to the Constitution?

Fourth, does ratification of the convention limit our national sovereignty?

Fifth, does the convention mandate changes in the independence of the American legal system?

Madam President, I believe that the treaty-making power should not be used for enactment of domestic legislation. It should be limited to matters of relations between foreign nations.

I believe ratification of the convention would improperly limit our national sovereignty by requiring that disputes over the treaty be submitted to the World Court.

And I believe that the convention would potentially alter the independence of the American legal system by transferring jurisdiction over such crimes as homocide to the Federal Government and allowing the World Court to meddle in domestic matters of the States.

For these reasons I am unable to support the treaty as it now stands.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DURENBERGER). Without objection, it is so ordered.

Mr. BAKER. Mr. President, could I have the attention of the Senate? Could we have order?

The PRESIDING OFFICER. The Senate will be in order. The majority leader may proceed.

Mr. BAKER. Mr. President, I am happy to report that the Senate appears to be on the verge of doing something that I think will be an appropriate action, given the circumstances surrounding the debate on the Genocide Convention, and something the Senate occasionally does very well, and that is to take responsible action in order to provide for the disposition of the matters at hand and to preserve the positions of Senators as they may wish to express them.

It seems clear to me, Mr. President, that it is unlikely, in the remaining hours of this session, that we can conclude the debate on the convention, on the resolution of ratification, and on amendments that may be offered, including understandings, reservations, and the like. It seems clear to me, Mr. President, that it is not the desire of the Senate to create the impression that the Genocide Convention and the principles embodied in it are not fully supported by this body.

Mr. President, I am happy to say that Senator DODD came to me a little while ago, and then in conference with Senator HELMS and with the minority leader and others, there has resulted a resolution which I am going to introduce in a moment, but I would like to

ead now, and then I want to pro-ound a unanimous consent request, s well.

Resolved, That the Senate hereby ex-resses its support for the principles em-odied in the Convention on the Prevention nd Punishment of the Crime of Genocide, igned on behalf of the United States on De-ember 11, 1948 (Executive O, Eighty-first Congress, first session), and declares its in-ention to act expeditiously thereon in the irst session of the 99th Congress.

Mr. President, I think this is infi-nitely preferable to letting this matter, this important matter, disinte-grate into a filibuster and an inconclu-ive result, and almost surely that is where we are headed now in these final hours of this session of the Con-gress.

Therefore, Mr. President, I wish to propound this unanimous-consent re-quest.

UNANIMOUS-CONSENT AGREEMENT

Mr. President, I ask unanimous con-sent that the pending convention be temporarily laid aside and that it may be in order for me to offer a Senate resolution which I now send to the desk.

I further ask unanimous consent that the Senate now proceed to the consideration of that resolution ex-pressing the sense of the Senate in support of the principles contained in the convention against genocide and that the debate on the resolution be limited to 30 minutes, to be equally di-vided and controlled in the usual form, provided that no amendments, no mo-tions, other than a motion to table the motion to reconsider, and no points of order be in order during the consider-ation of the resolution.

I further ask unanimous consent that no debate be in order on any motion to reconsider.

Mr. President, before the Chair puts the request, may I attempt to explain.

The effect of the Senate granting this unanimous-consent request would be to place this resolution before the Senate. I anticipate that there would be a rollcall vote on that resolution, at a time to be agreed upon by the lead-ership on both sides. I anticipate, if the resolution is adopted, that the leadership on this side would ask that the Genocide Convention be returned to the Executive Calendar and it would not recur during this session of the Congress.

Mr. President, it would give us an opportunity, however, for Members to express their support for the princi-ples involved, provide an assurance that the matter is not dead and will be dealt with by the Senate and the Con-gress in a future session, and I believe is the best possible result that could be obtained under the circumstances which exist at this moment.

Mr. President, I see the distin-guished Senator from Connecticut, who has contributed so skillfully to this proposal. If he wishes me to yield to him, I would like to do that at this time.

Mr. DODD. I thank the majority leader for yielding.

I want to express my gratitude to him, as well as to Senators PELL, PROX-MIRE, HELMS, and BOSCHWITZ for their efforts in coming to a compromise on this language. And while I certainly, along with my colleagues on this side, at least many of them, would have preferred that we ratified the Geno-cide Convention Treaty, I realize that is not something we are going to be able to do, unfortunately. I had hoped we would. But I believe that if we are able to achieve passage of this resolu-tion we will have taken a significant step forward in a long, four-decade effort to ratify this treaty.

There are others who have certain reservations and concerns about what is presently included in that treaty. I respect those concerns. Hopefully we will have an opportunity to debate those issues and to try and resolve them at the earliest possible conven-ience of this body on the reconvening of the 99th Congress.

I again wish to thank the majority leader and the minority leader for their leadership and guidance on this matter. Hopefully this resolution will be overwhelmingly adopted by this body. I thank the majority leader.

Mr. BAKER. I thank the Senator from Connecticut.

I yield now to the ranking minority member of the Foreign Relations com-mittee.

Mr. PELL. Mr. President, I join in congratulating the Senator from Con-necticut on the skillful way, as the ma-jority leader used the phrase appropri-ately, that he figured a way out of this imbroglio in which we find ourselves.

As the majority leader so clearly stated, we were obviously on course for a filibuster. In this closing day or days of the session, a filibuster would affec-tively block consideration of the treaty. I think that this is a good com-promise, the best that could be achieved, and I am very glad that we will be taking the convention in the new Congress.

Mr. BAKER. I thank the Senator. I yield now to the Senator from North Carolina.

Mr. HELMS. Mr. President, I would pose perhaps a rhetorical question to my friend from Tennessee. There is nothing implicit or explicit in this re-solution which would shortcut the hearing process of consideration of the treaty next year. That is not intended, is it?

Mr. BAKER. No, Mr. President, it is not.

Mr. HELMS. So what we are saying is, in effect, that we are deferring until next year full Senate consideration of the Genocide Convention.

Mr. BAKER. Yes, Mr. President, the resolution is a statement of support by the Senate for the principles embodied in this convention itself but action on that convention according to the con-stitutional form is deferred until next year.

Mr. HELMS. That was my under-standing when I worked with the dis-tinguished Senator from Connecticut. And assuming that all of us will be back, which may be a far-reaching as-sumption, I look forward to discussing the intricacies of the implications of the treaty with him and with other Senators. I thank him for allowing me to work with him. I thank the majori-ty leader.

Mr. BAKER. I thank the Senator from North Carolina.

The PRESIDING OFFICER. Is there objection to the unanimous con-sent of the majority leader? Without objection, it is so ordered.

SENATE RESOLUTION 478—EXPRESSING SUPPORT FOR PRINCIPLES CONTAINED IN THE CONVENTION AGAINST GENOCIDE

The PRESIDING OFFICER. The resolution will be stated.

The bill clerk read as follows:

Resolved, That the Senate hereby expresses its support for the principles embodied in the Convention on the Prevention and Punishment of the Crime of Genocide, signed on behalf of the United States on December 11, 1948 (Executive O, Eighty-first Congress, first session), and declares its intention to act expeditiously thereon in the first session of the 99th Congress.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the resolution.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, I ask unanimous consent that no call for regular order will serve to displace this matter except the call for regular order by the majority or minority leader.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, if I could inquire of the minority leader and managers on both sides, there is 30 minutes of debate. We can do that now, or we can save it until later, as Senators may prefer. If Senators wish to save it until later, it would be the intention of the leadership on this side to temporarily lay aside this measure to ask that the Genocide Convention be returned to the calendar, and to go on to other matters.

Mr. PROXMIRE. Mr. President, will the majority leader yield?

Mr. BAKER. Yes.

Mr. PROXMIRE. This Senator would greatly prefer to act now on this

as far as the debate is concerned. If the leader feels there is any reason to postpone the vote until later time for the convenience of Members, I think that would be OK. I hope we can proceed to debate it now. Those of us who are most interested in this resolution and have worked with the various people who have put it together are present and ready to talk.

Mr. BAKER. Mr. President, I thank the Senator. I have no problem with that. There are two things I would like to do first. I ask unanimous consent now that the Genocide Convention now pending before the Senate be returned to the Executive Calendar.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, may I make a parliamentary inquiry? Is the resolution that the Senate now has before it considered in executive session?

The PRESIDING OFFICER. The majority leader is correct.

Mr. BAKER. I thank the Chair.

Will the minority leader mind before we start the debate if I took up a bill which I think will take 30 seconds?

Mr. BYRD. We have no problem. May I ask the distinguished majority leader? Would you like to get the yeas and nays ordered on the resolution first?

Mr. BAKER. Yes.

Mr. President, I ask for the yeas and nays on the resolution.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, will the distinguished majority leader yield in response to his question? Unless someone sees differently on this side of the aisle, I think probably it would be just as well served to proceed at some point with the debate and have everything out of the way except the vote.

Mr. BAKER. I have no problem with that. Mr. President, after the debate is concluded, it would be the intention of the leadership to ask that the matter be temporarily set aside, and the vote will occur later. I will not now make that request. That will be my intention.

LEGISLATIVE SESSION

Mr. BAKER. I ask unanimous consent that the pending measure be temporarily laid aside, that the Senate resume legislative session for not to exceed 2 minutes, and that the Senate then proceed to the consideration of H.R. 4230. I further ask unanimous consent that no amendments be in order, except an amendment in the nature of a substitute to be offered by the distinguished Senator from Utah, Mr. GARN; that no points of order be in order, and that no motion be in order except a motion to reconsider, and that no debate be in order on the motion to reconsider.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

EXTENSION FOR EXPORT ADMINISTRATION ACT OF 1979

Mr. BAKER. Mr. President, I ask the Chair lay before the Senate Calendar Order No. 499.

The PRESIDING OFFICER. The bill will be stated by title.

The bill clerk read as follows:

A bill (H.R. 4230) to extend the authorities under the Export Administration Act of 1979.

The Senate proceeded to the consideration of the bill.

AMENDMENT NO. 7094

Mr. BAKER. Mr. President, on behalf of the distinguished Senator from Utah [Mr. GARN], I send an amendment to the desk in the nature of a substitute.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Tennessee [Mr. BAKER], for Mr. GARN, proposes an amendment numbered 7094.

Mr. BAKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed under amendments submitted in routine morning business.)

Mr. GARN. Mr. President, I would note for the benefit of my colleagues that the amendment which I propose here today has many of the very same provisions found in H.R. 3231, previously passed by the other body, and S. 979, which passed the Senate on March 1. The remaining provisions are the result of discussions between the House and the Senate in the conference committee which has met 14 times since April 12.

I believe that this amendment represents a fair and equitable offer to the House, and I am confident that, after due consideration, the House will accept it. This amendment includes only provisions which have been agreed to by both bodies during the conference. Therefore, I see no reason why the House should have procedural problems with acting on this bill.

Mr. President, it is my fervent hope that the House will act expeditiously on this bill and that a new Export Administration Act can therefore by enacted during 1984. Otherwise, I fear that the President will be forced to act under emergency authorities pursuant to the International Economic Emergency Powers Act for the foreseeable future, with all the uncertainty and difficulties that entails.

Below I offer a statement of purpose for this bill, which should be taken as a substitute for a conference report, since time precludes the writing of such a report.

SECTION 4—GENERAL PROVISIONS

The bill repeals the authority of the Secretary to offer qualified general licenses and authorizes the Secretary to offer distribution, comprehensive operations, project, and service supply licenses, except that distribution and comprehensive operations licenses may not be offered for exports to prescribed countries.

In agreeing to the executive branch's request to repeal the authority of the Secretary to offer qualified general licenses, it is not intended that the Secretary rescind such licenses currently in effect; nor is it necessarily intended that qualified general licenses not be available in the future. The Secretary retains authority to create by regulation such types of licenses as may assist in the effective and efficient implementation of the act, and it is left to the Secretary's discretion the possibility of continuing to offer the qualified general license or to create new types of licenses which the Secretary finds appropriate to protect national security and reduce the burden of individual validated licenses on U.S. exporters and on U.S. Government agencies.

The bill endorses the distribution license is as a means of reducing the burden on exporters engaging in trade not prejudicial to the national security, and of reducing the license processing burden on administering authorities. The factors described in the provision to be considered when relevant in individual applications for a license are not to be determinative in creating categories or general criteria for denial of applications or for withdrawal of such a license. This does not limit the authority of the Secretary to determine which items on the control list are eligible for export under a distribution licenses.

NATIONAL SECURITY CONTROLS

The bill eliminates U.S. licensing requirements for exports to Cocom allies with respect to relatively low-technology items that require only notification for export under Cocom multilateral controls. The bill preserves U.S. licensing requirements for all other shipments of controlled items to such cooperating countries but with a modification in the licensing process, effective February 1, 1985, to provide greater speed and predictability for export license applicants. The application process for individual validated licenses for exports to such countries as under current law would be amended to require that if the Secretary did not inform the applicant within 15 working days after receipt of an application of the disposition of the application,

or that more time was necessary to consider it, a license automatically would become valid and shipment could be made pursuant to that license. If the Secretary notified the applicant that more time was necessary to consider the application, an additional 15-working-day period would be available for the Secretary to take action. At the end of this second 15-working-day period, however, absent action by the Secretary to deny, a license automatically would become effective.

It is intended that notification by the Department of Commerce to an export license applicant that the Department has received an export license application shall contain a reference number that shall be identical to the number of the subsequent license to export, and that when a license becomes effective either by Government action or by the expiration of the specified periods the applicant may refer to that number—such as a Shipper's Export Declaration—with respect to that export. In the event that an export license applicant is notified that a second period for review is required, thirty days after the date of the Department's receipt of the application, the license shall become valid, and the exporter shall have authority to export the goods or technology specified in the application unless, before the expiration of the 30-day period, the Department informs the applicant that authority to export is denied.

U.S. exporters gain certainty that they may ship their products to cooperating countries after no later than 15 or, if necessary, 30 working days of submitting an application, unless the application is denied. Export authority obtained in this manner will constitute an individual validated export license in all respects. General and multiple licensing procedures remain unaffected.

This same treatment of license applications would be extended to govern exports to cooperating non-Cocom countries described in section 5(k), as amended.

REVIEW OF CONTROL LIST

The bill amends section 5(c) of the act to restate the procedures for reviewing the control list and to require such review annually. This provision would enter into effect on October 1, 1985.

We recognize that current Cocom practice provides for a triennial review of the multilateral Cocom control list, but it is intended that, to the degree possible, the annual review of U.S. national security controls include a review and updating of at least one-third of the Cocom list.

REPORTING OF AGREEMENTS TO EXPORT TECHNICAL DATA

The bill amends section 5(j) of the act to expand the category of agreements to export technical data which must be reported to the Secretary of Commerce, while retaining the exemption for colleges, universities, and other educational institutions from the reporting requirements.

In retaining the exemption in current law for colleges, universities, and other educational institutions for the requirement to report agreements which involve technical cooperation, we note and emphasize that educational institutions remain subject to the same controls and license requirements for technology transfers as all other exporters. Prior reporting of technical cooperation agreements, however, is a mechanism for possible prior restraint of scientific discourse. The courts have generally recognized and upheld a freer standard for such discourse in the academic setting than for commercial speech. (See, for example, *Trane Co.* v. *Baldrige*, 552 Fed. Supp. 1378 Aff'd 728 F. 2d 915.)

On that basis, it is appropriate to require prior reporting of commercial agreements with foreign government agencies while placing no such requirement on colleges, universities, and other educational institutions, which must nevertheless obtain appropriate licenses before exporting any controlled technology, technical data, or goods. It is the intention that U.S. Government agencies should require, as part of U.S. Government research contracts with colleages, universities, and other educational institutions, reporting to the Commerce Department of such institutions' agreements with any agency of the Government of a controlled country that might involve transfer of technology or technical data, to the extent that any U.S. Government agency might wish to be informed of such agreements.

AGREEMENTS WITH NON-COCOM COUNTRIES

The bill amends section 5(k) of the act to require negotiations on controls with countries which are not members of Cocom and to provide that countries which enter into agreements on export restrictions comparable in practice to those of Cocom are to be treated like Cocom countries for purposes of export controls.

SECTION 6—FOREIGN POLICY CONTROLS

Although section 6 of the bill makes a number of changes in the foreign policy provisions of current law, one in particular is worthy of some comment. With respect to the issue of "contract sanctity," the bill gives the President authority to impose foreign policy controls retroactively, that is, to break contracts already in existence, in those circumstances where the President determines and certifies to Congress that: First, a breach of the peace poses a serious and direct threat to the strategic interest of the United States, second, the prohibition or curtailment of such contracts or agreements will be instrumental in remedying the situation posing the direct threat, and third, the controls shall continue only so long as such direct threat persists. This language represents a small change from the original Senate position, which gave the President no flexibility in this area.

Let me say, however, that it is our intent that this language be narrowly construed, and there should be no question that this amendment significantly limits the President's authority compared to current law. The term "breach of the peace" refers to an actual act of aggression that poses a serious and direct threat to our strategic interests. "Strategic interests" are not peripheral or transitory. They are related directly to our survival as a nation and should not be otherwise interpreted by the executive branch.

Further, the language of the amendment requires a clear and direct relationship between the breaking of any contracts and the remedying of the situation causing the direct threat to our strategic interests. The President must be able to certify, under this language, that such breaking or curtailment is necessary to achieve the remedy and will achieve such remedy. Finally, the language makes clear that the controls shall continue in effect only so long as the direct threat persists.

I would also point out, Mr. President, that this limitation relates to the President's authority to break contracts through the imposition of foreign policy controls, that is, to impose them retroactively. It is not intended to limit his authority to impose such controls prospectively and thereby to affect contracts which do not exist as of the time of imposition of the controls. Those decisions are addressed elsewhere in this bill, and in that regard, the bill contains some modifications of the original Senate bill providing for certain determinations by the President prior to the imposition of prospective controls. This bill also reflects in large part the original Senate position with respect to the role foreign availability plays in the licensing of goods pursuant to foreign policy controls.

SECTION 7—SHORT SUPPLY CONTROLS

PETITIONS FOR MONITORING OR CONTROLS

The bill amends section 7(c) of the act to require the Secretary of Commerce to make and publish certain determinations on private petitions as well as on self-initiated motions before imposing monitoring or controls or both on exports of metallic materials capable of being recycled.

The amendment made by the bill requires that each petition filed requesting the imposition of monitoring, controls, or both, on metallic materials capable of being recycled shall indicate that each of the criteria in section 7(c)(3)(A) is satisfied. The amendment requires the Secretary to make and

publish certain determinations, including findings of fact in support of the determinations, before deciding whether to impose monitoring, controls, or both on exports of such material, including whether there has been a significant increase, in relation to a specific period of time, in exports of such material in relation to domestic supply and demand, and whether exports of such material are as important as any other cause of the domestic price increase or shortage relative to demand.

The provision continues to permit the Secretary to deny complete consideration to any new petition filed within 6 months after consideration of the prior petition has been completed. The bill also allows the Secretary to impose monitoring, controls, or both, on a temporary basis after a petition is filed if the Secretary considers such action to be necessary to carry out the policy set forth in section 3(2)(C) of the act, but before the Secretary makes a determination under section 7(c)(3) only if failure to take such temporary action would result in irreparable harm to the entity filing the petition, or to the national economy or segment thereof, including a domestic industry. This provision requires that if the Secretary determines, on his initiative, to monitor, control, or both, the export of such material, the Secretary shall publish the reasons for such determination in accordance with section 7(c)(3) (A) and (B).

Existing law requires that increased domestic prices or domestic shortage results from increased exports. This language is vague and may lead some to believe that exports have to be the sole of primary cause of an increase in domestic prices or a domestic shortage. The amendment adopted by the conferees would clarify this standard and require that exports of the material must be as important as any other cause of the increased domestic prices or shortage relative to demand found pursuant to clause (ii). Under this standard, increased exports need not be the sole or principal cause of the price rise or domestic shortage in order for exports of the material to be controlled or monitored. If exports are an important cause of the domestic price increase or domestic shortage relative to demand and other causes are not more important than exports, monitoring or controls may be imposed. No mathematical weighing of the factors that contribute to price increase or shortage relative to demand is possible or desirable.

CRUDE OIL STUDY

The bill requires a Presidential study on the export of crude oil.

The President would be required to submit to the Congress 9 months after enactment of the act a comprehensive review of the issues and related data concerning possible changes in the existing incentives to produce crude oil from the North Slope of Alaska, including changes in Federal and State taxation, pipeline tariffs, and Federal leasing policies, and possible changes in the existing distribution of crude oil from the North Slope of Alaska, including changes in export restrictions which would permit exports at free market levels and at levels of 50,000, 100,000, 200,000, and 500,000 barrels per day.

The study would also examine the advisability of maintaining existing controls. It is intended that the study include, but not be limited to, a review of the issues and related data on the effect of such changes on the energy and national security of the United States and its allies; the role of such changes in U.S. foreign policymaking, including international energy policymaking; the impact of such changes on employment levels in the maritime industry, the oil industry, and other industries; the impact of such changes on the refiners and consumers; the impact of such changes on the revenues and expenditures of the Federal Government and government of Alaska; and the effect of such changes on incentives for oil and gas exploration and development in the United States; and the effect of such changes on the overall U.S. trade deficit, and the U.S. trade deficit with respect to particular countries, including the effect of such changes on the trade barriers of other countries. The bill requires the President to develop, after consulting with appropriate State and Federal officials and other persons, finding, options and recommendations regarding the production and distribution of Alaskan North Slope crude oil, and to transmit the report to the Congress containing the results of the review under subsection (a)(1), the findings, options, and recommendations developed under subsection (a)(2).

In agreement to require the President to review the issues and related data concerning possible changes in existing incentives to produce crude oil from the North Slope of Alaska, it is expected that the President, in the preparation of the review, seek the advice of such other agencies and departments as the President deems advisable, and should consult with representatives of the maritime industry, the oil industry, consumer groups, environmental groups, foreign governments, and all other industries, groups, or individuals likely to be affected by any change in existing law. It is also intended that the report produced as a result of the review addess each of the criteria set forth in subsection (a)(1) and provide a detailed description of each of the factors considered with respect to each of those criteria.

SHORT SUPPLY CONTRACT SANCTITY—UNPROCESSED RED CEDAR

The bill provides for sanctity of contracts from export controls imposed under section 7 for any agricultural commodity; including fats, oils, and animal hides; any forest product; and any fisher product; and retaining the validated license requirement for exports under subsection (i).

The intention is that this provision shall not affect the prohibition contained in section 7(i) of the act, which took effect on September 30, 1982, on exports of all unprocessed western red cedar logs harvested from Federal or State lands for which contracts were entered into on or after October 1, 1979. The provision permits the exports of unprocessed western red cedar logs under harvesting contract on State lands before October 1, 1979, to continue, less any amount that has been exported under the phaseout mandated in section 7(i)(1)(A) through (C) of the act, and less any amount exported under section 101(o) of the Public Law 96-536 and any other provision of law. We do not intend this section to affect controls mandated by other statutes on exports of unprocessed western red cedar logs harvested from Federal lands.

We believe that the requirements of this provision may be met through alternatives to the present validated license requirement for each export shipment of unprocessed red cedar logs under pre-October 1, 1979, harvesting contract on State lands and for exports of unprocessed red cedar logs harvested from private lands, including the granting of a single, validated license to an exporter for multiple shipments of unprocessed red cedar logs.

EXPORT OF HORSES

The bill removes section 7(j) of the Export Administration Act, and places the provision in the act of March 3, 1981. The effect is to continue the prohibition on the export by sea of any consignment of horses unless the Secretary of Commerce, in consultation with the Secretary of Agriculture, determines that no horse in that consignment is being exported for purposes of slaughter, in its entirety.

The bill makes an amendment to section 12 of the act that would provide that officers of the Customs Service are authorized to conduct border searches in connection with suspected exports of goods or technology. This amendment is in addition to, and not in limitation of, the authority that Customs officers already have. Although two United States circuit courts of appeals have specifically held the customs officers may conduct border searches is not clear in the remaining circuits. See *United States* v. *Ajlouny*, 629 F.2d 830 (2nd Cir. 1980); *United States* v. *Swarovski*, 557 F.2d

40 (2nd Cir. 1977), 592 F.2d 131 (2nd Cir. 1979); *United States* v. *Duncan*, 693 F.2d 971 (9th Cir. 1982); *United States* v. *Stanley*, 545 F.2d 661 (9th Cir. 1976). One effect of the amendment is to make it clear that searches of exports under this act may be conducted on the same basis as searches governing imports.

The language as provided for by the bill contains specific authority for warrantless arrests in connection with the enforcement of this act. This authority is in addition to any other arrest authority presently given to customs officers. Although customs officers currently make warrantless arrests for export violations, as well as for violations of other laws delegated to Customs for enforcement, *United States* v. *Swarovwki*, 557 F.2d 40 (2nd Cir. 1977) held that such arrests were to be determined by the standards set forth in the various State laws since Congress had not given customs officers specific Federal arrest authority in this area. The purpose of this amendment is to create uniformity in the law of export arests. Having to depend on 50 different State laws creates inefficiency and confusion in this area of great concern to national security.

SECTION 18—AUTHORIZATION OF APPROPRIATIONS

The bill requires an annual authorization of appropriations to the Commerce Department to carry out the act, and authorizes appropriations of $24,600,000 for fiscal year 1985, of which $8,712,000 shall be available only for enforcement, $1,851,000 shall be available only for foreign availability assessments, and $14,037,000 shall be available for all other activities, and authorizes appropriations of $28 million for fiscal year 1986, of which $10 million shall be available only for enforcement, $2 million shall be available only for foreign availability assessments, and $16 million shall be available for all other activities.

The processing of export license applications and responses to inquiries from customs personnel at ports as to license requirements for particular shipments would be speeded by increasing the number of engineers and other highly trained personnel in the Commerce Department's Office of Export Administration [OEA]. Present civil service rating applicable to OEA personnel have resulted in compensation levels which are not comparable to opportunities in the private sector. We expect the executive branch to reevaluate, and upgrade where appropriate, civil service ratings applicable to such positions.

IMPORT CONTROL SANCTION

The bill includes authority to impose national security import controls as an amendment to the Trade Expansion Act of 1962 since such authority belongs more appropriately in trade law containing other provisions authorizing import restrictions for national security reasons. This import control authority, under rules of the House of Representatives, would be solely within the jurisdiction of the committee on Ways and Means. The chairman of the Subcommittee on Trade has assured myself and others in the Senate that he will not seek repeal of the authority before there has been a fair opportunity to assess actual experience in its operation, although the subcommittee may wish to hold oversight hearings at such time as import controls are actually imposed.

NUCLEAR PROVISIONS

PROHIBITION ON NUCLEAR EXPORTS AND RETRANSFERS

The bill provides an amendment to the Atomic Energy Act of 1954, requiring that the Secretary of Commerce shall not issue any license under the Export Administration Act of 1979 for the export to a non-nuclear-weapon state for use in a nuclear production or utilization facility any item or related technical data which, as determined under section 309(c) of the Nuclear Non-Proliferation Act of 1978, could be of significance for nuclear explosive purposes, or which, in the Secretary's judgment, is likely to be diverted for use in such facility; that the Nuclear Regulatory Commission shall not issue any license for the export to a non-nuclear-weapon state of a component part, item or substance which the Commission has determined, under section 109b. of the act, to be especially relevant because of its significance for nuclear explosive purposes; and that the Secretary of Energy shall not approve the retransfer to any non-nuclear-weapon state of any such component, item or substance, and shall not, under section 57b. of the act, authorize any person to engage, directly or indirectly, in the production of any special nuclear material in the non-nuclear-weapon state unless the country maintains IAEA safeguards on all its peaceful nuclear activities, and such export, retransfer or production is under the terms of an agreement for cooperation arranged pursuant to section 123 of the act, or the country has entered into nuclear cooperation with the United States pursuant to an agreement for peaceful nuclear cooperation arranged through the IAEA.

The provision defines a "non-nuclear-weapon state" within the terms of the Treaty on the Non-Proliferation of Nuclear Weapons, and the requirement of an agreement for cooperation shall apply only to a country which is not a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America, as well as to any country which the President determines is in a region of particular volatility or sensitivity.

This provision shall not preclude: First, an export, retransfer, or activity generally licensed or generally authorized by the Nuclear Regulatory Commission, the Department of Commerce or the Department of Energy; second, assistance to develop or apply IAEA safeguards or U.S. safeguards, as set forth in an agreement for cooperation; third, assistance for IAEA programs generally available to its member states; fourth, assistance for reducing the use of highly enriched uranium in research or test reactors; fifth, technical programs for the purpose of reducing proliferation risks, such as those intended to extend the life of uramium fuel or to which section 223 of the Nuclear Waste Policy Act of 1982 applies; sixth, assistance necessary for humanitarian reasons to protect the public health and safety; or seventh, activities involving radiation protection and health physics; decontamination; waste management; and other assistance for the safe operation of a facility which is under IAEA safeguards or U.S. safeguards. The provision set forth in sections 132 (c) and (d) of the Atomic Energy Act—section 401 of this bill—shall apply only in instances where the Secretary of State, in concurring with the Secretary of Energy pursuant to section 57b. of the Atomic Energy Act, determines that approval of such activity would further U.S. nonproliferation objectives with regard to the recipient country. The provision further requires the Department of Energy to notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate of all authorizations issued pursuant to sections 132 (c) and (d).

The restrictions set forth in section 132(a)(1)(D) with respect to any authorization described in that subsection shall apply to any contract executed under that authorization after October 1, 1984.

The provision allows for a Presidential waiver. It is intended that the President may seek a single waiver for a group of exports, retransfers, or activities only in the case where the approval of an individual license, retransfer, or authorization will involve more than a single shipment.

With regard to the exemptions enumerated in subsections (c) and (d), we expect the executive branch to interpret these exceptions as not to permit routine transfers otherwise restricted by subsection (a)(1)(D).

The exemption contained in subsections (c) and (d) is intended to permit assistance related to the safe operation of an operating nuclear facility which is subject to international safeguards or U.S. safeguards. We intend that the executive branch should have the flexibility to approve nonsensitive activities relating to the safe operation

of such facilities in countries not accepting safeguards on all their nuclear activities when a determination has been made by the Secretary of State that such approvals will advance U.S. nonproliferation objectives.

Some activities relating to safe reactor operations may include assistance for the maintenance of such nuclear facilities. Assistance for the maintenance of nuclear facilities shall be limited to safeguarded reactors supplied by the United States pursuant to section 103 of the Atomic Energy Act of 1954, in furtherance of U.S. nonproliferation policy and responsibilities incumbent upon the United States as the original supplier of such facilities. This assistance shall include that which ensures that these facilities can be operated in accord with the same standards of safety and protection of public health required of a reactor in the United States.

It is intended that none of the activities listed in subsections (c) and (d) should involve or be for the purpose of assisting the design, construction, fabrication, operation, or maintenance of a uranium enrichment or nuclear fuel reprocessing facility or a facility for the production of heavy water.

Finally it is intended that nothing in this provision shall affect followup work performed under existing contracts or revoke existing authorizations under which such contracts have been signed.

Mr. President, there is one last point that I would like to raise. Several months ago, on March 1 of this year to be exact, the Senate passed S. 979, many of the provisions of which are contained in this legislation before us today. One provision, however, that was in S. 979 but that is not in this bill today would have clarified the intent of the Congress regarding the role of the Department of Defense in reviewing export license applications in the area of the West-West trade.

There were two reasons, principally, for this provision. Our intelligence reports and enforcement activities had indicated that most of our sensitive goods and technology that were being diverted to the Soviet bloc were first exported not directly to the Soviet bloc countries but rather to one of the countries in the Western World. From there the items were then shipped on to the Soviet Union. So in many cases our West-West trade has become identical to East-West trade.

Second, Mr. President, this situation would indicate a need for the Defense Department, our national security tasked agency of Government, to participate in the process of reviewing export license applications, thereby assisting the Commerce Department, our export promotion agency, in assuring that the export would not jeopardize our national security. The problem, however, was that the Commerce Department was resisting efforts by the Defense Department to be involved in this license review.

Section 10(g) of current law authorizes the Department of Defense to review export license applications to countries to which exports are controlled for national security purposes. Unfortunately, the Commerce Department has interpreted this provision of law as authorizing the Defense Department only to review East-West license applications. Mr. President, it is my belief that it was not the intent of the Congress when it first adopted the 10(g) provision of current law to allow it to be used by Commerce to prevent the Defense Department from fulfilling its import license review responsibilities for certain West-West exports.

For this reason the Banking Committee and subsequently the Senate adopted an amendment to 10(g) clarifying the law, reemphasizing that the Defense Department does have a legitimate role in reviewing West-West export license applications.

Mr. President, as I stated, this amendment is not in the legislation before us today. The reason why it is not here is because it is no longer necessary. As the legislation passed last spring was going forward President Reagan decided the issue and specifically authorized the Defense Department to review West-West export licenses. It is now clear that the President has decided that 10(g) as in current law fully authorizes the Defense Department to review West-West export license applications, and the President has given specific instructions as to how he would like that authority to be carried out at the present time.

I am satisfied with the President's decision and that he will continue to provide for a role for the Defense Department in reviewing West-West license applications. It should be noted that the action by the Senate on S. 979 may have had an important role in the President's decision by raising the issue to his attention. Section 10(g) of current law provides full authority for the President's decision. The policy, therefore, enunciated by the President to implement provisions of 10(g) in current law, allowing Defense Department review of licenses in the West-West arena, is consistent with this legislation.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Utah [Mr. GARN].

The amendment, No. 7094, was agreed to.

Mr. PROXMIRE. Mr. President last week I made a speech criticizing House and Senate conferees on the Export Administration Act for refusing to restore adequate congressional authority over agreements negotiated by the President to export nuclear technology. One reason for the refusal by conferees to act was an explicit threat by the administration to veto any bill with the so-called Proxmire nuclear amendment in it. What was my amendment and why did the Senate pass it 74 to 16 last March? To understand that we must look at section 123 of the Nuclear Non-Proliferation Act [NNPA], 42 U.S.C. 2153, which sets forth the terms, duration, nature, scope, and other requirements of proposed agreements for cooperation on nuclear matters with other countries.

In particular we must look at section 123(d) of the Non-Proliferation Act which provided that the President must submit proposed agreements for cooperation to the Congress and such agreements would not become effective if during a 60-day period Congress adopted a concurrent resolution stating Congress did not favor the agreement. That approval authority was invalidated by the Supreme Court's June 1983 Chadha decision. Last March I offered an amendment that tried to cure the Chadha problem by requiring that both Houses of Congress approve nuclear cooperation agreements before they become effective. It passed the Senate by a vote of 74 to 16 and I promised to get expedited procedures attached to the process in conference so that the President was guaranteed an up or down vote on such agreements in each body.

After heavy lobbying by Westinghouse, calls to conferees by the Secretary of State, and threat by the administration to veto any bill that had my amendment on it, the Export Administration Act conferees chose to cure the Chadha problem by amending section 123(d) of the Non-Proliferation Act to provide that if the President waived any of the nine criteria for nuclear agreements set forth in section 123(a) of the act he needed to obtain a joint resolution of approval from Congress before the agreement could become effective. If the President does not waive any criteria of section 123(a) the proposed agreement will go into effect within 60 days unless Congress adopts a joint resolution of disapproval. Expedited procedures are included for either congressional course of action.

DEFECT OF CONFERENCE SOLUTION

One obvious defect of the conference solution is that an agreement is deemed within the nine criteria of section 123(a) of the NNPA unless the President states that he is exempting the agreement from one or more of the nine criteria. In the past concerned Congressmen and Senators have not always agreed with the President's view that an agreement was within the nine criteria. In fact there is now a suit pending in the U.S. District Court in the District of Columbia

which Senator CRANSTON, Congressen BARNES and WOLPE and others are allenging the President's view on at issue with regard to recent agreeents completed with Norway and veden. We in Congress should have a ance to argue that issue with the esident before such agreements come effective. We should not be mited to seeking to have the courts validate them after they are in fect. This is particularly true now at the Congress will adopt different ocedures for approving nuclear greements depending on whether ey are consistent with the nine nonroliferation criteria in section 123(a) the Non-Proliferation Act. Another efect of the solution adopted by the nferees is that there is no guarantee at either House will conduct hearngs to adequately examine proposed greements on nuclear cooperation.

I am a realist and know that because f the administration's opposition and hreat to veto the bill I could not get ny nuclear amendment. Yet I believe he solution adopted by conferees was ot just weak. It was useless. It made o significant change in current law. I ave therefore labored and used whatver leverage I have as a conferee to mprove the provision previously dopted by conferees. We have chieved a small, modest improvement n present law. The bill before the Senate contains that additional lanuage amending section 123 of the Non-Proliferation Act. Let me explain hat new language and its purpose.

Section 123(a) presently requires among other things that the Director of the Arms Control and Disarmament Agency must prepare a nuclear proliferation assessment statement regarding any proposed agreement. My proposal would amend section 123(a) to require that any such assessment include a statement "regarding the consistency of the text of the agreement for cooperation with all the requirements of this act."

This provision is intended to ensure that the Director specifically addresses each of the nine nonproliferation criteria in section 123(a) and analyzes why any proposed agreement is or is not consistent with each of these criteria. It also requires the Director to state whether any other requirements of the act are or are not being waived in the proposed agreement.

An amendment to section 123(b) provides that the President submit the text of a proposed agreement along with the text of the nuclear proliferation assessment to the Committees on Foreign Affairs and Foreign Relations of the House and Senate respectively for their informal views prior to formally submitting an executive agreement for congressional action pursuant to section 123(d) as amended by the conference.

This provision will help ensure that Congress will be able to provide its views to the President regarding the wisdom of any agreement and whether any of the nine criteria of section 123(a) or other requirements of the Non-Proliferation Act are or should be waived before the agreement is formally submitted for congressional review and action. This is an extremely important provision for it gives Congress a voice in determining whether an agreement for nuclear cooperation submitted by the President will require an act of Congress before becoming effective.

For example if during the 30-day period of informal review either the House Foreign Affairs Committee or the Senate Foreign Relations Committee indicates that in its judgment the proposed agreement is outside the parameters of the nine section 123(a) nonproliferation criteria, it is expected that the President, if he submits the agreement formally, will certify that it is outside such criteria. This, of course, will require that Congress pass a joint resolution of approval before such an agreement becomes effective. During the 30-day period of informal review the respective committees could, of course, hold hearings to assist their members in advising the President on that critical point.

The additional language also amends section 123(d) of the conference adopted substitute to provide that during the 60-day period proposed agreements for nuclear cooperation are formally before the Congress, that the Committees on Foreign Affairs and Relations of the House and Senate will hold hearings on them and report to their respective bodies on whether such agreements should be approved. This is to ensure that Members of each body are given the opportunity to cast an informed vote on such agreements. It will not entail changing the two-track approval system previously adopted by conferees but adds hearings to that process and a committee recommendation of approval or disapproval.

As noted this compromise entails making minor amendments to sections 123 (a), (b), and (d) of the Nuclear Non-Proliferation Act. Again, let me state that I would have preferred by original amendment because I am absolutely convinced Congress must have a role in reviewing and approving agreements made by the President on nuclear cooperation. However, I have settled for something less because I realize it is the best I can get in view of the adminstration's opposition and heavy lobbying by the nuclear industry. It does provide Congress with a chance to call the President to task if he concludes any agreements that can spread nuclear technology in an unsafe manner. If enough of us are convinced by hearings and public debate on agreements that they don't make sense, we can prevent them from going into effect. Therefore, I urge my colleagues to support this compromise.

Mr. DIXON. I am disturbed by the recent modifications which I understand have been made to the contract sanctity provision contained in the Export Administration Act reauthorization bill. It is my understanding that the Senate provision which prevailed the conference committee on S. 979 legislation would be at least somewhat altered by the added language in the bill which is now before this Chamber. Last year the Senate went strongly on record in support of U.S. farmers and manufacturers who export their products. S. 979 was designed to send a strong signal to the world trading community that potential customers could once again rely on U.S. exporters to stand by their contract commitments. I would ask the Senator from Pennsylvania, Senator HEINZ, if, indeed, the legislation which is now before this body contains a qualification to the Senate contract sanctity language which we adopted in 1983.

Mr. HEINZ. My answer to the Senator from Illinois is that this legislation does contain a proviso regarding the contract sanctity safeguard. As the Senator is no doubt aware I have fought hard within the conference committee to preserve the Senate's contract sanctity language. Unfortunately, the conference committee process on this legislation has broken down. The legislation which Senator GARN has brought before this Chamber today is an attempt to preserve the hard work that Members of this Chamber have devoted to reauthorization of the Export Administration Act. In order to craft legislation which has some chance of passage in the House of Representatives, and which may be acceptable to the administration, I have reluctantly accepted this modification of the contract sanctity provision.

Mr. DIXON. I appreciate the effort which is being made to advance the Export Administration Act legislation. However, inclusion of an exception to the contract sanctity rule for instances in which there is a breach of peace could undo the safeguard which we have attempted to provide our exporting companies and U.S. farmers. I would like to know if there is a definition of "breach of the peace" within the legislation. If not, then it is my belief that without such elaboration on this operative phrase the objectives of the contract sanctity provision itself could be seriously undermined. I would ask that the Senator from Pennsylvania please explain, for my benefit, what is meant by the term "breach of the peace."

Mr. HEINZ. The Senator from Illinois raises a valid point. The reputation of U.S. farmers and manufacturers has, indeed, been maligned in overseas markets because of past, overzealous applications of foreign policy export controls. It is certainly not the wish of this Senator that this situation continue. And for that reason, I can assure Senator DIXON that the term "breach of the peace" was intended to be construed only in its most narrow sense. It is not the intent of the sponsors of this legislation that "breach of peace" be interpreted to include anything beyond an actual act of aggression by one country against another. It is similarly our intent that activities including, but not limited to terrorism and gross human rights violations, not be included within the scope of this provision. Those items just referred to—as reprehensible as they are—are presently covered under other sections of this act and elsewhere in U.S. law. It not my intention that they be included within the provision which the Senator from Illinois has referenced.

Mr. DIXON. I thank the Senator from Pennsylvania for his clarification. I am pleased that it was not the Senator's intention to extend the definition or implication of the term "breach of peace" to extend beyond an actual act of aggression by one country against another.

Mr. HEINZ. Mr. President, I just want to say that I endorse the comments of my chairman, the Senator from Utah, with respect to this bill, and I want to add only a few brief words of my own on some sections of the bill of particular interest to me.

One such part is title III, relating to South Africa. Mr. President, there are few issues in this bill that have been more complex and difficult to resolve than the provisions relating to South Africa. The Senate had no language on this subject in its original bill and thus approached the conference with no background on the issue, no position mandated by a Senate vote, and no committee jurisdiction over the substance, since these matters in the Senate are covered by the Foreign Relations Committee.

Despite those difficulties, we fashioned an agreement with the House conferees 2 weeks ago which included, in essence, voluntary principles of behavior for American corporations in South Africa modeled on the so-called Sullivan principles accompanied by mandatory corporate reporting on the progress made in implementing those principles, and a prohibition on American bank loans to the South African Government.

I agreed to those provisions, Mr. President, because I support them on their merit and because I believe they met the standard I have maintained from the beginning of the debate on these provisions—that anything agreed to must be capable of passing the Congress and being signed by the President. I have no interest in rhetorical exercises that accomplish nothing. If the Congress can act in a way that will demonstrate our Government's opposition to apartheid and at the same time create a framework for actions that will help ultimately to eliminate apartheid, then I am for doing that, and I believe the agreement we had reached would have had that effect.

What has since become apparent, Mr. President, is that the agreement we reached, particularly the bank loan prohibition, cannot pass the Congress and cannot be signed by the President. I regret that because I believe it is a good provision, but we have to face the facts. The time and energy of too many people over too long a period of time has been invested in this bill to allow it to fail at the last minute. Important though the South African question may be, this legislation also contains our entire program of national security export controls, foreign policy export control authority, our antiboycott cooperation law, restrictions on the export of Alaskan oil, and basic authority for the President to control exports for short supply reasons. I do not believe we should sacrifice all these important elements as part of a political exercise that will not ultimately produce a bill, despite my best efforts and those of Congressman SOLARZ, who has been straightforward, and persistently creative in his determination to find a way out of this difficult situation.

Although I am against shifting from the strong policy position the bank loan prohibition represents, at this point I have reluctantly concluded that the only way out that will lead to a bill is a compromise which, among other things, replaces the bank loan provision with a provision giving the President discretionary authority to restrict new investment on the part of companies doing business in South Africa determined not to be making a good faith effort to implement the principles I mentioned.

I will support this compromise, but I want to make it clear that I continue to support the previous agreement entered into by the conferees on its merits, and I regret the turn of events that has forced us to abandon part of it.

On another matter, I also want to comment on the so-called contract sanctity provision in the bill. Once again, in an effort to reach a bill that can be passed by the Congress and signed by the President, we have compromised. This compromise was particularly painful for me because this provision has long been the one I regarded as most important, and because the conferees had previously resolved this matter in the Senate's favor.

This latter point is significant, and I hope the President will keep it in mind if he contemplates imposing foreign policy controls in the future. Our experience with these controls, particularly with the grain embargo and the natural gas pipeline controls, has been distinctly unhappy—we have antagonized our allies, lost significant market share for our manufacturers and farmers, and cast serious and permanent doubt on our credibility as reliable suppliers. Concern on this matter was so great that the conferees on the Export Administration Act had agreed to a provision that precluded the President from breaking contracts with foreign policy controls under any circumstances. Our compromise opens a tiny crack in that wall, and I want to make clear for the record that the crack is indeed tiny. My strong view, and that of the majority of the conferees, is that this crack should never be used. If it is used, then it should be done keeping in mind the parameters outlined by Senator GARN in his comments on this bill, specifically that it must be used in cases involving a serious and direct threat to our strategic interests. These are obviously not minor events; nor are they hypothetical events. The provision is limited to actual and overt acts of aggression that pose such a direct and serious threat. Further, there must be a clear linkage between the controls that would break contracts and the remedy to the direct threat. In other words, if such controls would not solve the problem, they are not to be imposed. As Senator GARN pointed out, of course, this provision relates to the imposition of controls retroactively, affecting existing contracts. Constraints on the President's authority to impose controls prospectively are dealt with elsewhere in the bill.

Finally, let me say this has been a long, frustrating, and enervating process that has produced a result each of us who has been involved has reason to be unhappy about. That, unfortunately, is the nature of compromise and of the legislative process. We have produced a bill that cuts a piece out of each of the conferees' hearts, mine as much as anyone else's, but I continue to believe that it is the best product obtainable under present circumstances and that it is superior to any product we could obtain were we to begin again next year. Therefore, I will support this bill.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read a third time, the question is, Shall it pass?

So the bill (H.R. 4230), as amended, was passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION—SENATE RESOLUTION 478—EXPRESSING SUPPORT FOR PRINCIPLES CONTAINED IN THE CONVENTION AGAINST GENOCIDE

Mr. BAKER. Mr. President, the Senate has before it the Senate resolution just introduced with respect to the Genocide Convention. Is the correct?

The PRESIDING OFFICER. The majority leader is correct.

Mr. BAKER. The control of time is in the usual form.

The PRESIDING OFFICER. The leader is correct.

Mr. BAKER. Mr. President, I reserve the time on this side.

Mr. PROXMIRE. Mr. President, will the minority manager yield?

Mr. PELL. I yield such time as the Senator may desire.

Mr. PROXMIRE. I thank the distinguished Senator from Rhode Island.

Mr. President, I will take only a minute or two on this. I want to thank the distinguished majority leader for offering this resolution. I feel very strongly that there is overwhelming support for the Genocide Convention in this body. We have talked to a number of Senators. There is no question it is going to pass some day. We have waited 35 years, session after session after session after session, for this to pass. Usually, it is brought up toward the end of the session. The leadership has been very accommodating about it. But they feel it is the kind of thing that is going to be filibustered, delay the Senate, and so forth. So what we have gotten today out of this resolution—the distinguished Senator from Connecticut deserves the great credit for this in my view—is by far the most important part which is the commitment made certainly by the authors, including Senators BAKER, DODD, PROXMIRE, PELL, BOSCHWITZ, and HELMS who declare their intention to act expeditiously thereon in the First Session of the 99th Congress.

There is no question in my mind that if we can get the Genocide Convention on the floor of the Senate promptly at the beginning of a session, and certainly the beginning of a Congress, there is no reason in the world why we cannot enact it. The sentiment is there. I am convinced there are at least 80 Senators who will vote for it. We may have to invoke cloture. But the important action is to get this before the Senate, and get a commitment to do so.

Mr. President, I want to especially call attention to the fact that we have had at least 17 Congresses that have met and adjourned since President Truman first sent this to the Senate, and asked for action on it—17. None of them have acted on it. Now I think this resolution is exactly the kind of commitment that we needed in the past, did not have, and now I am sure that in 1985 we will finally ratify the Genocide Convention. I thank my good friend from Rhode Island.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, I think this is an excellent solution to a very difficult problem. As I mentioned earlier, this imbroglio could have kept us involved for a long, long time. We were clearly facing a filibuster of indefinite duration. We can make up own minds who would have filibustered and why and when. But the filibuster seemed inevitable, and this is the best course. When it comes to genocide, we must remember that is not a onetime crime, nor a onetime occurrence. Throughout history there have been instances of genocide. And in this century alone, we have seen not only the heinous murder of 6 million Jews by the Nazis, but we have had other examples of genocide. At the beginning of the century we witnessed the Turkish massacre of the Armenians—with some 1½ million deaths, more recently we saw between 1 and 3 million Cambodians murdered by that country's rulers. There are many, many instances of genocide in the world that have occurred, are occurring now and hopefully will not occur in the future.

Approving this convention would be a signal to the world that we join 96 other nation's in condemning and punishing the unspeakable crime of genocide.

I think that there will only be meaning to our words, meaning to our abhorrence, when we ratify the convention. I think what this resolution does is look down the road a bit to when we ratify, which I hope will occur in the early coming days of Congress.

Mr. CRANSTON. If the Senator will yield, how does this resolution assure that this will be passed in the next session of Congress?

Mr. PELL. It does not assure passage. It merely states that the convention will be considered. But by being considered early in the Congress, one hopes that we would be able to surmount a possible filibuster.

Mr. CRANSTON. We had assurances from members of the committee who raised questions in the committee that they were not going to block the measure on the floor. But here the Genocide Treaty is being blocked. I have grave regrets about this course of action and grave doubts that we will not run into innumerable blocks in the Senate next time. We will start earlier and have time to deal with the filibuster. Maybe it is more likely that we will get it through. But in the past, measures brought up early in session have not always prevailed. There are people who are very astute on the parliamentary tactics who work well in this body who have been able to block action. I regret that those who are really not supportive of the Genocide Treaty, who have opposed it, who have blocked it for months and for years, will now, in effect, get off the hook by this action and where they stand on genocide will not be clear.

Mr. PELL. I think that the record of the debate that we have just had and a reading of the proceedings of the Foreign Relations Committee will show where the enthusiastic support for the Genocide Convention is and where there is the greatest reluctance. I would agree with the Senator that it would be very good if we could get the assurance of the convention going through. We do not have that. As of now, we know of one thing, that with a full-scale filibuster it certainly will not go through. Maybe this is a half loaf or a quarter loaf, but at least it is one further step down the road.

Mr. CRANSTON. My thought would be that it would be better to let those who would filibuster demonstrate where they stand on the issue and let the constitutents, with Presidential elections being held, people all across the country know who really supports this effort of putting America on record against genocide and who does not. It seems to me this resolution would have no impact on our efforts next year to get this convention to the floor and have it voted upon. The action now does not pave the way, really, for action then. The majority in the Foreign Relations Committee, and I believe the leaders on both sides of the aisle in this body, Democrats and Republicans, will see to it that the treaty comes to the floor early next year regardless of the vote on this particular resolution now before us.

Mr. PELL. I would hope, too, that it would come up very early in the coming year and that we would stay with it until it passes.

Mr. DODD. Will the Senator yield?

Mr. PELL. I yield.

Mr. DODD. First of all, on the last thought raised, we may have another 4 or 5 hours in this session and that

will be the end of it. Almost four decades of trying to deal with this treaty is a long time. Certainly, there is no doubt about who opposes the convention as presently drafted.

Mr. CRANSTON. Who does oppose it as presently drafted?

Mr. DODD. There are any number of people, as drafted. Certainly, in our committee there was one member who did not vote in favor of it but voted "present" as I recall, the senior Senator from North Carolina withholding his vote in the committee. We would have reported it out unanimously except for that one "present" vote.

I assume the junior Senator from Idaho has a number of amendments pending, and I presume would have preferred those amendments adopted. He can speak for himself. People have publicly gone on record taking that position.

But the major point here is that this has been a four-decade trip for this convention. This will be the first time in four decades that at least on the principles embodied in the Genocide Convention the U.S. Senate will express its opinion. That is not ratification. I know that. Everyone in this Chamber knows that. But it certainly is yet another step in this long journey this convention has been traveling.

I consider it something worthwhile doing.

The present administration endorses it and hopes for ratification. My hope would be that now with the commitment in this resolution, if it is approved by this body, that we will have gone on record as bringing this up as early as possible in the next Congress and go through that debate. It will be a lengthy debate. There is no question about that. Hopefully, we can conclude that debate with the ratification of this treaty.

Mr. BAKER. Will the Senator yield?

Mr. PELL. I yield the floor.

Mr. BAKER. Mr. President, I yield control of the time on this side to the distinguished Senator from Idaho. I know of no request for time on this side, but I am going to have to leave the floor and I yield control of the time to the Senator from Idaho.

Mr. President, I have discussed this with the minority leader.

I ask unanimous consent that when the debate is concluded on this matter, the matter be temporarily laid aside and the Senate return to legislative session; that no call for regular order will serve to bring this back except a call for regular order by the majority and minority leaders.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, the effect of that will be to say that the rollcall vote which has been ordered on this measure will not occur immediately after debate but, as a practical matter, will be set when mutually convenient. I will consult with the minority leader on that subject.

After debate has ended, I anticipate that a quorum call will be put in. I will return to the floor and we will see what we will do at that point.

Mr. CRANSTON. Is there a time limit for the consideration of the resolution?

Mr. BAKER. Yes. Thirty minutes equally divided. I am sure the Senator from Idaho will be willing to share his time if that side runs out.

Mr. METZENBAUM. Will the majority leader yield for a question?

Mr. BAKER. Yes.

Mr. METZENBAUM. Do I understand that the majority leader will be putting in a quorum call after this is over so that those of us who are interested in matters coming up can return to the floor?

Mr. BAKER. Yes, that is correct.

Mr. METZENBAUM. I thank the majority leader.

Mr. PELL. I yield to the Senator from California.

Mr. CRANSTON. I would just like to point out that the resolution now pending has the Senate declaring its intention to act expeditiously on the Genocide Convention in the next Congress. Acting expeditiously means proceeding to move and act on a matter without delaying amendments and without filibuster. I do not see why this Senate could not act expeditiously on the treaty now and dispose of it, were it not for the basic opposition by the Senators indicated by the Senator from Connecticut; namely, the one Senator on the Foreign Relations Committee who could not vote for the measure when it was before that committee, and, I gather, the Senator from Idaho who has been offering amendments to that treaty. Amendments are, of course, a way to prevent action upon it, if they are sustained.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Mr. President, I yield myself a couple of minutes.

I would only say to my colleague who brings this up, the Senator from California, that I think there was sincere concern by many Senators who have not had the opportunity to carefully go through this treaty, and, as I said in my remarks earlier this afternoon, this treaty was debated quite fully 10 years ago. There are only 28 Senators left in this Chamber who were here 28 years ago. Many Senators have not had the opportunity to go through it carefully article by article.

I do not think there has been a major effort here to filibuster or delay this treaty.

But that is not why I took the floor at this time, Mr. President. I wanted to announce to my colleagues that a very interesting thing just happened in my office with my press secretary as a result of an amendment that the Senator from Idaho offered earlier this afternoon which dealt with the "GAC Report", which I later withdrew, as the distinguished Presiding Officer remembers.

It was not voted on and there was no action taken to dispose of the amendment. But it is interesting to note that the Soviet news agency, TASS, called my office this afternoon because they heard there had been a GAC Report released, that Senator SYMMS had that report, and they wanted to know if they could have a copy of it. My press secretary told him, "Yes, we have a copy of it."

In fact, we do not have a copy of it, but he told the TASS news agency that.

Mr. President, the caller said, "Well, can we have it?"

My press secretary said, "Yes, if you will bring us Mr. Andrei Sakharov, we will give you a copy of the report," and TASS immediately hung the telephone up and rudely ended the conversation.

Mr. President, I just announce to any of my colleagues who are seeking time—how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 13 minutes remaining.

Mr. SYMMS. If there are any Senators who seek time, I will yield.

Mr. PELL. Mr. President, I suggest the absence of a quorum with the time to be equally divided.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 4 minutes and 26 seconds.

Mr. PELL. I thank the Chair. I yield at this point to the Senator from California [Mr. WILSON].

Mr. WILSON. Mr. President, I thank my distinguished friend from Rhode Island. I shall take only a few moments of time.

Reference has been made this afternoon to supporting the administration through ratification of the Genocide Convention.

I simply wish to insert in the RECORD remarks made by the President of the United States recently at what I believe was a September 6 appearance in Washington before the B'nai B'rith International Convention.

In a speech embracing a number of topics, the President addressed the

subject of the Genocide Convention, stating:

Anyone who has contemplated the horror inflicted on Jews during World War II, the deaths of millions in Cambodia or the travail of the Miskito Indians in Nicaragua must understand that if free men and women remain silent in the face of oppression, we risk the destruction of entire peoples. (Applause.) I know that B'nai B'rith has been among the most concerned of the groups advocating American support for the Genocide Convention. With a cautious view, in part due to the human rights abuses performed by some nations that have already ratified the documents, our administration has conducted a long exhaustive study of the Convention. And yesterday, as a result of that review, we announced that we will vigorously support, consistent with the United States Constitution, the ratification of the Genocide Convention. (Applause.) And I want you to know that we intend to use the Convention in our efforts to expand human freedom and fight human rights abuses around the world. (Applause.) Like you, I say in a forthright voice, "Never again!" (Applause.)

Mr. SYMMS. Mr. President, I wish to compliment my colleagues who worked out resolution of this issue this afternoon so that we shall not be in a position of trying to rush through something that, as other Senators on the floor—Senator HELMS and Senator THURMOND and others—have pointed out, has constitutional risks involved with respect to a treaty of this importance. I think it is only worthy of mention, though, and I compliment my colleagues who worked out this resolution—I think there is no Senator who is not adamantly opposed to genocide in this body. We all are adamantly opposed to genocide. I think the question I pointed out in my remarks with respect to this is that it will take more than a piece of paper to really stop some of the heinous acts that take place in this world today, particularly in those countries where dictators and tyrants are in command of the country and there is not freedom on the part of the people, such as in the Soviet Union and Communist China.

I point out, and I think it should be noted in the RECORD, that the language of this resolution declares the Senate's intention to act expeditiously thereon in the 1st Session of the 99th Congress. It should be underscored that even with that language, no Congress can truly bind the next Congress except for a constitutional amendment or the ratification of a treaty. It would be this Senator's interpretation that if, in fact, the Senate is going to address the Genocide Convention in the 99th Congress, then it would be done in a very careful, proper, procedural manner where full hearings could be held and the Senate could be engaged in this important debate and some of these questions about constitutionality and sovereignty would be answered. I think we should understand, with regard to this resolution, which I assume will enjoy a lot of support if not unanimous support in the Senate—I imagine it would—it should also be noted for the RECORD that no Congress can really dictate to the next Congress what action should be taken.

We are not saying that we want this thing brought up on the 4th of January with no hearing, no careful analysis, but to go through the normal committee procedures and the normal amendment process to the treaty until all of these questions can be answered to the satisfaction of the Senate. I think that is our responsibility under the Constitution and I think that is why this treaty has taken so long to come before this body, because there are questions that are not yet answered. Constitutional scholars such as Senator Sam Ervin and others have pointed out many of the pitfalls that lie within the articles of the Genocide Convention.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 9 minutes remaining.

Mr. SYMMS. I ask unanimous consent that when I suggest the absence of a quorum, the time be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SYMMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMMS. Mr. President, a parliamentary inquiry. How much time does the Senator from Idaho have remaining?

The PRESIDING OFFICER. The Senator has 9 minutes.

Mr. SYMMS. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged equally against both sides.

The PRESIDING OFFICER. Without ojection, it is so ordered. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

Mr. SYMMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. (Mr. NICKLES). Without objection, it is so ordered.

Mr. SYMMS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 8 minutes remaining.

Mr. SYMMS. I yield 8 minutes to the distinguished junior Senator from North Carolina [Mr. EAST].

The PRESIDING OFFICER. The Senator form North Carolina.

Mr. EAST. I appreciate the generosity of the manager of the time on this side.

Mr. President, I welcome the opportunity to speak briefly on this matter. Earlier this afternoon, I spoke in opposition to the Genocide Treaty as it currently stands, and I will not reiterate my concerns about it. That is already established in the RECORD.

What does concern me a little with the resolution is that it says that the Senate hereby expresses its support for the principles embodied in the treaty. I am a little troubled that that is simply a subtle way of saying that we do, in fact, support the treaty as it currently has been presented, and we look forward to expeditiously acting in the next Congress on the matter.

I have no objection to Congress acting expeditiously, if by that we mean that we follow the normal committee procedures in reference thereto, in hearings, discussions, and so forth. That is a vague term.

I am a little concerned that if one votes for the resolution, the implication might well be that you think the treaty in its current form is good. I have indicated already in my discussion that I do not think it is in the best interests of the United States. I do not think it is in the best interests of the State of Israel. I think it will be used as a club by the Soviet Union and its Third World allies to intimidate the United States in various categories, as well as the State of Israel, and that there needs to be a lot of retooling and a lot of changing in this treaty.

I noted at that time, earlier this afternoon, that I currently hold the seat held by the former Senator from North Carolina, Sam Ervin, who was very much opposed to the principles embodied in the convention—not that he was endorsing genocide, and certainly I am not. But his concern was that there were many defects of a principal nature in the treaty.

So the anguish that I face—and I simply am trying to make it a part of the RECORD—is that if I vote for this resolution, it might very well be interpreted that I have no quarrel with the treaty and that I look forward in the next session of Congress, since the hour is late in this one, of moving expeditiously to its ratification, which would not be the position that the junior Senator from North Carolina takes.

If the resolution means that the junior Senator from North Carolina thinks genocide is a bad thing—yes, I do. I think it is a horrible thing. But I do not think this treaty, with the current language in it, is an effective instrument for combating the very evil it purports to combat.

Therein lieth my dilemma. It is not the end I quarrel with; it is the means to the end.

So I find deep agony in this resolution. It is one of these very difficult decisions we frequently encounter around here. Language is cheap; words are measly and what one votes for here I am not quite sure. Is one voting to say he thinks the treaty as it currently stands is well done and the only thing we lack is time pending the next session, or is he simply saying I think genocide is a bad idea and I hope that in the next session of Congress perhaps we might come up with a treaty that we could submit to the international community that would be intelligently and prudently addressed dealing with this problem in terms of the context of the current international situation?

If we mean the latter, I vote for it; if we mean the former, then I would be negative on it. Hence, I agonize over how to vote on it. I reserve the right conceivably here to vote against it.

But I want the record to show, since time is running out, that the reason I would be voting against it is not because I am for genocide—for Heaven's sake, I do not know of anyone who is for genocide in the Senate—it is because I object to this particular treaty and certain, I guess, principles or provisions that it has in it.

So therein lieth my dilemma, my problem, my agony, my soul-searching.

And I do not know if the proponents of this measure who are not currently on the floor—I am not quite sure who they are——

Mr. PELL. I am one.

Mr. EAST. I know Senator PELL is one. Perhaps the distinguished Senator from Rhode Island could elaborate for me briefly on that concern that I had.

Mr. PELL. Mr. President, I will be delighted to do so.

My understanding of acting expeditiously means that the Genocide Convention would, I hope, be the first item on the agenda of the Foreign Relations Committee when we return; if not, the first item, then one considered very shortly thereafter; and that it would be given the highest priority for action within the committee. This is my understanding of it.

My understanding of a vote for this resolution means that one is supporting expeditious action, ideally almost immediate action, by the Foreign Relations Committee.

Mr. EAST. Let me ask the Senator. When the resolution says, "Resolved, the Senate hereby expresses its support for the principles embodied in the Convention on the Prevention and Punishment of the Crime of Genocide, signed on behalf of the United States on December 11, 1948," is the implication there that the proponents and endorsers of this resolution, of which the Senator is one, that we support the document in its current form? Would that be the Senator's intention?—that is what we are going on record as indicating?

Mr. PELL. That is my intent. I think all of us can interpret it differently one way or another.

Mr. EAST. I am sorry. I cannot hear the Senator very well.

Mr. PELL. All of us can interpret a particular resolution as we wish. When I vote for the resolution, I understand the vote to mean I intend to do all I can to act expeditiously on the treaty in its present form.

Mr. EAST. In its present form. So if one votes for the resolution, the Senator from Rhode Island is saying, as I would see it at least, that is, the Senator from Rhode Island, he is voting for the treaty in its current form and he would hope that the Senate would act expeditiously on it in its current form immediately in January?

Mr. PELL. That would be my hope.

The PRESIDING OFFICER. The Senator should be advised that all time for discussion on this measure has expired.

Mr. EAST. I thank the Chair, and I thank the Senator from Rhode Island.

Mr. PELL. I ask unanimous consent that we have another 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAST. There is objection?

The PRESIDING OFFICER. There is no objection.

Mr. EAST. There is no objection.

As I was suggesting, if I might, since we have been allotted a little additional time, and I have heard from the Senator from Rhode Island, I wonder if the majority leader, since he is a cosponsor, might entertain a question for me, and I ask unanimous consent for an additional 2 minutes by which he might respond to my inquiry.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAST. I say to the majority leader the thing that concerns me with the resolution, and the Senator from Rhode Island was gracious in saying what his sentiment was on it. I had spoken earlier in opposition to the treaty in its current form, and my concern with the resolution was that it says the Senate hereby expresses its support for the principles embodied in the Convention on the Prevention and Punishment of the Crime of Genocide, signed on behalf of the United States on December 11, 1948.

Now, the Senator from Rhode Island—and if I am in error I am sure he will correct me—interprets that to mean that one would support the treaty in its current form and that we would then proceed to act expeditiously as possible, come January, to see that it is ratified.

As I say, I am opposed to genocide as a principle, but I am deeply troubled with the principles of this treaty, that is, if what I would be voting for is the proposition this treaty is just fine and I look forward in January to moving expeditiously to its ratification, I would have to vote against the resolution; if, on the other hand, when it says support for the principles embodied, it simply means the junior Senator from North Carolina is against genocide and would look forward to examining any proposed treaty, including this one, to deal with that matter and to deal with it in a full expeditious way, I would have no objection to the treaty.

I have gotten the position of the Senator from Rhode Island. He says he interprets it to mean the treaty in its current form.

Would that be the position of the majority leader, who is a cosponsor?

Mr. BAKER. Mr. President, if I may reply, of course, the resolution speaks for itself and it is up to the Senate to decide what interpretation to place upon it. But I will add my interpretation to it.

Mr. EAST. Yes.

Mr. BAKER. I participated in the negotiations that led to the introduction of this resolution, and indeed, I have cosponsored it and the unanimous consent agreement that was entered into that provided for an orderly way to consider this matter and dispose of it.

It is my understanding, based on those negotiations and the face of the resolution itself, which is now pending, that the Senate in voting for this resolution and adopting it would be expressing its support simply for what it said. That is the principle embodied. It is not vouching for every word of the treaty itself. The Senate is certainly not precluding the possibility of amendments, or reservations, or understandings, but rather simply expressing support for the principles embodied in the Convention on the Prevention and Punishment of the Crime of Genocide.

Mr. President, I think that perhaps contributes nothing in a definitive way, but that is my interpretation, and I am happy to give it to the Senator from North Carolina.

Mr. EAST. So I would say from the discussion the response of the Senator from Rhode Island and that of the majority leader are somewhat different, so it will depend upon what interpretation an individual Senator would wish to put upon it.

Mr. BAKER. Yes, Mr. President.

Mr. EAST. Is that what the majority leader is suggesting?

Mr. BAKER. That is always so in the Senate. No Member can presume to speak for another on the matter of interpreting the words, and only the Senate itself can act.

But it is clearly the meaning of this resolution that we would vote to support the principles embodied in the convention, but I think just as clearly that does not suggest that amendments or reservations or understandings might not be offered when the convention is presented to the Senate in a constitutional form and that would be in the next session of Congress.

Mr. EAST. So the majority leader is not necessarily saying that in voting for it you are voting for every crossed "t" and dotted "i" of the current treaty?

Mr. BAKER. Yes; that is correct.

Mr. EAST. You are not doing that; you are simply voting for the idea that we would move ahead on this particular instrument and it could be subject to modification, alteration, and change as the Senate might work its will.

Mr. BAKER. Yes, Mr. President, but before I go any further afield, let me say that I believe the resolution on the face of it expresses the clear intention of this sponsor, and that is that a vote for and the adoption of this resolution would place the Member who voted for it, and the Senate, on record as supporting the principles embodied in the convention. But I do not believe that it forever precludes Senators or the Senate from acting to modify or change particular sections of it. I think it is an expression of the sense of the Senate that it supports the principles involved.

I believe that is a worthwhile purpose. I previously congratulated the Senator from Connecticut, who was the principal sponsor, and the Senator's colleague from North Carolina who was a major participant in the negotiations.

Mr. EAST. I will make one concluding statement then. If the junior Senator from North Carolina ends up voting "no" on this resolution—and I may—I would like for the record to show clearly please that I am not endorsing genocide. What I am saying is that the current treaty, as it stands, I find unacceptable for reasons I gave in a speech earlier on the Senate floor.

So I simply wanted to have the opportunity, which I appreciate—and I will no longer impose my time upon the Senate—for the record to show that if I do ultimately vote against this resolution, it is not because I support genocide, it is because I am uncomfortable with the current treaty proposed, the crossed "t" and dotted "i."

The distinguished Senator from Rhode Island indicates, as he sees it, and I sense a somewhat different interpretation from the majority leader, that we are indicating our support for this treaty as it stands with its current provisions. And if that is what we are voting for, I would want to vote in the negative. But the majority leader has made the point I think as clearly as can be done and it will have to be a decision I will have to make. And I appreciate the indulgence of the Senator from Rhode Island and the majority leader and the Chair and I shall be happy to yield the floor.

The PRESIDING OFFICER. Time for debate has expired.

Mr. MATHIAS. Mr. President, I ask unanimous consent for 5 addtional minutes. I would be happy with 3 additional minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, the Senator from North Carolina is not the only Senator in this Chamber who has reservations about this compromise resolution: I have very serious reservations about it because I would rather vote on the convention.

Thirty-six years is time enough to consider it. Babies who were born on the night that this convention was signed by the United States of America are now entering middle age. Now if that is not time enough to think about it, I do not know how much time you want.

I have serious reservations about this compromise. If it had not been for the words of the majority leader in which he just explained that he felt a vote in favor of the resolution was a vote in favor of the convention, I would have to say to you that I think it is a mealymouthed copout. The majority leader says that, in his interpretation, to vote for this resolution is to put yourself on record in favor of the Genocide Convention. And on that narrow ground there may be a crumb of comfort which would induce us to vote for it. But without that kind of a firm enunciation of support by the majority leader and by the distinguished Senator from Rhode Island, I would say it is a mealymouthed copout and one that is not worthy of the U.S. Senate.

Gerald Kraft, president of the B'nai B'rith, said that "The Genocide Convention is a statement of conscience." We do not need 36 years to think about a statement of conscience. He went on to say, "It will serve as a symbol that humanity will never again tolerate religious or racial persecution. Morality requires its ratification."

If you want to show that you are really against genocide, you will vote for the Genocide Convention. That is really what it comes down to.

We have waited 36 years to call the roll. Mr. President, we ought to call the roll today. I regret that this decision is being delayed for another year.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume legislative session.

The clerk will report the pending business.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SYMMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, let me say that what I hope we can do now is arrange to do some other business, a conference report, perhaps. While we try to clear that on both sides—we are in legislative session, are we not?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. What is the pending business?

The PRESIDING OFFICER. The pending business is the debt limit bill.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

Mr. MATHIAS. Will the Senator withhold?

Mr. BAKER. Mr. President, I do withhold the request. Does the Senator wish me to provide a time for morning business?

Mr. MATHIAS. That would be great.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business for not to exceed 15 minutes in which Senators may speak under the same terms and conditions.

May I say before the Chair acts that I hope it will not be 15 minutes because we need to get on with a few other matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

JENNINGS RANDOLPH

Mr. MATHIAS. Mr. President, JENNINGS RANDOLPH and I have a great many things in common in addition to membership in the Senate. We each have sons born in Maryland. We each have strong family ties with West Virginia. We each love the mountains where the Potomac River rises near the Fairfax Stone. We each support with special emphasis the cause of the handicapped and the disabled.

The list could go on, but it is already long enough to illustrate why I have felt so close to the senior Senator from West Virginia. We speak the same language and we understand each others point of view.

JENNINGS RANDOLPH'S record as a great builder stands in stone and concrete and steel all over the United States. His record as a defender of the environment is apparent in streams that flow clear and air that is fresh and clean. His record as a humanitarian is written in the faces of the children, particularly the retarded and the handicapped, who have attained their full recognition for the first time in programs that he sponsored.

JENNINGS RANDOLPH'S service in the Congress has spanned a remarkable period in American history from the administration of Franklin D. Roosevelt to that of Ronald Reagan. He is a part of the history of that vital era. But he has also always kept his warmth and affection as a friend, and it is as a friend that we shall miss him most in the Senate.

Mrs. Mathias and I extend our best wishes to Senator RANDOLPH for health and happiness in the years to come. We hope he will enjoy the pleasure of his family's company more than has been possible as a Member of the Senate and that he will reflect with satisfaction on the unusual achievements of a distinguished career.

BERNARD VERNIER-PALLIEZ

Mr. MATHIAS. Mr. President, friendships should age like fine wine. They should grow in depth, clarity, mellowness, and bouquet. The transition from the grape to the decanter is, however, a difficult journey that demands the highest degree of skill, knowledge, judgment, and patience. Long friendships demand no less.

France and the United States have been not only friends, but allies also, for nearly all of the span of the history of the American republic. Such amity is evidence that skill, knowledge, judgment, and patience have, in fact, been generously applied to Franco-American friendship. The Ambassador of France, Bernard Vernier-Palliez is a distinguished exponent of this principle, and an example of its practice.

Ambassador Vernier-Palliez has had an unusual opportunity to prove the value of this human investment in the highest degree of politics, the relations between nations. The election of a Socialist government in France brought Bernard Vernier-Palliez to Washington as Ambassador to the most conservative administration in recent history. The portents were not favorable. The world economy was deteriorating with adverse effects to both France and the United States, but unfortunately, also creating an adversarial economic climate between them. The United States embarked on a course of government deregulation and France embarked on a program of nationalization. Stresses and strains were visible in the Atlantic alliance.

Yet at the end of 4 years the friendship between France and the United States is firmer than ever. We have developed a common policy on defense and consonant views on approaches to problems created by the Soviet Union. We cooperated in the multinational peace force in Lebanon and shared grievous losses for our efforts, but maintained a common front. Not least, we celebrated the 200th anniversaries of the victory at Yorktown and the Treaty of Paris.

Certainly one of the essential factors in converting a dismal outlook into the present positive position of the two countries is the diligence, competence, and engaging personality of Ambassador Vernier-Palliez. He has worked hard at the job. When most diplomats left Wasington in August to spend a month at home, he took the opportunity to extend his knowledge of America, traveling coast to coast. In Washington he was in his chancery on week-ends and evenings when he was needed. He left no stone unturned that could reveal a chance to improve communication between Washington and Paris.

Bernard Vernier-Palliez did, of course, come to his embassy with formidable advantages. During his years at Renault, and particularly when he led that company, he was in frequent contact with American business, so that he was no stranger here. Still earlier when he was a member of the resistance during World War II, he acquired the resourcefulness and persistence that have been so valuable in his job here.

There is a story about Bernard Vernier-Palliez that has an unusual twist. His chief in the resistance was summoned by General de Gaulle to take over the Renault industries when they were sequestered at the end of World War II. His record in the resistance was so outstanding that his chief asked him to come along to Renault to get things running. Vernier-Palliez replied that he could not because he was going to study international relations and become a diplomat. His chief prevailed on him to come for 6 months and one there, he stayed for 36 years becoming the chief executive officer of the company. At that point, fate in the person of President Mitterrand intervened and appointed him Ambassador of France to the United States. His youthful ambition was realized after all. Whether it was the twist of fate or the twist of chance, Bernard Vernier-Palliez's friends in Washington are glad that it happened that way.

As Ambassador Vernier-Palliez completes his tour of duty and prepares to depart from Washington, Mrs. Mathias joins me in extending a farewell to him and Mrs. Vernier-Palliez together with our best wishes for their health and happiness in the years ahead.

SENATOR JENNINGS RANDOLPH

Mr. GORTON. Mr. President, Saturday last my wife and I found ourselves in Elkins, WV, campaigning for a young man who hopes to succeed the senior Senator from West Virginia in this body. During the course of that parade my wife and I spotted my friend, the senior Senator from West Virginia, waved to him and called him by name. Senator RANDOLPH stopped the car in which he was riding, stood up and made a speech to those who were along the side of the street there at Elkins, WV, about our friendship, using many flattering words which I would not dare repeat in this Chamber.

Mr. President, that was typical, I believe, of the kind of man and the kind of Senator, Senator RANDOLPH is and has been for many, many decades in this body and the House of Representatives.

I regard it as a great honor that I have been permitted to serve in the U.S. Senate during the last 4 years of his distinguished career. I regard it as an even greater honor that I can call myself his friend, primarily because he is a friend to every Member in this body. For 2 years we served on the Committee on Environment and Public Works which I suspect is his great love in this body; for 4 years we have shared most of our Wednesday mornings together in the Senate prayer breakfast. During the course of that period of time I have learned an immese amount about the history of West Virginia, the history of this body, the U.S. Senate. I gained many insights into the men and the women who have served here. And all of this has been imparted with a gentleness and kindness, a forbearance and a consideration which is matched by few other Members of this body I suspect during its entire 200 year history.

I feel, and I believe that every Member of this body feels, that he or she is a better person by reason of association with the senior Senator from West Virginia. He epitomizes the ability to disgree on the policy issue without ever losing the maximum degree of personal consideration and personal support. He has been a wonderful and an outstanding Member of this body. He has been a friend I am certain to every person who has served in this body with him. I have been honored by this presence. I wish him God speed and a long and continued successful career. And I can say from the bottom of my heart that I will miss him.

Mr. RANDOLPH. Will my colleague yield?

Mr. GORTON. I am delighted to yield.

Mr. RANDOLPH. Mr. President, I was delighted to welcome my good friend Senator GORTON, and his wife

Sally to the Mountain State Forest Festival. Approximately 80,000 to 90,000 other men, and women, and children witnessed the parade. It is held each year in the area of West Virginia which is almost unmatched in beauty, grandeur in many other parts of the country even considering the beauties certainly of his State of Washington. I was surprised when I met them in my hometown.

I do constantly appreciate more than I can express tonight the privilege of working with him in the Committee on Environment and Public Works and for our associations in other groups here on Capitol Hill.

The poet said, "Parting is such sweet sorrow," and when I do depart this Hill on January 2 from the position of being a Senator from West Virginia, there will be a sorrow in a sense in leaving important work to which we have dedicated ourselves. We have been chosen by the people of our States to represent them in Congress.

It is the friends that I shall miss most of all, including the constructive senior Senator from Washington, who I think of so very often as an able person who works with other persons within the committee where we share a responsiblity. I emphasize I am very, very grateful for his generous words: I recall his visit to Elkins and the friendliness with which the people of West Virginia met him.

I hope you will return often. We will not try to match Washington against West Virginia as a State or vice Versa. But I will always remember, yes, I shall never forget, the opportunity, in fact the privilege, of standing by your side as a Member of this body.

Mr. GORTON. Mr. President, I thank the senior Senator from West Virginia for his thoughtful and considerate remarks.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

SENATOR JENNINGS RANDOLPH

Mr. WILSON. Mr. President, earlier in the 98th Congress the senior Senator from West Virginia drew gasps not only from the gallery but from many of his colleagues when he reminded us that he had been present as a Member of the House when social security was first voted upon. That caused many of us to reflect upon the lengthy and distinguished career of the senior Senator from West Virginia, and indeed the people of West Virginia have conferred upon him the ultimate accolade of roughly half of a century of public service in both Houses of the Congress, returning him time and again. The people of West Virginia are celebrated, Mr. President, for their courtesy and their hospitality. In a sense it seems they should be celebrated as well for their good judgment of the senior Senator from West Virginia—the people who have sent him here time and again.,

I think I can say on behalf of many of our colleagues that we are grateful to them for having conferred upon us the privilege of serving with him and having known this distinguished and amiable man whose courtesy is in the tradition of his great State and his great people; whose kindliness has won him friends on both sides of the aisle.

It is our regret that he cannot serve his Nation and the people of West Virginia and warm the hearts of another half century of his colleagues.

Mr. RANDOLPH. Mr. President, the words of my colleague from California are very, very much appreciated. He served ably in the Senate. I understand well his useful career in San Diego before he came here.

I again thank my fellow Senator for his comment.

TRIBUTE TO SENATOR TSONGAS

Mr. PRESSLER. Mr. President, before the 98th Congress adjourns, I wish to take special note of the retirement of Senator PAUL TSONGAS.

PAUL and I came to Congress together and served in the House of Representatives before being elected to this distinguished body. I think the world of PAUL and his wife, Nicola. He and I have served together on the Senate Foreign Relations Committee, where we both have worked hard to keep weapons out of outer space.

I have known him for 10 years and I am sorry to see that he is leaving the Senate. My years of friendship and work with him make it clear that the Senate is losing a person of great integrity. I admire his integrity and his effectiveness in this body.

I spent 4 years as a student in the State of Massachusetts, and I know many people there will receive him back warmly. I look forward to a continuing, long and close association with him and wish him the best of health for many years to come.

SENATOR JENNINGS RANDOLPH

Mr. JEPSEN. Mr. President, the retirement of JENNINGS RANDOLPH from the U.S. Senate marks the end of an era. The history he has seen unfold over the years is amazing. Indeed, he has played a key role in making history himself.

I often find myself listening in amazement when he talks about the days of Franklin Delano Roosevelt and the New Deal. To think that there is a Member still serving who was a Member of Congress during that time is testimony to his stature and the respect he has earned among his colleagues and the people of West Virginia.

The Senate will lose more than just a fine Senator when JENNINGS RANDOLPH retires, Mr. President. The Senate will lose the institutional memory of one who has served here so long. I will never forget the first time I heard him castigate the Senate for the disorderly way in which we vote. I could always anticipate his demand for order during a vote whenever I had the honor of presiding over the Senate.

I think I speak for all my colleagues when I say that we will miss you, JENNINGS RANDOLPH, but know that our thoughts and best wishes go with you in whatever you do. The question on everyone's minds as we anticipate your departure is: What are you going to do for the next 50 years?

SENATOR JOHN TOWER

Mr. JEPSEN. Mr. President, for the past 6 years it has been my pleasure to serve on the Senate Armed Services with my distinguished colleague from Texas, JOHN TOWER. Before arriving in the Senate I had heard a great deal about him but had never had the chance to work with him.

Whether it was in the late hours of a hard-fought conference committee meeting on the defense budget, or sitting through endless hours of testimony on military affairs, the chairman always came across as the iron man. His leadership on the Armed Services Committee was nothing short of admirable. When you consider the diverse philosophical and political opinions of those who serve on the committee, it is a wonder that we were able to get any business done.

But JOHN TOWER is a man who has built a career on getting things done. When he first ran for the Senate from Texas, people said he couldn't win. After all, they reasoned, he was running for the seat of Lyndon Johnson and there was no way he could win. Besides, it had been years since a Republican had represented the great State of Texas in the U.S. Senate. But he did.

When he ran for reelection, people said he couldn't win. But he did, Mr. President. He won because he believed in what he was doing and he stood up for what he believed in. You may not always agree with JOHN TOWER, but you have to respect his tenacity and grit.

I will miss the iron man of the Senate. I have learned a great deal from him over the years and I hope the lessons stay with me as long as the fond memories I will always carry with me.

SALVADORAN REFUGEES

Mr. JEPSEN. Mr. President, on May 22, 1984, I joined Senator DECONCINI

and others as a cosponsor of S. 2131, a bill to extend voluntary departure status to Salvadoran refugees, pending a complete investigation into the conditions of Salvadoran refugees and the circumstances of their return to El Salvador.

Serious questions have been raised about the conditions for refugees in El Salvador and in other Central American countries. It is estimated that 40,000 civilians have been killed since the outbreak of fighting in 1980. A recent U.S./AID study estimates that as many as 1 million Salvadorans are now displaced within their own country. The Salvadoran Government relief agency, CONADES, is now serving only some 300,000 of these internal refugees.

The election of Jose Napoleon Duarte to the Presidency of El Salvador has given us all hope that human rights abuses and random killing of civilians will be brought under control.

For those refugees who move to the neighboring countries of Honduras and Mexico, there remains a great deal of uncertainty as to their safety in the refugee camps as there is ever present friction between the Salvadoran refugees and the people of the host countries.

It is not unexpected that people faced with this situation would seek security in the United States. The Salvadoran population in the United States is estimated to be between 200,000 and 300,000. Here in the United States they live in constant fear of apprehension and deportation back to El Salvador. Although the Congress has expressed its sense that Salvadorans should not be deported back to the dangerous conditions which face them upon return, and that the President has signed the resolution into law, the administration has not seen fit to grant a status known as extended voluntary departure to Salvadorans now in the United States.

Extended voluntary departure status is a discretionary status usually granted on a group basis to people who temporarily cannot return home for fear of a life-threatening situation. Unlike political asylum, extended voluntary departure status is usually granted for 6-month intervals and is lifted when it becomes reasonably safe to return. Currently Ethiopians, Afghans, and Poles benefit from EVD status. Nicaraguans were given EVD for a time during the upheaval accompanying the overthrow of the Somoza regime and takeover by the Sandinistas. Altogether, EVD has been granted about 15 times since 1960.

Because of the uncertainties and fears about what awaits the some 100 Salvadorans who are deported each week by the Immigration and Naturalization Service, the Salvadoran refugees who are in the United States are frequently sheltered, fed, and employed by law-abiding citizens and church congregations who are torn between potentially disobeying the law, on the one hand, and casting out these refugees from extreme civil strife, on the other. It is because I am all too familiar with this dilemma as I read my constituent mail that I have cosponsored S. 2131, a bill to temporarily suspend the deportation of Salvadorans until questions about their status in Central America can be resolved. I am not an advocate of civil disobedience. I want to see the Salvadoran refugee problem in the United States addressed responsibly, in a humanitarian manner, and within the confines of the law.

SENATOR HOWARD BAKER

Mr. SYMMS. Mr. President, I would like to express my respect and appreciation for the distinguished majority leader, the Senator from Tennessee, my friend HOWARD BAKER.

It is often difficult for those of us who are not weighed down with the burdens of leadership to understand and appreciate the skills and judgment necessary to forge compromise from conflict. Nevertheless, we hold in esteem those who exercise that skill and apply that judgment with expertise. Of those who excel at this task of leadership, none do it better than HOWARD BAKER.

Perhaps his long years in the wilderness of the minority trained him in the use of patience and the art of conciliation. Perhaps these attributes flow naturally from his character. Whatever their source, they have given him the ability to rationally, calmly, and equitably mediate the most devisive disputes which have arisen in these chambers.

And I would have to say, Mr. President, there have been times when this Senator has been the cause of some consternation for our distinguished majority leader.

As a freshman Senator, I have learned much from Senator BAKER. Though I have not always agreed with him on matters of policy, I have never doubted his sincere commitment, nor ever questioned the fairness and integrity with which he has discharged his responsibilities.

Unlike many of my colleagues who have been in this distinguished body for many years, I have never known a Senate without the leadership of the Senior Senator from Tennessee. I know that his absence when we convene the 99th Congress will leave a void which will be hard to fill. I appreciate the privilege I have had to work with the distinguished Senator from tennesee and I wish him well.

I yield the floor.

Mr. BAKER. Will the Senator yield to me?

Mr. SYMMS. I yield to the Senator.

Mr. BAKER. Mr. President, I have tried hard not to be present when these sermons are preached. But at this time I wandered on the floor in order to try to take care of other business in the middle of a generous presentation by the Senator from Idaho. It would be unseemly indeed for me not to acknowledge those remarks and to tell him that I am grateful and that I will respond with more expressions of gratitude at a later time. But for the moment I thank him very much.

BOB CASE

Mr. JEPSEN. Mr. President, the lead editorial in today's Waterloo, IA, Courier, said it best. It summed it up in a way best fitting to the man it eulogized:

"He was a journalist's journalist."

The death today of Iowa political reporter Bob Case has left a void in Iowa and the Nation's journalistic circles.

Bob Case was a journalist, a public servant and friend.

Bob Case was a conservative and proud of it.

But his philosophical inclinations did not surface in his reporting. He was fair and he was objective, regardless of one's political persuasion and philosophical bent.

To me, Mr. President, that is the highest compliment one can pay to a newspaperman. Bob Case deserved it. Bob Case earned it.

He was the best, and he will be missed.

He will be missed by his colleagues on the Waterloo Courier and his journalistic profession. He will be missed because he was an honest journalist. Members of both political parties admired, respected, and trusted him.

With his passing today, we have all lost a friend.

Mr. President, I ask unanimous consent that an editorial, entitled "in tribute to Bob Case" be inserted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IN TRIBUTE TO BOB CASE

The word was inevitable. The waiting was difficult. Our beloved colleague Bob Case, 60, the veteran political reporter for this newspaper, had suffered a massive heart attack Monday. He passed away early today.

The death of "the dean of Iowa statehouse reporters" touches every journalist who knew him deeply. No reporter was more respected.

Messages of sympathy poured in from throughout the country—from national political leaders and from the top names in this industry.

In the Courier newsroom, there is the empty chair and the unopened mail on the desk. And the realization that things will never be quite the same without him.

When the message was first received Monday, it was not known how severely Bob had been stricken. Yet, you could sense that

a collective prayer was being offered in the newsroom for his well-being, even as his colleagues worked to get the newspaper out.

Bob would have understood that sense-of-caring, combined with the work ethic. He was a journalist's journalist. He was a no-nonsense worker. He was deeply admired by his colleagues for his wit, his integrity, and his dedication to reporting.

Even though he is gone, Bob will always be very near. You can see it in the eyes throughout the office—and there have been many blurried eyes this week. Reporters stop their work for a moment, their thoughts focusing on Bob in action. His presence, is still deeply felt in the newsroom everywhere. But it just won't be the same.

Bob was a prodigious reporter. When he became ill while serving on a political reporting panel Monday morning at NU High in Cedar Falls he fretted that this couldn't be happening—"I've got too many things to do."

Those stories will never be written, although as could be expected, Bob left reams of copy on political races that have yet to be printed.

Bob Case compiled an amazing journalistic record in his past nine years at the Courier.

When President Reagan came to Waterloo last summer, Bob got the exclusive interview on Air Force One. And during his career, he also interviewed two other presidents: Gerald Ford and Jimmy Carter.

He started his career in journalism at the Cedar Falls Record and then the Waterloo Courier after graduating from Drake University in 1949.

Then his passion for politics was realized as a chief administrative aide to Third District Congressman H.R. Gross, a job he held for 20 years.

He even tried his hand at elective office, unsucessfully running against Chuck Grassley in the Republican primary for the Third District Congressional seat.

But when Bob rejoined the Courier in 1975, this time as a political reporter, it was like coming home.

There is a truism in journalism that it is almost impossible for legislative aides to get back into this field because their reputation for objectivity is damaged.

But Bob within one year established his credibility as a fair, objective reporter. Letters of praise came in from both Democratic and Republican legislators—although some Republicans wondered privately if he wasn't bending over backwards too far to be fair.

Former State Sen. Bill Hansen used to shake his head at the way Bob worked tirelessy covering the Iowa Legislature for the Waterloo Courier. Bob's typewriter could be heard pecking away at night, sometimes as late as 1 or 2 o'clock.

Bob earned the reputation as one of the best political reporters in Iowa, if not the best. That is an assessment which would not make even his fiercest competitor jealous. He was the E.F. Hutton of Iowa politics. Even politicians who regularly complained about a carping press would be very attentive in what Bob Case wrote—and they would seek him out for his advice on major issues.

When reporters from around the nation came to Iowa for the caucuses or to test the political mood, it was a given that they would contact Bob Case for his insight. You lacked an important perspective on the Iowa political scene if you did not read Bob's Wednesday and Sunday columns in the Courier.

Now, he is gone. But not many of the people working in the newsroom accept that.

He is here. His influence will never go away. He works among us. His dedication, his skill, his honesty, his love of his profession, his shining example will always be before us.

SENATOR HOWARD BAKER

Mr. JEPSEN. Mr. President, as we wind down to the last few moments of the 98th Congress, we are bringing to a close what I think will go down in history as one of the finest careers of any majority leader to ever serve in that position in the U.S. Senate.

HOWARD BAKER has been what all majority leaders should be, stern when he has to, compromising when he must, and always considerate of the needs and desires of his 99 colleagues in the Senate. I am sure there were many mornings, particularly in the past few weeks, when he has wondered why he ever sought the position of majority leader.

But HOWARD BAKER has set a standard for the position that will guide the actions of future majority leaders, I am sure. It has been my pleasure to have had the opportunity to serve with a man like HOWARD BAKER and I only regret that the Senate will not have the benefit of his wit and wisdom in the future. But anyone who knows the distinguished majority leader knows that he is not going to retire to a law practice in Tennessee. Indeed, I have a strong feeling he might just be stopping in to visit Iowa a few times over the next couple of years.

HOWARD, Iowa is beautiful in the winter, particularly around February. I think I speak for a great many Iowans when I say that our State always looks forward to your visits and we look forward to seeing you again.

Mr. BAKER. Mr. President, the Senator from Iowa has done something to me that I have escaped so far. So far I have managed to not be on the floor when such generous remarks were made. This time it was necessary for me to be present and conduct a matter of business, and I listened. I have to confess to the Senator from Iowa that even though my innate modesty forbade me to listen before, having breached that wall I have resolved the determination not to hear such kind remarks, and when I did on this occasion I liked it.

I express my appreciation to the Senator from Iowa. But I warn him that such things as his remarks are habit forming—sort of like smoking cigarettes: It is OK if you do not inhale, and indeed, I have not inhaled.

Mr. SYMMS. Mr. President, will the Senator yield?

Mr. JEPSEN. I yield.

Mr. SYMMS. I thank the Senator for yielding.

The Senator from Iowa probably understates the case, but I say to the majority leader that I was with former President Ford one night when he was the speaker at a banquet. I will tell the Senators what he said after the great introductions were made. He said that he was reminded of a prayer.

He said: "If I were getting up to say a prayer now, I would say, Lord, thank all those people who said so many nice things about me; and, Lord, please forgive me for liking it so much." [Laughter.]

Mr. BAKER. The story is most apt and appropriate, Mr. President. I thank the Senator from Idaho.

RELIEF FOR THE DISABLED

Mr. HELMS. Mr. President, I was pleased to learn yesterday that President Reagan had signed into law legislation that will provide meaningful relief to nearly 3 million disabled citizens and their families who, since 1980, have faced possible loss of their benefits under the Social Security system.

I congratulate the distinguished chairman of the Finance Committee [Mr. DOLE] for his able leadership in this important effort. His skill in fashioning a bipartisan agreement on this reform bill clearly illustrates his commitment to all disabled Americans.

The new law offers disabled citizens assurances that their benefits will not be arbitrarily reduced or cut off. It provides the Social Security Administration, State agencies and the courts with clear standards for reviewing disability cases. Henceforth, the burden of proof will be on the Federal Government to show a definite improvement in medical condition before any benefits can be changed. And that is the way it should be, Mr. President.

The provisions of the new law expand upon a proposal I introduced in February 1983, which outlined a similar standard for reviewing disability cases. My bill would have prohibited any reduction in disability benefits, absent a showing by the Federal Government of improved medical conditions, or a mistake or fraud in the original determination of disability. In addition, it would have guaranteed a full hearing before an administrative law judge prior to any reduction in benefits.

Again, Mr. President, I congratulate Senator DOLE, as well as other Senators who took part in the development of this significant legislation. The disabled population of our Nation can now look forward to fair and sensible administration of the disability program. I thank the Chair.

SENATOR JOHN TOWER

Mr. SYMMS. Mr. President, with the end of this session of Congress we observe the close of a remarkable senatorial career. I would like to pay tribute at this time to a colleague who is witnessing his last session of Congress from the floor of this Chamber.

In his over two decades of service to the great State of Texas, Senator JOHN TOWER has distinguished himself not only in the eyes of his fellow Texans, but of his colleagues in the Senate and the people of the United States as well.

His steadfast support for the values and strength of this Nation will not be forgotten by those who cherish those values and know the vital necessity of that strength. Senator TOWER's leadership as chairman of the Armed Services Committee has been instrumental in the revitalization of this Nation, both spiritually and militarily. His knowledge and eloquence have distinguished him as one of the most effective and respected legislators in this body.

I feel privileged to have served for 4 years with the benefit of Senator TOWER's leadership and insight. I have fought beside him on many issues during that time. Though we did not win all of the battles we fought, I am sure that without his presence, we would have achieved much less.

Despite my sense of loss at the retirement of the distinguished senior Senator from Texas, I know that he will continue to be very active on behalf of interests that are near and dear to his heart and his State and Nation. I am sure I am joined by my colleagues when I wish Senator TOWER the best of luck as he leaves this Chamber.

UNIFORMED SERVICES FORMER SPOUSES PROTECTION ACT

Mr. MURKOWSKI. Mr. President, the recently approved fiscal year 1985 Defense Authorization Act conference report contains an important amendment to the Uniformed Services Former Spouses Protection Act of 1983.

Congress passed this act last year to authorize medical, exchange, and commissary benefits for a limited group of long-term former spouses. Under this act, benefits are currently authorized for an unremarried former spouse whose marriage covered at least 20 years of military service. This coverage is not retroactive and applies only to divorces finalized on or after February 1, 1983.

While this act was passed with good intentions, it discriminates against those who were divorced prior to February 1983 and those who may have been married 25 or 30 years but whose spouse may have been on active duty only 15 to 19 of those years.

An amendment offered by Senator TRIBLE, of Virginia, which I was proud to cosponsor, should remove the excessive restrictions which penalize former spouses who contributed to a military career and who are left unprotected by current provisions. This amendment removes the February 1983 effective date of the act so that all former spouses who have 20 years of marriage during which time the member served in the military for 20 years may receive medical, exchange, and commissary benefits, regardless of the date of divorce.

In addition, spouses who have 15 years of overlap between the length of marriage and years of service will be eligible for military medical coverage. All former spouses not meeting the 20/20/15 criteria will be provided the option of converting their military medical care coverage to a private health insurance plan.

The Congress has made significant efforts in the past to compensate servicemen and women for their sacrifices in order to attract and retain the qualified personnel vital to our national security. It has only been recently that Congress has appreciated the fact that the military spouse endures many of the same hardships of military personnel. In fact, they often forgo their own autonomy and careers in support of the Armed Forces.

I believe that the revised eligibility requirements remove the excessive restrictions which penalize former spouses who contributed to a military career and who are left unprotected by the current provisions of the Uniformed Services Former Spouses Protection Act.

These changes are overdue and well-deserved. I am proud to have been a cosponsor of this amendment.

OCS REVENUE SHARING CONFERENCE REPORT

Mr. MURKOWSKI. Mr. President, I rise in support of the conference report, although I do so somewhat reluctantly. I was an original cosponsor of S. 800, the Senate's version of OCS revenue sharing legislation, and I believe that OCS revenue sharing is clearly warranted and badly needed. However, I had hoped that we could have secured administration's support for the concept of OCS revenue sharing before reaching this point.

I am convinced, having watched some of the interactions between Interior Secretary William Clark and OMB Director David Stockman, that the administration's current opposition to the concept of OCS revenue sharing can be reversed. However, I fear the desire on the part of several of my colleagues to force the administration's hand at this time may have the effect of galvanizing the administration's opposition to OCS revenue sharing, thus endangering the prospects for the bill's eventual passage.

Despite my belief we might have been able to pass this bill next year with the administration's support, I realize that conference reports are privileged motions and Members are within their rights to press the leadership to call them up. That being the case, it seems clear enough that the Senate is going to work its will and adopt this measure at this time.

Regardless of my fears with respect to the advisability of bringing this measure before the President now, I am strongly supportive of what the bill is attempting to do. OCS revenue sharing makes sense. It's equitable. It may even have the effect of increasing, not decreasing, OCS revenues as OMB has stated.

From the standpoint of equity, the case for OCS revenue sharing is compelling. Federal OCS activity is the only Federal resource development program which does not provide compensation to States impacted by the development activity. The Mineral Leasing Act, the Taylor Grazing Act, and the Payment-in-Lieu-of-Taxes Program, all share a percentage of Federal receipts with the effected inland States. Coastal States, however, which bear almost all the burdens of OCS activities, receive no direct compensation even though the Nation as a whole shares in the benefits of increased oil and gas supplies and greater independence from expensive, unreliable sources of energy. If we are going to be equitable to the coastal States, we need OCS revenue sharing.

But my colleagues from inland States should not regard OCS revenue sharing merely as a boon to coastal States. The fact is, most of the Nation's newly discovered oil is expected to come from the Nation's OCS. The development of that oil is going to take planning and preparation on the part of the industry and government at the Federal, State, and local level. Over the past several years we have seen opposition to Federal OCS lease sales from some of the coastal States and local governments who must become partners in the OCS planning process. This opposition has taken the form of litigation and delay which has decreased Federal revenues and slowed our drive toward greater energy independence.

There is little doubt in my mind that much of this opposition has arisen due to fears over who might pay for the new infrastructure, schools, and roads, which will be needed in many coastal communities if oil is found off their shores. The measure before the Senate today will help to turn uncompensated risks into balanced opportunities, thus allowing the coastal States and local governments to share in the partnership role Congress intended

when it passed the OCS Lands Act and the Coastal Zone Management Act. To the extent that this State-Federal partnership is strengthened, OCS leasing will proceed smoothly and more expeditiously, thus enabling us to strive toward a greater degree of energy independence. That, of course, will benefit everyone, whether they reside in an inland State or a coastal State.

U.S. FISHING INDUSTRY LEGISLATION

Mr. STEVENS. Mr. President, two amendments of great importance to the U.S. fishing industry have been sent to the desk.

One of these amendments will establish a National Fisheries Marketing Council. This Council will assist the U.S. fishing industry in developing a coordinated program of research, education, and promotion to expand markets for fisheries products.

The concept of a national fisheries marketing council has been studied by this Congress for nearly 2 years. My bill to establish such a council, S. 2160, has undergone two sets of Senate hearings and has been extensively reviewed by groups representing virtually the entire seafood processing and harvesting industry. S. 2160 was reported to the Senate from the Commerce Committee by unanimous consent. I have worked long and hard with my colleagues from New England and other regions of the country to address the concerns of their fishing industry constituents. The final product of our labor is, I believe, compromise legislation that will provide economic benefits to the entire U.S. seafood industry. This legislation will also provide our country with public health benefits as well.

The fisheries marketing and promotion council established by this legislation will address a longstanding problem in the U.S. seafood industry. Our seafood industry has been described by marketing authorities and industry experts as "undermarketed." A fragmented and poorly organized seafood industry has been unable to mount an effective program to educate consumers in the United States, and in other countries, of the benefits of seafood consumption. The national fisheries marketing council established by this amendment will enable the fishing industry to develop a coordinated program of education and promotion that will influence consumer tastes and preferences on a national and international scale.

Encouraging the consumption of fish products in our country will benefit public health. Current research results indicate that an American diet high in fish and fish oils may reduce the incidence of cardiovascular disease. Increased acceptance of fish products by American consumers could, therefore, help to check the spiraling cost of health care.

The U.S. fishing and processing industry needs this legislation. The potential world market for U.S. fish products is vast, an economic stimulus that increased demand for our fish products would provide to the economies of our coastal regions is great. Some of those coastal regions are currently suffering economic hardships as a result of imbalance in the supply and demand of seafood products. Establishment of a fisheries marketing council will help the industry to solve this problem.

I also bring to my colleagues' attention a second amendment of special importance to the fishing industry of the North Pacific region. This amendment would expand the role of the International North Pacific Fisheries Commission in coordinating research and management activities among nations with fishing interests in the North Pacific region.

Since the International North Pacific Fisheries Commission was established 31 years ago, significant changes have occurred in patterns of fishing and jurisdictional boundaries in the North Pacific. New fisheries have developed, and many additional nations have become involved in regional harvesting activities. A great need has developed for one body to coordinate the fisheries research and management activities of all nations engaged in fishing for all North Pacific fish stocks. Last year, during their annual meeting, the U.S. section of the INPFC unanimously recommended that Congress provide expanded authority for scientific symposia. This amendment would give the International North Pacific Fisheries Commission the authority to hold international symposia and conferences, and to provide other forums for the exchange of scientific information. This expanded authority is needed to ensure the protection and wise management of fish stocks in the North Pacific.

Mr. President, passage of these two amendments is of great importance to the continued development of our country's fishing industry.

Mr. President, I also ask unanimous consent that the statement of Elmer E. Rasmuson, Chairman of the INPEC at last years meeting, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMMENTS BY MR. ELMER E. RASMUSON

Fellow Commissioners, distinguished guests, ladies and gentlemen:

This meeting marks the fifteenth which I have attended as a member of the International North Pacific Fisheries Commission. It is also my last, as I have asked to be retired. Therefore, I believe it appropriate to comment on the development of the INPFC during this period, as I have observed it, including some view of the opportunities in the future, not only for this Commission but in the general field of international fishery management.

When the concept of extended jurisdiction over fisheries was being adopted in the '70s by most maritime nations, a serious question arose as to whether the INPFC continued to have a significant mission to perform or should it be allowed quietly to fold up and disband. The matter was seriously considered by each of the national sections and fortunately the unanimous decision was to continue it, albeit in modified purpose as stated in the amended Convention of April 25, 1978.

The essential declaration by the three signatory nations is ". . . that the Convention has served to promote and coordinate scientific studies relating to the fishery resources of the North Pacific Ocean and its adjacent seas, and has aided in the conservation of these fishery resources."

It is this reliance on scientific data as the foundation of management decisions that is the core of the INPFC. It was not always so. The "abstention line" is unique to this Convention as a management tool. If it had not been regarded as "provisional" there would have been no need for additional scientific study. We would have had simply a legal boundary line for fishing salmon and halibut and little need for an active Commission.

It was a wise decision not to create a scientific staff attached to the Commission itself but rather to rely on the research work of scientists from the three nations. Thereby the Commission has the benefit of independent review and analysis by scientists of various interested countries.

It is well that the primary concern of fishery scientists is for the stocks and their biological survival in a complex environment. The social and economic concerns come afterwards. We thus start our management discussions from a basis of substantial concensus. Human and national interests have a proper place in management decision but it is fortunate that we have a beginning point of unity with a high degree of constancy.

The INPFC occupies a unique position as the only scheduled point of reference for scientists of the three nations in considering research findings in the North Pacific. Since more than the three treaty nations harvest in the North Pacific, it is appropriate and indeed logical that each fishing nation should be obliged to develop and furnish some information for the betterment of the fishing management.

This can be done as a condition for receiving a fishing permit within the jurisdiction of the appropriate nation. But this is not a proper substitute for the exchange of findings and judgments of scientists assembled at a common meeting time and place. Actually the INPFC is needed more than ever under extended jurisdiction. Each nation uses its own scientists in making management decisions that effect not only its own nationals but those of other countries. It is only under the INPFC that scientists of other nations can freely present and explain their findings.

This argues for more symposia with more nations involved. Such procedure would permit a smooth transition, when deemed desirable, into this international organization with broader membership contemplated under the provisions of Article III (1) b and Article IV of the Convention. With respect to the enormous field of non-anadro-

mous species of the North Pacific, only the INPFC has the authority and responsibility to do the job.

Indeed a major problem facing the Contracting Parties and the Commission today is that of how to deal with other species and with other fishing nations in the Convention area. For example, the fisheries for squid and other pelagic species by nonmembers of the INPFC create need and responsibility for research, conservation and management. In addition to the directed fisheries, there will always be concern for the impact on anadromous and other species of concern to the Commission.

Probably as a consequence of reliance on scientific research, with new problems requiring new solutions, the original legalistic approach with emphasis on a few species and concentration on technical violations has given way to a spirit of cooperation in pursuit of a common goal. We must always bear in mind that the Convention is an agreement and covenant between friends. Sensitivity, understanding, patience, tolerance, mutual respect and esteem are indispensable to continuances of a successful relationship.

In this vein, I wish to express special appreciation to the Japanese section for their cooperation in responding in recent years to the positions of the other sections by various domestic measures. The Commission is interested in results, not methodology. This is further proof that fisheries may be managed in cooperation by sovereign nations.

This spirit of flexible cooperation is demonstrated in the evolution of our meetings. They have become shorter in time but more productive in results. Much of this credit is due to the increased use of our working lunches. This permits a clear identification of any nation's concerns, followed by informal meetings where the issues may be thoroughly discussed. Final decision comes after checking back with advisers, industry representatives and, in some cases, our governments. The success of these meetings flows from the attitude of each section in being sincerely motivated to resolve issues, not evade them.

Throughout my tenure of office I have been impressed with the admirable cooperation and dedicated service from our Secretariat. Each nation has been represented in the choice of Executive Director. Never have I observed any national bias but rather a submerging of origin in the joint tasks at hand. This complete confidence in our Secretariat and in recognition of the development of the team concept, are evidenced by the general invitation to the Executive Director for his presence at the working lunches.

By our actions, we may conclude a strong endorsement of the Commission's approach to its fishery problems. This involves clearly stipulated responsibilities and agreed long-term objectives, programs and procedures. This has been happily facilitated by long-term continuity of members, scientists and advisers which stimulates understanding, friendship and mutual confidence along with a knowledge of limitations and the stability of an international treaty.

The support and success of the INPFC are in sharp contrast to the disappointing results of some attempts at bilateral accords. These frequently are ad hoc in mission and negotiated in a confrontation atmosphere by constantly changing officials. I urge that the Commission members stress to their respective governments the benefits of using the INPFC personnel and concepts even in bilateral negotiations.

This longevity in service confers great personal benefits to us all. We gain knowledge and experience useful in other forums. Above all we develop friendships which are a personal treasure.

Many of you know that Roy Jackson, a former Executive Director of the INPFC, is engaged in developing an interpretive history of the INPFC. Thank you for your assistance. Our governments, fishing industries, Commission members, scientists and advisers have great investments in the INPFC. It is only prudent to maintain and expand this cumulative wisdom and experience for future fishery management. May the future build on our work as we have on the past. Life is truly a relay race in which each runner passes on the baton to his successor.

And now it is time to say "Goodbye," but only in an official sense. I won't try to thank you by name because you are all my friends. I will never lose my interest in fishery matters because fishery people, once "hooked" stay that way the rest of their lives.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE RECEIVED DURING THE RECESS

ENROLLED JOINT RESOLUTION SIGNED

Under the authority of the order of October 9, 1984, the Secretary of the Senate, on October 10, 1984, during the recess of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 663. Joint resolution making further continuing appropriations for fiscal year 1985.

MESSAGES FROM THE HOUSE

At 5:38 p.m. a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the following bill:

H.R. 3942. An act to facilitate commercial space launches, and for other purposes

The message also announced that the House agrees to the amendments of the Senate to the following bills:

H.R. 2300. An act to provide retirement equity for former spouses of civil service retirees, and for other purposes; and

H.R. 5760. An act to declare that the United States holds in trust for the Cocopah Indian Tribe of Arizona certain land in Yuma County, Arizona.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 6027) to clarify the application of the Clayton Act to the official conduct of local governments, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. RODINO, Mr. BROOKS, Mr. EDWARDS of California, Mr. SEIBERLING, Mr. HUGHES, Mr. SYNAR, Mr. CROCKETT, Mr. SCHUMER, Mr. FEIGHAN, Mr. FISH, Mr. MOORHEAD, Mr. HYDE, Mr. SAWYER, and Mr. LUNGREN as managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 5504) to apportion funds for construction of the National System of Interstate and Defense Highways for fiscal years 1985 and 1986, to revise authorizations for mass transportation, to expand and improve the Relocation Assistance Program, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. ANDERSON, Mr. ROE, Mr. BREAUX, Mr. MINETA, Mr. LEVITAS, Mr. OBERSTAR, Mr. SNYDER, Mr. HAMMERSCHMIDT, Mr. SHUSTER, and Mr. STANGELAND as managers of the conference on the part of the House.

The message further announced that the House has passed the following bills, without amendment:

S. 2583. An act to authorize U.S. participation in the Office International de la Vigne et Vin (the International Office of the Vine and Wine); and

S. 2947. An act to designate the lock and dam on the Warrior River in Hale County, Alabama, as the "Armistead I. Selden Lock and Dam".

The message also announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 11. Concurrent resolution expressing the sense of the Congress concerning the obligations of the Government of the Soviet Union under international law with respect to human rights.

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3162. An act to name a dam on the Arkansas River, Arkansas, as the "Wilbur D. Mills Dam";

H.R. 3163. An act to name a lock and dam on the Arkansas River, Arkansas, as the "Joe Hardin Lock and Dam";

H.R. 3164. An act to name a lock and dam on the Arkansas River, Arkansas, as the "James W. Trimble Lock and Dam";

H.R. 3165. An act to name a lock and dam on the Arkansas River, Arkansas, as the "Arthur Ormond Lock and Dam";

H.R. 3166. An act to name a reservoir created by a dam on the Arkansas River, Arkansas, as the "Winthrop Rockefeller Reservoir";

H.R. 3167. An act to name a lock and dam on the Arkansas River, Arkansas, as the "Emmett Sanders Lock and Dam";

H.R. 3701. An act to designate the main channel for the project for San Leandro Marina, California, as the "Jack D. Maltester Channel" and

H.R. 5817. An act to designate the Calion Lock and Dam located on the Ouachita River, near Calion, Arkansas, as the "H.K. Thatcher Lock and Dam".

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 374. Concurrent resolution to correct technical errors in the enrollment of the bill H.R. 3942.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker has signed the following enrolled bills and joint resolutions:

S. 1688. An act to amend the act of October 18, 1972, to authorize additional authorization of appropriations for Sitka National Historical Park, Alaska.

S. 1889. An act to amend the Act authorizing the establishment of the Congaree Swamp National Monument to provide that at such time as the principal visitor center is established such center shall be designated as the "Harry R.E. Hampton Visitor Center", and for other purposes.

S. 2616. An act to revise and extend the programs of assistance under titles X and XX of the Public Health Service Act.

H.R. 437. An act for the relief of Patrick Starkie.

H.R. 932. An Act for the relief of Harry Chen Tak Wong.

H.R. 1072. An act for the relief of Margot Hogan.

H.R. 1152. An act for the relief of Tomoko Jessica Kyan.

H.R. 1426. An act for the relief of Phillip Harper.

H.R. 1713. An Act for the relief of Elizaveta Fankukhina.

H.R. 1865. An act for the relief of Nery De Maio.

H.R. 1932. An act for the relief of Mireille Laffite.

H.R. 2372. An act to recognize the organization known as the Navy Wives Clubs of America.

H.R. 2418. An act for the relief of Anis Ur Rahmaan.

H.R. 3382. An act for the relief of Dennis L. Dalton.

H.R. 3401. An act to designate the United States Post Office and Courthouse located at 245 East Capital Street in Jackson, Mississippi, as the "James O. Eastland United States Courthouse".

H.R. 3402. An act to designate that hereafter the Federal building at 100 West Capital Street in Jackson, Mississippi will be known as the Doctor A. H. McCoy Federal Building.

H.R. 4025. An act to authorize the Administrator of General Services to transfer to the Smithsonian Institution without reimbursement the General Post Office Building and the site thereof located in the District of Columbia, and for other purposes.

H.R. 4164. An act to amend the Vocational Education Act of 1963 to strengthen and expand the economic base of the Nation, develop human resources, reduce structural unemployment, increase productivity, and strenthen the Nation's defense capabilities by assisting the States to expand, improve, and update high-quality programs of vocational-technical education, and for other purposes.

H.R. 5167. An act to authorize appropriations for military functions of the Department of Defense and to prescribe military personnel levels for the Department of Defense for fiscal year 1985, to revise and improve defense procurement, compensation, and management programs, to establish new defense educational assistance programs, to authorize appropriations for national security programs of the Department of Energy, and for other purposes.

H.R. 5183. An act to direct the Secretary of Agriculture to convey certain National Forest System lands to Craig County, Virginia.

H.R. 5603. An act to revise and extend programs for persons with developmental disabilities.

H.R. 5618. An act to amend title 38, United States Code, to revise and improve Veterans' Administration health programs and to improve security and law enforcement at Veterans' Administration facilities; and for other purposes.

H.R. 5691. An act for the relief of Sutu Bungani William Beck.

H.R. 5787. An act to remove an impediment to oil and gas leasing of certain Federal lands in Corpus Christi, Texas, and Port Hueneme, California, and for other purposes.

H.R. 6206. An act relating to the water rights of the Ak-Chin Indian Community.

H.R. 6216. An act to amend the Bankruptcy Amendments and Federal Judgeship Act of 1984 to make technical corrections with respect to the retirement of certain bankruptcy judges, and for other purposes.

H.R. 6225. An act to prevent disruption of the structure and functioning of the Government by ratifying all reorganization plans as a matter of law.

H.R. 6228. An act providing for an extension until April 21, 1992, of five patents relating to oral hypoglycemic drugs of the sulfonylurea class.

H.R. 6248. An act to amend title VII of the Omnibus Crime Control and Safe Streets Act of 1968 to provide enhanced penalties for certain persons possessing firearms after three previous convictions for burglaries or robberies, and for other purposes

H.R. 6311. An act to combat international terrorism.

H.J. Res. 482. Joint resolution authorizing the Law Enforcement Officers Memorial Fund to establish a memorial in the District of Columbia or its environs.

H.J. Res. 551. Joint resolution providing for the reappointment of Anne Legendre Armstrong as a citizen regent of the Smithsonian Institution.

H.J. Res. 552. Joint resolution providing for reappointment of A. Leon Higginbotham, as a citizen regent of the Smithsonian Institution.

H.J. Res. 580. Joint resolution authorizing the Kahil Gibran Centennial Foundation to establish a memorial in the District of Columbia or its environs.

H.J. Res. 638. Joint resolution designating October 1984 as "National Head Injury Awareness Month".

H.J. Res. 655. Joint resolution designating February 16, 1985, as "Lithuanian Independence Day".

The enrolled bills and joint resolutions were subsequently signed by the President pro tempore [Mr. THURMOND].

At 6:13 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the following bill:

H.R. 1095. An act to grant a Federal charter to the 369th Veterans' Association.

The message also announced that the House has passed the following bill, without amendment:

S. 3034. An act to grant a Federal charter to the National Society, Daughters of the American Colonists.

The message further announced that the House has agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6028) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1985, and for other purposes; it recedes from its disagreement to the amendments of the Senate numbered 18, 21, 26, 31, 34, 36, 38, 40, 42, 44, 46, 48, 50, 52, 54, 56, 72, 83, 90, 95, 99, 106, 126, 136, and 182 to the bill, and agree thereto; it recedes from its disagreement to the amendments of the Senate numbered 2, 20, 11, 30, 32, 35, 37, 39, 41, 43, 45, 47, 49, 51, 53, 55, 57, 66, 68, 78, 81, 115, 116, 117, 118, 120, 121, 135, 138, 140, 141, 142, 154, 155, 173, 175, 179, and 197 to the bill, and agree thereto, each with an amendment in which it requests the concurrence of the Senate; and that it insists upon its disagreement to the amendments of the Senate numbered 101, 170, and 171 to the bill.

MEASURE PLACED ON THE CALENDAR

The Committee on Finance was discharged from the further consideration of the following bill; which was placed on the calendar:

H.R. 5189. An act to amend section 3056 of title 18, United States Code, to update the authority of the U.S. Secret Service, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The PRESIDENT pro tempore [Mr. THURMOND] announced that on today, October 10, 1984, he signed the following enrolled bills and joint resolutions, which had previously been signed by

the Speaker of the House of Representatives:

S. 607. An act to amend the Communications Act of 1934;

S. 648. An act to facilitate the exchange of certain lands in South Carolina;

S. 1102. An act to provide authorization of appropriations for title III of the Marine Protection, Research, and Sanctuaries Act of 1972, and for other purposes;

S. 1151. An act to compensate heirs of deceased Indians for improper payments from trust estates to States or political subdivisions thereof as reimbursements for old age assistance received by decedents during their lifetime;

S. 1330. An act to establish a National Council on Public Works Improvement to prepare three annual reports on the state of the Nation's infrastruture, to amend the provisions of title 31, United States Code, relating to the President's budget to require it to separately identify and summarize the capital investment expenditures of the United States, and for other purposes;

S. 1510. An act to establish uniform audit requirements for State and local governments receiving Federal financial assistance;

S. 1790. An act to authorize the Secretary of the Interior to enter into contracts or cooperative agreements with the Art Barn Association to assist in the preservation and interpretation of the Art Barn in Rock Creek Park in the District of Columbia, and for other purposes;

S. 2048. An act to provide for the establishment of the Task Force on Organ Transplantation and the Organ Procurement and Transplantation Network, to authorize financial assistance for organ procurement organizations, and for other purposes;

S. 2125. An act to designate certain national forest system lands in the State of Arkansas for inclusion in the National Wilderness Preservation System, and for other purposes;

S. 2166. An act to reauthorize and amend the Indian Health Care Improvement Act, and for other purposes;

S. 2303. An act to amend the Public Health Service Act to revise and extend the authorities of that act for assistance for alcohol and drug abuse and mental health services;

S. 2483. An act to rename Dulles International Airport in Virginia as the "Washington Dulles International Airport";

S. 2496. An act to extend the authorization of appropriations for certain education programs, and for other purposes;

S. 2663. An act pertaining to the inheritance of trust or restricted land on the Lake Traverse Indian Reservation, North Dakota and South Dakota, and for other purposes;

S. 2773. An act to designate certain National Forest System lands in the State of Georgia as wilderness, and for other purposes;

S. 2808. An act to designate certain National Forest System lands in the State of Mississippi as wilderness, and for other purposes;

S.J. Res. 80. Joint resolution to grant posthumously full rights of citizenship to William Penn and to Hannah Callowhill Penn;

S.J. Res. 273. Joint resolution to designate the week of October 7, 1984, through October 13, 1984, as "Smokey Bear Week"; and

H.J. Res. 663. Joint resolution making further continuing appropriations for fiscal year 1985.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The Secretary reported that on today, October 10, 1984, he had presented to the President of the United States the following enrolled bills and joint resolutions:

S. 607. An Act to amend the Communications Act of 1934;

S. 648. An Act to facilitate the exchange of certain lands in South Carolina;

S. 1102. An Act to provide authorization of appropriations for title III of the Marine Protection, Research, and Sanctuaries Act of 1972, and for other purposes;

S. 1151. An Act to compensate heirs of deceased Indians for improper payments from trust estates to States or political subdivisions thereof as reimbursements for old age assistance received by decedents during their lifetime;

S. 1330. An Act to establish a National Council on Public Works Improvement to prepare three annual reports on the state of the Nation's infrastructure, to amend the provisions of title 31, United States Code, relating to the President's budget to require it to separately identify and summarize the capital investment expenditures of the United States, and for other purposes;

S. 1510. An Act to establish uniform audit requirements for State and local governments receiving Federal financial assistance;

S. 1790. An Act to authorize the Secretary of the Interior to enter into contracts of cooperative agreements with the Art Barn Association to assist in the preservation of the Art Barn in Rock Creek Park in the District of Columbia, and for other purposes.

S. 2048. An act to provide for the establishment of the Task Force on Organ Transplantation and the Organ Procurement and Transplantation Network, to authorize financial assistance for organ procurement organizations, and for other purposes;

S. 2125. An act to designate certain national forest system lands in the State of Arkansas for inclusion in the National Wilderness Preservation System, and for other purposes;

S. 2166. An act to reauthorize and amend the Indian Health Care Improvement Act, and for other purposes;

S. 2303. An act to amend the Public Health Service Act to revise and extend the authorities of that act for assistance for alcohol and drug abuse and mental health services;

S. 2483. An act to rename Dulles International Airport in Virginia as the "Washington Dulles International Airport";

S. 2496. An act to extend the authorization of appropriations for certain education programs, and for other purposes;

S. 2663. An act to the inheritance of trust or restricted land on the Lake Traverse Indian Reservation, North Dakota and South Dakota, and for other purposes;

S. 2773. An act to designate certain National Forest System lands in the State of Georgia as wilderness, and for other purposes;

S. 2808. An act to designate certain National Forest System lands in the State of Mississippi as wilderness, and for other purposes;

S.J. Res. 80. Joint resolution to grant posthumously full rights of citizenship to William Penn and to Hannah Callowhill Penn; and

S.J. Res. 273. Joint resolution to designate the week of October 7, 1984, through October 13, 1984, as "Smokey Bear Week."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GOLDWATER, from the Select Committee on Intelligence Report to the Senate of the Select Committee on Intelligence for the period January 1, 1983, through December 31. 1984 (with additional views) (Rept. No. 98-665).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources:

Faye S. Howell, of Georgia, to be a Member of the National Museum Services Board for the remainder of the term expiring December 6, 1986; and

Richard J. Herczog, of California, to be a Member of the National Museum Services Board for a term expiring December 6, 1988.

(The above nominations were reported from the Committee on Labor and Human Resources with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BIDEN:

S. 3081. A bill to provide greater protection from civil liability for Federal law enforcement and investigative officers; to the Committee on the Judiciary.

S. 3082. A bill to provide financial assistance to institutions of higher education for partnership programs with business concerns for basic research in new technology; to the Committee on Labor and Human Resources.

By Mr. BAKER:

S. 3083. A bill to amend the Land and Water Conservation Fund Act of 1965 and the National Historic Preservation Act to include certain provisions related to the conversion of these funds to trust funds; to the Committee on Energy and Natural Resources.

By Mr. MOYNIHAN:

S. 3084. A bill to amend part A of title IV of the Social Security Act to provide for grants to States for programs to assist pregnant teenagers and teenage mothers who might otherwise become long-term recipients of aid to families with dependant children: to the Committee on Finance.

By Mr. MATHIAS:

S. 3085. A bill to amend the patent laws implementing the Patent Cooperation Treaty; to the Committee on the Judiciary.

By Mr. CHAFEE:

S. 3086. A bill to require the National Institute of Child Health and Human Development of the National Institutes of Health to conduct research on, and develop, human contraceptives; to the Committee on Labor and Human Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BYRD:

S. Res. 477. Resolution relating to the original location of the Library of Congress; placed on the calendar.

By Mr. BAKER (for Mr. DOLE):

S. Con Res. 154. Concurrent resolution authorizing changes in the enrollment of H.R. 6163; considered and agreed to.

By Mr. BAKER (for himself, Mr. DODD, Mr. PROXMIRE, Mr. PELL, Mr. BOSCHWITZ, Mr. HELMS, and Mr. LEVIN):

S. Res. 478. An Executive resolution expressing the sense of the Senate in support of the principles contained in the Convention against Genocide.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BIDEN:

S. 3081. A bill to provide greater protection from civil liability for Federal law enforcement and investigative officers; to the Committee on the Judiciary.

LAW ENFORCEMENT AND INVESTIGATIVE OFFICERS CIVIL LIABILITY PROTECTION ACT

● Mr. BIDEN. Mr. President, today I am introducing legislation which will provide greater protection from civil liability for Federal law enforcement and investigative officers as they do their jobs. Also, this bill expands the responsibility and liability of the Government to the victims of wrongful conduct. This bill has been the subject of discussion for some time.

Ever since 1971 when the Supreme Court handed down its decision in the case of Bivens against Six Unknown Named Narcotics Agents the Department of Justice and several of us on the committee have been grappling with the difficult question of the scope of the Federal Government's liability for the acts of its law enforcement officials. In that case the Court decided that even though Congress never had created a specific remedy in statute that the victim of an unconstitutional action by a Federal law enforcement official had a cause of action against the official or agent in their personal capacity.

The Supreme Court decision does not affect the liability of the Government per se which is immune from suit through the doctrine of sovereign immunity. Of course, Congress can waive the doctrine as it has for certain torts—for example, a postman running into a pedestrian—in the Federal Torts Claims Act. Congress has never amended the act to cover all the so-called constitutional torts covered by the Bivens case.

So the present state of the law creates the following rather anomalous situation. The victim of an illegal or unconstitutional search can sue the agent for a violation of his fourth amendment rights but cannot sue the Government itself pursuant to whose authority the search was conducted. The victim usually does not want to sue the agent because, first the agent does not have the resources to pay the damages and furthermore there is a certain injustice in suing the agent who was probably acting pursuant to orders from higher authority in the Government.

The solution satisfies no one. The victims do not have a defendant with resources to sue. The agents and their families are traumatized by the prospect of civil liability for any action they take and since the Government will not take responsibility for the agents, the agents have to carry huge liability insurance policies even after they leave Government service. The Government, in particular the law enforcement agencies, face severe morale problems among their employees so they have difficulty performing their functions.

A number of us here on the committee and representatives of the Department of Justice have been working for the past year in attempting to develop a scheme which would more equitably share the burden for this problem among the affected parties. One thing everybody working on this problem seems to agree on is that it is unfair, especially in the law enforcement situation, for the agents themselves to have any liability, except perhaps in the most extreme situation. Therefore, all of the major proposals would create immunity for the agents themselves and shift all the liability onto the Federal Government through amendments to the Federal Torts Claims Act. The disagreement occurs over the question of the scope of the Federal Government's liability for the acts of its agents when they violate the Constitution. I proposed a scheme for such liability for law enforcement violations of the Constitution which the committee endorsed last summer.

In essence the committee proposal totally immunized Federal law enforcement officials from suit. But it also provided that the Government is liable for the costs of bodily injury and property damages or liquidated damages of up to $2,000 whichever is greater but if the employee was not acting in good faith and the tort is a continuing tort such as wiretapping, the damages could be as much as $200 per day up to $75,000 or in malicious situation damages as high as $100,000.

Now we understand the Department is unhappy with the committee's proposal. The disagreement seems to be over two things:

First, the Department of Justice while initially agreeing with that scheme decided that they did not like the liquidated damages provisions even for law enforcement and an attorneys' fee provision.

Second, and even more important, while they could agree upon such a scheme applying to torts committed in the law enforcement area and even the investigative area they had doubts that there should be governmental liability for the nonlaw enforcement agencies—for example, OSHA or Agriculture Department inspectors.

Meanwhile key Members of the House of Representatives apparently have taken a much more liberal approach to this problem. While they are also willing to totally immunize the law enforcement agents apparently they will not process any legislation that doesn't make the Government totally liable to victims no matter whether the agent acts in good or bad faith.

Furthermore, the Chief Justice in his concurring opinion in the Bivens case points out the necessary relationship between the torts claims problem and constitutional torts and the exclusionary rule. The purpose of the exclusionary rule is to provide some remedy by the citizen against the Government for violations of the Constitution by excluding illegally seized evidence. Of course the problem is that the exclusionary rule satisfies no one but the criminal and doesn't help the innocent victims of a law enforcement abuse. As the Chief Justice points out if Congress would create a tort claims scheme as an alternative to the exclusionary rule, then it might be possible to modify the rule itself.

Therefore, once again, we seem to be at an impasse on an issue of tremendous importance to the law enforcement, investigative, and civil liberties community. The tragedy is there really is no need for the continued intransigence of both sides. Indeed if the law enforcement and investigative officers and their families on the one hand and the victims of Government abuses on the other were to fashion a remedy, I firmly believe they would agree on something like my bill.

The real problem is the traditional Department of Justice position that we must solve not only the law enforcement problems but every other tort liability issue raised by Bivens. This was illustrated in the answers Mr. Meese gave me to questions on this matter in his nomination hearings. I had hoped he would share my view that for the sake of law enforcement officers, their families, victims of law enforcement mistakes, and in laying the groundwork for changing the exclusionary rule, he would take a fresh look at this problem. Instead he simply repeated the traditional Department of Justice line:

Mr. BIDEN. Since we are apparently very close to agreement on the question of law enforcement agency liability, perhaps we

should deal with that problem first and leave the question of the Federal Government's liability to small businesses for abusive OSHA or EEOC inspectors for later. Do you agree?

Mr. MEESE. I understand that the Department's position is that the question of Government liability should be considered as a unitary issue, especially since there continues to be disagreement over what is a law enforcement issue and what is a non-law-enforcement issue. In other words, the problem and the issues are Governmentwide and must be dealt with in order to create a structure that is workable and consistent as a whole.

In the long run a unitary solution might be desirable. However, my theory of legislating is that you agree on what you can agree on now, move on that, and then save the areas of disagreement for later negotiations. This is the approach that has gotten us so far along in the Senate on the rest of the crime package and I don't see why it wouldn't work here.

To be specific, I want to take care of DEA, FBI, and investigative officers, and victims of law enforcement and investigative mistakes now since we've worked out a scheme for resolving those problems. Quite frankly, I don't understand why this administration would want to place greater limitations upon the ability of a small businessman to recover from the Federal Government for the actions of an abusive OSHA or EEOC inspector. But if the administration insists I propose that we take care of the FBI, DEA, and CIA problems today and leave the OSHA and EEOC-type problems for later. That's exactly what my bill would do.

I might add in conclusion that this bill is not perfect even on the law enforcement issue. I would like to see some more equitable arrangement for damages and attorney's fees established. But I intend to continue to pursue this issue as we consider the bill. I respectfully suggest to Senator GRASSLEY and the Department of Justice that this draft would be a good place to begin next year in committee on this long overdue reform.

I ask unanimous consent that the questions on this matter I put to Mr. Meese in his nomination hearings and his answers and a copy of our bill be reprinted at this point in the CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 3081

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, This act may be cited as "The Law Enforcement and Investigative Officers Civil Liability Protection Act of 1984."

SEC. 2. Subsection (b) of section 1346 of title 28, United States Code, is amended—

(1) by inserting "(1)" after "jurisdiction of"; and

(2) by inserting before the period at the end thereof the following: "or (2) civil actions on claims against the United States for money damages, for injury or loss of property, or personal injury or death, caused by an act or omission of an investigative or law enforcement officer in violation of the Constitution of the United States, while acting within the scope of his office as an investigative or law enforcement officer, such liability to be determined in accordance with applicable Federal law".

SEC. 3. Subsection 2671 of title 28, United States Code, is amended by adding at the end thereof the following:

" 'Investigative or law enforcement officer' means any officer or employee of the United States, other than an officer or employee while engaged in conduct absolutely immune from personal civil liability under the Constitution or laws of the United States who is authorized by law to execute searches, to seize evidence, or to make arrests for, or engage in the detection, investigation, or prosecution of, any violation of Federal criminal law, or the supervision thereof, and was engaged in the enforcement of Federal criminal law at the time of the alleged tortious conduct.".

SEC. 4. (a) Section 2672 of title 28, United States Code, is amended in the first paragraph—

(1) by inserting "(1)" after "United States" the first place it appears;

(2) by inserting before the colon after "occurred" the following: ", or (2) for claims for money damages arising under the Constitution of the United States for injury or loss of property, or personal injury or death, caused by an act or omission of any investigative or law enforcement officer of the Government while acting within the scope of his office or employment as an investigative or law enforcement officer, such liability to be determined in accordance with applicable Federal law"; and

(3) by striking out "$25,000" and inserting in lieu thereof "$50,000 or any award, compromise, or settlement based on a claim arising under the Constitution of the United States".

(b) Section 2672 of title 28, United States Code, is amended in the third paragraph by—

(1) striking out "made by the Attorney General" and inserting in lieu thereof "made or approved by the Attorney General"; and

(2) striking out "pursuant to section" in the second sentence and inserting in lieu thereof "pursuant to this section or section".

SEC. 1304. Section 2674 of title 28, United States Code, is amended—

(1) by inserting "(a)(1)" before "The United States" in the first paragraph;

(2) by inserting after "tort claims" in the first paragraph "other than those arising under the Constitution of the United States";

(3) by inserting "(2)" before "If," in the second paragraph; and

(4) by adding at the end thereof the following new subsection:

"(b)(1) The United States shall be liable, respecting the provisions of this title relating to claims arising under the Constitution of the United States, for injury or loss of property, or personal injury or death, caused by an act or omission of an investigative or law enforcement officer in violation of the Constitution of the United States while acting within the scope of his office or employment as an investigative or law enforcement officer, and, except as otherwise provided in paragraph (2)(A), shall be entitled to all defenses heretofore available to an employee of the United States and to which the United States would otherwise be entitled. The United States shall not be liable for interest prior to judgment or for punitive damages.

"(2) In a case against the United States under paragraph (1), damages—

"(A) based on an act or omission which violates the Constitution of the United States, but which does not violate clearly established constitutional rights of which a reasonable person in the position of the officer would have known, shall be actual pecuniary expenses resulting from personal injury or property damage;

"(B) based on an act or omission which violates clearly established rights of which a reasonable person in the position of the officer would have known, shall be the greater of—

"(i) actual damages; or

"(ii) liquidated damages of up to $2,000;

"(C) based on continuing conduct of the type described in subparagraph (B) of this paragraph, shall be the greater of—

"(i) actual damages;

"(ii) $200 a day for each day of the violation, not to exceed $75,000; or

"(iii) liquidated damages of up to $2,000; or

"(D) based on conduct constituting a substantial violation of the Constitution engaged in with the intent to deprive, or in reckless disregard of depriving the plaintiff of such a right, may be awarded, in addition to damages otherwise authorized under subparagraph (B) or (C), an amount not to exceed $100,000.

"(3) In any case in which the court awards damages under subparagraph (B) or (C) of paragraph (2), the court may also award reasonable attorneys' fees and other expenses reasonably incurred, as defined in section 2412(d)(2)(A) of this title, up to an amount equal to one-third of the damages awarded, or $100,000, whichever is less. If the court determines that a case is frivolous or was brought in bad faith, the United States shall be awarded reasonable attorneys' fees and other expenses.

"(4) In the event a court awards damages under paragraph (2)(A), the Attorney General shall not report the judgment to the head of the department or agency which employed such person, as required in section 2679(f).".

SEC. 5. Subsection (a) of section 2675 of title 28, United States Code, is amended by inserting after "office or employment" in the first sentence, the following: "or upon a claim against the United States for money damages for injury or loss of property, or personal injury or death, caused by an act or omission of an investigative or law enforcement officer in violation of the Constitution of the United States while acting within the scope of his office or employment as an investigative or law enforcement officer".

SEC. 6. (a) Subsection (b) of section 2679 of title 28, United States Code, is amended to read as follows:

"(b) The remedy against the United States provided by sections 1346(b) and 2672 of this title for claims for injury to, or loss of property, or personal injury or death resulting from the negligent or wrongful act or omission of any employee of the Government while acting within the scope of his office or employment and for claims arising under the Constitution of the United States for an act or omission of an investigative or law enforcement officer while acting within

the scope of his office or employment as an investigative or law enforcement officer, is exclusive of any other civil action or proceeding arising out of or relating to the same subject matter against the employee whose act or omission gave rise to the claim, or against the estate of such employee, and shall also be deemed an equally effective substitute for any recovery in an action brought directly under the Constitution against the employee in his individual capacity.".

(b) Subsection (d) of section 2679 of title 28, United States Code, is amended to read as follows:

"(d)(1) Upon certification by the Attorney General that the defendant employee was acting within the scope of his office or employment at the time of the incident out of which the action arose, any such civil action or proceeding commenced in a United States district court shall be deemed an action against the United States under the provisions of this title and all reference thereto, and the United States shall be substituted as the party defendant. After substitution, the United States shall have available all defenses heretofore available to the employee and all defenses to which it would have been entitled if the action had originally been commenced against the United States under this chapter and section 1346(b) of this title.

"(2) Upon certification by the Attorney General that the defendant employee was acting within the scope of his office or employment at the time of the incident out of which the action arose, any such civil action or proceeding commenced in a State court shall be removed, without bond, by the Attorney General at any time before trial, to the district court of the United States for the district and division embracing the place wherein the civil action or proceeding is pending. Such action shall be deemed an action brought against the United States under the provisions of this title and all references thereto, and the United States shall be substituted as the party defendant. After substitution, the United States shall have available all defenses heretofore available to the employee and all defenses to which it would have been entitled if the action had originally been commenced against the United States under this chapter and section 1346(b) of this title. The certification by the Attorney General shall conclusively establish scope of office or employment for purposes of removal.

"(3) The certification by the Attorney General under paragraph (1) or (2) that the defendant employee was acting within the scope of his office or employment shall be binding and conclusive, except that in the event the Attorney General has not certified scope of office or employment, the employee may at any time before trial, petition the court to find and certify that the employee was acting within the scope of his office or employment. A copy of the petition shall be served upon the United States in accordance with the provisions of Rule 4(d)(4) of the Federal Rules of Civil Procedure. In the event the petition is filed in a civil action or proceeding pending in a State court, the action or proceeding shall be removed without bond by the Attorney General to the district court of the United States for the district and division embracing the place wherein such civil action or proceeding is pending. Should the district court determine that the employee was not acting within the scope of his office or employment, the action or proceeding shall be remanded to the State court.

"(4) Where a civil action or proceeding under this chapter is precluded because of the availability of a remedy, compensation, or other benefits from the United States as provided by any other law, the action or proceeding shall be dismissed, but in that event, the running of any limitation of time for commencing or filing an application or claim in a proceeding for any such other remedy, compensation, or benefits shall be suspended during the pendency of the civil action or administrative proceeding under this chapter.

"(5) Whenever an action brought against a defendant employee in which the United States is substituted as the party defendant under this subsection is dismissed for failure first to present a claim to the appropriate Federal agency pursuant to section 2675(a), the claim shall be deemed to be timely presented under section 2401(b), if (A) the claim would have been timely if filed on the date the action against the defendant employee was commenced, and (B) the claim is presented to the appropriate Federal agency within sixty days after the date of the dismissal of the action.".

(c) Section 2679 of title 28, United States Code, is amended by adding at the end thereof the following:

"(f) If a civil action or proceeding under section 1346(b) or 2672 of this title arising under the Constitution of the United States results in a judgment against the United States or an award, compromise, or settlement paid by the United States, the Attorney General shall forward the matter to the head of the department or agency employing such employee at the time of the act or omission, for such further administrative investigation or disciplinary action as may be appropriate.

"(g) The head of an agency or his designee may, to the extent that he or his designee deems appropriate, hold harmless or provide liability insurance for any person described in subsection (b), for damages for personal injury, including death, caused by such person's negligent or wrongful act or omission while acting within the scope of such person's office or employment.".

SEC. 7. (a) Section 2680 of title 28, United States Code, is amended—

(1) by striking out the section heading and inserting in lieu thereof the following:

"§ 2680. Exceptions; claims not arising under the Constitution of the United States";

(2) by inserting ", relating to claims other than those arising under the Constitution of the United States," after "of this title" the first place it appears; and

(3) by amending subsection (h) to read as follows:

"(h) Any claim arising out of libel, slander, misrepresentation, deceit, or interference with contract rights.".

(b) The item relating to section 2680 in the table of sections for chapter 171 of title 28, United States Code, is amended to read as follows:

"2680. Exceptions; claims not arising under the Constitution of the United States.".

SEC. 8. (a) Chapter 171 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 2681. Exceptions; claims arising under the Constitution of the United States

"The provisions of this chapter and of section 1346(b) of this title which relate to claims arising under the Constitution of the United States shall not apply to actions arising from the activities of the Tennessee Valley Authority, the Panama Canal Company, a Federal land bank, a Federal intermediate credit bank, or a bank for cooperatives.".

(b) The table of sections for chapter 171 of title 28, United States Code, is amended by adding at the end thereof the following new item:

"2681. Exceptions; claims arising under the Constitution of the United States.".

SEC. 9. (a)(1) Subsections (a) through (d) of section 4116 of title 38, United States Code, and all references to such subsections are repealed.

(2) Subsection (e) of such section is amended—

(A) by striking out "(e)";

(B) by striking out "person to whom the immunity provisions of this section apply (as described in subsection (a) of this section)," and inserting in lieu thereof "employee of the Veterans' Administration"; and

(C) by striking out "Department of Medicine and Surgery" and inserting in lieu thereof "Veterans' Administration".

(b)(1) Subsections (a) through (e) of section 224 of the Public Health Service Act (42 U.S.C. 233) and all references to such subsections are repealed.

(2) Subsection (f) of such section 224 is amended by striking out "(f)".

(c)(1) Subsections (a) through (e) of section 1089 of title 10, United States Code, and all references to such section are repealed.

(2) Subsection (f) of such section 1089 is amended by striking out "person described in subsection (a)" and inserting in lieu thereof "employee of the armed forces, the Department of Defense, the United States Soldiers' and Airmen's Home, or the Central Intelligence Agency".

(3) Subsection (g) of such section 1089 is amended—

(A) by striking out "and" at the end of clause (2);

(B) by redesignating clause (3) as clause (4); and

(C) by inserting after clause (2) the following new clause:

"(3) the Governor of the United States Soldiers' and Airmen's Home, in the case of an employee of the United States Soldiers' and Airmen's Home; and".

(4) Subsections (f) and (g) of such section 1089 are redesignated as subsections (a) and (b), respectively.

(d)(1) Subsections (a) through (e) of section 307 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2458a), and all references to such subsections are repealed.

(2) Subsection (f) of such section 307 is amended—

(A) by striking out "(f)"; and

(B) by striking out "person described in subsection (a)" and inserting in lieu thereof "employee of the National Aeronautics and Space Administration".

(e)(1) Subsection (a) through (e) of section 30 of the State Department Basic Authorities Act of 1945 (22 U.S.C. 2702) are repealed.

(2) Subsection (f) of such section 30 is amended by striking out "person to whom the immunity provisions of subsection (a) of this section apply," and inserting in lieu thereof "employee of the Department of State."

(3) Subsections (f) and (g) of such section 30 are redesignated as subsection (a) and (b), respectively.

SEC. 10. (a) Except as provided in subsection (b), the amendments made by this title shall apply to all claims, civil actions and proceedings pending on, or filed on or after, the date of enactment of this title.

(b)(1) With respect to any civil action or proceeding pending on the date of enactment of this title against a Federal employee in his individual capacity, the plaintiff may, upon timely demand, (A) retain his right to a trial by jury if the demand for trial by jury is made prior to or on the date of enactment of this title, or (B) elect a trial by jury if the time for election of a trial by jury pursuant to applicable law has not expired as of the date of enactment of this title, except that the provisions of section 2674(b) of title 28 of the United States Code, as added by section 1305 of this title, which relate to liquidated damages, shall not apply.

(2) With respect to any civil action or proceeding—

(A) which is on appeal against a Federal employee in his individual capacity, or

(b) which is pending in a State court against a Federal employee in his individual capacity,

in which the time for removal pursuant to section 2679(d) of title 28 of the United States Code has expired, the amendments made by this title shall not apply, except that the United States shall be substituted for the defendant employee upon certification by the Attorney General that the defendant employee was acting within the scope of his office or employment at the time of the incident out of which the action or proceeding arose.

(3) The provisions of section 2675(a) of title 28 of the United States Code shall not apply to a civil action or proceeding against a Federal employee in his individual capacity pending on the date of enactment of this title, if the provisions of such section 2675(a) were inapplicable to the action or proceeding when such action or proceeding was filed.

QUESTIONS PROPOUNDED BY SENATOR BIDEN TO EDWIN MEESE AT THE NOMINATION HEARINGS

Mr. BIDEN. Don't you think it's unfortunate that agents and employees continue to be liable for their acts just because we can't agree about the scope of liability of the Federal Government?

Mr. MEESE. Of course it is unfortunate. However, since the purpose of the Department's proposal is to substitute the liability of the Federal Government for that of its employees, the question of the scope of the Federal Government's liability is an important one, as is the ability of the individual employee to vindicate the challenged conduct in the course of the trial.

Mr. BIDEN. Since we are apparently very close to agreement on the question of law enforcement agency liability, perhaps we should deal with that problem first and leave the question of the Federal Government's liability to small businesses for abusive OSHA or EEOC inspectors for later. Do you agree?

Mr. MEESE. I understand that the Department's position is that the question of Government liability should be considered as a unitary issue, especially since there continues to be disagreement over what is a law enforcement issue and what is a non-law-enforcement issue. In other words, the problem and the issues are Governmentwide and must be dealt with in order to create a structure that is workable and consistent as a whole.

Mr. BIDEN. Indeed why should there be any limitation upon the Government's liability to a small business for the acts of the Federal Government through its agents?

Mr. MEESE. The identity of the plaintiff is not an unimportant matter but the question that remains continues to be the most important one, and that is what is to be the liability of the substituted defendant, the Federal Government. Certainly there should be no specifically imposed limitation where Government conduct has been proven by the plaintiff to have been unreasonable.

Mr. BIDEN. I would be willing to place limitations upon damages in that situation similar to law enforcement and indeed perhaps even say that where an OSHA or EEOC inspector acts in violation of the Constitution but in reasonable though mistaken belief that he was acting within the Constitution that the Government would only be liable if the violation was one that arose under the fourth amendment. I think that that scheme recognizes that the typical violation of a small businessperson's constitutional right would be some unconstitutional invasion of his privacy (illegal seizure of his records). Do you think that that is a way out of this impasse?

Mr. MEESE. The Department of Justice is willing to consider any reasonable proposal. Obviously, much will depend on how we define the violation. We also must remember that one of the purposes of the Department's bill is to eliminate or reduce the volume of litigation—litigation that is expensive for both the plaintiff, the defendant, and the Government. This concern of reducing litigation places a further premium on the need for precise definition of causes of action and limitations on damages.

Mr. BIDEN. Don't you agree that we owe it to law enforcement agents and their families to resolve this question immediately? And don't we owe it to small businesspeople to do so in a manner that doesn't jeopardize their ability to get satisfaction from the Federal Government for abusive bureaucrats?

Mr. MEESE. I could not agree with you more, and I think that the proposals which the Department has been submitting over the years demonstrate that the Department of Justice agrees with you.

Mr. BIDEN. Finally don't you agree that any repeal or modification of the exclusionary rule would fare better in the Supreme Court if some type of tort claims scheme like we have been talking about was in place when the Supreme Court reviews that legislation?

Mr. MEESE. Without attempting to predict what concepts and factors the Supreme Court will consider pivotal, the existence of a system of meaningful tort remedies is certainly in the public interest for the very reasons articulated in the Congress by you and others.●

By Mr. BIDEN:

S. 3082. A bill to provide financial assistance to institutions of higher education for partnership programs with business concerns for basic research in new technology; to the Committee on Labor and Human Resources.

PARTNERSHIPS IN RESEARCH ACT

● Mr. BIDEN. Mr. President, today I am introducing legislation to address one of the most pressing needs we will face in the future: the need for business, government, and education to work together on the crucial research that will ensure America's role as the world's technological leader into the next century.

In political campaigns of recent years, much rhetoric has been devoted to the need for business, government, and education to work together on research and training programs. There is no doubt that the rhetoric is right on target, and with initiatives such as the Job Training Partnership Act and the recently enacted math-science bill, we have started to make inroads. But action continues to lag behind words—more needs to be done lest we lose our technological edge.

The impetus for this legislation comes from the distinguished president of the University of Delaware Dr. Art Trabant, and one of his colleagues on the faculty of the university, Dr. Bob Varrin. I ask unanimous consent that a brief summary of their original proposal be printed in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

A PROPOSAL TO INCREASE RESEARCH AND IMPROVE THE NATION'S ECONOMIC VITALITY

Although industry has traditionally done most of the development work involved in technological innovation, the nation's universities have played a critical role in the basic research leading to this innovation. The universities, however, do not have the financial support necessary to maintain the research effort essential for continued productivity and innovation. It is proposed, therefore, that the partnership among government, industries, and universities be strengthened through a Federal program to support new research at the nation's land grant colleges and universities in cooperation with private industries and businesses.

Under the proposed plan, the Federal government would allocate up to a million dollars per year per university for a total of 50 million per year to match dollars for university research projects sponsored by industrial and business concerns. Technological development is of increasing economic importance to our nation, and such a program would stimulate the growth of businesses and industries devoted to technological innovation. The financial support engendered by this program would augment the educational and research capabilities of the nation's universities, enabling them to attract new high-technology research and business activities to their locales.

The cooperative research programs resulting from this increased association between the academic and the private sectors would afford several benefits: The first and most important is increased national productivity through innovation. The plan would also enhance the potential for industries to locate research and development labs as well as production facilities near the universities with which they are cooperating. These activities would create employment opportunities and thereby stimulate the local economics. Because this proposed research partnership would apply only to new cooperative research as opposed to existing

university/industry ties, it would result in the creation of new wealth for the Nation. And in addition to helping the economy, such a plan would also contribute to the training of scientific manpower.

The need for effective communication and cooperation between scientists in universities and those in industries continues to grow. If implemented, this proposed plan will strengthen the ties between universities and industries and encourage the growth of the high-technology innovation that is essential to our Nation's future.

Mr. BIDEN. Mr. President, my legislation would establish a 3-year demonstration program through which the essential partnership between business and education can be solidified. This would be accomplished by a program of matching Federal grants to universities conducting research funded by private business. Too often, projects of this kind have been put off due to lack of funds. Such delays and cancellations run directly counter to the national interest in a strong research effort.

My legislation authorizes $50 million for each of the 3 years. The National Science Foundation will publish each year a list of new technologies, with projects in areas appearing on this list being eligible for funding.

The bill specifically prohibits any university from receiving funds for projects that were on track prior to enactment of this legislation. Only research into new technologies as defined by the National Science Foundation will be eligible to receive grants.

In addition, there will be a limit on the amount that can be given to any university in a single year—2 percent or $1 million—in order to ensure equitable distribution of funds. Finally, in no case can the Federal share of the funds expended on any project exceed 50 percent of the cost of the project, and the university will have to certify as part of its application that the project would not occur at all if not for the Federal help.

Mr. President, technological innovation is a crucial key to our survival and success as a nation in the next century. We have a national interest in seeing to it that the two most powerful forces for innovation in this country—business and education—are able to work together effectively.●

By Mr. BAKER:

S. 3083. A bill to amend the Land and Water Conservation Fund Act of 1965 and the National Historic Preservation Act to include certain provisions related to the conservation of these funds to trust funds; to the Committee on Energy and Natural Resources.

LAND AND WATER CONSERVATION FUND ACT AMENDMENTS

Mr. BAKER. Mr. President, it is with no small degree of melancholy that I rise to introduce my last bill. I remember clearly the first bill I introduced, and although that was nearly 18 years ago, it seems like it was only yesterday. A lot of water is over the dam since that time and many bills which I introduced, as well. Some went on through the process to become public law and to leave, I hope, some imprint on public policy and well-being. Others were not so well conceived nor fortunate and were relegated to the ash heap of obscurity. But Mr. President, no bill which I have introduced during my tenure in the Senate has ever carried a greater moral imperative than that which I introduce today.

This bill would amend the Land and Water Conservation Fund Act of 1965 and the National Historic Preservation Act to include certain provisions related to the conversion of these funds to trust funds. It is short in length but broad in scope. Its intent is to preserve some small degree of our Nation's endowment for future generations through a setting aside of the proceeds we realize by sale and development of America's natural resources.

Congress originally established these two funds for the purpose of preserving land resources and making them available for public use and recreational enjoyment, and for preserving our historical heritage. Most of the funding is drawn from Outer Continental Shelf receipts, on the theory that as the Nation depletes its nonrenewable oil and gas reserves, a fraction of the value gained from that development should be dedicated to reinvestment for public benefit in the form of purchasing and preserving other important resources. In this manner may be preserved important elements of America's natural and historic heritage.

Over the years, it has usually been the case that Congress' appropriations from the funds have been less than the amount deposited thereto, with the result that the funds have accumulated an unappropriated balance approaching $5 billion. The primary purpose of this bill would be to require that the unappropriated balance of these two funds be invested at all times so as to earn interest. The bill provides that this balance would remain intact, with only the interest earned therefrom in the previous year and the income to the funds from OCS receipts for the current year subject to appropriation. Amounts not appropriated from those available moneys would be added to the corpus of the funds which would accordingly increase the amount of interest income available for appropriation in the succeeding year. In order to safeguard Congress' constitutionally endowed power of the purse, the bill provides that all interest income be available for appropriations after 1991.

Mr. President, this bill is intended as a companion measure to H.R. 5090, jointly introduced in the House by Congressman LUJAN and Congressman UDALL on March 8 of this year. I have waited until this late date to introduce the Senate version, which is identical, because frankly, our budgetary health in this country is not good. In that this proposal creates an additional debit on the national balance sheet, it is unlikely to be well received this year. But Mr. President, our economy is strong and expanding, and I firmly believe that the top priority of the next administration, be it Republican or Democrat, will be deficit reduction. These deficits will not persist, and at such time that the budget is brought into balance, I sincerely hope that this idea will receive a fair hearing.

Although the ideas represented in this bill have been discussed and debated in the Senate as well as in other institutions in the past, I would like to commend two gentlemen who have worked long and hard to bring this concept to legislative form. Mr. John Dane, of the Department of Interior's heritage conservation and recreation service, and Mr. Charles Howell III, the commissioner of the Department of Conservation of the State of Tennessee, have, through forceful and persuasive advocacy, caused this bill to materialize, and I thank and congratulate them for their persistence.

Mr. President, while there are already several existing "trust funds" established by Federal law, I believe that this bill provides for these two funds to become pure trusts in the true sense of that term. We thus would take one further step toward securing the protection of the great natural and historic heritage of our Nation. President Theodore Roosevelt said, "It is safe to say that the prosperity of our people depends directly on the energy and intelligence with which our natural resources are used. It is equally clear that these resources are the final basis of national power and perpetuity." We may ignore his admonition only at our peril.

By Mr. MOYNIHAN:

S. 3084. A bill to amend part A of title IV of the Social Security Act to provide for grants to States for programs to assist pregnant teenagers and teenage mothers who might otherwise become long-term recipients of aid to families with dependent children; to the Committee on Finance.

TEENAGE PREGNANCY

● Mr. MOYNIHAN. Mr. President, I rise today to introduce legislation on a matter of grave concern, the long-term welfare dependency of families headed by teenage mothers. My measure is designed to provide assistance and services to help these young mothers remain in school or find employment. The legislation would support a package of particular services—child care,

employment training, job placement, and academic and vocational education—that are the essential components of any effort to avert long-term welfare dependency and encourage greater self-sufficiency in teenage parents.

The problems of teenage pregnancy have reached shocking proportions. In 1981, nearly half of all births to women under 20 were out of wedlock—a 58-percent increase since 1970, when 31.5 percent of all births to teenagers were out of wedlock. In two decades, the number of out-of-wedlock births to teenage mothers increased 2.5 times—from less than 100,000 births in 1960 to more than 250,000 in 1979.

We can no longer avoid recognizing the serious health, social, and economic consequences associated with child birth at a young age. We long have been aware of the health risks affecting both teenage mothers and their children. Maternal mortality rates among teenage mothers, especially among mothers under the age of 15, are higher than those among women who bear children in their twenties: In 1977-78, the maternal death rate among mothers under age 15 was 18 per 100,000 live births—fully 2½ times that of mothers aged 20 to 24. Low infant birth weight, which we know to be strongly associated with infant mortality occurs most often in the babies of teen mothers, as they are less likely than others to receive early prenatal care. Teen mothers aged 15 or younger are fully twice as likely to give birth to low-weight babies, than are mothers aged 20 to 24. The National Center for Health Statistics reports that in 1980, only about half of teen mothers between the ages of 15 and 19 received any prenatal care in the first 3 months of their pregnancies. All the more distressing, just one-third of mothers who gave birth at under the age of 15 received any prenatal care during the critical first trimester of their pregnancies.

There also is evidence that a mother's age at the time of her child's birth is related to the child's physical and cognitive development. A child born to a teen mother is at much greater risk of a whole range of problems, than is a child whose mother is 20 or older. The National Institute of Child Health and Human Development has examined the social, emotional, and intellectual development of children born to teenage mothers. The Institute found that children born to parents age 18 and younger scored lower on standardized tests of cognitive development, than did children born to parents ages 18 and 19. These children also were more likely to be living in single-parent homes in high school, and score lower on academic aptitude tests in their teens.

As expected, serious economic consequences are associated with early child bearing. Most teen mothers fail to finish high school, and consequently face bleak job prospects and increase their prospects of finding themselves on welfare. In a 1981 New York City survey, fully 90 percent of all young mothers aged 15 to 17 were unemployed 9 months after delivering their first child. Without jobs, 66 percent found themselves on public assistance. Although five of six teenage mothers surveyed said they wanted to return to school or get a job, nearly half could not do so because child care services were not available. The income for those teen mothers who did find jobs was but half what women who give birth in their twenties and after earn. And consider this: The proportion of teen mothers on public assistance in this survey—66 percent—is fully twice the level of all new mothers.

New York City is not alone. Dr. Wendy Baldwin, Chief of Demographic and Behavioral Sciences at the National Institute for Child Health and Human Development in testimony before the Select Committee on Children, Youth, and Families, on July 20, 1983, reports that nationally:

> Women who become mothers while adolescents exhibit reduced educational and occupational attainment, lower income, and increased welfare dependency relative to their peers.

Dr. Baldwin made special mention of the lasting effects of early child bearing, stating:

> The effect of adolescent childbearing on education is especially important since it affects occupation and earnings. A decade after high school women who became mothers early were more likely to be working than their classmates but in jobs of lower pay and prestige and with less job satisfaction. Several studies have shown that the effect of an early age a first birth on occupational attainment is a function of reduced education, and, to a lessor extent, of increased family size.

Dr. Baldwin makes one final point worthy of our notice today. Women who begin bearing children as teenagers are more likely to find themselves dependent on welfare for a protracted period of time. Teen parents often are prevented from achieving their educational and career goals and, as a consequence, are more reliant on public assistance. Today, more than 60 percent of all women on AFDC were teenagers when they had their first child. In 1975, $8.55 billion in Federal spending for AFDC, medicaid, for food stamps, and foster care went to teenage mothers and their children. This is an enormous sum—although I would caution my colleagues from inferring that this total sum would have been saved had these mothers postponed their first birth; some would require public assistance in any case.

It is quite clear that adolescent parents are not only more likely to require welfare, but also are more likely to be dependent on welfare for a long-term, than are more mature parents. This is a recent finding by Mary Jo Bane and David Ellwood, of Harvard University. In "The Dynamics of Welfare Dependency: The Routes to Self-Sufficiency," Bane and Ellwood examines the characteristics of those on welfare for long periods of time. They found;

> There are dramatic differences in the length of AFDC spells among different groups of recipients. Women who become a female head by having a child, nonwhites, high school dropouts, mothers with many children, and those without previous earnings all have longer spells of AFDC.

They also found that three-fourths of all spells on AFDC began when a woman became head of the family, while only 12 percent began when a woman with children lost her job.

Obviously we must continue to provide forms of public assistance—AFDC, Medicaid, food stamps, and foster care services—to poor adolescent mothers and their children. But the pervasive and long-term character of the consequences of early childbirth are deeply disturbing. Long-term welfare dependency among adolescent mothers is dimming the future of thousands of young Americans.

The legislation I am introducing today, Mr. President, would alleviate this situation and reduce the long-term welfare dependency of so many families headed by teenage mothers. It is my belief, my hope, that the services supported by this measure would enable thousands of adolescent parents to achieve real self-sufficiency.

My legislation would provide Federal grants to help the States offer the services poor young mothers need to complete their educations and be prepared for employment. States applying for these funds would identify those areas with a high incidence of teenage pregnancy, and funds would be targeted to low-income areas. States would be directed to better coordinate the administration of Federal funds currently directed to teenage mothers—funds from social services block grant, the Job Training and Partnership Act, the Work Incentive Program, the maternal and child care block grant. In their applications for these funds, States would have to produce a plan to focus a specified core of services to enable teen mothers to achieve self-sufficiency: Day care services, so teen mothers can attend school or work; and employment training and job placement services, so teen mothers can gain the skills to support their children.

This measure is not intended to replace existing Federal initiatives, but to complement them. Existing programs—such as the adolescent and family life demonstration project and title X of the Public Health Service Act—are important efforts in discouraging teenage sexual activity and pro-

viding family planning services discouraging repeated pregnancies. Indeed, in those areas with greater increases in the proportions of young people enrolled in family planning clinics, adolescent birth rates have fallen. The family planning program is an important feature of our efforts to lessen the problems associated with teenage pregnancies.

This session is nearly over; the 98th Congress is about to adjourn sine die. Yet, I invite my colleagues to join in this discussion, of how best to stem the alarming trend of long-term welfare dependency among these teenage parents.

Any success in reducing the period of time a family remains in AFDC will bring dual benefits: Increased self-reliance for the teenage parent, and decreased costs for public assistance programs. I urge my colleagues to support this legislation.

I ask unanimous consent that the full text of the legislation appear in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3084

Be it enacted by the Senate of House of Representatives of the United States of America in Congress assembled, That (a) part A of title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"GRANTS FOR SERVICE PROGRAMS FOR PREGNANT TEENAGERS AND TEENAGE MOTHERS

"SEC. 416. (a) In addition payable to States under section 403, the Secretary shall make grants to States in accordance with this section, subject to the amounts appropriated pursuant to subsection (d). The purpose of such grants shall be to assist States in carrying out programs which—

"(1) prevent long-term dependency upon aid to families with dependent children;

"(2) permit pregnant teenagers and teenage mothers to remain in school;

"(3) provide job counseling, employment readiness, job placement, and academic and vocational education services to pregnant teenagers and teenage mothers; and

"(4) integrate and coordinate services otherwise available to pregnant teenagers and teenage mothers.

"(b)(1) In order to receive a grant under this section a State must provide assurances to the Secretary that such grant shall be used to carry out a program which—

"(A) privides child day care, job training, job placement, and academic and vocational education services for pregnant teenagers and teenage mothers;

"(B) establishes a coordinated service network consisting of the services described in subparagraph (A) and other services available for pregnant teenagers and teenage mothers under title XX, part B of this title, the State program under title V, and the Job Training Partnership Act;

"(C) provides such services in an area or areas within the State which have a large number of low-income teenage mothers;

"(D) provides for maximum utilization of existing services, including those offered by private, nonprofit service providers; and

"(E) is administered by the same agency which administers the State plan under section 402, the same agency which administers the State plan approved under part B of this title, or the same agency which administers the block grant under title XX.

"(2) For purposes of this section, 'pregnant teenagers' and 'teenage mothers' means only pregnant women or mothers who are age 18 or under, or who are secondary school students.

"(c)(1) Any State receiving a grant under this section for a fiscal year shall provide a report to the Secretary at the close of such fiscal year which shall include the number and characteristics of individuals served by the State program, the services provided, and the results achieved. Such report shall also include data on the number of cases and the amounts of the aid to families with dependent children provided under this part for the fiscal year, broken down by the age of the parent or caretaker relative receiving such aid, by race, and by location within the State.

"(2) The Secretary shall establish a systematic reporting system capable of yielding comprehensive data on which service figures and program evaluations shall be based. On or before each January 1 the Secretary shall submit to the Congress a report describing the activities supported under this section during the fiscal year ending on the preceding September 30, including, at a minimum, the number and characteristics of persons served, the services provided, the results achieved, and the Secretary's plans and recommendations for the future.

"(d) For purposes of making grants to States under this section there are authorized to be appropriated $75,000,000 for fiscal year 1985 and for each fiscal year thereafter.".●

By Mr. MATHIAS:

S. 3085. A bill to amend the patent laws implementing the Patent Cooperation Treaty; to the Committee on the Judiciary.

PATENT COOPERATION TREATY

● Mr. MATHIAS. Mr. President, the Patent Cooperation Treaty is a major multilateral convention under which 35 countries, including the United States, have joined together to facilitate the filing of patent applications for the same invention in a number of countries. U.S inventors now rely on the convention to obtain protection for their technology in other countries.

At present under the treaty, U.S. applicants are able to file a single international patent application in English in the U.S. Patent and Trademark Office and have that application acknowledged in as many other countries as the applicant designates. Following the preparation of an international search report—prepared by the U.S. Patent and Trademark Office or the European Patent Office for U.S. applicants—citing relevant references, the applicant decides whether or not to proceed to perfect his or her applications in the countries designated by paying national fees and furnishing the necessary translations. This decision is not required until more than 1½ years after first filing the application.

This legislation that I introduce today, which accompanies and implements a planned withdrawal of a reservation by the United States to the application of the second chapter of the Patent Cooperation Treaty, will further increase the usefulness of the Patent Cooperation Treaty for U.S. interests. Adherence of the United States to chapter II will give the U.S. inventor access to an examination report, which related the references found in the search report to the invention.

It will also enable the applicant to defer the decision about paying national fees and preparing translations to perfect the applications until approximately 2½ years after the first filing of the international application. Before having to make this decision, the applicant will have in hand a report that cites the previous patents or publications that bear on the patentability of his or her invention. The applicant will also have a report that relates these references to the invention. With this information the applicant will be able to make an informed decision about continuing to pursue protection in many other countries before having to underwrite the large costs of national fees and preparing translations.

In addition to giving the U.S. applicant more flexibility in pursuing protection for an invention in a number of countries, the proposed changes should increase the strength of the patents that are obtained in the various countries. Not only will these countries have all the resources they now have for evaluating the patentability of an invention, but, in addition, they will have a search report and an examination report prepared by a major patent office for each application. This should greatly aid U.S. inventors in obtaining stronger protection for their inventions abroad.

I have been informed that the U.S. Patent and Trademark Office will produce examination reports for international applications only after it achieves its important goal of reducing patent application pendancy time to an average of 18 months. This goal is expected to be achieved in 1987. Arrangements have been made to have the European Patent Office prepare the examination reports for U.S. inventors until that goal is achieved. Thereafter the U.S. Patent and Trademark Office will also be able to prepare these examination reports.

I introduce the bill today, not in the expectation that we will pass it in the 98th Congress, but to get the debate started and lay the groundwork for action in the 99th. I urge my colleagues to examine it closely and share it with interested constituents, and I request unanimous consent that it appear in the RECORD immediately following my remarks along with a statement of purpose.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 3085

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled, That this Act may be cited as the "Act to Authorize the United States to Participate in Chapter II of the Patent Cooperation Treaty."

SEC. 2. (a) Section 351(a) of title 35, United States Code, is amended by striking out ", excluding chapter II thereof".

(b) Section 351(b) of title 35, United States Code, is amended by striking out "excluding part C thereof".

(c) Section 351(g) of title 35, United States Code, is amended by—

(1) striking out "term" and inserting in lieu thereof "terms";

(2) inserting "and 'International Preliminary Examining Authority'" after "Authority"; and

(3) striking out "means" and inserting in lieu thereof "mean".

SEC. 3. The item relating to section 362 in the analysis for chapter 36 of title 35, United States Code, is amended to read as follows: "362. International Searching Authority and International Preliminary Examining Authority."

SEC. 4. Section 362 of title 35, United States Code, is amended to read as follows:

"SEC. 362. INTERNATIONAL SEARCHING AUTHORITY AND INTERNATIONAL PRELIMINARY EXAMINING AUTHORITY

"(a) The Patent and Trademark Office may act as an International Searching Authority and International Preliminary Examining Authority with respect to international applications in accordance with the terms and conditions of an agreement which may be concluded with the International Bureau, and may discharge all duties required of such Authorities, including the collection of handling fees and their transmittal to the International Bureau.

"(b) The handling fee, preliminary examination fee, and any additional fees due for international preliminary examination shall be paid within such time as may be fixed by the Commissioner."

SEC. 5. Section 364(a) of title 35, United States Code, is amended by—

(a) striking out "or", first occurrence and inserting in lieu thereof ", ";.

(b) inserting "International Preliminary Examining Authority" after "Authority, or"; and

(c) striking out "both".

SEC. 6. Section 368(c) of title 35, United States Code, is amended by—

(a) striking out the second occurrence of "or" and inserting in lieu thereof ", "; and

(b) striking out "both" and inserting in lieu thereof "International Preliminary Examining Authority".

SEC. 7. (a) Section 371(a) of title 35, United States Code, is amended to read as follows:

"(a) Receipt from the International Bureau of copies of international applications with any amendments to the claims, international search reports, and international preliminary examination reports including any annexes thereto may be required in the case of international applications designating or electing the United States."

(b) Section 371(b) of title 35, United States Code, is amended to read as follows:

"(b) Subject to subsection (f) of this section, the national stage shall commence with the expiration of the applicable time limit under article 22 (1) or (2), or under article 39(1)(a) of the treaty."

(c) Section 371(c)(4) of title 35, United States Code, is amended by striking the "." and inserting in lieu thereof ";".

(d) Section 371(c) of title 35, United States Code, is amended by adding at the end thereof the following new paragraph (5):

"(5) a translation into the English language of any annexes to the international preliminary examination report, if such annexes were made in another language.".

(e) Section 371(d) of title 35, United States Code, is amended by adding at the end thereof the following sentence: "The requirement of subsection (c)(5) shall be complied with at such time as may be fixed by the Commissioner and failure to do so shall be regarded as cancellation of the amendments made under article 34(2)(b) of the treaty.".

(f) Section 371(e) of title 35, United States Code, is amended by inserting "or article 41" after "28".

SEC. 8. (a) Section 376(a) of title 35, United States Code, is amended by

(1) inserting "and the handling fee" after the first occurrence of "fee";

(2) striking "amount is" and inserting in lieu thereof "amounts are";

(3) redesignating paragraph (5) as paragraph (6); and

(4) inserting the following new paragraph (5):

"(5) A preliminary examination fee and any additional fees (see section 362(b))."

(b) Section 376(b) of title 35, United States Code, is amended by

(1) inserting "and the handling fee" after the first occurrence of "feet" in the first sentence; and

(2) inserting "the preliminary examination fee and any additional fees," after "fee," in the third sentence.

SEC. 9. Sections 2 through 8 of this Act shall come into force on the same day as the effective date of entry into force of chapter II of the Patent Cooperation Treaty with respect to the United States, by virtue of the withdrawal of the declaration under article 64(1)(a) of the Patent Cooperation Treaty. It shall apply to all international applications pending before or after its effective date.

STATEMENT OF PURPOSE

The purpose of this legislation is to authorize the Patent and Trademark Office to act as an International Preliminary Examining Authority and as an elected Office under chapter II of the Patent Cooperation Treaty. When the United States ratified the treaty in November 1975, it did so with a declaration that it was not bound by the provisions of chapter II thereof. This chapter calls for the establishment of an International Preliminary Examination Report with respect to an international application and provides for additional time before the application enters the national patent processing stage in various elected national offices.

The reason for non-adherence to chapter II by the United States in 1975, was the then-prevailing opinion that divergent patent examining methods in other member countries would have made adherence impracticable. Experience gained with the operation of the treaty during the ensuing years, as well as major steps taken by other countries to harmonize international patent processing procedures, such as the coming into force of the European Patent Convention in 1978, have largely eliminated this reason. Accordingly, it would be in the interest of U.S. industry and independent inventors alike, if the United States withdrew its reservation regarding chapter II of the treaty. In a letter dated July 27, 1984, the President has requested the Senate's advice and consent to that withdrawal. Because the treaty is not self-executing, adherence to chapter II requires implementing legislation, such as that proposed here.

SECTIONAL ANALYSIS

INTRODUCTION

Under chapter I of the Patent Cooperation Treaty, (hereinafter referred to as the "treaty"), a patent applicant is required to "designate" those member countries of the International Patent Cooperation Union in which he desires patent protection. The applicant receives an international search report from an International Searching Authority and is not required to undertake the expenses of translation, national filing fees and prosecution in each designated country until usually 20 months from the priority date of the international application.

Chapter II of the treaty offers a supplement to chapter I. If an applicant "elects" previously "designated" member countries which are also bound by chapter II, usually prior to the expiration of 19 months from the priority date, several additional features and procedures become effective. As explained in greater detail below, an International Preliminary Examining Authority will prepare an international preliminary examination report for the benefit of the applicant and the elected Offices. The elected Offices may agree or disagree with the conclusions reached by the International Preliminary Examining Authority. Further, the time limit for committing the expenses to enter the national stage in the elected Offices is postponed to usually 25 months from the priority date of the international application. Beginning on January 1, 1985, this time limit will be extended to 30 months, by virtue of a decision taken under Article 47 of the treaty by the Assembly of the International Patent Cooperation Union, at its seventh Extraordinary Session in February 1984.

Under chapter II of the treaty (article 31), an applicant files a "demand" with the appropriate International Preliminary Examining Authority, electing member countries as mentioned above. That Authority then conducts the international preliminary examination which essentially determines whether the claimed invention is new, involves an inventive step (is non-obvious), and is industrially applicable. The applicant and the Authority communicate with each other during the international preliminary examination and the applicant is given at least one opportunity to amend the claims, the description, and the drawings of his international application. Thereafter, an international preliminary examination report is established. The report does not contain any statement regarding the patentability of the claimed invention according to the law of any country; it merely states—by a "Yes" or "No"—in relation to each claim whether it seems to satisfy the three criteria set forth above. Each such statement is usually accompanied by citations of prior art references and other explanations. The report is communicated to the applicant and the national Offices of the elected countries, which then may use the report in connection with their patent granting process.

The national fees and translations, if any, must be paid before the expiration of the time period under article 39(1)(a) of the treaty, which will be 30 months from the priority date of the international application, beginning in 1985. Examination and other processing in the elected Offices can start only after the expiration of that time period, unless the applicant chooses to have it start earlier. If election of a country is made after the expiration of the 19th month from the priority date, the original time limits under chapter I of the treaty (article 22) must be observed.

Section 1. This section identifies the legislation as the "Act to Authorize the United States to Participate in Chapter II of the Patent Cooperation Treaty."

Section 2. This section amends section 351 of title 35, United States Code, by deleting the phrases ", excluding chapter II thereof" in subsection (a) and "excluding part C thereof" in subsection (b). These exclusions were placed in the original legislation, Public Law 94-131, 89 Stat. 685, since chapter II of the treaty was not implemented then. The exclusion of the articles and Regulations of the treaty relating to chapter II must be eliminated in existing legislation to permit the United States to participate in chapter II.

Subsection 351(g) is amended to refer to the "International Preliminary Examining Authority" in association with the current reference to the "International Searching Authority" in anticipation of the United States Patent and Trademark Office becoming an International Preliminary Examining Authority when that Office's workload is sufficiently current.

Section 3. This section amends the title of section 362 of title 35, in the analysis following the Chapter 36 title, to include reference to the International Preliminary Examining Authority, thus reflecting changes in section 362.

Section 4. Current section 362 of title 35 has been designated as subsection (a) and has been amended to permit the Patent and Trademark Office to act as an international Preliminary Examining Authority, should it desire to enter into an agreement with the International Bureau and perform the required functions. At present, this section only permits the Patent and Trademark Office to act as an International Searching Authority.

Subsection (a) of amended section 362 specifically provides for the collection of handling fees under article 31(5) of the treaty (and Rule 57 of the Regulations thereunder) and the transmittal thereof to the International Bureau, for whose benefit such fees are paid.

New subsections 362(b) gives the Commissioner authority to establish time periods, within the limits of the treaty and its Regulations, for the payment by applicants of the handling fee under Rule 57 of the Regulations and the preliminary examination fee under Rule 58 of the Regulations. The supplement to the handling fee under Rule 57.1(b) of the Regulations is paid by the applicant directly to the International Bureau and need not be provided for in the legislation.

Section 5. This section amends subsection 364(a) of title 35 by referring to the "International Preliminary Examining Authority" along with current references to "Receiving Office" and "International Searching Authority", in order to specify that all international processing functions, when performed by the Patent and Trademark Office, must be in accordance with the treaty, its Regulations, and title 35, United States Code.

Section 6. Subsection 368(c) of title 35 is amended to prevent the unauthorized disclosure of the contents of international applications by the Patent and Trademark Office when acting as an International Preliminary Examining Authority.

Section 7. Section 371 of title 35 requires a number of changes to facilitate the possibility of proceeding under chapter II of the treaty. Subsection 371(a) of title 35 is amended to authorize the Commissioner to require the International Bureau to supply international preliminary examination reports, including annexes thereto. The annexes consist of amendments to the claims, description, or drawings of the international application made before the International Preliminary Examining Authority, as indicated in Rule 70.16 of the Regulations. The amended wording makes it possible for the Commissioner to require copies of all such documents or to exclude certain papers, such as those filed in or issued by the Patent and Trademark Office.

Subsection 371(b) of title 35 is amended to refer to the later time period under article 39(1)(a) of the treaty, at which an applicant may enter the national stage by virtue of having elected the Patent and Trademark Office under chapter II. As noted above, this time limit has been changed by the Assembly of the International Patent Cooperation Union from 25 months to 30 months, as of January 1, 1985.

Subsection 371(c) of title 35 is amended by adding a new paragraph (5) which requires the applicant to file, in addition to the requirements of paragraphs (1)-(4), a translation into the English language of any annexes to the international preliminary examination report, if such annexes are in a language other than English. Although the International Bureau is responsible under article 36(3)(a) of the treaty for communication to the Patent and Trademark Office of copies of these annexes in their original language, together with the international preliminary examination report, the applicant is responsible under article 36(2)(b) and (3)(b) of the treaty, to prepare a translation of the annexes if necessary and to transmit such translation to the Patent and Trademark Office.

Subsection 371(d) of title 35 is amended to include reference to the time period for submission of annexes to the international preliminary examination report. The amendment also provides the sanction of cancellation of the amendments for noncompliance.

Subsection 371(e) of title 35 is amended to ensure the right of the applicant to amend the application during the national stage before the elected Office, as provided in article 41 of the treaty.

Section 8. Subsection 376(a) of title 35 is amended to include reference to the handling fee to parallel the current reference to the international fee. The amounts of these fees are indicated in Rule 96 of the Regulations, which is titled "The Schedule of Fees."

A new paragraph (5) is added to subsection 376(a) to allow the Patent and Trademark Office to specify the amount of the preliminary examination fee and any additional fees thereto, referred to in subsection 362(b).

Subsection 376(b) of title 35 is amended to include reference to the fact that the amount of the handling fee is not prescribed by the Commissioner. Reference is also made to the preliminary examination fee and additional fees to the preliminary examination fee, as being refundable to the applicant where the Commissioner determines such a refund to be warranted.

Section 9. Section 9 specifies the effective date of the Act to be that of the entry into force of chapter II of the treaty with respect to the United States. When the United States ratified the treaty in November 1975, it did so with a declaration under article 64(1)(a) thereof, that it was not bound by the provisions of chapter II. Under article 64(6)(b) of the treaty, this declaration may be withdrawn at any time by notification to the Director General of the World Intellectual Property Organization and takes effect three months after the day on which the notification was received.

The Act applies to all international applications pending before or after its effective date. Accordingly, applicants whose applications have been pending less than 19 months from their priority date at the time chapter II becomes effective for the United States, will be able to make a "demand" for treatment under chapter II, thereby delaying the entry of the national stage in elected States to 30 months. Although there is no time limit in the treaty for submitting the "demand", its effects can only be guaranteed if it is submitted before the expiration of 19 months from the priority date of the international application. Submission of the "demand" after that date still entitles the applicant to receive an international preliminary examination report, but does not toll the applicable time limit under article 22 of the treaty.●

By Mr. CHAFEE:

S. 3086. A bill to require the National Institute of Child Health and Human Development of the National Institutes of Health to conduct research on, and develop, human contraceptives; to the Committee on Labor and Human Resources.

CONTRACEPTIVE RESEARCH

● Mr. CHAFEE. Mr. President, the disadvantages inherent in available birth control methods are the primary reason why many millions of American couples have difficulty avoiding unintended pregnancies. Effectiveness, convenience, and freedom from adverse health effects are all lacking in contraceptives on the market today. The result is unwanted pregnancy, and, all too frequently, abortion.

For example, the most serious side effect attributed to oral contraceptives—used by more than 8 million U.S. women—involves the cardiovascular system, specifically thromboembolism, stroke, and heart attack. Women of a higher risk are those who smoke, have diabetes or a family history of it, and high blood pressure or hypertension. An estimated 2.3 million women in the United States use intrauterine devices—IUD's. Risk of infection is the most serious drawback with IUD's, and with each infection, a women's risk of infertility increases. A total of 11.6 million U.S. women have chosen sterilization as their means of birth control. This method is irreversible and, therefore, not a reasonable alternative

for those most vulnerable to unwanted pregnancies—21 million young women between the ages of 16 and 19, more than half of whom are estimated to have had sexual intercourse.

The limitations of current contraceptives cause 31 percent of the women who are not using birth control not to use it because they are concerned about health risks and side effects. One obvious result is the growth in the number of unwanted pregnancies. Over 3 million unplanned pregnancies occur annually, and 1 million of these are among teenagers. Forty-six percent of these pregnancies end in abortion, and approximately 29 percent of the teenage pregnancies end in abortion. The large number of abortions is one clear indicator of how badly safe and effective contraceptives are needed.

However, the U.S. Government—the largest single sponsor of reproductive and contraceptive research—spends, according to Malcom Potts, president of Family Health International, approximately "the cost of a small order of McDonald's french fries per person per year" on all aspects of reproductive research.

As recently as 30 years ago, no research was being done on contraception. It was not until 1968 that the Center for Population Research within the National Institutes of Health was created. In 1983, funding for the Center was $86 million; in 1972 it was $85 million. Only $8.6 million of this actually goes toward contraceptive development, the remainder toward basic research in reproductive sciences. The $8.6 million is a particularly insignificant sum when one considers that, according to Mr. Potts, it can "cost up to $50 million and take more than 10 years of research" to bring a new contraceptive to the market.

In the past, industry was largely responsible for the research and development of many of the currently available contraceptives. However, industry is now far less excited about expending the effort to conduct new research and development because the cost and time involved from initial development to approval of marketing by the Food and Drug Administration [FDA] is a deterrent. Pharmaceutical companies would rather concentrate on developing drugs to treat disease than drugs and devices to prevent pregnancies given the cost and the time.

Recently, the Ford Foundation and the Canadian International Development Research Council, which made major contributions to contraceptive research, have withdrawn their support in light of the dwindling concern about the relative importance of problems of population growth. There seems to be far more concern about abortion than about prevention of unwanted pregnancies. It's ironic that the abortion controversy works against contraceptive research instead of in its favor.

The future of contraceptive research is not bright, despite the need to make it a priority. That is why I am today introducing legislation which requires the National Institutes of Health to conduct research on, and develop better means of contraception. Requiring the National Institute of Health's Institute of Child Health and Human Development—which includes the Center for Population Research—to use at least 10 percent of its budget for new research and development would spur the search for safe and effective means of birth control. The Office of Technology Assessment recommends that $20 million more a year be spent on contraceptive research, and the 10-percent minimum provided in this bill would implement this recommendation.

Every child has a right to be wanted. Women and men need safe and effective methods of birth control. A large number of the millions of unwanted pregnancies and resulting abortions that occur each year can be prevented. I invite my colleagues to join me in sponsoring this legislation.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3086

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart 7 of part C of title IV of the Public Health Service Act is amended by adding at the end thereof the following new section:

"CONTRACEPTIVE RESEARCH

SEC. 452. (a) The Secretary, through the Director of the Institute, shall conduct research on, and develop, human contraceptives, including male contraceptive methods, methods of reversible male sterilization, improved methods of nonsurgical sterilization, and types of female contraception such as a monthly birth control pill, a vaccine against pregnancy, improved and safer ovulation inhibitor medications, and improved barrier methods of contraception.

"(b) At least 10 percent of the amounts appropriated under this title and section 301 to carry out the activities of the Institute shall be used to carry out subsection (a).".●

ADDITIONAL COSPONSORS

S. 2165

At the request of Mr. DANFORTH, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 2165, a bill to amend the Internal Revenue Code of 1954 to increase research activities, to foster university research and scientific training, and to encourage the contribution of scientific equipment to institutions of higher education.

S. 3039

At the request of Mr. DURENBERGER, the names of the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Maine [Mr. COHEN], and the Senator from New York [Mr. MOYNIHAN] were added as cosponsors of S. 3039, a bill to provide for procedures to eliminate the structural deficit in the Federal budget, to establish a National Bipartisan Commission on the Balanced Budget, and for other purposes.

SENATE CONCURRENT RESOLUTION 154—TO AUTHORIZE CHANGES IN THE ENROLLMENT OF H.R. 6163

Mr. BAKER (for Mr. DOLE) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 154

Resolved by the Senate (the House of Representatives concurring), That, in the enrollment of the bill (H.R. 6163) to amend title 28, United States Code, with respect to the places where court shall be held in certain judicial districts, and for other purposes, the Clerk of the House of Representatives shall make the following correction:

In section 501 (4) strike out "(iii)" the first place it appears and insert in lieu thereof "(iv)".

AMENDMENTS SUBMITTED

RETIREMENT EQUITY FOR FORMER SPOUSES OF CIVIL SERVICE RETIREES

TRIBLE (AND OTHERS) AMENDMENT NO. 7087

Mr. BAKER (for Mr. TRIBLE, for himself, Mr. WARNER, and Mr. STEVENS) proposed an amendment to the bill (H.R. 2300) to provide retirement equity for former spouses of civil service retirees, and for other purposes; as follows:

At the end of the bill add the following new title:

TITLE II—PERFORMANCE MANAGEMENT AND RECOGNITION SYSTEM

ESTABLISHMENT OF PERFORMANCE MANAGEMENT AND RECOGNITION SYSTEM

SEC. 201. (a) Chapter 54 of title 5, United States Code, is amended to read as follows:

"CHAPTER 54—PERFORMANCE MANAGEMENT AND RECOGNITION SYSTEM

"Sec.
"5401. Purpose.
"5402. Coverage.
"5403. General pay increases.
"5404. Merit increases.
"5405. Pay administration.
"5406. Performance awards.
"5407. Cash award program.
"5408. Report.
"5409. Regulations.
"5410. Termination.

"§ 5401. Purpose

"It is the purpose fo this chapter to provide for a performance management and recognition system which shall—

"(1) use performance appraisals as the basis for—(a) determining adjustments in basic pay by general pay increases and merit increases, and (b) making performance award determinations;

"(2) within available funds, recognize and reward quality performance by varying amounts of performance and cash awards;

"(3) within available funds, provide for training to improve accuracy, objectivity, and fairness in the evaluation of performance;

"(4) regulate the costs of performance awards by establishing funding level requirements; and

"(5) provide the means to reduce or withhold certain pay increases for less than fully successful performance.

"§ 5402. Coverage

"(a) Except as provided in subsection (b) or (c) of this section, this chapter shall apply to any supervisor or management official (as defined in paragraphs (10) and (11) of section 7103(a) of this title, respectively) who is in a position within grade GS-13, GS-14, or GS-15 of the General Schedule described in section 5104 of this title.

"(b)(1) Upon request filed under paragraph (3) of this subsection, the President may, in writing, exclude an agency, any unit of an agency, or any class of employees within any such unit, from the application of this chapter, if the President considers such exclusion to be required as a result of conditions arising from—

"(A) the recent establishment of the agency, unit, or class, or the implementation of a new program;

"(B) an emergency situation; or

"(C) any other situation or circumstance.

"(2) Any exclusion under this subsection shall not take effect earlier than 30 calendar days after the President transmits to each House of the Congress a report describing the agency, unit, or class to be excluded and the reasons therefor.

"(3) A request for exclusion of an agency, any unit of an agency, or any class of employees within any such unit, under this subsection shall be filed by the head of the agency with the Office of Personnel Management, and shall set forth reasons why the agency, unit, or class should be excluded from the application of this chapter. The Office shall review the request and reasons therefor, undertake such other review as it considers appropriate to determine whether the agency, unit, or class should be excluded from the application of this chapter and, upon completion of its review, recommend to the President whether the agency, unit, or class should be so excluded.

"(4) Any agency, unit, or class which is excluded pursuant to this subsection shall, insofar as practicable, make a sustained effort to eliminate the conditions on which the exclusion is based.

"(5) The Office shall periodically review any exclusion from coverage and may at any time recommend to the President that an exclusion under this subsection be revoked. The President may at any time revoke, in writing, any exclusion under this subsection.

"(6) The Office shall prescribe regulations under which an employee may be excluded from the application of this chapter other than as part of an agency, unit, or class so excluded under the preceding paragraphs of this subsection. To the extent practicable, the regulations shall be based on the provisions of such paragraphs.

"(c) This chapter shall not apply to individuals employed under the Office of the Architect of the Capitol, the Library of Congress, the Botanic Garden, or the Administrative Office of the United States Courts.

"§ 5403. General pay increases

"(a) For purposes of this section, a pay adjustment period, in the case of an employee covered by this chapter, shall be the period beginning on the first day of the first pay period applicable to such employee commencing on or after the first day of the month in which an adjustment takes effect under section 5305 of this title and ending at the close of the day before the beginning of the following pay adjustment period.

"(b) A determination concerning a general pay increase under this section shall, for any pay adjustment period, be made based on the level of performance of the employee involved, as determined for the latest appraisal period under section 4302a of this title (or an equivalent rating system) before the beginning of such pay adjustment period.

"(c) Subject to section 5405(a)(1)(A) of this title, if the employee's performance is rated—

"(1) at the fully successful level or either of the 2 levels above the fully successful level, the rate of basic pay of the employee shall be increased by the full general pay increase, effective as of the beginning of the pay adjustment period;

"(2) at the level 1 level below the fully successful level, the rate of basic pay of the employee shall be increased by one-half of the full general pay increase, effective as of the beginning of the pay adjustment period; or

"(3) at the level 2 levels below the fully successful level, the rate of basic pay of the employee shall not be increased under this section.

"(d) A full general pay increase for any pay adjustment period under this section shall be determined by multiplying on the day immediately preceding the pay adjustment period the rate of basic pay of the employee involved by the percentage corresponding to the percentage generally applicable under section 5305 of this title to positions not covered by this chapter which are in the same grade as the position held by such employee.

"(e)(1) The basic pay of an employee for whom a determination under section 4302a of this title (or an equivalent rating system) for the latest appraisal period is not available shall be adjusted under this subsection in such circumstances as the Office of Personnel Management shall by regulation prescribe.

"(2) Any adjustment made under this subsection shall be equal to an adjustment under subsection (c)(1) of this section.

"§ 5404. Merit increases

"(a) For purposes of this section—

"(1) the term 'applicable reference rate', as used with respect to the rate of basic pay of an employee, means the rate equal to the sum of—

"(A) the minimum rate of basic pay provided under section 5332 of this title for the grade of the position held by such employee; and

"(B) one-third of the difference between the maximum rate of basic pay provided for such grade under such section and the minimum rate of basic pay so provided;

"(2) the term 'merit increase' means, with respect to a grade, an increase equal to one-ninth of the difference between the maximum rate of basic pay provided for such grade under section 5332 of this title and the minimum rate of basic pay so provided; and

"(3) a reference to the performance rating of an employee shall, for purposes of any increase which may take effect under this section in a year, be considered to be a reference to the level of performance of such employee, as determined for the latest appraisal period under section 4302a of this title (or an equivalent rating system) before the effective date of such increase.

"(b) Subject to section 5405(a)(1)(A) of this title, under regulations prescribed by the Office of Personnel Management, the rate of basic pay of an employee covered by this chapter shall be increased each year in accordance with the applicable provisions of subsection (c) of this section, effective as of the beginning of the first applicable pay period commencing on or after October 1 of such year.

"(c)(1)(A) If the rate of basic pay of the employee does not equal or exceed the applicable reference rate on the day before the effective date of an increase under this section, and the performance of such employee is rated at the fully successful level or either of the 2 levels above the fully successful level, the rate of basic pay of the employee shall be increased by an amount equivalent to a merit increase.

"(B) If the rate of basic pay of the employee equals or exceeds the applicable reference rate on the day before the effective date of an increase under this section, and the performance of such employee is rated—

"(i) at the level 2 levels above the fully successful level, the rate of basic pay of the employee shall be increased by an amount equivalent to a merit increase;

"(ii) at the level 1 level above the fully successful level, the rate of basic pay of the employee shall be increased by an amount equivalent to one-half of a merit increase; or

"(iii) at the fully successful level, the rate of basic pay of the employee shall be increased by an amount equivalent to one-third of a merit increase.

"(2) The rate of basic pay of an employee whose performance is rated at either of the 2 levels below the fully successful level shall not be increased under this section for the year involved.

"(d) The Office of Personnel Management shall prescribe regulations under which this section shall be applied in the case of an employee for whom a determination under section 4302a of this title (or an equivalent rating system) for the latest appraisal period is not available.

"§ 5405. Pay administration

"(a)(1) An employee covered by this chapter—

"(A) may not be paid at a rate greater than the maximum rate of basic pay for the grade of the employee's position, as set forth in section 5332 of this title; and

"(B) except as provided in paragraph (2) of this subsection, may not be paid at a rate less than the minimum rate of basic pay for such grade, as set forth in section 5332 of this title.

"(2) An employee may be paid at a rate less than the minimum rate of basic pay for the grade of such employee's position to the extent that payment of the lesser rate is the result of the employee having received less than a full general pay increase under section 5403 of this title.

"(b) Any employee whose position is brought under this chapter shall, so long as the employee continues to occupy the position, be entitled to receive basic pay at a rate of basic pay not less than the rate the employee was receiving when the position was brought under this chapter, plus any subsequent increases under sections 5403 and 5404 of this title.

"(c) The Office of Personnel Management shall prescribe regulations governing the method by which an increase under section 5403 of this title and an increase under section 5404 of this title shall be made in any case in which both of those increases are to take effect beginning on the same date.

"(d) Under regulations which the Office shall prescribe, the benefit of advancement through the range of basic pay for a grade shall be preserved for any employee who is covered by this chapter and whose continuous service is interrupted in the public interest by service in the Armed Forces, or by service in essential non-Government civilian employment during a period of war or national emergency.

"(e) For the purpose of section 5941 of this title, rates of basic pay of employees covered by this chapter shall be considered rates of basic pay fixed by statute.

"(f) In the case of an employee covered by this chapter for whose position a higher rate of basic pay has been established under section 5303 of this title, any reference in this chapter to a rate of basic pay provided under or set forth in section 5332 of this title shall be deemed to be a reference to the corresponding rate of basic pay established under such section 5303.

"§ 5406. Performance awards

"(a)(1) Any employee who is covered by this chapter, and whose performance for an appraisal period is rated under section 4302a of this title (or an equivalent rating system) at the level 2 levels above the fully successful level, shall be paid a performance award under this section for such period.

"(2)(A) The amount of a performance award referred to in paragraph (1) of this subsection shall be determined by the appropriate agency head, except that any such award shall be not more than 10 percent of the employee's annual rate of basic pay and, effective after fiscal year 1985, shall be not less than 2 percent of such annual rate.

"(B) Notwithstanding subparagraph (A) of this paragraph, a performance award exceeding 10 percent but not exceeding 20 percent of the employee's annual rate of basic pay may be paid if the agency head determines that such award is warranted by unusually outstanding performance.

"(b)(1) Any employee who is covered by this chapter, and whose performance for an appraisal period is rated under section 4302a of this title (or an equivalent rating system) at the level 1 level above the fully successful level or at the fully successful level, may be paid a performance award under this section for such period.

"(2) The amount of a performance award referred to in paragraph (1) of this subsection shall be determined by the appropriate agency head, except that any such award shall be not more than 10 percent of the employee's annual rate of basic pay.

"(c)(1) Subject to subsections (a)(2) and (b)(2) of this section, the aggregate amount of performance awards paid under this section by an agency during any fiscal year shall be—

"(A) not less than the product of—

"(i) the applicable minimum percentage for such year under paragraph (2) of this subsection, multiplied by

"(ii) the estimated aggregate amount of basic pay which will be payable to employees of the agency covered by the performance management and recognition system during such year, as determined by the head of the agency, taking into consideration the number of employees who were covered by such system during the preceding fiscal year (or by the merit pay system in the case of fiscal year 1984) and the applicable rates of basic pay in such preceding year; and

"(B) not more than the product of—

"(i) the applicable maximum percentage for such year under paragraph (2) of this subsection, multiplied by

"(ii) the amount under subparagraph (A)(ii) of this paragraph for such year.

"(2)(A)(i) The applicable minimum percentage—

"(I) shall be .75 percent for fiscal year 1985;

"(II) shall, for each of the 4 fiscal years thereafter, be adjusted incrementally (by equal increments or otherwise) over the percentage for the preceding fiscal year by the appropriate agency head in accordance with regulations which the Office of Personnel Management shall prescribe; and

"(III) shall, as a result of the final adjustment, be increased to 1.15 percent for fiscal year 1989.

"(ii) The applicable maximum percentage for each of the 5 fiscal years during which this chapter is in effect shall be 1.5 percent.

"(B)(i) Notwithstanding subparagraph (A) of this paragraph, in the case of an agency described in clause (ii) of this subparagraph the applicable minimum percentage for any fiscal year during which this chapter is in effect shall be a percentage, not less than the minimum percentage described in subsection (2)(A)(i) and not to exceed 10 percent, which the Office shall by regulation prescribe.

"(ii) This subparagraph applies to an agency in a fiscal year if the average number of employees employed under such agency during the immediately preceding fiscal year was equal to or less than the equivalent of 20 full-time employees.".

"(d) A failure to pay a performance award authorized by subsection (b) of this section may not be appealed.

"(e) A performance award paid to an employee under this section shall be in addition to the basic pay of the employee and any cash award paid under section 5407 of this title.

"§ 5407. Cash award program

"(a) The head of an agency may pay a cash award to, and incur necessary expenses for the honorary recognition of, any employee who is covered by this chapter, and who—

"(1) by the employee's suggestion, invention, superior accomplishment, or other personal effort, contributes to the efficiency, economy, or other improvement of Government operations, or achieves a significant reduction in paperwork; or

"(2) performs a special act or service in the public interest in connection with or related to the employee's Federal employment.

"(b) The President may pay a cash award to, and incur necessary expenses for the honorary recognition of, any employee who is covered by this chapter and who—

"(1) by the employee's suggestion, invention, superior accomplishment, or other personal effort, contributes to the efficiency, economy, or other improvement of Government operations, or achieves a significant reduction in paperwork; or

"(2) performs an exceptionally meritorious special act or service in the public interest in connection with or related to the employee's Federal employment.

A Presidential cash award may be in addition to an agency cash award under subsection (a) of this section.

"(c) A cash award paid to an employee under this section shall be in addition to the basic pay of the employee and any performance award paid under section 5406 of this title. Acceptance of a cash award under this section constitutes an agreement that the use by the Government of any idea, method, or device for which the award is made does not form the basis of any claim of any nature against the Government by the employee accepting the award, or the employee's heirs or assigns.

"(d) A cash award to, and expenses for the honorary recognition of, any employee who is covered by this chapter may be paid from the fund or appropriation available to the activity primarily benefiting, or the various activities benefiting, from the suggestion, invention, superior accomplishment, or other meritorious effort of the employee. The head of the agency concerned shall determine the amount to be contributed by each activity to any agency cash award under subsection (a) of this section. The President shall determine the amount to be contributed by each activity to a Presidential award under subsection (b) of this section.

"(e)(1) Except as provided in paragraph (2) of this subsection, a cash award under this section may not exceed $10,000.

"(2) If the head of an agency certifies to the Office of Personnel Management that the suggestion, invention, superior accomplishment, or other meritorious effort of an employee for which a cash award is proposed is highly exceptional and unusually outstanding, a cash award in excess of $10,000 but not in excess of $25,000 may be awarded to the employee on the approval of the Office.

"(f) The President or the head of an agency may pay a cash award under this section notwithstanding the death or separation from the service of an employee, if the suggestion, invention, superior accomplishment, or other meritorious effort of the employee for which the award is proposed was made or performed while the employee was covered by this chapter.

"§ 5408. Report

"The Office of Personnel Management shall submit an annual report to the President and each House of the Congress evaluating the effectiveness of the performance management and recognition system established by this chapter. Each such report shall be prepared after consultation with the respective heads of a sufficient range of agencies so as to permit an adequate basis for making a meaningful evaluation.

"§ 5409. Regulations

"The Office of Personnel Management shall prescribe regulations to carry out this chapter.

"§ 5410. Termination

"This chapter and any regulations prescribed under this chapter shall cease to be effective after September 30, 1989.".

(b) The table of chapters at the beginning of part III of title 5, United States Code, is amended by striking out the item relating to

chapter 54 and inserting in lieu thereof the following:

"54. Performance Management and Recognition System..... 5401".

PERFORMANCE APPRAISAL SYSTEMS

SEC. 202. (a) Chapter 43 of title 5, United States Code, is amended by inserting after section 4302 the following new section:

"§ 4302a. Establishment of performance appraisal systems for performance management and recognition system employees

"(a) Each agency shall develop 1 or more performance appraisal systems for employees covered by chapter 54 of this title which—

"(1) provide for periodic appraisals of job performance of such employees;

"(2) require the joint participation of the supervising official and the employee in developing performance standards with authority for establishing such standards resting with the supervising official; and

"(3) use the results of performance appraisals as a basis—

"(A) for adjusting the base pay and making performance award decisions with respect to any such employee in accordance with the applicable provisions of such chapter 54; and

"(B) for training, rewarding, reassigning, promoting, reducing in grade, retaining, and removing any such employee.

"(b) Under regulations which the Office of Personnel Management shall prescribe, each performance appraisal system under this section shall provide for—

"(1) 5 levels of summary performance ratings as follows:

"(A) 2 levels which are above the fully successful level;

"(B) a fully successful level; and

"(C) 2 levels which are below the fully successful level;

"(2) establishing, in writing, the critical elements of each employee's position and the performance standards for the fully successful level for each such element which will, to the maximum extent feasible, permit accurate evaluation of job performance on the basis of objective criteria related to the job in question;

"(3) communicating, at the beginning of each appraisal period and in writing, to each employee who is covered by chapter 54 of this title the performance standards and critical elements of the employee's position;

"(4) evaluating each such employee during the appraisal period on the basis of such standards;

"(5) assisting any such employee in improving performance rated at a level below the fully successful level; and

"(6) reassigning, reducing in grade, or removing any employee who continues to perform at the level which is 2 levels below the fully successful level, after such employee has been provided with written notice of such employee's rating and afforded reasonable opportunity to raise such employee's level of performance to the fully successful level or higher.

"(c)(1) Appraisals of performance under this section—

"(A) shall take into account individual performance and may take into account organizational accomplishment;

"(B) shall be based on factors such as—

"(i) any improvement in efficiency, productivity, and quality of work or service, including any significant reduction in paperwork;

"(ii) cost efficiency;

"(iii) timeliness of performance;

"(iv) other indications of the effectiveness, productivity, and quality of performance of the employees for whom the employee is responsible; and

"(v) meeting affirmative action goals and achievement of equal employment opportunity requirements;

"(C) may be reviewed by an employee of the agency in accordance with procedures established by the Office of Personnel Management;

"(D) shall, on request of the employee whose performance is appraised, be reconsidered by an employee of the agency in accordance with procedures established by the Office; and

"(E) may not be appealed outside the agency.

"(2) Reconsideration of an appraisal under paragraph (1)(D) of this subsection may be made only by an employee who is in a higher position in the agency than each employee who made, reviewed, or approved the appraisal.

"(d)(1) In order to promote the purposes of this section, there shall be established within each agency a performance standards review board (hereinafter in this subsection referred to as the 'board'), consisting of at least 6 members, all of whom shall be chosen by the agency head from individuals employed in or under such agency. Of the members, at least one-half shall be employees who are covered by chapter 54 of this title and who are in the competitive service. A board shall be chaired by the member of the board designated for that purpose by the agency head.

"(2) It shall be the function of each board—

"(A) to assess, by the use of representative sampling techniques, the appropriateness of performance standards developed and used by the agency under this section;

"(B) to study the feasibility of an awards program based on the collective performance of units or other groups of employees who are covered by chapter 54 of this title, and to submit as part of its annual report under paragraph (3) of this subsection recommendations for any actions which the board considers appropriate with respect to any such program; and

"(C) to provide technical assistance with respect to any demonstration projects which may relate to performance standards of the agency under this section.

"(3) A board shall report to the head of the agency on its activities under this subsection annually.

"(e) In carrying out this section, neither the Office nor any other agency may prescribe a distribution of levels of performance ratings for employees covered by chapter 54 of this title.

"(f) The Office may not prescribe, or require an agency to prescribe, any specific performance standard or element for purposes of this section.

"(g) This section and any regulations prescribed under this section shall cease to be effective as of the date on which chapter 54 of this title ceases to be effective.".

(b) The table of sections for chapter 43 of title 5, United States Code, is amended by inserting after the item relating to section 4302 the following new item:

"4302a. Establishment of performance appraisal systems for performance management and recognition system employees.".

MERIT INCREASES AS EQUIVALENT INCREASES IN PAY

SEC. 203. Section 5335 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding subsection (d) or (e) of this section, an increase in pay granted under section 5404 of this title is an equivalent increase in pay within the meaning of subsection (a) of this section and shall be taken into account in the case of any employee who, before becoming subject to this section, was granted such an increase while covered by the performance management and recognition system established under chapter 54 of this title.".

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 204. (a) Title 5, United States Code, is amended—

(1) in sections 4501(2)(A), 5332(a), 5334(c)(2), 5334(f), 5335(e), 5336(c), and 5362(c)(3), by striking out "the merit pay system established under section 5402" each place it appears and inserting in lieu thereof "the performance management and recognition system established under chapter 54";

(2) in section 5361(5), by striking out "merit pay system" and inserting in lieu thereof "performance management and recognition system"; and

(3) in section 5948(g)(1)(C), by striking out "Merit Pay System" and inserting "performance management and recognition system".

(b) Section 1602 of title 10, United States Code, and section 731(b) of title 31, United States Code, are each amended by striking out "5401(a)" and inserting in lieu thereof "5401".

EFFECTIVE DATE; TRANSITION PROVISIONS

SEC. 205. (a) The amendments made by this title shall be effective as of October 1, 1984, and shall apply with respect to pay periods commencing on or after that date.

(b) The rate of basic pay for any individual serving in a position—

(1) which is in the merit pay system before the date on which the amendments made by this title take effect, but

(2) which does not become covered by the performance management and recognition system,

shall not be reduced on account of such position not becoming so covered.

(c) The rate of basic pay for any individual serving in a position which ceases to be covered by the performance management and recognition system as a result of the termination of such system under section 5410 of title 5, United States Code, as amended by this title, shall not be reduced on account of such termination.

(d)(1) Except as provided in paragraph (2), any agency or unit of an agency which, immediately before the date of enactment of this Act, was excluded from coverage under the merit pay system shall be excluded from coverage under the performance management and recognition system for the 12-month period beginning on such date of enactment.

(2) An exclusion under paragraph (1) may be revoked at any time in accordance with section 5402(b)(5) of title 5, United States Code, as amended by this Act.

TITLE III—SENIOR EXECUTIVE SERVICE

CONGRESSIONAL FINDINGS

SEC. 301. The Congress finds that the Senior Executive Service should be continued indefinitely.

PERFORMANCE AWARDS

SEC. 302. Subsection (b) of section 5384 of title 5, United States Code, is amended—

(1) in paragraph (2), by striking out "exceed" and inserting in lieu thereof "be less than 5 percent nor more than"; and

(2) by amending paragraph (3) of such subsection to read as follows:

"(3) The aggregate amount of performance awards paid under this section by an agency during any fiscal year may not exceed the greater of—

"(A) an amount equal to 3 percent of the aggregate amount of basic pay paid to career appointees in such agency during the preceding fiscal year; or

"(B) an amount equal to 15 percent of the average of the annual rates of basic pay paid to career appointees in such agency during the preceding fiscal year."

REDUCTIONS IN FORCE

SEC. 303. (a) Section 3593(c)(1)(B) of title 5, United States Code, is amended by inserting "before October 1, 1984," after "title".

(b) Section 3594(b) of such title is amended to read as follows:

"(b) A career appointee who has completed the probationary period under section 3393(d) of this title, and who—

"(1) is removed from the Senior Executive Service for less than fully successful executive performance as determined under subchapter II of chapter 43 of this title; or

"(2) is removed from the Senior Executive Service under paragraph (4) or (5) of section 3595(b) of this title;

shall be entitled to be placed in a civil service position (other than a Senior Executive Service position) in any agency.".

(c) Section 3595(b) of such title is amended—

(1) in paragraph (3)(B), by striking out "is entitled" and all that follows thereafter through "position." and inserting in lieu thereof "shall be placed by the Office in any agency in any vacant Senior Executive Service position unless the head of that agency determines that the career appointee is not qualified for that position."; and

(2) by striking out paragraphs (4) and (5) and inserting in lieu thereof the following:

"(4) A career appointee who is not assigned under paragraph (3)(A) may be removed from the Senior Executive Service due to a reduction in force if the career appointee declines a reasonable offer for placement in a Senior Executive Service position under paragraph (3)(B).

"(5) A career appointee who is not assigned under paragraph (3)(A) may be removed from the Senior Executive Service due to a reduction in force if the career appointee is not placed in another Senior Executive Service position under paragraph (3)(B) within 45 days after the Office receives certification regarding that appointee under paragraph (3)(B).".

(d) Section 3595(c) of such title is amended to read as follows:

"(c) A career appointee is entitled to appeal to the Merit Systems Protection Board under section 7701 of this title whether the reduction in force complies with the competitive procedures required under subsection (a).".

DIRECT REASSIGNMENT; TRANSFER OF FUNCTION

SEC. 304. (a) Section 3395(a)(2) of title 5, United States Code, is amended to read as follows:

"(2)(A) Except as provided in subparagraph (B) of this paragraph, a career appointee may be reassigned to any Senior Executive Service position only if the career appointee receives written notice of the reassignment at least 15 days before the effective date of such reassignment.

"(B)(i) A career appointee may not be reassigned to a Senior Executive Service position outside the career appointee's commuting area unless—

"(I) before providing notice under subclause (II) of this clause (or seeking or obtaining the consent of the career appointee under clause (ii) of this subparagraph to waive such notice), the agency consults with the career appointee on the reasons for, and the appointee's preferences with respect to, the proposed reassignment; and

"(II) the career appointee receives written notice of the reassignment, including a statement of the reasons for the reassignment, at least 60 days before the effective date of the reassignment.

"(ii) Notice of reassignment under clause (i)(II) of this subparagraph may be waived with the written consent of the career appointee involved.".

(b) Section 3595 of such title is amended by adding at the end thereof the following new subsection:

"(e) The Office shall prescribe regulations under which the rights accorded to a career appointee in the event of a transfer of function are comparable to the rights accorded to a competing employee under section 3503 of this title in the event of such a transfer.".

(c) Section 7543(a) of such title is amended by striking out "or malfeasance." and inserting in lieu thereof "malfeasance, or failure to accept a directed reassignment or to accompany a position in a transfer of function.".

(d) Section 8336(d) of such title is amended by inserting after the first sentence the following new sentence: "For purposes of paragraph (1) of this subsection, separation for failure to accept a directed reassignment to a position outside the commuting area of the employee concerned or to accompany a position outside of such area pursuant to a transfer of function shall not be considered to be a removal for cause on charges of misconduct or delinquency.".

PAY LIMITATION

SEC. 305. Section 5383(b) of title 5, United States Code, is amended to read as follows:

"(b)(1) In no event may the aggregate amount paid to a senior executive during any fiscal year under sections 4507, 5382, 5384, and 5948 of this title exceed the annual rate payable for positions at level I of the Executive Schedule in effect at the end of such fiscal year.

"(2)(A) Any amount which is not paid to a senior executive during a fiscal year because of the limitation under paragraph (1) of this subsection shall be paid to that individual in a lump sum at the beginning of the following fiscal year.

"(B) Any amount paid under this paragraph during a fiscal year shall be taken into account for purposes of applying the limitation under paragraph (1) of this subsection with respect to such fiscal year.

"(C) The Office of Personnel Management shall prescribe regulations, consistent with section 5582 of this title, under which payment under this paragraph shall be made in the case of any individual whose death precludes payment under subparagraph (A) of this paragraph.".

MISCELLANEOUS SENIOR EXECUTIVE SERVICE AMENDMENTS

SEC. 306. (a) Section 3135(a) of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (8);

(2) by redesignating paragraph (9) as paragraph (10); and

(3) by inserting after paragraph (8) the following new paragraph:

"(9) the number of career appointees who have been placed in positions outside the Senior Executive Service under section 3594 of this title as a result of a removal under section 3595 of this title; and".

(b)(1) The first sentence of section 3393(b) of such title is amended by inserting before the period the following: "or commissioned officers of the uniformed services serving on active duty in such agency".

(2) Section 4312(b)(3) of such title is amended by inserting ", or (with the consent of the senior executive) a commissioned officer in the uniformed services serving on active duty," after "employee", and by striking out "executive".

(c)(1) Such title is amended by adding after section 3595 the following new section:

"§ 3595a. Furlough in the Senior Executive Service

"(a) For the purposes of this section, 'furlough' means the placement of a senior executive in a temporary status in which the senior executive has no duties and is not paid when the placement in such status is by reason of insufficient work or funds or for other nondisciplinary reasons.

"(b) An agency may furlough a career appointee only in accordance with regulations issued by the Office of Personnel Management.

"(c) A career appointee who is furloughed is entitled to appeal to the Merit Systems Protection Board under section 7701 of this title.".

(2) The table of sections for chapter 35 of such title is amended by inserting after the item relating to section 3595 the following new item:

"3595a. Furlough in the Senior Executive Service.".

EFFECTIVE DATE

SEC. 307. The amendments made by this title shall be effective following the expiration of the 90-day period beginning on the date of enactment of this Act, except that the amendments made by section 304 shall be effective as of such date of enactment.

STEVENS AMENDMENT NO. 7088

Mr. BAKER (for Mr. STEVENS) proposed an amendment to the bill H.R. 2300, supra; as follows:

On page 4, line 24, strike out the period, and insert in lieu thereof the following: ", plus interest. For the purposes of the preceding sentence, the annual rate of interest for each year during which the annuity would have been reduced if the election had been in effect since the date the annuity commenced shall be six percent.".

On page 8, line 19, strike out the period, and insert in lieu thereof the following: ", plus interest. For the purposes of the preceding sentence, the annual rate of interest for each year during which an annuity would have been reduced if the election had been in effect on and after the applicable date referred to in such sentence shall be six percent.".

On page 10, line 17, strike out the period, and insert in lieu thereof the following: ", plus interest. For the purposes of the preceding sentence, the annual rate of interest for each year during which the annuity would have been reduced if the election had

been in effect since the date the annuity commenced shall be six percent.".

On page 27, line 14, strike out "commenced;", and insert in lieu thereof "commenced, plus interest computed at the annual rate of six percent for each year during which the annuity would have been reduced if the election had been in effect on and after the date the annuity commenced".

On page 31, line 4, strike out the period and insert in lieu thereof the following: ", plus interest. For the purposes of the preceding sentence, the annual rate of interest for each year during which the annuity would have been reduced if the election had been in effect on and after the date the annuity commenced shall be six percent.".

On page 6, after line 3, insert the following: "In the case of a retired employee or Member whose annuity is being reduced in order to provide a survivor annuity for a former spouse, an election to provide or increase a survivor annuity for any other former spouse (and to continue an appropriate reduction) may be made within the same period that, and subject to the same conditions under which, an election could be made under paragraph (5)(B) of this subsection for a current spouse (subject to the provisions of this paragraph relating to consent of a current spouse, if the retired employee or Member is then married). The opportunity to make an election under the preceding sentence is in addition to any opportunity otherwise afforded under this paragraph.".

On page 20, line 23, strike out "an unremarried" and insert in lieu thereof "a".

On page 20, after line 25, insert the following:

"(A) who has not remarried before age 55 after the marriage to the employee, former employee, or annuitant was dissolved,

On page 21, line 1, strike out "(A)" and insert in lieu thereof "(B)".

On page 21, line 7, strike out "(B)" and insert in lieu thereof "(C)".

On page 31, line 13, beginning with "original", strike out all through "other" on line 14, and insert in lieu thereof "such".

FEDERAL CHARTER FOR THE 369TH VETERANS ASSOCIATION

THURMOND AMENDMENT NO. 7089

Mr. BAKER (for Mr. THURMOND) proposed an amendment to the bill (H.R. 1095) to grant a Federal charter to the 369th Veterans' Association; as follows:

On page 5, line 9, delete "(60) and insert in lieu thereof "(65).

NATIONAL FISHERIES MARKETING COUNCIL ACT

PACKWOOD AMENDMENT NO. 7090

Mr. BAKER (for Mr. PACKWOOD) proposed an amendment to the bill (H.R. 5051) to improve the operation of the Fishermen's Protective Act of 1967; as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That this Act be cited as the "National Fisheries Marketing Council Act of 1984".

FINDINGS

SEC. 2. The Congress finds that—

(1) the commercial fishing industry of the United States significantly contributes to the national economy, and could make a greater contribution if fish resources within the United States Exclusive Economic Zone were fully utilized;

(2) the commercial fisheries of the United States provide significant employment in coastal areas and in processing and distribution centers;

(3) fish contribute an important nutritional component to the American diet;

(4) due to the small and independent nature of the fishing industry, and the regional diversification of harvesting and production, no one entity in the industry is capable of securing the level of effort necessary to provide an effective generic marketing program for fish;

(5) Federally-supported development programs for commercial fisheries are unable to meet present and future marketing needs;

(6) many fish species are underutilized by the United States fishing industry because of underdeveloped markets; and

(7) the United States fishing industry has the potential to greatly expand its contribution to interstate and foreign commerce, favorably affecting the balance of trade.

PURPOSE

SEC. 3. The purpose of this Act is to—

(1) strengthen the competitive position of the United States commercial fishing industry in the domestic and international marketplace;

(2) encourage the development and utilization of all species of fish available for harvest by the United States industry;

(3) encourage the utilization of domestically-produced fish through enhancement of markets, promotion, and public relations;

(4) help the United States fishing industry develop methods to improve quality and efficiency in the marketplace;

(5) educate and inform consumers on the use of fish;

(6) develop better coordination of fisheries marketing and promotion activities with commercial fisheries research and development programs; and

(7) educate and inform the public about the nutritional value of fish in the diet.

DEFINITIONS

SEC. 4. As used in this Act, the term—

(1) "Administrator" means the Administrator of the National Oceanic and Atmospheric Administration;

(2) "Council" means the National Fisheries Marketing Council established by section 5;

(3) "consumer education" means actions undertaken to inform consumers on matters related to the consumption of fish;

(4) "fish" means finfish, mollusks, crustaceans, and all other forms of marine and freshwater animal life used for human consumption, and products derived therefrom;

(5) "Fund" means the Fisheries Marketing Fund established by section 10;

(6) "harvester" means any individual who is in the business of catching fish for purposes of sale;

(7) "importer" means any person who imports fish into the United States from another country for commercial purposes;

(8) "marketing and promotion" means an activity aimed at encouraging the consumption of fish or expanding or maintaining commercial markets for fish;

(9) "marketer" means any individual who is in the business of selling fish in wholesale, retail, or restaurant trade, but whose primary business function is not the processing or packaging of fish in preparation for sale;

(10) "member" means any person serving on the Council;

(11) "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or any private entity organized or existing under the laws of the United States or any State, commonwealth, territory or possession of the United States;

(12) "processor" means any individual who is in the business of receiving or otherwise acquiring fish from a harvester, and of preparing or packaging such fish (including fish of the processor's own harvesting) for sale;

(13) "receiver" means any person who acquires fish for sale directly from a harvester;

(14) "research" means research activities related to the marketing of fish; and

(15) "United States" means the several States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands and any other territory, possession, or commonwealth of the United States.

ESTABLISHMENT OF THE NATIONAL FISHERIES MARKETING COUNCIL

SEC. 5. (a) There is established the National Fisheries Marketing Council.

(b)(1) The Council shall be composed of the Administrator (or the Administrator's designee), who shall be a nonvoting member, and fifteen voting members appointed by the Administrator.

(2) Nominations for appointees shall be submitted in a manner prescribed by the Administrator.

(c) The Council shall be comprised of regional representation from the Northeast, Southeast, Pacific, and Alaska regions. The Northeast region shall consist of the States of Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Delaware, Pennsylvania, Maryland, and Virginia. The Southeast region shall consist of the States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas, the Commonwealth of Puerto Rico, and the territory of the Virgin Islands. The Pacific region shall consist of the States of Idaho, Washington, Oregon, California, and Hawaii, the territories of Guam and American Samoa, and the Commonwealth of the Northern Mariana Islands. The Alaska region shall consist of the State of Alaska.

(d)(1) The voting members of the Council shall be—

(A) three members who reside in or do substantial fishing industry business in the Northeast region;

(B) three members who reside in or do substantial fishing industry business in the Southeast region;

(C) three members who reside in or do substantial fishing industry business in the Pacific region;

(D) three members who reside in or do substantial fishing industry business in the Alaska region;

(E) one member-at-large from an organized labor union, with demonstrated expertise in the United States fishing industry;

(F) one member-at-large with demonstrated expertise in the consumer and retail phases of the food industry; and

(G) one member-at-large with demonstrated expertise in freshwater and inland commercial fisheries.

(2) Of the members appointed pursuant to each of paragraphs (1)(A) through (D) of this subsection, one shall be a harvester, one shall be a processor, and one shall be a marketer.

(e)(1) Of the three members first appointed under each of subsections (d)(1)(A) through (D) and under subsections (d)(1)(E) through (G), one shall be appointed for a term of one year, one for a term of two years, and one for a term of three years. Thereafter, such appointments shall be for a term of three years.

(2) The tenure of a voting members may not exceed two successive terms.

(f) The Council shall annually elect a Chairman by a majority of those voting, if a quorum is present. Eleven members of the Council shall constitute a quorum, but a lesser number may hold hearings. A vacancy in the Council shall not affect its ability to function. The Administrator shall appoint a new member within sixty days to fill a vacancy in an unexpired term. Any member may remain on the Council beyond that member's term until a successor is appointed.

(g) The Council shall first meet within one hundred and eighty days after the date of enactment of this Act.

(h) Members of the Council shall serve without compensation, but shall be reimbursed in accordance with section 5703 of title 5, United States Code, for reasonable travel costs and expenses incurred in performing their duties as members of the Council.

FUNCTIONS AND DUTIES OF THE COUNCIL

SEC. 6. (a) The Council shall—

(1) prepare and submit to the Administrator, for the Administrator's review and approval, and annual marketing and promotion plan which contains descriptions of consumer education, research, and other marketing and promotion activities of the Council for the successive year, including activities related specifically to fish of each region, and shall implement such annual plan as approved by the Administrator;

(2) prepare and submit to the Administrator, for the Administrator's review and approval, an annual budget of the anticipated expenses and disbursements of the Council, including probable costs of consumer education, research, and other marketing and promotion plans or projects, and of the collection and enforcement of assessments;

(3) maintain accounting records of the receipt and disbursement of all funds entrusted to the Council;

(4) maintain such books and records as the Administrator determines appropriate;

(5) receive, and report to the Administrator, complaints of violations of orders or rules relating to assessment requirements;

(6) reimburse the Administrator for the actual costs of the collection and enforcement of assessments;

(7) prepare and submit to the Administrator from time to time such reports or proposals as the Administrator or the Council determines appropriate for furthering the purposes and policies of this Act.

(b) Each annual marketing and promotion plan shall be directed at—

(1) increasing the general demand for fish;

(2) encouraging, expanding, or improving the marketing and promotion and utilization of fish; and

(3) improving the dissemination of data collected by consumer education, research, and other marketing and promotion activities.

(c) Consumer education and other marketing and promotion activities of the Council shall contain no reference to a private brand or trade name and shall avoid use of deceptive acts or practices in behalf of fish or with respect to the quality, value, or use of any competing product or group of products.

(d) The annual budget of the Council shall allocate operating funds in such a manner that—

(1) prior to January 1, 1989—

(A) an amount equal to 50 percent of such funds is allocated equally among each of the regions described in section 5(c) for the marketing and promotion of fish and each such region, which may include funds to regional development foundations or regional trade associations; and

(B) the remainder of such funds is allocated for national marketing and promotion and administration of the Council; and

(2) on and after January 1, 1989—

(A) an amount equal to 50 percent of the total amount collected from assessments in the previous year from each such region is allocated for the marketing and promotion of fish of each such region, which may include funds to regional development foundations or regional trade associations; and

(B) the remainder of the funds is allocated for national marketing and promotion and administration of the Council.

(e) The Council may employ and determine the salary of an executive director not to exceed Senior Executives Service Level 6. The executive director shall have demonstrated expertise in the marketing and promotion of food products and may, without regard to the provisions of title 5, United States Code, with the approval of the Council, select and employ additional staff as necessary.

(f) The Council may enter into agreements to develop and carry out activities authorized under this Act.

DUTIES OF THE ADMINISTRATOR

SEC. 7. (a) The Administrator shall—

(1) review and approve the annual marketing and promotion plan and budget within sixty days after submission by the Council;

(2) administer the Fund and withdraw from the Fund such sums as are necessary to carry out the Council's approved marketing and promotion plan and budget, including reimbursement to the Administrator for the collection and enforcement of assessments:

(3) collect and enforce the payment of the assessments required under section 8(a) and issue such orders and amendments to such orders as are necessary to carry out the requirements for the payment of such assessments;

(4) promulgate regulations necessary to carry out the purposes and policies of this Act;

(5) provide such administrative assistance as the Council may require for purposes of its initial organization and operation; and

(6) make all appointments to the Council within ninety days after the date of enactment of this Act.

(b)(1) Except as provided in paragraphs (2) and (3), any information obtained pursuant to subsection (a)(3) shall be kept confidential by all officers and employees of the National Oceanic and Atmospheric Administration, and independent accountants and other persons who have access to such information.

(2) If the Administrator or an employee of the United States Government is party to a suit or administrative action involving an order issued under this section, the Administrator may disclose information obtained under subsection (a)(3) to the extent allowed by the judicial or administrative officer presiding over such suit or action.

(3) This subsection shall not prohibit—

(A) the issuance of general statements based upon—

(i) reports of the number of persons subject to an order which do not identify the information furnished by any person; or

(ii) statistical data based on such statements; or

(B) the publication by direction of the Administrator of the name of any person violating an order relating to the assessments required under section 8(a), and a statement of the particular provisions of such order violated by such person.

(4) Any individual who is required to keep information confidential under this subsection and who violates this subsection shall, upon conviction, be—

(A) subjected to a fine of not more than $1,000 or, if the violation was intentional, to imprisonment for not more than one year, or both; and

(B) removed from office if an officer or employee of the Council of the National Oceanic and Atmospheric Administration.

INDUSTRY PAYMENTS

SEC. 8. (a)(1) For those receivers and importers whose fish purchases in the twelve-month period immediately prior to the assessment date amount to $500,000 or more, the Administrator shall issue an order to pay, beginning October 1, 1987, an assessment equal to 0.2 per centum of the price of fish—

(A) sold by a harvester to a receiver; or

(B) imported into the United States by an importer.

(2) For transactions where the price of fish sold by a harvester to a receiver cannot be determined, the Administrator, with the concurrence of the Council, shall develop and promulgate regulations prescribing a means for determining such sale price.

(3) Notwithstanding paragraph (1), the Administrator (upon the request of the Council) may set an upper limit on the total assessment which a receiver or importer must pay during any twelve-month period.

(4) Receivers and importers shall make their books and records available for inspection solely for the purpose of determining the correct assessments as described in paragraph (1).

(5) The assessments shall, in the manner prescribed by an order issued by the Administrator, be—

(A) paid and transmitted to the Administrator by a receiver and an importer; and

(B) deposited by the Administrator into the Fund.

(6) To facilitate the collection of assessments, the Administrator, upon the request of the Council, may vary assessment collection procedures among different types of receivers to reflect differences in marketing and promotion practices or procedures utilized in the industry.

(b) The Council may prepare and submit orders to the Administrator, which the Administrator shall promulgate, that increase or decrease the rate of assessment to such level as the Council determines necessary to effectuate the purposes of this Act, except that such orders may not raise or lower the rate in any year by more than 0.1 percent over the rate during the previous fiscal year.

(c) Within one year after the date of enactment of this Act, a petition may be filed

with the Administrator by persons engaged in a segment of the fishing industry, requesting exemption from any assessment requirement under this Act. If the Administrator determines that any such petition is signed by receivers and importers who handle over 50 percent of the volume of fish in a segment of the fishing industry, the Administrator shall exempt any such receiver or importer from the payment of the assessment. If a segment of the fishing industry is exempted pursuant to this subsection, no representative of that segment shall be appointed to or serve on the Council, and the Council shall undertake no activities under this Act for the specific benefit of that segment.

(d) Any receiver or importer who has paid an assessment under this section shall be entitled to demand and receive from the Administrator a refund of such assessment. The demand for a refund shall be made within the time and in the manner prescribed by the Council and approved by the Administrator.

(e) Any person may make voluntary payments to help the Council carry out its annual marketing and promotion plan and annual budget, and the Administrator shall deposit such payments into the Fund.

PETITION AND REVIEW

SEC. 9. (a) Any person subject to an assessment order under section 7 may file a written petition with the Administrator, stating that such order or any provision of such order or any obligation imposed under such order is not in accordance with law and requesting a modification of the order or an exemption for such person from such order. Such petition shall be filed within a period prescribed by the Administrator. Such person shall be given an opportunity for a hearing upon such petition, in accordance with regulations issued by the Administrator. After such hearing, the Administrator shall make a ruling upon the petition, and such ruling shall be final, if in accordance with law.

(b) The district courts of the United States, in any district in which such person is an inhabitant or carries on business, shall have jurisdiction to review such ruling. Any request for such review shall be filed within twenty days after the date of the entry of such ruling. Service of process in such proceedings may be had upon the Administrator by delivering to the Administrator a copy of the request. If the court determines that such ruling is arbitrary and capricious, an abuse of discretion, or not in accordance with law, it shall remand such proceedings to the Adminstrator with directions either (1) to make such ruling as the court determines to be in accordance with law, or (2) to take such further proceedings as, in the court's opinion, are required by law. The pendency of proceedings instituted pursuant to subsection (a) of this section shall not impede, hinder, or delay the United States or the Administrator from obtaining relief pursuant to section 12 of this Act.

ESTABLISHMENT OF MARKETING FUND

SEC. 10. (a) There is established in the Treasury of the United States a Fisheries Marketing Fund. The Fund shall be available to the Administrator and the Council as a revolving fund for the purpose of making payments to carry out the annual marketing and promotion plan and annual budget of the Council under this Act.

(b) There shall be deposited in the Fund—

(1) subject to appropriations, from the fisheries loan fund established pursuant to section 4(c) of the Fish and Wildlife Act of 1956 (16 U.S.C. 742c(c))—

(A) $10,000,000, on October 1, 1984;

(B) $10,000,000, on October 1, 1985;

(C) $4,000,000, on October 1, 1986; and

(D) $4,000,000, on the first day of each fiscal year beginning on October 1, 1987, subject to the availability of funds;

(2) subject to appropriations, from the fund used by the Administrator pursuant to section 2(b) of the Act entitled "An Act to authorize the Federal Surplus Commodities Corporation to purchase and distribute surplus products of the fishing industry", approved August 11, 1939, as amended (commonly referred to as the Saltonstall-Kennedy Act, 15 U.S.C. 713c-3(b))—

(A) $4,000,000, on October 1, 1984;

(B) $4,000,000, on October 1, 1985;

(C) $4,000,000, on October 1, 1986; and

(D) $4,000,000, on October 1, 1987;

(3) assessments paid pursuant to section 8(a);

(4) amounts paid voluntarily and collected pursuant to section 8(e); and

(5) revenues received from investments made under subsection (d).

(c) No sum received from a private source paid pursuant to section 7 shall be subject to annual appropriations.

(d) Sums in the Fund that are not currently needed for the purposes of the Fund shall be kept on deposit in appropriate interest-bearing accounts that shall be established by the Secretary of the Treasury or invested in obligations of, or guaranteed by, the United States. Any revenue accruing from such deposits and investments shall be deposited in the Fund.

(e) Sums in the Fund shall be expended without further appropriations and without fiscal year limitation.

CONTINUATION OF THE COUNCIL

SEC. 11. (a)(1) Within ninety days before October 1, 1987, the Administrator shall—

(A) identify any importer or receiver with fish purchases of $500,000 or more for the twelve-month period ending thirty days prior to the date on which the survey under subparagraph (C) is initiated;

(B) identify any person who qualifies under paragraph (3) for inclusion in such survey; and

(C) initiate a survey of the persons identified under subparagraphs (A) and (B) who have not been exempted from assessment payments pursuant to section 8(c), to determine whether the Council shall continue.

(2) The survey shall be based upon the relative value of the fish imported by importers, purchased by receivers, and sold by persons qualified under paragraph (3), during the twelve-month period ending thirty days prior to the date on which such survey is initiated.

(3) Any person who is in the business of catching fish for purposes of sale shall be included in the survey if, no later than thirty days prior to the date on which such survey is to be initiated, that person—

(A) registers with the Administrator; and

(B) submits to the Administrator business records and other evidence which the Administrator determines to be sufficient proof of fish sales of $100,000 or more during the twelve-month period ending thirty days prior to the date on which such survey is to be initiated.

The Administrator's determination of the value of such fish for purposes of paragraph (2) shall be made solely on the basis of business records and other evidence submitted voluntarily by such person.

(b) The Council shall be terminated within ninety days after the date of the survey conducted pursuant to subsection (a)(1), if the continuation of the Council is disapproved by—

(1) importers whose relative value of fish imported;

(2) persons qualified under subsection (a)(3) whose relative value of fish sold; and

(3) receivers whose relative value of fish purchased.

collectively, equals or exceeds 35 percent of the total value of fish imported, sold, and purchased, by all persons included in such survey, during the period ending thirty days prior to the date on which such survey is initiated.

(c) If the Council is not terminated pursuant to subsection (b), the Council shall continue until the total unrefunded contributions into the Fund for the previous twelve-month period are less than $1,000,000, or until a survey pursuant to subsection (d) determines that the Council shall be terminated.

(d) Any time after October 1, 1989, a survey on the continuation of the Council shall be undertaken by the Administrator within ninety days after its receipt of a petition for such a survey, signed by persons whose annual assessment payments are collectively at least 10 percent of the total annual assessments ordered, except that such a survey shall not be conducted earlier than two years after the completion of a previous survey under subsection (c) or this subsection. If a survey under this subsection determines that the continuation of the Council is disapproved by persons whose annual assessment payments are collectively at least 35 percent of the total annual assessments paid, the Council shall be terminated within ninety days after the date of such survey.

(e) If the Council is terminated, assessment moneys remaining in the Fund on the date of termination shall be transferred to their original sources, in proportion to assessment payments made.

ENFORCEMENT

SEC. 12. (a)(1) The district courts of the United States shall have jusrisdiction specifically to enforce, and to prevent and restrain any person from violating, any order or regulation made or issued pursuant to this Act.

(2)(A) Except as provided in subparagraph (B), any civil action authorized to be brought under this subsection shall be refered to the Attorney General for appropriate action.

(B) If the Administrator believes that the administration and enforcement of the provisions of this Act would be adequately served by taking administrative action pursuant to subsection (c) or providing written notice or warning to any person committing a violation of this Act, the Administrator is not required to refer such violation to the Attorney General.

(C)(1)(A) Any person who violates any provisions of any order or regulation issued by the Administrator pursuant to this Act, or who fails or refuses to pay, collect, or remit any assessment required under this Act, may be assessed a civil penalty by the Administrator of not less than $500 or more than $5,000 for each such violation. Each violation shall be a separate offense.

(B) In addition to or in lieu of such civil penalty, the Administrator may issue an order requiring such person to cease and desist from continuing such violation.

(C) No penalty shall be assessed or cease and desist order issued under this paragraph unless such person is given notice and opportunity for a hearing before the Administrator with respect to such violation.

(D) Any order of the Administrator under this paragraph assessing a penalty or imposing a cease and desist order shall be final and conclusive, unless the affected person files an appeal from the Administrator's order with the appropriate United States court of appeals.

(2)(A) Any person against whom a violation is found and a civil penalty assessed or cease and desist order issued under paragraph (1) may obtain review of such action in the United States court of appeals for the circuit in which such person resides or has his place of business or in the United States Court of Appeals for the District of Columbia Circuit by filing a notice of appeal in such court within thirty days after the date of such order and by simultaneously sending a copy of such notice by certified mail to the Administrator.

(B) The Administrator shall promptly file in such court a certified copy of the record upon which such violation was found.

(C) The findings of the Administrator shall be set aside only if found to be unsupported by substantial evidence or if not in accordance with law.

(3) Any person who fails to obey a cease and desist order after it has become final shall be subject to a civil penalty assessed by the Administrator of not more than $500 for each offense. Each day during which such failure continues shall be a separate offense.

(4)(A) In any person fails to pay an assessment of a civil penalty after it has become final, the Administrator shall refer the matter to the Attorney General.

(B) The Attorney General shall recover the amount assessed in a district court of the United States.

(C) In such action, the validity and appropriateness of the final order imposing a civil penalty shall not be subject to review.

INVESTIGATIONS

SEC. 13. (a) The Administrator may make such investigations as the Administrator determines necessary to—

(1) carry out the Administrator's responsibilities under this Act; and

(2) determine whether any person has engaged or is about to engage in any acts or practices which constitute a violation of this Act.

(b) For the purpose of such investigation, the Administrator may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, and documents which are relevant to the inquiry.

(c) Such attendance of witnesses and the production of any such records may be required from any place in the United States.

(d) In case of contumacy or refusal to obey a subpoena by any reason, the Administrator may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, to require the attendance and testimony of witnesses and the production of books, papers, and documents. Such court may issue an order requiring such person to appear before the Administrator to produce records or to give testimony relating to the matter under investigation.

AUTHORIZATION

SEC. 14. There are authorized to be appropriated such sums as are necessary for the Administrator to carry out this Act.

COMPLIANCE

SEC. 15. Section 204(b)(7) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1824(b)(7)) is amended—

(1) by redesignating subparagraph (F) as subparagraph (G); and

(2) by inserting immediately after subparagraph (E) the following:

"(F) In any case in which the Secretary, in consultation with the Secretary of State and the Secretary of the department in which the Coast Guard is operating, determines that the vessels of a foreign nation have exhibited a consistent pattern of serious violations of United States fishery laws, the requirement that—

"(i) any vessel of such foreign nation which has been cited for a serious violation, and is seeking a permit to harvest fish in the fishery conservation zone, be boarded and inspected by an authorized United States fishery enforcement officer prior to commencing such fishing;

"(ii) each such vessel have on board a United States observer while engaging in fishing within the fishery conservation zone; and

"(iii) each such vessel be boarded and inspected by an authorized United States fishery enforcement officer upon completion of fishing in the fishery conservation zone.

The requirements specified in clauses (i), (ii) and (iii) of this subparagraph may be rescinded at such time as the Secretary, in consultation with the Secretary of State and the Secretary of the department in which the Coast Guard is operating, determines to be appropriate, taking into account the compliance of such foreign vessels with United States fishery laws.".

AMENDMENT TO THE NORTH PACIFIC FISHERIES ACT OF 1954

SEC. 16. (a)(1) In the administration of the North Pacific Fisheries Act of 1954 (16 U.S.C. 1021 et seq.), the United States Section may—

(A) in consultation with the National Marine Fisheries Service, initiate multinational symposia and provide other forums, including all nations, as determined by the United States Section in consultation with the National Marine Fisheries Service, that have a significant interest in North Pacific fishery matters, for the purpose of exchanging scientific information, concerning all fishery stocks of the North Pacific; and

(B) initiate, in consultation with the National Marine Fisheries Service, a review of multinational cooperative development plans for North Pacific fishery stocks.

(2) The United States Section may employ and determine the salary of a professional administrator having scientific expertise and training in fisheries to ensure that the activities described in paragraph (1) are initiated on a timely basis.

(b) There are authorized to be appropriated such sums as are necessary to fund the expanded activities of the United States Section provided for in this section.

INCREASE IN PUBLIC DEBT LIMIT

SYMMS AMENDMENT NO. 7091

Mr. SYMMS proposed an amendment to amendment No. 7072 proposed by Mr. TSONGAS to the joint resolution (H.J. Res. 654) increasing the statutory limit on the public debt; as follows:

In the amendment offered by the Senator from Massachusetts, strike on Page 5, beginning with line 2, all through the end of the amendment as amended and insert in lieu thereof:

(b)(1) Notwithstanding any other provision of law, the head of each Agency, or his/her designated subordinates, of the Federal Government shall take such actions as may be necessary to ensure that such agency is prepared to carry out promptly any provisions of law enacted pursuant to this section that require action to be taken by such agency. Actions taken by an agency pursuant to this paragraph shall include the development of contingency plans for carrying out the programs, projects, and activities of such agency in the event that the amounts available for obligation and expenditure by such agency during fiscal year 1986 are reduced pursuant to this section.

(2) For purposes of this subsection, the term "agency" has the meaning given to such term in section 101 of title 31, United States Code.

SEC. . REPEAL CHANGES TO SECTION 483 BY TAX REFORM ACT OF 1984.

(a) IN GENERAL.—Section 1274 of the Internal Revenue Code of 1954 (relating to determination of issue price in the case of certain debt instruments issued for property) is hereby repealed.

(b) CONFORMING AMENDMENT.—Subsection (b) of section 41 of the Tax Reform Act of 1984 (relating to amendment of section 483) is hereby repealed and the Internal Revenue Code of 1954 shall be applied and administered as if such subsection (b) (and the amendment made by such subsection) had not been enacted.

(c) Paragraph (4) of section 1273(b) of such Code is amended to read as follows:

"(4) OTHER CASES.—Except in any case to which paragraph (1), (2), or (3) of this subsection applies, the issue price of a debt instrument which is issued for property shall be the stated redemption price at maturity.".

(d) EFFECTIVE DATE.—June 1, 1984.

SYMMS AMENDMENT NO. 7092

Mr. SYMMS proposed an amendment to amendment No. 7091 proposed by him to the joint resolution (H.J. Res. 654) supra; as follows:

At the appropriate place in the joint resolution, insert the following new section:

SEC. . REPEAL CHANGES TO SECTION 403 BY TAX REFORM ACT OF 1984.

(a) IN GENERAL.—Section 1274 of the Internal Revenue Code of 1954 (relating to determination of issue price in the case of certain debt instruments issued for property) is hereby repealed.

(b) CONFORMING AMENDMENT.—Subsection (b) of section 41 of the Tax Reform Act of 1984 (relating to amendment of section 483) is hereby repealed and the Internal Revenue Code of 1954 shall be applied and administered as if such subsection (b) (and the

amendment made by such subsection) had not been enacted.

(c) Paragraph (4) of section 1273(b) of such Code is amended to read as follows:

"(4) OTHER CASES.—Except in any case to which paragraph (1), (2), or (3) of this subsection applies, the issue price of a debt instrument which is issued for property shall be the stated redemption price at maturity.".

(c) EFFECTIVE DATE.—The Internal Revenue Code of 1954 shall take effect as if included in the amendments made by section 41 of the Tax Reform Act of 1984.

GENOCIDE CONVENTION

SYMMS AMENDMENT NO. 7093

Mr. SYMMS proposed an amendment to Executive 81-1, International Treaty on the Prevention and Punishment of the Crime of Genocide; as follows:

Add at the end of Article I of the Treaty the following new section:

"Nuclear war poses the greatest threat of genocide yet imagined in the world, and therefore the President will submit forthwith and on an annual basis thereafter to the Congress of the United States and to appropriate Representatives of the other parties signatory to this Treaty, a detailed and comprehensive report of all violations of nuclear arms control agreements to which the United States is a Party; provided further that for purposes of the first report required hereunder, the President shall submit before the 98th Congress adjourns *sine die* the report prepared by the General Advisory Committee on Arms Control and Disarmament entitled: 'A Quarter Century of Soviet compliance practices under arms control commitments: 1958-1983 (u).'."

EXPORT ADMINISTRATION ACT AMENDMENTS

GARN AMENDMENT NO. 7094

Mr. BAKER (for Mr. GARN) proposed an amendment to the bill (H.R. 4230) to extend the authorities under the Export Administration Act of 1979; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECITON 1. Titles I and II of this Act may be cited as the "Export Administration Amendments Act of 1984".

TITLE I—AMENDMENTS TO EXPORT ADMINISTRATION ACT OF 1979

REFERENCE TO THE ACT

SEC. 101. For purposes of this title, the Export Administration Act of 1979 shall be referred to as "the Act".

FINDINGS

SEC. 102. (a) Section 2 of the Act (50 U.S.C. App. 2401) is amended in paragraph (3) by striking out "which would strengthen the Nation's economy" and inserting in lieu thereof "consistent with the economic, security, and foreign policy objectives of the United States".

(b) Section 2(6) of the Act is amended to read as follows:

"(6) Uncertainty of export control policy can inhibit the efforts of United States business and work to the detriment of the overall attempt to improve the trade balance of the United States.".

(c) Section 2 of the Act is amended by adding at the end thereof the following:

"(10) It is important that the administration of export controls imposed for foreign policy purposes give special emphasis to the need to control exports of goods and substances hazardous to the public health and the environment which are banned or severely restricted for use in the United States, and which, if exported, could affect the international reputation of the United States as a responsible trading partner.

"(11) The acquisition of national security sensitive goods and technology by the Soviet Union and other countries the actions or policies of which are adverse to the national security interests of the United States, has led to the significant enhancement of Soviet bloc military-industrial capabilities, thereby creating a greater threat to the security of the United States, its allies, and other friendly nations, and increasing the defense budget of the United States.

"(12) Availability to proscribed destinations of goods and technology from foreign sources is a fundamental concern of the United States and should be eliminated through negotiations and other appropriate means whenever possible.

"(13) Excessive dependence of the United States, its allies, or countries sharing common strategic objectives with the United States, on energy and other critical resources from potential adversaries can be harmful to the mutual and individual security of all those countries.".

DECLARATION OF POLICY

SEC. 103. Section 3 of the Act (50 U.S.C. App. 2402) is amended—

(1) in paragraph (3), by inserting before the period at the end thereof "or common strategic objectives";

(2) in paragraph (7)—

(A) by striking out "every reasonable effort" in the second sentence and inserting in lieu thereof "reasonable and prompt efforts"; and

(B) by striking out "resorting to the imposition of controls on exports from the United States" in the second sentence and inserting in lieu thereof "imposing export controls";

(3) in paragraph (8)—

(A) by striking out "every reasonable effort" in the second sentence and inserting in lieu thereof "reasonable and prompt efforts"; and

(B) by striking out "resorting to the imposition of export controls" in the second sentence and inserting in lieu thereof "imposing export controls";

(4) in paragraph (9)—

(A) by inserting "or common strategic objectives" after "commitments" each place it appears; and

(B) by inserting before the period at the end thereof the following: ", and to encourage other friendly countries to cooperate in restricting the sale of goods and technology that can harm the security of the United States"; and

(5) by adding at the end thereof the following:

"(12) It is the policy of the United States to sustain vigorous scientific enterprise. To do so involves sustaining the ability of scientists and other scholars freely to communicate research findings, in accordance with applicable provisions of law, by means of publication, teaching, conferences, and other forms of scholarly exchange.

"(13) It is the policy of the United States to control the export of goods and substances banned or severely restricted for use in the United States in order to foster public health and safety and to prevent injury to the foreign policy of the United States as well as to the credibility of the United States as a responsible trading partner.

"(14) It is the policy of the United States to cooperate with countries which are allies of the United States and countries which share common strategic objectives with the United States in minimizing dependence on imports of energy and other critical resources from potential adversaries and in developing alternative supplies of such resources in order to minimize strategic threats posed by excessive hard currency earnings derived from such resource exports by countries with policies adverse to the security interests of the United States.

"(15) It is the policy of the United States, particularly in light of the Soviet massacre of innocent men, women, and children aboard Korean Air Lines flight 7, to continue to object to exceptions to the International Control List for the Union of Soviet Socialists Republics, subject to periodic review by the President.".

GENERAL PROVISIONS

SEC. 104. (a) Section 4(a)(2) of the Act (50 U.S.C. App. 2403(a)(2)) is amended to read as follows:

"(2) Validated licenses authorizing multiple exports, issued pursuant to an application by the exporter, in lieu of an individual validated license for each such export, including, but not limited to, the following:

"(A) A distribution license, authorizing exports of goods to approved distributors or users of the goods in countries other than proscribed countries. The Secretary shall grant the distribution license primarily on the basis of the reliability of the applicant and foreign consignees with respect to the prevention of diversion of goods to proscribed destinations. The Secretary shall have the responsibility of determining, with the assistance of all appropriate agencies, the reliability of applicants and their immediate consignees. The Secretary's determination shall be based on appropriate investigations of each applicant and periodic reviews of licensees and their compliance with the terms of licenses issued under this Act. Factors such as the applicant's products or volume of business, or the consignees' geographic location, sales distribution area, or degree of foreign ownership, which may be relevant with respect to individual cases, shall not be determinative in creating categories or general criteria for the denial of applications or withdrawal of a distribution license.

"(B) A comprehensive operations license, authorizing exports and reexports of technology and related goods, including items from the list of militarily critical technologies developed pursuant to section 5(d) of this Act which are included on the control list in accordance with that section, from a domestic concern to and among its foreign subsidiaries, affiliates, joint venturers, and licensees that have long-term, contractually defined relations with the exporter, are located in countries other than proscribed destinations, and are approved by the Secretary. The Secretary shall grant the license to manufacturing, laboratory, or related operations on the basis of approval of the ex-

porter's systems of control, including internal proprietary controls, applicable to the technology and related goods to be exported rather than approval of individual export transactions. [The Commissioner of Customs, with the assistance of all appropriate agencies] shall periodically, but not less frequently than annually, perform audits of licensing procedures under this subparagraph in order to assure the integrity and effectiveness of those procedures.

"(C) A project license, authorizing exports of goods or technology for a specified activity.

"(D) A service supply license, authorizing exports of spare or replacement parts for goods previously exported.".

(b) Section 4 of the Act (50 U.S.C. App. 2403) is amended—

(1) in subsection (b)—

(A) by striking out "Commodity" and "commodity"; and

(B) by striking out "consisting of any goods or technology subject to export controls under this Act" and inserting in lieu thereof "stating license requirements (other than for general licenses) for exports of goods and technology under this Act"; and

(2) in subsection (c)—

(A) by striking out "significant" and inserting in lieu thereof "sufficient";

(B) by inserting after "those produced in the United States" the following: "so as to render the controls ineffective in achieving their purposes"; and

(C) by adding at the end thereof the following: "In complying with the provisions of this subsection, the President shall give strong emphasis to bilateral or multilateral negotiations to eliminate foreign availability. The Secretary and the Secretary of Defense shall cooperate in gathering information relating to foreign availability, including the establishment and maintenance of a jointly operated computer system.".

(c) Section 4(f) of the Act is amended to read as follows:

"(f) NOTIFICATION OF THE PUBLIC; CONSULTATION WITH BUSINESS.—The Secretary shall keep the public fully apprised of changes in export control policy and procedures instituted in conformity with this Act with a view to encourage trade. The Secretary shall meet regularly with representatives of a broad spectrum of enterprises, labor organizations, and citizens interested in or affected by export controls, in order to obtain their views on United States export policy and the foreign availability of goods and technology.".

NATIONAL SECURITY CONTROLS

SEC. 105. (a)(1) Section 5(a)(1) of the Act (50 U.S.C. App. 2404(a)(1)) is amended by inserting after the first sentence the following new sentence: "The authority contained in this subsection includes the authority to prohibit or curtail the transfer of goods or technology within the United States to embassies and affiliates of prescribed countries.".

(2) Section 5(a)(2) of the Act is amended—

(A) by striking out "(A)"; and

(B) by striking out subparagraph (B).

(3) Section 5(a)(3) of the Act is amended by striking out the last sentence.

(b)(1) Section 5(c) of the Act is amended—

(A) in paragraph (1) by striking out "commodity"; and

(B) by amending paragraph (3) to read as follows:

"(3) The Secretary shall review the list established pursuant to this subsection at least once each year in order to carry out the policy set forth in section 3(2)(A) of this Act and the provisions of this section, and shall promptly make such revisions of the list as may be necessary after each such review. Before beginning each annual review, the Secretary shall publish notice of that annual review in the Federal Register, provide an opportunity during such review for comment and the submission of data, with or without oral presentation, by interested Government agencies and other affected or potentially affected parties, and publish in the Federal Register any revisions in the list, with an explanation of the reasons for the revisions. The Secretary shall further assess, as part of such review, the availability from sources outside the United States of goods and technology comparable to those subject to export controls imposed under this section.".

(2) The amendment made by paragraph (1)(B) of this subsection shall take effect on October 1, 1985.

(d) Section 5(e) of the Act is amended—

(10 in paragraph (1) by striking out "a qualified general license in lieu of a validated license" and inserting in lieu thereof "the multiple validated export licenses described in section 4(a)(2) of this Act in lieu of individual validated licenses"; and

(2) by striking out paragraphs (3) and (4) and inserting in lieu thereof the following:

"(3) The Secretary, subject to the provisions of subsection (1) of this section, shall not require an individual validated export license for replacement parts which are exported to replace on a one-for-one basis parts that were in a good that has been lawfully exported from the United States.

"(4) The Secretary shall periodically review the procedures with respect to the multiple validated export licenses, taking appropriate action to increase their utilization by reducing qualification requirements or lowering minimum thresholds, to combine procedures which overlap, and to eliminate those procedures which appear to be of marginal utility.

"(5) The export of goods subject to export controls under this section shall be eligible, at the discretion of the Secretary, for a distribution license and other licenses authorizing multiple exports of goods, in accordance with section 4(a)(2) of this Act. The export of technology and related goods subject to export controls under this section shall be eligible for a comprehensive operations license in accordance with section 4(a)(2)(B) of this Act.".

(d) Section 5(g) of the Act is amended to read as follows:

"(g) INDEXING.—In order to ensure that requirements for validated licenses and multiple export licenses are periodically removed as goods or technology subject to such requirements become obsolete with respect to the national security of the United States, regulations issued by the Secretary may, where appropriate, provide for annual increases in the performance levels of goods or technology subject to any such licensing requirement. The regulations issued by the Secretary shall establish as one criterion for the removal of goods or technology from such license requirements the anticipated needs of the military of proscribed countries. Any such goods or technology which no longer meets the performance levels established by the regulations shall be removed from the list established pursuant to subsection (c) of this section unless, under such exceptions and under such procedures as the Secretary shall prescribe, any other department or agency of the United States objects to such removal and the Secretary determines, on the basis of such objection, that the goods or technology shall not be removed from the list. The Secretary shall also consider, where appropriate, removing site visitation requirements for goods and technology which are removed from the list unless objections described in this subsection are raised.".

(e) Section 5(i) of the Act (50 U.S.C. App. 2404(i)) is amended—

(1) by striking out paragraph (3);

(2) in paragraph (4)—

(A) by striking out "(4)" and inserting in lieu thereof "(3)"; and

(B) by striking out "pursuant to paragraph (3)" and inserting in lieu thereof "by the members of the Committee"; and

(3) by adding at the end thereof the following:

"(4) Agreement to enhance full compliance by all parties with the export controls imposed by agreement of the Committee through the establishment of appropriate mechanisms.

"(5) Agreement to improve the International Control List and minimize the approval of exceptions to that list, strengthen enforcement and cooperation in enforcement efforts, provide sufficient funding for the Committee, and improve the structure and function of the Secretariat of the Committee by upgrading professional staff, translation services, data base maintenance, communications, and facilities.

"(6) Agreement to coordinate the systems of export control documents used by the participating governments in order to verify effectively the movement of goods or technology subject to controls by the Committee from the country of any such government to any other place.

"(7) Agreement to establish uniform, adequate criminal and civil penalties to deter more effectively diversions of items controlled for export by agreement of the Committee.

"(8) Agreement to increase on-site inspections by national enforcement authorities of the participting governments to ensure that end users who have imported items controlled for export by agreement of the Committee are using such items for the stated end uses, and that such items are, in fact, under the control of those and users.

"(9) Agreement to strengthen the Committee so that it functions effectively in controlling export trade in a manner that better protects the national security of each participant to the mutual benefit of all participants.".

(f) Section 5(j) of the Act is amended to read as follows:

"(j) COMMERCIAL AGREEMENTS WITH CERTAIN COUNTRIES.—(1) Any United States firm, enterprise, or other nongovernmental entity which enters into an agreement with any agency of the government of a proscribed country, that calls for the encouragement of technical cooperation and that is intended to result in the export from the United States to the other party of unpublished technical data of United States origin, shall report to the Secretary the agreement with such agency with sufficient detail.

"(2) The provisions of paragraph (1) shall not apply to colleges, universities, or other educational institutions.".

(h) Section 5(k) of the Act is amended—

(1) by inserting after "conducting negotiations with other countries" the following: ", including those countries not participating in the group known as the Coordinating Committee,"; and

(2) by adding at the end thereof the following: "In cases where such negotiations produce agreements on export restrictions comparable in practice to those maintained by the Coordinating Committee, the Secretary shall treat exports, whether by individual or multiple licenses, to countries party to such agreements in the same manner as exports to members of the Coordinating Committee are treated * * * the same manner as exports are treated under subsection (b)(2) of this section and section 10(o) of the Act.".

(h) Section 5(l) of the Act is amended to read as follows:

"(l) DIVERSION OF CONTROLLED GOODS OR TECHNOLOGY.—(1) Whenever there is reliable evidence, as determined by the Secretary, that goods or technology which were exported subject to national security controls under this section have been diverted to an unauthorized use or consignee in violation of the conditions of an export license, the Secretary for as long as the diversion continues—

"(A) shall deny all further exports, to or by the party or parties responsible for that diversion or who conspired in that diversion, of any goods or technology subject to national security controls under this section, regardless of whether such goods or technology are available from sources outside the United States; and

"(B) may take such additional actions under this Act with respect to the party or parties referred to in subparagraph (A) as the Secretary determines are appropriate in the circumstances to deter the further unauthorized use of the previously exported goods or technology.

"(2) As used in this subsection, the term 'unauthorized use' means the use of United States goods or technology in the design, production, or maintenance of any item on the United States Munitions List, or the military use of any item on the International Control List of the Coordinating Committee.".

(i) Section 5 of the Act is amended by adding at the end thereof the following new subsections:

"(m) GOODS CONTAINING MICROPROCESSORS.—Export controls may not be imposed under this section on a good solely on the basis that the good contains an embedded microprocessor, if such microprocessor cannot be used or altered to perform functions other than those it performs in the good in which it is embedded. An export control may be imposed under this section on a good containing an embedded microprocessor referred to in the preceding sentence only on the basis that the functions of the good itself are such that the good, if exported, would make a significant contribution to the military potential of any other country or combination of countries which would prove detrimental to the national security of the United States.

"(n) SECURITY MEASURES.—The Secretary, with the Commissioner of Customs, in consultation with the Director of the Federal Bureau of Investigation, shall provide advice and technical assistance to persons engaged in the manufacture or handling of goods or technology subject to export controls under this section to develop security systems to prevent violations or evasions of those export controls.

"(o) RECORDKEEPING.—The Secretary, the Secretary of Defense, and any other department or agency consulted in connection with a license application under this Act or a revision of a list of goods or technology subject to export controls under this Act, shall make and keep records of their respective advice, recommendations, or decisions in connection with any such license application or revision, including the factual and analytical basis of the advice, recommendations, or decisions.

"(p) NATIONAL SECURITY CONTROL OFFICE.—To assist in carrying out the policy and other authorities and responsibilities of the Secretary of Defense under this section, there is established in the Department of Defense a National Security Control Office under the direction of the Under Secretary of Defense for Policy. The Secretary of Defense may delegate to that office such of those authorities and responsibilities, together with such ancillary functions, as the Secretary of Defense considers appropriate.

"(q) EXCLUSION FOR AGRICULTURAL COMMODITIES.—This section does not authorize export controls on agricultural commodities, including fats and oils or animal hides and skins.".

FOREIGN AVAILABILITY

SEC. 106. (a) Section 5(f)(1) of the Act (50 U.S.C. App. 2404(f)(1)) is amended by inserting after "The Secretary, in consultation with" the following: "the Secretary of Defense and other".

(b) Section 5(f)(3) of the Act is amended to read as follows:

"(3) The Secretary shall make a foreign availability determination under paragraph (1) or (2) on the Secretary's own initiative or upon receipt of an allegation from an export license applicant that such availability exists. In making any such determination, the Secretary shall accept the representations of applicants made in writing and supported by reasonable evidence, unless such representations are contradicted by reliable evidence, including scientific or physical examination, expert opinion based upon adequate factual information, or intelligence information. In making determinations of foreign availability, the Secretary may consider such factors as cost, reliability, the availability and reliability of spare parts and the cost and quality thereof, maintenance programs, durability, quality of end products produced by the item proposed for export, and scale of production. For purposes of this paragraph, 'evidence' may include such items as foreign manufacturers' catalogues, brochures, or operation or maintenance manuals, articles from reputable trade publications, photographs, and depositions based upon eyewitness accounts.".

(c) Section 5(f)(4) of the Act is amended by striking out the first sentence and inserting in lieu thereof the following: "In any case in which export controls are maintained under this section notwithstanding foreign availability, on account of a determination by the President that the absence of the controls would prove detrimental to the national security of the United States, the President shall actively pursue negotiations with the governments of the appropriate foreign countries for the purpose of eliminating such availability. If, within 6 months after the President's determination, the foreign availability has not been eliminated, the Secretary may not, after the end of that 6-month period, require a validated license for the export of the goods or technology involved. The President may extend the 6-month period described in the preceding sentence for an additional period of 12 months if the President certifies to the Congress that the negotiations involved are progressing and that the absence of the export control involved would prove detrimental to the national security of the United States.".

(d)(1) Section 5(f)(5) of the Act is amended to read as follows:

"(5) The Secretary shall establish in the Department of Commerce an Office of Foreign Availability which, in the fiscal years 1984 and 1985, shall be under the direction of the Assistant Secretary of Commerce for Trade Administration, and, in the fiscal years 1986 and thereafter, shall be under the direction of the Under Secretary of Commerce for Export Administration. The Office shall be responsible for gathering and analyzing all the necessary information in order for the Secretary to make determinations for foreign availability under this Act. The Secretary shall make available to the Committee on Foreign Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate at the end of each 6-month period during a fiscal year information on the operations of the Office, and on improvements in the Government's ability to assess foreign availability, during that 6-month period, including information on the training of personnel, the use of computers, and the use of Foreign Commercial Service officers. Such information shall also include a description of representative determinations made under this Act during that 6-month period that foreign availability did or did not exist (as the case may be), together with an explanation of such determinations.".

(2) Section 5(f)(6) of the Act is amended by striking out "Office of Export Administration" and inserting in lieu thereof "Office of Foreign Availability".

(e) Section 5(f) of the Act is amended by adding at the end thereof the following new paragraph:

"(7) The Secretary shall issue regulations with respect to determinations of foreign availability under this Act not later than 6 months after the date of the enactment of the Export Administration Amendments Act of 1984.".

(f) Section 5(h)(1) of the Act is amended by inserting ", the intelligence community," after "Departments of Commerce, Defense, and State".

(g) Section 5(h)(2) of the Act is amended in the second sentence—

(1) by striking out "and" at the end of clause (C); and

(2) by striking out the period at the end of the sentence and inserting in lieu thereof the following: ", and (E) any other questions relating to actions designed to carry out the policy set forth in section 3(2)(A) of this Act.".

(h) Section 5(h)(6) of the Act is amended by striking out "and provides adequate documentation" and all that follows through the end of the paragraph and inserting in lieu thereof the following: "the technical advisory committee shall submit that certification to the Congress at the same time the certification is made to the Secretary, together with the documentation for the certification. The Secretary shall investigate the foreign availability so certified and, not later than 90 days after the certification is made, shall submit a report to the technical advisory committee and the Congress stating that (A) the Secretary has removed the requirement of a validated license for the export of the goods or technology, on account of the foreign availability, (B) the Secretary has recommended to the President that negotiations be conducted to eliminate the foreign availability, or (C) the

Secretary has determined on the basis of the investigation that the foreign availability does not exist. To the extent necessary, the report may be submitted on a classified basis. In any case in which the Secretary has recommended to the President that negotiations be conducted to eliminate the foreign availability, the President shall actively pursue such negotiations with the governments of the appropriate foreign countries. If, within 6 months after the Secretary submits such report to the Congress, the foreign availability has not been eliminated, the Secretary may not, after the end of that 6-month period, require a validated license for the export of the goods or technology involved. The President may extend the 6-month period described in the preceding sentence for an additional period of 12 months if the President certifies to the Congress that the negotiations involved are progressing and that the absence of the export control involved would prove detrimental to the national security of the United States.".

(i) Section 4(c) of the Act is amended—

(1) by striking out "significant" and inserting in lieu thereof "sufficient"; and

(2) by inserting after "those produced in the United States" the following: "so as to render the controls ineffective in achieving their purposes".

(j) Subsections (f)(1), (f)(2), and (h)(6) of section 5 of the Act are each amended by striking out "sufficient quality" and inserting in lieu thereof "comparable quality".

SEC. 107. (a) Section 5(b) of the Act is amended—

(1) by inserting "(1)" immediately before the first sentence; and

(2) by adding at the end thereof the following:

"(2) No authority or permission to export may be required under this section before goods or technology are exported in the case of exports to a country which maintains export controls on such goods or technology cooperatively with the United States pursuant to the agreement of the group known as the Coordinating Committee, if the goods or technology is at such a level of performance characteristics that the export of the goods or technology to controlled countries requires only notification of the participating governments of the Coordinating Committee.".

(b)(1) Section 10(c) of the Act is amended by striking out "In each case" and inserting in lieu thereof "Except as provided in subsection (b), in each case".

(2) Section 10(d) of the Act is amended—

(A) by striking out "In each case" and inserting in lieu thereof "Except in the case of exports described in subsection (o), in each case"; and

(B) by adding at the end thereof the following: "Notwithstanding the 10-day period set forth in subsection (b), in the case of exports described in subsection (o), in each case in which the Secretary determines that it is necessary to refer an application to any other department or agency for its information and recommendations, the Secretary shall, immediately upon receipt of the properly completed application, refer the application to such department or agency for its review, which review shall be concurrent with that of the Department of Commerce.".

(3) Section 10(e) of the Act is amended—

(A) in paragraph (1)—

(i) by striking out ", within 30 days after its receipt of the application,"; and

(ii) by inserting after the first sentence the following: "The information or recommendations shall be submitted within 30 days after the department or agency receives the application or, in the case of exports described in subsection (o), before the expiration of the time periods permitted by that subsection; and

(B) in paragraph (2)—

(i) by striking out "If the head" and inserting in lieu thereof "(A) Except in the case of exports described in subsection (o), if the head", and

(ii) by adding at the end thereof the following:

"(B) In the case of exports described in subsection (o), if the head of any such department or agency notifies the Secretary, before the expiration of the 15-day period provided in subsection (o)(1), that more time is required for review by such department or agency, the Secretary shall notify the applicant, pursuant to subsection (o)(1)(C), that additional time is required to consider the application, and such department or agency shall have additional time to consider the application within the limits permitted by subsection (o)(2). If such department or agency does not submit its recommendations within the time periods permitted under section (o), it shall be deemed by the Secretary to have no objection to the approval of such application.".

(4) Section 10(f) of the Act is amended—

(A) in paragraphs (1), (2), and (4) by adding at the end of each such paragraph the following: "The provisions of this paragraph shall not apply in the case of exports described in subsection (o).''; and

(B) in paragraph (3) by striking out "In the event" and inserting in lieu thereof "Except in the case of exports described in subsection (o), in the event".

(5) Section 10 of the Act, as amended by section 12(a) of this Act, is amended by adding at the end thereof the following new subsection:

"(o) EXPORTS TO MEMBERS OF COORDINATING COMMITTEE.—(1) Fifteen working days after the date of formal filing with the Secretary of an individual validated license application for the export of goods or technology to a country that maintains export controls on such goods or technology pursuant to the agreement of the governments participating in the group known as the Coordinating Committee, a license for the transaction specified in the application shall become valid and effective and the goods or technology are authorized for export pursuant to such license unless—

"(A) the application has been otherwise approved by the Secretary, in which case it shall be valid and effective according to the terms of the approval;

"(B) the application has been denied by the Secretary pursuant to this section and the applicant has been so informed; or

"(C) the Secretary requires additional time to consider the application and the applicant has been so informed.

"(2) In the event that the Secretary notifies an applicant pursuant to paragraph (1)(C) that more time is required to consider an individual validated license application, a license for the transaction specified in the application shall become valid and effective and the goods or technology are authorized for export pursuant to such license 30 working days after the date that such license application was formally filed with the Secretary unless—

"(A) the application has been otherwise approved by the Secretary, in which case it shall be valid and effective according to the terms of the approval, or

"(B) the application has been denied by the Secretary pursuant to this section and the applicant was so informed.

"(3) In reviewing an individual license application subject to this subsection, the Secretary shall evaluate the information set forth in the application and the reliability of the end-user.

"(4) Nothing in this subsection shall affect the scope or availability of licenses authorizing multiple exports set forth in section 4(a)(2) of this Act.

"(5) The provisions of this subsection shall take effect on February 1, 1985.".

MILITARILY CRITICAL TECHNOLOGIES

SEC. 106. (a) Section 5(d) of the Act (50 U.S.C. App. 2404(d)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (B) by striking out "and" after "test equipment,";

(B) by adding "and" at the end of subparagraph (C);

(C) by inserting after subparagraph (C) the following:

"(D) keystone equipment which would reveal or give insight into the design and manufacture of a United States military system,"; and

(D) by inserting after "possessed by" the following: ", or available in fact from sources outside the United States to,"; and

(2) by striking out paragraphs (4) through (6) and inserting in lieu thereof the following:

"(4) The Secretary and the Secretary of Defense shall integrate items on the list of militarily critical technologies into the control list in accordance with the requirements of subsection (c) of this section. The integration of items on the list of militarily critical technologies into the control list shall proceed with all deliberate speed. Any disagreement between the Secretary and the Secretary of Defense regarding the integration of an item on the list of militarily critical technologies into the control list shall be resolved by the President. A good or technology shall be included on the control list only if the Secretary finds that proscribed countries do not possess that good or technology, or a functionally equivalent good or technology, and the good or technology or functionally equivalent good or technology is not available in fact to a proscribed country from sources outside the United States in sufficient quanity and of comparable quality so that the requirement of a validated license for the expert of such good or technology is or would be ineffective in achieving the purpose set forth in subsection (a) of this section, except in the case of a determination of the President with respect to goods or technology under subsection (f)(1) of this section. The Secretary and the Secretary of Defense shall jointly submit a report to the Congress, not later than October 1, 1985, on actions taken to carry out this paragraph. For the purposes of this paragraph, assessment of whether a good or technology is functionally equivalent shall include consideration of the factors described in subsection (f)(3) of this section.

"(5) The Secretary of Defense shall establish a procedure for reviewing the goods and technology on the list of militarily critical technologies at least annually for the purpose of removing from the list of militarily critical technologies any goods or technology that are no longer militarily critical. The Secretary of Defense may add to the list of militarily critical technologies any good or technology that the Secretary of Defense

determines is militarily critical, consistent with the provisions of paragraph (2) of this subsection. If the Secretary and the Secretary of Defense disagree as to whether any changes in the list of militarily critical technologies by the addition or removal of a good or technology should also be made in the control list, consistent with the provisions of the fourth sentence of paragraph (4) of this subsection, the President shall resolve the disagreement.

"(6) The establishment of adequate export controls for militarily critical technology and keystone equipment shall be accompanied by suitable reductions in the controls on the products of that technology and equipment.

"(7) The Secretary of Defense shall, not later than October 1, 1985, report to the Congress on efforts by the Department of Defense to assess the impact that the transfer of goods or technology on the list of militarily critical technologies to proscribed countries has had or will have on the military capabilities of those countries.".

FOREIGN POLICY CONTROLS

SEC. 109. (a) Section 6(a) of the Act is amended—

(1) in paragraph (1)—

(A) by striking out "or (8)" and inserting in lieu thereof "(8), or (13)"; and

(B) by inserting in the second sentence after "Secretary of State" the following: ", the Secretary of Defense, the Secretary of Agriculture, the Secretary of the Treasury, the United States Trade Representative,";

(2) by redesignating paragraphs (2) through (4) as paragraphs (3) through (5), respectively;

(3) by inserting after paragraph (1) the following new paragraph:

"(2) Any export control imposed under this section shall apply to any transaction or activity undertaken with the intent to evade that export control, even if that export control would not otherwise apply to that transaction or activity."; and

(4) in paragraph (3), as redesignated by paragraph (2) of this subsection, by striking out "(e)" and inserting in lieu thereof "(f)".

(b) Section 6(b) of the Act is amended to read as follows:

"(b) CRITERIA.—(1) Subject to paragraph (2) of this subsection, the President may impose, extend, or expand export controls under this section only if the President determines that—

"(A) such controls are likely to achieve the intended foreign policy purpose, in light of other factors, including the availability from other countries of the goods or technology proposed for such controls, and that foreign policy purpose cannot be achieved through negotiations or other alternative means;

"(B) the proposed controls are compatible with the foreign policy objectives of the United States and with overall United States policy toward the country to which exports are to be subject to the proposed controls;

"(C) the reaction of other countries to the imposition, extension, or expansion of such export controls by the United States is not likely to render the controls ineffective in achieving the intended foreign policy purpose or to be counterproductive to United States foreign policy interests;

"(D) the effect of the proposed controls on the export performance of the United States, the competitive position of the United States in the international economy, the international reputation of the United States as a supplier of goods and technology, or on the economic well-being of individual United States companies and their employees and communities does not exceed the benefit to United States foreign policy objectives; and

"(E) the United States has the ability to enforce the proposed controls effectively.

"(2) In determining whether to extend export controls in effect under this section on October 1, 1984, as required by subsection (a)(3) of this section, the President shall consider the criteria set forth in paragraph (1) of this subsection and shall consider the foreign policy consequences of modifying the export controls.".

(c) Section 6(c) of the Act is amended to read as follows:

"(c) CONSULTATION WITH INDUSTRY.—The Secretary in every possible instance shall consult with and seek advice from affected United States industries and appropriate advisory committees established under section 135 of the Trade Act of 1974 before imposing any control under this section. Such consultation and advice shall be with respect to the criteria set forth in subsection (b)(1) and such other matters as the Secretary considers appropriate.".

(d) Section 6 of the Act is further amended—

(1) by redesignating subsections (d) through (k) as subsections (e) through (l), respectively; and

(2) by inserting after subsection (c) the following new subsection:

"(d) CONSULTATION WITH OTHER COUNTRIES.—When, imposing export controls under this section, the President shall, at the earliest appropriate opportunity, consult with the countries with which the United States maintains export controls cooperatively, and with such other countries as the President considers appropriate, with respect to the criteria set forth in subsection (b)(1) and such other matters as the President considers appropriate.".

(e) Section 6(f) of the Act, as redesignated by subsection (d) of this section, is amended to read as follows:

"(f) CONSULTATION WITH THE CONGRESS.—(1) The President may impose or expand export controls under this section, or extend such controls as required by subsection (a)(3) of this section, only after consultation with the Congress, including the Committee on Foreign Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

"(2) The President may not impose, expand, or extend export controls under this section until the President has submitted to the Congress a report—

"(A) specifying the purpose of the controls;

"(B) specifying the determinations of the President with respect to each of the criteria set forth in subsection (b)(1), the bases for such determinations, and any possible adverse foreign policy consequences of the controls;

"(C) describing the nature, the subjects, and the results of, or the plans for, the consultation with industry pursuant to subsection (c) and with other countries pursuant to subsection (d);

"(D) specifying the nature and results of any alternative means attempted under subsection (e), or the reasons for imposing, expanding, or extending the controls without attempting any such alternative means; and

"(E) describing the availability from other countries of goods or technology comparable to the goods or technology subject to the proposed export controls, and describing the nature and results of the efforts made pursuant to subsection (h) to secure the cooperation of foreign governments in controlling the foreign availability of such comparable goods or technology.

Such report shall also indicate how such controls will further significantly the foreign policy of the United States or will further its declared international obligations.

"(3) To the extent necessary to further the effectiveness of the export controls, portions of a report required by paragraph (2) may be submitted to the Congress on a classified basis, and shall be subject to the provisions of section 120(c) of this Act. Each such report shall, at the same time it is submitted to the Congress, also be submitted to the General Accounting Office for the purpose of assessing the report's full compliance with the intent of this subsection.

"(4) In the case of export controls under this section which prohibit or curtail the export of any agricultural commodity, a report submitted pursuant to paragraph (2) shall be deemed to be the report required by section 7(c)(3) of this Act.

"(5) In addition to any written report required under this section, the Secretary, not less frequently than annually, shall present in oral testimony before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Foreign Affairs of the House of Representatives a report on policies and actions taken by the Government to carry out the provisions of this section.".

(f) Section 6(g) of the Act, as redesignated by subsection (d) of this section, is amended—

(1) by inserting after the first sentence the following: "This section also does not authorize export controls on donations of goods (including, but not limited to, food, educational materials, seeds and hand tools, medicines and medical supplies, water resources equipment, clothing and shelter materials, and basic household supplies) that are intended to meet basic human needs."; and

(2) by striking out the last sentence and inserting in lieu thereof the following: "This subsection shall not apply to any export control on medicine, medical supplies, or food, except for donations, which is in effect on the date of the enactment of the Export Administration Amendments Act of 1984. Notwithstanding the preceding provisions of this subsection, the President may impose export controls under this section on medicine, medical supplies, food, and donations of goods in order to carry out the policy set forth in paragraph (13) of section 3 of this Act.".

(g)(1) Section 6(h) of the Act, as redesignated by subsection (d) of this section, is amended—

(A) by inserting "(1)" immediately before the first sentence; and

(B) by adding at the end thereof the following:

"(2) Before extending any export control pursuant to subsection (a)(3) of this section, the President shall evaluate the results of his actions under paragraph (1) of this subsection and shall include the results of that evaluation in his report to the Congress pursuant to subsection (f) of this section.

"(3) If, within 6 months after the date on which export controls under this section are imposed or expanded, or within 6 months after the date of the enactment of the Export Administration Amendments Act of 1984, whichever occurs later, the President's

efforts under paragraph (1) are not successful in securing the cooperation of foreign governments described in paragraph (1) with respect to those export controls, the Secretary shall thereafter take into account the foreign availability of the goods or technology subject to the export controls. If the Secretary affirmatively determines that a good or technology subject to the export controls is available in sufficient quantity and comparable quality from sources outside the United States to countries subject to the export controls so that denial of an export license would be ineffective in achieving the purposes of the controls, then the Secretary shall, during the period of such foreign availability, approve any license application which is required for the export of the good or technology and which meets all requirements for such a license. The Secretary shall remove the good or technology from the list established pursuant to subsection (1) of this section if the Secretary determines that such action is appropriate.

"(4) In making a determination of foreign availability under paragraph (3) of this subsection, the Secretary shall follow the procedures set forth in section 5(f)(3) of this Act.".

(2) The amendments made by paragraph (1) of this subsection shall not apply to export controls imposed under subsection (i), (j), or (k) of section 6 of the Act (as redesignated by subsection (d) of this section) before the date of the enactment of this Act.

(h) Section 6(i) of the Act, as redesignated by subsection (d) of this section, is amended by striking out "(f), and (g)" and inserting in lieu thereof "(e), (g), and (h)".

(i)(1) Section 6(j) of the Act, as redesignated by subsection (d) of this section, is amended to read as follows:

"(j) COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.—(1) The Secretary and the Secretary of State shall notify the Committee of Foreign Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate at least 30 days before any license is approved for the export of goods or technology valued at more than $7,000,000 to any country concerning which the Secretary of State has made the following determinations:

"(A) Such country has repeatedly provided support for acts of international terrorism.

"(B) Such exports would make a significant contribution to the military potential of such country, including its military logistics capability, or would enhance the ability of such country to support acts of international terrorism.

"(2) Any determination which has been made with respect to a country under paragraph (1) of this subsection may not be rescinded unless the President, at least 30 days before the proposed rescission would take effect, submits to the Congress a report justifying the rescission and certifying that—

"(A) the country concerned has not provided support for international terrorism, including support or sanctuary for any major terrorist or terrorist group in its territory, during the preceding 6-month period; and

"(B) the country concerned has made explicit assurances that it will not support acts of international terrorism in the future.".

(2) Any determination with respect to any country which was made before January 1, 1982, under section 6(i) of the Act, as in effect before the date of the enactment of this Act, and which was no longer in effect on the date of the enactment of this Act, shall be reinstated upon the expiration of 90 days after such date of enactment unless, within that 90-day period, the President submits a report under section 6(j)(2) of the Act, as amended by subsection (d) of this section and paragraph (1) of this subsection, containing the certification described in such section 6(j)(2) with respect to that country.

(j)(1) Section 6(k)(1) of the Act, as redesignated by subsection (d) of this section, is amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision of this Act—

"(A) any determination of the Secretary of what goods or technology shall be included on the list established pursuant to subsection (1) of this section as a result of the export restrictions imposed by this subsection shall be made with the concurrence of the Secretary of State, and

"(B) any determination of the Secretary to approve or deny an export license application to export crime control or detection instruments or equipment shall be made in concurrence with the recommendations of the Secretary of State submitted to the Secretary with respect to the application pursuant to section 10(e) of this Act.

except that if the Secretary does not agree with the Secretary of State with respect to any determination under subparagraph (A) or (B), the matter shall be referred to the President for resolution.".

(2) The amendment made by paragraph (1) of this subsection shall apply to determinations of the Secretary of Commerce which are made on or after the date of the enactment of this Act.

(k) Section 6(1) of the Act, as redesignated by subsection (d) of this section, is amended—

(1) in the first sentence by striking out "commodity"; and

(2) by amending the second sentence to read as follows: "The Secretary shall clearly identify on the control list which goods or technology, and which countries or destinations, are subject to which types of controls under this section.".

(l) Section 6 of the Act is further amended by adding at the end thereof the following:

"(m) EFFECT ON EXISTING CONTRACTS AND LICENSES.—The President may not, under this section, prohibit or curtail the export or reexport of goods, technology, or other information—

"(1) in performance of a contract or agreement entered into before the date on which the President reports to the Congress, pursuant to subsection (f) of this section, his intention to impose controls on the export or reexport of such goods, technology, or other information; or

"(2) under a validated license or other authorization issued under this Act;

"(n) EXTENSION OF CERTAIN CONTROLS.—Those export controls imposed under this section with respect to South Africa which were in effect on February 28, 1982, and ceased to be effective on March 1, 1982, September 15, 1982, or January 20, 1983, shall become effective on the date of the enactment of this subsection, and shall remain in effect until 1 year after such date of enactment. At the end of that 1-year period, any of those controls made effective by this subsection may be extended by the President in accordance with subsection (b) and (f) of this section.

unless and until the President determines and certifies to Congress that (A) a breach of the peace poses a serious and direct threat to the strategic interest of the United States, (B) the prohibition or curtailment of such contracts or agreements will be instrumental in remedying the situation posing the direct threat, and (C) the controls shall continue only so long as such direct threat persists.

"(o) EXPANDED AUTHORITY TO IMPOSE CONTROLS.—(1) In any case in which the President determines that it is necessary to impose controls under this section—

"(A) with respect to goods, technology, other information, or persons other than that authorized by subsection (a)(1) of this section; or

"(B) without any limitation contained in subsection (c), (d), (e), (g), (h), or (m) of this section,

the President may impose those controls only if the President submits that determination to the Congress, together with a report pursuant to subsection (l) of this section with respect to the proposed controls, and only if a law is enacted authorizing the imposition of those controls. If a joint resolution authorizing the imposition of those controls is introduced in either House of Congress within 30 days of continuous session after the Congress receives the determination and report of the President, that joint resolution shall immediately be referred to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Foreign Affairs of the House of Representatives. If either such committee has not reported the joint resolution at the end of 30 days of continuous session after its referral, such committee shall be deemed to be discharged from further consideration of the resolution.

"(2) For purposes of this subsection, the term 'joint resolution' means a joint resolution the matter after the resolving clause of which is as follows: 'That the Congress, having received on ——— a determination of the President under section 6(n)(1) of the Export Administration Act of 1979 with respect to the export controls which are set forth in the report submitted to the Congress with that determination, authorizes the President to impose those export controls.', with the date of the receipt of the determination and report inserted in the blank.

"(3) For purposes of this subsection—

"(A) continuity of session is broken only by an adjournment of the Congress sine die, and

"(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.".

SEC. 110. (a) Section 7(c) of the Act (50 U.S.C. App. 2406(c)) is amended to read as follows:

"(c) PETITIONS FOR MONITORING OR CONTROLS.—(1)(A) Any entity, including a trade association, firm, or certified or recognized union or group of workers, that is representative of an industry or a substantial segment of an industry that processes metallic materials capable of being recycled may transmit a written petition to the Secretary requesting the monitoring of exports or the imposition of export controls, or both, with respect to such material, in order to carry out the policy set forth in section 3(2)(C) of this Act.

"(B) Each petition shall be in such form as the Secretary shall prescribe and shall contain information in support of the action requested. The petition shall include any information reasonably available to the petitioner indicating that each of the criteria set forth in paragraph (3)(A) of this subsection is satisfied.

"(2) Within 15 days after receipt of any petition described in paragraph (1), the Secretary shall publish a notice in the Federal Register. The notice shall (A) include the name of the material that is the subject of the petition, (B) include the Schedule B number of the material as set forth in the Statistical Classification of Domestic and Foreign Commodities Exported from the United States, (C) indicate whether the petitioner is requesting that controls or monitoring, or both, be imposed with respect to the exportation of such material, and (D) provide that interested persons shall have a period of 30 days beginning on the date of publication of such notice to submit to the Secretary written data, views or arguments, with or without opportunity for oral presentation, with respect to the matter involved. At the request of the petitioner or any other entity described in paragraph (1)(A) with respect to the material that is the subject of the petition, or at the request of any entity representative of producers or exporters of such material, the Secretary shall conduct public hearings with respect to the subject of the petition, in which case the 30-day period may be extended to 45 days.

"(3)(A) Within 45 days after the end of the 30- or 45-day period described in paragraph (2), as the case may be, the Secretary shall determine whether to impose monitoring or controls, or both, on the export of such material, in order to carry out the policy set forth in section 3(2)(C) of this Act. In making such determination, the Secretary shall determine whether—

"(i) there has been a significant increase, in relation to a specific period of time, in exports of such material in relation to domestic supply and demand;

"(ii) there has been a significant increase in the domestic price of such material or a domestic shortage of such material relative to demand;

"(iii) exports of such material are as important as any other cause of a domestic price increase or shortage relative to demand found pursuant to clause (ii);

"(iv) a domestic price increase or shortage relative to demand found pursuant to clause (ii) has significantly adversely affected or may significantly adversely affect the national economy or any sector thereof, including a domestic industry; and

"(v) monitoring or controls, or both, are necessary in order to carry out the policy set forth in section 3(2)(C) of this Act.

"(B) The Secretary shall publish in the Federal Register a detailed statement of the reasons for the Secretary's determination pursuant to subparagraph (A) of whether to impose monitoring or controls, or both, including the findings of fact in support of that determination.

"(4) Within 15 days after making a determination under paragraph (3) to impose monitoring or controls on the export of a material, the Secretary shall publish in the Federal Register proposed regulations with respect to such monitoring or controls. Within 30 days following the publication of such proposed regulations, and after considering any public comments thereon, the Secretary shall publish and implement final regulations with respect to such monitoring or controls.

"(5) For purposes of publishing notices in the Federal Register and scheduling public hearings pursuant to this subsection, the Secretary may consolidate petitions, and responses thereto, which involves the same or related materials.

"(6) If a petition with respect to a particular material or group of materials has been considered in accordance with all the procedures prescribed in this subsection, the Secretary may determine, in the absence of significantly changed circumstances, that any other petition with respect to the same material or group of materials which is filed within 6 months after the consideration of the prior petition has been completed does not merit complete consideration under this subsection.

"(7) The procedures and time limits set forth in this subsection with respect to a petition filed under this subsection shall take precedence over any review undertaken at the initiative of the Secretary with respect to the same subject as that of the petition.

"(8) The Secretary may impose monitoring or controls on a temporary basis after a petition is filed under paragraph (1)(A) but before the Secretary makes a determination under paragraph (3) only if (A) the failure to take such temporary action would result in irreparable harm to the entity filing the petition, or to the national economy or segment thereof, including a domestic industry, and (B) the Secretary considers such action to be necessary to carry out the policy set forth in section 3(2)(C) of this Act.

"(9) The authority under this subsection shall not be construed to affect the authority of the Secretary under any other provision of this Act, except that if the Secretary determines, on the Secretary's own initiative, to monitor, control, or both, the export of metallic materials capable of being recycled, pursuant to the authority of this section, the Secretary shall publish the reasons for such action in accordance with paragraphs (3) (A) and (B).

"(10) Nothing contained in this subsection shall be construed to preclude submission on a confidential basis to the Secretary of information relevant to a decision to impose or remove monitoring or controls under the authority of this Act, or to preclude consideration of such information by the Secretary in reaching decisions required under this subsection. The provisions of this paragraph shall not be construed to affect the applicability of section 552(b) of title 5, United States Code.".

SHORT SUPPLY CONTROLS

SEC. 111. (a) Section 7(d) of the Act (50 U.S.C. App. 2406(d)) is amended—

(1) in paragraph (1) by striking out "unless" and all that follows through "met" and inserting in lieu thereof "subject to paragraph (2) of this subsection";

(2) in paragraph (2)(A) by striking out "makes and publishes" and inserting in lieu thereof "so recommends to the Congress after making and publishing";

(3) in paragraph (2)(B)—

(A) by striking out "reports such findings" and inserting in lieu thereof "includes such findings in his recommendation"; and

(B) by striking out "thereafter" and all that follows through the end of the sentence and inserting in lieu thereof "after receiving that recommendation, agrees to a joint resolution which approves such exports on the basis of those findings, and which is thereafter enacted into law."; and

(4) by adding at the end thereof the following:

"(4) Notwithstanding the provisions of section 20 of this Act, the provisions of this subsection shall expire on September 30, 1989.".

(b) Section 7(e)(1) of the Act is amended in the first sentence by striking out "No" and inserting in lieu thereof the following: "In any case in which the President determines that it is necessary to impose export controls on refined petroleum products in order to carry out the policy set forth in section 3(2)(C) of this Act, the President shall notify the Congress of that determination. The President shall also notify the Congress if and when he determines that such export controls are no longer necessary. During any period in which a determination that such export controls are necessary is in effect, no".

(c)(1) Section 7(i)(1) of the Act is amended—

(A) in the last sentence by inserting "harvested from State or Federal lands" after "red cedar logs";

(B) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively; and

(C) by inserting after paragraph (1) the following new paragraph:

"(2) To the maximum extent practicable, the Secretary shall utilize the multiple validated export licenses described in section 4(a)(2) of this Act in lieu of a validated license for exports under this subsection.".

(2) Section 7(i)(5)(A) of the Act, as redesignated by paragraph (1)(B) of this subsection, is amended to read as follows:

"(A) lumber of American Lumber Standards Grades of Number 3 dimension or better, or Pacific Lumber Inspection Bureau Export R-List Grades of Number 3 common or better;".

(d) Section 7(g)(3) of the Act is amended to read as follows:

"(3)(A) If the President imposes export controls on any agricultural commodity in order to carry out the policy set forth in paragraph (2)(B), (2)(C), (7), or (8) of section 3 of this Act, the President shall immediately transmit a report on such action to the Congress, setting forth the reasons for the controls in detail and specifying the period of time, which may not exceed 1 year, that the controls are proposed to be in effect. If the Congress, within 60 days after the date of its receipt of the report, adopts a joint resolution pursuant to paragraph (4) approving the imposition of the export controls, then such controls shall remain in effect for the period specified in the report, or until terminated by the President, whichever occurs first. If the Congress, within 60 days after the date of its receipt of such report, fails to adopt a joint resolution approving such controls, then such controls shall cease to be effective upon the expiration of such 60-day period.

"(B) The provisions of subparagraph (A) and paragraph (4) shall not apply to export controls—

"(i) which are extended under this Act if the controls, when imposed, were approved by the Congress under subparagraph (A) and paragraph (4); or

"(ii) which are imposed with respect to a country as part of the prohibition or curtailment of all exports to that country.

"(4)(A) For purposes of this paragraph, the term 'resolution' means only a joint resolution the matter after the resolving clause of which is as follows: 'That, pursuant to section 7(g)(3) of the Export Administration act of 1979, the President may impose export controls as specified in the report

submitted to the Congress on ——.', with the blank space being filled with the appropriate date.

"(B) On the day on which a report is submitted to the Senate under paragraph (3), a resolution with respect to the export controls specified in such report shall be introduced (by request) in the Senate by the majority leader of the Senate, for himself and the minority leader of the Senate, or by Members of the Senate designated by the majority leader and minority leader of the Senate. If the Senate is not in session on the day on which such a report is submitted, the resolution shall be introduced in the Senate, as provided in the preceding sentence, on the first day thereafter on which the Senate is in session. All resolutions introduced in the Senate shall be referred to the Committee on Banking, Housing, and Urban Affairs.

"(C) If a resolution with respect to export controls specified in a report to the Congress submitted under paragraph (3) is introduced in the House of Representatives or is received in the House of Representatives from the Senate, the resolution shall immediately be referred to the Committee on Foreign Affairs. If that committee has not reported the resolution at the end of 30 days after its referral, the committee shall be deemed to be discharged from further consideration of the resolution.

"(D) If the committee of the Senate to which a resolution has been referred has not reported it at the end of 30 days after its introduction, the committee shall be discharged from further consideration of the resolution or of any other resolution introduced with respect to the same matter.

"(E)(i) A motion in the Senate to proceed to the consideration of a resolution shall be privileged. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(ii) Debate in the Senate on a resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours, to be equally divided between, and controlled by the majority leader and the minority leader or their designees.

"(iii) Debate in the Senate on any debatable motion or appeal in connection with a resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition to the motion or appeal shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of a resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

"(iv) A motion in the Senate to limit debate further on a resolution, debatable motion, or appeal is not debatable. No amendment to, or motion to recommit, a resolution is in order in the Senate.

"(F) In the case of a resolution described in subparagraph (A), if, before the passage by one House of a resolution of that House, that House receives a resolution with respect to the same matter from the other House, then the vote on final passage shall be on the resolution of the other House, except that, in the case of a resolution of the House of Representatives which is received in the Senate, the procedure in the Senate shall be the same as if no resolution had been received from the House of Representatives.

"(G) For purposes of calculating the periods of 60 days and 30 days set forth in paragraph (3) and this paragraph, there shall be excluded the days on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain or because of an adjournment of the Congress sine die.".

(e) Section 7 of the Act is further amended by striking out subsection (j) and inserting in lieu thereof the following:

"(j) EFFECT OF CONTROLS ON EXISTING CONTRACTS.—The export restrictions contained in subsection (i) of this section and any export controls imposed under this section shall not affect any contract to harvest unprocessed western red cedar from State lands which was entered into before October 1, 1979, and the performance of which would make the red cedar available for export. Any export controls imposed under this section on any agricultural commodity, including fats and oils and animal hides and skins, or on any forest product or fishery product, shall not affect any contract to export entered into before the date on which such controls are imposed. For purposes of this subsection, the term 'contract to export' includes, but is not limited to, an export sales agreement and an agreement to invest in an enterprise which involves the export of goods or technology.".

LICENSING PROCEDURES

SEC. 142. (a) Section 10 of the Act (50 U.S.C. App. 2409) is amended—

(1) by striking out "60" each place it appears and inserting in lieu thereof "40";

(2) by striking out "90" each place it appears and inserting in lieu thereof "60";

(3) by striking out "30" each place it appears and inserting in lieu thereof "20";

(b) Section 10(f)(2) of the Act is amended—

(1) by inserting "in writing" after "inform the applicant"; and

(2) by striking out ", and shall accord" and all that follows through the end of the paragraph and inserting in lieu thereof the following: ". Before a final determination with respect to the application is made, the applicant shall be entitled—

"(A) to respond in writing to such questions, considerations, or recommendations within 30 days after receipt of such information from the Secretary; and

"(B) upon the filing of a written request with the Secretary within 15 days after the receipt of such information, to respond in person to the department or agency raising such questions, considerations, or recommendations.".

(c) Section 10(f)(3) of the Act is amended by striking out the first sentence and inserting in lieu thereof the following: "In cases where the Secretary has determined that an application should be denied, the applicant shall be informed in writing, within 5 days after such determination is made, of—

"(A) the determination,

"(B) the statutory basis for the proposed denial,

"(C) the policies set forth in section 3 of this Act which would be furthered by the proposed denial,

"(D) what if any modifications in or restrictions on the goods or technology for which the license was sought would allow such export to be compatible with export controls imposed under this Act,

"(E) which officers and employees of the Department of Commerce who are familiar with the application will be made reasonably available to the applicant for considerations with regard to such modifications or restrictions, if appropriate,

"(F) to the extent consistent with the national security and foreign policy of the United States, the specific considerations which led to the determination to deny the application, and

"(G) the availability of appeal procedures.

The Secretary shall allow the applicant at least 30 days to respond to the Secretary's determination before the license application is denied.".

(d) Section 10 of the Act is amended—

(1) in the section heading by adding "; other inquiries" after "applications"; and

(2) by adding at the end thereof the following new subsections:

"(k) CHANGES IN REQUIREMENTS FOR APPLICATIONS.—Except as provided in subsection (b)(3) of this section, in any case in which, after a license application is submitted, the Secretary changes the requirements for such a license application, the Secretary may request appropriate additional information of the applicant, but the Secretary may not return the application to the applicant without action because it fails to meet the changed requirements.

"(l) OTHER INQUIRIES.—(1) In any case in which the Secretary receives a written request asking for the proper classification of a good or technology on the control list, the Secretary shall, within 10 working days after receipt of the request, inform the person making the request of the proper classification.

"(2) In any case in which the Secretary receives a written request for information about the applicability of export license requirements under this Act to a proposed export transaction or series of transactions, the Secretary shall, within 30 days after receipt of the request, reply with that information to the person making the request.

"(m) SMALL BUSINESS ASSISTANCE.—Not later than 120 days after the date of the enactment of this subsection, the Secretary shall develop and transmit to the Congress a plan to assist small businesses in the export licensing application process under this Act. The plan shall include, among other things, arrangements for counseling small businesses on filing applications and identifying goods or technology on the control list, proposals for seminars and conferences to educate small businesses on export controls and licensing procedures, and the preparation of informational brochures.

"(n) REPORTS ON LICENSE APPLICATIONS.—(1) Not later than 180 days after the date of the enactment of this subsection, and not later than the end of each 3-month period thereafter, the Secretary shall submit to the Committee on Foreign Affairs of the House of Representatives and to the Committee on Banking, Housing, and Urban Affairs of the Senate a report listing—

"(A) all applications on which action was completed during the preceding 3-month period and which required a period longer than the period permitted under subsection (c), (f)(1), or (h) of this section, as the case may be, before notification of a decision to approve or deny the application was sent to the applicant; and

"(B) in a separate section, all applications which have been in process for a period longer than the period permitted under subsection (c), (f)(1), or (h) of this section, as the case may be, and upon which final action has not been taken.

"(2) With regard to each application, each listing shall identify—

"(A) the application case number;

"(B) the value of the goods or technology to which the application relates;

"(C) the country of destination of the goods or technology;

"(D) the date on which the application was received by the Secretary;

"(E) the date on which the Secretary approved or denied the application;

"(F) the date on which the notification of approval or denial of the application was sent to the applicant; and

"(G) the total number of days which elapsed between receipt of the application, in its properly completed form, and the earlier of the last day of the 3-month period to which the report relates, or the date on which notification of approval or denial of the application was sent to the applicant.

"(3) With respect to an application which was referred to other departments or agencies, the listing shall also include—

"(A) the departments or agencies to which the application was referred;

"(B) the date or dates of such referral; and

"(C) the date or dates on which recommendations were received from those departments or agencies.

"(4) With respect to an application referred to any other department or agency which did not submit or has not submitted its recommendations on the application within the period permitted under subsection (e) of this section to submit such recommendations, the listing shall also include—

"(A) the office responsible for processing the application and the position of the officer responsible for the office; and

"(B) the period of time that elapsed before the recommendations were submitted or that has elapsed since referral of the application, as the case may be.

"(5) Each report shall also provide an introduction which contains—

"(A) a summary of the number of applications described in paragraph (1) (A) and (B) of this subsection, and the value of the goods or technology involved in the applications, grouped according to—

"(i) the number of days which elapsed before action on the applications was completed, or which has elapsed without action on the applications being completed, as follows: 61 to 75 days, 76 to 90 days, 91 to 105 days, 106 to 120 days, and more than 120 days; and

"(11) the number of days which elapsed before action on the applications was completed, or which has elapsed without action on the applications being completed, beyond the period permitted under subsection (c), (f)(1), or (h) of this section for the processing of applications, as follows: not more than 15 days, 16 to 30 days, 31 to 45 days, 46 to 60 days, and more than 60 days; and

"(B) a summary by country of destination of the number of applications described in paragraph (1) (A) and (B) of this subsection, and the value of the goods or technology involved in the applications, on which action was not completed within 60 days.".

VIOLATIONS

SEC. 113. (a) Section 11(a) of the Act (50 U.S.C. App. 2410(a)) is amended by inserting after "violates" the following: "or conspires to or attempts to violate".

(b) Section 11(b) of the Act is amended—

(1) in paragraph (1)—

(A) by striking out "exports anything contrary to" and inserting in lieu thereof "violates or conspires to or attempts to violate";

(B) by striking out "such exports" and inserting in lieu thereof "the exports involved"; and

(C) by inserting after "benefit of" the following: ", or that the destination or intended destination of the goods or technology involved is,";

(2) in paragraph (2) by striking out the last sentence; and

(3) by adding after paragraph (2) the following new paragraphs:

"(3) Any person who possesses any goods or technology—

"(A) with the intent to export such goods or technology in violation of an export control imposed under section 5 or 6 of this Act or any regulation, order, or license issued with respect to such control, or

"(B) knowing or having reason to believe that the goods or technology would be so exported,

shall, in the case of a violation of an export control imposed under section 5 (or any regulation, order, or license issued with respect to such control), be subject to the penalties set forth in paragraph (1) of this subsection and shall, in the case of a violation of an export control imposed under section 6 (or any regulation, order, or license issued with respect to such control), be subject to the penalties set forth in subsection (a).

"(4) Any person who takes any action with the intent to evade the provisions of this Act or any regulation, order, or license issued under this Act shall be subject to the penalties set forth in subsection (a), except that in the case of an evasion of an export control imposed under section 5 or 6 of this Act (or any regulation, order, or license issued with respect to such control), such person shall be subject to the penalties set forth in paragraph (1) of this subsection.

"(5) Nothing in this subsection or subsection (a) shall limit the power of the Secretary to define by regulations violations under this Act.".

(c) Section 11(c) of the Act is amended by adding at the end thereof the following new paragraph:

"(3) An exception to any order issued under this Act which revokes the authority of a United States person to export goods or technology may not be made unless the Committee on Foreign Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate are first consulted concerning the exception.

"(4) The President may provide by regulation standards for establishing levels of civil penalty as provided in this subsection based upon the seriousness of the violation, the culpability of the violator, and the violator's record of cooperation with the Government in disclosing the violation.".

(d) Section 11(e) of the Act is amended—

(1) by inserting after "subsection (c)" the following: "or any amounts realized from the forfeiture of any property interest or proceeds pursuant to subsection (g)"; and

(2) by inserting after "refund any such penalty" the following: "imposed pursuant to subsection (c)".

(e) Section 11 of the Act is further amended by redesignating subsection (g) as subsection (i) and by inserting after subsection (f) the following new subsections:

"(g) FORFEITURE OF PROPERTY INTEREST AND PROCEEDS.—(1) Any person who is convicted under subsection (a) or (b) of a violation of an export control imposed under section 5 of this Act (or any regulation, order, or license issued with respect to such control) shall, in addition to any other penalty, forfeit to the United States—

"(A) any of his interest in, security of, claim against, or property or contractual rights of any kind in the goods or tangible items that were the subject of the violation;

"(B) any of his interest in, security of, claim against, or property or contractual rights of any kind in tangible property that was used in the export or attempt to export that was the subject of the violation; and

"(C) any of his property constituting, or derived from, any proceeds obtained directly or indirectly as a result of the violation.

"(2) The procedures in any forfeiture under this subsection, and the duties and authority of the courts of the United States and the Attorney General with respect to any forfeiture action under this section or with respect to any property that may be subject to forfeiture under this section, shall be governed by the provisions of section 1963 of title 18, United States Code.

"(h) PRIOR CONVICTIONS.—No person convicted of a violation of section 793, 794, or 798 of title 18, United States Code, section 4(b) of the Internal Security Act of 1950 (50 U.S.C. 783(b)), or section 38 of the Arms Export Control Act (22 U.S.C. 2778) shall be eligible, at the discretion of the Secretary, to apply for or use any export license for a period for up to 10 years from the date of the conviction. Any outstanding export license in which such person has an interest may be revoked, at the discretion of the Secretary, at the time of the conviction.".

(f) Section 11(i) of the Act, as redesignated by subsection (e) of this section, is amended by striking out "or (f)" and inserting in lieu thereof "(f), (g), or (h)".

ADMINISTRATIVE PROCEDURE

SEC. 114. Section 13 of the Act (50 U.S.C. App. 2412) is amended by adding at the end thereof the following:

"(c) PROCEDURES RELATING TO CIVIL PENALTIES AND SANCTIONS.—(1) In the case in which a civil penalty or other civil sanction (other than a temporary denial order or a penalty or sanction for a violation of section 8) is sought under section 11 of this Act, the charged party is entitled to receive a formal complaint specifying the charges and, at his or her request, to contest the charges in a hearing before an administrative law judge. Before such hearing is held, the charged party may submit a response to the complaint, including briefs and other supporting materials. The charged party and the Government may present and cross-examine relevant witnesses. With the approval of the administrative law judge, the Government may present evidence in camera in the presence of the charged party or his or her representative. The charged party may argue orally his or her case in recorded proceedings before the administrative law judge, who shall then make his or her findings of fact and conclusions of law in a written decision, which shall be referred to the Secretary. The Secretary shall, in a written order, affirm, modify, or vacate the decision of the administrative law judge within 30 days after receiving the decision. The order of the Secretary shall be final and is not subject to judicial review.

"(2) The proceedings described in paragraph (1) shall be concluded within a period of 1 year after the complaint is submitted, unless the administrative law judge extends such period for good cause shown.

"(d) IMPOSITION OF TEMPORARY DENIAL ORDERS.—(1) In any case in which it is necessary, in the public interest, to prevent an imminent violation of this Act or any regulation issued under this Act, the Secretary may, without a hearing, issue an order temporarily denying United States export privileges (hereinafter in this subsection referred to as a 'temporary denial order') to a person. A temporary denial order may be effective no longer than 60 days unless renewed in writing by the Secretary for additional 60-day periods in order to prevent such an imminent violation, except that a temporary denial order may be renewed only after notice and an opportunity for a hearing is provided.

"(2) A temporary denial order shall define the imminent violation and state why the temporary denial order was granted without a hearing. The person or persons subject to the issuance or renewal of a temporary denial order may file an appeal of the temporary denial order with an administrative law judge who shall, within 10 working days after the appeal is filed, recommend that the temporary denial order be affirmed, modified, or vacated. Parties may submit briefs and other material to the judge. The recommendation of the administrative law judge shall be submitted to the Secretary who shall either accept, reject, or modify the recommendation by written order within 5 working days after receiving the recommendation. The written order of the Secretary under the preceding sentence shall be final and is not subject to judicial review. The temporary denial order shall be affirmed only if it is reasonable to believe that the order is required in the public interest to prevent an imminent violation of this Act or any regulation issued under this Act.

"(e) APPEALS FROM LICENSE DENIALS.—A determination of the Secretary, under section 10(f) of this Act, to deny a license may be appealed by the applicant to an administrative law judge who shall have the authority to conduct proceedings to determine only whether the item sought to be exported is in fact on the control list. Such proceedings shall be conducted within 90 days after the appeal is filed. Any determination by an administrative law judge under this subsection and all materials filed before such judge in the proceedings shall be reviewed by the Secretary, who shall either affirm or vacate the determination in a written decision within 30 days after receiving determination. The Secretary's written decision shall be final and is not subject to judicial review. Subject to the limitations provided in section 12(c) of this Act, the Secretary's decision shall be published in the Federal Register.

"(f) APPOINTMENT OF ADMINISTRATIVE LAW JUDGES.—Any person who, for at least 2 of the 10 years immediately preceding the date of the enactment of the Export Administration Amendments Act of 1984, has served as a hearing commissioner of the Department of Commerce, shall be considered as qualified for selection and appointment as an administrative law judge under section 3105 of title 5, United States Code.".

ANNUAL REPORT

Sec. 115. Section 14 of the Act (50 U.S.C. App. 2413) is amended by adding at the end thereof the following:

"(e) REPORT ON EXPORTS TO PROSCRIBED COUNTRIES.—The Secretary shall include in each annual report a detailed report which lists every license during the year approved under the provisions of this Act for exports to proscribed countries. Such report shall specify to whom such license was granted, the type of good or technology exported, and the country receiving such a good or technology. The information required by this subsection shall be subject to the provisions of section 1(c) of this Act.

"(f) REPORT ON DOMESTIC ECONOMIC IMPACT OF EXPORTS TO PROSCRIBED COUNTRIES.—The Secretary shall include in each annual report a detailed description of the extent of injury to United States industry and the extent of job displacement caused by United States exports of goods and technology to controlled countries. This report shall also include a full analysis of the consequences of exports of turnkey plants and manufacturing facilities to such countries which are used by such countries to produce goods for export to the United States or to compete with United States products in export markets.".

REVIEW BY THE SECRETARY OF DEFENSE AND THE SECRETARY OF STATE

Sec. 116. Section 15 of the Act (50 U.S.C. App. 2414) is amended by adding the following new sentence at the end thereof: "Any such regulations issued to carry out the provisions of section 5, or of section 4(a) for the purpose of administering the provisions of section 5, may be issued only after submission of the regulations for review to the Secretary of Defense, the Secretary of State, and such other departments and agencies as the Secretary considers appropriate. The preceding sentence does not require the concurrence or approval by any official, department, or agency to which such regulations are submitted.".

DEFINITIONS

Sec. 117. Section 16 of the Act (50 U.S.C. App. 2415) is amended—

(1) in paragraph (3), by inserting "natural or manmade substance," after "article,";

(2) by amending paragraph (4) to read as follows:

"(4) the term 'technology' means the information and know-how (whether in tangible form, such as models, prototypes, drawings, sketches, diagrams, blueprints, or manuals, or in intangible form, such as training or technical services) that can be used to design, produce, manufacture, utilize, or reconstruct goods, including computer software and technical data, but not the goods themselves;";

(3) by redesignating paragraph (5) as paragraph (8); and

(4) by inserting after paragraph (4) the following new paragraphs:

"(5) the term 'export' means—

"(A) an actual shipment, transfer, or transmission of goods or technology out of the United States;

"(B) a transfer of goods or technology in the United States to an embassy or affiliate of a controlled country; or

"(C) a transfer to any person of goods or technology either within the United States or outside of the United States with the knowledge or intent that the goods or technology will be shipped, transferred, or transmitted to an unauthorized recipient; and

"(6) the term 'United States' means the States of the United States, the District of Columbia, and any commonwealth, territory, dependency, or possession of the United States, and includes the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a));".

EFFECT ON OTHER ACTS

Sec. 118. (a) Section 17(a) of the Act (50 U.S.C. App. 2416(a)) is amended by striking out "Nothing" and inserting in lieu thereof "Except as otherwise provided in this Act, nothing".

(b) Section 17 of the Act is further amended by adding at the end thereof the following:

"(f) AGRICULTURAL ACT OF 1970.—Nothing in this Act shall affect the provisions of the last sentence of section 812 of the Agricultural Act of 1970 (7 U.S.C. 612c-3).".

AUTHORIZATION OF APPROPRIATIONS

Sec. 119. Section 18 of the Act (50 U.S.C. App. 2417) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 18. (a) REQUIREMENT OF AUTHORIZING LEGISLATION.—(1) Notwithstanding any other provision of law, money appropriated to the Department of Commerce for expenses to carry out the purposes of this Act may be obligated or expended only if—

"(A) the appropriation thereof has been previously authorized by law enacted on or after the date of the enactment of the Export Administration Amendments Act of 1984; or

"(B) the amount of all such obligations and expenditures does not exceed an amount previously prescribed by law enacted on or after such date.

"(2) To the extent that legislation enacted after the making of an appropriation to carry out the purposes of this Act authorizes the obligation or expenditure thereof, the limitation contained in paragraph (1) shall have no effect.

"(3) The provisions of this subsection shall not be superseded except by a provision of law enacted after the date of the enactment of the Export Administration Amendments Act of 1984 which specifically repeals, modifies, or supersedes the provisions of this subsection.

"(b) AUTHORIZATION.—There are authorized to be appropriated to the Department of Commerce to carry out the purposes of this Act—

"(1) $24,600,000 for the fiscal year 1985, of which $8,712,000 shall be available only for enforcement, $1,851,000 shall be available only for foreign availability assessments under subsections (f) and (h)(6) of section 5 of this Act, and $14,037,000 shall be available for all other activities under this Act;

"(2) $28,000,000 for the fiscal year 1986, of which $10,000,000 shall be available only for enforcement, $2,000,000 shall be available for foreign availability assessments under subsections (f) and (h)(6) of section 5 of this Act, and $16,000,000 shall be available for all other activities under this Act; and

"(3) such additional amounts for each of the fiscal years 1985 and 1986 as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs.".

TERMINATION OF AUTHORITY

Sec. 120. Section 20 of the Act (50 U.S.C. App. 2419) is amended to read as follows:

"TERMINATION DATE

"Sec. 20. The authority granted by this Act terminates on September 30, 1989.".

HOURS OF OFFICE OF EXPORT ADMINISTRATION

Sec. 121. The Secretary of Commerce shall modify the office hours of the Office of Export Administration of the Department of Commerce on at least four days of each workweek so as to accommodate communications to the Office by exporters

throughout the continental United States during the normal business hours of those exporters.

CIVIL PENALTIES

SEC. 122. Section 11(c)(1) of the Act is amended by striking out "head" and all that follows through "thereof" and inserting in lieu thereof "Secretary (and officers and employees of the Department of Commerce specifically designated by the Secretary)".

ENFORCEMENT

SEC. 123. (a) Section 12(a) of the Act (50 U.S.C. App. 2411(a)) is amended—

(1) by inserting "(1)" immediately before the first sentence;

(2) by striking out "may make such investigations and" and inserting in lieu thereof "(A) may make such investigations within the United States, and the Commissioner of Customs (and Officers or employees of the United States Customs Service specifically designated by the Commissioner) may make such investigations outside of the United States, and (B)'";

(3) by striking out "the district court of the United States for any district in which such person is found or resides or transacts business, upon application, and" and inserting in lieu thereof "a district court of the United States,";

(4) by adding at the end thereof the following new sentence: "In addition to the authority conferred by this paragraph, the Secretary (and officers or employees of the Department of Commerce designated by the Secretary) may conduct, outside the United States, prelicense investigations and postshipment verifications of items licensed for export, and investigations in the enforcement of section 8 of this Act."; and

(5) by adding at the end thereof the following new paragraphs:

"(2)(A) Subject to subparagraph (B) of this paragraph, the United States Customs Service is authorized, in the enforcement of this Act, to search, detain (after search), and seize goods or technology at those ports of entry or exit from the United States where officers of the Customs Service are authorized by law to conduct such searches, detentions, and seizures, and at those places outside the United States where the Customs Service, pursuant to agreements of other arrangements with other countries, is authorized to perform enforcement activities.

"(B) An officer of the United States Customs Service may do the following in carrying out enforcement authority under this Act:

"(i) Stop, search, and examine a vehicle, vessel, aircraft, or person on which or whom such officer has reasonable cause to suspect there are any goods or technology that has been, is being, or is about to be exported from the United States in violation of this Act.

"(ii) Search any package or container in which such officer has reasonable cause to suspect there are any goods or technology that has been, is being, or is about to be exported from the United States in violation of this Act.

"(iii) Detain (after search) or seize and secure for trial any goods or technology on or about such vehicle, vessel, aircraft, or person, or in such package or container, if such officer has probable cause to believe the goods or technology has been, is being, or is about to be exported from the United States in violation of this Act.

"(iv) Make arrests without warrant for any violation of this Act committed in his or her presence or view or if the officer has probable cause to believe that the person to be arrested has committed or is committing such a violation.

The arrest authority conferred by clause (iv) of this subparagraph is in addition to any arrest authority under other laws.

"(3)(A) Subject to subparagraph (B) of this paragraph, the Secretary shall have the responsibility for the enforcement of section 8 of this Act and, in the enforcement of the other provisions of this Act, the Secretary is authorized to search, detain (after search), and seize goods or technology at those places within the United States other than those ports specified in paragraph (2)(A) of this subsection. The search, detention (after search), or seizure of goods or technology at those ports and places specified in paragraph (2)(A) may be conducted by officers or employees of the Department of Commerce designated by the Secretary with the concurrence of the Commissioner of Customs or a person designated by the Commissioner.

"(B) The Secretary may designate any officer or employee of the Department of Commerce to do the following in carrying out enforcement authority under this Act:

"(i) Execute any warrant or other process issued by a court or officer of competent jurisdiction with respect to the enforcement of the provisions of this Act.

"(ii) Make arrests without warrant for any violation of this Act committed in his or her presence or view, or if the officer or employee has probable cause to believe that the person to be arrested has committed or is committing such a violation.

"(iii) Carry firearms in carrying out any activity described in clause (i) or (ii).

"(4) All cases involving violations of this Act shall be referred to the Secretary for purposes of determining civil penalties and administrative sanctions under section 11(c) of this Act, or to the Attorney General for criminal action in accordance with this Act.

"(5) Notwithstanding any other provision of law, the United States Customs Service may expend in the enforcement of export controls under this Act not more than $12,000,000 in the fiscal year 1985 and not more than $14,000,000 in the fiscal year 1986.

"(6) Not later than 90 days after the date of the enactment of the Export Administration Amendments Act of 1984, the Secretary, with the concurrence of the Secretary of the Treasury, shall publish in the Federal Register procedures setting forth, in accordance with this subsection, the responsibilities of the Department of Commerce and the United States Customs Service in the enforcement of this Act. In addition, the Secretary, with the concurrence of the Secretary of the Treasury, may publish procedures for the sharing of information in accordance with subsection (c)(3) of this section, and procedures for the submission to the appropriate departments and agencies by private persons of information relating to the enforcement of this Act.".

(b) Section 12(c)(3) of the Act is amended—

(1) by striking out "Departments or agencies which obtain" and inserting in lieu thereof "Any department or agency which obtains";

(2) by inserting ", including information pertaining to any investigation," after "enforcement of this Act";

(3) by striking out "the department" and inserting in lieu thereof "each department", and

(4) by adding at the end thereof the following: "The Secretary and the Commissioner of Customs, upon request, shall exchange any licensing and enforcement information with each other which is necessary to facilitate enforcement efforts and effective license decisions. The Secretary, the Attorney General, and the Commissioner of Customs shall consult on a continuing basis with one another and with the heads of other departments and agencies which obtain information subject to this paragraph, in order to facilitate the exchange of such information.".

UNDER SECRETARY OF COMMERCE FOR EXPORT ADMINISTRATION; REGULATIONS

SEC. 124. (a) Section 15 of the Export Administration Act of 1979 is amended—

(1) in the section heading by inserting "Administrative and" before "Regulatory"; and

(2) by striking out "Sec. 15." and inserting in lieu thereof the following:

"SEC. 15. (a) UNDER SECRETARY OF COMMERCE.—The President shall appoint, by and with the advice and consent of the Senate, an Under Secretary of Commerce for Export Administration who shall carry out all functions of the Secretary under this Act which were delegated to the Office of the Assistant Secretary of Commerce for Trade Administration before the effective date of the Export Administration Amendments Act of 1984 and such other functions as the Secretary may prescribe. The Secretary shall designate three Assistant Secretaries of Commerce to assist the Under Secretary in carrying out such functions.

"(b) ISSUANCE OF REGULATIONS.—".

(b) Section 15 of the Act is further amended by adding after subsection (b), as designated by subsection (a) of this section, the following:

"(c) AMENDMENTS TO REGULATIONS.—If the Secretary proposes to amend regulations issued under this Act, the Secretary shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Foreign Affairs of the House of Representatives on the intent and rationale of such amendments. Such report shall evaluate the cost and burden to United States exporters of the proposed amendments in relation to any enhancement of licensing objectives. The Secretary shall consult with the technical advisory committees authorized under section 5(h) of this Act in formulating or amending regulations issued under this Act. The procedures defined by regulations in existence as of January 1, 1984, with respect to sections 4 and 5 of this Act, shall remain in effect unless the Secretary determines, on the basis of substantial and reliable evidence, that specific change is necessary to enhance the prevention of diversions of exports which would prove detrimental to the national security of the United States or to reduce the licensing and paperwork burden on exporters and their distributors.".

(c) Section 5314 of title 5, United States Code, is amended by inserting "Under Secretary of Commerce for Export Administration," after "Under Secretary of Commerce for Economic Affairs,".

IMPORT SANCTIONS

SEC. 125. Chapter 4 of title II of the Trade Expansion Act of 1962 (19 U.S.C. 1861 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 233. IMPORT SANCTIONS FOR EXPORT VIOLATIONS.

"(a) Any person who violates any national security export control imposed under section 5 of the Export Administration Act of 1979 (50 U.S.C. App. 2404), or any regulation, order, or licenses issued under that section, may be subject to such controls on the importing of goods or technology into the United States as the President may prescribe.

"(b) Except as provided in subsection (a) of this section, any person who violates any regulation issued under a multilateral agreement, formal or informal, to control exports for national security purposes, to which the United States is a party, may be subject to such controls on the importing of goods or technology into the United States as the President may prescribe, but only if—

"(1) negotiations with the government or governments, party to the multilateral agreement, with jurisdiction over the violation have been conducted and been successful in restoring compliance with the regulation involved;

"(2) the President, after the failure of such negotiations, has notified the government or governments described in paragraph (1) and the other parties to the multilateral agreement that the United States proposes to subject the person committing the violation to specific controls on the importing of goods or technology into the United States upon the expiration of 60 days from the date of such notification; and

"(iii) a majority of the parties to the multilateral agreement (other than the United States), before the end of that 60-day period, have expressed to the President concurrence in the proposed import controls or have abstained from stating a position with respect to the proposed controls.".

TECHNICAL AMENDMENT

SEC. 126. Section 38(e) of the Arms Export Control Act (22 U.S.C. 2778(e)) is amended by striking out "(f)" and inserting in lieu thereof "(g)".

AMENDMENT TO THE FOREIGN ASSISTANCE ACT OF 1961

SEC. 127. Section 502B of the Foreign Assistance Act of 1961 is amended (1) by striking the word "Committee" the first place it appears in paragraph (2) and inserting in lieu thereof "Committees'; and (2) by inserting after the words "Foreign Relations" the first place it appears the phrase "and Banking, Housing, and Urban Affairs (when licenses are to be issued pursuant to the Export Administration Act of 1979)".

EXPORT OF HORSES

SEC. 128. The Act of March 3, 1891 (46 U.S.C. 466a and 466b) is amended by adding at the end thereof the following:

SEC. 3. (a) Notwithstanding any other provision of law, no horse may be exported by sea from the United States, or any of its territories and possessions, unless such horse is part of a consignment of horses with respect to which a waiver has been granted under subsection (b).

"(b) The Secretary of Commere, in consultation with the Secretary of Agriculture, may issue regulations providing for the granting of waivers, permitting the export by sea of a specified consignment of horses, if the Secretary of Commerce, in consultation with the Secretary of Agriculture, determines that no horse in that consignment is being exported for purposes of slaughter.

"(c)(1) whosoever knowingly violates this section or any regulation, order, or license issued hereunder shall be fined not more than five times the value of the consignment of horses involved or $50,000, whichever is greater, or imprisoned not more than 5 years, or both.

"(2) The Secretary of Commerce, after notice and opportunity for an agency hearing on the record, may impose a civil penalty not to exceed $10,000 for each violation of this section or any regulation, order, or license issued hereunder, either in addition to or in lieu of any other liability or penalty which may be imposed.".

ALASKAN OIL STUDY

SEC. 129. (a) The President shall—

(1) undertake a comprehensive review of the issues and related data concerning possible changes in the existing incentives to produce crude oil from the North Slope of Alaska (including changes in Federal and State taxation, pipeline tariffs, and Fedral leasing policies) and possible changes in the existing distribution of crude oil from the North Slope of Alaska (including changes in expert restrictions which would permit experts at free market levels and at levels of 50,000 barrels per day, 100,000 barrels per day, 200,000 barrels per day, and 500,000 barrels per day), as well as the appropriations of continuing existing controls including, but not limited to—

(A) the effect of such changes on the energy and national security of the United States and its allies;

(B) the role of such changes in United States foreign policymaking, including international energy policymaking;

(C) the impact of such changes on employment levels in the maritime indutry, the oil industry, and other industries;

(D) the impact of such changes on the refiners and consumers;

(E) the impact of such changes on the revenues and expenditures of the Federal Government and the government of Alaska;

(F) the effect of such changes on incentives for oil and gas exploration and development in the United States; and

(G) the effect of such chagnes on the overall trade deficit of the United States, and the trade deficit of the United States with respect to particular countries, including the effect of such changes on trade barriers of other countries; and

(2) develop, after consulting with appropriate State and Federal officials and other persons, findings, options, and recommendations regarding the production and distribution of crude oil from the North Slope of Alaska.

(b) Not later than 9 months after the date of the enactment of this Act, the President shall transmit a report to the Congress containing the result of the review under subsection (a)(1), and the findings, options, and recommendations developed under subsection (a)(2).

TITLE II—EXPORT PROMOTION PROGRAMS

REQUIREMENT OF PRIOR AUTHORIZATION

SEC. 201. (a) Notwithstanding any other provision of law, money appropriated to the Department of Commerce for expenses to carry out any export promotion program may be obligated or expended only if—

(1) the appropriation thereof has been previously authorized by law enacted on or after the date of the enactment of this Act; or

(2) the amount of all such obligations and expenditures does not exceed an amount previously prescribed by law enacted on or after such date.

(b) To the extent that legislation enacted after the making of an appropriation to carry out any export promotion program authorizes the obligation or expenditure thereof, the limitation contained in subsection (a) shall have no effect.

(c) The provisions of this section shall not be superseded except by a provision of law enacted after the date of the enactment of this Act which specifically repeals, modifies, or supersedes the provisions of this section.

(d) For purposes of this title, the term "export promotion program" means any activity of the Department of Commerce designed to stimulate or assist United States businesses in marketing their goods and services abroad competitively with businesses from other countries, including but not limited to—

(1) trade development (except for the trade adjustment assistance program) and dissemination of foreign marketing opportunities and other marketing information to United States producers of goods and services, including the expansion of foreign markets for United States textiles and apparel and any other United States products;

(2) the development of regional and multilateral economic policies which enhance United States trade and investment interests, and the provision of marketing services with respect to foreign countries and regions;

(3) the exhibition of United States goods in other countries; and

(4) the operations of the United States Commercial Service and the Foreign Commercial Service, or any successor agency.

AUTHORIZATION OF APPROPRIATIONS

SEC. 202. There is authorized to be appropriated for each of the fiscal years 1985 and 1986 to the Department of Commerce to carry out export promotion programs $113,273,000.

BARTER ARRANGEMENTS

SEC. 203. (a) The Secretary of Agriculture shall, not later than 90 days after the date of the enactment of this Act, submit to the Congress a report on the status of Federal programs relating to the barter or exchange of commodities owned by the Commodity Credit Corporation for materials and products produced in foreign countries. Such report shall include details of any changes necessary in existing law to allow the Department of Agriculture to implement fully any barter program.

(b) Notwithstanding any other provision of law, the President is authorized—

(1) to barter stocks of agricultural commodities acquired by the Government for petroleum and petroleum products, and for other materials vital to the national interest, which are produced abroad, in situations in which sales would otherwise not occur; and

(2) to purchase petroleum and petroleum products, and other materials vital to the national interest, which are produced abroad and acquired by persons in the United States through barter for agricultural commodities produced in and exported from the United States through normal commercial trade channels.

(c) The President shall take steps to ensure that any barter described in subsections (a) and (b)(1) and any purchases authorized by subsection (b)(2) safeguard existing export markets for agricultural commodities operating on conventional business terms from displacement by barters described in subsections (a), (b)(1), and (b)(2). In addition, the President shall ensure that

any such barter is consistent with the international obligations of the United States, including the General Agreement on Tariffs and Trade.

TITLE III—SOUTH AFRICA

SHORT TITLE

SEC. 301. This title may be cited as the "United States Policy Toward South Africa Act of 1984".

Subtitle 1—Sullivan Fair Employment Principles Endorsement and Implementation of Fair Employment Principles

SEC. 311. It is the policy of the United States that any United States person who—

(1) has a branch or office in South Africa, or

(2) controls a corporation, partnership, or other enterprise in South Africa,

in which more than 20 people are employed should take the necessary steps to insure that, in operating such branch, office, corporation, partnership, or enterprise, the opposition of the United States to apartheid is reaffirmed by actions including, but not limited to, implementation of those principles relating to employment practices set forth insection 312 of this Act.

STATEMENT OF PRINCIPLES

SEC. 312. (a) The principles referred to in section 311 of this Act are as follows:

(1) Desegregating the races in each employment facility, including—

(A) removing all race designation signs;

(B) desegregating all eating, rest, and work facilities; and

(C) terminating all regulations which are based on racial discrimination.

(2) Providing equal employment for all employees without regard to race or ethnic origin, including—

(A) assuring that any health, accident, or death benefit plans that are established are nondiscriminatory and open to all employees without regard to race or ethnic origin; and

(B)(i) implementing equal and nondiscriminatory terms and conditions of employment for all employees, and (ii) abolishing job reservations, job fragmentation, apprenticeship restrictions for blacks and other nonwhites, and differential employment criteria, which discriminate on the basis of race or ethnic origin.

(3) Assuring that the pay system is equitably applied to all employees without regard to race or ethnic origin, including—

(A) assuring that any wage and salary structure that is implemented is applied equally to all employees without regard to race or ethnic origin;

(B) eliminating any distinctions between hourly and salaried job classifications on the basis of race or ethnic origin; and

(C) eliminating any inequities in seniority and ingrade benefits which are based on race or ethnic origin.

(4) Establishing a minimum wage and salary structure based on the appropriate local minimum economic level which takes into account the needs of employees and their families.

(5) Increasing, by appropriate means, the number of blacks and other nonwhites in managerial, supervisory, administrative, clerical, and technial jobs for the purpose of significantly increasing the representation of blacks and other nonwhites in such jobs, including—

(A) developing training programs that will prepare substantial numbers of blacks and other nonwhites for such jobs as soon as possible, including—

(i) expanding existing programs and forming new programs to train, upgrade, and improve the skills of all categories of employees, including establishing and expanding programs to enable employees to further their education and skills at recognized education facilities; and

(ii) creating on-the-job training programs and facilities to assist employees to advance to higher paying jobs requiring greater skills;

(B) establishing procedures to assess, identify, and actively recruit employees with potential for further advancement;

(C) identifying blacks and other nonwhites with high management potential and enrolling them in accelerated management programs; and

(D) establishing timetables to carry out this paragraph.

(6) Taking reasonable steps to improve the quality of employees' lives outside the work environment with respect to housing, transportation, schooling, recreation, and health, including——

(A) providing assistance to black and other nonwhite employees for housing, health care, transportation, and recreation either through the provision of facilities or services or providing financial assistance to employees for such purposes, including the expansion or creation of in-house medical facilities or other medical programs to improve medical care for black and other nonwhite employees and their dependents; and

(B) participating in the development of programs that address the education needs of employees, their dependents, and the local community.

(7) Implementing fair labor practices, including—

(A) recognizing the right of all employees, regardless of racial or other distinctions, to self-organization and to form, join, or assist labor organizations, freely and without penalty or reprisal, and recognizing the right to refrain from any such activity;

(B) refraining from—

(i) interfering with, restraining, or coercing employees in the exercise of their rights of self-organization under this paragraph,

(ii) dominating or interfering with the formation or administration of any labor organization, or sponsoring, controlling, or contributing financial or other assistance to it; except that an employer may permit employees to confer with the employer during working hours without loss of time or pay,

(iii) encouraging or discouraging membership in any labor organization by discrimination in regard to hiring, tenure, promotion, or other condition of employment,

(iv) discharging or otherwise disciplining or discriminating against any employee who has exercised any rights of self-organization under this paragraph, and

(v) refusing to bargain collectively with any organization freely chosen by employees under this paragraph; and

(C)(i) allowing employees to exercise rights of self-organization, including solicitation of fellow employees during nonworking hours, (ii) allowing distribution and posting of union literature by employees during nonworking hours in nonworking areas, and (iii) allowing reasonable access to labor organization representatives to communicates with employees on employer premises at reasonable times where there are no other available channels which will enable the labor organization to communicate with employees through reasonable efforts.

(b) The Secretary may issue guidelines and criteria to assist persons in implementing the principles set forth in subsection (a) of this section.

ADVISORY COMMITTEE

SEC. 313. (a) The Secretary shall establish an Advisory Committee (1) to advise the Secretary with respect to the implementation of those principles set forth in section 312(a), and (2) to review periodically the reports submitted pursuant to section 314(a) and, where necessary, to supplement the information contained in such reports. The Advisory Committee shall be composed of at least 12 members appointed by the Secretary from among persons in the United States and South Africa representing trade unions committed to nondiscriminatory policies, representatives of business (including the American Chamber of Commerce in South Africa), and the academic community, and from among community and church leaders, including those in South Africa, who have demonstrated a concern for equal rights. In addition to the appointed members of the Advisory Committee, the United States Ambassador to South Africa shall be a member of the Advisory Committee, ex officio. The Committee shall be authorized to meet in the United States Embassy in South Africa or such other location as the Secretary may designate.

(b) Members of the Advisory Committee in South Africa shall be appointed for 3-year terms, except that of the members first appointed, four shall be appointed for terms of two years, and four shall be appointed for terms of one year, as designated at the time of their appointment. Any member appointed to fill a vacancy occuring before the expiration of the term for which the predecessor of such member was appointed shall be appointed only for the remainder of such term.

(c) The Secretary shall provide the necessary clerical and administrative assistance to the Advisory Committee.

(d) Members of the Advisory Committee shall serve without pay, except that, while away from their homes or regular places of business in the performance of services for the Committee, members of the Advisory Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

IMPLEMENTATION

SEC. 314. (a) The Secretary shall submit an annual report to the Congress describing—

(1) the extent to which each United States person referred to in section 311 of this Act has implemented each of the principles set forth in section 312 of this Act;

(2) the progress each United States person referred to in section 311 of this Act has made since the previous annual report in implementing each of those principles;

(3) the actions the Secretary has taken to encourage implementation of those principles, as well as any related actions taken by other departments or agencies of the United States Government; and

(4) any other information relating to the implementation by United States persons of those principles that the Secretary believes is appropriate.

(b) The Secretary shall publish and make generally available to the public each annual report submitted pursuant to subsection (a).

(c) The Secretary may, to such extent or in such amounts as are provided in appro-

priation Acts, enter into contracts with one or more private organizations to assist the Secretary to preparing the report required by subsection (a).

(d) Each United States person referred to in section 311 of this Act shall submit directly to the Secretary, or through an organization with which the Secretary has a contract under subsection (c)—

(1) a detailed and fully documented annual report on the progress of that person in implementing the principles set forth in section 312 of this Act; and

(2) such other information relating to implementation of the principles set forth in section 312 of this Act as the Secretary shall by regulation require.

The reports and information required by this subsection shall be submitted at such times as the Secretary shall by regulation direct.

(e)(1) The Secretary shall make available to the Advisory Committee established pursuant to section 313, and may make available to the public, information obtained pursuant to subsection (d) that relates to the employment practices of United States persons referred to in section 311 with respect to blacks and other nonwhite employees.

(2) Notwithstanding any other provision of law, the Secretary shall not make available to the Advisory Committee or disclose to the public any information that would harm the competitive position or the proprietary interests, or would reveal trade secrets or confidential commercial or financial information, of any United States person required to submit reports under subsection (d), as defined under regulations of the Secretary.

(f) The Secretary shall undertake all reasonable efforts to verify the information submitted under subsection (d), including the establishment of arrangements with United States persons and entities referred to in section 311 of this Act for onsite monitoring, at least once every two years, of their activities and facilities in South Africa.

(g) The Secretary shall make reasonable and continuing efforts to promote the implementation of this subtitle and any regulations issued to carry out this subtitle.

(h) There are authorized to be appropriated such sums as may be necessary to the Department of State to carry out the provisions of this subtitle. The Secretary may establish an office to carry out such provisions.

(i) Upon the request of any United States person subject to the provisions of this subtitle which is made within 60 days after the publication of the Secretary's report pursuant to subsection (b) of this section, the Secretary shall, afford an opportunity for a hearing, within 90 days after such publication, in which such person may comment on the contents of such report.

INVESTMENT LIMITATIONS

SEC. 315. (a) In any case in which the President determines, after notice and an opportunity for a hearing, that a United States person referred to in section 311 of this Act is not making a good faith effort toward implementing the provisions of this subtitle, the Secretary may issue an order prohibiting that United States person from making any investment in South Africa for a period of one year, subject to subsection (b) of this section. The Secretary's decision to hold such a hearing shall be made on the basis of the annual report submitted pursuant to section 314(a).

(b) The President may exempt a United States person that is subject to an order of the President under subsection (a) from the prohibition contained in the order for the purpose of making a particular investment or investments referred to in subsection (c)(1)(B) in that person's foreign affiliate in South Africa, but only to the extent that—

(A) the investment or investments are necessary to replace or upgrade worn out or obsolete equipment;

(B) the purpose of the investment or investments is to make improvements in the workplace in the training, health, safety, and other working conditions of blacks and other nonwhite employees; or

(C) the investment or investments are for educational, housing, or health facilities, or other projects of significant humanitarian value, which are available to all employees on a totally nondiscriminatory basis and which are located in geographic areas accessible to all employees without any legal or administrative restriction.

(c) For purposes of subsection (a)—

(1) the term "investment in South Africa" means—

(A) establishing or contributing funds (including making a loan or other extension of credit) for the establishment of a business enterprise in South Africa;

(B) investing funds in a foreign affiliate in South Africa, including—

(i) acquiring a share or interest in the foreign affiliate;

(ii) acquiring a bond or other debt instrument issued by the foreign affiliate;

(iii) making capital contributions in money or kind to the foreign affiliate; and

(iv) making a loan or other extension of credit, with a maturity of more than two years, to the foreign affiliate;

except that this subparagraph shall not be construed to prohibit an investment which consists of earnings derived from a foreign affiliate in South Africa and which is made in that foreign affiliate; and

(C) making a loan or other extension of credit in a business enterprise in South Africa;

(2) the term "funds" means money or other resources;

(3) the term "foreign affiliate" means a business enterprise which is controlled by a United States person;

(4) the term "business enterprise" means any organization, association, branch, or venture which exists for profitmaking purposes or to otherwise secure economic advantage; and

(5) the term "branch" means the operations or activities conducted by a person in a different location in its own name rather than through an incorporated entity, and such term includes an office of that person.

(d)(1) The President shall take the necessary steps to insure compliance with an order of the President issued under subsection (a) and the regulations issued under this section, including the use of monitoring provided in section 314(f).

(2) Any United States person that fails to comply with an order of the President issued under subsection (a) or the regulations issued under this section shall so notify the Secretary of Commerce. Such United States person shall be subject to the penalties provided in section 11 of the Export Administration Act of 1979 for violatins of that Act.

(e) The Secretary may issue such regulations as are necessary to carry out the provisions of this section.

REGULATIONS AND EFFECTIVE DATE

SEC. 316. (a) The Secretary shall, not later than 120 days after the date of the enactment of this Act, issue such regulations as are necessary to carry out this subtitle.

(b) Before issuing final regulations pursuant to subsection (a), the Secretary shall publish in the Federal Register the regulations proposed to be issued and shall give interested persons, including the Advisory Committee established pursuant to section 313 of this Act, at least 30 days to submit comments on the proposed regulations. The Secretary shall, in issuing the final regulations, take into account the comments so submitted.

(c) The policy set forth in section 311 of this Act shall become the policy of the United States Government on the date of the enactment of this Act.

(d) The first annual report of the Secretary under section 314 of this Act shall be submitted to the Congress not later than one year after the date on which final regulations issued pursuant to subsection (a) of this section are published. Each subsequent annual report shall be submitted not later than the end of each 1-year period thereafter.

Subtitle 2—General Provisions

COOPERATION OF OTHER DEPARTMENTS AND AGENCIES

SEC. 321. (a) Each department and agency of the United States shall cooperate with the Secretary in carrying out the provisions of this title, including, upon the request of the Secretary, taking steps to ensure implementation of the provisions of this title and any regulations issued to carry out this title.

(b) The Secretary may secure directly from any department or agency of the United States information necessary to enable the Secretary to carry out the Secretary's functions under this title.

DEFINITIONS

SEC. 322. For purposes of this title—

(1) the term "United States person" means any United States resident or national and any domestic concern (including any permanent domestic establishment of any foreign concern);

(2) the term "Secretary" means the Secretary of State;

(3) the term "South Africa" includes the Republic of South Africa; any territory under the administration, legal or illegal, of South Africa; and the "bantustans" or "homelands", to which South African blacks are assigned on the basis of ethnic origin, including the Transkei, Bophuthatswana, Venda, and Ciskei; and

(4) a United States person shall be presumed to control a corporation, partnership, or other enterprise in South Africa if—

(A) the United States person beneficially owns or controls (whether directly or indirectly) more than 50 percent of the outstanding voting securities of the corporation, partnership, or enterprise;

(B) the United States person beneficially owns or controls (whether directly or indirectly) 25 percent or more of the voting securities of the corporation, partnership, or enterprise if no other person owns or controls (whether directly or indirectly) an equal or larger percentage;

(C) the corporation, partnership, or enterprise is operated by the United States person pursuant to the provisions of an exclusive management contract;

(D) a majority of the members of the board of directors of the corporation, part-

nership, or enterprise are also members of the comparable governing body of the United States person;

(E) the United States person has authority to appoint a majority of the members of the board of directors of the corporation, partnership, or enterprise; or

(F) the United States person has authority to appoint the chief operating officer of the corporation, partnership, or enterprise.

CONSTRUCTION OF TITLE; SEVERABILITY

SEC. 323. (a) Nothing in this title shall be construed as constituting any recognition by the United States of the homelands referred to in section 322(3) of this Act.

(b) If any provision of this title or the application of this title to any person or circumstances is held invalid, neither the remainder of this title nor the application of that provision to other persons or circumstances shall be affected thereby.

TITLE IV—NUCLEAR EXPORTS

SEC. 401. (a) The Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) is amended by inserting after section 131 the following new section:

SEC. 132. RESTRICTIONS ON CERTAIN EXPORTS.—

"a. (1) Notwithstanding any other provision of law—

"(A) no license may be issued under the Export Administration Act of 1979 for the export to a non-nuclear-weapon state for use in a nuclear production or utilization facility of any item or related technical data which, as determined under section 309(c) of the Nuclear Non-Proliferation Act of 1978, could be of significance for nuclear explosive purposes, or which, in the judgment of the Secretary of Commerce, is likely to be diverted for use in such a facility;

"(B) the Nuclear Regulatory Commission shall not issue any license for the export to a non-nuclear-weapon state of a component part, item, or substance which the Commission has determined, under section 109b. of this Act to be especially relevant from the standpoint of export control because of its significance for nuclear explosive purposes;

"(C) the Secretary of Energy shall not approve the retransfer to a non-nuclear-weapon state of any such component part, item, or substance; and

"(D) the Secretary of Energy shall not, under section 57b. of this Act, authorize any person to engage, directly or indirectly, in the production of special nuclear material in a non-nuclear-weapon state;

unless (i) such state maintains International Atomic Energy Agency safeguards on all its peaceful nuclear activities, and (ii)(I) such export, retransfer, or production is under the terms of an agreement for cooperation arranged pursuant to section 123 of this Act or (II) such state has entered into nuclear cooperation with the United States pursuant to an agreement for peaceful nuclear cooperation. For purposes of this subsection, 'non-nuclear-weapon state' is a non-nuclear-weapon state within the meaning of the Treaty on the Non-Proliferation of Nuclear Weapons.

"(2) The restrictions contained in clause (ii) of paragraph (1) shall apply only to a country which is not a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America, or which the President determines is in a region of particular volatility or sensitivity.

"b. Nothing in this section shall preclude—

"(1) an export, retransfer, or activity generally licensed or generally authorized by the Nuclear Regulatory Commission, the Department of Commerce, or the Department of Energy;

"(2) assistance (A) for the purpose of developing or applying International Atomic Energy Agency safeguards, or United States safeguards as set forth in an agreement for cooperation arranged pursuant to section 123 of this Act, (B) for programs of the International Atomic Energy Agency which are generally available to its member states, (C) for reducing the use of highly enriched uranium in research or test reactors, or (D) for other technical programs for the purpose of reducing proliferation risks, such as programs to extend the life of reactor fuel and activities to which section 223 of the Nuclear Waste Policy Act of 1982 applies; or

"(3) assistance which is necessary for humanitarian reasons to protect the public health and safety.

"c. The restrictions contained in subsection a.(1)(D) shall not apply to activities involving radiation protection and health physics; decontamination; waste management; and other assistance for the safe operation of a facility which is under International Atomic Energy Agency safeguards or United States safeguards. The exception contained in the preceding sentence shall apply only in instances where the Secretary of State, in concurring with the determination by the Secretary of Energy pursuant to section 57b. of this Act, determines that approval of such activities or assistance would further United States nonproliferation objectives with regard to the recipient country. The Department of Energy shall notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate of all authorizations issued pursuant to this subsection.

"d. The prohibitions contained in subsection a. shall not apply to a particular export, retransfer, or activity or group of exports, retransfers, or activities if the President determines that to apply the prohibitions thereto would be seriously prejudicial to the achievement of United States nonproliferation objectives or would otherwise jeopardize the common defense and security and if, at least 60 days before the export, retransfer, or activity or initial export, retransfer, or activity is carried out, the President submits that determination, together with the reasons for that determination, to the Congress.

"e. With respect to any authorization described in subsection a. (1)(D) which is made after August 1, 1983, the restrictions set forth in that subparagraph shall apply to any contract executed under that authorization after October 1, 1984.".

(b) The table of contents of the Atomic Energy Act of 1954 is amended by inserting after the item relating to section 131 the following new item:

"Sec. 132. Restrictions on certain exports.".

AGREEMENTS FOR COOPERATION

SEC. 402. (a) Section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153(d)) is amended—

(1) by inserting "the consistency of the text of the agreement for cooperation with all the requirements of this Act," after "Assessment Statement regarding" in subsection a.;

(2) by inserting "after the submission of the text of the proposed Agreement for Cooperation together with the accompanying non-classified nuclear proliferation assessment to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House, and after consultation with such Committees for a period of not less than 30 days of continuous session (as defined in section 130g. of this Act) concerning the consistency of the terms of the proposed agreement with all the requirements of this Act," before "the President" in subsection b.; and

(3) by inserting "During the sixty-day period the House Committee on Foreign Affairs and the Senate Committee on Foreign Relations shall each hold hearings on the proposed agreements and submit a report to their respective bodies recommending whether it should be approved or disapproved," before the sentence which begins "Any such proposed agreement" in subsection d.

AGREEMENTS FOR COOPERATION

SEC. 403. (a) Subsection d. of section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153(d)) is amended—

(1) by striking out "adopts a concurrent resolution" and inserting in lieu thereof "adopts, and there is enacted, a joint resolution"; and

(2) by striking out the period at the end of the first proviso and inserting in lieu thereof "; *Provided further*, That an agreement for cooperation exempted by the President pursuant to subsection a. from any requirement contained in that subsection shall not become effective unless the Congress adopts, and there is enacted, a joint resolution authorizing such agreement.".

(b) Section 130 of the Atomic Energy Act of 1954 is amended by adding at the end thereof the following:

"i. (10 For the purposes of this subsection, the term 'joint resolution' means a joint resolution, the matter after the resolving clause of which is as follows: 'That the Congress (does or does not) favor the proposed agreement for cooperation transmitted to the Congress by the President on ————', with date of the transmission of the proposed agreement for cooperation inserted in the blank, and the affirmative or negative phrase within the parenthetical appropriately selected.

"(2) On the day on which a proposed agreement for cooperation is submitted to the House of Representatives and the Senate under section 123 d., a joint resolution with respect to such agreement for cooperation shall be introduced (by request) in the House by the chairman of the Committee on Foreign Affairs, for himself and the ranking minority member of the Committee, or by Members of the House designated by the chairman and ranking minority member; and shall be introduced (by request) in the Senate by the majority leader of the Senate, for himself and the minority leader of the Senate, or by Members of the Senate designated by the majority leader and minority leader of the Senate. If either House is not in session on the day on which such an agreement for cooperation is submitted, the joint resoltuion shall be introduced in that House, as provided in the preceding sentence, on the first day thereafter on which that House is in session.

"(3) All joint resolutions introduced in the House of Representatives shall be referred to the appropriate committee or committees and all joint resolutions introduced in the Senate be referred to the Committee on Foreign Relations and any other appropriate committee.

"(4) If the committee of either House to which a joint resolution has been referred has not reported it at the end of 45 days after its introduction, the committee shall be discharged from further consideration of the joint resolution or of any other joint resolution introduced with respect to the same matter; except that, in the case of a joint resolution which has been referred to more than one committee, if before end of that 45-day period one such committee has reported the joint resolution, any other committee to which the joint resolution was referred shall be discharged from further consideration of the joint resolution or of any other joint resolution introduced with respect to the same matter.

"(5) A joint resolution under this subsection shall be considered in the Senate in accordance with the provisions of section 601(b)(4) of the International Security Assistance and Arms Export Control Act of 1976. For the purposes of expediting the consideration and passage of joint resolutions under this subsection, it shall be in order for the Committee on Rules of the House of Representatives (notwithstanding the provisions of clause 4(b) of Rule XI of the Rules of the House of Representatives) to present for immediate consideration, on the day reported, a resolution of the House of Representatives providing procedures for the consideration of a joint resolution under this subsection similar to the procedures set forth in section 601(b)(4) of the International Security Assistance and Arms Export Control Act of 1976.

"(6) In the case of a joint resolution described in paragraph (1), if prior to the passage by one House of a joint resolution of that House, that House receives a joint resolution with respect to the same matter from the other House, then—

"(A) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

"(B) the vote of final passage shall be on the joint resolution of the other House.".

(c) The amendments made by this section shall apply to any agreement for cooperation which is entered into after the date of the enactment of this Act.

TECHNICAL AMENDMENT

SEC. 126. Section 38(e) of the Arms Export Control Act.

NUCLEAR REGULATORY COMMISSION AUTHORIZATION

SIMPSON AMENDMENT NO. 7095

Mr. BAKER (for Mr. SIMPSON) proposed an amendment to the bill (S. 1291) to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, and section 305 of the Energy Reorganization Act of 1974; as follows:

TITLE 1—AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEARS 1984 AND 1985

SEC. 101. There are hereby authorized to be appropriated to the Nuclear Regulatory Commission in accordance with the provisions of section 261 of the Atomic Energy Act of 1954 and section 305 of the Energy Reorganization Act of 1974, for the fiscal years 1984 and 1985 to remain available until expended, $466,800,000 for fiscal year 1984 and $460,000,000 for fiscal year 1985.

SEC. 102. (a) the sums authorized to be appropriated in this Act for fiscal years 1984 and 1985 shall be allocated as follows:

(1) not more than $91,490,000 for fiscal year 1984 and $87,140,000 for fiscal year 1985, may be used for "Nuclear Reactor Regulation", of which an amount not to exceed $1,000,000 is authorized each such fiscal year to be used to accelerate the effort in gas-cooled thermal reactor preapplication review;

(2) not more than $70,910,000 for fiscal year 1984 and $74,770,000 for fiscal year 1985, may be used for "Inspection and Enforcement";

(3) not more than $36,280,000 for fiscal year 1984 and $35,710,000 for fiscal year 1985, may be used for "Nuclear Material Safety and Safeguards";

(4) not more than $199,740,000 for fiscal year 1984 and $193,290,000 for fiscal year 1985, may be used for "Nuclear Regulatory Research", of which an amount not to exceed $2,600,000 is authorized each such fiscal year to be used to accelerate the effort in gas-cooled thermal reactor safety research;

(5) not more than $27,520,000 for fiscal year 1984 and $27,470,000 for fiscal year 1985, may be used for "Program Technical Support";

(6) not more than $40,860,000 for fiscal year 1984 and $44,620,000 for fiscal year 1985, may be used for "Program Direction and Administration".

(b) The Nuclear Regulatory Commission may use not more than 1 per centum of the amounts authorized to be appropriated under paragraph 102(a)(4) to exercise its authority under section 31a of the Atomic Energy of 1954 (42 U.S.C. 205(a)) to enter into grants and cooperative agreements with universities pursuant to such paragraph. Grants made by the Commission shall be made in accordance with the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.) and other applicable law.

(c) Any amount appropriated for a fiscal year to the Nuclear Regulatory Commission pursuant to any paragraph of subsection 102(a) for purposes of the program referred to in such paragraph, may be reallocated by the Commission for use in a program referred to in any other paragraph of such subsection, or for use in any other activity within a program, except that the amount available from appropriations for such fiscal year for use in any program or specified activity may not, as a result of reallocations made under this subsection, be increased or reduced by more than $500,000 unless—

(1) a period of thirty calendar days (excluding any day in which either House of Congress is not in session because of an adjournment of more than three calendar days to a day certain or an adjournment sine die) passes after the receipt, by the Committee on Energy and Commerce and the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Environment and Public Works of the Senate, of notice submitted by the Commission containing a full and complete statement of the reallocation proposed to be made and the facts and circumstances relied upon in support of such proposed reallocation; or

(2) each such committee, before the expiration of such period, transmits to the Commission a written notification that such committee does not object to such proposed reallocation.

SEC. 103. Moneys received by the Nuclear Regulatory Commission for the cooperative nuclear research program and the material access authorization program may be retained and used for salaries and expenses associated with such programs, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), and shall remain available until expended.

SEC. 104. From amounts appropriated to the Nuclear Regulatory Commission purusant to this title, the Commission may transfer to other agenceis of the Federal Government sums for salaries and expenses for the performance by such agencies of activities for which such appropriations of the Commission are made. Any sums so transferred may be merged with the appropriation of the agency to which such sums are transferred.

SEC. 105. Notwithstanding any other provisions of this Act, no authority to make payments under this Act shall be effective except to such extent or in such amounts as are provided in advance in appropriation Acts.

SEC. 106. (a) No funds authorized to be appropriated under this Act may be used to carry out any policy or program for the decentralization or regionalization of any Nuclear Regulatory Commission authorities regarding commerical nuclear powerplant licensing until sixty legislative days after the date on which the Commission submits to the Congress a report evaluating the effect of such policy or program on nuclear reactor safety: *Provided, however,* That the prohibition contained in this subsection shall not apply to any personnel assigned to the field, or to activities in which they were engaged, on or before September 22, 1983. The report shall include—

(1) a detailed description of the authorities to be transferred, the reason for such transfer, and an assessment of the effect of such transfer on nuclear reactor safety;

(2) an analysis of all comments submitted to the Commission regarding the effect on nuclear reactor safety which would result from carrying out the policy or program proposed by the Commission; and

(3) an evaluation of the results, including the advantages and disadvantages, of the pilot program conducted under subsection (b).

(b) Notwithstanding the prohibition contained in subsection (a), the Commission is authorized to conduct a pilot program for the purpose of evaluating the concept of delegating authority to regional offices for issuance of specific types of operating reactor licensing actions and for the purpose of addressing the issues identified in paragraphs (a)(1)–(3) of this section.

SEC. 107. (a) Of the amounts authorized to be appropriated under this Act for the fiscal years 1984 and 1985, such sums as may be necessary are authorized to be used by the Nuclear Regulatory Commission for—

(1) the acquisition (by purchase, lease, or otherwise) and installation of equipment to be used for the small test prototype nuclear data link program or for any other program for the collection and transmission to the Commission of data from licensed nuclear reactors during abnormal conditions at such reactors; and

(2) a full and complete analysis of—

(A) the appropriate role of the Commission during abnormal conditions at a nuclear reactor licensed by the Commission;

(B) the information which should be available to the Commission to enable the Commission to fulfill such role and to carry out other related functions;

(C) various alternative means of assuring that such information is available to the Commission in a timely manner; and

(D) any changes in existing Commission authority necessary to enhance the Commission response to abnormal conditions at a nuclear reactor licensed by the Commission:

Provided, however, That no funds shall be available under this Act for the acquisition and installation of any equipment for the collection and transmission to the Commission of data from licensed nuclear reactors during abnormal conditions at such reactors, or for the analysis of such equipment, unless such acquisition and analysis includes, as one of the alternatives considered, a fully automated electronic nuclear data link. The small test prototype referred to in paragraph (1) may be used by the Commission in carrying out the study and analysis under paragraph (2). Such analysis shall include a cost-benefit analysis of each alternative examined under subparagraph (C).

SEC. 108. Of the amounts authorized to be appropriated under this Act, the Nuclear Regulatory Commission may use such sums as may be necessary, in the absence of a State or local emergency preparedness plan which has been approved by the Federal Emergency Management Agency, to issue an operating license (including a temporary operating license under section 192 of the Atomic Energy Act of 1954, as amended) for a nuclear power reactor, if it determines that there exists a State, local, or utility plan which provides reasonable assurance that public health and safety is not endangered by operation of the facility concerned.

SEC. 109. Notwithstanding the second sentence of section 103 d. and the second sentence of section 104 d. of the Atomic Energy Act of 1954, as amended, the Nuclear Regulatory Commission is hereby authorized to transfer Facility Operating License numbered R-81 to a United States entity or corporation owned or controlled by a foreign corporation if the Commission—

(1) finds that such transfer would not be inimical to the common defense and security or to the health and safety of the public; and

(2) includes in such license, as transferred, such conditions as the Commission deems necessary to ensure that such foreign corporation cannot direct the actions of the licensee in ways that would be inimical to the common defense and security or the health and safety of the public.

TITLE II—AMENDMENT TO THE NUCLEAR WASTE POLICY ACT OF 1982

SEC. 201. The Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101 et seq.) is amended by adding a new section 126 as follows:

"SEC. 126. The provisions of sections 115, 116, 117, and 118 of this subtitle shall constitute the exclusive rights of participation by an affected State or Indian tribe in the planning, siting, development, construction, and operation of a repository or a monitored, retrievable storage facility that is required to be licensed by the Commission: *Provided, however,* That nothing in this Act shall preclude any recognized right of any State or Indian tribe under existing law with respect to such repository or monitored, retrievable storage facility.".

McCLURE AMENDMENT NO. 7096

Mr. BAKER (for Mr. McCLURE) proposed an amendment to amendment No. 7095 proposed by Mr. BAKER (for Mr. SIMPSON) to the bill S. 1291, supra; as follows:

Strike Title II of the bill.

MARITIME PROGRAMS IMPROVEMENTS

PACKWOOD AMENDMENT NO. 7097

Mr. BAKER (for Mr. PACKWOOD) proposed an amendment to the bill (H.R. 5833) to improve certain maritime programs of the Department of Transportation and the Department of Commerce; as follows:

On page 6, line 6, insert the following immediately after "obligors": "pay a fee which may be computed on the highest".

PACKWOOD AMENDMENT NO. 7098

Mr. BAKER (for Mr. PACKWOOD) proposed an amendment to the bill H.R. 5833, supra; as follows:

On page 4, line 4 insert the words "or with the need for technical improvements including but not limited to increased fuel efficiency or improved safety" immediately after the word "resources".

FEDERAL DAMS ANNUAL CHARGES

McCLURE AMENDMENT NO. 7099

Mr. BAKER (for Mr. McCLURE) proposed an amendment to the bill (S. 1132) to amend the Federal Power Act to specify the annual charges for projects with licenses issued by the Federal Energy Regulatory Commission for the use of Federal dams and other structures; as follows:

Amendment to the House Amendment in the nature of a substitute, strike sec. 2 of the House Amendment.

ADDITIONAL STATEMENTS

INJUSTICE AGAINST SOVIET JEWS

Mr. BIDEN. Mr. President, there is no shortage of evidence about the mistreatment of Soviet Jews. Recently I received additional new information in a firsthand account by one of America's most respected law enforcement officers.

Edward G. Rendell is the district attorney of Philadelphia. I have worked with him in the past in developing legislation to combat crime and I know that he is well regarded throughout our country by other district attorneys. He is tough, smart, and innovative. He is also deeply troubled by what he has learned about the plight of Soviet Jews.

Last summer Ed Rendell traveled to the Soviet Union and looked into the cases of several refuseniks in Moscow and Leningrad. In a subsequent letter to me, he noted that "problems for Soviet Jews in both cities have intensified, and there seems to be a systematic upgrading of the pressure, harassment, and legal actions being brought against Jews in general, and those involved in the teaching of the Hebrew language and efforts to preserve Jewish culture, in particular."

On his return, Ed Rendell wrote to the chief prosecutor of the Soviet Union, Procurator General Aleksandr Rekunkov, and cited three cases which illustrated "fundamental abuses of basic fairness that appear to be systemic and widespread." He challenged the procurator general to halt such abuses and to "take steps to demonstrate to the rest of the world your concern with basic human rights."

Mr. President, in his typical straightforward and incisive way, Ed Rendell is demanding that the Soviet Government let its citizens—in particular, its Jewish citizens—exercise the rights they supposedly have under Soviet law. I believe that every Member of the Congress would echo that demand. In order that my colleagues can have the benefit of this noted district attorney's revelations about Soviet injustice, I ask that the text of his letter to the Soviet prosecutor be printed in the RECORD.

The letter follows:

DISTRICT ATTORNEY'S OFFICE,
Philadelphia, PA, September 14, 1984.

ALEKSANDR REKUNKOV,
Procurator General,
Moscow, U.S.S.R.

DEAR PROCURATOR GENERAL: I recently had the opportunity to spend eight days in your country. During my travels I observed many things about the USSR that truly impressed me. As the elected District Attorney and Chief Law Enforcement Officer of the fourth largest city in the United States of America, I was particularly interested in viewing and comparing the Soviet system of justice. In that capacity, as both a student and practitioner in the dispensing of justice, I was deeply troubled by what I learned about the relationship betweeen Soviet justice and human rights. I am writing to you, in your capacity as the Chief Prosecutor for the Soviet government, to express my intense concern with fundamental abuses of basic fairness that appear to be systemic and widespread.

By way of example, I will refer to three cases which were brought to my attention prior to my arrival and about which I heard a great deal more after I arrived. The facts indicate a pattern of what I believe to be shocking abuse in the literal creation of criminal charges against Alexander Yakir, Alexander Kholmansky and Yulie Edelstein. In each of these cases there are not only violations of fundamental, universally recognized concepts of fairness and justice, but also of Soviet law itself. All are related to efforts at some level in the Soviet government to harass, discourage and humiliate those who become Soviet Jewish Refuseniks, those who promote Jewish culture, and specifically, those who teach and study the Hebrew language which, ironically, is guaranteed by our own laws and constitu-

tion. I would hope, as one committed to the growth and spread of the justice system, that neither you nor President Chernenko nor other high officials in the Soviet Union, would countenance such abuses once you were aware of them, and that you wold take steps to demonstrate to the rest of the world your concern with basic human rights. Accordingly, I would like to share with you my observations and findings regarding the three cases.

Alexander Kholmansky—Mr. Kholmansky was arrested in Estonia for breaking into a mail box to retrieve a single letter. He is a teacher of the Hebrew language and, from everything I was able to ascertain, an outstanding citizen, who has never violated Soviet law in the past, and who has been a productive member of Soviet society. He has not only been held in detention for several weeks on this charge, but his detention period has now been extended to September 25. I was amazed to learn that based on this act, orders were issued which allowed searches to be carried out in the homes of Mr. Kholmansky's parents, as well as the homes of several of his friends and Hebrew students. It is inconceivable, under any reasonable legal construct, that an alleged theft from a mail box in Estonia could give rise to legal searches of other peoples homes in Moscow. Nonetheless, these orders were issued and an illegal search of Mr. Kholmansky's parents' apartment in Moscow took place. It is my understanding that a basic precept of Soviet law is that the authorities are required to first request the voluntary submission of desired material from the people whose home is to be searched, thereby making any subsequent search unnecessary and preserving the universally recognized right of privacy. This very fine procedure was not followed in this instance. Indeed, Mr. Kholmansky's father was forced to stay in one room of his apartment while the investigators searched all the other rooms. During the search, religious and cultural material was seized. This material was totally unrelated to any possible charge arising from the theft from the mail box. Worst of all, it seems clear that the investigators deliberately planted a pistol, forty-one bullets and two firing clips in one of the rooms of the apartment.

In the context of his life as a Hebrew scholar, it is unreasonable, if not ludicrous, to suggest that Mr. Kholmansky would possess a firearm. More to the point from a legal standpoint, it is beyond comprehension that a gun found in his parents' apartment in Moscow could be the basis for a charge against him in Estonia. It is my understanding that Mr. Kholmansky's parents have filed an application with your office asking that no further charges be placed upon Mr. Kholmansky based on the search and the illegally planted evidence. As one dedicated to enforcing the law, I fervently join in their request to you.

Yulie Edelstein—one of the searches which took place pursuant to the Kholmansky incident occurred in the home of Yulie Edelstein, a leading teacher of the Hebrew language who is also well known throughout the Soviet Union for being an outstanding citizen of your country. This search was even more shocking in its illegality than that of Mr. Kholmansky's parents' apartment. Much like the above instance, the investigators planted illegal evidence in the Edelsteins' apartment. The violations of Soviet law and procedure in this investigation were numerous. To begin with, the investigators never told Mr. Edelstein what they were searching for, as is required by law, nor did they show him the complete order. Furthermore, they failed to identify themselves properly. Only a member of the Militia produced his identification while telling the Edelsteins that the other investigators were known to him, and were, therefore, exempt from the requirement to offer proof of their identities. As you are aware, there is no such exemption in Soviet law. The Edelsteins consistently asked them what they were searching for, but the investigators refused to answer, pleading confidentiality. This, too, violates Soviet law. In fact, Edelstein's parents were removed from their homes during the search and taken to a police station. In the beginning of the search the investigators appeared to be looking only at books and material in the Hebrew language. They confiscated books, cassettes, letters, notebooks and address books written in Hebrew, but the investigators admitted to the Edelsteins that there was nothing in their apartment that could be construed to be anti-Soviet material. At one point, however, the investigators identified two objects which they claimed might be narcotics or controlled substances. They stated that an expert was required to analyze these objects, and took them from the apartment. As was the case with Mr. Kholmansky, it seems clear that these items were planted by the investigators themselves. It is highly unreasonable, if not ludicrous, to believe that a devoutly religious Jewish scholar and teacher in the Soviet Union would become involved with this type of substance.

Lastly, it is a clear violation of fundamental law for these searches to have taken place at all. It is inconceivable that Mr. Kholmansky's alleged actions in breaking into a mail box in Estonia could give authorities just cause for searching the Edelsteins' apartment in Moscow. There is no evidentiary link whatsoever between these incidents. For several days after the search, no action was taken against Mr. Edelstein, but shortly before I left your country, I learned that Mr. Edelstein has been arrested on narcotics charges. Actions such as these, in bringing trumped-up charges against one of the leading Hebrew scholars in the Soviet Union, can bring nothing but shame to the Soviet Union among the nations of the world. I am asking you to intercede personally to review these charges and to have them dismissed.

Alexander Yakir—Before I arrived in the Soviet Union, I was made aware of the fact that Alexander Yakir had been arrested and convicted by a lower court on a charge of draft evasion. While I was in the Soviet Union, I was made aware of sufficient additional facts to become shocked by the injustice that was done. All of this served to convince me that these charges must also be part of a plan of harassment against the Refusenik community.

Your office no doubt is aware of the facts of the case. Mr. Yakir was arrested for draft evasion at the age of 29, two years after his eligibility for the draft had expired. After obtaining several official delays from entering your military service due to his Israeli citizenship, and because it was in the best interests of the Soviet Union that he not serve (he was informed of this in writing in 1978, and that document appears in his case file), Mr. Yakir was finally ordered to report for military service on April 30, 1981. Three or four days later his father went to the military board to tell them that his son was out of town but that he would be willing to serve as long as he was assigned to a unit which did not deal with military secrets. The Board told Mr. Yakir's father that they were referring the case back to the prosecutor's office. That office never contacted the Yakirs, despite the fact that in 1982, having started a job as a lifeguard in Moscow, his supervisor informed the military of this.

No action was taken until June, 1984, when a militia man came to the Yakirs' apartment to arrest Alexander. The Yakir family was told by members of the prosecutor's office that the case was stopped in 1981, after Mr. Yakir's father indicated Alexander's willingness to serve. The case was started again in 1984, for no apparent reason. Alexander Yakir's willingness to serve in the military was made clear by his father and his whereabouts were constantly known to the authorities between 1981 and 1984 (where is specific proof of this, of course, during the time he worked as a lifeguard). Despite all of this evidence, a lower court judge rendered a verdict of guilty and sentenced him to two years in prison. The case has been appealed to the city court and Alexander Yakir is being held in transfer prison pending a decision by that court. I know that I am not the first American to speak out about the Yakir matter. In fact, President Reagan and Presidential candidate Walter Mondale have made public statements decrying what has occurred. The world is watching this case to determine whether your country is engaged in a pattern of persecuting Soviet Jews in general and the Refuseniks in particular. It is my hope that these questions will be answered in the negative by your taking action personally to see that these charges against Mr. Yakir are dismissed.

As I indicated at the beginning of my letter, I found many things commendable about life in the Soviet Union. There are many Americans, both in official capacities and those who are ordinary citizens, who are hopeful that relations between our countries can become more friendly and productive. However, there is a serious roadblock to the achievement of this goal. Fundamental to any productive relationship must be the sense that the parties can deal with each other on a common foundation of justice and fairness at all levels. That sense is currently lacking, precisely because of cases such as the three that I have described in this letter. I believe that it would be a very meaningful signal to all the nations of the world about the intentions of the Soviet Union if the charges were withdrawn in all of these three matters, and if the government of the Soviet Union made it clear that there would be no further harassment of its Jewish citizens.

I anxiously await your action, intervention and response.

Sincerely yours,

EDWARD G. RENDELL,
District Attorney.●

CARIBBEAN BASIN PROMOTION CENTER

● Mr. PERCY. Mr. President, it is with extraordinary pleasure that I share with my colleagues a remarkable success story of private sector initiative, high return on Federal investment, and international cooperation and mutual benefit. It is the story of the achievements of the Chicago Asso-

ciation of Commerce and Industry's Caribbean Basin Promotion Center.

Just as significantly, it is the story of new, productive trade partnerships; new, mutually rewarding investment opportunities; a keener appreciation of the potential markets and resources of differing cultures as well as the complexities of trade with those cultures; and a repository of know-how and skills upon which all kinds of firms from all participating countries can draw in forging sound relationships.

The story is a stunning one—over $40 of investment and trade for every $1 of AID funds to support the center; every goal met or exceeded in terms of assistance rendered, contacts generated and opportunities investigated.

The Caribbean Basin Promotion Center [CBPC] was proposed by the Chicago business group in 1982, in direct response to President Reagan's call for private investment and trade initiatives to strengthen United States-Caribbean economic ties and assist in the development of our Caribbean neighbors' trade.

The administration, in proposing the Caribbean Basin Initiative, set specific goals. Ambassador William Brock, our Special Trade Representative, highlighted the careful focus: "We have been engaged in the task of melding trade, investment, and financial assistance measures into a workable approach to regional development," rather than quick fixes and unilateral impositions.

The Chicago Association of Commerce and Industry [CACI] accepted this opportunity and its challenges wholeheartedly. It sought assistance from the Agency for International Development in formulating a sector-to-sector, private-to-private, business-oriented office which would establish, nurture and sustain links between United States and Caribbean enterprises.

These links were to include financial, trade, and investment opportunities; were to leverage AID's and the administration's investment by demonstrably increasing trade and jobs. The program also foresaw the creation of viable, legitimate business deals which were self-sustaining in their own right. This has happened and these links are now firmly in place in many cases.

CACI created a Caribbean Basin Promotion Center which has become a nexus of interaction between U.S. firms and those in the Caribbean region. This center, with offices in Chicago, the Dominican Republic, and Costa Rica, links needs and opportunities to generate the deals, investments, and jobs.

It is with some personal pride—as a strong sponsor of the original concept—that I report today on the remarkable achievements of this private initiative and its ability to leverage Federal funds and fulfill the policy goals which were set forth in the Caribbean Basin Initiative.

When AID Administrator Peter McPherson and I announced the creation of CBPC just 2 years ago, we were both extraordinarily impressed with the business-like approach CACI had taken in its proposal, and especially with the group's willingness to specify and be judged by performance goals and an utterly objective external performance audit. In untested and uncharted waters, CACI exhibited enough self-confidence and acumen to realize that only by operating as a business entity could it be (a) viewed as a valid business communications center; (b) engaged by both sides in deals as a trusted intermediary; and (c) effective as an independent broker and promoter on behalf of potential trading partners.

The goals agreed upon by AID and CACI were remarkably explict and notable for their clarity and mensurability:

Six new products from each primary country—Costa Rica and the Domician Republic—being sold in the Chicago area;

Possible investments of up to $20 million being discussed and negotiated;

Twenty serious investment opportunities referred from Costa Rica and the Dominican Republic to interested parties in the Chicago area;

Referral of investment opportunities from the two secondary countries with modified programs to interested parties;

Ten bulletins sent out to all CACI members. Seven bulletins to focus on the two primary countries, three on the secondary countries;

Two trade missions each to Costa Rica and the Dominican Republic;

One general orientation program per country for Chicago business persons interested in doing business in that country;

One exhibit sponsored for each country in Chicago.

These objectives, Mr. President, are concrete, directed to the goals of the Caribbean Basin Initiative, time oriented—linked to the initial contract—and result-oriented rather than operational definitions. The Agency for International Development is to be commended for its wisdom in selecting such an able vehicle for meeting CBI goals and for paving the way to the private sector's involvement in a business-like manner in the Caribbean.

The outcome of this effort? As I have noted, the CBPC has been arousing success, a warmly welcomed rising star marking Americans—United States and Caribbean—working in partnership within free market tradition to build economic growth on national strengths.

The Chicago Tribune recently headlined the program's measurable achievement: "Firms Finding Caribbean Very Hospitable Waters" (August 22, 1984). Reporter George de Lama noted that under the CBI incentives, nontraditional exports have increased 14 percent over 1983, and that new opportunities are being uncovered every day—a manufacturer, from Los Angeles, of plastic Christmas trees wants a consolidated site nearer the United States than his many Far East plants. A pair of Wisconsin businessmen find a sizable market potential for their know-how in packaging and marketing eggs within the Dominican Republic. A container load of Dominican rocking chairs has just recently been shipped to the United States—the first shipment of a $3 million trade transaction.

Explicit trade results include the importation of apparel, fruits, vegetables, cigars, electronic components, furniture, cashews and nutmeg, ornamental plants, and processed foods. The estimated Caribbean impact of these deals alone exceeds $16 million. Many of the deals are almost surely going to lead to long-term trading relationships rather than one-shot efforts. Thus, CACI has delivered on its pledge to leverage the Federal capital invested.

Opportunity identification and pairing of likely partners is a crucial CBPC role. Excerpts from recent newsletters listing some typical opportunities demonstrate the professionalism of the service:

Manufacturing firm (Costa Rica) seeks U.S. contract manufacturing ties. Current product line: cosmetics, fragrances, moisturizers, creams, shampoos, powders, eyeliners and lipstick. Contract manufacturing services range from formula creation to packaging. Will use own formulation or those of contractor. Open for joint venture discussions.

The Caribbean Basin Promotion Center has detailed Costa Rican investment proposals for a cotton seed oil processing facility and a coconut processing facility.

Gower, processor and exporter of aloe interested in finding buyers of fresh plants and processed gel. (Dominican Republic.)

Furniture: manufacturer wishes to locate U.S. buyers for wooden furniture. Pieces offered: rocking chairs, bedroom sets, and dining sets. Photos and pricing available.

Large confectionary producer in Central America seeks wholesale and retail outlets for its broad line of caramels, toffees and hard candies. Packaging/wrapping is of highest quality and initial market investigation has shown prices to be extremely competitive. Product samples and price lists are available on request.

This is only a brief sampling of the items published in every CBPC newsletter—itself an attractive and informative document.

Does the CBPC deliver? Are the results illusory, the techniques sound or questionable? AID employed a professional external evaluation firm, Zucca and Garnitz, Ltd., to undertake an assessment of CBPC as the initial phase of the grant drew to a close. They put it succinctly: "The project has been effective. Clearly AID and CACI should

continue this program." This is the evaluator's summary of a 30-page report and several weeks of interviews and assessments. Clearly, CBPC has worked; the Chicago Association of Commerce and Industry has kept its pledges and met its obligations—and then some.

The excellent work done by CBPC is even more remarkale, Mr. President, when we consider that for decades upon decades, the Caribbean Basin nations have thought of the United States and its markets in terms of the east and gulf coasts—sometimes only in terms of the cities of Miami, New York, and New Orleans. To have made such substantial progress in such a short time in a market relatively unfamiliar with the character, resources and potential of the U.S. Midwest not only speaks highly of the capacity and capability of CBPC and its staff and sponsors, but augurs well for the future potential of the program as the markets become more familiar with each other's potentials.

My support for the President's Caribbean Basin Initiative has rested in considerable measure on the focus given to sustained economic ties and development of nature economic capacities of the trading partners. CBPC has proved itself an able vehicle for capturing and exploiting those capacties.

We know that American tax dollars cannot be poured in an endless stream into the Caribbean region. Economic growth is not sustained by such largess; it is too often discouraged and inhibited. The links which must be forged are those of mutually advantageous trade and investment, of gainful economic activity which helps each partner maximize its inherent economic advantages.

Thus, the Caribbean Basin Initiative seeks through a 12-year focus on compensatory trade and investment advantages to introduce U.S. firms and Caribbean enterprenuers and managers to each other as potential long-term partners. CACI and its Promotion Center have admirably filled that role within the limits of the initial mandate from AID—to cover Costa Rica and the Dominican Republic.

CACI's strengths have been the professionalism and product orientation already discussed, coupled with an independent position arising from its endorsement and funding directly from the Caribbean Basin Initiative central operating money. It is not the creature of any particular country mission; it presents the minuses as well as the pluses in assessing Caribbean opportunities for U.S. firms and vice versa—a feature the evaluator termed a special strength and a pattern which ought to be continued.

I was delighted to learn that CACI had agreed to submit the proposed program continuation and expansion which has been an explicit and integral part of the original AID/CACI agreement. CACI's willingness to continue the program bespeaks its business value; the warm reception by CBI nations and businessman highlights its unique and necessary role in the Caribbean region. I urge AID Administrator McPherson on September 18, 1984, to extend and expand the project.

I have been puzzled and somewhat troubled, Mr. President, by reports that some AID officials want to discontinue central funding for the CPBC and direct it to get support from individual AID missions within the Caribbean. There is no indication that such support is available; moreover it directly contravenes the very spirit and concept of the CBI and CPBC to force attention away from the Caribbean region as a focal point for policy and achievement.

What is still more troublesome, and I believe will distress my colleagues as much as it does me, is the suggestion that administrative shuffling will disadvantage a program which has not only worked, but worked well.

I urge most strongly that Administrator McPherson and Secretary of State Shultz demonstrate their ongoing support for President Reagan's Caribbean Basin Initiative by insuring the extension and expansion of the Chicago Association of Commerce and Industry's Caribbean Basin Promotion Center in its current funding mode and with the expansion plans carefully envisioned at the outset and still valid today. The program has exceeded its original goals, knows and can meet the next round of goals, and has proven an excellent investment of Federal dollars—with a remarkable 40:1 leverage and strong praise from independent auditors and evaluators.

I susbmit for the RECORD the article by Mr. De Lama outlining some CPBC-generated activities, and a copy of my September 18, letter to Administrator McPherson urging the CPBC's renewal as initially planned.

The material follows:

SEPTEMBER 18, 1984.

Mr. M. PETER MCPHERSON,
Administrator, Agency for International Development, Washington, DC.

DEAR PETER: Two years ago, you and I announced the creation of the Caribbean Basin Promotion Center (CBPC) at the Chicago Association of Commerce and Industry (CACI). We also announced funding for the initial phase of the program at that time.

The purpose of the Center is to realize President Reagan's objectives of promoting economic development in the Caribbean by linking the business community of the Caribbean with opportunities in Chicago, Illinois and the Midwest.

One of the reasons for my enthusiastic support for this program is that CACI—which is the largest metropolitan Chamber of Commerce in the United States committed itself to businesslike, bottom-line objectives for promoting trade and investment in the Caribbean. In its proposal to AID, CACI agreed to leverage $100 in new trade and investment for every dollar AID invested in the program.

Two years later, the Caribbean Center and CACI has surpassed these targets. This has been verified by an objective, third party AID evaluator who spent one week in Chicago and another week in the Caribbean speaking with the businesses actually served by the program. I have seen the evaluation report. It cuuld not be more positive.

The success of the program is truly. outstanding. for every government dollar invested in the program, CACI has leveraged $21 in new trade and is negotiating $33 in new investments. Just last Friday, another new $3 million export deal was arranged by CACI for Dominican rocking chairs. Enclosed is a copy of what CACI calls its scoreboard, giving the specifics of these results.

I doubt that any other AID private sector program for the Caribbean can match the record of the CBPC.

Nonetheless, a serious problem has arisen in discussions at the technical level with regard to the second phase of the program. An attempt is being made to phase the CBPC out of Washington support and leave the future of the Center to individual AID missions overseas—without any guarantee as to which missions might support the program for what amount or for what period of time.

This is despite the fact that the original agreement specified that there be a second phase of the program and an expansion to two other countries in that phase, provided that the evaluation was positive. In fact, CACI was informed last week that its funding is guaranteed for only an additional seven months after the present agreement expires in mid-November.

Last April CACI was requested by AID to submit a proposal for a second phase which would involve an extension of Washington support and expansion of the program to two new countries. That proposal is still pending. It calls for:

1. A two year extension of its program.
2. The expansion of the program to two new countries.
3. A 100% increase in program activity for only a 50% increase in cost (all with appropriate measurable targets).

I want you to know that I strongly support CACI's proposal for the second phase. It would be a big mistake to phase out Washington support for this program too soon and to leave one of our most successful programs without the assurances which will enable it to assure a quality program and a high-caliber staff.

This issue has become somewhat critical for the Association since its present agreement expires on November 15. For this reason, I would greatly appreciate if we could get this whole matter settled in the next month or so.

The Chicago/Caribbean initiative is important to Chicago and Illinois. It can demonstrate that it has created new markets and new investments for Caribbean nations. It is serving President Reagan's foreign policy and development objectives for that critical part of the world. In these early stages of the CBI, we should be giving clear support to our winners rather than consigning them to an unclear and uncertain future.

Warm personal regards,

CHUCK.

[From the Chicago Tribune, Aug. 20, 1984]

FIRMS FINDING CARIBBEAN VERY HOSPITABLE WATERS

(By George de Lama)

SANTO DOMINGO, DOMINICAN REPUBLIC.—Before they came down for a visit, Milwaukee-area businessmen Jordan Atinsky and Milton Kleinberg didn't know much about the investment opportunities being pushed by the Caribbean Basin Initiative in this tropical island nation.

After a few days here, they think the Dominican Republic doesn't know much about eggs. To hear the Wisconsin men tell it, however, the result may be a commercial marriage made in heaven.

"Can we do business here?" asked a satisfied Atinsky, outlining plans to produce eggs and byproducts with an eye toward eventual exports. "The answer is a very positive yes."

The seven-month-old initiative is already beginning to show positive results, its suporters say. U.S. imports from the 20 qualified Caribbean nations [there are 27 nations in all] are up 17 percent in the first six months of this year from a year ago. [U.S. imports from the rest of the world are up 36 percent.] About 3 percent of total U.S. imports originate in the Caribbean.

The much-ballyhooed initiative eliminates the duty barriers on most exports to the U.S. except for items such as shoes and textiles. More important, it guarantees this status for at least 12 years.

There has also been a tremendous increase in the number of business inquiries about operating in the Caribbean, said Walter Bastian, director of the Caribbean Basin Division at the U.S. Commerce Department. "We're getting 150 inquiries a week," he said. "Ten years ago, we got about 50 a week."

The Reagan administration would like to increase the amount of direct investment in the Caribbean, now about $11 billion from American investors, but it takes time, officials say.

The effect of the initiative is also somewhat muted by the fact that most of the goods that enter the U.S. under that program already qualify for preferential tariff treatment under the Generalized System of Preferences [which may expire this year before Congress can act to extend or modify it].

"We are happy with the first six months of the program," said Grant Aldonas, a Caribbean specialist at the U.S. Trade Representative's office. "The whole point is to try to diversify those economies away from boom and bust cycles. It's not intended to foster their economic dependency.

"But success requires that the Caribbean nations undertake the policy directions required to foster interest in the private sector, so a great deal of attention has been given to that."

Aldonas mentions the need for investment in the infrastructure, for amenities such as roads and electricity, by Caribbean governments in order to attract businessmen.

Kleinberg and Atinsky are two of the latest potential U.S. investors whose eyes have been opened to the Dominican Republic by a pilot program of the Chicago Association of Commerce and Industry.

Under a grant from the U.S. Agency for International Development, the Chicago group set up the Caribbean Basin Promotion Center in late 1982 to advance U.S. commerce in this region.

Designed to take advantage of new duty-free U.S. markets provided by the initiative, the program acts as "a missionary—we go out and preach the word," said Eduardo Fernandez, a prominent Dominican businessman and ex-president of the Central Bank, who serves as the group's representative.

The program has brought about $10.3 million in U.S. investments to the Dominican Republic in about a year and a half, said J. Richard Paullin, manager of the promotion center.

To a nation with a $2.5 billion foreign debt and negative cash reserves of about $500 million, that may not seem like much, and so far most experts say the jury is still out on the initiative.

"It remains to be seen how useful it will be," said Hatuey de Camps, a top aid of President Salvador Jorge Blanco. "It will take a long time to see the results."

Although U.S. officials have long cautioned that the initiative does not constitute a modern-day Marshall Plan for the Caribbean, the program engendered high hopes here. Some say those hopes haven't been fulfilled. Most of the nation's major export products already entered the U.S. duty-free under the preferences system, for example.

Yet some benefits are being seen. Exports for the first five months of 1984 are up 17 percent over last year. Nontraditional exports, many of them encouraged by the initiative, are up 14 percent in the same period. Government officials report dozens of applications by foreign businessmen for joint ventures with local enterpreneurs.

"The initiative is not going to be the chief vehicle for development, but eventually it might become one of several tools that could help the country come out from under its economic crisis." said economist Frank Moya Pons, of the Fund for the Advancement of Social Sciences.

For medium-sized businesses like Atinsky's and Kleinberg's, the initiative and the Chicago association's promotion of it have opened up the possibility of a new market they didn't know existed.

For starters, Atinsky says, there is golden opportunity to educate Dominicans about the egg's potential. "They need a whole new attitude about eggs here." Eggs are something he talks about with a lot of enthusiasm and a straight face. The Dominican Republic produces fewer than 1 million eggs a day, Kleinberg says.

He and his partner envision a joint venture with a local egg producer whereby the Wisconsinites could provide better packaging, refrigeration and marketing help for retailers. "In a lot of the grocery stores, a lot of the eggs are dirty," Atinsky said. "Right there, that can cost a store up to a third of its sales. After all, who wants to buy a dirty egg?" With better techniques, "just a little help" and some luck, Atinsky says, he thinks the nation's daily egg production can be increased to about 3 million.

The benefits to the Dominican Republican could include better nutrition for youngsters. At optimum production, some of the eggs can be exported to other island nations in the form of egg-based products such as mayonnaise.

Part of the thinking behind the grant that set up the promotion center, Fernandez says, was to open the U.S. industrial and manufacturing heartland to potential new markets in this part of the world.

"The major value in the long run is that it brings together business from the middle part of the U.S., which doesn't traditionally have that much contact with us, and opportunities here," he said. "It's no longer just us dealing with Miami and New York and the East Coast."

In fact, the word is reaching even farther. On the West Coast, Los Angeles businessman John Groom contacted the Chicago promotion center and came down for a trip under its auspices.

Looking to move his plastic Christmas tree manufacturing operation from disparate points in the Far East, Groom says he is considering the advantages of having the work done closer to the U.S., his chief market.

"Here, the idea would be to get into a joint venture with, say, a local plastics manufacturer," Groom said. "We would ideally have all the work done in one place," instead of having different stages completed in Taiwan, Hong Kong, Korea and Nevada.

In the end, as in all business investments, it is a matter of dollars and cents. Groom will do some hard figuring to determine whether the Dominican Republic is a better bet than Mexico, another option.

Officials were honest with Atinsky and Kleinberg, making no effort to downplay the April food riots that left more than 70 dead in the streets and frankly predicting that more unrest is likely when the government raises gasoline prices, as expected.

"They told it to us the way it really is," Kleinberg said, "but then they said, 'If you want to make money, we will help you.' "●

TRADE IN SERVICES PROVISIONS—CONFERENCE REPORT ON H.R. 3398

● Mr. INOUYE. Mr. President, I would like to focus for a few moments on an extremely critical segment of the trade package we are now considering that will have far-reaching and beneficial effects on an often unrecognized segment of U.S. trade. I am speaking about the trade-in-services provisions included in this bill. Enactment of this legislation will provide our U.S. service firms with the leverage necessary to deal with a growing number of nontariff trade barriers.

U.S. service industries operating abroad are increasingly encountering a proliferation of nontariff trade barriers, which at the very least stifle competition, and at worst, can virtually prevent U.S. service companies from conducting business in a foreign market. These barriers take various forms—some which are blatantly discriminatory and others which are more obscure.

Let's take a look at the financial services industry. It is not uncommon for U.S. financial services industries to be faced with laws, regulations, and practices which make it difficult, if not impossible, for a company to offer competitive services abroad. A number of U.S. credit card companies, for example, are finding themselves driven out of foreign markets through the imposition of regulations which have the effect of restricting card operations to domestic banks. In their efforts to rationalize their own credit system, foreign countries refuse to take into account the international

nature of many U.S. credit card firms, thus denying citizens and tourists the ability to use those cards, and closing off the market to other competitive providers of that service.

Other barriers are not quite so apparent. In some countries informal "cartel-like" groups are established to formulate policies, practices, and regulations to keep competition out of the market. Foreigners are not allowed to participate in these groups even though the decisions rendered are often incorporated into governmental policies.

Finally, one of the greatest barriers faced by financial services companies comes in the form of restrictions on the transfer of information across national borders, on access to the latest and most efficient means of transmitting that information, and on nondiscriminatory access to networks. Financial services companies are entirely dependent on reliable and affordable telecommunications systems to conduct daily business operations. The insurance business, for example, uses international telecommunications lines to complete millions of premium and claim transactions annually. Stock brokerage firms trade millions of dollars in securities, commodities, and bonds instantaneously over those lines every day. Regulatory restrictions imposed by Government-owned postal telephone and telegraphs can impose enormous burdens on these daily transactions. Limitations on the use of leased lines, equipment and procurement requirements, and denied access to specialized telecommunications networks such as automatic teller machines, can have a crippling effect on trade of these invisibles.

The conference report which we are now considering will provide the service sector with remedies to combat these discriminatory policies and practices. I am pleased that the U.S. Congress recognizes the problems which have begun to plague our service industries and urge my colleagues to support this truly landmark legislation.●

NATIONAL ORGAN DONATION AWARENESS WEEK 1985

● Mr. GORTON. Mr. President, it is my pleasure to announce that as soon as the 99th Congress convenes, I will introduce a resolution calling on the President to proclaim April 21-27, 1985, as "National Organ Donation Awareness Week." Congressman SID MORRISON will be introducing a companion measure in the House of Representatives, and we hope to again enlist the aid of our colleagues in cosponsoring and passing the resolutions.

This effort builds on the 1983 resolution, Public Law 98-99, and subsequent Presidential proclamations declaring April 22-28, 1984, as National Organ Donation Awareness Week. It traces back to the pioneering work of the Organ Donation Association in Washington State. The Organ Donation Association came together in 1976 as a partnership of the Lions Club, Northwest Kidney Foundation, the Washington State Medical Association Auxiliary, and others. The Organ Donation Association organized a statewide organ donation awareness week in 1981, and the idea has spread to most of the States of the Union.

Many Americans whose kidneys, eyes, heart, lungs, bone, skin, or other tissues and organs are unable to sustain them can be helped or cured through organ transplants. Through organ donation, those who care and have foresight may, when they die, give the gift of life and living to those in need. Since the passage of the Uniform Anatomical Gift Act in 1968, every State has legally recognized the organ donor card, in hopes that its citizens will make an anatomical gift upon death, as Sally and I have pledged to do. A donor may pledge any needed organs or parts; only specified organs or parts; or may donate his or her body for anatomical study.

State, local, and national organizations are getting together under umbrella groups to promote National Organ Donation Awareness Week in 1985. I anticipate that my House and Senate colleagues will be hearing from these dedicated people during the next few months, and I welcome their cosponsorship of the resolutions Congressman MORRISON and I will introduce shortly after the new Congress convenes.●

CHICAGO EXCELLENCE IN EDUCATION

● Mr. PERCY. Mr. President, one thing is certainly clear from the report issued by the National Commission on Excellence in Education entitled "A Nation At Risk"—we need to make a stronger commitment to encourage excellence in the educational system. One such effort, I am proud to say, is taking place in Chicago, IL.

The Chicago Public School System, which is the second largest school system in the country, has initiated a program within each of its 20 districts honoring outstanding educators, students, and parents. The selections for these outstanding persons are based on a criteria of excellence in either grades, community involvement, or instructional services.

I am especially pleased to see so many students being honored under this program for their dedication to excellence in education. I submit the names of these students and their schools for the RECORD:

Neil Kawashima, Peterson Elementary School.
Ismet Marinobic, Arai Middle School.
Alexei Pumarejo, InterAmerica Magnet School.
Joseph Isadore, Sear Language Academy.
Martza Naldorado, Pulaski Elementary School.
Peter Rivers, Von Humboldt School.
David Hill, Marconi Elementary School.
Nancy Rocha, Cooper Upper Cycle School.
Rudolph Barcia, Spaulding Elementary School.
Christine Garza, Thorpe Elementary School.
Erika Hardin, Hertle Elementary School.
Winston Lees, Hanes Elementary School.
Aruna Sethi, Twain Elementary School.
Jeffrey Young, Hope Community Academy.
P.J. Kanafoil, Kenwood Academy.
Jose Reyna, Marguerite Elementary School.
Clyde Easter, Stagg Elementary School.
Michael Payne, Bradwell Elementary School.
Lemont Driver, Fernwood Elementary School.
Carla LaRue, Hughes Elementary School.
William Megan, Jr., Taft High School.
Diana Yu Sun Lee, Admonson High School.
Antione Lewis, Lincoln Park High School.
Carlos Torres, Prosser Vocational High School.
Everett Jackson, Or High School.
Refugio Argelles, Wales High School.
Kimberly Hidson, Austin Community Academy High School.
Tony Harris, Manley High School.
Rosalyn Washington, Crane High School.
Patricia Carter, Ferragut High School.
Shirley Joiner, Phillips High School.
Scott Tlockzek, Kennedy High School.
Sharon Sloan, Du Sable High School.
William Clare, King High School.
Marguerite Griffith, Lindlbom High School.
Jeffrey White, Simeon Vocational.
Karen Lewis, South Shore High School.
Mikki Lawson, Carver High School.
James McGee, Chicago Vocational High School.●

JUDGE DAVID L. BAZELON'S 35 YEARS OF DISTINGUISHED SERVICE

● Mr. KENNEDY. Mr. President, this fall marks an important milestone in the distinguished career of one of America's foremost jurists, Judge David Bazelon of the U.S. Court of Appeals for the District of Columbia Circuit. Judge Bazelon was appointed to the DC Circuit by President Truman 35 years ago, after serving as an Assistant Attorney General in the Department of Justice. Judge Bazelon was chief judge of the DC Circuit from 1962 to 1978.

David Bazelon's contribution to modern jurisprudence has ranged broadly across the full spectrum of issues facing the Nation and the courts. His opinions on the insanity defense, in cases such as Durham versus United States and United States versus Brawner, revolutionized legal thinking on the relationship between psychiatry and the law. Judge Bazelon has also taken a particular in-

terest in the problem of assuring the integrity of the criminal process by attempting to define the contours of what constitutes effective assistance of counsel.

As a member of the DC Circuit, Judge Bazelon has grappled over the years with the vital questions of administrative law that frequently come before that court, ranging from communications law, occupational health and safety, economic regulation to nuclear power. Although the subject matter of his decisions is diverse, a common thread runs through them all—a keen concern for the proper role of the courts in resolving questions involving scientific and technical expertise.

Throughout his career, Judge Bazelon has been a zealous champion of the rights of the underprivileged and minorities. His opinions show the mark of a man who has never forgotten the human dimensions of law. David Bazelon has made a lasting contribution to our society, and it is a great privilege to pay tribute to him on this memorable occasion.●

HARTLY, DELAWARE CELEBRATES 250TH ANNIVERSARY

● Mr. BIDEN. Mr. President, on Friday, September 21, 1984, the 100 residents of the tour of Hartly, located in Kent County, DE, celebrated the 250th anniversary of their town. It was a glorious evening, and one that I was very proud to be a part of.

The celebration drew a standing-room-only dinner crowd, four times the size of the town population—a feat worthy of a town that has reached such a landmark in its existence. And it provided an opportunity for me, and many others who attended events during this week of festivities, to reflect not just on the history of Hartly, but on the history and importance of towns like Hartly to what we now call our American heritage and way of life.

Hartly is a proud town, and it has every right to be. It gave its sons in battle on every occasion, since the Revolutionary War, that this country has been threatened. And its citizens have played a unique role in the history and development of Delaware. I take this opportunity to congratulate the town of Hartly, and all its residents down through history, on reaching its 250th birthday, healthy, prosperous, and happy. And I thank all who have ever lived in Hartly for their contributions to the spirit and the substance of Delaware and America.

I took the occasion of the Hartly anniversary dinner to review some of those contributions, and to comment on the role of the small town in American history and in the formation of American values. I enclose the text of those remarks.

REMARKS OF SENATOR JOSEPH R. BIDEN, JR.

There can be few places anywhere in America where the celebration of a 250th anniversary will draw a crowd four times the size of the town's population.

There are few places in America where the population has not grown in a century, yet the town still has the vigor to celebrate such an anniversary.

And, in fact, there are not a whole lot of places in America that have been around for 250 years.

First, in 1734, as "Proctor's Purchase," then "Butter Pot," then "Hawkin's Chapel" or "Hawkin's Corner," then as "Hartley" with an "E,"—and finally as "Hartly" as we know it today.

All of which makes this 250th anniversary of Hartly, DE, in many ways a unique occasion, and one which I am happy to share with you this evening.

It is all the more remarkable for the number of people who obviously share that feeling with me. I'm not sure we could turn out 400 people to celebrate Wilmington's anniversary, but that's how many we have here tonight.

That's a real tribute to the energy and imagination of Ludwig Schweitzer and the town commissioners, along with all of the people of Hartly—but I believe this celebration also represents something else which is even more important.

Winston Churchill once said, "The further backward you look, the further forward you can see"—and I believe the spirit that moves Hartly today demonstrates that Churchillian wisdom.

I think everyone in Hartly, and everyone in this room tonight, can feel the future stirring as we look back at Hartly's long history.

What we have here is not an obituary for a town that was founded 250 years ago and never went anywhere.

What we have here, I believe, is a living image, both of an America that was and of the America that is to be.

I believe that there are so many of us here tonight, not only because we were attracted by enthusiasm of the people of Hartly for their anniversary.

But also because we all sense, in that enthusiasm, in Delaware and all across this Nation, a rebirth of our traditional and optimistic sense of our identity as Americans.

For a variety of reasons, that characteristic American optimism has taken a beating over the past 20 years.

Vietnam, Watergate, Abscam and the worst recession in more than 40 years have leveled one blow after another at our national morale.

Yet through it all, we have continued to be and we remain, the true descendants of Thomas Jefferson, who surveyed the turbulent American world of Hartly's youth without dismay and said, "Let us make the world anew."

And Americans have been making the world anew ever since.

Even this village of Hartly, as unchanged as it may appear to be over the past 250 years, has been a part of that profoundly American process.

Hartly was once, in fact, part of Maryland and was only that characterized 18th century America, especially the long feud between the Calverts of Maryland and the Penns of Pennsylvania over who owned the very ground on which Hartly stands.

Hartly was once, in fact, part of Maryland and was only adjudged, finally, to be part of what were then the three lower counties of Pennsylvania when Mason and Dixon ran their survey line just to the west of the town in 1763.

Hartly became part of Delaware only when Delaware became an independent State at the time of the resulution.

Delawareans, no doubt including men from Hartly, fought in every revolutionary war battle from Long Island to Yorktown.

Delawareans fought again, on land and sea, in the war of 1812, and a distinguished Delawarean, James A. Bayard, was one of the commissioners who negotiated the treaty ending that war.

When the Civil War erupted, Delaware found itself lodged precariously on the very border of that bloody dispute, but nevertheless, out of a population of little more than a hundred thousand, Delaware sent nearly 14,000 troops into battle on the Union side, again many of them no doubt from Hartly.

But, meanwhile, the railroad had come, Hartly had finally become Hartly, and the village survived, as it has survived to this day, through war and peace, in lean and prosperous days, when America was a frail youth among nations, and as America has become one of the great nations of the world.

Hartly has its history, and in many, significant ways it has been the history of this country—and Hartly, obviously, knows it. Otherwise we would not be here this evening.

And that is one important aspect of this celebration—because nothing is more important, I believe, to any community's sense of its identity, and to its ability to shape its own destiny, than a sense of its own history and a sense of its place in the larger scheme of things.

Americans generally have preserved a lively sense of their history, and there is a very good historical reason for that.

The Irish poet William Butler Yeats has written, "In Dreams begin responsibility"—and he might well have been writing about the men who founded this Nation.

They were, beyond a doubt, dreamers.

How else could they have declared the independence of 13 small colonies from the most powerful Nation on Earth?

How else could they have drawn up a Constitution they believed would "form a more perfect union, establish justice, insure domestic tranquility, provide for common defence, and secure the blessings of liberty" to themselves and their posterity?

They were deeply versed in the history of mankind, and there was little in that history to justify an optimistic future for a free people.

So they dreamed of a new history, of a new future—yet, precisely because of their knowledge of the past, they were that seemingly contradictory thing, practical dreamers who knew that "In Dreams Begin Responsibility."

The fact is that this country was founded with a very clear appreciation of its role in history.

When the founding fathers met in Philadelphia almost 200 years ago to draw up the Constitution, they were very much aware that they were preparing a document that was unique not only in the history of America, but unique in the history of the world.

Their immediate purpose was to create a constitution that would both shape American society and govern the new American nation.

But their deliberations, from beginning to end, were influenced by their certain belief that both that society and the great docu-

ment that sustained it would become models to generations of freedom-loving people all over the world.

And the past two centuries have amply justified that belief.

It has been said that a nation that forgets the lessons of its history is condemned to repeat them, and the experience of nations has proved that to be true.

But I believe the contrary of that statement is equally true, especially for the United States of America.

A nation that remembers the lessons of its history can use them constructively to build its own future.

It is that realization, I think, that has brought so many of us here tonight to celebrate Hartly's 250th anniversary.

And it is that spirit, I believe, that all of us can feel stirring again in this country today.

That does not mean we can control our future by attempting to relive even the greatest days of our past.

We can not move ahead by retreating into our "good old days," no matter how good they may have seemed.

Progress lies in understanding our history and fashioning from it new solutions, new ways of thinking and acting, new pathways into the future.

That's why I believe celebrating Hartly's heritage is an outstandingly healthy symbol of that practical sense of history that has always been America's catapault into the future.

I believe that, in the first place, not in spite of Hartly's history as a persistently small town, but at least in part because of the way Hartly represents small-town America.

It is in this America that our traditional values have been most faithfully preserved—and we are remembering as a people today just how critical those values are to our survival as a strong and Democratic nation.

It is this America that has endured and maintained its identity most successfully amid the social and economic pressures that have crushed cities and altered the landscape of this country from one coast to the other.

And it is to this America that the country is in many ways returning, not just to restore its values but also to recover the virtues of living in smaller communities.

Most Americans live today on our great metropolitan areas, like the megalopolis that stretches from Boston to Washington, DC, and most Americans will continue to live in those areas for the foreseeable future.

But there is nevertheless a distinctly perceivable trend for people to move out of those populous urban areas, to move back to smaller communities like Hartly—to seek, to find and to nourish their roots as Americans.

That trend is significant precisely because it does not represent simply a tidal movement of nostalgia.

It represents, among other things, the single most significant aspect of the tumultuous technological revolution that is sweeping our society.

And that is the almost mind-altering rapidity and scope with which we can communitate with each other today.

It may not seem like it when we have to pay three bills to keep one telephone working—it may not seem like it when television puts us to sleep with situation comedies or offends our morals with sex and violence.

It may not seem like it when the computer refuses to believe we have paid any of those three telephone bills.

But the fact is that the computer, communiactions satellites, laser beams flashing through glass cables, and a bewildering host of other telecommunications innovations are rapidly turning the world into a "Global village".

The model for that civilization of tommorow is not megalopolis, but, believe it or not, Hartly and the host of other small American towns that have not merely survived but have retained a strong sense of their past, a firm grip on their identity and an abiding belief in their future.

That's the significance, to my mind, of this celebration of Hartly's 250th anniversary.

It is clearly not an exercise in nostalgia, not a community yearning for days gone by.

It is clearly, the healthy appreciation by a vigorous community of the sources of its own strength and vitality.

It is clearly the product that has a past and is proud of it, but a community that also has a future and knows it.

Two hundred years ago, Michel de Crevecoeur asked, in his letters from an American farmer, "What then is the American, this new way?"

And he answered his own question by saying: "He is an American, who, leaving behind him all his ancient prejudices and manners, receives new ones from the new mode of life he has embraced, the new government he obeys, and the new rank he holds . . . the American is a new man, who acts upon new principles, entertains new ideas and forms new opinions."

That is the traditional voice of the optimistic American and it is that voice we are hearing authentically here in Hartly tonight, the same voice we can hear speaking all over America if we are listening.

This is the voice of practical dreamers, who know that with a sense of shared purpose, a spirit of self-sacrifice, and a willingness to face the future unafraid, we can make our world anew, and we can redeem the spirit of America.

Thank you, Hartly, for reminding us.●

UNITED STATES-JAPAN TRADE IMBALANCE

● Mr. PERCY. Mr. President, the patience of the Senate, and I am certain the entire Congress, is tested once again by the latest report on the growing United States trade deficit with Japan. Estimates for 1984 put the deficit in excess of $32 billion or almost one-quarter of the total U.S. trade deficit of $130 billion.

Last month in Washington another round of discussions with Japanese Government representatives was logged in our continuing effort to persuade Japan to eliminate tariff and nontariff barriers to American exports. My frustration over the entire problem of the United States-Japan trade imbalance is compounded by the fact that on the agenda for that meeting were many of the same product issues we have been addressing year after year without final resolution. I recognize many are complex in nature and resist easy answers but I am certain there are others that could be solved by determined action on the part of the Japanese Government and without significant harm to Japanese industry.

Let me illustrate my point using the case of American exports of chocolate confectionery. We have pursued Japan since 1979 to reduce its excessive tariff on chocolate confectionery which at that time was 35 percent ad valorem. Now, 5 years later, the tariff stands at 20 percent ad valorem—among the highest of any industrialized nation—and certainly an embarrassment to Japan when compared to the U.S. rate of 5 percent on solid chocolate and 7 percent on chocolate confectionery. The situation is made worse by the fact that the 20 percent duty is assessed on a discriminatory CIF valuation basis which penalizes U.S. exporters because of distance and special shipping containers used to ensure product freshness.

There is no realistic justification for Japan's perpetrating this blatant tariff barrier to imports of American cholcolate confectionery. The confectionery industries in Japan and the United States are comparable. They are both mature, diverse industries composed of companies ranging from multinational corporations to small family enterprises. Even manufacturing costs are similar including increased raw material expenses caused by domestic agricultural price-support programs for sugar, dairy, and peanuts.

A critical difference between the two is that U.S. companies do not demand the imposition of high tariffs to protect their domestic market or compensate them for increased agricultural raw material costs. Rather, the U.S. market is open to imports of chocolate confectionery, a fact well known to Japanese exporters who have increased shipments of chocolate and chocolate confectionery to the United States from 4 metric tons in 1980 to over 85 metric tons in 1983. The low U.S. duty, assessed on f.o.b. value rather than CIF basis, and the absence of nontariff barriers allows Japanese chocolate confectionery to sell in the United States at prices marginally above their home market.

Japan's treatment of chocolate confectionery imports is in sharp contrast to the United States despite the comparable strength of the two industries. Persistently high tariffs have been used to restrict imports to an average 3 percent share of the Japanese chocolate confectionery market. In fact, imports have declined from 5,081 metric tons in 1980 to 4,923 metric tons in 1983 as fewer foreign exporters can sustain the high tariff in addition to the costs of intensive advertising, distribution, and custom packaging so necessary for success in Japan.

The determined survivors, and they are the U.S. companies that today make up 48 percent of Japan's imports of chocolate confectionery, are meeting the challenge. They have repackaged for Japan, increased advertising and distribution efforts, and they have won consumer acceptance. The major remaining obstacle between American chocolate confectionery products and the Japanese consumer is the 20 percent ad valorem tariff.

The U.S. Trade Representative has formally requested Japan to reduce its chocolate confectionery tariff to the U.S. rate of 7 percent effective April 1981, with an interim rate of 10 percent by April 1985. I strongly support this proposal and look to the Government of Japan to take strong, decisive action to eliminate this tariff as an issue between our nations once and for all.●

LEO J. FARLEY, JR.

● Mr. TSONGAS. Mr. President, I would like to draw the attention of my colleagues to the recent death of Leo J. Farley, Jr., a friend, public servant, and hero of my home city. To the people of Lowell, MA, Mr. Farley was the embodiment of love and kindness; he was, as one friend remembered him, "the original Mr. Nice Guy."

As a former Lowell mayor and city councilman, Mr. Farley championed the good of the community; he upgraded city parks and athletic facilities, promoted centers and programs for the elderly, and consistently helped residents obtain jobs and medical assistance. Indeed, Mr. Farley identified his constituency as "the average person who needed help."

A graduate of Lowell High School, he served aboard the U.S.S. *Alaska* in World War II as fire control technician, and fought in Okinawa, Iwo Jima, and Leyete; he received an honorable discharge from the U.S. Navy in 1946.

In 1955, when working as a guard at the Massachusetts Correctional Facility in Concord, Mr. Farley underwent a tragedy of near fatal consequence. While preventing an escape by convicts, he suffered a broken neck and spinal injuries that forced him into early retirement. Yet instead of turning angry and cynical toward life, he embraced it; he wanted to make the world a better place.

Thus Mr. Farley became active in many of the community's volunteer organizations, especially those dedicated to helping children; he joined the Lowell Boys' Club Alumni Association and the Friends of Lowell High, and became athletic director of St. Michael's CYO—a position he was to hold for more than 15 years. As a genuine portrait of kindness and integrity, he set an example of adulthood that all children might emulate.

In 1969, Mr. Farley entered politics to help people on a larger scale. We were elected together in that year. In light of his popularity, he was time and again reelected to the Lowell City Council and, after serving one term as mayor, was elected in 1977 to the Commonwealth of Massachusetts' House of Representatives.

But Leo J. Farley the politician will not be remembered so much as Leo J. Farley the man. An exemplum of love and altruism in the truest sense, he was a hero to any person in need. As a former employer of Mr. Farley remarked, "no one I ever knew did as much for so many people."

I take great pride in eulogizing the memory of Leo J. Farley, Jr., and I join his wife, Mary, and children, Leo III, Michael, James, and Kathleen in honoring his commitment to humanity.●

TECHNICAL CORRECTION TO THE MOTOR VEHICLE THEFT LAW ENFORCEMENT ACT OF 1984

● Mr. DANFORTH. Mr. President, on October 4, the Senate passed H.R. 6257, the Motor Vehicle Theft Law Enforcement Act of 1984. This bill will make a major contribution to deterring the serious crime of auto theft in this country. This bill requires manufacturers to place identification numbers on the major parts and components of high-theft rate automobiles.

Mr. President, I have been informed by my House colleagues that H.R. 6257, as passed by the House and the Senate, contains a technical error in section 201(a); this section provides penalties for alteration of motor vehicle identification numbers and specifies conditions for forfeiture of motor vehicles and motor vehicle parts whose identification numbers have been altered.

The measure before us today, House Concurrent Resolution 373, which passed the House on October 9, will correct that error. Specifically, section 201(a) intends that the following persons not be subject to the penalty and forfeiture provisions of H.R. 6257 relating to alteration of vehicle identification numbers:

First, a motor vehicle scrap processor or a motor vehicle demolisher who complies with applicable State law with respect to vehicles or parts; second, a person who repairs a vehicle or part, if the removal, obliteration, tampering, or alteration is reasonably necessary for the repair; and third, a person who restores or replaces an identification number for a vehicle or part in accordance with applicable State law.

Due to the technical error in H.R. 6257 as passed, however, the exemption of these persons from the forfeiture provisions of section 201(a) is unclear. House Concurrent Resolution 373 will correct this ambiguity, making it clear that the persons identified above are indeed those for whom the exemption from the forfeiture provisions is intended.

Mr. President, House Concurrent Resolution 373 provides a noncontroversial technical correction to H.R. 6257. I urge my colleagues to join me in supporting passage of this measure.●

BROKERED DEPOSITS

● Mr. MATTINGLY. Mr. President, this past Monday, the Federal Home Loan Bank Board [FHLBB] published in the Federal Register a revised final rule regarding brokered deposits. The only change between this rule and the one the Board published last March is the date.

Simply put, the Board has extended the effective date of its earlier rule from October 1, 1984, to February 1, 1985.

Mr. President, the Board has taken this action despite overwhelming support in this Chamber for less onerous and restrictive measures to deal with brokered deposits. Why the Board persists in this manner is beyond me.

Perhaps they need to remove their heads from the sand and look at these facts:

The Federal district court in the District of Columbia clearly stated that the Board lacks the authority to promulgate regulations which limit deposit insurance on brokered funds—the case is on appeal.

S. 2851 was overwhelmingly approved by the Senate last month, and the bill included a provision which Senator D'AMATO and I drafted, and which was cosponsored by more than a majority of members on the Banking Committee, which caps the amount of brokered funds a financial institution may accept. The bill also establishes minimum net worth requirements that financial institutions must meet before accepting any brokered funds.

The major findings of a recently released report by the House Government Operations Committee include:

. . . there is no evidence that brokered deposits are more likely to be uninsured or to contribute to an institution's losses than other kinds of rate sensitive purchased liabilities . . .

Deposit brokerage, including the brokerage of insured deposits, has a legitimate and useful function in financial markets and should not be needlessly restricted.

While the Bank Board is claiming that brokered funds are a form of "cancer" on the insurance system, it is privately countenancing the use of brokered funds to bail out the Nation's largest thrift, American Savings & Loan. Only recently Prudential-Bache Securities began marketing $1 billion

in CD's in an effort to forestall a liquidity crunch at that institution.

Frankly, Mr. President, I think enough is enough. The Bank Board has made its point. They are concerned as we are in the Senate about the long-term solvency of the deposit insurance system. Afterall, that system buttresses public confidence in our financial institutions.

But in the case of brokered deposits, the regulators are dead wrong. They have embarked on a course of action that defies sound practical and economic judgment and, moreover, lacks any real support in Congress.

I respectfully suggest, Mr. President, that the Bank Board call a temporary truce—a moratorium, if you will, on any further efforts to restrict deposit insurance on brokered funds. Now, I'm not a fan of moratoriums, because they tend to put off the inevitable hard decisions on issues. But in this case, the tide is moving decidedly away from the Bank Board's initiatives. Clearly, the Senate does not support the regulators in this matter as recent votes indicate.

I realize fully that other moratoriums in the financial services area have been imposed and extended when congressional action was not forthcoming. However, the issue of brokered funds is a relatively new one for Congress. Yet, despite the newness of the issue, the Senate Banking Committee responded to this situation by including language in S. 2851 that would curb potential problems and abuses involving these funds.

Unfortunately, time is about to run out on this Congress, and it's improbable that our bill, S. 2851, will be acted on by the other body before adjournment.

Senator GARN, the chairman of the Banking Committee, has, however, already stated that he will move for early consideration of banking legislation in the next Congress. I am confident that a brokered deposits bill will be included in that legislative package. I'm equally confident, however, that final action on any banking bill will not be completed before the rule takes effect on February 1, 1985—a few short weeks after Congress reconvenes.

That is why I urge the Board to further amend the rule to allow for sufficient time for Congress to work out a legislative solution next year to the brokered deposits question. It is the only reasonable way to proceed.●

WORCESTER POLYTECHNIC INSTITUTE'S WASHINGTON PROJECT CENTER

● Mr. TSONGAS. Mr. President, in these days when it is fashionable to decry the deficiencies of our American educational system, it is a distinct pleasure to recognize a successful, innovative educational program. This is the 10th year of operation of the Washington Project Center, a special program of Worcester Polytechnic Institute, a private college of engineering, science, and management located in Worcester, MA. WPI offers an unusual, project-based degree program. Every WPI student must complete three significant projects, one in the humanities, one in the student's major, and one project that relates society and technology. The Washington Project Center provides a select group of students a unique opportunity to fulfill the society-technology project requirement in Washington, working at a government or agency office on topics of current interest to the Nation.

The Washington Project Center program superficially resembles the internship programs that are familiar in Washington, but there are several significant differences. In the WPI program, teams of three students, who are usually engineering or science majors, work on a single project topic defined in advance by the sponsoring agency. The students work as temporary professional staff members under the guidance of an agency liaison and two WPI faculty members who accompany the students to Washington and who interact closely with the students and the agency liaison. The Washington Project Center is a highly structured, goal-directed program which provides the students an opportunity to interact at a professional level with responsible officials on real problems facing the sponsoring agency and the Nation, thereby making a significant contribution to the agency's mission. The sponsoring agency obtains the services of three young, energetic staff members who are dedicated during their stay in Washington to full-time research on a single problem. This intensity results in a valuable contribution to the sponsoring agency which is presented both in written and in oral reports by the students before they leave Washington. In contrast to many internship programs, the WPI students are actively involved in, not simply exposed to, the pressures and rewards of working in the Nation's Capital.

Over 300 WPI students have participated in the Washington Project Center on over 100 projects sponsored by more than 40 agencies and offices including the Senate Budget Committee and my Washington office.

Worcester Polytechnic Institute is to be commended for its bold, innovative Washington Project Center and congratulated on its 10th year of successful operation.●

PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive prior notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point the notifications which have been received. The classified annexes referred to in several of the covering letters are available to Senators in the office of the Foreign Relations Committee, room SD-423.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, October 5, 1984.

In reply refer to: I-14469/84ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover Transmittal No. 85-01, concerning the Department of the Navy's proposed Letter of Offer to Singapore for defense articles and services in excess of $50 million. Since most of the essential elements of this proposed sale are to remain classified, we will not notify the news media.

Sincerely,

GLENN A. RUDD,
Deputy Director.

TRANSMITTAL NO. 85-01

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i)(U) Prospective purchaser: Singapore.

(ii)(C) Total estimated value: (Classified information).

(iii)(C) Description of articles or services offered: None.

(iv)(U) Military department: Navy (LAU).

(v)(U) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi)(U) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See attached annex.

(vii)(U) Section 28 report: Case not included in section 28 report.

(viii)(U) Date report delivered to Congress: October 5, 1984.

POLICY JUSTIFICATION

(U) This proposed sale will contribute to the foreign policy and national security objectives of the United States by helping to improve the security of a friendly country which is a continuing force for peace and regional stability in Southwest Asia. Singapore's strategic location commands the primary route between the Indian and Pacific Oceans.

(U) The prime contractor will be the McDonnell Douglas Corporation of St. Louis, Missouri.

(U) Implementation of this sale will not require the assignment of any additional

U.S. Government personnel or contractor representatives to Singapore.

(U) There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, October 5, 1984.
In reply refer to: I-04682/84ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 84-69 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Pakistan for defense articles and services estimated to cost $30 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

GLENN A. RUDD,
Deputy Director.

TRANSMITTAL NO. 84-69

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Pakistan.

(ii) Total estimated value:

	Million
Major defense equipment [1]	$22
Other	8
Total	30

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: A quantity of 8,000 rounds of M650 8-inch high explosive projectiles; 20,000 M188A1 propelling charges; 12,000 M106 8-inch projectiles; 20,000 M739 fuzes and 21,000 M82 percussion primers.

(iv) Military department: Army (VDL).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 report: Included in report for quarter ending June 30, 1984.

(viii) Date report delivered to Congress: October 5, 1984.

POLICY JUSTIFICATION

PAKISTAN—8-INCH PROJECTILES AND PROPELLING CHARGES

The Government of Pakistan has requested the purchase of a quantity of 8,000 rounds of M650 8-inch high explosive projectiles; 20,000 M188A1 propelling charges; 12,000 M106 8-inch projectiles; 20,000 M739 fuzes and 21,000 M82 percussion primers at an estimated cost of $30 million.

This sales will contribute to the foreign policy objectives of the United States by enabling Pakistan to increase its capability to provide for its own security and defense, particularly in view of the increased threat resulting from the Soviet invasion of Afghanistan. Pakistan is playing an increasingly greater role as a stablizing force in the Indian Ocean region. It is strategically important in the defense of sea lines of communication in the Arabian Sea and approaches to the Persian Gulf.

These projectiles would be used in the 8-Inch howitzer Pakistan has purchased from the United States. The Pakistan Army can absorb these articles as it has artillery officers trained for this equipment. Quality Assurance Teams have been provided in country as part of the howitzer sale to ensure that the howitzers are fully operable upon receipt by the Pakistan Army.

The sale of this equipment and support will not affect the basic military balance in the region.

The manufacturer will be the Lone Star Ammunition Plant of Texarkana, Texas.

Implementation of this sale will not require the assignment of additional U.S. Government personnel or contractor representatives to Pakistan.

There will be no adverse impacts on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, October 5, 1984.
In reply refer to: I-12186/84ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover Transmittal No. 84-70, concerning the Department of the Army's proposed Letter of Offer to Switzerland for defense articles and services in excess of $50 million. Since most of the essential elements of this proposed sale are to remain classified, we will not notify the news media.

Sincerely,

GLENN A. RUDD,
Deputy Director.

TRANSMITTAL NO. 84-70

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i)(U) Prospective purchaser: Switzerland.

(ii)(C) Total estimated value: (Classified information).

(iii)(C) Description of articles of services offered: None.

(iv)(U) Military Department: Army (VEG).

(v)(U) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi)(U) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See attached annex.

(vii)(U) Section 28 report: Case not included in section 28 report.

(viii)(U) Date report delivered to Congress: October 5, 1984.

POLICY JUSTIFICATION

(U) This sale will further the foreign policy goals of the United States by helping to assure the defense of a friendly country whose avowed neutrality has long contributed to the security of Western Europe. It is consistent with the U.S. policy of assisting other nations to provide for their own defense and security. Switzerland has traditionally based its independence on a strong and ready military establishment.

(U) This weapons system is required by the Government of Switzerland to replace its 30 year plus weaponry and to improve its Army and Militia Military. Switzerland will have no difficulty absorbing this system and this sale will increase the military defense capability of Switzerland. The sale of this equipment and support will not affect the basic military balance in the region since comparable or identical weapons already exist there.

(U) The prime contractors will be the Hughes Aircraft Company of Tucson, Arizona and the Emerson Company of St. Louis, Missouri.

(U) Implementation of this sale will not require the assignment of any additional U.S. Government personnel or contractor representatives to Switzerland.

(U) There will be no adverse impact on U.S. defense readiness as a result of this sale.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE OF ETHICS

● Mr. STEVENS. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee has received a request for a determination under rule 35 which would permit Mr. Donald F. Massey, Deputy Sergeant at Arms, to participate in a conference in the Federal Republic of Germany, sponsored by the Konrad Adenauer Stiftung, from November 10-17, 1984.

The committee has determined that participation by Mr. Massey in the program in the Federal Republic of Germany, at the expense of the Konrad Adenauer Stiftung to discuss American-German relations, is in the interest of the Senate and the United States.●

CLARENCE NEFF

● Mr. PERCY. Mr. President, it is with mixed feelings that I note the occasion of Representative Clarence E. Neff's retirement from the Illinois General Assembly. After 22 years of dedicated service to his many constituents in Wester, IL, Clarence has decided that its time to go into a working retirement at home in Stronghurst, IL, with his lovely wife, Elaine; son, Chuck; and daughter, Janice.

Clarence Neff is recognized as one of the finest, most trusted and most respected public servants that the State of Illinois has ever produced. There is nothing flashy about Clarence's political style; he operates quietly and behind the scenes. But, after 22 years of maintaining this low political profile, Clarence has accomplished more in the way of providing excellent constituent services and delivering necessary transportation projects to the people of his district than any other public servant I know of.

For all of his public years, Clarence has held true to one eloquent principle: helping people is the substance of politics; the friends you make, its decoration. And, there are few people in

our great State more deserving of praise and recognition than Clarence Neff. It is truly a political blessing in Illinois politics to have Clarence Neff counted as one of your friends and allies.

Mr. President, it is my privilege and distinct honor to join with friends throughout the State of Illinois in saying "thank you" to Clarence Neff for 22 years of outstanding and dedicated public service.●

TRADEMARK CLARIFICATION ACT OF 1984

● Mr. DOLE. Mr. President, I have just been informed that the House has concurred in the Senate amendments to H.R. 6163, which passed the Senate on October 3. I would take just a few moments to express my appreciation for the expeditious consideration of the bill, as amended, in the House and my support for the package of legislative items that it contains.

H.R. 6163 has become the vehicle for an important collection of measures in the areas of patent, trademark, and copyright law and court improvements. The items that make up that package include the Trademark Clarification Act of 1984, the Semiconductor Chip Protection Act, the Patent Procurement Policy Act, State Justice Institute, civil priorities clarification, the District Courts Organization Act, and a group of technical amendments to the Federal Court Improvements Act of 1980. Each of these items had been more than adequately considered in both House and Senate in the normal course of the legislative process before inclusion in H.R. 6163.

I take particular interest in the provisions of title V of the bill. This title amends various sections of title 35, United States Code that govern the ownership and licensing of patent rights to inventions developed by individuals working for or with universities or other nonprofit institutions that operate Government laboratories on a contract basis.

This Senator has been involved with this issue for a number of years, beginning in the late 1970's when the problem of inadequate commercialization of inventions developed with Government research and development dollars first came to my attention. I worked closely with our former colleague, Senator Bayh of Indiana, in shaping legislation that initiated a change in the philosophy in favor of Government ownership of inventions that had prevailed in the agencies up to that time. In studying the question of why so few Government patents have seen the light of day in the marketplace, where their benefits can be returned to the public in the form of new products and new jobs, it became apparent that agency rules requiring Government ownership were the crux of the problem. Our work led to the passage, in 1980, of the Patent Law Amendments Act of that year, Public Law 96-517. That legislation established—for the first time—a rule in favor of contractor ownership of inventions developed under Federal research contracts. Due to some concerns, however, over precisely how well the new policy would work, the 1980 law was limited in its application to universities and small businesses.

The 1980 amendments to the patent laws spurred a quantum leap in the number of new inventions patented by universities and small business operating under such contracts. Prior to the passage of Public Law 96-517, university invention disclosures had shown a steady decline. Now, such disclosures are up by a substantial percentage, university and industry collaboration is at an all time high, and many new technologies—such as recent advances in gene engineering—are creating new opportunities for economic advancement while improving the quality of life.

In spite of this success story, it has become apparent during the past 4 years that the 1980 law can be improved. Moreover, there are important areas of Government research that were not covered by the 1980 legislation that will benefit from an application of its principle of contractor ownership. The objectives of the new legislation are to improve upon the 1980 law with regard to universities and expand its reach to the Government contract laboratories managed by the Department of Energy, which have so far been exempted from the reach of the 1980 law by agency regulation.

Mr. President, I will not take the time now to detail the changes in law that are provided for in title V of H.R. 6163. I ask that a colloquy between myself and Senator DECONCINI, one of the cosponsors of the legislation, and a sectional analysis of title V appear at the conclusion of my remarks in the RECORD. I want also to express my thanks for the support of Senator LAXALT on the bill, and the assistance of Senators HATCH, MATHIAS, HEFLIN, and LEAHY and their staffs for their work in helping to move this legislation off the Senate floor. I would also note for the record the invaluable assistance rendered by Congressmen KASTENMEIER, FISH, and MOORHEAD in securing approval the House floor.

The material follows:

SUMMARY OF MAJOR PROVISIONS CONTAINED IN TITLE V OF H.R. 6163

1. S. 2171 allows agencies to limit patent ownership by small business or nonprofit organizations that are not located or do have a place of business in the United States. This will clarify that agencies can control the export of technology in cases where the performer is not a domestic organization.

2. S. 2171 repeals the P.L. 96-517 provision excepting inventions made by nonprofit organizations when operating Government-owned laboratory facilities. This provides for uniform treatment of all domestic nonprofit organizations regardless of where they perform their federally funded work and is particularly important to organizations that manage Department of Energy laboratories.

3. As part of the change affecting nonprofit contractors of Government-owned facilities, S. 2171 includes a limit on the amount of royalties that the contract operators are entitled to retain after paying patent administrative expenses and a share of the royalties to inventors. The limit is based on five percent of the annual budget of the laboratory, but includes an incentive provision rather than a simple cap to stimulate continued efforts to transfer technology if royalties ever reach the five percent figure. This provision ensures that Government shares in the results of its research expenditures in the event the contract operator of a Government laboratory makes a major discovery.

4. S. 2171 includes the favorable reporting provisions that were developed in OMB Circular A-124. These provisions have been proven to work. Small business and nonprofit organizations should be assured of their continuance beyond February 1985 when A-124 is scheduled for sunset expiration.

5. S. 2171 repeals certain conditions placed on licensing of inventions by nonprofit organizations. Among the conditions repealed is the five year cap on the grant of an exclusive license to an industrial concern (other than a small business). This provision has made the licensing and development of invention that require Food and Drug Administration approval prior to marketing difficult to negotiate. Its repeal will remove a substantial barrier to industry participation in research projects at universities and other nonprofit organizations.

6. The authority to issue regulations under P.L. 96-517 is consolidated by S. 2171 from the General Services Administration and the Office of Management and Budget into the Department of Commerce. This consolidation is consistent with other Commerce responsibilities for creating an environment favorable to the commercialization of the results of federally-funded research.

7. S. 2171 expands the definition of "invention" in P.L. 96-517 to include—"any novel variety of plant which is or may be protectable under the Plant Variety Protection Act (7 U.S.C. 2321 et. seq.)." This assures nonprofit organization ownership of some inventions resulting from research in agriculture which were not previously covered by P.L. 96-517.

SECTIONAL ANALYSIS

SECTION 501

Subsections (1) and (2) expand the definition of "invention" in P.L. 96-517 to include—"any novel variety of plant which is or may be protectable under the Plant Variety Protection Act (7 U.S.C. 2321 et. seq.)." This assures nonprofit organization ownership of some inventions resulting from research in agriculture which were not previously covered by P.L. 96-517.

Subsection (3) allows agencies to limit patent ownership by small business or nonprofit organizations that are not located or do not have a place of business in the United States. This will clarify that agencies can control the export of technology in cases where the performer is not a domestic organization. The section also repeals the P.L. 96-517 provision excepting inventions

made by nonprofit organizations when operating Government-owned laboratory facilities. This provides for uniform treatment of all domestic nonprofit organizations regardless of where they perform their federally funded work and is particularly important to organizations that manage Department of Energy laboratories. Finally, the section adds a new subsection "(iv)" to 35 U.S.C. 202(a) that would exempt laboratories which focus on nuclear propulsion work or nuclear weapons development from contractor ownership requirements.

Subsection (4) creates an oversight in the Department of Commerce of agency use of the exceptions to small business or nonprofit organization invention ownership.

Subsection 4A amends 35 U.S.C. s. 202(b) to bring agency determinations on questions of contractor ownership within the provisions of 35 U.S.C. s. 203(2).

Subsection (5) includes the favorable reporting provisions that were developed in OMB Circular A-124. These provisions have been proven to work. Small business and nonprofit organizations should be assured of their continuance beyond February 1985 when A-124 is scheduled for sunset expiration.

Subsection (6) provides assurance that agencies can protect information provided to the Government on their invention utilization efforts.

Subsection (7) and (8) repeal certain conditions placed on licensing of inventions by nonprofit organizations. Among the conditions repealed is the five year cap on the grant of an exclusive license to an industrial concern (other than a small business). This provision has made the licensing and development of inventions that require Food and Drug Administration approval prior to marketing difficult to negotiate. Its repeal will remove a substantial barrier to industry participation in research projects at universities and other nonprofit organizations.

Subsection (8) also places a limit on the amount of royalties that the contract operators of Government-owned laboratories are entitled to retain after paying administrative expenses and a share of the royalties to inventors. The limit is based on five percent of the annual budget of the laboratory, but includes an incentive provision rather than a simple cap to stimulate continued efforts to transfer technology if royalties ever reach the five percent figure. This provision ensures that the Government will share in the results of its research expenditures in the event the contract operator of a Government laboratory makes a really major discovery.

Subsection (9) assures that a dispute which arises under either a grant or a contract will be handled in a similar manner by the Federal agencies, and provides for Judicial review of agency decisions.

Subsections (10), (11), (12) consolidate the authority to issue regulations under P.L. 96-517 from the General Services Administration and the Office of Management and Budget into the Department of Commerce. This consolidation is consistent with other Commerce responsibilities including creating an environment favorable to the commercialization of the results of federally-funded research. In addition, section (11) provides to the Department of Commerce certain information clearinghouse functions that will enable the Department to better serve the needs of the Federal agencies.

Subsection (13) assures that no agency will be permitted to waive the normal license retained by the Government or the capability to march-in in accordance with P.L. 96-517 in any situation where a Federal contractor elects to retain ownership of an invention made with Federal support.

Subsection (14) prohibits the agency retention of patent rights in any invention developed under an educational grant. The scope of the provision includes all types of such grants and it is intended to be a complete ban upon retention or rights by grantor agencies.

Subsection (15) makes appropriate caption changes.

COLLOQUY CONCERNING THE PROVISIONS OF TITLE V OF H.R. 6163

Senator DECONCINI. I would like to ask the Senior Senator from Kansas a few questions about the provisions of Title V of H.R. 6163, passed by the Senate on October 3rd and by the House on October 9, 1984. I know that he was the principal sponsor of this legislation as well as the principal sponsor of P.L. 96-517, which Title V amends. First, would you please explain how this bill will affect Government owned laboratories that are operated by university or other nonprofit contractors?

Senator DOLE. The answer to this question has three parts. First, P.L. 96-517 gave nonprofit organizations the right to own inventions made with government research and development funding. That law included, however, an exception allowing the Government to retain title to inventions made by the nonprofit contractors of Government owned laboratories. In the main, this bill removes that exception and allows nonprofit contractors to own their federally funded inventions regardless of whether they are made at their own or at Government owned facilities.

Second, most Federal agencies that have nonprofit organizations operating their laboratories have not been using the Government owned, contractor-operated (GOCO) exception and are allowing the contract operators to own their inventions. The Department of Energy, however, has made a blanket use of the GOCO exception, so the bill primarily affects the nonprofit DOE lab operators. "For profit" contractors, such as the operators of labs at Sandia and Oak Ridge, are not directly affected by this bill.

Third, this bill includes a provision that allows the Department of Energy to own the inventions related to DOE's naval nuclear propulsion or weapons related programs that are made in the labs that are primarily dedicated to these programs. This means that, for example, inventions in these categories made at Los Alamos or Lawrence Livermore could be owned by DOE. Inventions that do not fall into these categories would be owned by the nonprofit contractors.

Senator DECONCINI. In the case of Los Alamos, which is operated by a contractor based in another State, who specifically would manage inventions that do not fit in the nuclear propulsion or weapons categories?

Senator DOLE. This bill contains a provision that requires, to the extent it provides for the most effective technology transfer, that the licensing of subject inventions shall be administered by contract employees on locations at the facility. Acting under the Stevenson-Wydler Act, Los Alamos has established a particularly strong technology transfer office and program that is administered at the lab site.

In addition, it is our intent that title to inventions being licensed should be held in the name of a wholly owned subsidiary running the facility for the Government so that in the event of a change of contractors, the licensing rights may be transferred intact to the successor organization as a continuing operation of the contract laboratory.

Our intent is that the laboratory should deal directly with State agencies or foundations and the private sector on invention ownership and technology transfer problems.

Senator DECONCINI. Is it possible that some inventions outside the specific categories just mentioned but produced in the DOE contract labs should be kept secret for national security reasons? If so, should not the Department of Energy retain title to them?

Senator DOLE. This is an important question, and there is a great deal of misunderstanding about it. It is likely that some inventions outside of naval nuclear propulsion and weapons related programs will be classified or placed under Patent Office Secrecy Orders. But national security protection is not compromised by who owns the invention. When a Secrecy Order is placed on a patent applications, the application is locked up in a vault in the Patent Office and no patent is issued so long as the Order is in effect. The Department of Energy can call for a Secrecy Order and will have control over how long it is maintained. So even if a contractor is entitled to own and invention, the contractor can not obtain a patent until the Secrecy Order is lifted. If the invention is also classified, the contractor is bound by law to control access to it and information about it. Many agencies—including the Department of Defense—have contractors that perform classified research and development. These agencies experience no particular difficulties in routinely allowing contractor ownership of inventions affected by Secrecy Orders or which are classified.

Contractor ownership can actually improve the chances of avoiding accidental disclosure of new technology. The financial incentives of patent ownership cause both researchers and their employers to review their work for possible inventions of commercial value before writing articles for publication. In cases where an application is filed, there is another safety check. The Patent Office has a unit that reviews applications for those might involve national security. Every year, this unit flags thousands of applications, many of which have passed security reviews, for the agencies to consider and determine if a Secrecy Order is needed. This is an effective process that safeguards hundreds of inventions a year.

In short, there is no reason why title to such inventions should necessarily be retained by the Department of Energy.

Senator DECONCINI. I also note that some changes have been made in the procedures regarding oversight of agency use of the exceptions to contractor retention of title in 35 U.S.C. 202(b). What is the purpose of these changes?

Senator DOLE. Though changed, paragraphs (b)(1) and (2) are substantially similar to the existing provisions, except that the Department of Commerce, rather than the General Accounting Office, will maintain regular oversight over the use of exceptions. However, the GAO is still charged with annually reviewing overall implementation of the Act. A new paragraph (4) has also been added which gives the contractor the right to access to the courts when he be-

lieves the agency has abused its discretion in exercising an exception.

Senator DECONCINI. Why have more detailed reporting, election, and filing provisions been substituted in 35 U.S.C. 202(c)?

Senator DOLE. The new provisions in 35 U.S.C. 202(c)(1)-(3) are based on the standard clause now in use under OMB Circular A-124, which implemented P.L. 96-517. This specificity is intended to eliminate any future arguments concerning the intent of the Congress. We had thought that the Senate Report on the current provisions of P.L. 96-517 was clear but this did not prevent resistance from some agencies.

Senator DECONCINI. And what about the revision of 35 U.S.C. 202(c)(4)?

Senator DOLE. 35 U.S.C. 202(c)(4) deals with the license rights reserved to the Government. The process of implementing P.L. 96-517 revealed some ambiguities concerning the rights the Government could retain in order to honor foreign commitments. This change clarifies that the agency may retain more than a mere license in foreign rights if this is what is necessary to honor a treaty. At the same time the amendment is intended to clarify the types of foreign agreements covered by section 35 U.S.C. 202(c)(4) and to require an agency to tie its use of this right to a foreign treaty or agreement that is in existence at the time the contract is executed. The current language includes "future treaties," which is too open ended and can place a cloud over the foreign rights retained by the contractor.

Senator DECONCINI. I applaud the addition of the small business preference language in section 202(c)(7). How is it intended to work?

Senator DOLE. Basically, it is intended to place a duty on nonprofit organizations to seek small business licensees. However, it recognizes that in many cases this will not be feasible either because no small businesses are interested or because those that are may lack the resources necessary to bring the invention to the market. We expect the universities to make good faith efforts to license small business firms but to retain the discretion to choose large firms over small businesses in cases when they have legitimate concerns over the capabilities and financial resources of a small business firm. The burden is on the nonprofit contractor, of course, to make a reasonable injury as to the suitability of small business licensing.

Senator DECONCINI. What is the purpose of the new language that has been added to the march-in rights section?

Senator DOLE. The language that has been added to 35 U.S.C. 203 has two main purposes. First, there is currently some confusion as to whether march-in determinations are subject to the Contracts Dispute Act and therefore reviewable by Boards of Contract Appeals. Current regulations imply they are. This has created a dichotomy in agency procedures between grant and contract inventions.

The proposed language will take march-in decisions out of the Contract Dispute Act so that the same procedures can be used under grants and contracts. It is also intended to make clear that review of march-in decisions should be done by policy officials at the agencies, with a view toward the purposes of his legislation. It is strictly a matter of legal interpretation.

Finally, this language makes express the unstated assumption in the current law that march-in determinations are reviewable by the courts.

Senator DECONCINI. A new section 212 has been added covering fellowship and other awards having educational purposes. I would have thought that the agencies would not claim patent rights in non-research projects. Why is this necessary?

Senator DOLE. You are correct in your assumption; however, some agencies nevertheless claim patent rights in awards that are made to help educate or train scientists. This amendment is intended to stop this practice. This will be true even if the fellowship involves university research.

I should note that it is rare for inventions to be made exclusively by educational grant recipients, and government retenion of rights in such cases has made established inventors unwilling to train such individuals for fear of government retention of rights if the student is listed on the patient application as a co-inventor with the professor or employer.

Senator DECONCINI. It is my understanding that many federally funded inventions are either being developed or currently marketed under licensing requirements far more restrictive than those in this bill. What is the effect of this legislation on the licensing requirements applicable to these inventions?

Senator DOLE. While this bill encourages the full development of new federally-funded inventions by authorizing exclusive licenses for the life of the patent, you are correct that many inventions were discovered and are being marketed under the terms of Institutional Patent Agreements or the provision of Public Law 96-517, before the current amendments, which provided for a maximum of five years of on-market exclusivity. This restriction, if continued, will place older inventions at a competitive disadvantage with newer ones, for which more lengthy exclusivity is permissible, and may well result in the failure of these older inventions to be fully developed for the benefit of the public.

It is our intent, in enacting this legislation, to create a uniform patent and licensing policy applicable to all federally-funded inventions. Although the bill is silent on the question of retroactivity, it is certainly our intent to strongly encourage agencies administering university patents filed before the current amendments to permit companies marketing products under these patents to extend their exclusive licenses for the life of the patent, consistent with the provisions of this bill, provided that the companies that request such an extension have complied with the requirements of the IPA and have acted responsibly in commercializing the invention.

Senator DECONCINI. I thank the Senator from Kansas for his clarifying remarks.●

NATO: HONING THE GRAND STRATEGY

● Mr. LUGAR. Mr. President, I would like to share with all my colleagues an article which was written by David Abshire, U.S. Ambassador to NATO, and published in the Wall Street Journal on Wednesday, September 12. This article brings to light the NATO Alliance's grand strategy and focuses in particular on four key factors that motivate that strategy: Political dynamics, military deterrence, resources, and public diplomacy. I ask that this article be printed in the RECORD.

The article follows:

NATO: HONING THE GRAND STRATEGY

(By David M. Abshire)

BRUSSELS.—A popular refrain of critics of the North Atlantic Treaty Organization is it does not have a comprehensive strategy. After serving as U.S. Permanent Representative to the North Atlantic Council for more than a year, I would reject this criticism. The alliance does have a strategy—indeed, a grand strategy—and has been actively adjusting it to realities of the 1980s.

This question is especially timely in light of the first official visit to the U.S. by NATO's new secretary general, Lord Carrington. A former foreign and defense secretary of the United Kingdom, Lord Carrington brings impressive skills and experience to his new post. He has signaled a special commitment to strengthening the overall strategy of the alliance.

Grand strategy is not just a military concept. It also encompasses political, economic, and even public affairs elements—all the force that can be brought to bear to achieve the strategy's end. In the West's case, the end is clearly stated in the preamble of the 1949 North Atlantic Treaty, which affirms the allies' determination to unite in a collective defense of "the freedom, common heritage and civilization of their peoples." These goals continue today, 35 years later, to be the binding force of the alliance. They motivate allied strategy, which centers on four key factors: political dynamics, military deterrence, resources and public diplomacy.

Political Strategy. Soviet strategy during the drama over deployment of intermediate-range missiles was not only to divide Europe from America but also to divide Europe within itself. Soviet intimidation was equaled only by that displayed during the Cuban missile and Berlin crises. Yet, to the Kremlin's surprise, NATO remained united in defense of peace in freedom.

After the high point of the missile drama, the NATO Council agreed to a proposal by Belgian Foreign Minister Leo Tindemans calling for a detailed assessment of the last 17 years of East-West relations—a study that led to the June NATO Foreign Ministers' "Washington Statement on East-West Relations." The allies agreed that in the early years of detente substantial progress was made in reducing tension, spurring trade and expanding the East-West dialogue. However, they concurred that Moscow's relentless arms buildup, aggression in Afghanistan and pressure on Poland have in more recent years caused a serious deterioration in East-West relations. Thus, they saw a need to fine-tune political strategy by paying closer attention to requirements of restraint, reciprocity and accountability in a "more realistic and constructive dialogue."

The allies have been actively trying to stimulate the dialogue with the East by advancing a host of new proposals this year—at ongoing negotiations in Stockholm, Vienna and Geneva. In contrast, the Soviets continue to boycott negotiations on nuclear weapons. Nevertheless, when the Soviets do decide to return to the negotiating table, they will find interlocutors prepared to talk.

Deterrence Strategy. NATO is the first great alliance in history ever to have a clear-cut deterrence strategy.

In the wake of sustained debate in the early 1980s on both sides of the Atlantic, it is generally agreed that NATO's strategy of "flexible response" and forward defense remains the best available. That strategy is meant to deter an aggressor from thinking he might gain objectives militarily at an ac-

ceptable cost. It requires a credible capability and determination to use nuclear weapons, if necessary, to escalate risks and force the Soviets to reconsider the consequences of aggression. And it demands that the alliance be able to defend itself with conventional force too, so that should deterrence fail NATO is not left to choose between nuclear escalation or capitulation.

The principal problem today is that NATO's conventional forces are not strong enough to respond to a Soviet attack. Especially troublesome are serious deficiencies of ammunition stocks. The concern of Sen. Sam Nunn, Democrat from Georgia, in his recent amendment that called for U.S. troop cuts in Europe if the allies do not do more to improve NATO's conventional defenses, as well as the concern in Brussels, is urgently to boost the West's conventional defenses to give it that extra insurance policy for peace. Had NATO maintained balanced conventional forces adequate to conduct a direct forward defense without early threatened use of nuclear weapons (as all the allies agreed to do in approving the current strategy), I don't believe the nuclear nervousness would have developed to the degree it has.

The West is improving sustainability and readiness. Newly-emerged and emerging technologies—through miniaturization, smart weapons and rear-surveillance—offer the opportunity to push back the moment when NATO would have to contemplate use of nuclear weapons.

Resources Strategy. The alliance confronts two challenging economic facts: that improvements in sustainability and new conventional technologies impose competing demands for limited resources; and that European economic recovery lags far behind the U.S. recovery. Europe also has greater structural problems. Nevertheless, NATO has substantial advantages: Its combined gross output is some 2½ times greater and its population some 1½ times larger than that of the Warsaw Pact, which nonetheless outstrips NATO in defense production; and the Western nations are free societies bound by shared values and institutions. What NATO must do more efficiently is bring the West's superior resources to bear on the problem of improving conventional forces at affordable cost.

These facts require a resources strategy that would begin with an agreed assessment of the real military balance and include a conceptual framework into which technological and tactical innovations could coherently fit. It demands improved industrial and armaments cooperation across the Atlantic, and within Europe. Finally, a resources strategy requires public understanding and support for paying the necessary costs of avoiding World War III.

Public Strategy. The Soviets have the short-term convenience but long-term weakness of not having to build domestic political support into their overall strategy. The West's grand strategy must be understood, and supported, by a young generation whose formative political experiences are different from those of NATO's founding fathers; by religious leaders, educators and journalists, who fail us when they oversimplify; and by parliamentarians and political leaders, who have a calling higher than that of seeking easy popularity. In Brussels, NATO is presently engaged in intensified assessments of public perceptions to see what can be done to improve our public strategy.

Simply put, the questions of whether our alliance has a grand strategy and whether we are doing all we can to make it credible are two separate issues. The gap between strategy and performance has permitted critics to charge through with the false accusation of an absence of strategy. My worry is that more malign foes might be tempted to make use of that same gap.●

NATIONAL EMPLOY THE HANDICAPPED WEEK

● Mr. DOLE. Mr. President, President Reagan in a proclamation on October 4, 1984, designated the week beginning October 7, 1984, as "National Employ the Handicapped Week." Today I would like to take this opportunity to remind my colleagues of both the need and the opportunity we have to change the economics of dependence into the economics of independence. Disabled persons have proven that they can work. The limiting factor is usually not their disability, but our ability to see their potential and to assist them in their development.

Various sources estimate the number of persons in the United States with disabilities, able to work but unemployed, at about 5 million. With advances in medical science and rehabilitation technology, these numbers will continue to grow. Life expectancies for disabled and nondisabled persons alike will continue to increase and with the shift in age distribution in the population, an ever smaller working age population will continue to be called on to support an ever growing dependent population, both retired and disabled.

It is estimated that over 8 percent of the gross national product [GNP] is expected on the support of unemployed disabled persons, many of whom are willing and able to work. Unless these persons attain greater economic independence, and become taxpayers, these costs will continue to grow. The Rehabilitation Services Administration estimates that vocational rehabilitation programs generate an 11-to-1 return in tax revenues from successfully employed clients.

Perhaps most importantly, however, is a discussion of rehabilitation and employment from the human arena. There is a basic desire on the part of most disabled persons for increased independence and dignity. Our society places an emphasis on freedom of action, achievement, and competition. We identify ourselves increasingly with our occupation, our lifestyle, and our level of economic self-sufficiency. There is substantial dignity in being able to support oneself and make basic choices in lifestyle.

It is time that we met head on the changes anticipated in the labor force over the next 20 to 50 years. With fewer young people entering the labor market, there will be increasing pressure to retain the best employees and to upgrade employee skills to cope with changes in technology. Labor shortages in certain categories are predicted for the near future.

Society can no longer afford to neglect a labor pool of the proportions of the disabled population. As Americans we can ill afford to allow to lay dormant our efforts to ensure access and equality for persons with disabilities. Let us take this moment to pause and recommit ourselves to equal rights for all Americans—and specifically to those 36 million citizens with disabilities.●

MIAMI MONITORING STATION

● Mr. DECONCINI. Mr. President, I should like to associate myself with the remarks made by my good friend from Florida, Senator CHILES, on Friday, October 5, regarding the Federal Communications Commission. As a member of the Senate Appropriations Committee, the problem of the location of a FCC monitoring station in the Miami area has repeatedly been brought to my attention.

Like Senator CHILES, I am pleased that the broadcasters in the area, and the FCC are joining in a cooperative effort to obtain a new site for the monitoring station; a site which will allow the FCC to fulfill its important mission without inhibiting the development of new, Miami-area broadcast facilities.

I urge the FCC and other relevant Federal agencies, to continue to work toward the desired goal.●

CONFERENCE REPORT TO S. 2463—OCS REVENUE SHARING LEGISLATION

● Mr. CHAFEE. Mr. President, I strongly support the conference report on S. 2463, legislation which I have cosponsored to establish an Outer Continental Shelf Revenue Sharing Program. I very much regret that the Senate has been unable to consider fully and adopt the report. It is certainly one of the most significant pieces of legislation for the protection of our Nation's coastal and marine resources to emerge from the 98th Congress.

I want to commend Senator STEVENS for his leadership in sponsoring this measure. I was pleased that House and Senate conferees achieved this responsible compromise.

The sharing of revenues with affected States has been an integral component of most Federal lands management activities. Through the Mineral Lands Leasing Act of 1920, 50 percent of the receipts from the leasing of Federal mineral-bearing lands are shared with the State in which those lands are situated.

S. 2463 recognizes that Federal offshore activities entail significant consequences for coastal areas. As we

pursue the development of offshore oil and gas resources to insure plentiful energy supplies for the future, it is essential to offset the effects of development by sharing a portion of these revenues with coastal States.

S. 2463 would strengthen the resources of State and local governments to deal with the consequences of OCS energy development now being encouraged at the Federal level. It establishes an ocean and coastal resource management and development fund, supported by a small percentage of revenues derived from OCS oil and gas leasing, and allocates these funds in block grants to the States. One-third of a State's allocation would be managed by local communities.

This support would enable States and localities to carry out important coastal development planning, research, and education activities. State and local governments are best suited to assess the environmental and economic effects which continued OCS development will exert upon coastal regions, and to plan for the effective future management of these areas.

Few investments could be more crucial for our Nation than preserving coastal habitats and protecting marrine resources. This investment is particularly important to the State of Rhode Island, where our coastline is an invaluable environmental, economic, and recreational asset. The prospect of intensified OCS development imposes a tremendous challenge for communities in Rhode Island and other States to prepare for changing land use patterns and the effects of commercial growth in coastal sections.

The coastal energy impact, fisheries research, and coastal zone management programs which have assisted States in these endeavors have in recent years been threatened by Federal budget constraints. This bill would provide a more secure source of funding for these programs.

This program would provide a unique opportunity to insure a future balance between offshore oil and gas development and the sound management of conservation of our Nation's coastal resources. I regret that the Senate has been unable to adopt the conference report.●

LINE-ITEM VETO

● Mr. BUMPERS. Mr. President, as one Senator who is serious about balancing the Federal budget—and not just talking about it—it is difficult for me to express my indignation at this latest diversionary tactic by those who would seek to camouflage the Reagan budget deficits, the so-called line-item enrolling clerk law. If this proposal were not so dangerous, it wouldn't matter. This amendment amounts to one thing: A confession of legislative incompetence. If Members of this body vote for this proposal, they are saying this to the American people: "We give up. We can't do it. We can't make decisions. We may know what is in the best interest of the Nation but we do not have the courage to do it. Therefore, we will create a device whereby we can vote for every program and every project, good and bad, and leave it up to the man down the street to decide which ones really have merit."

This is an utter abdication of legislative responsibility. It is the ultimate in buck passing. It is, I suppose, understandable that Members would want to find some way to make the buck stop on the President's desk. So it is understandable that Senators would reach out for almost any means to pin the tail where it ought to be. But this amendment is not it. This amendment would allow us to engage in political practice and at the same time do perhaps irreparable damage to the balance of powers which the Founding Fathers so carefully crafted.

I guess there is a certain cynical beauty about this proposal. It means you can vote for everything. It is a press secretary's dream. Vote for the MX, vote for the B-1, vote for food stamps, vote for Social Security, vote for water projects, vote for every project, vote special appropriations for your State, vote for special appropriations for everyone elses' States so that they will vote for yours. Vote for them all, because none of it means anything. It is not really a decision. It is more like a recommendation. It is like those letters of recommendation we routinely provide for constituents seeking government largesse. The congressional stamp of approval will carry exactly as much weight as a sense of the Congress resolution. The President can follow it, or he can not follow it. Either way, Congress wins. The President vetoes either food stamps, or Social Security, or the special relief bill for Arkansas, then we can go home and beat up on the President: It is not our fault, we passed a bill.

Up until this time, Mr. President, some of us have gone to considerable effort to persuade the Senate and the country that we have to do something to reduce the Federal deficit. This is not the place to replay the evils of the $200 billion deficit. I take it that everyone agrees—except maybe for the Secretary of the Treasury—that these deficits are serious business. They are gobbling up almost all the available capital, which is obviously why we have interest rates that are higher when you consider inflation than interest rates have ever been in history. The deficits are running up an unbelievable tax obligation for generations to come in terms of interest which must be paid on the national debt.

When this administration came into office, we were spending around $50 billion a year, give or take a few billion, for interest on the debt. Thanks to the era of $200 billion deficits, that item of Federal spending has grown to around $125 billion annually, and the day is not far off when interest of the debt will consume $200 billion annually.

Think about that for a moment. This figure of $200 billion keeps coming up. It's the amount of the deficit; it is the amount that we will soon be spending for interest on the debt. We will be borrowing every year an amount equal to the interest payments. When the Mexicans or the Argentines do that on their foreign debt, we say they are bankrupt and we get very sanctimonious insisting that they get their financial houses in order. By the way, $200 billion may sound familiar for another reason. It is the amount we spent on defense just a couple of years ago. And we thought it was a lot of money then. This year we have agreed to spend $300 billion. And CBO, by the way, says that if the economy turns just a little bit downward in the next couple of years the deficit will be $300 billion, the same as the defense budget.

Our distinguished colleague from South Carolina [Mr. HOLLINGS], has had some harsh words about the President and these deficits. He says Mr. Reagan liked the deficit. At first I thought he was just indulging in a little political license. After more thought, it occurs to me that maybe the President really does like the deficit, for the same reason that he likes 13 percent interest rates. The two go hand in hand, and together they amount to a gigantic system of transfer payments. In case you have not heard that nasty phrase lately, it is what the supply siders like to call welfare, and Social Security and food stamps. Well, interest on the debt is a transfer payment also. It takes from the people who pay taxes, the ordinary, working lower- and middle-income people who pay the vast bulk of taxes and it transfers money to the people who have the wherewithal to buy Treasury bonds and bills. That is how they finance the deficit, you know, T-bills, and Treasury notes, and so forth.

I realized in discussing this topic with a friend in my State recently that he misunderstood the whole question of the deficit. This was a fairly well-educated businessman, and he thought that Congress just calls up the Bureau of Printing and Engraving and tells them to print more money. Well, that is not how it's done. The Government borrows money from private parties who have enough cash on hand to be able to help Uncle Sam out. And in return, the lenders get T-bills, which draw interest at a rate determined by the market. It is an auction, much like

any other auction, and the demand for money determines how much the Government has to pay for the money it borrows to finance the deficit.

So when DALE and Betty BUMPERS go to the loan window at the bank in Charleston, AR, to get a little car loan, they are competing with Don Regan and the U.S. Treasury, who are also needing a little loan. So it is no surprise that the bank may say, "DALE, we'd like to help you. We had a little extra cash last week we could have loaned you, but Don Regan offered us 12 percent for 6 months, and we felt like that was an offer we couldn't pass up."

So, Mr. President, some of us have proposed and supported plans—concrete plans, not smoke screens like this line item enrolling clerk law—to reduce the deficit. Last spring and the spring before that, I pleaded with my colleagues to look at Senator HOLLINGS' budget freeze amendment. In 1983 we got 16 votes, and this year we got 38 votes. When that failed, I argued for the so-called KGB amendment offered by Senators KASSEBAUM, GRASSLEY, BAUCUS, and BIDEN. Then I supported Senator CHILES' democratic alternative budget, and we almost won that one. That amendment had so much support from the other side of the aisle that it failed of adoption on a tie vote.

Senator HOLLINGS' amendment would have reduced Mr. Reagan's deficit from a projected $300 billion in 1989 to $8 billion. Will this amendment do this? Can the sponsors of this proposal give us any idea what the results will be, what impact this amendment will have on the deficit?

Of course, they cannot, Mr. President, any more than they can tell us what Mr. Reagan's tax plans are for next year, or what cuts in social programs he will propose for next year.

Some people, Mr. President, have called this the enrolling clerk law because it proposes to have the enrolling clerk split every bill into hundreds, or perhaps thousands, of midget bills so that the President could approve or disapprove each one. I think this bill should be called the OMB amendment, because that is where it will place all the real responsibility for balancing the budget, on the Office of Management and Budget. The people who will have the real power under this amendment will be the guys in little green visors down at OMB who will scrutinize each of these thousands of pieces of midget legislation. These bureaucrats will be the ones who will comb through the thousands of individual appropriations and decide which ones get approved and which ones do not even make it to the President's desk.

And how will these people in green visors make these decisions, Mr. President? How will they decide whether the Air Force Base at Blytheville, AR, stays open or is vetoed? It will not have anything to do with politics, will it Mr. President? It will not have anything to do with whether Arkansas votes for the President in the upcoming election, will it? Or with whether Arkansas is a crucial State for the administration to carry in some election in the future, or with whether the administration wants to help Congressman so-and-so, who has a tough race this time?

If anyone in this Chamber thinks these will not all be factors in how OMB will balance the budget, you had better think again. There must be cuts in spending, Mr. President; the only question is who you want to do the surgery. Do you want the elected representatives of the people, who are charged by the Constitution with conducting the people's business to make these difficult decisions? Or do you want to turn that responsibility over to someone in a green visor at OMB?●

CHURCH-STATE RELATIONS

● Mr. WEICKER. Mr. President, a very thoughful and perceptive discussion has come to my attention on the subject of church-state relations. It is in the form of an open letter from the Right Reverend Arthur E. Walmsley, bishop of the Episcopal Diocese of Connecticut to John F. Whelan, archbishop of Hartford concerning the archbishop's article "A Constitutional Right To Speak" which appeared in the Hartford Courant. I believe my colleagues will benefit from the wisdom of these distinguished clergymen on this matter. I ask that the letter by Bishop Walmsley and the article by Archbishop Whealon be printed in the RECORD.

The letter follows:

EPISCOPAL DIOCESE
OF CONNECTICUT,
Hartford, CT, September 11, 1984.

Rev. JOHN WHEALON,
Archbishop of Hartford,
Hartford, CT.

DEAR BROTHER IN CHRIST: Thank you for the column which appeared in Monday's Hartford Courant. It is unfortunate that you and various of your fellow bishops of the Roman Catholic Church feel defensive about your right to speak publicly on political questions. Church leaders of various traditions share your commitment that the religious and ethical values which move us be part of the dialogue which shapes public policy. As colleagues in ecumenical efforts in this state, we have worked together on behalf of the hungry and homeless, for world peace and nuclear disarmament.

It needs to be said, however, that the character of the public debate raised by the outspoken position of the Roman Catholic Church on abortion has a chilling effect on that ecumenical collaboration. It is clearly a theological obligation of the Roman Catholic hierarchy to exercise its teaching role from the pulpit. It is a political right to do so in the forum of public debate. In asking that your position be weighed seriously in the formation of public policy, is it not equally incumbent that you accord a similar respect to those who, out of equal religious commitment, reach differing views on what is clearly one of the most volatile issues of ethical and social policy confronting the American society? The Roman Catholic magisterium may characterize a "pro-choice" stance as neither logical nor theological, but you thereby deprive the General Convention of the Episcopal Church, and its House of Bishops of the theological and ethical seriousness you claim for the National Conference of Catholic Bishops.

The slogans of "pro-life" and "pro-choice" are poles around which equally sincere, convinced, committed Christians rally. Unfortunately, slogans fail to nuance the many complex legal, medical, psychological, social and political aspects as well as ethical and moral principles involved. The 1976 Convention of the Episcopal Church tried to frame a position which affirms various and important principles addressed to individual church members in this matter.

That position makes six points: it affirms that all life, when conceived, is God-given and deserving of reverence, respect and sustenance; abortion is not to be used as a method of birth control; there are cases in which therapeutic abortion is permissible; no church member should make a decision concerning abortion without counsel; clergy and other counsellors should urge other options than abortion with those whom they counsel; and, finally, the Episcopal Church opposes the state substituting itself for the informed conscience of its citizens.

It is in this last respect that the present stance of the Roman Catholic bishops must be challenged. Section 10 of The Declaration on Religious Freedom of the Second Vatican Council does not speak specifically to what members of the Roman Catholic Church should do about abortion and the law. But it affirms that "it is therefore completely in accord with the nature of faith that in matters religious, every manner of coercion on the part of men should be excluded." In the debate over public policy on this divisive issue, a majority of Americans, including a substantial percent of Roman Catholic clergy and lay people, disagree with the teaching of the Roman Catholic bishops. In taking the matter to the public arena, the bishops have chosen to make church teaching a subject of public discussion. Religious and political civility demands that when legislators and others disagree with church authorities they not be abused or categorized as disloyal to their religious faith.

At the heart of this discussion is the question of authority, in the state and in the church. The American Constitution, especially in its provisions concerning freedom of speech and the free expression of religion, is weighted in the direction that the body politic depends on the conscientious choices of an informed people. Assertions of moral teaching which absolutize in the name of papal authority will be resisted. So also will those of the Religious Right who claim to speak authoritatively from a position of Biblical inerrancy. Those of us whose religious heritage has been shaped by the Reformation—and in a political sense, that is all Americans—are not prepared to accord to any group of leaders the right to speak authoritatively for them. By all means, speak out. But recognize that many will disagree not only with your conclusions,

but with the principle of a centralized teaching authority on which they are based.

Faithfully yours,

ARTHUR E. WALMSLEY.

A CONSTITUTIONAL RIGHT TO SPEAK

(By John F. Whealon)

I recently wrote a column in The Catholic Transcript about the pro-choice legislators who say "I am personally opposed to abortion, but I would not impose my beliefs on other people." My main contention was that the pro-choice stance is neither logical nor theological.

Some people wrote to newspapers, saying that they did not agree with me. That is understandable. Others wrote to accuse me of being a one-issue person. Many questioned my right to speak out on such an issue.

It is clear that something needs be said about the right of a Catholic bishop to speak publicly on political questions.

In the United States of America, we live under the Constitution. The First Amendment states that "Congress shall make no laws respecting an establishment of religion, or prohibiting the free exercise thereof."

The establishment of religion meant an established state church, which the founding fathers were familiar with from England and which they did not want in the new nation. Freedom of religion was therefore guaranteed.

The same First Amendment guarantees freedom of speech to all citizens—including citizens who happen to be religious leaders.

The interpretation of the First Amendment has given much work to the Supreme Court. However, the words make clear that the First Amendment is a limitation on government, not on religious bodies or religious leaders.

This is a one-edged, not a two-edged, sword. I recognize from the U.S. Constitution no restraints on my saying anything, even from the pulpit, about a political question or political figure.

But freedom under law is one matter, and prudence is something else. It would be improper and imprudent for me or any priest to use the pulpit for a partisan political talk, to mention favorably or unfavorably the name of any party or candidate, etc. People go to church to worship God and hear teaching. That is much more important than political questions of the day.

But there is no problem when a priest or deacon speaks from the pulpit to give the church's teaching on any major moral issue confronting society.

Religious leaders have the right, even the obligation, to speak on current moral issues. The American Revolution was strongly supported by churches in the Colonies. The abolitionist movement against slavery was largely a church-based movement. The Spanish-American War was unfortunately supported by many churches. The prohibition amendment was entirely a church based effort. The civil rights movement of the 1960s had churches and church people in the forefront. So there is nothing surprising in the fact that much of the anti-abortion movement is from religious bodies.

There is a curious double standard operation in the nation. A recent candidate for the presidential nomination was a Protestant clergyman—and there were no complaints heard about the separation of church and state. Protestant churches and pulpits were recently used for openly pointed presentations—and there were no complaints about separation of church and state.

But a Catholic leader expresses in print the church's teaching on a moral and political subject and there are complaints about separation of church and state.

It is clear that, especially in the charged atmosphere of this campaign, the First Amendment to the Constitution needs to be kept in mind by all.●

THE U.S.S. "OKLAHOMA"

● Mr. BOREN. Mr. President, I would like to bring to the attention of the Senate an article that recently appeared in the Tulsa, OK, Veterans of Foreign Wars publication, the Grenade. The article, which commemorates the history of the U.S.S. *Oklahoma,* was written by my good personal friend and former Tulsa mayor, George Norvell.

The U.S.S. *Oklahoma* had the distinct honor of being the first battleship in American history dedicated to a mission of peace at its christening. Until that "day of infamy," December 7, 1941, when the ship and many of her crew went to their watery graves, the U.S.S. *Oklahoma* had never fired a shot in anger during her 31 years on the high seas.

As we approach the 43d anniversary of the bombing of Pearl Harbor and the sinking of the U.S.S. *Oklahoma,* I think it is only fitting and appropriate that we preserve for history the story of the U.S.S. *Oklahoma* by putting it in the RECORD.

I ask that the article appear in the RECORD.

The article follows:

U.S.S. OKLAHOMA: SHE NEVER FIRED A SHOT IN ANGER

(By George Norvell, former Tulsa Mayor)

Bands played and whistles blew when the USS *Oklahoma* was christened at Camden, New Jersey, March 13, 1914.

Her darkest hour was at 8 a.m., December 7, 1941, when the first of five torpedoes struck her portside at Pearl Harbor. The others followed quickly and within 10 minutes the mighty battleship lay bottom up.

Dignitaries assembled for the launching ceremonies included Oklahoma's first two United States Senators, Robert L. Owen and Thomas P. Gore, Secretary of the Navy Josephus Daniels and his 32-year-old assistant, Franklin D. Roosevelt.

War with Spain in 1898 had extended the sovereignty of the United States in the Pacific and Roosevelt was keenly aware of the necessity for a stronger and more efficient Navy.

In the campaign of 1912 he had made speeches, written letters and led 150 delegates to the Democrat convention in Baltimore.

After President Wilson was inaugurated, Roosevelt was offered several positions for his campaign efforts, but chose to become assistant Secretary of the Navy.

"All my life I have loved ships and been a student of the Navy," he explained.

He also knew that Theodore Roosevelt had reached a similar decision in 1897 when he accepted the same post under President William McKinley.

"Franklin was saying to us that some day he would be living in that house," Daniels, who was also familiar with the precedent, said after viewing a photograph of his young assistant looking from a Navy Department window toward the White House.

The ceremony preceding the launching was comparable to a society wedding. Miss Lorena Jane Cruce, attractive daughter of Oklahoma's second governor, Lee Cruce, was the battleship's godmother. She was escorted by James A. Whitcomb, of McAlester, who acted as Governor of Oklahoma for the day.

Chester O. Bunn, a member of the committee appointed by Gov. Cruce to have charge of the Oklahoma arrangements, declared that Miss Cruce "never looked more sweet and pretty." She wore a white coat suit, white hat, matching accessories and carried a large bouquet of American Beauty roses.

Bunn also complimented her popular and atractively attired attendants, Miss Frances Fite, Muskogee; Elizabeth Ames and Madeline Cottingham, Oklahoma City; Louise Bierer, Guthrie; Stella and Italy Carter, Ardmore, and Adelaide Weaver, Oklahoma City. The latter three beauties were the daughters of Oklahoma Congressmen Charles D. Carter and Claude Weaver.

Immediately preceding the launching, prayer was offered by Bishop Hoss of the Methodist Episcopal Church South, and for the first time in history a United States battleship was dedicated to a mission of peace.

At the proper signal, Miss Cruce grasped a bottle of champagne, securely fastened by red, white and blue cord and ribbons, and broke it against the armor plate on the side of the vessel, exclaiming, "In the name of the United States, I christen thee Oklahoma."

Like the rush of a mighty wind, the USS Oklahoma left its cradle and slid gracefully into the Delaware River while countless large and small craft on the river noisily saluted the largest and most powerful battleship in the Navy.

The State of Oklahoma also was signally complimented that day by the City of Philadelphia by the display on the flagstaff of Independence Hall the 46-star flag which had been presented by the new state to the Betsy Ross Society seven years earlier.

The Oklahoma enjoyed a displacement of 29,000 tons and 25,000 horsepower. The battleship was 583 feet in length and had a beam measuring 107 feet 11 inches. She carried a complement of 1,301 men and was capable of 20.5 knots. She had a 4,000-mile radius of action at full speed and a 10,000-mile radius at half speed.

In 1935 the Oklahoma was altered by the substitution of tripod for cage masts and by the installation of a deck house on which eight anti-aircraft guns were mounted. The torpedo defense battery was raised from the main deck to the forecastle and the funnel was moved aft slightly.

Other alterations included the addition of protective armor bulges in keeping with the "everything or nothing" idea then prevalent in Navy circles. The extensive alterations, costing $7,000,000, afforded greater protection but caused the battleship to be unwieldy at low speeds.

Twenty-eight hours after the Japanese struck the first blow at Pearl Harbor, Dec. 7, 1941, President Roosevelt delivered his war message to a joint session of the Congress and to the American people by means of a nationwide radio hookup. During the interim little knots of men swarmed over the hull of the Oklahoma with torches cutting through to the crew members trapped inside.

Thirty-two men were rescued—the last some eight hours after the Commander-in-Chief had spoken.

Many crew members who were topside when the attack began managed to scramble to safety and were willing to fight regardless of the odds.

Among them was Marine Sgt. Thomas Hailey, who reached Ford Island and immediately volunteered for a mission in a small unarmed plane. Hailey was handed a rifle. The mission was to locate the Japanese fleet.

Prior to the Pearl Harbor disaster, the Oklahoma had enjoyed a peaceful existence, and in 31 years had never fired a shot at an enemy. During World War I she served as a watchdog off the extreme southwest coast of Ireland.

For nearly two years after the Pearl Harbor disaster it was hoped that the ill-fated ship might be reconditioned and returned to service, but after the Oklahoma was raised, plans to accomplish this were abandoned.

On May 10, 1947, she began her last journey to the mainland on the end of a towline. The Navy tugs, Monarch and Hercules, had reached 540 miles northeast of Pearl Harbor when Capt. Kelly Sprague of the Hercules radioed that waves were washing over the desolate decks of the Oklahoma. He was ordered to head back to Pearl Harbor, but at 6:10 a.m. (CST), May 17, as if determined to escape the ignominious fate of the scrap heap, the Oklahoma parted the tow lines and sank to a watery grave three miles below.

Although she had cost $75,000,000 to build and untold sums to raise, the Oklahoma had been sold to the Moore Drylock Company, of Oakland, for $46,000.

The tragic battleship was due to arrive in San Francisco, Memorial Day, and the company had planned to start salvage operations in June. Jame Moore, head of the company, said he had received word that Gov. Roy J. Turner and a host of other dignitaries from Oklahoma had planned a special visit to Oakland to pay their final respects.

The USS Oklahoma was spared these sad tributes and the degrading consignment to the junkyard.●

DR. JURGEN TODENHOFER ON THE WAR IN AFGHANISTAN

● Mr. COHEN. Mr. President, my friend, Dr. Jurgen Todenhofer, a member of the Parliament of the Federal Republic of Germany, has sent me a copy of a resolution that the Bundestag passed unanimously.

The Bundestag's resolution, which condemns the Soviet invasion and occupation of Afghanistan, reminds us of the plight of the freedom-loving people of Afghanistan. I ask that the Bundestag's resolution and a statement by Dr. Todenhofer be included in the RECORD.

The resolution and Dr. Todenhofer's eloquent speech reinforce the importance of what both the Senate and House did last week in approving Senate Concurrent Resolution 74, the resolution calling for efforts to support the Afghan freedom fighters. As a cosponsor of that legislation, I am pleased that the Congress has sent a clear signal of our commitment to these courageous people.

Dr. Todenhofer refers to the struggle in Afghanistan as a "forgotten" war. Our action last week reflects the determination of this body to insure that the fight for freedom in Afghanistan is not forgotten. So, too, does the companion action taken by our counterparts in the German Bundestag.

The Bundestag resolution and Dr. Todenhofer's speech follows:

[German Bundestag, 10th Legislative Period, Apr. 11, 1984]

MOTION OF THE CDU/CSU, SPD, FDP, AND GREEN PARTIES—SITUATION IN AFGHANISTAN

Let the Bundestag resolve the following:

1. The German Bundestag is following with grave concern the warfare which the Soviet Union as a World Power has been waging against the Afghan people for over four years now. It recalls the:

Afghanistan resolutions of the United Nations of January 14, 1980, November 20, 1980, November 18, 1981, November 29, 1982 and November 23, 1983 as well as the resolution/ of the United Nations Commission on Human Rights, March 29, 1984;

The declarations of the Ten, December 27, 1983; of the heads of state and administration of the non-aligned nations, March 12, 1983; of the Islamic Summit Conference, January 19, 1984, as well as the resolutions of the IPU, in which international world opinion was expressed unequivocally that the Soviet intervention in Afghanistan should be condemned. The occupation of Afghanistan by Soviet troops is not only a violation of the established norms of international law, but a heavy blow to the policy of non-alignment as well. The German Bundestag is of the opinion that the continuing occupation of Afghanistan, among other things, is an important reason for the continuing tensions in East-West relations.

2. In this, the fifth year of warfare, the people of Afghanistan are still sustaining heavy casualties and losses on a daily basis. An end to this suffering will only be possible if the Soviet troops quit the country, so that interference from abroad may be brought to an end, and Afghanistan will once again regain its independence and nonalignment status.

3. The German Bundestag calls on the new Soviet leadership to cease its resistance to the demands of the overwhelming majority of the international community, withdraw its troops and enter into negotiations for a permanent solution. The restoration of the self-determination of the Afghan people would be a major contribution to international detente and to the maintenance of peace.

4. The German Bundestag requests the German Federal Administration:

(a) Since admission to Afghanistan is still being refused to the International Red Cross, to support, according to its unanimous decision of June 9, 1982, not only its humanitarian assistance to Afghan refugees, but the Afghan resistance fighters as well, especially with food and medicine, in order to alleviate the indescribable suffering of the people of Afghanistan;

(b) To support firmly the unimpeded resumption by the International Committee of the Red Cross of its activities in Afghanistan.

Bonn, April 11, 1984.

DRS. DREGGER AND WAIGEL AND PARTY.
DR. VOGEL AND PARTY.
MISCHNICK AND PARTY.
SCHOPPE, DR. VOLLMER AND PARTY.

STATEMENT OF DR. TODENHÖFER

(In today's debate in the Bundestag on the situation in Afghanistan, the CDU/CSU Bundestag faction speaker on disarmament policies, Dr. Jürgen Todenhöfer, argued the following points, among others:)

In the intensive care ward at the University Clinic in Tübingen, physicians have been fighting for over ten weeks for the life of the seriously injured young freedom fighter, Abdul Qahir. A life filled with suffering for the formerly happy 18-year old Afghan schoolboy began two and a half years ago when a Soviet bomb burned him over 50 percent of his body and smashed his limbs.

Since there is no medicine in Afghanistan for Afghans, and since the Soviet Union will not admit the International Red Cross into Afghanistan, friends of the seriously injured boy took him into a cave in order to shield him from the Soviet occupation troops. Abdul Qahir spent six months in this cave with no medical treatment. After six months his friends built a stretcher and carried Abdul Qahir over the mountains of the Hindu Kush to Pakistan in a march that lasted several days.

Abdul Qahir was lodged in a primitive hospital for freedom fighters. They built a heavy iron framework over this body so that woolen covers would not come into contact with his open wounds. He lay there for over two years—not ready to die, but not strong enough to live. He weighed 27 kilos. Visitors from the West who saw him all promised to help, but no one did.

In a dramatic rescue mission on March 18, 1984 the German Air Rescue Service got him out of Pakistan and brought him to Tubingen. German physicians there had pledged to operate on him and to care for him free of charge. In Pakistan he had a life expectancy of about two to three weeks more. If he were in Germany the Pakistani doctors gave him a twenty percent chance of survival if he could be operated on successfully. At the present time, following two serious operations, the doctors are again giving him an over 50 percent chance of survival.

Adbul Qahir is a small, seriously injured Afghan youth and everything that he has experienced, suffered and hoped makes him a symbol of the tiny tormented Afghan people. Now he has another chance. I am of the firm conviction that Afghanistan would also have another chance if the international community of states could manage to summon up just a fraction of the personal involvement that the Tübingen doctors and their assistants have shown.

No one has the right to close his eyes to the Afghan tragedy. Since the beginning of the war on December 27, 1979 over a million Afghans have been killed. Over four million have had to flee to Pakistan or Iran. Even today hundreds of Afghan women, children and old people die every week in Soviet army bomb attacks. Even today thousands flee every week from Afghanistan to Pakistan.

Whoever is wounded has little chance of survival. Even the severest wounds must be handled as a rule without anesthetics or even any kind of disinfectant, because there is no medicine. Actual medical treatment is generally completely impossible.

The villages of Afghanistan have been annihilated, the crops destroyed, and some of the wells have been poisoned. The Soviet Army takes its revenge for military defeats inflicted by the freedom fighters on the defenseless civilian population by bombing the villages. In Afghanistan the Soviets have made international law null and void.

I am saying all this without any anti-Soviet froth at my mouth. I believe that the invasion of Afghanistan by the Soviet Army was one of the most tragically wrong decisions of Soviet leadership for decades. It has led to the most senseless of all senseless wars since the Second World War. It has also cost the life of thousands of young Soviet soldiers. They were sent into Afghanistan with the mission to combat American and Chinese imperialism. In just a few weeks they saw that they had to shoot at defenseless nomads, women and children. I mourn also for the young Soviet soldiers who have fallen in Afghanistan.

I am of the firm conviction that if the population of the Soviet Union knew the truth about Afghanistan, they would completely disapprove of the war on the Afghan population by the Soviet Army. I am saying this deliberately in formal defense of the honor of the civilian population of the Soviet Union.

But the facts remain, and no one can get around them:

While the Soviet leaders make disarmament proposals throughout the world, they are bombarding Afghan villages.

While they are proposing international non-aggression treaties, they are raping a small, defenseless, neighboring people.

While they talk of love of peace, they are waging merciless war against Afghanistan.

But disarmament, non-aggression, love of peace, and detente are indivisible. Therefore the behavior of the Soviet Union in Afghanistan is a heavy blow to the hopes of all men in the whole world for peace, detente, non-aggression and disarmament. And for this reason too, this war must be ended.

This murderous war in Afghanistan is also a forgotten war. But that does not give anyone the right to cover it up. Anyone who keeps silent about Afghanistan makes himself guilty as well. There, a small nation of 16 million is fighting determinedly for its freedom against annihilation by the Soviet Union Superpower. And the international community looks on silently, doing nothing.

An especially sad chapter is the reporting done by the news broadcasts of the ARD and ZDF. The two largest German television stations report extensively on the killing of seals in Canada, but the daily suffering and dying of hundreds of thousands of women and children in Afghanistan is quite obviously not a topic worth continuous reporting. Whoever compares the silence on the Afghanistan tragedy by the "Tagesschau" and "Heute" (Trans. note: the names of the two most popular evening news shows in Germany) with the almost daily reports on Vietnam, must indeed be deeply ashamed. He would have to ask himself how German television would report about Afghanistan, if, not the Soviet Union, but rather the United States were carrying on this murderous war against Afghan women, children and the aged. The only hope of peacefully ending the war, which is a violation of international law, is by mobilizing public opinion. The television news programs which keep quiet about the daily deaths in Afghanistan are not meeting the moral claims which the public rightly makes on them.

The Soviet Union is waging a purposeful war against the children of Afghanistan. From great heights they send down bombs which look like toys and butterflies, but have the effect of contact mines. I have brought to you today two of these butterfly bombs. They were let out by the Soviets at great heights; they spin in the air like butterflies and fall soundlessly to the ground. They do not explode on contact with the ground, but rather when the children try to pick them up to play with them. These bombs tear their faces to shreds, rip off their hands or legs as with this small Afghan boy: a butterfly bomb ripped off half of his right leg. I would not withhold this picture from you.

These toys and butterfly bombs have killed tens of thousands of children. They have crippled tens of thousands of children. A war like this, against children is one of the cruelest war crimes men have ever invented.

We do not have the right to be silent any longer, and we do not have the right to watch idly while these things happen. For this reason we are asking the Federal Administration finally to have medical help sent to the freedom fighters and the people of Afghanistan. And, God knows, that is a modest request.

And we are asking the Soviet Union to put an end at last to the war in Afghanistan, to withdraw their troops and to restore at last freedom, self-determination and peace to the brave people of Afghanistan.●

IN HONOR OF TOM WICKER

● Mr. MOYNIHAN. Mr. President, as a reporter, columnist, and editor of the New York Times for nearly a quarter-century, and as an author of nonfictional and fictional books, Tom Wicker has established himself as one of our Nation's eminent journalists.

In recognition of his achievements, the University of Arizona will bestow the 30th annual John Peter Zenger award on Mr. Wicker next week at the convention of the Arizona Newspapers Association. The award, which commemorates our Nation's first defender of the right to publish—a New Yorker, I might add—is presented "to a person who has been outstanding in the fight for the people's right to know."

Anyone familiar with Mr. Wicker's career knows he has well earned this honor.

Mr. President, we will not be in session on October 18, 1984, when Mr. Wicker receives his award. I rise today to take note of the ceremony and congratulate Mr. Wicker in advance.

Without objection, Mr. President, I ask that the newspaper article announcing Mr. Wicker's selection be printed in the RECORD.

The article follows:

[From the New York Times, Sept. 12, 1984]

WICKER TO GET ZENGER AWARD FOR HIS WORK FOR FREE PRESS

TUCSON, ARIZ., September 11.—Tom Wicker, columnist and associate editor of The New York Times, will received 30th annual John Peter Zenger freedom of the press award, the University of Arizona announced today.

Mr. Wicker was selected by a vote of 400 publishers and editors across the country, the announcement said.

Philip Mangelsdorf, head of the university's journalism department, said the award was given "to a person who has been outstanding in the fight for the people's right to know."

Mr. Wicker joined the Times in 1960 and has covered the White House, Congress and national politics.

Zenger, a colonial printer, was imprisoned for defending the right to publish. He was acquitted of seditious libel by a jury that agreed with Andrew Hamilton's argument that truth was a defense against libel.

The award will be presented to Oct. 18 at the convention of the Arizona Newspapers Association.●

NEW PUBLICATIONS ON COASTAL BARRIERS

● Mr. CHAFEE. Mr. President, I have just learned of a very important series of books on the shoreline and barrier islands of the United States and the management policies that might solve many problems in this dynamic environment. The series, entitle "Living with the Shore," deals with a range of coastal management and development issues such as home-site safety along the entire Atlantic, Gulf, and Pacific shorelines, as well as two Great Lakes. Each book in this series includes the following shore-specific information:

Site-safety maps and descriptions of every stretch of shoreline, in enough detail to find specific home-sites;

Up-to-date information on land-use laws;

Discussions of the dynamics of shoreline change from the geological forces that shape the beaches;

Ways to protect life and property from damage by hurricanes and other natural disasters;

Principles of shoreline conservation, especially the counterproductive effects of shoreline stabilization measures; and

Alternative management schemes in the context of assumed acceleration of sea level rise.

With sea level rising and American recreational beaches disappearing at a rapid rate, this series will help educate our citizens about the need for wise use and proper management of our beaches. The series is published by Duke University Press and has been headed by Prof. Orrin Pilkey, author of "The Beaches Are Moving." Volumes in the series are already available for the Texas gulf coast, North Carolina, South Carolina, and the South Shore of Long Island and soon will be ready on Florida and Louisiana.

As sponsor of legislation to protect America's barrier islands and beaches, I am keenly aware of the need for greater public awareness of the tremendous geological forces operating on our beaches and the need to factor this information into our coastal de-

velopment decisions. "Living with the Shore" is precisely the educational set of books to produce this greater awareness.●

MORE VIOLENCE IN SOUTH AFRICA

● Mr. KENNEDY. Mr. President, the latest developments in South Africa raise troubling questions about the future of that country. These developments also heighten concern about the course of U.S. policy in South Africa and the role of the United States in helping to bring about majority rule.

In recent weeks, widespread unrest and antiapartheid protests have again emerged in South Africa, the worst violence that country has seen since the Soweto riots of 1976. Last week, renewed violence in the township of Kwathema led to the deaths of six blacks, including three teenagers, and the arrest of dozens more black youths. This past weekend, demonstrations were broken up by police in the Eastern Cape, in the black township of Joza near the southern coast, and in many other townships around Johannesburg. The death toll in the past 6 weeks of violence now stands at more than 80.

In addition to the riots and protests, a mass boycott of schools, colleges, and universities has been carried out by black students and students of mixed race descent. More than 200,000 black high school students, for example, have refused to attend classes. Meanwhile, the public transit system has been forced to shut down several times in recent weeks, and protests and riots have broken out among tens of thousands of black gold miners opposed to the deplorable work conditions and low pay they have endured for decades.

As well as ordering a massive presence of police in the black townships, the South African Government responded early to the unrest by imposing a ban on indoor gatherings—which include any discussions of Government policy involving two or more people—in 21 magisterial districts to preclude public commemorations of the anniversary of Steve Biko's death. This ban has also been used to justify the recent mass arrests of black demonstrators. To enforce the ban and quell the unrest, the police have resorted to tear gas, attack dogs, leather whips, rubber bullets, and shotguns.

Thus far, however, the police actions have not been as effective as the authorities apparently had hoped. The South African Government announced this past weekend that civil police forces will be expanded by nearly 50 percent, from 47,000 to 68,000, and that troops from the South African Defense Forces will be used to support the police "in riot control and all other circumstances that (the government) may decide." A Government spokesman added that army units will be "made available to the police to use as and when they think fit."

The announcement of the decision to call in troops, which was issued after soldiers had already been deployed in Soweto for nearly 1 week, is an ominous sign. The South African authorities have usually refrained from acknowledging any involvement by the defense forces in the suppression of black unrest, not least because such an admission would be likely to arouse even deeper anger in the black townships. Coming at this time, the announcement appears to be both a signal that greater force will be used in combating the unrest and a reassurance to conservative whites that the violence will not be permitted to spread beyond the black communities into the all-white areas. This latter concern was undoubtedly sparked by the recent bombings of Government buildings in Johannesburg.

The unrest in South Africa over the past 6 weeks has been spurred by many factors. The violence stems in part from economic and educational grievances, ranging from disputes over pay and rent increases to discontent spawned by double-digit inflation, rising unemployment, and the poor quality of black schools. Further resentment has arisen among blacks because of the steady loss of their citizenship under South Africa's "homelands" and forced relocation policies.

The fundamental source of the unrest, however, has been the universal dissatisfaction in black townships with the racism and injustice of apartheid. Virtually nothing has changed in South Africa over the past 25 years. The country's 23 million blacks still live under the oppression of the 4.6 million whites. Poverty and suffering are still rampant, and all political channels remain closed to blacks. The South African Government not only has continued but has accelerated the forcible relocation of blacks to tribal "homelands," a policy that violates all standards of human dignity and human rights. South Africa also refuses to grant independence to Namibia, despite the repeated attempts of Western Governments to facilitate a negotiated settlement in that territory.

In all these ways, South Africa's institutionalized racism has made it an outcast among nations. Yet nothing will change in South Africa until the apartheid system is abolished, majority rule is achieved, and gross social and economic inequities are alleviated. Unless those conditions are met, lasting political stability in southern Africa will never take hold, for the oppression of South Africa's black majority will inevitably be a recurrent source of turmoil and instability.

The South African Government appears disinclined, however, to take any genuine steps that would bring about a transition to majority rule. The new constitution merely entrenches apartheid by totally excluding South Africa's black majority from any political participation and by granting only meaningless concessions to the Asian and mixed race minorities. The Government initially sought to attribute the recent unrest entirely to minor grievances, which could be easily remedied, and to insist there was no relationship between the violence and the United Democratic Front's protests against the new constitution. But as the violence and unrest have intensified, the Government has begun to claim that the UDF—a multiracial alliance of labor unions, students, community orgnizations, and political parties—has been "agitating" and inspiring the violence.

These allegations, no doubt, are part of the Goverment's larger intention to ban the UDF. The UDF was set up in September 1983 to oppose the new constitution and to organize a boycott of the August 1984 elections. When the group, under the dynamic leadership of Reverend Allan Boesak, quickly attracted several million supporters, and when the election boycott proved remarkably successful, the UDF became increasingly regarded as the most potent opposition in South Africa. For that reason, the authorities have sought to erode the organization's influence and, ultimately, to dissolve it.

The Government's efforts toward this end included the arrest, without charges, of several UDF leaders in Natal and the Transvaal shortly before the August 1984 elections. Because of the Interior Minister's failure to specify any reason for the detentions, a judge ordered the release of six of the leaders, who had been detained in Natal. Upon their release, the six men—one black and five of Asian descent—disappeared for a few days, thus preventing the Government from serving a new detention order that would cite national security considerations as grounds for not explaining the detention order. Eventually, the six emerged in the British consulate in Durban, where they had remained until this past Saturday. Three of them left the consulate on Saturday, only to be immediately rearrested. The other three have vowed to remain in the consulate for the time being, despite the British Government's pressure on them to leave.

The Durban incident is all the most disturbing because of the U.S. Government's failure to take any action. Last week, lawyers for the six fugitives had asked the United States and three West European countries for sanctuary. The Reagan administration re-

jected this request, claiming that temporary refuge could be granted only "in exceptional cases of imminent bodily harm."

I fail to understand this rationale, and I am appalled by the callousness of the administration's handling of the request. At no time did any of the UDF leaders advocate or encourage violence; the only reason for their detention was their obvious effectiveness in opposing the new constitution. The three still inside the consulate are in danger as long as they remain in South Africa; their fate will be the same as that of the three who are now back in prison. The decision not to grant sanctuary was a disgrace.

This incident is one more reflection of the bankruptcy of the Reagan administration's "constructive engagement" policy. The administration may call its approach constructive, but the policy in fact has been anything but that. No progress has been achieved either in reaching a settlement on Namibia or in promoting genuine reform in South Africa's domestic politics. Far from becoming better, as the administration has tried to claim, the situation in South Africa has grown steadily worse.

What is more, "constructive engagement" has cast a heavy shadow over the standing of our country in the international community and in the eyes of South Africa's blacks. The United States has become identified with the South African Government and with the apartheid system that props it up. In a recent conversation I had with Reverend Boesak and Bishop Desmond Tutu—two of the most courageous opposition figures in South Africa—they confirm to me that both blacks and whites in South Africa now regard the United States and South African Governments as linked in a common cause. The Durban incident will merely strengthen that perception.

It is shameful that the United States is now looked upon as South Africa's only friend. Everything the South African Government stands for is contrary to our country's cherished values and democratic ideals. The United States should never have compromised on its position that apartheid cannot be tolerated and that it must be ended before normal relations between Pretoria and Washington can be restored.

It is time the administration realized that friendly gestures alone have not worked and, in fact, have been counterproductive. I had hoped that the Congress would prod the administration into action by enacting an amendment to the Export Administration Act that would impose meaningful sanctions against South Africa. Last week, through the diligent efforts of Congressman STEPHEN SOLARZ, a conference committee had approved a compromise measure that would have prohibited all U.S. bank loans to the South African Government and its entities, and would have required the State Department to monitor and report on the extent of compliance by U.S. firms in South Africa with the Sullivan principles of fair employment. Although I would have preferred mandatory enforcement of the Sullivan principles with provisions for civil and criminal penalties against U.S. businesses that violate the guidelines, the amendment as it stood last week seemed to me a fair and reasonable compromise.

But now it turns out the Senate will not get a chance to vote on the amendment that had been agreed to, with bipartisan support, last week. The chairman of the Committee on Banking, Housing, and Urban Affairs has decided instead to offer his own version of a conference report that would delete the proscription on U.S. bank loans and merely require the State Department to monitor, but not enforce, compliance with the Sullivan principles. Thus, the key provision that would have imposed a penalty against the South African Government and the apartheid system—the ban on bank loans—has been lost. This conference report is such an emasculated version of what has originally emerged from the conference that I find it difficult to support. I hope we will still get a chance to vote on the amendment that had been drafted last week.

Mr. President, let me conclude by reiterating my dismay over the Reagan administration's stance toward South Africa. The recent violence and mass arrests have yet to provoke more than a tepid reaction from the administration. Yet, as an October 3 letter to President Reagan signed by 59 Congressmen pointed out, "these acts of increased internal repression in the past 2 months are stark reminders of the continuing brutality of South Africa's system of white minority rule." It is time for the U.S. Government to move swiftly and forcefully in seeking the release of political prisoners in South Africa, in pressing for a halt to the forced relocation policy, and in promoting genuine progress toward the abolition of apartheid.

I ask that the text of the October 3 letter from the 59 Congressmen to the President be printed in the RECORD at this point.

The letter follows:

COMMITTEE ON FOREIGN AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, DC, October 3, 1984.

Hon. RONALD REAGAN,
President of the United States,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: We are writing to express our grave concern about the consistently deteriorating human rights situation inside the apartheid state of South Africa, to seek your assistance in pursuing the immediate release of the numerous political detainees in that country and to establish a stronger public condemnation of the racist repression inside South Africa.

As you know, the South African government initiated a massive program of arrests and detentions, without charge, of opposition figures on the eve of the recent so-called Colored and Indian elections in South Africa in late August. This escalation of racial repression has already raised to 572 the total number of detentions (for 1984) of opponents of the white minority regime as of the end of August, well above the total for all detentions in 1983. Also, during the past several weeks over 70 black South Africans have died at the hands of South African police and security forces.

Under South Africa's draconian security laws, hundreds of black opponents are victimized each year by a system of unjust laws that override the rule of law—creating literally a nation of prisoners of conscience. Over the past several years, and increasingly during recent months, all civic, political, religious, and sports organizations opposed to the white regime in South Africa, as well as black trade unions, have faced a serious increase in state repression including the banning of meetings, confiscation of literature, interrogation (including torture) and detention of leaders and supporters alike on a variety of statutes designed to restrict their opposition activities. This legalized violence of arbitrary arrest and detention without trial is in addition to the daily violence of forced black population removals, the violence of a deliberately inferior educational system for black children, the violence of hunger an malnutrition in the bantustans, the violence of the migratory labor system which forces men to live an unnatural existence in single-sex hostels, and the violence of political disenfranchisement.

The overwhelming black rejection of South Africa's new constitutional offer to segments of that community (the so-called Coloreds and Indians) to collaborate with the ruling white minority in a new tricameral apartheid parliament clearly demonstrates that most South Africans believe the government's recent reforms are only aimed at entrenching the current system of racial repression. In an effort to legitimize this unrepresentative parliament Pretoria is rapidly moving to silence all opposition inside the country for an indefinite period through the massive crackdown we are now witnessing.

We believe it is both a moral and political imperative that the United States not only rhetorically condemn the recent escalation in repression in South Africa and the daily violence inflicted on that country's black majority but also initiate a sustained campaign of American opposition to South African repression similar to that which you initiate toward Poland. We believe that our rhetorical denunciations should be wedded to a program aimed specifically at securing the release of political detainees and halting forced removals as a way of advancing the observance of human rights for all members of South African society.

As part of this program the United States must first make it clear that we can never accept a normalization of ties with South Africa if it continues to pursue a doctrine of racial supremacy, based upon a constitution and homelands policy unacceptable to the vast majority of its population. We further recommend that funds available under the South African Human Rights Program [established under section 116(e) of the Foreign Assistance Act] be used to directly sup-

port the efforts of organizations to secure the release of political detainess and to halt forced removals.

While the white minority regime in Pretoria attempts to gain greater acceptance of South Africa in the western world, by presenting its new constitution as a meaningful reform of apartheid, these acts of increased internal repression in the past two months are stark reminders of the continuing brutality of South Africa's system of white minority rule.

Mr. President, we call upon you to take immediate steps in pursuit of the release of political detainees in South Africa and to initiate a public campaign in opposition to South African repression and particularly aimed at securing the release of all political prisoners and halting that government's policy of forced removals.

Respectfully yours,

Howard Wolpe, Mel Levine, John Bryant, Mickey Leland, Richard Durbin, Bruce Morrison, William Ratchford, Paul Simon, Thomas J. Downey, Robert T. Matsui, Stewart McKinney, Major Owens, Edolphus Towns, Mike Lowry, Barney Frank, Mervyn M. Dymally, Marcy Kaptur, Barbara Boxer, Michael Barnes, William J. Coyne, Robert Torricelli, Sander M. Levin, Robert Mrazek, William H. Gray III, Lawrence Smith, Katie Hall, Howard L. Berman, Douglas K. Bereuter, Lane Evans, Gary L. Ackerman, Geo. W. Crockett, Jr., Steny H. Hoyer, Jim Leach, Walter Fauntroy, Cardiss Collins, James J. Howard, Norman Mineta, James L. Oberstar, Louis Stokes, Don Edwards, Gus Savage, Mary Rose Oakar, Patricia Schroeder, Robert A. Young, Edward J. Markey, Jerry M. Patterson, Stephen J. Solarz, Ronald V. Dellums, Richard Ottinger, William Lehman, Parren J. Mitchell, Harold Ford, John Conyers, Joseph Addabbo, Ted Weiss, Dan Glickman, James Scheuer, Henry A. Waxman, Edward F. Feighan.

COMMITTEE ON FOREIGN AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, DC, October 3, 1984.

Mr. P.W. BOTHA,
President, Republic of South Africa,
Pretoria, South Africa.

DEAR MR. BOTHA: We are writing to express our grave concern about the consistently deteriorating human rights situation inside your country and to call upon you to take immediate steps to release the numerous policical detainees currently being held following the massive campaign of arrests initiated on the eve of the recent elections in South Africa. We also call upon you to revoke the new detention orders for the six people currently confined to the British Consulate in Durban.

We further wish to formally protest the recent deaths of some 70 opponents of apartheid and striking mineworkers. The activities of South African security forces, including arrests, beatings, detentions, torture, and killings, only demonstrates the continuing unacceptability of South Africa's system of repressive and racist rule. As many members of Congress have stated before, the United States can never accept a normalization of ties with South Africa if it continues to pursue a doctrine of racial supremacy, based upon a constitution and homelands policy opposed by the vast majority of your population.

Again, We call upon you to immediately rescind the detention orders of all political detainees currently being held as well as those in refuge at the British Consulate.

Sincerely,

HOWARD WOLPE,
MEL LEVINE,
JOHN BRYANT,
MICKEY LELAND
plus 55 other signatures (the same Members whose signatures are on the following letter)●

NEGATIVE REGIONAL IMPACT OF STEEL IMPORT RESTRAINT

Mr. WILSON. Mr. President, an event of truly national importance took place yesterday when the Senate of the United States agreed to the conference report on the trade bill. Contrary to the great traditions of this body, the Senate acted with such dispatch that even some of us who had intended to participate in the debate missed it.

Mr. President, for those who were not on the floor at the time, I want them to understand fully the importance of that, to express my strong support for the conference report on H.R. 3398, the omnibus trade bill, for it makes many significant and worthwhile changes in our tariff and trade laws.

Among the changes in which I have a very direct interest are Israel free trade, reciprocity, wine equity, and a reduction in tariffs on semiconductors. For these provisions, and others, I want to applaud the extraordinary efforts of the Senator from Missouri, [Mr. DANFORTH], and others who have worked so hard to bring about an agreement, particularly the distinguished chairman and ranking member of the Finance Committee, Mr. DOLE and Mr. LONG, as well as the ranking member of the International Trade Subcommittee, Mr. BENTSEN. I also want to express my appreciation to Ambassador William Brock, the U.S. Trade Representative, for his gracious willingness to work with me to help resolve some of the most potentially contentious trade issues affecting California.

Mr. President, I also do want to express some great concern over the provisions regarding steel in the final version of H.R. 3398. The economic impact of steel imports has been a hot topic around Washington since the 201 action was filed with the International Trade Commission early this year. Great claims were made about the wonderful effects of quotas, some claiming that they would not only save our domestic steel industry, but would also save and create thousands of jobs. On the other side, strong evidence was presented, specifically by the Congressional Budget Office, which showed that not only would quotas cause a net decrease in employment in the United States, but would also not rectify the real problems facing the steel industry.

In this regard, I ask unanimous consent that a letter I sent to the President, along with eight of my colleagues, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, September 18, 1984.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: We want to express our complete opposition to the implementation of any quotas on steel imports. The voluntary restraints on steel which are presently in effect have already done great damage to our economy by raising the price of basic feedstock to thousands of steel finishers, both large and small, throughout the country. To enlarge and formalize steel import restraints through the imposition of quotas, as recommended by the International Trade Commission, would constitute a further and more serious self-inflicted wound.

That there are many more people employed in the United States producing steel products than there are producing steel is truly not subject to debate. In light of the assessment of the Congressional Budget Office that the so-called "Fair Trade in Steel Act"—which calls for quota restraints much more severe than those recommended by the ITC—would not "reverse the secular decline in the (steel) industry," it would make little sense to impose quotas administratively. To do so would only serve to temporarily save some jobs in the steel industry while permanently endangering the jobs of many thousands of workers in the automobile, machinery, and construction industries, at a time when these industries are just starting to enjoy the benefits of the recovery. By raising the costs of raw materials for domestic manufacturers while maintaining free and open trade in the products they produce, our government would be exacerbating the problems they face in meeting competition from international competitors in both foreign and domestic markets. And as recent history has shown, even temporary trade restraints can lead to lost markets on a long-term basis.

Quotas would lead to an exacerbation of our balance of trade difficulties. Countries which presently export steel to the U.S. would retaliate by restricting U.S. imports. Other countries would see U.S. steel quotas as a renunciation of our professed free-trade policy, thereby undercutting our efforts to maintain and improve foreign access for U.S. goods—both in Europe and in the increasingly important Pacific Rim. Goods which could well be affected range from agricultural commodities such as beef, citrus, wine, grain, and corn gluten, to high technology products such as semiconductors, computers, and telecommunications equipment. Furthermore, our attempts to expand trade in services could also suffer setbacks.

We support efforts to stop and retaliate against the importation of goods which are subsidized or are being dumped in the U.S. However, as you know, these unfair and illegal actions are not the basis of the ITC recommendation. Rather, the imposition of a

quota in this situation would be purely and simply protectionist.

Succinctly stated, we believe that the economic well-being of all of America is best served by your rejection of steel import quotas.

Thank you for your consideration of our views on this important matter.

Sincerely,

Senators, Pete Wilson, Slade Gorton, Steven D. Symms, Mack Mattingly, Mark Andrews, John H. Chafee, Bob Packwood, James A. McClure, Nancy Landon Kassebaum.

Mr. WILSON. Mr. President, beyond the negative impact on the national level, unfortunately too little attention has been paid to the regional effects of steel quotas. In my State of California, there simply is too much demand and too little steel being domestically produced to meet it. California is not looking to imported steel merely because it is less expensive. California, along with most other Western States, is looking to imported steel because it is the only steel that is available.

As the Members of the Senate are aware, the conference report does not contain quotas on steel. And, the President recently rejected the ITC recommendation to impose quotas.

However, with the so-called voluntary restraints which the President has announced he will seek with countries exporting steel to the United States, when coupled with the language in the conference report and the statement of managers, is fraught with danger for steel consumers in the West. This is particularly true as information that this Senator is receiving suggests that the new restraints will fall most heavily on important suppliers of steel to California, such as Brazil, South Korea, and Spain.

Any action which cuts steel availability in the West—either a quota or a voluntary agreement—will hurt California steel consumers and therefore, ultimately, individual consumers of finished products.

Already, there are shortages of steel products in California because east coast producers are unable or unwilling to ship their products across the country. One company, Pinole Point Steel, is presently facing the prospect of shutting down due to short supply and the decision of the Commerce Department to deny a waiver request on shipments otherwise proscribed by our agreement with the European Community—despite the fact that no U.S. producer will make up the shortfall.

Further restraints would actually harm steel industry employment in California. They would make it unlikely that the closed steel mill at Fontana would be able to reopen and create hundreds of jobs, because the mill would be unable to buy adequate feedstock from anyone at any reasonable price. Even if there were a special allocation of imported steel to the West, further cutbacks in steel imports to the West could cripple a number of industries in California.

Mr. President, as I have stated, there is much in this bill which I support. I do want to state at this time, however, that if the so-called voluntary restraints on steel further obstruct the flow of steel to California, this Senator will take to the floor of the Senate to take whatever action is necessary to protect his State's economy, which is the largest in the Nation—and among the largest in the world—and which is heavily dependent on steel imports.

Mr. President, I suggest the absence of a quorum.

Mr. MATSUNAGA. Mr. President, will the Senator withhold?

Mr. WILSON. Yes.

TO ROAST THE SENATOR BAKER

Mr. MATSUNAGA. Mr. President, I believe it is appropriate at this time during the waning hours of the 98th Congress for me to add some spark and roast the Senator BAKER.

Mr. President, when the 99th Congress convenes next year, we on this side of the aisle will look to the other side and see a gaping hole, as large and conspicuous as the empty sky where once stood a giant oak tree, felled to the ground—HOWARD BAKER will be missing; and while there may be a few across the aisle who may not agree, no one will be able to fill his seat.

Eight years ago, when I left the House of Representatives to come to this upper House, some of whom I thought to be my best friends remarked that by the move I had, at once, improved the quality of both Houses. Fortunately for all of us, HOWARD BAKER will be leaving us, at the end of this 98th Congress, to undertake the task of improving the quality, so sadly lacking, of the third House at the other end of Pennsylvania Avenue.

I am sure there are many, especially on this side of the aisle, who wish that the distinguished majority leader were seeking that office this year, for as one constituent said to TIP O'NEILL, who was running for reelection to the House early in his career, "I'll support you because any one would be better than the man we now have."

Truthfully speaking, I would be willing to make my personal commitment here and now to support HOWARD BAKER in his effort even 4 years hence, if he will but amend that one glaringly conspicuous flaw in his judgment, by running as a Democrat.

All joking aside, no one can deny that HOWARD BAKER has proved himself a strong and effective majority leader, through firmness and fairness. Like the mystical maiden of beauty, he has mastered the art of saying "No," without dashing the seeker's hopes or aspirations. Without a doubt, HOWARD BAKER is one of the two most highly respected and admired Members of this august body. To retain the continued friendship of every other colleague, I am not now saying who the other one is.

In all seriousness, I am sure I speak not only for myself, but for all Senators on both sides of the aisle, when I say, "HOWARD, we will miss you more than words can express. Hele oe me ke aloha!"

Mr. WEICKER. Mr. President, I believe the majority leader is prepared to make a unanimous-consent request.

Mr. BAKER. Mr. President, I wish to express my deep, genuine, and humble appreciation to the distinguished Senator from Hawaii and to apologize for leaving the floor. I have to confess that when I hear compliments uttered such as the extravagant compliments just uttered by the Senator from Hawaii, I am tempted to demand equal time for rebuttal.

UNANIMOUS-CONSENT AGREEMENT ON CONFERENCE REPORT—H.R. 6028

Mr. BAKER. Mr. President, there is a conference report that has been cleared for action on both sides. I would like to propound a unanimous-consent request with respect to it.

I ask unanimous consent that the Senate now proceed to the consideration of the conference report to accompany H.R. 6028.

I further ask unanimous consent that there be 10 minutes of debate equally divided on the conference report to be all-inclusive of debate on the conference report and any amendments in disagreement thereto; and that the control of the time be in the usual form.

I ask unanimous consent that no amendments be in order to the amendments in disagreement.

I ask unanimous consent that no motions be in order except motions to recede or to concur and similar motions or motions to reconsider on which no debate will be in order or a motion to table a motion to reconsider be in order.

I further ask unanimous consent that no point of order shall lie against this conference report or any amendments thereto.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS—CONFERENCE REPORT

Mr. BAKER. Mr. President, pursuant to that request, I submit a report of the committee of conference on H.R. 6028 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6028) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1985, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of today, October 10, 1984.)

Mr. WEICKER. Mr. President, I am pleased with the agreements we reached with the House in conference on fiscal 1985 appropriations for the Departments of Labor, Health and Human Services, Education, and related agencies.

The conference agreement includes Federal funds totaling $104,564,893,000 for programs under the jurisdiction of the Labor-HHS-Education Subcommittee. That represents an increase of $4,879,547,000 over the President's budget, but a decrease of $1,501,291,000 from the fiscal year 1984 level. We agreed to increases of $8,769,353,000 over the House-passed version, and decreases of $1,338,730,000 below the Senate-passed bill. Most importantly, the totals for discretionary programs are well within the ceilings for the subcommittee under the so-called Rose Garden agreement.

For the Department of Labor, a total of $6,340,645,000 in Federal funds is included. The bulk of these resources—$4.1 billion—is for implementation of employment and training programs. Specifically, $617,000,000 was included for the Job Corps, an increase of $17,000,000 over the budget request, intended to avoid such cost saving measures as increasing the size of classes and increasing the caseloads of counselors and supervisors. We also included a $100,000,000 increase over the budget request for the Summer Youth Employment and Training Program, which will maintain the higher levels approved in the fiscal 1984 supplemental. An increase of $37,000,000 was agreed to for State employment service activities, as well as $326,000,000 for Community Service Employment for Older Americans, which will provide 653,800 jobs.

For the Department of Health and Human Services, Federal funds total $79,630,793,000, an increase of nearly $6 billion over the fiscal 1984 level.

I am especially pleased that we have provided $5,145,959,000 for the National Institutes of Health—up from $4.5 billion in fiscal year 1984. The total provides $217,530,000 for research training not originally considered by the House, including a stipend increase for NIH trainees. The totals also provide construction funds not included in the House bill so that NIH can proceed with construction of the cancer center at the University of West Virginia. The National Eye Institute construction account also includes up to $1 million for the opthamology department at the University of Oregon.

Additionally, we have several very significant increases over and important accomplishments within the Health Resources and Services Administation. Among them, we have provided $478 million—the fully authorized level, for the maternal and child health programs, and almost $9 million more for community health centers—to the fully authorized level—as well as providing transfer authority so that these centers do not have to continue to absorb the cost of retaining private practice option National Health Service Corps physicians.

Between now and the year 2000, the size of our population aged 55 and older is expected to increase 19 percent; 65 and older will increase 27 percent; and 75 and older will increase by over 50 percent. Because of the great concern about these future trends in health care for the aged, $5 million has been included to establish departments and programs in geriatric health care in our medical schools.

An additional $55.6 million over the budget request was provided for nurse training programs as well as nursing research activities, including $5 million set aside for a center for nursing research when it is authorized.

For the Centers for Disease Control, a total of $410,530,000 was agreed to, including $203,878,000 for items not originally considered by the House. Overall, the bill has more than $83 million for surveillance, research, and treatment of acquired immune deficiency syndrome.

We provided $922,621,000 for the Alcohol, Drug Abuse, and Mental Health Administration, including $490,000,000 for the mental health block grant and $96,000,000 for mental health research. This represents an increase of $73,621,000 overall from the 1984 level, including an additional $28,000,000 for the block grant program.

The conference agreement also includes almost $2,000,000 to enable the Health Care Financing Administration to intensify its surveying and technical assistance efforts with regard to the intermediate care facilities for the mentally retarded. Many of these facilities do not currently meet Federal certification standards, and we have a responsibility to the residents of those institutions to see that they receive the highest quality of care we can provide.

For the Social Security Administration, a $63,000,000 increase over the budget request is intended to restore the proposed elimination of 2,850 staff, and strengthen services to Social Security clientele in field offices.

The conference agreement includes $2.1 billion for the Low-Income Home Energy Assistance Program, an increase of $225 million over the budget request. Last year, this program provided assistance to more than 6.5 million households, and helped alleviate the impact of an extremely harsh winter.

We increased Head Start appropriations by $80,000,000 over the budget request, raising total funding above $1 billion for the first time—$1,075,059,000 to be exact. For child welfare assistance, the House agreed to the full Senate increase of $35 million over the fiscal year 1984 level, for a total of $200,000,000. Under the Child Abuse Prevention and Treatment Act, the conferees increased appropriations from the 1984 level of $16.2 million to $26,000,000, which should help implement new initiatives recently approved by Congress in renewed authorizing legislation.

I am particularly pleased that we were able to expand funding under the community services block grant to more than $372,000,000, an increase of $20,000,000 over 1984. These funds provide an array of antipoverty services to hundreds of thousands of our most needy citizens. We also maintained the social services block grant at the current level of $2,700,000,000.

Although the House originally deferred consideration of Older Americans Act programs, I am pleased the conferees agreed to the full amount recommended in the Senate-passed regular bill for nutritious meals, social services and centers, and other activities, totalling $701,600,000. The conferees also expressed the belief that supplemental action may be needed early next year in order to take into account recent congressional reauthorizations contained in the Older Americans Act Amendments of 1984.

In an area of special concern to me, as chairman of the Handicapped Subcommittee of the Labor and Human

Resources Committee, the House agreed to my recommendation of $75,700,000 for programs under the Developmental Disabilities Assistance and Bill of Rights Act, the full amount recently agreed to in conference on renewed authorizing legislation. This includes $50,250,000 for State grants, $13,750,000 for protection and advocacy, $9,000,000 for university affiliated facilities, and $2,700,000 for special projects.

The conferees also agreed to maintain the Work Incentive Program at a level of $266,760,000.

For the Department of Education, the conference agreement provides $17,601,556,000, compared to fiscal 1984 appropriations of $15,364,661,000.

Included in the total is $100,000,000 to begin the new science and math education program under the Education for Economic Security Act. An additional $634,000,000 over last year's level was approved for student financial assistance, including $3.325 billion for Pell grants. This allows an increase in the maximum grant a student may receive from $1,900 to $2,000.

For impact aid, the conference agreement provides $695,000,000, a $95,000,000 increase over the 1984 appropriation.

The House agreed in conference to our full Senate recommendation of $1,135,145,000 for education of the handicapped State grants. Overall, education for the handicapped appropriations increase by $81 million over the 1984 enacted level, providing a total of $1,321,270,000.

Vocational rehabilitation basic State grants increase by $62.2 million over last year, to $1.1 billion. The entire amount under the rehabilitation and handicapped research appropriation is $1,233,300,000, $78,200,000 above the 1984 level.

Despite a budget request of zero, the conferees agreed to expand libraries funding to $125 million, compared to $87 million in 1984 enacted appropriations, including $25 million for public library construction.

There should be no doubt in the various departments and agencies under the jurisdiction of my subcommittee that the Senate report which accompanies S. 2836 fully applies with respect to fiscal year 1985 Labor-HHS-Education appropriations, and the executive branch will be held accountable for following our intent as expressed in that report, as well as the conference report accompanying H.R. 6028.

Mr. President, I have focused my remarks to items of disagreement between the House and Senate that were resolved in our conference recommendations, calling attention to matters of particular concern. Thus, of our 12 related agencies, I will mention only two: $150,164,000 for the ACTION Agency, and $200,000,000 for the Corporation for Public Broadcasting fiscal 1987 advance.

In conclusion, Mr. President, I believe we have fashioned a bill that is both compassionate for the millions of Americans that it serves, and fiscally responsible. Our recommendations, while retaining the bulk of the new initiatives of priority concern to Congress, is still within the budget resolution ceiling for subcommittee discretionary programs.

I therefore urge my colleagues to adopt these conference report recommendations.

Mr. RANDOLPH. Mr. President, I commend my able colleagues, the chairman of the Labor-HHS Subcommittee, Mr. WEICKER, and the ranking Democratic member, Mr. PROXMIRE, for their capable leadership in ushering the conference committee to the final bill that is before us now. This measure will serve the needs of our Nation for the next fiscal year. Mr. President, in my capacity as a member of the Committee on Labor and Human Resources I am particularly interested in that portion of the continuing resolution that is within the jurisdiction of the Labor-HHS-Education Subcommittee.

One vitally important component of this legislation provides a funding level of $4.5 million for the development of a cancer center at West Virginia University. For the past 2 years, West Virginia University has been working closely with the National Cancer Institute to establish a regional cancer center in the State. The program will serve as a national model in establishing a regionalized, rural-based cancer center, stressing strong integration with existing community hospitals. By the coordination of programs throughout the Appalachian plateau aimed at cancer prevention and education, and through the development of affiliated programs in the major population areas of West Virginia, including Huntington, in coordination with the Marshall University Medical School, Charleston, Wheeling, and Lewisburg, in coordination with the West Virginia School of Osteopathic Medicine, the center will provide an organized approach to cancer prevention, early detection, and availability of specialized care to all of West Virginia. The development of such a program will significantly improve the care of many cancer victims in West Virginia and its neighboring States, a region that is currently underserved.

Currently there are 59 cancer centers in the United States, but none are within a 100-mile radius of West Virginia and the Appalachian plateau. As a result, 30 percent of West Virginia's patients are currently forced to leave the State for all or part of their care. While other causes of death have declined in frequency, cancer incidence has increased and is now the second leading cause of death from disease in West Virginia. This year, based on data provided by the National Cancer Institute, it is estimated that: Approximately 27,900 West Virginians are alive who have or have had cancer; 7,900 West Virginians will be newly diagnosed with cancer; 4,100 or about 10 West Virginians per day are dying from their cancer; and most important, particularly when justifying the need for a cohesive, academically based program, one-third of those dying from their cancer might have been saved by earlier diagnosis and treatment. The magnitude of cancer problems facing West Virginia today primarily relate to a lack of organized, statewide approaches to cancer prevention, early detection, and accessibility to specialized care.

The need for establishment of a regional cancer center in this area of Appalachia is undeniable. However, considerable obstacles must be overcome, as the cost for such a program is very high, and adequate funding difficult to obtain. It was for this reason that Senator BYRD in his capacity as a member of the Senate Appropriations Committee, offered an amendment to the Labor-HHS-Education Appropriations bill providing for the $4.5 million funding level for the development of the cancer center at West Virginia University. I commend my friend and colleague on his successful effort to convey to the Appropriations Committee members the true need in our State for such a cancer program. I also commend and thank the chairman of the subcommittee, Senator WEICKER, for his recognition of the problem in West Virginia and his determination to address the need for such a program in our State. Senator WEICKER and the other members of the Senate and House Subcommittees on Labor-HHS-Education Appropriations are certainly leaders in the continuing effort to improve our Nation's health, as they guide the Congress in its appropriation of funds for programs of great value such as that being developed at West Virginia University. Again I thank you and applaud your efforts.

Mr. WEICKER. Mr. President. I move the adoption of the conference report on H.R. 6028.

The PRESIDING OFFICER. Is there further debate?

Mr. PROXMIRE. Mr. President, I understand I have 5 minutes. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. I shall take much less than that, then I shall yield the rest of my time to the Democratic leader.

Mr. President, I'm delighted that for the second year in a row, we have this

opportunity to approve a Labor-HHS-Education Appropriations bill.

Although I'm concerned over the fact that the discretionary funding included in this bill exceeds the President's budget request by $3.7 billion, the bill as reported from conference falls within the ceilings imposed by the budget resolution and I hope we can quickly approve this conference report.

Mr. President, for 5 years before 2 years ago, we are unable to pass this bill. It had to go into a continuing resolution. That is not true this year, it was not true last year. I wish especially to congratulate my senior colleague from Connecticut who has now gone two for two in managing this very difficult legislation.

I thank the Senator.

CANCER CENTER

Mr. BYRD. Mr. President, I am pleased that the conference agreement on the fiscal year 1985 appropriation bill for the Departments of Labor, Health, and Human Services, Education, and related agencies, includes funding for the National Cancer Institute's construction grants program, $4.5 million of which is for the Cancer Center at West Virginia University.

The Appalachian Plateau has no organized approach to cancer prevention or early detection, and no availability of specialized state-of-the-art cancer care. There are no cancer centers within a 100-mile radius of West Virginia. In fact, some areas of West Virginia are even further removed than that from accessibiity to cancer care and treatment.

Many cancer patients find it necessary to leave the State for all or part of their cancer treatment. If they cannot afford to leave the State, or if they are just too ill to travel, they do not receive the specialized treatment they need. Based on data in 1973 from the National Cancer Institute, expert authorities estimated that, in that year, 7,700 West Virginians would be newly diagnosed with cancer and that 3,900 would die—about 10 West Virginians per day. One-third of those dying from cancer in West Virginia might have been saved by earlier diagnosis and treatment. Sad to say, 1973 is the latest data available for West Virginia.

For the last 20 years, West Virginia University has been involved in cancer research. Building on that experience, the proposed West Virginia University cancer center will focus heavily on early detection, prevention, and treatment of cancer. The cancer center will also create an extensive outreach program and satellite facilities to bring cancer care closer to those individuals in need. The Cancer Center will also place special emphasis on those cancers prevalent to West Virginia, such as lung, gastrointestinal, and familial polyposis coli, Gardner's disease.

This center will be named the Mary Babb Randolph Cancer Center after Mrs. Jennings Randolph. After a lengthy and courageous fight, Mrs. Randolph died from cancer. Trained as a social worker, Mrs. Randolph had a special degree of understanding and concern for the well-being of others. I know she would be proud to have this center named after her.

What more fitting tribute to Mrs. Mary Babb Randolph than to establish a cancer center that will ease the suffering of those afflicted with this most horrible disease and will work toward the prevention and cure of cancer?

I thank the chairman of the Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies, [Mr. WEICKER] for his able leadership and assistance in supporting my proposal to establish the Mary Babb Randolph Cancer Center. I also want to thank the ranking member [Mr. PROXMIRE] for his assistance. I am sure that in the years ahead, all of those who have joined in supporting the Mary Babb Randolph Cancer Center will find that it is not only an enduring tribute to Mrs. Randolph, but that it will also provide West Virginians and all other Americans with a more effective weapon in the war against cancer.

Mr. WEICKER. Mr. President, I want to respond to my good friend from West Virginia. First, I compliment him for pursuing the cancer center in West Virginia; also to express along with him my admiration both for the senior Senator from West Virginia and his deceased wife and say what a wonderful thing it is to see this institution named after her. Indeed, the subject matter was discussed in detail during the course of the conference and it was the intention of the conferees that such sums as are in the bill and mentioned by the Senator go for the construction of that center. I think it was a job well done.

For all the tributes in the sense of our words—and they are well meant also—something like this is a lasting tribute.

Mr. BYRD. Mr. President, I thank the distinguished Senator.

Mr. DOMENICI. Mr. President, I support the fiscal year 1985 Departments of Labor, Health and Human Services, and Education, and related agencies appropriation conference agreement.

I commend the chairman of the subcommittee, Senator WEICKER, and the chairman and the other members of the Senate Appropriations Committee for their work on this bill. It is an important measure providing significant increases in many domestic programs for the elderly, the poor, and the young and the handicapped.

This conference agreement provides $93.5 billion in budget authority and $80.2 billion in outlays for fisal year 1985 for the important activities of the Departments of Labor, Health and Human Services, and Education, and related independent agencies.

After adjustments for possible later requirements, the Labor-HHS conference agreement provides $32.5 billion in budget authority for discretionary programs. This nondefense discretionary spending level is consistent with the guidance given to the subcommittee by the full Senate Appropriations Committee on June 4, 1984. Mr. President, I ask unanimous consent that a table showing this relationship be printed in the RECORD at the conclusion of my remarks.

Again, Mr. President, I support this conference agreement and urge its adoption by my Senate colleagues.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Labor, Health and Human Services, Education, and Related Agencies Subcommittee, Nondefense discretionary budget authority

[In billions of dollars; fiscal year 1985]

Conference agreement (H.R. 6028)	31.9
Possible later requirements:	
Refugee assistance	.5
Health planning	.1
Subcommittee total	32.5
Committee guidance[1]	32.6
House-passed level	33.4
President's request	28.2
Subcommittee total compared to:	
Committee guidance[1]	−.1
House-passed level	−.9
President's request	+4.3

[1] Nondefense discretionary cap guidance approved by the Appropriations Committee on June 14, 1984.

Note.—Details may not add due to rounding.

Mr. WEICKER. Mr. President, I yield to the distinguished Senator from Iowa [Mr. JEPSEN].

Mr. JEPSEN. Mr. President, I congratulate and commend the senior Senator from Connecticut for his work and attention to a subject matter that has been very near and dear to me throughout the years. That subject is the field of education and special education for the handicapped, vocational education funds, and so on.

This bill, as it came back from conference, now has community health center funding, which includes programs for rural health care, an area very essential to my State of Iowa. I am especially pleased to see that health research includes emphasis on Alzheimers disease and infant health care, a matter that is important not only to my State, but the entire country today. It is for consideration of these matters in this bill that I want the record to show that I am voting for the bill. I am very pleased to do so.

Again, Mr. President, I congratulate the distinguished Senator from Connecticut.

Mr. WEICKER. Mr. President, I wish to respond to my good friend

from Iowa, knowing of the time spent by him on the portions of the bill he alluded to. Indeed, in terms of special education and vocational rehabilitation education, his help has been invaluable. I greatly appreciate his support in the passage of that legislation.

Unless there are futher comments to be made at this time, Mr. President, I am prepared to yield back the remainder of my time.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. HECHT). The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WEICKER. Mr. President, the Senate has just taken a very significant action in adopting the conference report on the Labor, Health and Human Services and Education and Related Agencies Appropriations Act for 1985. For the second consecutive year, our Nation's health care, health research, education, labor, and social services programs will be funded in an orderly manner. These programs and—more importantly—the persons who will benefit from our actions will not live under the uncertainty of a series of continuing resolutions. State governments, local education agencies, community health centers, universities, and millions of individuals will receive the funds provided today in a timely fashion, allowing them to plan economically.

The legislation we have passed and are now sending to the President provides a total of $101.4 billion for fiscal year 1985. For the discretionary spending programs under our jurisdiction, this represents an increase of 10 percent over fiscal year 1984 and is nearly 13 percent more than the President's budget request for these same activities. Even so, we are told, Mr. President, that the administration has no objection to its enactment since it is well within the spending totals set by this body during consideration of the budget resolution earlier this year.

Our actions today represent this Congress' commitment to the needs of the disadvantaged in our society; the educational opportunities for our children; and the hope for better health presented by each dollar spent on research. We have taken special care of the unique needs of both the youngest and eldest of our citizens. We have emphasized those programs designed to address the illnesses which afflict these particular populations and the programs which train specialists to care for them.

In summary, it is a compassionate bill—one which I am proud to have brought back from conference.

Mr. President, I want to express my sincere appreciation to Congressman BILL NATCHER, the chairman of the House Subcommittee on Labor, Health and Human Services, Education and Related Agencies.

The passage of this conference report would not have been possible without his steady hand at the helm. It takes dedication to the job and compassion for the needs of those affected by this appropriation bill. BILL NATCHER has both and it is always a pleasure to work with him and his colleagues in the House.

The PRESIDING OFFICER. The amendments in disagreement will be stated.

The legislative clerk proceeded to read the amendments in disagreement.

The amendments in disagreement are as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$3,643,545,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 10 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

To carry out the activities for national grants or contracts with public agencies and public or private nonprofit organizations under paragraph (1)(A) of section 506(a) of title V of the Older Americans Act of 1965, as amended , $254,280,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 11 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

To carry out the activities for grants to States under paragraph (3) of section 506(a) of title V of the Older Americans Act of 1965, as amended, $71,720,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 30 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

HEALTH RESOURCES AND SERVICES

For carrying out titles III, IV, V, VII, VIII, X, and parts A and C of title XVI and XIX of the Public Health Service Act, and 5 U.S.C. 7901, section 427(a) of the Federal Coal Mine Health and Safety Act, and title V of the Social Security Act, $1,427,694,000, of which $2,500,000 shall be available only for payments to the State of Hawaii for care and treatment of persons afflicted with Hansen's disease and $2,500,000 to remain with Hansen's disease and $2,500,000, to remain available until expended, shall be for demonstration grants under section 301: Provided further, That this appropriation shall be available for payment of the costs of medical care, related expenses, and burial expenses hereafter incurred by or on behalf of any person who has participated in the study of untreated syphilis initiated in Tuskegee, Alabama, in 1932, in such amounts and subject to such terms and conditions as prescribed by the Secretary of Health and Human Services and for payment, in such amounts and subject to such terms and conditions, of such costs and expenses hereafter incurred by or on behalf of such person's wife or offspring determined by the Secretary to have suffered injury or disease from syphillis contracted from such person: Provided further, That when the Department of Health and Human Services operates an employee health program for any Federal department or agency, payment for the full estimated cost may be made by way of reimbursement or in advances to this appropriation: Provided further, That during the fiscal year, and within the resources and authority available under section 338 of the Public Health Service Act, gross obligations for the principal amount of direct loans under section 335(c), 338C(e)(1), and 338E of that Act shall not exceed $1,000,000: Provided further, That none of the funds made available by this Act shall be used to provide special retention pay (bonuses) under paragraph (4) of 37 U.S.C. 302(a) to any regular or reserve officer of the Public Health Service for any period during which the officer is providing obligated service under section 338B or under former sections 225(e) or 752 of the Public Health Service Act except that this proviso shall not apply to any period of service covered by an agreement entered into by an officer under 37 U.S.C. 302(c)(1) before the date of enactment of Public Law 97-377.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 32 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert: *$410,530,000, of which $6,310,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 35 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$1,183,806,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 37 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$805,269,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 39 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$100,688,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 41 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$543,576,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 43 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$396,885,000*

Resolved, That the House recede from its disagreement to the amendment of the

Senate numbered 45 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$370,965,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 47 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$482,260,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 49 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert: *$313,295,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 51 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$181,678,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 53 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$194,819,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 55 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$144,521,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 57 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$304,025,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 66 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert:

PUBLIC HEALTH SERVICE MANAGEMENT

For the expenses necessary for the Office of Assistant Secretary for Health and for carrying out titles III and XX of the Public Health, Service Act, $101,803,000, of which $250,000 shall be available for design and facility planning under section 305(b)(3) of the Public Health Service Act, together with not to exceed $1,050,000 to be transferred and expended as authorized by section 201(g) of the Social Security Act, from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds referred to therein and, in addition, amounts collected by the National Center for Health Statistics from the sale of data tapes shall be credited to this appropriation and shall remain, available until expended: Provided, That section 2008(g) does not apply to these programs.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 68 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$18,750,000,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 78 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

LOW INCOME HOME ENERGY ASSISTANCE

For carrying out title XXVI of the Omnibus Budget Reconciliation Act of 1981, $2,100,000,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 81 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$1,996,154,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 115 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert: *1981, $531,909,000, of which $31,909,000 shall be for programs and projects authorized under subchapter D of said Act, including $10,700,000 for programs and projects authorized under subsection 583(a)(1) of said Act; $6,052,000 shall be used for awards, which, except for educational television programming, are not to exceed a cumulative amount of $1,000,000 to any recipient for national impact demonstration or research projects; $7,000,000 for activities authorized under subsection 583(b)(1) of said Act; $3,157,000 for programs authorized under subsection 583(b)(2) of said Act; $3,000,000 for programs authorized under subsection 583(b)(3) of said Act; and $2,000,000 for activities authorized under subsection 583(b)(4) of said Act: Provided, That $500,000,000 to carry out the State block grant program authorized under chapter 2 of said Act shall become available for obligation on July 1, 1985, and shall remain available until September 30, 1986: Provided further, That $31,909,000 for the purpose of subchapter D of said Act shall become available for obligation on October 1, 1984.*

For grants to State education agencies and desegregation assistance centers authorized under section 403 of the Civil Rights Act of 1964, $24,000,000.

For carrying out activities authorized under title IX, part C of the Elementary and Secondary Education Act, $6,000,000.

For carrying out activities authorized under section 1524 of the Education Amendments of 1978, $2,700,000.

For carrying out activities authorized under section 1525 of the Education Amendments of 1978, $2,000,000.

For carrying out activities authorized under Public Law 92-506, as amended, $1,500,000: Provided, That said sum shall become available on July 1, 1985, and shall remain available until September 30, 1986.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 116 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the second sum named in said amendment, insert: *$4,000,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 117 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed in said amendment, insert: *$100,000,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 118 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed in said amendment, insert: *$5,000,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 120 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

For carrying out title I of the Act of September 30, 1950, as amended (20 U.S.C. ch. 13), $675,000,000 of which $22,000,000 shall be entitlements under section 2 of said Act, $10,000,000, which shall remain available until expended, shall be for payments under section 7 of said Act and $643,000,000 shall be for entitlements under section 3 of said Act of which $513,000,000 shall be for entitlements under section 3(a) of said Act: Provided, That payment with respect to entitlements under section 3(a) to any local educational agency described in section 3(d)(1)(A) of said Act shall be at 100 per centum of entitlement except that payment to such agency attributable to children who reside on property which is described in section 403(1)(C) of said Act shall be limited to 15 per centum of entitlement: Provided further, That payment with respect to entitlements under section 3(a) to any local educational agency not described in section 3(d)(1)(A) shall be ratably reduced from 100 per centum of entitlement except that payment to such agency attributable to children who reside on property which is described in section 403(1)(C) shall be ratably reduced from 15 per centum of entitlement: Provided further, That payment with respect to entitlements under section 3(b) of said Act to any local educational agency in which 20 per centum or more of the total average daily attendance is made up of children determined eligible under section 3(b) shall be at 60 per centum of entitlement and payment with respect to entitlements under section (b) of said Act to any local educational agency in which less than 20 per centum of the total average daily attendance is made up of children determined eligible under section 3(b) shall be ratably reduced from 100 per centum of entitlement: Provided further, That the provisions of section 5(c) of said Act shall not apply to funds provided herein: Provided further, That section 305(b)(2) of the Education Amendments of 1974 shall not apply to funds provided herein: Provided further, That no payments shall be made under section 7 of said Act to any local educational agency whose need for assistance under that section fails to exceed the lesser of $10,000 or 5 per centum of the district's current operating expenditures during the fiscal year preceding the one in which the disaster occurred: Provided further, That in determining entitlements under section 3 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), the local contribution rate for each local educational agency shall not be less than the local contribution rate for that agency for fiscal year 1984 increased by the percentage increase (if any) in the national average per pupil expenditure for fiscal year 1984 from fiscal year 1983: Provided further, That section 3(d)(2)(B) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by inserting at the end thereof the following new sentence: "In carrying out the provisions of this subparagraph, the Secre-

tary shall not prorate the amounts computed under this subparagraph attributable to the number of children determined under subsection (a) or (b), or both.". Provided further, That the second sentence of section 3(d)(2)(B) of the act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by striking out "The" and inserting in lieu thereof "Subject to the provisions of subsection (h) of this section, the", and section 3 of such Act is amended by adding at the end thereof the following new subsection:

"SPECIAL PROVISIONS

"(h) Any local educational agency for which the boundaries of the school district of such agency are coterminous with the boundaries of a military installation and which is not eligible to receive payments under subsection (d)(2)(B) shall receive 100 percent of the amounts to which such agency is entitled under subsection (a) of this section.".

For carrying out the Act of September 23, 1950, as amended (20 U.S.C. ch. 19), $20,000,000 which shall remain available until expended, shall be for providing school facilities as authorized by said Act, of which $8,500,000 shall be for awards under section 10 of said Act, $8,500,000 shall be for awards under sections 14(a) and 14(b) of said Act, and $3,000,000 shall be for awards under sections 5 and 14(c) of said Act.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 121 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed in said amendment, insert: *$1,321,270,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 135 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert: *subparts 1, 2, and 3 of part A, and parts C and E of title IV of the Higher Education Act, $4,871,000,000 which shall remain available until September 30, 1986, of which $412,500,000 shall be available for carrying out subpart 2 of part A of title IV of the Higher Education Act, and $250,000,000 shall be available to pay deficiencies resulting from the payment schedules for Pell Grants published by the Secretary of Education for academic year 1983–84 and academic year 1984–85*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 138 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *: Provided further, That the cost of attendance criteria used for calculating eligibility for and the amount of the Pell Grants for academic year 1985–1986 shall be the same as the cost of attendance criteria used for academic year 1984–1985: Provided further, That notwithstanding section 413D(a), and subsections (a), (b), (c), and (e) of section 442 of the Higher Education Act, the Secretary shall apportion funds among the States so that each State's apportionment under the Supplemental Educational Opportunity Grant Program and Work-Study Program bears the same ratio to the total amount appropriated under each program as that State's apportionment in fiscal year 1981 for each program bears to the total amount appropriated for fiscal year 1981 for each program: Provided further, That notwithstanding section 413D(b)(1)(B)(ii) and section 446(a) of the Higher Education Act, from each jurisdiction's allotment of funds under each program, the Secretary shall allocate sums to institutions in that jurisdiction that did not receive an allocation in fiscal year 1979 (award year 1979–1980) under each program in a manner that will most effectively carry out the purposes of the Supplemental Educational Opportunity Grant Program and the Work-Study Program: Provided further, That notwithstanding section 413D(b)(1)(B)(ii)(II) of the Higher Education Act, the provisions of clause (I) of section 413D(b)(1)(B)(ii) of such Act shall apply to the amount made available for Supplemental Educational Opportunity Grants under this heading*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 140 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert:

For carrying out title III of the Higher Education Act of 1965, as amended, $141,208,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 141 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

For carrying out subpart 4 of part A of title IV; titles VI, VII, VIII, and X, parts B, C, D, and E of title IX; and sections 420, 734, and 1204(c) of the Higher Education Act of 1965 as amended; section 506 of the Education Amendments of 1972, as further amended by title XIII, part G, section 1361(a) of the Education Amendments of 1980; title XIII, part H, subpart 1 of the Education Amendments of 1980; section 102(b)(6) of the Mutual Educational and Cultural Exchange Act of 1961; and the Minority Institutions Science Improvement Program under section 528(3) of the Omnibus Budget Reconciliation Act of 1981 as extended by section 414 of the General Education Provisions Act, $315,875,000: Provided, That $18,775,000 made available for interest subsidy grants under section 734 of the Higher Education Act and $28,000,000 made available for undergraduate and graduate facilities grants under part B of title VII of said Act shall remain available until expended: Provided further, That section 922(b)(2) and 922(e)(2) and the funding limitations set forth in section 922(e) of the Higher Education Act shall not apply to funds in this Act.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 142 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment insert:

For carrying out title III, sections 301, 302, 303, and 304 of H.R. 2878, "The Library Services and Construction Act Amendments of 1984", as contained in conference report No. 98–1075, $22,000,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 154 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$125,000,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 155 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: *$25,000,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 173 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

SEC. 308. Section 402(c) of the Housing Act of 1950 is amended by striking out in clause (9) "October 1, 1984" and inserting in its place "October 1, 1985".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 178 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: *: Provided, That none of the funds appropriated under this heading may be used to close State or regional field offices*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 179 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: *$200,000,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 197 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 513. Notwithstanding any other provision of this Act, no funds appropriated by this Act may be used to execute or carry out any contract with a non-governmental entity to administer or manage, a Civilian Conservation center of the Job Corps which was not under such a contract as of September 1, 1984.

Resolved, That the House insist on its disagreement to the amendment of the Senate numbered 101, 170, and 171 to the aforesaid bill.

Mr. WEICKER. I ask unanimous consent that the amendments of the House to the amendments of the Senate in disagreement be considered and agreed to en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. I move to reconsider the vote by which the amendments in disagreement were agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WEICKER. I ask unanimous consent that the remaining amendments in disagreement be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. I move that the Senate recede from its amendments numbered 101, 170, and 171.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. I move to reconsider the vote by which the Senate receded from its amendments numbered 101, 170, and 171.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I congratulate the two managers of this measure. They have handled, once again, an extraordinarily sensitive and difficult conference report in a very skillful and responsible way. I offer them my congratulations.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, there is another matter the Senate ought to consider. However, I would like to make one other announcement.

Mr. President, I have consulted with the minority leader. I have talked on the telephone now with the Speaker, and I would like to report on the status of the continuing resolution and other matters.

It appears to us that the conference report on the continuing resolution will not be concluded until 8 o'clock or after. It also is the best estimate of staff that it will take upwards of 3 hours to prepare the papers for consideration by the House of Representatives, which means it will be at least 11 and maybe 12 o'clock before the House can act, if indeed the House does act tonight.

I have indicated to the Speaker that under those circumstances the Senate would not wish to start on such an important matter after midnight.

In addition to that, the debt limit must be dealt with as well. Therefore, I wish to announce that when we have completed our necessary business today, it will be the intention of the leadership to ask the Senate to go out until 9:30 in the morning and that I do not expect more rollcall votes today.

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BAKER. Mr. President, I now ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m. tomorrow.

The PRESIDING OFFICER (Mr. HECHT). Without objection, it is so ordered.

Mr. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. Yes.

Mr. BYRD. I am making efforts through our Cloakroom and our staff to ascertain the possibility of reaching some kind of agreement on the debt limit that would limit the number of amendments and hopefully shorten the time which we would otherwise at another time probably use on that matter.

Mr. BAKER. Mr. President, I thank the minority leader.

The minority leader and I have discussed this matter more than once during the day today, and he knows that I am very anxious to deal with the debt limit as expeditiously as possible. Indeed, I have asked our calendar and Cloakroom staff to attempt to clear a unanimous-consent agreement on this side that no amendments would be in order beyond perhaps one other amendment to be offered by the Senator from Idaho. I have not yet been able to clear that, but may I also report to the minority leader that I have had an opportunity to consult with the chairman of the Finance Committee and the chairman of the Ways and Means Committee, Chairman ROSTENKOWSKI. I will continue to work through the evening to see if we cannot devise a way to deal with the essentials of the debt limit resolution without running the risk of turning it into an extensive debate or Christmas tree. I am hopeful we can do that. We have not yet done it. I appreciate the suggestion by the minority leader, and we will try very hard to accomplish that.

Mr. BYRD. Mr. President, if the distinguished majority leader will yield very briefly, we will continue our efforts into the evening and early morning, if necessary. I hope that we will be able to come up with a response which will be pleasing to all Senators. I thank the majority leader for what I think is a very appropriate recognition of the circumstances and the events that are occurring. I think he has made a wise decision by proposing to go out but continuing to work to see if we can work out an agreement on the debt limit issue.

Mr. BAKER. Mr. President, I am grateful to the minority leader. As always, he is most helpful and cooperative and, while he is a formidable adversary across the aisle, he still is more mindful of the responsibility of the leadership of the Senate than any other person in this room. I express my gratitude to him for his cooperation not only on this matter, that is to say, the proposed agreement on the debt limit, but untold hundreds, even thousands, of other times when I have asked for his assistance and cooperation. He has almost always done it, and it was consistent with his duties and responsibilities as the opposition leader.

For fear that I might not express that before we go out sine die, I reiterate these remarks that I made on previous occasions to him at this time.

Mr. BYRD. Mr. President, I am very grateful to the sentiments that have been expressed by the distinguished majority leader. I will have further words to say in response at a later hour in this session.

Mr. BAKER. I thank the Senator.

Mr. BYRD. And probably even the next session.

S. 1300

Mr. BAKER. Mr. President, may I say now that in a few moments it will be the intention of the leadership on this side to ask unanimous consent that the Senate turn to the consideration of the REA bill, which is S. 1300. Senators who have an interest in that measure should take notice that after a quorum call, which I will put in shortly, it will be the intention of the leadership on this side to ask unanimous consent to that effect.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I indicated earlier that it was the intention of the leadership to ask the Senate to proceed to the consideration of S. 1300, but I know there are Senators who wish to be on the floor when that is done, so I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND SELF-SUFFICIENCY ACT OF 1984

Mr. BAKER. Mr. President, there is no limitation of time, and the debt limited resolution is pending; but we are past the time for the Pastore rule, so I will speak on a nongermane matter.

Mr. President, I guess I have been as loyal and dedicated a supporter of REA or telephone-electric co-ops as anybody in the Senate, and even before I came to the Senate.

I often recall with great pride that I was instrumental in forming an REA co-op and telephone service in my home State which served my home community, as a matter of fact, and still does.

My father, before me, was responsible in large measure for the formation of an electric co-op which did the same thing in that mountainous region in east Tennessee. I believe I have as good a record as anybody else in the Senate on support for REA.

The bill I am about to ask the Senate to proceed to is a controversial measure, and I had hoped that before now we might work out an arrangement that would make it satisfactory to the point where we could bring it up, deal with it, and continue to express solid Senate support for the REA program. But there apparently are objections to this, and I can understand why. It is a matter of great importance to many Members. It is a matter that deserves careful consideration.

Mr. President, in order to continue my unbroken support for REA and its several functions, I should like to try to proceed to the consideration of this measure at this time.

So, Mr. President, I ask unanimous consent that the pending measure be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1044, S. 1300.

The PRESIDING OFFICER. Is there objection?

Mr. METZENBAUM. Mr. President, reserving the right to object—and I will object, and I believe the Senator from Wyoming will object—I say that I also am a dedicated supporter of REA. I think Senator SIMPSON would probably put himself in the same position as the Senator from Ohio. But the fact is that the issue is not whether we support the REA. The question is whether you want to cancel $8 billion of obligations that are due from the rural electrification co-ops.

Frankly speaking, I very seldom find myself in the position of speaking for the Office of the President, but David Stockman wrote to the chairman of the Agriculture Committee as follows:

I am writing to clarify the administration's views on S. 1300. The administration is strongly opposed to S. 1300 because it provides a substantial increase in subsidies to the already heavily subsidized electric and telephone cooperatives. The Federal taxpayer dollars going to rural electric cooperatives over the last 10 years have resulted in estimated (on and off budget) spending of $31.8 billion. The economic value of the subsidies and benefits is estimated at over $38 billion.

Seldom do I have a chance to speak for the Secretary of the Treasury, but he wrote to Senator HELMS as follows:

The Department strongly opposes enactment of S. 1300.

It would add to the billions of Federal dollars already granted under existing subsidy programs to rural electric cooperatives. The further large increases proposed under S. 1300 are not justified.

Seldom do I have an opportunity to speak for the Secretary of Agriculture, but he wrote to the chairman of the Agriculture Committee as follows:

I want to take this opportunity to again state this Department's view on S. 1300. The Department is strongly opposed to S. 1300 because it provides a substantial increase in subsidies which are not warranted to the electric and telephone cooperatives.

Mr. President, I ask unanimous consent that those three letters be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, June 7, 1984.

Hon. JESSE HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to clarify the administration's views on S. 1300. The administration is strongly opposed to S. 1300 because it provides a substantial increase in subsidies to the already heavily subsidized electric and telephone cooperatives. The Federal taxpayer dollars going to rural electric cooperatives over the last 10 years have resulted in estimated (on and off budget) spending of $31.8 billion. The economic value of the subsidies and benefits is estimated at over $38 billion.

Two independent studies, by the Congressional Research Service and by National Economic Research Associates, Inc., support the conclusion that total Federal subsidies to REA borrowers are greater than any Federal subsidies provided to private utilities on a per customer basis. The 1982 NERA study conservatively estimates that for a new utility investment made in 1981, taking into account tax changes under ERTA and TEFRA, the annual subsidy per customer is more than three times greater for co-ops than for private utilities.

In addition to the above benefits, REA administrative costs to assist these borrowers totaled about $200 million over the last decade; nearly all cooperatives' revenues were exempt from Federal income taxes; and cooperatives had preferential access over private utilities to low-cost Federal power.

Not surprisingly, electric rates charged by REA borrowers on average are lower than the rates charged by other electric utilities.

Nationwide, REA borrower electric rates are about 12 percent lower than rates charged by other utilities.

Even on an individual neighbor-to-neighbor comparison, rates charged by REA electric borrowers to residential customers are significantly lower than rates charged by neighboring non-REA utilities in 80 percent of the State and REA assistance.

In an independent report to Congress, the U.S. Comptroller General (GAO) concluded that residential customers served by REA borrowers pay less for the same amount of electricity used by residential customers of private utilities. The 8.5 million residential customers served by cooperatives receive lower cost power on average than the 63.8 million residential customers served by investor-owned utilities.

The original purpose of the agency and 1936 act was to bring electric and telephone service to farms and rural areas. About 99 percent of farms and rural areas are electrified and about 95 percent have telephone service.

Furthermore, telephone program borrowers have already received substantial tax benefits under the reforms enacted in 1981 (ERTA) and 1982 (TEFRA), and the existing REA subsidy programs, including 5% direct REA loans, subsidized RTB loans, and the FFB direct loans (REA loan guarantees). Many of the telephone companies either have the capability or already borrow in private credit markets. In view of the preceding, increases in Federal subsidies as contained in the bill are not justified and would only increase reliance on Treasury lending.

S. 1300 would increase the Federal deficit by at least $19 billion over the next several years by:

Forgiveness of $7.9 billion in loan principal due Treasury beginning in 1993.

Refinancing of CBO's (borrowings from the Treasury) to lower interest rates when old CBO rates are at least 1 percent above current rates.

Refinancing of loan guarantees every 7 years when the Treasury lending interest rate exceeds the current Treasury rate by at least 1 percent and when the borrower requests it.

Requiring third party debt guarantees by the REA administrator. This could insure that all cooperative borrowing is federally subsidized.

Requiring subordination of government first lien status—risking billions in Government assets.

Including broader criteria for the special (2 percent) interest rate on insured loans.

Instead of accepting S. 1300, I propose that the President's 1985 budget proposal be adopted to reduce Federal risk and encourage more private sector involvement by:

Reducing existing government loan levels over time and requiring co-ops to increase private borrowing;

Reducing the Federal share in rural electric and telephone funding (a Lehman Brothers' report concludes that the co-ops can significantly increase private sector borrowings to meet financial needs); and

Encouraging, through these actions, major improvements in REA borrower balance sheets so that they could at least operate in a more business like environment with less, not more, Government dependence.

As Secretary Block has previously discussed with you, the administration believes that a strong, healthy rural electrification program remains important to insuring the economic health and quality of life of rural areas. But S. 1300 represents a grossly inequitable effort to use taxpayer dollars to provide special benefits to private business interests that have organized a massive pressure campaign. Were it to pass in its current form, I would not hesitate to recommend that the President withhold his approval of the bill.

The administration looks forward to working with the Congress to deal effectively with the revolving fund problem over the next few years.

Sincerely,

DAVID A. STOCKMAN,
Director.

THE SECRETARY OF THE TREASURY,
Washington, DC, June 6, 1984.

Hon. JESSE HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to clarify the Department's views on S. 1300, the "Rural Electrification and Telephone Revolving Fund Self-Sufficiency Act of 1983," which is scheduled for action by your committee on June 7.

The Department strongly opposes enactment of S. 1300.

It would add to the billions of Federal dollars already granted under existing subsidy programs to rural electric cooperatives. The further large increases proposed under S. 1300 are not justified.

The rural electric cooperatives have benefited historically from a wide range of subsidies, including subsidized direct loans and 100 percent loan guarantees, retention of essentially tax-exempt status while taking advantage of tax incentives (e.g., safe harbor

leasing) available to fully taxable entities, tax-exempt municipal bonds for pollution control equipment, and preferential access to low-cost Federal power. No justification for the large increases in subsidies and in U.S. Government risk proposed by the bill has, however, been provided. Thus no further subsidies are warranted. We, therefore, strongly urge the committee to reject this legislation.

Were the proposed legislation to pass the Congress in essentially its current form, I will not hesitate to recommend that the President withhold his approval of such a bill.

The Office of Management and Budget has advised that there is no objection to the submission of this report to your committee and that enactment of S. 1300 in its present form would not be in accord with the President's program.

Sincerely,

R.T. MCNAMARA,
Acting Secretary.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, June 6, 1984.

Hon. JESSE HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I want to take this opportunity to again state this Department's view on S. 1300. The Department is strongly opposed to S. 1300 because it provides a substantial increase in subsidies which are not warranted to the electric and telephone cooperatives.

The rural electric cooperatives have benefited from a wide range of subsidies, including the subsidized direct loans and 100 percent loan guarantees currently provided by the Rural Electrification Administration, and Agency of the Department of Agriculture. However, it is my view that no appropriate justification has been provided for the substantial increase in subsidies and U.S. Government risks which are incorporated in this bill. It is my view that no further subsidies are warranted as represented by the proposals incorporated in S. 1300. I, therefore, strongly urge the committee to reject this legislative proposal.

Should S. 1300 and its companion legislation, H.R. 3050 pass in essentially its current form, I would be left with no choice but to strongly recommend to the President that he withhold his approval of such a bill. As we have previously discussed, it is the administration's belief that a strong, healthy Rural Electric Program remains important to insuring the economic health and quality of life of rural areas.

The Department looks forward to working with the Congress to find appropriate means of effectively dealing with the revolving fund problem related to the Rural Electrification Administration over the next few years.

Sincerely,

RICHARD E. LYNG,
Acting Secretary.

Mr. METZENBAUM. Mr. President, it is ironic that the sponsors of this bill named it the "Rural Electrification and Telephone Revolving Fund Self-Sufficiency Act of 1984." This is self-sufficiency? Since when is forgiving a debt of $7.9 billion owed to the Treasury considered "self-sufficiency?" Since when is it "self-sufficient" to continue to roll over other outstanding debts, rather than establish a system of regular payments so the notes are paid on time?

According to CBO, this bill will cost at least $11 billion. I have discussed this bill with the cooperative members of my own State. And I told them that I do not believe most of their own cooperative members would agree with the giveaway provisions of this bill. I believe most farm families believe in paying their debts. They don't want Government handouts. And they know that this program is spending more than it is taking in, which can only lead to trouble down the road.

There are many objectionable provisions in this legislation. Certainly the worst provision is the section that simply eliminates the requirement that the REA revolving fund repay $7.9 billion to the Treasury starting in 1993.

That revolving fund was established in 1973 to operate on a self-sustaining basis. Congress set up the fund by transferring the outstanding indebtedness owed by previous REA borrowers on loans from 1953 through 1973 as seed capital. That amounted to a $7.9 billion loan given interest-free to the fund for 20 years. The fund was supposed to be adequate to meet its obligations and to provide loans to electric and telephone borrowers.

But even with that tremendous advantage, the revolving fund is now faced with a dwindling cash flow. By 1989, it is estimated that the fund will be running in the red.

How did this happen? How did the fund get into such trouble? The simple answer is that the fund just kept spending much more than it was taking in. Unfortunately, this so-called self-sufficiency legislation does nothing to address this underlying problem.

When it was first set up, Congress mandated that the fund loan money to co-ops at a fixed rate of 5 percent and a hardship rate of 2 percent. At that time, the rate of Government money was 5.009. Obviously, the rate of money issued to co-ops was supposed to be comparable to the rate of money borrowed by Treasury. Inflation soon caused Treasury rates to rise higher and higher, but the revolving fund still loaned 5-percent money. It still is loaning money at 5 percent and 2 percent, even though Treasury notes are now about 11 percent.

Even this discrepancy would probably allow the fund to remain self-sufficient if the fund had borrowed a moderate volume of money. Instead, Congress actually mandated that the fund issue $1.1 billion of loans each year—$1.1 billion was to be issued regardless of the true level of demand by co-ops for new construction, regardless of the merit of those projects, regardless of the financial capabilities of the co-ops to borrow private funds.

Faced with the mandate to loan out $1.1 billion at 5-percent interest, the revolving fund has been forced since 1976 to borrow against its assets to develop additional capital. In other words, to continue a program of $1.1 billion, the fund is borrowing money in today's market at 11 percent, and loaning that money out at 5 percent. So far, the fund has borrowed $3.5 billion in certificates of beneficial ownership at an average rate of about 10 percent. The interest payments alone on those notes is now costing the fund about $300,000 each year. S. 1300 also fails to amortize those notes, which will come due as balloon payments after 2006. Instead, it simply rolls over those notes when they come due, rather than paying them off.

Is it any wonder why this revolving fund is going broke?

The obvious response should be to lower the level of program loans, so that it is not necessary for the fund to go deeper and deeper into debt. It also makes sense to increase the interest rate of any new loans—up to an estimated level of about 9 percent—so that all the obligations can be paid on schedule.

That is right. According to CBO, it is possible to attain the goal of true self-sufficiency by raising interest rates to about 9 percent—still far below market rates and below the Treasury rate as well. And it would cost electric consumers less than a penny a day to do so.

But does S. 1300 try this approach? It does not.

Unfortunately, Mr. President, this attempt to run away from the debt owed to Treasury is just the tip of the iceberg with the REA loan program. The more one investigates, the more one is shocked to learn how much money is going to cooperatives who have little need for such a generous Federal handout.

The fact is that the mission of the Rural Electrification Administration has changed over the past 50 years. Back in 1935 when it was first established, only 12 percent of the farms in the country had electricity. But today, virtually all parts of the country are electrified. Despite this reality, Congress has mandated that we continue to provide $1.1 billion of new loans each year at 5 percent, even though the cooperatives do not really need that much money.

How can we know that? First, we know there is less demand for that money because REA is having difficulty fulfilling its mandated loan level this year. There simply are not enough applications for loans coming into REA, even for that 5-percent money.

Second, there is an estimated $2.2 billion of loans that have been approved by REA, but which have not

been drawn down. That $2.2 billion—in 5 percent and 2 percent loans—represents 2 full years worth of program which has not been utilized. And some of those loans have been approved but not drawn down for several years.

Yet, Congress insists on mandating a high loan program—and refuses to take the action to winnow down the program so this kind of outrageous bailout legislation would not be necessary.

In addition, the GAO has pointed out that many of the loans are going to cooperatives who are in excellent fianncial shape—much better than nieghboring utilities. In a survey conducted in 1978, GAO reviewed 922 electric cooperatives. Forty-two percent of the total—386—were judged to be financially sound enough to obtain credit from the private market at reasonable rates. Still, they were obtaining 5 percent loans from the revolving fund.

S. 1300 fails to address this inequity by requiring a means test. And it even goes further by actually requiring that any loan issued by the fund to a cooperative provide 70 percent of the funds, with only 30 percent coming from private funds. How can this arbitrary 70-30 ratio be good policy? Why isn't there an effort to target the money to those projects that truly need the assistance?

Personally, Mr. President, I do not believe we should be providing 5-percent money for this program. Even the higher interest rate included in this bill, S. 1300, would be only 6.5 percent which just covers the interest cost of CBO borrowing. That interest rate would not cover the principal on the CBO's, nor does it pay off that $7.9 billion loan to Treasury. However, as I stated earlier, a 9-percent loan rate for all new loans would cover all those expenses. And if an effort was made to reduce the program level, and especially to target those funds, it would be possible to make the fund solvent without a great amount of CBO borrowing in the future.

We need to instill some discipline into this program. I have always been a strong supporter of the REA program. No one I know is against a strong rural electricification and telephone cooperative effort. But this program cannot continue to spend beyond its means. I believe S. 1300 sends the wrong message to the REA cooperatives. It is time to help improve this program. It is time to provide subsidized loans only to co-ops that really need that Federal assistance. Instead, S. 1300 continues the old ways that have overspent the program funds already. For all these reasons, I must oppose S. 1300 as it was reported by the Agriculture Committee.

Mr. President, I ask unanimous consent to have printed in the RECORD an article on this subject which was published in the Reader's Digest of September 1984.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Reader's Digest, September 1984]

POWER PLAY ON THE POTOMAC

(By Eugene H. Methvin)

Last March 1, the U.S. House of Representatives met briefly for a grand old election-year pastime: showering billions of federal dollars upon a favored—and politically potent—special-interest group. The vote was 283 to 111 to approve an estimated $10 billion to $21 billion in subsidies so "needy" Americans who live on Rural Electrification Administration (REA) electric co-op lines can enjoy cheaper electricity. If approved by the Senate, the Rural Electrification Self-Sufficiency Act of 1984 would convert a once-proud self-help program into a perpetual gravy train on which some 26 million favored Americans ride, while the other 210 million push. Indeed, many of the beneficiaries would instantly repudiate the subsidies if they understood what is being done in their name. Look who gets the goodies:

In Georgia, 80 percent of the customers of five REA co-ops live within the Atlanta metropolitan area. In affluent Cobb County (where the median family income is $23,853 a year) and other suburbs, 56,699 families hook into the Cobb Electric Membership Corporation (EMC). So do 1,633 small and 730 large commercial and industrial customers—hardly anyone's notion of needy rural America. Yet last year Cobb EMC benefited from a nearly $2-million subsidy on $29 million it borrowed at five-percent interest from Washington between 1979 and 1982.

In Alaska, 99.5 percent of the Chugach co-op's 49,876 customers live in Anchorage, where the annual median family income is $10,800 above the national norm. Other heavily subsidized co-ops serve thriving suburbs outside New York, Denver, Indianapolis, Tampa-St. Petersburg, Minneapolis-St. Paul and other major cities. They supply power for factories, airports, shopping malls, yacht marinas, country clubs, resort hotels and even, in Nevada, an infamous house of ill repute.

The nearly 1,000 REA co-ops scattered across 46 states constitute the fastest-growing sector of the utility industry. A large majority of their new customers are suburban or small-town residents—not the people in rural areas that the program was set up to help. Fewer than half the nation's 2.4 million farms hook onto REA lines.

Ironically, the REA is one of the greatest success stories launched by any government. In 1935, when the agency was created, only 12 percent of U.S. farms had electricity. The REA helped rural people form cooperative, nonprofit corporations, giving them engineering assistance and start-up loans. By 1952, more than 88 percent of American farms were electrified. The co-ops received no financial subsidies, and virtually all repaid their loans on or ahead of schedule at rates often higher than the Treasury paid to borrow money.

Meanwhile, in 1943, a former Arkansas Congressman joined with some co-ops to create their own Washington lobby, the National Rural Electric Cooperative Association (NRECA). These professional pleaders convinced Congress in 1944 that it should extend the REA loan program's ten-year life and set interest rates at two percent, then above the taxpayers' cost of Treasury borrowings.

By 1973 booming suburban and resort development meant that many co-ops needed vast amounts of expansion capital. Moreover, the two-percent subsidized interest rate had already become politically indefensible because the Treasury had to pay almost triple that rate to finance REA co-op borrowings of about $350 million a year. As part of a program to wean the co-ops away from federal subsidies, Congress created an REA "revolving fund," financed by an interest-free Treasury loan of the $7.9 billion [1] being repaid by the co-ops; repayments were to begin in 1993. Only financially struggling, remote or disaster-devastated co-ops were supposed to get two-percent money in the future. Healthy co-ops would pay five percent, then close to Treasury costs, for part of their needs, and be required to raise the rest from nongovernment lenders.

But the NRECA sabotaged even this generous weaning plan. In "technical" amendments that few on Capitol Hill understood, Congressional allies ordered the REA to lend about twice as much yearly as the interest-free fund received in co-op repayments, and required it to provide even the fattest co-ops at least 70 percent of their expansion capital. Today, the Treasury's borrowing cost is more than 13 percent, which it charges to the revolving fund, while the fund continues lending at five percent or less. Result: the REA interest-free fund will go broke unless Congress approves a bailout.

Now the NRECA has mounted an election-year campaign to bulldoze through Congress a new open-ended subsidy scheme. The NRECA's Self-Sufficiency Act would have taxpayers forgive the $7.9-billion revolving-fund loan and provide other interest-rate subsidies that may cost the Treasury an estimated $21 billion over the next 36 years.

With their complex, abstruse bill, the lobbyists are dealing in deliberate obfuscation. Declared NRECA chief economist Donald E. Smith, "There is not one penny of taxpayer cost in this bill"—a statement that the General Accounting Office, Office of Management and Budget, Library of Congress and Congressional Budget Office have all debunked. (Smith now waffles on it.)

The NRECA also argues that co-ops get far less help from REA than investor-owned utilities receive from accelerated depreciation and tax credits. But the GAO, OMB and Library of Congress all agree: more bunk. National Economic Research Associates senior vice president Joe D. Pace has calculated annual federal subsidies to private-utility customers and compared them with those to co-op customers. The co-op customers have a net yearly advantage of about $160 each. "There can be no excuse for underpricing electricity for a favored few without regard to need," says Pace. "This encourages them to use 20-percent more electricity than those customers not so subsidized.

But Congressmen understand NRECA's political power, which arises from two big weapons:

1. Money. Co-ops have contributed to a political-action fund that over the past five years has poured more than $500,000 into Congressional-campaign coffers, reports The Wall Street Journal. Of the 283 Representatives who voted for NRECA's bill, 226

[1] Including $1.9 billion owed by rural phone companies.

got $299,863, part of the $360,130 that the NRECA has funneled to 297 current House members since 1980. The biggest beneficiary has been Rep. Ed Jones (D., Tenn.), who heads the House subcommittee that oversees REA subsidies and who introduced the bill to increase them. The NRECA also gave $160,246 to 67 Senators.

2. Propaganda. Via electricity-bill inserts, the NRECA can deliver political messages every month into the homes of the 26 million who live on co-op lines. The NRECA also sends a weekly newsletter and monthly magazine to co-op officials and employees; state associations publish their own monthly magazines, with a circulation of several million. Any lawmaker who "votes wrong" is labeled an enemy of rural electrification.

"This lobby is designed to hit Congress at its weakest link," one Capitol Hill staffer told me. "They craft a bill almost no Congressman has the time to comprehend and pump out scare propaganda about 'turning off the lights in rural America' if there are no additional subsidies. Then they come at legislators with campaign cash and threats of voter reprisals."

Thus, in the last decade, taxpayers have shelled out $32 billion in REA subsidies through outlays and tax breaks, according to OMB estimates, to placate this political powerhouse on the Potomac. Assuming a 14-percent Treasury rate, each additional $1 million loaned will, over its 35-year term, cost taxpayers an estimated $3.7 million. Warns Sen. Alan K. Simpson (R. Wyo.): "This bill is a classic case of how special-interest groups—using a magnificent blend of emotion, hype, high drama, guilt, political retribution and distortion—attempt to unload today's problems on tomorrow's taxpayers."

A few co-ops have proved they can fulfill their original proud motto, "Owned by Those We Serve." The thriving Marshall-DeKalb co-op serves some 12,000 members in two northeast Alabama counties whose monthly bills run below those of neighboring co-ops. In 1964 they paid off their original $1,060,847 REA loan, and today finance healthy growth solely from earnings.

Although the Self-Sufficiency Act was passed overwhelmingly by the House, it faces rising Senate opposition, and the threat of a White House veto. Senator Simpson offers in its place a real reform package, first proposed by Rep. Ed Bethune (R., Ark.) in the House. The Simpson-Bethune substitute would require the REA to repay the $7.9 billion as scheduled, and raise the co-ops' interest rates to about the federal government's cost of borrowing. (Co-ops with severe problems would get a hardship rate.)

In this election year you can write a strong message to your Senators and Representatives: Stop yielding to special-interest groups and pass the Simpson-Bethune reform for true self-sufficiency. Tell the whole Congress, by sending a copy of your letter to Sen. Alan K. Simpson, Room 709, Hart Senate Office Building, Washington, D.C. 20510. Otherwise, the whole nation will pay the price of this free ride.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that not I alone be given the privilege of objecting to proceeding. I ask unanimous consent that I be permitted to yield the floor to the distinguished Senator from Wyoming [Mr. SIMPSON].

The PRESIDING OFFICER. The majority leader has the floor.

Mr. SIMPSON. Mr. President, reserving the right to object, let me comment further.

I thank the Senator from Ohio. He expressed himself very nicely on the issue.

This is a rather hazardous position for me, being from the State of Wyoming, a State greatly dependent on REA facilities and activities. Very likely, I will be expressing an objection to the unanimous-consent request to proceed to the consideration of this bill, the Rural Electrification and Telephone Revolving Fund Self-Sufficiency Act of 1984. That is the nomenclature we have given this bill.

I think this is a rather untimely effort to bring the measure before the Senate, at a time when we are grappling with an attempt to finish our work on the continuing resolution and the debt extension, so that we might adjourn.

As my good friend, the Senator from Tennessee, so aptly stated, and as he is so fully and painfully aware, we already have missed our target adjournment date by some days, and we still have not finished the business we must complete. That remains to be done today and tomorrow.

Now we are being asked to move to a measure that poses a number of very complicated and complex policy questions—questions that I think are going to require extensive consideration by this body before we would be prepared to say that we would be in a position to complete action on this bill.

Finally, Mr. President, it is my understanding that there is absolutely nothing in this bill that must be acted upon this year. All the issues addressed in this bill can be, and in fact should be, addressed at the beginning of the next Congress, when Members have an opportunity to focus on those issues, rather than in a harried and hurried effort to bring this bill to the floor in the last day or two of this Congress.

Indeed, it was not until about 2 weeks ago that one of the principal proponents of the legislation, my good friend and colleague from Kentucky, Senator HUDDLESTON, circulated a narrative description of an alternative to the legislation reported; Senator CHILES has also been working diligently on a possible alternative.

I appreciate the efforts of the proponents of the legislation to address the serious deficiencies in the legislation reported to the Senate. I should say, however, that this effort to reach a consensus on the proposed alternative unfortunately falls very far short of the mark. Indeed, we have not even seen a copy of any actual legislative language that reflects any proposed alternative.

For these and other reasons, Mr. President, I feel constrained to object to the request to proceed to the consideration of the bill, and similarly will wish to discuss the numerous controversial issues involved in this legislation in some detail as the Senate debates the pending motion to proceed to the consideration of the measure.

I yield back to my colleague from Ohio at this time.

The PRESIDING OFFICER. The majority leader has the floor.

Is there objection to the request of the Senator from Tennessee?

Mr. HELMS. Mr. President, reserving the right to object.

Mr. METZENBAUM. Mr. President, I cannot hear the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, reserving the right to object, and I will not object, I hope we can proceed to the consideration of this bill. Many of us have worked very hard to assure the solving of the REA revolving fund and if the Senate could resolve the questions which are at issue at this time it would mean a great deal to all of us. I might say, in that regard, that no Senator has been more diligent in our efforts to bring this bill before the Senate than the distinguished majority leader. I am grateful to him for his indulgence of my many requests to provide time for the bill. Also, I appreciate the substantial efforts of the assistant majority leader. The Senator from Alaska [Mr. STEVENS] has been of tremendous help and no one is more dedicated to a sound and effective REA than he.

Mr. President, S. 1300 would change the manner in which the Rural Electrification Administration revolving fund operates. This fund was established in 1973 as a mechanism from which all electric and telephone direct loans would be made. Events have occurred since that time which place the future solvency of this fund in jeopardy. The financial stability of the fund is crucial to ensuring that the programs which help our rural residents maintain a basic level of electric and telephone service is continued.

The REA has had an unsurpassed record of service to America. During its 53-year history, the programs administered by this agency have brought electricity and telephones to virtually all of the homes in the rural America. These programs have provided the assistance to countless citizens who have organized local cooperative efforts to bring these essential services to our rural residents.

We are all aware that no legislation is perfect. It is certainly evident S. 1300 had encountered a significant amount of controversy. However, I emphasize that the disagreements with provisions in this bill have been raised in a highly constructive manner. I know of no one in this Chamber who

favors the elimination of the programs of REA. The discussions surroundings this bill have centered on how to provide for a fiscally responsible program which will resolve the problems confronting the revolving fund on a permanent basis. There is no question that there are different ways to accomplish this necessary goal.

I have been disappointed to note some of the tactics being used on this issue by some paid lobbyists for the National Rural Electric Cooperative Association. There are those who obviously desire that the issue of a strong and viable REA become a partisan political football. Let me say that such a strategy is inappropriate and harmful. The millions of rural families who depend upon the REA are not well served by those who insist on misrepresenting those conscientious Senators and others who have different ideas on this legislation as enemies of rural people. It is simply not so. Some of the lobbyists have been deliberately adversarial to the President in a way that purposely misrepresents the administration's position. Such tactics have frustrated our efforts to have this legislation considered in a timely way. Had there been a willingness on the part of the NRECA lobbyists to work out, a compromise, this legislation would have passed the Senate long ago.

S. 1300 makes extensive amendments to the Rural Electrification Act of 1936. Chief among these amendments are those that:

Convert long term notes—that were issued to the U.S. Treasury to obtain funds to loan to electric and telephone cooperatives—to equity capital of the REA revolving fund, rather than leaving these notes in their current status as obligations to be repaid to the U.S. Treasury;

Provide for two separate accounts within the REA revolving fund, one for the electric loan program and one for the telephone loan program, with the assets in each account to be used only in connection with the operation of that account's program;

Eliminate the current statutory 5-percent standard rate of interest charged in the electric and telephone loan programs and require that the Administrator establish a standard rate of interest, not less than 5 percent, for each account that will produce anticipated interest income, including any funds appropriated to the account, that is equal to the total anticipated interest expense on all the outstanding obligations of that account;

Expand the eligibility for REA insured special rate loans to enable more electric and telephone cooperative borrowers to obtain such loans and require that the Administrator make loans to all borrowers that satisfy the statutory criteria for such loans. The amendments give the REA Administrator discretion to set the special interest rate, but the Administrator may set the rate no lower than 2 percent nor higher than one-half of the standard rate.

Require that the Administrator establish a reserve in both electrification and telephone accounts to cover the cost of loans made at the special rate of interest and place annually in each reserve an amount equal to 1 percent of the preceding fiscal year's principal and interest payments made to the account. If the Administrator determines, as of the end of the fiscal year, that either reserve is inadequate to cover the projected 5-year costs of the special rate loans, he must so notify the Secretary of Agriculture, who must then seek an appropriation to cover the deficiency. The amendments also require that each loan made at the special rate of interest be reviewed by the Administrator every 5 years and that the rate of interest be adjusted to the then current standard rate if the borrower no longer qualifies for the special rate;

Provide that the loan criteria and ratios applicable to supplemental financing for insured electrification loans that were in effect on July 15, 1982, be maintained during any fiscal year in which the minimum electrification loan level is established by law at less than $1 billion;

Require that the Administrator, for the purpose of assisting borrowers in improving their financial condition, guarantee loans made by any lender approved by him—in addition to any legally organized leading agency—for any purpose provided in the act and for refinancing assistance;

Authorize the Administrator of the Rural Electrification Administration, after obtaining the prior approval of the President of the Federal Financing Bank, to repurchase, without penalty, any outstanding certificate of beneficial ownership having a remaining term of 7 years or more, when the rate of interest on the certificate of benefical ownership exceeds the current rate of interest on new certificates by at least 1 percentage point;

Authorize the lender of a loan guaranteed by REA, at the request of the borrower, to adjust without penalty the rate of interest on any advance having a remaining term of 7 or more years if the rate of interest exceeds the current rate of interest on new advances by at least 1 percentage point. Any such adjustment may not be made more often than every 7 years;

Require that the Administrator accommodate or subordinate liens or mortgages at the request of the borrower for any purpose that would improve the efficiency, effectiveness, or financial stability of the borrower, upon a finding that the borrower has, or will have, the ability to repay its existing and proposed indebtedness

Revise the definition of the term "telephone service", first, to specifically include the transmission of data; and, second, to include transmissions by wire, fiber, radio, light, or other visual or electromagnetic means, in addition to electricity; and

Expand the definition of the term "rural area"—as that term is used for purposes of telephone cooperative financing—to include areas not within the boundaries of cities, villages, or boroughs with populations of more than 2,500 inhabitants, instead of the present limit of 1,500.

The bill also makes a number of technical changes to the portion of the Rural Eelctrification Act that establishes and governs the operations of the Rural Telephone Bank. These changes will improve the performance of the Rural Telephone Bank and will, as a general matter, make this portion of the act easier to administer.

Mr. President, as I said, this bill has attracted its share of controversy. Some of the most respected organizations in this country have expressed sincere concern about portions of this legislation. The Chamber of Commerce of the United States, the National Taxpayers Union, the U.S. Business and Industrial Council, the American Farm Bureau Federation, and others have all provided their ideas on alternatives to certain provisions in S. 1300 during the course of our deliberations on this issue. Some Senators have raised concerns about the precedent-setting nature of many of the provisions in the bill, as well as the bill's cost.

Mr. President, I will conclude by saying that I hope that whatever comes this evening of this effort to bring this legislation up for consideration in the Senate I hope that any differences that other Senators may have with the provisions in the bill can be worked out either this year or next year through amendment and through agreement and through honest involvement in the process of negotiation.

That has not happened thus far, and that is the reason that we are here tonight, in the closing hours of this Congress.

So I yield the floor.

Mr. GRASSLEY. Mr. President, I wish to add my support to the passage of the provisions of the Rural Electrification and Telephone Revolving Fund Self-Sufficiency Act of 1984 today. Without the passage of this bill rural electrification and telephone programs that have long aided rural Americans are threatened with insolvency. I hope this issue can be resolved in the 99th Congress, because the welfare of many is at stake.

The Rural Electrification Administration is in danger of insolvency because the funds borrowed from the Treasury at market interest rates greatly exceed the repayment rate paid by borrowers. With repayment rates at 5 percent, and interest rates for the REA at market, a drain of 5-6 percent is experienced with each loan. No business entity can survive such a continual cash drain.

The provisions of this amendment will provide many benefits to my home State of Iowa, as well as to all rural areas of the United States. Passage of this measure will ensure a dependable source of electricity at a reasonable cost for rural America, while providing continued financing to update facilities, replace obsolete equipment, extend service to new customers, and repair damaged equipment. The integrity of the REA revolving fund will be maintained.

Without the passage of the Rural Electrification and Telephone Revolving Fund Self-Sufficiency Act, our citizens living in rural areas may not have access to telephone and electric service as a price they can afford. It is for these reasons that I support the passage of this legislation today, and hope that my Senate colleagues will see fit to adequately consider its provisions in the next Congress.

Mr. CHAFEE. Mr. President, it is no secret that I am opposed to S. 1300, the Rural Electrification and Telephone Revolving Fund. It does not solve the problem of the Fund's impending insolvency.

Were the REA fund in immediate crisis, there might be some rational for this emergency legislation to be acted upon a day or two before adjournment. However, there is no such emergency. The REA was granted direct assistance to resolve its short-term cash flow problem in the last two agricultural appropriation bills. In the fiscal year 1984 bill, the REA was granted $198 million and for fiscal year 1985 REA was granted $215 million. these additional revenues push back the day of reckoning until the mid-1990's.

I further oppose S. 1300 because:

Cancellation of the $7.9 billion debt owed by the REA to the U.S. Treasury is not justified.

Cancellation of the $7.9 billion would be provided outside of the budget/appropriations process and would constitute backdoor financing.

The downward financing provision of S. 1300 could cause the refunding of the entire portfolio of approximately $3.5 billion of Certificates of Beneficial Ownership [CBO]. This provision provides substantial benefits to the Fund at the expense of the Federal Financing Bank [FFB] and the U.S. Treasury.

The U.S. Treasury does not have a refinancing option with its investors in Treasury debt and, therefore, could not transfer this additional cost on to others.

REA guaranteed borrowers can fund projects with rollovers of short-term 2-year debt during the up to 35-year period when an advance is outstanding. This action was confirmed in an agreement between FFB and the REA on November 7, 1983. Therefore, the language proposed in S. 1300 is not as flexible as the language now in use in the guarantee program.

Experience with Federal credit programs demonstrates that fixed interest rates produce perverse and unintended variations in interest rate subsidies as market rates of interest vary. This results in inequities among borrowers using the program at different times.

At the current cost of long-term Treasury borrowing of about 12½ percent, the cost of making a typical 35-year loan at 5 percent for $3 million is the same as the cost of providing an outright grant of $1.6 million with the remaining $1.4 million being paid at the 12½ percent rate.

The Treasury has long maintained that the benchmark interest rate for Federal lending programs should be the current cost of Treasury borrowing for a period comparable to the maturity of the loan. This is the best measure of the cost of the loan.

S. 1300 requires the guarantee and subordination of REA direct loans at the request of the borrower which substantially increases the Government's risk.

Eligible borrowers include States and municipalities. The guarantee and/or subordination of these loans would result in the Federal guarantee of tax-exempt obligations. Since 1970, Congress has enacted at least 24 statutes which preclude Federal guarantees of tax-exempt groups.

Placing the credit of the United States behind a tax-exempt obligation creates a security that is superior to direct obligations issued by the Treasury and is contrary to the spirit of the Public Debt Act of 1941 which prohibits direct issuance by Federal agencies of obligations which have interest which is exempt from Federal income taxation.

Federal guarantees of tax-exempts have adverse effects on the municipal market because they create securities which are superior to all other securities issued by State and local entities. Consequently, such guarantees add to the pressures on the municipal bond market, crowd out other, less creditworthy municipal borrowers, and increase the borrowing costs of all municipal borrowers.

The cops have benefited from a wide range of subsidies including subsidized direct loans, 100 percent loan guarantees, and retention of essentially tax-exempt status. They have also benefited from taking advantage of tax incentives available to fully taxable entities such as safe harbor leasing. Additional subsidies include tax-exempt municipal bonds for pollution control equipment and preferential access to low cost Federal power.

The fund was created in 1973 when Congress loaned it as temporary assets $7.9 billion. The revolving fund was also granted all of the interest that would be paid to the Government on these Treasury loans, as well as all the principal and interest that would be paid into the fund for loans it would make in the future. And now (even with these generous provisions) only 11 years after the fund's creation, it is on its way toward insolvency.

S. 1300 calls for the cancellation of repayment of the $7.9 billion debt owed by the Rural Electrification Administration to the U.S. Treasury. This provision is unjustified. REA Administrator Harold Hunter, states that forgiving the repayment of the $7.9 billion will not bring the fund solvency. Furthermore, cancellation of the $7.9 billion debt would be provided outside the budget and appropriations process and would constitute backdoor financing.

This policy of forgiveness would create a very dangerous precedent for other off-budget credit programs to defer, reduce, or cancel their debts to the Treasury. The permanent forgiveness of $7.9 billion is questionable particularly considering that the revolving fund is capable of repaying its obligation. Currently, the $7.9 billion is required to be repaid to the Treasury over a 25 year period beginning in 1993. It is a little premature to think of forgiving a debt that is not due to begin to be paid for another 9 years!

Approximately $1.1 billion in REA loans are made each year at a 5 percent interest rate, while the funds are borrowed at an 11.4 percent interest rate. This is one major cause of the revolving fund's problems. The fund does not generate enough earnings to repay its loans. Although S. 1300 would raise interest rates as a means to assure the self-sufficiency of the fund—rates would still remain *well* below projected borrowing costs. According to the Congressional Budget Office (CBO), the Fund's receipts would increase, but interest expenses would overtake the Fund's income before the year 2010. At that time, Congress would again be asked to come to the rescue of the Revolving Fund.

Instead of passing S. 1300 Congress should re-examine the role of the REA. Remember that the original purpose of the 1936 Act was to distribute electricity and telephone service to farmers and rural areas. Today 99 percent of rural America is electrified and 95 percent receives telephone service. Obviously, the goals of the original

Act have been met, and the co-ops no longer need interest subsidies.

Much also has changed since the 1930's. Much of rural America is suburban or urban. Often, co-ops provide much of the taxpayer subsidized power to suburban, commercial, and industrial users—not to small farms and rural households that the REA was created to serve.

In a 1979 study conducted by the Environmental Policy Institute, "Lines Across the Land," it was found that some co-ops sold huge blocks of power to large industrial and commercial users. The study found that while co-op electric sales to large industrial and commercial users nationwide average about 22 percent, in 11 States—9 of which are in the West—industrial and commercial users consume between 25 percent and 67 percent of rural electric sales. Some of the co-op's electric power is going to some of the Nation's largest companies at bargain basement rates! This is an outrage! For example, the Environmental Policy Institute found in Alabama, co-ops selling power to service pumping needs in the oil and gas fields; in Arizona, to Phelps Dodge and Anamax Mining for mining and milling; in Colorado, to Shell and Chevron for pipeline pumping, to Union Carbide for uranium milling and to others for coal mining. Throughout North Dakota, Montana and Wyoming, coops serve strip mines, oil and gas operations and some uranium mines. In Texas, co-ops provide power to El Paso Natural Gas.

The correct solution, that of bringing REA loan rates closer to the actual cost of borrowing money from the Treasury, would have a small and in many cases, negligible effect on the cost of electricity to the average REA consumer. Interest rates are but a small part of the costs of generating and distributing electricity. Estimates by the Congressional Research Service suggest that nearly 84 percent of the cooperatives would charge their average ratepayers less than $1 a month above their current bills, if the fund's interest rate were to rise 4 percentage points from 5 to 9 percent. For more than 7 percent of the cooperatives, there would be virtually no effect on ratepayer's bills given the 4 percentage point increase in the revolving fund's interest rate.

There are, of course, regions of the country that would feel a greater impact. However, the REA Administrator already has the necessary authority to grant special relief in these cases.

S. 1300 is a classic case of special interest legislation. Rural electric co-ops operate in 46 states and have an obvious impact on the legislation before us today. S. 1300 is the National Rural Electric Cooperative Association's wish list. It does everything except address the problem of insolvency. Unfortunately, it will become a nightmare. In summary, I oppose the bill because;

The bill will not solve the Fund's financial problems.

It only delays the day of reckoning at the expense of the taxpayer. The administration estimates that if all sections of the bill are implemented it could cost the Treasury as much as $20 billion.

The budget implications are serious. The bill would increase the borrowing and taxing requirements of the Treasury and raise interest rates for all Americans;

The bill will create an extremely damaging precedent for the many other off-budget loan programs that will also expect to request forgiveness;

The bill will continue a major non-means tested subsidy to some special interests.

Any legislation passed this Congress ought to address the Fund's pending insolvency by:

Placing REA activities on budget; raising the REA lending rates equal to the Treasury's cost of money, and requiring all borrowers to pay user fees to cover the administrative costs of the loan.

Mr. STEVENS. Mr. President, I want to thank the distinguished majority leader and the distinguished chairman of the Agriculture Committee for bringing to the Senate floor, for its consideration, S. 1300, the Rural Electrification and Telephone Revolving Fund Self-Sufficiency Act.

The REA system is particularly important to my State of Alaska. Out of a population of about 450,000, 70 percent are consumers of REA cooperative produced power. This is because, as my colleague know, doing anything in Alaska is expensive and if there was ever a rural State—Alaska is that State. Alaskan's electric bills are substantially higher than the national norm. Looking at the monthly cooperative electric bill based on 1982 statistics, the average Alaska co-op customer spend $83.20 a month versus $57.54 nationally. Without REA that Alaskan consumer would be paying much more—if he or she had electric power at all.

The cost of power on a per kilowatt hour basis is 8.9 cents in Alaska while the national cost is 4.2 cents. Alaskan co-ops must invest an average of $2,939 per customer when the national average per customer is $1,446. Without the REA system, much of rural Alaska would not be electrified.

The point is that electrical generation is an expensive proposition in the West. Existing systems—many dating back to the 1930's and 1940's need upgrading. More customers without electricity need to be hooked up. The marginal economics of providing electrical power to rural residents, which was the reason for the establishment of the REA system, still exists.

The REA system has brought many areas of the West into the 20th century. That work is not completed in my State of Alaska, nor is it completed in many parts of the West. We need a healthy REA system. It is unfortunate that a compromise on S. 1300 couldn't be worked out this year. I look forward to seeing us complete legislation next year.

Mr. MURKOWSKI. Mr. President, I rise in support of S. 1300, the Rural Electrification and Telephone Self-Sufficiency Act of 1984.

Alaska and other rural States depend upon rural electric cooperatives for much of their electrical power, and I have been supportive of Federal Rural Electric Administration funding in the past. I believe it is important to ensure that Congress take the necessary steps to ensure that the rural electric revolving fund, the source of REA loan money, will be healthy and self-sufficient. In this regard, S. 1300 represents an important step in the right direction.

The REA revolving fund will soon face severe economic difficulties because the demand for low-interest loans by qualified borrowers has exceeded the limits of the revolving fund and led REA to borrow at Treasury rates to satisfy the needs of rural America. So long as there is this need I believe we should maintain the program.

S. 1300 is one possible solution to the problem confronting REA. It is apparent from the statements I have heard on the floor of the Senate, and from conversation with my colleagues, that S. 1300 will require some additional work before we can reach an accord. The last days of the 98th Congress are upon us and it is obvious that we cannot resolve this issue now.

When we return next year it is my hope that we will once again address the problems confronting REA, but that we will do so with an enlightened view. Let us not forget what we have accomplished with S. 1300. For instance, we should once again provide co-ops with the ability to split their tier if they are both generation and transmission co-ops and distribution co-ops.

When we revisit this issue next year, I believe we should search for creative ways to restore the permanence of the revolving fund with the least burden to the taxpayer.

Thank you, Mr. President, I yield the floor.

Mr. PRYOR and Mr. ZORINSKY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. ZORINSKY. Mr. President, for almost 50 years, rural electric cooperatives—excuse me. Does the Senator from Arkansas seek recognition?

The PRESIDING OFFICER. There is a unanimous-consent request pending.

Does the Senator reserve the right to object?

Mr. ZORINSKY. Mr. President, reserving the right to object, I only wish to present a brief comment on the reason for my concern about my right to object.

Mr. President, I yield the floor prior to my comment to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, I thank my distinguished friend from Nebraska for yielding.

I have heard statements in the last few moments, as I know my friend from Nebraska has, that have chilled me to some degree, implying that we have not attempted to work out a compromise on S. 1300.

Of course, any Senator under these circumstances certainly has the right to object. I hope that no Senator will object to S. 1300 coming before the Senate at this time, although I do know that there are disagreements about this legislation.

I do not think that I have ever seen a piece of legislation of this degree in intensity of controversy that has a greater bipartisan support than S. 1300 and in the many meetings that the distinguished chairman has chaired in the Agriculture Committee we have talked about this legislation, we have talked about the concerns of REA, and I think all of us are trying to find that answer and perhaps in the late moment, in the last hour of this session, it may be too late to find that right answer.

But I am sincerely hoping that there will not be an objection to bringing up S. 1300, and I wanted to make my position clear on this even though, of course, we understand that there may be an objection. I hope there will not be.

The very distinguished Senator from Nebraska has yielded to me, and I yield back to the Senator.

Mr. ZORINSKY. I thank the Senator.

Mr. President, reserving the right to object, and I shall not object, I wish to indicate that for almost 50 years, rural electric cooperatives, aided by Rural Electrification Administration programs, have provided power at reasonable prices to improve the quality of life in our rural areas, and to help make this country's agriculture the most productive in the world. The REA Program has also had a beneficial effect on our cities and towns, providing an important economic stimulus to merchants and manufacturers of farm and electrical equipment.

Despite its remarkable achievements, the goal of the REA Program has still not yet been reached. We in the Congress recognized this when we included financing assistance to the investor-owned segment of the utility industry in the form of tax concessions in the Economic Recovery Tax Act of 1981.

Mr. President, the need of Nebraska's rural electric systems for capital is as great now after almost 50 years of service as is the need of Consolidated Edison or any other power company. Capital is needed to replace an aging physical plant as it wears out, to heavy up or improve facilities to meet new and greater demands for power, and to provide service to new customers coming to rural America.

Low-cost capital is especially important to America's rural electric and telephone systems because they are expected—indeed, obligated—to serve the most remote parts of our Nation. In Nebraska, for example, the rural electric systems have about 2.1 meters per mile of line while the electric utilities which serve our cities may have 60 or more customers per mile of line.

Because more meters per mile of line generally means higher revenue and lower operating costs per meter, the fact that our rural electric co-ops provide service at comparable rates gives us reason to take special pride in these systems.

Because they serve sparsely populated areas as well as the more remote and rugged parts of our Nation, the rural electrics would find it difficult to compete in the open market for their capital needs.

I guess, Mr. President, it is just like saying let the Interstate Highway System be funded thoroughly and uniquely enough by each State that utilizes it within their geographical limits.

How would States like Nebraska having a population of 1½ million people, North Dakota with even a lesser population, Montana, South Dakota, and many other States in our country, be able to self-support? And this is what the opponents of S. 1300 are saying. It is that we have a unique system, an electrical system, and each should carry its own weight.

That works fine. But certainly the park system of America does not carry its own weight. The Interstate Highway System and its many bridges does not carry its own weight. And, of course, sparsely populated America cannot carry its own weight in the essence of a system that is part of a grid in distributing at an economical cost factor to its users the ability to sustain that service at the same rate as a densely populated area would be. And because of this I think it is very vital to this country that S. 1300 be heard on this floor and also passed.

Mr. President, this problem is compounded by the fact that the rural electrics—even the largest of the rural electric systems—are very small when compared to almost any of the Nation's investor-owned electric utilities. The rural electrics simply do not present an attractive investment opportunity for private investors.

The REA loan programs give some assurance to the Nation's rural electric systems that they will at least have access to capital which could otherwise be denied them.

In 1973 the rural electric cooperatives came to Congress with a plan to make themselves more self-sufficient, through the implementation of a revolving fund, a self-sustaining source of rural electric loan funds that is replenished through loan repayments.

Three years ago the rural electrics came to us with a plan that recognized the recent large increases in interest rates, and supported a change in the loan criteria that eliminated the special 2-percent interest rate except for the most extreme hardship cases.

That history of responsibility is being repeated with this latest proposal to amend the Rural Electrification Act of 1936. In a nutshell, rural electric systems are asking us in this bill to allow the interest rate on their revolving fund loans to be periodically adjusted in order to keep that fund a self-sustaining financing mechanism. In 1973 we could not foresee the high interest rates and inflation that have sharply increased the costs of utility financing and put a special strain on the revolving fund.

Not only will it help correct the growing imbalance of the revolving fund, but the legislation also will provide the Nation's rural electric distribution systems a permanent source of at least a portion of their continuing capital needs. Mr. President, I know that this legislation is the product of thorough study and lengthy consideration, and I am pleased that it was introduced in a timely fashion—before the problems it is designed to address reached crisis proportions.

Rural electric systems are critical to the well being of American rural life and American agriculture. Therefore, I urge my colleagues to join me in accepting the responsibility we have to address the needs of these Americans by supporting S. 1300.

Mr. BAKER. Mr. President, reserving the right to object, it is clear now, Mr. President, that there will be a number of objections to proceeding with this based on the reservations that have already been expressed.

Let me also say that while Members have been expressing their views on this subject on reservation, I have made enough inquiries to find out what the status of a motion would be in the event an objection is made and I found out that it would be futile to try to go forward; that indeed there is enough debate, and I see enough Senators around here with enough books to

extend the debate beyond that which the remaining hours of this session will accommodate.

So, Mr. President, if there is an objection I wish to state that I will regret it because I have been a consistent supporter of REA, as most other Members have been, but I acknowledge it. It would not be my intention then to move to consider this bill given the circumstances as I have found them.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, other Senators are on the floor and may have statements they wish to make, so let me do this. I ask unanimous consent that, after the disposition of the pending request, the Senate then have a period for the transaction of routine morning business not past the hour of 8 p.m., under the same terms and conditions as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there objection to the request to proceed to S. 1300?

Mr. BAKER. I understand now the request has been granted for morning business, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Now the Chair is putting the question as to whether there is an objection to my unanimous-consent request that we proceed to the consideration of S. 1300, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ABDNOR. Mr. President, reserving the right to object, and I will not object, but I have waited for quite some time in this 98th session of Congress for this bill to come before the body to give us a chance not only to discuss the bill but also to pass it.

Coming from a rural State as I do, where we really mean rural and having lived in that area all my life, I am certainly one of those who has always had a great appreciation for what rural electrification means to South Dakota and our way of living. I well remember what it was like before rural electrification arrived in my State and what it means to us all and to the future of my State.

Now that we are in this late hour, near the close of the session, we have an opportunity to discuss the bill and hopefully pass it, only to find that it looks like we cannot proceed.

I know that in South Dakota it is considered one of the major bills of the Congress, one that I probably had as much correspondence on and as much contact with the people as any piece of legislation. This particular fund we wish to replenish means much to the future and the growth of the REA. Many of our lines are growing old.

Of course, coming from the metropolitan areas of the country, I am sure that it is hard for many people to understand, that not many years ago, under the Rural Telephone Association, communication was almost nonexistent. People had two-way radios and that is the way they communicated. Now we have some rural telephone lines and companies, RTA's, in South Dakota and it has brought the people closer together in the State.

We have had enough trouble with the breakup of AT&T and the Bell System. The breakup means you will have a telephone hookup every 10 miles. That is a very expensive thing. And I know it takes some subsidization to make it work.

But there are certain things in life that I think Government has a right to do and it should be assisting rural America. You just cannot write off our part of the country because we happen to live in rural areas. We think we are a great part of this country. We think we make a great contribution to the economy of this country. But because of the lack of population, because of the lack of capital, we are at a great disadvantage.

So I would just like to say to the Members of the Senate that this is important legislation. After all the time spent waiting for this bill to finally come up on the floor only to meet the problems we now have is indeed a great disappointment to me and I know a great disappointment to the people of South Dakota.

Mr. HELMS. Will the Senator yield?

Mr. ABDNOR. Yes, I yield.

Mr. HELMS. I thank the Senator. I agree with what the Senator says. I share his regret that we have not heretofore been able to get this bill before the Senate for consideration.

Let me say again that it has not been because those of us interested in the REA have not tried.

I simply must again pay my highest respect to the majority leader, because he has tried to work out something in the nature of a compromise to bring the two sides together. But, there was a complete unwillingness on the part of the lobbyists for the NRECA. They just would not budge.

Now, we worked with Bob Bergland, the new chief executive officer of NRECA, who is a great fellow, a former Secretary of Agriculture. I am inclined to believe if he had not had the constraints placed on him by others who were trying to play politics with this bill, we long ago would have had this bill up in the Senate and would have worked out a compromise satisfactory, or reasonably so, to everybody. But that did not happen. This is an election year, and some have been playing politics with this bill. Unfortunately, they have shot themselves in the foot in terms of this legislation.

It was apparent all along that the distinguished Senator from Wyoming [Mr. SIMPSON], was not going to permit this legislation to come up. The majority leader just did not have the time for a prolonged debate on this matter. I know that the distinguished Senator from Wyoming and the distinguished Senator from Ohio were perfectly capable of conducting an around-the-clock discussion of it. They felt that strongly about it.

But, I say again that it is not the fault of the majority leader. He met with me and a delegation of rural electric cooperative leaders from North Carolina several weeks ago. He pledged to bring this bill before the Senate. Tonight he has fulfilled that commitment.

I hope that the professional lobbyists, including some in my own State, have learned a lesson from this, and that henceforth they will stop playing politics with a very vital, very important, very significant program. But I say again to my fellow Senators that those who have done these things are the cause of this bill not being considered, not ALAN SIMPSON, because he and others were willing to sit down with the NRECA to work out a mutually agreeable compromise. They were unwilling to agree to any compromise. This attitude undercut the tireless efforts of many dedicated electric and telephone cooperative leaders in my State and around the Nation who have worked so conscientiously to secure the future solvency of the REA revolving fund.

Mr. ABDNOR. I thank the chairman of the Agriculture Committee. Let me say I certainly know this is through no fault of our majority leader. I have never run into a person more fair, even on legislation with which he may not agree. And I know he things very highly of this program.

He has said he has always been a strong supporter of rural electrification. But I know how these things happen. We go onto the end. And maybe if we had a few more days, we could get both sides together and try to come up with something. You are looking at a Member of the Senate who has spent 4 years trying to get a water bill passed. Despite the little things that would not give, I found myself going into the late night session at least trying. If I had another 3 days, I would be able to make headway. Sometimes that is unfortunate. We scrap among ourselves, and, after it is all said and done, all we do is really harm ourselves after we agree on the need for legislation.

I know there has been a great effort to bring this forth. I am sorry we cannot see fruition at this time.

Mr. HELMS. I thank the Senator.

If he will yield further, I will say we are fortunate in this regard: S. 1300 is not an emergency piece of legislation. As you know, approximately $200 mil-

lion was appropriated last year, and it is expected that another $200 million will be appropriated for this fiscal year, to support the revolving fund. The point being, Senator, you, I, and all the rest who are interested in REA can get back here in January and we can go to work on a bill that will accomplish the goal of assuring the solvency of the REA revolving fund. I think we can come up with something that will work.

But the intransigence of the lobbyists caused this bill to go down this year.

I think they must take full responsibility for that.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I certainly concur with the remarks of the Senator from North Carolina and also with the Senator from South Dakota. I hear that so clearly. Let me briefly tell you that I met with Bob Bergland on this issue. I had a very candid, open, and thoughtful discussion where we laid it all out on the table, just the two of us, talked about this issue, and what we could do. He was very accommodating, and he went back to his board. They crunched him. I mean they really did a number on Bob Bergland in my estimation, because he was speaking with great clarity and great knowledge. He has a tremendous knowledge of this subject. So all I had been saying to him was something he had listened to attentively. It was very simply this: There were four points where I disagreed, and I would take 1 brief minute to relate them. First, I said you have to pay back your certificates of beneficial ownership. You do not write that off somewhere down the line. Second, you do not write off with equity financing and all sorts of off-budget, on-budget Federal finance whiz bangs—7.9 billion bucks. Third, I said get your interest rates closer to market, and I will listen. And fourth, I said quit building generating facilities with Treasury bills which they have done to the tune of many billions while we sat and failed to watch closely what they were doing. Then I said get out of the transmission and generation business, and get back to distribution systems.

Those were the things I expressed to them. Those were the things that were well heard by Mr. Bergland, thoughtfully considered, and he went back to his board. In a remarkable degree of arrogance, they said there it is, take it or leave it, we will role it. That is why your genial correspondent is speaking to you at this particular time.

And what would they leave us with?

This legislative proposal which purports to create a "self-sufficient" revolving fund for rural electric and telephone cooperative borrowers. The bill certainly fails to bring about self-sufficiency if you are to use the accepted definition: "being able to provide for oneself without the help of outsiders." Additionally, the Congressional Budget Office has estimated a cost of $9.3 billion through the year 2010, but costs to the Government will not stop in that year and, going beyond that year, the administration has placed a $20 billion cost estimate on this legislative proposal. Heavy bucks in a heavy deficit.

I am certain my colleagues will recall my opposition to this measure which I outlined in a letter to each of you dated May 3, 1984. Some time later I had various meetings with representatives of the trade association which authored the bill so that we might better understand each other's concerns. I was as straightforward in my approach as is possible—I have two major concerns: First, that the "revolving fund"—which does not revolve anymore—begin to make payments on its continuing borrowings from the Federal Treasury—to amortize present and future CBO [Certificate of Beneficial Ownership] debt, and second, that the borrowers from the fund pay a rate closer to the actual cost of money to the Government. Seemed sensible. Since the beginning of the Rural Electric Administration, in each instance where Congress has set an interest rate to borrowers, that rate has been made approximately equivalent to the then-prevailing cost of Government funds. But the proposal before us would set an initial interest rate of approximately 7 percent, while the long-term Federal funds rate is about 12.5 percent—that is quite a subsidy, especially in light of the fact that it seems the intent of previous Congresses was to assure availability of funds, to ensure subsidized funds.

My staff and I then proceeded to work with the trade associations in order to achieve a meaningful compromise. When that preliminary proposal was presented to the trade association, they thumbed their noses at any talk of a compromise and the executive vice president then delivered a statement saying that S. 1300 "is in itself, a compromise." We have a name for that in Wyoming too. For on the contrary I believe that any person after careful study of the issues involved would see that their legislative proposal is only a magnificent and ephemeral "wish list" just asking for compromise. This is but a clear-cut case of muscle flexing. The trade association is saying, "Let us get as much as we can, while we can—before Congress wakes up as to what is happening with the off-budget financing programs"

I trust my colleagues will understand that I do not stand here today as an opponent of the rural electric and telephone co-ops. I only am scrapping to oppose a piece of legislation wholly inappropriate to today's economic circumstances. The trade association which authored the legislation has a recognition of that fact as well and wrote the proposal with that in mind. Let me quote from the final report of the association's committee which crafted this proposal:

> The committee finds that preserving the revolving fund through reliance on congressional appropriations would entail annual appropriations at a continuing and increasing level, reaching several hundred million dollars annually, within 6 years. The committee notes also that congressional concern over mounting Federal deficits makes this a particularly inopportune time to request appropriations, and that the use of appropriations to balance the fund would be likely to change the perception of REA from a lending to a spending program, thus threatening the off-budget status of REA.

You ain't joshing.

With that recognition of potential problems with Congress—and the American people—the Trade Association Committee set about to write a piece of legislation which guarantees all rural electric and rural telephone cooperatives—regardless of financial condition—continued access to borrow funds at levels far below the cost of money to the Government. And, perhaps most important of all, continued access to the vast treasures of the Federal Financing Bank.

Senator PROXMIRE, a careful, prudent, and persistent observer of the Federal budget, warned us on Monday, September 17, 1984, that in only the 10 years since its inception the Federal Financing Bank "has become the largest bank in the United States" and that "in fiscal year 1982 alone, off-budget credit programs consumed more than 21 percent of all funds raised in the Nation's credit markets." Those fine gentlemen and gentlewomen who serve on the boards of their local electric and telephone co-ops, as well as all Americans, wonder just why interest rates are so high and what can be done about them. Perhaps part of the fault lies in Federal borrowing. If both the official Federal budget deficit and the off-budget deficit are combined, the Federal share of the Nation's credit markets is well over 50 percent. With the Federal Government consuming more than one-half of the available credit, the price rises on the much sought after, but limited, amount of credit money remaining.

As Annie Landers says, "Americans must wake up and smell the coffee" and realize that every single one of them—including me—are relying on something from the Federal Treasury—and that includes tax credits, tax exemptions, loan guarantees, Social Security, railroad retirement, Medicare, Medicaid, industrial revenue bonds, depreciation allowances, Payment in kind [PIK] Programs, agricultural subsidies, wastewater treatment plants, sewage grants, student loans,

historical preservation, revenue sharing—when there really is not any to share—community development block grants, fish and wildlife tax funds, solar energy bank loans, payment in lieu of taxes, wool payments, and on, and on, and on. You name it, every single one of us is in it—including AL SIMPSON, who borrowed on his GI life insurance policy at 5 percent interest. What am I doing in the system? The taxpayers pay me $72,200 a year and my wife, Ann, has an income from her real estate business just as she did when we lived in Cody, WY. When we see that situation multiplied by 230 million human beings in the United States, then we should at least begin to know how the deficit got there and what it is going to take to get rid of it. Give something up. I borrowed from Ann and paid off the GI life insurance loan.

I am advised that from 1976 to 1983 budget outlays rose 122 percent while net Federal loans, loan guarantees, and credit advances increased 387 percent. The Federal Financing Bank accounted for 96 percent of all off-budget outlays during the same perid, 1976-83, and rural electric borrowers comprise the largest recipient group of guaranteed loans issued by the FFB—41 percent. The Federal Financing Bank serves the electric cooperative borrower in two different ways. First, the FFB is the source of money for loans guaranteed by the Rural Electrification Administration. Rural electric cooperatives have become much more than just a "distribution system." It is the power supply cooperatives—the powerplant constructors and operators—who apply to and receive a "guarantee" from the REA—with the revolving fund as the "guarantor"—then go down the street to the FFB for their check. A dandy way to do business. The interest rate charged on these construction loans is the Treasury rate of interest plus one-eighth of 1 percent. In 1982, 98.9 percent of funds to power-supply borrowers came from the FFB in that manner. This back-door, off-budget, direct Federal financing of powerplant construction, both conventional and nuclear, should be carefully examined by the Congress. Another whoops in the making. Whoop it for whoops.

The second form of FFB assistance to electric cooperatives is through the revolving fund which is the source of 5-percent loans to distribution cooperatives. Because the "revolving fund" which no longer revolves has been disbursing more loan funds than it earns in receipts, the fund has to borrow the necessary funds from the FFB through the sale of certificates of beneficial ownership [CBO]. The fund pledges its outstanding loan assets as collateral in return for FFB loans at, again, the Treasury cost of borrowing plus one-eighth percent. The current CBO debt of the fund is approximately $3.5 billion—this is in addition to the much ballyhooed $7.9 billion debt the fund owes the Treasury as a result of the 1973 legislation which established the fund. The fund currently makes interest-only payments on its CBO debt with the first "balloon" payment of principal due in the year 2006.

Since establishment of the fund in 1973 loan disbursements have been approximately twice that of receipts. But because of rising interest rates to the Treasury, the fixed rates for REA loans—2 percent and 5 percent—the congressionally mandated minimum lending level—established in each year's appropriations bill—and the minimum participation ratio—the fund must provide at least 70 percent of the total loan request of the co-op, there is a continually growing gap between income and disbursements of the revolving fund. That gap has not been growing quite as rapidly in recent years because Congress has appropriated direct assistance to provide for the net realized losses of the revolving fund in the last two agricultural appropriations bills—$198 million in fiscal year 1984 and $215 million for fiscal year 1985. Fascinating way to do business, is it not? The envy of American enterprise. And then to see the green button on the lapel: "We pay our way"—I don't believe that one.

Mr. President, I should also like to take a few moments to share with my colleagues the results of the audit report of the U.S. Department of Agriculture inspector general, Midwest region. The report is entitled "Loan-Making Policies for Electric Distribution Cooperatives." I will summarize the background and the major conclusions.

The Rural Electrification Administration [REA] was established by Executive Order 7037 on May 11, 1935, as part of an unemployment relief program under authority of the Emergency Relief Appropriation Act of 1935. REA was made an independent agency in 1936 by the Rural Electrification Act (7 U.S.C. 901) and became a part of the U.S. Department of Agriculture [USDA] in 1939.

The Rural Electrification Act, as amended, authorizes the REA Administrator to make loans for rural electrification and for furnishing electric energy to persons in rural areas who are not receiving central station electric service—that is, electricity received from a central generating plant as opposed to an individually owned electric generator. As defined in the act, a rural area is any area not within the boundaries of a city, village, or borough having a population in excess of 1,500 inhabitants. Once a rural area qualifies for and receives financial assistance, it remains eligible for REA assistance even though its population goes above 1,500. This practice was affirmed by Senate Resolution 21 (86th Congress), which states, in part, that the act should continue to be interpreted to authorize loans to those already being served with the aid of REA funds.

Public Law 93-32, enacted on May 11, 1973, amended the 1936 act to establish the Rural Electrification and Telephone Revolving Fund; it authorized REA to make insured loans to electric and telephone borrowers at a standard interest rate of 5 percent per annum. In hardship cases, the Administrator was authorized to make loans at a lesser rate, but not at less than 2 percent per annum. The amendment also required that borrowers obtain a portion of their funding needs from supplemental sources outside of Government. The insured loans were to be made through the fund's receipts and through the sale of the fund's assets; borrower's loan notes, in the form of certificates of beneficial ownership [CBO] to the Federal Financing Bank, a wholly government-owned corporation. Public Law 93-32 required the transfer of the outstanding assets of the electric and telephone programs to the revolving fund. Also, all subsequent receipts of principal and interest were to go to the fund, and interest payments on outstanding Treasury borrowings used to finance the program were canceled. As of December 31, 1982, a total of $7,865 billion of unpaid, interest-free Treasury notes was outstanding in the fund. These notes will mature and become due between the years 1993 and 2017.

In 1976, REA began incurring interest expenses when its income was no longer sufficient to provide funds for new loans. To obtain additional funds, REA began borrowing from the Treasury and selling CBO's to the Federal Financing Bank. Currently, in March and September of each year, CBO's are sold to refinance the interim borrowings and on the balance of outstanding CBO's. REA projects that the fund's interest expense will exceed interest earnings by mid-1985 at which time it will become necessary for REA to request appropriations from Congress, or accelerate the sale of the fund's assets to make up the shortfall. REA projects that by the year 2004, all of the fund's assets will be sold, and first-year appropriations in excess of $1.6 billion will be necessary to continue to program.

REA has recognized the seriousness of the growing disparity in interest rates, and has acknowledged that changes are needed to improve the condition of the revolving fund. REA budget estimates for fiscal years 1983 and 1984 have called for reductions in the authorized funding levels of the program. In addition, REA has implemented or proposed methods for reducing the dependence of electric and

telephone borrowers on REA financing. These include changing the criteria and ratios for supplemental financing to require that electric distribution borrowers obtain a larger portion of their capital needs from sources other than the Federal Government and disallowing the use of REA loan funds for such purposes as the construction of headquarters facilities. However, Congress has mandated that REA funding levels, supplemental financing ratios, and loan criteria remain unchanged from previous years (Public Law 97-370, dated December 18, 1982).

The issues discussed in this report generally concern the insured loans and the operational activities of electric distribution borrowers. In fiscal year 1982 there were 931 such borrowers active in the program; they received loan advances totaling $851,770,000. During this period REA approved new electric distribution loans totaling $770,265,000.

It should be noted, Mr. President, that the portion of this report which addresses the condition of the revolving fund pertains to both electric and telephone borrowers. Loans from the fund are made under similar rates and terms for both programs.

The overall conclusions of this USDA audit report on loan-making policies for electric distribution cooperatives may be briefly summarized as follows, Mr. President.

The inspector general's analysis of the REA's operation of the revolving fund and loan-making policies and procedures, and the review of 32 electric distribution cooperatives, led him to conclude that significant problems within the Electric Loan Program had been disclosed. According to the audit report, the revolving fund is rapidly deteriorating and will eventually require congressional appropriations unless interest rates can be increased and loan criteria changed. The audit found that cooperatives receive REA assistance regardless of financial need or whether they still serve rural areas, and that operating procedures need to be strengthened to ensure that loan funds are disbursed and used only for purposes approved in the 2-year work plan.

The specific problems cited in this report may be further described as follows. First, because REA is required by law to limit interest rates to 5 percent on loans made from the revolving fund, and because the cost of Government borrowing over the past 10 years have significantly exceeded those rates, REA has begun selling the fund's assets to finance the program by 1985, REA's interest expense will exceed interest income. Unless interest rates charged to borrowers are increased to reflect the cost of Government borrowing, and/or loan criteria and ratios are changed, REA will have to seek congressional appropriations to subisize the fund. These moneys would be in addition to the $307 million a year in subsidies presently obtained through interest-free notes to the U.S. Treasury. The subsidies have totaled about $2.8 billion through September 30, 1982. The USDA audit and a previous GAO report have shown that many cooperatives could obtain outside financing at higher interest rates without a significant adverse effect on rural electric users.

Second, the REA and the Office of General Counsel have interpreted the Rural Electrification Act and congressional directives to allow loans to be made to cooperatives regardless of their financial strength or the urban/rural characteristics of their service areas. Consequently, REA continues to provide loans to borrowers whose service areas are no longer rural, as defined in the act, and to borrowers that are financially sound and could obtain credit from other sources. Many of these cooperatives' retail electric rates are lower than comparable investor-owned utilities. The audit selected 50 cooperatives which, according to TIER [times interest earned ratio] and equity ratios appeared to be financially sound in order to determine if their financial positions were similar to those of neighboring investor-owned or municipal systems. What the auditors found was that 44 of the cooperatives were in a stronger financial position than neighboring investor-owned or municipal utilities providing similar services.

Third, the study analyzed the effect higher interest rates would have on these cooperatives. For 37 of the 50 cooperatives which had received an REA loan in the previous 5 years, it was noted that increasing cost of interest—to reflect the cost of borrowing to the Government—did not alter the retail electric rates substantially. REA itself has determined that over 45 percent of REA cooperatives currently have retail electric rates lower than those of comparable investor-owned utilities. GAO reports have also shown that cooperatives could qualify for financing at commercial terms and still provide electric service with no significant increases in residential electric rates.

Fourth, the judgment sample use in this study, of 38 cooperatives located within 50 miles of a large urban center, disclosed 34 whose service areas were no longer entirely rural. A detailed review of 9 of the 34 revealed that they predominantly served the suburban residents of major metropolitan areas. For example, 76 percent of the 34,000 consumers of one cooperative lived in the suburban communities surrounding Washington, DC. The median household income of these consumers was over $25,000, or 25 percent higher than the national average. The 9 cooperatives received recent REA loans totaling over $147 million.

Fifth, although REA requires borrowers to submit a work plan that specifies the intended use of the loan funds, the audit noted that, in reviews of 32 cooperatives, that borrowers did not always limit the use of the loan funds to these authorized purposes. Twenty-six of the cooperatives used funds for purposes not included in the work plan, and 20 applied for new loan funds using portions of the previously approved and funded but unbuilt items in the work plans as the basis for the new loan requests. At least $61.9 million of the $421 million in REA and suplemental loans made to the 32 cooperatives were advanced on work orders which contained unapproved construction items and for work completed in prior work plans. At one cooperative, over $28 million was approved for three work plans. The audit found that the cooperative used $6.6 million for purposes not included in the plans and did so without REA approval. It was also noted that, shortly after obtaining the loan advances, the cooperative invested $4.2 million of the moneys at rates ranging from 13.25 to 16 percent.

Sixth and finally, Mr. President, REA attempts to control loan disbursements to cooperatives by requiring that their general fund levels fall below 8 percent of total utility plant before loan advances can be made. However, the inspector general's study found that cooperatives often circumvent this control. In one instance, REA officials provided information which assisted a cooperative in obtaining an unnecessary loan advance. These conditions allowed 22 of the 32 cooperatives reviewed to drawdown $44 million in loan funds prematurely or without immediate need for the funds. Of this amount, over $33 million, borrowed from REA at 2 or 5 percent, was invested in high-yield certificates for periods of 90 days or more and at terms up to 20.75 percent. One cooperative reduced its general fund level below 8 percent 18 times to obtain loan advances totaling $18 million. To accomplish this, the cooperative prepaid power costs, prepurchased supplemental financing certificates, prepaid long-term debt to REA and retired patronage capital. The cooperative invested $1.1 million of the loan draws in high-yield certificates for periods in excess of 90 days.

Finally, Mr. President, I should like to review just briefly the eight recommendations of the inspector general. Those recommendations are as follows; that the Administrator of the Rural Electrification Administration:

First, seek legislative authority to change loan-making criteria and ratios, in combination with an increase in the insured loan interest rates up to the Government cost of borrowing, to improve the financial condition of the

revolving fund. REA should reduce and subsequently eliminate Federal funding to cooperatives capable of otaining financing from non-Federal sources and assign interest rates based upon borrowers ability to pay.

Second, establish criteria to evaluate cooperative needs for REA financing based upon an individual cooperative's financial strength and retail electric rates. Require cooperatives to establish retail electric rates, whenever possible, which ultimately enable them to obtain total outside financing.

Third, request legislative authority to redefine eligible rural areas. This should take into account the significant changes in population patterns which have occurred since the inception of the Rural Electrification Act.

Fourth, identify those cooperatives which no longer serve an eligible area and/or are financially strong, and evaluate their need for continued REA assistance. For those cooperatives which are in an urban area, and which cannot secure outside financing, develop a system of diminishing assistance, with reasonable timeframes, according to the cooperatives' financial condition.

Fifth, require that borrowers use loan funds only for items contained in an approved construction work plan, and instruct borrowers to obtain REA approval of changes in work plans before loan funds are advanced for these purposes. Discontinue the practice of reimbursing cooperatives for work completed prior to the period of the work plan.

Sixth, use REA field personnel to conduct reviews to assure that funds are used only for loan purposes identified in the approved work plan and that cooperatives' requests for loan advances comply with applicable procedures. Review each cooperative's use of general funds to identify nonconstruction transactions having a material effect on the cooperative's general fund level at the time of the loan request.

Seventh, disburse loan funds to cooperatives according to their use of general funds for current approved construction expenditures, and according to their need for the funds at the time of the loan request. In determining need, establish policy regarding recent expenditures for nonconstruction purposes and their effect on the general fund level at the time of the loan request.

Eighth, establish policy to deobligate all unadvanced loan funds after the expiration of a reasonable timeframe. Take action to deobligate all outstanding advances that fall outside the established constraints and ensure timely monitoring of unliquidated obligations in the future.

Mr. President, I urge my colleagues to join me in taking a most careful and thorough look at all aspects of this program before we proceed to legislative action.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I also do hope that we can revisit this next year. Obviously, there are several parts of this bill that are deeply troubling to many of us here this evening. It seems to me some of the problems are such as the difference in the interest rate that the Government borrows at and that the Government loans at through the REA. I hope these matters could be addressed, and the criticisms of the Congressional Budget Office, the administration, and some of the members of the Council of Economic Advisers. There is a whole series of people who have given this very thoughtful attention.

During the forthcoming year I hope these matters can be addressed. Those of us who are opposed to this particular bill are not opposed to REA. We recognize the tremendous contributions it has made to the Nation. We recognize the differences that come with trying to string a line out to farms that are 2, 3, and sometimes 8, 10 miles apart compared to the cost to string a line in a city where there are so many drops to houses close by.

But it seems to me approaching it this way is not the best approach. So therefore, Mr. Chairman, I commend those who have suggested we give it some careful consideration next year.

Mr. JEPSEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. JEPSEN. Mr. President, the issue of a strong and stable rural electrification and telephone revolving fund is an important one to many of my rural citizens in Iowa and across the country. This legislation, S. 1300, addresses the problem which may threaten the financial integrity of the fund by the end of this decade. It is absolutely essential to resolve these problems to ensure that the assistance REA provides our rural electric and telephone cooperatives will continue for the future. It is especially true today, Mr. President, as we are experiencing in the agricultural community what some might call a time of financial crises. We have the very lifeblood of the rural communities in this country at stake, as one by one they are moving from what has been the roaring 1970's into the 1980's. This is a time which has proven to be financially very trying for many rural communities in this country.

If there ever was a time when assistance in providing basic services to rural communities needed shoring up and stability, for the present and for the future, it is now. It is my hope that the Senate will proceed with this legislation in an expeditious fashion. If amendments were offered, I expect we could discuss and finish them before we adjourn.

The distinguished Senator from Florida, Mrs. HAWKINS, in her capacity as chairman of the Subcommittee on Agriculture, Credit, and Rural Electrification held extensive hearings on this subject, and heard witnesses from all points of view. I commend her very diligent efforts in this regard. On June 7, 1984, a markup was held, at which time a number of amendments and alternative proposals were considered, and some were adopted.

Similarly, amendments were accepted on the House side during consideration of this legislation. There is no doubt that there is some controversy with the bill. I understand the concerns of Senators regarding various provisions of this legislation. But I hope that amendments to be offered to address these concerns will be expeditiously considered so that the Senate will be able to work its will and we might finish this bill before we adjourn this Congress. If not, Mr. President, and I realize the time is short to consider a matter of this importance, this must be a priority issue for the next Congress. It must be emphasized that these issues will have to be resolved at the earliest opportunity so that the programs administered by the REA can continue to assist millions of rural families who depend on them.

Thank you, Mr. President.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, the junior Senator from Nebraska has been listening with great interest to the debate on whether or not we are going to take up S. 1300. I start out by saying I do not blame the majority leader for this situation, because I have a great deal of confidence in the majority leader, as I said in paying a tribute to him on this floor a few days ago.

The fault for the failure to resolve the problems of the REA program in my opinion, does not lie with the majority leader. And, contrary to what the chairman of the Agriculture Committee says, the fault does not lie with the REA borrowers. I think we should lay it right out on the line. The fault for not passing this legislation lies directly with the administration.

I point out that here we are again in the last few hours before adjourning sine die taking up an important piece of legislation.

Mr. President, this indicates to me once again that I have a well founded concern about the breakdown of the process.

The administration's plan is delay, delay, delay. If you delay things long enough, eventually you are going to adjourn and thwart even the possibility of having a vote on a tremendously

important piece of legislation, such as S. 1300.

It has been said that we should revisit this issue next year. Mr. President, I can assure the Senate that indeed we will revisit this again next year. Unfortunately, we should be resolving the problem right now.

I would note that the bill was introduced in May 1983. It was placed on the calendar on June 29, 1984. Here we are considering it in October 1984 in the closing hours of a session where everyone knows that just one Senator can block consideration of this important piece of legislation.

Many of my colleagues have outlined how this legislation affects rural America and how further delay in considering this bill could adversely affect rural America.

I was quite surprised, and wish to correct the record, when the chairman of the Agriculture Commitee said that the full responsibility for not coming to some workable piece of legislation rests with the NRECA.

I am convinced that that is not factual. Indeed, Senator HUDDLESTON, the ranking member of the Agriculture Committee, worked long and hard—with the administration and other members of the Senate to try to come up with a workable compromise.

The fact of the matter is that, when compromise was discussed, the administration sent the message very loud and very clear that they did not want a compromise; they did not want a bill; they are unalterably opposed to this legislation.

Having said that, I wish to salute the efforts of my good friends and colleagues on this floor, including the Senator from Wyoming, who I think has a very real interest in the REA programs which are tremendously important to our part of the country. I do not believe he blames the NRECA for this failure to consider S. 1300.

As usual, when you cannot come to a compromise, there is plenty of blame to go around. But I am convinced from my knowledge of this affair that the main culprit is the administration. That is not unusual for this administration if you look at what has happened in toto to rural America in the last 3 years.

A campaign issue? No, I do not think it is a campaign issue because I think the administration has already chalked up most of the States of rural America. Maybe the people in rural America should send a signal at least by making the election close, send a signal to Washington, DC, that they are indeed tired of being taken for granted. I think the administration's opposition and delaying tactics practiced on this issue date back to the very beginning, even before this bill was introduced. The administration was adamantly opposed to it, and, as far as I know, gave no signals they were interested in a workable compromise.

I know the REA borrowers very well. Most of them remain as far removed from partisan politics as possible. Therefore, I think it is also untrue to blame the NRECA and their leadership for the failure to reach a compromise, as has been alleged on the floor of the Senate tonight.

One of my friends from an eastern State indicated he was very much concerned about the interest rate on REA loans. I think maybe we should also be concerned about the low interest rates that are subsidized by the taxpayers of this Nation to a whole group of foreign nations under our foreign aid programs. But we do not hear very much about that.

I know Bob Bergland very well. I know that if Bob Bergland went back to NRECA—an organization headed by rational, reasonable people, not a political organization—with something reasonable, they would have bought it.

Therefore, Mr. President, I simply say that the tragedy of all this is not only that we are not getting to S. 1300—it will be shelved by the actions that the majority leader outlined—but it is a breakdown of the process. I believe the people of rural America should have had an up-or-down vote on this legislation rather than simply saying we will revisit it again next year.

Mr. President, I assure the Senate that it will be revisited with vigor.

Mr. President, I yield the floor.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I would say, in passing, that it is regrettable to see the assertion made that somehow the fault here lies with the administration. That is not so. If you want to assess the fault, you can put it on the scrawny shoulders of this Senator from Wyoming, and others of similar interests. Senator METZENBAUM has been most helpful and extraordinarily so; and many other Senators who are thoughtful people—Senator CHAFEE, Senator EVANS, and others who are interested in seeing that something appropriate is done on this matter. To inject a partisan issue into this matter is regrettable. The partisan twist is not appropriate. That is too bad.

I would not even introduce the administrator's bill when it came to the floor months ago. I have been doing this labor on my own, along with other interested people.

I think the record should relate that the administration is not involved in some sinister plot to do away with the REA.

With that, I would object to the unanimous-consent request of the majority leader.

The PRESIDING OFFICER. Objection is heard. Who yields time?

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FINANCE COMMITTEE "MUST" LEGISLATION

Mr. DOLE. Mr. President, before we adjourn, we have a number of must bills in the Finance Committee. None of them belong to the Senator from Kansas, but they are bills that I think should be acted on before we adjourn. They are in the process of being cleared as I understand it, we have just cleared the hospice service payments bill. We also have pending a bill guaranteeing the payment of Social Security COLA's. We want to try to pass that bill without amendment and we hope that we can get the distinguished Senator from Montana to let us take up that bill. We hear a lot about all the bad things that are going to happen to Social Security these days from Walter Mondale. Yes this is one positive thing we need to pass, and it is not being held up on this side of the aisle, I might point out to the Democratic candidate for President. So I hope we might be able to act on that before we adjourn tomorrow. It is an initiative of the President which indicates his concern for Social Security—the same concern he has demonstrated over the years. I hope we can take care of this small matter and not have it blocked beyond tomorrow.

We have H.R. 5832, providing for the Senate confirmation of an additional Assistant Secretary of the Treasury. There may be an objection by the distinguished Senator from Montana to that bill.

Then we have undated authorities for Secret Service. I think that is about to be cleared. I think there was a question there earlier, but that question has been resolved.

Then there is H.R. 6112, the Illinois unemployment-small business tax relief. It is a matter of great importance to both Senators from Illinois. Senator DIXON has asked me about 32 times, I think, at last count, and Senator PERCY at least that many and, counting staff inquiries, 60 times. The Governor of Illinois had also favored me with a phone call. He feels this is rather important legislation. So I hope we might clear that.

We also have H.R. 2568, education assistance.

Mr. MELCHER. Will the Senator yield?

Mr. DOLE. Yes. May I finish my little list before I give the Senator honorable mention?

Mr. MELCHER. Yes.

Mr. DOLE. Education assistance is another little matter about which many people are concerned. It is a fringe benefit on which we need to act. That is H.R. 2568.

Then H.R. 5361, prepaid legal services, is something else that expires this year and needs action. The American Bar Association and many other groups, including the AFL-CIO and others, are concerned about it.

The Boat Safety Act we need not necessarily pass, but we think it might be a good vehicle for amendments by Senators. I have a list of 28 amendments that a number of different Senators on both sides of the aisle think ought to be acted on this year. I may not be enthused about all of those amendments.

Then we have H.R. 6064, miscellaneous tariff bill. It is now in the committee. We could discharge the committee and use it as a vehicle for amendments. There are a whole pile of amendments, some from each side of the aisle, which I hope we might move on before we adjourn.

Mr. President, before I yield to my friend from Montana, the distinguished senior Senator, we are still trying to resolve the matter of imputed interest. I met with the chairman of the Ways of Means Committee again today. He has indicated some interest in a resolution of the problem but time is growing short. I hope that what we might do tomorrow is bring up another revenue vehicle, lift out the imputed interest compromise and attach it to that vehicle, send it to the House and hopefully go to conference on it and then, if we can find some agreement that is satisfactory to a majority of the Senate, strip the amendments from the debt ceiling and pass the debt ceiling. And then consider whatever the leader has in mind for the remainder of the day.

I am happy to yield to the Senator from Montana.

Mr. MELCHER. I thank the Senator, my friend from Kansas and the able Finance Committee chairman, for yielding. It is of no consequence to me on how we deal with imputed interest rates and to what vehicle imputed interest rate corrections are attached, whether it is the debt ceiling bill or another tax bill that is here from the House. Any of them are all right with me. It is what is done with imputed interest rates about which I am concerned.

And so I am happy to tell the distinguished chairman that whatever reservations I had about these other bills, they were removed once we were successful in bringing up the imputed interest rate issue. So I have no hold, no restraint at all on these bills. I do agree with the distinguished chairman that any vehicle we use, as long as it gets to the House and is dealt with by the House, for imputed interest rates is fine with me. I have no preference.

Mr. DOLE. I appreciate that. I think the quicker we can do it tomorrow, the better. I think we are about to recess tonight as soon as we stop. So anytime between now and tomorrow morning, we should figure out some way to do that. I think there is a very strong feeling on the part of the chairman of the Ways and Means Committee not to start accepting tax amendments on the debt ceiling. The Ways and Means Committee chairman does not consider the debt ceiling to be a revenue measure, and it seems to me that if we start down that path, we make it more and more difficult. The Senator from Montana served in the House, as did this Senator. He knows it is very difficult to pass the debt ceiling in the House with or without amendments. Chairman ROSTENKOWSKI figures this might complicate that matter. So maybe by morning we can have it worked out. I thank the Senator from Montana.

Mr. MELCHER. If the Senator will yield further, the consistency and the logic of the chairman of the House Ways and Means Committee is admirable and poses no problem at all for me.

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time for the transaction of routine morning business be extended until 8:45 under the same terms and conditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR SECRETARY TO RECEIVE MESSAGE

Mr. BAKER. Mr. President, I have advised the minority leader of this request. He has indicated he has no objection. I ask unanimous consent that the Secretary of the Senate be authorized to receive a message from the House on House Joint Resolution 648 during the recess this evening of the Senate until tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS PROXMIRE AND BINGAMAN TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that on tomorrow, after the recognition of the two leaders under the standing order, two Senators be recognized on special orders of not to exceed 15 minutes each as follows and in this order: Senators PROXMIRE and BINGAMAN.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, after the execution of the special orders tomorrow I ask unanimous consent that there be a time for the transaction of routine morning business until 10:30 a.m. in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF MOTOR VEHICLE INFORMATION AND COST SAVINGS ACT

Mr. BAKER. Mr. President, I say to the minority leader and to the distinguished Senator from Nebraska, who is on the floor, that after some little effort, I believe we are now cleared to proceed to a bill that Senator EXON has expressed an interest in from time to time, and that is Calendar No. 952, S. 1407.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 952.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1407) to protect purchasers of used automobiles from fraudulent practices associated with automobile odometer modifications, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike all after the enacting clause and insert:

AMENDMENT OF MOTOR VEHICLE INFORMATION AND COST SAVINGS ACT

SECTION 1. (a) Section 408 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1988) is amended by adding at the end thereof the following new subsection:

"(d)(1) No motor vehicle the ownership of which is transferred by any person to another person in interstate commerce may be registered or licensed for use in any State, or used in interstate commerce, unless—

"(A) the application to the State by the new owner of such motor vehicle for a certificate of title is accompanied by—

"(i) the prior owner's most recent registration card for such motor vehicle; and

"(ii) the prior owner's title (containing the information required under paragraph (2), where applicable); and

"(B) the certificate of title (or other document indicating ownership) of such motor

vehicle which is issued by the State to the new Owner following such transfer—

"(i) is printed in bank note intaglio printing process;

"(ii) indicates on its face the mileage required to be disclosed by the transferor under subsection (a); and

"(iii) contains a space for the transferee to disclose (in the event of a future sale or other transfer of title by such transferee) the mileage at the time of such future transfer and to sign and date such disclosure.

"(2) In the case of an application for a new certificate of title for a motor vehicle, if the prior owner's certificate of title contains the space referred to in paragraph (1)(B)(iii), when such certificate of title is submitted to the State under paragraph (1)(A)(ii), it shall contain a statement, signed and dated by such prior owner, of the mileage required to be disclosed by such prior owner under subsection (a).

"(3) No registration card may be issued in any State for any motor vehicle used in interstate commerce unless—

"(A) the application for such registration card contains the information specified in paragraphs (1) and (2) of subsection (a), determined as of the date on which such application is submitted by the owner of the motor vehicle; and

"(B) such registration card contains such information, as provided on such application.".

(b) Section 408(d)(1) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1988), as added by subsection (a) of this section, shall apply with respect to motor vehicles (as defined in the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.)) which are transferred after the date six months after the date of enactment of this Act.

(c) Section 408(d)(3) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1988(d)(3)), as added by subsection (a) of this section, shall apply with respect to motor vehicles (as defined in the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.)) which are registered in any State after the date six months after the date of the enactment of this Act.

SEC. 2. (a) Not later than sixty days after the date of enactment of this Act, the Secretary shall reinstate Federal Motor Vehicle Safety Standard 127, which was revoked on February 18, 1982. Such reinstated standard shall be identical to the language of Standard 127, as of the day before the date of such revocation, and shall apply to all passenger motor vehicles beginning with the model year after the date on which the standard is reinstated.

(b) The reinstatement of such standard shall not delay or in any other manner impede the enforcement of the provisions of the first section of this Act.

Mr. EXON. Mr. President, I thank the majority leader, the minority leader, the staffs at the two tables in the well, and others who have cooperated in bringing up S. 1407.

As the majority leader has said, it has not been easy, but oftentimes things that are worth doing are not easy, and I appreciate their cooperation.

I thank not only the majority leader and the minority leader for scheduling action on S. 1407, the odometer fraud bill which I introduced in 1983, but all others who had a hand in this, including the Commerce Committee, on which I serve.

I also thank Senator DANFORTH for his cooperation in holding hearings on this measure and agreeing to bring this bill to the floor for final Senate action.

In April of this year, when the Surface Transportation Subcommittee held hearings on S. 1407, we received expert testimony as to the serious and costly problems resulting from odometer fraud.

Mr. President, S. 1407 is a consumer protection bill in every sense of that term. I am optimistic that the Members of the U.S. Senate will agree that this growing problem must be addressed in order to save the consuming public literally millions of dollars annually.

Officials in my State of Nebraska have told me that odometer fraud in Nebraska alone is costing some $5 to $10 million each year. They continue their work to establish a record from which the odometer tampering can be effectively traced and the violators prosecuted.

Some have said that this is an area that is best left to the control of the various States. Indeed, there are many areas where Federal Government should not be involved, but odometer fraud is clearly a problem of national scope, dealing with interstate commerce, which is without question a Federal responsibility.

Moreover, many State governments and associations have already been enacting legislation dealing with odometer fraud. I am very proud of the fact that my State of Nebraska is among the leaders in identifying the problems in this area and taking action to protect consumers. Last year, Nebraska hosted an eight-State Midwest regional odometer fraud conference. In addition, Nebraska's attorney general established an 11-member task force on odometer fraud with the Nebraska New Car Dealers Association.

Finally, Nebraska's Legislature has enacted legislation prohibiting title laundering and tampering, and has increased the cost of auto titles to provide the State justice department with funds to check and begin to eliminate odometer fraud.

Again, I wish to commend all who have cooperated in bringing this bill before the U.S. Senate for passage.

Mr. KASTEN. Mr. President, the Wisconsin Department of Transportation has raised a question about the intention of S. 1407, and I would like to enter into a colloquy with the distinguished Senator from Nebraska to make the congressional intent on this matter very clear.

The Wisconsin Department of Transportation has some very understandable concerns about the administrative implications of this legislation. Is it the Senator's understanding that this bill would not in any way require States to take odometer readings on a yearly basis to comply with the registration card requirements?

Mr. EXON. Yes; that is correct.

Mr. KASTEN. Is it the understanding of the Senator that these odometer readings and reports are required only at the time of ownership transfer and for the initial registration card after the purchase?

Mr. EXON. Yes; that is correct. Let me refer the Senator to the current Federal odometer requirements which state that mileage reports are required only "when the ownership of a motor vehicle is transferred." This requirement is continued in S. 1407. Year-to-year sticker or other registration changes would not be dependent upon providing mileage updates.

Mr. KASTEN. Does the Senator believe that this bill in any way implies that annual odometer readings would be required?

Mr. EXON. No; I do not.

Mr. KASTEN. I thank the distinguished Senator.

The PRESIDING OFFICER. The question is on agreeing to the committee substitute.

The committee substitute was agreed to.

The bill (S. 1407) was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NUCLEAR REGULATORY COMMISSION AUTHORIZATION

Mr. BAKER. Mr. President, it appears from my file that Calendar No. 180 is cleared for action by unanimous consent, and I ask unanimous consent that the Senate proceed to the consideration of the bill if the minority leader has no objection.

Mr. BYRD. Mr. President, there is no objection.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1291) to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, and section 305 of the Energy Reorganization Act of 1974.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. SIMPSON. Mr. President, I am pleased to present for the consideration of the Senate S. 2846, a bill au-

thorizing funds for the Nuclear Regulatory Commission for fiscal years 1984 and 1985.

This bill, as reported from the Committee on Environment and Public Works on June 29, 1984, authorizes appropriations in the amount of $466.8 million for fiscal year 1984, and $460 million for fiscal year 1985. The committee's recommendation includes funding for the equivalent of 3,371 permanent staff positions for fiscal year 1984, and 3,325 permanent staff positions for fiscal year 1985. The authorized funding and staffing levels are identical to the levels requested by the Nuclear Regulatory Commission in its 2-year budget request, which was submitted in January of 1983—"budget estimates, fiscal years 1984–85," NUREG–0953.

As for the particulars of the bill: The committee has recommended an authorization of $466.8 million for fiscal year 1984. That amount is to be divided among the four major program offices within the agency in the following manner: $91,490,000 to nuclear reactor regulation, $70,910,000 to inspection and enforcement, $36,280,000 to nuclear material safety and safeguards, and $199,740,000 to Nuclear Regulatory Research, with the balance allocated for program technical support and program direction and administration.

For fiscal year 1985, the committee has recommended an authorization of $460 million. Similary, this amount is to be divided among the four major program offices in the following manner: $87,140,000 to Nuclear Reactor regulation, $74,770,000 to inspection and enforcement, $35,710,000 to Nuclear Material Safety and Safeguards, and $193,290,000 to Nuclear Regulatory Research, with the balance going to program technical support and program direction and administration.

I should like to point out, Mr. President, that there is considrable concern on the part of the committee over the proposed cuts in funding for NRCs Office of Research, as reflected in NUREG–1040, "budget estimates for fiscal year 1985." In addition, the increasingly frequent practice of turning to the research budget to fund other programs or to achieve reductions in the overall funding level for the agency is of concern to the committee because it not only threatens the solid nucleus of research talent now available to the NRC, it also makes it extremely difficult to plan for the long-term research needs of the agency.

Accordingly this committee, in accordance with its earlier report to the committee on the budget on the commission's fiscal year 1984–85 budget requests, has approved the funding levels requested for the Commission's Office of Research as set forth in "budget estimates, fiscal years 1984/85," NUREG–0953.

In addition to the general funding level set forth in this bill, the committee has further recommended that certain funds be earmarked for expenditure by the agency in one specific area: The bill earmarks a total of $7.2 million in fiscal years 1984–85 for the purpose of accelerating the agency's research activities in the area of high-temperature gas-cooled reactors. Based upon testimony presented to the committee, Mr. President, gas-cooled reactors may have significant advantages over the current generation of light-water reactors, including greater safety margins, and reduced siting risks.

Accordingly, the committee has recommended that $7.2 million be set aside for the purpose of enabling that agency's regulatory program in that area to keep pace with industry and Government programs for the development of a large-scale, high-temperature, gas-cooled reactor.

In addition to the specific line-item funding limits established in this bill, and the provision earmarking funds for the high-temperature, gas-cooled reactor, this bill includes five major provisions of a policy nature. The first of these provisions, section 106, authorizes the Commission to conduct a pilot program to assess the merits of relocating certain NRC personnel to NRC's regional offices. This provision prohibits the Commission from relocating any personnel or functions associated with commercial nuclear powerplant licensing until 60 days after the Commission submits a report to the Congress evaluating the effects of such relocation on nuclear reactor safety. Prior to the submission of this report, the Commission may conduct a pilot program to assess the merits of relocating those personnel responsible for the licensing of nuclear powerplants to NRC's regional offices. This provision will enable the Commission to explore the merits of regionalization while, at the same time, preserving a strong headquarters presence in this area.

The second major provision, section 107, authorizes the Commission to continue its efforts on the nuclear data link system, provided certain conditions are met. Under this provision, the Commission is authorized to proceed with a prototype nuclear data link program for the purpose of examining the advantages and disadvantages of various means of improving communications during an accident. In order to ensure that the Commission examines a broad range of various options, this section provides that, if the Commission proceeds with such a program, it must include as one of the alternatives considered a fully automated electronic nuclear data link.

The third major provision, section 108, confirms the authority of the NRC to issue an operating license for a nuclear powerplant if, in the absence of State or local emergency preparedness plan approved by the Federal Emergency Management Agency, the Commision determines that there exists a State, local, or utility emergency preparedness plan that provides reasonable assurance that public health and safety is not endangered by operation of the plant.

This provision is similar to a provision first adopted by the Congress in the NRC authorization act for fiscal year 1980 (Public Law 96–295, section 109) and is identical to a provision in the NRC authorization act for fiscal years 1982 and 1983 (Public Law 97–415, section 5), which confirm the Commission's authority to issue an operating license for a nuclear powerplant if, in the absence of a FEMA-approved State or local emergency preparedness plan, the NRC determines that there exists a State, local, or utility emergency preparedness plan which provides reasonable assurance that public health and safety will not be endangered by operation of the plant.

The committee believes that the emergency planning process has, by and large, functioned very effectively. State and local emergency preparedness plans have been developed and exercised at least twice for all operating plants. Of the 55 sites with operating nuclear powerplants, 24 have now received final Federal approval for their emergency preparedness plans. For the remaining sites, FEMA is working closely with State and local governments in an effort to complete the necessary steps for approval of such plans. In some instances, these plans will require additional work. In other instances, however, the committee has been advised that plans have been prepared, exercised, and submitted and are awaiting the formal FEMA evaluation.

In the course of the hearings before the Subcommittee on Nuclear Regulation, however, significant concerns were raised about the very real possibility that under the existing process, State or local governments, by acting or failing to act, could keep FEMA and the NRC from evaluating an emergency preparedness plan for a nuclear powerplant that was prepared or submitted, or both, by the applicant or licensee, and, as a result, prevent the NRC from issuing an operating license to such applicant or licensee if the NRC determines that the plan submitted by the applicant or licensee provides reasonable assurance that public health and safety is not endangered by operation of the plant.

The committee reiterates that the adoption of this provision is intended to reconfirm the authority of the NRC

and FEMA to evaluate an emergency preparedness plan submitted by an applicant or licensee pursuant to this section.

With the adoption of section 108, the committee has now made it clear in three successive NRC authorization bills that it is not our intention to allow a State or locality to prevent a completed facility from operating by refusing to prepare an emergency preparedness plan.

In 1980, the conference report on the fiscal year 1980 NRC Authorization Act (Public Law 96-295) stated that:

[T]he conferees sought to avoid penalizing an applicant for an operating license if a State or locality does not submit an emergency response plan to the NRC for review or if the submitted plan does not satisfy all the guidelines or rules, the compromise permits NRC to issue an operating license if it determines that a State, local, or utility plan, such as the emergency preparedness plan submitted by the applicant, provides reasonable assurance that the public health and safety is not endangered by operation of the facility. (H. Rpt. 96-1070, p. 27)

Under section 108 of this bill, the committee expects the NRC and FEMA to undertake a review of all emergency preparedness plans submitted for evaluation, regardless of whether the plans have been prepared or submitted, or both, by a governmental entity or by the applicant or licensee for such facility. If a State or locality does not submit an emergency response plan for review, or in the absence of a State or local emergency preparedness plan which has been approved by FEMA, this provision provides that the NRC still may issue an operating license if it determines that a plan prepared or submitted, or both, by an applicant or licensee provides reasonable assurance that public health or safety is not endangered by operation of the facility.

The fourth major provision, section 109, would authorize the Commission to transfer facility license No. R-81 for the Sterling Forest Research Reactor from Union Carbide, a U.S. corporation, to Cintichem, a U.S. subsidiary of Hoffmann-LaRoche, a foreign corporation.

On May 12, 1983, the NRC received a draft application for the retransfer of facility operating license No. R-81, for the Sterling Forest Research Reactor, submitted on behalf of Union Carbide Subsidiary "B", Inc. and Cintichem, Inc.

In a decision rendered in June 1983, the Commission concluded that, even though Cintichem is a U.S. corporation owned by another U.S. corporation, the ultimate owner of Cintichem, Hoffmann-LaRoche, is a foreign corporation, and that under existing law the NRC is precluded from transferring licenses to foreign corporations.

The Sterling Forest Nuclear Reactor is the only privately owned nuclear reactor in the world producing commercial quantities of radioisotopes for medical diagnosis and other research purposes. All other reactors producing isotopes in commercial quantities are owned and operated outside of the United States by foreign government agencies.

The Commission has indicated that it would not oppose additional statutory flexibility to address cases such as this one, so long as the Commission retains the authority to prevent the issuance of any license which, in the opinion of the Commission, would be inimical to the common defense and security or the health and safety of the public.

The committee concluded that it would not be in the best interest of the United States to interrupt the only major domestic source of the isotopes produced by this reactor. Furthermore, the committee examined this requested license transfer, and noted that the facility involved produces only miniscule amounts of weapons grade plutonium; that a reprocessing facility would be needed before that plutonium could be separated; and that Cintichem has proposed to the Commission various license conditions that could prevent any effective foreign domination or control of the special nuclear material at the facility.

Accordingly, the committee agreed to authorize the Commission to consider this proposed license transfer. This provision would authorize the Commission to approve this license transfer if it determines that: First, the transfer would not be inimical to the common defense and security or to the health and safety of the public; and second, such conditions as may be appropriate are included in the license to ensure that no foreign corporation can direct the actions of Cintichem in any way that would be inimical to the common defense and security or to the health and safety of the public.

And finally, Mr. President, section 201 of the bill provides that the provisions in sections 115, 116, 117, and 118 of the Nuclear Waste Policy Act of 1982 shall constitute the exclusive rights of participation by an affected State or Indian tribe for the specified facilities, with the exception that an affected State or Indian tribe may continue to exercise any recognized right under existing law; that is, any law in existence as of the date of passage of the Nuclear Waste Policy Act of 1982 regarding these facilities.

In reporting this bill, the committee is aware of the fact that the Commission's initial budget request for fiscal year 1985, submitted by the Commission in January 1983, has been modified in a number of significant respects in the more recent request, submitted in January 1984—budget estimates, fiscal year 1985, Nureg-1040. The committee is also aware of the significant additional responsibilities imposed on the Commission between January 1983 and January 1984, and is sympathetic to the need for flexibility on the part of the Commission to meet these new requirements. The Nuclear Waste Policy Act of 1982, for example, includes a number of new requirements, the budgetary impact of which, according to testimony before the committee, the Commission was simply unable to examine thoroughly prior to January 1983, when the Commission submitted its request for fiscal year 1985. Other programs, such as the Offices of Nuclear Regulatory Research and Inspection and Enforcement, reflect significantly altered funding levels from those requested in January 1983, responding, in part, to events that transpired since January 1983.

The overall funding level for fiscal year 1985 authorized in this bill, as well as the specific funding levels for the activities of each office, are based upon the Commission's initial request in January 1983. In those areas in which the Commission finds it necessary to transfer funds from one activity to another, in order to accommodate more recent developments, section 102(c) of this bill—the general reprogramming provision—enables the Commission to do so, in accordance with the procedures established in that subsection.

That, briefly, is a summary of the measure proposed to the Senate, Mr. President. At this moment, I do want to thank all of the members of the Committee on Environment and Public Works for their efforts to move this bill forward. I would like to pay a special note of thanks to our distinguished chairman, Senator BOB STAFFORD, our remarkable ranking minority member, JENNINGS RANDOLPH, and Senator GEORGE MITCHELL, who has worked so very long and hard as a member of the Subcommittee on Nuclear Regulation, in an effort to assist in forging this bill.

AMENDMENT NO. 7095

Mr. BAKER. Mr. President, on behalf of the chairman of the relevant subcommittee of the Environment and Public Works Committee, the Senator from Wyoming [Mr. SIMPSON], I send to the desk an amendment in the nature of a substitute and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. BAKER], for Mr. SIMPSON, proposes an amendment numbered 7095.

Mr. BAKER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

TITLE I—AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEARS 1984 AND 1985

SEC. 101. There are hereby authorized to be appropriated to the Nuclear Regulatory Commission in accordance with the provisions of section 261 of the Atomic Energy Act of 1951 and section 305 of the Energy Reorganization Act of 1974, for the fiscal years 1984 and 1985 to remain available until expended, $466,800,000 for fiscal year 1984 and $460,000,000 for fiscal year 1985.

SEC. 102. (a) The sums authorized to be appropriated in this Act for fiscal years 1984 and 1985 shall be allocated as follows:

(1) not more than $91,490,000 for fiscal year 1984 and $87,140,000 for fiscal year 1985, may be used for "Nuclear Reactor Regulation", of which an amount not to exceed $1,000,000 is authorized each such fiscal year to be used to accelerate the effort in gas-cooled thermal reactor preapplication review;

(2) not more than $70,910,000 for fiscal year 1984 and $74,770,000 for fiscal year 1985, may be used for "Inspection and Enforcement";

(3) not more than $36,280,000 for fiscal year 1984 and $35,710,000 for fiscal year 1985, may be used for "Nuclear Material Safety and Safeguards";

(4) not more than $199,740,000 for fiscal year 1984 and $193,290,000 for fiscal year 1985, may be used for "Nuclear Regulatory Research", of which an amount not to exceed $2,600,000 is authorized each such fiscal year to be used to accelerate the effort in gas cooled thermal reactor safety research;

(5) not more than $27,520,000 for fiscal year 1984 and $27,470,000 for fiscal year 1985, may be used for "Program Technical Support";

(6) not more than $40,860,000 for fiscal year 1984 and $41,620,000 for fiscal year 1985, may be used for "Program Direction and Administration".

(b) The Nuclear Regulatory Commission may use not more than 1 per centum of the amounts authorized to be appropriated under paragraph 102(a)(4) to exercise its authority under section 31a. of the Atomic Energy of 1954 (42 U.S.C. 2051(a)) to enter into grants and cooperative agreements with universities pursuant to such paragraph. Grants made by the Commission shall be made in accordance with the Federal Grant and Cooperative Agreement Act of 1977 (11 U.S.C. 501 et seq.) and other applicable law.

(c) Any amount appropriated for a fiscal year to the Nuclear Regulatory Commission pursuant to any paragraph of subsection 102(a) for purposes fo the program referred to in such paragraph, may be reallocated by the Commission for use in a program referred to in any other paragraph of such subsection, or for use in any other activity within a program, except that the amount available from appropriations for such fiscal year for use in any program or specified activity may not, as a result of reallocations made under this subsection, be increased or reduced by more than $500,000 unless—

(1) a period of thirty calendar days (excluding any day in which either House of Congress is not in session because of an adjournment of more than three calendar days to a day certain or an adjournment sine die) passes after the receipt, by the Committee on Energy and Commerce and the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Environment and Public Works of the Senate, of notice submitted by the Commission containing a full and complete statement of the reallocation proposed to be made and the facts and circumstances relied upon in support of such proposed reallocation; or

(2) each such committee, before the expiration of such period, transmits to the Commission a written notification that such committee does not object to such proposed reallocation.

SEC. 103. Moneys received by the Nuclear Regulatory Commission for the cooperative nuclear research program and the material access authorization program may be retained and used for salaries and expenses associated with such programs, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), and shall remain available until expended.

SEC. 104. From amounts appropriated to the Nuclear Regulatory Commission pursuant to this title, the Commission may transfer to other agencies of the Federal Government sums for salaries and expenses for the performance by such agencies of activities for which such appropriations of the Commission are made. Any sums so transferred may be merged with the appropriation of the agency to which such sums are transferred.

SEC. 105. Notwithstanding any other provisions of this Act, no authority to make payments under this Act shall be effective except to such extent or in such amounts as are provided in advance in appropriation Acts.

SEC. 106. (a) No funds authorized to be appropriated under this Act may be used to carry out any policy or program for the decentralization or regionalization of any Nuclear Regulatory Commission authorities regarding commercial nuclear powerplant licensing until sixty legislative days after the date on which the Commission submits to the Congress a report evaluating the effect of such policy or program on nuclear reactor safety: *Provided, however,* That the prohibition contained in this subsection shall not apply to any personnel assigned to the field, or to activities in which they were engaged on or before September 22, 1983. The report shall include—

(1) a detailed description of the authorities to be transferred, the reason for such transfer, and an assessment of the effect of such transfer on nuclear reactor safety;

(2) an analysis of all comments submitted to the Commission regarding the effect on nuclear reactor safety which would result from carrying out the policy or program proposed by the Commission; and

(3) an evaluation of the results, including the advantages and disadvantages, of the pilot program conducted under subsection (b).

(b) Notwithstanding the prohibition contained in subsection (a), the Commission is authorized to conduct a pilot program for the purpose of evaluating the concept of delegating authority to regional offices for issuance of specific types of operating reactor licensing actions and for the purpose of addressing the issues identified in paragraphs (a) (1)-(3) of this section.

SEC. 107. (a) Of the amounts authorized to be appropriated under this Act for the fiscal years 1984 and 1985, such sums as may be necessary are authorized to be used by the Nuclear Regulatory Commission for—

(1) the acquisition (by purchase, lease, or otherwise) and installation of equipment to be used for the small test prototype nuclear data link program or for any other program for the collection and transmission to the Commission of data from licensed nuclear reactors during abnormal conditions at such reactors; and

(2) a full and complete analysis of—

(A) the appropriate role of the Commission during abnormal conditions at a nuclear reactor licensed by the Commission;

(B) the information which should be available to the Commission to enable the Commission to fulfill such role and to carry out other related functions;

(C) various alternative means of assuring that such information is available to the Commission in a timely manner; and

(D) any changes in existing Commission authority necessary to enhance the Commission response to abnormal conditions at a nuclear reactor licensed by the Commission:

Provided, however, That no funds shall be available under this Act for the acquisition and installation of any equipment for the collection and transmission to the Commission of data from licensed nuclear reactors during abnormal conditions at such reactors, or for the analysis of such equipment, unless such acquisition and analysis includes, as one of the alternatives considered, a fully automated electronic nuclear data link. The small test prototype referred to in paragraph (1) may be used by the Commission in carrying out the study and analysis under paragraph (2). Such analysis shall include a cost-benefit analysis of each alternative examined under subparagraph (C).

SEC. 108. Of the amounts authorized to be appropriated under this Act, the Nuclear Regulatory Commission may use such sums as may be necessary, in the absence of a State or local emergency preparedness plan which has been approved by the Federal Emergency Management Agency, to issue an operating license (including a temporary operating license under section 192 of the Atomic Energy Act of 1954, as amended) for a nuclear power reactor, if it determines that there exists a State, local, or utility plan which provides reasonable assurance that public health and safety is not endangered by operation of the facility concerned.

SEC. 109. Notwithstanding the second sentence of section 103 d. and the second sentence of section 104 d. of the Atomic Energy Act of 1954, an amended, the Nuclear Regulatory Commission is hereby authorized to transfer Facility Operating License numbered R-81 to a United States entity or corporation owned or controlled by a foreign corporation if the Commission——

(1) finds that such transfer would not be inimical to the common defense and security or to the health and safety of the public; and

(2) includes in such license, as transferred, such conditions as the Commission deems necessary to endure that such foreign corporation cannot direct the actions of the licensee in ways that would be inimical to the common defense and security or the health and safety of the public.

TITLE II—AMENDMENT TO THE NUCLEAR WASTE POLICY ACT OF 1982

SEC. 201. The Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101 et seq.) is amended by adding a new section 126 as follows:

"SEC. 126. The provisions of sections 115, 116, 117, and 118 of this subtitle shall constitute the exclusive rights of participation by an affected State or Indian tribe in the planning, siting, development, construction, and operation of a repository or a moni-

tored, retrievable storage facility that is required to be licensed by the Commission: *Provided, however,* That nothing in this Act shall preclude any recognized right of any State or Indian tribe under existing law with respect to such repository or monitored, retrievable storage facility.".

AMENDMENT NO. 7096

(Purpose: To strike title II of the bill)

Mr. BAKER. Mr. President, on behalf of Senator McCLURE, I send to the desk an amendment to the Simpson substitute.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. BAKER], for Mr. McCLURE, proposes an amendment numbered 7096.

Mr. BAKER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike title II of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 7096) was agreed to.

If there are no further amendments, the question is on agreeing to the substitute amendment, as amended.

The substitute amendment (No. 7095), as amended, was agreed to.

Mr. STAFFORD. Mr. President, I wonder if the Senator from New Mexico, Senator DOMENICI, could explain the action of the Committee on Energy and Natural Resources when it reported the Nuclear Regulatory Commission Authorization bill. The bill was sequentially referred to that committee for consideration of section 201 which amends the Nuclear Waste Policy Act of 1982. The Energy Committee struck that provision and I would like the Senator to explain that action.

Mr. DOMENICI. I thank the Senator for his inquiry. Before I address the Senator's specific question, let me see if I can characterize what I believe his intent was in adding this section. I believe the Senator was trying to clarify the relationship among Federal, State, and tribal interest and prevent any unwarranted or inadvertent repeal of State or tribal rights. Furthermore, I believe the section was also intended to underscore the primacy of the Nuclear Waste Policy Act in defining procedures for waste facility decisions and the participation of States and Indian tribes in those decisions while preserving a variety of rights, under both Federal and State laws, to States and Indian tribes. I believe these two points were the core of the Senator's interest in proposing this section. Is that correct?

Mr. STAFFORD. Yes; it is. I would like to know if the Senator from New Mexico disagrees with those objectives.

Mr. DOMENICI. I certainly do not, and I would say that it is my belief that what the Senator from Vermont has tried to do is already embodied in the act.

Mr. STAFFORD. Why, then, would the Senator feel a need to strike the amendment?

Mr. DOMENICI. There are several reasons why I believe it is necessary to do this, and I would do so with the understanding that we would not be trying to make new legislative history or undo the old. First, a number of groups have expressed a desire that we refrain from amending the Nuclear Waste Policy Act in any fashion. Second, there are some who agree with the Senator from Vermont's intent but are afraid that the language of the amendment might be interpreted in ways which the Senator did not intend. Therefore, I would propose that we simply ask the manager of the bill, Senator SIMPSON, to simply modify the bill to delete section 201.

Mr. STAFFORD. I certainly would not want this language to be interpreted in a way which is contrary to my intentions and with the clarifications of the Senator from New Mexico I believe the provision could be deleted. I thank the Senator.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 1291), as amended, was passed, as follows:

S. 1291

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEARS 1984 AND 1985

SEC. 101. There are hereby authorized to be appropriated to the Nuclear Regulatory Commission in accordance with the provisions of section 261 of the Atomic Energy Act of 1954 and section 305 of the Energy Reorganization Act of 1974, for the fiscal years 1984 and 1985 to remain available until expended, $466,800,000 for fiscal year 1984 and $460,000,000 for fiscal year 1985.

SEC. 102. (a) The sums authorized to be appropriated in this Act for fiscal years 1984 and 1985 shall be allocated as follows:

(1) not more than $91,490,000 for fiscal year 1984 and $87,140,000 for fiscal year 1985, may be used for "Nuclear Reactor Regulation", of which an amount not to exceed $1,000,000 is authorized each such fiscal year to be used to accelerate the effort in gas-cooled thermal reactor preapplication review;

(2) not more than $70,910,000 for fiscal year 1984 and $74,770,000 for fiscal year 1985, may be used for "Inspection and Enforcement";

(3) not more than $36,280,000 for fiscal year 1984 and $35,710,000 for fiscal year 1985, may be used for "Nuclear Material Safety and Safeguards";

(4) not more than $199,740,000 for fiscal year 1984 and $193,290,000 for fiscal year 1985, may be used for "Nuclear Regulatory Research", of which an amount not to exceed $2,600,000 is authorized each such fiscal year to be used to accelerate the effort in gas-cooled thermal reactor safety research;

(5) not more than $27,520,000 for fiscal year 1984 and $27,470,000 for fiscal year 1985, may be used for "Program Technical Support";

(6) not more than $40,860,000 for fiscal year 1984 and $41,620,000 for fiscal year 1985, may be used for "Program Direction and Administration".

(b) The Nuclear Regulatory Commission may use not more than 1 per centum of the amounts authorized to be appropriated under paragraph 102(a)(4) to exercise its authority under section 31a. of the Atomic Energy of 1954 (42 U.S.C. 2051(a)) to enter into grants and cooperative agreements with universities pursuant to such paragraph. Grants made by the Commission shall be made in accordance with the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.) and other applicable law.

(c) Any amount appropriated for a fiscal year to the Nuclear Regulatory Commission pursuant to any paragraph of subsection 102(a) for purposes of the program referred to in such paragraph, may be reallocated by the Commission for use in a program referred to in any other paragraph of such subsection, or for use in any other activity within a program, except that the amount available from appropriations for such fiscal year for use in any program or specified activity may not, as a result of reallocations made under this subsection, be increased or reduced by more than $500,000 unless—

(1) a period of thirty calendar days (excluding any day in which either House of Congress is not in session because of an adjournment of more than three calendar days to a day certain or an adjournment sine die) passes after the receipt, by the Committee on Energy and Commerce and the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Environment and Public Works of the Senate, of notice submitted by the Commission containing a full and complete statement of the reallocation proposed to be made and the facts and circumstances relied upon in support of such proposed reallocation; or

(2) each such committee, before the expiration of such period, transmits to the Commission a written notification that such committee does not object to such proposed reallocation.

SEC. 103. Moneys received by the Nuclear Regulatory Commission for the cooperative nuclear research program and the material access authorization program may be retained and used for salaries and expenses associated with such programs, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), and shall remain available until expended.

SEC. 104. From amounts appropriated to the Nuclear Regulatory Commission pursuant to this title, the Commission may transfer to other agencies of the Federal Government sums for salaries and expenses for the performance by such agencies of activities for which such appropriations of the Com-

mission are made. Any sums so transferred may be merged with the appropriation of the agency to which such sums are transferred.

SEC. 105. Notwithstanding any other provisions of this Act, no authority to make payments under this Act shall be effective except to such extent or in such amounts as are provided in advance in appropriation Acts.

SEC. 106. (a) No funds authorized to be appropriated under this Act may be used to carry out any policy or program for the decentralization or regionalization of any Nuclear Regulatory Commission authorities regarding commercial nuclear powerplant licensing until sixty legislative days after the date on which the Commission submits to the Congress a report evaluating the effect of such policy or program on nuclear reactor safety: *Provided, however,* That the prohibition contained in this subsection shall not apply to any personnel assigned to the field, or to activities in which they were engaged, on or before September 22, 1983. The report shall include—

(1) a detailed description of the authorities to be transferred, the reason for such transfer, and an assessment of the effect of such transfer on nuclear reactor safety;

(2) an analysis of all comments submitted to the Commission regarding the effect on nuclear reactor safety which would result from carrying out the policy or program proposed by the Commission; and

(3) an evaluation of the results, including the advantages and disadvantages, of the pilot program conducted under subsection (b).

(b) Notwithstanding the prohibition contained in subsection (a), the Commission is authorized to conduct a pilot program for the purpose of evaluating the concept of delegating authority to regional offices for issuance of specific types of operating reactor licensing actions and for the purpose of addressing the issues identified in paragraphs (a) (1)–(3) of this section.

SEC. 107. (a) Of the amounts authorized to be appropriated under this Act for the fiscal years 1984 and 1985, such sums as may be necessary are authorized to be used by the Nuclear Regulatory Commission for—

(1) the acquisition (by purchase, lease, or otherwise) and installation of equipment to be used for the small test prototype nuclear data link programs or for any other program for the collection and transmission to the Commission of data from licensed nuclear reactors during abnormal conditions at such reactors; and

(2) a full and complete analysis of—

(A) the appropriate role of the Commission during abnormal conditions at a nuclear reactor licensed by the Commission;

(B) the information which should be available to the Commission to enable the Commission to fulfill such role and to carry out other related functions;

(C) various alternative means of assuring that such information is available to the Commission in a timely manner; and

(D) any changes in existing Commission authority necessary to enhance the Commission response to abnormal conditions at a nuclear reactor licensed by the Commission:

Provided, however, That no funds shall be available under this Act for the acquisition and installation of any equipment for the collection and transmission to the Commission of data from licensed nuclear reactors during abnormal conditions at such reactors, or for the analysis of such equipment, unless such acquisition and analysis includes, as one of the alternatives considered, a fully automated electronic nuclear data link. The small test prototype referred to in paragraph (1) may be used by the Commission in carrying out the study and analysis under paragraph (2). Such analysis shall include a cost-benefit analysis of each alternative examined under subparagraph (C).

SEC. 108. Of the amounts authorized to be appropriated under this Act, the Nuclear Regulatory Commission may use such sums as may be necessary, in the absence of a State or local emergency preparedness plan which has been approved by the Federal Emergency Management Agency, to issue an operating license (including a temporary operating license under section 192 of the Atomic Energy Act of 1954, as amended) for a nuclear power reactor, if it determines that there exists a State, local, or utility plan which provides reasonable assurance that public health and safety is not endangered by operation of the facility concerned.

SEC. 109. Notwithstanding the second sentence of section 103 d. and the second sentence of section 104 d. of the Atomic Energy Act of 1954, as amended, the Nuclear Regulatory Commission is hereby authorized to transfer Facility Operating License numbered R-81 to a United States entity or corporation owned or controlled by a foreign corporation if the Commission—

(1) finds that such transfer would not be inimical to the common defense and security or to the health and safety of the public; and

(2) includes in such license, as transferred, such conditions as the Commission deems necessary to ensure that such foreign corporation cannot direct the actions of the licensee in ways that would be inimical to the common defense and security or the health and safety of the public.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RELIEF OF EDGAR GILDARDO HERRERA

Mr. BAKER. Mr. President, next I have cleared on this side Calendar No. 1346, if the minority leader has no objection.

Mr. BYRD. Mr. President, there is no objection.

Mr. BAKER. Mr. President, I ask the Chair lay before the Senate that message.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2671) for the relief of Edgar Gildardo Herrera.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONVEYANCE OF CERTAIN LANDS

Mr. BAKER. Mr. President, I now ask that the Chair lay before the Senate Calendar Order No. 1322.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. No objection.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3150) to direct the Secretary of Agriculture to convey, for certain specified consideration, to the Sabine River Authority approximately thirty-one thousand acres of land within the Sabine National Forest to be used for the purposes of the Toledo Bend project, Louisiana and Texas; and for other purposes.

The Senate proceeded to consider H.R. 3150.

SABINE RIVER AUTHORITY LAND CONVEYANCE

Mr. HELMS. Mr. President, S. 1754 would require the Secretary of Agriculture, within 180 days after enactment of the bill, to convey certain lands within the Sabine National Forest in Texas to the Sabine River Authority in Texas. The lands to be conveyed are in or adjacent to the Toledo Bend Reservoir, which is located in Louisiana and Texas, and consist of: First, approximately 31,000 acres of land inundated by the reservoir; second, an 11-acre recreational site; and, third, approximately 107 acres of land in the flood plain that would no longer be immediately adjacent to land owned by the United States in the Sabine National Forest after conveyance of the other lands involved.

The bill provides that, in exchange for the conveyance of the lands by the United States, the Sabine River Authority of Texas must: First, convey to the United States approximately 586 acres of land in the flood plain that lie on the shoreline of the Toledo Bend Reservoir and are immediately adjacent to national forest lands; and second; deposit with the Secretary of Agriculture the sum of $650,000.

The conveyance of the lands by the United States would not include the subsurface rights, and the United States would retain a reversionary interest with respect to the inundated lands so that, if such lands ever ceased to be used for reservoir purposes, they would revert to the United States and would resume their status as National Forest System lands.

Mr. President, the Senate companion bill to H.R. 3150 (S. 1754) provided that upon completion of the convey-

ances, the Sabine River Authority of Texas and the Sabine River Authority of Louisiana would be exempted from the Federal land-use fees and administration charges referred to in the project license issued by the Federal Energy Regulatory Commission for the Toledo Bend project.

H.R. 3150, as passed by the House contains a modified fee waiver provision that also makes the conveyances provided for in the bill contingent on the Federal Energy Regulatory Commission determining that the fair market value that the United States will receive under the bill includes the full value of the waiver authorized under the bill during the remaining term of the license for the Toledo Bend project.

Mr. President, the amendment in H.R. 3150 was a compromise reached in the House after some difference of opinion in that body concerning the waiver of fees for the Federal Energy Regulatory Commission. Although the House approach is somewhat different than that of the Committee on Agriculture, Nutrition, and Forestry, since the changes in the bill are agreeable to the Senators from Texas and Louisiana I urge my colleagues to accept the House language for the Sabine River bill.

Mr. HUDDLESTON. Mr. President, H.R. 3150 would require the Secretary of Agriculture to convey to the Sabine River Authority of Texas certain lands within the Sabine National Forest. The national forest lands subject to this conveyance are approximately 31,000 acres of property, most of which are submerged by the waters of the Toledo Bend Reservoir. The reservoir is part of the Toledo Bend Reservoir project that is operated by the Sabine River Authorities of Texas and Louisiana. The purpose of this project is the development of water supplies, the generation of electric power, and recreation. The project is licensed under the Federal Fower Act.

The conveyance of land to the Sabine River Authority of Texas would be conditioned on the authority conveying 586 acres of its land on the shoreline of the reservoir to the United States and paying $650,000 to the Secretary of Agriculture. Also, the United States would retain all subsurface rights to the national forest lands conveyed to the Sabine River Authority, and ownership of the land would revert to the United States if the land ever ceases to be used for project purposes.

Under the reservoir project license, the Sabine River Authorities of Texas and Louisiana are currently subject to annual charges for the use of national forest lands submerged by the reservoir. Traditionally these charges have been waived because the authorities make no profit on power sold to the public. H.R. 5031 contains a provision that would permanently waive these charges.

This waiver should be conditioned upon a finding by the Federal Energy Regulatory Commission that: First, the national forest land to be conveyed by the Secretary will be used for Toledo Bend Reservoir Project; second, the Forest Service has notified the Commission that, upon the conveyance of the land, the United States will have received the fair market value of the federally owned land set out in the bill; and third, such fair market value includes the full value of the permanent waiver of charges that is provided for in the bill.

In weighing the value of the permanent waiver, the Commission is to consider its prior determinations under which annual waivers were granted to the Sabine River Authorities, as well as the reasonable likelihood that similar annual waivers would be granted during the remaining period of the project license. If the Commission determines that the value of the permanent waiver is not reflected in the value to be received by the Government for the national forest land, no conveyances under the bill would be permitted. I am confident, however, that the Commission will find that the consideration provided for in the bill represents the fair market value of the national forest lands to be conveyed, including the full value of the waiver provided for in the bill.

The land exchange authorized by H.R. 3150 will enable the Forest Service to more efficiently manage lands in the Sabine National Forest that are adjacent to the Toledo Bend Reservoir through the consolidation of land holdings. The bill would also provide a reasonable method of resolving problems associated with the annual charges for the use of the national forest land by the Toledo Bend Reservoir project under the Federal Power Act license.

The Department of Agriculture has indicated that it supports legislation on this matter to clear up ownership problems and permit more efficient management of the National Forest System lands surrounding the reservoir. The bill was amended by the House of Representatives to address the concerns regarding H.R. 3150, as introduced, that were expressed by the Forest Service and the Federal Energy Regulatory Commission.

I urge my colleagues to approve this legislation.

Mr. BENTSEN. Mr. President, this bill now before the Senate will remedy a longstanding inequity involving the Toledo Bend Reservoir on the Texas-Louisiana border. This legislation will do that by providing for an exchange of lands between the Sabine River Authority of Texas, the Sabine River Authority of the State of Louisiana, and the U.S. Forest Service. In the process it will provide a mechanism for the Federal Energy Regulatory Commission to waive any claims for land use fees against the Sabine River Authority.

I introduced a similar bill in the Senate, and all of the Senators from the two States involved, Senator TOWER from Texas and Senators LONG and JOHNSTON from Louisiana, are cosponsors of this bill. It has been approved by the Senate Agriculture Committee and has passed the House of Representatives. I now urge its approval by the full Senate so that it can be sent to the President to be signed into law.

The Toledo Bend project is unique, as it is the only interstate reservoir, dam, and powerhouse to be financed, constructed, and operated without Federal funds or participation. The States of Texas and Louisiana joined together to finance and build this project. Although this arrangement has produced great benefits for the citizens of Texas and Louisiana at no cost to the Federal Government, it has also created some unique problems.

Other lakes, built with Federal funds, automatically get certain exemptions along with those Federal funds. The Sabine River Authority did not get these exemptions, because it did not tap the Treasury. Thus the Sabine River Authority is not automatically exempt from paying rental fees for the Federal land which was flooded by this lake. No such fees have been paid by the Sabine River Authority, since they have applied for and received exemptions from the Federal Energy Regulatory Commission. These exemptions are granted only annually, however, and going through this application process each year is a needless and costly exercise both to the river authorities and to the FERC.

The Federal Government is now in the position of penalizing the States of Texas and Louisiana for having used their own initiative and their own funds to construct the Toledo Bend Reservoir. Had Texas and Louisiana used Federal funds they would automatically have been exempt from the fees that are now causing them such problems. This situation is ridiculous, it is sending the wrong signal to State and local governments that the administration is encouraging to be more self-reliant, and it should be resolved.

The bill as introduced simply transferred the ownership of the flooded Federal lands, on which a rental charge has been asked, to the Sabine River Authority. However, since that time the U.S. Department of Agriculture has commented on the bill and the U.S. Forest Service has expressed an interest in acquiring certain lands now owned by the Sabine River Authority.

In response to these comments and inquiries, the bill has been modified to make this an exchange of lands rather than a simple transfer. The submerged lands would be acquired by the Sabine River Authority, with the Federal Government retaining all mineral rights and with the condition that those lands will revert to the Federal Government if they ever cease to be used for the Toledo Bend Reservoir. In addition, the two river authorities will pay to the USFS the sum of $650,000.

This will both satisfy the USFS interest in acquiring some of these lands and will conform to the administration policy of seeking comparable value as compensation for the transfer of Federal lands.

Section 4 of this bill establishes a mechanism for the FERC to deal with this application for a waiver of FERC land use fees. For the purposes of section 4 of this act, it is my understanding that the determination does not necessarily require a formal Commission action. If the Commission so chooses, it could exercise its authority to delegate the decision pursuant to existing law and regulations.

For the purposes of section 4(A)(3), the term "fair market value" means the land conveyed by section 2, plus the amount of $650,000 as specified in section 2, plus the annual charge the Commission reasonably believes otherwise would have been collected over the term of the license from the Sabine River Authority had this legislation not been enacted.

The Sabine River Authority currently receives an exemption, pursuant to section 10(e) of the Federal Power Act, from annual charges, and there is no reason to believe that they would not continue to receive such an exemption over the remaining period of the license. Therefore, we are of the opinion that the fair market value would consist of only the land transferred and the $650,000 specified in section 2.

I would even argue that the FERC would save the Government money by approving this permanent waiver, since it would thereby save the annual cost of processing a lengthy and complicated application for the annual waiver.

I would also note that the bill imposes a deadline of 180 days upon the Secretary of Agriculture for the completion of this exchange. Since the FERC must also make a determination that the compensation specified in this bill is adequate before this exchange can take place, it is our expectation that the FERC should and will act expeditiously in making this determination.

The legislation does not change the present use of the land in any way. It only recognizes the current usage and cuts down on the paperwork and redtape currently involved because of the unique nature of this project.

This land is part of and necessary to the Toledo Bend Reservoir, either as land subject to inundation or as small recreation areas. I see no reason why it should not be transferred to the Sabine River Authority, subject to the strict conditions in this bill, in order to do away with the tedious and unnecessary redtape now associated with this important project. Such a transfer would remove any basis for this land use fee, since the land involved would no longer be owned by the Federal Government.

Mr. President, legislation on this problem was first introduced in 1970 by the late Congressman Wright Patman of Texas. Enactment of this legislation is long overdue, and I urge my colleagues to join with me in passing this bill.

Mr. LONG. Mr. President, I encourage my Senate colleagues to expeditiously consider the bill before us now, an amended version of H.R. 3150.

Mr. President, consideration and resolution of this matter is long overdue.

For the past 14 years, the Sabine River Authority, Texas and Louisiana have attempted to resolve this long standing matter, but to no avail. Enacting H.R. 3150 will resolve this issue.

The amended House-passed version of H.R. 3150 would solve the problems of Texas and Louisiana agencies which operate the Toledo Bend Reservoir. This measure would give the Sabine River Authority title to approximately 31,000 acres of submerged Federal land. In return for title to the acreage, the Sabine River Authority, Texas and Louisiana would make a cash payment of $650,000 to the U.S. Forest Service.

Mr. President, the Toledo Bend Reservoir was constructed and financed without Federal funds or participation. The States of Louisiana and Texas bore the financial responsibility for the project.

Therefore, Mr. President, I urge my colleagues to accept this compromise proposal which is the result of many years of negotiations and is endorsed by the Sabine River Authority, Texas, and Louisiana.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 3150) was ordered to a third reading, was read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MARITIME PROGRAMS OF THE DEPARTMENT OF TRANSPORTATION AND THE DEPARTMENT OF COMMERCE

Mr. BAKER. Mr. President, I ask the Chair to lay before the Senate Calendar Order No. 1308.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

Mr. BYRD. No.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 5833) to improve certain maritime programs of the Department of Transportation and the Department of Commerce.

The Senate proceeded to consider H.R. 5833, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike out all after the enacting clause, and insert the following: with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

H.R. 5833

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title XI of the Merchant Marine Act, 1936 (46 App. U.S.C. 1271 et seq.) is amended as follows:

(1) in section 1103(e), after the last sentence, by adding: "Notwithstanding an assumption of an obligation by the Secretary under section 1105 (a) or (b) of this Act, the validity of the guarantee of an obligation made by the Secretary under this title is unaffected and the guarantee remains in full force and effect.";

(2) in section 1104, by striking subsection (a)(3) and submitting:

"(3) financing the purchase, reconstruction, or reconditioning of vessels or fishery facilities for which obligations were guaranteed under this title that, under the provisions of section 1105:

"(A) are vessels or fishery facilities for which obligations were accelerated and paid;

"(B) were acquired by the Fund; or

"(C) were sold at foreclosure instituted by the Secretary;";

(3) in section 1104(a)(5), by adding "or" at the end;

(4) in section 1104(a)(6), by striking "facilities; or" and substituting "facilities.";

(5) in section 1104, by striking subsection (a)(7);

(6) in section 1104, by striking subsection (d)(1) and substituting:

"(d)(1)(A) No commitment to guarantee, or guarantee of, an obligation shall be made by the Secretary of Transportation unless the Secretary finds that the property or project with respect to which the obligation will be executed will be economically sound. In making that determination, the Secretary shall consider—

"(i) the need in the particular segment of the maritime industry for new or additional capacity, including any impact on existing equipment for which a guarantee under this title is in effect;

"(ii) the market potential for the employment of the vessel over the life of the guarantee;

"(iii) projected revenues and expenses associated with employment of the vessel;

"(iv) any charters, contracts of affreightment, transportation agreements, or similar agreements or undertakings relevant to the employment of the vessel; and

"(v) other relevant [criteria.] *criteria; and*

"(vi) for inland waterways, the need for technical improvements, including but not limited to increased fuel efficiency, or improved safety.

"(B) No commitment to guarantee, or guarantee of, an obligation shall be made by the Secretary of Commerce unless the Secretary finds, at or prior to the time such commitment is made or guarantee becomes effective, that the property or project with respect to which the obligation will be executed will be, in the Secretary's opinion, economically sound and in the case of fishing vessels, that the purpose of the financing or refinancing is consistent with the wise use of the fisheries resources and with the development, advancement, management, conservation, and protection of the fisheries resources.";

(7) in section 1104(h), after the word "acceleration", by adding ", assumption,";

(8) in section 1105(a), in the first sentence after the word "demand", by adding: "(unless the Secretary shall, upon such terms as may be provided in the obligation or related agreements, prior to that demand have assumed the obligor's rights and duties under the obligation and agreements and shall have made any payments in default)";

(9) in section 1105, by striking subsection (b) and substituting:

"(b) In the event of a default under a mortgage, loan agreement, or other security agreement between the obligor and the Secretary, the Secretary may upon such terms as may be provided in the obligation or related agreement, either:

"(1) assume the obligor's rights and duties under the agreement, make any payment in default, and notify the obligee or the obligee's agent of the default and the assumption by the Secretary; or

"(2) notify the obligee or the obligee's agent of the default, and the obligee or the obligee's agent shall have the right to demand at or before the expiration of such period as may be specified in the guarantee or related agreements, but not later than [sixty] *60* days from the date of such notice, payment by the Secretary of the unpaid principal amount of said obligation and of the unpaid interest thereon. Within such period as may be specified in the guarantee or related agreements, but not later than [thirty] *30* days from the date of such demand, the Secretary shall promptly pay to the obligee or the obligee's agent the unpaid principal amount of said obligation and unpaid interest thereon to the date of payment.";

(10) in section 1105(c), first sentence, after the word "payment", by adding "or assumption"; [and]

(11) in section 1105(e), by striking the last sentence and substituting: "In the event that the Secretary shall receive through the sale of property an amount of cash in excess of the unpaid principal amount of the obligation and unpaid interest on the obligation and the expenses of collection of those amounts, the Secretary shall pay the excess to the [obligor."] *obligor."; and*

(12) in section 1104(e), by adding the following sentence at the end thereof: "Such regulations shall provide a formula for determining the creditworthiness of obligors under which the most creditworthy obligors pay a fee computed on the lowest allowable percentage and the least creditworthy obligors allowable percentage (the range of creditworthiness to be based on obligors which have actually issued guaranteed obligations).".

SEC. 2. Section 214 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1124) is amended to read as follows:

"(a) For the purpose of any investigation which, in the opinion of the Secretary of Transportation, is necessary and proper in carrying out this Act, the Secretary may [subpena] *subpoena* witnesses, administer oaths and affirmations, take evidence, and require the production of books, papers, or other documents that are relevant to the matter under investigation. The attendance of witnesses and the production of books, papers, or other documents may be required from any place in the United States or any territory, district, or possession thereof at any designated place of hearing. Witnesses summoned before the Secretary shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

"(b) Upon failure of any person to obey a [subpena] *subpoena* issued by the Secretary, the Secretary may invoke the aid of any district court of the United States within the jurisdiction in which the person resides or carries on business in requiring the attendance and testimony of witnesses and the production of books, papers, or other documents. Any such court may issue an order requiring the person to appear before the Secretary, or an employee designated by the Secretary, there to produce books, papers, or other documents, if so ordered, or to give testimony relevant to the matter under investigation. A failure to obey an order of the court may be punished by the court as a contempt thereof. Process in such a case may be served in the judicial district in which the person resides or may be found.".

SEC. 3. (a) The Shipping Act, 1916 (46 App. U.S.C. 801), is amended as follows:

(1) The first section is amended—

(A) by striking the definitions "common carrier by water" and "common carrier by water in foreign commerce";

(B) in the definition "other person subject to this act", by striking "common carrier by water" in two places and substituting "common carrier by water in interstate commerce"; and

(C) in the definition "carrying on the business of forwarding", by striking "from the United States, its Territories, or possessions to foreign countries, or".

(2) The initial paragraph of section 16 is amended by striking "transportation by water" and substituting "transportation by water in interstate commerce".

(3) Section 21(b) is amended by striking the period following "subject to this Act" and substituting a comma.

(b) The Shipping Act of 1984 (46 App. U.S.C. 1701), is amended as follows:

(1) Section 5(a) is amended by striking "in section 4" and substituting "in section 4 (a) or (b)".

(2) Section 11(g) is amended by striking "section 10(c) (1) or (4)" and substituting "section 10(c) (1) or (3)".

(3) The last sentence of section 15 is amended to read as follows: "Whoever fails to file a certificate required by the Commission under this subsection is liable to the United States for a civil penalty of not more than $5,000 for each day the violation continues.".

Mr. BAKER. Mr. President, I ask unanimous consent that the committee amendments be considered and adopted en bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are considered and agreed to en bloc.

AMENDMENT NO. 7097

(Purpose: To make technical amendment)

Mr. BAKER. Mr. President, I now send to the desk an amendment on behalf of Senator PACKWOOD to the committee amendment and I ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. BAKER] for Mr. PACKWOOD proposes an amendment numbered 7097.

Mr. BAKER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, line 6, insert the following immediately after "obligors": "pay a fee which may be computed on the highest".

AMENDMENT NO. 7098

(Purpose: To make technical amendment)

Mr. BAKER. Mr. President, I send to the desk now a second-degree amendment on behalf of Senator PACKWOOD and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. BAKER], for Mr. PACKWOOD, proposes an amendment numbered 7098.

Mr. BAKER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, line 4 insert the words "or with the need for technical improvements including but not limited to increased fuel efficiency or improved safety" immediately after the word "resources".

Mr. PACKWOOD. Mr. President, the bill before us today, H.R. 5833, amends the Merchant Marine Act of 1936 to improve the administration of the ship financing guarantee program under title XI of the act and to set up more stringent criteria for issuance of these guarantees. The original intent of the Merchant Marine Act of 1936 was to foster the development and encourage the maintenance of a U.S. merchant marine. Under the original Merchant Marine Act, title I has as part of its Declaration of Policy:

"It is necessary for the national defense and development of its foreign and domestic commerce that the United States shall have a Merchant Marine . . . (d) composed of the best equipped, safest, and most suitable types of vessels . . . and (e) supplemented by efficient facilities for shipbuilding and ship repair. It is hereby declared to be the policy of the United States to foster the development and encourage the maintenance of such a Merchant Marine."

In committee, Senator DANFORTH of Missouri offered an amendment to be sure the original intent of the act was preserved. I would like to ask the Senator from Missouri to comment on his concerns and explain his clarifying language that was adopted in Committee.

Mr. DANFORTH. I was concerned that the original intent of the title XI program of the act may have been lost in the enactment of H.R. 5833 and offered my amendment to assure that it was not. Without my amendment, the Secretary of Transportation, in making a title XI comment to guarantee an obligation, after being assured of its economic soundness, was instructed in making that determination to look no further than "the need * * * for new or additional capacity * * *" This criteria assumes that a vessel is a vessel, is a vessel.

Mr. PACKWOOD. What other criteria should be considered by the Secretary of Transportation in making a commitment to guarantee an obligation under the title XI program?

Mr. DANFORTH. The authors of the original Merchant Marine Act of 1936 recognized the need to promote research and development efforts in our maritime industry, both for large ocean vessels and for inland river vessels. It is for the public benefit that the maritime industry be at the cutting edge of technological advances, and is one of the main reasons for the existence of the Maritime Administration. Major technical advances have been made in the design of marine hulls, propellers, nozzles, and in main engine design. All of which improve the vessel's efficiency which is another way of saying that with the same amount of fuel it will go faster or push more barges. Vessels built today, incorporating the most advanced design technology, are the most cost effective and because of that, should be given full consideration when the Secretary is making a determination to commit a title XI guarantee. In addition MarAd has an added concern for the shipyards building such high-tech equipment. The survival of the shipbuilding industry, presently in a very depressed period, should also be a factor in the Secretary's determination.

Mr. PACKWOOD. So the purpose of your amendment is to assure that other criteria, including but not limited to increased fuel efficiency and improved vessel performance, also be considered in making a title XI commitment to guarantee an obligation.

Mr. DANFORTH. That is correct. I believe these factors must be considered by the Secretary of Transportation when making a determination to commit a guarantee under title XI. Accordingly, the Secretary of Transportation should recognize that it is the sense of the Senate that applications for title XI guarantees covering the construction of vessels that incorporate technological improvements, including fuel efficiency and/or improved safety, and that otherwise qualify for said commitment to guarantee, shall have equal weight with the other criteria set forth in section (d)(1)(A)(i) of H.R. 5833.

Mr. LONG. Mr. President, in considering H.R. 5833, I would like to call attention to a problem which exists in regard to the offshore marine service industry. I wish to state in the strongest terms possible that this is a situation which cannot be overlooked and which warrants the serious attention of Congress and the Maritime Administration.

Mr. President, I ask unanimous consent that a copy of a letter I received from a representative of the Offshore Marine Service Association be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. LONG. Mr. President, this letter points out the serious problems which exist within the offshore marine service industry and the need for the Maritime Administration to respond accordingly.

As many of us know, the market for the offshore marine service industry is currently depressed. Offshore energy production is down. As a result, the offshore marine service industry is suffering and there is a surplus of equipment in this market.

Operators in the offshore marine service industry fear that the Maritime Administration may take action which would aggravate the problems facing the industry, ultimately jeopardizing MarAd's loan fund. Specifically, there is concern that MarAd may foreclose on a large number of vessels, and then place these vessels back into an already soft market, without regard to the impact on the industry.

Since this matter was brought to my attention, I have contacted Adm. Harold Shear, the Administrator of MarAd about this problem. Admiral Shear has assured me that he, too, recognizes the potential impact on the offshore industry if a significant number of offshore vessels acquired by MarAd through foreclosures were sold at highly discounted prices. The impact also extends to MarAd itself, which may find that the Government's recovery is ultimately enhanced by holding vessels until the offshore market improves.

Mr. President, I make these comments in an effort to call attention to these problems and to indicate how these problems may be addressed consistent with the legislation before us.

H.R. 5833 would provide the Secretaries of Transportation and Commerce the authority to assume the obligation when an obligor defaults on a title XI loan guarantee. This legislation also provides stricter criteria for approving loan applications. As a part of this criteria, MarAd must evaluate the need for new or additional equipment in the particular segment of the maritime industry.

It is my belief, as well as that of industry representatives, that similar consideration and evaluation should take place in cases where existing equipment unavoidably comes into the possession of MarAd. In the event that MarAd comes into possession of equipment through foreclosure or otherwise, every effort should be made to avoid placing such vessels back into a depressed market for less than compelling reasons. To do otherwise would risk flooding an already depressed market and may well result in the Government's receiving less for this equipment than it would if it were to hold such vessels until the market improves.

I ask the distinguished ranking member of the Merchant Marine Subcommittee, Mr. INOUYE, if he has any comments in regard to my remarks.

Mr. INOUYE. Mr. President, I have followed the statement of my colleague with interest. I, too, am aware of the problems facing the offshore marine service industry, and wish to commend the Senator from Louisiana for calling attention to this issue.

In considering H.R. 5833, it is the intent of Congress to make it easier for the Secretaries of Transportation and Commerce to respond in the event of a title XI default, as well as to reduce the number of future defaults by strengthening the review process for title XI applicants. MarAd will be required to scrutinize more carefully the economic viability of loan applicants. As a part of this process, the Secretary of Transportation must take into account the extent to which construction or reconstruction of a vessel may contribute to overtonnaging.

I believe that it is fair to say that as a matter of administrative discretion MarAd ought to apply this evaluation to cases in which MarAd comes into possession of equipment through the foreclosure process. The best interests of the industry and the loan fund would require that MarAd evaluate the condition of the industry and the market before placing surplus equipment back into the market. This is particularly true given the current de-

pressed state of the offshore marine service industry.

Certainly, every reasonable effort should be made to avoid flooding this market with repossessed equipment. Sold at potentially discounted prices, while continuing to protect the title XI fund.

Mr. LONG. Mr. President, I wish to thank the Senator from Hawaii for his remarks and for his understandings of the problems facing the offshore marine service industry. The Senator's comments reflect his concern for the condition of the industry and the future stability of the title XI fund.

I believe that industry stability and long-term success of the loan fund are fully compatible goals. I would strongly urge the Maritime Administration and the industry to work together toward that end. The legislation under consideration today provides further basis for this effort.

EXHIBIT 1

ALARIO & ASSOCIATES, INC.,
Metairie, LA, September 24, 1984.

Hon. RUSSELL B. LONG,
U.S. Senate,
Washington, DC.

DEAR SENATOR LONG: It has come to the attention of the Offshore Marine Service Association, which includes many of your constituent companies, that Congress is expected to enact legislation soon which will amend Title XI of the Merchant Marine Act, 1963 (46 app. USC 1271, et se). This amendment, among other things, states that "no commitment to guarantee, or guarantee of an obligation shall be made by the Secretary of Transportation unless the Secretary finds that the property or project with respect to which the obligation will be executed will be economically sound." The amendment further states, "in making that determination, the Secretary shall consider (i) the need in the particular segment of the maritime industry for new or additional capacity, including any impact on existing equipment for which a guarantee under this title is in effect."

In developing this legislation, Congress has rightly taken into account and required that the Secretary of Transportation determine that new vessel projects, with appropriate exceptions where new or improved technology applies, "will not contribute to an existing overtonnage/surplus in a particular trade." we wish to point out that in the proposed legislation, this reservation, and the economically sensible criteria it provides, applies only to new additions in a pressed, overbuilt trade. We submit that same restrictive criteria and consideration should apply in cases where existing equipment is repossessed by the Maritime Administration as a result of default's by Title XI shipowner/operators. This equipment should not be dumped back into a depressed market which has spit it out, thereby doing even more damage. The Maritime Administration should be compelled to consider the impact on existing equipment and whether allowing their reentry will contribute to an existing overtonnage in a particular trade, just as they are required by this legislation in the case of new tonnage.

There presently exists in the offshore marine industry, as in other sectors, a serious and economically damaging surplus of equipment. The worst recession that this industry has ever experienced has been battering our operators for over three years. Many companies have failed. More are on the verge of bankruptcy, and numerous companies have been weakened to the extent that they may not survive if the recession continues much longer or, in the alternative, if the problem of surplus equipment is not addressed constructively.

With regard to the latter, we feel you are in a position to help, indirectly but positively. As we noted above, Congress is preparing to enact legislation, we understand very soon, which requires that the Maritime Administration consider criteria to avoid contributing to excess capacity in any marine sector and that MARAD consider the impact on existing equipment for which guarantees are already in place.

There are operators in our industry who have MARAD financing and many more who do not. All of them, of course, are being adversely affected by the over capacity that currently exists in this industry. Their main concern at this time is less about new equipment than with existing surplus equipment. On behalf fo the Offshore Marine Association, we outlined below the problem and concerns at hand.

We feel the Maritime Administration is on the verge, to some extent due to the impact this bill, H.R. 5833, will have, of coming into possession of a significant number of offshore vessels. Until now, only a handful of ships have been taken over by MARAD, and MARAD's disposition of these vessels, while alarming in its potential to do harm, has not been significant because of the small number of units involved. What concerns the industry now is that should MARAD take over large blocks of these vessels, as expected, and then return them promptly into the same depressed market, particularly at discounted sale prices, impact on both Title XI fundholders and non Title XI operators would definitely be adverse, aggravating an already dangerous problem. Furthermore, we feel that resale of these vessels at this time by MARAD at heavily discounted prices in not in MARAD's best interest. To the contrary, we believe that such action at this time would cost MARAD both in terms of immediate loss by virtue of low sales value and more losses in the adverse impact it would inevitably have on other Title XI operators, leading to more failures and still more financial losses to the fund. Thus, we contend that MARAD's, the government's and the public's interest, as well as that of the offshore industry at large, would be served best by removing from active service, at least temporarily, all offshore support vessels which come into MARAD's possession by virtue of default on government guaranteed Title XI bonds. Our thesis is that deactivating these vessels is feasible and highly desirable for the overall, long term good of all. Holding on to these repossessed vessels may, for the six months or so which are extremely critical months at this juncture, represent a financial inconvenience, and even a short term risk, but we submit it would work for the intermediate and long term good of all, including MARAD's economic advantage.

Most industry experts feel that the next six months are probably the most critical to the health, indeed the survival, of many of our offshore marine operators. The permanent removal or, at least, the temporary deactivation of as much surplus equipment as possible from the offshore marine service fleet is critical to its stabilization and long term well being. The Maritime Administration can conceivably play an important and timely part in helping to stabilize this industry, or it can do the opposite. The industry is preparing an even more general, major offensive to accomplish the temporary deactivation and/or permanent removal of surplus equipment from the total U.S. fleet, with the ultimate objective of moving this equipment, whenever, possible, out of the offshore market altogether, into other services. This plan would include, but not be limited to, developing prospects for the sale or "dedication" of converted U.S. offshore service vessels to U.S. or foreign government agencies, military support services, etc. We have plainly concluded that this is absolutely necessary in order to return this industry to a healthy footing. Without any dramatization, it is not profits which are at stake here, but simple survival. The offshore industry needs MARAD's cooperation and looks forward to working closely with them in this effort.

Your assistance in this matter is urgently requested and will be greatly appreciated, Senator. We know you will respond and we thank you for your attention to our problems.

Very truly yours,

ROBERT J. ALARIO,
President.

The PRESIDING OFFICER. The question is on agreeing to the second-degree amendment of the Senator from Tennessee.

The amendment (No. 7098) was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the first amendment of the Senator from Tennessee.

The amendment (No. 7097) was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 5833) as amended, was read a third time and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FEDERAL POWER ACT AMENDMENTS

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1132.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1132) entitled "An Act to amend the Federal Power Act to specify the annual charges for projects with licenses issued by the Federal Energy Regulatory Commission for the use of Federal dams and other struc-

tures", do pass with the following amendment:

Strike out all after the enacting clause, and insert: That section 10(e) of the Federal Power Act is amended—

(1) by inserting "(1)" after "(e)"; and

(2) by adding the following at the end thereof:

"(2) In the case of licenses involving the use of Government dams or other structures owned by the United States, the charges fixed (or readjusted) by the Commission under paragraph (1) for the use of such dams or structures shall not exceed 1 mill per kilowatt-hour for the first 40 gigawatt-hours of energy a project produces, 1½ mills per kilowatt-hour for over 40 up to and including 80 gigawatt-hours, and 2 mills per kilowatt-hour for any energy the project produces over 80 gigawatt-hours. Except as provided in subsection (f), such charge shall be the only charge assessed by any agency of the United States for the use of such dams or structures.

"(3) Notwithstanding paragraph (1) or (2), no charge shall be assessed for the use of any Government dam or structure by any licensee or other entity if, before the date of the enactment of this paragraph, an agency of the United States has entered into a contract with such licensee or other entity which provides that—

"(A) a powerplant may be built by the licensee or other entity utilizing irrigation facilities constructed by the United States,

"(B) such powerplant shall remain in the exclusive control, possession, and ownership of the licensee or other entity concerned, and

"(C) all revenue from such powerplant and from the use, sale, or disposal of electric energy from the powerplant shall be, and remain, the property of such licensee or other entity.

"(4) The provisions of paragraph (2) shall apply with respect to—

"(A) all licenses issued after the date of the enactment of this paragraph; and

"(B) all licenses issued before such date which—

"(i) did not fix a specific charge for the use of the Government dam or structure involved; or

"(ii) did not specify that no charge would be fixed for the use of such dam or structure.

"(5) Every five years, the Commission shall review the appropriateness of the annual charge limitations provided for in this subsection and report to Congress concerning its recommendations thereon.".

SEC. 2. Section 30(c) of the Federal Power Act is amended by inserting ", the National Marine Fisheries Service," after "the Fish and Wildlife Service" in both places such term appears.

AMENDMENT NO 7099

(Purpose: To strike extraneous matter from the House amendment)

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendment with a further Senate amendment which I send to the desk on behalf of Senator McCLURE.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. BAKER] for Mr. McCLURE proposes an amendment numbered 7099.

Mr. BAKER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Amendment to the House amendment in the nature of a substitute: Strike sec. 2 of the House amendment.

Mr. McCLURE. Mr. President, S. 1132 as passed by the Senate was intended to address a problem relating to the fees charged non-Federal parties for hydroelectric development at Federal dams. The Senate version of the bill provided a reasonable and predictable statutory formula for the Federal Regulatory Commission [FERC] fee in lieu of a rather complicated and costly alternative FERC was proposing during rulemaking. Since that time, FERC has finalized their rulemaking, and that decision is essentially reflected in the provisions of section 1 of the House amendment to the Senate bill. I strongly support the provisions of section 1 and commend FERC and the other body for their action in this regard. Enactment of this portion of the bill into law, while arguably unnecessary, in light of the FERC rule, does provide a degree of long-term predictability for hydroelectric developers. Because predictability and certainty were part of the original purpose of this legislation, and because section 1 essentially codified the final FERC rule, it is my understanding that enactment of this legislation would not require FERC to conduct a new rulemaking process. Indeed, to undertake such a new rulemaking would be counterproductive, unnecessary, time consuming and contrary to the congressional intent and purpose in enacting this measure. Should FERC find it desirable to fine tune its rule as a result of the act, it can do so by discrete and narrow modifications of its existing rule.

I would also like to clarify another matter which was specifically addressed by the Senate bill, but may be ambiguous in the House-passed amendment. While this measure limits and specifies the fee to be charged by FERC for the use of a Federal dam and prohibits any other Federal agency from making another charge for such use, it does not alter existing law as to the recovery of unreimbursed costs incurred by a Federal agency. As stated in the Senate Committee report (S. Rept. 98-363):

Although the Committee amendment does not use the term "unreimbursed costs" as contained in the original text, it retains the requirement that the licensee pay the costs incurred by any Federal agency for specific planning, design, operation, maintenance, inspection and administration resulting from the development and utilization of power at the Government dam by the licensee. This reflects current practice and the various memoranda of understanding between the Commission and the respective agencies. This is clarified in section 3 of the Committee amendment.

In addition, the Committee amendment clarifies that the licensee shall pay the original actual costs which remain outstanding and were incurred by a Federal agency in constructing facilities for the purpose of power production which are utilized by the licensee in the development of power at the Government dam. For example, if a licensee intends to use a penstock on a Federal dam which was installed at Federal expense, the licensee would be required to pay to the United States the original actual costs of the penstock which remain outstanding. The Committee amendment provides that such costs be paid by the licensee in accordance with existing law, where applicable, or by written contract for a period of not more than 40 years.

It is my understanding that the House amendment retains this intent.

Mr. President, it was my hope that the other body would have presented to the Senate a version of S. 1132 which was wholly acceptable. Unfortunately this is not the case. Section 2 of the House amendment attempts to resolve a matter regarding the authorities of the National Marine Fisheries Service [NMFS] which is currently the subject of litigation. The Senate Committee on Energy and Natural Resources has not addressed this issue and I believe it would be imprudent for the Senate to agree to resolve this matter, one way or the other, without any scrutiny. The matter may indeed be resolved by the courts as proposed by the House, however, I believe it would be unwise to prejudge or dictate that outcome at this time. I am therefore constrained to ask the Senate to return S. 1132 to the House without section 2.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment (No. 7099) was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION OF APPROPRIATIONS FOR OFFICE OF ENVIRONMENTAL QUALITY AND COUNCIL ON ENVIRONMENTAL QUALITY

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 4585.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 4585) entitled "An Act to authorize appropriations for the Office of Environmental Quality and the Council on Environmental Quality for fiscal years 1985, 1986, 1987, and for other purposes", with the following amendments:

In lieu of the matter inserted by said amendment, insert:

That section 205 of the Environmental Quality Improvement Act of 1970 (42 U.S.C. 4374(c)) is amended by adding at the end thereof the following new paragraph:

"(d) $480,000 for each of the fiscal years ending September 30, 1985 and September 30, 1986.".

SEC. 2. The Environmental Quality Improvement Act of 1970 (42 U.S.C. 4371-4374) is further amended by adding at the end thereof the following new section:

"OFFICE MANAGEMENT FUND

"SEC. 206. (a) There is established an Office of Environmental Quality Management Fund (hereinafter referred to as the 'Fund') to receive advance payments from other agencies or accounts that may be used solely to finance—

"(1) study contracts that are jointly sponsored by the Office and one or more other Federal agencies; and

"(2) Federal interagency environmental projects (including task forces) in which the Office participates.

"(b) Any study contract or project that is to be financed under subsection (a) may be initiated only with the approval of the Director.

"(c) The Director shall promulgate regulations setting forth policies and procedures for operation of the Fund.".

SEC. 3. Section 2(1) of the Act entitled "An Act to establish the Tensas River National Wildlife Refuge", approved June 28, 1980 (19 U.S.C. 668dd note), is amended—

(1) by inserting "(A)" immediately after "includes"; and

(2) by inserting immediately before the period at the end thereof the following: "; and (B) any additional lands and waters, and interests therein, adjacent to the boundaries depicted on that map that are considered appropriate for inclusion in the refuge by the Secretary".

Amend the title so as to read; "An Act to authorize appropriations for the Office of Environmental Quality and the Council on Environmental Quality for fiscal year 1985 and 1986, and for other purposes.".

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendments to the Senate amendment.

The motion was agreed to.

TRANSFER OF CERTAIN LAND IN NEVADA

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1160.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1160) entitled "An Act to authorize Douglas County of the State of Nevada to transfer certain land to a private owner", do pass with the following amendment:

Page 2, after line 18, insert:

"Sec. 3. The Secretary of the Interior, in connection with Federal resource protection and the Federal administration of the use and occupancy of lands and waters within a water resource development project under his jurisdiction, is authorized to cooperate with the regulatory and law enforcement officials of any State or political subdivision thereof in the enforcement of the laws or ordinances of such State or political subdivision. Such cooperation may include the reimbursement of a State or its political subdivision for expenditures incurred in connection with such resource protection and administration. For purposes of complying with section 401 of the Congressional Budget Act of 1974, the authorization provided under this Section is subject to the availability of appropriations.

"Sec. 4. The Secretary of Energy, acting through the Alaska Power Administration, is authorized and directed to enter into an agreement with respect to the Eklutna Lake hydropower project in accordance with provisions of the Act of July 31, 1950, as amended (64 Stat. 382), the last sentence of the first paragraph of section 1 of which is amended to read as follows: 'The water of Eklutna Lake and its tributaries which are required for the operation of the Eklutna project are reserved for that purpose: *Provided,* That a portion of the waters so reserved may be diverted from Eklutna Lake for public water supply purposes, if compensation for reduced electric energy production due to such diversions is made as required by the February 1984 agreement between the Municipality of Anchorage and the Alaska Power Administration.

Mr. METZENBAUM. I understand that the February 1984 agreement between the Municipality of Anchorage and the Alaska Power Administration contains a section setting the compensation to be received by APA for permitting the diversion of a portion of the Eklutna Lake water supply. Am I correct that nothing in this agreement or this legislation shall adversely affect the ability of the APA to repay the Federal investment in the Eklutna Hydroelectric Project?

Mr. STEVENS. That is correct.

Mr. METZENBAUM. Am I also correct that if it is determined that the repayment of the Federal investment is adversely affected by this legislation or the agreement that said agreement is nullified?

Mr. STEVENS. That is correct.

Mr. METZENBAUM. I thank the Senator for his answers.

Mr. MURKOWSKI. Mr. President, I rise to express my strong support for the provision in S. 1160 which amends 64 Stat. 382 (1950), 48 U.S.C. 312, as amended. This provision will allow the Municipality of Anchorage and the Alaska Power Administration [APA] to enter into a cooperative agreement with respect to the reserved water rights of the federally authorized powerplant at Eklutna Lake near Anchorage, Alaska.

The Alaska Power Administration operates the powerplant at Eklutna Lake, and APA enjoys Federal reserved water rights for all water that may be feasibly appropriated from the lake. The Municipality of Anchorage wishes to secure a suitable source of potable water to provide for the needs of Anchorage residents. In order to supply this water, the municipality proposes to divert water from Eklutna Lake, and it is willing to compensate the APA with payment in kind for any lost generation capacity at the APA powerplant which may result from diversion for the drinking water project. In addition, the municipality will reimburse APA for the actual expenses of administering the agreement between the parties. While all parties have reached complete agreement in this matter, section 4 of S. 1160 grants the legislative authority which is needed to implement this agreement.

I wish to praise the spirit of cooperation and creativity evidenced by the agreement between the municipality of Anchorage and the APA. They recognized a potentially difficult problem and achieved a workable, equitable solution that involves no additional cost to the U.S. Treasury.

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

BILL PLACED ON THE CALENDAR—H.R. 5189

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Finance be discharged from further consideration of H.R. 5189 and that that measure be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, there are two matters that appear to be cleared on my calendar. They are Calendar Orders Nos. 1336 and 1339. If the minority leader can clear those, I would propose to do them en bloc.

Mr. BYRD. Mr. President, those two items have been cleared on this side.

Mr. BAKER. I thank the minority leader.

PEOPLE-TO-PEOPLE PROGRAM BETWEEN THE UNITED STATES AND MEXICO

The concurrent resolution (H. Con. Res. 196) calling upon the President to study the advisability and practicality of a collaborative people-to-people program between the United States and Mexico, was considered, and agreed to.

The preamble was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

RELIEF OF SHU-AH-WEI AND HER FAMILY

The bill (H.R. 4401) for the relief of Shu-Ah-Wei, her husband Yen Wei, and their sons, Teh-fu Wei and Teh huei Wei, was considered, ordered to a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

RESOLUTION PLACED ON THE CALENDAR—S. RES. 477

Mr. BYRD. Mr. President, I send to the desk a Senate resolution numbered 477. I ask unanimous consent that it be placed on the calendar.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUMMARY OF GENERAL ADVISORY COMMITTEE ON ARMS CONTROL AND DISARMAMENT FINDINGS

Mr. McCLURE. Mr. President, as Members know, some time ago the Senate adopted a resolution, and Congress adopted the position that the administration should submit to the Congress a summary of the General Advisory Committee on Arms Control and Disarmament findings.

Such a summary report has been sent to the Congress. I ask unanimous consent that that summary, together with the cover letter, be printed in the RECORD at this point.

There being no objection, the letter and the summary were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: When I forwarded a report from my Administration to the Congress on Soviet Noncompliance with Arms Control Agreements on January 23, 1984, I said, "If the concept of arms control is to have meaning and credibility as a contribution to global or regional stability, it is essential that all parties to agreements comply with them." I continue to believe that compliance with arms control agreements is fundamental to the arms control process.

Congressional amendments to the FY 1985 Defense Authorization Bill calling for Administration reports on compliance issues, as well as for the transmittal of classified and unclassified versions of the report, "A Quarter Century of Soviet Compliance Practices Under Arms Control Committees: 1958-1983" prepared by the bipartisan General Advisory Committee on Arms Control and Disarmament, demonstrate the priority that Congress places on compliance.

In response to the Congressional requirement, an unclassified version of the General Advisory Committee's report, a summation prepared by the Committee, is provided herewith. Because the Committee's full report contains extensive classified intelligence information, the classified version is being transmitted to the two Select Committees of the Congress on Intelligence.

The General Advisory Committee's report to me resulted from a year-long analysis, by this bipartisan independent body, of Soviet practices with regard to arms control treaties, other agreements, unilateral political commitments, and statements of policy. Neither the methodology of analysis nor the conclusions reached in this report have been formally reviewed or approved by any agencies of the U.S. Government. The report reflects the General Advisory Committee's attempts to assemble as complete as possible an historical record of Soviet behavior and to identify long-term patterns of Soviet compliance practices.

For its part, the Administration continues to be seriously concerned about Soviet behavior with regard to compliance with arms control obligations and commitments. We are actively pursuing several such issues in confidential discussions with the Soviet Union and are seeking explanations, clarifications, and corrective actions. Issues of concern continue to be intensively studied by appropriate agencies, and I intend to keep the Congress informed on this important matter in the future.

Increased understanding of compliance issues and a solid Congressional consensus on the importance of compliance to achieving effective arms control will strengthen our efforts to negotiate equitable and verifiable agreements and will assist as we seek the resolution of important unresolved compliance issues. I look forward to continued close consultation with the Congress as we seek to make progress in resolving compliance issues relating to existing arms control agreements and in negotiating sound arms control agreements.

Sincerely,

———.

A QUARTER CENTURY OF SOVIET COMPLIANCE PRACTICES UNDER ARMS CONTROL COMMITMENTS, 1958-83

SUMMARY, OCTOBER 1984

The General Advisory Committee on Arms Control and Disarmament (GAC) is a Presidential advisory committee established by the Arms Control and Disarmament Act of 1961. The members are private citizens appointed by the President with the advice and consent of the Senate. Its duties are to advise the President, the Secretary of State, and the Director of the Arms Control and Disarmament Agency on matters affecting arms control and disarmament and world peace. The current General Advisory Committee is bipartisan, and its members have been drawn from the scientific, academic, business, and national security communities. A number of its members have held high government positions in previous administrations. The General Advisory Committee provides advice and analysis that is independent from the bureaucratic process, with a point of view not tied to any particular institution.

Introduction

In response to President Reagan's request and in accord with its statutory mandate,[1] the President's General Advisory Committee on Arms Control and Disarmament has conducted an independent, comprehensive, one-year study of the long-term pattern of Soviet performance pertaining to arms control obligations arising from agreements and Soviet unilateral commitments. The classified report of that study, entitled "A Quarter Century of Soviet Compliance Practices Under Arms Control Commitments: 1958-1983," was submitted to the President on December 2, 1983, with the Committee's unanimous endorsement, and has since been presented to senior administration officials and briefed to congressional committees and members upon their request. In accordance with Congressional Amendments to the Fiscal Year 1985 Defense Authorization Bill and in response to instruction from the White House, the General Advisory Committee has prepared this unclassified summary for transmittal to the Congress.

Using all available data concerning Soviet actions pertinent to such obligations, the Committee has determined that the Soviet Union's practices related to about half of its documentary arms control commitments have raised no questions regarding compliance. Soviet practices related to the other half, however, show material breaches—violations, probable violations, or circumventions—of contractual obligations.

Many of the compliance issues considered in the report have been reviewed by the U.S. Government, raised by the U.S. in the U.S.-Soviet Standing Consultative Commission, or brought to Soviet attention through diplomatic channels. The prevailing practice has been to consider each instance as an isolated event. The General Advisory Committee report is the first comprehensive U.S. study of all Soviet practices under arms control obligations since World War II and explores the cumulative pattern of pertinent Soviet conduct. Such a study, based on wide access to official information, has never before been done within the U.S. Government.

Twenty-six documentary agreements were examined, along with numerous unilateral Soviet commitments. The sources of information included previous U.S. Government studies and documents, Soviet statements, and briefings by a wide range of U.S. Government officials and non-government experts. While the Committee is grateful for assistance from many quarters, the Committee acknowledges full responsibility for the content of its report and this summary.

The report used a conceptual framework based upon the norms of international law.[2]

[1] As specified in Section 26 of the Arms Control and Disarmament Act of 1961 as amended. A list of members is attached.

[2] The Committee used the 1969 Vienna Convention on the Law of Treaties and decisions of the International Court of Justice as the principal legal bases for analyzing Soviet compliance behavior. (The United States is a signatory of the Vienna Convention; the Soviet Union is not. Neither nation has ratified it, but the Vienna Convention is regarded by both the U.S. and the Soviet Union as a codification of customary international law on treaty obligations, applicable to parties and non-parties alike.)

According to these norms, treaty violations, circumventions which defeat the object and purpose of the treaty, and breaches of authoritative unilateral commitments all constitute material breaches and justify appropriate corrective measures. All types of material breaches are considered in the report, and the distinctions among them are noted.

The Committee has found that in most cases of alleged Soviet violations, the Soviets readily could have shown that the allegations were false—if they had been false. The Soviets have repeatedly failed to do, even though diplomatic and other channels have been used by the U.S. in seeking to clarify possible misconceptions.

Past analyses (other than the President's report to the Congress of January 23, 1984) have tended to invoke standards of proof applicable only when powers to collect and to inspect evidence, to subpoena witnesses, to take testimony under oath, to prosecute for perjury, etc., are available as legal tools.

The General Advisory Committee's report distinguishes between instances for which the evidence supports high confidence that material Soviet breaches have occurred, and those cases for which the evidence gives substantial reason for suspicion but is short of being conclusive.

Categories used in the report are:

Areas of Apparent Soviet Compliance as determined within the limitations of U.S. verfication capabiiities.

Material Breaches ranging from highly probable to certain, including: violations of an international obligation involving conduct contrary to a treaty or other binding international agreement; breaches of authoritative unilateral commitments, whether written or oral, as well as unilateral commitments reciprocally negotiated; and circumventions, or practices incompatible with the essential objects or purposes of agreements though not in explicit violation of their terms.

Suspicious Events indicative of possible material breaches.

Breaches of the Duty of Good Faith incumbent upon all nation states.

The following summarizes areas of apparent Soviet compliance:

Areas of apparent Soviet compliance

Accident avoidance

Direct Communications Link/Hot Line Agreement of 1963, amended 1971.

USSR-US Accidents Agreement of 1971 (one violation, judged to be inadvertent).

USSR-United Kingdom Accidents Agreement of 1973.

USSR-France Accidents Agreement of 1976.

Nonproliferation

Nonproliferation Treaty of 1968.

Guidelines for Nuclear Transfers, IAEA INFCIRC/209 of 1974.

Guidelines for Nuclear Transfers, IAEA INFCIRC/254 of 1978.

Protocol II of the Treaty of Tlatelolco (Latin American Nuclear Free Zone), USSR Ratification of 1979.

Convention on the Physical Protection of Nuclear Material, USSR Ratification 1983.

Other

Antarctic Treaty of 1959.

Outer Space Treaty of 1967.

Seabed Treaty of 1971.

Convention on Environmental Modification of 1977.

The following summarizes specific instances of probable to certain Soviet noncompliance, as determined by the Committee's study:

SOVIET VIOLATIONS, BREACHES OF UNILATERAL COMMITMENTS, AND CIRCUMVENTIONS DEFEATING THE OBJECT OR PURPOSE OF ARMS CONTROL AGREEMENTS: HIGH CONFIDENCE IN RELIABILITY OF DATA INTERPRETATION

A. Non-SALT Matters:

1. Nuclear Test Moratorium: breach of unilateral commitment to suspend all nuclear testing—by resuming and continuing atmospheric nuclear testing, 1961-1962.

In September 1961, the Soviet Union breached its unilateral commitment to the nuclear test moratorium upon giving three days of notice and while conducting related treaty negotiations with the U.S. This breach resulted in the Soviet Union testing a total explosive yield of more than 300 megatons in the ensuing 13 months.

2. Offensive Weapons in Cuba: breach of unilateral commitment not to send offensive weapons to Cuba—by the covert shipment and deployment of offensive weapons, 1962.

The Cuban missile crisis was caused by the breach of the Soviets' unilateral commitment not to send offensive weapons to Cuba, 1962.

3. Limited Test Ban Treaty of 1963: numerous violations of the prohibition on conducting nuclear tests that cause extraterritorial venting of radioactive debris—by testing nuclear devices that vent radioactive debris beyond the borders of the Soviet Union, 1965 to present.

The Limited Test Ban Treaty not only prohibits testing of nuclear weapons under water, in the atmosphere, and in space, but also bans the venting of underground explosions that cause radioactive debris to cross national boundaries. Since 1965, the Soviet Union has repeatedly allowed such radioactivity to vent in connection with many of its nuclear weapon tests. U.S. experience has shown that care can prevent such venting, and that Soviet violations of this treaty could reasonably have been prevented.

4. Offsensive Weapons in Cuba: breach of unilateral commitments of 1962 and 1970 not to place offensive weapons in Cuba—by deploying and tending Soviet nuclear missile-carrying submarines in Cuban territorial waters, 1970-74.

After the termination of the Cuban missile crisis, the record shows the Soviets did commit themselves not to base offensive weapons in Cuba if the U.S. refrained from invading Cuba. Soviet tending and operation of nuclear weapons submarines in Cuban territorial waters from 1970 to 1974 breached this unilateral commitment.

5. Biological Weapons Convention of 1972: violations of provisions requiring the destruction or diversion to peaceful purposes of all biological agents, toxins, weapons, equipment, and means of delivery—by the retention of facilities, continued biological munitions production, storage, transfer, and use, 1972 to present.

The Soviets' biological weapons program continued during the negotiating, signing, ratification, and entry into force of this treaty.

6. Geneva Protocol of 1925: circumventions defeating the object and purpose of treaty provisions (a) by the transfer of chemical weapons and toxin weapons to their Vietnamese clients with subsequent use in Southeast Asia, 1975-1982; and (b) by Soviet use of lethal agents in Afghanistan, 1980-1982.

The Soviet reservations relative to the ratification of the Geneva Protocol of 1925, claiming exemption for first use against protocol Non-parties, might be put forward to explain the Soviet use of chemical and toxin weapons in Afghanistan, Laos, and Kampuchea. Such circumventions nevertheless defeat the object and purpose of banning first use of lethal chemical or toxin weapons. The Soviets have not asserted this or other legal defense of their actions, but rather they have denied the facts of the matter, falsely claiming no such use.

7. Montreux Convention of 1936: violations of the prohibition on the transit of aircraft carriers through the Turkish Straits—by the recurring transit of Soviet KIEV-class aircraft carriers, 1976 to present.

The Soviets additionally have under construction at their Black Sea shipyards an even larger aircraft carrier that will also violate the Montreaux Convention upon passage to the open seas.

8. Helsinki Final Act of 1975; violations of the commitment to notify Final Act Parties and provide specified data 21 days before conducting exercises of more than 25,000 troops—by undertaking major military troop maneuvers without providing specified information concerning the maneuvers, March and September 1981, and June 1983.

9. Conventional Weapons Convention of 1981: violations of customary international law—by failing to observe the Treaty between signing and ratification—by the use of booby-trap mines and incendiary weapons against civilians in Afghanistan, 1981-1982.

10. The March 16, 1982, Brezhnev-declared Moratorium (further clarified in May 1982) on the completion of SS-20 ballistic missile launchers in the European part of the U.S.S.R.: breach of unilateral commitment—by the continued construction of SS-20 bases and facilities in the European part of the Soviet Union, March 1982 to November 1983.

On March 16, 1982, President Brezhnev committed the Soviet Union to a moratorium on the completion of SS-20 launch facilities in the European part of the Soviet Union. In May 1982, President Brezhnev specified "an end to the construction of launching positions" as a part of the moratorium. The continued construction and completion of SS-20 sites in 1982 and 1983 violated that unilateral commitment.

B. SALT Matters

1. The SALT I Interim Agreement on Offensive Arms, 1972: circumvention defeating the stated U.S. object and purpose of limiting the throwweight of Soviet ICBMs and breach of the 1972 Principles Agreement—by the deployment of the large throwweight SS-19 and SS-17 ICBMs, 1972 to present.

The SALT I Interim Agreement prohibits the conversion of launchers for light ICBMs into launchers for heavy ICBMs. The intent of this provision was to limit the growth of ICBM throwweight and its resultant potential counterforce capability. The Soviet coversion of launchers for the light SS-11 into launchers for the SS-17 and SS-19 ICBMs circumvents this provision, thereby defeating an essential stated U.S. object and purpose in entering into agreement. This action widened the disparity between Soviet and U.S. strategic missile throwweight and increased significantly the threat to U.S. ICBMs.

2. The SALT I Interim Agreement on Offensive Arms, 1972, Article V(3); ABM Treaty of 1973, Article XII(3); SALT II Treaty of 1979, Article XV(3): violation of the provisions not to use deliberate concealment measures which impede verification of compliance by national tenchnical means—by numerous deliberate concealment activities that impede verification of SALT Agreements, 1972 to present.

The SALT I agreements and the exchange of commitments made concerning SALT II bind the U.S. and the Soviet Union not to use deliberate concealment measures which impede verification, by national technical means, of compliance with provisions of these agreements. However, during the decade of the 1970s, there has been a substantial increase in Soviet arms control-related concealment activities. An example of Soviet concealment activities that clearly impede U.S. verification efforts is the encryption of the SS-X-25 missile telemetry, which impedes the U.S. ability to determine the characteristics of this missile, including characteristics controlled by SALT II. (This issue is further discussed below.) A second example of prohibited deliberate Soviet concealment activity is connected with the probable continued deployment of the SS-16 ICBM at Plesetsk. The present Soviet concealment activities constitute a continuing violation of binding commitments.

3. The ABM Treaty of 1972: violation of the prohibition on the development and deployment of the non-permanently fixed ABM radar [Article V(1) Common Understanding C]—by the development and deployment of such a radar on the Kamchatka Penninsula in 1975, and by continuing developmental activities between 1975 and the present.

The ABM Treaty prohibits the development testing and deployment of mobile ABM components. During the negotiations the U.S. and the Soviet delegations agreed (on January 29, 1972 and April 13, 1972 respectively) that this provision would rule out deployment of ABM launchers and radars which "were not permanent fixed types." This agreement constitutes a binding interpretation of the treaty.

4. SALT I Interim Agreement of 1972, Protocol: violations of the numerical launcher limits—by the deployment of DELTA submarines exceeding the limit of 740 launch tubes on modern ballistic missile submarines without dismantling sufficient older ICBM or SLBM launchers, March 1976 to October 1977.

The SALT I Interim Agreement required the Soviets to dismantle ICBM launchers to compensate for modern SLBM launchers in excess of 740. Following the sea trials of new DELTA-class submarines in 1976 and 1977, the Soviets did not dismantle a sufficient number of launchers to compensate for deployments of their new submarine ballistic missile launchers. Upon U.S. inquiry, the Soviets admitted this excess, but failed to accelerate their dismantling activities.

The Committee has reviewed the data relative to this matter, and has concluded that the violation was probably not inadvertent, but rather was part of a deliberate Soviet effort to challenge U.S. arms control verification capabilities.

5. SALT II Treaty of 1979: probable violations of the provision banning the production, testing, and deployment of the SS-16 mobile ICBM—by the probable continued deployment of SS-16 ICBMs at Plesetsk, and by falsifying the SALT II data base identifying specific systems and their numbers covered by the Treaty, 1979 to present.

The SALT II Treaty prohibits the deployment of the SS-16 ICBM (Soviet designation—RS-14). Deliberate Soviet concealment which impedes verification of compliance by U.S. national technical means has been associated with the probable SS-16 deployment. Nevertheless, the SS-16 apparently has been maintained at Plesetsk since the signing of the Treaty, in violation of Soviet commitments relative to that treaty. The probable existence of the SS-16 at Plesetsk also shows that the Soviets deliberately falsified the SALT II data base concerning the number of ICBM launchers. This data base was to be corrected semi-annually; however, the Soviets have not corrected it.

6. SALT II Treaty of 1979: probable violation of Article IV (9) which limits each side to one new type ICBM—by the testing of a second new type ICBM, February 1983 to present; violation of the anti-MIRV provision of Article IV(10)—by testing a lighter warhead than the Treaty allows; and violation by the deliberate concealment (encryption) of data, contrary to Article XV(3), May 1983 to present.

SALT II allows each party to develop only one new type of ICBM. Since the Soviets have designated the SS-X-24 as that one new type, the SS-X-25, which appears to be another new type of ICBM, violates the Treaty. The Soviets, however, claim that this missile is a modification of the SS-13, an ICBM developed in the mid-60s. While common sense judgment would hold a 1980's high technology missile to be new, the extensive encryption of the flight telemetry impedes U.S. understanding of the missile. U.S. analyses, however, indicate that it is very likely that the missile fits the Treaty definition of a new type of ICBM.

7. The SALT I ABM Treaty of 1972: violation of Article VI(b) limiting the location and orientation of radar deployment—by the construction of a large, phased array radar not located on the periphery of the Soviet Union and not oriented outward, 1981 to present.

The ABM Treaty restricts the deployment of early warning radars to sites on the periphery of the national territory; such radars must also be oriented outward. The construction and orientation of such a radar near the city of Krasnoyarsk, an interior site, violate this provision. The design of the facility is substantially identical to another radar declared by the Soviets to be an early warning radar. The Soviets, however, have stated that the Krasnoyarsk radar is a "space tracking" radar. All early warning radars can also perform limited "space tracking" functions, and while this radar is no exception, its location and geometry are inappropriate for a dedicated space tracking radar.

Suspicious Soviet activities related to arms control commitments

The Committee also reviewed fifteen areas of Soviet activity that raise suspicion of further material breaches of arms control agreements. In these cases the data neither confirm that a material breach has occurred nor eliminate suspicion concerning non-compliance. Most of these suspicious activities have been connected with Soviet offensive forces and may indicate the existence of either an offensive force structure in excess of that allowed by various agreements, or offensive weapons with greater capability than allowed by agreements. In addition, several events are indicative of further violations or circumventions of the ABM Treaty, and a review of Soviet testing of nuclear explosives strongly suggests that the Soviets may have repeatedly violated the Threshold Test Ban Treaty. Moreover, other Soviet activities may relate to obligations under the provisions of one or more accords addressing non-interference with national technical means of verification or compliance. Each of these activities may indicate Soviet plans and efforts to develop further military capabilities of considerable significance.

Breaches of the duty of good faith

Customary international law, as codified by the Vienna Convention of the Law of Treaties and by decisions of the International Court of Justice, obligates nations to act in good faith in their dealings with other nations. The Committee reviewed a number of Soviet actions which, while not material breaches of binding agreements, were breaches of that duty of good faith. Some Soviet actions in this category have been misrepresentations made during arms control negotiations or after binding agreements came into effect. An example of such misrepresentation concerns the erroneous data provided by Soviet negotiators at the Mutual Balanced Force Reduction negotiations in Vienna concerning Warsaw Pact troop numbers. This material misrepresentation has been a major barrier in these negotiations.

The Soviets have also disregarded all six unilateral declarations made by the U.S. in SALT I to clarify constraints upon Soviet forces under that agreement. While unilateral declarations do not bind the other party, Soviet unwillingness either to concur promptly or to take exception to such U.S. statements constitutes a breach of the duty of good faith in negotiations.

Further, the Soviets have demonstrated a lack of good faith by their largely non-responsive posture concerning compliance concerns brought to their attention by the U.S. Government over a span of nearly twc decades.

Patterns in Soviet compliance practices

The Soviet Union's actions since 1958 concerning arms control agreements demonstrate a pattern of pursuing military advantage through selective disregard for its international arms control duties and commitments.

The Committee found recurring instances of Soviet conduct involving deliberate deception, misdirection, and falsification of data during negotiations. In addition to the military value accruing to the Soviets from individual violations, the overall pattern of Soviet practices could have several possible motivations:

(1) The Soviets may be indifferent to U.S. objections and response to their non-compliance with arms control treaties.

(2) The Soviets may be attempting to weigh the effectiveness of U.S. verification capabilities.

(3) The Soviets may be testing U.S. willingness to reach definitive conclusions concerning Soviet arms control compliance.

(4) The Soviets may be testing U.S. and international resolve and responses to their arms control behavior.

(5) These activities, as well as the other concealment activities, may be intended to raise the level of U.S. confusion in order to hide more serious activities, such as development and deployment of a ballistic missile defense system.

Soviet denial activities significantly increased over the last quarter century and today are challenging U.S. verification capabilities despite improvements in U.S. verification technology. Deliberate Soviet efforts to counter U.S. national technical means of verification strongly indicate a Soviet intention to persevere in circumventing and violating agreements.

U.S. verification capabilities have not deterred the Soviets from violating arms control commitments. Furthermore, the near

total reliance on secret diplomacy in seeking to restore Soviet compliance has been largely ineffective. The U.S. record of raising its concerns about Soviet non-compliance exclusively in the Standing Consultative Commission and through various high level diplomatic demarches demonstrates the ineffectiveness of this process. In contrast, the international participation in verifying the use of chemical and toxin weapons and the disclosure to the public of such use may have contributed to limiting the extent of these prohibited Soviet activities.

The United States has never had a long-range, comprehensive strategy to deter and if necessary initiate measures to offset Soviet arms control non-compliance. Development of a U.S. arms control policy that anticipates Soviet behavior in light of the historical compliance record was beyond the scope of the Committee's review. Nevertheless, the development of means to safeguard the U.S. against Soviet non-compliance is essential if the arms control process is to avoid being further undermined, if it is to have favorable long-term prospects, if it is to build trust among nations, and if it is to contribute to U.S. national security and the cause of peace.

U.S. efforts to obtain Soviet compliance have been most effective when reliable information about compliance has been presented to the American people and to the world. The strength of America's democracy lies in an informed citizenry. Fundamental to this nation's effort to negotiate equitable and verifiable arms control agreements is an American public informed on the critical issue of arms control compliance.

GENERAL ADVISORY COMMITTEE ON ARMS CONTROL AND DISARMAMENT

MEMBERS

Chairman, William R. Graham of California. A founder and Senior Associate, R&D Associates, Marina del Rey, California. Served as a consultant to the Office of the Secretary of Defense and the National Research Council in 1968-1981.

Colin Spencer Gray. President of the National Institute for Public Policy in Virginia. Formerly the Director of National Security Studies at the Hudson Institute in New York.

Roland F. Herbst, has been with R&D Associates, Marina del Rey, California since 1971. Formerly Deputy Director, Defense Research and Engineering (Space and Strategic Systems), Office of the Secretary of Defense, 1969-1971.

Francis P. Hoeber. President of Hoeber Corp., Arlington, Virginia since 1974. Formerly with the Rand Corporation (1968-1974) and the Stanford Research Institute (1960-1968).

Robert B. Hotz. Senior Editorial Consultant, McGraw-Hill Publications. He is also an author and lecturer. Formerly editor-in-chief and publisher of Aviation Week and Space Technology magazine.

Eli S. Jacobs, a private businessman in Los Angeles, California.

Charles Burton Marshall. Resident consultant, System Planning Corporation, Arlington, Virginia. Formerly staff consultant to House Committee on Foreign Affairs, member of State Department Policy Planning staff, Professor of International Politics at Johns Hopkins School of Advanced International Studies, Washington, D.C.

Jaime Oaxaca. President, Wilcox Electric, Incorporated, Kansas City, Missouri.

John P. Roche. Academic Dean and Professor of Civilization and Foreign Affairs, Fletcher School of Law and Diplomacy, Tufts University, Medford, Massachusetts. Formerly consultant to the Vice President and the Department of State (1964-1966), and Special Consultant to the President (1966-1968).

Donald Rumsfeld. President and Chief Executive Officer, G.D. Searle and Company, Skokie, Illinois. Formerly Secretary of Defense (1975-1976), U.S. Permanent Representative to NATO (1973-1974), member of U.S. Congress (1963-1969).

Harriet Fast Scott. Author and lecturer. She serves as a consultant on Soviet military and political-military affairs to various research institutions and government organizations. Formerly with Stanford Research Institute.

Laurence Hirsch Silberman. Partner, Morrison and Foerster, Washington, D.C. Also a visiting fellow of the American Enterprise Institute and member of the Council on Foreign Relations. Formerly Ambassador to Yugoslavia 1974-1977. Deputy Attorney General of the United States 1974-1975, Under Secretary of Labor, 1970-1973.

Mr. McCLURE. Mr. President, this General Advisory Committee report is not an administration finding of Soviet treaty violations. It is a report by the General Advisory Committee, and the report of the General Advisory Committee. Its principal conclusion is that the Soviet Union violated half of its arms control obligations. I want to stress that is not an administration finding. That is a finding by the General Advisory Committee.

I also want to stress the fact that people ought to take very careful note of what that report has said—both in what it does say and as well as what it does not say. People should be advised to study the report carefully with respect not to whether or not we should have agreements with the Soviet Union, but to analyze it in the light of what it means to the security of this country.

Some violations may be very trivial. Others may be very serious. I do not think we should draw any hasty conclusions based upon this report but it should provide us with the opportunity which I have long sought—that the American people can know what our administration knows about Soviet treaty compliance behavior. Knowing that, we should then be able to ask the public for the kind of support for policies that will guarantee the security of this country and make it possible for us to continue the process of negotiation for arms agreements with the Soviet Union.

Mr. President, I think there was a short delay in submitting this report, but I think the administration has now complied with the requirements of the law which Congress earlier passed asking, and demanding, that the American people be given this information. I am very pleased to have this report available to us. I am glad that it was released and sent to us before the end of this session as indeed the law required. I commend the President for having done so in spite of the fact that there were those within the administration, advisers to the administration, who urged that we somehow delay that action until after the election.

Again, Mr. President, this was required by statute passed by the Congress. The President in submitting the report is complying with the law of the United States passed by the Congress and signed by the President. I commend the President for following that law.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The majority leader.

STATUS OF ALIENS EMPLOYED BY AMERICAN UNIVERSITY OF BEIRUT

Mr. BAKER. Mr. President, I am told that H.R. 5728, which is at the desk, has been cleared.

I ask unanimous consent that the Senate proceed to the consideration of that measure.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 5728) to permit aliens lawfully admitted for permanent residence who are employed by the American University of Beirut to return to the United States as special emigrants after completion of such employment.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read the first and second time, and the Senate will proceed to the immediate consideration of H.R. 5728.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 5728) was read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PROGRAM

Mr. BAKER. Mr. President, on tomorrow, the Senate will convene at 9:30 a.m.

After the recognition of the two leaders under the standing order, there will be special orders in favor of two Senators, to be followed by a period for the transaction of routine morning business until 10:30 a.m.

At 10:30 a.m., the Senate will resume consideration of the pending business, which is the debt limit resolution.

It is anticipated that during the morning tomorrow, the Senate will be asked to return to executive session for the purpose of conducting the vote on the genocide resolution which was pending at the time the Senate returned to legislative session today.

Tomorrow, the Senate expects to receive the continuing resolution from the House of Representatives, to act on the debt limit, to act on any conference reports that are available, and to adjourn sine die.

RECESS UNTIL TOMORROW AT 9:30 A.M.

Mr. BAKER. Mr. President, I know of no other business that we can transact tonight. We will be in tomorrow, to the extraordinary regret of many Members, including the two leaders who are standing here. But that is necessary.

Mr. President, if no other Senator seeks recognition, and I see none, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9:30 a.m. tomorrow.

The motion was agreed to; and the Senate, at 8:50 p.m., recessed until Thursday, October 11, 1984, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate October 10, 1984:

U.S. SYNTHETIC FUELS CORPORATION

Tom Corcoran, of Illinois, to be a member of the Board of Directors of the U.S. Synthetic Fuels Corporation for the term expiring August 16, 1990, vice Milton M. Masson, Jr.

Paul Webster MacAvoy, of New York, to be a member of the Board of Directors of the U.S. Synthetic Fuels Corporation for the term expiring September 14, 1991, vice Robert A. G. Monks, resigned.

DEPARTMENT OF TRANSPORTATION

Richard H. Jones, of Virginia, to be Deputy Administrator of the Federal Aviation Administration, vice Michael J. Fenello, resigned.

HOUSE OF REPRESENTATIVES—*Wednesday, October 10, 1984*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Your blessing, gracious God, has given sustenance to people from the beginning of time. From days of the prophets to our day, Your spirit has meant strength and courage and confidence in good times and bad. We pray this day, that Your good blessing will be with all those who serve this assembly. The Members and staff, their families and those they love. Guard them against danger or trouble, protect them from harm or illness, and give them the satisfaction that all efforts for justice can mean blessings for them and our Nation. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate has passed without amendment bills of the House of the following titles:

H.R. 1870. An act to require the Secretary of the Treasury to coin and sell a national medal in honor of the members and former members of the Armed Forces of the United States who served in the Vietnam conflict;

H.R. 3971. An act to provide that any Osage headright or restricted real estate or funds which is part of the estate of a deceased Osage Indian who did not possess a certificate of competency at the time of death shall be exempt from any estate or inheritance tax imposed by the State of Oklahoma; and

H.R. 6303. An act to make certain technical corrections in various acts relating to the Osage Tribe of Indians of Oklahoma.

The message also announced that the Senate agrees to the report of committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendments of the Senate to the bill (H.R. 3398) "An act to change the tariff treatment with respect to certain articles, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House with an amendment to a bill of the Senate of the following title:

S. 1052. An act to make certain changes in the membership and operations of the Advisory Commission on Intergovernmental Relations.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a concurrent resolution of the House of the following title:

H. Con. Res. 372. Concurrent resolution to correct the enrollment of H.R. 3398.

The message also announced that Mr. GARN, Mr. TOWER, and Mr. PROXMIRE have been appointed conferees, on the part of the Senate, on the bill (H.R. 5504) "An act to apportion funds for construction of the National System of Interstate and Defense Highways for fiscal years 1985 and 1986, to revise authorizations for mass transportation, to expand and improve the relocation assistance program, and for other purposes."

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS TODAY

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order on October 10, 1984, under clause 7, rule XXIV, the Calendar Wednesday rule, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 6027, LOCAL GOVERNMENT ANTITRUST ACT OF 1984

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6027) to clarify the application of the Clayton Act to the official conduct of local governments, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California? The Chair hears none, and appoints the following conferees: Messrs. RODINO, BROOKS, EDWARDS of California, SEIBERLING, HUGHES, SYNAR, CROCKETT, SCHUMER, FEIGHAN, FISH, MOORHEAD, HYDE, SAWYER, and LUNGREN.

APPOINTMENT OF CONFEREES ON H.R. 5504, SURFACE TRANSPORTATION AND UNIFORM RELOCATION ASSISTANCE ACT OF 1984

Mr. ANDERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5504) to apportion funds for construction of the National System of Interstate and Defense Highways for fiscal years 1985 and 1986, to revise authorizations for mass transportation, to expand and improve the relocation assistance program, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California? The Chair hears none, and appoints the following conferees: Messrs. ANDERSON, ROE, BREAUX, MINETA, LEVITAS, OBERSTAR, SNYDER, HAMMERSCHMIDT, SHUSTER, and STANGELAND.

CHRISTOPHER SHERMAN ENEY

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, on Friday, August 24, 1984, Sgt. Christopher Sherman Eney of west Hyattsville, MD, became the first officer in the history of the U.S. Capitol Police to be killed in the line of duty.

Christopher Eney was not only a devoted family man to his wife, Vivian Aileen and their two daughters, Shannon and Heather, but he was an exemplary citizen of Prince Georges County and a valued member of the Capitol Police Department.

He was a 1965 graduate of Northwood High School in Silver Spring, MD, and attended the University of Maryland. Following his honorable discharge from the U.S. Army, Christopher joined the Capitol Police and by 1980 had been promoted to the rank of sergeant.

He served with distinction during his career with the Capitol Police, and developed into an accomplished specialist of investigative and operational tactics. One of his most significant contributions to this department was his service as a charter member of the select hostage rescue team.

Mr. SPEAKER, Christopher Eney will be sorely missed by the two communities that he benefited by the quality of his character, his family

and friends in Prince Georges County, and his many colleagues on Capitol Hill.

THANK YOU, RONALD REAGAN

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, we've all been told that "When E.F. Hutton talks, people listen." Well, I hope my friends on the Democratic side of the aisle are all ears this morning.

E.F. Hutton recently issued an economic report that recalls the nightmarish stagflation of the Carter-Mondale years, and sketches a promising portrait of what 4 more years of the President's economic program will bring. I can't wait to hear the Democrats rationalize this one. Let me read from Hutton's September 28 report:

> If one curve captures the disillusioning economic experience of the 1970's and hints at the promise of the latter 1980's, it is the depiction of the tradeoff between unemployment and inflation—the elusive Phillips curve.
>
> The decade of the 1970's was a period of dismal outward shifts for this tradeoff, as ever higher inflation persevered along with rising levels of unemployment. We constantly ratcheted up the unemployment flash point for accelerating inflation. Moreover, we came to expect disinflation only as a product of worsening recessions. Once expansion commenced, inflation stabilized and soon began accelerating as the flash point was reached.
>
> What we are now witnessing is something dramatically different, as for the first time in decades, the Phillips curve is shifting inward, reflecting the prospects for both lower unemployment and lower inflation. That is good news, pure, and unadulterated.

To paraphrase another Wall Street ad slogan, "Thank you, Ronald Reagan."

A CASE OF SELECTIVE POLITICAL AMNESIA

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, the President yesterday seemed to be making some new promise that he wanted to protect not only those presently receiving Social Security, as he had said last Sunday night, but also those looking forward to receiving it.

Well, this is nothing new. This is identical to the promise he made publicly in October 1980. Almost exactly 4 years ago today, the President of the United States made this unequivocal promise: "That any reform of the Social Security system must have one overriding goal, that the benefits of those now receiving or looking forward to receiving Social Security must be protected and that payments keep pace with the cost of living."

Now, the President did not remember that promise 5 short months later, when in March 1981 he stood here, in a special message to the Congress, and pleaded with us to vote for Gramm-Latta, which took away the minimum benefits of those receiving or hoping to receive Social Security, which took away the educational benefits of their children, which took away the burial benefits.

Mr. Reagan did not remember his 1980 pledge in May 1981, when he sent up a message asking us to reduce the benefits of early retirees from 80 percent to 55 percent of the regular benefit. He did not remember it a few months later, when he asked Congress to do away with the COLA's and to extend a moratorium on the COLA's.

Mr. Reagan did not remember this 1980 pledge. Why should anyone believe that he would remember a 1984 pledge? He must have a case of selective political amnesia. Perhaps his advisers hope the public has forgotten his unkept 1980 pledge, but many Americans have not forgotten.

□ 1210

GROWTH AND PRODUCTIVITY

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, one of the key numbers for a strong, prosperous country is real growth and productivity. In the postwar years, the United States experienced an average real growth of about 3.5 percent annually, and this continued up until 1977. From the period of 1977 until 1980, nonfarm productivity in the United States for the first time was a minus, a minus .2.

Thankfully, we are on the road to recovery and for the period of 1981 to 1984, we have experienced a real growth in productivity of plus, plus 6.1 percent. This is a dramatic improvement, and it means a lot in terms of quality of life, in terms of economic growth, in terms of future opportunity. It says that people have confidence in our system; it says that we are getting capital investment that allows our productivity to be greater. It says that we are getting economic growth. I think it also says very eloquently that labor and management are working together effectively in this period from 1981 to 1984 to restore that growth and productivity that is so vital to the strength of any nation.

PRESIDENT SHOULD ADDRESS THE FINANCIAL STABILITY OF MEDICARE

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, it was interesting to see the President make his recent pledge to never cut Social Security benefits for current and future beneficiaries. Last year's bipartisan effort restoring long-term financial stability to the Social Security system removed any justification for cutting benefits. Some might question the timing of the President's pledge. But I say, "Better late than never."

Now that we have finally agreed on Social Security, we should ask the President how he intends to deal with medicare's long-range financial problems. After all, the hospital insurance trust fund, the source of medicare part A payments for inpatient hospital services, may go bankrupt by the mid-1990's if current conditions prevail and no further action is taken to slow the rate of increase in medicare expenditures for hospital care. And payments from general revenue for physician and other services covered by medicare part B continue to contribute significantly to the mounting budget deficit. Clearly, the future of medicare will be the greatest domestic problem facing the next President.

The President should tell the Nation whether or not he believes medicare's financial problems give us cause to reduce our commitment to making high-quality health care affordable for all Americans. Will he propose that we increase the already substantial amounts senior citizens pay out of their own pockets for necessary health care services? Does he support raising the age of eligibility for medicare? How does he feel about rationing health care services for medicare beneficiaries? Because the medicare program is so important to millions of Americans, the President should answer these questions and present his agenda for assuring the financial stability of the medicare system before the election.

FINANCES OF GOVERNMENT FIRST; IRRELEVANT MATTERS SECOND

(Mr. GREGG asked and was given permission to address the House for 1 minute.)

Mr. GREGG. Mr. Speaker, the present chaotic situation which now exists with the Congress and with the finances of this country as a result of our failure to pass a continuing resolution is totally inexcusable. It reflects a total lack of leadership. The blame really is bipartisan. For the last 9 months, we have been participating in what has basically been political hyperbole rather than accomplishing the basic understandings and purposes of this administration and this Congress.

Our purposes should be to manage the finances of the Government first, and yet we take up other irrelevant

matters before we take up managing the finances. There is no reason why we should not be able to bring out onto the floor of the House all the authorization bills and all the appropriation bills before we adjourn for the summer.

I suspect and I believe and I hope that as we go into the next fiscal year that we will pass resolutions on a timely manner and that if we do not pass them on a timely manner, we will reform our budget process so that we will not recess in this House until we have passed all the appropriations bills.

TALKS IN EL SALVADOR: CAUSE FOR HOPE

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, Salvadoran President Duarte's invitation to rebel leaders to sit down and talk about working out their differences next Monday makes me believe that hope springs eternal. In August of this year, Congressmen PANETTA, MOODY, BRYANT, and I, in a visit with Duarte in San Salvador, urged just such talks. The prospect of talks just a few days away after years of bloody turmoil is clearly good news. it is also encouraging to think that Colombian President Betancur, fresh from his own success in dealing with rebel factions in his own country, is willing to help make this initiative work.

U.S. policies have been supportive of the Durate government in the midst of military conflict. It would be a tragedy for us not to show the same support for this visible and courageous peace initiative. Secretary Shultz is set to visit Duarte late next week, after the talks. We shouldn't wait until they are over; a clear message should be sent from the White House without delay commending the Duarte initiative and offering the help and cooperation of the United States in seeing these talks through to success.

In the cause of peace, President Duarte has courageously stuck his neck out both literally and figuratively. The United States has a role and a responsibility in making sure he doesn't face the guillotine.

AGE ISSUE BELONGS TO THE REPUBLICANS AND THE AMERICAN PEOPLE

(Mr. SHAW asked and was given permission to address the House for 1 minute.)

Mr. SHAW. Mr. Speaker, throughout the history of the world, great civilizations have turned to their elders for leadership and sound mature judgment.

History tells us that it was England that called upon the great Winston Churchill to lead her out of the dark days of World War II. He was 77 years old when he began his last term in office as Prime Minister.

Gen. De Gaulle shaped the postwar years of Europe as President of France beginning at age 68, serving to the age of 79.

Chancellor Adenauer led West Germany back to economic stability out of the ruin and ashes of war, resisting communism and protecting a free Germany. He was 73 years old when he came to office and served to age 87.

And yes, it was the United States that looked to a 69-year-old Ronald Reagan to lead it out of the economic chaos of the Carter-Mondale years.

Once again, we are looking to the mature judgment of a 73-year-old President Reagan to protect us from returning to the Carter-Mondale years.

Mr. Mondale, age may be an issue in the campaign for the Presidency, but this issue belongs to the Republicans and the American people, not you.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills, joint resolutions, and a concurrent resolution of the House of the following titles:

H.R. 723. An act for the relief of Marsha D. Christopher;

H.R. 2823. An act to amend title I of the Reclamation Project Authorization Act of 1972 in order to provide for the establishment of the Russell Lakes Waterfowl Management Area as a replacement for the authorized Mishak National Wildlife Refuge, and for other purposes;

H.R. 4473. An act to designate the Federal Archives and Records Center in San Bruno, CA, as the "Leo J. Ryan Memorial Federal Archives and Records Center";

H.R. 5252. An act to redesignate the Veterans' Administration Medical Center located in Poplar Bluffs, MO, as the "John J. Pershing Veterans' Administration Medical Center";

H.R. 6100. An act to clarify the intent of Congress with respect to the families eligible for a commemorative medal authorized for the families of Americans missing or otherwise unaccounted for in Southeast Asia;

H.R. 6342. An act in approval of the governing international fishery agreements with Iceland and the European Economic Community;

H.J. Res. 332. To designate the week beginning May 20, 1985, as "National Medical Transcriptionist Week";

H.J. Res. 594. Joint resolution designating the week beginning February 17, 1985, as a time to recognize volunteers who give their time to become Big Brothers and Big Sisters to youths in need of adult companionship"; and

H. Con. Res. 371. Concurrent resolution directing the Clerk of the House of Representatives to make a correction in the enrollment of the bill H.R. 2790.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 1095. An act to grant a Federal charter to the 369th Veterans' Association; and

H.R. 2300. An act to provide retirement equity for former spouses of civil service retirees, and for other purposes.

The message also announced that the Senate had passed a bill, a joint resolution, and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 3034. An act to grant a Federal charter to the National Society, Daughters of the American Colonists;

S.J. Res. 236. Joint resolution relating to cooperative East-West ventures in space; and

S. Con. Res. 154. Concurrent resolution authorizing changes in the enrollment of H.R. 6163.

WOMEN APPOINTED BY PRESIDENT REAGAN AND PRESIDENT CARTER

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, President Reagan, in July 1983, said, "If anyone wants to really dig into the facts, I will match our record against any other administration that has ever been here with regard to what we have accomplished for women." And in a September 13, 1983, letter to the Chairman of the Civil Rights Commission, White House staff people claimed that the Reagan administration had appointed more women than had the Carter administration.

When I heard these claims, I asked the White House for proof. The data I received from the White House proved exactly the opposite: It proved that President Carter had appointed substantially more women in every category than had President Reagan. That was 1 year ago.

To set the record straight, I asked the staff of the Subcommittee on Civil Service, which I chair, to assemble a list of women appointees confirmed by the Senate of President Carter and President Reagan. Today, I release the findings of that study.

What we find is a pitiful Reagan record on the appointment of women. In the categories we examined, Ronald Reagan has appointed 1,723 individuals, of whom 184—or 10.7 percent—were female. By comparison, Jimmy Carter appointed 1,347 individuals to the same types of jobs, of whom 232—or 17.2 percent—were women.

The first major grouping is full-time, Presidential appointees confirmed by the Senate. In this category are Cabinet Secretaries, Assistant and Deputy

Secretaries, and other agency heads. We have compared these appointments on the chart labeled "Women in Top Administration Positions." As you can see, President Carter named women to 124, or 13.5 percent, of these key positions. President Reagan has only named 105 women to these positions, which is only 9 percent of all the appointments he made in this category.

The second category is part-time, Presidential appointees with Senate confirmation. These are generally people who sit on statutory boards and commissions. Here we are talking about more serious commissions, not the "nothing-burgers" to which the former head of EPA referred. While President Carter filled 40 percent of the commission vacancies he had with women, President Reagan has filled only 16.4 percent of those vacancies with women.

The third group we looked at was article III judges, which includes the Supreme Court, the circuit courts, the district courts, and the Court of International Trade. I take nothing away from President Reagan for appointing the first woman in history to the Supreme Court. Still, even counting Sandra Day O'Connor, President Reagan has only appointed 16 female judges, out of 165 total judicial appointments. President Carter, on the other hand, appointed 41 female judges out of a total of 260 judicial appointments.

Included in your packet are the names and positions of all female appointees of each administration.

President Reagan's insensitivity to women's issues is not surprising considering the fact that his administration has so few women in major positions. I criticized Jimmy Carter for having too few women in important positions. But Ronald Reagan is light years behind Carter.

I do not think that the Reagan campaign will succeed in fooling women into believing that the Reagan administration has been good for women. After all, women can tell cosmetics from the real thing.

NO CREDIBILITY TO "SECRET PLAN" TO CUT SOCIAL SECURITY

(Mr. DUNCAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN. Mr. Speaker, here they go again. Mr. Mondale has been stirring up a Social Security scare again. Two years ago they said there was a secret plan to cut Social Security. After the election, I asked questions at our Ways and Means Committee about the secret plan, and no one, including my esteemed friend Mr. CLAUDE PEPPER, knew anything about it.

□ 1220

Mr. Mondale said there is another one now. Mr. Mondale should know, although sometimes I doubt it, that no Social Security proposal can get anywhere without the consent of the Committee on Ways and Means. This committee, on which I serve, is composed of 23 Democrats and 12 Republicans. No President can change a dollar or word of law. Only Congress can make changes and only the Ways and Means Committee revises the Social Security laws.

Our Social Security recipients are not as dumb as apparently Mr. Mondale thinks.

REAGAN NOT IN CONTROL OF FACTS AND ISSUES DURING DEBATE

(Mrs. BOXER asked and was given permission to address the House for 1 minute.)

Mrs. BOXER. Mr. Speaker, a new issue was raised in Sunday's debate unintentionally by Mr. Reagan. To me, the issue is not age, the issue is competency. We saw Mr. Mondale, a man in control of facts and issues, a man of substance versus a 3-by-5 card President caught without his cards.

If Ronald Reagan is reelected President, who really will be President in the next 4 years? Will it be Ed Meese, Michael Deaver, James Watt, or maybe even Jerry Falwell?

Proving my point, one President's man, Mr. Deaver today said that he "took full responsibility for Mr. Reagan's closing statement." Will he also take responsibility for Mr. Reagan's statement that he never wanted to cut Social Security when, in fact, he proposed to the American people and to this Congress 25-percent cuts.

The coating on this "teflon" President is finally beginning to wear thin.

ON CONTINUING THE GOVERNMENT

(Mr. LOTT asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. LOTT. My colleagues, are not you pleased to be here? Remember what we said 3 weeks ago. If this House had passed a clean continuing resolution, we would not be here now. But do not despair. We will pass a continuing resolution some day; probably a clean one, and in that vein I have composed the following love sonnet from Congress to the Government, which I hope goes to the heart of the continuing perils we deal with:

A LOVE SONNET FROM CONGRESS TO THE GOVERNMENT

(With apologies to Elizabeth Barrett Browning)

How do we fund thee? Let me count the ways.
We fund thee with continuing resolutions by the days.
We fund thee to the depth and breadth and height
Our political souls can reach, when feeling out of sight
For the ends of Reelection and ideal Grace.
We fund thee to the level of everyone's
Most noisy need, by day and night.
We fund thee freely, as men strive for Might.
We fund thee purely, as we strive for Praise.
We fund thee with a love we seemed to lose
When funds expired, as did thy breath.
But CR kiss hath saved thee from death,
And thou no longer hath need to cry,
For we shall fund thee beyond sine die.

PRESIDENT HAS POOR RECORD ON ARMS CONTROL

(Mr. DOWNEY of New York asked and was given permission to address the House for 1 minute.)

Mr. DOWNEY of New York. Mr. Speaker, today is the 21st anniversary of the partial test ban treaty coming into full force and effect. It is also the 17th anniversary of the banning of nuclear weapons in outer space.

What do these particular treaties have in common with others like the treaty on the nonproliferation of nuclear weapons, the ABM treaty, the SALT I treaty, the SALT II treaty, the Vladivostok accords?

All of them without exception, without hesitation have been opposed by Ronald Reagan, as candidate, as Governor, and as candidate for President.

Mr. Speaker, there is no question that these treaties have changed the face of this planet. No longer do we have to worry about strontium-90 appearing in children's formula or in milk. No longer do we have to worry about weapons, or do we in outer space?

I believe, Mr. Speaker, that on October 21, we will have a full and fair airing of the potential positions of candidate Reagan and candidate Mondale and if I believe that the past is prolog, we will hear the President say that he is now a born again arms controller.

Let us remember the record, Mr. Speaker, and I hope the American people will be listening carefully on October 21 to who is the arms controller and who is not.

REPRESENTATIVE COELHO INSULTS PRESIDENT AND SENIOR CITIZENS

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, it looks like a new issue has been raised by your Democratic Campaign Committee. According to the Washington Post, Mr. COELHO, the chairman of that committee said "Reagan looked old and acted old."

When asked if he appeared doddering he said, "Well, he did not quite drool."

Now that is a really, really excellent political discussion going on. Mr. Speaker, I have the privilege of representing the constituents of Leisure World, CA. I have people in the fifties, sixties, seventies, eighties, and nineties and this is an insult to those people, Mr. Speaker.

What we have done is now made fun of the President of the United States. We have made fun of all the more senior citizens in the United States for what? Political advantage.

Mr. Speaker, your party owes the President of the United States and the older citizens of the United States an apology as soon as possible. If age is an issue, it is only an issue with respect to ideas, Mr. Speaker, because it is your candidate, Mr. Mondale, who has the old ideas.

His ideas frankly, Mr. Speaker, are too old for the Nation. As long as we are going to discuss this issue, Mr. Speaker, let us make sure that we do it on a higher plane than that, than to make fun of the President of the United States and make fun of all the older citizens of the United States.

REAGAN NOT TOO OLD, BUT WOEFULLY INADEQUATE

(Mr. WILLIAMS of Montana asked and was given permission to address the House for 1 minute.)

Mr. WILLIAMS of Montana. Mr. Speaker, in large measure, I agree with the last speaker and I disagree with my colleagues on my side who have made age an issue in this campaign.

The charge that Ronald Reagan has become suddenly old is inappropriate, politically unsound, and it masks the fact that Ronald Reagan, without the benefit of script, cue card, or teleprompter has, throughout his Presidency demonstrated a woeful inadequacy of the issues.

During his press conference he has been inaccurate, halting, and forgetful. Yes, he covers his stumbles with the actor's wink and grin, but the glaring misstatements have been there continually for the last 4 years.

Too old; no. Woefully inadequate on the issues for 4 years; yes.

DEMOCRATS ARE INDECISIVE

(Mr. HYDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, I could not agree more with the last Speaker. What we need is the decisiveness that Walter Mondale demonstrated when he hired Bert Lance and then got rid of him the next day. Those judgment calls are brilliant.

I would like to call to the attention of the House a book written by Joseph Califano, who was Secretary of HEW under Jimmy Carter. He has got a chapter on Social Security that is essential reading for all of you crusaders for Social Security reform. Let me read a paragraph:

> The press briefing on the 1980 budget was set for Saturday, January 20, 1979. McIntyre, Schultze, and Blumenthal summarized in the morning. The departments gave the details of their proposals in the afternoon. The President called me an hour before I was scheduled to brief. "I'm concerned about the proposed cuts in Social Security," he said. "I want you to keep me as far away from them as you can."
>
> "But they're in your budget message. They're a major part of your program."
>
> "When you brief on them, say they're your proposals," Carter insisted.

Secretary Califano wrote that—

> To provide a fair security system for our elderly will require additional taxes, reduced benfits for some or some combination of both.

I do not want my minute to run out, but this is going to be a popular chapter in American political history in the next few weeks. The time has come to come to terms with the first 4-generation society in history, and it is now, said the Secretary. Mr. Carter's administration left the problem for Mr. Reagan and he, with the help of a bipartisan commission solved it. Mr. Reagan's administration restored Social Security to solvency and deserves credit, not criticism.

THE LIMITED TEST BAN TREATY OF 1963

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, the horrors of nuclear war and the consequent contamination of the Earth and its living resources by radioactive fallout, led to a public outcry in the late fifties and early sixties that grew into a worldwide grassroots movement to end nuclear weapons testing.

After 8 years of efforts to negotiate a test ban agreement between the United States and the Soviet Union and the rising public concern about nuclear fallout, the Limited Test Ban Treaty was entered into force on this day, 21 years ago, October 10, 1963.

The Limited Test Ban Treaty prohibits nuclear weapons tests or any other nuclear explosions, including nuclear explosions for peaceful purposes, in the atmosphere, in outer space, and underwater.

Both the United States and the Soviet Union agreed to outlaw such testing as both sides were reasonably confident in their ability to verify compliance with a ban on tests in these environments.

However, as this agreement does not ban nuclear weapons testing underground, it leaves unfulfilled the superpowers pledge to subsequently ban all nuclear weapons testing for all time. In fact since 1963, underground testing of nuclear devices has increased dramatically—to be more precise, over 925 nuclear devices have been exploded underground since 1963.

Underground nuclear explosions allow nuclear nations not only the capacity to test new nuclear weapons but also the capacity to test nuclear weapons to increase their destructive potential. This must be stopped.

The superpowers pledged in the Limited Test Ban Treaty of 1963 to:

> Put an end to the armaments race and eliminate the incentive to the production and testing of all kinds of weapons, including nuclear weapons; and
>
> Achieve the discontinuance of all test explosions of nuclear weapons for all time [thereby ending] the contamination of man's environment by radioactive substances.

This pledge to end all nuclear weapons tests remains a challenge desperately in need of attention. We can best meet this challenge through negotiation of a comprehensive test ban agreement. This matter is of the utmost urgency. The superpowers must not hesitate to begin work on an agreement for a comprehensive test ban.

A comprehensive test ban—otherwise known as CTB—would make a major contribution to ending, if not slowing the nuclear arms race. A CTB negotiated between the superpowers would send an important message to nonnuclear weapons states that we—the United States and the Soviet Union—are serious and are committed to ending the proliferation of weapons and with that the arms race.

Dr. Glenn Seaborg, the chairman of the Atomic Energy Commission for 10 years and a key figure leading to the signing of the Limited Test Ban Treaty, has recently stated that—

> If we had been able to negotiate a CTB with the U.S.S.R. in 1963, when it was necessary to settle for a Limited Test Ban, we and the rest of the world would be much better off. We are negotiating today at a higher and more dangerous level.

How much longer can we wait to negotiate such a comprehensive test ban agreement with the Soviet Union before we become too afraid and too paranoid to negotiate? The current administration has made no effort whatsoever to negotiate an agreement with the Soviet Union in this area. Let me remind you that this administration has been the only administration not

to achieve some kind of arms control agreement with the Soviet Union. This cannot continue. This Congress must do everything in its power to spur the arms control process on and to achieve a comprehensive test ban.

As chairman of the House Committee on Foreign Affairs, it is my intention that this committee conduct a number of hearings on the subject of a comprehensive test ban in the 99th Congress to further highlight the urgency and necessity of such an agreement.

□ 1230

DEMAGOGUERY ON SOCIAL SECURITY

(Mr. CAMPBELL asked and was given permission to address the House for 1 minute.)

Mr. CAMPBELL. Mr. Speaker, I think it is most unfortunate that people have sought to demagog the Social Security issue and try to scare the elderly of this country.

In the 1970's, Social Security got in serious trouble. In the late 1970's, under Carter-Mondale, they had the biggest tax increase in the history of the country. But their economic policies were so bad and inflation was so high that Social Security got back in trouble again. They better thank God that Ronald Reagan put together a bipartisan commission that saved it, and it is safe today. You can demagog it all you want to. There are no checks that have been cut off.

While we are talking about this sort of thing, I am glad to see a new issue arise. Mr. Mondale has come out for doing away with indexing. He is for letting the working people get pushed into higher tax brackets by inflation, just like the 10, and 12, and 13 percent that he presided over with Mr. Carter.

No, I will tell you right now that the people of this country are better off, the Social Security System is saved, and the working people are not being pushed into higher brackets by inflation, and inflation is down because of Ronald Reagan, and do not forget it.

HANGUP ON NICARAGUA AND STAR WARS, NOT WATER PROJECTS

(Mr. FAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAZIO. Mr. Speaker, when Jim Watt came riding out of Wyoming declaring the water wars of the West were over, and the President came to the House to tell of his support for port development, a lot of people thought they were telling us the truth, but at the end of 4 years of this administration it seems evident to all of us now that nothing is going to happen.

Despite the fact that we have a current appropriation that is $500 million below the President's submission and $400 million below our own budget level, we seem to be hung up on an $89 million minor water project bill. Well, it will not wash. We are hung up on Nicaragua and on Star Wars and not on water projects that this administration would like to term "pork barrel" without any analysis of cost-benefit ratios.

We do not need any more reassuring letters from Senator LAXALT; we need an initiative that will compromise on the issue of cost sharing, a national water policy that will include the East, as well as the South, and the West, and we had one in the Roe bill. What we do not have is anybody who can keep Dave Stockman in line in this administration.

Mr. Speaker, I fear we are about to fail once again to resolve this country's water resources dilemma. This failure is in no way the fault of the House, which has grappled with the problem for 4 years. Nor is it the problem of the Senate, which has also grappled with the problem 4 years.

It is the fault of the executive branch, which in pronouncements by its political officers—Secretary James Watt and President Reagan himself—has made promise after promise to "end the water wars" and to "get together to enact" legislation that can bring this long story to a conclusion. However, all these words notwithstanding, the administration has never said what it wants. It has left the Congress to founder, taking credit for its public posture, blaming Congress for the failure of its private indifference and malicious neglect.

Now we have Chief Executive Officer David Stockman announcing that the administration might veto any continuing resolution that contains either the Roe bill passed so overwhelmingly by the House or the new starts bill passed by the House last year. Mr. Stockman's excuse is that cost sharing "reform" has not been enacted. We have no idea of what cost sharing reform he wants. The administration has never proposed anything and seems to reject everything. Once it seemed to have a policy, but it withdrew it in a cheshire cat-like letter from the President himself to Senator LAXALT last year.

These new starts totaling $98 million, would not imbalance the budget. New starts costs for 1985 are one one-hundreth of 1 percent of the entire continuing resolution. They are one one-thousandth of 1 percent of the budget as a whole. They are minuscule compared with the $300 billion in defense spending in this continuing resolution—the real issue holding it up—and they are even minuscule compared with the $25 billion increase in defense spending over last year.

The problem with water in this bill is not cost and is not reform. The problem is that the President does not mean what he promised and the Office of Management and Budget has never allowed the administration to participate in a constructive solution.

ARE WE ANY BETTER OFF THAN WE WERE 2 WEEKS AGO?

(Mr. CONTE asked and was given permission to address the House for 1 minute.)

Mr. CONTE. Well, Mr. Speaker, there they go again.

For 2 days now, political gurus have analyzed the performance of Walter Mondale and the President. Campaign officials from both sides have counted their gains and downplayed their losses, and Members of this House—in 1-minute speeches—have debated the Louisville debate over and over again.

This Congress is determined to debate anything but the continuing resolution.

Now, Mr. Speaker, I want you to ask yourself: Are we better off than we were 2 weeks ago? After hours of conference and four extensions, the conferees are still in S. 207 sitting on their—well, I can't say it, but it rhymes with the almost extinct fish, the bass.

One of the most important jobs this Congress is elected to perform is passing a Federal budget. We are now 10 days into the fiscal year, and we haven't approved a continuing resolution yet, let alone a regular appropriations package.

We've become a laughingstock. Day in, day out—it's the same old question—not "Where's the beef?", but "Where's the pork?" Let's get the pigs in the pen and get this show on the road.

ESSENTIAL CONGRESSIONAL PREROGATIVES

(Mr. MINETA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MINETA. Mr. Speaker, sooner or later—and I hope it is sooner—we will adopt a continuing resolution and adjourn this Congress.

I strongly urge my colleagues that in our desire to wrap up our business, we do not carelessly or thoughtlessly sign away essential congressional prerogatives.

This House has adopted language known as the Foley-McHugh amendment that requires the President to secure congressional approval before sending combat troops into El Salvador or Nicaragua. Surely we do not want to discard this important guarantee without careful thought.

Moreover, I believe we must be very wary of any proposal from the ongoing continuing resolution conference committee which denies us the right to vote on any possible aid to rebels in Nicaragua. Leaving this decision to a future certification by the President would be at least puzzling and, more importantly, in direct contradiction to the position this House has taken on four recent occasions.

We all want to go home. But let us leave here knowing we have done the right thing.

AGE IS NOT AN ISSUE

(Mr. LEWIS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of California. Mr. Speaker, and my colleagues, I think most of you know that it is rare that I rise during the 1-minute sessions, but some of you joined me the other evening for a birthday party as I was approaching one of those very important stages in life.

I said to the President on that very day, "Mr. President, I sure hope I look as good as you do when I am 50." I was struck this morning by others who would use the President's appearance and age in a fashion that is very disconcerting.

My dear friend from California, TONY COELHO, indeed is a personal friend, but even he, from time to time, finds himself going to excess.

Please, TONY, tell me that this is not a quote from you.

TONY is quoted in this wonderful paper, the Washington Post, when questioned about the President's address and the debate the other night, "In your mind, as campaign committee chairman, Tony, do you think that the President looked old and acted old in his nationally televised encounter?"

When COELHO was asked if the President acted doddering, he was said to have replied, "Well, he did not quite drool."

TONY, that is going a bit far. I must say that you and I have talked often about how good the President looks. It seems to me that we ought to draw some lines here that are reasonable. The age issue is not an issue with this President.

Mr. COELHO. Mr. Speaker, will the gentleman yield?

Mr. LEWIS of California. If I had another minute, I would be glad to, Mr. COELHO.

Mr. COELHO. Maybe we can get it. Will the gentleman yield?

Mr. LEWIS of California. I would be happy to yield.

Mr. COELHO. I am intrigued with your question. The question from the reporter was, "Do you think that the President was old and doddering and drooling?"

I rose to the defense of the President and I said he was not drooling.

Mr. LEWIS of California. TONY, you show an awful lot of class when you get to the edges. Frankly, our friendship will continue, but you have drawn the line in my mind. I hope you will back off.

WATER OR STAR WARS?

(Mr. WATKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WATKINS. Mr. Speaker, let the word go forth to the American people. The reason why we are tied up on the continuing resolution is not pork, it is not the dollars for water projects. There are two major issues that have this Congress tied up, and that comes from the White House.

The White House, the President's request for $1.6 billion to begin a $25 billion research program on a Star Wars game. The House is willing to give $1.1 billion. Let me say, let us bring it into light with what we are asking for on water.

Yes, the President wants some water projects. As my friend, VIC FAZIO, says; There is only $89 million in that continuing resolution for water; only $89 million. There is $500 million in disagreement on the Star Wars game, so it is not the dollars for water that is essentially needed in my district and some other areas across this great country of ours.

Also in disagreement is aid for covert action in Nicaragua. I think that issue will be decided on October 21 by the American people when Walter Mondale and Ronald Reagan go before this great Nation on their second debate.

Mr. Speaker, I think we should just resolve this situation, pass a continuing resolution and have a lameduck session after the 21st or after the November 6 election and let us tell the American people where we rightly stand on water or Star Wars.

□ 1240

CAMPAIGN MARKED BY PERSONAL ATTACKS AND MUDSLINGING

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, we have come to expect the kind of vicious personal attacks launched by Congressman COELHO and other Democratic Party leaders here yesterday and today. What I think the American people need to understand is why the Democrats engage in this kind of gutter politics.

Personal attacks and spreading fear messages are the Democrats' way of trying to dismiss the real issues of this campaign year. The Democrats have seen, even after Sunday night's debate, that the American people do not agree with them on the issues.

On balanced budgets, the Democrats are wrong and the American people choose Republican policies.

On maintaining traditional family values, the Democrats are wrong and the American people choose Republican policies.

On strengthening our national defense, the Democrats are wrong and the American people choose Republican policies.

On tough crime laws, the Democrats are wrong and the American people choose Republican policies.

So what do the Democrats do? They spread fear and sling mud. It goes further than being disgusting. The leaders of the Democratic Party are becoming a national embarrassment.

PRESIDENT'S AGE NOT A FACTOR—BUT HIS TREATMENT OF THE AGED IS

(Ms. OAKAR asked and given permission to address the House for 1 minute.)

Ms. OAKAR. Mr. Speaker, the President's age should not be a factor in this election, but what he does to the aged should be a factor in this election.

Let us look at his treatment of older women. He cut $19 billion in Social Security, he cut the minimum benefits, mostly against the women who are between 75 and 90 years old, he phased out the benefits for women who are heads of households and who want to give their children a chance for higher education, and another example of the utter contempt of this administration for older women is its blatant violation of the law. In the Social Security Amendments of 1983, the law mandated that HHS issue a report on my earnings-sharing bill to correct the inequities toward women in the Social Security system.

Mr. Speaker, the report was supposed to have been issued in July. The administration still has not issued the report, and it is just further proof of the contempt this administration has for the plight of older women.

REAGAN'S DEBATE PERFORMANCE CITED AS REASON FOR SURFACING OF AGE FACTOR

(Mr. LAFALCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAFALCE. Mr. Speaker, the question has arisen as to whether age should be an issue in this year's Presidential election. It is important to realize that prior to Sunday evening age was not an issue.

It is also important to realize that it was not a political party and it was not a U.S. Congressman that made age an issue. It is important to realize that it was President Reagan's performance Sunday evening in the joint appearance that made age the issue.

A good many individuals said, after viewing that performance, that either President Reagan is incompetent to be President of the United States for the next 4 years or he is incapacitated so that he cannot and should not be President of the United States for the next 4 years. Now those factors are presently an issue—his competency and his capacity.

Second, the debate pointed out one further important consideration. President Reagan has been known as the "Great Communicator." Nothing could be further from the truth. He never takes difficult issues and tries to communicate with the American public about those difficult issues. He obscures the issues, issues such as the deficit, the inconsistency of running up such a large deficit.

Mr. Speaker, he is the "TelePrompter President." We have a TelePrompter Presidency.

PROVISIONS IN HOUSING AND URBAN RECOVERY ACT OF 1983 CLEARS WAY FOR NEEDED PROJECTS

(Mr. KOSTMAYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOSTMAYER. Mr. Speaker, the Congress has cleared for the President's signature the conference report accompanying S. 2819, making amendments to the Housing and Urban Recovery Act of 1983.

S. 2819 includes legislation I introduced on February 23, 1984, as H.R. 4843, and which was subsequently introduced by Senator JOHN HEINZ in the other body on February 28, 1984. The Banking, Finance and Urban Affairs Committee has incorporated H.R. 4843 into this bill.

The section of S. 2819 I refer to amends section 1059(c)(2)(B) of the Housing and Community Development Act.

Last December, county and local officials in Bucks County in my congressional district alerted me to an unintended change in the 1983 law which drastically altered project eligibility rules in urban counties, such as Bucks, and neighboring Montgomery County, and several other counties in Pennsylvania. This change was forcing certain jurisdictions with low-population density to concentrate community development block grant activity in few or small pockets of poverty, while ignoring the needs of most of their lower income population.

The Kostmayer-Heinz proposal—which was drafted with the assistance of the National Association of Counties and which also has the support of the National Association of Towns and Townships—will enable cities and counties with few or small concentrations of poor to meet the requirement that at least 51 percent of their CDBG spending benefit lower income persons through projects to improve areas among the top 25 percent in concentration of lower income families.

The 1983 act requires that areawide projects be in census tracts or blocks that have a majority of lower income residents, unless the jurisdiction has no such areas. The jurisdiction would then have to target spending on the 25 percent of areas with the highest proportion of lower income households. We have succeeded in having the exception broadened for urban counties where it would be unreaslistic, and contrary to the intention of the 1983 act, to focus CDBG spending on a few, small and scattered areas where a majority of residents are lower income. Eight counties in Pennsylvania will be precluded from carrying out areawide projects in those parts of the county where most of their lower income households reside, unless the law is changed.

Mr. Speaker, I want to thank the distinguished chairman of the Banking Committee, Mr. ST GERMAIN, and the chairman of the Housing Subcommittee, Mr. GONZALEZ, for recognizing the urgency of this problem, and moving my legislation so that many deserving projects in urban counties can go forward.

U.S. TROOP INVOLVEMENT IN CENTRAL AMERICA STILL AT ISSUE IN FUNDING RESOLUTION

(Mr. LEVINE of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVINE of California. Mr. Speaker, House and Senate conferees have reportedly reached an impasse over a House-supported provision requiring congressional authorization before U.S. combat troops could be sent to Central America.

The language in the continuing resolution, known as the Foley-McHugh amendment, is almost identical to language which I introduced earlier this year.

Incredibly, the administration and its allies have chosen to oppose this provision even though the President has repeatedly assured the American people that he has no intention of sending U.S. combat troops into Central America.

The administration's opposition to this amendment calls into question those assurances and raises the specter of the President surprising the Congress when we are not in session.

Both Congress and the American people have a right to know if our Government intends to commit U.S. combat forces to the conflict in Central America. Members of Congress, regardless of the views on the merits of our current policies, should support this amendment to ensure that we will have a role in any decision to send U.S. Forces into combat in the region.

Even though the session is late, I urge the House conferees to insist on this provision and I urge the administration and the leadership of the other body to reconsider its position on this important issue.

A REPLY TO REPUBLICANS' CHARGE OF MUDSLINGING

(Mr. LELAND asked and was given permission to address the House for 1 minute.)

Mr. LELAND. Mr. Speaker, I had not planned to stand here in the well this morning for 1 minute, but I would just like to ask the gentleman from Pennsylvania [Mr. WALKER] if in fact his allegation about the leadership of the Democratic Party concerning their personal attacks on the administration is warranted and balanced.

The other day we understand that a person who is not a Democrat tried to use poetry to in some fashion characterize the running mate of Walter Mondale, and if that was not a personal attack, I do not know what is. She wanted to rhyme "rich" with something, and eventually she ended up with "witch."

Is that indeed a personal attack?

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. LELAND. I am glad to yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, as I recall, the Vice President's wife also apologized. All we are asking today is that we get a similar kind of apology out of the people who have launched into these vicious personal attacks.

Mr. LELAND. Mr. Speaker, if the gentleman will stand at the microphone, I would like to ask the gentleman if in fact that was his statement. The gentleman did not issue a challenge to any of us or the leadership of the Democratic Party to ask for an apology but, rather, alleged that indeed we were slinging mud. I would suggest to the gentleman that there is a lot of mud being slung from the other side of the aisle.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman from Texas [Mr. LELAND] has expired.

HOW THE FACTS ABOUT HIGH-PRICED HAMMERS WERE REALLY UNCOVERED

(Mr. BEDELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEDELL. Mr. Speaker, in the debate yesterday, the President quoted as follows: "There has been reference to expensive spare parts, hammers costing $500. Well, we are the ones who found those."

Let me tell you how that was found. That was found by the fact that there was a person in the repair department in a Navy base in Florida who felt that maybe they were paying too much for these parts. He asked for information on the prices. They refused to give it to him. He was told it was absolutely none of his business. By circuitous routes, he finally obtained the facts from other people by going outside the normal system.

The result of that was that there was an audit. The audit indicated that they maybe had paid as much as $729,000 too much for an $847,000 contract.

Next we find a memo in the Department of Defense which says that the Secretary of Defense has a special interest in this matter. It tells what a great supplier Gould, who sold the hammer, is, and it recommended that the audit be closed.

Next Secretary Weinberger met with the head of Gould and settled the matter for $84,000. Remember, it was recommended that it could be as much as $729,000.

Mr. Speaker, a 10-percent refund on a $436 hammer insults our intelligence. The Department of Defense seems to think that $392 for such a hammer is OK.

Mr. Speaker, we can be proud in the Congress that we have passed legislation that says we will not let this continue. We did it in spite of opposition from the Pentagon and the many excuses they have offered.

□ 1300

WHICH PRESIDENT?

(Mr. DORGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN. Mr. Speaker, I heard once again this morning a speaker allege that the Democrats in the House of Representatives are wrong on balanced budgets. I just want to say that my patience wears a little thin with people who do that. That kind of sloganeering that we hear every day is just nonsense.

I want to ask the question: Which President has sent to this House of Representatives and this Congress requests for more spending than any other President in the history of the country? Answer: Ronald Reagan.

Question: Which President has asked Congress to pass the biggest deficit in the history of America? Answer: Ronald Reagan.

Which president has asked Congress to pass the second highest deficit in the history of America? Answer: Ronald Reagan.

I get a little tired of this sloganeering. The fact is the leader of our Government, the President of the United States, a Republican conservative named Ronald Reagan, has asked us if we will not please adopt budgets that call for borrowing more money than has ever been borrowed before in the history of this country. And of course, the Congress has been all too willing to comply.

The deficit is the fault of all of us, the President, Republicans and Democrats, and until you folks on the other side of the aisle understand that, I guess you will not get in the harness to help us solve it; but you had better understand it soon, because it is hurting this country and we are heading toward trouble.

A TRIBUTE TO HORACE JERRY VOORHIS

(Mr. MARTINEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTINEZ. Mr. Speaker, with deep respect and some sorrow I rise to pay tribute to Jerry Voorhis a former Congressman and an exceptional man who passed away last month.

He wrote to me often and his letters were an inspiration. Jerry was a gentleman who invisioned a better world. He believed that man is capable of living together in harmony, and committed himself to that end.

Jerry often wrote on the need to stop the arms race and to check our national aversion of the Soviet Union with a rational eye on the future. He believed that there is a false sense of security derived from a continued buildup of our nuclear arms. His sentiments, expressed with eloquence and clarity, can only be heard from someone with a strong commitment and years of experience. They have meant much to me and I would like to share them with you.

One letter, containing pertinent information on the MX missile begins:

> A letter to people and organizations concerned for the future of humanity on this our only possible planet home: At age 82 and in poor health I am anxious to do what little I can to assure my grandchildren of an opportunity to live a life such as I have been blessed with.

His views on the President's plans for "Star Wars":

> This is to humbly but desperately beg you to vote against the placement of weapons in space * * * Please do not let us lead the world into the invasion of space with the war systems. Surely there is something of deep religious meaning in a refusal to use God's space for military destruction of the Earth.

LET US SET ASIDE NEGATIVE CASTIGATION OF EACH OTHER

(Ms. FIEDLER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FIELDER. Mr. Speaker, as I sit in the House today, I am saddened at what I hear, not saddened at the political views that I hear expressed, because that is one of the great strengths of this democracy, but very saddened at the negative kind of leadership which is being expressed from the well of this House.

The American people deserve far better representation from the people who come to the House of Representatives. We have tremendous responsibility, the responsibility of representing 500,000 people each, yet hour after hour, day after day, all we hear is the negative condemnation of other people's actions.

Who in this House can be so certain that they represent such perfection and humanity? I do not believe that I do and I do not believe there is either a man or a woman who has a responsibility for casting votes on this floor that does.

It seems to me what we have to do as Members of the House of Representatives, as well as citizens of this great Nation, is to do the best that we can to find the responsible solution to the problems of the people in this country and set aside all this negative castigation of the actions of people with whom we work, because unless we achieve that goal, we will not be able to achieve the responsible resolution of the problems that we deal with on a day to day basis.

A BLACK ARM BAND OF MOURNING FOR DIGNITY AND DECORUM

(Mr. BOEHLERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Speaker, if this House is in session much longer, I intend to wear a black arm band, a black arm band to demonstrate a period of mourning, mourning for the lost dignity and decorum of this great institution. As the clock ticks away and more speeches are made from this well, we seem to be sinking lower and lower. Name calling, undocumented charges, blind partisanship, lower and lower.

Should we not, should we not, all of us who are privileged to serve in this institution, be ever mindful of the

words of Daniel Webster that are etched in stone above this Chamber, should we not all try to perform something worthy to be remembered.

WHOSE FINGER SHOULD BE ON THE BUTTON?

(Mr. MARKEY asked and was given permission to address the House for 1 minute.)

Mr. MARKEY. Mr. Speaker, we are going to hear discussion on the floor and in this country for the next 1 month over Social Security, Medicare, educational benefits, and a whole range of other issues; but there is only one overriding issue that really should decide this election, because the most important issue that divides this world is whose finger is on the button that can begin a nuclear war.

Both men, Ronald Reagan and Walter Mondale, contend that they are people that can be trusted with that responsibility, but when there is 25 minutes left to live and those rockets are coming over the North Pole, the people in this country have to ask one question: Whose finger do they want on the button, Ronald Reagan or Walter Mondale? That is the issue. Who do you trust with that responsibility and the next month I think will conclusively answer that question.

Walter Mondale is the person that this country should trust with that ultimate responsibility.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled joint resolution earlier today:

H.J. Res. 663. Joint resolution making further continuing appropriations for fiscal year 1985.

ARMISTEAD I. SELDEN LOCK AND DAM

Mr. McNULTY. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the bill (H.R. 5489) to designate the lock and dam on the Warrior River in Hale County, AL, as the "Armistead I. Selden Lock and Dam," and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. HAMMERSCHMIDT. Reserving the right to object, Mr. Speaker, I support the gentleman's request and I yield to the gentleman for any remarks that he wishes to make.

Mr. Speaker, I rise in support of this bill to name the lock and dam on the Warrior River in Hale County, AL, after former congressman Armistead I. Selden.

Congressman Selden had a long and distinguished career in public service. He served 3 years in the Alabama State Legislature, and beginning with the 83d Congress in 1953 he served in the U.S. House of Representatives. In the U.S. Congress, he served as chairman of the Subcommittee on Inter-American Affairs of the Foreign Affairs Committee.

After leaving Congress, Mr. Selden was appointed Principal Deputy Assistant Secretary of Defense for International Security Affairs and later served as Ambassador to New Zealand, Fiji, Tonga, and U.S. Samoa during three administrations.

Mr. Selden, during his service in Congress, worked toward a sound and responsible Inland Waterway System and was particularly supportive of the Warrior Lock and Dam in Hale County.

I believe it is fitting and proper at this time to name this lock and dam after Mr. Selden, and I urge my colleagues to join me in supporting this legislation.

Mr. McNULTY. Mr. Speaker, I have no remarks.

Mr. HAMMERSCHMIDT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the bill, as follows:

H.R. 5489

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the lock and dam on the Warrior River in Hale County, Alabama, commonly known as the Warrior Lock and Dam, shall hereafter be known and designated as the "Armistead I. Selden Lock and Dam". Any reference in a law, map, regulation, document, or paper of the United States to such lock and dam shall be held to be a reference to the "Armistead I. Selden Lock and Dam".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. McNULTY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2947) to designate the lock and dam on the Warrior River in Hale County, AL, as the "Armistead I. Selden Lock and Dam," and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2947

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the lock and dam on the Warrior River in Hale County, Alabama, commonly known as the Warrior Lock and Dam, shall hereafter be known and designated as the "Armistead I. Selden Lock and Dam". Any reference in a law, map, regulation, document, or paper of the United States to such lock and dam shall be held to be a reference to the "Armistead I. Selden Lock and Dam".

● Mr. SHELBY. Mr. Speaker, I am pleased to rise in support of S. 2947, to rename the Warrior Lock and Dam on the Warrior River in Hale County, AL, as the Armistead I. Selden Lock and Dam. This measure is identical to a bill I introduced in this body as H.R. 5489.

Those of us who are privileged to know Armistead share a great respect for this distinguished public servant and vibrant Alabamian. An attorney, Armistead served 3 years in the Alabama State Legislature, came to Congress as a Representative of the Sixth Congressional District in 1953 and carried out a dignified, 16-year career, serving on the House Foreign Affairs Committee.

From chairman of the Subcommittee on Inter-American Affairs, Armistead moved to the Department of Defense serving as Deputy Assistant Secretary of Defense for International Policy and Procedure from 1970 to 1973. He was then appointed as Ambassador to New Zealand, Fiji, Tonga, and U.S. Samoa, occupying that post under three administrations. Armistead now acts as president of the American League for Exports and Security Assistance.

The renaming of the Warrior Lock and Dam for Armistead Selden is a fitting expression of our appreciation and admiration for this fine man. The Armistead I. Selden Lock and Dam would be a perpetual reminder to his former Hale County constituents of his active role in the funding and construction of vital water systems, and his contributions to the State of Alabama and American society.

I urge my colleagues to vote with me in passing S. 2947.●

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 5489, was laid on the table.

WILBUR D. MILLS DAM

Mr. NcNULTY. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the bill (H.R. 3162) to name a dam on the Arkansas River, AR, as the "Wilbur D. Mills Dam," and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, Mr. Speaker, H.R. 3162 names dam 2 on the Arkansas Waterway after former Congressman Wilbur D. Mills. Congressman Mills served 16 terms in the House of Representatives and was the long-time chairman of the House Ways and Means Committee. He was also a strong supporter of water resources development and was influential in obtaining authorization and funding for the Arkansas River project.

Mr. Speaker, I yield to the gentleman from Arizona if he has any remarks.

Mr. McNULTY. We have no further comments. Mr. Speaker.

Mr. HAMMERSCHMIDT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That dam numbered 2 on the Arkansas River, Arkansas, constructed as part of the project for navigation on the Arkansas River and tributaries, shall hereafter be known and designated as the "Wilbur D. Mills Dam". Any law, regulation, document or record of the United States in which such dam is referred to shall be held to refer to such dam as the "Wilbur D. Mills Dam".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1300

JOE HARDIN LOCK AND DAM

Mr. McNULTY. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the bill (H.R. 3163) to name a lock and dam on the Arkansas River, AR, as the "Joe Hardin Lock and Dam," and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, H.R. 3163 names lock and dam 3 on the Arkansas Waterway after Joe Hardin. Mr. Hardin, was an active member of the Arkansas Basin Association from its beginning, and spoke many times in Arkansas and in Washington seeking support for development of the Arkansas River Waterway system.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3163

Be it enacted by the Senate and House of Represenatives of the United States of America in Congress assembled, That lock and dam numbered 3 on the Arkansas River, Arkansas, constructed as part of the project for navigation on the Arkansas River and tributaries, shall hereafter be known and designated as the "Joe Hardin Lock and Dam". Any law, regulation, document, or record of the United States in which such lock and dam are referred to shall be held to refer to such lock and dam as the "Joe Hardin Lock and Dam".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES W. TRIMBLE LOCK AND DAM

Mr. McNULTY. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the bill (H.R. 3164) to name a lock and dam on the Arkansas River, AR, as the "James W. Trimble Lock and Dam," and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, H.R. 3164 names lock and dam 13 on the Arkansas Waterway after former Congressman James W. Trimble. Congressman Trimble, served 11 terms in the U.S. Congress, and was most influential in securing appropriations for the construction of the Arkansas River Waterway System. The project which will be known as the James W. Trimble Lock and Dam, is located in his former district.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3164

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That lock and dam numbered 13 on the Arkansas River, Arkansas, constructed as part of the project for navigation on the Arkansas River and tributaries, shall hereafter be known and designated as the "James W. Trimble Lock and Dam". Any law, regulation, document, or record of the United States in which such lock and dam are referred to shall be held to refer to such lock and dam as the "James W. Trimble Lock and Dam".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR ORMOND LOCK AND DAM

Mr. McNULTY. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the bill (H.R. 3165) to name a lock and dam on the Arkansas River, AR, as the "Arthur Ormond Lock and Dam," and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, H.R. 3165 names lock and dam 9 on the Arkansas Waterway after Arthur Ormond. Mr. Ormond served not only in the Arkansas Basin Association as president, but also as a member of the five-State Arkansas Inter Basin Committee and as a member of the Water Resources Congress. He had had an important role in the development of the Arkansas Waterway and has been awarded the Department of the Army's highest civilian award for his efforts.

Mr. Speaker, I withdraw my reservation of objection.

Mr. SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3165

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled, That lock and dam numbered 9 on the Arkansas River, Arkansas, constructed as part of the project for navigation on the Arkansas River and tributaries, shall hereafter be known and designated as the "Arthur Ormond Lock and Dam". Any law, regulation, document, or record of the United States in which such lock and dam are referred to shall be held to refer to such lock and dam as the "Arthur Ormond Lock and Dam".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WINTHROP ROCKEFELLER RESERVOIR

Mr. McNULTY. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the bill (H.R. 3166) to name a reservoir created by a dam on the Arkansas River, AR, as the "Winthrop Rockefeller Reservoir," and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, H.R. 3166 names the reservoir created by dam 9 on the Arkansas waterway as the "Winthrop Rockefeller Reservoir." Winthrop Rockefeller, Governor of the State of Arkansas from 1967 to 1971, was a staunch supporter of water resources development and a leader in promoting the Arkansas waterway system. His home, Winrock Farm, looks down upon the reservoir which is named in his honor by this section.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3166

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the reservoir created by dam numbered 9 on the Arkansas River, Arkansas, constructed as part of the project for navigation on the Arkansas River and tributaries, shall hereafter be known and designated as the "Winthrop Rockefeller Reservoir". Any law, regulation, document, or record of the United States in which such reservoir is referred to shall be held to refer to such reservoir as the "Winthrop Rockefeller Reservoir".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMMETT SANDERS LOCK AND DAM

Mr. McNULTY. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the bill (H.R. 3167) to name a lock and dam on the Arkansas River, AR, as the "Emmett Sanders Lock and Dam," and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, H.R. 3167 names lock and dam 4 on the Arkansas Waterway after Emmett Sanders. Mr. Sanders, former mayor of the city of Pine Bluff, AR, has been a member of the Arkansas Basin Association since its inception. He played a leading role in bringing about the authorization and completion of the Arkansas River waterway system and he has been recognized by the Chief of Engineers for his work by being awarded the Department of the Army highest civilian award.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3167

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That lock and dam numbered 4 on the Arkansas River, Arkansas, constructed as part of the project for navigation on the Arkansas River and tributaries, shall hereafter be known and designated as the "Emmett Sanders Lock and Dam" Any law, regulation, document, or record of the United States in which such lock and dam are referred to shall be held to refer to such lock and dam as the "Emmett Sanders Lock and Dam".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

H.K. THATCHER LOCK AND DAM

Mr. McNULTY. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the bill (H.R. 5817) to designate the Calion Lock and Dam located on the Ouachita River, near Calion, AR, as the "H.K. Thatcher Lock and Dam," and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, H.R. 5817, names the Calion lock and dam on the Ouachita River near Calion, AR, after H.K. Thatcher. Mr. Thatcher served for 30 years, from 1950 to 1980, as executive vice president of the Ouachita River Valley Association. During that period, a modern navigation system for that river was authorized and constructed by the Corps of Engineers. His leadership was vital to this effort. The lock and dam to be named in his honor is located near his hometown of Camden, AR.

Mr. Speaker, these bills rename specific Corps of Engineers project features after deserving individuals. Water resources projects are initially identified by the Corps of Engineers based on nearby towns, rivers or other factors. Renaming such projects is a straight forward process that does not affect the projects nor incur costs. All of these projects are supported by local interest and it is they in fact who have made the recommendations that are in these brief bills.

Again, Mr. Speaker, these name changes are, I know, without controversy, and are strongly supported by interested groups and are cetainly well-deserved tributes to the important contributions made by these great Americans.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the bill, as follows:

H.R. 5817

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Calion Lock and Dam located on the Ouachita River near Calion, Arkansas, is named and designated as the "H.K. Thatcher Lock and Dam". Any reference in a law, map, regulation, document, record, or other paper of the United States to such lock and dam shall be held to be a reference to the "H.K. Thatcher Lock and Dam."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JACK D. MALTESTER CHANNEL

Mr. McNULTY. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the bill (H.R. 3701) to designate the main channel for the project for San Leandro Marina, CA, as the "Jack D. Maltester Channel," and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, I rise in support of this bill.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3701

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the main channel for the project for San Leandro Marina, California, authorized by resolutions of the Committee on Public Works of the House of Representatives and the Committee on Public Works of the Senate dated June 22, 1971, and December 15, 1970, respectively under the provisions of section 201 of the Flood Control Act of 1965, shall hereafter be known and designated as the "Jack D. Maltester Channel". Any reference in a law, map, regulation, document, record or other paper of the United States to that channel shall be deemed to be a reference to the "Jack D. Maltester Channel".

AMENDMENT OFFERED BY MR. MC NULTY

Mr. McNULTY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McNULTY: At the end of the bill, add the following:

SEC. 2. (a) The United States Post Office Building located at 41-65 Main Street, Flushing, New York, shall hereafter be

known and designated as the "Benjamin S. Rosenthal Post Office Building". Any reference in any law, map, regulation, document, record or other paper of the United States to that buiding shall be deemed to be a reference to the "Benjamin S. Rosenthal Post Office Building".

(b) As soon as practicable after the date of enactment of this Act, the Postmaster General shall install in such post office building, in a place in open view to the public, an appropriate plaque indicating the designation of the post office building pursuant to this section.

SEC. 3. (a) The social security building located at 300 Spring Garden Street, Philadelphia, Pennsylvania, and known as the Mid-Atlantic Program Service Center shall hereafter be known and designated as the "William A. Barret Social Security Building". Any reference in a law, map, regulation, document, record, or other paper of the United States to such building shall be held to be a reference to the "William A. Barrett Social Security Building".

(b) The United States Post Office Building located at 200 Chester Avenue, Moorestown, New Jersey, shall hereafter be known and designated as the "Edwin B. Forsythe Post Office Building". Any reference in a law, map, regulation, document, record, or other paper of the United States to such building shall be held to be a reference to the "Edwin B. Forsythe Post Office Building".

SEC. 4. The Federal Archives and Records Center located at 1000 Commodore Drive in San Bruno, California, is designated as the "Leo J. Ryan Memorial Federal Archives and Records Center". Any reference in a law, map, regulation, document, record or other paper of the United States to that building shall be deemed to be a reference to the "Leo J. Ryan Memorial Federal Archives and Records Center".

SEC. 5. (a) In accordance with section 7 of the Public Buildings Act of 1959, as amended, there is hereby authorized to be appropriated $54,297,000 from the fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended, for the construction of an extension to the Records Center in Overland, Missouri.

(b) In accordance with section 7 of the Public Buildings Act of 1959, as amended, there is hereby authorized to be appropriated $59,790,000 from the fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended, for major repairs and alterations to the Mart Federal Building in St. Louis, Missouri.

● Mr. YOUNG of Missouri. Mr. Speaker, this amendment will provide for the construction of an extension to the National Personnel Records Center in Overland, MO, at a cost of $54,297,000. The new construction project would satisfy a longstanding need for consolidation of the Army Reserve components personnel and administration center [RCPAC] and the Army Adjutant General Publications Center [AGPC] at the Overland, MO, National Personnel Records Center [NPRC]. As a result of the consolidation, one lease will be cancelled and 273 people will be moved out of the Mart Federal Building, which is proposed for renovation.

In addition, the amendment provides for the renovation of the Mart Federal Building in St. Louis, MO, at a cost of $59,790,000. The Mart Building repair and alteration project will allow relocation of agencies out of approximately 569,000 square feet of leased space, costing $4.6 million annually, into this Government-owned building in the St. Louis City Center.

These are worthy projects that will ultimately save the taxpayers funds which heretofore were used to pay for rent to house Federal agencies. I look forward to the administration requesting funding for these projects in the fiscal year 1986 budget request.●

The SPEAKER. The question is on the amendment offered by the gentleman from Arizona [Mr. MCNULTY].

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MCNULTY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bills just passed.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

AUTHORIZING U.S. PARTICIPATION IN THE INTERNATIONAL OFFICE OF THE VINE AND WINE

Mr. MICA. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the Senate bill (S. 2583) to authorize U.S. participation in the Office International de la Vigne et du Vin (the International Office of the Vine and Wine), and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. GILMAN. Mr. Speaker, reserving the right to object, and I shall not object, I commend the gentleman from Florida [Mr. MICA] for bringing this measure to the House floor at this time.

This legislation, authorizing U.S. participation in the International Office of Vine and Wine [IOVV] is supported by the administration. According to the administration the IOVV is the "most prestigious and influential intergovernmental trade issue concerning wine." Growers and importers are supportive of this legislation. Because of the volume of U.S. trade in wine and the possibilities of expanding U.S. exports, the administration believes the U.S. should join the IOVV.

Accordingly, I urge my colleagues to support S. 2583 and I withdraw my reservation.

Mr. MICA. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Florida.

Mr. MICA. Mr. Speaker, this legislation, if approved by the House, will allow the United States to participate in the International Office of Vine and Wine, an organization comprised of 31 member States representing all the world's principal wine producers and consumers, which was established in 1924 in Paris. The United States is the only major wine producer and consumer not participating in this organization.

The International Office of Vine and Wine is not an international regulatory agency. The organization's mission which originally related principally to wine was extended to vines and all other grape products. The organization studies scientific, technical, and economic problems relating to vine culture, production, conservation, commercialization, and consumption of wine, grape juice, table grapes, and raisins. The studies and projects are conducted and coordinated, as appropriate, by experts of the member countries. Final findings and recommendations are submitted to member States.

Over the years, the International Office of Vine and Wine has made great strides toward harmonizing international practices and technical requirements in this area. Currently, the lack of uniformity between United States and foreign technical requirements, specifically with respect to the regulations governing wine production practices, packaging, labeling, and certification and customs documentation constitute the principal obstacle to U.S. wine export trade.

These facts are of grave concern to the United States. Wine is a product of commercial significance to the United States worldwide. This country ranks 6th in wine production, 5th in wine imports and 15th in wine exports. Yet, we are suffering from a major wine trade deficit. To be specific, last year the United States imported close to $800 million worth of wine while exporting only the equivalent of $2 million.

The pronouncements of the International Office of Vine and Wine, though nonbinding, are significant since they have often been the basis of national legislation in many member countries that ultimately affect the wine markets the U.S. wine producers seek to enter.

By joining the International Office of Vine and Wine, U.S. wine producers and traders expect that active U.S. membership will provide an ideal

forum to express our concerns on trade issues and would contribute significantly to U.S. efforts to eliminate nontariff barriers impeding the access of U.S. wines to foreign markets.

The membership of the United States to the International Office of Vine and Wine enjoys the support not only of the administration, including the Departments of State and Treasury and the Office of Management and Budget, but also of the National Association of Beverage Importers, the Wine Institute, and the California Association of Winegrape Growers as well as other U.S. wine producers and associations.

This legislation will authorize the President to maintain U.S. membership in the International Office of Vine and Wine. However, it does not provide additional funding authorization to meet the anticipated assessed contribution that will be required if the United States joins the organization. The Department of State has informed the committee that existing funds will be available to cover the expected $15,000 annual assessed contribution.

Mr. GILMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2583

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized to maintain membership of the United States in the Office International de la Vigne et du Vin (the International Office of the Vine and Wine).

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MICA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

EXPRESSING SENSE OF CONGRESS CONCERNING OBLIGATIONS OF GOVERNMENT OF THE SOVIET UNION UNDER INTERNATIONAL LAW WITH RESPECT TO HUMAN RIGHTS

Mr. YATRON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 11), expressing the sense of the Congress concerning the obligations of the Government of the Soviet Union under international law with respect to human rights, and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I rise in support of Senate Concurrent Resolution 11, legislation addressing the Soviet Union's severe restrictions on Jewish emigration. I commend the gentleman from Florida, the distinguished chairman of our House Foreign Affairs Committee [Mr. FASCELL] and, the gentleman from Michigan, [Mr. SILJANDER] for his extensive work in helping to focus attention on this issue.

Emigration of Soviet Jewry has steadily dwindled from 51,000 in 1979 down to a mere trickle of 1,300 in 1983 and a projection of less than 1,000 for 1984.

The Soviet Union's systematic and persistent policy of denying emigration rights to refuseniks and others who dare to speak out against the Soviets is a blatant violation of numerous human rights conventions. Such agreements, which express the need for all members of the international community to promote and respect basic human rights, include the Helsinki Final Act and the Universal Declaration of Human Rights. Senate Concurrent Resolution 11 quite correctly asserts that the "fulfillment by the Government of the Soviet Union of its obligations with respect to internationally recognized emigration rights would significantly promote improved relations between the United States and the Soviet Union." The legislation also urges the President or his representatives to raise the emigration issue at every appropriate opportunity U.S. officials meet with representatives of the Soviet Union.

I am pleased that we are joined in support of this measure by the distinguished ranking minority member of the House Foreign Affairs Committee, the gentleman from Michigan [Mr. BROOMFIELD].

Accordingly, I urge my colleagues to support Senate Concurrent Resolution 11 so that our Nation can continue to raise this important issue of increasing levels of emigration from the Soviet Union.

Ms. OAKAR. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentlewoman from Ohio.

Ms. OAKAR. I want to commend the gentleman and the chairman for their fine work on this issue. I support the resolution, obviously.

As you know, having gone to the Soviet Union and met with some of the people who are really held hostage, and their human rights are taken away, I feel it is very important that we signal that we feel that emigration ought to be allowed just the way it is and in the manner in which we would allow people to emigrate to other countries, if they so desire.

I thank the gentleman.

Mr. GILMAN. I thank the gentlewoman for her remarks. I know that she has visited the Soviet Union recently and has been a staunch advocate of human rights behind the Iron Curtain.

Mr. Speaker, I am also pleased that we are joined in this effort by the distinguished ranking minority member, the gentleman from Michigan [Mr. BROOMFIELD].

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania.

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 11

Whereas this policy has left tens of thousands of people seeking to emigrate from the Soviet Union with little hope of being granted permission to emigrate in the foreseeable future;

Whereas there are several hundred long-term "refuseniks", including many children, who applied to emigrate from the Soviet Union between 1970 and 1976 and have been waiting for permission to emigrate since that time;

Whereas those who have been denied emigration rights, especially the long-term "refuseniks", are often subjected to a life as internal refugees in the Soviet Union, resulting in loss of jobs, loss of membership in important social and professional organizations, revocation of academic degrees, surveillance and arbitrary assault, and other forms of harassment of social isolation;

Whereas these individuals also suffer physical, emotional, and psychological problems which result from social isolation;

Whereas these individuals are also denied the right to cultural expression, evidenced by the breaking up of cultural seminars and Hebrew classes and harassment by Soviet officials of those individuals participating in those forms of cultural expression;

Whereas these individuals are subjected to arbitrary arrest, imprisonment, and internal exile, as is the case with the Jewish "Prisoners of Conscience" currently serving sentences in the Soviet Union;

Whereas it is the stated policy of United States law, including section 502B(a)(1) of the Foreign Assistance Act of 1961 and section 402 of the Trade Act of 1974, that human rights considerations are a vital element of United States foreign policy; and

Whereas the Government of the Soviet Union, by arbitrarily denying its citizens the right to emigrate and the right to religious and cultural expression, and by harassing members of a specific ethnic group, is violating the norms of international law as set forth in agreements and declarations such as the Final Act of the Conference on Security and Cooperation in Europe (hereafter in this concurrent resolution referred to as the "Helsinki Final Act"), the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Eco-

momic, Social and Cultural Rights, the International Labor Organization Convention Concerning Employment Policy, and the UNESCO Convention Against Discrimination in Education: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) the Government of the Soviet Union should fulfill obligations undertaken in the Helsinki Final Act, the Universal Declaration of Human Righs, and other international agreements relating to human rights, by pursuing a more humane emigration policy and ceasing harassment of Jews and others seeking to emigrate;

(2) the fulfillment by the Government of the Soviet Union of its obligations with respect to internationally recognized emigration rights would significantly promote improved relations between the United States and the Soviet Union;

(3) The President or his representatives should convey to the Government of the Soviet Union the concerns of the Congress expressed in this concurrent resolution at every appropriate opportunity, including—

(A) at such time as agreements are negotiated between the United States and the Soviet Union in the areas of trade, commerce, including grain sales, and science and technology exchange; and

(B) at such time as the President or his representatives meet with leaders of the Soviet Union concerning other aspects of relations betwen the two countries; and

(4) the President or his representatives should also convey these concerns of the Congress to the governments of allies of the United States and urge the cooperation of those governments in efforts to promote emigration from the Soviet Union.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President with the request that he transmit such copy to the Chairman of the Presidium of the Supreme Soviet of the Soviet Union.

The SPEAKER. The Chair recognizes the gentleman from Pennsylvania [Mr. YATRON].

Mr. YATRON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of Senate Concurrent Resolution 11, expressing the sense of the Congress concerning the violations of the international obligations by the Soviet Union with respect to its Jewish population.

Senate Concurrent Resolution 11 is the Senate version of House Concurrent Resolution 63, which passed the House by voice vote on November 17, 1983. As one of the original sponsors of House Concurrent Resolution 63, along with our colleagues, Representative LES AUCOIN and Representative BARBARA KENNELLY, I am pleased to report that this measure had approximately 200 cosponsors, including 22 members of the Foreign Affairs Committee when it passed the House.

I ask unanimous consent at this point to include in the RECORD a list of cosponsors of House Concurrent Resolution 63.

Senate Concurrent Resolution 11 and House Concurrent Resolution 63 express the sense of the Congress that the Soviet Union should fulfill its obligations undertaken in the Helsinki Final Act, the Universal Declaration of Human Rights and other international agreements relating to human rights by pursuing a more humane emigration policy and ceasing harassment of Jews and others seeking to emigrate.

Mr. Speaker, there is another resolution expressing the sense of the Congress with respect to repressive emigration policies pursued by the Soviet Union—House Concurrent Resolution 279, which was introduced by the honorable MARK SILJANDER and 41 cosponsors. I should also point out that our colleague, Mr. SILJANDER, is a cosponsor of House Concurrent Resolution 63.

Because Senate Concurrent Resolution 11 encompasses the thrust and most of the language of all of the resolutions, it is the logical legislation to act upon.

Mr. Speaker, I want to commend the principal sponsors of these resolutions, representatives LES AUCOIN, BARBARA KENNELLY, and MARK SILJANDER for bringing this important issue to the attention of the House. The Commission on Security and Cooperation in Europe has also been vitally involved in this matter and in actions to ease the emigration restrictions on Soviet Jews. I want to pay a special tribute to Congressman FASCELL, who chairs this distinguished panel, as well as the Foreign Affairs Committee. His tireless efforts and superb leadership have kept this matter at the forefront of the public agenda.

The situation for Jews wishing to leave the Soviet Union is bleak. Jewish emigration levels which were intolerable when the resolution was introduced nearly 2 years ago, have declined since that time. They have reached a 14-year nadir of less than 75 per month.

What makes this situation particularly critical is the fact that those who seek to emigrate, but are denied that right, are then subjected to insufferable conditions. These so-called refuseniks then become the sufferers of oppression within the Soviet Union. Frequently, ousted from their homes and jobs, they may also be stripped of their academic degrees and professional affiliations.

Further, many are harassed, assaulted, and arbitrarily imprisoned. All are denied any semblance of religious freedom or cultural expression.

As chairman of the Subcomittee on Human Rights and International Organizations, I have been closely monitoring this serious situation and actively working for appropriate redress. It is critical that the emigration picture be brightened. Tens of thousands of Jewish individuals in the Soviet Union wish to leave. They are virtual or even actual prisoners. The harassment must cease. They must be treated humanely, and permitted to emigrate.

Mr. Speaker, I urge the adoption of Senate Concurrent Resolution 11. It represents an important step in helping many who suffer the horrible injustices of Soviet repression.

□ 1310

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. YATRON. I yield to my colleague from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman [Mr. YATRON] for bringing this resolution to the floor.

It does raise one question, though: Have we not passed resolutions similar to this in the past in the Congress asking the Soviet Union to be more forthcoming with regard to emigration policies?

Mr. YATRON. Mr. Speaker, the response is yes, we did, but the Senate has not acted upon it; yes.

Mr. WALKER. But in past Congresses have we not actually enacted resolutions similar to this one, I would ask the gentleman?

Mr. YATRON. Well, the House last November 17, sent it over to the Senate, but the Senate sent it back to us.

Mr. WALKER. I thank the gentleman.

Mr. Speaker, the point I was making was that it seems to me in past Congresses we have enacted resolutions that are very similar to this one and we have not had a positive response from the Soviet Union whatsoever with regard to this issue. In other words, we keep passing resolutions, the Soviet Union keeps ignoring the issue.

While it is certainly commendable that we pass these kinds of resolutions, it seems to me that at some point we may want to go further than the resolutions and begin to talk about sanctions against the Soviet Union if they do not begin to respond positively.

I think it is an appalling condition of human rights that we are addressing here and sometime that Congress and the American Government may have to go beyond mere words on the issue.

I thank the gentleman for yielding.

Mr. COURTER. Mr. Speaker, will the gentleman yield?

Mr. YATRON. I yield to my colleague from New Jersey.

Mr. COURTER. I thank the gentleman for yielding.

Mr. Speaker, I would just like to say that I am very much in favor of the passage of the Senate concurrent resolution, indeed the House passed resolutions similar to this before, but there is no harm in my mind in repeat-

ing the observation that the Soviet Union has engaged in repetitious acts of human rights violations, particularly with respect to their policy discouraging the free emigration of individuals from the Soviet Union.

As my colleague from New York [Mr. GILMAN] has indicated before, the number of emigrants has drastically reduced from round 50,000, if my recollection is correct, 4 or 5 years ago to less than 1,000 today.

No one here believes, no one in the United States believes, no one in the free world believes, Mr. Speaker, that the reason for the reduction is because all the people that want to leave have already left. That is the Soviet Union's response: "The reason now there is only 800 or 900 rather than 50,000 is that everybody loves it here." You do not believe that, we do not believe that.

The Soviet Union has consistently violated international agreements, the Helsinki Final Act that we are talking about today, other international agreements as well.

So I commend the gentleman [Mr. YATRON] and I commend everybody who spoke on behalf of or cosponsored this resolution. We are doing it even though we cannot affect the Soviet behavior, we are doing it because of a moral imperative to speak out.

Mr. Speaker, I thank the gentleman for yielding.

Mr. YATRON. Mr. Speaker, I thank my colleague from New Jersey for his contribution and I also want to thank my colleague from Pennsylvania [Mr. WALKER] for his comments prior thereto.

● Mr. FASCELL. Mr. Speaker, I rise in support of Senate Concurrent Resolution 11, expressing the sense of Congress concerning the obligations of the Government of the Soviet Union under international law with respect to human rights.

The resolution now before the House is similar to House Concurrent Resolution 63, a House-passed measure which was considered last November. I would like to take this opportunity to mention the primary sponsors of the resolution, which had broad bipartisan support and cosponsorship. The Honorables LES AUCOIN, BARBARA KENNELLY, and GUS YATRON, who chairs the Foreign Affairs Subcommittee on Human Rights and International Organizations, are to be commended for their initiative in introducing the resolution. In addition, I wish to cite the Honorable MARK SILJANDER for his leadership in sponsoring similar measures on this important human rights issue.

Senate Concurrent Resolution 11 does not deal with a new topic. Unfortunately, the issue of Jews being denied emigration rights has been a longstanding and troublesome matter. Soviet emigration statistics for its Jewish population have declined precipitously. The situation for Soviet Jews has gone from aggravated to acute—even children are affected. Tens of thousands wish to leave—only 75 per month are now permitted to do so. Those who remain have no prospects for a viable future—they are harassed, abused, denied exercise of their religious and ethnic heritage, as well as sealed within Soviet borders.

The essence of Senate Concurrent Resolution 11 calls on the Soviet Government to abide by its international obligations concerning its citizens' rights, and to urge less restrictive emigration policies. Further it calls on U.S. officials to raise these concerns at every appropriate opportunity, and in the context of all phases of our relations with the Soviet Union.

Mr. Speaker, I urge the adoption of Senate Concurrent Resolution 11, and a Soviet move to relax its emigration policies, and respect the fundamental rights of its people.●

● Mr. BROOMFIELD. Mr. Speaker, I offer my strong support of this concurrent resolution. Our government must do something about the Soviets' efforts to virtually halt Jewish emigration from that country.

The tragic Soviet policy of denying thousands of people the right to emigrate is one of the great tragedies of this decade. Refuseniks are subject to arbitrary arrests, harassment, and often lose their jobs. Others are denied the right to cultural expression. All of this is being done by Soviet leaders in clear violation of the Helsinki Final Act.

I support this effort to convey our concerns to the Soviet Union. I urge my colleagues to do the same.●

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YATRON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate concurrent resolution just concurred in.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

A TRIBUTE TO JACK H. STALLINGS

(Mr. COLEMAN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN of Texas. Mr. Speaker, the west Texas community of El Paso suffered a grievous loss with the passing of one of its finest native sons, Jack H. Stallings.

Born in El Paso on January 27, 1935, Jack Stallings symbolized the west Texas dream of achieving success through hard work and determination. In this age of corporate agribusiness, Jack was a magnificent contrast; he was truly one of the finest individual farmers in El Paso's lower valley.

As founder of Stallings Farms, he was close to the soil and to the land. He was deeply involved in land use, water and agriculture, and had the highest concern for the integrity of the environment. With his vision and his energy, he was singularly responsible for the development of the El Paso chile crop, where there was none before, and he was a leader of the Trans-Pecos cotton growers for many, many years.

Before his death, he was active in many agricultural, civic, and business groups, including the El Paso Valley Cotton Association, the Farmers Administration Board of El Paso County, the Rio Grande Regional Environmental project, the Agricultural and Natural Resource Council, and many others.

I am certain no one person knows of everything Jack did for his fellow man, but we all know how deeply he felt for everyone and everything that lived. His friends were not just those who were powerful or wealthy—everyone was important to him.

How fortunate it is for so many, and for me, that he passed our way and affected our lives.

Above all, Jack Stallings was a devoted father and husband whose life was taken away so early.

Mr. Speaker, like so many, he was my friend. We will miss him but we will not forget him.

CIVIL SERVICE RETIREMENT SPOUSE EQUITY ACT OF 1984

Ms. OAKAR. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2300) to provide retirement equity for former spouses of civil service retirees, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 4, line 24, after "commenced" insert: ", plus interest. For the purposes of the preceding sentence, the annual rate of interest for each year during which the annuity would have been reduced if the election had been in effect since the date the annuity commenced shall be 6 percent".

Page 6, line 3, after "subsection." insert: "In the case of a retired employee or Member whose annuity is being reduced in order to provide a survivor annuity for a former spouse, an election to provide or increase a survivor annuity for any other

former spouse (and to continue an appropriate reduction) may be made within the same period that, and subject to the same conditions under which, an election could be made under paragraph (5)(B) of this subsection for a current spouse (subject to the provisions of this paragraph relating to consent of a current spouse, if the retired employee or Member is then married). The opportunity to make an election under the preceding sentence is in addition to any opportunity otherwise afforded under this paragraph.".

Page 8, line 19, after "paragraph" insert: , plus interest. For the purposes of the preceding sentence, the annual rate of interest for each year during which an annuity would have been reduced if the election had been in effect on and after the applicable date referred to in such sentence shall be 6 percent.

Page 10, line 17, after "time" insert: , plus interest. For the purposes of the preceding sentence, the annual rate of interest for each year during which the annuity would have been reduced if the election had been in effect since the date the annuity commenced shall be 6 percent.

Page 20, line 23, strike out "an unremarried" and insert "a".

Page 20, after line 25, insert:

(A) who has not remarried before age 55 after the marriage to the employee, former employee, or annuitant was dissolved,

Page 21, line 1, strike out "(A)" and insert "(B)".

Page 21, line 7, strike out "(B)" and insert "(C)".

Page 27, line 14, strike out "commenced;" and insert "commenced, plus interest computed at the annual rate of six percent for each year during which the annuity would have been reduced if the election had been in effect on and after the date the annuity commenced;".

Page 31, line 4, after "commenced" insert: , plus interest. For the purposes of the preceding sentence, the annual rate of interest for each year during which the annuity would have been reduced if the election had been in effect on and after the date the annuity commenced shall be 6 percent

Page 31, lines 13 and 14, strike out "original documentation, or such other" and insert "such".

Page 33, after line 14, insert:

TITLE II—PERFORMANCE MANAGEMENT AND RECOGNITION SYSTEM

ESTABLISHMENT OF PERFORMANCE MANAGEMENT AND RECOGNITION SYSTEM

SEC. 201. (a) Chapter 54 of title 5, United States Code, is amended to read as follows:

"CHAPTER 54—PERFORMANCE MANAGEMENT AND RECOGNITION SYSTEM

"Sec.
"5401. Purpose.
"5402. Coverage.
"5403. General pay increases.
"5404. Merit increases.
"5405. Pay administration.
"5406. Performance awards.
"5407. Cash award program.
"5408. Report.
"5409. Regulations.
"5410. Termination.

"§ 5401. Purpose

"It is the purpose of this chapter to provide for a performance management and recognition system which shall—

"(1) use performance appraisals as the basis for—(a) determining adjustments in basic pay by general pay increases and merit increases, and (b) making performance award determinations;

"(2) within available funds, recognize and reward quality performance by varying amounts of performance and cash awards;

"(3) within available funds, provide for training to improve accuracy, objectivity, and fairness in the evaluation of performance;

"(4) regulate the costs of performance awards by establishing funding level requirements; and

"(5) provide the means to reduce or withhold certain pay increases for less than fully successful performance.

"§ 5402. Coverage

"(a) Except as provided in subsection (b) or (c) of this section, this chapter shall apply to any supervisor or management official (as defined in paragraphs (10) and (11) of section 7103(a) of this title, respectively) who is in a position within grade GS-13, GS-14, or GS-15 of the General Schedule described in section 5104 of this title.

"(b)(1) Upon request filed under paragraph (3) of this subsection, the President may, in writing, exclude an agency, any unit of an agency, or any class of employees within any such unit, from the application of this chapter, if the President considers such exclusion to be required as a result of conditions arising from—

"(A) the recent establishment of the agency, unit, or class, or the implementation of a new program;

"(B) an emergency situation; or

"(C) any other situation or circumstance.

"(2) Any exclusion under this subsection shall not take effect earlier than 30 calendar days after the President transmits to each House of the Congress a report describing the agency, unit, or class to be excluded and the reasons therefor.

"(3) a request for exclusion of an agency, any unit of an agency, or any class of employees within any such unit, under this subsection shall be filed by the head of the agency with the Office of Personnel Management, and shall set forth reasons why the agency, unit, or class should be excluded from the application of this chapter. The Office shall review the request and reasons therefor, undertake such other review as it considers appropriate to determine whether the agency, unit, or class should be excluded from the application of this chapter and, upon completion of its review, recommend to the President whether the agency, unit, or class should be so excluded.

"(4) Any agency, unit, or class which is excluded pursuant to this subsection shall, insofar as practicable, make a sustained effort to eliminate the conditions on which the exclusion is based.

"(5) The Office shall periodically review any exclusion from coverage and may at any time recommend to the President that an exclusion under this subsection be revoked. The President may at any time revoke, in writing, any exclusion under this subsection.

"(6) The Office shall prescribe regulations under which an employee may be excluded from the application of this chapter other than as part of an agency, unit, or class so excluded under the preceding paragraphs of this subsection. To the extent practicable, the regulations shall be based on the provisions of such paragraphs.

"(c) This chapter shall not apply to individuals employed under the Office of the Architect of the Capitol, the Library of Congress, the Botanic Garden, or the Administrative Office of the United States Courts.

"§ 5403. General pay increases

"(a) For purposes of this section, a pay adjustment period, in the case of an employee covered by this chapter, shall be the period beginning on the first day of the first pay period applicable to such employee commencing on or after the first day of the month in which an adjustment takes effect under section 5305 of this title and ending at the close of the day before the beginning of the following pay adjustment period.

"(b) A determination concerning a general pay increase under this section shall, for any pay adjustment period, be made based on the level of performance of the employee involved, as determined for the latest appraisal period under section 4302a of this title (or an equivalent rating system) before the beginning of such pay adjustment period.

"(c) Subject to section 5405(a)(1)(A) of this title, if the employee's performance is rated—

"(1) at the fully successful level or either of the 2 levels above the fully successful level, the rate of basic pay of the employee shall be increased by the full general pay increase, effective as of the beginning of the pay adjustment period;

"(2) at the level 1 level below the fully successful level, the rate of basic pay of the employee shall be increased by one-half of the full general pay increase, effective as of the beginning of the pay adjustment period; or

"(3) at the level 2 levels below the fully successful level, the rate of basic pay of the employee shall not be increased under this section.

"(d) A full general pay increase for any pay adjustment period under this section shall be determined by multiplying on the day immediately preceding the pay adjustment period the rate of basic pay of the employee involved by the percentage corresponding to the percentage generally applicable under section 5305 of this title to positions not covered by this chapter which are in the same grade as the position held by such employee.

"(e)(1) The basic pay of an employee for whom a determination under section 4302a of this title (or an equivalent rating system) for the latest appraisal period is not available shall be adjusted under this subsection in such circumstances as the Office of Personnel Management shall by regulation prescribe.

"(2) Any adjustment made under this subsection shall be equal to an adjustment under subsection (c)(1) of this section.

"§ 5404. Merit increases

"(a) For purposes of this section—

"(1) the term 'applicable reference rate', as used with respect to the rate of basic pay of an employee, means the rate equal to the sum of—

"(A) the minimum rate of basic pay provided under section 5332 of this title for the grade of the position held by such employee; and

"(B) one-third of the difference between the maximum rate of basic pay provided for such grade under such section and the minimum rate of basic pay so provided;

"(2) the term 'merit increase' means, with respect to a grade, an increase equal to one-ninth of the difference between the maximum rate of basic pay provided for such grade under section 5332 of this title and the minimum rate of basic pay so provided; and

"(3) a reference to the performance rating of an employee shall, for purposes of any increase which may take effect under this section in a year, be considered to be a reference to the level of performance of such employee, as determined for the latest appraisal period under section 4302a of this title (or an equivalent rating system) before the effective date of such increase.

"(b) Subject to section 5405(a)(1)(A) of this title, under regulations prescribed by the Office of Personnel Management, the rate of basic pay of an employee covered by this chapter shall be increased each year in accordance with the applicable provisions of subsection (c) of this section, effective as of the beginning of the first applicable pay period commencing on or after October 1 of such year.

"(c)(1)(A) If the rate of basic pay of the employee does not equal or exceed the applicable reference rate on the day before the effective date of an increase under this section, and the performance of such employee is rated at the fully successful level or either of the 2 levels above the fully successful level, the rate of basic pay of the employee shall be increased by an amount equivalent to a merit increase.

"(B) If the rate of basic pay of the employee equals or exceeds the applicable reference rate on the day before the effective date of an increase under this section, and the performance of such employee is rated—

"(i) at the level 2 levels above the fully successful level, the rate of basic pay of the employee shall be increased by an amount equivalent to a merit increase;

"(ii) at the level 1 level above the fully successful level, the rate of basic pay of the employee shall be increased by an amount equivalent to one-half of a merit increase; or

"(iii) at the fully successful level, the rate of basic pay of the employee shall be increased by an amount equivalent to one-third of a merit increase.

"(2) The rate of basic pay of an employee whose performance is rated at either of the 2 levels below the fully successful level shall not be increased under this section for the year involved.

"(d) The Office of Personnel Management shall prescribe regulations under which this section shall be applied in the case of an employee for whom a determination under section 4302a of this title (or an equivalent rating system) for the latest appraisal period is not available.

"§ 5405. Pay administration

"(a)(1) An employee covered by this chapter—

"(A) may not be paid at a rate greater than the maximum rate of basic pay for the grade of the employee's position, as set forth in section 5332 of this title; and

"(B) except as provided in paragraph (2) of this subsection, may not be paid at a rate less than the minimum rate of basic pay for such grade, as set forth in section 5332 of this title.

"(2) An employee may be paid at a rate less than the minimum rate of basic pay for the grade of such employee's position to the extent that payment of the lesser rate is the result of the employee having received less than a full general pay increase under section 5403 of this title.

"(b) Any employee whose position is brought under this chapter shall, so long as the employee continues to occupy the position, be entitled to receive basic pay at a rate of basic pay not less than the rate the employee was receiving when the position was brought under this chapter, plus any subsequent increases under sections 5403 and 5404 of this title.

"(c) The Office of Personnel Management shall prescribe regulations governing the method by which an increase under section 5403 of this title and an increase under section 5404 of this title shall be made in any case in which both of those increases are to take effect beginning on the same date.

"(d) Under regulations which the Office shall prescribe, the benefit of advancement through the range of basic pay for a grade shall be preserved for any employee who is covered by this chapter and whose continuous service is interrupted in the public interest by service in the Armed Forces, or by service in essential non-Government civilian employment during a period of war or national emergency.

"(e) For the purpose of section 5941 of this title, rates of basic pay of employees covered by this chapter shall be considered rates of basic pay fixed by statute.

"(f) In the case of an employee covered by this chapter for whose position a higher rate of basic pay has been established under section 5303 of this title, any reference in this chapter to a rate of basic pay provided under or set forth in section 5332 of this title shall be deemed to be a reference to the corresponding rate of basic pay established under such section 5303.

"§ 5406. Performance awards

"(a)(1) Any employee who is covered by this chapter, and whose performance for an appraisal period is rated under section 4302a of this title (or an equivalent rating system) at the level 2 levels above the fully successful level, shall be paid a performance award under this section for such period.

"(2)(A) The amount of a performance award referred to in paragraph (1) of this subsection shall be determined by the appropriate agency head, except that any such award shall be not more than 10 percent of the employee's annual rate of basic pay and, effective after fiscal year 1985, shall be not less than 2 percent of such annual rate.

"(B) Notwithstanding subparagraph (A) of this paragraph, a performance award exceeding 10 percent but not exceeding 20 percent of the employee's annual rate of basic pay may be paid if the agency head determines that such award is warranted by unusually outstanding performance.

"(b)(1) Any employee who is covered by this chapter, and whose performance for an appraisal period is rated under section 4302a of this title (or an equivalent rating system) at the level 1 level above the fully successful level or at the fully successful level, may be paid a performance award under this section for such period.

"(2) The amount of a performance award referred to in paragraph (1) of this subsection shall be determined by the appropriate agency head, except that any such award shall be not more than 10 percent of the employee's annual rate of basic pay.

"(c)(1) Subject to subsections (a)(2) and (b)(2) of this section, the aggregate amount of performance awards paid under this section by an agency during any fiscal year shall be—

"(A) not less than the product of—

"(i) the applicable minimum percentage for such year under paragraph (2) of this subsection, multiplied by

"(ii) the estimated aggregate amount of basic pay which will be payable to employees of the agency covered by the performance management and recognition system during such year, as determined by the head of the agency, taking into consideration the number of employees who were covered by such system during the preceding fiscal year (or by the merit pay system in the case of fiscal year 1984) and the applicable rates of basic pay in such preceding year; and

"(B) not more than the product of—

"(i) the applicable maximum percentage for such year under paragraph (2) of this subsection, multiplied by

"(ii) the amount under subparagraph (A)(ii) of this paragraph for such year.

"(2)(A)(i) The applicable minimum percentage—

"(I) shall be .75 percent for fiscal year 1985;

"(II) shall, for each of the 4 fiscal years thereafter, be adjusted incrementally (by equal increments or otherwise) over the percentage for the preceding fiscal year by the appropriate agency head in accordance with regulations which the Office of Personnel Management shall prescribe; and

"(III) shall, as a result of the final adjustment, be increased to 1.15 percent for fiscal year 1989.

"(ii) The applicable maximum percentage for each of the 5 fiscal years during which this chapter is in effect shall be 1.5 percent.

"(B)(i) Notwithstanding subparagraph (A) of this paragraph, in the case of an agency described in clause (ii) of this subparagraph the applicable minimum percentage for any fiscal year during which this chapter is in effect shall be a percentage, not less than the minimum percentage described in subsection (2)(A)(i) and not to exceed 10 percent, which the Office shall by regulation prescribe.

"(ii) This subparagraph applies to an agency in a fiscal year if the average number of employees employed under such agency during the immediately preceding fiscal year was equal to or less than the equivalent of 20 full-time employees.".

"(d) A failure to pay a performance award authorized by subsection (b) of this section may not be appealed.

"(e) A performance award paid to an employee under this section shall be in addition to the basic pay of the employee and any cash paid under section 5407 of this title.

"§ 5407. Cash award program

"(a) The head of an agency may pay a cash award to, and incur unnecessary expenses for the honorary recognition of, any employee who is covered by this chapter, and who—

"(1) by the employee's suggestion, invention, superior accomplishment, or other personal effort, contributes to the efficiency, economy, or other improvement of Government operations, or achieves a significant reduction in paperwork; or

"(2) performs a special act or service in the public interest in connection with or related to the employee's Federal employment.

"(b) The President may pay a cash award to, and incur necessary expenses for the honorary recognition of, any employee who is covered by this chapter, and who—

"(1) by the employee's suggestion, invention, superior accomplishment, or other personal effort, contributes to the efficiency, economy, or other improvement of Government operations, or achieves a significant reduction in paperwork; or

"(2) performs an exceptionally meritorious special act or service in the public interest in connection with or related to the employee's Federal employment.

A Presidential cash award may be in addition to an agency cash award under subsection (a) of this section.

"(c) A cash award paid to an employee under this section shall be in addition to the basic pay of the employee and any performance award paid under section 5406 of this title. Acceptance of a cash award under this section constitutes an agreement that the use by the Government of any idea, method, or device for which the award is made does not form the basis of any claim of any nature against the Government by the employee accepting the award, or the employee's heirs or assigns.

"(d) A cash award to, and expenses for the honorary recognition of, any employee who is covered by this chapter may be paid from the fund or appropriation available to the activity primarily benefiting, or the various activities benefiting, from the suggestion, invention, superior accomplishment, or other meritorious effort of the employee. The head of the agency concerned shall determine the amount to be contributed by each activity to any agency cash award under subsection (a) of this section. The President shall determine the amount to be contributed by each activity to a Presidential award under subsection (b) of this section.

"(e)(1) Except as provided in paragraph (2) of this subsection, a cash award under this section may not exceed $10,000.

"(2) If the head of an agency certifies to the Office of Personnel Management that the suggestion, invention, superior accomplishment or other meritorious effort of an employee for which a cash award is proposed is highly exceptional and unusually outstanding, a cash award in excess of $10,000 but not in excess of $25,000 may be awarded to the employee on the approval of the Office.

"(f) The President or the head of an agency may pay a cash award under this section notwithstanding the death or separation from the service of an employee, if the suggestion, invention, superior accomplishment, or other meritorious effort of the employee for which the award is proposed was made or performed while the employee was covered by this chapter.

"§ 5408. Report

"The Office of Personnel Management shall submit an annual report to the President and each House of the Congress evaluating the effectiveness of the performance management and recognition system established by this chapter. Each such report shall be prepared after consultation with the respective heads of a sufficient range of agencies so as to permit an adequate basis for making a meaningful evaluation.

"§ 5409. Regulations

"The Office of Personnel Management shall prescribe regulations to carry out this chapter.

"§ 5410. Termination

"This chapter and any regulations prescribed under this chapter shall cease to be effective after September 30, 1989.".

(b) The table of chapters at the beginning of part III of title 5, United States Code, is amended by striking out the item relating to chapter 54 and inserting in lieu thereof the following:

"54. Performance Management and Recognition System..... 5401".

PERFORMANCE APPRAISAL SYSTEMS

SEC. 202. (a) Chapter 43 of title 5, United States Code, is amended by inserting after section 4302 the following new section:

"§ 4302a. Establishment of performance appraisal systems for performance management and recognition system employees

"(a) Each agency shall develop 1 or more performance appraisal systems for employees covered by chapter 54 of this title which—

"(1) provide for periodic appraisals of job performance of such employes;

"(2) require the joint participation of the supervising official and the employee in developing performance standards with authority for establishing such standards resting with the supervising official; and

"(3) use the results of performance appraisals as a basis—

"(A) for adjusting the base pay and making performance award decisions with respect to any such employee in accordance with the applicable provisions of such chapter 54; and

"(B) for training, rewarding, reassigning, promoting, reducing in grade, retaining, and removing any such employee.

"(b) Under regulations which the Office of Personnel Management shall prescribe, each performance appraisal system under this section shall provide for—

"(1) 5 levels of summary performance ratings as follows:

"(A) 2 levels which are above the fully successful level;

"(B) a fully successful level; and

"(C) 2 levels which are below the fully successful level;

"(2) establishing, in writing, the critical elements of each employee's position and the performance standards for the fully successful level for each such element which will, to the maximum extend feasible, permit accurate evaluation of job performance on the basis of objective criteria related to the job in question;

"(3) communicating, at the beginning of each appraisal period and in writing, to each employee who is covered by chapter 54 of this title the performance standards and critical elements of the employee's position;

"(4) evaluating each such employee during the appraisal period on the basis of such standards;

"(5) assisting any such employee in improving performance rated at a level below the fully successful level; and

"(6) reassigning, reducing in grade, or removing any employee who continues to perform at the level which is 2 levels below the fully successful level, after such employee has been provided with written notice of such employee's rating and afforded reasonable opportunity to raise such employee's level of performance to the fully successful level or higher.

"(c)(1) Appraisals of performance under this section—

"(A) shall take into account individual performance and may take into account organizational accomplishment;

"(B) shall be based on factors such as—

"(i) any improvement in efficiency, productivity, and quality of work or service, including any significant reduction in paperwork;

"(ii) cost efficiency;

"(iii) timeliness of performance;

"(iv) other indications of the effectiveness, productivity, and quality of performance of the employees for whom the employee is responsible; and

"(v) meeting affirmative action goals and achievement of equal employment opportunity requirements;

"(C) may be reviewed by an employee of the agency in accordance with procedures established by the Office of Personnel Management;

"(D) shall, on request of the employee whose performance is appraised, be reconsidered by an employee of the agency in accordance with procedures established by the Office; and

"(E) may not be appealed outside the agency.

"(2) Reconsideration of an appraisal under paragraph (1)(D) of this subsection may be made only by an employee who is in a higher position in the agency than each employee who made, reviewed, or approved the appraisal.

"(d)(1) In order to promote the purposes of this section, there shall be established within each agency a performance standards review board (hereinafter in this subsection referred to as the 'board'), consisting of at least 6 members, all of whom shall be chosen by the agency head from individuals employed in or under such agency. Of the members, at least one-half shall be employees who are covered by chapter 54 of this title and who are in the competitive service. A board shall be chaired by the member of the board designated for that purpose by the agency head.

"(2) It shall be the function of each board—

"(A) to assess, by the use of representative sampling techniques, the appropriateness of performance standards developed and used by the agency under this section;

"(B) to study the feasibility of an awards program based on the collective performance of units or other groups of employees who are covered by chapter 54 of this title, and to submit as part of its annual report under paragraph (3) of this subsection recommendations for any actions which the board considered appropriate with respect to any such program; and

"(C) to provide technical assistance with respect to any demonstration projects which may relate to performance standards of the agency under this section.

"(3) A board shall report to the head of the agency on its activities under this subsection annually.

"(e) In carrying out this section, neither the Office nor any other agency may prescribe a distribution of levels of performance ratings for employees covered by chapter 54 of this title.

"(f) The Office may not prescribe, or require an agency to prescribe, any specific performance standard or element for purposes of this section.

"(g) This section and any regulations prescribed under this section shall cease to be effective as of the date on which chapter 54 of this title ceases to be effective.".

(b) The table of sections for chapter 43 of title 5, United States Code, is amended by inserting after the item relating to section 4302 the following new item.

"4302a. Establishment of performance appraisal systems for performance management and recognition system employees.".

MERIT INCREASES AS EQUIVALENT INCREASES IN PAY

SEC. 203. Section 5335 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding subsection (d) or (e) of this section, an increase in pay granted under section 5404 of this title is an equivalent increase in pay within the meaning of subsection (a) of this section and shall be taken into account in the case of any employee who, before becoming subject to this section, was granted such an increase while covered by the performance management and recognition system established under chapter 54 of this title.".

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 204. (a) Title 5, United States Code, is amended—

(1) in sections 4501(2)(A), 5332(a), 5334(c)(2), 5334(f), 5336(c), and 5362(c)(3), by striking out "the merit pay system established under section 5402" each place it appears and inserting in lieu thereof "the performance management and recognition system established under chapter 54";

(2) in section 5361(5), by striking out "merit pay system" and inserting in lieu thereof "performance management and recognition system"; and

(3) in section 5948(g)(1)(C), by striking out "Merit Pay System" and inserting "performance management and recognition system".

(b) Section 1602 of title 10, United States Code, and section 731(b) of title 31, United States Code, are each amended by striking out "5401(a)" and inserting in lieu thereof "5401".

EFFECTIVE DATE; TRANSITION PROVISIONS

SEC. 205. (a) The amendments made by this title shall be effective as of October 1, 1984, and shall apply with respect to pay periods commencing on or after that date.

(b) The rate of basic pay for any individual serving in a position—

(1) which is in the merit pay system before the date on which the amendments made by this title take effect, but

(2) which does not become covered by the performance management and recognition system,

shall not be reduced on account of such position not becoming so covered.

(c) The rate of basic pay for any individual serving in a position which ceases to be covered by the performance management and recognition system as a result of the termination of such system under section 5410 of title 5, United States Code, as amended by this title, shall not be reduced on account of such termination.

(d)(1) Except as provided in paragraph (2), any agency or unit of an agency which, immediately before the date of enactment of this Act, was excluded from coverage under the merit pay system shall be excluded from coverage under the performance management and recognition system for the 12-month period beginning on such date of enactment.

(2) An exclusion under paragraph (1) may be revoked at any time in accordance with section 5402(b)(5) of title 5, United States Code, as amended by this Act.

TITLE III—SENIOR EXECUTIVE SERVICE

CONGRESSIONAL FINDINGS

SEC. 301. The Congress finds that the Senior Executive Service should be continued indefinitely.

PERFORMANCE AWARDS

SEC. 302. Subsection (b) of section 5384 of title 5, United States Code, is amended—

(1) in paragraph (2), by striking out "exceed" and inserting in lieu thereof "be less than 5 percent nor more than"; and

(2) by amending paragraph (3) of such subsection to read as follows:

"(3) The aggregate amount of performance awards paid under this section by an agency during any fiscal year may not exceed the greater of—

"(A) an amount equal to 3 percent of the aggregate amount of basic pay paid to career appointees in such agency during the preceding fiscal year; or

"(B) an amount equal to 15 percent of the average of the annual rates of basic pay paid to career appointees in such agency during the preceding fiscal year.".

REDUCTIONS IN FORCE

SEC. 303. (a) Section 3593(c)(1)(B) of title 5, United States Code, is amended by inserting "before October 1, 1984," after "title".

(b) Section 3594(b) of such title is amended to read as follows:

"(b) A career appointee who has completed the probationary period under section 3393(d) of this title, and who—

"(1) is removed from the Senior Executive Service for less than fully successful executive performance as determined under subchapter II of chapter 43 of this title; or

"(2) is removed from the Senior Executive Service under paragraph (4) or (5) of section 3595(b) of this title;

shall be entitled to be placed in a civil service position (other than a Senior Executive Service position) in any agency.".

(c) Section 3595(b) of such title is amended—

(1) in paragraph (3)(B), by striking out "is entitled" and all that follows thereafter through "position." and inserting in lieu thereof "shall be placed by the Office in any agency in any vacant Senior Executive Service position unless the head of that agency determines that the career appointee is not qualified for that position."; and

(2) by striking out paragraphs (4) and (5) and inserting in lieu thereof the following:

"(4) A career appointee who is not assigned under paragraph (3)(A) may be removed from the Senior Executive Service due to a reduction in force if the career appointee declines a reasonable offer for placement in a Senior Executive Service position under paragraph (3)(B).

"(5) A career appointee who is not assigned under paragraph (3)(A) may be removed from the Senior Executive Service due to a reduction in force if the career appointee is not placed in another Senior Executive Service position under paragraph (3)(B) within 45 days after the Office receives certification regarding that appointee under paragraph (3)(B).".

(d) Section 3595(c) of such title is amended to read as follows:

"(c) A career appointee is entitled to appeal to the Merit Systems Protection Board under section 7701 of this title whether the reduction in force complies with the competitive procedures required under subsection (a).".

DIRECTED REASSIGNMENT; TRANSFER OF FUNCTION

SEC. 304. (a) Section 3395(a)(2) of title 5, United States Code, is amended to read as follows:

"(2)(A) Except as provided in subparagraph (B) of this paragraph, a career appointee may be reassigned to any Senior Executive Service position only if the career appointee receives written notice of the reassignment at least 15 days before the effective date of such reassignment.

"(B)(i) A career appointee may not be reassigned to a Senior Executive Service position outside the career appointee's commuting area unless—

"(I) before providing notice under subclause (II) of this clause (or seeking or obtaining the consent of the career appointee under clause (ii) of this subparagraph to waive such notice), the agency consults with the career appointee on the reasons for, and the appointee's preferences with respect to, the proposed reassignment; and

"(II) the career appointee receives written notice of the reassignment, including a statement of the reasons for the reassignment, at least 60 days before the effective date of the reassignment.

"(ii) Notice of reassignment under clause (i)(II) of this subparagraph may be waived with the written consent of the career appointee involved.".

"(b) Section 3595 of such title is amended by adding at the end thereof the following new subsection:

"(e) The Office shall prescribe regulations under which the rights accorded to a career appointee in the event of a transfer of function are comparable to the rights accorded to a competing employee under section 3503 of this title in the event of such a transfer.".

"(c) Section 7543(a) of such title is amended by striking out "or malfeasance." and inserting in lieu thereof "malfeasance, or failure to accept a directed reassignment or to accompany a position in a transfer of function.".

"(d) Section 8336(d) of such title is amended by inserting after the first sentence the following new sentence: "For purposes of paragraph (a) of this subsection, separation for failure to accept a directed reassignment to a position outside the commuting area of the employee concerned or to accompany a position outside of such area pursuant to a transfer of function shall not be considered to be a removal for cause on charges of misconduct of delinquency.".

PAY LIMITATION

SEC. 305. Section 5385(b) of title 5, United States Code, is amended to read as follows:

"(b)(1) In no event may the aggregate amount paid to a senior executive during any fiscal year under sections 4507, 5382, 5384, and 5948 of this title exceed the annual rate payable for positions at level I of the Executive Schedule in effect at the end of such fiscal year.

"(2)(A) Any amount which is not paid to a senior executive during a fiscal year because of the limitation under paragraph (1) of this subsection shall be paid to that individual in a lump sum at the beginning of the following fiscal year.

"(B) Any amount paid under this paragraph during a fiscal year shall be taken into account for purposes of applying the limitation under paragraph (1) of this subsection with respect to such fiscal year.

"(C) The Office of Personnel Management shall prescribe regulations, consistent with section 5582 of this title, under which payment under this paragraph shall be made in the case of any individual whose death precludes payment under subparagraph (A) of this paragraph.".

MISCELLANEOUS SENIOR EXECUTIVE SERVICE AMENDMENTS

SEC. 306. (a) Section 3135(a) of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (8);

(2) by redesignating paragraph (9) as paragraph (10); and

(3) by inserting after paragraph (8) the following new paragraph:

"(9) the number of career appointees who have been placed in positions outside the Senior Executive Service under section 3594 of this title as a result of a removal under section 3595 of this title; and".

(b)(1) The first sentence of section 3393(b) of such title is amended by inserting before the period the following: "or commissioned officers of the uniformed services serving on active duty in such agency".

(2) Section 4312(b)(3) of such title is amended by inserting ", or (with the consent of the senior executive) a commissioned officer in the uniformed services serving on active duty," after "employee", and by striking out "executive".

(c)(1) Such title is amended by adding after section 3595 the following new section:

"§ 3595a. Furlough in the Senior Executive Service

"(a) For the purposes of this section, 'furlough' means the placement of a senior executive in a temporary status in which the senior executive has no duties and is not paid when the placement in such status is by reason of insufficient work or funds or for other nondisciplinary reasons.

"(b) An agency may furlough a career appointee only in accordance with regulations issued by the Office of Personnel Management.

"(c) A career appointee who is furloughed is entitled to appeal to the Merit Systems Protection Board under section 7701 of this title.".

(2) The table of sections for chapter 35 of such title is amended by inserting after the item relating to section 3595 the following new item:

"§ 3595a. Furlough in the Senior Executive Service.".

EFFECTIVE DATE

SEC. 307. The amendments made by this title shall be effective following the expiration of the 90-day period beginning on the date of enactment of this Act, except that the amendments made by section 304 shall be effective as of such date of enactment.

Ms. OAKAR (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

The SPEAKER. Is there objection to the initial request of the gentlewoman from Ohio?

Mr. DANNEMEYER. Mr. Speaker, reserving the right to object, I rise in support of H.R. 2300, as amended, and urge my colleagues to concur in the Senate amendments thereto.

Mr. Speaker, this legislation makes changes in civil service law affecting spouses of Federal employees, midlevel Federal managers, and senior executives. A brief chronology of action by both bodies on this legislation may be helpful.

March 1, 1984: Senate passes S. 958 making changes in the merit pay and senior executive service systems.

June 28, 1984: House passes H.R. 5680 providing for a comparable worth—pay equity—study of economic discrimination in Federal jobs and making changes—distinct from S. 958—to the merit pay and senior executive service systems. House lays on table H.R. 5680 and passes in lieu, S. 958, as amended.

September 24, 1984: House passes H.R. 2300, as amended, providing for certain spousal rights to retirement and health benefits in the marriage and divorce of Federal employees.

October 9, 1984: Senate passes H.R. 2300, making changes to House-passed spousal rights bill, deleting pay equity title for separate consideration, and amending House-passed merit pay and senior executive service titles.

H.R. 2300 with Senate amendments is the result of considerable compromise.[1] However, serious reservations and questions remain with respect to some changes made in these three areas of civil service legislation. Undoubtedly, the Congress will revisit this legislation in order to amplify, clarify, improve, and to possibly limit and redirect what we have done today.

The debate of September 24, 1984, on H.R. 2300 points out my concerns with respect to the retroactive provisions and to opening up the Federal Employees Health Benefits Program [FEHBP] to nonemployees for the first time. It is interesting to note how this legislation is focused—not on spouses, but on former spouses. It is an act to provide retirement equity for former spouses of civil service retirees, and for other purposes. It is perhaps symptomatic of our times that spouses are relegated to the anonymous category of other purposes. Marriage has become an economic relationship, a competitive, even adversarial concept of that partnership.

My concern with respect to merit pay legislation is that we not end up with a paper chase of performance appraisal instead of a pay for performance system. My concern is that merit pay not drift away from the American work ethic into an entitlement program. Merit pay should not become an elaborate system of bonuses and rewards. Excellence is a base pay concept not a bonus concept. We should pay our employees fairly for doing their best.

So that my colleagues may better understand the changes wrought by the other body and under consideration today, Mr. Speaker, I ask unanimous consent that a summary of the Senate changes be included herein with respect to: First, spousal rights under the Federal retirement and health benefits programs; second, a performance management and recognition system for Federal managers, and third, the senior executive service.

The summary follows:

[1] The Office of Personnel Management played a central policy and technical role in long hours and days of negotiations over this legislation.

SPOUSE EQUITY: SENATE AMENDMENTS

Senate amendments make one major change to the House bill in requiring 6 percent interest on certain retroactive payments to the retirement fund where a survivor benefit is desired. The House bill provides for no interest on such "redeposits."

Electing to provide a survivor benefit upon the death of a retiree requires a reduction of less than 10 percent in the retiree's annuity. Normally, the election is made at the time of retirement and reductions begin immediately. Where the election occurs after retirement, payments or redeposits must be made for the period between the date of retirement and the date of electing to provide a survivor benefit. The Senate bill provides for 6 percent interest on redeposits in six instances (the first three prospective, the last three retroactive).

First, for those employees who have an ex-spouse and wish to provide a survivor benefit where the divorce occurs after retirement;

Second, for those retirees who remarry during retirement after declining a survivor benefit for the first spouse on the date of retirement;

Third, for those retirees who wish to provide a survivor benefit for a spouse where the retiree marries for the first time after retiring;

Fourth, for those retirees who wish to provide a survivor benefit to a former spouse where the divorce occurred before the effective date of the bill;

Fifth, for those who retired before the effective date of the bill who innocently missed the deadline to elect a survivor benefit for a spouse; and

Sixth, for those who were married at the time of retirement, elected not to provide a survivor benefit, and remarried and wish to provide a survivor benefit to the succeeding spouse where the remarriage occurred before the bill's effective date.

Other amendments provide for additional survivor benefits to former spouses with the consent of the current spouse, with an additional reduction in the annuity, and subject to the 55-percent cap. Also, an ex-spouse may continue enrollment in the FEHBP if remarriage occurs after age 55 (House bill terminated enrollment upon remarriage). Finally, a Senate amendment grants greater flexibilty to OPM in determining if a retiree innocently missed a timely election of survivor benefits.

MERIT PAY: MAJOR SENATE CHANGES AND ADDITIONS TO H.R. 5680

General Increases. New provision stipulating that those employees who cannot be rated must be granted a full general increase. (§ 5403(e))

Regulatory Authority of Office of Personnel Management. New provision stipulating that OPM shall prescribe regulations for granting merit increases to those employees who cannot be rated. (§ 5404(d))

Performance Awards (individual awards). Reserves maximum award of 20 percent of base pay to those with "unusually outstanding performance. (§ 5406(a)(2)(B))

Performance Award Funding. Pool based on *estimated* base pay to account for potential changes in staff and pay. (§ 5406(c)(1)(A)(ii)) Extends House cap of 1.5 percent of payroll to fifth year; leaves annual increases in minimum mandatory to OPM regulation (House specified 25 percent increase each year), except for fifth year when minimum set at 1.15 percent of pay-

roll; provides greater funding for agencies with less than 20 employees. (§ 5406(c)(2))

Regulation of Performance Awards. Provides broader OPM regulation of performance awards than House bill. (§ 5409)

Performance Appraisal. Makes clear that management retains right to set standards while employee must participate in "developing" standards. (§ 4302(a)(2))

Personnel Actions as a Consequence of Rating. Senate amendment provides for "reassigning, reducing in grade, or removing" any employee who continues to perform 2 levels below fully successful, whereas House bill provided for such actions against one performing "below fully successful." (§ 4302(b)(6)) Senate amendments delete House ratings appeal right to MSBP.

Moving from Merit System to General Schedule. New section prevents dual pay adjustments for those who make this move. (Sec. 203)

SENIOR EXECUTIVE SERVICE: SIDE-BY-SIDE ANALYSIS OF SENATE AND HOUSE BILLS AND SENATE AMENDMENTS

Subject	S. 958	H.R. 5680	Senate amendments
1. SES continuation	No change in current law	Provides for indefinite continuation of SES—(sec. 301).	Same as H.R. 5680.
2. Performance awards—5 USC 5384.	Eliminates 50 percent limit on number of career members eligible for awards.	Same as S. 958	Same as S. 958.
	Establishes maximum agency payout (pool) equal to 3 percent of career SES payroll (or 15 percent) of average career SES salary) during current fiscal year (sec. 103(g)(2)).	4 percent pool (or 2 percent of average career SES salary); required 2 percent payout unless reasons given Congress—(sec. 302(2)).	Same as S. 958 except that base is previous fiscal year.
	Establishes minimum individual award of 5 percent of base salary—(sec. 103(g)(1)).	Same as S. 958—(sec. 302(1))	Same as S. 958.
3. Reduction in force—5 USC 3592-5.	Provides fallback to GS-15, with saved pay, if career executive who completed SES probationary period cannot be placed in another SES position—(sec. 103(b) and (d)).	Same as S. 958—(sec. 304(a))	Same as S. 958 except that fallback applies even if employee declines reasonable placement offer.
	Eliminates 120-day OPM placement period for career executives who completed SES probationary period—(sec. 103(e)(1)).	Changes 120-day period to 45 days—(sec. 304(b)(2)).	Same as H.R. 5680.
	Eliminates 30-day notification to Congress for executives who cannot be placed; provides for annual report on placement of RIF'd executives—(sec. 103(e)(1)).	Eliminates 30-day notification to Congress—(sec. 304(b)(2)).	Same as S. 958.
	Eliminates mandatory 1 year reinstatement to SES for RIF'd executives who were career appointees as of May 31, 1981—(sec. 103(c)).	Retains requirement only for RIF's prior to Oct. 1984—(sec. 304(c)).	Same as H.R. 5680.
	Eliminates appeal rights on OPM placement and reinstatement, which are no longer applicable; retains appeal rights on competitive procedures—(sec. 103(e)(2)).	No change in current law	Eliminates appeal rights on OPM placement; retains appeal rights on competitive procedures.
4. Reassignment—5 USC 3395(a)	Provides 30-day advance notice with specific reasons for geographic moves—(sec. 103(1)).	Provides 60-day advance notice with reasons, following consultation with employee—(sec. 305(a)).	Same as H.R. 5680, but provides employee may waive 60-day notice.
5. Transfer of function—No current title 5 provision.	No provision	Requires OPM to issue regulations providing rights comparable to those for competitive service employees—(sec. 305(b)).	Same as H.R. 5680.
6. Pay cap—5 USC 5383(b)	Eliminates Ex. Lev. I pay cap ($83,300) on combined basic pay, bonuses, rank awards, and physicians comparability allowances—(sec. 103(h)).	No change in current law	Retains cap, but provides any amount not paid one fiscal year shall be paid as lump sum at start of next fiscal year; provision in case of death.
7. Commissioned officers	No change in current law	.....do	Allows commissioned officers to serve on ERB's and to serve, with employee consent as higher level review on SES performance ratings except where officer is immediate supervisor.
8. Furlough—No current title 5 provision.	Provides specific statutory language and appeal right to MSPB—(sec. 103(f)).	.....do	Same as S. 958.
9. Effective date	Upon enactment	Oct. 1984, except reassignment and transfer of function, which effective on enactment—(sec. 306).	90 days after enactment, except reassignment and transfer of function, which effective on enactment.
10. Noncareer appointee limitation—5 USC 3134(b) and (d).	No change in current law (10 percent Government and 25 percent agency limitations based on current allocated positions).	Limitations to be based on average number of SES appointees the previous fiscal year, effective Oct. 1984—(sec. 303).	Same as S. 958; no change in current law.
11. Performance removal—5 USC 3594(b).	Eliminates SES pay savings (sec. 103(d)(2)).	No change in current law	Same as H.R. 5680; no change in current law.

SENIOR EXECUTIVE SERVICE: SIDE-BY-SIDE ANALYSIS OF SENATE AND HOUSE BILLS AND SENATE AMENDMENTS—Continued

Subject	S. 958	H.R. 5680	Senate amendments
12. Adverse actions—5 USC 7543...	Adds failure to accept directed reassignment or transfer of function to coverage—(sec. 103(i)).	Same as S. 958—(sec. 305(c)).....	Same as S. 958.
13. Discontinued service retirement—5 USC 8336(d).	Provides continued eligibility for DSR if removed for failure to accept directed reassignment or transfer of function outside commuting area—(sec. 103(k)).	Same as S. 958—(sec. 305(d))	Do.

Mr. Speaker, further reserving the right to object, I yield to the gentlewoman from Ohio [Ms. OAKAR], the chair of the Subcommittee on Compensation and Employee Benefits.

Ms. OAKAR. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the Senate has just passed H.R. 2300, the Civil Service Retirement Spouse Equity Act of 1984, as amended. I am pleased in this 11th hour that the Senate took up this important legislation.

The Senate also attached to the bill as passed by the House two important provisions of another bill that will prove beneficial to thousands of Federal managers and senior executives. As a result, former spouses will be eligible for survivor benefits, under H.R. 2300 as amended, and Federal managers and senior executive service employees will be ensured a more equitable pay and evaluation system.

Unfortunately, while the Senate merged titles II and III of H.R. 5680, the Federal Pay Equity and Management Improvement Act of 1984, to the spouse equity bill, title I of H.R. 5680 was not considered. As you will recall, title I of H.R. 5680 mandates a pay equity study of the Federal wage and classification systems to determine whether or to what extent sex is used in determining pay in the Federal Government. I am greatly disappointed that the Senate refused to act on this important provision of H.R. 5680, even though it was approved overwhelmingly by the House.

However, the chairman of the Senate Governmental Affairs Committee and the Civil Service Subcommittee have agreed to join Chairman FORD, of the House Post Office and Civil Service Committee and myself in requesting the General Accounting Office to set forth the criteria and the options for a complete pay equity study of the Federal Government. The General Accounting Office will report to the committees no later than March 1, 1985, on the cost, methodology, and scope of such a study. The GAO study will provide the documentation and the preliminary analysis to launch a thorough examination of the Federal pay and classification systems to determine if they are tainted by sex-based wage discrimination.

I am also pleased that Senator TED STEVENS, chairman of the Civil Service Subcommittee agreed to conduct early hearings on the GAO report and to take up pay equity legislation on the Senate side shortly after the hearings.

I want to commend Senator CRANSTON for his efforts on behalf of the working women of this country. I also want to extend my appreciation to Chairman FORD, Congresswoman SCHROEDER, and Congressman HOYER for their fine work on this legislation. I also appreciate the cooperation and hard work of Congressman WOLF on the merit pay provisions of this bill and to the ranking minority member of my subcommittee, Mr. DANNEMEYER, for his cooperation in developing the former spouses legislation. I believe that we have a fine bill that deserves the full support of our colleagues.

□ 1320

Mr. DANNEMEYER. Mr. Speaker, the minority and the administration are pleased to support this legislation which is important to the spouses of Federal employees and to the merit pay managers and senior executives of the Federal Government.

The other body is to be commended for improving and moving this legislation.

Mr. Speaker, at this point I yield to the gentleman from Virginia [Mr. WOLF], who has been the prime mover in the House of merit pay legislation.

Mr. WOLF. I thank the gentleman for yielding.

Mr. Speaker, I am pleased that the House is acting on this vital merit pay and Senior Executive Service reform legislation. I have worked to reform the flawed merit pay system for the past 4 years and support the provisions of this legislation including Senior Executive Service reforms and positive benefits for former spouses of civil servants.

When I was seeking office in 1978, I met with Bun Bray of the Federal Managers Association who told me of the inherent flaws of the merit pay system established by the Civil Service Reform Act of 1977. And in the past 6 years, those problems have been manifested in a merit pay system that is impractical, unworkable and inequitable for the managers of the Federal work force.

During my first term in Congress in 1981, one of my top priorities was to introduce legislation to correct the serious problems with the merit pay system. One of the bills I introduced in the 97th Congress, H.R. 5743, the Incentive Pay Amendments of 1982, was the first bill introduced to Congress to reform the pay system of the Nation's midlevel managers.

Because I wanted a bill which was fair and equitable when applied in the workplace, I contacted and met with career civil servants and personnelists in agencies throughout the Federal Government to ask their views on my legislation so that we could formulate a proposal that would work. H.R. 5743 was revised and perfected with their suggested changes incorporated in H.R. 1841, the Merit Pay Reform Act of 1983, which I introduced in the 98th Congress in March 1983.

An identical Senate counterpart to H.R. 1841, S. 958, was introduced in the other body by my Virginia colleague, Senator TRIBLE. The bill we have before us today with its merit pay provisions is an amended version of the Merit Pay Reform Act as introduced early in the 98th Congress. The major merit pay provisions of this legislation were derived from my merit pay bill. In my work to change the merit pay system, I believe we have reached a carefully crafted compromise in the Senate amendment to H.R. 2300. We now have an effective vehicle for accomplishing positive reform. And because of the extensive contact I have had with managers throughout Government on this legislation, I am confident that this legislation will correct the current inequities in the managers' pay-for-performance system and reflects the interests and concerns of managers and executives. This is truly the managers' bill.

Although I am particularly involved with the merit pay and SES portions of this legislation, I do not want to overlook the important achievements and progress made on behalf of former spouses in this legislation. We have a responsibility to these former spouses who contributed many years of their lives supporting and building families enabling the civil servant to fulfill the demands of Government work. As an employer, the Federal Government

must be sensitive to the marriage partnership because either directly or indirectly both individuals are working for the Government. The costs and the benefits of the marriage relationship, therefore, should be recognized. This legislation effectively recognizes both the importance of the marriage relationship and the importance of the former partner's contribution to the employee's career in civil service when the marriage relationship dissolves. I support the former spouse provisions in this legislation.

I believe bipartisanship was the most essential element in successfully moving this total package through to final passage. I urge my colleagues to support the adoption of these vital management, pay for performance and former spousal benefit reforms.

In conclusion, I believe we have an opportunity today to approve positive legislation for the often maligned Federal work force. This is a great day for 110,000 mid-level managers, 7,200 senior executives and untold numbers of former spouses. This is truly a major accomplishment for Government workers in which we all should be very proud.

Again, my sincere appreciation Mr. Speaker, to you for your quick action on this legislation and my appreciation to Ms. OAKAR and Mr. FORD for the important role they have played in facilitating this process. The work on this legislation by the committee—Jerry Klepner, Pierce Myers, Bob Lockhart, and Tom DeYulia has been of tremendous value in this process. Our former committee colleague—STENY HOYER played a significant part of this legislation and I want to thank him and his staff assistant John Moag for their interest in pursuring merit pay reform. I want to acknowledge the difficult role Mr. DANNEMEYER has played in this process and his staff assistant Steve Ramp.

There are many individuals whose contributions should be recognized. I want to publicly thank the Federal personnel directors in the agencies for their response and attention to my numerous requests for practical guidance on these new merit pay concepts. I feel a personal debt of gratitude to the Federal Managers Association under the leadership of Bun Bray, Red Evans, and Mike Minahan, all of whom have been persistent in their attention to this legislation.

I commend the innovative concepts introduced by the Professional Managers Association under Don Gillis and Lisa Carlson. On a special note, Don was a congressional fellow in my office and worked on this legislation during the early stages of its development. Neil Reichenberg and the International Personnel Management Association were also helpful in support and guidance on issues of paramount concern to personnelists in all levels of Government.

Member organizations of the Federal Employees Coordinating Committee and other groups whose support and help in formulating this initiative are appreciated where the diversified Social Security Managers Association, the academic and practical advice provided by the Classification and Compensation Society and the support of the well-established organization of professional employees at the Department of Agriculture.

I would like to mention several civil servants who have been influential in the formulation of this legislation. Rich Liebl of the Department of the Navy originally introduced many of these concepts to my office and should be commended with one of the first merit pay awards under this legislation. Earle Payne of the Office of Secretary of Defense, Bob Moffit, George Nesterczuk with the Office of Personnel Management along with his career staff—John Fossom, Barbara Fiske, Al Levan, and Fidelma Donahue, and General Accounting Office experts Jerry Miller and Gil Fitzhugh are just some of the others wo deserve to share in the credit for this reform measure.

Senior Executive Asssociation played an important role in the development of the SES changes in this legislation and I would like to thank Jerry Shaw and Dave Burckman of the Senior Executive Association for the outstanding representation of senior executives' concerns they provided in my original merit pay/senior executive service legislation (H.R. 5066).

On a personal note, though, I would like to recognize the dedication and perseverance of Jamie Cowen of Senator STEVENS' staff and Lori Beth Feld of Senator TRIBLE's office. They, with the assistance of numerous others, are largely responsible for the Senate's timely action on this legislation. With gratitude I offer my sincere appreciation to Senators STEVENS, WARNER, ROTH, and CRANSTON for their cooperation in the movement of this major civil service reform and a special thanks to my friend and Virginia colleague PAUL TRIBLE.

In closing, I would like to personally recognize the tremendous effort that my staff, Sara Boney, has done on this legislation. She has worked on it for better than 2 years and without her day-in-day-out work we would not be here today.

Mr. DANNEMEYER. Mr. Speaker, further reserving the right to object, I yield to my friend, the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I rise in support of H.R. 2300 as amended by the Senate. The bill now contains three titles. The first title is the former spouse retirement legislation which we passed on September 24, 1984. The changes made in this title by the Senate are minor. So, rather than repeat what I said on September 24, let me just direct readers to the CONGRESSIONAL RECORD of that date. Basically, H.R. 2300 is a major step forward toward justice for spouses of civil servants. It is, however, by no means the end of the journey. I expect to be back next year with further proposals to right the wrongs done to this group, which is overwhelmingly women.

Titles II and III of this bill cover the same subject matters as S. 958 and as did titles II and III of H.R. 5680, which passed the House overwhelmingly on June 28, 1984. Title I of H.R. 5680 required a study of pay discrimination against women in the Federal Government. Although the House voted 22 to 395 against any weakening of this provision, the Reagan White House and their trusties in the other body have worked diligently to kill any pay equity study. Sending two-thirds of H.R. 5680 back, without the pay equity study, will not kill the movement for fair pay for women in the Federal Government. The longer the administration delays the inevitable, however, the more painful will be the remedy.

Title II is a sweeping reform of the failed merit pay system. While the solution contained in the bill is not my first choice for the repair of merit pay, it is a good solution which has broad support by the individuals affected. Chairwoman MARY ROSE OAKAR and her staff have done a superb job in bringing together adversaries in support of both title I and title II of this bill.

Title III is largely the House-passed version of senior executive service amendments. The following changes were made:

The House bill contained a range of 2 to 4 percent in the permissible level of total performance awards which may be given to senior executives by an agency. The Senate changed it to 3 percent as a cap.

The House bill clarified the limit on the number of noncareer senior executives who could be on the payroll at any one time. The Senate insisted that this provision be removed. Reluctantly, we ageed to remove it, largely because the number of noncareer senior executives has dropped in the last few months. If the number starts getting up around 700 again, however, I will move swiftly to limit it, whether the increase in political senior executives occurs in a Mondale administration or in a second Reagan administration.

The reduction in force proposals of the House and of the Senate in S. 958 were melded. Basically, a senior executive facing a reduction in force has a guaranteed right to a GS–15 position and the Office of Personnel Management has an obligation to try to place

these surplus senior executives in vacant SES positions.

On the issue of the executive level I pay cap, we worked out a compromise. The cap remains in place, but moneys which cannot be paid in any one fiscal year because of the cap will be paid in the next one.

The Senate added language permitting military officers to serve on executive resource boards and to hear performance grievances of senior executives, if the senior executive wants to take his or her grievance there. This deals with a problem at the Pentagon where senior executives are supervised by military officers.

The Senate also added adverse action protections for senior executives who are subject to furloughs.

Overall, this is a good bill: One we should agree to and send to the President.

Mr. DANNEMEYER. Further reserving the right to object, Mr. Speaker, I yield to my friend, the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I thank the gentleman from California for yielding.

Mr. Speaker, the gentlewoman from Ohio deserves congratulations for her determination to move this legislation onto the White House for the President's signature. While it is unfortunate that this bill does not contain the study on pay equity endorsed by the House almost unanimously some weeks ago, it is my understanding that the gentlelady has reached an agreement with the Senate that the GAO will undertake an immediate study of pay equity and that hearings on the subject will be held early in the next Congress.

The Civil Service Retirement Spouse Act of 1984, a long-awaited measure that recognizes the right of a Federal employee's spouse to survivor benefits and health benefits, also contains provisions making such needed changes in the merit pay program as well as certain changes in the senior executive service.

Mr. Speaker, I have worked for 3 years with the gentlewoman from Ohio, the gentleman from Michigan and the gentleman from Virginia [Mr. WOLF], in reaching an agreement on changes in the merit pay system. I am happy to report, Mr. Speaker, that in true bipartisan spirit, we have reached agreement on a merit pay package that sets forth true incentives and disincentives for merit pay employees and provides the funds necessary to compensate these employees according to their performance.

It is said, Mr. Speaker, that you know you have a good deal when both parties leave the table not entirely satisfied. I would have preferred a higher funding level for the merit pay program and the retention of some other House provisions. I am sure that the Senate is not entirely happy with this product as well. So we appear to have struck a good compromise to the benefit of our Federal managers. Again, I am proud to have been a part of this effort and once again commend the members and staff of the House Post Office and Civil Service Committee for their determination in having this legislation enacted.

In closing, I want to join my colleague from Virginia, Mr. WOLF, in congratulating John Moag of my staff, Sara Boney, of Congressman WOLF's staff, and Jerry Klepner, of the Subcommittee on Compensation and Benefits, for their outstanding work which has been so important in getting this legislation to the floor today.

□ 1330

Ms. OAKAR. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I yield to my chairman, the gentlewoman from Ohio.

GENERAL LEAVE

Ms. OAKAR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the matter being considered.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Ms. OAKAR. Mr. Speaker, I would certainly be remiss if I did not congratulate everybody involved, including the staff, but especially my staff director, Jerry Klepner, who kept brainstorming about how we could figure out a way not to kill legislation that was very, very important. I appreciate it, and I think he knows that, but I want to say it publicly.

I thank the gentleman for yielding.

Mr. DANNEMEYER. I thank the gentlewoman.

Mr. Speaker, the gentlewoman from Ohio [Ms. OAKAR], and the gentleman from Michigan [Mr. FORD], the distinguished chairman of the full committee, are to be commended for their cooperation and dedication on this legislation. I have no further requests for time, withdraw my reservation, and yield back the balance of my time.

● Mr. PARRIS. Mr. Speaker I support the Merit Pay Reform Act provisions contained in H.R. 2300 and urge its adoption by the House because the current system does not work, has never worked, and will never work, and it must be changed. Simply put, the Federal Government must have an effective pay-for-performance system to reward the middle-level supervisors and managers who actually run this complex machinery we call the Government.

These are the people who are charged with the responsibility of implementing all these policies we in Congress set, and the current merit pay system puts a higher value on mediocrity than on excellence.

This legislation will restore some equity to the deserving employees who have been penalized under the current system.

One of the major problems that now exists is that monetary merit awards are tacked onto an employees' base salary, where it remains, year after year, reflected in adjustments to base pay. Under this current system, a middle-level manager who has won a merit award in the past can rest on his laurels.

Under the proposed merit pay reform, the award would be a lump-sum, one-time award to recognize outstanding performance. The slate would then be wiped clean, and an employe rewarded in 1 year would have to exhibit that same excellence and outstanding performance the following year if he or she is to receive another merit award.

This is pure common sense. I am quite sure all of the Members of the House have heard or read testimony from employees who say the current system of inequitable treatment has caused morale problems that far outweigh any benefits that might have been realized. If that was true this legislation will correct the problem. I urge my colleagues to support these merit pay reforms.●

● Mr. BARNES. Mr. Speaker, I would like to join with my colleagues in sealing the rare, but important victory for Federal employees and the Federal service which is represented by this bill, H.R. 2300, which provides retirement equity to former spouses of Federal employees and includes long-overdue reforms for senior executives and managers working under merit pay.

Many Members worked long and hard on merit pay reforms for managers in grades GS 13 through 15. This legislation will help reduce the exodus of top managers from the Federal service. Managers will no longer have to suffer significant reductions in pay because of the caprice of faulty performance appraisals or the limitations of funding pools. Rather, H.R. 2300 provides a strengthened approach that will help develop performance appraisals that are fair and increase funds available for incentive awards to top performers.

Mr. Speaker, the development of this bill has been a team effort in the best traditions of the House. The work of the gentleman from Maryland [Mr. HOYER] and the gentleman from Virginia [Mr. WOLF] reflect their strong commitment to these issues. They along with the distinguished chair of the Subcommittee on Compensation and Employee Benefits [Ms. OAKAR] pushed the bill past all obstacles. In the other body, important contributions were made by Senator STEVENS

of Alaska and Senator TRIBLE of Virginia.

As chairman of the Federal Government Service Task Force, I know how much valuable time and assistance Federal employees and their representatives contributed to the development of this legislation. Therefore, I would like to join my colleagues in recognizing the work of Bun Bray and Red Evans of the Federal Managers Association, Lisa Carlson and Don Gillis of the Professional Managers' Association, and of course G. Jerry Shaw and Dave Burckman of the Senior Executive Association. Our task force strongly supports H.R. 2300 and I am pleased that we were able to play an auxiliary role in facilitating its enactment.

It took more than a little creative genius to arrive at the compromise devised by the parties to enable Congress to continue the fight for pay equity for the Federal service. Although we will not enact the study on comparable pay approved overwhelmingly in the House, the GAO study requested by Ms. OAKAR, Chairman FORD, and Senator STEVENS will keep the issue alive and provide us with a much clearer picture of where we want to focus in the 99th Congress. The staff director of the Subcommittee on Compensation and Employee Benefits, Jerry Klepner, deserves special recognition for his tenracious work on the issue.

Many key elements were added to H.R. 2300 through the legislative process, but as first conceived by the gentlewoman from Colorado [Mrs. SCHROEDER] it provides both relief and recognition to spouses, particularly women, who helped build the families and family life that supported our career Federal employees. The debt owed to these spouses has taken far too long to pay, but H.R. 2300 does signal the Federal work force that Congress is willing to act responsibly and fairly to maintain an outstanding Federal service.

Mr. Speaker, I hope that in the new Congress we can continue to move in that direction.●

Mr. DANNEMEYER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the initial request of the gentlewoman from Ohio?

There was no objection.

A motion to reconsider was laid on the table.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON WAYS AND MEANS—APPOINTMENT AS MEMBER OF NATIONAL COMMISSION ON AGRICULTURAL TRADE AND EXPORT POLICY

The SPEAKER laid before the House the following communication from the chairman of the Committee on Ways and Means:

COMMITTEE ON WAYS AND MEANS,
Washington, DC, October 2, 1984.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
The Capitol, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the provisions of Public Law 98-412, I hereby designate the Honorable Beryl Anthony, Jr. of Arkansas to serve as a member of the National Commission on Agricultural Trade and Export Policy.

Sincerely yours,

DAN ROSTENKOWSKI,
Chairman.

COMMUNICATION FROM RANKING MINORITY MEMBER OF COMMITTEE ON WAYS AND MEANS—APPOINTMENT AS MEMBER OF NATIONAL COMMISSION ON AGRICULTURAL TRADE AND EXPORT POLICY

The SPEAKER laid before the House the following communication from the ranking minority member of the Committee on Ways and Means:

COMMITTEE ON WAYS AND MEANS,
Washington, DC, October 4, 1984.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House,
The Capitol.

DEAR MR. SPEAKER: Pursuant to the provisions of Section 1219(c) of Public Law 98-412, establishing a National Commission on Agricultural Trade and Export Policy, I hereby designate the Honorable John J. Duncan of Tennessee to serve on the National Commission as a representative of the House Ways and Means Committee.

Very truly yours,

BARBER B. CONABLE, Jr.,
Ranking Minority Member.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON FOREIGN AFFAIRS—APPOINTMENT AS MEMBER OF NATIONAL COMMISSION ON AGRICULTURAL TRADE AND EXPORT POLICY

The SPEAKER laid before the House the following communication from the chairman of the Committee on Foreign Affairs:

COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, October 1, 1984.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the provision of H.J. Res. 600, establishing a National Commission on Agricultural Trade and Export Policy, which provides for ex officio membership on the Commission of the Chairman and Ranking Minority Member of the House Committee on Foreign Affairs or their designees, I am pleased to inform you that I hereby designate the Honorable Lee H. Hamilton of Indiana to serve on the Commission in my stead.

With best wishes, I remain,

Sincerely yours,

DANTE B. FASCELL,
Chairman.

COMMUNICATION FROM RANKING MINORITY MEMBER OF COMMITTEE ON FOREIGN AFFAIRS—APPOINTMENT AS MEMBER OF NATIONAL COMMISSION ON AGRICULTURAL TRADE AND EXPORT POLICY

The SPEAKER laid before the House the following communication from the ranking minority member of the Committee on Foreign Affairs:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, October 4, 1984.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives,
The Capitol, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the provisions of Section 1219(c) of Public Law 98-412, establishing the National Commission on Agricultural Trade and Export Policy, I hereby designate the Honorable Doug Bereuter to serve on this Commission as the representative from the House Foreign Affairs Committee.

With Best wishes.

Sincerely,

WILLIAM S. BROOMFIELD,
Ranking Minority Member,
Committee on Foreign Affairs.

RECESS

The SPEAKER. Pursuant to the order of the House of Tuesday, October 9, 1984, the Chair declares the House in recess subject to the call of the Chair.

Bells will be rung 15 minutes before the House reconvenes.

Accordingly (at 1 o'clock and 34 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1600

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 4 p.m.

CONFERENCE REPORT ON H.R. 6028, DEPARTMENTS OF LABOR, HEALTH, AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES APPROPRIATION ACT, 1985

Mr. NATCHER. Mr. Speaker, I call up the conference report on the bill (H.R. 6028) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1985, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see Proceedings of the House of October 3, 1984.)

The SPEAKER. The gentleman from Kentucky [Mr. NATCHER] will be recognized for 30 minutes, and the

gentleman from Massachusetts [Mr. CONTE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Kentucky [Mr. NATCHER].

GENERAL LEAVE

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the conference report and amendments in disagreement on the bill, H.R. 6028.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. NATCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have frequently mentioned that it is a distinct honor and a privilege to work with my friend SILVIO CONTE on this bill. He is the ranking minority member on our subcommittee, as well as being the ranking minority member of the full Appropriations Committee. He sits with us through many weeks of hearings each year on this bill. He plays an absolutely essential role in helping to bring this bill to floor each year, helping to pass the bill through the House, helping to reach agreement with the Senate in conference, and helping to obtain House approval of the conference agreement. He is also very effective in negotiating with the White House to obtain Presidential approval of the bill. I want to thank him especially for his efforts last year and this year to assure that the Labor-Health and Human Services and Education appropriation bill, which means so much to all the people of this great Nation, is signed into law. SILVIO CONTE is a tenacious fighter for all of the health, education, and human resources programs which are supported through the bill which we bring to the House today.

I would also like to thank each of the other members of our subcommittee, all of whom have participated in our successful effort to bring this conference report to the House at this time.

Mr. Speaker, the conference agreement on H.R. 6028 which we present to the House today provides a total of $104,564,893,000 for the Departments of Labor, Health and Human Services and Education and related agencies. This amount includes $6,340,645,000 for the Department of Labor, $79,630,793,000 for the Department of Health and Human Services, $17,601,556,000 for the Department of Education and $991,899,000 for related agencies. The total agreement includes $72,071,652,000 for mandatory programs, principally Medicaid, Medicare, aid to families with dependent children and supplemental security income and $32,493,241,000 for discretionary programs where spending levels are set through the annual appropriation process.

The total funding recommended by the conferees is $1,501,291,000 below the amount appropriated for Labor, Health and Human Services and Education activities in fiscal year 1984. It is, however, $4,879,547,000 above the President's budget. The agreement includes a decrease of $1,338,730,000 below the level proposed by the Senate and an increase of $8,769,353,000 over the House bill. The increase over the House is principally the result of the inclusion in the bill of $7,862 million for programs which were not considered by the House due to a lack of authorizing legislation at the time of House action. For items considered by both Houses of Congress the conference agreement is $907 million above the House bill and $1,194 million below the Senate bill.

H.R. 6028 includes funding for more than 400 separate programs in 3 Cabinet departments and 12 related agencies. Obviously I cannot review each recommendation here today. Some of the more important recommendations include:

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to insert at this point in the RECORD a table showing the conference agreement for each program, including the bill, together with appropriate comparisons.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985				Conference compared with			
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill H/B
SUMMARY									
Title I - Department of Labor:									
Federal Funds, authorized	15,787,342,000	5,825,171,000	6,124,701,000	6,017,979,000	6,014,645,000	-9,772,697,000	+189,474,000	-110,056,000	-3,334,000
Federal Funds, House deferred	317,300,000	317,300,000	DEFER	335,000,000	326,000,000	+8,700,000	+8,700,000	+326,000,000	-9,000,000
Total, Federal Funds	16,104,642,000	6,142,471,000	6,124,701,000	6,352,979,000	6,340,645,000	-9,763,997,000	+198,174,000	+215,944,000	-12,334,000
Trust Funds	(3,319,667,000)	(2,615,327,000)	(2,535,627,000)	(2,619,094,000)	(2,579,794,000)	(-739,873,000)	(-35,533,000)	(+44,167,000)	(-39,300,000)
Title II - Department of Health and Human Services:									
Federal Funds (all years)	66,781,476,000	71,006,479,000	72,044,400,000	74,185,388,000	72,989,478,000	+6,208,002,000	+1,982,999,000	+945,078,000	-1,195,910,000
Federal Funds, House deferred	6,890,375,000	6,272,376,000	DEFER	6,739,413,000	6,641,315,000	-249,060,000	+368,939,000	+6,641,315,000	-98,098,000
Total, Federal Funds	73,671,851,000	77,278,855,000	72,044,400,000	80,924,801,000	79,630,793,000	+5,958,942,000	+2,351,938,000	+7,586,393,000	-1,294,008,000
Trust Funds	(4,760,330,000)	(4,839,353,000)	(4,899,353,000)	(4,907,144,000)	(4,904,144,000)	(+143,814,000)	(+64,791,000)	(+4,791,000)	(-3,000,000)
Title III - Department of Education:									
Federal Funds, authorized	14,764,661,000	14,901,878,000	16,838,262,000	16,900,154,000	16,906,556,000	+2,141,895,000	+2,004,678,000	+68,294,000	+6,402,000
Federal Funds, House deferred	600,000,000	506,630,000	DEFER	695,000,000	695,000,000	+95,000,000	+188,370,000	+695,000,000	—
Total, Federal Funds	15,364,661,000	15,408,508,000	16,838,262,000	17,595,154,000	17,601,556,000	+2,236,895,000	+2,193,048,000	+763,294,000	+6,402,000
Title IV - Related Agencies:									
Federal Funds, authorized	765,530,000	755,512,000	788,177,000	792,689,000	791,899,000	+26,369,000	+36,387,000	+3,722,000	-790,000
Federal Funds, House deferred	159,500,000	100,000,000	DEFER	238,000,000	200,000,000	+40,500,000	+100,000,000	+200,000,000	-38,000,000
Total, Federal Funds	925,030,000	855,512,000	788,177,000	1,030,689,000	991,899,000	+66,869,000	+136,387,000	+203,722,000	-38,790,000
Trust Funds	(57,546,000)	(56,922,000)	(57,846,000)	(58,372,000)	(57,846,000)	(+300,000)	(+924,000)	—	(-526,000)
Total, all titles:									
Federal Funds, authorized	98,099,009,000	92,489,040,000	95,795,540,000	97,896,210,000	96,702,578,000	-1,396,431,000	+4,213,538,000	+907,038,000	-1,193,632,000
Federal Funds, House deferred	(7,967,175,000)	(7,196,306,000)	DEFER	(8,007,413,000)	(7,862,315,000)	(-104,860,000)	(+666,009,000)	(+7,862,315,000)	(-145,098,000)
Subtotal, Federal Funds	106,066,184,000	99,685,346,000	95,795,540,000	105,903,623,000	104,564,893,000	-1,501,291,000	+4,879,547,000	+8,769,353,000	-1,338,730,000
Current year	(98,134,684,000)	(89,016,737,000)	(85,226,931,000)	(94,814,854,000)	(93,514,124,000)	(-4,620,560,000)	(+4,497,387,000)	(+8,287,193,000)	(-1,300,730,000)
1986 advance	(7,772,000,000)	(10,568,609,000)	(10,568,609,000)	(10,850,769,000)	(10,850,769,000)	(+3,078,769,000)	(+282,160,000)	(+282,160,000)	—
1987 advance	(159,500,000)	(100,000,000)	—	(238,000,000)	(200,000,000)	(+40,500,000)	(+100,000,000)	(+200,000,000)	(-38,000,000)
Trust Funds	(8,136,103,000)	(7,511,602,000)	(7,492,826,000)	(7,583,119,000)	(7,540,284,000)	(-595,819,000)	(+28,682,000)	(+47,458,000)	(-42,826,000)
CURRENT YEAR, INCLUDING PRIOR YEAR ADVANCES:									
Mandatory, current appropriations	(64,607,234,000)	(60,194,537,000)	(60,363,761,000)	(62,200,138,000)	(61,020,883,000)	(-3,586,351,000)	(+826,346,000)	(+657,122,000)	(-1,179,255,000)
Mandatory, prior year advances	(7,089,100,000)	(7,922,500,000)	(7,922,500,000)	(7,922,500,000)	(7,922,500,000)	(+833,400,000)	---	---	---
Subtotal, Mandatory	(71,696,334,000)	(68,117,037,000)	(68,286,261,000)	(70,122,638,000)	(68,943,383,000)	(-2,752,951,000)	(+826,346,000)	(+657,122,000)	(-1,179,255,000)

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985				Conference compared with			
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	M/D
Discretionary, current appropriations	(25,560,275,000)	(21,625,894,000)	(24,863,170,000)	(24,607,303,000)	(24,630,926,000)	(-929,349,000)	(+3,005,032,000)	(-232,244,000)	(+23,623,000)	
Discretionary, House deferred	(7,967,175,000)	(7,196,306,000)	DEFER	(8,007,413,000)	(7,862,315,000)	(-104,860,000)	(+666,009,000)	(+7,862,315,000)	(-145,098,000)	
Subtotal, Discretionary	(33,527,450,000)	(28,822,200,000)	(24,863,170,000)	(32,614,716,000)	(32,493,241,000)	(-1,034,209,000)	(+3,671,041,000)	(+7,630,071,000)	(-121,475,000)	
Total, Adjusted current year	105,223,784,000	96,939,237,000	93,149,431,000	102,737,354,000	101,436,624,000	-3,787,160,000	+4,497,387,000	+8,287,193,000	-1,300,730,000	
TITLE I, DEPARTMENT OF LABOR										
EMPLOYMENT AND TRAINING ADMINISTRATION										
PROGRAM ADMINISTRATION										
Comprehensive employment and training	9,170,000	8,191,000	8,191,000	8,191,000	8,191,000	-979,000	—	—	—	D
Employment security	5,200,000	1,035,000	1,035,000	1,035,000	1,035,000	-4,165,000	—	—	—	D
Trust funds	(12,259,000)	(16,200,000)	(16,200,000)	(16,200,000)	(16,200,000)	(+3,941,000)	—	—	—	TF
Financial control and management systems	17,423,000	13,858,000	13,858,000	13,858,000	13,858,000	-3,565,000	—	—	—	D
Trust funds	(4,086,000)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	(+3,914,000)	—	—	—	TF
Executive direction and administration	3,882,000	2,919,000	2,919,000	2,919,000	2,919,000	-963,000	—	—	—	D
Trust funds	(2,718,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(+82,000)	—	—	—	TF
Regional operations	34,141,000	28,187,000	28,187,000	28,187,000	28,187,000	-5,954,000	—	—	—	D
Trust funds	(16,246,000)	(18,200,000)	(18,200,000)	(18,200,000)	(18,200,000)	(+1,954,000)	—	—	—	TF
Apprenticeship services	12,923,000	11,732,000	11,732,000	11,732,000	11,732,000	-1,191,000	—	—	—	D
Undistributed	—	—	3,697,000	—	1,703,000	+1,703,000	+1,703,000	-1,994,000	+1,703,000	D
Total, Program Administration	118,048,000	111,122,000	114,819,000	111,122,000	112,825,000	-5,223,000	+1,703,000	-1,994,000	+1,703,000	
Federal funds	82,739,000	65,922,000	69,619,000	65,922,000	67,625,000	-15,114,000	+1,703,000	-1,994,000	+1,703,000	
Trust funds	(35,309,000)	(45,200,000)	(45,200,000)	(45,200,000)	(45,200,000)	(+9,891,000)	—	—	—	
TRAINING AND EMPLOYMENT SERVICES										
Grants to States:										
Block grant	1,886,151,000	1,886,151,000	1,886,151,000	1,886,151,000	1,886,151,000	—	—	—	—	D
Summer youth employment and training program:										
(Summer, 1985)	724,549,000	—	100,000,000	100,000,000	100,000,000	-624,549,000	+100,000,000	—	—	D
(Summer, 1986)	—	724,549,000	624,549,000	724,549,000	724,549,000	+724,549,000	—	-100,000,000	—	D
Dislocated worker assistance	223,000,000	223,000,000	222,500,000	223,000,000	222,500,000	-500,000	-500,000	—	-500,000	D
Federally administered programs:										
Native Americans	62,243,000	62,243,000	62,243,000	62,243,000	62,243,000	—	—	—	—	D
Migrants and seasonal farmworkers	65,474,000	60,357,000	60,357,000	60,357,000	60,357,000	-5,117,000	—	—	—	D
Job Corps	599,200,000	600,000,000	600,000,000	634,000,000	617,000,000	+17,800,000	+17,000,000	+17,000,000	-17,000,000	D
Veterans' employment	9,720,000	8,846,000	9,519,000	9,141,000	9,667,000	-53,000	+821,000	+148,000	+526,000	D
National activities	61,678,000	45,478,000	57,760,000	51,078,000	61,078,000	-600,000	+15,600,000	+3,318,000	+10,000,000	D
Subtotal, Federal activities	773,315,000	776,924,000	789,879,000	816,819,000	810,345,000	+12,030,000	+33,421,000	+20,466,000	-6,474,000	
Total, Job Training Partnership Act (comparable)	3,632,015,000	3,610,424,000	3,823,079,000	3,750,519,000	3,743,545,000	+111,530,000	+132,921,000	-79,534,000	-6,974,000	

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985				Conference compared with				
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	H/B
Transition to forward funding 1/	2,893,810,000	—	—	—	—	-2,893,810,000	—	—	—	D
Redwoods Park activities	400,000	—	—	—	—	-400,000	—	—	—	D
Trade adjustment program activities	26,000,000	—	26,000,000	26,000,000	26,000,000	—	+26,000,000	—	—	D
Trade adjustment administrative costs	3,700,000	—	—	3,700,000	—	-3,700,000	—	—	-3,700,000	D
Total, Training and Employment Services	6,555,925,000	3,610,624,000	3,849,079,000	3,780,219,000	3,769,545,000	-2,786,380,000	+158,921,000	-79,534,000	-10,674,000	
COMMUNITY SERVICE FOR OLDER AMERICANS	317,300,000	317,300,000	BEFER	335,000,000	326,000,000	+8,700,000	+8,700,000	+326,000,000	-9,000,000	D
FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES										
Trade adjustment assistance	2,000,000	51,000,000	51,000,000	70,000,000	70,000,000	+68,000,000	+19,000,000	+19,000,000	—	M
Unemployment assistance and payments under other Federal unemployment programs	10,000,000	5,000,000	5,000,000	5,000,000	5,000,000	-5,000,000	—	—	—	M
Total, FUBA	12,000,000	56,000,000	56,000,000	75,000,000	75,000,000	+63,000,000	+19,000,000	+19,000,000	—	
STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS										
Unemployment Compensation:										
State Administration:										
Trust funds	(1,325,284,000)	(1,299,977,000)	(1,299,977,000)	(1,299,977,000)	(1,299,977,000)	(-25,307,000)	—	—	—	TF
National Activities:										
Trust funds	(16,806,000)	(16,806,000)	(16,806,000)	(16,806,000)	(16,806,000)	—	—	—	—	TF
Contingency:										
Trust funds	(547,310,000)	(347,617,000)	(263,817,000)	(347,617,000)	(263,817,000)	(-283,493,000)	(-83,800,000)	—	(-83,800,000)	TF
Subtotal, Unemployment Compensation(trust funds)	(1,889,400,000)	(1,664,400,000)	(1,580,600,000)	(1,664,400,000)	(1,580,600,000)	(-308,800,000)	(-83,800,000)	—	(-83,800,000)	
Employment Service:										
Allotments to States:										
Federal funds	20,300,000	22,200,000	22,200,000	22,200,000	22,200,000	+1,900,000	—	—	—	D
Trust funds	(720,098,000)	(718,198,000)	(755,198,000)	(718,198,000)	(755,198,000)	(+35,100,000)	(+37,000,000)	—	(+37,000,000)	TF
Transition to forward funding:										
Federal funds	9,600,000	—	—	—	—	-9,600,000	—	—	—	D
Trust funds	(521,395,000)	—	—	—	—	(-521,395,000)	—	—	—	TF
National Activities: 2/										
Federal funds	32,900,000	1,300,000	49,200,000	1,300,000	1,300,000	-31,600,000	—	-47,900,000	—	D
Trust funds	(7,707,000)	(40,000,000)	(7,100,000)	(43,767,000)	(51,267,000)	(+43,560,000)	(+11,267,000)	(+44,167,000)	(+7,500,000)	TF

1/ Includes $100 million supplemental for summer youth from HJ Res 492.

2/ Includes $20 million in FY 1984 base and FY 1985 estimates for Targeted Jobs Tax Credit program.

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985				Conference compared with				
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	H/D
Subtotal, Employment Service	1,312,000,000	781,698,000	833,698,000	785,465,000	829,965,000	-482,035,000	+48,267,000	-3,733,000	+44,500,000	
Federal funds	62,800,000	23,500,000	71,400,000	23,500,000	23,500,000	-39,300,000	---	-47,900,000	---	
Trust funds	(1,249,200,000)	(758,198,000)	(762,298,000)	(761,965,000)	(806,465,000)	(-442,735,000)	(+48,267,000)	(+44,167,000)	(+44,500,000)	
Total, State Unempl. Ins. and Empl. Ser. Opers	3,201,400,000	2,446,098,000	2,414,298,000	2,449,865,000	2,410,565,000	-790,835,000	-35,533,000	-3,733,000	-39,300,000	
Federal Funds	62,800,000	23,500,000	71,400,000	23,500,000	23,500,000	-39,300,000	---	-47,900,000	---	
Trust Funds	(3,138,600,000)	(2,422,598,000)	(2,342,898,000)	(2,426,365,000)	(2,387,065,000)	(-751,535,000)	(-35,533,000)	(+44,167,000)	(-39,300,000)	
ADVANCES TO UNEMPLOYMENT TRUST FUND AND OTHER FUNDS	7,109,000,000	---	---	---	---	-7,109,000,000	---	---	---	A
Total, Employment & Training Administration	16,996,373,000	6,223,844,000	6,434,196,000	6,416,206,000	6,367,935,000	-10,628,438,000	+144,091,000	-66,261,000	-48,271,000	
Federal funds	13,822,464,000	3,756,946,000	4,046,098,000	3,944,641,000	3,935,670,000	-9,886,794,000	+179,624,000	-110,428,000	-8,971,000	
Trust funds	(3,173,909,000)	(2,467,798,000)	(2,388,098,000)	(2,471,565,000)	(2,432,265,000)	(-741,644,000)	(-35,533,000)	(+44,167,000)	(-39,300,000)	
LABOR-MANAGEMENT SERVICES ADMINISTRATION										
SALARIES AND EXPENSES										
Labor-management relations service	4,004,000	5,166,000	5,166,000	4,075,000	4,620,000	+616,000	-546,000	-546,000	+545,000	D
Labor-management standards enforcement	21,904,000	22,521,000	22,303,000	22,303,000	22,303,000	+399,000	-218,000	---	---	D
Pension and welfare benefit programs	28,963,000	29,299,000	29,088,000	29,088,000	29,088,000	+125,000	-211,000	---	---	D
Executive direction, management and support	4,571,000	4,200,000	4,200,000	4,200,000	4,200,000	-371,000	---	---	---	D
Total, LMSA	59,442,000	61,186,000	60,757,000	59,666,000	60,211,000	+769,000	-975,000	-546,000	+545,000	
PENSION BENEFIT GUARANTY CORPORATION										
Program Administration (non-add)	(34,827,000)	(33,057,000)	(33,057,000)	(33,057,000)	(33,057,000)	(-1,770,000)	---	---	---	MA
EMPLOYMENT STANDARDS ADMINISTRATION										
SALARIES AND EXPENSES										
Enforcement of wage and hour standards	73,995,000	74,844,000	75,444,000	74,844,000	75,444,000	+1,449,000	+600,000	---	+600,000	D
Federal contractor EEO standards enforcement	47,833,000	48,630,000	48,630,000	48,630,000	48,630,000	+797,000	---	---	---	D
Federal programs for workers' compensation	52,859,000	54,244,000	54,244,000	54,244,000	54,244,000	+1,385,000	---	---	---	D
Trust funds	(389,000)	(397,000)	(397,000)	(397,000)	(397,000)	(+8,000)	---	---	---	TF
Executive direction and support services	13,796,000	14,264,000	14,264,000	14,264,000	14,264,000	+468,000	---	---	---	D
Total, salaries and expenses	188,872,000	192,379,000	192,979,000	192,379,000	192,979,000	+4,107,000	+600,000	---	+600,000	
Federal funds	188,483,000	191,982,000	192,582,000	191,982,000	192,582,000	+4,099,000	+600,000	---	+600,000	
Trust funds	(389,000)	(397,000)	(397,000)	(397,000)	(397,000)	(+8,000)	---	---	---	
SPECIAL BENEFITS										
Federal employees compensation act benefits	216,000,000	207,000,000	207,000,000	207,000,000	207,000,000	-9,000,000	---	---	---	M
Longshore and harbor workers' benefits	4,100,000	4,400,000	4,400,000	4,400,000	4,400,000	+300,000	---	---	---	M
Total, Special Benefits	220,100,000	211,400,000	211,400,000	211,400,000	211,400,000	-8,700,000	---	---	---	

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985				Conference compared with			
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	B/D
BLACK LUNG DISABILILTY TRUST FUND										
Benefit payments and interest on advances	818,019,000	910,781,000	910,781,000	910,781,000	910,781,000	+92,762,000	---	---	---	M
Employment Standards Admin., salaries & expenses	22,277,000	24,403,000	24,403,000	24,403,000	24,403,000	+2,126,000	---	---	---	M
Departmental Management, salaries and expenses	13,406,000	13,688,000	13,688,000	13,688,000	13,688,000	+282,000	---	---	---	M
Departmental Management, inspector general	620,000	372,000	372,000	372,000	372,000	-248,000	---	---	---	M
Subtotal, Black Lung Disablty. Trust Fund, apprn	854,322,000	949,244,000	949,244,000	949,244,000	949,244,000	+94,922,000	---	---	---	
Appro. available from prior year	4,161,000	---	---	---	---	-4,161,000	---	---	---	M
Total adjusted apprn. including drawdown										
Federal Funds	858,483,000	949,244,000	949,244,000	949,244,000	949,244,000	+90,761,000	---	---	---	
Treasury administrative costs (indefinite)	756,000	756,000	756,000	756,000	756,000	---	---	---	---	M
Total, Employment Standards Administration	1,268,211,000	1,353,779,000	1,354,379,000	1,353,779,000	1,354,379,000	+86,168,000	+600,000	---	+600,000	
Federal funds	1,267,822,000	1,353,382,000	1,353,982,000	1,353,382,000	1,353,982,000	+86,160,000	+600,000	---	+600,000	
Trust funds	(389,000)	(397,000)	(397,000)	(397,000)	(397,000)	(+8,000)	---	---	---	
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION										
SALARIES AND EXPENSES										
Safety and health standards	6,090,000	6,165,000	6,165,000	6,165,000	6,165,000	+75,000	---	---	---	D
Enforcement:										
Federal Enforcement	81,684,000	82,443,000	82,443,000	82,443,000	82,443,000	+759,000	---	---	---	D
State programs	54,607,000	55,499,000	57,399,000	57,399,000	57,399,000	+2,792,000	+1,900,000	---	---	D
Technical Support	13,535,000	13,713,000	13,213,000	13,713,000	13,213,000	-322,000	-500,000	---	-500,000	D
Compliance Assistance	37,607,000	37,755,000	37,755,000	37,755,000	37,755,000	+148,000	---	---	---	D
Safety and health statistics	13,016,000	16,819,000	17,319,000	17,319,000	17,319,000	+4,303,000	+500,000	---	---	D
Executive direction and administration	6,021,000	5,358,000	5,358,000	5,358,000	5,358,000	-663,000	---	---	---	D
Total, OSHA	212,560,000	217,752,000	219,652,000	220,152,000	219,652,000	+7,092,000	+1,900,000	---	-500,000	
MINE SAFETY AND HEALTH ADMINISTRATION										
SALARIES AND EXPENSES										
Enforcement:										
Coal	76,455,000	75,130,000	75,130,000	75,130,000	75,130,000	-1,325,000	---	---	---	D
Metal/nonmetal	29,110,000	29,245,000	29,245,000	29,245,000	29,245,000	+135,000	---	---	---	D
Standards development	913,000	928,000	928,000	928,000	928,000	+15,000	---	---	---	D
Assessments	2,115,000	1,901,000	1,901,000	1,901,000	1,901,000	-214,000	---	---	---	D
Educational policy and development	12,140,000	12,298,000	12,298,000	12,298,000	12,298,000	+158,000	---	---	---	D
Technical support	18,358,000	18,412,000	18,412,000	18,412,000	18,412,000	+54,000	---	---	---	D
Program administration	12,306,000	12,636,000	12,636,000	12,636,000	12,636,000	+330,000	---	---	---	D
Total, Mine Safety and Health Administration	151,397,000	150,550,000	150,550,000	150,550,000	150,550,000	-847,000	---	---	---	

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985				Conference compared with				
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	H/D
BUREAU OF LABOR STATISTICS										
SALARIES AND EXPENSES										
Employment and Unemployment Statistics	47,880,000	50,333,000	56,895,000	50,333,000	53,333,000	+5,475,000	+3,000,000	-1,540,000	+3,000,000	D
Labor Market Information (Trust Funds) 1/	(20,400,000)	(20,420,000)	(20,420,000)	(20,420,000)	(20,420,000)	(+20,000)	—	—	—	TF
Prices and cost of living	47,353,000	48,376,000	48,376,000	48,836,000	48,779,000	+1,426,000	+403,000	+403,000	-57,000	D
Wages and industrial relations	15,857,000	16,260,000	16,260,000	16,760,000	16,694,000	+837,000	+434,000	+434,000	-66,000	D
Productivity and technology	4,470,000	4,578,000	4,578,000	4,688,000	4,680,000	+210,000	+102,000	+102,000	-8,000	D
Economic growth and employment projections	2,855,000	2,898,000	2,898,000	2,978,000	2,959,000	+104,000	+61,000	+61,000	-19,000	D
Executive direction and staff services	14,085,000	14,768,000	14,768,000	14,768,000	14,768,000	+683,000	—	—	—	D
Consumer Price Index Revision	4,837,000	9,625,000	9,625,000	9,625,000	9,625,000	+4,788,000	—	—	—	D
Total, Bureau of Labor Statistics	157,737,000	167,280,000	173,820,000	168,430,000	173,280,000	+15,543,000	+6,000,000	-540,000	+4,850,000	
Federal Funds	137,337,000	146,860,000	153,400,000	148,010,000	152,860,000	+15,523,000	+6,000,000	-540,000	+4,850,000	
Trust Funds	(20,400,000)	(20,420,000)	(20,420,000)	(20,420,000)	(20,420,000)	(+20,000)	—	—	—	
DEPARTMENTAL MANAGEMENT										
SALARIES AND EXPENSES										
Executive direction	11,158,000	11,232,000	11,232,000	11,232,000	11,232,000	+74,000	—	—	—	D
Legal services	35,863,000	39,598,000	39,598,000	39,598,000	39,598,000	+3,735,000	—	—	—	D
Trust funds	(229,000)	(240,000)	(240,000)	(240,000)	(240,000)	(+11,000)	—	—	—	TF
International labor affairs	4,498,000	4,794,000	4,794,000	4,794,000	4,794,000	+296,000	—	—	—	D
Administration and management	24,863,000	24,486,000	24,486,000	24,486,000	24,486,000	-377,000	—	—	—	D
Adjudication	10,160,000	10,093,000	10,093,000	11,693,000	11,693,000	+1,533,000	+1,600,000	+1,600,000	—	D
Promoting employment of the handicapped	2,018,000	2,129,000	2,129,000	2,129,000	2,129,000	+111,000	—	—	—	D
Women's Bureau	3,899,000	4,130,000	5,130,000	5,130,000	5,130,000	+1,231,000	+1,000,000	—	—	D
Civil Rights Activities	3,240,000	3,268,000	3,268,000	3,268,000	3,268,000	+28,000	—	—	—	D
Total, Salaries and expenses	95,928,000	99,970,000	100,970,000	102,570,000	102,570,000	+6,642,000	+2,600,000	+1,600,000	—	
Federal funds	95,699,000	99,730,000	100,730,000	102,330,000	102,330,000	+6,631,000	+2,600,000	+1,600,000	—	
Trust funds	(229,000)	(240,000)	(240,000)	(240,000)	(240,000)	(+11,000)	—	—	—	
VETERANS EMPLOYMENT SERVICE										
Federal funds	2,534,000	—	—	—	—	-2,534,000	—	—	—	D
Trust funds	(119,040,000)	(122,172,000)	(122,172,000)	(122,172,000)	(122,172,000)	(+3,132,000)	—	—	—	TF
Total, Veterans Employment Service	121,594,000	122,172,000	122,172,000	122,172,000	122,172,000	+578,000	—	—	—	
OFFICE OF THE INSPECTOR GENERAL										
Federal funds	38,000,000	39,465,000	39,465,000	39,181,000	39,323,000	+1,323,000	-142,000	-142,000	+142,000	D
Trust funds	(5,700,000)	(4,300,000)	(4,300,000)	(4,300,000)	(4,300,000)	(-1,400,000)	—	—	—	TF
Total, Office of the Inspector General	43,700,000	43,765,000	43,765,000	43,481,000	43,623,000	-77,000	-142,000	-142,000	+142,000	

1/ Funded in Employment Services in FY84.

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985				Conference compared with				
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	H/D
SPECIAL FOREIGN CURRENCY PROGRAM	67,000	200,000	67,000	67,000	67,000	---	-133,000	---	---	D
Total, Departmental Management	261,289,000	266,107,000	266,974,000	268,290,000	268,432,000	+7,143,000	+2,325,000	+1,458,000	+142,000	
Federal funds	136,320,000	139,395,000	140,262,000	141,578,000	141,720,000	+5,400,000	+2,325,000	+1,458,000	+142,000	
Trust funds	(124,969,000)	(126,712,000)	(126,712,000)	(126,712,000)	(126,712,000)	(+1,743,000)	---	---	---	
Total, Labor Department	19,424,309,000	8,757,798,000	8,660,328,000	8,972,073,000	8,920,439,000	-10,503,870,000	+162,641,000	+260,111,000	-51,634,000	
Federal Funds, authorized	15,787,342,000	5,825,171,000	6,124,701,000	6,017,979,000	6,014,645,000	-9,772,697,000	+189,474,000	-110,056,000	-3,334,000	
Federal Funds, House deferred	317,300,000	317,300,000	DEFER	335,000,000	326,000,000	+8,700,000	+8,700,000	+326,000,000	-9,000,000	
Total, Federal Funds	16,104,642,000	6,142,471,000	6,124,701,000	6,352,979,000	6,340,645,000	-9,763,997,000	+198,174,000	+215,944,000	-12,334,000	
Trust funds	(3,319,667,000)	(2,615,327,000)	(2,535,627,000)	(2,619,094,000)	(2,579,794,000)	(-739,873,000)	(-35,533,000)	(+44,167,000)	(-39,300,000)	
TITLE II--DEPARTMENT OF HEALTH AND HUMAN SERVICES										
PUBLIC HEALTH SERVICE										
HEALTH RESOURCES AND SERVICES ADMINISTRATION										
HEALTH RESOURCES AND SERVICES										
Health Care Delivery and Assistance:										
Maternal and Child Health Block Grant 1/	399,000,000	407,300,000	DEFER	478,000,000	478,000,000	+79,000,000	+70,700,000	+478,000,000	---	D
Primary Care Block Grant 1/:										
Community health centers 1/	351,350,000	---	DEFER	360,000,000	360,000,000	+8,650,000	+360,000,000	+360,000,000	---	D
Black lung clinics 1/	3,120,000	---	DEFER	3,300,000	3,300,000	+180,000	+3,300,000	+3,300,000	---	D
Migrant health 1/	42,000,000	---	DEFER	44,300,000	44,300,000	+2,300,000	+44,300,000	+44,300,000	---	D
Family planning 1/	140,000,000	---	DEFER	140,000,000	142,500,000	+2,500,000	+142,500,000	+142,500,000	+2,500,000	D
Consolidated grant 1/	---	533,400,000	DEFER	---	---	---	-533,400,000	---	---	D
Block grant program support 1/	2,060,000	1,000,000	DEFER	---	---	-2,060,000	-1,000,000	---	---	D
Subtotal, Primary Care Block Grant (non-add)	538,530,000	534,400,000	DEFER	547,600,000	550,100,000	+11,570,000	+15,700,000	+550,100,000	+2,500,000	
Home health demonstrations and training	5,000,000	---	DEFER	5,000,000	3,000,000	-2,000,000	+3,000,000	+3,000,000	-2,000,000	D
National Health Service Corps	68,152,000	67,174,000	DEFER	90,000,000	75,000,000	+6,848,000	+7,826,000	+75,000,000	-15,000,000	D
Hansen's disease services (Carville)	18,449,000	18,694,000	DEFER	18,694,000	18,694,000	+245,000	---	+18,694,000	---	D
Federal employee occupational health	1,219,000	---	DEFER	---	600,000	-619,000	+600,000	+600,000	+600,000	D
Payment to Hawaii for treatment of Hansen's Dis...	2,200,000	1,905,000	DEFER	3,000,000	2,500,000	+300,000	+595,000	+2,500,000	-500,000	D
Direct operations	40,104,000	20,793,000	DEFER	43,000,000	43,000,000	+2,896,000	+22,207,000	+43,000,000	---	D
Total, Health Care Delivery & Assistance	1,072,654,000	1,050,266,000	DEFER	1,185,294,000	1,170,894,000	+98,240,000	+120,628,000	+1,170,894,000	-14,400,000	
Health Professions:										
Health professions student assistance:										
Excertional need scholarships	5,600,000	---	DEFER	7,000,000	7,000,000	+1,400,000	+7,000,000	+7,000,000	---	D
National Health Service Scholarships	6,300,000	---	DEFER	2,300,000	2,300,000	-4,000,000	+2,300,000	+2,300,000	---	D
Student loans (new program)	---	5,000,000	DEFER	5,000,000	---	---	-5,000,000	---	-5,000,000	D

1/ Proposed for consolidation & transfer to Office of the Asst. Sec. for Health in President's Budget.

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985				Conference compared with				
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	H/D
Health professions institutional assistance:										
Financial distress	5,600,000	4,188,000	DEFER	5,600,000	5,600,000	---	+1,412,000	+5,600,000	---	D
Public health/health administration:										
Public Health capitation	4,838,000	---	DEFER	5,000,000	5,000,000	+162,000	+5,000,000	+5,000,000	---	D
Special projects	---	2,000,000	DEFER	6,000,000	---	---	-2,000,000	---	-6,000,000	D
Health Administration grants	1,440,000	---	DEFER	1,500,000	1,500,000	+60,000	+1,500,000	+1,500,000	---	D
Public Health traineeships	2,569,000	---	DEFER	3,000,000	3,000,000	+431,000	+3,000,000	+3,000,000	---	D
Health Administration traineeships	480,000	---	DEFER	500,000	500,000	+20,000	+500,000	+500,000	---	D
Preventive medicine residencies	1,600,000	1,000,000	DEFER	1,600,000	1,600,000	---	+600,000	+1,600,000	---	D
Subtotal, PH/HA	10,927,000	3,000,000	DEFER	17,600,000	11,600,000	+673,000	+8,600,000	+11,600,000	-6,000,000	
Family Med/Gen Dentistry res. & trng	34,000,000	20,000,000	DEFER	36,000,000	36,000,000	+2,000,000	+16,000,000	+36,000,000	---	D
General Internal Medicine and Pediatrics	17,500,000	9,500,000	DEFER	18,500,000	18,500,000	+1,000,000	+9,000,000	+18,500,000	---	D
Family medicine departments	7,790,000	5,000,000	DEFER	7,500,000	7,500,000	-290,000	+2,500,000	+7,500,000	---	D
Physician assistants	4,724,000	---	DEFER	4,800,000	4,800,000	+76,000	+4,800,000	+4,800,000	---	D
Area health education centers	17,920,000	10,000,000	DEFER	18,000,000	18,000,000	+80,000	+8,000,000	+18,000,000	---	D
Health professions data analysis	3,000,000	2,000,000	DEFER	3,000,000	2,000,000	-1,000,000	---	+2,000,000	-1,000,000	D
Disadvantaged Assistance	18,188,000	24,000,000	DEFER	24,000,000	24,000,000	+5,812,000	---	+24,000,000	---	D
Health professions spec ed initiatives	3,000,000	3,000,000	DEFER	3,000,000	3,000,000	---	---	+3,000,000	---	D
Geriatric training initiative	---	---	DEFER	5,000,000	5,000,000	+5,000,000	+5,000,000	+5,000,000	---	D
Pacific Basin initiative 1/	---	---	DEFER	---	2,500,000	+2,500,000	+2,500,000	+2,500,000	+2,500,000	D
Nurse training:										
Advanced nurse training	13,260,000	1,300,000	DEFER	17,500,000	16,500,000	+3,240,000	+15,200,000	+16,500,000	-1,000,000	D
Nurse practitioner	11,760,000	3,000,000	DEFER	12,000,000	12,000,000	+240,000	+9,000,000	+12,000,000	---	D
Special projects	7,156,000	8,000,000	DEFER	10,000,000	9,500,000	+2,344,000	+1,500,000	+9,500,000	-500,000	D
Traineeships	9,600,000	---	DEFER	12,000,000	11,500,000	+1,900,000	+11,500,000	+11,500,000	-500,000	D
Fellowships	960,000	---	DEFER	3,000,000	2,000,000	+1,040,000	+2,000,000	+2,000,000	-1,000,000	D
Research grants	9,000,000	2,000,000	DEFER	9,400,000	9,400,000	+400,000	+7,400,000	+9,400,000	---	D
Loan repayments and cancellations	330,000	---	DEFER	---	---	-330,000	---	---	---	D
Nurse Anesthetists	400,000	---	DEFER	1,000,000	800,000	+400,000	+800,000	+800,000	-200,000	D
Center for Nursing Research	---	---	DEFER	5,000,000	5,000,000	+5,000,000	+5,000,000	+5,000,000	---	D
Subtotal, Nurse training	52,466,000	14,300,000	DEFER	69,900,000	66,700,000	+14,234,000	+52,400,000	+66,700,000	-3,200,000	
Health professions direct operations	20,446,000	15,305,000	DEFER	20,000,000	20,000,000	-446,000	+4,695,000	+20,000,000	---	D
Total, Health professions	207,461,000	115,293,000	DEFER	247,200,000	234,500,000	+27,039,000	+119,207,000	+234,500,000	-12,700,000	
HMO and Resources Development (not authorized):										
Health Planning	(65,086,000)	---	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	D
Health teaching facilities	(800,000)	(1,200,000)	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	D
Direct operations	(13,383,000)	(12,335,000)	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	D
Total, HMO & Resources Development	(79,269,000)	(13,535,000)	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	

1/Senate bill earmarked $5 million for this initiative

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985			Conference compared with				
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	N/D
Buildings and facilities	883,000	---	DEFER	---	---	-883,000	---	---	---	D
Program management / Program support	14,986,000	8,025,000	DEFER	22,795,000	22,300,000	+7,314,000	+14,275,000	+22,300,000	-495,000	D
Undistributed pay	331,000	---	DEFER	---	---	-331,000	---	---	---	D
Total, Health Resources and Services	1,375,584,000	1,187,119,000	DEFER	1,455,289,000	1,427,694,000	+52,110,000	+240,575,000	+1,427,694,000	-27,595,000	
MEDICAL FACILITIES GUARANTEE AND LOAN FUND	32,000,000	26,500,000	26,500,000	26,500,000	26,500,000	-5,500,000	---	---	---	M
HMO LOAN AND LOAN GUARANTEE FUND (non-add)	(12,360,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(-9,760,000)	---	---	---	MA
CENTERS FOR DISEASE CONTROL										
DISEASE CONTROL										
Preventive Health Services Block Grant	88,188,000	89,500,000	DEFER	93,000,000	89,500,000	+1,312,000	---	+89,500,000	-3,500,000	D
Venereal diseases:										
Grants	45,510,000	45,510,000	DEFER	45,510,000	45,510,000	---	---	+45,510,000	---	D
Direct operations	9,185,000	9,477,000	DEFER	9,477,000	9,477,000	+292,000	---	+9,477,000	---	D
Subtotal	54,695,000	54,987,000	DEFER	54,987,000	54,987,000	+292,000	---	+54,987,000	---	
Immunization:										
Grants	30,482,000	34,393,000	DEFER	42,400,000	42,400,000	+11,918,000	+8,007,000	+42,400,000	---	D
Direct operations	7,573,000	7,991,000	DEFER	7,991,000	7,991,000	+418,000	---	+7,991,000	---	D
Vaccine stockpile	4,000,000	4,000,000	DEFER	4,000,000	4,000,000	---	---	+4,000,000	---	D
Subtotal	42,055,000	46,384,000	DEFER	54,391,000	54,391,000	+12,336,000	+8,007,000	+54,391,000	---	
Infectious disease	46,635,000	46,161,000	49,511,000	52,861,000	52,861,000	+6,226,000	+6,700,000	+3,350,000	---	D
Tuberculosis grants	5,000,000	---	DEFER	5,000,000	5,000,000	---	+5,000,000	+5,000,000	---	D
Chronic & environmental disease prevention	25,955,000	26,057,000	28,590,000	28,490,000	28,590,000	+2,635,000	+2,533,000	---	+100,000	D
Occupational Safety and Health (NIOSH):										
Research	54,750,000	53,943,000	55,443,000	55,443,000	55,443,000	+693,000	+1,500,000	---	---	D
Training	8,760,000	---	8,760,000	8,760,000	8,760,000	---	+8,760,000	---	---	D
Scientific and technical services	2,392,000	2,502,000	2,502,000	2,502,000	2,502,000	+110,000	---	---	---	D
Subtotal, NIOSH	65,902,000	56,445,000	66,705,000	66,705,000	66,705,000	+803,000	+10,260,000	---	---	
Epidemic services	47,226,000	47,478,000	49,144,000	49,144,000	49,144,000	+1,918,000	+1,666,000	---	---	D
Buildings and facilities	1,810,000	1,810,000	1,810,000	6,310,000	6,310,000	+4,500,000	+4,500,000	+4,500,000	---	D
Program management	3,023,000	3,042,000	3,042,000	3,042,000	3,042,000	+19,000	---	---	---	D
User fees	---	-2,000,000	---	---	---	---	+2,000,000	---	---	D
Subtotal, Disease Control, authorized	190,551,000	178,993,000	198,802,000	206,552,000	206,652,000	+16,101,000	+27,659,000	+7,850,000	+100,000	
Subtotal, Disease Control, House deferred	189,938,000	190,871,000	DEFER	207,378,000	203,878,000	+13,940,000	+13,007,000	+203,878,000	-3,500,000	
Total, Disease Control	380,489,000	369,864,000	198,802,000	413,930,000	410,530,000	+30,041,000	+40,666,000	+211,728,000	-3,400,000	

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985			Conference compared with				
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	N/D
NATIONAL INSTITUTES OF HEALTH										
National Cancer Institute	1,081,557,000	1,101,069,000	1,084,950,000	1,187,693,000	1,183,806,000	+102,249,000	+82,737,000	+98,856,000	-3,887,000	D
National Heart, Lung, and Blood Institute	704,923,000	718,852,000	764,135,000	807,149,000	805,269,000	+100,346,000	+86,417,000	+41,134,000	-1,880,000	D
National Institute of Dental Research	88,672,000	91,096,000	95,826,000	98,451,000	100,688,000	+12,016,000	+9,592,000	+4,862,000	+2,237,000	D
National Institute of Arthritis, Diabetes, and Digestive and Kidney Diseases	464,015,000	475,324,000	515,516,000	545,551,000	543,576,000	+79,561,000	+68,252,000	+28,060,000	-1,975,000	D
National Institute of Neurological and Communicative Disorders and Stroke	335,875,000	344,601,000	379,520,000	401,403,000	396,885,000	+61,010,000	+52,284,000	+17,365,000	-4,518,000	D
National Institute of Allergy and Infectious Diseases	319,589,000	325,379,000	355,728,000	375,091,000	370,965,000	+51,376,000	+45,586,000	+15,237,000	-4,126,000	D
National Institute of General Medical Sciences	415,927,000	423,853,000	412,987,000	495,150,000	482,260,000	+66,333,000	+58,407,000	+69,273,000	-12,890,000	D
National Institute of Child Health and Human Development	276,040,000	280,178,000	296,929,000	316,100,000	313,295,000	+37,255,000	+33,117,000	+16,366,000	-2,805,000	D
National Eye Institute	155,127,000	157,873,000	171,097,000	187,181,000	181,678,000	+26,551,000	+23,805,000	+10,581,000	-5,503,000	D
National Institute of Environmental Health Sciences	180,593,000	183,755,000	189,437,000	191,908,000	194,819,000	+14,226,000	+11,064,000	+5,382,000	+2,911,000	D
National Institute on Aging	115,289,000	117,390,000	140,102,000	144,799,000	144,521,000	+29,232,000	+27,131,000	+4,419,000	-278,000	D
Research Resources	243,172,000	245,728,000	303,531,000	303,498,000	304,025,000	+60,853,000	+58,297,000	+494,000	+527,000	D
John E. Fogarty International Center	11,407,000	11,426,000	11,526,000	11,929,000	11,728,000	+321,000	+302,000	+202,000	-201,000	D
Subtotal	4,392,186,000	4,476,524,000	4,721,284,000	5,065,903,000	5,033,515,000	+641,329,000	+556,991,000	+312,231,000	-32,388,000	
National Library of Medicine	50,220,000	51,320,000	43,820,000	53,500,000	52,410,000	+2,190,000	+1,090,000	+8,590,000	-1,090,000	D
Office of the Director	27,336,000	27,509,000	47,509,000	29,100,000	38,304,000	+10,968,000	+10,795,000	-9,205,000	+9,204,000	D
Buildings and facilities	25,040,000	11,100,000	21,730,000	21,700,000	21,730,000	-3,310,000	+10,630,000	---	+30,000	D
Total, National Institutes of Health	4,494,782,000	4,566,453,000	4,834,343,000	5,170,203,000	5,145,959,000	+651,177,000	+579,506,000	+311,616,000	-24,244,000	
ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION										
ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH										
Alcohol, Drug Abuse and Mental Health Block Grant $	462,000,000	472,300,000	DEFER	490,000,000	490,000,000	+28,000,000	+17,700,000	+490,000,000	---	D
Block grant program support	1,028,000	500,000	DEFER	1,028,000	1,028,000	---	+528,000	+1,028,000	---	D
Mental Health:										
Mental Health Services Demonstrations, CSP	7,000,000	---	9,000,000	12,000,000	10,500,000	+3,500,000	+10,500,000	+1,500,000	-1,500,000	D
Research	174,967,000	177,603,000	195,958,000	196,834,000	196,200,000	+21,233,000	+18,597,000	+242,000	-634,000	D
Research training	15,360,000	15,360,000	DEFER	21,228,000	18,000,000	+2,640,000	+2,640,000	+18,000,000	-3,228,000	D
Clinical training	21,000,000	---	21,000,000	25,000,000	22,000,000	+1,000,000	+22,000,000	+1,000,000	-3,000,000	D
Direct operations	33,205,000	33,355,000	35,000,000	34,426,000	34,426,000	+1,221,000	+1,071,000	-574,000	---	D
Subtotal, mental health	236,172,000	210,958,000	260,958,000	268,260,000	263,126,000	+26,954,000	+52,168,000	+2,168,000	-5,134,000	
Drug Abuse:										
Research	55,454,000	63,313,000	63,313,000	66,079,000	64,600,000	+9,146,000	+1,087,000	+1,087,000	-1,479,000	D
Research training	891,000	891,000	DEFER	2,212,000	1,500,000	+609,000	+609,000	+1,500,000	-712,000	D
Direct operations	14,670,000	14,866,000	14,866,000	15,310,000	15,310,000	+640,000	+444,000	+444,000	---	D
Subtotal, drug abuse	70,124,000	78,379,000	78,379,000	81,389,000	79,910,000	+9,786,000	+1,531,000	+1,531,000	-1,479,000	

$ Proposed for transfer to Office of the Asst. Secretary for Health in President's Budget.

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985				Conference compared with				
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	N/D
Alcoholism:										
Research	42,866,000	47,835,000	47,835,000	50,068,000	49,000,000	+6,134,000	+1,165,000	+1,165,000	-1,068,000	D
Research training	1,086,000	1,086,000	DEFER	1,937,000	1,500,000	+414,000	+414,000	+1,500,000	-437,000	D
Direct operations	11,445,000	11,550,000	11,550,000	11,961,000	11,961,000	+516,000	+411,000	+411,000	---	D
Subtotal, alcoholism	54,311,000	59,385,000	59,385,000	62,029,000	60,961,000	+6,650,000	+1,576,000	+1,576,000	-1,068,000	
Buildings and facilities	1,515,000	---	---	---	---	-1,515,000	---	---	---	D
Program management, ADAMHA	6,513,000	6,596,000	6,596,000	6,596,000	6,596,000	+83,000	---	---	---	D
Subtotal, ADAMHA, authorized	368,635,000	355,318,000	405,318,000	418,274,000	410,593,000	+41,958,000	+55,275,000	+5,275,000	-7,681,000	
Subtotal, ADAMHA, House deferred	480,365,000	490,137,000	DEFER	516,405,000	512,028,000	+31,663,000	+21,891,000	+512,028,000	-4,377,000	
Total, Alcohol, Drug Abuse and Mental Health	849,000,000	845,455,000	405,318,000	934,679,000	922,621,000	+73,621,000	+77,166,000	+517,303,000	-12,058,000	
ST. ELIZABETHS HOSPITAL	69,826,000	48,595,000	48,595,000	48,595,000	48,595,000	-21,231,000	---	---	---	D
OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH										
PUBLIC HEALTH SERVICE MANAGEMENT 1/										
Research, Statistics and Technology:										
Health Services Research:										
Research	15,730,000	14,212,000	DEFER	14,462,000	14,462,000	-1,268,000	+250,000	+14,462,000	---	D
Trust funds	(1,050,000)	(1,050,000)	---	(1,050,000)	(1,050,000)	---	---	(+1,050,000)	---	MA
Program support	1,919,000	2,024,000	DEFER	2,024,000	2,024,000	+105,000	---	+2,024,000	---	D
Subtotal	18,699,000	17,286,000	DEFER	17,536,000	17,536,000	-1,163,000	+250,000	+17,536,000	---	
Health Statistics:										
Program operations	42,765,000	39,338,000	DEFER	39,338,000	39,338,000	-3,427,000	---	+39,338,000	---	D
Program support	3,356,000	3,472,000	DEFER	3,472,000	3,472,000	+116,000	---	+3,472,000	---	D
Subtotal	46,121,000	42,810,000	DEFER	42,810,000	42,810,000	-3,311,000	---	+42,810,000	---	
Special health initiatives:										
Adolescent family life	14,918,000	14,716,000	DEFER	14,716,000	14,716,000	-202,000	---	+14,716,000	---	D
Smoking and health	3,521,000	3,538,000	DEFER	3,538,000	3,538,000	+17,000	---	+3,538,000	---	D
Health promotion	2,515,000	3,541,000	DEFER	3,541,000	3,541,000	+1,026,000	---	+3,541,000	---	D
Physical fitness and sports	1,141,000	1,364,000	DEFER	1,364,000	1,364,000	+223,000	---	+1,364,000	---	D
Uniform Services Univ. of Health Sciences	700,000	808,000	DEFER	808,000	808,000	+108,000	---	+808,000	---	D
Subtotal, Special health initiatives	22,795,000	23,967,000	DEFER	23,967,000	23,967,000	+1,172,000	---	+23,967,000	---	

1/ Excludes funds for National Youth Sports considered under Office of Community Services.

31-059 O-87-85 (Pt. 22)

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985				Conference compared with				
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	M/D
Public Health Service termination expenses	---	5,000,000	DEFER	---	---	---	-5,000,000	---	---	D
Public Health Service Management	19,107,000	18,540,000	DEFER	18,540,000	18,540,000	-567,000	---	+18,540,000	---	D
Total, PHS management	105,672,000	106,553,000	DEFER	101,803,000	101,803,000	-3,869,000	-4,750,000	+101,803,000	---	
RETIREMENT PAY AND MED. BENEFITS FOR COMM. OFFICERS										
Retirement payments	61,408,000	63,977,000	63,977,000	65,169,000	63,977,000	+2,569,000	---	---	-1,192,000	M
Survivors benefits	3,035,000	3,157,000	3,157,000	3,215,000	3,157,000	+122,000	---	---	-58,000	M
Dependent's medical care	10,913,000	11,455,000	11,455,000	11,455,000	11,455,000	+542,000	---	---	---	M
Legislative proposal	---	---	---	-1,250,000	---	---	---	---	+1,250,000	M
Contingency reserve	---	7,859,000	---	---	---	---	-7,859,000	---	---	M
Total, Retirement pay and medical benefits	75,356,000	86,448,000	78,589,000	78,589,000	78,589,000	+3,233,000	-7,859,000	---	---	
Subtotal, Public Health Service, authorized	4,990,477,000	5,024,872,000	5,592,147,000	5,633,879,000	5,617,130,000	+626,653,000	+592,258,000	+24,983,000	-16,749,000	
Subtotal, Public Health Service, House deferred	2,392,232,000	2,212,115,000	DEFER	2,595,709,000	2,545,161,000	+152,929,000	+333,046,000	+2,545,161,000	-50,548,000	
Total, Public Health Service	7,382,709,000	7,236,987,000	5,592,147,000	8,229,588,000	8,162,291,000	+779,582,000	+925,304,000	+2,570,144,000	-67,297,000	
HEALTH CARE FINANCING ADMINISTRATION										
GRANTS TO STATES FOR MEDICAID										
Grants to states, current year program level	20,708,579,000	21,222,000,000	21,222,000,000	21,854,491,000	21,854,491,000	+1,145,912,000	+632,491,000	+632,491,000	---	M
Less funds advanced in prior year	-5,115,600,000	-5,561,000,000	-5,561,000,000	-5,561,000,000	-5,561,000,000	-445,400,000	---	---	---	M
Total appropriation, current year	15,592,979,000	15,661,000,000	15,661,000,000	16,293,491,000	16,293,491,000	+700,512,000	+632,491,000	+632,491,000	---	
Subsequent year advance appropriation	5,561,000,000	5,980,000,000	5,980,000,000	5,980,000,000	5,980,000,000	+419,000,000	---	---	---	M
PAYMENTS TO HEALTH CARE TRUST FUNDS										
Supplemental medical insurance	16,811,000,000	19,020,000,000	18,957,020,000	19,020,000,000	17,899,000,000	+1,088,000,000	-1,121,000,000	-1,058,020,000	-1,121,000,000	M
Military Service Credits	79,000,000	84,000,000	84,000,000	86,000,000	85,000,000	+6,000,000	+1,000,000	+1,000,000	-1,000,000	M
Hospital insurance for uninsured	750,000,000	762,000,000	762,000,000	762,000,000	762,000,000	+12,000,000	---	---	---	M
Federal uninsured payment	42,000,000	38,000,000	4,000,000	4,000,000	4,000,000	-38,000,000	-34,000,000	---	---	M
Total, Payment to Trust Funds	17,682,000,000	19,904,000,000	19,807,020,000	19,872,000,000	18,750,000,000	+1,068,000,000	-1,154,000,000	-1,057,020,000	-1,122,000,000	
PROGRAM MANAGEMENT 1/										
Professional Standards Review Organization:										
Trust funds	(15,000,000)	---	---	---	---	(-15,000,000)	---	---	---	TF
Research, demonstration, and evaluation:										
Federal funds	20,600,000	23,000,000	23,000,000	23,000,000	23,000,000	+2,400,000	---	---	---	D
Trust funds	(12,500,000)	(12,000,000)	(12,000,000)	(12,000,000)	(12,000,000)	(-500,000)	---	---	---	TF
Subtotal, Research and evaluation	33,100,000	35,000,000	35,000,000	35,000,000	35,000,000	+1,900,000	---	---	---	

1/ Excludes $1.5 million for the Prospective Payment Assessment Comm. considered as a related agency.

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985				Conference compared with			
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	M/D
Medicare Contractors (Trust Funds) 1/	(787,900,000)	(852,600,000)	(852,600,000)	(852,600,000)	(852,600,000)	(+64,700,000)	---	---	---	TF
Contingency fund (Trust Fund)	(25,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(-5,000,000)	---	---	---	TF
Subtotal, Contractors	(812,900,000)	(872,600,000)	(872,600,000)	(872,600,000)	(872,600,000)	(+59,700,000)	---	---	---	
State Certification:										
Medicare certification, trust funds 2/	(39,000,000)	(47,074,000)	(47,074,000)	(47,074,000)	(47,074,000)	(+8,074,000)	---	---	---	TF
General program support, federal funds	600,000	2,685,000	2,685,000	2,685,000	2,685,000	+2,085,000	---	---	---	D
End Stage Renal Disease (ESRD) Networks (trust funds)	(4,837,000)	(4,546,000)	(4,546,000)	(4,837,000)	(4,837,000)	---	(+291,000)	(+291,000)	---	TF
Federal Administration:										
Federal funds	69,000,000	70,562,000	70,562,000	73,096,000	72,462,000	+3,462,000	+1,900,000	+1,900,000	-634,000	D
Trust funds	(140,000,000)	(148,268,000)	(148,268,000)	(148,268,000)	(148,268,000)	(+8,268,000)	---	---	---	TF
Subtotal, Federal Administration	209,000,000	218,830,000	218,830,000	221,364,000	220,730,000	+11,730,000	+1,900,000	+1,900,000	-634,000	
Total, Program management:										
Federal funds	90,200,000	96,247,000	96,247,000	98,781,000	98,147,000	+7,947,000	+1,900,000	+1,900,000	-634,000	
Trust funds	(1,024,237,000)	(1,084,488,000)	(1,084,488,000)	(1,084,779,000)	(1,084,779,000)	(+60,542,000)	(+291,000)	(+291,000)	---	
Subtotal, program management	1,114,437,000	1,180,735,000	1,180,735,000	1,183,560,000	1,182,926,000	+68,489,000	+2,191,000	+2,191,000	-634,000	
Total, Health Care Financing Administration	33,365,179,000	35,661,247,000	35,564,267,000	34,264,272,000	35,141,638,000	+1,776,459,000	-519,609,000	-422,629,000	-1,122,634,000	
Subsequent year advance	5,561,000,000	5,980,000,000	5,980,000,000	5,980,000,000	5,980,000,000	+419,000,000	---	---	---	
Trust funds	(1,024,237,000)	(1,084,488,000)	(1,084,488,000)	(1,084,779,000)	(1,084,779,000)	(+60,542,000)	(+291,000)	(+291,000)	---	
SOCIAL SECURITY ADMINISTRATION										
PAYMENTS TO SOCIAL SECURITY TRUST FUNDS	521,258,000	512,722,000	512,722,000	512,722,000	512,722,000	-8,536,000	---	---	---	M
SPECIAL BENEFITS FOR DISABLED COAL MINERS										
Benefit payments	1,058,953,000	1,015,000,000	1,015,000,000	1,015,000,000	1,015,000,000	-43,953,000	---	---	---	M
Administration	9,047,000	9,131,000	9,131,000	9,131,000	9,131,000	+84,000	---	---	---	M
Total, Black Lung	1,068,000,000	1,024,131,000	1,024,131,000	1,024,131,000	1,024,131,000	-43,869,000	---	---	---	
Subsequent year advance appropriation	---	270,000,000	270,000,000	270,000,000	270,000,000	+270,000,000	---	---	---	M

1/ Doesn't incl. $45 m. in FY84 & FY85 from PL 97-248.
2/ Medicaid funds appropriated in "Grants to States".

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985				Conference compared with			
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	H/B
SUPPLEMENTAL SECURITY INCOME										
Federal benefit payments	7,400,000,000	8,436,786,000	8,381,786,000	8,436,786,000	8,399,496,000	+999,496,000	-37,290,000	+17,710,000	-37,290,000	H
Hold harmless payments	5,000,000	---	---	---	---	-5,000,000	---	---	---	H
Beneficiary services	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	---	---	---	---	H
Federal fiscal liability	23,000,000	21,115,000	21,115,000	21,115,000	21,115,000	-1,885,000	---	---	---	H
Administration	900,000,000	936,175,000	936,175,000	936,175,000	936,175,000	+36,175,000	---	---	---	H
Demonstration projects	4,000,000	---	---	---	---	-4,000,000	---	---	---	H
Legislative proposals	---	-16,000,000	-16,000,000	---	---	---	+16,000,000	+16,000,000	---	H
Total apprn., Supplemental Security Income	8,339,000,000	9,383,076,000	9,328,076,000	9,399,076,000	9,361,786,000	+1,022,786,000	-21,290,000	+33,710,000	-37,290,000	
Apprn. available in prior year	-16,786,000	-36,786,000	-36,786,000	-36,786,000	-36,786,000	-20,000,000	---	---	---	H
Apprn. available from subsequent year	36,786,000	---	---	---	---	-36,786,000	---	---	---	H
Subsequent year advance appropriation	---	2,345,769,000	2,345,769,000	2,345,769,000	2,345,769,000	+2,345,769,000	---	---	---	H
ASSISTANCE PAYMENTS										
AFDC benefit payments	6,914,000,000	6,553,950,000	6,553,950,000	7,219,925,000	7,219,925,000	+305,925,000	+665,975,000	+665,975,000	---	H
Adult categories	14,000,000	14,014,000	14,014,000	14,014,000	14,014,000	+14,000	---	---	---	H
Emergency assistance	45,000,000	56,100,000	56,100,000	56,100,000	56,100,000	+11,100,000	---	---	---	H
State and local administrations	867,700,000	908,083,000	908,083,000	908,083,000	908,083,000	+40,383,000	---	---	---	H
Admin. and training, Territories	8,000,000	5,717,000	5,717,000	5,717,000	5,717,000	-2,283,000	---	---	---	H
Repatriation	1,000,000	1,520,000	1,520,000	1,520,000	1,520,000	+520,000	---	---	---	H
Research & evaluation	3,000,000	2,575,000	2,575,000	2,575,000	2,575,000	-425,000	---	---	---	H
Federal administration	35,000,000	35,066,000	35,066,000	35,066,000	35,066,000	+66,000	---	---	---	H
Legislative proposal	---	-633,000,000	-633,000,000	---	---	---	+633,000,000	+633,000,000	---	H
Subtotal, current year program level	7,887,700,000	6,944,025,000	6,944,025,000	8,243,000,000	8,243,000,000	+355,300,000	+1,298,975,000	+1,298,975,000	---	
Less funds advanced in previous years	-1,718,000,000	-2,073,000,000	-2,073,000,000	-2,073,000,000	-2,073,000,000	-355,000,000	---	---	---	H
Total, Assistance payments, current request	6,169,700,000	4,871,025,000	4,871,025,000	6,170,000,000	6,170,000,000	+300,000	+1,298,975,000	+1,298,975,000	---	
Appropriation available in prior year	-165,336,000	---	---	-376,000,000	-376,000,000	-210,664,000	-376,000,000	-376,000,000	---	H
Subsequent year advance appropriation	2,073,000,000	1,812,840,000	1,812,840,000	2,095,000,000	2,095,000,000	+22,000,000	+282,160,000	+282,160,000	---	H
CHILD SUPPORT ENFORCEMENT										
Program level, current law	602,092,000	563,411,000	563,411,000	635,000,000	635,000,000	+32,908,000	+71,589,000	+71,589,000	---	H
Less funds advanced in previous years	-118,000,000	-138,000,000	-138,000,000	-138,000,000	-138,000,000	-20,000,000	---	---	---	H
Current request, Child Support Enforcement	484,092,000	425,411,000	425,411,000	497,000,000	497,000,000	+12,908,000	+71,589,000	+71,589,000	---	
Appropriation available in prior year	-47,510,000	---	---	-17,000,000	-17,000,000	+30,510,000	-17,000,000	-17,000,000	---	H
Subsequent year advance appropriation	138,000,000	160,000,000	160,000,000	160,000,000	160,000,000	+22,000,000	---	---	---	H

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985				Conference compared with				
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	H/D
LOW INCOME HOME ENERGY ASSISTANCE										
Energy Assistance Block Grant	2,072,704,000	1,872,704,000	DEFER	2,137,704,000	2,097,704,000	+25,000,000	+225,000,000	+2,097,704,000	-40,000,000	D
Federal Administration	2,340,000	2,296,000	DEFER	2,296,000	2,296,000	-44,000	---	+2,296,000	---	D
Subtotal, Energy assistance 1/	2,075,044,000	1,875,000,000	DEFER	2,140,000,000	2,100,000,000	+24,956,000	+225,000,000	+2,100,000,000	-40,000,000	
OFFICE OF REFUGEE RESETTLEMENT										
Refugee and Entrant Assistance (Unauthorized)										
Cash and medical assistance	(310,565,000)	(227,510,000)	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	D
State administration	(46,585,000)	(33,900,000)	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	D
Social services	(71,700,000)	(46,200,000)	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	D
Voluntary agency program	(4,000,000)	(4,000,000)	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	D
Education assistance for children	(16,600,000)	(12,976,000)	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	D
Preventive health	(8,400,000)	(8,891,000)	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	D
Targeted assistance	(77,500,000)	(19,390,000)	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	D
Federal Administration	(6,515,000)	(6,645,000)	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	D
Total, Refugee Resettlement	(541,865,000)	(359,512,000)	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	DEFER	
LIMITATION ON ADMINISTRATIVE EXPENSES:										
Federal funds	11,867,000	---	---	---	---	-11,867,000	---	---	---	D
Trust funds	(3,718,303,000)	(3,724,515,000)	(3,784,515,000)	(3,790,515,000)	(3,787,515,000)	(+69,212,000)	(+63,000,000)	(+3,000,000)	(-3,000,000)	TF
Total, Limitation on administrative expenses	3,730,170,000	3,724,515,000	3,784,515,000	3,790,515,000	3,787,515,000	+57,345,000	+63,000,000	+3,000,000	-3,000,000	
Total, Social Security Administration:										
Federal funds:										
Current year	16,401,071,000	16,179,579,000	16,124,579,000	17,173,143,000	17,135,853,000	+734,782,000	+956,274,000	+1,011,274,000	-37,290,000	
Subsequent year advance appropriations	2,211,000,000	4,588,609,000	4,588,609,000	4,870,769,000	4,870,769,000	+2,659,769,000	+282,160,000	+282,160,000	---	
Trust funds	(3,718,303,000)	(3,724,515,000)	(3,784,515,000)	(3,790,515,000)	(3,787,515,000)	(+69,212,000)	(+63,000,000)	(+3,000,000)	(-3,000,000)	
ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES										
SOCIAL SERVICES BLOCK GRANT (Title XX)	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000	---	---	---	---	M

1/ Proposed for later trans. in the President's budget to be derived from Petroleum Overcharge Fund.

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985				Conference compared with				
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	M/D
HUMAN DEVELOPMENT SERVICES 1/										
Programs for Children, Youth, and Families:										
Head start	995,750,000	994,659,000	DEFER	1,075,059,000	1,075,059,000	+79,309,000	+80,400,000	+1,075,059,000	---	D
Child abuse:										
State grants 2/	6,720,000	6,720,000	DEFER	9,500,000	9,000,000	+2,280,000	+2,280,000	+9,000,000	-500,000	D
Discretionary activities 2/	9,479,000	---	DEFER	20,500,000	17,000,000	+7,521,000	+17,000,000	+17,000,000	-3,500,000	D
Runaway youth	23,250,000	10,504,000	DEFER	25,000,000	23,250,000	---	+12,746,000	+23,250,000	-1,750,000	D
Subtotal, CY & Families	1,035,199,000	1,011,883,000	DEFER	1,130,059,000	1,124,309,000	+89,110,000	+112,426,000	+1,124,309,000	-5,750,000	
Programs for the Aging:										
Grants to States:										
Consolidated grants	---	644,746,000	DEFER	---	---	---	-644,746,000	---	---	D
State agency activities	21,673,000	---	DEFER	---	---	-21,673,000	---	---	---	D
Supportive Services and Centers	250,869,000	---	DEFER	265,000,000	265,000,000	+14,131,000	+265,000,000	+265,000,000	---	D
Nutrition:										
Congregate meals	321,574,000	---	DEFER	338,000,000	336,000,000	+14,426,000	+336,000,000	+336,000,000	-2,000,000	D
Home-delivered meals	67,025,000	---	DEFER	65,900,000	67,900,000	+875,000	+67,900,000	+67,900,000	+2,000,000	D
Subtotal, Elderly nutrition program	388,599,000	---	DEFER	403,900,000	403,900,000	+15,301,000	+403,900,000	+403,900,000	---	
Total, State agency programs	661,141,000	644,746,000	DEFER	668,900,000	668,900,000	+7,759,000	+24,154,000	+668,900,000	---	
Grants to Indians	5,735,000	7,500,000	DEFER	7,500,000	7,500,000	+1,765,000	---	+7,500,000	---	D
Research, training, and special projects	22,175,000	5,000,000	DEFER	25,000,000	25,000,000	+2,825,000	+20,000,000	+25,000,000	---	D
Federal Council on Aging	175,000	175,000	DEFER	200,000	200,000	+25,000	+25,000	+200,000	---	D
Subtotal, Aging programs	689,226,000	657,421,000	DEFER	701,600,000	701,600,000	+12,374,000	+44,179,000	+701,600,000	---	
Developmental disabilities program:										
State grants	43,750,000	45,400,000	DEFER	50,250,000	50,250,000	+6,500,000	+4,850,000	+50,250,000	---	D
Protection and advocacy	8,400,000	8,400,000	DEFER	13,750,000	13,750,000	+5,350,000	+5,350,000	+13,750,000	---	D
Special projects	2,447,000	2,600,000	DEFER	2,700,000	2,700,000	+253,000	+100,000	+2,700,000	---	D
University affiliated facilities	7,800,000	7,800,000	DEFER	9,000,000	9,000,000	+1,200,000	+1,200,000	+9,000,000	---	D
Subtotal, Developmental disabilities	62,397,000	64,200,000	DEFER	75,700,000	75,700,000	+13,303,000	+11,500,000	+75,700,000	---	
Native American Programs	29,000,000	28,000,000	DEFER	30,890,000	29,000,000	---	+1,000,000	+29,000,000	-1,800,000	D
Program direction	65,412,000	64,245,000	DEFER	65,545,000	65,545,000	+133,000	+1,300,000	+65,545,000	---	D
Total, Human Development Services	(1,881,234,000)	(1,825,749,000)	DEFER	(2,003,704,000)	(1,996,154,000)	(+114,920,000)	(+170,405,000)	(+1,996,154,000)	(-7,550,000)	

1/ President's budget includes an additional $116,000,000 for elderly feeding activities and $80,400,000 in child care feeding activities considered in FY 1985 Agric. Approp.
2/ Proposed for transfer to Research & Demo in Budget.

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985			Conference compared with				
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	M/D
HUMAN RESOURCES RESEARCH AND DEMONSTRATION										
Consolidated progras	---	4,250,000	---	---	---	---	-4,250,000	---	---	D
FAMILY SOCIAL SERVICES										
Entitlement activities:										
Foster care	483,370,000	460,279,000	460,279,000	460,279,000	460,279,000	-23,091,000	---	---	---	M
Adoption assistance	21,800,000	12,800,000	12,800,000	12,800,000	12,800,000	-9,000,000	---	---	---	M
Subtotal	505,170,000	473,079,000	473,079,000	473,079,000	473,079,000	-32,091,000	---	---	---	
Discretionary activities:										
Child welfare assistance	165,000,000	165,000,000	165,000,000	200,000,000	200,000,000	+35,000,000	+35,000,000	+35,000,000	---	D
Child welfare training	3,823,000	3,823,000	3,823,000	3,823,000	3,823,000	---	---	---	---	D
Adoption opportunities 1/	1,912,000	---	---	2,000,000	2,000,000	+88,000	+2,000,000	+2,000,000	---	D
Child welfare research 1/	10,000,000	---	10,000,000	12,000,000	12,000,000	+2,000,000	+12,000,000	+2,000,000	---	D
Subtotal	180,735,000	168,823,000	178,823,000	217,823,000	217,823,000	+37,088,000	+49,000,000	+39,000,000	---	
Total, Family Social Services	685,905,000	641,902,000	651,902,000	690,902,000	690,902,000	+4,997,000	+49,000,000	+39,000,000	---	
WORK INCENTIVES										
Grants to States	256,760,000	---	256,760,000	256,760,000	256,760,000	---	+256,760,000	---	---	D
Program direction and evaluation	14,000,000	---	10,000,000	14,000,000	10,000,000	-4,000,000	+10,000,000	---	-4,000,000	D
Total, Work incentives	270,760,000	---	266,760,000	270,760,000	266,760,000	-4,000,000	+266,760,000	---	-4,000,000	
Total, Asst. Sec. for Human Development	3,656,665,000	3,346,152,000	3,618,662,000	3,661,662,000	3,657,662,000	+997,000	+311,510,000	+39,000,000	-4,000,000	
COMMUNITY SERVICES BLOCK GRANT										
Grants to States	316,680,000	---	325,780,000	344,227,000	335,000,000	+18,320,000	+335,000,000	+9,220,000	-9,227,000	D
Discretionary funds 2/	31,320,000	5,760,000	32,220,000	34,045,000	33,135,000	+1,815,000	+27,375,000	+915,000	-910,000	D
Program support	4,369,000	2,919,000	4,300,000	4,300,000	4,300,000	-69,000	+1,381,000	---	---	D
Total, Community Services appropriation	352,369,000	8,679,000	362,300,000	382,572,000	372,435,000	+20,066,000	+363,756,000	+10,135,000	-10,137,000	

1/ Proposed for trans. to Research & Demo. in Budget.
2/ $5,760,000 for National Youth Sports Program requested in the President's budget under Office of the Assistant Secretary for Health.

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985			Conference compared with				
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	M/D
DEPARTMENTAL MANAGEMENT										
GENERAL DEPARTMENTAL MANAGEMENT:										
Federal funds	146,096,000	133,000,000	133,000,000	133,000,000	133,000,000	-13,096,000	---	---	---	D
Trust funds	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	---	---	---	---	TF
Total, Departmental management	154,096,000	141,000,000	141,000,000	141,000,000	141,000,000	-13,096,000	---	---	---	
OFFICE OF THE INSPECTOR GENERAL:										
Federal activities:										
Federal funds	68,674,000	58,491,000	53,391,000	58,491,000	53,391,000	-15,283,000	-5,100,000	---	-5,100,000	D
Trust funds	(6,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(+14,000,000)	---	---	---	TF
Total, Inspector General (current year)	74,674,000	78,491,000	73,391,000	78,491,000	73,391,000	-1,283,000	-5,100,000	---	-5,100,000	
OFFICE FOR CIVIL RIGHTS:										
Federal funds	18,945,000	17,850,000	18,945,000	17,850,000	17,850,000	-1,095,000	---	-1,095,000	---	D
Trust funds	(2,350,000)	(2,350,000)	(2,350,000)	(2,350,000)	(2,350,000)	---	---	---	---	TF
Total, Civil Rights	21,295,000	20,200,000	21,295,000	20,200,000	20,200,000	-1,095,000	---	-1,095,000	---	
POLICY RESEARCH	10,000,000	8,000,000	8,500,000	9,750,000	9,750,000	-250,000	+1,750,000	+1,250,000	---	D
Total, Departmental management:										
Federal funds	243,715,000	217,341,000	213,836,000	219,091,000	213,991,000	-29,724,000	-3,350,000	+155,000	-5,100,000	
Trust funds	(16,350,000)	(30,350,000)	(30,350,000)	(30,350,000)	(30,350,000)	(+14,000,000)	---	---	---	
Subsequent year advances	---	---	---	---	---	---	---	---	---	
Total, Department of Health and Human Services:										
Federal Funds (all years)	73,671,851,000	77,278,855,000	72,044,400,000	80,924,801,000	79,630,793,000	+5,958,942,000	+2,351,938,000	+7,586,393,000	-1,294,008,000	
Current year, authorized	(59,009,476,000)	(60,437,870,000)	(61,475,791,000)	(63,334,619,000)	(62,138,709,000)	(+3,129,233,000)	(+1,700,839,000)	(+662,918,000)	(-1,195,910,000)	
Current year, House deferred	(6,890,375,000)	(6,272,376,000)	DEFER	(6,739,413,000)	(6,641,315,000)	(-249,060,000)	(+368,939,000)	(+6,641,315,000)	(-98,098,000)	
Subsequent year advances, authorized	(7,772,000,000)	(10,568,609,000)	(10,568,609,000)	(10,850,769,000)	(10,850,769,000)	(+3,078,769,000)	(+282,160,000)	(+282,160,000)	---	
Trust funds	(4,760,330,000)	(4,839,353,000)	(4,899,353,000)	(4,907,144,000)	(4,904,144,000)	(+143,814,000)	(+64,791,000)	(+4,791,000)	(-3,000,000)	
TITLE III--DEPARTMENT OF EDUCATION										
COMPENSATORY EDUCATION FOR THE DISADVANTAGED										
Grants for the Disadvantaged (Chapter 1):										
Grants to local educational agencies	3,003,680,000	3,034,519,000	3,200,294,000	3,200,000,000	3,200,000,000	+196,320,000	+165,481,000	-294,000	---	D
State agency programs:										
Migrants	258,024,000	229,626,000	258,024,000	271,024,000	264,524,000	+6,500,000	+34,898,000	+6,500,000	-6,500,000	D
Handicapped	146,520,000	146,520,000	146,520,000	153,820,000	150,170,000	+3,650,000	+3,650,000	+3,650,000	-3,650,000	D
Neglected and delinquent	32,616,000	32,616,000	32,616,000	32,616,000	32,616,000	---	---	---	---	D
State administration	34,414,000	30,973,000	36,800,000	34,414,000	35,607,000	+1,193,000	+4,634,000	-1,193,000	+1,193,000	D
Evaluation and studies	4,746,000	5,746,000	5,746,000	4,746,000	5,246,000	+500,000	-500,000	-500,000	+500,000	D
Total, Chapter 1	3,480,000,000	3,480,000,000	3,680,000,000	3,696,620,000	3,688,163,000	+208,163,000	+208,163,000	+8,163,000	-8,457,000	

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985				Conference compared with			
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	M/D
Migrant education:										
High school equivalency program	6,300,000	---	6,300,000	6,300,000	6,300,000	---	+6,300,000	---	---	D
College assistance migrant program	1,950,000	---	1,200,000	1,200,000	1,200,000	-750,000	+1,200,000	---	---	D
Total, Compensatory Education programs	3,488,250,000	3,480,000,000	3,687,500,000	3,704,120,000	3,695,663,000	+207,413,000	+215,663,000	+8,163,000	-8,457,000	
IMPACT AID										
Maintenance and operations:										
Payments for "a" children	457,500,000	476,630,000	DEFER	565,000,000	513,000,000	+55,500,000	+36,370,000	+513,000,000	-52,000,000	D
Payments for "b" children	77,500,000	---	DEFER	78,000,000	130,000,000	+52,500,000	+130,000,000	+130,000,000	+52,000,000	D
Special provisions (Section 2)	20,000,000	20,000,000	DEFER	22,000,000	22,000,000	+2,000,000	+2,000,000	+22,000,000	---	D
Subtotal	555,000,000	496,630,000	DEFER	665,000,000	665,000,000	+110,000,000	+168,370,000	+665,000,000	---	
Disaster assistance	25,000,000	10,000,000	DEFER	10,000,000	10,000,000	-15,000,000	---	+10,000,000	---	D
Construction	20,000,000	---	DEFER	20,000,000	20,000,000	---	+20,000,000	+20,000,000	---	D
Total	600,000,000	506,630,000	DEFER	695,000,000	695,000,000	+95,000,000	+188,370,000	+695,000,000	---	
SPECIAL PROGRAMS										
Improving School Programs (Chapter 2):										
State block grants	450,655,000	685,655,000	638,179,000	500,000,000	500,000,000	+49,345,000	-185,655,000	-138,179,000	---	D
Secretary's discretionary fund:										
Inexpensive book distribution (including RIF)	6,500,000	6,500,000	7,000,000	6,825,000	7,000,000	+500,000	+500,000	---	+175,000	D
Arts in education	2,125,000	2,125,000	3,500,000	2,814,000	3,157,000	+1,032,000	+1,032,000	-343,000	+343,000	D
Alcohol and drug abuse education	2,850,000	3,000,000	3,000,000	3,000,000	3,000,000	+150,000	---	---	---	D
Law related education	1,000,000	---	2,000,000	1,000,000	2,000,000	+1,000,000	+2,000,000	---	+1,000,000	D
National Diffusion Network	10,000,000	10,000,000	10,700,000	---	10,700,000	+700,000	+700,000	---	+10,700,000	D
Discretionary projects	6,290,000	21,599,000	14,500,000	18,270,000	6,052,000	-238,000	-15,547,000	-8,448,000	-12,218,000	D
Subtotal, Secretary's discretionary fund	28,765,000	43,224,000	40,700,000	31,909,000	31,909,000	+3,144,000	-11,315,000	-8,791,000	---	
Total, Chapter 2	479,420,000	728,879,000	678,879,000	531,909,000	531,909,000	+52,489,000	-196,970,000	-146,970,000	---	
Other Special Programs:										
Training and advisory services (Civil Rights IVA)	24,000,000	---	24,000,000	25,200,000	24,000,000	---	+24,000,000	---	-1,200,000	D
Follow through	14,767,000	---	---	---	---	-14,767,000	---	---	---	D
Territorial teacher training assistance	1,000,000	---	1,000,000	2,000,000	2,000,000	+1,000,000	+2,000,000	+1,000,000	---	D
General assistance for the Virgin Islands	1,920,000	---	1,920,000	2,700,000	2,700,000	+780,000	+2,700,000	+780,000	---	D
Ellender fellowships	1,500,000	---	2,000,000	1,500,000	1,500,000	---	+1,500,000	-500,000	---	D
Women's educational equity	5,760,000	---	5,760,000	6,000,000	6,000,000	+240,000	+6,000,000	+240,000	---	D
Science and mathematics education 1/	---	50,000,000	---	200,000,000	100,000,000	+100,000,000	+50,000,000	+100,000,000	-100,000,000	D
Magnet schools	---	---	---	75,000,000	75,000,000	+75,000,000	+75,000,000	+75,000,000	---	D
Excellence in education	---	---	---	10,000,000	5,000,000	+5,000,000	+5,000,000	+5,000,000	-5,000,000	D
Subtotal, Other special programs	48,947,000	50,000,000	34,680,000	322,400,000	216,200,000	+167,253,000	+166,200,000	+181,520,000	-106,200,000	
Total, Special programs	528,367,000	778,879,000	713,559,000	854,309,000	748,109,000	+219,742,000	-30,770,000	+34,550,000	-106,200,000	

1/ FY 85 estimate proposed for later transmittal in President's budget.

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985			Conference compared with				
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	M/D
BILINGUAL EDUCATION										
Grants to school districts	89,567,000	100,459,000	98,000,000	100,459,000	99,230,000	+9,663,000	-1,229,000	+1,230,000	-1,229,000	D
Training grants	32,610,000	25,000,000	29,000,000	28,000,000	28,500,000	-4,110,000	+3,500,000	-500,000	+500,000	D
Support services	13,320,000	10,100,000	12,970,000	10,100,000	11,535,000	-1,785,000	+1,435,000	-1,435,000	+1,435,000	D
Vocational training	3,686,000	3,686,000	3,686,000	3,686,000	3,686,000	---	---	---	---	D
Emergency immigrant education	30,000,000	---	---	---	---	-30,000,000	---	---	---	D
Total	169,183,000	139,245,000	143,656,000	142,245,000	142,951,000	-26,232,000	+3,706,000	-705,000	+706,000	
EDUCATION FOR THE HANDICAPPED										
Education for the handicapped:										
Deaf-blind centers	15,000,000	12,000,000	15,000,000	15,000,000	15,000,000	---	+3,000,000	---	---	D
State assistance:										
State grant program	1,068,875,000	1,068,875,000	1,125,000,000	1,135,145,000	1,135,145,000	+66,270,000	+66,270,000	+10,145,000	---	D
Preschool incentive grants	26,330,000	26,330,000	29,330,000	28,000,000	29,000,000	+2,670,000	+2,670,000	-330,000	+1,000,000	D
Special purpose funds:										
Severely handicapped projects	4,000,000	4,000,000	4,000,000	4,300,000	4,300,000	+300,000	+300,000	+300,000	---	D
Early childhood education	21,100,000	21,100,000	21,100,000	22,500,000	22,500,000	+1,400,000	+1,400,000	+1,400,000	---	D
Secondary and transitional services	6,000,000	6,000,000	6,000,000	6,330,000	6,330,000	+330,000	+330,000	+330,000	---	D
Postsecondary programs	5,000,000	5,000,000	5,000,000	5,300,000	5,300,000	+300,000	+300,000	+300,000	---	D
Innovation and development	15,000,000	12,000,000	15,000,000	16,000,000	16,000,000	+1,000,000	+4,000,000	+1,000,000	---	D
Media services and captioned films	14,000,000	14,000,000	14,000,000	16,500,000	16,500,000	+2,500,000	+2,500,000	+2,500,000	---	D
Regional resource centers	5,700,000	4,500,000	4,500,000	6,000,000	6,000,000	+300,000	+1,500,000	+1,500,000	---	D
Recruitment and information	1,000,000	1,000,000	1,000,000	1,050,000	1,025,000	+25,000	+25,000	+25,000	-25,000	D
Special education personnel development	55,540,000	37,640,000	55,540,000	61,000,000	61,000,000	+5,460,000	+23,360,000	+5,460,000	---	D
Special studies	3,070,000	2,000,000	3,070,000	3,270,000	3,170,000	+100,000	+1,170,000	+100,000	-100,000	D
Total, Education for the handicapped	1,240,615,000	1,214,445,000	1,298,540,000	1,320,395,000	1,321,270,000	+80,655,000	+106,825,000	+22,730,000	+875,000	
REHABILITATION SERVICES AND HANDICAPPED RESEARCH										
Rehabilitation services:										
Basic State grants	1,037,800,000	1,003,900,000	1,092,800,000	1,117,500,000	1,100,000,000	+62,200,000	+96,100,000	+7,200,000	-17,500,000	M
Service projects:										
Projects with industry	13,000,000	11,200,000	13,000,000	14,400,000	14,400,000	+1,400,000	+3,200,000	+1,400,000	---	M
Severely disabled	12,135,000	14,635,000	14,635,000	13,600,000	14,635,000	+2,500,000	---	---	+1,035,000	M
Migrants/Indians	1,665,000	1,665,000	1,665,000	1,665,000	1,665,000	---	---	---	---	M
Helen Keller Center	4,000,000	3,700,000	4,200,000	4,200,000	4,200,000	+200,000	+500,000	---	---	M
Client assistance	5,100,000	---	5,100,000	6,300,000	6,300,000	+1,200,000	+6,300,000	+1,200,000	---	M
Recreation	2,000,000	---	2,000,000	2,100,000	2,100,000	+100,000	+2,100,000	+100,000	---	M
Special olympics	---	---	---	500,000	---	---	---	---	-500,000	M
Independent living	19,400,000	21,000,000	22,000,000	27,000,000	27,000,000	+7,600,000	+6,000,000	+5,000,000	---	M
Training	22,000,000	5,000,000	20,000,000	24,000,000	22,000,000	---	+17,000,000	+2,000,000	-2,000,000	M
Subtotal	1,117,100,000	1,061,100,000	1,175,400,000	1,211,265,000	1,192,300,000	+75,200,000	+131,200,000	+16,900,000	-18,965,000	

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985			Conference compared with				
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	M/D
National Institute for Handicapped Research	36,000,000	30,060,000	38,000,000	40,000,000	39,000,000	+3,000,000	+8,940,000	+1,000,000	-1,000,000	M
Evaluations and studies	2,000,000	500,000	2,000,000	2,000,000	2,000,000	---	+1,500,000	---	---	M
Total	1,155,100,000	1,091,660,000	1,215,400,000	1,253,265,000	1,233,300,000	+78,200,000	+141,640,000	+17,900,000	-19,965,000	
VOCATIONAL AND ADULT EDUCATION										
Consolidated Grant	---	731,314,000	---	---	---	---	-731,314,000	---	---	D
Vocational education:										
Basic grants	566,969,000	---	566,969,000	566,969,000	566,969,000	---	+566,969,000	---	---	D
Program improvement and supportive services	99,590,000	---	99,590,000	99,590,000	99,590,000	---	+99,590,000	---	---	D
Programs of national significance	8,178,000	---	8,178,000	8,178,000	8,178,000	---	+8,178,000	---	---	D
Special programs for the disadvantaged	14,356,000	---	14,356,000	14,356,000	14,356,000	---	+14,356,000	---	---	D
Consumer and homemaking education	31,633,000	---	31,633,000	31,633,000	31,633,000	---	+31,633,000	---	---	D
State advisory councils	7,000,000	---	7,000,000	7,000,000	7,000,000	---	+7,000,000	---	---	D
State planning	3,588,000	---	3,588,000	3,588,000	3,588,000	---	+3,588,000	---	---	D
Subtotal, Vocational education	731,314,000	731,314,000	731,314,000	731,314,000	731,314,000	---	---	---	---	
Adult education	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	---	---	---	---	D
Total	831,314,000	831,314,000	831,314,000	831,314,000	831,314,000	---	---	---	---	
STUDENT FINANCIAL ASSISTANCE										
Pell Grants:										
Current year	2,800,000,000	2,800,000,000	3,400,000,000	3,225,000,000	3,325,000,000	+525,000,000	+525,000,000	-75,000,000	+100,000,000	D
Prior year shortfalls (non-add)	---	---	(353,000,000)	---	(250,000,000)	(+250,000,000)	(+250,000,000)	(-103,000,000)	(+250,000,000)	NA
Subtotal, Pell Grants	2,800,000,000	2,800,000,000	3,400,000,000	3,225,000,000	3,325,000,000	+525,000,000	+525,000,000	-75,000,000	+100,000,000	
Supplemental grants	375,000,000	---	425,000,000	400,000,000	412,500,000	+37,500,000	+412,500,000	-12,500,000	+12,500,000	D
Work study	555,000,000	850,000,000	600,000,000	585,000,000	592,500,000	+37,500,000	-257,500,000	-7,500,000	+7,500,000	D
Direct loans:										
Capital	161,060,000	---	200,000,000	180,000,000	190,000,000	+28,940,000	+190,000,000	-10,000,000	+10,000,000	D
Cancellations	19,800,000	4,000,000	25,000,000	25,000,000	25,000,000	+5,200,000	+21,000,000	---	---	D
State student incentive grants	76,000,000	---	76,000,000	76,000,000	76,000,000	---	+76,000,000	---	---	D
Total, Student Financial Assistance	3,986,860,000	3,654,000,000	4,726,000,000	4,491,000,000	4,621,000,000	+634,140,000	+967,000,000	-105,000,000	+130,000,000	
GUARANTEED STUDENT LOANS										
Guaranteed student loan program	2,255,240,000	2,840,677,000	3,046,000,000	3,079,477,000	3,079,477,000	+824,237,000	+238,800,000	+33,477,000	---	M

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985			Conference compared with				
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	H/D
HIGHER EDUCATION										
Assistance for disadvantaged:										
Strengthening developing institutions	134,416,000	134,416,000	134,416,000	148,000,000	141,208,000	+6,792,000	+6,792,000	+6,792,000	-6,792,000	D
Special programs for the disadvantaged	164,740,000	82,370,000	164,740,000	174,940,000	174,940,000	+10,200,000	+92,570,000	+10,200,000	---	D
Program development:										
Fund for the Improvement of Postsec. Education	11,710,000	11,710,000	12,710,000	12,300,000	12,710,000	+1,000,000	+1,000,000	---	+410,000	D
Minority institutions science improvement	4,800,000	4,800,000	4,800,000	5,000,000	5,000,000	+200,000	+200,000	+200,000	---	D
Cooperative education	14,400,000	---	14,400,000	14,400,000	14,400,000	---	+14,400,000	---	---	D
International education and foreign language studies:										
Domestic programs	25,800,000	---	25,800,000	27,300,000	26,550,000	+750,000	+26,550,000	+750,000	-750,000	D
Overseas programs	5,000,000	---	5,000,000	5,500,000	5,500,000	+500,000	+5,500,000	+500,000	---	D
Veterans cost of instruction	3,000,000	---	3,000,000	3,000,000	3,000,000	---	+3,000,000	---	---	D
Graduate support:										
Graduate/professional opportunity program	11,000,000	---	12,000,000	11,500,000	11,750,000	+750,000	+11,750,000	-250,000	+250,000	D
Public service fellowships	2,500,000	---	2,500,000	2,500,000	2,500,000	---	+2,500,000	---	---	D
National Graduate Fellowships	---	---	2,000,000	3,000,000	2,500,000	+2,500,000	+2,500,000	+500,000	-500,000	D
Construction:										
Academic facilities	---	---	50,000,000	19,000,000	50,000,000	+50,000,000	+50,000,000	---	+31,000,000	D
Interest subsidy grants	24,500,000	18,775,000	18,775,000	18,775,000	18,775,000	-5,725,000	---	---	---	D
Special endowments:										
Mansfield Foundation	5,000,000	---	---	---	---	-5,000,000	---	---	---	D
Land grant colleges/Samoa, Micronesia	---	---	6,000,000	---	6,000,000	+6,000,000	+6,000,000	---	+6,000,000	D
Taft Institute	---	---	750,000	---	750,000	+750,000	+750,000	---	+750,000	D
Law related education:										
Legal training for disadvantaged	1,000,000	---	1,000,000	2,000,000	1,500,000	+500,000	+1,500,000	+500,000	-500,000	D
Law school clinical experience	1,000,000	---	1,500,000	1,500,000	1,500,000	+500,000	+1,500,000	---	---	D
Assistance to Guam	---	---	---	500,000	500,000	+500,000	+500,000	+500,000	---	D
Total	408,866,000	252,071,000	459,391,000	449,215,000	479,083,000	+70,217,000	+227,012,000	+19,692,000	+29,868,000	
HIGHER EDUCATION FACILITIES LOANS AND INSURANCE	19,846,000	14,194,000	14,194,000	14,194,000	14,194,000	-5,652,000	---	---	---	M
COLLEGE HOUSING LOANS, LOAN LIMITATION	(40,000,000)	---	(40,000,000)	(40,000,000)	(40,000,000)	---	(+40,000,000)	---	---	MA
EDUCATIONAL RESEARCH AND STATISTICS										
National Institute of Education	48,231,000	54,231,000	54,231,000	48,231,000	51,231,000	+3,000,000	-3,000,000	-3,000,000	+3,000,000	D
National Center for Education Statistics	8,747,000	8,747,000	8,747,000	8,747,000	8,747,000	---	---	---	---	D
Total	56,978,000	62,978,000	62,978,000	56,978,000	59,978,000	+3,000,000	-3,000,000	-3,000,000	+3,000,000	

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985			Conference compared with				
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	H/D
LIBRARIES										
Public libraries:										
Services	65,000,000	---	65,000,000	75,000,000	75,000,000	+10,000,000	+75,000,000	+10,000,000	---	D
Interlibrary cooperation	15,000,000	---	15,000,000	18,000,000	18,000,000	+3,000,000	+18,000,000	+3,000,000	---	D
College library resources	---	---	---	---	---	---	---	---	---	D
Training and demonstrations	880,000	---	880,000	1,000,000	1,000,000	+120,000	+1,000,000	+120,000	---	D
Research libraries	6,000,000	---	6,000,000	6,000,000	6,000,000	---	+6,000,000	---	---	D
Construction	---	---	---	50,000,000	25,000,000	+25,000,000	+25,000,000	+25,000,000	-25,000,000	D
Total	86,880,000	---	86,880,000	150,000,000	125,000,000	+38,120,000	+125,000,000	+38,120,000	-25,000,000	
PAYMENTS TO SPECIAL INSTITUTIONS										
AMERICAN PRINTING HOUSE FOR THE BLIND	5,000,000	5,000,000	5,500,000	5,500,000	5,500,000	+500,000	+500,000	---	---	D
NATIONAL TECHNICAL INSTITUTE FOR THE DEAF	28,000,000	31,400,000	31,400,000	31,400,000	31,400,000	+3,400,000	---	---	---	D
GALLAUDET COLLEGE	56,000,000	46,835,000	58,700,000	56,700,000	58,700,000	+2,700,000	+11,865,000	---	+2,000,000	D
HOWARD UNIVERSITY	156,200,000	158,230,000	158,230,000	158,230,000	158,230,000	+2,030,000	---	---	---	D
Total, Payments to Special Institutions	245,200,000	241,465,000	253,830,000	251,830,000	253,830,000	+8,630,000	+12,365,000	---	+2,000,000	
DEPARTMENTAL MANAGEMENT										
OFFICE OF THE INSPECTOR GENERAL, SALARIES AND EXPENSES	14,961,000	15,312,000	15,312,000	15,312,000	15,312,000	+351,000	---	---	---	D
OFFICE FOR CIVIL RIGHTS, SALARIES AND EXPENSES	44,396,000	42,633,000	42,633,000	45,000,000	45,000,000	+604,000	+2,367,000	+2,367,000	---	D
SALARIES AND EXPENSES 1/	231,472,000	243,005,000	241,075,000	241,500,000	241,075,000	+9,603,000	-1,930,000	---	-425,000	D
Total, Departmental management	290,829,000	300,950,000	299,020,000	301,812,000	301,387,000	+10,558,000	+437,000	+2,367,000	-425,000	
EDUCATION AND RESEARCH OVERSEAS	1,133,000	---	---	---	---	-1,133,000	---	---	---	D
Total, Department of Education:										
Federal Funds, authorized	14,764,661,000	14,901,878,000	16,838,262,000	16,900,154,000	16,906,556,000	+2,141,895,000	+2,004,678,000	+68,294,000	+6,402,000	
Federal Funds, House deferred	600,000,000	506,630,000	DEFER	695,000,000	695,000,000	+95,000,000	+188,370,000	+695,000,000	---	
Total, Department of Education	15,364,661,000	15,408,508,000	16,838,262,000	17,595,154,000	17,601,556,000	+2,236,895,000	+2,193,048,000	+763,294,000	+6,402,000	

1/ Excludes National Council on the Handicapped, considered as a related agency.

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985				Conference compared with			
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill	M/D
TITLE IV - RELATED AGENCIES										
Action (Domestic Programs):										
Volunteers in Service to America:										
VISTA operations	15,000,000	5,800,000	17,200,000	17,000,000	17,000,000	+2,000,000	+11,200,000	-200,000	---	D
Service learning	1,830,000	1,757,000	1,757,000	1,830,000	1,757,000	-73,000	---	---	-73,000	D
Subtotal	16,830,000	7,557,000	18,957,000	18,830,000	18,757,000	+1,927,000	+11,200,000	-200,000	-73,000	
Citizen Participation and Volunteer Demonstration Programs	1,984,000	1,801,000	1,801,000	1,984,000	1,801,000	-183,000	---	---	-183,000	D
Older Americans Volunteer Programs:										
Foster Grandparents Program	49,700,000	48,400,000	56,100,000	52,300,000	56,100,000	+6,400,000	+7,700,000	---	+3,800,000	D
Senior Companion Program	13,516,000	12,016,000	16,086,000	21,000,000	18,086,000	+4,570,000	+6,070,000	+2,000,000	-2,914,000	D
Retired Senior Volunteer Program	27,745,000	27,445,000	29,620,000	30,400,000	29,620,000	+1,875,000	+2,175,000	---	-780,000	D
Subtotal, Older Volunteers	90,961,000	87,861,000	101,806,000	103,700,000	103,806,000	+12,845,000	+15,945,000	+2,000,000	+106,000	
Program Support	25,815,000	22,998,000	25,158,000	25,800,000	25,800,000	-15,000	+2,802,000	+642,000	---	D
Total, Action 1/	135,590,000	120,217,000	147,722,000	150,314,000	150,164,000	+14,574,000	+29,947,000	+2,442,000	-150,000	
Corporation for Public Broadcasting (unauthorized):										
FY 1987 advance (current request) 1/	159,500,000	100,000,000	DEFER	238,000,000	200,000,000	+40,500,000	+100,000,000	+200,000,000	-38,000,000	D
Federal Mediation and Conciliation Service	23,258,000	22,451,000	23,611,000	23,651,000	23,611,000	+353,000	+1,160,000	---	-40,000	D
Federal Mine Safety and Health Review Commission	3,858,000	3,837,000	3,837,000	3,837,000	3,837,000	-21,000	---	---	---	D
National Commission on Libraries and Information Science	674,000	690,000	690,000	720,000	720,000	+46,000	+30,000	+30,000	---	D
National Council on the Handicapped	500,000	500,000	500,000	750,000	750,000	+250,000	+250,000	+250,000	---	D
National Labor Relations Board	133,594,000	137,964,000	137,964,000	137,964,000	137,964,000	+4,370,000	---	---	---	D
National Mediation Board	6,238,000	6,358,000	6,358,000	6,358,000	6,358,000	+120,000	---	---	---	D
Occupational Safety and Health Review Commission	5,982,000	6,143,000	6,143,000	6,143,000	6,143,000	+161,000	---	---	---	D
Prospective Payment Assessment Commission(trust funds)	(1,500,000)	(1,500,000)	(2,424,000)	(2,410,000)	(2,424,000)	(+924,000)	(+924,000)	---	(+14,000)	TF
Railroad Retirement Board:										
Dual benefits payments account	420,000,000	405,000,000	405,000,000	405,000,000	405,000,000	-15,000,000	---	---	---	D
Federal payment to the Railroad Retirement Account	---	15,000,000	15,000,000	15,000,000	15,000,000	+15,000,000	---	---	---	D
(Limitation on administration)	(56,046,000)	(55,422,000)	(55,422,000)	(55,962,000)	(55,422,000)	(-624,000)	---	---	(-540,000)	TF
Soldiers' and Airmen's Home (trust fund limitation):										
Operation and maintenance	31,286,000	32,352,000	32,352,000	33,552,000	32,952,000	+1,666,000	+600,000	+600,000	-600,000	D
Capital outlay	4,550,000	5,000,000	9,000,000	9,400,000	9,400,000	+4,850,000	+4,400,000	+400,000	---	D

1/ FY 1984 appropriation adv. in FY82 is $130 million.
FY 1985 appropriation adv. in FY83 is $130 million.
FY 1986 appropriation adv. in FY84 is $130 million.
FY 84 Supplemental includes an additional $7.5 million for FY84, $20.5 million for FY85, and $29.5 million for FY86.

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985				Conference compared with			
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill M/D
Total, Related Agencies:									
Federal Funds, authorized	765,530,000	755,512,000	788,177,000	792,689,000	791,899,000	+26,369,000	+36,387,000	+3,722,000	-790,000
Federal Funds, House deferred	159,500,000	100,000,000	DEFER	238,000,000	200,000,000	+40,500,000	+100,000,000	+200,000,000	-38,000,000
Subtotal, Federal Funds	925,030,000	855,512,000	788,177,000	1,030,689,000	991,899,000	+66,869,000	+136,387,000	+203,722,000	-38,790,000
Trust funds	(57,546,000)	(56,922,000)	(57,846,000)	(58,372,000)	(57,846,000)	(+300,000)	(+924,000)	---	(-526,000)
SUMMARY									
Title I - Department of Labor:									
Federal Funds, authorized	15,787,342,000	5,825,171,000	6,124,701,000	6,017,979,000	6,014,645,000	-9,772,697,000	+189,474,000	-110,056,000	-3,334,000
Federal Funds, House deferred	317,300,000	317,300,000	DEFER	335,000,000	326,000,000	+8,700,000	+8,700,000	+326,000,000	-9,000,000
Total, Federal Funds	16,104,642,000	6,142,471,000	6,124,701,000	6,352,979,000	6,340,645,000	-9,763,997,000	+198,174,000	+215,944,000	-12,334,000
Trust Funds	(3,319,667,000)	(2,615,327,000)	(2,535,627,000)	(2,619,094,000)	(2,579,794,000)	(-739,873,000)	(-35,533,000)	(+44,167,000)	(-39,300,000)
Title II - Department of Health and Human Services:									
Federal Funds (all years)	66,781,476,000	71,006,479,000	72,044,400,000	74,185,388,000	72,989,478,000	+6,208,002,000	+1,982,999,000	+945,078,000	-1,195,910,000
Federal Funds, House deferred	6,890,375,000	6,272,376,000	DEFER	6,739,413,000	6,641,315,000	-249,060,000	+368,939,000	+6,641,315,000	-98,098,000
Total, Federal Funds	73,671,851,000	77,278,855,000	72,044,400,000	80,924,801,000	79,630,793,000	+5,958,942,000	+2,351,938,000	+7,586,393,000	-1,294,008,000
Trust Funds	(4,760,330,000)	(4,839,353,000)	(4,899,353,000)	(4,907,144,000)	(4,904,144,000)	(+143,814,000)	(+64,791,000)	(+4,791,000)	(-3,000,000)
Title III - Department of Education:									
Federal Funds, authorized	14,764,661,000	14,901,878,000	16,838,262,000	16,900,154,000	16,906,556,000	+2,141,895,000	+2,004,678,000	+68,294,000	+6,402,000
Federal Funds, House deferred	600,000,000	506,630,000	DEFER	695,000,000	695,000,000	+95,000,000	+188,370,000	+695,000,000	---
Total, Federal Funds	15,364,661,000	15,408,508,000	16,838,262,000	17,595,154,000	17,601,556,000	+2,236,895,000	+2,193,048,000	+763,294,000	+6,402,000
Title IV - Related Agencies:									
Federal Funds, authorized	765,530,000	755,512,000	788,177,000	792,689,000	791,899,000	+26,369,000	+36,387,000	+3,722,000	-790,000
Federal Funds, House deferred	159,500,000	100,000,000	DEFER	238,000,000	200,000,000	+40,500,000	+100,000,000	+200,000,000	-38,000,000
Total, Federal Funds	925,030,000	855,512,000	788,177,000	1,030,689,000	991,899,000	+66,869,000	+136,387,000	+203,722,000	-38,790,000
Trust Funds	(57,546,000)	(56,922,000)	(57,846,000)	(58,372,000)	(57,846,000)	(+300,000)	(+924,000)	---	(-526,000)
Total, all titles:									
Federal Funds, authorized	98,099,009,000	92,489,040,000	95,795,540,000	97,896,210,000	96,702,578,000	-1,396,431,000	+4,213,538,000	+907,038,000	-1,193,632,000
Federal Funds, House deferred	(7,967,175,000)	(7,196,306,000)	DEFER	(8,007,413,000)	(7,862,315,000)	(-104,860,000)	(+666,009,000)	(+7,862,315,000)	(-145,098,000)
Subtotal, Federal Funds	106,066,184,000	99,685,346,000	95,795,540,000	105,903,623,000	104,564,893,000	-1,501,291,000	+4,879,547,000	+8,769,353,000	-1,338,730,000
Current year	(98,134,684,000)	(89,016,737,000)	(85,226,931,000)	(94,814,854,000)	(93,514,124,000)	(-4,620,560,000)	(+4,497,387,000)	(+8,287,193,000)	(-1,300,730,000)
1986 advance	(7,772,000,000)	(10,568,609,000)	(10,568,609,000)	(10,850,769,000)	(10,850,769,000)	(+3,078,769,000)	(+282,160,000)	(+282,160,000)	---
1987 advance	(159,500,000)	(100,000,000)	---	(238,000,000)	(200,000,000)	(+40,500,000)	(+100,000,000)	(+200,000,000)	(-38,000,000)
Trust Funds	(8,136,103,000)	(7,511,602,000)	(7,492,826,000)	(7,583,110,000)	(7,540,284,000)	(-595,819,000)	(+28,682,000)	(+47,458,000)	(-42,826,000)

CONFERENCE AGREEMENT - HR 6028 - FISCAL YEAR 1985 APPROPRIATIONS FOR
THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	FY 1984	FY 1985				Conference compared with			
	Enacted	Estimates	House Bill	Senate Bill	Conference	FY84 Enacted	FY 85 Estimates	House Bill	Senate Bill M/D
CURRENT YEAR, INCLUDING PRIOR YEAR ADVANCES:									
Mandatory, current appropriations	(64,607,234,000)	(60,194,537,000)	(60,363,761,000)	(62,200,138,000)	(61,020,883,000)	(-3,586,351,000)	(+826,346,000)	(+657,122,000)	(-1,179,255,000)
Mandatory, prior year advances	(7,089,100,000)	(7,922,500,000)	(7,922,500,000)	(7,922,500,000)	(7,922,500,000)	(+833,400,000)	---	---	---
Subtotal, Mandatory	(71,696,334,000)	(68,117,037,000)	(68,286,261,000)	(70,122,638,000)	(68,943,383,000)	(-2,752,951,000)	(+826,346,000)	(+657,122,000)	(-1,179,255,000)
Discretionary, current appropriations	(25,560,275,000)	(21,625,894,000)	(24,863,170,000)	(24,607,303,000)	(24,630,926,000)	(-929,349,000)	(+3,005,032,000)	(-232,244,000)	(+23,623,000)
Discretionary, House deferred	(7,967,175,000)	(7,196,306,000)	DEFER	(8,007,413,000)	(7,862,315,000)	(-104,860,000)	(+666,009,000)	(+7,862,315,000)	(-145,098,000)
Subtotal, Discretionary	(33,527,450,000)	(28,822,200,000)	(24,863,170,000)	(32,614,716,000)	(32,493,241,000)	(-1,034,209,000)	(+3,671,041,000)	(+7,630,071,000)	(-121,475,000)
Total, Adjusted current year	105,223,784,000	96,939,237,000	93,149,431,000	102,737,354,000	101,436,624,000	-3,787,160,000	+4,497,387,000	+8,287,193,000	-1,300,730,000

Mr. NATCHER. Mr. Speaker, some of the more important recommendations include:

$3,769 million for employment and training services including $825 million for the Summer Youth Program and $617 million for Job Corps.

$478 million for the maternal and child health block grant, an increase of $79 million over fiscal year 1984.

$244 million for training health professionals including $67 million for nursing programs. This is $119 million over the amount requested by the President.

$5,146 million for biomedical research at the National Institutes of Health. This is the largest amount ever approved for the National Institutes of Health and an increase of $651 million over the amount appropriated for this purpose in 1984.

$2,100 million for low-income energy assistance.

$1,075 million for Head Start, an increase of $79 million over last year.

$1,105 million for programs for the aged including $404 million for the elderly feeding programs and $326 million for title V older workers programs.

$17,602 million for the Department of Education—an increase of $2,237 million over the 1984 level.

$3,688 million for chapter I grants for the disadvantaged.

$695 million for impact aid including $513 million for category "a" students and $130 million for category "b".

$748 million for chapter 2 including $100 million for the New Math and Science Program and $75 million for Magnet Schools.

$4,871 million for student financial aid. This includes $3,575 million for Pell grants. This level provides sufficient amounts to fund a maximum grant of $2,100 for the neediest students. The conference agreement also includes $250 million to take care of the fiscal year 1983 and 1984 shortfall in this program.

$200 million for the Corporation of Public Broadcasting for fiscal year 1987.

These are just a few of the major items included in H.R. 6028 as agreed to in conference. The full agreement is described in the statement of the managers accompanying this conference report. We believe this is a good bill, a good compromise between the House and the Senate and a good compromise with the administration. While the conference agreement includes badly needed increases for many of the Labor, Health and Human Services, and Education programs, it is within the limits assigned to the committee under the budget resolution adopted earlier this week. We urge the adoption of the conference report.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to rise in support of the conference report on H.R. 6028, the Labor, Health and Human Services and Education appropriations bill for fiscal year 1985. I believe we have reached an agreement that is acceptable, and that is better, in many ways, than the bill that passed the House on August 1, by a vote of 328 to 91, and the bill that passed the Senate on September 26, by a vote of 71 to 20.

In the conference on this bill, there were 197 Senate amendments to resolve. That is never an easy task, particularly since we were dealing with a very tight budget ceiling. But under the leadership of the great chairman, the gentleman from Kentucky, BILL NATCHER, and with the help the Members on my side provided to me, GEORGE O'BRIEN, CARL PURSELL, JOHN PORTER, and last but not least, BILL YOUNG, we were successful.

The conference agreement that we bring back to the House today contains total budget authority of $104.6 billion. Like the bill that we brought to the House on August 1, that is below the fiscal year 1984 appropriation by about $1.5 billion.

The reason for that decrease is the same as I explained to my colleagues on August 1—a large decline in appropriations related to unemployment compensation, balanced by a smaller increase in other entitlement programs, and an additional $3 billion in advance appropriations requested by the President.

The major difference in the conference agreement, compared with the bill that passed the House on August 1, is that we have provided appropriations for nearly all of the programs we deferred action on when we originally considered H.R. 6028. There has been great progress on the reauthorizations for these deferred programs, and in most cases, at a minimum, a conference report has been filed.

For these programs, ranging from Maternal and Child Health, to Head Start, to Low-Income Energy Assistance, to Older Americans Act Programs, to Impact Aid, $7.66 billion is provided in this conference agreement, compared with $7.8 billion in fiscal year 1984, a fiscal year 1985 budget request of $7.1 billion, and Senate-approved levels of $7.76 billion.

In addition, another large difference in this conference agreement, compared with the House-passed bill, is that adjustments have been made in a number of entitlement programs, to accommodate the lastest CBO estimates. With some increases and decreases over the original House-passed figures, this conference agreement provides nearly $657 million more in mandatory spending than was provided in the House-passed bill.

When these two major differences are taken into account—the $7.66 billion for deferred items, and the increase in mandatory items, plus some other give and take in the course of conference—the total budget authority in this bill is $104.6 billion, compared with the figure of $96.1 billion that was contained in the House-passed bill.

But in a bill like this, where so much of the spending is for mandatory items and entitlements, the key by which this bill is judged is the amount of spending for discretionary programs. On that account, I believe we have done our job, and came out with a total that is acceptable to all parties.

For the discretionary programs, the total in this conference report is $32.493 billion. If you add to that total the current rate for the remaining deferred programs not covered by this agreement, which will be funded at the current rate in the continuing resolution; namely, refugee and entrant assistance and health planning, you get a total of just under $33 billion, which is the subcommitte's allocation under the budget resolution.

The discretionary total we bring back to the House is within dollars of the total that was assumed when H.R. 6028 was passed by this House on August 1. Also, when the appropriate scorekeeping adjustments are made, that discretionary total is within what we understand to be the rose garden agreement.

Every signal we have had thus far from downtown is that this total is acceptable. So, with this conference agreement, for the health, education, and well-being of our people, I can assure you, everything is coming up roses.

Let me quickly highlight some of the major items in the conference agreement:

DEPARTMENT OF LABOR

Under the conference agreement, there is a total of $6.34 billion appropriated for programs in the Department of Labor, including: $3.7 billion for the Job Training Partnership Act; $100 million additional for the Summer Youth Employment Program for next summer, on top of the $724 million appropriated in the fiscal year 1984 bill, to provide the same amount as was available this summer; $617 million for the Job Corps, $17 million more than was passed by the House; $326 million for title V of the Older Americans Act, the Senior Community Service Employment Program; $5 million to initiate a plant closing and mass layoff survey in the Bureau of Labor Statistics; and 30 additional positions for the Bureau of Apprenticeship and Training, to maintain the 1984 approved level of 262 positions.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

For the Department of Health and Human Services, the conference agreement contains a total of $79.6 billion

in mandatory and discretionary spending, including: $478 million for maternal and child health, a $79 million increase over last year, which I am especially pleased to see as very much needed; $360 million for community health centers; $142.5 million for family planning, a small increase, but meant to be a signal that the committee supports the program, even though the authorization may be hung up; $84 million for research on AIDS; $5.146 billion for the National Institutes of Health, an increase of $580 million over the fiscal year 1984 level; $2.1 billion for low-income energy assistance; $1.075 billion for Head Start, an $80 million increase over 1984; $200 million for child welfare assistance, a $35 million increase over fiscal year 1984; and $372.4 million for the community services block grant, a $20 million increase over fiscal year 1984, for a program that was proposed for termination.

Under NIH let me just make two comments. The House provided $4 million to complete the funding of Digestive Disease Centers. The conference agreement is significantly above the level passed by the House for the NIADDK, and it is our expectation that the $4 million will be provided for the support of a second round of new Digestive Disease Centers.

Second, let me also say I am proud of what the conference agreement provides for the Neurological Institute. As the person who last year initiated the movement to increase funding for the Neurological Institute, based on the tremendous progress in research on the brain, I am pleased to see that interest become generalized and to see Members of both the House and the Senate make this one of their priorities.

DEPARTMENT OF EDUCATION

For the Department of Education, the conference agreement provides $17.6 billion in mandatory and discretionary spending, a $2,237 million increase over fiscal year 1984, including: $3.695 billion for chapter 1, Compensatory Education for the Disadvantaged, a $208 million increase over fiscal year 1984; $531.9 million for chapter 2, a $52.5 million increase over fiscal year 1984, which I wish could have been more, including the bill language I sponsored to prevent the possibility of funds being frozen in fiscal year 1985 as they were in fiscal year 1984; $695 million for impact aid, a $95 million increase over fiscal year 1984; $100 million initial funding for the Math-Science Program; $75 million for Magnet Schools; $1.321 billion for handicapped education, an increase of $80.6 million over fiscal year 1984; $3.325 billion for Pell grants, a $525 million increase over fiscal year 1984, and an increase in the maximum grant from $1,900 to $2,100, plus $250 million for the 1983 shortfall; $109 million increase in other student financial aid programs; a $10 million increase on the TRIO programs; and no report language on NIE affecting the lab competition.

In addition, there is $200 million in the conference agreement for the Corporation for Public Broadcasting, which Chairman NATCHER was gracious enough to accept, and $150 million for ACTION, a $15 million increase over fiscal year 1984.

Let me make a few additional remarks concerning a number of items covered in the conference report.

First, I'd like to correct my remarks during the House debate of this bill on August 1. At that time, I said that the Department of Education was expected to maintain the percentage of funds used for in-service and continuing education training until the required manpower study was done under handicapped education, personnel preparation. That was incorrect. I should have said under the training program in the Rehabilitation Services Administration, and I reaffirm my understanding on that basis.

Second, I would like to note that the House report accompanying this bill indicated that an additional $1 million was provided under the National Institute of Handicapped Research, for the purpose of creating two or three new centers for employment of the handicapped. Since an additional $1 million over the House passed level was provided in the conference report, it would be my expectation that additional programs for employment of the handicapped be undertaken by NIHR, and I would expect to work with the Department on this issue.

With respect to the $75 million provided for Magnet Schools, I sponsored the conference report language stating that the Department is expected to address the needs of small cities as well as large cities. I have a city in my district, Holyoke, MA, that has been struggling since the repeal of the Emergency School Assistance Act, exacerbated by the passage of proposition 2½, to make a voluntary plan work, and its situation is very much the kind that needs to be addressed by this program.

Also, let me take up the point about chapter 2 again. I have worked long and hard to try to clear up the situation regarding the freezing of special programs funds in direct contravention of congressional intent. Funding levels have now been written into the law itself, to require that funds be spent as intended by the committee, and to prevent any repeat of the freezing of funds that took place in fiscal year 1984. This is a most serious issue of judicial encroachment upon the power of the purse held by the Congress, and it is not to be repeated in fiscal year 1985. In addition, the conference report language I sponsored indicates to the Department that the fiscal year 1985 funds are first to be used to keep those programs going that are faced with closing their doors for lack of fiscal year 1984 funds, with the fiscal year 1985 funds to be repaid once the fiscal year 1984 funds are unfrozen.

Mr. Speaker, I am very proud that for the second year in a row, we have successfully arrived at a consensus figure for appropriations for the Departments of Labor, Health and Human Services, and Education.

Congratulations are in order for everyone that has labored over this bill for the last 8 months, from the distinguished chairman of the subcommittee, BILL NATCHER, to the chairman of the full committee, JAMIE WHITTEN, to all the members of the subcommittee.

Everyone has sought to do their best to see that the needs of the people of this country are addressed in a responsive, yet responsible way.

The priorities expressed in this conference agreement are the right priorities, on education, health research, services for mothers and children, the handicapped, and the disadvantaged. There is approximately a $2.4 billion increase in the discretionary programs dealing with these priorities, compared with last year, and it will go a long way to assuring that needs currently not being served are addressed.

This is a good agreement, and it is a bipartisan agreement, in which every Member of Congress can take pride. I urge its adoption.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from California.

Mr. DANNEMEYER. Mr. Speaker, I rise in opposition to this conference report. Seldom have I seen a document which demonstrates the necessity of the people of this country requiring an amendment to the Constitution to mandate a balanced budget so as to bring some fiscal discipline to the Members of this House and to this body and to the other body.

I am appalled by looking at this conference report. I will remind my colleagues that it contains 26 items where spending is identified for different categories to fund the activities of Health and Human Services for fiscal year 1985.

The document that was furnished to me when I came to the floor today just wants to make you shake your head because of the 26 items; in 24 of them the total that is in this conference report is higher than the total when it left this body on August 1 by a vote of 329 to 91.

Is it any wonder that the existence of a conference report between the other body and this House is anathema to the interests of the taxpayers and future generations of America because when these conference commit-

tees get together the interest is not what is good for the taxpayers but what can be accommodated between these two bodies.

In this instance the road to accommodation resulted, as I say, an increase in the level of spending for 24 out of 26. In 1 of the 26 it is the same.

Now, for the proponents of social services, they should almost hold their head in shame, I suppose, because the funding level in the House was $2.7 billion and in the conference report is $2.7 billion, a push. For some reason in Pell Grants, when it left the House it was $3.4 billion. It is down to $3.325 billion.

In every other of the 24 items that are in this conference report, spending is up rather than down.

I do not know how we can ever reconcile this kind of a result with poll after poll in this country which says in the way of the viewpoint of the American people, the taxpayers: "You pay the bill," to the Congress of the United States, "will you please get your fiscal house in order, balance the budget by cutting spending, not raising taxes."

And here we come for this conference report that significantly raises the level of spending beyond which was approved by this House on August 1, 1984. The only place that spending of this magnitude can lead this country is into bankruptcy, and I would hope that my colleagues will have the privilege of rejecting it, to tell our conferees not that we question their sincerity, but we question their judgment.

Please, when you go to conference, come out with something lower, not with something higher. That is my request.

I admire the long hours and time that you have invested, which you can only deal not with the labor of our love or the love of our labor, but the work product of what you bring to us.

I find it to be against the interest of the taxpayers, and I ask my colleagues to reject this conference report.

Mr. CONTE. Mr. Speaker, I appreciate everything that my good friend from California has said, and I appreciate his contribution.

But I would say to the gentleman from California [Mr. DANNEMEYER] that when this bill passed the House, we deferred action on $7.67 billion out of our bill, because there were no authorizations for a large number of programs. Therefore, after the authorizations passed for programs like Head Start, Older Americans, and Maternal and Child Health, then the money was put back into the bill, and that is why it seems like it is much greater than when it passed the House.

We are under the ceiling of $33 billion which was the ceiling arrived at under the budget resolution and the target set out by the so-called Rose Garden Agreement. I do not think there were any thorns here, just beautiful roses.

I suggest passage of the conference report.

Mr. NATCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington [Mr. LOWRY].

Mr. LOWRY of Washington. Mr. Speaker, I would like to commend the House conferees, and especially the distinguished chairman of the Appropriations Subcommittee on Labor-Health and Human Services, for their fine work in bringing this agreement to the floor today. I am particularly pleased that the conferees have agreed to the House language to include funding for the Dental Research Institutes and Center Program. This program, operated under the National Institute of Dental Research, consists of five university dental research centers across the country. One of these programs—the Center for Research in Oral Biology—is located at the University of Washington, which is in my district. Funding for the centers had not been included in the Senate version of H.R. 6028.

In the absence of this funding, the National Institute of Dental Research would have carried out its plan to phase out the dental research centers. This decision would have had an adverse effect on the dental research community's ability to control and eradicate dental diseases. The dental research centers have been an extremely effective mechanism for increasing scientific knowledge in this area. Their achievements and contributions to biomedical science have been recognized through scientific peer review and through the reports to the Congress from the National Institute of Dental Research. This is a vital program which deserves to be continued. Again, I thank the conferees for their assistance in maintaining funding for these most important institutions of research.

● Mr. BIAGGI. Mr. Speaker, I rise in support of the pending conference report making appropriations for the Departments of Labor and Health and Human Services for the fiscal year 1985. As always I wish to pay tribute to the distinguished gentleman from Kentucky [Mr. NATCHER], who once again has demonstrated exemplary leadership in bringing to the House a responsible but progressive piece of legislation.

While there are many meritorious features in this legislation I wish to address myself to the funding levels provided for a program of great importance to me—the Older Americans Act. The levels agreed to in the conference are as follows:

Title III B—Supportive Services, $265 million;

Title III C1—Congregate Nutrition, $336 million;

Title III C2—Home Delivered Meals, $67.9 million;

Title IV—Research Training and Demonstration, $25 million;

Title V—Community Service Employment, $326 million; and

Title VI—Grants to Indians, $7.5 million.

I am pleased that within these levels are notable increases especially in title III B and III C1. I was proud to have authored an amendment to the recently passed second supplemental appropriations for fiscal year 1984 which provided an additional $15 million in funds for the Older Americans Act. This legislation builds further upon that initiative and directs its increases to the programs with the greatest need.

However I do have a concern which I hope will be addressed in future legislation during fiscal year 1985.

Coinciding with the consideration of this bill in conference was the House and Senate completing final action on S. 2603 the Older Americans Act reauthorization for fiscal year's 1985, 1986 and 1987. Contained in this bill is a new provision calling for a set aside of up to 5 percent of total funds under title III with a minimum of $300,000 for State agency activities. Based on previous appropriations figures, the amounts reserved for State administration totaled some $21 million. If in fact States exercised their option to use up to 5 percent for State administration, the amount required for State administration could reach $33 million. This would almost negate the extra funds provided in this legislation for services under title III. I would hope that the committee would give the most serious consideration to a supplemental appropriations later in fiscal year 1985 if the demands created by this new provision threatens the ability to provide services at existing levels.

Absent that concern, I am entirely satisfied with the levels agreed to in conference. The increases that are provided for titles III B and III C will allow us to better serve the ever increasing needs of the elderly of our localities, States, and Nation.

The bill in its entirety is a sound proposal and one that begins the process of returning us to an era when we provided adequate levels of funding for programs that help people. The Older Americans Act for the past two decades has been a success story because it works all across our Nation. Adequate funding levels such as those provided in H.R. 6028 will ensure it continues to do so during fiscal year 1985.●

Mr. NATCHER. Mr. Speaker, we have no further requests for time on this side.

Mr. CONTE. Mr. Speaker, we have no further requests for time.

Mr. NATCHER. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 313, nays 70, not voting 49, as follows:

[Roll No. 457]

YEAS—313

Ackerman	Dicks	Hunter
Addabbo	Dingell	Hutto
Akaka	Dixon	Hyde
Albosta	Donnelly	Ireland
Anderson	Dorgan	Jacobs
Andrews (TX)	Dowdy	Jeffords
Annunzio	Downey	Jenkins
Anthony	Duncan	Johnson
Applegate	Durbin	Jones (NC)
AuCoin	Dwyer	Jones (OK)
Barnard	Dymally	Jones (TN)
Barnes	Early	Kaptur
Bateman	Eckart	Kastenmeier
Bates	Edwards (AL)	Kazen
Bedell	Edwards (CA)	Kennelly
Beilenson	Emerson	Kildee
Bennett	Erdreich	Kleczka
Bereuter	Evans (IA)	Kogovsek
Berman	Evans (IL)	Kolter
Bevill	Fascell	Kostmayer
Biaggi	Fazio	Lagomarsino
Bilirakis	Feighan	Lantos
Boehlert	Fish	Lehman (CA)
Boggs	Flippo	Lehman (FL)
Boland	Florio	Leland
Bonior	Foglietta	Lent
Bosco	Foley	Levin
Boucher	Ford (MI)	Levine
Boxer	Ford (TN)	Levitas
Breaux	Fowler	Lewis (CA)
Britt	Frank	Lewis (FL)
Brooks	Frost	Livingston
Brown (CA)	Fuqua	Lloyd
Bryant	Garcia	Long (LA)
Burton (CA)	Gaydos	Long (MD)
Byron	Gejdenson	Lowry (WA)
Carney	Gephardt	Luken
Carper	Gibbons	Lundine
Carr	Gilman	MacKay
Chandler	Glickman	Madigan
Chappell	Gonzalez	Markey
Clarke	Goodling	Martin (NY)
Clay	Gore	Martinez
Clinger	Green	Matsui
Coats	Guarini	Mazzoli
Coelho	Gunderson	McCain
Coleman (MO)	Hall (IN)	McCloskey
Coleman (TX)	Hall (OH)	McDade
Collins	Hamilton	McGrath
Conte	Hammerschmidt	McHugh
Conyers	Harkin	McKernan
Cooper	Hatcher	McKinney
Coughlin	Hayes	McNulty
Courter	Heftel	Mica
Coyne	Hertel	Michel
Crockett	Hightower	Mikulski
D'Amours	Hiler	Miller (CA)
Daschle	Hillis	Miller (OH)
Daub	Hopkins	Mineta
Davis	Horton	Minish
de la Garza	Hoyer	Mitchell
Dellums	Huckaby	Moakley
Derrick	Hughes	Molinari
Mollohan	Roe	Tallon
Moody	Rogers	Tauzin
Moore	Rostenkowski	Thomas (CA)
Morrison (CT)	Roth	Thomas (GA)
Morrison (WA)	Roukema	Torres
Mrazek	Rowland	Torricelli
Murphy	Roybal	Towns
Murtha	Russo	Traxler
Myers	Sabo	Udall
Natcher	Savage	Valentine
Neal	Sawyer	Vandergriff
Nichols	Scheuer	Vento
Nowak	Schneider	Volkmer
O'Brien	Schumer	Vucanovich
Oakar	Seiberling	Walgren
Oberstar	Shannon	Watkins
Obey	Sharp	Waxman
Ortiz	Shaw	Weaver
Ottinger	Shelby	Weiss
Owens	Sikorski	Wheat
Panetta	Sisisky	Whitehurst
Pashayan	Skelton	Whitley
Patman	Slattery	Whittaker
Patterson	Smith (IA)	Whitten
Pease	Smith (NE)	Williams (MT)
Pepper	Smith (NJ)	Williams (OH)
Petri	Smith, Robert	Wilson
Pickle	Snowe	Wirth
Porter	Snyder	Wise
Price	Solarz	Wolf
Pritchard	Solomon	Wolpe
Quillen	Spratt	Wortley
Rahall	St Germain	Wright
Rangel	Staggers	Wyden
Ratchford	Stangeland	Wylie
Regula	Stark	Yates
Reid	Stokes	Yatron
Richardson	Stratton	Young (AK)
Ridge	Studds	Young (FL)
Rinaldo	Sundquist	Young (MO)
Ritter	Swift	
Rodino	Synar	

NAYS—70

Archer	Gregg	Oxley
Badham	Hall, Ralph	Packard
Bartlett	Hall, Sam	Penny
Bliley	Hansen (UT)	Ray
Brown (CO)	Hartnett	Roberts
Broyhill	Hubbard	Robinson
Burton (IN)	Kindness	Roemer
Chappie	Kramer	Rudd
Craig	Latta	Schaefer
Crane, Daniel	Leach	Schroeder
Crane, Philip	Leath	Sensenbrenner
Daniel	Loeffler	Shumway
Dannemeyer	Lott	Shuster
DeWine	Lowery (CA)	Skeen
Dickinson	Lujan	Smith, Denny
Dreier	Lungren	Spence
Edwards (OK)	Mack	Stump
English	Marlenee	Tauke
Fields	McCandless	Taylor
Franklin	McCollum	Walker
Frenzel	Montgomery	Weber
Gekas	Moorhead	Zschau
Gingrich	Nelson	
Gradison	Nielson	

NOT VOTING—49

Alexander	Fiedler	Mavroules
Andrews (NC)	Gramm	McCurdy
Aspin	Gray	McEwen
Bethune	Hance	Olin
Boner	Hansen (ID)	Parris
Bonker	Harrison	Paul
Borski	Hawkins	Pursell
Broomfield	Hefner	Rose
Campbell	Holt	Schulze
Cheney	Howard	Siljander
Conable	Kasich	Simon
Corcoran	Kemp	Smith (FL)
Darden	LaFalce	Stenholm
Dyson	Lipinski	Vander Jagt
Edgar	Marriott	Winn
Erlenborn	Martin (IL)	
Ferraro	Martin (NC)	

□ 1620

The Clerk announced the following pairs:

On this vote:

Mr. Cheney for, with Mr. Paul against.

Mr. Pursell for, with Mr. Campbell against.

Mr. GINGRICH changed his vote from "yea" to "nay."

Mr. THOMAS of California and Mr. LEWIS of Florida changed their votes from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1630

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will designate the first amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 2: Page 2, line 15, strike out "$3,723,079,000" and insert "$3,650,519,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 2 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert the following: "$3,643,545,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 10: Page 3, after line 16, insert:

To carry out the activities for national grants or contracts with public agencies and public or private nonprofit organizations under paragraph (1)(A) of section 506(a) of title V of the Older Americans Act of 1965, as amended, $261,300,000.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 10 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: To carry out the activities for national grants or contracts with public agencies and public or private nonprofit organizations under paragraph (1)(A) of section 506(a) of title V of the Older Americans Act of 1965, as amended, $254,280,000.

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 11: Page 3 after line 16, insert:

To carry out the activities for grants to States under paragraph (3) of section 506(a) of title V of the Older Americans Act of 1965, as amended, $73,700,000.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 11 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: To carry out the activities for grants to States under paragraph (3) of section 506(a) of title V of the Older Americans Act of 1965, as amended, $71,720,000.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The gentleman from Kentucky [Mr. NATCHER] is recognized for 30 minutes.

Mr. NATCHER. Mr. Speaker, I yield to the gentleman from Texas [Mr. WRIGHT], the majority leader.

Mr. WRIGHT. Mr. Speaker, it is just possible that we may have a conference report agreement on the continuing resolution to vote on this evening. It has just been announced in the conference by the chairman of the conferees, acting on behalf of the other body, Senator HATFIELD, that it is his purpose and intent, and surely it is the purpose of our conferees, to conclude the agreement this evening and to bring a conference committee report to both bodies in order that it may be voted upon this evening.

That intention notwithstanding, Members realize that it is always possible that some problem may arise; but we believe there is a ray of hope and a light at the end of the tunnel, and I thought it useful to report that for the Members' planning this evening.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Mississippi.

Mr. LOTT. I thank the gentleman for yielding so that I may address a question to the distinguished majority leader.

The implication there was that progress was being made in the conference meeting. We are all pleased to hear that and that perhaps there would be an opportunity later on tonight to vote on some agreement. That came as a little bit of a surprise to me, thinking that we might be able to get to it tonight. A lot of Members are asking, naturally, the gentleman knows quite well, whether we are going to do it tonight or tomorrow. I have been clearly under the impression that we would probably not get to this conference report until tomorrow. That prospect is still very likely, that it will not be until tomorrow, is it not?

Mr. WRIGHT. If the gentleman will yield, I am simply reporting what I regard to be a very hopeful, very recent development in the conference. It is, of course, possible that we will not reach that point this evening. It takes time, as the gentleman is well aware, and other Members know, as well, to reduce the agreement to its written form in order that it might be precisely identically the same as it appears on the floors of both bodies.

So if an agreement were reached in 10 minutes, it still would take 3½, 4 hours, 2 hours, perhaps, before it could be reduced to that form.

But there is hope, at least. No, there is no guarantee that we will have that opportunity tonight. There is, at least, a revival of hope that we may possibly have that opportunity tonight, and I thought I should report that to the membership.

Mr. LOTT. I have just one comment on behalf of all of us, though. I am sure the gentleman's intention would be if it becomes apparent that the papers would not be ready at some reasonable hour tonight that the Members will be notified as early as possible tonight of the fact that we were going over until tomorrow.

Mr. WRIGHT. The gentleman is correct and properly raises the point. Whenever we make a judgment that it is or is not going to be available for us this evening, then those notices will go out to Members over the respective telephone systems that our whip organizations maintain with the offices of all of our Members.

Mr. LOTT. I thank the gentleman for yielding.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that Senate amendments Nos. 18, 21, 26, 31, 34, 36, 38, 40, 42, 44, 46, 48, 50, 52, 54, 56, 72, 83, 90, 95, 99, 106, 126, 136, and 182 be considered en bloc and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendments to be considered en bloc are as follows:

Senate amendment No. 18: Page 4, line 23, after "purpose," insert "and of which, not to exceed $3,767,000 which shall be available only for amortization payments to States which had independent retirement plans in their State Employment Service Agencies,".

Senate amendment No. 21: Page 5, line 22, after "Corporation" insert ": *Provided*, That not to exceed $33,057,000 shall be available for administrative expenses of the Corporation".

Senate amendment No. 26: Page 14, line 7, strike out all after "Consumer" down to and including "Fund" in line 11 and insert "Price Index, together with not to exceed $20,420,000 which may be expended from the Employment Security Administration account in the Unemployment Trust Fund: *Provided*, That $4,823,000 shall remain available until September 30, 1986.".

Senate amendment No. 31: Page 17, line 3, strike out "title III and section 1102" and insert "titles III, XI, and XIX".

Senate amendment No. 34: Page 17, line 15, after "301" and insert "and title IV".

Senate amendment No. 36: Page 17, line 18, strike out "and section 1105" and insert "title IV and title XI".

Senate amendment No. 38: Page 17, line 23, after "301" insert "and title IV".

Senate amendment No. 40: Page 18, line 3, after "301" insert "and title IV".

Senate amendment No. 42: Page 18, line 8, after "301" insert "and title IV".

Senate amendment No. 44: Page 18, line 13, after "301" insert "and title IV".

Senate amendment No. 46: Page 18, line 17, after "301" insert "and title IV".

Senate amendment No. 48: Page 18, line 22, after "301" insert "and title IV".

Senate amendment No. 50: Page 19, line 2, after "301" insert "and title IV".

Senate amendment No. 52: Page 19, line 7, strike out "and 311" and insert "311 and title IV".

Senate amendment No. 54: Page 19, line 11, after "301" insert "and title IV".

Senate amendment No. 56: Page 19, line 14, strike out "section 301" and insert "sections 301 and 472".

Senate amendment No. 72: Page 24, line 10, after "$270,000,000" insert "to remain available until expended".

Senate amendment No. 83: Page 27, line 17, strike out "$651,902,000" and insert "and title II of Public Law 95-266 (adoption opportunities), $690,902,000".

Senate amendment No. 90: Page 28, line 17, after "Act" insert:

, except that the Secretary of Health and Human Services may waive this requirement for any State applying for such a waiver if—

(1) the State obtained a waive of the requirements of section 138 of Public Law 97-276 with respect to appropriations for fiscal year 1983; and

(2) the State submits, prior to October 1, 1984, an application for fiscal year 1985 under the Community Sevices Block Grant Act, containing provisions for the use of assistance under that Act by political subdivisions.

Senate amendment No. 95: Page 29, line 16, after "$8,500,000" insert ": *Provided*, That not less than $1,750,000 shall be obligated to continue research on poverty conducted by the Institute for Research on Poverty".

Senate amendment No. 99: Page 31, line 24, after "GS-18;" insert "for carrying out section 472 of the Public Health Service Act;".

Senate amendment No. 106: Page 33, line 6, after "pay" insert ": *Provided*, That amounts received from employees of the department in payment for room and board may be credited to the appropriation accounts 'Health Resources and Services', National Institute of Health 'Office of the Di-

rector', 'Disease Control', and 'Federal Subsidy for Saint Elizabeths Hospital' ".

Senate amendment No. 126; Page 36, line 11, after "1986" ": *Provided*, That $500,000 of the amounts available under this heading for part F of the Education of the Handicapped Act shall be available for the Theater of the Deaf".

Senate amendment No. 136: Page 38, line 5, after "That" insert "notwithstanding section 411(a)(2)(A)(i) and section 411(b)(5) of the Higher Education Act,".

Senate amendment No. 182: Page 47, lines 24 and 25, strike out "section 141-143 of Public Law 98-221, $500,000" and insert "the provisions of the Vocational Rehabilitation Act of 1973, as amended (Public Law 98-221), $750,000 of which $300,000 shall be available for the employment of seven technical and professional staff persons in addition to the executive director".

MOTION OFFERED BY MR. CONTE

Mr. CONTE. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CONTE moves that the House recede from its disagreement to the amendments of the Senate numbered 18, 21, 26, 31, 34, 36, 38, 40, 42, 44, 46, 48, 50, 52, 54, 56, 72, 83, 90, 95, 99, 106, 126, 136, and 182, and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 30: Page 16, after line 7, insert:

HEALTH RESOURCES AND SERVICES

For carrying out titles III, IV, V, VII, VIII, X, and parts A and C of title XVI, and XIX of the Public Health Service Act, and 5 U.S.C. 7901, section 427(a) of the Federal Coal Mine Health and Safety Act, and title V of the Social Security Act, $1,455,289,000, of which $3,000,000 shall be available only for payments to the State of Hawaii for care and treatment of persons afflicted with Hansen's disease: *Provided*, That $5,000,000 of such amount shall be available for the establishment of geriatric educational units under section 788(b) of the Public Health Service Act: *Provided further*, That of the amount appropriated for title V of the Social Security Act, there are available $500,000 under section 502(a)(1) of the Social Security Act for a grant to the Kamehameha Schools/Bishop Estate in Honolulu, Hawaii, for the establishment and operation of a Native Hawaiian Parent and Child Center. Such grant shall require the recipient to match the grant on a dollar-for-dollar basis. Such amount shall remain available until expended: *Provided further*, That $5,000,000 shall be available to make grants to the University of Hawaii, Honolulu, Hawaii, to plan, develop, and operate a program for the training of medical officers to serve in American Samoa and the Trust Territory of the Pacific Islands, under section 301 of the United States Public Health Service Act. These funds may be used for alteration and renovation of facilities, travel, and student stipends, among other costs as necessary, for the training program, and shall remain available until expended: *Provided further*, That during the fiscal year 1985 new commitments to guarantee loans under subpart I of part C of title VII may be made only to the extent that the total loan principal, any part of which is to be guaranteed, shall not exceed $250,000,000: *Provided further*, That the premium charges set under subpart I of part C of title VII may be set by the Secretary at a level sufficient to defray the estimated payments of defaults: *Provided further*, That this appropriation shall be available for payment of the costs of medical care, related expenses, and burial expenses hereafter incurred by or on behalf of any person who has participated in the study of untreated syphilis initiated in Tuskegee, Alabama, in 1932, in such amounts and subject to such terms and conditions as prescribed by the Secretary of Health and Human Services and for payment, in such amounts and subject to such terms and conditions, of such costs and expenses hereafter incurred by or on behalf of such person's wife or offspring determined by the Secretary to have suffered injury or disease from syphilis contracted from such person: *Provided further*, That when the Department of Health and Human Services operates an employee health program for any Federal department or agency, payment for the full estimated cost shall be made by way of reimbursement or in advances to this appropriation: *Provided further*, That such funds as may be necessary shall be transferred from the National Health Service Corps to the Community Health Center program to pay for the salaries, benefits and other expenses associated with the private placement assignment of Corps personnel: *Provided further*, That collections from National Health Service Corps scholarship recipients who have breached their obligation to serve shall be used to fund new scholarships and shall remain available until expended: *Provided further*, That during the fiscal year, and within the resources and authority available under section 338 of the Public Health Service Act, gross obligations for the principal amount of direct loans under section 335(c), 338C(e)(1), and 338E of that Act shall not exceed $1,000,000: *Provided further*, That none of the funds made available by this Act shall be used to provide special retention pay (bonuses) under paragraph (4) of 37 U.S.C. 302(a) to any regular or reserve officer of the Public Health Service for any period during which the officer is providing obligated service under section 338B (or under former sections 225(e) or 752) of the Public Health Service Act except that this proviso shall not apply to any period of service covered by an agreement entered into by an officer under 37 U.S.C. 302(c)(1) before the date of enactment of Public Law 97-377.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 30 and concur therein with an amendment, as follows:

HEALTH RESOURCES AND SERVICES

For carrying out titles III, IV, V, VII, VIII, X, and parts A and C of title XVI, and XIX of the Public Health Service Act, and 5 U.S.C. 7901, section 427(a) of the Federal Coal Mine Health and Safety Act, and title V of the Social Security Act, $1,427,694,000, of which $2,500,000 shall be available only for payments to the State of Hawaii for care and treatment of persons afflicted with Hansen's disease and $2,500,000, to remain available until expended, shall be for demonstration grants under section 301: *Provided further*, That this appropriation shall be available for payment of the costs of medical care, related expenses, and burial expenses hereafter incurred by or on behalf of any person who has participated in the study of untreated syphilis initiated in Tuskegee, Alabama, in 1932, in such amounts and subject to such terms and conditions as prescribed by the Secretary of Health and Human Services and for payment, in such amounts and subject to such terms and conditions, of such costs and expenses hereafter incurred by or on behalf of such person's wife or offspring determined by the Secretary to have suffered injury or disease from syphilis contracted from such person: *Provided further*, That when the Department of Health and Human Services operates an employee health program for any Federal department or agency, payment for the full estimated cost may be made by way of reimbursement or in advances to this appropriation: *Provided further*, That during the fiscal year, and within the resources and authority available under section 338 of the Public Health Service Act, gross obligations for the principal amount of direct loans under section 335(c), 338C(e)(1), and 338E of that Act shall not exceed $1,000,000: *Provided further*, That none of the funds made available by this Act shall be used to provide special retention pay (bonuses) under paragraph (4) of 37 U.S.C. 302(a) to any regular or reserve officer of the Public Health Service for any period during which the officer is providing obligated service under section 338B (or under former sections 225(e) or 752) of the Public Health Service Act except that this proviso shall not apply to any period of service covered by an agreement entered into by an officer under 37 U.S.C. 302(c)(1) before the date of enactment of Public Law 97-377.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 32: Page 17, line 8, strike out "$198,802,000, of which $1,810,000" and insert "$413,930,000, of which $6,310,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 32 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$410,530,000, of which $6,310,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 35: Page 17, line 16, strike out "$1,084,950,000" and insert "$1,187,693,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 35 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert the following: "$1,183,806,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 37: Page 17, line 21, strike out "$764,135,000" and insert "$807,149,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 37 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert the following: "$805,269,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 39: Page 17, line 24, strike out "$95,826,000" and insert "$98,451,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 39 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert the following: "$100,688,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 41: Page 18, line 5, strike out "$515,516,000" and insert "$545,551,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 41 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert the following: "$543,576,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 43: Page 18, line 10, strike out "$379,520,000" and insert "$401,403,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 43 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert the following: "$396,885,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 45: Page 18, line 15, strike out "$355,728,000" and insert "$375,091,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 45 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert the following: "$370,965,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 47: Page 18, line 19, strike out "$412,987,000" and insert "$495,150,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate Numbered 47 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert the following: "$482,260,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 49: Page 18, line 24, strike out "$296,929,000" and insert "$316,100,000, of which $4,000,000 shall be available for Orphan Drug Research and Development Grants".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate Numbered 49 and concur therein with an amendment, as follows: In lieu of

the matter stricken and inserted by said amendment insert: "$313,295,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 51: Page 19, line 4, strike out "$171,097,000" and insert "$187,181,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 51 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment insert the following: "$181,678,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 53: Page 19, line 9, strike out "$189,437,000" and insert "$191,980,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 53 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert the following: "$194,819,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 55: Page 19, line 12, strike out "$140,102,000" and insert "$144,799,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 55 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert the following: "$144,521,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 57: Page 19, line 16, strike out "$303,531,000" and insert "$303,498,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 57 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert the following: "$304,025,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 66: Page 21, after line 9, insert:

PUBLIC HEALTH SERVICE MANAGEMENT

For the expenses necessary for the Office of Assistant Secretary for Health and for carrying out titles III and XX of the Public Health Service Act, $101,803,000, of which $250,000 shall be available for design and facility planning for the Norton Sound Health Corporation in Nome, Alaska, under section 305(b)(3) of the Public Health Service Act, without regard to requirements of section 308 of said Act, together with not to exceed $1,050,000 to be transferred and expended as authorized by section 201(g) of the Social Security Act, from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds referred to therein and, in addition, amounts collected by the National Center for Health Statistics from the sale of data tapes shall be credited to this appropriation and shall remain available until expended: *Provided*, That section 2008(g) does not apply to these programs.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 66 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

PUBLIC HEALTH SERVICE MANAGEMENT

For the expenses necessary for the Office of Assistant Secretary for Health and for carrying out titles III and XX of the Public Health Service Act, $101,803,000, of which $250,000 shall be available for design and facility planning under section 305(b)(3) of the Public Health Service Act, together with not to exceed $1,050,000 to be transferred and expended as authorized by section 201(g) of the Social Security Act, from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds referred to therein and, in addition, amounts collected by the National Center for Health Statistics from the sale of data tapes shall be credited to this appropriation and shall remain available until expended: *Provided*, That section 2008(g) does not apply to these programs.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 68: Page 22, line 19, strike out "$19,807,020,000" and insert "$19,872,000,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 68 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment insert the following: "18,750,000,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 78: Page 26, line 10, insert:

LOW INCOME HOME ENERGY ASSISTANCE

For carrying out title XXVI of the Omnibus Budget Reconciliation Act of 1981, $2,140,000,000.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 78 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

LOW INCOME HOME ENERGY ASSISTANCE

For carrying out title XXVI of the Omnibus Budget Reconciliation Act of 1981, $2,100,000,000.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 81: Page 27, after line 13, insert:

HUMAN DEVELOPMENT SERVICES

For carrying out, except as otherwise provided, the Older Americans Act of 1965, the Runaway and Homeless Youth Act, the Native Americans Program Act, the Developmental Disabilities Assistance and Bill of Rights Act, the Child Abuse Prevention and Treatment Act, and the Head Start Act of 1981, $2,003,704,000, of which $33,400,000 shall be available for carrying out section 308(b)(1) of the Older Americans Act of 1965.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 81 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert the following: "$1,996,154,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 101: Page 32, line 6, after "term" insert ", or except for such medical procedures necessary for the victims of rape or incest".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House insist on its disagreement to the amendment of the Senate numbered 101.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 115: Page 34, line 8, strike out all after "Act of" over to and including "1986" in line 23 on page 35 and insert "1981; title IX, part C of the Elementary and Secondary Education Act; title IV of the Civil Rights Act of 1964; sections 1524 and 1525 of the Education Amendments of 1978; and Public Law 92-506, $569,309,000: *Provided*, That $500,000,000 to carry out the State block grant program authorized under chapter 2 of the Education Consolidation and Improvement Act shall become available for obligation on July 1, 1985, and shall remain available until September 30, 1986: *Provided further*, That $31,909,000 for the purpose of subchapter D of the Education Consolidation and Improvement Act shall become available for obligation on October 1, 1984: *Provided further*, That $1,500,000 of the amount appropriated above for the purpose of Public Law 92-506 shall become available until September 30, 1986".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 115 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment insert the following:

1981, $531,909,000, of which $31,909,000 shall be for programs and projects authorized under subchapter D of said Act, including $10,700,000 for programs and projects authorized under subsection 583(a)(1) of said Act; $6,052,000 shall be used for awards, which, except for educational television programming, are not to exceed a cumulative amount of $1,000,000 to any recipient for national impact demonstration or research projects; $7,000,000 for activities authorized under subsection 583(b)(1) of said Act; $3,157,000 for programs authorized under subsection 583(b)(2) of said Act; $3,000,000 for programs authorized under subsection 583(b)(3) of said Act; and $2,000,000 for activities authorized under subsection 583(b)(4) of said Act: *Provided*, That $500,000,000 to carry out the State block grant program authorized under chapter 2 of said Act shall become available for obligation on July 1, 1985, and shall remain available until September 30, 1986: *Provided further*, That $31,909,000 for the purpose of subchapter D of said Act shall become available for obligation on October 1, 1984.

For grants to State education agencies and desegregation assistance centers authorized under section 403 of the Civil Rights Act of 1964, $24,000,000.

For carrying out activities authorized under title IX, part C of the Elementary and Secondary Education Act, $6,000,000.

For carrying out activities authorized under section 1524 of the Education Amendments of 1978, $2,700,000.

For carrying out activities authorized under section 1525 of the Education Amendments of 1978, $2,000,000.

For carrying out activities authorized under Public Law 92-506, as amended, $1,500,000: *Provided*, That said sum shall become available on July 1, 1985, and shall remain available until September 30, 1986.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 116: Page 35, after line 23, insert:

For carrying out the provisions of title VII of the Education for Economic Security Act, relating to magnet schools assistance, $75,000,000: *Provided*, That not more than $5,000,000 in the fiscal year may be paid to any single eligible local educational agency: *Provided further*, That amounts appropriated under this sentence shall be available October 1, 1984.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 116 and concur therein with an amendment, as follows: In lieu of the sum of $5,000,000 named in said amendment insert: "$4,000,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 117: Page 35, after line 23, insert:

SCIENCE AND MATH EDUCATION

For carrying out the provisions of title II of the Education for Economic Security Act, $200,000,000 to remain available until expended.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 117 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert the following: "$100,000,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 118: Page 35, after line 23, insert:

EXCELLENCE IN EDUCATION PROGRAM

For carrying out the provisions of title VI of the Education for Economic Security Act, $10,000,000 to remain available until expended.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 118 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert the following: "$5,000,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 120: Page 36, after line 5, insert:

SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

For carrying out title I of the Act of September 30, 1950, as amended (20 U.S.C. ch. 13), $675,000,000 of which $22,000,000 shall be entitlements under section 2 of said Act, $10,000,000, which shall remain available until expended, shall be for payments under section 7 of said Act and $643,000,000 shall be for entitlements under section 3 of said Act of which $565,000,000 shall be for entitlements under section 3(a) of said Act: *Provided*, That payment with respect to entitlements under section 3(a) to any local educational agency described in section 3(d)(1)(A) of said Act shall be at 100 per centum of entitlement except that payment to such agency attributable to children who reside on property which is described in section 403(1)(C) of said Act shall be limited to 15 per centum of entitlement: *Provided further*, That payment with respect to entitlements under section 3(a) to any local educational agency not described in section 3(d)(1)(A) shall be ratably reduced from 100 per centum of entitlement except that payment to such agency attributable to children who reside on property which is described in section 403(1)(C) shall be ratably reduced from 15 per centum of entitlement: *Provided further*, That payment with respect to entitlements under section 3(b) of said Act shall be ratably reduced from 100 per centum of entitlement: *Provided further*, That no payment shall be made under section 3 to any local educational agency whose payment under that section fails to exceed $5,000: *Provided further*, That the provisions of section 5(c) of said Act shall not apply to funds provided herein: *Provided further*, That section 305(b)(2) of the Education Amendments of 1974 shall not apply to funds provided herein: *Provided further*, That no payments shall be made under section 7 of said Act to any local educational agency whose need for assistance under that section fails to exceed the lesser of $10,000 or 5 per centum of the district's current operating expenditures during the fiscal year preceding the one in which the disaster occurred: *Provided further*, That of the funds available under section 7 of said Act, $1,000,000 shall be for reconstruction of a school in Motley County, Texas: *Provided further*, That in determining entitlements under section 3 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), the local contribution rate for each local contribution rate for each local educational agency shall not be less than the local contribution rate for that agency for fiscal year 1984 increased by the percentage increase (if any) in the national average per pupil expenditure for fiscal year 1984 from fiscal year 1983: *Provided further*, That the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by striking out "October 1, 1983" each place it appears in sections 2(a), 3(b), 4(a), and 7(a)(1) and inserting in lieu thereof "October 1, 1989": *Provided further*, That section 3(d)(2)(E)(ii) of the Act of September 30, 1950 (Public Law 874 Eighty-first Congress) is amended by striking out "1983 or 1984" and inserting in lieu thereof "1984 and each fiscal year thereafter" and division (iii) of section 3(d)(2)(E) of such Act is repealed: *Provided further*, That section 3(d)(2)(B) of the Act of September 30, 1950 (Public Law 874 Eighty-first Congress) is amended by inserting at the end thereof the following new sentence: "In carrying out the provisions of this subparagraph, the Secretary shall not prorate the amounts computed under this subparagraph attributable to the number of children determined under subsection (a) or (b), or both.": *Provided further*, That the second sentence of section 3(d)(2)(B) of the Act of September 30, 1950 (Public Law 874 Eighty-first Congress) is amended by striking out "The" and inserting in lieu thereof "Subject to the provisions of subsection (h) of this section, the", and section 3 of such Act is amended by adding at the end thereof the following new subsection:

"SPECIAL PROVISIONS

"(h) Any local educational agency for which the boundaries of the school district of such agency are coterminous with the boundaries of a military installation and which is not eligible to receive payments under subsection (d)(2)(B) shall receive 100 percent of the amounts to which such agency is entitled under subsection (a) of this section.".

For carrying out the Act of September 23, 1950, as amended (20 U.S.C. ch. 19), $20,000,000 which shall remain available until expended, shall be for providing school facilities as authorized by said Act, of which $8,500,000 shall be for awards under sections 14(a) and 14(b) of said Act, and $3,000,000 shall be for awards under section 5 and 14(c) of said Act: *Provided further*, That the Act of September 23, 1950 (Public Law 815, Eighty-first Congress), is amended—

(1) by striking out "October 1, 1983" in section 3 and inserting in lieu thereof "September 30, 1989"; and

(2) by striking out "October 1, 1983" in section 16(a)(1)(A) and inserting in lieu thereof "October 1, 1989".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 120 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

For carrying out title I of the Act of September 30, 1950, as amended (20 U.S.C. ch. 13), $675,000,000 of which $22,000,000 shall be entitlements under section 2 of said Act, $10,000,000, which shall remain available until expended, shall be for payments under section 7 of said Act and $643,000,000 shall be for entitlements under section 3 of said Act of which $513,000,000 shall be for entitlements under section 3(a) of said Act: *Provided*, That payment with respect to entitlements under section 3(a) to any local educational agency described in section 3(d)(1)(A) of said Act shall be at 100 per centum of entitlement except that payment to such agency attributable to children who reside on property which is described in section 403(1)(C) of said Act shall be limited to 15 per centum of entitlement: *Provided further*, That payment with respect to entitlements under section 3(a) to any local educational agency not described in section 3(d)(1)(A) shall be ratably reduced from 100 per centum of entitlement except that payment to such agency attributable to children who reside on property which is described in section 401(1)(C) shall be ratably reduced from 15 per centum of entitlement: *Provided further*, That payment with respect to entitlements under section 3(b) of said Act to any local educational agency in

which 20 per centum or more of the total average daily attendance is made up of children determined eligible under section 3(b) shall be at 60 per centum of entitlement and payment with respect to entitlements under section 3(b) of said Act to any local educational agency in which less than 20 per centum of the total average daily attendance is made up of children determined eligible under section 3(b) shall be ratably reduced from 100 per centum of entitlement: *Provided further*, That the provisions of section 5(c) of said Act shall not apply to funds provided herein: *Provided further*, That section 305(b)(2) of the Education Amendments of 1974 shall not apply to funds provided herein: *Provided further*, That no payments shall be made under section 7 of said Act to any local educational agency whose need for assistance under that section fails to exceed the lesser of $10,000 or 5 per centum of the district's current operating expenditures during the fiscal year preceding the one in which the disaster occurred: *Provided further*, That in determining entitlements under section 3 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), the local contribution rate for each local educational agency shall not be less than the local contribution rate for that agency for fiscal year 1984 increased by the percentage increase (if any) in the national average per pupil expenditure for fiscal year 1984 from fiscal year 1983: *Provided further*, That section 3(d)(2)(B) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by inserting at the end thereof the following new sentence: "In carrying out the provisions of this subparagraph, the Secretary shall not prorate the amounts computed under this subparagraph attributable to the number of children determined under subsection (a) or (b), or both.": *Provided further*, That the second sentence of section 3(d)(2)(B) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by striking out "The" and inserting in lieu thereof "Subject to the provisions of subsection (h) of this section, the", and section 3 of such Act is amended by adding at the end thereof the following new subsection:

"SPECIAL PROVISIONS

"(h) Any local educational agency for which the boundaries of the school district of such agency are coterminous with the boundaries of a military installation and which is not eligible to receive payments under subsection (d)(2)(B) shall receive 100 percent of the amounts to which such agency is entitled under subsection (a) of this section.".

For carrying out the Act fo September 23, 1950, as amended (20 U.S.C. ch. 19), $20,000,000 which shall remain available until expended, shall be for providing school facilities as authorized by said Act, of which $8,500,000 shall be for awards under section 10 of said Act, $8,500,000 shall be for awards under sections 14(a) and 14(b) of said Act, and $3,000,000 shall be for awards under sections 5 and 14(c) of said Act.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate Amendment No. 121: Page 36, line 8, strike out "$1,298,540,000" and insert "$1,320,395,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 121 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert the following: "1,321,270,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 135: Page 37, line 17, strike out all after "out" down to and including "1986" in line 21 and insert "subparts 1, 2, and 3 of part A, and parts C and E of title IV of the Higher Education Act, $4,491,000,000 which shall remain available until September 30, 1986, of which $400,000,000 shall be available for carrying out subpart 2 of part A of title IV of the Higher Education Act".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 135 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "subparts 1, 2, and 3 of part A, and parts C and E of title IV of the Higher Education Act, $4,871,000,000 which shall remain, available until September 30, 1986, of which $412,500,000 shall be available for carrying out subpart 2 of part A of title IV of the Higher Education Act, and $250,000,000 shall be available to pay deficiencies resulting from the payment schedules for Pell Grants published by the Secretary of Education for academic year 1983-84 and academic year 1984-85".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate Amendment No. 138: Page 38, line 7, after "$2,100" insert ": *Provided further*, That nothwithstanding section 482 of the Higher Education Act, the cost of attendance criteria used for calculating eligibility for and the amount of the Pell Grants for academic year 1985-1986 shall be established by the Secretary of Education: *Provided further*, That notwithstanding section 413D(a), and subsections, (a), (b), (c), and (e) of section 442 of the Higher Education Act, the Secretary shall apportion funds among the States so that each State's apportionment under the Supplemental Educational Opportunity Grant Program and Work-Study Program bears the same ratio to the total amount appropriated under each program as that State's apportionment in fiscal year 1981 for each program bears to the total amount appropriated for fiscal year 1981 for each program: *Provided further*, That notwithstanding section 413D(b)(1) (B)(ii) and section 446(a) of the Higher Education Act, from each jurisdiction's allotment of funds under each program, the Secretary shall allocate sums to institutions in that jurisdiction that did not receive an allocation in fiscal year 1979 (award year 1979-1980) under each program in a manner that will most effectively carry out the purposes of the Supplemental Educational Opportunity Grant Program and the Work-Study Program: *Provided further*, that notwithstanding section 413D(b)(1)(B)(ii)(II) of the Higher Education Act, the provisions of clause (I) of section 413D(b)(1)(B)(ii) of such Act shall apply to the amount made available for Supplemental Educational Opportunity Grants under this heading.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 138 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "*Provided further*, That the cost of attendance criteria used for calculating eligibility for and the amount of the Pell Grants for academic year 1985-1986 shall be the same as the cost of attendance criteria used for academic year 1984-1985: *Provided further*, That notwithstanding section 413D(a), and subsections (a), (b), (c) and (e) of section 442 of the Higher Education Act, the Secretary shall apportion funds among the States so that each State's apportionment under the Supplemental Educational Opportunity Grant Program and Work-Study Program bears the same ratio to the total amount appropriated under each program as that State's apportionment in fiscal year 1981 for each program bears to the total amount appropriated for fiscal year 1981 for each program: *Provided further*, That notwithstanding section 413D(b)(1) (B)(ii) and section 446(a) of the Higher Education Act from each jurisdiction's allotment of funds under each program, the Secretary shall allocate sums to

institutions in that jurisdiction that did not receive an allocation in fiscal year 1979 (award year 1979–80) under each program in a manner that will most effectively carry out the purposes of the Supplemental Educational Opportunity Grant Program and the Work-Study Program: *Provided further,* That notwithstanding section 413D(b)(1)(B)(ii)(II) of the Higher Education Act, the provisions of clause (I) of section 413D(b)(1)(B)(ii) of such Act shall apply to the amount made available for Supplemental Educational Opportunity Grants under this heading.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 140: Page 38, strike out all after line 12 over to and including "Act" the second time it appears in line 3 on page 39 and insert:

For carrying out title III of the Higher Education Act of 1965, as amended, $148,000,000: *Provided,* That in addition to the amount otherwise available for part A of title III, $5,000,000 of the title III appropriation shall be available to carry out part A notwithstanding section 347 of the Higher Education Act and to provide technical assistance to institutions applying for grants from such funds: *Provided further,* That 50 per centum of such $5,000,000 remaining after the provision of technical assistance shall be available to award grants to eligible institutions, located other than in Puerto Rico, which have an enrollment of at least 40 per centum of Hispanic students as reported on the latest available Education Department Higher Education General Information Survey (HEGIS); 25 per centum of such $5,000,000 remaining after the provision of technical assistance shall be available to institutions which have an enrollment of at least 5 per centum of American Indians, Native Alaskans or Virgin Islanders as reported on the latest available Education Department HEGIS; and 25 per centum of such $5,000,000 remaining after the provision of technical assistance shall be available to institutions in Hawaii, Guam, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands which have an enrollment of at least 5 per centum of Native American Pacific Islanders, including Native Hawaiians, as reported on the latest available Education Department HEGIS: *Provided further,* That an institution in Hawaii, Guam, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands shall qualify as an eligible institution for the purpose of awarding a grant from such $5,000,000 even if the institution only satisfies the requirements of sections 312(2)(A)(iii) and 312(2)(A)(iv) of the Higher Education Act.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 140 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment insert the following: "For carrying out title III of the Higher Education Act of 1965, as amended, $141,208,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 141: Page 39, after line 7, insert:

For carrying out subpart 4 of part A of title IV; titles VI, VIII, and X, parts B, C, D, and E of title IX; and sections 420, 734, and 1204(c) of the Higher Education Act of 1965, as amended; section 102(b)(6) of the Mutual Educational and Cultural Exchange Act of 1961; and the Minority Institutions Science Improvement Program under section 528(3) of the Omnibus Budget Reconciliation Act of 1981 as extended by section 414 of the General Education Provisions Act, $282,215,000: *Provided,* That $18,775,000 made available for interest subsidy grants under section 734 of the Higher Education Act shall remain available until expended: *Provided further,* That sections 922(b)(2) and 922(e)(2) and the funding limitations set forth in section 922(e) of the Higher Education Act shall not apply to funds in this Act.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 141 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "For carrying out subpart 4 of part A of title IV; titles VI, VII, VIII, and X, parts B, C, D, and E of title IX; and sections 420, 734, and 1204(c) of the Higher Education Act of 1965 as amended; section 506 of the Education Amendments of 1972, as further amended by title XIII, part G, section 1361(a) of the Education Amendments of 1980; title XIII, part H, subpart 1 of the Education Amendments of 1980; section 102(b)(6) of the Mutual Educational and Cultural Exchange Act of 1961; and the Minority Institutions Science Improvement Program under section 528(3) of the Omnibus Budget Reconciliation Act of 1981 as extended by section 414 of the General Education Provisions Act, $315,875,000: *Provided,* That $18,775,000 made available for interest subsidy grants under section 734 of the Higher Education Act and $28,000,000 made available for undergraduate and graduate facilities grants under part B of title VII of said Act shall remain available until expended: *Provided further,* That sections 922(b)(2) and 922(e)(2) and the funding limitations set forth in section 922(e) of the Higher Education Act shall not apply to funds in this Act."

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 142: Page 39, after line 7, insert:

For carrying out title IV of the Act entitled "An Act to Amend and Extend the Library Services and Construction Act, and for other purposes" (as passed by the Senate), $19,000,000, of which $6,500,000 is for the William H. Mortensen Library at the University of Hartford, $9,000,000 for the Human Development Center Facility at the University of Kansas, and $3,500,000 for the Carl Vinson Institute of Government.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 142 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "For carrying out title III, sections 301, 302, 303, and 304 of H.R. 2878, "The Library Services and Construction Act Amendments of 1984", as contained in conference report No. 98–1075, $22,000,000.".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. MATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 154: Page 41, line 6, after "$86,880,000" and insert "$150,000,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 154 and concur therein with an amendment, as follows: In lieu of

the sum proposed by said amendment insert "$125,000,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 155: Page 41, line 6, after "$86,880,000" insert: *"Provided*, That $50,000,000 of the sums appropriated shall be used to carry out the provisions of title II of the Library Services and Construction Act and shall remain available until expended".

MOTION OFFERED BY MR NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 155 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert "$25,000,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 170: Page 45, after line 2, insert:

SEC. 306. None of the funds appropriated under this Act shall be used to prevent individual voluntary prayer and meditation in the public schools.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House insist on its disagreement to the amendment of the Senate numbered 170.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 171: Page 45, strike out lines 3, 4, and 5.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House insist on disagreement to the amendment of the Senate numbered 171.

Mr. CONTE (during the reading). Mr Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 173: Page 45, after line 23, insert:

SEC. 307. Section 402(c) of the Housing Act of 1950 is amended by striking out in clause (9) "October 1, 1984" and inserting in its place "October 1, 1985".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 173 and concur therein with an amendment, as follows: In lieu of the matter proposed in said amendment insert the following:

SEC. 308. Section 402(c) of the Housing Act of 1950 is amended by striking out in clause (9) "October 1, 1984" and inserting in its place "October 1, 1985".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 178: Page 46, line 15, after "Act" insert "*Provided*, That none of the funds appropriated under this heading may be used to close State or regional field offices or to reduce personnel of the ACTION agency.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 178 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: "*Provided*, That none of the funds appropriated under this heading may be used to close State or regional field offices".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 179: Page 46, after line 15, insert:

CORPORATION FOR PUBLIC BROADCASTING

PUBLIC BROADCASTING FUND

For payment to the Corporation for Public Broadcasting, as authorized by the Communications Act of 1934 as amended, an amount which shall be available within limitations specified by said Act, for the fiscal year 1987, $238,000,000: *Provided*, That no funds made available to the Corporation for Public Broadcasting by this Act shall be used to pay for receptions, parties and similar forms of entertainment for government officials or employees: *Provided further*, That none of the funds contained in this paragraph shall be available or used to aid or support any program or activity excluding from participation in, denying the benefits of, or discriminating against any person on the basis of race, color, national origin, religion or sex.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 179 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert the following: "$200,000,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No 197: Page 56, after line 3, insert:

SEC. 515. Notwithstanding any other provision of this Act, no funds appropriated by

this Act may be used to execute or carry out any contract with a nongovernmental entity to administer or manage a Civilian Conservation center of the Job Corps which was not under such a contract as of September 1, 1984.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 197 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

SEC. 513. Notwithstanding any other provision of this Act, no funds appropriated by this Act may be used to execute or carry out any contract with a non-governmental entity to administer or manage a Civilian Conservation center of the Job Corps which was not under such a contract as of September 1, 1984.

Mr. CONTE (during the reading). Mr. Speaker I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and the several motions was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5051. An act to improve the operation of the Fishermen's Protective Act of 1967.

GRANTING FEDERAL CHARTER TO NATIONAL SOCIETY, DAUGHTERS OF THE AMERICAN COLONISTS

Mr. SAM B. HALL, JR. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 3034) to grant a Federal charter to the National Society, Daughters of the American Colonists, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. KINDNESS. Mr. Speaker, reserving the right to object, I do so in order to give the gentleman from Texas the opportunity to explain what is being proposed, and I yield to him under my reservation of objection.

Mr. SAM B. HALL, JR. I thank the gentleman for yielding.

Mr. Speaker, the bill is similar to the bill H.R. 1881 granting a charter to the National Society, Daughters of the American Colonists. It contains the standard language followed by the House Committee on the Judiciary in previous bills granting charters to nonprofit organizations of a patriotic nature.

This is the same bill, if the gentleman from Ohio will recall, that passed through our subcommittee.

Mr. KINDNESS. Mr. Speaker, I would urge that the proposed action by the gentleman from Texas [Mr. SAM B. HALL, JR.], be concurred in.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 3034

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

CHARTER

SECTION 1. National Society, Daughters of the American Colonists, organized and incorporated under the laws of the District of Columbia in 1921, is hereby recognized as such and is granted a charter.

POWERS

SEC. 2. National Society, Daughters of the American Colonists (hereinafter referred to as the "corporation") shall have only those powers granted to it through its bylaws and articles of incorporation filed in the State or States in which it is incorporated and subject to the laws of such State or States.

OBJECTS AND PURPOSES OF CORPORATION

SEC. 3. The objects and purposes for which the corporation is organized shall be those provided in its articles of incorporation and shall include a continuing commitment, on a national basis, to—

(1) conduct research with respect to the history and deeds of the American colonists, and record and publish the results of such research;

(2) publish the memoirs of American colonists;

(3) erect memorials to commemorate the history and deeds of the American colonists;

(4) promote respect and admiration for the institutions, laws, and flag of the United States;

(5) engage in mutual improvement and educational activities; and

(6) establish scholarships to assist needy and deserving students and to promote the improvement of educational institutions, engage in volunteer service and make contributions to veterans hospitals, and perform such other charitable activities including the national presidents' projects as may be provided by the articles of incorporation or bylaws of the society.

SERVICE OF PROCESS

SEC. 4. With respect to service of process, the corporation shall comply with the laws of the States in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

MEMBERSHIP

SEC. 5. Eligibility for membership in the corporation and the rights and privileges of members shall, except as provided in this Act, be as provided in the constitution and bylaws of the corporation, and terms of membership and requirements for holding office within the corporation shall not be discriminatory on the basis of race, color, religion, or national origin.

BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES

SEC. 6. The board of directors of the corporation and the responsibilities thereof shall be as provided in the articles of incorporation or bylaws of the corporation and in conformity with the laws of the State or States in which it is incorporated.

OFFICERS OF CORPORATION

SEC. 7. The officers of the corporation, and the election of such officers shall be as is provided in the articles of incorporation or bylaws of the corporation and in conformity with the laws of the State or States wherein it is incorporated.

RESTRICTIONS

SEC. 8. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director of the corporation or be distributed to any such person during the life of this charter. Nothing in this subsection shall be construed to prevent the payment of reasonable compensation to the officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the board of directors.

(b) The corporation shall not make any loan to any officer, director, or employee of the corporation.

(c) The corporation and any officer and director of the corporation, acting as such officer or director, shall not contribute to, support, or otherwise participate in any political activity or in any manner attempt to influence legislation.

(d) The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

(e) The corporation shall not claim congressional approval or Federal Government authority for any of its activities.

(f) The corporation shall retain and maintain its status as a corporation organized and incorporated under the laws of the State or States wherein it is incorporated.

EXCLUSIVE RIGHT TO NAME, EMBLEMS, SEALS, AND BADGES

SEC. 9. Subject to established or vested rights, the corporation shall have the sole and exclusive right to have and to use, in carrying out its purposes, the name National Society, Daughters of the American Colonists and any emblem, seal, or badge adopted or used by the corporation.

LIABILITY

SEC. 10. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

BOOKS AND RECORDS; INSPECTION

SEC. 11. The corporation shall keep correct and complete books and records of account and shall keep minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep at its principal office a record of the names and addresses of all members having the right to vote. All books and records of

such corporation may be inspected by any member having the right to vote, or by any agent or attorney of such member, for any proper purpose, at any reasonable time. Nothing in this section shall be construed to contravene any applicable State law.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 12. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101), is amended by adding at the end thereof the following:

"(66) National Society, Daughters of the American Colonists".

ANNUAL REPORT

SEC. 13. The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as is the report of the audit required by section 11 of this Act. The report shall not be printed as a public document.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 14. The right to alter, amend, or repeal this Act is expressly reserved to the Congress.

DEFINITION OF "STATE"

SEC. 15. For purposes of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

TAX-EXEMPT STATUS

SEC. 16. The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1954. If the corporation fails to maintain such status, the charter granted hereby shall expire.

TERMINATION

SEC. 17. The corporation shall fail to comply with any of the restrictions or provisions of this Act, the charter granted hereby shall expire.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRANTING A FEDERAL CHARTER TO THE 369TH VETERANS' ASSOCIATION

Mr. SAM B. HALL, JR. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1095) to grant a Federal charter to the 369th Veterans' Association, with a Senate Amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 5, line 9, strike out "(60)" and insert "(65)".

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

A motion to reconsider was laid on the table.

REQUEST FOR CONSIDERATION OF SENATE AMENDMENT TO HOUSE AMENDMENT TO SENATE AMENDMENT TO H.R. 5479, AMENDMENTS WITH RESPECT TO AWARDS OF EXPENSES OF CERTAIN AGENCY AND COURT PROCEEDINGS

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5479) to amend section 504 of title 5, United States Code, and section 2412 of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and for other purposes with a Senate amendment to the House amendment to the Senate amendment thereto, and concur in the Senate amendment to the House amendment to the Senate amendment with an amendment.

□ 1650

The Clerk read the title of the bill.

The Clerk read the House amendment to the Senate amendment to the House amendment to the Senate amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert:

That (a) section 504(a)(1) of title 5, United States Code, is amended—

(1) by striking out "as a party to the proceeding", and

(2) by adding at the end thereof the following: "The decision of the adjudicative officer on the application for fees and other expenses shall be the final administrative decision under this section.".

(b) Section 504(a)(2) of title 5, United States Code, is amended by adding at the end thereof the following: "When the United States appeals the underlying merits of an adversary adjudication, no decision on an application for fees and other expenses in connection with that adversary adjudication shall be made under this section until a final and unreviewable decision is rendered by the court on the appeal or until the underlying merits of the case have been finally determined pursuant to the appeal.".

(c) Section 504(b) of title 5, United States Code, is amended—

(1) by amending paragraph (1)(B) to read as follows:

"(B) 'party' means a party, as defined in section 551(3) of this title, who is (i) an individual whose net worth did not exceed $2,000,000 at the time the adversary adjudication was initiated, or (ii) any owner of an unincorporated business, or any partnership, corporation, association, unit of local government, or organization, the net worth of which did not exceed $7,000,000 at the time the adversary adjudication was initiated, and which had no more than 500 employees at the time the adversary adjudication was initiated; except that an organization decribed in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3)) exempt from taxation under section 501(a) of such Code, or a cooperative association as defined in section 15(a) of the Agricultural Marketing Act (12 U.S.C. 1141j(a)), may be party regardless of the net worth of such organization or cooperative association;";

(2) in paragraph (1)(C)—

(A) by inserting "(i)" before "an adjudication under";

(B) by inserting before the semicolon at the end thereof the following: ", and (ii) any appeal of a decision made pursuant to section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605) before an agency board of contract appeals as provided in section 8 of that Act (41 U.S.C. 607)"; and

(C) by striking out "and" at the end thereof;

(3) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following:

"(E) 'position of the agency' includes the underlying action which led to the adversary adjudication; except that fees and expenses may not be awarded to a party for any portion of the adversary adjudication in which the party has unreasonably protracted the proceedings.".

(d) Section 504(c)(2) of title 5, United States Code, is amended to read as follows:

"(2) If a party or the United States is dissatisfied with a determination of fees and other expenses made under subsection (a), that party or the United States (as the case may be) may, within 30 days after the determination is made, appeal the determination to the court of the United States having jurisdiction to review the merits of the underlying decision of the agency adversary adjudication. The court's determination on all appeals heard under this paragraph shall be based solely on the factual record made before the agency. The court may modify the determination of fees and other expenses only if the court finds that the failure to make an award of fees and other expenses, or the calculation of the amount of the award, was unsupported by substantial evidence.".

(e) Section 504(d) of title 5, United States Code, is amended to read as follows:

"(d) Fees and other expenses awarded under this subsection shall be paid by any agency over which the party prevails from any funds made available to the agency by appropriation or otherwise.".

(f) Section 504 of title 5, United States Code, is amended by adding at the end thereof the following:

"(f) If complete payment of the fees and other expenses awarded under this section is not made within 60 days after the final agency action making an award of such fees and other expenses, interest shall be paid on the amount remaining due. Such interest shall be computed at the rate the Secretary of the Treasury establishes for interest payments under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611), and shall run from the date which is 61 days after the date of such award up to and including the date such payment is posted by certified or registered mail.".

SEC. 2. (a) Section 2412 of title 28, United States Code, is amended—

(1) in subsections (a) and (b) by striking out "or any agency and any official of the United States" each place it appears and inserting in lieu thereof "or any agency or any official of the United States"; and

(2) in subsection (d)(1)(A) by inserting ", including proceedings for judicial review of agency action," after "in tort)".

(b) Section 2412(d)(2) of title 28, United States Code, is amended—

(1) in subparagraph (B)—

(A) in clause (i) by striking out "$1,000,000" and inserting in lieu thereof "$2,000,000"; and

(B) by striking out "(ii)" and all that follows through the end of the subparagraph and inserting in lieu thereof the following: "or (ii) any owner of an unincorporated business, or any partnership, corporation, association, unit of local government, or organization, the net worth of which did not exceed $7,000,000 at the time the civil action was filed, and which had not more than 500 employees at the time the civil action was filed; except that an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3)) exempt from taxation under section 501(a) of such Code, or a cooperative association as defined in section 15(a) of the Agricultural Marketing Act (12 U.S.C. 1141j(a)), may be a party regardless of the net worth of such organization or cooperative association;";

(2) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following:

"(D) 'position of the United States' includes the underlying agency action which led to the litigation; except that fees and expenses may not be awarded to a party for any portion of the litigation in which the party has unreasonably protracted the proceedings;

"(E) 'civil action brought by or against the United States' includes an appeal by a party, other than the United States, from a decision of a contracting officer rendered pursuant to a disputes clause in a contract with the Government or pursuant to the Contract Disputes Act of 1978;

"(F) 'court' includes the United States claims court;

"(G) 'final judgment' means a judgment that is final and not appealable; and

"(H) 'prevailing party', in the case of eminent domain proceedings, means a party who obtains a final judgment (other than by settlement), exclusive of interest, the amount of which is at least as close to the highest valuation of the property involved that is attested to at trial on behalf of the property owner as it is to the highest valuation of the property involved that is attested to at trial on behalf of the Government.".

(c) Section 2412(d)(4) of title 28, United States Code, is amended to read as follows:

"(4) Fees and other expenses awarded under this subsection to a party shall be paid by any agency over which the party prevails from any funds made available to the agency, by appropriation or otherwise.".

(d) Section 2412 of title 28, United States Code, is amended by adding at the end thereof the following:

"(f) If complete payment of the costs or fees and other expenses awarded under this section is not made within 60 days after the award of such costs or fees and other expenses, interest shall be paid thereafter on the amount remaining due. Such interest shall be computed at the rate the Secretary of the Treasury establishes for interest payments under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611), and shall run from the date which is 61 days after the date of such award up to and including the date such payment is posted by certified or registered mail.".

SEC. 3. Section 206 of the Equal Access to Justice Act is amended—

(1) by striking out "Nothing" and inserting in lieu thereof "(a) Except as provided in subsection (b), nothing"; and

(2) by adding at the end thereof the following:

"(b) Section 206(b) of the Social Security Act (42 U.S.C. 406(b)(1)) shall not prevent an award of fees and other expenses under section 2412(d) of title 28, United States Code. Section 206(b)(2) of the Social Security Act shall not apply with respect to any such award but only if any fees collected by the claimant's attorney or withheld for such attorney pursuant to such section 206(b) are refunded to the claimant insofar as the fees relate to the same work for which the claimant's attorney is awarded fees under section 2412(d) of title 28, United States Code.".

SEC. 4. Section 203(c) of the Equal Access to Justice Act (Public Law 96-481) is repealed.

SEC. 5. Section 204(c) of the Equal Access to Justice Act is repealed.

SEC. 6. Section 207 of the Equal Access to Justice Act is repealed.

SEC. 7. Section 208 of the Equal Access to Justice Act is amended by adding at the end thereof the following: "Awards may be made for fees incurred before October 1, 1981, in any such adversary adjudication or civil action.".

SEC. 8. (a) Except as otherwise provided in this section, the amendments made by this Act shall be effective as of October 1, 1984, and shall apply to cases pending on such date.

(b) The amendments made to section 504(b)(1)(C)(ii) of title 5, United States Code, by subsection (c)(2) of the first section of this Act, and the amendments to section 2412(d)(2)(E) of title 28, United States Code, made by section 2(b)(3) of this Act shall apply to any adversary adjudication which was pending on or commenced on or after October 1, 1981, in which applications for fees and expenses were timely filed and were dismissed for lack of jurisdiction.

Mr. KASTENMEIER (during the reading). Mr. Speaker, I ask unanimous consent that the amendment to the Senate amendment to the House amendment to the Senate amendment to H.R. 5479 be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Wisconsin?

Mr. WALKER. Mr. Speaker, reserving the right to object.

The SPEAKER pro tempore. The gentleman from Pennsylvania is recognized under his reservation.

Mr. WALKER. Mr. Speaker, it is my understanding and I just learned this a few moments ago that the administration has severe objections to this particular bill. Given that circumstance, I am reluctant to allow it to come out here under a provision for unanimous consent.

It is possible that we could have an assurance that we do not pass the bill by unanimous consent, but rather allow it to come to a vote by the whole House?

Mr. KASTENMEIER. Will the gentleman yield?

Mr. WALKER. I will be glad to yield to the gentleman.

Mr. KASTENMEIER. As the gentleman knows, this is the Equal Access to Justice Act. This is an extension of an act most of which expired on October 1, 1984, after having been enacted 4 years ago by the Congress. It needs to be extended. It has worked very well. It passed the House on September 11, 1984, unanimously.

As a matter of fact, we have been in disagreement with the other body on only three points. When it came back from the other body, we reserved the House position on three points and on October 4, I asked unanimous consent at that time to return it with the House amendment.

The gentleman recalls and I am sure the gentleman from Ohio [Mr. KINDNESS] does, that was agreed to.

At this point the other body returned the bill to us with a TEFRA provision which violates the Committee on Ways and Means' jurisdiction.

The gentleman from Illinois [Mr. ROSTENKOWSKI] would not concede that point. We have to reserve that point and therefore strike the provision and that is, in fact, the only difference we now have with the Senate on the bill.

A second issue, and one that I had reserved with reference to the retroactivity of cases with respect to the Boards of Contract Appeals, I had strong disagreement with the Senate on it; I am conceding that issue because we cannot continue a protracted and endless disagreement which will only end up in no act being extended whatsoever.

The other point that the gentleman from Connecticut [Mr. MORRISON] had reserved was on a provision relating to remands in Social Security cases. Based on my pledge that he will have an opportunity and that I will give him support next year to seek some change in that regard, the gentleman has withdrawn his objection to the other body's action deleting the remand language. Therefore what we are asking, I say to the gentleman from Pennsylvania, merely is a reservation on jurisdictional grounds that the amended act may not refer to TEFRA, which is the Committee on Ways and Means' jurisdiction and in which they do not agree to on tax cases. Therefore in an effort to seek some agreement with the other body before, in fact we close down, and to continue to make the act effective as from October 1, 1984, we are returning H.R. 5479 as so amended.

That is my explanation to the gentleman.

Mr. WALKER. Mr. Speaker, further reserving the right to object, I will be glad to yield to the gentleman from Ohio.

Mr. KINDNESS. I thank the gentleman for yielding.

Mr. Speaker, I think the explanation made by the gentleman from Wisconsin [Mr. KASTENMEIER] well states the

case, but it is important for us to remember that at the base of this if this action is not completed, we already have experienced and passed the time when the Equal Access to Justice Act expires, on September 30 at midnight.

I think it is very firmly and well-supported by most, if not all of the membership of this body and apparently the other body as well.

It does appear to me that the action that is proposed by the gentleman from Wisconsin is the only action that is reasonable to be taken by this body at this time in order to assure that the Equal Access to Justice Act is indeed renewed.

I understand that the administration has some problem, but I am sure if there is any specific focus to the concern at this time in relation to the action being proposed today.

Would the gentleman from Pennsylvania happen to know if there is something focused on this? I know the Justice Department and OMB have had some reservations about the potential future cost of the Equal Access to Justice Act and that has been underlying in the background right along.

But that is not very much of an argument as against those people who are subjected to having to fight city hall in the form of the Federal Government and finally prevail and ought to have the reimbursement of their attorneys fees and costs in these cases, and I think the essential fairness in the Equal Access to Justice Act regardless of what the Department of Justice and OMB may feel is well recognized, and if the gentleman could help us understand the specific focus of concern at this point it would be helpful.

Mr. WALKER. Further reserving the right to object, Mr. Speaker, having only been informed of this a few moments ago I do not have a lot of detail on the question. It is my understanding that the administration would have no objection to a simple extension of the equal access to justice bill.

They are concerned about new provisions that are in this bill that would seem to allow additional information to be scanned by people who are seeking to look into Government files. It is the expansion of the bill which is the problem with the administration at this point.

Expansion will not only add to costs but also would make materials available that were not previously available that the administration is perfectly willing to go along with a simple extension of the bill, but this modified bill is unacceptable and this question does not know the details on it just in terms of process, though it seems to me that any kind of a bill where there is potential administration problems with it we ought not be running through this House at this late hour by unanimous consent; that we ought to at least bring these matters to a vote so that the will of the body is reflected.

That is all this gentleman is asking, is that we do not proceed under unanimous consent to adopt the bill, but that we specifically move the bill through by vote.

Mr. KASTENMEIER. Will the gentleman from Pennsylvania yield further under his reservation?

Mr. WALKER. I will be glad to yield.

Mr. KASTENMEIER. Because I do not think the gentleman from Pennsylvania states the case correctly, that the administration is opposed to this bill or would not sign it if given an opportunity. On September 11, this bill was debated and passed this body on the Suspension Calendar. It was actually passed unanimously, as I remember, but what has been in controversy, I must say, with reference to two items, TEFRA, and the Board of Contract Appeals, the House position would have been that which would have been preferred by the administration.

Indeed, that which we insist upon in returning the bill to the other body deleting reference to TEFRA and tax cases, would be an administration position.

So we are, I think, in a very key area, insisting on at least the position that the administration would agree in our difference with the Senate.

I would urge the gentleman not to object, because at this late hour this is the last vehicle we have to maintain a program which has been in effect for 3 years.

It has been of importance to the small business community and is supported by them without exception. The small business community is extremely dependent on the continued existence of Equal Access to Justice and I would think it would be a disservice, I must say, to end up terminating a program and not giving us the opportunity legislatively to permit it to go to the White House.

□ 1400

I assure the gentleman the White House will not veto this bill and does not oppose it.

Mr. WALKER. Further reserving the right to object, Mr. Speaker, I would say to the gentleman that I was on the phone with the White House not more than 5 to 10 minutes ago and they were the ones who informed me that they had some problems with the bill. So I can only reflect to the gentleman that what he is telling me is different from what the White House told me a matter of minutes ago.

Mr. KASTENMEIER. No, I do not say they do not and have not had problems with the bill. We have problems with the bill. That is what we are trying to resolve.

Mr. WALKER. All I am suggesting is that the request that we have before us should not be to pass this bill by unanimous consent but, rather, that we ought to have unanimous consent for consideration only and then move the bill forward in a way that will give the House the opportunity to vote on the bill. That is all I am suggesting to the gentleman: that I do not believe that we ought to pass a bill where there are serious questions, serious enough to at least have called this Member and said to watch for it under unanimous-consent procedures; that we ought to be moving forward with that kind of a process.

A simple extension of the bill, and I think the gentleman will agree with me that this is more than a simple extension of the present act, than a simple extension of the act we have no problem with, at least I do not, but a new program or a modification of the program does seem to have some problems with it and ought to be voted on, rather than be done by unanimous consent.

Mr. KASTENMEIER. Mr. Speaker, will the gentleman from Pennsylvania yield?

Mr. WALKER. I would be glad to yield to the gentleman from Wisconsin.

Mr. KASTENMEIER. But, in fact, the House has voted on this bill. It has voted on this bill on September 11 and on October 4 after full consideration of it. There was not a single vote in opposition to it.

What we are doing is merely upholding the House position with respect to the other body's position.

Mr. WALKER. Further reserving the right to object, Mr. Speaker, I would say to the gentleman then I do not see why he is concerned about, instead of doing these things by unanimous consent, having actual consideration of the bill here on the floor.

Mr. KASTENMEIER. If the gentleman will yield further, we have already considered a like matter concerning this bill on October 4, also under unanimous consent, and without objection from any Member of this House.

Mr. WALKER. Further reserving the right to object, Mr. Speaker, this gentleman is trying to offer the gentleman from Wisconsin a compromise to allow him to move his bill forward, but to do so in a way that at least sticks with the procedures of the House and not to do it by unanimous consent when there is this kind of objection.

All I am suggesting to the gentleman is that he modify his request in a way that he asks unanimous consent for consideration only, so that the question will at least be put on the bill and

we will have an opportunity to vote one way or the other on the bill on final passage.

Mr. KINDNESS. Mr. Speaker, would the gentleman yield under his reservation of objection?

Mr. WALKER. I would be glad to yield to the gentleman from Ohio.

Mr. KINDNESS. I thank the gentleman for yielding.

Mr. Speaker, I am not certain that the administration persons involved are clear on which bill it is that is under consideration.

Mr. WALKER. The bill before us is 5479; is that correct?

Mr. KINDNESS. Right.

Mr. WALKER. That is specifically the number that was given to me as the number of the bill that they have doubts and questions about.

Mr. KINDNESS. Mr. Speaker, if the gentleman will yield further, the subject matter, so far as I know, does not include any question about disclosure of information or nondisclosure of information in Government files, and that is what led me to believe that perhaps it is another bill entirely and a mixup on the bill number.

I am wondering whether the gentleman from Wisconsin would agree to either modify the unanimous-consent request or withhold until we get to the bottom of this, and renew the request at a subsequent time, if necessary.

Mr. KASTENMEIER. If the gentleman will yield further, I think the gentleman is misinformed as to whether that particular matter is in controversy in this bill. It is not. It is not part of this bill.

Mr. WALKER. Further reserving the right to object, Mr. Speaker, I am certainly not an expert on the legislation. I am simply reflecting that information that was passed to me not more than a few minutes ago.

Certainly the other alternative suggested by the gentleman is perfectly accpetable to this gentleman, to withdraw, allow him to check with the White House himself, I will give him the name of the gentleman to check with, and then if there is no objection to the provisions after you talk to him and you know the full details, then you come back out with the unanimous consent, I would have no problem if there is a signoff at that point.

Mr. GLICKMAN. Mr. Speaker, will the gentleman yield?

Mr. WALKER. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Speaker, this is not an abstract issue. This is a very important issue. The Equal Access to Justice Act expired October 1. This is probably the most important issue to small business that is around. Basically, this bill has passed the Senate twice under unanimous consent, so I do not care how this is handled in a quick manner, but I would say it would be very unfortunate if we lost this bill, because the small businesses of this country would not have the opportunity to collect legal fees from the Government if they acted in an inopportune way to bringing cases.

I would hope that the gentleman would not be part of an effort to try to keep this bill from consideration tonight; otherwise, we will lose it. This is a prize effort that small business has wanted for so long, this right to sue the Government if they brought cases in bad faith.

Mr. WALKER. Further reserving the right to object, Mr. Speaker, I do not disagree with the gentleman. I am simply saying that there are two alternatives here, either one of which is acceptable to this gentleman, just to assure ourselves that what we are doing here is something which should be agreed to by unanimous consent.

I have a problem with this business of bringing legislation to the floor by unanimous consent where there may be serious questions about the legislation. The only way that I have to reflect upon that is when I get information which indicates that there are serious questions.

I am trying to resolve the impasse here. I do not have any great desire to object to the bill. I do want to make certain, though, that if we pass a bill we do so in an orderly way. We can resolve this, it seems to me, either by the suggestion made by the gentleman from Ohio, which is perfectly acceptable to me, or through the suggestion that I made that we simply ask unanimous consent for consideration only, rather than unanimous consent to consider and pass.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. WALKER. Mr. Speaker, reserving the right to object——

The SPEAKER pro tempore. Does the gentleman from Pennsylvania object?

Mr. WALKER. I reserved the right to object, Mr. Speaker, in hopes that we could get some sort of agreement so I will not have to object.

Mr. KASTENMEIER. Mr. Speaker, if the gentleman from Pennsylvania wants to object and destroy this particular program, he can assume that responsibility. I have no further requests.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. WALKER. I object, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will take up special orders at this time, but reserves the right to return to legislative business later in the day.

□ 1710

GENERAL LEAVE

Mr. BRYANT. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks, and to include extraneous material, on the subject of the special order speech today by the gentleman from Washington [Mr. BONKER].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. SABO. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. SABO. Mr. Speaker, if I might inquire as it relates to the schedule, are we likely to return to some legislative business such as unanimous-consent requests while we are proceeding under special orders, or will the Members have some notice that we are going to return to legislative business, including unanimous-consent requests?

The SPEAKER pro tempore (Mr. ROEMER). The Chair will not do as the gentleman asks, return to other legislative business, without notice to all Members. That is not the intent of the Chair during special orders.

Mr. SABO. So we can rest assured that we will have a few minutes' warning before we return to legislative business?

The SPEAKER pro tempore. The gentleman is so assured.

Mr. SABO. I thank the Chair.

AN ANALYSIS OF THE GREGORSKY PAPER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. WEISS] is recognized for 5 minutes.

Mr. WEISS. Mr. Speaker, I, like many of my Democratic colleagues, have been disturbed by the words and actions of a small minority on the other side of the aisle in the course of this Congress.

Quoting the remarks of Democratic Members night after night during special orders, often out of context and with malicious purpose, breaches the House's unwritten rules of decorum and fairness.

I take special exception to the paper by Frank Gregorsky titled "What's the Matter With the Democratic Foreign Policy?" which was read into the RECORD by three of our Republian colleagues Mr. GINGRICH of Georgia, Mr.

WEBER of Minnesota, and Mr. WALKER of Pennsylvania last May 8 and May 21.

This paper ostensibly critiques the foreign policy views held by Members of Congress who are identified by its author as politically left of center. I have no problem with criticism from those who disagree with the substances of my positions, or those of any of my Democratic colleagues.

But Mr. Gregorsky builds his analysis on a troubling theme which he repeats again and again. First, he designates some Democratic Members of this body with what he designates as "radical worldview" then he states baldly that they always align themselves with the Communist/Marxist governments and against the United States and its allies.

Mr. Speaker, this is not merely wrong factually; it questions the very motives and patriotism of Members of this body.

Let me quote from the paper:

The pattern for (the Democrats') 1984 rhetoric was locked in long ago: give the benefit of every doubt to the Communists and doubt every benefit of your own nation. Make mincemeat of any ally dumb enough, or imperfect enough, to fight on the side of the U.S. Trash America, indict the President, and give the benefit of every doubt to Marxist regimes.

And elsewhere:

Every time a Communist movement battles and authoritarian U.S. ally, Democrats with Radical views believe the promises of the movement.

Every time a Communist movement takes power, Democratic Congressmen say it will be fair, progressive, enlightened.

And still elsewhere:

When a Marxist group take over, Democrats have a hard time speaking ill of it and blame America for the rest of it.

The paper attempts to support this central theme by quoting the remarks of a number of a Democratic Members, myself included, taken from House debates, speeches, and articles over a period of years.

In his zeal to support his thesis, the paper's author engages in massive distortions.

In some instances, a Member's remarks are simply taken out of context. When the author cites part of a statement I had made in the wake of the Korean Air Line incident, however, he goes beyond the matter of context.

The carefully excerpted segment, buttressed by the author's editorializing, conveys quite the opposite meaning of my overall remarks. A statement condemning the Soviet Union for an outrageous act is whittled down to suggest that I found more fault with my own Government than with the Soviets.

I would like to share with my colleagues a portion of my remarks ignored by the author:

The shooting down of Korean Air Line flight 007 by the Soviet Union on September 1 warrants the outrage and condemnation of all of those in Congress and in the international community who work constantly to promote human rights and peace. I share the anger and grief of the families of the 269 passengers whose deaths represent a tragedy for all of us.

Yet here's how the author prefaced the small segment of my statement that he chose to use:

In September 1983 a few Democratic Congressmen even showed more anger at the U.S. for the KAL 007 atrocity than at the Soviets.

He concluded with this comment: "How do you reason with people who think like that?"

Mr. Speaker, I am tempted to ask the same question of the author.

In other instances of distortion, Mr. Gregorsky is guilty of the sin of omission.

He finds fault with Democrats upset about the CIA-coordinated clandestine mining of Nicaraguan ports, concluding: "They mainly seemed offended by the very thought of yet another United States move against a Communist Nation."

Missing is any reference to a letter that Republican Senator BARRY GOLDWATER, chairman of the Senate Intelligence Committee, sent to CIA Director William J. Casey, when the Senator first learned the President had approved the mining operation. Senator GOLDWATER unequivocally states, "(M)ine the harbors of Nicaragua? This is an act violating international law. It is an act of war."

A large, bipartisan majority of the Senate demonstrated agreement with that view when it voted, 84 to 12, last April in favor of a resolution urging the halt to the mining operation. And discussion about U.S. violation of international law was the focus of the resolution debate in both Chambers.

Nowhere among the floor remarks cited by the author is there evidence to support his reckless assertion that some Democrats opposed the mining on the grounds it constituted aggression against a Communist country.

This is not the only place where the author uses insinuation to support his thesis. In reviewing a statement by my colleague Mr. DOWNEY from New York relating to the U.S. invasion of Grenada, Mr. Gregorsky notes:

(In Downey's entire 500-word House statement, there's not one critical mention of the Sandinistas, Fidel Castro or the Soviets.)

A similar comment follows an excerpt from a statement regarding U.S. troops in Korea.

(In Downey's entire 1,200-word statement to the House Appropriations Committee, there's not one critical mention of North Vietnam, the Vietcong, or the Soviet Union.)

The unstated suggestion here is that if a Member fails to criticize Communist nations any time he critiques U.S. foreign policy, he has more affinity with Communist governments than with his own. I object vehemently to such an insinuation.

Great pains are taken by the author to assure the readers that his purpose is only to instruct the liberal Democrats about life in the real world. Mr. Gregorsky disapprovingly calls the actions of the late Senator Joseph McCarthy and his disciples "clumsy" and cautions: "Any fair-minded (or merely cautious) critic should take as a given the patriotism of any Democrat." But as you can see, Mr. Speaker, the sum of his analysis calls into question the sincerity of that statement.

Intentionally or not, the paper repeatedly asserts that those Members critical of this administration's foreign policy are more sympathetic to the national goals of a foreign power than they are to the interests of their own Nation.

I have spoken against such insinuations on prior occasions. And I will say again: Questioning the loyalty of Members on either side of the aisle is reprehensible, shameful, and despicable.

The use of Red-baiting as a technique to influence debate on national security was soundly rejected more than 30 years ago and has no place in this institution.

A TRIBUTE TO MARY BESS COLLIER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BRYANT] is recognized for 5 minutes.

Mr. BRYANT. Mr. Speaker, on Saturday, October 6, 1984, the people of the United States of American lost a dedicated and beloved servant, one who has spent an entire life serving her country, as well as her family, her many, many friends, her church and her political party.

On that day my beloved and cherished friend, Mary Bess Collier passed away, completing a beautiful and interesting life of accomplishment, service to others, tolerance, and love.

Few people have served their country in more ways.

Ms. Collier was born March 6. 1912, in Arkansas, and in her life, served this Nation in the Public Works Administration, National Parks Service, the Railroad Retirement Board, the Department of the Interior through the Parks Service, the Department of Commerce through the Census Bureau, the Office of Emergency Management through the War Production Board, the Office of Price Administration, the Veterans' Administration, and finally, the Department of Labor from which she retired in 1972.

Few people have lived a life so thoroughly dedicated to others. In addition to raising her daughter and my very good friend, Betty Sue Rice, she prac-

tically raised my own children and functioned as a part of my own family during my early years in public office when my wife and I were so often required to be away from home.

Ms. Collier was a member of the Urban Independent Methodist Church and was never afraid to articulate her faith clearly. Her church was probably the only institution she loved more than one of her other great concerns in life, the Democratic Party.

I never knew a person with a more intuitive sense of right and wrong. I never knew a person with a greater sense of responsibility for others and I never knew a person whose passing has caused me a greater sense of personal loss or a greater longing for her warm smile, genuine concern, and her personal quality of unselfish devotion to others and to her country.

I wish we had her back, but I am truly grateful that she lived and that I was blessed to know her.

NETWORK PROJECTIONS VERSES VOTER RIGHTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado [Mr. WIRTH] is recognized for 5 minutes.

● Mr. WIRTH. Mr. Speaker, the public outcry over the continuing disdain by the television networks for our democratic electoral process has been loud and persistent. The strong feeling that the television networks should not tell us who is winning a race before the polls close goes well beyond the Congress. Both Houses of Congress have passed a resolution expressing our sense that the networks should voluntarily refrain from projecting or "characterizing" the winner of a race before the polls for that race have closed. Yet, only 2 days ago, the Subcommittee on Telecommunications, Consumer Protection and Finance, which I chair, heard executives from the three networks tell us that these characterizations will continue.

Bill Woods, a political scientist at American University, captured the public outrage over the danger to the electoral process posed by network projections in a recent article in the Los Angeles Times.

As Mr. Woods noted, no one would ever suggest a poll of a jury be broadcast to that jury before their final vote. The networks persist, however, in interjecting their exit polling results and characterizations to voters in the middle of the most fundamental right we have as Americans—our democratic electoral process.

I find Mr. Woods' description of this situation most compelling, and I believe that other Members would find his article informative.

[From the Los Angeles Times, Sept. 25, 1984]

NETWORK PROJECTIONS VS. VOTER RIGHTS—UNTIL POLLS CLOSE, FAIRNESS TO ALL REQUIRES WITHHOLDING TALLIES

(By Bill Woods)

The practical effect of the early-evening network projections of a presidential winner on Election Day will be to persuade 427,977 voters to stay home. That is one estimate of potential voters who will hear the news and believe that their votes are fruitless, in the 13 Western states where the polls will still be open. When voters (wrongly) believe that their ballots are meaningless because media executives lack public responsiblity, democracy is endangered.

Not only will the networks reduce the voting power of the Western states to a trivial exercise in democratic symbolism, their authoritative reports will work against those local candidates whose supporters go late to the polls. In recent elections, several Western congressional seats have been lost by merely 1% of the vote.

Such interferrence is unconscionable, and raises serious constitutional questions. The problem is whether free speech may subvert free choice, or whether free speech is supposed to serve the ends of free choice.

In response to that challenge, the networks have largely refused the requests of Congress and the parties voluntarily to postpone all characterizations about election results until the last polls close—although they routinely make choices about what is to be broadcast every day. They are, however, sufficient Supreme Court cases to suggest the possibility of a congressional and judicial mechanism for preventing network interference with the election process. The court has indeed given broad protection to the substance of speech, but it also has allowed for its regulation in time, place and manner.

Directly analogous to the election process is the jury process. It is the one other strategic and sensitive mechanism for public decision-making within our democratic system. It is also an arena wherein speech and choice values often collide, and have been accommodated by the court.

In Sheppard vs. Maxwell, the court overturned Dr. Sam Sheppard's conviction because of publicity prejudicial to a fair jury verdict. The court catalogued permissible judicial restrictions on the press such as not communicating with witnesses and jurors, and proscribing extra-judicial statements to the press by police and other officials. In Nebraska Press Assn. vs. Stuart, the court overturned a gag rule imposed on the press because it was unwarranted, ineffective and too vague. But Chief Justice Warren E. Burger left open the constitutionally valid possibility of a restraining order that could meet those tests if necessary to restrict irresponsible press practices.

Regarding essentially political speech, Justice Hugo L. Black, allowed the government in Adderly vs. Florida to regulate the time, place and manner of speech in public places in order to maintain other important values—if the substance of speech were not regulated and if the proscription were narrowly drawn. In that case, the police had arrested civil-rights protesters who were blocking the driveway to a jail and threatening its secure operation. Even in their dissent, Jutices William O. Douglas, Earl Warren, William J. Brennan and Abe Fortas allowed for the possibility that the First Amendment could be curtailed under criminal law if the evil were isolated and narrowly drawn.

It might seem that Black forbade any direct regulation of the press in Mills vs. Alabama, which overturned a state statute forbidding partisan newspaper editorials on Election Day. The statute was to protect the public from confusing last-minute charges made too late for rebuttal. Mills was about protecting the quality of what Douglas called political speech "in a basic form: the right to express views."

But the networks materially degrade the quality of political speech because their authoritative projections purport to show the conclusion before many have chosen, and because they occupy essentially a monopoly position in controlling the broadcast public dialogue. No losing candidate or Western voter has the opportunity (or right) before the polls close to comment about the projections on the air.

The court would never allow an entry poll of a jury to be broadcast to that jury before their final vote. By the same token, network projections in the middle of an election should not be allowed to prejudice the fairness of that election process. In Adderly, Black wrote that the contitutional guarantee of liberty implies the existence of a society maintaining public order, without which liberty would be lost in the excesses of anarchy.

Congress could protect the integrity of elections by making it illegal to release official results before all polls close. And as the Canadians do, Congress could make it illegal to "publish the result or purported result of any polling" before the polls close. Those who say that this would be a direct assault on freedom of expression would appreciate that Election Day involves the people speaking: Rights of the private media must give way to the rights of the electorate on the day when the voice of the people must be heard above all others.

Citizenship is a public office, deserving respect and protection. But the networks' projections undermine citizens' belief in their own power.●

DEATH OF VALERY MARCHENKO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. FASCELL] is recognized for 5 minutes.

● Mr. FASCELL. Mr. Speaker, on October 7 of this year, Ukrainian human rights activist Valery Marchenko died in a hospital in Leningrad, RSFSR, the victim of callous indifference to his fate by Soviet authorities. His mother, who had pleaded for proper medical care for her son, was not even allowed to be at his bedside in his final hours.

Valery Marchenko was serving his second prison camp sentence for his human rights activities in Soviet Ukraine when the combination of harsh camp conditions and his poor health—the result of a previous term behind the barbed wire—took its final toll. A journalist and translator by profession, Marchenko had previously served 8 years of prison camp and internal exile for so-called "anti-Soviet agitation and propaganda." His alleged

"crime" consisted of having authored several samizdat essays on the effect of Soviet rule in Ukraine, and of writing a number of appeals on behalf of Soviet political prisoners in Soviet prison camps. While imprisoned at the infamous Perm labor camp for political prisoners, Marchenko developed high blood pressure and the kidney disease that frequently accompanies such a condition. Upon his release in 1981, he applied for permission to travel to the West for medical treatment offered through friends in Italy. Three times such permission was denied. Arrested anew in 1983 on the same "anti-Soviet agitation and propaganda" charges for which he had been incarcerated previously, Marchenko was seriously ill when brought to trial in March 1984. His clearly failing health, however, did not prevent the court from sentencing him to 10 years labor camp under the harshest conditions allowed by Soviet law, followed by 5 years internal exile. By July 1984, his kidneys were failing and he was placed in the camp infirmary. Despite his mother's pleas, it was not until September that he was transferred to the central prison hospital in Leningrad, where his condition continued to deteriorate. As I noted in opening, Valery Marchenko expired on October 7; he was 37 years old.

Tragically, Valery Marchenko was not the first prominent Ukrainian human rights activist that we know of to meet his untimely death this year as a result of mistreatment and neglect by his jailers. In May 1984, a founding member of the Ukrainian Helsinki Monitoring Group, Oleksiy Tykhy, died while serving a lengthy term at the Perm labor camp. Tykhy had also been in poor health, suffering from malnutrition and bleeding ulcers that were left untreated. When he died, this man, 57 years old, 6 feet tall, weighed 90 pounds.

Will there be others? It is feared that Vasyl Stus, Ukrainian poet and human rights activist, is seriously ill at the Perm camp and being denied proper medical attention. Lithuanian Helsinki Monitor Viktoras Petkus underwent surgery for a malignancy on his face some time in 1982, and has not been heard of since August 1983. Yuriy Shukhevych is reported to be totally blind after years of incarceration and exile. And representatives and quasi-representatives of the Soviet government offer us doctored film clips and mendacious press releases concerning the condition and whereabouts of Dr. Andrei Sakharov and his wife, Elena Bonner.

Mr. Speaker, it is no secret that the quality of health care for the average Soviet citizen, to say nothing of political prisoners, is barely adequate for an allegedly developed nation. Yet, I note that in 1980 the CIA estimated that the Soviet Union spends a mimimum of $63 million annually to finance several international propaganda organizations. Millions for propaganda, apparently, but precious few rubles, by comparison, to keep the prisoners—within and without the Gulag—alive.●

□ 1720

THE LEBANON BOMBINGS—A FAILURE OF LEADERSHIP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. SEIBERLING] is recognized for 5 minutes.

Mr. SEIBERLING. Mr. Speaker, the more one thinks about the President's handling of the shocking bombing of our Embassy in Lebanon, the more concern it raises. Indeed, nothing reveals the weaknesses of President Reagan as a leader more clearly than his responses to the recent bombing of the American Embassy in Lebanon, unless it be his response to last year's bombing of the Marine barracks in Lebanon that cost the lives of 241 young Americans. Indeed, his refusal to discipline any of the top brass whose negligence made the Marine barracks bombing possible could be the principal reason why the same sort of negligence—negligence that made this year's Embassy bombing possible—continues.

President Reagan himself is evidently aware of this. How else does one explain his deplorable effort, first, to pretend that there was no negligence that led to the Embassy bombing (he compared it to remodeling a kitchen!) then, to blame, in sequence, the previous administration, the Senate Intelligence Committee, and finally the Congress. When all of these excuses where shown to be unfounded, he finally conceded only that the "responsibility" is his.

Of course, in the overall sense, the responsibility is his, but he must share the blame as well, because of his failure, as Commander in Chief of the Armed Forces, to see that anyone was disciplined for the dereliction that allowed the Marine barracks bombing to succeed. At that time also, President Reagan said that he accepted the sole "responsibility." Since he was not, in fact, personally to blame for that dereliction, this meant that no one was going to be held to account. At that point, everyone else in the chain of command must have breathed a sigh of relief and gone back to business as usual.

President Reagan likes to say that Presidents Franklin D. Roosevelt and Harry S. Truman are among his political heros. Anyone who remembers those Presidents cannot doubt that they would have had no part of such pussyfooting. Nor would Presidents Dwight Eisenhower or John F. Kennedy.

Even now, it is not apparent that anyone in the chain of command will be disciplined for the failure that led to the latest bombing. Of course, there is a political risk that such disciplinary action would highlight the earlier failure of the President to impose such discipline following the Marine barracks bombing. The President faced a similar political risk in deciding last year whether to discipline the responsible commanders because of their failures that led to the Marine barracks bombing. If he had done so, it would have highlighted the fact that it was President Reagan himself who dispatched the Marines on their precarious and, as it turned out, futile mission to Lebanon. Nevertheless, the President should have bitten that bullet at the time. That is the job of responsible leadership, even when it entails risks to one's own political future.

Mr. Speaker, it is not too late, even now, for the President to demonstrate that he is taking the tough actions necessary to impose proper accountability on those in the executive branch, including the military, who are charged with maintaining the safety of American soldiers and civil servants stationed overseas. On the other hand, if he continues to duck this responsibility, the President will keep alive questions, not only about his own leadership qualities, but the ability of his administration to ensure the safety of the American people as a whole.

Mr. Speaker, President Reagan's equivocal attitude toward his command responsibilities as Chief Executive stands in stark contrast to his willingness to "get tough" with the elderly, the unemployed, the poor, the disabled, and many others for whom the Federal Government stands as the sole source of help when the private sector fails them. The sad fact is that the President gets tough with almost everyone except those whom he is supposd to get tough with, namely incompetent people under his command. With them, his primary objective seems to be to maintain his own "deniability" as to errors and failures. That may be effective as a devise for fooling some of the people all of the time, but most of the people are going to ask the bottom line question: "Who's in charge here?"

For some penetrating thoughts on this subject, I offer for printing following these remarks a perceptive article by Richard Cohen published in the Washington Post for September 29.

[From the Washington Post, Sept. 29, 1984]

THE MONEY THROWER

(By Richard Cohen)

There he goes again.

After three terrorist bombings of American installations in Lebanon, after repeated charges of ineptness and negligence and

after being urged by even many of his own supporters to discipline or fire somebody, President Reagan has finally done something. He's blamed Jimmy Carter.

There are a lot of things that could be said about Reagan's charge that intelligence lapses that allegedly contributed to the recent bombing in Beirut were the fault of previous administrations, presumably Carter's. Mondale said it was passing the buck. Intelligence specialists said it was just not true. Carter himself said it was an insult, demanded an apology and got an "explanation."

The fact is that Reagan's remark was all of those things—and something else as well. It exhibited the central Reagan paradox, which is that when it comes to both national defense and national security, money solves all problems. When it comes to almost anything else, though, particularly welfare programs, money is a diversion, a sop, a way of not thinking. You throw money at social problems; you fund the Defense Department.

When it comes to the Beirut bombing, for instance, the essence of the Reagan remark is that given enough money to hire enough spies two Americans would not now be dead. But the assumption that a small, shadowy group of religious fanatics could be infiltrated is dubious at best. And anyway, lack of spies does not explain why a security gate was left lying on the ground and not installed. You don't have to be licensed to kill to put up a gate.

Ironically, Reagan would be the first to point out the limitations of money when it comes to other programs. He's often accused the Democrats of throwing money at social problems—and sometimes with justification. Moreover, he fastened on the occasional glitch to make it seem typical.

Take welfare, for example. Reagan has consistently denounced fraud and mismanagement in all sorts of welfare programs, never for a moment conceding that both are inevitable when bil- lions of dollars are being spent on millions of people. To him, the exception is the rule.

When it comes to national security, though, the exception remains the exception. Both he and Defense Secretary Caspar Weinberger cringe at reports that the Pentagon has paid $92 for screws, $435 for hammers and $7,600 for coffee makers. These examples, they both maintain, are the exception, and they are willing to forgive the Pentagon what they would never be willing to forgive the Department of Health and Human Services.

It's obvious, of course, that the issue is not money, it's ideology. To the president, national security is something that can be bought, and it's worth anything it costs. On the other hand, welfare programs are not worth anything at all. He is enamored of power, revolted by dependency and money is just one way of expressing those sentiments. No amount of money, though, can bring order out of the chaos that's Lebanon or stability to a notoriously unstable part of the world.

But money, at least the spending of it, can have a placebo effect. Spending money can be a way of not thinking. In the case of the Beirut bombings, for instance, the president ignores the fact that two of them were predicted by intelligence agencies and indeed the last was publicly threated by the organization that claims to have carried it out. You don't need a spy to read the papers. You don't need to be a national security expert to conclude that someone in Beirut simply forgot to shut the door. And you don't have to be an Einstein to figure that three exceptions in one place looks a lot like the rule.

No matter. After each bombing the president has exonerated the negligent, gone moony in the presence of the military and turned victims into heroes through the magic of the teleprompter. Lack of money is not the issue. The willingness to question basic assumptions is. When it comes to national security, the president wants every buck but the one Harry Truman made famous. It's the one that stops in the Oval Office.

PARLIAMENTARY INQUIRY

Mr. WEBER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. WEBER. Mr. Speaker, did the gentleman from Ohio [Mr. SEIBERLING], who is still in the well, receive unanimous consent to include extraneous material in the RECORD?

The SPEAKER pro tempore. Yes, he did.

Mr. WEBER. I thank the Speaker.

TRIBUTE TO ABRAHAM KAZEN, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. STRATTON] is recognized for 5 minutes.

Mr. STRATTON. Mr. Speaker, I was not in the Chamber at the time that a senior member of the Texas delegation had a special order for our retiring colleagues, the gentleman from Texas [Mr. KAZEN]. I want to take this time for the purpose of joining with my other colleagues in saluting the contribution of the gentleman from Texas [Mr. KAZEN] to the House and to the Armed Services Committee.

CHICK KAZEN came to the 90th Congess in 1966. He had served in World War II as a pilot in the Air Force, and he was very knowledgeable on military matters and also had a distinguished career in the State of Texas as President pro tempore of the State Senate, and was at one time the acting Governor of the State, before he came to the House of Representatives.

A descendent of Lebanese origin CHICK always brought to the attention of the committee and indeed the full House the problems of Lebanon and of the Lebanese people, and spoke very eloquently in their behalf. This was especially during the dangerous period when our U.S. Marines were in Lebanon as a peacekeeping force.

In addition to that, as one who represented a community where there were a number of military bases and a large number of military personnel, CHICK KAZEN was always fighting in the Armed Services Committee for better treatment in terms of housing, pay, and other matters for the enlisted personnel of the Armed Forces.

More than anyone else, I think, certainly in the committee and perhaps even in the House, Congressman KAZEN had a very fluent command of Spanish which was of course, extremely helpful in serving the people of his District which borders on Mexico in the great city of Laredo.

Mr. KAZEN has found over the years that every primary election was a tough one. And he realized that the 1984 Democratic primary that there would be difficulties. Nevertheless he fought as hard as ever. And even though he had lost the primary he has stayed on the job to serve the people of his District, without any outward evidence of bitterness.

Those of us who had the privilege of serving with CHICK KAZEN will miss him and his lovely wife, Connie, because in the 18 years they served here they have added very greatly to the Membership of the Congress. We will miss his wisdom on the committee, and the penetrating questions he asked.

The people of Texas have lost a great effective voice in Washington in the retirement of CHICK KAZEN.

Mrs. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I am very happy to yield.

Mrs. BOGGS. I thank the gentleman for yielding, and I thank him for taking the time to pay this tribute to CHICK KAZEN who is one of the most conscientious and affable Members of this House. I salute him on his service and I join with the gentleman from New York in saying that all of us will miss him and Connie very much.

We hope that they will stay in touch with the Members of this body and will continue to give us their good counsel and advice, and to share with us their very special friendship.

Mr. KAZEN. I thank the gentlewoman for her remarks which certainly are very well taken.

Mr. SKELTON. Will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Missouri.

Mr. SKELTON. I thank the gentleman for yielding and also thank him for the opportunity to say a few words about our colleague who is retiring from Texas, CHICK KAZEN. He is truly an outstanding legislator and a good friend.

Both he and his very, very lovely wife, Connie, will be sorely missed and we wish them well.

Mr. STRATTON. I thank the gentleman and I yield back the balance of my time.

THE MISAPPLIED LESSONS OF HISTORY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. SKELTON] is recognized for 15 minutes.

Mr. SKELTON. Mr. Speaker, I want to speak about recent history. Ours is a nation that is still young when compared to the other great nations and civilizations that have existed throughout the recorded story of mankind. With comparatively little history behind us, we have directed our focus on the present, and, more especially, the future. Our strength has been the genius of our people, exemplified by the ideas and technology we have created in a relatively short span of time. We are a nation in a hurry, always eager to get on with the task at hand. While others are for the most part concerned about the troubles of this planet, we are already looking to the stars. This national characteristic explains why the Air and Space Museum of the Smithsonian Institution is the most popular in Washington.

A CHANGING WORLD

Throughout the greater portion of our history we have been fairly successful in ignoring developments in the rest of the world. Blessed by the safety of vast oceans on either side of our continent and by the wealth and abundance of natural resources provided, we had little need, and even less desire, to become involved in the affairs of the world. We had more than enough to occupy us here at home. The sign we hung on the door said "Don't Disturb." Overall, this isolationist sentiment proved popular and beneficial.

By the late 19th and early 20th centuries this situation began to change. Expanded trade and commerce fostered greater political involvement. We were drawn into wars with Spain, in 1898, and later with Imperial Germany, in World War I. Yet even after that European war, we continued to resist involvement in the affairs of the world. We did so, however, at our own expense.

LESSONS LEARNED

The key lesson for the generation that has come to maturity during the 1930's was Munich 1938. That was the place where Neville Chamberlain, the weak old Prime Minister of Great Britain, sold out a resolute and embattled ally, Czechoslovakia, for a worthless promise made by Adolph Hitler. Winston Churchill understood the fateful mistake that had been made. "Britain and France," he said, "had to choose between war and dishonor. They chose dishonor. They will have war." The war we had hoped to avoid came about anyway and was even more costly than the previous one. While 15 million died in World War I, more than 50 million died in World War II.

Since 1941 the United States has played a very large role in the affairs of the world. After the war we did not repeat the mistake made a generation earlier when the United States withdrew from center stage. We had learned the hard and tragic lessons: isolationism did not guarantee peace; appeasement only encouraged dictators.

POSTWAR CHALLENGE IN EUROPE

After the defeat of the Axis powers the specter of Soviet communism threatened a prostrate Western Europe. Through the policy of containment the United States vigorously resisted the Soviet threat to Europe. The Truman Doctrine, which provided military and economic aid to Greece and Turkey, was soon followed by the Marshall plan, which provided economic relief to the rest of Europe. The signing of the NATO agreement committed the United States to the defense of Western Europe.

We had learned from our mistakes made after the First World War. We remained fully involved in the events of the world and we firmly resisted Stalin's efforts to undermine European stability.

LESSONS MISAPPLIED

In Vietnam, however, we misapplied the lessons of Munich. Europe was and remains vital to the security of the United States; Vietnam never was. Where the policy of containment was appropriate in Europe it was not in Vietnam. President Kennedy was right when he said that in the final analysis it was their war to win or lose. Our efforts in Vietnam should have been confined to providing support, but not to taking on the fight ourselves.

This is not to say that we could not have won the war once we decided to fight it. Unfortunately, a senseless strategy hampered our efforts. Unfettered firepower was not the cure to an established insurgency. We didn't understand that truth until late in the war.

After the Tet offensive in 1968, we stressed counterinsurgency and involved South Vietnamese in the planning process. Vietnamization became fashionable. It meant, however, more than just turning over the military effort to the Vietnamese. Political and economic programs also came under greater Vietnamese control.

Progress was slow, but by 1972 a spectacular shift in the strategic balance had occurred. Insurgency was inert for all practical purposes. Major roads reopened, resettlement began, land reforms took root, and rice bowls were filled. Our side had won at counterinsurgency and could cope with conventional conflict. General Giap's Easter offensive in 1972, his effort at conventional war, played right into our strength. U.S. air power on this occasion proved decisive, and Giap retreated having lost 100,000 men.

Yet we had become impatient with the war. After the peace agreements were signed in 1973, the United States substantially reduced its aid to the Republic of South Vietnam. The South's ability to fight a conventional war was crippled. Incoming shipments of ammunition, petroleum products, and repair parts were not equal to expenditures, despite conservation efforts. While the Soviet Union continued to supply North Vietman heavily we decided to bow out. Without continued U.S. material support, defeat in the South was inevitable.

FALSE ANALOGIES

One of the great casualties of the Vietnam war was the breakdown in the foreign policy consensus that existed in this country from the late 1940's until the late 1960's. We have been scarred by a failed war that took over 57,000 American lives. The cry is "never again."

Yet if the lessons of Munich were misapplied in the Asian jungles of Vietnam, it is my strong belief that the so-called lessons of Vietnam have been misapplied by those who are critical of this Nation's efforts in Central America. Munich was not Vietnam and Vietnam is not Central America. The use of American power, military power especially, will not always lead to the quagmire in which we found ourselves in Vietnam.

There are similarities between the two situations. Both cases involve Communist-inspired insurgencies in jungle areas of the Third World. But, the differences greatly outweigh the similarities.

In Vietnam we fought a real war, 6,000 miles from home, in an area where the United States had never been a major power broker, and where the importance of the region to U.S. national security never really existed. In Central America, on the other hand, the fighting is on a small scale where no U.S. combat troops are involved, in an area some have described as America's front yard, where the United States has traditionally exercised great influence, and where the importance of the region to U.S. national security is understood by most Americans.

This is in our neighborhood. The safety of the Panama Canal and the Caribbean sealanes are at stake, not to mention the possible disruption that would be caused by the influx of hundreds of thousands of refugees if the area went Communist. Such concerns cannot be dismissed lightly.

In Vietnam we operated in an alien culture where very few Americans spoke the language. In Central America, by contrast, we have a much better understanding of the legacy bequeathed by the Spanish conquistadores and, having a large Hispanic population ourselves, we have no shortage

of people who speak the language and understand the culture.

THE REAL LESSON OF VIETNAM

In Central America we are applying some of the real lessons learned in Vietnam. First, in President Napoleon Duarte we have an ally worthy of our support. He has brought about a drastic decline in the activities of the death squads. His recent offer to negotiate directly with the guerrilla leaders marks him as a man of courage. In South Vietnam, a great problem with the government there was that it appeared unworthy of our efforts. To us it looked hesitant, incompetent, and corrupt. No amount of public relations work could convince the American people otherwise, even though by comparison with the North Vietnamese Government it was a model of humanitarian rule.

Second, we have confined our role in the region to one of support. We can and should provide arms, training, and equipment. In addition, we are also supporting those economic and political reforms designed to give the people of the region a stake in their respective governments. Introduction of U.S. combat forces would be counter productive. Advisors have been kept to approximately 55 in El Salvador.

Third, we have put together an overall regional strategy for dealing with the serious problems of the area. The bipartisan Kissinger Commission recommended substantial economic aid, some military aid, and keen attention to human rights. The problems of El Salvador, Honduras, Guatemala, Costa Rica, and Nicaragua cannot be viewed in isolation.

STEADY PROGRESS SAVE ONE

Three years ago El Salvador, Honduras, Guatemala, and Nicaragua were each run by tough military regimes. Change began in November 1981 when Honduras held a free presidential election and elected a middle-of-the-road liberal, Dr. Roberto Suazo. El Salvador followed in 1982 by holding an election for a constituent assembly. By this spring, the democratic process in the country had brought to power another centrist, Jose Napoleon Duarte. Guatemala held a free election for a constituent assembly in July in which the two leading parties were the Christian Democrats and the Democratic Union of the Center. In none of the three countries did the arbiter of past elections, the army, attempt to step in.

Only in Nicaragua are there serious concerns about efforts to institute genuine democracy. More than 3,000 Cuban military and security personnel are attached to Nicaragua's Armed Forces and to its internal security and intelligence organizations. The Sandinistas are still deadlocked in talks to bring opposition candidate Arturo Cruz, the only genuine opposition figure, into the elections.

CONCLUDING REMARKS

One of the ugly legacies of our Vietnam experience was the notion, in some quarters, that America is the guilty party, that the use of our power is a source of evil, and therefore, the main task in foreign policy is to restrain America's freedom of action. Many would use the "lessons of Vietnam" refrain in an effort to prevent the United States from acting to counter Communist aggression in the world, especially in Central America.

I strongly believe that the approach we are taking in Central America is just about right. We are supporting moderates who believe in democracy and are resisting the enemies of democracy found on both the extreme left and the extreme right. Our effort there, however, will be a long-term one. Progress will be slow, and we will have to learn patience and perseverance. We must disenthrall ourselves from expecting immediate results and instant gratification. Instant coffee, instant banks, instant news have spoiled us into expecting instant international results.

In the next few months we will find out how pragmatic the current leadership in Nicaragua is toward the democratic process. I freely admit that I have been a strong supporter of the Contras in their fight against the present Nicaraguan Government and have little faith that the Sandinistas will permit free and open elections.

Yet in an attempt to encourage the Nicaraguan leadership to opt for genuine elections I would be willing to sponsor an effort in Congress to suspend a decision on aid to the Contras until after the Nicaraguan elections. In this way the United States would be sending a positive signal favoring democracy and nonintervention. With genuine elections and the Sandinistas finally coming to terms with the domestic opposition, no more aid to the Contras would be necessary. However, if the elections proved fraudulent, the Sandinistas would have to live with the consequences of their actions. The decision will be theirs to make.

□ 1740

DEFICIT REDUCTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 60 minutes.

Mr. WALKER. Mr. Speaker, we have heard a lot of talk in recent weeks in the Presidential campaign and in campaigns across the country about deficit reduction and how we are to go about it.

I think that it is important to look at what the Presidential candidates had to say in the debate the other night about this very crucial topic. Becasue we have two Presidential candidates coming at that issue from two entirely different perspectives.

One candidate, President Reagan, who believes that what we need to do is promote the kind of economic growth that will allow the Government to accumulate additional reveunes based upon growth and thereby reduce the deficit. What we have to do is hold down the growth of Federal spending while the economy as a whole is growing and thereby collapse the deficits through a policy of economic growth.

On the other hand, you have Walter Mondale, who told us very clearly the other night that he still stands by his deficit reduction plan, which in all honesty is a tax plan. It is a tax plan to charge American families an additional $157 a month out of their incomes in order to finance the deficits run up by Government through Government overspending.

Those are two entirely different perspectives about how we ought to treat deficits in this country. I think that it is well to analyze what the consequences of each of those are.

In the case of the Reagan plan, what you have to do is you do have to lower the expectations of Government. Government is not going to be able to grow at two, three, or four times the rate of the economy as a whole if, in fact, what you are going to do is get overall economic growth that gets to the levels that President Reagan is talking about. He is talking about real economic growth in the range of 4 percent, while Government is reduced in its rate of growth below the present 6-percent rate.

Now, we have brought down the rate of Government growth from about 18 percent, as it was during the Carter years, down to about 6 percent, but it still needs to come down somewhat more if the overall economic growth is going to help us catch up with the deficit problem.

So that you do have the consequence under the Reagan program of the fact that Government is not going to be able to grow as fast as many Democrats and liberal welfare state enthusiasts would like Government to grow.

The consequence of the Mondale plan is a consequence on every American family, because in his case he is going to allow Government to grow. In fact, his deficit reduction plan announced about $30 billion more in spending than we presently do for brandnew programs. He is going to have Government growing at a faster rate, but take money away from every American family in order to pay for that Government growth and thereby attempt to collapse deficits by taxing the American people more. The $157 a month out of the pockets of most American families is a very, very substantial amount. It is a large portion

of their mortgage or rent payment. It is a large portion of what it would cost them to buy a car or a new appliance. It is a large portion of what it costs to finance their children's education. It is more than most families are able to save in a month.

So, therefore, what he is really doing is taxing away the ability of the American family to buy additional things for the family, to buy housing and to educate their children, and most importantly, to save and invest in the future of their family and the overall economy.

Mr. WEBER. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Minnesota.

Mr. WEBER. I thank the gentleman for yielding.

I think the point the gentleman is making is really the central point of this whole campaign. I am sure many people that listen to this debate as it has gone on across the country cannot quite believe that there would be a $157 a month tax increase in the form of the Mondale tax increase.

□ 1750

I would just like to go through some of the figures in the analysis prepared by the Department of the Treasury of the Mondale plan so that people can understand, actually, that this is a real figure.

Mr. WALKER. I think that would be very useful, and I would be glad to continue to yield to the gentleman.

Mr. WEBER. I thank the gentleman for yielding.

According to the Department of the Treasury, here is how the arithmetic works out on this: The projected deficit—this is by the year 1989—would be a low estimate, according to the projections, of $200 billion.

Now, then they look at the Mondale program for spending, and as we have talked about in special orders on the floor here before, no one should have the impression that the Mondale plan calls for spending reductions. That is just not the case. He calls for a slower rate of growth in defense spending, but still real growth after inflation, and then massive increases in spending on the domestic side.

Mr. WALKER. If the gentleman will allow me to reclaim my time just for a moment, let us make the point here, though, that there is one area where Walter Mondale's plan does call for some spending cuts, and that is in the area of medicare.

Mr. WEBER. Is that true? After all we have heard in the press these last couple days, you are telling me that Walter Mondale wants to cut medicare?

Mr. WALKER. Right in the Mondale deficit reduction plan that we hear him trumpeting it calls for a $12 billion reduction in medicare. In other words, since the President's announcement yesterday about Social Security, the only person with a plan out on the table for reduction of any program in Social Security is Walter Mondale, who has proposed a $12 billion cut in medicare. He is the only national candidate at this point with any kind of plan on the table that calls for a reduction in Social Security at all; namely, the medicare program.

Mr. WEBER. Will the gentleman yield?

Mr. WALKER. I will be glad to yield.

Mr. WEBER. The gentleman is telling me that former Vice President Mondale has actually proposed cutting the expenditures for the medicare program that is so crucial for our senior citizens at the same time he is criticizing the President for having an alleged secret plan to do that?

Mr. WALKER. I would say to the gentleman that if you get ahold of Walter Mondale's deficit reduction package as published by his committee, it has in there a $12 billion cut in medicare in the year 1989, when all of this is predicated. So Walter Mondale has in fact proposed more. In fact, if you take a look at the figures, you will find out that any cuts that President Reagan had recommended at any point—and he did in 1983 in the medicare program—averaged out, over a 5-year period, to about $7 billion a year. Walter Mondale's is a $12 billion cut in 1989. That is $5 billion more than what President Reagan recommended. He was criticizing President Reagan. And, as I say, since President Reagan has now come out and said he is not going to cut Social Security in any way, shape, or form, what you have got is that the only existing Social Security cut plan that exists on the table today out there is the Walter Mondale deficit reduction plan where he is proposing a $12 billion cut in medicare.

Mr. WEBER. That is amazing.

Mr. WALKER. I will be glad to yield to the gentleman now further on the point he is making with regard to the Treasury figures.

Mr. WEBER. Let me continue with these figures. Again, we start out with a projected deficit in 1989 for $200 billion. Then we analyze the Mondale spending proposals and we find out that, on balance, Mondale is proposing spending increases, according to the Department of Treasury, that cost out at minimally $69 billion. Spending reductions of $26 billion. That means we have a pretax Mondale deficit for that year of $243 billion. That is the deficit, if you take into account the Mondale spending proposals, reductions as well as increases, added on to the current services deficit that we are projecting, a $243 billion deficit.

Mr. WALKER. If I may reclaim my time, OMB recently gave us the administration's deficit figures for 1989, and it seems to me that they were about $100 billion less than that, is that not true, so that Walter Mondale's deficit figures there on current services on Walter Mondale is about $100 billion more than what the OMB says that the administration's deficits would be. Is that the gentleman's understanding?

Mr. WEBER. The gentleman is correct.

Mr. WALKER. I will be glad to continue to yield.

Mr. WEBER. To continue the analysis, then you have a $243 billion Mondale deficit before you take into account taxes.

All right. Then, what is his goal? He says he is going to leave us with a deficit of about $67 billion in that year. That is the projection he has told us. That is where he says we are going to be by 1989. That means you have to have a tax increase of $176 billion. Now, that is by the Mondale camp's own basic arithmetic. If they are going to meet the deficit reduction goals they said, if they are going to keep the promises in terms of spending that they have made, that is the magnitude of tax increase that we would have to have to meet the Mondale program's promises, $176 billion.

That breaks down, if you just average it out, to $1,890 for the average household.

Now, let me point out that all of these proposals we hear coming out of the Presidential campaign are, of course, estimates. The numbers that I have just given you are the low estimate of the Department of the Treasury. In other words, those would be the minimum spending increases necessary to meet the Mondale plan and the minimum tax increase necessary.

Mr. WALKER. Let me clarify here. In other words, the Mondale package, at a minimum, is going to cost every American family $1,890 a year, at a minimum?

Mr. WEBER. At a minimum, according to the Department of Treasury analysis.

There are maximum figures, also, in that Department of Treasury analysis, in other words, if you are more generous in the spending promises that Mr. Mondale has made. That comes out not to a $1,890 annual tax hike for the average household but $3,350, almost double the amount.

Mr. WALKER. I was talking about a figure here of $157 a month a few moments ago. This is at $1,890. If it was really $3,300, we would be talking about a $300-a-month additional tax payment for every American family.

Mr. WEBER. Somewhere in that neighborhood, that is exactly right, if indeed we are going to meet the Mondale campaign's goals in terms of deficit reduction and keep their promises in terms of spending increases.

And then, of course, the point becomes very clear that we have a really stark choice in this election because, as the gentleman in the well has pointed out, the President's approach is to try to hold down the cost of Government so that we can allow the private sector to grow more freely and generate the revenues that are necessary to bring down the deficit, whereas the Mondale approach is exactly the opposite. It is to hold down the private sector, with massive tax increases, so that we can feed the Government and satisfy all of the demands made on the Government by the various constituency groups.

Mr. WALKER. Would the gentleman go through that analysis again? I think it is important, because I think that that is a key difference. There cannot be a greater difference between two economic philosophies than that the gentleman just described. Would the gentleman go through that again?

Mr. WEBER. I think it is important. The Mondale plan basically says: "We are going to hold down the private sector of the economy by taxing them more heavily so that we can feed the Government to grow more rapidly."

The Reagan approach is exactly the opposite. It says: "We are going to hold down the cost of growth of Government so that the nongovernment sector, the private sector of our economy, can grow more rapidly. And if it grows more rapidly, of course, it will generate more revenues, which eventually will permit us to balance the budget, provided we hold down the cost of Government."

That is the basic contrast in philosphies between the Mondale approach and the Reagan approach. The Mondale approach is one that caters to the needs of the Government, and the Reagan approach is one that caters to the needs of everybody else. And I would point out that that is most of this country. When you talk about the nongovernmental sector you are not just talking about big business; you are talking about small business, you are talking about farmers, you are talking about nonprofit institutions, like churches. Churches are not part of the Government. It is the entire nongovernmental sector that eventually pays the price of the Mondale approch, which is to hold down the private sector with massive tax increases so that you can feed an ever-expanding Government.

Mr. WALKER. In other words, under the Mondale plan, everybody pays for Government, and Government benefits. Under the Reagan plan, what we do is have everyone benefiting and Government making the sacrifice?

Mr. WEBER. Government having to make the sacrifice. And, of course, the Mondale approach to Government, if you think about it philosophically, which is really the liberal Democratic approach to Government, eventually becomes a self-fulfilling prophecy, because you begin by saying Government has to solve all of the problems. And so you tax the private sector more heavily to solve those problems.

Well, that diminishes the capacity of the private sector to solve those problems themselves, and so then you turn around and you say, "Well, you see, the private sector cannot deal with any of these problems because they are being taxed so heavily, so we need to tax them some more so Government can solve those problems."

That, basically, is the liberal Democratic approach to Government, and that is one of the main reasons that we are in the mess that we are in today, fiscally and socially.

Mr. WALKER. And what is true, as the gentleman points out, for business and the private sector is also true, obviously, for American families. If you say to an American family, "We are going to take $157 a month more from you or $300 more a month from you, if the worst comes true," at that point the American family finds itself unable to do as much for itself.

If they cannot save enough to provide their children with a college education, then they turn to Government for Government programs in order to help provide that education. If you are low income and cannot buy enough food for your family because it is being taxed away from you, you turn to a food stamp program in order to make up for the problem caused by Government when it took so much of your income.

So it plays itself out. If you are trying to buy a home, you reach out to the Government because you have $157 to $300 a month taken out of your income, you have to reach out to Government for a Federal loan or a Federal subsidy in order to purchase a home.

We have a very adverse impact on the ability of the families who then have to turn to Government for help, and it is, in large part, because the Government takes away so much of their income, in the first place; and, of course, as the gentleman points out, Walter Mondale is talking about taking substantially more.

□ 1800

Mr. WEBER. I thank the gentleman for yielding because I would like to continue this discussion of the Mondale tax increase and come back to the material analysis of it that has been done by the Department of the Treasury. Many people sitting out there listening to Walter Mondale and the liberal Democrats promising tax increases are sort of calmed by the thought that maybe these tax increases will all be levied on the rich and the big corporations and so the average person will not have to pay much.

Mr. WALKER. Well, that is what they have all been saying is going to happen. Is that not right?

Mr. WEBER. That is what we are told, but, we are really not told that if you read between the lines. The Mondale tax increase program calls for $60 billion in tax increases that he says will go toward wealthy individuals; those earning more than $100,000 a year, and large corporations. That still leaves $116 billion of tax increase that has to come out of everybody else. We do not know how those taxes are going to be assessed.

The fact is, they are probably going to be assessed on the average working people in this country. We do know one specific Mondale tax increase proposal, that is the proposal that we do away with tax indexing. There is no proposal for a tax increase that could more directly be aimed at working-class taxpayers than to repeal tax indexing.

The reason for that, of course, is that tax indexing protects people who would be pushed into higher and higher brackets by inflation. Well, if you are a very wealthy American you are already in the top bracket. You cannot be pushed into any higher bracket. So 80 percent, 80 percent of the cost of repealing tax indexing falls on taxpayers earning less than $50,000 a year. That is an explicit proposal of the Mondale tax increase plan.

Mr. WALKER. As a matter of fact, the gentleman may have been astounded as I was when I viewed the debate the other evening when Walter Mondale proudly trumpeted the fact that he was going to eliminate indexing. He said something to the effect that if we can really get economic growth going, I am going to be able to eliminate indexing. It was practically unbelievable because what he was saying was if we can just get our program started, I am going to take money away from the middle class of the country.

Mr. WEBER. If the gentleman will yield, its impact of course is precisely what the gentleman points out; it is totally a tax increase in middle-income taxpayers. But it is really worse than that because it is not an explicit tax increase. It is a kind of tax increase that does not require Members of Congress to go on record voting to raise peoples' taxes and then having to go back into their districts to justify it at election time, oh, no. This is the hidden tax increase. The tax increase for which no one is accountable because inflation automatically pushes people into higher brackets.

So I agree with the gentleman; I was astounded when I heard Mr. Mondale proclaim so proudly that one of his greatest achievements if he became

President would be to repeal indexing which is basically protection for middle-income taxpayers.

Mr. WALKER. Would the gentleman agree with me that one of the reasons why we have to be concerned about people who talk about repealing indexing is because what they are really saying, the underlying philosophy of what their saying is that they are going to reinflate the economy in order to deal with the deficit problem. Because what government does in a nonindex tax system is that it feeds off inflation. So inflation becomes a benefit to government; it is a horror for everyone else. For older citizens; for poor citizens; for the middle class. Inflation is one of the worse things that government can perpetrate on the economy and one way of assuring yourself that you can eat into those deficits at the Federal level is simply to reinflate the economy. Get it back where the Carter-Mondale people had it at the end of their tenure in office at about 12 or 13 percent. If you can get inflation up there, then the tax increases are growing rapidly because anybody who is trying to keep up with inflation is moving rapidly into higher and higher tax brackets. They are paying more and more taxes, even though their real earnings are not going up at all. As a matter of fact, during those years real income was dropping. The only thing that was increasing was real income to the Federal Government that was collecting all of those additional taxes.

One of the things that is most disturbing is the underlying philosophy of the Mondale plan which seems to be predicated on reinflating the economy to the benefits of Government.

Mr. WEBER. I think the gentleman is precisely correct. Particularly so because if you analyze seriously these tax increases that the Mondale campaign has proposed and that are being supported by liberal Democrats across the country. You really find that they are not going to generate even the revenues that Mr. Mondale talks about.

For instance, they talk, as we mentioned a few minutes ago, about $60 billion in tax increases on wealthy individuals and large corporations. Well, that is fun to talk about, but we all know what happens in the real world when you raise taxes on big corporations and wealthy individuals; they do not simply benighly pay more taxes, these are the people in the businesses that have large accounting firms and large law firms prepare their taxes. They simply invest a little more time and money and effort in finding different tax loopholes, different deductions, and different shelters to shelter their income.

So you may be able to project on paper a $60-billion tax increase from the rich, but by the time the accountants and lawyers have had their way with it, you probably do not get $60 billion in revenue. In fact, you may actually get less revenue because you drive more of that income into tax avoidance schemes.

So what happens then? Well, you have to raise taxes some place else to meet the Mondale goals and that means an even larger tax increase on the middle-income taxpayer. That is why I say that the $157 a month Mondale tax increase is the first Mondale tax increase. We do not know how much more it might be after we find out that his revenue projections from the rich are not going to come through; after we find out that he has depressed the economy with his tax increase and we are not getting the total level of revenue we would expect anyway.

We do not know what the second or third Mondale tax increase could end up costing us.

Mr. WALKER. Does the gentleman remember, it seems to me that during the Carter-Mondale years that tax revenues to the Federal Government, most of which were collected from middle-class Americans, doubled in the time that the Carter-Mondale people were in office. They came in with revenues at about the $300-billion level and when they left, they were collecting about $600 billion in taxes. Is that not about right?

Mr. WEBER. I think the gentleman is correct in terms of those figures.

Mr. WALKER. They have already shown a willingness to use inflation, to use the tax system in order to massively raise the amount of taxation on the American people during a short 4-year period. Of course, the consequence of that doubling of the tax revenues during that period was a period of negative growth for the economy.

By the time they left office, what happened was precisely what the gentleman predicted would happen under a Mondale-type of scheme, and that is that productivity had dropped off to the point that it was nonexistant; it was actually going down.

Mr. WEBER. The gentleman is correct, and if he would yield further, by the end of the Carter administration, the last year of the Carter-Mondale administration, there are some statistics that are very interesting because it measures very vividly the economic impact that the gentleman just pointed out.

You can look at three measurements of our economy's performance: productivity, investment, and savings. You take those three measurements and compare them, in the United States, at the end of the Carter-Mondale administration, to the other eight major, industrialized nations of the western world. I am not talking about Third World countries or Communist countries. I am talking about Britain, Germany, Japan, Italy, Canada, countries like that. Where did we rank? Last out of nine in productivity; last in investment; last in savings. Why? Because it had been taxed away and inflated away.

Now, the startling thing about that and the real frightening thing about that is what do those three things tell us? Productivity, investment, and savings. They tell us about the capacity of our economy to provide a better life for people in the future.

Mr. WALKER. Provide jobs.

Mr. WEBER. That is right. If an economy does not save, if people do not invest, and if the workforce and the capital structure are not productive, you cannot generate a better standard of living in the future. So, what kind of rhetoric did we hear out of the Carter-Mondale administration in their last years? Limit your expectations. Talk of a national malaise. The talk about the fact that we would all have to learn to live with less. Well, we would if we continued to follow the policies of the Carter-Mondale administration because they had destroyed those economic activities that enabled us to build a better future. Productivity, savings, and investment.

We are beginning to restore those things under the Reagan administration; we have not solved all those problems, but productivity increases are up, and the rate of investment is substantially up. We still have a lot of work to do on savings, but we have tried to attack that through the IRA plan and the Keogh plan and the tax rate cuts.

Certainly we have reversed the decline in this basic capacity of our economy to generate jobs and a better future for our children than the Carter-Mondale administration did.

□ 1810

Mr. WALKER. Mr. Speaker, I would agree with the gentleman and as he points out, we still have not achieved everything that needs to be achieved, but one thing we do know is that you will not be able to get there if we go back to a tax plan in order to straighten out our economic ills.

Those things which have not been accomplished are not going to be accomplished by imposing additional taxes on the system.

It is interesting to note also that Mr. Mondale says that what his tax plan will do is it will bring down real interest rates in the country in a way that would assure more economic growth and we all agree that real interest rates are too high.

We have got to figure out why they are too high. Now Mr. Mondale, in the debate the other night, gave kind of a garbled statement about how real interest had doubled. Now what he did not tell us was when it doubled; as a

matter of fact, when it more than doubled.

Under Jerry Ford, real interest stood at 2 percent.

Mr. WEBER. 2 percent?

Mr. WALKER. 2 percent.

We had an inflation rate of about 4.8 percent. We had a prime rate of 6.8 percent. That is 2 percent real interest.

Under Jimmy Carter, at the end of his tenure along with his associate Walter Mondale, we had a prime rate of 21.5 percent and an inflation rate of 12 percent. That is a real interest rate of 9.1. That is a more than doubling. As a matter of fact, that is a more than tripling. As a matter of fact, it is more than a quadrupling, and that is exactly when it took place.

Now, if in fact under the Reagan administration we had had that real interest rate go to 18 percent, maybe Mr. Mondale would have a point but it did not. It dropped from the 9.1 percent under the Carter-Mondale administration to 8 percent where it presently rests.

Now that is not really low enough. That is far too high, but the fact is that it has come down under the Reagan administration policies where it went up tremendously during the Carter-Mondale years.

I will be glad to yield to the gentleman.

Mr. WEBER. Mr. Speaker, I thank the gentleman for yielding because the gentleman is pointing out now one of the most serious challenges that is left to face us and that is the challenge of bringing down those real interest rates, even though we have made some progress in the Carter-Mondale years, but I think about why have they held there at that very high level.

Basically there are many factors that determine interest rates. Basically interest rates are a function of your inflation rate and the inflationary expectations for the future.

In other words, people do not want to lend money out at 5, or 6, or 7 percent interest if they think there is going to be 10, or 12, or 15 percent inflation somewhere down the road. We already have the experience of the double-digit inflation of the Carter-Mondale years that has scared people in the financial community and furthermore, as the gentleman in the well pointed out just a few minutes ago, really if you look at the Carter-Mondale economic program or the Mondale economic program in the 1984 election, it is predicated on the assumption of renewed inflation.

That is how they would get the tax increases resulting from the repeal of indexing. And so, if you were a lender and you have to determine what you are willing to lend money on at what interest rate should you not have some concern that if indeed Mr. Mondale is elected President and has a liberal Democratic Congress to back him up, that they will restore double-digit inflation and if that is indeed your expectation you are probably justified in holding those interest rates high.

That is the reason that we are having such a hard time bringing those interest rates down is because the financial markets know that there is at least one Presidential candidate in this race that probably is committed to renewal of inflation.

Mr. WALKER. Mr. Speaker, I thank the gentleman and I believe that it simply makes the point that in this election year that the choice is very, very clear for the American people. It is a choice not only between Walter Mondale and Ronald Reagan. It is a choice between their two teams.

When all is said and done, the legislative teams that they work with here in the House of Representatives and in the other body are going to be very important to carrying out these programs one way or the other.

It seems to me a tragedy to cause a stalemate in Government by not giving someone the kind of working majority that they need to pass their program; whichever candidate they choose, but the American people ought to be very clear on what it is they are choosing between.

They are choosing between a Government growth, big tax candidate and a Government reduction on big private sector growth candidate. Those are the real choices in this campaign. It is a choice between Government on one hand and jobs on the other hand.

I mean ultimately all this growth that we talk about comes down in very human terms. It means more jobs. It means better jobs and so if we are really talking about one candidate who promotes the idea of more taxes for more Government and one who promotes the idea of more growth so that we can have more problems.

I think the American people can clearly choose between those two. We would hope that they would choose a legislative team that would go along with President Reagan and so that we can promote growth and jobs.

I will be glad to yield to the gentleman.

Mr. WEBER. I think the gentleman is precisely correct and as we have mentioned before on this floor, one of the interesting things about what is happening in the American political debate this year is how out of sync, not just with this country but with the world the Mondale program is.

Look at what has happened in other parts of the world just this last summer and fall. In France we have seen a socialist head of state, Francois Mitterrand, a socialist, fire his entire cabinet and install people committed basically to tax reduction and regulatory reduction to copy the American experiment.

They talk about the American job creation machine over there in France; not because he is changing socialist ideology but because he has seen the success of Reagan economic policies in this country in terms of restoring economic growth.

What have we seen just to our north in Canada? We see the largest victory for a party ever in Canadian history with the conservative party coming into power basically committed again to copying the American experiment, the Reagan experiment in terms of job creation.

Now, with all this world opinion, if you will, focusing positively on the results of our economic policies and people from all political spectrums in other countries copying the Reagan formula of tax reductions and spending restraint, is not it ironic to see the Democratic Presidential candidate and candidates for Congress pledging to undo everything we have done in the past 4 years? Pledging to go in the opposite direction with bigger, massive tax increases, bigger than what we have seen in past history?

That seems to me to fly in the face of common sense, but of world opinion on the right way to restore economic prosperity to this planet.

Mr. WALKER. I thank the gentleman.

Mr. Speaker, did the gentleman from Ohio wish me to yield?

Mr. KASICH. I appreciate the gentleman yielding.

Mr. Speaker, as I said yesterday, I think it is necessary that we take a walk down memory lane. I have been listening with great interest to the colloquy that has been going on here between the two gentlemen.

When you look at the numbers—when the gentleman from Minnesota [Mr. WEBER] talks a little bit about productivity growth, maybe we ought to look at productivity for a second.

During the last 2 years of the Carter-Mondale administration, productivity fell by 2.2 percent. The first quarter of 1984, under this President, productivity went up at a 2.9 percent annual rate and the second quarter productivity increased by a 4.7 rate.

Remember in Carter-Mondale, it is dropping by 2.2. In the second quarter of 1984, it is up by 4.7 percent. Productivity is key to inflation and all kinds of economic indicators.

Mr. WALKER. The gentleman ran over those figures pretty quickly. Let us make certain that there is an understanding of what those figures mean.

Mr. Speaker, there was a minus 2.2 percent in productivity in the last quarter of the Carter-Mondale?

Mr. KASICH. The last 2 years of the Carter-Mondale administration, productivity fell 2.2 percent.

Mr. WEBER. Will the gentleman yield?

Mr. WALKER. I would be glad to yield.

Mr. WEBER. Mr. Speaker, in layman's terms it means that it took more man hours to produce the same amount of goods and services. Our economy was operating less efficiently.

Mr. KASICH. If the gentleman would continue to yield, what we started to see happening was to see shortages in the number of foods produced by this economy, obviously. If productivity can outstrip the growth in the money supply.

In other words, if you produce more and continue to produce more goods, then you do not experience shortages. It is when you get shortages of goods that you experience high inflation and of course, under that last year in the Carter administration, the inflation rate was over 12 percent.

Mr. Speaker, what is particularly interesting is when Jerry Ford left office, the inflation rate in America was 4.8 percent. When Jimmy Carter left office, the inflation rate was 12.4 percent.

Mr. WEBER. If the gentleman would yield, pardon me. The gentleman means when Jimmy Carter and Walter Mondale left office.

Mr. KASICH. I thank the gentleman for his clarification.

I think we see a vision expressed by Walter Mondale nearly identical to that expressed during Carter-Mondale. So this will be like tax cut 1, tax cut 2. This is Carter-Mondale 1 and if this one comes up Carter-Mondale 2.

Mr. WALKER. Reclaiming my time, Mr. Speaker, I would simply say to the gentleman that it is important that this information get out, because Walter Mondale simply wants to cut himself loose from his entire record as Vice President and does not even want to mention those years, and yet in 1980 was running around the country telling people that they ought to reelect President Carter and himself to give them another 4 years at the same kind of policies, and now he is back 4 years later saying, "Well, try us again."

□ 1820

Mr. KASICH. The sad story just does not stop with inflation. If you want to look at interest rates, when Gerry Ford left office interest rates in America were 6½ percent.

Mr. WALKER. That is the prime rate; is that correct?

Mr. KASICH. That is right.

Mr. WALKER. And that means real interest stood at 2 percent; right?

Mr. KASICH. That is exactly right.

Mr. WALKER. We were talking about that here just a minute ago. Two percent real interest at the end of the Ford administration.

Mr. KASICH. That is exactly right. And when Carter-Mondale left office, the prime interest rate in America was 21½ percent. Today the interest rates are about 12¾ percent, and everyone who is a "knowledgeable economist"—I heard this said the other night—says that interest rates are too high, and they ought to be below 12¾. But I will tell my colleagues, 12¾ is so much better than 21½ percent that there is not even any argument there, and that is what Walter Mondale gave us as he left the White House.

Mr. WALKER. And the gentleman, I think, makes a valuable point. We need to look at that gap again, because Walter Mondale keeps talking to us about real interest rates, what the gap is between that inflation rate and the prime rate. That is the real interest rate, and the real interest rate that the gentleman just described was 9.1 percent. Real interest has gone from 2 percent under Gerry Ford's administration to 9.1 percent under the Carter-Mondale administration.

Mr. WEBER. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I would be glad to yield to the gentleman from Minnesota.

Mr. WEBER. Furthermore, if we look at the Carter—or the Mondale; I have a hard time separating the word "Carter" from "Mondale"—if we look at the Mondale economic proposal, we find that he promises that his plan will yield us interest rates of, I believe 7½ percent. He promises a big reduction in the interest rates. As a result of what? As a result of big spending increases and a massive tax hike.

What school of economic thought tells you that if you have a big increase in spending and taxes you are going to see lower interest rates. I do not know of any school of economic thought that argues that that is the case.

Mr. WALKER. It is the Walter Mondale Campaign School of Economic Thought, I think, that produced those particular figures.

Mr. WEBER. I think the gentleman is right, but I think the gentleman from Ohio is making the ultimate indictment of those proposals. We do not have to guess what is going to happen. We can look back at 4 years in the late 1970's when we saw the result of Mondale economics. That is the Carter administration and that is what we should expect to happen again if we have a second Carter-Mondale administration.

Mr. KASICH. If the gentleman would yield further, in this administration we have seen in the last 18 months the creation of about 6½ million new jobs. We see reinvestment in America at an all-time high rate, and let my say this about the strength of the dollar.

The reason the dollar is so strong today is because people again believe in America. They not only believe in our strength around the world, but they believe in what we are doing domestically. We are the one nation in the world that does not nationalize industries. We are the one nation in the world that argues that we ought to have low inflation rates, that we ought to protect the value of our dollars and keep Government spending to an absolute minimum.

That is why the dollar is so strong around the world, because people believe in America around the world, they trust in America, and they are investing in America, unlike what they were doing just a short 4 years ago.

Mr. WALKER. The gentleman is not saying that there are some people on domestic economic policy as well as in foreign policy who blame America first, is he?

Mr. WEBER. Where have we heard that phrase before?

Mr. KASICH. I just think it is very clear that when we are creating the number of jobs as we are creating, when we are looking at the inflation rate, and we know as we read more and more articles and more and more magazines and newspapers about the long-term outlook, particularly on the inflation side for America, there are now predictions that we are going to see a low inflation rate for a decade.

There are some people who are actually predicting that because of the tremendous recovery that we have had in America. That kind of a long-term outlook on that absolutely positive side for inflation means nothing but good in the long haul for interest rates, and obviously for continued job creation, for continued productivity gains, but I will tell my colleagues, we have to have this President back, because the programs of Carter-Mondale just are not going to do it. It is going to mean higher spending, higher taxes, and a slowdown in this economy, and higher interest rates. We cannot afford to go back that way.

Mr. WALKER. I have asked several audiences what they think that the press would have written and what economists would have said if something like 4 years ago, or 3½ years ago, Ronald Reagan would have come to the steps of the Capitol Building and said on the steps of the Capitol Building:

I promise you that in my 4 years of office that even though the inflation rate is presently at 12½ percent that I am going to get that down to 5 percent by the end of my term. I promise you that even though the interest rate stands at 21½ percent that I am going to get that down to 12½ percent by the end of my term; that even though the unemployment rate stands at 7½ per-

cent, we are not going to increase unemployment, we are going to lower it to 7.4 percent.

I contend that economists and the press and everybody else at that point would have said, "This is a mad man that we have elected President."

Mr. WEAVER. I think you are right.

Mr. WALKER. "There is no way that anybody can accomplish all those things," and yet that is the accomplishment. That is precisely what has taken place. It has been not an economic miracle. It is an economic program that brought about real results, results that would have been absolutely unheard of at the point that Reagan was making his inaugural address.

I think that it is important to recognize that what Walter Mondale really is talking about doing is going in precisely the opposite direction and undoing all that has been accomplished. He does not want to focus on what has been accomplished. He wants to only change that which is in place.

Mr. Speaker, I would be very glad to yield to the gentleman from Oregon [Mr. WEAVER].

Mr. WEAVER. I would just tell my dear friend from Pennsylvania, and my dear friends from Minnesota and Ohio, and I hold them truly dear, that the utter nonsense I have been listening to coming out is unbelievable.

Mr. WALKER. Where would the gentleman say that any of the statistics that we have used are wrong?

Mr. WEAVER. You know what they say about both scripture and statistics; that the devil uses them as do liars. You are not doing that. I do not accuse you of either being a devil or a liar. I want the gentleman to understand that.

Mr. WALKER. That is what I am asking the gentleman. We are quoting the economic statistics that now exist, compared to the economic statistics that existed at the end of the Carter-Mondale years.

The gentleman was a firm supporter of the Carter-Mondale administration on this floor. He was an avid supporter of their economic programs, and he has every right to take pride in what they did.

Mr. WEAVER. You really know how to hurt a guy.

Mr. WALKER. But I would say to the gentleman that we have done nothing but quote what was the result of 4 years of Carter-Mondale.

Mr. WEAVER. I may have supported them, but a tear or two dropped every once in a while.

Mr. WALKER. I am glad to hear that the gentleman at least recognizes where they were going was the wrong direction.

Mr. WEAVER. I would just like to hear a few tears drop on that side of the aisle for the policies of Mr. Reagan. Anybody who wants to can wring inflation out of any economy if they want to tighten money to the point where everyone is going bankrupt and laying off millions of workers, which is what happened in the first 2 years of the Reagan administration.

Mr. WALKER. But I would say to the gentleman that is not the result of the program; that the recession which took place is the result of the policies of the Carter-Mondale years, and the recession was already underway by the time this administration came to office.

I think we have to say to the gentleman that it has been the growth policies that were oriented around those tax cuts that led to the situation where we now find ourselves, not with a lot of people going bankrupt. The main element in the bankruptcies is you have so many more people forming businesses and the bankruptcy rate is no different than it ever has been except that we have so many more businesses out there being formed, so that is a sign of investment, it is a sign of productivity, and it is a sign of exactly what we want going on in the economy.

Let me yield to the gentleman from Minnesota and then come back to the gentleman from Oregon.

Mr. WEBER. I thank the gentleman for yielding.

I know the gentleman from Oregon to be a fairminded individual, not always on the right track, but always fairminded. Surely the gentleman will concede that there had to be some hangover from double-digit inflation rates at the end of the Carter-Mondale administration. Surely the gentleman will concede that there had to ultimately be some accounting for inflation that hit 20 percent and interest rates up to 21 percent.

□ 1830

Did we not ultimately have to pay the price for that kind of a policy? Is that not really what led to the recession?

Mr. WALKER. I would be glad to yield to the gentleman.

Mr. WEAVER. Well, there is no question that the economy is a continuing thing and administrations simply make it better or worse for the people; but my point was this, that in the first 2 years of the Reagan administration, we had one of the first recessions in our history, and as you recall, unemployment even though it is the same today as it was at the beginning of the Reagan administration, as my dear friend from Pennsylvania points out, or a little lower, 7.4 percent instead of 7.5 percent, that indeed those first 2 years were devastating for our economy.

Then if you want to have $200 billion deficits year after year after year, print all that money, you can get any economy going that you wish.

Mr. WEBER. Mr. Speaker, if the gentleman will yield further, we are not doing that, though. We are not monetizing this debt.

Mr. WALKER. The debt is not being monetized, I would say to the gentleman and I would ask him to show any statistics which indicate that that is taking place.

Mr. WEAVER. Well, of course, if the gentleman will yield, the debt is not being monetized for the very simple reason that the Reagan administration is very busily peddling our paper to foreign governments and countries. We are selling our paper, U.S. Treasury bills and bonds, to the investors in Europe, and Japan, and Hong Kong and elsewhere and we are going so deeply in debt in this country that when the investors take their money out there will be such a crash in this country that you will not even be able to hear the fall when the body hits the bottom of the chasm. That will be a disaster.

All I am telling you is that the policies of Ronald Reagan have not only been bad for this country, the supply side tax cut that was supposed to lead to more investment did the exact opposite. We have had less investment.

Mr. WALKER. Well, the gentleman is not correct on that point. We have far more investment in the economy at the present time. Just the formation of all the small businesses I was talking about a moment ago is a major element of investment in the economy, which is totally different from some investments we have seen in the past, but nevertheless is a harbinger of the future.

Mr. KASICH. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I would be glad to yield to the gentleman from Ohio.

Mr. KASICH. What we are finding in America basically as a result of the incentives that were in place is that reinvestment in this country is at record levels. In fact, I have seen numbers that indicate we have reinvestment in our own industries at levels that rival anything that we have seen in post-World War II; but aside from that, when you go from 21½ percent rates of interest and you try to sell anything, automobiles, anything where people have to borrow money, obviously they are not going to do it, and that is why we saw the increase in unemployment.

Now when you see an interest rate, a prime rate that goes from 21½ percent to 12¾, I think most people, particularly those involved in this discussion, believe that interest rates remain too high and you see unemployment now lower than it was when this President came into office and the creation of 6.5 million new jobs and foreigners who are investing in America because they believe it is a safe haven, they be-

lieve America again is a land that can be trusted and a land that ought to attract capital, and in fact we are using some of that money to reinvest and modernize our own equipment to increase our productivity, something we did not have happening under the Carter administration.

Mr. WALKER. Well, I thank the gentleman.

Let me yield to the majority leader, who I understand has a happy announcement for the House of Representatives.

PERMISSION TO WAIVE 1-HOUR AVAILABILITY RULE ON CONFERENCE REPORT ON HOUSE JOINT RESOLUTION 648

Mr. WRIGHT. I thank the gentleman for yielding.

The gentleman is engaged in a very serious discussion of a matter of concern and interest to all the American people. I dislike intruding into that discussion with something somewhat extraneous to it; but it now appears quite likely that there will be a resolution this evening of the question pending before the conference on a continuing resolution.

Now, we may save ourselves an hour and avoid having to vote in the wee small hours and we may be able by the best estimates that the gentleman from Massachusetts [Mr. CONTE] and the gentleman from Mississippi [Mr. WHITTEN] and others can arrive at, we may be able to bring a bill for a vote sometime here between 10 and 11 o'clock.

But I would like to ask unanimous consent to waive the rule requiring a 1 hour availability on the House floor prior to its being brought up.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. CONTE. Reserving the right to object, Mr. Speaker, we have discussed this with both the majority party and the minority party on the Appropriations Committee. If we do not waive this 1 hour availablility, then we could be here until the wee hours of the morning, even with the best work of all our staff in getting the papers ready, they are moving in there right now and then we are going back with the Senate at 7 o'clock with our proposal, which should be acceptable. It is exactly the same proposal which Senator HATFIELD proposed striking out everything from the 51 water projects, any studies, the whole shebang.

We think it is a tremendous idea to get us out of here at a reasonable time, rather than 1 or 2 o'clock in the morning.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas [Mr. WRIGHT]?

There was no objection.

Mr. WRIGHT. Mr. Speaker, I thank the gentleman for yielding.

Mr. WALKER. I thank the gentleman for his announcement and for his motion.

Mr. WEAVER. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I would be glad to yield to the gentleman from Oregon.

Mr. WEAVER. Let us concentrate, you know, people listening, if anyone is listening, are hearing all kinds of things one way and another; let us concentrate on one single thing that I think is probably the most critical of all the statistics we are talking about. Let us just talk about this for a while, and that is the real rate of interest.

Now, in the Carter years, at the worst we had long-term Treasury bonds selling at 15-percent interest, with a 12-percent rate of inflation. If you deduct the inflation rate from the interest rate on the long term Treasury bonds, that is 12 percent and 15 percent, you get a 3-percent real interest rate. In other words, the person who is lending the money is out the 12 percent because he loses that in inflation, but he gets 15 percent, so his real rate of return is 3 percent. That is really the real rate of interest throughout history, back to Roman times has almost always been 3 percent. It is historically true. The real rate of interest is 3 percent.

Today under President Ronald Reagan, the real rates of inflation are the highest they have ever been in history, far higher, as a matter of fact, than they have ever been in history.

Mr. WALKER. Not inflation, the gentleman just said inflation.

Mr. WEAVER. Excuse me, real rates of interest.

Mr. WALKER. All right.

Mr. WEAVER. Let me just finish and then we are done.

The real rate of interest today with long-term Treasury bonds at somewhat over 12 percent and the rate of inflation let us say at 4 percent, the real rate of interest is 8 percent. That is a staggering, enormous real rate of interest, 8 percent, higher than it has ever been in history and that is the danger point of the deficits and everthing else and that is what I would like to discuss from now on.

Mr. NIELSON of Utah. Mr. Speaker, will the gentleman yield?

Mr. WALKER. Let me yield to the gentleman from Utah.

Mr. NIELSON of Utah. I would like to respond to that. It is true that the real interest rate is about 8 percent now. If you look back in 1980, it was 9 percent, the difference between 21½ percent and 12½ percent.

The other point is that even if the difference is the same, the real rate is the same, that 12½ percent was hurting all the aged people, everyone who was on a fixed income.

Right now, those on fixed income are having only 4-percent inflation. They are being much better protected than they were at that time.

So even if the difference is the same now, it is still an awful lot better activity.

Mr. KASICH. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Ohio.

Mr. KASICH. I think what is important for the gentleman from Oregon to understand is that when you are computing the real rate of interest, the real rate of interest is computed by subtracting or adding to—well, normally subtracting the prime rate from the rate of inflation, so that if during the Carter-Mondale administration interest rates were at 21½ percent and inflation is at 12½ percent, the real rate of interest is 9.

Under this administration, if the inflation rate is 4.2 percent, and I happen to think it is a little less than 4 percent, and the interest rate is 12¾ percent, you are talking about less than that 9-percent spread.

Treasury bills are not the way you measure real interest rates. You do not measure—Treasury bills do not have anything to do with the measurement of real interest rates, only the rate of inflation as opposed to the prime rate.

What the gentleman says and I would agree is that as the Treasury bill rate gets up to a certain level, that has some impact at least on short term rates, but Treasury bills have no impact in measuring real interest rates, period. It is only a measure between inflation and interest rates.

Let me go on to further say, if the gentleman from Oregon would be willing to argue or join our ranks, the ranks of the gentlemen from Pennsylvania, Minnesota, and Ohio, who argue that interest rates today are far too high, that interest rates are far too high when every measure of inflation indicates that the long-term outlook for inflation is low, that the Federal Reserve has been clamping down too tight on the Federal funds rate, on the ability for us to get hold of some credit and, in fact, in the last couple weeks there are indications that the Fed is finally starting to agree with those who are growth advocates that interest rates have been too high and that they ought to come down.

□ 1840

As the gentleman will agree, I am sure, if rates can come down further we are going to have greater economic growth, greater gains in productivity, more people with jobs. But I want to clear that up about the issue of real interest rates.

Mr. WEAVER. If the gentleman will yield, I am afraid my dear friend from

Ohio has actually muddied the waters a bit.

Let us just take a few things. We have had now several years of an inflation rate of around 4 percent. We have had several years with long-term bonds, and I am talking about long-term bonds, but you can use Treasury bills if you wish, several years of long-term bond rates at around 12 to 13 percent.

In other words, this is not fixed but is a relatively stable thing. We have real interest rates of 8 percent and it is stable. That is bad but it is a stable real rate of interest at 8 percent. The 21-percent prime rate that the gentleman mentioned, it once existed for a few months and it was a flash-up. It is what is called a blowoff. It was a flash-up and a flash-down. The inflation rate was up and then came down.

So you did not have, in terms of a real analysis of the economy, a real rate of inflation of 9 percent under Carter. You had a real rate of interest of 3 percent under Carter, and I just want to make that point that the flash up and down of the prime rate was really almost meaningless. This was just the temporary blowout.

Mr. WALKER. I do not want to disagree with the gentleman's analysis but the analysis strikes me as being rather tenuous at best.

What we saw was a steady increase in inflation, a steady increase of the prime rate throughout the entire Carter administration, peaking at those levels. And the gentleman is right, yes, they finally come down after this administration came into office.

Mr. WEAVER. During most of that time the real rate of interest was only 3 percent. That is my point.

Mr. WALKER. Primarily because of the hangover from the Ford administration where the real rate of interest was 2 percent.

Mr. KASICH. If the gentleman will yield, what we found during the Carter-Mondale adminstration was a term called "stagflation" which was high interest rates, high inflation, and growing unemployment because, you see, the Carter-Mondale administration subscribed to what is called the Philips Curve, which means you throw people out of work in order to bring your inflation rate down. And as unemployment started up and as inflation started up, they could not figure out what was going on and that is why they started blaming the American consumers, saying the American consumer wanted too much.

But what is important to note is that in 1979 productively in America declined 1.5 percent and in 1980 productivity declined 0.7 percent.

Now in the first quarter of 1984 we see productivity up 2.9 percent, in the second quarter 4.7 percent. This is the eighth consecutive quarterly increase in productivity, all brought along because of this economic recovery.

So the rates just did not flip up and come back down. The rates have been moving up all along, and that is why we have got into that famous discussion 4 years ago about the misery index.

Mr. WEAVER. My dear friend, the productivity index is not up so much because of the recovery as that wages have fallen and wages are falling sharply.

Mr. WALKER. Again the gentleman is wrong. Real income in the American family is up. It is up about 1.9 percent.

Mr. WEAVER. No. I did not say income; I said wages. I said wages and wages are not up. Real wages are falling. Income is up because when you are wealthy you have enormous amounts of tax cuts and high interest rates.

Mr. WALKER. The important thing to the American people is how much real income they have in their pockets and how much real money they have to spend. That is the important thing to the American people.

Mr. WEAVER. For the middle class wage earner that is false.

Mr. WALKER. No, that is not false. That is precisely where they need the money.

Mr. WEAVER. No. They are falling, the real wages of the middle class are falling and have been for the last 3 years.

Mr. WALKER. The gentleman is wrong by any measurement. The real income in the country is up.

Mr. WEBER. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Minnesota.

Mr. WEBER. The gentleman suggests productivity increases have come about as a result of wage decreases, and we contest that. That gentleman is not going to tell me, he does not think that we have had no productivity gains as a result of the technological explosion in this country?

Mr. WEAVER. I am sure that might be the case.

Mr. WEBER. And how much of that productivity might be attributed to that?

Mr. WEAVER. I have no idea.

Mr. WEBER. And the tremendous increase in computer power, maybe that has something to do with it.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania [Mr. WALKER] has expired.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4230. An act to extend the authorities under the Export Administration Act of 1979.

The message also announced that Mr. SASSER has been appointed a conferee, on the part of the Senate, on the joint resolution (H.J. Res. 648) entitled "Joint resolution making continuing appropriations for the fiscal year 1985, and for other purposes."

STOP SCARING OLDER AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. YOUNG] is recognized for 10 minutes.

● Mr. YOUNG of Florida. Mr. Speaker, once again our Nation's Social Security recipients are being scared to death by cheap political rhetoric.

In a desperate attempt to gain support, the Democratic Presidential nominee is using the Social Security and medicare systems to play on the fears of older Americans. His baseless accusations that President Reagan has a secret plan to reduce Social Security benefits after the election serves no purpose but to scare many senior citizens whose only source of income is Social Security.

If the Democratic nominee really had any compassion for our Nation's Social Security recipients, he wouldn't resort to such scare tactics. Instead, he is exploiting older Americans for his own political purposes.

As I have said over and over again, the President and the Congress will not stand idly by and allow Social Security and medicare benefits to be reduced or the trust funds to go broke. The President and Congress made good on this commitment in March 1983 when we reached agreement on a bipartisan legislative proposal that the actuaries of the Social Security Administration tell us will ensure the financial solvency of the system into the next century.

Mr. Speaker, an important issue in this fall's Presidential election is that of leadership. Unfortunately, the Democratic nominee is showing little in the way of responsible leadership when he plays on the emotions of our Nation's 37 million Social Security and medicare recipients with his campaign rhetoric.

The future of these programs is more than a political issue, it is an issue of economic survival for many older Americans who are dependent on their monthly benefit payments. The candidate who makes the false charges is unimportant, all the people hear and read are more headlines that their benefits are in jeopardy.

The President knows this is not true, his opponent who has raised the issue knows this is not true, and my colleagues in Congress know this is not

true. Let's show some compassion toward older Americans in the remaining weeks of the campaign season and stop scaring them to death with phoney political charges that some sinister President is going to cut their benefits. Shame on Mr. Mondale for resorting to that tactic.●

MILITARY FAMILY JUSTICE ACT AND MENTAL HEALTH INSURANCE FOR ALL AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. LEVIN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. At this point I yield to the distinguished gentleman from Michigan.

MISSTATEMENTS REGARDING MONDALE PROPOSALS

Mr. LEVIN of Michigan. Mr. Speaker, I had asked for 5 minutes and I was not available at that time.

The gentleman from Pennsylvania asked during his time where there were misstatements in his presentation, and I would like to point out in the 5 minutes I have a number of them.

First of all, they referred to medicare and a claim that Mr. Mondale was suggesting a $12-billion increase in medicare. The implication was that there would be increases in payments by the average recipient. That is a deep distortion.

Mr. WEBER. The statement is not correct.

Mr. LEVIN of Michigan. I heard it and I want to finish my presentation.

Mr. WEBER. That is a misstatement.

Mr. LEVIN of Michigan. I have not yielded to you.

I was listening, and we did not have any advance text as to what you were saying. I copied down notes as best I could and I want the record to be very clear as to where the $12 billion would come from.

It would come from a comprehensive cost containment program. There would be no increase in costs for beneficiaries.

You did not say, at least I did not hear that you were going to—that you said that Mr. Mondale was going to find the $12 billion through a cost containment program which would result in diminished charges by physicians, not increased payments by beneficiaries. You did not make that claim.

Mr. WALKER. Will the gentleman yield?

Mr. LEVIN of Michigan. I will yield very briefly.

The SPEAKER. The Chair will remind the speakers that the gentleman from Texas controls the time and has yielded to the gentleman from Michigan. The gentleman from Michigan is recognized.

Mr. LEVIN of Michigan. I would like to continue to make my statement and then if the gentleman from Texas [Mr. GONZALEZ] wishes to yield, he can do so.

I just want the record—whatever you said—I want the record to be clear. And I believe I heard what you said correctly, that the $12 billion that Mr. Mondale was talking about was a cost-containment program that would bring about reduced charges by physicians, not increased payments by beneficiaries or increased costs to beneficiaries. That is point No. 1.

Point No. 2, there was a reference to the average cost of the Mondale plan being $1,800 a year to taxpayers. That is a phony, phony figure. The Secretary of the Treasury some time ago put forth what he said would be the cost of all of the proposals Mr. Mondale had made over the years.

□ 1850

This was the Secretary of the Treasury's statement, his analysis. It has been refuted by Mr. Mondale on many occasions, but the main point is that Mr. Regan, the Secretary of the Treasury, was not talking about Mondale deficit reduction plan that has recently been presented by Mr. Mondale. And here is the truth: That if you take his tax proposal, and it is just part of an overall plan that includes much more in deficit reduction through reduced expenditures, that there would be a cost to the family, $25,000 and under of zero in increased taxes, for the family of $30,000, $95 a year; and for a family of $35,000, $217 a year.

This $1,800 figure, the average cost to the family, is a phony figure, and nobody in this country should believe it.

Mr. Speaker, I also heard it said by somebody, "Well, there is increased taxes for corporations and for families with $100,000-a-year-and-above income, but their lawyers will find a way around it." Well, the time has come to end this abuse of tax shelters and the time has come for the corporations of this country to pay some fair share of taxes, and for the Republicans to argue, "Well, it is a nice idea but the tax lawyers of this country will find a way for the families of $100,000 and more and the corporations to chisel out of it," does not become them.

Under a Mondale administration there will be a major effort found and undertaken to make sure that that kind of tax chiseling does not occur.

Point No. 4, indexing: If you look at Mr. Mondale's statement in context it is very clear that he was not suggesting the elimination of indexing and he has clarified that statement since the debate.

Let me read to you the exact language from his budget deficit reduction proposals:

I am committed—

He said—

to the principle of indexing. However, reduction of the Reagan deficits requires that full indexing be deferred. Under the Mondale plan families making $25,000 or less will receive the benefits of indexing; families above that level will be indexed only to the extent that inflation exceeds 4 pecent.

Mr. Mondale misspoke during the debate and has made it clear since then that he did and for someone on this floor to take that statement that has since been clarified, and it was clear from the context that he meant something differently, to take that and to try to use it for a debating point is a distortion of the record and is very unfair.

One word on real interest: Mr. Reagan on Sunday claimed that there was no relationship between budget deficits and the interest rate. Nothing could be further from the truth.

And I just want to read the estimates, again, of the Congressional Budget Office. The President dismisses them. It is headed up by a conservative Republican economist. And he projects deficits, 1984, $172 billion, and this is the Congressional Budget Office; 1985, $178 billion; 1986, $195 billion; 1987, $216 billion; 1988, $238 billion; and 1989, the figure that Mr. Mondale used, $263 billion.

That is the estimate of the Congressional Budget Office and anybody who says on this floor or in debate that there is no relationship between our present high rate of real interest and that kind of a deficit, that kind of a huge, huge deficit is I think embracing the worst form of voodoo economics.

So those are five examples of misstatements in the 1 hour of back and forth that went on between Members of the other party. There are many more but they show that the record very much contradicts the claims made on this floor. Mr. Mondale won the debate on Sunday night not only because of better form and better performance; he won it because he is right on the issues and the record shows that.

Mr. Speaker, thank you to the gentleman from Texas for yielding.

Mr. WEBER. Mr. Speaker, would the gentleman from Texas yield to me?

Mr. WALKER. Mr. Speaker, since my name was mentioned, would the gentleman yield to me?

Mr. GONZALEZ. I will yield to the gentleman from Michigan for the purposes of yielding to the gentleman from Pennsylvania, both gentlemen from Pennsylvania.

Mr. WEBER. I only need 1 minute.

The SPEAKER pro tempore [Mr. ROEMER]. The Chair would remind the

gentleman from Texas that he may yield to another Member, but he may not yield to another Member for the purpose of that Member yielding to another Member.

Mr. WEBER. Will the gentleman from Texas yield to me for 1 minute?

Mr. GONZALEZ. Under those circumstances, certainly I will be delighted to yield to the gentleman from Pennsylvania for a minute.

Mr. WALKER. I thank the gentleman for yielding, because I do want to make the point that while I had to go out for a moment, it is a shame that the gentleman from Michigan who was on the floor when I was controlling the time did not feel that it was necessary to stand up and engage in a debate at that point when I had the opportunity to clarify.

The gentleman from Michigan is absolutely incorrect with regard to what I said on the medicare. The only point that I made was that Walter Mondale's deficit reduction package contains $12 billion in medicare cuts.

Walter Mondale the other night accused President Reagan of having a medicare-cut package. I would say to the gentleman part of President Reagan's medicare-cut package that was talked about the other evening was also hospital cost containment, was doctor-fee containment and a lot of those kinds of things.

So that the gentlemen knows that Walter Mondale tried to use that as an issue where President Reagan was going after older citizens.

If it is legitimate for Walter Mondale to use it that way, then it is simply legitimate for us to point out to the American people that Walter Mondale seeks to cut medicare by $12 billion in the deficit-reduction package that he has been trumpeting all over the country.

Mr. LEVIN of Michigan. Mr. Speaker, will the gentleman yield to me?

Mr. GONZALEZ. I yield again to the gentleman from Michigan.

Mr. LEVIN of Michigan. Two quick points: I was in my office during most of your performance here and I came over because your statements were so far off the mark. And a good example was for you to get up on this floor and say that Mr. Mondale suggests $12 billion in medicare cuts.

Mr. WALKER. He did.

Mr. LEVIN of Michigan. The implication of that is $12 billion in cuts of medicare benefits and the truth of the matter is it is $12 billion proposed in cuts to payments to physicians, not to recipients of benefits.

The recipients of benefits will not be hurt by the Mondale proposal one iota.

To finish up on my minute, Mr. Reagan, the President of this country, has indeed in the past suggested increased costs to the beneficiaries of Medicare. He has proposed those increases. So please do not say that the President of the United States only wants a cost-containment program. He has suggested cuts in Medicare by increasing the costs to beneficiaries. That is the record.

Mr. WEBER. Will the gentleman yield to me for a unanimous-consent request?

Mr. GONZALEZ. I will be delighted to yield to the gentleman for a minute for the purposes of rebuttal since allusion has been made to the statements he made previously.

Mr. WEBER. Let me say in my minute that I do thank the gentleman from Texas for yielding. But I have to say to my friend from Michigan that regardless of the circumstances it is somewhat unfair for the gentleman to come to the floor and make a fairly complex indictment of what we have been saying under circumstances when we cannot possibly respond to him. He has made five fairly telling criticisms of our remarks all of which I believe can be rebutted, all of which deserve rebuttal. But to do that we would have to chew up a good deal of the time of the gentleman from Texas. That is not fair.

The gentleman from Oregon came to this floor and we yielded to him as much time as he wanted. We would have done that for the gentleman from Michigan. But for him to come to the floor under these circumstances when we cannot possibly respond to him fully, in my judgment, is not fair.

I thank the gentleman for yielding.

Mr. LEVIN of Michigan. Will the gentleman yield to me?

Mr. GONZALEZ. I yield to the gentleman from Michigan.

Mr. LEVIN of Michigan. Look, to the gentleman from Minnesota, we had no advance notice of the subject matter of his special order.

□ 1900

I was in my office listening to your diatribe and I came over here. You put forth a number of allegations of fact and I immediately begin to search through Mr. Mondale's budget deficit plan the exact language. When I was ready to speak, I did so.

I am most willing to argue with you at any point.

I made five points. Indeed, they are telling because they correct your distortions of the record.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

The gentleman has been most generous with his time and I thank him very much.

But I would say to the gentleman, I have to tell him, when I was standing in the well I saw the gentleman sitting on the floor during the time that I still had time. The gentleman could have come and asked me to yield at that particular point.

I would also say to the gentleman that there is absolutely no tradition whatsoever which suggests that Members of Congress have to inform everybody else what the topic of their special order is, particularly when they are talking on matters of national import.

We mentioned no Members of the House in that. There was no need to inform anyone. There was no one's name mentioned in that special order except for President Reagan's and Walter Mondale's. The gentleman can take umbrage at that, but we do not have a responsibility to tell the gentleman what it is we are doing in special orders.

The gentleman has the responsibility if he thinks that there is something being said that he does not agree with to come over and engage in debate, but not to come out and take time in a way that we are not permitted to debate him. This is something that has happened before and I regret it.

Mr. LEVIN of Michigan. Mr. Speaker, will the gentleman yield to me?

Mr. GONZALEZ. I yield to the gentleman from Michigan with the advisory that as generous hearted as the gentleman from Texas may want to be he is constricted by the limitations of the rules and his generosity will be curtailed somewhat in due course of time.

Fortunately, I think this is an issue of very much interest and concern and I feel, in all fairness, that given the nature of the debate that the opportunity at this time should be given to those colleagues involved.

I yield to the gentleman.

Mr. LEVIN of Michigan. I thank the gentleman for yielding.

I am not criticizing you. I am not saying that you came here and unfairly used procedure. My only point was that we had no notice in advance of the nature of your special order. I was in my office and I was listening to your dialog and I thought there were major mistakes and I came over here and I was reading through the papers—I have not even finished reading through the papers to check all of your statements of alleged facts. As soon as I had an opportunity to check out three or four of them, I asked the gentleman from Texas [Mr. GONZALEZ] to yield.

So, I am not claiming you should give me advance notice and you should not be claiming that by my asking him to yield I am doing anything unfair to you.

I thank the gentleman for yielding.

Mr. BEDELL. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. If the gentleman would allow me, I would like to recognize the gentleman who was engaged in the prior dialog.

Mr. WEBER. I thank the gentleman for yielding.

Let me just say to my colleague from Michigan, I understand what he is saying. In our view the proper way—since the gentleman came to the floor explicitly to attack statements that we had made and statements we had made at a period of time in which we were more than willing to yield to the gentleman or anybody else who wanted us to—if the gentleman wanted to then take on our statements as it were, I think the proper thing for the gentleman to do would have been to request his own special order time when we could have a full and frank dialog about it.

That is not possible under these circumstances because the gentleman chose not to do that. The gentleman chose to use some of the time of the gentleman from Texas, which makes it impossible for us to have a full discussion of the five points the gentleman has raised.

Mr. GONZALEZ. Mr. Speaker, I yield to the distinguished gentleman from Iowa [Mr. BEDELL].

Mr. BEDELL. Mr. Speaker, the gentleman has things that he wants to say and I do not want to impose upon his time.

I did come down as quick as I could when I heard the debate that was going on.

Mr. GONZALEZ. I will remind my distinguished and very warm personal friend from Iowa that Mark Twain said that charity was not giving a hungry dog a bone, charity was giving a hungry dog a bone when he was just as hungry as a dog.

Here we all know that this is our forum and we are anxious to speak forth.

I am more than delighted to yield to the gentleman from Iowa [Mr. BEDELL].

Mr. BEDELL. I thank the gentleman for yielding.

I would like to point out. One of the questions that came up was what was the situation in regard to real interest rates. It was pointed out correctly that real interest rates are the difference between the prime rate of interest and the Consumer Price Index.

For the record, in 1979, the Consumer Price Index was 13.3 percent, prime interest rate was 12.7, for a real interest rate of minus 0.6 percent. This is the average for the year.

In 1980, it was 12.4 percent, prime interest rate 15.3, real interest rate 2.9 percent.

In 1981, the first year of the Reagan administration, Consumer Price Index was 8.9 percent, prime interest averaged 18.9, real interest rate 10 percent.

In 1982, Consumer Price Index, 3.9, prime interest 14.9, real interest rate 11.

In 1983, 3.8 percent Consumer Price Index, prime interest rate average 10.8, real interest rate averaged 7 percent.

The real interest rate average for the Reagan administration has been 9.2 percent. The real interest rate for the 4 years of the Carter administration was 0.6 percent a year.

Those are the records. We hear a great deal about job creation. For the record, under the Reagan administration the jobs have increased by 5.1 million. Under the 4 years of Carter, they increased 10 million.

Real plant and investment increased under Reagan zero percent per year. Under President Carter, 5.4 percent per year.

The average annual budget deficit under this administration, $165.7 billion. Under Carter, $48.5 billion.

The worst annual trade deficit under Reagan, $130 billion. Under Carter, $34 billion.

I am not here to brag about the administration of the previous administration. I think there were a great many problems. But I think that it is very, very important that as we look at what the situation is, we look at what the real figures are for the average and that we look at what has happened over the span of the entire administration of this administration.

I appreciate the gentleman for yielding. I did not want to come down and get involved because I do not believe in this partisan talk that goes on down here. But it seems to me if we really care about America, if we care about what is happening, then we ought to have the figures out as they truly are. If anybody questions these figures, then they should go to the Commerce Department or go to the Department of Labor and tell them their figures are wrong. These are the figures of what has happened over those 4-year periods. I think it is important that we get this out into the public so the public knows exactly what has happened.

I can tell you that my farmers in my area are not seeing this great improvement that everybody is talking about. I have got more of them going broke then we have had since I have been in Congress, indeed, since the Great Depression. The foreclosures are the greatest they have been since the Great Depression

I think we have to be realistic about the problems we face.

I thank the gentleman greatly for yielding to me.

Mr. GONZALEZ. I appreciate the concern and the interest expressed by the gentleman from Iowa and the others. This is a very important matter.

If I may be allowed I yield to the gentleman who had participated in the prior discussion who probably was one of those addressed in the attempted correction of the criticism.

If the gentleman from Ohio allow me, let me recognize him, because he had not had a chance to rebut.

Mr. KASICH. I appreciate very much the gentleman yielding.

I cannot believe that anybody on this floor would argue that somehow if you have an 18-percent rate of interest that somehow you ought to drive inflation up so that your real rate of interest is less.

What he is essentially arguing is that if you get a 15-percent prime rate and you have an inflation rate of 12 percent, that somehow that is better than a 4-percent rate of inflation and a 12¾-percent rate of interest.

The simple fact of the matter is under the final year of the Carter administration the rates reached 21½-percent prime rate, the highest rate since the Civil War; with inflation at 12½ percent. The economic adviser in the Carter-Mondale administration blamed it on the American people suggesting that the American people want too much.

When this President came into office faced with a 21½-percent rate of interest, faced with a 12½-percent rate of inflation, he has been able to turn it around to a less than 4-percent rate of inflation. He has got more people working than were working when the previous administration left office.

□ 1710

But to make an argument that, somehow, you ought to drive inflation up to match you interest rates is absurd. What we ought to be arguing is that interest rates today are too high, in light of where inflation is, and that we ought to get this Fed under control. But to suggest for one second that a 21.5-percent rate of interest and 12.5-percent rate of inflation is better than a 12.75-rate of interest and a less than 4-percent rate of inflation you had better get out the basic economics book once again.

Mr. BEDELL. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman for half a minute.

Mr. BEDELL. I do not know if the gentleman heard me.

The average interest rate for 1980 was 15.3 percent. For 1981, the first year of the Reagan administration, that interest rate was 18.9 percent, an increase of 3.6 percent, even though inflation had come down.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. KASICH. Mr. Speaker, will the gentleman yield on that point?

Will the gentleman from Texas please yield on that point?

Mr. GONZALEZ. If I can get some assurance that this will be the final tat to the tit.

Mr. KASICH. Yes, sir.

Will the gentleman yield?

Mr. GONZALEZ. Yes. Let me yield to the gentleman.

Mr. KASICH. What the gentleman just said is that the average interest rate during the final year of the Carter-Mondale administration was over 15 percent. And what he failed to say was, on its way up. And the last half of that year, that interest rate reached 21.5 percent.

Yes, when the President assumed office the interest rate was 21.5 percent. He now has it down to 12.75 percent, and, frankly, we think that is too high. But in the Carter administration, not only were interest rates headed from 15 percent to 21.5 percent—I will tell you, if Carter-Mondale had been reelected the interest rates may have gone up to 30 percent—but that was accompanied by a 12.5-percent rate of inflation.

Now, that is an out-of-control economy. And when the economic advisers say it is the American people who want too much, and then we have a man to take office to bring the rates down to 12.75 percent, again too high, and an inflation rate at its lowest level in two decades, and to create 6.5 million new jobs and to have more reinvestment in our industry than has happened in several decades, the facts simply speak for themselves.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding, and the gentleman has been very, very generous. We certainly appreciate it.

What the gentleman from Iowa is attempting to argue here is on the basis of averages, and what he wants to do is to take the averages where the Carter-Mondale administration inherited Jerry Ford's 2-percent real interest and figure them in. And yet what we had throughout the entire Carter-Mondale years was interest rates headed up, headed up from the 2 percent they inherited to the 21.5 percent that they had at the end of their time.

And then what he wants to argue is that once Ronald Reagan inherited 21.5 percent that then it is his fault because he had a period of time early in his administration when those rates remained high, even though they were on their way down.

Now, that is a very, very difficult economic argument to make. It may make a lot of political points out on the campaign trail but the bottom line is that an economic policy is what it results in.

The results of an economic policy are what you have to evaluate. The results of the Carter economic policy were 21.5-percent interest rates and 12.5-percent inflation, after inheriting 4.8-percent inflation and a 2-percent real interest rate.

Now, the results of the Reagan administration are 12.75 percent in the prime rate, 5 percent in inflation, after inheriting 12.5 percent inflation and 21.5 percent prime.

That is the difference between the two economic programs. That is the argument. To argue averages, as the gentleman from Iowa argues, is to give the Carter people all of the benefits of what Jerry Ford left for them and to give Ronald Reagan all of the negatives that he inherited from Carter-Mondale. That is a pretty weak economic argument, although it may pass in some places as a good political one.

Mr. BEDELL. Mr. Speaker, will the gentleman yield for just 1 minute.

Mr. GONZALEZ. I will be delighted to yield to the gentleman from Iowa, as one final yield.

Mr. BEDELL. That is great. And we do not want to prolong this. I do not know how it gets so partisan.

The gentleman from Pennsylvania says that we should go by results. I absolutely agree with gentleman, we should go by results. Let me read you the results.

The results are that in job generation the Reagan administration created 5.1 million jobs, the Carter administration created 10 million jobs.

Real plant and investment increased zero percent under the Reagan administration. Real plant and equipment investment increased 5.4 percent under the Carter administration.

The average annual budget deficit under this administration is $165.7 billion. Under Carter, $48.5 billion.

The trade deficit, the worst trade deficit in this administration, $130 billion, going up, as the gentleman said. Under Carter it was $34 billion.

Those are the figures, those are what you get from the Commerce Department and the Labor Department.

We can argue forever about these other things, but those are the figures, Mr. Speaker; those should be entered in the RECORD. It should be clearly entered into the RECORD that that is exactly what it is. Those are the results the gentleman talks about.

I do not believe those are the results that I want to see for this country. I do not think they are the results the voters want to see for this country.

Mr. Speaker, the following appeared in the New York Times on Sunday, October 7, 1984, in abbreviated form. I feel it would be useful to repeat it here in its entirety.

Reaganomics has been a disaster. That this voodoo continues to cast its spell after 4 years of dismal experience is a tribute to the art of impression management. The facts completely belie the image.

Just look at the pillars upon which Reaganomics stands: job generation, supply-side investment, interest rates, and overall national economic strength and security. Contrast the Reagan record with that of the much maligned Jimmy Carter:

[Dollars in billions]

	Total job generation (millions)	Real investment plant and equipment (percent per year)	Average annual budget deficit	Average real interest rate (percent per year)	Worst annual trade deficit
Reagan	5.1	0.0	$165.7	9.2	$130
Carter	10.0	5.4	48.5	.6	34

According to the Bureau of Labor Statistics, total employment in the United States was 91.6 million in January 1977, 101.6 million in January 1981, and 106.7 milion at the end of August 1984. This does not take into account the kinds of jobs which laid-off auto, steel, farm equipment, and other workers have had to fight for in the last 3½ years. The fortunate are now employed again. But even the bare statistics show that only half the number of jobs have been created under Reaganomics as under Carter.

Perhaps the centerpiece of the Reagan supply-side revolution is its emphasis on the need to increase capital spending. Commerce Department data indicate, however, that business investments in new plant and equipment—even in nominal terms, not adjusted for inflation—began to decline in the fourth quarter of 1981 and continued to decline until the end of the second quarter of 1983. This six-quarter decline is unique in the history of the Commerce series, which goes back to 1946.

I should note that the decline in investment continued for 6 months after the current cyclical recovery began in November 1982. This, of course, has not prevented the supply-siders from claiming recently that the recovery was led by investment.

Reaganomics has substantially lowered business investment as a percent of gross national product: Carter substantially raised it. Real, inflation adjusted, investment increased under Carter from $115.4 billion in the first quarter of 1977, to $142.1 billion in the first quarter of 1981. Under Reagan, investment dropped to $123.6 billion in the first quarter of 1983, and has only this summer risen to $142.5 billion—almost exactly the level when Reagan came into office. In light of the no-growth investment results of Reaganomics compared with the 5.4 percent annual growth under Carter policies, it is astonishing that supply-siders continue to be taken seriously.

The enormity of the budget deficit crisis which Reaganomics has brought

about is well known: Carter deficits which Reagan ridiculed 4 years ago, have grown almost 400 percent under Reaganomics, with no end in sight. If Reagan is allowed even one more budget like his first four, the entire Federal debt accumulated from George Washington through Jimmy Carter will have doubled in 5 years.

What is less appreciated is what these enormous deficits—Government demand for credit—have done to interest rates. The bottom line, real interest rates, is what you actually pay for credit after inflation. Reaganomics has caused real interest rates to skyrocket to 15 times as high as they were under Carter.

Even if we look at only the prime rate minus the Consumer Price Index [CPI], under Carter real interest rates averaged 0.6 percent; under Reagan they have averaged 9.2 percent—15 times as high. There is no mystery why farm foreclosures, business and bank failures are setting post-World War II records.

Reaganomics has also caused our dollar to become far too expensive for us to fairly compete with foreign producers and workers. The dollar has appreciated by 70 percent in the last 4 years, according to the Federal Reserve Board. After a 2-year lag, this has caused our trade deficit to skyrocket. This year, Reagan's trade deficit is almost four times worse than Carter's worst year, creating major structural problems for the United States and the world economy.

To offset these enormous trade and current account deficits, U.S. foreign borrowing in the past 12 months has been roughly equal to the total foreign debt accumulated by Mexico over its entire history. The United States will itself become a debtor Nation next year, for the first time since we emerged as a world power in 1917.

These incomprehensible numbers represent the grudging loss to American producers of enormous markets for their goods, both here and abroad. In the past 4 years, foreign competitors have taken these markets and millions of jobs away from U.S. producers. The longer Reaganomics keeps the dollar so expensive, the more markets and jobs will be lost and the more difficult it will be to regain them.

The single, illusory economic success of Reaganomics has been that inflation rates have come down from the Carter period. However, much of this is due to the flood of cheap imports which has resulted from the overvalued dollar. When the expensive dollar begins to weaken, as it inevitably must—we can't borrow $100 billion per year from abroad forever—even this illusory success will vanish, leaving us with fewer jobs, less investment and indebted to foreign interests.

The utter failure of Reaganomics does not depend on the damage its enormous borrowing will certainly do in the future. Severe damage has already been done. The question facing the voters in a few weeks is whether or not this damage will be compounded by 4 more years.

I thank the gentleman for being so lenient. I appreciate his time.

Mr. WALKER. Mr. Speaker, I am not going to ask the gentleman to yield because he has been so generous, but I just hope that the gentleman from Iowa will stick around here. We are going to have a little bit of time and we will be very glad to rebut those figures and make a clear case that the gentleman from Iowa is coloring the statistics in a rather——

The SPEAKER pro tempore. Does the gentleman from Texas [Mr. GONZALEZ] yield to the gentleman from Pennsylvania, [Mr. WALKER]?

Mr. WALKER. I thank the gentleman.

Mr. GONZALEZ. Let the RECORD show that I had yielded for the purpose of the announcement that was made.

Of course, Mr. Speaker, may I say that these are issues of great concern. The only thing that this dialog or these discussions have reminded me of is a story they tell about Rothschild, the great international financial wizard in London, the English Rothschild. And one day these great named international bankers went over to him and said, "We would like for you to explain for us the intricacies of this gold business, this gold market." He said, "Well, I do not pretend to really know, I have two experts in the house here who really know all about gold; but let me warn you, they do not agree. They have different opinions."

Also it is interesting, of course, to me because I have been a member of the Banking Committee, in fact I am considered the ranking member today, for the 22½ years that I have been in this House. And always what I have heard from the experts, the Chairman of the Federal Reserve Board—I think I have had the privilege of serving with about five different Federal Reserve Board Chairmen, and they and the great economic wizards all seem to tell us, as far as I can tell from the record, that interest rates are really an act of God, that nobody can do anything about it.

Then we have Presidents who, when they confront these dilemmas, blame the Federal Reserve, and then if something happens that seems to indicate that interest rates are going down, then they want to take credit.

Well, we cannot have it both ways. If a President has the power to influence interest rates, then he ought to be responsible. But the truth of the matter is that it is more intricate than that. I wish it were as simplistic a matter as perhaps we might conclude from some of these discussions.

But I want to compliment my colleagues who have participated and who are expressing their deep concern on these very basic issues.

Also it gives me an opportunity to try to solicit and enlist their interest and support for two measures that I have introduced today on two basic and very, very fundamental issues affecting us all one way or the other.

Now, we are at the terminal point, or thereabouts, of the last session of the 98th Congress, so the question may arise: Why would you introduce a bill when there is absolutely no hope of its consideration?

The reason is that, in the case of one, I have introduced the same bill or approximately a similar bill, identical bill, for the past five Congresses, and more and more interest is being shown with respect to the subject matter. But the first bill introduced today has to do with something that I am afraid is very pressing. And in the light of all of the allocations of moneys and the tax burdens that we in the Congress and Presidents are imposing on our taxpayers for a first-class defense system, the situation that I am going to describe sounds rather anachronistic, it sounds hard to believe.

□ 1920

The one bill I call the Military Family Justice Act. The second bill I call the Mental Health Insurance for All Americans Act.

In the case of the Military Family Justice Act, there is no question to those of us who serve in this body who have any kind of knowledge or personal acquaintance with the living conditions of our service families, cannot possibly, if they are in any kind of minimal contact, ignore the seriousness of the issue.

Military families, to begin with, are subjected to very unique problems. Several weeks ago we read in the newspaper about a boy, a child, who committed suicide who happened to be in a military family. The son of a sergeant, who said in his suicide note, "Well, having one less mouth to feed will help you out."

The truth is that despite all of the arguments made for what we call a volunteer service and the incremental budgetary outlays for a so-called voluntary service, that we have not escaped from the pathetic situations that were used in the debate to bring the budgetary outlays for a truly voluntary service.

The picture and the horror stories were that we had many thousands of servicemen and families on the welfare lists. Many food stamp recipients. The sorry fact is that this is still true today. We have thousands of young airmen, young sailors, young soldiers who have dependents and who are on

food stamps in order to have a proper level of nourishment.

Housing, family housing—there I have brought out the need even in the case of the bachelor member of the service, and, in fact, I had to introduce legislation to try to correct an injustice that came to light as a result of the President's quite precipitous call and concentration of force in the Caribbean and Pacific, in the Central American areas, where basic quarter allowances were curtailed because of the extended period of training which neither the regulations or the statutes, and, as I found out later, governed by statutory provision, allowed.

So I had real hardship cases where bachelor members, and these are highly trained professionals, doctors, were in jeopardy of losing their homes on which they were trying to make mortgage payments or leases, and they were losing an average of over $650 a month, through this one unprecedented extended period of training which, as you will recall, the President called these forces for periods extending to 6 months, even 8 months period of service. Our rules and regulations do not provide for basic quarter allowance for training periods in excess of 90 days.

That is just one little item. Little to us, perhaps, certainly not little to the people involved. When it involves our military I think that we ought to know that this more than anything else, an active enemy, is the real, real danger that is confronting us today.

As it is now, there is no systematic, comprehensive approach to a family service and all of the ancillary services that could be offered a military family. My bill would provide, among other things, what I call a Family Assistance Division in the Defense Department. It also provides for increased and more realistic housing provisions.

I get letters from constituents who happen to be serving abroad. I am very distressed by what these letters tell me. I have received these letters in greater number just within the last 2 years than ever before. The question of health care for the serviceman's family is a blot and a shame for every one of us in America and particularly those of us in Congress who have the constitutional duty of raising armies. It is shameful. I have seen disastrous, catastrophic bills because we have allowed that aspect of benefit to the service family to deteriorate to the point of actual insufficiency if not outright helpless offering.

My bill would bring for example such things as dental care, which now really is not provided, under what is known as CHAMPUS. Now, every single measure that has been taken since the original embrace by the Congress of the program we call CHAMPUS, every single action has been to reduce that availability of health care to the serviceman's family. So I would provide as one needed thing an enhancement, a realignment to conform to the original intention the Congress had when it initiated what we call CHAMPUS, popularly known as CHAMPUS.

The bill also calls for the establishment of an Office of Family Service in the Department of Defense. This would, for the first time make family concerns a priority of the Department. In this aspect, I join another colleague who is also championing this and who lately has been really showing initiative and quite a bit of very valuable thinking and action in that respect. My distinguished colleague from California [Mr. PANETTA].

However, it is important that we raise the level of consciousness of need among our colleagues and it is for this reason that I introduced the bill in the waning hours of this Congress with the hope and the promise and the commitment that it will be a priority matter when we, God willing, begin the 99th Congress on January 3.

Now, the other bill, the second bill, is one as I say and repeat that I have introduced for five consecutive Congresses. I call it the mental health insurance for all Amercians legislative proposal. There is no question now that this is an urgent, crying need, as much as catastrophic illness comprehensive insurance for Americans. We are the only industrialized nation in the world that offers no program, much less a program for mental illness insurance, no program for general health insurance of catastrophic illness insurance.

Last week, in my hometown and district, I witnessed the most pathetic situation I have ever heard of in my life. A lady whose family, in an endeavor to summon forth all the resources known to modern medical technology and know-how, committed, just in hospital care, over $65,000 in medical bills. The medical bill will total somewhere around $30,000.

□ 1930

Now, it is not right. I know that at this time and under the atmosphere that this country has been subjected to for at least 3 or 4 years and maybe even a little bit before that because our era of blight, is what I call it, the era of sacrificing and actually selling our birthright for a mess of potage, the birthright of the American hope, for American standard of living maintenance and for that American dream.

What is the American dream? The American dream that every ablebodied, healthy American willing, wanting to work shall have that opportunity and provide for his family, find shelter and roof, food for the table and clothing with which to protect his family, his children. This is our American hope.

Instead, we have degenerated into an era of blight and shortages, scarcity. America is a land of plenty and still can be if we will it so. It is within our power. As rich as we may be, we are in a position that the English poet said when they said:

Ill fares the land, to hastening ills a prey,
Where wealth accumulates, and men decay;

My two bills today I offer to my colleagues, particularly those that are insured in return to be sworn in in the 99th Congress to join me in confronting these real burgeoning problems emanating from that great society we call America.

Military families are subjected to unique problems and difficulties. They are subjected to frequent relocations; they have no real choice about their assignment, and they have no real control over their family arrangements, because of the pressures and frequent disruptions that flow from the nature of military life. Family separation is a problem; financial burdens created by uncontrollable moves and housing expenses are a problem; inadequate pay and inadequate benefits are a problem. Even though there are many different resources available to military personnel, there is no systematic approach to family problems, the resources are inadequate, and the consequence is real injustice. It is unjust to have military families forced to live in inadequate housing; unjust to deny their families a full range of health benefits; unjust to fail to recognize that family problems must be addressed in a systematic and caring way. Therefore I am introducing a bill today intended to bring about a greater degree of justice for military families.

My bill provides a supplement to the housing allowances that are available today. In any high-cost area, the basic allowance for quarters is insufficient. Even though there is and has been for some years a supplemental housing allowance, the variable housing allowance, that program has been inadequately funded. My bill does two things: It reduces the out-of-pocket costs required to qualify for the variable allowance from 15 percent of pay to 10 percent. That is only fair, if you consider that military families would live in free housing, if the military had enough housing to serve all its families. In addition, the bill provides that cost recoveries resulting from savings in procurement will be used to finance the variable housing allowance program. Thus, the airman who reported the $7,000 coffee pot, the $635 armrests and the like, would have some incentive to report such abuses, because military members would know that resulting savings would benefit them, as is only just.

My bill also brings dental care under the CHAMPUS Program. Dental care is not always available to military de-

pendents, but it ought to be. Dental care can be exceedingly expensive, as anyone who has had dental surgery knows. There is no reason why such care should not be included in CHAMPUS.

I am also seeking the establishment of an Office of Family Services in the Department of Defense. This Office would for the first time make family concerns a priority of the Department of Defense. It would establish and implement a system to provide military family financial assistance—a service that is provided today only on a local, ad hoc basis. The Office would provide consumer information and assistance; and it would help with job placement and referrals—an important service when military family members must often change jobs as a result of relocations. The Office would also serve as a family advocate, so that the Department of Defense could recognize and focus on family concerns among service members.

Family life in the military is not easy. It is subject to unusual stress and pressures, by the very nature of the job of the military member. These pressures are very much a concern of troop commanders and base commanders. But these commanders do not have the resources to deal with family problems, as much as they might wish otherwise. Local commanders cannot invent money when housing allowances are not adequate; they cannot provide information and assistance, except on an ad hoc basis. That can do nothing about the need for placing dental care under CHAMPUS.

My bill addresses these concerns. It speaks to the need for a comprehensive effort to assist military families. The need is great, and even though this Congress cannot act on my bill, it should be a matter of urgent concern when the next Congress convenes.

My second bill introduced is to really carry through on efforts I have made in the past five Congresses.

The National Institute of Mental Health has just issued a report—the most comprehensive survey of mental illness ever conducted—suggesting that at any given time about 29 million Americans—nearly 1 in 5 adults—suffer psychiatric disorders ranging from mildly disabling anxiety to severe schizophrenia.

The National Institute of Mental Health survey found:

Anxiety disorders, which include phobias, panic disorders, and obessive-complusive disorder are among the most common illnesses. Approximately 8 percent of the people surveyed suffer from an anxiety disorder. Although some of these disorders are relatively mild, others are so severe that afflicted individuals have been afraid for years of venturing outside their homes.

Abuse or dependence on alcohol or drugs was found in 6 to 7 percent of the population. About four-fifths of these individuals have a disorder related specifically to alcohol.

Affective disorders—major depression, manic-depression, and dysthymia—affect 6 percent of the adult population.

Schizophrenic disorders, the most severely disabling of mental illnesses was found in the NIMH study to affect about 1 percent or our country's population. Schizophrenia can involve psychotic disturbances in thought, accompained by withdrawn or bizarre behavior and hallucinations.

Another 1 percent of our population are affected by antisocial personality disorders—deeply ingrained behavior patterns, such as a low frustration level and an incapacity to feel guilt, that brings a person into conflict with others.

An earlier NIMH report estimates that there are at least 12 million children under 18 suffering from mental disorders, like hyperactivity, depression, and infantile autism, that hinder vital developmental processes essential for normal maturation to occur.

The alarming thing about mental illness is that it is growing in scope, and continues to have negative effects on individuals, families, and the entire U.S. economy. Mental illness can incapacitate large segments of society, composed of people who could otherwise be productive, hard-working citizens. Millions of dollars are needlessly lost each year due to the lessened productivity of millions of American workers who suffer from these various forms of mental illness.

For about a decade I have advocated a "Mental Health Insurance Program for All Americans"—the aim for which is to provide comprehensive health coverage as part of a national health insurance program, or in lieu of that, the mental health program could be implemented on its own.

Funding for the proposal would be through a mental health tax with the funding mechanism similar to other proposed national health insurance bills. A national health insurance program, covering both physical and mental illnesses, is long overdue for our country. We are the only industrialized nation in the world which does not have such a program.

In respect to my mental health care insurance proposal, I reintroduced it on February 9 of this year as H.R. 4839.

I am introducing it again today for the purpose of including the term "mental health counselor" among the bill's list of mental health professionals.

Mental health counselors deal with the practical problems that patients face when attempting to reintegrate into community life. They are a recent breed of mental health worker, which sprang up during the Vietnam era in response to the increasing needs of the National Mental Health Centers all over the country.

Mental health counselors work in the community counseling branches of these centers, and deal particularly with drug and alcohol abusers. As a result of the upsurge in drug abuse in the late 1960's and 1970's, many mental health centers have included counselors among their personnel. Several mental health counselors now operate their own mental health centers.

Earlier legislation during this Congress to amend titles XVII and XIX of the Social Security Act—which provides that services of mental health counselors be covered under part "B" of medicare and be a required service under Medicaid, the term "clinical mental health counselor" is defined as "an individual who first, possesses a master's or doctor's degree in counseling, mental health counseling, community counseling, or similar degree title, second, after obtaining such a degree has performed at least 2 years of supervised clinical counseling, and three, is licensed or certified as such in the State in which he/she practices, or if such State does not license or certify mental health counselors, is certified by the National Academy of Certified Clinical Mental Health Counselors and listed in the NACCMHC Register of Certified Clinical Mental Health Counselors."

Under the terms of my mental health insurance bill, the benefits provided to an individual under this title shall consist of entitlement to have payment made on his behalf for: First, psychiatric hospital care; second, psychotherapeutic care; third, prescription drugs; fourth, psychotherapeutic home care; fifth, day mental hospital care; sixth, night mental hospital care; seventh, halfway house care; and, eighth, community mental health center services.

Mr. Speaker, I ask that you and our colleagues here in the House, study my proposal during the remainder of this Congress and during the period preceding the opening of the 99th Congress and consider the tremendous need for enactment of such legislation as a necessary step to insure the well-being and the future of a majority of the citizenry of our country.

Mental disorder is increasingly a pervasive and devastating illness which affects not only the patient, but whole families and other members of the community.

While at least some of the poor, and lower middle-income Americans can receive treatment through community and State mental health facilities for free or a reasonable rate of payment, the struggling middle-class family can

be destroyed by the cost attached to extended hospitalization and treatment for a mentally ill member of the household.

A survey of coverage for psychiatric and mental health care included in present-day private and group insurance policies indicates that, at best, such coverage is limited.

Recently the daughter of a Texas woman was released from a neurological center after extended hospitalization. The balance for the cost of the hospitalization, after the insurance company paid what was allowed under its terms, was $14,000.

A representative from the hospital's business office called the woman and asked her how she was going to take care of the $14,000 balance. She replied that she was going to pay them $100 right away, and that each payday she would pay $200 a month until the bill was paid off. The hospital spokesperson told the woman that amount was not adequate, and that they would have to turn the matter over to a collection agency.

The hard-pressed East Texas mother replied: "Well, get on with it, but there is no way that I am going to be able to do any better than what I said I would do."

The hospital official later called back, and said that the hospital would agree to the woman's payment terms.

This type of situation is repeated all over the country, time and time again, and in many instances, the demands for payment are much more ugly than what the working mother, who I just described, experienced.

A few years ago I was involved in negotiations with Blue Cross/Blue Shield at Dallas regarding nearly 100 claims which had been rejected for payment for psychiatric hospitalization by San Antonians and other south Texas residents.

Eventually Blue Cross/Blue Shield made at least partial payment on most of the claims which ranged from a few thousand dollars to several thousands of dollars, but there was clear indication that the insurance company was reluctant to continue to pay for treatment which, in this case, San Antonio doctors had made a medical judgment was necessary for the men and women involved.

There is no doubt that the average working American cannot afford the going rates for psychiatric or mental health care, whether as an outpatient or as a hospitalized one, especially if his or her insurance program pays nothing, or at best, very little for such care.

Many of my colleagues will oppose this bill from the first mention of it because of the cost involved, but over the long term, providing resources for mental health care is cost effective, and enhances national productivity.

The following data bears this out.

A Kennecott Corp. study estimated a 6-to-1 benefit to cost ratio when its experimental group of 150 men received needed psychotherapeutic services. Work attendance improved by 52 percent and medical/surgical costs declined by 74.6 percent.

The Equitable Life Insurance Association found in another study that for every dollar of treatment costs there was a $3 return. A longitudinal study in Texas reported that access to needed mental health treatment caused a reduction of length of stay of over-65 patients in inpatient facilities from 111 days to 53 days, at a savings of $1.1 million.

The availability of mental health services to all Americans ensures that we can detect and treat mental illness in children earlier, and oftentimes, but not always, prevent the type of psychiatric disorders that might otherwise persist into adolescence and adulthood.

Many psychiatrists readily admit that psychiatry is still a very imprecise science, and that there is much that we do not yet understand about the causes for mental illness and how to treat the people who suffer from them in order to help them be whole and healthy again.

Just a few years ago theories which were advanced that there were chemical or biological reasons for schizophrenia and other mental diseases were scoffed at even by some of the medical community. Now recent research has made it clear that a complete understanding of the chemistry of an individual who is ill is the key to helping that person.

There is no doubt that environmental factors continue to play a big role in the mental health of the individuals who make up this great Nation.

And, it is obvious that many mental health problems can be more readily treated than others, if there is a therapist or a treatment facility available. For many years, for example, a State of Texas employee at Del Rio, had to commute for 3 hours by car whenever he saw his doctor in San Antonio, because there was no one in his town to see him.

It is time that we who are elected to serve the people of this country understand what we are confronted with and what is at stake.

Increasing support of research efforts, and the development of a national health insurance program, including mental illness, should be priorities on our legislative agenda.

BALTIMORE HARBOR SHOULD RECEIVE PRIORITY

(Mr. LONG of Maryland asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. LONG of Maryland. Mr. Speaker, I deeply regret that the administration has in essence shown us what it would do if it had a line-item veto, by coercing both this Chamber and the other, into dropping vital water projects. Besides chairing my own foreign operations section of the conference, which was the first to finish business, and which got through a bill below the President's budget request, I, along with Congressman HOYER, did all we could to assure appropriation of the Baltimore Harbor dredging project.

The administration coerced and threatened and politically acted to cancel vital projects like Baltimore, 39 of them including Baltimore Harbor; all of which together come to less than the cost of shutting down the Federal Government like the other day.

This was power politics and I deeply regret it. I join with my colleague from Mississippi in hoping that Congress will soon meet again to redress this failure to fund water projects and I thank my colleague from Alabama [Mr. BEVILL] for his assurance that Baltimore Harbor will receive priority in the appropriations process.

MONDALE PROPOSED TO REDUCE MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. WEBER] is recognized for 60 minutes.

Mr. WEBER. Mr. Speaker, in a previous special order, the gentleman from the other side of the aisle made some criticisms of the points that were made by myself and the gentleman from Pennsylvania [Mr. WALKER], and the gentleman from Ohio [Mr. KASICH] a few minutes ago.

We did not at the time have enough time to respond to those points. The gentleman from Texas [Mr. GONZALEZ] was generous in yielding, but would not yield us enough time to fully rebut those points, but I would like to go through them with my colleague from Pennsylvania [Mr. WALKER] point by point, because I really think that they are rebuttable points, if you will.

The first point is that the gentleman from Pennsylvania stated that the only proposal that exists today in writing for reducing medicare in any way, shape, or form is a proposal by the Mondale campaign to cut $12 billion in medicare costs.

Now, first of all, I should point out that it was originally stated improperly that my colleague from Pennsylvania [Mr. WALKER] called that a $12 billion increase. He never said that. The Mondale proposal is to save $12 billion in medicare.

The gentleman from Michigan [Mr. LEVIN] points out that Mr. Mondale

says he is going to achieve that through cost containment. Well, that is true, but the point is he does not tell us how that cost containment program is going to work and so we continue to sit with the reality being that the only proposal for reducing expenditures through medicare continues to be the proposal of Mr. Mondale to cut $12 billion in medicare costs. He does not tell us how it is going to happen. He tries to assure us that it is not going to come out of the patients, but he does not tell us how we are going to save that money, and that is a fact.

I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding to me and if indeed it is going to come under cost containment there are some of course who argue that the kinds of cost containment that the gentleman from Michigan mentioned are precisely the kind of thing that will lower the quality of health care being delivered to medicare recipients and so it may well be that what Walter Mondale is really talking about is cutting costs in a way that will reduce the quality of health care to older Americans.

That would be a tragedy, a tragedy of equal proportions to other kinds of medicare reductions. But the fact is that indeed, the Mondale plan calls for a $12 billion reduction in medicare, period.

Mr. WEBER. Mr. Speaker, the gentleman is exactly correct. Furthermore, if you actually look at cost containment, how can you achieve cost containment?

There are a number of ways. The gentleman from Michigan suggested that it was going to come out of the doctor's fees. I suppose that is one possibility, but that is not necessarily assured at all.

There are some proposals in this country and in Britain for reducing health care costs by rationing health care.

In other words, you make some decision about who is going to get what health care. Well, that is one way that you can reduce health care costs. That is one form of cost containment.

The point is, we do not know what the Mondale cost containment program is. The point that is even more telling here is that if President Reagan said he was going to cut $1 out of medicare through cost containment every Member on this side of the aisle would be out of their seats in a minute, accusing him of wanting to abandon the elderly and not caring about the poor.

Mr. Mondale comes up with a vague proposal for a large reduction of $12 billion and tells us what he is going to achieve it through some unspecified cost containment proposal and no one is supposed to be concerned about it.

That is a kind of double standard. The fact is that the Mondale proposal is still the only proposal that exists in the writing today for a reduction in medicare expenditures.

Let me go through the other points that the gentleman raised and then I will be glad to yield to the gentleman from Michigan.

The second point that the gentleman made was that the $1,800 per family tax increase that was attributed to the Mondale plan is a phony number.

Obviously the Mondale campaign is not going to want to concede the whole cost of their tax increase program but the figures compiled by the Secretary of the Treasury, Mr. Regan, and which puts $1,800 a year as the minimal cost to the Mondale program, are not figures just pulled out of the air.

Most of those figures, if you go through the page-by-page analysis done by Secretary Regan are based on Congressional Budget Office analysis, many of them studies requested by Speaker O'NEILL.

Now that is not true of all of the Mondale recommendations. There are other sources that cost those recommendations out but most of them come from the bipartisan Congressional Budget Office.

Furthermore, I think that we just have to assume there is going to be some cost to some of those proposals. I think it is only reasonable to expect that Mr. Mondale will try to minimize his costs. I think there is at least an even chance that the cost of the Mondale tax increase would be more than $1,800 per year.

Third, the gentleman from Michigan said that it was somehow unfair or not realistic or unwise to suggest that simply increasing taxes on wealthy people and corporations would simply drive them into tax shelters.

I would just say that the experience that we have seen over the past years is that when you simply try to raise taxes on the wealthy and large corporations that is precisely what happens.

Furthermore, if we analyze the impact of the Reagan tax cut over the last 4 years, particularly as it has affected high income groups, we find that revenues to the Treasury have increased dramatically from the highest income groups in our economy. Why? Because they have been pulled out of tax shelters by reducing the premium for investing in a tax shelter.

When we had a 70-percent top rate you got a return of 70 cents on the dollar for every dollar you invested in a tax avoidance scheme. Now it is down to 50 percent and you have reduced the premium for investing in tax avoidance by 20 cents on the dollar. That is the reason that we have seen the wealthiest taxpayers in our country, those wealthy people making $1 million a year or more contributing 43 percent more; 43 percent more per year to revenues than they did prior to the Reagan tax cut.

Now if we try to simply soak the rich, as Mondale says, he is going to do with his tax increase measure, we are going to find the exact opposite happens. We are going to find those people will find additional ways of sheltering their income and we will not get the full tax increase that Mr. Mondale suggests.

□ 1940

Finally, the gentleman from Michigan suggests that we were inaccurate in quoting Mr. Mondale on the subject of indexing.

First of all, it is worth pointing out that Mr. Mondale, although he is attributed with winning the debate the other night, did indeed say that he was going to repeal indexing. Apparently after that debate he issued some retraction and clarified it.

But as I understand it, what is the Mondale proposal now? The Mondale proposal now, as I understand it, is to repeal indexing for wealthy taxpayers. How does he define them as wealthy? Making more than $25,000 a year. That is the new Mondale estimate of what a wealthy taxpayer is. If you make more than $25,000 a year, apparently that is too rich for Mr. Mondale. You are too successful. You deserve to have a heavier tax.

That is the sector of our economy that is going to pay more under the Mondale tax indexing scheme. So in my judgment, the criticisms of the gentleman from Michigan, while valid, really do not stick.

Mr. Speaker, I would be glad at this point to yield to my colleague, the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. I thank the gentleman for yielding. I do not want to eat up very much of your time, but I would like enough time, and I will try to make it brief, to respond to each of your points.

First of all, on medicare, it is really misleading, in my judgment, to talk about medicare cuts when the proposal is for cost containment. People do not understand that the language "medicare cuts" to mean cost containment. I think it is more objective and fair if the proposals for cost containment, to call it that and not to call it a medicare cut.

Mr. WALKER. Mr. Speaker, will the gentleman yield to me?

Mr. WEBER. I think we should have a dialog because we did not have one before.

Mr. LEVIN of Michigan. I am all in favor of that, but at least let me finish my point, my first point.

Mr. WEBER. All right.

Mr. LEVIN of Michigan. And then we can go on to the other four.

When you said that there were no specifics, let me just read to you from the plan itself. By the way, you say it is the only plan on the table. I think it is to Mr. Mondale's credit that he is not just talking generalities. He is talking about the future, with some specifics. Let me just read to you. This is the exact language:

Mr. Mondale believes it is time to put in place a comprehensive cost containment program. Such a system must slow the increase in all health costs, not just the Federal Government's. The Federal Government should set an overall spending limit and leave States free to design their own strategies for reaching that limit. A realistic bargaining goal is to hold the rate of increase to that under the existing controls to approximately 10 percent per year overall. After the program is in place and functioning, steps to achieve additional savings may be appropriate.

Now, there are some specifics. I might conclude on this point. There is a proposal by Senator KENNEDY and Representative GEPHARDT that puts onto this general statement of Mr. Mondale, but it has some contours to it, exact legislation. So there is something rather specific proposed here.

Mr. WEBER. Mr. Speaker, if I may reclaim my time, I do not agree with the gentleman that that is very specific. What do we know? First of all, we are not debating a Kennedy or Gephardt proposal; we are debating the Mondale proposal. The Mondale proposal is simply to reduce spending on medicare and to tell the States to figure out how to do it.

What could that mean? That could mean rationing health care. It could mean anything that the States decide to do. That is about as unspecific a means of controlling costs in health care as I can imagine, and it leads one to wonder exactly who is going to pay the price of those reduced costs. Certainly Mr. Mondale is not going to tell us how. We are not going to find out until the 50 States implement their plans.

Let me yield at this point to my colleague from Pennsylvania, who sought recognition earlier.

Mr. WALKER. I thank the gentleman for yielding.

The only point that I wanted to make was that the gentleman is correct about the fact that there are elements of cost containment in the Mondale proposal, but it seems to me the gentleman needs to be very critical of what Walter Mondale said about the President the other night.

The President's plan was also announced as a cost containment proposal. Walter Mondale, in the debate the other night, criticized President Reagan for calling for medicare cuts, and yet what President Reagan had called for was attempts to contain costs in medicare, too.

Walter Mondale called those cuts. If it is fair for Walter Mondale to do it, then it seems to me it is fair for us to do it. If it is unfair for us to do it, then it is unfair for Walter Mondale to use that in what was one of the most telling points in the debate the other night. If the gentleman wants to write off Walter Mondale's point and say that Walter Mondale should apologize to the American people for utilizing that point, that makes a totally different case. But the gentleman cannot have it both ways.

Mr. WEBER. I yield to the gentleman from Michigan.

Mr. LEVIN of Michigan. We can go on endlessly, I suppose, but there is something contradictory about the gentleman from Minnesota to say that Mr. Mondale's plan is the only one we have, and then for the gentleman from Pennsylvania to say, "Ah, but the Reagan plan is also cost containment." It is contradictory.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. WEBER. Let me yield to the gentleman from Pennsylvania.

Mr. WALKER. No. The gentleman from Pennsylvania is referring to the Reagan plan talked about by Mr. Mondale the other night. That Reagan plan has been turned down by the Congress, has been withdrawn, no longer exists. Mr. Reagan announced today that we were not going to touch social security, and so on, so the point we are making is that the only plan to cut medicare existing on the table today is Walter Mondale's deficit reduction plan. That is an absolutely true statement.

All I referring to is what Walter Mondale talked about in the debate the other night, and the gentleman says that he should not have referred to it that way, if I understand him correctly.

Mr. LEVIN of Michigan. If I could go on——

Mr. WEBER. I yield to the gentleman from Michigan.

Mr. LEVIN of Michigan. I appreciate that. Let me just mention the second point.

I do not have all the documents here that the gentleman is referring to and I only mention this in terms of the procedure we use for special orders, because I do not blame you, but we had no advance notice as to the subject matter of this special matter.

You talk about $1,800 as a cost for the taxpayer. That is not at all an accurate description of what Mr. Mondale has been proposing. I said it before and I will say it again, as to his estimate as to the impact of taxes for the family $25,000 and under, no increase; for the family $30,000, $95 a year; and the family $35,000 and above, $217 a year.

I am quite sure what you were referring to when you referred to the Secretary of the Treasury is his analysis of all of the proposals that he claims Mr. Mondale has made during the campaign. Mr. Mondale's campaign has refuted that statement.

Mr. WEBER. Mr. Speaker, if I can reclaim my time on that just for a minute, I have the documents here that were released by the Secretary of the Treasury, and he, by the way, does not say simply $1,800 a year. That is a minimum estimate of the cost of the Mondale tax program. His maximum estimate is $3,300 a year.

But let us go through some of them. I am not going to go through all of them.

The Mondale campaign specifically calls for "the repeal of the destructive Reagan changes in the AFDC program." According to a CBO study, requested by Speaker O'NEILL, that would cost $1.4 billion. That is one of the figures used by the Secretary of the Treasury.

Nutrition programs, Mondale says, "The program calls for restoring budget cuts in programs for the disadvantaged, child nutrition, and food stamps." That is a Mondale statement. Again, according to a Congressional Budget Office study requested by the Speaker, the minimum cost of that is $3.5 billion. That is another figure used by the Secretary of the Treasury.

We can go on and on and on. I am not going to suggest that every number in there is precisely accurate. I am just saying that the Secretary of the Treasury has done as honest a job of computing the cost of the Mondale program as anyone I have seen.

I just have to say that the American people, especially the ones who I have spent some time talking with, understand that it is not reasonable to listen to a politican propose a massive tax increase and then say in the next breath, "Oh, but none of you out there who vote are going to have to pay for it."

□ 1950

That is just not realistic. This is not a country that is full of rich people. This is basically a working class, middle-class country, and when politicians talk about massive tax increases, like Mr. Mondale is talking about, it is middle class, working class people, that are going to pay the freight.

Mr. LEVIN of Michigan. Mr. Speaker, if the gentleman would yield, I would like to go on to the third point if I might.

The document that the gentleman is talking about that I do not have a copy in front of me, I believe is an analysis of the Treasury Department, not a nonpartisan body.

Mr. WEBER. Reclaiming my time, it is an analysis done by the Treasury Department based largely on figures

computed by the Congressional Budget Office.

I yield to the gentleman from Michigan.

Mr. LEVIN of Michigan. Let me say that Mr. Mondale laid out his deficit reduction program and he limited his improvements in selected domestic programs to $30 billion and as part of the deficit reduction plan it would cut the deficit by two-thirds.

And for the gentleman to refer to an analysis that is an analysis of alleged statements that go way beyond the plan is not to analyze the plan.

Mr. WEBER. If I can yield to the gentleman from Pennsylvania on that point.

Mr. WALKER. Well, if the gentleman is correct then, what Walter Mondale has done in his deficit reduction plan is told all the special interest groups that he promised all these things too, in fact back in the primary campaign, that he was not telling them the truth, that in fact all the things that he promised them along the way are not things that he is really going to do.

You know, once again, you cannot have it both ways. If in fact Walter Mondale did not mean all those things that he said back during the primary campaign, then I think those groups have a right to know that he has no intention of doing all the spending that he originally had proposed to do.

I thank the gentleman for yielding.

Mr. LEVIN of Michigan. Mr. Speaker, will the gentleman yield further?

Mr. WEBER. I yield to the gentleman from Michigan.

Mr. LEVIN of Michigan. I will say my last on this point. Mr. Mondale has had the courage to lay out a proposal and in it he says, and I again quote, that in a prudent, selective way, he will add $30 billion to key programs that will enhance competitiveness and fairness in American life.

Let me go on if I might to the third point.

Mr. WEBER. If I can reclaim my time for a second, I see that our colleague, the illustrious gentleman from Louisiana [Mr. ROEMER] has come down from the chair. I would be proud to yield to the gentleman from Louisiana.

Mr. ROEMER. Mr. Speaker, I thank the gentleman. I want to compliment those who have participated for more than an hour in discussing the candidates' relative positions on the issues of the budget.

On the issue of taxes and taxes alone, it seems in this gentleman's opinion that Walter Mondale stands the strongest and the weakest, the strongest in the sense that he of the two candidates at least had a plan for the deficit. Walter Mondale of the two did not embrace the big budget myth, and that is that deficits do not matter. Deficits this big matter.

Walter Mondale is strong on this point.

Where he is weak is that he is placing his sole reliance on deficit reduction on taxes. I have been told, I have read and I cannot quote the source, I wish I could, that if we were to tax all income in America above $100,000 for the individual at a 100 percent marginal rate, in other words if we said every dollar you earn over $100,000 a year goes to Uncle Sam, it would raise less than $13 billion a year.

It takes no genius to look at these figures based on taxes and know that if we follow Mr. Mondale's plan, we are going to have to raise taxes on people who make over $100,000 a year, that is for certain; but that is not going to be enough. We are going to have to raise it on people who make $70,000, $60,000, $50,000, $40,000, $30,000, and $25,000 per family.

Now, maybe that is what we ought to do, and I have given Mr. Mondale credit for the courage of facing up to the deficit. It is a little bit embarrassing to see the President of the United States saying that the deficit is going to kind of float away, but it is also economically wrong, I think, one man's opinion, that we are going to tax our way to a balanced budget. We have not done it in this Nation's history. We are not going to do it in the next 4 years, either.

I thank the gentleman.

Mr. BROWN of Colorado. Mr. Speaker, will the gentleman yield?

Mr. WEBER. I yield to my colleague, the gentleman from Colorado.

Mr. BROWN of Colorado. Mr. Speaker, I would like to thank the gentleman from Minnesota.

I think the points that have been made here this evening are very important and apropos for what we are facing.

I might just observe with regard to the discussion of Medicare and the medicaid situation, I was disheartened to see the point in the debate where candidate Mondale suggested that there have been cuts in Medicare. The simple fact is that the funding for Medicare has risen and risen dramatically and risen every single year that the President has been in office.

When he suggested that it had been dropped, he was talking about various savings that have occurred in the program that made it not rise as fast as it would have, which is precisely what candidate Mondale is suggesting himself. What he criticized the President for was precisely what he is suggesting himself and the way he phrased it is directly inaccurate.

Now, there have been a number of points brought up tonight and I do not want to take a lot of time, but I would like if the gentleman would indulge me just to briefly talk about three points that I think are important.

Mr. WEBER. I would be glad to yield to the gentleman from Colorado, but I do then have to get back to our colleague, the gentleman from Michigan, who has a couple additional points to make, but I yield to the gentleman from Colorado.

Mr. BROWN of Colorado. I thank the gentleman.

I would like to direct attention to this chart here off to my right. This particular chart is nothing more than the Consumer Price Index. It is put out by the Federal Government figures. It is one that represents graphically the consumer price index, or inflation. What is shown are the years from 1977 when the Carter-Mondale team took office and the years through 1984, at least to date. What you see and read is the rate of inflation and the rate of inflation during those years grew dramatically from 6.5 percent up to 13.5 percent.

Now, I understand statistics sometimes can be dull, but what we are looking at here in this red ink is the cost in human lives of the impact of that inflation. Those represent homes that could not be purchased by working men and women. Those represent the cost of food and products the poor have to buy and need for their subsistance that rose out of sight. Those represent a compound rate of growth that put their hands into the pockets of the working men and women in this country.

What you see in the next 4 years is a dramatic drop by almost anyone's description of that rate from 13.5 down to 10.4, down to 6.1 and to 3.2, and right now this year what you are looking at is about a 4.1 percent, and that has been revised slightly higher in the last quarter; but I think by anyone's fair assessment, we have seen a sharp reversal of the trend with regard to inflation.

What that means is that the poor of this country have come out better. Now, why would I say that? Somewhere along the line we gathered the myth that it was good for the poor of this country to have big deficits because they will help out so much. The results of the big deficits are inflation and high interest rates. If you own a lot of property, inflation causes that property to go up in value. If you are poor and do not hold property, you gain nothing except higher costs; the point being that it is the wealthy of this country that benefit by inflation, not the poor.

Somehow our discussion of the issue has become mixed up, because it is the poor of this Nation that are penalized the most by inflation. The wealthy are the ones that are benefited by it. The high deficits that have been voted in the name of helping the poor in reality have done them in.

The fact is what we have done is the very cruelist thing we could do to those who have the least resources and helped out the ones in higher income tax brackets by those enormous deficits.

There is one other thing that I think is worth looking at. It is what happened to what we produce as working men and women in this country. During those Carter-Mondale years, we saw a leveling off of the sharp trend upward in GNP, a leveling off that was not reversed until the new policies of the new administration finally came into fold and that ended up showing a dramatic rise we see on the right.

Now, what the future holds I do not think any of us knows, but I will guarantee you this. Government at State and local and Federal levels all combined account for about 45 percent of our GNP. What we do in the Federal Government, which is not all of that, but what we do in the Federal Government matters. What we do with our spending budget and what we do with our deficits makes a difference. We can continue a better growth trend, I am convinced. The American people have tremendous potential, but they cannot do it if this Government adopts policies that discourage growth and opportunity.

□ 2000

Let us take a look at one last chart and that is one that I think is one of the most important charts. It is not one we talk about very much. But what it is is productivity, the rate of increase in our ability to produce and be productive in this country. That is the bottom line.

If we are going to complete in a world market we need to increase all our worker productivity. If we are going to sell products in competition with the Japanese, and the Taiwanese, and the European market we have got to become far more productive, and that is what our trade deficit is all about.

Take a look at what happened. During the Carter-Mondale years they were stagnant years, some years rising slightly, some years falling. But over that period they were stagnant.

But since the new administration has come into office, the Reagan administration, we have seen a sharp turnaround of our most important index, America's ability to produce effectively and competitively. No, we have not solved our problems. No, we have enormous problems. But at least we have seen a turnaround of the stagnant approach to the most important indicators, our productivity and the rate of increase that we have not seen in some time.

What is the point of all of this? The point of all of this is that if we want to make America more competitive, if we want more job opportunities, if we care about the poor and the working people of this country, we have got to find a way to make our country more competitive.

You ask any factory worker who works in an automobile plant or a packing plant or any other plant what makes his plant go and effective and competitive. He will tell you a couple of things: It is how hard he works and it is how hard the workers, the people who work with their hands and minds and bodies, it is how hard they work. It is the kind of equipment and tools they have to be competitive. It is how efficient their system is.

And one other factor that they will tell you about that management will not always tell you about. It is the overhead.

You cannot run an efficient, competitive factory, and that is what America is; if you are going to have a competitive America in the world market you cannot have far more overhead than your competitors. It is not a matter of being kind or good. It is not a matter of being mean or awful. It is a matter of competing. You cannot compete in a world market and that is what we are in, let us make no mistake about it; you cannot compete in a world market if you have too much overhead.

Now we have 45 percent of our entire gross national product that is in overhead. I would certainly claim that much of that is fine, is reasonable, is necessary, is essential. The point is that it does not go to good projects. It does, much of it, and some of it is waste, we know that, and we have been unable to cope with that.

But the point is we cannot have more than what we can bear and be competitive.

Now you get back to that worker in the factory because that is what America is. What do we need to do to make the factory go better?

One, we need an incentive for the working man or the working woman to produce, to work hard. You cannot have bad morale in that factory and outperform your competitors. You have to have an adequate payment and compensation.

How do you do that? For America as a whole when we talk about compensation you have to talk about taxes because taxes directly and indirectly take 45 percent, almost half of everything that man or woman produces. You cannot deny them or tax them.

The point of the debate is this: If you want to motivate that worker, increasing the taxes on working men and women is not going to motivate them. It is going to discourage them from working harder, because you penalize them for working hard, for working overtime. Anybody who doubts that has not worked an hourly job, and I will guarantee you that I have and I will guarantee you that many of my colleagues here have.

You talk to the people who have to work with their hands and ask them what it is like to work overtime when they sock you with Uncle Sam's big tax increase. You ask them if they want to work overtime when they get time and a half and they sock them with a big tax increase because they worked overtime.

What we are doing when we talk about a tax increase, a further tax increase, is to discourage American workers from being productive and working hard. Now that is a third of the factory and why it works.

Mr. ROEMER. Will the gentleman yield?

Mr. WEBER. Let me yield to my colleague from Louisiana.

Mr. ROEMER. I will keep it on that point. I wonder if either of my colleagues, in this case the gentleman from Colorado [Mr. BROWN] or the gentleman from Minnesota [Mr. WEBER] were as uncomfortable as I was Sunday night in watching the debate on the issue of the deficit.

We come from different parts of the world, same country, different parties, same Congress.

I wonder if you were as uncomfortable as I was as I watched two men, one the President and one an election away from being President, embrace such false premises on the major economic issue of our time.

Do you know what I heard Sunday night? I heard one man say the deficit is not important. I heard that same man say it will grow away. I heard that same man say we can cut enough spending out to balance the books, $200 billion a year, and I heard his opponent says we can tax our way to lower interest rates and prosperity.

Were either of you as uncomfortable as I?

Mr. WEBER. Let me just say first of all I think the gentleman makes a valid point. I do not agree with the statement that deficits do not matter. I do agree that deficits are not the only problem that we have right now in terms of interest rates or anything else.

However, I am more comfortable with the President's approach to the deficit. I do not agree he has no plan.

First of all I do not think that economic growth is simply rhetorical. I think economic growth is important. If we maintain a high rate of economic growth it will make it far easier for us to deal with the deficit, and I think that is a central issue in this campaign.

The President is talking about economic growth. Perhaps he is overestimating it. Perhaps he is relying too much on it. I do not know. But at least he is understanding the importance of

it, while Mr. Mondale seems to not understand the importance of it.

In addition to that, the President is talking about spending restraint. I will agree with the gentleman he could be more specific about it. But if you asked this gentleman how I would want to see the deficit problem solved, I would want to see it solved through an emphasis on economic growth and spending restraint, not tax increases.

So I would agree with the gentleman, I do not like to hear anybody say deficits do not matter. I wish we had very detailed programs from both of our candidates.

Mr. ROEMER. Would you yield to a question and not a statement?

Mr. WEBER. Surely I yield to my friend from the other end of the Mississippi River.

Mr. ROEMER. I thank you very much, brothers all.

Are you convinced in your personal experience that we will be able to reduce the deficit enough on a per annum basis over the next say half dozen years to bring interest rates down, worker productivity up, and unemployment at record low levels?

Do you think that spending cuts and growth alone with no tax reform, with no attempt, as our colleague from Michigan said, to get those who do not pay their fair share to do so, do you think we can do it with spending and growth alone?

Mr. WEBER. The gentleman has stated the question, though, a little bit differently because the gentleman talked about tax reform. I certainly would agree with the gentleman that we should see some tax reforms that would broaden the tax base.

I, for that matter, would agree with the gentleman from Michigan that we want some kind of a tax restructuring that will get the rich to pay more.

All I would say is I think that the way you accomplish that is 180 degrees different than the way Walter Mondale wants to. You accomplish that by reducing the premium for investment and tax shelters, which means you bring down the rates and simplify the structure.

I would agree with the gentleman from Louisiana that should be a part of our economic program, our approach to the deficit over the next few years. But the reason I say aside from that, if the gentleman were just talking about tax increases rather than a base broadening through simplification, I would say that we should not pursue that approach and the reason I say it, among others, is most economists who argue that we must reduce deficits, Milton Friedman notably among them, will also point out in the next breath if you do it through tax increases you are not going to achieve the result you want, which is a lowering of interest rates, because, again, as Milton Friedman points out, there is very little economic difference between borrowing money away from the private sector and taxing it away from the private sector.

So if our objective in deficit reduction is lower interest rates we ought to achieve it through growth and spending restraints and tax simplification, and not tax increases.

Mr. ROEMER. If the gentleman would yield on that point, let me remind him of the difference, if I could, Dr. Friedman notwithstanding, of borrowing the money and taxing the revenues.

The difference in this year's budget is about $120 billion. That is the interest on the national debt. The third largest item in the budget, Dr. Friedman notwithstanding, is the interest on the national debt.

Now, how would you or any President like to have $120 billion to invest in education, or highways, or a strong military or to help the poor, or to feed the hungry? Dr. Friedman notwithstanding, there is a difference between borrowing the money and taxing for it, and in this year's budget it is 120 billion bucks.

Mr. WEBER. That is a valuable point.

Mr. BROWN of Colorado. Will the gentleman yield?

Mr. WEBER. I yield to the gentleman from Colorado.

□ 2010

Mr. BROWN of Colorado. I thank the gentleman.

I think the key question at this point, and I think the gentleman from Louisiana [Mr. ROEMER] makes some excellent points and he might be surprised how much I agree with him, but I think the key point at this point is to ask ourselves how do we get this factory of America back producing? The first thing I think is to understand that we have got to motivate the people who do the work and turn out the goods. That is where taxes come in. The Mondale approach is higher taxes and what he is talking about is less incentive for people to work hard, be productive and work overtime. The second element of that factor is our ability to multiply the power and input of our efforts through the machinery and the plant and the equipment that we have that makes us far more productive than our competitors.

That second element is terribly important because we see new industry after new industry where we have not modernized our equipment, not modernized our tools and we are not competitive, not because our workers will not work hard, but because we have not made the investment in ourselves.

All you have to do is go to a foreign country that has not had the concern about protecting the fruits of someone's labor that America has and see what happens when you have a climate where the Government takes away from working people the fruits of their labor because they do not save.

The second element then is to have some rewards for savings. You have to have that if you are going to have that factory productive, not because you want to favor people who save, but because unless you provide some reward for saving, you are not going to be competitive and productive.

Now the third element, one is to reward the people who work and the other one is to have the proper capital to make the plant and tools and equipment to make them competitive; the third element is terribly important and it is one that this Government of ours is terribly deficient in, it is overhead. You simply cannot have the kind of overhead we make working men and women pay for in this country and be competitive. Now let us be specific because sometimes people talk about it in vague terms.

The elevator operators that run our elevators over in the Capitol Building, there is not anyone that can look you in the eye in this Chamber and say, tell you we need those. I know we joke about it and we debate about it, but the simple fact is that that is waste. Anyone who drives into the garage parking spot, and I am talking about the House of Representatives, does not need seven people to wave to him when they come in in the morning. I understand that it is nice to have people wave to you and smile at you and direct you to your parking lot, but nobody seriously believes that you need that. Even Congressmen learn where their parking spots are after a few visits.

Mr. WEBER. If I may reclaim my time from the gentleman from Colorado, I agree with the gentleman's point but I have, by my calculations, about 15 minutes remaining and the gentleman from Michigan has some points to make. I just wanted to make sure he has time. Does the gentleman from Michigan wish me to yield to him again? Because I realize I must give him time to conclude his points.

Mr. LEVIN of Michigan. Well, this is the gentleman's special order, and I do have some additional points I wanted to make, but the gentleman is controlling the time.

Mr. WEBER. Well, let me yield to the gentleman from Colorado to conclude, and then I will yield to the gentleman from Michigan.

Mr. BROWN of Colorado. I thank the gentleman for yielding. The gentleman has been very kind with his time.

I would just conclude with this: If we are talking about a recovery for America in getting our economic problems under control, we have got to talk about finding a way to provide in-

centives for working men and women, and a tax increase is the wrong way to do that. That is disincentive. If we are talking about a recovery for America we have go to find a way to encourage people to save and put aside so that we can have the plant, the tools and equipment to be competitive. And another tax increase is the wrong way to bring that about.

And the third thing is if we are talking about making America strong again and providing for its poor, we cannot afford the kind of overhead we have imposed on this country.

We can do it, but it takes a different kind of Congress than what we have had.

I thank the gentleman for yielding.

Mr. WEBER. I thank the gentleman from Colorado for his contribution.

Mr. Speaker, I yield to the gentleman from Michigan.

Mr. LEVIN of Michigan. I thank the gentleman. I appreciate that.

I wanted to go on to the other points that the gentleman mentioned. I only want to make clear, responding to my colleague from Louisiana, I think one implication of what he said is that any tax increase should be something as a last resort in any plan and I very much agree with that.

Any indication in his remarks that a tax increase is the only part of the Mondale plan I would respectfully say is incorrect.

There are many other components to it as I indicated in the plan itself.

If I might, may I go on briefly to the other points that the gentleman made? First of all the gentleman indicates and this really reiterates the dialog earlier, if there is an increase in taxation for very high income groups they will simply find another tax shelter, that eliminating one shelter will spawn another.

I just want to emphasize my belief that we cannot embrace that notion, that there are numerous unfair tax shelters and we in Congress are going to have to face up to it.

We need a simplified and fair tax system that eliminates many of these tax shelters, and I think it is grossly unfair to say, in criticism of the Mondale proposal, "Well, if you tax higher income groups more they will simply find another unfair way to reduce their taxes." That kind of fatalism I think is unwarranted.

Lastly, let me just say on indexing, so that the record is clear, I believe in the last discussion of this, and there has been about a half hour intervene, but I believe my recollection is correct there was a reference to repeal of indexing as the proposal of Mr. Mondale. I would like just to read it so it is clear that that is not his position.

My own position is I think indexing basically makes good sense. I have voted that way I believe in this House and it would take a dire emergency for me to consider its elimination.

Mr. Mondale's proposal is not very far from that really. Here is what he says, he is committed to the principal of indexing; however, reduction of the Reagan deficits requires that full indexing be deferred.

So in fairness to Mr. Mondale I think there has to be an acknowledgement he does not propose repeal. Under the Mondale plan families making $25,000 or less will receive the benefits of indexing; families above that level will be indexed only to the extent that inflation exceeds 4 percent. That is his proposal and whatever one thinks of it I also believe that, as the gentleman from Louisiana indicated, Mr. Mondale should be lauded for putting his economic cards on the table. And Mr. Reagan, the President, has not done so.

I think it was one of the flaws in his presentation during the debate. I think it has been one of the strengths of Mr. Mondale that he is telling it like he sees it.

Mr. Speaker, I appreciate the gentleman from Minnesota yielding to me.

Mr. WALKER. Mr. Speaker, will the gentleman yield to me?

Mr. WEBER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, I think a couple of points need to be made with regard to what the gentleman from Michigan told us about the Walter Mondale position on indexing. No. 1, it is obvious that Walter Mondale decided that people who earn $25,000 a year or more are rich and therefore should pay more taxes, and as inflation goes up, as we reinflate the economy under his policies, those people making $25,000 a year or more are going to get hit hard. Those people are the two-earner families for the most part, they are people who are struggling, young couples struggling to make it, they are the real income earners in the country at the present time.

Two young teachers, for instance, in Pennsylvaina both starting out making $12,500 a year apiece, they would be in the $25,000 category that would be eligible for Mr. Mondale's additional taxes.

So I think that that raises questions in and of itself. I think it is also important to understand that Walter Mondale did not qualify it the other evening in the debate. He said when he got his program going he was going to get rid of indexing.

So that he made it rather clear the other evening that while his plan may be very precise and they do not want to sound as though that is what they want to do, he was rather enthusiastic about eliminating indexing in the debate the other evening and the fact is that we have had a number of proposals come from House Democrats about budget proposals around here that have called for repeal of the 3rd year of the Reagan tax cuts which have included the elimination of indexing.

□ 2020

So there is a record of the Democratic Party to go along with Walter Mondale's proposals on the side of indexing.

Mr. WEBER. I thank the gentleman from Pennsylvania for his comments.

Mr. LEVIN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. WEBER. I yield to the gentleman from Michigan.

Mr. LEVIN of Michigan. I thank the gentleman for yielding.

Just briefly, so that the record is clear. I do not think for a moment Mr. Mondale feels that families earning $30,000 are rich.

His proposal, as I have said before, would mean an increase in taxes for the family of $30,000 of $95 a year. There is going to have to be, everybody on this floor I think understands, some shared sacrifice in expenditures, in revenues, looking at all kinds of expenditures, if we are going to solve this deficit, if we really think it is serious.

In terms of the gentleman from Pennsylvania, if you look at the contect of Mr. Mondale's statement on Sunday at the debate, it would be clear that he does not favor repeal of indexing. If you look at his proposal he makes that clear and he reiterated that on Tuesday. So I do not think it is very constructive for us to continue to act as if Mr. Mondale has embraced repeal of indexing when he is opposed to it and has so stated it and clarified any indication to the contrary.

Mr. WEBER. Let me make some points here. Let me just repond to some points that the gentleman from Michigan made a few minutes ago.

First of all, the gentleman said that the Mondale plan is not simply tax increases, that there is more to his deficit reduction program than that. I simply dispute that. The fact of the matter is and the problem with the Mondale plan is that those reductions that the Mondale plan calls for all far outstripped by additional commitments that Mondale has made in terms of spending increases.

So, when you analyze the Mondale plan, you come up with a net spending increase. First of all, he calls for slowing the rate of growth of defense, but not cutting it. Still calling for defense increases. Then in addition, calls for massive new commitments in virtually every area of the domestic budget.

Now, when you have got a large deficit as we have now, and you call for spending increases, not spending increases, and then say you are going to

balance the budget, that does mean in essence that your deficit reduction plan is entirely tax increases. I believe that Mr. Mondale's plan is entirely tax increases and I think that is what the American people would get if they voted for him.

Second of all, the gentleman from Michigan made an interesting point talking about the question of tax shelters. I would agree with the statement that he made a minute ago that what we want is a tax simplification plan that would eliminate a lot of the loopholes, deductions, and exemptions, and credits that are used by wealthy individuals to avoid taxation today.

My point is that is not the plan that has been embraced by Mr. Mondale. There are plans like that and in fairness they exist on both sides of the aisle. There are some differences between them, but there is the Bradley-Gephardt plan on the Democratic side, the Kemp-Kasten plan on the Republican side, the Siljander plan. There are a lot of plans, but Mr. Mondale has not embraced those plans.

So I suggest that his plans are simply a reversion to the old soak-the-rich arguments is not going to soak the rich. It is just going to drive people into tax shelters.

Finally, the gentleman from Michigan has clarified Mr. Mondale's position on tax indexing. The gentleman from Pennsylvania properly pointed out that when he spoke in the debate the other night he just talked about eliminating it, but in fairness, the gentleman from Michgan says that he does not want to eliminate it, he wants to defer it and mainly for people who are earning more than $25,000 a year.

Even given all that, what does that say? That is saying that we are going to increase taxes on a large group of people without requiring their Representatives in Congress to vote for those tax increases. The only conceivable reason why you would want to raise revenues through the deferral of indexing is because you do not want to put Members of Congress on record voting for a tax increase. I think that that is one of the beauties of indexing is that it forces accountability onto this body, it forces Members of Congress who want higher taxes, regardless of who they are levied on, to vote for those higher taxes and then go back and justify it to their constitutents.

Mr. WALKER. If the gentleman would yield, the gentleman had made an excellent point and I just wanted to add one thing to it.

What comes out of the debate, regardless of whether Walter Mondale qualified it later on or what has been said, the fact is that President Reagan is clearly on record as favoring indexing period. Walter Mondale is on record as having reservations about indexing.

If the American people want to elect somebody who is going to assure that their middle incomes will be protected from inflationary increases in taxes, they have only one choice in this campaign and that is Ronald Reagan who has made it very clear that he is for tax indexing period.

I thank the gentleman again for yielding.

Mr. WEBER. I think the gentleman from Pennsylvania has made an excellent point.

Our time is almost up here. I would like to thank the gentleman from Pennsylvania for participating in this special order, as well as the gentleman from Michigan and the other gentlemen who participated in this special order.

The SPEAKER pro tempore. The gentleman from Minnesota has 9 minutes remaining.

Mr. WEBER. I am glad that I have 9 minutes remaining. I am not sure that I have 9 minutes worth of material left.

Mr. Speaker, I yield back the balance of my time.

A TRIBUTE TO HON. KATIE HALL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DIXON] is recognized for 60 minutes.

Mr. DIXON. Mr. Speaker, it is with great pleasure that I rise to pay tribute to an outstanding legislator, a dedicated public servant and a good friend.

KATIE HALL is the first black elected to the U.S. House of Representative from the State of Indiana. She brought to this House a diligence and enthusiasm that was enlightening. An attentive and dynamic Member, KATIE was quick to learn and eager to initiate. As a freshman Member, she was appointed to chair the Post Office and Civil Service Subcommittee on Census and Population. A traditionally low-key post, as chair, KATIE was instrumental in driving through Congress one of the most significant pieces of legislation of this session, a bill to establish a national holiday in honor of Martin Luther King, Jr.

She came to the Congress after serving 2 years in the Indiana House and 4 years in the State senate. As a State legislator, she was successful in establishing that clarified the Indiana divorce laws by redefining marital property. KATIE also authored a bill speeding payments to those eligible under the State victim-of-crime law. KATIE HALL, while in the Indiana Legislature and in the U.S. House of Representatives has been an untiring warrior for the educational causes of our youth, the labor needs of our workers, and the civil rights of women and minorities.

While KATIE HALL's accomplishments in the State of Indiana are numerous, it is her work here in the 98th Congress that America will remember most. In addition to here relentless efforts to create a national holiday to honor the achievements and contributions of Dr. Martin Luther King, Jr., KATIE HALL also authored legislation in the Congress that established a Commission to plan appropriate ceremonies and activities throughout the country to commemorate the first King holiday in January 1986. A major objective of the Commission is to coordinate educational activities for the Nation's youth, in the hopes that they will better understand the magnitude of Martin Luther King's contributions to America.

Mr. Speaker, I will miss my colleague's charm, diligence, and dedication when the 99th Congress convenes. I wish KATIE HALL the very best and have truly enjoyed our close working relationship these past 3 years in the House of Representatives.

● Mr. FAUNTROY. Mr. Speaker, I am pleased to participate in this special order honoring our distinguished colleague, Congresswoman KATIE HALL, a leader for justice in the 98th Congress.

Congresswoman KATIE HALL provided leadership in this Congress for the most worthy of legislative initiatives.

She will be long honored for her work as the chairperson of the Census and Population Subcommittee of the Post Office and Civil Service Committee in the 15-year struggle to sponsor and pass legislation that gave our Nation a holiday to celebrate the life and contributions of Dr. Martin Luther King, Jr.

That Congresswoman KATIE HALL has been a champion for justice in this Congress should be no surprise to those who know her. Her political career is testimony to her leadership capacities. She was the first black and woman, outside the city of Indianapolis, to be elected to the State senate and general assembly; in 1980, she was the only black and woman to chair the Democratic State Convention. Congresswoman KATIE HALL was the first black person to serve as vice-chairperson of the Lake County Democratic Central Committee; and she was also the first black person elected to statewide office of the Indiana Democratic Party.

I have worked cooperatively and closely with my friend KATIE HALL, and have valued her assistance and counsel, and her efforts during this Congress.

I am pleased to report that Congresswoman KATIE HALL will not be leaving the struggle for justice in this country. She is a force in the newly established National Black Women's Political Caucus, an organization headed by a revered and able member in the

Black Leadership Family, Congresswoman Shirley Chisholm.

We will miss KATIE HALL and her many contributions to this body. However, I am encouraged by the knowledge that she will be running in the near future to regain her seat and join us once again in the Congress.

Thank you, Congresswoman KATIE HALL, for your past and future accomplishments.●

● Mr HAMILTON. Mr. Speaker, I am pleased to join my colleagues in paying tribute to Representative KATIE HALL, who has well served her country, her State, and her district in Congress.

Her activism on behalf of justice and equality dates from her first career as a teacher. During her years in the Indiana General Assembly and Senate, Ms. HALL was an ardent supporter of the equal rights amendment and took an active role in shaping legislation on labor, education and women's issues. She has taken a similar role in the House, and is noted for her work on behalf of the Martin Luther King, Jr., Holiday, and her advocacy on behalf of American steel.

Ms. HALL's appointment as a freshman Member to chair the Subcommittee on Census and Population is only one of her singular accomplishments. The first black woman to serve Indiana in Congress, Ms. HALL also made history by being the first black and the third woman to represent our State.

The Indiana delegation and the House will miss KATIE. She has been a good representative and a patriot. I would like to offer my appreciation for her efforts here, and wish her well in her future endeavors.●

● Mr. MITCHELL. Mr. Speaker, my friend and respected colleague, KATIE HALL, is going to leave Congress at the end of this year. This is a loss many of us will feel very deeply.

KATIE HALL became the first black woman to serve in the Indiana congressional delegation when she won a special election in November, 1982 to serve through the end of the 97th Congress and to represent the First Congressional District of Indiana during the 98th Congress.

Before coming to Congress, KATIE enjoyed a very active political career serving as both Indiana State Representative for one term and as State Senator from 1976 until her election to Congress in 1982. KATIE's terms in the Indiana General Assembly were highlighted by her sponsorship of Indiana's milestone legislation on compensation for victims of crime and rape victim assistance.

During her tenure in Congress, KATIE served on two committees, Public Works and Transportation, and Post Office and Civil Service, of which she chaired the Subcommittee on Census and Population. As chairwoman, she ably guided the Martin Luther King, Jr. birthday bill, which subsequently became public law, through her subcommittee—no small achievement for a first full-term Member.

As a Member of Congress, KATIE has displayed honesty, decency, and tenacity in her often unheralded efforts to represent her district. Not only has KATIE capably represented her district, but she has also served as a role model for black women in this country who aspire to become influential in not only the political arena, but any realm. The incumbency of Representative KATIE HALL will be remembered and with the help of her supporters, KATIE will once again join us in our struggle to provide a forum for the views of the minority community to be heard on Capitol Hill.●

● Mr. STOKES. Mr. Speaker, I would like to thank the gentleman from California [Mr. DIXON] and the gentleman from Indiana [Mr. SHARP] for reserving this special order so that Members can salute my colleague and good friend, Representative KATIE HALL. At the end of the 98th Congress, Mr. Speaker, KATIE HALL will leave the Congress and return to her native State of Indiana.

At this time, I would like to commend her for the exemplary job she has done in this Congress during the last 2½ years on behalf of the residents of the First Congressional District of Indiana.

My good friend, KATIE HALL, came to the Congress with a strong commitment to public service. She served one term in the Indiana State House of Representatives and in the State Senate from 1976 to 1982. During her tenure in the Indiana Legislature, Congresswoman HALL sponsored some of Indiana's milestone legislation on crime victim compensation and rape victim assistance.

Knowing of her impressive legislative track record, I was not surprised when Representative HALL came to the Congress ready to initiate some meaningful legislation. KATIE was appointed to the House Public Works and Transportation Committee and the House Post Office and Civil Service Committee. In April 1983, Mrs. HALL was elected as the chairperson of the House Census and Population Subcommittee.

Mr. Speaker, it was through this chairmanship that KATIE HALL made a profound imprint on this Congress and on America. Her efforts were pivotal in securing House passage of the bill honoring the late Dr. Martin Luther King, Jr. with a national holiday. Not only did KATIE HALL do the vital maneuvering to get the bill out of the committee but she also served as the floor manager for the bill.

Additionally, KATIE authored legislation which was subsequently enacted to establish a Commission to plan appropriate ceremonies and activities throughout the country to commemorate the first national King holiday in January 1986. A major objective of the Commission is to establish educational opportunities for school aged children so that they may better understand the magnitude of Dr. King's accomplishments and contributions in seeking a more equitable America.

Mr. Speaker, many Members have had long careers in the Congress. However, few have made the important kind of lasting mark on this body and the Nation like KATIE HALL has accomplished. I shall miss her leadership, her friendship, her energy, and her commitment to the people as she leaves the House of Representatives. I know that the people of the First Congressional District of Indiana are losing a good friend and a faithful public servant. Perhaps one day the people of Indiana will have the vision to return her to this body.

Again, Mr. Speaker, I thank my colleagues, Mr. DIXON and Mr. SHARP for reserving this time so that we can pay honor to this lady who in a very brief period of time made an indelible and lasting imprint on this body and this Nation.●

● Mr. BIAGGI. Mr. Speaker, at this time I would like to pay brief tribute to a very fine Member of this House, KATIE HALL. In her one term of service in the House, KATIE HALL contributed much not only for her constituents of the First District in Indiana but for the Nation as well.

For most of the 98th Congress KATIE HALL served with special distinction as chairman of the Subcommittee on Census and Population of the House Post Office and Civil Service Committee. There are few other subcommittees which produce more legislation that reaches the House floor each year for this subcommittee is responsible for the various commenorative resolutions that come before the House each year. I do not know the total number of these that have been passed in the 98th Congress, but I do know in the aggregate that they have had a great impact on the accomplishments of this Congress.

I recall one that KATIE managed on the House floor that I was proud to author. It designated August of 1983 as "National Child Support Enforcement Month." I was able to pass the House and then the Senate was signed into law by the President and provided a catalyst for later legislation now law to crack down on the nonpayment of child support.

KATIE HALL is a gracious lady—a genuine pleasure to work with these past 2 years. I wish her happiness and success in the future.●

● Mr. OWENS. Mr. Speaker, I rise to pay tribute to the gentlewoman from Indiana, Representative KATIE HALL,

whose years with us will be appreciated long after Congress adjourns.

In her first full term in Congress, KATIE HALL worked tirelessly for the creation of a legal public holiday honoring the late Rev. Martin Luther King, Jr. She adeptly managed the bill on the House floor, and helped push it through a very heated debate in the Senate. As a result of her work and leadership, our Nation will begin in 1986 to officically commemorate the life and leadership of Dr. King. KATIE HALL's accomplishment in helping this holiday come into being enables future generations of Americans to better recognize and consider those civil rights battles already fought, and those yet to be won.

Of course, KATIE HALL has also worked hard for her constituents. She has fought to reform the industrial and trade policies which have hurt the workers and industries of northwestern Indiana. As chairperson of the Post Office and Civil Service Subcommittee on the Census, she has been a friend to the poor who struggled to prevent the distortion of statistics on poverty and the impact of poverty programs.

I am sure KATIE HALL will continue to make her voice heard, and I hope that we hear from her before too long. Her clear and powerful advocacy will be sorely missed in this body. I join my colleagues in wishing her the best for the future.●

● Mr. WHEAT. Mr. Speaker, I take great pleasure in joining with my colleagues in paying tribute to a fine Member of Congress and a good friend of mine, KATIE HALL of Indiana.

Mr. Speaker, this Congress will sorely miss the presence of KATIE HALL. Although she has been a Member of this body for only 2 years, she has had a remarkable impact on national issues and public policy. In her role as chairwoman of the Post Office and Civil Service Subcommittee on Census and Population, for example, she led the fight against the misuse of poverty statistics to curtail spending for social welfare programs.

KATIE HALL was a driving force in the House of Representatives to pass legislation establishing a Federal holiday honoring Martin Luther King, Jr. In addition to being instrumental in the passage of this important legislation, she introduced and achieved passage of a bill to establish a commission to assist in observing the Martin Luther King holiday.

KATIE HALL has also been an advocate and fighter for the First Congressional District of Indiana. As the first black representative from Indiana and one of the few women elected to Congress, she had to overcome opposition from some segments of her constituency. KATIE HALL effectively used her position as a member of the Public Works and Transportation Committee to bring needed jobs and Federal projects to a district which had an unemployment rate of 24 percent at the height of the recession. She has also been a strong voice for assistance to the depressed steel industry, which holds the key to the economic well-being of the First District.

Mr. Speaker, we will also miss KATIE HALL for her stands on civil liberties and social justice. She has been a voice and leader in the fight for the equal rights amendment, help for low-income Americans, and fairness in social programs.

I have had the pleasure of working with KATIE as members of the freshman class and the Congressional Black Caucus. I know her knowledge, commitment, and experience have earned her the respect and admiration of her colleagues. I have been consistently impressed by her hard work and dedication on behalf of her district, State, and country.

Mr. Speaker, we have not heard the last of KATIE HALL. Her ability and determination will bring her success in her next endeavor. KATIE was a teacher before she entered politics, and she continued to teach us many important things here in Congress. I have no doubt that people will continue to learn from this outstanding woman in the future.●

● Mr. SHARP. Mr. Speaker, I am pleased to join my colleagues in recognizing the service of KATIE HALL to Indiana and to the Nation.

Congresswoman HALL had ably served in the Indiana General Assembly before coming to Congress. She has distinguished herself in many ways, but perhaps her most dramatic achievement was leading the fight to establish a national holiday in recognition of Martin Luther King.

At every turn, KATIE has worked to expand opportunities for the citizens of her district, and indeed of the country—opportunities for work, for education, for medical care, for a decent standard of living.

KATIE will be missed by many friends, but all wish her well and know that she will in the years ahead make many more contributions to the well-being of her fellow citizens.●

● Mrs. COLLINS. Mr. Speaker, it is with a great sense of pride and respect that I rise this morning to pay tribute to my dear friend and colleague, Congresswoman KATIE HALL. As the first black woman to serve in the Indiana congressional delegation, KATIE HALL has been a leader in passing progressive legislation and in assuming duties that few freshmen Members of Congress would have the energy to tackle.

Since her term in Congress she has taken a very active role in the workings of the two committees she serves on, the Committees on Public Works and Transportation and Post Office and Civil Service. In 1983 she assumed chairship of the Subcommittee on Census and Population. She will be remembered for her untiring efforts to pass legislation she introduced to establish the Martin Luther King, Jr., Federal Holiday Commission.

For the last 2 years KATIE has chaired the Black Caucus Women in Politics Braintrust.

Again, by her leadership, women from all over the country have come together to share their views on how women, black women in particular could take better advantage of their role in politics and work to increase their numbers on the State and Federal levels.

KATIE is an active member of the Congressional Steel Caucus, the Northeast Midwest Coalition and the Congressional Caucus for Women's Issues.

I know I echo my colleagues sentiments when I say that we will truly miss KATIE HALL. Although she has only been here a short time, we have come to depend upon her and look to her for leadership in many areas. It is really hard to believe that she will be leaving us.

But I know KATIE will not be taking everything with her. We have her friendship, and the Martin Luther King, Jr., legislation she fought so hard for to keep us company. We also have her guidance to rely upon even though she will not be physically present in the Congress.

For me and my colleagues, KATIE HALL will be just a phone call away.

We salute you, KATIE HALL, for being our colleague, always being wiling to share our burdens, and for your dedication and leadership in pursing important legislative initiatives. You have accomplished more in the short time you have been here than many Members have in longer terms. But then, we are not surprised at how you have distinguished yourself and stood out among your peers.

In closing, let me say that this is not the end or even good-eye. For I know that we will continue our ever ending dialog with you and work with you on issues of concern to the black community, women, and other under-represented people. You have lit a torch which we are prepared to carry. We thank you for being our colleague and our friend.●

● Mr. LELAND. Mr. Speaker, I rise today in appreciation of Hon. KATIE GREENE HALL, a fellow Democrat from Gary, IN.

KATIE HALL was sworn in as a Member of the 98th Congress in January 1983. By June of that same year, she was chair of the Subcommittee on Census and Population. This was a rare honor as few freshmen Members are ever accorded the distinguished privilege of chairing a subcommittee. I am proud to say that I served with her

on this subcommittee. As chair Mrs. HALL was required to make numerous appearances on the House floor on behalf of myriad pieces of legislation; she handled these occasions with poise and aplomb. Additionally, Mrs. HALL conducted extensive hearings focusing attention on the administration's appalling policies toward poverty in this country and worldwide, as well as oversight hearings on the Census Bureau and its counting methods.

As chair of the Subcommittee on Census and Population, Mrs. HALL's crowning achievement was accomplishing something that no one before her had been able to do: she saw to it that the much debated legislation to honor Dr. Martin Luther King, Jr., with a national holiday, became a reality and made a part of our national body of law. This bill is one of the high points of this entire session of Congress. In addition, Mrs. HALL spearheaded legislation creating a Commission to oversee the commemoration of the first Martin Luther King, Jr., Holiday in 1986.

As a black Member of Congress, your constituents are not just the people in your home district that you were elected to serve, but also 25 million underrepresented black people across the Nation. As a female Member of Congress, the majority of the population that is also female likewise becomes your constituent. In the role of Representative for both these groups—in addition to her primary duty to serve the people of the First Congressional District in Indiana—Mrs. HALL was called upon to advocate, encourage, challenge, and inspire others in her adopted constituencies. KATIE HALL has consistently answered the call with hard work, dedication, drive, and spirit.

The residents of the First Congressional District of Indiana and the Members of this Congress have had the benefit of KATIE HALL's talents for far too short a time. She leaves behind a record of service and accomplishments, as well as personal charm and warmth that will be missed. Mrs. HALL, as you leave this body, you have my respect, admiration, and best wishes as you go on to other endeavors.●

GENERAL LEAVE

Mr. DIXON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material, on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT ON H.R. 6027, LOCAL GOVERNMENT ANTITRUST ACT OF 1984

Mr. RODINO submitted the following conference report and statement on the bill (H.R. 6027) to clarify the application of the Federal antitrust laws to the official conduct of local governments:

CONFERENCE REPORT (H. REPT. NO. 98-1158)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6027) to clarify the application of the Federal antitrust laws to the official conduct of local governments, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

This Act may be cited as the "Local Government Antitrust Act of 1984.".

SEC. 2. For purposes of this Act—

(1) the term "local government" means—

(A) a city, county, parish, town, township, village, or any other general function governmental unit established by State law, or

(B) a school district, sanitary district, or any other special function governmental unit established by State law in one or more States,

(2) the term "person" has the meaning given it in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(A)), but does not include any local government as defined in paragraph (1) of this section, and

(3) the term "State" has the meaning given it in section 4G(2) of the Clayton Act (15 U.S.C. 15g(2)).

SEC. 3. (a) No damages, interest on damages, costs, or attorney's fees may be recovered under section 4, 4A, or 4C of the Clayton Act (15 U.S.C. 15, 15a, or 15c) from any local government, or official or employee thereof acting in an official capacity.

(b) Subsection (a) shall not apply to cases commenced before the effective date of this Act unless the defendant establishes and the court determines, in light of all the circumstances, including the stage of litigation and the availability of alternative relief under the Clayton Act, that it would be inequitable not to apply this subsection to a pending case. In consideration of this section, existence of a jury verdict, district court judgment, or any stage of litigation subsequent thereto, shall be deemed to be prima facie evidence that subsection (a) shall not apply.

SEC. 4. (a) No damages, interest on damages, costs or attorney's fees may be recovered under section 4, 4A, or 4C of the Clayton Act (15 U.S.C. 15, 15a, or 15c) in any claim against a person based on any official action directed by a local government, or official or employee thereof acting in an official capacity.

(b) Subsection (a) shall not apply with respect to cases commenced before the effective date of this Act.

SEC. 5. Section 510 of the Department of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act, 1985 (Public Law 98-411), is repealed.

SEC. 6. This Act shall take effect 30 days before the date of the enactment of this Act.

And the Senate agree to the same.

PETER W. RODINO,
JACK BROOKS,
DON EDWARDS,
JOHN F. SEIBERLING,
BILL HUGHES,
MIKE SYNAR,
GEO. W. CROCKETT, Jr.,
CHARLES SCHUMER,
EDWARD FEIGHAN,
HAMILTON FISH,
CARLOS J. MOORHEAD,
HENRY HYDE,
DANIEL E. LUNGREN,
Managers on the Part of the House.
STROM THURMOND,
ORRIN HATCH,
HOWARD METZENBAUM,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6027) to clarify the application of the Federal antitrust laws to the offical conduct of local governments, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The difference between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

STATEMENT OF MANAGERS

In referring in section 4 to the application of the antitrust laws to the conduct of non-governmental parties directed by a local government, the conferees borrowed the phrase "official action directed by" a local government from *Parker* v. *Brown*, 317 U.S. 341, 351 (1943); and the conferees intend that *Parker* and subsequent cases interpreting it shall apply by analogy to the conduct of a local government in directing the actions of non-governmental parties, as if the local government were a state.

The application to pending cases of the money damage protection afforded by section 3 will be based upon a case-by-case determination by the district court. The local government has the burden of proof to establish to the court's satisfaction that it would be inequitable not to apply this act to the pending case. The court is to consider all relevant circumstances. The statute mentions two of the factors that the court should consider—stage of the litigation and the availability of alternative relief under the Clayton Act. Where a pending case is in an early stage of litigation and where injunctive relief can remedy the problem, the defendant local government may be able more easily to sustain its burden. Where a case is in more advanced stages of litigation or where injunctive relief is unavailable or incomplete, the burden would become more

31-059 O-87-37 (Pt. 22)

difficult. If a case has progressed to or beyond a jury verdict or district court judgment, a local government defendant would need compelling equities on its side to justify the application of this section to the pending case.

PETER W. RODINO,
JACK BROOKS,
DON EDWARDS,
JOHN F. SEIBERLING,
BILL HUGHES,
MIKE SYNAR,
GEO. W. CROCKETT, Jr.,
CHARLES SCHUMER,
EDWARD FEIGHAN,
HAMILTON FISH,
CARLOS J. MOORHEAD,
HENRY HYDE,
DANIEL E. LUNGREN,
Managers on the Part of the House.
STROM THURMOND,
ORRIN HATCH,
HOWARD METZENBAUM,
Managers on the Part of the Senate.

ELECTRIC CONSUMERS' RAILROAD ANTIMONOPOLY ACT

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, the Subcommittee on Monopolies and Commercial Law recently heard testimony on legislation I introduced, H.R. 4559, which would protect shippers and consumers against monopolistic freight rates. This legislation would help achieve a greater measure of competition in the railroad freight industry and thus give consumers relief from the unreasonably high costs of hauling coal and other bulk products.

H.R. 4559 addresses a serious flaw in the antitrust laws that may have developed as the result of deregulation of rail rates. In 1980, Congress passed the Staggers Rail Act to free the railroads from restrictive regulations which had hampered their ability to earn a profit. But they also intended this act to provide regulatory protection to captive shippers—those shippers who must move their product by railroad, but because of their location in areas served by only one carrier, are unable to choose from among competing carrier services and rates.

Congress thought the act would stabilize rates at reasonable levels where there was competition and, through ICC regulations, keep costs from getting out of hand where railroads have a monopoly. However, that has not happened. Where there is an absence of effective competition, there also appears to be an absence of regulatory protection.

Of particular concerns are costs for hauling coal. Over half of the electric energy in the United States is generated using coal, the majority of which is transported to utilities under noncompetitive conditions by one railroad. The ICC has proposed a system of nationwide rates for hauling coal which could double the present already high rates within 5 years. As a result, many millions of electric consumers will incur unjustifiably high electricity rates.

Mr. Speaker, the testimony presented to the subcommittee by representatives of the railroad industry, producers, and utilities, has reinforced my commitment to this legislation. I look forward to further hearings and increased efforts toward passage of H.R. 4559 during the 98th Congress.●

THE INDEPENDENT PRODUCERS EXPECT NO 'FLY-UP' IN NATURAL GAS PRICES, STUDY SHOWS

(Mr. BRYANT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matters.)

● Mr. BRYANT. Mr. Speaker, last week Frank Pitts, chairman of Pitts Energy Group of Dallas released a survey of almost 1,000 independent natural gas producers which demonstrates that there will be no significant increase in the cost of new natural gas when wellhead prices are decontrolled January 1, 1985. The study, commissioned by the Pitts Energy Group, headed by Mr. Pitts, was done by I.M. Olsen & Associates.

Of 982 respondents, an overwhelming 98 percent said they expected no increase in wellhead prices for new gas under decontrol while 81 percent responded that their new-gas prices has either remained stable or declined over the past 18 months. In addition, 71 percent of respondents reported that they are not now receiving the contracted price for their product and 44 percent state that they have voluntarily renegotiated their contracts with pipeline customers.

These 982 respondents account for 70 percent of the natural gas produced in this country in 1983, 11.261 trillion cubic feet [TCF].

This survey of producers was prompted by the release last April of an in-house interstate pipeline study which concluded that natural gas prices would automatically rise—or "fly-up"—9 to 12 percent above inflation when partial decontrol of prices becomes effective after January 1, 1985. Mr. Pitts wished to test the validity of the pipelines' conclusion. I commend him for his initiative.

Since one of the arguments used by supporters of natural gas recontrol and rollback of wellhead prices was the pipeline study, it pleases me to bring to my colleagues' attention an independent survey of natural gas producers which demonstrates that prices will not "fly-up." Market forces are working to bring down wellhead prices, as has been the case for the past 18 months. This decline—or at least price stabilization—is expected to continue into the immediate future as new gas prices are decontrolled under the provisions of the Natural Gas Policy Act.

I commend this study to my colleagues for consideration. I would hope that you reach the same conclusion I reached—that the Natural Gas Policy Act phase in of price decontrols for new gas should not be tampered with by a rush to recontrol in the next Congress.

POLICY ANALYSIS OF CURRENT AND FUTURE NATURAL GAS PRICES UNDER THE NGPA
(Prepared by I.M. Olson & Associates, Alexandria, VA)

(Control Data Corporation (CDC), under contract with I.M. Olson & Associates, administered the survey and statistical data processing used for this analysis.)

EXECUTIVE SUMMARY

A recent survey conducted by I.M. Olson and Associates (IMOA), energy economists, provides significant evidence that wellhead prices for New Natural Gas [1] have declined over the last 18 month period and are continuing to do so.

Seventy-one percent (71%) of the natural gas producers, which responded to a survey question regarding contract prices for their New Gas, reported that they are not receiving their full contract prices for such gas.

The survey provides new evidence that New Natural Gas prices are likely to continue to decline following decontrol of New Natural Gas prices on January 1, 1985.

This survey was conducted in the summer of 1984 by energy economists I.M. Olson and Associates (IMOA).[2] The 982 respondents to the survey produced, in the aggregate, an estimated 11.261 trillion cubic feet of natural gas per year or 70% of the 15.972 trillion cubic feet produced domestically in 1983.

The survey sought responses to two important questions:

Is the current marketplace causing producers and purchasers of New Natural Gas to renegotiate or adjust contracts downward? and;

Will there be a "fly-up" in prices of New Gas following decontrol on January 1, 1985?

Eighty-one percent (81%) of the natural gas producers which responded to a survey question regarding their average wellhead price for New Gas during the last 18 months, reported that such price had either decreased (61%) or remained unchanged (20%) during that period. Respondents experiencing such average price decreases identified the following as the four most significant contributing causes for such price decreases:

1. Contractual market-outs by pipelines, (56%);
2. The effect of new contracts at lower current prices, (48%);
3. Voluntary, mutual contract renegotiation, (44%); and
4. Claimed force majeure by pipelines, (21%).

The results of this survey demonstrate that:

1. Wellhead prices for New Gas have been falling over the past 18 months;

[1] For purposes of the survey, New Gas was defined as gas from wells that have been or will be decontrolled on January 1, 1985, under the NGPA.

[2] Control Data Corporation, under contract with I.M. Olson and Associates, administered the survey and statistical data processing required for the ensuing analysis.

2. Market conditions have caused renegotiation of many gas contracts; and

3. Indefinite price escalator clauses will not cause a fly-up of New Gas prices on January 1, 1985.

Supporting the conclusion that indefinite price escalator clauses in contracts will not cause a fly-up of New Gas prices on January 1, 1985, is the fact that 98% of the respondents reporting on the survey fly-up question stated that the scheduled decontrol under the NGPA will not trigger a price fly-up in their New Gas Prices.

ACKNOWLEDGMENTS

The research economists who prepared this report hereby express their appreciation to the over one thousand (1,000) companies and producers who took the time to answer this survey.

Abstract

A recent survey of natural gas producers indicates that;

New Gas prices have been declining over the past 18 months and may be expected to continue to decline in the immediate future;

Market forces are setting current New Gas prices at levels less than those provided in many contracts and less than applicable NGPA ceiling price levels;

Gas purchase contracts are being renegotiated and/or new contracts are being entered into by a large majority of natural gas producers; and

Market-out clauses in a large proportion of gas purchase contracts have been effective at reducing contract prices for New Gas.

Responses to the survey demonstrate that market forces have brought about renegotiation of substanial numbers of gas purchase contracts, modification of take-or-pay obligations and reductions in wellhead natural gas prices. The survey indicates that these same market forces are anticipated to result in a continued decrease in New Gas prices following decontrol of New Gas prices on January 1, 1985.

I. INTRODUCTION

Based upon an in-house study performed in 1983 of some of its members, an interstate pipeline group predicted in a report released in April 1984, that natural gas prices will automatically rise (fly-up) by 9-12% above inflation when partial decontrol occurs on January 1, 1985, under the Natural Gas Policy Act of 1978 (NGPA), To investigate the potential for such a fly-up, I.M. Olson & Associates (IMOA), research economists in the field of energy, was requested to perform a survey of natural gas producers on this current issue. In the summer of 1984, Control Data Corporation (CDC), under contract with IMOA, administered the survey and performed the statistical data processing required for the ensuing analysis. CDC has exclusive access to the questionnaires and their answers, and the responsibility for the final disposal shredding of these documents.

The survey questionnaires were mailed by CDC to all the independent producers listed in various state directories, and to all major producers listed in various reference sources (Appendix A). The answers to the survey questions were entered into a data base. The Statistical Package for the Social Sciences (SPSS) was employed by CDC to produce the cross-tabulations and frequency distributions of the data.

Background

Recent natural gas history.—Following enactment of the NGPA, there was a rapid improvement in the supply of gas in response to higher prices under it. By 1983 supplies exceeded demand. Although consumer prices continued to go up in real dollar terms for a period after demand was met, the price paid to producers soon began dropping. Nevertheless, some interstate pipelines and consumer organizations remain concerned about the effects of certain provisions in many contracts.

II. SURVEY'S SCOPE

A. The survey.—The questionnaire was prepared to address primarily three questions relevant to the price of natural gas in today's market.

1. Are the prices at the wellhead for natural gas increasing, declining, or remaining the same?

2. Have a significant number of producers and natural gas purchasers renegotiated or adjusted the terms of purchase contracts to reflect current market conditions?

3. Will indefinite price escalator clauses (IPEC's) in contracts operate to cause a fly-up of some "New Gas" prices on January 1, 1985? (For purposes of the survey, New Gas is defined as gas from wells that has been decontrolled or will be decontrolled on January 1, 1985 under the NGPA.)

B. Survey response.—Questionnaires were returned by 1,144 producers and companies. Of these, 982 were complete, valid and were used in the analysis of the survey. Collectively, these 982 survey respondents produced 70% of the 15.972 trillion cubic feet (TCF) of natural gas produced domestically in 1983, or an estimated 11.261 TCF. The respondents divide into two groups: 935 small producers producing 0-100 million cubic feet per day (MMCF/D) and 47 large gas producers who produce 101 MMCF/D or more. The small producers produced, collectively, an estimated 20252 TCF or 20% of the total produced by the survey respondents, while the large producers accounted for 9.009 TCF, or 80% of the total produced by the survey respondents.

III. SURVEY RESULTS (ANALYSIS)

A. Chief findings and conclusions.—The aggregate findings and conclusions from the survey are that the market place . . .

1. Is setting the wellhead price of natural gas below contract and NGPA maximums;

2. Is limiting the operation of certain contractual clauses;

3. Will prevent a fly-up of 9-12% above inflation in the price of New Gas on January 1, 1985, despite IPEC's;

4. Has encouraged producers and purchasers to renegotiate contracts or to enter into new contracts; and

5. Has caused prices for New Gas to decline over the last 18 months.

B. Current gas prices are below contract and NGPA maximum levels.—Current market conditions and gas price trends are valuable in projecting gas price effects of the partial decontrol currently scheduled for January 1, 1985, under the NGPA.

Results of the survey response indicate that market conditions have reduced gas prices to less than the levels provided in gas purchase contracts and the applicable NGPA ceiling prices.

Seventy-one percent (71%) of the respondents, which answered a survey question regarding contract prices for their New Gas, reported that they are not currently receiving the contract price provided for all of their New Gas. They account for 9.182 TCF, or approximately 82% of the respondents' total production of 11.261 TCF. (See Appendix B, Table 1 for details by producer volume).

Of the remaining 29%, nearly half have some contracts which call for prices below the maximum lawful price.

For those respondents who are currently receiving less than the full price provided for under their gas purchase contracts, the average amount of New Gas which is selling for less than the maximum is 66%. This average is a median, which is to say that half the respondents are selling 66% or more of their gas for less than their contract maximum (Table 1).

TABLE 1.—PRICE REDUCTION ON NEW GAS

[In percent]

	The reporting producers that are receiving less than their maximum contract price for their new gas, and who produced these volumes:				
	All small 0–100 MMCFD	Large producers (101–3,000 MMCFD)			All producers
		All large	101–500 MMCFD	501–3,000 MMCFD	
Are, on the average receiving a lower price for this percent of their new gas [1]	70	50	50	50	66
Total number respondents	607	36	23	13	643

[1] This is a median average, that is, one-half of all respondents are receiving a lower price for 66 percent or more of their gas.

Note.—Number of missing observations = 24.

The respondents stressed in written comments that market forces have acted to lower prices toward market clearing levels.

Ninety-five percent (95%) of those respondents receiving less than full contract prices cited market forces as the cause for the lesser prices (Table 2).

TABLE 2.—MARKET FORCES AND PRICE

[In percent]

	This percent of producers not receiving maximum contract price for new gas and who produced this volume:		
	Small 0–100 MMCFD	Large 101–3,000 MMCFD	All
Believe market forces contributed to the lower prices	95	97	95
Total number respondents	614	39	653

Note.—Number of missing observations = 14.

C. Average Wellhead Prices Have Declined.—Eighty-one percent (81%) of the natural gas producers, which responded to a survey question regarding their average wellhead price for New Gas during the last 18 months, reported that such price had either decreased (61%) or remained unchanged (20%) during that period. These respondents account for 7.866 TCF of all kinds of gas, or 70% of the 11.261 TCF produced by the respondents to the survey.

The size of the producer did not seem to influence the result. The contract price for New Gas over the past 18 months decreased for 66% of the large producer respondents and 61% of the small producer respondents. Prices were unchanged for 19% and 20% of the respondents, respectively. Only 15% of the large and 19% of the small producers experienced increases. In view of renegotiation of old contracts, negotiation of new contracts and market-outs, it is evident that contract terms are flexible and sensitive to market forces. Similar experiences of both groups confirm the effect of market forces

on gas prices. (See Appendix B, Table 2 for details by producer volume.)

Respondents experiencing a price decrease for New Gas during the last 18 months designated the following as the four most significant actions which contributed to the price decline:

1. Contractual market-outs by pipelines, (56%);
2. The effect of new contracts at current market prices, (48%);
3. Voluntary, mutual contract renegotiation, (44%); and
4. Claimed force majeure, (21%).

TABLE 3.—PRICE DECREASE ACTIONS

[In percent]

	This percent whose average wellhead price for new gas decreased in the past 18 months and who produced these volumes:				
	All small 0–100 MMCFD	Large producers (101–3,000 MMCFD)			All producers
		All large	101–500 MMCFD	501–3,000 MMCFD	
Say these actions have contributed to the decrease in price:					
Voluntary, mutual contract renegotiation or agreement	42	62	68	53	44
New contracts at lower prices	47	60	50	73	48
Contractual market-outs	55	84	82	87	56
Claimed force majeure	22	11	9	13	21
Other (mainly reports of unilateral actions by purchasers and variations of the above actions)	8	11	5	20	8
Total number respondents	544	37	22	15	581

Note.—Number of missing observations = 13.

D. Take-or-pay provisions have been subject to market forces.—The survey indicates that current market forces have rendered inoperative take-or-pay (T-O-P) provisions in many contracts. Even where contracts still contain T-O-P provisions, many respondents reported that pipelines will not honor them. In other instances, respondents report that state laws governing ratable takes have worked to render T-O-P provisions meaningless. All in all, 86% of the respondents who have T-O-P contracts and have been asked for relief, reported that they have reduced their T-O-P levels or their price in most or at least some cases. Thirty-nine percent (39%) made voluntary reductions in T-O-P levels in most of the instances where requested to do so, and an additional 15% made such reductions in a few cases. Moreover, 13% of the respondents reported having agreed to price reductions in order to maintain contractual T-O-P levels. Nineteen percent (19%) cited, in written comments, various other actions, particularly actions of purchasers, which have resulted in reductions in T-O-P levels and/or prices. (See Table 4 for details by producer volume).

TABLE 4.—TAKE-OR-PAY ACTIONS

[In percent]

	This percent who have T-O-P contracts and have been asked for relief and produced this volume:				
	All small 0–100 MMCFD	Large producers (101–3000 MMCFD)			All producers
		All large	101–500 MMCFD	501–3000 MMCFD	
Have taken this action:					
Have reduced T-O-P	54	59	57	63	54
In most cases	40	34	36	31	39
In a few cases	14	25	21	31	15
Kept T-O-P levels the same but reduced price	13	5	4	6	13
Other (mainly T-O-P or price reductions and of actions by purchasers—see comments in appendix B, table 3)	19	22	21	24	19
Total voluntary/involuntary actions leading to adjustments	86	86	82	94	86
No reduction of T-O-P and price remains the same	13	9	11	6	13
No T-O-P or T-O-P problems	1	5	7		1
Total number respondents	658	44	28	16	702

E. No gas price fly-up on January 1, 1985.—The results of this survey show that producers do not expect indefinite price escalator clauses in their contracts to cause their gas prices to automatically fly-up by 9–12% above inflation on January 1, 1985. Over 98% of the respondents answering the survey fly-up question stated there would be no such fly-up in their prices. In light of recent price declines, many respondents commented that they expect no increase at all, and some even predicted a slight decrease on January 1, 1985. (See Table 5).

TABLE 5.—"FLY-UP OF 9–12% IN YOUR GAS PRICES ON JANUARY 1, 1985?

[In percent]

	This percent of reporting producers with IPEC's [1] in their contracts and that produced these volumes:				
	All small 0–100 MMCFD	Large producers (100–3,000 MMCFD)			All producers
		All large	101–500 MMCFD	501–3,000 MMCFD	
Answer:					
No [2]	98	98	100	94	[2] 98
Yes	2	2			2
Total number respondents	891	47	30	17	938
[1] IPEC's are Indefinite Price Escalator Clauses in Gas Purchase Contracts. [2] Total trillion cubic feet per year represented by "Noes" (TCFY)	2.177	8.667	2.141	6.526	10.844

Note.—Number of missing observations = 44 or .024 TCF.

IV. CONCLUSIONS

Ninety-eight percent (98%) of the respondents answering the survey fly-up question stated that scheduled decontrol under the NGPA on January 1, 1985, will not trigger a price fly-up in their prices. The responses to virtually all of the survey questions support this conclusion:

1. Seventy-one percent (71%) of the responding producers stated they are not currently receiving the maximum price provided for under their gas purchase contracts for all their New Gas. On the average they are receiving lower prices on 66% of their New Gas.

2. Ninety-five percent (95%) of the responding producers which reported receiving less than the contractual maximum price for their gas stated that market forces contributed to the lower prices.

3. Only 16% of the responding producers are currently receiving the NGPA maximum lawful price for all of their New Gas.

4. Eighty-one percent (81%) of the responding producers stated that their average wellhead gas price for New Gas had either decreased (61%) or remained static (20%) during the last 18 months.

5. Over 80% who have T-O-P contracts have reduced their take-or-pay levels or their price in most or at least some cases.

The above responses indicate that, in light of the operation of market forces, decontrol of New Gas will have no serious price consequences.

APPENDIX A

Oil and gas producer directories and reference sources

INDEPENDENTS

"Oil Directory of Texas," Copyright April 1983, Published by R. W. Byram & Company.

"Oil Directory of Louisiana," Copyright January 1982 and January 1983, Published by R. W. Byram & Company.

"Oil Directory of New Mexico," Published by R. W. Byram & Company.

"Oil Directory of California," Copyright 1983, Published by Midwest Oil Register.

"Oil Directory of Louisiana, Mississippi, Arkanas, Florida, Georgia," Copyright 1983, Published by Midwest Oil Register.

"Oil Directory of Oklahoma," Copyright 1983, Published by Midwest Oil Register.

"Oil Directory of Kansas," Copyright 1983, Published by Midwest Oil Register.

"Oil Directory of Michigan, Indiana, Illinois, Kentucky," Copyright 1983 Published by Midwest Oil Register.

"Oil Directory of Rocky Mountain Region, Williston Basin, Four Corners, New Mexcio," Copyright 1983, Published by Midwest Oil Register.

Major

"Oil and Gas Reserve Disclosure (Survey of 300 public companies) 1980–1982," Arthur Andersen & Company.

"Changes in Distribution of Industry Profits, the Oil and Gas Industry in the Fortune 500." Committee on Energy and Commerce, Subcommittee on Oversight and Investigation Report.

Congressional Research Service, The Library of Congress, "Mergers and Acquisitions by 20 Major Petroleum Companies," January 1, 1981—February, 1984, dated March 14, 1984. CRS #84-506 E.

APPENDIX B

TABLE 1.—MAXIMUM CONTRACT AND NGPA POSTED PRICES

[In percent]

	This percent of reporting producers that produced these volumes of natural gas in 1983:				
	All small 0–100 MMCFD	Large producers (101–3,000 MMCFD)			All producers
		All large	101–500 MMCFD	501–3,000 MMCFD	
Are not receiving maximum contract price for their new gas	71	74	69	82	71 (a)

TABLE 1.—MAXIMUM CONTRACT AND NGPA POSTED PRICES—Continued

[In percent]

	This percent of reporting producers that produced these volumes of natural gas in 1983:				
	All small 0–100 MMCFD	Large producers (101–3,000 MMCFD)			All pro-cucers
		All large	101–500 MMCFD	501–3,000 MMCFD	
Are receiving maximum contract price	29	26	31	18	29 (c)
But are not receiving NGPA maximum allowed posted price	13	11	7	9	13 (b)
Are receiving NGPA maximum	16	15	24	9	16 (d)
Total percent not receiving NGPA maximum price	84	85	76	91	84
Total number respondents	892	46	29	17	938

(a) This group produces 9.182 TCF, or 82 percent of reported survey volume.
(b) This group produces 0.795 TCF, or 7 percent of reported survey volume.
(c) This group produces 1.995 TCF, or 18 percent of reported survey volume.
(d) This group produces 1.2 TCF, or 11 percent of reported survey volume.
Note.—Number of missing observations equal 44 or .084 TCF.

TABLE 2.—PRICES—SINCE JANUARY 1, 1983

[In percent]

	This percent of reporting producers that produced these volumes of natural gas in 1983:				
	All small 0–100 MMCFD	Large producers (101–3,000 MMCFD)			All produc-ers
		All large	101–500 MMCFD	501–3,000 MMCFD	
Report their wellhead price for new gas over the past 18 months:					
Decreased	61	66	63	71	61
Remained the same	20	19	20	18	20
Decreased or remained the same	81	85	83	88	81
Increased	19	15	17	12	19
Total number respondents	901	47	30	17	948

Note.—Number of missing observations equal 34.

TABLE 3.—SUMMARY AND CONDENSATION OF "OTHER" WRITTEN RESPONSES VOLUNTEERED ON QUESTION OF ACTIONS TAKEN ON "TAKE-OR-PAY" REQUESTS FOR RELIEF [1]

This percent of written responses:	Say:
48	T-O-P clauses are not being honored; we have no choice but to take cuts in T-O-P or prices, or both.
24	We settled by compromise; we are still negotiating; we are considering lawsuits; we are using T-O-P as a bargaining chip.
15	Our gas has been "shut-in," or purchaser has threatened to "shut-in"; or is using "force majeure" to repair pipeline, etc.
8	State production curtailments, set-asides and special marketing programs have been imposed.
5	We have no T-O-P's in contracts or no T-O-P problems.

[1] Based on written responses analyzed in the first 503 of 982 questionnaires received that provide the data base for the survey.

[From the Wall Street Journal, Oct. 10, 1984]

NATURAL GAS "FLY-DOWN"?

"Consumer advocates," such as the Citizen-Labor Energy Coalition, along with some congressmen, have been warning lately of a natural-gas-price "fly-up" come Jan. 1. That's when federal price controls are due to be removed from about half the natural gas now being produced. But the betting among people who know the industry best, that is, the natural-gas producers themselves, is that natural-gas prices will behave pretty much the way oil-product prices behaved after decontrol.

Not only don't producers expect a price increase, they see a continued declining trend in wellhead prices for deregulated "new" gas into next year due to more fierce competition. "The market is working," said Frank Pitts, head of the Pitts Energy Group of Dallas, who commissioned an independent survey of gas producers that seems to prove his point.

The 982 producers surveyed account for about 70% of all the gas produced in the U.S. An overwhelming 98% said they foresee no increase in their prices after decontrol. In fact, 81% of the producers said their prices had remained unchanged or had declined over the last year and a half, and 71% said they aren't even now receiving the full contract price for their "new" gas allowed under current federal regulations.

The recent price trends for natural gas demonstrate how misguided federal energy controls were. The Carter administration's Natural Gas Policy Act (NGPA), for instance, encouraged the production of the most expensive types of gas while relatively cheap gas was left shut in due to the economic disincentives of the legislation. As a result, natural-gas producers and consumers both suffered.

The partial lifting of the NGPA controls Jan. 1 isn't the end of an era, unfortunately. So-called "old" gas, amounting to about half the nation's ouput, will remain under federal regulations. Moreover, power plants and industry still face federal restrictions on their consumption of natural gas under the Fuel Use Act, passed in the late 1970s at a time when the "limits-to-growth" zealots insisted that we were "running out" of gas. This means that there is less opportunity to sell to these customers on an interruptible basis to help keep pipeline throughput at efficient levels. And Congress has yet to take steps to make gas pipelines common carriers, which also would expand opportunities for maximum pipeline throughput, reduce overhead costs and thus offer opportunities—assuming sufficient competitive pressure throughout the energy market—for lower gas prices for household consumers.

After the November elections and the partial gas decontrol in January, perhaps Congress will finally become disabused of the false notion that federal energy regulations somehow help consumers. Indeed, if the next administration and a new Congress are concerned about the welfare of consumers and the economy as a whole, they will move quickly to get the federal government out of the natural-gas business altogether.●

RECESS

The SPEAKER pro tempore. Pursuant to the order of the House of Tuesday, October 9, 1984, the Chair declares the House in recess subject to the call of the Chair.

The bells will be rung 15 minutes before the House convenes.

Accordingly (at 8 o'clock and 29 minutes p.m.), the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 10 o'clock and 30 minutes p.m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1291. An act to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, and section 305 of the Energy Reorganization Act of 1974.

CONFERENCE REPORT ON HOUSE JOINT RESOLUTION 648, CONTINUING APPROPRIATIONS, 1985

Mr. WHITTEN submitted the following conference report and statement on the joint resolution (H.J. Res. 648) making continuing appropriations for the fiscal year 1985, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 98-1159)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 648) "making continuing appropriations for the fiscal year 1985, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 20, 27, 28, 29, 30, 31, 33, 34, 35, 36, 44, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 70, 71, 72, 75, 77, 95, 96, 104, 111, 112, 113, 114, 115, 117, 120, and 123.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 22, 24, 39, 40, 41, 42, 43, 46, 47, 48, 50, 52, 69, 74, 76, 78, 79, 80, 81, 84, 86, 87, 88, 89, 90, 91, 92, 93, 94, 97, 98, 100, 101, 102, 103, 105, 106, 107, 109, 110, 116, 118, 119, 124, 125, 128, 129, 130, 131, 132, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, and 161, and agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert the following:

(b) Such sums as may be necessary for programs, projects, or activities provided for in the District of Columbia Appropriation Act, 1985 (H.R. 5899), to the extent and in the manner provided for in the conference report and joint explanatory statement of the Committee of Conference (House Report Numbered 98-1088), filed in the House of Representatives on September 26, 1984, as if such Act had been enacted into law.

And the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate num-

bered 4, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

"(c) Such amounts as may be necessary for programs, projects or activities provided for in the Department of the Interior and Related Agencies Appropriations Act, 1985, at a rate of operations and to the extent and in the manner provided as follows, to be effective as it it had been enacted into law as the regular appropriation Act:".

An Act Making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1985, and for other purposes

TITLE I—DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

For expenses necessary for protection, use, improvement, development, disposal, cadastral surveying, classification, and performance of other functions, including maintenance of facilities, as authorized by law, in the management of lands and their resources under the jurisdiction of the Bureau of Land Management, including the general administration of the Bureau of Land Management, $393,849,000.

CONSTRUCTION AND ACCESS

For acquisition of lands and interests therein, and construction of buildings, recreation facilities, roads, trails, and appurtenant facilities, $1,228,000, to remain available until expended.

PAYMENTS IN LIEU OF TAXES

For expenses necessary to implement the Act of October 20, 1976 (31 U.S.C. 6901–07), $105,000,000, of which not to exceed $400,000 shall be available for administrative expenses.

LAND ACQUISITION

For expenses necessary to carry out the provisions of sections 205, 206, and 318(d) of Public Law 94–579 including administrative expenses and acquisition of lands or waters, or interest therein, $2,750,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

OREGON AND CALIFORNIA GRANT LANDS

For expenses necessary for management, protection, and development of resources and for construction, operation, and maintenance of access roads, reforestation, and other improvements on the revested Oregon and California Railroad grant lands, on other Federal lands in the Oregon and California land-grant counties of Oregon, and on adjacent rights-of-way; and acquisition of lands or interests therein including existing connecting roads on or adjacent to such grant lands; $55,397,000, to remain available until expended: Provided, That the amount appropriated herein for road construction shall be transferred to the Federal Highway Administration, Department of Transportation: Provided further, That 25 per centum of the aggregate of all receipts during the current fiscal year from the revested Oregon and California Railroad grant lands is hereby made a charge against the Oregon and California land grant fund and shall be transferred to the General Fund in the Treasury in accordance with the provisions of the second paragraph of subsection (b) of title II of the Act of August 28, 1937 (50 Stat. 876).

SPECIAL ACQUISITION OF LANDS AND MINERALS

For the purchase of non-Federal coal deposits and other mineral interests and rights pursuant to Public Law 97–466, $15,000,000, to remain available until expended.

RANGE IMPROVEMENTS

For rehabilitation, protection, and acquisition of lands and interests therein, and improvement of Federal rangelands pursuant to section 401 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701), notwithstanding any other Act, sums equal to fifty per centum of all moneys received during the prior fiscal year under sections 3 and 15 of the Taylor Grazing Act (43 U.S.C. 315, et seq.), but not less than $10,000,000 (43 U.S.C. 1901), and the amount designated for range improvements from grazing fees and mineral leasing receipts from Bankhead-Jones lands transferred to the Department of the Interior pursuant to law, to remain available until expended: Provided, That not to exceed $600,000 shall be available for administrative expenses: Provided further, That the dollar equivalent of value, in excess of the grazing fee established under law and paid to the United States Government, received by any permittee or lessee as compensation for an assignment or other conveyance of a grazing permit or lease, or any grazing privileges or rights thereunder, and in excess of the installation and maintenance cost of grazing improvements provided for by the permittee in the allotment management plan or amendments or otherwise approved by the Bureau of Land Management, shall be paid to the Bureau of Land Management and disposed of as provided for by section 401(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701): Provided further, That if the dollar value prescribed above is not paid to the Bureau of Land Management, the grazing permit or lease shall be canceled.

SERVICE CHARGES, DEPOSITS, AND FORFEITURES

For administrative expenses and other costs related to processing application documents and other authorizations for use and disposal of public lands and resources, for monitoring construction, operation, and termination of facilities in conjunction with use authorizations, and for rehabilitation of damaged property, such amounts as may be collected under sections 209(b), 304(a), 304(b), 305(a), and 504(g) of the Act approved October 21, 1976 (43 U.S.C. 1701), and sections 101 and 203 of Public Law 93–153, to be immediately available until expended.

MISCELLANEOUS TRUST FUNDS

In addition to amounts authorized to be expended under existing law, there is hereby appropriated such amounts as may be contributed under section 307 of the Act of October 21, 1976 (43 U.S.C. 1701), and such amounts as may be advanced for administrative costs, surveys, appraisals, and costs of making conveyances of omitted lands under section 211(b) of that Act, to remain available until expended.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Land Management shall be available for purchase, erection, and dismantlement of temporary structures and alteration and maintenance of necessary buildings and appurtenant facilities to which the United States has title; up to $10,000 for payments, at the discretion of the Secretary, for information or evidence concerning violations of laws administered by the United States Bureau of Land Management; miscellaneous and emergency expenses of enforcement activities, authorized or approved by the Secretary and to be accounted for solely on his certificate, not to exceed $10,000: Provided, That appropriations herein made for the Bureau of Land Management expenditures in connection with the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands (other than expenditures made under the appropriation "Oregon and California grant lands") shall be reimbursed to the General Fund of the Treasury from the 25 per centum referred to in subsection (c), title II, of the Act approved August 28, 1937 (50 Stat. 876), of the special fund designated the "Oregon and California land grant fund" and section 4 of the Act approved May 24, 1939 (53 Stat. 754), of the special fund designated the "Coos Bay Wagon Road grant fund": Provided further, That appropriations herein made may be expended for surveys of Federal lands of the United States and on a reimbursable basis for protection of lands for the State of Alaska: Provided further, That an appeal of any reductions in grazing allotments on public rangelands must be taken within thirty days after receipt of a final grazing allotment decision. Reductions of up to 10 per centum in grazing allotments shall become effective when so designated by the Secretary of the Interior. Upon appeal any proposed reduction in excess of 10 per centum shall be suspended pending final action on the appeal, which shall be completed within two years after the appeal is filed: Provided further, That appropriations herein made shall be available for paying costs incidental to the utilization of services contributed by individuals who serve without compensation as volunteers in aid of work of the Bureau to protect, improve, develop, or manage the public lands; and that within appropriations herein provided, Bureau officials may authorize either direct procurement of or reimbursement for expenses incidental to the effective use of volunteers such as, but not limited to, training, transportation, lodging, subsistence, equipment, and supplies: Provided further, That provision for such expenses or services is in accord with volunteer or cooperative agreements made with such individuals, private organizations, educational institutions, or State or local governments: Provided further, That the segregative effect of the Department of the Navy withdrawal application N 37171, covering approximately 181,323 acres of public lands in Churchill County, Nevada, shall continue until such withdrawal is acted upon by the Congress. Segregation shall not prevent compatible public land uses which would be allowed under the terms of the proposed withdrawal: Provided further, That no later than six months after the date of enactment of this act, the Secretary of the Interior shall conclude a land exchange between the Oregon International Port of Coos Bay and the United States. Lands to be offered by the United States are described in Federal Register Notice, May 10, 1984. Lands to be offered by the Port are described as lots 4 through 16 inclusive, block 30, Nasburg's Addition to Marshfield, Coos County, Oregon. The Secretary is authorized to execute such instruments as may be necessary to permit the grantee to use permanently and develop for public roadway purposes, a tract of land described in Department of the Army Easement Number DACW 57–2–84–4 on Coos Bay North Jetty Road. As otherwise provided pursuant to the Federal Land Policy and Management Act of 1976 (90 Stat. 2743, Public Law 94–579), the Secretary shall conclude the above mentioned land exchange.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

For expenses necessary for scientific and economic studies, conservation, management, investigations, protection, and utilization of sport fishery and wildlife resources, except whales, seals, and sea lions, and for the performance of other authorized functions related to such resources; for the general administration of the Fish and Wildlife Service; for maintenance of the herd of long-horned cattle on the Wichita Mountains Wildlife Refuge, and not less than $3,300,000 for high priority projects within the scope of the approved budget which shall be carried out by Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408, $311,365,000 of which $4,000,000, to carry out the purposes of 16 U.S.C. 1535, shall remain available until expended; and, of which $4,591,000 shall be for operation and maintenance of fishery mitigation facilities constructed by the Corps of Engineers under the Lower Snake River Compensation Plan, authorized by the Water Resources Development Act of 1976 (90 Stat. 2921), to compensate for loss of fishery resources from water development projects on the Lower Snake River, which will remain available until expended: Provided, That the only critical habitat hereafter to be designated under section 4(b)(2) of the Endangered Species Act of 1973 (Public Law 93-205), as amended, for the Northern Rocky Mountain Wolf in Idaho shall be coterminous with the boundaries of the Central Idaho Wilderness Areas, as established by Public Law 96-312.

CONSTRUCTION AND ANADROMOUS FISH

For construction and acquisition of buildings and other facilities required in the conservation, management, investigations, protection, and utilization of sport fishery and wildlife resources, and the acquisition of lands and interests therein; $24,794,000, to remain available until expended, of which $4,100,000 shall be available for expenses necessary to carry out the Anadromous Fish Conservation Act (16 U.S.C. 757a-757g).

MIGRATORY BIRD CONSERVATION ACCOUNT

For an advance to the migratory bird conservation account, as authorized by the Act of October 4, 1971, as amended (16 U.S.C. 715k-3, 5), $21,700,000, to remain available until expended.

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the United States Fish and Wildlife Service, $64,508,000, to be derived from the Land and Water Conservation Fund, to remain available until expended: Provided, That $1,500,000 for the Connecticut Coastal National Wildlife Refuge shall become available for obligation only upon enactment of authorizing legislation.

NATIONAL WILDLIFE REFUGE FUND

For expenses necessary to implement the Act of October 17, 1978 (16 U.S.C. 715s), $5,760,000.

ADMINISTRATIVE PROVISIONS

Appropriations and funds available to the United States Fish and Wildlife Service shall be available for purchase of not to exceed 206 passenger motor vehicles of which 172 are for replacement only (including 64 for police-type use); purchase of 2 new aircraft for replacement only; acceptance of one donated aircraft as an addition; not to exceed $200,000 for payment, at the discretion of the Secretary, for information, rewards, or evidence concerning violations of laws administered by the United States Fish and Wildlife Service and miscellaneous and emergency expenses of enforcement activities, authorized or approved by the Secretary and to be accounted for solely on his certificate; repair of damage to public roads within and adjacent to reservation areas caused by operations of the United States Fish and Wildlife Service; options for the purchase of land at not to exceed $1 for each option; facilities incident to such public recreational uses on conservation areas as are not inconsistent with their primary purpose; and the maintenance and improvement of aquaria, buildings, and other facilities under the jurisdiction of the United States Fish and Wildlife Service and to which the United States has title, and which are utilized pursuant to law in connection with management and investigation of fish and wildlife resources.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

For expenses necessary for the management, operation, and maintenance of areas and facilities administered by the National Park Service (including special road maintenance service to trucking permittees on a reimbursable basis), and for the general administration of the National Park Service, including not to exceed $418,000 for the Roosevelt Campobello International Park Commission, $500,000 for the Volunteers-in-the-Park program, not less than $3,400,000 for high priority projects within the scope of the approved budget which shall be carried out by Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408, and $350,000 for the National Capital Children's Museum and $350,000 for the Arena Stage as if authorized by the Historic Sites Act of 1935 (16 U.S.C. 462(e)), $625,365,000 without regard to the Act of August 24, 1912, as amended (16 U.S.C. 451): Provided, That the Park Service shall not enter into future concessionaire contracts, including renewals, that do not include a termination for cause clause that provides for possible extinguishment of possessory interests excluding depreciated book value of concessionaire investments without compensation: Provided further, That appropriations for maintenance and improvement of roads within the boundary of Indiana Dunes National Lakeshore shall be available for such purposes without regard to whether title to such road rights-of-way is in the United States: Provided further, That $85,000 shall be available to assist the town of Harpers Ferry, West Virginia, for police force use.

NATIONAL RECREATION AND PRESERVATION

For expenses necessary to carry out recreation programs, natural programs, cultural programs, environmental compliance and review, and grant administration, not otherwise provided for, $11,338,000.

HISTORIC PRESERVATION FUND

For expenses necessary in carrying out the provisions of the Historic Preservation Act of 1966 (80 Stat. 915), as amended (16 U.S.C. 470), $26,000,000 to be derived from the Historic Preservation Fund, established by section 108 of that Act, as amended, to remain available for obligation until September 30, 1986.

VISITOR FACILITIES FUND

For grants to the National Park Foundation for reconstruction, rehabilitation, replacement, improvement, relocation, or removal of visitor facilities within the National Park System, and related expenses, as authorized by Public Law 97-433, $6,000,000 to remain available for obligation until September 30, 1989, to be derived from the National Park System Visitor Facilities Fund.

CONSTRUCTION

For construction, improvements, repair or replacement of physical facilities, without regard to the Act of August 24, 1912, as amended (16 U.S.C. 451), $113,716,000, to remain available until expended, including $1,500,000 to carry out the provisions of sections 303 and 304 of Public Law 95-290, $38,000 for a grant to the French Camp Academy: Provided further, That for payment of obligations incurred for engineering services, road and bridge access, and twin main tunnel bore work for the Cumberland Gap Tunnel, as authorized by section 160 of Public Law 93-87, $28,000,000, to be derived from the Highway Trust Fund and to remain available until expended to liquidate contract authority provided under section 104(a)(8) of Public Law 95-599, as amended, such contract authority to remain available until expended.

LAND ACQUISITION AND STATE ASSISTANCE

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the National Park Service, $150,220,000, to be derived from the Land and Water Conservation Fund, to remain available until expended, of which $75,000,000 is for the State Assistance program including $1,681,000 to administer the program: Provided, That State administrative expenses associated with the State grant portion of the State Assistance program shall not exceed 15 percent: Provided further, That none of the State Assistance funds may be used as a contingency fund: Provided further, That of the amounts previously appropriated to the Secretary's contingency fund for grants to States, $318,000 shall be available in 1985 for administrative expenses of the State grant program.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

For expenses necessary for operating and maintaining the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, $4,621,000.

NATIONAL CAPITAL REGION ARTS AND CULTURAL AFFAIRS

For the fiscal year ending September 30, 1986, for a program to support artistic and cultural programs in the National Capital region, $5,000,000, to remain available until expended: Provided, That there is hereby established under the direction of the National Park Service a program to support and enhance artistic and cultural activities in the National Capital Region. Eligibility for grants shall be limited to organizations of demonstrated national significance which meet at least two of the additional following criteria:

(1) an annual operating budget in excess of $1,000,000;

(2) an annual audience or visitation of at least 200,000 people;

(3) a paid staff of at least one hundred persons; or

(4) eligibility under the Historic Sites Act of 1935 (16 U.S.C. 462(e)).

Public or private colleges and universities are not eligible for grants under this program.

Grants awarded under this section may be used to support general operations and maintenance, security, or special projects. No organization may receive a grant in excess of $500,000 in a single year.

The Director of the National Park Service shall establish an application process, appoint a review panel of five qualified persons, at least a majority of whom reside in the National Capital region, and develop other program guidelines and definitions as required.

The contractual amounts required for the support of Ford's Theater and Wolf Trap Farm Park for the Performing Arts shall be available within the amount herein provided without regard to any other provisions of this section.

ILLINOIS AND MICHIGAN CANAL NATIONAL HERITAGE CORRIDOR COMMISSION

For the establishment and operation of the Illinois and Michigan Canal National Heritage Corridor Commission, $250,000.

JEFFERSON NATIONAL EXPANSION MEMORIAL COMMISSION

For the establishment and operation of the Jefferson National Expansion Memorial Commission, $75,000.

ADMINISTRATIVE PROVISIONS

Appropriations for the National Park Service shall be available for the purchase of not to exceed 1 aircraft for replacement only, 202 passenger motor vehicles of which 163 shall be for replacement only, including not to exceed 106 for police-type use and 4 buses; and to provide, notwithstanding any other provision of law, at a cost not exceeding $100,000, transportation for children in nearby communities to and from any unit of the National Park System used in connection with organized recreation and interpretive programs of the National Park Service; options for the purchase of land at not to exceed $1 for each option; and for the procurement and delivery of medical services within the jurisdiction of units of the National Park System: Provided, That any funds available to the National Park Service may be used, with the approval of the Secretary, to maintain law and order in emergency and other unforeseen law enforcement situations and conduct emergency search and rescue operations in the National Park System: Provided further, That none of the funds appropriated to the National Park Service may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: Provided further, That none of the funds appropriated to the National Park Service may be used to add industrial facilities to the list of National Historic Landmarks without the consent of the owner: Provided further, That the National Park Service may use helicopters and motorized equipment at Death Valley National Monument for removal of feral burros and horses: Provided further, That notwithstanding the requirements of section 6(e)(1) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l-8(e)), the properties which were the subject to grant assistance from the Land and Water Conservation Fund and transferred by the City of Boise, Idaho, to the Bureau of Land Management for subsequent transfer to the Peregrine Fund shall be replaced, at no cost, with land administered by the Bureau of Land Management: Provided further, That such replacement land shall be provided in accordance with the existing statewide comprehensive outdoor recreation plan, be of at least equal fair market value, and of reasonably equivalent usefulness and location.

GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For expenses necessary for the Geological Survey to perform surveys, investigations, and research covering topography, geology, and the mineral and water resources of the United States, its Territories and possessions, and other areas as authorized by law (43 U.S.C. 31, 1332 and 1340); classify lands as to their mineral and water resources; give engineering supervision to power permittees and Federal Energy Regulatory Commission licensees; administer the minerals exploration program (30 U.S.C. 641); and publish and disseminate data relative to the foregoing activities; $420,664,000: Provided, That $52,066,000 shall be available only for cooperation with States or municipalities for water resources investigations: Provided further, That no part of this appropriation shall be used to pay more than one-half the cost of any topographic mapping or water resources investigations carried on in cooperation with any State or municipality: Provided further, That the Geological Survey is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private.

ADMINISTRATIVE PROVISIONS

The amount appropriated for the Geological Survey shall be available for purchase of not to exceed 12 passenger motor vehicles, for replacement only; reimbursement to the General Services Administration for security guard services; contracting for the furnishing of topographic maps and for the making of geophysical or other specialized surveys when it is administratively determined that such procedures are in the public interest; construction and maintenance of necessary buildings and appurtenant facilities; acquisition of lands for observation wells; expenses of the United States National Committee on Geology; and payment of compensation and expenses of persons on the rolls of the Geological Survey appointed, as authorized by law, to represent the United States in the negotiation and administration of interstate compacts.

MINERALS MANAGEMENT SERVICE

LEASING AND ROYALTY MANAGEMENT

For expenses necessary for minerals leasing and environmental studies, regulation of industry operations, and collection of royalties, as authorized by law; for enforcing laws and regulations applicable to oil, gas, and other minerals leases, permits, licenses and operating contracts; and for matching grants or cooperative agreements; including the purchase of not to exceed 8 passenger motor vehicles for replacement only; $166,818,000 of which not less than $39,890,000 shall be available for royalty management activities including general administration: Provided, That of the funds appropriated for the Minerals Management Service, $50,000 shall be available for administrative, travel, communications, per diem, and other necessary expenses incurred by a non-profit inter-industry organization in conducting meetings and workshops related to Outer Continental Shelf activities off Alaska.

BUREAU OF MINES

MINES AND MINERALS

For expenses necessary for conducting inquiries, technological investigations and research concerning the extraction, processing, use and disposal of mineral substances without objectionable social and environmental costs; to foster and encourage private enterprise in the development of mineral resources and the prevention of waste in the mining, minerals, metal and mineral reclamation industries; to inquire into the economic conditions affecting those industries; to promote health and safety in mines and the mineral industry through research; and for other related purposes as authorized by law, $138,734,000, of which $81,836,000 shall remain available until expended, together with $1,667,000 to be derived from the amount appropriated in Public Law 97-257 to carry out the purposes of section 2(b) of Public Law 96-543.

ADMINISTRATIVE PROVISIONS

The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private: Provided, That the Bureau of Mines is authorized, during the current fiscal year, to sell directly or through any Government agency, including corporations, any metal or mineral product that may be manufactured in pilot plants operated by the Bureau of Mines, and the proceeds of such sales shall be covered into the Treasury as miscellaneous receipts.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

REGULATION AND TECHNOLOGY

For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, $76,625,000, including the purchase of not to exceed 14 passenger motor vehicles, of which 9 shall be for replacement only; and uniform allowances of not to exceed $400 for each uniformed employee of the Office of Surface Mining Reclamation and Enforcement.

ABANDONED MINE RECLAMATION FUND

For necessary expenses to carry out the provisions of title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, including the purchase of not more than 21 passenger motor vehicles, of which 15 shall be for replacement only, to remain available until expended, $303,001,000 to be derived from receipts of the Abandoned Mine Reclamation Fund: Provided, That pursuant to Public Law 97-365, the Department of the Interior is authorized to utilize up to 20 percent from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect these debts: Provided further, That of the funds made available to the States to contract for reclamation projects authorized in section 406(a) of Public Law 95-87, administrative expenses may not exceed 15 percent: Provided further, That none of these funds shall be used to increase over the fiscal year 1984 level a reclamation grant to any State which has no active program to review regulatory permits for those individuals who have outstanding fines or penalties related to past coal mining violations.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

For operation of Indian programs by direct expenditure, contracts, cooperative agreements and grants including expenses necessary to provide education and welfare services for Indians, either directly or in cooperation with States and other organizations, including payment of care, tuition, assistance, and other expenses of Indians in boarding homes, institutions, or schools; grants and other assistance to needy Indians; maintenance of law and order; management, development, improvement, and protection of resources and appurtenant facilities under the jurisdiction of the Bureau of Indian Affairs, including payment of irrigation assessments and charges; acquisition of water rights; advances for Indian industrial and business enterprises; operation of Indian arts and crafts shops and museums; development of Indian arts and crafts, as authorized by law; for the general administration of the Bureau of Indian Affairs, including such expenses in field offices, $895,834,000, of which not to exceed $55,706,000 for higher education scholarships and assistance to public schools under the Act of April 16, 1934 (48 Stat. 596), as amended (25 U.S.C. 452 et seq.), shall remain available for obligation until September 30, 1986, and the funds made available to tribes and tribal organizations through contracts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203; 25 U.S.C. 450 et seq.) shall remain available until September 30, 1986: Provided, That this carryover authority does not extend to programs directly operated by the Bureau of Indian Affairs; and includes expenses necessary to carry out the provisions of section 19(a) of Public Law 93-531 (25 U.S.C. 640(d)-18(a)), $2,830,000, to remain available until expended: Provided further, That none of these funds shall be expended as matching funds for programs funded under section 103(a)(1)(B)(iii) of the Vocational Education Act of 1963, as amended (20 U.S.C. 2303(a)(1)(B)(iii)): Provided further, That hereafter, funds appropriated under this or any other Act for the Bureau of Indian Affairs may be used for the payment in advance or from date or admission of care, tuition, assistance, and other expenses of Indians in boarding homes, insitutions, or schools; and the payment of rewards for information or evidence concerning violations of law on Indian reservation lands or treaty fishing rights use areas: Provided further, That hereafter moneys received by grant to the Bureau of Indian Affairs from other Federal agencies to carry out various programs for elementary and secondary education, handicapped programs, bilingual education, and other specific programs shall be deposited into the appropriation account available for the operation of Bureau schools during the period covered by the grant and shall remain available as otherwise provided by law: Provided further, That hereafter any cost of providing lunches to nonboarding students in public schools from funds appropriated under this or any other Act for the Bureau of Indian Affairs shall be paid from the amount of such funds otherwise allocated for the schools involved without regard to the cost of providing lunches for such students: Provided further, That no part of any appropriations to the Bureau of Indian Affairs shall be available to provide general assistance payments for Alaska Natives in the State of Alaska unless and until otherwise specifically provided for by Congress: Provided further, That after September 30, 1985, no part of any appropriation (except trust funds) to the Bureau of Indian Affairs may be used directly or by contract for general or other welfare assistance (except child welfare assistance) payments (1) for other than essential needs (specifically identified in regulations of the Secretary or in regulations of the State public welfare agency pursuant to the Social Security Act adopted by reference in the Secretary's regulations) which could not be reasonably expected to be met from financial resources or income (including funds held in trust) available to the recipient individual which are not exempted under law from consideration in determining eligibility for or the amount of Federal financial assistance or (2) for individuals who are eligible for general public welfare assistance available from a State except to the extent the Secretary of the Interior determines that such payments are required under sections 6(b)(2), 6(i), and 9(b) of the Maine Indian Claims Settlement Act of 1980 (94 Stat. 1793, 1794, 1796; 25 U.S.C. 1725(b)(2), 1725(i), 1728(b)): Provided further, That for the fiscal year ending September 30, 1985, the Secretary may not contract for the establishment or operation of a school not currently operated by the Bureau or assisted by the Bureau under contract.

CONSTRUCTION

For construction, major repair and improvement of irrigation and power systems, buildings, utilities, and other facilities, including architectural and engineering services by contract; acquisition of lands and interests in lands; preparation of lands for farming; and construction, repair, and improvement of Indian housing, $109,686,000, to remain available until expended: Provided, That such amounts as may be available for the construction of the Navajo Indian Irrigation Project may be transferred to the Bureau of Reclamation.

ROAD CONSTRUCTION

For construction of roads and bridges pursuant to authority contained in 23 U.S.C. 203, the Act of November 2, 1921 (42 Stat. 208; 25 U.S.C. 13), and the Act of May 26, 1928 (45 Stat. 750; 25 U.S.C. 318a), $6,000,000, to remain available until expended: Provided, That not to exceed 5 percent of contract authority available to the Bureau of Indian Affairs from the Federal Highway Trust Fund may be used to cover roads program management costs and construction supervision costs of the Bureau of Indian Affairs.

UTAH PAIUTE TRUST FUND

For deposit into the Economic Development and Tribal Government Fund established pursuant to Public Law 98-219, to be held in trust for the benefit of the Utah Paiute Tribe pursuant to that law, $2,500,000.

TRIBAL TRUST FUNDS

In addition to the tribal funds authorized to be expended by existing law, there is hereby appropriated not to exceed $4,000,000 from tribal funds not otherwise available for expenditure and in addition hereafter tribal funds may be advanced to Indian tribes during each fiscal year for such purposes as may be designated by the governing body of the particular tribe involved and approved by the Secretary including: expenditures for the benefit of Indians and Indian tribes; care, tuition, and other assistance to Indian children attending public and private schools (which may be paid in advance or from date of admission); purchase of land and improvements on land, title to which shall be taken in the name of the United States in trust for the tribe for which purchased; lease of lands and water rights; compensation and expenses of attorneys and other persons employed by Indian tribes under approved contracts; pay, travel, and other expenses of tribal officers, councils, committees, and employees thereof, or other tribal organizations, including mileage for use of privately owned automobiles and per diem in lieu of subsistence at rates established administratively but not to exceed those applicable to civilian employees of the Government; and relief of Indians, including cash grants.

REVOLVING FUND FOR LOANS

During fiscal year 1985, and within the resources and authority available, gross obligations for the principal amount of direct loans pursuant to the Indian Financing Act of 1974 (88 Stat. 77; 25 U.S.C. 1451 et seq.), shall not exceed $18,600,000.

INDIAN LOAN GUARANTY AND INSURANCE FUND

During fiscal year 1985, total commitments to guarantee loans pursuant to the Indian Financing Act of 1974 (88 Stat. 77; 25 U.S.C. 1451 et seq.), may be made only to the extent that the total loan principal, any part of which is to be guaranteed, shall not exceed resources and authority available.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Indian Affairs (except the revolving fund for loans and the Indian loan guarantee and insurance fund) shall be available for expenses of exhibits; purchase of not to exceed 275 passenger carrying motor vehicles of which 225 shall be for replacement only, and hereafter such appropriations under this or any other act shall be available for: the expenses of exhibits; advance payments for services (including services which may extend beyond the current fiscal year) under contracts executed pursuant to the Act of June 4, 1936 (48 Stat. 596), as amended (25 U.S.C. 452 et seq.), the Act of August 3, 1956 (70 Stat. 896), as amended (25 U.S.C. 309 et seq.), and legislation terminating Federal supervision over certain tribes; and expenses required by continuing or permanent treaty provision: Provided, That hereafter passenger carrying motor vehicles of the Bureau may be used for the transportation of Indians: Provided further, That hereafter no part of any appropriations to the Bureau of Indian Affairs under this or any other Act shall be available to continue academic and residential programs of the Chilocco, Seneca, Concho, and Fort Sill boarding schools, Oklahoma; Mount Edgecumbe boarding school, Alaska; Intermountain boarding school, Utah; and Stewart boarding school, Nevada: Provided further, That hereafter no part of any appropriation to the Bureau of Indian Affairs under this or any other act shall be used to subject the transportation of school children to any limitation on travel or transportation expenditures for Federal employees: Provided further, That notwithstanding any other provision of law, within sixty days of enactment of this Act, the Secretary of the Interior shall employ in the Flathead irrigation and power project of the Bureau of Indian Affairs twenty-eight employees of the Joint Board of Control of the Flathead, Mission, and Jocko Valley Irrigation Districts at appropriate rates of pay which shall not be less than their rates of pay as of September 27, 1984: Provided further, That none of the funds contained in this Act may be used to implement the provisions of sections 501 through 512 of Title V of S. 2496 as agreed to

by the Sentate on October 3, 1984 (legislative day of September 24, 1984).

TERRITORIAL AND INTERNATIONAL AFFAIRS

ADMINISTRATION OF TERRITORIES

For expenses necessary for the administration of Territories under the jurisdiction of the Department of the Interior, $76,554,000, of which (1) not to exceed $73,826,000 shall be available until expended for technical assistance; grants to the judiciary in American Samoa for compensation and expenses, as authorized by law (48 U.S.C. 1661(c)); grants to American Samoa, in addition to current local revenues, for support of governmental functions; grants to the Government of the Virgin Islands as authorized by law (Public Law 98-213); construction grants to Guam of $5,725,000; direct grants to the Government of the Northern Mariana Islands as authorized by law (Public Law 94-241, 90 Stat. 272, and Public Law 96-205, 94 Stat. 86); and (2) not to exceed $2,728,000 for fiscal year 1985 salaries and expenses of the Office of Territorial and International Affairs: Provided, That the Territorial and local governments herein provided for are authorized to make purchases through the General Services Administration: Provided further, That all financial transactions of the Territorial and local governments herein provided for, including such transactions of all agencies or instrumentalities established or utilized by such governments, shall be audited by the General Accounting Office, in accordance with the provisions of the Budget and Accounting Act, 1921 (42 Stat. 23), as amended, and the Accounting and Auditing Act of 1950 (64 Stat. 834): Provided further, That moneys heretofore appropriated by Public Law 97-394 and Public Law 98-146, or hereinafter appropriated for a direct grant or grants to the Northern Mariana Islands for the purpose of building health care facilities, as authorized by section 202 of Public Law 96-205, were and shall be transferred directly to the Northern Mariana Islands without regard to, limitation of, or restriction under laws, regulations, Office of Management and Budget circulars, or policy directives, except in the discretion of the Secretary of the Interior.

TRUST TERRITORY OF THE PACIFIC ISLANDS

For expenses necessary for the Department of the Interior in administration of the Trust Territory of the Pacific Islands pursuant to the Trusteeship Agreement approved by joint resolution of July 18, 1947 (61 Stat. 397), and the Act of June 30, 1954 (68 Stat. 330), as amended (90 Stat. 299; 91 Stat. 1159; 92 Stat. 495), grants for the expenses of the High Commissioner of the Trust Territory of the Pacific Islands; grants for the compensation and expenses of the Judiciary of the Trust Territory of the Pacific Islands; grants to the Trust Territory of the Pacific Islands in addition to local revenues, for support of governmental functions; $100,811,000, of which $79,311,000 is for operations, and $21,500,000 is for construction, to remain available until expended: Provided, That all financial transactions of the Trust Territory, including such transactions of all agencies or instrumentalities established or utilized by such Trust Territory, shall be audited by the General Accounting Office in accordance with the provisions of the Budget and Accounting Act, 1921 (42 Stat. 23), as amended, and the Accounting and Auditing Act of 1950 (64 Stat. 834): Provided further, That the government of the Trust Territory of the Pacific Islands is authorized to make purchases through the General Services Administration.

DEPARTMENTAL OFFICES

OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of the Interior, $45,544,000, of which not to exceed $10,000 may be for official reception and representation expenses.

OFFICE OF THE SOLICITOR

For necessary expenses of the Office of the Solicitor, $20,548,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General, $17,253,000.

CONSTRUCTION MANAGEMENT

For necessary expenses of the Office of Construction Management, $750,000.

OFFICE OF THE SECRETARY

(SPECIAL FOREIGN CURRENCY PROGRAM)

For payment in foreign currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States, for necessary expenses of the United States Fish and Wildlife Service as authorized by law, $2,000,000, to remain available until expended: Provided, That this appropriation shall be available, in addition to other appropriations, to such office for payments in the foregoing currencies (7 U.S.C. 1704).

ADMINISTRATIVE PROVISIONS

There is hereby authorized for acquisition from available resources within the Working Capital Fund, 10 additional aircraft, 4 of which shall be for replacement only: Provided, That no programs funded with appropriated funds in the "Office of the Secretary", "Office of the Solicitor", and "Office of Inspector General" may be augmented through the Working Capital Fund or the Consolidated Working Fund.

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

SEC. 101. Appropriations made in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: Provided, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted.

SEC. 102. The Secretary may authorize the expenditure or transfer of any no year appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under jurisdiction of the Department of the Interior; for the emergency rehabilitation of burned-over lands under its jurisdiction; for emergency actions related to potential or actual earthquakes or volcanoes; for emergency reclamation projects under section 410 of Public Law 95-87; and shall transfer, from any no year funds available to the Office of Surface Mining Reclamation and Enforcement, such funds as may be necessary to permit assumption of regulatory authority in the event a primacy State is not carrying out the regulatory provisions of the Surface Mining Act: Provided, That appropriations made in this title for fire suppression purposes shall be available for the payment of obligations incurred during the preceding fiscal year, and for reimbursement to other Federal agencies for destruction of vehicles, aircraft, or other equipment in connection with their use for fire suppression purposes, such reimbursement to be credited to appropriations currently available at the time of receipt thereof: Provided further, That funds transferred pursuant to this section must be replenished by a supplemental appropriation which must be requested as promptly as possible.

SEC. 103. Appropriations made in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by sections 1535 and 1536 of title 31, U.S.C.: Provided, That reimbursements for costs and supplies, materials, equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. 104. Appropriations made to the Department of the Interior in this title shall be available for services as authorized by 5 U.S.C. 3109, when authorized by the Secretary, in total amount not to exceed $300,000; hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary, and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members: Provided, That no funds available to the Department of the Interior are available for any expenses of the Great Hall of Commerce.

SEC. 105. Appropriations available to the Department of the Interior for salaries and expenses shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902 and D.C. Code 4-204).

SEC. 106. Appropriations made in this title shall be available for obligation in connection with contracts issued by the General Services Administration for services or rentals for periods not in excess of twelve months beginning at any time during the fiscal year.

SEC. 107. No funds provided in this title may be expended by the Department of the Interior for the procurement, leasing, bidding, exploration, or development of lands within the Department of the Interior Central and Northern California Planning Area which lie north of the line between the row of blocks numbered N816 and the row of blocks numbered N817 of the Universal Transverse Mercator Grid System.

SEC. 108. No funds provided in this title may be expended by the Department of the Interior for the preparation for, or conduct of, pre-leasing and leasing activities (including but not limited to: calls for information, tract selection, notices of sale, receipt of bids and award of leases) of lands within:

(a) An area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), located in the Atlantic Ocean, bounded by the following line: from the intersection of the seaward limit of the Commonwealth of Massachusetts territorial sea and the 71 degree west longitude line south along that longitude line to its intersection with the line which passes between blocks 598 and 642 on Outer Continental Shelf protraction diagram NK 19-10; then along that line in an easterly direction to its intersection with the line between blocks 600 and 601 of protraction diagram NK 19-11; then in a north-

erly direction along that line to the intersection with the 60 meter isobath between blocks 204 and 205 of protraction diagram NK 19-11; then along the 60 meter isobath, starting in a roughly southeasterly direction; then turning roughly northeast, north, and west until such isobath intersects with the northern boundary of block 974 of protraction diagram NK 19-6; then along the line that lies between blocks 930 and 974 of protraction diagram NK 19-6 in a westerly direction to the first point of intersection with the seaward limit of the Commonwealth of Massachusetts territorial sea; then southwesterly along the seaward limit of the territorial sea to the point of beginning at the intersection of the seaward limit of the territorial sea and the 71 degrees west longitude line.

(b) The following blocks are excluded from the described area: In protraction diagram NK 19-10, blocks numbered 474 through 478, 516 through 524, 560 through 568, and 604 through 612; in protraction diagram NK 19-6, blocks numbered 969 through 971; in protraction diagram NK 19-5, blocks numbered 1005 through 1008; and in protraction diagram NK 19-8, blocks numbered 37 through 40, 80 through 84, 124 through 127, and 168 through 169.

(c) The following blocks are included in the described area: In protraction diagram NK 19-11, blocks numbered 633 through 644, 677 through 686, 721 through 724, 765 through 767, 809 through 810, and 853; in protraction diagram NK 19-9, blocks numbered 106, 150, 194, 238, 239, and 283; and in protraction diagram NK 19-6, blocks numbered 854, 899, 929, 943, 944, and 987.

(d) Blocks in and at the head of submarine canyons: An area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (45 U.S.C. 1331(a)), located in the Atlantic Ocean off the coastline of the Commonwealth of Massachusetts, lying at the head of, or within the submarine canyons known as Atlantis Canyon, Veatch Canyon, Hydrographer Canyon, Welker Canyon, Oceanographer Canyon, Gilbert Canyon, Lydonia Canyon, Alvin Canyon, Powell Canyon, Munson Canyon, and Corsair Canyon, and consisting of the following blocks, respectively:

(1) On Outer Continental Shelf protraction diagram NJ 19-1; blocks 36, 37, 38, 42-44, 80-82, 86-88, 124, 125, 130-132, 168, 169, 174-176, 212, 213.

(2) On Outer Continental Shelf protraction diagram NJ 19-2; blocks 8, 9, 17-19, 51-52, 53, 54, 61-63, 95-98, 139, 140.

(3) On Outer Continental Shelf protraction diagram NK 19-10; blocks 916, 917, 921, 922, 960, 961, 965, 966, 1003-1005, 1009-1011.

(4) On Outer Continental Shelf protraction diagram NK 19-11; blocks 521, 522, 565, 566, 609, 610, 653-655, 697-700, 734, 735, 741-744, 769, 778-781, 785-788, 813, 814, 822-826, 829-831, 857, 858, 866-869, 873-875, 901, 902, 910-913, 917, 945-947, 955, 956, 979, 980, 989-991, 999.

(5) On Outer Continental Shelf protraction diagram NK 19-12; blocks 155, 156, 198, 199, 280-282, 324-326, 369-371, 401, 413-416, 442-446, 450, 451, 489-490, 494, 495, 530, 531, 533-540, 574, 575, 577-583, 618, 619, 621-623, 626, 627, 662, 663, 665-667, 671, 672, 706, 707, 710, 711, 750, 751, 754, 755, 794, 795, 798, 799.

(6) On Outer Continental Shelf protraction diagram NK 19-9; blocks 559-561, 603-607, 647-651, 693-695, 737-739.

(7) On Outer Continental Shelf protraction diagram NK 20-7; blocks 706, 750, 662, 618, 574.

(e) Nothing in this section shall prohibit the lease of that portion of any blocks described in subsection (d) above which lies outside the geographical boundaries of the submarine canyons and submarine canyon heads described in subsection (d) above: Provided, That for purposes of this subsection, the geographical boundaries of the submarine canyons and submarine canyon heads shall be those recognized by the National Oceanographic and Atmospheric Administration, Department of Commerce on the date of enactment of this Act.

(f) Nothing in this section shall prohibit the Secretary of the Interior from granting contracts for scientific study, the results of which could be used in making future leasing decisions in the planning area and in preparing environmental impact statements as required by the National Environmental Policy Act.

(g) References made to blocks, protraction diagrams, and isobaths are to such blocks, protraction diagrams, and isobaths as they appear on the map entitled Outer Continental Shelf of the North Atlantic from 39° to 45° North Latitude, (Map No. MMS-10), prepared by the United States Department of the Interior, Minerals Management Service, Atlantic OCS Region.

SEC. 109. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance changing the name of the mountain located 63 degrees, 04 minutes, 15 seconds west, presently named and referred to as Mount McKinley.

SEC. 110. Notwithstanding any other provision of law, appropriations in this title shall be available to provide insurance on official motor vehicles, aircraft, and boats operated by the Department of the Interior in Canada and Mexico.

SEC. 111. No funds provided in this title may be expended by the Department of the Interior for the lease sale of tracts in Lease Sale numbered 80 within the following areas:

(1) an area of the Department of the Interior Southern California Planning Area bounded by the following line on the California (Lambert) Plane Coordinate System: From the point of intersection of the international boundary line between the United States and Mexico and the seaward boundary of the California State Tidelands west along said international boundary line to the point of intersection with the line between the row of blocks numbered 28 west and the row of blocks numbered 27 west; thence north to the northeast corner of block 20 north, 28 west; thence northwest to the southwest corner of block 29 north, 35 west; thence north along the line between the row of blocks numbered 36 west and the row of blocks numbered 35 west to its intersection with the seaward boundary of the California State Tidelands; thence easterly along the seaward boundary of the California State Tidelands to the point of beginning;

(2) a portion of the Department of the Interior Southern California Planning Area which lies both: (a) east of the line between the row of blocks numbered 53 west and the row of blocks numbered 52 west, and (b) north of the line between the row of blocks numbered 34 north and the row of blocks numbered 35 north, on the California (Lambert) Plane Coordinate System;

(3) the boundaries of the Channel Island National Marine Sanctuary, as defined by title 15, part 935.3 of the Code of Federal Regulations; and

(4) the boundaries of the Santa Barbara Channel Ecological Preserve and Buffer Zone, as defined by the Department of the Interior, Bureau of Land Management Public Land Order numbered 4587 (vol. 34, page 5655 Federal Register March 26, 1969). This section shall not affect the authority of the Secretary of the Interior to approve any plan, or to grant any license, or permit, which is restricted to scientific exploration or other scientific activities, or other preleasing activities necessary up to the point of sale.

SEC. 112. No funds provided in this title may be used to detail any employee to an organization unless such detail is in accordance with Office of Personnel Management regulations.

SEC. 113. Notwithstanding the provisions of Public Law 98-8, the deadline for outlaying Federal funds provided in that Act under the headings "Repairing and Restoring Parks and Recreational Facilities," "Historic Preservation Fund," and "Land and Water Conservation Fund" is extended to March 1, 1985.

TITLE II—RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST RESEARCH

For necessary expenses of forest research as authorized by law, $123,433,000, of which $8,000,000 shall remain available until expended for competitive research grants, as authorized by section 5 of Public Law 95-307.

STATE AND PRIVATE FORESTRY

For necessary expenses of cooperating with, and providing technical and financial assistance to States, Territories, possessions, and others; and for forest pest management activities, $59,505,000, to remain available for obligation until expended, to carry out activities authorized in Public Law 95-313: Provided, That a grant of $3,000,000 shall be made to the State of Minnesota for the purposes authorized by section 6 of Public Law 95-495: Provided further, That not less than $35,000 in pest suppression funds shall be provided for suppression of oak wilt in the State of Texas: Provided further, That $325,000 shall be made available to the Disabled Veterans Recreation, Inc. for construction of and other improvements to the Disabled Veterans Wilderness Retreat in Ely, Minnesota, for purposes authorized by section 18(d) of Public Law 95-495.

NATIONAL FOREST SYSTEM

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, and for liquidation of obligations incurred in the preceding fiscal year for forest fire protection and emergency rehabilitation, including administrative expenses associated with the management of funds provided under the heads "Forest Research", "State and Private Forestry", "National Forest System", "Construction", and "Land Acquisition", and not less than $3,300,000 for high priority projects within the scope of the approved budget which shall be carried out by Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408, $1,067,020,000 of which $151,095,000, for reforestation and timber stand improvement, cooperative law enforcement, and maintenance of forest development roads and trails shall remain available for obligation until September 30, 1986.

CONSTRUCTION

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Forest Service, not otherwise provided for, for construc-

tion, $268,635,000, of which $226,290,000 shall be derived by transfer from the unused funds for timber purchaser road credits previously appropriated under the heading "Forest Roads" in Public Law 94-373, Public Law 95-74, and Public Law 95-465 and under the heading "Construction and Land Acquisition" in Public Law 96-196 and Public Law 96-514, to remain available until expended, of which $26,922,000 is for construction and acquisition of buildings and other facilities; and $241,713,000 is for construction of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532-538 and 23 U.S.C. 101 and 205: Provided, That funds becoming available in fiscal year 1985 under the Act of March 4, 1913 (16 U.S.C. 501), shall be transferred to the General Fund of the Treasury of the United States: Provided further, That no more than $196,226,000, to remain available without fiscal year limitation, shall be obligated for the construction of forest roads by timber purchasers.

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, $44,493,000, to be derived from the Land and Water Conservation Fund, to remain available until expended: Provided, That $2,000,000 shall be available for the acquisition of oil, gas, and other mineral interests in the Allegheny National Forest: Provided further, That such funds shall be available for obligation only to the extent that the Secretary of Agriculture deems necessary to carry out the purposes of the Pennsylvania Wilderness Act of 1984.

ACQUISITION OF LANDS FOR NATIONAL FORESTS, SPECIAL ACTS

For acquisition of land within the exterior boundaries of the Cache, Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, and Cleveland National Forests, California, as authorized by law, $782,000, to be derived from forest receipts.

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

For acquisition of lands in accordance with the Act of December 4, 1967 (16 U.S.C. 484a), all funds deposited by public school authorities pursuant to that Act, to remain available until expended.

RANGE BETTERMENT FUND

For necessary expenses of range rehabilitation, protection, and improvement in accordance with section 401(b)(1), of the Act of October 21, 1976, Public Law 94-579, as amended, 50 per centum of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the sixteen Western States, to remain available until expended.

MISCELLANEOUS TRUST FUNDS

For expenses authorized by 16 U.S.C. 1643(b), $90,000, to remain available until expended, to be derived from the fund established pursuant to 16 U.S.C. 1643(b).

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Appropriations to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed 179 passenger motor vehicles of which 8 will be used primarily for law enforcement purposes and of which 163 shall be for replacement only, acquisition of 184 passenger motor vehicles from excess sources, and hire of such vehicles; operation and maintenance of aircraft, the purchase of not to exceed 4 for replacement only, and acquisition of 45 aircraft from excess sources; (b) services pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $100,000 for employment under 5 U.S.C. 3109; (c) uniform allowances for each uniformed employee of the United States Forest Service, not in excess of $400 annually; (d) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (e) acquisition of land, waters, and interests therein, pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); and (f) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, 558a note).

None of the funds made available under this Act shall be obligated or expended to adjust annual recreational residence fees to an amount greater than that annual fee in effect at the time of the next to last fee adjustment, plus 50 per centum. In those cases where the currently applicable annual recreational residence fee exceeds that adjusted amount, the Forest Service shall credit to the permittee that excess amount, times the number of years that that fee has been in effect, to offset future fees owed to the Forest Service.

Current permit holders who acquired their recreational residence permit after the next to last fee adjustment shall have their annual permit fee computed as if they had their permit prior to the next to last fee adjustment, except that no permittee shall receive an unearned credit.

None of the funds made available under this Act shall be obligated or expended to change the boundaries of any region, to abolish any region, to move or close any regional office for research, State and private forestry, or National Forest System administration of the Forest Service, Department of Agriculture, without the consent of the House and Senate Committees on Appropriations and the Committee on Agriculture, Nutrition, and Forestry in the United States Senate and the Committee on Agriculture in the United States House of Representatives.

Any appropriations or funds available to the Forest Service may be advanced to the National Forest System appropriation for the emergency rehabilitation of burned-over lands under its jurisdiction.

Appropriations and funds available to the Forest Service shall be available to comply with the requirements of section 313(a) of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1323(a)).

The appropriation structure for the Forest Service may not be altered without advance approval of the House and Senate Committees on Appropriations.

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Office of International Cooperation and Development in connection with forest and rangeland research and technical information and assistance in foreign countries.

Funds previously appropriated for timber salvage sales may be recovered from receipts deposited for use by the applicable national forest and credited to the Forest Service Permanent Appropriations to be expended for timber salvage sales from any national forest.

Provisions of section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) shall apply to appropriations available to the Forest Service only to the extent that the proposed transfer is approved by the House and Senate Committees on Appropriations in compliance with the reprograming procedures contained in House Report 97-942.

No funds appropriated to the Forest Service shall be transferred to the Working Capital Fund of the Department of Agriculture without the approval of the Chief of the Forest Service.

Notwithstanding any delegations of authority provided for in the regulations of the Department of Agriculture or in the Forest Service manual, the Chief of the Forest Service shall, personally and without aid of mechanical devices or persons acting on his behalf, execute (1) all deeds conveying federally owned land which exceeds $250,000 in value, (2) all acceptances of options on lands to be acquired which exceed $250,000 in value, (3) all recommendations that condemnation be initiated, (4) all letters accepting donations of land, (5) all decisions on appeals of decisions related to land transactions made by regional foresters, and (6) land related transmittals to the House or Senate Committees on Appropriations, including all proposals for congressional action such as the acquisition of lands in excess of the approved appraised value, condemnation actions, and other items covered in reprogramming guidelines.

Not to exceed $900,000 shall be available from National Forest System appropriations or permanent appropriations for the specific purpose of removing slash and cull logs from the Bull Run, Oregon, watershed to preserve water quality and reduce fire hazards.

DEPARTMENT OF THE TREASURY

ENERGY SECURITY RESERVE

(RESCISSION)

Of the funds appropriated to the Energy Security Reserve by the Department of the Interior and Related Agencies Appropriations Act, 1980 (Public Law 96-126) and subsequently made available to carry out Title I, Part B of the Energy Security Act (Public Law 96-294) by Public Laws 96-304 and 96-514, $5,375,000,000 are rescinded: Provided, That of the remaining funds in the Energy Security Reserve for carrying out Title I, Part B of the Energy Security Act, the amount of $5,700,000,000 shall be initially available only for obligation to projects with Letters of Intent authorized by the Board of Directors of the United States Synthetic Fuels Corporation on or before June 1, 1984; and, if by reason of Board determinations that the Corporation will not enter into financial assistance contracts with projects for which such Letters were authorized, or that lesser amounts of financial assistance than those specified in such authorizations shall be awarded, there remains a balance of such amount which is unobligated and uncommitted, 50 percent of said balance shall cease to be available for obligation and the remaining 50 percent of said balance shall thereafter be available for commitment or obligation by the Corporation pursuant to the Energy Security Act: Provided further, That until such time as the comprehensive strategy is approved pursuant to section 126(c) of the Energy Security Act, the Board of Directors shall solicit proposals and award financial assistance pursuant to applicable sections of the Energy Security Act without regard to the national synthetic fuel production goal established under section 125 of the Act: Provided further, That of the $5,375,000,000 rescinded from the Energy Security Reserve,

$750,000,000 shall be deposited and retained in a separate account hereby established in the Treasury of the United States, entitled the "Clean Coal Technology Reserve," which account and the appropriations therefor, shall be available for the purpose of conducting cost-shared clean coal technology projects for the construction and operation of facilities to demonstrate the feasibility for future commercial application of such technology, including those identified in section 320 of the fiscal year 1985 Department of the Interior and Related Agencies Appropriations Act, as reported by the Senate Committee on Appropriations (H.R. 5973, Senate Report 98-578), without fiscal year limitation, subject to subsequent annual appropriation in the Department of the Interior and Related Agencies Appropriations Act.

Section 117 of the United States Synthetic Fuels Corporation Act of 1980 is amended by adding at the end thereof the following new subsection:

"(f) Subject to section 118, Directors, officers, and employees of the Corporation shall be subject to the same standards of ethical conduct and financial reporting as are set forth in Executive Order 11222. The Chairman shall promptly implement such standards.".

(b) Section 168 of the United States Synthetic Fuels Corporation Act of 1980 is amended by—

(1) Redesignating section 168 as subsection 168(a); and

(2) Inserting at the end thereof the following new subsection:

"(b) An aggreived person may bring action in the district courts of the United States to enforce, and secure compliance with, the policies and guidelines of the Corporation implementing the requirements of subsections 121(a) and (b) for public disclosure of information and the requirements of subsection 116(f) for meetings of the Board of Directors to be open to the public and preceded by reasonable public notice.".

DEPARTMENT OF ENERGY

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses in carrying out fossil energy research and development activities, under the authority of the Department of Energy Organization Act (Public Law 95-91), including the acquisition of interest, including defeasible and equitable interests in any real property or any facility or for plant or facility acquisition or expansion, $280,558,000, to remain available until expended, and $39,196,000 to be derived by transfer from unobligated balances in the "fossil energy construction" account, $5,800,000 to be derived by transfer from the account in Public Law 96-126 (93 Stat. 970 (1979)) entitled "Alternative Fuels Production", $2,500,000 to be derived by transfer from unobligated prior year balances in the energy production, demonstration, and distribution account, and $3,000,000 is to be derived by transfer from amounts derived from fees for guarantees of obligations collected pursuant to section 19 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended (42 U.S.C. 5919), and deposited in the Energy Security Reserve established by Public Law 96-126: Provided, That no part of the sum herein made available shall be used for the field testing of nuclear explosives in the recovery of oil and gas: Provided further, That $7,500,000 of the sum provided under this heading shall be available for demonstration of the Kilngas coal gasification process, with the provision that the United States Treasury shall be repaid up to double the total Federal expenditure for such process from proceeds to the participants from the commercial sale, lease, manufacture, or use of such process.

NAVAL PETROLEUM AND OIL SHALE RESERVES

For necessary expenses in carrying out naval petroleum and oil shale reserves activities, including the purchase of not to exceed 2 passenger motor vehicles, $160,076,000 to remain available until expended.

ENERGY CONSERVATION

For necessary expenses in carrying out energy conservation activities, $467,969,000 to remain available until expended: Provided, That for the base State Energy Conservation Program (part D of the Energy Policy and Conservation Act, sections 361 through 366), each State will hereafter match in cash or in kind not less than 20 percent of the Federal contribution: Provided further, That these funds may be used for grants to the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau under part D of title III of the Energy Policy and Conservation Act (relating to primary and supplemental State energy conservation programs, 42 U.S.C. 6321-6327) and under the National Energy Extension Service Act (42 U.S.C. 7001-7011): Provided further, That pursuant to section 111(b)(1)(B) of the Energy Reorganization Act of 1974, as amended, 42 U.S.C. 5821(b)(1)(B), of the amount appropriated under this head, $16,000,000 shall be available for a grant for basic industry research facilities located at Northwestern University without section 111(b)(2) of such Act being applicable.

ECONOMIC REGULATION

For necessary expenses in carrying out the activities of the Economic Regulatory Administration and the Office of Hearings and Appeals, $25,247,000.

EMERGENCY PREPAREDNESS

For necessary expenses in carrying out emergency preparedness activities, $6,220,000.

SPR PETROLEUM ACCOUNT

The aggregate amount that may be obligated under section 167 of the Energy Policy and Conservation Act of 1975 (Public Law 94-163), as amended by the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35), for the acquisition and transportation of petroleum, and for other necessary expenses, is $2,049,550,000, in addition to authority provided in fiscal years 1982, 1983, and 1984, to remain available until expended: Provided, That the minimum required fill rate during fiscal year 1985 shall be not less than 159,000 barrels per day.

ENERGY INFORMATION ADMINISTRATION

For necessary expenses in carrying out the activities of the Energy Information Administration, $61,657,000.

ADMINISTRATIVE PROVISIONS, DEPARTMENT OF ENERGY

Appropriations under this Act for the current fiscal year shall be available for hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase, repair, and cleaning of uniforms; and reimbursement to the General Services Administration for security guard services.

From this appropriation, transfers of sums may be made to other agencies of the Government for the performance of work for which the appropriation is made.

None of the funds made available to the Department of Energy under this Act shall be used to implement or finance authorized price support or loan guarantee programs unless specific provision is made for such programs in an appropriations Act.

The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, private, or foreign: Provided, That (1) revenues received from the sale of any products produced in facilities other than demonstration plants operated as part of Department of Energy programs appropriated under this Act shall be covered into the Treasury as miscellaneous receipts; and (2) revenues and other moneys received by or for the account of the Department of Energy or otherwise generated by sale of products in connection with demonstration plant projects of the Department appropriated under this Act may be retained by the Secretary of Energy, to be available until expended, and used only for plant construction, operation, costs, and payments to cost-sharing entities as provided in appropriate cost-sharing contracts or agreements: Provided further, That the remainder of revenues after the making of such payments shall be covered into the Treasury as miscellaneous receipts: Provided further, That any contract, agreement or provision thereof entered into by the Secretary pursuant to this authority shall be submitted to the Senate Committee on Appropriations and the House Committee on Appropriations and a period of thirty days shall elapse while Congress is in session (in computing the thirty days, there shall be excluded the days on which either the Senate or the House is not in session because of adjournment for more than three days) before the contract, agreement or provision thereof shall become effective, except that such committees, after having received the proposed contract, agreement or provision thereof, may, by separate resolutions in writing, waive the condition of all or any portion of such thirty-day period.

Where the Secretary has the legal authority under other provisions of law, including other provisions of this Act, to undertake projects for the design, construction, or operation of Government-owned facilities for developing or demonstrating the conversion of coal into gaseous, liquid, or solid hydrocarbon products, the Secretary may use the authority contained in Public Law 85-804 (50 U.S.C. 1431-1435), with respect to such contracts or agreements for or related to such projects: Provided, That any contract, agreement, or provision thereof entered into by the Secretary using the authority of Public Law 85-804 shall be submitted to the Senate Committee on Appropriations and the House Committee on Appropriations and a period of thirty days shall elapse while Congress is in session (in computing the thirty days, there shall be excluded the days on which either the Senate or the House is not in session because of adjournment for more than three days) before the contract, agreement or provision thereof shall become effective, except that such committees, after having received the proposed contract, agreement or provision thereof, may, by separate resolutions in writing, waive the condition of all or any portion of such thirty-day period. The notification required herein shall be in lieu of the notification requirements of Public Law 85-804.

The Secretary of Energy may transfer to the Emergency Preparedness appropriation

such funds as are necessary to meet any unforeseen needs from any funds available to the Department of Energy from this Act.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH SERVICES ADMINISTRATION

INDIAN HEALTH SERVICES

For expenses necessary to carry out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination Act, the Indian Health Care Improvement Act, and titles III and V and section 338G of the Public Health Service Act with respect to the Indian Health Service, including hire of passenger motor vehicles and aircraft; purchase of reprints; purchase and erection of portable buildings; payments for telephone service in private residences in the field, when authorized under regulations approved by the Secretary, $809,927,000: Provided, That funds made available to tribes and tribal organizations through grants and contracts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203; 25 U.S.C. 450), shall remain available until September 30, 1986. Funds provided in this Act may be used for one-year contracts and grants which are to be performed in two fiscal years, so long as the total obligation is recorded in the year for which the funds are appropriated: Provided further, That the amounts collected by the Secretary of Health and Human Services under the authority of title IV of the Indian Health Care Improvement Act shall be available until September 30, 1986, for the purpose of achieving compliance with the applicable conditions and requirements of titles XVIII and XIX of the Social Security Act (exclusive of planning, design, construction of new facilities, or major renovation of existing Indian Health Service facilities): Provided further, That funding contained herein, and in any earlier appropriations Act, for scholarship programs under section 103 of the Indian Health Care Improvement Act and section 757 of the Public Health Service Act shall remain available for expenditure until September 30, 1986.

INDIAN HEALTH FACILITIES

For construction, major repair, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites, purchase and erection of portable buildings, purchases of trailers and for provision of domestic and community sanitation facilities for Indians, as authorized by section 7 of the Act of August 5, 1954 (42 U.S.C. 2004a), the Indian Self-Determination Act and the Indian Health Care Improvement Act, $62,892,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS, HEALTH SERVICES ADMINISTRATION

Appropriations in this Act to the Health Services Administration, available for salaries and expenses, shall be available for services as authorized by 5 U.S.C. 3109 but at rates not to exceed the per diem equivalent to the rate for GS-18, and for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902), and for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities: Provided, That none of the funds appropriated under this Act to the Indian Health Service shall be available for the initial lease of permanent structures without advance provision therefor in appropriations Acts: Provided further, That non-Indian patients may be extended health care at all Indian Health Service facilities, if such care can be extended without impairing the ability of the Indian Health Service to fulfill its responsibility to provide health care to Indians served by such facilities and subject to such reasonable charges as the Secretary of Health and Human Services shall prescribe, the proceeds of which shall be deposited in the fund established by sections 401 and 402 of the Indian Health Care Improvement Act: Provided further, That funds appropriated to the Indian Health Service in this Act, except those used for administrative and program direction purposes, shall not be subject to limitations directed at curtailing Federal travel and transportation: Provided further, That with the exception of service units which currently have a billing policy, the Indian Health Service shall not initiate any further action to bill Indians in order to collect from third-party payers nor to charge those Indians who may have the economic means to pay unless and until such time as Congress has agreed upon a specific policy to do so and has directed the IHS to implement such a policy: Provided further, That hereafter the Indian Health Service may seek subrogation of claims including but not limited to auto accident claims, including no-fault claims, personal injury, disease, or disability claims, and workman's compensation claims except as otherwise limited by the fourth proviso of this section: Provided further, That hereafter, notwithstanding any other law, an Indian tribe may acquire and expend funds, other than funds appropriated to the Service, for major renovation and modernization, including planning and design for such renovation and modernization of Service facilities, including facilities operated pursuant to contract under the Indian Self-Determination and Education Assistance Act (Public Law 93-638) subject to the following conditions:

(1) the implementation of such project shall not require or obligate the Service to provide any additional staff or equipment;

(2) the project shall be subject to the approval of the Area Director of the Service area office involved;

(3) the tribe shall have full authority to administer the project, but shall do so in accordance with applicable rules and regulations of the Secretary governing construction or renovation of Service health facilities; and

(4) no project of renovation or modernization shall be authorized herein if it would require the diversion of Service funds from meeting the needs of projects having a higher priority on the current health facilities priority system.

DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

INDIAN EDUCATION

For carrying out, to the extent not otherwise provided, Part A ($51,350,000) and Parts B and C ($15,000,000) of the Indian Education Act, and the General Education Provisions Act, $68,780,000.

OTHER RELATED AGENCIES

NAVAJO AND HOPI INDIAN RELOCATION COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Navajo and Hopi Indian Relocation Commission as authorized by Public Law 93-531, $20,736,000, to remain available until expended, for operating expenses of the Commission: Provided, That July 7, 1985, is hereby established as the deadline for receipt of applications for voluntary relocation.

SMITHSONIAN INSTITUTION

SALARIES AND EXPENSES

For necessary expenses of the Smithsonian Institution, including research in the fields of art, science, and history; development, preservation, and documentation of the National Collections; presentation of public exhibits and performances; collection, preparation, dissemination, and exchange of information and publications; conduct of education, training, and museum assistance programs; maintenance, alteration, operation, lease (for terms not to exceed ten years), and protection of buildings, facilities, and approaches; not to exceed $100,000 for services as authorized by 5 U.S.C. 3109; up to 5 replacement passenger vehicles; purchase, rental, repair, and cleaning of uniforms for employees; $165,730,000 including not less than $789,000 to carry out the provisions of the National Museum Act, $350,000 to be made available to the trustees of the John F. Kennedy Center for the Performing Arts for payment to the National Symphony Orchestra and $350,000 for payment to the Washington Opera Society for activities related to their responsibilities as resident entities of the Center: Provided, That funds appropriated herein are available for advance payments to independent contractors performing research services or participating in official Smithsonian presentations: Provided further, That none of these funds shall be available to a Smithsonian Research Foundation.

MUSEUM PROGRAMS AND RELATED RESEARCH (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States, for necessary expenses for carrying out museum programs, scientific and cultural research, and related educational activities, as authorized by law, $9,000,000, to remain available until expended and to be available only to United States institutions: Provided, That this appropriation shall be available, in addition to other appropriations to the Smithsonian Institution, for payments in the foregoing currencies: Provided further, That none of these funds shall be available to a Smithsonian Research Foundation: Provided further, That not to exceed $500,000 may be used to make grant awards to employees of the Smithsonian Institution.

CONSTRUCTION AND IMPROVEMENTS, NATIONAL ZOOLOGICAL PARK

For necessary expenses of planning, construction, remodeling, and equipping of buildings and facilities at the National Zoological Park, by contract or otherwise, $4,950,000 to remain available until expended.

RESTORATION AND RENOVATION OF BUILDINGS

For necessary expenses of restoration and renovation of buildings owned or occupied by the Smithsonian Institution, by contract or otherwise, as authorized by section 2 of the Act of August 22, 1949 (63 Stat. 623), including not to exceed $10,000 for services as authorized by 5 U.S.C. 3109, $13,750,000, to remain available until expended: Provided, That contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the Smithsonian Institution may be negotiated with selected contractors and awarded on

the basis of contractor qualifications as well as price: Provided further, That notwithstanding any other provisions of law, the Secretary of the Smithsonian Institution is authorized to transfer to the county of Santa Cruz, Arizona, a sum not to exceed $100,000 within available funds for the sole purpose of assisting in the funding of the construction of a permanent access to the Whipple Observatory near Amado, Arizona.

NATIONAL GALLERY OF ART, SALARIES AND EXPENSES

For the upkeep and operations of the National Gallery of Art, the protection and care of the works of art therein, and administrative expenses incident thereto, as authorized by the Act of March 24, 1937 (50 Stat. 51), as amended by the public resolution of April 13, 1939 (Public Resolution 9, Seventy-sixth Congress), including services as authorized by 5 U.S.C. 3109; payment in advance when authorized by the treasurer of the Gallery for membership in library, museum, and art associations or societies whose publications or services are available to members only, or to members at a price lower than to the general public; purchase, repair, and cleaning of uniforms for guards, and uniforms, or allowances therefor, for other employees as authorized by law (5 U.S.C. 5901-5902); purchase, or rental of devices and services for protecting buildings and contents thereof, and maintenance, alteration, improvement, and repair of buildings, approaches, and grounds; and purchase of services for restoration and repair of works of art for the National Gallery of Art by contracts made, without advertising, with individuals, firms, or organizations at such rates or prices and under such terms and conditions as the Gallery may deem proper, $36,821,000, of which $3,200,000 for the repair, renovation, and restoration program of the original West Building shall remain available until expended and of which $3,992,000 for the special exhibition program (of which $2,000,000 is for the Treasure Houses of Britain exhibition) shall remain available until expended: Provided, That contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the National Gallery of Art may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS, SALARIES AND EXPENSES

For expenses necessary in carrying out the provisions of the Woodrow Wilson Memorial Act of 1968 (82 Stat. 1356), including hire of passenger vehicles and services as authorized by 5 U.S.C. 3109, $2,712,000.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and Humanities Act of 1965, as amended, $137,000,000 of which $121,100,000 shall be available to the National Endowment for the Arts for the support of projects and productions in the arts through assistance to groups and individuals pursuant to section 5(c) of the Act, of which not less than 20 per centum of the funds provided for section 5(c) shall be available for assistance pursuant to section 5(g) of the Act, and $15,900,000 shall be available for administering the functions of the Act.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, $30,000,000 to remain available until September 30, 1986, to the National Endowment for the Arts, of which $21,000,000 shall be available for purposes of section 5(1): Provided, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of section 10(a)(2), subsections 11(a)(2)(A) and 11(a)(3)(A) during the current and preceding fiscal year for which equal amounts have not previously been appropriated.

NATIONAL ENDOWMENT FOR THE HUMANITIES

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, $111,325,000 of which $97,150,000 shall be available to the National Endowment for the Humanities for support of activities in the humanities, pursuant to section 7(c) of the Act, of which not less than 20 per centum shall be available for assistance pursuant to section 7(f) of the Act, and $14,175,000 shall be available for administering the functions of the Act.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, $31,000,000, to remain available until September 30, 1986, of which $20,000,000 shall be available to the National Endowment for the Humanities for the purposes of section 7(h): Provided, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of subsections 11(a)(2)(B) and 11(a)(3)(B) during the current and preceding fiscal years, for which equal amounts have not previously been appropriated.

INSTITUTE OF MUSEUM SERVICES

GRANTS AND ADMINISTRATION

For carrying out title II of the Arts, Humanities, and Cultural Affairs Act of 1976, as amended, $22,000,000: Provided, That none of these funds shall be available for the compensation of Executive Level V or higher positions.

ADMINISTRATIVE PROVISIONS

None of the funds appropriated to the National Foundation on the Arts and the Humanities may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: Provided, That none of the funds appropriated to the National Foundation on the Arts and the Humanities may be used for official reception and representation expenses.

COMMISSION OF FINE ARTS

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing a Commission of Fine Arts (40 U.S.C. 104), $380,000.

ADVISORY COUNCIL ON HISTORIC PRESERVATION

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing an Advisory Council on Historic Preservation, Public Law 89-665, as amended, $1,578,000: Provided, That none of these funds shall be available for the compensation of Executive Level V or higher positions.

NATIONAL CAPITAL PLANNING COMMISSION

SALARIES AND EXPENSES

For necessary expenses, as authorized by the National Capital Planning Act of 1952 (40 U.S.C. 71-71i), including services as authorized by 5 U.S.C. 3109; and uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902), $2,725,000.

FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Franklin Delano Roosevelt Memorial Commission, established by the Act of August 11, 1955 (69 Stat. 694), as amended by Public Law 92-332 (86 Stat. 401), $21,000 to remain available for obligation until September 30, 1986.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

SALARIES AND EXPENSES

For necessary expenses, as authorized by section 17(a) of Public Law 92-578, as amended, $2,300,000 for operating and administrative expenses of the Corporation.

PUBLIC DEVELOPMENT

For public development activities and projects in accordance with the development plan as authorized by section 17(b) of Public Law 92-578, as amended, $4,500,000 to remain available for obligation until expended.

FEDERAL INSPECTOR FOR THE ALASKA GAS PIPELINE

PERMITTING AND ENFORCEMENT

For necessary expenses of the Federal Inspector for the Alaska Gas Pipeline, $1,430,000, of which not to exceed $1,000 may be used for official reception and representation expenses.

UNITED STATES HOLOCAUST MEMORIAL COUNCIL

HOLOCAUST MEMORIAL COUNCIL

For expenses of the Holocaust Memorial Council, as authorized by Public Law 96-388, $2,031,000.

TITLE III—GENERAL PROVISIONS

SEC. 301. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 302. No part of any appropriation under this Act shall be available to the Secretaries of the Interior and Agriculture for use for any sale hereafter made of unprocessed timber from Federal lands west of the 100th meridian in the contiguous 48 States which will be exported from the United States, or which will be used as a substitute for timber from private lands which is exported by the purchaser: Provided, That this limitation shall not apply to specific quantities of grades and species of timber which said Secretaries determine are surplus to domestic lumber and plywood manufacturing needs.

SEC. 303. No part of any appropriation under this Act shall be available to the Secretary of the Interior or the Secretary of Agriculture for the leasing of oil and natural gas by noncompetitive bidding on publicly owned lands within the boundaries of the

Shawnee National Forest, Illinois: Provided, That nothing herein is intended to inhibit or otherwise affect the sale, lease, or right to access to minerals owned by private individuals.

SEC. 304. No part of any appropriation contained in this Act shall be available for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which congressional action is not complete.

SEC. 305. No funds appropriated by this Act shall be available for the implementation or enforcement of any rule or regulation of the United States Fish and Wildlife Service, Department of the Interior, requiring the use of steel shot in connection with the hunting of waterfowl in any State of the United States unless the appropriate State regulatory authority approves such implementation and enforcement.

SEC. 306. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 307. None of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 308. Except for lands described by sections 105 and 106 of Public Law 96-560, section 103 of Public Law 96-550, section 5(d)(1) of Public Law 96-312, and except for land in the State of Alaska, and lands in the national forest system released to management for any use the Secretary of Agriculture deems appropriate through the land management planning process by any statement or other Act of Congress designating components of the National Wilderness Preservation System now in effect or hereinafter enacted, and except to carry out the obligations and responsibilities of the Secretary of the Interior under section 17(k)(1)(A) and (B) of the Mineral Leasing Act of 1920 (30 U.S.C. 226), none of the funds provided in this Act shall be obligated for any aspect of the processing or issuance of permits or leases pertaining to exploration for or development of coal, oil, gas, oil shale, phosphate, potassium, sulphur, gilsonite, or geothermal resources on Federal lands within any component of the National Wilderness Preservation System or within any Forest Service RARE II areas recommended for wilderness designation or allocated to further planning in Executive Communication 1504, Ninety-sixth Congress (House Document numbered 96-119); or within any lands designated by Congress as wilderness study areas or within Bureau of Land Management wilderness study areas: Provided, That nothing in this section shall prohibit the expenditure of funds for any aspect of the processing or issuance of permits pertaining to exploration for or development of the mineral resources described in this section, within any component of the National Wilderness Preservation System now in effect or hereinafter enacted, any Forest Service RARE II areas recommended for wilderness designation or allocated to further planning, within any lands designated by Congress as wilderness study areas, or Bureau of Land Management wilderness study areas, under valid existing rights, or leases validly issued in accordance with all applicable Federal, State, and local laws or valid mineral rights in existence prior to October 1, 1982: Provided further, That funds provided in this Act may be used by the Secretary of Agriculture in any area of National Forest lands or the Secretary of the Interior to issue under their existing authority in any area of National Forest or public lands withdrawn pursuant to this Act such permits as may be necessary to conduct prospecting, seismic surveys, and core sampling conducted by helicopter or other means not requiring construction of roads or improvement of existing roads or ways, for the purpose of gathering information about and inventorying energy, mineral, and other resource values of such area, if such activity is carried out in a manner compatible with the preservation of the wilderness environment: Provided further, That seismic activities involving the use of explosives shall not be permitted in designated wilderness areas: Provided further, That funds provided in this Act may be used by the Secretary of the Interior to augment recurring surveys of the mineral values of wilderness areas pursuant to section 4(d)(2) of the Wilderness Act and acquire information on other national forest and public land areas withdrawn pursuant to this Act, by conducting, in conjunction with the Secretary of Energy, the national laboratories, or other Federal agencies, as appropriate, such mineral inventories of areas withdrawn pursuant to this Act as he deems appropriate. These inventories shall be conducted in a manner compatible with the preservation of the wilderness environment through the use of methods including core sampling conducted by helicopter; geophysical techniques such as induced polarization, synthetic aperture radar, magnetic and gravity surveys; geochemical techniques including stream sediment reconnaissance and X-ray diffraction analysis; land satellites; or any other methods he deems appropriate. The Secretary of the Interior is hereby authorized to conduct inventories or segments of inventories, such as data analysis activities, by contract with private entities deemed by him to be qualified to engage in such activities whenever he has determined that such contracts would decrease Federal expenditures and would produce comparable or superior results: Provided further, That in carrying out any such inventory or surveys, where National Forest System lands are involved, the Secretary of the Interior shall consult with the Secretary of Agriculture concerning any activities affecting surface resources: Provided further, That funds provided in this Act may be used by the Secretary of the Interior to issue oil and gas leases for the subsurface of any lands designated by Congress as wilderness study areas, that are immediately adjacent to producing oil and gas fields or areas that are prospectively valuable. Such leases shall allow no surface occupancy and may be entered only by directional drilling from outside the wilderness study area or other nonsurface disturbing methods.

SEC. 309. None of the funds provided in this Act shall be used to evaluate, consider, process, or award oil, gas, or geothermal leases on Federal lands in the Mount Baker-Snoqualmie National Forest, State of Washington, within the hydrographic boundaries of the Cedar River municipal watershed upstream of river mile 21.6, the Green River municipal watershed upstream of river mile 61.0, the North Fork of the Tolt River proposed municipal watershed upstream of river mile 11.7, and the South Fork Tolt River municipal watershed upstream of river mile 8.4.

SEC. 310. No assessments may be levied against any program, budget activity, subactivity, or project funded by this Act unless such assessments and this basis therefor are presented to the Committees on Appropriations and are approved by such committees.

SEC. 311. Employment funded by this Act shall not be subject to any personnel ceiling or other personnel restriction for permanent or other than permanent employment except as provided by law.

SEC. 312. Funds provided for land acquisition in this Act may not be used to acquire lands for more than the approved appraised value (as addressed in section 301(3) of Public Law 91-646) except for condemnations and declarations of taking, without the written approval of the Committees on Appropriations.

SEC. 313. Notwithstanding any other provisions of law, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Energy, and the Secretary of the Smithsonian Institution, are authorized to enter into contracts with State and local governmental entities, including local fire districts, for procurement of services in the presuppression, detection, and suppression of fires on any units within their jurisdiction. In addition, any contracts or agreements with the jurisdiction for fire management services listed above which are previously executed shall remain valid.

SEC. 314. None of the funds provided by this Act to the United States Fish and Wildlife Service may be obligated or expended to plan for, conduct, or supervise deer hunting on the Loxahatchee National Wildlife Refuge.

SEC. 315. Funds available to the Department of the Interior and the Forest Service in fiscal year 1985 for the purpose of contracting for services that require the utilization of privately owned aircraft for the carriage of cargo or freight shall be used only to contract for aircraft that are certified as air-worthy by the Administrator of the Federal Aviation Administration as standard category aircraft under 14 CFR 21.183 unless the Secretary of the contracting department determines that such aircraft are not reasonably available to conduct such services.

SEC. 316. None of the funds provided in this Act may be used for the augmentation of grizzly bear populations in currently occupied areas of Forest Service grizzly bear habitat or the preparation of specific augmentation proposals to establish new grizzly bear populations in areas identified as suitable grizzly bear habitat in any unit of the National Park System or National Forest System unless the appropriate General Management Plan or Forest Plan provides for such augmentation and has been adopted, including having been available for public comment and review: Provided, That such activities may be conducted only with funds specifically justified for such purpose in an agency budget justification and subsequently approved in a report accompanying an appropriation bill making appropriations for that agency, or with funds provided for through reprogramming procedures: Provided further, That this is not intended to prohibit the emergency relocation of nuisance bears into currently occupied areas of congressionally designated wilderness areas within Forest Service boundaries, or into other currently occupied situation one areas where conflict between bears and humans is not likely to occur: Provided further, That the Secretaries of Interior and Agriculture shall provide for a public meeting at each affected National Forest and National Park Headquarters and the subsequent publication of the "Guidelines for Management In-

volving Grizzly Bears in the Greater Yellowstone Area" in the Federal Register, reflecting the public comments: Provided further, That notwithstanding any other provision of law, agencies included in this Act are authorized to reimburse permittees for such reasonable expenses as may be incurred as a result of moving permitted animals from one location to another, as may be required by the permitting agency, in order to prevent harassment and attacks by grizzly bears. Such expenses are to be determined by the agency responsible for the permitted action.

SEC. 317. The Administrator of the General Services Administration shall transfer to the Secretary of the Interior, without reimbursement, for inclusion in the War in the Pacific National Historical Park the following parcels of land:

(1) Agat Bay, parcel 2, United States Naval Station, Guam (GSA control number 9-N-GU-426); and

(2) GLUP: Nimitz Hill, parcel 3, Nimitz Hill Annex Area "C", Municipality of Asan, Guam (GSA control number 9-N-GU-415).

SEC. 318. The Secretary of the Interior shall quantify, in cooperation with the Secretary of Agriculture and the Governor of North Dakota, and consistent with an agreement to be negotiated between the Secretary of the Interior and the Governor of North Dakota, the number of wetland acres, including a description by quarter section, subject to waterfowl production area easements in each county; and the Secretary and the Governor shall develop a plan for the purchase of additional easement acres previously authorized by the Governor.

SEC. 319. The primary term of any geothermal lease in effect as of July 27, 1984, issued pursuant to the Geothermal Act of 1970 (Public Law 91-581, 84 Stat. 1566, 30 U.S.C. 1001-1025) is hereby extended to December 31, 1986, if the Secretary of the Interior finds that—

(a) a bona fide sale of the geothermal resource, from a well capable of production, for delivery to or utilization by a facility or facilities, has not been completed (1) due to administrative delays by government entities, beyond the control of the lessee, or (2) such sale would be uneconomic;

(b) substantial investment in the development of or for the benefit of the lease has been made; and

(c) the lease would otherwise expire prior to December 31, 1986.

Notwithstanding any other provision of law, the Secretary shall not issue any geothermal lease pursuant to the Geothermal Steam Act of 1970 (Public Law 91-581, as amended) in the Island Park Known as Geothermal Resource Area adjacent to Yellowstone National Park.

SEC. 320. Notwithstanding title 5 of the United States Code or any other provision of law, after September 30, 1984, rents and charges collected by payroll deduction or otherwise for the use or occupancy of quarters of agencies funded by this Act shall thereafter be deposited in a special fund in each agency, to remain available until expended, for the maintenance and operation of the quarters of that agency: Provided, That for the fiscal year ending September 30, 1985, and each fiscal year thereafter, such amounts as may be collected may be expended in the agency unit or subunit (e.g. Park, refuge, hatchery, Forest, Agency office, School, Service unit, hospital, clinic, etc.) where the funds are collected: Provided further, That up to 10 per centum of funds collected in such unit may be transferred to another unit within the same agency.

SEC. 321. The Secretary of Energy pursuant to the Federal Nonnuclear Energy Research and Development Act of 1974 (Public Law 93-577), shall—

(1) no later than sixty days after the date of the enactment of this Act, publish in the Federal Register a notice soliciting statements of interest in, and proposals for projects employing emerging clean coal technologies, which statements and proposals are to be submitted to the Secretary within ninety days after the publication of such notice; and

(2) no later than April 15, 1985, submit to Congress a report that analyzes the information contained in such statements of interest and proposals, assesses the potential usefulness of each emerging clean coal technology for which a statement of interest or proposal has been received, and identifies the extent to which Federal incentives, including financial assistance, will accelerate the commercial availability of these technologies.

SEC. 322. Section 5542(b)(2)(B)(iv) of title 5, United States Code, is amended by inserting immediately before the period at the end thereof a comma and the following: "including travel by an employee to such an event and the return of such employee from such event to his or her official-duty station".

SEC. 323. It is the sense of the Congress that the Continental Scientific Drilling Program is an important national scientific endeavor, benefiting the commerce of the Nation, which should be vigorously pursued by Government and the private sector. The Continental Scientific Drilling Program is an important national scientific endeavor that is vital to the understanding of the geologic evolution of the Earth and the economic value of its resources; the most effective and efficient means of realizing the fullest potential in the Continental Scientific Drilling Program is through a cooperative effort by the Department of Energy, the National Science Foundation, and the United States Geological Survey; many important commercial and scientific advances may result from the Continental Scientific Drilling Program; and many foreign nations are engaged in a comparable deep drilling program, and cooperation and coordination would be beneficial to United States efforts. It is the sense of the Congress that—

(1) the Continental Scientific Drilling Program is an important national scientific endeavor by the United States which should be enthusiastically implemented through a joint cooperative effort among the United States Department of Energy, the National Science Foundation, and the United States Geological Survey;

(2) the private sector should be encouraged to support the Continental Scientific Drilling Program and the participating agencies should solicit appropriate private sector participation in such program; and

(3) the United States Government should cooperate to the extent practicable with the international community in developing this important scientific and technical activity.

SEC. 324. Notwithstanding any other provision of this Joint Resolution or any other law, section 401(c)(1) of Public Law 95-87 is amended by striking the word "and" after the words "in situ;" and adding the following after the word "subsidence;": "and establishment of self-sustaining, individual State administered programs to insure private property against damages caused by land subsidence resulting from underground coal mining in those States which have reclamation plans approved in accordance with section 503 of this Act: Provided, That funds used for this purpose shall not exceed $3,000,000 of the funds made available to any State under section 402(g)(2) of this Act;".

SEC. 325. None of the funds provided for in this joint resolution or hereafter provided shall be used to lease the mineral interest of the United States with respect to a tract of land in Payne County, Oklahoma, totalling nine hundred sixty acres located on the Indian Base Meridian; township 19 north; range 1 east, section 22 west half; section 26 northwest quarter; section 27 north half, southeast quarter; unless such lease prohibits the surface occupancy of the land for development of those interests.

SEC. 326. The land acquisition and relocation authorized for Centralia, Pennsylvania under Chapter IV of Public Law 98-181 shall not require any matching share of funding from the State of Pennsylvania under Section 407(e) of the "Surface Mining Control and Reclamation Act of 1977".

SEC. 327. Each amount of budget authority provided in this Act, for payments not required by law, is hereby reduced by 2 per centum: Provided, That such reductions shall be applied ratably to each account, program, activity, and project provided for in this Act.

This Act may be cited as the "Department of the Interior and Related Agencies Appropriations Act, 1985".

And the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert the following:

(d) Such amounts as may be necessary for programs, projects, or activities provided for in the Department of Labor, Health and Human Services, and Education, and Related Agencies Appropriation Act, 1985 (H.R. 6028), to the extent and in the manner provided for in the conference report and joint explanatory statement of the Committee of Conference (House Report Numbered 98-1132), filed in the House of Representatives on October 3, 1984, as if such Act has been enacted into law: Provided, That sections 204 and 307 of Public Law 98-139 shall apply to funds appropriated in this subsection: Provided further, That notwithstanding any other provision of this joint resolution, there is appropriated $4,000,000 for the United States Institute of Peace as authorized in the United States Institute of Peace Act.

And the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows:

In lieu of the sum named in said amendment insert: *$3,500,000*; and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows:

In lieu of the sum named in said amendment insert: *$2,500,000*; and the Senate agree to the same.

Amendment numbered 23:

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

"(e) Such amounts as may be necessary for programs, projects or activities provided for in the Military Construction Appropriations Act, 1985, at a rate of operations and to the extent and in the manner provided as follows, to be effective as if it had been enacted into law as the regular appropriation Act:".

AN ACT Making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1985, and for other purposes

MILITARY CONSTRUCTION, ARMY

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Army as currently authorized by law, and for construction and operation of facilities in support of the functions of the Commander-in-Chief, $1,593,137,000, to remain available until September 30, 1989: Provided, That of this amount, not to exceed $153,500,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: Provided further, That none of the funds appropriated by this act may be used for construction of a chemical munitions demilitarization facility at Lexington-Blue Grass Army Depot, Kentucky.

MILITARY CONSTRUCTION, NAVY

For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, facilities, and real property for the Navy as currently authorized by law, including personnel in the Naval Facilities Engineering Command and other personal services necessary for the purposes of this appropriation, $1,534,592,000, to remain available until September 30, 1989: Provided, That of this amount, not to exceed $140,900,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

MILITARY CONSTRUCTION, AIR FORCE

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Air Force as currently authorized by law, $1,572,655,000 to remain available until September 30, 1989: Provided, That of this amount, not to exceed $143,900,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

MILITARY CONSTRUCTION, DEFENSE AGENCIES

For acquisition, construction, installation, and equipment of temporary or permanent public works, installations, facilities, and real property for activities and agencies of the Department of Defense (other than the military departments), as currently authorized by law, $302,198,000 to remain available until September 30, 1989: Provided, That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to such appropriations of the Department of Defense available for military construction as he may designate, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: Provided further, That of the amount appropriated, not to exceed $27,500,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

For the United States share of the cost of multilateral programs for the acquisition or construction of military facilities and installations (including international military headquarters) for the collective defense of the North Atlantic Treaty Area as authorized in military construction Acts and section 2806 of title 10, United States Code, $107,200,000, to remain available until expended.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army National Guard, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $98,603,000, to remain available until September 30, 1989.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air National Guard, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $111,200,000, to remain available until September 30, 1989.

MILITARY CONSTRUCTION, ARMY RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army Reserve as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $69,306,000, to remain available until September 30, 1989.

MILITARY CONSTRUCTION, NAVAL RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the reserve components of the Navy and Marine Corps as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $60,800,000, to remain available until September 30, 1989.

MILITARY CONSTRUCTION, AIR FORCE RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air Force Reserve as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $67,800,000, to remain available until September 30, 1989.

FAMILY HOUSING, ARMY

For expenses of family housing for the Army for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, as follows: for Construction, $143,215,000; for Operation and maintenance, $1,183,300,000; for debt payment, $21,917,000; in all $1,348,432,000: Provided, That the amount provided for construction shall remain available until September 30, 1989.

FAMILY HOUSING, NAVY AND MARINE CORPS

For expenses of family housing for the Navy and Marine Corps for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, as follows: for Construction, $117,027,000; for Operation and maintenance, $538,602,000; for debt payment, $25,446,000; in all $681,075,000: Provided, That the amount provided for construction shall remain available until September 30, 1989.

FAMILY HOUSING, AIR FORCE

For expenses of family housing for the Air Force for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, as follows: for Construction, $181,123,000; for Operation and maintenance, $700,940,000; for debt payment, $29,980,000; in all $912,043,000: Provided, That the amount provided for construction shall remain available until September 30, 1989.

FAMILY HOUSING, DEFENSE AGENCIES

For expenses of family housing for the activities and agencies of the Department of Defense (other than the military departments) for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, leasing, and minor construction, as authorized by law, as follows: for Construction, $707,000; for Operation and maintenance, $16,730,000; in all $17,437,000: Provided, That the amount provided for construction shall remain available until September 30, 1989.

GENERAL PROVISIONS

SEC. 101. Funds appropriated to the Department of Defense for construction in prior years are hereby made available for construction authorized for each such department by the authorizations enacted into law during the second session of the Ninety-eighth Congress.

SEC. 102. None of the funds appropriated in this Act shall be expended for payments under a cost-plus-a-fixed-fee contract for work, where cost estimates exceed $25,000, to be performed within the United States, except Alaska, without the specific approval in writing of the Secretary of Defense setting forth the reasons therefor.

SEC. 103. Funds herein appropriated to the Department of Defense for construction shall be available for hire of passenger motor vehicles.

SEC. 104. Funds appropriated to the Department of Defense for construction may be

used for advances to the Federal Highway Administration, Department of Transportation, for the construction of access roads as authorized by section 210 of title 23, United States Code, when projects authorized therein are certified as important to the national defense by the Secretary of Defense.

SEC. 105. None of the funds appropriated in this Act may be used to begin construction of new bases inside the continental United States for which specific appropriations have not been made.

SEC. 106. No part of the funds provided in this Act shall be used for purchase of land or land easements in excess of 100 per centum of the value as determined by the Corps of Engineers or the Naval Facilities Engineering Command, except: (a) where there is a determination of value by a Federal court, or (b) purchases negotiated by the Attorney General or his designee, or (c) where the estimated value is less than $25,000, or (d) as otherwise determined by the Secretary of Defense to be in the public interest.

SEC. 107. None of the funds appropriated in this Act shall be used to (1) acquire land, (2) provide for site preparation, or (3) install utilities for any family housing, except housing for which funds have been made available in annual military construction appropriation Acts.

SEC. 108. None of the funds appropriated in this Act for minor construction may be used to transfer or relocate any activity from one base or installation to another, without prior notification to the Committees on Appropriations.

SEC. 109. None of the funds appropriated or otherwise made available under this Act shall be obligated or expended in connection with any base realignment or closure activity, until all terms, conditions and requirements of the National Environmental Policy Act have been complied with, with respect to each such activity.

SEC. 110. No part of the funds appropriated in this Act may be used for the procurement of steel for any construction project or activity for which American steel producers, fabricators, and manufacturers have been denied the opportunity to compete for such steel procurement.

SEC. 111. No part of the funds appropriated in this Act for dredging in the Indian Ocean may be used for the performance of the work by foreign contractors: Provided, That the low responsive bid of a United States contractor does not exceed the lowest responsive bid of a foreign contractor by greater than twenty per centum.

SEC. 112. No part of the funds appropriated in this Act may be obligated for construction of any site-specific facilities for the MX missile system until all terms, conditions, and requirements of the National Environmental Policy Act (42 U.S.C. 4332) are met.

SEC. 113. None of the funds available to the Department of Defense for military construction or family housing during the current fiscal year may be used to pay real property taxes in any foreign nation.

SEC. 114. No part of the funds appropriated in this Act may be used to pay the compensation of an officer of the Government of the United States or to reimburse a contractor for the employment of a person for work in the continental United States by any such person if such person is an alien who has not been lawfully admitted to the United States.

SEC. 115. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 116. Notwithstanding any other provision of law, any funds appropriated to a military department or defense agency for the construction of military projects may be obligated for a military construction project or contract, or for any portion of such a project or contract, at any time before the end of the fourth fiscal year after the fiscal year for which funds for such project were appropriated if the funds obligated for such project (1) are obligated from funds available for military construction projects, and (2) do not exceed the amount appropriated for such projects, plus any amount by which the cost of such project is increased pursuant to law.

SEC. 117. None of the funds appropriated in this Act may be obligated or expended in any way for the express purpose of the sale, lease, or rental of any portion of land currently identified as Fort DeRussy, Honolulu, Hawaii.

SEC. 118. None of the funds in this Act may be used to initiate a new installation overseas without prior notification to the Committees on Appropriations.

SEC. 119. None of the funds appropriated in this Act for F-16 beddown projects at Misawa, Japan, may be obligated or expended unless there has been notification to the Committees on Appropriations that the approved Government of Japan budget for fiscal year 1985 includes projects associated with the F-16 beddown as an additive over the level of funding provided in Japanese fiscal year 1984 for the facilities improvement program.

SEC. 120. None of the funds appropriated in this Act may be obligated for contracts estimated by the Government to exceed $10,000,000 for military construction projects to be accomplished in Japan or in any NATO member country if that country has not increased its defense spending by at least 3 per centum in calendar year 1983, as certified by the Secretary of Defense, unless such contracts require that all installed equipment utilized in such projects have been manufactured in the United States.

SEC. 121. None of the funds appropriated in this Act may be obligated for architect and engineer contracts estimated by the Government to exceed $1,000,000 for projects to be accomplished in Japan or in any NATO member country if that country has not increased its defense spending by at least 3 per centum in calendar year 1983, as certified by the Secretary of Defense, unless such contracts are awarded to United States firms or United States firms in joint venture with host nation firms.

SEC. 122. None of the funds appropriated in this Act for military construction in the United States territories and possessions in the Pacific and on Kwajalein Island may be used to award any contract estimated by the Government to exceed $5,000,000 to a foreign contractor: Provided, That this section shall not be applicable to contract awards for which the lowest responsive bid of a United States contractor exceeds the lowest reponsive bid of a foreign contractor by greater than 20 per centum.

SEC. 123. The Secretary of Defense is to inform the Committees on Appropriations and Committees on Armed Services of the plans and scope of any proposed military exercise involving United States personnel prior to its occurring, if amounts expended for construction, either temporary or permanent, are anticipated to exceed $100,000.

SEC. 124. Unexpended balances in the Military Family Housing Management Account established pursuant to section 2831 of title 10, United States Code, as well as any additional amounts which would otherwise be transferred to the Military Family Housing Management Account during fiscal year 1985, shall be transferred to the appropriations for Family Housing provided in this Act, as determined by the Secretary of Defense, based on the sources from which the funds were derived, and shall be available for the same purposes, and for the same time period, as the appropriation to which they have been transferred.

SEC. 125. (a) None of the funds appropriated in this Act may be available for any country if the President determines that the government of such country is failing to take adequate measures to prevent narcotic drugs or other controlled substances cultivated or produced or processed illicitly, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to United States personnel or their dependents, or from being smuggled into the United States. Such prohibition shall continue in force until the President determines and reports to the Congress in writing that—

(1) the government of such country has prepared and committed itself to a plan presented to the Secretary of State that would eliminate the cause or basis for the application to such country of the prohibition contained in the first sentence; and

(2) the government of such country has taken appropriate law enforcement measures to implement the plan presented to the Secretary of State.

(b) The provisions of subsection (a) shall not apply in the case of any country with respect to which the President determines that the application of the provisions of such subsection would be inconsistent with the national security interests of the United States.

SEC. 126. Of the total amount of budget authority provided for fiscal year 1985 by this Act that would otherwise be available for consulting services, management and professional services, and special studies and analyses, 10 per centum of the amount intended for such purposes in the President's budget for 1985, as amended, for any agency, department or entity subject to apportionment by the Executive shall be placed in reserve and not made available for obligation or expenditure: Provided, That this section shall not apply to any agency, department or entity whose budget request for 1985 for the purposes stated above did not amount to $5,000,000.

SEC. 127. It is the sense of the Congress that the administration should call on the pertinent member nations of the North Atlantic Treaty Organization and on Japan to meet or exceed their pledges for at least a 3 per centum real increase in defense spending and furtherance of increased unity, equitable sharing of our common defense burden, and international stability.

This Act may be cited as the "Military Construction Appropriations Act, 1985".

And the Senate agree to the same.

Amendment numbered 25:

That the House recede from its disagreement to the amendment of the Senate num-

bered 25, and agree to the same with an amendment, as follows:

Delete the matter stricken by said amendment and delete the matter inserted by said amendment; and the Senate agree to the same.

Amendment numbered 26:

That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, and follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

(1) Such amounts as may be necessary for projects or activities provided for in the Foreign Assistance and Related Programs Appropriations Act, 1985, at a rate for operations and to the extent in the following Act; this subsection shall be effective as if it had been enacted into law as the regular appropriation Act:

An Act making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1985, and for other purposes, namely:

TITLE I—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the International Bank for Reconstruction and Development by the Secretary of the Treasury, for the United States share of the paid-in share portion of the increase in capital stock as authorized by the International Financial Institutions Act, $109,721,549 for the General Capital Increase, as authorized by section 39 of the Bretton Woods Agreements Act, as amended (Public Law 79-171), to remain available until expended: Provided, That no such payment may be made while the United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United Stats Code, or while the alternate United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

Limitation on callable capital subscriptions

The United States Governor of the International Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of increases in capital stock in an amount not to exceed $1,353,220,096.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, $750,000,000, for the first installment of the United States contribution to the seventh replenishment, to remain available until expended, and $150,000,000 for the United States contribution to the sixth replenishment, to remain available until expended: Provided, That no such payment may be made while the United States Executive Director to the International Bank for Reconstruction and Development is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while the alternate United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code: Provided further, That there is hereby enacted into law the amendment made by section 901 of S. 2582, as reported by the Committee on Foreign Relations of the Senate on April 18, 1984, except for subsection (c) of the section enacted by this proviso: Provided further, That the Secretary of the Treasury shall instruct the United States Executive Director to undertake negotiations to ensure, to the maximum extent possible consistent with the effective use of resources, that the amount of development credits made available to sub-Saharan Africa through the seventh replenishment shall equal or exceed the amount of development credits made available to sub-Saharan Africa through the sixth replenishment.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Development Bank by the Secretary of the Treasury for the United States share of the increase in the resources of the Fund for Special Operations, as authorized by the Inter-American Development Bank Act, as amended (Public Law 86-147), $72,500,000 to remain available until expended; and $38,000,983 for the United States share of the increase in paid-in capital stock to remain available until expended; and $10,000,000 for the United States share of the capital stock of the Inter-American Investment Corporation to remain available until expended: Provided, That there is hereby enacted into law title II of S. 2416, as introduced in the Senate on March 13, 1984: Provided further, That no such payment may be made while the United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while the alternate United States Executive Director for the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

Limitation on callable capital subscriptions

The United States Governor of the Inter-American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such increase in capital stock in an amount not to exceed $806,464,582.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

For payment to the Asian Development Bank by the Secretary of the Treasury, for the paid-in share portion of the United States share of the increase in capital stock, $13,232,676 to remain available until expended; and for the United States contribution to the increases in resources of the Asian Development Fund, as authorized by the Asian Development Bank Act, as amended (Public Law 98-369), $100,000,000, to remain available until expended: Provided, That no such payment may be made while the United States Director of the Bank is compensated by the Bank at a rate which, together with whatever compensation such Director receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to the Bank is compensated by the Bank in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

Limitation on callable capital subscriptions

The United States Governor of the Asian Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such increase in capital stock in an amount not to exceed $251,367,220.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

For payment to the African Development Fund by the Secretary of the Treasury, $50,000,000, for the United States contribution to the third replenishment of the African Development Fund, to remain available until expended.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK

For payment to the African Development Bank by the Secretary of the Treasury, for the paid-in share portion of the United States share of the increase in capital stock, $17,987,678 to remain available until expended: Provided, That no such payment may be made while the United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while the alternate United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the African Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $53,960,036.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For necessary expenses to carry out the provisions of sections 301 and 103(g) of the Foreign Assistance Act of 1961, and of section 2 of the United Nations Environment Program Participation Act of 1983, $358,676,500: Provided, That no funds shall be available for the United Nations Fund for Science and Technology: Provided further, That the total amount of funds made available by this paragraph shall be available only as follows: $165,000,000 for the United Nations Development Program; $53,500,000 for the United Nations Children's Fund; $2,000,000 for the World Food Program; $2,000,000 for the United Nations Capital Development Fund; $500,000 for the United Nations Voluntary Fund for the Decade for Women; $2,000,000 for the World Meteorological Organization Voluntary Cooperation Program; $14,814,000 for the International Atomic Energy Agency; $10,000,000 for the United Nations Environment Program; $1,000,000 for the United Nations Educational and Training Program for South Africa; $500,000 for the United Nations Institute for Namibia; $343,000 for the United Nations Trust Fund for South Africa; $422,000 for the United Nations Institute for Training and Research; $200,000 for the Convention on International Trade in En-

dangered Species; $90,000,000 for the International Fund for Agricultural Development; $449,000 for the United Nations Fellowship Program; $100,000 for the UNIDO Investment Promotion Service; $248,500 for the World Heritage Fund; $100,000 for the United Nations Voluntary Fund for Victims of Torture; and $15,500,000 for the Organization of American States.

TITLE II—BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Central America Democracy, Peace and Development Initiative Act of 1984, the Foreign Assistance Act of 1961, and for other purposes, to remain available until September 30, 1985, unless otherwise specified herein, as follows:

AGENCY FOR INTERNATIONAL DEVELOPMENT

Agriculture, rural development and nutrition, Development Assistance: For necessary expenses to carry out the provisions of section 103, $745,551,000: Provided, That of this amount the funds provided for loans shall remain available for obligation until September 30, 1986: Provided further, That notwithstanding any other provision of law, up to $10,000,000 of the funds appropriated under this heading may be available for agricultural activities in Poland which are managed by the Polish Catholic Church or other nongovernmental organizations, which sum shall remain available until September 30, 1986, except that $5,000,000 of the funds made available by this proviso may not be obligated or expended until October 1, 1985: Provided further, That of the funds made available under this paragraph not more than $1,700,000 shall be available for Uganda except as provided through the regular notification process of the Committees on Appropriations: Provided further, That in addition to amounts otherwise appropriated by this Act to carry out the provisions of section 103, there is hereby appropriated $10,000,000 which shall be used only for nutrition activities not previously justified to the Committees on Appropriations, with such assistance to be provided through private and voluntary organizations and international organizations wherever appropriate.

Population, Development Assistance: For necessary expenses to carry out the provisions of section 104(b), $290,000,000: Provided, That of this amount the funds provided for loans shall remain available for obligation until September 30, 1986: Provided further, That none of the funds appropriated under this heading may be available for the World Health Organization's Special Program of Research, Development and Research Training in Human Reproduction: Provided further, That not less than $46,000,000 or 16 percent of the amount appropriated under this paragraph, whichever is lower, shall be available only to support the United Nations Fund for Population Activities: Provided further, That none of the funds appropriated under this paragraph may be available to any country which includes as part of its population planning programs involuntary abortion: Provided further, That none of the funds appropriated under this paragraph may be available to any organization which includes as part of its population planning programs involuntary abortion: Provided further, that it is the sense of the House of Representatives to reaffirm its commitment to United States population assistance, as authorized by section 104 of the Foreign Assistance Act of 1961 and as appropriated by the Foreign Assistance and Related Programs Appropriations Act, 1982. It is further the sense of the House of Representatives that United States population assistance shall be administered in accordance with and faithful to these laws as interpreted by AID's 1982 "Policy Paper: Population Assistance" and that no funds shall be denied to multilateral as well as nongovernmental and private and voluntary organizations because of their participation, paid for by funds other than those appropriated by the Congress, in activities conducted in accordance with all applicable United States Federal laws and regulations.

Health, Development Assistance: For necessary expenses to carry out the provisions of section 104(c), $173,138,000: Provided, That of this amount the funds provided for loans shall remain available for obligation until September 30, 1986: Provided further, That not less than $42,000,000 of the funds appropriated under this paragraph shall be available only for Africa: Provided further, That in addition to amounts otherwise appropriated by this Act to carry out the provisions of section 104(c) there is hereby appropriated $50,000,000, which shall be available only for the delivery of primary and related health care services, and basic health care education (primarily oral rehydration and immunization programs) activities not previously justified to the Committees on Appropriations, with such assistance to be provided through private and voluntary organizations and international organizations wherever appropriate.

Child Survival Fund: For necessary expenses to carry out the provisions of the "Child Survival Fund", $25,000,000.

Education and human resources development, Development Assistance: For necessary expenses to carry out the provisions of section 105, $188,833,000: Provided, That of this amount the funds provided for loans shall remain available for obligation until September 30, 1986: Provided further, That $4,000,000 of this amount shall be available only for scholarships for South African students in accordance with the last sentence of section 105(a) of the Foreign Assistance Act of 1961 (as added by title III of the International Security and Development Cooperation Act of 1981).

Energy and selected development activities, Development Assistance: For necessary expenses to carry out the provisions of section 106, $190,000,000: Provided, That of this amount the funds provided for loans shall remain available for obligation until September 30, 1986: Provided, further, That of the funds appropriated under this paragraph, $2,000,000 shall be transferred to and made available for "Science and technology, Development Assistance", which sum shall be made available only for cooperative projects among the United States, Israel and developing countries.

Transfer of funds for Zimbabwe: Of the funds appropriated to carry out the provisions of sections 103 through 106, $15,000,000 previously justified to the Committees on Appropriations shall be transferred to the Economic Support Fund for Zimbabwe.

Central America Development Assistance: Of the funds appropriated to carry out the provisions of sections 103 through 106, not more than $225,000,000 shall be available for Central America except as provided through the regular notification process of the Committee on Appropriations.

Private and Voluntary Organizations: None of the funds appropriated or otherwise made available in this Act for development assistance may be made available after January 1, 1986, to any United States private and voluntary organization, except any cooperative development organization, which obtains less than 25 percent of its total annual funding for international activities from sources other than the United States Government, notwithstanding section 123(g) of the Foreign Assistance Act of 1961.

Science and technology, Development Assistance: For necessary expenses to carry out the provisions of section 106, $10,000,000: Provided, That the amount provided for loans to carry out the purposes of this paragraph shall remain available for obligation until September 30, 1986.

Private sector revolving fund: For necessary expenses to carry out the provisions of section 108 of the Foreign Assistance Act of 1961, as amended, not to exceed $20,000,000 to be derived by transfer from funds appropriated to carry out the provisions of chapter 1 of part I of such Act, to remain available until expended. During 1985, obligations for assistance from amounts in the revolving fund account under section 108 shall not exceed $20,000,000.

Loan allocation, Development Assistance: In order to carry out the provisions of part I, the Administrator of the Agency responsible for administering such part may furnish loan assistance pursuant to existing law and on such terms and conditions as he may determine: Provided, That to the maximum extent practicable, loans to private sector institutions, from funds made available to carry out the provisions of sections 103 through 106, shall be provided at or near the prevailing interest rate paid on Treasury obligations of similar maturity at the time of obligating such funds: Provided further, That loans made to countries whose annual per capita gross national product is greater than $805 but less than $1301 shall be repayable within twenty-five years following the date on which funds are initially made available under such loans and loans to countries whose annual per capita gross national product is greater than or equal to $1301 shall be repayable within twenty years following the date on which funds are initially made available under such loans.

American schools and hospitals abroad: For necessary expenses to carry out the provisions of section 214, $30,000,000: Provided, That the Secretary of State shall conduct a study addressing what means would be most appropriate to continue financial assistance to the American University of Beirut and the American University of Cairo in future years in view of the value of the Universities to the interests of the United States in the Middle East, including the possibility of establishing a trust fund: Provided further, That the results of this study shall be provided to the chairmen of the Committee on Appropriations and the Committee on Foreign Affairs of the House of Representatives and the chairmen of the Committee on Appropriations and the Committee on Foreign Relations of the Senate no later than January 1, 1985: Provided further, That the Secretary is directed to consult with the Committees on Appropriations during the development of this study.

International disaster assistance: For necessary expenses to carry out the provisions of section 491, $25,000,000, to remain available until expended.

Sahel development program: For necessary expenses to carry out the provisions of sec-

tion 121, $97,500,000, to remain available until expended: Provided, That no part of such appropriation may be available to make any contribution of the United States to the Sahel development program in excess of 10 percent of the total contributions to such program.

Overseas training and special development activities (foreign currency program): For necessary expenses as authorized by section 612, $1,100,000 in foreign currencies which the Treasury Department declares to be excess to the normal requirements of the United States.

Payment to the Foreign Service Retirement and Disability Fund: For payment to the "Foreign Service Retirement and Disability Fund", as authorized by the Foreign Service Act of 1980, $40,562,000.

Economic support fund: For necessary expenses to carry out the provisions of chapter 4 of part II, $3,826,000,000: Provided, That of the funds appropriated under this paragraph, not less than $1,200,000,000 shall be available only for Israel, which sum shall be available on a grant basis as a cash transfer and shall be provided before January 1, 1985: Provided further, That not less than $815,000,000 shall be available only for Egypt, which sum shall be provided on a grant basis and of which $100,000,000 shall be provided as cash transfer: Provided further, That it is the sense of the Congress that the recommended levels of assistance for Egypt are based in great measure upon the continued participation of Egypt in the Camp David Accords and upon the Egyptian-Israeli peace treaty; and that Egypt and Israel are urged to renew actively their efforts to restore a full diplomatic relationship and achieve realization of the Camp David Accords: Provided further, That $75,000,000 of the funds appropriated under this paragraph shall be made available for programs or activities for sub-Saharan Africa not previously justified to the Committees on Appropriations: Provided further, That not more than $195,000,000 of the funds appropriated under this paragraph shall be provided for El Salvador: Provided further, That any of the funds appropriated under this paragraph for El Salvador which are placed in the Central Reserve Bank of El Salvador shall be maintained in a separate account and not commingled with any other funds, except that such funds may be obligated and expended notwithstanding provisions of law, which are inconsistent with the cash transfer nature of this assistance, or which are referenced in the Joint Explanatory Statement of the Committee of Conference accompanying House Joint Resolution 648: Provided further, That notwithstanding section 660 of the Foreign Assistance Act of 1961, not less than $6,000,000 shall be available for programs and projects in El Salvador to promote the creation of judicial investigative capabilities, protection for key participants in pending judicial cases, and modernization of penal and evidentiary codes: Provided further, That $15,000,000 shall be available only for Cyprus, and that none of these funds shall be used to support refugee housing construction or rent subsidies: Provided further, That not less than $20,000,000 shall be available only for Tunisia: Provided further, That not less than $5,000,000 shall be available only to assist Central American countries to develop energy self-sufficiency, to identify and utilize indigenous resources to improve economic development, and to reduce reliance on imported energy: Provided further, That none of the funds appropriated under this paragraph shall be available for the Central American Regional Program except as provided through the regular notification process of the Committees on Appropriations: Provided further, That not more than $12,500,000 of the funds appropriated under this paragraph shall be available for Guatemala, and that such funds may be made available only for development activities consistent with the objectives of sections 103 through 106 of the Foreign Assistance Act of 1961 that are aimed directly at improving the lives of the poor in that country, especially the indigenous population in the highlands: Provided further, That none of the funds appropriated under this paragraph shall be available for Guatemala except in accordance with the regular notification process of the Committees on Appropriations: Provided further, That not more than $10,000,000 of the funds appropriated under this paragraph shall be available for Zaire.

Peacekeeping operations: For necessary expenses to carry out the provisions of section 551, $44,000,000.

Operating expenses of the Agency for International Development: For necessary expenses to carry out the provisions of section 667, $391,533,250: Provided, That not more than $20,000,000 of this amount shall be for Foreign Affairs Administrative Support: Provided further, That none of the funds appropriated or made available (other than funds appropriated or made available by this paragraph) pursuant to this Act for carrying out the foreign Assistance Act of 1961, may be used for the operating expenses of the Agency for International Development: Provided further, That except to the extent that the Administrator of the Agency for International Development determines otherwise, not less than 10 percent of the aggregate of the funds made available for the fiscal year 1985 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be made available only for activities of economically and socially disadvantaged enterprises (within the meaning of section 133 (c)(5) of the International Development and Food Assistance Act of 1977), historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically and socially disadvantaged (within the meaning of section 133(c)(5) (B) and (C) of the International Development and Food Assistance Act of 1977). For purposes of this section, economically and socially disadvantaged individuals shall be deemed to include women.

Trade credit insurance program: During the fiscal year 1985, total commitments to guarantee or insure loans for the "Trade credit insurance program" shall not exceed $300,000,000 of contingent liability for loan principal.

Trade and development: For necessary expenses to carry out the provisions of section 661, $21,000,000.

Housing and other credit guaranty programs: For payment to the reserve fund established by section 223 of the Foreign Assistance Act of 1961, $40,000,000, to remain available until expended: Provided, That such amounts shall be available for expenditure in discharge of guarantees extended prior to enactment of this Act. During the fiscal year 1985, total commitments to guarantee loans shall not exceed $160,000,000 of contingent liability for loan principal.

AFRICAN DEVELOPMENT FOUNDATION

For necessary expenses to carry out the provisions of title V of the International Security and Development Cooperation Act of 1980, Public Law 96-533, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 9104, title 31, United States Code, $1,000,000: Provided, That the unobligated balances as of September 30, 1984, of funds heretofor made available for the African Development Foundation are hereby continued available for the fiscal year 1985 for the use of the African Development Foundation.

INTER-AMERICAN FOUNDATION

For expenses necessary to carry out the functions of the Inter-American Foundation in accordance with the provisions of section 401 of the Foreign Assistance Act of 1969, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 9104, title 31, United States Code, $11,992,000.

OVERSEAS PRIVATE INVESTMENT CORPORATION

The Overseas Private Investment Corporation is authorized to make such expenditures within the limits of funds available to it and in accordance with law (including not to exceed $35,000 for official reception and representation expenses), and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 9104 of title 31, United States Code, as may be necessary in carrying out the program set forth in the budget for the current fiscal year.

During the fiscal year 1985 and within the resources and authority available, gross obligations for the amount of direct loans shall not exceed $15,000,000.

During the fiscal year 1985, total commitments to guarantee loans shall not exceed $150,000,000 of contingent liability for loan principal.

INDEPENDENT AGENCY

PEACE CORPS

For expenses necessary to carry out the provisions of the Peace Corps Act (75 Stat. 612), $128,600,000: Provided, That none of the funds appropriated in this paragraph shall be used to pay for abortions.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL

For necessary expenses to carry out the provisions of section 481, $50,217,000.

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross and assistance to refugees, including contributions to the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980, allowances as authorized by sections 5921 through 5925 of title 5, United States Code; hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code; $325,500,000: Provided, That not less than $15,000,000 shall be available for Soviet, Eastern European and other refugees resettling in Israel, of which $2,500,000 shall be available for Ethiopian Jews: Provided further, That these funds shall be administered in a manner that insures equity in the treatment of all refugees receiving Federal assistance: Provided further, That no funds

herein appropriated shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere: Provided further, That no more than $8,150,396 of the funds appropriated under this heading shall be available for the administrative expenses of the Office of Refugee Programs of the Department of State.

ANTI-TERRORISM ASSISTANCE

For necessary expenses to carry out the provisions of chapter 8 of part II, $5,000,000.

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

MILITARY ASSISTANCE

For necessary expenses to carry out the provisions of section 503 of the Foreign Assistance Act of 1961, including administrative expenses and purchase of passenger motor vehicles for replacement only for use outside of the United States, $805,100,000: Provided, That of the funds appropriated under this paragraph, not more than $111,750,000 shall be available for El Salvador and not more than $215,000,000 shall be available for Turkey: Provided further, That of the funds appropriated under this paragraph, not more than $4,000,000 shall be available for Zaire, except as provided through the regular notification process of the Committees on Appropriations: Provided further, That of the funds provided for El Salvador under this paragraph half the amount shall be available for obligation and expenditure October 1, 1984, and the remaining half March 1, 1985: Provided further, That in the event of an emergency certified by the President funds herein appropriated to be obligated for El Salvador after March 1, 1985, may be obligated in advance of that date, only if the Committees on Appropriations are notified at least fifteen days in advance: Provided further, That before the date of March 1, 1985, the administration shall consult with the Committees on Appropriations in regard to reduction and punishment of death squad activities, elimination of corruption and misuse of governmental funds, development of an El Salvadoran plan to improve the performance of the military, and progress toward discussions leading to a peaceful resolution of the conflict, with it being the direction of the Congress of the United States that military assistance funds available in the second half of fiscal year 1985 for El Salvador not be obligated until substantial progress has been made on each of the above points: Provided further, That $5,000,000 of the amount made available by this Act for military assistance and financing for El Salvador under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961 and under the Arms Export Control Act may not be expended until the Government of El Salvador has (1) substantially concluded all investigative action with respect to those responsible for the January, 1981 deaths of the two United States land reform consultants Michael Hammer and Mark Pearlman and the Salvadoran Land Reform Institute Director Jose Rodolfo Viera, and (2) brought the accused to trial and obtained a verdict: Provided further, That funds appropriated under this paragraph may be made available for Turkey only if the President certifies to the Congress (a) that the United States Government is acting with urgency and determination to oppose any actions aimed at effecting a permanent bifurcation of Cyprus; and is calling upon the Government of Turkey to take without delay all necessary steps to reverse the illegal action declaring an independent state and to promote, pursuant to pertinent United Nations resolutions, the full political and economic unity of the Republic of Cyprus; and (b) that Turkey is making efforts to ensure that the Turkish Cypriot community is not taking any actions with regard to the region of Famagusta/Varosha which would prejudice the outcome or otherwise impede intercommunal talks on the future of Cyprus: Provided further, That none of the funds made available by this paragraph may be obligated or expended for the construction or operation of a Regional Military Training Center in Honduras except as provided through the regular notification process of the Committees on Appropriations and until the President provides to the Committees on Appropriations of the Senate and the House of Representatives (1) a report that the Government of Honduras has provided a site for such a Center and assumed responsibility for any competing claims to rights of use or ownership of such site, and has provided written assurances to make that site available on a long-term basis for training by the armed forces of other friendly countries in the region as well as those of Honduras; (2) a detailed plan, with specific cost estimates, for the construction of such a Center at the site provided by the Government of Honduras; and (3) a determination that the Government of Honduras recognizes the need to compensate as required by international law the United States citizen who claims injury from the establishment and operation of the existing Center, and that it is taking appropriate steps to discharge its obligations under international law, in particular the Treaty of Friendship, Commerce and Consular Rights with the United States, as well as its letter of December 14, 1983, to the United States Trade Representative: Provided further, That the President shall report to the Committees sixty days after the passage of this resolution and again in one hundred and twenty days on progress in resolving this claim; in one hundred and eighty days, the President shall report on the resolution of the claim or, if Honduras has failed to resolve the claim, on the actions which he proposes to take in response to the situation and in particular actions with respect to the granting of preferential trade benefits under the Caribbean Basin Initiative, disbursement of economic support funds or any other funds provided under this resolution and review of the status of Honduras under other, expropriation-related legislation.

SPECIAL DEFENSE ACQUISITION FUND

(LIMITATION ON OBLIGATIONS)

There are authorized to be made available for the Special Defense Acquisition Fund for the fiscal year 1985, $325,000,000.

INTERNATIONAL MILITARY EDUCATION AND TRAINING

For necessary expenses to carry out the provisions of section 541, $56,221,000.

FOREIGN MILITARY CREDIT SALES

For necessary expenses to enable the President to carry out the provisions of section 23 of the Arms Export Control Act, $4,939,500,000, of which not less than $1,400,000,000 shall be available only for Israel and not less than $1,175,000,000 shall be available only for Egypt: Provided, That of the amount made available for Israel under this paragraph, up to $150,000,000 shall be made available for research and development activities in the United States for the Lavi program, and not less than $250,000,000 shall be for the procurement in Israel of defense articles and services, including research and development, for the Lavi program: Provided further, That during fiscal year 1985, gross obligations for the principal amount of direct loans, exclusive of loan guarantee defaults, shall not exceed $4,939,500,000: Provided further, That section 102 of S. 2346, as introduced on February 27, 1984, is hereby enacted: Provided further, That credits (or participation in credits) extended under this Act for Greece for the fiscal year 1985 shall be at a rate of interest equal to the rate of interest charged on such credits extended for Turkey for the fiscal year 1985: Provided further, That no credits may be extended and no guarantees may be issued under this paragraph for Turkey for the fiscal year 1985 if the extension of such credits or the issuance of such guarantees would cause the sum of such credits and guarantees provided for Turkey for such fiscal year to exceed $485,000,000: Provided further, That of the funds available in this paragraph not less than $50,000,000 shall be available for Tunisia, not more than $15,000,000 shall be available for the Philippines: Provided further, That none of the funds available in this paragraph shall be available for Guatemala: Provided further, That concessional interest rates available under this paragraph shall not be less than five percent: Provided further, That all country and funding level changes in requested concessional financing allocations shall be submitted through the regular notification process of the Committees on Appropriations: Provided further, That it is the sense of the Congress that no sales of sophisticated weaponry—specifically advanced aircraft, new air defense weapons systems or other new advanced military weapons systems be made to Jordan unless the Government of Jordan is publicly committed to the recognition of Israel and to prompt entry into serious peace negotiations with Israel.

GUARANTEE RESERVE FUND

For necessary expenses to carry out the provisions of section 24 of the Arms Export Control Act, $109,000,000, to remain available until expended: Provided, That this sum is available only for the Guarantee Reserve Fund notwithstanding any other provision of the Foreign Assistance Act of 1961 or the Arms Export Control Act.

TITLE IV—EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation: Provided, That none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country other than a nuclear-weapon State as defined in article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act that has detonated a nuclear explosive after the date of enactment of this Act.

LIMITATION OF PROGRAM ACTIVITY

During the fiscal year 1985 and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed $3,865,000,000: Provided, That during the fiscal year 1985, total commitments to guarantee loans shall not exceed $10,000,000,000 of contingent liability for loan principal.

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $18,900,000 (to be computed on an accrual basis) shall be available during the current fiscal year for administrative expenses, including hire of passenger motor vehicles and services as authorized by section 3109 of title 5, United States Code, and not to exceed $16,000 for entertainment allowances for members of the Board of Directors: Provided, That (1) fees or dues to international organizations of credit institutions engaged in financing foreign trade, (2) necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Export-Import Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, and (3) expenses (other than internal expenses of the Export-Import Bank) incurred in connection with the issuance and servicing of guarantees, insurance, and reinsurance, shall be considered as nonadministrative expenses for the purposes of this paragraph.

TITLE V—GENERAL PROVISIONS

SEC. 501. None of the funds appropriated in this Act (other than funds appropriated for "International organizations and programs") shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which has not met the standards and criteria used in determining the feasibility of flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the United States of America under the principles, standards and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.) or Acts amendatory or supplementary thereto.

SEC. 502. Except for the appropriations entitled "International disaster assistance", "United States emergency refugee and migration assistance fund" and the special requirements fund within the appropriation entitled "Economic support fund", not more than 15 per centum of any appropriation item made available by this Act for the current fiscal year shall be obligated or reserved during the last month of availability.

SEC. 503. None of the funds appropriated in this Act nor any of the counterpart funds generated as a result of assistance hereunder or any prior Act shall be used to pay pensions, annuities, retirement pay, or adjusted service compensation for any person heretofore or hereafter serving in the armed forces of any recipient country.

SEC. 504. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used for making payments on any contract for procurement to which the United States is a party entered into after the date of enactment of this Act which does not contain a provision authorizing the termination of such contract for the convenience of the United States.

SEC. 505. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations.

SEC. 506. None of the funds contained in title II of this Act may be used to carry out the provisions of section 209(d) of the Foreign Assistance Act of 1961.

SEC. 507. Of the funds appropriated or made available pursuant to this Act, not to exceed $110,000 shall be for official residence expenses of the Agency for International Development during the current fiscal year: Provided, That appropriate steps be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

SEC. 508. Of the funds appropriated or made available pursuant to this Act, not to exceed $10,000 shall be for entertainment expenses of the Agency for International Development during the current fiscal year.

SEC. 509. Of the funds appropriated or made available pursuant to this Act, not to exceed $100,000 shall be for representation allowances for the Agency for International Development during the current fiscal year: Provided, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars: Provided further, That of the total funds made available by this Act under the headings "Military assistance" and "Foreign military credit sales", not to exceed $2,500 shall be available for entertainment expenses and not to exceed $70,000 shall be available for representation allowances: Provided further, That of the funds made available by this Act under the heading "International military education and training", not to exceed $125,000 shall be available for entertainment allowances: Provided further, That of the funds made available by this Act for the Inter-American Foundation, not to exceed $2,500 shall be available for entertainment and representation allowances: Provided further, That of the funds made available by this Act for the Peace Corps, not to exceed a total of $4,000 shall be available for entertainment expenses.

SEC. 510. None of the funds appropriated or made available (other than funds for "International organizations and programs") pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used to finance the export of nuclear equipment, fuel, technology or to provide assistance for the training of foreign nationals in nuclear fields.

SEC. 511. Funds appropriated by this Act may not be obligated or expended to provide assistance to any country for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights.

SEC. 512. None of the funds appropriated or made available pursuant to this Act shall be obligated or expended to finance directly any assistance to Mozambique, except that the President may waive this prohibition if he determines, and so reportes to the Congress, that furnishing such assistance would further the foreign policy interests of the United States.

SEC. 513. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Angola, Cambodia, Cuba, Iraq, Libya, Laos, the Socialist Republic of Vietnam, South Yemen, or Syria.

SEC. 514. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated without the written approval of the Appropriations Committees of both Houses of the Congress.

SEC. 515. Amounts certified pursuant to section 1311 of the Supplemental Appropriations Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Foreign Assistance Act of 1961 for the same general purpose as any of the paragraphs under "Agency for International Development" are, if deobligated, hereby continued available for the same period as the respective appropriations in such paragraphs for the same general purpose and for the same country as originally obligated, or for activities in the Andean region: Provided, That the Appropriations Committees of both Houses of the Congress are notified fifteen days in advance of the deobligation or reobligation of such funds.

SEC. 516. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not authorized before the date of enactment of this Act by Congress.

SEC. 517. No part of any appropriation contained in this Act shall remain available for obligation after the expiration of the current fiscal year unless expressly so provided in this Act.

SEC. 518. No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act.

SEC. 519. None of the funds appropriated or made available pursuant to this Act shall be available to any international financial institution whose United States representative cannot upon request obtain the amounts and the names of borrowers for all loans of the international financial institution, including loans to employees of the institution, or the compensation and related benefits of employees of the institution.

SEC. 520. None of the funds appropriated or made available pursuant to this Act shall be available to any international financial institution whose United States representative cannot upon request obtain any document developed by the management of the international financial institution.

SEC. 521. None of the funds appropriated or otherwise made available by this Act to the Export-Import Bank and funds appropriated by this Act for direct foreign assistance may be obligated for any government which aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed or is being sought by any other government for prosecution for any war crime or an act of international terrorism, unless the President finds that the national security requires otherwise.

SEC. 522. None of the funds appropriated or made available pursuant to this Act for direct assistance and none of the funds otherwise made available pursuant to this Act to the Export-Import Bank and the Overseas Private Investment Corporation shall be obligated or expended to finance any loan, any assistance or any other financial commit-

ments for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity: Provided, That such prohibition shall not apply to the Export-Import Bank if in the judgment of its Board of Directors the benefits to industry and employment in the United States are likely to outweigh the injury to United States producers of the same, similar, or competing commodity.

SEC. 524. The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the International Monetary Fund, the Asian Development Bank, the Inter-American Investment Corporation, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or made available pursuant to this Act, for the production of any commodity for export, if it is in surplus on world markets and if the assistance will cause substantial injury to the United States producers of the same, similar, or competing commodity.

SEC. 525. None of the funds made available under this Act for "Agriculture, rural development and nutrition, Development Assistance", "Population, Development Assistance", "Child Survival Fund", "Health, Development Assistance", "Education and human resources development, Development Assistance", "Energy, private voluntary organizations, and selected development activities, Development Assistance", "Science and technology, Development Assistance", "International organizations and programs", "American schools and hospitals abroad", "Sahel development program", "Trade and development program", "International narcotics control", "Economic support fund", "Peacekeeping operations", "Operating Expenses of the Agency for International Development", "Anti-Terrorism Assistance", "Military assistance", "International military education and training", "Foreign military credit sales", "Inter-American Foundation", "African Development Foundation", "Peace Corps", or "Migration and refugee assistance", shall be available for obligation for activities, programs, projects, type of material assistance, countries, or other operation not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings for the current fiscal year unless the Appropriations Committees of both Houses of Congress are previously notified fifteen days in advance.

SEC. 526. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 527. None of the funds appropriated under this Act may be used to lobby for abortion.

SEC. 528. None of the funds appropriated or otherwise made available under this Act may be available for any country during any three-month period beginning on or after October 1, 1984, immediately following a certification by the President to the Congress that the government of such country is failing to take adequate measures to prevent narcotic drugs or other controlled substances (as listed in the schedules in section 202 of the Comprehensive Drug Abuse and Prevention Control Act of 1971 (21 U.S.C. 812)) which are cultivated, produced, or processed illicitly, in whole or in part, in such country, or transported through such country from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from entering the United States unlawfully.

SEC. 529. Notwithstanding any other provision of law or this Act, none of the funds provided for "International organizations and programs" shall be available for the United States' proportionate share for any programs for the Palestine Liberation Organization, the Southwest Africa Peoples Organization, Libya, Iran, or Cuba.

SEC. 530. (a) Not later than January 31 of each year, or at the time of the transmittal by the President to the Congress of the annual presentation materials on foreign assistance, whichever is earlier, the President shall transmit to the Speaker of the House of Representatives and the President of the Senate a full and complete report which assesses, with respect to each foreign country, the degree of support by the government of each such country during the preceding twelve-month period for the foreign policy of the United States. Such report shall include, with respect to each such country which is a member of the United Nations, information to be compiled and supplied by the Permanent Representative of the United States to the United Nations, consisting of a comparison of the overall voting practices in the principal bodies of the United Nations during the preceding twelve-month period of such country and the United States, with special note of the voting and speaking records of such country on issues of major importance to the United States in the General Assembly and the Security Council, and shall also include a report on actions with regard to the United States in important related documents such as the Non-Aligned Communique. A full compilation of the information supplied by the Permanent Representative of the United States to the United Nations for inclusion in such report shall be provided as an addendum to such report.

(b) None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance to a country which the President finds, based on the contents of the report required to be transmitted under subsection (a), is engaged in a consistent pattern of opposition to the foreign policy of the United States.

SEC. 531. Notwithstanding any other provision of law, Israel may utilize any loan which is or was made available under the Arms Export Control Act and for which repayment is or was forgiven before utilizing any other loan made available under the Arms Export Control Act.

SEC. 532. Funds appropriated under this Act may be made available for the procurement of construction or engineering services from advanced developing countries, eligible under the Geographic Code 941, which have attained a competitive capability in international markets for construction services or engineering services and which are receiving direct assistance under chapter 1 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961, notwithstanding section 604(g) of the Foreign Assistance Act of 1961: Provided, That this provision shall apply only in the case of those advanced developing countries that permit United States firms to compete for construction or engineering services financed from assistance programs of such countries.

SEC. 533. (a) Not later than thirty days after the date of entry into force of any memorandum of understanding or other international agreement between the United States Government and the Government of El Salvador regarding the use of local currencies generated from assistance furnished to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 or generated from the sale of agricultural commodities under the Agricultural Trade Development and Assistance Act of 1954, with respect to El Salvador, the President shall prepare and transmit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a report setting forth for each such memorandum or agreement—

(1) the text of each such memorandum or agreement;

(2) the status and description of each such memorandum or agreement, including the period of time covered, the amount of funding involved, and the sources of funding involved;

(3) an explanation of the manner in which funds are to be used in El Salvador to—

(A) eliminate the climate of violence and civil strife;

(B) develop democratic institutions and processes;

(C) develop strong and free economies with diversified production for both external and domestic markets;

(D) make sharp improvement in the social conditions of the poorest Salvadorans; and

(E) improve substantially the distribution of income and wealth; and

(4) the degree of compliance by the Government of El Salvador with the provisions of such memorandum or agreement.

(b) Not later than thirty days after the date of enactment of this Act, the President shall prepare and transmit to the committees referred to in subsection (a) a report providing the information described by paragraphs (1) through (4) of subsection (a) with respect to any memorandum of understanding or other international agreement described by such subsection which is in effect on the date of enactment of this Act.

(c) Not later than six months after the date of entry into force of each memorandum of understanding or other international agreement described in subsection (a), and upon the date of termination of each such memorandum or agreement, the President shall prepare and transmit to the committees referred to in subsection (a) a report describing the progress achieved in carrying out the provisions of such memorandum or agreement, including the progress achieved in carrying out the provisions of clauses (A) through (E) of subsection (a)(3).

SEC. 534. The Congress finds that progress on the peace process in the Middle East is vitally important to United States security interests in the region. The Congress recognizes that, in fulfilling its obligations under the Treaty of Peace Between the Arab Republic of Egypt and the State of Israel, done at Washington on March 26, 1979, Israel incurred severe economic burdens. Further-

more, the Congress recognizes that an economically and militarily secure Israel serves the security interests of the United States, for a secure Israel is an Israel which has the incentive and confidence to continue pursuing the peace process. Therefore, the Congress declares that it is the policy and the intention of the United States that the funds provided in annual appropriations for the Economic Support Fund which are allocated to Israel shall not be less than the annual debt repayment (interest and principal) from Israel to the United States Government in recognition that such a principle serves United States interests in the region.

SEC. 535. In reaffirmation of the 1975 memorandum of agreement between the United States and Israel, and in accordance with section 909 of the International Security and Development Cooperation Act of 1984, as passed by the House of Representatives on May 10, 1984, no employee of or individual acting on behalf of the United States Government shall recognize or negotiate with the Palestine Liberation Organization or representatives thereof, so long as the Palestine Liberation Organization does not recognize Israel's right to exist, does not accept Security Council Resolutions 242 and 338, and does not renounce the use of terrorism.

SEC. 536. None of the funds made available in this Act shall be restricted for obligation or disbursement solely as a result of the policies of any multilateral institution.

SEC. 537. Notwithstanding any other provision of law, if at any time following the appropriation of funds herein the duly elected President of El Salvador should be deposed by military coup or decree all funds appropriated herein for El Salvador and not theretofore obligated or expended shall not thereafter be available for expenditure or obligation unless reappropriated by Congress.

SEC. 538. Ceilings and earmarks contained in this Act shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent act unless such act specifically so directs.

SEC. 539. The Secretary of the Treasury and the Secretary of State are directed to submit to the Committees on Foreign Affairs and the Committees on Appropriations by February 1, 1985, a report on the domestic economic policies of those nations receiving economic assistance, either directly or indirectly from the United States including, where appropriate, an analysis of the foreign assistance programs conducted by these recipient nations.

SEC. 540. (a) To the maximum extent practicable, assistance for Haiti under chapter 1 of part I and under chapter 4 of part II of the Foreign Assistance Act of 1961 should be provided through private and voluntary organizations.

(b) Funds available for fiscal year 1985 to carry out chapter 1 of part I or chapter 4 or chapter 5 of part II of the Foreign Assistance Act of 1961 may be obligated for Haiti only if the President determines that the Government of Haiti—

(1) is continuing to cooperate with the United States in halting illegal emigration to the United States from Haiti;

(2) is cooperating fully in implementing United States development, food, and other economic assistance programs in Haiti (including programs for prior fiscal years); and

(3) is making progress toward improving the human rights situation in Haiti and progress toward implementing political reforms which are essential to the development of democracy in Haiti, such as progress toward the establishment of political parties, free elections, and freedom of the press.

(c) Six months after the date of the enactment of this Act and six months thereafter, the President shall report to the Congress on the extent to which the actions of the Government of Haiti are consistent with each paragraph of subsection (b).

(d) Notwithstanding the limitations of section 660 of the Foreign Assistance Act of 1961, funds made available under such Act may be used for programs with Haiti, which shall be consistent with prevailing United States refugee policies, to assist in halting significant illegal emigration from Haiti to the United States.

(e) Assistance may not be provided for Haiti for the fiscal year 1985 under chapter 2 of part II of the Foreign Assistance Act of 1961 or under the Arms Export Control Act.

SEC. 541. (a) Sections 116, 303, 311, 312, 703 and 1011 of H.R. 5119 as passed by the House of Representatives on May 10, 1984, are hereby enacted.

(b) Section 102 of this joint resolution shall not apply with respect to the provisions enacted by this section and to those provisions of S. 2346, S. 2416, and S. 2582 enacted by this Act.

SEC. 542. (a) Of the amounts made available by this Act for "Foreign Military Credit Sales" which are provided to Israel, and Egypt, Israel and Egypt shall be released from their contractual liability to repay the United States Government with respect to such credits.

(b) Of the amounts made available by this Act for "Foreign Military Credit Sales", the principal amount of loans provided at nonconcessional interest rates which are provided for Greece, Korea, Philippines, Portugal, Somalia, Spain (as long as Spain is a member of the North Atlantic Treaty Organization), Sudan, Tunisia, and Turkey shall (if and to the extent each country so desires) be repaid in not more than twenty years, following a grace period of ten years on repayment of principal.

SEC. 543. Section 10 of Public Law 91-672 and section 15(a) of the State Department Basic Authorities Act of 1956 shall not apply with respect to funds and authorities appropriated or otherwise made available by this Act.

This Act may be cited as the "Foreign Assistance and Related Programs Appropriations Act, 1985".

And the Senate agree to the same.

Amendment numbered 32:

That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

(h) Such amounts as may be necessary for programs, projects or activities provided for in the Department of Defense Appropriation Act, 1985, at a rate of operations and to the extent and in the manner provided as follows, to be effective as if it had been enacted into law as the regular appropriation Act:

AN ACT Making appropriations for the Department of Defense for the fiscal year ending September 30, 1985, and for other purposes

TITLE I

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund; $21,020,344,000.

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund; $15,660,246,000.

MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund; $4,803,366,000.

MILITARY PERSONNEL, AIR FORCE

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund; $17,572,005,000.

RESERVE PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 265, 3019, and 3033 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $2,084,100,000.

RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Naval Reserve on active duty under section 265 of title 10, United States Code, or personnel while serving on active duty under section 672(d) of title 10, United States Code, in connection with per-

forming duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $1,127,700,000.

RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 265 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders class, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $268,700,000.

RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 265, 8019, and 8033 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Air Reserve Officers' Training Corps, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $564,500,000.

NATIONAL GUARD PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under sections 265, 3033, or 3496 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 672(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $2,926,100,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under sections 265, 8033, or 8496 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 672(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $868,578,000.

TITLE II

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law; and not to exceed $11,602,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes; $18,411,078,000, of which not less than $1,429,000,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, NAVY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law; and not to exceed $2,823,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes; $25,116,241,000, of which not less than $764,000,000 shall be available only for the maintenance of real property facilities, and of which $10,500,000 shall be transferred to U.S. Coast Guard operating expenses for fixed costs associated with the operation of the polar icebreaker program: Provided, That of the total amount of this appropriation made available for the alteration, overhaul, and repair of naval vessels, not more than $3,700,000,000 shall be available for the performance of such work in Navy shipyards: Provided further, That from the amounts of this appropriation for the alteration, overhaul and repair of naval vessels, funds shall be available for a test program to acquire the overhaul of two or more vessels by competition between public and private shipyards. The Secretary of the Navy shall certify, prior to award of a contract under this test, that the successful bid includes comparable estimates of all direct and indirect costs for both public and private shipyards. Competition under such test program shall not be subject to section 502 of the Department of Defense Authorization Act, 1981, as amended, or Office of Management and Budget Circular A-76: Provided further, That funds herein provided shall be available for payments in support of the LEASAT program in accordance with the terms of the Aide Memoire, dated January 5, 1981: Provided further, That obligations incurred or to be incurred hereafter for termination liability and charter hire in connection with the TAKX and T-5 programs, for which the Navy has already entered into agreement for charter and time charters including conversion or construction related to such agreements or charters shall, for the purposes of title 31, United States Code, (1) in regard to and so long as the Government remains liable for termination costs, be considered as obligations in the current Operation and Maintenance, Navy, appropriation account, to be held in reserve in the event such termination liability is incurred, in an amount equal to 10 per centum of the outstanding termination liability, and (2) in regard to charter hire, be considered obligations in the Navy Industrial Fund with an amount equal to the estimated charter hire for the then current fiscal year recorded as an obligation against such fund. Obligations of the Navy under such time charters are general obligations of the United States secured by its full faith and credit.

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law; $1,640,294,000, of which not less than $220,000,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, AIR FORCE

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law, including the lease and associated maintenance of replacement aircraft for the CT-39 aircraft to the same extent and manner as authorized for service contracts by section 2306(g), title 10, United States Code; and not to exceed $4,682,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes; $19,093,265,000, of which not less than $1,250,000,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, DEFENSE AGENCIES

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments), as authorized by law; $7,067,469,000, of which not to exceed $9,956,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes: Provided, That not less than $95,548,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, ARMY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $724,400,000, of which not less than $42,485,000 shall be available only for maintenance of real property facilities.

OPERATION AND MAINTENANCE, NAVY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Navy Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $827,181,000, of which not less than $37,000,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $58,642,000, of which not less than $2,765,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $872,461,000, of which not less than $20,200,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); $1,424,293,000, of which not less than $44,000,000 shall be available only for the maintenance of real property facilities: Provided, That $1,650,000 shall be available for the upgrade of the runway at the Devil's Lake Municipal Airport, Devil's Lake, North Dakota, to accommodate military troop transport aircraft.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation, and modification of aircraft; transportation of things; hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; $1,810,348,000, of which not less than $43,700,000 shall be available only for the maintenance of real property facilities.

NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE, ARMY

For the necessary expenses, in accordance with law, for construction, equipment, and maintenance of rifle ranges; the instruction of citizens in marksmanship; the promotion of rifle practice; and the travel of rifle teams, military personnel, and individuals attending regional, national, and international competitions; $914,000, of which not to exceed $7,500 shall be available for incidental expenses of the National Board; and from other funds provided in this Act, not to exceed $680,000 worth of ammunition may be issued under authority of title 10, United States Code, section 4311: Provided, That competitors at national matches under title 10, United States Code, section 4312, may be paid subsistence and travel allowances in excess of the amounts provided under title 10, United States Code, section 4313.

CLAIMS, DEFENSE

For payment, not otherwise provided for, of claims authorized by law to be paid by the Department of Defense (except for civil functions), including claims for damages arising under training contracts with carriers, and repayment of amounts determined by the Secretary concerned, or officers designated by him, to have been erroneously collected from military and civilian personnel of the Department of Defense, or from States, territories, or the District of Columbia, or members of the National Guard units thereof; $157,900,000.

COURT OF MILITARY APPEALS, DEFENSE

For salaries and expenses necessary for the United States Court of Military Appeals; $2,870,000, and not to exceed $1,500 can be used for official representation purposes.

ENVIRONMENTAL RESTORATION, DEFENSE

For expenses, not otherwise provided for, for environmental restoration programs, including hazardous waste disposal operations and removal of unsafe or unsightly buildings and debris of the Department of Defense, and including programs and operations at sites formerly used by the Department of Defense; $314,000,000, of which, not to exceed $6,000,000 shall be available for payment to the Anchorage School District for a share of the cost of removal and treatment of asbestos and related facility rehabilitation at the Bartlett-Begich Junior/Senior High School located on Fort Richardson, Alaska.

TITLE III

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $3,940,900,000, of which $642,600,000 shall be available for the purchase of UH-60/EH-60 Blackhawk/Quickfix helicopters under a multiyear contract and $431,900,000 shall be available for the purchase of CH-47 Chinook helicopter modifications under a multiyear contract; to remain available for obligation until September 30, 1987: Provided, That appropriations available herein shall be used to procure no less than eighteen AH-64 Apache attack helicopters for assignment to the Army National Guard.

MISSILE PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, as follows: For the Chaparral program, $32,000,000; for Other Missile Support, $9,300,000; for the Patriot program, $976,400,000; for the Stinger program, $209,600,000; for the Laser Hellfire program, $225,000,000; for the TOW program, $201,700,000; for the Pershing II program, $370,000,000; for the MLRS program, $541,400,000; for modification of missiles, $208,800,000; for spares and repair parts, $270,300,000; for support equipment and facilities, $122,500,000; in all: $3,167,000,000; to remain available for obligation until September 30, 1987.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $4,548,100,000; to remain available for obligation until September 30, 1987: Provided, That notwithstanding any other provision of this Act, none of the funds appropriated may be expended for the Division Air Defense system until—

(1) Initial production testing and the fiscal year 1985 operational testing of such system have been completed;

(2) The Secretary of Defense has reported to the Armed Services and Appropriations Committees of the Congress the results of the testing and has certified to the Committees that (a) additional production of the Division Air Defense system is in the national interest to counter the present and projected Soviet threat, and (b) the system satisfactorily meets all design and performance requirements, and

(3) A period of at least thirty days has elapsed after the day on which the Committees have received the report and certification, such date to be not later than sixty days after the completion of initial production testing or the fiscal year 1985 operational testing, whichever is later.

PROCUREMENT OF AMMUNITION, ARMY

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized in military construction authorization Acts or authorized by section 2854, title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construc-

tion prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $2,646,300,000; to remain available for obligation until September 30, 1987.

OTHER PROCUREMENT, ARMY

For construction, procurement, production, and modification of vehicles, including tactical, support, and nontracked combat vehicles; the purchase of not to exceed two thousand three hundred and sixty passenger motor vehicles for replacement only; communications and electronic equipment; other support equipment; spare parts, ordnance, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $5,122,450,000, of which $347,200,000 shall be available for the purchase of five ton trucks under a multiyear contract; to remain available for obligation until September 30, 1987: Provided, That multiyear contracting authority provided in Public Law 98-212 for the Armored Combat Earthmover is rescinded.

AIRCRAFT PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of aircraft, equipment including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $10,903,798,000, of which $36,120,000 shall be available for the purchase of CH/MH-53E heavy lift helicopters under a multiyear contract; to remain available for obligation until September 30, 1987.

WEAPONS PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interest therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, as follows: For missile programs, $3,403,311,000; for the MK-48 torpedo program, $89,000,000; for the MK-48 ADCAP torpedo program, $105,600,000; for the MK-46 torpedo program, $229,700,000; for the MK-60 captor mine program, $122,000,000; for the MK-30 mobile target program, $21,300,000; for the MK-38 mini mobile target program, $2,500,000; for the antisubmarine rocket (ASROC) program, $25,900,000; for modification of torpedoes, $32,200,000; for the torpedo support equipment program, $96,000,000; for the MK-15 close-in weapons system program, $163,900,000; for the MK-75 gun mount, $10,900,000; for the MK-19 machine gun program, $2,000,000; for the 25mm gun mount, $3,100,000; for small arms and weapons, $3,500,000; for the modification of guns and gun mounts, $46,300,000; for the guns and gun mounts support equipment program, $13,400,000; in all: $4,353,611,000; to remain available for obligation until September 30, 1987: Provided, That within the total amount appropriated, the subdivisions within this account shall be reduced by $17,000,000, as follows: $2,000,000 for contract support services, and $15,000,000 for miscellaneous contract savings.

SHIPBUILDING AND CONVERSION, NAVY

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, as follows: for the Trident submarine program, $1,748,200,000; for the SSN-688 nuclear attack submarine program, $2,665,000,000; for the aircraft carrier service life extension program, $714,500,000; for the CG-47 AEGIS cruiser program, $2,883,000,000; for CG-47 AEGIS cruiser advance procurement, $102,000,000, of which $83,000,000 shall be solely for development of second production source(s) for SPY-1 radar and AEGIS combat system components and related integration for CG-47 and DDG-51 ship classes; for the DDG-51 guided missile destroyer program, $1,050,000,000; for the LSD-41 landing ship dock program, $489,500,000; for the LHD-1 amphibious assault ship program, $39,200,000; for the LPD-4 service life extension program, $15,000,000; for the MCM mine countermeasures ship program, $344,500,000; for the T-AO fleet oiler ship program, $522,600,000; for the T-AGOS ocean surveillance ship program, $128,400,000; for the T-AGS ocean survey ship program, $225,000,000; for the T-ACS auxiliary crane ship program, $36,000,000; for the ARTB nuclear reactor training ship conversion program, $30,000,000; for the T-AVB logistics support ship program, $31,800,000; for the strategic sealift program, $31,000,000; for the LCAC air cushion landing craft program, $230,100,000; for craft, outfitting, post delivery, cost growth, and escalation on prior year programs, $450,200,000; in all: $11,736,000,000; to remain available for obligation until September 30, 1989: Provided, That additional obligations may be incurred after September 30, 1989, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction; and each Shipbuilding and Conversion, Navy, appropriation that is currently available for such obligations may also hereafter be so obligated after the date of its expiration: Provided further, That none of the funds herein provided for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign shipyards for the construction of major components of the hull or superstructure of such vessel: Provided further, That none of the funds herein provided shall be used for the construction of any naval vessel in foreign shipyards: Provided further, That notwithstanding any other provision of law, the Navy is not required to install a Phased Array Radar on the FFG-61 which was authorized and for which appropriations were provided in fiscal year 1984, provided that this ship be equipped with a MK-92 Upgrade Phase II (CORT) System, and in addition to funds previously provided for the fiscal year 1984 FFG-7 guided missile frigate program, $36,300,000 shall be available by transfer from the amount appropriated in "Shipbuilding and Conversion, Navy, 1983/1987".

OTHER PROCUREMENT, NAVY

For procurement, production, and modernization of support equipment and materials not otherwise provided for, Navy ordnance and ammunition (except ordnance for new aircraft, new ships, and ships authorized for conversion); the purchase of not to exceed three vehicles required for physical security of personnel notwithstanding price limitations applicable to passenger carrying vehicles but not to exceed $100,000 per vehicle and the purchase of not to exceed four hundred and eighty-nine passenger motor vehicles which shall be for replacement only; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; as follows: For ship support equipment, $775,100,000; for communications and electronics equipment, $1,758,800,000; for aviation support equipment, $990,328,000; for ordnance support equipment, $1,126,500,000; for civil engineering support equipment, $238,000,000; for supply support equipment, $112,000,000; for personnel/command support equipment, $391,886,000; in all: $5,341,614,000; to remain available for obligation until September 30, 1987: Provided, That within the total amount appropriated, the subdivisions within this account shall be reduced by $51,000,000, as follows: $1,000,000 for contract support services; and $50,000,000 for Trident facilities.

PROCUREMENT, MARINE CORPS

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, ammunition, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including purchase of not to exceed two hundred and nineteen passenger motor vehicles for replacement only; and expansion of public and private plants, including land necessary therefor, and such lands, and interests therein, may be acquired and construction prosecuted thereon prior to approval of title; $1,836,722,000; to remain available for obligation until September 30, 1987.

AIRCRAFT PROCUREMENT, AIR FORCE

For construction, procurement, and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training

devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $26,188,266,000, of which $586,800,000 shall be available under a multiyear contract for procurement of seven hundred and twenty F-16 aircraft, of which seventy-two, shall be assigned to the Reserve Forces by 1991; to remain available for obligation until September 30, 1987: Provided, That none of the funds in this Act may be obligated on B-1B bomber production contracts if such contracts would cause the production portion of the Air Force's $20,500,000,000 estimate for the B-1B bomber baseline costs expressed in fiscal year 1981 constant dollars to be exceeded: Provided further, That thirty of the F-16 aircraft for which funds are appropriated in this Act shall be provided to the Reserve Forces: Provided further, That of the C-130H aircraft for which funds are appropriated in this Act, eight shall be provided to the Air National Guard and eight shall be provided to the Air Force Reserve: Provided further, That $144,800,000 appropriated in fiscal year 1983 for procurement of commercial wide body aircraft shall be available only for the Civil Reserve Air Fleet (CRAF) modification program.

MISSILE PROCUREMENT, AIR FORCE

For construction, procurement, and modification of missiles, spacecraft, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $6,909,245,000 of which $251,200,000 shall be available for the phase III defense satellite communications system (DSCS III) under a multiyear contract; to remain available for obligation until September 30, 1987: Provided, That the funds appropriated or made available in this paragraph include not more than $1,000,000,000 which may be obligated only for procurement related to the deployment of the 21 MX missiles for which funds were appropriated for fiscal year 1984, for advance procurement of parts and materials for the MX missile program and maintenance of the MX missle program contractor base, and for spare parts for the MX missile program. An additional $1,500,000,000 of prior year unobligated balances is available from the following accounts and in the specified amounts:

Aircraft Procurement, Army—1984/86	$30,000,000,
Missile Procurement, Army—1984/86	25,000,000,
Procurement of Weapons and Tracked Combat Vehicles, Army—1983/85	58,100,000,
Procurement of Weapons and Tracked Combat Vehicles, Army—1984/86	214,600,000,
Procurement of Ammunition, Army—1984/86	44,000,000,
Other Procurement, Army—1984/86	47,500,000,
Aircraft Procurement, Navy—1984/86	75,000,000,
Weapons Procurement, Navy—1984/86	20,000,000,
Shipbuilding and Conversion, Navy—1981/85	52,300,000,
Shipbuilding and Conversion, Navy—1983/87	527,400,000,
Shipbuilding and Conversion, Navy—1984/88	57,000,000,
Other Procurement, Navy—1984/86	85,700,000,
Procurement, Marine Corps—1984/86	7,500,000,
Aircraft Procurement, Air Force—1983/85	50,000,000,
Aircraft Procurement, Air Force—1984/86	176,400,000,
Missile Procurement, Air Force—1984/86	15,000,000,
Other Procurement, Air Force—1984/86	14,500,000.

The foregoing prior year unobligated balances shall remain available only for obligation for transfers or reprogrammings or for the procurement of 21 additional operational MX missiles. These prior year unobligated balances may not be obligated or become available for the procurement of 21 additional operational MX missiles unless after March 1, 1985—

(a) the President submits to Congress a report described under section 110(e) of the Department of Defense Authorization Act, 1985;

(b) a joint resolution approving authorization of obligation of funds for additional MX missiles is enacted as provided in section 110(d)(1) of the Department of Defense Authorization Act, 1985; and

(c) a joint resolution further approving the obligation and availability of those prior year unoligated balances is enacted as provided for in this proviso:

(1) For the purposes of clause (c), "joint resolution" means only a joint resolution introduced after the date on which the report of the President described under section 110(e) of the Department of Defense authorization Act, 1985, is received by Congress, the matter after the resolving clause of which as follows: "That the Congress approves the obligation and availability of prior year unobligated balances made available for fiscal year 1985 for the procurement of additional operational MX missiles.".

(2) A resolution described in paragraph (1) introduced in the House of Representatives shall be referred to the Committee on Appropriations of the House of Representatives. A resolution described in paragraph (1) introduced in the Senate shall be referred to the Committee on Appropriations of the Senate.

(3) The committee to which is referred a resolution described in paragraph (1) may not report such resolution in less than eight calendar days after its introduction. If a committee to which is referred a resolution described in paragraph (1) has not reported such resolution (or an identical resolution) at the end of fifteen calendar days after its introduction or at the end of the second day after the House involved has voted on final passage of a joint resolution approving the further obligation of funds for the procurement of operational MX missiles as provided for in section 110(d)(1) of the Department of Defense Authorization Act, 1985, whichever is earlier, such committee shall be deemed to be discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar of the House involved.

(4)(A) Subject to subparagraph (B), when the committee to which a resolution is referred has reported, or has been deemed to be discharged (under paragraph (3)) from further consideration of, a resolution described in paragraph (1), it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution, and all points of order against the resolution (and against consideration of the resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

(B) Notwithstanding subparagraph (A), it is not in order to consider a resolution described in paragraph (1) unless a resolution has been agreed to in the House involved as provided in section 110(d)(1) of the Department of Defense Authorization Act, 1985.

(C) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is in order and not debatable but such motion shall not be in order in the Senate until after 5 hours of debate. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

(D) Immediately following the conclusion of the debate on a resolution described in paragraph (1), and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

(E) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution described in paragraph (1) shall be decided without debate.

(5) If, before the passage by the Senate of a resolution of the Senate described in paragraph (1), the Senate receives from the House of Representatives a resolution described in paragraph (1), then the following procedures shall apply:

(A) The resolution of the House of Representatives shall not be referred to a committee.

(B) With respect to a resolution described in paragraph (1) of the Senate—

(i) the procedure in the Senate shall be the same as if no resolution had been received from the House; but

(ii) the vote on final passage shall be on the resolution of the House.

(C) Upon disposition of the resolution received from the House, it shall no longer be

in order to consider the resolution originated in the Senate.

(6) If the Senate receives from the House of Representatives, a resolution described in paragraph (1) after the Senate has disposed of a Senate originated resolution, the action of the Senate with regard to the disposition of the Senate originated shall be deemed to be the action of the Senate with regard to the House originated resolution.

(7) This proviso is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in paragraph (1), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(8) Section 110(d)(1) of the Department of Defense Authorization Act, 1985, as approved by Congress on September 27, 1984, is amended by deleting the word "appropriated" and inserting in lieu thereof the word "available".

OTHER PROCUREMENT, AIR FORCE

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed one thousand eight hundred and ninety-eight passenger motor vehicles of which one thousand six hundred and forty-seven shall be for replacement only; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon, prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; $8,861,697,000; to remain available for obligation until September 30, 1987.

National Guard and Reserve Equipment

For procurement of aircraft, missiles, tracked combat vehicles, and other procurement for the reserve components of the Armed Forces, not to exceed $380,000,000 to remain available until September 30, 1987, distributed as follows: Army National Guard, not to exceed $150,000,000; Air National Guard, not to exceed $20,000,000; Naval Reserve, not to exceed $20,000,000; Marine Corps Reserve, not to exceed $30,000,000; Army Reserve, not to exceed $150,000,000; and Air Force Reserve, not to exceed $10,000,000.

PROCUREMENT, DEFENSE AGENCIES

For expenses of activities and agencies of the Department of Defense (other than the military departments) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed one hundred and thirty-two passenger motor vehicles of which one hundred and twenty-seven shall be for replacement only; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; $1,165,701,000, to remain available for obligation until September 30, 1987.

DEFENSE PRODUCTION ACT PURCHASES

For purchases or commitments to purchase metals, minerals, or other materials by the Department of Defense pursuant to section 303 of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2093); $10,000,000, to remain available for obligation until September 30, 1987.

TITLE IV

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $4,349,015,000, of which $13,338,000 is available only for activities relevant to approving the 120-millimeter mortar for service use, to remain available for obligation until September 30, 1986.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $9,172,622,000, of which $29,941,000 is available only for the Low Cost Anti-Radiation Seeker program, to remain available for obligation until September 30, 1986: Provided, That none of the funds appropriated by this Act for the new design attack submarine may be obligated or expended unless and until the Secretary of the Navy provides to the Committees on Appropriations and Armed Services of the Senate and House of Representatives written certification that, based on current national intelligence estimates approved by the Director of Central Intelligence, the new design attack submarine will be capable under operational conditions of engaging the known Soviet submarine threat.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $13,424,147,000, of which $82,698,000 is available only for the Engine Model Derivative Program, and $3,000,000 is available only for the Low Cost Anti-Radiation Seeker Program, to remain available for obligation until September 30, 1986.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE AGENCIES

(INCLUDING TRANSFER OF FUNDS)

For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test, and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $4,182,287,000, of which $10,000,000 is available only for the adapting of free electron laser technology to biomedical and materials science research, to remain available for obligation until September 30, 1986: Provided, That such amounts as may be determined by the Secretary of Defense to have been made available in other appropriations available to the Department of Defense during the current fiscal year for programs related to advanced research may be transferred to and merged with this appropriation to be available for the same purposes and time period: Provided further, That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to carry out the purposes of advanced research to those appropriations for military functions under the Department of Defense which are being utilized for related programs to be merged with and to be available for the same time period as the appropriation to which transferred.

DIRECTOR OF TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, of independent activities of the Director of Defense Test and Evaluation in the direction and supervision of test and evaluation, including initial operational testing and evaluation; and performance of joint testing and evaluation; and administrative expenses in connection therewith; $59,000,000, to remain available for obligation until September 30, 1986.

TITLE V

SPECIAL FOREIGN CURRENCY PROGRAM

For payment in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States for expenses in carrying out programs of the Department of Defense, as authorized by law; $8,650,000, to remain available for obligation until September 30, 1986: Provided, That this appropriation shall be available in addition to other appropriations to such Department, for payments in the foregoing currencies.

TITLE VI

REVOLVING AND MANAGEMENT FUNDS

ARMY STOCK FUND

For the Army stock fund; $366,448,000.

NAVY STOCK FUND

For the Navy stock fund; $473,307,000.

MARINE CORPS STOCK FUND

For the Marine Corps stock fund; $34,908,000.

AIR FORCE STOCK FUND

For the Air Force stock fund; $548,593,000.

DEFENSE STOCK FUND

For the Defense stock fund; $130,700,000.

TITLE VII

RELATED AGENCIES

INTELLIGENCE COMMUNITY STAFF

For necessary expenses of the Intelligence Community Staff; $20,797,000.

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

For payment to the Central Intelligence Agency Retirement and Disability System Fund, to maintain proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System; $99,300,000.

TITLE VIII

GENERAL PROVISIONS

SEC. 8001. The expenditure of any appropriation under this Act for any consulting

service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 8002. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 8003. During the current fiscal year, the Secretary of Defense and the Secretaries of the Army, Navy, and Air Force, respectively, if they should deem it advantageous to the national defense, and if in their opinions the existing facilities of the Department of Defense are inadequate, are authorized to procure services in accordance with section 3109 of title 5, United States Code, under regulations prescribed by the Secretary of Defense, and to pay in connection therewith travel expenses of individuals, including actual transportation and per diem in lieu of subsistence while traveling from their homes or places of business to official duty stations and return as may be authorized by law: Provided, That such contracts may be renewed annually.

SEC. 8004. During the current fiscal year, provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense.

SEC. 8005. Appropriations for the Department of Defense for the current fiscal year shall be available for: (a) transportation to primary and secondary schools of minor dependents of military and civilian personnel of the Department of Defense as authorized for the Navy by section 7204 of title 10, United States Code; (b) expenses in connection with administration of occupied areas; (c) payment of rewards as authorized for the Navy by section 7209(a) of title 10, United States Code, for information leading to the discovery of missing naval property or the recovery thereof; (d) payment of deficiency judgments and interests thereon arising out of condemnation proceedings; (e) leasing of buildings and facilities including payment of rentals for special purpose space at the seat of government, and in the conduct of field exercises and maneuvers or, in administering the provisions of the Act of July 9, 1942 (56 Stat. 654; 43 U.S.C. 315q), rentals may be paid in advance; (f) payments under contracts for maintenance of tools and facilities for twelve months beginning at any time during the fiscal year; (g) maintenance of defense access roads certified as important to national defense in accordance with section 210 of title 23, United States Code; (h) the purchase of milk for enlisted personnel of the Department of Defense heretofore made available pursuant to section 202 of the Agricultural Act of 1949 (7 U.S.C. 1446a), and the cost of milk so purchased, as determined by the Secretary of Defense, shall be included in the value of the commuted ration; (i) transporting civilian clothing to the home of record of selective service inductees and recruits on entering the military services; (j) payments under leases for real or personal property, including maintenance thereof when contracted for as a part of the lease agreement, for twelve months beginning at any time during the fiscal year; (k) pay and allowances of not to exceed nine persons, including personnel detailed to International Military Headquarters and Organizations, at rates provided for under section 625(d)(1) of the Foreign Assistance Act of 1961, as amended; (l) the purchase of right-hand-drive vehicles not to exceed $12,000 per vehicle; (m) payment of unusual cost overruns incident to ship overhaul, maintenance, and repair for ships inducted into industrial fund activities or contracted for in prior fiscal years: Provided, That the Secretary of Defense shall notify the Congress promptly prior to obligation of any such payments; (n) payments from annual appropriations to industrial fund activities and/or under contract for changes in scope of ship overhaul, maintenance, and repair after expiration of such appropriations, for such work either inducted into the industrial fund activity or contracted for in that fiscal year; and (o) payments for depot maintenance contracts for twelve months beginning at any time during the fiscal year.

SEC. 8006. Appropriations for the Department of Defense for the current fiscal year shall be available for: (a) donations of not to exceed $25 to each prisoner upon each release from confinement in military or contract prison and to each person discharged for fraudulent enlistment; (b) authorized issues of articles to prisoners, applicants for enlistment and persons in military custody; (c) subsistence of selective service registrants called for induction, applicants for enlistment, prisoners, civilian employees as authorized by law, and supernumeraries when necessitated by emergent military circumstances; (d) reimbursement for subsistence of enlisted personnel while sick in hospitals; (e) expenses of prisoners confined in nonmilitary facilities; (f) military courts, boards, and commissions; (g) utility services for buildings erected at private cost, as authorized by law, and buildings on military reservations authorized by regulations to be used for welfare and recreational purposes; (h) exchange fees, and losses in the accounts of disbursing officers or agents in accordance with law; (i) expenses of Latin American cooperation as authorized for the Navy by section 7208 of title 10, United States Code; (j) expenses of apprehension and delivery of deserters, prisoners, and members absent without leave, including payment of rewards of not to exceed $75 in any one case; and (k) carrying out section 10 of the Act of September 23, 1950, as amended.

SEC. 8007. The Secretary of Defense and each purchasing and contracting agency of the Department of Defense shall assist American small and minority-owned business to participate equitably in the furnishing of commodities and services financed with funds appropriated under this Act by increasing, to an optimum level, the resources and number of personnel jointly assigned to promoting both small and minority business involvement in purchases financed with funds appropriated herein, and by making available or causing to be made available to such businesses, information, as far in advance as possible, with respect to purchases proposed to be financed with funds appropriated under this Act, and by assisting small and minority business concerns to participate equitably as subcontractors on contracts financed with funds appropriated herein, and by otherwise advocating and providing small and minority business opportunities to participate in the furnishing of commodities and services financed with funds appropriated by this Act.

SEC. 8008. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 8009. (a) During the current fiscal year, the President may exempt appropriations, funds, and contract authorizations, available for military functions under the Department of Defense, from the provisions of section 1512 of title 31, United States Code, whenever he deems such action to be necessary in the interest of national defense.

(b) Upon determination by the President that such action is necessary, the Secretary of Defense is authorized to provide for the cost of an airborne alert as an excepted expense in accordance with the provisions of section 3732 of the Revised Statutes (41 U.S.C. 11).

(c) Upon determination by the President that it is necessary to increase the number of military personnel on active duty subject to existing laws beyond the number for which funds are provided in this Act, the Secretary of Defense is authorized to provide for the cost of such increased military personnel, as an excepted expense in accordance with the provisions of section 3732 of the Revised Statutes (41 U.S.C. 11).

(d) The Secretary of Defense shall immediately advise Congress of the exercise of any authority granted in this section, and shall report monthly on the estimated obligations incurred pursuant to subsections (b) and (c).

SEC. 8010. No appropriation contained in this Act shall be available in connection with the operation of commissary stores of the agencies of the Department of Defense for the cost of purchase (including commercial transportation in the United States to the place of sale but excluding all transportation outside the United States) and maintenance of operating equipment and supplies, and for the actual or estimated cost of utilities as may be furnished by the Government and of shrinkage, spoilage, and pilferage of merchandise under the control of such commissary stores, except as authorized under regulations promulgated by the Secretaries of the military departments concerned with the approval of the Secretary of Defense, which regulations shall provide for reimbursement therefor to the appropriations concerned and, notwithstanding any other provision of law, shall provide for the adjustment of the sales prices in such commissary stores to the extent necessary to furnish sufficient gross revenues from sales of commissary stores to make such reimbursement: Provided, That under such regulations as may be issued pursuant to this section all utilities may be furnished without cost to the commissary stores outside the continental United States and in Alaska: Provided further, That no appropriation contained in this Act shall be available to pay any costs incurred by any commissary store or other entity acting on behalf of any commissary store in connection with obtaining the face value amount of manufacturer or vendor cents-off discount coupons unless all fees or moneys received for handling or processing such coupons are reimbursed to the appropriation charged with the incurred costs: Provided further, That no appropriation contained in this Act shall be available in connection with the operation of commissary stores within the continental United States unless the Secretary of Defense has certified that items normally procured from commissary stores are not otherwise available at a reasonable distance and a reasonable price in satisfactory quality and quantity to the military and civilian employees of the Department of Defense.

SEC. 8011. No part of the appropriations in this Act shall be available for any expense of

operating aircraft under the jurisdiction of the armed forces for the purpose of proficiency flying, as defined in Department of Defense Directive 1340.4, except in accordance with regulations prescribed by the Secretary of Defense. Such regulations (1) may not require such flying except that required to maintain proficiency in anticipation of a member's assignment to combat operations and (2) such flying may not be permitted in cases of members who have been assigned to a course of instruction of ninety days or more.

SEC. 8012. No part of any appropriation contained in this Act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in any one shipment having a net weight in excess of thirteen thousand five hundred pounds for military personnel.

SEC. 8013. Vessels under the jurisdiction of the Department of Transportation, the Department of the Army, the Department of the Air Force, or the Department of the Navy may be transferred or otherwise made available without reimbursement to any such agencies upon the request of the head of one agency and the approval of the agency having jurisdiction of the vessels concerned.

SEC. 8014. Not more than 20 per centum of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last two months of the fiscal year: Provided, That this section shall not apply to obligations for support of active duty training of civilian components or summer camp training of the Reserve Officers' Training Corps, or the National Board for the Promotion of Rifle Practice, Army, or to the appropriations provided in this Act for Claims, Defense, or for Environmental Restoration, Defense.

SEC. 8015. During the current fiscal year the agencies of the Department of Defense may accept the use of real property from foreign countries for the United States in accordance with mutual defense agreements or occupational arrangements and may accept services furnished by foreign countries as reciprocal international courtesies or as services customarily made available without charge; and such agencies may use the same for the support of the United States forces in such areas without specific appropriation therefor.

In addition to the foregoing, agencies of the Department of Defense may accept real property, services, and commodities from foreign countries for the use of the United States in accordance with mutual defense agreements or occupational arrangements and such agencies may use the same for the support of the United States forces in such areas, without specific appropriations therefor: Provided, That the foregoing authority shall not be available for the conversion of heating plants from coal to oil at defense facilities in Europe: Provided further, That within thirty days after the end of each quarter the Secretary of Defense shall render to Congress and to the Office of Management and Budget a full report of such property, supplies, and commodities received during such quarter.

SEC. 8016. During the current fiscal year, appropriations available to the Department of Defense for research and development may be used for the purposes of section 2353 of title 10, United States Code, and for purposes related to research and development for which expenditures are specifically authorized in other appropriations of the Service concerned.

SEC. 8017. No appropriation contained in this Act shall be available for the payment of more than 75 per centum of charges of educational institutions for tuition or expenses of off-duty training of military personnel (except with regard to such charges of educational institutions (a) for enlisted personnel in the pay grade E–5 or higher with less than 14 years' service, for which payment of 90 per centum may be made or (b) for military personnel in off-duty high school completion programs, for which payment of 100 per centum may be made), nor for the payment of any part of tuition or expenses for such training for commissioned personnel who do not agree to remain on active duty for two years after completion of such training: Provided, That the foregoing limitation shall not apply to the Program for Afloat College Education.

SEC. 8018. No part of the funds appropriated herein shall be expended for the support of any formally enrolled student in basic courses of the senior division, Reserve Officers' Training Corps, who has not executed a certificate of loyalty or loyalty oath in such form as shall be prescribed by the Secretary of Defense.

SEC. 8019. No part of any appropriation contained in this Act, except for small purchases in amounts not exceeding $10,000 shall be available for the procurement of any article of food, clothing, cotton, woven silk or woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated synthetic fabric, or wool (whether in the form of fiber or yarn or contained in fabrics, materials, or manufactured articles), or specialty metals including stainless steel flatware, or hand or measuring tools, not grown, reprocessed, reused, or produced in the United States or its possessions, except to the extent that the Secretary of the Department concerned shall determine that satisfactory quality and sufficient quantity of any articles of food or clothing or any form of cotton, woven silk and woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated synthetic fabric, wool, or specialty metals including stainless steel flatware, grown, reprocessed, reused, or produced in the United States or its possessions cannot be procured as and when needed at United States market prices and except procurements outside the United States in support of combat operations, procurements by vessels in foreign waters, and emergency procurements or procurements of perishable foods by establishments located outside the United States for the personnel attached thereto: Provided, That nothing herein shall preclude the procurement of specialty metals or chemical warfare protective clothing produced outside the United States or its possessions when such procurement is necessary to comply with agreements with foreign governments requiring the United States to purchase supplies from foreign sources for the purposes of offsetting sales made by the United States Government or United States firms under approved programs serving defense requirements or where such procurement is necessary in furtherance of the standardization and interoperability of equipment requirements within NATO so long as such agreements with foreign governments comply, where applicable, with the requirements of section 36 of the Arms Export Control Act and with section 2457 of title 10, United States Code: Provided further, That nothing herein shall preclude the procurement of foods manufactured or processed in the United States or its possessions: Provided further, That no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations other than certain contracts not involving fuel made on a test basis by the Defense Logistics Agency with a cumulative value not to exceed $4,000,000,000, as may be determined by the Secretary of Defense pursuant to existing laws and regulations as not to be inappropriate therefor by reason of national security considerations: Provided further, That the Secretary specifically determines that there is a reasonable expectation that offers will be obtained from a sufficient number of eligible concerns so that awards of such contracts will be made at a reasonable price and that no award shall be made for such contracts if the price differential exceeds 2.2 per centum: Provided further, That none of the funds appropriated in this Act shall be used except that, so far as practicable, all contracts shall be awarded on a formally advertised competitive bid basis to the lowest responsible bidder.

SEC. 8020. None of the funds appropriated by this Act may be obligated under section 206 of title 37, United States Code, for inactive duty training pay of a member of the National Guard or a member of a reserve component of a uniformed service for more than four periods of equivalent training, instruction, duty or appropriate duties that are performed instead of that member's regular period of instruction or regular period appropriate duty.

SEC. 8021. During the current fiscal year, appropriations available to the Department of Defense for pay of civilian employees shall be available for uniforms, or allowances therefor, as authorized by section 5901 of title 5, United States Code.

SEC. 8022. Funds provided in this Act for legislative liaison activities of the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Office of the Secretary of Defense shall not exceed $12,700,000 for the current fiscal year: Provided, That this amount shall be available for apportionment to the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Office of the Secretary of Defense as determined by the Secretary of Defense: Provided further, That costs for military retired pay accrual shall be included within this limitation.

SEC. 8023. Of the funds made available by this Act for the services of the Military Airlift Command, $100,000,000 shall be available only for procurement of commercial transportation service from carriers participating in the civil reserve air fleet program; and the Secretary of Defense shall utilize the services of such carriers which qualify as small businesses to the fullest extent found practicable: Provided, That the Secretary of Defense shall specify in such procurement, performance characteristics for aircraft to be used based upon modern aircraft operated by the civil reserve air fleet.

SEC. 8024. During the current fiscal year, appropriations available to the Department of Defense for operation may be used for civilian clothing, not to exceed $40 in cost for enlisted personnel: (1) discharged for misconduct, unsuitability, or otherwise than honorably; (2) sentenced by a civil court to confinement in a civil prison or interned or discharged as an alien enemy; or (3) discharged prior to completion of recruit training under honorable conditions for dependency, hardship, minority, disability, or for the convenience of the Government.

(TRANSFER OF FUNDS)

SEC. 8025. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed $1,200,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: Provided, That such authority to transfer may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by Congress: Provided further, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority.

(TRANSFER OF FUNDS)

SEC. 8026. During the current fiscal year, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: Provided, That transfers may be made between such funds in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Management and Budget, except that transfers between a stock fund account and an industrial fund account may not be made unless the Secretary of Defense has notified the Congress of the proposed transfer. Except in amounts equal to the amounts appropriated to working capital funds in this Act, no obligations may be made against a working capital fund to procure war reserve material inventory, unless the Secretary of Defense has notified the Congress prior to any such obligation.

SEC. 8027. No part of the funds appropriated under this Act shall be used to provide a loan, guarantee of a loan, or a grant to any applicant who has been convicted by any court of general jurisdiction of any crime which involves the use of or the assistance to others in the use of force, trespass, or the seizure of property under control of an institution of higher education to prevent officials or students at such an institution from engaging in their duties or pursuing their studies.

SEC. 8028. None of the funds available to the Department of Defense shall be utilized for the conversion of heating plants from coal to oil at defense facilities in Europe.

SEC. 8029. None of the funds appropriated by this Act shall be available for any research involving uninformed or nonvoluntary human beings as experimental subjects: Provided, That this limitation shall not apply to measures intended to be beneficial to the recipient and consent is obtained from the recipient or a legal representative acting on the recipient's behalf.

SEC. 8030. No part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for reprograming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprograming is requested has been denied by the Congress.

SEC. 8031. No funds appropriated by this Act shall be available to pay claims for nonemergency inpatient hospital care provided under the Civilian Health and Medical Program of the Uniformed Services for services available at a facility of the uniformed services within a 40-mile radius of the patient's residence: Provided, That the foregoing limitation shall not apply to payments that supplement primary coverage provided by other insurance plans or programs for inpatient care.

SEC. 8032. None of the funds contained in this Act available for the Civilian Health and Medical Program of the Uniformed Services under the provisions of section 1079(a) of title 10, United States Code, shall be available for (a) services of pastoral counselors, or family and child counselors, or marital counselors unless the patient has been referred to such counselor by a medical doctor for treatment of a specific problem with results of that treatment to be communicated back to the physician who made such referral; (b) special education, except when provided as secondary to the active psychiatric treatment on an institutional inpatient basis; (c) therapy or counseling for sexual dysfunctions or sexual inadequacies; (d) treatment of obesity when obesity is the sole or major condition treated; (e) surgery which improves physical appearance but which is not expected to significantly restore functions including, but not limited to, mammary augmentation, face lifts and sex gender changes except that breast reconstructive surgery following mastectomy and reconstructive surgery to correct serious deformities caused by congenital anomalies, accidental injuries and neoplastic surgery are not excluded; (f) reimbursement of any physician or other authorized individual provider of medical care in excess of the eightieth percentile of the customary charges made for similar services in the same locality where the medical care was furnished, as determined for physicians in accordance with section 1079(h) of title 10, United States Code; or (g) any service or supply which is not medically or psychologically necessary to prevent, diagnose, or treat a mental or physical illness, injury, or bodily malfunction as assessed or diagnosed by a physician, dentist, clinical psychologist, optometrist, podiatrist, certified nurse-midwife, certified nurse practitioner, or certified clinical social worker, as appropriate, except as authorized by section 1079(a)(4) of title 10, United States Code: Provided, That any changes in availability of funds for the Program made in this Act from those in effect prior to its enactment shall be effective for care received following enactment of this Act.

SEC. 8033. Appropriations available to the Department of Defense for the current fiscal year shall be available to provide an individual entitled to health care under chapter 55 of title 10, United States Code, with one wig if the individual has alopecia that resulted from treatment of malignant disease: Provided, That the individual has not previously received a wig from the Government.

SEC. 8034. None of the funds appropriated by this Act may be used to support more than 300 enlisted aides for officers in the United States Armed Forces.

SEC. 8035. No appropriation contained in this Act may be used to pay for the cost of public affairs activities of the Department of Defense in excess of $43,400,000: Provided, That costs for military retired pay accrual shall be included within this limitation.

SEC. 8036. None of the funds provided in this Act shall be available for the planning or execution of programs which utilize amounts credited to Department of Defense appropriations or funds pursuant to the provisions of section 37(a) of the Arms Export Control Act representing payment for the actual value of defense articles specified in section 21(a)(1) of that Act: Provided, That such amounts shall be credited to the Special Defense Acquisition Fund, as authorized by law, or, to the extent not so credited shall be deposited in the Treasury as miscellaneous receipts as provided in section 3302(b) of title 31, United States Code.

SEC. 8037. No appropriation contained in this Act shall be available to fund any costs of a Senior Reserve Officers' Training Corps unit—except to complete training of personnel enrolled in Military Science 4—which in its junior year class (Military Science 3) has for the four preceding academic years, and as of September 30, 1983, enrolled less than (a) seventeen students where the institution prescribes a four-year or a combination four- and two-year program; or (b) twelve students where the institution prescribes a two-year program: Provided, That, notwithstanding the foregoing limitation, funds shall be available to maintain one Senior Reserve Officers' Training Corps unit in each State and at each State-operated maritime academy: Provided further, That units under the consortium system shall be considered as a single unit for purposes of evaluation of productivity under this provision: Provided further, That enrollment standards contained in Department of Defense Directive 1215.8 for Senior Reserve Officers' Training Corps units, as revised during fiscal year 1981, may be used to determine compliance with this provision, in lieu of the standards cited above.

SEC. 8038. (a) None of the funds appropriated by this Act or available in any working capital fund of the Department of Defense shall be available to pay the expenses attributable to lodging of any person on official business away from his designated post of duty, or in the case of an individual described under section 5703 of title 5, United States Code, his home or regular place of duty, when adequate Government quarters are available, but are not occupied by such person.

(b) The limitation set forth in subsection (a) is not applicable to employees whose duties require official travel in excess of fifty percent of the total number of the basic administrative work weeks during the current fiscal year.

SEC. 8039. (a) During the current fiscal year and hereafter, none of the assets of the Department of Defense Military Retirement Fund shall be available to pay the retainer pay of any enlisted member of the Regular Navy, the Naval Reserve, the Regular Marine Corps, or the Marine Corps Reserve who is transferred to the Fleet Reserve or the Fleet Marine Corps Reserve under section 6330 of title 10, United States Code, on or after December 31, 1977, if the provisions of section 6330(d) of title 10, are utilized in determining such member's eligibility for retirement under section 6330(b) of the title 10: Provided, That notwithstanding the foregoing, time creditable as active service for a completed minority enlistment, and an enlistment terminated within three months before the end of the term of enlistment under section 6330(d) of title 10, prior to December 31, 1977, may be utilized in determining eligibility for retirement: Provided further, That notwithstanding the foregoing, time may be credited as active service in determining a member's eligibility for retire-

ment under section 6330(b) of title 10 pursuant to the provisions of the first sentence of section 6330(d) of title 10 for those members who had formally requested transfer to the Fleet Reserve or the Fleet Marine Corps Reserve on or before October 1, 1977.

(b) During the current fiscal year and hereafter, none of the assets of the Department of Defense Military Retirement Fund shall be available to pay that portion of the retainer pay of any enlisted member of the Regular Navy, the Naval Reserve, the Regular Marine Corps, or the Marine Corps Reserve who is transferred to the Fleet Reserve or the Fleet Marine Corps Reserve under section 6330 of title 10, United States Code, on or after December 31, 1977, which is attributable under the second sentence of section 6330(d) of title 10 to time which, after December 31, 1977, is not actually served by such member.

SEC. 8040. None of the funds appropriated by this Act for programs of the Central Intelligence Agency shall remain available for obligation beyond the current fiscal year, except for: (a) funds appropriated for the Reserve for Contingencies, which shall remain available until September 30, 1986; and (b) funds appropriated for Headquarters Construction, which shall remain available until September 30, 1989.

SEC. 8041. None of the funds provided by this Act may be used to pay the salaries of any person or persons who authorized the transfer of unobligated and deobligated appropriations into the Reserve for Contingencies of the Central Intelligence Agency.

SEC. 8042. None of the funds appropriated by this Act may be used to support more than 9,901 full-time and 2,603 part-time military personnel assigned to or used in the support of Morale, Welfare, and Recreation activities as described in Department of Defense Instruction 7000.12 and its enclosures, dated September 4, 1980.

SEC. 8043. All obligations incurred in anticipation of the appropriations and authority provided in this Act are hereby ratified and confirmed if otherwise in accordance with the provisions of this Act.

SEC. 8044. None of the funds provided by this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term.

SEC. 8045. None of the funds appropriated by this Act shall be used for the provision, care or treatment to dependents of members or former members of the Armed Services or the Department of Defense for the elective correction of minor dermatological blemishes and marks or minor anatomical anomalies.

SEC. 8046. None of the funds appropriated by this Act or heretofore appropriated by any other Act shall be obligated or expended for the payment of anticipatory possession compensation claims to the Federal Republic of Germany other than claims listed in the 1973 agreement (commonly referred to as the Global Agreement) between the United States and the Federal Republic of Germany.

SEC. 8047. During the current fiscal year the Department of Defense may enter into contracts to recover indebtedness to the United States pursuant to section 3718 of title 31, United States Code, and any such contract entered into by the Department of Defense may provide that appropriate fees charged by the contractor under the contract to recover indebtedness may be payable from amounts collected by the contractor to the extent and under the conditions provided under the contract.

SEC. 8048. None of the funds appropriated by this Act shall be available for a contract for studies, analyses, or consulting services entered into without competition on the basis of an unsolicited proposal unless the head of the activity responsible for the procurement determines:

(a) as a result of thorough technical evaluation, only one source is found fully qualified to perform the proposed work, or

(b) the purpose of the contract is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original thinking, and was submitted in confidence by one source, or

(c) where the purpose of the contract is to take advantage of unique and significant industrial accomplishment by a specific concern, or to insure that a new product or idea of a specific concern is given financial support:

Provided, That this limitation shall not apply to contracts in an amount of less than $25,000, contracts related to improvements of equipment that is in development or production, or contracts as to which a civilian official of the Department of Defense, who has been confirmed by the Senate, determines that the award of such contract is in the interest of the national defense.

SEC. 8049. None of the funds appropriated by this Act shall be available to provide medical care in the United States on an inpatient basis to foreign military and diplomatic personnel or their dependents unless the Department of Defense is reimbursed for the costs of providing such care: Provided, That reimbursements for medical care covered by this section shall be credited to the appropriations against which charges have been made for providing such care, except that inpatient medical care may be provided in the United States without cost to military personnel and their dependents from a foreign country if comparable care is made available to a comparable number of United States military personnel in that foreign country.

SEC. 8050. None of the funds appropriated by this Act shall be obligated for the second career training program authorized by Public Law 96-347.

SEC. 8051. None of the funds appropriated or otherwise made available in this Act shall be obligated or expended for salaries or expenses during the current fiscal year for the purposes of demilitarization of surplus nonautomatic firearms less than .50 caliber.

SEC. 8052. None of the funds provided in this Act shall be available to initiate (1) a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year of the contract or that includes an unfunded contingent liability in excess of $20,000,000, or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year, unless the Committees on Appropriations and Armed Services of the Senate and House of Representatives have been notified at least 30 days in advance of the proposed contract award: Provided, That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability: Provided further, That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for major systems unless specifically provided herein. For purposes of this provision, a major system is defined as a system or major assembly thereof whose eventual total expenditure for research, development, test, and evaluation is more than $200,000,000, or whose eventual total expenditure for procurement is more than $1,000,000,000.

SEC. 8053. None of the funds appropriated by this Act which are available for payment of travel allowances for per diem in lieu of subsistence to enlisted personnel shall be used to pay such an allowance to any enlisted member in an amount that is more than the amount of per diem in lieu of subsistence that the enlisted member is otherwise entitled to receive minus the basic allowance for subsistence, or pro rata portion of such allowance, that the enlisted member is entitled to receive during any day, or portion of a day, that the enlisted member is also entitled to be paid a per diem in lieu of subsistence: Provided, That if an enlisted member is in a travel status and is not entitled to receive a per diem in lieu of subsistence because the member is furnished meals in a Government mess, funds available to pay the basic allowance for subsistence to such a member shall not be used to pay that allowance, or pro rata portion of that allowance, for each day, or portion of a day, that such enlisted member is furnished meals in a Government mess.

SEC. 8054. During the current fiscal year and hereafter, none of the assets of the Department of Defense Military Retirement Fund shall be available to pay the retired pay or retainer pay of a member of the Armed Forces for any month who, on or after January 1, 1982, becomes entitled to retired or retainer pay, in an amount that is greater than the amount otherwise determined to be payable after such reductions as may be necessary to reflect adjusting the computation of retired pay or retainer pay that includes credit for a part of a year of service to permit credit for a part of a year of service only for such month or months actually served: Provided, That the foregoing limitation shall not apply to any member who before January 1, 1982: (a) applied for retirement or transfer to the Fleet Reserve or Fleet Marine Corps Reserve; (b) is being processed for retirement under the provisions of chapter 61 of title 10 or who is on the temporary disability retired list and thereafter retired under the provisions of sections 1210 (c) or (d) of title 10; or (c) is retired or in an inactive status and would be eligible for retired pay under the provisions of chapter 67 of title 10, but for the fact that the person is under 60 years of age.

SEC. 8055. None of the funds appropriated by this Act shall be available to approve a request for waiver of the costs otherwise required to be recovered under the provisions of section 21(e)(1)(C) of the Arms Export Control Act unless the Committees on Appropriations have been notified in advance of the proposed waiver.

SEC. 8056. None of the funds appropriated by this Act shall be available for the transportation of equipment or materiel designated as Prepositioned Materiel Configured in Unit Sets (POMCUS) in Europe in excess of four division sets: Provided, That the foregoing limitation shall not apply with respect to any item of equipment or materiel which is maintained in the inventories of the Active and Reserve Forces at levels of at least 70 per centum of the established requirements for such an item of equipment or materiel for the Active Forces and 50 per centum of the established requirement for the Reserve Forces for such an item of equip-

ment or materiel: Provided further, That no additional commitments to the establishment of POMCUS sites shall be made without prior approval of Congress.

SEC. 8057. (a) None of the funds in this Act may be used to transfer any article of military equipment or data related to the manufacture of such equipment to a foreign country prior to the approval in writing of such transfer by the Secretary of the military service involved.

(b) No funds appropriated by this Act may be used for the transfer of a technical data package from any Government-owned and operated defense plant manufacturing large caliber cannons to any foreign government, nor for assisting any such government in producing any defense item currently being manufactured or developed in a United States Government-owned, Government-operated defense plant manufacturing large caliber cannons.

(TRANSFER OF FUNDS)

SEC. 8058. None of the funds appropriated in this Act may be made available through transfer, reprograming, or other means for any intelligence or special activity different from that previously justified to the Congress unless the Director of Central Intelligence or the Secretary of Defense has notified the House and Senate Appropriations Committees of the intent to make such funds available for such activity.

SEC. 8059. Of the funds appropriated by this Act for strategic programs, the Secretary of Defense shall provide funds for the Advanced Technology Bomber program at a level at least equal to the amount provided by the committee of conference on this Act in order to maintain priority emphasis on this program.

SEC. 8060. None of the funds available to the Department of Defense during the current fiscal year shall be used by the Secretary of a military department to purchase coal or coke from foreign nations for use at United States defense facilities in Europe when coal from the United States is available.

SEC. 8061. None of the funds available to the Department of Defense shall be available for the procurement of manual typewriters which were manufactured by facilities located within States which are Signatories to the Warsaw Pact.

SEC. 8062. None of the funds appropriated by this Act may be used to appoint or compensate more than 37 individuals in the Department of Defense in positions in the Executive Schedule (as provided in sections 5312–5316 of title 5, United States Code).

SEC. 8063. None of the funds appropriated by this Act shall be available to convert a position in support of the Army Reserve, Air Force Reserve, Army National Guard, and Air National Guard occupied by, or programed to be occupied by, a (civilian) military technician to a position to be held by a person in an active Guard or Reserve status if that conversion would reduce the total number of positions occupied by, or programed to be occupied by, (civilian) military technicians of the component concerned, below 62,410: Provided, That none of the funds appropriated by this Act shall be available to support more than 37,957 positions in support of the Army Reserve, Army National Guard or Air National Guard occupied by, or programed to be occupied by, persons in an active Guard or Reserve status: Provided further, That none of the funds appropriated by this Act may be used to include (civilian) military technicians in computing civilian personnel ceilings, including statutory or administratively imposed ceilings, on activities in support of the Army Reserve, Air Force Reserve, Army National Guard or Air National Guard.

SEC. 8064. (a) The provisions of section 138(c)(2) of title 10, United States Code, shall not apply with respect to fiscal year 1985 or with respect to the appropriation of funds for that year.

(b) During fiscal year 1985, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal year.

(c) The fiscal year 1986 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 1986 Department of Defense budget request shall be prepared and submitted to the Congress as if sections (a) and (b) of this provision were effective with regard to fiscal year 1986.

(TRANSFER OF FUNDS)

SEC. 8065. Appropriations or funds available to the Department of Defense during the current fiscal year may be transferred to appropriations provided in this Act for research, development, test, and evaluation to the extent necessary to meet increased pay costs authorized by or pursuant to law, to be merged with and to be available for the same purposes, and the same time period, as the appropriation to which transferred.

SEC. 8066. (a) During fiscal year 1985, no funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual.

(b) The prohibition concerning Nicaragua contained in subsection (a) shall cease to apply if, after February 28, 1985—

(1) the President submits to Congress a report—

(A) stating that the Government of Nicaragua is providing materiel or monetary support to anti-government forces engaged in military or paramilitary operations in El Salvador or other Central American countries;

(B) analyzing the military significance of such support;

(C) stating that the President has determined that assistance for military or paramilitary operations prohibited by subsection (a) is neccessary;

(D) justifying the amount and type of such assistance and describing its objectives; and

(E) explaining the goals of United States policy for the Central American region and how the proposed assistance would further such goals, including the achievement of peace and security in Central America through a comprehensive, verifiable and enforceable agreement based upon the Contadora Document of Objectives; and

(2) a joint resolution approving assistance for military or paramilitary operations in Nicaragua is enacted.

(c)(1) For the purpose of subsection (b)(2), "joint resolution" means only a joint resolution introduced after the date on which the report of the President under subsection (b)(1) is received by Congress, the matter after the resolving clause of which is as follows: "That the Congress approves the obligation and expenditure of funds available for Fiscal Year 1985 for supporting, directly or indirectly, military or paramilitary operations in Nicaragua.".

(2) The report described in subsection (b)(1) shall be referred to the appropriate committee or committees of the House of Representatives and to the appropriate committee or committees of the Senate.

(3) A resolution described in paragraph (1) introduced in the House of Representatives shall be referred to the Committee on Appropriations of the House of Representatives. A resolution described in paragraph (1) introduced in the Senate shall be referred to the Committee on Appropriations of the Senate. Such a resolution may not be reported before the 8th day after its introduction.

(4) If the committee to which is referred a resolution described in pararaph (1) has not reported such resolution (or an identical resolution) at the end of 15 calendar days after its introduction, such committee shall be discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar of the House involved.

(5)(A) When the committee to which a resolution is referred has reported, or has been deemed to be discharged (under paragraph (4)) from further consideration of, a resolution described in paragraph (1), notwithstanding any rule or precedent of the Senate, including Rule 22, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution, and all points of order against the resolution (and against consideration of the resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider to vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

(B) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

(C) Immediately following the conclusion of the debate on a resolution described in paragraph (1), and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

(D) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution described in paragraph (1) shall be decided without debate.

(6) If, before the passage by the Senate of a resolution of the Senate described in paragraph (1), the Senate receives from the House of Representatives a resolution de-

scribed in paragraph (1), then the following procedures shall apply:

(A) The resolution of the House of Representatives shall not be referred to a committee.

(B) With respect to a resolution described in paragraph (1) of the Senate—

(i) the procedure in the Senate shall be the same as if no resolution had been received from the House; but

(ii) the vote on final passage shall be on the resolution of the House.

(C) Upon disposition of the resolution received from the House, it shall no longer be in order to consider the resolution originated in the Senate.

(7) If the Senate receives from the House of Representatives a resolution described in paragraph (1) after the Senate has disposed of a Senate originated resolution, the action of the Senate with regard to the disposition of the Senate originated resolution shall be deemed to be the action of the Senate with regard to the House originated resolution.

(8) This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in paragraph (1), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(d) During Fiscal Year 1985 funds approved by the resolution described in subsection (b)(2) for the purpose of supporting, directly or indirectly, military or paramilitary operations in Nicaragua, shall not exceed $14,000,000.

SEC. 8067. So far as may be practicable, Indian labor shall be employed, and purchases of the products of Indian industry may be made in open market in the discretion of the Secretary of Defense: Provided, That the products must meet pre-set contract specifications.

SEC. 8068. None of the funds made available by this Act shall be used in any way for the leasing to non-Federal agencies in the United States aircraft or vehicles owned or operated by the Department of Defense when suitable aircraft or vehicles are commercially available in the private sector: Provided, That nothing in this section shall affect authorized and established procedures for the sale of surplus aircraft or vehicles: Provided further, That nothing in this section shall prohibit such leasing when specifically authorized in a subsequent Act of Congress.

SEC. 8069. None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress.

SEC. 8070. No funds available to the Department of Defense during the current fiscal year may be used to enter into any contract with a term of 18 months or more, inclusive of any option for contract extension or renewal, for any vessels, aircraft or vehicles, through a lease, charter, or similar agreement without prior Congressional approval of appropriations. Further, any contractual agreement which imposes an estimated termination liability (excluding the estimated value of the leased item at the time of termination) on the Government exceeding 50 per centum of the original purchase value of the vessel, aircraft, or vehicle must have specific authority in an appropriation Act for the obligation of 10 per centum of such termination liability.9

SEC. 8071. None of the funds appropriated by this Act may be obligated or expended on a Department of Defense contract for commercial or commercial-type products if the solicitation excludes any small business concern (as defined pursuant to section 3 of the Small Business Act) that cannot demonstrate that its product is accepted in the commercial market (except to the extent that may be required to evidence compliance with the Walsh-Healey Public Contracts Act).

SEC. 8072. None of the funds appropriated in this Act may be obligated or expended in any way for the purpose of the sale, lease, rental, or excessing of any portion of land currently identified as Fort DeRussy, Honolulu, Hawaii.

SEC. 8073. None of the funds made available by this Act shall be available to operate in excess of 247 commissaries in the contiguous United States.

SEC. 8074. None of the funds provided in this Act shall be used to procure aircraft ejection seats manufactured in any foreign nation that does not permit United States manufacturers to compete for ejection seat procurement requirements in that foreign nation. This limitation shall apply only to ejection seats procured for installation on aircraft produced or assembled in the United States.

SEC. 8075. No more than $197,800,000 of the funds appropriated by this Act shall be available for the payment of unemployment compensation benefits.

SEC. 8076. None of the funds appropriated by this Act should be obligated for the pay of any individual who is initially employed after the date of enactment of this Act as a technician in the administration and training of the Army Reserve and the maintenance and repair of supplies issued to the Army Reserve unless such individual is also a military member of the Army Reserve troop program unit that he or she is employed to support. Those technicians employed by the Army Reserve in areas other than Army Reserve troop program units need only be members of the Selected Reserve.

SEC. 8077. None of the funds appropriated by this Act may be obligated or expended to adjust a base period under section 1079(h)(2) of title 10, United States Code, more frequently than the Secretary of Defense considers appropriate.

SEC. 8078. None of the funds hereafter available to the Department of Defense shall be used to adjust any contract price for amounts set forth in any shipbuilding claim, request for equitable adjustment, or demand for payment incurred due to the preparation, submission, or adjudication of any such shipbuilding claim, request, or demand under a contract entered into after the date of enactment of this Act arising out of events occurring more than eighteen months prior to the submission of such shipbuilding claim, request, or demand. For the purposes of this section, requirement for submission of a shipbuilding claim, request, or demand is met only when the certification required in section 6(c)(1) of the Contract Disputes Act of 1978 and supporting data are provided.

SEC. 8079. None of the funds appropriated by this Act shall be used for the transfer of the Department of Defense Dependents Schools (DODDS) to the Department of Education, as prohibited by section 1223 of the Department of Defense Authorization Act, 1984.

SEC. 8080. No part of the funds appropriated herein shall be available for the purchase of more than 50 per centum of the fiscal year requirements for aircraft power supply cable assemblies of each military facility from industries established pursuant to title 18, United States Code: Provided, That the restriction contained herein shall not apply to small purchases in amounts not exceeding $10,000.

SEC. 8081. None of the funds appropriated by this Act shall be used to purchase dogs or cats or otherwise fund the use of dogs or cats for the purpose of training Department of Defense students or other personnel in surgical or other medical treatment of wounds produced by any type of weapon: Provided, That the standards of such training with respect to the treatment of animals shall adhere to the Federal Animal Welfare Law and to those prevailing in the civilian medical community.

SEC. 8082. None of the funds appropriated by this Act shall be obligated under the competitive rate program of the Department of Defense for the transportation of household goods to or from Alaska and Hawaii.

SEC. 8083. None of the funds made available by this Act shall be used to initiate full-scale engineering development of any major defense acquisition program until the Secretary of Defense has provided to the Committees on Appropriations of the House and Senate—

(a) a certification that the system or subsystem being developed will be procured in quantities that are not sufficient to warrant development of two or more production sources, or

(b) a plan for the development of two or more sources for the production of the system or subsystem being developed.

SEC. 8084. None of the funds appropriated by this Act shall be available to pay any member of the uniformed service for unused accrued leave pursuant to section 501 of title 37, United States Code, for more than sixty days of such leave, less the number of days for which payment was previously made under section 501 after February 9, 1976.

SEC. 8085. Within the funds made available under title II of this Act, the military departments may use such funds as necessary, but not to exceed $4,700,000, to carry out the provisions of section 430 of title 37, United States Code: Provided, That none of the funds appropriated to the Department of Defense for the travel and transportation of dependent students of military personnel stationed overseas shall be obligated for a transportation allowance for travel within or between the contiguous United States.

SEC. 8086. Within funds available under title II of this Act, but not to exceed $100,000, and under such regulations as the Secretary of Defense may prescribe, the Department of Defense may, in addition to allowances currently available, make payments for travel and transportation expenses of the surviving spouse, children, parents, and brothers and sisters of any member of the Armed Forces of the United States, who dies as the result of an injury or disease incurred in line of duty to attend the funeral of such member in any case in which the funeral of such member is more

than 200 miles from the residence of the surviving spouse, children, parents or brothers and sisters, if such spouse, children, parents or brothers and sisters, as the case may be, are financially unable to pay their own travel and transportation expenses to attend the funeral of such member.

SEC. 8087. Notwithstanding any other provision of this Act, no funds appropriated by this Act shall be expended for the research, development, test, evaluation or procurement for integration of a nuclear warhead into the Joint Tactical Missile System (JTACMS).

SEC. 8088. None of the funds available to the Department of Defense may be used for the floating storage of petroleum or petroleum products except in vessels of or belonging to the United States.

SEC. 8089. Of the funds made available to the Department of the Air Force in this Act, not less than $3,000,000 shall be available for the Civil Air Patrol.

SEC. 8090. Funds appropriated by this Act may be used by the Department of the Navy for the use of helicopters and motorized equipment at China Lake Naval Weapons Center for removal of feral burros and horses.

SEC. 8091. On or after June 30, 1985, none of the funds appropriated by this Act shall be available to execute an agreement for continuation pay authorized under section 311 of title 37, United States Code, with an officer of the Army or Navy in the Dental Corps or an officer of the Air Force designated as a dental officer who is serving in a dental specialty which is manned in excess of 95 percent of the authorized strength for that specialty: Provided, That an agreement for such continuation pay may be executed with such an officer if the agreement provides that such officer will receive only 50 percent of the amount of the continuation pay to which the officer would otherwise be entitled under section 311 of title 37: Provided further, That the foregoing limitation shall cease to be applicable upon the enactment of legislation repealing or amending the continuation pay provisions currently authorized by section 311 of title 37.

(TRANSFER OF FUNDS)

SEC. 8092. Not to exceed $100,000,000 may be transferred from the appropriation "Operation and Maintenance, Defense Agencies" to operation and maintenance appropriations under the military departments in connection with demonstration projects authorized by section 1092 of title 10, United States Code: Provided, That the Secretary of Defense shall promptly notify the Congress of any such transfer of funds under this provision: Provided further, That the authority to make transfers pursuant to this section is in addition to the authority to make transfers under other provisions of this Act.

SEC. 8093. The eleven sets of excess Navy quarters and related facilities on a six-acre site at the former Brooklyn Naval Shipyard shall be transferred at no cost to the Secretary of the Army for use by the Army National Guard.

SEC. 8094. None of the funds available for Defense installations in Europe shall be used for the consolidation or conversion of heating facilities to district heating distribution systems in Europe: Provided, That those facilities identified by the Department of the Army as of September 24, 1984, as being in advanced stages of negotiations shall be exempt from such provision upon written notification to the Committees on Appropriations of the House of Representatives and the Senate from the Department justifying the conversion for each facility.

SEC. 8095. Section 7309(a) of title 10, United States Code, is amended—

(1) by inserting "and no vessel of any other military department," after "no naval vessel,"; and

(2) by striking out "a naval" and inserting in lieu thereof "any such".

SEC. 8096. It is the sense of the Congress that the Secretary of Defense should formulate and carry out a program under which contracts awarded by the Department of Defense in fiscal year 1985 would, to the maximum extent practicable and consistent with existing law, be awarded to contractors who agree to carry out such contracts in labor surplus areas (as defined and identified by the Department of Labor).

SEC. 8097. None of the funds appropriated or otherwise made available under this Act may be available for any country during any three-month period beginning on or after November 1, 1983, immediately following a certification by the President to the Congress that the government of such country is failing to take adequate measures to prevent narcotic drugs or other controlled substances (as listed in the schedules in section 202 of the Comprehensive Drug Abuse and Prevention Control Act of 1971 (21 U.S.C. 812), which are cultivated, produced, or processed illicitly, in whole or in part, in such country, or transported through such country from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from entering the United States unlawfully.

SEC. 8098. It is the sense of the Congress that competition, which is necessary to enhance innovation, effectiveness, and efficiency, and which has served our Nation so well in other spheres of political and economic endeavor, should be expanded and increased in the provision of our national defense.

SEC. 8099. None of the funds available to the Department of Defense shall be obligated or expended to contract out any activity currently performed by the Defense Personnel Support Center in Philadelphia, Pennsylvania: Provided, That this provision shall not apply after notification to the Committees on Appropriations of the House of Representatives and the Senate of the results of the cost analysis of contracting out any such activity.

SEC. 8100. (a) Notwithstanding any other provision of law, none of the funds appropriated or made available in this or any other Act may be obligated or expended to test against an object in space the miniature homing vehicle (MHV) anti-satellite warhead launched from an F-15 aircraft unless the President determines and certifies to Congress—

(1) that the United States is endeavoring, in good faith, to negotiate with the Soviet Union a mutual and verifiable agreement with the strictest possible limitations on anti-satellite weapons consistent with the national security interests of the United States;

(2) that, pending agreement on such strict limitations, testing against objects in space of the F-15 launched miniature homing vehicle anti-satellite warhead by the United States is necessary to avert clear and irrevocable harm to the national security;

(3) that such testing would not constitute an irreversible step that would gravely impair prospects for negotiations on anti-satellite weapons; and

(4) that such testing is fully consistent with the rights and obligations of the United States under the Anti-Ballistic Missile Treaty of 1972 as those rights and obligations exist at the time of such testing.

(b) During fiscal year 1985, funds appropriated for the purpose of testing the F-15 launched miniature homing vehicle anti-satellite warhead may not be used to conduct more than three tests of that warhead against objects in space.

(c) The limitation on the expenditure of funds provided by subsection (a) of this section shall cease to apply 15 calendar days after the days of the receipt by Congress of the certification referred to in subsection (a) or March 1, 1985, whichever occurs later.

SEC. 8101. (a) The Congress makes the following findings:

(1) The President has stated that there is no need to introduce United States Armed Forces into Central America for combat and that he has no intention of doing so.

(2) The President of El Salvador has stated that there is no need for United States Armed Forces to conduct combat operations in El Salvador and that he has no intention of asking that they do so.

(3) The possibility of the introduction of United States Armed Forces into Central America for combat raises very grave concern in the Congress and the American people.

(b) It is the sense of Congress that—

(1) United States Armed Forces should not be introduced into or over the countries of Central America for combat; and

(2) if circumstances change from those present on the date of the enactment of this Act and the President believes that those changed circumstances require the introduction of United States Armed Forces into or over a country of Central America for combat, the President should consult with Congress before any decision to so introduce United States Armed Forces and any such introduction of United States Armed Forces must comply with the War Powers Resolution.

SEC. 8102. None of the funds appropriated by this Act shall be available to compensate foreign selling costs as described in Federal Acquisition Regulation 31.205-38(b) as in effect on April 1, 1984.

SEC. 8103. Of the funds appropriated for the operation and maintenance of the Armed Forces, obligations may be incurred for humanitarian and civic assistance costs incidental to authorized operations, and these obligations shall be reported to Congress on September 30, 1985: Provided, That funds available for operation and maintenance shall be available for providing humanitarian and similar assistance in the Trust Territories of the Pacific Islands by using Civic Action Teams.

SEC. 8104. It is the sense of the Congress that—(a) the President shall inform and make every effort to consult with other member nations of the North Atlantic Treaty Organization, Japan, and other appropriate allies concerning the research being conducted in the Strategic Defense Initiative program. (b) The Secretary of Defense, in coordination with the Secretary of State and the Director of the Arms Control and Disarmament Agency, shall at the time of the submission of the annual budget presentation materials for each fiscal year beginning after September 30, 1984, report to the Committees on Appropriations, Armed Services, and Foreign Relations of the Senate and the Committees on Appropriations, Armed Services, and Foreign Affairs of the House of Representatives on the

status of the consultations referred to under subsection (a).

SEC. 8105. It is the sense of Congress that the President should insist that the pertinent member nations of the North Atlantic Treaty Organization meet or exceed their pledges for an annual increase in defense spending during fiscal years 1984 and 1985 of at least 3 percent real growth and should insist that Japan further increase its defense spending during fiscal years 1984 and 1985 in furtherance of increased unity, equitable sharing of our common defense burden, and international stability.

SEC. 8106. Notwithstanding any other provision of law, the Secretaries of the Army and Air Force may authorize the retention in an active status until age 60 of any officer who would otherwise be removed from an active status and who is employed as a National Guard or Reserve technician in a position in which active status in a reserve component of the Army or Air Force is required as a condition of that employment.

SEC. 8107. None of the funds available to the Department of Defense may be used to transport any chemical munitions into the Lexington-Blue Grass Army Depot for purposes of future demilitarization.

SEC. 8108. Notwithstanding any other provision of law, including any amendments to section 405 of title 37, United States Code, enacted into law between September 26, 1984, and November 25, 1984, a station housing allowance ("rent plus") may be prescribed for a member of the uniformed services on duty in Alaska or Hawaii pursuant to the provisions of section 405 of title 37, United States Code, in effect on September 1, 1984: Provided, That a member of the uniformed services on duty in Alaska or Hawaii who receives such allowance shall not be entitled to a variable housing allowance.

SEC. 8109. Notwithstanding any other provision of law, in addtion to the contracts authorized by paragraph (7) of section 2828(g) of title 10, United States Code, and section 806 of Public Law 98-407, the Secretary of the Army may enter into contracts for not more than 1,200 family housing units at Fort Drum, New York; Fort Wainwright, Alaska; and Fort Benning, Georgia; if the contracts are necessary in order to provide sufficient family housing to accommodate the restationing of the light infantry divisions.

SEC. 8110. Notwithstanding any other provision of law, none of the funds appropriated in title II of this Act shall be available to meet the unforeseen and contingent requirement of the unified and specified commands of the Armed Forces: Provided, That this provision shall not apply to unforeseen and contingent requirements of the unified and specified commands of the Armed Forces which may be funded under the terms and conditions of this bill governing title II obligations and expenditures.

SEC. 8111. None of the funds appropriated by this Act may be obligated or expended for the purposes delineated in section 1002(e)(2)(A) of the Department of Defense Authorization Act, 1985, without the prior notification to the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 8112. (a) Notwithstanding any other provision of this joint resolution, of the total amount appropriated by this joint resolution, or any other Act appropriating funds for the Department of Defense for fiscal year 1985, for programs and activities subject to the reporting requirements of the Federal Procurement Data System Individual Contract Action Report (SF-279), an amount not less than $1,000,000,000 may be apportioned or utilized for the costs of consultants, studies, analyses, management support services or other advisory and assistance services which are included in such reported programs and activities.

(b) Not later than September 1, 1985, the Secretary of Defense shall submit a report to the Congress indicating the manner in which compliance with subsection (a) has been achieved.

SEC. 8113. The Secretaries concerned (as defined in section 101(5) of title 37, United States Code), under uniform regulations prescribed by them and to the extent that funds are available within the permanent change of station travel account, may increase the rate mile for mileage allowance under section 404(d)(2) of title 37, United States Code, to 15 cents per mile.

SEC. 8114. (a) The Secretary of Defense shall provide for an objective study to supplement and update the report entitled "Military Spouse and Family Issues, Europe, 1982."

(b) The study shall include within its scope all areas in which members of the uniformed services are assigned to permanent duty stations and to which the dependents of members of the uniformed services are permitted to travel at Government expense.

(c) The Secretary shall select independent organization to conduct the study referred to in subsection (a) with such administrative support and technical advice as may be necessary for such organization to carry out the study. Such support and advice may be provided by the Secretary on an in-house basis and to reduce contractual expenditures to include collating, tabulating, computer, word processor, printing, and similar routine services.

(d) A report containing the results of the study carried out under this section shall be submitted to the Committees on Appropriations and Armed Services of the Senate and the House of Representatives not later than May 1, 1985.

(e) For the purpose of contracting out the study called for by this section, the Secretary of Defense may utilize not more than $250,000 out of any funds available to the Department of Defense.

This Act may be cited as the "Department of Defense Appropriations Act, 1985".

And the Senate agree to the same.

Amendment numbered 37:

That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

(i) Such amounts as may be necessary for projects or activities provided for in the Department of Transportation and Related Agencies Appropriations Act, 1985, at a rate for operations and to the extent in the following Act; this subsection shall be effective as if it had been enacted into law as the regular appropriation Act:

AN ACT Making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1985, and for other purposes.

TITLE I—DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of Transportation, including not to exceed $36,500 for allocation within the Department of official reception and representation expenses as the Secretary may determine, $50,000,000 of which $4,000,000 shall remain available until expended and shall be available for the purposes of the Minority Business Resource Center as authorized by 49 U.S.C. 332: Provided, That, notwithstanding any other provision of law, funds available for the purposes of the Minority Business Resource Center in this or any other Act, may be used for business opportunities related to any mode of transportation.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

For necessary expenses for conducting transportation planning, research, and development activities, including the collection of national transportation statistics, and university research and internships, to remain available until expended, $5,700,000: Provided, That the Secretary is directed to make simultaneous competitive study awards for the Phase I proposals, as submitted by the two technically qualified finalists in the competition to perform a methane conversion study, as authorized by section 152 of the Surface Transportation Assistance Act of 1982.

LIMITATION ON WORKING CAPITAL FUND

Necessary expenses for operating costs and capital outlays of the Department of Transportation Working Capital Fund not to exceed $65,500,000 shall be paid, in accordance with law, from appropriations made available by this Act and prior appropriation Acts to the Department of Transportation, together with advances and reimbursements received by the Department of Transportation.

COAST GUARD

OPERATING EXPENSES

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for; purchase of not to exceed eight passenger motor vehicles for replacement only; and recreation and welfare, $1,740,000,000, of which $202,861 shall be applied to Capehart Housing debt reduction; Provided, That the number of aircraft on hand at any one time shall not exceed two hundred and ten exclusive of planes and parts stored to meet future attrition: Provided further, That none of the funds appropriated in this or any other Act shall be available for pay or administrative expenses in connection with shipping commissioners in the United States: Provided further, That none of the funds provided in this Act shall be available for expenses incurred for yacht documentation under 46 U.S.C. 103 except to the extent fees are collected from yacht owners and credited to this appropriation.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto; to remain available until September 30, 1989, $344,500,000: Provided, That the Secretary of Transportation shall issue regulations requiring that written warranties shall be included in all contracts with prime contractors for major systems acquisitions of the Coast Guard: Provided further, That any such written warranty shall not apply in the case of any system or component thereof which has been furnished by the Government to a contractor: Provided further, That the Secretary of Transportation

may provide for a waiver of the requirements for a warranty where: (1) the waiver is necessary in the interest of the national defense or the warranty would not be cost effective; and (2) the Committees on Appropriations of the Senate and the House of Representatives are notified in writing of the Secretary's intention to waive and reasons for waiving such requirements: Provided further, That the requirements for such written warranties shall not cover combat damage.

ALTERATION OF BRIDGES

For necessary expenses for alteration or removal of obstructive bridges, $5,200,000, to remain available until expended.

RETIRED PAY

For retired pay including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and for payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act (10 U.S.C., ch. 55), $330,800,000.

RESERVE TRAINING

For all necessary expenses for the Coast Guard Reserve, as authorized by law; maintenance and operation of facilities; and supplies, equipment, and services, $58,833,000.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

For necessary expenses, not otherwise provided for, for basic and applied scientific research, development, test, and evaluation; maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, $23,000,000, to remain available until expended: Provided, That there may be credited to this appropriation funds received from State and local governments, other public authorities, private sources and foreign countries for expenses incurred for research, development, testing, and evaluation.

OFFSHORE OIL POLLUTION COMPENSATION FUND

For necessary expenses to carry out the provisions of title III of the Outer Continental Shelf Lands Act Amendments of 1978 (Public Law 95-372), $1,000,000, to be derived from the Offshore Oil Pollution Compensation Fund and to remain available until expended. In addition, to the extent that available appropriations are not adequate to meet the obligations of the Fund, the Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes or other obligations in such amounts and at such times as may be necessary: Provided, That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $60,000,000 in fiscal year 1985 for the "Offshore Oil Pollution Compensation Fund".

DEEPWATER PORT LIABILITY FUND

For necessary expenses to carry out the provisions of section 18 of the Deepwater Port Act of 1974 (Public Law 93-627), $1,000,000, to be derived from the Deepwater Port Liability Fund and to remain available until expended. In addition, to the extent that available appropriations are not adequate to meet the obligations of the Fund, the Secretary of Transportation is authorized to issue, and the Secretary of the Treasury is authorized to purchase, without fiscal year limitation, notes or other obligations in such amounts and at such times as may be necessary: Provided, That none of the funds in this Act shall be available for the implementation or execution of programs, the obligations for which are in excess of $50,000,000 in fiscal year 1985 for the "Deepwater Port Liability Fund".

NATIONAL RECREATIONAL BOATING SAFETY AND FACILITIES IMPROVEMENT FUND

(LIQUIDATION OF CONTRACT AUTHORIZATION)

For payment of obligations incurred for recreational boating safety assistance under Public Law 92-75, as amended, $13,625,000, to be derived from the National Recreational Boating Safety and Facilities Improvement Fund and to remain available until expended: Provided, That none of the funds in this Act shall be available for the planning or execution of programs, the obligations for which are in excess of $13,750,000 in fiscal year 1985 for recreational boating safety assistance: Provided further, That no obligations may be incurred for the improvement of recreational boating facilities.

FEDERAL AVIATION ADMINISTRATION

HEADQUARTERS ADMINISTRATION

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses, not otherwise provided for, of providing administrative services at the headquarters location of the Federal Aviation Administration, including but not limited to accounting, budgeting, personnel, legal, public affairs, and excutive direction for the Federal Aviation Administration, $66,900,000: Provided, That the Secretary of Transportation is authorized to transfer appropriated funds between this appropriation and the Federal Aviation Administration appropriation for Operations: Provided further, That this appropriation shall be neither increased nor decreased by more than 7.5 per centum by any such transfers: Provided further, That any such transfers shall be reported to the Committees on Appropriations.

OPERATIONS

For necessary expenses of the Federal Aviation Administration, not otherwise provided for, including administrative expenses for research and development, and for establishment of air navigation facilities, and carrying out the provisions of the Airport and Airway Development Act, as amended, or other provisions of law authorizing obligation of funds for similar programs of airport and airway development or improvement; purchase of four passenger motor vehicles for replacement only and purchase and repair of skis and snowshoes, $2,622,600,000, of which not to exceed $1,110,000,000 shall be derived from the Airport and Airway Trust Fund, notwithstanding any other provision of law: Provided, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the maintenance and operation of air navigation facilities: Provided further, That none of these funds shall be available for new applicants for the second career training program.

FACILITIES AND EQUIPMENT (AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for acquisition, establishment, and improvement by contract or purchase, and hire of air navigation and experimental facilities, including initial acquisition of necessary sites by lease or grant; engineering and service testing including construction of test facilities and acquisition of necessary sites by lease or grant; construction and furnishing of quarters and related accommodations of officers and employees of the Federal Aviation Administration stationed at remote localities where such accommodations are not available, and the lease or purchase of one aircraft; to be derived from the Airport and Airway Trust Fund and to remain available until September 30, 1989, $1,370,000,000: Provided, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the establishment and modernization of air navigation facilities: Provided further, That of the funds available under this heading, $5,000,000 shall be available for the Secretary of Transportation to enter into grant agreements with universities or colleges to conduct demonstration projects in the development, advancement, or expansion of an airway science curriculum and such money, which shall remain available until expended, shall be made available under such terms and conditions as the Secretary of Transporation may prescribe, to such universities or colleges for the purchase or lease of buildings and associated facilities, instructional materials, or equipment to be used in conjunction with the airway science curriculum.

RESEARCH, ENGINEERING AND DEVELOPMENT (AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for research, engineering, and development, in accordance with the provisions of the Federal Aviation Act (49 U.S.C. 1301-1542), including construction of experimental facilities and acquisition of necessary sites by lease of grant, $265,000,000 to be derived from the Airport and Airway Trust Fund and to remain available until expended: Provided, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred for research, engineering and development.

GRANTS-IN-AID FOR AIRPORTS (LIQUIDATION OF CONTRACT AUTHORIZATION) (AIRPORT AND AIRWAY TRUST FUND)

For liquidation of obligations incurred for airport planning and development under section 14 of Public Law 91-258, as amended, and under other law authorizing such obligations, and obligations for noise compatibility planning and programs, $810,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended: Provided, That none of the funds in this Act shall be available for the planning or execution of programs the commitments for which are in excess of $925,000,000 in fiscal year 1985 for grants-in-aid for airport planning and development, and noise planning and programs, notwithstanding section 506(e)(4) of the Airport and Airway Improvement Act of 1982.

OPERATION AND MAINTENANCE, METROPOLITAN WASHINGTON AIRPORTS

For expenses incident to the care, operation, maintenance, improvement, and protection of the federally owned civil airports.

CONSTRUCTION, METROPOLITAN WASHINGTON AIRPORTS

For necessary expenses for construction at the federally owned civil airports in the vicinity of the District of Columbia, including purchase of ten passenger motor vehicles for police use, for replacement only; purchase, cleaning, and repair of uniforms; and arms and ammunition, $35,931,500: Provided,

That there may be credited to this appropriation funds received from air carriers, concessionaires, and non-Federal tenants sufficient to cover utility and fuel costs which are in excess of $6,970,000: Provided further, That there may be credited to this appropriation funds received from States, counties municipalities, other public authorities, or private sources, for expenses incurred in the maintenance and operation of the federally owned civil airports.

CONSTRUCTION, METROPOLITAN WASHINGTON AIRPORTS

For necessary expenses for construction at the federally owned civil in the vicinity of the District of Columbia, $13,000,000, to remain available until September 30, 1987.

AVIATION INSURANCE REVOLVING FUND

The Secretary of Transportation is hereby authorized to make such expenditures and investments, within the limits of funds available pursuant to section 1306 of the Act of August 23, 1958, as amended (49 U.S.C. 1536), and in accordance with section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for aviation insurance activities under said Act.

AIRCRAFT PURCHASE LOAN GUARANTEE PROGRAM

The Secretary of Transportation may hereafter issue notes or other obligations to the Secretary of the Treasury, in such forms and denominations, bearing such maturities, and subject to such terms and conditions as the Secretary of the Treasury may prescribe. Such obligations may be issued to pay any necessary expenses required pursuant to any guarantee issued under the Act of September 7, 1957, Public Law 85-307, as amended (49 U.S.C. 1324 note.) The aggregate amount of such obligations during fiscal year 1985 shall not exceed $125,000,000. Such obligations shall be redeemed by the Secretary from appropriations authorized by this action. The Secretary of the Treasury shall purchase any such obligations, and for such purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force. The purposes for which securities may be issued under such Act are extended to include any purchase of notes or other obligations issued under the subsection. The Secretary of the Treasury may sell any such obligations at such times and price and upon such terms and conditions as he shall determine in his discretion. All purchase, redemptions, and sales of such obligations by such Secretary shall be treated as public debt transactions of the United States.

FEDERAL HIGHWAY ADMINISTRATION

LIMITATION ON GENERAL OPERATING EXPENSES

Necessary expenses for administration, operation, and research of the Federal Highway Administration, not to exceed $204,891,000, shall be paid, in accordance with law, from appropriations made available by this Act to the Federal Highway Administration together with advances and reimbursements received by the Federal Highway Administration: Provided, That not to exceed $57,750,000 of the amount provided herein shall remain available until expended: Provided further, That, of the funds available under this limitation, $5,000,000 shall be made available only for the establishment and implementation of a Demonstration Bonding Program for economically and socially disadvantaged businesses: Provided further, That, notwithstanding any other provision of law, there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities and private sources, for training expenses incurred for non-Federal employees.

HIGHWAY SAFETY RESEARCH AND DEVELOPMENT

For necessary expenses in carrying out provisions of sections 307(a) and 403 of title 23, United States Code, to be derived from the Highway Trust Fund and to remain available until expended, $8,500,000.

HIGHWAY-RELATED SAFETY GRANTS (LIQUIDATION OF CONTRACT AUTHORIZATION) (TRUST FUND)

For payment of obligations incurrred in carrying out the provisions of title 23, United States Code, section 402, administered by the Federal Highway Administration, to remain available until expended, $5,000,000 to be derived from the Highway Trust Fund: Provided, That not to exceed $100,000 of the amount appropriated herein shall be available for "Limitation on general operating expenses": Provided further, That none of the funds in this Act shall be available for the planning or execution of programs, the obligations for which are in excess of $10,000,000 in fiscal year 1985 for "Highway-related safety grants".

RAILROAD-HIGHWAY CROSSINGS DEMONSTRATION PROJECTS

For necessary expenses of certain railroad-highway crossings demonstration projects as authorized by section 163 of the Federal-Aid Highway Act of 1973, as amended, to remain available until expended, $15,000,000, of which $10,000,000 shall be derived from the Highway Trust Fund.

INTERMODAL URBAN DEMONSTRATION PROJECT

For necessary expenses to carry out the provisions of section 124 of the Federal-Aid Highway Amendments of 1974, $2,750,000, to be derived from the Highway Trust Fund and to remain available until September 30, 1987.

AUTO-PEDESTRIAN SEPARATION DEMONSTRATION PROJECT

For necessary expenses to carry out a demonstration project in Fargo, North Dakota, which demonstrates a cost-effective method for enhancing pedestrian safety, $1,750,000, to remain available until expended.

FEDERAL-AID HIGHWAYS (LIQUIDATION OF CONTRACT AUTHORIZATION) (TRUST FUND)

For carrying out the provisions of title 23, United States Code, which are attributable to Federal-aid highways, including the National Scenic and Recreational Highway as authorized by 23 U.S.C. 148, not otherwise provided, including reimbursements for sums expended pursuant to the provisions of 23 U.S.C. 308, $12,800,000,000 or so much thereof as may be available in and derived from the Highway Trust Fund, to remain available until expended: Provided, That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $13,250,000,000 for Federal-aid highways and highway safety construction programs for fiscal year 1985, except that this limitation shall not apply to obligations for emergency relief under section 125 of title 23, United States Code, obligations under section 157 of title 23, United States Code, projects covered under section 147 of the Surface Transportation Assistance Act of 1978, section 9 of the Federal-Aid Highway Act of 1981, subsections 131 (b) and (j) of Public Law 97-424, section 118 of the National Visitors Center Facilities Act of 1968, section 320 of title 23, United States Code, or completion of the Zilwaukee Bridge required because of construction failure.

RIGHT-OF-WAY REVOLVING FUND (LIMITATION ON DIRECT LOANS) (TRUST FUND)

During fiscal year 1985 and with the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed $50,000,000.

MOTOR CARRIER SAFETY

For necessary expenses to carry out motor carrier safety functions of the Secretary, as authorized by the Department of Transportation Act (80 Stat. 939-940), $14,066,000, of which $1,162,000 shall remain available until expended, and not to exceed $1,601,000 shall be available for "Limitation on general operating expenses".

MOTOR CARRIER SAFETY GRANTS

For necessary expenses to carry out the provisions of section 402 of Public Law 97-424, $14,000,000, to be derived from the Highway Trust fund and to remain available until September 30, 1988.

ACCESS HIGHWAYS TO PUBLIC RECREATION AREAS ON CERTAIN LAKES

For necessary expenses of certain Access Highway Projects, as authorized by section 155, title 23, U.S.C., $5,000,000.

WASTE ISOLATION PILOT PROJECT ROADS

For necessary expenses in connection with the upgrading of certain highways for the transportation of nuclear waste generated during defense-related activities, not otherwise provided for, $16,400,000 to remain available until expended.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

OPERATION AND RESEARCH

For expenses necessary to discharge the functions of the Secretary with respect to traffic and highway safety and functions under the Motor Vehicle Information and Cost Savings Act (Public Law 92-513, as amended), $82,350,000, of which $23,831,000 shall be derived from the Highway Trust Fund: Provided, That not to exceed $34,128,000 shall remain available until expended, of which $10,000,000 shall be derived from the Highway Trust Fund.

HIGHWAY TRAFFIC SAFETY GRANTS (LIQUIDATION OF CONTRACT AUTHORIZATION) (TRUST FUND)

(INCLUDING TRANSFERS OF UNEXPENDED BALANCES)

For payment of obligations incurred in carrying out the provisions of 23 U.S.C. 402, 406 and 408, and section 209 of Public Law 95-599, as amended, to remain available until expended, $125,000,000, to be derived from the Highway Trust Fund: Provided, That none of the funds in this Act shall be available for the planning or execution of programs, the total obligations for which are in excess of $100,000,000 in fiscal year 1985 for "State and community highway safety" authorized under 23 U.S.C. 402: Provided further, That none of these funds shall be used for construction, rehabilitation or remodeling costs or for office furnishings and fixtures for State, local, or private buildings or structures: Provided further, That none of the funds in this Act shall be available for the planning or execution of programs, the total obligations for which are in excess of $50,000,000 for "Alcohol safety incentive grants" authorized under 23

U.S.C. 408: Provided further, That none of the funds in this Act shall be available for planning or execution of programs authorized by section 209 of Public Law 95-599, as amended, the total obligations for which are in excess of $5,000,000 in fiscal years 1983, 1984 and 1985: Provided further, That not to exceed $4,900,000 shall be available for administering the provisions of 23 U.S.C. 402: Provided further, That, for fiscal year 1985, no State shall obligate less than 8 per centum of the amount distributed to such State for State and Community Highway Safety grants authorized under 23 U.S.C. 402 for the purposes of developing and implementing comprehensive programs approved by the Secretary of Transportation concerning the use of child restraint systems in motor vehicles: Provided further, That the unexpended balances of the appropriations "State and Community Highway Safety" and "Miscellaneous Safety Programs" exclusive of the General Fund amounts appropriated to cover unexpended Territorial obligations and unexpended Transportation Systems Management obligations shall be transferred to this appropriation and remain available until expended.

FEDERAL RAILROAD ADMINISTRATION

OFFICE OF THE ADMINISTRATOR

For necessary expenses of the Federal Railroad Administration, not otherwise provided for, $10,700,000.

RAILROAD SAFETY

For necessary expenses in connection with railroad safety, not otherwise provided for, $26,061,000.

RAILROAD RESEARCH AND DEVELOPMENT

For necessary expenses for railroad research and development, $15,525,000, to remain available until expended.

RAIL SERVICE ASSISTANCE

For necessary expenses for rail service assistance authorized by section 5 of the Department of Transportation Act, as amended, for Washington Union Station, as authorized by Public Law 97-125, and for necessary administrative expenses in connection with Federal rail assistance programs not otherwise provided for, to remain available until expended, $23,200,000: Provided, That none of the funds provided under this Act shall be available for the planning or execution of a program making commitments to guarantee new loans under the Emergency Rail Services Act of 1970, as amended, and that no new commitments to guarantee loans under section 211(a) or 211(h) of the Regional Rail Reorganization Act of 1973, as amended, shall be made: Provided further, That none of the funds in this Act shall be available for the acquisition, sale or transference of Washington Union Station without the prior approval of the House and Senate Committees on Appropriations: Provided further, That, of the funds available under this head, $15,000,000 shall be available for allocation to the States under section 5(h)(2) of the Department of Transportation Act, as amended: Provided further, That, notwithstanding any other provision of law, a State may not apply for fiscal year 1985 funds available under section 5(h)(2) until such State has expended all funds granted to it in the fiscal years prior to the beginning of fiscal year 1980, other than funds not expended due to pending litigation: Provided further, That a State denied funding by reason of the immediately preceding proviso may still apply for and receive funds for planning purposes: Provided further, That, notwithstanding any other provision of law, of the funds available under section 5(h)(2), $10,000,000 shall be made available for use under sections 5(h)(3)(B)(ii) and 5(h)(3)(C) of the Department of Transportation Act, as amended, nothwithstanding the limitations set forth in section 5(h)(3)(B)(ii).

CONRAIL LABOR PROTECTION

For labor protection as authorized by section 713 of the Regional Rail Reorganization Act of 1973 as added by section 1143 of the Northeast Rail Service Act of 1981, to remain available until expended, $15,000,000: Provided, That such sum shall be considered to have been appropriated to the Secretary under said section 713 for transfer to the Railroad Retirement Board for the payment of benefits under section 701 of the Regional Rail Reorganization Act of 1973, as amended: Provided further, That, for the purposes of section 710 of the Regional Rail Reorganization Act of 1973, as added by section 1143 of the Northeast Rail Service Act of 1981, such sum shall be considered to have been appropriated under section 713 of the Regional Rail Reorganization Act of 1973 and counted against the limitation on the total liability of the United States: Provided further, That such sums as may be necessary shall be made available for necessary expenses of administration of section 701 of the Regional Rail Reorganization Act of 1973 by the Railroad Retirement Board.

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

For necessary expenses related to Northeast Corridor improvements authorized by title VII of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended (45 U.S.C. 851 et seq.), $27,800,000, to remain available until expended: Provided, That, nothwithstanding any other provision of law, the provisions of Public Law 85-804 shall apply to the Northeast Corridor Improvement Program: Provided further, That the Secretary may waive the provisions of 23 U.S.C. 322 (c) and (d) if such action would serve a public purpose: Provided further, That all public at grade-level crossings remaining along the Northeast Corridor upon completion of the project shall be equipped with protective devices including gates and lights.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

To enable the Secretary of Transportation to make grants to the National Railroad Passenger Corporation for operating losses incurred by the Corporation, capital improvements, and labor protection costs authorized by 45 U.S.C. 565, to remain available until expended, $684,000,000: Provided, That none of the funds herein appropriated shall be used for lease or purchase of passenger motor vehicles or for the hire of vehicle operators for any officer or employee, other than the president of the Corporation, excluding the lease of passenger motor vehicles for those officers or employees while in official travel status: Provided further, That the Secretary shall make no commitments to guarantee new loans or loans for new purposes under 45 U.S.C. 602 in fiscal year 1985: Provided further, That the incurring of any obligation or commitment by the Corporation for the purchase of capital improvements not expressly provided for in an appropriation Act or prohibited by this Act shall be deemed a violation of 31 U.S.C. 1341: Provided further, That no funds are required to be expended or reserved for expenditure pursuant to 45 U.S.C. 601(e): Provided further, That none of the funds in this Act shall be made available to finance the rehabilitation and other improvements (including upgrading track and the signal system, ensuring safety at public and private highway and pedestrian crossings by improving signals or eliminating such crossings, and the improvement of operational portions of stations related to intercity rail passenger service) on the main line track between Atlantic City, New Jersey, and the main line of the Northeast Corridor, unless the Secretary of Transportation certifies that not less than 40 per centum of the costs of such improvements shall be derived from non-Federal sources: Provided further, That, notwithstanding any other provision of law, the National Railroad Passenger Corporation shall not operate rail passenger service between Atlantic City, New Jersey, and the Northeast Corridor main line unless the Corporation's Board of Directors determines that revenues from such service have covered or exceeded 80 per centum of the short term avoidable costs of operating such service in the first year of operation and 100 per centum of the short term avoidable operating costs for each year thereafter: Provided further, That none of the funds provided in this or any other Act shall be made available to finance the acquisition and rehabilitation of a line, and construction necessary to facilitate improved rail passenger service, between Spuyten Duyvil, New York, and the main line of the Northeast Corridor unless the Secretary of Transportation certifies that not less than 40 per centum of the costs of such improvement shall be derived from non-Amtrak sources.

ALASKA RAILROAD REVOLVING FUND

The Alaska Railroad Revolving Fund shall continue available until expended for the work authorized by law, including operation and maintenance of oceangoing or coastwise vessels by ownership, charter, or arrangement with other branches of the Government service, for the purpose of providing additional facilities for transportation of freight, passengers, or mail, when deemed necessary for the benefit and development of industries or travel in the area served and payment of compensation and expenses as authorized by 5 U.S.C. 8146, to be reimbursed as therein provided: Provided, That no employee shall be paid an annual salary out of said fund in excess of the salaries prescribed by the Classification Act of 1949, as amended, for grade GS-15, except the general manager of said railroad, one assistant general manager and five officers at not to exceed the salaries prescribed for members of the Senior Executive Service.

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING FUNDS

The total commitments to guarantee new loans pursuant to sections 511 through 513 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), as amended, shall not exceed $2,500,000 of contingent liabilities for loan principal during fiscal year 1985: Provided, That the Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes or other obligations pursuant to section 512 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), as amended, in such amounts and at such times as may be necessary to pay any amounts required pursuant to the guarantee of the principal amount of obligations under sections 511 through 513 of such Act, such authority to exist as long as any such guaranteed obligation is outstanding: Provided further, That the aggregate amount of

such notes or other obligations during fiscal year 1985 shall not exceed $100,000,000.

REDEEMABLE PREFERENCE SHARES

The Sectetary of Transportation is hereby authorized to expend proceeds from the sale of fund anticipation notes to the Secretary of the Treasury and any other moneys deposited in the Railroad Rehabilitation and Improvement Fund pursuant to sections 502, 505-507, and 509 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), as amended, and section 803 of Public Law 95-620, for uses authorized for the Fund.

URBAN MASS TRANSPORTATION ADMINISTRATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses of the urban mass transportation program authorized by the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), 23 U.S.C. chapter 1, in connection with these activities, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, $31,000,000.

RESEARCH, TRAINING, AND HUMAN RESOURCES

For necessary expenses for research, training, and human resources as authorized by the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), to remain available until expended, $51,000,000: Provided, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred for training.

FORMULA GRANTS

For necessary expenses to carry out the provisions of sections 9 and 18 of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), $2,449,500,000 to remain available until expended: Provided, That funds shall not be made available for planning, preliminary engineering and design, or construction of the proposed light rail line or subway in the Detroit, Michigan area until a source of operating funds has been approved in accordance with Michigan law.

DISCRETIONARY GRANTS (LIMITATION ON OBLIGATIONS)

None of the funds in this Act shall be available for the implementation or execution of programs in excess of $1,120,000,000 in fiscal year 1985 for grants under the contract authority authorized in section 21(a)(2)(B) of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.): Provided, That this limitation shall not apply to any authority for section 21(a)(2)(B) previously made available for obligation: Provided further, That no funds shall be made availalbe for the proposed Woodward light rail line in the Detroit, Michigan area until a source of operating funds has been approved in accordance with Michigan law: Provided further, That the Woodward line restriction shall not apply to alternatives analysis studies.

LIQUIDATION OF CONTRACT AUTHORIZATION

For payment of obligations incurred in carrying out section 21(a)(2) of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), administered by the Urban Mass Transportation Administration, $450,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

INTERSTATE TRANSFER GRANTS—TRANSIT

For necessary expenses to carry out the provisions of 23 U.S.C. 103(e)(4) related to transit projects, $250,000,000, to remain available until expended.

WASHINGTON METRO

For necessary expenses to carry out the provisions of section 14 of Public Law 96-184, authorizing completion of the 101-mile Adopted Regional System of rapid rail transit, $250,000,000, to remain available until expended: Provided, That in obligating and expending funds appropriated under this section, the Secretary may not withhold approval of any construction grant request solely on the basis of any mileage limitation.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Saint Lawrence Seaway Development Corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for the Corporation except as hereinafter provided.

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $1,822,000 shall be available for administrative expenses which shall be computed on an accrual basis, including not to exceed $3,000 for official entertainment expenses to be expended upon the approval or authority of the Secretary of Transportation: Provided, That Corporation funds shall be available for the hire of passenger motor vehicles and aircraft, operation and maintenance of aircraft, uniforms or allowances therefor for operation and maintenance personnel, as authorized by law (5 U.S.C. 5901-5902), and $15,000 for services as authorized by 5 U.S.C. 3109.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

RESEARCH AND SPECIAL PROGRAMS

For expenses necessary to discharge the functions of the Research and Special Programs Administration, for expenses for conducting research and development and for grants-in-aid to carry out a pipeline safety program, as authorized by section 5 of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 1674), $18,900,000, of which $6,975,000 shall remain available until expended: Provided, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training.

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, $27,900,000.

TITLE II—RELATED AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SALARIES AND EXPENSES

For expenses necessary for the Architectural and Transportation Barriers Compliance Board, as authorized by section 502 of the Rehabilitation Act of 1973, as amended, $2,000,000.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the National Transportation Safety Board, including hire of passenger motor vehicles and aircraft; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS-18; uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902), $21,700,000, of which not to exceed $300 may be used for official reception and representation expenses.

CIVIL AERONAUTICS BOARD

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF UNEXPENDED BALANCES)

For necessary expenses of the Civil Aeronautics Board, including hire of aircraft; hire of passenger motor vehicles; services as authorized by 5 U.S.C. 3109; uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); and not to exceed $1,250 for official reception and representation expenses, $5,600,000: Provided, That of the foregoing amounts any unexpended balances available on January 1, 1985, shall be transferred to agencies receiving transferred functions.

PAYMENTS TO AIR CARRIERS

(INCLUDING TRANSFER OF UNEXPENDED BALANCES)

For payments to air carriers of so much of the compensation fixed and determined by the Civil Aeronautics Board under section 419 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1389), as is payable by the Board, $52,000,000, to remain available until expended and such amounts as may be necessary to liquidate obligations incurred prior to September 30, 1984, under 49 U.S.C. 1376 and 1389 and under Public Law 97-369, "Payments to air carriers": Provided, That of the foregoing amount, any unexpended balances available on January 1, 1985, shall be transferred to the Department of Transportation: Provided further, That the Board shall expend not to exceed $102,597 per year to restore guaranteed essential air transportation at Hazelton, Pennsylvania, to the minimum level of service of two round trip flights per day, five days per week, to either Philadelphia, Pennsylvania, or New York, New York, as determined by the community.

INTERSTATE COMMERCE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Interstate Commerce Commission, including services as authorized by 5 U.S.C. 3109, and not to exceed $1,500 for official reception and representation expenses, $48,000,000: Provided, That joint board members and cooperating State commissioners may use Government transportation requests when traveling in connection with their official duties as such.

PAYMENTS FOR DIRECTED RAIL SERVICE

None of the funds provided in this Act shall be available for the execution of programs the obligations for which can reasonably be expected to exceed $1,000,000 for directed rail service authorized under 49 U.S.C. 11125 or any other legislation.

PANAMA CANAL COMMISSION

OPERATING EXPENSES

For operating expenses necessary for the Panama Canal Commission, including hire of passenger motor vehicles and aircraft; uniforms or allowances therefor, as author-

ized by law (5 U.S.C. 5901-5902); not to exceed $8,000 for official reception and representation expenses of the Board; operation of guide services; residence for the Administrator; disbursements by the Administrator for employee and community projects; not to exceed $25,000 for official reception and representation expenses of the Administrator; and to employ services as authorized by law (5 U.S.C. 3109); $406,346,000, to be derived from the Panama Canal Commission Fund: Provided, That there may be credited to this appropriation funds received from the Panama Canal Commission's capital outlay account for expenses incurred for supplies and services provided for capital projects and funds received from officers and employees of the Commission and/or commercial insurors of Commission employees for payment to other United States Government agencies for expenditures made for services provided to Commission employees and their dependents by such other agencies.

CAPITAL OUTLAY

For acquisition, construction, replacement, and improvements of facilities, structures, and equipment required by the Panama Canal Commission, including the purchase of not to exceed forty-four passenger motor vehicles for replacement only; to employ services authorized by law (5 U.S.C. 3109); $23,500,000, to be derived from the Panama Canal Commission Fund and to remain available until expended.

UNITED STATES RAILWAY ASSOCIATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses to enable the United States Railway Association to carry out its functions under the Regional Rail Reorganization Act of 1973, as amended, to remain available until expended, $2,100,000, of which not to exceed $500 may be available for official reception and representation expenses.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

INTEREST PAYMENTS

For necessary expenses for interest payments, to remain available until expended, $46,175,945: Provided, That these funds shall be disbursed pursuant to terms and conditions established by Public Law 96-184 and the Initial Bond Repayment Participation Agreement.

TITLE III—GENERAL PROVISIONS

SEC. 301. During the current fiscal year applicable appropriations to the Department of Transportation shall be available for maintenance and operation of aircraft; hire of passenger motor vehicles and aircraft; purchase of liability insurance for motor vehicles operating in foreign countries on official departmental business; and uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902).

SEC. 302. Funds appropriated for the Panama Canal Commission may be apportioned notwithstanding section 3679 of the Revised Statutes, as amended (31 U.S.C. 1341), to the extent necessary to permit payment of such pay increases for officers or employees as may be authorized by administrative action pursuant to law which are not in excess of statutory increases granted for the same period in corresponding rates of compensation for other employees of the Government in comparable positions.

SEC. 303. Funds appropriated under this Act for expenditures by the Federal Aviation Administration shall be available (1) except as otherwise authorized by the Act of September 30, 1950 (20 U.S.C. 236-244), for expenses of primary and secondary schooling for dependents of Federal Aviation Administration personnel stationed outside the continental United States at costs for any given area not in excess of those of the Department of Defense for the same area, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents and (2) for transportation of said dependents between schools serving the area which they attend and their places of residence when the Secretary, under such regulations as may be prescribed, determines that such schools are not accessible by public means of transportation on a regular basis.

SEC. 304. Appropriations contained in this Act for the Department of Transportation shall be available for services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS-18.

SEC. 305. None of the funds provided under this Act for urban formula grants shall be made available to support mass transit facilities, equipment, or operating expenses unless the applicant for such assistance has given satisfactory assurances in such manner and forms as the Secretary may require, and in accordance with such terms and conditions as the Secretary may prescribe, that the rates charged elderly and handicapped persons during nonpeak hours shall not exceed one-half of the rates generally applicable to other persons at peak hours: Provided, That the Secretary, in prescribing the terms and conditions for the provision of such assistance shall permit an applicant whose existing fare collection system does not reasonably permit the collection of half fares to continue to use a preferential fare system for elderly and handicapped persons which was in effect on or before November 26, 1974, and which incorporates the offering of a free return ride upon payment of the generally applicable full fare, except that such a system may be used after October 1, 1984, only if such system is available for use by all elderly and handicapped persons.

SEC. 306. None of the funds appropriated in this Act for the Panama Canal Commission may be expended unless in conformance with the Panama Canal Treaties of 1977 and any law implementing those treaties.

SEC. 307. None of the funds provided in this Act may be used for planning or construction of rail-highway crossings under section 322(a) of title 23, United States Code, or under section 701(a)(5) or section 703(1)(A) of the Railroad Revitalization and Regulatory Reform Act of 1976 at the—

(1) School street crossing in Groton, Connecticut; and

(2) Broadway Extension crossing in Stonington, Connecticut.

SEC. 308. None of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings funded in this Act.

SEC. 309. None of the funds in this Act shall be used to assist, directly or indirectly, any State in imposing mandatory State inspection fees or sticker requirements on vehicles which are lawfully registered in another State, including vehicles engaged in interstate commercial transportation which are in compliance with Part 396—Inspection and Maintenance of the Federal Motor Carrier Safety Regulations of the U.S. Department of Transportation.

SEC. 310. None of the funds contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 311. Notwithstanding any other provision of law, total amounts of contract authority authorized for fiscal year 1985 in section 21(a)(2)(B) of the Urban Mass Transportation Act of 1964, as amended, shall be available for obligation through fiscal year 1988.

SEC. 312. None of the funds in this or any other Act shall be available for the planning or implementation of any change in the current Federal status of the Transportation Systems Center.

SEC. 313. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law.

SEC. 314. None of the funds in this Act may be used to implement a rulemaking which would lower the annual passenger ceiling at Washington National Airport.

SEC. 315. (a) For fiscal year 1985 the Secretary of Transportation shall distribute the obligation limitation for Federal-aid highways by allocation in the ratio which sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned or allocated to each State for such fiscal year bear to the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned or allocated to all the States for such fiscal year.

(b) During the period October 1 through December 31, 1984, no State shall obligate more than 40 per centum of the amount distributed to such State under subsection (a), and the total of all State obligations during such period shall not exceed 25 per centum of the total amount distributed to all States under such subsection.

(c) Notwithstanding subsections (a) and (b), the Secretary shall—

(1) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways and highway safety construction which have been apportioned to a State, except in those instances in which a State indicates its intention to lapse sums apportioned under section 104(b)(5)(A) of title 23, United States Code.

(2) after August 1, 1985, revise a distribution of the funds made available under subsection (a) if a State will not obligate the amount distributed during that fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year giving priority to those States having large unobligated balances of funds apportioned under section 104 of title 23, United States Code, and giving priority to those States which, because of statutory changes made by the Surface Transportation Assistance Act of 1982 and the Federal-Aid Highway Act of 1981, have experienced substantial proportional reductions in their apportionments and allocations.

(3) not distribute amounts authorized for administrative expenses and the Federal Lands Highway Programs.

This Act may be cited as the "Department of Transportation and Related Agencies Appropriation Act, 1985".

And the Senate agree to the same.

Amendment numbered 38:

That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

(j) Such sums as may be necessary for programs, projects, or activities provided for in the Treasury, Postal Service and General Government Appropriations Act, 1985 (H.R. 5798) to the extent and in the manner provided for in the conference report and joint explanatory statement of the committee of conference as passed by the House of Representatives on September 12, 1984, as if enacted into law (with the exception of the provisions involved in amendments numbered 24 and 26 which shall be effective as if enacted into law): Provided, That, notwithstanding section 102 of this joint resolution, the Department of the Treasury shall consolidate the operations of the Bureau of Government Financial Operations in accordance with the language concerning amendment numbered 9 in the joint explanatory statement of the committee of conference (H. Rept. 98-993).

And the Senate agree to the same.

Amendment numbered 45:

That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

Foster care and adoption assistance activities under title IV-E of the Social Security Act under the terms and conditions established by sections 474(b) and 474(c) of that Act, and sections 102(a)(1) and 102(c) of Public Law 96-272, as those sections were in effect for fiscal year 1984;

Emergency immigrant education activities authorized by section 101(g) of Public Law 98-151; and

Activities under the Follow Through Act, except that the annual rate for such activities shall not exceed $10,000,000.

And the Senate agree to the same.

Amendment numbered 49:

That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert the following:

In the House engrossed Continuing Resolution strike out all beginning on page 11, line 19 through page 13, line 14, all inclusive.

And the Senate agree to the same.

Amendment numbered 51:

That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert the following:

In the House engrossed Continuing Resolution strike out all beginning on page 13, line 15 through 22, all inclusive.

And the Senate agree to the same.

Amendment numbered 53:

That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert the following:

In the House engrossed Continuing Resolution strike out all beginning on page 16, lines 3 through 7, all inclusive.

And the Senate agree to the same.

Amendment numbered 54:

That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows:

Delete the matter stricken by said amendment and delete the matter inserted by said amendment.

And the Senate agree to the same.

Amendment numbered 73:

That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert the following:

In the House engrossed Continuing Resolution strike out all beginning on page 20, line 10 through 17 all inclusive.

And the Senate agree to the same.

Amendment numbered 82:

That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment amended to read as follows:

SEC. 111A. (a) The Small Business Act is amended by adding the following new section:

"SEC. 23. Notwithstanding any other provision of law, rule, or regulations, for purposes of section 7(b) of this Act (15 U.S.C. 636(b)), the Administrator shall, with respect to small business concerns involved in the fishing industry, treat the recent El Nino-related ocean conditions as a disaster under such subsection:

"(1) disaster loan assistance shall be provided to the fishing industry pursuant to paragraph (2) of such section—

"(A) the term "recent El Nino-related ocean conditions" means the ocean conditions (including high water temperatures, scarcity of prey, and absence of normal upwellings) which occurred in the eastern Pacific Ocean off the west coast of the North American Continent during the period beginning with June 1982 and ending at the close of December 1983, and which resulted from the climatic conditions occurring in the Equatorial Pacific during 1982 and 1983;

"(B) the term "fishing industry" means any trade or business involved in (i) the catching, taking, or harvesting of fish (whether or not sold on a commercial basis), (ii) any operation at sea or on land, in preparation for, or substantially dependent upon, the catching, taking, or harvesting of fish, and (iii) the processing or canning of fish (including storage, refrigeration and transportation of fish before processing or canning); and

"(C) the term "fish" means finfish, mollusks, crustaceans, and all other forms of marine animal and plant life other than marine mammals and birds; and

"(2) for purposes of paragraphs (2) through (4) of subsection 7(b) of this Act, eligibility of individual applicants shall not in any way be dependent upon the number of disaster victims in any county or other political subdivision."; and

(b) Section 3(j) of such Act is amended by striking all of such subsection after the word "association" in the second sentence thereof and by inserting in lieu thereof "as a business concern and shall not include the income or employees of any member shareholder of such cooperative.".

And the Senate agree to the same.

Amendment numbered 83:

That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment insert:

SEC. 112. The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act, as amended (12 U.S.C. 1715z-1), reduced in fiscal year 1985 by not more than $7,631,000 in uncommitted balances of authorizations provided for this purpose in appropriation acts pursuant to the paragraph under the heading "Rental housing assistance" in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1985 (Public Law 98-371, 98 Stat. 1213, 1215), shall not be reduced by more than $4,331,000 in fiscal year 1985: Provided, That $3,300,000 in such uncommitted balances shall be made available in fiscal year 1985 and remain available thereafter until used as needed to replace amounts pooled for interest reduction payments for State-aided, noninsured rental housing projects under such section 236, but used during fiscal year 1982 for amendments to contracts for rental assistance payments.

And the Senate agree to the same.

Amendment numbered 85:

That the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment insert:

SEC. 113A. Notwithstanding any other provision of this joint resolution, there is appropriated to the Treasury $300,000,000, to be made available to cover the additional interest expenses incurred on borrowings by the Secretary of Housing and Urban Development from the Treasury that are necessary to extend direct loans to local public housing agencies as authorized under section 4(a) of the United States Housing Act of 1937, for the purposes of financing public housing projects as authorized under section 5(c) of the United States Housing Act of 1937: Provided, That the foregoing appropriation shall be available only in connection with additional interest expenses incurred on Treasury borrowings having maturities not in excess of seven months from the date that such borrowings occur: Provided further, That no such Treasury borrowings in connection with the foregoing appropriation shall take place after April 3, 1985: Provided further, That the foregoing $300,000,000 shall be available until expended on interest incurred pursuant to the Treasury borrowings: Provided further, That direct loan proceeds shall be made available for new loan commitments and contract executions for public housing development, modernization and Indian housing, and for financing of existing contracts: Provided further, That notwithstanding section 4 of the United States Housing Act of 1937, or any other provision of law, loans made pursuant to section 4(a) of the United States Housing Act of 1937 by the Secretary of Housing and Urban Development (and Treasury borrowing under section 4(b) of such Act), which are necessary due to the failure to publicly sell tax-exempt public housing agency obligations, shall be at interest rates comparable to the interest rates

on such obligations issued by public housing agencies.

And the Senate agree to the same.

Amendment numbered 99:

That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment insert:

SEC. 124. Notwithstanding any other provision of this joint resolution, the Secretary of the Department of Transportation shall grant an exemption from the January 1, 1985, deadline for compliance with the provisions of Public Law 96-193, if an applicant for such exemption submits to the Secretary prior to January 1, 1985, an application for exemption which complies with the provisions of subsection (b) or (c) of this section.

(b) The Secretary shall specify the form and manner in which any application shall be made. Any such application from a person operating aircraft for which equipment to assure compliance with the provisions of Public Law 96-193 ("hush kits") is currently under development shall include a copy of a contract entered into by the applicant and a known supplier of equipment which would bring the applicant into compliance with the provisions of Public Law 96-193.

(c) Applicants currently operating aircraft obtained prior to January 1, 1980, for which no such compliance equipment is currently under development shall accompany their application with a sworn commitment to enter into a contract not later than June 1, 1985, for aircraft which will comply with the provisions of Public Law 96-193.

(d) Nothing in this section shall be construed to limit the power of the Secretary to deny any application or revoke any exemption granted under this section if, after examining any contract submitted under Subsection (b) or (c) of this section, the Secretary determines that the applicant or holder of such exemption will not be able to comply with the requirements of Public Law 96-193 within the timeframe set forth in such exemption. No exemptions shall be issued to any applicant pursuant to this section unless the Secretary determines that the contract required under subsection (b) or (c) of this section is with a bona fide supplier of equipment to assure compliance in the case of subsection (b) of this section, or complying aircraft in the case of subsection (c) of this section; that such equipment or aircraft can reasonably be expected to achieve compliance; that such contract provides for nonrefundable deposits sufficient to assure good faith compliance by such applicant; and that the contract provides for compliance at the earliest possible date.

(e) Any exemption granted under this section shall expire not later than December 31, 1985, except that, if the Secretary determines that equipment to insure compliance with the provisions of Public Law 96-193 which has been certified by the Department for that purpose will not be available to the holder of the exemption by that date, the Secretary may extend such exemption for such period as the Secretary determines is necessary to insure compliance with such provisions.

(f) No person receiving an exemption under the provisions of this section may increase either the frequency of operations into the place for which the exemption was granted, or increase the number of non-compliant aircraft operated at the place for which the exemption was granted beyond that existing in the 12 months prior to the date of enactment of this section.

(g) No exemption granted pursuant to this section shall (i) permit flights at any airport in the United States, as the term United States is defined in 49 U.S.C. 1301, other than Miami International Airport, in Miami, Florida, and Bangor International Airport, in Bangor, Maine, or (ii) permit the operation of flights which serve both Miami International Airport and Bangor International Airport.

And the Senate agree to the same.

Amendment numbered 108:

That the House recede from its disagreement to the amendment of the Senate numbered 108, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert the following:

SEC. 127. Notwithstanding any other provision of this joint resolution, and in addition to amounts appropriated elsewhere, there are appropriated $3,200,000 for fiscal year 1985 for Salaries and Expenses of the Food and Drug Administration to carry out the Drug Price Competition and Patent Term Restoration Act of 1984; and $8,350,000 for fiscal year 1985 for the Food and Drug Administration for activities (including construction) related to acquired immune deficiency syndrome, which shall be available only to the extent an official budget request is transmitted to the Congress.

And the Senate agree to the same.

Amendment numbered 121:

That the House recede from its disagreement to the amendment of the Senate numbered 121, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert:

SEC. 139. Notwithstanding any other provision of this joint resolution, the following additional amounts are hereby appropriated for the Department of State, Administration of Foreign Affairs, and all to remain available until September 30, 1986; $81,200,000 for "Salaries and expenses"; $28,000,000 for "Acquisition, operation, and maintenance of buildings abroad"; and $1,000,000 for "Emergencies in the diplomatic and consular service" to pay rewards for information concerning terrorist acts: Provided, That these funds shall be available notwithstanding section 15(a) of the State Department Basic Authorities Act of 1956: Provided further, That the Department shall report to the appropriate committees in Congress on the obligation of funds every thirty days from the date of enactment.

And the Senate agree to the same.

Amendment numbered 122:

That the House recede from its disagreement to the amendment of the Senate numbered 122, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert the following:

SEC. 140. The Central Intelligence Agency Act of 1949 (50 U.S.C. 403a et seq.) is amended by adding at the end thereof the following new section:

SECURITY PERSONNEL AT AGENCY INSTALLATIONS

SEC. 15. (a) The Director may authorize Agency personnel within the United States to perform the same functions as special policemen of the General Services Administration perform under the first section of the Act entitled "An Act to authorize the Federal Works Administrator or officials of the Federal Works Agency duly authorized by him to appoint special policemen for duty upon Federal properly under the jurisdiction of the Federal Works Agency, and for other purposes" (40 U.S.C. 318), with the powers set forth in that section, except that such personnel shall perform such functions and exercise such powers only within Agency installations and the rules and regulations enforced by such personnel shall be rules and regulations promulgated by the Director.

(b) The Director is authorized to establish penalties for violations of the rules or regulations promulgated by the Director under subsection (a) of this section. Such penalties shall not exceed those specified in the fourth section of the Act referred to in subsection (a) of this section (40 U.S.C. 318c).

(c) Agency personnel designated by the Director under subsection (a) of this section shall be clearly identifiable as United States Government security personnel while engaged in the performance of the functions to which subsection (a) of this section refers.

And the Senate agree to the same.

Amendment numbered 126:

That the House recede from its disagreement to the amendment of the Senate numbered 126, and agree to the same with an amendment, as follows:

In lieu of the matter stricken by said amendment, insert the following:

SEC. 122. (a) Federal employees furloughed as a result of the lapse of appropriations from midnight October 3, 1984, until the enactment of this Act, will be compensated at their standard rate of compensation for the period during which there was a lapse of appropriations.

(b) All obligations incurred in anticipation of the appropriations and authority provided in this joint resolution for the purposes of maintaining the minimum level of essential activities necessary to protect life and property and bringing about orderly termination of other functions are hereby ratified and confirmed if otherwise in accordance with the provisions of this joint resolution.

And the Senate agree to the same.

Amendment numbered 127:

That the House recede from its disagreement to the amendment of the Senate numbered 127, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment amended to read as follows:

SEC. 131. (a) Section 466(b) of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, Sec. 47-246) is amended by striking out "sold before October 1, 1984," and inserting in lieu thereof "sold before October 1, 1985,".

(b) Section 303(b) of the District of Columbia Self-Government and Governmental Reorganization Act is amended to read as follows:

"(b) An amendment to the charter ratified by the registered electors shall take effect upon the expiration of the 35-calendar day period (excluding Saturdays, Sundays, holidays, and days on which either House of Congress is not in session) following the date such amendment was submitted to the Congress, or upon the date prescribed by such amendment, whichever is later, unless during such 35-day period, there has been enacted into law a joint resolution, in accordance with the procedures specified in section 604 of this Act, disapproving such amendment. In any case in which any such joint resolution disapproving such an amendment has, within such 35-day period, passed both Houses of Congress and has been transmitted to the President, such reso-

lution, upon becoming law subsequent to the expiration of such 35-day period, shall be deemed to have repealed such amendment, as of the date such resolution becomes law.".

(c)(1) The second sentence of section 412(a) of such Act is amended to read as follows: "Except as provided in the last sentence of this subsection, the Council shall use acts for all legislative purposes.".

(2) The last sentence of section 412(a) of such Act is amended to read as follows: "Resolutions shall be used (1) to express simple determinations, decisions, or directions of the Council of a special or temporary character; and (2) to approve or disapprove proposed actions of a kind historically or traditionally transmitted by the Mayor, the Board of Elections, Public Service Commission, Armory Board, Board of Education, the Board of Trustees of the University of the District of Columbia, or the Convention Center Board of Directors to the Council pursuant to an act. Such resolutions must be specifically authorized by that act and must be designed to implement that act.".

(d) The second sentence of section 602(c)(1) of such Act is amended to read as follows: "Except as provided in paragraph (2), such act shall take effect upon the expiration of the 30-calendar day period (excluding Saturdays, Sundays, and holidays, and any day on which neither House is in session because of an adjournment sine die, a recess of more than three days, or an adjournment of more than three days) beginning on the day such act is transmitted by the Chairman to the Speaker of the House of Representatives and the President of the Senate, or upon the date prescribed by such act, whichever is later, unless during such 30-day period, there has been enacted into law a joint resolution disapproving such act. In any case in which any such joint resolution disapproving such an act has, within such 30-day period, passed both Houses of Congress and has been transmitted to the President, such resolution, upon becoming law, subsequent to the expiration of such 30-day period, shall be deemed to have repealed such act, as of the date such resolution becomes law.".

(e) The third sentence of section 602(c)(1) of such Act is amended by deleting "concurrent" and inserting in lieu thereof "joint".

(f) The first sentence of section 602(c)(2) of such Act is amended to read as follows: "In the case of any such Act transmitted by the Chairman with respect to any Act codified in title 22, 23, or 24 of the District of Columbia Code, such act shall take effect at the end of the 60-day period beginning on the day such act is transmitted by the Chairman to the Speaker of the House of Representatives and the President of the Senate unless, during such 60-day period, there has been enacted into law a joint resolution disapproving such act. In any case in which any such joint resolution disapproving such an act has, within such 60-day period, passed both Houses of Congress and has been transmitted to the President, such resolution, upon becoming law subsequent to the expiration of such 60-day period shall be deemed to have repealed such act, as of the date such resolution becomes law.".

(g) The second sentence of section 602(c)(2) is amended to read as follows: "The provisions of section 604, relating to an expedited procedure for consideration of joint resolutions, shall apply to a joint resolution disapproving such act as specified in this paragraph.".

(h) Section 604(b) of such Act is amended by deleting "concurrent" and inserting in lieu thereof "joint".

(i) Subsections (b) and (c) of section 740 of such Act are amended by deleting in each such subsection the words "adoption of a resolution by either the Senate or the House of Representatives" and inserting in lieu thereof "enactment into law of a joint resolution by the Congress".

(j) Section 740(d) of such Act is amended by deleting "approve a concurrent" and inserting in lieu thereof "enact into law a joint".

(k) The amendments made by the preceding subsections of this section shall not be applicable with respect to any law, which was passed by the Council of the District of Columbia prior to the date of the enactment of this Act, and such laws are hereby deemed valid, in accordance with the provisions thereof notwithstanding such amendments. Any previous act of the Council of the District of Columbia which has been disapproved by the Congress pursuant to section 602(c)(1) or section 602(c)(2) is hereby deemed null and void.

(l) Part F of title VII of such Act is amended by adding at the end thereof the following new section:

"SEVERABILITY

"SEC. 762. If any particular provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.".

(m) Section 164(a)(3) of the District of Columbia Retirement Reform Act is amended to read as follows:

"(3)(A) The Congress may reject any filing under this section within thirty days of such filing by enacting into law a joint resolution stating that the Congress has determined—

"(i) that such filing is incomplete for purposes of this part, or

"(ii) that there is any material qualification by an accountant or actuary contained in an opinion submitted pursuant to section 162(a)(3)(A) or section 162(a)(4)(B).

"(B) If the Congress rejects a filing under subparagraph (A) and if either a revised filing is not submitted within forty-five days after the enactment under subparagraph (A) rejecting the initial filing or such revised filing is rejected by the Congress by enactment into law of a joint resolution within thirty days after submission of the revised filing, then the Congress may, if it deems it is in the best interests of the participants, take any one or more of the following actions:

"(i) Retain an independent qualified public accountant on behalf of the participants to perform an audit.

"(ii) Retain an enrolled actuary on behalf of the participants to prepare an actuarial statement.

The Board and the Mayor shal permit any accountant or actuary so retained to inspect whatever books and records of the Fund and the retirement program are necessary for performing such audit or preparing such statement.

"(C) If a revised filing is rejected under subparagraph (B) or if a filing required under this title is not made by the date specified, no funds appropriated for the Fund with respect to which such filing was required as part of the Federal payment may be paid to to the Fund until such time as an acceptable filing is made. For purposes of this subparagraph, a filing is unacceptable if, within thirty days of its submission, the Congress enacts into law a joint resolution disapproving such filing.".

(n) The provisions of this section shall be effective hereafter without limitation as to fiscal year, notwithstanding any other provision of this joint resolution.

And the Senate agree to the same.

Amendment numbered 133: That the House recede from its disagreement to the amendment of the Senate numbered 133, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted, insert the following:

SEC. 506. (a) This part may be cited as the "Dangerous Drug Diversion Control Act of 1984".

(b) Whenever in sections 507 through 519 an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the controlled Substances Act, and whenever in sections 520 through 525 an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Controlled Substances Import and Export Act.

SEC. 507. (a) Section 102 (21 U.S.C. 802) is amended by redesignating paragraphs (14) through (29) as paragraphs (15) through (30), respectively, and by adding after paragraph (13) the following:

"(14) The term 'isomer' means the optical isomer, except as used in schedule I(c) and schedule II(a)(4). As used in schedule I(c), the term 'isomer' means the optical, positional, or geometric isomer. As used in schedule II(a)(4), the term 'isomer' means the optical or geometric isomer.".

(b) Paragraph (17) (as so redesignated) of section 102 is amended to read as follows:

"(17) The term 'narcotic drug' means any of the following whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis:

"(A) Opium, opiates, derivatives of opium and opiates, including their isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of such isomers, esters, ethers, and salts is possible within the specific chemical designation. Such term does not include the isoquinoline alkaloids of opium.

"(B) Poppy straw and concentrate of poppy straw.

"(C) Coca leaves, except coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivatives of ecgonine or their salts have been removed.

"(D) Cocaine, its salts, optical and geometric isomers, and salts of isomers.

"(E) Ecgonine, its derivatives, their salts, isomers, and salts of isomers.

"(F) Any compound, mixture, or preparation which contains any quantity of any of the substances referred to in subparagraphs (A) through (E).".

(c) Paragraph (a)(4) of schedule II is amended by inserting after "coca leaves" the first time it appears the following: "(including cocaine and ecgonine and their salts, isomers, derivatives, and salts of isomers and derivatives)".

SEC. 508. Section 201 (21 U.S.C. 811) is amended by adding a new subsection (h) as follows:

"(h)(1) If the Attorney General finds that the scheduling of a substance in schedule I

on a temporary basis is necessary to avoid an imminent hazard to the public safety, he may, by order and without regard to the requirements of subsection (b) relating to the Secretary of Health and Human Services, schedule such substance in schedule I if the substance is not listed in any other schedule in section 202 or if no exemption or approval is in effect for the substance under section 505 of the Federal Food, Drug, and Cosmetic Act. Such an order may not be issued before the expiration of 30 days from—

"(A) the date of the publication by the Attorney General of a notice in the Federal Register of the intention to issue such order and the grounds upon which such order is to be issued, and

"(B) the date the Attorney General has transmitted the notice required by paragraph (4).

"(2) The scheduling of a substance under this subsection shall expire at the end of one year from the date of the issuance of the order scheduling such substance, except that the Attorney General may, during the pendency of proceedings under subsection (a)(1) with respect to the substance, extend the temporary scheduling for up to six months.

"(3) When issuing an order under paragraph (1), the Attorney General shall be required to consider, with respect to the finding of an imminent hazard to the public safety, only those factors set forth in paragraphs (4), (5), and (6) of subsection (c), including actual abuse, diversion from legitimate channels, and clandestine importation, manufacture, or distribution.

"(4) The Attorney General shall transmit notice of an order proposed to be issued under paragraph (1) to the Secretary of Health and Human Services. In issuing an order under paragraph (1), the Attorney General shall take into consideration any comments submitted by the Secretary in response to a notice transmitted pursuant to this paragraph.

"(5) An order issued under paragraph (1) with respect to a substance shall be vacated upon the conclusion of a subsequent rulemaking proceeding initiated under subsection (a) with respect to such substance.

"(6) An order issued under paragraph (1) is not subject to judicial review.".

SEC. 509. (a) Section 201(g) (21 U.S.C. 811(g)) is amended by adding at the end the following:

"(3) The Attorney General may, by regulation, exempt any compound, mixture, or preparation containing a controlled substance from the application of all or any part of this title if he finds such compound, mixture, or preparation meets the requirements of one of the following categories:

"(A) A mixture, or preparation containing a nonnarcotic controlled substance, which mixture or preparation is approved for prescription use, and which contains one or more other active ingredients which are not listed in any schedule and which are included therein in such combinations, quantity, proportion, or concentration as to vitiate the potential for abuse.

"(B) A compound, mixture, or preparation which contains any controlled substance, which is not for administration to a human being or animal, and which is packaged in such form or concentration, or with adulterants or denaturants, so that as packaged it does not present any significant potential for abuse.".

(b) Section 202(d) (21 U.S.C. 812(d)) is repealed.

SEC. 510. Section 302(a) (21 U.S.C. 822(a)) is amended to read as follows:

"(a)(1) Every person who manufactures or distributes any controlled substance, or who proposes to engage in the manufacture or distribution of any controlled substance, shall obtain annually a registration issued by the Attorney General in accordance with the rules and regulations promulgated by him.

"(2) Every person who dispenses, or who proposes to dispense, any controlled substance, shall obtain from the Attorney General a registration issued in accordance with the rules and regulations promulgated by him. The Attorney General shall, by regulation, determine the period of such registrations. In no event, however, shall such registrations be issued for less than one year nor for more than three years.".

SEC. 511. Section 303(f) (21 U.S.C. 823(f)) is amended to read as follows:

"(f) The Attorney General shall register practitioners (including pharmacies, as distinguished from pharmacists) to dispense, or conduct research with, controlled substances in schedules II, III, IV, or V, if the applicant is authorized to dispense, or conduct research with respect to, controlled substances under the laws of the State in which he practices. The Attorney General may deny an application for such registration if he determines that the issuance of such registration would be inconsistent with the public interest. In determining the public interest, the following factors shall be considered:

"(1) The recommendation of the appropriate State licensing board or professional disciplinary authority.

"(2) The applicant's experience in dispensing, or conducting research with respect to controlled substances.

"(3) The applicant's conviction record under Federal or State laws relating to the manufacture, distribution, or dispensing of controlled substances.

"(4) Compliance with applicable State, Federal, or local laws relating to controlled substances.

"(5) Such other conduct which may threaten the public health and safety.

Separate registration under this part for practitioners engaging in research with controlled substances in schedules II, III, IV, or V, who are already registered under this part in another capacity, shall not be required. Registration applications by practitioners wishing to conduct research with controlled substances in schedule I shall be referred to the Secretary, who shall determine the qualifications and competency of each practitioner requesting registration, as well as the merits of the research protocol. The Secretary, in determining the merits of each research protocol, shall consult with the Attorney General as to effective procedures to adequately safeguard against diversion of such controlled substances from legitimate medical or scientific use. Registration for the purpose of bona fide research with controlled substances in schedule I by a practitioner deemed qualified by the Secretary may be denied by the Attorney General only on a ground specified in section 304(a). Article 7 of the Convention on Psychotropic Substances shall not be construed to prohibit, or impose additional restrictions upon, research involving drugs or other substances scheduled under the convention which is conducted in conformity with this subsection and other applicable provisions of this title.".

SEC. 512. Section 304(a) (21 U.S.C. 824(a)) is amended—

(1) by inserting before the period in paragraph (3) the following: "or has had the suspension, revocation, or denial of his registration recommended by competent State authority"; and

(2) by striking out "or" at the end of paragraph (2), by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or", and by adding after paragraph (3) the following:

"(4) has committed such acts as would render his registration under section 303 inconsistent with the public interest as determined under such section.".

SEC. 513. Section 304 (21 U.S.C. 824) is amended by adding at the end the following:

"(g) The Attorney General may, in his discretion, seize or place under seal any controlled substances owned or possessed by a registrant whose registration has expired or who has ceased to practice or do business in the manner contemplated by his registration. Such controlled substances shall be held for the benefit of the registrant, or his successor in interest. The Attorney General shall notify a registrant, or his successor in interest, who has any controlled substance seized or placed under seal of the procedures to be followed to secure the return of the controlled substance and the conditions under which it will be returned. The Attorney General may not dispose of any controlled substance seized or placed under seal under this subsection until the expiration of one hundred and eighty days from the date such substance was seized or placed under seal.".

SEC. 514. (a) Section 307(c)(1)(A) (21 U.S.C. 827(c)(1)(A)) is amended to read as follows:

"(A) to the prescribing of controlled substances in schedule II, III, IV, or V by practitioners acting in the lawful course of their professional practice unless such substance is prescribed in the course of maintenance or detoxification treatment of an individual; or".

(d) Section 307(c)(1)(B) (21 U.S.C. 827(c)((1)(B)) is amended to read as follows:

"(B) to the administering of a controlled substance in schedule II, III, IV, or V unless the practitioner regularly engages in the dispensing or administering of controlled substances and charges his patients, either separately or together with charges for other professional services, for substances so dispensed or administered or unless such substance is administered in the course of maintenance treatment or detoxification treatment of an individual;".

SEC. 515. Section 307 (21 U.S.C. 827) is further amended by adding at the end a new subsection (g) as follows:

"(g) Every registrant under this title shall be required to report any change of professional or business address in such manner as the Attorney General shall by regulation require.".

SEC. 516. Section 403(a)(2) (21 U.S.C. 843(a)(2)) is amended to read as follows:

"(2) to use in the course of the manufacture, distribution, or dispensing of a controlled substance, or to use for the purpose of acquiring or obtaining a controlled substance, a registration number which is fictitious, revoked, suspended, expired, or issued to another person.".

SEC. 517. (a) Section 503(a) (21 U.S.C. 873(a)) is amended by striking out "and" at the end of paragraph (4), by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; and" and by adding at the end the following:

"(6) assist State and local governments in suppressing the diversion of controlled sub-

stances from legitimate medical, scientific, and commercial channels by—

"(A) making periodic assessments of the capabilities of State and local governments to adequately control the diversion of controlled substances;

"(B) providing advice and counsel to State and local governments on the methods by which such governments may strengthen their controls against diversion; and

"(C) establishing cooperative investigative efforts to control diversion.".

(b) Section 503 is amended by adding at the end the following:

"(d)(1) The Attorney General may make grants, in accordance with paragraph (2), to State and local governments to assist in meeting the costs of—

"(A) collecting and analyzing data on the diversion of controlled substances,

"(B) conducting investigations and prosecutions of such diversions,

"(C) improving regulatory controls and other authorities to control such diversions,

"(D) programs to prevent such diversions,

"(E) preventing and detecting forged prescriptions, and

"(F) training law enforcement and regulatory personnel to improve the control of such diversions.

"(2) No grant may be made under paragraph (1) unless an application therefor is submitted to the Attorney General in such form and manner as the Attorney General may prescribe. No grant may exceed 80 per centum of the costs for which the grant is made, and no grant may be made unless the recipient of the grant provides assurances satisfactory to the Attorney General that it will obligate funds to meet the remaining 20 per centum of such costs. The Attorney General shall review the activities carried out with grants under paragraph (1) and shall report annually to Congress on such activities.

"(3) To carry out this subsection there is authorized to be appropriated $6,000,000 for fiscal year 1985 and $6,000,000 for fiscal year 1986.".

SEC. 518. Section 511(a) (21 U.S.C. 881(a)) is amended by inserting the following new paragraph:

"(8) All controlled substances which have been possessed in violation of this title.".

SEC. 519. Section 1002(a)(1) (21 U.S.C. 952(a)(1)) is amended to read as follows:

"(1) such amounts of crude opium, poppy straw, concentrate of poppy straw, and coca leaves as the Attorney General finds to be necessary to provide for medical, scientific, or other legitimate purposes, and".

SEC. 520. Section 1002(a)(2) (21 U.S.C. 952(a)(2)) is amended by striking out "or" at the end of subparagraph (A), by adding "or" at the end of subparagraph (B), and by adding the following after subparagraph (B):

"(C) in any case in which the Attorney General finds that such controlled substance is in limited quantities exclusively for scientific, analytical, or research uses,".

SEC. 521. Section 1002(b)(2) (21 U.S.C. 952(b)(2)) is amended to read as follows:

"(2) is imported pursuant to such notification, or declaration, or in the case of any nonnarcotic controlled substance in schedule III, such import permit, notification, or declaration, as the Attorney General may by regulation prescribe, except that if a nonnarcotic controlled substance in schedule IV or V is also listed in schedule I or II of the Convention on Psychotropic Substances it shall be imported pursuant to such import permit requirements, prescribed by regulation of the Attorney General, as are required by the Convention.".

SEC. 522. Section 1003(e) (21 U.S.C. 953(e)) is amended to read as follows:

"(e) It shall be unlawful to export from the United States to any other country any nonnarcotic controlled substance in schedule III or IV or any controlled substances in schedule V unless—

"(1) there is furnished (before export) to the Attorney General documentary proof that importation is not contrary to the laws or regulations of the country of destination for consumption for medical, scientific, or other legitimate purposes;

"(2) it is exported pursuant to such notification or declaration, or in the case of any nonnarcotic controlled substance in schedule III, such export permit, notification, or declaration as the Attorney General may by regulation prescribe; and

"(3) in the case of a nonnarcotic controlled substance in schedule IV or V which is also listed in schedule I or II of the Convention on Psychotropic Substances, it is exported pursuant to such export permit requirements, prescribed by regulation of the Attorney General, as are required by the Convention.".

SEC. 523. Section 1007(a)(2) (21 U.S.C. 957(a)(2)) is amended to read as follows:

"(2) export from the United States any controlled substance in schedule I, II, III, IV, or V,".

SEC. 524. Section 1008(b) (21 U.S.C. 958(b)) is amended to read as follows:

"(b) Registration granted under this section shall not entitle a registrant to import or export controlled substances other than specified in the registration.".

SEC. 525. Section 1008 (21 U.S.C. 958) is further amended by redesignating subsections (d), (e), (f), (g), and (h) as subsections (e), (f), (g), (h), and (i), respectively, and—

(1) by inserting after subsection (c) the following new subsection (d):

"(d)(1) The Attorney General may deny an application for registration under subsection (a) if he is unable to determine that such registration is consistent with the public interest (as defined in subsection (a)) and with the United States obligations under international treaties, conventions, or protocols in effect on the effective date of this part.

"(2) The Attorney General may deny an application for registration under subsection (c), or revoke or suspend a registration under subsection (a) or (c), if he determines that such registration is inconsistent with the public interest (as defined in subsection (a) or (c)) or with the United States obligations under international treaties, conventions, or protocols in effect on the effective date of this part.

"(3) The Attorney General may limit the revocation or suspension of a registration to the particular controlled substance, or substances, with respect to which grounds for revocation or suspension exist.

"(4) Before taking action pursuant to this subsection, the Attorney General shall serve upon the applicant or registrant an order to show cause as to why the registration should not be denied, revoked, or suspended. The order to show cause shall contain a statement of the basis thereof and shall call upon the applicant or registrant to appear before the Attorney General, or his designee, at a time and place stated in the order, but in no event less than thirty days after the date of receipt of the order. Proceedings to deny, revoke, or suspend shall be conducted pursuant to this subsection in accordance with subchapter II of chapter 5 of title 5 of the United States Code. Such proceedings shall be independent of, and not in lieu of, criminal prosecutions or other proceedings under this title or any other law of the United States.

"(5) The Attorney General may, in his discretion, suspend any registration simultaneously with the institution of proceedings under this subsection, in cases where he finds that there is an imminent danger to the public health and safety. Such suspension shall continue in effect until the conclusion of such proceedings, including judicial review thereof, unless sooner withdrawn by the Attorney General or dissolved by a court of competent jurisdiction.

"(6) In the event that the Attorney General suspends or revokes a registration granted under this section, all controlled substances owned or possessed by the registrant pursuant to such registration at the time of suspension or the effective date of the revocation order, as the case may be, may, in the discretion of the Attorney General, be seized or placed under seal. No disposition may be made of any controlled substances under seal until the time for taking an appeal has elapsed or until all appeals have been concluded, except that a court, upon application therefor, may at any time order the sale of perishable controlled substances. Any such order shall require the deposit of the proceeds of the sale with the court. Upon a revocation order becoming final, all such controlled substances (or proceeds of the sale thereof which have been deposited with the court) shall be forfeited to the United States; and the Attorney General shall dispose of such controlled substances in accordance with section 511(e) of the Controlled Substances Act."; and

(2) by striking our "304," in the second sentence of redesignated subsection (e).

And the Senate agree to the same.

Amendment numbered 134.

That the House recede from its disagreement to the amendment of the Senate numbered 134, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

CHAPTER VI— DIVISION I, JUSTICE ASSISTANCE

SUBDIVISION A—AMENDMENTS TO OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968

SHORT TITLE

SEC. 601. This division may be cited as the "Justice Assistance Act of 1984".

DECLARATION AND PURPOSE

SEC. 602. Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3701-3799) is amended in the matter preceding part A by striking out the declaration and purpose.

OFFICE OF JUSTICE PROGRAMS

SEC. 603. (a) Part A of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711-3713) is amended to read as follows—

"PART A—OFFICE OF JUSTICE PROGRAMS

"ESTABLISHMENT OF OFFICE OF JUSTICE PROGRAMS

"SEC. 101. There is hereby established an Office of Justice Programs within the Department of Justice under the general authority of the Attorney General. The Office of Justice Programs (hereinafter referred to in this title as the 'Office') shall be headed by an Assistant Attorney General (herein-

after in this title referred to as the 'Assistant Attorney General') appointed by the President, by and with the advice and consent of the Senate.

"DUTIES AND FUNCTIONS OF ASSISTANT ATTORNEY GENERAL

"SEC. 102. (a) The Assistant Attorney General shall—

"(1) publish and disseminate information on the conditions and progress of the criminal justice systems;

"(2) maintain liaison with the executive and judicial branches of the Federal and State governments in matters relating to criminal justice;

"(3) provide information to the President, the Congress, the judiciary, State and local governments, and the general public relating to criminal justice;

"(4) maintain liaison with public and private educational and research institutions, State and local governments, and governments of other nations relating to criminal justice;

"(5) provide staff support to coordinate the activities of the Office and the Bureau of Justice Assistance, the National Institute of Justice, the Bureau of Justice Statistics, and the Office of Juvenile Justice and Delinquency Prevention; and

"(6) exercise such other powers and functions as may be vested in the Assistant Attorney General pursuant to this title or by delegation of the Attorney General.

"(b) The Assistant Attorney General shall submit an annual report to the President and to the Congress not later than March 31 of each year.".

NATIONAL INSTITUTE OF JUSTICE

SEC. 604. (a) Section 201 of part B of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3721) is amended—

(1) in paragraph (3) by inserting "and" at the end thereof,

(2) by striking out paragraph (4),

(3) by redesignating paragraph (5) as paragraph (4),

(4) by striking out "to develop alternatives to judicial resolution of disputes,", and

(5) by inserting "and demonstrate" after "to develop".

(b) Section 202 of part B of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3722) is amended—

(1) in subsection (b) by inserting after the second sentence the following: "The Director shall report to the Attorney General through the Assistant Attorney General.", and

(2) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (A) by striking out ", including programs authorized by section 103 of this title", and

(ii) in subparagraph (E) by striking out "the prevention and reduction of parental kidnapping", and

(B) in paragraph (3) by striking out "part" and inserting in lieu thereof "title",

(C) by striking out paragraph (4),

(D) in paragraph (10)—

(i) by striking out "national priority grants under part E and ", and

(ii) by striking out "part F" and inserting in lieu thereof "part E",

(E) by striking out paragraph (9), and

(F) by redesignating paragraphs (5), (6), (7), (8), (10), and (11) as paragraphs (4), (5), (6), (7), (8), and (9), respectively.

(c) Part B of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3721–3724) is amended by striking out section 204.

BUREAU OF JUSTICE STATISTICS

SEC. 605. (a) The first sentence of section 301 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3731) is amended—

(1) by striking out "(including white-collar crime and public corruption)", and

(2) by striking out "(including crimes against the elderly, white-collar crime, and public corruption)".

(b) Section 302 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3732) is amended—

(1) in subsection (b) by inserting after the third sentence the following: "The Director shall report to the Attorney General through the Assistant Attorney General.",

(2) in subsection (c)—

(A) by striking out paragraphs (13) and (16),

(B) by redesignating paragraphs (14), (15), and (17) as paragraphs (16), (17), and (19), respectively,

(C) by inserting after paragraph (12) the following new paragraphs:

"(13) provide for the development of justice information systems programs and assistance to the States and units of local government relating to collection, analysis, or dissemination of justice statistics;

"(14) develop and maintain a data processing capability to support the collection, aggregation, analysis and dissemination of information on the incidence of crime and the operation of the criminal justice system;

"(15) collect, analyze and disseminate comprehensive Federal justice transaction statistics (including statistics on issues of Federal justice interest such as public fraud and high technology crime) and to provide technical assistance to and work jointly with other Federal agencies to improve the availability and quality of Federal justice data;", and

(D) by inserting after paragraph (17), as so redesignated, the following new paragraph:

"(18) insure conformance with security and privacy requirement of section 812 and identify, analyze and participate in the development and implementation of privacy, security and information policies which impact on Federal and State criminal justice operations and related statistical activities; and", and

(3) in subsection (d)—

(A) in paragraph (1) by inserting ", and to enter into agreements with such agencies and instrumentalities for purposes of data collection and analysis" before the semicolon,

(B) in paragraph (3) by striking out "and" at the end thereof,

(C) in paragraph (4) by striking out the period at the end thereof and inserting in lieu thereof a "; and", and

(D) by inserting after paragraph (4) the following new paragraph:

"(5) encourage replication, coordination and sharing among justice agencies regarding information systems, information policy, and data.

(c) Part C of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3731–3735) is amended by striking out section 304.

(d) Part C of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3731–3735) is amended by redesignating section 305 as section 304.

BLOCK GRANTS

SEC. 606. Part D of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3741–3745) is amended to read as follows:

"PART D—BLOCK GRANTS

"ESTABLISHMENT OF BUREAU OF JUSTICE ASSISTANCE

"SEC. 401. (a) There is established within the Department of Justice, under the general authority of the Attorney General, a Bureau of Justice Assistance (hereinafter in this part and part E referred to as the 'Bureau').

"(b) The Bureau shall be headed by a Director (hereinafter in this part and part E referred to as the 'Director') who shall be appointed by the Attorney General. The Director shall report to the Attorney General through the Assistant Attorney General. The Director shall have final authority for all grants, cooperative agreements, and contracts awarded by the Bureau. The Director shall not engage in any employment other than that of serving as the Director, nor shall the Director hold any office in, or act in any capacity for, any organization, agency, or institution with which the Bureau makes any contract or other arrangement under this title.

"DUTIES AND FUNCTIONS OF DIRECTOR

"SEC. 402. The Director shall—

"(1) provide funds to eligible States, units of local government and private nonprofit organizations pursuant to this part and part E;

"(2) establish priorities for programs in accordance with part E and, following public announcement of such priorities, award and allocate funds and technical assistance in accordance with the criteria of part E and on terms and conditions determined by the Director to be consistent with part E;

"(3) cooperate with and provide technical assistance to States, units of local government, and other public and private organizations or international agencies involved in criminal justice activities;

"(4) provide for the development of technical assistance and training programs for State and local criminal justice agencies and foster local participation in such activities;

"(5) encourage the targeting of State and local resources on efforts to reduce the incidence of violent crime and on programs relating to the apprehension and prosecution of repeat offenders;

"(6) establish and carry on a specific and continuing program of cooperation with the States and units of local government designed to encourage and promote consultation and coordination concerning decisions made by the Bureau affecting State and local criminal justice priorities; and

"(7) exercise such other powers and functions as may be vested in the Director pursuant to this title.

"DESCRIPTION OF PROGRAM

"SEC. 403. (a) It is the purpose of this part to assist States and units of local government in carrying out specific programs which offer a high probability of improving the functioning of the criminal justice system, with special emphasis on violent crime and serious offenders. The Bureau is authorized to make grants under this part to States for the purpose of—

"(1) providing community and neighborhood programs that enable citizens and police to undertake initiatives to prevent and control neighborhood crime;

"(2) disrupting illicit commerce in stolen goods and property;

"(3) combating arson;

"(4) effectively investigating and bringing to trial white-collar crime, organized crime,

public corruption crimes, and fraud against the Government;

"(5) identifying criminal cases involving persons (including juvenile offenders) with a history of serious criminal conduct in order to expedite the processing of such cases and to improve court system management and sentencing practices and procedures in such cases;

"(6) developing and implementing programs which provide assistance to jurors and witnesses, and assistance (other than compensation) to victims of crimes;

"(7) providing alternatives to pretrial detention, jail, and prison for persons who pose no danger to the community;

"(8) providing programs which identify and meet the needs of drug-dependent offenders;

"(9) providing programs which alleviate prison and jail overcrowding and programs which identify existing State and Federal buildings suitable for prison use;

"(10) providing training, management, and technical assistance to criminal justice personnel and determining appropriate prosecutorial and judicial personnel needs;

"(11) providing prison industry projects designed to place inmates in a realistic working and training environment in which they will be enabled to acquire marketable skills and to make financial payments for restitution to their victims, for support of their own families, and for support of themselves in the institution;

"(12) providing for operational information systems and workload management systems which improve the effectiveness of criminal justice agencies;

"(13) providing programs of the same types as programs described in section 501(a)(4)—

"(A) which the Director establishes, under section 503(a), as discretionary programs for financial assistance under part E; and

"(B) which are innovative and have been deemed by the Director as likely to prove successful;

"(14) implement programs which address critical problems of crime, such as drug trafficking, which have been certified by the Director, after consultation with the Director of the National Institute of Justice, Director of the Bureau of Justice Statistics, and Administrator of the Office of Juvenile Justice and Delinquency Prevention, as having proved successful;

"(15) providing programs which address the problem of serious offenses committed by juveniles;

"(16) addressing the problem of crime committed against the elderly;

"(17) providing training, technical assistance, and programs to assist State and local law enforcement authorities in rural areas in combating crime, with particular emphasis on violent crime, juvenile delinquency, and crime prevention; and

"(18) improving the operational effectiveness of law enforcement by integrating and maximizing the effectiveness of police field operations and the use of crime analysis techniques.

"(b)(1) For any fiscal year ending after September 30, 1984, the Federal portion of any grant made under this part shall be 50 per centum of the cost of programs and projects specified in the application of such grant, except that in the case of funds distributed to an Indian tribe which performs law enforcement functions (as determined by the Secretary of the Interior) for any program or project described in subsection (a), the Federal portion shall be 100 per centum of such cost.

"(2) The non-Federal portion of the cost of such program or project shall be in cash.

"(c) No funds may be given under this title to a grant recipient for a program or project for which funds have been given under this title for 4 years (in the aggregate), including any period occurring before the effective date of this subsection.

"ELIGIBILITY

"SEC. 404. The Bureau is authorized to make financial assistance under this part available to a State to enable it to carry out all or a substantial part of a program or project submitted and approved in accordance with the provisions of this part.

"APPLICATIONS

"SEC. 405. No grant may be made by the Bureau to a State, or by a State to an eligible recipient pursuant to this part, unless the application for such grant sets forth criminal justice programs and projects covering a 2-year period which meet the purposes of section 403(a) of this title, designates which purpose specified in section 403(a) each such program or project is intended to achieve, and identifies the State agency or unit of local government which will implement each such program or project. This application must be amended annually if new programs are to be added to the application or if the programs contained in the original application are not implemented. The application must include—

"(1) an assurance that following the first fiscal year covered by an application and each fiscal year thereafter, the applicant shall submit to the Bureau or to the State, as the case may be—

"(A) a performance report concerning the activities carried out pursuant to this part and part E; and

"(B) an assessment by the applicant of the impact of those activities on the purposes of this part and the needs and objectives identified in the applicant's statement;

"(2) a certification that Federal funds made available under this title will not be used to supplant State or local funds, but will be used to increase the amounts of such funds that would, in the absence of Federal funds, be made available for criminal justice activities;

"(3) an assurance that fund accounting, auditing, monitoring, and such evaluation procedures as may be necessary to keep such records as the Bureau shall prescribe shall be provided to assure fiscal control, proper management, and efficient disbursement of funds received under this title;

"(4) an assurance that the applicant shall maintain such data and information and submit such reports in such form, at such times, and containing such data and information as the Bureau may reasonably require to administer other provisions of this title;

"(5) a certification that its programs meet all the requirements of this section, that all the information contained in the application is correct, that there has been appropriate coordination with affected agencies, and that the applicant will comply with all provisions of this title and all other applicable Federal laws (such certification shall be made in a form acceptable to the Bureau and shall be executed by the chief executive or such other officer of the applicant qualified under regulations promulgated by the Office);

"(6) if the applicant is a State, an assurance that not more than 10 per centum of the aggregate amount of funds received by a State under this part for a fiscal year will be distributed for programs and projects designated as intended to achieve the purpose specified in section 403(a)(13);

"(7) an assurance that the State will take into account the needs and requests of units of general local government in the State and encourage local initiative in the development of programs which meet the purposes of section 403(a);

"(8) an assurance that the State application described in this section, and any amendment to such application, has been submitted for review to the State legislature or its designated body (for purposes of this section, such application or amendment shall be deemed to be reviewed if the State legislature or such body does not review such application or amendment within the 60-day period beginning on the date such application or amendment is so submitted); and

"(9) an assurance that the State application and any amendment thereto was made public before submission to the Bureau and, to the extent provided under State law or established procedure, an opportunity to comment thereon was provided to citizens and to neighborhood and community groups.".

"REVIEW OF APPLICATIONS

"SEC. 406. (a) The Bureau shall provide financial assistance to each State applicant under this part to carry out the programs or projects submitted by such applicant upon determining that—

"(1) the application or amendment thereto is consistent with the requirements of this title; and

"(2) before the approval of the application and any amendment thereto the Bureau has made an affirmative finding in writing that the program or project has been reviewed in accordance with section 405.

Each application or amendment made and submitted for approval to the Bureau pursuant to section 405 of this title shall be deemed approved, in whole or in part, by the Bureau not later than 60 days after first received unless the Bureau informs the applicant of specific reasons for disapproval.

"(b) The Bureau shall suspend funding for an approved application in whole or in part if such application contains a program or project which has failed to conform to the requirements of this part or purposes of section 403(a) of this title. The Bureau may make appropriate adjustments in the amounts of grants in accordance with its findings pursuant to this subsection.

"(c) Grant funds awarded under this part shall not be used for—

"(1) the purchase of equipment or hardware, or the payment of personnel costs, unless the cost of such purchases and payments is incurred as an incidental and necessary part of a program under section 403(a) of this title;

"(2) programs which have as their primary purpose general salary payments for employees or classes of employees within an eligible jurisdiction, except for the compensation of personnel for time engaged in conducting or undergoing training programs or the compensation of personnel engaged in research, development, demonstration, or short-term programs;

"(3) land acquisition or construction projects; or

"(4) programs or projects which, based upon evaluations by the National Institute of Justice, Bureau of Justice Assistance, Bureau of Justice Statistics, State or local agencies, and other public or private organizations, have been demonstrated to offer a

low probability of improving the functioning of the criminal justice system. Such programs must be formally identified by a notice in the Federal Register after opportunity for comment.

"(d) The Bureau shall not finally disapprove any application, or any amendment thereto, submitted to the Director under this part without first affording the applicant reasonable notice and opportunity for reconsideration.

"ALLOCATION AND DISTRIBUTION OF FUNDS

"SEC. 407. (a) Of the total amount appropriated for this part and part E in any fiscal year, 80 per centum shall be set aside for this part and allocated to States as follows:

"(1) $250,000 shall be allocated to each of the participating States.

"(2) Of the total funds remaining after the allocation under paragraph (1), there shall be allocated to each State an amount which bears the same ratio to the amount of remaining funds described in this paragraph as the population of such State bears to the population of all the States.

"(b)(1) Each State which receives funds under subsection (a) in a fiscal year shall distribute among units of local government, or combinations of units of local government, in such State for the purposes specified in section 403(a) of this title that portion of such funds which bears the same ratio to the aggregate amount of such funds as the amount of funds expended by all units of local government for criminal justice in the preceding fiscal year bears to the aggregate amount of funds expended by the State and all units of local government in such State for criminal justice in such preceding fiscal year.

"(2) In distributing funds received under this part among urban, rural and suburban units of local government and combinations thereof, the State shall give priority to those jurisdictions with the greatest need.

"(3) Any funds not distributed to units of local government under paragraph (1) shall be available for expenditure by the State involved.

"(4) For purposes of determining the distribution of funds under paragraph (1), the most accurate and complete data available for the fiscal year involved shall be used. If data for such fiscal year are not available, then the most accurate and complete data available for the most recent fiscal year preceding such fiscal year shall be used.

"(c) No funds allocated to a State under subsection (a) or received by a State for distribution under subsection (b) may be distributed by the Director or by the State involved for any program other than a program contained in an approved application.

"(d) If the Director determines, on the basis of information available to it during any fiscal year, that a portion of the funds allocated to a State for that fiscal year will not be required or that a State will be unable to qualify or receive funds under this part, or that a State chooses not to participate in the program established by this part, then such portion shall be awarded by the Director to urban, rural, and suburban units of local government or combinations thereof within such State giving priority to those jurisdictions with greatest need.

"(e) Any funds not distributed under subsections (b) and (d) shall be available for obligation under part E.

"STATE OFFICE

"SEC. 408. (a) The chief executive of each participating State shall designate a State office for purposes of—

"(1) preparing an application to obtain funds under this part; and

"(2) administering funds received from the Bureau of Justice Assistance, including receipt, review, processing, monitoring, progress and financial report review, technical assistance, grant adjustments, accounting, auditing, and fund disbursements.

"(b) An office or agency performing other functions within the executive branch of a State may be designated to carry out the functions specified in subsection (a).".

NATIONAL PRIORITY GRANTS

"SEC. 607. Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3701 et seq.) is amended by striking out part E.

DISCRETIONARY GRANTS

"SEC. 608. (a) 601, 602, and 603 of part F of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3761-3762) are amended to read as follows:

"PURPOSE

"SEC. 501. (a) The purpose of this part is to provide additional Federal financial assistance to public agencies and private nonprofit organizations for purposes of—

"(1) undertaking educational and training programs for criminal justice personnel;

"(2) providing technical assistance to States and local units of governments;

"(3) undertaking projects which are national or multi-State in scope and which address the purposes specified in section 403(a) of this title; and

"(4) providing financial assistance to public agencies and private nonprofit organizations for demonstration programs which, in view of previous research or experience, are likely to be a success in more than one jurisdiction and are not likely to be funded with moneys from other sources.

"(b) In carrying out this part, the Bureau is authorized to make grants, and enter into cooperative agreements and contracts with, public agencies and private nonprofit organizations.

"PERCENTAGE OF APPROPRIATION FOR DISCRETIONARY GRANT PROGRAM

"SEC. 502. Of the total amount appropriated for part D and this part in any fiscal year, 20 per centum shall be reserved and set aside for this part in a special discretionary fund for use by the Bureau in carrying out the purposes specified in section 501 of this title. Grants under this part may be made for amounts up to 100 per centum under this part may be made for amounts up to 100 per centum of the costs of the programs or projects contained in the approved application.

"PROCEDURE FOR ESTABLISHING DISCRETIONARY PROGRAMS

"SEC. 503. (a) The Director of the Bureau shall periodically establish discretionary programs and projects for financial assistance under this part. Such programs and projects shall be considered priorities for a period of time not to exceed 3 years from the time of such determination.

"(b) The Director shall annually request the National Institute of Justice, the Bureau of Justice Statistics, the Office of Justice Programs, State and local governments, and other appropriate public and private agencies to suggest discretionary programs and projects. The Director shall then, pursuant to regulations, annually publish the proposed priorities pursuant to this part and invite and encourage public comment concerning such priorities. Priorities shall not be established or modified until the Director has provided at least 60-days advance notice for such public comment and the Director shall encourage and invite recommendations and opinions concerning such priorities from appropriate agencies and officials of State and units of local government. After considering any comments submitted during such period of time and after consultation with appropriate agencies and officials of State and units of local government, the Director shall determine whether existing established priorities should be modified. The Director shall publish in the Federal Register the priorities established pursuant to this part before the beginning of fiscal year 1985 and each fiscal year thereafter for which appropriations will be available to carry out the program".

(b) Section 604 of part F of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3764) is amended by striking out "Administration" each place it appears and inserting in lieu thereof "Bureau".

(c) Section 605 of part F of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3765) is amended to read as follows:

"CRITERIA FOR AWARD

"SEC. 505. The Bureau shall, in its discretion and according to the criteria, and on the terms and conditions it determines consistent with this part, provide financial assistance to those programs or projects which most clearly satisfy the priorities established under section 503 of this title. In providing such assistance pursuant to this part, the Bureau shall consider whether certain segments and components of the criminal justice system have received a disproportionate allocation of financial aid and assistance pursuant to other parts of this title, and, if such a finding is made, shall assure the funding of such other segments and components of the criminal justice system as to correct inequities resulting from such disproportionate allocations.".

(d) Section 606 of part F of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3766) is amended to read as follows:

"PERIOD FOR AWARD

"SEC. 506. The Bureau may provide financial aid and assistance to programs or projects under this part for a period not to exceed three years. Grants made pursuant to this part may be extended or renewed by the Bureau for an additional period of up to two years if—

"(1) an evaluation of the program or project indicates that it has been effective in achieving the stated goals or offers the potential for improving the functioning of the criminal justice system; and

"(2) the public agency or private nonprofit organization within which the program or project has been conducted agrees to provide at least one-half of the total cost of such program or project from any source of funds, including Federal grants, available to the eligible jurisdiction.".

(e) The heading for part F of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3761-3766) is amended by striking out "Part F" and inserting in lieu thereof "Part E".

(f) Part E, as so redesignated, of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3701-3766) is amended by redesignating section 604 as section 504.

PILOT PROGRAMS FOR CONSTRUCTION OF CRIMINAL JUSTICE FACILITIES

SEC. 609. Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3701-3799) is amended by inserting after part E, as so redesignated, the following new part:

"PART F—CRIMINAL JUSTICE FACILITY CONSTRUCTION: PILOT PROGRAM

"AUTHORITY FOR PAYMENTS

"SEC. 601. In order to relieve overcrowding and substandard conditions at State and local correctional facilities, the Director of the Bureau of Justice Assistance (hereinafter in this part referred to as the 'Director') is authorized to make grants to States, units of local government, and combinations of such units to assist in construction of correctional facility projects approved under this part, and in planning to relieve overcrowding and substandard conditions in correctional facilities.

"ELIGIBILITY

"SEC. 602. (a) A State, unit of local government, or combination of such units shall be eligible for assistance under this part for a correctional facility project only—

"(1) if the Director, with the concurrence of the Director of the National Institute of Corrections established in chapter 315 of title 18, United States Code, has made a determination that such project represents a prototype of new and innovative methods and advanced design that will stand as examples of technology for avoiding delay and reducing costs in correctional facility design, construction, and improvement; and

"(2) for not more than one such project in any State per fiscal year.

"(b) A State, a unit of local government, or a combination of such units shall be eligible for assistance under this part for the development of a plan for relieving overcrowding or substandard conditions in correctional facilities operated by the State, a unit of local government, or a combination of such units. Such assistance shall not exceed 50 percent of the cost of developing the plan.

"APPLICATION; APPROVAL; PAYMENT

"SEC. 603. (a) A State, unit of local government, or combination of such units desiring to receive assistance under this part for a correctional facility project shall submit to the Director an application which shall include—

"(1) reasonable assurance that the applicant has developed an acceptable plan for reducing overcrowding and improving conditions of confinement in its correctional facilities and has implemented, or is in the process of implementing, such plan through legislative, executive, or judicial initiatives;

"(2) a detailed description of the correctional facility to be constructed, altered, or expanded, including a description of the site of such facility;

"(3) an estimate of the total cost of the construction of such project, including the amount of assistance requested for such project;

"(4) reasonable assurance that title to such site is or will be vested solely in the applicant, or another agency or instrumentality of the applicant;

"(5) reasonable assurance that adequate financial support will be available for the construction of the project and for its maintenance and operation when complete; and

"(6) reasonable assurance that the applicant will comply with the standards and recommendations of the clearinghouse on the construction and modernization of correctional facilities established under section 605.

"(b)(1) The Director may approve any such application only if the Director finds that—

"(A) there are sufficient funds available to provide the assistance requested;

"(B) such assistance does not exceed 20 percent of the estimated total cost of construction;

"(C) the application contains such reasonable assurances as may be required under subsection (a); and

"(D) the eligibility criteria of section 602 are met.

"(2) In approving applications under this subsection, the Director shall consider the numbers and general characteristics of the inmate population (to include factors such as offenders' ages, offenses, average term of incarceration, and custody status), and the degree to which the applicant has implemented an inmate classification system which addresses the need for appropriate security assignment.

"(c) Upon approving an application under this section, the Director shall award the amount of assistance so approved, but in no event an amount greater than 20 percent of the cost of construction of the approved correctional facility project, and shall provide for payment to the applicant or, if designated by the applicant, any agency or instrumentality of the applicant. Such amount shall be paid, in advance or by way of reimbursement, and in such installments consistent with the progress of construction as the Director may determine. Funds paid under this subsection for the construction of an approved project shall be used solely for carrying out such project as so approved.

"(d) An amendment of any application shall be subject to approval in the same manner as an original application.

"RECAPTURE PROVISIONS

"SEC. 605. If, within 20 years after completion of any correctional facility project with respect to which assistance has been provided under this section, such facility ceases to be operated as a correctional facility, the United States may recover from the recipient of such assistance any amount not to exceed 20 percent of the then current value of such project (but in no event an amount greater than the amount of assistance provided under this part for such project), as determined by agreement with the parties or by action brought in the district court of the United States for the district in which such facililty is situated.

"CLEARINGHOUSE ON THE CONSTRUCTION AND MODERNIZATION OF CRIMINAL JUSTICE FACILITIES

"SEC. 606. (a) The Director shall provide for the operation of a clearinghouse on the construction and modernization of correctional facilities, which shall collect, prepare, and disseminate to the public and to interested State and local public agencies information, including recommendations, pertaining to the construction and modernization of correctional facilities. Such information shall include information regarding—

"(1) new and innovative methods and advanced design that will stand as examples of technology for avoiding delay and reducing costs in correctional facility design, construction, and improvement;

"(2) ways in which a construction planning program may be used to improve the administration of the criminal justice system within each State;

"(3) recommended minimum standards concerning construction materials and methods, to be updated from time to time to reflect technological advances;

"(4) the cost-effectiveness of available construction materials, methods, and design technologies;

"(5) the training of correctional facility personnel; and

"(6) health and safety considerations in construction planning.

"(b) The Director is authorized to enter into contracts with private organizations and interagency agreements with the National Institute of Corrections, the National Institute of Justice, the Bureau of Justice and Statistics, and other appropriate public agencies, to operate the clearinghouse required under this section."

TRAINING AND MANPOWER DEVELOPMENT

SEC. 609A. (a) Part G of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3771-3775) is amended to read as follows:

"PART G—FBI TRAINING OF STATE AND LOCAL CRIMINAL JUSTICE PERSONNEL

"TRAINING AND MANPOWER DEVELOPMENT

"SEC. 701. (a) The Director of the Federal Bureau of Investigation is authorized to—

"(1) establish and conduct training programs at the Federal Bureau of Investigation National Academy at Quantico, Virginia, to provide, at the request of a State or unit of local government, training for State and local criminal justice personnel;

"(2) develop new or improved approaches, techniques, systems, equipment, and devices to improve and strengthen criminal justice; and

"(3) assist in conducting, at the request of a State or unit of local government, local and regional training programs for the training of State and local criminal justice personnel engaged in the investigation of crime and the apprehension of criminals. Training for rural criminal justice personnel shall include, when appropriate, effective use of regional resources and methods to improve coordination among criminal justice personnel in different areas and in different levels of government. Such training shall be provided only for persons actually employed as State police or highway patrol, police of a unit of local government, sheriffs, and their deputies, and other persons as the State or such unit may nominate for police training while such persons are actually employed as officers of such State or unit.

"(b) In the exercise of the functions, powers, and duties established under this section, the Director of the Federal Bureau of Investigation shall be under the general authority of the Attorney General.

"(c) Notwithstanding the provisions of subsection (a), the Secretary of the Treasury is authorized to establish, develop, and conduct training programs at the Federal Law Enforcement Training Center at Glynco, Georgia, to provide, at the request of a State or unit of local government, training for State and local criminal justice personnel provided that such training does not interfere with the Center's mission to train Federal law enforcement personnel.".

ADMINISTRATIVE PROVISIONS

SEC. 609B. (a) Part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3781 et seq.) is amended by striking out section 801.

(b) Sections 802 and 803 of part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3782) are amended to read as follows:

"CONSULTATION; ESTABLISHMENT OF RULES AND REGULATIONS

"SEC. 801. (a) The Office of Justice Programs, the Bureau of Justice Assistance, the Office of Juvenile Justice and Delinquency Prevention, the Bureau of Justice Statistics, and the National Institute of Justice are authorized, after appropriate consultation with representatives of States and units of local government, to establish such rules, regulations, and procedures as are necessary to the exercise of their functions, and as are consistent with the stated purposes of this title.

"(b) The Bureau of Justice Assistance shall, after consultation with the National Institute of Justice, the Bureau of Justice Statistics, the Office of Juvenile Justice and Delinquency Prevention, State and local governments, and the appropriate public and private agencies, establish such rules and regulations as are necessary to assure the continuing evaluation of selected programs or projects conducted pursuant to parts D and E, in order to determine—

"(1) whether such programs or projects have achieved the performance goals stated in the original application, are of proven effectiveness, have a record of proven success, or offer a high probability of improving the criminal justice system;

"(2) whether such programs or projects have contributed or are likely to contribute to the improvement of the criminal justice system and the reduction and prevention of crime;

"(3) their cost in relation to their effectiveness in achieving stated goals;

"(4) their impact on communities and participants; and

"(5) their implication for related programs.

In conducting evaluations described in this subsection, the Bureau of Justice Assistance shall, when practical, compare the effectiveness of programs conducted by similar applicants and different applicants. The Bureau of Justice Assistance shall also require applicants under part D to submit an annual performance report concerning activities carried out pursuant to part D together with an assessment by the applicant of the effectiveness of those activities in achieving the purposes of section 403(a) of this title and the relationships of those activities to the needs and objectives specified by the applicant in the application submitted pursuant to section 403 of this title. The Bureau shall suspend funding for an approved application under part D if an applicant fails to submit such an annual performance report.

"(c) The procedures established to implement the provisions of this title shall minimize paperwork and prevent needless duplication and unnecessary delays in award and expenditure of funds at all levels of government.

"NOTICE AND HEARING ON DENIAL OR TERMINATION OF GRANT

"SEC. 802. (a) Whenever, after reasonable notice and opportunity for a hearing on the record in accordance with section 554 of title 5, United States Code, the Bureau of Justice Assistance, the National Institute of Justice, and the Bureau of Justice Statistics finds that a recipient of assistance under this title has failed to comply substantially with—

"(1) any provisions of this title;

"(2) any regulations or guidelines promulgated under this title; or

"(3) any application submitted in accordance with the provisions of this title, or the provisions of any other applicable Federal Act;

the Director involved shall, until satisfied that there is no longer any such failure to comply, terminate payments to the recipient under this title, reduce payments to the recipient under this title by an amount equal to the amount of such payments which were not expended in accordance with this title, or limit the availability of payments under this title to programs, projects, or activities not affected by such failure to comply.

"(b) If any grant application submitted under part D of this title has been denied, or any grant under this title has been terminated, then the Bureau of Justice Assistance, the National Institute of Justice, or the Bureau of Justice Statistics, as appropriate, shall notify the applicant of its action and set forth the reason for the action taken. When such an applicant requests a hearing, the Bureau of Justice Assistance, the National Institute of Justice, or the Bureau of Justice Statistics, or any authorized officer thereof, is authorized and directed to hold such hearings or investigations, including hearings on the record in accordance with section 554 of title 5, United States Code, at such times and places as necessary, following appropriate and adequate notice to such applicant; and the findings of fact and determinations made with respect thereto shall be final and conclusive, except as otherwise provided herein. The Bureau of Justice Assistance, the National Institute of Justice, or the Bureau of Justice Statistics is authorized to take final action without a hearing if, after an administrative review of the denial of such application or termination of such grant, it is determined that the basis for the appeal, if substantiated, would not establish a basis for awarding or continuing of the grant involved. Under such circumstances, a more detailed statement of reasons for the agency action should be made available, upon request, to the applicant.

"(c) If the applicant involved is dissatisfied with the findings and determinations of the Bureau of Justice Assistance, the National Institute of Justice, or the Bureau of Justice Statistics following notice and hearing provided for in subsection (a) of this section, a request may be made for rehearing, under such regulations and procedure as the Bureau of Justice Assistance, the National Institute of Justice, or the Bureau of Justice Statistics may establish, and such applicant shall be afforded an opportunity to present such additional information as may be deemed appropriate and pertinent to the matter involved.".

(c) Section 804 of part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3784) is amended by striking out "Law Enforcement Assistance Administration" and inserting in lieu thereof "Bureau of Justice Assistance".

(d) Section 805 of part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3785) is amended—

(1) by striking out "Office of Justice Assistance, Research, and Statistics, the Law Enforcement Assistance Administration," each place it appears and inserting in lieu thereof "Office of Justice Programs, Bureau of Justice Assistance,",

(2) by inserting "the Office of Juvenile Justice and Delinquency Prevention," before "or the National Institute of Justice" each place it appears,

(3) in subsection (a) by striking out "section 803, 804, or 815(c)(2)(G)" and inserting in lieu thereof "section 802, 803, or 809(c)(2)(G)", and

(4) in subsection (b) by inserting "the Office of Juvenile Justice and Delinquency Prevention" before "or the Bureau of Justice Statistics".

(e) Part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3781 et seq.) is amended by striking out sections 806, 807, 808, 809, 810, 811, 812, 813, 814, 819, and 826.

(f) Part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3781–37890) is amended by redesignating sections 804, 805, 815, 816, 817, 818, 820, 821, 822, 823, 824, 825, and 827 as sections 803, 804, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, and 819, respectively.

(g) Part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3781–3789o) is amended by inserting after section 804, as so redesignated, the following new sections:

"DELEGATION OF FUNCTIONS

"SEC. 805. The Attorney General, the Assistant Attorney General, the Director of the National Institute of Justice, the Director of the Bureau of Justice Statistics, the Administrator of the Office of Juvenile Justice and Delinquency Prevention, and the Director of the Bureau of Justice Assistance may delegate to any of their respective officers or employees such functions under this title as they deem appropriate.".

"SUBPOENA POWER; EMPLOYMENT OF HEARING OFFICERS; AUTHORITY TO HOLD HEARINGS

"SEC. 806. The Bureau of Justice Assistance, the National Institute of Justice, and the Bureau of Justice Statistics may appoint such hearing examiners or administrative law judges or request the use of such administrative law judges selected by the Office of Personnel Management pursuant to section 3344 of title 5, United States Code, as shall be necessary to carry out their respective powers and duties under this title. The Bureau of Justice Assistance, the National Institute of Justice, and the Bureau of Justice Statistics or upon authorization, any member thereof or any hearing examiner or administrative law judge assigned to or employed thereby shall have the power to hold hearings and issue subpoenas, administer oaths, examine witnesses, and receive evidence at any place in the United States they respectively may designate.".

"PERSONNEL AND ADMINISTRATIVE AUTHORITY

"SEC. 807. (a) The Assistant Attorney General, the Director of the Bureau of Justice Assistance, the Director of the Institute, and the Director of the Bureau of Justice Statistics are authorized to select, appoint, employ, and fix compensation of such officers and employees as shall be necessary to carry out the powers and duties of the Office, the Bureau of Justice Assistance, the National Institute of Justice, and the Bureau of Justice Statistics, respectively, under this title.

"(b) The Office, the Bureau of Justice Assistance, the National Institute of Justice, and the Bureau of Justice Statistics are authorized, on a reimbursable basis when appropriate, to use the available services, equipment, personnel, and facilities of Federal, State, and local agencies to the extent deemed appropriate after giving due consideration to the effectiveness of such existing services, equipment, personnel, and facilities.

"(c) The Office, the Bureau of Justice Assistance, the National Institute of Justice, and the Bureau of Justice Statistics may arrange with and reimburse the heads of other

Federal departments and agencies for the performance of any of the functions under this title.

"(d) The Office, the Bureau of Justice Assistance, the National Institute of Justice, and the Bureau of Justice Statistics may procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, relating to appointments in the Federal service, at rates of compensation for individuals not to exceed the daily equivalent of the rate of pay payable from time to time for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

"(e) The Office, the Bureau of Justice Assistance, the National Institute of Justice, and the Bureau of Justice Statistics are authorized to appoint, without regard to the provisions of title 5, United States Code, advisory committees to advise them with respect to the administration of this title as they deem necessary. Such committees shall be subject to the Federal Advisory Committee Act (5 U.S.C. App.). Members of such committees not otherwise in the employ of the United States, while engaged in advising or attending meetings of such committees, shall be compensated at rates to be fixed by the Office but not to exceed the daily equivalent of the rate of pay payable from time to time for GS-18 of the General Schedule under section 5332 of title 5 of the United States Code, and while away from home or regular place of business they may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as authorized by section 5703 of such title 5 for persons in the Government service employed intermittently.

"(f) Payments under this title may be made in installments, and in advance or by way of reimbursement, as may be determined by the Office, the Bureau of Justice Assistance, the National Institute of Justice, or the Bureau of Justice Statistics, and may be used to pay the transportation and subsistence expenses of persons attending conferences or other assemblages notwithstanding 1345 of title 31, United States Code.

"(g) The Office, the Bureau of Justice Assistance, the National Institute of Justice, and the Bureau of Justice Statistics are authorized to accept and employ, in carrying out the provisions of this title, voluntary and uncompensated services notwithstanding section 1342 of title 31, United States Code. Such individuals shall not be considered Federal employees except for purposes of chapter 81 of title 5, United States Code, with respect to job-incurred disability and title 28, United States Code, with respect to tort claims.

"TITLE TO PERSONAL PROPERTY

"SEC. 808. Notwithstanding any other provision of law, title to all expendable and nonexpendable personal property purchased with funds made available under this title, including such property with funds made available under this title as in effect before the effective date of the Justice Assistance Act of 1984, shall vest in the criminal justice agency or nonprofit organization that purchased the property if it certifies to the State office described in section 408 of this title that it will use the property for criminal justice purposes. If such certification is not made, title to the property shall vest in the State office, which shall seek to have the property used for criminal justice purposes elsewhere in the State prior to using it or disposing of it in any other manner.".

(h) Section 809, as so redesignated, of part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3789d) is amended—

(1) by amending the heading to read as follows: "Prohibition of Federal Control Over State and Local Criminal Justice Agencies; Prohibition of Discrimination";

(2) by amending subsection (a) to read as follows:

"(a) Nothing in this title or any other Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over any police force or any other criminal justice agency of any state or any political subdivision thereof.", and

(3) in subsection (c) by striking out "Office of Justice Assistance, Research, and Statistics" each place it appears and inserting in lieu thereof "Office of Justice Programs".

(i) Section 810, as so redesignated, of part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3789e) is amended to read as follows:

"REPORT TO PRESIDENT AND CONGRESS

"SEC. 810. Not later than April 1 of each year, the Assistant Attorney General, the Director of the Bureau of Justice Assistance, the Director of the Bureau of Justice Statistics, and the Director of the National Institute of Justice shall each submit a report to the President and to the Speaker of the House of Representatives and the President of the Senate, on their activities under this title during the fiscal year next preceding such date.".

(j) Section 811, as so redesignated, of part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3789f) is amended—

(1) by striking out "Office of Justice Assistance, Research, and Statistics" each place it appears and inserting in lieu thereof "Office of Justice Programs",

(2) by striking out subsection (d), and

(3) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

(k) Section 812, as so redesignated, of part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3789g) is amended by striking out "Office of Justice Assistance, Research, and Statistics" each place it appears and inserting in lieu thereof "Office of Justice Programs".

(l) Part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3781-3789o) is amended by striking out section 819.

(m) Section 813, as so redesignated, of part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3789i) is amended—

(1) by striking out subsection (a), and

(2) in subsection (b) by striking out "(b)".

(n) Section 816, as so redesignated, of part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3789l) is amended by striking out "Administration" and inserting in lieu thereof "Assistant Attorney General".

(o) Section 819(c), as so redesignated, of part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (18 U.S.C. 1761 note) is amended—

(1) by striking out "this section" and inserting in lieu thereof "section 1761 of title 18, United States Code, and of the first section of the Act of June 30, 1936 (49 Stat. 2036; 41 U.S.C. 35), commonly known as the Walsh-Healey Act,", and

(2) by inserting ", as amended from time to time," after "goods".

DEFINITIONS

SEC. 609c. (a) Section 901 of part I of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3791) is amended by striking out "Administration" each place it appears and inserting in lieu thereof "Office".

(b) Section 901(a) of part I of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3791(a)) is amended—

(1) in paragraph (2)—

(A) by inserting "and" after "Puerto Rico," and

(B) by striking out ", Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands",

(2) in paragraph (3) by inserting ", Guam, American Samoa, the Trust Territory of the Pacific Islands, or the Commonwealth of the Northern Mariana Islands" after "District of Columbia" before the semicolon,

(3) in paragraph (4)—

(A) by inserting "renovation, repairs, remodeling," after "acquisition,", and

(B) by striking out ", but does not include renovation, repairs, or remodeling",

(4) in paragraph (7) by striking out "institution or",

(5) by amending paragraph (8) to read as follows:

"(8) 'correctional facility project' means a project for the construction, replacement, alteration or expansion of a prison or jail for the purpose of relieving overcrowding or substandard conditions;", and

(6) by amending paragraph (13) to read as follows:

"(13) 'cost of construction' means all expenses fund by the Director to be necessary for the construction of the project, including architect and engineering fees, but excluding land acquisition costs;".

FUNDING

SEC. 609D. (a) Section 1001 of part J of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3793) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1001. (a)(1) There are authorized to be appropriated for fiscal years 1984, 1985, 1986, 1987, and 1988 such sums as may be necessary to carry out the functions of the Bureau of Justice Statistics.

"(2) There are authorized to be appropriated for fiscal years 1984, 1985, 1986, 1987, and 1988 such sums as may be necessary to carry out the functions of the National Institute of Justice.

"(3) There is authorized to be appropriated such sums as may be necessary for each of the fiscal years 1984, 1985, 1986, 1987, and 1988 to carry out the remaining functions of the Office of Justice Programs and the Bureau of Justice Assistance, other than functions under parts F, G, and L of this title.

"(4) There is authorized to be appropriated $25,000,000 for each of the fiscal years 1984, 1985, 1986, 1987, and 1988 to carry out part F.

"(5) There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out part L.

"(6) Funds appropriated for any fiscal year may remain available for obligation until expended.

"(b) Notwithstanding any other provision of law, no funds appropriated under this section for parts D and E of this title may be transferred or reprogrammed for carrying

out any activity which is not authorized under such parts.".

(b) Part J of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3793-3793b) is amended by striking out sections 1002 and 1003.

CRIMINAL PENALTIES

SEC. 609E. (a) Section 1101 of part K of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3795) is amended by striking out "Law Enforcement Assistance Administration" and inserting in lieu thereof "Office of Justice Programs, Bureau of Justice Assistance".

(b) Section 1103 of part K of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3795-3795b) is amended by striking out "Law Enforcement Assistance Administration" and inserting in lieu thereof "Office of Justice Programs, Bureau of Justice Assistance".

PUBLIC SAFETY OFFICERS' DEATH BENEFITS

SEC. 609F. Part L of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796-3796c) is amended to read as follows:

"PART L—PUBLIC SAFETY OFFICERS' DEATH BENEFITS

"PAYMENTS

"SEC. 1201. (a) In any case in which the Bureau of Justice Assistance (hereinafter in this part referred to as the 'Bureau') determines, under regulations issued pursuant to this part, that a public safety officer has died as the direct and proximate result of a personal injury sustained in the line of duty, the Bureau shall pay a benefit of $50,000 as follows:

"(1) if there is no surviving child of such officer, to the surviving spouse of such officer;

"(2) if there is a surviving child or children and a surviving spouse, one-half to the surviving child or children of such officer in equal shares and one-half to the surviving spouse;

"(3) if there is no surviving spouse, to the child or children of such officer in equal shares; or

"(4) if none of the above, to the dependent parent or parents of such officer in equal shares.

"(b) Whenever the Bureau determines upon showing of need and prior to final action that the death of a public safety officer is one with respect to which a benefit will probably be paid, the Bureau may make an interim benefit payment not exceeding $3,000 to the individual entitled to receive a benefit under subsection (a) of this section.

"(c) The amount of an interim payment under subsection (b) shall be deducted from the amount of any final benefit paid to such individual.

"(d) Where there is no final benefit paid, the recipient of any interim payment under subsection (b) shall be liable for repayment of such amount. The Bureau may waive all or part of such repayment, considering for this purpose the hardship which would result from such repayment.

"(e) The benefit payable under this part shall be in addition to any other benefit that may be due from any other source, except—"

"(1) payments authorized by section 12(k) of the act of September 1, 19916, as amended (D.C. Code, sec. 4-622); or

"(2) benefits authorized by section 8191 of title 5, United States Code. Such beneficiaries shall only receive benefits under such section 8191 that are in excess of the benefits received under this part.

"(f) No benefit paid under this part shall be subject to execution or attachment.

"LIMITATIONS

"SEC. 1202. No benefit shall be paid under this part—

"(1) if the death was caused by the intentional misconduct of the public safety officer or by such officer's intention to bring about his death;

"(2) if the public safety officer was voluntarily intoxicated at the time of his death;

"(3) if the public safety officer was performing his duties in a grossly negligent manner at the time of his death;

"(4) to any individual who would otherwise be entitled to a benefit under this part if such individual's actions were a substantial contributing factor to the death of the public safety officer; or

"(5) to any individual employed in a capacity other than a civilian capacity.

"DEFINITIONS

"SEC. 1203. As used in this part—

"(1) 'child' means any natural, illegitimate, adopted, or posthumous child or stepchild of a deceased public safety officer who, at the time of the public safety officer's death, is—

"(i) 18 years of age or under;

"(ii) over 18 years of age and a student as defined in section 8101 of title 5, United States Code; or

"(iii) over 18 years of age and incapable of self-support because of physical or mental disability;

"(2) 'dependent' means any individual who was substantially reliant for support upon the income of the deceased public safety officer;

"(3) 'firefighter' includes an individual serving as an officially recognized or designated member of a legally organized volunteer fire department;

"(4) 'intoxication' means a disturbance of mental or physical faculties resulting from the introduction of alcohol into the body as evidenced by—

"(i) a post-mortem blood alcohol level of .20 per centum or greater; or

"(ii) a post-mortem blood alcohol level of at least .10 per centum but less than .20 per centum unless the Bureau receives convincing evidence that the public safety officer was not acting in an intoxicated manner immediately prior to his death;

or resulting from drugs or other substances in the body;

"(5) 'law enforcement officer' means an individual involved in crime and juvenile delinquency control or reduction, or enforcement of the laws, including, but not limited to, police, corrections, probation, parole, and judicial officers;

"(6) 'public agency' means the United States, any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Commonwealth of the Northern Mariana Islands, and any territory or possession of the United States, or any unit of local government, department, agency, or instrumentality of any of the foregoing; and

"(7) 'public safety officer' means an individual serving a public agency in an official capacity, with or without compensation, as a law enforcement officer or a firefighter.

"ADMINISTRATIVE PROVISIONS

"SEC. 1204. (a) The Bureau is authorized to establish such rules, regulations, and procedures as may be necessary to carry out the purposes of this part. Such rules, regulations, and procedures will be determinative of conflict of laws issues arising under this part. Rules, regulations, and procedures issued under this part may include regulations governing the recognition of agents or other persons representing claimants under this part before the Bureau. The Bureau may prescribe the maximum fees which may be charged for services performed in connection with any claim under this part before the Bureau, and any agreement in violation of such rules and regulations shall be void.

"(b) In making determinations under section 1201, the Bureau may utilize such administrative and investigative assistance as may be available from State and local agencies. Responsibility for making final determinations shall rest with the Bureau.".

TRANSITION

SEC. 609G. Section 1301 of part M of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3799) is amended—

"(1) in subsection (a)—

(A) by inserting "(1)" after "(a)", and

(B) by adding at the end thereof the following new paragraph:

"(2) All orders, determinations, rules, regulations, and instructions issued under this title which are in effect on the date of the enactment of the Justice Assistance Act of 1984 shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked by the President, the Attorney General, the Assistant Attorney General, the Director of the Bureau of Justice Statistics, the Director of the National Institute of Justice, the Administrator of the Office of Juvenile Justice and Delinquency Prevention, or the Director of the Bureau of Justice Assistance with respect to their functions under this title or by operation of law.",

"(2) by striking out subsection (j), and

"(3) by redesignating subsection (k) as subsection (j).

TABLE OF CONTENTS

SEC. 609H. The table of contents of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3701-3799) is amended to read as follows:

"TABLE OF CONTENTS

"PART A—OFFICE OF JUSTICE PROGRAMS

"Sec. 101. Establishment of Office of Justice Programs.

"Sec. 102. Duties and functions of Assistant Attorney General.

"PART B—NATIONAL INSTITUTE OF JUSTICE

"Sec. 201. National Institute of Justice.

"Sec. 202. Establishment, duties, and functions.

"Sec. 203. Authority for 100 per centum grants.

"PART C—BUREAU OF JUSTICE STATISTICS

"Sec. 301. Bureau of Justice Statistics.

"Sec. 302. Establishment, duties, and functions.

"Sec. 303. Authority for 100 per centum grants.

"Sec. 304. Use of data.

"PART D—BLOCK GRANTS

"Sec. 401. Establishment of Bureau of Justice Assistance.

"Sec. 402. Duties and functions of Director.

"Sec. 403. Description of program.

"Sec. 404. Eligibility.

"Sec. 405. Applications.

"Sec. 406. Review of applications.

"Sec. 407. Allocation and distribution of funds.

"Sec. 408. State office.

"PART E—DISCRETIONARY GRANTS
"Sec. 501. Purpose.
"Sec. 502. Percentage of appropriation for discretionary grant program.
"Sec. 503. Procedure for establishing discretionary programs.
"Sec. 504. Application requirements.
"Sec. 505. Criteria for award.
"Sec. 506. Period for award.
"PART F—CRIMINAL JUSTICE FACILITY CONSTRUCTION: PILOT PROGRAM
"Sec. 601. Authority for payments.
"Sec. 602. Eligibility.
"Sec. 603. Application; approval; payment.
"Sec. 604. Recapture provisions.
"Sec. 605. Clearinghouse on the construction and modernization of criminal justice facilities.
"PART G—FBI TRAINING OF STATE AND LOCAL CRIMINAL JUSTICE PERSONNEL
"Sec. 701. Training and manpower development.
"PART H—ADMINISTRATIVE PROVISIONS
"Sec. 801. Consultation; establishment of rules and regulations.
"Sec. 802. Notice and hearing on denial or termination of grant.
"Sec. 803. Finality of determinations.
"Sec. 804. Appellate court review.
"Sec. 805. Delegation of functions.
"Sec. 806. Subpoena power; employment of hearing officers; authority to hold hearings.
"Sec. 807. Personnel and administrative authority.
"Sec. 808. Title to personal property.
"Sec. 809. Prohibition of Federal control over State and local criminal justice agencies; prohibition of discrimination.
"Sec. 810. Report to President and Congress.
"Sec. 811. Recordkeeping requirement.
"Sec. 812. Confidentiality of information.
"Sec. 813. Administration of juvenile delinquency programs.
"Sec. 814. Prohibition of land acquisition.
"Sec. 815. Prohibition on use of CIA services.
"Sec. 816. Indian liability waiver.
"Sec. 817. District of Columbia matching fund source.
"Sec. 818. Limitation on civil justice matters.
"Sec. 819. Prison industry enhancement.
"PART I—DEFINITIONS
"Sec. 901. Definitions.
"PART J—FUNDING
"Sec. 1001. Authorization of appropriations.
"PART K—CRIMINAL PENALTIES
"Sec. 1101. Misuse of Federal assistance.
"Sec. 1102. Falsification or concealment of facts.
"Sec. 1103. Conspiracy to commit offense against United States.
"PART L—PUBLIC SAFETY OFFICERS' DEATH BENEFITS
"Sec. 1201. Payments.
"Sec. 1202. Limitations.
"Sec. 1203. Definitions.
"Sec. 1204. Administrative provisions.
"PART M—TRANSITION—EFFECTIVE DATE—REPEALER
"Sec. 1301. Continuation of rules, authorities, and proceedings.".

REFERENCES IN OTHER LAWS

SEC. 609I. (a) Any reference to the Law Enforcement Assistance Administration, or to the Administrator of the Law Enforcement Assistance Administration, in any law other than this Act and the Omnibus Crime Control and Safe Streets Act of 1968, applicable to activities, functions, powers, and duties that after the date of the enactment of this Act are carried out by the Bureau of Justice Assistance shall be deemed to be a reference to the Bureau of Justice Assistance, or to the Director of the Bureau of Justice Assistance, as the case may be.

(b) Any reference to the Office of Justice Assistance, Research, and Statistics, or to the Director of the Office of Justice Assistance, Research, and Statistics, in any law other than this Act and the Omnibus Crime Control and Safe Streets Act of 1968, applicable to activities, functions, powers, and duties that after the date of the enactment of this Act are carried out by the Office of Justice Programs, the Bureau of Justice Assistance, the Bureau of Justice Statistics, the National Institute of Justice, or the Office of Juvenile Justice Delinquency Prevention shall be deemed to be a reference to the Office of Justice Programs, the Bureau of Justice Assistance, the Bureau of Justice Statistics, National Institute of Justice, or Office of Juvenile Justice Delinquency Prevention, or to the Director of the Office of Justice Programs, the Director of the Bureau of Justice Assistance, the Director of the Bureau of Justice Statistics, the Director of the National Institute of Justice, or the Administrator of the Office of Juvenile Justice and Delinquency Prevention, as the case may be.

TECHNICAL AMENDMENTS TO OTHER LAWS

SEC. 609J. (a) Section 5314 of title 5, United States Code, is amended by striking out "Director, Office of Justice Assistance, Research, and Statistics.".

(b) Section 5315 of title 5, United States Code, is amended by striking out "Administrator of Law Enforcement Assistance.".

OFFENSES INVOLVING PRISON-MADE GOODS

SEC. 609K. (a) Section 1761(c) of title 18, United States Code, is amended—

(1) by striking out "seven" and inserting in lieu thereof "twenty", and

(2) by striking out "Administrator of the Law Enforcement Assistance Administration" and inserting in lieu thereof "Director of the Bureau of Justice Assistance".

(b) Section 1761 of title 18, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding any law to the contrary, materials produced by convict labor may be used in the construction of any highways or portion of highways located on Federal-aid systems, as described in section 103 of title 23, United States Code.".

FRAUD AND RELATED ACTIVITY IN CONNECTION WITH IDENTIFICATION DOCUMENTS

SEC. 609L. (a) For purposes of section 1028 of title 18, United States Code, to the maximum extent feasible, personal descriptors or identifiers utilized in identification documents, as defined in such section, shall utilize common descriptive terms and formats designed to—

(1) reduce the redundancy and duplication of identification systems by providing information which can be utilized by the maximum number of authories, and

(2) facilitate positive identification of bona fide holders of identification documents.

(b) The President shall, no later than 3 years after the date of enactment of this Act, and after consultation with Federal, State, local, and international issuing authorities, and concerned groups make recommendations to the Congress for the enactment of comprehensive legislation on Federal identification systems. Such legislation shall—

(1) give due consideration to protecting the privacy of persons who are the subject of any identification system,

(2) recommend appropriate civil and criminal sanctions for the misuse or unauthorized disclosure of personal identification information, and

(3) make recommendations providing for the exchange of personal identfication information as authorized by Federal or State law or Executive order of the President or the chief executive officer of any of the several States.

SUBTITLE B—EMERGENCY FEDERAL LAW ENFORCEMENT ASSISTANCE APPLICATION

SEC. 609M. (a) In the event that a law enforcement emergency exists throughout a State or a part of a State, a State (on behalf of itself or another appropriate unit of government) may submit an application under this section for Federal law enforcement assistance.

(b) An application for assistance under this section shall be submitted in writing by the chief executive officer of a State to the Attorney General, in a form prescribed by rules issued by the Attorney General. The Attorney General shall, after consultation with the Director of the Office of Justice Assistance and appropriate members of the Federal law enforcement community, approve or disapprove such application not later than 10 days after receiving such application.

(c) Federal law enforcement assistance may be provided if such assistance is necessary to provide an adequate response to a law enforcement emergency. In determining whether to approve or disapprove an application for assistance under this section, the Attorney General shall consider—

(1) the nature and extent of such emergency throughout a State or in any part of a State,

(2) the situation or extraordinary circumstances which produced such emergency,

(3) the availability of State and local criminal justice resources to resolve the problem,

(4) the cost associated with the increased Federal presence,

(5) the need to avoid unnecessary Federal involvement and intervention in matters primarily of State and local concern, and

(6) any assistance which the State or other appropriate unit of government has received, or could receive, under any provision of title I of the Omnibus Crime Control and Safe Street Act of 1968.

DEFINITIONS

SEC. 609N. For purposes of this subdivision—

(1) the term "Federal law enforcement assistance" means funds, equipment, training, intelligence information, and personnel,

(2) the term "Federal law enforcement community" means the heads of the following departments or agencies:

(A) the Federal Bureau of Investigation,

(B) the Drug Enforcement Administration,

(C) the Criminal Division of the Department of Justice,

(D) the Internal Revenue Service,

(E) the Customs Service,

(F) the Immigration and Naturalization Service,

(G) the United States Marshals Service,

(H) the National Park Service,

(I) the United States Postal Service,

(J) the Secret Service,

(K) the Coast Guard,

(L) the Bureau of Alcohol, Tobacco, and Firearms, and

(M) the other Federal agencies with specific statutory authority to investigate violations of Federal criminal laws,

(3) the term "law enforcement emergency" means an uncommon situation which requires law enforcement, which is or threatens to become of serious or epidemic proportions, and with respect to which State and local resources are inadequate to protect the lives and property of citizens or to enforce the criminal law, except that such term does not include—

(A) the perceived need for planning or other activities related to crowd control for general public safety projects, or

(B) a situation requiring the enforcement of laws associated with scheduled public events, including political conventions and sports events, and

(4) the term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the trust territory of the Pacific Islands, or the Commonwealth of the Northern Mariana Islands.

LIMITATION ON AUTHORITY

SEC. 609O. (a) Nothing in this subdivision authorizes the use of Federal law enforcement personnel to investigate violations of criminal law other than violations with respect to which investigation is authorized by other provisions of law.

(b) Nothing in this subdivision shall be construed to authorize the Attorney General or the Federal law enforcement community to exercise any direction, supervision, or control over any police force or other criminal justice agency of an applicant for Federal law enforcement assistance.

(c) Nothing in this subdivision shall be construed to authorize the Attorney General or the Federal law enforcement community—

(1) to condition the availability or amount of Federal law enforcement assistance upon the adoption by an applicant for such assistance of, or

(2) to deny or discontinue such assistance upon the failure of such applicant to adopt, a percentage ratio, quota system, or other program to achieve racial balance in any criminal justice agency of such applicant.

(d) No funds provided under this subdivision may be used to supplant State or local funds that would otherwise be made available for such purposes.

(e) Nothing in this subdivision shall be construed to limit any authority to provide emergency assistance otherwise provided by law.

PROHIBITION OF DISCRIMINATION

SEC. 609P. (a) No person in any State shall, on the grounds of race, color, religion, national origin, or sex, be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with any activity for which Federal law enforcement assistance is provided under this subdivision.

(b) Paragraph (3) and paragraph (4) of section 809(c) of part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (as so redesignated by section 511(f) of this Act) shall apply with respect to a violation of subsection (a), except that the terms "this section" and "paragraph (1)", as such terms appear in such paragraphs, shall be deemed to be references to subsection (a) of this section, and a reference to the Office of Justice Programs in such paragraph shall be deemed to be a reference to the Attorney General.

CONFIDENTIALITY OF INFORMATION

SEC. 609Q. Section 812 of part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (as so redesignated by section 511(f) of this Act) shall apply with respect to—

(1) information furnished under this subdivision,

(2) criminal history information collected, stored, or disseminated with the support of Federal law enforcement assistance provided under this subdivision, and

(3) criminal intelligence systems operating with the support of Federal law enforcement assistance provided under this subdivision,

except that terms "this title" and "this section", as such terms appear in such section 812, shall be deemed to be references to this subdivision and this section, respectively, of this Act, and a reference to the Office of Justice Programs in such section 812 shall be deemed to be a reference to the Attorney General.

PROHIBITION OF LAND ACQUISITION

SEC. 609R. No funds provided under this subdivision shall be used for land acquisition.

REPAYMENT

SEC. 609S. (a) If Federal law enforcement assistance provided under this subdivision is used by the recipient of such assistance in violation of section 554 or for any purpose other than the purpose for which it is provided, then such recipient shall promptly repay to the Attorney General an amount equal to the value of such assistance.

(b) The Attorney General may bring a civil action in an appropriate United States district court to recover any amount required to be repaid under subsection (a).

RECORDKEEPING REQUIREMENT

SEC. 609T. (a) Each recipient of Federal law enforcement assistance provided under this subdivision shall keep such records as the Attorney General may prescribe to facilitate an effective audit.

(b) The Attorney General and the Comptroller General of the United States shall have access, for the purpose of audit and examination, to any books, documents, and records of recipients of Federal law enforcement assistance provided under this subdivision which, in the opinion of the Attorney General or the Comptroller General, are related to the receipt or use of such assistance.

REPORT TO CONGRESS

SEC. 609U. Not later than April 1 of each year, the Attorney General shall submit to the President, to the Speaker of the House of Representatives, and to the President of the Senate a report describing Federal law enforcement assistance provided under this subdivision during the calendar year preceding the date such report is made.

BUREAU OF JUSTICE ASSISTANCE

SEC. 609V. The Director of the Bureau of Justice Assistance may assist the Attorney General in providing Federal law enforcement assistance under this subdivision and in coordinating the activities authorized under this subdivision.

LIMITATION ON CIVIL JUSTICE MATTERS

SEC. 609W. Federal law enforcement assistance provided under this subdivision may not be used with respect to civil justice matters except to the extent that such civil justice matters bear directly and substantially upon criminal justice matters or are inextricably intertwined with criminal justice matters.

ISSUANCE OF RULES

SEC. 609X. The Attorney General, after consultation with appropriate members of the law enforcement community and with State and local officials, shall issue rules to carry out this subdivision.

AUTHORIZATION OF APPROPRIATIONS

SEC. 609Y.(a) There is authorized to be appropriated $20,000,000 for each fiscal year ending after September 30, 1984, to provide under this subdivision Federal law enforcement assistance in the form of funds.

(b) There are authorized to be appropriated for each fiscal year ending after September 30, 1984, such sums as may be necessary to provide under this subdivision Federal law enforcement assistance other than funds.

SUBTITLE C—CONFORMING AMENDMENT; EFFECTIVE DATES REPEALER

SEC. 609Z. Section 204 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act (Public Law 98-411) is repealed.

EFFECTIVE DATES

SEC. 609AA. (a) Except as provided in subsection (b), this division and the amendments made by this title shall take effect on the date of the enactment of this joint resolution or October 1, 1984, whichever is later.

(b)(1) The amendment made by section 609F shall take effect on October 1, 1984, and shall not apply with respect to injuries sustained before October 1, 1984.

(2) Section 609Z shall take effect on October 1, 1984.

DIVISION II—AMENDMENTS TO THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974

SUBDIVISION A—GENERAL PROVISIONS

SHORT TITLE

SEC. 610. This Division may be cited as the "Juvenile Justice, Runaway Youth, and Missing Children's Act Amendments of 1984".

FINDINGS

SEC. 611. Section 101(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5601(a)) is amended—

(1) in paragraph (1)—

(A) by striking out "account" and inserting in lieu thereof "accounted", and

(B) by striking out "today" and inserting in lieu thereof "in 1974 and for less than one-third of such arrests in 1983",

(2) in paragraph (2) by inserting "and inadequately trained staff in such courts, services, and facilities" after "facilities",

(3) in paragraph (3) by striking out "the countless, abandoned, and dependent", and

(4) in paragraph (5) by striking out "prevented" and inserting in lieu thereof "reduced".

PURPOSE

SEC. 612. Section 102(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5602(a)) is amended—

(1) in paragraph (1) by striking out "prompt" and inserting in lieu thereof "ongoing",

(2) in paragraph (4) by striking out "an information clearinghouse to disseminate" and inserting in lieu thereof "the dissemination of", and

(3) in paragraph (7) by inserting "and homeless" after "runaway".

DEFINITIONS

SEC. 613. Section 103 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5603) is amended—

(1) in paragraph (3)—

(A) by striking out "for neglected, abandoned, or dependent youth and other youth", and

(B) by inserting "juvenile" after "prevent",

(2) in paragraph (4) by amending subparagraphs (A) and (B) to read as follows:

"(A) the term 'Bureau of Justice Assistance' means the bureau established by section 401 of the Omnibus Crime Control and Safe Streets Act of 1968;

"(B) the term 'Office of Justice Programs' means the office established by section 101 of the Omnibus Crime Control and Safe Streets Act of 1968;",

(3) in paragraph (6) by striking out "services," and inserting in lieu thereof "services),",

(4) in paragraph (14)—

(A) by inserting "or other sex offenses punishable as a felony" after "rape", and

(B) by striking out "and" at the end thereof,

(5) in paragraph (15) by striking out the period at the end thereof and inserting in lieu thereof "; and", and

(6) by adding at the end thereof the following new paragraph:

"(16) the term 'valid court order' means a court order given by a juvenile court judge to a juvenile who has been brought before the court and made subject to a court order. The use of the word 'valid' permits the incarceration of juveniles for violation of a valid court order only if they received their full due process rights as guaranteed by the Constitution of the United States.".

SUBDIVISION B—JUVENILE JUSTICE AND DELINQUENCY PREVENTION

OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION

SEC. 620. Section 201 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5611) is amended to read:

"ESTABLISHMENT OF OFFICE

"SEC. 201. (a) There is hereby established an Office of Juvenile Justice and Delinquency Prevention (hereinafter in this division referred to as the 'Office') within the Department of Justice under the general authority of the Attorney General.

"(b) The Office shall be headed by an Administrator (hereinafter in this title referred to as the 'Administrator') appointed by the President, by and with the advice and consent of the Senate, from among individuals who have had experience in juvenile justice programs. The Administrator is authorized to prescribe regulations consistent with this Act to award, administer, modify, extend, terminate, monitor, evaluate, reject, or deny all grants and contracts from, and applications for, funds made available under this title. The Administrator shall report to the Attorney General through the Assistant Attorney General who heads the Office of Justice Programs under part A of title I of the Omnibus Crime Control and Safe Streets Act of 1968.

"(c) There shall be in the Office a Deputy Administrator who shall be appointed by the Attorney General and whose function shall be to supervise and direct the National Institute for Juvenile Justice and Delinquency Prevention established by section 241 of this Act. The Deputy Administrator shall also perform such functions as the Administrator may from time to time assign or delegate and shall act as the Administrator during the absence or disability of the Administrator.".

TECHNICAL AMENDMENTS

SEC. 621. (a) Section 202(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5612(a)) is amended by striking out "him" and inserting in lieu thereof "the Administrator".

(b) Section 202(c) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5612(c)) is amended—

(1) by striking out "him" and inserting in lieu thereof "the Administrator", and

(2) by striking out "his functions" and inserting in lieu thereof "the functions of the Administrator".

CONCENTRATION OF FEDERAL EFFORTS

SEC. 622. (a) Section 204(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5614(a)) is amended by striking out "his functions" and inserting in lieu thereof "the functions of the Administrator".

(b) Section 204(b) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5614(b)) is amended—

(1) in paragraph (2) by striking out "he" and inserting in lieu thereof "the Administrator",

(2) in paragraph (4) by striking out "he" and inserting in lieu thereof "the Administrator",

(3) in paragraph (5) by striking out "and",

(4) in paragraph (6) by striking out the period and inserting in lieu thereof "; and", and

(5) by inserting after paragraph (6) the following new paragraph:

"(7) provide for the auditing of monitoring systems required under section 223(a)(15) to review the adequacy of such systems.".

(c) Section 204(e) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5614(e)) is amended by striking out "subsection (1)" and inserting in lieu thereof "subsection (l)".

(d) Section 204(f) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5614(f)) is amended—

(1) by striking out "him" and inserting in lieu thereof "the Administrator", and

(2) by striking out "he" and inserting in lieu thereof "the Administrator".

(e) Section 204(g) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5614(g)) is amended by striking out "his functions" and inserting in lieu thereof "the functions of the Administrator".

(f) Section 204(i) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5614(i)) is amended—

(1) by striking out "title" and inserting in lieu thereof "section", and

(2) by striking out "he" and inserting in lieu thereof "the Administrator".

(g) Section 204(l) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5614(l)) is amended—

(1) in paragraph (1)—

(A) by striking out "section 204(d)(1)" and inserting in lieu thereof "subsection (d)(1)", and

(B) by striking out "section 204(f)" and inserting in lieu thereof "subsection (f)",

(2) in paragraph (2)—

(A) by striking out "subsection (1)" and inserting in lieu thereof "paragraph (1)", and

(B) by striking out "section 204(e)" each place it appears and inserting in lieu thereof "subsection (e)", and

(3) in paragraph (3)—

(A) by striking out "him" and inserting in lieu thereof "the Administrator", and

(B) by striking out "subsection (1)" and inserting in lieu thereof "paragraph (1)".

COORDINATING COUNCIL ON JUVENILE JUSTICE AND DELINQUENCY PREVENTION

SEC. 623. (a) Section 206(a)(1) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5616(a)(1)) is amended—

(1) by striking out "Community Services Administration" and inserting in lieu thereof "Office of Community Services",

(2) by striking out "Director of the Office of Justice Assistance, Research, and Statistics," and inserting in lieu thereof "Assistant Attorney General who heads the Office of Justice Programs,", and

(3) by striking out "Administrator of the Law Enforcement Assistance Administration" and inserting in lieu thereof "Director of the Bureau of Justice Assistance".

(b) Section 206(c) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5616(c)) is amended by striking out "deliquency programs" and inserting in lieu thereof "delinquency programs and, in consultation with the Advisory Board on Missing Children, all Federal programs relating to missing and exploited children".

(c) Section 206(e) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5616(e)) is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(d) Section 206(g) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5616(g)) is amended by striking out "$500,000" and inserting in lieu thereof "$200,000".

NATIONAL ADVISORY COMMITTEE FOR JUVENILE JUSTICE AND DELINQUENCY PREVENTION

SEC. 624. Section 207 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5617(a)) is repealed.

TECHNICAL AMENDMENTS

SEC. 625. (a) The Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5601 et seq.) is amended by inserting after the heading for subpart I of part B of title II the following new heading for section 221:

"AUTHORITY TO MAKE GRANTS"

(b) Section 222(b) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5632(b)) is amended—

(1) by striking out "and the Trust Territory" and inserting in lieu thereof "the Trust Territory", and

(2) by inserting ", and the Commonwealth of the Northern Mariana Islands" after "Pacific Islands".

STATE PLANS

SEC. 626. (a) Section 223(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5633(a)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) designate the State agency described in section 261(c)(1) as the sole agency for supervising the preparation and administration of the plan;",

(2) in paragraph (2) by striking out "(hereafter referred to in this part as the 'State criminal justice council')",

(3) in paragraph (3)—

(A) by amending subparagraph (C) to read as follows: "(C) which shall include (i) representatives of private organizations, including those with a special focus on maintaining and strengthening the family unit, those representing parents or parent groups, those concerned with delinquency prevention and treatment and with neglected or dependent children, and those concerned with the quality of juvenile justice, education, or social services for children; (ii) representatives of organizations which utilize volunteers to

work with delinquents or potential delinquents; (iii) representatives of community based delinquency prevention or treatment programs; (iv) representatives of business groups or businesses employing youth; (v) youth workers involved with alternative youth programs; and (vi) persons with special experience and competence in addressing the problems of the family, school violence and vandalism, and learning disabilities,", and

(B) in subparagraph (F)—

(i) by striking out "State criminal justice council" each place it appears and inserting in lieu thereof "State agency designated under paragraph (1)",

(ii) in clause (ii) by striking out "paragraph (12)(A) and paragraph (13)" and inserting in lieu thereof "paragraphs (12), (13), and (14)", and

(iii) in clause (iv)—

(I) by striking out "paragraph (12)(A) and paragraph (13)" and inserting in lieu thereof "paragraphs (12), (13), and (14)", and

(II) by striking out "in advising on the State's maintenance of effort under section 1002 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended,",

(4) in paragraph (9) by inserting "special education," after "education,",

(5) In paragraph (10)—

(A) in the matter preceding subparagraph (A)—

(i) by striking out "programs for juveniles" and inserting in lieu thereof "programs for juveniles, including those processed in the criminal justice system,", and

(ii) by striking out "and provide for effective rehabilitation" and inserting in lieu thereof "provide for effective rehabilitation, and facilitate the coordination of services between the juvenile justice and criminal justice systems",

(B) in subparagraph (E) by inserting ", including programs to counsel delinquent youth and other youth regarding the opportunities which education provides" before the semicolon at the end thereof,

(C) in subparagraph (F) by inserting "and their families" before the semicolon at the end thereof,

(D) in subparagraph (H)—

(i) by amending clause (iii) to read as follows:

"(iii) establish and adopt, based on the recommendations of the National Advisory Committee for Juvenile Justice and Delinquency Prevention made before the date of the enactment of the Juvenile Justice, Runaway Youth, and Missing Children's Act Amendments of 1984, standards for the improvement of juvenile justice within the State;",

(ii) in clause (iv) by inserting "or" at the end thereof, and

(iii) by adding at the end thereof the following new clause:

"(v) involve parents and other family members in addressing the delinquency-related problems of juveniles;",

(E) in subparagraph (I) by striking out "and" at the end thereof,

(F) in subparagraph (J) by striking out "juvenile gangs and their members" and inserting in lieu thereof "gangs whose membership is substantially composed of juveniles", and

(G) by adding at the end thereof the following new subparagraphs:

"(K) programs and projects designed to provide for the treatment of juveniles' dependence on or abuse of alcohol or other addictive or nonaddictive drugs; and

"(L) law-related education programs and projects designed to prevent juvenile delinquency;",

(6) by amending paragraph (14) to read as follows:

"(14) provide that, beginning after the five-year period following December 8, 1980, no juvenile shall be detained or confined in any jail or lockup for adults, except that the Administrator shall, through 1989, promulgate regulations which make exceptions with regard to the detention of juveniles accused of nonstatus offenses who are awaiting an initial court appearance pursuant to an enforceable State law requiring such appearances within 24 hours after being taken into custody (excluding weekends and holidays) provided that such exceptions are limited to areas which—

"(i) are outside a Standard Metropolitan Statistical Area,

"(ii) have no existing acceptable alternative placement available, and

"(iii) are in compliance with the provisions of paragraph (13).",

(7) in paragraph (18)—

(A) by striking out "arrangements are made" and inserting in lieu thereof "arrangements shall be made",

(B) by striking out "Act. Such" and inserting in lieu thereof "Act and shall provide for the terms and conditions of such protective arrangements established pursuant to this section, and such",

(C) in subparagraph (D) by inserting "and" at the end thereof,

(D) in subparagraph (E) by striking out the period at the end thereof and inserting in lieu thereof a semicolon, and

(E) by striking out the last sentence of such paragraph,

(8) in paragraph (21) by striking out "State criminal justice council" and inserting in lieu thereof "State agency designated under paragraph (1)",

(9) in the matter following paragraph (22) by striking out the first sentence,

(10) by striking out the last sentence thereof,

(11) by redesignating paragraphs (17), (18), (19), (20), (21), and (22) as paragraphs (18), (19), (20), (21), (22), and (23), respectively, and

(12) by inserting after paragraph (16) the following new paragraph:

"(17) provide assurance that consideration will be given to and that assistance will be available for approaches designed to strengthen and maintain the family units of delinquent and other youth to prevent juvenile delinquency. Such approaches should include the involvement of grandparents or other extended family members when possible and appropriate;".

(b) Section 223(b) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5633(b)) is amended—

(1) by striking out "State criminal justice council designated pursuant to section 223(a)" and inserting in lieu thereof "State agency designated under subsection (a)(1)", and

(2) by striking out "section 223(a)" and inserting in lieu thereof "subsection (a)".

(c) The last sentence of section 223(c) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5633(c)) is amended by striking out "not to exceed 2 additional years" and inserting in lieu thereof "not to exceed 3 additional years".

(d) Section 223(d) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5633(d)) is amended by striking out "sections 803, 804, and 805" and inserting in lieu thereof "sections 802, 803, and 804".

GRANTS AND CONTRACTS

SEC. 627. Section 224 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5634) is amended to read as follows:

"AUTHORITY TO MAKE GRANTS AND CONTRACTS

"SEC. 224. (a) From not less than 15 percent, but not more than 25 percent, of the funds appropriated for a fiscal year to carry out this part, the Administrator shall, by making grants to and entering into contracts with public and private nonprofit agencies, organizations, institutions, or individuals provide for each of the following during each fiscal year:

"(1) developing and maintaining community-based alternatives to traditional forms of institutionalization of juvenile offenders;

"(2) developing and implementing effective means of diverting juveniles from the traditional juvenile justice and correctional system, including restitution and reconciliation projects which test and validate selected arbitration models, such as neighborhood courts or panels, and increase victim satisfaction while providing alternatives to incarceration for detained or adjudicated delinquents;

"(3) developing and supporting programs stressing advocacy activities aimed at improving services to youth impacted by the juvenile justice system, including services which encourage the improvement of due process available to juveniles in the juvenile justice system;

"(4) developing model programs to strengthen and maintain the family unit in order to prevent or treat juvenile delinquency;

"(5) developing and implementing special emphasis prevention and treatment programs relating to juveniles who commit serious crimes (including such crimes committed in schools), including programs designed to deter involvement in illegal activities or to promote involvement in lawful activities on the part of gangs whose membership is substantially composed of juveniles; and

"(6) developing and implementing further a coordinated, national law-related education program of delinquency prevention, including training programs for persons responsible for the implementation of law-related education programs in elementary and secondary schools.

"(b) From any special emphasis funds remaining available after grants and contracts are made under subsection (a), but not to exceed 10 percent of the funds appropriated for a fiscal year to carry out this part, the Administrator is authorized, by making grants to and entering into contracts with public and private nonprofit agencies, organizations, institutions, or individuals, to develop and implement new approaches, techniques, and methods designed to—

"(1) improve the capability of public and private agencies and organizations to provide services for delinquents and other youth to help prevent juvenile delinquency;

"(2) develop and implement, in coordination with the Secretary of Education, model programs and methods to keep students in elementary and secondary schools, to prevent unwarranted and arbitrary suspensions and expulsions, and to encourage new approaches and techniques with respect to the prevention of school violence and vandalism;

"(3) develop, implement, and support, in conjunction with the Secretary of Labor, other public and private agencies and orga-

nizations and business and industry programs for youth employment;

"(4) develop and support programs designed to encourage and enable State legislatures to consider and further the purposes of this title, both by amending State laws if necessary, and devoting greater resources to those purposes;

"(5) develop and implement programs relating to juvenile delinquency and learning disabilities, including on-the-job training programs to assist law enforcement personnel and juvenile justice personnel to more effectively recognize and provide for learning disabled and other handicapped juveniles;

"(6) develop statewide programs through the use of subsidies or other financial incentives designed to—

"(A) remove juveniles from jails and lockups for adults;

"(B) replicate juvenile programs designated as exemplary by the National Institute of Justice; or

"(C) establish and adopt, based upon the recommendations of the National Advisory Committee for Juvenile Justice and Delinquency Prevention made before the date of the enactment of the Juvenile Justice, Runaway Youth, and Missing Children's Act Amendments of 1984, standards for the improvement of juvenile justice within each State involved;

"(7) develop and implement model programs, relating to the special education needs of delinquent and other youth, which develop locally coordinated policies and programs among education, juvenile justice, and social service agencies.

"(c) Not less than 30 percent of the funds available for grants and contracts under this section shall be available for grants to and contracts with private nonprofit agencies, organizations, or institutions which have had experience in dealing with youth.

"(d) Assistance provided under this section shall be available on an equitable basis to deal with female, minority, and disadvantaged youth, including mentally, emotionally, or physically handicapped youth.

"(e) Not less than 5 percent of the funds available for grants and contracts under this section shall be available for grants and contracts designed to address the special needs and problems of juvenile delinquency in the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.".

APPROVAL OF APPLICATIONS

SEC. 628. (a) Section 225(b) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5635(b)) is amended—

(1) in paragraph (2) by inserting "(such purpose or purposes shall be specifically identified in such application)" before the semicolon,

(2) in paragraph (5) by striking out ", when appropriate," and inserting in lieu thereof "(if such State or local agency exists)",

(3) in paragraph (6) by striking out ", when appropriate", and

(4) in paragraph (8) by striking out "indicate" and inserting in lieu thereof "attach a copy of".

(b) Section 225(c) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5635(c)) is amended—

(1) by inserting "and for contracts" after "for grants",

(2) in paragraph (4) by striking out "delinquents and other youth to help prevent delinquency" and inserting in lieu thereof "address juvenile delinquency and juvenile delinquency prevention",

(3) in paragraph (5) by inserting "and" at the end thereof,

(4) by striking out paragraph (6), and

(5) by redesignating paragraph (7) as paragraph (6).

(c) Section 225 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5635) is amended—

(1) by redesignating subsection (d) as subsection (e), and

(2) inserting after subsection (c) the following new subsection:

"(d)(1)(A) Except as provided in subparagraph (B) new programs selected after the effective date of the Juvenile Justice, Runaway Youth, and Missing Children's Act Amendments of 1984 for assistance through grants or contracts under section 224 or part C of this title shall be selected through a competitive process to be established by rule by the Administrator. As part of such process, the Administrator shall announce in the Federal Register the availability of funds for such assistance, the general criteria applicable to the selection of applicants to receive such assistance, and a description of the procedures applicable to submitting and reviewing applications for such assistance.

"(B) The competitive process described in subparagraph (A) shall not be required if—

"(i) the Administrator has made a written determination that the proposed program is not within the scope of any program announcement or any announcement expected to be issued, but can otherwise be supported by a grant or contract in accordance with section 224 or part C of this title, and if the proposed program is of such outstanding merit, as determined through peer review conducted under paragraph (2), that the award of a grant or contract without competition is justified; or

"(ii) the Administrator makes a written determination, which shall include the factual and other bases thereof, that the applicant is uniquely qualified to provide proposed training services as provided in section 244, and other qualified sources are not capable of carrying out the proposed program.

"(C) In each case where a program is selected for assistance without competition pursuant to the exception provided in subparagraph (B), the Administrator shall promptly so notify the chairman of the Committee on Education and Labor of the House of Representatives and the chairman of the Committee on the Judiciary of the Senate. Such notification shall include copies of the Administrator's determination under clause (i) or clause (ii) of such subparagraph and the peer review determination required under paragraph (2).

"(2) New programs selected after the effective date of the Juvenile Justice, Runaway Youth, and Missing Children's Act Amendments of 1984 for assistance through grants or contracts under section 224 shall be reviewed before selection and thereafter as appropriate through a formal peer review process utilizing experts (other than officers and employees of the Department of Justice) in fields related to the subject matter of the proposed program. Such process shall be established by the Administrator in consultation with the Directors and other appropriate officials of the National Science Foundation and the National Institute of Mental Health. Before implementation, the Administrator shall submit such process to such Directors, each of whom shall prepare and furnish to the chairman of the Committee on Education and Labor of the House of Representatives and the chairman of the Committee on the Judiciary of the Senate a final report containing their comments on such process as proposed to be established.

"(3) The Administrator, in establishing the processes required under paragraphs (1) and (2), shall provide for emergency expedited consideration of program proposals when necessary to avoid any delay which would preclude carrying out the program.".

(d) Section 225 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5035) is amended by adding at the end thereof the following new subsection:

"(f) Notification of grants and contracts made under section 224 (and the applications submitted for such grants and contracts) shall, upon being made, be transmitted by the Administrator, to the chairman of the Committee on Education and Labor of the House of Representatives and the chairman of the Committee on the Judiciary of the Senate.".

USE OF FUNDS

SEC. 629. Section 227(c) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5637(c)) is amended by striking out "section 224(a)(7)" each place it appears and inserting in lieu thereof "section 224(a)(3)".

PAYMENTS

SEC. 630. (a) Section 228(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5638(a)) is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(b) Section 228(d) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5638(d)) is amended by striking out "he" and inserting in lieu thereof "the Administrator".

(c) Section 228(e) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5638(e)) is amended—

(1) by striking out "him" and inserting in lieu thereof "the Administrator",

(2) by striking out "section 803" and inserting in lieu thereof "section 802", and

(3) by striking out "section 224(a)(5)" and inserting in lieu thereof "section 224(b)(6)".

NATIONAL INSTITUTE FOR JUVENILE JUSTICE AND DELINQUENCY PREVENTION

SEC. 631. (a) The Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5601 et seq.) is amended by inserting after the heading for part C of title II the following new heading for section 241:

"ESTABLISHMENT OF NATIONAL INSTITUTE FOR JUVENILE JUSTICE AND DELINQUENCY PREVENTION"

(b) Section 241(b) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5651(b)) is amended by striking out "section 201(f)" and inserting in lieu thereof "section 201(c)".

(c) Section 241(d) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5651(d)) is amended to read as follows:

"(d) It shall be the purpose of the Institute to provide—

"(1) a coordinating center for the collection, preparation, and dissemination of useful data regarding the prevention, treatment, and control of juvenile delinquency; and

"(2) appropriate training (including training designed to strengthen and maintain the family unit) for representatives of Federal, State, local law enforcement officers, teachers and special education personnel, family counselors, child welfare work-

ers, juvenile judges and judicial personnel, probation personnel, correctional personnel (including volunteer lay personnel), persons associated with law-related education, youth workers, and representatives of private agencies and organizations with specific experience in the prevention, treatment, and control of juvenile delinquency.".

(d) Section 241 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5651) is amended—

(1) by redesignating subsection (f) as subsection (g),

(2) by inserting after subsection (e) the following new subsection:

"(f) The Administrator, acting through the Institute, shall provide, not less frequently than once every 2 years, for a national conference of member representatives from State advisory groups for the purpose of—

"(1) disseminating information, data, standards, advanced techniques, and program models developed through the Institute and through programs funded under section 224;

"(2) reviewing Federal policies regarding juvenile justice and delinquency prevention;

"(3) advising the Administrator with respect to particular functions or aspects of the work of the Office; and

"(4) advising the President and Congress with regard to State perspectives on the operation of the Office and Federal legislation pertaining to juvenile justice and delinquency prevention.", and

(3) by adding at the end thereof the following new subsection:

"(h) The authorities of the Institute under this part shall be subject to the terms and conditions of section 225(d).".

RESEARCH, DEMONSTRATION, AND EVALUATION FUNCTIONS

SEC. 632. Section 243 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5653) is amended—

(1) in paragraph (1) by inserting "which seek to strengthen and maintain the family unit or" after "methods",

(2) in paragraph (4) by striking "Associate" and inserting in lieu thereof "Deputy",

(3) by amending paragraph (5) to read as follows:

"(5) prepare, in cooperation with educational institutions, with Federal, State, and local agencies, and with appropriate individuals and private agencies, such studies as it considers to be necessary with respect to the prevention and treatment of juvenile delinquency and related matters, including—

"(A) recommendations designed to promote effective prevention and treatment, particularly by strengthening and maintaining the family unit; and

"(B) assessments regarding the role of family violence, sexual abuse or exploitation, media violence, the improper handling of youth placed in one State by another State, the possible ameliorating roles of familial relationships, special education, remedial education, and recreation, and the extent to which youth in the juvenile system are treated differently on the basis of sex, race, or family income and the ramifications of such treatment;

"(C) examinations of the treatment of juveniles processed in the criminal justice system; and

"(D) recommendations as to effective means for detering involvement in illegal activities or promoting involvement in lawful activities on the part of gangs whose membership is substantially composed of juveniles.", and

(4) in paragraph (7) by striking out "(including a periodic journal)".

TRAINING FUNCTIONS

SEC. 633. Section 244 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5654) is amended—

(1) in paragraph (1)—

(A) by striking out "or who are" and inserting in lieu thereof "working with or", and

(B) by striking out "and juvenile offenders" and inserting in lieu thereof ", juvenile offenders, and their families",

(2) in paragraph (2) by striking out "workshop" and inserting in lieu thereof "workshops", and

(3) in paragraph (3) by striking out "teachers" and all that follows through the end thereof and inserting in lieu thereof the following: "teachers and special education personnel, family counselors, child welfare workers, juvenile judges and judicial personnel, probation personnel (including volunteer lay personnel), persons associated with law-related education, youth workers, and organizations with specific experience in the prevention and treatment of juvenile delinquency; and".

REPEALER

SEC. 634. Section 245 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5655) is repealed.

ANNUAL REPORT

SEC. 635. Section 246 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5656) is amended by striking out "SEC. 246." and inserting in lieu thereof "SEC. 245.".

DEVELOPMENT OF STANDARDS FOR JUVENILE JUSTICE

SEC. 636. Section 247 of the Juvenile Justice and Delinquency Act of 1974 (42 U.S.C. 5657) is amended to read as follows:

"ADDITIONAL FUNCTIONS OF THE INSTITUTE

"SEC. 246. (a) The National Institute for Juvenile Justice and Delinquency Prevention shall review existing reports, data, and standards, relating to the juvenile justice system in the United States.

"(b) The National Institute for Juvenile Justice and Delinquency Prevention is authorized to develop and support model State legislation consistent with the mandates of this title and the standards developed by National Advisory Committee for Juvenile Justice and Delinquency Prevention before the date of the enactment of the Juvenile Justice, Runaway Youth, and Missing Children's Act Amendments of 1984.".

ESTABLISHMENT OF TRAINING PROGRAM

SEC. 637. (a) Section 248(b) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5659(b)) is amended to read as follows:

"(b) Enrollees in the training program established under this section shall be drawn from law enforcement and correctional personnel (including volunteer lay personnel), teachers and special education personnel, family counselors, child welfare workers, juvenile judges and judicial personnel, persons associated with law-related education, youth workers, and representatives of private agencies and organizations with specific experience in the prevention and treatment of juvenile delinquency.".

(b) Section 248 of the Juvenile Justice and Delinquency Act of 1974 (42 U.S.C. 5659) is amended by striking out "SEC. 248." and inserting in lieu thereof "SEC. 247.".

TECHNICAL AMENDMENT

SEC. 638. Section 249 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5660) is amended by striking out "SEC. 249." and inserting in lieu thereof "SEC. 248.".

TRAINING PROGRAM

SEC. 639. (a) The heading for section 250 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5661) is amended to read as follows:

"PARTICIPATION IN TRAINING PROGRAM AND STATE ADVISORY GROUP CONFERENCES"

(b) Section 250(c) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5661(c)) is amended to read as follows:

"(c) While participating as a trainee in the program established under section 246 or while participating in any conference held under section 241(f), and while traveling in connection with such participation, each person so participating shall be allowed travel expenses, including a per diem allowance in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed travel expenses under section 5703 of title 5, United States Code. No consultation fee may be paid to such person for such participation.".

(c) Section 250 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5661) is amended by striking out "SEC. 250." and inserting in lieu thereof "SEC. 249.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 640. Section 261 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5671) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 261. (a) To carry out the purposes of this title there is authorized to be appropriated such sums as may be necessary for fiscal years 1985, 1986, 1987, and 1988. Funds appropriated for any fiscal year may remain available for obligation until expended.

"(b) Of such sums as are appropriated to carry out the purposes of this title—

"(1) not to exceed 7.5 percent shall be available to carry out part A;

"(2) not less than 81.5 percent shall be available to carry out part B; and

"(3) 11 percent shall be available to carry out part C.

"(c) Notwithstanding any other provision of law, the Administrator shall—

"(1) establish appropriate administrative and supervisory board membership requirements for a State agency responsible for supervising the preparation and administration of the State plan submitted under section 223 and permit the State advisory group appointed under section 223(a)(3) to operate as the supervisory board for such agency, at the discretion of the Governor; and

"(2) approve any appropriate State agency designated by the Governor of the State involved in accordance with paragraph (1).

"(d) No funds appropriated to carry out the purposes of this title may be used for any bio-medical or behavior control experimentation on individuals or any research involving such experimentation. For the purpose of this subsection, the term 'behavior control' refers to experimentation or research employing methods which involve a substantial risk of physical or psychological harm to the individual subject and which are intended to modify or alter criminal and other anti-social behavior, including aversive conditioning therapy, drug therapy or chemotherapy (except as part of routine

clinical care), physical therapy of mental disorders, electroconvulsive therapy, or physical punishment. The term does not apply to a limited class of programs generally recognized as involving no such risk, including methadone maintenance and certain alcohol treatment programs, psychological counseling, parent training, behavior contracting, survival skills training, restitution, or community service, if safeguards are established for the informed consent of subjects (including parents or guardians of minors).".

APPLICATION OF OTHER ADMINISTRATIVE AUTHORITY

SEC. 641. Section 262 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5672) is amended to read as follows:

"ADMINISTRATIVE AUTHORITY

"SEC. 262. (a) The Office shall be administered by the Administrator under the general authority of the Attorney General.

"(b) Sections 809(c), 811(a), 811(b), 811(c), 812(a), 812(b), and 812(d) of the Omnibus Crime Control and Safe Streets Act of 1968, as so designated by the operation of the amendments made by the Justice Assistance Act of 1984, shall apply with respect to the administration of and compliance with this Act, except that for purposes of this Act—

"(1) any reference to the Office of Justice Programs in such sections shall be deemed to be a reference to the Assistant Attorney General who heads the Office of Justice Programs; and

"(2) the term 'this title' as it appears in such sections shall be deemed to be a reference to this Act.

"(c) Sections 801(a), 801(c), and 806 of the Omnibus Crime Control and Safe Streets Act of 1968, as so designated by the operation of the amendments made by the Justice Assistance Act of 1984, shall apply with respect to the administration of and compliance with this Act, except that for purposes of this Act—

"(1) any reference to the Attorney General, the Assistant Attorney General who heads the Office of Justice Programs, the Director of the National Institute of Justice, the Director of the Bureau of Justice Statistics, or the Director of the Bureau of Justice Assistance shall be deemed to be a reference to the Administrator;

"(2) any reference to the Office of Justice Programs, the Bureau of Justice Assistance, the National Institute of Justice, or the Bureau of Justice Statistics shall be deemed to be a reference to the Office of Juvenile Justice and Delinquency Prevention; and

"(3) the term 'this title' as it appears in such sections shall be deemed to be a reference to this Act.

"(d) The Administrator is authorized, after appropriate consultation with representatives of States and units of local government, to establish such rules, regulations, and procedures as are necessary for the exercise of the functions of the Office and as are consistent with the purpose of this Act.".

Subdivision C—Runaway and Homeless Youth

RULES

SEC. 650. Section 303 of the Runaway and Homeless Youth Act (42 U.S.C. 5702) is amended to read as follows:

"RULES

"SEC. 303. The Secretary of Health and Human Services (hereinafter in this title referred to as the 'Secretary') may issue such rules as the Secretary considers necessary or appropriate to carry out the purposes of this title.".

PURPOSES OF GRANT PROGRAM

SEC. 651. (a) The first sentence of section 311(a) of the Runaway and Homeless Youth Act (42 U.S.C. 5711(a)) is amended—

(1) by inserting "and assistance to their families" before the period at the end thereof, and

(2) by striking, in the first sentence, "nonprofit private agencies and coordinated networks of such agencies" and inserting in lieu thereof "private entities and coordinated networks of such entities".

(b) Section 311(b) of the Runaway and Homeless Youth Act (42 U.S.C. 5711(b)) is amended by inserting "and to the families of such juveniles" before the period at the end thereof.

ELIGIBILITY

SEC. 652. Section 312(b) of the Runaway and Homeless Youth Act (42 U.S.C. 5712) is amended—

(1) in paragraph (2) by striking out "portion" and inserting in lieu thereof "proportion",

(2) in paragraph (3) by striking out "(if such action is required by State law)",

(3) in paragraph (4) by inserting "school system personnel," after "social service personnel,",

(4) in paragraph (5) by striking out "parents" and inserting in lieu thereof "families", and

(5) in paragraph (6) by striking out "parents" and inserting in lieu thereof "family members".

APPROVAL BY SECRETARY

SEC. 653. The first sentence in section 313 of the Runaway and Homeless Youth Act (42 U.S.C. 5713) is amended by striking out "nonprofit private agency" and inserting in lieu thereof "private entity".

GRANTS TO PRIVATE AGENCIES, STAFFING

SEC. 654. Section 314 of the Runaway and Homeless Youth Act (42 U.S.C. 5714) is amended—

(1) by amending the heading to read as follows: "GRANTS TO PRIVATE ENTITIES; STAFFING", and

(2) in the first sentence—

(A) by striking out "nonprofit private agencies" and inserting in lieu thereof "private entities", and

(B) by striking out "house" and inserting in lieu thereof "center".

ADDITIONAL ASSISTANCE

SEC. 655. The Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.) is amended—

(1) by redesignating sections 315 and 316 as sections 317 and 318, respectively, and

(2) by inserting after section 314 the following new sections:

"ASSISTANCE TO POTENTIAL GRANTEES

"SEC. 315. The Secretary shall provide informational assistance to potential grantees interested in establishing runaway and homeless youth centers. Such assistance shall consist of information on—

"(1) steps necessary to establish a runaway and homeless youth center, including information on securing space for such center, obtaining insurance, staffing, and establishing operating procedures;

"(2) securing local private or public financial support for the operation of such center, including information on procedures utilized by grantees under this title; and

"(3) the need for the establishment of additional runaway youth centers in the geographical area identified by the potential grantee involved.

"LEASE OF SURPLUS FEDERAL FACILITIES FOR USE AS RUNAWAY AND HOMELESS YOUTH CENTERS

"SEC. 316. (a) The Secretary may enter into cooperative lease arrangements with States, localities, and nonprofit private agencies to provide for the use of appropriate surplus Federal facilities transferred by the General Services Administration to the Department of Health and Human Services for use as runaway and homeless youth centers if the Secretary determines that—

"(1) the applicant involved has suitable financial support necessary to operate a runaway and homeless youth center;

"(2) the applicant is able to demonstrate the program expertise required to operate such center in compliance with this title, whether or not the applicant is receiving a grant under this part; and

"(3) the applicant has consulted with and obtained the approval of the chief executive officer of the unit of general local government in which the facility is located.

"(b)(1) Each facility made available under this section shall be made available for a period of not less than 2 years, and no rent or fee shall be charged to the applicant in connection with use of such facility.

"(2) Any structural modifications or additions to facilities made available under this section shall become the property of the United States. All such modifications or additions may be made only after receiving the prior written consent of the Secretary or other appropriate officer of the Department of Health and Human Services.".

REORGANIZATION

SEC. 656. Part C of the Runaway and Homeless Youth Act (42 U.S.C. 5741) is repealed.

AUTHORIZATION OF APPROPRIATIONS

SEC. 657. (a) The Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.) is amended by inserting after the heading for part D the following new heading for section 341:

"AUTHORIZATION OF APPROPRIATIONS".

(b) Section 341(a) is amended by striking out "for each of the fiscal years" and all that follows through the period at the end thereof and inserting in lieu thereof "such sums as may be necessary for fiscal years 1985, 1986, 1987, and 1988.".

(c) Section 341(b) of the Runaway and Homeless Youth Act (42 U.S.C. 5751(b)) is amended by striking out "Associate".

(d) Section 341 of the Runaway and Homeless Youth Act (42 U.S.C. 5751) is amended by adding at the end thereof the following new subsection:

"(c) No funds appropriated to carry out the purposes of this title—

"(1) may be used for any program or activity which is not specifically authorized by this title; or

"(2) may be combined with funds appropriated under any other Act if the purpose of combining such funds is to make a single discretionary grant or a single discretionary payment unless such funds are separately identified in all grants and contracts and are used for the purposes specified in this title.".

(e) Part D of the Runaway and Homeless Youth Act (42 U.S.C. 5751) is redesignated as part C.

(f) Section 341 of the Runaway and Homeless Youth Act (42 U.S.C. 5757) is redesignated as section 331.

Subdivision D—Missing Children's Assistance

ASSISTANCE RELATING TO MISSING CHILDREN

SEC. 660. The Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5601 et seq.) is amended by adding at the end thereof the following new title:

"TITLE IV—MISSING CHILDREN

"SHORT TITLE

"SEC. 401. This title may be cited as the Missing Children's Assistance Act.

"FINDINGS

"SEC. 402. The Congress hereby finds that—

"(1) each year thousands of children are abducted or removed from the control of a parent having legal custody without such parent's consent, under circumstances which immediately place them in grave danger;

"(2) many of these children are never reunited with their families;

"(3) often there are no clues to the whereabouts of these children;

"(4) many missing children are at great risk of both physical harm and sexual exploitation;

"(5) in many cases, parents and local law enforcement officials have neither the resources nor the expertise to mount expanded search efforts;

"(6) abducted children are frequently moved from one locality to another, requiring the cooperation and coordination of local, State, and Federal law enforcement efforts;

"(7) on frequent occasions, law enforcement authorities quickly exhaust all leads in missing children cases, and require assistance from distant communities where the child may be located; and

"(8) Federal assistance is urgently needed to coordinate and assist in this interstate problem.

"DEFINITIONS

"SEC. 403. For the purpose of this title—

"(1) the term 'missing child' means any individual less than 18 years of age whose whereabouts are unknown to such individual's legal custodian if—

"(A) the circumstances surrounding such individual's disappearance indicate that such individual may possibly have been removed by another from the control of such individual's legal custodian without such custodian's consent; or

"(B) the circumstances of the case strongly indicate that such individual is likely to be abused or sexually exploited; and

"(2) the term 'Administrator' means the Administrator of the Office of Juvenile Justice and Delinquency Prevention.

"DUTIES AND FUNCTIONS OF THE ADMINISTRATOR

"SEC. 404. (a) The Administrator shall—

"(1) issue such rules as the Administrator considers necessary or appropriate to carry out this title;

"(2) make such arrangements as may be necessary and appropriate to facilitate effective coordination among all federally funded programs relating to missing children (including the preparation of an annual comprehensive plan for facilitating such coordination);

"(3) provide for the furnishing of information derived from the national toll-free telephone line, established under subsection (b)(1), to appropriate law enforcement entities;

"(4) provide adequate staff and agency resources which are necessary to properly carry out the responsibilities pursuant to this title;

"(5) analyze, compile, publish, and disseminate an annual summary of recently completed research, research being conducted, and Federal, State, and local demonstration projects relating to missing children with particular emphasis on—

"(A) effective models of local, State, and Federal coordination and cooperation in locating missing children;

"(B) effective programs designed to promote community awareness of the problem of missing children;

"(C) effective programs to prevent the abduction and sexual exploitation of children (including parent, child, and community education); and

"(D) effective program models which provide treatment, counseling, or other aid to parents of missing children or to children who have been the victims of abduction or sexual exploitation; and

"(6) prepare, in conjunction with and with the final approval of the Advisory Board on Missing Children, an annual comprehensive plan for facilitating cooperation and coordination among all agencies and organizations with responsibilities related to missing children.

"(b) The Administrator, either by making grants to or entering into contracts with public agencies or nonprofit private agencies, shall—

"(1) establish and operate a national toll-free telephone line by which individuals may report information regarding the location of any missing child, or other child 13 years of age or younger whose whereabouts are unknown to such child's legal custodian, and request information pertaining to procedures necessary to reunite such child with such child's legal custodian;

"(2) establish and operate a national resource center and clearinghouse designed—

"(A) to provide technical assistance to local and State governments, public and private nonprofit agencies, and individuals in locating and recovering missing children;

"(B) to coordinate public and private programs which locate, recover, or reunite missing children with their legal custodians;

"(C) to disseminate nationally information about innovative and model missing children's programs, services, and legislation; and

"(D) to provide technical assistance to law enforcement agencies, State and local governments, elements of the criminal justice system, public and private nonprofit agencies, and individuals in the prevention, investigation, prosecution, and treatment of the missing and exploited child case; and

"(3) periodically conduct national incidence studies to determine for a given year the actual number of children reported missing each year, the number of children who are victims of abduction by strangers, the number of children who are the victims of parental kidnappings, and the number of children who are recovered each year.

"(c) Nothing contained in this title shall be construed to grant to the Administrator any law enforcement responsibility or supervisory authority over any other Federal agency.

"ADVISORY BOARD

"SEC. 405. (a) There is hereby established the Advisory Board on Missing Children (hereinafter in this title referred to as the 'Advisory Board') which shall be composed of 9 members as follows:

"(1) a law enforcement officer;

"(2) an individual whose official duty is to prosecute violations of the criminal law of a State;

"(3) the chief executive officer of a unit of local government within a State;

"(4) a statewide elected officer of a State;

"(5) the Director of the Federal Bureau of Investigation or the Director's designee from within the Federal Bureau of Investigation; and

"(6) 4 members of the public who have experience or expertise relating to missing children (including members representing parent groups).

"(b) The Attorney General shall make the initial appointments to the Advisory Board not later than 90 days after the effective date of this title. The Advisory Board shall meet periodically and at the call of the Attorney General, but not less frequently than annually. The Chairman of the Advisory Board shall be designated by the Attorney General.

"(c) The Advisory Board shall—

"(1) advise the Administrator and the Attorney General in coordinating programs and activities relating to missing children which are planned, administered, or assisted by any Federal program;

"(2) advise the Administrator with regard to the establishment of priorities for making grants or contracts under section 406; and

"(3) approve the annual comprehensive plan for facilitating cooperation and coordination among all agencies and organizations with responsibilities relating to missing children and submit the first such annual plan to the President and the Congress not later than 18 months after the effective date of this title.

"(d) Members of the Advisory Board, while serving away from their places of residence or regular places of business, shall be entitled to reimbursement for travel expenses, including per diem in lieu of subsistence, in the same manner as is authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

"GRANTS

"SEC. 406. (a) The Administrator is authorized to make grants to and enter into contracts with public agencies or nonprofit private organizations, or combinations thereof, for research, demonstration projects, or service programs designed—

"(1) to educate parents, children, and community agencies and organizations in ways to prevent the abduction and sexual exploitation of children;

"(2) to provide information to assist in the locating and return of missing children;

"(3) to aid communities in the collection of materials which would be useful to parents in assisting others in the identification of missing children;

"(4) to increase knowledge of and develop effective treatment pertaining to the psychological consequences, on both parents and children, of—

"(A) the abduction of a child, both during the period of disappearance and after the child is recovered; and

"(B) the sexual exploitation of a missing child;

"(5) to collect detailed data from selected States or localities on the actual investigative practices utilized by law enforcement agencies in missing children's cases; and

"(6) to address the particular needs of missing children by minimizing the negative impact of judicial and law enforcement procedures on children who are victims of abuse or sexual exploitation and by promoting the active participation of children and

their families in cases involving abuse or sexual exploitation of children.

"(b) In considering grant applications under this title, the Administrator shall give priority to applicants who—

"(1) have demonstrated or demonstrate ability in—

"(A) locating missing children or locating and reuniting missing children with their legal custodians;

'(B) providing other services to missing children or their families; or

"(C) conducting research relating to missing children; and

"(2) with respect to subparagraphs (A) and (B) of paragraph (1), substantially utilize volunteer assistance.

The Administrator shall give first priority to applicants qualifying under subparagraphs (A) and (B) of paragraph (1).

"(c) In order to receive assistance under this title for a fiscal year, applicants shall give assurance that they will expend, to the greatest extent practicable, for such fiscal year an amount of funds (without regard to any funds received under any Federal law) that is not less than the amount of funds they received in the preceding fiscal year from State, local, and private sources.

"CRITERIA FOR GRANTS

"SEC. 407. The Administrator, in consultation with the Advisory Board, shall establish annual research, demonstration, and service program priorities for making grants and contracts pursuant to section 406 and, not less than 60 days before establishing such priorities, shall publish in the Federal Register for public comment a statement of such proposed priorities.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 408. To carry out the provisions of this title, there are authorized to be appropriated $10,000,000 for fiscal year 1985, and such sums as may be necessary for fiscal years 1986, 1987, and 1988.".

Subdivision E—Effective Dates

EFFECTIVE DATES

SEC. 670. (a) Except as provided in subsection (b), this division and the amendments made by this division shall take effect on the date of the enactment of this joint resolution or October 1, 1984, whichever occurs later.

(b) Paragraph (2) of section 331(c) of the Runaway and Homeless Youth Act, as added by section 657(d) of this division, shall not apply with respect to any grant or payment made before the effective date of this joint resolution.

And the Senate agree to the same.

Amendment numbered 159:

That the House recede from its disagreement to the amendment of the Senate numbered 159, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert the following:

CHAPTER XIII—NATIONAL NARCOTICS ACT

SEC. 1301. This chapter may be cited as the "National Narcotics Act of 1984".

SEC. 1302. (a) The Congress hereby makes the following findings:

(1) The flow of illegal narcotics into the United States is a major and growing problem.

(2) The problem of illegal drug activity falls across the entire spectrum of Federal activities both nationally and internationally.

(3) Illegal drug trafficking is estimated by the General Accounting Office to be an $80,000,000,000 per annum industry in the United States.

(4) The annual consumption of drugs has reached epidemic proportions.

(5) Despite the efforts of the United States Government and other nations, the mechanisms for smuggling opium and other hard drugs into the United States remain virtually intact and United States agencies estimate that they are able to interdict no more than 5 to 15 percent of all hard drugs flowing into the country.

(6) Such significant indicators of the drug problem as drug-related deaths, emergency room visits, hospital admissions due to drug-related incidents, and addiction rates are soaring.

(7) Increased drug trafficking is strongly linked to violent, addiction-related crime and recent studies have shown that over 90 percent of heroin users rely upon criminal activity as a means of income.

(8) Much of the drug trafficking is handled by syndicates, a situation which results in increased violence and criminal activity because of the competitive struggle for control of the domestic drug market.

(9) Controlling the supply of illicit drugs is a key to reducing the crime epidemic confronting every region of the country.

(10) The magnitude and scope of the problem requires the establishment of a National Drug Enforcement Policy Board, chaired by the Attorney General, to facilitate coordination of all Federal efforts by relevant agencies.

(11) Such a Board must have responsibility for coordinating the operations of Federal agencies involved in attacking this problem through the development of policy and resources, so that a unified and efficient effort can be undertaken.

(b) It is the purpose of this Act to insure—

(1) the maintenance of a national and international effort against illegal drugs;

(2) that the activities of the Federal agencies involved are fully coordinated; and

(3) that a single, competent, and responsible high-level Board of the United States Government, chaired by the Attorney General, will be charged with this responsibility of coordinating United States policy with respect to national and international drug law enforcement.

SEC. 1303. There is established in the executive branch of the Government a Board to be known as the "National Drug Enforcement Policy Board" (hereinafter in this Act referred to as the "Board"). There shall be at the head of the Board a Chairman who shall be the Attorney General (hereinafter in this Act referred to as the "Chairman"). In addition to the Chairman, the Board shall be comprised of the Secretaries of State, Treasury, Defense, Transportation, Health and Human Services, the Director of the Office of Management and Budget, and the Director of Central Intelligence and such other officials as may be appointed by the President. Decisions made by the Board pursuant to section 4(a) of this Act shall be acknowledged by each member thereof in writing.

SEC. 1304. (a) The Board shall facilitate coordination of United States operations and policy on illegal drug law enforcement. In the furtherance of that responsibility, the Board shall have the responsibility, and is authorized to—

(1) review, evaluate and develop United States Government policy, strategy and resources with respect to illegal drug law enforcement efforts, including budgetary priorities and a National and International Drug Law Enforcement Strategy;

(2) facilitate coordination of all United States Government efforts to halt national and international trafficking in illegal drugs; and

(3) coordinate the collection and evaluation of information necessary to implement United States policy with respect to illegal drug law enforcement.

(b) For the purpose of coordinating the activities of the several departments and agencies with responsibility for drug law enforcement and implementing the determinations of the Board, it shall be the duty of the Chairman—

(1) to advise the Board in matters concerning drug law enforcement;

(2) to make recommendations to the Board for the coordination of drug enforcement activities;

(3) to correlate and evaluate intelligence and other information on drug law enforcement to support the activities of the Board;

(4) to act as primary adviser to the President and Congress on national and international illegal drug law enforcement programs and policies developed by the Board under subsection (a) of this section and the implementation thereof; and

(5) to perform such other duties as the President may direct.

(c) In carrying out responsibilities under this section, the Chairman, on behalf of the Board, is authorized to—

(1) direct, with the concurrence of the head of the agency employing such personnel, the assignment of Government personnel within the United States Government in order to implement United States policy with respect to illegal drug law enforcement;

(2) provide guidance in the implementation and maintenance of policy, strategy, and resources developed under subsection (a) of this section;

(3) review and approve the reprograming of funds relating to budgetary priorities developed under subsection (a) of this section;

(4) procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for the grade of GS-18 of the General Schedule;

(5) accept and use donations of property from all Government agencies; and

(6) use the mails in the same manner as any other department or agency of the executive branch.

(d) Notwithstanding the authority granted in this section, the Board and the Chairman shall not interfere with routine law enforcement or intelligence decisions of any agency and shall undertake no activity inconsistent with the authorities and responsibilities of the Director of Central Intelligence under the provisions of the National Security Act of 1947, as amended, or Executive Order 12333.

(e) The Administrator of the General Services Administration shall provide to the Board on a reimbursable basis such administrative support services as the Chairman may request.

SEC. 1305. The Chairman shall submit to the Congress, within nine months after enactment of this Act, and biannually thereafter, a full and complete report reflecting United States policy with respect to illegal drug law enforcement, plans proposed for the implementation of such policy, and, commencing with the submission of the second report, a full and complete report reflecting accomplishments with respect to the

United States policy and plans theretofore submitted to the Congress.

SEC. 1306. Title II of the Drug Abuse Prevention, Treatment and Rehabilitation Act (21 U.S.C. 1112) is amended by adding at the end of section 201 (21 U.S.C. 1111) a new subsection (d) as follows:

"(d) Support to National Drug Enforcement Policy Board. One of the duties of the White House Office of Drug Abuse Policy shall be to insure coordination between the National Drug Enforcement Policy Board and the health issues associated with drug abuse.".

SEC. 1307. This chapter and the amendments made by this chapter shall take effect January 20, 1985.

CHAPTER TITLE XIV—VICTIM COMPENSATION AND ASSISTANCE

SEC. 1401. This chapter may be cited as the "Victims of Crime Act of 1984".

CRIME VICTIMS FUND

SEC. 1402. (a) There is created in the Treasury a separate account to be known as the Crime Victims Fund (hereinafter in this chapter referred to as the "Fund").

(b) Except as limited by subsection (c), there shall be deposited in the Fund—

(1) all fines that are collected from persons convicted of offenses against the United States except—

(A) fines available for use by the Secretary of the Treasury pursuant to—

(i) section 11(d) of the Endangered Species Act (16 U.S.C. 1540(d)); and

(ii) section 6(d) of the Lacey Act Amendments of 1981 (16 U.S.C. 3375(d)); and

(B) fines to be paid into—

(i) the railroad unemployment insurance account pursuant to the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.);

(ii) the Postal Service Fund pursuant to sections 2601(a)(2) and 2003 of title 39 of the United States Code and for the purposes set forth in section 404(a)(8) of such title 39;

(iii) the navigable waters revolving fund pursuant to section 311 of the Federal Water Pollution Control Act (33 U.S.C. 1321); and

(iv) county public school funds pursuant to section 3613 of title 18 of the United States Code;

(2) penalty assessments collected under section 3013 of title 18 of the United States Code;

(3) the proceeds of forfeited appearance bonds, bail bonds, and collateral collected under section 3146 of title 18 of the United States Code; and

(4) any money ordered to be paid into the Fund under section 3671(c)(2) of title 18 of the United States Code.

(c)(1) If the total deposited in the Fund during a particular fiscal year reaches the sum of $100 million, the excess over that sum shall be deposited in the general fund of the Treasury and shall not be a part of the Fund.

(2) No deposits shall be made in the Fund after September 30, 1988.

(d)(1) Sums deposited in the Fund shall remain in the Fund and be available for expenditure under this subsection for grants under this title without fiscal year limitation.

(2) Fifty percent of the total deposited in the Fund during a particular fiscal year shall be available for grants under section 1403 and fifty percent shall be available for grants under section 1404.

(e) Any sums awarded as part of a grant under this chapter that remain unspent at the end of a fiscal year in which such grant is made may be expended for the purpose for which such grant is made at any time during the next succeeding fiscal year, at the end of which year any remaining unobligated sums shall be returned to the general fund of the Treasury.

(f) As used in this section, the term "offenses against the United States" does not include—

(1) a criminal violation of the Uniform Code of Military Justice (10 U.S.C. 801 et seq.);

(2) an offense against the laws of the District of Columbia; and

(3) an offense triable by an Indian tribal court or Court of Indian Offenses.

CRIME VICTIM COMPENSATION

SEC. 1403. (a)(1) Except as provided in paragraph (2), the Attorney General shall make an annual grant from the Fund to an eligible crime victim compensation program of 35 percent of the amounts awarded during the preceding fiscal year, other than amounts awarded for property damage. A grant under this section shall be used by such program only for awards of compensation.

(2) If the sums available in the Fund for grants under this section are insufficient to provide grants of 35 percent as provided in paragraph (1), the Attorney General shall make, from the sums available, a grant to each eligible crime victim compensation program so that all such programs receive the same percentage of the amounts awarded by such program during the preceding fiscal year, other than amounts awarded for property damage.

(b) A crime victim compensation program is an eligible crime victim compensation program for the purposes of this section if—

(1) such program is operated by a State and offers compensation to victims of crime and survivors of victims of crime for—

(A) medical expenses attributable to a physical injury resulting from compensable crime, including expenses for mental health counseling and care;

(B) loss of wages attributable to a physical injury resulting from a compensable crime; and

(C) funeral expenses attributable to a death resulting from a compensable crime;

(2) such program promotes victim cooperation with the reasonable requests of law enforcement authorities;

(3) such State certifies that grants received under this section will not be used to supplant State funds otherwise available to provide crime victim compensation;

(4) such program, as to compensable crimes occurring within the State, makes compensation awards to victims who are nonresidents of the State on the basis of the same criteria used to make awards to victims who are residents of such State;

(5) such program provides compensation to victims of crimes occurring within such State that would be compensable crimes, but for the fact that such crimes are subject to Federal jurisdiction, on the same basis that such program provides compensation to victims of compensable crimes; and

(6) such program provides such other information and assurances related to the purposes of this section as the Attorney General may reasonably require.

(c) A State crime victim compensation program in effect on the date grants may first be made under this section shall be deemed an eligible crime victim compensation program for the purposes of this section until the day after the close of the first regular session of the legislature of that State that begins after such date.

(d) As used in this section—

(1) the term "property damage" does not include damage to prosthetic devices or dental devices;

(2) the term "medical expenses" includes, to the extent provided under the eligible crime victim compensation program, expenses for dental services and devices and prosthetic devices and for services rendered in accordance with a method of healing recognized by the law of the State;

(3) the term "compensable crime" means a crime the victims of which are eligible for compensation under the eligible crime victim compensation program; and

(4) the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and any other possession or territory of the United States.

CRIME VICTIM ASSISTANCE

SEC. 1404. (a)(1) Subject to the availability of money in the Fund, the Attorney General shall make an annual grant from any portion of the Fund not used for grants under section 1403 with respect to a particular fiscal year, and after any deduction under subsection (c), to the chief executive of each State for the financial support of eligible crime victim assistance programs.

(2) Such chief executive shall—

(A) certify that priority shall be given to eligible crime victim assistance programs providing assistance to victims of sexual assault, spousal abuse, or child abuse;

(B) certify that funds awarded to eligible crime victim assistance programs will not be used to supplant State and local funds otherwise available for crime victim assistance; and

(C) provide such other information and assurances related to the purposes of this section as the Attorney General may reasonably require.

(3) The amounts of grants under paragraph (1) shall be—

(A) $100,000 to each State; and

(B) that portion of the then remaining available money to each State that results from a distribution among the States on the basis of each State's population in relation to the population of all States.

(4) If the amount available for grants under paragraph (1) is insufficient to provide $100,000 to each State, the funds available shall be distributed equally among the States.

(b)(1) A victim assistance program is an eligible crime victim assistance program for the purposes of this section if such program—

(A) is operated by a public agency or a nonprofit organization, or a combination of such agencies or organizations or of both such agencies and organizations, and provides services to victims of crime;

(B) demonstrates—

(i) a record of providing effective services to victims of crime and financial support from sources other than the Fund; or

(ii) substantial financial support from sources other than the Fund;

(C) utilizes volunteers in providing such services, unless and to the extent the chief executive determines that compelling reasons exist to waive this requirement;

(D) promotes within the community served coordinated public and private efforts to aid crime victims; and

(E) assists potential recipients in seeking crime victim compensation benefits.

(2) An eligible crime victim assistance program shall expend sums received under sub-

section (a) only for providing services to victims of crime.

(c)(1) The Attorney General may in any fiscal year deduct from amounts available under section 1404 an amount not to exceed 5 percent of the amount in the Fund, and may expend the amount so deducted to provide services to victims of Federal crimes by the Department of Justice, or reimburse other instrumentalities of the Federal Government otherwise authorized to provide such services.

(2) The Attorney General shall appoint or designate an official of the Department of Justice to be the Federal Crime Victim Assistance Administrator (hereinafter in this chapter referred to as the "Federal Administrator") to exercise the responsibilities of the Attorney General under this subsection.

(3) The Federal Administrator shall—

(A) be responsible for monitoring compliance with guidelines for fair treatment of crime victims and witnesses issued under section 6 of the Victim and Witness Protection Act of 1982 (Public Law 97-291);

(B) consult with the heads of Federal law enforcement agencies that have responsibilities affecting victims of Federal crimes;

(C) coordinate victim services provided by the Federal Government with victim services offered by other public agencies and nonprofit organizations; and

(D) perform such other functions related to the purposes of this title as the Attorney General may assign.

(4) The Attorney General may reimburse other instrumentalities of the Federal Government and contract for the performance of functions authorized under this subsection.

(d) As used in this section—

(1) the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and, except for the purposes of paragraphs (3)(A) and (4) of subsection (a) of this section, any other territory or possession of the United States; and

(2) the term "services to victims of crime" includes—

(A) crisis intervention services;

(B) providing, in an emergency, transportation to court, short-term child care services, and temporary housing and security measures;

(C) assistance in participating in criminal justice proceedings; and

(D) payment of all reasonable costs for a forensic medical examination of a crime victim, to the extent that such costs are otherwise not reimbursed or paid;

(3) the term "services to victims of Federal crime" means services to victims of crime with respect to Federal crime, and includes—

(A) training of law enforcement personnel in the delivery of services to victims of Federal crime;

(B) preparation, publication, and distribution of informational materials—

(i) setting forth services offered to victims of crime; and

(ii) concerning services to victims of Federal crime for use by Federal law enforcement personnel; and

(C) salaries of personnel who provide services to victims of crime, to the extent that such personnel provide such services;

(4) the term "crisis intervention services" means counseling to provide emotional support in crises arising from the occurrence of crime; and

(5) the term "chief executive" includes a person designated by a chief executive to perform the functions of the chief executive under this section.

PENALTY ASSESSMENT

SEC. 1405. (a) Chapter 201 of title 18 of the United States Code is amended by adding at the end the following:

"§ 3013. Special assessment on convicted persons

"(a) The court shall assess on any person convicted of an offense against the United States—

"(1) in the case of a misdemeanor—

"(A) the amount of $25 if the defendant is an individual; and

"(B) the amount of $100 if the defendant is a person other than an individual; and

"(2) in the case of a felony—

"(A) the amount of $50 if the defendant is an individual; and

"(B) the amount of $200 if the defendant is a person other than an individual.

"(b) Such amount so assessed shall be collected in the manner that fines are collected in criminal cases.".

(b) The table of sections for chapter 201 of title 18 of the United States Code is amended by adding at the end the following:

"3013. Special assessment on convicted persons.".

SPECIAL FORFEITURE OF COLLATERAL PROFITS OF CRIME

SEC. 1406. (a) Title 18 of the United States Code is amended by adding after chapter 231 the following:

"CHAPTER 232—SPECIAL FORFEITURE OF COLLATERAL PROFITS OF CRIME

"Sec.
"§ 3671. Order of special forfeiture.
"§ 3672. Notice to victims of order of special forfeiture.

"§ 3671. Order of special forfeiture

"(a) Upon the motion of the United States attorney made at any time after conviction of a defendant for an offense against the United States resulting in physical harm to an individual, and after notice to any interested party, the court shall, if the court determines that the interest of justice or an order of restitution under chapter 227 or 231 of this title so requires, order such defendant to forfeit all or any part of proceeds received or to be received by that defendant, or a transferee of that defendant, from a contract relating to a depiction of such crime in a movie, book, newspaper, magazine, radio or television production, or live entertainment of any kind, or an expression of that defendant's thoughts, opinions, or emotions regarding such crime.

"(b) An order issued under subsection (a) of this section shall require that the person with whom the defendant contracts pay to the Attorney General any proceeds due the defendant under such contract.

"(c)(1) Proceeds paid to the Attorney General under this section shall be retained in escrow in the Crime Victims Fund in the Treasury by the Attorney General for five years after the date of an order under this section, but during that five year period may—

"(A) be levied upon to satisfy—

"(i) a money judgment rendered by a United States district court in favor of a victim of an offense for which such defendant has been convicted, or a legal representative of such victim; and

"(ii) a fine imposed by a court of the United States; and

"(B) if ordered by the court in the interest of justice, be used to—

"(i) satisfy a money judgment rendered in any court in favor of a victim of any offense for which such defendant has been convicted, or a legal representative of such victim; and

"(ii) pay for legal representation of the defendant in matters arising from the offense for which such defendant has been convicted, but no more than 20 percent of the total proceeds may be so used.

"(2) The court shall direct the disposition of all such proceeds in the possession of the Attorney General at the end of such five years and may require that all or any part of such proceeds be released from escrow and paid into the Crime Victims Fund in the Treasury.

"(d) As used in this section, the term 'interested party' includes the defendant and any transferee of proceeds due the defendant under the contract, the person with whom the defendant has contracted, and any person physically harmed as a result of the offense for which the defendant has been convicted.

"§ 3672. Notice to victims of order of special forfeiture

"The United States attorney shall, within 30 days after the imposition of an order under this chapter and at such other times as the Attorney General may require, publish in a newspaper of general circulation in the district in which the offense for which a defendant was convicted occurred, a notice that states—

"(1) the name of, and other identifying information about, the defendant;

"(2) the offense for which the defendant was convicted; and

"(3) that the court has ordered a special forfeiture of certain proceeds that may be used to satisfy a judgment obtained against the defendant by a victim of an offense for which the defendant has been convicted.".

(b) The table of chapters for part II of title 18 of the United States Code is amended by adding after the item for chapter 231 the following:

"232. Special forfeiture of collateral profits of crime.".

ADMINISTRATIVE PROVISIONS

SEC. 1407. (a) The Attorney General may establish such rules, regulations, guidelines, and procedures as are necessary to carry out any function of the Attorney General under this chapter and may delegate to any officer or employee of the Department of Justice any such function as the Attorney General deems appropriate.

(b) Each recipient of sums under this chapter shall keep such records as the Attorney General shall prescribe, including records that fully disclose the amount and disposition by such recipient of such sums, the total cost of the undertaking for which such sums are used, and that portion of the cost of the undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(c) The Attorney General or any duly authorized representative of the Attorney General shall have access, for purpose of audit and examination, to any books, documents, papers, and records of the recipient of sums under this chapter that, in the opinion of the Attorney General or any duly authorized representative of the Attorney General, may be related to the expenditure of funds received under this chapter.

(d) Except as otherwise provided by Federal law, no officer or employee of the Federal Government, and no recipient of sums under this chapter, shall use or reveal any research or statistical information furnished under this chapter by any person and identifiable to any specific private person for any purpose other than the purpose for which such information was obtained in ac-

cordance with this chapter. Such information, and any copy of such information, shall be immune from legal process and shall not, without the consent of the person furnishing such information, be admitted as evidence or used for any purpose in any action, suit, or other judicial, legislative, or administrative proceeding.

(f) No person shall on the ground of race, color, religion, national origin, handicap, or sex be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with, any undertaking funded in whole or in part with sums made available under this chapter.

(g) If, after reasonable notice and opportunity for a hearing on the record, the Attorney General finds that a State has failed to comply substantially with any provision of this chapter or a rule, regulation, guideline, or procedure issued under this chapter, or an application submitted in accordance with this chapter or the provisions of any other applicable law, the Attorney General shall—

(1) terminate payments to such State;

(2) suspend payments to such State until the Attorney General is satisfied that such noncompliance has ended; or

(3) take such other action as the Attorney General deems appropriate.

(h) The Attorney General shall, no later than December 31, 1987, report to the President and to the Congress on the revenue derived from each source described in section 1002 and on the effectiveness of the activities supported under this chapter. The Attorney General may include in such report recommendations for legislation to improve this chapter.

PAROLE PROCEEDING AMENDMENTS

SEC. 1408. (a) Section 4207 of title 19 of the United States Code is amended—

(1) by striking out "and" at the end of paragraph (4); and

(2) by inserting after paragraph (4) the following new paragraph:

"(5) a statement, which may be presented orally or otherwise, by any victim of the offense for which the prisoner is imprisoned about the financial, social, psychological, and emotional harm done to, or loss suffered by such victim; and".

(b) Section 6(a) of the Victim and Witness Protection Act of 1982 is amended—

(1) in the catchline of paragraph (4), by striking out "Major";

(2) in paragraph (4), by striking out "if possible, of judicial proceedings relating to their case, including—" and inserting in lieu thereof "if possible, of—"; and

(3) in subparagraph (D) of paragraph (4)—

(A) by inserting "and punishment" after "prosecution"; and

(B) by inserting "a hearing to determine a parole release date and" after "imposed,".

(c) Section 4215 of title 18 of the United States Code is amended—

(1) so that the heading of such section reads as follows:

"§ 4215. Appeal";

(2) in subsection (a)—

(A) in the first sentence—

(i) by striking out "have the decision reconsidered" and inserting in lieu thereof "appeal such decision"; and

(ii) by striking out "regional commissioner" and inserting in lieu thereof "National Appeal Board"; and

(B) by striking out the second sentence; and

(3) in subsection (b), by striking out the first sentence.

(d) The table of sections at the beginning of chapter 311 of title 18 of the United States Code is amended so that the item relating to section 4215 reads as follows:

"4215. Appeal.".

EFFECTIVE DATES

SEC. 1409. (a) Except as provided in subsection (b), this chapter and the amendments made by this chapter shall take effect 30 days after the date of enactment of this joint resolution.

(b) Sections 1402, 1403, 1404, and 1407 of this chapter shall take effect on October 1, 1984.

CONFORMING AMENDMENT

Section 1410.

Section 3150(a) of title 18 U.S.C. is amended by striking out "the general fund of".

CHAPTER XV—TRADEMARK COUNTERFEITING

SEC. 1501. This chapter may be cited as the "Trademark Counterfeiting Act of 1984".

TITLE 18 AMENDMENT

SEC. 1502. (a) Chapter 113 of title 18 of the United States Code is amended by adding at the end the following:

"§ 2320. Trafficking in counterfeit goods or services

"(a) Whoever intentionally traffics or attempts to traffic in goods or services and knowingly uses a counterfeit mark on or in connection with such goods or services shall, if an individual, be fined not more than $250,000 or imprisoned not more than five years, or both, and, if a person other than an individual, be fined not more than $1,000,000. In the case of an offense by a person under this section that occurs after that person is convicted of another offense under this section, the person convicted, if an individual, shall be fined not more than $1,000,000 or imprisoned not more than fifteen years, or both, and if other than an individual, shall be fined not more than $5,000,000.

"(b) Upon a determination by a preponderance of the evidence that any articles in the possession of a defendant in a prosecution under this section bear counterfeit marks, the United States may obtain an order for the destruction of such articles.

"(c) All defenses, affirmative defenses, and limitations on remedies that would be applicable in an action under the Lanham Act shall be applicable in a prosecution under this section. In a prosecution under this section, the defendant shall have the burden of proof, by a preponderance of the evidence, of any such affirmative defense.

"(d) For the purposes of this section—

"(1) the term 'counterfeit mark' means—

"(A) a spurious mark—

"(i) that is used in connection with trafficking in goods or services;

"(ii) that is identical with, or substantially indistinguishable from, a mark registered for those goods or services on the principal register in the United States Patent and Trademark Office and in use, whether or not the defendant knew such mark was so registered; and

"(iii) the use of which is likely to cause confusion, to cause mistake, or to deceive; or

"(B) a spurious designation that is identical with, or substantially indistinguishable from, a designation as to which the remedies of the Lanham Act are made available by reason of section 110 of the Olympic Charter Act;

but such term does not include any mark or designation used in connection with goods or services of which the manufacturer or producer was, at the time of the manufacture or production in question authorized to use the mark or designation for the type of goods or services so manufactured or produced, by the holder of the right to use such mark or designation;

"(2) the term 'traffic' means transport, transfer, or otherwise dispose of, to another, as consideration for anything of value, or make or obtain control of with intent so to transport, transfer, or dispose of;

"(3) the term 'Lanham Act' means the Act entitled 'An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes', approved July 5, 1946 (15 U.S.C. 1051 et seq.); and

"(4) the term 'Olympic Charter Act' means the Act entitled 'An Act to incorporate the United States Olympic Association', approved September 21, 1950 (36 U.S.C. 371 et seq.).".

(b) The table of sections at the beginning of chapter 113 of title 18 of the United States Code is amended by adding at the end the following new item:

"2320. Trafficking in counterfeit goods or services.".

LANHAM ACT AMENDMENT

SEC. 1503. The Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes", approved July 5, 1946 (15 U.S.C. 1051 et seq.) is amended—

(1) in section 34 (15 U.S.C. 1116)—

(A) by designating the first paragraph as subsection (a);

(B) by designating the second paragraph as subsection (b);

(C) by designating the third paragraph as subsection (c); and

(D) by adding at the end the following:

"(d)(1)(A) In the case of a civil action arising under section 32(1)(a) of this Act (15 U.S.C. 1114) or section 110 of the Act entitled 'An Act to incorporate the United States Olympic Association', approved September 21, 1950 (36 U.S.C. 380) with respect to a violation that consists of using a counterfeit mark in connection with the sale, offering for sale, or distribution of goods or services, the court may, upon ex parte application, grant an order under subsection (a) of this section pursuant to this subsection providing for the seizure of goods and counterfeit marks involved in such violation and the means of making such marks, and records documenting the manufacture, sale, or receipt of things involved in such violation.

"(B) As used in this subsection the term 'counterfeit mark' means—

"(i) a counterfeit of a mark that is registered on the principal register in the United States Patent and Trademark Office for such goods or services sold, offered for sale, or distributed and that is in use, whether or not the person against whom relief is sought knew such mark was so registered; or

"(ii) a spurious designation that is identical with, or substantially indistinguishable from, a designation as to which the remedies of this Act are made available by reason of section 110 of the Act entitled 'An Act to incorporate the United States Olympic Association', approved September 21, 1950 (36 U.S.C. 380);

but such term does not include any mark or designation used in connection with goods or services of which the manufacturer or producer was, at the time of the manufacture or production in question authorized to

use the mark or designation for the type of goods or services so manufactured or produced, by the holder of the right to use such mark or designation.

"(2) The court shall not receive an application under this subsection unless the applicant has given such notice of the application as is reasonable under the circumstances to the United States attorney for the judicial district in which such order is sought. Such attorney may participate in the proceedings arising under such application if such proceedings may affect evidence of an offense against the United States. The court may deny such application if the court determines that the public interest in a potential prosecution so requires.

"(3) The application for an order under this subsection shall—

"(A) be based on an affidavit or the verified complaint establishing facts sufficient to support the findings of fact and conclusions of law required for such order; and

"(B) contain the additional information required by paragraph (5) of this subsection to be set forth in such order.

"(4) The court shall not grant such an application unless—

"(A) the person obtaining an order under this subsection provides the security determined adequate by the court for the payment of such damages as any person may be entitled to recover as a result of a wrongful seizure or wrongful attempted seizure under this subsection; and

"(B) the court finds that it clearly appears from specific facts that—

"(i) an order other than an ex parte seizure order is not adequate to achieve the purposes of section 32 of this Act (15 U.S.C. 1114);

"(ii) the applicant has not publicized the requested seizure;

"(iii) the applicant is likely to succeed in showing that the person against whom seizure would be ordered used a counterfeit mark in connection with the sale, offering for sale, or distribution of goods or services;

"(iv) an immediate and irreparable injury will occur if such seizure is not ordered;

"(v) the matter to be seized will be located at the place identified in the application;

"(vi) the harm to the applicant of denying the application outweighs the harm to the legitimate interests of the person against whom seizure would be ordered of granting the application; and

"(vii) the person against whom seizure would be ordered, or persons acting in concert with such person, would destroy, move, hide, or otherwise make such matter inaccessible to the court, if the applicant were to proceed on notice to such person.

"(5) An order under this subsection shall set forth—

"(A) the findings of fact and conclusions of law required for the order;

"(B) a particular description of the matter to be seized, and a description of each place at which such matter is to be seized;

"(C) the time period, which shall end not later than seven days after the date on which such order is issued, during which the seizure is to be made;

"(D) the amount of security required to be provided under this subsection; and

"(E) a date for the hearing required under paragraph (10) of this subsection.

"(6) The court shall take appropriate action to protect the person against whom an order under this subsection is directed from publicity, by or at the behest of the plaintiff, about such order and any seizure under such order.

"(7) Any materials seized under this subsection shall be taken into the custody of the court. The court shall enter an appropriate protective order with respect to discovery by the applicant of any records that have been seized. The protective order shall provide for appropriate procedures to assure that confidential information contained in such records is not improperly disclosed to the applicant.

"(8) An order under this subsection, together with the supporting documents, shall be sealed until the person against whom the order is directed has an opportunity to contest such order, except that any person against whom such order is issued shall have access to such order and supporting documents after the seizure has been carried out.

"(9) The court shall order that a United States marshal or other law enforcement officer is to serve a copy of the order under this subsection and then is to carry out the seizure under such order. The court shall issue orders, when appropriate, to protect the defendant from undue damage from the disclosure of trade secrets or other confidential information during the course of the seizure, including, when appropriate, orders restricting the access of the applicant (or any agent or employee of the applicant) to such secrets or information.

"(10)(A) The court shall hold a hearing, unless waived by all the parties, on the date set by the court in the order of seizure. That date shall be not sooner than ten days after the order is issued and not later than fifteen days after the order is issued, unless the applicant for the order shows good cause for another date or unless the party against whom such order is directed consents to another date for such hearing. At such hearing the party obtaining the order shall have the burden to prove that the facts supporting findings of fact and conclusions of law necessary to support such order are still in effect. If that party fails to meet that burden, the seizure order shall be dissolved or modified appropriately.

"(B) In connection with a hearing under this paragraph, the court may make such orders modifying the time limits for discovery under the Rules of Civil Procedure as may be necessary to prevent the frustration of the purposes of such hearing.

"(11) A person who suffers damage by reason of a wrongful seizure under this subsection has a cause of action against the applicant for the order under which such seizure was made, and shall be entitled to recover such relief as may be appropriate, including damages for lost profits, cost of materials, loss of good will, and punitive damages in instances where the seizure was sought in bad faith, and, unless the court finds extenuating circumstances, to recover a reasonable attorney's fee. The court in its discretion may award prejudgment interest on relief recovered under this paragraph, at an annual interest rate established under section 6621 of the Internal Revenue Code of 1954, commencing on the date of service of the claimant's pleading setting forth the claim under this paragraph and ending on the date such recovery is granted, or for such shorter time as the court deems appropriate.";

(2) in section 35 (15 U.S.C. 1117)—

(A) by inserting "(a)" before "When"; and

(B) by adding at the end the following new subsection:

"(b) In assessing damages under subsection (a), the court shall, unless the court finds extenuating circumstances, enter judgment for three times such profits or damages, whichever is greater, together with a reasonable attorney's fee, in the case of any violation of section 32(1)(a) of this Act (15 U.S.C. 1114(1)(a)) or section 110 of the Act entitled 'An Act to incorporate the United States Olympic Association', approved September 21, 1950 (36 U.S.C. 380) that consists of intentionally using a mark or designation, knowing such mark or designation is a counterfeit mark (as defined in section 34(d) of this Act (15 U.S.C. 1116(d)), in connection with the sale, offering for sale, or distribution of goods or services. In such cases, the court may in its discretion award prejudgment interest on such amount at an annual interest rate established under section 6621 of the Internal Revenue Code of 1954, commencing on the date of the service of the claimant's pleadings setting forth the claim for such entry and ending on the date such entry is made, or for such shorter time as the court deems appropriate."; and

(3) in section 36 (15 U.S.C. 1118), by adding at the end of such section "The party seeking an order under this section for destruction of articles seized under section 34(d) (15 U.S.C. 1116(d)) shall give ten days' notice to the United States attorney for the judicial district in which such order is sought (unless good cause is shown for lesser notice) and such United States attorney may, if such destruction may affect evidence of an offense against the United States, seek a hearing on such destruction or participate in any hearing otherwise to be held with respect to such destruction.".

CHAPTER XVI—CREDIT CARD FRAUD

SEC. 1601. This chapter may be cited as the "Credit Card Fraud Act of 1984".

SEC. 1602. (a) Chapter 47 of title 18 of the United States Code is amended by adding at the end thereof the following:

"§ 1029. Fraud and related activity in connection with access devices

"(a) Whoever—

"(1) knowingly and with intent to defraud produces, uses, or traffics in one or more counterfeit access devices;

"(2) knowingly and with intent to defraud traffics in or uses one or more unauthorized access devices during any one-year period, and by such conduct obtains anything of value aggregating $1,000 or more during that period;

"(3) knowingly and with intent to defraud possesses fifteen or more devices which are counterfeit or unauthorized access devices; or

"(4) knowingly, and with intent to defraud, produces, traffics in, has control or custody of, or possesses device-making equipment;

shall, if the offense affects interstate or foreign commerce, be punished as provided in subsection (c) of this section.

"(b)(1) Whoever attempts to commit an offense under subsection (a) of this section shall be punished as provided in subsection (c) of this section.

"(2) Whoever is a party to a conspiracy of two or more persons to commit an offense under subsection (a) of this section, if any of the parties engages in any conduct in furtherance of such offense, shall be fined an amount not greater than the amount provided as the maximum fine for such offense under subsection (c) of this section or imprisoned not longer than one-half the period provided as the maximum imprisonment for such offense under subsection (c) of this section, or both.

"(c) The punishment for an offense under subsection (a) or (b)(1) of this section is—

"(1) a fine of not more than the greater of $10,000 or twice the value obtained by the offense or imprisonment for not more than ten years, or both, in the case of an offense under subsection (a)(2) or (a)(3) of this section which does not occur after a conviction for another offense under either such subsection, or an attempt to commit an offense punishable under this paragraph;

"(2) a fine of not more than the greater of $50,000 or twice the value obtained by the offense or imprisonment for not more than fifteen years, or both, in the case of an offense under subsection (a)(1) or (a)(4) of this section which does not occur after a conviction for another offense under either such subsection, or an attempt to commit an offense punishable under this paragraph; and

"(3) a fine of not more than the greater of $100,000 or twice the value obtained by the offense or imprisonment for not more than twenty years, or both, in the case of an offense under subsection (a) of this section which occurs after a conviction for another offense under such subsection, or an attempt to commit an offense punishable under this paragraph.

"(d) The United States Secret Service shall, in addition to any other agency having such authority, have the authority to investigate offenses under this section. Such authority of the United States Secret Service shall be exercised in accordance with an agreement which shall be entered into by the Secretary of the Treasury and the Attorney General.

"(e) As used in this section—

"(1) the term 'access device' means any card, plate, code, account number, or other means of account access that can be used, alone or in conjunction with another access device, to obtain money, goods, services, or any other thing of value, or that can be used to initiate a transfer of funds (other than a transfer originated solely by paper instrument);

"(2) the term 'counterfeit access device' means any access device that is counterfeit, fictitious, altered, or forged, or an identifiable component of an access device or a counterfeit access device;

"(3) the term 'unauthorized access device' means any access device that is lost, stolen, expired, revoked, canceled, or obtained with intent to defraud;

"(4) the term 'produce' includes design, alter, authenticate, duplicate, or assemble;

"(5) the term 'traffic' means transfer, or otherwise dispose of, to another, or obtain control of with intent to transfer or dispose of; and

"(6) the term 'device-making equipment' means any equipment, mechanism, or impression designed or primarily used for making an access device or a counterfeit access device.

"(f) This section does not prohibit any lawfully authorized investigative, protective, or intelligence activity of a law enforcement agency of the United States, a State, or a political subdivision of a State, or a political subdivision of a State, or of an intelligence agency of the United States, or any activity authorized under title V of the Organized Crime Control Act of 1970 (18 U.S.C. note perc. 3481).".

(b) The table of sections at the beginning of chapter 47 of title 18 of the United States Code is amended by adding at the end the following new items:

"1029. Fraud and related activity in connection with access devices.".

SEC. 1603. The Attorney General shall report to the Congress annually, during the first three years following the date of the enactment of this joint resolution, concerning prosecutions under the section of title 18 of the United States Code added by this chapter.

CHAPTER XVII—SALARIES OF UNITED STATES ATTORNEYS

SEC. 1701. (a) Section 548 of title 28, United States Code, is amended to read as follows:

"§ 548. Salaries

"Subject to sections 5315 through 5317 of title 5, the Attorney General shall fix the annual salaries of United States attorneys, assistant United States attorneys, and attorneys appointed under section 543 of this title at rates of compensation not in excess of the rate of basic compensation provided for Executive Level IV of the Executive Schedule set forth in section 5315 of title 5, United States Code.".

(b) Section 5315 of title 5, United States Code, is amended by striking out the items relating to the United States Attorney for the Southern District of New York, the United States Attorney for the District of Columbia, the United States Attorney for the Northern District of Illinois, and the United States Attorney for the Central District of California.

CHAPTER XVIII—ARMED CAREER CRIMINAL

SEC. 1801. This chapter may be cited as the "Armed Career Criminal Act of 1984".

SEC. 1802. Section 1202(a) of title VII of the Omnibus Crime Control and Safe Streets Act of 1968 (18 U.S.C. App. 1202(a)) is amended by adding at the end "In the case of a person who receives, possesses, or transports in commerce or affecting commerce any firearm and who has three previous convictions by any court referred to in paragraph (1) of this subsection for robbery or burglary, or both, such person shall be fined not more than $25,000 and imprisoned not less than fifteen years, and, notwithstanding any other provision of law, the court shall not suspend the sentence of, or grant a probationary sentence to, such person with respect to the conviction under this subsection, and such person shall not be eligible for parole with respect to the sentence imposed under this subsection.".

SEC. 1803. Section 1202(c) of title VII of the Omnibus Crime Control and Safe Streets Act of 1968 (18 U.S.C. App. 1202(c)) is amended—

(1) by striking out the period at the end of paragraph (7) and inserting a semicolon in lieu thereof; and

(2) by adding at the end the following:

"(8) 'robbery' means any felony consisting of the taking of the property of another from the person or presence of another by force or violence, or by threatening or placing another person in fear that any person will imminently be subjected to bodily injury; and

"(9) 'burglary' means any felony consisting of entering or remaining surreptitiously within a building that is property of another with intent to engage in conduct constituting a Federal or State offense.".

CHAPTER XIX—CRIMINAL JUSTICE ACT REVISION

SEC. 1901. This chapter may be cited as the "Criminal Justice Act Revision of 1984".

Subsection (d) of section 3006A of title 18, United States Code, is amended—

(1) by striking out "$30" in paragraph (1) and inserting in lieu thereof "$60";

(2) by striking out "$20" in paragraph (1) and inserting in lieu thereof "$40";

(3) by striking out ", or such other hourly rate, fixed by the Judicial Council of the Circuit, not to exceed the minimum hourly scale established by a bar association for similar services rendered in the district" in paragraph (1);

(4) by striking out "$1,000" each place it appears in paragraph (2) and inserting in lieu thereof "$2,000";

(5) by striking out "$400" in paragraph (2) and inserting in lieu thereof "$800"; and

(6) by striking out "$250" in paragraph (2) and inserting in lieu thereof "$500".

CHAPTER XX—TERRORISM

PART A—HOSTAGE TAKING

SEC. 2001. This part may be cited as the "Act for the Prevention and Punishment of the Crime of Hostage-Taking".

SEC. 2002. (a) Chapter 55 of title 18 of the United States Code is amended by adding at the end the following new section:

"§1203. Hostage taking

"(a) Except as provided in subsection (b) of this section, whoever, whether inside or outside the United States, seizes or detains and threatens to kill, to injure, or to continue to detain another person in order to compel a third person or a governmental organization to do or abstain from doing any act as an explicit or implicit condition for the release of the person detained, or attempts to do so, shall be punished by imprisonment for any term of years or for life.

"(b)(1) It is not an offense under this section if the conduct required for the offense occurred outside the United States unless—

"(A) the offender or the person seized or detained is a national of the United States;

"(B) the offender is found in the United States; or

"(C) the governmental organization sought to be compelled is the Government of the United States.

"(2) It is not an offense under this section if the conduct required for the offense occurred inside the United States, each alleged offender and each person seized or detained are nationals of the United States, and each alleged offender is found in the United States, unless the governmental organization sought to be compelled is the Government of the United States.

"(c) As used in this section, the term 'national of the United States' has the meaning given such term in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)).".

(b) The table of sections at the beginning of chapter 55 of title 18 of the United States Code is amended by adding at the end the following new item:

"1203. Hostage taking.".

SEC. 2003. This part and the amendments made by this part shall take effect on the later of—

(1) the date of the enactment of this joint resolution; or

(2) the date the International Convention Against the Taking of Hostages has come into force and the United States has become a party to that convention.

PART B—AIRCRAFT SABOTAGE

SHORT TITLE

SEC. 2011. This part may be cited as the "Aircraft Sabotage Act".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2012. The Congress hereby finds that—

(1) the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (ratified by the United States on November 1, 1972) requires each contracting State to establish its jurisdiction over certain offenses affecting the safety of civil aviation;

(2) such offenses place innocent lives in jeopardy, endanger national security, affect domestic tranquility, gravely affect interstate and foreign commerce, and are offenses against the law of nations; and

(3) the purpose of this subtitle is to implement fully the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation and to expand the protection accorded to aircraft and related facilities.

SEC. 2013. (a) Section 31 of title 18, United States Code, is amended—

(1) in the first paragraph by—

(A) striking out "and" before the term "spare part" and inserting "and 'special aircraft jurisdiction of the United States'" after the term "spare part"; and

(B) striking out "Civil Aeronautics Act of 1938" and inserting in lieu thereof "Federal Aviation Act of 1958";

(2) by striking out "and" at the end of the third undesignated paragraph thereof;

(3) by striking the period at the end thereof and inserting in lieu thereof ";"; and

(4) by adding at the end thereof the following new paragraphs:

"'In flight' means any time from the moment all the external doors of an aircraft are closed following embarkation until the moment when any such door is opened for disembarkation. In the case of a forced landing the flight shall be deemed to continue until competent authorities take over the responsibility for the aircraft and the persons and property on board; and

"'In service' means any time from the beginning of preflight preparation of the aircraft by ground personnel or by the crew for a specific flight until twenty-four hours after any landing; the period of service shall, in any event, extend for the entire period during which the aircraft is in flight.".

(b) Section 32 of title 18, United States Code, is amended to read as follows:

"§ 32. Destruction of aircraft or aircraft facilities

"(a) Whoever willfully—

"(1) sets fire to, damages, destroys, disables, or wrecks any aircraft in the special aircraft jurisdiction of the United States or any civil aircraft used, operated, or employed in interstate, overseas, or foreign air commerce;

"(2) places or causes to be placed a destructive device or substance in, upon, or in proximity to, or otherwise makes or causes to be made unworkable or unusable or hazardous to work or use, any such aircraft, or any part or other materials used or intended to be used in connection with the operation of such aircraft, if such placing or causing to be placed or such making or causing to be made is likely to endanger the safety of any such aircraft;

"(3) sets fire to, damages, destroys, or disables any air navigation facility, or interferes by force or violence with the operation of such facility, if such fire, damaging, destroying, disabling, or interfering is likely to endanger the safety of any such aircraft in flight;

"(4) with the intent to damage, destroy, or disable any such aircraft, sets fire to, damages, destroys, or disables or places a destructive device or substance in, upon, or in proximity to, any appliance or structure, ramp, landing area, property, machine, or apparatus, or any facility or other material used, or intended to be used, in connection with the operation, maintenance, loading, unloading or storage of any such aircraft or any cargo carried or intended to be carried on any such aircraft;

"(5) performs an act of violence against or incapacitates any individual on any such aircraft, if such act of violence or incapacitation is likely to endanger the safety of such aircraft;

"(6) communicates information, knowing the information to be false and under circumstances in which such information may reasonably be believed, thereby endangering the safety of any such aircraft in flight; or

"(7) attempts to do anything prohibited under paragraphs (1) through (6) of this subsection;

shall be fined not more than $100,000 or imprisoned not more than twenty years or both.

"(b) Whoever willfully—

"(1) performs an act of violence against any individual on board any civil aircraft registered in a country other than the United States while such aircraft is in flight, if such act is likely to endanger the safety of that aircraft;

"(2) destroys a civil aircraft registered in a country other than the United States while such aircraft is in service or causes damage to such an aircraft which renders that aircraft incapable of flight or which is likely to endanger that aircraft's safety in flight;

"(3) places or causes to be placed on a civil aircraft registered in a country other than the United States while such aircraft is in service, a device or substance which is likely to destroy that aircraft, or to cause damage to that aircraft which renders that aircraft incapable of flight or which is likely to endanger that aircraft's safety in flight; or

"(4) attempts to commit an offense described in paragraphs (1) through (3) of this subsection;

shall, if the offender is later found in the United States, be fined not more than $100,000 or imprisoned not more than twenty years, or both.

"(c) Whoever willfully imparts or conveys any threat to do an act which would violate any of paragraphs (1) through (5) of subsection (a) or any of paragraphs (1) through (3) of subsection (b) of this section, with an apparent determination and will to carry the threat into execution shall be fined not more than $25,000 or imprisoned not more than five years, or both.".

(c) Section 101(38)(d) of the Federal Aviation Act of 1958 (49 U.S.C. 1301(38)(d)), relating to the definition of the term "special aircraft jurisdiction of the United States", is amended—

(1) in clause (i), by striking out "; or" and inserting in lieu thereof a semicolon;

(2) at the end of clause (ii), by striking out "and" and inserting in lieu thereof "or;" and

(3) by adding at the end thereof the following new clause:

"(iii) regarding which an offense as defined in subsection (d) or (e) of article I, section I of the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (Montreal, September 23, 1971) is committed if the aircraft lands in the United States with an alleged offender still on board; and".

SEC. 2014. (a)(1) Section 901 of the Federal Aviation Act of 1958 (49 U.S.C. 1471) is amended by adding at the end thereof the following new subsections:

"(c) Whoever imparts or conveys or causes to be imparted or conveyed false information, knowing the information to be false and under circumstances in which such information may reasonably be believed, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a crime prohibited by subsection (i), (j), (k), or (l) of section 902 of this Act, shall be subject to a civil penalty of not more than $10,000 which shall be recoverable in a civil action brought in the name of the United States.

"(d) Except for law enforcement officers of any municipal or State government or officers or employees of the Federal Government, who are authorized or required within their official capacities to carry arms, or other persons who may be so authorized under regulations issued by the Administrator, whoever while aboard, or while attempting to board, any aircraft in, or intended for operation in, air transportation or intrastate air transportation, has on or about his person or his property a concealed deadly or dangerous weapon, which is, or would be, accessible to such person in flight shall be subject to a civil penalty of not more than $10,000 which shall be recoverable in a civil action brought in the name of the United States.".

(2) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the side heading

"Sec 901. Civil penalties."

is amended by inserting at the end thereof:

"(c) Conveying false information.

"(d) Concealed weapons.".

(b) Section 901(a)(2) of the Federal Aviation Act of 1958 (49 U.S.C. 1471(a)(2)) is amended by inserting "penalties provided for in subsections (c) and (d) of this section or" after "Secretary of Transportation in the case of".

(c)(1) Section 902(l)(1) of the Federal Aviation Act of 1958 (49 U.S.C. 1472(l)(1) is amended by striking out "$1,000" and inserting in lieu thereof "$10,000".

(2) Section 902(l)(2) of the Federal Aviation Act of 1958 (49 U.S.C. 1472(l)(2)) is amended by striking out "$5,000" and inserting in lieu thereof "$25,000".

(d)(1) Section 902(m) of the Federal Aviation Act of 1958 (49 U.S.C. 1472(m)) is amended to read as follows:

"FALSE INFORMATION AND THREATS

"(m)(1) Whoever willfully and maliciously, or with reckless disregard for the safety of human life, imparts or conveys or causes to be imparted or conveyed false information, knowing the information to be false and under circumstances in which such information may reasonably be believed, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a felony prohibited by subsection (i), (j), (k), or (l) of this section, shall be fined not more than $25,000 or imprisoned not more than five years, or both.

"(2) Whoever imparts or conveys or causes to be imparted or conveyed any threat to do an act which would be a felony prohibited by subsection (i), (j), (k), or (l) of this section with an apparent determination and will to carry the threat into execution shall be fined not more than $25,000 or imprisoned not more than five years, or both.".

(2) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the side heading

"Sec. 902. Criminal penalties."

is amended by striking out

"(m) False information."

and inserting in lieu thereof

"(m) False information and threats.".

SEC. 2015. This part shall become effective on the date of the enactment of this joint resolution.

CHAPTER XXI—ACCESS DEVICES AND COMPUTERS

SEC. 2101. This chapter may be cited as the "Counterfeit Access Device and Computer Fraud and Abuse Act of 1984".

SEC. 2102. (a) Chapter 47 of title 18 of the United States Code as amended by chapter XVI of this joint resolution is further amended by adding at the end thereof the following:

"§ 1030. Fraud and related activity in connection with computers

"(a) Whoever—

"(1) knowingly accesses a computer without authorization, or having accessed a computer with authorization, uses the opportunity such access provides for purposes to which such authorization does not extend, and by means of such conduct obtains information that has been determined by the United States Government pursuant to an Executive order or statute to require protection against unauthorized disclosure for reasons of national defense or foreign relations, or any restricted data, as defined in paragraph r. of section 11 of the Atomic Energy Act of 1954, with the intent or reason to believe that such information so obtained is to be used to the injury of the United States, or to the advantage of any foreign nation;

"(2) knowingly accesses a computer without authorization, or having accessed a computer with authorization, uses the opportunity such access provides for purposes to which such authorization does not extend, and thereby obtains information contained in a financial record of a financial institution, as such terms are defined in the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401 et seq.), or contained in a file of a consumer reporting agency on a consumer, as such terms are defined in the Fair Credit Reporting Act (15 U.S.C. 1681 et seq.); or

"(3) knowingly accesses a computer without authorization, or having accessed a computer with authorization, uses the opportunity such access provides for purposes to which such authorization does not extend, and by means of such conduct knowingly uses, modifies, destroys, or discloses information in, or prevents authorized use of, such computer, if such computer is operated for or on behalf of the Government of the United States and such conduct affects such operation;

shall be punished as provided in subsection (c) of this section. It is not an offense under paragraph (2) or (3) of this subsection in the case of a person having accessed a computer with authorization and using the opportunity such access provides for purposes to which such access does not extend, if the using of such opportunity consists only of the use of the computer.

"(b)(1) Whoever attempts to commit an offense under subsection (a) of this section shall be punished as provided in subsection (c) of this section.

"(2) Whoever is a party to a conspiracy of two or more persons to commit an offense under subsection (a) of this section, if any of the parties engages in any conduct in furtherance of such offense, shall be fined an amount not greater than the amount provided as the maximum fine for such offense under subsection (c) of this section or imprisoned not longer than one-half the period provided as the maximum imprisonment for such offense under subsection (c) of this section, or both.

"(c) The punishment for an offense under subsection (a) or (b)(1) of this section is—

"(1)(A) a fine of not more than the greater of $10,000 or twice the value obtained by the offense or imprisonment for not more than ten years, or both, in the case of an offense under subsection (a)(1) of this section which does not occur after a conviction for another offense under such subsection, or an attempt to commit an offense punishable under this subparagraph; and

"(B) a fine of not more than the greater of $100,000 or twice the value obtained by the offense or imprisonment for not more than twenty years, or both, in the case of an offense under subsection (a)(1) of this section which occurs after conviction for another offense under such subsection, or an attempt to commit an offense punishable under this subparagraph; and

"(2)(A) a fine of not more than the greater of $5,000 or twice the value obtained or loss created by the offense or imprisonment for not more than one year, or both, in the case of an offense under subsection (a)(2) or (a)(3), of this section which does not occur after a conviction for another offense under such subsection, or an attempt to commit an offense punishable under this subparagraph; and

"(B) a fine of not more than the greater of $10,000 or twice the value obtained or loss created by the offense or imprisonment for not more than ten years, or both, in the case of an offense under subsection (a)(2) or (a)(3) of this section which occurs after a conviction for another offense under such subsection, or an attempt to commit an offense punishable under this subparagraph.

"(d) The United States Secret Service shall, in addition to any other agency having such authority, have the authority to investigate offenses under this section. Such authority of the United States Secret Service shall be exercised in accordance with an agreement which shall be entered into by the Secretary of the Treasury and the Attorney General.

"(e) As used in this section, the term 'computer' means an electronic, magnetic, optical, electrochemical, or other high speed data processing device performing logical, arithmetic, or storage functions, and includes any data storage facility or communications facility directly related to or operating in conjunction with such device, but such term does not include an automated typewriter or typesetter, a portable hand held calculator, or other similar device.".

(b) The table of sections at the beginning of chapter 47 of title 18 of the United States Code is amended by adding at the end the following new items:

1030. Fraud and related activity in connection with computers.".

SEC. 2103. The Attorney General shall report to the Congress annually, during the first three years following the date of the enactment of this joint resolution, concerning prosecutions under the sections of title 18 of the United States Code added by this chapter.

CHAPTER XXII

SEC. 2201. Notwithstanding this or any other Act regulating labor-management relations, each State shall have the authority to enact and enforce, as part of a comprehensive statutory system to eliminate the threat of pervasive racketeering activity in an industry that is, or over time has been, affected by such activity, a provision of law that applies equally to employers, employees, and collective bargaining representatives, which provision of law governs service in any position in a local labor organization which acts or seeks to act in that State as a collective bargaining representative pursuant to the National Labor Relations Act in the industry that is subject to that program.

CHAPTER XXIII

SEC. 2301. (a) Subsection (a) of section 1963 of title 18 of the United States Code, as amended by chapter III of this title, is further amended by adding at the end the following: "In lieu of a fine otherwise authorized by this section, a defendant who derives profits or other proceeds from an offense may be fined not more than twice the gross profits or other proceeds."

(b) Section 1963 of title 18 of the United States Code, as amended by chapter III of this title, is further amended by striking out subsection (d).

(c) Section 1963 (m)(1) of title 18 of the United States Code, as amended by chapter III of this title, is further amended by striking out "for at least seven successive court days".

(d) Section 413(a) of title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970, as amended by chapter III of this title, is further amended by adding at the end of the following: "In lieu of a fine otherwise authorized by this part, a defendant who derives profits or other proceeds from an offense may be fined not more than twice the gross profits or other proceeds."

(e) Section 413 of title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970, as amended by chapter III of this title, is further amended—

(1) by striking out subsection (d); and

(2) by redesignating subsections (e), (f), (g), (h), (i), (l), (m), (n), (o), and (p) as subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), and (o) respectively.

(f) Section 413(n) of title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970, as amended by chapter III of this title, and as so redesignated by this chapter, is further amended by striking out "for at least seven successive court days".

SEC. 2302. Part D of title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970, as amended by chapter III of this title and this chapter, is further amended by adding at the end the following new section:

"ALTERNATIVE FINE

"SEC. 415. In lieu of a fine otherwise authorized by this part, a defendant who derives profits or other proceeds from an offense may be fined not more than twice the gross profits or other proceeds.".

SEC. 2303. (a) Section 524 of title 28 of the United States Code, as amended by chapter III of this title, is further amended in subsection (c)(1)—

(1) by striking out "and" at the end of subparagraph (c);

(2) by striking out the period at the end of subparagraph (1) and inserting a semicolon in lieu thereof; and

(3) by inserting after subparagraph (D) the following:

"(E) for equipping for law enforcement functions of forfeited vessels, vehicles, and aircraft retained as provided by law for official use by the Drug Enforcement Adminis-

tration or the Immigration and Naturalization Service; and

"(F) for purchase of evidence of any violation of the Controlled Substances Act of the Controlled Substances Import and Export Act."

(b) Section 524 of title 28 of the United States Code; as amended by chapter III of this title, is further amended in subsection (c)—

(1) by inserting after paragraph (2) the following new paragraph:

"(3) Any amount under subparagraph (F) of subsection (c)(1) of this section shall be paid at the discretion of the Attorney General or his delegate, except that the authority to pay $100,000 or more may be delegated only to the respective head of the agency involved."; and

(2) by redesignating paragraphs (3) through (8) as (4) through (9) respectively.

SEC. 2304. Section 613(a) of the Tariff Act of 1930, as amended by chapter III of this title, is further amended—

(1) by striking out "and" at the end of subsection (a)(1);

(2) by striking out the period at the end of subsection (a)(2) and inserting a semicolon in lieu thereof;

(3) by inserting after paragraph (2) of subsection (a) the following:

"(3) for equipping for law enforcement functions of forfeited vessels, vehicles, and aircraft retained as provided by law for official use by the United States Customs Service; and

(4) purchases by the United States Customs Service for evidence (A) of smuggling of controlled substances, and (B) of violations of the currency and foreign transaction reporting requirements of chapter 53 of title 31, United States Code, if there is a substantial probability that the violation of these requirements are related to the smuggling of controlled substances";

(4) by inserting after subsection (a) the following:

"(b) If the expense of keeping the vessel, vehicle, aircraft, merchandise, or baggage is disproportionate to the value thereof, and such value is less than $1,000, such officer may proceed forthwith to order destruction or other appropriate disposition of such property, under regulations prescribed by the Secretary of the Treasury.

"(c) Amounts under subsection (a) of this section shall be available, at the discretion of the Commissioner of Customs, to reimburse the applicable appropriation for expenses incurred by the Coast Guard for a purpose specified in such subsection."; and

(5) by redesignating subsections (b) through (f) as subsections (d) through (h) respectively.

And the Senate agree to the same.

Amendment Numbered 160:

That the House recede from its disagreement to the amendment of the Senate numbered 160, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert the following:

TITLE III—PRESIDENT'S EMERGENCY FOOD ASSISTANCE ACT OF 1984

SHORT TITLE

SEC. 301. This title may be cited as the "President's Emergency Food Assistance Act of 1984".

PART A—PRESIDENT'S EMERGENCY FUND

FINDINGS

SEC. 302. The Congress finds that—

(1) acute food crises continue to cause loss of life, severe malnutrition, and general human suffering in many areas of the Third World, especially in sub-Saharan Africa;

(2) the United States continues to respond to these needs, as a reflection of its humanitarian concern for the people of the Third World, with emergency food and other necessary assistance to alleviate the suffering of those affected by severe food shortages;

(3) the timely provision of food and other necessary assistance to those in need is of paramount importance if the worst effects of such food crises are to be mitigated; and

(4) the ability of the United States to provide food and other necessary assistance on a timely basis, and to ensure that such assistance is distributed to those in need, should be enhanced in order to better enable the United States to help those affected by severe food shortages.

ESTABLISHMENT OF THE FUND

SEC. 303. (a) There is hereby established the President's Emergency Food Assistance Fund (hereafter in this title referred to as the "Fund"). Whenever the President determines it to be in the national interest of the United States, he is authorized to furnish, in accordance with the provisions of this part, and on such terms and conditions as he may determine, assistance from the Fund for the purpose of alleviating the human suffering of peoples outside the United States caused by acute food shortages. Such assistance may be provided through such governments or other entities, private or public, including intergovernmental and multilateral organizations, as the President deems appropriate.

(b) Because the effects of severe food shortages will vary with the country or region, assistance to alleviate human suffering may include the provision of food assistance or such activities as the provision of seed, animal fodder, animal vaccines, and transportation (including inland transportation) and distribution services.

(c) There are authorized to be appropriated to the President $50,000,000 each for fiscal year 1985 and fiscal year 1986 to carry out the purposes of this title, to remain available unitl expended.

(d) The President may make loans, advances, and grants to, make and perform agreements and contracts with, or enter into transactions with, any individual, corporation, or other body of persons, government or government agency, whether within or without the United States, and international and intergovernmental organizations in furtherance of the purposes and within the limitations of this title.

REPORTS

SEC. 304. Not later than December 31 of each year, the President shall submit a comprehensive report to the appropriate committees of Congress detailing all activities carried out under the authority of this title during the previous fiscal year.

PART B—FOOD FOR PEACE PROGRAM

TRANSPORTATION AND STORAGE

SEC. 305. Section 203 of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting after the semicolon at the end of clause (4) the following: "in the case of commodities for urgent and extraordinary relief requirements, including prepositioned commodities, transportation costs from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs;".

And the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 14.

JAMIE L. WHITTEN,
EDWARD P. BOLAND,
WILLIAM H. NATCHER,
NEAL SMITH
(except amendment Nos. 54, 66, etc.),
JOSEPH P. ADDABBO,
CLARENCE D. LONG,
SIDNEY R. YATES
(except amendment Nos. 32 and 38 relating to gun purchase),
EDWARD R. ROYBAL,
TOM BEVILL,
WILLIAM LEHMAN,
JULIAN C. DIXON,
VIC FAZIO,
W.G. HEFNER,
SILVIO O. CONTE
(except amendment No. 113),
JOSEPH M. MCDADE,
JACK EDWARDS,
JOHN T. MYERS
(except amendment No. 14),
J.K. ROBINSON,
LAWRENCE COUGHLIN,
Managers on the Part of the House.

TED STEVENS,
LOWELL P. WEICKER, JR.,
JAMES A. MCCLURE,
JAKE GARN,
THAD COCHRAN
(except amendment Nos. 25, 64, and 70),
MARK ANDREWS,
JAMES ABDNOR,
ROBERT W. KASTEN, JR.,
ALFONSE M. D'AMATO,
MACK MATTINGLY,
WARREN B. RUDMAN,
PETE V. DOMENICI,
JOHN C. STENNIS
(except amendment Nos. 25, 64, and 70),
ROBERT C. BYRD
(except amendment No. 25),
DANIEL K. INOUYE,
ERNEST F. HOLLINGS,
TOM EAGLETON,
LAWTON CHILES,
J. BENNETT JOHNSTON
(except amendment No. 25),
WALTER D. HUDDLESTON
(except amendment Nos. 25, 61, and 68),
QUENTIN N. BURDICK,
PATRICK J. LEAHY,
JIM SASSER,
DENNIS DECONCINI,
DALE BUMPERS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res 648) making continuing appropriations for the fiscal year 1985, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

Amendment No. 1: Restores heading of "Title I".

AGRICULTURE, RURAL DEVELOPMENT AND RELATED AGENCIES

Amendment No. 2: Provides that programs, projects, or activities provided for in the Agriculture, Rural Development, and Related Agencies Appropriation Act of 1985 (H.R. 5743) shall be available to the extent and in the manner provided for in the conference report and joint explanatory statement of the managers (H. Rept. 98-1071), filed in the House of Representatives on September 25, 1984, as if such Act had been enacted into law as proposed by the Senate. The House bill provided for a rate of operations based on the House passed bill.

The conferees point out that in connection with wood utilization research the word "center", which appears in the statement of the managers on the Agriculture Appropriation Bill, is a printing error and should be deleted from both House Report No. 98-1071 (p. 12) and Vol. 130 No. 122 of the CONGRESSIONAL RECORD (dated 9/25/84, p. H10020).

The conferees feel that labeling requirements for fruit or juice beverages should specifically address the need for separate consideration of beverages such as cranberry juice-based products. The proposed exemption to 21 CFR 102.33 for cranberry juice cocktail should be extended to include all cranberry juice/based beverages containing more than 15 percent cranberry juice.

The conferees have been advised that the Department of Agriculture acknowledges responsibility in connection with the second depopulation of a flock infected with avian flu located in the State of Pennsylvania. The conferees will expect the Department to proceed with the payment of this claim.

DISTRICT OF COLUMBIA

Amendment No. 3: Provides continuing authority for programs under the District of Columbia Appropriation Act at the rate of the conference agreement instead of the rate in the House-passed bill as proposed by the House or the rate in the Senate-passed bill as proposed by the Senate.

APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

Amendment No. 4: Section 101(c) of House Joint Resolution 648 provides appropriations for programs, projects, and activities provided for in the Department of the Interior and Related Agencies Appropriation Act, 1985. The House version of the joint resolution provides appropriations for programs, projects, or activities at a rate for operations and to the extent and in the manner provided for in H.R. 5973 as passed the House of Representatives on August 2, 1984. The Senate version of the joint resolution provides appropriations for these programs, projects, and activities at a rate for operations and to the extent and in the manner provided for in H.R. 5973 as passed by, or deemed as having been passed by, the Senate as of October 1, 1984.

The conference agreement on House Joint Resolution 648 incorporates some of the provisions of both the House and Senate versions of the Department of the Interior and Related Agencies Appropriation Act, 1985, and has the effect of enacting the Act into law. The language and allocations set forth in House Report 98-886 and Senate Report 98-578 shall be complied with unless specifically addressed to the contrary in this joint resolution and accompanying statement of the managers. The Department of the Interior and Related Agencies Appropriation Act, 1985, put in place by this joint resolution, incorporates the following agreements of the managers:

TITLE I—DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

Appropriates $393,849,000 instead of $364,444,000 as proposed by the House and $399,645,000 as proposed by the Senate.

The net decrease from the amount proposed by the Senate includes: increases of $1,000,000 for coal, for drilling and data-gathering; $500,000 for wilderness management; $1,150,000 for recreation resources; $1,000,000 for planning; $1,200,000 for cadastral survey—other states; $500,000 for recreation maintenance; and $404,000 for general administration—personnel and training; and decreases of $300,000 for oil shale and tar sands; $500,000 for desert land entries; $100,000 for support of Alaska cadastral survey; $1,500,000 for forest management (public domain); $8,000,000 for wild horses and burros; and $1,150,000 for Alaska cadastral survey.

The increases over the budget of $1,000,000 for reforestation and $500,000 for timber stand improvement on public domain lands will allow for start-up of this effort. The Committees intend to address further needs in this area next year. Within the amount provided for wildlife habitat, an increase of $1,000,000 is provided for threatened and endangered species. This restores the program to the 1984 level. The increase over the budget for soil and water includes $2,900,000 for water inventory and rights activities, $190,000 for two air quality studies, and $910,000 for improvements. The increase in the recreation program includes $150,000 for safety improvements in the Yaquina Head recreation area.

The $500,000 in oil and gas which had been proposed for reduction by the House and which has been restored, should be used for additional KGS determinations.

The managers have agreed to a wild horse and burro program level of $17,081,000. An increase of $11,00,000 over the budget has been provided to increase the FY1985 removal rate to 11,000 excess animals and to remove the approximately 6,142 excess animals budgeted for but not removed in fiscal years 1983 and 1984. The managers recognize that this is a controversial program and that, in spite of spending over $2,000,000 for studies over the past several years, there is still significant disagreement concerning how many animals are excess, what historic-levels were, and what is the current rate of reproduction. The managers have, therefore, included $1,000,000 for studies for the Bureau, through the National Academy of Sciences, to continue to develop data to answer these and other pertinent questions.

LAND ACQUISITION

Appropriates $2,750,000 instead of $4,500,000 as proposed by the House. The following table shows the allocation agreed to by the managers:

Acquisition management	$300,000
King Range National Conservation Area, CA	1,000,000
Upper Sacramento River, CA	1,000,000
Upper Missouri Wild and Scenic River, MI	300,000
Rio Grande Wild and Scenic River, NM	150,000
Total	2,750,000

The Second Supplemental Appropriations Act for fiscal year 1984 (Public Law 98-396) requires BLM to propose that a willing seller of more than 40 acres accept lands of comparable value and utility in exchange for lands proposed for acquisition. If the seller rejects such an exchange, the BLM may then purchase the lands. The managers expect that the BLM will be able to acquire more land using this process than through purchase only. If, using the process, the BLM does not need to use all of the funds allocated to each project shown above, the balances may be used to acquire additional lands in any of the projects listed above. Further, the managers have no objection to using excess balances to acquire areas for the Upper Colorado Will and Scenic River. The funds provided may also be used for cash equalization payments as authorized by Sections 205 and 206 of FLPMA.

OREGON AND CALIFORNIA GRANT LANDS

Appropriates $55,397,000 instead of $55,147,000 as proposed by the House and $55,647,000 as proposed by the Senate.

The increase over the amount proposed by the House is $250,000 for project survey and design of fish habitat improvement projects in western Oregon. The managers have agreed to consider additional fish habitat improvement project funding next year.

SPECIAL ACQUISITION OF LANDS AND MINERALS

Appropriates $15,000,000 as proposed by the Senate to purchase non-Federal coal deposits and other mineral interests and rights in the Cranberry Wilderness Area, West Virginia, as authorized by Public Law 97-466.

RANGE IMPROVEMENTS

Appropriates $10,000,000 as proposed by the Senate instead of $7,330,000 as proposed by the House. The managers have agreed to retain bill language concerning the grazing provisions. The managers agree that only the costs incurred by the permittees for the installation or maintenance of improvements on public land as called for or agreed to by BLM are to be used in the calculation.

SERVICE CHARGES, DEPOSITS, AND FORFEITURES

Bill language proposed by the House that would have required BLM to collect reasonable costs of rights of way studies has been deleted.

ADMINISTRATIVE PROVISIONS

The managers have modified language directing the BLM to complete a land exchange between the Oregon International Port of Coos Bay and the United States before the end of December 1984. Language is included to continue the withdrawal of 18,323 acres of public land in Churchill County, Nevada for use by the Navy.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

Appropriates $311,365,000 instead of $305,964,000 as proposed by the House and $307,119,000 as proposed by the Senate.

The net increase above the amount proposed by the House includes: increases of $500,000 for Chesapeake Bay cleanup activities; $5,000,000 for refuge resource threat mitigation; $500,000 for public use improvement programs; $1,000,000 for management of Alaska refuges; $385,000 to begin staffing and management at Tensas NWR; $325,000 to continue blackbird research at North Dakota State University; $200,000 to support research needs for the Lower Snake River Compensation Plan at the Hagerman research field station; $300,000 for the Per-

egrine falcon recovery program through the Peregrine Fund, Inc.; $50,000 for the Hawaiian forest bird recovery program; $400,000 to initiate operations at the Cape Charles NWR, Va.; $536,000 for the Fish and Wildlife Service to plan and monitor wildlife effects of the Des Plaines River, Illinois wetlands demonstration project; $100,000, to be matched by non-Federal funds, for the Service to develop a habitat conservation plan for North Key Largo, Florida, in conjunction with the Governor's Office; $250,000 to finance the fishery study described later, addressing hatchery needs and the appropriate Federal role; and $75,000 for Woodland Caribou recovery programs; and decreases of $500,000 for project investigations; $550,000 for the special wetland inventory study; $2,500,000 for acceleration of refuge rehabilitation projects; $300,000 in savings anticipated to occur as a result of shifting from an open fish feed diet to a closed diet as directed by the Senate; $120,000 for an evaluation of the Makah NFH; and $250,000 for endangered species law enforcement.

The managers agree that $250,000 is available for a wetlands inventory study, that earmarkings within each report are agreed to, unless countermanded by the conference report, that the LaCrosse research laboratory should conduct work beneficial to the Pacific Northwest, and that full-time equivalents ceiling needed to administer the programs for which funds are appropriated should be provided to the Service. This ceiling should not be provided at the expense of other ongoing programs administered by the Department. No funds are provided to continue operation of the Bend, Oregon and Olympia, Washington ADC research facilities. If beneficial to the Forest Service, those stations should be funded through the Forest Service. The managers agree that blackbird depredation of sunflower and rice crops is growing and expect the Service to include a proposal in the fiscal year 1986 request to develop direct control programs that will not be harmful to other populations and are effective in reducing blackbird populations. This program should be reviewed by the advisory commission established by the managers as proposed in the Senate report. The managers agree that the Service should not deduct overhead for ADC reimbursable work and that the Service should address the toxic waste problem at Crab Orchard NWR as proposed by the Senate.

The managers agree to continue operation of hatcheries funded in fiscal year 1984. The House Committee on Merchant Marine and Fisheries plans to hold hearings on legislation establishing a national fish production policy. The Service, whether in connection with those hearings or otherwise, should prepare a report on additional fish rearing plans and include in that report a comparative analysis of the costs of Service production to private or commercial production. In addition, the report should provide a list of potential new hatchery sites including an evaluation of the Nisqually Tribe hatchery, plans for the future production outputs from the Makah NFH, and an analysis of the effect of the *Boldt* case decisions, and the Salmon and Steelhead Enhancement Act on those hatcheries. In addition, the study should address other fishery issues including Atlantic salmon and striped bass recovery including the appropriate Federal role. That report should reflect public comment and be provided to the Committees in time for the fiscal year 1986 appropriation hearings.

Funds in the amount of $1,250,000 have been included for the international endangered species law enforcement and port inspection program. The managers are concerned that only 36 wildlife port inspectors are available for service at custom entry stations throughout the United States. At least twenty (20) additional law enforcement officers are needed to alleviate that problem and eliminate delays due to lack of staff. At least one additional FTE should be assigned to Puerto Rico and two assigned to O'Hare International Airport. No additional custom entry stations should be established if staffing at existing custom entry stations would be reduced as a result.

No funds are earmarked in the bill for refuge operation and maintenance, as was provided in the House bill language. The budget justifications for fiscal year 1986 and subsequent years should show, for each program, how much is included for regional and Washington office expenses, by function. The exact details are to be worked out with the Appropriations Committees. Language is continued permitting designation of critical habitat for Northern Rocky Mountain Wolf in Idaho only if coterminous with the boundaries of the Central Idaho Wilderness Areas, as established by Public Law 96-312.

The managers have included $50,000 for each of the following grizzly bear projects: the development of a state of the art compendium on research; a determination of the best grizzly bear habitat; an analysis of road access needs and the development of closure criteria; and an analysis of the impact of backcountry recreation on the grizzly. Revised bill language has been included concerning augmentation of bear populations and appropriate budget information to be provided. There is no need for the Service to provide further consideration this year of the issue of emergency supplemental feeding.

The amounts budgeted for grizzly bear programs in fiscal year 1985 are approved. The managers direct that each agency, bureau or organization funded by this Act shall submit a list of grizzly bear activities and the estimated fiscal year 1985 cost to the Committees on Appropriations no later than November 30, 1984.

The managers agree that not less than $3,300,000 for high priority projects within the scope of the approved budget shall be carried out by the Youth Conservaton Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408. The managers agree that, within available funds, $150,000 is to be provided to complete the Metropolitan River Corridor study and that the $390,000 provided for participation in the Western Hemisphere Convention is available for training and technical assistance projects.

CONSTRUCTION AND ANADROMOUS FISH

Appropriates $24,794,000 instead of $17,342,000 as proposed by the House and $23,329,000 as proposed by the Senate. The net increase above the amount proposed by the House includes: increases of $6,746,000 for Alaskan refuge construction, $3,000,000 for refuge resource threat mitigation, $450,000 for Bogue Chitto NWR, $2,500,000 for Tensas NWR, $406,000 for Ruby Lake NWR, and $950,000 for a wet laboratory replacement at Hagerman NFH; and decreases of $6,000,000 for the Nisqually Tribe hatchery, and $600,000 for facility design at Minnesota Valley NWR.

The managers direct the Service, using $430,000 available from planning and design funds provided in fiscal year 1981, to proceed expeditiously to complete the final engineering drawings and other preliminary activities required before funds can be obligated for construction of the Nisqually hatchery. The managers will consider additional appropriations together with the findings and conclusions of the hatchery production and fishery policy study provided for in the resource management account.

The $500,000 provided for an anadromous fish research center includes a minimum of $400,000 to complete the planning and design of the facility. If available, there is no objection to using up to $50,000 of funds provided for an assessment of East Coast anadromous fish research needs and $50,000 for site evaluation and selection for the anadromous fish research center on the Connecticut River in Massachusetts.

The managers also include language to permit use of funds to continue the striped bass study.

MIGRATORY BIRD CONSERVATION ACCOUNT

Appropriates $21,700,000 as an advance to this account instead of $9,000,000 as proposed by the House and $20,000,000 as proposed by the Senate.

The increase above the amount proposed by the House is $2,200,000 for Humboldt Bay, Calif., $3,000,000 for Ridgefield, Washington, and $7,500,000 for Anderson-Tully, Tenn. and Ark. The managers deleted bill language proposed by the Senate prohibiting condemnations in the Cache River, Ark. project.

LAND ACQUISITION

Appropriates $64,508,000 instead of $60,658,000 as proposed by the House and $58,308,000 as proposed by the Senate. The following table shows the allocation agreed to by the managers:

American Crocodile, FL	$5,000,000
Ash Meadows, NV	600,000
Bear Valley, OR	800,000
Karl Mundt, SD	300,000
Banks Lake, GA	608,000
Bogue Chitto, LA	3,000,000
Bon Secour, AL	3,000,000
California Condor, CA	4,000,000
Connecticut Coastal NWR, CT	1,500,000
Clear Creek Gambusia, TX	20,000
Coachella Valley, CA	5,000,000
Currituck NWR, NC	3,500,000
Florida Panther, FL	4,000,000
Great Dismal Swamp, NC and VA	1,500,000
Hawaii forest birds, HI	4,500,000
Key Deer, FL	2,500,000
Kirtland Warbler, MI	750,000
Kofa NWR, AZ	350,000
Lower Rio Grande Valley, NWR, TX	7,500,000
Lower Suwanee, FL	3,450,000
Masked Bobwhite, AZ	4,000,000
Moapa Dace, NY	800,000
Ozark big-eared bat, OK	100,000
Pahrump Killfish, NV	180,000
Parker River, MA (administrative site)	400,000
Cartegena and Tortuguero Lagoons, Puerto Rico	5,000,000
Trustom Pond, RI	650,000
Acquisition management	1,500,000
Total	$64,508,000

The managers agree that no conditions are attached to obligations of funds for acquisition of Nature Conservancy lands at Currituck NWR. This leaves current legal rights of access along the beach at the Monkey Island and Swan Island tracts and

retains the ability of the Fish and Wildlife Service to designate an emergency upland vehicle access corridor across the same tracts. The managers also approve exceeding the appraised value of each tract at Protection Island NWR by $225. The Service should consider the possibility of filing a Declaration of Taking of the Beach Club as a means of resolving that controversy at the earliest appropriate time. The bill also earmarks funds for acquisition at Connecticut Coastal NWR and provides that those funds will be available for obligation only upon enactment of authorizing legislation.

The managers expect that funds provided for acquisition of the two properties in Puerto Rico will be made available for acquisition for the Cartegena property first and that both properties will be staffed by Fish and Wildlife Service employees.

ADMINISTRATIVE PROVISIONS

The managers agree that the Service may acquire an aircraft by donation. The managers agree to not provide language regarding hunting on the Bosque del Apache NWR while Whooping Cranes are on the refuge. The Service and the state are expected to continue their efforts to provide adequate protection to the endangered Whooping Crane.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

Appropriates $625,365,000 instead of $629,344,000 as proposed by the House and $621,098,000 as proposed by the Senate.

The net decrease below the amount recommended by the House includes the following: increases of $500,000 for Apostle Island NL, $130,000 for Jean Lafitte NHP, $171,000 for the Anchorage and Fairbanks interagency visitor centers, $20,000 for the International Council of Monuments and Sites, and $350,000 for a cooperative maintenance agreement with the National Capital Children's Museum; and decreases of $1,150,000 for a cooperative maintenance agreement with the National Building Museum, $750,000 provided for the Park Police rookie class, $250,000 for Park Police operations at Gateway NRA, NY, to be funded, however, within available appropriations and $3,000,000 for unemployment compensation payments. The managers agree that a study of Park Police operations in Gateway and Golden Gate NRAs should be done. This study should evaluate the impact on park management of replacing the Park Police with park rangers with law enforcement certification, primarily addressing the safety and protection of park visitors and use and enjoyment of park resources, and on the comparative costs of providing the current level of protection by the Park Police and by park rangers with law enforcement certification. The managers agree that, of the $400,000 returned to the U.S. Park Police from the office of the Secretary protection activity, $250,000 shall be available for the budgeted request for Gateway NRA, NY, and that the remaining $150,000 shall be retained by the National Capital Region unit of the Park Police. Within available funds, $85,000 is to be made available to the town of Harpers Ferry, West Virginia for law enforcement assistance in accordance with the current or any future agreements signed by the National Park Service, and the towns of Harpers Ferry and Boliver.

Funds provided for maintenance at Delaware Water Gap NRA are for site restoration ($100,000) and fire and intrusion alarms ($50,000) and feasibility study and specifications for the Milford bicycle trail ($50,000).

The managers agree that further funding for the Mary McLeod Bethune NHS requires additional authorization and await additional authorization before providing additional funding.

The managers agree that not less than $3,400,000 for high priority projects within the scope of the approved budget shall be carried out by the Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408.

NATIONAL RECREATION AND PRESERVATION

Appropriates $11,338,000 instead of $11,690,000 as proposed by the House and $10,276,000 as proposed by the Senate. Reductions below the House amount are $102,000 for rivers and trails studies and $250,000 in grant administration.

HISTORIC PRESERVATION FUND

Appropriates $26,000,000 as proposed by the Senate instead of $27,000,000 as proposed by the House. The managers expect the National Park Service, in cooperation with the maritime preservation community and the National Trust for Historic Preservation, to conduct a survey of historic maritime resources, including those of the Service; recommend standards and priorities for the preservation of those resources; and recommend the appropriate Federal and private sector roles in addressing those priorities.

VISITOR FACILITY FUND

Appropriates $6,000,000 as proposed by the Senate instead of $6,400,000 as proposed by the House. The managers expect the Service to provide the National Park Foundation with adequate funds for the assistance provided to the Service in this program. The managers are hopeful that the Foundation can provide construction supervision and other services at savings for the Service.

CONSTRUCTION

Appropriates $113,716,000 instead of $109,375,000 as proposed by the House and $98,908,000 as proposed by the Senate.

The net increase above the amount proposed by the House includes decreases of $67,000 for Voyageurs NP, $142,000 for Cuyahoga Valley NRA, and $3,500,000 for Gulf Island NS, and increases of $1,530,000 for Buffalo NR, $3,500,000 for Cape Hatteras NS lighthouse rehabilitation and protection, $650,000 for Fort Jefferson NM utility systems, $825,000 for Harpers Ferry NHS water system, $530,000 for Jean Lafitte NHS, and project planning of $690,000 for Buffalo NR, of $75,000 for Fort Jefferson, and of $250,000 for New River Gorge NR. Within available planning funds, $600,000 it to be provided for design of a hotel replacement at Denali NP. The managers also recommend $28,000,000 to liquidate contract authority provided from the Highway trust fund to continue work on the Cumberland Gap NHS bypass tunnel.

The managers deleted the $8,500,000 proposed by the Senate to pave the Burr Trail and upgrade it into an all-weather, scenic highway linking the Utah towns of Boulder and Bullfrog. Construction funds were deleted in response to strenuous objections raised about potentially serious environmental problems.

Project proponents point to potentially significant benefits and the long history associated with proposals to upgrade the road. The managers are extremely sensitive to the environmental consequences of such construction.

To date, the National Park Service has not conducted an Environmental Assessment on this project. Therefore, in order to provide adequate information respecting environmental concerns, the managers have included $200,000, within available funds, for the National Park Service to conduct an Environmental Assessment. Public meetings are to be held, as appropriate. The National Park Service should transmit such an assessment, together with its recommendation, to the Committee by July 1, 1985.

LAND ACQUISITION AND STATE ASSISTANCE

Appropriates $150,220,000 instead of $175,000,000 as proposed by the House and $151,410,000 as proposed by the Senate. The following table shows the allocation agreed to by the managers.

Assistance to States:	
Matching grants	$73,319,000
Administrative expenses	1,681,000
Total, assistance to States	75,000,000
Federal acquisition:	
Acquisition management	7,060,000
Alaskan areas	500,000
Antietam NB	500,000
Big Cypress N. Pres	2,000,000
Biscayne NP	1,000,000
Chaco Culture NHP	1,000,000
Channel Islands NP	15,000,000
Chattahoochee River NRA	1,000,000
Chesapeake & Ohio Canal NHP	500,000
Cuyahoga Valley NRA	2,000,000
Delaware Water Gap NRA	1,800,000
Fort Frederica NM	300,000
FDR NHS	270,000
Golden Gate NRA	1,000,000
Gunnison NM (Black Canyon)	1,300,000
Indiana Dunes NL	1,375,000
Jean Lafitte NHP	3,000,000
Lower St. Croix WSR	500,000
Manassas NBP	3,000,000
Martin Luther King, Jr. NHS	500,000
Monocacy NB	1,500,000
New River Gorge NR	4,000,000
Obed WSR	500,000
Petersburg NB	1,550,000
Point Reyes NS	2,500,000
Rocky Mountain NP	1,000,000
St. Croix NSR	1,000,000
Salinas NM	500,000
Santa Monica Mountains NRA	8,165,000
Saratoga NHP	200,000
Theodore Roosevelt NHS (Sagamore Hill)	250,000
Valley Forge NHP	1,500,000
Voyageurs NP	1,000,000
War in the Pacific NHP	1,200,000
Deficiencies and relocations	1,750,000
Inholdings, emergency, recently authorized, and hardship acquisitions	5,000,000
Total, Federal acquisition	75,220,000
Total, land acquisition and State assistance	150,220,000

Funds provided for Golden Gate NRA are for areas in Marin County. The managers agree that the reduction from the House level for Cuyahoga Valley NRA is made

without prejudice. Approximately $3,800,000 remains available from prior year appropriations which, when combined with the $2,000,000 provided herein, will be sufficient to maintain the acquisition schedule for fiscal year 1985.

The managers have deleted language proposed by the Senate changing acquisition priorities at Channel Islands NP, California, and agree that the Santa Rosa Island acquisition project shall receive priority.

NATIONAL CAPITAL REGIONAL ARTS AND CULTURAL AFFAIRS

Appropriates $5,000,000 as proposed by the Senate instead of zero as proposed by the House.

Language proposed by the Senate establishing a grant program in support of artistic and cultural activities in the National Capital Region has been placed within the National Park Service rather than the Institute of Museum Services as proposed by the Senate.

The managers have agreed to forward fund this program, for a one-time, temporary, trial, so that eligible organizations will be able to submit applications and have such applications reviewed in the fiscal year prior to the year for which the grant funds are available. If effective, this trial may provide for a smooth transition from the existing funding method to this new program.

The managers agree that the amounts required for the contracts with Wolf Trap Farm Park and Ford's Theater shall be available from this account without regard to any other provisions which establish criteria for eligibility and requirements for an application and review process.

For fiscal year 1985, the managers have agreed to continue the practice of earmarking funds for specific organizations through the National Park Service and the Smithsonian Institution.

ILLINOIS AND MICHIGAN CANAL NATIONAL HERITAGE CORRIDOR

Appropriates $250,000 as proposed by the House.

JEFFERSON NATIONAL EXPANSION MEMORIAL COMMISSION

Appropriates $75,000 as proposed by the House.

ADMINISTRATIVE PROVISIONS

Deletes additional police type vehicles provided by the House for Park Police rookie class and permits BLM to provide the city of Boise, Idaho with land to replace land the city provided to the Peregrine Fund.

GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

Appropriates $420,664,000 instead of $417,448,000 as proposed by the House and $412,230,000 as proposed by the Senate.

The net increase above the amount proposed by the House includes: decreases of $500,000 for printing and distribution of maps, $700,000 for modernization of mapping technology, $500,000 for cartographic and geographic information, $2,000,000 for side-looking airborne radar, $1,779,000 for volcano hazard assessment, $1,443,000 for geologic framework, $750,000 for the world energy assessment program, $1,212,000 for the regional aquifer study, and $1,500,000 for the energy hydrology (coal) program; and increases of $600,000 for expenses related to recent volcano activity in Hawaii, $1,000,000 for ground failure and construction hazards, $2,500,000 for offshore geologic surveys, $9,000,000 for water resource research programs, and $500,000 in additional map receipts.

The managers recommend the following allocation of the funds provided for water resource research programs:

Water resource research institutes (sec. 104)	$6,210,000
Water research grants (sec. 105)	2,600,000
Administration	190,000
Total	9,000,000

The managers also recommend that the Federal coal hydrology program be budgeted in the Office of Surface Mining in subsequent fiscal years. It is also expected that the SLAR funds will be allocated within priority areas in a geographically balanced manner.

MINERALS MANAGEMENT SERVICE

Appropriates $166,818,000 for leasing and royalty management instead of $167,207,000 as proposed by the House and $166,992,000 as proposed by the Senate.

The decrease of $389,000 below the amount proposed by the House represents a reduction in General Support Services for special building and communications costs.

The managers agree that, within available funds, a grant of $50,000 shall be made to the Oil/Fisheries Group of Alaska, Inc., a non-profit corporation based in Anchorage, Alaska to assist in the mitigation of potential Outer Continental Shelf leasing conflicts between the petroleum and fisheries industries. The managers will monitor this effort to determine if it is a viable approach to resolving such conflicts well in advance of leasing activities.

The managers agree that no funds shall be deducted from Federal onshore mineral leasing receipts prior to their division and distribution pursuant to 30 U.S.C. 191, to offset the costs expended in the collection of Federal onshore mineral leasing receipts.

BUREAU OF MINES

Appropriates $138,734,000 for Mines and Minerals instead of $123,049,000 as proposed by the House and $138,184,000 as proposed by the Senate. Changes to the Senate amount include increases of $2,500,000 for respirable dust research to be carried on as part of the existing respirable dust program including the generic center program, $400,000 for research to mitigate the effects of subsidence on prime farmland in Illinois to be matched by non-federal funds and $500,000 for general administration. Reductions to the Senate amount include $500,000 for strategic and critical materials research; $700,000 for mineral assessment work in Alaska and $1,650,000 in the Mineral Institute program.

The $8,000,000 provided for the Mineral Institute program includes $4,650,000 to be divided equally among the 31 institutes; $350,000 for administration and $3,000,000 for a competitive research program among the institutes in the manner of the University Coal Research program administered by the Department of Energy's fossil research program. It is the managers' expectation that the research will be focused on the highest priority minerals problems.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

REGULATION AND TECHNOLOGY

Appropriates $76,625,000 for regulation and technology instead of $75,039,000 as proposed by the House and $76,025,000 as proposed by the Senate. Changes to the Senate amount include increases of $300,000 for inspector training and $300,000 for better management information systems.

ABANDONED MINE RECLAMATION FUND

Appropriates $303,001,000 for the abandoned mine reclamation fund instead of $307,031,000 as proposed by the House and $296,701,000 as proposed by the Senate. Changes to the House amount include reductions of $330,000 for staff at the Wilkes-Barre, Pennsylvania office and $3,700,000 for the Rural Abandoned Mine Program. The managers expect the Wilkes-Barre, Pa. office to be maintained at a level of 40 full-time equivalents. The amount provided for RAMP includes $6,300,000 for new starts.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

Appropriates $895,834,000 instead of $895,687,000 as proposed by the House and $875,117,000 as proposed by the Senate.

The net increase over the amount proposed by the Senate includes the following: increases of $200,000 for vocational education at the Phoenix Indian Boarding School; $150,000 for the school transportation formula; $1,550,000 for the Indian School equalization formula; $100,000 for equipment and program upgrading at the Southwestern Indian Polytechnic Institute; $500,000 for tribal courts; $410,000 for child welfare assistance, including $300,000 for Indian Child Welfare Act grants and $110,000 for the Solo Parent program; $302,000 for self-determination grants; $2,830,000 for the Navajo-Hopi settlement program; $146,000 for the Papago Skills Center; $73,000 for economic development; $61,000 related to the ADP transfer from Economic Development; $3,500,000 for forest development; $1,597,000 for wildlife and parks; $413,000 related to the ADP transfer from natural resources; $700,000 for litigation support; $500,000 for attorneys' fees; $798,000 for hunting and fishing rights; $100,000 for real estate services for the Miccosukee Tribe; $308,000 related to the ADP transfer from Trust Responsibilities; $2,169,000 for facilities management, including $180,000 for the Navajo Mountain school, $43,000 for the Sanostee School, $1,850,000 to restore the A-76 related reduction, and $96,000 related to the ADP transfer; $8,541,000 for ADP; $159,000 for program transfers related to ADP; and $500,000 for improvements to the finance system; and decreases of $13,000 for Johnson-O'Malley assistance; $1,037,000 related to the ADP transfer from Indian Services; $2,127,000 for forest inventories; and $1,713,000 for general administration.

The managers agree that the plan for gifted and talented students in BIA schools should be submitted to the Committees as soon as it is completed, with a budget request for its implementation. While the budget has not been decreased in relation to services for students of less than ¼ blood quantum, the managers agree that BIA must establish regulations to determine adequacy of service, and must also work with affected schools to resolve this situation, including establishment of cooperative schools, where appropriate. The budget request for fiscal year 1986 should be based only on those students eligible under current law. The allowance for ISEF includes $750,000 related to continued operation of a portion of the Sanostee School, including lump sum leave and severance pay. The managers agree that the established school attendance boundaries should be enforced beginning with the 1984-85 school year.

The increase of $500,000 for tribal courts is to meet the most pressing needs; however, BIA should ensure completion of the Court Improvement Plan, and include the necessary funds in its budget to implement the plan. The increase of $7,000,000 for law enforcement is to be distributed so as to bring all programs, including that proposed to be operated by the Nez Perce tribe, at least halfway to the "exemplary" level, while maintaining the program on the tribal priority system. The increase of $73,000 for economic development is to be combined with the increase of $212,000 in the budget under credit and financing, to allow a Buy-Indian contract for services to tribes who are developing business ventures which qualify for assistance under the Indian Finance Act and who request such services. No funds are provided for the economic development facilitators unit.

The increase over the budget for wildlife and parks is to be distributed as follows:

Tribe or group	*Increase*
Red Cliff, WI	+$203,000
Colville, WA	+110,000
Columbia River Intertribal Fish Commission	+522,000
Metlakatla, AK	+312,000
Lac du Flambeau, WI	+250,000
Quinault, WA	+100,000
Mescalero, AZ	+15,000
Nez Perce	+162,000
Western Washington tribes:	
Fisheries:	
Hoh	+8,000
Makah	+11,000
Muckleshoot	+6,000
Nooksack	+12,000
NWIFC	+35,000
Point-No-Point	+19,000
Puyallup	+37,000
Quileute	+23,000
Quinault	+21,000
Skagit System Coop	+41,000
Squaxin Island	+27,000
Stilliquamish	+57,000
Tulalip	+86,000
Hatchery O&M:	
Lummi	+24,000
Makah	+15,000
Muckleshoot	+2,000
Quileute	+4,000
Quinault	+17,000
Skagit System Coop	+9,000
Suquamish	+17,000
Tulalip	+29,000
Subtotal, Western Washington	+500,000
Total, wildlife and parks	+2,174,000

The increase for litigation support shall include, but not necessarily be limited to, the San Juan River and Little Colorado River cases. In the hunting and fishing rights activity, total increases of $148,000 for the Klamath, OR tribal conservation program and $1,000,000 for the Great Lakes Indian Fish Commission are included, to include $350,000 from the undistributed funds in Central Office.

In the road maintenance activity, $360,000 should be provided for seal coating of Bureau roads paved with Highway Trust Funds (HTF). Future budget requests should include the amount required to seal roads constructed in the past with BIA funds as well as those built with HTF monies. Within forestry, $370,000 should be provided for rehabilitation of the Menominee Forest. No funds beyond those specifically identified in the budget should be used for P.L. 93-638 contract oversight or monitoring costs.

The managers agree that $20,000,000 shall be available for the Bureau's automatic data processing system (ADP). The funds shall be derived as follows:

Budget request for ADP Services	$3,115,000
Education MIS	790,000
Transfers from programs (as detailed in appeal statement)	4,995,000
Finance/payroll system	1,000,000
Indian priority system	100,000
Congressional increase	10,000,000
Total	20,000,000

The managers have agreed to bill language which provides permanent authority for a number of activities routinely included in annual appropriations bills.

$55,706,000 is earmarked for higher education and Johnson-O'Malley funds instead of $55,693,000 as proposed by the House and $55,719,000 as proposed by the Senate. The increase over the amount proposed by the House is for the Johnson-O'Malley program.

$2,830,000 is earmarked for the Navajo and Hopi Settlement program rather than $3,830,000 as proposed by the House and zero as proposed by the Senate.

Language proposed by the House limiting automatic data processing (ADP) expenditures has been deleted. The managers, however, expect expenditures for ADP to remain within the $20,000,000 provided for this purpose. Any additional expenditures shall require Committee approval. The Bureau shall also report to the Committees on indirect ADP expenditures (those costs covered through Bureau contracts), so that the total cost of the ADP program is available for review. The managers direct that the BIA continue to provide quarterly reports on ADP operations.

Language is included terminating general assistance payments in Alaska; and establishing standards for all Bureau general assistance programs beginning September 30, 1985.

Language is included establishing a one year moratorium on new contract school starts. The managers agree that the current Bureau position of having to enter into a contract for a new school whenever so requested by a tribe is unacceptable. Standards must be established and regulations adopted to address the concerns which have been expressed in this area.

Language proposed by the Senate regarding the Mt. Edgecumbe Boarding School has been deleted as this provision was included in the fiscal year 1984 supplemental appropriation bill.

CONSTRUCTION

Appropriates $109,686,000 instead of $103,124,000 as proposed by the House and $104,243,000 as proposed by the Senate.

The increase over the amount provided by the Senate includes: $5,000,000 for facilities improvement and repair and $443,000 for the La Push Ocean Park Resort, WA.

The managers agree with the directives regarding the facilities improvement and repair program in the House and Senate reports, with the following clarification: no funds in excess of $1,500,000 may be spent on a single repair project without the consent of the Committees on Appropriations. Smaller projects grouped together which exceed this amount do not require Committee approval.

No funds are to be used for a feasibility study on the proposed Ganado II dam.

Within available unobligated balances, up to $200,000 should be used to continue design of the next schools on the construction priority list.

To assist with an equitable distribution of HIP funds, $160,000 is earmarked to obtain a workable, valid and consistent Indian housing inventory. Resident training counseling funds available to the University of Wisconsin through a BIA contract may be used to support HUD funded trainers as well as HIP coordinators.

The managers agree that facility improvement and repair funds may be used to demolish buildings at the Sanostee school which are eventually found to be unsafe, but only after negotiations with the tribe are completed.

ROAD CONSTRUCTION

Appropriates $6,000,000 instead of $1,000,000 as proposed by the House and $5,000,000 as proposed by the Senate. The increase over the amount proposed by the Senate is for the Pushmataha Indian Road, OK.

WHITE EARTH BAND OF CHIPPEWA INDIANS TRUST FUND

Appropriates no money for deposit into the White Earth Band Economic Development Fund instead of $3,500,000 as proposed by the Senate.

TRIBAL TRUST FUNDS

Language proposed by the Senate to provide permanent authority for tribal trust funds has been included.

REVOLVING FUND FOR LOANS

$18,600,000 is provided for direct loans as proposed by the Senate instead of $16,100,000 as proposed by the House.

ADMINISTRATIVE PROVISIONS

Language has been included making permanent a number of provisions routinely carried in previous annual Interior appropriation bills.

Language proposed by he House requiring forward funding of educational programs has been deleted. The managers understand that the Bureau has established an earlier date for the official "count week" so that funds should be made available to schools in a more timely manner. Language proposed by the Senate regarding employees not subject to Indian preference has been deleted. Language proposed by the Senate regarding the use of funds collected for quarters rental has been deleted from this section and included under Title III, General Provisions.

Language proposed by the Senate requiring the Secretary to hire 28 employees of the Flathead Irrigation Project has been included. The managers agree that there is no budgetary impact of this provision as the employees will be paid from collections of the project.

Language proposed by the Senate prohibiting the use of funds to implement new legislative provisions in education has been included. The managers agree that the budget is based on current law and time is required to review the impact of legislative changes made after the beginning of the school year.

TERRITORIAL AND INTERNATIONAL AFFAIRS

ADMINISTRATION OF TERRITORIES

Appropriates $76,554,000 instead of $76,954,000 as proposed by the House and $77,170,000 as proposed by the Senate.

The net decrease from the amount proposed by the Senate consists of increases of $484,000 for American Samoa, and

$1,000,000 for technical assistance; and decreases of $500,000 for the Northern Marianas hospital; $1,500,000 for Virgin Islands financial planning assistance; and $100,000 for the Office of Territorial and International Affairs.

The increase provided for American Samoa includes $800,000 for the cost of living increase, $2,000,000 for the marine railway, $1,500,000 for relocation of government offices, and $1,000,000 for home mortgage loans.

A total of $5,000,000 has been provided for technical assistance. The managers are aware of a number of needs that have been identified which can be funded within this increased level. These include, but are not limited to, planning assistance for the St. Croix, V.I., airport runway; financial planning assistance for the Virgin Islands; hospital staffing, training, and planning assistance for the Northern Marianas and Marshall Islands; power plant maintenance for Palau; boundary surveys in Palau; additional costs for financial management systems; and outside expert review of the Enewetak planting program.

The managers agree that the $500,000 grant to the College of the Virgin Islands must be matched by $250,000 from other, non-Federal funds.

Bill language proposed by the Senate regarding the use of funds for the Northern Marianas hospital is included.

TRUST TERRITORY OF THE PACIFIC ISLANDS

Appropriates $100,811,000 instead of $118,225,000 as proposed by the House and $97,611,000 as proposed by the Senate.

The net increase from the amount proposed by the Senate includes: increases of $850,000 for pre-1982 medical referral liabilities; $55,000 for cost-of-living increase for the Marshall Islands; $900,000 for a fuel tank farm in Kosrae; $4,000,000 for capitol relocation, Federated States of Micronesia (FSM); $1,914,000 for Bikini cleanup studies; and decreases of $1,683,000 for FSM cost-of-living; $156,000 for Palau cost-of-living; $180,000 for Palau sewer system; and $2,500,000 for prior service benefits.

The $4,000,000 provided for FSM capital relocation is for the first year of phased funding of a total estimated cost of $13,400,000. The managers remain committed to providing funds for capitol relocation for the Marshall Islands and Palau, pending review of the plans for these facilities. The managers will also consider funding for the new hospital in Palau, after review of the plans.

Instead of providing funds for prior service benefits at this time, the managers reiterate the request contained in the House report that a study be conducted of various options for the program post-Compact, including establishing a trust fund, or a one-time lump sum payment, and the cost thereof, to be submitted to the Committees by March 1, 1985.

$1,914,000 is included for studies related to the cleanup of Bikini Atoll. These studies will provide information that will be necessary if an eventual decision is made to clean up Bikini Island, including costs and the feasibility of various methodologies. The final decision on whether to proceed with clean up, and the details and responsibilities related thereto, will be made at a later time, when the required information is available.

DEPARTMENTAL OFFICES

OFFICE OF THE SECRETARY

Appropriates $45,544,000 instead of $44,131,000 as proposed by the House and $47,360,000 as proposed by the Senate.

The net increase above the amount proposed by the House consists of: increases of $179,000 for Congressional and Legislative Affairs, $23,000 for public affairs, $57,000 for A/S for Water and Science, $159,000 for A/S for Land and Minerals Management, $10,000 for A/S for Fish and Wildlife and Parks, $9,000 for A/S Indian Affairs, $148,000 for A/S Territorial and International Affairs, $17,000 for A/S Policy, Budget, and Administration, $50,000 for A-76 coordination, $500,000 for Office of ADP Management, $413,000 for Policy Analysis, and $309,000 for the Office of Hearings and Appeals; and decreases of $309,000 for the Office of Historically Black College and University Programs, $112,000 for the Departmental library, and $40,000 for an audit response coordinator.

The managers agree to provide no funds to reimburse the Park Police for protective services in this account. Funds requested for that purpose, with the concurrence of the Secretary, have been appropriated to the Park Police in the National Park Service appropriation. The managers have not included a bill-wide provision regarding OMB Circular A-76 contract studies which will be addressed elsewhere in this statement. As a result, funds are included for the departmental A-76 coordinator. The managers have also agreed to provide funds to the Office of ADP Management. The Secretary is expected to inform the Committees of actions he proposes to take so that the concerns addressed in the House report are met.

No funds are provided to establish or participate in a Federal-State working group to find some way to reconcile conflicts between the application of the Endangered Species Act in the Upper Colorado River system and the interstate system of laws within that system. The Secretary is, however, expected to work with the appropriate states to mitigate and reconcile the many conflicts which have developed under the Act.

OFFICE OF THE SOLICITOR

Appropriates $20,548,000 instead of $19,463,000 as proposed by the House and $21,242,000 as proposed by the Senate.

The increase over the amount proposed by the House includes $1,035,000 to accommodate the workload generated by the Office of Surface Mining's assumption of regulatory functions in Oklahoma and Tennessee and $50,000 for an additional attorney for Indian cases.

Bill language proposing a transfer of the Associate Solicitor for Indian Affairs to the Bureau of Indian Affairs has been deleted. The managers remain concerned, however, with the issue of conflict of interest within the Department, when Indian interests are in conflict with other interests of the Department. This issue has become particularly acute in recent years in the area of Indian water rights. The position taken by a previous Solicitor of the Department, which relegated the Federal government's trust responsibility to the same level as other competing interests which do not carry the same requirements as the trust responsibility, is not acceptable. The managers expect the Department to carry out the Federal government's trust responsibility to the fullest extent, including the protection and enhancement of Indian rights. The Committees will continue to monitor closely the conduct of the Solicitor's Office in this area.

CONSTRUCTION MANAGEMENT

Appropriates $750,000 as proposed by the House instead of $916,000 as proposed by the Senate.

OFFICE OF THE SECRETARY

(SPECIAL FOREIGN CURRENCY PROGRAM)

Appropriates $2,000,000 for U.S. Fish and Wildlife Service research in India and Pakistan with excess foreign currency funds instead of $5,500,000 as proposed by the Senate.

ADMINISTRATIVE PROVISIONS

Language is recommended which authorizes acquisition of four aircraft for replacement only and prohibits augmentation of programs funded by appropriations in the Office of the Secretary, Solicitor, and Inspector General through the Working Capital Fund or the Consolidated Working Fund.

DEPARTMENTWIDE PROVISIONS

Sec. 102. Continues authority to transfer no-year funds for emergency actions (e.g. fires, earthquakes, subsidence, etc.) with provision that such amounts transferred are to be replenished by a supplemental appropriation.

Sec. 104. Prohibits use of funds in this title for expenses of the Great Hall of Commerce.

Sec. 107. Continues moratorium on OCS leasing in the Central and Northern California planning area north of Morro Bay.

Sec. 108. Continues moratorium on OCS leasing in Georges Bank area of the North Atlantic planning area.

Sec. 109. Prohibits changing the name of Mount McKinley.

Sec. 110. Provides that appropriations in this title shall be available to provide insurance in Canada and Mexico.

Sec. 111. Continues moratorium on OCS leasing in the Southern California planning area.

The managers note that this is the fourth year in which OCS moratoria have been included in this bill. The managers will not continue such blanket moratoria in future years unless a case can be made that the pre-lease negotiation process with the Department of the Interior is inadequate to ensure that all resource values and Department of Defense needs are provided proper consideration and protection in specific areas, and then such moratoria will not exceed the geographic limit of such areas. The Department is urged to pursue a resolution of the long-term leasing status of these areas through continuing negotiations with the appropriate Congressional, state, and local officials, and it is expected that adequate consultation with these officials will occur pursuant to the Outer Continental Shelf Lands Act, as amended.

The managers agree to delete House provisions prohibiting exchanges in Alaska conservation areas and in National Wildlife Refuges and National Park Units. The managers expect the appropriate committees of jurisdiction to be consulted before exchanges in these areas are proposed.

Sec. 112. Prohibits nonreimbursable details unless consistent with the Office of Personnel Management regulations.

Sec. 113. Extends the obligation deadline for Urban Park, Land and Water Conservation Fund, and Historic Preservation Fund funds provided in Public Law 98-8 from September 30, 1984 to March 1, 1985.

Bill language concerning the transfer of power facilities on Guam has not been included at this time in lieu of the following directive of the managers:

On October 5, 1972, the Department of the Navy and the Guam Power Authority (GPA) entered into an agreement which provided for the pooling of power production and transmission systems and for an equitable sharing of costs. The ultimate objective of this agreement was to transfer the control of the islandwide power production and transmission systems to the Guam Power Authority after GPA had demonstrated the capability to successfully operate the system. The Department of the Navy then would become a customer of GPA.

Because GPA's financial viability has been tenuous, primarily caused by the Guam legislature's interference in rate setting, the military has been reluctant to terminate the existing arrangement. It is essential that the military operations on Guam have an assured adequate supply of electric power. Therefore, the managers believe that an independent rate-setting body needs to be established in Guam before the power pool agreement is terminated, and the financial condition of GPA must be monitored carefully.

There is no intent on the part of the managers to transfer military base distribution assets or assets which are necessary to supply emergency power for military operations or which are needed in a reserve capacity for national defense. However, the managers would anticipate that military-owned power generating and transmission facilities and easements, which are not needed solely for these purposes, be transferred to GPA, or be made available for use, at no cost to GPA. GPA shall operate and maintain the power facilities that are not reserved exclusively for military base distribution or stand-by purposes, in accordance with electric utility standards for similar areas and situations.

It is the intent of the managers to see the customer-supplier relationship established. The Secretaries of Interior and Navy shall commission an independent third party in coordination with GPA to identify financial, management, and service criteria for GPA, and recommend a plan, with performance standards and milestones, for takeover by GPA of island-wide power responsibilities. In addition, the Independent third party shall insure that the plan addresses adequately the specific minimum power required now and for the next twenty years by any Department of Defense Agency or facility currently sited on Guam. The Independent third party will judge when the plan's performance standards and milestones are met, and shall complete the plan and present it to the House and Senate Committees on Appropriations within 12 months of the enactment of this Act.

The plan shall approach the transfer in a phased manner, with the following objectives: (1) developing a contract whereby GPA will operate and maintain Tanguisson power plant; (2) transferring maintenance responsibilities to GPA for the transmission (and distribution) system; and (3) developing a contract for GPA to provide reliable electric service to the military in accordance with electric utility standards including the levels of cold reserve and spinning reserve for similar island areas and stable year-long weather situations.

A critical first step is the joint manning of GPA's dispatch control center. The managers expect that Navy and GPA will establish together a training program which will promptly provide for joint manning not later than July 1985 or as soon thereafter as any necessary additional operating equipment can be procured by GPA, installed and tested.

The aforementioned plan presupposes that (1) the legislature of Guam will establish an independent rate setting body and (2) the GPA will attain a level of financial stability, both of which must be acceptable to the Secretary of the Interior. The Secretary will certify his acceptance to the Committees on Appropriations after consultation with the Secretary of the Navy. When both criteria have been met, and the plan has been completed and reported to the Committees, the Secretaries of both Departments will insure that it is implemented promptly, but in any event, not later than 12 months following completion of the plan or the certification, whichever comes later. Should GPA's financial situation deteriorate following certification, the period for implementing the plan will be extended for the period of time necessary for financial health to be restored, as determined by the Secretary of the Interior. Moreover, the independent third party, with the approval of the House and Senate Committees on Appropriations, may also extend the period for implementation whenever, in its discretion, a particular performance standard or milestone is not being met.

TITLE II—RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

Forest Service

FOREST RESEARCH

Appropriates $123,433,000 instead of $123,710,000 as proposed by the House and $124,395,000 as proposed by the Senate.

The amount provided over the budget estimate of $103,070,000 includes the following: fire and atmospheric sciences—$500,000 for acid deposition research; insect and disease research—$100,000 at Fairbanks, AK, $640,000 at Morgantown, WV for gypsy moth research, $100,000 at Berkeley, CA, $60,000 for acid deposition research; inventory and analysis—$3,600,000 to increase frequency of inventory cycle in all regions, and $2,300,000 for acid deposition research; trees and timber management—$150,000 for FIR, $250,000 at Columbia, MO, $100,000 at Lincoln, NE, $100,000 at Fairbanks, AK, $100,000 at Moscow, ID, $300,000 at Sewanee, TN, and $1,350,000 for acid deposition research; watershed management and rehabilitation—$173,000 at Fairbanks, AK, and $1,250,000 for acid deposition; wildlife, range, and fish habitat—$150,000 at La Grande, OR, $40,000 for Skagit River eagles, $100,000 for anadromous fish habitat at Arcata, Ca, $100,000 at Boise, ID, $50,000 at Columbia, MO, $100,000 at Fairbanks, AK, and $150,000 at Juneau, AK; recreation research—$100,000 at Chicago, IL; forest products and harvesting—$500,000 for the Forest Products Laboratory; competitive grants program—$8,000,000, divided equally between improved harvesting, processing, and utilization research, and basic forestry biology including biotechnology.

The managers expect the Forest Service to work with the Fish and Wildlife Service, the Bureau of Land Management, and other interested groups to develop a comprehensive research proposal for timber management practices in the interactive zone between coastal and upstream waters for California, Oregon, Washington, and Alaska, and to devote appropriate research attention in 1985 to address resource conflicts in high yield forest areas threatened by landslides and other problems.

STATE AND PRIVATE FORESTRY

Appropriates $59,505,000 instead of $61,810,000 as proposed by the House and $56,835,000 as proposed by the Senate.

The amount under the House consists of decreases of $90,000 for cooperative lands pest suppression; $65,000 for fire protection; $530,000 for wood utilization; $1,600,000 for urban forestry; and $20,000 for management improvement.

House language is retained which provides a grant of $325,000 for the Disabled American Veterans resort in Minnesota; and earmarks $35,000 for oak wilt suppression in Texas.

The managers direct the Forest Service, working with State Foresters and other interested groups, to develop, analyze, and report the advantages and disadvantages of various targeting procedures for State and private grant funding to the Committees prior to the FY1986 appropriation hearings. If no substantive progress has been made, the managers have agreed to consider this approach again next year.

NATIONAL FOREST SYSTEM

Appropriates $1,067,020,000 instead of $1,041,459,000 as proposed by the House and $1,064,710,000 as proposed by the Senate.

The net increase over the amount provided by the Senate consists of increases of $2,200,000 for advanced sales-preparation for 200 mbf of new timber sales; $914,000 for maintenance of facilities; $3,500,000 for budgeted costs for processing and handling defaulted volumes and re-purchased volumes; $1,000,000 for trail maintenance; $400,000 for a timber cost-accounting system; $2,800,000 for tree improvement; $6,000,000 for recreation use; $500,000 for cultural resources; $500,000 for soil, water, and air administration, and $1,300,000 for inventories; and decreases of $1,000,000 for leaseable minerals; $500,000 for timber related road maintenance support; $2,000,000 for nursery operations; $1,600,000 for timber related recreation support; $400,000 for timber related wildlife support; $400,000 for timber related soil, water, and air support; $5,500,000 for the preparation and offer of 500 mbf for new timber sales; $1,904,000 for noxious weed control; $1,000,000 for anadromous fish habitat; and $2,500,000 for the Forest Level Information Processing System (FLIPS).

In developing the expanded timber cost accounting system, in line with concerns expressed in the House and Senate report, the Forest Service should develop proposals for a reasonable but complete system and should work with the accounting systems division of GAO in developing the system. At a minimum, the system should allow for identification of the costs of the timber sale program by component, and allow for a comparison of actual costs and benefits. The system should also allow for identifying other aspects of the timber program, such as firewood and non-convertible products. The Committees expect to be kept fully informed of the progress on this effort, including an initial report to the Committee within 60 days of enactment of this act.

The increase for the land line location program is for the base program, not an increase in support of the timber program.

The managers support the Forest Service efforts to install distributed data processing throughout the organization. However, a reduction of $2,500,000 has been applied to

the FLIPS program, to be taken from appropriate sources within this account, in order to encourage more cost conscious management of this project than has been shown to date. The managers are also concerned that the Forest Service has not yet fully analyzed the costs and benefits associated with the FLIPS procurement. Therefore, the managers direct that the Forest Service withhold orders for the acquisition of any additional FLIPS hardware until the following directives are addressed by the Forest Service, reported to and approved by the Committees on Appropriations. The Forest Service response should be submitted to the Committees by no later than December 31, 1984, and address the following recommendations:

—Centralize the management of FLIPS in an organization under the direct supervision of the highest management officials of the Forest Service having sufficient authority, staff and other resources to plan and control its implementation at all organizational levels;

—Establish systems and procedures to closely monitor and manage all FLIPS costs and benefits in an acceptable cost accounting manner, periodically reporting on any changes in planned and actual numbers to the Committees on Appropriations as requested in several prior reports;

—Strengthen central management control over software acquisition, development, maintenance and use, establishing and enforcing agency-wide policy, procedures and standards to ensure compatibility and software sharing;

—In conjunction with software management, establish a data base administrator to develop uniform data dictionaries and directories;

—Perform an agency-wide analysis of ADP technical skills needed to operate and maintain FLIPS, measuring any possible skills gap at each site, and staffing and training needed to close any such gap;

—Analyze, plan for and implement the security requirements of all automated systems, concentrating especially on FLIPS because of its widely distributed nature; and

—Establish a comprehensive information resource planning and evaluation process to establish requirements, set priorities, allocate resources, and assess progress in the above activities.

The managers agree that not less than $3,300,000 for high priority projects within the scope of the approved budget shall be carried out by the Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408.

CONSTRUCTION

Appropriates $268,635,000 instead of $260,798,000 as proposed by the House and $281,235,000 as proposed by the Senate.

The decrease from the amount proposed by the Senate includes decreases of $500,000 from the FS high priority recreation construction list, leaving an increase of $4,500,000; $325,000 for the Sunny Dene Resort, and $14,500,000 for timber roads; and increases of $165,000 for roads and $560,000 for recreation facilities in the Bankhead NF, AL, and $2,000,000 for trail construction.

The managers will consider additional funds for the Mt. St. Helens Visitors Center in the FY 1985 supplemental if the plans and bids indicate an additional need.

Unexpended timber purchaser credits in the amount of $226,290,000 have been transferred to offset appropriations in this account, instead of a rescission of $226,348,000 as proposed by the Senate and a rescission of $226,290,000 as proposed by the House. The managers also reduced the 1985 allowance for timber purchaser road credits by $90,000,000, to reflect unobligated balances carried forward.

LAND ACQUISITION

Appropriates $44,493,000 instead of $64,000,000 as proposed by the House and $32,295,000 as proposed by the Senate. The following table shows the allocation agreed to by the managers:

Acquisition management	$3,565,000
Allegheny NF, PA	2,000,000
Appalachian Trail	1,000,000
Cascade Head SRA, OR	773,000
Flathead WSR, MT	1,000,000
Green Mountain NF, VT	3,400,000
Lake Tahoe Basin, CA and NV	10,000,000
Monongahela NF, WV	450,000
Mount St. Helens NVM, WA	310,000
Nantahala NF, NC	1,250,000
Pisgah NF, NC	375,000
Salmon WSR (Main Stem), ID	1,500,000
Santa Fe NF, NM	1,000,000
Sawtooth NRA, ID	4,000,000
Spruce Knob-Seneca Rocks NRA, WV	1,000,000
Toiyabe NF, NV	4,000,000
Wayne NF, Ohio	1,200,000
White Mountain NF, NH and ME	4,000,000
White River NF, CO	1,000,000
Endangered Species Habitat, CA (condor)	1,600,000
Cash equalization-exchanges	1,070,000
Total	44,493,000

The managers agree that the Service is to use available funds to acquire the Hamilton Wedge tract in the Monongahela NF. No funds are provided for "Weeks Act" acquisitions in the Wayne NF.

With respect to the funds provided for the Allegheny NF, the managers have agreed to include bill language providing for obligation of funds only to the extent that the Secretary deems necessary to carry out the purposes of the Pennsylvania Wilderness Act of 1984.

Funds are provided for acquisition of the Mingus, Palomino Ranch, and Peabody tracts in the Wayne NF, Ohio.

YOUTH CONSERVATION CORPS

The managers have agreed to continue the program within available funds in the U.S. Fish and Wildlife Service, the National Park Service, and the Forest Service.

RANGE BETTERMENT FUND

The managers have deleted Senate language providing for a minimum level of appropriations from the Range Betterment Fund.

ADMINISTRATIVE PROVISIONS

Bill language prohibiting abolishing or changing regions without Committee approval is included.

Language is included requiring advance approval of the House and Senate Appropriations Committees before altering the appropriation structure.

Language is included requiring the personal approval of the Chief of the Forest Service on certain specific documents and instruments.

Language is included regrading adjustment of recreation residence fees. The Forest Service is expected to complete action to resolve this issue as quickly as possible.

DEPARTMENT OF THE TREASURY

ENERGY SECURITY RESERVE

The managers agree to rescind $5,375,000,000 of funds in the Energy Security Reserve previously available to the Synthetic Fuels Corporation. This reduction is in addition to a $2 billion rescission of SFC funds in June, 1984. Of the $8,025,000,000 which remains available for the original purposes of the Corporation, $5,700,000,000 is to be applied to projects which presently have an authorized letter of intent with the SFC on or before June 1, 1984. Eight projects totaling nearly $6,800,000,000 in earmarked assistance are eligible for funding from this $5,700,000,000 set-aside. The agreement provides that if any of these set-aside funds remain available, due to cancellation of projects or for other reason, one half of these funds will be retained to assist other projects which may be supported by the Corporation. The remaining fifty percent of such funds would remain among the assets of the Corporation but shall not be available for obligation. They will, however, remain available for further appropriation by the Congress.

The managers have designated that $750,000,000 of the $5,375,000,000 rescission noted previously is to be placed in a funding reserve entitled the Clean Coal Technology Reserve, solely for the purpose of conducting clean coal demonstration activities such as those eligible for consideration under section 320 of the Senate reported version of H.R. 5973. Annual funding for such activities is subject to appropriation by the Congress. The managers agree that the $750 million placed in reserve for clean coal technology demonstration activities should be used to demonstrate commercial feasibility of technologies and not for ongoing research and development on a small scale. Extensive industrial support would be necessary for this, and the managers have included a cost-sharing requirement in the bill language so that industrial financial commitment is considered as one of the important project evaluation criteria.

The agreement further stipulates that when considering projects for assistance, the Board of Directors are to ignore the national synthetic fuel production goals established in section 125 of the Energy Security Act until the recommended comprehensive strategy for the future of the synthetic fuels program has been completed, adopted by the Board, submitted to and approved by the Congress as required by section 126 of the Act. And, certain changes with respect to public access to information, conduct of board meetings in public, and personal conduct have been incorporated in the bill.

The managers on the part of the House have most reluctantly agreed to delete language prohibiting the use of funds for the Union II and Cathedral Bluffs oil shale projects which it considered to be extravagant and not consistent with the statutory mandate that such projects reflect technological diversity. The House, when it considered the synthetic fuels program, included the prohibition out of concern for the substantial potential outlays with only a limited increase in technological diversity. The managers agree, however, that it is more appropriate for a reconstituted Board of Directors to review these projects rather than have Congressional action preclude further consideration in view of the substantial investment made by the companies to advance the projects this far. The review should consider the extent to which the projects meet

the technological diversity goal and the suspension of the production goals of the Energy Security Act.

DEPARTMENT OF ENERGY

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

Appropriates $280,558,000 for fossil energy research and development instead of $267,558,000 as proposed by the House and $275,633,000 as proposed by the Senate. Changes to the House proposal include increases of $1,000,000 for gas stream cleanup; $1,000,000 for coal liquefaction infratechnology and generic technology development; $500,000 for a study of an integrated coal-fired power train for locomotive applications; $1,250,000 for a high-temperature, high-pressure bench scale research unit for study of composite sorbents; $1,500,000 for operation at higher pressures of the U-Gas agglomerating fluidized bed gasification technique; $1,000,000 for eastern oil shale; $450,000 for western tight gas sands research; $1,000,000 for strategic and critical materials research in conjunction with the Bureau of Mines program; $7,500,000 for the kilngas demonstration and $400,000 for reservior property measurement. The managers have also provided an additional $2,000,000 for the increased and accelerated 11 Mw full height stack test incorporating the most advanced technology available.

Decreases to the House proposal include $1,000,000 for advanced technology development of the phosphoric acid fuel cell; $400,000 for 7.5 megawatt fuel cell technology development; $1,500,000 for magnetohydrodynamics; $1,500,000 for methanol overfiring over coal and $200,000 in the amount provided for tube replacement at an existing DOE atmospheric fluidized bed demonstration in the nation's capital.

The managers agree that there is $1,000,000 each for Carbondale and the Ames Laboratory in the amount provided for coal preparation and $1,000,000 for a laboratory scale demonstration of purged carbon. The amount for Carbondale covers an eight month period. There is a total increase over the budget request of $3,000,000 for eastern oil shale for specific eastern shale research in such areas as expanding the data base, increasing the utilization of fines, for moving bed hydroretorting, to study beneficiation, chemical composition of kerogen, primary and secondary reaction products of eastern oil shale retorting, and for the gasification characteristics of eastern oil shale.

The managers agree that continuation of Congressional support for magnetohydrodynamics can continue only if the private sector moves aggressively to provide significant cost sharing. Although the managers understand that cost sharing would normally be more heavily weighted toward the outyears of the program, cost sharing early in the program's planned schedule must serve to indicate the commitment of the private sector toward development of this technology and set the pace for technology development.

The managers expect that future budget justifications for advanced research and technology development will include only those activities which are truly program cross-cutting. Gasification and liquefaction items, for example, should be budgeted in their respective programs rather than as part of advanced research and technology development.

The managers expect the study of an integrated coal-fired power train for locomotive applications to involve industry, a national laboratory and university participants. No money is available for a slagging combustor test at the Pittsburgh Energy Technology Center.

NAVAL PETROLEUM AND OIL SHALE RESERVES

Appropriates $160,076,000 for Naval Petroleum and Oil Shale Reserves instead of $159,855,000 as proposed by the House and $164,216,000 as proposed by the Senate. Changes from the House level include reductions of $43,000 in headquarters program direction and $96,000 in NPR-3 program direction and an increase of $360,000 for one of the gas wells being drilled on Naval Oil Shale Reserve 3 in order to provide an opportunity to incorporate the Western tight sands research with the well.

ENERGY CONSERVATION

Appropriates $467,969,000 for energy conservation instead of $485,494,000 as proposed by the House and $449,844,000 as proposed by the Senate. In buildings and community systems there is a reduction of $600,000 from the House position for thermally activated heat pumps and $3,500,000 in the amount provided for a district heating retrofit. For industrial programs, the changes to the House position include an increase of $1,000,000 for research and development of sensors and controls, including further research on in-situ analysis of molten metals and separations, an increase of $2,200,000 for capital equipment, and a decrease of $800,000 for organic rankine cycle fluids for bottoming cycle appropriations. The House level for Direct Strip Casting research and development includes $1,000,000 for a second multi-year effort which the department should prepare to cost share through the pilot plant stage if the process proves to be technically feasible.

The transportation programs include a $500,000 increase for lead acid and nickel iron batteries, and $1,000,000 for increased dynamometer and in-vehicle testing of new batteries and vehicle system technologies, and a $1,500,000 decrease for a methanol vehicle demonstration.

There are decreases from the House position in the state and local programs of $5,000,000 for the low income weatherization program and $2,000,000 in the schools and hospitals program. No funds are provided for a pilot fellowship program, a reduction of $1,000,000 from the House position.

In the multi-sector program, there is an increase of $1,925,000 for the energy conversion and utilization technology activity. Program direction is also increased by $250,000 over the House position. There is a reduction of $10,000,000 in the amount made available to establish an energy conservation applied research laboratory at Northwestern University. The $16,000,000 remaining available will provide for design and initial construction of the facility. Presently, there is no research center devoted exclusively to energy conservation like other programs within the Department of Energy. The laboratory will serve as a focus to the energy conservation research programs of the Department, improve their effectiveness and reemphasize the vital role energy conservation must have in our overall energy program. The center will also serve as a focus for technology transfer.

The $1,500,000 made available for district heating is to use the Scranton, PA. system as a laboratory for developing ways to modernize old district heating systems. The $14,000,000 provided for the automotive Stirling engine is for further MOD II design and actual engine fabrication of hardware for the engine.

Language is included as proposed by the Senate to permit state energy office grants and energy extension grants to the Commonwealth of the Northern Mariana Islands, the Federated states of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

The methanol vehicle demonstration program provided in the Department of Energy is to be closely coordinated with that begun in the Department of Defense so that the maximum benefit may be derived.

ECONOMIC REGULATION

Appropriates $25,247,000 for Economic Regulation instead of $31,037,000 as proposed by the House and $23,397,000 as proposed by the Senate. There are two decreases to the amount provided by the House; one of $20,000 for the Office of Hearings and Appeals and $5,770,000 for emergency preparedness. Emergency preparedness is being provided for in a new separate appropriation account.

EMERGENCY PREPAREDNESS

Appropriates $6,220,000 for emergency preparedness as proposed by the Senate. A new appropriation account is established for emergency preparedness apart from Economic Regulation and apart from the Strategic Petroleum Reserve. The Secretary is provided with authority to transfer funds to emergency preparedness from other accounts available to the Department of Energy from this bill. Prior notification before any such transfer is expected in keeping with existing reprogramming guidelines.

SPR PETROLEUM ACCOUNT

Appropriates $2,049,550,000 for the SPR Petroleum Account instead of $2,349,550,000 as proposed by the Senate and $2,351,400,000 as proposed by the House. This amount will provide for a fill rate of approximately 159,000 barrels per day.

ENERGY INFORMATION ADMINISTRATION

Appropriates $61,657,000 for the Energy Information Administration instead of $62,057,000 as proposed by the House and $61,563,000 as proposed by the Senate. Changes to the Senate position include a decrease of $1,000,000 for quality maintenance and increases of $644,000 for additional staffing requirements and $200,000 for state heating oil grants. There is also an increase of $250,000 above the Senate amount to design a survey which would gather information for research purposes from industrial sources of emissions of sulfur and nitrogen oxides. EIA is to report to the Congress upon the completion of the survey design on any additional resources which may be required for the conduct of the survey.

The managers agree that the manufacturing energy consumption survey (previously referred to as the industrial consumption survey) shall be conducted in a manner that will protect confidential energy information and will not be overly burdensome on respondents. EIA should continue to work with the Bureau of the Census and others to find the best method to conduct the survey.

The managers also concur that it is important for EIA to be able to continue to collect essential energy information including natural gas data comparable to that included in the "Natural Gas Annual," and insist that the Department and other officials allow EIA to carry out its statutory duties. The managers intend that EIA continue to analyze the data it collects, and to issue timely reports like those it has issued in the past

two years on current developments in the natural gas industry.

The managers agree that enhanced monitoring of No. 2 distillate within the Petroleum Allocation for Defense District I-A and I-B shall be for each state that is participating in the state heating oil grant program.

In addition to the information called for in the House Report, regarding enhanced monitoring, the managers agree that EIA shall include the latest information available to it concerning national, regional, and state distillate production, imports and stocks.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Services Administration

INDIAN HEALTH SERVICES

Appropriates $809,927,000 instead of $817,992,000 as proposed by the House and $796,243,000 as proposed by the Senate.

The net increase over the amount proposed by the Senate includes the following: decreases of $80,000 for the model diabetes program, $180,000 for the village-based clinic program in Alaska, and $2,840,000 general program restoration; and increases of $4,000,000 for emergency medical services, $7,482,000 for mandatory cost increases, $357,000 for hospital and health clinic staff, $125,000 for alcoholism programs, $1,700,000 for contract care, $1,079,000 for preventive health staff, $632,000 for Indian health manpower, and $1,409,000 for program management.

The managers direct that $10,000,000 of the carryover balances in the Medicare/Medicaid fund be used to fund mandatory cost increases in the hospitals and clinics program. The managers agree that the additional staffing funds provided under hospitals and health clinics and preventive health are sufficient to support the number of positions identified in the House report. $125,000 of the increase for the alcoholism program shall be directed to the Warm Spings tribe, making a total of $200,000 for a demonstration program. The managers direct that the contracts for alcoholism research at the Universities of Washington and Oklahoma be continued at the 1984 level.

The managers agree that up to $500,000 shall be made available to develop mental health and substance abuse programs at the Sherman and Phoenix boarding schools. The managers agree that the expanded contract with the Mid-Dakota hospital shall not include any reimbursement for claims submitted in past years which have been denied. The contract shall cover current and future services only.

The managers agree that at least $500,000 shall be available for the Poarch Band of Creek Indians. The service area shall include Mobile County, Alabama in addition to the counties named in the House report.

At the discretion of the Director of the Indian Health Service, such funds as are deemed necessary may be provided to the Seattle Urban Indian Health program from the amounts available for the hepatitis-B program, to meet the health needs of Alaskan Natives residing in that area.

The managers agree that $220,000 of the funds available for Indian health manpower shall be provided for the administrative expenses of the masters in public health program.

Of the increase over the budget estimate provided for program management, $1,000,000 shall be used to initiate a training program and $1,409,000 is provided in partial restoration of the 1984 base level of funding.

The managers direct that no charges for personnel costs associated with the regional operations for facilities engineering and construction be assessed to IHS without prior approval of the House and Senate Appropriations Committees.

INDIAN HEALTH FACILITIES

Appropriates $62,892,000 for Indian health facilities instead of $96,137,000 as proposed by the House and $43,535,000 as proposed by the Senate. The increase over the amount proposed by the Senate consists of $1,027,000 for site work for the Rosebud hospital, $9,910,000 for construction of outpatient care facilities at Kyle, SD, Wolf Point, MT, and Ft. Thompson, SD, $5,000,000 for sanitation facilities, and $3,420,000 for construction of personnel quarters at Crownpoint, NM.

The managers agree that $3,500,000 of the sanitation construction funds shall be used in cooperation with the Navajo and Hopi Indian Relocation Commission program.

The managers remain concerned with the delays in initiating construction projects once funds have been appropriated. The Department is directed to prepare planning information documents annually on the top five construction priority projects and to report to the Committees by February 1, 1985 on other steps which can be taken to streamline the facilities planning and design process. The managers expect timely notification of any adverse impact on the facilities construction program caused by the reorganization of the regional offices of facilities engineering and construction.

ADMINISTRATIVE PROVISIONS

Bill language proposed by the House establishing a floor for full-time equivalent positions has been deleted. The managers have taken this action on the assurance of the Department that no ceilings will be imposed on the Indian Health Service which would impede carrying out the IHS program as funded by the Congress. The Committees will monitor this situation closely to determine if additional action is required.

Bill language proposed by the Senate establishing a limit on contract care payments has been deleted.

Bill language proposed by the Senate allowing Indian Health Service to seek subrogation of claims has been modified to ensure that such action may not be taken if it involves billing of individual beneficiaries.

Bill language proposed by the Senate to allow the use of other than IHS funds for facilities improvements has been included.

DEPARTMENT OF EDUCATION

Office of Elementary and Secondary Education

INDIAN EDUCATION

The managers agree, that to the maximum extent possible, Indian Parent Committees are to be allowed to participate in curriculum decisions. The managers also agree that responsibilities between Indian Parent Committees and Local Educational Agencies should be delineated as in prior years.

OTHER RELATED AGENCIES

Navajo and Hopi Indian Relocation Commission

Appropriates $20,736,000, for salaries and expenses as proposed by the Senate instead of $16,986,000 as proposed by the House.

The net increse of $3,750,000 above the House includes an increase of $3,575,000 for Relocation Operations and $175,000 to be transferred from the requested level for Operation of the Commission to the Discretionary Fund.

Language is included in the bill to establish July 7, 1985 as the deadline for receipt of applications for voluntary relocation instead of June 30, 1985 as proposed by the Senate.

The managers agree that benefits for voluntary relocation shall be available only to those households or individuals who have filed an application with the Commission on or prior to July 7, 1985.

With respect to "involuntary relocatees," the managers believe that it is the responsibility of the Commission to notify those individuals eligible for relocation of the change in the date for applications. After July 7, 1985, those people who have not applied cannot be considered uninformed and therefore are "involuntary relocatees" if they have not made the effort to apply for relocation with the Commission.

Smithsonian Institution

SALARIES AND EXPENSES

Appropriates $165,730,000 instead of $171,699,000 as proposed by the House and $160,271,000 as proposed by the Senate.

The net decrease below the amount proposed by the House consists of the following: increases of $800,000 for computer equipment for the Smithsonian Astrophysical Observatory, and $100,000 for a curator of aquatic habitats; and decreases of $160,000 for Evans Hall exhibitions, $150,000 for tropical reforestation research, $150,000 for vehicle and equipment replacement for the National Zoo, $43,000 for asbestos removal at the Silver Hill site, $80,000 for conservation equipment and staff for the National Museum of American Art, $87,000 for conservation equipment and staff for the National Portrait Gallery, $149,000 for the Hirshhorn Museum and Sculpture Garden, $100,000 for Sackler Gallery acquisitions, $37,000 for the Anacostia Neighborhood Museum, $28,000 for library equipment, $211,000 for the National Museum Act, $831,000 for programs and staffing at the Museum Support Center, $4,414,000 for equipment for the Museum Support Center, $154,000 for equipment for the Office of Protection Services, and $275,000 for personnel costs for the Office of Plant Services.

Three additional positions have been provided for a five year project to remove asbestos from objects stored at Silver Hill. The managers agree that the other three positions required shall be reallocated from base resources. Unbudgeted funds provided for research projects at the National Museum of Natural History include one-time equipment and start-up costs. These one-time costs are not to be reflected in the fiscal year 1986 request. Although no additional funds have been provided for equipping the new Anacostia Neighborhood Museum, the managers expect that these requirements will be met within the amount currently available for construction and the base equipment resources of the Museum.

Bill language earmarks $789,000 to carry out the provisions of the National Museum Act, and $350,000 for the National Symphony and $350,000 for the Washington Opera in connection with their responsibilities as resident companies of the Kennedy Center, an independent bureau of the Smithsonian.

A total of $3,325,000 has been provided for equipment at the Museum Support Center. The estimated costs for collections storage equipment at the MSC have trebled since

the initial estimates were provided in fiscal year 1981; and even though staffing, program, equipment, and move costs have been fully funded for the past four years, the scheduled move of the collections to the Center has fallen two years behind schedule. Furthermore, the existing resources which the Smithsonian had previously identified as being available to absorb some of these additional expenses have not yet been proposed for reallocation to the Center. The managers expect to be informed in a timely manner of any further revisions to the estimates for equipment costs and the scheduled collections move to the MSC.

The managers are greatly concerned by the Institution's seeming inability to accurately estimate costs associated with major construction and equipment programs, especially in view of the aggressive building program the Smithsonian hopes to pursue. For example, the January 1984 5-year plan incuded estimates of $35,000,000 to rehabilitate the old general post office building and $12,000,000 for each pod of the proposed Dulles facility. Two months later, the Smithsonian testified that $40,000,000 and $20,000,000 were the amounts needed for those facilities. The Committees expect to be informed as to what actions the Regents will propose to alleviate concerns generated by estimates such as those and for the MSC equipment.

The managers state their continued adherence to the plan presented by the Smithsonian to the Congress when construction of the Quadrangle Building was presented joining the Sackler Gallery with the Freer Gallery as the center for Asian and Near East art and culture; and the National Museum of African Art as the center for sub-Saharan African art and culture, and expect the Smithsonian to adhere also to that plan.

The Smithsonian requested funds for operation of organizations expected to occupy the Quadrangle structure as a separate budget activity. The managers have agreed to provide funds for these programs in the appropriate budget activity and expect that future justifications will reflect costs associated with programs to be justified within the justification for the proper organization.

CONSTRUCTION AND IMPROVEMENTS, NATIONAL ZOOLOGICAL PARK

Appropriates $4,950,000 as proposed by the Senate instead of $4,150,000 as proposed by the House. The managers agree that none of the available funds should be used for renovations to the Holt House.

RESTORATION AND RENOVATION OF BUILDINGS

Bill language is included under restoration and renovation of buildings allowing the transfer of up to $100,000 to Santa Cruz County, Arizona for repairing of the bridge and rerouting of the access road to the Whipple Observatory as proposed by the Senate.

The managers agree that none of the restoration and renovation funds, or any other funds, may be used for developing the master plan for the proposed construction at Dulles Airport until such construction has been authorized. Funds budgeted in the 1985 request ($135,000) should be reallocated to the next priority renovation project.

NATIONAL GALLERY OF ART

Appropriates $36,821,000 for salaries and expenses as proposed by the Senate instead of $35,603,000 as proposed by the House.

The net increase of $1,218,000 above the House-passed level includes increases of an additional $2,000,000 to support the Treasure Houses of Britain exhibition and $218,000 for utilities, which reduces the budget request for utilities by $300,000, and a decrease of $1,000,000 for renovation of the West building.

The managers have included bill language earmarking $2,000,000 for the Treasure Houses of Britain exhibition.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

The managers request that the Board of Trustees of the Woodrow Wilson International Center for Scholars and the Board of Regents of the Smithsonian at their next meeting consider whether the Woodrow Wilson Center should be a part of Smithsonian's proposed international center and under what terms and conditions. The managers request that the two boards report their decision to the Congress. The title of the account for the Woodrow Wilson International Center for Scholars is changed to "Woodrow Wilson International Center for Scholars, Salaries and Expenses".

The bill does not include language and additional funding to establish an Endowment Challenge Fund as proposed by the Senate. The managers agree that before such a fund is established, specific authorization should be enacted.

NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

GRANTS AND ADMINISTRATION

Appropriates $137,000,000 instead of $144,118,000 as proposed by the House and $132,000,000 as proposed by the Senate. This includes $121,100,000 for program and state grants instead of $127,750,000 as proposed by the House and $118,300,000 as proposed by the Senate; and $15,900,000 for administrative programs instead of $16,368,000 as proposed by the House and $13,700,000 as proposed by the Senate.

The managers agree on the following allocation of funds:

Program grants:	
Artists-in-Schools	$5,450,000
Educational program	100,000
Dance	9,000,000
Design Arts	4,400,000
Expansion Arts	6,850,000
Folk Arts	3,200,000
Inter Arts	4,250,000
Literature	5,250,000
Media Arts	9,250,000
Museums	11,500,000
Music	12,450,000
Opera/Musical Theatre	4,200,000
Locals Test	2,300,000
Theatre	11,000,000
Visual Arts	6,400,000
Advancement	700,000
Subtotal, program grants	96,300,000
State Programs	24,800,000
Subtotal, grants	121,100,000
Administrative area:	
Policy Planning and Research	1,000,000
Regional Representatives	700,000
Administration	14,200,000
Subtotal, administrative area	15,900,000
Total, grants and administration	137,000,000

MATCHING GRANTS

Appropriates $30,000,000 as proposed by the Senate instead of $30,882,000 as proposed by the House. This includes $9,000,000 for Treasury funds and $21,000,000 for challenge grants.

NATIONAL ENDOWMENT FOR THE HUMANITIES

GRANTS AND ADMINISTRATION

Appropriates $111,325,000 instead of $114,964,000 as proposed by the House and $107,975,000 as proposed by the Senate. This includes $97,150,000 for program and state grants instead of $100,982,000 as proposed by the House and $94,500,000 as proposed by the Senate; and $14,175,000 for administrative programs instead of $13,982,000 as proposed by the House and $13,475,000 as proposed by the Senate.

The managers agree on the following allocation of funds:

Program grants:	
Media Grants	$9,100,000
Museums and Historical Organizations	9,000,000
Humanities programs for youth	750,000
Humanities programs for adults	1,450,000
Humanities projects in libraries	3,000,000
Education programs	18,500,000
Fellowships and seminars	14,500,000
Research grants	19,000,000
Subtotal, program grants	75,300,000
State programs	21,850,000
Subtotal, grants	97,150,000
Administrative area:	
Administration	13,475,000
Planning and assessment	700,000
Subtotal, administrative areas	14,175,000
Total, grants and administration	111,325,000

MATCHING GRANTS

Appropriates $31,000,000 instead of $30,036,000 as proposed by the House and $32,000,000 as proposed by the Senate. This includes $11,000,000 for Treasury funds and $20,000,000 for challenge grants.

INSTITUTE OF MUSEUM SERVICES

GRANTS AND ADMINISTRATION

Appropriates $22,000,000 instead of $27,000,000 as proposed by the House and $14,387,000 as proposed by the Senate. The managers agree on the following allocation of funds:

General operating support grants	$17,574,000
Conservation grants	3,500,000
Museum Service Board	76,000
Program administration	850,000
Total	22,000,000

No funds are provided for a "National Capital Region Arts and Cultural Affairs Program." The managers are concerned that the Director of the Institute and staff,

as part of an effort to discredit the concept, took numerous actions that appear to violate Section 304 of Public Law 98-146 and the provisions of 18 U.S.C. 1913. Before referring this to the Attorney General, the managers want a full explanation of the actions of the IMS Director and staff in connection with this matter.

COMMISSION OF FINE ARTS

Appropriates $380,000 for salaries and expenses as proposed by the Senate instead of $379,000 as proposed by the House.

ADVISORY COUNCIL ON HISTORIC PRESERVATION

Appropriates $1,578,000 for salaries and expenses as proposed by the House instead of $1,611,000 as proposed by the Senate.

NATIONAL CAPITAL PLANNING COMMISSION

Appropriates $2,725,000 for salaries and expenses as proposed by the House instead of $2,735,000 as proposed by the Senate.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

Appropriates $2,300,000 for salaries and expenses instead of $2,229,000 as proposed by the House and $2,330,000 as proposed by the Senate.

The increase of $71,000 above the amount proposed by the House is for one-time relocation expenses.

UNITED STATES HOLOCAUST MEMORIAL COUNCIL

Appropriates $2,031,000 for the Holocaust Memorial Council instead of $1,976,000 as proposed by the House and $2,051,000 as proposed by the Senate.

The net increase of $55,000 above the amount provided by the House is to be utilized for the Museum Education Development Component ($160,000) and maintains the Museum Archives and Research Development component at the requested level ($245,000).

TITLE III—GENERAL PROVISIONS

The managers have agreed to delete the House provision which prohibited use of funds for additional A-76 contracting unless funds for studies had been specifically budgeted and approved for such studies. The managers have been assured by the Office of Management and Budget and the Department of the Interior that studies will look only at activities involving more than 10 full-time equivalents and that studies underway on activities involving fewer than 10 full-time equivalents must show savings significantly greater than the cost of completing the study. No new studies of activities involving less than 10 full-time equivalents will be initiated. The managers agree that the study related to road maintenance at Glacier National Park (which involves 10.2 full-time equivalents) should be discontinued.

Sec. 305. Provides for a continued prohibition on the enforcement of steel shot regulations by the Department of the Interior in any State without such states' approval until state and flyway specific base-line criteria are promulgated by the Department. The managers hope that the Department of the Interior's ongoing consultative process, involving states, flyway groups, sportsmen and wildlife groups and others, will produce a consensus proposal, reflecting the public comment and the value of scientific data.

Sec. 308. Provides for a continuation of the prohibition on the use of funds to process or issue leases for coal, oil, gas, oil shale, phosphate, potassium, sulfur, gilsonate, or geothermal resources on wilderness lands and Forest Service RARE II further planning an Bureau of Land Management wilderness study areas.

Sec. 314. Provides no deer hunting on Loxahatchee NWR.

Sec. 315. Provides that the Department of the Interior and the Forest Service, when contracting for private air services, must use FAA certified aircraft unless the Secretary determines such aircraft are not available.

Sec. 316. Provides certain restrictions on the use of funds for the designation, management, or enhancement of grizzly bear habitat on National Park System or National Forest System lands.

Sec. 317. Provides for the transfer of certain lands on Guam from the General Services Administration to the Department of the Interior.

Sec. 318. Provides for the development of an inventory of waterfowl production areas in North Dakota under easement. The managers will review progress on the North Dakota waterfowl production area easement quantification project in conjunction with the fiscal year 1986 budget process, and will consider necessary funding and staffing requirements at that time.

Sec. 319. Provides for the extension of certain leases under the Geothermal Steam Act of 1970 and prohibits geothermal leasing in the Island Park area.

Sec. 320. Establishes funds within various agencies funded by the Act for deposit of collections from quarters rentals to be used for operation and maintenance of such quarters.

Sec. 321. Provides for the Secretary of Energy to solicit private sector interest in the cost-shared construction of facilities employing clean coal technologies.

The managers have deleted language proposed by the Senate which amended the Indian Elementary and Secondary School Assistance Act. This provision was included in Public Law 98-396, the Second Supplemental for FY 1984.

Sec. 322. Provides for travel payments to firefighters from their official duty station to the fire event and return to their official duty station.

Sec. 323. Expresses the sense of the Congress that the Continental Scientific Drilling Program is an important national scientific endeavor benefiting the Commerce of the Nation.

Sec. 324. Amends the Surface Mining Reclamation and Control Act to include a subsidence insurance program as one of the purposes for which funds in the Abandoned Mine Reclamation program may be used. The managers agree that a subsidence insurance program shall not increase the liability of the United States for subsidence.

Sec. 325. Provides certain leasing restrictions on a 960 acre tract in Payne County, Oklahoma.

Sec. 326. Eliminates matching share requirements under Section 407(e) of the Surface Mining and Control and Reclamation Act of 1977 for acquisition and relocation in Centralia, Pennsylvania.

Sec. 327. Provides for a two percent reduction in budget authority, to be applied ratably to every account program, activity, and project funded in this Act.

Amendment No. 5: Agrees to the House level for the Mary McLeod Bethune "Council House." This matter is addressed in Amendment No. 4.

Amendment No. 6: Provides travel costs for Forest Service fire fighters to and from official duty stations. This matter is addressed in Amendment No. 4.

Amendment No. 7: Prohibits geothermal leasing in the Island Park area west of Yellowstone National Park. This matter is addressed in Amendment No. 4.

Amendment No. 8: Provides $100,000, on a matching basis, to develop a habitat preservation plan for North Key Largo in cooperation with the State of Florida and private landowners. This matter is addressed in Amendment No. 4.

Amendment No. 9: Adds $536,000 for a wetlands demonstration project on the Des Plaines River. This matter is addressed in Amendment No. 4.

Amendment No. 10: Deletes additional $300,000 earmarking to accelerate renovation and rehabilitation of the William Howard Taft home proposed by the Senate. $200,000 is provided for this work under Amendment No. 4.

Amendment No. 11: Agrees to the House level of $1,000,000 for the Milk River Irrigation Project. This matter is addressed in Amendment No. 4.

Amendment No. 12: Agrees to language setting forth requirements to be met prior to establishing new grizzly bear habitats; requiring public participation; and requiring detailed budget information. This matter is addressed in Amendment No. 4.

Amendment No. 13: Extends the time for the Bureau of Land Management to complete land segregation until the Department of the Navy withdrawal application is acted upon by the Congress. This matter is addressed in Amendment No. 4.

Amendment No. 14: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which forgives interest payments and establishes a bond repayment fund for the John F. Kennedy Center. Such payments will be made from parking revenues.

Amendment No. 15: Deletes the additional $250,000 proposed by the Senate to be earmarked for a study of Pacific Northwest salmon stock production. Amendment No. 4 provides $250,000 and requires the study to be conducted within six months.

Amendment No. 16: Agrees to the House level of $2,000,000 for land acquisition within the Allegheny National Forest. This matter is addressed in Amendment No. 4.

Amendment No. 17: Exempts the state of Pennsylvania from the matching requirements for the Centralia fire relocation program. This matter is addressed in Amendment No. 4.

LABOR/HHS/EDUCATION RATE OF OPERATION

Amendment No. 18: Inserts language providing for funding of programs, projects or activities provided for in the Departments of Labor, Health and Human Services and Education and Related Agencies Appropriation Act, 1985 (H.R. 6028), to the extent and in the manner provided for in the conference report and joint explanatory statement of the Committee of Conference (House Report Numbered 98-1132), filed in the House of Representatives on October 3, 1984, as if such Act had been enacted into law, and continues the language of the 1984 appropriation Act with respect to voluntary school prayer and payments for abortions, which is identical to the language in sections 204 and 307 of H.R. 6028 as passed the House. The House resolution contained language which provided for funding for Labor, Health and Human Services, and Education programs at the rate provided in H.R. 6028 as passed the House. The Senate resolution contained language which provided for

funding at the rate of the Senate-passed bill. In addition, an appropriation of $4,000,000 is provided, as proposed by the Senate, for the United States Institute for Peace recently authorized in the Department of Defense Authorization Act for 1985. The House resolution contained no provision with regard to the Institute.

NATIONAL LIBRARY OF MEDICINE

Amendment No. 19: Appropriates $3,500,000 for the National Library of Medicine instead of $7,400,000 as proposed by the Senate. The House resolution contained no similar provision.

SUMMIT CONFERENCE ON EDUCATION

Amendment No. 20: Deletes $500,000 proposed by the Senate for expenses related to a national summit conference on education. The House resolution contained no similar provision.

ALCOHOL, DRUG ABUSE AND MENTAL HEALTH

Amendment No. 21: Appropriates $2,500,000 for alcohol, drug abuse and mental health instead of $9,000,000 as proposed by the Senate. The House resolution included no similar provision. The conferees are agreed that the additional funds provided are for state planning grants authorized by the Alcohol, Drug Abuse and Mental Health Amendments of 1984.

REFUGEE RESETTLEMENT SYSTEMS

Amendment No. 22: Inserts language proposed by the Senate which authorizes demonstration projects to test alternative refugee resettlement systems. No similar provision was included in the House resolution.

MILITARY CONSTRUCTION

Amendment No. 23: Appropriates $8,405,206,000 for military construction for the Department of Defense for the fiscal year ending September 30, 1985, instead of $8,258,471,037 as proposed by the House and $8,535,946,000 as proposed by the Senate.

ITEMS OF GENERAL INTEREST

Alternate construction methods.—The House and Senate both included language urging the Department to continue to explore various alternate construction methods. The conferees reiterate that the Department is to continue to explore all areas mentioned in both the House and Senate reports. Each Service is to identify and report on at least one project to be performed under performance specification and turnkey methods in both fiscal year 1985 and fiscal year 1986. A report on all initiatives to explore alternate construction methods, which includes estimates of potential cost savings and specific recommendations on legislative actions, should be submitted by January 31, 1985.

Architect and engineer liability.—The conferees urge the continued vigorous pursuit by the Department of instances of potential architect and engineer liability. Although the amounts actually obtained have increased, they remain small in relation to the amounts sought. The Department is to devote all the legal resources necessary to fully pursue all instances of potential architect and engineer liability.

Reprogramming criteria.—The conferees have agreed to continue all existing reprogramming criteria for military construction projects. The conferees agree that the existing reprogramming criteria apply to all military construction projects, including those estimated to cost less than $1,000,000. The Fiscal Year 1985 Military Construction Authorization Act (P.L. 98-407, Section 802) authorizes the Services to pay any deficiency judgment awarded by a court for land condemnations from funds available for military construction without regard to limitations on the agreed price for the land. The conferees direct that all land acquisition projects shall continue to be governed by existing reprogramming criteria, which require that prior approval be obtained before any payments above existing thresholds are made.

New family housing construction projects are to be governed by the same rules that govern military construction projects. The family housing improvement projects over $3,000,000 are to be governed by the same criteria as military construction projects. The operation and maintenance accounts continue to be governed by the same rule established last year. The conferees are also agreed that the clarification of this rule relating to cumulative transfers as outlined in the House report is to be put into effect. In addition to these requirements, the conferees have added a new rule on transferring funds between or among the subaccounts of the operations accounts as follows: The transfer of any amount in excess of 25 percent or $3,000,000, whichever is less, shall be reported to the Committees within 30 days of such action.

Energy.—The conferees are concerned that the Air Force is ignoring the requirement to review all construction projects for potential solar energy applications and direct that they submit a report by January 31, 1985, detailing efforts made to pursue solar energy applications on military construction projects. The conferees urge the Navy to expeditiously complete ongoing studies of potential sites for development of geothermal energy and also expect that the NWS China Lake, California, project will be on line by September of 1985 and that the NAS Fallon, Nevada, project will be on line by late 1986. In addition, the Department should follow the direction of the Senate report concerning ceiling fans.

Dependents overseas.—The conferees are concerned about the growing number of dependents at overseas locations, not only because of the high cost of supporting them, but also because of inability of the United States to evacuate them in a contingency situation. The conferees direct that a report on this subject as outlined in the Senate report be submitted not later than January 31, 1985. The conferees further direct that the preparation of this study not be contracted out to a private firm.

U.S. construction in Europe.—The conferees agree with the House position that not enough has been done by the U.S. Government to stimulate U.S. business participation in NATO infrastructure and unilaterally funded military construction projects in Europe. The conferees direct that an ombudsman-type office be established immediately to facilitate U.S. business participation in these projects. The conferees have taken additional steps to promote U.S. business participation in European construction projects, which are outlined in other sections of this report.

Commerce Business Daily notification.—The conferees direct that, effective immediately, all U.S. funded military construction projects throughout the world over $5,000,000 are to be advertised in the Commerce Business Daily. In addition, all internationally bid NATO infrastructure projects and clustered projects over $5,000,000 are to be advertised in the Commerce Business Daily. These notifications are to contain a contact point with U.S. Government personnel familiar with the project in addition to other pertinent information.

Persian Gulf construction program.—The conferees direct that contracts on all approved military construction projects over $5,000,000 in fiscal year 1984 and fiscal year 1985, including Morocco, are to be let under the existing American preference policy. In addition, the conferees direct the Department to submit by January 31, 1985, a report detailing all known and anticipated operation and maintenance costs to the U.S. for our facilities in Diego Garcia, Egypt, Kenya, Morocco, Oman, and Somalia.

Family housing construction improvements.—The conferees have agreed to retain the $30,000 limit on improvements to foreign source units. The conferees have also agreed that all future requests for improvement projects are to clearly indicate the amounts spent on the given units in the previous three years and the amounts planned in the following three years. The conferees also note the application of existing criteria for reprogramming to construction improvement projects over $3,000,000. This will allow for close monitoring of actual costs. The conferees also note that both House and Senate reports contained similar restrictions on the approval of projects within this lump sum account which are to be followed. Existing rules on classification of expenditures between the maintenance and improvements accounts are to continue in effect. The Services should strive for an 85% execution rate in this account. Funds for a given project should not be requested if it is deemed unexecutable in the budget year at the time of the budget submission.

Family housing maintenance.—The conferees are agreed that the details of any proposed expenditure which would exceed $15,000 per unit per year for maintenance and repair is to be identified as part of the justification material for this account. The conferees direct that a report be submitted no later than January 31, 1985, detailing all actual expenditures in the fiscal years 1983 and 1984 from the maintenance account where more than $15,000 per unit has been expended on general or flag officer quarters. In addition, the conferees direct that operations and maintenance expenditures on all general or flag officer quarters are limited to $25,000 per year unless specifically approved by the Committees on Appropriations. A list of affected units where expenditures are anticipated to exceed $25,000 in fiscal year 1985 should be submitted no later than January 31, 1985. The Services' cooperation in implementing these new restrictions will determine whether additional restrictions are required next year.

The conferees also direct the Department to submit an initial plan on historic structures called for in the House report by March 1, 1985.

Power generation.—If the military establishes a generation facility or goes outside the local public utility system for power, the military is encouraged to take into account the impact upon the remaining electric consumers and to therefore coordinate with the current local provider of electric services to mitigate the adverse rate impact to those remaining consumers.

Matters addressed by only one committee.—The reports of both the House and the Senate contain items addressed by only one committee. Unless otherwise indicated in this conference report, those items are approved by the committee of conference.

MILITARY CONSTRUCTION, ARMY

The conferees agreed to the appropriation of $1,593,137,000 for Military construction, Army, instead of $1,606,350,000 as proposed by the House and $1,640,177,000 as proposed by the Senate. The amount of $153,500,000 is earmarked for planning and design purposes. The conferees have agreed to the following additions and deletions to the amounts and line items as proposed by the House:

Alaska—Fort Richardson: Dining facilities modernization	+$1,700,000
Arizona—Fort Huachuca: General instruction building	+500,000
California—Fort Irwin: Cold storage facility	+1,850,000
Colorado—Fort Carson: Range roads	+250,000
Georgia—Fort Stewart/Hunter AAF: Physical fitness training center	+1,363,000
Indiana—Fort Benjamin Harrison: Barracks	+13,400,000
New York—Fort Drum: Physical fitness training center	+968,000
North Carolina—Fort Bragg: Security operations training facility	+38,000,000
Oklahoma—Fort Sill: Physical fitness training center	+800,000
Pennsylvania—New Cumberland Army Depot: Site acquisition and preparation	+6,550,000
South Carolina—Fort Jackson: Applied instruction facility	+10,200,000
CONUS Classified	+1,000,000
Germany:	
Ansbach:	
Aircraft maintenance facility (Katterbach Kaserne)	+19,000,000
Ammunition storage	−730,000
Europe Various: Ammunition storage Phase 1	[1]−670,000
Fulda: Military clothing sales store	−360,000
Giessen:	
Barracks	+12,000,000
Utilities	+3,900,000
Hanau: Physical fitness training center	−884,000
Mainz: Ammunition storage	[1]−870,000
Nuernberg: Ammunition storage	[1]−1,150,000
Wuerzburg: Ammunition storage	[1]−530,000
General reduction	−130,000,000
Exigent minor construction	+4,000,000
Planning and design	+6,500,000
Total	−13,213,000

[1] Failed authorization.

The conferees agreed to fund all other items in conference at the level proposed by the House, as shown below:

California—Fort Ord: Military operations inurbanized terrain	$4,500,000
Maryland:	
Aberdeen Proving Ground: Unaccompanied enlisted personnel housing	17,800,000
Fort Detrick: Medical logistics building addition	3,100,000
New York—Fort Drum: Central heating plant	$13,000,000
Pennsylvania—Fort Indiantown Gap: Electric substation	2,500,000
Texas—Corpus Christi Army Depot: Composite blade test facility	2,200,000
Virginia:	
Fort Belvoir:	
Communications facility	17,200,000
Computer systems development facility	0
Fort Pickett: Heating plant	2,400,000
Germany:	
Ansbach:	
Aircraft parking apron (Storks Barracks)	0
Ammunition storage	1,500,000
Barracks	0
Dining facility	0
Tactical equipment shop	0
Utilities	0
Aschaffenburg: Ammunition storage	780,000
Fulda: Ammunition storage	1,850,000
Giessen:	
Battalion headquarters	0
Tactical equipment shop	0
Rheinberg: Purchase of support facilities	0
Schweinfurt: Ammunition storage	930,000
Wuerzburg: Ammunition storage	510,000

Kentucky—Lexington-Blue Grass Army Depot: Demilitarization facility.—The conferees have agreed to include language in the bill preventing use of funds in this Act for construction of a chemical munitions demilitarization facility at this location.

New York—Fort Drum: Central heating plant.—The conferees agreed to fund the $13,000,000 heating plant proposed by the House. However, the Army is to assure the Committees on Appropriations that the facility will be constructed in a manner to use the most fuel efficient heating methods.

Virginia—Fort Belvoir: Computer systems development facility.—The conferees have deferred funding for the $31,200,000 computer facility planned at Fort Belvoir, Virginia. The Army is to reexamine the scope of this project and come forward with a less costly facility.

Germany—Ansbach (Katterback Kaserne): Aircraft maintenance facility.—The conferees have provided $19,000,000 for a maintenance facility at Katterbach Kaserne in Ansbach, Germany, as a prefinanced NATO infrastructure project. The conferees understand that this project will become eligible in the next NATO infrastructure program and expect the Department to immediately pursue recoupment. Prefinancing this project was deemed necessary due to the need to free up space for other relocations associated with force modernization in Germany.

Germany—Ansbach (Storks Barracks): Aircraft parking apron.—The conferees have not recommended fiscal year 1985 appropriations for the $12,000,000 aircraft parking apron at Storks Barracks in Ansbach, Germany. It appears that funding for army airfields will be included in the next NATO infrastructure program. The conferees endorse the use of NATO infrastructure funds for this project; however, if the project does not become NATO eligible, a future appropriations request would be considered.

Germany—Fulda: Military clothing sales store.—The conferees have agreed to fund the $360,000 requested for a military clothing sales store at Fulda, Germany, through minor construction funds, as indicated in the Senate report.

Germany—Giessen: Various projects.—The conferees have agreed to fund a $12,000,000 barracks and a $3,900,000 utility heating plant at Giessen, Germany. These projects were in question because of the Army's plan to deploy DIVAD at Giessen. However, the Army has now stated that these projects are needed regardless of the type of air defense system deployed. The conferees have not funded the proposed $1,550,000 battalion headquarters and $11,600,000 tactical equipment shop. These projects should be submitted following decisions on DIVAD deployment.

Germany—Rheinberg: Purchase of support facilities.—The conferees have agreed to defer without prejudice the $13,100,000 authorized to purchase a former rug factory for a support facility at Rheinberg, Germany. The Department is to seek funding for this project at the highest level of the Government of the Federal Republic of Germany. Additionally, further review of this project in terms of NATO infrastructure funding is to be considered. Although the initial phase requested for this project is only $13 million, the project initiates a new army base in Europe that will involve 6,000 U.S. active duty personnel and dependents. Additionally, the Army envisions hiring more than 1,000 German nationals to work on the base. Although the conferees recognize the merits of the administrative functions of this facility, there is a need to share the U.S. burden for its costs. The conferees agreed that the Army may proceed with design related to this project.

Germany—Vilseck: Master restationing program.—The conferees agreed to release $23,500,000 in prior-year funds for the construction of facilities at Vilseck, Germany. The conferees further agreed that the funds were released in order to support force modernization in Europe and should not be seen as a weakening in the House/Senate feeling that funds should be sought from the Republic of Germany for the master restationing plan. The conferees feel that the Government of Germany should help share the costs of moving U.S. troops forward in Germany. The Vilseck projects were released in order to complete construction of the first phase of a force modernization program, which would be delayed and more costly if undertaken at other locations. The conferees direct the Army to continue its efforts to obtain funding from Germany for the master restationing plan.

Indoor swimming pools.—The conferees have agreed to fund indoor swimming pools at Fort Steward, Georgia ($1,363,000); Fort Drum, New York ($968,000); and Fort Sill, Oklahoma ($800,000). However, the Army is to first examine each of these projects to determine whether alternate construction methods could be used to enclose existing pools or to construct the pools proposed in fiscal year 1985. The funding for the indoor pools was provided based on the Army's claim that they were needed for training purposes. The conferees agreed that the construction of indoor pools should not

become a part of the military construction program unless they are absolutely necessary for training.

Planning and design.—The conferees have agreed to fund Army planning and design at a level of $153,500,000 instead of the $147,000,000 proposed by the House and the $160,000,000 proposed by the Senate. The funds above the House amount have been provided to meet requirements associated with the stationing of the new light infantry divisions. The additional funds are not to be used to develop full design for mobilization projects, as discussed in the House report.

MILITARY CONSTRUCTION, NAVY

The conferees agreed to the appropriation of $1,534,592,000 for Military construction, Navy, instead of $1,449,442,000 as proposed by the House and $1,550,242,000 as proposed by the Senate. The amount of $140,900,000 is earmarked for planning and design purposes. The conferees have agreed to the following additions and deletions to the amounts and line items as proposed by the House:

Arizona—MCAS Yuma: Unaccompanied enlisted personnel housing	+$900,000
California:	
MCAGCC Twentynine Palms: Battalion headquarters	+1,900,000
MCAS El Toro: Land acquisition	+3,500,000
MCB Camp Pendleton: Unaccompanied enlisted personnel housing	+1,000,000
MCRD San Diego: Unaccompanied enlisted personnel housing	+500,000
NAS North Island: Maintenance hangar	+5,190,000
NH San Diego: Access road	+2,200,000
NS Mare Island: Unaccompanied enlisted personnel housing	−600,000
NS Treasure Island: Brig	[1] −13,600,000
NSB San Diego: Pier extension	+19,500,000
PMTC Point Mugu: Electrical & electronics systems lab	+1,700,000
Connecticut—NH Groton: Hospital expansion	[1] −8,900,000
District of Columbia—CND Washington: Administrative office	[1] −2,000,000
Hawaii—NSB Pearl Harbor:	
Unaccompanied enlisted personnel housing	+1,000,000
Unaccompanied officer personnel housing	+640,000
Maine—NAS Brunswick: Land acquisition	+2,170,000
Maryland—NAVACAD Annapolis: Boat repair facility modernization	+200,000
Michigan—NRTF Republic: Access road	+1,000,000
Mississippi—NAS Meridian:	
Arm/dearm pads	+1,300,000
Air operations building addition	+820,000
Roads	+750,000
Nevada—NAS Fallon:	
Unaccompanied enlisted personnel housing	+12,900,000
Unaccompanied officer personnel housing	+8,100,000
South Carolina:	
NSY Charleston: Logistics support facility	+5,800,000
Waterfront services support building	+1,830,000
NSC Charleston: Data processing center	+2,700,000
Virginia—LANTFLT HQ Support Activity Norfolk: Operations command center addition	+3,000,000
Virginia—Naval Safety Center Norfolk: Naval safety center	+3,000,000
Iceland:	
NF Keflavik: Terminal equipment building addition	+$2,620,000
NS Keflavik: Fuel facilities	+7,000,000
Italy—NAS Sigonella: Unaccompanied officer personnel housing	+500,000
Spain:	
NH Rota: Hospital	+15,000,000
NS Rota: Unaccompanied officer personnel housing	+910,000
United Kingdom—FOCCE London: Fleet command center	+2,620,000
Total	+85,150,000

[1] Failed authorization.

The conferees agreed to fund all other items in conference at the level proposed by the House, as shown below:

California—PMTC Point Mugu: Unaccompanied personnel housing (San Nicholas Island)	$4,500,000
Connecticut—NSB New London: Operational trainer facility	4,250,000
Florida—NAS Whiting Field: Parking apron	2,100,000
Maine—NSY Portsmouth: Engineering management building	0
Nevada—NAS Fallon:	
Maintenance hangar	0
Aircraft direct fueling station	0
North Carolina—MCAS Cherry Point: Engine test cell	9,700,000
Pennsylvania—NSY Philadelphia: Electrical distribution system	12,600,000
South Carolina—NS Charleston: Fleet support center	0
Guam—NAVCAMSWESTPAC Guam: Theater	0
Iceland—NS Keflavik: Combined operations center	4,000,000
Italy—NAS Sigonella: Automotive vehicle maintenance shop	1,340,000
Spain—NS Rota:	
Engine test cell	5,000,000
Pier extension	0
United Kingdom—NAVACT London: Fleet hospital facilities (RAF Locking)	[1]
Overseas various—NATO infrastructure support	0

[1] Failed authorization.

Access roads.—The conferees have agreed to fund the three requested access road projects as separate projects. The funds approved for these projects are provided under the same reprogramming rules as separate military construction projects.

California—MCAS El Toro: Land acquisition.—The conferees have agreed to provide $3,500,000 for this land acquisition. This amount represents a more equitable appraisal of the land's actual value. The Marine Corps is to seek to purchase this land within the funds available.

California—NWS Concord: Access road.—The conferees direct the Navy to fund this project at $500,000 with minor construction funds.

Maine—NSY Portsmouth: Engineering management building.—The conferees have not provided funds for this project as it is unexecutable in fiscal year 1985 due to lack of design. The Navy is to put this project under design so that it may be funded in a future construction program.

Nevada—NAS Fallon: Air Strike University.—The conferees have agreed to fund $21,000,000 for projects associated with the establishment of Air Strike University at NAS Fallon, Nevada. The Committees have always been responsive to urgent requirements that occur after the budget submission. However, the initiation of a major program through additions to the budget at the congressional level is highly unusual. The Committees will entertain reprogramming requests for the two unfunded projects when they are ready for execution.

Virginia—LANTFLT HQ Support Activity Norfolk: Operations command center addition.—The conferees have approved $21,000,000 for this project. The Navy should either reduce the scope of this facility or seek additional NATO funds, as the amount provided is a ceiling.

Guam—NAVCAMSWESTPAC Guam: Theater.—The conferees have not provided funds for the theater, but direct that it be constructed using nonappropriated funds.

Spain—NH Rota: Hospital.—The conferees have agreed to provide $15,000,000 for this project. The Navy is to do whatever is necessary to construct this facility within the amount provided.

NATO infrastructure support.—The conferees have not provided the $2,790,000 requested for this purpose and direct the Navy to submit a reprogramming request for these projects.

SANTA MARGARITA WATER PROJECT

The conferees have not provided any of the funds requested for the Santa Margarita water project due to the lack of authorization. The conferees direct that no funds to initiate design be obligated unless legislation is enacted to fully authorize this project.

MILITARY CONSTRUCTION, AIR FORCE

The conferees agreed to the appropriation of $1,572,655,000 for Military construction, Air Force, instead of $1,543,225,000 as proposed by the House and $1,635,818,000 as proposed by the Senate. The amount of $143,900,000 is earmarked for planning and design purposes. The conferees have agreed to the following additions and deletions to the amounts and line items as proposed by the House:

California:	
Edwards AFB: Add/alter headquarters center command post	[1] −$980,000
George AFB: ECIP-Install radiant heaters	[1] −480,000
Vandenberg AFB: STS-Launch support facilities	+2,450,000
Colorado—US Air Force Academy: Add/alter cadet dining hall	+7,500,000
Florida—MacDill AFB: Satellite communication ground terminal	+2,600,000

Georgia—Robins AFB:	
Hazardous materials storage facility	+9,000,000
Indiana—Grissom AFB:	
Aircraft maintenance shop	−400,000
Base Civil Engineer complex	−100,000
Kansas—McConnell AFB:	
Visiting officer quarters	[1] −3,500,000
Louisiana—England AFB:	
Aircraft maintenance area lighting	−600,000
Base Civil Engineer administrative facility	[1] −1,700,000
Maine—Loring AFB: Composite medical facility	+2,500,000
Michigan:	
K.I. Sawyer AFB: ALCM-Igloo	+2,500,000
Wurtsmith AFB:	
ALCM-Igloo	+2,500,000
Library	−700,000
Mississippi:	
Columbus AFB: Aircraft maintenance dock	+$5,000,000
Keesler AFB: Electrical distribution	+3,000,000
Nebraska—Offutt AFB: Unaccompanied enlisted personnel housing	+5,400,000
New Mexico:	
Cannon AFB: Weapons maintenance facility	+1,700,000
Holloman AFB: Water lines-Boles wells	+3,200,000
North Dakota:	
Grand Forks AFB: Small arms range	[1] −1,300,000
Minot AFB:	
Add/alter gymnasium	[1] −560,000
Alter unaccompanied enlisted personnel housing	[1] −4,350,000
Hospital	+27,500,000
South Carolina—Shaw AFB: Add/alter gymnasium	+2,100,000
South Dakota—Ellsworth AFB: Security police facility	−650,000
Texas:	
Bergstrom AFB: ECIP-Alter lighting/mechanical systems	[1] −1,100,000
Brooks AFB: Directed energy laboratory	+500,000
Randolph AFB: Unaccompanied officer personnel housing	−300,000
Washington—Fairchild AFB:	
Security police facility	[1] −2,600,000
Squadron operations facility	[1] −4,000,000
Wyoming—F.E. Warren AFB:	
MX-Launch facilities site work	+2,000,000
MX-Launch facility trainer (silo)	+3,900,000
MX-Real estate acquisition	+700,000
MX-Upgrade roads and highways	+10,000,000
Italy—Comiso:	
GLCM-Child care center	−700,000
GLCM-Clothing sales	−510,000
GLCM-Library	[1] −210,000
Japan—Misawa AB: F16-Jet fuel storage	+4,400,000
Philippines—Clark AB: Add/alter passenger terminal	−4,200,000
United Kingdom—RAF Greenham Common:	
GLCM-Library	−600,000
Overseas Various—Chemical warfare protection	+8,520,000
General reduction	−50,000,000
Minor construction	+2,000,000
Total	+29,430,000

[1] Failed authorization.

The conferees agreed to fund all other items in conference at the level proposed by the House, as shown below:

Alabama—Maxwell AFB: Alter dormitories	$1,800,000
Arkansas—Blytheville AFB: Alert taxiway barrier	960,000
California:	
Mather AFB: Vehicle maintenance building	5,800,000
Vandenberg AFB: STS-South Base powerplant	0
Colorado:	
Peterson AFB: NORAD & Space Command headquarters	19,000,000
US Air Force Academy: Add/alter cadet gymnasium	0
Florida:	
Eglin AFB Auxilliary Field 9: Consolidated support center	5,750,000
Eglin AFB: High explosive research center	4,500,000
Tyndall AFB: Aircraft general purpose shop	3,450,000
Michigan:	
K.I. Sawyer AFB: Aircraft parking	(1)
Wurtsmith AFB: Aircraft parking	(1)
Missouri—Whiteman AFB:	
Missile operations facility	2,200,000
Recreation center	1,650,000
Montana—Malmstrom AFB: Add/alter gymnasium	1,500,000
New York:	
Griffiss AFB: Range	750,000
Plattsburgh AFB: Alter unaccompanied enlisted personnel housing	2,900,000
Ohio—Wright-Patterson AFB: Add to Air Force Museum	5,400,000
Virginia—Langley AFB:	
Antisatellite-Administrative building	0
Antisatellite-Control center	0
Antisatellite-Cryogen storage and processing facility	0
Antisatellite-Hydrazine storage	0
Antisatellite-Integrated maintenance facility	0
Antisatellite-Missile and motor storage facility	0
Wyoming—F.E. Warren AFB: MX-Impact assistance funds	0
CONUS Unspecified—Real estate for GWEN facilities	0
Guam—Andersen AFB:	
Alter unaccompanied enlisted personnel housing	6,900,000
Small parts corrosion control facility	892,000
Italy—Comiso: GLCM-Armed Forces Radio & TV Service	1,155,000
Japan—Misawa AB: F16-Upgrade apron pavement	0
Turkey:	
Incirlik AB: Second echelon medical storage facility	(1)
Mus AB:	
Air cargo ramp	0
Ammunition igloos	0
Ammunition maintenance and inspection	0
Arrestor gear	0
Dispersed aprons/taxitracks/paralled taxiways	0
Hangar	0
POL storage/distribution	0
Water supply and distribution	0
Minor land	130,000

[1] Failed authorization.

California—Vandenberg AFB: South Base power plant.—The conferees have denied $15,950,000 requested for the new power plant for Vandenberg AFB. The Air Force is to reevaluate this project and investigate the feasibility of using private company power capabilities and/or the updating of the current backup power generators.

Colorado—US Air Force Academy: Add/alter cadet dining hall and gymnasium.—The conferees have agreed to fund the cadet dining hall project at the US Air Force Academy at a level of $7,500,000 instead of the $13,100,000 requested. The conferees believe that this is sufficient funding to take care of the warehouse and cold storage needs included in the original request. No funding has been provided for the requested $10,000,000 gymnasium project. The Air Force is to follow the House guidance and reduce the scope and costs of this project.

Maine—Loring AFB: Composite medical facility.—The conferees have agreed to fund the Loring AFB hospital at the amount of $22,500,000 instead of the $20,000,000 proposed by the House or the $24,900,000 proposed by the Senate. The Air Force is to reexamine the number of acute care beds planned for this hospital and make reductions as recommended in the House report.

Michigan—K.I. Sawyer AFB: Aircraft parking.—The conferees agreed that the $600,000 aircraft parking project at K.I. Sawyer AFB should be funded through the Air Force minor construction program.

Michigan—Wurtsmith AFB: Aircraft parking and library.—The conferees agreed that the $600,000 aircraft parking project and the $700,000 library project are to be funded under the Air Force minor construction program.

North Dakota—Minot AFB: Hospital.—The conferees have agreed to provide funding in the amount of $27,500,000 for a new hospital at Minot AFB. The conferees agree that funds appropriated for this project are not to be used to relocate the golf course.

Ohio—Wright-Patterson AFB: Addition to Air Force Museum.—The conferees have recommended $5,400,000, the amount requested, for an addition to the Wright-Patterson Museum, but none of these funds are to be obligated until a matching amount has been raised in the private sector. The conferees have also agreed that private funds—not nonappropriated funds—are to be used as matching funds for this project.

Virginia—Langley AFB: Antisatellite facilities.—The conferees have deferred funding for facilities associated with the deployment of antisatellite weaponry at Langley AFB, Virginia. This action was taken because of the current schedule for deployment and uncertainties regarding procurement decisions. It appears that more than sufficient construction time is available if the projects requested this year are funded in a future appropriations bill.

Wyoming—F.E. Warren AFB: MX facilities.—The conferees have agreed to partially restore MX-related construction funds re-

duced by the House. The funds provided will permit the Air Force to proceed with all construction elements at F.E. Warren AFB associated with deploying the first 10 MX missiles. These 10 missiles have been designated to meet the initial operating capability in 1986 and were funded in the fiscal year 1984 Defense Appropriations Act.

Prior to obligating any of the MX-related funds approved in fiscal year 1985, the Air Force is to verify to the Committees on Appropriations that (1) the deployment of these missiles will not be in conflict with fiscal year 1985 authorization and appropriations decisions on the procurement of the MX missile and (2) sufficient testing of silo modifications has taken place to assure that construction is not preceding complete and successful testing.

The MX projects considered in conference and the amounts recommended follow:

Project	Budget request	Conference recommendation
Launch facilities site work	$3,200,000	$2,000,000
Launch facility trainer (silo)	3,900,000	3,900,000
Real estate acquisition	1,200,000	700,000
Upgrade roads and highways	21,000,000	10,000,000
Total	29,300,000	16,600,000

The Air Force had included a $2,000,000 request for planning and design funds under the roads and highways portion of the MX request. The conferees agree that this should be funded under the Air Force planning and design account.

Wyoming—F.E. Warren AFB: MX impact assistance funds.—The conferees have agreed to defer without prejudice the $5,940,000 added by the Senate for MX impact assistance funds. It was agreed that a formal Executive Branch request and justification was needed prior to appropriating the assistance funds. However, should this occur during the year, the conferees concurred that a reprogramming or a supplemental request would be considered.

CONUS Unspecified—Real estate for GWEN facilities.—The conferees have agreed to defer the $1,200,000 requsted for the site acquisition associated with the GWEN program. It is agreed that funding should not be approved until specific sites are identified.

Italy—Comiso: GLCM support facilities.—The conferees have agreed to fund facilities associated with the establishment of accompanied tours at the GLCM base at Comiso, Italy. Funds for the Armed Forces Radio and TV Service facility have been approved. The child care center is to be included in the school approved in the Defense Agencies account. Funds for these projects are not to be obligated until the Military Construction Subcommittees are satisfied that family housing construction is proceeding as outlined in the Air Force family housing section of this report.

Japan—Misawa AB: F-16 facilities.—The conferees have agreed to provide $4,400,000, the amount requested, for a jet fuel storage facility at Misawa AB, Japan. However, the conferees felt that the $2,830,000 project to upgrade the apron pavement should be funded under the Japanese cost sharing program. This project meets the criteria for Japanese cost sharing, and the Department should make a better effort to assure that projects meeting criteria are included in the cost sharing program.

Philippines—Clark AB: Add/alter passenger terminal.—The conferees have not recommended the $4,200,000 requested for the Clark AB passenger terminal. The conferees agreed with the Senate position that the facility was overscoped.

Turkey—Mus AB: Collocated operating base facilities.—The conferees have not provided the $24,500,000 requested for facilities proposed for the NATO collocated operating base at Mus, Turkey. These projects are to be funded through the NATO infrastructure program. The first stage of construction has been delayed to the point that inclusion in the next slice of the NATO infrastructure program should not delay the overall construction program. The base is fully eligible for NATO infrastructure funding and should be funded as a top priority.

United Kingdom—RAF Greenham Common: GLCM-Library.—The conferees agreed to fund the $600,000 library proposed at RAF Greenham Common under the Air Force minor construction account.

United Kingdom—RAF Molesworth: GLCM facilities.—Both the House and the Senate approved the funds requested for GLCM facilities at RAF Molesworth, United Kingdom. However, the conferees have agreed with the House position on the obligation of these funds. The Military Construction Appropriations Subcommittees are to be informed on the status of United Kingdom costs associated with the construction at RAF Molesworth.

Overseas Various—Chemical warfare protection facilities.—The conferees have agreed to fund chemical warfare protection facilities in the amount of $8,520,000 instead of the $13,400,000 recommended by the Senate and no funding recommended by the House. Only chemical facilities at U.S. bases have been recommended. The conferees believe that the Department should continue its efforts to establish both NATO and DOD guidelines for chemical protective facilities. The Department is to submit a report on these efforts to the Military Construction Appropriations Subcommittees by January 31, 1985. Projects funded in fiscal year 1985 follow:

Germany—Zweibrucken: Avionics workshop	$2,420,000
Italy—Aviano: Photo interpretation facility	1,220,000
Turkey—Incirlik: Squadron operations	1,220,000
United Kingdom:	
Greenham Common:	
Central security control	1,220,000
Wing command post	1,220,000
Upper Heyford: Squadron operations	1,220,000
Total	8,520,000

MILITARY CONSTRUCTION, DEFENSE AGENCIES

The conferees agreed to the appropriations of $302,198,000 for Military construction, Defense Agencies, instead of $309,108,000 as proposed by the House and $351,010,000 as proposed by the Senate. The amount of $27,500,000 is earmarked for planning and design purposes. The conferees have also agreed to include the transfer authority in the bill as proposed by the Senate. The conferees have agreed to the following additions and deletions to the amounts and line items as proposed by the House:

Georgia—Robins AFB: Relocate Defense Property Disposal Office	+$2,500,000
New Mexico—White Sands Missile Range: High energy systems test fac...	+9,000,000
Italy—Comiso: Elementary/high school	−2,310,000
Japan—Zukeran (Okinawa): Elementary school addition	+2,250,000
General reduction	−21,350,000
Exigent minor construction	+500,000
Planning and design	+2,500,000
Total	−6,910,000

The conferees agreed to fund all other items in conference at the level proposed by the House, as shown below:

California:	
Defense Language Institute Monterey:	
Physical fitness center	$7,800,000
Recreation center	1,400,000
Defense Property Disposal Office San Diego:	
Hazardous material/waste facility	(1)
District of Columbia: Fort McNair: Land acquisition	(1)
Maryland:	
Baltimore: Appraiser's store	(1)
Fort Meade: SAB 3 expansion	(1)
Japan—Camp McTureous: Elementary school	0
Korea—Defense Fuel Support Point Pohang: Fuel tankage	0

[1] Failed authorization.

New Mexico—White Sands Missile Range: High energy laser systems test facility.—The conferees agreed to appropriate $9,000,000 for the White Sands Missile Range high energy laser facility in New Mexico. However, funds are to be obligated only under a competitively bid contracting procedure.

Italy—Comiso: Elementary/high school.—The conferees agreed to fund the $11,290,000 elementary/high school and child care center at Comiso, Italy. However, funds are not to be obligated until requirements indicated in the Air Force family housing section of this report have been met.

Japan—Camps McTureous and Zukeran: DOD dependent schools.—The conferees agreed to appropriate funds only for the Camp Zukeran project and to defer funding of the Camp McTureous project until the question of Japanese cost sharing has been resolved. The conferees agreed that if Japanese cost sharing is not forthcoming, a reprogramming action or supplemental request would be considered.

Korea—Defense Fuel Support Point Pohang: Fuel tankage.—The conferees agreed not to fund the $15,800,000 requested for a fuel tank at DFSP Pohang, Korea. The Department is to seek Korean host nation support for this project.

General reduction.—The conferees have agreed to a general reduction of $65,600,000 to Military construction, Defense Agencies. A reduction of $13,100,000 has been made to the DOD dependent schools account in addition to the $52,500,000 reduction made to other accounts to conform with specific project reductions made in the fiscal year 1985 authorization bill.

NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

The conferees agreed to appropriate $107,200,000 for NATO infrastructure as

proposed by the Senate instead of $131,700,000 as proposed by the House. The amount provided is sufficient to meet the U.S. commitment to this program. The reduction from the amount proposed by the President is not to be taken as an offset for proposed projects at Mus Air Base, Turkey.

The appropriation is $189,500,000 below the original Departmental request of $296,700,000 for NATO infrastructure funding. The conferees feel that the Department is doing a poor job of providing accurate NATO infrastructure estimates, as it appears that the 63.9% reduction to this account made by Congress will have no negative effect on carrying out the NATO infrastructure program. Using better budget planning, the Department could have used the unneeded $189,500,000 for other programs.

The conferees strongly support the U.S. effort to expand the 1985 through 1990 NATO infrastructure program to $10 billion. In view of the expanded program, the conferees feel there should be no problem in programming the remaining $260,000,000 in prefinanced projects for recoupment in the next six years. The conferees expect that no additional requests for prefinanced projects will be received until the recoupment program has achieved positive results.

The conferees are also concerned that international competitive bidding requirements are waived on many NATO infrastructure projects. Because of this concern, the conferees direct that the Committees on Appropriations are to be notified within 30 days of the granting of any waiver of international competitive bidding procedures on NATO infrastructure projects over $5,000,000. These notifications should contain an explanation of the reasons for these waivers.

The conferees have agreed to add under the amendment numbered 24 a general provision requiring the recoupment of one dollar in prefinanced NATO projects for every four dollars obligated.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

The conferees agreed to the appropriation of $98,603,000 for Military construction, Army National Guard, instead of $92,117,000 as proposed by the House and $96,900,000 as proposed by the Senate. The conferees have agreed to the following additions and deletions to the amounts and line items as proposed by the House:

Massachusetts—	
Dorchester: Armory	[1]—$1,600,000
Minor construction	+8,086,000
Total	+6,486,000

[1] Failed authorization.

The conferees agreed to fund all other items in conference at the level proposed by the House, as shown below:

Ohio—Akron/Canton Airfield:	
Army aviation support facility	$3,770,000
Oklahoma—Holdenville: Armory	900,000

Minor construction.—The conferees have provided $16,086,000 of the $19,053,000 requested for minor construction and direct that the following projects be accomplished with these funds:

Alabama:	
Dothan: Organizational maintenance shop addition/alternation	$140,000
Eglin AFB, Florida: Tank ranges	173,000
Northport: Organizational maintenance shop No. 9	301,000
Alaska:	
Alakanuk: Scout armory expansion	122,000
Camp Denali:	
U.S. Property and Fiscal Officer's Office improvements	117,000
Contingency storage site	163,000
Kipnuk: Scout armory expansion	127,000
Kwethluk: Scout armory expansion	122,000
Noatak: Scout armory expansion	127,000
Nome: Armory unit storage building	262,000
Point Hope: Scout armory expansion	127,000
Tununak: Scout armory expansion	122,000
Arkansas:	
Camp Robinson:	
Academic building (classrooms)	322,000
Activity center, National Guard Professional Education Center	352,000
Combined support maintenance shop/vault	87,000
Professional Education Center learning center	369,000
Scaled range target system	64,000
Training facility pistol range phase 2	27,000
California:	
Barstow: Organizational maintenance shop	273,000
National City: Organizational maintenance shop addition	89,000
Riverside: Organizational maintenance shop miscellaneous work	184,000
San Lorenzo: Organizational maintenance shop alterations/adds	101,000
Santa Ana: Organizational maintenance shop miscellaneous work	165,000
Georgia:	
Atlanta: U.S. Property and Fiscal Officer's Office addition	318,000
Baxley: Armory unit storage building	23,000
Hawkinsville: Armory unit storage building	65,000
Hunter: Armory unit storage building	223,000
Louisville: Armory unit storage building	70,000
Lyons: Armory unit storage building	152,000
Macon: Military academy rehabilitation	151,000
Quitman: Armory unit storage building	33,000
Reidsville: Armory unit storage building	33,000
Illinois:	
Camp Lincoln: Upgrade existing baffled range rifle/pistol	103,000
Quincy: Armory unit storage addition	33,000
Springfield: Combined support maintenance shop rehabilitation paint shop ventilation	98,000
Hawaii:	
Hilo: Ammunition storage	114,000
Pearl City: Contingency storage site	107,000
Wheeler: Ammunition storage	59,000
Kentucky:	
Ashland: Armory parking	77,000
East Kentucky Training Site: 25 meter/field fire range	186,000
Louisiana:	
Camp Beauregard:	
Combined support maintenance shop renovation	289,000
NCO education system barracks	329,000
Organizational maintenance shop expansion No. 4	193,000
Winterize barracks	328,000
Fort Polk: Crane facility	110,000
Maryland:	
Edgewood:	
Organizational maintenance shop	265,000
Rehabilitate administration building	36,000
Havre de Grace: Contingency storage site	153,000
Mississippi:	
Camp Shelby:	
Rehabilitate bachelor officer quarters	39,000
Range infantry remote engagement target	370,000
Greenwood: Organizational maintenance shop	273,000
Nevada:	
Carson City: Contingency storage site	61,000
Indian Springs: Tank table No. 7 range	189,000
New York:	
Camp Smith:	
Contingency storage site	180,000
25 meter range	189,000
Guilderland: Training area	336,000
Newark Training Site: Combat pistol range/M-16 25 meter	160,000
Rochester:	
Combined support maintenance shop modernization	45,000
Contingency storage site	140,000
Youngstown Training Site: Combat pistol range	68,000
North Carolina:	
Ahoskie: Armory addition	85,000
Asheville: Armory addition	100,000
Camp Butner:	
Combat pistol	67,000
Night firing range	150,000
Record fire range	113,000
25 meter zero/M79	66,000
Fayetteville: Armory unit storage building	43,000
Fort Bragg:	
Mobilization and training equipment site apron	26,000
Mobilization and training equipment site POV parking	273,000
Monroe: Armory unit storage building	24,000
Raeford: Armory unit storage building	21,000
Rockingham: Armory unit storage building	82,000
Southern Pines: Armory unit storage building	24,000
Ohio:	
Camp Perry:	
Barracks latrine/company administration Phase IV	363,000
Battalion dispensary	147,000
Contingency storage site	75,000
Oklahoma:	
Norman: Direct support logistics facility/spare parts supply fac	86,000
Stillwater: Organizational maintenance shop No. 4	272,000

Oregon—Camp Rilea: Ammunition bunkers (2)	200,000
Pennsylvania:	
Butler: Organizational maintenance shop renovation	113,000
Clearfield: Armory alteration	142,000
Connellsville: Organizational maintenance shop modernization	75,000
Fort Indiantown Gap:	
Aircraft fuel storage facility addition	140,000
Army aviation support facility security fence	58,000
Unit training and equipment site alteration	261,000
Lebanon: Motor vehicle storage building expansion	54,000
New Castle: Organizational maintenance shop No. 9 alteration	70,000
Philadelphia: Organizational maintenance shop—admin area	56,000
South Carolina:	
Fort Jackson:	
NCO Academy (Primary NCO course)	290,000
Upgrade water system	270,000
Tennessee:	
Camden: Organizational maintenance shop subshop	240,000
Smyrna: Vault and supply battalion	103,000
Texas:	
Austin: Army aviation support facility expansion hangar and aircraft parking	210,000
Columbus: Armory rehabilitation/addition	400,000
Denison: Armory rehabilitation	277,000
Henderson: Armory rehabilitation/addition	400,000
Utah:	
Beaver: Organizational maintenance shop No. 10	282,000
Camp Williams:	
Dispensary	175,000
Training facility	149,000
Ogden: Organizational maintenance shop No. 2 rehabilitation	176,000
Washington:	
Camp Murray: Contingency storage site	144,000
Ephrata: Organizational maintenance shop (2 bay)	250,000
Total	16,086,000

The conferees agreed that changes from this project listing are to be reported to the Military Construction Appropriations Subcommittees.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

The conferees agreed to the appropriation of $111,200,000 for Military construction, Air National Guard, as proposed by the House instead of $110,700,000 as proposed by the Senate. The conferees have agreed to fund all items in conference at the level proposed by the House, as shown below:

New York—Stewart Airport: Phase IV construction	$10,500,000
General reduction	−10,000,000

MILITARY CONSTRUCTION, ARMY RESERVE

The conferees agreed to the appropriation of $69,306,000 for Military construction, Army Reserve, instead of $67,306,000 as proposed by the House and $70,400,000 as proposed by the Senate. The conferees have agreed to the following addition to the amounts and line items as proposed by the House:

American Somoa—150 member Army Reserve Center	+$2,000,000

MILITARY CONSTRUCTION, NAVAL RESERVE

The conferees agreed to the appropriation of $60,800,000 for Military construction, Naval Reserve, as proposed by the Senate instead of $63,800,000 as proposed by the House. The conferees have agreed to the following deletion to the amounts and line items as proposed by the House:

Illinois—NAS Glenview: Runway overlay	[1] −$3,000,000

[1] Failed authorization.

FAMILY HOUSING, ARMY

The conferees agree to an appropriation of $1,348,432,000 for Family housing, Army, instead of $1,338,752,000 as proposed by the House and $1,340,412,000 as proposed by the Senate. The conferees are agreed that $143,215,000 is appropriated for construction, $1,183,300,000 is appropriated for operations and maintenance, and $21,917,000 is appropriated for debt payment. The conferees have agreed to the following additions and deletions to the amounts and line items as proposed by the House:

California—Sierra Army Depot: Family housing units	−$520,000
Operations: Management	+2,200,000
Maintenance	+8,000,000
Total	+9,680,000

The conferees agreed to fund all other items in conference at the level proposed by the House, as shown below:

Texas—Fort Hood: 20 family housing units	$1,950,000
Germany:	
Babenhausen: 106 family housing units	7,620,000
Mainz: 186 family housing units	14,200,000
Construction improvements	100,000,000
General reduction	0
Operations:	
Services	44,500,000
Utilities	285,000,000
Furnishings	112,800,000
Miscellaneous	1,000,000
Leasing	105,000,000

California—Fort Ord: Trailer pads.—The conferees agreed that the Army is to construct 70 trailer pads estimated to cost $1,081,000 out of funds available in the family housing construction account.

California—Sierra Army Depot: Family housing units.—The conferees have agreed to provide $400,000 to acquire title to 125 units of Wherry housing at this location and $5,130,000 to construct 80 units of new housing.

Maryland—Aberdeen Proving Ground: 439 family housing units.—The conferees endorse the authorization of $30,792,000 for 439 new family housing units at Aberdeen Proving Ground, Maryland. The conferees direct the Army to use the $7,746,000 requested in the improvements account for this installation and available savings to construct these new units. This project should be submitted as a reprogramming when it is ready for execution.

Texas—Fort Hood: 20 family housing units.—The conferees have agreed to provide $1,950,000 for 20 units of new housing at Fort Hood. The conferees direct that 20 units be built with the funds provided.

Construction improvements.—The conferees have agreed that the Army is to accomplish the $4,800,000 improvement project at Fort Monmouth, New Jersey, out of the $100,000,000 provided for this account.

FAMILY HOUSING, NAVY

The conferees agreed to an appropriation of $681,075,000 for Family housing, Navy, instead of $674,368,000 as proposed by the House and $686,897,000 as proposed by the Senate. The conferees are agreed that $117,027,000 is appropriated for construction, $538,602,000 is appropriated for operation and maintenance, and $25,446,000 is appropriated for debt payment. The conferees have agreed to the following addition to the amounts and line items as proposed by the House:

Alaska—NS Adak: 405 family housing units	+$6,707,000

The conferees agreed to fund all other items in conference at the level proposed by the House, as shown below:

California—MCB Camp Pendleton: 360 family housing units	$20,000,000
Virginia—AEGIS Combat Systems Center Wallops Island: 28 family housing units	2,170,000
Cuba—NS Guantanamo Bay: 100 family housing units	9,350,000
Operations:	
Management	38,200,000
Services	28,000,000
Utilities	160,000,000
Furnishings	13,000,000
Leasing	19,000,000
Maintenance	280,000,000

Alaska—NS Adak: 405 family housing units.—The conferees have approved $53,107,000 for this project. The Navy is not to use additional savings for this project unless its is specifically approved in a reprogramming request.

California—MCB Camp Pendleton: 360 family housing units.—The conferees have agreed to provide $20,000,000 for the 360 new units requested. In addition, the amount of $15,000,000 has been provided towards the construction of 647 new units for E-4s and below. These funds along with the proceeds of the sale of the existing complex will be used to fund this project. The Navy is to submit this project for approval via a reprogramming prior to contract award.

FAMILY HOUSING, AIR FORCE

The conferees agreed to an appropriation of $912,043,000 for family housing, Air Force, instead of $882,134,000 as proposed by the House and $868,080,000 as proposed by the Senate. The conferees are agreed that $181,123,000 is appropriated for construction, $700,940,000 is appropriated for operations and maintenance, and $29,980,000 is appropriated for debt payment. The conferees have agreed to the following additions and deletions to the amounts and line items as proposed by the House:

California—Fort MacArthur: 140 family housing units	+$11,800,000
Germany—Classified location: 180 family housing units	+13,500,000

Italy—Comiso: 460 family housing units	−8,100,000
Korea—Osan AB: Utilities	+2,700,000
Construction improvements	+10,009,000
Total	+29,909,000

The conferees agreed to fund all other items in conference at the level proposed by the House, as shown below:

Montana—Conrad AFS: 40 family housing units	$2,950,000
Wyoming—F.E. Warren AFB: 265 family housing units	16,300,000
United Kingdom:	
RAF Bentwaters: 200 family housing units	16,200,000
RAF Greenham Common: 250 family housing units	17,800,000
General reduction	0
Operations:	
Management	25,300,000
Services	22,000,000
Utilities	230,000,000
Furnishings	40,000,000
Miscellaneous	1,380,000
Leasing	53,000,000
Maintenance	329,260,000

California—Fort MacArthur: 140 family housing units.—The conferees have agreed to provide $11,800,000 for 140 housing units in support of the Air Force Space Division personnel in Los Angeles, California. However, funds have not been approved for land acquisition, and appropriated funds are not to be used for this purpose. The conferees endorse the position outlined in the fiscal year 1985 Military Construction Authorization Act which prohibited the use of appropriated funds to pay for land transfers. The conferees do not concur with the Executive Branch policy of requiring one federal agency to pay another for federal land. If the Air Force is unable to resolve the issue regarding the proposed site, they should work with the city to find an alternative site. None of the funds appropriated for construction are to be obligated until the Committees on Appropriations have been notified concerning the disposition of the site.

Italy—Comiso: 460 family housing units.—The conferees have agreed to provide $32,200,000 for 460 units of housing at Comiso AB, Italy. Obligation of these funds is contingent upon submission of the signed agreement on the use of U.S. manufactured housing. Any future proposed lease/construct agreements for housing at this location must meet the cost effectiveness test as required by law.

Korea—Osan AB: Utilities.—The conferees have agreed to fund the utility extension at Osan but caution that it is not to be construed as an endorsement of accompanied tours at this location.

Construction improvements.—The conferees have approved the $62,173,000 requested for construction improvements. The conferees have approved the funding for the five improvement projects denied by the House on the condition that all future requests for improvement projects clearly indicate the amounts spent on the given units in the previous three years and the amounts planned for the units in the following three years. This will allow for a coherent review of the total improvement planned for all units.

FAMILY HOUSING, DEFENSE AGENCIES

The conferees have agreed to the appropriation of $17,437,000 for Family housing, Defense Agencies, instead of $17,291,000 as proposed by the House and $19,300,000 as proposed by the Senate. The amount of $707,000 is appropriated for construction and $16,730,000 is appropriated for operation and maintenance. The conferees have agreed to the following additions to the amounts and line items as proposed by the House:

Classified Location—NSA:	
6 family housing units	+$60,000
Maintenance	+86,000
Total	+146,000

The conferees agreed to fund all other items in conference at the level proposed by the House, as shown below:

Operations:	
Furnishings	$1,800,000
Miscellaneous	470,000
Leasing	13,700,000

GENERAL PROVISIONS

Section 120.—The conferees agreed to amend the House provision to change the construction floor to $10,000,000 for projects requiring U.S. contracts for installed equipment in NATO and Japan for countries not meeting a 3% increase in defense spending in 1983. The amended section reads as follows:

"SEC. 120. None of the funds appropriated in this Act may be obligated for contracts estimated by the Government to exceed $10,000,000 for military construction projects to be accomplished in Japan or in any NATO member country if that country has not increased its defense spending by at least 3 per centum in calendar year 1983, as certified by the Secretary of Defense, unless such contracts require that all installed equipment utilized in such projects have been manufactured in the United States."

Section 121.—The conferees agreed to retain the House provision restricting A&E contracts exceeding $1,000,000 in NATO countries and Japan not meeting a 3% defense increase in 1983 to U.S. companies or joint ventures with U.S. companies.

Section 122.—The conferees agreed to delete the House Section 122 restricting the use of funds for the master restationing plan in Germany. The recommendations on the master restationing plan are discussed under the Army section earlier in this conference report.

Section 123.—The conferees agreed to amend Section 123 as proposed by the Senate. The section, as amended and renumbered, reads as follows:

"SEC. 122. None of the funds appropriated in this Act for military construction in the United States territories and possessions in the Pacific and on Kwajalein Island may be used to award any contract estimated by the Government to exceed $5,000,000 to a foreign contractor: *Provided*, That this section shall not be applicable to contract award for which the lowest responsive bid of a United States contractor exceeds the lowest responsive bid of a foreign contractor by greater than 20 per centum."

Section 124.—The conferees have agreed to delete House Section 124 and Senate new Section 121. During action on the fiscal year 1984 military construction supplemental, funds were released to initiate the design of a new hospital at Fort Sam Houston, Texas. This action and language included the fiscal year 1985 military construction authorization bill to support the need for proceeding quickly with the Brooke Army Medical Center replacement.

Section 125.—The conferees have agreed to the same provision on prior notification on military exercises as provided in the House and Senate bills but with a new section number 123.

Section 126.—The conferees agreed to delete the language included by the House calling for a general reduction of .003%. The conferees have made general reductions which take into account savings from the use of alternate construction methods.

Senate new section 123.—The conferees agreed to the language proposed by the Senate concerning the transfer of receipts from the family housing management account. The provision, as amended by a new section number, reads as follows:

"SEC. 124. Unexpended balances in the Military Family Housing Management Account established pursuant to section 2831 of title 10, United States Code, as well as any additional amounts which would otherwise be transferred to the Military Family Housing Management Account during fiscal year 1985, shall be transferred to the appropriations for Family Housing provided in this Act, as determined by the Secretary of Defense, based on the sources from which the funds were derived, and shall be available for the same purposes, and for the same time period, as the appropriation to which they have been transferred.".

Senate new section 124.—The conferees agreed to the language proposed by the Senate concerning narcotics control. The provision, as amended by a new section number, reads as follows:

"SEC. 125. (a) None of the funds appropriated in this Act may be available for any country if the President determines that the government of such country is failing to take adequate measures to prevent narcotic drugs or other controlled substances cultivated or produced or processed illicitly, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to United States personnel or their dependents, or from being smuggled into the United States. Such prohibition shall continue in force until the President determines and reports to the Congress in writing that—

"(1) the government of such country has prepared and committed itself to a plan presented to the Secretary of State that would eliminate the cause or basis for the application to such country of the prohibition contained in the first sentence; and

"(2) the government of such country has taken appropriate law enforcement measures to implement the plan presented to the Secretary of State.

"(b) The provisions of subsection (a) shall not apply in the case of any country with respect to which the President determines that the application of the provisions of such subsection would be inconsistent with the national security interests of the United States.".

Senate new section 125.—The conferees agreed to amend the language proposed by the Senate concerning consultants and consultant services. The provision, as amended and renumbered, reads as follows:

"SEC. 126. Of the total amount of budget authority provided for fiscal year 1985 by this Act that would otherwise be available for consulting services, management and professional services, and special studies and analyses, 10 per centum of the amount intended for such purposes in the President's budget for 1985, as amended, for any agency, department or entity subject to ap-

portionment by the Executive shall be placed in reserve and not made available for obligation or expenditure: *Provided*, That this section shall not apply to any agency, department or entity whose budget request for 1985 for the purposes stated above did not amount to $5,000,000.".

Senate new section 126.—The conferees agreed to the Senate language calling for NATO and Japan to increase their defense spending by 3% per year. The provision, as amended by a new section number, reads as follows:

"SEC. 127. It is the sense of the Congress that the administration should call on the pertinent member nations of the North Atlantic Treaty Organization and on Japan to meet or exceed their pledges for at least a 3 per centum real increase in defense spending and furtherance of increased unity, equitable sharing of our common defense burden, and international stability.".

Amendment No. 24: Adds language as proposed by the Senate requiring that $1 be recouped for prefinanced U.S. NATO infrastructure projects for every $4 to be obligated. The conferees agreed that the Department is to tie the obligations to the funds appropriated in the fiscal year 1985 Military Construction Appropriations Act. The conferees felt that it was necessary to include this provision in order to highlight the need to increase the recoupment of the large sums owed the United States for prefinanced NATO infrastructure projects.

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

Amendment No. 25: Deletes language proposed by the House and stricken by the Senate and deletes language proposed by the Senate.

FOREIGN ASSISTANCE APPROPRIATIONS

Amendment No. 26: Provides for funding for foreign assistance programs for fiscal year 1985. The House language would have provided for foreign assistance programs at the level and terms and conditions of H.R. 6237, the Foreign Assistance and Related Programs Appropriations Act, 1985 as reported to the House of Representatives on September 13, 1984. The Senate language would have provided for similar programs contained in S. 2793 as reported to the Senate on June 26, 1984.

NEW HEALTH INITIATIVE

The managers are providing a total of $85,000,000 in new health care initiatives with $10,000,000 to be used for nutrition, $50,000,000 for the delivery of primary and related health care services and health care education, and $25,000,000 for a new program entitled "Child Survival Fund."

JOHNS HOPKINS UNIVERSITY

The managers on the part of the House and Senate direct that $1,000,000 of the funds provided for the Child Survival Fund be utilized to support a new international health program at Johns Hopkins University for applied research, development and training in immunization, and other health programs. It is the intention of the conferees that $1,000,000 be provided each year for up to five years.

CEILING ON CENTRAL AMERICA DEVELOPMENT ASSISTANCE

The managers have placed a ceiling on the level of development assistance for Central America at $225,000,000. This ceiling provides a substantial increase in development assistance for Central America while also freeing funds for poorer areas of the world. Additional funds may be provided to Central America through the regular notification process of the Committees on Appropriations.

PRIVATE VOLUNTARY ORGANIZATIONS

The managers are providing that funds in this Act may not be made available after January 1, 1986 to any United States voluntary organization, other than a cooperative development organization, which obtains less than 25 percent of its funds from sources other than the United States Government.

The Committees on Appropriations will hold hearings on this proposal before it is implemented in January 1986 and will determine if any modifications or changes should be made to the legislation.

The managers recognize that the test of non-governmental participation may include financial donations from the private sector which may be applied directly to PVO program activities without flowing through a PVO headquarters or national budget. These local financial contributions shall be eligible to be counted as part of the total annual funding of a PVO for international activities.

DEVELOPMENT LOAN TERMS

The managers have agreed not to include an arbitrary percentage on the amount of development assistance that should be used for loans, but rather to permit the Administrator of AID to fix such amount and such terms based on existing law. It is the expectation of the managers that AID will realistically manage its loan portfolio in a manner that reflects prudent financial judgment, the objectives of the foreign assistance program, and the financial conditions in developing countries. The managers expect AID to take such steps as are necessary to negotiate loans on more realistic terms than have been negotiated in the past, particularly for those countries with a greater ability to repay. The managers have included a provision stating that, to the extent practicable, any AID loans to private sector institutions should be made at rates at or near the cost of borrowing money from the U.S. Treasury. The managers direct that AID submit a report that explains how this section will be carried out within 30 days of enactment of this bill.

ECONOMIC SUPPORT FUNDS FOR AFRICA

The managers are providing an additional $75,000,000 for Africa, subject to regular notification procedures. This action is being taken in place of the $75,000,000 requested by the Administration for the Economic Policy Initiative for Africa.

CASH TRANSFER FOR EGYPT

The managers are providing $100,000,000 in economic support funds for Egypt as a cash transfer. The managers direct that the Agency for International Development administer these funds in a manner similar to that contained in program assistance approval document number 263-K-608, dated September 19, 1984 which required that Egyptian pounds, equivalent to the amount of the cash grant, be used for development purposes.

AID DEOBLIGATION/REOBLIGATION AUTHORITY

The managers on the part of the House and the Senate support deobligation reobligation authority for AID. This authority has been provided in the past and is an excellent management tool for ending poor projects and reallocating funds for new priorities. Unfortunately, the Administration in fiscal year 1985 was unwilling either to continue its support for this improved management authority or to allocate funds for this purpose.

The managers have included deobligation reobligation authority for AID for fiscal year 1985 in this Act and have broadened that authority to allow additional disaster or development assistance funding for Andean countries, which are still recovering from weather related disaster and economic difficulties. Nevertheless, in the next fiscal year, the managers will not continue to support this management authority for the AID programs unless the Administration also recognizes its importance, requests the authority, and allocates funds for this purpose in the fiscal year 1986 budget documents.

SEPARATE ECONOMIC SUPPORT FUND FOR EL SALVADOR

The managers have included language which requires that economic support funds provided for El Salvador that are maintained in the Central Reserve Bank be placed in a separate account.

It is not the managers' intention to change the nature of the assistance provided to El Salvador as cash transfer assistance. Because the funds are provided as cash assistance, statutory and regulatory requirements that would normally attach to the procurement or transportation of commodities financed by AID would not have to be applied to the use of funds maintained in the separate account. Such statutory requirements include: section 604 of the Foreign Assistance Act of 1961, as amended; section 901(b)(1) of the Merchant Marine Act of 1936, as amended; section 5 of the International Air Transportation Fair Competitive Practice Act of 1974; section 644 of the Small Business Act; section 2711 of the Competition in Contracting Act of 1984; and the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

REGIONAL MILITARY TRAINING CENTER IN HONDURAS

The managers on the part of the House and the Senate are particularly concerned about the resolution of issues addressing the Regional Military Training Center in Honduras. The managers note that several recent events raise questions about the possibility of maintaining a Regional Military Training Center in Honduras. These events include (1) the recent failure to reach agreement with the Government of Panama on the continued use of the regional military training schools in that country; (2) the statements of those countries involved in the Contadora peace plan and their proposals for the elimination of military training schools in Central America; (3) the continuing border disputes between El Salvador and Honduras; and, (4) recent decisions of the military high command in Honduras refusing to allow El Salvadoran military training at the existing Regional Military Training Center.

Nevertheless, the managers support the concept of such a Center and believe that the President should have maximum flexibility to continue negotiating cost effective methods of providing necessary military training to Central American armed forces. Consequently, the managers have provided funds for such a Center subject to the regular notification process of the Committee on Appropriations. Additionally, the managers have included a provision to ensure adequate, effective and prompt determination

and settlement of a claim by a United States citizen for compensation arising from, or relating to, the establishment and operation of the existing Regional Military Training Center on private property in Honduras. The managers believe that it is essential that the U.S. Department of State and the Honduran government work together immediately to resolve this claim promptly and amicably under international law. The managers expect that these same conditions will be applied to funds contained in Public Law 98-396, the Supplemental Appropriations Act.

While the managers stress the above points, they do emphasize as a general principle that the Congress should involve itself in expropriation cases only after all other resonable legal remedies have been pursued and failed.

FAILURE TO REPAY U.S. LOAN ASSISTANCE

Severe debt problems faced by U.S. assistance recipient countries have increased the likelihood that some of these countries will be unable to repay their foreign assistance loans owed to the U.S. Government. Section 517 of the Appropriations Act requires that no additional assistance be furnished to any country which is in default of its United States foreign assistance program loans for a period in excess of one calendar year, unless an official debt rescheduling is completed. After one year has passed without timely payment of a loan, the relevant agency has eight additional months to obligate funds solely for the purpose of ending activities in a country.

The conferees are concerned that U.S. agencies providing foreign assistance have not developed and implemented plans to carry out the intent of Section 571. Accordingly, the conferees are providing the following guidelines concerning Section 517 and the conferees expect that all agencies covered in this Act will develop procedures to implement these guidelines.

The conferees expect the relevant agencies to have in place a system to implement Section 517 and to begin concluding activities in a country as soon as possible after Section 517 becomes effective.

The implementing system should include at least the following: (1) cable notifications to field missions six months before the one year deadline; (2) initiation of assessments, prior to the one year deadline, of necessary requirements to end the program; (3) negotiations with the delinquent government, for the purpose of both encouraging repayment and making the government aware of the consequences of non-payment as soon as it appears likely that the one year deadline will be exceeded; and (4) obligation of funds only for purposes necessary for the rapid conclusion of current activities as soon as possible after the one year deadline has been passed. The conferees intend that a very narrow interpretation be given to what constitutes activities necessary for concluding existing programs as quickly as possible.

EXPORT-IMPORT BANK

The managers direct that the Export-Import Bank take all necessary steps to carry out an expansion of its small business program. The conferees further direct that the Bank conduct a study as to the feasibility of relocating its headquarters to less expensive office space. This study should be completed by March 31, 1985.

AMERICAN UNIVERSITY OF BEIRUT AND THE AMERICAN UNIVERSITY IN CAIRO

The managers on the part of the House and the Senate are strongly committed to the future of the American University of Beirut and the American University in Cairo. They are directing that the Secretary of State conduct a study to determine the most appropriate manner by which to provide continuing financial assistance to these institutions.

Amendment No. 27. Deletes Senate Amendment No. 27 concerning the United Nations Fund for Victims of Torture. This amendment is addressed in Amendment No. 26.

Amendment No. 28. Deletes Senate Amendment No. 28 concerning a separate account for United States assistance funds deposited in the Central Reserve Bank of El Salvador. This amendment is addressed in Amendment No. 26.

Amendment No. 29. Deletes Senate Amendment No. 29 concerning the Regional Military Training Center in Honduras. This amendment is addressed in Amendment No. 26.

Amendment No. 30. Deletes Senate Amendment No. 30 concerning the extension of concessional foreign military sales credit to Turkey. This amendment is addressed in Amendment No. 26.

Amendment No. 31. Deletes Senate Amendment No. 31 concerning policy setting the level of Economic Support Funds for Israel. This amendment is addressed in Amendment No. 26.

DEPARTMENT OF DEFENSE APPROPRIATION ACT

Amendment No. 32: Section 101(h) of House Joint Resolution 648 provides appropriations for programs, projects and activities provided for in the Department of Defense Appropriation Act, 1985. The House version of the joint resolution provides appropriations for programs, projects and activities at a rate of operations and to the extent and in the manner provided for in H.R. 6329 as reported to the House of Representatives on September 26, 1984. The Senate version of the joint resolution provides appropriations for these programs, projects and activities at the rate and in the manner provided for in S. 3026 as reported to the Senate on September 26, 1984, with certain additional provisions and exceptions provided for in the joint resolution.

The conference agreement on House Joint Resolution 648 incorporates some of the provisions of both the House and Senate versions of the Department of Defense Appropriation Act, 1985, and has the effect of enacting the Act into law. The language and allocations set forth in House Report 98-1086 and Senate Report 98-636 should be complied with unless specifically addressed in this joint resolution and statement of the managers to the contrary. The Department of Defense Appropriation Act, 1985, put in place by this joint resolution incorporates the following agreements of the managers.

TITLE I—MILITARY PERSONNEL

The conferees agree to the following amounts for the Military Personnel accounts:

[In thousands of dollars]

	Budget	House	Senate	Conference
SUMMARY				
Military personnel, Army	21,172,900	21,020,244	21,049,200	21,020,344
Military personnel, Navy	15,897,500	15,660,134	15,695,358	15,660,246
Military personnel, Marine Corps	4,845,900	4,802,100	4,812,066	4,803,366
Military personnel, Air Force	17,799,900	17,607,825	17,567,780	17,572,005
Reserve personnel, Army	2,184,300	2,090,500	2,109,700	2,084,100
Reserve personnel, Navy	1,131,600	1,131,600	1,127,300	1,127,700
Reserve personnel, Marine Corps	269,500	268,700	269,500	268,700
Reserve personnel, Air Force	565,800	564,500	565,800	564,500
National Guard personnel, Army	3,075,000	2,969,210	2,935,500	2,926,100
National Guard personnel, Air Force	889,200	874,878	882,900	868,578
Total, military personnel	67,831,600	66,989,691	67,015,104	66,895,639

The following items represent language as agreed to by the conferees:

ACTIVE DUTY FORCES

The conferees agree to a reduction of $208,800,000 from requested amounts resulting from Authorization reductions in end strengths and associated man-years. The following table summarizes strength levels as agreed to by the conferees.

FISCAL YEAR 1985 ACTIVE DUTY END STRENGTHS

	Budget	Authorization	Conference
Army	780,800	780,800	780,800
Navy	575,300	571,300	571,300
Marine Corps	199,500	198,300	198,300
Air Force	610,200	602,070	602,070
Total	2,165,800	2,152,470	2,152,470

GUARD/RESERVE FORCES

The conferees agree to a reduction of $240,600,000 from requested amounts resulting from authorization reductions in selected reserve average strengths and full-time reserve end strengths. Additionally, the conferees agree to a reduction of 555 Active/Guard Reserve (AGR) personnel and $9,022,000 from the Air National Guard personnel accounts, and an increase of 555 (civilian) military technicians and $8,083,000 to the Air Guard O&M accounts. The conferees further agree that the 762 in Air Guard selected reserve average strengths and full-time end strengths reduced by the 1985 Defense Authorization Bill should be spread in proportion across all Air Guard programs and not solely against new programs.

The following table summarizes strength levels as agreed to by the conferees.

FISCAL YEAR 1985 GUARD/RESERVE STRENGTHS

	Budget	Authorization	Conferees
Selected Reserve (average strength):			
Army Reserve	288,400	284,073	284,073
Navy Reserve	124,200	124,100	124,100
Marine Corps Reserve	44,300	44,300	44,300
Air Force Reserve	72,900	72,900	72,900
Army National Guard	440,100	435,117	435,117
Air National Guard	106,200	105,438	105,438
Total	1,076,100	1,065,928	1,065,928
Full-Time Reserve (end strength):			
Army Reserve	15,027	10,700	10,700
Navy Reserve	15,410	15,210	15,210
Marine Corps Reserve	1,129	1,129	1,129
Air Force Reserve	623	623	623
Army National Guard	26,583	20,583	20,583
Air National Guard	7,224	7,024	6,469
Total	65,996	55,269	54,714

RETIRED PAY ACCRUAL

It has come to the attention of the conferees that the Department of Defense Retirement Board of Actuaries has recently met and completed action on determining the value of the normal cost percentage for military retired pay for fiscal year 1985. The conferees direct that any funds appropriated for Military Retired Pay, which are

subsequently determined to be excess to requirements due to the revaluation of the normal cost percentage, shall be used as an offset to costs associated with the January 1, 1985 military pay raise and shall not be used for any other purposes.

SURVIVORS' BENEFITS

The conferees agree that the individual Service's military personnel appropriations should make funds available, up to $7,000,000, in order to fund payments for survivors' benefits as authorized in section 941 of the 1984 Defense Authorization.

NAVY MANPOWER

The Senate directed the Navy to accommodate the requirement for the 9th Mobile Construction Battalion (NMCB No. 7) within the fiscal year 1985 authorized and appropriated strengths. The House did not address the issue. The conferees agree with the Senate position.

COMMISSARY TESTS

The Senate included language directing the Department of Defense to test contracting out of military commissaries in three metropolitan areas. The House included no such language. The Senate recedes.

INDEPENDENT NATIONAL GUARD BRIGADES

The conferees agree that the Department of the Army must quickly resolve the uncertainty surrounding the roles, missions, training and administrative support of the 41st Infantry Brigade in Oregon and the 79th Infantry Brigade, Hawaii. These brigades will lose active Army unit affiliation when the Army converts the 7th and 25th Divisions to light divisions. The Army is directed to report to the House and Senate Committees on Appropriations, by February 1, 1985, what its plans are for these brigades. The report should address all alternatives considered, the pros and cons of each alternative, and the Army's preferred alternative. The report should specifically address the recommendations made by both the House and Senate Appropriations Committees in their respective reports.

WINTER CLOTHING

The conferees agree that $500,000 shall be available for purchase of winter clothing and gear for the Vermont Army National Guard, unless such purchase would deny clothing or equipment to higher priority or earlier deploying National Guard units.

MILITARY PERSONNEL, ARMY

The conferees agree to the following amounts for Military Personnel Army:

[In thousands of dollars]

	Budget	House	Senate	Conference
Military personnel, Army				
Enlisted grade growth/man-years	15,798,297	15,773,297	15,778,297	15,773,297
SEL reenlistment bonus	139,604	113,604	114,604	113,604
Army fiscal year 84 surpluses		−11,900		−4,600
Retired pay overestimate		−581		−581
Retention assumptions	52,689	42,689	52,689	42,689
BAQ/VHA	1,577,904	1,544,904	1,537,704	1,537,704
Unemployment compensation	74,900	68,300	74,900	68,300
Dental officer pay	11,339	10,264	11,339	10,264
Items not in conference	3,518,167	3,479,667	3,479,667	3,479,667
Total, military personnel, Army	21,172,900	21,020,244	21,049,200	21,020,344

MILITARY PERSONNEL, NAVY

The conferees agree to the following amounts for Military Personnel, Navy:

[In thousands of dollars]

	Budget	House	Senate	Conference
Military personnel, Navy				
Active Navy end strength/man-years	11,373,958	11,261,228	11,326,458	11,302,258
Selective reenlistment bonus	290,912	258,212	250,912	254,500
Retention assumptions	108,659	93,659	108,659	98,659
Navy PCS moves	613,361	608,361	578,119	578,119
BAQ/VHA	1,422,183	1,382,183	1,366,383	1,366,383
Unemployment compensation	40,927	37,327	40,927	37,327
Dental officer pay	8,691	7,791	8,691	7,791
Aviation officer continuation pay (new)	25,600	20,764	24,600	24,600
Items not in conference	2,013,209	1,990,609	1,990,609	1,990,609
Total, military personnel, Navy	15,897,500	15,660,134	15,695,358	15,660,246

MILITARY PERSONNEL, MARINE CORPS

The conferees agree to the following amounts for Military Personnel, Marine Corps:

[In thousands of dollars]

	Budget	House	Senate	Conference
MILITARY PERSONNEL, MARINE CORPS				
Active personnel end strengths	3,570,022	3,548,122	3,561,022	3,556,222
Beirut operations	40,369	38,569	40,369	38,569
BAQ/VHA	361,282	352,282	347,682	347,682
PCS initiatives	9,000		−34	−34
Unemployment compensation	23,759	21,659	23,759	21,659
Subsistence-in-kind (MRE)	35,508	35,508	33,308	33,308
Items not in conference	805,960	805,960	805,960	805,960
Total, Military personnel, Marine Corps	4,845,900	4,802,100	4,812,066	4,803,366

MILITARY PERSONNEL, AIR FORCE

The conferees agree to the following amounts for Military Personnel, Air Force:

[In thousands of dollars]

	Budget	House	Senate	Conference
MILITARY PERSONNEL, AIR FORCE				
Active personnel end strengths	13,256,448	13,143,348	13,123,748	13,133,148
SEL reenlistment bonus	92,973	88,973	90,973	88,973
Overseas and strengths	26,000	20,800	12,486	12,486
PCS moves	838,224	830,224	829,618	829,618
BAQ/VHA	1,480,982	1,446,982	1,434,582	1,434,582
Unemployment compensation	42,169	38,469	40,869	38,469
Dental officer pay	8,766	7,991	8,766	7,991
Special and incentive pay	164,446	164,446	160,446	160,446
Subsistence-in-kind (MRE)	4,484	4,484	4,184	4,184
Items not in conference	1,885,408	1,862,108	1,862,108	1,862,108
Total, military personnel, Air Force	17,799,900	17,607,825	17,567,780	17,572,005

RESERVE PERSONNEL, ARMY

The conferees agree to the following amounts for Reserve Personnel, Army:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESERVE PERSONNEL, ARMY				
Drilling Reserve, average strength	1,274,432	1,274,432	1,268,032	1,268,032
AGR end strength	526,937	442,437	458,737	442,437
Revised clothing prices	45,051	35,751	45,051	35,751
Items not in conference	337,880	337,880	337,880	337,880
Total, Reserve personnel, Army	2,184,300	2,090,500	2,109,700	2,084,100

RESERVE PERSONNEL, NAVY

The conferees agree to the following amounts for Reserve Personnel, Navy:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESERVE PERSONNEL, NAVY				
Full-time support end strength	468,460	468,460	464,560	464,560
Revised clothing prices	16,176	13,876	16,176	13,876
Drill participation rates	442,005	444,305	442,005	444,305
Drilling Reserve, avg. strength	23,793	23,793	23,793	23,793
Items not in conference	181,166	181,166	181,166	181,166
Total, Reserve personnel, Navy	1,131,600	1,131,600	1,127,300	1,127,700

RESERVE PERSONNEL, MARINE CORPS

The conferees agree to the following amounts for Reserve Personnel, Marine Corps:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESERVE PERSONNEL, MARINE CORPS				
Revised clothing prices	7,435	6,635	7,435	6,635
Items not in conference	262,065	262,065	262,065	262,065
Total, Reserve personnel, Marine Corps	269,500	268,700	269,500	268,700

RESERVE PERSONNEL, AIR FORCE

The conferees agree to the following amounts for Reserve Personnel, Air Force:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESERVE PERSONNEL, AIR FORCE				
Revised clothing prices	5,445	4,145	5,445	4,145
Item not in conference	560,355	560,355	560,355	560,355
Total, Reserve personnel, Air Force	565,800	564,500	565,800	564,500

NATIONAL GUARD PERSONNEL, ARMY

The conferees agree to the following amounts for National Guard Personnel, Army:

[In thousands of dollars]

	Budget	House	Senate	Conference
NATIONAL GUARD PERSONNEL, ARMY				
Drilling Reserve average, strength	1,924,935	1,924,935	1,903,835	1,903,835
AGR end strength	890,190	793,800	771,790	771,790
Revised clothing	82,008	72,608	82,008	72,608
Items not in conference	177,867	177,867	177,867	177,867
Total, National Guard personnel, Army	3,075,000	2,969,210	2,935,500	2,926,100

NATIONAL GUARD PERSONNEL, AIR FORCE

The conferees agree to the following amounts for National Guard Personnel, Air Force:

[In thousands of dollars]

	Budget	House	Senate	Conference
NATIONAL GUARD PERSONNEL, AIR FORCE				
Selected Reserve strengths	6,300	6,300		
Air Guard fiscal year 1984 surpluses		−4,000		−4,000
AGR/technician MIX—AGR pay	20,300	10,140	20,300	10,140
AGR/technician MIX—drill pay	108,505	109,643	108,505	109,643
Revised clothing prices	166,473	165,173	166,473	165,173
Items not in conference	587,622	587,622	587,622	587,622
Total, National Guard personnel, Air Force	889,200	874,878	882,900	868,578

TITLE II—OPERATION AND MAINTENANCE

The conferees agree to the following amounts for the Operation and Maintenance accounts:

	Fiscal year 1985 estimates	House	Senate	Conference
Operation and maintenance, Army	19,486,518,000	18,093,539,000	18,574,318,000	18,411,078,000
Operation and maintenance, Navy	26,248,426,000	24,688,941,000	25,390,326,000	25,116,241,000
Operation and maintenance, Marine Corps	1,683,069,000	1,640,294,000	1,633,469,000	1,640,294,000
Operation and maintenance, Air Force	20,234,500,000	19,156,315,000	19,336,639,000	19,093,265,000
Operation and maintenance, Defense agencies	7,338,370,000	7,037,898,000	7,126,470,000	7,067,469,000
Operation and maintenance, Army Reserve	715,450,000	724,400,000	713,150,000	724,400,000
Operation and maintenance, Navy Reserve	829,531,000	827,181,000	812,431,000	827,181,000
Operation and maintenance, Marine Corps Reserve	58,642,000	58,642,000	58,642,000	58,642,000
Operation and maintenance, Air Force Reserve	883,461,000	928,661,000	872,461,000	872,461,000
Operation and maintenance, Army National Guard	1,404,643,000	1,437,043,000	1,397,243,000	1,424,293,000
Operation and maintenance, Air National Guard	1,862,148,000	1,844,531,000	1,810,348,000	1,810,348,000
National Board for the Promotion of Rifle Practice, Army	914,000	914,000	914,000	914,000
Claims, Defense	177,900,000	157,900,000	157,900,000	157,900,000
Court of Military Appeals, Defense	3,470,000	2,870,000	3,416,000	2,870,000
Summer Olympics				
Environmental Restoration fund, Defense			314,000,000	314,000,000
Total, title II, new budget (obligational) authority, operation and maintenance	80,927,042,000	76,599,129,000	78,201,727,000	77,521,356,000

The following items represent language as agreed to by the conferees:

BASE OPERATIONS TRANSFER

The managers on the part of the Senate agree to recede to the House on the transfer of $180,900,000 base operations support funds from Air Force Research and Development to the operating account. The conferees agree that the Department of Defense should budget for R&D related base operations costs using the same criteria for each military service. Currently, the budgeting procedures range widely even though the types of expenses involved are virtually identical. The conferees recognize that the transfer of only a portion of Air Force base operations funds would merely add to the disparate DoD budget policy.

The conferees direct the Secretary of Defense to submit a plan to accompany the fiscal year 1986 budget request which provides for the implementation of a uniform budgeting system for base operations by fiscal year 1987. The primary objective must be to remove normal operating expenses attendant to the operation of military bases from the R&D accounts and reflect such costs in the operating account requests.

COOPERATIVE EDUCATION

The conferees agree with the Senate position to lift the ceiling on the Defense Department Cooperative Education (Coop Ed) program. However, the conferees remain concerned the Defense Department might abuse the expanded Coop Ed authority, as it has in the past. Therefore, the conferees agree that the program should be devoted predominantly, but not exclusively, to recruitment of students pursuing scientific and technical career fields. The conferees will closely monitor the program to ensure the intent of the conferees is being followed.

Further, the conferees believe the use of Coop Ed students should not exclude recruitment of other individuals by the Defense Department such as college graduates who were not undergraduate Coop Ed students. To aid in recruiting these college graduates, the conferees direct that individuals who have received a baccalaureate degree and are attending accredited colleges and universities in advanced degree programs either full-time or in their off-duty hours should be eligible for this program.

The conferees understand these expansions of authority are consistent with existing personnel regulations as part of the Coop Ed program within the general appointments in the excepted service. The conferees expect the Defense Department to implement these recommendations.

PARTIAL HOSPITALIZATION

The Senate report included for the second year a directive that CHAMPUS begin a partial hospitalization mental health benefit. The conferees remain concerned that nearly 80 percent of all mental health expenditures under CHAMPUS are for in-patient care and accordingly, direct the Department to actively explore less costly alternatives such as partial hospitalization. The conferees intend that this approach shall expressly be targeted to reduce the use of inpatient hospitalization, rather than be viewed as an expansion of the overall mental health benefit. The conferees also agree that the Department should ensure that any partial hospitalization program approved for a patient is based upon medical or psychological necessity for the benefit solely of that patient and which could otherwise not be provided on an outpatient basis.

DRUG INTERDICTION

The conferees agree to the Senate allowance of $9,500,000 to modify three P-3A aircraft to be turned over to the U.S. Customs Service by the end of the fiscal year. Further, the Navy is expected to fund the flying hour program in support of Department of Treasury drug interdiction missions commensurate with the level of operations supported in fiscal year 1984.

OPERATION AND MAINTENANCE, ARMY

The conferees agree to provide $18,411,078,000 instead of $18,093,539,000 as recommended by the House and $18,574,318,000 as recommended by the Senate. Details of the adjustments are as follows:

[In thousands of dollars]

	House	Senate	Conference
Stock fund fuel refund	−421,700	−33,000	−421,700
Stock fund price reestimate	−172,800	−322,800	−322,800
Former Public Health hospital	−3,000		−3,000
Classified programs	−6,345		−4,895
Northern Army Group (rug factory)	−10,700		−10,700
Master planning	−4,000		
Other engineering support	−23,000		
9th Infantry Division support	−3,000		
Force structure	−2,000		
Combat development activities	−5,000		
Army Development and Employment Agency	−4,000		−4,000
Total package/unit material fielding	−5,000		
Office of Secretary of the Army	−600		−600
Military Personnel Center	−3,000		
Service-wide support	−30,000	−10,000	−15,000
Real estate leases	−2,000		−2,000
Base operating support	−30,000		−12,600
Support to other nations	−9,200	−3,000	−9,200
Force modernization	−65,000	−87,000	−87,000
Environmental restoration	−75,000	−107,400	−107,400
Command, control, and communications	−50,000		
ADP leasing	−50,000		−25,000
Improper use of O&M funds	−10,000		
Health services command (TRIMIS)	−5,000		−5,000
Year end spending	−5,000		
Improved management of fast pay	−10,000		
Support of small clubs	−2,000		−2,000
Consultants and contract support	−20,000	−2,000	−20,000
Non-readiness related travel	−10,000		
Excess material and equipment	−20,000		
Management of telephone usage	−10,000		
Minor construction	−18,000		
Care of supplies in storage	−18,400		
Depot maintenance backlog reduction	−113,000	+15,000	+15,000
Maintenance and logistics support	−29,100	−6,900	−6,900
Administration	−20,000	−10,000	−10,000
Industrial Fund decapitalization	−6,300		−6,300
Asset capitalization program	−22,700		
Ammunition demilitarization	−23,000	−8,000	−8,000
Southern Command Army Headquarters	−4,595		−4,595
Foreign national salaries/allowances	−34,000	−12,000	−34,000
Arlington Hall Station	−650		−650
Project PENWORTH	−300		−300
National Science Ctr for Comm and Electronics	−689		
Civilian end strength		−46,800	
Recruiting/advertising	+8,000		+8,000
Readiness improvement package	+300,000		+300,000
AMA Physician fee freeze	−1,000		−1,000
Civilian environmental differential pay savings	−2,100		−2,100
Specialized training	−10,000		−10,000
Flying hours support		+29,000	+29,000
Operating tempo		−16,600	
Flying hours		+21,100	+21,100
GSA lease rates		+18,000	+18,000
Items not in conference	−329,800	−329,800	−329,800
Total, Operation and Maintenance—Army	−1,392,979	−912,200	−1,075,440

The following items represent language as agreed to by the conferees:

NATIONAL SCIENCE CENTER FOR COMMUNICATIONS AND ELECTRONICS

The conferees agree to provide the full $689,000 requested for the National Science Center for Communications and Electronics as recommended by the Senate. However, because of the inaccurate and often contradictory information provided by the Army on this matter, the conferees agree that these funds are not to be expended without the submission of a prior approval reprogramming request which clearly documents the total cost of the Center to the Army; the direct benefits to be obtained by the Army; the extent to which Army students

will use and benefit from the Center; a clearly defined set of reimbursable procedures which ensure the Army will pay only for costs related to its own mission; and the extent to which any additional legislation is necessary to permit establishment or operation of such a Center with Army participation. The conferees are concerned that without such documentation, this diversion of limited operation and maintenance resources might unnecessarily decrement higher priority Army readiness programs.

ARMY DEVELOPMENT (ADEA) AND EMPLOYMENT AGENCY

The conferees agree to provide $38,473,000 for the Army Development and Employment Agency, ADEA. In order to clarify the Army-wide application of ADEA activities, in particular for the new light division initiative, the conferees direct the Army to provide a report, by March 1, 1985, on the ADEA mission and current and planned accomplishments. The conferees address this issue further in the Research and Development portion of this report.

OPERATION AND MAINTENANCE, NAVY

The conferees agree to provide $25,116,241,000 instead of $24,688,941,000 as recommended by the House and $25,390,326,000 as recommended by the Senate. Details of the adjustments are as follows:

[In thousands of dollars]

	House	Senate	Conference
Military end strength reduction tail	−53,000		−8,000
Stock fund fuel refund	−347,500	−352,700	−352,700
Former Public Health Hospitals	−3,000		−3,000
Classified programs	−12,760		−11,660
Trident	−20,000		
Fleet commands and staff	−7,000		−7,000
Engineering and support services	−9,000		−9,000
Logistics support services	−7,000		
ASW support	−20,000		
Other communications	−8,000		
Specialized skill training	−15,000		
Other training support	−40,000		−10,000
CNO staff offices	−3,000		−3,000
Military Personnel Command	−12,000		
Other depot maintenance	−55,000		−20,000
Ship modernization	−75,000		
Environmental restoration	−8,900	−40,200	−40,200
Excess material and equipment	−45,000		−20,000
ADP leasing	−50,000		−35,000
Improper use of O&M funds	−35,000		20,000
Consultants and contract support	−30,000	−21,000	−30,000
Improved timekeeping and payroll practices	−10,000		−10,000
FMS pricing	−10,000		−10,000
Management of telephone usage	−5,000		−5,000
Excessive/unjustified civilian overtime	−10,000		−10,000
Improved vehicle utilization	−8,000		−5,000
Improved financial management	−10,000		−10,000
Public works operations	−20,000		−10,000
Teleprocessing expenses	−5,000		
Excess audio-visual assets	−5,000		−5,000
Maintenance work measurement standards	−15,000		−10,000
Improved management of fast pay	−5,000		−5,000
Military Sealift Command transportation costs	−3,000	−25,000	−25,000
Number of ship overhauls	+71,000		+63,100
Ship overhaul savings	−100,000	−45,000	−45,000
Lexington overhaul		−43,600	−43,600
Real property maintenance/minor construction	−58,100		
Flying hours	−18,400		−18,400
Other logistics support	−52,000	−27,000	−52,000
Command, Naval Surface Force, Atlantic	−15,000		−15,000
Pacific Command Systems Architecture	−790		−790
Overseas Banking Subsidy	−1,438		−1,438
Unobligated balances lapsing	−50,000		−25,000
Administrative and associated activities	−20,000		−10,000
Victory Ship Hull inspections	+4,200		+4,200
Foreign national salaries/allowances	−5,000	−6,300	−6,300
AMA Physician fee freeze	−784		−784
Civilian environmental differential pay savings	−5,700		−5,700
Professional military education	−130		−130
Flight training	−1,000		−1,000
Citation II insurance	−400		−400
Training carrier operations	−500		−500
Ship operations		−25,000	−25,000
TAFS modifications		−7,500	−7,500
T–AGOS operations/SURTASS	−20,583	−14,000	−20,583
P–3A aircraft mods		+4,900	+4,900
TAKX Termination Liability		+72,000	+72,000
Ready Reserve Fleet (RRF) dispersal	+5,000		+5,000
Items not in conference	−327,700	−327,700	−327,700
Total, Operation and Maintenance—Navy	−1,559,485	−858,100	−1,132,185

The following items represent language as agreed to by the conferees:

OVERHAUL COMPETITION

The Senate recommended bill language instructing the Navy to test the concept of competition between public and private shipyards for ship overhauls. The conferees agree the Navy should proceed with the test in fiscal year 1985 in accordance with the procedures outlined by the Senate.

TAKX SHIP CHARTERS

The conferees agree to Senate bill language modifying existing statutes pertaining to TAKX ship leases to include recording of obligations for charter costs on an annual basis.

SHIP MAINTENANCE RESERVED FOR HOMEPORTS

The House included detailed report language addressing the Navy practice of reserving certain ship repair, alteration, and overhaul work for homeport private shipyards.

The conferees agree that current Navy policy with regard to homeport reservation does not recognize that ship maintenance and repair workload has, over the past several years, gradually increased the proportion being accomplished during Selected Restricted Availabilities (SRA) as opposed to during major overhauls. While this change toward SRAs is beneficial for operational requirements, and is cost-effective, the practice of allocating 100% of SRA workload to homeport areas and also continuing to reserve a minimum of 30% of the ship overhauls for these same homeports ignores the long-term adverse impact on the mobilization capability of critical non-homeport private shipyards. The conferees therefore agree that the Navy may reserve SRAs for homeport areas, but direct that the reservation of an arbitrary 30% of ship overhauls be terminated. However, to minimize the disruptive impact on Navy families associated with overhauls, up to 2 overhauls may be reserved for a single homeport during any one fiscal year. Inasmuch as this is an item of congressional interest, no funds are available to deviate from this policy without submission of a prior approval reprogramming to the Committees on Appropriations.

CERTIFICATION OF PRIVATE YARDS

The conferees agree that private shipyards without access to non-Navy piers and drydocks are disruptive to Navy operational requirements, contribute little to the industrial mobilization capability of the United States, and should therefore be immediately decertified from receiving further Navy ship repair, alteration, and overhaul work.

BIDDING PROCEDURES FOR SHIP REPAIR CONTRACTORS

The House directed the Navy to use Request For Proposal (RFP) instead of Invitation For Bid (IFB) contracting procedures to eliminate what appears to be a trend toward private shipyard "low-balling" to win contracts. This practice benefits neither the Navy nor the private yards because of the inevitable claims and delays, and has occasionally resulted in the Navy being required to tow the ship out of the "winning" bidders yard because it is unable to complete the overhaul.

The conferees agree that the Navy will not be required to use RFP procedures in all contracts. However, the Navy is directed to take appropriate action to prevent keen competition from becoming low-balling, and provide to the Committees on Appropriations an analysis of the extent to which such activity is taking place and the adverse impact, if any, which results.

OPERATION AND MAINTENANCE, MARINE CORPS

The conferees agree to provide $1,640,294,000 as recommended by the House instead of $1,633,469,000 as recommended by the Senate. Details of the adjustments are as follows:

[In thousands of dollars]

	House	Senate	Conference
Stock fund fuel refund	−1,900	−40,400	−26,500
Military end strength reduction tail	−15,000		−2,400
Base operations	−12,000		
45 cal handgun repair	−2,075		−2,075
Foreign national salaries/allowances	−6,000	−3,400	−6,000
Items not in conference	−5,800	−5,800	−5,800
Total, Operation and Maintenance, Marine Corps	−42,775	−49,600	−42,775

OPERATION AND MAINTENANCE, AIR FORCE

The conferees agree to provide $19,093,265,000 instead of $19,156,315,000 as recommended by the House and $19,336,639,000 as recommended by the Senate. Details of the adjustments are as follows:

[In thousands of dollars]

	House	Senate	Conference
Military end strength reduction tail	−78,200	−1,000	−17,900
Civilian pay repricing	−37,000		
Civilian Workyears		−93,400	−37,000
Civilian End Strength		−109,200	
Leased long-line communications	−10,000		
Satellite control facility	−5,000		
Space boosters	−3,000		−3,000
Space launch support	−20,000		
Inventory control point purchased services	−5,000		−5,000
First destination transportation	−5,000		
Transportation	−14,000	−4,000	−4,000
Logistics automatic data processing	−5,000		
Command readiness exercise system	−1,000		
Command ADP modernization program	−1,000		−1,000
PCS for civilian career management	−1,700		−1,700
B–52 logistic support	−1,000		
Increased contractor interim support	−9,000		−9,000
Minuteman upgrade	−5,000		−5,000
Environmental restoration	−39,000	−97,300	−97,300
Travel, training and exercises	−6,500		
Base operations—Space Command	−1,000		−1,000
Range utilization	−2,000		−2,000
Precision location strike system	−1,000	−2,300	−2,300
Special tactical unit detachments	−4,000		
Survivability measures	−5,000		
Classified Programs	−19,981	−5,200	−19,031
Defense-wide mission support		−15,500	
Interservice agency automated processing	−51,300	−21,000	−21,000
Eliminating foil pack preparation facility	−1,000		
Consultants	−20,000	−4,000	−20,000
Non-readiness related travel	−5,000		−5,000
Management of telephone usage	−10,000		−10,000
Teleprocessing expenses	−1,700		−1,700
Purchasing base telephones vs leasing	−2,283		−2,283
Management of fast pay deliveries	−8,000		−4,000
ADP leasing	−25,000		−25,000
Stock fund fuel refund	−173,700	−374,400	−374,400
Medical war readiness	−200		
Flying hours	−47,000		−47,000
Former Public Health Hospital	−3,000		−3,000
AMA Physician fee freeze	−1,000		−1,000

	House	Senate	Conference
Special recon system	−3,000		
MAC industrial fund profits	−91,400	−50,000	−91,400
CONUS OTH–B radar		−1,900	
Air base ground defense		−5,800	
Component repair		+100,000	+25,000
P–3A aircraft mods		−9,500	
Facility tone down out of cycle	−150		−150
State-of-the-art graphics and slides	−143		−143
Rental of word processors	−924		−924
Artificial intelligence research	−750		−750
Overhaul of J79–17 (F–4) engine	−5,000		−5,000
Heating plant conversion	−2,468		−2,468
AFSC transfer from R & D		+108,900	
Stock Fund price re-estimate	−173,900	−150,000	−173,900
Foreign national salaries/allowances	−10,000	−3,800	−10,000
Civilian environmental differential pay savings	−1,125		−1,125
Recruiting support	−1,300		−1,300
Overseas military end strengths	−1,000		−1,000
Items not in conference	−158,461	−158,461	−158,461
Total, operation and maintenance—Air Force	−1,078,185	−897,861	1,141,235

[H 10766, H 11436]

The following item represents language as agreed to by the conferees:

CT–39 REPLACEMENT AIRCRAFT OPERATIONS

The Senate included report language establishing a budgeting procedure to account for CT–39 replacement executive aircraft flying hours by Air Force user activities. Currently, the Air Force centrally budgets for these costs through the Military Airlift Command. The conferees agree to the budget procedure outlined by the Senate which will lend a degree of accountability and assign fiscal responsibility to the operating commands which benefit from these valuable training assets. As the operations of the CT–39 aircraft are dedicated to pilot training and proficiency objectives independent of transportation services, the Air Force should reserve not less than 50 percent of such flying hours for the priority cargo and personnel airlift needs of other Defense Department components.

OPERATION AND MAINTENANCE, DEFENSE AGENCIES

The conferees agree to provide $7,067,469,000 instead of $7,037,898,000 as recommended by the House and $7,126,470,000 as recommended by the Senate. Details of the adjustments are as follows:

[In thousands of dollars]

	House	Senate	Conference
Fuel	−99		−99
Sealift rates	−57		−57
Civilian personnel pricing	−804		−804
Consultant contracts	−1,584	−5,575	−5,575
General reduction	−8,491		−3,991
General reduction	−400		−400
Management HQ	−3,700	−1,400	−1,400
JCS exercises	−10,000	−1,000	−10,000
DCA—year end spending	−2,000		
Management of telephone usage	−1,000		−1,000
DLA—Travel	−400		−400
Other logistics support	−24,210	−4,200	−24,210
Excess material on order	−2,000		−2,000
Fuel transportation	−400		−400
General reduction	−7,590		
Civilian differential pay savings	−75		−75
General reduction	−200		
Washington Headquarters Services—ADP systems	−4,000	−1,900	−4,000
Dental program		+5,000	
General reduction	−5,200		
TRIMIS	−16,062	−1,800	−8,000
DCAA general reduction	−1,100		
Classified activities	−80,075	−29,800	−50,265
Civilian end strength reduction		−13,000	
Environmental Restoration		−31,700	−31,700
Family Advocacy		+4,500	+4,500
Items not in conference	−131,025	−131,025	−131,025
Total, operation and maintenance—Defense agencies	−300,472	−211,900	−270,901

The following item represents language as agreed to by the conferees:

TRI-SERVICE MEDICAL INFORMATION SYSTEMS (TRIMIS)

The conferees agree that the Defense Department should proceed with the TRIMIS program. However, before the Request for Proposals (RFP) is released DOD must:

Develop a common TRIMIS data dictionary;

Validate and priortize the TRIMIS functional requirements, ensuring that the concerns and requirements of the service surgeons general have been identified, addressed, and resolved by the Assistant Secretary of Defense for Health Affairs;

Delete the Automated Medical Record functional description from the RFP;

Adopt an extended "benchmarking" evaluation acquisition strategy between at least two competing vendors including a mandatory requirement that one of the vendors use and adapt existing Veterans Administration software for TRIMIS use;

Proceed with the testing of the VA software at March Air Force Base to determine the feasibility and cost-effectiveness of using the VA software;

Ensure that any system ultimately implemented will be compatible across all DOD large and small hospitals, combat medical support units, and VA hospitals; and

Demonstrate to the House and Senate Committees on Appropriations compliance with the guidance listed above.

The General Accounting Office should continue its review of the TRIMIS program and specifically monitor the functional requirement validation process and the testing of the VA software at March Air Force Base. Moreover, the Department should acquire an independent evaluation of the benchmarking process by a qualified outside technical firm not involved in the TRIMIS competition.

With the decision to acquire TRIMIS under the strategy outlined above, the conferees direct that there is to be no further obligation of funds for operation, test, evaluation, or expansion of existing HIS (Hospital Information System) or IOC (Initial Operation Capability) medical systems except where necessary to meet the day-to-day needs of DOD medical facilities. Any resulting savings should be made available to the Assistant Secretary of Health Affairs for accelerating the TRIMIS contract. The conferees agree that funding should be centralized for the first several phases of system implementation to ensure compliance with the above guidance.

In order to fund the interim quality assurance system and necessary support for accelerating TRIMIS contract award, the conferees agree to restore $8,062,000 of the $16,062,000 deleted by the House.

OPERATION AND MAINTENANCE, ARMY RESERVE

The conferees agree to provide $724,400,000 as recommended by the House instead of $713,150,000 as recommended by the Senate. Details of the adjustments are as follows:

[In thousands of dollars]

	House	Senate	Conference
Organizational clothing and equipment	+3,750		+3,750
Medical equipment	+4,500		+4,500
Storage leases	+2,300		+2,300
Communications and automation upgrades	+1,200		+1,200
Shelter for the homeless	+500		+500
ADP leases	−1,000		−1,000
Items not in conference	−2,300	−2,300	−2,300
Total, operation and maintenance—Army Reserve	+8,950	−2,300	+8,950

OPERATION AND MAINTENANCE, NAVY RESERVE

The conferees agree to provide $827,181,000 as recommended by the House instead of $812,431,000 as recommended by the Senate. Details of the adjustments are as follows:

[In thousands of dollars]

	House	Senate	Conference
Stock fund fuel refund	−7,100	−17,100	−7,100
Marine Reserve flying hours	+2,800		+2,800
Reserve cargo handling battalion	+200		+200
Aircraft rework	+2,550		+2,550
Civilian support	+1,200		+1,200
ADP leases	−2,000		−2,000
Items not in conference			
Total, operation and maintenance—Naval Reserve	−2,350	−17,100	−2,350

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

The conferees agreed to provide $872,461,000 as recommended by the Senate instead of $928,661,000 as recommended by the House. Details of the adjustments are as follows:

[In thousands of dollars]

	House	Senate	Conference
Stock fund fuel refund	−6,800	−64,000	−64,000
F–4D upgrade		+1,000	+1,000
Items not in conference	+52,000	+52,000	+52,000
Total, operation and maintenance—Air Force Reserve	+45,000	−11,000	−11,000

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

The conferees agree to provide $1,424,293,000 instead of $1,437,043,000 as recommended by the House and $1,395,593,000 as recommended by the Senate. Details of the adjustments are as follows:

[In thousands of dollars]

	House	Senate	Conference
Stock fund fuel refund	−3,300	−6,300	−6,300
Real property maintenance	+2,000		+2,000
Repair parts	+3,000		+3,000
Training support	+3,000		+3,000
Organizational clothing and equipment	+3,000		+3,000
Medical equipment	+3,000		+3,000
UH–60 Transfer	+15,800	+3,000	+4,000
AH–64 Apache support	+7,200		+7,200
CHAPARRAL support	+10,200		+10,200
ADP leasing	−3,700		−3,700
Devil's Lake runway improvement		+1,650	+1,650
Environmental projects		+400	+400
Items not in conference	−7,800	−7,800	−7,800
Total, operation and maintenance—Army National Guard	+32,400	−9,050	+19,650

The following item represents language as agreed to by the conferees:

ENVIRONMENTAL PROJECTS

The conferees agree to the increase of $400,000 as recommended by the Senate for

a one year test program to conduct engineering projects coordinated with state and other federal agencies at national or state parks and forests. To amplify on the parameters of the test, the conferees agree that such projects must be restricted within the United States and territories. The test projects selected must enhance military related training and must not compete with projects which would otherwise be performed by private concerns.

Operation and Maintenance, Air National Guard

The conferees agree to provide $1,810,348,000 as recommended by the Senate instead of $1,844,531,000 as recommended by the House. Details of the adjustments are as follows:

[In thousands of dollars]

	House	Senate	Conference
Stock fund fuel refund	−21,600	−69,000	−55,783
C–19 (747) support	−30,300		−30,300
C–5 support	+9,000		+9,000
Civilian technicians	+8,083		+8,083
Items not in conference	+17,200	+17,200	+17,200
Total, operation and maintenance—Air National Guard	−17,617	−51,800	−51,800

Court of Military Appeals

The conferees agree to provide $2,870,000 as recommended by the House instead of $3,416,000 as recommended by the Senate.

Environmental Restoration, Defense

The conferees agree to provide $314,000,000 as recommended by the Senate instead of no appropriation as recommended by the House.

Title III—Procurement

The conferees agree to the following amounts for the Procurement accounts:

	Fiscal year 1985 estimates	House	Senate	Conference
TITLE III—PROCUREMENT				
Aircraft procurement, Army	4,008,300,000	3,725,300,000	3,950,100,000	3,940,900,000
(Transfer from other accounts)		(30,000,000)	(30,000,000)	
Missile procurement, Army	3,442,400,000	3,183,500,000	3,150,400,000	3,167,000,000
(Transfer from other accounts)		(25,000,000)		
Procurement of weapons and tracked combat vehicles, Army	5,092,700,000	4,673,100,000	4,421,735,000	4,548,100,000
(Transfer from other accounts)		(239,800,000)	(213,100,000)	
Procurement of ammunition Army	2,494,000,000	2,011,700,000	2,625,050,000	2,646,300,000
(Transfer from other accounts)		(44,000,000)	(44,000,000)	
Other procurement, Army	6,022,400,000	4,989,510,000	5,256,850,000	5,122,450,000
(Transfer from other accounts)		(47,800,000)		
Aircraft procurement, Navy	11,474,200,000	10,808,198,000	10,818,295,000	10,903,798,000
(Transfer from other accounts)		(75,000,000)		
Weapons procurement, Navy	4,650,860,000	4,246,460,000	4,395,960,000	4,353,611,000
(Transfer from other accounts)		(50,000,000)	(20,000,000)	
Shipbuilding and conversion, Navy	13,141,900,000	10,708,000,000	11,558,300,000	11,736,000,000
(Transfer from other accounts)		(588,000,000)	(347,400,000)	
Other procurement, Navy	5,953,900,000	5,063,667,000	5,533,376,000	5,341,614,000
(Transfer from other accounts)		(85,700,000)		
Procurement, Marine Corps	1,978,581,000	1,791,247,000	1,860,796,000	1,836,722,000
(Transfer from other accounts)		(7,500,000)		
Aircraft procurement, Air Force	28,676,500,000	24,906,866,000	26,376,700,000	26,188,266,000
(Transfer from other accounts)		(549,500,000)	(111,000,000)	
Missile procurement, Air Force	9,820,600,000	7,361,749,000	8,581,862,000	6,909,245,000
(Transfer from other accounts)		(15,000,000)		
Other procurement, Air Force	9,561,500,000	8,533,785,000	9,149,020,000	8,861,697,000
(Transfer from other accounts)		(14,500,000)	(14,500,000)	
National Guard and Reserve Equipment		20,000,000	431,000,000	380,000,000
Acquisition & Construction, Coast Guard				
Procurement, Defense agencies	1,243,500,000	1,134,789,000	1,179,860,000	1,165,701,000
Defense Production Act Purchases	25,000,000	10,000,000	25,000,000	10,000,000
Total, title III, Procurement:				
New budget (obligational) authority	107,586,341,000	93,167,871,000	99,314,304,000	97,111,404,000
(Transfer from other accounts)		(1,771,800,000)	(780,000,000)	

Aircraft Procurement, Army

The conferees agree to the following amounts for the Aircraft Procurement, Army account:

[In thousands of dollars]

	Budget	House	Senate	Conference
AIRCRAFT PROCUREMENT, ARMY				
Aircraft				
Fixed wing:				
Airplane, cargo, C–12		24,000	12,000	24,000
Airplane, recon, RC–12D (GR PIP BUY)	79,300	79,300	62,200	79,300
Rotary:				
Helicopter, cargo, CH–47D (Chinook)	110,000	110,000	110,000	110,000
Helicopter elec EH–60A (Quickfix) (MYP)	173,100	165,100	155,300	155,300
Helicopter elec EH–60A (Quickfix) (MYP) (AP–CY)	27,200	27,200	27,200	27,200
AH–64 attack helicopter	1,199,200	1,199,200	1,119,200	1,159,200
AH–64 attack helicopter (AP–CY)	91,000	84,200	91,000	87,600
UH–60A (Black Hawk) (MYP)	333,000	291,000	288,300	288,300
UH–60A (Black Hawk) (MYP) (AP–CY)	171,800	132,700	171,800	171,800
Total, aircraft	2,184,600	2,032,700	2,117,000	2,102,700
Modification of aircraft:				
Airplane, surveillance, OV–1 (MOHAWK)	21,800	21,800	20,300	20,300
Airplane, recon, RC12D (GR PIP MOD)	7,800	7,800	7,800	7,800
Airplane, reconnaissance, RV–1 (MOD)	6,500	6,500	6,500	6,500
Helicopter, attack AH1S (Cobra-TOW)	45,900	105,900	75,900	90,000
AH–1 trng device (Hitmore)	3,000	3,000	3,000	3,000
Helicopter, cargo, CH–47 (Chinook) (MYP)	287,000	272,000	272,000	272,000
Helicopter, cargo, CH–47 (Chinook) (MYP) (AP–CY)	159,900	159,900	159,900	159,900
Helicopter, electronic, EH–1 (Q–FIX MOD)	2,200	2,200	2,200	2,200
Helicopter, observation, OH–58 (Kiowa)	4,000	4,000	4,000	4,000
Helicopter, utility, UH–1 (Iroquois)	1,900	1,900	1,900	1,900
UH–60A (Black Hawk) MODS	5,900	5,900	5,900	5,900
Army Helicopter Improvement Program (AHIP)	157,200	157,200	157,200	157,200
Army Helicopter Improvement Program (AHIP) (AP–CY)	60,100	47,200	60,100	47,200
Airborne avionics	7,000	7,000	7,000	7,000
Joint surveillance target attack radar (JSTAR)	17,000			
Modifications under $900,000 (Aircraft)	100	100	100	100
ACFT 9WW	59,500	59,500	59,500	59,500
Total, modification of aircraft	846,800	861,900	843,300	844,500
Spares and repair parts	633,400	554,400	702,000	675,900
Support equipment and facilities				
Other support:				
Avionics support equipment	51,600	51,600	63,100	63,100
Common ground equipment	31,900	31,900	31,900	31,900
Air traffic control	8,900	8,900	8,900	8,900
Synthetic flight training systems	175,200	158,000	158,000	158,000
Industrial facilities	72,300	52,300	52,300	52,300
War consumables	3,600	3,600	3,600	3,600
Total, support equipment and facilities	343,500	306,300	317,800	317,800
Reduction, prior year transfer		−30,000	−30,000	
Prior year transfer		(30,000)	(30,000)	
Total, aircraft procurement, Army	4,008,300	3,725,300	3,950,100	3,940,900
Transfer from other accounts		(30,000)	(30,000)	
Total funding available	4,008,300	3,755,300	3,980,100	3,940,900

AH–64 APACHE ATTACK HELICOPTER

The conference agreement for the AH–64 Apache attack helicopter is $1,159,200,000 for 144 aircraft instead of $1,119,200,000 as proposed by the House and $1,199,200,000 as proposed by the Senate. If additional resources are required to procure 144 aircraft, a reprogramming will be considered. The conferees agree to provide $87,600,000 in advance procurement for 144 aircraft.

The conferees also direct that eighteen of the AH–64 Apache helicopters funded in the bill be assigned to the Army National Guard in conformance with report direction of both the Senate and House Committees. Bill language has been included to effect this assignment.

UH–60A BLACKHAWK HELICOPTER

The conferees agree to provide $288,300,000, funding an additional eight UH–60's out of program savings and direct that out of the total buy of 86, 8 helicopters shall be provided to the Army National Guard as proposed by the House. Four of those UH–60's shall be provided to the Alaska National Guard. Four of the eight additional helicopters are intended as replacement for aircraft previously provided to the Treasury Department as proposed by the Senate. The conferees further agree that 2 more helicopters should be loaned to the Treasury Department subject to later replacement.

C–12 AIRCRAFT

The House proposed $24,000,000 for 12 C–12s. The Senate proposed $12,000,000 for 6 aircraft. The conferees agree to $24,000,000 for 12 C–12s, 6 of which shall be for the Army National Guard, and 6 for replacement aircraft provided to the Treasury Department's drug control program.

AIRCRAFT SPARES

The House allowance was $554,400,000 compared to a Senate allowance of $702,000,000. The conferees agree to an allowance of $675,900,000 including $302,000,000 for initial spares, $280,600,000 for replenishment spares, and $93,300,000 for war reserve spares. This increase in replenishment spares is to support increases in the Army flying hour program.

MISSILE PROCUREMENT, ARMY

The conferees agree to the following amounts for Missile Procurement, Army:

[In thousands of dollars]

	Budget	House	Senate	Conference
MISSILE PROCUREMENT, ARMY				
Other missiles				
Surface-to-air-missile system:				
Chaparral		32,000	32,000	32,000
Other missile support	17,300	17,300	9,300	9,300
Patriot	1,096,400	976,400	970,600	976,400
Stinger	209,600	209,600	209,600	209,600
Air-to-surface missile system:				
Laser Hellfire system	235,000	214,500	225,000	225,000
Anti-tank/assault missile system:				
TOW 2 (MYP)	240,300	200,300	120,300	132,300
TOW 2—AN/TAS–4A		53,200	53,200	53,200
Reduction, TOW 2		–12,000		
Transfer, TOW 2		(12,000)		
TOW 2 (MYP) (AP–CY)	25,000	16,200		16,200
Pershing II	456,000	356,000	387,000	370,000
Multiple launch rocket system (MYP)	404,000	404,000	404,000	404,000
Multiple lanuch rocket system (MYP) (AP–CY)	137,400	137,400	137,400	137,400
Total, other missiles	2,821,000	2,604,900	2,548,400	2,565,400
Modification of missiles				
Modifications:				
Patriot	11,800	11,800	11,800	11,800
Chaparral	106,200	86,200	106,200	96,200
Hawk	58,100	58,100	58,100	58,100
TOW	17,900	27,500	17,900	27,500
LCSS	3,800	3,800	3,800	3,800
AN/TSQ 73	11,400	11,400	11,400	11,400
Total, modification of missiles	209,200	198,800	209,200	208,800
Spare and repair parts	289,700	270,300	270,300	270,300
Support equipment and facilities:				
Air defense targets	20,800	20,800	20,800	20,800
Items less than $900,000 (missiles)	6,600	6,600	6,600	6,600
Production base spt	56,500	56,500	56,500	56,500
Other production charges	38,600	38,600	38,600	38,600
Total, support equipment and facilities	122,500	122,500	122,500	122,500
Reduction, prior year transfer		–13,000		
Prior year transfer		(13,000)		
Total, missile procurement, Army	3,442,400	3,183,500	3,150,400	3,167,000
Transfer from other accounts		(25,000)		
Total funding available	3,442,400	3,208,500	3,150,400	3,167,000

TOW–II MISSILE

The conferees agree to provide $132,300,000 for at least 6,000 TOW–II missiles. The conferees expect the Army to combine these 6,000 missiles with the $18,000 funded last year to level production at $12,000 per year for the 1984–85 program as proposed by the May budget revision.

In addition, the conferees provide $16,200,00 to support the first production surge program on a test basis but do not approve the multiyear procurement of the missile. The surge funds are provided only for increased levels of long lead materials and not for increased levels of tooling and test equipment. The conferees ask to be notified of the Department's plans to apply these extra long lead materials to a production program now that the program is being stretched out.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

The conferees agree to the following amounts for Procurement of Weapons and Tracked Combat Vehicles, Army:

[In thousands of dollars]

	Budget	House	Senate	Conference
PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEH				
Tracked combat vehicles:				
Carrier, command post light, FT, M577A2	33,400	33,400	33,400	33,400
Carrier, personnel, FT, ARM, M113	8,900		8,900	8,900
Bradley fighting vehicles (MYP)	997,400	923,900	951,500	937,200
Prior year transfer		(13,300)		
Bradley fighting vehicles (MYP) (AP-CY)	59,000	17,900	18,900	24,900
Prior year transfer		(7,000)		
Bradley FVS training devices	56,500	52,400	56,500	56,500
Field artillery ammunition support vehicles	84,200	74,200	84,200	78,200
Prior year transfer		(4,000)		
Howitzer, med SP, FT, 155MM, M109A2	52,400	52,400	52,400	52,400
Recovery vehicle, med, FT, M88A1	159,400	150,000	159,400	155,000
Tank M1 series (MYP)	1,469,400	1,373,400	1,386,635	1,545,000
Prior year transfer		(173,800)	(171,400)	
Tank M1 series (MYP) (AP-CY)	289,400	313,600	334,400	313,600
M60 series tank training devices	25,700	12,900	18,700	16,000
M1 series tank training devices	37,100	37,100	37,100	37,100
Modification of tracked combat vehicles:				
Carrier, MOD	34,800	34,800	44,800	34,800
Improved TOW vehicle (ITV) (MOD)		27,000	27,000	27,000
Fist vehicle (MOD)	79,500	72,800	79,500	72,800
BFVS series (MOD)	3,900	3,900	3,900	3,900
Howitzer, med SP FT 155MM M109 SER (MOD)	33,800	33,800	33,800	33,800
Armored veh launch bridge (AVLD) (MOD)	15,400	15,400	15,400	15,400
Tank, combat, FT, 105mm gun, M60SER (MOD) (MYP)	215,100	215,100	215,100	215,100
105mm tank gun (MOD)	3,000		3,000	
Tank, M1 series (MOD)	8,000			
General reduction		–15,000		–7,100
Support equipment and facilities:				
Spares and repair parts	430,100	426,100	426,100	426,100
Value engineering	1,000	1,000	1,000	1,000
Items less than $900,000 (TCV-WTCV)	900	900	900	900
Production base support (TCV-WTCV)	58,300	58,300	58,300	58,300
Total, tracked combat vehicles	4,156,600	3,915,500	4,050,835	4,140,200
Weapons and other combat vehicles:				
Sergeant York Divad gun	515,800	430,200	17,000	100,000
Prior year transfer		(30,200)	(33,000)	
Sergeant York Divad gun (AP-CY)	12,900	6,600		
Prior year transfer		(2,800)		
Armor machine gun, 7.62mm M240	25,400	25,400	25,400	25,400
Squad automatic weapon (SAW) 5.56mm	12,900	12,900	12,900	12,900
Grenade launcher, auto, 40mm, MK19–3	4,500	4,500	4,500	4,500
Launcher, smoke grenade	4,800	4,800	4,800	4,800
Mortar, 81mm, XM252	11,300		11,300	11,300
M16A2 rifle	39,600	39,600	36,600	36,600
Personal defense weapon, 9MM	5,000	10,000		10,000
Veh rapid fire wpn sys-Bushmaster (MYP)	48,000	37,100	43,800	40,000
Veh rapid fire wpn sys-Bushmaster (MYP) (AP-CY)	8,100			
Tank muzzle boresight device	3,800	3,800	3,800	3,800
Modification of weapons and other combat vehicles:				
Product improved Vulcan ads (PIVADS)	33,200			
Modifications under $900,000 (WOCV-WTCV)	1,000	1,000	1,000	1,000
Support equipment and facilities:				
Spares and repair parts	119,300	91,200	119,300	67,100
Prior year transfer		(8,700)	(8,700)	
Items less than $900,000 (WOCV-WTCV)	2,700	2,700	2,700	2,700
Production base support (WOCV-WTCV)	87,800	87,800	87,800	87,800
Total, weapons and other combat vehicles	936,100	757,600	370,900	407,900
Total, procurement of weapons and tracked combat veh	5,092,700	4,673,100	4,421,735	4,548,100
Transfer from other accounts		(239,800)	(213,100)	
Total funding available	5,092,700	4,912,900	4,634,835	4,548,100

DIVISION AIR DEFENSE GUN SYSTEM (DIVAD)

The conferees agree that, due to the continuing lack of proven performance and the absence of conclusive operational test and evaluation, no funding is provided for the fiscal year 1985 procurement of DIVAD fire units. Instead, $100,000,000 is provided in fiscal year 1985 for the DIVAD program, the revised amount proposed by the Secretary of Defense. These funds may be obligated only for long lead materials needed to protect the option of a potential fiscal year 1986 procurement. The conferees also agree to reductions of $32,800,000 for DIVAD spares and $31,200,000 for DIVAD ammunition below the revised May budget requests, the balance of these funds to be used solely for building the inventories for previously funded DIVAD fire units. The conferees further agree to bill language, similar to that proposed by the Senate, stating that no funds may be expended for the Division Air Defense system until—

1. Initial production testing and the fiscal year 1985 operational testing of such system have been completed;

2. The Secretary of Defense has reported to the Armed Services and Appropriations Committees of the Congress the results of the testing and has certified to the Committees that (a) additional production of the Division Air Defense system is in the national interest to counter the present and projected Soviet threat, and (b) the system satisfactorily meets all design and performance requirements, and

3. A period of at least thirty days has elapsed after the day on which the Committees have received the report and certification, such date to be not later than sixty days after the completion of either initial production testing or the fiscal year 1985 operational testing, whichever is later.

The conferees hereby express their strong concern over the scope and nature of the DIVAD tests conducted to date and will accordingly take an avid interest in the conduct and evaluation of forthcoming tests. Future support for the DIVAD system is contingent upon a determination by the Secretary of Defense that, after having examined all available alternatives, the DIVAD system is the most cost-effective response to our forward air defense requirements.

9MM PERSONAL DEFENSE WEAPON

The conferees support the 9mm Personal Defense Weapon program as presented to the Congress by the Department of Defense for the fiscal year 1985 budget. Expedited transition to this new standard handgun will ease the logistics burden and accelerate standardization among U.S. services and our NATO allies. To help accomplish this objective, the technical data package for the selected handgun should be qualified as soon as possible so that the Army can consider an overlapping second multiyear procurement from a competitive contractor. The Army should consider designating ammunition for handguns and submachine guns as a mobilization-base item.

MORTARS

The conference agreement includes the $11,300,000 budgeted for the second procurement of the Improved 81mm mortar. This is based on the Army's decision to include this mortar in its new force structure. The Army has also decided to introduce a 120mm mortar to replace the 4.2 inch mortar as a heavy mortar. The conferees expect the Army to report expeditiously on plans to phase-in the new force structure, including milestones and budget requirements for both mortars and ammunition.

The conference agreement also includes $13,338,000 earmarked in Research, Development, Test and Evaluation, Army to approve a 120mm mortar for service use. The conferees further agree that when such approval is achieved, a portion of these funds may be transferred to the procurement appropriation to initiate procurement using normal reprogramming procedures.

105MM TANK GUN MODS

The conferees deny the $3,000,000 budgeted to initiate procurement for the 105 mm tank gun modifications without prejudice. The conferees support this program, but procurement in fiscal year 1985 appears premature.

PROCUREMENT OF AMMUNITION, ARMY

The conferees agree to the following amounts for Procurement of Ammunition, Army:

[In thousands of dollars]

	Budget	House	Senate	Conference
Procurement of Ammunition, Army				
Cartridge, 5.56mm, ball	57,200	35,100	57,200	57,200
Cartridge 9mm ball (hand gun)	1,400	1,400		1,400
Cartridge, 5.56mm plastic	1,300		1,300	
Ctg, cal, 50 plastic training W/tracer	6,700		6,700	3,400
Ctg cal. 50 ball LKD + CTN	3,100	3,100	4,100	4,100
Ctg, cal, 50 blk, M1A1, LKD F/ M2MG(MYP)	13,900	13,900	17,300	17,300
Ctg, cal .50 tracer, linked	1,700	1,700	2,800	2,800
Cartrdge, 20mm, TP–T Vulcan (MYP)			12,400	8,000
Cartridge, 30mm, HE–DP	17,700	17,700	34,200	17,700
Cartridge, Heit for Divad gun, Sgt. York	14,800	14,800	7,400	8,500
CTG, TP–T for Divad Gun, Sgt. York	29,300	13,800	11,500	7,900
CTG, 40mm HE W/prox fuze for Divad gun	48,000	44,500	27,250	25,500
Cartridge, 40mm HEDP HI VEL launched	15,100	15,100	25,100	15,100
CTG, 81mm, (improved) illum XM853	2,200		2,200	
Cartridge, 81mm, (improved) HE, (XM821)	29,400		29,400	
CTG, 81mm, (improved) smoke XM819	3,300		3,300	
Cartridge, 4.2-inch, HE			33,000	
Mortar ammo		34,900		67,900
Cartridge, 105mm, TP–T,M490 F/tank gun	72,500	62,200	63,100	63,100
Cartridge, 105mm TPCSDS–T(XM901)	48,000		48,000	33,000
Cartridge, 120mm APFSDS–T XM829	20,900	20,900	40,900	20,900
Cartridge 120mm, heat–MP–T, XM830	31,900	31,900	39,400	31,900
Cartridge, 120mm TP–T M831	30,500	30,500	40,500	30,500
Cartridge, 120mm TPCSDS–T, XM865 (KE–TP)	52,700	52,700	77,700	52,700
Projectile, 155mm, HE, ICM(DP),- M483(MYP)	252,000	212,000	312,000	230,000
Projectile, 155mm, HE, Adam M692 (MYP)	32,300	19,800	32,300	25,000
Projectile, 155mm, HE, Adam M731 (MYP)	32,500	19,900	32,500	25,000
Projectile, 155mm, HE, Copperhead (ea)	102,800	130,900	132,800	130,900
Projectile, 155mm SMK, WP, M825	12,500	25,000	24,500	25,000
Charge, propelling, 155mm RED bag M203	9,500		9,500	
Charge, propelling, 155mm white bag M119	113,200	113,200	123,200	113,200
Projectile, 8-inch, HE, ICM(DP), M509(MYP)	146,500	103,400	191,500	120,000
Charge, propelling, 8-inch W B, M188	30,400	30,400	39,400	30,400
Fuze, Proximity, M732	47,700	19,800		
Fuze, pt, det, M739			11,100	11,100
Fuze, mechanical, time M577	40,400	40,400	59,400	40,400
Ground emp mine scat sys AP M74	10,500	10,500	20,500	10,500
Ground emp mine scat sys AT M75	19,800	19,800	29,000	19,800
Light antitank weapon: Tactical	33,800	23,800	71,100	41,600
Hand grenades, all types	14,100	12,700	14,100	12,700
Simulators, all types	14,100	14,100	12,700	14,100
War reserve stockpile(expl/propellants)	33,900		33,900	
War Reserve ammunition				401,900
Provision of industrial facilities	282,200	196,200	265,200	256,200
(RDX/HMX facilities)	(55,000)		(80,000)	(60,000)
(PBX loading facilities)		(13,200)		(13,200)
(High-Speed Freeze Assembly)	(2,200)		(2,200)	
Items not in conference	764,200	669,600	669,600	669,600
Total, procurement of ammunition, Army	2,494,000	2,011,700	2,625,050	2,646,300
Transfer from other accounts		(44,000)	(44,000)	
Total funding available	2,494,000	2,055,700	2,669,050	2,646,300

MORTAR AMMUNITION

The conference agreement includes $67,900,000 in a general line for procurement of mortar ammunition. This approach is being used because of the uncertainty of mortar ammunition requirements resulting from recent decisions concerning the Army's mortar force structure. The conferees direct the Army to submit to the Committees on Appropriations for approval its allocation of this budget line. The conferees expect that future budget submissions will include P–1 lines for specific end-items as in the past.

As explained under "Procurement of Weapons and Tracked Combat Vehicles", the conferees expect the Army to report soon on its plans to phase-in the new mortar force structure. A portion of the funds included on the mortar ammunition line may be used to initiate procurement of 120mm mortar ammunition if such a procurement can be executed in fiscal year 1985.

WAR RESERVE AMMUNITION

The conference agreement provides $401,900,000 in an unallocated line for war reserve ammunition. This Congressional initiative is intended to enhance Army readiness and sustainability. The conferees disapprove the reprogramming of $48,600,000 within "Procurement of Ammunition, Army 1984/1986" proposed in request FY 84–36PA to initiate the RDX/HMX modernization program, but provide that $19,500,000 may be reprogrammed for initial design efforts at the lead RDX plant. The conferees direct the application of the remaining funds to procure war reserve ammunition to begin this initiative. The conferees direct the Army to present to the Committees, for approval, its allocation of these additional funds.

With respect to the budget proposal to stockpile explosives and propellants, the conferees note that neither the effects of the improved production capacity at Holston AAP nor the use of the proveout product from the new facilities had been considered in the RDX/HMX master plan. When these are considered, the stockpile requirement is less than stated in the plan. The conferees direct that the stockpile plan be revised to take into consideration those two considerations and the Congressionally funded RDX/HMX master plan. In the interim, the proposed stockpiling program is deferred.

RDX/HMX PRODUCTION FACILITIES

The House bill included no funding for RDX/HMX facilities; the Senate bill included $80,000,000. The conference agreement provides $60,000,000 for the following:

	Budget	Conference
Holston Modernization	$24,000	$24,000
HMX Musall Pilot Plant	0	4,000
RDX Production Facilities (Design)	0	32,000
Total	24,000	60,000

The conference agreement recognizes that $20,000,000 proposed by the Senate for the RDX to HMX conversion projects at Holston Army Ammunition Plant (AAP) can not be executed because of incomplete work making 1985 funding premature. This projects no slips to 1986 pending completion of necessary design work.

The conferees recommend full funding for the Holston AAP modernization projects as proposed by the Senate, but stipulate that these activities shall be carried out only under fixed price contracts.

The conferees direct that the $3,000,000 HMX Musall process demonstration project at Longhorn AAP be started as soon as possible, and hereby approve the fiscal year 1983 reprogramming needed for that purpose. Based upon that initiation of the demonstration, the conferees recommend $4,000,000 to initiate final design efforts for the "scale pilot HMX" plant at Longhorn AAP needed before construction of the pilot plant or initiation of work on the proposed full scale HMX Musall manufacturing facility. This recommendation is in lieu of the Senate's allocation of $4,000,000 for the HMX manufacturing facility for which $11,000,000 was requested in the budget.

Finally, the conferees recommend a total of $32,000,000 for design and engineering work on the mobilization base RDX manufacturing facilities. This funding is needed to ensure completion of the necessary design work to support future budget requests and construction through fixed price contracts. The conferees understand that this level of funding is all that can be effectively used in 1985.

The conferees direct that one plant, Louisiana AAP, be designated as the lead plant in the multiple RDX production plant program authorized by Congress this year. The $32,000,000 for RDX facilities shall be allocated for design efforts as follows: $10,000,000 for Louisiana AAP, $10,000,000 for Joliet AAP, $10,000,000 for Alabama AAP; $1,000,000 for Indiana AAP, and $1,000,000 for Iowa AAP. The conferees expect that construction of the lead facility should be started first if adequate funding is not available for concurrent construction of more than one plant. Further, the conferees direct the Army to study the cost effectiveness of multiple RDX manufacturing sites, and report to the Committees on Appropriations of the House and Senate before additional site specific work is undertaken.

The conferees reiterate the House's expectations that all construction will be budgeted and executed under fully funded fixed price contracts, and direct the Army to respond to questions and concerns raised in the House report and reprogramming letter before obligating any fiscal year 1985 funds.

OTHER PROCUREMENT, ARMY

The conferees agree to the following amounts for Other Procurement, Army:

[In thousands of dollars]

	Budget	House	Senate	Conference
OTHER PROCUREMENT, ARMY				
Semitrailer, low bed, 40T M870 (C/S)	8,200	6,700	8,200	6,700
Semitrailer, low bed het, XM1000	7,000		7,000	
Semitrailer, Tank, 5000G	40,900		40,900	
HI Mob multi-purp whld veh (HMMWV) (MYP)	311,100	310,200	311,100	311,100
Fast attack vehicle, ABT	12,800			5,400
Prior year transfer		(5,400)		
Truck, ST, 6X6, ABT (MYP)	397,200	347,200	356,600	347,200
Passenger carrying vehicles	32,300	25,000	32,300	25,000
General purpose vehicles	40,400	32,700	40,400	40,400
Special purpose vehicles	10,700	8,200	10,700	10,700
Production base support (TAC)	3,300	200	3,300	3,300
MOB subscriber eqp	110,000	55,000		63,250
Tactical area communication system			63,500	
Sincgars (roll)	135,500	135,500	136,900	136,900
EUCOM C3 (NWS)	81,300	51,000	48,000	48,000
Speech secur equip, KYV-4/Tsec	12,900	12,900		
Base comm (EUCOM)	24,500	19,300	19,500	19,300
TMDE modernization	26,600	10,000	26,600	20,000
Trailblazer	105,500	58,600		58,600
Softcopy imagery training device	7,100		7,100	
Items less than $900,000 (GDIP–C–E)	5,000	28,100	5,000	5,000
Digital message device	14,600	12,000	14,600	12,000
WW mil com & cont sys adpe	15,100	8,800	14,200	14,200
MOD in-svc equip (EW)	13,100	7,400	6,600	6,600
Night vision goggles AN/PVS–5	3,400	40,700	3,400	40,700
TA/design aerial recong sys (Tadars)	144,500		44,500	
Spares and repair parts (Telecom)	201,400	175,000	195,100	182,00
Spares and repair parts (other)	191,900	157,400	174,600	158,000
Bridge, float-ribbon, transporter	28,000	14,500	14,000	14,000
Dispenser, mine, XM128 (GEMSS)	17,200	6,100	17,200	10,000
Detection set, mine, AN/Pss–12	6,700		6,700	
M–9 armored combat earthmover (transfer)		(24,400)		
Air-conditioners various size/capacities	14,100	12,900	14,100	12,900
Firetrucks	7,100	4,800	7,100	4,800
Laundry unit/TRL MTD	4,500	2,300	4,500	2,300
Halon recharge service kit	5,200	600	5,200	3,000
Arapaho spt kits		5,000		
Items less than ($900,000 (CSS–EQ)	14,800	8,300	9,800	9,800
Tank assembly fab collapsible pol 10000G	5,800	2,200	5,800	5,800
Pump centrifugal 4X4 ded	7,600	3,800	7,600	7,600
Pipeline outfit, petroleum	4,700	2,400	4,700	4,700
RDF pol dist	22,800		22,800	
Tanker mooring system multi-leg	5,500	2,800	5,500	5,500
WTR pur unit rev os 150K GPD (ROWPU)	1,600	800	1,600	1,600
Water stor and dist sys 20,000 gal	1,000	500	1,000	1,000
Water stor and dist sys 40,000 gal	2,000	1,000	2,000	2,000
Water stor and dist sys 800,000 gal	4,400	2,200	4,400	4,400
Water stor and dist sys 1,000,000 gal	1,600	800	1,600	1,600
Tactical water distr sys	13,100	11,000	13,100	13,100
Fwd area wtr point sup system	8,300	4,200	8,300	8,300
Tank, fabric, coll, wtr, semi-trlr mtd	4,100	2,100	4,100	4,100
Small mobile water chiller (SMWC)	5,200	2,600	5,200	5,200
Drill mach well rty trl	1,500	800	1,500	1,500
Deployable medical system (DMS)	88,400	44,400	88,400	44,400
Cbt sup equip medical	70,900	40,900	70,900	40,900
Welding shop, trailer MTD	16,800	8,400	16,800	10,000
Shop eq elect repair semi-trl MTD	8,900	4,500	8,900	6,000
Calibration set support	13,900	8,100	13,900	10,000
Items less than $900,000 (main equip)	8,700	8,700	8,500	8,700
Landing, craft, utility	28,200	14,100	28,200	14,000
B-Delong pier barge	5,300	3,500	5,300	5,300
RO/RO discharge platform	9,000	4,500	9,000	9,000
Causeway systems	8,200	5,500	8,200	8,200
Railway car, flat, 140 ton	16,500	13,000	16,500	13,000
Shipping container	3,500	1,800	3,500	3,500
Modifications of in-serv eq (float/rail)	7,600	5,300	7,600	7,600
Truck, fork lift, GE, PT, 4000 lb	12,400	7,600	12,400	7,600
Truck, fork lift, GE, PT, 6000 lb	5,300	3,500	5,300	3,500
Truck, fork lift, DE, PT, RT, 6000 lb	25,900	21,200	25,900	21,200
Trk fork lft elec srt frt/side ldr	2,300	1,600	2,300	1,600
Items less than $900,000 (MHE)	5,100	3,200	5,100	3,200
Shares and repair parts	42,400	39,400	42,400	39,400
Prod enhancing capital invest prgm	12,700	5,000		2,500
Production base support (oth)	17,500	6,200	17,500	6,200
Special equipment for user testing	15,800	14,100	15,800	14,100
Training devices, nonsystem	143,100	127,000	143,100	143,100
Undistributed reduction			–74,000	
Reduction, PY transfer		–18,000		
Prior year transfer		(18,000)		
Items not in conference	3,229,800	3,037,700	3,037,700	3,037,700
Total, other procurement, Army	6,022,400	4,989,510	5,256,850	5,122,450
Transfer, from other accounts		(47,800)		
Total funding available	6,022,400	5,037,310	5,256,850	5,122,450

MOBILE SUBSCRIBER EQUIPMENT (MSE)

The Mobile Subscriber Equipment (MSE) program is a communications system to provide mobile and stationary users at corps and division levels with automatic, secure communications. The Army budgeted $110,000,000 to initiate procurement of the MSE program as a non-developmental item (NDI)—i.e., there would be no government funding for RDT&E.

The conferees note that an RFP (request for proposal) for this program was recently issued, and the response to that RFP will help to clarify various issues including whether (1) MSE is fully interoperable with other U.S. communications equipment, (2) MSE will be used on light weight U.S. vehicles for mobility, and (3) MSE capacity will be adequate for both voice and data for the modern automated battlefield. The conferees also note that the MSE request for proposal has a long list of priced options and desired features which include such things as interoperability, mobility, and anti-jamming. The response to the RFP will enable the cognizant Congressional Committees to accurately assess the ultimate cost effectiveness of the program.

The conferees recommend a total of $63,250,000, as proposed by the Senate, none of which may be obligated until Congress is provided the details of the specific equipment to be included in the program, the associated testing results of that equipment, and the proposed funding schedule. It is further agreed that future funding commitments to this program not be made until the scheduled user evaluation is completed.

ARMORED COMBAT EARTHMOVER

The conference agreement provides $24,100,000 the amount appropriated in fiscal year 1984. The conference agreement also rescinds fiscal year 1984 authority to enter a multiyear contract using fiscal year 1984 funds, as proposed by the Senate. These actions are taken in recognition of program slippage. The conferees urge the Army to expedite testing so that results can be known in time for deliberations on the fiscal year 1986 budget. Additional multiyear authority will be considered if the Army can demonstrate that the program meets the criteria, and has the firm support of the Army.

REMOTELY PILOTED VEHICLE

The conferees deny procurement funding for the remotely piloted vehicle without prejudice. Based on the current program plan, it does not appear that even advance procurement can be obligated in fiscal year 1985. If future testing is completely successful, and if the Army can demonstrate that advance procurement is necessary and justified, in fiscal year 1985 the Committees will consider a reprogramming.

AIRCRAFT PROCUREMENT, NAVY

The conferees agree to the following amounts for Aircraft Procurement, Navy:

[In thousands of dollars]

	Budget	House	Senate	Conference
AIRCRAFT PROCUREMENT, NAVY				
BA–1 Combat aircraft				
A–6E (Attack) Intruder (MYP)	214,580	199,480	198,080	199,480
A–6E (Attack) Intruder (MYP) (AP–CY)		15,100		15,100
EA–6B (Electronic warfare) Prowler	361,000	361,000	359,000	361,000
EA–6B (Electronic warfare) Prowler (AP–CY)	18,600	18,600	18,600	18,600
AV–8B (V/Stol)	742,233	736,233	736,733	736,733
AV–8B (V/Stol) (AP–CY)	80,400	60,000	59,400	60,000
F–14A (Fighter) Tomcat	786,900	786,900	742,400	771,300
F–14A (Fighter) Tomcat (AP–CY)	190,000	190,000	170,800	185,000
F/A–18 (Strike fighter) Hornet	2,348,130	2,255,530	2,348,130	2,293,530
F/A–18 (Strike fighter) Hornet (AP–CY)	337,854	207,654	207,654	207,654
CH–53 (Helicopter) Super Stallion (MYP)	223,277	196,977	209,777	196,977
CH–53 (Helicopter) Super Stallion (MYP) (AP–CY)	69,620	36,120	36,120	36,120
AH–1T (Helicopter) Sea Cobra	178,000	178,000	178,000	178,000
AH–1T (Helicopter) Sea Cobra (AP–CY)	15,000	15,000	15,000	15,000
SH–60B (ASW Helo) Seahawk	333,185	375,000	400,585	375,000
SH–60B (ASW Helo) Seahawk (AP–CY)	52,400	57,900	57,900	57,900
P–3C (Patrol) Orion	378,880	321,580	321,580	321,580
P–3C (Patrol) Orion (AP–CY)	86,100	50,000	50,000	50,000
E–2C (Early warning) Hawkeye	312,200	306,200	306,200	306,200

[In thousands of dollars]

	Budget	House	Senate	Conference
E–2C (Early warning) Hawkeye (AP–CY)	29,600	29,600	29,600	29,600
SH–2F (ASW Helo) Seasprite	65,860	65,860	65,860	65,860
Total, BA–1 Combat aircraft	6,823,819	6,462,734	6,511,419	6,480,634
BA–2 Airlift airport				
C–9 Skytrain II	33,900	33,900	33,900	33,900
UC–12B	32,005	26,900		26,900
C–2 (MYP)	144,206	144,206	144,206	144,206
C–2 (MYP) (AP–CY)	41,200	41,200	41,200	41,200
Total, BA–2 Airlift aircraft	251,311	246,206	199,306	246,206
BA–3 Trainer aircraft				
Adversary	66,800	116,800	116,800	116,800
TH–57	24,355	24,355	24,355	24,355
Total, BA–3 trainer aircraft	91,155	141,155	141,155	141,155
BA–4 Other aircraft				
KC–130T (Tanker) Hercules		48,000		48,000
UH–60		12,000		12,000
Total, BA–4 Other aircraft		60,000		60,000
BA–5 Modification of aircraft				
A–3 Series	5,701	5,701	5,701	5,701
A–4 Series	21,865	21,865	21,865	21,865
A–6 Series (MYP)	149,395	149,395	149,395	149,395
EA–6 Series	79,635	79,635	79,635	79,635
A–7 Series	74,993	74,993	74,993	74,993
AV–8 Series	15,382	15,382	15,382	15,382
F–4 Series	5,035	5,035	5,035	5,035
RF–4 Series	6,246	6,246	6,246	6,246
F–14A	203,283	271,283	203,283	271,283
F–8 Series	175	175	175	175
F–5 Series	3,627	3,627	3,627	3,627
OV–10A	47,030	47,030	47,030	47,030
F–18 MODS	40,219	33,280	40,219	33,280
H–46 Series	157,534	157,534	157,534	157,534
H–53 Series	44,444	44,444	44,444	44,444
Penguin		11,700		11,700
H–1 Series	96,684	96,684	96,684	96,684
H–2 Series	15,796	15,796	15,796	15,796
H–3 Series	110,653	110,653	110,653	110,653
P–3 Series	165,377	165,377	177,477	177,477
S–3	163,606	155,553	163,606	155,553
US–3A COD	2,447	2,447	2,447	2,447
E–2 Series	74,746	74,312	74,746	74,312
Trainer A/C Series	7,883	7,883	7,883	7,883
TH–57	745	745	745	745
EC–130 Series	33,978	30,118	33,978	30,118
C–130 Series	19,881	19,881	19,881	19,881
FEWSG	34,548	34,548	34,548	34,548
Cargo/Transport A/C Series	4,386	4,386	4,386	4,386
Various	24,199	13,173	24,199	13,173
Power Plant Changes	13,054	13,054	13,054	13,054
Misc FLT Safety/Oper necessity changes	6,955	6,955	6,955	6,955
Common ECM equipment	264,817	264,817	214,217	214,217
Common avionics changes	25,187	25,187	25,187	25,187
Undistributed reduction		–200,000	–200,000	–200,000
Total, BA–5 modification of aircraft	1,919,506	1,768,894	1,681,006	1,730,394
BA–6 Aircraft spares				
Spares and repair parts	1,609,734	1,568,534	1,609,734	1,609,734
BA–7 Aircraft support equipment and				
FACIS common ground equipment	645,219	545,219	545,219	545,219
Aircraft industrial facilities	55,800	55,800	55,800	55,800
War consumables	28,700	28,700	28,700	28,700
Other production charges	48,956	48,956	48,956	48,956
Total, BA–7 aircraft support equipment and FACIS	778,675	678,675	678,675	678,675
Consultants, studies, and analyses		–3,000	–3,000	–3,000
General reduction		–75,000		
Prior year transfers		(75,000)		
Misc contract savings		–40,000		–40,000
Total, Aircraft procurement, Navy	11,474,200	10,808,198	10,818,295	10,903,798
Transfer from other accounts		(75,000)		
Total funding available	11,474,200	10,883,198	10,818,295	10,903,798

CH–53E HEAVY LIFT HELICOPTER

The conferees fully expect the Navy to execute the four year, 56 aircraft multiyear procurement profile as submitted to the Congress.

C–12

The C–12 is a common utility transport aircraft in all the Services and there is a common logistics support system for the 207 C–12 aircraft throughout the force structure. In order to reduce support costs, the

Navy should provide all logistics support, maintenance and supply for C-12 aircraft on a joint package basis with the other Services.

AH-1T ATTACK HELICOPTER

The conferees agree that any savings for the AH-1T program be used to procure two additional AH-1T helicopters to replace those helicopters that were lost in Grenada. If additional funds are not totally sufficient to cover the flyaway cost of an aircraft, the conferees will consider a reprogramming action to cover any additional costs.

NAVY ADVERSARY AIRCRAFT

The conferees agree that, in order to take advantage of the economies associated with larger quantity procurement and to expand the number of eligible candidate aircraft, the Navy should combine the $28,700,000 appropriated in fiscal year 1984 for procurement of Navy Adversary aircraft with the $116,800,000 provided herein (for fiscal year 1985) for that purpose. The Navy is directed to cancel any procurement activities taken in connection with the fiscal year 1984 appropriation. The combined total of $125,500,000 shall be used by the Navy to initiate its Adversary replacement program, and the Navy is encouraged to minimize the cost of this program with innovative procurement practices such as commercial type pricing and operational/support warranties. The conferees also believe that further economies may be realized if both the Navy and the Air Force modernize their Adversary/Aggressor aircraft with a common replacement aircraft. Accordingly, the Secretary of the Navy and Secretary of the Air Force are directed to provide a report by January 1, 1985, on the desirability of a common program for Adversary/Aggressor replacements. If a common replacement aircraft program is selected, the Air Force should be the procuring agency since its total requirement is significantly larger than the Navy's.

UH-60 HELICOPTERS

The conferees agree that there is a critical shortage of Navy aircraft capable of meeting combat search and rescue (CSAR) and light attack missions (HAL). Also, there is concern that the continued slippage in the Carrier Variant Helicopter program (CV Helo) will seriously impact the operational availability of the current helicopter squadrons.

Taking these issues into consideration, the conferees agreed to add $12,000,000 to purchase two UH-60 helicopters. Since the contract award for the Carrier Variant Helicopter is forthcoming, the conferees believe that the Navy should have the option to use these helicopters for either Combat Search and Rescue or early demonstration prototypes for the CV Helo program. If the option to use one or both these aircraft as CV Helo prototypes, in order to make up for the slippage in the program, is both practical and desirable, the Navy, upon completion of a CV Helo activity, is directed to return/replace these aircraft in the Navy reserve program for Combat Search and Rescue Squadrons. It is also the conferee's intent that these helicopters go directly into Reserve Combat Search and Rescue Squadrons if the Navy chooses not to use any of these aircraft as CV Helo prototypes.

Additionally, the conferees agree with the House language that requests a detailed plan by March 1, 1985, outlining the requirements and mission objective for the Naval Reserve Combat Search and Rescue Squadrons. This report should include the following: (1) specific characteristics of selected aircraft; (2) number of aircraft required and cost to complete the program; (3) adequacy of funding programmed in fiscal year 1986 and beyond; and (4) planned modification to the force structure and implications of combining CSAR and HAL missions.

AN/AQA-7

IMPROVEMENT PROGRAM FOR NAVAL RESERVE P-3 AIRCRAFT

The conferees agree that the AN/AQA-7 processing system must have an improved display system incorporated in the 135 P-3A and P-3B Naval Reserve Aircraft. Accordingly, the conferees agree to add $7,500,000 to procure five service test models of the improved AQA-7 display sytem in order to test and evaluate this system to determine fleet operability and suitability.

F-14 MODERNIZATION PROGRAM

The conferees agree to the House position which adds $68,000,000 to the F-14 modification line to accelerate the modernization of F-14A's for the Naval Reserve.

WEAPONS PROCUREMENT, NAVY

The conferees agree to the following amounts for Weapons Procurement, Navy:

[In thousands of dollars]

	Budget	House	Senate	Conference
WEAPONS PROCUREMENT, NAVY				
BA-1 Ballistic Missiles				
Ballistic missiles:				
UGM-73A (C-3) Poseidon	5,500	5,500	5,500	5,500
UGM-77A(C-4) Trident I	163,800	153,800	158,800	153,800
Trident II	138,500	138,500	138,500	138,500
Trident II (AP-CY)	24,400	9,800	24,400	24,400
Modification of missiles: UGM-73A (C-3) Poseidon Mods	25,200	19,300	25,200	19,300
Support equipment and facilities:				
Spares and repair parts	3,800	3,800	3,800	3,800
Missile industrial facilities	4,000	4,000	4,000	4,000
Astronautics	14,600	14,600	14,600	14,600
Total, BA-1 ballistic missiles	379,800	349,300	374,800	363,900
BA-2 Other Missiles				
Strategic missiles:				
BGM-109 Tomahawk	532,100	532,100	532,100	532,100
BGM-109 Tomahawk (AP-CY)	28,000	28,000	28,000	28,000
Tactical missiles:				
AIM/RIM-7 F/M Sparrow	258,000	245,500	288,000	278,000
Prior year transfer			(20,000)	
AIM-9L/M Sidewinder	68,600	68,600	58,600	58,600
AIM-54A/C (Phoenix)	407,000	310,500	317,000	314,000
AIM-54A/C (Phoenix) (AP-CY)	36,800	24,400	17,300	24,400
Transfer, Phoenix		(30,000)		
AGM-84A Harpoon	327,100	327,100	327,100	327,100
AGM-88A Harm	309,700	248,200	289,700	278,200
RIM-66B Standard MR	206,300	190,300	190,300	190,300
RIM-66C Standard MR	313,600	313,600	313,600	313,600
RIM-67B Standard ER	186,700	186,700	186,700	186,700
RAM	18,000	18,000	18,000	18,000
Hellfire	25,211	25,211	25,211	25,211
Laser Maverick	110,600	93,700	110,600	103,000
IIR Maverick	29,700			
Penguin (AP-CY)		11,700		11,700
Areal targets	60,500	60,500	60,500	60,500
Other missile support	6,700	6,700	6,700	6,700
Modification of missiles:				
AIM/RIM-7E/F Sparrow mod	2,400	2,400	2,400	2,400
AIM-9 Sidewinder mod	32,100	32,100	32,100	32,100
AIM-54A/C Phoenix mod	4,600	4,600	4,600	4,600
AGM-84A Harpoon mod	16,700	16,700	16,700	16,700
Standard missiles mod	6,200	6,200	6,200	6,200
Support equipment and facilities:				
Spares and repair parts	150,049	124,949	140,049	133,000
Weapons industrial facilities	27,400	27,400	27,400	27,400
Fleet satellite communications	51,400	51,400	51,400	51,400
ORDANCE SUPPORT EQUIPMENT:				
Ordnance support equipment	13,500	11,500	11,500	9,500
Total, BA-2 Other missiles	3,228,960	2,968,060	3,061,760	3,039,411
BA-3 Torpedoes and Related Equipment				
Torpedoes and related equipment:				
Torpedoe MK-48	127,700	89,000	60,000	89,000
MK-48 ADCAP		108,900	105,600	105,600
Torpedo MK-46 (MYP)	256,000	229,700	256,000	229,700
MK-60 Captor	128,500	122,000	122,000	122,000
Mobile target MK-30	21,300	18,300	21,300	21,300
MK-38 Mini mobile target	2,500	2,500	2,500	2,500
ASROC	25,900	25,900	25,900	25,900
MOD of torpedoes and related equipment:				
Mobile mine MK-67	22,600	22,600	22,600	22,600
Torpedo MK-46 mods	2,300	2,300	2,300	2,300
Torpedo MK-48 mods	108,900			
Captor mods	5,700	5,700	5,700	5,700
Swimmer weapon system	1,600	1,600	1,600	1,600
Support equipment:				
Torpedo support equipment	46,500	46,500	46,500	46,500
ASW range support	24,800	24,800	24,800	24,800
Spares and repair parts	24,700	23,700	24,700	24,700
Total, BA-3 torpedoes and related equipment	799,000	723,500	721,500	724,200
BA-4 Other Weapons				
Guns and gun mounts:				
MK-15 Close-in weapons system	163,900	163,900	163,900	163,900
MK-75 76MM gun mount	10,900	10,900	10,900	10,900
MK-19/40mm machine gun	2,000	2,000	2,000	2,000
25mm gun mount	3,100	3,100	3,100	3,100
Small arms and weapons	3,500	3,500	300	3,500
Modification of guns and gun mounts:				
CIWS mods	30,300	30,300	30,300	30,300
5"/54 gun mount mods	6,200	6,200	6,200	6,200
3"/50 gun mount mods	400	400	400	400
MK 75 76mm gun mount mods	2,700	2,700	2,700	2,700
Coast Guard Gun Support Program	5,500	5,500	5,500	5,500
Mods under $900,000	1,200	1,200	1,200	1,200
Support equipment:				
Gun support equipment	600	600	600	600
Spares and repair parts	12,800	12,300	12,800	12,800
Total, BA-4 other weapons	243,100	242,600	239,900	243,100
General reduction		-20,000		
Prior year transfer		(20,000)		
Misc contract savings		-15,000		-15,000
Contract spt svc		-2,000	-2,000	-2,000
Total, weapons procurement, Navy	4,650,860	4,246,460	4,395,960	4,353,611
Transfer from other accounts		(50,000)	(20,000)	
Total funding available	4,650,860	4,296,460	4,415,960	4,353,611

AIR/RIM-7F/M SPARROW

The conferees agree to provide $278,000,000 for AIM/RIM-7F/M Sparrow, instead of $245,500,000 as proposed by the House, or $288,000,000 as proposed by the Senate. In addition, the Senate recedes to the House in the proposed application to Sparrow of a $20,000,000 transfer from Weapons, Procurement, Navy, 1984/1986. The Navy is directed to procure the maxium possible number of missiles with this $278,000,000.

AIM-54A/C PHOENIX

AIM-54A/C PHOENIX ADVANCE PROCUREMENT

The conferees agree to provide $314,000,000 for Phoenix, instead of $310,500,000 as proposed by the House, or $317,000,000 as proposed by the Senate; and $24,400,000 for Phoenix Advance Procurement as proposed by the House, instead of $17,300,000 as proposed by the Senate.

The House proposed that $30,000,000 included in last year's funds for Phoenix production to facilitize the current sole source contractor from 40 to 55 missiles per month be used instead to fund actions related to establishing a second source. The conferees agree to setting aside these funds for this purpose, and direct the Navy to provide to the Committees on Appropriations a plan detailing the second source program, to include a financial analysis of recoupment of start-costs before proceeding. To implement its proposal, the House included a bill provision transferring $30,000,000 of fiscal year 1984 funds into fiscal year 1985. Because these funds are available for three years, the conferees agree that such a transfer is unnecessary, and have not included transfer language in the bill.

AGM-88A HARM

The conferees agree to provide $278,200,000 for AGM-88A HARM, instead of $248,200,000 as proposed by the House, or $289,700,000 as proposed by the Senate. The Navy is directed to procure the maximum possible number of missiles with these funds.

The conferees agreed last year on sole source procurement of HARM "with the specific proviso that development of an alternate seeker will be accelerated in order that a block change can be made at the earliest possible date." The conferees reaffirm that proviso. The Navy is directed to develop an alternate seeker as rapidly as possible, so that it can be transitioned quickly into production and form the basis of a cost-cutting block change in HARM in the near future. Additional language on the Low Cost Anti-Radiation Seeker is provided in the RDT&E, Navy section of this report.

MK-48 ADCAP

The conferees agree to extend the restriction on the obligation of MK-48 ADCAP funds until the CNO review board reviews the program and certifies that the established requirements are met. It is not the intent of the conferees to disrupt the development of a second source and, accordingly, the conferees impose no objection to the obligation these funds required to establish a second source.

SUPPORT EQUIPMENT AND FACILITIES

The conferees agree to the Senate position which directs that $2,500,000 be used to reconstruct the solvent preparation building at the Allegheny Ballistic Laboratory.

SHIPBUILDING AND CONVERSION, NAVY

The conferees agree to the following amounts for Shipbuilding and Conversion, Navy:

[In thousands of dollars]

	Budget	House	Senate	Conference
SHIPBUILDING AND CONVERSION, NAVY				
BA-1 Fleet ballistic missile ships:				
Trident (nuclear)	1,489,500	1,489,500	1,482,700	1,482,700
Trident (nuclear) (AP-CY)	265,500	265,500	265,500	265,500
TAK (Conv) Cargo ship	91,100			
Total, BA-1 Fleet ballistic missile ships	1,846,100	1,755,000	1,748,200	1,748,200
BA-2 Other warships:				
SSN-688 Class submarine (nuclear)	2,262,200	2,082,300	1,811,800	2,102,200
Prior year transfer			(290,400)	
SSN-688 Class submarine (nuclear) (AP-CY)	617,800	562,800	562,800	562,800
Prior year transfer		(55,000)		
Battleship React	422,600			
CV SLEP	583,200	583,200	583,200	583,200
CV SLEP (AP-CY)	181,300	181,300	131,300	131,300
CG-47 Aegis cruiser (MYP)	3,125,600	2,800,000	2,918,600	2,883,000
Prior year transfer		(83,000)		
CG-47 Aegis cruiser (MYP) (AP-CY)	24,400	24,400	20,900	102,000
Prior year transfer			(57,000)	
DDG-51	1,173,400	489,900	1,173,400	1,050,000
Prior year transfer		(450,000)		
Total, BA-2 other warships	8,390,500	6,723,900	7,202,000	7,414,500
BA-3 Amphibious ships:				
LSD-41 Landing ship dock	406,000	406,000	406,000	406,000
LSD-41 Landing ship dock (AP-CY)	83,500	83,500	83,500	83,500
LHD-1 Amphibious assault ship (AP-CY)	39,200	39,200	39,200	39,200
LPD-4 SLEP	15,000	15,000	15,000	15,000
Total, BA-3 Amphibious ships	543,700	543,700	543,700	543,700
BA-4 Mine warfare and patrol ships: MCM Mine countermeasures ship	349,500	324,500	349,500	344,500
Total, BA-4 Mine warfare and patrol ships	349,500	324,500	349,500	344,500
BA-5 Auxiliaries, craft and PY prog costs:				
TAO Fleet oiler	562,600	515,600	537,600	522,600
TAGOS Surtass ship	192,900	129,900	128,400	128,400
TAGS Surveying ship	245,000		245,000	225,000
TACS Crane ship (Conv)	44,000	36,000	36,000	36,000
TAVB (Conv)	37,600	26,600	26,600	26,600
TAVB (Conv) (AP-CY)	5,200	5,200		5,200
Strategic sealift	31,000	15,000	31,000	31,000
LCAC landing craft	198,800	198,800	198,800	198,800
LCAC landing craft (AP-CY)	31,300	31,300	31,300	31,300
Service craft	81,200	35,500	54,700	54,700
Landing craft	11,900	11,900	11,900	11,900
Outfitting	204,400	204,400	204,400	204,400
Post delivery	179,200	179,200	179,200	179,200
Cost growth	187,000			
ARTB nuclear reactor training ship conv			30,000	30,000
Total, BA-5 auxiliaries, craft and PY prog costs	2,012,100	1,389,400	1,714,900	1,685,100
Misc contract savings		-25,000		
Contract SPT SVC		-3,500		
Total, shipbuilding and conversion, Navy	13,141,900	10,708,000	11,558,300	11,736,000
Transfer from other accounts		(588,000)	(347,400)	
Total funding available	13,141,900	11,296,000	11,905,700	11,736,000

CG-47 AEGIS CRUISER

The conferees agree to an allowance of $2,883,000,000 for three CG-47 cruisers. Prior to the obligation of funds for solid state frequency converters, propellers, and vertical package/stores conveyors, a second source must be developed in order that these systems can be competitively awarded.

The conferees have also included $83,000,000 in advance procurement, and bill language instructing the development of a second source for the AEGIS SPY-1 radar system. In this regard, the Navy must submit a plan to accompany the fiscal year 1986 budget request which outlines the procurement strategy for second source selection. The Navy should prepare bid solicitations, and evaluations in a timely manner for selection of the second source by the end of the fiscal year.

An additional $19,000,000 of advance funding provides for MK-45 gun multiyear procurement.

DDG-51

The conferees agree to an allowance of $1,050,000,000 for the lead DDG-51 destroyer. Prior to obligating funds for solid state frequency converters, vapor compression distillation system, and vertical package/stores conveyors, a second source be developed in order that these systems can be competitively awarded.

The conferees also agree that sufficient amounts within this appropriation are available to begin establishing a second source for ship construction in order that a second shipyard can be introduced into the follow-on procurement of the DDG-51 which is currently planned for fiscal year 1987.

FISCAL YEAR 1984 GUIDED MISSILE FRIGATE PROGRAM

The conferees agree to the Senate bill language pertaining to the release of $340,000,000 in appropriated funds for the fiscal year 1984 FFG-7 frigate program previously committed by a legislative requirement to construct the ship with a MK-92 fire control system and phased array upgrade. In addition, the conferees agree to expand the enabling language by making $36,300,000 available from fiscal year 1983 shipbuilding funds to fiscal year 1984 in order to complete full funding required for the FFG-61. The following table displays the fiscal year 1983 shipbuilding program sources.

Program	*Amount*
FFG-7 Guided missile frigate	$9,200,000
SSN-688 Attack submarine	6,400,000
T-AH Hospital ship	3,400,000
T-AO Fleet oiler	7,300,000
Escalation on prior year programs	10,000,000
Total transfer	36,300,000

T-AVB LOGISTICS SHIP ADVANCE PROCUREMENT

The conferees agree to an allowance of $5,200,000 for T-AVB Aviation Logistics Support Ship advance procurement in conformance with the House position. While the Senate concurs in the provision of funds for battery chargers, pumps, fork lifts and other long lead items. The conferees recognize that the primary purpose for the advance procurement funding is to retain favorable contract option prices for the second T-AVB conversion planned for fiscal year 1986.

T-ACS CRANE SHIPS

The conferees instruct the Secretary of the Navy to submit any budget request in fiscal year 1986 for additional T-ACS crane ship conversions in compliance with the full funding policy. In accordance with the Senate report language, the Navy should seek the concurrence of the Appropriations Committees if additional ship conversions in fiscal year 1985 can be attained. In addition, the conferees concur in the House report language directing the establishment of a cadre of reservists to perform the T-ACS mission requirements. The Secretary of the Navy shall report to the Committees on Appropriations on the results of the evaluation of T-ACS requirements as instructed by the House.

T-AO FLEET OILER

The conferees agree that source selection considerations for the T-AO program should continue to emphasize both price and preservation of the industrial base.

OTHER PROCUREMENT, NAVY

The conferees agree to the following amounts for Other Procurement, Navy:

[In thousands of dollars]

	Budget	House	Senate	Conference
Other procurement Navy:				
LH-2500 gas turbine	11,620	11,620	8,920	8,920
Other generators	9,716	9,716	6,416	6,416
Other pumps	11,786	11,786	8,686	8,686
Other propellers and shafts	6,917	6,917	5,217	5,217
Electrically suspended gyro navigator	24,696	24,696	15,696	15,696
Type 18 periscope	16,810	16,810	13,910	13,910
Surface ship silencing equipment	6,623	6,623	5,123	5,123
Submarine batteries	12,733	12,733	9,733	9,733
Sealift support equipment	24,131	24,131	5,631	24,131
HMXE items under 900K	12,572	12,572	10,572	10,572
Torpedo retrievers	10,303	10,303		
Spares and repair parts	3,479	3,340	3,479	3,479
Undistributed reduction		-73,000	-15,000	-42,497
Undistributed reduction		-10,000	-70,000	-55,000
AN/SSQ-53 (DIFAR)	153,004	105,804	153,004	153,004
AN/SSQ-62 (DICASS)	53,070	35,070	53,070	53,070
AN/SSQ-77 (VLAD)	95,251	79,800	95,251	85,000
Undistributed addition			50,000	50,000
Skipper	14,326	7,226	14,326	10,726
General purpose bombs	121,871	71,371	136,371	96,571
Laser guided bomb kits	37,664	21,364	37,664	29,464
Walleye	32,430	7,930	32,430	20,130
Zuni rocket	39,003	9,403	39,003	24,203
2.75 inch rocket	25,509	17,009	25,509	21,209
Parachute flares	11,546	1,546	11,546	6,546
Machine gun ammunition	36,468	22,768	26,468	26,468
Practice bombs	64,119	55,919	58,219	58,219
Airborne expendable countermeasures	50,552	49,552	53,852	50,052
Marine location markers	7,210	3,810	7,210	5,510

[In thousands of dollars]

	Budget	House	Senate	Conference
JATOS	15,009	10,609	12,100	12,100
GATOR	31,617	19,517	31,617	25,517
Weapons range support equipment	33,572	28,172	33,572	30,872
Expeditionary airfields	15,681	6,081	15,681	10,881
Aircraft rearming equipment	12,506	9,706	12,506	11,106
Airborne mine countermeasures	16,125	12,725	16,125	14,425
5/54 gun ammunition	91,103	77,903	91,103	77,903
5 inch guided projectile	68,206	55,306	68,206	55,306
CIWS ammunition	28,754	28,754	41,254	28,754
Other ship gun ammunition	8,945	8,945	18,945	8,945
Small arms and landing party ammo	20,978	20,978	30,978	20,978
Undistributed reduction		−77,000	−86,800	−77,000
Passenger carrying vehicles	7,535	4,535	7,535	4,535
Trucks	36,922	33,822	36,922	35,322
Earth moving equipment	16,832	9,832	16,832	13,332
Weight handling equipment	13,858	7,458	13,858	10,658
Spares and repair parts	5,769	5,538	5,769	5,769
Fleet hospitals	71,856	47,856	71,856	71,856
Other materials handling equipment	6,137	3,037	6,137	6,137
Automated materials handling systems	23,088	20,688	23,088	23,088
Other supply support equipment	12,353	11,353	12,353	12,353
Special activities, Navy	14,884	13,284	14,884	13,284
Special purpose supply systems	46,562	46,562	30,062	30,062
Surface sonar trainers	26,735	24,235	26,735	26,735
Submarine combat system trainers	14,940	9,240	14,940	14,940
Ship system trainers	19,540	13,040	19,540	19,540
Training device modifications	14,377	7,977	14,377	14,377
Command support equipment	8,387	6,187	8,387	8,387
Medical support equipment	35,878	33,778	35,878	35,878
Intelligence support equipment	47,792	36,592	44,892	43,178
Physical security			6,000	
Productivity investment fund (PIF)	17,890	9,990	17,890	9,990
Undistributed reduction			−90,000	−90,000
General reduction		−85,700		
Prior year transfer		(85,700)		
Ordnance eqpt reduction		−62,000		
Items not in conference	4,276,660	4,107,848	4,107,848	4,107,848
Total, other procurement Navy	5,953,900	5,063,667	5,533,376	5,341,614
Transfer from other accounts		(85,700)		
Total funding available	5,953,900	5,149,367	5,533,376	5,341,614

SEALIFT SUPPORT EQUIPMENT

The conferees agree to an allowance of $18,500,000, and encourage the Navy to reprogram funds, if necessary, to fully fund the procurement of 160 Seasheds.

COMMUNICATIONS AND ELECTRONICS EQUIPMENT

AN/SQR-17 ACOUSTIC PROCESSOR

The conferees are concerned that the Navy's proposed cut in AN/SQR-17 production could disrupt production schedules, increase costs, and most importantly delay fleet introduction of this improved capability.

Consequently, the conferees support the original procurement profile and direct that the Navy procure 26 systems, as originally planned, using non-antisubmarine assets within the communications and electronics equipment budget activity.

In a related matter, the video generator drawer utilized in the AN/SQR-17 is also used in the acoustic system of the Carrier ASWM and is planned for use in the display upgrade of the P-3 AQA-7 acoustic processor. In order to further capitalize on the cost effectiveness and commonality of this advanced technology across technically similar Naval weapons systems suites, and to establish a lower cost second source alternative to counter the high cost of current Navy combat systems, the conferees direct that the Navy procure three modified AN/SQR-17 video generator drawers for system testing as part of the AN/SQQ-89 ASW combat suite. After successful completion of the applicable testing routines, the Navy shall develop a production baseline that will allow competition of follow-on buys of this equipment for utilization in CG-47 and DDG-51 combatants. The conferees expect the Navy to proceed with this effort forthwith.

FFG-7 MK-92 UPGRADE PHASE II (CORT)

Since the Secretary of the Navy has approved the MK-92 Upgrade Phase II (CORT) program, the conferees would not interpose an objection to the reprogramming of funds to or within the Other Procurement, Navy appropriation to procure production units of the MK-92 Upgrade Phase II (CORT).

ORDNANCE SUPPORT EQUIPMENT

QUICKSTRIKE MINES

The conferees agree to the House language on the Quickstrike Mine program.

PERSONAL AND COMMAND SUPPORT EQUIPMENT

UNDERWATER SECURITY SYSTEMS

The conferees agree to the Senate language on Underwater Security Systems, but the agreement provides only research funding.

PROCUREMENT, MARINE CORPS

The conferees agree to the following amounts for Procurement, Marine Corps:

[In thousands of dollars]

	Budget	House	Senate	Conference
Procurement, Marine Corps				
Small arms ammo, all types	12,646	12,646	12,246	12,646
Spares and repair parts	17,604	13,604	17,604	15,704
Spares and repair parts	3,715	3,567	3,715	3,567
Personal defense weapon	3,163	3,163		3,163
M16A2 rifle	13,992	13,992	11,992	11,992
Hawk	125,065	113,065	125,065	125,065
Stinger	75,572	65,572	65,472	65,572
TOW (MYP)	56,081	52,081	48,181	52,081
Spares and repair parts	7,337	7,044	7,337	6,337
Manpack radios and equipment	5,043	5,043	943	5,043
Unit level circuit switch system	14,873		14,873	
AN/USM-323 generator signal, electronic	1,017	1,017		1,017
Spares and repair parts	13,462	12,924	13,462	12,924
AN/PAQ-3 mod univ laser equip (Mule)	39,620	39,620	38,020	38,020
Modification kits (non-tel)	12,153	12,153	9,153	9,153
Container handler, rough terrain 50,000 LL	6,372	3,172	6,372	6,372
Forklifts, all types	18,877	13,077	18,877	18,877
Laundry unit, skid mounted	2,515	2,015	2,515	2,515
Bath shower unit expeditionary field	2,680	1,680	2,680	1,680
Refrigeration unit, F/Rigid box	3,182		3,182	1,582
Field wiring harness	2,610	1,310	2,610	2,610
Fuel sys amphb assault, 600,000 bal cap	10,047	4,347	10,047	9,247
Electrical power distribution system	10,107	5,107	10,107	5,107
Garrison mobile engineer equip	9,211	7,911	7,511	7,511
Special training devices	11,121	4,821	11,121	11,121
Sanitation set, field kitchen	1,353	753	1,353	1,353
General reduction (rounding)			−105	
Undistributed reduction		−24,900		−10,000
Prior year transfer		(7,500)		
Items not in conference	1,499,163	1,416,463	1,416,463	1,416,463
Total, procurement, Marine Corps	1,978,581	1,791,247	1,860,796	1,836,722
Transfer from other accounts		(7,500)		
Total funding available	1,978,581	1,798,747	1,860,796	1,836,722

UNIT LEVEL CIRCUIT SWITCH (ULCS)

The conferees note that additional testing and evaluation is needed for the Unit Level Circuit Switch (ULCS). The conferees deny the $14,873,000 requested for first year procurement by the Marine Corps and the $11,800,000 for initial procurement by the Air Force of the ULCS. The conferees recommend a total of $11,745,000 for ULCS Life Cycle Support for the Marine Corps, which may be used to buy life cycle support equipment only upon the completion of the special verification tests, production approval by the Marine Corps Systems Acquisition Review Council, and approval by the cognizant Congressional Committees. In no case may these funds be obligated before it is certain that the Marine Corps is committed to a procurement program.

AIRCRAFT PROCUREMENT, AIR FORCE

The conferees agree to the following amounts for Aircraft Procurement, Air Force:

[In thousands of dollars]

	Budget	House	Senate	Conference
AIRCRAFT PROCUREMENT, AIR FORCE				
Combat Aircraft				
Strategic offensive:				
B-1B (MYP)	5,558,200	5,127,000	5,558,200	5,526,600
Transfer		(196,200)		
B-1B (MYP) (AP-CY)	1,544,400	1,544,400	1,544,400	1,544,400
Tactical forces:				
F-15 C/D	1,843,400	1,652,400	1,807,500	1,778,400
Transfer		(6,200)		
F-15 C/D (AP-CY)	209,500	181,700	176,400	176,400
F-16 C/D (MYP)	2,960,800	2,396,900	2,473,300	2,446,400
Transfer		(3,000)		
F-16 C/D (MYP) (AP-CY)	787,200	586,800	586,800	586,800
Tactical fighter derivative acft	26,600			
Other combat aircraft:				
KC-10A (ATCA) (MYP)	243,000	185,700	190,700	189,600
Transfer		(3,900)		
KC-10A (ATCA) (MYP) (AP-CY)	404,000	375,300	375,300	375,300
MC-130H	82,400	75,300	82,400	76,400
Transfer		(1,100)		
MC-130H (AP-CY)	10,300	10,300	10,300	10,300
Total, combat aircraft	13,669,800	12,135,800	12,805,300	12,710,600
Airlift/Tanker Aircraft				
Strategic airlift:				
C-5B	1,772,200	1,361,000	1,452,600	1,378,000
C-5B (AP-CY)	327,200	304,100	304,100	304,100
Tactical airlift: C-130H		288,000	179,000	288,000
Other airlift:				
C-12J		12,000		12,000
C-20A	55,100	50,100	55,100	51,900
Flight inspection aircraft		20,000		20,000
Total, airlift/tanker aircraft	2,154,500	2,035,200	1,990,800	2,054,000
Trainer Aircraft				
UPT trainers:				
T-46A (NGT)	104,400	103,700	104,400	103,700
T-46A (NGT) (AP-CY)	22,300	22,300	22,300	22,300
Total, trainer aircraft	126,700	126,000	126,700	126,000
Other aircraft				
Helicopters: HH-60D/E (AP-CY)	22,500	6,000	6,000	6,000
Mission support aircraft:				
Range control aircraft	16,400	16,400	16,400	16,400
TR-1/U-2	210,600	151,200	158,200	168,900
Transfer		(13,100)		
Total, other aircraft	249,500	173,600	180,600	191,300
MODIFICATION OF IN-SERVICE AIRCRAFT				
Strategic aircraft:				
B-52	574,200	336,500	527,100	466,500
Transfer		(10,000)		
Tactical aircraft:				
A-7	36,600	36,600	36,600	36,600
A-7D FLIR		52,000	42,000	42,000
A-10	84,600	84,600	61,900	61,900
F/RF-4	213,800	213,800	250,800	250,800
F-5	3,900	3,900	3,900	3,900
F-15	130,100	106,100	130,100	115,100
F-16	77,200	32,300	60,200	60,200
Transfer		(16,000)		
F-111	206,500	206,500	206,500	206,500
TR-1A	24,000	24,000	24,000	24,000
Airlift aircraft:				
C-5	3,100	3,100	3,100	3,100
C-141	14,900	14,900	14,900	14,900
C-131			8,000	8,000
Trainer aircraft: T-38	10,200	10,200	10,200	10,200
Other aircraft:				
C-12	1,300	1,300	1,300	1,300
C-130	242,200	242,200	242,200	242,200
C-135	1,055,100	826,500	737,100	826,500
E-3	82,600	78,100	82,600	78,100
E-4	5,100	5,100	5,100	5,100
HH-53 aircraft	2,600	2,600	2,600	2,600
Other aircraft	134,600	134,600	134,600	134,600
Other modifications:				
Classified projects	169,500	134,885	169,500	152,585
Special support projects	181,100	127,100	181,100	181,100
Civil Reserve Airlift Fleet (CRAF)	128,900	228,900	128,900	128,900
Total, modification of in-service aircraft	3,382,100	2,905,785	3,064,300	3,056,685
Spares and repair parts	5,990,200	5,274,800	5,475,900	5,362,100
Aircraft support equipment and facilities:				
Common ground equipment	703,900	671,100	647,100	629,500
Industrial responsiveness	78,500	78,500	78,500	78,500
War consumables	235,400	104,300	163,400	116,500
Transfer		(12,200)		
Other production charges	2,085,900	1,689,581	1,966,100	1,874,081
Total, aircraft support equipment and facilities	3,103,700	2,543,481	2,855,100	2,698,581
Reduction, PY transfer		−287,800	−111,000	
Prior year transfer		(287,800)	(111,000)	
Environmental fund transfer			−11,000	−11,000
Total, aircraft procurement, Air Force	28,676,500	24,906,866	26,376,700	26,168,266

[In thousands of dollars]

	Budget	House	Senate	Conference
Transfer from other accounts		(549,500)	(111,000)	
Total funding available	28,676,500	25,456,366	26,487,700	26,168,266

B-1B

The conferees agree to provide $5,526,600,000 for the procurement of 34 B-1B bomber aircraft, which is a budget reduction of $31,600,000. The reduction is due to deferral of CSRL conversion kits as stated in the House report.

The conferees decided not to reduce B-1B management reserves as proposed by the House. This agreement is solely to provide the Air Force with maximum flexibility during its final B-1B contract negotiations and to ensure the $20,500,000,000 constant 1981 dollar cost ceiling is not exceeded. Due to the low consumption of change order funding to date, there is a strong possibility that the full amount budgeted for change orders will not be needed. As stated in the Senate report, the Air Force is expected to provide a full accounting of B-1B costs after the major contracts are awarded and to submit a formal 1986 budget amendment to reflect any savings.

F-15

The conferees agree to provide $1,778,400,000 for the procurement of 42 F-15 aircraft in fiscal year 1985 and $176,400,000 for advance procurement of 48 F-15's in fiscal year 1986. The weapon system line was reduced by $65,000,000 as follows:

	Amount
Reduction of 6 aircraft	−$154,200,000
Engine competition	+123,800,000
Engine warranty	−43,000,000
Dual role fighter	+37,500,000
Support equipment	−20,000,000
Management reserve	−9,100,000
Net Reduction	−65,000,000

F-16

The conferees agree to provide $2,446,400,000 for the procurement of 150 F-16 aircraft in fiscal year 1985 and $586,800,000 for advance procurement of 180 F-16 aircraft in fiscal year 1986. The conferees also agree to the House bill language approving a F-16 multiyear procurement of 720 F-16's in fiscal years 1986 to 1989, of which 72 F-16's shall be provided to the Reserve Forces by 1991; and providing that 30 of the F-16 aircraft for which funds are appropriated in the Act shall be provided to the Reserve Forces. The conferees also agree with the Senate language which directs that the F-16 multiyear contract include prenegotiated options for any additional budgeted aircraft purchase and that the unit cost of these additional aircraft should not exceed the average unit cost of aircraft in the basic multiyear contract. The weapon system line was reduced by $514,400,000 as follows:

	Amount
Engine competition	−$319,900,000
Support equipment	−105,000,000
Bomb rack	−67,000,000
Management reserve	−15,400,000
FMS engine savings	−11,000,000
Customs Service Radars	+3,900,000
Net reduction	−514,400,000

C-5B

The conferees agree to provide $1,378,000,000 for the procurement of 8 aircraft in fiscal year 1985. The weapon system line was adjusted as follows:

	Amount
Budget Revision reduction of 2 aircraft	−$294,600,000
Excessive change orders	−72,200,000
Simulators	−25,000,000
Management reserves	−19,100,000
ANG support equipment for Stewart AFB	+16,700,000
Net reduction	−394,200,000

The conferees request to be kept informed of the results of any contract renegotiations which further reduce program cost.

C-130H

The conferees agree to provide 16 C-130H aircraft in fiscal year 1985, of which eight are for the Air National Guard and eight are for the Air Force Reserve as stated in the Act. The conferees reiterate the Senate observation that the Air Force must budget for its own C-130H requirements. It is further requested that the Committees on Appropriations be notified of any planned reassignment out of the Reserve Forces of C-130H aircraft provided as part of the Reserve Forces C-130A modernization program.

C-20A

The conferees agree to provide $51,900,000 for the procurement of 3 aircraft in fiscal year 1985, which is a reduction of $3,200,000 from the budget request due to excessive management reserves.

FLIGHT INSPECTION AIRCRAFT

The conferees agree to provide $20,000,000 for the procurement of one flight inspection aircraft in fiscal year 1985. The conferees do not totally agree with the House language, and direct that the competition for this procurement be based on both performance and total life cycle cost.

TR-1/U-2

The conferees agree to provide $168,900,000 for the procurement of 4 aircraft in fiscal year 1985. The budget request was reduced by $35,700,000 for classified programs and by $6,000,000 due to excessive management reserves.

C-12 OPERATIONAL SUPPORT AIRCRAFT

The House provided $12,000,000 for 6 C-12J aircraft for the Air National Guard. The Senate provided $8,000,000 for the modification on a test basis of 2 C-131s, the current operation support aircraft. The conferees agree that it is imperative that adequate operational support airlift is provided to the state National Guard headquarters. To that end, the conferees provide $12,000,000 for 6 new C-12Js and $8,000,000 for the test modification of 2 C-131s.

The Department of Defense is directed to insure that all essential National Guard operational support airlift requirements are filled to include using up to 15 of the C-12s leased by the Air Force if necessary.

B-52 MODIFICATIONS

The conferees agree to provide $466,500,000 for B-52 aircraft modifications in fiscal year 1985, a reduction of $107,700,000 as follows:

	Amount
Pave Mint	−$15,900,000
Defensive Fire Control System	−12,000,000
Common Strategic Rotary Launcher	−79,800,000
Total	−107,700,000

No funds are provided for the procurement of the Common Strategic Rotary Launcher and associated airframe modifications since the design has not been proven, flight tests will not be completed until mid-1986, and the Armed Services Committees did not provide a full authorization of the procurement funds requested by the Air Force. This action does not preclude the Air Force from spending a limited amount on long lead internal launcher system items if it becomes critical to avoid a schedule delay. In that case, the Appropriations Committees will entertain a reprogramming request. The conferees also direct the Air Force to develop and present to the Armed Services and Appropriations Committees of Congress a comprehensive test plan and schedule prior to incurring major procurement expenses for internal ALCM carriage capability.

CRAF

The conferees agree to provide bill language that allows the Air Force to apply $144,800,000 appropriated in fiscal year 1983 for procurement of (C-19) commercial wide body aircraft to the Civil Reserve Air Fleet modification program.

KC-135 REENGINING

The Senate recommended $737,100,000 for the KC-135 tanker aircraft modification program and provided for the use of $89,300,000 from fiscal year 1984 savings to fund 43 authorized engine modification kits. The House recommended $826,500,000 for the 43 kits, but made no assumptions on the use of prior year savings. The conferees agree to the House allowance, but specify that the Air Force may procure no more than 43 engine and airframe modification kits in fiscal year 1985.

F-15 MODIFICATIONS

The conferees agree to provide $115,100,000 for F-15 modifications, a decrease of $15,000,000 of which $9,500,000 is due to antisatellite (ASAT) modifications and $5,500,000 is due to a modification for improved communications and navigation that had been appropriated in fiscal year 1984 as shown in the House report.

SPARES AND REPAIR PARTS

The conferees agree to provide $5,362,100,000 for the procurement of aircraft spares and repair parts in fiscal year 1985. This is a reduction of $628,100,000 from the budget request as follows:

Initial spares:	
B-1	−$50,000,000
F-15	−49,200,000
F-16	−124,100,000
C-5B	−18,100,000
KC-10	−1,000,000
C-130H	+12,000,000
C-12J	+3,000,000
Classified projects	−17,500,000
Flight control aircraft	+3,000,000
C-135 Mods	−7,500,000
Total	−249,400,000
Replenishment spares:	
B-1	−17,200,000
F-4E	−5,000,000
T-39	−4,500,000
Flying hour reduction	−32,000,000
General reduction	−320,000,000
Total	−378,700,000
Grand total	−628,100,000

COMMON GROUND EQUIPMENT

The conferees agree to provide the authorized amount, $629,500,000.

WAR CONSUMABLES

The conferees agree to provide $116,500,000 for procurement of war consumables in fiscal year 1985, a reduction of $118,900,000 from the budget request as follows:

Bomb rack	−$71,000,000
AMRAAM launchers	−8,900,000
Assembled fuel tanks	−39,000,000
Total	−118,900,000

OTHER PRODUCTION CHARGES

The conferees agree to provide $1,874,081,000 for Other Production Charges, a reduction of $211,819,000 as follows:

Lantirn	−$100,300,000
Classified programs	−111,519,000

MISSILE PROCUREMENT, AIR FORCE

The conferees agree to the following amounts for Missile Procurement, Air Force:

[In thousands of dollars]

	Budget	House	Senate	Conference
MISSILE PROCUREMENT, AIR FORCE				
Ballistic missiles				
Peacekeeper (M-X)	2,938,900	1,580,900	2,352,000	852,000
Total, ballistic missiles	2,938,900	1,580,900	2,352,000	852,000
Other missiles				
Strategic:				
Air launch cruise missile	74,049	74,049	74,049	74,049
Tactical:				
AIM-7F/M Sparrow			100,000	65,000
AGM-65D Maverick	565,239	359,639	359,639	359,639
AGM-650 Maverick (AP-CY)		15,000	15,000	15,000
Harpoon	40,342	40,342	40,342	40,342
AGM-88A Harm	326,284	287,784	296,284	296,284
Rapier	7,561	7,561	7,561	7,561
AMRAAM	348,135	74,135	73,135	73,135
AMRAAM (AP-CY)	64,900			
Grd launch cruise missile	557,226	557,226	557,226	557,226
Grd launch cruise missile (AP-CY)	13,900	13,900	11,900	11,900
Stinger	12,852	12,852	12,852	12,852
Target drones:				
Target drones	37,540	37,540	37,540	37,540
Tactical drones:				
Tactical drones	38,872	38,872	38,872	38,872
Total, other missiles	2,086,900	1,518,900	1,624,400	1,589,400
Modification of in-service missiles				
Class IV:				
Class IV	121,399	121,399	121,399	121,399
Class V:				
Updated ALCM	5,726	5,726	5,726	5,726
Update:				
Updated ALCM	8,349	8,349	8,349	8,349
Grd launch cruise missile update	26,826	26,826	26,826	26,826
Total, modification of in-service missiles	162,300	162,300	162,300	162,300
Missile spares and repair parts:				
Spares and repair parts	639,800	451,649	615,300	512,283
Other Support				
Space programs:				
Spaceborne equip (COMSEC)	32,739	32,739	32,739	32,739
Global positioning (MYP)	149,278	149,278	149,278	149,278
Global positioning (MYP) (AP-CY)	183,000	183,000	183,000	183,000
Space launch support (MYP)	108,939	108,939	108,939	108,939
Space launch support (MYP) (AP-CY)	99,100	99,100	80,100	80,100
Def meteorological sat prog (MYP)	139,909	139,909	139,909	139,909
Defense support program	48,850	48,850	48,850	48,850
Defense satellite comm system (MYP)	201,038	215,138	198,800	198,800
Defense satellite comm system (MYP) (AP-CY)	90,200		52,400	52,400
Space defense system	65,197	65,197	65,197	65,197
Space defense system (AP-CY)	17,800		17,800	9,000
Space boosters	25,310	25,310	25,310	25,310
Space shuttle	137,872	137,872	137,872	137,872
Industrial facilities:				
Industrial facilities	31,400	31,400	29,400	29,400
Special programs:				
Other programs	159,956	69,956	110,056	86,656
Forest green	4,315	4,315	4,315	4,315
IONDS (MYP)	43,775	43,775	43,775	43,775
Special programs	1,636,575	1,546,775	1,595,875	1,593,475
Special update programs	656,709	656,709	656,709	656,709
Special support programs	160,738	104,738	160,738	160,738
Total, other support	3,992,700	3,663,000	3,841,062	3,806,462
Reduction, prior year transfer		−15,000		
Prior year transfer		(15,000)		
Environmental fund transfer			−13,200	−13,200
Total, missile procurement, Air Force	9,820,600	7,361,749	8,581,862	6,909,245
Transfer from other accounts		(15,000)		
Total funding available	9,820,600	7,376,749	8,581,862	6,909,245

PEACEKEEPER (MX)

The conferees agree to provide $1,000,000,000 in new budget authority for procurement related to the deployment of the 21 MX missiles for which funds were appropriated for fiscal year 1984, for advance procurement of parts and materials for the MX missile program and maintenance of the MX missile program contractor base, and for spare parts for the MX missile program. The conferees also agree to make available $1,500,000,000 in prior year unobligated balances, as discussed below, for prior approval transfers, or reprogrammings or for procurement of 21 additional operational MX missiles which is not available for obligation unless after March 1, 1985:

1. The President reports to Congress on the requirements for, and the impact of, additional MX missile procurement as prescribed in section 110(e) of the Defense Authorization Act, and

2. A joint resolution approving the authorization of the obligation of funds for the additional MX missiles is enacted pursuant to section 110 of the Department of Defense Authorization Act, 1985, and

3. A joint resolution approving the obligation and availability of the prior year unobligated balances for additional MX missiles is enacted.

The first joint resolution mentioned above will be referred to the Armed Services Committees. The second will be referred to the Appropriations Committees. Both are subject to fast track provisions designed to insure their speedy consideration by both Houses before next Easter. The expedited procedures are nearly identical to those cotained in the Defense authorization conference agreement.

The $1,500,000,000 made available in prior year unobligated balances shall be derived from the line items and fiscal year appropriations identified in House and/or Senate appropriation bills and are listed below:

Appropriation	Line item	Amount
Aircraft procurement, Army, 1984/1986.	General reduction	$30,000,000
Missile procurement, Army 1984/1986.	General reduction	13,000,000
Missile procurement, Army, 1984/1986.	Tow 2	12,000,000
		25,000,000
Procurement of weapons and tracked combat vehicles, Army, 1984/1986.	Bradley fighting vehicle	13,300,000
	Fast Attack vehicle	4,000,000
	M-1 Tank	155,600,000
	DIVAD	33,000,000
	Spares and repair parts	8,700,000
		214,600,000
Procurement of weapons and tracked combat vehicles, Army, 1984/1986.	M-1 tank	58,100,000
Procurement of ammunition, Army, 1984/1986.	General reduction	44,000,000
Other procurement Army, 1984/1986.	Fast attack vehicle	5,400,000
	M-9 ACE	24,100,000
	General reduction	18,000,000
		47,500,000
Aircraft procurement, Navy, 1984/1986.	General reduction	75,000,000
Weapons procurement, Navy, 1984/1986.	AIM/RIM-7	20,000,000
Shipbuilding and Conversion, Navy, 1984/1988.	CG-47 AEGIS	57,000,000
Shipbuilding and conversion, Navy, 1983/1987.	DDG-51	450,000,000
	CG-47 AEGIS	26,000,000
	SSN-688	51,400,000
		527,400,000
Shipbuilding and conversion, Navy, 1981/1985.	SSN-688	52,300,000
Other procurement, Navy, 1984/1986.	General reduction	85,700,000
Procurement, Marine Corps, 1984/1986.	General reduction	7,500,000
Aircraft procurement, Air Force, 1984/1986.	B-1B contract savings	50,000,000
	B-1B CSRL conversion kits.	8,300,000
	F-15 management reserves.	6,200,000
	F-16 management reserves.	3,000,000
	KC-10 management reserves.	3,900,000
	MC-130H management reserves.	1,100,000
	TR-1/U-2 management reserves.	6,000,000
	May budget revision	97,900,000
		176,400,000
Aircraft procurement, Air Force, 1983/1985.	B-1B contract savings	50,000,000
Missile procurement, Air Force, 1984/1986.	May budget revision	15,000,000
Other procurement, Air Force, 1984/1986.	May budget revision	14,500,000
Grand total		1,500,000,000

AIM-7F/M SPARROW

The conferees agree to provide $65,000,000 for AIM-7F/M Sparrow, instead of no funds as proposed by the House, or $100,000,000 as proposed by the Senate. The Air Force is directed to procure the maximum possible number of missiles with these funds.

DEFENSE SATELLITE COMMUNICATIONS SYSTEM III

The conferees concur in the Senate position providing $251,200,000 for multiyear procurement of the Defense Satellite Communications System III (DICS III) as opposed to the House recommendation of $215,138,000 to procure DSCS III satellites on an annual basis. Enabling bill language is included.

OTHER PROCUREMENT, AIR FORCE

The conferees agree to the following amounts for Other Procurement, Air Force:

[In thousands of dollars]

	Budget	House	Senate	Conferences
OTHER PROCUREMENT, AIR FORCE				
2.75-inch rocket motor	23,486	11,743	23,486	11,743
9mm parabellum	1,975	1,975		1,975
30mm training (MYP)	102,835	92,641	102,835	102,835
40mm HEI (gunship)	15,653	5,554	15,653	15,653
Cart chaff RR-170	16,038	13,877	16,038	13,877
Items less than $900,000	9,356	9,356	7,556	7,556
MK-82 500lb gen purp bomb	5,957		5,957	
MK-82 inert/BDU-50	26,103	16,014	26,103	26,103
Durandal	48,253	27,053	54,053	48,253
BSU-49 inflatable retarder	64,771	57,061	64,771	57,061
BSU-50 inflatable retarder	12,749	6,349	12,749	9,947
Laser bomb guidance kit	105,487	60,487	105,487	60,487
GBU-15	127,269	127,269	157,269	127,269
Bomb, practice, BDU-33	21,819	17,047	21,819	21,819

[In thousands of dollars]

	Budget	House	Senate	Conference
Bomb practice BDU-38	13,062	7,520	13,062	13,062
MK-84 bomb—empty	11,032	7,920	11,032	11,032
CBU-89 (TMD/gator)	207,375	105,375	207,375	135,375
CBU-87 (combined effects munition)	281,897	219,997	281,897	281,897
Flare, IR MJU-7B	13,722	10,919	13,722	13,722
Flare, IR MJU-2	6,997	2,297	6,997	3,497
MJU-10B	16,811	14,011	16,811	16,811
Spares and repair parts	11,349	8,549	11,349	11,349
FMU-112/FMU-139	42,745	40,745	42,745	42,745
81mm mortar	308		308	
9mm handgun	3,000	3,000		3,000
Sedan, 4 DR 4x2	3,792	3,392	3,792	3,392
Station wagon, 4x2	2,581	1,781	2,581	1,781
Bus, 28 passenger	8,193	4,537	8,193	4,537
Bus intercity	3,737	2,437	3,737	2,437
Bus, 44 passenger	5,369	4,006	5,369	4,006
Modular ambulance	9,504	7,773	9,504	7,773
Truck, stake/platform	6,609	5,847	6,609	5,847
Truck, cargo—utility, 3/4T, 4x4	5,541	3,119	5,541	3,119
Truck, cargo—utility, 1/2T, 4x2	5,219	4,480	5,219	4,480
Truck, pickup ¾T 4x4	587	480	587	480
Truck, multistop 1 ton 4x2	16,204	9,904	16,204	9,904
Truck, panel, 4x2	2,105	1,763	2,105	1,763
Shop van 4x4	3,539	2,205	3,539	2,205
Truck carryall	5,916	4,316	5,916	4,316
Truck tractor ST M-932 (MYP)	2,873	1,473	2,873	1,473
Truck, tractor, over ST	5,486	1,748	5,486	1,748
Truck, dump 5 ton	6,735	4,464	6,735	4,464
Truck maint 4x2	2,853	1,353	2,853	1,353
Truck maint, hi-reach	4,370	3,370	4,370	3,370
Truck, telephone maintenance	9,179	4,779	9,179	4,779
Truck, tank, 1200 gal	3,645	2,159	3,645	2,159
Truck, tank, liq nit, C-5	1,361		1,361	
Tractor, dozer	7,131	1,831	7,131	1,831
Armored vehicle	334		334	
Vehicle, law enforcement	3,222	2,422	3,222	2,422
Truck, demineral water, 2600 gal	1,810		1,810	
Truck refuse	6,612	1,412	6,612	1,412
Truck hydrant fuel	4,408	3,408	4,408	3,408
Trailer water M149	1,982	882	1,982	882
Trailer fuel A1B	1,731	1,231	1,731	1,231
Dolly M720	4,104	704	4,104	704
Armored personnel carrier	3,593		3,593	
Tractor wheeled w dozer	1,036	56	1,036	56
Truck crash P-4/P-19	23,300	20,327	23,300	20,327
Truck crash P-15	2,559	1,259	2,559	1,259
Truck, pumper, P-8	2,199		2,199	
Truck crash P-10	1,176	525	1,176	525
Truck f/l 4,000 lb GED/DED 144	3,488	2,758	3,488	2,758
Truck, f/l 6000 lb	8,924	1,050	8,924	1,050
Truck, f/l 10,000 lb	8,518	6,505	8,518	6,505
Container, lift, truck	4,472	2,272	4,472	2,272
Items less than $900,000	4,809	4,246	4,809	4,246
Loader, scoop	11,129	7,506	11,129	7,506
Loader, scoop, W/backhoe	2,624	724	2,624	724
Distributor, water 1500 gallon	4,461	1,261	4,461	1,261
Cleaner, runway/street	6,635	5,135	6,635	5,135
Grader, road, motorized	4,521	2,721	4,521	2,721
Crane, 7-50 ton	6,623	5,908	6,623	5,908
Watercraft	9,609	509	9,609	509
Spares and repair parts	6,748	5,148	6,748	5,148
Modifications	988	88	988	88
Undistributed reduction			−65,300	
Intelligence data handling sys	23,562	23,562	19,262	23,562
Intelligence comm equip	30,247	174	30,247	2,174
Items less than $900,000	26,457	25,513	26,457	26,457
OTH-B radar	218,872	109,372	137,072	137,072
Cheyenne Mountain Complex	42,902	40,482	42,902	40,482
Pave paws	23,878	15,987	23,878	15,987
Transport ground intercept facil	35,504	19,504	35,504	19,504
Tr-1 ground stations	108,227	40,000	40,027	40,000
Automatic data processing equip	172,932	138,798	154,632	149,698
Air Base Defense System	52,410	26,810	52,410	40,010
PLSS	68,876	59,876	60,876	59,876
JTIDS	28,051	25,651	28,051	25,651
Emp hardening	11,162		262	
USCENTCOM	21,317		16,317	8,000
Automated telecommunications PRG	21,300	21,300	16,300	16,300
C3 replacement program	5,033		5,033	2,000
Spares and repair parts	371,842	304,341	371,842	347,542
Items less than $900,000	21,139	21,139	21,039	21,039
Comm-electronics class IV	53,080	46,580	53,080	46,580
Tactical equipment	22,806		22,806	20,000
Newark AFS calibration package	3,178	3,178	6,500	3,178
Test equipment—Gen purp	13,493	13,493	23,700	13,493
Items less than $900,000	30,074	30,074	54,100	30,074
Chemical/biological def prog	43,032	37,863	43,032	37,863
Base mechanization equipment	30,606	25,306	30,606	25,306
Generators—mobile electric	19,239	14,039	19,239	19,239
Prior year transfer			(14,500)	
Base procured equipment	45,986	39,586	45,986	39,586
Medical/dental equipment	44,342	40,642	44,342	44,342
Pumps and compressors	2,549	1,917	2,549	1,917
Spares and repair parts	11,699	11,231	11,699	11,699
Selected activities	3,600,449	3,559,401	3,583,279	3,589,091
Misc equipment	20,498	20,498	13,498	13,498
Air Guard C-5 support equipment		5,300		5,300
Reduction, PY transfer		−14,500		
Prior year transfer		(14,500)		
Undistributed reduction			−110,069	−11,800
Items not in conference	2,882,565	2,804,644	2,804,644	2,804,644
Total, other procurement, Air Force	9,561,500	8,533,785	9,149,020	8,861,697
Transfer from other accounts		(14,500)	(14,500)	
Total funding available	9,561,500	8,548,285	9,163,520	8,861,697

ADPE

The conferees agree to provide $154,632,000 and to support the House report langauge directing that at least $45,000,000 be provided for lease-to-purchase conversions and $50,000,000 be provided for logistics systems.

TACTICAL EQUIPMENT MODIFICATIONS

The conferees agree to provide $20,000,000 for tactical equipment modifications and direct the Air Force to improve its obligation rates for this program.

COMMUNICATIONS—ELECTRONICS SPARES AND REPAIR PARTS

The conferees agree to provide $348,542,000 which is the authorized amount.

GENERAL REDUCTION

The conferees agree that the $11,800,000 general reduction in this appropriation shall be applied to budgeted funding for the Unit Level Circuit Switch.

NATIONAL GUARD AND RESERVE EQUIPMENT

The conferees agree to the following amounts for Reserve and National Guard:

[In thousands of dollars]

	Budget	House	Senate	Conference
NATIONAL GUARD AND RESERVE EQUIPMENT, DEFENSE				
Reserve, Navy		20,000	40,000	20,000
Reserve, Marine Corps			30,000	30,000
Reserve, Army			168,000	150,000
Guard, Army			163,000	150,000
Guard, Air Force			20,000	20,000
Reserve, Air Force			10,000	10,000
Total, National Guard and Reserve Equipment, Defense		20,000	431,000	380,000

NAVAL RESERVE EQUIPMENT

The conferees agree that $20,000,000 be provided for unit equipment and supplies in naval mobile construction battalions. The conferees request that naval mobile construction battalion equipment be managed by unit sets to facilitate rapid deployment, and that a system of testing deployment readiness of such equipment be implemented.

EARMARKING AND REPORTING REQUIREMENTS

The conferees agree to the reporting requirements and the designation of funds proposed by the Senate for National Guard and Reserve Equipment.

PROCUREMENT, DEFENSE AGENCIES

The conferees agree to the following amounts for Procurement, Defense Agencies:

[In thousands of dollars]

	Budget	House	Senate	Conference
PROCUREMENT, DEFENSE AGENCIES				
Major equipment, OSD				
Major equipment, OSD/WHS	25,132	25,132	25,132	25,132
Major equipment, DNA				
Vehicles	204	204	204	204
Other capital equipment	3,247	2,347	3,247	2,347
Major equipment, DCA				
WWMCCS ADP systems	18,601	18,601	18,601	18,601
Defense switching network	7,142	7,142	7,142	7,142
Items less than $900,000 each	33,518	28,018	33,518	30,818
Major equipment, DIA				
Major equipment, DLA				
Materials handling equipment	5,353	3,853	3,853	3,853
Vehicles	1,931	1,531	1,931	1,531
Mechanized materials handling sys	33,834	31,834	31,834	31,834
ADP equipment	71,090	57,090	57,090	57,090
Telecommunications equipment	5,528	4,028	4,028	4,028
Other major equipment	3,253	2,253	2,253	2,253
Items less than $900,000 each	853	853	853	853
Automated marking/reading system (LOGMARS)	2,020	2,020	2,020	2,020
Major equipment, DMA				
Vehicles	335	335	335	335
Other capital equipment	18,667	18,667	18,667	18,667
Major equipment, DIS				
Vehicles	316	316	316	316
Other capital equipment	60	60	60	60
Major equipment, USUHS				
Items less than $900,000 each	1,650	1,650	1,650	1,650
Major equipment, DCAA				
Items less than $900,000 each	8,993	7,193	8,493	7,193
Major equipment, DAVA				
Items less than $900,000 each	1,937	1,037	1,937	1,037
Major equipment, DIG				
Items less than $900,000 each	493	493	493	493
Classified programs	999,343	920,132	956,203	948,244
Total, procurement, Defense agencies	1,243,500	1,134,789	1,179,860	1,165,701

DEFENSE PRODUCTION ACT PURCHASES

The conferees agree to $10,000,000 for Defense Production Act Purchases as proposed by the House instead of $25,000,000 as proposed by the Senate.

TITLE V—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

The conferees agree to the following amounts for the Research, Development, Test and Evaluation accounts:

[In thousands of dollars]

	Budget	House	Senate	Conference
RECAPITULATION				
Total, RDTE, Army	4,987,100	4,252,553	4,541,125	4,349,015
Total, RDTE, Navy	9,826,076	8,849,158	9,300,867	9,172,622
Total, RDTE, Air Force	14,401,955	12,805,917	13,503,435	13,424,147
Total, RDTE, Defense Agencies	4,707,906	3,809,910	4,493,140	4,182,287
Total, RDTE, Director of test and evaluation	62,000	62,000	59,000	59,000
Total, RDTE	33,985,037	29,779,538	31,897,567	31,157,071

The conferees agree to the following language:

ANTIARMOR PROGRAMS

The conferees specifically endorse the language of the House concerning the need to improve the Department's approach to antiarmor programs. In particular, the framework recently established for reviewing these programs must be greatly strengthened, with OSD in actual as well as nominal control. The conferees are committed to the propositions that a single coordinated antiarmor master plan must be obtained which is administered and enforced by OSD, that cooperation must be obtained among the Services, and that duplication must be eliminated. Evidence of substantial progress will be expected in the fiscal year 1986 budget requests. The conferees direct submission of the fiscal year 1986 edition of the Anti-Armor Master Plan by March 30, 1985.

REPORTS ON THEATER NUCLEAR WEAPONS AND FORCE STRUCTURE

WITHDRAWAL OF TACTICAL NUCLEAR WARHEADS FROM EUROPE

UNITED STATES COUNTERFORCE CAPABILITY

The House included directives for reports on Theater Nuclear Weapons and Force Structure, Withdrawal of Tactical Nuclear Warheads from Europe, and United States Counterforce Capability. Subsequently the conference agreement on H.R. 5167, the Department of Defense Authorization Act, 1985, included provisions requiring such reports to the Congress. The conferees endorse the authorization conference action requiring these reports, and recognize that their inclusion in the appropriations legislation is not required.

REPORT ON STRATEGIC NUCLEAR SUBMARINE FORCE

The Senate recedes to the House on the directive to the Secretary of Defense to submit a report on the survivability of the strategic nuclear submarine force, including its command control and communication.

REPORT ON STRATEGIC DEFENSE INITIATIVE

The House included a directive that the Department of Defense submit a report on Strategic Defense Programs. Subsequently the conference agreement on H.R. 5167, the Department of Defense Authorization Act, 1985, included a provision for a similar report to be submitted to the House and Senate Committees on Armed Services and the House Foreign Affairs Committee and the Senate Foreign Relations Committee. The conferees direct that such report, in unclassified form, with classified addenda as necessary, be provided to the Committees on Appropriations of the House and Senate.

Such report shall include the status, from the present year to completion, of each program, Project and Task under the SDI and related programs with respect to compliance with the ABM treaty, modifications to the Treaty that might be required to complete the development of SDI and related programs, and current and additional organizational and reporting mechanisms for monitoring compliance of the SDI and related programs with the ABM Treaty.

SDI PROGRAM ELEMENT STRUCTURE

The House report directed a modification of the program element structure of the Strategic Defense Initiative to provide better visibility of costs. Because the report on SDI described above is required to include budgeted amounts for programs, projects and tasks, that directive is withdrawn.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

The conferees agree to the following amounts for Research, Development, Test and Evaluation, Army:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY				
Technology Base				
In-house lab independent research	24,483	23,483	24,483	24,483
Defense research sciences	214,325	207,325	211,798	210,000
Materials	11,896	11,396	11,896	11,896
Atmospheric investigations	4,965	4,700	4,965	4,700
Nuclear weapons effects/ fluidics	8,500	8,500	8,500	8,500
Aircraft weapons technology	3,146	3,146	3,146	3,146
Aircraft avionics technology	8,023	8,023	8,023	8,023
Aeronautical technology	27,086	24,086	27,086	25,586
Airdrop technology	1,798	1,798	1,798	1,798
Missile technology	31,177	31,177	31,177	31,177
Laser weapon technology	21,188	21,188	21,188	21,188
Tank and automotive technology	23,051	22,051	23,051	22,051
Small cal and fire cntrl technology	9,161	9,161	9,161	9,161
Ballistics technology	47,916	47,916	46,916	46,916
Chemical and smoke munitions	12,582	12,582	12,582	12,582
Joint service small arms program (JSSAP)	4,520	4,520	4,520	4,520
Communications tech	16,285	14,285	16,285	15,285
Combat surveill target acquis & ident	4,768	4,268	4,768	4,768
Mil environmental criteria dev	2,915	2,915	2,915	2,915
Electrical and electronic devices	20,821	19,321	20,821	20,071
Chem biological def and gen invest	33,068	33,068	33,068	33,068
Mapping—Geodesy	8,648	7,898	8,648	8,000
Night vision investigations	21,229	18,229	21,229	19,729
Human factors eng sys dev	11,468	10,468	10,668	10,468
Human performance effect/ simulation	4,776	4,176	4,776	4,776
Mobility and weapons effects tech	9,217	9,217	9,217	9,217
Environmental quality tech	11,184	11,184	11,184	11,184
Manpower/personnel/training	7,913	7,213	7,913	7,213
Clothing equip and shelter tech	8,605	6,605	8,605	8,605
Jt svc food sys tech	6,013	5,513	6,013	6,013
Computer and information science	2,216	2,216	2,216	2,216
Nonsystems training devices tech (NSTD)	4,528	4,528	4,528	4,528
Cold regions engineering technology	7,423	6,923	7,423	7,423
Military facilities engineering technology	4,597	4,597	4,597	4,597
Mobility equipment technology	11,807	11,807	11,807	11,807
Med defense against chem agents	30,890	27,890	30,890	29,390
Tactical ADP tech	7,893			
Military disease hazards tech	22,120	22,120	22,120	22,120
Combat casualty care tech	8,513	8,513	8,513	8,513
Combat maxillofacial injury	2,249	2,249	2,249	2,249
Systems health hazard prevent tech	18,491	18,491	18,491	18,491
Energy tech appl for military facil	2,128	2,128	2,128	2,128
Classified programs	44,152	44,152	44,152	44,152
Total, technology base	787,734	751,026	775,514	764,653
Advance Technology Development				
Materials and structures advanced development	9,634	9,634	9,634	9,634
Fuels and lubricants advanced development	4,972	2,972	4,000	3,500
Aircraft powerplants and propulsion	22,728	22,728	22,728	22,728
Aircraft weapons	7,924	7,924	7,924	7,924
Aircraft avionics equipment	30,259	30,259	22,259	22,259
Air mobility support	8,202	8,202	8,202	8,202
Rotary wing controls/rotors/ structures	30,295	30,295	30,295	30,295
Synthetic flight simulators development	9,093	9,093	9,093	9,093
Airdrop advancement	4,965	4,965	3,965	3,965
NOE aviation and navigation equipment	366	366	366	366
Terminally guided projectiles	10,030		10,030	5,000
MSL/rocket components	30,119	15,097	22,619	19,760
Battlefield environment simulation	1,477	1,477		
Army devel and employment activity—ADEA	42,517	37,517	42,517	37,517
Advanced land mob systems concepts	22,637	19,637	19,000	19,000
Landmine warfare/barrier dev	12,467	12,467	12,467	12,467
Joint service small arms program (JSSAP)	4,292	4,292	4,292	4,292
Combat vehicle propulsion sys	13,311	13,311	13,311	13,311
CMBT veh turret and chassis subsys	19,228	19,228	17,000	17,000
Combat vehicle armor/anti-armor	52,385	52,385	52,385	52,385
Adv propulsion/launch sys for mun	7,942	7,942	7,942	7,942
Nuclear hardening advanced technology	985			
Night vision advanced development	35,013	32,013	35,013	33,513
Remotely piloted vehicles/ drones	6,232	5,232	6,232	5,232
Manpower and personnel	17,026	12,026	12,026	12,026
Military engineering technology	1,276	1,276	1,276	1,276
Human factors in tng/oper effect	10,376	10,376	5,376	7,876
ADV electronic devices dev	5,772	5,772	5,772	5,772
Education and training	11,661	8,661	11,661	10,161
Training simulation	4,763	4,763	4,763	4,763
Test measurement and diagnostic equipment devel	4,767	4,767	4,767	4,767
Technical vulnerability reduction	6,004	6,004	6,004	6,004
Demilitarization concepts	8,354	8,354	8,354	8,354
DOD software initiatives (STARS)	20,685	15,000	15,000	15,000
AI/Robotics demo	7,921	7,921		
CB DEF/SMK adv technology demonstrations	1,183	1,183	1,183	1,183
Eelctronic warfare feasibility development	6,683	6,683	6,683	6,683
Nonsystems medical material development	13,237	13,237	13,237	13,237
Medical chem defense life support mat	32,450	32,450	32,450	32,450
Classified programs	18,107	18,107	18,107	18,107
Total, advance technology development	557,338	503,616	507,933	493,044
Strategic Programs				
Ballistic msl def sys tech	1,451			
Worldwide military CMD & CNT sys inf sys	27,204	27,204	27,204	27,204
Classified programs	198,378	198,378	198,378	198,378
Total, strategic programs	227,033	225,582	225,582	225,582
Tactical Programs				
Joint survivability investigations	990	990	990	990
Greater slope	58,252	29,200	48,252	34,200
Advanced rotorcraft tech integration/LHX	48,603	48,603	48,603	48,603
Antitactical missile (ATM)	92,335	15,000	32,335	32,335
Surf-to-surf msl rocket sys	35,384	35,384	35,384	35,384
Advanced antitank weapon	24,901	19,000	24,901	24,901
Lethal chemical munitions concepts	16,280		16,280	9,000
Landmine/barrier sys	13,273	13,273	13,273	13,273
Smoke munitions and materiel concepts	5,041	5,041	4,000	4,000
Artillery/mortar ammo devleopment	10,880	10,880	10,880	10,880
Tank/fighting vehicle ammo development	11,364	11,364	11,364	11,364
Electric power sources	11,874	9,000	7,000	7,974
Physical security	4,787	4,787	4,787	4,787
Identification friend or foe equip devel	9,714	9,714	9,714	9,714
Aircraft survivability equipment	9,919	9,919	9,919	9,919
Army data distribution system (ADDS)	23,213	23,213	23,213	23,213
Elect wrfr vulnerability/ suceptibility	22,563	22,563	22,563	22,563
Chemical/bio detection warm/samp mat concepts	31,838	31,838	31,838	31,838
Cml bio protective materiel concepts	11,171	11,171	11,171	11,171
Command and control	20,649	4,300	20,649	10,000
Combat support equipment	15,676	15,676	15,676	15,676
Combat medical material	8,312	8,312	8,312	8,312
Single channel grd/ABN radio sub-sys	2,207	2,207	2,207	2,207
Soldier support/survivability	7,095	5,000	4,000	4,495
Drug and vaccine development	14,473	14,473	14,473	14,473
Medical defense against chem warfare	36,659	36,659	36,659	36,659
Combat service support control sys	190	190	190	190
Aircraft weapons	9,930	9,930	5,000	5,000
Air mobility support equipment	4,017	4,017	4,017	4,017
Advanced attack helicopter (AH–64)	16,766	16,766	16,766	16,766
Aircraft propulsion systems	26,518	26,518	21,518	24,518
Synthetic flight training systems	14,134	14,134	14,134	14,134
Airdrop equip development	4,186	4,186	4,186	4,186
Army helicopter improvement prog	24,502	24,502	24,502	24,502
Aircraft component improvement program	14,630	14,630	13,630	13,630
Stinger	13,898		5,000	5,000
Patriot	61,471	61,471	61,471	61,471
Heliborne missile—Hellfire	454		454	454
Grass Blade	20,725	20,725	20,725	20,725
Multiple launch rocket system (MLRS)	1,851		1,851	1,851
High technology light division	58,796	31,708	53,385	
Joint tactical missile system (JTACMS)	78,978	78,978	78,978	78,978
Infantry support weapons	21,563	21,563	21,563	21,563
Smoke munitions and materiel	6,154	6,154	6,154	6,154
Countermine and barriers	4,734	4,734	4,734	4,734
Fighting vehicle sys	16,858	12,000	16,858	14,358
Landmine warfare	12,050	12,050	12,050	12,050
M1 E1 development program	53,682	53,682	53,682	53,682
Field artillery ammunition	31,800	5,800	5,600	5,600
105mm tank ammunition	10,050	10,050	10,050	10,050
Comm Engineering dev	9,830	9,830	9,830	9,830
Jt Tac info dist sys (JTIDS)	21,231	21,231	21,231	21,231
Modular integrated comm and navigation sys	5,937	5,937	4,196	5,937
Radiological defense equipment	288	288	288	288
Identification—Friend or foe eq	5,058	5,058	5,058	5,058
Night vision devices	10,842	10,842	10,842	10,842
Aircraft survivability equipment	16,813	16,813	16,813	16,813
Army cmd and control system (ACCS) sys engr	11,568	11,568	11,568	11,568
Combat feeding, clothing and equipment	6,290	4,500	3,000	3,000
Tactical electric power sources	10,921	10,921	10,921	10,921
General combat support	13,965	3,500	13,965	10,000
Physical security	7,623	7,623	7,623	7,623
Education and training	7,740	7,740	7,740	7,740

[In thousands of dollars]

	Budget	House	Senate	Conference
Special purpose detectors	3,330	3,330	3,330	3,330
CML bio detection warning and training material	11,326	11,326	11,326	11,326
Chem bio protective materiel	24,431	24,431	24,431	24,431
Command and control	14,822	14,822	14,822	14,822
Remotely piloted vehicles	103,140	103,140	96,140	96,140
Military computer family	16,522			
Div Air Defense Command and Control	129,424	15,524	49,424	50,838
Automatic test equipment development	15,859	15,859	15,859	15,859
Single channel grd/abn radio sub eng	11,221	6,000	11,221	8,721
Medical chemical defense lif spt mat	12,745	12,745	12,745	12,745
Drug and vaccine development	9,815	9,815	9,815	9,815
Joint surveillance/target attack radar system	108,168		102,168	30,000
Jt interop of Tac Cmd and Cont Sys (JINTACCS)	51,849	44,149	44,149	44,149
Jt CB contact point test and assessment	2,357	2,357	2,357	2,357
HV A TI–tank assault wpn sys (TOW)	9,921	2,000	9,921	9,921
Adv field arty tactical data sys	33,112	33,112	33,112	33,112
Chaparral	17,631	17,631	17,631	17,631
Sam Hawk/Hawk imp prog	18,875	18,875	18,875	18,875
Combat vehicle improvement program	120,067	120,067	116,067	120,067
Maneuver control system (MCS)	25,734	9,555	25,734	22,000
155mm self-propelled howitzer improvements	27,746	27,746	27,746	27,746
Joint tactical cmmo program (TRI–TAC)	45,433	45,433	45,433	45,433
Eucon C3 systems	7,539	7,539	7,539	7,539
Arapaho		8,000		8,000
Classified programs	325,432	238,251	291,086	255,532
120 mm mortar		13,338		13,338
Ceramic valves			860	
Total, tactical programs	2,329,995	1,752,251	2,034,807	1,866,122
Intelligence: Communications				
Mapping and geodesy	2,951	2,951	2,951	2,951
Aircraft avionics	2,102	2,102	2,102	2,102
Mapping and geodesy	4,586	4,586	4,586	4,586
Navstar global pos sys (user eq)	13,578	13,578	13,578	13,578
Strategic Army Communications (Starcom)	1,047	1,047	1,047	1,047
Long-haul communications (DCS)	9,783	9,783	9,783	9,783
Satcom Ground environment	16,055	16,055	16,055	16,055
Classified programs	17,470	17,012	17,470	17,470
Total, intelligence and communications	67,572	67,114	67,572	67,572
Defensewide Mission Support				
Target missiles	985	985	985	985
Nonsystems training devices (NSTD) dev	6,100	6,100	4,462	4,462
Nonsystem tng devices engr	34,530	34,530	32,205	34,530
Meteorological equipment systems	9,617	9,617	9,617	9,617
Tradoc studies and analyses	2,864			
Aviation engineering flight activity	7,608	7,608	7,608	7,608
Kwajalein Missile Range	154,765	154,765	154,765	154,765
Support of development testing	52,060	52,060	45,500	45,500
Materiel systems analysis	15,388	15,388	15,388	15,388
Exploitation of foreign items	2,902	2,902	2,902	2,902
Support of operational testing	60,625	60,625	51,500	51,500
Programwide activities	110,059	110,059	90,059	90,059
Intl cooperative research and dev	794	794	794	794
Technical info activities	5,565	5,565	5,565	5,565
Darcom major range/test facil	350,988	330,988	325,988	325,988
Munitions–NATO stdzn DOD effec safety stds	6,785	6,785	6,785	6,785
DOD high energy laser systems test fac	39,399	19,399	33,000	33,000
Productivity investment funding	11,310	11,310	11,310	11,310
Mgt hq (research/development)	41,120	41,120	41,120	41,120
Industrial preparedness	103,964	83,964	93,964	93,964
Total, defensewide mission support	1,017,428	954,564	933,517	935,842
Fuel adjustment		−1,600	−1,600	−1,600
Consultants, studies and analyses			−2,200	−2,200
Total, research development, test, and evaluation Army	4,987,100	4,252,553	4,541,125	4,349,015

The conferees agree to the following language:

TERMINALLY GUIDED PROJECTILES

The conferees agree to provide $5,000,000 for Terminally Guided Projectiles, instead of no funds as proposed by the House, or $10,030,000 as proposed by the Senate. The conferees agree that $3,000,000 of fiscal year 1984 funds provided previously for this program may be obligated and expended, reversing the House position. The total of $8,000,000 is to be used solely for the 155-millimeter SADARM project.

Although funds are being provided for this program, the conferees direct the Department's attention to the conference language, appearing above, on anti-armor programs. No future requests for development of SADARM technology will be entertained unless that development is shown to be integral to, and an essential part of, a satisfactory anti-armor master plan.

ARMY DEVELOPMENT AND EMPLOYMENT ACTIVITY

FORCE DEVELOPMENT INITIATIVES

A total of $55,000,000 of generic authorization was provided for appropriations related to development initiatives that have the potential for high payoff and rapid implementation. Pursuit of such initiatives is the mission of the Army Development and Employment Activity (ADEA). The conferees are aware of Army concerns that RDT&E funds cannot be spent effectively if distributed directly to six division commanders, and of the Army's belief that the desired efforts are best accomplished through the existing ADEA organization. The conferees accept the Army's position, and agree to provide $37,517,000 for ADEA.

ADVANCED ANTITANK WEAPON

The conferees agree to provide $24,901,000 for Advanced Anti-Tank Weapon (AATW) as proposed by the Senate instead of $19,000,000 as proposed by the House. Of the sum provided, $5,000,000 shall be used to investigate and evaluate, through actual firings, the French-developed DARD 120-millimeter close range anti-tank weapon. Future requests for funds for AATW will be examined in the context of a single coordinated anti-armor master plan.

HIGH TECHNOLOGY LIGHT DIVISION

The request for High Technology Light Division (HTLD) failed authorization, and the conferees therefore provide no funds. Three of the six projects within the HTLD program element were authorized to be transferred to other program elements. The conferees agree to the following actions on those three projects:

1. AWACS Interface is funded at $1,414,000 in the Division Air Defense Command and Control program.

2. No funds are provided for the Indirect Sight System. Although this project was transferred to the TOW program, no increase in authorization was provided for that program.

3. No funds are provided for GAMP. An information paper dated September 24, 1984 provided by the Army states: "A recent Army decision has resulted in termination of the GAMP program."

JOINT SURVEILLANCE AND TARGET ATTACK RADAR SYSTEM (JSTARS)

The conferees agree to provide $30,000,000 for the Army portion of the JSTARS program instead of no funds, as proposed by the House, or $102,168,000 as proposed by the Senate. Details of the conference agreement are provided in the classified annex to this report.

JOINT TACTICAL FUSION PROGRAM

The conferees agree to a reduction of $33,000,000 from the budget request for the Army's portion of the Joint Tactical Fusion Program (JTFP) instead of a reduction of $46,281,000, as recommended by the House, or a reduction of $23,000,000 as recommended by the Senate.

The conferees agree with the concern expressed by the House on the issue of the history of the JTFP program and the planned deployment schedule for the full system. Additionally, the conferees agree that the restructuring of the JTFP program should be finalized and submitted to the appropriate congressional committees for review.

The conferees do not concur with the House language "fencing" fiscal year 1985 funding for the JTFP program; prohibiting source selection and/or contract award on the current Request for Proposal (RFP); or the direction that the Jet Propulsion Lab (JPL) be removed from the management of the program. However, the conferees believe that an orderly transition to traditional Army development entities should take place once contract award is made.

The conferees note that the Authorization conferees, in authorizing funding for the JTFP program, stipulated that the program be restructured and reoriented toward the less costly, lighter weight and more easily transported system being considered for Army light divisions. Accordingly, the conferees direct that the fiscal year 1985 funding for the JTFP program be obligated and expended for the development of the authorized fusion system.

120-MILLIMETER MORTAR

The conferees agree to provide $13,338,000 for 120-Millimeter Mortar as proposed by the House, instead of no funds as proposed by the Senate. These funds are for activities specifically relevant to obtaining approval for service use, and are provided as a consequence of section 101(e) of the DoD Authorization Act for 1985, which requires the Secretary of the Army to select not later than February 1, 1985 a contractor for the supply of 120-millimeter mortars necessary to meet the requirements of the Army. Language has been provided in the bill which earmarks funds for the 120-millimeter mortar.

DOD HIGH ENERGY LASER SYSTEMS TEST FACILITY

The conferees agree to provide $33,000,000 for the DoD High Energy Laser Systems Test Facility as proposed by the Senate, instead of $19,399,000 as proposed by the House. The conferees agree that, of the funds provided, $4,600,000 shall be used to operate and maintain MIRACL and $8,300,000 shall be used to continue acquisition of the Multi-Purpose Chemical Laser.

CERAMIC VALVES

The conferees recommend that Army aggressively pursue the current contract to initiate a $500,000 project to develop ceramic elements for rotating valves in a single-cylinder research engine. The conferees believe that fiscal year 1985 funding for a potential follow-on effort for multiple-cylinder engine is premature, but would be willing to entertain a reprograming action if test results prove promising.

METHANOL CAR RESEARCH

The Army is directed to use within available funds the sum of $1,300,000 to carry

out the methanol car research project authorized in Section 202(a) of the DoD Authorization Act for 1985. Approximately 50 percent of the methanol used in this project shall be derived from coal and approximately 50 percent shall be derived from natural gas. The Army is directed to coordinate its efforts with the Department of Energy, which is carrying out companion research on methanol fuels.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

The conferees agree to the following amounts for Research, Development, Test and Evaluation, Navy:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESEARCH DEVELOPMENT TEST & EVAL, NAVY				
Technology Base				
In-house independ lab res	25,673	25,673	25,673	25,673
Defense research sciences	324,048	310,000	324,048	317,024
Tact directed energy tech	10,431	3,500	10,431	7,000
Aircraft technology	25,705	25,705	25,705	25,705
Missile propulsion tech	10,360	10,360	10,360	10,360
Surf/aerospace wpnry tech	29,960	24,133	27,000	26,000
Nuclear propulsion tech	48,263	48,263	48,263	48,263
Ship and submarine tech	30,155	30,155	30,155	30,155
Undersea warfar wpnry tech	35,483	25,000	35,483	30,000
U/S target surv tech	45,690	45,690	39,690	39,690
Surf/aerosp tgt surv tech	36,387	32,000	32,000	32,000
Command and control tech	30,878	30,878	30,878	30,878
Countermeasures tech	30,829	10,000	20,829	20,829
Human factors & sim tech	7,967	7,967	6,967	6,967
Biomedical tech	8,829	8,829	8,829	8,829
Ocean and atmos supt tech	24,046	24,046	24,046	24,046
Logistics tech	14,756	14,756	14,756	14,756
Materials tech	35,960	35,960	35,960	35,960
Elex device tech	28,005	28,005	28,005	28,005
Personnel & trng tech	6,456	6,456	5,456	5,456
Chem/biol/& radiol def tech	4,939	4,939	4,939	4,939
Lab indep exploratory dev	13,352	13,352	13,352	13,352
Total, technology base	828,172	765,667	802,825	785,887
Advance Technology Development				
Environmental applications	8,287	6,287	6,287	6,287
Adv A/C propul sys	9,040	5,040	5,040	5,040
Arn-life support sys	1,125	1,125	1,125	1,125
Adv A/C subsystems	6,780	4,780	4,780	4,780
Erase sys technology	4,498	4,498	4,498	4,498
A/A msl tech demo	2,850	2,850	2,850	2,850
Ship prop sys (adv)	47,703	65,703	36,703	47,703
Adv computer tech	11,188	11,188	11,188	11,188
Electric drive	10,072			
Conventional munitions	14,323	4,000	10,323	10,323
Joint serv eod dev (adv)	7,979	6,979	6,979	6,979
Human factors eng devel	1,844	1,844	1,844	1,844
Oceanog instrument dev	5,867	3,367	3,367	3,367
Medical development (adv)	12,785	10,785	10,785	10,785
Mnpwr control syst dev	5,020	2,520	2,520	2,520
Adv marine biological sys	5,186	4,686	4,686	4,686
Ocean eng tech develop	18,876	16,876	16,876	16,876
Education & training	5,008	3,508	3,508	3,508
Environmental protection	10,517	8,017	8,017	8,017
Naval special warfare	9,224	8,224	9,224	8,224
Adv tech for logistic info	7,950			
Adv manpower training sys	2,988	2,988	2,988	2,988
Training device tech	8,790	7,290	7,290	7,290
Manufacturing tech	68,499	55,000	50,599	50,599
Total, advance technology development	286,399	237,555	211,477	221,477
Strategic programs				
Trident II	2,901,113	2,051,113	2,075,113	2,063,113
Strategic tech support	8,708	6,371	6,371	6,371
FBM system	40,391	30,000	32,500	32,500
SSBN security program	48,862	43,862	43,862	43,862
Trident I	41,199	30,000	30,000	30,000
ELF communications	26,396	26,396	26,396	26,396
Navy strategic comm	106,535	106,535	106,535	106,535
Nav spasur	517	517	517	517
MEECN	1,467	1,467	1,467	1,467
WIS modernization	14,867			
Submarine laser comm			2,500	2,500
Total, strategic programs	2,380,055	2,296,261	2,325,261	2,313,261
Tactical Programs				
ABN electronic warfare EQ	67,335	65,335	64,335	64,335
VDX–TS	113,420	68,420	68,420	68,420
CV ASW module	5,289	5,289	4,289	4,289
Air ASW	2,384	2,384	1,000	2,384
JVX	198,495	188,495	188,495	188,495
A–6E improv	19,633	69,633	69,633	69,633
Acous search sensors (adv)	1,922	1,922	1,922	1,922
ABN mine countermeasures	15,726	15,726	15,726	15,726

[In thousands of dollars]

	Budget	House	Senate	Conference
Tac air recon	13,277	10,000	10,177	10,000
A/C surviv & vulner	29,493	22,493	22,493	22,493
IIR maverick	1,979	1,979	1,979	1,979
Retract yellow	12,465	12,465	12,465	12,465
Adv sur/air missle(ASAM)	9,040		4,040	4,040
Submarine ASW stdoff wpn	61,659	61,659	51,659	51,659
BGAAWC	12,991	12,9991	10,500	10,500
Surface MCM	30,276	29,121	29,276	29,276
Sub sonar devel (adv)	31,252	21,344	21,344	21,344
Surface ship torp def	27,887	27,887	27,887	27,887
Shpbd info transfer sys	4,410	4,410	4,410	4,410
Shipbd sys comp dev	15,486	15,486	15,486	15,486
Shipboard damage control	20,419	18,419	18,419	18,419
Radar surveillance equip	2,969		2,969	
Adv command data sys	6,014	6,014	6,014	6,014
Adv sub supt equip prog	12,375	8,000	12,375	10,375
Pilot fish	119,231	119,231	119,231	119,231
Non acoustic asw	22,408	22,408	22,408	22,408
Adv asw target	16,011	16,011	16,011	16,011
Ship sys engr stds	4,834	4,834	4,834	4,834
Retract juniper	1,373	1,373	1,373	1,373
Radiological control	1,674	1,674	1,674	1,674
Link dogwood	22,753		19,753	19,753
Surface asw	20,863	17,863	17,863	17,863
Wide aperture array (adv)	11,671	11,671	11,671	11,671
Submarines (adv)	153,790	153,790	153,790	153,790
Sub tac W/F sys (adv)	21,736	17,000	21,736	20,736
Ship development (adv)	16,103	26,103	16,103	16,103
Surf ship navig sys	2,959			
Amphib asslt craft	4,571			
Attack submarine dev	24,121	22,121	22,121	22,121
Adv nuc react comp sys dev	71,424	71,424	71,424	71,424
Shibd physical security	5,138	5,138	5,138	5,138
Chalk eagle	51,912	51,912	51,912	51,912
A4W/A1G huc prop plnt	5,755	5,755	5,755	5,755
Combat system integration	21,635	21,635	21,635	21,635
DDG–51	124,585	119,585	119,585	119,585
Joint adv sys	137,009		123,009	107,656
Mine development			1,000	1,000
MC assault vehicles	54,553	32,553	32,553	32,553
Tac nuc development	7,846	7,846	7,846	7,846
Grd combat/supp arms sys	5,181	5,181	5,181	5,181
Ocean engr sys dev	2,296	2,296	2,296	2,296
Logistics	937	937	937	937
Anti sub W/F sign proc	9,381	9,381	9,381	9,381
Fleet tac D&E program	6,195	6,195	6,195	6,195
Command & control sys (adv)	27,384	15,000	15,000	15,000
Cont offload & trnsfr sys	1,522	1,522	1,522	1,522
Navy energy program (adv)	20,075	20,075	20,075	20,075
Facilities improv	10,477	8,763	8,977	8,977
Mership nav aux prog	5,927	5,927	5,927	5,027
Combat services sup (adv)	4,678	4,678	4,678	4,678
Intell/elec warfare sys	8,231	8,231	8,231	8,231
Chalk coral	5,440	5,440	5,440	5,440
Strike warfare	594	594	594	594
Link hazel	43,000	43,000	43,000	43,000
ITSS	15,208	10,326	15,208	10,326
ASW surveillance	9,247	9,247	9,247	9,247
LRAP	10,576	10,576	10,576	10,576
Special processes	69,519	69,519	69,519	69,519
RDSS	11,766	10,766	10,766	10,766
Avionics dev	15,033	11,000	12,033	11,500
Iff sys dev	15,213	10,000	12,000	12,000
Helicopter development	16,518	13,518	14,518	13,518
AV8B (eng)	70,447	60,000	70,447	60,000
Support equipment	21,206	17,206	17,206	17,206
S–3 wpn sys imp S 3	42,102	30,000	37,102	33,500
Environmental systems	2,498	2,498	2,498	2,498
ABN ASW developments	24,346	21,346	21,346	21,346
A/C IR sign suppression	9,290	5,000	6,290	5,600
P–3 modernization prog	37,388	34,588	30,000	30,000
ABN EW eng	49,442	28,000	45,442	42,442
ASP J	40,560	40,560	40,560	40,560
CV ASW helo	44,516	20,000	25,016	20,000
A/C propulsion (eng)	35,822	20,000	32,000	26,000
C/MH–53E	14,560	14,560	14,560	14,560
Acoustic srch sensrs (eng)	31,240	31,240	26,240	26,240
Life support equip	13,872	9,872	13,872	12,000
AWG–9 update	7,926			
A/C engines comp imp prog	90,011	90,011	89,011	89,011
MK92 FCS upgrade	19,295	14,941	14,941	14,941
Aegis area air def	14,154	14,154	14,154	14,154
CG–47 product improvement	55,593	40,000	49,593	45,000
Link ash	19,729	19,729	17,229	17,229
AMRAAM	35,685	20,000	20,685	20,000
S/L wpnry ship systems	1,395	1,395	1,395	1,395
Vertical launching sys	43,850	43,850	43,850	43,850
AAM systems engineering	3,888			
VLS asproc	26,603	26,603	26,603	26,603
CIWS (phalanx)	3,174	3,174	3,174	3,174
NATO sea sparrow	8,398	8,398	8,398	8,398
SM–2 (N)	25,679			
Standard msl improvements	41,282	41,282	41,282	41,282
Tomahawk	81,501	75,134	75,101	75,101
5" rolling air frame msle	6,544	4,000	6,544	5,000
SSN–688 VLS	29,449	29,449	29,449	29,449
Hellfire	2,401	2,401	2,401	2,401
New threat upgrade	51,783	51,783	48,783	48,783
Submarine comm	4,185	4,185	4,185	4,185
Sub sonar develop (eng)	40,111	40,111	40,111	40,111
air control eng	23,032	23,032	23,032	23,032
BR/CW countermeasures	7,119	7,119	7,119	7,119
EMSP	58,614	58,614	58,614	58,614
Radar surveillance equip	11,714	11,714	11,714	11,714
Communications sys	7,991	5,000	6,991	5,000

[In thousands of dollars]

	Budget	House	Senate	Conference
Intelligence systems	2,573	1,073	1,073	1,073
Sub supt equip prog (eng)	7,397	7,397	7,397	7,397
Ship survivability	6,288	6,288	6,288	6,288
CIC conversion	30,541	30,541	30,541	30,541
Wide aperture array (eng)	14,664	14,664	14,664	14,664
Subacs (eng)	171,216	171,216	171,216	171,216
Surface E/W	8,055	8,055	8,055	8,055
Sub tac W/F systs (eng)	41,894	41,894	41,894	41,894
Shipbd phys security (eng)	2,349	2,349	2,349	2,349
Ship Subsys dev/Ibfs	101,275	85,000	96,275	91,000
NATO sea gnat	3,733		3,733	1,800
Shipbd EW improv	49,819	43,148	44,819	44,819
Tact embedded comp prog	9,498	9,498	9,498	9,498
AN/SQS–53C	50,893	50,893	50,893	50,893
Link birch	7,522	7,522	7,522	7,522
Mine devel (eng)	18,841	13,841	13,841	13,841
Naval gunnery improvement	4,643	4,643	4,643	4,643
Unguided convent A/L wpns	8,207	6,207	6,207	6,207
C/W Weapons	2,134	2,134	2,134	2,134
Sal GP/EO sens devel	45,511	30,000	45,511	40,000
Bomb fuze improv	6,852	6,852	5,852	6,300
ALWT (eng)	147,316	133,000	147,316	147,316
Joint serv eod bev (eng)	4,034	4,034	4,034	4,034
MC assault vehicles	11,935	11,935	9,435	11,935
Grd combat/sup arms sys	3,553	3,553	3,553	3,553
MK 48 ADCAP (eng)	127,551	127,551	127,551	127,551
Chalk banyam	10,657	5,157	5,157	5,157
Navy energy program (eng)	11,180	11,180	11,180	11,180
Command & control sys (eng)	53,558	53,558	50,558	50,558
Air W/F training dev	3,125	3,125	3,125	3,125
Surface W/F training dev	31,834	31,834	26,834	26,834
Submarine W/F training dev	486	486	486	486
Combat services supp	3,361	3,361	3,361	3,361
Intell/elect W/F sys	5,647	5,647	5,647	5,647
Command/cont/comm sys	32,771	32,771	29,771	29,771
Tac air oper central 8S	6,056	6,056	6,056	6,056
Regional tactical surv	63,666	31,966	31,966	31,966
Intelligence (eng)	9,891	9,891	9,891	9,891
Medical Dev (eng)	2,471	2,471	2,471	2,471
Jintaccs	16,263		11,763	5,000
Jintaccs MC	5,229	5,229	5,229	5,229
Fit tact D&E	16,353	14,833	14,833	14,833
Electromag spectrum mngmt	4,118	4,118	4,118	4,118
Manag & tech support	9,584	9,584	9,584	9,584
C2 surv/reconn spt	4,815	4,815	4,815	4,815
MC tac exploit nat cap	427	427	427	427
A6 squadrons	17,942	17,942	17,942	17,942
F/A–18 squadrons	19,798	9,000	34,798	30,000
Early warning acft sqdns	39,149	39,149	36,149	37,649
Aviation support CVW	3,021	3,021	3,021	3,021
Fit telecom (tac)	75,346	70,346	70,346	70,346
Submarines	5,443	5,443	5,443	5,443
Underseas surveillance sys	29,725	28,225	28,225	28,225
Surtass	5,751	3,751	3,751	3,751
Special projects	14,886	14,886	14,886	14,886
Navy cover & recept prog	24,923	20,000	24,923	24,923
Electronic warfare spt	14,254	11,000	13,254	13,100
Counter C3 dev	30,189	16,000	28,189	28,189
Harm Improvement	19,569		5,000	19,569
JTIDS	141,699	120,000	136,699	136,699
Asw combat sys integ	12,247	12,247	12,247	12,247
Acft EQ rel/maint prog	8,455	7,597	7,597	7,597
Submarine silencing	31,657	19,657	29,657	29,657
Lab fleet support	6,414	6,414	6,414	6,414
F–14 A	293,975	280,000	278,975	278,975
Tactical intell proc sup	2,037	2,037	2,037	2,037
EW counter response	44,111	32,000	40,111	36,000
Operational reactor dev	12,861	12,861	12,861	12,861
Marine Corps telcom	5,191	5,191	5,191	5,191
Grd combat/sup arms sys	19,663	16,218	19,663	16,218
Combat services sup	2,253	2,253	2,253	2,253
Intell/elect warfare sys	576	576	576	576
Command/cont/comm sys	25,313	25,313	25,313	25,313
M/C tech supt C/C sys	3,077	3,077	3,077	3,077
TRI- AC–MC	17,371	17,371	17,371	17,371
TRI- AC–Navy	3,905	3,905	3,905	3,905
Navy attack aircraft		15,000		
Low cost anti-radiation seeker		25,000		14,736
Penguin missle		14,600		14,600
Diesel rotary engine		5,000	6,000	5,000
Marine low-cost flr		12,000	23,000	12,000
T–700 engine		3,000	10,000	10,000
Dragon improvement		9,800		9,800
Total, factical programs	5,223,531	4,602,197	4,884,417	4,832,610
Intellingence & Communications				
Adv navig development	685	685	685	685
Navigation systems	670	670	670	670
EHF satcom	69,889	69,889	69,889	69,889
Navstar gps	63,096	63,096	63,096	63,096
C2 systs plan/eng supp	6,165	6,165	6,165	6,165
Satellite communications	11,585	11,585	11,585	11,585
Classified programs	269,445	268,300	269,445	269,445
Total, intelligence & communications	421,535	420,390	421,535	421,535
Defensewide Mission Support				
Range inst & sys dev	20,273	16,000	18,273	18,273
Target systems dev	84,197	84,197	82,197	82,197
Trng & pers sys dev	5,636	5,636	4,636	4,636
Studies & anal sup/mc	2,199	2,199	2,199	2,199
Studies & anal sup/Navy	3,554	3,554	3,554	3,554
MCOAG	2,960	2,960	2,960	2,960
Center for naval anal/Navy	12,525	11,525	12,525	11,525

[In thousands of dollars]

	Budget	House	Senate	Conference
MC operational T&E	2,618	2,618	2,618	2,618
Tech info services	2,216	2,216	2,216	2,216
Autec	48,565	43,565	48,565	43,565
Development center support	3,946	3,946	3,946	3,946
International RDT&E	1,869	1,869	1,869	1,869
Mobile sea range	5,724	5,724	5,724	5,724
RDT&E lab: fac mgmt spt	64,569	50,000	64,569	55,069
RDT&E instrum. & matl spt	18,892	18,892	18,892	18,892
RDT&E ship: aircraft spt	84,737	71,000	78,737	78,737
Test and eval spt	288,351	288,351	288,351	288,351
OT&E capability	7,137	7,137	7,137	7,137
Productivity improvement	3,532			
Weather service	1,402	1,402	1,402	1,402
Def meteorolog satell prog	21,482	8,000	21,482	21,482
Waterside security			2,000	
Total, defensewide mission support	686,384	630,791	673,852	656,352
General reduction		−85,203		−40,000
Misc contract spt svcs		−18,500	−18,500	−18,500
Total, research development test & eval, Navy	9,826,076	8,849,158	9,300,867	9,172,622

The conferees agree to the following language:

TRIDENT II

The conferees agree to provide $2,063,113,000 for the Trident II SLBM, instead of $2,051,113,000 as proposed by the House and $2,075,113,000 as proposed by the Senate. The conferees endorse the Senate language directing that at least $14,000,000 of the funds provided for the Trident II shall be for the Trident II penetration aids research effort.

STRATEGIC LASER COMMUNICATIONS

The conferees agree to provide $2,500,000 for Strategic Laser Communications, as proposed by the Senate, instead of no funds as proposed by the House. The conferees endorse the Senate language on the blue-green laser communications program found on page 200 of the Senate report.

RADAR SURVEILLANCE EQUIPMENT

The conferees agree to provide no funds for Radar Surveillance Equipment as proposed by the House, instead of $2,969,000 as proposed by the Senate. This action is without prejudice. The conferees are willing to consider a reprogramming upon receipt from the Navy of validated specific requirements and a concrete plan for filling those requirements.

AV-8B (ENGINEERING)

The conferees agree to provide $60,000,000 for AV-8B (Engineering) as proposed by the House, instead of $70,447,000 as proposed by the Senate. The conferees would be willing to entertain a reprograming action to fully fund all fiscal year 1985 funding requirements for the TAV-8B trainer.

AIRCRAFT PROPULSION (ENG)

The conferees agree to provide $26,000,000 for Aircraft Propulsion (Eng), instead of $20,000,000 as proposed by the House and $32,000,000 as proposed by the Senate. The conferees endorse the language contained on page 164 of the Senate report regarding the E-2C program.

LOW COST ANTI-RADIATION SEEKER

HARM IMPROVEMENTS

DEFENSE SUPPRESSION WEAPONS

The conferees agree to provide $14,736,000 for Low Cost Anti-Radiation Seeker and $19,569,000 for HARM Improvements in Navy RDT&E, and $3,000,000 for Defense Suppression Weapons in Air Force RDT&E. Of the funds provided for HARM Improvements, $15,205,000 shall be applied only to the Low Cost Anti-Radiation Seeker program, and $4,364,000 shall be used only for correction of deficiencies in the current design of HARM revealed by operational testing. The entire sum of $3,000,000 provided for Defense Suppression Weapons shall be applied only to the Low Cost Anti-Radiation Seeker program.

The conferees continue to support fully the Low Cost Anti-Radiation Seeker program, and endorse the language on pages 220-221 of the House report. The conference agreement provides sufficient funds to continue development in accordance with the Navy plan now being executed by the Naval Weapons Center, China Lake, California. A reprogramming action will therefore not be necessary, and the requirement for certification contained in the Senate report is withdrawn. Language has been provided in the bill which specifies that $29,941,000 of the total provided for Navy RDT&E and $3,000,000 of the total provided for Air Force RDT&E are available only for this program.

The conferees direct that future budget requests for the Low Cost Anti-Radiation Seeker program be carried as a separate program element, and not be merged with other program elements.

NAVY STRATEGIC COMMUNICATIONS

The conferees agree to provide $106,535,000 for Navy Strategic Communications. Of that sum, $77,105,000 is for a manned airborne relay platform. The conferees agree that the ECX (also called the E-6A), a modified 707 transport aircraft, appears to be the preferable alternative for this mission.

LIGHTER-THAN-AIR TECHNOLOGY

The conferees agree with the language of the Senate report concerning the need for lighter-than-air technology to be explored. There is increasing evidence that long-endurance airships equipped with surveillance radars would be a cost-effective asset to the Navy in a fleet defense role as well as providing the opportunity for use of airships in other military and nonmilitary applications.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

The conferees agree to the following amounts for Research, Development, Test and Evaluation, Air Force:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESEARCH DEVELOPMENT TEST & EVAL, AIR FORCE				
Technology Base				
In-house lab independent research	16,826	15,000	15,000	15,000
Defense research sciences	190,115	190,115	190,115	190,115
Geophysics	37,116	37,116	37,116	37,116
Materials	52,431	50,000	50,120	50,000
Aerospace flight dynamics	64,193	64,193	64,193	64,193
Aerospace biotechnology	47,382	45,000	45,937	45,000
Aerospace propulsion	60,445	60,445	58,088	58,088
Aerospace avionics/VHSI circuits	72,510	72,510	72,510	72,510
Training/simulation tech	23,240	23,240	23,240	23,240
Rocket propulsion	40,020	32,000	37,000	34,500
Advanced weapons	44,794	33,744	39,794	39,794
Conventional munitions	42,820	42,820	42,820	42,820
Command/control/communication	76,935	74,000	73,124	73,124
Pers utilization tech	8,829	7,829	8,829	7,829
Total, technology base	777,656	748,012	757,886	753,329
Advance Technology Development				
Logistics research & dev rqmts	5,248	5,248	5,248	5,248
Acft propulsion subsys integration	26,967	26,967	26,967	26,967
Adv avionics for acft	21,822	20,000	20,000	20,000
Flt vehicle technology	20,917	15,617	15,617	15,617
Recon sensors/processing technology	8,323	8,323	8,323	8,323
Aerospace structures/materials	10,938	10,938	10,938	10,938
Aviation turbine fuel technology	4,289	3,289	4,289	3,289
Adv turbine engine gas generator	25,454	25,454	25,454	25,454
Special power systems	1,000			
DOD common prog langage (ada) adv dev	8,055	8,055	8,055	8,055
Advanced simulator technology	7,486	7,486	7,486	7,486
Crew systems technology	10,726	9,726	10,200	10,200
Acft non-nuclear survivability	3,931	3,931	3,931	3,931
Adv fighter tech int'egration	18,954	3,700	18,954	18,954
Lincoln Laboratory	23,700	20,000	21,500	20,750
Advanced system integration demo	33,155	27,155	30,000	30,000
Cartog applications—Tac & strat sys	1,094	1,094	1,094	1,094
Space & msl rocket propulsion	5,547		3,547	2,000
Adv Msl subsystems demonstration	1,234			
Advanced technology cruise missile	15,417	15,417	15,417	15,417
Hypervelocity missile	2,994		2,994	
Space biotechnology	700			
Advanced spacecraft tech	30,726	6,900	6,900	6,900
Adv military spaceflight technology	2,829			
Space sys environ interactions tech	3,730	3,730	3,730	3,730
Msl surveillance tech	6,985		3,000	3,000
Very high speed integrated circuits	119,978	135,000	119,978	135,000
Conventional weapons	21,749	20,749	21,749	20,749
Advanced radiation tech	12,399		5,000	5,000
Manpower & personnel sys tech	2,039	2,039	2,039	2,039
Weather systems	2,955	2,955	2,955	2,955
Electronic warfare technology	22,105	22,105	22,105	22,105
Civil/environmental engr tech	17,247	11,847	15,300	15,300
Fiber optics development	3,053	3,053	3,053	3,053
Advanced Communications Technology	4,838	4,838	4,838	4,838
Advanced computer technology	6,672	6,672	6,672	6,672
Electro-optical warfare	17,808	17,808	17,808	17,808
Chemical warfare defense	3,824	3,824	3,824	3,824
Counter/countermeasures—adv dev	10,444	10,444	10,444	10,444
Innovations in education/training	5,070	5,070	5,070	5,070
DOD Software Engineering Institute	7,983	7,983	5,000	5,000
Comd/cntrl/comm adv dev	23,595	23,595	10,500	16,700
Total, advance technology development	583,980	501,012	509,979	523,910
Strategic Programs				
Common strategic rotary launcher	77,304		69,304	69,304
Advanced strategic missile systems	108,304	95,604	108,304	100,000
Advanced air to surface missile	54,418	28,418	25,000	25,000
Atmosperic surveilance tech	4,908	4,908	4,908	4,908
WWMCCs architecture	10,968	10,968	10,968	10,968
B-1B	508,277	400,000	508,277	465,000
ICBM modernization	2,440,786	2,340,786	2,345,000	2,340,786
Strategic conv standoff capa (SASC)	21,619	27,800	4,419	25,000
Air launched cruise missile	28,039	28,039	25,039	25,039
Space defense sys	143,278	120,000	143,278	133,000
Systems survivability (nuc affects)	9,057	9,057	9,057	9,057
B-52 squadrons	22,167	22,167	22,167	22,167
Aircraft survivability enhancements	4,416	4,416	4,416	4,416
KC-135 squadrons	4,010	4,010	4,010	4,010
Minuteman squadrons	4,672	4,672	4,672	4,672
PACCS-WWABNCP sys EC-135 CL V mods	799	799	799	799
SAC communications	1,546	3,046	3,046	3,046
NCMC—TW/AA systems	23,834	23,834	23,834	23,834
NCMC—space defense systems	52,253	37,441	52,253	37,441
Ballistic msl tac wng/atk asses sys	3,214	3,214	3,214	3,214
Joint surveillance system	1,802	1,802	1,802	1,802
Surveill radar stations/sites	11,890	3,514	11,890	3,514
Dew radar stations	63,094	30,000	46,000	46,000
Conu over-the-horizon radar	60,904	60,904	60,904	60,904
Ballistic msl early wng system	10,016	10,016	10,016	10,016
Spacetrack	10,214	10,214	10,214	10,214
Defense support program	63,985	63,985	63,985	63,985
SLBM radar warning systems	12,219	12,219	12,219	12,219
Space defense interface network	34,795	34,795	34,795	34,795
Comd ctr process/display sys	11,661	11,611	11,661	11,661
NEAC/E-4B CL V mods	27,102	27,102	27,102	27,102
Minimum essential emer comm network	116,900	111,900	111,900	111,900
WWMCCS information system—JPMO	32,629	32,629	32,629	32,629
Air Force sat commsys	141,592	127,592	127,582	127,592
Milstar comm sat system	325,042	325,042	325,042	325,042
Theater nuc wpn storage & sec sys	1,958	1,958	1,958	1,958
Classified programs	1,619,031	1,469,031	1,559,031	1,559,031
Total, strategic programs	6,068,703	5,503,543	5,820,705	5,752,025
Tactical Programs				
Advanced tactical fighter	94,287	94,287	94,287	94,287
Adv tactical air reconnaissance sys	3,735	3,735	1,500	1,500
Jnt service adv vert lift acft (JVX)	1,086	1,086	1,086	1,086
Air base survivability & recovery	4,426	4,426	3,868	4,426
Adv attack weapons	20,024		10,000	5,000
DOD physical security eq-exterior	1,885	1,885	1,885	1,885
Combat identification technology	19,324	19,324	15,624	15,624
C3CH advanced systems	994		500	500
JT surv. tgt atk radar sys (JSTARS)	3,318	3,318	3,318	3,318
Acft avionics equipment development	25,809	20,000	20,000	20,000
F-100 durability	14,003	14,003	14,003	14,003
Aircraft equipment dev	12,047	4,694	8,047	6,000
Engine model derivative prog	9,198	9,198	82,698	82,698
Ew counter response	23,917	10,917	17,500	14,000
Nuclear weapons support	1,947	1,947	1,947	1,947
Alternate fighter engine	56,943	45,943	54,943	54,943
C-17 program	129,285	123,285	123,285	123,285
Modular automatic test equipment	15,798	14,798	10,034	12,000
Night precision attack	98,338	98,338	96,338	98,338
Acft engine component improve frog	149,785	149,785	148,785	148,785
Def supporession wpns eng dev	14,795		3,000	3,000
Next deneration trainer	77,977	77,977	77,977	77,977
Adv med range air-to-air msl	217,749	209,749	209,749	209,749
Joint tactical fusion program	17,787	17,787	17,787	17,787
Joint tactical missile system	35,509			
Grd launched cruise msl	18,654	18654	18,654	18,654
C/B defense equipment	18,222	18,222	18,222	18,222

[In thousands of dollars]

	Budget	House	Senate	Conference
Armament ordnance development	20,764	18,764	18,764	18,764
Submunitions	48,677	31,322	47,177	36,322
Wide area anti armor munition	27,306	17,306	27,306	20,000
Air base survivability & recovery	18,092	14,092	14,092	14,092
Aeromedical systems development	7,007	7,007	7,007	7,007
Life support system	15,649	13,649	13,649	13,649
Other operational equipment	22,846	22,846	20,565	22,846
Reconnaissance equipment	9,631	8,780	8,780	8,780
DOD physical security eq-exterior	12,562	12,562	12,562	12,562
TAC C3 counter measures	28,100	21,513	23,800	23,800
Combat identification systems	16,046	16,046	16,046	16,046
Surface def suppression	24,533	17,553	17,000	17,000
Airborne self-protection jammer	29,149	18,041	25,000	25,000
Protective systems	48,565	45,565	45,565	45,565
Tactical protective systems	86,631	20,631	50,000	39,000
Computer resources mgt tech	12,358	9,358	9,358	9,358
Precision location strike system	82,996	82,996	82,996	82,996
Intelligence equipment	15,255	15,255	15,255	15,255
Combat helicopter modernization	81,306	34,306	34,306	34,306
JT TAC info dist sys	86,703	86,703	86,703	86,703
Side looking airborne radar (SLAR)	24,547	24,547	24,547	24,547
JSTARS	94,966	46,682	69,000	46,682
JT interoperability tac comd/cntrl	13,452	13,452	13,452	13,452
F–111 squadrons	71,942	71,942	60,000	60,000
F–15 squadrons	82,867	82,867	200,000	189,767
A–10 squadrons	4,108	4,108	2,694	3,108
Fighter derivative	146,950	90,000		
F–16 squadrons	83,428	67,228	95,000	95,000
F–4G wild weasel squadrons	55,267	30,000	55,267	55,267
Tactical AGM missiles	3,695		3,695	2,000
Air Force tencap	260	260	260	260
Overseas air weapon cont sys	3,154	3,154	3,154	3,154
Tactical air control system	28,397	24,397	24,397	24,397
Air borne warning & control sys	76,595	74,595	74,595	74,595
Adv comm sys	86,963	86,963	86,963	86,963
Tac air intell sys actys	1,579	579	1,579	579
Tactical recon imagery exploitation	1,156	1,156	1,156	1,156
Base comm—tactical air forces	985	985	985	985
JT tactical comm prog (TRI-TAC)	11,467	8,100	11,467	10,000
Satellite communications terminals	2,860	2,860	2,860	2,860
Electromagnetic combat intel spt	1,928	1,928	1,928	1,928
C–130 airlift squadrons (IF)	789	789		789
MAC command/control sys	4,413	3,413	3,413	3,413
Waterside security		5,000		5,000
Classified programs	371,611	331,085	364,176	355,676
Total, tactical programs	2,954,397	2,453,743	2,731,556	2,659,643
Intelligence & Communications				
Space communications	44,413	40,413	44,413	42,413
Navstar gps user equipment	60,970	55,000	60,970	58,000
Def satellite comm sys	31,629	31,629	31,629	31,629
Long haul communications (DCS)	9,329	9,329	9,329	9,329
Electromag compatibility anal ctr	7,764	6,900	6,864	6,864
Traffic cntl/approach/landing sys	11,766	11,766	8,502	10,502
Navstar global pos sys (user eq)	9,060	9,060	9,060	9,060
Havstar GPS (space/grd segments)	33,464	33,464	33,464	33,464
Gen intelligence skill tng	7,208	7,208	5,208	5,208
Classified programs	1,802,430	1,555,525	1,650,025	1,639,525
Total, intelligence & communications	2,018,033	1,760,294	1,859,464	1,845,994
Defensewide Mission Support				
Concept development	2,479	2,479	1,000	1,000
Space test program	71,500	71,500	71,500	71,500
Satellite sys survivability	5,519	5,519	5,519	5,519
Adv aerial targets dev	3,409	3,409	3,409	3,409
Flight simulator development	149,880	128,168	149,880	138,000
Space shuttle	345,764	329,385	345,764	337,000
Logistics tech for weapons systems	7,585	7,585	7,585	7,585
Weather systems	8,283	6,283	8,283	7,283
Range improvement	16,771	15,771	15,771	15,771
Electromag radiation test facil	7,811	7,811	6,911	6,911
Improved capability for RDT&E	75,054	69,754	70,754	70,754
Project air force	16,766	16,766	16,766	16,766
Acq/comd spt telecom	7,137	7,137	7,137	7,137
Ranch Hand II epidemiology study	3,308	3,308	3,308	3,308
Nav/radar/sled track test spt	18,749	17,649	17,749	17,649
Acquisition and command support	354,130	318,281	343,281	333,281
Test and evaluation spt	437,464	407,464	413,000	413,000
Adv sys engineering/plan	3,631	2,500	3,631	2,500
RDT&E aircraft support	47,511	47,511	47,511	47,511
Productivity improvement	6,139		3,000	3,000
WWMC S—ADP	680			
Satellite control facility	99,224	87,000	99,224	93,000
Space boosters	20,356	10,356	20,356	15,356
Consolidated Space Operations Center	72,698	65,698	65,698	65,698
Def meteorological satellite prog	42,566	42,566	42,566	42,566
Space launch support	93,835	93,835	93,835	93,835
Inventory control point operations	1,371	1,371	500	1,000
Industrial preparedness	61,859	56,000	56,000	56,000
Product/reliable/avail/maintain prog	14,865	13,865	13,865	13,865
International activities	2,842	2,842	2,842	2,842
Total, defensewide mission support	1,999,186	1,841,813	1,936,545	1,893,046
Overhead transfer to operations and maintenance			−108,900	
Consultants, studies & analyses			−3,000	−3,000
Fuel adjustment		−2,500	−2,500	−2,500
Autonomous terminal homing			14,000	14,000
Environment restoration fund transfer			−12,300	−12,300
Total, research development test & eval, air force	14,401,955	12,805,917	13,503,435	13,424,147

The conferees agree to the following language:

HYPERVELOCITY MISSILE

The conferees agree to provide no funds for Hypervelocity Missile as proposed by the House, instead of $2,994,000 as proposed by the Senate. The conferees concur in the observations made on page 236 of the House report, and agree to entertain a reprogramming request in the context of a single coordinated anti-armor master plan.

VERY HIGH SPEED INTEGRATED CIRCUITS

The conferees agree to provide $135,000,000 for Very High Speed Integrated Circuits (VHSIC) as proposed by the House, rather than $119,978,000 as proposed by the Senate. The conferees note that only one of six Phase I contractors has completed their Phase I work within schedule, and concur in the observations of the Senate that the Phase I effort for VHSIC is the foundation of all subsequent Phase II submicron work, and that this foundation should be as strong as practical. The Conferees direct that prior to obligating or expending funds on Phase II submicron work, the Under Secretary of Defense (Research and Engineering) ensure that the VHSIC Phase I effort is substantially complete, and so inform the Committees on Appropriations of the House and Senate.

ICBM MODERNIZATION

The conferees agree to provide $2,340,786,000 for ICBM Modernization as proposed by the House, instead of $2,345,000,000 as proposed by the Senate. The conferees direct that, of the funds provided, at least $9,600,000 be used for the deep basing project, the same amount identified as the fiscal year 1985 funding requirement in the President's May budget revision.

SPACE DEFENSE SYSTEMS

The conferees agree to provide $133,000,000 for Space Defense Systems (anti-satellite weapons), instead of $120,000,000 as proposed by the House or $143,278,000 as proposed by the Senate. The conferees agree to prohibit the obligation or expenditure of funds for testing of an anti-satellite weapon against an object in space until March 1, 1985, or fifteen days after the President has certified the necessity and desirability for such testing, whichever occurs later. The conferees agree to allow no more than three such tests, without regard to their success or failure, in fiscal year 1985. Language has been provided in the bill which reflects these agreements.

NCMC-SPACE DEFENSE SYSTEMS

The conferees agree to provide $37,441,000 for NCMC-Space Defense Systems as proposed by the House, instead of $52,253,000 as proposed by the Senate. This reduction postpones upgrading of the ASAT Prototype Mission Operations Center, and is not intended to affect current operation of that prototype center.

DEFENSE SUPPRESSION WEAPONS

As stated above under Navy RDT&E, the conferees agree to provide $3,000,000 for Defense Suppression Weapons. The entire amount is to be used only for the Low Cost Anti-Radiation Seeker program being carried out by the Navy.

JOINT SURVEILLANCE AND TARGET ATTACK RADAR SYSTEM (JSTARS)

The conferees agree to provide a total of $50,000,000 for the Air Force portion of the JSTARS program as proposed by the House, instead of $72,318,000 as proposed by the Senate. Details of the conference agreement are provided in the classified annex to this report.

JOINT TACTICAL FUSION PROGRAM

The conferees agree that the Air Force portion of the Joint Tactical Fusion Program (JTFP) shall be bound by the language concerning JTFP appearing in the RDT&E, Army section of this report.

OTHER OPERATIONAL EQUIPMENT

The conferees agree that Project 2783, Ground Power Generator Development, in the Other Operational Equipment program is to be funded at the full budgeted amount of $10,600,000, and that no subsequent reductions are to be levied against that project.

TRAFFIC CONTROL/APPROACH/LANDING SYSTEM

The conferees agree to provide $10,502,000 for Traffic Control/Approach/Landing System, instead of $11,766,000 as proposed by the House or $8,502,000 as proposed by the Senate. Of the total provided, the conferees agree that $2,000,000 is for the Rapidly Deployable Air Traffic Control System (MPN–XX). The conferees direct submission of a report on MPN–XX by March 1, 1985 to the Committees on Appropriations of the House and Senate. The report should include a discussion of operational requirements, the use of existing technology versus new development, costs, schedules, and the impact of deleting EMP hardening requirements from the system.

SPACE BOOSTERS

The conferees agree to provide $15,356,000 for research and development associated with space boosters instead of $10,356,000, as proposed by the House, or $20,356,000, as proposed by the Senate. Of the amount agreed to, $5,000,000, is to be utilized to study and define a follow-on expendable launch vehicle (ELV) capable of launching shuttle class payloads. This constitutes a reduction of $5,000,000 from the budget request for the preliminary development efforts related to a follow-on ELV.

The Committee of Conference agrees that the Air Force must have assured access to space for critical national defense payloads. However, the conferees concur with the Senate language expressing concern over the fact that current alternatives under consideration by the Air Force do not have any significant growth potential. In view of this, the conferees direct that the $5,000,000 be used for initial study and development of a follow-on expendable launch vehicle which must include adequate consideration of vehicles with growth potential. The conferees note that in addition to these funds, $6,000,000 has been included in the fiscal year 1985 HUD-Independent Agencies Appropriation bill for the purpose of a joint Air Force-NASA ELV program. The conferees believe that such an approach, based on a follow-on ELV with growth potential, could help restore the traditional Air Force-NASA relationship that has so effectively served the nation's space effort.

Additionally, the conferees agree with the Senate's direction that the Department of Defense, in conjunction with the NASA and OMB, conduct a study which shall include the following:

1. A review of ELV needs and requirements both in the 1988 time frame and the 1990's. This review should assess the viability and reliability of the space shuttle as a sole means of access to space during an intermediate period in the late 1980's;

2. An assessment of shuttle derived technology applicability for both the short term (beginning prior to 1990) and in heavy-lift configurations through the 1990's; and

3. An analysis of the cost implications of various alternatives toward meeting both short-term and long-term ELV requirements. With respect to shuttle derived technology, this analysis should include information on economies of scale which may be achieved.

To the extent possible, this report should represent a consensus view of DoD, NASA, and OMB on the relevant estimates and assessments. Should significant differences not be resolved, the report should identify and discuss such differences. The study should be transmitted to the appropriate committees of the Congress no later than January 15, 1985.

The conferees do not agree with the Senate language "fencing" ELV follow-on funding until January 15, 1985. Accordingly, the $5,000,000 recommended shall be available for obligation by the Air Force once the fiscal year 1985 Continuing Resolution is enacted.

Furthermore, the conferees note that an official, revised funding profile for the development and procurement of ten follow-on ELV's has not been formally submitted to the Congress. Accordingly, the conferees direct the Air Force to develop a funding profile which details the Five Year Defense Plan (FYDP) programmed funding requirements for this program. This plan should include a traditional, "up-front" procurement funding as opposed to the previously proposed off-budget approach. This plan should be submitted with the report discussed above.

Research, Development, Test and Evaluation, Defense Agencies

The conferees agree to the following amounts for Research, Development, Test and Evaluation, Defense Agencies:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESEARCH AND DEVELOPMENT TEST & EVAL, DEF AGENCIES				
Technology Base				
Defense research sciences	102,500	80,700	102,500	80,700
In-house lab independent research	1,874	1,874	1,874	1,874
Technical studies	1,500	1,500	1,500	1,500
Strategic technology	150,700	144,250	160,700	165,750
Tactical technology	109,000	107,400	104,300	107,400
Particle beam technology	17,400	17,400	17,400	17,400
Integrated comd/control tech	53,000	53,000	53,000	53,000
Materials processing tech	29,200	29,200	27,200	28,200
Nuclear monitoring	20,500	16,500	20,500	18,500
Defense Nuclear Agency	347,014	308,714	347,014	327,000
Medical R & D / free electron lasers			5,000	
Total, technology base	832,688	760,538	840,988	801,324
Advance Technology Development				
Strategic defense initiatives	1,777,000	1,090,000	1,627,000	1,400,000
Surviellance, acquisition and track	(721,000)	(404,000)	(721,000)	(721,000)
Directed energy	(489,000)	(318,000)	(489,000)	(489,000)
Conventional weapons	(356,000)	(231,000)	(356,000)	(356,000)
Systems concept and management	(99,000)	(64,000)	(99,000)	(99,000)
Support programs	(112,000)	(73,000)	(112,000)	(112,000)
General reduction			(−150,000	(−377,000
Join DOD–DOE munitions tech dev	10,000		10,000	5,000
Exp eval of major innovative tech	204,300	194,300	194,300	194,300
Command and control research	2,011	2,011	2,011	2,011
Total, advance technology development	1,993,311	1,286,311	1,833,311	1,601,311
Strategic Programs				
NMCS-wide support	12,064	12,064	12,064	12,064
WWMCCS ADP–JTSA	1,530	1,530	1,530	1,530
WWMCCS system engineer	30,637	28,132	30,637	28,632
Minimum essential emer comm network	15,213	15,213	15,213	15,213
Total, strategic programs	59,444	56,939	59,444	57,439
Tactical Programs				
Cinc C2 initiatives	2,134	2,134	2,134	2,134
Intelligence & Communications				
Map/chart/geodesy	513	513	513	513
Map/chart/geodesy inv/prototype dev	14,961	14,961	14,961	14,961
Map/chart/geodesy engr dev/test	8,273	8,273	8,273	8,273
Management headquarters gdip	352	352	352	352
Long-haul communications (DCS)	9,937	9,937	9,937	9,937
Support of the NCS	8,244	8,244	8,244	8,244
DMA exploitation program	165,407	165,407	165,407	165,407
Emergency preparedness	3,950			
Classified programs	1,496,894	1,374,981	1,448,363	1,403,842
Total, intelligence & communications	1,708,531	1,582,668	1,656,050	1,611,529
Defensewide Mission Support				
Special Technology Office/USDR & E	7,950	7,950	7,950	7,950
Counter insurgency & special tech	10,136	5,000	5,000	5,000
Manufacturing technology	3,100	3,100	1,236	2,000
Technical support to USDR/E	21,421	51,421	20,565	35,565
General support for PA/E	3,231	2,000	3,104	2,200
Support to policy	7,714	4,714	7,413	6,000
General support for net assessment	4,801	3,801	4,611	3,801
General support for MRA/L	2,939	2,828	2,828	2,828
Technical analytical support	15,000	15,000	15,000	15,000
Defense technical info center	18,988	18,988	18,988	18,988
Information analysis centers	4,168	4,168	4,168	4,168
MGT HQ (research/development)	11,430	11,430	11,430	11,430
Technology transfer functions	920	920	920	920
Total, defensewide mission support	111,798	131,320	103,213	115,850
Consultants, studies & analyses			−2,000	−2,000
General reduction		−10,000		−5,300
Total, research development test & eval, def agencies	4,707,906	3,809,910	4,493,140	4,182,287
Director of Test & Evaluation, Defense				
Foreign weapons evaluation	12,000	12,000	12,000	12,000
Test and evaluation	50,000	50,000	47,000	47,000
Total, Director of Test & Evaluation, Defense	62,000	62,000	59,000	59,000

The conferees agree to the following language:

STRATEGIC TECHNOLOGY

The conferees agree to provide $165,750,000 for Strategic Technology, instead of $144,250,000 as proposed by the House and $160,700,000 as proposed by the Senate. The amount provided fully funds the authorized transfer of funding for artificial intelligence to Strategic Technology, but deletes $6,450,000 for project ST-4, Strategic Deterrent. The conferees agree that $30,000,000 shall be provided for project ST-9, Submarine Laser Communications, an increase of $5,000,000 above the budget request, to accelerate research and development on blue-green laser communications.

FREE ELECTRON LASER TECHNOLOGY FOR RESEARCH

The conferees agree that $10,000,000 of the funds provided for Defense Agencies RDT&E shall be used for research in the biomedical and materials sciences using free electron laser technology. Language has been provided in the bill which earmarks these funds.

DEFENSE NUCLEAR AGENCY

The conferees agree to provide $327,000,000 for the Defense Nuclear Agency, instead of $308,714,000 as proposed by the House or $347,014,000 as proposed by the Senate. The resulting reduction from the budget request is general, and is not applied to specific projects. The conferees agree that reports concerning a secure data network and a new supercomputer are to be provided as directed by the House.

WWMCCS SYSTEM ENGINEER

The conferees agree to provide $28,632,000 for WWMCCS System Engineer, instead of $28,132,000 as proposed by the House or $30,637,000 as proposed by the Senate. The total allows $500,000 for a proposed study on C^3 requirements after the United States has sustained a nuclear attack. The conferees agree that funding for this study in the future will be provided only upon a satisfactory justification of need, to include an explanation of the uses made of the many past studies on the same subject.

STRATEGIC DEFENSE INITIATIVE

The conferees agree to provide $1,400,000,000 for Strategic Defense Initiative (SDI), instead of $1,090,000,000 as proposed by the House or $1,627,000,000 as proposed by the Senate. The reduction of $377,000,000 is a general reduction from the budget request. The conferees direct the Department to submit expeditiously to the Committees on Appropriations of the House and Senate for approval its proposal for allocation of this reduction to the programs which comprise SDI.

Title VI—Revolving and Management Funds

ARMY STOCK FUND

The conferees agree to provide $366,448,000 as recommended by the Senate instead of $356,448,000 as recommended by the House.

AIR FORCE STOCK FUND

The conferees agree to provide $548,593,000 as recommended by the Senate instead of $631,793,000 as recommended by the House.

MERCHANT SHIP CONSTRUCTION REVOLVING FUND

The conferees agree to provide no appropriation as recommended by the House instead of a transfer of $500,000,000 as recommended by the Senate.

The following item represents language as agreed to by the conferees:

The conferees reluctantly agree not to establish a revolving fund for the purpose of building and leasing militarily useful commercial vessels. The Senate proposed a transfer of $500,000,000 to capitalize the refund subject to the enactment of enabling legislation. Although this financing methodology was developed some time ago, the conferees realize that authorizing legislation has not been introduced much less enacted. Given this legislative impasse, the Congress must look to the Administration to provide a proposal designed to meet the national defense sealift needs. The rapid deterioration of the entire commercial maritime industry mandates a timely proposal to address urgent DoD sealift requirements.

ALLOCATION OF REDUCTIONS TO THE REVOLVING FUNDS

The conferees agree that all reductions to the operating accounts for changes in fuel prices should be passed through to the Defense Stock Fund. The conferees also agree that the reductions to the Navy and Air Force operating accounts reflecting revised prices to the stock fund should be passed through to the Navy and Air Force Stock Funds respectively. The reduction to the Army operating account for revised stock fund prices should be passed through to the Defense Stock Fund. The resulting asset in

the Army Stock Fund should be retained in the Army Stock Fund to capitalize the fiscal year 1986 implementation of the stock funding of aviation depot level repairables as instructed by the Senate. Further, the conferees concur in the House report language instructing reporting of all credits, advances and transfers and direct that DOD also report the cash position of each DOD revolving fund on a monthly basis to the Committees on Appropriations.

TITLE VII—RELATED AGENCIES

INTELLIGENCE COMMUNITY STAFF

The conferees agree to provide $20,797,000 for the Intelligence Community Staff, instead of $20,297,000 as proposed by the House and $21,797,000 as proposed by the Senate.

TITLE VIII—GENERAL PROVISIONS

The conferees agree to the following language in the General Provisions:

Public Affairs and Legislative Liaison Activities.—The conferees agree to include the higher limitations provided by the House for both public affairs and legislative liaison activities. The conferees further agree to include a provision requiring that the Department include the effects or retired pay accrual for military personnel when determining the costs associated with these programs.

Insignia Resale.—The House continued the provision contained in the 1984 Defense Appropriations Bill imposing a surcharge on the sale price of insignia purchased for resale by the Department of Defense. The Senate deleted the provision as requested in the budget. The Department has initiated a new policy for procurement of insignia, whereby insignia procured for free issue to personnel by the Department are procured by the Department, while insignia procured for sale by the exchange system are procured by the exchanges directly from private industry. The conferees believe this new procurement policy should obviate the need for the surcharge provision. The conferees agree to delete the provision, but direct the Department to fully implement the aforementioned insignia procurement policy.

Multiyear Procurement Contracts.—The conferees agree to revised language which clarifies the intent of the House bill, which was to prohibit unfunded cancellation ceilings for economic order quantity procurements.

Technician Floor-AGR Ceiling.—The conferees agree to the House language, with an amendment adjusting the limitation on Active Guard/Reserve (AGR) personnel to 37,957. This limitation equates to the fiscal year 1985 AGR end strengths authorized for the Army Reserve and Army National Guard of 10,700 and 20,583, respectively. For the Air National Guard, the limitation of 6,674 results from authorized end strengths less actions taken by the conferees.

Civilian End Strength Ceilings.—The House included a general provision prohibiting the use of civilian personnel end strengths in the Department of Defense. The Senate included a provision limiting the prohibition on ceilings to DoD industrial funded activities.

The conferees agree that civilian personnel ceilings promote inefficiencies and should be removed. Consequently, a general provision has been included similar to that contained in the FY 1985 Defense authorization bill. The only change is a provision directing the FY 1986 budget be submitted based upon the assumption of no civilian personnel ceilings in that year as well as a base-line for congressional authorization and appropriations review.

Although the administrative limitations have been removed, the authorization included some civilian workyear reductions initially offered in a version of the authorization bill which had retained an employment cap. Clearly, such budget reductions in the absence of applicable rationale must be considered an oversight and if accepted, such reductions would be non-programmatic, and deleterious to readiness.

Prohibition on Assistance to Nicaragua.—The House included a general provision prohibiting funds from being obligated or expended for the purpose of supporting, directly or indirectly, military or paramilitary operations in Nicaragua. The Senate did not include any type of prohibition concerning funds for Nicaragua.

The conferees have included a provision which prohibits funds from being obligated or expended to support, directly or indirectly, military or paramilitary operations in Nicaragua unless after February 28, 1985, the President submits a report to Congress and a joint resolution approving such assistance is enacted by Congress. A ceiling of $14,000,000 is placed on such obligations and expenditures during fiscal year 1985.

The joint resolution is subject to expedited procedures in both Houses similar to procedures for the MX missile procurement resolution provided elsewhere in the bill.

Leasing of Certain Vessels, Aircraft, and Vehicles.—The conferees agree to include a provision recommended by the Senate requiring prior Congressional approval of appropriations for leasing of certain vessels, aircraft, or vehicles for a term of longer than 18 months. The conferees also agree to delete similar provisions in both bills which included a conflicting 3 year time period.

Warranties.—The Conferees agree to provide no general provision on warranties since permanent warranty legislation has been enacted in the Department of Defense Authorization Act of 1985.

Coal use at U.S. defense installations in Europe.—The Committee recommends a new general provision because it is increasingly concerned over the security of energy sources for U.S. defense installations in Europe. Recent incidents which involved the destruction of, and threats to, oil cargo vessels in the Persian Gulf, including those transporting oil for such defense installations, and the uncovering of information on terrorist intent to disrupt strategic pipelines, strongly indicate the need for a redetermination of energy policy at USAREUR.

The Committee views the continued use of natural gas (increasingly from the Soviet Union), oil from crisis areas, and other potentially vulnerable energy sources as inadvisable in the context of current international situations.

Of specific concern at this time is the increased dependence on commercial or district heat sources located off military reservations, allowing for additional reliance on non-U.S. energy sources. Further, the consistently declining use of U.S. coal by the Department, particularly in Army and Air Force installations under the coordination of USAREUR, especially with reference to new district heating connections, is not regarded as consistent with U.S. Government coal use policy.

The new general provision will eliminate further funding for consolidation or conversion of facilities to this source, with the possible exception of certain ongoing projects where negotiations are advanced and reversal of such plans would inconvenience Army planning. Those projects in USAREUR as identified by the Department of the Army are Babenhausen, Bad Nauheim, Bad Toelz, Kitzingen, Darmstadt (3), Dexheim, Frankfurt (2), Fulda, Garmisch, Giessen (4), Heilbronn (2), Idar-Oberstein, Ludwigsburg, Nabollenbach, Neckarsulm, Pirmasens, Kaiserslautern, Schwaebisch Hall, Wildfecken, Wiesbaden, and Wuerzburg. The conferees agree that these projects are individually items of special interest to the Appropriations Committees and therefore require the approval of the appropriating committees prior to signing any contracts or obligation of any funds.

Realizing there may be circumstances whereby conversion to district heating is unavoidable, the conferees direct the Department of Defense to vigorously study measures to offset any resulting diminished use of U.S. coal by increasing coal use at other U.S. military installations worldwide, with the goal of maintaining DoD consumption of coal at stable and steady levels.

The Committee directs that to offset the anticipated decline of U.S. coal use at USAREUR, the Department of the Army continue with its plans to use bituminous coal as the energy source at an ongoing construction program at the U.S. Military Academy at West Point, N.Y., and that anthracite be used at an ongoing modernization and expansion of facilities at New Cumberland, Pa.

While the Department of Defense maintains alternate source plans for natural gas in the event of state of emergency or wartime circumstances, and maintains a strategic stockpile of oil, its coal contingency planning for such circumstances is considered inadequate, with reliance on the commercial economy of a foreign nation whose own wartime requirements would accelerate. The Committee, therefore, directs that from available funds a 1-year strategic stockpile of U.S. anthracite and bituminous coal for Europe be acquired, with total tonnage to be determined from an average of the totals for 3 previous fiscal year requirements. The acquisition of the strategic stockpile will begin as part of the normal fiscal year 1985 procurement for Europe, continuing in equal one-fourth increments for the 3 succeeding fiscal years. Further, it is directed that the stockpile be purchased and maintained in Europe for war reserve status exclusively, irrespective of a normal multi-purpose reserve, and not be used as part of normal supply and demand. The conferees further agree that the Secretary of Defense should ensure that the additional coal stockpiled in Europe is done so within available space, and the Department should report on the additional cost of transporting and storing this additional stockpile overseas.

Variable Housing Allowance Windfalls.—The Senate included a provision ot eliminate payment of Variable Housing Allowances (VHA) in excess of actual housing costs. The House did not address the issue. The conferees agree housing compensation of members of the uniformed services stationed in the United States and abroad needs to be reassessed. However, the House conferees believe permanent changes in these programs should await the completed studies of military housing allowances by the General Accounting Office, the Defense Inspector General, and further review by

the four committees involved in oversight of these programs.

The conferees agree to remove the Senate provision eliminating VHA payment in excess of actual costs. Nonetheless, the conferees believe payment of VHA windfalls cannot be allowed to continue and direct the Defense Department to include legislation to eliminate such payment and delete funds which would allow such payment in the fiscal year 1986 budget request. The DOD should calculate windfall savings as the actual spending of VHA recipients who are overcompensated for their costs versus the actual compensation. If time is not sufficient to collect the necessary data, an assessment of windfall savings can be made using a sampling survey. Average utility costs by location can be used instead of actual costs.

Communications and Electronic Component Repair.—The Army shall conduct no new operations in the continental United States relating to the repair of communications and electronic components at facilities other than Tobyhanna and Sacramento until it studies present and projected needs for this work and the impact of any additional operations on Tobyhanna and Sacramento taking into account the temporary removal of manpower limits.

The study is to be submitted to the Appropriations Committees within 3 months. The study will examine the advisability and impact of the planned GOCO facility at Lexington Blue Grass Army Depot on Tobyhanna and Sacramento.

It shall include a review of whether this facility will reduce current workload levels at Tobyhanna and Sacramento or impede the normal workload increase projected for Tobyhanna and Sacramento by the Army's expected additional electronics and communications repair work, up to the highest reasonable level of efficiency which can be performed at these facilities.

The conferees, therefore, agree to delete the provision proposed by the House.

Foreign Selling Costs.—In agreeing to the Senate provision concerning foreign selling costs, the conferees feel that the issue could be reconsidered in the next supplemental appropriations request if the Secretary of Defense certifies the cost effectiveness of a change in the existing regulations.

Sea Launched Cruise Missiles.—The House included language which subjected funds made available in the appropriation act for deployment of nuclear sea launched cruise missiles to all the limitations, restrictions and conditions set forth in the House passed authorization bill for fiscal year 1985. The Senate included no such provision. The conferees agreed to delete the House provision.

The conferees note the existence of a sharp division in the approaches taken to the arms control problems posed by the deployment of nuclear-capable sea-launched cruise missiles on naval submarines and surface ships.

In view of the deployment of nuclear-armed sea-launched cruise missiles by the Soviet Union since 1962, and the absence of existing reliable means whereby the presence (or absence), range, warhead or capabilities of sea-launched cruise missiles can be verified, the conferees do not believe that a moratorium on the deployment of nuclear-armed Tomahawk sea-launched cruise missiles would be consistent with the national security interest of the United States.

The conferees support an early resumption of the Strategic Arms Reduction Talks (START) and the Intermediate Range Nuclear Force (INF) negotiations, and urge the Soviet Union to drop its preconditions to the resumption of these important negotiations. The conferees believe that discussions on limitations of nuclear sea-launched cruise missiles should be included in the appropriate negotiations. However, the conferees recognize that the characteristics of sea-launched cruise missiles would seriously complicate the negotiation of effective verification of such limitations. The United States is, and the conferees believe that the Soviet Union should be, willing to accept those intrusive on-site inspection procedures necessary for effective verification as an integral part of mutual and verifiable arms reductions. Therefore, the conferees urge that means whereby limitations on sea-launched cruise missiles could be effectively verified be pursued as a matter of the highest priority, and direct that the Congress be fully informed about the status of programs in this regard.

Toward this end, the conferees direct the President to submit a report to the Congress by March 15, 1985, that will:

(1) describe an arms control method by which it would be possible to determine whether a cruise missile designed to be launched from a naval vessel is conventionally armed or nuclear armed and by which it would be possible to effectively verify an arms control limitation on the number of cruise missiles that are armed with nuclear warheads and deployed on naval vessels; and

(2) state whether the Joint Chiefs of Staff and the Director of Central Intelligence have agreed that the method described would be a high-confidence method as applied by the United States to cruise missiles of another nation and would be an acceptable method for use when applied by another nation to cruise missiles of the United States.

Introduction of United States Armed Forces Into Central America for Combat.—The House included a prohibition against the introduction of United States combat troops into Central America. The Senate included no such language.

The conferees have included a sense of the Congress provision stating that United States Armed Forces should not be introduced into or over the countries of Central America. The language is similar to language contained in the Defense Authorization Act, 1985.

Humanitarian and Civic Assistance Costs.—The conferees agree to include the Senate provision providing authority for use of operation and maintenance funding for humanitarian and civic assistance costs incidental to authorized operations.

The conferees emphasize the limited nature of this authority in addition to constraints imposed by the Senate report language. The only use of this authority being granted is with Joint Chiefs of Staff directed or coordinated exercises overseas. Costs associated with humanitarian and civic assistance must be included as a part of the funding available for any single JCS exercise subject to the constraints for exercise funding discussed elsewhere in this report. Additional uses of this authority must receive the prior approval of both the House and Senate Committees on Appropriations.

The conferees also have included a provision providing clear authority for existing Army Civic Action Teams providing support to the Trust Territories of the Pacific Islands.

M-1 Tank Engine (AGT-1500) Second Source Competition.—The Senate bill includes a general provision repealing the statutory prohibition to the establishment of a second source of production for the M-1 tank engine. The House had no similar provision. The conferees do not agree to the lifting of the second source restriction. The conferees agree that the Army may continue to study the advisability of establishing a second source.

Hawaiian Milk.—The Senate added language which prohibits purchase of milk by the Department which was pasteurized more than 72 hours before acceptance. The House included no such language. The conferees agree to delete the Senate provision. The Department is directed to perform a study of this issue which addresses the problem of freshness, price differentials between Hawaiian and mainland milk, and adverse impacts on the Hawaiian economy. In addition, the Department is directed to study the processing of milk utilizing ultra high temperature (UHT) procedures. The Department should provide results of these studies to the Appropriations Committees of the House and Senate by April 1, 1985.

CHAMPUS Dental Care.—The conferees agree to delete the Senate provision for CHAMPUS dental care. The conferees also agree that the Assistant Secretary of Defense for Health Affairs should study the need for CHAMPUS dental benefits for the dependents of active duty military personnel and report on the cost and feasibility of implementing such a program.

National Defense Stockpile.—The conferees agree that the Department of Defense must follow existing law with respect to the disposal of silver from the strategic silver stockpile and have deleted the Senate bill language.

Overseas Station Allowances.—The conferees agree to the Senate provision concerning station housing allowances in Alaska and Hawaii with an amendment clarifying the conferees' intent.

Contingency Funding for Unified and Specified Commands—Although both the House and the Senate deleted language requested by the Department permitting the utilization of Operation and Maintenance funding for any purpose (including procurement or research and development) simply upon the determination of the Commanders-in-Chief (CINC's) of the Unified and Specified Commands, the conferees agree that unforeseen urgent readiness requirements should be accomplished in a timely fashion. The conferees have, therefore, included a general provision permitting Operation and Maintenance funds to be used for such emergent requirements, but stipulating that such use be limited to traditional Operation and Maintenance expenses. The conferees note that regardless of the new authorities provided in this bill or in section 304 of the fiscal year 1985 Defense authorization bill, the Department must comply with existing reprogramming procedures and should consider use of the new transfer authority included in either this or the authorizing bill to be an item of special congressional interest.

Purchase of European NATO weapons.—The conferees agree to language which requires notification to the Committees on Appropriations of the House and Senate of any purchase of European NATO weapons, subsystems or munitions by the Defense Director of Test and Evaluation pursuant to section 1002(e)(2)(A) of the Department of Defense Authorization Act, 1985.

Consultants Limitation.—The conferees agree to the Senate bill language which re-

duces funds available for obligation pertaining to consultants, studies and analyses, contract management support services and other such advisory or assistance related contract efforts. While the Department of Defense budget exhibits attempt to justify $1,300,000,000 of such costs, independent analyses indicate that expenditures for these services exceed $15,000,000,000 in the Defense Department alone. Previous attempts to control consulting services and contract management support contracts have invariably resulted in the Defense Department treating recommendations as general reductions. Clearly, the Congress never intended to apply a recommended reduction directed toward such contracts in any other area.

The Senate provision will require the Defense Department to review all contracts subject to the SF 279 reporting requirements and assure that no more than $14,000,000,000 is expended for consultants, studies, analyses, management support services, or other advisory and assistance efforts. The Department is required to report to the Committees on the savings attained by this effort and identify the areas where the savings are applied.

PCS Reimbursements.—The Senate added a general provision which allows the Department, within available funds, to increase the mileage allowance for members of the uniformed services in connection with permanent change of station (PCS) travel and to provide for the payment of temporary lodging expenses for such members who are in an enlisted pay grade below E-8. The House included no such language. The conferees agree to allow the Department to fund the increase in mileage from 13 to 15 cents from within funds available for PCS travel. The conferees agree not to allow the Department to fund temporary lodging expenses.

The conferees believe if this new benefit is necessary, the Defense Department should use existing PCS funds and provide the new benefit for at least six months of fiscal year 1985 by curtailing PCS moves. If he chooses to implement this change, the Secretary of Defense is instructed to report on the long term costs and on how moves will be curtailed to provide funds for the program.

Amendment No. 33: Deletes Senate language which would have required a report on September 30, 1985 on obligations incurred for humanitarian and civic assistance costs. This issue is addressed in amendment number 32.

Amendment No. 34: Deletes Senate language which would have provided an increase in the mileage allowance and reimburse subsistence expenses incurred by a member of the uniform services in a pay grade below E-8 while occupying temporary quarters incident to a change of permanent station. This issue is addressed in amendment number 32.

Amendment No. 35: Deletes Senate language which would have provided for a study to update the report entitled "Military Spouse and Family Issues, Europe, 1982". This issue is addressed in amendment number 32.

Amendment No. 36: Deletes Senate language which would have withheld from apportionment funds appropriated for consultants, studies, analyses, management support services or other advisory and assistance services in the amount of $1 billion. This issue is addressed in amendment number 32.

Department of Transportation and Related Agencies Appropriation Act

Amendment No. 37: Deletes language proposed by the House and Senate and inserts new language relating to the rate for operations for projects or activities provided for in the Department of Transportation and Related Agencies Appropriation Act, 1985.

The House version of H.J. Res. 648 provides appropriations for activities of the Department of Transportation and related agencies at a rate for operations not in excess of the current rate or the rate provided for in the budget estimates, whichever is lower. The Senate version of the Joint Resolution provides appropriations for these activities at the rate and in the manner provided in S. 2852 as reported to the Senate on July 17, 1984. The conference agreement incorporates some of the provisions of both the House and Senate versions of the Joint Resolution and has the effect of enacting the Department of Transportation and Related Agencies Appropriation Act, 1985, into law. The conferees agree that language included in House Report 98-859 or Senate Reports 98-561 or 98-634 shall be controlling unless otherwise addressed in the statement of the managers.

The conference agreement incorporates the provisions of S. 2852 in accordance with the following agreements:

TITLE I—DEPARTMENT OF TRANSPORTATION

Office of the Secretary

SALARIES AND EXPENSES

Appropriates $50,000,000 instead of $41,275,000 as proposed by the House and $50,592,000 as proposed by the Senate.

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

Appropriates $5,700,000 instead of $4,878,000 as proposed by the House and $6,754,000 as proposed by the Senate.

Inserts language related to contract awards for a methane conversion study as authorized by section 152 of the Surface Transportation Assistance Act of 1982.

The conferees are pleased to note the substantial improvement in Amtrak's financial performance over recent years. Amtrak will cover a projected 58 percent of its operating costs in 1985 compared to only 42 percent in 1976. This progress has been due, in large measure, to the revenue-cost ratio performance requirements that have been stipulated in Federal law. The conferees are also aware that a similar revenue-cost ratio approach has been used successfully in Canada with respect to the allocation of mass transit operating assistance.

With the advent of the Section 15 mass transit reporting system and the standardized financial and operating data it generates, the conferees are interested in the technical feasibility of establishing a minimum operating revenue-operating cost performance standard for U.S. transit systems. Such a standard could be set as a minimum requirement for receiving Federal operating assistance and might serve to assuage those who argue that the Federal government should not provide mass transit operating assistance because the Federal government has no influence over local operating costs and revenues.

The conferees direct the Department to submit a report to Congress no later than March 1, 1985, assessing the policy implications and technical feasibility of requiring transit properties to meet a minimum operating revenue-operating cost ratio as a condition of receiving Federal operating assistance. In addition to a discussion of the policy-related pros and cons of such an approach, this report should describe the suitability of Section 15 data for this purpose; the types of operating costs and operating revenues that could be used in this calculation; a listing of transit properties that have revenue-cost ratios (based on most recent data) below 45 percent, below 50 percent, and below 55 percent; and the minimum revenue-cost ratio that the Department believes would be appropriate if such a standard were set.

This report should also contain an explanation of the Canadian (Ontario) method of allocating operating subsidies to individual cities, the reasons why such an approach was first adopted, and any "before and after" data available that would indicate the success or failure of this approach.

LIMITATION ON WORKING CAPITAL FUND

Limits operating costs and capital outlays of the working capital fund to $65,500,000 as proposed by the Senate instead of $66,001,000 as proposed by the House.

Coast Guard

OPERATING EXPENSES

Appropriates $1,740,000,000 as proposed by the Senate instead of $1,665,256,000 as proposed by the House.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

Appropriates $344,500,000 as proposed by the Senate instead of $362,000,000 as proposed by the House.

The conference agreement includes the following amounts:

Vessels	$179,944,000
Aircraft	38,300,000
Shore facilities	86,806,000
Aids-to-navigation	13,450,000
Administration	26,000,000

Within the amount provided, the conferees expect the Coast Guard to comply with the project distribution outlined in House Report 98-859 as modified by Senate Reports 98-561 and 98-634, with the following exceptions:

An additional $17,400,000 for C-130 aircraft "PILOCs";

$13,000,000 for survey and design work at Cold Bay, Alaska instead of $15,000,000 for Dutch Harbor, Alaska; and

A total of $73,350,000 for the 378-foot cutter renovation and modernization program.

The conference agreement also inserts language proposed by the Senate regarding contract warranties and deletes language proposed by the Senate regarding the issuance of contracts for vessel repairs on the West Coast.

The conferees concur in the language included in Senate Report 98-634 regarding aerostat procurements and urge the timely lease of one additional radar aerostat surveillance system and the procurement of three aerostat radar balloons within available funds.

RETIRED PAY

Appropriates $330,800,000 as proposed by the Senate instead of $334,800,000 as proposed by the House.

RESERVE TRAINING

Appropriates $58,833,000 as proposed by the Senate instead of $54,805,000 as proposed by the House.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

Appropriates $23,000,000 instead of $22,500,000 as proposed by the House and $23,500,000 as proposed by the Senate.

NATIONAL RECREATIONAL BOATING SAFETY AND FACILITIES IMPROVEMENT FUND

Appropriates $13,625,000 to liquidate contract authority obligations instead of $12,500,000 as proposed by the House and $14,750,000 as proposed by the Senate.

Limits obligations to $13,750,000 for the national recreational boating safety program instead of $12,500,000 as proposed by the House and $15,000,000 as proposed by the Senate.

FEDERAL AVIATION ADMINISTRATION

HEADQUARTERS ADMINISTRATION

Appropriates $66,900,000 instead of $56,900,000 as proposed by the House and $68,900,000 as proposed by the Senate.

OPERATIONS

Appropriates $2,622,600,000 as proposed by the Senate instead of $2,530,000,000 as proposed by the House.

The Federal Aviation Administration is directed to report immediately to the House and Senate Committees on Appropriations if the conference agreement level will result in the reeducation of any personnel essential to the operation of a safe and effective air traffic control system.

The conferees direct the Federal Aviation Administration to submit, no later than December 1, 1984, an updated facility consolidation report similar to the report submitted pursuant to section 319 of Public Law 98-78.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

Appropriates $1,370,000,000 instead of $750,000,000 as proposed by the House and $1,492,000,000 as proposed by the Senate.

The conferees agreement represents an 82.7 percent increase over the level provided for fiscal year 1984. The conferees direct that, in making necessary adjustments to the fiscal year 1985 facilities and equipment funding plan, the Federal Aviation Administration shall give the highest priority to the continued funding of safety-related projects.

The conferees direct the Secretary to submit a report to the House and Senate Appropriations Committees by November 15, 1984, describing the adjustments made to the facilities and equipment funding plan presented in the President's budget to meet the funding level provided in the conference agreement. Such report shall break down these adjustments to the project level and shall contain an explanation for each adjustment. This report should also discuss the near-term impact of these adjustments on the safety of the national airspace system. If significant safety problems are alleged, such report should contain an explanation of the potential problem along with recommended corrective action.

The conferees intend that, of the $5,000,000 provided in the conference agreement to continue the airway science curriculum program, $1,000,000 is to be made available to the University of North Dakota to complete its aerospace sciences project. Furthermore, the conferees expect the FAA to expedite the award of funds previously set aside for a minority institution.

RESEARCH, ENGINEERING AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

Appropriates $265,000,000 instead of $263,452,000 as proposed by the House and $266,000,000 as proposed by the Senate.

The conference agreement includes $16,500,000 for aviation weather research as proposed by the Senate.

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

Appropriates $810,000,000 to liquidate contract authority obligations as proposed by the Senate instead of $745,000,000 as proposed by the House.

Limits obligations for airport development and planning grants to $925,000,000 instead of $800,000,000 as proposed by the House and $987,000,000 as proposed by the Senate.

In addition to the airports listed in House Report 98-859 and Senate Report 98-561, the conferees direct that priority be given to grant applications involving construction or further development at the following airports: Tupelo, Mississippi; Evansville Dress Regional Airport, Indiana; Tulsa-Jones Airport, Oklahoma.

OPERATION AND MAINTENANCE, METROPOLITAN WASHINGTON AIRPORTS

Appropriates $35,931,500 as proposed by the Senate instead of $34,557,000 as proposed by the House.

CONSTRUCTION, METROPOLITAN WASHINGTON AIRPORTS

Appropriates $13,000,000 as proposed by the Senate instead of $13,500,000 as proposed by the House.

AIRCRAFT PURCHASE LOAN GUARANTEE PROGRAM

Limits the total amount that can be borrowed from the Secretary of the Treasury to pay off defaulted loans to $125,000,000 in lieu of a limitation of $150,000,000 outstanding at any one time as proposed by the Senate.

FEDERAL HIGHWAY ADMINISTRATION

LIMITATION ON GENERAL OPERATING EXPENSES

Limits general operating expenses to $204,891,000 as proposed by the Senate instead of $201,700,000 as proposed by the House.

Provides $5,000,000 for the establishment and implementation of a demonstration bonding program for economically and socially disadvantaged businesses.

RAILROAD-HIGHWAY CROSSINGS DEMONSTRATION PROJECTS

Appropriates $15,000,000 as proposed by the Senate. The conference agreement includes the following amounts:

Lafayette, Ind	$7,000,000
Pine Bluff, Ark	1,400,000
Lincoln, Neb	1,800,000
Springfield, Ill	2,800,000
Carbondale, Ill	500,000
Brownsville, Tex	1,500,000

INTERMODAL URBAN DEMONSTRATION PROJECT

Appropriates $2,750,000 to carry out the provisions of section 124 of the Federal-Aid Highway Amendments of 1974.

AUTO-PEDESTRIAN SEPARATION DEMONSTRATION PROJECT

Appropriates $1,750,000 as proposed by the Senate.

FEDERAL-AID HIGHWAYS

Appropriates $12,800,000,000 to liquidate contract authority obligations as proposed by the Senate instead of $11,600,000,000 as proposed by the House.

Limits Federal-aid highway obligations to $13,250,000,000 instead of $12,520,000,000 as proposed by the House and $13,550,000,000 as proposed by the Senate.

Inserts language as proposed by the Senate exempting Zilwaukee Bridge obligations from this limitation.

The conferees expect that the discretionary funds under the interstate transfer grants-highways program will be allocated to achieve the following program levels in fiscal year 1985:

Tucson, Ariz	$8,422,650
Denver, Col	33,261,000
Chicago, Ill	136,000,000
Iowa	31,232,000
Baltimore, Md	70,000,000
Duluth, Minn	21,280,000
Minneapolis-St. Paul, Minn	30,720,000
Omaha, Neb	9,000,000
State of New York	25,000,000
Portland, Oreg	37,300,000
Washington, D.C	21,900,000

The conferees recognize that delays in some regions' projects might necessitate adjustments to the above allocations. The conferees expect these adjustments, if required, to be accomplished through the normal reprogramming process.

RIGHT-OF-WAY REVOLVING FUND

Limits direct loans to $50,000,000 as proposed by the Senate instead of $30,000,000 as proposed by the House.

MOTOR CARRIER SAFETY

Appropriates $14,066,000 as proposed by the Senate instead of $13,020,000 as proposed by the House.

MOTOR CARRIER SAFETY GRANTS

Appropriates $14,000,000 instead of $8,000,000 as proposed by the House and $16,000,000 as proposed by the Senate.

ACCESS HIGHWAYS TO PUBLIC RECREATION AREAS ON CERTAIN LAKES

Appropriates $5,000,000 as proposed by the Senate.

WASTE ISOLATION PILOT PROJECT ROADS

Appropriates $16,400,000 as proposed by the Senate.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

OPERATIONS AND RESEARCH

Appropriates $82,350,000 instead of $78,300,000 as proposed by the House and $84,850,000 as proposed by the Senate.

The conference agreement includes the following amounts:

Rulemaking	$7,000,000
(O&R positions)	(84)
Enforcement	11,500,000
(O&R positions)	(98)
Highway safety	13,200,000
(O&R positions)	(98)
(402 positions)	(80)
Research and analysis	41,175,000
(O&R positions)	(144)
Office of the administrator	2,475,000
(O&R positions)	(40)
(402 positions)	(7)
General administration	7,000,000
(O&R positions)	(78)
(402 positions)	(11)

HIGHWAY TRAFFIC SAFETY GRANTS

Appropriates $125,000,000 to liquidate contract authority obligations for various highway safety grant programs as proposed

by the Senate instead of $118,000,000 as proposed by the House.

Limits obligations for the State and community highway safety formula grant program to $100,000,000 as proposed by the Senate instead of $98,100,000 as proposed by the House. This limitation is further addressed in a subsequent amendment.

Limits obligations under the alcohol safety incentive grant program (section 408) to $50,000,000 as proposed by the Senate instead of $37,950,000 as proposed by the House.

FEDERAL RAILROAD ADMINISTRATION

OFFICE OF THE ADMINISTRATOR

Appropriates $10,700,000 as proposed by the Senate instead of $11,051,000 as proposed by the House.

RAILROAD SAFETY

Appropriates $26,061,000 as proposed by the Senate instead of $26,691,000 as proposed by the House.

The conference agreement distributes these funds as follows:

Federal enforcement	$22,161,000
(Positions)	(379)
Rail safety grants	$1,900,000
Automated track inspection	[1] $800,000
Regulation and administration	$2,000,000
(Positions)	(66)

[1] Carryover funds.

RAILROAD RESEARCH AND DEVELOPMENT

Appropriates $15,525,000 as proposed by the Senate instead of $15,653,000 as proposed by the House.

RAIL SERVICE ASSISTANCE

Appropriates $23,200,000 as proposed by the Senate instead of $8,357,000 as proposed by the House.

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

Appropriates $27,800,000 instead of $10,000,000 as proposed by the Senate. The House provided $100,000,000 for this program in section 101(f).

These funds are to be distributed as follows:

Union and Warren Street bridges	$2,400,000
New York tunnel electrical and mechanical	1,700,000
Reverse signaling: Philadelphia-Morrisville	5,900,000
Concrete ties	17,800,000

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

Appropriates $684,000,000 instead of $680,000,000 as proposed by the House and $700,000,000 as proposed by the Senate.

This funding level was derived from the following assumptions:

Operations:	
Section 403(b)	$59,000,000
Section 403(d)	19,000,000
Wage/price increases	74,300,000
Other operating costs	1,332,700,000
Revenue for operations	−846,000,000
Operating grant requirement	639,000,000
Labor protection	2,000,000
Capital program	144,000,000
Revenue for capital	−25,000,000
Carryover funds	−46,000,000
NEC purchase funds	−4,000,000
Locomotive sale	−6,000,000
Jobs bill carryover	−20,000,000
Capital grant required	43,000,000

Of the funds provided, up to $4,000,000 is made available to alleviate operating problems at Amtrak's Northeast Corridor bridge over the Bush River in Maryland. The conferees intend that these funds be used to eliminate, in the most cost-effective manner possible, schedule delays and operating costs that Amtrak experiences from opening this bridge for boaters. It is further intended that the current bridge opening schedule not be expanded after completion of the automation project.

The conference agreement provides that the 40 percent local share required for the West Side Connection project may be derived from "non-Amtrak" funds as proposed by the Senate. The conferees intend that the Secretary, in making the required local share certification, may allow non-Amtrak Federal funds to be counted against the local share up to a maximum total project cost of $50,000,000 (excluding right-of-way acquisition costs). Should the total project cost exceed $50,000,000, the conferees direct the Secretary to impose a stricter definition of local funds to exclude the use of any Federal funds for that portion of the local share required to match total project costs exceeding $50,000,000.

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING FUNDS

Limits total commitments to guarantee new loans to $2,500,000 instead of $5,000,000 as proposed by the Senate. The conference agreement inserts language authorizing the Secretary of the Treasury to issue notes or other obligations pursuant to section 512 of Public Law 94-210, as amended, in amounts not to exceed $100,000,000.

URBAN MASS TRANSPORTATION ADMINISTRATION

ADMINISTRATIVE EXPENSES

Appropriates $31,000,000 instead of $29,200,000 as proposed by the House and $31,400,000 as proposed by the Senate.

RESEARCH, TRAINING, AND HUMAN RESOURCES

Appropriates $51,000,000 instead of $44,800,000 as proposed by the House and $54,800,000 as proposed by the Senate.

The conference agreement includes the following amounts:

Research and technical assistance	$29,300,000
New technology	6,000,000
Service and methods	5,000,000
Management training	1,200,000
University research	2,000,000
Human resources	7,500,000

The conference agreement for university research includes $300,000 for the continuation of the Long-Range Future of Public Transportation in Large Cities Study being conducted by the New York University Center for Urban Research.

The conferees concur in the directive contained in House Report 98-859 to expand UMTA's demonstration bonding program.

FORMULA GRANTS

Appropriates $2,449,500,000 instead of $2,389,500,000 as proposed by the Senate and $2,388,592,000 as proposed by the House.

Inserts language proposed by the Senate prohibiting the use of funds for planning, preliminary engineering and design, or construction of the proposed light rail line or subway in the Detroit area until a source of operating funds has been approved in accordance with Michigan law.

DISCRETIONARY GRANTS

Limits obligations to $1,120,000,000 as proposed by the Senate instead of $1,100,000,000 as proposed by the House.

The conference agreement includes the following amounts:

Bus and bus facilities	$130,000,000
Existing rail modernization and extensions	487,500,000
New systems and new extensions	422,500,000
Planning	50,000,000
Elderly and handicapped	25,000,000
Innovative techniques and technology introduction	5,000,000

The conference agreement includes the following amounts for new systems and new extensions:

Portland (light rail)	$19,000,000
Seattle (bus tunnel)	20,000,000
Detroit (automated system)	5,000,000
Miami (rail construction and circulator)	49,000,000
Santa Clara (light rail)	64,800,000
Atlanta (rail construction)	95,000,000
Los Angeles (rail construction)	117,200,000
Houston (busways)	35,000,000
Jacksonville (People mover)	1,800,000
St. Louis (engineering)	10,000,000
Buffalo (light rail)	2,700,000
San Diego (light rail)	3,000,000

The "new start" projects designated by the conferees all have strong local support as demonstrated by the extensive testimony given during the course of the House and Senate appropriations hearings. That testimony showed convincingly that these projects are considered vital to the transportation and urban development goals of those cities.

The conferees are very much aware, however, that the total cost of these projects far exceeds what can reasonably be expected to be available under the existing Discretionary Grant program. According to UMTA estimates, the full dollar demand for new start projects which are at or beyond the preliminary engineering stage is four times greater than available authorizations. The demand for other projects undergoing study could be more than ten times greater than available authorizations.

The conferees believe these demand figures attest to the growing awareness that fixed guideway transit systems are integral to the future growth and development of American cities. Well planned and well designed rail transit projects can contribute significantly to the economic vitality of our large cities, which is an important national objective. In addition, such systems should help us conserve energy, reduce air pollution, and provide essential mobility to the socially and economically disadvantaged. The conferees are pleased that increased national interest is being shown in such projects and intend to make future funding allocations in a way that will promote such interest.

At the same time, the conferees acknowledge that the Federal Government cannot and should not bear the entire load of financing these new systems. By necessity and by design, the conferees expect the Federal role in mass transit to shift increasingly to promoting and planning sound fixed guideway transit projects and to leveraging state, local and private resources to con-

struct these projects. In this regard, it is essential that significant new non-Federal financial sources be developed if the projects currently being planned are to be constructed.

The conferees reiterate that funding earmarks, absent a letter of intent or full funding contract approved by the Appropriations Committees, do not represent long-term commitments to fund any projects to completion. In planning for transit new start projects, the conferees fully expect the transit properties involved to develop viable funding plans which include realistic assessments of future Federal funding. The conferees have attempted to cooperate with interested parties to make such assessments and will continue to cooperate in this manner.

The conferees have also followed with interest UMTA's efforts to develop quantitative criteria with which to evaluate new start proposals. The conferees believe this to be a useful exercise which, if properly designed, can greatly aid Congress in allocating scarce resources. The conferees note, however, that considerable disagreement and dissatisfaction exist within the transit community regarding UMTA's current proposed criteria. The conferees expect UMTA to continue its dialogue with interested parties to achieve a general consensus on final criteria that are, at a minimum, technically unassailable.

It is also the conferees' belief that any criteria should be only advisory in nature. To legislate criteria would be too restrictive in judging projects which can vary widely in terms of benefits, costs, and configuration. If technically sound criteria can be developed that are generally acceptable to the transit community, the conferees intend to use such ratings as a major tool for making future new start allocations.

The conference agreement includes language proposed by the House prohibiting the use of Discretionary Grant funds for the proposed Woodward Corridor light rail project in the Detroit area. This limitation does permit the use of funds necessary to update alternative analysis studies for this project.

The conference agreement includes language proposed by the Senate exempting from the limitation any authority for section 21(a)(2)(B) previously made available for obligation.

LIQUIDATION OF CONTRACT AUTHORIZATION

Appropriates $450,000,000 to liquidate contract authority obligations as proposed by the Senate instead of $242,000,000 as proposed by the House.

INTERSTATE TRANSFER GRANTS—TRANSIT

The conferees expect that the discretionary funds under this program will be allocated to achieve the following total program levels for fiscal year 1985:

Chicago	$130,691,650
Baltimore	32,000,000
Sacramento	25,081,250
Boston	13,160,700
Cleveland	6,353,200
San Francisco	5,817,500
Memphis	2,775,000
Waterloo	1,123,750
Duluth	1,723,200
Washington, DC	598,750
Albany	158,750
New Jersey	828,750
Indianapolis	1,375,000
Fall River to Providence	97,500
New York City	680,000
Rhode Island	3,893,750
Hartford-New Britain	22,980,000
Killingly	37,500
Portland	623,750

The conferees recognize that delays in some regions' projects might necessitate adjustments to the above allocations. The conferees expect these adjustments, if requested, to be accomplished through the normal reprogramming process.

The conferees support completing the Sacramento Light Rail Project in fiscal year 1986.

WASHINGTON METRO

Inserts language proposed by the Senate directing the Secretary not to withhold approval of any construction grant request solely on the basis of any mileage limitation.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Limits administrative expenses to $1,822,000 as proposed by the Senate instead of $1,800,000 as proposed by the House.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

RESEARCH AND SPECIAL PROGRAMS

Appropriates $18,900,000 instead of $18,623,000 as proposed by the House and $20,394,000 as proposed by the Senate.

The conference agreement includes the following amounts:

Administrator	$138,000
Chief counsel	360,000
Program management and administration:	
Operations	1,750,000
Research and development	815,000
Emergency transportation:	
Operations	817,000
Research and development	285,000
Materials transportation bureau:	
Operations	8,860,000
Research and development	1,375,000
Pipeline safety grants	4,500,000

The provision contained in H.R. 5921 to eliminate the Research and Special Programs Administration and transfer its operating functions to other Department agencies is outside the scope of this conference and is therefore not addressed in the conference report. The conferees expect appropriate departmental officials to be prepared to fully justify in next year's budget hearings the cost-effectiveness of continuing the Research and Special Programs Administration should such a proposal be in the President's fiscal year 1986 budget estimate.

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriates $27,900,000 instead of $26,795,000 as proposed by the House and $27,956,000 as proposed by the Senate.

TITLE II—RELATED AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SALARIES AND EXPENSES

Appropriates $2,000,000 as proposed by the Senate instead of $1,900,000 as proposed by the House.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

Appropriates $21,700,000 as proposed by the Senate instead of $20,845,000 as proposed by the House.

CIVIL AERONAUTICS BOARD

SALARIES AND EXPENSES

Appropriates $5,600,000 as proposed by the Senate instead of $19,046,000 as proposed by the House.

PAYMENTS TO AIR CARRIERS

Appropriates $52,000,000 as proposed by the Senate instead of $50,800,000 as proposed by the House.

Inserts language proposed by the Senate earmarking $102,597, 50 percent of the cost to restore subsidized air service to Hazleton, Pennsylvania.

INTERSTATE COMMERCE COMMISSION

SALARIES AND EXPENSES

Appropriates $48,000,000 as proposed by the Senate instead of $53,966,000 as proposed by the House. Staffing for ICC offices is to be distributed as follows:

Office	Funds	Staff years
Commissioners and their offices	$3,000,000	65
Secretary	2,420,000	64
General Counsel	1,350,000	25
Proceedings	8,520,000	160
Hearings	825,000	12
Special counsel	475,000	7
Transportation analysis	1,720,000	30
Accounts	6,850,000	113
Traffic	3,900,000	90
Compliance and consumer assistance	13,200,000	260
Managing director	5,740,000	88

The conferees direct that the 65 staff years allocated for the seven Commissioners and their officers be distributed as follows:

	Staff years
Chairman's office	7
Other commissioner's offices	36
Chairman's satellite offices	22

PAYMENTS FOR DIRECTED RAIL SERVICE

Limits obligations to $1,000,000 as proposed by the Senate instead of $5,000,000 as proposed by the House.

PANAMA CANAL COMMISSION

OPERATING EXPENSES

Appropriates $406,346,000 as proposed by the Senate instead of $391,912,000 as proposed by the House.

CAPITAL OUTLAY

Appropriates $23,500,000 instead of $21,813,000 as proposed by the House and $27,900,000 as proposed by the Senate.

UNITED STATES RAILWAY ASSOCIATION

ADMINISTRATIVE EXPENSES

Appropriates $2,100,000 instead of $2,000,000 as proposed by the Senate. The House provided $2,100,000 in section 101(f).

TITLE III—GENERAL PROVISIONS

Inserts language proposed by the Senate prohibiting the use of funds to implement any change in status of the Transportation Systems Center, modified to also prohibit any planning activities related to changing the Center's current Federal status.

Inserts language proposed by the Senate prohibiting the use of funds to implement a rulemaking which would lower the annual passenger ceiling at Washington National Airport.

Inserts language proposed by the Senate providing for a distribution of funds under

the obligation limitation for Federal-aid highways.

Amendment No. 38: Modifies a provision inserted by the House to provide that programs, projects or activities provided for in the Treasury, Postal Service and General Government Appropriations Act, 1985 (H.R. 5798) will be provided for in accordance with the Conference Report (98-993) as passed the House of Representatives on September 12, 1984, with an exception providing that the amendments regarding the taxation of certain firearms and the exemption of certain items from Customs requirements will be considered as enacted into law.

Amendment No. 39: Inserts language proposed by the Senate regarding voter registration.

Amendment No. 40: Changes section number as proposed by the Senate.

Amendment No. 41: Deletes language proposed by the House providing for the continuation of certain transportation programs at the current rate of operation. These programs are addressed in amendment 37.

Amendment No. 42: Inserts the word "and" as proposed by the Senate.

CURRENT RATE FOR UNAUTHORIZED PROGRAMS

Amendment No. 43: Deletes language proposed by the House which would have provided for funding at the current rate for activities under title V of the Social Security Act; Section 427(a) of the Federal Coal Mine Health and Safety Act; Regional Offices of Facilities Engineering and Construction; and Title XXVI of the Omnibus Budget Reconciliation Act of 1981. These programs are funded under Amendment No. 18.

REFUGEE AND ENTRANT ASSISTANCE

Amendment No. 44: Restores language included by the House but stricken by the Senate which specifies that the rate of operations for refugee and entrant assistance activities shall be the lower of the current rate or the rate authorized by H.R. 3729 as passed by the House of Representatives.

It is the intent of the conferees that $50,000,000 will be available for the targeted assistance program in fiscal year 1985, and that the Department will expend new monies to fulfill the 1985 appropriations levels provided by this bill. The conferees express concern that the agency's delay in allocating and releasing funds until the third and fourth quarter of each year often leaves States and local entities without funds at the beginning of their program years, and direct the Department not to reduce any State or local entity's allotment on the basis of 1984 funds carried over or previously committed.

Further, the conferees expect the Department to continue to provide assistance to Jackson Memorial Hospital and Dade County for the health care and educational needs of refugees.

CURRENT RATE FOR UNAUTHORIZED PROGRAMS

Amendment No. 45: Deletes House language which would have provided for certain activities to be funded at the current rate, and inserts language providing for continuation of foster care and adoption assistance activities under existing terms and conditions; for emergency immigrant education activities at the current rate; and for Follow Through activities at an annual rate of $10,000,000.

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

Amendment No. 46: Deletes language and appropriation proposed by the House:

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS, ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND TENNESSEE

Amendment No. 47: Deletes appropriation of $2,000,000 as proposed by the House.

APPALACHIAN REGIONAL COMMISSION

Amendment No. 48: Deletes appropriation of $11,000,000 as proposed by the House.

Amendment No. 49: In lieu of the matter stricken and inserted by said amendment insert the following:

In the House engrossed Continuing Resolution strike out all beginning on page 11, line 19 through page 13, line 14, all inclusive.

Amendment No. 50: Deletes language proposed by the House.

Amendment No. 51: In lieu of the matter stricken and inserted by said amendment insert the following:

In the House engrossed Continuing Resolution strike out all beginning on page 13, lines 15 through 22, all inclusive.

Amendment No 52: Deletes language proposed by the House.

Amendment No. 53: In lieu of the matter stricken and inserted by said amendment insert the following:

In the House engrossed continuing Resolution strike out all beginning on page 16, lines 3 through 7, all inclusive.

Amendment No. 54: Deletes language proposed by the House and stricken by the Senate and deletes language proposed by the Senate.

Amendment No. 55: Deletes language proposed by the Senate.

Amendment No. 56: Deletes language proposed by the Senate.

Amendment No. 57: Deletes language proposed by the Senate.

Amendment No. 58: Deletes language proposed by the Senate.

Amendment No. 59: Deletes language proposed by the Senate.

Amendment No. 60: Deletes language proposed by the Senate.

Amendment No. 61: Deletes language proposed by the Senate.

Amendment No. 62: Deletes language proposed by the Senate.

Amendment No. 63: Deletes language proposed by the Senate.

Amendment No. 64: Deletes language proposed by the Senate.

Amendment No. 65: Deletes language proposed by the Senate.

Amendment No. 66: Deletes language proposed by the Senate.

Amendment No. 67: Deletes language proposed by the Senate.

Amendment No. 68: Deletes appropriation of $740,000 as proposed by the Senate.

Amendment No. 69: Deletes language proposed by the House and stricken by the Senate relating to the sale of electric power generated at facilities constructed pursuant to 38 Stat. 242, 1913.

Amendment No. 70: Deletes language proposed by the Senate.

Amendment No. 71: Deletes language proposed by the Senate.

Amendment No. 72: Deletes language proposed by the Senate.

Amendment No. 73: In lieu of the matter stricken and inserted by said amendment insert the following:

In the House engrossed Continuing Resolution strike out all beginning on page 20, line 10 through 17 all inclusive.

TENNESSEE VALLEY AUTHORITY

Amendment No. 74: Deletes language proposed by the House.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Amendment No. 75: Restores language proposed by the House and stricken by the Senate extending the Federal Emergency Management Agency's Federal crime insurance program for one year, from October 1, 1984 through September 30, 1985. It is the intent of the conferees that this is the final extension of the Federal crime insurance program.

The Committee on Appropriations will not provide any further extension of the authority beyond September 30, 1985. Therefore, the conferees urge any State or jurisdiction not providing an alternative program to implement such a program as soon as possible.

ENVIRONMENTAL PROTECTION AGENCY

Amendment No. 76: Inserts language proposed by the Senate appropriating $13,000,000 for refinancing up to 60 percent of the bond debt of the Akron, Ohio recycle energy system. A provision has been included to assure that the Federal government shall have access to the Akron facility as a laboratory for municipal waste to energy research.

The conferees strongly support the Senate's denial of EPA's proposed reprogramming of $7,000,000 for EDB disposal and indemnification costs. These funds should be utilized for the State grants and other program activities as originally intended by the Congress and specified in the conference report accompanying the 1985 HUD-Independent Agencies Appropriation Act (Public Law 98-371). The committee of conference expects the Administration to submit to the Congress a supplemental budget request for additional funds required to meet critical disposal and indemnification costs resulting from the EDB ban.

The conferees agree with the Senate language directing that up to $165,000 of existing funds he made available for feasibility and design studies for the Newport, Oregon field station. In addition, the conferees direct that within funds previously appropriated in Public Law 98-371, up to $106,000 shall be made available to augment funds for the hazardous waste management center specifically for reimbursement of architectural and engineering studies.

DEFENSE INDUSTRIAL BASE

Amendment No. 77: Deletes language proposed by the Senate requiring the Federal Emergency Management Agency to submit a compilation of major findings and recommendations regarding the defense industrial base of the United States. The conferees direct that FEMA modify a current request for proposal on this subject to incorporate a compilation of findings and recommendations of existing studies.

VETERANS' ADMINISTRATION

Amendment No. 78: Inserts language proposed by the Senate appropriating $306,600,000 requested for the loan guaranty revolving fund.

CONSTRUCTION, MAJOR PROJECTS

The conferees agree that the fiscal year 1985 major construction program level totals $713,194,000. This level consists of $568,194,000 appropriated in the 1985 HUD-Independent Agencies Appropriation Act

and $145,000,000 to be derived from savings on completed projects. This is the same amount as carried in the House Report accompanying the joint resolution and $8,000,000 less than the amount requested in the VA's revised submission and carried in the Senate Report. The $8,000,000 requested for the Allen Park replacement hospital project has been deleted without prejudice until such time as a site has been selected by the Veterans Administration and the project is authorized. Funding can be considered at a later date in a 1985 supplemental appropriations bill.

Amendment Nos. 79, 80, and 81: Inserts section numbers as proposed by the Senate.

Amendment No. 82: Inserts an amendment to the Small Business Act which specifies the degree to which the disaster loan program of the Small Business Administration will be available to the fishing industry due to El Nino-related ocean conditions in the Pacific in 1982 and 1983, and clarifies the eligibility of applicants for nonphysical disaster loans, as well as the treatment of agricultural cooperatives. The House had proposed an amendment to the Small Business Act which specified the degree to which the SBA disaster loan program would be available to the fishing industry due to El Nino-related ocean conditions in 1982 and 1983 and to agricultural enterprises due to the recent drought. The Senate had proposed to delete these provisions from the resolution.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Amendment No. 83: Inserts language proposed by the Senate providing that the rescission in the 1985 HUD-Independent Agencies Appropriation Act of up to $7,631,000 in annual contract authority and $164,760,000 in budget authority of recaptured section 236 balances be reduced to up to $4,331,000 in annual contract authority and $69,060,000 in budget authority. The balance of $3,330,000 in annual contract authority and $95,700,000 in budget authority should be used to replace the funds drawn from various State agency reserves in 1982. The committee of conference has agreed to delete the second proviso relating to interest reduction subsidies and rental assistance payments. It is expected that the State housing agencies and the Department of Housing and Urban Development reach mutually agreeable solutions to the outstanding issues regarding the use of the so-called "pool funds".

Amendment No. 84: Inserts language proposed by the Senate requiring that, during fiscal year 1985, departments and agencies of the Federal government make loan guarantee and insurance commitments up to the full amounts provided in appropriation Acts, subject only to the availability of qualified applicants.

Amendment No. 85: Inserts language proposed by the Senate appropriating $300,000,000 to continue various public housing programs as carried in previously enacted appropriation bills, amended to clarify the interest rate on Treasury borrowings.

The conferees note that this language, as amended, is necessary owing to questions in connection with the tax status of obligations issued by public housing agencies to finance development and modernization projects. These questions result from the enactment of the Tax Reform Act of 1984 which attempted to limit abuses of Federally guaranteed tax exempt bond proceeds.

As such, the Act rendered questionable the tax exempt status of all public housing notes and bonds. The Committee expects that ultimately the tax code amendment will be interpreted by the Internal Revenue Service to permit public housing authorities to continue issuance of tax exempt obligations. However, pending this clarification, the Tax Reform Act of 1984 is preventing the regular sales of these instruments. To meet the capital requirements of maturing obligations, HUD has been forced to draw down against its current limitation on borrowing from the Treasury. The Department has also suspended new loan authority reservations and contract executions for public housing development, modernization and Indian housing.

Although HUD has assured the Congress that existing borrowing authority is sufficient to meet current capital requirements, these funds are required to offset the higher interest rate charged under direct Treasury borrowing as compared to the tax exempt rate that has prevailed for public housing securities for the past 40 years. This appropriation is particularly essential for new development and modernization projects that could be delayed without some method of offsetting the interest differential between direct Treasury borrowings and the tax exempt rate assumed for public housing bonds.

The conferees have made available these funds for the interest differential costs to cover Treasury borrowing occurring during the next six months. This provision is in line with a request of the Office of Management and Budget.

The conferees direct HUD to immediately resume the full level of new loan commitments and contract executions which were suspended early in September. The conferees further direct the Department, OMB, and the Treasury Department to make a concerted effort towards an early and definitive interpretation of the tax code change to permit timely resumption of normal tax-exempt note sales.

Amendment No. 86: Changes section number as proposed by the Senate.

Amendment No. 87: Inserts language proposed by the Senate which prohibits the Customs Service from promulgating certain regulations with regard to duty free stores.

Amendment No. 88: Inserts a section proposed by the Senate which amends the Small Business Investment Act of 1958. The amendment reverses the current policy of the Administration which prohibits the Small Business Administration from issuing guarantees under its Pollution Control Equipment Contract Guarantee program which are backed by Industrial Development Bonds.

BUSINESS LOAN AND INVESTMENT FUND

The conferees note that the Small Business Administration encountered legislative problems in the latter part of fiscal year 1984 with regard to the authorized levels for direct loans to the handicapped, for direct purchases of debentures and preferred securities by Minority Enterprise Small Business Investment Companies (MESBIC's) and for guaranteed loans issued by Small Business Investment Companies (SBIC's). As a result SBA could not use all of the funds that were appropriated for fiscal year 1984 to carry out these programs. This situation resulted in an unanticipated increase in the unobligated balance carrying over into fiscal year 1985 in the Business Loan and Investment Fund.

At the beginning of the new fiscal year, SBA had applications pending for $4 million for handicapped assistance loans, $6 million for direct purchases of debentures and securities issued by MESBIC's, and $15 million for SBIC guaranteed loans that were not funded in fiscal year 1984, due to the conflict between the appropriation and authorization levels. Many of these applications had been awaiting consideration since early 1984, and in several instances, this long waiting had caused serious financial difficulties. In addition, the levels provided in the fiscal year 1985 Appropriation Act (Public Law 98-411) for these three programs will barely be sufficient to accommodate the anticipated demand for the new fiscal year. Therefore, the conferees are agreed that the funding levels for these three programs as stated in the Joint Explanatory Statement of the Committee of Conference in House Report 98-952 on the fiscal year 1985 Appropriation Bill are hereby amended as follows:

[In millions]

Program	Program levels, H. Rept. 98-952	Revised program levels
Handicapped direct loans	$20	$24
Investment company loans:		
Direct	41	47
Guaranteed	250	265

The conferees expect that the Office of Management and Budget will act as soon as possible to reapportion the funds available in the Business Loan and Investment Fund for fiscal year 1985 to reflect the revised funding levels for these programs.

Amendment No. 89: Inserts a new section as proposed by the Senate which authorizes the Department of State to carry over until September 30, 1985, funds originally appropriated in P.L. 97-257 for upgrading security at overseas posts.

Amendment No. 90: Makes available an additional $3,611,000 for the Blair House as proposed by the Senate.

Amendment No. 91: Appropriates $348,000 to the State of Arizona for expenses in connection with the San Luis, Arizona Border Station as proposed by the Senate.

Amendment No. 92: Inserts language proposed by the Senate authorizing and directing the Secretary of the Treasury to pay specified amounts to certain individuals in full settlement of claims arising from flooding due to release of water from the Stockton Dam and Reservior, Missouri.

Amendment No. 93: Inserts language proposed by the Senate regarding the designation of certain primary metropolitan statistical area.

Amendment No. 94: Inserts language proposed by the Senate regarding reimbursement to federal employees associated with moving and storage costs.

Amendment No. 95: Deletes language added by the Senate. The conferees took action on the items proposed in this amendment under Amendment No. 23.

LEGISLATIVE BRANCH

Amendment No. 96: Deletes language proposed by the Senate which would have exempted attorneys in the Senate Office of the Legislative Counsel who have attained age 55 and completed 30 years of service in the Office from a portion of the salary re-

ductions applied to reemployed annuitants under section 8344 of title 5, United States Code.

The conferees are concerned with the precedent that this provision might set. However, the employees in question provide invaluable services to the Senate and their continued expertise is needed. The conferees recognize a solution must be developed and recommend the Committee on Rules and Administration of the Senate explore administrative remedies within existing law.

Amendment No. 97: Eliminates a provision enacted by the first fiscal year 1983 continuing resolution (P.L. 97-276) which makes $4.5 million appropriated to complete a 1982 conditional purchase of property by the Architect of the Capitol subject to authorization, as proposed by the Senate. The subject property is adjacent to the Capitol grounds and is bounded by Ivy, Canal, and E Streets, Southeast, Washington, D.C.

Amendment No. 98: Repeals certain provisions of law relating to clerical assistants to Senators and adjusts an internal procedure of the Senate Committee on Rules and Administration, as proposed by the Senate.

AIRPORT NOISE

Amendment No. 99: Inserts language proposed by the Senate providing limited exemption authority from aircraft noise standards, modified to clarify certain "hush kit" requirements. This amendment provides a limited exemption from the January 1, 1985 compliance date for international operations contained in the Aviation Safety and Noise Abatement Act of 1979 (P.L. 96-193) for international flights at Miami International Airport and Bangor International Airport, Maine. These exemptions apply to carriers with aircraft for which "hush kits" to bring the aircraft into compliance are currently under substantial development, but have not been certificated, thus making compliance by means of "hush kits" impossible by the deadline contained in the law; and for certain operators of aircraft for which "hush kits" are not under development. Applicants for exemptions under the "hush kit" provisions must have a signed contract with a supplier of such equipment who is currently involved in the FAA certification process and whom the Secretary of Transportation believes will be certified in time to meet the deadlines contained in the bill language.

FEDERAL RAILROAD ADMINISTRATION

Amendment No. 100: Inserts language proposed by the Senate extending until April 1, 1985, the availability of funds previously appropriated for payment of claims under the Rock Island Labor Protection Program.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Amendment No. 101: Limits obligations under the state and community highway safety formula grant program (section 402) in fiscal year 1985 to $126,500,000 as proposed by the Senate. Although the decisions on the allocation of these funds rest primarily with the states, the conferees expect NHTSA to encourage states to use these funds according to the following distribution:

Alcohol safety	$44,100,000
Police traffic services	30,000,000
Emergency medical services	13,500,000
Traffic records	12,000,000
Occupant protection	15,000,000
Grant administration	4,900,000
All other	7,000,000

The conference agreement also provides $7,500,000, to be derived by transfer, to commence a program to encourage the use of seatbelts and passive restraints as proposed by the Senate. These funds are to be derived by transfer as follows:

Railroad research and development	$5,000,000
Highway safety research and development	1,500,000
Research, training and human resources	1,000,000

In addition, the conferees direct that not more than $2,500,000 be made available from the NHTSA, Operations and Research account to conduct the necessary planning activities for this program. These funds are provided without prejudice to future funding commitments.

The conferees believe the broad concept of this program has merit and deserves further development. However, much more needs to be known about how this program is to be implemented, how much it will cost, and what specific goals are to be accomplished before the conferees will agree to its implementation. The conference agreement, therefore, makes up to $2,500,000 immediately available to be used only for necessary program planning. The conferees expect to be supplied with a detailed justification and plan for this program by next Spring, at which time hearings will be held and a decision made regarding the release of the remaining $7,500,000. The conferees, emphasize that written approval from the House and Senate Appropriations Committees will be necessary before program implementation can commence.

In developing the program plan, the conferees expect the Department to give equal treatment to the promotion of passive restraint and seatbelt usage. The conferees also intend to closely examine the proposed use of national advertising, the coordination with ongoing seatbelt usage activities, and the extent to which such funds will be used to "lobby" state officials.

FEDERAL AVIATION ADMINISTRATION

Amendment No. 102: Inserts language proposed by the Senate authorizing the Secretary of Transportation to grant release to the City of Flagstaff from certain terms and conditions contained in a deed of conveyance made in 1948 for airport purposes.

FEDERAL HIGHWAY ADMINISTRATION

Amendment No. 103: Appropriates $12,000,000 as proposed by the Senate to carry out a series of highway projects in the vicinities of Pontiac and East Lansing, Michigan to demonstrate methods of enhancing safety and promoting economic development.

EMERGENCY BOARD

Amendment No. 104: Deletes language proposed by the Senate requiring the President to create an emergency board to investigate and report on the dispute between Continental Airlines and the Air Line Pilots Association.

FEDERAL HIGHWAY ADMINISTRATION

Amendment No. 105: Inserts language proposed by the Senate requiring the Secretary of Transportation to waive alternate design requirements for the Smith Avenue High Bridge, St. Paul, Minnesota.

COAST GUARD

Amendment No. 106: Appropriates $2,000,000 as proposed by the Senate to reconstruct a lighthouse on Nantucket Island, Massachusetts.

AGRICULTURAL RESEARCH SERVICE

Amendment No. 107: Appropriates $1,000,000 for the Agricultural Research Service for emergency research on citrus canker as proposed by the Senate. The conference agreement provides $750,000 for the research program at the University of Florida and $250,000 for the Agricultural Research Service facility at Orlando, Florida.

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 108: Appropriates $3,200,000 to implement the Drug Price Competition and Patent Term Restoration Act, which was signed into law on September 24, 1984, as proposed by the Senate.

The agreement also appropriates $8,350,000 to the Food and Drug Administration for activities (including construction) related to acquired immune deficiency syndrome as proposed by the Senate. The conference agreement also provides that this appropriation shall be available only to the extent an official budget request is transmitted to the Congress.

The conference agreement includes the following amounts for fiscal year 1985:

Facility renovations	$950,000
Equipment	1,650,000
Contracts relating to the safety of the national blood supply and protection of hemophiliacs	2,000,000
Contract for maintenance of animals currently located in the space to be renovated for AIDS work	1,150,000
Professional scientists under IPA's (11)	1,100,000
Intramural FTE's (20)	1,500,000
	8,350,000

COMMODITY SUPPLEMENTAL FOOD PROGRAM

Amendment No. 109: Provides authority for the remaining balances of the fiscal year 1984 appropriation to be used to settle unresolved funding claims from fiscal year 1982 under the commodity supplemental food program as proposed by the Senate.

Amendment No. 110: Changes section number as proposed by the Senate.

Amendment No. 111: Restricts mineral leasing on 960 acres of land in Payne County, Oklahoma. This matter is addressed in Amendment No. 4.

Amendment No. 112: Amends wilderness language in the Senate reported Interior Appropriations bill. This matter is addressed in section 308 of Amendment No. 4.

Amendment No. 113. Rescinds $5,200,000,000 of the funds available to the Synthetic Fuels Corporation instead of $5,000,000,000 as proposed by the House; sets aside production goals; establishes a $750,000 reserve for clean coal technology demonstration activities; provides $5,700,000,000 to meet April Letters of Intent; provides that of the amounts not required to meet the Letters of Intent, 50 percent becomes available for obligation for new projects and 50 percent is unavailable for obligation. This matter is addressed in Amendment No. 4.

Amendment No. 114: Extends the requirements of the ethical conduct and financial reporting requirements to the members of the United States Synthetic Fuels Corporation Board. This matter is addressed in Amendment No. 4.

Amendment No. 115: Deletes language proposed by the Senate prohibiting the use

of funds provided by the joint resolution for abortions except where the life of the mother would be endangered if the fetus were carried to term.

HOSPICE REIMBURSEMENT

Amendment No. 116: Inserts language proposed by the Senate which requires that hospices which meet certain conditions be reimbursed by Medicare at their 1984 level rather than at the level provided for under section 1814(1) of the Social Security Act. No similar provision was included in the House resolution.

Amendment No. 117: Deletes language proposed by the Senate which would have amended the Clayton Act and also would have repealed Section 510 of Public Law 98-411.

Amendment No. 118: Appropriates $400,000 as proposed by the Senate which would establish a commission and provide funds to study the causes of the famine in the Ukraine in 1932 and 1933. The conferees agree that before these funds may be obligated, the operating budget of the commission shall be submitted to the Committees on Appropriations of the House and Senate for review and approval.

Amendment No. 119: Inserts language proposed by the Senate that prohibits the payment of the United States' proportionate share for any United Nations "post adjustment allowances" for U.N. employees using any method of calculation not in place on January 1, 1984.

Amendment No. 120: Deletes language proposed by the Senate that would require the Secretary of Commerce to conduct a study of Indian artifact commercial fraud. The House Report accompanying the resolution requests such a study. The conferees have been assured by the Commerce Department that the study will be conducted. The conferees understand that there is a problem concerning the importation of counterfeit Native American artifacts into the United States. The conferees are concerned about this matter and expect the Department of Commerce, in cooperation with the Secretary of the Treasury and the Chairman of the Federal Trade Commission, to conduct a study and submit a report by April 15, 1985 to the Appropriations Committees of the House and Senate, the Senate Governmental Affairs Committee and the House Energy and Commerce Committee.

Amendment No. 121: Appropriates a total of $110,200,000, to be available through September 30, 1986, to the State Department to increase security at U.S. missions overseas notwithstanding section 15(a) of the State Department Basic Authorities Act of 1956, and requires that the Department report to the appropriate committees fo Congress on the obligation of funds every thirty days from the date of enactment. The Senate had proposed that this appropriation be available only upon enactment of authorizing legislation and that the Department be subject to this reporting requirement concerning the obligation of funds. The House bill contained no provision concerning this matter. The conferees agree that prior to the obligation of the $28,000,000 provided for the "Acquisition, Operation and Maintenance Abroad" appropriation, the Department of State shall submit a plan of expenditure for these funds pursuant to the guidance of the Appropriations Committees concerning reprogramming.

Amendment No. 122: The Senate included language which would have transferred from the Administrator of General Services to the Director of Central Intelligence functions dealing with the protection of real and personal property of the Central Intelligence Agency. The language also expressed a sense of the Congress that the same status, privileges, and immunities should be extended to United States official representatives in foreign nations as the U.S. Government extends to the same foreign officials in the United States and established a Deputy Director of the Office of Foreign Missions.

The conferees included a provision to allow the transfer of functions dealing with the protection of real and personal property to the Central Intelligence Agency. The additional language was deleted.

Amendment No. 123: Provides authorization for states to use Abandoned Mine funds to establish a subsidence insurance program. This matter is addressed in Amendment No. 4.

CHILD CARE TRAINING

Amendment No. 124: Deletes House language increasing the authorization for title XX of the Social Security Act for child care training directed toward prevention of child abuse. The conferees have agreed to an expanded authorization and appropriation for essentially the same purpose under Amendment No. 161.

Amendment No. 125: Deletes language inserted by the House.

JOB CORPS

Amendment No. 126: Deletes language proposed by the House which would have prohibited the Department of Labor from contracting out the operation of Job Corps civilian conservation centers and inserts language providing for compensation for employees furlouged as a result of the lapse of appropriations and language ratifying obligations incurred in anticipation of appropriations and authority provided in the joint resolution.

DISTRICT OF COLUMBIA

Amendment No. 127: Includes the provisions of H.R. 3932 (98th Congress) as passed the House of Representatives on October 4, 1983 and amended by the Committee on Governmental Affairs of the Senate and further amended with one change requested by the United States Attorney for the District of Columbia with two changes requested by the District government. H.R. 3932, as amended, simply modifies the District of Columbia Self-Government and Governmental Reorganization Act, commonly referred to as the Home Rule Act (93-198 approved December 24, 1973) and brings it into conformity with the June 1983 Supreme Court decision in the case *Immigration and Naturalization Service (INS)* v. *Chadha*. In that decision, the Court held unconstitutional a provision of the Immigration and Naturalization Act that authorized either House of Congress to override a determination of the Attorney General, pursuant to delegated authority, to suspend the deportation of a resident alien. The Court concluded that Article I, section 7 of the Constitution, which requires that bills be passed by both Houses of Congress and presented to the President for signature, had not been complied with when the veto mechanism was used. The Court provided a listing of the Acts or portions of Acts which would be affected by its decision, and included in that listing three sections of the Home Rule Act and one section of the District of Columbia Retirement Reform Act (Public Law 96-122 approved November 17, 1979). Each of these Acts includes a procedure by which Congress, without the President's approval, can reject certain actions of the District of Columbia government by simple or concurrent resolutions of disapproval or in one instance, approve by resolution the emergency use of local police by the President for a period in excess of 30 days. In using its power, the Congress has exercised its veto over Acts of the District government only twice, even though more than 700 laws have been enacted by the District since Home Rule. However, there is a cloud over all of those laws because of the *Chadha* decision, and the District is unable to enter the commercial bond market because its bond counsel will not give the District an unqualified opinion as to the legal validity of the District's contractual debt obligation, which would be entered into in a bond or note issuance under statutory authority provided by the Home Rule Charter. Thus, the courts could find the District's contractual debt obligation to be legally invalid and the District would then be legally restricted from paying the obligations that were found to be invalid, despite its desire to make such payments.

The amended version of H.R. 3932 agreed to by the conferees will bring each of the veto provisions of the Home Rule Act into conformity with the Supreme Court's *Chadha* decision by altering the form of congressional veto action to that of a joint resolution of disapproval which, like laws, must be passed by both Houses of Congress and presented to the President for signature.

The conferees have included language requested by the U.S. Attorney for the District of Columbia nullifying acts of the District Council which were previously disapproved by Congress under provisions of law then in effect. This occurred on two bills; D.C. Act 3-120, Location of Chanceries Act of 1979, and D.C. Act 4-69, District of Columbia Sexual Assault Reform Act of 1981.

The conferees have also agreed to language requested by District officials which extends for one year the authority for the District to borrow through private placements during the transition period to the commercial bond market. This authority was originally provided in Public Law 97-105, approved December 31, 1981 and applies to general obligation bonds sold before October 1, 1984. These bonds are required to be secured by a security interest created in District revenues under section 467(a) of the Home Rule Act. Since the *Chadha* decision delayed the District's entry into the commercial bond market, it is necessary to extend the date for private placements of bonds to those sold before October 1, 1985 to give the District government a better opportunity to enter the market. The conferees have also added language which makes the provisions of section 131 permanent law and effective without limitation as to fiscal year.

FOREIGN ASSISTANCE AUTHORIZATION

Amendment No. 128. This amendment deletes House proposed authorization of Foreign Assistance programs.

OMNIBUS CRIME CONTROL BILL

Amendment No. 129: Inserts language proposed by the Senate that the sentencing court shall impose a sentence sufficient, but not greater than necessary, to comply with the purposes set forth in paragraph (2) that set forth the criteria for evaluating the need for the sentence. The House bill contained no provision on this matter.

Amendment No. 130: Deletes "thirty-six" as proposed by the House, and inserts in lieu thereof "fifty-four" as proposed by the Senate which increases "good time" that accrues from 10 percent to 15 percent.

Amendment No. 131: Deletes "two" as proposed by the House, and inserts in lieu thereof, "three", as proposed by the Senate. The Senate amendment increases the number of Federal judges who shall serve on the Sentencing Commission from two to three.

Amendment No. 132: Inserts language proposed by the Senate that instructs the sentencing commission that the sentencing guidelines it develops shall be formulated to minimize the likelihood that the Federal prison population will exceed the capacity of the Federal prisons, as determined by the Commission. The House bill contained no provision on this matter.

Amendment No. 133: Inserts the provisions of H.R. 5656, the Dangerous Drug Diversion Control Act, which amends the Controlled Substances Act and the Controlled Substances Import and Export Act to prevent the diversion of drugs from legitimate channels of distribution to black market channels for purposes of abuse. The House had proposed certain provisions on this matter that did not protect the interests of private parties. The Senate had proposed deletion of the House provisions and insertion of provisions that accomplished the same result as the conference agreement which provides protections for the industry and medical practitioners. The conference agreement is supported by the Department of Justice, the pharmaceutical industry and the health care professions.

Amendment No. 134: Inserts provisions providing for a program of grants for state and local law enforcement assistance and for a Federal response to crime emergencies confronting state and local governments, reauthorizes the Juvenile Justice and Delinquency Prevention Program, and establishes a clearinghouse for missing children. The House had proposed certain provisions which had authorized a program of justice assistance grants to the States. The Senate had proposed deletion of the House provisions and insertion of a provision which authorized a program of justice assistance grants to the States in a different form, as well as the provisions reauthorizing the Juvenile Justice and Delinquency Prevention Program and establishing a clearinghouse for missing children which are contained in the conference agreement.

Amendment No. 135: Deletes "(a)" as proposed by the House and stricken by the Senate. This is a technical change.

Amendment No. 136: Deletes provisions proposed by the House and stricken by the Senate which removed the jurisdiction of the United States courts over civil suits alleging violations of this labor racketeering chapter and civil suits brought by the United States involving payments to labor organizations for membership dues which violate this section.

Amendment No. 137: Deletes House language which did not require a showing of harm to a labor union and inserts Senate language which would provide penalties only to those who abuse their position in a labor union to seek or obtain an illegal gain at the expense of the members of the labor organization.

Amendment No. 138: Deletes a provision proposed by the House calling for a maximum of ten years disqualification from union activities of those persons convicted of a felony violation of this section and inserts Senate language calling for a maximum of 13 years disqualification for such a violation.

Amendment No. 139: Deletes a provision proposed by the House calling for a minimum of five years disqualification from union activities of those persons convicted of a violation of this section and inserts Senate language calling for a minimum of three years disqualification.

Amendment No. 140: Deletes House language and inserts Senate language identical to amendment No. 137. The purpose of this amendment is to add a requirement that the abuse or misuse of a person's labor organization or employee benefit plan must be for illegal gain at the expense of the members of the labor organization if the section's disqualifications are to apply.

Amendment No. 141: Deletes the House language and inserts Senate language. The effect and purpose of the Senate language are identical to Amendment No. 138.

Amendment No. 142: Deletes the House language and inserts Senate language. The effect and purpose of the Senate language are identical to Amendment No. 139.

Amendment No. 143: Deletes title II, Chapter X, part N proposed by the House and stricken by the Senate. Part N created an offense of robbery or burglary of a pharmacy or other registrant of controlled substance, thereby retaining current law on the subject.

Amendment No. 144: Changes designation of Part "O" to Part "N". This is a technical amendment.

Amendment No. 145: Deletes Title II, Chapter XI, part A proposed by the House and stricken by the Senate. The House language amended the current law concerning child pornography offenses.

Amendment No. 146: Deletes a part of the heading in Title II, Chapter XI, Part D relating to United States Securities fraud, as proposed by the House and stricken by the Senate. This provision was duplicative of current law.

Amendment No. 147: Changes designation "510" of Title II, Chapter XI, Part D as proposed by the House to "511" as proposed by the Senate. This is a technical amendment.

Amendment No. 148: Deletes "States." in Title II, Chapter XI, Part D as proposed by the House and inserts in its place "States."." as proposed by the Senate. This is a technical amendment.

Amendment No. 149: Deletes Title II, Chapter XI, part D as proposed by the House relating to United States Securities fraud and stricken by the Senate. This provision was duplicative of existing law.

Amendment No. 150: Deletes "entities." in Title II, Chapter XI, Part E as proposed by the House and inserts in lieu thereof "entities."." as proposed by the Senate. This is a technical amendment.

Amendment No. 151: Deletes language proposed by the House and stricken by the Senate which would have amended title 18 of the United States Code by inserting "511" after "509." This is a technical amendment.

Amendment No. 152: Deletes Title II, Chapter XII, part F as proposed by the House providing for protection of witnesses and inserts certain provisions proposed by the Senate concerning the matter. The Senate amendment improves the administrative operations of the witness security program, provides significant safeguards for protection of the rights of non-custodial parents of children of a protected witness with custody, provides compensation to victims injured by a protected witness, and provides reemployment safeguards for marshals.

Amendment No. 153: Deletes Title II, Chapter XII, Part G as proposed by the House and stricken by the Senate. This provision is duplicative of current law.

Amendment No. 154: Changes the designation of Title II, Chapter XII, part "H" as proposed by the House to "G" as proposed by the Senate. This is a technical amendment.

Amendment No. 155: Changes the designation of Title II, Chapter XII, part "I" as proposed by the House to "H" as proposed by the Senate. This is a technical amendment.

Amendment No. 156: Changes the designation of Title II, Chapter XII, part "J" as proposed by the House to "I" as proposed by the Senate. This is a technical amendment.

Amendment No. 157: Changes the designation of Title II, Chapter XII, part "K" as proposed by the House to "J" as proposed by the Senate. This is a technical amendment.

Amendment No. 158: Deletes Title II, Chapter XI, part L—Foreign Evidence Improvements as proposed by the House and inserts a new part K as proposed by the Senate improving the method of obtaining foreign documentary evidence.

Amendment No. 159: The conference agreement adopts the Senate amendment which added eight new chapters to the House bill, and makes several other changes. There were no corresponding provisions on these matters proposed by the House. The conference agreement:

(1) Provides for the coordination of drug enforcement efforts and creates a cabinet-level National Drug Enforcement Policy Board, chaired by the Attorney General, to develop an integrated and comprehensive enforcement policy. This matter was an amendment offered by Senator Thurmond to S. 1787, which passed the Senate on February 7, 1984.

(2) Establishes a crime victims fund to be used to provide Federal aid to State crime victim compensation programs.

(3) Creates Federal criminal sanctions for the intentional and knowing trafficking in goods or services on which a counterfeit trademark is used and enhances current civil law penalties for trafficking in such goods and services. This provision is very similar to legislation passed by the House, H.R. 6071 and by the Senate, S. 875, and reflects the resolution of the differences in the versions approved by both Houses.

(4) Prohibits use, production and trafficking in "countefeit" credit cards and credit card production equipment with intent to defraud. It prohibits use and trafficking in "unauthorized" credit cards which are valid cards that have been lost or stolen.

(5) Raises the maximum salary that may be paid to United States Attorneys from Executive Schedule level V to Executive Schedule level IV.

(6) Provides authority for increased participation of the Federal law enforcement system against armed "career criminals". It establishes a mandatory 15 year sentence for a felon who, after having been convicted three times for robbery or burglary, violates the Federal law prohibiting receipt, possession or transportation of a firearm in interstate commerce. This provision is identical to legislation which passed the House on October 2, 1984, H.R. 6248.

(7) Increases the hourly fees that may be paid to court appointed counsel in criminal cases.

(8) Implements the International Convention Against the Taking of Hostages. It supplements the Federal kidnaping statute to cover certain acts of hostage taking, prohibits hostage taking intended to compel a third person or a government to take or refrain from acting, and expands Federal jurisdiction over certain hostage taking offenses. The provision also implements the International Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation. It expands the protections of current law to cover more persons, to prohibit more acts that threaten aviation safety, and to expand Federal jurisdiction over certain offenses.

(9) Creates a Federal offense to wrongfully access a computer and obtain information concerning national defense or foreign relations, or any restricted data pursuant to the Atomic Energy Act, with intent to injure the United States or a foreign nation.

(10) Creates a Federal offense to wrongfully access a computer and obtain data protected under the Right to Financial Privacy Act or the Fair Credit Reporting Act.

(11) Creates a Federal offense to wrongfully access to computer and use, modify, destroy or disclose information without authorization, in a government computer, or prevent authorized use of a government computer. Attempts and conspiracies to commit these three offenses are also prohibited.

(12) Provides further that nothing in this continuing resolution or any other Act shall preempt the authority of States to enact comprehensive statutes designed to eliminate the threat of racketeering, including provisions governing service and disqualification for service in labor organizations. Under the amendment, the finding of a state legislature that a threat of pervasive racketeering exists is presumed to be valid. No comparable provisions are in the House bill or any Senate amendment.

(13) Amends titles 18 and 21 of the United States Code to authorize a sentence of an alternative fine of up to twice the proceeds of a violation of the Controlled Substances Act or the Controlled Substances Import and Export Act, or the Racketeering Influenced and Corrupt Organization chapter, (chapter 96) of title 18.

(14) Authorizes the use of the proceeds for the sale of forfeited property to be placed in a fund to be used to maintain seized property, for the purchase of evidence, and for the retro-fitting of seized and forfeited conveyances for their use for law enforcement purposes.

(15) Deletes provisions providing for the forfeiture of "substitute assets" in the House provisions.

(16) Provides for the summary disposition of seized conveyances valued at less than $1,000.00.

PRESIDENT'S EMERGENCY FOOD ASSISTANCE ACT OF 1984

Amendment No. 160: The conference agreement provides for the President's Emergency Food Assistance Act of 1984 as proposed by the Senate, but amended to authorize $50,000,000 each for fiscal year 1985 and fiscal year 1986. The conference agreement deletes Senate language appropriating $50,000,000 and authorizing the transfer of $50,000,000 from the Public Law 480 or Foreign Assistance programs.

CHILD ABUSE PREVENTION

Amendment No. 161: Appropriates an additional $25,000,000 as proposed by the Senate relating to an expanded authorization for title XX of the Social Security Act for training with respect to the prevention of child abuse in child care settings and establishing Federal matching grants to encourage State trust funds or appropriations for child abuse and neglect prevention activities.

The House resolution includes an increase of $50,000,000 in the title XX authorization, essentially for the same purpose, which the conferees have deleted. (See Amendment No. 124)

JAMIE L. WHITTEN,
EDWARD P. BOLAND,
WILLIAM H. NATCHER,
NEAL SMITH
(except amendments Nos. 54, 66, etc.),
JOSEPH P. ADDABBO,
CLARENCE D. LONG,
SIDNEY R. YATES
(except amendments Nos. 32 and 38 relating to gun purchase),
EDWARD R. ROYBAL,
TOM BEVILL,
WILLIAM LEHMAN,
JULIAN C. DIXON,
VIC FAZIO,
W.G. HEFNER,
SILVIO O. CONTE
(except amendment No. 113),
JOSEPH M. McDADE,
JACK EDWARDS,
JOHN T. MYERS
(except amendment No. 14),
J.K. ROBINSON,
LAWRENCE COUGHLIN,
Managers on the Part of the House.

TED STEVENS,
LOWELL P. WEICKER, Jr.,
JAMES A. McCLURE,
JAKE GARN,
THAD COCHRAN
(except amendments Nos. 25, 64, and 70),
MARK ANDREWS,
JAMES ABDNOR,
ROBERT W. KASTEN, Jr.,
ALFONSE M. D'AMATO,
MACK MATTINGLY,
WARREN B. RUDMAN,
PETE V. DOMENICI,
JOHN C. STENNIS
(except amendments Nos. 25, 64, and 70),
ROBERT C. BYRD
(except amendment No. 25),
DANIEL K. INOUYE,
ERNEST F. HOLLINGS,
TOM EAGLETON,
LAWTON CHILES,
J. BENNETT JOHNSTON
(except amendment No. 25),
WALTER D. HUDDLESTON
(except amendments Nos. 25, 61, and 68),
QUENTIN N. BURDICK,
PATRICK J. LEAHY,
JIM SASSER,
DENNIS DeCONCINI,
DALE BUMPERS,
Managers on the Part of the Senate.

Mr. WHITTEN. Mr. Speaker, pursuant to the order of the House of October 4, 1984, I call up the conference report on the joint resolution (H.J. Res. 648) making continuing appropriations for the fiscal year 1985, and for other purposes.

The Clerk read the title of the joint resolution.

The SPEAKER. Pursuant to the order of the House of Thursday, October 4, 1984, the conference report is considered as having been read.

The gentleman from Mississippi [Mr. WHITTEN] will be recognized for 30 minutes and the gentleman from Massachusetts [Mr. CONTE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on the joint resolution, [H.R. Res. 648], and that I may include extraneous and tabular material.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I know as we bring this conference report before our colleagues tonight that there will be many things in this conference report that the Members have not yet had time to study or understand fully. But I would like to say for the record that the preparation and the work that has gone into this conference report reflects a majority of the year's work on the part of the Committee on Appropriations. It has solid foundation.

The entire text of five regular appropriations bills is included in this conference report. Those bills are the 1985 appropriation bills for the Department of Defense, the Department of the Interior, and related agencies, military construction, transportation and related agencies, and foreign assistance and related programs. In addition, four regular appropriation bills are carried by reference in this report at the rates and in the manner specified in the conference reports on the individual bills. Those bills are the 1985 appropriation bills for Agriculture, rural development and related agencies, the Department of Labor, Health and Human Services and Education and related agencies, the Treasury, Postal Service and general Government appropriations bill, and that for the District of Columbia.

One of the factors necessitating this large appropriating measure so late in the year is that we have not gotten au-

thorizations through in time for many reasons. We might find fault here, and there, and every one of us would have different opinions, but partly because we have not been able to get authorizations through in time, the Committee on Appropriations has been forced to bring you this omnibus measure.

May I say here that what we bring to you in this continuing resolution reflects the recommendations of the appropriate subcommittees to the full conference for the items under the jurisdiction of various subcommittees. Unfortunately, some of these issues have not been fully debated before the House, but as voluminous as this report is, it really reflects the hearings, and the information developed by the actions of the subcommittees which through the year have worked on these items.

I am glad that your conferees were able to get together with our colleagues on the other side. When I recommended to the Speaker the appointment of conferees I explained that there might be subjects in conference with which we were not intimately familiar, and as usual we would have to counsel with those who have the most knowledge about them. We have tried to do this in our deliberations with the other body and I believe we have done this.

So as we bring this to you, I say again, we bring you a resolution that reflects all the work that has gone into bills normally as if we had handled them individually. For many reasons, including a lack of time in the waning days in this session of Congress, we are forced to consider these matters together.

Now, unfortunately, in my viewpoint at least, in this time where we face so many dangers at home and abroad, where we have all the problems that we have financially and otherwise, it is my belief that we need to give more attention to our country, because we do not have the gold and silver backing up our currency any more. We have to look to the well-being of our country itself. That is our real wealth. If you study our finances, out high interest rates come from two things, in my opinion. One of them is that when you have the deficit that we have, it means that we have to borrow the money. The more you have to borrow, the greater is the upward pressure on such moneys as are available. Money is going to bring what it is worth. So there is a real need to balance the budget.

But may I say, we bring you a bill that is under the amounts requested by the President.

I would point out here where I differ and I have gone along because as chairman of the committee, I have supported and cooperated with the leadership on this joint resolution. But I will point out here a few things which I feel are very important. We faced a situation on this resolution, that, if left unresolved, would have required us to be here several more days, disrupting plans made by the membership long ago. There was need to get together and pass this measure and that is what we're doing. The point I would make is that what was eliminated to accomplish this goal was an entire section on energy and water development projects. Well, it is said that public works is pork or some other unworthy name. But every public works project is in somebody's district, in some section of the country, where there is a very serious need. The amount that was in conference—after the conferees had previously agreed to retain it—was minor. Compared with the increase recommended in military spending and foreign aid, the original cost of the public works projects that were eliminated is less than four-tenths of 1 percent.

The total cost of that which was eliminated—and the tentative conference agreement had contained only the first year cost, not the total cost—was less than 2.3 tenths of 1 percent of that recommended for military spending for fiscal years 1985-89.

We reluctantly went along with the Senate proposal to eliminate not only the water projects in the resolution, which our aide first proposed at the suggestion of the leadership as a solution to the impasse, but also all other projects in the energy and water development area. Several years ago when the President vetoed a public works bill containing 67 new starts, he stated that these times that are so serious financially at home and abroad, when we have all these problems we cannot afford these new starts in our own country.

We failed to override that veto. It came back to our Committee on Appropriations and I made a motion, supported by my colleagues, to cut every project 2½ percent and send it back. It is the job of the Congress, the people's branch, to originate projects. The President vetoed it again. The second time we overrode it.

I think you will be interested in knowing the argument that I used. I said, "Mr. President, you vetoed this bill because you say we cannot afford it due to the serious conditions that we are in."

I said, "The answer is, we can't afford not to do it." And the greater our problems, the more imperative it is that we wake up to the fact that we had better look after the entire country. That is all we have got to support all the rest.

Now, that is my feeling. Now, in what we have here, I have cooperated with those who have different views because we had to get together. Cooperation is essential. In the position I have, I have that obligation and I have lived up to it. We have all done the best we could.

But I want to say here that I hope we will all give thought to the fact that we had better look after our country, because you can leave your children all the money in the world and a worn out land that will never make it; so if you just take care of the land and its resources and develop it; they could easily set up their own financial system.

Well, Mr. Speaker, we bring you tonight the culmination of a year's work, by the Committee on Appropriations.

In those areas where we needed their expertise, we have counseled with the authorizing committees in an effort to uphold their position.

So we bring you a result of our work of which we are proud. As I say, I doubt that anybody will agree with everything in it, including some of us on the committee, but we have worked together and we bring you a product of which we are proud. I urge your support for the conference report.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The Chair recognizes the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Speaker, we now come to the culmination of the 98th Congress. The moment we have all been waiting for. The apex of our legislative efforts. The acme of our congressional achievements. The panacea for all that currently ails us.

Mr. Speaker, I now present to you and the Members of this illustrious body the continuing resolution to end all continuing resolutions.

Mr. Speaker, the members of the Appropriations Committee have been staring at this continuing resolution for more than 2 weeks now, ever since that fateful day when the House so rudely rejected the purity of a clean resolution. We have been staring at it and watching it grow bigger, bigger, and yet bigger again.

It was as if this House and the other body were seeking to overcome all their shortcomings, all their failings, all the things that shoud have been done, but didn't, by creating this mammoth, pie in the sky, construction, to convince all naysayers of our productivity and our good intent.

And as this resolution grew bigger and bigger, by the time the other body was through, amounting to 753 pages of primal urge, it began to reflect, more and more, all our hopes, all our desires, all our needs to address key problems of the day:

Our concern for defense;

Our hope for peace;

Our concerns over the future;

Our love for our country and her natural beauty;

Our drive for resource development;

Our fear of crime; and

Our need to act.

And as we went to conference, trying to make sense of these conflicting goals and priorities, we had no one to turn to, but ourselves.

Confined in a small room, while the world stopped to watch, we rediscovered, in the course of negotiations, give and take, and general knocking of heads, our essential humanity:

Our goodness and our badness;

Our generosity and our stubborness;

Our ideals and our parochial interests;

Our farsightedness and our shortsightedness; and

Our nobility and our weaknesses.

And, somehow, confined in that small room, we had to work things out, to balance, to weight, to compromise, to kvetch, and to seek to do the best we possibly could, in resolving all these pressing issues of the day.

Mr. Speaker, in this continuing resolution, we have shaped a ball of clay into our own image, no better, and no worse. We have done the best we can, at this time, under these circumstances.

Mr. Speaker, we have seen this continuing resolution, and it is us, sine die.

Mr. Speaker, the title of this joint resolution is "Continuing Appropriations for the Fiscal Year 1985." In fact, it should be called the general appropriation bill for fiscal 1985.

We are funding 9 of the 13 general appropriation bills through the end of the fiscal year. This is the first time in my 26 years of service in this House that we have carried this many bills in a single continuing resolution that runs for the full fiscal year.

Only four of the regular bills were enacted before the start of the fiscal year: Energy and Water, HUD, legislative, and Commerce-Justice.

This is a bad record, and one for which we must take most of the responsibility. We cannot blame the budget process, because the rule on the energy and water bill, which passed the House in May, waived the Budget Act so that we could consider all of the regular appropriation bills without a budget resolution.

We cannot entirely blame the other body, because three bills never passed the House at all, and two others did not pass the House until August.

The fact is that we did not bring five of the nine bills to the House floor in time for action by the other body, and conference, so they are included in this continuing resolution.

Mr. Speaker, all I can say is that this is a heck of a way to run a railroad. It seems clear to me that we have to find a way to avoid running into this kind of continuing resolution situation. It is simply unfair to the 435 Members of this House, each of whom represents over 500,000 constituents, to bring up these massive spending bills under a procedure that does not permit amendments. We have seen what happens when we permit a few amendments, or even 11—we bog down on those issues, and many other important matters never get raised.

One of our problems has been the inability to get authorizations passed. Maybe we should seriously consider 2 year or even longer authorizations, so that we would not run into this problem every year.

Maybe we should take another look at the budget process, to see whether improvements could be made or timetables adjusted so that the budget process is not an impediment to getting our regular appropriations bills enacted.

Maybe something worthwhile will come out of the Senate's current review of its rules and procedures.

But our experience of the last 2 weeks has made it very clear to me, and I think to the rest of my colleagues as well, that we need to clean up our act.

You know, when I introduced a continuing resolution to run from October 1 to October 12, everyone laughed. Everyone said "Don't be silly, SILVIO—we aren't going to be around here that long."

Well, here we are on October 10—and if we hadn't agreed to drop the water projects from this bill we would be here next week as well.

This whole process has been shameful, and I hope that it has provided some incentive for us to get to work on reforming it early in the next Congress.

Second, I compliment my chairman for drafting this resolution for the full year. In past years, we have run the first continuing resolution only through November or December, and then perhaps extended it through March, so that we put ourselves through this agony over and over again, all so that we can pretend that we will still finish our business. Year after year I have said that if we cannot pass bills by October 1, then the first continuing resolution should run for the entire year. I am pleased that we have finally done so.

Finally, of course, we have in fact put ourselves through some needless agony in the past 2 weeks. We have passed four short continuing resolutions—one for 3 days, one for 2 days, one for 4 days, and one yesterday for 2 more days.

We could not get the big continuing resolution passed in time because on September 20 the House defeated a clean rule which CLAUDE PEPPER had courageously brought to this floor. I said at the time that a vote against that rule was a vote to stay here for 2 more weeks, and 171 Members on the other side of the aisle voted "no."

The next rule made in order 11 amendments, including three authorizations, and when two of those authorizations were adopted, it was then germane to offer the President's crime package in a motion to recommit. That was the start of the agony.

When it became obvious that we would not pass the big continuing resolution by October 1st, I introduced a clear continuing resolution, at current rates, through October 12. I asked my chairman to go the same distance. Instead, we have had four short continuing resolution's, which have, in may opinion, accomplished absolutely nothing.

However, we finally have a conference agreement.

That agreement includes the full text of five appropriation bills: Defense, Foreign Operations, Interior, Military Construction, and Transportation.

The agreement also includes four other appropriation bills by reference to the conference reports that have been filed in the House: Agriculture, District of Columbia, Labor-HHS-Education, and Treasury-Postal Service.

In all, we had to reach agreement on 158 Senate amendments, and a bill with Senate amendments of 771 pages. The conference report and statement of managers total 1,000 pages.

These totals do not include the Senate amendments to the individual appropriation bills which were conferenced to be included in the continuing resolution. For example, in the Labor-HHS bill we had to reach agreement on 197 Senate amendments in order to file a conference report that could be included by reference in the continuing resolution.

Defense, Foreign Aid, Interior, Military Construction, and Transportation were also separately conferenced, and included in the continuing resolution.

We met with the Senate conferees 10 times over a period of 11 days, and we have a conference agreement that is acceptable to the administration.

As you all know, the major point of contention in the conference was the authorizations and appropriations for water projects. The conferees agreed to drop all the water projects in both the House and the Senate bills, and in fact to drop all of the provisions under the jurisdiction of the Energy and Water Subcommittees.

It was this agreement that brings us to the floor tonight, and it would have not been possible without an agreement between Chairman JAMIE WHITTEN and Chairman MARK HATFIELD.

Both of the chairmen have strong personal convictions about the need for additional water development projects. I hope we all recognize that these two men made great concessions so that we could get a conference agreement, and be working toward adjournment here tonight.

31-059 O-87-41 (Pt. 22)

Mr. Speaker, the hour is late. I have statements prepared on the separate bills and provisions that are included in the conference agreement. I will insert those statements in the RECORD.

I think your conferees did a good job, under the circumstances, of reaching a conference agreement that is acceptable to the administration, and that will let this Congress adjourn sine die.

I support it, and I recommend that my colleagues do likewise.

□ 2240

Mr. Speaker, I almost forgot the most important part. I have a letter here from the Office of Management and Budget:

STATEMENT OF ADMINISTRATION POLICY,
House, October 10, 1984.

H.J. RES. 648—CONTINUING RESOLUTION

The Administration supports the Conference Report to accompany the bill H.J. Res. 648.

COMMERCE, JUSTICE, STATE, JUDICIARY

The conference agreement provides $110.2 million as requested by the administration on September 28 for the initial phase for an expedited program of increased security for U.S. missions and personnel abroad. The total cost of the 2-year program is now estimated to be $366,278,000, with the remainder of this total to be requested as an urgent supplemental in January 1985.

This additional Security-Enhancement Program was stimulated by the suicide vehicle bombing of the U.S. Embassy annex in Beirut on September 20. In summary, this program will entail additional security, communications, counterterrorism and administrative positions for $81.2 million, a reward program for information concerning terrorist acts for $1 million, and alterations and new construction on physical facilities abroad for $28 million.

These activities would be expanded with the expected urgent supplemental request in January of $256.1 million, with the bulk of that request, or $147.5 million, to be for construction projects.

The conference agreement also includes an extensive crime control and justice assistance authorization package which has been put together by the appropriate authorizing committees. The package includes sentencing reforms, the Dangerous Drug Diversion Control Act. A new program of State and local grants for law enforcement assistance, the reauthorization of the Juvenile Justice and Delinquency Prevention Program, the establishment of a clearinghouse for missing children, language dealing with labor union abuses, improvements and safeguards in the Witness Security Program, and an extensive Senate amendment which adds eight new titles to the House-passed authorization bill, dealing with such issues as the Federal coordination of drug enforcement efforts, a crime victims fund, counterfeit trademarks and credit cards, a salary increase for U.S. attorneys, stepped up actions against career criminals, increased fees for court-appointed counsel in criminal cases, hostage and terrorism prohibitions and penalties, computer access abuses, and changes in the treatment of seized and forfeited property and conveyances.

And finally, the conference agreement includes provisions amending the Small Business Act in regard to the treatment of the fishing industry due to El Nino-related ocean conditions and clarifying the eligibility of applicants for nonphysical disaster loans and the treatment of agricultural cooperatives. The SBA Act is also amended to adopt a House-passed bill which I introduced to reverse the current policy of the administration prohibiting SBA from issuing guarantees under its Pollution Control Equipment Contract Guarantee Program which are backed by industrial development bonds. The House has passed this needed change on a number of occasions, and I commend the conferees for their consideration in this regard.

DEFENSE

The defense portion of the conference establishes a spending level of $274.4 billion which embodies the main points of the agreement reached by the Speaker and the Senate majority leader.

The MX Missile Program is funded at $1 billion to support the missiles procured last year but there will be no procurement of new missiles until and unless both Houses vote next spring on two occassions to release the $1.5 billion fenced for this purpose.

The strategic defense initiative, or so-called star wars is funded at $1.4 billion, which is $377 million below its requested level.

Language on activities in Nicaragua prohibits any expenditure of funds to support rebel forces prior to February 28, 1985, and only then if both Houses of Congress pass a resolution releasing $14 million.

Antisatellite weapons testing is limited to 3 in 1985 and no test may occur prior to March 1985.

In all, the defense section of the resolution is $18.5 billion below the level requested in the February budget submission, $6 billion below the May revision.

This conference report sustains the essentials of the House position on all major issues including MX, Star Wars, and ASAT testing and it tracks closely the elements of the authorization conference report passed by the House on September 26.

Mr. Speaker, I rise in support of the conference report for H.R. 5899, the District of Columbia appropriations bill for fiscal year 1984, incorporated into this continuing resolution.

At the outset, let me commend the work of the subcommittee chairman, Mr. DIXON. There were some very sensitive issues addressed during the consideration of this bill. The status of St. Elizabeths Hospital and the resolution of the District's home rule problem, created by the Supreme Court Chadha decision, are controversial and important to all parties concerned with this bill.

Under the leadership of Chairman DIXON, with my good friend LARRY COUGHLIN, these issues were effectively, and I hope finally, addressed in this conference report.

Considering the not-so-glamorous task demanded by this subcommittee assignment, their work should be commended and applauded by the House.

Mr. Speaker, this conference agreement provides a total of $533.3 million in Federal funds to the District of Columbia, including a Federal payment in lieu of taxes, reimbursement for water and sewer services and a one-time Federal payment of $20 million to St. Elizabeths Hospital. The conference agreement also includes a Senate add-on of $9.9 million for a criminal justice initiative.

I think this conference report is a good deal for all involved, especially the administration. All three of the major objections raised by OMB Director Dave Stockman in his letter to the conferees were favorably resolved in this agreement.

First, the House will recede to the Senate funding level for the D.C. Federal payment. The young slasher wrote to me on September 17, 1984, and explained that "the administration is pleased with the funding level of the Senate version of the bill, which is consistent with the $600 million deficit downpayment plan cap * * *." In this report, the conferees have recommended the lower level for Federal payment to the District.

Second, the conferees agreed to the administration's recommendation concerning the authorization and appropriation of Federal loans to the District of Columbia for capital improvements. Again, Dave Stockman wrote that "The administration supports the Senate action deleting $155 million in Federal loans to the District of Columbia provided in the House bill." In a compromising fashion, the conferees agreed to accept the Senate deletion of funds.

Third, the conference agreement includes an authorization bill to correct the deficiencies in the District Home Rule Act created by the Supreme Court's Chadha decision concerning the legislative veto. Similar to an amendment offered in the House during the consideration of the continuing resolution, House Joint Resolution 648, this provision is designed to remove the cloud created by the

Chadha decision relative to the legislative veto. Since several provisions of the District of Columbia Home Rule Act are considered by some as unconstitutional, many District statutes and authority are surrounded by a cloud of uncertainty.

Specifically, the District has been unable to secure an unqualified legal opinion from bond counsel. This opinion is necessary to enter the municipal bond market with a reasonable rating. The absence of an unqualified legal opinion would make any bond issued by the city effectively unmarketable. No one would buy the bonds.

Currently, the District borrows from the Federal Government with interest. In fact, the administration listed the appropriation of $155 million in Federal loans to the District of Columbia as an objectionable provision in the House passed bill, H.R. 5899. In the same letter, Mr. Stockman wrote that "the District was to start borrowing in 1984 from the private sector and receive all of its capital funds from the private sector in 1985." However, administration objections to this reform have prevented the District from entering the private bond market.

The lack of authority to issue bonds also affects private organizations in the District of Columbia. Georgetown University, for example, has $65 million in tax-exempt bonds pending before the District for approval. Until legislation is enacted clarifying the Chadha problem, the city will be unable to issue bonds, and the Federal Government would be forced to make up the shortfall in loan authority.

Although the administration initially opposed enactment of a partial solution to the Chadha problem, I am told that they will accept this version of the compromise. I hope they see the sense in this important reform.

In addition to these local concerns, there was a foreign policy question left to the conferees to resolve.

Senate amendment 21 designates the area in front of the Soviet Embassy as "Andrei Sakharov Plaza." During subcommittee consideration of this bill, I offered report language urging the District to rename the street in front of the Embassy as "Andrei Sakharov Avenue." This language was similar to a bill introduced in the House and the Senate and cosponsored by several of our colleagues. The Senate bill language is a compromise worked out with District officials to satisfy their concerns about intrusion into the home rule authority.

This designation is intended to send a small but clear message to the Soviets: We won't forget Sakharov and the others who are systematically oppressed by this regime.

In this country the media has a short attention span. Sakharov may make the headlines for a few days, but his daily struggle goes relatively unnoticed.

This is exactly what the Soviets want. They want the West to forget Sakharov, his cause and the millions of other refuseniks in the Soviet Union who are oppressed. This designation would remind them—on a daily basis—of the suffering experienced by Sakharov and the others.

I am aware of Secretary Shultz's letter to the conference committee. His concern for the welfare of Dr. Sakharov and Yelena Bonner is genuine and well taken. His concern, however, can be no greater than the concern of the Sakharov's children. Last week, my staff spoke with the son of Andrei Sakharov and Yelena Bonner, Alexei Semyonov. I understand his wife testified before the Senate subcommittee just a few weeks ago.

His son said that this designation was "an expression of concern of the people of the United States for the fate of my parents." After being read the Secretary's letter, Semyonov said that there "can't be more harassment of my parents than there already has been" and that the designation "will make the Soviets more aware of concern in the West."

It was the view of the conferees and the Senate sponsor, Mr. D'AMATO, that this designation is important to keep the pressure on the Soviets.

Mr. Speaker, this is an excellent conference report, and I hope all Members can support it. It's time we get a regular DC appropriations bill for this fiscal year.

ENERGY AND WATER DEVELOPMENT

Mr. Speaker, the conferees faced a very difficult job in dealing with the energy and water section of this bill. Going into conference, there were 51 new start water projects or authorization amendments in either the House or the Senate versions of the continuing resolution. The total cost of building those projects would be approximately $7.4 billion.

We also had the $18 billion omnibus water authorization bill, H.R. 3678, as a part of this measure. The Senate had added a 3-year reauthorization for the Appalachian Regional Commission, at $150 million per year. There were also funds included by one body or the other for a TVA project in Bristol, TN, for a project at the Hanford Engineering Development Laboratory, and for additional highway construction by the Appalachian Regional Commission.

The administration made it very clear that these water items would result in the veto of this bill. Given that assurance, the conferees agreed to delete the entire energy and water development section of the continuing resolution.

It is unfortunate that this had to be done. I know that there were some very worthwhile projects in there, as well as water authorizations that some people have been awaiting for as much as 14 years. But the reality was that we could simply not, as a matter of fairness, drop the projects that were offensive to the administration and leave the others in. The only equitable way to handle this was to drop everything, and agree to take up this issue again in the next Congress.

FOREIGN AID IN THE CONTINUING RESOLUTION

The conference agreement includes $18.2 billion in new Budget Authority for Foreign Economic and Security Assistance. This is $81 million below the President's budget requests.

For Israel, the conference report provides a total of $2.6 billion, including $1.2 billion in grant economic aid and $1.4 billion in forgiven military loans.

The conference agreement also includes $85 million in new health care initiatives, with $10 million of this to be used for nutrition projects, $50 million for the delivery of primary and related health care services and health care education, and $25 million for the new child survival fund. There was a great deal of support for expanded health activities when the continuing resolution was adopted by the House, and I believe the conferees have responded to that support.

In a related area, we have earmarked an additional $75 million in economic support funds for development activities in Africa, where millions of people face staggering health, shelter, education, and nutrition shortfalls. We have provided these funds under an existing foreign assistance account rather than once again opening yet another spigot as proposed by the administration with the economic policy initiative for Africa. The send result will be the same, or better, and we will not be setting up a new bureaucracy to administer these funds.

Farmers and farmers' organizations in Poland would receive assistance under a new 2-year $10 million program to be operated by the Polish Catholic church. This is a Presidential initiative aimed at reaching rural residents in Poland while assuring that the Polish Government could not administer these funds in any way.

I regret that for budgetary reasons the conferees chose not to fund entirely the supplemental funding I added in committee to clear up several international banking contributions which are long overdue. At the same time, I am pleased that they have included the final $150 million for the sixth replenishment of the international development association, as well as the first contribution of $750 million for IDA VII. IDA provides necessary development funding for the poorest countries in the world, including many countries in Africa.

All in all, this is a balanced foreign assistance appropriation. We have not provided all of the funds requested by the President, but at a time when we are cutting back on domestic programs it is the best we can do.

HUD-INDEPENDENT AGENCIES

The conferees have agreed to provide an extension of the Federal Emergency Management Agency's Federal Crime Insurance Program for 1 year, from October 1, 1984 through September 30, 1985. It is the intent of the conferees that this is the final extension of the 14-year-old program.

For the Environmental Protection Agency, the conferees have agreed to provide $13 million for refinancing up to 60 percent of the bond debt of the Akron, OH, recycle energy system, and have included a provision to ensure that the Federal Government shall have access to this facility as a laboratory for municipal waste to energy research.

We have included the Senate amendment which provides that up to $165,000 of existing funds be made available for feasibility and design studies for the Newport, OR, field station, and that up to $106,000 from within funds previously appropriated be made available for reimbursement of architectural and engineering studies for the hazardous waste management center, The conferees have denied the proposed $7 million reprogramming for EDB disposal and idemnification costs, and expect the administration to submit a supplemental request for additional funds required to meet critical disposal and indemnification costs resulting from the EDB ban.

With regard to the Veterans' Administrtion, the conferees have agreed to provide the $306.6 million supplemental requested by the administration for the loan guarantee revolving fund. We have agreed on a list of major construction projects to be funded from within the $568,194,000 previously appropriated for fiscal year 1985 and $145,000,000 to be derived from savings on completed projects.

For the Department of Housing and Urban Development, the conferees have agreed to provide that the rescission in the fiscal year 1985 HUD Independent Agencies Appropriations Act of up to $7.6 million in annual contract authority and $164.8 million in budget authority of recaptured section 236 balances be reduced to up to $4.3 million in annual contract authority and $69.1 million in budget authority. The balance is to be used to replace funds drawn from State agency reserves in 1982.

We have agreed to provide $300 million to the Treasury to cover the additional interest expenses incurred on borrowings by the Department of Housing and Urban Development for new loan commitments, and contract executions for public housing developments, modernization and Indian housing projects, and for financing of existing contracts.

Finally, the conferees have agreed to include language requiring that, during fiscal year 1985, department and agencies of the Federal Government make loan guarantee and insurance commitments up to the full amounts provided in appropriations acts, subject only to the availability of qualified applicants.

INTERIOR AND RELATED AGENCIES

The conference agreement on fiscal year 1985 appropriations for the Department of Interior and related agencies proposes new budget authority totaling $8.12 billion. This compromise reflects an increase of approximately $86 million over the levels passed by the House on August 2, 1984, and a decrease of approximately $36 million from the levels as passed by the Senate during its consideration of H.R. 5973 and House Joint Resolution 648. The amount recommended by the conferees is approximately $95 million over fiscal year 1984 enacted levels, and approximately $440 million over the revised budget request.

Several complex and divisive issues confronted those of us concerned with maintaining, preserving, managing and cultivating our Nation's precious natural energy and cultural resources. After several days of discussion and negotiation, the conferees were able to reach agreement on levels of funding for a number of essential programs, projects, and activities, as well as on the issues of the Synthetic Fuels Corporation rescission and the Outer Continental Shelf oil and gas leasing prohibitions.

In an effort to reduce the overall level of fiscal year 1985 new budget authority for the Department of Interior and 16 related Federal agencies, the conferees have agreed to an across-the-board cut of 2 percent. This reduction is to be applied to each of the account programs, activities and projects funded in the fiscal year 1985 act at conference levels. I would like to point out to my colleagues that, without this provision, the amounts agreed to by the conferees would have been approximately $467 million over those considered acceptable by the administration.

Included in the $8.1 billion total recommended by the conference committee, and subject to the 2-percent reduction, are the following:

For the management of land and resources within the Bureau of Land Management, the committee recommends $393.8 million. Within the amounts recommended for wildlife habitat, the conferees have restored the Threatened and Endangered Species Program to the fiscal year 1984 level. our recommendation for BLM land acquisition totals $2.75 million.

Our recommendations for resource management in the Fish and Wildlife Service total $311.4 million. Included in this amount are $5.5 million for the national wetlands inventory, and $27.6 million for endangered species. The agreement provides $4.8 million to maintain the fiscal year 1984 funding and personnel levels for the cooperative units and $25 million for the continued operation of hatcheries funded in fiscal year 1984, including $102,000 for the Berkshire National Fish Hatchery. The conferees have also agreed to provide $500,000 to complete the design and planning of an anadromous fish research facility on the Connecticut River.

For the migratory bird conservation account, the conferees have agreed to provide $21.7 million; $9 million of this total is provided in accordance with the House-passed version, making funds available for the acquisition of high priority habitat suitable for waterfowl management. $64.5 million is also recommended in the Service's land acquisition account.

The conferees have recommended $625.4 million for operation of the National Park System, and $11.3 million for natural recreation and preservation, including $1.05 million for State and local river conservation assistance; $21.5 million is recommended for grants-in-aid to the States through the historic preservation fund, and $4.5 million for the national trust for historic preservation. We have included $113.7 million for construction, and $150.2 million for land acquisition and State assistance.

The conference agreement provides $420.7 million for the Geological Survey, including $9 million for Water Resource Research Institutes; $166.8 million for the Minerals Management Service; $138.7 million for the Bureau of Mines; $379.6 million for the Office of Surface Mining; $1.08 billion for the Bureau of Indian Affairs; $177.4 million for territorial affairs; and $86.1 million for secretarial offices. Our $4.4 billion recommendation for the Department of Interior provides for an increase of $388.7 million over fiscal year 1984 enacted levels, and an increase of $424.7 million over the 1985 request.

With regard to the OCS leasing prohibitions, which have been of considerble interest and concern for the past 4 years, the conferees have agreed to retain the House language which continues the moratoria on OCS leasing for 1 year in Georges Bank, in the central and northern California planning area north of Morro Bay, and in the southern California planning area.

For forest research, the conferees have recommended $123.4 million, including $21.5 million for forest insect and disease research, and $9.06 million for wildlife, range and fish habitat re-

search. We have provided $59.5 million for State and private forestry, including $2 million for urban forestry, of the $1.34 billion which we have provided for the Forest Service, $1.06 billion is for the National Forest System, and $44.5 million is for land acquisition.

For the Department of Energy, our recommendation includes $280.6 million for fossil energy Research and development, $160.1 million for naval petroleum and oil shale reserves, and $467.9 million for energy conservation. The Low-Income Weatherization Program level is $195 million; funding for the energy extension service, schools and hospitals, and energy policy and conservation grants programs are continued at fiscal year 1984 levels.

The conference agreement provides $25.5 million for economic regulation, and $6.22 million for emergency preparedness. Our recommendation for the strategic petroleum reserve totals $2.05 billion, an amount which will provide for a fill rate of approximately 159,000 barrels per day. This represents an increase of $160 million and 14,000 barrels per day over the administration's request. At this rate, the total reserve should reach 488 million barrels of oil by the end of fiscal year 1985.

For the Energy Information Administration, we have recommended $61.7 million, including $250,000 for the design of an air emissions survey which is to collect data from large combustors and other major emitting facilities that are industrial sources of sulfur and nitrogen oxides. EIA shall design this survey with the assistance of EPA and other appropriate Federal agencies and report back to the Congress on any additional resources which may be necessary for the conduct of this important survey.

The conferees have recommended $872.8 million for the Indian health services, $68.8 million for Indian education and $20.7 million for the Navajo and Hopi Indian Relocation Commission.

For the Smithsonian Institution, we have agreed to provide $193.4 million, an increase of $26.6 million over fiscal year 1984. We have provided $2.7 million for the Wilson Center, $36.8 million for the National Gallery of Art, and $380,000 for the Commission of Fine Arts.

Our agreement for the National Endowment for the Arts provides $167 million, including $137 million for grants and administration, and $30 million for matching grants. We have recommended $111.3 million for grants and administration at the National Endowment for the Humanities, and $31 million for NEH Matching grants. For the Institute of Museum Services, we have included $22 million.

The committee's recommendations for the Advisory Council on Historic Preservation, the National Capital Planning Commission, the Roosevelt Memorial Commission and the Federal Inspector for Alaska pipeline are the same as the House-passed levels. We have provided $6.8 million for the Pennsylvania Avenue Development Corporation, and $2 million for the Holocaust Memorial Council.

Among the general provisions in title III which were carried in the House or Senate versions of the continuing resolution are those pertaining to A–76 contracting and the steel shot amendment. The conferees have agreed to delete the House provision which prohibited the use of funds for additional A–76 contracting unless funds are budgeted and approved for A–76 studies. Our action was based on assurances which we have received from OMB and the Interior Department that future studies will only examine activities involving more than 10 full-time equivalents, and that studies now underway on activities involving fewer than 10 full-time equivalents must show savings significantly greater than the cost of completing the study.

With regard to the steel shot issue, we have agreed to a continued prohibition on the enforcement of steel shot regulations by the Interior Department in any State without State approval until such time as State and flyway-baseline criteria are promulgated by the Department.

Finally, the conferees have reported an agreement on the Synthetic Fuels Corporation rescission. I believe that the committee has been able to achieve many responsible compromises during the difficult days of conference. But I am dissatisfied and disappointed with the so-called compromise on the SFC which is contained in this resolution.

As many of my colleagues are now aware, the conferees have agreed to a so-called rescission of $5.375 billion of funds in the energy security reserve presently available to the Synthetic Fuels Corporation. The $750 million of these funds are to be placed in clean coal technology reserve for the purpose of conducting clean coal demonstration activities. Annual funding for such activities is, however, subject to annual appropriation by the Congress.

Of the $8 billion which remains available to the SFC, the conferees have recommended that $5.7 billion is to be applied to eight projects with authorized letters of intent. The agreement provides that if any of these set-aside funds remain available, due to project cancellations or for other reasons, 50 percent of the funds would be retained to assist other corporation-supported projects; and 50 percent of those funds would remain among the assets of the corporation, not available for obligation, but available for further appropriation by the Congress.

We have agreed to include Senate language incorporating certain changes with respect to public access to information, conduct of board meetings in public and personal conduct as well as the Senate language stipulating that, when considering projects for assistance, the board of directors are to ignore the national synthetic fuel production goals established in the Engery Security Act until the comprehensive strategy for the corporation has been completed.

The language adopted by the House during consideration of the fiscal year 1985 interior appropriations bill prohibiting funds from the energy security reserve from being made available to the Union Oil shale project phase II and the Cathedral Bluffs oil shale project is not included in the conference agreement. Because the conferees dropped this language on these two corporate welfare boondoggles, I have excepted on this amendment to the continuing resolution in agreeing to the conference report. I know that many Members of this House are not satisfied with this rescission agreement; I would just like my colleagues to know that they have not heard the last from me on this subject.

LABOR/HHS/EDUCATION ITEMS IN THE CONTINUING RESOLUTION

With respect to the rate of operation for programs covered by the Labor, Health and Human Services and Education appropriation bill, the House-passed continuing resolution provided that funding for these programs would be at the rate provided in the House-passed version of H.R. 6028, the fiscal year 1985 Labor/HHS/Education appropriations bill. The Senate provided that these programs would be at the rate and under the terms and conditions provided in the conference report on H.R. 6028 filed on October 3, 1984, and the accompanying statement of the managers. In a separate statement, I will describe the conference agreement on H.R. 6028 in more detail.

In addition, there were a number of programs for which funding was not provided either by the House or by the Senate in H.R. 6028 as passed by the respective Houses, which were provided for in the continuing resolution at the current rate. However, funding for just about all of these programs was provided in the conference agreement on H.R. 6028, and consequently, only a small number of programs were retained in this section of the continuing resolution at the current rate of funding: HMO and resources development, including health planning, and refugee and entrant assistance. The refugee and entrant assistance programs under the continuing resolution are provided funding at the current rate or at the level authorized by the refugee program reauthorization bill passed by

the House, H.R. 3729, whichever is lower.

Two programs, which were funded in the House-passed continuing resolution at the current rate, but not in the Senate-passed continuing resolution, have subsequently had their authorizations passed by the Congress, as part of the conference agreement on S. 2496, and funding has been provided under the conference agreement at the levels allowed by those authorizations: Follow Through, $10 million, and emergency immigrant assistance, $30 million.

The House included in the continuing resolution a $50 million authorization for a new child care training program under the title XX social services block grant. The Senate included both a $25 million authorization and appropriations for this program, as well as an authorization for Federal matching grants to encourage State trust funds or appropriations for child abuse and neglect prevention activities. The conferees agreed to the Senate provision.

The Senate included $4 million for the recently authorized U.S. Institute of Peace. The conferees accepted the Senate amendment.

The Senate added $7.4 million to the National Library of Medicine for projects on computers in medicine and information management. The conferees agreed to level of $3.5 million.

The Senate added $9 million for mental health activities recently agreed to in the bill reauthorizing the alcohol, drug abuse and mental health block grant. The conferees agreed to a level of $2.5 million.

The Senate included a legislative provision permitting demonstration programs under the refugee and entrant assistance program to test alternative refugee resettlement systems, which the conferees accepted.

As part of the demonstration projects authorized under this amendment, the Office of Refugee Resettlement should look at projects to deal with the impact of refugee immigration on heavily impacted school systems at the primary level, in order to develop options to deal most effectively with the most pressing needs of the children and the school systems. In particular, the needs for a program such as this in the District of Columbia are great, since approximately 20 children a week are entering the school system under these circumstances. The Office of Refugee Resettlement should consider funding a project involving an appropriate institution of higher education and the D.C. school system to demonstrate how school systems and universities in heavily impacted cities can cooperate in offering a temporary response to the needs of recently arrived refugee students.

The Senate included legislative language that requires hospices which meet certain conditions to be reimbursed by medicare at a higher rate than currently provided for under the law, which the conferees also accepted.

The House added a provision prohibiting the contracting out of the Civilian Conservation Centers under the Jobs Corps Program, which the conferees deleted, because a similar provision was adopted in the conference agreement on H.R. 6028, the Labor/HHS/Education appropriations bill.

STATEMENT ON U.S. INSTITUTE OF PEACE

Mr. Speaker, the legislation to create a U.S. Institute of Peace has had a long history, and Congress has rigorously examined this proposal over the 9 years since it was first introduced. There has been a congressional commission, two sets of House hearings and three in the Senate, and the Senate Labor Commission has favorably reported the bill twice.

Most recently, the Senate passed the proposal by a voice vote as an amendment to the 1985 Defense authorization bill. The conferees on that bill adopted this language by a voice vote, and the conference report easily passed both Houses last week.

It is particularly gratifying to me to be a party of this history. As the principal Republican sponsor, let me commend my colleagues in this body and in the Senate, on both sides of the aisle, for their years of hard work and steadfast support for this proposal.

Today we have the privilege and the opportunity to effectively launch the U.S. Institute of Peace. By providing the funds for it to operate during its first year, we have enabled it to fulfill its congressionally mandated charter. I am pleased that the 98th Congress made sure of the Institute's existence and that it have the resources to make tangible and significant contributions to peace and conflict resolution research.

It was important and it was appropriate for us to agree with Senator HATFIELD's amendment. He added $4 million to the continuing resolution to fund the Peace Institute in fiscal year 1985. Although the House and Senate had already authorized a funding level of $6 million for this same period, Mr. HATFIELD and the principal sponsors, including myself, agreed that $4 million was an adequate and sufficient amount to start the Institute.

This funding level will enable the Institute's first board to begin the important work of dispensing grants to foster research and education at this Nation's colleges and universities—the strongholds of free and independent research.

Authorizing this U.S. Institute of Peace and approving funds for its first year of work, while one of the last actions of this Congress, will no doubt prove to be one of the best. It indicates that it is no longer enough for this country to invest in military superiority, technology designed to produce the best equipped fighting forces, or weapons of the most accurate kind. This Institute is evidence that it is time to also invest in the study of ways to make peace and to aggressively pursue peaceful and secure international relations.

LEGISLATIVE BRANCH

The only provision in the continuing resolution affecting the House of Representatives is included in Senate Amendment 97, which, in effect, would allow the Architect of the Capitol to complete the purchase of a piece of property south of the House Office Buildings. Funds to complete this purchase were included in Public Law 97-276, the fiscal year 1983 continuing resolution, but the expenditure of those funds was made contingent upon the enactment of authorizing legislation. Language agreed to in this resolution waives that requirement for authorization.

MILITARY CONSTRUCTION

The military construction agreement reached in the conference is just about an even split between the House and Senate figures. The compromise provides $8.4 billion for the construction of military facilities around the world, and increase of 147 million over the House figure and 130 million below the Senate.

No major policy changes were reached in the compromise, but I do want to advise that funds are provided for silo modification and support for the deployment of the first 10 MX missiles.

Mr. Speaker, I believe that the conferees have brought back a very responsible section of the continuing resolution dealing with the Department of Transportation and related agencies. Since the Senate had attached its regular fiscal year 1985 Transportation appropriations bill to the continuing resolution, this conference report becomes in effect the conference report for the Transportation appropriations bill.

One indication of our responsibility in this section is that we have arrived at a conference agreement that is $188 million below the budget request, while providing adequate funds to meet our many important transportation needs.

Certainly a great part of the credit for this outcome must go to the chairman of the Transportation Subcommittee, BILL LEHMAN, the ranking minority member, LARRY COUGHLIN, and their counterparts in the other body. In their Transportation miniconference, they were able to resolve most difficulties, and they deserve our gratitude for an excellent job.

Before I outline some of the more important items contained in this section, I want to mention one item on which I disagreed with the conferees. That item involved language inserted by the Senate that would exempt certain foreign air carriers from complying with Federal noise standards on flights into airports at Miami, FL, and Bangor, ME.

I believe that this provision involves the worst type of discrimination against our U.S. air carriers and other U.S. airports.

Mr. Speaker, the question of noise standards is one that has been before this House time and time again over the past 10 years. In 1979, Congress passed legislation mandating that foreign carriers comply with the noise standards applicable to domestic air carriers by January 1, 1985. In other words, that legislation required foreign carriers flying certain types of aircraft to comply with the same rules applicable to domestic carriers using these same types of planes.

Over the past 6 or 7 years, domestic carriers have literally spent billions of dollars either retrofitting their aircraft or buying new planes to comply with this noise standard.

And after doing so, they find that now we are going to let foreign carriers continue to use the noisy planes, often in head-to-head competition on the same routes against our U.S. carriers. This is extremely inequitable. It is particularly unfair with regard to planes purchased or leased after the effective date of the Noise Act of 1979, which were brought at close to scrap value prices because of this noise legislation. I hope that the Secretary will exercise every bit of discretion available to her under this language to avoid exempting any more aircraft of this type than are absolutely necessary.

Mr. Speaker, the other provisions of this section are to be highly commended. Under the Office of the Secretary, language has been included under transportation, planning, research and development for a methanol study authorized under section 152 of the Surface Transportation Act of 1982.

Congress appropriated $1.75 million for this study in the fiscal year 1983 supplemental appropriations bill. Fifteen months later, the Department of Transportation finally got around to evaluating the competitors for this project. We found that the Department's manner of proceeding was contrary to the intent of Congress, as expressed in both the authorization and appropriation language, and would not result in obtaining the study results sought by the Congress.

We, therefore, have directed the Secretary to proceed to fund the phase I proposals submitted by the two finalists in the contract competition. In this way, we will be able to get the results intended by the Congress. To the extent that the cost of funding those contracts exceeds the previous appropriation, it will have to be made up by the Department out of available funds. I hope that the Department will not seek to circumvent congressional intent again in this matter.

For the Coast Guard's acquisition, construction, and improvements account, the conferees have provided $344.5 million as contained in the Senate bill. This amount will permit two more C-130 PILOC's to be performed, and will also permit a total of $73 million to be used for the 378-foot cutter renovation and modernization program. I would mention that the conferees also agreed to accept a Senate amendment providing $2 million for a lighthouse at Nantucket Island.

For the FAA, the conference agreement provide $1.37 billion for the facilities and equipment account. This amount will permit the vital airspace modernization program to move forward.

For grants in aid for airports, we have provided $925 million, instead of the $800 million in the House bill and $987 million in the Senate bill. This is $125 million more than was provided last year, and will help reduce the more than $2 billion of approved, unfunded airport improvement projects.

For railroad-highway crossings demonstration projects, we were obliged to agree with the Senate figure of $15 million, which was also the number in the House-passed continuing resolution. We had originally, in H.R. 5921, proposed some $48 million for this program, and in the reduction some worthwhile projects unfortunately had to be squeezed. If we can get our regular bill out next year, perhaps we will be able to do better.

Among the projects funded under this program are ones at Lafayette, IN, $7 million and Lincoln, NE, $1.8 million.

I know that my friends from Colorado have been concerned about the interstate transfer grants for highways, which funds the critical C-470 project in Denver. We have provided for a total program level of $33.3 million for that project.

Under the Federal Railroad Administration, we accepted the Senate figure of $1.9 milllion for rail safety grants, and appropriated $15.5 million for railroad research and development. Of that amount, the Department is expected to follow the House earmarking of funds for continuation of a rail maintenance study by MIT, under the direction of a company with experience in that field.

For the Northeast Corridor Improvement Program [NECIP], we have provided $27.8 million. This will provide first-year funding for the four highest priority items on the so-called 310 list.

The conferees have provided $684 million for Amtrak, of which up to $4 million is for Amtrak's Northeast corridor bridge over the Bush River in Maryland. This is a case where the Coast Guard has imposed bridge opening requirements on Amtrak, which are increasingly expensive and injurious to Amtrak's schedule. These funds will permit the automation of the bridge mechanism. The conferees have made clear that the current bridge opening schedule is not to be expanded after completion of the bridge improvements.

I know that a number of my colleagues have been concerned about Amtrak's West Side connection project in New York. The conferees agreed to the Senate "non-Amtrak" share language, permitting non-Amtrak Federal funds to be counted against the local share up to a maximum total project cost of $50 million, exclusive of right of way acquisition. If the total project cost exceeds $50 million, a more rigorous definition of local funds should be used for the remainder.

New loan guarantee commitments under the section 511 railroad loan guarantee program were limited to $2.5 million.

For mass transit, we have provided $2.45 billion in formula grants, which is $60 million above the budget request. In addition, we have provided for the authorized level of $875 million of these funds to be used for operating assistance.

For new starts, we have provided $422.5 million. This includes $95 million for Atlanta, $117.2 million for Los Angeles, $35 million for Houston, and $2.7 million for light rail.

As indicated in the statement of managers, the conferees are aware that the total cost of completing all of these projects greatly exceeds the funds that are likely to be available. Clearly some way will have to be found to bring the demand for such systems into line with available resources.

The Urban Mass Transportation Administration has published for comment certain criteria to be used in evaluating these proposed new start and extension projects. I believe that this is a worthwhile effort, and one that should be encouraged. It is my hope that over the next several months the Department will consult closely with interested Members of Congress and the appropriate congressional committees, as well as with members of the transit community, in arriving at a final set of consensus criteria. These criteria should be of great value to the Congress as it makes the difficult funding decisions on these projects in the years to come.

For interstate transfer transit grants, the conferees have provided slightly over $13.1 million for Boston,

$130.7 million for Chicago, and almost $23 million for Hartford.

For the Interstate Commerce Commission, we have provided the Senate figure of $48 million, which includes funds for the Office of Special Counsel. It may be that we have cut this amount too close to the bone, and I am sure that we would be willing to consider a supplemental if the Commission finds that one is necessary.

Finally, Mr. Speaker, we have included language that prohibits the Department from planning or implementing any change in the current Federal status of the Transportation Systems Center in Cambridge, MA. I hope that this puts to rest, once and for all, any attempt to shut down this outstanding facility and research resource.

Mr. Speaker, for the Treasury-Postal chapter of the continuing resolution, the conference agreement included the provisions of the conference report for H.R. 5798, the Treasury-Postal Service appropriations bill for fiscal year 1985, as amended in House Joint Resolution 648, with two exceptions. First, the conferees agreed to accept a Senate amendment, originally stricken on a point of order, to exempt custom gunmakers from excise tax regulations if they produce less than 50 firearms per year. Second, this agreement includes an amendment to waive the duty requirements for articles necessary for the installation and operation of a telescope in Arizona. During the installation, parts must be sent back and forth to Europe for adjustment and repairs.

The conferees also agreed to accept all amendments adopted by the Senate during the consideration of the continuing resolution. These amendments include a sense of the Senate resolution concerning the conduct of voter registration drives, clarifying language on the customs amendment concerning duty free shops, an additional $3.611 million for the renovation of Blair House, an additional $350,000 for the construction of a road to service the San Luis, AZ, border station, technical changes to a provision included in last year's continuing resolution relating to moving expenses for the senior executive service and finally a provision directing certain changes in the SMSA of St. Louis, MO.

This is a fair compromise with acceptable funding levels, I hope that all Members will report these provisions.

Mr. WHITTEN. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. BOLAND], the ranking member of the committee.

Mr. BOLAND. Mr. Speaker, the compromise which we have worked out on Nicaragua preserves the House position with one proviso. No funds may be spent on the secret war in Nicaragua until February 28, 1985. Thereafter if the President certifies that Nicaragua is supporting anti-government forces in any other country in Central America, and if he requests more funds for the war, a vote is guaranteed on a joint resolution providing such funds. This is an MX-type guaranteed vote—an expedited process that ensures a vote on the President's request.

The joint resolution, if approved by both Houses, would remove the prohibition on the use of already appropriated funds for the war. In any event, no more than $14 million could be spent during the balance of the fiscal year.

This approach goes as far as I believe the strong House position would permit. Only if Congress affirmatively provides for a renewal of funding for the war could any funds be used for that purpose.

Let me make very clear that this prohibition applies to all funds available in fiscal year 1985 regardless of any accounting procedure at any agency. It clearly prohibits any expenditure, including those from accounts for salaries and all support costs. The prohibition is so strictly written that it also prohibits transfers of equipment acquired at no cost.

The compromise allows the President and the Congress to see how several key matters develop in the next 5 months. Those are: Proposed talks between the Government of El Salvador and the Salvadoran rebels, the continued bilateral talks between the United States and Nicaragua, the resolution of the Contadora Draft Treaty, and the Nicaraguan elections. The President—whoever he may be—will no doubt take into account events affecting these four matters if he makes a request for funds. If he does make a request, it will be a new Congress, a new Intelligence Committee and those new facts which will influence the action of the House and Senate.

To repeat, the compromise provision clearly ends U.S. support for the war in Nicaragua. Such support can only be renewed if the President can convince the Congress that this very strict prohibition should be overturned.

Mr. LIVINGSTON. Mr. Speaker, will the gentleman yield for a couple of questions?

Mr. BOLAND. I am delighted to yield to the gentleman from Louisiana.

Mr. LIVINGSTON. Mr. Speaker, would the gentleman enlighten me: Does this prohibition prevent any expenditure of funds, direct or indirect, for arms or weapons or use of force in Nicaragua by the United States?

Mr. BOLAND. If it is directed against the Government of Nicaragua, the answer would be in the affirmative, yes.

Mr. LIVINGSTON. Are there no exceptions to this prohibition?

Mr. BOLAND. There are no exceptions to the prohibition.

Mr. LIVINGSTON. So in the unlikely event that tanks were to roll from Nicaragua into Honduras, the United States would be prohibited from taking any action; is that correct?

Mr. BOLAND. Insofar as activities inside Nicaragua are concerned. That is correct. We could, of course, help inside Honduras.

Mr. LIVINGSTON. I thank the gentleman for enlightening me.

Mr. CONTE. Mr. Speaker, I yield such time as he may consume to my good friend, the gentleman from Wisconsin [Mr. PETRI].

Mr. PETRI. Mr. Speaker, I rise to draw attention to one portion of the continuing resolution, a Senate amendment on Juvenile Justice, Runaway Youth, and Missing Children. This provision, which passed the House on October 2 as title XXII of H.R. 5690, was the result of hours of negotiations between House and Senate staff representing dozens of Members interested in this legislation from both parties. As a coauthor of H.R. 4971—the original House-passed version of this provision—I was actively involved in those negotiations and support this compromise provision. My earlier floor statements on H.R. 5690 and H.R. 4971 apply equally to the present provision.

Perhaps the most popular section of this legislation is a new initiative to locate abducted children and return them to their families. This is not intended to be a starry-eyed project to track down runaways or cure every problem of childhood. There's not enough money in the Federal Treasury to do that. There will always be kids like Huck Finn in our society, and the Federal Government could not stop them even if it wanted to. But there is a proper role for the Justice Department to combat the kidnaping of children, especially when the abducted children face the risk of sexual abuse or exploitation, torture and even murder.

This may seem like a remote problem to some people, but it is not. Testimony before my subcommittee showed that it is, instead, a random problem that can strike anywhere. One day it's newspaper curriers in Des Moines. Another day it's black children in Atlanta. Yet another day it's young Adam Walsh in Florida. When such abductions occur, they can destroy a family and tear apart a community. We can and should do what we can to combat this problem. The Missing Children's provision in the continuing resolution does this by establishing a national resource center and clearinghouse to provide technical assistance and otherwise coordinate public and private efforts to locate missing children. We must do at least this for our missing children and their families.

The bill also reauthorizes the Juvenile Justice and Delinquency Prevention Act. As you well know, that act has played a vital role in separating youthful offenders from adults in jails. It has also funded research and demonstration projects for treating juvenile delinquency and controlling juvenile delinquents. This legislation continues these efforts while making a variety of administrative and substantive changes. One of these is especially important for the family.

Throughout the bill, new emphasis is focused on addressing the problem of juvenile delinquency in the context of the family by directing program grants and training in this direction. When dealing with delinquent youth, the family can often be the source of either the problem or the solution. In many cases, grandparents can be especially valuable resources in correcting a troubled young person. By supporting local projects designed to tap these resources, this legislation should help rebuild broken families.

Further, let me note that this provision includes the continuation and implementation of the coordinated, National Law-Related Education Program developed and evaluated by the National Institute for Juvenile Justice and Delinquency Prevention. The program has demonstrated that law-related education can help reduce delinquency when properly implemented.

The Law-Related Education Program has been developed largely by five national organizations—the Constitutional Rights Foundation, Law in a Free Society, the National Institute for Citizen Education in the Law, the American Bar Association, and the Phi Alpha Delta Law Fraternity. Support from the Office of Juvenile Justice has enabled these groups to obtain vast experience and expertise in the development and implementation of successful delinquency prevention programs used in a number of States, including my own.

In Wisconsin, the Department of Public Instruction has worked to help establish law-related education programs in over 30 individual school districts. These programs can be found in Appleton, Neenah, White Fish Bay, Janesville, and other locations. In addition, the Wisconsin Bar Foundation sponsors an effective law-related education program called "Project Inquiry."

Law-related education has become an important educational program nationwide. Our action today in including this program in the Juvenile Justice reauthorization guarantees that the momentum of this program will not be lost and that this coordinated national effort will be able to continue.

In a field where failure has been more common than success, law-related education has proven to be a rare exception, an example of a delinquency prevention strategy that works.

Mr. CONTE. Mr. Speaker, I yield 5 minutes to my good friend, the gentleman from Michigan, Mr. HAL SAWYER, who will give us his last speech in the House of Representatives here tonight.

Mr. SAWYER. Mr. Speaker, I want to say that attached to this continuing resolution, kind of as the tail on the dog, if you will, though I do not want to so characterize the continuing resolution, is the biggest crime package that as far as my staff can research has ever passed the Congress of the United States, approximately 60 bills.

I might say that if there ever was a bipartisan bill, this is it.

You may have noticed in the Washington Post editorial of yesterday some four Members of the other body were listed as being major contributors to this bill. Passing a crime bill over there is like passing a crime bill in the Benevolent Order of the Police. Passing one out of this House is like passing one in the board of directors of the American Civil Liberties Union, and you know what that is.

I will tell you, the guy who is responsible for this is BILL HUGHES of New Jersey. He is of the other party and he did it.

I might modestly say I helped him a little, but he did it. And, you know, I helped him on those bills that came under suspension where he needed our votes, and on the other ones where he did not need our vote we passed them anyway.

But this is one tremendous crime bill hidden in the shadow of the hassle on the continuing resolution. It killed many people on the other side of the aisle here to vote for it because while it had so many good things in it that they had to vote for some of the things that they hated, like bail reform and sentencing reform. But it was strictly a bipartisan measure.

I have to say here in final windup that I have not had an association in my life equalling that with BILL HUGHES. I have spent 30 years, mostly practicing active trial law and law, with the last 8 years here in the House, and I have not enjoyed an association more than I have with BILL HUGHES of New Jersey, of the Democratic Party, who worked as hard as I did. We fought the battles here with the tough committees, with the ACLUer's and the people that got the credit in the Washington Post who were the people who were, as I say, breezing it through the benevolent protective order of the police.

It is a totally different ball game here in the House. We hung it on as an amendment that my friend from Massachusetts, SILVIO CONTE, allowed us to hang it on as an amendment. It never would have become law had he not done so. If it were not for him we would not have had the 60 major crime bills.

As I say, I have to credit not only BILL HUGHES, but ROM MAZZOLI on that side of the aisle who has been an objective, bipartisan participant because crime is not a partisan issue; he has called the shots as he saw it. So has SAM HALL on that side of the aisle.

On our side of the aisle so have HAM FISH, DON LUNGREN, CLAY SHAW, GEORGE GEKAS, and BILL MCCOLLUM. We just have a lot of people who have had input into this bill.

I will tell you that I am just so proud to have had the opportunity to be part of perhaps the biggest crime bill to come out of this Congress before I leave. It is kind of bittersweet.

□ 2250

I am going to miss a lot of it. I am going to miss all of the Members but I am looking forward to going back to the practice of law privately, which I also enjoy.

I just want to say it has been just great that at the end we can hang the tail to the dog of the gentleman from Massachusetts, Mr. CONTE. I have just enjoyed it, I have enjoyed my association with all of the Members. It has been a great experience for me.

You taught me a lot. I hope I can take some of it back into the boondocks of Michigan to where I am delighted to retreat.

Mr. SHAW. Mr. Speaker, will the gentleman yield?

Mr. SAWYER. I yield to the gentleman from Florida.

Mr. SHAW. I thank the gentleman for yielding.

Mr. Speaker, I would like to compliment the gentleman for the tremendous hard work that he has done on our subcommittee and on the Committee on the Judiciary. The gentleman has left very large and positive footprints in the Federal law, as he goes back to the practice of law. I sincerely think it will not be criminal law because perhaps it will be a little more difficult to represent criminals in this country with the passage of this bill.

Mr. SAWYER. Civil law might even be a little more compensatory than criminal law generally.

I may say that if you just look at the list of those bills that have passed it is impressive.

The SPEAKER. The time of the gentleman has expired.

Mr. CONTE. Mr. Speaker, I yield 1 additional minute to the gentleman in order to make an observation.

Mr. Speaker, will the gentleman yield to me?

Mr. SAWYER. I yield to the gentleman from Massachusetts.

Mr. CONTE. I thank the gentleman for yielding.

Mr. Speaker, I supported the crime bill and I was in control of the motion

to recommit and I gave it to the gentleman from California [Mr. LUNGREN] to put the crime bill on and supported him.

Mr. SAWYER. I know the gentleman from Massachusetts has been of great assistance. I know the substance of it he is with us, and I appreciate his support.

Thank you all very much, and I appreciate and have enjoyed being with you.

Mr. WHITTEN. Mr. Speaker, I yield 4 minutes to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH. of Iowa. Mr. Chairman, I want to follow up on what the gentleman from Michigan said. First of all I would point out that the $110 million that the administration requested for the purpose of enhancing security at U.S. Embassies overseas is in this bill in the full amount that was requested.

Some of you also were interested in some Small Business Administration disaster loan program amendments. They are in the bill. Also some changes in the pollution control guarantee program of the Small Business Administration are in this bill.

On the crime bill I want to say this: It is not the same as the bills that were passed by either the House or the Senate. However, as the gentleman from Michigan said, the bill is the biggest crime bill ever passed in history. I want to point out just how big it is.

In this bill there are 771 pages, of which 635 pages deal with the crime bill. As a matter of fact, the crime package is 85 percent of the bill, and a relatively small part of the bill deals with money. This is an authorizing bill and the money portion is just tagging along on the crime bill, that is what it really amounts to.

Since the crime package was in both the House and the Senate bill although with differences on some provisions, I, as chairman of the subcommittee handling the funding for the Department of Justice, was primarily responsible on the House side for trying to negotiate a compromise on this matter. We asked the members of the Committee on the Judiciary to come to the conference. They did come to the conference and sat down there and did in 2 hours what in a normal conference might have taken 2 or 3 days.

I also want to commend the gentleman from New Jersey [Mr. RODINO], the chairman of the committee, the gentleman who was mentioned previously, Mr. HUGHES, and Mr. SAWYER and others who worked so hard and hammered out the crime bill.

Because the conference agreement on the crime bill is so comprehensive, I thought I should briefly review the items that are in it.

The crime bill package includes provisions on bail reform; it also narrows the insanity defense, shifting the burden of proof to the defendant; it reforms Federal criminal sentencing procedures; it abolishes parole; it authorizes appeal of sentences by prosecution and defendant; and it includes improvements in forfeiture provisions in drug cases. The crime package also provides authorization for Federal funds to carry out specific anticrime programs. I might say that the House had previously appropriated money in the fiscal year 1985 Appropriation Act for the Department of Justice, anticipating that this authorization would be enacted.

The crime package also includes provisions to strengthen money-laundering penalties; it creates national Drug Law Enforcement Policy Board to coordinate drug enforcement; it improves the witness protection program; it provides for Federal aid for helping victims of crime; it provides for strengthening laws against counterfeiting of trademarked products; it improves the Federal ability to prevent diversion of dangerous prescription drugs; and it provides for Federal penalties for counterfeiting credit cards and for computer fraud and abuse. It also contains an antiterrorism act. It provides enhanced penalties for career criminals possessing a firearm. It also provides for the reauthorization of the Juvenile Justice and Delinquency Prevention Program and establishes an office to address the missing children problem. We had previously appropriated the money to cover these programs, including missing children, in the fiscal year 1985 Appropriation Act for the Department of Justice, anticipating that this authorization would be enacted.

The crime package also provides for a mandatory 5-year prison term that must be imposed for the use of a firearm in the commission of a Federal crime.

These are just some of the provisions in this bill. I want to say again, Mr. Speaker, this is a very important crime bill. It should not be overlooked as a part of this continuing resolution.

Mr. RINALDO. Mr. Speaker, I rise in opposition to the conference report. I cannot accept the deletion of the authorizations for new flood control and other water projects that are critical to my district and the State of New Jersey.

In this same measure, we are voting to spend over $18 billion on aid to foreign countries. Over $292 billion will be given to the Defense Department, and billions more will go for programs of questionable value to the taxpayers. It does not seem to me that it would have been too much to ask that some funds be included for public works projects that will protect the lives and property of our citizens.

The projects in my own area that need authorizations are a good example of the kind of work that must be allowed to go forward. Under the House version of the continuing resolution, approximately $181 million was provided for three flood control projects affecting communities in my district—the Green Brook flood control project, work on the Robinson's Branch of the Rahway River and improvements along the Rahway River and Van Winkles Brook. These are not-spur-of-the-moment, ill-conceived pork-barrel projects. These projects have been planned for several years, have been determined to be cost effective and are critical to the health and welfare of my constituents who live, play, and work in the areas abutting these waterways.

In 1973, a flash flood along the Green Brook killed six people and caused several million dollars in property damage. The Army Corps of Engineers by that time had been studying flood control measures for the Green Brook area for 18 years, since 1955. By 1981, the corps finally made its recommendations for improved flood control along the Green Brook. Work on this project cannot go forward, however, until Congress passes an authorization.

As you know, Mr. Chairman, it has been 8 years since the last flood control authorization bill was enacted. Since that time, the Public Works Committee has spent countless hours holding hearings and drafting legislation to deauthorize obsolete projects and authorize work on new ones. After we have come this far toward providing a new round of funding for these additional projects so important to my district, I cannot in good conscience vote to deny the interest of my constituents.

We do not have to be reminded that without the provisions of the water resources legislation included in the continuing resolution, these projects are dead; we will have to start over again next year on a new bill. I realize that my colleagues on the Public Works Committee plan to bring a new authorization bill to the floor quickly, possibly as early as next February. However, further delay is simply not acceptable—the time for action should have been now.

Even after an authorization is enacted, it will still be many years before work on these flood control projects can be completed. In the meantime, another serious flood could very well cause more fatalities and further damage to property in the Green Brook area. It has been almost 30 years since the planning of this project first began. How long do these people have to wait, how many lives have to be lost before we get this project started?

I think it's ludicrous for us to hand out billions in useless foreign aid, give

the Defense Department millions to waste on overpriced spare parts, and then scrap an inexpensive project that would save lives and protect homes. In protest against the failure to include the water resources authorization in the conference report, I am compelled to vote against it.

□ 2300

Mr. CONTE. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Speaker, this continuing resolution gives each of us a very small measure of choice with respect to what we may do.

Most of us have serious campaigns in our districts. We want to go home and take care of that challenge. We are far beyond the date when the House was scheduled to recess.

I would like to commend those who have worked on the conference committee because I think they have done a lot of work and they are to be commended for the serious challenge that they encountered.

But I think we should reflect at a time like this that something is seriously wrong with the process under which this House and the other body are working at this time, when we reflect on the fact that of the 13 appropriations bills that fund the Federal Government, 4 of them have been passed by both bodies and 9 of them are not passed and the 9 of them are in this bill.

The way our system is supposed to work is that when the legislature passes an appropriation bill, if the President does not agree with it the President is supposed to have the option of a veto and then Congress can review that veto. But when the President, whoever he is, is presented with a continuing resolution of this size, covering nine subject matter appropriations bills, the President has no veto, as a practical matter, because, in effect, the President is blackmailed to accept this because he does not dare really turn down the level of spending contained in this bill because of the adverse repercussion it is going to have all over this country.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I thank the gentleman from yielding.

Is the gentleman aware that when this bill passes the total appropriations for this year will be less than the President requested?

Mr. DANNEMEYER. That may very well be, but we all know that the appropriations level in this bill—and I have asked over here on our side, maybe you have got the figures, I have not been able to find anybody tonight who will tell us what the level of the figure is. I do not think anybody knows. But the fact is that whatever the amount is it entitles a deficit for fiscal year 1985 and $180 billion. Now, I do not think that is responsible. I do not think any of us has the right to pass this deficit on to future generations. Where do we get that right?

I think that the point that I seek to make in opposition to this conference report is that it points up the necessity of a constitutional amendment that would give our President a line item veto.

Mr. CONTE. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina [Mr. HARTNETT].

Mr. HARTNETT. Mr. Speaker, I want to thank the gentleman from Massachusetts for yielding to me at this late hour.

I have been amazed, Mr. Speaker, as I sat in my office for the last few minutes to see the Members of this body beat their breasts and contend what a fantastic job they have done in this, the 59th minute of the 11th hour, to bring before us a continuing resolution.

Mr. Speaker, we stood here today and said what a tremendous thing we have done, we have taken the water projects out of this bill. As if to say, look what we have done for our colleagues.

Now, Mr. Speaker, you and I and all these senior Members of Congress know, we did not have the money in the first place to put the water projects in the bill.

So now we say what a noble thing we have done for our constituents, we have taken the water projects out.

I am sure we will return to our home districts in the next few days, Mr. Speaker, and we will try and convince our constituents of what a fantastic job we did in Congress this year. When, if you graded us, Mr. Speaker, on a point from 1 to 10, with the smallest and most ineffective State legislature in the State, we probably would be 30 points behind the most sloppily run legislature in the State, of any small State anywhere in the country.

Do not go home, Mr. Speaker, and try and convince your constituents that you have done a good job, because as legislators you should have passed those appropriations bills. They should have been given a chance to be sent to the President, given him an opportunity to veto or to sign those appropriations bills. You, the senior Members of this Congress, have been derelict in your duty as legislators and do not go home and try and convince your constituents that you have been anything else but.

Mr. WHITTEN. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. ADDABBO].

Mr. ADDABBO. Mr. Speaker, relative to the last speaker's statement that the Appropriation Committees should have done their work earlier, I would advise him and the House that nearly all the appropriations bills were ready in June but the other body had not acted on the necessary authorization bills. Only in the last hours of the session did they finally move on the needed authorizations.

Perhaps next year if they do not move on the needed authorizations in a timely manner, we should get rules and move the appropriations bills as soon as they are ready for consideration by the House.

As far as the defense appropriations part of this resolution, Mr. Speaker, we are $18 billion below the President's original budget. We are about $5 billion below the so-called Rose Garden compromise put forth by the administration. We are above the House reported bill by $4.3 billion, but below the Senate reported bill by $5 billion.

You have heard my colleague from Massachusetts, the chairman of the intelligence authorizing committee give you the report on Nicaragua aid. Aid is cut off until after February 28, 1985, and there is a positive vote by the next Congress on a joint resolution approving such aid.

On antisatellite weapons, there can be no testing against an object in space until March 1 of next year. The President must make specific certifications to Congress and only three tests against objects in space are then allowed.

Concerning the MX, there will have to be a positive vote by the Congress by both the authorizing and the Appropriations Committees after March 1, 1985, before any moneys can be expended for additional MX missiles.

Mr Speaker, it is with a deep sense of regret that I will not be working with two great Members of this House next year, the gentleman from Alabama [Mr. JACK EDWARDS] and the gentleman from Virginia [Mr. KEN ROBINSON] both of whom are retiring. These two very dedicated members of my subcommittee and dedicated Members of this House will be missed.

Mr. Speaker, I will include tabular matter relating to the defense appropriation part of this resolution which follows:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

	Fiscal year 1984 enacted	Fiscal year 1985 estimates	House	Senate	Conference	Conference compared with			
						Enacted	Estimates	House	Senate
TITLE I—MILITARY PERSONNEL									
Military personnel, Army	$15,388,833,000	$21,172,900,000	$21,020,244,000	$21,049,200,000	$21,020,344,000	+$5,631,511,000	−$52,556,000	+$100,000	−$28,856,000
Military personnel, Navy	11,415,908,000	15,897,500,000	15,660,134,000	15,695,358,000	15,660,246,000	+4,244,338,000	−237,254,000	+112,000	−35,112,000
(Transfer from other accounts)	(30,000,000)					(−30,000,000)			
Military personnel, Marine Corps	3,520,369,000	4,845,900,000	4,802,100,000	4,812,066,000	4,803,366,000	+1,282,997,000	−42,534,000	+1,266,000	−8,700,000
Military personnel, Air Force	12,864,563,000	17,799,900,000	17,607,825,000	17,567,780,000	17,572,005,000	+4,707,442,000	−227,895,000	−35,820,000	+4,225,000
Reserve personnel Army	1,361, 150,000	2,184,300,000	2,090,500,000	2,109,700,000	2,084,100,000	+722,950,000	−100,200,000	−6,400,000	−25,600,000
Reserve personnel Navy	757,500,000	1,131,600,000	1,131,600,000	1,127,300,000	1,127,700,000	+370,200,000	−3,900,000	−3,900,000	−+400,000
Reserve personnel, Marine Corps	176,200,000	269,500,000	268,700,000	269,500,000	268,700,000	+92,500,000	−800,000		−800,000
Reserve personnel, Air Force	388,750,000	565,800,000	564,500,000	565,800,000	564,500,000	+175,750,000	−1,300,000	,000	−1,300,000
National Guard personnel, Army	1,882,980,000	3,075,000,000	2,969,210,000	2,935,500,000	2,926,100,000	+1,043,120,000	−148,900,000	−43,110,000	−9,400,000
National Guard personnel, Air Force	589,100,000	889,200,000	874,878,000	882,900,000	868,578,000	+279,478,000	−20,622,000	−43,300,000	−14,322,000
Total, total, title I, Military personnel:									
New budget (obligational) authority	48,345,353,000	67,831,600,000	66,989,691,000	67,015,104,000	66,895,639,000	+18,550,286,000	−935,961,000	−94,052,000	−119,465,000
(Transfer from other accounts)	(30,000,000)					(−30,000,000)			
RETIRED MILITARY PERSONNEL									
Retired pay, Defense	16,592,600,000					−16,592,600,000			
TITLE II—OPERATION AND MAINTENANCE									
Operation and maintenance, Army	17,297,576,000	19,486,518,000	18,093,539,000	18,574,318,000	18,411,078,000	+1,113,502,000	−1,075,440,000	+317,539,000	−163,240,000
Operation and maintenance, Navy	22,249,628,000	26,248,426,000	24,688,941,000	25,390,326,000	25,116,241,000	+2,866,613,000	−1,132,185,000	+427,300,000	−274,085,000
Operation and maintenance, Marine Corps	1,547,720,000	1,683,069,000	1,640,294,000	1,633,469,000	1,640,294,000	+92,574,000	−42,775,000		+6,825,000
Operation and maintenance, Air Force	17,717,145,000	20,234,500,000	19,156,315,000	19,336,639,000	19,093,265,000	+1,376,120,000	−1,141,235,000	−63,050,000	−243,374,000
Operation and maintenance, Defense agencies	6,547,914,000	7,338,370,000	7,037,898,000	7,126,470,000	7,067,469,000	+519,555,000	−270,901,000	+29,571,000	−59,001,000
Operation and maintenance, Army Reserve	692,390,000	715,450,000	724,400,000	713,150,000	724,400,000	+32,010,000	+8,950,000		+11,250,000
Operation and maintenance, Navy Reserve	636,590,000	829,531,000	827,181,000	812,431,000	827,181,000	+190,591,000	−2,350,000		+14,750,000
Operation and maintenance, Marine Corps Reserve	52,349,000	58,642,000	58,642,000	58,642,000	58,642,000	+6,293,000			
Operation and maintenance, Air Force Reserve	791,150,000	883,461,000	928,661,000	872,461,000	872,461,000	+81,311,000	−11,000,000	−56,200,000	
Operation and maintenance, Army National Guard	1,188,390,000	1,404,643,000	1,437,043,000	1,397,243,000	1,424,293,000	+235,903,000	+19,650,000	−12,750,000	−27,050,,000
Operation and maintenance, Air National Guard	1,807,650,000	1,862,148,000	1,844,531,000	1,810,348,000	1,810,348,000	+2,698,000	−51,800,000	−34,183,000	
National Board for the Promotion of Rifle Practice, Army	909,000	914,,000	914,000	914,000	914,000	+5,,000			
Claims, Defense	160,400,000	177,900,000	157,900,000	157,900,000	157,900,000	−2,500,000	−20,000,000		
Court of Military Appeals, Defense	3,372,00,000	3,470,000	2,870,000	3,416,000	2,870,000	−502,000	−600,000		−546,000
Summer olympics	50,000,000					−50,000,000			
Environmental Restoration fund, Defense	150,000,000			314,000,000	314,000,000	+164,000,000	+314,000,000	+314,000,000	
Total, title II new budget (obligational) authority, Operation and maintenance	70,893,183,000	80,927,042,000	76,599,129,000	78,201,727,000	77,521,356,000	+6,628,173,000	−3,405,686,000	+922,227,000	−680,371,000
Aircraft procurement, Army	3,214,048,000	4,008,300,000	3,725,300,000	3,950,100,000	3,940,900,000	+726,852,000	−67,400,000	+215,600,000	−9,200,000
(Transfer from other accounts)			(30,000,000)	(30,000,000)				(−30,000,000)	(−30,000,000)
Missile procurement, Army	2,822,700,000	3,442,400,000	3,183,500,000	3,150,400,000	3,167,000,000	+344,300,000	−275,400,000	−16,500,000	+16,600,000
(Transfer from other accounts)	(32,600,000)		(25,000,000)			(−32,600,000)		(−25,000,000)	
Procurement of weapons and tracked combat vehicles, Army	4,594,103,000	5,092,700,000	4,673,100,000	4,421,735,000	4,548,100,000	−46,003,000	−544,600,000	−125,000,000	+126,365,000
(Transfer from other accounts)	(149,000,000)		(239,800,000)	(213,100,000)		(−149,000,000)		(−239,800,000)	(−213,100,000)
Procurement of ammunition, Army	1,980,100,000	2,494,000,000	2,011,700,000	2,625,050,000	2,646,300,000	+666,200,000	+152,300,000	+634,600,000	+21,250,000
(Transfer from other accounts)			(44,000,000)	(44,000,000)				(−44,000,000)	(−44,000,000)
Other procurement, Army	4,680,528,000	6,022,400,000	4,989,510,000	5,256,850,000	5,122,450,000	+441,922,000	−899,950,000	+132,940,000	−134,400,000
(Transfer from other accounts)			(47,800,000)					(−47,800,000)	
Aircraft procurement, Navy	10,174,608,000	11,474,200,000	10,808,198,000	10,818,295,000	10,903,798,000	+729,190,000	−570,402,000	+95,600,000	+85,503,000
(Transfer from other accounts)			(75,000,000)					(−75,000,000)	
Weapons procurement, Navy	3,725,332,000	4,650,860,000	4,246,460,000	4,395,960,000	4,353,611,000	+628,279,000	−297,249,000	+107,151,000	−42,349,000
(Transfer from other accounts)	(77,800,000)		(50,000,000)	(20,000,000)		(−77,800,000)		(−50,000,000)	(−20,000,000)
Shipbuilding and conversion, Navy	11,215,400,000	13,141,900,000	10,708,000,000	11,558,300,000	11,736,000,000	+520,600,000	−1,405,900,000	+1,028,000,000	+177,700,000
(Transfer from other accounts)	(279,600,000)		(588,000,000)	(347,400,000)		(−279,600,000)		(−588,000,000)	(−347,400,000)
Other procurement, Navy	4,308,543,000	5,953,900,000	5,063,667,000	5,533,376,000	5,341,614,000	+1,033,071,000	−612,286,000	+277,947,000	−191,762,000
(Transfer from other accounts)			(85,700,000)					(−85,700,000)	
Procurement, Marine Corps	1,741,306,000	1,978,581,000	1,791,247,000	1,860,796,000	1,836,722,000	+95,416,000	−141,859,000	+45,475,000	−24,074,000
(Transfer from other accounts)			(7,500,000)					(−7,500,000)	
Aircraft procurement, Air Force	21,080,110,000	28,676,500,000	24,906,866,000	26,376,700,000	26,188,266,000	+5,108,156,000	−2,488,234,000	+1,281,400,000	−188,434,000
(Transfer from other accounts)	(323,100,000)		(549,500,000)	(111,000,000)		(−323,100,000)		(−549,500,000)	(−111,000,000)
Missile procurement, Air Force	7,747,838,000	9,820,600,000	7,361,749,000	8,581,862,000	6,909,245,000	−838,593,000	−2,911,355,000	−452,504,000	−1,672,617,000
(Transfer from other accounts)	(55,000,000)		(15,000,000)			(−55,000,000)		(−15,000,000)	
Other procurement, Air Force	6,964,232,000	9,561,500,000	8,533,785,000	9,149,020,000	8,861,697,000	+1,897,465,000	−699,803,000	+372,912,000	−287,323,000
(Transfer from other accounts)			(14,500,000)	(14,500,000)				(−14,500,000)	(−14,500,000)
National Guard and Reserve Equipment	176,000,000		20,000,000	431,000,000	380,000,000	+204,000,000	+380,000,000	+360,000,000	−51,000,000
Acquisition & Construction: Coast Guard	300,000,000					−300,000,000			
Procurement, Defense agencies	942,657,000	1,243,500,000	1,134,789,000	1,179,860,000	1,165,701,000	+223,044,000	−77,799,000	+30,912,000	−14,159,000
Defense Production Act Purchases		25,000,000	10,000,000	25,000,000	10,000,000	+10,000,000	−15,000,000		−15,00,000
Total, title III, Procurement:									
New budget (obligational) authority	85,667,505,000	107,586,341,000	93,167,871,000	99,314,304,000	97,111,404,000	+11,443,899,000	−10,474,937,000	+3,943,533,000	−2,202,900,000
(Transfer from other accounts)	(917,100,000)		(1,771,800,000)	(780,000,000)		(−917,100,000)		(−1,771,800,000)	(−780,000,000)
TITLE IV—RESEARCH, DEVELOPMENT, TEST AND EVALUATION									
Research, development, test, and evaluation, Army	4,199,125,000	4,987,100,000	4,252,553,000	4,541,125,000	4,349,015,000	+149,890,000	−638,085,000	+96,462,000	−192,110,000
Research, development, test and evaluation, Navy	7,559,818,000	9,826,076,000	8,849,158,000	9,300,867,000	9,172,622,000	+1,612,804,000	−653,454,000	+323,464,000	−128,245,000
Research, development, test, and evaluation, Air Force	12,227,706,000	14,401,955,000	12,805,917,000	13,503,435,000	13,424,147,000	+1,196,441,000	−977,808,000	+618,230,000	−79,288,000
Research, development, test, and evaluation, Defense agencies	2,703,620,000	4,707,906,000	3,809,910,000	4,493,140,000	4,182,287,000	+1,478,667,000	−525,619,000	+372,377,000	−310,853,000
Director of Test and Evaluation, Defense	49,000,000	62,000,000	62,000,000	59,000,000	59,000,000	+10,000,00	−3,000,000	−3,000,000	
Total, title IV, new budget (obligational) authority, Research, development, test, and evaluation	26,739,269,000	33,985,037,000	29,779,538,000	31,897,567,000	31,187,071,000	+4,447,802,000	−2,797,966,000	+1,407,533,000	−710,496,000
TITLE V—SPECIAL FOREIGN CURRENCY PROGRAM									
Special foreign currency program	3,050,000	8,650,000	8,650,000	8,650,000	8,650,000	+5,600,000			
TITLE VI—REVOLVING AND MANAGEMENT FUNDS									
Army stock fund	388,600,000	366,448,000	356,448,000	366,448,000	366,448,000	−22,152,000		+10,000,000	
Navy stock fund	632,869,000	563,907,000	473,307,000	473,007,000	473,307,000	−159,562,000	−90,600,000		+300,000
Marine Corps stock fund	20,780,000	34,908,000	34,908,000	34,908,000	34,908,000	+14,128,000			
Air Force stock fund	1,288,725,000	666,093,000	631,,793,000	548,593,000	548,593,000	−740,132,000	−117,500,000	−83,200,000	
Defense stock fund	43,600,000	130,700,000	130,700,000	130,700,000	130,700,000	+87,100,000			
Defense industrial fund	150,000,000					−150,000,000			

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

	Fiscal year 1984 enacted	Fiscal year 1985 estimates	House	Senate	Conference	Conference compared with			
						Enacted	Estimates	House	Senate
Merchant Ship Construction Revolving Fund									
(Transfer from other accounts)				(500,000,000)					(−500,000,000)
Total, title VI, new budget (obligational) authority, Revolving and management funds	2,524,574,000	1,762,056,000	1,627,156,000	1,553,656,000	1,553,956,000	−970,618,000	−208,100,000	−73,200,000	+300,000
(Transfer from other accounts)				(500,000,000)					(−500,000,000)
TITLE VII—RELATED AGENCIES									
Intelligence Community Staff	17,467,000	21,797,000	20,297,000	21,797,000	20,797,000	+3,330,000	−1,000,000	+500,000	−1,000,000
CIA Retirement and Disability System Fund	86,300,000	99,300,000	99,300,000	99,300,000	99,300,000	+13,000,000			
Total, title VII, new budget (obligational) authority, Related agencies	103,767,000	121,097,000	119,597,000	121,097,000	120,097,000	+16,330,000	−1,000,000	+500,000	−1,000,000
TITLE VIII—GENERAL PROVISIONS									
(Additional transfer authority sec. 825)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)				
RECAPITULATION									
Title I—Military personnel	48,345,353,000	67,831,600,000	66,989,691,000	67,015,104,000	66,895,639,000	+18,550,286,000	−935,961,000	−94,052,000	−119,465,000
(Transfer from other accounts)	(30,000,000)					(−30,000,000)			
Retired military personnel	16,592,600,000					−16,592,600,000			
Title II—Operation and maintenance	70,893,183,000	80,927,042,000	76,599,129,000	78,201,727,000	77,521,356,000	+6,628,173,000	−3,405,686,000	+922,227,000	−680,371,000
Title III—Procurement	85,667,505,000	107,586,341,000	93,167,871,000	99,314,304,000	97,111,404,000	+11,443,899,000	−10,474,937,000	+3,943,533,000	−2,202,900,000
(Transfer from other accounts)	(917,100,000)		(1,771,800,000)	(780,000,000)		(−917,100,000)		(−1,771,800,000)	(−780,000,000)
Title IV—Research, development, test, and evaluation	26,739,269,000	33,985,037,000	29,779,538,000	31,897,567,000	31,187,071,000	+4,447,802,000	2,797,966,000	+1,407,533,000	710,496,000
Title V—Special foreign currency program	3,050,000	8,650,000	8,650,000	8,650,000	8,650,000	+5,600,000			
Title VI—Revolving and management funds	2,524,574,000	1,762,056,000	1,627,156,000	1,553,656,000	1,553,956,000	−970,618,000	−208,100,000	−73,200,000	+300,000
(Transfer from other accounts)				(500,000,000)					(−500,000,000)
Title VII—Related agencies	103,767,000	121,097,000	119,597,000	121,097,000	120,097,000	+16,330,000	−1,000,000	+500,000	−1,000,000
Title VIII—General provisions (additional transfer authority, sec. 825)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)				
Total, Department of Defense (NOA)	250,869,301,000	292,221,823,000	268,291,632,000	278,112,105,000	274,398,173,000	+23,528,872,000	−17,823,650,000	+6,106,541,000	−3,713,932,000
(Transfer from other accounts)	(947,100,000)		(1,771,800,000)	(1,280,000,000)		(−947,100,000)		(−1,771,800,000)	(−1,280,000,000)
Total funding available	251,816,401,000	292,221,823,000	270,063,432,000	279,392,105,000	274,398,173,000	+22,581,772,000	−17,823,650,000	+4,334,741,000	−4,993,932,000
(Transfer authority)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)				
Distribution by organizational component:									
Army	59,691,432,000	74,453,073,000	69,527,961,000	71,091,733,000	70,731,442,000	+11,040,010,000	−3,721,631,000	+1,203,481,000	−360,291,000
(Transfer from other accounts)	(211,600,000)		(386,600,000)	(287,100,000)		(−211,600,000)		(−386,600,000)	(−287,100,000)
Navy	79,734,920,000	98,588,500,000	91,052,537,000	93,774,601,000	93,354,952,000	+13,620,032,000	−5,233,548,000	+2,302,415,000	−419,649,000
(Transfer from other accounts)	(357,400,000)		(806,200,000)	(367,400,000)		(−357,400,000)		(−806,200,000)	(−367,400,000)
Air Force	83,466,969,000	105,361,657,000	95,216,820,000	99,195,538,000	96,713,105,000	+13,246,136,000	−8,648,552,000	+1,496,285,000	−2,482,433,000
(Transfer from other accounts)	(378,100,000)		(579,000,000)	(125,500,000)		(−378,100,000)		(−579,000,000)	(−125,500,000)
Defense agencies/OSD	10,803,613,000	13,697,496,000	12,354,717,000	13,498,136,000	13,098,577,000	+2,294,964,000	−598,919,000	+743,860,000	−399,559,000
Reserve & National Guard (procurement)	176,000,000		20,000,000	431,000,000	380,000,000	+204,000,000	+380,000,000	+360,000,000	−51,000,000
Retired military personnel	16,592,600,000					−16,592,600,000			
Related agencies	103,767,000	121,097,000	119,597,000	121,097,000	120,097,000	+16,330,000	−1,000,000	+500,000	−1,000,000
Coast Guard	300,000,000					−300,000,000			
Revolving and Management Funds:									
(Transfer from other accounts)				(500,000,000)					(−500,000,000)
Total, Department of Defense (HOA)	250,869,301,000	292,221,823,000	268,291,632,000	278,112,105,000	274,398,173,000	+23,528,872,000	−17,823,650,000	+6,106,541,000	−3,713,932,000
(Transfer from other accounts)	(947,100,000)		(1,771,800,000)	(1,280,000,000)		(−947,100,000)		(−1,771,800,000)	(−1,280,000,000)
Total funding available	251,816,401,000	292,221,823,000	270,063,432,000	279,392,105,000	274,398,173,000	+22,581,772,000	−17,823,650,000	+4,334,741,000	−4,993,932,000
(Transfer authority)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)				
CONGRESSIONAL BUDGET RECAP									
Total	250,869,301,000	292,221,823,000	268,291,632,000	278,112,105,000	274,398,173,000	+23,528,872,000	−17,823,650,000	+6,106,541,000	−3,713,932,000
Amounts in this bill	(250,869,301,000)	(292,221,823,000)	(268,291,632,000)	(278,112,105,000)	(274,398,173,000)	(+23,528,872,000)	(−17,823,650,000)	(+6,106,541,000)	(−3,713,932,000)
Prior year outlays associated with this bill									
Total Congressional mandatory and discretionary	250,869,301,000	292,221,823,000	268,291,632,000	278,112,105,000	274,398,173,000	+23,528,872,000	−17,823,650,000	+6,106,541,000	−3,713,932,000
Mandatory (total)	(246,700,000)	(277,200,000)	257,200,000)	(257,200,000)	(257,200,000)	(+10,500,000)	(−20,000,000)		
(Mandatory new)	(246,700,000)	(277,200,000)	257,200,000)	(257,200,000)	(257,200,000)	(+10,500,000)	(−20,000,000)		
(Prior year)									
Discretionary (new)	(250,622,601,000)	(291,944,623,000)	(268,034,432,000)	(277,854,905,000)	(274,140,973,000)	(+23,518,372,000)	(−17,803,650,000)	(+6,106,541,000)	(−3,713,932,000)

[1] Includes $5,000,000 appropriated in the Continuing Appropriations Act, 1984, for the Summer Olympics (O&M) and amounts in the Second Supplemental Appropriations Act, 1984.
[2] DOD's accrued retirement liability costs ($16,913,447,000) are included in the military personnel accounts.

□ 2310

Mr. CONTE. Mr. Speaker, I yield 3 minutes to the gentleman from Alabama [Mr. EDWARDS], one of the most valuable Members on my side of the aisle on the Appropriations Committee, who will be speaking for the last time here in the U.S. Congress.

Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to my leader, the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I just do not want to let go by what the gentleman from South Carolina [Mr. HARTNETT], said about running a sloppy Congress. One of the reasons we are here this late is because his Committee on Armed Services did not bring out an authorization bill until the end of the session. I hope the gentleman makes that a project, to either go to 2-year authorization or 3-year authorization so that the gentleman and other members of the Defense Appropriations Committee can bring their bill out in an orderly fashion.

Mr. EDWARDS of Alabama. I thank the gentleman. That is a point well taken. I am sure that over the next year or two I am sure I will probably want to sit at home and write you a few ugly letters about the way you operate around here.

Mr. Speaker, it is not unusual for the defense appropriations bill to be a part of the continuing resolution. It happened 2 years ago. It is unusual to be a part of the continuing resolution and be on the floor, as we are tonight, not having brought our defense bill to the floor of the House of Representatives for consideration by the Members. And it is in that context that I join with my chairman, the gentleman from New York, Mr. ADDABBO, in discussing just very briefly what it is that we have done, because I think you should have a feel for this.

Section 871 contains language which prohibits funds for Defense contracts for commercial or commercial-type products if the solicitation excludes any small business concern that cannot demonstrate that its product is accepted in the commercial market. This language is not meant to pre-

clude the use of a commerciality clause for other than small business concerns in any particular solicitation. We remain committed to the commerciality concept and simply wish to protect the ability of small business to compete for those contracts where they have the capacity to provide effective and cost efficient products.

The chairman touched on several of the major items. I think that it should be noted that this bill calls for $274.4 billion, an amount that fits in with the agreement of the Speaker and the majority leader of the other body. It is in accord with those numbers. It does in fact provide about 5.6 percent real growth, which is greater than we were able to accomplish last year. In spite of all the major cuts that we made, we did put together a bill that I think serves the needs of the defense of this country. And while you have not really had a chance to deal with it here on the floor, I think you can take some comfort in the fact that the members of the conference did spend many hours working on this bill with our very able staff and the members of our subcommittee.

I want to commend the members of the subcommittee and commend the members of the staff for the work that was done.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

I would like to say to the gentleman and to the Members of the House that, as one of those given the opportunity to work on the subcommittee on defense appropriations led by the gentleman from New York [Mr. ADDABBO] and the gentleman from Alabama [Mr. EDWARDS], here is one Member who knows how much the leadership demonstrated by the gentleman from Alabama [Mr. EDWARDS] is going to be missed. His strong leadership, his steady hand has been of valuable service to the United States of America. As the months and years go by, I think that will become more evident with each passing day.

I say to the gentleman from Alabama, God bless you, good luck wherever your endeavors take you.

Mr. EDWARDS of Alabama. I thank the gentleman.

Mr. WHITTEN. Mr. Speaker, I yield 1 minute to the gentleman from Maryland, [Mr. LONG].

Mr. LONG of Maryland. Mr. Speaker, the Foreign Assistance Appropriations Act for fiscal year 1985 that is included in the conference report is the result of a bipartisan compromise that is supported by both sides of the aisle, by both bodies of the Congress, and the administration and the President. I would urge its adoption. I would note that the foreign assistance bill is below the President's budget, as it has been every year of the 7 years I have been chairman of the Subcommittee on Foreign Operations, except 1.

For the record I will insert a detailed explanation of the actions that the conference took, as follows:

Comparative Statement of New Budget (Obligational) Authority

	FY 1984 Enacted	FY 1985 Estimates	Continuing Resolution House	Continuing Resolution Senate	Continuing Resolution Conference	Continuing Res compared with FY85 Estimates
TITLE I						
MULTILATERAL ECONOMIC ASSISTANCE						
Funds Appropriated to the President						
International Financial Institutions						
World Bank Group						
Contribution to the International Bank for Reconstruction and Development:						
Paid-in capital	79,720,549	139,720,549	139,720,549	109,721,549	109,721,549	-29,999,000
Limitation on callable capital subscriptions	(983,220,105)	(1,723,220,087)	(1,723,220,087)	(1,353,220,096)	(1,353,220,096)	(-369,999,991)
Total, contribution to the International Bank for Reconstruction and Development	(1,062,940,654)	(1,862,940,636)	(1,862,940,636)	(1,462,941,645)	(1,462,941,645)	(-399,998,991)
Budget authority	79,720,549	139,720,549	139,720,549	109,721,549	109,721,549	-29,999,000
Limitation on callable capital	(983,220,105)	(1,723,220,087)	(1,723,220,087)	(1,353,220,096)	(1,353,220,096)	(-369,999,991)
Contribution to the International Development Association (IDA VI)	945,000,000	900,000,000	900,000,000	750,000,000	900,000,000	---
Total, contributions World Bank Group	(2,007,940,654)	(2,762,940,636)	(2,762,940,636)	(2,212,941,645)	(2,362,941,645)	(-399,998,991)
Budget authority	1,024,720,549	1,039,720,549	1,039,720,549	859,721,549	1,009,721,549	-29,999,000
Limitation on callable capital	(983,220,105)	(1,723,220,087)	(1,723,220,087)	(1,353,220,096)	(1,353,220,096)	(-369,999,991)
Contribution to the Inter-American Development Bank:						
Fund for special operations	80,423,000	145,000,000	145,000,000	72,500,000	72,500,000	-72,500,000
Inter-regional paid-in capital	38,000,983	78,000,983	78,000,983	38,000,983	38,000,983	-40,000,000
Inter-American Investment Corporation	---	13,000,000	10,000,000	13,000,000	10,000,000	-3,000,000
Limitation on callable capital subscriptions	(806,464,582)	(1,655,464,826)	(1,655,464,826)	(806,464,582)	(806,464,582)	(-849,000,244)
Total, contribution to the Inter-American Development Bank	(924,888,565)	(1,891,465,809)	(1,888,465,809)	(929,965,565)	(926,965,565)	(-964,500,244)
Budget authority	118,423,983	236,000,983	233,000,983	123,500,983	120,500,983	-115,500,000
Limitation on callable capital	(806,464,582)	(1,655,464,826)	(1,655,464,826)	(806,464,582)	(806,464,582)	(-849,000,244)
Contribution to the Asian Development Bank:						
Paid-in capital	13,232,676	13,232,676	13,232,676	13,232,676	13,232,676	---
Development fund	100,000,000	191,232,340	147,116,170	144,116,170	100,000,000	-91,232,340
Limitation on callable capital subscriptions	(251,377,943)	(251,367,220)	(251,367,220)	(251,367,220)	(251,367,220)	---
Total, contribution to the Asian Development Bank	(364,610,619)	(455,832,236)	(411,716,066)	(408,716,066)	(364,599,896)	(-91,232,340)
Budget authority	113,232,676	204,465,016	160,348,846	157,348,846	113,232,676	-91,232,340
Limitation on callable capital	(251,377,943)	(251,367,220)	(251,367,220)	(251,367,220)	(251,367,220)	---
Contribution to the African Development Fund	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	---
Contribution to the African Development Bank:						
Paid-in capital	17,986,678	17,986,678	17,986,678	17,987,678	17,987,678	+1,000
Limitation on callable capital	(53,960,036)	(53,960,036)	(53,960,036)	(53,960,036)	(53,960,036)	---
Total, contribution to International Financial Institutions	(3,419,386,552)	(5,232,185,395)	(5,185,069,225)	(3,673,570,990)	(3,776,454,820)	(-1,455,730,575)
Budget authority	1,324,363,886	1,548,173,226	1,501,057,056	1,208,559,056	1,311,442,886	-236,730,340
Limitation on callable capital	(2,095,022,666)	(3,684,012,169)	(3,684,012,169)	(2,465,011,934)	(2,465,011,934)	(-1,219,000,235)
Department of State						
International organizations and programs	315,164,000	241,800,000	323,228,000	347,414,000	358,676,500	+116,876,500
Total, contribution for Multilateral Economic Assistance, title I	(3,734,550,552)	(5,473,985,395)	(5,508,297,225)	(4,020,984,990)	(4,135,131,320)	(-1,338,854,075)
Budget authority	1,639,527,886	1,789,973,226	1,824,285,056	1,555,973,056	1,670,119,386	-119,853,840
Limitation on callable capital	(2,095,022,666)	(3,684,012,169)	(3,684,012,169)	(2,465,011,934)	(2,465,011,934)	(-1,219,000,235)
TITLE II						
BILATERAL ECONOMIC ASSISTANCE						
Funds Appropriated to the President						
Agency for International Development						
Agriculture, rural development, and nutrition development assistance	725,106,500	752,551,000	745,551,000	749,800,000	755,551,000	+3,000,000
Population planning, development assistance	240,000,000	250,002,000	290,000,000	250,000,000	290,000,000	+39,998,000
Health, development assistance	150,500,000	158,138,000	173,138,000	155,000,000	223,138,000	+65,000,000
Senate Health/Agriculture Amendment	---	---	---	75,000,000	---	---
Child survival fund	---	---	25,000,000	25,000,000	25,000,000	+25,000,000
Education and human resources development, development assistance	126,477,000	188,833,000	188,833,000	184,000,000	188,833,000	---

Comparative Statement of New Budget (Obligational) Authority

	FY 1984 Enacted	FY 1985 Estimates	Continuing Resolution House	Continuing Resolution Senate	Continuing Resolution Conference	Continuing Res compared with FY85 Estimates
Energy and selected development activities:						
development assistance	170,288,000	226,175,000	168,000,000	214,000,000	190,000,000	-36,175,000
Private sector revolving fund (by transfer)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	---
Science and technology	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	---
Total, development assistance	1,422,371,500	1,585,699,000	1,600,522,000	1,662,800,000	1,682,522,000	+96,823,000
Loans	---	(373,790,000)	(477,756,000)	---	(477,756,000)	(+103,966,000)
Grants	(1,422,371,500)	(1,211,909,000)	(1,122,766,000)	(1,662,800,000)	(1,204,766,000)	(-7,143,000)
American schools and hospitals abroad	30,000,000	10,000,000	30,000,000	30,000,000	30,000,000	+20,000,000
International disaster assistance	41,000,000	25,000,000	25,000,000	25,000,000	25,000,000	---
Compact for free association - Micronesia 8	---	(295,490,000)	---	---	---	(-295,490,000)
Economic policy initiative for Africa	---	75,000,000	75,000,000	---	---	-75,000,000
Sahel development program	103,000,000	97,500,000	97,500,000	50,000,000	97,500,000	---
Payment to the Foreign Service Retirement and Disability Fund	40,620,000	40,562,000	40,562,000	40,562,000	40,562,000	---
Overseas training (foreign currency program)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	---
AID/IDCA operating expenses	372,512,250	404,113,000	391,533,250	395,016,000	391,533,250	-12,579,750
AID deobligate/reobligate reappropriation	55,000,000	---	---	25,000,000	25,000,000	+25,000,000
Trade Credit Insurance Program	---	---	---	(300,000,000)	(300,000,000)	(+300,000,000)
Trade and development program	16,250,000	21,000,000	21,000,000	21,000,000	21,000,000	---
Housing and other credit guaranty program:						
(Limitation on guaranteed loans)	(150,000,000)	(160,000,000)	(150,000,000)	(160,000,000)	(160,000,000)	---
Loan reserve	---	10,000,000	40,000,000	10,000,000	40,000,000	+30,000,000
Subtotal, Agency for International Development	2,080,753,750	2,268,874,000	2,321,117,250	2,259,378,000	2,353,117,250	+84,243,250
Economic support fund	3,254,250,000	3,438,100,000	3,664,000,000	3,838,100,000	3,826,000,000	+387,900,000
(Limitation on direct loans)	(601,000,000)	---	---	---	---	---
Total, Agency for International Development	5,335,003,750	5,706,974,000	5,985,117,250	6,097,478,000	6,179,117,250	+472,143,250
African Development Foundation						
Appropriations	3,000,000	3,000,000	1,000,000	1,000,000	1,000,000	-2,000,000
Inter-American Foundation						
Appropriations	13,000,000	11,992,000	11,992,000	11,992,000	11,992,000	---
Overseas Private Investment Corporation						
(Limitation on direct loans)	(10,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	---
(Limitation on guaranteed loans)	(100,000,000)	(150,000,000)	(150,000,000)	(150,000,000)	(150,000,000)	---
Total, Funds Appropriated to the President	5,351,003,750	5,721,966,000	5,998,109,250	6,110,470,000	6,192,109,250	+470,143,250
Independent Agency						
Peace Corps	117,000,000	124,000,000	124,000,000	133,200,000	128,600,000	+4,600,000
Department of State						
Migration and refugee assistance	337,650,000	341,450,000	323,000,000	340,000,000	325,500,000	-15,950,000
Anti-terrorism assistance	2,500,000	5,000,000	2,500,000	5,000,000	5,000,000	---
International narcotics control	41,200,000	50,217,000	50,217,000	50,217,000	50,217,000	---
Peacekeeping operations	46,200,000	49,000,000	47,000,000	44,000,000	44,000,000	-5,000,000
Total, Department of State	427,550,000	445,667,000	422,717,000	439,217,000	424,717,000	-20,950,000
Total, title II, Economic assistance - bilateral:						
New budget (obligational) authority	5,095,553,750	6,291,633,000	6,544,826,250	6,682,887,000	6,745,426,250	+453,793,250
(Limitation on direct loans)	(611,000,000)	(388,790,000)	(492,756,000)	(15,000,000)	(492,756,000)	(+103,966,000)
(Limitation on guaranteed loans)	(250,000,000)	(310,000,000)	(300,000,000)	(310,000,000)	(310,000,000)	---
TITLE III						
MILITARY ASSISTANCE						
Funds Appropriated to the President						
Military assistance program	711,750,000	924,500,000	653,100,000	917,000,000	805,100,000	-119,400,000
International military education and training	51,532,000	60,910,000	51,532,000	60,910,000	56,221,000	-4,689,000
Defense acquisition fund (limitation)	(225,000,000)	(325,000,000)	(225,000,000)	(325,000,000)	(325,000,000)	---
Guarantee reserve fund	---	274,000,000	104,000,000	274,000,000	109,000,000	-165,000,000
Foreign military credit sales:						
Direct credits and forgiven loans	1,315,000,000	5,100,000,000	4,809,000,000	5,100,000,000	4,939,500,000	-160,500,000
Loan guarantees	4,401,250,000	---	---	---	---	---
Total, FMCS program ceiling	(5,716,250,000)	(5,100,000,000)	(4,809,000,000)	(5,100,000,000)	(4,939,500,000)	(-160,500,000)
Total, military assistance programs	(6,479,532,000)	(6,359,410,000)	(5,617,632,000)	(6,351,910,000)	(5,909,821,000)	(-449,589,000)
New budget (obligational) authority	2,078,282,000	6,359,410,000	5,617,632,000	6,351,910,000	5,909,821,000	-449,589,000
Loan guarantee authority	4,401,250,000	---	---	---	---	---

Comparative Statement of New Budget (Obligational) Authority

	FY 1984 Enacted	FY 1985 Estimates	Continuing Resolution House	Continuing Resolution Senate	Continuing Resolution Conference	Continuing Res compared with FY85 Estimates
D.A.F. Program limitation	(225,000,000)	(325,000,000)	(225,000,000)	(325,000,000)	(325,000,000)	---
TITLE IV						
EXPORT-IMPORT BANK OF THE UNITED STATES						
(Limitation on direct loans)	(3,865,000,000)	(3,830,000,000)	(3,865,000,000)	(3,865,000,000)	(3,865,000,000)	(+35,000,000)
(Limitation on guaranteed loans)	(10,000,000,000)	(10,000,000,000)	(10,000,000,000)	(10,000,000,000)	(10,000,000,000)	---
(Limitation on administrative expenses)	(16,099,000)	(18,930,000)	(17,930,000)	(18,930,000)	(18,900,000)	(-30,000)
Total, Export-Import Bank of the United States (limitations on use of corporate funds)	(13,881,099,000)	(13,848,930,000)	(13,882,930,000)	(13,883,930,000)	(13,883,900,000)	(+34,970,000)
Grand total, titles I, II, III:						
New budget (obligational) authority	14,014,613,636	14,441,016,226	13,986,743,306	14,590,770,056	14,325,366,636	-115,649,590
Two percent cut	---	---	-279,734,866	---	---	---
Budget authority effect of Ex-Im limitations	3,865,000,000	3,830,000,000	3,865,000,000	3,865,000,000	3,865,000,000	+35,000,000
Total NBOA in this bill plus Ex-Im	17,879,613,636	18,271,016,226	17,572,008,440	18,455,770,056	18,190,366,636	-80,649,590
International Monetary Fund						
Increase in United States Quota	5,812,511,276	---	---	---	---	---
General arrangements to borrow	2,651,497,500	---	---	---	---	---
Total, International Monetary Fund	8,464,008,776	---	---	---	---	---
Total NBOA including Ex-Im and IMF	26,343,622,412	18,271,016,226	17,572,008,440	18,455,770,056	18,190,366,636	-80,649,590
Memoranda:						
(Limitation on guaranteed loans)	(10,250,000,000)	(10,310,000,000)	(10,300,000,000)	(10,310,000,000)	(10,310,000,000)	---
(Limitation on direct loans)	(4,476,000,000)	(4,218,790,000)	(4,357,756,000)	(3,880,000,000)	(4,357,756,000)	(+138,966,000)

Mr. WHITTEN. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Speaker, I should like to say to the gentleman from South Carolina that this is one senior Member of the House who brought his appropriations bill to the full committee on June 28 and that it was passed by the House on August 2, after the 3-week recess. It was brought to the floor with the assistance of a senior Member of the House, the gentleman from Pennsylvania, Mr. MCDADE, and it was a bipartisan bill that we passed. we waited for the other body to pass the bill, we waited and waited, and we are still waiting for that bill to be passed.

Mr. Speaker, President John F. Kennedy with whom President Reagan likes to associate himself was willing to assume blame when his policies failed. Kennedy said he was responsible for the Bay of Pigs debaucle, saying "Victory has many fathers. Defeat has but one." President Reagan reverses that truism. He takes credit for everything and blame for nothing, usually placing blame wrongly on the Democrats as he did when he said that the Democratic House of Representatives was to blame for all the appropriations bills being late.

I am not going to talk about the other appropriations bills which make up the continuing resolutions. I do know about the Interior appropriations bill, and I know that that bill could have and should have been passed by the other body weeks ago instead of being a part of the continuing resolution.

This is the record: The Interior bill was marked up by the Appropriations Committee on June 28, just before the congressional Fourth of July 3-week recess.

It was brought to the floor of the House and passed on August 2.

It was sent to the other body the next day, over 2 months ago. We waited for the Republican-controlled other body to pass it. We waited and we waited. We are still waiting.

Those are the facts relating to the action taken by the House of Representatives and the other body. President Reagan is wrong when he blames this House for the delay. The Democratic-controlled House passed the bill in plenty of time for the bill to be passed by the other body.

We agreed on the Synfuels Program in this way:

First, the amount to be rescinded was $5.375 billion instead of the $5 billion voted by the House and the $5.2 voted by the Senate.

Second, the amount available for letters of intent was established at $5.7 billion. If any letters of intent failed, one-half of the money in that project will remain in the Synfuels Corporation treasury. The other half will go to a fund which cannot be obligated. Congress will be able to rescind it or transfer it for other purposes if it so desires.

Third, $750 million will remain for coal research programs to provide for clean coal technology.

Fourth, most reluctantly, the House receded on the amendment that I had sponsored and which the House approved prohibiting the use of funds for the Union II and Cathedral Bluffs oil shale projects. The conferees agree it was more appropriate for a reconstituted board of directors to review these projects and the managers provided that the review by the board should consider the extent to which the projects met the technological diversity goals and their incredibly expensive costs.

Fifth, that the synthetic fuel production goals established by section 125 of the Energy Security Act are suspended.

The conferees retained the oil leasing moratorium for the next fiscal year. The moratoria will be dropped next year unless it can be shown after public hearings and consultations with local, State, and Federal Government officials that continuance of the moratorium is necessary to protect the environment or for some other important reason.

In accordance with the agreement between the chairman of our committee and the gentleman from New York [Mr. SOLOMON], the agreement by the conferees to forgive the interest owed by the disagreement. That will be the subject of the Kennedy Center for the Performing Arts and what is to be done with the vast amount of interest, $25 million of interest that has accumulated over the years. The gentleman from New York [Mr. MOLINARI] will offer a preferential motion that will seek to create a new method of financing. We will resist that in order that we may come to an agreement with the Senate, send the bill back to them. We feel that the agreement that we have with the Senate is one that will permit the Kennedy Center to not only waive its interest, but to operate on a good finanical basis into the future.

Let's talk about a few items in the bill now. It could have been a better bill if the other body had adopted the House bill. Subsidies are continued for the grazing interests. The House proposed to establish grazing fees in the Bureau of Land Management comparable to those charged by the Fish and Wildlife Service, Indian owners, or the military departments. These are much higher. The other body would not recede on this. It is something that the Legislative Committee should correct.

There are timber subsidies as well. The cut we agreed upon is too large and the taxpayers will continue to subsidize cuts from forests which will be made at a substantial loss. That problem is now being reviewed by the House Legislative Committee.

We had to agree to cut back on purchasing crude oil for the strategic petroleum reserve. Congress has set a daily fill rate of 225,000 barrels per day and this House adhered to that mandate for a number of years. Last year at the insistence of the administration, we had to reduce the fill rate to 186,000 barrels per day.

This year the administration's budget proposed a fill rate of 145,000 barrels per day. The House approved a fill rate of 186,000 barrels per day. We were told that the bill would be vetoed by the President if we did not cut the fill rate, which we did, to 159,000 barrels per day.

We were also told that we faced a veto because there was too much money in the bill. In order to comply with the Presidential mandate, we made an across-the-board cut of 2 percent. This amounted to a cut of about $160 million.

A number of the programs are at levels below those of fiscal year 1984.

Mr. Speaker, the portion of the conference report which funds the Department of the Interior and related agencies provides a total of $8,118,433,000, which is $439,097,000 above the budget estimate, and $95,272,000 above the fiscal year 1984 total appropriation. This report is $84,568,000 above the House passed level and $34,133,000 above the level agreed to by the Senate. These numbers reflect a 2-percent across-the-board reduction.

The agreement includes $256,732,000 to continue high priority land aquisition activities under the Land and Water Conservation Fund. A total of $3,225,779,000 is provided for the natural resources agencies, including $1,310,073,000 for the Forest Service and $1,915,726,000 for management of the public lands, wildlife refuges, and the national parks.

The report provides the funding necessary to address critical energy issues. Included is $458,610,000 for energy conservation activities, including $47,043,000 for the schools and hospitals program and $191,113,000 for low-income weatherization. A total of $274,947,000 is also provided to continue high priority fossil energy research and development activities.

With regard to Native Americans, the report provides $2,000,825,000 for Indian education, Indian health care and facilities, operation of Indian programs, construction and efforts toward relocation of Indians to address the dispute between the Navajo and Hopi Indian Tribes.

The conference report recognizes the importance of continuing our support for the cultural resources of this Nation, and includes $163,660,000 for the National Endowment for the Arts and $139,478,000 for the National Endowment for the Humanities, $21,560,000 for the Institute of Museum Services, and $189,561,000 for the Smithsonian Institution.

The managers are concerned about resource threat problems on our wildlife refuges and have agreed to add $8.5 million above the budget request to address these problems. The matter of alleviating the toxic waste problem at Crab Orchard NWR is a high priority and it is expected that the Fish and Wildlife Service will identify the problem and report promptly to the committees on how much of the $8.5 million will be necessary to solve this problem and what action the Service will take to accomplish this task.

The 2-percent reduction is made proportionately to all appropriations, activities, and projects. If this causes problems for individual construction or land acquisition projects, reprograming procedures included in the CONGRESSIONAL RECORD of October 5, 1983, for the House at page H 7983 and for the Senate on October 19, 1983, at page S14166 should be followed to mitigate those problems.

For the land acquisition accounts, the 2-percent reduction leaves the following amounts for each of the items:

Bureau of Land Mangement

Acquisition management	$294,000
King Range National Conservation Area, CA	980,000
Upper Sacramento River, CA	980,000
Upper Missouri Wild and Scenic River, MT	294,000
Rio Grande Wild and Scenic River, NM	147,000
Total	2,695,000

Fish and Wildlife Service

American Crocodile, FL	4,900,000
Ash Meadows, NV	588,000
Bear Valley, OR	784,000
Karl Mundt, SD	294,000
Banks Lake, GA	596,000
Bogue Chitto, LA	2,940,000
Bon Secour, AL	2,940,000
California Condor, CA	3,920,000
Connecticut Coastal NWR, CT	1,470,000
Clear Creek Gambusia, TX	20,000
Coachella Valley, CA	4,900,000
Currituck NWR, NC	3,430,000
Florida Panther, FL	3,920,000
Great Dismal Swamp, NC and VA	1,470,000
Hawaii forest birds, HI	4,410,000
Key Deer, FL	2,450,000
Kirtland Warbler, MI	735,000
Kofa NWR, AZ	343,000
Lower Rio Grande Valley NWR, TX	7,350,000
Lower Suwanee, FL	3,381,000
Masked Bobwhite, AZ	3,920,000
Moapa Dace, NV	784,000
Ozark big-eared bat, OK	98,000
Pahrump Killfish, NV	176,000
Parker River, MA (administrative site)	392,000
Cartegena and Tortugero Lagoons, PR	4,900,000
Trustom Pond, RI	637,000
Acquisition management	1,470,000
Total	63,218,000

National Park Service

Assistance to states:	
Matching grants	71,853,000
Administrative expenses	1,647,000
Total, assistance to states	73,500,000
Federal acquisition:	
Acquisition management	6,919,000
Alaskan areas	490,000
Antietam NB	490,000
Big Cypress N. Pres	1,960,000
Biscayne NP	980,000
Chaco Culture NHP	980,000
Channel Islands NP	14,700,000
Chattahoochee River NRA	980,000

Chesapeake & Ohio Canal NHP	490,000
Cuyahoga Valley NRA.	1,960,000
Delaware Water Gap NRA	1,764,000
Fort Frederica NM	294,000
FDR NHS	265,000
Golden Gate NRA	980,000
Gunnison NM (Black Canyon)	1,274,000
Indiana Dunes NL	1,348,000
Jean Lafitte NHP	2,940,000
Lower St. Croix WSR	490,000
Manassas NBP	2,940,000
Martin Luther King, Jr. NHS	490,000
Monocacy NB	1,470,000
New River Gorge NR	3,920,000
Obed WSR	490,000
Petersburg NB	1,519,000
Point Reyes NS	2,450,000
Rocky Mountain NP	980,000
St. Croix NSR	980,000
Salinas NM	490,000
Santa Monica Mountains NRA	8,001,000
Saratoga NHP	196,000
Theodore Roosevelt NHS (Sagamore Hill)	245,000
Valley Forge NHP	1,470,000
Voyageurs NP	980,000
War in the Pacific NHP	1,176,000
Deficiencies and relocations	1,715,000
Inholdings, emergency, recently authorized, and hardship acquisitions	4,900,000
Total, Federal acquisition	73,716,000
Total, Land Acquisition and state assistance	147,216,000
Forest Service	
Acquisition management	3,494,000
Allegheny NF, PA	1,960,000
Appalachian Trail	980,000
Cascade Head SRA, OR	757,000
Flathead WSR, MT	980,000
Green Mountain NF, VT	3,332,000
Lake Tahoe Basin, CA and NV	9,800,000
Monongahela NF, WV	441,000
Mount St. Helens NVM, WA	304,000
Nantahala NF, NC	1,225,000
Pisgah NF, NC	367,000
Salmon WSR (Main Stem), ID	1,470,000
Santa Fe NF, MN	980,000
Sawtooth NRA, ID	3,920,000
Spruce Knob-Seneca Rocks NRA, WV	980,000
Toiyabe NF, NV	3,920,000
Wayne NF, Ohio	1,176,000
White Mountain NF, NH and ME	3,920,000
White River NF, CO	980,000
Endangered Species Habitat, CA (condor)	1,568,000
Cash equalization-exhanges	1,049,000
Total	43,603,000

The managers have agreed to forward fund a grant program in support of artistic and cultural activities in the National Capital region on a one-time temporary, trial basis in fiscal year 1986. The Director of the National Park Service is to provide to the committees, within 90 days after enactment of this act, a plan for implementing this program. The Service is expected to consult with the National Endowment for the Arts in developing this plan.

Mr. Speaker, it gives me a great sense of pride to inform the House that included in the continuing resolution is an initiative calling for the establishment of a national laboratory dedicated to applied research in energy conservation, to be built in cooperation with Northwestern University and the city of Evanston.

We've come a long way from the days of the gas station lines during the Arab Oil Embargo of 1973, when we wondered whether we'd be able to obtain the fuel to run our cars. We've come a long way, too, from the days when it seemed as if we were changing the clock every few months, and mothers and fathers worried because their children were being sent out to school while it was still dark outside.

In those days, we looked for any way out of the fuel shortage crisis. We borrowed a line from President Franklin Delano Roosevelt, who said, when referring to the creation of the New Deal:

> One thing is sure: we have to do something. We have to do the best we know how at the moment. If it doesn't turn out right, we can modify it as we go along.

And so we did the best we knew how. We began an emergency push for research and development of synthetic fuels. We expanded the function of the naval petroleum reserve into the strategic petroleum reserve. We found ways to trigger the Defense Mobilization Act of 1950. We set a national highway speed limit. We changed daylight saving time. We printed gasoline rationing stamps. We increased work in solar energy power utilization. And we began a nationwide campaign to increase awareness of the importance of energy conservation. In recognition of the priority which we needed to give to energy research, the Interior Appropriations Subcommittee, which I now chair, stated in its report for apropriations for fiscal year 1974 the following:

> The Committee believes that a vigorous energy research program in all areas of energy use, resource management, and conservation is vital if government and industry are to provide the nation with a sustained and reliable energy supply in the future. The 23 percent increase in energy research provided in this bill will help reach this objective.

Well, some of those programs worked. And some didn't. The action the House took last summer with repect to the Synthetic Fuels Corporation is a good example. But the one thing we clearly did learn was that nothing was more important in either the long or the short run, then energy conservation.

More than 10 years have passed. And it seems that most Americans have forgotten the lessons of 1973. Gas guzzlers are back on the streets and nobody cares. The Reagan administration comes to power vowing to abolish the Department of Energy, and proposes termination and reduction of essential energy conservation programs, and nobody cares.

But this Congress remembered those lessons, and it cared. Led by the Appropriations Committee, we have fought these penny-wise, but pound-foolish proposals. We have kept alive programs such as weatherization for schools and hospitals, and for low-income housing. We have increased the fill rate of the strategic petroleum reserve while prices were down despite attempts of the Reagan administration to slash funding. And now we are taking the initiative to strengthen our energy conservation program with the establishment of a conservation applied research laboratory at Northwestern University.

It is the committee's expectation that such a laboratory will support energy conservation research in the same way that other Department of Energy facilities have advanced technology in other program areas. Solar energy has the Solar Energy Research Institute in Golden, CO; nuclear physics has Brookhaven National Laboratory; Fermi Laboratory and Argonne National Laboratory are dedicated to high energy physics; and fossil energy has research facilities at Bartlesville, OK; Pittsburgh, PA; and Morgantown, WV. Conservation research has not had a comparable dedicated facility to provide a concentrated emphasis on conservation issues.

A new research facility dedicated solely to energy conservation will reemphasize the commitment to use new technology for more energy efficient ways to transport people and products, fuel our industrial machines, and improve the energy use in both new and existing buildings.

Let no one think that the need for energy conservation is not still pressing. Energy production in the United States remains woefully inadequate to meet energy consumption. In 1983, nearly 2.4 billion barrels of oil were imported, or 40 percent of our petroleum products. At least $70 billion is spent by us annually outside the country for imported oil. I need not describe the impact this has on our balance of payments. Energy conservation is the best way to stave off this appalling drain on our resources.

Energy consumption in the United States is categorized into three major sectors: commercial and residential buildings, transportation, and industry. Each of these sectors has the potential for significant energy conservation and corresponding economic savings. Each will be addressed by the national energy conservation laboratory at Northwestern. In the three sectors combined, it is estimated that a total

of $110 billion in annual savings, can be achieved.

Among the areas of research that the lab will focus on are the following:

Tribology: This research encompasses the multidisciplinary study of friction, wear, and the lubrication of moving surfaces in rubbing contact such as in gears, cams, brakes, and bearings. This research has direct application to service performance of contact surfaces and resistance to failure as a result of wear, scuffing, and fatigue.

Study of fatigue of metals and alloys: Failure of machinery by growth of fatigue cracks is one of the major factors limiting the structural life of metal parts. Research in theoretical and experimental programs aimed at reducing this pervasive problem will result in great energy savings. Potential applications range from improved structural integrity of steel supports to improve durability of metals and alloys used in high-speed machinery.

Manufacturing engineering: Research in this area will be aimed at developing improved processes and production controls through design at conceptual and later stages for particular processes such as forging or machining.

Ceramics: Ceramic materials are being developed as basic components for high temperature engines to improve the efficiency of mobile and stationary powerplants. The United States is far behind other countries in this important work.

New polymers: Research in this area can lead to development of biodegradable structural polymers; polymeric solid electrolytes in batteries and fuel cells; and electrically conductive polymers for antistatic coatings and integrated electronics.

The need for continuing Government involvement in technology development for energy conservation is clear. What is less clear is a workable mechanism for public sector technology developments and improvements to be implemented on a large scale by the private sector. A university, Government, and industry collaboration of the type proposed by the committee is an ideal solution to meet this need.

The energy conservation lab proposed by the committee will be able to draw on the resources of some of the finest minds in the country. Besides Northwestern, the lab will have the support of the University of Chicago, the University of Illinois, and the Illinois Institute of Technology. It also has the full support of major industries in the Chicago area such as the Standard Oil Co. of Indiana, the Inland Steel Co., and the United States Gypsum Co., a letter from the CEO's of which I have received as well as Evanston's major corporations, banks, and hospitals.

The applied research lab will serve as a focal point to coordinate the introduction of new techniques and new technologies into the marketplace. It will provide the link between federally supported research and its transformation into economic reality. It will continue and advance the progress we have made into freedom from international blackmail and toward energy security for the United States.

At this point, I will insert the letter, signed by the CEO's of Standard Oil and Inland Steel Co., in support of this project and a table comparing new obligational authority recommended in the bill for 1985 and the respective recommendations contained in the House and Senate bills and comparison thereto. Reprogramming procedures are to be followed to request changes from this allocation:

SEPTEMBER 19, 1984.

Hon. SIDNEY YATES,
Washington, DC.

DEAR CONGRESSMAN YATES: We are writing to express our strong support for your provision in the House FY 85 Interior Appropriations Bill to create the Basic Industry Research Laboratory as an anchor for the Evanston/University Research Park. The concept of that lab—as a highly interactive research environment focused upon the accelerated transfer of new materials, manufacturing, and environmental technologies to the basic industries—is not only unique but greatly needed.

Many factors have contributed to the problems of the basic industries and their decline in terms of international competition. Some factors, such as labor costs, will remain a source of disadvantage; one factor, technology, offers the greatest potential for advantage. However, despite our nation's dominance in this area since World War II, U.S. investment as a percent of GNP for both R&D and capital plant and equipment decreased during the 1970s, during a period when the rate of investment by Japan, West Germany, and France continued to increase. Japan in particular made dramatic advances partly because of its focus upon the rapid transfer of technology between basic research (often performed at U.S. universities) and commercial production.

Many individual basic industry firms are involved in R&D oriented toward the improvement of specific products through the application of new technologies in materials and manufacturing processes. However, no laboratory exists to deal in a broader way with generic problems that cut across various industrial categories. The Northwestern proposal creates an opportunity to address the kind of needs represented by the following examples. A recent study by Battelle Laboratories estimated the annual costs attributed to metal failure in the U.S. at $119 billion annually. According to a report by the American Society of Mechanical Engineering, U.S. research expenditures on tribology of $35 million would have an estimated savings of more than $21 billion in energy costs along. The interactive research environment of the Basic Industry Research Laboratory would contribute substantially in such areas by accelerating the transfer of basic research from Northwestern, other universities, or federal labs to industrial labs that concentrate upon the problems of product development and manufacture.

Application of new technologies to the basic industries will produce not only increased economic development for the region but also broader benefits for the nation. Cost reductions and quality increases for manufactured products will result in greater competitiveness in international markets, renewed growth in industrial employment, overall improvement in the nation's economy, and long-term reductions in the federal deficit. For these reasons, we applaud your leadership and urge you to continue your support for the Basic Industry Research Laboratory and the other aspects of the Northwestern University-City of Evanston proposal.

Those of us in the basic industries welcome this opportunity to work with the Basic Industry Research Laboratory. The anticipated research results would enhance our own R&D efforts to increase productivity and improve our global competitiveness position.

Sincerely,

LAURANCE H. FULLER,
President, Standard Oil Co.
FRANK W. LUERSSEN,
President, Inland Steel Co.
GRAHAM J. MORGAN,
Retired Chairman, U.S. Gypsum Co.

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
TITLE I - DEPARTMENT OF THE INTERIOR							
BUREAU OF LAND MANAGEMENT							
Management of Lands and Resources							
Onshore Energy and Minerals Management							
Energy Resources							
Coal Leasing	18,598	17,808	18,808	17,808	18,808	-376	18,432
Oil & Gas Leasing	37,267	43,228	42,728	43,228	43,228	-865	42,363
Geothermal leasing	3,197	3,293	3,293	3,293	3,293	-66	3,227
Oil Shale and Tar Sands leasing	2,148	2,654	2,354	2,654	2,354	-47	2,307
Subtotal, Energy onshore	61,210	66,983	67,183	66,983	67,683	-1,354	66,329
Non-Energy Minerals							
Mineral Material Sales	2,353	2,374	2,374	2,374	2,374	-47	2,327
Mining Law Administration	7,302	8,081	8,081	8,081	8,081	-161	7,920
Mineral Leasing	3,838	4,226	4,226	4,226	4,226	-85	4,141
Uranium operations	622	630	630	630	630	-13	617
Subtotal, Non-Energy Minerals	14,115	15,311	15,311	15,311	15,311	-306	15,005
Subtotal, Energy and Minerals Management	75,325	82,294	82,494	82,294	82,994	-1,660	81,334
Lands and Realty Management							
Realty Operations							
Energy Realty	6,678	4,352	4,352	6,852	6,852	-137	6,715
Non-Energy Realty	18,530	16,671	16,671	18,778	18,278	-365	17,913
Alaska Lands program	12,183	12,241	12,241	13,541	13,441	-269	13,172
Subtotal, Realty operations	37,391	33,264	33,264	39,171	38,571	-771	37,800
Withdrawal Processing and Review	3,529	4,116	4,116	4,116	4,116	-82	4,034
Subtotal, Lands and Realty Management	40,920	37,380	37,380	43,287	42,687	-853	41,834
Renewable Resources Management							
Forest Management							
Public Domain	5,173	5,347	5,347	8,347	6,847	-137	6,710
Western Oregon	939	939	939	939	939	-19	920
Subtotal, Forest Management	6,112	6,286	6,286	9,286	7,786	-156	7,630

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Range Management							
Wild Horse & Burro Management	4,974	5,081	5,581	25,081	17,081	-342	16,739
Grazing Management	31,360	28,438	28,438	32,238	32,238	-644	31,594
Subtotal, Range Management	36,334	33,519	34,019	57,319	49,319	-986	48,333
Soil, Water, & Air Management	16,595	12,882	16,882	16,882	16,882	-338	16,544
Wildlife Habitat Management	13,515	11,705	12,705	16,105	16,105	-322	15,783
Recreation Management							
Cultural Resources Management	4,605	4,187	5,187	5,187	5,187	-104	5,083
Wilderness Management	7,239	6,152	6,652	6,152	6,652	-133	6,519
Recreation Resources Management	6,516	5,738	7,738	5,738	6,888	-138	6,750
Subtotal, Recreation Management	18,360	16,077	19,577	17,077	18,727	-375	18,352
Fire Management	7,446	7,490	7,490	7,490	7,490	-150	7,340
Subtotal, Renewable Resources Management	98,362	87,959	96,959	124,159	116,309	-2,327	113,982
Planning and Data Management							
Planning	8,891	8,471	9,471	8,471	9,471	-189	9,282
Data Management	13,914	13,738	13,738	13,738	13,738	-275	13,463
Subtotal, Planning and Data Management	22,805	22,209	23,209	22,209	23,209	-464	22,745
Cadastral Survey							
Alaska	12,140	10,058	10,058	15,058	13,908	-278	13,630
Other States	11,407	10,223	11,423	10,223	11,423	-227	11,196
Subtotal, Cadastral Survey	23,547	20,281	21,481	25,281	25,331	-505	24,826
Fire control							
Firefighting & Presuppression	4,150	4,150	3,585	3,585	3,585	-72	3,513
Rehabilitation	600	600	600	600	600	-12	588
Subtotal, Firefighting and Rehabilitation	4,750	4,750	4,185	4,185	4,185	-84	4,101
Technical Services							
Resource Protection	2,036	2,376	2,376	2,376	2,376	-48	2,328
Maintenance and engineering service							
Buildings	2,848	3,163	3,163	3,163	3,163	-63	3,100
Recreation	3,547	3,632	4,132	3,632	4,132	-83	4,049
Transportation	3,223	2,525	3,025	3,525	3,525	-71	3,454
Engineering services	936	1,161	1,011	1,161	1,161	-23	1,138

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Subtotal, Maintenance and engineering services..	10,554	10,481	11,331	11,481	11,981	-240	11,741
Subtotal, Technical Services.....	12,590	12,857	13,707	13,857	14,357	-288	14,069
General Administration							
Executive and managerial direction.....	5,781	5,903	5,503	5,903	5,903	-118	5,785
Equal employment opportunity.....	2,040	2,132	2,132	2,132	2,132	-43	2,089
Administrative services support.....	33,266	34,593	34,593	33,537	33,941	-679	33,262
Bureauwide fixed costs.....	40,215	42,801	42,801	42,801	42,801	-856	41,945
Subtotal, General Administration.....	81,302	85,429	85,029	84,373	84,777	-1,696	83,081
Total, Management of Lands and Resources.....	359,601	353,159	364,444	399,645	393,849	-7,877	385,972
Construction and Access							
Access.....	1,200	1,228	1,228	1,228	1,228	-25	1,203
Payments in Lieu of Taxes							
Payments to Local Governments.....	105,000	105,000	105,000	105,000	105,000	-2,100	102,900
Land Acquisition							
Bureau of Land Management:							
Acquisitions.....	1,261	---	4,000	---	2,450	-49	2,401
Acquisition Management.....	130	---	500	---	300	-6	294
Total.....	1,391	---	4,500	---	2,750	-55	2,695
Oregon & California Grant Lands							
Construction and Acquisition.....	1,011	525	525	525	525	-11	514
Maintenance.....	4,203	4,087	4,087	4,087	4,087	-82	4,005
Renewable Resource Management.....	46,011	44,870	50,270	50,770	50,520	-1,010	49,510
Planning and Data Management.....	311	265	265	265	265	-5	260
Total, Oregon & California Grant Lands.....	51,536	49,747	55,147	55,647	55,397	-1,108	54,289
Special Acquisition of Lands and Minerals							
Cranberry wilderness area.....	---	10,000	---	15,000	15,000	-300	14,700

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Range Improvement Fund							
Improvement to Public Lands	8,000	8,000	5,864	8,000	8,000	---	8,000
Fara Tenant Act Lands	1,400	1,400	1,026	1,400	1,400	---	1,400
Administrative expenses	600	600	440	600	600	---	600
Total, Range Improvements	10,000	10,000	7,330	10,000	10,000	---	10,000
Service Charges, Deposits, and Forfeitures							
Rights-of-way Processing	6,500	6,500	6,500	2,893	2,893	---	2,893
Adopt-a-horse program	1,200	1,575	1,575	1,575	1,575	---	1,575
Repair of Damaged Lands	850	850	850	850	850	---	850
Cost recoverable realty cases	150	150	150	150	150	---	150
Total, Service Charges, Deposits, and Forfeitures	8,700	9,075	9,075	5,468	5,468	---	5,468
Miscellaneous Trust Funds							
Base Program	100	100	100	100	100	---	100
Total, Bureau of Land Management	537,528	538,309	546,824	592,088	588,792	-11,465	577,327
U.S. FISH AND WILDLIFE SERVICE							
Resource Management							
Habitat Resources							
Field Operations	17,952	24,716	23,716	22,752	24,252	-485	23,767
National Wetlands Inventory	3,716	6,053	6,053	5,503	5,503	-110	5,393
Research and Development	13,810	15,523	15,723	15,523	15,723	-314	15,409
Cooperative units	4,774	3,655	4,774	4,774	4,774	-95	4,679
Subtotal	40,252	49,947	50,266	48,552	50,252	-1,004	49,248
Wildlife Resources							
Refuge operations and maintenance	90,275	93,066	98,012	100,297	102,797	-2,056	100,741
Law enforcement and protection	11,515	10,250	10,250	10,250	10,250	-205	10,045
Payment of rewards	---	250	---	---	---	---	---
Population management	18,714	19,337	22,987	25,987	22,987	-460	22,527
Research and Development	11,930	11,822	12,217	11,992	12,542	-251	12,291
Alaska subsistance	---	1,000	1,000	1,000	1,000	-20	980
Subtotal	132,434	135,725	144,466	149,526	149,576	-2,992	146,584

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Fishery Resources							
Hatcheries operations and maintenance	22,916	22,799	25,253	24,787	25,033	-501	24,532
Lower Snake River Compensation Fund	3,729	4,591	4,591	4,591	4,591	-92	4,499
Refuge operations and maintenance	2,175	2,217	2,217	2,217	2,217	-44	2,173
Law enforcement and protection	327	2,187	2,187	2,187	2,187	-44	2,143
Population management	1,686	1,758	1,758	1,758	1,758	-35	1,723
Research and Development	10,624	10,596	11,096	10,596	11,346	-227	11,119
Subtotal	41,457	44,148	47,102	46,136	47,132	-943	46,189
Endangered Species							
Listing	2,577	3,028	3,028	3,028	3,028	-61	2,967
Law enforcement and protection	6,133	6,263	7,763	6,263	7,513	-150	7,363
Consultation	2,570	2,646	2,646	2,646	2,646	-53	2,593
Recovery	4,577	4,982	5,582	5,857	6,107	-122	5,985
Research and Development	4,090	4,323	4,323	4,323	4,323	-86	4,237
Cooperation with states	2,000	4,000	4,000	4,000	4,000	-80	3,920
Subtotal	21,947	25,242	27,342	26,117	27,617	-552	27,065
General Administration							
Executive Direction	7,067	7,361	7,361	7,361	7,361	-147	7,214
Administrative services	11,571	12,002	12,002	12,002	12,002	-240	11,762
Related support services	16,575	17,425	17,425	17,425	17,425	-349	17,076
Subtotal	35,213	36,788	36,788	36,788	36,788	-736	36,052
Total, Resource Management	271,303	291,850	305,964	307,119	311,365	-6,227	305,138
Construction and Anadromous Fish							
Construction and rehabilitation							
Refuges	13,340	1,023	1,968	13,675	14,470	-290	14,180
Hatcheries	2,547	---	6,170	---	170	-3	167
Research facilities	4,351	---	500	950	1,450	-29	1,421
Dam safety	1,160	3,604	3,604	3,604	3,604	-72	3,532
Anadromous fish grants	4,000	3,500	4,100	4,100	4,100	-82	4,018
Capital development & maintenance management	1,903	1,000	1,000	1,000	1,000	-20	980
Total, Construction and Anadromous Fish	27,301	9,127	17,342	23,329	24,794	-496	24,298
Migratory Bird Conservation Account							
Advance Appropriation	7,000	---	9,000	20,000	21,700	-434	21,266

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Land Acquisition and State Assistance							
Fish and Wildlife Service:							
Acquisitions - Federal refuge lands	40,797	29,000	59,158	56,808	63,008	-1,260	61,748
Acquisition Management	1,500	1,000	1,500	1,500	1,500	-30	1,470
Acquisitions - Federal refuge wetlands	---	20,000	---	---	---	---	---
State grants - wetlands	---	7,500	---	---	---	---	---
Total, Land Acquisition and State Assistance	42,297	57,500	60,658	58,308	64,508	-1,290	63,218
National Wildlife Refuge Fund							
Payments in Lieu of Taxes	5,760	5,760	5,760	5,760	5,760	-115	5,645
Total, Fish and Wildlife Service	353,661	364,237	398,724	414,516	428,127	-8,562	419,565
NATIONAL PARK SERVICE							
Operation of the National Park System							
Park Management							
Management of park areas	61,953	63,745	63,745	63,745	63,745	-1,275	62,470
Concessions management	3,484	3,560	3,560	3,560	3,560	-71	3,489
Interpretation and Visitor Services	61,561	61,751	64,122	64,683	64,923	-1,298	63,625
Visitor protection and safety	76,000	80,173	81,323	77,966	80,323	-1,606	78,717
Maintenance	231,819	239,661	239,861	239,661	239,861	-4,797	235,064
Resources management	92,987	97,665	97,665	97,665	97,665	-1,953	95,712
Information publications	2,925	2,945	2,945	2,945	2,945	-59	2,886
International Park Affairs	395	404	509	529	529	-11	518
Volunteers-in-Parks	500	500	500	500	500	-10	490
Subtotal	531,624	550,404	554,230	551,254	554,051	-11,080	542,971
Forest Fire Suppression and Presuppression	1,200	1,200	1,200	1,200	1,200	-24	1,176
Park Recreation and Wilderness Planning							
Water resources	1,936	1,947	1,947	1,947	1,947	-39	1,908
General management plans	2,883	2,336	2,406	2,336	2,406	-48	2,358
Subtotal	4,819	4,283	4,353	4,283	4,353	-87	4,266
Statutory or Contractual Aid for Other Activities							
Roosevelt Campobello International Park Commission	418	418	418	418	418	-8	410
Ice Age National Scientific Reserve	588	588	588	588	588	-12	576
Lowell Historic Preservation Canal Commission	525	537	537	537	537	-11	526
Folger Theater	350	350	350	350	350	-7	343

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Corcoran Gallery	350	350	350	350	350	-7	343
Mary McLeod Bethune NHS	200	---	100	100	100	-2	98
Martin Luther King, Jr. NHS	100	100	100	100	100	-2	98
Phillips Gallery	---	---	350	---	350	-7	343
Arena Stage	---	---	350	---	350	-7	343
National Building Museum	---	---	1,500	---	350	-7	343
National Capital Children's Museum	---	---	---	---	350	-7	343
Subtotal	2,531	2,343	4,643	2,443	3,843	-77	3,766
General administration:							
Central office	6,388	6,557	6,557	6,557	6,557	-131	6,426
Regional offices	16,143	16,723	16,723	16,723	16,723	-334	16,389
Automatic data processing	4,830	9,387	4,887	4,887	4,887	-98	4,789
Service wide administrative support	7,732	6,736	6,736	6,736	6,736	-135	6,601
General services	400	400	400	400	400	-8	392
Employee compensation payment	3,435	3,950	3,950	3,950	3,950	-79	3,871
Unemployment compensation for federal employees	3,000	3,000	6,000	3,000	3,000	-60	2,940
GSA space rental	10,833	11,328	11,328	11,328	11,328	-227	11,101
Executive direction	6,441	6,580	6,580	6,580	6,580	-132	6,448
Public Affairs	1,719	1,757	1,757	1,757	1,757	-35	1,722
Subtotal, General Administration	60,921	66,418	64,918	61,918	61,918	-1,239	60,679
Total, Operation of the National Park System	601,095	624,648	629,344	621,098	625,365	-12,507	612,858
NATIONAL RECREATION AND PRESERVATION							
Recreation Programs	682	238	638	238	638	-13	625
Natural Programs	1,694	825	1,849	1,325	1,747	-35	1,712
National Register	5,611	6,903	6,803	6,803	6,803	-136	6,667
Environmental and Compliance Review	390	400	400	400	400	-8	392
Grant administration	2,000	1,177	2,000	1,510	1,750	-35	1,715
Total, National Recreation and Preservation	10,377	9,543	11,690	10,276	11,338	-227	11,111
Urban Park and Recreation Fund							
Grants to Cities	6,700	---	---	---	---	---	---
Historic Preservation Fund							
Grants-in-aid	21,500	---	22,500	21,500	21,500	-430	21,070
National Trust for Historic Preservation	5,000	---	4,500	4,500	4,500	-90	4,410
Total, Historic Preservation Fund	26,500	---	27,000	26,000	26,000	-520	25,480

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Visitor Facilities Fund							
Visitor facilities fund	5,800	6,000	6,400	6,000	6,000	-120	5,880
Construction							
Buildings and Utilities							
Lump Sum Projects	3,000	3,000	3,000	3,000	3,000	-60	2,940
Advance Planning	7,700	5,500	5,500	5,500	5,500	-110	5,390
Project Planning	8,162	8,122	8,122	9,137	9,137	-183	8,954
Line Item Construction Projects	88,775	61,653	92,753	81,271	96,079	-1,921	94,158
Use of deferred funds	-63,600	---	---	---	---	---	---
Total, Construction	44,037	78,275	109,375	98,908	113,716	-2,274	111,442
Federal Highway Administration							
Federal-aid highways (liquidation of contract authorization) (trust fund)	(14,000)	---	---	(28,000)	(28,000)	---	(28,000)
Land Acquisition and State Assistance							
Assistance to States							
Matching grants	72,919	---	73,319	73,319	73,319	-1,466	71,853
Administrative expenses	2,081	---	1,681	1,681	1,681	-34	1,647
National Park Service							
Acquisitions	84,700	92,940	92,940	69,350	68,160	-1,363	66,797
Acquisition management	7,800	7,060	7,060	7,060	7,060	-141	6,919
Pinelands National Reserve	6,150	---	---	---	---	---	---
Total, Land acquisition and state assistance	173,650	100,000	175,000	151,410	150,220	-3,004	147,216
John F. Kennedy Center for the Performing Arts							
Base program	4,542	4,621	4,621	4,621	4,621	-92	4,529
National Capital Region Arts and Cultural Affairs Prog							
Base program (1986 funding)	---	---	---	---	(5,000)	(-100)	(4,900)
Illinois and Michigan Canal National Heritage Corridor							
Base program	---	---	250	---	250	-5	245
Jefferson National Expansion Memorial Commission							
Base program	---	---	75	---	75	-2	73
Total, National Park Service	872,701	823,087	963,755	918,313	937,585	-18,751	918,834

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
GEOLOGICAL SURVEY							
Surveys, Investigations, and Research							
National Mapping, Geography and Surveys							
Primary mapping and revision	---	38,362	38,362	38,362	38,362	-767	37,595
Primary quadrangle mapping	32,654	---	--	---	---	---	---
Digital cartography	8,028	11,328	11,328	11,328	11,328	-227	11,101
Revision and orthophotoquads	12,330	---	---	---	---	---	---
Receipts for printing and distribution	8,500	9,500	9,500	9,000	9,000	---	9,000
Small intermediate and special mapping	13,559	14,761	16,561	16,561	16,561	-331	16,230
Modernization of mapping technology	---	4,796	5,496	4,796	4,796	-96	4,700
Earth resources observation system	9,623	9,145	9,732	9,145	9,732	-195	9,537
Cartographic and geographic information	3,930	2,504	4,089	2,504	3,589	-72	3,517
Side looking airborne radar	1,500	---	4,000	---	2,000	-40	1,960
Subtotal	90,124	90,396	99,068	91,696	95,368	-1,728	93,640
Geologic and Mineral Resource Surveys and Mapping							
Earthquake hazards reduction	35,325	33,138	37,300	33,138	37,300	-746	36,554
Volcano Hazards	10,874	9,528	12,807	11,628	11,628	-232	11,396
Ground failure & construction hazards	2,053	2,132	2,132	3,132	3,132	-63	3,069
Geologic framework	17,241	17,458	18,901	17,458	17,458	-349	17,109
Geomagnetism	2,157	1,977	2,217	2,217	2,217	-44	2,173
Climate change	1,007	532	1,024	1,024	1,024	-20	1,004
Mineral resource surveys	44,924	46,343	46,343	46,343	46,343	-927	45,416
Energy geologic surveys	30,098	26,037	31,387	30,637	30,637	-613	30,024
Offshore geologic surveys	18,553	19,060	19,060	22,560	21,560	-431	21,129
Subtotal	162,232	156,205	171,171	168,137	171,299	-3,425	167,874
Water Resources Investigations							
Federal Program	60,250	58,523	65,521	62,709	64,309	-1,286	63,023
Water resources research institutes	6,350	---	---	10,000	9,000	-180	8,820
Federal-State program	49,113	50,066	52,066	52,066	52,066	-1,041	51,025
Energy hydrology	11,922	7,935	10,435	7,935	8,935	-179	8,756
Subtotal	127,635	116,524	128,022	132,710	134,310	-2,686	131,624
General Administration	15,494	15,397	15,397	15,397	15,397	-308	15,089
Facilities	10,445	13,290	13,290	13,290	13,290	-266	13,024
Map sales receipts	-8,500	-9,500	-9,500	-9,000	-9,000	---	-9,000
Use of deferred funds	-24,000	---	---	---	---	---	---
Total, Surveys, Investigations & Research	373,430	382,312	417,448	412,230	420,664	-8,413	412,251
Total, Geological Survey	373,430	382,312	417,448	412,230	420,664	-8,413	412,251

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
MINERALS MANAGEMENT SERVICE							
Minerals and Royalty Management							
Leasing Outer Continental Shelf Lands and environmental program	43,975	44,472	44,472	44,472	44,472	-889	43,583
Resource evaluation	32,014	27,551	27,551	27,551	27,551	-551	27,000
Regulatory program	32,135	31,142	31,142	31,142	31,142	-623	30,519
Subtotal, Minerals and Royalty Management	108,124	103,165	103,165	103,165	103,165	-2,063	101,102
Mineral Revenue Collection (onshore royalty)	13,896	12,545	12,545	12,545	12,545	-251	12,294
Mineral Revenue Compliance (offshore royalty)	7,032	10,255	10,255	10,255	10,255	-205	10,050
Systems development and maintenance	13,941	17,090	17,090	17,090	17,090	-342	16,748
Subtotal, royalty management	34,869	39,890	39,890	39,890	39,890	-798	39,092
Executive direction	3,212	3,498	3,324	3,498	3,324	-66	3,258
Administration operations	9,557	9,892	9,892	9,892	9,892	-198	9,694
General support services	7,799	10,936	10,936	10,547	10,547	-211	10,336
Subtotal, general administration	20,568	24,326	24,152	23,937	23,763	-475	23,288
Total, leasing and royalty management	163,561	167,381	167,207	166,992	166,818	-3,336	163,482
BUREAU OF MINES							
Mines and Minerals							
Minerals Research:							
Health and Safety Technology	36,835	32,115	34,615	32,115	34,615	-684	33,931
Conservation and Development:							
Mining Technology	10,647	4,285	8,000	11,785	11,785	-233	11,552
Resource Conservation Technology	2,922	1,614	1,614	1,614	2,014	-40	1,974
Subtotal, Conservation and Development	13,569	5,899	9,614	13,399	13,799	-273	13,526
Minerals and Materials Research	30,013	30,922	30,922	33,922	33,422	-661	32,761
Subtotal, Minerals Research	80,417	68,936	75,151	79,436	81,836	-1,618	80,218

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Minerals Information and Analysis:							
Minerals Information	10,735	11,075	11,075	11,075	11,075	-219	10,856
Mineral Data Analysis	17,753	18,224	17,724	19,624	18,924	-374	18,550
Subtotal	28,488	29,299	28,799	30,699	29,999	-593	29,406
Mineral Institutes	9,350	---	---	9,650	8,000	-158	7,842
General Administration	20,734	21,066	20,766	20,066	20,566	-406	20,160
Bruceton facility/Construction and rehabilitation	-2,564	-1,667	-1,667	-1,667	-1,667	---	-1,667
Total, Bureau of Mines	136,425	117,634	123,049	138,184	138,734	-2,775	135,959
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT							
Regulation and Technology							
State Regulatory Program Grants	38,100	39,143	38,893	37,484	37,484	-750	36,734
Federal Regulatory Programs							
Program operations and inspections	11,741	13,111	18,411	21,106	21,406	-428	20,978
Technical services and research	9,811	10,550	10,850	10,550	10,850	-217	10,633
Subtotal	21,552	23,661	29,261	31,656	32,256	-645	31,611
General Administration	5,798	6,885	6,885	6,885	6,885	-138	6,747
Total, Regulation and Technology	65,450	69,689	75,039	76,025	76,625	-1,533	75,092
Abandoned Mine Reclamation Fund							
State Reclamation Program Grants	235,900	263,000	263,000	263,000	263,000	-5,260	257,740
Federal Reclamation Programs							
Fund management	6,298	6,734	6,734	6,734	6,734	-135	6,599
Interior reclamation projects	13,152	12,581	17,911	17,581	17,581	-352	17,229
Rural lands reclamation program	10,582	3,700	13,700	3,700	10,000	-200	9,800
Technical support	1,221	1,221	1,221	1,221	1,221	-24	1,197
Subtotal	31,253	24,236	39,566	29,236	35,536	-711	34,825
General Administration	4,075	4,465	4,465	4,465	4,465	-89	4,376
Total, Abandoned Mine Reclamation Fund	271,228	291,701	307,031	296,701	303,001	-6,060	296,941
Total, Office of Surface Mining Reclamation and Enforcement	336,678	361,390	382,070	372,726	379,626	-7,593	372,033

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
BUREAU OF INDIAN AFFAIRS							
Operation of Indian Programs							
Education							
School Operations	176,933	180,683	181,839	178,983	180,883	-3,618	177,265
Johnson O'Malley Educational Assistance	26,000	26,185	26,185	26,211	26,198	-524	25,674
Continuing Education	52,821	55,243	54,643	54,243	54,343	-1,087	53,256
Contract support	---	13,340	13,340	13,340	13,340	-267	13,073
Subtotal, Education	255,754	273,451	276,007	272,777	274,764	-5,496	269,268
Indian Services							
Tribal Government Services	23,694	26,115	27,115	26,115	26,465	-529	25,936
Social Services	99,609	105,752	111,052	109,752	107,127	-2,143	104,984
Law Enforcement	34,944	36,409	38,409	45,409	45,259	-905	44,354
Self-Determination Services	30,779	28,255	25,255	24,453	24,655	-493	24,162
Navajo-Hopi Settlement Program	3,951	3,830	3,830	---	2,830	-57	2,773
Contract support	---	15,240	15,240	15,240	15,240	-305	14,935
ADP transfer	---	---	---	-2,398	---	---	---
ADP transfer	---	---	---	---	(-3,435)	---	(-3,435)
Subtotal, Indian Services	220,977	212,601	220,901	218,571	221,576	-4,432	217,144
Economic Development and Employment Programs							
Employment Development	26,341	25,787	26,079	25,787	25,933	-519	25,414
Business Enterprise Development	10,521	16,220	16,220	15,935	16,008	-320	15,688
Road Maintenance	22,081	22,337	22,337	22,337	22,337	-447	21,890
Contract support	---	2,730	2,730	2,730	2,730	-55	2,675
ADP transfer	---	---	---	-61	---	---	---
Subtotal, Economic Development and Employment Programs	58,943	67,074	67,366	66,728	67,008	-1,341	65,667
Natural Resources Development							
Natural Resources, General	787	805	805	1,890	1,890	-38	1,852
Agriculture	22,881	22,449	22,449	23,996	23,996	-480	23,516
Forestry	27,092	27,492	34,525	31,652	32,975	-660	32,315
Water Resources	7,222	7,426	7,426	7,426	7,301	-146	7,155
Wildlife & Parks	17,700	17,949	22,068	18,526	20,073	-401	19,672
Fire Suppression	600	431	431	431	431	-9	422
Minerals and Mining	7,397	7,700	13,112	13,112	13,062	-261	12,801
Irrigation and Power	9,009	8,119	8,119	8,119	8,119	-162	7,957
Contract support	---	4,551	4,551	4,551	4,551	-91	4,460
ADP transfer	---	---	---	-688	---	---	---
ADP transfer	---	---	---	---	(-275)	---	(-275)
Subtotal, Natural Resources Development	92,688	96,922	113,486	109,015	112,398	-2,248	110,150

31-059 O-85-42 (Pt. 22)

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	.2% Reduction	Program Level F.Y. 85
Trust Responsibilities							
Rights Protection	17,823	17,951	22,099	19,371	20,969	-419	20,550
Real Estate and Financial Trust Services	27,531	28,979	29,079	28,979	28,879	-578	28,301
Contract support	---	813	813	813	813	-16	797
ADP transfer	---	---	---	-908	---	---	---
ADP transfer	---	---	---	---	(-600)	---	(-600)
Subtotal, Trust Responsibilities	45,354	47,743	51,991	48,255	50,661	-1,013	49,648
Facilities Management	91,113	90,196	91,180	88,002	90,171	-1,803	88,368
General Administration							
Management and Administration	46,274	54,568	62,855	59,868	67,355	-1,347	66,008
Program management	5,970	5,819	4,903	4,903	4,903	-98	4,805
Employee compensation payments	6,829	6,998	6,998	6,998	6,998	-140	6,858
Subtotal, General Administration	59,073	67,385	74,756	71,769	79,256	-1,585	77,671
ADP user charges	(3,000)	---	---	---	---	---	---
Restore overhead reduction	(5,243)	---	---	---	---	---	---
Total, Operation of Indian Programs	823,902	855,372	895,687	875,117	895,834	-17,918	877,916
Construction							
Buildings and Utilities	50,220	40,540	58,597	52,662	57,662	-1,153	56,509
Irrigation Systems	5,700	11,981	23,281	26,381	26,381	-528	25,853
Housing	25,000	20,803	20,803	23,200	23,200	-464	22,736
Land acquisition	---	---	443	2,000	2,443	-49	2,394
Total, Construction	78,920	73,324	103,124	104,243	109,686	-2,194	107,492
Road Construction							
Base Program	4,000	---	1,000	5,000	6,000	-120	5,880
Nashantucket Pequot Claims Settlement Fund							
Nashantucket Pequot Claims Settlement fund	900	---	---	---	---	---	---
Utah Paiute Trust Fund							
Trust fund	---	---	2,500	2,500	2,500	-50	2,450

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
White Earth Band of Chippewa Indians Trust Fund							
Economic development and tribal government fund	---	---	---	3,500	---	---	---
Trust Funds							
Definite	4,000	4,000	4,000	4,000	4,000	---	4,000
Indefinite	60,000	60,000	60,000	60,000	60,000	---	60,000
Total	64,000	64,000	64,000	64,000	64,000	---	64,000
Revolving Fund for Loans							
Limitation on direct loans	(13,875)	(16,100)	(16,100)	(18,600)	(18,600)	---	(18,600)
Indian Loan Guaranty and Insurance Fund							
Limitation on guaranteed loans	(19,000)	---	---	---	---	---	---
Total, Bureau of Indian Affairs	971,722	992,696	1,066,311	1,054,360	1,078,020	-20,282	1,057,738
TERRITORIAL AFFAIRS							
Administration of Territories							
Guam							
Construction grants	11,350	---	7,725	5,725	5,725	-115	5,610
American Samoa							
Operations grants	20,400	20,400	21,200	21,216	21,200	-424	20,776
Construction grants	5,000	1,672	6,672	5,672	6,172	-123	6,049
Subtotal, American Samoa	25,400	22,072	27,872	26,888	27,372	-547	26,825
Northern Marianas							
Covenant grants	25,742	26,729	26,729	26,729	26,729	---	26,729
Construction grants, other	10,000	---	8,500	9,000	8,500	-170	8,330
Subtotal, Northern Marianas	35,742	26,729	35,229	35,729	35,229	-170	35,059
Virgin Islands deficit grant	---	---	---	1,500	---	---	---
Virgin Islands construction grant	2,500	---	---	---	---	---	---
Territorial Administration							
Office of Territorial Affairs	2,070	2,828	2,628	2,828	2,728	-55	2,673
Technical Assistance	2,200	2,200	3,500	4,000	5,000	-100	4,900
College of the Virgin Islands Development Grant	---	---	---	500	500	-10	490
Subtotal, Territorial Administration	4,270	5,028	6,128	7,328	8,228	-165	8,063

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Total, Administration of Territories	79,262	53,829	76,954	77,170	76,554	-997	75,557
Trust Territory of the Pacific Islands							
Trust Territory operations	14,669	10,132	12,982	12,132	12,982	-260	12,722
Federated States of Micronesia	41,200	40,400	41,165	42,848	41,165	-823	40,342
Republic of the Marshall Islands	11,135	11,500	11,635	11,580	11,635	-233	11,402
Republic of Palau Operations	10,453	10,600	10,715	10,871	10,715	-214	10,501
Prior service benefit trust fund	---	---	---	2,500	---	---	---
Subtotal, Operations	77,457	72,632	76,497	79,931	76,497	-1,530	74,967
Construction							
Capital Improvements	33,588	4,400	23,050	16,780	17,500	-350	17,150
Capitol Relocations	---	18,200	15,600	---	4,000	-80	3,920
Subtotal, Construction	33,588	22,600	38,650	16,780	21,500	-430	21,070
Enewetak support	800	900	900	900	900	-18	882
Bikini support	264	---	264	---	---	---	---
Bikini resettlement	---	---	1,914	---	1,914	-38	1,876
Total, Trust Territory of the Pacific Islands	112,109	96,132	118,225	97,611	100,811	-2,016	98,795
Total, Territorial Affairs	191,371	149,961	195,179	174,781	177,365	-3,547	173,818
DEPARTMENTAL OFFICES							
OFFICE OF THE SECRETARY							
Departmental Direction							
Secretary's immediate Office	1,009	1,868	1,468	1,868	1,468	-29	1,439
Executive Secretariat	189	207	207	207	207	-4	203
Cons. & Legis. Affairs	1,040	1,179	1,000	1,179	1,179	-24	1,155
Equal Opportunity	1,443	1,443	1,443	1,443	1,443	-29	1,414
Public Affairs	671	723	700	723	723	-14	709
Small & Disadvantaged Business Utilization	392	440	440	440	440	-9	431
Historically Black College & University programs	---	309	309	---	---	---	---
Subtotal, Departmental Direction	5,544	6,169	5,567	5,860	5,460	-109	5,351

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Program Direction and Coordination							
A/S Water and Science	750	782	725	782	782	-16	766
A/S Land and Minerals Management	790	824	665	824	824	-16	808
A/S Fish and Wildlife and Parks	771	805	795	805	805	-16	789
A/S Indian Affairs	738	769	760	769	769	-15	754
A/S Territorial and International Affairs	429	593	445	593	593	-12	581
A/S Policy, Budget & Administration	787	827	810	827	827	-18	809
Subtotal, Program Direction and Coordination	4,265	4,600	4,200	4,600	4,600	-93	4,507
Administration							
Environmental Project Review	1,519	1,565	1,565	1,565	1,565	-3	1,534
Acquisition & Property Management	1,391	1,430	1,380	1,430	1,430	-2	1,401
Office of personnel	1,636	1,657	1,657	1,657	1,657	-3	1,624
Administrative Services	3,192	4,144	3,398	4,104	3,358	-6	3,291
Information Resources Management	4,714	4,996	4,496	4,884	4,884	-96	4,786
Policy Analysis	2,387	2,413	2,000	2,413	2,413	-48	2,365
Office of Budget	1,520	1,578	1,578	1,578	1,578	-32	1,546
Financial management	919	1,053	1,053	1,053	1,053	-21	1,032
Subtotal, Administration	17,278	18,836	17,127	18,684	17,938	-359	17,579
Hearings and Appeals	6,478	6,304	5,995	6,304	6,304	-126	6,178
Aircraft Services	---	2,022	2,022	2,022	2,022	-40	1,982
Central Services	9,503	9,440	9,220	9,440	9,220	-184	9,036
Alaska Subsistence Grant	1,000	---	---	---	---	---	---
EIS Conflicts Task Force	---	---	---	450	---	---	---
Total, Office of the Secretary	44,068	47,371	44,131	47,360	45,544	-911	44,633
Office of the Solicitor							
Legal Services	16,835	17,441	16,835	18,526	17,920	-358	17,562
General Administration	2,628	2,716	2,628	2,716	2,628	-53	2,575
Total, Office of the Solicitor	19,463	20,157	19,463	21,242	20,548	-411	20,137
Office of the Inspector General							
Audit	13,437	14,433	13,753	13,753	13,753	-275	13,478
Investigations	2,508	2,708	2,588	2,588	2,588	-52	2,536
Administration	869	912	912	912	912	-18	894
Total, Office of the Inspector General	16,814	18,053	17,253	17,253	17,253	-345	16,908
Construction Management							
Construction management	800	---	750	916	750	-15	735

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Special Foreign Currency Program							
Salaries and Expenses	420	---	---	5,500	2,000	-40	1,960
Office of Water Policy							
State water resource research institutes	6,350	---	---	---	---	---	---
Transfer	-6,350	---	---	---	---	---	---
Total, Office of Water Policy	---	---	---	---	---	---	---
Total, Secretarial Offices	81,565	85,581	81,597	92,271	86,095	-1,722	84,373
Grand Total, Department of the Interior	4,018,642	3,982,588	4,342,164	4,336,461	4,401,826	-85,912	4,315,914
TITLE II - RELATED AGENCIES							
DEPARTMENT OF AGRICULTURE							
FOREST SERVICE							
Forest Research							
Fire and atmospheric science	7,725	7,588	8,138	7,588	8,088	-162	7,926
Forest insect and disease	21,983	20,586	22,786	22,319	21,486	-430	21,056
Forest inventory and analysis	12,031	11,828	18,328	15,828	17,428	-349	17,079
Renewable resource economics	4,711	4,573	4,973	4,573	4,573	-91	4,482
Trees and timber management	21,951	20,162	22,662	22,387	22,512	-451	22,061
Forest watershed management and rehabilitation	11,148	10,000	13,100	11,367	11,423	-228	11,195
Wildlife, range and fish habitat	9,093	8,367	9,607	9,367	9,087	-181	8,874
Forest recreation	2,068	2,013	2,363	2,013	2,113	-42	2,071
Forest products and harvesting	17,845	18,253	18,753	19,253	18,753	-375	18,378
Special acid rain research	---	---	3,000	---	---	---	---
Competitive grants	---	---	---	10,000	8,000	-160	7,840
Total, Forest Research	108,535	103,070	123,710	124,395	123,433	-2,469	120,964
State and Private Forestry							
Forest Pest Management							
Federal lands	20,163	14,875	20,535	20,440	20,535	-410	20,125
Cooperative lands	8,899	675	9,015	8,925	8,925	-179	8,746
Subtotal, Forest pest management	29,062	15,550	29,550	29,365	29,460	-589	28,871
Fire protection	14,000	3,065	14,065	14,000	14,000	-280	13,720

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Forest Management and Utilization							
Forest resource management	5,177	2,235	5,235	5,235	5,235	-105	5,130
Wood utilization	1,165	970	1,500	970	970	-19	951
Seedlings, nursery and tree improvement	1,745	165	1,765	1,765	1,765	-35	1,730
Urban forestry	1,600	---	3,600	---	2,000	-40	1,960
Management improvement	990	520	1,020	1,000	1,000	-20	980
Subtotal	10,677	3,890	13,120	8,970	10,970	-219	10,751
Special projects							
Boundary Waters Canoe Area	3,000	3,000	3,000	---	3,000	-60	2,940
Gifford Pinchot Institute	500	---	250	---	250	-5	245
Lake Tahoe	3,340	---	1,500	---	1,500	-30	1,470
Special projects	---	---	---	4,500	---	---	---
Disabled veterans recreation	---	---	325	---	325	-7	318
Subtotal	6,840	3,000	5,075	4,500	5,075	-102	4,973
Total, State and Private Forestry	60,579	25,505	61,810	56,835	59,505	-1,190	58,315
National Forest System							
Minerals and General Land Activities							
Minerals	25,405	29,085	28,085	28,085	27,019	-540	26,479
Real estate management	18,524	21,263	21,263	21,263	21,229	-425	20,804
Land Line Location	29,193	28,595	29,595	29,595	29,554	-591	28,963
Maintenance of Facilities	13,982	16,091	16,091	14,177	15,061	-301	14,760
Subtotal	87,104	95,034	95,034	93,120	92,863	-1,857	91,006
Resource Protection and Maintenance							
Fire protection	154,938	159,875	159,875	159,875	159,532	-3,191	156,341
Fighting forest fires	1,000	1,000	1,000	1,000	1,000	-20	980
Cooperative law enforcement	---	5,307	5,307	7,307	7,307	-146	7,161
(By transfer) 1/	(5,171)	---	---	---	---	---	---
Road maintenance	---	66,267	66,267	66,767	66,103	-1,322	64,781
(By transfer) 1/	(64,164)	---	---	---	---	---	---

1/ Transfer of $87,013,000 deferred from fiscal year 1983 as follows: $49,821,000 from reforestation; $25,008,000 from stand improvement; and $12,184,000 from nurseries.

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Trail maintenance	1,000	8,377	9,377	8,377	9,377	-188	9,189
(By transfer) 1/	(8,162)	---	---	---	---	---	---
Subtotal	156,938	240,826	241,826	243,326	243,319	-4,867	238,452
Timber Sales							
Timber resource inventory	10,146	10,926	10,926	10,926	10,926	-219	10,707
Silvicultural examination	21,635	24,047	24,047	24,047	24,047	-481	23,566
Sales preparation and harvest administration	153,608	164,883	154,783	163,283	163,217	-3,264	159,953
Subtotal	185,389	199,856	189,756	198,256	198,190	-3,964	194,226
Reforestation and Stand improvement							
Reforestation	6,000	21,456	21,456	31,456	31,336	-627	30,709
(By transfer) 1/	(32,888)	---	---	---	---	---	---
(Reforestation trust fund)	(4,826)	(22,763)	(22,763)	---	(22,763)	(-455)	(22,308)
Stand improvement	4,000	17,873	17,873	22,873	22,810	-456	22,354
(By transfer) 1/	(19,282)	---	---	---	---	---	---
(Reforestation trust fund)	(2,780)	(8,852)	(8,852)	---	(8,852)	(-177)	(8,675)
Nurseries	---	11,015	13,815	13,015	13,815	-276	13,539
(By transfer) 1/	(13,761)	---	---	---	---	---	---
(Reforestation trust fund)	(1,910)	---	---	---	---	---	---
Subtotal	10,000	50,344	53,144	67,344	67,961	-1,359	66,602
Recreation use							
Recreation management	83,798	80,435	88,435	82,035	86,204	-1,724	84,480
Wilderness	6,722	7,875	8,375	7,875	7,875	-158	7,717
Cultural resources	9,269	9,230	9,730	9,230	9,730	-195	9,535
Subtotal	99,789	97,540	106,540	99,140	103,809	-2,077	101,732
Wildlife and fish habitat management							
Wildlife and fisheries support	21,835	22,861	22,861	23,261	22,771	-455	22,316
Habitat improvement	13,173	11,102	14,402	15,602	14,602	-292	14,310
Subtotal	35,008	33,963	37,263	38,863	37,373	-747	36,626
Range management							
Grazing	23,987	25,182	25,182	25,182	25,121	-502	24,619
Range improvements	2,300	359	359	2,359	2,359	-47	2,312
Wild horse and burro management	290	179	179	179	179	-4	175
Noxious weed control	415	404	404	2,904	1,000	-20	980
Subtotal	26,992	26,124	26,124	30,624	28,659	-573	28,086

1/ Transfer of $87,013,000 deferred from fiscal year 1983 as follows: $49,821,000 from reforestation; $25,008,000 from stand improvement; and $12,184,000 from nurseries.

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Soil, water and air management							
Soil, water and air administration	20,686	21,485	21,985	21,885	21,919	-438	21,481
Soil and water resource improvements	2,386	2,087	3,287	3,087	3,087	-62	3,025
Soil and water resource inventories	6,604	5,318	6,618	5,318	6,618	-132	6,486
Subtotal	29,676	28,890	31,890	30,290	31,624	-632	30,992
General Administration	257,610	264,382	259,882	263,747	263,222	-5,264	257,958
Forest level information processing system	---	---	---	---	(-2,500)	---	(-2,500)
Total, National Forest System	888,506	1,036,959	1,041,459	1,064,710	1,067,020	-21,340	1,045,680
Construction							
Facilities	23,867	16,750	26,750	27,187	26,922	-538	26,384
Unallocated	---	---	3,000	---	---	---	---
Roads and trails							
Direct road construction	222,675	231,884	223,784	248,784	234,449	-4,690	229,759
Trail construction	5,182	5,264	7,264	5,264	7,264	-145	7,119
Subtotal, Construction	251,724	253,898	260,798	281,235	268,635	-5,373	263,262
Timber Receipts Transfer (transfer to General Fund)	(-38,860)	(-90,095)	(-90,095)	(-90,095)	(-90,095)	---	(-90,095)
Timber Purchaser Credits	(240,000)	(286,226)	(196,226)	(298,800)	(196,226)	(-3,925)	(192,301)
Rescission	---	---	-226,290	-226,348	---	---	---
Purchaser credit transfer	---	---	---	---	-226,290	---	-226,290
Total, Construction	251,724	253,898	34,508	54,887	42,345	-5,373	36,972
Land Acquisition							
Forest Service!							
Acquisitions	34,552	6,070	56,000	28,730	40,928	-819	40,109
Acquisition Management	4,000	3,565	6,000	3,565	3,565	-71	3,494
Weeks Act	---	---	2,000	---	---	---	---
Total	38,552	9,635	64,000	32,295	44,493	-890	43,603
Youth Conservation Corps							
Youth Conservation Corps	---	---	10,000	---	---	---	---

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Acquisition of Lands for National Forests, Special Acts							
Base Program	780	782	782	782	782	-16	766
Acquisition of Lands to Complete Land Exchanges							
Base Program	20	20	20	20	20	---	20
Range Betterment							
Base program	4,028	3,665	3,665	5,000	3,665	---	3,665
Miscellaneous Trust Funds							
Miscellaneous trust fund	90	90	90	90	90	-2	88
Total, Forest Service	1,352,834	1,433,624	1,340,044	1,339,014	1,341,353	-31,280	1,310,073
DEPARTMENT OF THE TREASURY							
Energy Security Reserve (rescission)	---	---	-5,000,000	-5,200,000	-5,375,000	---	-5,375,000
DEPARTMENT OF ENERGY							
Fossil Energy Research and Development							
Coal							
Control technology and coal preparation							
Coal preparation and analysis	8,000	11,150	11,150	11,150	11,150	-175	10,975
Flue gas cleanup	8,100	14,025	15,050	15,025	15,050	-237	14,813
Gas stream cleanup	7,000	4,975	6,475	7,475	7,475	-118	7,357
Waste management technology	2,900	2,000	2,000	2,000	2,000	-32	1,968
Subtotal	26,000	32,150	34,675	35,650	35,675	-562	35,113
Advanced Research & Technology Development	39,250	40,267	40,687	39,187	40,687	-641	40,046
Coal Liquefaction							
Advanced process development	15,500	5,600	12,150	13,650	13,150	-207	12,943
Indirect liquefaction	7,900	2,500	7,300	4,650	7,300	-115	7,185
Support studies and engineering evaluations	5,500	5,800	5,800	5,800	5,800	-91	5,709
Subtotal	28,900	13,900	25,250	24,100	26,250	-413	25,837

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Combustion systems							
Atmospheric fluidized beds	1,400	17,500	19,000	17,500	18,800	-297	18,503
Pressurized fluidized beds	7,500	5,000	2,500	3,500	2,500	-39	2,461
Advanced combustion technology	1,700	2,000	2,000	2,000	2,000	-32	1,968
Alternate fuel utilization	7,600	7,175	8,675	7,175	7,175	-113	7,062
Subtotal	18,200	31,675	32,175	30,175	30,475	-481	29,994
Fuel cells							
Phosphoric acid systems	28,800	7,200	27,800	23,800	29,400	-464	28,936
Molten carbonate systems	9,200	4,100	9,000	9,000	9,000	-142	8,858
Advanced concepts	4,600	2,400	3,100	3,100	3,100	-49	3,051
Subtotal	42,600	13,700	39,900	35,900	41,500	-655	40,845
Heat engines and heat recovery	6,500	7,650	11,650	12,150	12,150	-192	11,958
Underground coal gasification	6,000	5,850	5,850	6,850	5,850	-92	5,758
Magnetohydrodynamics	30,000	17,800	33,000	29,800	31,500	-497	31,003
Surface Coal Gasification							
Advanced Process Development	6,950	4,450	4,450	4,450	4,450	-70	4,380
Systems engineering concepts	17,400	3,975	11,225	22,475	21,475	-339	21,136
Environmental and engineering analyses	4,400	3,575	3,575	4,425	3,575	-56	3,519
Great Plains gasification project	3,040	3,000	3,000	3,000	3,000	-47	2,953
Bi-Gas Pilot Plant	(5,000)	---	---	---	---	---	---
Subtotal	31,790	15,000	22,250	34,350	32,500	-512	31,988
Equipment not related to construction	1,500	4,500	4,500	4,500	4,500	-71	4,429
Subtotal, Coal	230,740	182,492	249,937	252,662	261,087	-4,116	256,971
Petroleum							
Advanced Process Technology							
Advanced exploratory research	4,000	4,500	4,500	4,500	4,500	-71	4,429
Arctic and offshore research	1,000	1,700	1,000	1,700	1,000	-16	984
Subtotal	5,000	6,200	5,500	6,200	5,500	-87	5,413
Enhanced Oil Recovery							
Heavy oil	1,600	3,000	2,600	2,600	2,600	-41	2,559
Light oil	6,550	9,200	8,200	8,200	8,200	-129	8,071
Tar sands	1,000	1,200	1,200	1,200	1,200	-19	1,181
Subtotal	9,150	13,400	12,000	12,000	12,000	-189	11,811
Oil shale	16,150	12,000	14,000	15,000	15,000	-236	14,764
Subtotal, Petroleum	30,300	31,600	31,500	33,200	32,500	-512	31,988

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Gas							
Unconventional gas recovery	15,500	8,550	9,550	13,200	10,400	-164	10,236
Fossil Energy Construction							
Wastewater treatment facility, Morgantown, W. Va.	2,000	2,500	2,500	2,500	2,500	-39	2,461
Surface water containment facility, Pittsburgh ETC.	1,040	---	---	---	---	---	---
General plant projects	2,000	2,500	2,500	2,500	2,500	-39	2,461
Subtotal, Fossil Energy Construction	5,040	5,000	5,000	5,000	5,000	-78	4,922
Headquarters program direction	9,000	7,913	8,413	8,413	8,413	-133	8,280
Energy Technology Center program direction	34,000	37,315	38,547	38,547	38,547	-608	37,939
Use of prior year deferrals - DE	-22,326	-9,493	-9,493	-9,493	-9,493	---	-9,493
FY 1985 appropriation made in FY 1984	---	-15,000	-15,000	-15,000	-15,000	---	-15,000
By transfer	-39,000	-45,496	-47,496	-47,496	-47,496	---	-47,496
Program offset	---	---	-400	-400	-400	---	-400
Transfer from Energy Security Reserve	-3,040	-3,000	-3,000	-3,000	-3,000	---	-3,000
Savings from Management Initiatives (non-add)	---	(-12,150)	---	(-12,150)	(-12,150)	---	(-12,150)
Total, Fossil Energy Research and Development	260,214	199,881	267,558	275,633	280,558	-5,611	274,947
Naval Petroleum and Oil Shale Reserves							
Naval petroleum reserves Nos. 1 & 2	212,946	228,848	173,985	173,985	173,985	-2,797	171,188
Naval petroleum reserve No. 3	37,633	22,661	18,161	22,661	18,161	-292	17,869
Headquarters	5,921	5,769	5,769	5,630	5,630	-91	5,539
Subtotal	256,500	257,278	197,915	202,276	197,776	-3,180	194,596
Shale oil development program							
Shale reserves development	100	5,576	990	990	1,350	-22	1,328
Use of prior year balance	---	-39,050	-39,050	-39,050	-39,050	---	-39,050
Total, Naval Petroleum and Oil Shale Reserves	256,600	223,804	159,855	164,216	160,076	-3,202	156,874
Energy Conservation							
Buildings & community systems							
Buildings systems	13,900	12,200	15,200	15,200	15,200	-303	14,897
Community systems	4,200	2,000	9,000	2,000	5,500	-110	5,390
Urban waste	1,500	---	1,000	1,000	1,000	-20	980
Technology and consumer products	10,000	4,900	10,800	9,900	10,200	-203	9,997
Analysis & technology transfer	200	4,510	1,000	1,000	1,000	-20	980
Appliance standards	1,700	2,500	2,500	2,500	2,500	-50	2,450
Federal energy management program	1,000	2,300	1,300	1,300	1,300	-26	1,274
Residential conservation service	500	1,300	1,300	1,300	1,300	-26	1,274
Capital equipment	1,500	2,500	1,250	2,500	1,250	-25	1,225
Program direction	2,908	3,104	2,954	2,954	2,954	-59	2,895
Subtotal, Buildings & community systems	37,408	35,314	46,304	39,654	42,204	-842	41,362

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Industrial							
Waste energy reduction	12,000	12,350	12,100	13,000	12,100	-241	11,859
Industrial process efficiency	14,200	8,000	8,750	8,750	9,750	-194	9,556
Industrial cogeneration	4,000	3,200	5,000	4,200	4,200	-84	4,116
Implementation & commercialization	1,900	3,500	2,500	2,500	2,500	-50	2,450
Program direction	1,612	1,844	1,844	1,844	1,844	-37	1,807
Capital equipment	---	4,400	---	4,400	2,200	-44	2,156
Subtotal	33,712	33,294	30,194	34,694	32,594	-650	31,944
Transportation							
Vehicle Propulsion R&D	38,100	18,500	32,500	32,500	32,500	-648	31,852
Alternative fuels utilization	2,600	1,500	4,000	1,500	2,500	-50	2,450
Electric/hybrid vehicle program	11,700	6,800	7,100	9,300	8,600	-171	8,429
Transportation utilization programs	500	1,700	1,700	1,700	1,700	-34	1,666
Advanced materials development	1,500	7,000	6,200	6,200	6,200	-124	6,076
High temperature materials lab	9,000	10,600	6,600	6,600	6,600	-131	6,469
Program direction	1,638	1,952	1,952	1,952	1,952	-39	1,913
Capital equipment	---	3,000	3,000	3,000	3,000	-60	2,940
Subtotal	65,038	51,052	63,052	62,752	63,052	-1,257	61,795
State/Local programs							
Energy policy and conservation grants (EPCA)	24,000	---	24,000	24,000	24,000	-478	23,522
Energy extension service	10,000	---	10,000	10,000	10,000	-199	9,801
Schools & hospitals	48,000	48,000	50,000	48,000	48,000	-957	47,043
Weatherization	190,000	190,000	200,000	190,000	195,000	-3,887	191,113
Evaluation of state/local energy savings	---	---	2,000	2,000	2,000	-40	1,960
Program Direction	8,166	14,163	10,163	10,163	10,163	-202	9,961
Subtotal	280,166	252,163	296,163	284,163	289,163	-5,763	283,400
Multi Sector							
Energy Conversion Technology	9,000	17,850	14,000	17,850	15,925	-317	15,608
Inventors program	3,000	5,000	5,000	5,000	5,000	-100	4,900
Program direction	277	298	298	298	298	-6	292
National Appropriate Technology Assistance Service	500	---	1,500	1,500	1,500	-30	1,470
Capital equipment	---	3,400	1,700	3,400	1,700	-34	1,666
Subtotal, Multi Sector	12,777	26,548	22,498	28,048	24,423	-487	23,936
Policy and Management							
Policy analysis	750	---	250	250	250	-5	245
Program direction	1,280	1,783	1,533	1,783	1,783	-36	1,747
Fellowship program	---	---	1,000	---	---	---	---
Subtotal	2,030	1,783	2,783	2,033	2,033	-41	1,992
Facilities	---	---	26,000	---	16,000	-319	15,681
(Use of prior year deferrals)	---	-10,077	-1,500	-1,500	-1,500	---	-1,500
Savings from Management Initiatives (non-add)	---	(-8,000)	---	(-8,000)	---	---	---

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Total, Energy Conservation	431,131	390,077	485,494	449,844	467,969	-9,359	458,610
Economic Regulation							
Compliance	14,800	11,116	15,316	14,116	15,316	-306	15,010
Fuels Conversion	1,650	1,335	1,335	1,335	1,335	-27	1,308
Natural gas and electricity operations	2,100	1,433	2,083	1,433	2,083	-42	2,041
Program administration	1,300	1,484	1,164	1,164	1,164	-23	1,141
Office of Hearings and Appeals	5,250	5,569	5,369	5,349	5,349	-107	5,242
Emergency preparedness	5,230	6,220	5,770	---	---	---	---
Total Economic Regulation	30,330	27,157	31,037	23,397	25,247	-505	24,742
Emergency Preparedness	---	---	---	---	---	---	---
Emergency preparedness	---	---	---	---	6,220	-124	6,096
Strategic Petroleum Reserve 1/							
Planning	6,250	---	---	---	---	---	---
FY85 request considered in FY84 Gen. Supplemental	---	(5,600)	(5,600)	(5,600)	---	---	---
Storage facilities development	142,357	---	---	---	---	---	---
FY85 request considered in FY84 Gen. Supplemental	---	(441,300)	(441,300)	(441,300)	---	---	---
Program Administration	10,163	---	---	---	---	---	---
FY85 request considered in FY84 Gen. Supplemental	---	(12,290)	(12,290)	(12,290)	---	---	---
Savings from Management Initiatives (non-add)	---	(-12,000)	---	(-12,000)	---	---	---
Emergency Preparedness	---	---	---	6,220	---	---	---
Subtotal, Strategic Petroleum Reserve	158,770	---	---	6,220	---	---	---
FY85 request considered in FY84 Gen. Supp.	---	(459,190)	(459,190)	(459,190)	---	---	---
SPR Petroleum Account							
Petroleum acquisition and transportation	(650,000)	(1,889,550)	(2,351,400)	(2,349,550)	(2,049,550)	---	(2,049,550)
Energy Information Administration							
Collection, production & dissemination	37,030	37,852	41,046	41,552	41,646	-833	40,813
Program services	11,775	11,013	12,013	11,013	11,013	-220	10,793
Policy and management	7,065	8,998	8,998	8,998	8,998	-180	8,818
Total, Energy Information Administration	55,870	57,863	62,057	61,563	61,657	-1,233	60,424
Total, Department of Energy	1,192,915	898,782	1,006,001	980,873	1,001,727	-20,034	981,693

1/ FY85 budget request provided in FY84 Gen. Supp.

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
HEALTH SERVICES ADMINISTRATION							
Indian Health Services							
Clinical services							
IHS and tribal health delivery							
Hospital and health clinic programs	397,700	411,787	434,216	416,787	425,526	-8,510	417,016
Dental health program	23,940	25,167	25,490	25,432	25,432	-509	24,923
Mental health program	10,891	11,297	11,408	11,407	11,407	-228	11,179
Alcoholism program	23,469	24,607	25,062	24,857	24,982	-500	24,482
Maintenance and repair	18,267	8,745	8,745	8,745	8,745	-175	8,570
Contract care	157,927	165,602	167,802	165,602	167,302	-3,346	163,956
Subtotal, Clinical services	632,194	647,205	672,723	652,830	663,394	-13,268	650,126
Preventive health							
Sanitation	19,317	17,659	20,843	20,159	20,689	-414	20,275
Public health nursing	11,145	10,244	12,568	11,944	12,461	-249	12,212
Health education	3,494	2,717	3,690	3,617	3,649	-73	3,576
Community health representative program	26,000	---	27,000	26,000	26,000	-520	25,480
Immunization	1,000	1,000	1,000	3,700	3,700	-74	3,626
Subtotal, Preventative health	60,956	31,620	65,101	65,420	66,499	-1,330	65,169
Urban health projects	9,000	---	10,000	10,000	10,000	-200	9,800
Indian health manpower	6,000	4,632	6,632	6,000	6,632	-133	6,499
Tribal management	2,634	---	2,634	2,500	2,500	-50	2,450
Direct operations	59,624	58,493	60,902	59,493	60,902	-1,218	59,684
Medicare/Medicaid Reimbursements							
Hospital and clinic accreditation	(40,000)	(55,400)	(45,000)	(55,400)	(45,000)	(-900)	(44,100)
Total, Indian Health Services	770,408	741,950	817,992	796,243	809,927	-16,199	793,728
Indian Health Facilities							
Hospitals							
New and Replacement	28,965	---	32,151	19,221	20,248	-405	19,843
Modernization and repair	200	---	7,946	2,129	2,129	-43	2,086
Subtotal, Hospitals	29,165	---	40,097	21,350	22,377	-448	21,929
Outpatient Care Facilities	960	---	14,421	---	9,910	-198	9,712
Sanitation Facilities	21,000	---	30,000	20,000	25,000	-500	24,500

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Hospital and health clinic programs							
Personnel Quarters	2,470	---	11,619	2,185	5,605	-112	5,493
Total, Indian Health Facilities	53,595	---	96,137	43,535	62,892	-1,258	61,634
Total, Indian Health	824,003	741,950	914,129	839,778	872,819	-17,457	855,362
DEPARTMENT OF EDUCATION							
Indian Education							
Part A-Payments to School Districts	50,900	51,350	51,350	51,350	51,350	-1,027	50,323
Part B-Special Projects for Indian Students	12,000	12,000	12,000	12,000	12,000	-240	11,760
Part C-Special Projects for Indian Adults	3,000	3,000	3,000	3,000	3,000	-60	2,940
Administration	2,880	2,430	2,430	2,430	2,430	-49	2,381
Total, Indian Education	68,780	68,780	68,780	68,780	68,780	-1,376	67,404
OTHER RELATED AGENCIES							
NAVAJO/HOPI INDIAN RELOCATION COMMISSION							
Salaries and Expenses							
Operation of the Commission	18,783	20,736	16,986	20,736	20,736	-415	20,321
SMITHSONIAN INSTITUTION							
Salaries and Expenses							
Science							
Assistant Secretary for Science	537	567	567	567	567	-11	556
National Museum of Natural History	18,697	20,270	20,620	20,110	20,460	-410	20,050
Astrophysical Observatory	7,607	8,708	7,758	8,283	8,558	-171	8,387
Tropical Research Institute	3,319	3,574	3,724	3,574	3,574	-71	3,503
Environmental Research Center	3,142	3,439	3,439	3,439	3,439	-69	3,370
National Air and Space Museum	7,628	8,049	8,299	8,049	8,299	-166	8,133
National Zoological Park	10,527	11,074	11,299	11,174	11,249	-225	11,024
Subtotal, Science	51,457	55,681	55,706	55,196	56,146	-1,123	55,023

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
History and Art							
Assistant Secretary for History and Art	606	429	429	429	429	-9	420
National Museum of American History	9,659	10,887	11,210	10,887	11,167	-224	10,943
National Museum of American Art	4,390	4,648	4,728	4,648	4,648	-93	4,555
National Portrait Gallery	3,185	3,367	3,454	3,367	3,367	-67	3,300
Hirshhorn Museum and Sculpture Garden	2,960	3,109	3,159	2,960	3,010	-60	2,950
Center for Asian Art	1,081	1,136	1,687	1,136	1,587	-32	1,555
Archives of American Art	705	741	741	741	741	-15	726
Cooper-Hewitt Museum	843	1,092	892	892	892	-18	874
Museum of African Art	975	1,031	1,241	1,031	1,241	-25	1,216
Anacostia Neighborhood Museum	820	863	900	863	863	-17	846
Subtotal, History and Art	25,224	27,303	28,441	26,954	27,945	-560	27,385
Public Service							
Assistant Secretary for Public Service	586	622	622	622	622	-12	610
Smithsonian Institution Press	1,032	1,085	1,085	1,085	1,085	-22	1,063
Subtotal, Public Service	1,618	1,707	1,707	1,707	1,707	-34	1,673
Museum Programs							
Assistant Secretary for Museum Programs	852	904	904	904	904	-18	886
Office of the Registrar	93	99	99	99	99	-2	97
Conservation-Analytical Laboratory	951	998	998	998	998	-20	978
Smithsonian Institution Libraries	3,633	4,030	4,282	4,030	4,254	-85	4,169
Office of Exhibits Central	1,451	1,521	1,521	1,521	1,521	-30	1,491
Traveling Exhibition Service	292	310	310	310	310	-6	304
Smithsonian Archives	495	523	523	523	523	-10	513
National Museum Act	786	789	1,000	---	789	-16	773
Subtotal, Museum Programs	8,553	9,174	9,637	8,385	9,398	-187	9,211
Special Programs							
American and Folklife Studies	650	689	689	689	689	-14	675
International Environmental Science Program	678	712	712	712	712	-14	698
Academic and Educational Programs	704	745	745	745	745	-15	730
Collections Management Inventory	827	857	857	857	857	-17	840
Major Exhibition Program	885	---	---	---	---	---	---
Museum Support Center	7,956	13,172	13,172	5,861	7,927	-159	7,768
JFK Center Trustee Grant	1,000	---	700	---	700	-14	686
Quadrangle Operations	---	1,109	---	836	---	---	---
Subtotal, Special Programs	12,700	17,284	16,875	9,700	11,630	-233	11,397
Administration	11,614	12,064	11,789	11,789	11,789	-236	11,553

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Support Activities							
Office of Design and Construction	1,798	2,036	2,036	2,036	2,036	-41	1,995
Office of Protection Services	15,369	16,367	16,617	16,213	16,463	-329	16,134
Office of Plant Services	26,930	29,066	28,891	28,291	28,616	-572	28,044
Subtotal, Support Activities	44,097	47,469	47,544	46,540	47,115	-942	46,173
Total, Salaries and Expenses	155,263	170,682	171,699	160,271	165,730	-3,315	162,415
Museum Programs and Related Research (SFCP)							
Grant Program	7,040	9,000	9,000	9,000	9,000	-180	8,820
Construction and Improvements National Zoological Park							
Base Program	3,500	3,500	4,150	4,950	4,950	-99	4,851
Restoration and Renovation of Buildings							
Base Program	9,000	13,750	13,750	13,750	13,750	-275	13,475
Construction							
South Quadrangle Development	-8,000	---	---	---	---	---	---
Total, Smithsonian	166,803	196,932	198,599	187,971	193,430	-3,869	189,561
NATIONAL GALLERY OF ART							
Salaries and Expenses							
Care and Utilization of Art Collections	10,024	10,922	10,922	12,922	12,922	-258	12,664
Operation and Maintenance of Buildings and Grounds	15,745	15,373	14,858	14,078	14,078	-282	13,791
Protection of Buildings, Grounds, and Contents	5,829	6,104	6,104	6,104	6,104	-122	5,982
General Administration	3,041	3,722	3,722	3,722	3,722	-74	3,648
Total, National Gallery of Art	34,639	36,121	35,603	36,821	36,821	-736	36,085
Woodrow Wilson International Center for Scholars							
Salaries and Expenses							
Fellowship Program	1,176	1,223	1,223	1,223	1,223	-24	1,199
Scholar Support	224	239	239	239	239	-5	234
Public Services	562	612	612	612	612	-12	600
General Administration	531	563	563	563	563	-11	552
Building Requirements	75	75	75	75	75	-2	73

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Subtotal, Salaries and expenses	2,568	2,712	2,712	2,712	2,712	-54	2,658
Endowment challenge fund	---	---	---	3,000	---	---	---
Total, Woodrow Wilson Center	2,568	2,712	2,712	5,712	2,712	-54	2,658
NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES							
National Endowment for the Arts							
Grants and Administration							
Program grants:							
Artists-in-Schools	5,200	4,700	5,971	6,200	5,450	-109	5,341
Educational program	---	100	103	100	100	-2	98
Dance	8,750	7,500	9,368	8,100	9,000	-180	8,820
Design Arts	4,500	4,000	4,735	4,200	4,400	-88	4,312
Expansion Arts	7,000	5,150	7,154	6,850	6,850	-137	6,713
Folk Arts	3,000	2,800	3,397	3,000	3,200	-64	3,136
Inter Arts	3,950	3,300	4,529	3,700	4,250	-85	4,165
Literature	4,500	4,500	6,176	4,600	5,250	-105	5,145
Media Arts	8,800	8,500	9,779	10,500	9,250	-185	9,065
Museums	11,900	8,800	11,941	11,200	11,500	-230	11,270
Music	12,600	9,950	12,920	11,550	12,450	-249	12,201
Opera / Musical Theatre	4,600	3,100	4,324	3,800	4,200	-84	4,116
Locals Test	2,000	2,300	2,368	2,300	2,300	-46	2,254
Theatre	9,000	9,300	11,426	10,400	11,000	-220	10,780
Visual Arts	6,400	5,700	6,691	6,000	6,400	-128	6,272
Advancement	700	500	721	800	700	-14	686
Subtotal, Program grants	92,900	80,200	101,603	92,500	96,300	-1,926	94,374
State Programs	24,300	20,800	26,147	24,000	24,800	-496	24,304
Subtotal, Grants	117,200	101,000	127,750	116,500	121,100	-2,422	118,678
Administrative areas:							
Policy Planning & Research	1,000	875	1,029	1,000	1,000	-20	980
Regional Representatives	700	800	721	800	700	-14	686
Administration	13,100	13,700	14,618	13,700	14,200	-284	13,916
Subtotal, Administrative areas	14,800	15,375	16,368	15,500	15,900	-318	15,582
Total, Grants and administration	132,000	116,375	144,118	132,000	137,000	-2,740	134,260

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Matching Grants							
Matching Grants	9,000	9,000	9,265	9,000	9,000	-180	8,820
Challenge Grants	21,000	18,500	21,617	21,000	21,000	-420	20,580
Total, Matching Grants	30,000	27,500	30,882	30,000	30,000	-600	29,400
Total, Arts	162,000	143,875	175,000	162,000	167,000	-3,340	163,660
National Endowment for the Humanities							
Grants and Administration							
Program grants:							
Public Programs							
Media Grants	9,100	7,710	9,529	---	9,100	-182	8,918
Museums and Historical Organizations	9,000	5,250	9,321	---	9,000	-180	8,820
Humanities programs for youth	750	750	932	---	750	-15	735
Humanities programs for adults	1,450	2,990	2,201	---	1,450	-29	1,421
Humanities projects in libraries	3,000	---	3,107	---	3,000	-60	2,940
General programs	---	---	---	19,300	---	---	---
Subtotal, Public programs	23,300	16,700	25,090	19,300	23,300	-466	22,834
Education Programs							
Education programs	19,000	16,085	18,928	20,500	18,500	-370	18,130
Fellowships							
Fellowships and seminars	14,500	13,965	15,017	16,000	14,500	-290	14,210
Research Grants	18,400	16,500	19,161	19,000	19,000	-380	18,620
Subtotal, Program grants	75,200	63,250	78,196	74,800	75,300	-1,506	73,794
State Programs	21,850	16,000	22,786	18,900	21,850	-437	21,413
Subtotal, Grants	97,050	79,250	100,982	93,700	97,150	-1,943	95,207
Administrative areas:							
Administration	12,750	13,475	13,464	13,475	13,475	-270	13,205
Planning and assessment	700	750	518	800	700	-14	686
Subtotal, Administrative areas	13,450	14,225	13,982	14,275	14,175	-284	13,891
Total, Grants and administration	110,500	93,475	114,964	107,975	111,325	-2,227	109,098

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Matching Grants							
Matching Grants	11,500	11,000	11,393	11,000	11,000	-220	10,780
Challenge Grants	18,000	21,000	18,643	21,000	20,000	-400	19,600
Total, Matching Grants	29,500	32,000	30,036	32,000	31,000	-620	30,380
Total, Humanities	140,000	125,475	145,000	139,975	142,325	-2,847	139,478
Institute of Museum Services							
Grants to Museums:							
Operating Support Grants	16,420	10,726	21,654	13,426	17,574	-351	17,223
Conservation Grants	3,000	---	4,320	---	3,500	-70	3,430
Museum Services Board	79	76	86	76	76	-2	74
Subtotal	19,499	10,802	26,060	13,502	21,150	-423	20,727
Program Administration	651	810	940	885	850	-17	833
Subtotal, Grants and administration	20,150	11,612	27,000	14,387	22,000	-440	21,560
National Capital Region Arts and Cultural Affairs Program:							
Grants	---	---	---	5,000	---	---	---
Total, Institute of Museum Services	20,150	11,612	27,000	19,387	22,000	-440	21,560
Total, National Foundation on the Arts and Humanities	322,150	280,962	347,000	321,362	331,325	-6,627	324,698
COMMISSION OF FINE ARTS							
Salaries and Expenses							
Base Programs	340	380	379	380	380	-8	372
ADVISORY COUNCIL ON HISTORIC PRESERVATION							
Salaries and Expenses							
Advisory Services	1,546	1,168	1,578	1,611	1,578	-32	1,546
NATIONAL CAPITAL PLANNING COMMISSION							
Salaries and Expenses							
Base Program	2,447	2,765	2,725	2,735	2,725	-55	2,670

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
TITLE I - DEPARTMENT OF THE INTERIOR							
Bureau of Land Management	537,528	538,309	546,824	592,088	588,792	-11,465	577,327
Fish and Wildlife Service	353,661	364,237	398,724	414,516	428,127	-8,562	419,565
National Park Service	872,701	823,087	963,755	918,313	937,585	-18,751	918,834
Geological Survey	373,430	382,312	417,448	412,230	420,664	-8,413	412,251
Minerals Management Service	163,561	167,381	167,207	166,992	166,818	-3,336	163,482
FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION							
Salaries and Expenses							
Base Program	20	21	21	21	21	---	21
PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION							
Salaries and Expenses							
Salaries and Expenses	2,275	2,330	2,229	2,330	2,300	-46	2,254
Public Development							
Public Improvements	9,600	4,500	4,500	4,500	4,500	-90	4,410
Total, Pennsylvania Avenue Development Corporation	11,875	6,830	6,729	6,830	6,800	-136	6,664
FEDERAL INSPECTOR FOR ALASKA GAS PIPELINE							
Permitting and Enforcement							
Base program	2,963	2,934	1,430	1,430	1,430	-29	1,401
UNITED STATES HOLOCAUST MEMORIAL COUNCIL							
Holocaust Memorial Council	1,853	2,051	1,976	2,051	2,031	-41	1,990
Total, Title II, Related Agencies	4,004,519	3,696,748	-1,055,308	-1,383,895	-1,490,332	-82,149	-1,572,481
TITLE III - GENERAL PROVISIONS							
Section 315 Reduction:							
Title I	---	---	-127,971	---	-85,912	+85,912	---
Title II	---	---	-125,020	---	-82,149	+82,149	---
Total	---	---	-252,991	---	-168,061	+168,061	---
Grand total	8,023,161	7,679,336	3,033,865	2,952,564	2,743,433	---	2,743,433

INTERIOR SUPPORT TABLE (IN THOUSANDS OF DOLLARS)

	New BA Enacted F.Y. 84	New BA Estimates F.Y. 85	New BA House F.Y. 85	New BA Senate F.Y. 85	New BA Enacted F.Y. 85	2% Reduction	Program Level F.Y. 85
Bureau of Mines	136,425	117,634	123,049	138,184	138,734	-2,775	135,959
Office of Surface Mining Reclamation and Enforcement	336,678	361,390	382,070	372,726	379,426	-7,593	372,033
Bureau of Indian Affairs	971,722	992,696	1,066,311	1,034,340	1,078,020	-20,282	1,057,738
Territorial Affairs	191,371	149,961	178,179	174,781	177,365	-3,013	174,352
Secretarial Offices	81,565	85,581	81,597	92,271	86,095	-1,722	84,373
Total, Title I - Department of the Interior	4,018,642	3,982,588	4,242,164	4,336,461	4,401,826	-85,912	4,315,914
TITLE II - RELATED AGENCIES							
Forest Service	1,352,834	1,433,624	1,340,044	1,339,014	1,341,353	-31,280	1,310,073
Department of the Treasury	---	---	-5,000,000	-5,200,000	-5,375,000	---	-5,375,000
Department of Energy	(1,192,915)	(898,782)	(1,006,001)	(980,873)	(1,001,727)	(-20,034)	(981,693)
Fossil Energy	240,214	199,881	267,558	275,633	280,558	-5,611	274,947
Naval Petroleum and Oil Shale Reserves	256,600	223,804	159,855	164,216	160,076	-3,202	156,874
Energy Conservation	431,131	390,077	485,494	449,844	467,969	-9,359	458,610
Economic Regulation	30,330	27,157	31,037	23,397	25,247	-505	24,742
Strategic Petroleum Reserve	158,770	---	---	6,220	---	---	---
SPR Petroleum Account	(650,000)	(1,889,550)	(2,351,400)	(2,349,550)	(2,049,550)	---	(2,049,550)
Energy Information Administration	55,870	57,863	62,057	61,563	61,657	-1,233	60,424
Indian Health	824,003	741,950	914,129	889,778	872,819	-17,457	855,362
Indian Education	68,780	68,780	68,780	68,780	68,780	-1,376	67,404
Navajo and Hopi Indian Relocation Commission	18,783	20,736	16,986	20,736	20,736	-415	20,321
Smithsonian	166,803	196,932	198,899	187,971	193,430	-3,869	189,561
National Gallery of Art	34,639	36,121	35,603	36,821	36,821	-736	36,085
Woodrow Wilson International Center for Scholars	2,568	2,712	2,712	5,712	2,712	-54	2,658
National Endowment for the Arts	162,000	143,875	175,000	162,000	167,000	-3,340	163,660
National Endowment for the Humanities	140,000	125,475	145,000	139,975	142,325	-2,847	139,478
Institute of Museum Services	20,150	11,612	27,000	19,387	22,000	-440	21,560
Commission of Fine Arts	340	380	379	380	380	-8	372
Advisory Council on Historic Preservation	1,546	1,168	1,378	1,611	1,578	-32	1,546
National Capital Planning Commission	2,447	2,765	2,725	2,735	2,725	-55	2,670
Franklin Delano Roosevelt Memorial Commission	20	21	21	21	21	---	21
Pennsylvania Avenue Development Corporation	11,875	6,830	6,729	6,830	6,800	-136	6,664
Federal Inspector for the Alaska Pipeline	2,963	2,934	1,430	1,430	1,430	-29	1,401
Holocaust Memorial Council	1,853	2,031	1,976	2,051	2,031	-41	1,990
Total, Title II - Related Agencies	4,004,519	3,696,748	-1,055,308	-1,383,895	-1,490,332	-82,149	-1,372,481
Title III - General Provisions	---	---	-252,991	---	-168,061	+168,061	---
Grand total	8,023,161	7,679,336	3,033,865	2,952,566	2,743,433	---	2,743,433

Mr. CONTE. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. LUNGREN].

Mr. LUNGREN. Mr. Speaker, as much as many of us a couple of weeks ago wished that we had a clean continuing resolution and voted in fact that we would move in that direction, when the clean resolution was open many of us thought there was an opportunity to move forward on the crime bill. I must say that we must give credit to the gentleman from Massachusetts [Mr. CONTE] who actually supported us and gave us the opportunity to present the crime bill, S. 1762, on our motion to recommit. There are some changes with respect to that original S. 1762, but I would have to say the heart and soul of S. 1762 are in this. This is a good compromise. It is an approximately 56-point crime package. Some would say it is perhaps the most comprehensive crime package ever passed by any Congress at any time. And even though many of us disagree with the idea of putting other things on what is essentially a spending bill, in this repetition that we seem to have employed of finishing up our business on a continuing resolution as opposed to completing our action on full appropriation bills, this time I would argue that we ought to make an exception. This is an opportunity for a historic crime bill that was made possible, I would say, by the motion to recommit that the gentleman from Massachusetts allowed us to present just over 1 week ago.

So I would urge my colleagues on this side of the aisle to support the bill, essentially, from the crime standpoint, and swallow pretty hard on some of the other stuff, but make sure that we have this historic crime bill passed and signed into law by the President in the next day or so.

Mr. WHITTEN. Mr. Speaker, I yield 4 minutes to the gentleman from Alabama [Mr. BEVILL].

Mr. BEVILL. Mr. Speaker, as you know, the energy and water development appropriations legislation for 1985 was signed by the President in July. Then we had the 51 or really 49 new start appropriations which were held up, waiting for the Roe bill to be passed by the Senate, the bill that the House almost unanimously passed here, a very good bill, authorization bill, and, as a result, there was nothing left but the continuing resolution to add these new starts.

□ 2320

The other body and this House both agreed in conference on these 49 projects and then the White House let us know that it was going to be vetoed and knowing that we would not be able to override a veto, we had no other choice but to unanimously, in the conference, drop those projects.

I am hopeful that we will be able to put these projects in the next supplemental appropriations bill which will probably be around February or March so that we can move on and also some of the leaders in the Senate have assured us that they will help bring up the Roe bill in the other body when it reaches there again in the early part of the year.

I just wanted to pass that on for what it is worth.

Mr. FAZIO. Mr. Speaker, as it relates to amendment No. 69, which deletes language proposed by the House and stricken by the Senate relating to the sale of electric power generated at facilities constructed pursuant to 38 Stat. 242, 1913, known as the Raker Act, some comment should be made.

The conferees agreed to eliminate section 110 of the resolution as passed by the House in view of the agreement in principle reached by the city of San Francisco and the Modesto and Turlock Irrigation Districts for the sale over a 30-year period of power generated at the city's reservoir in Yosemite National Park. Success of the negotiations eliminates need for the section.

The conferees note, however, that the original Raker Act contemplated that an independent review of the city's rates be undertaken by the Secretary of the Interior in the event there is no appropriate California authority to regulate the prices at which Hetch Hetchy power may be sold. While the agreement in principle between the parties displaced the need for such oversight in the current circumstances, the conferees do believe that the Secretary should reassert his authority to oversee Hetch Hetchy power rates should there occur an unanticipated failure in the further negotiations between the parties as they seek to implement their agreement in contractual form.

Mr. Speaker, the military construction portion of this continuing resolution provides fiscal year 1985 funding in the amount of $8.4 billion. This compares to the President's original request of $10.3 billion and is a $1.9 billion overall reduction. In order that Members may have a clear picture of what is included in the conference agreement, I would like to ask unanimous consent to place in the RECORD at this point a complete State and county list of projects provided in the fiscal year 1985 bill.

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
ALABAMA				
ARMY				
ANNISTON ARMY DEPOT				
HEALTH CLINIC	1,550	1,550	1,550	1,550
TANK TEST TRACK MODIFICATION	2,950	2,950	2,950	2,950
FORT MCCLELLAN				
DINING FACILITIES MODERNIZATION	1,700	1,700	1,700	1,700
TRAINING RANGES	1,500	1,500	1,500	1,500
UPGRADE RANGE FACILITIES	3,100	3,100	3,100	3,100
REDSTONE ARSENAL				
GUIDED MISSILE FACILITY	1,900	1,900	1,900	1,900
FORT RUCKER				
FLIGHT SIMULATOR BUILDING	2,600	2,600	2,600	2,600
AIR FORCE				
GUNTER AFB				
COMPUTER FACILITY	9,500	9,500	9,500	9,500
MAXWELL AFB				
ADD/ALTER COMPOSITE MEDICAL FACILITY	480	480	480	480
ALTER DORMS	---	1,800	---	1,800
DEFENSE AGENCIES				
MAXWELL AFB				
ELEMENTARY SCHOOL ADDITION	1,700	1,700	1,700	1,700
FORT MCCLELLAN				
TEST SITE OPERATIONS BUILDINGS	1,000	1,000	1,000	1,000
ARMY NATIONAL GUARD				
CLAYTON				
ARMORY 60 PERSON	552	552	552	552
MONTGOMERY				
ARMORY 400 PERSON	1,070	---	---	---
US PROPERTY & FISCAL OFC/WAREHOUSE ADD/ALT	740	740	740	740
AIR NATIONAL GUARD				
DANNELLY FIELD				
OPERATIONAL TRAINING FACILITY	1,100	1,100	1,100	1,100
ARMY RESERVE				
BIRMINGHAM				
ADD TO ARMY RESERVE CTR/MAINTENANCE SHOP	3,134	3,134	3,134	3,134
AIR FORCE RESERVE				
MAXWELL AFB				
ADD TO SQUADRON OPERATIONS	1,035	1,035	1,035	1,035
RESERVE FORCES A-E TRAINING	690	690	690	690
TOTAL, ALABAMA	36,301	37,031	35,231	37,031
ALASKA				
ARMY				
FORT RICHARDSON				
BARRACKS MODERNIZATION	4,200	4,200	4,200	4,200
CHILD CARE CENTER ADDITION	1,000	900	900	900
DINING FACILITIES MODERNIZATION	2,150	---	1,700	1,700
SHEMYA AFB				
GUIDED MISSILE FACILITY	12,800	12,800	12,800	12,800
NAVY				
NAVAL FACILITY ADAK				
BASE SUPPORT FACILITIES	3,900	3,900	3,900	3,900
NAVAL SECURITY GROUP ACTIVITY ADAK				
ANTENNA SUPPORT FACILITIES	320	320	320	320
NAVAL STATION ADAK				
CHAPEL & RELIGIOUS EDUCATION BUILDING	5,140	5,140	5,140	5,140
AIR FORCE				
BURNT MOUNTAIN AFS				
SEISMIC OPERATING AND DATA TRANSMIT FACIL	1,400	1,400	1,400	1,400
CLEAR				
UNACCOMPANIED PERSONNEL HOUSING	4,400	---	---	---
EIELSON AFB				
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	3,550	3,550	3,550	3,550
AVIONICS SHOP	4,400	4,400	4,400	4,400
CORROSION CONTROL HANGAR	8,500	8,500	8,500	8,500
ECIP-WEATHERIZE BLDGS/REPLACE LIGHTING SYS	2,000	1,600	1,600	1,600
ENGINE SHOP	3,250	3,250	3,250	3,250
REPAIR & RECLAMATION HANGAR	3,150	3,150	3,150	3,150

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
ELMENDORF AFB				
ADD TO NATURAL GAS LINE	2,163	2,163	2,163	2,163
ADD TO SATELLITE COMMUNICATION GROUND TERM	2,900	1,900	1,900	1,900
AIRCRAFT SUPPORT EQUIPMENT STORAGE FACIL	1,850	1,850	1,850	1,850
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	5,400	5,400	5,400	5,400
GALENA AIRPORT				
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	11,800	11,800	11,800	11,800
DEFENSE AGENCIES				
DEFENSE FUEL SUPPORT POINT ADAK				
FUEL TANKAGE	6,730	6,730	6,730	6,730
DEFENSE FUEL SUPPORT POINT WHITTIER				
FUEL TANKAGE	12,170	12,170	12,170	12,170
DEFENSE PROPERTY DISPOSAL OFFICE ANCHORAGE				
COVERED STORAGE	1,800	1,800	1,800	1,800
ARMY NATIONAL GUARD				
KOTZEBUE				
ARMORY 60 PERSON	3,391	3,391	3,391	3,391
ORGANIZATIONAL MAINTENANCE SHOP	857	857	857	857
TOTAL, ALASKA	109,221	101,171	102,871	102,871
ARIZONA				
ARMY				
FORT HUACHUCA				
GENERAL INSTRUCTION BLDG	3,900	2,900	3,900	3,400
HEATING AND COOLING SYSTEM UPGRADE	520	520	520	520
LIBRARY	1,250	1,250	1,250	1,250
YUMA PROVING GROUND				
PHYSICAL FITNESS TRAINING CENTER	1,300	1,300	1,300	1,300
NAVY				
MARINE CORPS AIR STATION YUMA				
COLD STORAGE WAREHOUSE	660	660	660	660
MISSILE EQUIPMENT MAINTENANCE SHOP	1,900	1,900	1,900	1,900
PARACHUTE AND SURVIVAL EQUIPMENT SHOP	790	790	790	790
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	10,740	9,000	10,740	9,900
AIR FORCE				
DAVIS-MONTHAN AFB				
AIRCRAFT MAINTENANCE AREA LIGHTING	1,550	1,550	1,550	1,550
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	5,300	5,300	5,300	5,300
BASE CIVIL ENGINEER MAINTENANCE FACILITIES	2,400	2,400	2,400	2,400
SUPPLY WAREHOUSE	3,150	3,150	3,150	3,150
LUKE AFB				
ALTER BASE SUPPORT CENTER	4,500	4,500	4,500	4,500
AVIONICS SHOP	2,450	2,450	2,450	2,450
ECIP-INSTALL RADIANT HEATERS	210	210	210	210
UNACCOMP ENLISTED PERSONNEL HOUSING	4,400	4,400	4,400	4,400
WATER WELLS & STORAGE TANK	2,100	2,100	2,100	2,100
WILLIAMS AFB				
PETROLEUM OPERATIONS COMPLEX	2,500	2,500	2,500	2,500
ARMY NATIONAL GUARD				
MARANA				
ARMORY 200 PERSON	1,365	1,365	1,365	1,365
ARMY AVIATION SUPPORT FACILITY	3,591	3,591	3,591	3,591
FLIGHT WEAPONS SIMULATOR BLDG PH I	1,508	1,508	1,508	1,508
TRAINING FACILITIES PH II	2,191	2,191	2,191	2,191
AIR NATIONAL GUARD				
SKY HARBOR IAP				
MEDICAL TRAINING & ADMIN FACILITY	900	900	900	900
TOTAL, ARIZONA	59,175	56,435	59,175	57,835
ARKANSAS				
ARMY				
PINE BLUFF ARSENAL				
BINARY MUNITIONS FACILITY - PHASE II	10,200	---	---	---
WATER TREATMENT PLANT	2,550	2,550	2,550	2,550
AIR FORCE				
BLYTHEVILLE AFB				
ALERT TAXIWAY BARRIER	---	960	---	960
ECIP-ENERGY MONITORING & CONTROL SYSTEM	2,100	---	---	---
PRECISION MEASUREMENT EQUIPMENT LAB	540	540	540	540

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
LITTLE ROCK AFB				
ALTER AIRCONDITIONING-COMPOSITE MEDICAL FA	490	490	490	490
FAMILY SUPPORT FACILITY	300	---	---	---
MATERIAL HANDLING EQUIPMENT MAINT SHOP	1,100	1,100	1,100	1,100
UPGRADE BLACKJACK DROP ZONE ACCESS ROAD	600	600	600	600
AIR NATIONAL GUARD				
FT SMITH				
COMPOSITE TELECOM/MEDICAL TRAINING & ADMIN	1,300	1,300	1,300	1,300
TOTAL, ARKANSAS	19,180	7,540	6,580	7,540
CALIFORNIA				
ARMY				
FT IRWIN				
AUTOMATIC DATA PROCESSING BUILDING	3,900	3,900	3,900	3,900
BIVOUAC FACILITY WITH DINING	1,950	1,950	1,950	1,950
COLD STORAGE FACILITY	---	---	1,850	1,850
DENTAL CLINIC	3,300	3,300	3,300	3,300
ELECTRONICS/COMMUNICATIONS REPAIR SHOP	500	500	500	500
FLOOD PROTECTION AT SEWAGE TREATMENT PLANT	990	990	990	990
LAND ACQUISITION	2,100	2,100	2,100	2,100
MILITARY PERSONNEL & FAMILY SERVICE CENTER	650	650	650	650
MULTI-PURPOSE TRAINING RANGE	1,800	1,800	1,800	1,800
SEWAGE TREATMENT PLANT EFFLUENT DISPOSAL	780	780	780	780
VEHICLE FUEL DISTRIBUTION	1,950	1,950	1,950	1,950
OAKLAND ARMY BASE				
CHILD CARE CENTER	730	657	657	657
ENERGY EFFICIENT LIGHTING	1,150	1,150	1,150	1,150
INSULATE BUILDINGS	860	860	860	860
FORT ORD				
AIRCRAFT PARKING APRON	860	860	860	860
DINING FACILITIES MODERNIZATION	700	700	700	700
MILITARY OPERATIONS IN URBANIZED TERRAIN	5,100	4,500	5,100	4,500
WASTEWATER TREATMENT PLANT	8,300	8,300	8,300	8,300
PRESIDIO OF SAN FRANCISCO				
ADMINISTRATION BUILDING	1,000	1,000	1,000	1,000
BARRACKS	6,600	6,600	6,600	6,600
BARRACKS WITH DINING FACILITY	11,400	11,400	11,400	11,400
CHILD CARE CENTER	2,200	1,980	1,980	1,980
SHARPE ARMY DEPOT				
WESTERN DISTRIBUTION FACILITY	49,000	49,000	49,000	49,000
SIERRA ARMY DEPOT				
INTRUSION DETECTION SYSTEM	4,150	4,150	4,150	4,150
NAVY				
FLEET ANTI-SUB WARF TRNG CTR PAC SAN DIEGO				
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	6,470	6,470	6,470	6,470
FLEET TRAINING CENTER SAN DIEGO				
APPLIED INSTRUCTION BUILDING	5,250	5,250	5,250	5,250
FLT COMBAT DIR SYS SUPPORT ACT SAN DIEGO				
COMPUTER PROGRAMMING OPERATIONS CENTER	11,250	11,250	11,250	11,250
MARCORP AIR-GRND COMB CTR TWENTYNINE PALMS				
AMMUNITION STORAGE FACILITIES	4,830	4,830	4,830	4,830
ARMORY	1,100	1,100	1,100	1,100
BATTALION HEADQUARTERS	1,900	---	1,900	1,900
MARINE CORPS AIR STATION EL TORO				
COMBAT AIRCRAFT ORDNANCE LOADING AREA	4,880	4,880	4,880	4,880
HIGH EXPLOSIVE MAGAZINES	2,690	2,690	2,690	2,690
LAND ACQUISITION	4,750	---	4,750	3,500
SMALL ARMS RANGE - OUTDOOR	680	680	680	680
WING HEADQUARTERS	4,610	4,610	4,610	4,610
MARINE CORPS AIR STATION TUSTIN				
ENGINE TEST CELL	1,140	1,140	1,140	1,140
MAINTENANCE HANGAR	13,200	13,200	13,200	13,200
OIL SPILL PREVENTION	710	710	710	710
MARINE CORPS BASE CAMP PENDLETON				
CHAPEL,RELIGIOUS EDUCATION & INSTR FAC	2,360	2,360	2,360	2,360
CHILD CARE CENTER	2,450	2,200	2,200	2,200
ENLISTED DINING FACILITY MODERNIZATION	2,610	2,610	2,610	2,610
FUEL STORAGE FACILITY	3,340	3,340	3,340	3,340

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
HAZARDOUS WASTE FACILITY	440	440	440	440
MAINTENANCE HANGAR (MCAF)	4,700	4,700	4,700	4,700
OPERATIONAL TRAINER FACILITY (MCAF)	3,120	3,120	3,120	3,120
SANTA MARGARITA WATER PROJECT	142,000	---	1,500	---
TACTICAL VEHICLE MAINTENANCE FACILITIES	8,500	8,500	8,500	8,500
TACTICAL VEHICLE MAINTENANCE FACILITY	1,680	1,680	1,680	1,680
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	23,900	22,000	23,900	23,000
UNACCOMP ENLISTED PERS MSG	3,220	3,220	3,220	3,220
MARINE CORPS LOGISTICS BASE BARSTOW				
SECURITY WAREHOUSE	5,670	5,670	5,670	5,670
MARINE CORPS RECRUIT DEPOT SAN DIEGO				
RECRUIT TRAINING FACILITY	8,650	8,650	8,650	8,650
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	9,920	9,000	9,920	9,500
MOUNTAIN WARFARE TRAINING CENTER BRIDGEPORT				
MOUNTAIN WARFARE TRAINING FAC	1,480	1,480	1,480	1,480
MEDICAL/DENTAL CLINIC	1,410	1,410	1,410	1,410
NAVAL AIR FACILITY EL CENTRO				
WATER TREATMENT FACILITIES	1,700	1,700	1,700	1,700
NAVAL AIR REWORK FACILITY ALAMEDA				
GUN TESTING FACILITY	3,820	3,820	3,820	3,820
NAVAL AIR REWORK FACILITY NORTH ISLAND				
FACILITY ENERGY IMPROVEMENTS	560	560	560	560
NAVAL AIR STATION ALAMEDA				
HEATING,VENTILATION, AIR CONDITIONING	4,540	4,540	4,540	4,540
TELEPHONE LINES	690	690	690	690
VENTILATION IMPROVEMENTS	580	580	580	580
NAVAL AIR STATION LEMOORE				
BOILER PLANT MODIFICATIONS	580	580	580	580
NAVAL AIR STATION MIRAMAR				
ENGINE TEST CELL	3,460	3,460	3,460	3,460
NAVAL AIR STATION MOFFETT FIELD				
FIRE PROTECTION PIPELINE	1,730	1,730	1,730	1,730
RAILROAD DOCK	690	690	690	690
TAXIWAY IMPROVEMENTS	3,950	3,950	3,950	3,950
NAVAL AIR STATION NORTH ISLAND				
MAINTENANCE HANGAR	5,190	---	5,190	5,190
OBSERVATION TOWER (SAN CLEMENTE IS)	1,190	1,190	1,190	1,190
NAVAL AMPHIBIOUS BASE CORONADO				
FIBERGLASS AND PAINTING FACILITY	2,100	2,100	2,100	2,100
SPECIAL WARFARE OPERATIONS BUILDING	3,420	3,420	3,420	3,420
NAVAL CONSTRUCTION TRNG CTR PORT HUENEME				
CONSTRUCTION EQUIPMENT TRAINING BUILDINGS	4,580	4,580	4,580	4,580
NAVAL HOSPITAL OAKLAND				
HOSPITAL MODIFICATION	29,140	29,140	29,140	29,140
FACILITY ENERGY IMPROVEMENTS	5,770	5,770	5,770	5,770
NAVAL HOSPITAL SAN DIEGO				
ACCESS ROAD	2,200	---	2,200	2,200
HOSPITAL EQUIPMENT	24,900	24,900	24,900	24,900
NAVAL REGION DATA AUTOMATION CTR SAN DIEGO				
DATA PROCESSING CENTER	15,700	15,700	15,700	15,700
NSGA SKAGGS IS.				
FIRE STATION	---	---	---	---
NAVAL SHIPYARD LONG BEACH				
FACILITY ENERGY IMPROVEMENTS	3,010	3,010	3,010	3,010
NAVAL STATION LONG BEACH				
CHILD CARE CENTER	1,100	990	990	990
SERVEMART	2,670	2,670	2,670	2,670
NAVAL STATION MARE ISLAND				
CONSTRUCTION BATTALION UNIT COMPLEX	1,090	1,090	1,090	1,090
UEPH	---	6,600	---	6,000
NAVAL STATION SAN DIEGO				
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	17,300	17,300	17,300	17,300
NAVAL STATION TREASURE IS SAN FRANCISCO				
BRIG	17,600	13,600	---	---
NAVAL SUBMARINE BASE SAN DIEGO				
GYMNASIUM	2,950	---	---	---
PIER EXTENSION	25,900	---	25,900	19,500
NAVAL SUPPLY CENTER OAKLAND				
HAZARDOUS AND FLAMMABLE STOREHOUSE	7,670	7,670	7,670	7,670
PETROLEUM OIL LUBRICANTS PUMP STATION	1,840	1,840	1,840	1,840
WHARF UTILITIES	7,650	7,650	7,650	7,650

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
NAVAL SUPPLY CENTER SAN DIEGO				
DEFENSE PROPERTY DISP OFF SCRAPYARD RELOC	1,480	1,480	1,480	1,480
NAVAL TRAINING CENTER SAN DIEGO				
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	8,300	8,300	8,300	8,300
NAVAL WEAPONS CENTER CHINA LAKE				
VENTILATION IMPROVEMENTS	630	630	630	630
NWS CONCORD				
DEFENSE ACCESS ROADS	---	---	---	---
NAVY PUBLIC WORKS CENTER SAN DIEGO				
ADMINISTRATIVE OFFICE	4,870	4,870	4,870	4,870
PACIFIC MISSILE TEST CENTER POINT MUGU				
AIRFRAMES SHOP	1,680	1,680	1,680	1,680
ELECTRICAL & ELECTRONICS SYSTEMS LAB	12,700	11,000	12,700	12,700
UNACCOMP PERSONNEL HOUSING-SAN NICHOLAS IS	6,650	4,500	6,650	4,500
PERSONNEL SUPPORT ACTIVITY SAN DIEGO				
PAY AND PERSONNEL SUPPORT OFFICE	2,270	---	---	---
SHORE INTERMEDIATE MAINT ACT LONG BEACH				
SHORE INTERMEDIATE MAINTENANCE FACILITY	11,700	11,700	11,700	11,700
AIR FORCE				
BEALE AFB				
ADD/ALTER AVIONICS SHOP	1,735	1,300	1,300	1,300
REFUELING VEHICLE SHOP	940	940	940	940
CASTLE AFB				
AIRCRAFT CORROSION CONTROL FACILITY	4,100	4,100	4,100	4,100
EDWARDS AFB				
ADD/ALTER ELECTRICAL DISTRIBUTION SYSTEM	2,700	2,700	2,700	2,700
ADD/ALTER HQ CENTER COMMAND POST	980	980	---	---
ADD/ALTER SCIENCE & ENGINEERING CENTER	4,750	4,750	4,750	4,750
ALTER AVIONICS SHOP	1,400	---	---	---
EDUCATION CENTER	800	800	800	800
HYDRANT FUEL SYSTEM	4,050	4,050	4,050	4,050
SYSTEMS ENGINEERING TEST FACILITY	2,000	2,000	2,000	2,000
UPGRADE SEWAGE TREATMENT	1,500	1,500	1,500	1,500
GEORGE AFB				
AIRCRAFT MAINTENANCE AREA LIGHTING	1,350	1,350	1,350	1,350
BASE SUPPORT CENTER	6,300	6,300	6,300	6,300
ECIP-INSTALL RADIANT HEATERS	480	480	---	---
MUNITIONS FACILITIES	2,150	2,150	2,150	2,150
SOUND SUPPRESSOR SUPPORT	550	550	550	550
UNACCOMP ENLISTED PERSONNEL HOUSING	7,100	7,100	7,100	7,100
MARCH AFB				
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	5,650	5,650	5,650	5,650
FLIGHT SIMULATOR TRAINING FACILITY	3,500	3,500	3,500	3,500
MATHER AFB				
ALTER ELECTRICAL SUBSTATION/DISTRIBUTION	3,500	3,500	3,500	3,500
VEHICLE MAINT. BLDG	---	5,800	---	5,800
MCCLELLAN AFB				
COMMUNICATIONS ELEC. FAC	---	6,300	6,300	6,300
ECIP-WEATHERIZE BUILDINGS-ALTER MECHANICAL	410	410	410	410
EDUCATION & TRAINING & EMPLOYMENT FAC	---	3,600	3,600	3,600
INTEGRATED SUPPORT FACILITY PHASE	---	11,200	11,200	11,200
TECHNICAL LABORATORY FACILITY	13,091	13,091	13,091	13,091
NORTON AFB				
ADD/ALTER CHILD CARE CENTER	1,200	1,080	1,080	1,080
AIRCRAFT CORROSION CONTROL FACILITY	3,100	3,100	3,100	3,100
AIRCRAFT SUPPORT/EQUIPMENT STORAGE FAC	1,100	1,100	1,100	1,100
FLIGHT SIMULATOR TRAINING FACILITY	1,250	1,250	1,250	1,250
TRAVIS AFB				
ADD/ALTER CHILD CARE CENTER	1,700	1,530	1,530	1,530
AERIAL REFUELING PART TASK TRAINER	1,000	1,000	1,000	1,000
AIR POLLUTION-VAPOR EMIS CNTL/JET FUEL STR	990	990	990	990
COMPOSITE MEDICAL FACILITY - PH II	201,200	30,000	30,000	30,000
VANDENBERG AFB				
FIRE STATION	2,350	1,350	1,350	1,350
PEACEKEEPER-ADD/ALTER SECURITY FACILITY	500	500	500	500
STS-LAUNCH SUPPORT FACILITIES	3,650	1,200	3,650	3,650
STS-SAFETY IMPROVEMENTS	1,250	1,250	1,250	1,250
STS-SECURITY IMPROVEMENTS	4,700	4,700	4,700	4,700
STS-SOUTH BASE POWER PLANT	15,950	---	15,950	---
STS-THERMAL PROTECTION	510	510	510	510
UNACCOMP ENLISTED PERSONNEL HOUSING	6,000	6,000	6,000	6,000

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
DEFENSE AGENCIES				
DEFENSE LANGUAGE INSTITUTE - MONTEREY				
CHILD CARE CENTER	2,030	2,030	2,030	2,030
COMPANY ADMINISTRATION AND SUPPLY FACILITY	1,400	1,400	1,400	1,400
DINING FACILITY	2,225	2,225	2,225	2,225
LIBRARY	1,680	1,680	1,680	1,680
LOGISTICS SUPPORT FACILITY	2,930	2,930	2,930	2,930
PHYSICAL FITNESS CENTER	9,800	7,800	9,800	7,800
RECREATION CENTER	2,410	1,400	2,410	1,400
DEFENSE PROPERTY DISPOSAL OFFICE SAN DIEGO				
HAZARDOUS MATERIAL/WASTE FACILITY	900	---	900	---
ARMY NATIONAL GUARD				
BELL				
ORGANIZATIONAL MAINTENANCE SHOP	464	464	464	464
CAMP ROBERTS				
AMMO STORAGE FACILITY PH IX	859	859	859	859
AIR NATIONAL GUARD				
FRESNO AIR TERMINAL				
ADD/ALTER JET FUEL STORAGE	900	900	900	900
COMPOSITE MEDICAL TRAINING/SECURITY POLICE	1,500	1,500	1,500	1,500
FUEL SYS MAINT/CORROSION CONTROL DOCK	1,300	1,300	1,300	1,300
ARMY RESERVE				
CHICO				
ADD TO ARMY RESERVE CTR	906	906	906	906
MOUNTAIN VIEW				
ADD TO ARMY RESERVE CTR/MAINTENANCE SHOP	1,442	1,442	1,442	1,442
NAVY RESERVE				
NAVAL STATION TREASURE ISLAND				
BERTHING PIER	29,165	29,165	29,165	29,165
AIR FORCE RESERVE				
TRAVIS AFB				
ADD TO RESERVE FORCES OPNS & TRAINING FAC	1,253	1,253	1,253	1,253
TOTAL, CALIFORNIA	1,031,080	668,862	714,272	692,992
COLORADO				
ARMY				
FORT CARSON				
AMMUNITION STORAGE	3,100	3,100	3,100	3,100
FUEL STORAGE	---	1,500	1,500	1,500
OPERATIONS BUILDING	2,600	2,600	2,600	2,600
RANGE ROADS	2,200	1,700	2,200	1,950
TACTICAL EQUIPMENT SHOP	8,700	8,600	8,600	8,600
TACTICAL EQUIPMENT SHOP	7,200	7,200	7,200	7,200
UTILITIES	8,000	8,000	8,000	8,000
WAREHOUSE	---	1,100	1,100	1,100
FITZSIMONS ARMY MEDICAL CENTER				
INSULATE BUILDINGS	650	650	650	650
AIR FORCE				
FALCON AFS				
MID-CONUS TRACKING STATION	3,000	3,000	3,000	3,000
LOWRY AFB				
COLD STORAGE FACILITY	2,500	---	---	---
ECIP-WEATHERIZE/ALTER MECHANICAL & LIGHT	1,320	1,320	1,320	1,320
PETERSON AFB				
NORAD & SPACE COMMAND HEADQUARTERS	25,000	19,000	25,000	19,000
US AIR FORCE ACADEMY				
LAND FEE PURCHASE	---	380	380	380
ADD/ALTER BASE CIVIL ENGINEER FACILITY	305	---	---	---
ADD/ALTER CADET DINING HALL	13,100	---	13,100	7,500
ADD/ALTER CADET GYMNASIUM	10,000	---	10,000	---
ADD/ALTER CHILD CARE CENTER	400	360	360	360
NAVY RESERVE				
NMCRC DENVER				
RESERVE TRAINING BUILDING	11,000	11,000	11,000	11,000
TOTAL, COLORADO	99,075	69,510	99,110	77,260

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
CONNECTICUT				
NAVY				
NAVAL HOSPITAL GROTON				
HOSPITAL EXPANSION	---	8,900	---	---
NAVAL SUBMARINE BASE NEW LONDON				
ACCESS ROAD	800	800	800	800
APPLIED INST. BLDG	---	6,800	6,800	6,800
BERTHING PIER IMPROVEMENTS	2,240	2,240	2,240	2,240
QUAYWALL	5,100	5,100	5,100	5,100
QUAYWALL	2,770	2,770	2,770	2,770
OPERATIONAL TRAINER FAC	---	4,250	---	4,250
SECURITY IMPROVEMENTS	890	890	890	890
UTILITIES IMPROVEMENTS & LAND ACQUISITION	12,000	12,000	12,000	12,000
AIR NATIONAL GUARD				
BRADLEY FIELD				
ADD/ALTER BASE SUPPLY	500	500	500	500
ORANGE ANGB				
ADD/ALTER VEHICLE MAINT SHOP	500	500	500	500
ARMY RESERVE				
MIDDLETOWN				
150-MBR ARMY RESERVE CTR	1,458	1,458	1,458	1,458
TOTAL, CONNECTICUT	26,258	46,208	33,058	37,308
DELAWARE				
AIR NATIONAL GUARD				
GREATER WILMINGTON AIRPORT				
MEDICAL TRAINING & ADMIN FAC	900	900	900	900
ARMY RESERVE				
SEAFORD				
ADD TO ARMY RESERVE CTR/MAINTENANCE SHOP	1,206	1,206	1,206	1,206
TOTAL, DELAWARE	2,106	2,106	2,106	2,106
DISTRICT OF COLUMBIA				
ARMY				
WALTER REED ARMY MED CTR				
HOSPITAL FOOD SERVICE FACILITY ALTERATION	4,800	4,800	4,800	4,800
NAVY				
COMMANDANT NAVAL DISTRICT WASHINGTON				
ADMINISTRATIVE OFFICE	19,750	18,000	---	14,000
MARINE BARRACKS WASHINGTON				
BUILDING MODERNIZATION	2,540	2,540	2,540	2,540
NAVAL RESEARCH LABORATORY WASHINGTON				
FACILITIES ENERGY IMPROVEMENTS	1,380	1,380	1,380	1,380
MISSION OPERATIONS SUPPORT CENTER	19,420	19,420	19,420	19,420
OPTICS LABORATORY	10,850	10,000	10,000	10,000
DEFENSE AGENCIES				
FORT MCNAIR				
LAND ACQUISITION	5,022	---	5,022	---
TOTAL, DISTRICT OF COLUMBIA	63,762	56,140	43,162	54,140
FLORIDA				
NAVY				
FLEET TRAINING CENTER MAYPORT				
FIREFIGHTING TRAINING FACILITY	6,510	6,510	6,510	6,510
NAVAL AIR REWORK FACILITY JACKSONVILLE				
VENTILATION IMPROVEMENTS	1,410	1,410	1,410	1,410
NAVAL AIR REWORK FACILITY PENSACOLA				
FACILITY ENERGY IMPROVEMENTS	690	690	690	690
MANUFACTURE AND REPAIR SHOP MODERNIZATION	4,500	4,500	4,500	4,500
NAVAL AIR STATION JACKSONVILLE				
MAINTENANCE HANGAR IMPROVEMENTS	6,560	6,560	6,560	6,560
RELIGIOUS EDUCATION BLDG	840	840	840	840
NAVAL AIR STATION PENSACOLA				
CHILD CARE CENTER	1,410	1,269	1,269	1,269
PAY & PERSONNEL SUPPORT OFF	1,480	1,480	1,480	1,480
NAVAL AIR STATION WHITING FIELD				
APPROACH LIGHTING	1,030	1,030	1,030	1,030

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
PARKING APRON	---	2,100	---	2,100
RADAR FACILITY	820	820	820	820
NAVAL DIV & SALVAGE TRNG CTR PANAMA CITY				
FREE ASCENT TANK	1,250	1,250	1,250	1,250
NAVAL HOSPITAL ORLANDO				
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	1,760	1,760	1,760	1,760
NAVAL STATION MAYPORT				
ADMINISTRATIVE BUILDING	1,270	1,270	1,270	1,270
BULKHEAD	5,870	5,870	5,870	5,870
CONSTRUCTION BATTALION UNIT COMPLEX	1,410	1,410	1,410	1,410
SECURITY BUILDING AND LAND ACQUISITION	780	780	780	780
WATERFRONT UTILITIES	1,480	1,480	1,480	1,480
WHARF UTILITIES IMPROVEMENT	400	400	400	400
NAVAL TRAINING CENTER ORLANDO				
FACILITY ENERGY IMPROVEMENTS	360	360	360	360
GYMANSIUM	1,900	1,900	1,900	1,900
SHIPS PROPULSION TRAINING BUILDING	1,460	1,460	1,460	1,460
NAVAL TRAINING EQUIPMENT CENTER ORLANDO				
TRAINING EQUIPMENT CENTER	23,500	23,500	23,500	23,500
NAVY PUBLIC WORKS CENTER PENSACOLA				
WATER SUPPLY FACILITIES ADDITION	7,830	7,830	7,830	7,830
AIR FORCE				
CAPE CANAVERAL AFS				
STS-SECURITY IMPROVEMENTS	2,750	2,750	2,750	2,750
EGLIN AFB				
ADD/ALTER CENTRAL CONTROL FACILITY	920	920	920	920
ADD/ALTER FIELD TRAINING FACILITY	1,150	1,150	1,150	1,150
HIGH EXPLOSIVE RESEARCH CENTER	---	4,500	---	4,500
MUNITIONS MAINTENANCE & ASSEMBLY FACILITY	610	610	610	610
EGLIN AFB AUXILLIARY FIELD 9				
ADD/ALTER TACTICAL FORCE MANAGEMENT CENTER	1,200	1,200	1,200	1,200
CONSOLIDATED SUPPORT CENTER	5,750	5,750	---	5,750
ECIP-INSTALL HEAT RECOVERY SYSTEM	220	220	220	220
WATER TANK	660	660	660	660
HOMESTEAD AFB				
ADD/ALTER FIRE STATION	1,450	1,050	1,050	1,050
VISITING OFFICER QUARTERS	1,500	---	---	---
MACDILL AFB				
ADD/ALTER RECREATION LIBRARY	510	---	---	---
AIRCRAFT MAINTENANCE AREA LIGHTING	510	510	510	510
SATELLITE COMMUNICATION GROUND TERMINAL	3,600	---	2,600	2,600
TACTICAL TRAINING RANGE (AVON PARK)	1,500	1,500	1,500	1,500
PATRICK AFB				
AIRCRAFT MAINTENANCE UNIT FACILITY	910	910	910	910
TYNDALL AFB				
AIRCRAFT GENERAL PURPOSE SHOP	3,450	3,450	---	3,450
ARM/DISARM PAD	330	330	330	330
SOUND SUPPRESSOR SUPPORT	550	550	550	550
VARIOUS LOCATIONS-FLORIDA				
EASTERN TEST RANGE RECONFIGURATION	6,300	6,300	6,300	6,300
ARMY NATIONAL GUARD				
CAMP BLANDING				
HELICOPTER LANDING LANE	699	699	699	699
PLANT CITY				
ARMORY 100 PERSON	883	---	---	---
AIR NATIONAL GUARD				
JACKSONVILLE IAP				
ADD/ALTER BASE SUPPLY/ADMIN/WAREHOUSE FAC	700	700	700	700
ADD/ALTER HANGAR FOR AVIONICS	800	800	800	800
BASE ENGINEER MAINT FACILITY	1,200	1,200	1,200	1,200
FUEL CELL MAINT HANGAR	1,300	1,300	1,300	1,300
ARMY RESERVE				
MILTON				
60 MBR ARMY RESERVE CTR	1,043	1,043	1,043	1,043
ORLANDO				
ADD TO ARMY RESERVE CTR/MAINTENANCE SHOP	1,932	1,932	1,932	1,932
NAVY RESERVE				
NMCRC MIAMI				
RESERVE TRAINING BUILDING	6,510	6,510	6,510	6,510
TOTAL, FLORIDA	123,457	123,023	109,823	125,623

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
GEORGIA				
ARMY				
FORT BENNING				
APPLIED INSTRUCTION BUILDING	11,000	11,000	11,000	11,000
BARRACKS	18,600	18,600	18,600	18,600
COMPANY ADMINISTRATION AND SUPPLY	1,350	1,350	1,350	1,350
TACTICAL EQUIPMENT SHOP	6,700	6,700	6,700	6,700
FORT GORDON				
CHILD CARE CENTER	2,000	1,800	1,800	1,800
DENTAL CLINIC	3,900	3,900	3,900	3,900
GENERAL INSTRUCTION BUILDING	6,500	6,500	6,500	6,500
FT STEWART/HUNTER AAF				
AUTOMATIC DATA PROCESSING BUILDING	1,900	1,900	1,900	1,900
BARRACKS WITH DINING FACILITY	10,500	10,500	10,500	10,500
CHILD CARE CENTER	3,200	2,880	2,880	2,880
MULTI-PURPOSE TRAINING RANGE	20,000	20,000	20,000	20,000
PARACHUTE DRYING TOWER	960	960	960	960
PHYSICAL FITNESS TRAINING CENTER	5,300	3,937	5,300	5,300
TACTICAL EQUIPMENT SHOP	7,400	7,400	7,400	7,400
TACTICAL EQUIPMENT SHOP	16,500	16,500	16,500	16,500
WATER POLLUTION ABATEMENT	690	690	690	690
NAVY				
NAVAL SUBMARINE BASE KINGS BAY				
BASE ADMIN BLDG & COMMUNICATIONS CENTER	7,320	7,320	7,320	7,320
COMMUNITY IMPACT ASSISTANCE	4,900	4,700	4,700	4,700
DREDGING	45,200	23,200	23,200	23,200
REFIT INDUSTRIAL FACILITY	25,000	25,000	25,000	25,000
REFIT WHARF	33,000	33,000	33,000	33,000
STRATEGIC WEAPONS FACILITY (PHASE I)	81,700	81,700	81,700	81,700
TRIDENT TRAINING FACILITY	59,700	---	---	---
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	4,270	4,270	4,270	4,270
UTILITIES AND SITE IMPROVEMENTS	23,800	---	---	---
WATERFRONT SERVICES FACILITY	6,770	6,770	6,770	6,770
AIR FORCE				
MOODY AFB				
AIRCRAFT GENERATION SQUADRON PARTS STORE	1,200	1,200	1,200	1,200
WINNERSVILLE GUNNERY RANGE	830	830	830	830
ROBINS AFB				
ADD/ALTER AIRCRAFT MAINTENANCE DOCKS	7,100	7,100	7,100	7,100
EMERGENCY BACKUP POWER	1,600	1,600	1,600	1,600
FIRE PROTECTION WAREHOUSES	1,300	1,300	1,300	1,300
HAZARDOUS MATERIALS STORAGE FACILITY	---	---	9,000	9,000
LOGISTICS SYSTEM OPERATIONS CENTER	8,390	8,390	8,390	8,390
DEFENSE AGENCIES				
FORT BENNING				
NEW MIDDLE SCHOOL	5,600	5,600	5,600	5,600
ROBINS AFB				
HAZARDOUS WASTE FACILITY	---	---	2,500	2,500
ARMY NATIONAL GUARD				
FORT STEWART				
MOBILIZATION & TRAINING EQUIPMENT SITE ADD	4,407	4,407	4,407	4,407
AIR NATIONAL GUARD				
SAVANNAH MAP				
AERIAL PORT TRAINING FACILITY	1,300	1,300	1,300	1,300
TOTAL, GEORGIA	439,887	332,304	345,167	345,167
HAWAII				
ARMY				
HAWAII				
DETACHED LATRINES	930	930	930	930
WAREHOUSE	2,050	1,450	1,450	1,450
HELEMANO				
BARRACKS MODERNIZATION	4,650	4,650	4,650	4,650
SCHOFIELD BARRACKS				
BARRACKS MODERNIZATION	8,000	8,000	8,000	8,000
ENERGY MONITORING AND CONTROL SYSTEM	3,100	3,100	3,100	3,100
INFANTRY REMOTE TARGET SYSTEM RANGE	1,700	1,700	1,700	1,700
PHYSICAL FITNESS TRAINING CENTER	5,350	5,350	5,350	5,350

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
STORM DRAINAGE	420	420	420	420
TACTICAL EQUIPMENT SHOP	12,800	12,800	12,800	12,800
TACTICAL EQUIPMENT SHOP	5,700	5,700	5,700	5,700
TRIPLER ARMY MEDICAL CENTER				
HOSPITAL ADDITION/ALTERATION	115,000	115,000	115,000	115,000
NAVY				
CAMP H M SMITH - OAHU				
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	1,910	1,910	1,910	1,910
MARINE CORPS AIR STATION KANEOHE BAY				
COMBAT AIRCRAFT ORDNANCE LOADING AREA	2,440	2,440	2,440	2,440
UNACCOM ENLISTED PERS MSG MODERNIZATION	7,610	7,610	7,610	7,610
WATER DISTRIBUTION SYSTEM IMPROVEMENTS	6,490	6,490	6,490	6,490
NAVAL AIR STATION BARBERS POINT				
AVIONICS SHOP	5,250	5,250	5,250	5,250
OPERATIONAL TRAINING FACILITY ADDITION	1,380	1,380	1,380	1,380
NAVAL MAGAZINE LUALUALEI				
ORDNANCE OPERATIONS BUILDINGS	3,130	3,130	3,130	3,130
NAVAL STATION PEARL HARBOR				
DEGAUSSING BUILDING	545	545	545	545
SERVICE SHOPS	---	16,000	16,000	16,000
NAVAL SUBMARINE BASE PEARL HARBOR				
BULKHEADS	1,030	1,030	1,030	1,030
OPERATIONAL STORAGE	345	345	345	345
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	12,500	11,500	12,500	12,500
UNACCOMPANIED OFFICER PERSONNEL HOUSING	4,940	4,300	4,940	4,940
NAVAL SUPPLY CENTER PEARL HARBOR				
DATA PROCESSING CENTER ADDITION	2,050	2,050	2,050	2,050
FIRE PROTECTION SYSTEMS	4,630	4,630	4,630	4,630
NAVY PUBLIC WORKS CENTER PEARL HARBOR				
ELECTRICAL DISTRIBUTION SYS IMPROVEMENTS	5,270	5,270	5,270	5,270
AIR FORCE				
HICKAM AFB				
ADD/ALTER ALERT HANGAR	500	500	500	500
CONSOLIDATED TECHNICAL PHOTO/SUPPORT FAC	1,900	1,900	1,900	1,900
FLEET SERVICE TERMINAL	1,400	1,400	1,400	1,400
DEFENSE AGENCIES				
DEF PROPERTY DISPOSAL OFF PEARL HARBOR				
HAZARDOUS MATERIAL/WASTE FACILITY	1,950	1,950	1,950	1,950
TOTAL, HAWAII	224,970	238,730	240,370	240,370
IDAHO				
AIR FORCE				
MOUNTAIN HOME AFB				
ADD/ALTER ACFT GENERATION SQ PARTS STORE	940	940	940	940
OTH-B-OPERATION/SOFTWARE DEVELOPMENT BLDG	18,000	---	---	---
SOUND SUPPRESSOR SUPPORT	550	550	550	550
ARMY NATIONAL GUARD				
GOWEN FIELD				
MACHINE GUN & MULTI-PURPOSE RANGE	681	681	681	681
ARMY RESERVE				
REXBURG				
ADD TO ARMY RESERVE CTR/MAINTENANCE SHOP	682	682	682	682
TOTAL, IDAHO	20,853	2,853	2,853	2,853
ILLINOIS				
ARMY				
ROCK ISLAND ARSENAL				
ADMINISTRATION BLDG	6,900	6,900	6,900	6,900
MODERNIZE MANUFACTURING FACILITY-REARM	44,000	44,000	44,000	44,000
NAVY				
NAVAL TRAINING CENTER GREAT LAKES				
OPERATIONAL TRAINER FACILITY	1,960	1,960	1,960	1,960
RECRUIT PROCESSING BUILDING	9,990	9,990	9,990	9,990
NAVY PUBLIC WORKS CENTER GREAT LAKES				
PUBLIC WORKS SHOP CONVERSION	890	---	---	---
STEAM AND CONDENSATE SYSTEMS	1,370	1,370	1,370	1,370
WATER DISTRIBUTION LINE	480	480	480	480

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
TOTAL, INDIANA	10,475	16,375	29,275	29,275
IOWA				
ARMY NATIONAL GUARD				
CLINTON				
ARMORY 100 PERSON	729	729	729	729
AIR NATIONAL GUARD				
SIOUX CITY MAP				
WEAPONS SYSTEM SECURITY FLIGHT FACILITY	500	500	500	500
TOTAL, IOWA	1,229	1,229	1,229	1,229
KANSAS				
ARMY				
FORT LEAVENWORTH				
UNACCOMPANIED OFFICER HOUSING	11,000	11,000	11,000	11,000
FORT RILEY				
AMMUNITION STORAGE	3,700	3,700	3,700	3,700
BATTALION HEADQUARTERS AND CLASSROOM	2,700	2,700	2,700	2,700
AIR FORCE				
CHANUTE AFB				
ALTER ELECTRICAL DISTRIBUTION	2,650	2,650	2,650	2,650
FIRE PROTECTION TRAINING COMPLEX	8,700	7,500	7,500	7,500
SCOTT AFB				
AIR FORCE COMMUNICATIONS COMMAND HQ FAC	19,400	19,400	19,400	19,400
ARMY NATIONAL GUARD				
MARSEILLES				
ARMORY 100 PERSON	1,000	---	---	---
UNIT TRAINING & EQUIPMENT SITE	960	960	960	960
N. RIVERSIDE				
ARMORY 800 PERSON	3,148	3,148	3,148	3,148
AIR NATIONAL GUARD				
CAPITAL MAP				
WEAPONS CALIBRATION SHELTER	1,100	1,100	1,100	1,100
CHICAGO-OHARE IAP				
AUTOMOTIVE MAINTENANCE SHOP	2,700	2,700	2,700	2,700
GREATER PEORIA APRT				
ALTER VARIOUS BUILDINGS	1,000	1,000	1,000	1,000
AUTOMOTIVE MAINTENANCE/REFUEL VEHICLE SHOP	2,200	2,200	2,200	2,200
NAVY RESERVE				
NAS GLENVIEW				
RUNWAY OVERLAY	---	3,000	---	---
NMCRC ROCK ISLAND				
VEHICLE MAINTENANCE SHOP	570	570	570	570
TOTAL, ILLINOIS	109,018	108,928	105,928	105,928
INDIANA				
ARMY				
CRANE				
AMMUNITION SURVEILLANCE FACILITY	3,600	3,600	3,600	3,600
FT BENJ. HARRISON				
BARRACKS	---	---	13,400	13,400
AIR FORCE				
GRISSOM AFB				
AIRCRAFT MAINT. SHOP	---	1,500	1,100	1,100
BASE CE COMPLEX	---	4,400	4,300	4,300
BASE FLIGHT OPERATIONS FACILITY	920	920	920	920
AIR NATIONAL GUARD				
FT WAYNE MAP				
WEAPONS SYS SECURITY FLIGHT FACILITY	500	500	500	500
ARMY RESERVE				
INDIANAPOLIS				
ADD TO ARMY RESERVE CTR	2,485	2,485	2,485	2,485
AIR FORCE RESERVE				
GRISSON AFB				
ACFT ENGINE INSP & REPAIR SHOP	1,270	1,270	1,270	1,270
APRON	1,700	1,700	1,700	1,700

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
BATTALION HEADQUARTERS AND CLASSROOM	1,550	1,550	1,550	1,550
COMPANY ADMINISTRATION AND SUPPLY	1,450	1,450	1,450	1,450
COMPANY ADMINISTRATION AND SUPPLY	900	900	900	900
ENERGY MONITORING AND CONTROL SYSTEM	650	650	650	650
HARDSTAND	4,850	4,850	4,850	4,850
INSULATE BUILDINGS	300	300	300	300
TACTICAL EQUIPMENT SHOP	4,750	4,750	4,750	4,750
TACTICAL EQUIPMENT SHOP	9,700	9,700	9,700	9,700
TACTICAL EQUIPMENT SHOP ADDITION	3,250	3,250	3,250	3,250
AIR FORCE				
MCCONNELL AFB				
VOQ	---	3,500	---	---
TOTAL, KANSAS	44,800	48,300	44,800	44,800
KENTUCKY				
ARMY				
FORT CAMPBELL				
AIRCRAFT MAINTENANCE FACILITY	9,800	9,800	9,800	9,800
COMPANY ADMINISTRATION AND SUPPLY	3,200	3,200	3,200	3,200
FLIGHT SIMULATOR BUILDING	2,750	---	---	---
SCHEDULED MAINTENANCE PLATFORMS	840	840	840	840
TACTICAL EQUIPMENT SHOP	5,000	4,500	4,500	4,500
FORT KNOX				
AMMUNITION STORAGE	7,800	7,800	7,800	7,800
COMMUNICATIONS FACILITY	1,600	1,600	1,600	1,600
GUN SYNCHRONIZATION RAMPS	800	---	---	---
INFANTRY REMOTE TARGET SYSTEM RANGES	2,500	2,500	2,500	2,500
TRACKED VEHICLE BASIC DRIVING COURSE	1,700	1,700	1,700	1,700
DEFENSE AGENCIES				
FORT CAMPBELL				
RENOVATION OF SIX DEPENDENTS SCHOOLS	4,800	4,800	4,800	4,800
THREE ELEMENTARY SCHOOL ADDITIONS	2,700	2,700	2,700	2,700
FORT KNOX				
AIR CONDITION DEPENDENTS SCHOOLS	7,200	7,200	7,200	7,200
AUDITORIUM AND FOURTEEN CLASSROOMS	5,000	5,000	5,000	5,000
INTRAMURAL FACILITY	2,000	2,000	2,000	2,000
LIBRARY MEDIA CENTER	4,311	4,311	4,311	4,311
VOCATIONAL EDUCATION CENTER	3,450	3,450	3,450	3,450
ARMY NATIONAL GUARD				
ASHLAND				
ORGANIZATIONAL MAINTENANCE SHOP	443	443	443	443
MURRAY				
ARMORY 100 PERSON	927	927	927	927
ARMY RESERVE				
OWENSBORO				
ADD TO ARMY RESERVE CTR	1,515	1,515	1,515	1,515
TOTAL, KENTUCKY	68,336	64,286	64,286	64,286
LOUISIANA				
ARMY				
FORT POLK				
AIRCRAFT MAINTENANCE FACILITY	10,000	10,000	10,000	10,000
AMMUNITION STORAGE	19,000	19,000	19,000	19,000
BARRACKS	8,200	8,200	8,200	8,200
PHYSICAL FITNESS TRAINING CENTER	2,050	2,050	2,050	2,050
AIR FORCE				
BARKSDALE AFB				
ADD/ALTER ALERT CREW FACILITY	2,150	2,150	2,150	2,150
ALCM-MISCELLANEOUS SUPPORT FACILITIES	1,600	1,600	1,600	1,600
ALCM-STORAGE IGLOOS	16,600	15,600	15,600	15,600
ALCM-SUPPORT EQUIPMENT SHOP	2,300	2,300	2,300	2,300
ECIP-ALTER MECHANICAL SYSTEMS	400	400	400	400
ENVIRONMENTAL MEDICINE FACILITY	445	445	445	445
FLIGHT SIMULATOR TRAINING FACILITY	3,500	3,500	3,500	3,500
ENGLAND AFB				
AIRCRAFT GENERATION SQUADRON PARTS STORE	950	950	950	950
AIRCRAFT MAINTENANCE AREA LIGHTING	1,400	1,400	800	800
BASE CIVIL ENGINEER ADMINISTRATIVE FACIL	1,700	1,700	---	---
ECIP-ALTER LIGHTING/MECHANICAL/STRUCTURAL	1,200	1,200	1,200	1,200

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
ARMY NATIONAL GUARD				
BUNKIE				
ARMORY 60 PERSON	837	837	837	837
AIR NATIONAL GUARD				
NEW ORLEANS NAS				
OPERATIONAL TRAINING FACILITY	2,000	2,000	2,000	2,000
ARMY RESERVE				
ALEXANDRIA				
ADD TO ARMY RESERVE CTR	542	542	542	542
LAFAYETTE				
ADD TO ARMY RESERVE CTR	1,995	1,995	1,995	1,995
MONROE				
ADD TO ARMY RESERVE CTR	455	455	455	455
NAVY RESERVE				
NAVAL SUPPORT ACTIVITY NEW ORLEANS				
PERSONNEL SUPPORT ACTIVITY OFFICE	1,030	1,030	1,030	1,030
AIR FORCE RESERVE				
BARKSDALE AFB				
ADD/ALTER ACFT ENGINE INSP & REPAIR SHOP	500	500	500	500
AIRCRAFT MAINTENANCE DOCK	4,500	4,500	4,500	4,500
COMPOSITE GROUP TRAINING	2,778	2,778	2,778	2,778
TOTAL, LOUISIANA	86,132	85,132	82,832	82,832
MAINE				
NAVY				
NAVAL AIR STATION BRUNSWICK				
ALERT FORCE BUILDING ADDITION	340	340	340	340
LAND ACQUISITION	2,170	---	2,170	2,170
NAVAL SECURITY GROUP ACT WINTER HARBOR				
ANTENNA SUPPORT FACILITIES	220	220	220	220
NAVAL SHIPYARD PORTSMOUTH				
ENGINEERING MGT BLDG	---	---	11,800	---
AIR FORCE				
LORING AFB				
COMPOSITE MAINTENANCE COMPLEX	3,300	3,300	3,300	3,300
COMPOSITE MEDICAL FACILITY	24,900	20,000	24,900	22,500
DINING HALL	3,170	3,170	3,170	3,170
ARMY NATIONAL GUARD				
BANGOR				
ORGANIZATIONAL MAINTENANCE SHOP	594	594	594	594
AIR NATIONAL GUARD				
BANGOR IAP				
SECURITY POLICE OPNS FACILITY	500	500	500	500
TOTAL, MAINE	35,194	28,124	46,994	32,794
MARYLAND				
ARMY				
ABERDEEN PROVING GROUND				
APPLIED INSTRUCTION BUILDING	7,300	7,300	7,300	7,300
CHAPEL AND CHILD CARE CENTER	4,950	4,950	4,950	4,950
CHEMISTRY LABORATORY	20,000	20,000	20,000	20,000
VIBRATION TEST FACILITY	4,950	4,950	4,950	4,950
VEPH	---	17,800	---	17,800
OPERATIONS BUILDING	10,400	10,400	10,400	10,400
FORT DETRICK				
FIRE STATION	1,200	1,200	1,200	1,200
MEDICAL INTELLIGENCE OPERATIONS FACILITY	3,600	3,600	3,600	3,600
MEDICAL LOGISTICS BUILDING ADDITION	---	3,100	---	3,100
STANDBY GENERATOR PLANT	13,600	13,600	13,600	13,600
FORT GEORGE G MEADE				
INSULATE BUILDINGS	5,900	5,900	5,900	5,900
NAVY				
NAVAL ACADEMY ANNAPOLIS				
BOAT REPAIR FACILITY MODERNIZATION	1,960	1,500	1,960	1,700
NAVAL AIR TEST CENTER PATUXENT RIVER				
FACILITY ENERGY IMPROVEMENTS	600	600	600	600
FAMILY SERVICES CENTER	520	520	520	520
MUNICIPAL SEWER CONNECTION	3,500	3,500	3,500	3,500

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
NAVAL ELECTRONIC SYS ENGR ACT ST INIGOES				
SEWERAGE SYSTEM	510	510	510	510
SHIPS NAVIGATION EQUIPMENT LABORATORY	1,600	1,600	1,600	1,600
NAVAL ORDNANCE STATION INDIAN HEAD				
PAY & PERSONNEL SUPPORT OFFICE	250	250	250	250
NAVAL RADIO TRANSMITTER FACILITY ANNAPOLIS				
UNACCOM ENL PERS HSG	760	760	760	760
AIR FORCE				
ANDREWS AFB				
ECIP-EXPAND ENERGY MONITORING & CONTROL SY	960	---	---	---
GODDARD FLIGHT CENTER				
STS-CLASSIFIED DATA PROCESS FACILITY	3,500	3,500	3,500	3,500
DEFENSE AGENCIES				
BALTIMORE				
APPRAISER'S STORE	7,500	---	7,500	---
DMA HYDROGRAPHIC/TOPOGRAPHIC CENTER				
ADDITION TO ALBERT HALL	20,100	20,100	20,100	20,100
FORT HOLABIRD				
STORAGE FACILITY	220	220	220	220
FORT MEADE				
AWCS SUPPORT/ADMIN BLDG	410	410	410	410
ELECTRIC VAULT VENTING	125	125	125	125
ENERGY RETROFIT OPS BLDG 1	12,700	---	---	---
SAB 3 EXPANSION	4,680	---	4,680	---
SEG (9827-8) MOD	3,800	3,800	3,800	3,800
SYSTEMS PROCESSING CENTER	12,585	12,585	12,585	12,585
AIR NATIONAL GUARD				
ANDREWS AFB				
ALTER AIRCRAFT MAINT HANGAR 8 & 9	1,600	1,600	1,600	1,600
SQUADRON OPNS FACILITY	1,200	1,200	1,200	1,200
GLENN L MARTIN APRT				
UPGRADE HANGAR 1	2,500	2,500	2,500	2,500
TOTAL, MARYLAND	153,480	148,080	139,820	148,280
MASSACHUSETTS				
ARMY				
FORT DEVENS				
CORRECT SAFETY DEFICIENCIES	1,700	1,700	1,700	1,700
WASTE HEAT RECOVERY SYSTEMS	280	---	---	---
WATER DISTRIBUTION SYSTEM UPGRADE	2,750	2,750	2,750	2,750
AIR FORCE				
HANSCOM AFB				
ALTER LAB FOR FIRE PROTECTION	5,200	5,200	5,200	5,200
OTIS ANG BASE				
PAVE PAWS-BOUNDARY SECURITY SYSTEM	810	810	810	810
ARMY NATIONAL GUARD				
DORCHESTER				
ARMORY	---	1,600	---	---
AIR FORCE RESERVE				
WESTOVER AFB				
BASE CIVIL ENGINEER COMPLEX	2,700	2,700	2,700	2,700
TOTAL, MASSACHUSETTS	13,440	14,760	13,160	13,160
MICHIGAN				
NAVY				
NRTF REPUBLIC				
ACCESS ROAD	1,000	---	1,000	1,000
AIR FORCE				
K I SAWYER AFB				
ADD/ALTER ALERT CREW FACILITY	2,350	2,350	2,350	2,350
ACFT PARKING	---	---	600	---
ALCM-IGLOO	---	---	2,500	2,500
ALCM-SUPPORT FACILITIES	14,000	12,000	12,000	12,000
LIBRARY	---	---	---	---
WURTSMITH AFB				
ACFT PARKING	---	---	600	---
ALCM-IGLOO	---	---	2,500	2,500
ENVIRONMENTAL MEDICINE FACILITY	425	425	425	425
LIBRARY	700	700	---	---

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
ARMY NATIONAL GUARD				
BAY CITY				
ARMORY 60 PERSON	955	955	955	955
CAMP GRAYLING				
MOTOR POOL	---	---	---	---
WINTERIZE FAC	---	---	---	---
AIR NATIONAL GUARD				
SELFRIDGE ANGB				
ADD/ALTER BLDG 120	1,400	1,400	1,400	1,400
ADDITION TO MUNITIONS MAINT & STORAGE	500	500	500	500
ALTER AIRCRAFT ENGINE INR SHOP	500	500	500	500
ALTER HANGARS 3,4,6,7,8 AND BUILDING 128	800	800	800	800
ARMY RESERVE				
ANN ARBOR				
ADD TO ARMY RESERVE CTR	726	726	726	726
AIR FORCE RESERVE				
SELFRIDGE AFB				
ORGANIZATIONAL MAINTENANCE SHOP	430	430	430	430
TOTAL, MICHIGAN	23,786	20,786	27,286	26,086
MINNESOTA				
AIR NATIONAL GUARD				
DULUTH IAP				
AUTO MAINT/REFUEL VEHICLE/VEHICLE STORAGE	2,300	2,300	2,300	2,300
AIR FORCE RESERVE				
MINN-ST PAUL IAP				
VEHICLE MAINTENANCE COMPLEX	2,400	2,400	2,400	2,400
TOTAL, MINNESOTA	4,700	4,700	4,700	4,700
MISSISSIPPI				
NAVY				
NAS MERIDIAN				
ARM/DEARM PADS	---	---	1,300	1,300
AIR OPS BLDG ADD	---	---	820	820
ROADS	---	---	750	750
NAVAL CONSTRUCTION BATTALION CTR GULFPORT				
ELEVATED POTABLE WATER STORAGE TANK	810	810	810	810
ENLISTED DINING FACILITY ADDITION	1,580	1,580	1,580	1,580
GYMNASIUM	1,740	1,740	1,740	1,740
MEDICAL CLINIC ADDITION	325	325	325	325
PAY & PERSONNEL SUPPORT OFF	1,030	1,030	1,030	1,030
SEABEE BATTALION HEADQUARTERS	2,800	2,800	2,800	2,800
SEABEE MILITARY TRAINING BUILDING	1,860	1,860	1,860	1,860
SEABEE REGIMENTAL HEADQUARTERS	2,590	2,590	2,590	2,590
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	4,650	4,650	4,650	4,650
WAR RESERVES WAREHOUSE	4,460	4,460	4,460	4,460
NAVAL OCEANOGRAPHER COMMAND BAY ST LOUIS				
ADMINISTRATIVE OFFICE	375	375	375	375
NAVAL OCEANOGRAPHIC OFFICE BAY SAINT LOUIS				
DATA PROCESSING CENTER ADDITION	1,570	1,570	1,570	1,570
AIR FORCE				
COLUMBUS AFB				
AIRCRAFT MAINT. DOCK	---	---	5,000	5,000
KEESLER AFB				
AIR CONDITION CNF KITCHEN	435	435	435	435
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	9,500	9,500	9,500	9,500
ECIP-INSULATE BUILDINGS/ALTER MECHANICAL	520	520	520	520
ELECTRICAL DISTRIBUTION	---	---	3,000	3,000
MULTI-PURPOSE AIRCRAFT MAINTENANCE SHOP	3,100	3,100	3,100	3,100
ARMY NATIONAL GUARD				
CAMP SHELBY				
ALTER & REHAB TRAINING AREA	---	8,113	8,113	8,113
LAND ACQUISITION PH 3	941	941	941	941
AIR NATIONAL GUARD				
GULFPORT				
MUNITIONS MAINT & STORAGE FACILITY	900	900	900	900
JACKSON (A C THOMPSON)				

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
COMBINED SQUADRON OPNS/DINING HALL	2,400	2,400	2,400	2,400
PARKING RAMP & FUEL STORAGE DIST	---	7,800	7,800	7,800
TOTAL, MISSISSIPPI	41,586	57,499	48,369	48,369
MISSOURI				
ARMY				
FORT LEONARD WOOD				
APPLIED INSTRUCTION BUILDING	3,650	3,650	3,650	3,650
INFANTRY REMOTE TARGET SYSTEM RANGES	2,800	2,800	2,800	2,800
AIR FORCE				
WHITEMAN AFB				
COLD STORAGE FACILITY	470	470	470	470
MISSILE OPERATIONS FACILITY	2,200	2,200	---	2,200
RECREATION CENTER	1,650	1,650	---	1,650
AIR NATIONAL GUARD				
ROSECRANS MEMORIAL APT				
ADD TO SQUADRON OPERATIONS FACILITY	1,100	1,100	1,100	1,100
ADD/ALTER BASE SUPPLY/EQUIP WAREHOUSE	600	600	600	600
ST LOUIS				
FIRE STATION	900	900	900	900
ARMY RESERVE				
RICHARDS-GEBAUR AFB				
CONVERT-ARMY RESERVE CTR/MAINTENANCE SHOP	2,666	2,666	2,666	2,666
NAVY RESERVE				
NMCRC KANSAS CITY				
ACQUISITION RESERVE TRAINING BUILDINGS	625	625	625	625
TOTAL, MISSOURI	16,661	16,661	12,811	16,661
MONTANA				
AIR FORCE				
CONRAD				
STRAT TRNG RANGE-SITE 6 & LAND ACQUISITION	4,260	3,975	3,975	3,975
MALMSTROM AFB				
ADD/ALTER GYMNASIUM	1,500	1,500	---	1,500
ARMY NATIONAL GUARD				
HAVRE				
ARMORY 60 PERSON	776	---	---	---
TOTAL, MONTANA	6,536	5,475	3,975	5,475
NEBRASKA				
AIR FORCE				
OFFUTT AFB				
ADD TO GLOBAL WEATHER CENTRAL	3,400	3,400	3,400	3,400
ADD/ALTER CENTRAL POWER PLANT	2,200	2,200	2,200	2,200
AIRCRAFT MAINTENANCE FACILITIES-PH II	34,200	34,200	34,200	34,200
UEPH	---	---	5,400	5,400
CENTRAL SECURITY CONTROL	1,400	---	---	---
PRECISION MEASUREMENT EQUIPMENT LAB	900	900	900	900
UPGRADE CHILLED WATER PLANT	5,000	5,000	5,000	5,000
TOTAL, NEBRASKA	47,100	45,700	51,100	51,100
NEVADA				
ARMY				
HAWTHORNE AAP				
AMMUNITION SURVEILLANCE FACILITY	3,400	---	---	---
NAVY				
NAVAL AIR STATION FALLON				
EXPLOSIVES AREA IMPROVEMENTS	4,740	4,740	4,740	4,740
MAINTENANCE HANGER	---	---	5,000	---
UEPH	---	---	12,900	12,900
UOPH	---	---	8,100	8,100
ACFT DIRECT FUELING STATION	---	---	3,700	---

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
AIR FORCE				
NELLIS AFB				
ADD/ALTER BASE ACCESS ROAD	2,800	---	---	---
AIRCRAFT MAINTENANCE AREA LIGHTING	1,300	1,300	1,300	1,300
ECIP-WEATHERIZE BUILDINGS/ALTER MECHANICAL	990	990	990	990
PARALLEL TAXIWAY/LAND ACQUISITION	4,800	---	---	---
PLSS GROUND SUPPORT FACILITIES	2,800	2,800	2,800	2,800
RELOCATE MAIN GATE/ROADS	2,500	---	---	---
AIR NATIONAL GUARD				
RENO IAP				
FIRE SUPPRESSION SYSTEM	800	800	800	800
TOTAL, NEVADA	24,130	10,630	40,330	31,630
NEW HAMPSHIRE				
ARMY				
COLDREG LABORATORIES				
LABORATORY REFRIGERATION SYSTEM UPGRADE	3,600	3,600	3,600	3,600
AIR FORCE				
PEASE AFB				
ADD/ALTER COMPOSITE MEDICAL LOGISTICS FAC	850	850	850	850
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	5,100	5,100	5,100	5,100
ARMY RESERVE				
KEENE				
CONVERT-ARMY RESERVE CTR/MAINTENANCE SHOP	1,176	1,176	1,176	1,176
TOTAL, NEW HAMPSHIRE	10,726	10,726	10,726	10,726
NEW JERSEY				
ARMY				
FT DIX				
ENERGY MONITORING AND CONTROL SYSTEM	3,500	3,500	3,500	3,500
INFANTRY REMOTE TARGET SYSTEM RANGES	2,600	2,600	2,600	2,600
INSULATE BUILDINGS	7,100	7,100	7,100	7,100
UPGRADE RANGE FACILITIES	4,450	4,450	4,450	4,450
MILITARY OCEAN TERMINAL BAYONNE				
STANDBY ELECTRIC POWER	570	570	570	570
FORT MONMOUTH				
AIR CONDITION GENERAL INSTRUCTION BUILDING	4,050	4,050	4,050	4,050
BARRACKS MODERNIZATION	5,100	5,100	5,100	5,100
OPERATIONS BUILDING	3,600	3,600	3,600	3,600
TACTICAL EQUIPMENT SHOP	2,900	2,900	2,900	2,900
PICATINNY ARSENAL				
RAILROAD TRACK ACQUISITION	380	380	380	380
SANITARY SEWER	6,400	6,400	6,400	6,400
WATER TREATMENT PLANT	3,000	3,000	3,000	3,000
AIR FORCE				
MCGUIRE AFB				
ADD/ALTER NCO ACADEMY	440	440	440	440
ARMY NATIONAL GUARD				
FLEMINGTON				
ARMORY ADD/ALT	732	732	732	732
TOMS RIVER				
ARMORY ADD/ALT	490	490	490	490
AIR NATIONAL GUARD				
ATLANTIC CITY				
UPGRADE VARIOUS BUILDINGS	1,800	1,800	1,800	1,800
MCGUIRE AFB				
ADDN AVIONICS/WEAPONS RELEASE SYSTEMS SHOP	1,500	1,500	1,500	1,500
AIR FORCE RESERVE				
MCGUIRE AFB				
MEDICAL SERVICES SQUADRON	706	706	706	706
TOTAL, NEW JERSEY	49,318	49,318	49,318	49,318
NEW MEXICO				
ARMY				
WHITE SANDS MISSILE RANGE				
LABORATORY AND TEST BUILDING	2,250	2,250	2,250	2,250

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
AIR FORCE				
CANNON AFB				
PMEL-NDI SHOP	1,100	1,100	1,100	1,100
WEAPONS MAINTENANCE FACILITY	---	---	1,700	1,700
HOLLOMAN AFB				
AIRCRAFT MAINTENANCE AREA LIGHTING	650	650	650	650
BASE SUPPORT CENTER	6,100	6,100	6,100	6,100
ECIP-ALTER LIGHTING/MECHANICAL SYSTEMS	360	360	360	360
SECURITY POLICE OPERATIONS FACILITY	1,700	1,300	1,300	1,300
WATER LINES-BOLES WEELS	---	---	3,200	3,200
KIRTLAND AFB				
ADD/ALTER FIRE SPRINKLER & ALARM SYSTEM	1,500	1,500	1,500	1,500
DEFENSE AGENCIES				
WHITE SANDS MISSILE RANGE				
HIGH ENERGY LASER SYSTEMS TEST FACILITY	9,000	---	9,000	9,000
ARMY NATIONAL GUARD				
SANTA FE				
US PROPERTY & FISCAL OFFICE BLDG	596	596	596	596
AIR NATIONAL GUARD				
KIRTLAND AFB				
PETROLEUM OPERATIONS/REFUELER PARKING	500	500	500	500
ARMY RESERVE				
LAS CRUCES				
ADD TO ARMY RESERVE CTR/MAINTENANCE SHOP	610	610	610	610
TOTAL, NEW MEXICO	24,366	14,966	28,866	28,866
NEW YORK				
ARMY				
FORT DRUM				
AMMUNITION STORAGE	700	700	700	700
CENTRAL HEATING PLANT	---	13,000	---	13,000
ENERGY MONITORING AND CONTROL SYSTEM	290	290	290	290
PHYSICAL FITNESS TRAINING CENTER	3,400	2,432	3,400	3,400
VEHICLE WASH FACILITY	350	350	350	350
SENECA ARMY DEPOT				
INTRUSION DETECTION CENTER	6,900	6,900	6,900	6,900
U S MILITARY ACADEMY				
RAW WATER LINE IMPROVEMENTS	320	320	320	320
UPGRADE RANGE FACILITIES	630	630	630	630
AIR FORCE				
GRIFFISS AFB				
F-15-ADD/ALTER FLIGHT SIMULATOR	750	750	750	750
F-15-ADD/ALTER MISSION SUPPORT FACILITIES	950	950	950	950
F-15-CONVERT TO FUEL CELL MAINT DOCK	580	580	580	580
F-15-MISSILE MAINTENANCE FACILITY	570	570	570	570
F-15-MISSILE STORAGE FACILITY	550	550	550	550
RANGE	---	750	---	750
PLATTSBURGH AFB				
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	2,900	2,900	---	2,900
SOUND SUPPRESSOR SUPPORT FACILITY	750	750	750	750
DEFENSE AGENCIES				
WEST POINT				
NEW ELEMENTARY SCHOOL	3,650	3,650	3,650	3,650
ARMY NATIONAL GUARD				
YONKERS				
ARMORY 200 PERSON	1,280	1,280	1,280	1,280
AIR NATIONAL GUARD				
HANCOCK FLD				
BASE ENGINEER MAINT FACILITY	1,100	1,100	1,100	1,100
SCHENECTADY COUNTY APRT ANG				
JET FUEL/POL OPNS/REFUELER VEHICLE FAC	1,800	1,800	1,800	1,800
STEWART AIRPORT				
AERIAL PORT TRAINING FACILITY	1,300	1,300	1,300	1,300
BASE ENGINEER MAINT FACILITY	1,100	1,100	1,100	1,100
COMBINED SQUADRON OPNS/TELECOM ANG/MARINES	4,100	4,100	4,100	4,100
FIRE STATION	1,200	1,200	1,200	1,200
PHASE IV CONST	---	10,500	---	10,500
SUFFOLK COUNTY AIRPORT				
FIRE STATION	1,000	1,000	1,000	1,000

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
ARMY RESERVE				
FORT DRUM				
MULTI-PURPOSE TRAINING RANGE	4,677	4,677	4,677	4,677
AIR FORCE RESERVE				
NIAGARA FALLS IAP				
SURVIVAL EQUIPMENT SHOP	675	675	675	675
TOTAL, NEW YORK	41,522	64,804	38,622	65,772
NORTH CAROLINA				
ARMY				
FORT BRAGG				
AIRCRAFT MAINTENANCE FACILITY	11,400	11,400	11,400	11,400
BARRACKS	15,500	15,500	15,500	15,500
CONSOLIDATED DINING FACILITY	2,500	2,500	2,500	2,500
ELECTRONICS/COMMUNICATIONS REPAIR SHOP	860	860	860	860
ENERGY MONITORING AND CONTROL SYSTEM	1,100	1,100	1,100	1,100
FLIGHT SIMULATOR BUILDING	1,750	---	---	---
HEATING PLANT MODIFICATIONS	1,000	1,000	1,000	1,000
INSULATE BUILDINGS	2,250	2,250	2,250	2,250
MULTI-PURPOSE TRAINING RANGE	11,600	11,600	11,600	11,600
PARACHUTE RIGGING FACILITY	800	800	800	800
PHYSICAL FITNESS TRAINING CENTER WITH POOL	3,750	3,750	3,750	3,750
RANGE CONTROL BUILDING	1,000	1,000	1,000	1,000
SECURITY OPERATIONS TRAINING FACILITY	---	---	38,000	38,000
TACTICAL EQUIPMENT SHOP	7,400	7,400	7,400	7,400
NAVY				
MARINE CORPS AIR STATION CHERRY POINT				
COMBAT AIRCRAFT ORDNANCE LOADING AREA	3,320	3,320	3,320	3,320
TACTICAL SUPPORT VAN PADS	1,490	1,490	1,490	1,490
AVIATION PHYSIOLOGY TRNG BLDG	970	970	970	970
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	10,000	10,000	10,000	10,000
ENGINE TEST CELL	---	9,700	---	9,700
MARINE CORPS AIR STATION NEW RIVER				
HAZARDOUS AND FLAMMABLE STOREHOUSE	340	340	340	340
MARINE CORPS BASE CAMP LEJUENE				
COMBAT VEHICLE MAINTENANCE SHOP	2,190	2,190	2,190	2,190
DIVISION HEADQUARTERS	9,380	9,380	9,380	9,380
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	16,800	16,800	16,800	16,800
WATER TREATMENT FACILITIES IMPROVEMENTS	8,000	8,000	8,000	8,000
AIR FORCE				
POPE AFB				
ADD/ALTER AVIONICS SHOP	710	710	710	710
SEYMOUR JOHNSON AFB				
ADD/ALTER GYMNASIUM	1,000	1,000	1,000	1,000
ADD/ALTER SQUADRON OPNS/PAVE TACK FACILITY	560	560	560	560
ADD TO ENGINE INSPECTION & REPAIR SHOP	280	280	280	280
AIRCRAFT MAINTENANCE DOCK	5,650	5,650	5,650	5,650
AIRCRAFT PARKING/HYDRANT REFUELING W/ CASS	9,160	9,160	9,160	9,160
ECIP-INSTALL RADIANT HEATERS	680	680	680	680
FLIGHT SIMULATOR TRAINING FACILITY	780	780	780	780
SQUADRON FLIGHT OPERATIONS FACILITY	780	780	780	780
UPGRADE REGIONAL CONNECTION	1,600	1,600	1,600	1,600
DEFENSE AGENCIES				
FORT BRAGG				
RENOVATION OF SIX ELEMENTARY SCHOOLS	5,600	5,600	5,600	5,600
ROSMAN				
ELECTRICAL SUBSTATION	500	500	500	500
ARMY NATIONAL GUARD				
FRANKLIN				
ARMORY 60 PERSON	568	568	568	568
AIR NATIONAL GUARD				
DOUGLAS MAP				
BASE ENGINEER MAINTENANCE FACILITY	1,300	1,300	1,300	1,300
ARMY RESERVE				
CONCORD				
100-MBR ARMY RESERVE CTR	1,287	1,287	1,287	1,287
NAVY RESERVE				
CHARLOTTE				
LAND ACQUISITION	---	---	---	---
TOTAL, NORTH CAROLINA	143,855	151,805	180,105	189,805

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
NORTH DAKOTA				
AIR FORCE				
DICKINSON				
STRAT TRNG RANGE-SITE 5 & LAND ACQUISITION	3,710	3,710	3,710	3,710
STRATEGIC TRAINING RANGE COMPLEX-ACCESS RD	150	150	150	150
GRAND FORKS AFB				
ADD/ALTER ALERT CREW FACILITY	2,800	2,300	2,300	2,300
FAMILY SUPPORT CENTER	320	---	---	---
SMALL ARMS RANGE	1,300	1,300	---	---
MINOT AFB				
ADD/ALTER ALERT CREW FACILITY	2,600	2,600	2,600	2,600
ADD/ALTER GYMNASIUM	560	560	---	---
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	4,350	4,350	---	---
ECIP-ENERGY MONITORING & CONTROL SYSTEM	1,850	---	---	---
F-15-HELICOPTER RESCUE & RECOVERY HANGAR	2,400	2,400	2,400	2,400
F-15-SUPPLY & EQUIPMENT WAREHOUSE	1,300	1,300	1,300	1,300
HOSPITAL	---	---	27,500	27,500
DEFENSE AGENCIES				
DEF FUEL SUPPORT POINT GRAND FORKS				
FIRE PROTECTION	475	475	475	475
ARMY NATIONAL GUARD				
CAMP GRAFTON (DEVILS LAKE)				
TRAINING FACILITIES PH II	1,732	---	---	---
TOTAL, NORTH DAKOTA	23,547	19,145	40,435	40,435
OHIO				
AIR FORCE				
NEWARK AFS				
ALTER ELECTRO-OPTICAL LABORATORY	840	840	840	840
WRIGHT-PATTERSON AFB				
ADD TO AIR FORCE MUSEUM	5,400	5,400	---	5,400
ADD/ALTER BIODYNAMICS LABORATORY	2,150	2,150	2,150	2,150
ADD/ALTER COMPUTER CENTER	2,550	2,550	2,550	2,550
ADD/ALTER ENGINE TEST CELL	3,700	3,700	3,700	3,700
ECIP-WEATHERIZE BUILDINGS/ALTER MECHANICAL	300	300	300	300
FIRE PROTECTION/PROPULSION LABORATORY	3,050	3,050	3,050	3,050
MATERIALS LABORATORY (METALS & CERAMICS)	19,200	18,200	18,200	18,200
DEFENSE AGENCIES				
DEFENSE FUEL SUPPORT POINT CINCINNATI				
NEW FUEL PIER	2,600	2,600	2,600	2,600
ARMY NATIONAL GUARD				
AKRON/CANTON AIRFIELD				
ARMY AVIATION SUPPORT FAC	---	3,770	---	3,770
CAMP PERRY				
TRAINING FACILITIES PH IV	418	418	418	418
AIR NATIONAL GUARD				
CAMP PERRY				
OPNS TRAINING/MEDICAL TRAINING/DINING HALL	1,400	1,400	1,400	1,400
ARMY RESERVE				
SPRINGFIELD				
ADD TO ARMY RESERVE CTR/MAINTENANCE SHOP	1,586	1,586	1,586	1,586
AIR FORCE RESERVE				
YOUNGSTOWN MAP				
FIREMAN TRAINING FACILITY	513	513	513	513
TOTAL, OHIO	43,707	46,477	37,307	46,477
OKLAHOMA				
ARMY				
FORT SILL				
BARRACKS	18,300	18,300	18,300	18,300
INFANTRY REMOTE TARGET SYSTEM RANGES	2,250	2,250	2,250	2,250
PHYSICAL FITNESS TRAINING CENTER	5,250	4,450	5,250	5,250
TRAINING RANGES	1,600	1,600	1,600	1,600
AIR FORCE				
TINKER AFB				
ADD TO APRON	4,150	4,150	4,150	4,150
ADD/ALTER INTEGRATED SUPPORT FACILITY	10,229	9,829	9,829	9,829
BLADE REPAIR FACILITY	11,000	11,000	11,000	11,000
CLOTHING SALES STORE	570	570	570	570
PETROLEUM OPERATIONS FACILITY	1,250	1,250	1,250	1,250

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
ARMY NATIONAL GUARD				
HOLDENVILLE				
ARMORY	---	900	---	900
AIR FORCE RESERVE				
TINKER AFB				
ADD/ALTER SQUADRON OPERATIONS	550	550	550	550
TOTAL, OKLAHOMA	55,149	54,849	54,749	55,649
OREGON				
AIR NATIONAL GUARD				
KINGSLEY FIELD				
ALTER HANGAR 219	3,000	3,000	3,000	3,000
PORTLAND IAP				
COMM-ELECTRONIC TRAINING/MOBILITY STORAGE	1,400	1,400	1,400	1,400
FIRE STATION	700	700	700	700
AIR FORCE RESERVE				
PORTLAND IAP				
AERIAL PORT TRAINING FACILITY	550	550	550	550
TOTAL, OREGON	5,650	5,650	5,650	5,650
PENNSYLVANIA				
ARMY				
FT INDIANTOWN GAP				
ELECTRIC SUBSTATION	---	2,500	---	2,500
NEW CUMBERLAND AD				
SITE ACQUISITION AND PREPARATION	7,800	1,250	7,800	7,800
TOBYHANNA ARMY DEPOT				
HEATING PLANT	570	570	570	570
PHYSICAL FITNESS TRAINING CENTER ADDITION	240	240	240	240
NAVY				
NAVAL AIR DEVELOPMENT CENTER WARMINSTER				
ELECTRIC POWER PLANT	2,290	2,290	2,290	2,290
NAVAL SHIPYARD PHILADELPHIA				
ELEC. DIST SYSTEM	---	12,600	---	12,600
MUNICIPAL SEWER CONNECTION	3,890	3,890	3,890	3,890
NAVY SHIPS PARTS CONTROL CTR MECHANICSBURG				
ADMINISTRATIVE OFFICE MODERNIZATION	1,170	1,170	1,170	1,170
DATA PROCESSING CENTER	15,100	15,100	15,100	15,100
DEFENSE AGENCIES				
DEFENSE DEPOT MECHANICSBURG				
INTEGRATED MATERIAL HANDLING CENTER	18,000	18,000	18,000	18,000
ARMY NATIONAL GUARD				
FT INDIANTOWN GAP				
ARMY AVIATION SUPPORT FACILITY ADD/ALT	2,419	2,419	2,419	2,419
FLIGHT TRAINER/WEAPONS SYSTEM SIMULATOR	1,221	1,221	1,221	1,221
SELLERSVILLE				
ARMORY ADD/ALT	556	556	556	556
AIR NATIONAL GUARD				
HARRISBURG IAP				
BASE ENGINEER MAINT FACILITY/FIRE STATION	1,800	1,800	1,800	1,800
PITTSBURGH				
ADD/ALTER COMPOSITE OPNL TRAINING FACILITY	4,100	4,100	4,100	4,100
MUNITIONS MAINT & STORAGE FACILITY	1,500	1,500	1,500	1,500
ARMY RESERVE				
FARRELL				
ADD TO ARMY RESERVE CTR	1,990	1,990	1,990	1,990
LEWISTOWN				
100-MBR ARMY RESERVE CTR/MAINTENANCE SHOP	2,503	2,503	2,503	2,503
NAVY RESERVE				
NAS WILLOW GROVE				
TAXIWAY OVERLAY	1,030	1,030	1,030	1,030
AIR FORCE RESERVE				
GREATER PITTSBURGH IAP				
WAREHOUSE	1,020	1,020	1,020	1,020
WILLOW GROVE ARF				
SQUADRON OPERATIONS	1,845	1,845	1,845	1,845
TOTAL, PENNSYLVANIA	69,044	77,594	69,044	84,144

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
RHODE ISLAND				
NAVY				
NAVAL EDUCATION & TRAINING CENTER NEWPORT				
FAMILY SERVICES CENTER	690	690	690	690
PIER UTILITIES	3,160	3,160	3,160	3,160
SEWERAGE SYSTEM	1,510	1,510	1,510	1,510
NAVAL UNDERWATER SYSTEMS CENTER NEWPORT				
COMMAND & CONTROL SYSTEMS MAINTENANCE SHOP	13,300	13,300	13,300	13,300
SUBMARINE WEAPON SYSTEMS INTERGRATION LAB	11,540	11,540	11,540	11,540
AIR NATIONAL GUARD				
COVENTRY AGS				
ALTER COMMUNICATIONS-ELECTRONIC FACILITIES	1,400	1,400	1,400	1,400
ARMY RESERVE				
CRANSTON				
ADD TO ARMY RESERVE CTR	2,931	2,931	2,931	2,931
TOTAL, RHODE ISLAND	34,531	34,531	34,531	34,531
SOUTH CAROLINA				
ARMY				
FORT JACKSON				
BARRACKS	17,500	17,500	17,500	17,500
APPLIED INSTRUCTION FACILITY	---	---	10,200	10,200
DINING FACILITIES MODERNIZATION	860	860	860	860
INFANTRY REMOTE TARGET SYSTEM RANGES	2,600	2,600	2,600	2,600
TROOP MEDICAL CLINIC	4,000	4,000	4,000	4,000
NAVY				
FLEBALMIS SUBMARINE TRNG CTR CHARLESTON				
APPLIED INSTRUCTION BUILDING MODIFICATIONS	710	710	710	710
MARINE CORPS AIR STATION BEAUFORT				
CONSTRUCTION & WEIGHT HANDLING EQUIP SHOP	1,950	1,950	1,950	1,950
OIL SPILL PREVENTION	780	780	780	780
OPERATIONAL TRAINER FACILITY	760	760	760	760
MARINE CORPS RECRUIT DEPOT PARRIS ISLAND				
RECRUIT BARRACKS	4,990	4,990	4,990	4,990
RECRUIT BARRACKS IMPROVEMENT	3,680	3,680	3,680	3,680
UNACCOM ENLISTED PERS HSG MODERNIZATION	2,550	2,550	2,550	2,550
NAVAL SHIPYARD CHARLESTON				
FACILITY ENERGY IMPROVEMENTS	570	570	570	570
LOGISTICS SPT FACILITY	---	---	5,800	5,800
WATERFRONT SVCS SPT BLDGS	---	---	1,830	1,830
NAVAL STATION CHARLESTON				
ELECTRICAL DISTRIBUTION LINES	5,630	5,630	5,630	5,630
FLEET SPT CENTER	---	---	6,300	---
NAVAL SUPPLY CENTER CHARLESTON				
COLD STORAGE WAREHOUSE ADDITION	2,930	2,930	2,930	2,930
DATA PROCESSING CENTER	2,700	---	2,700	2,700
NAVAL WEAPONS STATION CHARLESTON				
POTABLE WATER STORAGE TANK	1,630	1,630	1,630	1,630
AIR FORCE				
CHARLESTON AFB				
ALTER AIRCRAFT GENERAL PURPOSE SHOP	340	340	340	340
ALTER UNACCOMP ENLISTED PERSONNEL HSG-PH I	6,300	6,300	6,300	6,300
CLINIC/DENTAL CLINIC	8,200	8,200	8,200	8,200
MYRTLE BEACH AFB				
ADD/ALTER TELECOMMUNICATIONS CENTER	340	340	340	340
AIRCRAFT MAINTENANCE AREA LIGHTING	755	755	755	755
TACTICAL CONTROL FLIGHT FACILITY	1,700	1,700	1,700	1,700
SHAW AFB				
ADD/ALTER GYMNASIUM	2,100	---	2,100	2,100
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	2,250	2,250	2,250	2,250
REFUEL VEHICLE PARKING & POL FACILITY	620	620	620	620
DEFENSE AGENCIES				
FORT JACKSON				
ELEMENTARY SCHOOL	7,372	7,372	7,372	7,372
ARMY NATIONAL GUARD				
CLINTON				
ARMORY 100 PERSON	911	---	---	---

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
ARMY RESERVE				
GREENVILLE				
ADD TO ARMY RESERVE CTR/MAINTENANCE SHOP	1,208	1,208	1,208	1,208
TOTAL, SOUTH CAROLINA	85,936	80,225	109,135	102,855
SOUTH DAKOTA				
AIR FORCE				
ELLSWORTH AFB				
B-1-ADD/ALTER AIRCRAFT MAINTENANCE HANGAR	20,340	20,340	20,340	20,340
B-1-ADD/ALTER FIELD TRAINING FACILITIES	1,000	1,000	1,000	1,000
B-1-ADD/ALTER SUPPLY STORAGE FACILITIES	700	700	700	700
B-1-AIRCRAFT FUEL CELL MAINT FACILITY	3,200	3,200	3,200	3,200
B-1-AVIONICS MAINTENANCE SHOP	4,600	4,600	4,600	4,600
B-1-HYDRANT FUELING WITH CASS PROVISIONS	15,900	15,900	15,900	15,900
SECURITY POLICE FAC	---	5,200	4,550	4,550
VEHICLE MAINT. SHOP	---	4,900	4,900	4,900
ARMY NATIONAL GUARD				
RAPID CITY				
US PROPERTY & FISCAL WAREHOUSE/OFC ADD	745	---	---	---
ARMY RESERVE				
ABERDEEN				
ADD TO ARMED FORCES RESERVE CTR/MAINT SHOP	742	742	742	742
TOTAL, SOUTH DAKOTA	47,227	56,582	55,932	55,932
TENNESSEE				
NAVY				
NAVAL AIR STATION MEMPHIS				
ELECTRICAL DISTRIBUTION SYS IMPROVEMENTS	1,700	1,700	1,700	1,700
FACILITY ENERGY IMPROVEMENTS	3,120	3,120	3,120	3,120
WATER TREATMENT FACILITY	5,540	5,540	5,540	5,540
NAVAL HOSPITAL MILLINGTON				
FACILITY ENERGY IMPROVEMENTS	410	410	410	410
AIR FORCE				
ARNOLD ENGINEERING DEV CENTER				
ALTER TRANSONIC WIND TUNNEL	5,000	5,000	5,000	5,000
ECIP-ALTER MECHANICAL SYSTEM	2,100	2,100	2,100	2,100
HEAVY EQUIPMENT SHOP	600	600	600	600
ARMY NATIONAL GUARD				
ELIZABETHTON				
ARMORY 200 PERSON	955	---	---	---
GALLATIN				
ARMORY 60 PERSON	716	---	---	---
SAVANNAH				
ARMORY 60 PERSON	727	---	---	---
ARMY RESERVE				
NASHVILLE				
ADD TO ARMED FORCES RESERVE CTR/MAINT SHOP	5,556	5,556	5,556	5,556
TOTAL, TENNESSEE	26,424	24,026	24,026	24,026
TEXAS				
ARMY				
FORT BLISS				
DINING FACILITIES MODERNIZATION	3,700	3,700	3,700	3,700
GENERAL INSTRUCTION BUILDING	16,000	16,000	16,000	16,000
TACTICAL EQUIPMENT SHOP	4,850	4,850	4,850	4,850
CORPUS CHRISTI ARMY DEPOT				
COMPOSITE BLADE TEST FACILITY	---	2,200	---	2,200
ENERGY CONSERVATION MEASURES	650	---	---	---
FORT HOOD				
BRIGADE HEADQUARTERS	1,000	1,000	1,000	1,000
COMPANY ADMINISTRATION AND SUPPLY	500	500	500	500
ELECTRICAL SUBSTATION	5,600	5,600	5,600	5,600
FLIGHT SIMULATOR BUILDING	3,350	3,350	3,350	3,350
HEADQUARTERS BLDG	---	33,000	33,000	33,000
MILITARY OPERATIONS IN URBANIZED TERRAIN	7,300	7,300	7,300	7,300
MULTI-PURPOSE TRAINING RANGE	3,250	3,250	3,250	3,250
TACTICAL EQUIPMENT SHOP	7,000	7,000	7,000	7,000

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
TACTICAL EQUIPMENT SHOP	1,350	1,350	1,350	1,350
TACTICAL EQUIPMENT SHOP	1,100	1,100	1,100	1,100
TACTICAL EQUIPMENT SHOP	940	940	940	940
WATER SUPPLY & STORAGE	---	5,800	5,800	5,800
RED RIVER ARMY DEPOT				
TECHNICAL TRAINING FACILITY	830	830	830	830
NAVY				
NAVAL AIR STATION CHASE FIELD				
ELECTRONIC/COMMUNICATIONS MAINT SHOP	425	425	425	425
ENERGY MONITORING AND CONTROL SYSTEM	1,100	1,100	1,100	1,100
FACILITY ENERGY IMPROVEMENTS	620	620	620	620
HIGH EXPLOSIVE MAGAZINE	690	690	690	690
LAND ACQUISITION	480	480	480	480
NAVAL AIR STATION CORPUS CHRISTI				
CHILD CARE CENTER	620	558	558	558
COLD STORAGE WAREHOUSE	550	550	550	550
LAND ACQUISITION	2,960	2,960	2,960	2,960
OPERATIONAL TRAINER FACILITY MODERNIZATION	545	545	545	545
NAVAL AIR STATION KINGSVILLE				
PAY & PERSONNEL SUPPORT OFF	710	710	710	710
PUBLIC WORKS SHOP	1,470	1,470	1,470	1,470
AIR FORCE				
BERGSTROM AFB				
ADD/ALTER COMPOSITE MEDICAL FACILITY	450	450	450	450
ADD/ALTER GYMNASIUM	3,050	3,050	3,050	3,050
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	6,300	6,300	6,300	6,300
ECIP-ALTER LIGHTING/MECHANICAL SYSTEMS	1,100	1,100	---	---
BROOKS AFB				
ADD/ALTER ACADEMIC FACILITY	500	500	500	500
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	1,000	1,000	1,000	1,000
DINING HALL	1,400	1,400	1,400	1,400
DIRECTED ENERGY LAB	1,550	800	1,550	1,300
CARSWELL AFB				
ADD/ALTER AIRCRAFT CORROSION CONTROL FAC	3,450	3,450	3,450	3,450
ADD/ALTER ALERT CREW FACILITY	2,250	2,250	2,250	2,250
AIR LAUNCH CRUISE MISSILE STORAGE IGLOOS	11,600	11,000	11,000	11,000
AIRCRAFT GENERAL PURPOSE SHOP	2,350	2,350	2,350	2,350
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	5,000	5,000	5,000	5,000
DYESS AFB				
AERIAL DELIVERY FACILITY	2,750	2,750	2,750	2,750
B-1 FIELD MAINTENANCE FACILITIES	1,150	1,150	1,150	1,150
B-1 MUNITIONS MAINTENANCE FACILITY	3,500	3,500	3,500	3,500
B-1 MUNITIONS STORAGE & SUPPORT FACILITIES	6,800	6,800	6,800	6,800
B-1 WEAPONS STORAGE AREA/BASE UTILITY UPGR	4,700	4,700	4,700	4,700
B-1-ADD/ALTER AVIONICS MAINTENANCE SHOP	1,700	1,700	1,700	1,700
B-1-AIRCRAFT CORROSION CONTROL FACILITY	3,700	3,700	3,700	3,700
B-1-AIRCRAFT ENGINE INSP & REPAIR SHOP	2,500	2,500	2,500	2,500
B-1-BLAST DEFLECTORS	750	750	750	750
B-1-HYDRANT FUELING WITH CASS PROVISIONS	14,500	14,500	14,500	14,500
B-1-MISCELLANEOUS FACILITIES	1,100	1,100	1,100	1,100
B-1-THREE BAY AIRCRAFT MAINTENANCE HANGAR	9,600	9,600	9,600	9,600
EXTERIOR AREA LIGHTING	600	600	600	600
MILITARY PERSONNEL SUPPORT CENTER	4,350	---	---	---
PRECISION MEASUREMENT EQUIPMENT LAB	910	910	910	910
GOODFELLOW AFB				
COMBAT INTELLIGENCE TRAINING CENTER	8,000	7,600	7,600	7,600
ECIP-ENERGY MONITORING & CONTROL SYSTEM	1,550	---	---	---
PAVE PAWS SUPPORT FACILITIES	7,600	7,600	7,600	7,600
LACKLAND AFB				
UNACCOMP ENLISTED PERSONNEL HOUSING	7,440	7,440	7,440	7,440
VEHICLE MAINTENANCE COMPLEX	1,850	1,850	1,850	1,850
LAUGHLIN AFB				
FLIGHT TRAINING/ACADEMIC CLASSROOM	7,400	6,900	6,900	6,900
RANDOLPH AFB				
ADD/ALTER MILITARY PERSONNEL CENTER	7,040	7,040	7,040	7,040
UNACCOMP OFFICER PERSONNEL HOUSING	2,700	2,700	---	2,400
REESE AFB				
BASE CIVIL ENGINEER MAINTENANCE COMPLEX	4,900	4,900	4,900	4,900
SHEPPARD AFB				
UNACCOMP ENLISTED PERSONNEL HOUSING	6,300	6,300	6,300	6,300

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
ARMY RESERVE				
DALLAS				
ADD TO ARMY RESERVE CTR/MAINTENANCE SHOP	1,709	1,709	1,709	1,709
WACO				
ADD TO ARMED FORCES RESERVE CTR/MAINT SHOP	1,743	1,743	1,743	1,743
NAVY RESERVE				
NAVAL AIR STATION DALLAS				
AVIATION TECHNICAL TRAINING BUILDING	2,380	2,380	2,380	2,380
MAG-41 LOGISTICS BUILDING	620	620	620	620
NMCRC DALLAS				
NOMAG TRAINING BLDG	395	395	395	395
AIR FORCE RESERVE				
BERGSTROM AFB,				
RESERVE FORCES OPNS & TRAINING FACILITY	1,900	1,900	1,900	1,900
KELLY AFB				
APRON/TAXIWAY/HYDRANT FUEL SYSTEM	21,490	21,490	21,490	21,490
FUEL STORAGE	1,860	1,860	1,860	1,860
HANGAR & MAINTENANCE SHOP	8,150	8,150	8,150	8,150
TOTAL, TEXAS	261,227	293,365	288,115	292,465
UTAH				
AIR FORCE				
HILL AFB				
ADD/ALTER AIRCRAFT MAINTENANCE FACILITY	12,800	12,800	12,800	12,800
ADD/ALTER FLIGHT TEST FACILITY	2,813	2,413	2,413	2,413
AIRCRAFT MAINTENANCE TRAINING FACILITY	790	790	790	790
ALTER ELECTRICAL DISTRIBUTION SYSTEM	6,700	5,400	5,400	5,400
ECIP-WEATHERIZE BUILDINGS/ALTER MECHANICAL	1,500	1,500	1,500	1,500
INDUSTRIAL AREA SECURITY SUPPORT	1,600	---	---	---
INTEGRATION SUPPORT FACILITY	8,400	8,000	8,000	8,000
PEACEKEEPER-ADD/ALTER X-RAY FACILITY	330	330	330	330
PEACEKEEPER-EQUIPMENT/SPARES STORAGE	4,700	4,700	4,700	4,700
PEACEKEEPER-STAGE IV STORAGE	2,700	2,700	2,700	2,700
UNACCOMP ENLISTED PERSONNEL HOUSING	7,100	7,100	7,100	7,100
ARMY RESERVE				
SALT LAKE CITY				
ADD TO ARMY RESERVE CTR/MAINTENANCE SHOP	1,170	1,170	1,170	1,170
TOTAL, UTAH	50,603	46,903	46,903	46,903
VIRGINIA				
ARMY				
FORT BELVOIR				
COMMUNICATIONS FACILITY	11,200	17,200	11,200	17,200
COMPUTER SYSTEMS DEVELOPMENT FACILITY	31,200	---	31,200	---
FORT EUSTIS				
TACTICAL EQUIPMENT SHOP	3,300	3,300	3,300	3,300
FORT LEE				
CIDC FIELD OPERATIONS BUILDING	1,150	1,150	1,150	1,150
FORT MYER				
RELIGIOUS EDUCATION FACILITY	700	700	700	700
RADFORD ARMY AMMUNITION PLANT				
RED WATER DISPOSAL FACILITY	26,000	26,000	26,000	26,000
FT PICKETT				
HEATING PLANT	---	2,400	---	2,400
FORT STORY				
MAINTENANCE FACILITY	6,100	6,100	6,100	6,100
NAVY				
ATLANTIC FLEET HQTRS SUPPORT ACT NORFOLK				
OPERATIONS COMMAND CENTER ADDITION	24,700	18,000	24,700	21,000
FLEET TRAINING CENTER NORFOLK				
APPLIED INSTRUCTION BUILDING	4,450	4,450	4,450	4,450
MARINE CORPS DEV & EDUC COMMAND QUANTICO				
UNACCOM ENLISTED PERS HSG MODERNIZATION	3,710	3,710	3,710	3,710
NAVAL AIR REWORK FACILITY NORFOLK				
JET ENGINE OVERHAUL SHOP MODERNIZATION	10,000	10,000	10,000	10,000
NAVAL AIR STATION NORFOLK				
AIRCRAFT GROUND SUPPORT EQUIPMENT SHOP	3,600	3,600	3,600	3,600
NAVAL AIR STATION OCEANA				
AIRCRAFT SERVICE POINTS	3,000	3,000	3,000	3,000

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
HAZARDOUS AND FLAMMABLE STOREHOUSE	565	565	565	565
LAND ACQUISITION	7,700	---	---	---
PAY & PERSONNEL SUPPORT OFFICE	1,350	1,350	1,350	1,350
NAVAL AMPHIBIOUS BASE LITTLE CREEK				
APPLIED INSTRUCTION BUILDING	730	730	730	730
HEATING PLANT IMPROVEMENTS	1,580	1,580	1,580	1,580
LANDING CRAFT AIR CUSHION COMPLEX	19,400	19,400	19,400	19,400
PAY & PERSONNEL SUPPORT OFF	1,030	1,030	1,030	1,030
PIER UTILITIES	6,210	6,210	6,210	6,210
NAVAL AMPHIBIOUS SCHOOL LITTLE CREEK				
APPLIED INSTRUCTION BUILDING	725	725	725	725
NAVAL HOSPITAL PORTSMOUTH				
BOILER PLANT MODIFICATIONS	410	410	410	410
NAVAL SAFETY CENTER NORFOLK				
NAVAL SAFETY CENTER	3,640	---	3,640	3,000
NAVAL SECURITY GROUP ACT NU CHESAPEAKE				
OPERATIONS BUILDING ADDITION	4,600	2,500	2,500	2,500
NAVAL SHIPYARD NORFOLK PORTSMOUTH				
NUCLEAR REPAIR SHOP	11,330	11,330	11,330	11,330
NAVAL STATION NORFOLK				
COMMUNICATIONS TRAINING FACILITY	345	345	345	345
GENERAL PURPOSE BERTHING PIER	15,100	15,100	15,100	15,100
SECURITY BUILDING	850	850	850	850
TRANSFORMER STATIONS	6,220	6,220	6,220	6,220
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	8,100	8,100	8,100	8,100
NAVAL SUPPLY CENTER NORFOLK				
FIRE PROTECTION SYSTEMS	1,420	1,420	1,420	1,420
NAVAL SURFACE WEAPONS CENTER DAHLGREN				
COMPUTATION AND ANALYSIS LABORATORY ADDN	1,330	1,330	1,330	1,330
UNACCOMP ENL PERS HSG & DIN FAC-WALLOPS IS	2,950	2,950	2,950	2,950
UNACCOMPANIED OFFICER PERSONNEL HOUSING	700	650	650	650
NAVAL WEAPONS STATION YORKTOWN				
HIGH EXPLOSIVE MAGAZINE	1,140	1,140	1,140	1,140
NAVY PUBLIC WORKS CENTER NORFOLK				
ELECTRICAL DISTRIBUTION LINES	4,050	4,050	4,050	4,050
AIR FORCE				
LANGLEY AFB				
ADD/ALTER VARIOUS ADMINISTRATIVE FACILIT	4,300	4,300	4,300	4,300
AIRCRAFT MAINTENANCE AREA LIGHTING	1,440	1,440	1,440	1,440
ANTI-SATELLITE-ADMINISTRATIVE BUILDING	645	---	645	---
ANTI-SATELLITE-CONTROL CENTER	860	---	860	---
ANTI-SATELLITE-CRYOGEN STORAGE & PROC FAC	955	---	955	---
ANTI-SATELLITE-HYDRAZINE STORAGE	370	---	370	---
ANTI-SATELLITE-INTEGRATED MAINT FACILITY	9,800	---	9,800	---
ANTI-SATELLITE-MISSILE & MOTOR STORAGE FAC	3,870	---	3,870	---
BASE SUPPLY COMPLEX - PH II	2,700	2,200	2,200	2,200
ECIP-INSTALL RADIANT HEATERS	640	640	640	640
UNACCOMP ENLISTED PERSONNEL HOUSING	3,450	3,450	3,450	3,450
PENTAGON				
ADD TO NATIONAL MILITARY COMMAND CENTER	4,750	4,750	4,750	4,750
DEFENSE AGENCIES				
CLASSIFIED ACTIVITY FORT BELVOIR				
OPERATIONS BUILDING ADDITION	28,400	28,400	28,400	28,400
ARMY NATIONAL GUARD				
CAMP PENDLETON (VIRGINIA BEACH)				
ARMORY 200 PERSON	1,540	1,540	1,540	1,540
SOUTH BOSTON				
ARMORY 60 PERSON	705	705	705	705
AIR NATIONAL GUARD				
RICHARD E BYRD IAP				
COMPOSITE SUPPORT FACILITY	4,100	4,100	4,100	4,100
ARMY RESERVE				
FORT PICKETT				
RANGE FACILITIES	875	875	875	875
NAVY RESERVE				
NARU NORFOLK				
NARU/RESPATWINGLANT HEADQUARTERS BUILDING	1,180	1,180	1,180	1,180
TOTAL, VIRGINIA	301,165	241,175	290,815	247,175

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
WASHINGTON				
ARMY				
FORT LEWIS				
DINING FACILITIES MODERNIZATION	800	800	800	800
HOSPITAL SITE PREPARATION	11,200	11,200	11,200	11,200
INSULATE BUILDINGS	2,850	2,850	2,850	2,850
TACTICAL EQUIPMENT SHOP	1,400	1,400	1,400	1,400
TACTICAL EQUIPMENT SHOP	940	940	940	940
WATER POLLUTION ABATEMENT	740	740	740	740
NAVY				
NAVAL AIR STATION WHIDBEY ISLAND				
ENGINE MAINTENANCE SHOP	8,930	8,930	8,930	8,930
MAINTENANCE HANGAR	6,820	6,820	6,820	6,820
TERMINAL EQUIPMENT BUILDING	17,000	17,000	17,000	17,000
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	12,130	12,130	12,130	12,130
NAVAL SHIPYARD BREMERTON PUGET SOUND				
STEAM PLANT (PHASE III)	79,500	20,000	20,000	20,000
MEDICAL CLINIC	6,220	6,220	6,220	6,220
NAVAL SUBMARINE BASE BANGOR				
FACILITY ENERGY IMPROVEMENTS	440	440	440	440
NAVAL SUPPLY CENTER BREMERTON				
DATA PROCESSING CENTER	6,160	6,160	6,160	6,160
AIR FORCE				
FAIRCHILD AFB				
AIRCRAFT MAINT. FAC	---	4,900	4,900	4,900
BACKUP SATELLITE OPERATIONS CENTER/LAND AC	5,700	5,700	5,700	5,700
SECURITY POLICE FAC	---	2,600	---	---
SQUADRON OPERATIONS FACILITY	---	4,000	---	---
UNACCOMP ENLISTED PERSONNEL HOUSING	5,800	5,800	5,800	5,800
MCCHORD AFB				
ADD/ALTER CHILD CARE CENTER	1,250	1,125	1,125	1,125
BASE AMMUNITION MAINTENANCE SHOP	430	430	430	430
ECIP-INSULATE BUILDING/ALTER MECHANICAL	670	670	670	670
MISSILE STORAGE FACILITY	400	400	400	400
VEHICLE OPS ADMINISTRATION FACILITY	440	440	440	440
DEFENSE AGENCIES				
DEFENSE FUEL SUPPORT POINT MUKILTEO				
FIRE PROTECTION	500	500	500	500
ARMY NATIONAL GUARD				
FORT LEWIS				
UNIT TRAINING EQUIPMENT SITE	1,471	1,471	1,471	1,471
AIR FORCE RESERVE				
MCCHORD AFB				
ADD TO AERIAL PORT	440	440	440	440
TOTAL, WASHINGTON	172,231	124,106	117,506	117,506
WEST VIRGINIA				
NAVY				
NAVAL RADIO STATION SUGAR GROVE				
FIRE STATION	400	400	400	400
ARMY RESERVE				
RIPLEY				
ARMY RESERVE CENTER	---	---	---	---
AIR NATIONAL GUARD				
E WV REGIONAL APRT (MARTINSBURG)				
AERIAL PORT TRAINING/MOBILITY STORAGE	1,900	1,900	1,900	1,900
ALTER VARIOUS BUILDINGS	1,000	1,000	1,000	1,000
TOTAL, WEST VIRGINIA	3,300	3,300	3,300	3,300
WISCONSIN				
ARMY NATIONAL GUARD				
ARCADIA				
ARMORY 60 PERSON	674	674	674	674
CLINTONVILLE				
ARMORY 60 PERSON	700	700	700	700
KENOSHA				
ARMORY 200 PERSON	1,141	---	---	---
OCONOMOWOC				
ARMORY 60 PERSON	754	754	754	754

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
AIR NATIONAL GUARD				
TRUAX FLD				
UPGRADE ROADS/STORM DRAINAGE	500	500	500	500
VOLK FIELD				
FIRE STATION	1,000	1,000	1,000	1,000
ARMY RESERVE				
DENVER DAM				
60-MDR ARMY RESERVE CTR/STORAGE BUILDING	1,306	1,306	1,306	1,306
AIR FORCE RESERVE				
GEN B MITCHELL FLD				
ADD/ALTER SECURITY OPERATIONS	476	476	476	476
ADD/ALTER VEHICLE MAINTENANCE SHOP	309	309	309	309
TOTAL, WISCONSIN	7,060	5,919	5,919	5,919
WYOMING				
AIR FORCE				
FE WARREN AFB				
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	5,250	5,250	5,250	5,250
PEACEKEEPER-ADD/ALT MISSILE MAINT/SUP SHOP	2,050	2,050	2,050	2,050
PEACEKEEPER-ADD/ALT MUNITIONS SUPPLY STOR	800	800	800	800
PEACEKEEPER-ADD/ALTER STANDBY POWER	500	500	500	500
PEACEKEEPER-ALTER COMMUNICATION MAINT FAC	480	480	480	480
PEACEKEEPER-ALTER SECURITY CONTROL CENTER	400	400	400	400
PEACEKEEPER-ASSEMBLY SURVEILLANCE & INSPEC	16,000	10,400	10,400	10,400
PEACEKEEPER-CANISTER PROCESSING FACILITY	2,800	2,800	2,800	2,800
PEACEKEEPER-ENTRY CONTROL FACILITY	330	330	330	330
PEACEKEEPER-EQUIPMENT MAINTENANCE SHOP FAC	9,000	9,000	9,000	9,000
PEACEKEEPER-HEATING DISTRIBUTION LINES	5,000	5,000	5,000	5,000
PEACEKEEPER-INTEGRATED SUPPORT COMPLEX	9,800	9,800	9,800	9,800
PEACEKEEPER-LAUNCH FACILITIES SITE WORK	3,200	---	3,200	2,000
PEACEKEEPER-LAUNCH FACILITY TRAINER (SILO)	3,900	---	3,900	3,900
PEACEKEEPER-MAINTENANCE TRAINING FACILITY	3,150	3,150	3,150	3,150
PEACEKEEPER-MISSILE STAGE PROCESSING FAC	5,800	5,800	5,800	5,800
PEACEKEEPER-PROOF LOAD TEST FACILITY	510	510	510	510
PEACEKEEPER-RAIL TRANSFER FACILITY	730	730	730	730
PEACEKEEPER-REAL ESTATE ACQUISITION	1,200	---	1,200	700
PEACEKEEPER-REENTRY SYS/REENTRY VEH STOR	1,100	1,100	1,100	1,100
PEACEKEEPER-ROADS	5,000	5,000	5,000	5,000
PEACEKEEPER-SECURITY LIGHTING, FENCE (WSA)	1,100	1,100	1,100	1,100
PEACEKEEPER-SHOPS	2,400	2,400	2,400	2,400
PEACEKEEPER-SPECIAL VEHICLE PARK AREA	370	370	370	370
PEACEKEEPER-STAGE STORAGE AREA FENCE	350	350	350	350
PEACEKEEPER-STAGE STORAGE FACILITIES	1,200	1,200	1,200	1,200
PEACEKEEPER-UPGRADE ROADS & HIGHWAYS	21,000	---	21,000	10,000
PEACEKEEPER-UTILITIES	7,600	7,600	7,600	7,600
PEACEKEEPER - IMPACT FUNDS	---	---	5,940	---
PEACEKEEPER - GENERAL REDUCTION	---	---	---	---
ARMY NATIONAL GUARD				
CHEYENNE				
ORGANIZATIONAL MAINTENANCE SHOP	357	---	---	---
TOTAL, WYOMING	111,377	76,120	111,360	92,720
CONUS CLASSIFIED				
ARMY				
CONUS CLASSIFIED	3,800	2,000	3,800	3,000
AIR FORCE				
BASE 10-CLASSIFIED LOCATION				
ADD TO TECHNICAL BUILDING	2,150	2,150	2,150	2,150
DEFENSE AGENCIES				
CLASSIFIED PROJECT	5,900	5,900	5,900	5,900
ELECTRIC SUBSTATION	500	500	500	500
TOTAL, CONUS CLASSIFIED	12,350	10,550	12,350	11,550

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
CONUS UNSPECIFIED				
AIR FORCE				
REAL ESTATE FOR GWEN FACILITIES	1,200	---	1,200	---
SUPPORT FACILITIES	53,700	53,700	53,700	53,700
AIR NATIONAL GUARD				
AIRCRAFT ARRESTING SYSTEMS	1,900	1,900	1,900	1,900
POWER CHECK PAD WITH SUPPRESSOR	2,400	2,400	2,400	2,400
TOTAL, CONUS UNSPECIFIED	59,200	58,000	59,200	58,000
CONUS VARIOUS				
ARMY				
ACCESS ROADS	500	---	---	---
TOTAL, CONUS VARIOUS	500	---	---	---
BELGIUM				
AIR FORCE				
FLORENNES				
GLCM-ARMED FORCES RADIO & TV SERVICE	720	---	---	---
GLCM-CHILD CARE CENTER	770	---	---	---
GLCM-LIBRARY	570	---	---	---
GLCM-OPEN MESS	2,580	---	---	---
DEFENSE AGENCIES				
FLORENNES				
ELEMENTARY/HIGH SCHOOL	10,100	---	---	---
TOTAL, BELGIUM	14,740	---	---	---
DIEGO GARCIA				
NAVY				
NAVAL SECURITY GROUP DETACH DIEGO GARCIA				
ANTENNA SUPPORT FACILITIES	380	380	380	380
NAVY SUPPORT FACILITY DIEGO GARCIA				
LIGHTED NAVIGATIONAL RANGE	495	---	---	---
WATER SYSTEM IMPROVEMENTS	5,930	5,930	5,930	5,930
AIR FORCE				
DIEGO GARCIA				
GEODSS-UNACCOMP OFFICER PERSONNEL HOUSING	7,600	7,600	7,600	7,600
MUNITIONS STORAGE/MAINTENANCE	8,500	8,500	8,500	8,500
TOTAL, DIEGO GARCIA	22,905	22,410	22,410	22,410
GERMANY				
ARMY				
7TH ARMY TRAINING COMMAND				
INSULATE BUILDINGS	1,050	1,050	1,050	1,050
TACTICAL EQUIPMENT SHOP	5,100	5,100	5,100	5,100
VEHICLE WASH FACILITY	3,550	3,550	3,550	3,550
ANSBACH				
AIRCRAFT MAINTENANCE FAC (KATTERBACH, KASERNE)	19,000	---	19,000	19,000
AIRCRAFT PARKING APRON (STORKS BARRACKS)	19,000	---	12,000	---
AMMUNITION STORAGE	730	730	---	---
AMMUNITION STORAGE	1,500	1,500	---	1,500
AUTOMATION OF COAL FIRED HEATING PLANT	2,500	2,500	2,500	2,500
BARRACKS	9,500	---	9,500	---
BARRACKS	10,800	10,300	10,300	10,300
DINING FACILITY	1,800	---	1,800	---
FLIGHT SIMULATOR BUILDING	2,700	2,700	2,700	2,700
HEATING PLANT	9,400	9,400	9,400	9,400
OPERATIONS BUILDING	3,250	3,250	3,250	3,250
TACTICAL EQUIPMENT SHOP	710	---	710	---
UTILITIES	5,500	---	5,500	---
ASCHAFFENBURG				
AMMUNITION STORAGE	780	780	---	780
AMMUNITION SURVEILLANCE FACILITY	7,300	7,300	7,300	7,300
FUEL STORAGE AND DISPENSING FACILITY	700	700	700	700
HARDSTAND	760	760	760	760
AUGSBURG				
HARDSTAND	650	650	650	650
OPERATIONS BUILDING ADDITION	960	960	960	960

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
BAMBERG				
BARRACKS MODERNIZATION	2,450	2,450	2,450	2,450
BAUMHOLDER				
MAINTENANCE FACILITY	7,400	7,400	7,400	7,400
EUROPE VARIOUS				
AMMUNITION STORAGE PHASE 1	670	670	---	---
PAVED ROADS	1,400	---	---	---
TACTICAL EQUIPMENT SHOP	5,300	5,300	5,300	5,300
TROOP MEDICAL AND DENTAL CLINIC	2,450	2,450	2,450	2,450
FRANKFURT				
HEATING SYSTEM RENOVATION	4,600	4,600	4,600	4,600
FRIEDBERG				
BARRACKS	10,600	10,450	10,450	10,450
DINING FACILITY	2,550	2,550	2,550	2,550
TACTICAL EQUIPMENT SHOP	13,200	12,750	12,750	12,750
VEHICLE WASH FACILITY	1,450	1,450	1,450	1,450
FULDA				
AMMUNITION STORAGE	1,850	1,850	---	1,850
FUEL STORAGE AND DISPENSING FACILITY	900	900	900	900
MILITARY CLOTHING SALES STORE	360	360	---	---
TACTICAL EQUIPMENT SHOP	9,900	9,900	9,900	9,900
GERMANY VARIOUS				
ELECTRICAL DISTRIBUTION SYSTEM	3,000	3,000	3,000	3,000
INSULATE BUILDINGS	770	770	770	770
INSULATE BUILDINGS	1,300	1,300	1,300	1,300
INSULATE BUILDINGS	4,100	4,100	4,100	4,100
INTELLIGENCE TRAINING FACILITY	1,200	1,200	1,200	1,200
GIESSEN				
BARRACKS	12,000	---	12,000	12,000
BATTALION HEADQUARTERS	1,550	---	1,550	---
FUEL STORAGE AND DISPENSING FACILITY	2,700	2,700	2,700	2,700
TACTICAL EQUIPMENT SHOP	11,600	---	11,600	---
UTILITIES	3,900	---	3,900	3,900
HANAU				
PHYSICAL FITNESS TRAINING CENTER	3,150	2,884	2,000	2,000
HEIDELBERG				
WAREHOUSE	1,350	1,350	1,350	1,350
HEILBRONN				
TROOP MEDICAL AND DENTAL CLINIC	2,800	2,800	2,800	2,800
KAISERSLAUTERN				
TACTICAL EQUIPMENT SHOP	3,350	3,350	3,350	3,350
TROOP MEDICAL AND DENTAL CLINIC	2,950	2,950	2,950	2,950
KARLSRUHE				
SMALL ARMS REPAIR SHOP	460	460	460	460
LUDWIGSBURG				
HEALTH/DENTAL CLINIC	2,750	2,750	2,750	2,750
MAINZ				
AMMUNITION STORAGE	870	870	---	---
BRIGADE HEADQUARTERS	1,450	1,450	1,450	1,450
MANNHEIM				
CONFINEMENT FACILITY ADDITION	1,300	1,300	1,300	1,300
MUNICH				
WASTE HEAT RECOVERY SYSTEM	800	800	800	800
NEU ULM				
TACTICAL EQUIPMENT SHOP	4,200	4,200	4,200	4,200
NUERNBERG				
AMMUNITION STORAGE	1,150	1,150	---	---
TACTICAL EQUIPMENT SHOP	10,800	10,800	10,800	10,800
TACTICAL EQUIPMENT SHOP	7,700	7,700	7,700	7,700
PIRMASENS				
AUTOMATIC HEAT CONTROL SYSTEMS	300	300	300	300
SMALL CALIBER RANGE	290	290	290	290
RHEINBERG				
PURCHASE OF SUPPORT FACILITIES	16,300	---	13,100	---
SCHWEINFURT				
AMMUNITION STORAGE	930	930	---	930
FUEL STORAGE AND DISPENSING FACILITY	920	920	920	920
STUTTGART				
FUEL TANKER FACILITY	3,550	3,550	3,550	3,550
VEHICLE WASH FACILITY	1,700	1,700	1,700	1,700

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
WIESBADEN				
FLIGHT SIMULATOR BUILDING	3,350	---	---	---
PAVED ROADS	2,800	2,800	2,800	2,800
WUERZBURG				
AMMUNITION STORAGE	530	530	---	---
AMMUNITION STORAGE	510	510	---	510
BARRACKS	4,800	4,800	4,800	4,800
DENTAL CLINIC	2,000	2,000	2,000	2,000
DINING FACILITY	1,650	1,650	1,650	1,650
TACTICAL EQUIPMENT SHOP	16,000	16,000	16,000	16,000
TACTICAL EQUIPMENT SHOP	5,500	5,500	5,500	5,500
WAREHOUSE	1,900	1,900	1,900	1,900
AIR FORCE				
ALZEY				
TACTICAL AIR CONTROL FACILITY	3,150	3,150	3,150	3,150
BITBURG AB				
ADD/ALTER AIRCRAFT CORROSION CONTROL FAC	710	500	500	500
AIRCRAFT BATTLE DAMAGE REPAIR FACILITY	3,150	---	---	---
AIRCRAFT CARGO APRON	1,150	750	750	750
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	3,300	2,700	2,700	2,700
COMBAT ARMS RANGE	600	400	400	400
HAHN AB				
AIRCRAFT BATTLE DAMAGE REPAIR FACILITY	3,150	---	---	---
FAMILY SUPPORT CENTER	200	---	---	---
UNACCOMP ENLISTED PERSONNEL HOUSING	800	---	---	---
RAMSTEIN AB				
ADD/ALTER FLIGHT SIMULATOR	1,700	1,700	1,700	1,700
SECOND ECHELON MEDICAL LOGISTIC FACILITY	1,750	1,750	1,750	1,750
UNACCOMP ENLISTED PERSONNEL HOUSING	5,200	5,200	5,200	5,200
RHEIN-MAIN AB				
ADD/ALTER AEROSPACE GROUND EQUIPMENT SHOP	950	950	950	950
COMBAT CONTROL TEAM FACILITY	790	790	790	790
RECREATION LIBRARY	1,200	1,200	1,200	1,200
SPANGDAHLEM AB				
REFUEL VEHICLE PARKING	620	420	420	420
UNSPECIFIED LOCATION-GERMANY				
GLCM-BASE SUPPLY ADMINISTRATION	600	600	600	600
VARIOUS LOCATIONS-GERMANY				
MINI-DRONE STORAGE IGLOOS & SUPPORT	6,800	6,800	6,800	6,800
PLSS GROUND STATION SUPPORT	7,800	7,800	7,800	7,800
WENIGERATH				
BOMB RENOVATION PLANT	2,475	2,475	2,475	2,475
MUNITIONS SECURITY LIGHTING	590	---	---	---
WIESBADEN				
SECOND ECHELON MEDICAL LOGISTIC STORAGE	650	650	650	650
ZWEIBRUCKEN AB				
ADD/ALTER VEHICLE MAINTENANCE SHOP	1,350	1,350	1,350	1,350
AIRFIELD SECURITY LIGHTING	425	425	425	425
BASE OPERATIONS	1,110	900	900	900
CHILD CARE CENTER	600	540	540	540
SOUND SUPPRESSOR SUPPORT	570	570	570	570
DEFENSE AGENCIES				
AMBERG				
ELEMENTARY SCHOOL	1,860	1,860	1,860	1,860
BAD KREUZNACH				
ELEMENTARY SCHOOL ADDITION	1,170	1,170	1,170	1,170
HIGH SCHOOL ADDITION	2,490	2,490	2,490	2,490
BAD NAUHEIM				
ELEMENTARY SCHOOL ADDITION	1,200	1,200	1,200	1,200
BINDLACH				
ELEMENTARY SCHOOL ADDITION	1,750	1,750	1,750	1,750
CRAILSHEIM				
ELEMENTARY SCHOOL ADDITION	1,660	1,660	1,660	1,660
FRANKFURT				
ELEMENTARY SCHOOL NO. 3 (EDWARDS)	6,720	6,720	6,720	6,720
HIGH SCHOOL ADDITION	4,900	4,900	4,900	4,900
GERNERSHEIM				
ELEMENTARY SCHOOL	1,680	---	---	---

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
GOEPPINGEN				
ELEMENTARY/JUNIOR HIGH SCHOOL ADDITION	2,060	2,060	2,060	2,060
HAHN AIR BASE				
ELEMENTARY SCHOOL ADDITION	2,840	2,840	2,840	2,840
KATTERBACH				
ELEMENTARY SCHOOL	3,780	3,780	3,780	3,780
LUDWIGSBURG				
HIGH SCHOOL ADDITION (STUTTGART)	2,110	2,110	2,110	2,110
MANNHEIM				
ELEMENTARY SCHOOL ADDITION	3,780	3,780	3,780	3,780
NEUBRUECKE				
ELEMENTARY SCHOOL	2,700	2,700	2,700	2,700
OSTERHOLZ-SCHARMBECK				
ELEMENTARY SCHOOL ADDITION	940	940	940	940
RHEIN MAIN AIR BASE				
ELEMENTARY SCHOOL ADDITION	2,120	2,120	2,120	2,120
ULM				
ELEMENTARY/HIGH SCHOOL ADDITION	2,970	2,970	2,970	2,970
WERTHEIM				
ELEMENTARY SCHOOL ADDITION	2,080	2,080	2,080	2,080
WIESBADEN				
ELEMENTARY SCHOOL ADDITION (AUKAMM)	830	830	830	830
WORMS				
ELEMENTARY SCHOOL ADDITION	2,230	2,230	2,230	2,230
WUERZBURG				
HIGH SCHOOL ADDITION	2,650	2,650	2,650	2,650
TOTAL, GERMANY	428,460	310,034	389,930	339,740
GREECE				
ARMY				
GREECE				
BARRACKS MODERNIZATION	660	660	660	660
BARRACKS MODERNIZATION	660	660	660	660
BARRACKS WITH DINING FACILITY	2,350	2,350	2,350	2,350
MULTI-PURPOSE RECREATION FACILITY	1,150	1,150	1,150	1,150
MULTI-PURPOSE RECREATION FACILITY	960	960	960	960
MULTI-PURPOSE RECREATION FACILITY	1,050	1,050	1,050	1,050
UNACCOMPANIED PERSONNEL HOUSING	1,100	1,100	1,100	1,100
UNACCOMPANIED PERSONNEL HOUSING	1,800	1,800	1,800	1,800
NAVY				
NAVAL COMMUNICATION STATION NEA MAKRI				
RECEIVER BUILDING	3,950	---	---	---
TOTAL, GREECE	13,680	9,730	9,730	9,730
GREENLAND				
AIR FORCE				
THULE AB				
AIR TRAFFIC CONTROL TOWER	4,000	4,000	4,000	4,000
POWER/HEAT PLANT SYSTEM UPGRADE	21,000	21,000	21,000	21,000
TOTAL, GREENLAND	25,000	25,000	25,000	25,000
GUAM				
NAVY				
NAVAL AIR STATION AGANA				
ENERGY RECOVERY SYSTEM	300	300	300	300
NAVAL COM AREA MASTER STA WESTERN PAC GUAM				
RELIGIOUS EDUCATION & ACADEMIC INSTR FACS	1,330	1,330	1,330	1,330
THEATER	1,880	---	1,880	---
NAVAL SECURITY GROUP DETACHMENT GUAM				
ANTENNA SUPPORT FACILITIES	320	320	320	320
NAVAL SHIP REPAIR FACILITY GUAM				
ASBESTOS CONTROL FACILITY	1,480	1,480	1,480	1,480
HAZARDOUS MATERIALS STORAGE & HANDLING FAC	860	860	860	860
NAVY PUBLIC WORKS CENTER GUAM				
VENTILATION IMPROVEMENTS	230	230	230	230

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
AIR FORCE				
ANDERSEN AFB				
AIRCRAFT GROUND EQUIPMENT SHOP	350	350	350	350
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	6,900	6,900	---	6,900
FLIGHT SIMULATOR TRAINING FACILITY	5,200	5,200	5,200	5,200
SMALL PARTS CORROSION CONTROL FACILITY	892	892	---	892
AIR FORCE RESERVE				
ANDERSEN AFB				
AERIAL PORT TRAINING FACILITY	960	960	960	960
TOTAL, GUAM	20,702	18,822	12,910	18,822
GUANTANAMO BAY, CUBA				
NAVY				
NAVAL STATION GUANTANAMO BAY				
GYMNASIUM	2,860	2,860	2,860	2,860
REFRESHER TRAINING BUILDING	3,620	3,620	3,620	3,620
TOTAL, GUANTANAMO BAY, CUBA	6,480	6,480	6,480	6,480
HONDURAS				
ARMY				
PALMEROLA				
CONTINGENCY FACILITY	4,300	---	---	---
SAN LORENZO				
CONTINGENCY FACILITY	2,900	---	---	---
AIR FORCE				
PALMEROLA				
PALMEROLA-FORWARD MUNITIONS STORAGE AREA	1,500	---	---	---
TOTAL, HONDURAS	8,700	---	---	---
ICELAND				
NAVY				
NAVAL STATION KEFLAVIK				
AIRCRAFT OPERATIONS BUILDING	1,980	1,980	1,980	1,980
COMBINED OPERATIONS CENTER	4,780	4,000	4,780	4,000
FUEL FACILITIES	10,900	3,900	10,900	10,900
OPERATIONAL TRAINER FACILITY	3,160	---	---	---
POWER PLANT ADDITION	5,630	5,630	5,630	5,630
SQUADRON SUPPORT FACILITY	3,160	3,160	3,160	3,160
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	7,110	7,110	7,110	7,110
NF KEFLAVIK				
TERMINAL EQUIPMENT BUILDING ADDITION	2,620	---	2,620	2,620
FUEL PIER (84 SUPP.)	---	---	---	---
DEFENSE AGENCIES				
NAVAL STATION, KEFLAVIK				
ELEMENTARY/HIGH SCHOOL ADDITION	3,440	3,440	3,440	3,440
TOTAL, ICELAND	42,780	29,220	39,620	38,840
ITALY				
NAVY				
NAVAL AIR STATION SIGONELLA				
AUTOMOTIVE VEHICLE MAINTENANCE SHOP	1,340	1,340	---	1,340
GYMNASIUM ADDITION	1,930	1,930	1,930	1,930
LAND ACQUISTION	990	---	---	---
MAINTENANCE HANGAR	7,300	---	---	---
UNACCOMPANIED OFFICER PERSONNEL HOUSING	2,910	2,000	2,910	2,500
UTILITIES IMPROVEMENTS	5,640	5,640	5,640	5,640
AIR FORCE				
AVIANO AB				
DANGEROUS CARGO PAD	1,600	1,600	1,600	1,600
COMISO				
GLCM-ARMED FORCES RADIO & TV SERVICE	1,155	1,155	---	1,155
GLCM-AUDIOVISUAL FACILITY	580	580	580	580
GLCM-CHILD CARE CENTER	700	700	---	---
GLCM-CLOTHING SALES	510	510	---	---
GLCM-CONSOLIDATED OPEN MESS	3,710	---	---	---

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
GLCM-LIBRARY	210	210	---	---
GLCM-SAFETY EDUC/AREA DEFENSE COUNCIL	360	360	360	360
GLCM-SUPPLY WAREHOUSE	940	940	940	940
SAN VITO AS				
ADD/ALTER OPERATIONS BUILDING	2,250	2,250	2,250	2,250
DEFENSE AGENCIES				
CONISO				
ELEMENTARY/HIGH SCHOOL	13,600	13,600	---	11,290
TOTAL, ITALY	45,725	32,815	16,210	29,585
JAPAN				
ARMY				
KAWAKAMI				
AIRFIELD OPERATIONS BUILDING	1,400	1,400	1,400	1,400
HEATING FUEL STORAGE	500	500	500	500
NAVY				
FLEET ACTIVITIES YOKOSUKA				
MOORING DOLPHINS	990	990	990	990
MARINE CORPS AIR STATION IWAKUNI				
ENGINE MAINTENANCE SHOP	1,780	1,780	1,780	1,780
TACTICAL SUPPORT VAN PADS	4,150	4,150	4,150	4,150
VENTILATION IMPROVEMENTS	890	890	890	890
MARINE CORPS BASE CAMP BUTLER OKINAWA				
AMMUNITION MAGAZINES (CAMP FUJI)	950	950	950	950
TACTICAL VEHICLE MAINTENANCE SHOP	1,380	1,380	1,380	1,380
NAVAL AIR FACILITY MISAWA				
HIGH EXPLOSIVE MAGAZINE	9,300	9,300	9,300	9,300
NAVAL COMMUNICATION STATION YOKOSUKA				
PUBLIC WORKS SHOPS	980	980	980	980
AIR FORCE				
KADENA AB				
ADD/ALTER AIR FREIGHT OPEN STORAGE	1,500	1,500	1,500	1,500
ADD/ALTER HYDRANT FUELING-PH I	6,800	6,800	6,800	6,800
ADD/ALTER OPERATIONS BUILDING	4,850	4,850	4,850	4,850
AIRCRAFT SUPPORT EQUIPMENT STORAGE FACIL	930	---	---	---
JET FUEL STORAGE - JP-4	6,600	6,600	6,600	6,600
MISAWA AB				
ADD/ALTER CHILLER PLANT	2,000	2,000	2,000	2,000
F-16-ABOVE-GROUND MUNITIONS MAGAZINES	710	710	710	710
F-16-AIRCRAFT ARRESTING SYSTEM	430	430	430	430
F-16-AIRCRAFT ILS/VORTAC	630	630	630	630
F-16-CONCRETE MUNITION IGLOO MAGAZINES	7,000	7,000	7,000	7,000
F-16-FLIGHT SIMULATOR TRAINING FACILITY	1,260	1,260	1,260	1,260
F-16-HANGAR FIRE ALARM/SUPPRESSION SYSTEMS	740	740	740	740
F-16-JET FUEL STORAGE	4,400	---	4,400	4,400
F-16-UPGRADE APRON PAVEMENT	2,830	---	2,830	---
YOKOTA AB				
ECIP-INSULATE BUILDING/ALTER LIGHTING	3,000	1,000	1,000	1,000
DEFENSE AGENCIES				
CAMP KINSER				
ELEMENTARY SCHOOL	5,410	---	---	---
CAMP MCTUREOUS				
ELEMENTARY SCHOOL	6,520	---	6,520	---
ZUKERAN (OKINAWA)				
ELEMENTARY SCHOOL ADDITION	2,820	---	2,820	2,250
TOTAL, JAPAN	80,750	55,840	72,410	62,490
JOHNSTON ISLAND				
ARMY				
JOHNSTON ISLAND				
AMMUNITION STORAGE	21,000	21,000	21,000	21,000
CHEMICAL AGENT DISPOSAL FACILITY	46,000	46,000	46,000	46,000
TOTAL, JOHNSTON ISLAND	67,000	67,000	67,000	67,000

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
KOREA				
ARMY				
CAMP CARROLL				
BARRACKS	4,050	4,050	4,050	4,050
SECURITY OPERATIONS BUILDING	720	720	720	720
TACTICAL EQUIPMENT SHOP	2,850	2,850	2,850	2,850
WAREHOUSE	2,950	2,950	2,950	2,950
CAMP CASEY				
BARRACKS	5,700	5,700	5,700	5,700
BARRACKS	630	630	630	630
BARRACKS	1,650	1,650	1,650	1,650
BARRACKS	620	620	620	620
BARRACKS	1,650	1,650	1,650	1,650
BARRACKS	2,400	2,400	2,400	2,400
COMPANY ADMINISTRATION AND SUPPLY	440	440	440	440
COMPANY SUPPLY FACILITY	580	580	580	580
HARDSTAND	4,900	4,900	4,900	4,900
MULTI-PURPOSE TRAINING RANGE	7,900	7,900	7,900	7,900
CAMP COLBERN				
PHYSICAL FITNESS TRAINING CENTER	1,150	1,150	1,150	1,150
CAMP COLBURN				
SEWAGE TREATMENT PLANT IMPROVEMENTS	450	450	450	450
CAMP EDWARDS				
AMMUNITION STORAGE	290	290	290	290
COMPANY ADMINISTRATION AND SUPPLY	450	450	450	450
DINING FACILITY	1,150	1,150	1,150	1,150
PHYSICAL FITNESS TRAINING CENTER	1,050	1,050	1,050	1,050
TACTICAL EQUIPMENT SHOP	900	900	900	900
CAMP ESSAYONS				
BARRACKS	1,600	1,600	1,600	1,600
CAMP GARRY OWEN				
BARRACKS	3,050	3,050	3,050	3,050
CAMP GIANT				
BARRACKS	1,150	1,150	1,150	1,150
CAMP GREAVES				
INFANTRY REMOTE TARGET SYSTEM RANGES	3,850	3,850	3,850	3,850
CAMP HENRY / CAMP WALKER				
BRIGADE HEADQUARTERS	6,000	6,000	6,000	6,000
CAMP HOVEY				
BARRACKS	3,900	3,900	3,900	3,900
DINING FACILITY	1,500	1,500	1,500	1,500
CAMP HOWZE				
BARRACKS	610	610	610	610
CAMP HUMPHREYS				
FLIGHT SIMULATOR BUILDING	2,400	---	---	---
SECURITY LIGHTING	3,700	3,700	3,700	3,700
TACTICAL EQUIPMENT SHOP	1,000	1,000	1,000	1,000
TROOP MEDICAL AND DENTAL CLINIC	5,400	5,400	5,400	5,400
CAMP LA GUARDIA				
AIRCRAFT MAINTENANCE FACILITY	2,550	2,550	2,550	2,550
BARRACKS	1,050	1,050	1,050	1,050
CAMP LIBERTY BELL				
BARRACKS	810	810	810	810
CAMP MERCER				
PHYSICAL FITNESS TRAINING CENTER	2,200	2,200	2,200	2,200
UTILITIES	2,100	2,100	2,100	2,100
CAMP PAGE				
BARRACKS	6,000	6,000	6,000	6,000
CAMP RED CLOUD				
BARRACKS	3,600	3,600	3,600	3,600
TACTICAL EQUIPMENT SHOP	1,100	1,100	1,100	1,100
CAMP SEARS				
WAREHOUSE	3,100	---	---	---
CAMP STANLEY				
AIRCRAFT MAINTENANCE FACILITY	5,300	5,300	5,300	5,300
PHYSICAL FITNESS TRAINING CENTER	1,800	1,800	1,800	1,800
CAMP STANTON				
PHYSICAL FITNESS TRAINING CENTER	1,050	1,050	1,050	1,050
CAMP WALKER				
RELIGIOUS EDUCATION FACILITY	640	640	640	640

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
KOREA VARIOUS				
AMMUNITION STORAGE	810	810	810	810
BARRACKS	2,400	2,400	2,400	2,400
COMPANY SUPPLY FACILITY	270	270	270	270
DINING FACILITY	1,250	1,250	1,250	1,250
DINING FACILITY	870	870	870	870
TROOP MEDICAL AND DENTAL CLINIC	2,750	2,750	2,750	2,750
LOCATION 177				
BARRACKS	2,050	2,050	2,050	2,050
DINING FACILITY	2,300	2,300	2,300	2,300
PHYSICAL FITNESS TRAINING CENTER	1,900	1,900	1,900	1,900
WAREHOUSE	350	350	350	350
YONG SAN				
FUEL STORAGE AND DISPENSING FACILITY	850	850	850	850
AIR FORCE				
KIMHAE AB				
PORTAMOD SUPPORT	253	253	253	253
THIRD ECHELON MEDICAL CONTINGENCY COMPLEX	12,600	---	---	---
KUNSAN AB				
CONSOLIDATED WING HEADQUARTERS OPNS FACILI	6,900	6,200	6,200	6,200
UNACCOMP ENLISTED PERSONNEL HOUSING	3,400	3,400	3,400	3,400
UNACCOMP OFFICER PERSONNEL HOUSING	2,000	2,000	2,000	2,000
KWANG-JU AB				
UNACCOMP ENLISTED PERSONNEL HOUSING	3,550	3,550	3,550	3,550
UNACCOMP OFFICER PERSONNEL HOUSING	910	910	910	910
OSAN AB				
ALTER AIRMEN DINING HALL	1,100	1,100	1,100	1,100
ALTER/CONSTRUCT UNACCOMP ENLISTED PERS HSG	30,400	25,200	25,200	25,200
KCOIC ALLIED SUPPORT - PH I	290	290	290	290
UNACCOMP OFFICER PERSONNEL HOUSING	3,900	3,900	3,900	3,900
SAECHON AB				
UNACCOMP ENLISTED PERSONNEL HOUSING	1,100	1,100	1,100	1,100
SUWON AB				
GROUND FUEL STORAGE	3,150	3,050	3,050	3,050
PORTAMOD SUPPORT	250	250	250	250
REFUEL VEHICLE MAINTENANCE SHOP	690	690	690	690
TAEGU AB				
UNACCOMP ENLISTED PERSONNEL HOUSING	3,000	3,300	3,300	3,300
UNACCOMP OFFICER PERSONNEL HOUSING	2,150	1,650	1,650	1,650
DEFENSE AGENCIES				
DEFENSE FUEL SUPPORT POINT POHANG				
FUEL TANKAGE	15,800	---	15,800	---
SEOUL				
HIGH SCHOOL ADDITION	1,410	1,410	1,410	1,410
TOTAL, KOREA	217,393	176,493	192,293	176,493
MOROCCO				
AIR FORCE				
SIDI SLIMANE AB				
AIRFIELD IMPROVEMENTS	3,000	3,000	3,000	3,000
AIRFIELD IMPROVEMENTS	2,050	2,050	2,050	2,050
TOTAL, MOROCCO	5,050	5,050	5,050	5,050
OMAN				
AIR FORCE				
VARIOUS LOCATIONS-OMAN				
SEED-FACILITY ACCOMMODATION SUPPORT	9,800	---	---	---
SEED-HARDENED AIRCRAFT SHELTERS	13,100	---	---	---
SEED-TAXIWAY & DISPERSAL PAVEMENTS	2,000	---	---	---
SEED-WAREHOUSE	2,000	2,000	2,000	2,000
THUMRAIT-FACILITY ACCOMMODATION SUPPORT	13,000	---	---	---
THUMRAIT-LOX CART STORAGE	300	300	300	300
THUMRAIT-TRANSIENT BILLETS	1,800	---	---	---
TOTAL, OMAN	42,000	2,300	2,300	2,300

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
NETHERLANDS				
AIR FORCE				
CAMP NEW AMSTERDAM				
AIRFIELD SECURITY LIGHTING	430	430	430	430
SECOND ECHELON MEDICAL LOGISTIC STORAGE	360	360	360	360
VEHICLE MAINTENANCE SHOP	4,500	3,700	3,700	3,700
HOENSBRECHT				
DIGITAL EUROPEAN BACKBONE FACILITY	2,650	2,650	2,650	2,650
HOENSBRECHT AS				
GLCM-AUDIOVISUAL FACILITY	450	---	---	---
GLCM-BASE CIVIL ENGINEER ADMINISTRATION	1,475	---	---	---
GLCM-BASE CIVIL ENGINEER MAINTENANCE SHOPS	1,475	---	---	---
GLCM-BASE CIVIL ENGINEER STORAGE FACILITY	1,040	---	---	---
GLCM-BASE COLD STORAGE	985	---	---	---
GLCM-BASE SUPPLY ADMINISTRATION	1,280	---	---	---
GLCM-BASE SUPPLY STORAGE	2,790	---	---	---
GLCM-BOUNDARY FENCE/GATE HOUSE	520	---	---	---
GLCM-COMMAND & CONTROL/SAFETY MEASURES	2,700	---	---	---
GLCM-COMMUNICATIONS EQUIPMENT FACILITY	720	---	---	---
GLCM-COMPOSITE MEDICAL FACILITY	9,200	---	---	---
GLCM-DINING HALL	1,980	---	---	---
GLCM-FIRE STATION	1,280	---	---	---
GLCM-GROUP HEADQUARTERS	7,100	---	---	---
GLCM-HIGH FREQUENCY FACILITY	885	---	---	---
GLCM-MEDICAL WAREHOUSE	315	---	---	---
GLCM-OPERATIONS & MAINTENANCE TRAINING FAC	1,970	---	---	---
GLCM-PHYSICAL TRAINING FACILITY	3,700	---	---	---
GLCM-SMALL ARMS RANGE & STORAGE	1,190	---	---	---
GLCM-SMALL COMBAT ARMS FACILITY	835	---	---	---
GLCM-TELECOMMUNICATIONS FACILITY	470	---	---	---
GLCM-TOWER SUPPORT	295	---	---	---
GLCM-TRAFFIC MANAGEMENT FACILITY	1,515	---	---	---
GLCM-UNACCOMP ENLISTED PERSONNEL HOUSING	10,400	---	---	---
GLCM-UNACCOMP OFFICER PERSONNEL HOUSING	3,925	---	---	---
GLCM-UTILITIES,PAVEMENTS & ROADS	16,700	---	---	---
GLCM-VEHICLE OPERATIONS COMPLEX	555	---	---	---
GLCM-VISITING AIRMEN QUARTERS	1,550	---	---	---
GLCM-VISITING OFFICER QUARTERS	1,700	---	---	---
DEFENSE AGENCIES				
BRUNSSUM				
MIGR SCHOOL ADDITION (AFCENT)	2,650	2,650	2,650	2,650
TOTAL, NETHERLANDS	89,610	9,810	9,810	9,810
PANAMA				
NAVY				
NAVAL STATION PANAMA				
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	1,580	1,580	1,580	1,580
AIR FORCE				
HOWARD AFB				
ECIP-ALTER LIGHTING SYSTEM	360	360	360	360
TOTAL, PANAMA	1,940	1,940	1,940	1,940
PHILIPPINES				
NAVY				
NAVAL AIR STATION CUBI POINT				
ENGINE TEST CELL	4,940	4,940	4,940	4,940
FACILITY ENERGY IMPROVEMENTS	520	520	520	520
MAINTENANCE HANGAR	18,800	18,800	18,800	18,800
NAVAL COMMUNICATION STATION SAN MIGUEL				
LIGHTING SYSTEMS	300	300	300	300
NAVAL SHIP REPAIR FACILITY SUBIC BAY				
VENTILATION IMPROVEMENTS	710	710	710	710
NAVAL STATION SUBIC BAY				
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	6,520	6,520	6,520	6,520
AIR FORCE				
CLARK AB				
ADD/ALTER FAMILY SUPPORT CENTER	300	---	---	---
ADD/ALTER PASSENGER TERMINAL	4,200	4,200	---	---

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
AERIAL DELIVERY FACILITY	4,200	4,200	4,200	4,200
ASSAULT LANDING STRIP	3,300	3,300	3,300	3,300
BASE HAZARDOUS STORAGE	590	590	590	590
ECIP-ALTER MECHANICAL/LIGHTING SYSTEMS	3,540	3,540	3,540	3,540
ESSENTIAL MAINTENANCE FACILITIES-PH 1	6,100	6,100	6,100	6,100
FORWARD SUPPLY LOCATION FACILITIES	900	900	900	900
SOUND SUPPRESSOR SUPPORT	900	900	900	900
TRAFFIC MANAGEMENT OFFICE	3,600	3,600	3,600	3,600
UPGRADE POWER PLANT-PH III	14,795	14,795	14,795	14,795
DEFENSE AGENCIES				
CLARK AIR BASE				
ELEMENTARY SCHOOL ADDITION (WURTSMITH)	5,920	5,920	5,920	5,920
SUBIC BAY				
ELEMENTARY SCHOOL ADDITION (DINICTICAN)	1,040	1,040	1,040	1,040
ELEMENTARY SCHOOL ADDITION (KALAYAAN)	1,220	1,220	1,220	1,220
HIGH SCHOOL ADDITION (GEORGE DEWEY)	1,240	1,240	1,240	1,240
TOTAL, PHILIPPINES	83,635	83,335	79,135	79,135
PORTUGAL				
AIR FORCE				
LAJES FIELD				
GYMNASIUM	1,900	1,900	1,900	1,900
UNACCOMP ENLISTED PERSONNEL HOUSING	2,650	2,650	2,650	2,650
TOTAL, PORTUGAL	4,550	4,550	4,550	4,550
PUERTO RICO				
NAVY				
NAVAL STATION ROOSEVELT ROADS				
PAY & PERSONNEL SPT OFF	1,090	1,090	1,090	1,090
WATERFRONT OPERATIONS FACILITIES	2,550	2,550	2,550	2,550
DEFENSE AGENCIES				
DEFENSE FUEL SUPPORT POINT ROOSEVELT ROADS				
FUEL TANKAGE	10,675	10,675	10,675	10,675
ARMY NATIONAL GUARD				
CAMP SANTIAGO (SALINAS)				
MOBILIZATION & TRAINING EQUIPMENT SITE	4,871	4,871	4,871	4,871
TOTAL, PUERTO RICO	19,186	19,186	19,186	19,186
AMERICAN SAMOA				
ARMY RESERVE				
AMERICAN SAMOA				
150-MBR ARMY RESERVE CTR/EQUIPMENT SHED	3,094	---	3,094	2,000
TOTAL, AMERICAN SAMOA	3,094	---	3,094	2,000
SCOTLAND				
NAVY				
NAVAL SECURITY GROUP ACTIVITY EDZELL				
ANTENNA SUPPORT FACILITIES	340	340	340	340
TOTAL, SCOTLAND	340	340	340	340
SPAIN				
NAVY				
NAVAL HOSPITAL ROTA				
HOSPITAL	18,400	---	18,400	15,000
NAVAL STATION ROTA				
BRIG	820	820	820	820
ENGINE MAINTENANCE SHOP	3,850	3,850	3,850	3,850
ENGINE TEST CELL	5,800	5,000	5,800	5,000
ENLISTED DINING FACILITY	1,530	1,530	1,530	1,530
FAMILY SERVICES CENTER	420	420	420	420

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
GROUND SUPPORT EQUIPMENT SHOP	1,090	1,090	1,090	1,090
PIER 01 EXTENSION	7,600	---	7,600	---
UNACCOMPANIED OFFICER PERSONNEL HOUSING	3,910	3,000	3,910	3,910
AIR FORCE				
TORREJON AB				
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	1,700	1,700	1,700	1,700
ECIP-ALTER MECHANICAL SYS/INSULATE HW MAIN	700	700	700	700
EDS-FORWARD STORAGE WAREHOUSE	1,050	1,050	1,050	1,050
FOURTH ECHELON MEDICAL CONTINGENCY COMPLEX	3,600	---	---	---
VEHICLE MAINTENANCE COMPLEX	4,700	4,700	4,700	4,700
WAREHOUSE	1,600	1,600	1,600	1,600
ZARAGOZA AB				
ADD/ALTER WATER DISTRIBUTION SYSTEM	1,100	1,100	1,100	1,100
TOTAL, SPAIN	57,870	26,560	54,270	42,470
TURKEY				
AIR FORCE				
ANKARA				
WAREHOUSE	1,100	1,100	1,100	1,100
INCIRLIK AB				
ADD/ALTER AIR FREIGHT TERMINAL	1,000	1,000	1,000	1,000
GYMNASIUM	1,600	1,600	1,600	1,600
IGLOOS	3,400	---	---	---
POST OFFICE	430	---	---	---
SECOND ECHELON MEDICAL STORAGE FACILITY	1,150	---	1,150	---
WAREHOUSE	2,200	---	---	---
MUS AB				
AIR CARGO RAMP	1,435	---	1,435	---
AMMUNITION IGLOOS	1,535	---	1,535	---
AMMUNITION MAINTENANCE & INSPECTION	810	---	810	---
ARRESTOR GEAR	720	---	720	---
DISPERSED APRONS/TAXITRACKS/PARALLEL TAXIW	14,500	---	14,500	---
HANGAR	525	---	525	---
POL STORAGE/DISTRIBUTION	4,175	---	4,175	---
WATER SUPPLY & DISTRIBUTION	800	---	800	---
TOTAL, TURKEY	35,380	3,700	29,350	3,700
UNITED KINGDOM				
NAVY				
FLEET OP CONTROL CENTER EUROPE LONDON				
FLEET COMMAND CENTER	2,620	---	2,620	2,620
NAVAL ACTIVITIES LONDON				
FLEET HOSPITAL FACILITIES(RAF LOCKING)	6,620	---	6,620	---
AIR FORCE				
MILDENHALL RAF				
AIRCRAFT ORGANIZATIONAL MAINTENANCE SHOP	800	800	800	800
AIRCRAFT PARKING APRON	9,200	---	---	---
JP-7 JET FUEL STORAGE FACILITY	2,500	2,500	2,500	2,500
UPGRADE WATER DISTRIBUTION SYSTEM	1,600	1,600	1,600	1,600
RAF ALCONBURY				
ADD TO SEWER MAINS	510	510	510	510
CHILD CARE CENTER	1,150	1,035	1,035	1,035
PLSS GROUND STATION SUPPORT	3,300	3,300	3,300	3,300
SOUND SUPPRESSOR SUPPORT	550	550	550	550
RAF CHICKSANDS				
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	3,550	3,550	3,550	3,550
RAF GREENHAM COMMON				
GLCM-ADD/ALTER CHAPEL CENTER	400	400	400	400
GLCM-LIBRARY	600	600	---	---
JET FUEL STORAGE	11,000	11,000	11,000	11,000
RAF LAKENHEATH				
FLIGHTLINE ROADS/PARKING & FENCE	1,050	1,050	1,050	1,050
TROOP ISSUE WAREHOUSE	1,050	1,050	1,050	1,050
RAF MOLESWORTH				
GLCM-COMMAND & CONTROL/FIRE PROTECTION	2,644	2,644	2,644	2,644
GLCM-OPERATIONS & MAINTENANCE TRAINING FAC	3,460	3,460	3,460	3,460
GLCM-UNACCOMP ENLISTED PERS HSG-ALCONBURY	4,780	4,780	4,780	4,780
GLCM-UTILITIES/PAVEMENTS	4,120	4,120	4,120	4,120

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
RAF UPPER HEYFORD				
ADD/ALTER FLIGHT SIMULATOR	1,700	1,700	1,700	1,700
COMBAT ARMS RANGE	610	610	610	610
REFUEL VEHICLE MAINTENANCE SHOP	750	750	750	750
WAREHOUSE	2,150	2,150	2,150	2,150
RAF WELFORD				
MUNITIONS SECURITY LIGHTING	740	740	740	740
RAF WETHERSFIELD				
JET FUEL STORAGE	4,300	---	---	---
RAF WOODBRIDGE				
UNACCOMP ENLISTED PERSONNEL HOUSING	2,050	2,050	2,050	2,050
VARIOUS LOCATIONS-UNITED KINGDOM				
MIN ESSENTIAL FAC-RAF ABINGTON-FUEL STORAG	3,000	---	---	---
MIN ESSENTIAL FAC-RAF BENSON-ACFT PARKING	2,800	---	---	---
MIN ESSENTIAL FAC-RAF BENSON-FUEL STORAGE	2,300	---	---	---
MIN ESSENTIAL FAC-RAF ODIHAM-ACFT PARKING	4,850	---	---	---
MIN ESSENTIAL FAC-RAF ODIHAM-FUEL STORAGE	3,750	---	---	---
DEFENSE AGENCIES				
CHICKSANDS ROYAL AIR FORCE STATION				
ELEMENTARY SCHOOL ADDITION	1,010	1,010	1,010	1,010
GREENHAM COMMON ROYAL AIR FORCE STATION				
ELEMENTARY AND HIGH SCHOOL	13,600	13,600	13,600	13,600
HIGH WYCOMBE ROYAL AIR FORCE STATION				
HIGH SCHOOL (LONDON CENTRAL)	6,270	6,270	6,270	6,270
WOODBRIDGE ROYAL AIR FORCE STATION				
HIGH SCHOOL ADDITION	1,730	1,730	1,730	1,730
TOTAL, UNITED KINGDOM	113,114	73,559	82,199	75,579
VIRGIN ISLANDS				
NAVY				
ST. CROIX				
LAND ACQUISITION	600	600	600	600
WAKE ISLAND				
AIR FORCE				
WAKE ISLAND				
VORTAC FACILITY	1,235	1,235	1,235	1,235
TOTAL, WAKE ISLAND	1,235	1,235	1,235	1,235
OVERSEAS CLASSIFIED				
ARMY				
RAPID DEPLOYMENT FORCE FACILITIES	62,000	---	---	---
AIR FORCE				
BASE 11				
ADD/ALTER TECHNICAL BUILDING	6,100	6,100	6,100	6,100
BASE 13				
SATELLITE COMMUNICATION GROUND TERMINAL	2,050	2,050	2,050	2,050
BASE 14				
SATELLITE COMMUNICATION GROUND TERMINAL	1,700	1,700	1,700	1,700
BASE 19				
SATELLITE COMMUNICATION GROUND TERMINAL	2,850	2,850	2,850	2,850
CLASSIFIED OVERSEAS LOCATIONS				
ALTERNATE WAR HEADQUARTERS	7,850	---	---	---
AUXILIARY SEISMIC NETWORK	2,100	2,100	2,100	2,100
DEFENSE AGENCIES				
CLASSIFIED PROJECT	4,500	4,500	4,500	4,500
CLASSIFIED PROJECT	700	700	700	700
COMPUTER FACILITY PRIMARY POWER UPGRADE	12,900	12,900	12,900	12,900
TOTAL, OVERSEAS CLASSIFIED	102,750	32,900	32,900	32,900
OVERSEAS VARIOUS				
AIR FORCE				
CHEMICAL WARFARE PROTECTION	13,400	---	13,400	8,520
TELECOMMUNICATIONS FACILITIES	3,000	3,000	3,000	3,000
NAVY				
NATO INFRASTRUCTURE SUPPORT	2,790	---	2,790	---
TOTAL, OVERSEAS VARIOUS	19,190	3,000	19,190	11,520

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
NATO				
NATO INFRASTRUCTURE	296,700	131,700	107,200	107,200
WORLDWIDE UNSPECIFIED				
ARMY				
GENERAL REDUCTION	---	-80,000	-210,000	-210,000
MINOR CONSTRUCTION - UNSPECIFIED	33,000	25,000	33,000	29,000
PLANNING AND DESIGN	190,000	147,000	160,000	153,500
NAVY				
GENERAL REDUCTION	---	-80,000	-80,000	-80,000
PLANNING & DESIGN	157,900	140,900	140,900	140,900
UNSPECIFIED MINOR CONSTRUCTION	19,000	19,000	19,000	19,000
AIR FORCE				
GENERAL REDUCTION	---	-60,000	-110,000	-110,000
MINOR CONSTRUCTION	21,000	19,000	21,000	21,000
MINOR LAND	200	130	200	130
PLANNING & DESIGN	163,900	143,900	143,900	143,900
DEFENSE AGENCIES				
GENERAL REDUCTION	---	-44,250	-52,500	-65,600
CONTINGENCY CONSTRUCTION	15,000	---	---	---
EXIGENT MINOR CONSTRUCTION	4,000	3,000	4,000	3,500
PLANNING & DESIGN	30,000	25,000	30,000	27,500
ARMY NATIONAL GUARD				
MINOR CONSTRUCTION	19,053	8,000	19,053	16,086
PLANNING & DESIGN	9,000	9,000	9,000	9,000
GENERAL INCREASE	---	10,900	10,900	10,900
AIR NATIONAL GUARD				
MINOR CONSTRUCTION	7,900	7,900	7,900	7,900
PLANNING & DESIGN	8,000	8,000	8,000	8,000
GENERAL REDUCTION	---	-10,000	---	-10,000
ARMY RESERVE				
MINOR CONSTRUCTION	5,550	5,550	5,550	5,550
PLANNING	8,500	8,500	8,500	8,500
NAVY RESERVE				
DESIGN	3,400	3,400	3,400	3,400
EXIGENT MINOR CONSTRUCTION	2,895	2,895	2,895	2,895
AIR FORCE RESERVE				
MINOR CONSTRUCTION	2,250	2,250	2,250	2,250
PLANNING & DESIGN	4,650	4,650	4,650	4,650
TOTAL, WORLDWIDE UNSPECIFIED	705,198	319,725	181,598	141,961
FAMILY HOUSING, ARMY				
CALIFORNIA				
SIERRA ARMY DEPOT	6,974	6,050	6,121	5,530
MARYLAND				
ABERDEEN PROVING GROUND	---	---	---	---
TEXAS				
FT HOOD	---	1,950	---	1,950
GERMANY				
BABENHAUSEN, F.R.	8,856	7,620	---	7,620
MAINZ, F.R.	18,233	14,200	---	14,200
CONSTRUCTION IMPROVEMENTS	108,822	100,000	93,622	100,000
PLANNING AND DESIGN	13,915	13,915	13,915	13,915
GENERAL REDUCTION	---	---	-20,000	---
SUBTOTAL	156,800	143,735	93,658	143,215
OPERATING EXPENSES				
MANAGEMENT	70,577	65,800	70,577	68,000
SERVICES	49,547	44,500	49,547	44,500
UTILITIES	288,940	285,000	287,040	285,000
FURNISHINGS	132,681	112,800	132,681	112,800
MISCELLANEOUS	1,093	1,000	1,093	1,000
SUBTOTAL	542,838	509,100	540,938	511,300

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
LEASING	107,378	105,000	107,378	105,000
MAINTENANCE	596,521	559,000	596,521	567,000
INTEREST PAYMENTS,CAPEHART AND WHERRY	1,639	1,639	1,639	1,639
MORTGAGE INSURANCE PREMIUMS	224	224	224	224
NET BUDGET AUTHORITY	1,405,400	1,318,698	1,320,358	1,328,378
PLUS APPROPRIATION FOR DEBT REDUCTION	20,054	20,054	20,054	20,054
TOTAL, FAMILY HOUSING	1,425,454	1,338,752	1,340,412	1,348,432
FAMILY HOUSING, AIR FORCE				
CALIFORNIA				
FT MACARTHUR	14,500	---	14,500	11,800
MASSACHUSETTS				
HANSCOM AFB	500	500	500	500
MONTANA				
CONRAD AFS	3,705	2,950	3,705	2,950
WYOMING				
WARREN AFB	17,343	16,300	17,343	16,300
BELGIUM				
VARIOUS LOCATION-BELGIUM	37,509	---	---	---
ITALY				
COMISO AB	50,070	40,300	---	32,200
KOREA				
OSAN AB	2,700	---	2,700	2,700
UNITED KINGDOM				
RAF ALCONBURY	27,410	---	---	---
RAF BENTWATERS	21,963	16,200	---	16,200
RAF GREENHAM COMMON	22,441	17,800	22,441	17,800
OVERSEAS CLASSIFIED				
CLASSIFIED LOCATION-FRG	24,086	---	17,386	13,500
FAMILY HOUSING, NAVY				
ALASKA				
NAVAL STATION ADAK	61,107	46,400	53,107	53,107
CALIFORNIA				
MARINE CORPS BASE CAMP PENDLETON	26,004	20,000	26,004	20,000
STERLING PARK - CAMP PENDELTON	---	15,000	15,000	15,000
VIRGINIA				
AEGIS COMBAT SYSTEMS CENTER WALLOPS ISLAND	2,400	2,170	2,400	2,170
GUANTANAMO BAY, CU				
NAVAL STATION GUANTANAMO BAY	12,430	9,350	---	9,350
CONSTRUCTION IMPROVEMENTS	9,000	9,000	9,000	9,000
PLANNING & DESIGN	8,559	8,400	8,400	8,400
SUBTOTAL	119,500	110,320	113,911	117,027
OPERATING EXPENSES				
MANAGEMENT ACCOUNT	40,237	38,200	40,237	38,200
SERVICES ACCOUNT	29,826	28,000	29,826	28,000
UTILITIES ACCOUNT	165,523	160,000	165,123	160,800
FURNISHINGS ACCOUNT	14,263	13,000	14,263	13,000
MISCELLANEOUS ACCOUNT	402	402	402	402
SUBTOTAL	250,251	239,602	249,851	239,602
LEASING ACCOUNT	20,080	19,000	20,080	19,000
MAINTENANCE OF REAL PROPERTY	312,609	280,000	277,609	280,000
INTEREST PAYMENTS FAH HSG DEBT	1,710	1,710	1,710	1,710
MORTGAGE INS PREMIUMS FAH HSG DEBT	450	450	450	450
NET BUDGET AUTHORITY	704,600	651,082	663,611	657,789
PLUS APPROPRIATION FOR DEBT REDUCTION	23,286	23,286	23,286	23,286
TOTAL, FAMILY HOUSING	727,886	674,368	686,897	681,075

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
CONSTRUCTION IMPROVEMENTS	62,173	52,164	62,173	62,173
PLANNING & DESIGN	6,000	5,000	5,000	5,000
GENERAL REDUCTION	---	---	-20,000	---
SUBTOTAL	292,400	151,214	127,748	181,123
OPERATING EXPENSES				
MANAGEMENT ACCOUNT	26,351	25,300	26,351	25,300
SERVICES ACCOUNT	22,626	22,000	22,626	22,000
UTILITIES ACCOUNT	232,914	230,000	230,914	230,000
FURNISHINGS ACCOUNT	44,008	40,000	44,008	40,000
MISCELLANEOUS ACCOUNT	1,659	1,380	1,659	1,380
SUBTOTAL	327,558	318,680	325,558	318,680
LEASING	57,239	53,000	53,339	53,000
MAINTENANCE OF REAL PROPERTY	351,455	329,260	331,455	329,260
INTEREST PAYMENTS, C&W HOUSING	1,640	1,640	1,640	1,640
MORTGAGE INSURANCE, C&W HOUSING	408	408	408	408
NET BUDGET AUTHORITY	1,030,700	854,202	840,148	884,111
PLUS APPROPRIATION FOR DEBT REDUCTION	27,932	27,932	27,932	27,932
TOTAL, FAMILY HOUSING	1,058,632	882,134	868,080	912,043
FAMILY HOUSING, DEFENSE AGENCIES				
NSA CLASSIFIED PROJECT	693	540	693	600
CONSTRUCTION IMPROVEMENTS	107	107	107	107
SUBTOTAL	800	647	800	707
OPERATING EXPENSES				
SERVICES ACCOUNT	13	13	13	13
UTILITIES ACCOUNT	161	161	161	161
FURNISHINGS	1,934	1,800	1,934	1,800
MISCELLANEOUS ACCOUNT	533	470	533	470
SUBTOTAL	2,641	2,444	2,641	2,444
LEASING	15,773	13,700	15,273	13,700
MAINTENANCE OF REAL PROPERTY	586	500	586	586
TOTAL, FAMILY HOUSING	19,800	17,291	19,300	17,437
HOMEOWNER'S ASSISTANCE	(4,000)	(4,000)	(4,000)	(4,000)
GENERAL PROVISION (SEC. 126)	---	-24,850	---	---
RECAPITULATION				
ARMY	1,900,000	1,606,350	1,640,177	1,593,137
NAVY	1,803,300	1,449,442	1,550,242	1,534,592
SANTA MARGARITA WATER PROJECT	142,000	---	1,500	---
AIR FORCE	2,165,400	1,543,225	1,635,818	1,572,655
DEFENSE AGENCIES	459,500	309,108	351,010	302,198

MILITARY CONSTRUCTION (IN THOUSANDS OF DOLLARS)

INSTALLATION & PROJECT	BUDGET REQUEST	HOUSE RECOMMENDED	SENATE RECOMMENDED	CONFERENCE AGREEMENT
NATO INFRASTRUCTURE	296,700	131,700	107,200	107,200
ARMY NATIONAL GUARD	88,900	92,117	96,900	90,603
AIR NATIONAL GUARD	102,900	111,200	110,700	111,200
ARMY RESERVE	70,400	67,306	70,400	69,306
NAVAL RESERVE	60,800	63,800	60,800	60,800
AIR FORCE RESERVE	67,800	67,800	67,800	67,800
TOTAL MILITARY CONSTRUCTION	7,157,700	5,442,048	5,692,547	5,517,491
FAMILY HOUSING, ARMY	1,425,454	1,338,752	1,340,412	1,348,432
PORTION APPLIED TO DEBT REDUCTION	-20,054	-20,054	-20,054	-20,054
FAMILY HOUSING, NAVY	727,886	674,368	686,897	681,075
PORTION APPLIED TO DEBT REDUCTION	-23,286	-23,286	-23,286	-23,286
FAMILY HOUSING, AIR FORCE	1,058,432	882,134	868,080	912,043
PORTION APPLIED TO DEBT REDUCTION	-27,932	-27,932	-27,932	-27,932
FAMILY HOUSING, DEFENSE AGENCIES	19,800	17,291	19,300	17,437
GENERAL PROVISION (SEC. 126)	---	-24,850	---	---
GRAND TOTAL	10,318,200	8,258,471	8,535,964	8,405,206

* INDICATES PREVIOUSLY OR PERMANENTLY AUTHORIZED.

Mr. CONTE. Mr. Speaker, I want to close with one observation. I would like to have the attention of the gentleman from Mississippi [Mr. WHITTEN].

Mr. Speaker, let me for just a moment speak of the energy and water section of this continuing resolution. You know, the water projects in this continuing resolution were the real sticking points as far as the administration was concerned. In conference, the chairman of the Senate Appropriations Committee, Senator MARK HATFIELD, proposed to resolve the matter by striking the entire energy and water section from the bill.

The gentleman from Mississippi, our chairman, Mr. WHITTEN, ultimately agreed with this position, although he was opposed to it. I want to take this opportunity, Mr. Speaker, Members of the House, to pay tribute to the courage and the statesmanship of these two gentlemen. They each gave up very important projects in their own backyards in order to reach this compromise so that we could bring this bill to a resolve, and I think that they deserve our gratitude and our support for their action.

I want to thank them publicly.

Mr. WHITTEN. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. LEHMAN].

(Mr. LEHMAN of Florida asked and was given permission to revise and extend his remarks, and include therein extraneous matter.)

Mr. LEHMAN of Florida. I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of the conference report. I would like to recognize the hard work, the tenacity and patience of our chairman, the gentleman from Mississippi [Mr. WHITTEN], and our ranking member, the gentleman from Massachusetts [Mr. CONTE].

The transportation portion of the conference report would provide a total of $11,595,085,584 for the projects or activities of the Department of Transportation and related agencies for fiscal year 1985. This is $188,751,000 less than the President's budget request and $75,146,000 less than the Senate-passed continuing resolution. While the conference agreement is $843,086,000 more than the House-passed continuing resolution, it is $188,687,000 less than the Department of Transportation and related agencies appropriation bill originally reported to the House.

I insert at this point in the RECORD a table giving the conference figures in detail:

	FY 1984 Enacted	FY 1985 Estimates	Continuing Resolution House	Continuing Resolution Senate	Continuing Resolution Conference
TITLE I - DEPARTMENT OF TRANSPORTATION					
Office of the Secretary					
Salaries and expenses	41,275,000	42,191,000	41,275,000	50,802,000	50,000,000
(By transfer)	(300,000)	---	---	---	---
Transportation planning, research, and development	4,878,000	6,754,000	4,878,000	6,754,000	5,700,000
(Limitation on working capital fund)	(67,974,000)	(66,001,000)	(66,001,000)	(65,300,000)	(65,300,000)
Total, Office of the Secretary	46,153,000	48,945,000	46,153,000	57,346,000	55,700,000
Coast Guard					
Operating expenses	1,665,256,000	1,714,131,000	1,665,256,000	1,740,000,000	1,740,000,000
Appropriation for debt reduction	-263,544	-202,861	-263,544	-202,861	-202,861
(By transfer)	(25,550,000)	(44,941,000)	(25,550,000)	---	---
Total, operating expenses	1,664,992,456	1,713,928,139	1,664,992,456	1,739,797,139	1,739,797,139
Acquisition, construction, and improvements	369,000,000	362,000,000	362,000,000	344,500,000	344,500,000
(By transfer)	(300,000,000)	---	---	---	---
Alteration of bridges	8,600,000	5,200,000	5,200,000	5,200,000	5,200,000
Retired pay	341,300,000	334,800,000	334,800,000	330,800,000	330,800,000
Reserve training	54,805,000	58,833,000	54,805,000	58,833,000	58,833,000
(By transfer)	(550,000)	---	---	---	---
Research, development, test, and evaluation	22,500,000	23,500,000	22,500,000	23,500,000	23,000,000
Offshore oil pollution compensation fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(Limitation on obligations)	(60,000,000)	(60,000,000)	(60,000,000)	(60,000,000)	(60,000,000)
Deepwater port liability fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(Limitation on obligations)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)
National recreational boating safety and facilities improvement fund:					
(Limitation on obligations)	(12,500,000)	(15,000,000)	(12,500,000)	(15,000,000)	(13,750,000)
(Liquidation of contract authorization)	(12,500,000)	(14,750,000)	(12,500,000)	(14,750,000)	(13,625,000)
Total, Coast Guard	2,463,197,456	2,500,261,139	2,446,297,456	2,504,630,139	2,506,130,139
Federal Aviation Administration					
Headquarters administration	56,900,000	72,370,000	56,900,000	68,900,000	66,900,000
Operations	2,530,000,000	2,649,834,000	2,530,000,000	2,622,600,000	2,622,600,000
(By transfer)	(5,000,000)	---	---	---	---
Subtotal, Operations and headquarters administration	2,586,900,000	2,722,204,000	2,586,900,000	2,691,500,000	2,689,500,000
Facilities and equipment (Airport and Airway Trust Fund)	750,000,000	1,657,000,000	750,000,000	1,492,000,000	1,370,000,000
Research, engineering and development (Airport and Airway Trust Fund)	263,452,000	269,000,000	263,452,000	266,000,000	265,000,000
Grants-in-aid for airports:					
(Liquidation of contract authorization) (Airport and Airway Trust Fund)	(745,000,000)	(810,000,000)	(745,000,000)	(810,000,000)	(810,000,000)
(Limitation on obligations)	(800,000,000)	(987,000,000)	(800,000,000)	(987,000,000)	(925,000,000)
Operation and maintenance, Metropolitan Washington Airports	34,557,000	35,931,500	34,557,000	35,931,500	35,931,500
(By transfer)	(276,700)	---	---	---	---
Construction, Metropolitan Washington Airports	14,250,000	13,500,000	13,500,000	13,000,000	13,000,000
Aircraft purchase loan guarantee program	110,240,000	---	---	---	---
Appropriation for debt reduction	-102,490,000	---	---	---	---
Total, Federal Aviation Administration	3,656,909,000	4,697,635,500	3,648,409,000	4,498,431,500	4,373,431,500
Federal Highway Administration					
(Limitation on general operating expenses)	(201,700,000)	(217,492,000)	(201,700,000)	(204,891,000)	(204,891,000)
Highway safety research and development	8,500,000	10,325,000	8,500,000	8,500,000	8,500,000
Highway-related safety grants:					
(Liquidation of contract authorization) (Trust Fund)	(9,738,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
(Limitation on obligations)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)
Railroad-highway crossings demonstration projects	15,000,000	---	15,000,000	15,000,000	15,000,000
Intermodal Urban Demonstration Project	---	---	---	---	2,750,000
Highway safety separations demonstration project	---	---	---	12,000,000	12,000,000
Auto-Pedestrian separation demonstration project	---	---	---	1,750,000	1,750,000
Federal-aid highways:					
(Liquidation of contract authorization)(Trust Fund)	(11,600,000,000)	(12,800,000,000)	(11,600,000,000)	(12,800,000,000)	(12,800,000,000)
(Limitation on obligations)	(12,600,000,000)	(13,875,000,000)	(12,600,000,000)	(13,550,000,000)	(13,250,000,000)
(Limitation on obligations -- general provision)	(-80,000,000)	---	(-80,000,000)	---	---
Emergency relief	20,000,000	---	---	---	---
Mianus bridge emergency assistance	1,000,000	---	---	---	---
Right-of-way Revolving Fund (limitation on direct loans) (Trust Fund)	(30,000,000)	(50,000,000)	(30,000,000)	(50,000,000)	(50,000,000)
Motor carrier safety	13,020,000	14,066,000	13,020,000	14,066,000	14,066,000
(By transfer)	(100,000)	---	---	---	---
Motor carrier safety grants	8,000,000	16,000,000	8,000,000	16,000,000	14,000,000

	FY 1984 Enacted	FY 1985 Estimates	Continuing Resolution House	Continuing Resolution Senate	Continuing Resolution Conference
Access highways to public recreation areas on certain lakes	4,270,000	---	---	5,000,000	5,000,000
Waste isolation pilot project roads	5,800,000	---	---	16,400,000	16,400,000
Total, Federal Highway Administration	75,590,000	40,391,000	44,520,000	88,716,000	89,466,000
National Highway Traffic Safety Administration					
Operations and research	78,300,000	90,157,000	78,300,000	84,850,000	82,350,000
Highway traffic safety grants:					
(Liquidation of contract authorization) (Trust Fund)	(118,000,000)	(132,000,000)	(118,000,000)	(125,000,000)	(125,000,000)
State and community highway safety (limitation on obligations)	(100,000,000)	(98,100,000)	(98,100,000)	(126,500,000)	(126,500,000)
Alcohol safety incentive grants (limitation on obligations)	(37,950,000)	(43,975,000)	(37,950,000)	(50,000,000)	(50,000,000)
Total, National Highway Traffic Safety Administration	78,300,000	90,157,000	78,300,000	84,850,000	82,350,000
Federal Railroad Administration					
Office of the Administrator	11,680,000	11,051,000	11,051,000	10,700,000	10,700,000
(By transfer)	(174,000)	---	---	---	---
Railroad safety	28,900,000	26,691,000	26,691,000	26,061,000	26,061,000
Railroad research and development	16,225,000	15,653,000	15,653,000	15,525,000	15,525,000
Rail Service Assistance	30,063,000	8,357,000	23,357,000	23,200,000	23,200,000
Appropriation for debt reduction	-5,678,000	---	---	---	---
Authority to borrow	854,000	---	---	---	---
Total, rail service assistance	25,239,000	8,357,000	23,357,000	23,200,000	23,200,000
Settlements of railroad litigation	302,800,000	---	---	---	---
Appropriation for debt reduction	-286,079,000	---	---	---	---
Conrail labor protection	26,000,000	15,000,000	15,000,000	15,000,000	15,000,000
(By transfer)	(19,000,000)	---	---	---	---
Rock Island labor protection	35,000,000	---	---	---	---
Northeast corridor improvement program	100,000,000	---	100,000,000	10,000,000	27,800,000
Grants to the National Railroad Passenger Corporation	1,944,829,000	680,000,000	680,000,000	700,000,000	684,000,000
Appropriation for debt reduction	-1,119,636,000	---	---	---	---
Railroad Rehabilitation and Improvement Financing Funds:					
Appropriation	733,000	---	---	---	---
Appropriation for debt reduction	-667,000	---	---	---	---
(Limitation on new loan guarantees)	(20,000,000)	---	---	(5,000,000)	(2,500,000)
Illinois feeder line assistance (by transfer)	(3,000,000)	---	---	---	---
Total, Federal Railroad Administration	1,085,924,000	756,752,000	871,752,000	800,486,000	802,286,000
Urban Mass Transportation Administration					
Administrative expenses	29,200,000	31,487,000	29,200,000	31,400,000	31,000,000
(By transfer)	(200,000)	---	---	---	---
Research, training, and human resources	54,800,000	44,800,000	44,800,000	54,800,000	51,000,000
Formula grants	2,388,592,200	2,389,500,000	2,388,592,200	2,389,500,000	2,449,500,000
Discretionary grants:					
(Limitation on obligations)	(1,225,000,000)	(1,100,000,000)	(1,100,000,000)	(1,120,000,000)	(1,120,000,000)
(Liquidation of contract authorization)	(242,000,000)	(450,000,000)	(242,000,000)	(450,000,000)	(450,000,000)
Interstate transfer grants-transit	295,400,000	250,000,000	250,000,000	250,000,000	250,000,000
Washington Metro	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Total, Urban Mass Transportation Administration	3,017,992,200	2,965,787,000	2,962,592,200	2,975,700,000	3,031,500,000
Saint Lawrence Seaway Development Corporation					
(Limitation on administrative expenses)	(1,800,000)	(1,822,000)	(1,800,000)	(1,822,000)	(1,822,000)
Research and Special Programs Administration					
Research and special programs	20,200,000	18,623,000	18,623,000	20,394,000	18,900,000
Office of the Inspector General					
Salaries and expenses	26,795,000	27,306,000	26,795,000	27,956,000	27,900,000
Total, title I, Department of Transportation:					
New budget (obligational) authority	10,470,160,656	11,145,857,639	10,143,441,656	11,058,509,639	10,987,666,639
Appropriations	(11,984,120,200)	(11,146,060,500)	(10,143,705,200)	(11,058,712,500)	(10,987,866,500)
Appropriations for debt reduction	(-1,514,813,544)	(-202,861)	(-263,544)	(-202,861)	(-202,861)
Authority to borrow	(854,000)	---	---	---	---
(By transfer)	(354,150,700)	(44,941,000)	(25,550,000)	---	---
(Limitations)	(203,500,000)	(219,314,000)	(203,500,000)	(206,713,000)	(206,713,000)
(Limitations on obligations)	(14,815,450,000)	(16,239,075,000)	(14,688,550,000)	(15,968,500,000)	(15,605,250,000)
(Limitations on direct loans)	(30,000,000)	(50,000,000)	(30,000,000)	(50,000,000)	(50,000,000)

	FY 1984 Enacted	FY 1985 Estimates	Continuing Resolution House	Continuing Resolution Senate	Continuing Resolution Conference
(Limitations on new loan guarantees)	(20,000,000)	---	---	(5,000,000)	(2,500,000)
(Limitation on working capital fund)	(67,974,000)	(66,001,000)	(66,001,000)	(65,500,000)	(65,500,000)
(Liquidation of contract authorization)	(12,727,238,000)	(14,211,750,000)	(12,722,500,000)	(14,204,750,000)	(14,203,625,000)
(Appropriation for debt reduction)	(1,514,813,544)	(202,861)	(263,544)	(202,861)	(202,861)
TITLE II - RELATED AGENCIES					
Architectural and Transportation Barriers Compliance Board					
Salaries and expenses	1,900,000	2,000,000	1,900,000	2,000,000	2,000,000
National Transportation Safety Board					
Salaries and expenses	21,040,000	20,845,000	20,845,000	21,700,000	21,700,000
Civil Aeronautics Board					
Salaries and expenses	20,400,000	19,046,000	19,046,000	5,600,000	5,600,000
(By transfer)	(714,000)	---	---	---	---
Payments to air carriers	50,800,000	52,000,000	50,800,000	52,000,000	52,000,000
Total, Civil Aeronautics Board	71,200,000	71,046,000	69,846,000	57,600,000	57,600,000
Interstate Commerce Commission					
Salaries and expenses	60,000,000	53,966,000	53,966,000	48,000,000	48,000,000
Payments for directed rail service (limitation on obligations)	(5,000,000)	(10,000,000)	(5,000,000)	(1,000,000)	(1,000,000)
Panama Canal Commission					
Operating expenses	391,912,000	416,046,000	391,912,000	406,346,000	406,346,000
Capital outlay	21,813,000	27,900,000	21,813,000	27,900,000	23,500,000
Total, Panama Canal Commission	413,725,000	443,946,000	413,725,000	434,246,000	429,846,000
United States Railway Association					
Administrative expenses	2,100,000	---	2,100,000	2,000,000	2,100,000
(By transfer)	(400,000)	---	---	---	---
Washington Metropolitan Area Transit Authority					
Interest payments	51,663,569	46,175,945	46,175,945	46,175,945	46,175,945
Total, title II, related agencies:					
New budget (obligational) authority	621,636,569	637,978,945	608,557,945	611,721,945	607,421,945
(By transfer)	(1,114,000)	---	---	---	---
(Limitation on obligations)	(5,000,000)	(10,000,000)	(5,000,000)	(1,000,000)	(1,000,000)
RECAPITULATION					
Grand total, titles I, and II:					
New budget (obligational) authority	11,091,797,225	11,783,836,584	10,751,999,601	11,670,231,584	11,595,085,584
Appropriations	(12,605,756,769)	(11,784,039,445)	(10,752,263,145)	(11,670,434,445)	(11,595,288,445)
Appropriations for debt reduction	(-1,514,813,544)	(-202,861)	(-263,544)	(-202,861)	(-202,861)
Authority to borrow	(854,000)	---	---	---	---
(By transfer)	(355,264,700)	(44,941,000)	(25,550,000)	---	---
(Limitations)	(203,500,000)	(219,314,000)	(203,500,000)	(206,713,000)	(206,713,000)
(Limitations on obligations)	(14,820,450,000)	(16,249,075,000)	(14,693,550,000)	(15,969,500,000)	(15,606,250,000)
(Limitations on direct loans)	(30,000,000)	(50,000,000)	(30,000,000)	(50,000,000)	(50,000,000)
(Limitations on new loan guarantees)	(20,000,000)	---	---	(5,000,000)	(2,500,000)
(Limitation on working capital fund)	(67,974,000)	(66,001,000)	(66,001,000)	(65,500,000)	(65,500,000)
Memoranda:					
(Appropriations to liquidate contract authorizations)	(12,727,238,000)	(14,211,750,000)	(12,722,500,000)	(14,204,750,000)	(14,203,625,000)
(Appropriation for debt reduction)	(1,514,813,544)	(202,861)	(263,544)	(202,861)	(202,861)
Total, appropriations including appropriations to liquidate contract authorization and appropriations for debt reduction	(25,333,848,769)	(25,995,789,445)	(23,474,763,145)	(25,875,184,445)	(25,798,913,445)

Mr. CONTE. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. MYERS].

Mr. MYERS. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of this conference report. Two weeks ago yesterday, this body passed the conference report. For the past 10 days, the conferees between the other body and the House have been meeting, trying to work out the differences. I am here today to say that I am proud to have been a part of the conference. I have served on a great many conferences, but I do not recall any conference lasting as long from the Appropriations Committee as this.

Now, there have been several comments about the energy and water section. It's out of this report entirely. If the word water or energy appears in this conference report, it must have been a mistake in the printing because the section was taken out by popular demand. Not from a number of us, but both downtown at 1600 and here we got the message loud and clear.

How many people keep talking about pork. Mr. RINALDO, if you are still on the floor, you are not the only one who has come to our subcommittee and told us of the agony, of the suffering that people in this body know of their constituency back home from flood, from the lack of water, from ports that are not deep enough so we can be competitive with the rest of the world and for other projects that are badly needed. But because of an impasse here, it was necessary for us to take that section out completely.

Yes, everybody wanted a clean bill. But more than 600 pages in this bill have nothing to do with appropriation; not the emergency we find ourselves in tonight. I am not against crime reform, of course not. No one in this body is. But is the continuing resolution the proper bill to attach this more than 600 pages?

Yes, we wanted a clean bill but we do not have it for those of you who have been pleading here for the last 3 months, "Be sure the continuing resolution is clean." Mr. CONTE said that this was maybe the last continuing resolution. We all hope and pray you are right, SIL. But I am afraid this is just a beginning, because what we have done here, we may have set the pace that this will be the only show in town in the future.

I am going to support this because we have to, but very frankly, we have loaded this thing down much deeper and we have left out some very, very important projects. Mr. RINALDO and the gentleman from South Carolina, you are exactly right, the gentleman from South Carolina, you missed the target but you were right: We cannot be very proud of cutting out $85 million. Only $65 million to be appropriated; $20 million of it came from the trust fund, $20 million. Yes, we cut it out by popular demand.

I hope we have not made too serious a mistake that cannot be rectified in the future.

Mr. WHITTEN. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. I thank the gentleman for yielding me this time.

Mr. Speaker, today I take to the floor of the House with mixed feelings. I hope that the desire of HAL SAWYER. and myself to pass effective anticrime measures that will aid the law enforcement community is beyond dispute. To accomplish this, throughout this Congress I have cautioned against packaging anitcrime bills because processing individual bills is the best and safest way to develop criminal laws.

On October 2, however, I proposed a large package of crime bills—but only those that had been separately and carefully developed, and most of which had already passed the House. We took the unusual step of repassing bills which had already passed because the other body seemed to be having difficulty in acting upon them. We were hoping that with adjournment drawing near, and with the other body ensnarled in hundreds of amendments pending to the continuing resolution, it would welcome the opportunity to act upon H.R. 5690, a 24-item major crime bill as an alternative to the out-of-date crime package hastily added to the continuing resolution over here.

Unfortunately, that was not to be. Rather than acting on the House crime package, the other body chose to pluck the most appealing provisions from H.R. 5690 and append them to the continuing resolution. This action signaled that, as a practical matter, working through the continuing resolution represented the last chance for anticrime legislation in this Congress.

As stated earlier, S. 1762, the Senate crime package we attached to the continuing resolution the week of September 24, was out of date and seriously flawed. The Senate's amendment to the continuing resolution cleaned up some of the more obvious problems by deleting the pharmacy robbery and child pornography provisions that had already been signed into law. Included in that amendment were important measures left out of the continuing resolution crime package but which were in the House crime bill (H.R. 5690).

These new parts are significant additions to the original Senate package which the House can properly be proud of. They are—

The Antiterrorism bills;

The Trademark Counterfeiting Act;

The National Narcotics Act ("Drug Czar")

Juvenile Justice and Missing Children Amendments;

Victims of Crime Compensation Act;

Counterfeit Credit Card and Computer Fraud and Abuse Act; and

The Armed Career Criminal Act.

Finally, in conference last Thursday, representatives of the House Judiciary and Appropriation Committees were able to improve upon other parts of S. 1762 and come up with a consensus bill.

Among the most important compromises in this package is the Justice Assistance Act of 1984. This act probably will have more effect on street crime than all the other anticrime bills put together because it aids State and local law enforcement agencies which handle over 90 percent of the criminal justice workload in this country. The Justice Assistance Act in the conference report on the continuing resolution is virtually the same as passed by the House in H.R. 5690 and includes the compromises painstakingly worked out by the House and Senate during August and September. This act sets up a new Office of Justice programs headed by an Assistant Attorney General to coordinate a newly created Bureau of Justice Assistance [BJA], and the existing agencies—Bureau of Justice Statistics [BJS], the National Institute of Justice [NIJ] and the Office of Juvenile Justice and Delinquency Prevention [OJJDP].

BJS, NIJ, AND OJJDP are reauthorized as independent agencies within the Department of Justice, operating under the general authority of the Attorney General. This act does not change the structure or the independence of these agencies. Thus, BJS and NIJ and OJJDP continue to be headed by Directors who are Presidential appointees. The Directors will continue to have final and exclusive authority to set policy for their agencies by awarding contracts, cooperative agreements, and grants; and these agencies continue to have administrative and personnel authority.

It is also important that the continuing resolution includes a new version of the credit card and computer crime bill which we negotiated with the Senate and which is very similar to H.R. 5616 as passed by the House. At this juncture, I want to comment on the two concerns expressed recently by the ACLU. The first is in regard to the provision in the misdemeanor offense of accessing a Government computer without authorization if one "discloses information in" such a computer. The ACLU was concerned that this prohibition might be used to prosecute "whistleblowers" who attempt to expose fraud and abuse in Government. This concern is based on an improper analysis of the bill. Under the bill, no one commits any offense unless he or she is a trespasser as to the information in question. Whistleblowers, who have lawful access to in-

formation, do not violate this statute even if they do not have authority or approval to disclose the information.

The second concern was about the intent standard under the felony dealing with access to classified information. I would merely reiterate the language in the House report quoting the Supreme Court in *Gorin* v. *U.S.*, (312 U.S. 19, 28), which says: "This requires those prosecuted to have acted in bad faith. The sanctions apply only when scienter is established." This is the intent standard applicable under this subsection.

I am appending two more detailed explanations to this statement to clarify the substance of two other provisions of the anticrime package of this continuing appropriation. The first relates to labor racketeering and the second is a joint statement, representing my views and those of Senator CHARLES MCC. MATHIAS, on trademark counterfeiting. I sincerely believe there are very, very substantial improvements and innovations to the criminal justice system in this package to warrant your support. It's unquestionably the most significant and comprehensive crime package to ever be passed by the Congress.

I especially want to thank the outstanding contributions of many Members of the House. First of all, Chairman RODINO has lent critical support and direction that has enabled this bill to come before us. Second, I must acknowledge that HAL SAWYER, the ranking Republican on the Crime Subcommittee has worked with me tirelessly and selflessly, and with unstinting concern to develop the right policy and to correctly express it. I shall greatly miss his support and his constructive insights, and his warm and generous friendship. Our colleagues on the Crime Subcommittee have put a great deal of their energy into many of these bills: LARRY SMITH and CLAY SHAW, who provided valuable insights in the issues dealing with the problem of illegal drugs; ED FEIGHAN, CHUCK SCHUMER, BRUCE MORRISON, who contributed significantly to the Trademark Counterfeiting Act; and JIM SENSENBRENNER and DAN LUNGREN.

Many of the provisons in this bill were carefully considered by other submcommittees which played key roles. BOB KASTENMEIER, chairman of the Subcomittee on Courts, Civil Liberties and the Administration of Justice, and CARLOS MOORHEAD, the ranking Republican on that subcommittee; and JOHN CONYERS, chairman of the Subcommittee on Criminal Justice, and GEORGE GEKAS, the ranking Republican on that subcommittee, all contributed to this historic legislative achievement.

Other Members laid some of the critical groundwork, and longtime legislative projects of theirs are key provisons in this bill. In particular, RON WYDEN, who has worked closely with the subcommittee on the Armed Career Criminal Act; BILL NELSON, who shared his significant expertise in the Development of the Computer Fraud and Abuse Act; JOE MINISH and JOHN LAFALCE, whose work on the problem of money laundering laid the groundwork for the improvements in the Currency and Foreign Transactions Reporting Act; and MARIO BIAGGI, who has so effectively placed the danger of armor piercing ammunition on the congressional agenda; all are most deserving of credit of the development of this bill.

One Member, NEAL SMITH, who has supported the Nation's law enforcement effort in the appropriations process year after year, deserves enormous thanks from all of us who worked on the specific provisons for his labors on the conference committee that brought forth the compromise between the House and the Senate.

As my colleagues know, a great deal of the work product and the support functions for efforts such as this depend upon the conscientious and dependable efforts of our staffs. I want to thank my staff, chief counsel Hayden Gregory, counsel Eric Sterling, Virginia Sloan, and Ed O'Connell, Theresa Bourgeois, Linda Hall, and Phyllis Henderson, as well as the Republican staff, Charlene Vanlier and Shelva Hoffmann. We were ably assisted by our fine Office of Legal Counsel in the persons of Doug Bellis, Tim Shane, and Jean Harmon. I want to single out the staff director of the Appropriations Subcommittee on State, Justice, Commerce and the Judiciary, John Osthaus, for his tremendous support and his totally professional assistance. I know that he worked though the night with members of my own staff in developing the work product necessary to produce this historical conference report.

I urge your support of the anticrime package of the continuing appropriation.

LABOR RACKETEERING

I offered an amendment to the conferees on House Resolution 648 which would clarify the relationship between the crime legislation attached to that resolution, other Federal legislation regulating the collective-bargaining process, the role of labor organizations in that process, and State laws which provide for disqualification of union officers.

The amendment reads as follows:

SEC. 2201. Notwithstanding this or any other Act regulating labor-management relations, each State shall have the authority to enact and enforce, as part of a comprehensive statutory system to eliminate the threat of pervasive racketeering activity in an industry that is, or over time has been, affected by such activity, a provision of law that applies equally to employers, employees, and collective-bargaining representatives, which provision of law govern service in any position in a local labor organization which acts or seeks to act in that State as a collective-bargaining representative pursuant to the National Labor Relations Act, in the industry that is subject to that program.

The Supreme Court most recently spoke to this general subject in *Brown* v. *Hotel Employees*, — U.S. — (Nos. 83-498 and 83-573; July 2, 1984). The court there held that the New Jersey Casino Control Act, insofar as it provides that an official of a local union which represents employees in the casino hotel industry may be disqualified from acting as such an official, is not preempted by any Federal labor law.

The Court emphasize[d] that this conclusion does not implicate the employees' express § 7 right to select a particular labor union as their collective-bargaining representatives, but only their subsidiary right to select the officials of that union organization. While the Court in *Hill* v. *Florida*, 325 U.S. 538 (1945), apparently assumed that the two rights were undifferentiated and equally protected, our reading of subsequent legislative action indicates that Congress has since distinguished between the two and *has accorded less than absolute protection to the employees' right to choose their union officials.* [Slip Op. 17; emphasis added.]

Both the New Jersey Casino Control Act and the New York Waterfront Commission Act which was its model (and which was sustained in *De Veau* v. *Braistead*, 363 U.S. 144 (1960)) are laws directed at regulating particular industries in which a high risk of criminal conduct had been demonstrated. In both Acts the disqualification of certain individuals from holding union office, from employment and from acting as an employer or supplier, in the words of De Veau "was part of a program * * * to vindicate a legitimate and compelling State interest; namely, the interest in combating local crime infesting a particular industry," 363 U.S. 155. In both instances the Court held that in those circumstances the right granted to employees by section 7 of the National Labor Relations Act to choose the particular individuals who would be union officials in not so absolute as to bar State action to protect against a substantial risk of criminal activity.

In De Veau, the plurality opinion relied on "the light that Congress has shed for our guidance," 363 U.S. at 153, by approving the Waterfront Act as part of an interstate compact between New York and New Jersey. This amendment is, in the same spirit, intended to give authoritative guidance as to the limits on state action in this sensitive area. The amendment will preclude any argument that the enactment of the present bill preempts the provision of the New Jersey Casino Control Act which was sustained in Hotel Employees. By spelling out the characteristics of a State law that is

preserved against preemption, the amendment makes clear that the Federal law that regulates collective bargaining—and that, among other things, grant employees the right to self-organization and the right to select their bargaining agent's officers through free and democratic procedures, and provides for the removal of union officers and agents under specified circumstances—permits the States to enact and enforce disqualification laws which, like the Waterfront Act and the Casino Control Act, are not aimed at organized labor alone but are true antiracketeering measures designed to meet a demonstrated threat of pervasive racketeering activity. These measures meet this threat by, among other things, setting equal standards for determining whether a person who wishes to be an employee, employer or union representative is fit to participate in that industry.

The requirement that State disqualification laws "appl[y] equally to employers, employees, and collective-bargaining representatives" does not mean that the disqualification criteria must be precisely the same no matter what the position in question. The conferees instead intend that there should be equal standards based on such relevant factors as capacity to commit criminal wrongs rather than the irrelevant fact of whether the provision applies to a labor or management position.

JOINT STATEMENT ON TRADEMARK COUNTERFEITING LEGISLATION

On June 28, 1984, the Senate approved S. 875, the Trademark Counterfeiting Act of 1984, whose principal sponsor was Senator CHARLES MCC. MATHIAS, JR., chairman of the Subcommittee on Patents, Copyrights, and Trademarks of the Senate Judiciary Committee. That bill was also sponsored by Judiciary Committee Chairman STROM THURMOND, Senator HOWELL HEFLIN, Senator JOHN WARNER, Senator CHRISTOPHER DODD, Senator ALAN SIMPSON, Senator LOWELL WEICKER, Senator PETE WILSON, Senator CLAIRBORNE PELL, Senator JESSE HELMS, Senator FRANK LAUTENBERG, Senator JOHN CHAFEE, Senator CHIC HECHT, Senator CHARLES PERCY, Senator JOSEPH BIDEN, Senator JAMES ABDNOR, and Senator PATRICK LEAHY.

On September 12, 1984, the House of Representatives approved a similar measure, H.R. 6071, also titled the Trademark Counterfeiting Act of 1984. That bill was sponsored by Representative WILLIAM J. HUGHES, chairman of the Subcommittee on Crime of the House Judiciary Committee, Representative PETER W. RODINO, JR., chairman of the Judiciary Committee, Representative HAROLD SAWYER, ranking Republican member of the Subcommittee on Crime, Representative BRUCE MORRISON, Representative LARRY SMITH, Representative EDWARD FEIGHAN, Representative CHARLES SCHUMER, Representative E. CLAY SHAW, JR., Representative F. JAMES SENSENBRENNER, JR., and Representative NANCY JOHNSON.

The Senate and House bills both aimed at accomplishing three primary changes in the law: First, creation of criminal penalties for intentionally dealing in materials that one knows to be counterfeit; second, authorization for mandatory or virtually mandatory awards of trebel damages and attorney's fees in civil counterfeiting cases; and third, authorization for ex parte court orders for the seizure of counterfeit materials when it can be shown that the defendant would be likely to attempt to conceal or transfer the materials.

The principal sponsors of S. 875 and H.R. 6071 have worked together to draft a compromise bill that incorporates the best features of those two bills. The amendment to House Joint Resolution 648 relating to trademark counterfeiting is the product of those negotiations. It retains the three central features of the House and Senate bills, while harmonizing the technical differences between those bills as passed. The present statement explains the provisions of the compromise bill, although, of course, the reports filed by the Senate and House Judiciary Committees with respect to S. 875 and H.R. 6071 should be consulted as to those matters not discussed in this statement.

There are minor differences between this statement and one placed in the CONGRESSIONAL RECORD, October 4, 1984, S13066-S13072, by the distinguished Senator from Maryland, CHARLES MCC. MATHIAS. The House and Senate sponsors intend this statement to be the final and authoritative explanation of the legislative intent of this act.

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, DC, October 9, 1984.

Hon. WILLIAM J. HUGHES,
Chairman, Subcommittee on Crime, Committee on the Judiciary, House of Representatives, Washington, DC.

DEAR REPRESENTATIVE HUGHES: I am writing to confirm our understanding, as the chief sponsors of the Trademark Counterfeiting Act of 1984, about the legislative history of that Act. As you know, we have worked together to prepare a joint Explanatory Statement about this legislation. At the time of Senate passage of the Act, as an amendment to H.J. Res. 648, a draft of this Statement was printed at pages S13066-S13072 in the Congressional Record of October 4, 1984. Since then, we have agreed to certain further modifications of the Statement. The Joint Explanatory Statement that appears in today's Record of House proceedings is the version upon which the Senate and House sponsors of this bill have agreed.

With best wishes,
Sincerely,
CHARLES MCC. MATHIAS, JR.,
U.S. Senator.

As explained more fully below, this act is intended to apply to counterfeits both of registered trademarks and of Olympic designations that are protected under section 110 of the Olympic Charter Act, 36 U.S.C. 380. Unless otherwise indicated, any use of the term "mark" or "trademark" is intended to include Olympic designations. The scope of this act is narrower than current law, in that it creates enhanced penalties only for certain types of egregious conduct prohibited by existing law. The bill does not affect current statutory or common law governing other conduct proscribed by the Lanham Act, or other Federal, State, or local laws relating to trademarks. The same reservation applies to conduct covered by section 110 of the Olympic Charter Act.

The amendments to title 18 of the United States Code that are contained in this bill rely to a great extent on concepts and definitions in the Lanham Act, the basic Federal statute governing trademarks. Unless it does so explicitly, this act does not in any way modify the Lanham Act or judicial interpretations of it.

TITLE 18 AMENDMENT

Both the Senate and House bills called for Federal criminal penalties for persons who intentionally deal in goods or services, or the marks thereon, that they know to be counterfeit. The compromise bill reflects the agreement between the two bills on this point. As did both the House and Senate bills, section 2 of the compromise bill amends chapter 113 of title 18 of the United States Code by adding a new section 2320. Section 2320 provides for criminal penalties for anyone who "intentionally traffics or attempts to traffic in goods or services and knowingly uses a counterfeit mark on or in connection with such goods or services."

This key criminal provision represents a compromise between the Senate and House bills. The Senate bill was drafted to prohibit "trafficking in counterfeit goods or services," while the House bill barred "use of a counterfeit mark" in connection with goods or services. Both the House and Senate sponsors recognize that a mark can be "counterfeit" only if it is used in connection with certain types of goods or services. However, conduct regulated by the Lanham Act relates to "marks" rather than "goods or services"; the sponsors feared that it might create confusion to adopt the terminology of "counterfeit goods or services" in a piecemeal fashion. An overall redrafting of the trademark

laws is an appropriate way to make such changes and is beyond the scope of this legislation.

Like both the House and Senate bills, the compromise bill contains two distinct mental state requirements.

The defendant must be shown, first, to have "intentionally" trafficked in particular goods or services, and second, to have "knowingly" used a counterfeit mark in connection with those goods or services. The requirement that the defendant's trafficking be "intentional" means that the government must show that the defendant trafficked in the goods or services in question deliberately, or "on purpose."

Whether the defendant "knew" that the mark was counterfeit depends on whether he or she had an awareness or a firm belief to that effect. (See H. Rept. 96-1396, 96th Cong., 2d Sess. 33 (1980); S. Rept. 97-307, 97th Cong., 1st Sess. 67-68 (1981).) Of course, if the prosecution proves that the defendant was "willfully blind" to the counterfeit nature of the mark, it will have met its burden of showing "knowledge." (See *United States* v. *Jewell*, 532 F.2d 697 (9th Cir.), *cert. denied*, 426 U.S. 951 (1976); H. Rept. 96-1396, *supra*, at 36; S. Rept. 97-307, *supra*, at 68.) The government need not prove that it was the defendant's "purpose" or "objective" to use counterfeit marks, but merely that he or she knew that he or she was doing so.

The sponsors are aware that discount retail outlets sometimes obtain their merchandise from distributors who are not authorized by the trademark owner to provide those goods to the discount outlets. The sponsors are also aware of the existence of "parellel imports" or "gray market" goods, which are discussed more fully below. Neither of these types of goods are counterfeit within the meaning of this legislation. Because of the existence of these alternative distribution channels for noncounterfeit goods, a trademark owner will not ordinarily be able to establish that a defendant knew that goods bore counterfeit marks solely because the trademark owner informed the defendant that the trademark owner's authorized dealers had not sold the goods to the defendant.

If a person has an honest, good faith belief that the mark in question is not counterfeit, he or she will not be liable under this bill. Thus, a manufacturer who believes in good faith that he or she has a prior right to use a particular mark, or that a mark does not infringe a registered mark, could not be said to "know" that the mark is counterfeit.

The definition of the "counterfeit mark," which is discussed in more detail below, includes the fact that the infringed mark must be registered on the principal register in the U.S. Patent and Trademark Office. This factor was included in the definition of "counterfeit mark" in order to make this act easier to administer by limiting its scope to a clearly defined class of marks. In a criminal prosecution for counterfeiting, however, or in the civil proceedings that are affected by this act, it is irrelevant whether the defendant knew that the mark in question is registered on the principal register in the Patent and Trademark Office. For that reason, the definition of "counterfeit mark" makes clear that it need not be shown that the defendant was aware of a mark's status at the Patent and Trademark Office.

With one exception, the penalties provided by the Senate and House bills are identical. Both bills provided that an individual may be imprisoned for up to 5 years and fined up to $250,000 or both. Both bills also provided that a person other than an individual, such as a corporation, may be fined up to $1,000,000. (The term "person" is defined in 1 U.S.C. 1.) The compromise bill includes an additional provision from the House bill, setting forth increased penalties for second offenders. However, these enhanced penalties may be imposed only when the second violation occurs after the defendant has been convicted of a prior violation. Thus, a defendant who violates section 2320 on two separate instances, but who is not convicted of the first violation until after the second violation, is not subject to the enhanced penalties.

Proposed section 2320 also provides for punishment of a person who attempts to engage in the proscribed conduct. An attempt is punishable at the same level as a completed offense. Through 18 U.S.C. 371, conspiracies to commit an offense under proposed section 2320 are also prohibited.

The sponsors wish to emphasize that the prison terms and fines specified in subsection (a) are maximum penalties, which they do not expect to be routinely imposed. In a case in which a defendant has trafficked in counterfeits that pose a grave danger to the public health and safety, these maximum penalties may be fully warranted. However, the sponsors also recognize that many instances of trademark counterfeiting do not pose these same risks, and in those cases imposition of the maximum penalties may not be warranted. The courts should exercise their discretion in imposing penalties that are appropriate under the circumstances. The sponsors believe, however, that a combination of appropriate prison terms and substantial fines will create a needed deterrent to trademark counterfeiting.

The compromise draft does not include proposed subsection 2320(b) from the House bill, which stated that documents seized in the course of a trademark counterfeiting prosecution are exempt from disclosure under the Freedom of Information Act, 5 U.S.C. 552. That provision has been omitted as unnecessary, because the public interest is adequately protected by the existing exemption in that act relating to disclosure of "investigatory records compiled for law enforcement purposes." 5 U.S.C. 552(b)(7).

Proposed subsection 2320(b). This provision authorizes the United States to obtain an order seeking the destruction of any counterfeit articles acquired by the Government in the course of a counterfeiting prosecution. Before such an order may be granted, the Government must prove by a preponderance of the evidence that the articles actually bear counterfeit marks. Even if the defendant is ultimately acquitted of the criminal charge, there is no valid public policy reason to allow the defendant to retain materials that are in fact counterfeit.

This provision gives the court the same options it has in ordering destructions under 15 U.S.C. 1118. In practice, the courts have often ordered that counterfeit articles be given to charitable institutions or to the Federal Government. If goods are of value, and pose no threat to health or safety, they should be preserved whenever possible, so long as any counterfeit marks are removed.

The Senate bill contained a formal "safe harbor" provision. See proposed subsection 2320(c) of S. 875. This provision was intended to offer a potentially useful option to a manufacturer or merchant who is in doubt about whether a mark that he or she plans to use will infringe the trademark rights of a current registrant. Under the Senate provision, such a person could have taken two steps to ensure that he or she would not be liable for counterfeiting: first, notifying the trademark owner of his or her plans 30 days before implementing them, and second, labeling the goods or materials in question so as to disclaim any connection with the trademark owner. This provision was intended to address the concern of the Department of Justice that some manufacturers might be deterred from legitimate marketing techniques because of fear of potential liability under this act.

This compromise draft does not include this provision, in view of the concern of the House sponsors that the value of this provision had not been clearly shown and that it might offer a loophole to actual counterfeiters. However, a party is free to take, on an informal basis, the same sorts of precautions contemplated by the Senate safe harbor provision. Thus, a party planning to use a particular mark could provide ample advance written notice to the owner of an existing mark about the party's plans to use a similar mark. The party could

also conspicuously label its goods and related materials so as to alert the public to the fact that the goods or services are not offered by the owner of the registered trademark.

If a party takes these steps in good faith, it would be virtually impossible to establish, in either a civil or a criminal case, that he or she "knowingly" used a counterfeit mark. Such a painstaking effort to provide advance notice to the trademark owner and to prevent consumer deception would ordinarily preclude any liability under this act. Of course, if a party were to attempt to take these steps in bad faith, as part of an effort to immunize its trafficking in marks it knew to be counterfeit, these procedures would not prevent that party from being found liable under this act.

A party's failure to use this informal notice and labeling procedure is not evidence that he or she dealt in particular marks knowing that they were counterfeit. Indeed, if one believes in good faith that one has a right to use a particular mark, one will not have acted with "knowledge" that the mark was counterfeit, and will not incur any liability under this act.

A person's use of the informal notice and labeling procedures here described does not exempt that person from liability under the Lanham Act or other Federal, State or local laws. The courts must make an independent assessment of whether a party has violated such laws, and the notice and labeling procedures here described do not provide a generalized immunity from liability under those laws.

DEFENSES

In a civil proceeding under the Lanham Act, a number of defenses, affirmative defenses, and limitations on remedies are applicable. (See, *e.g.*, 15 U.S.C. 1114(2); 15 U.S.C. 1115(b).) Subsection 2320(c) provides that any defense, affirmative defense, or limitation on remedies that would be applicable in an action under the Lanham Act shall be applicable in a prosecution under this section.

"Defense" means any issue as to which the plaintiff has the burden of proof in a Lanham Act case, and "affirmative defense" refers to matters as to which the defendant bears that burden. Under this subsection, allocations of burdens of proof will be identical to those in a comparable Lanham Act case. Thus, any affirmative defense under the Lanham Act will remain an affirmative defense under this Act, which a defendant must prove by a preponderance of the evidence. Should there be any serious doubt about the allocation of the burden of proof on a particular issue under the Lanham Act, the burden should be placed on the Government as to that issue. In addition, should any issue appear to be both an element of the offense and part of an affirmative defense, the conflict should be resolved by placing the burden on the prosecutor.

Among the matters on which the defendant appears to have the burden of proof under the Lanham Act are laches, *see Valmor Products Co.* v. *Standard Products Corp.*, 464 F.2d 200, 204 (1st Cir. 1972), and the "antitrust" defense, *see Coca-Cola Co.* v. *Overland, Inc.*, 692 F.2d 1250, 1256 (9th Cir. 1982); *Union Carbide* v. *Ever-Ready Inc.*, 531 F.2d 366, 389 (7th Cir. 1976) ("the burden of . . . proof is a heavy one on the (defendant)" to establish an antitrust defense).

By "limitation on relief," this act incorporates the protections for innocent printers and publishers that are contained in 15 U.S.C. 1114(2), and any other limitations on relief that may be applicable under the Lanham Act. Of course, as is the case in any legal proceeding, only those defenses, affirmative defenses, and limitations on relief that are relevant under the circumstances will be applicable in a prosecution under this section.

DEFINITION OF "TRAFFICKING"

Subsection 2320(d) provides a definition of the term "trafficking." This definition is derived from a related, recently enacted statute, the Piracy and Counterfeiting Amendments Act of 1982, now codified at 18 U.S.C. 2318(b). Under this definition, the scope of the act is limited to commercial activities. Thus, it is not a crime under this act for an individual knowingly to purchase goods bearing counterfeit marks, if the purchase is for the individual's personal use.

The "for value" clause in the definition of trafficking means that transfers without consideration of goods or materials bearing counterfeit marks are not covered by this section. Of course, consideration can take many forms, and the courts should analyze transactions based on their substance and not on their form.

The definitions of "Lanham Act" and of "Olympic Charter Act" in subsection 2320(d) are self-explanatory.

DEFINITION OF "COUNTERFEIT MARKS"

The proposed act defines "counterfeit mark" in two places—in the criminal code amendment, proposed 18 U.S.C. 2320(d), and in the Lanham Act amendment, proposed 15 U.S.C. 1116(d)(1)(B). This definition is important for three reasons. First, it helps to define the conduct for which the criminal penalties of this act may be imposed. See proposed 18 U.S.C. 2320(a). Second, it identifies the cases in which ex parte seizures are authorized by this act. See proposed 15 U.S.C. 1116(d)(1)(A). Finally, it helps to define the circumstances in which treble damages or profits and attorney's fees are to be awarded in Lanham Act cases, absent extenuating circumstances. See proposed 15 U.S.C. 1117(b).

For technical reasons, the two definitions of "counterfeit mark" differ slightly in their terms, but they are identical in substance. The Lanham Act already contains a definition of the term "counterfeit": a "spurious mark which is identical with, or substantially indistinguishable from, a registered mark." 15 U.S.C. 1127. Because it is part of the Lanham Act, the definition of "counterfeit mark" contained in proposed subsection 1116(1)(B) incorporates the section 1127 definition. By contrast, existing Federal criminal laws contains no definition of "counterfeit" with respect to trademarks; the amendment to title 18 therefore spells out the elements that are included in the section 1127 definition of "counterfeit." (As the Senate bill indicated, "spurious" means "not genuine or authentic.")

Under this act, there are two types of "counterfeit marks." The first is counterfeits of marks that are registered on the principal register of the Patent and Trademark Office and in use, and that are used by the defendant in connection with the same goods or services for which the mark is registered. See proposed 18 U.S.C. 2320(d)(1)(A); proposed 15 U.S.C. 1116(d)(1)(B)(i). The second is spurious designations that are substantially indistinguishable from Olympic designations protected under 36 U.S.C. 380. See proposed 18 U.S.C. 2320(d)(1)(B); proposed 15 U.S.C. 1116(d)(1)(B)(ii). Under this act, Olympic symbols will receive the same protection as will federally registered trademarks, subject to the limitations specified in 36 U.S.C. 380 concerning the protections afforded those symbols.

Proposed subsection 18 U.S.C. 2320(d)(1)(A)(iii) states that a "counterfeit mark" must be one the use of which is likely "to cause confusion, to cause mistake, or to deceive." This is the key phrase in the remedial section of the Lanham Act, 15 U.S.C. 1114, and its inclusion here is intended to ensure that no conduct will be criminalized by this act that does not constitute trademark infringement under the Lanham Act. As a practical matter, however, this element should be easily satisfied if the other elements of a "counterfeit mark" have been proven—since a counterfeit mark is the most egregious example of a mark that is "likely to cause confusion."

Under both the criminal and civil definitions, the term "counterfeit mark" refers to a mark or designation that is "identical with or substantially indistinguishable from" a genuine mark or designation. The definition of "substantially indistinguishable" will need to be elaborated on a case-by-case basis by the courts. *See, e.g., Montres Rolex S.A.* v. *Snyder*, 718 F.2d 524, 530–32 (2d Cir. 1983), 104 S. ct. 1594 (1984).

Obviously, a mark need not be absolutely identical to a genuine mark in order to be considered "counterfeit." Such an interpretation would allow counterfeiters to escape liabilitly by modifying the registered trademarks of their honest competitors in trivial ways. However, the sponsors do not intend to treat as counterfeiting what would formerly have been arguable, but not clear-cut, cases of trademark infringement.

For example, a manufacturer may adopt a mark for its goods that is reminiscent of, although certainly not "substantially indistinguishable from," a trademark used by the "name-brand" manufacturer of the product. Thus, "Prastimol" might be used as the mark for a medication that is the functional equivalent of a product sold under the trademark "Mostimol." Whether or not this sort of imitation violates the Lanham Act or other provisions of law, it does not constitute use of a "counterfeit mark" for purposes of the bill.

The definition of "counterfeit mark" in this Act (other than in cases involving protected Olympic symbols) reaches only instances in which the mark is used in connection with goods or services for which the mark is registered on the principal register in the U.S. Patent and Trademark Office and in use. Thus, this act has no impact on cases in which the allegedly infringed mark is unregistered. In addition, because this act is intended to reach only the most egregious forms of trademark infringement, it does not affect cases in which the defendant uses a registered mark in connection with goods or services for which the mark is not registered. Under the Lanham Act, a plaintiff can sometimes obtain relief against a defendant who uses a mark in connection with goods or services that are "related" to those for which the mark is registered. For example, a plaintiff with a Federal registration for use of the mark "Hopscotch" on typewriters might have a Lanham Act remedy against a defendant who used that mark to identify typing paper, even though the plaintiff had not registered that mark for use in connection with typing paper. Under the present act, however, the use of the mark "Hopscotch" on typing paper would not count as the use of a "counterfeit mark."

The term "counterfeit mark" in this bill also excludes the marks on so-called "parallel imports" or "gray market" goods—that is, trademarked goods legitimately manufactured and sold overseas and then imported into the United States outside the trademark owner's desired distribution channels. (See generally *Bell & Howell: Mamiya Co.* v. *Masel Supply Co.*, 719 F.2d 42 (2d Cir. 1983).) Current Treasury Department regulations permit the importation of such goods when the foreign and domestic owners of the trademark are under common ownership and control. See 19 CFR 133.31(c). This regulation is now being challenged in the courts. (See, e.g., *Vivitar Corp.* v. *United States*, No. 84-1-00067 (U.S. Court of International Trade, slip. op., Aug. 20, 1984); *Osawa & Co.* v. *B & H Photo*, No. 83-6874 (S.D.N.Y., slip op. May 24, 1984); *Coalition to Preserve the Integrity of American Trademarks* v. *United States*, No. 84-0390 (D.D.C., filed Feb. 5, 1984).) Regardless of the status of parallel imports" or "gray market" goods under the Treasury regulations, however, the sponsors do not consider such goods to bear "counterfeit marks" for purposes of this legislation, since the marks on these goods are placed there with the consent of the trademark owner or of a person affiliated with the trademark owner.

The bill also does not extend to imitations of "trade dress," that is the color, shape, or design of a product or of its packaging, unless those features have been registered as trademarks. For example, generic drugs may be manufactured in pills or capsules that resemble the chemically equivalent brand-name product. This practice has generated litigation under the existing provisions of the Lanham Act. See, e.g., *Inwood Laboratories* v. *Ives Laboratories*, 456 U.S. 844 (1982).) Provided that such goods are not sold through use of a counterfeit of a registered trademark, they will not be affected by this legislation. The sponsors do not intend, however, to exempt generic drugs entirely from the scope of this bill. If such a drug were to be marketed through use of a counterfeit mark, this Act would make available the same remedies that would exist in any other counterfeiting case.

Third, the definition of "counterfeit mark" follows the House bill in explicitly excluding marks that are used in connection with so-called "overrun" goods—that is, certain goods produced without authorization by a current licensee of a trademark owner. In this Statement, the term "licensee" will be used to describe a person who has been authorized by a trademark owner to use a particular mark in connection with certain goods or services, whether or not the agreement between the trademark owner and the authorized party is formally titled a "license," The exclusion would cover a case, for example, in which a licensee was authorized to make 500,000 umbrellas bearing a trademark owner's mark, and the licensee without authorization manufactured an additional 500,000 umbrellas bearing that mark during the course of the license. The exemption is not limited to "manufacturing," but extends to any type of production of goods or services, including, for example, agricultural production.

The House report explained the reasoning behind the overrun provision in H.R. 6071 as follows:

> The trademark owner has put the wheels in motion for the manufacturer to make the overruns, and has the means to protect himself or herself. For example, the trademark owner can specify in the contract that the making of overruns shall constitute a breach of contract, and that the manufacturer shall be liable for liquidated damages if overruns are made. The contract might also specify that the trademark owner has the right to inspect the manufacturer's facilities to ensure that overruns are not being made * * * . The contractual and other civil remedies already existing make it inappropriate to criminalize such practices. (H. Rept. 98-997, 98th Cong., 2d Sess. 13 (1984).

The overrun provision contained in the compromise draft has been revised from the provision in the House bill. First, the compromise bill does not create a grace period for persons dealing with former licensees—that is, licensees whose right to manufacture goods bearing a particular mark has been terminated at the time of manufacture. Correspondingly, the language of the House bill concerning the knowledge of the user about the termination of the relationship between the trademark owner and the licensee has been omitted. Finally, the phrase "contractual or other relationship" has been replaced by the phrase "authorized by." This last change in wording is simply intended to clarify the precise nature of the relationship between the trademark owner and the licensee that was described in the House bill.

If a licensee manufactures overruns during the course of a valid license, the marks on those goods will remain noncounterfeit for purposes of this act, whatever changes may later occur in the relationship between the trademark owner and the licensee. Thus, if goods are manufactured during the course of a valid license, and sold after the termination of the license, the marks of those goods remain noncounterfeit. In addition, if one purchases goods or services produced by a former licensee in the good faith belief that the licensee is then authorized to produce that type of goods, one will not know that the goods are counterfeit and will thus not be liable under proposed 18 U.S.C. 2320(A) or 15 U.S.C. 1117(b).

As the House report made clear, the burden will be on the defendant to prove that the goods or services in question fall within the overrun exclusion, under both the criminal and civil provisions. (This allocation of the burden of proof is indicated in both the House bill and the compromise draft by the phrase introducing the overrun exemption: "but such terms does not include * * * .") The compromise bill also follows the House bill in that the overrun exemption does not apply if a licensee produces a type of

goods in connection with which he or she was not authorized to use the trademark in question. Thus, if a licensee is authorized to produce "Zephyr" trenchcoats, but without permission manufactures "Zephyr" wallets, the overrun exception would not apply.

The overrun exclusion in this legislation does not in any way alter or affect any remedy that may now exist under the Lanham Act or other provisions of law for the manufacture or sale of overrun goods. The exclusion is intended simply to exempt those goods from the special penalties available under this bill.

At the suggestion of the Justice Department, neither the Senate nor the House bill included an explicit effect on interstate commerce element. The Department argued that the explicit inclusion of this element was unnecessary, since a Federal nexus exists because the marks protected are federally registered trademarks or Olympic symbols protected by a Federal statute. However, the bill is intended to reach all trafficking in counterfeits that affects interstate commerce, including trafficking that is discovered in its incipiency, such as before counterfeit merchandise has left the factory.

LANHAM ACT AMENDMENT

The amendment to the Lanham Act accomplishes two primary goals: First, it provides statutory authorization for the seizure of counterfeit goods on an ex parte basis under certain circumstances in civil trademark cases; and second, mandates the award of treble damages or profits and attorney's fees in civil cases in which the defendant has been shown to have intentionally used a mark knowing that it is counterfeit, unless the defendant can show the existence of extenuating circumstances.

Both the House and Senate bills contained provisions similar to those included in the compromise draft. The draft follows the structure of the House bill, which the sponsors believe will best harmonize with existing civil trademark remedies.

EX PARTE SEIZURES

The proposed draft amends 15 U.S.C. 1116 by adding a new subsection (d), which explicitly authorizes the Federal courts, in conterfeiting cases and in certain circumstances, to grant seizures of goods and related materials on an ex parte basis. Subsection (d) represents a compromise between the House and Senate provisions on this question.

The purpose of the ex parte seizure provision is to provide victims of trademark counterfeiting with a means of ensuring that the courts are able to exercise their jurisdiction effectively in counterfeiting cases. Testimony before both the House and Senate Judiciary Committees established that many of those who deal in counterfeits make it a practice to destroy or transfer counterfeit merchandise when a day in court is on the horizon. The ex parte seizure procedure is intended to thwart this bad faith tactic, while ensuring ample procedural protections for persons against whom such orders are issued. In essence, both the Senate and House bills permitted issuance of an ex parte seizure order if the applicant could show that the defendant would not comply with a lesser court order, such as a temporary restraining order, and that there was no means of protecting the court's authority other than to seize the property in question on an ex parte basis.

As proposed subsection (d)(1) makes clear, this provision is directed solely at the seizure of goods in trademark counterfeiting cases—that is, in cases involving the use of a counterfeit mark in connection with the "sale, offering for sale, or distribution" of goods or services. Neither the House nor the Senate has studied the use of ex parte seizures in trademark infringement cases involving violations less egregious than counterfeiting, or in other civil cases, such as lawsuits involving copyright infringement or patent infringement. While the compromise bill therefore does not address ex parte seizures in other civil cases, such as trademark cases not involving counterfeits, the sponsors believe that in any ex parte seizure, the courts should bear in mind the policy concerns that lie behind the provisions of this bill and the need to provide procedural protections to persons against whom such seizures are ordered.

The procedures detailed in this section are largely derived from the existing requirements of rule 65 of the Federal Rules of Civil Procedure. Those requirements have been modified in certain respects to conform them to the circumstances peculiar to seizures on an ex parte basis. Except where the provisions of rule 65 are inconsistent with the requirements of this act, however, they will continue to apply, as will traditional principles of equity.

Proposed subsection (d)(1)(A) lists the items that may be confiscated during an ex parte seizure: "goods and counterfeit marks" involved in the described violation, "the means of making such marks," such as plates or molds, and "records documenting the manufacture, sale, or receipt of things involved in such violation." This list is derived from similar provisions in the Senate and House bills.

Proposed subsection 1116(d)(2). This subsection is based on comparable provisions in both S. 875 and H.R. 6071. It provides that an applicant for an ex-parte seizure in a counterfeiting case must first provide such notice as is reasonable under the circumstances to the U.S. attorney for the district in which the order is sought. The compromise provision follows the House draft, with two cahanges. First, the phrase "timely notice" has been replaced with the phrase "such notice as is reasonable under the circumstances." This amendment is intended to emphasize that the amount and type of notice provided to the U.S. attorney will need to be determined according to the particular circumstances of a case.

The second change from the House bill is that the compromise provision specifically provides that the court may deny an application for an ex parte seizure order if the U.S. attorney shows that the public interest in a potential prosecution so requires. This addition is intended to make explicit the clear intent of both S. 875 and H.R. 6071. The sponsors intend that whenever practicable, the views of the U.S. attorney should be sought by the court.

Proposed subsection 1116(d)(3). This subsection lays out the technical requirements for issuance of an ex parte seizure order under this bill. Under this provision, an applicant will need to supply the court with an affidavit or verified complaint containing information supporting the issuance of an ex parte seizure order, and other information specified in proposed subsection (d)(5).

In an ex parte proceeding, the court will have no choice but to rely on the representations of the applicant. For that reason, the court should rely, whenever possible, on statements of fact based on the personal knowledge of the affiant. For example, if an individual employee of a company has personal knowledge of relevant facts, the company should submit an affidavit from that indvidual, rather than relying on the information and belief of the company's counsel.

Of course, in some instances the court may consider allegations based on hearsay. For example, if an attorney has obtained information from a confidential source whose identity cannot be revealed publicly, the court may accept hearsay in an affidavit or verified complaint. See generally C. Wright and A. Miller, Federal Practice and Procedure (civil) section 2952, at 514-16 (1973).

Proposed subsection (d)(4). This subsection is the heart of the ex parte seizure provisions. It lays out the two basic requirements for issuance of an ex parte seizure order: First, provision by the applicant of a bond to ensure that the defendant will be made whole if the seizure should prove to have been wrongful; and second, an adequate showing of the facts that justify issuance of such an order. These provisions will ensure that the rights of defendants under the due process clause are fully respected in ex parte seizures under this act.

Proposed subsection (d)(4)(A). The provision of a bond is one of the critical procedural protections designed to ensure that the defendant's rights are adequately protected during the course of an ex parte seizure. In setting the amount of security, courts should err on the side of caution—that is, toward larger bonds—in light of the need to protect the unrepresented defendant, and to ensure that the defendant will have an effective remedy if he or she is the victim of a wrongful seizure.

Proposed subsection (d)(4)(B). This provision details the findings that a court must make in order to issue an ex parte seizure order under this section. The compromise version draws upon both proposed subsection (d)(4) of the House bill and proposed subsection (f)(4) of the Senate bill.

Under this subsection, the court must find that it "clearly appears from specific facts" that the listed circumstances exist. The quoted language is taken from rule 65 of the Federal Rules of Civil Procedure, and the sponsors intend the same standard of proof applicable under that rule to be applicable in connection with this subsection.

Proposed subsection 1116(d)(4)(B)(i). The first required finding is taken from both the Senate and House bills: The applicant must show that an order less drastic than an ex parte seizure would be inadequate. Thus, the applicant must establish that a temporary restraining order on notice to the defendant, or an ex parte temporary restraining order, would not be adequate to achieve the purposes of the Lanham Act. This provision simply codifies the traditional equitable principle that the court should use the least intrusive remedy that will be effective under the circumstances.

Proposed subsection 1116(d)(4)(B)(ii). The second required finding is that the applicant not have publicized the requested seizure. The reason for this provision is that when a private applicant obtains an order directing law enforcement officials to seize materials from an unrepresented defendant, the applicant should not be permitted to take advantage of the surprise character of the seizure to unfairly injure the reputation of the defendant. For example, it would be highly unfair to a defendant who has been given no advance notice of a seizure if the applicant were to alert the press to the upcoming seizure in an effort to create damaging publicity about the defendant. This provision therefore requires a party seeking an ex parte seizure to certify to the court that it has not publicized the requested seizure. Of course, the sponsors appreciate the first amendment principles that are implicated by this provision, and it should be interpreted consistently with those principles.

Proposed subsection (d)(4)(B)(iii). The third required finding is that the applicant is likely to succeed in showing that the defendant used a counterfeit mark in connection with the sale, offering for sale, or distribution of goods or services. This provision does not require any showing about the defendant's state of mind; it simply requires the applicant to make an adequate showing that the marks in which the defendant is commercially dealing are counterfeit.

Proposed subsection (d)(4)(B)(iv). The fourth required finding, derived from both the Senate and House bills, is that an "immediate and irreparable injury" will occur if a seizure is not ordered. This will not ordinarily be a difficult showing in a counterfeiting case. If the mark in question is likely to be found to be counterfeit, then the applicant will ordinarily be able to show irreparable harm that the goods are likely to be distributed if their seizure is not ordered. The courts have repeatedly held that the distribution of infringing goods constitutes irreparable injury sufficient to order preliminary relief. See, for example, *In Re Vuitton et Fils S.A.*, 606 F.2d 1, 4 (2d Cir. 1979); *Helene Curtis Industries, Inc.* v. *Church & Dwight Co.*, 560 F.2d 1325, 1332–33 (7th Cir. 1977), *cert. denied*, 434 U.S. 1070 (1978); *Omega Importing* v. *Petri-Kine Camera Co.*, 451 F.2d 1190, 1195 (2d Cir. 1971). Since the marks at issue here are not merely infringing but counterfeit marks, this conclusion will be still more easily reached.

Proposed subsection (d)(4)(B)(v). The fifth required finding is that the matter to be seized will be located at the place identified in the application. This provision, too, is derived from similar provisions in both the House and Senate bills. As the House report made clear, it may be difficult for the applicant to identify precisely where the goods or materials in question are located. The courts should thus be flexible in applying this requirement, but should require as great a degree of specificity as is possible under the circumstances, and should not grant orders, for example, permitting seizure to take place "anywhere in downtown Washington, DC."

Proposed subsection (d)(4)(B)(vi). The sixth required finding is that "the harm to the applicant of denying the application outweighs the harm to the legitimate interests of the person against whom such seizure would be ordered of granting the application." In cases in which the other listed requirement are satisfied, the sponsors do not anticipate that this showing will be a difficult one. The hardship to a plaintiff caused by the distribution of goods bearing counterfeit marks will usually be great; a defendant's legitimate interest in retaining counterfeits, which he or she would hide or destroy if notified of the suit, will normally be minimal. *Cf. Atari, Inc.* v. *North American Philips Corp.*, 672 F.2d 607, 620 (7th Cir.), *cert. denied*, 103 S. Ct. 176 (1982); *Corning Glass Works* v. *Jeannette Glass Co.*, 308 F. Supp. 1321, 1328 (S.D.N.Y. 1970), *aff'd*, 432 F.2d 784 (2d Cir. 1970).

Proposed subsection (d)(4)(B)(vii). This provision is the key to obtaining an ex parte seizure order under this act. Its language is adapted from the comparable Senate and House provisions. Both of those provisions required, in essence, that the applicant show that if he or she were to proceed on notice to the defendant, the defendant or persons associated with the defendant would destroy, transfer, or hide the materials in question, or otherwise make them inaccessible to the court's jurisdiction. The proof relevant to this finding will, of course, often overlap with that for the first finding above.

The compromise draft requires that the court find that "the person against whom the seizure would be ordered, or persons acting in concert with such person, would destroy, move, hide, or otherwise make such matter inaccessible to the court, if the applicant were to proceed on notice to such person." The most compelling proof on this point would be evidence that the defendant had acted in bad faith toward the judicial process in the past. A court may, however, consider any other evidence relevant to this determination. As used in this provision, the term "persons acting in concert" with the defendant means persons acting under the direction of, or at the request of, the defendant.

The sponsors wish to emphasize that ex parte seizures are to be ordered only as a last resort. It would not be appropriate to order such a seizure against a reputable merchant, absent unusual circumstances—such as when the applicant can make a particularized showing that the merchant would be likely to defy a court order to maintain the status quo. A reputable businessperson would not be likely to conceal or destroy evidence when notified of a pending lawsuit, and the issuance of an ex parte seizure order against such a person would therefore be wholly inappropriate, absent the unusual circumstances just mentioned. Rather, the sponsors believe that ex parte seizures are a necessary tool to thwart the bad faith efforts of fly by night defendants to evade the jurisdiction of the court.

The sponsors note that three provisions of H.R. 6071 concerning ex parte seizures have been omitted in the compromise draft. The first is the provision in proposed section (d)(1)(A) of H.R. 6071 that an ex parte seizure order may be issued only if the defendant "knew or should have known" that

the items in question were counterfeit. The compromise draft follows the Senate bill on this point, see section (f)(4) of S. 875, for two reasons. The first is set forth in the Senate Report. See Senate Report 98-526, supra, at 17. The second is that the sponsors believe that the "should have known" standard was in essence a negligence standard, and thus was inconsistent with the intention to authorize ex parte seizures only when the defendant will act in bad faith to avoid the court's jurisdiction.

The second significant omission from the House bill is the requirement that the applicant for an ex parte seizure show that "the public interest would not be seriously adversely affected by granting the application." If the other requirements for an ex parte seizure have been met, the U.S. attorney has been duly notified of the pending seizure, and the court has considered whether the public interest in a potential prosecution requires denial of the application, the sponsors believe that the issue of the public interest will already have been resolved.

The third major change from the House bill is that the provisions concerning post-seizure document discovery have been considerably simplified. The sponsors believe that the courts will be able to devise appropriate discovery procedures under the circumstances of each case, consistent with the statutory guidance provided by proposed section (d)(7) of this act, and its explanation herein.

Proposed subsection (d)(5). This subsection sets out the information that must be included in an ex parte seizure order. Subsection (d)(5)(B) requires the applicant to provide a "particular description of the matter to be seized." Here, too, the courts should require the greatest specificity that is possible under the circumstances, but should recognize that circumstances may often make it impossible to list in detail every item that is to be seized.

Under proposed subsection (d)(5)(C), the court must indicate the period during which the seizure order is to be carried out—a period that may not be longer than 7 days. Under proposed subsection (d)(5)(E), the court should set a date for a post-seizure hearing, at a time to be calculated in accordance with proposed subsection (d)(10). Service of the order on the defendant just before execution of the seizure, pursuant to subsection (d)(9), will constitute notice to the defendant of the upcoming hearing.

Proposed subsection (d)(6). This provision directs the court to take appropriate action to protect the defendant from publicity generated by the plaintiff about the seizure of the defendant's goods. Because the unfairness of publicizing a seizure order obtained without the defendant's knowledge forms the basis for limiting the plaintiff's efforts to publicize the seizure, the need for protection will primarily exist before and during the seizure. The use of the term "appropriate" is designed to ensure that any action taken by the court will be consistent with the first amendment.

Proposed subsection (d)(7). This provision requires all materials seized in an ex parte seizure order under this section to be placed in the custody of the court. Under proposed subsection (d)(1), the materials seized may include business records. The sponsors recognize that the seizure of such records poses particularly difficult issues, since such documents may contain sensitive business information. If any records have been seized, therefore, the court should enter an appropriate protective order with respect to discovery of the records. In seeking to protect any privileged information that may be contained in the seized records, the courts should employ whatever procedures are appropriate under the circumstances of the case at hand. The sponsors believe that three procedural devices in particular are worthy of special consideration in this regard.

The first is the use of a third party, chosen by the court or by agreement of all concerned, who can examine the records in question and extract the needed information without revealing privileged matter. *See, e.g., Battle Creek Equipment Co.* v. *Roberts Manufacturing Co.*, 90 F.R.D. 85 (W.D. Mich. 1981); *Triangle Manufacturing Co.* v. *Paramount Bag Manufacturing Co.*, 35 F.R.D. 540 (S.D.N.Y. 1964); F.R. Civ. P. 53 (appointment of special masters). The second is in camera inspection of the key documents. *See Altech Industries, Inc.* v. *Al Tech Specialty Steel Corp.*, 528 F. Supp. 521 (D. Del. 1981). Should the court find that these procedures are inappropriate or not fully satisfactory, a protective order may issue permitting counsel, but not the litigants, to have access to certain information. *See, e.g., Federal Open Market Committee* v. *Merrill*, 443 U.S. 340, 362 n.24 (1979); *Federal Trade Commission* v. *Exxon Corp.*, 636 F.2d 1336, 1349-51 (D.C. Cir. 1980); *Chesa International Ltd.* v. *Fashion Associates*, 425 F. Supp. 234 (S.D.N.Y.), *aff'd*, 573 F.2d 1288 (2d Cir. 1977). (In some instances, it may be appropriate to limit disclosure of certain documents to a party's outside counsel. *See, e.g., Federal Trade Commission* v. *Exxon, supra.*) Needless to say, a solution to the problem of protecting privileged business information from improper disclosure will need to be tailored to the circumstances of each case.

Proposed subsection (d)(8). Like both the Senate and House bills, the compromise version provides that ex parte seizure orders under this section shall be sealed until the defendant has had an opportunity to contest the order. It also provides that once the seizure has taken place, the defendant should, of course, be given an opportunity to see the seizure order and supporting materials.

Proposed subsection (d)(9). As did both S. 875 and H.R. 6071, the compromise draft provides that a U.S. marshal or other law enforcement official shall carry out ex parte seizure orders under this act. When possible, a U.S. marshal should carry out the seizures, but other law enforcement officials may perform seizures under this section if the U.S. marshal is unable to do so in an expeditious manner.

The compromise bill also provides that the court should issue appropriate orders to ensure that trade secrets or other confidential data are not improperly disclosed during the course of the seizure. In particular, the provision authorizes the court, when appropriate, to restrict the access of the applicant or its agents or employees to such information during the course of the seizure.

In preparing such an order, the court should keep in mind two competing considerations. The first is that the law enforcement official who carries out the order may not be sufficiently familiar with the goods or services in question to be able to determine what materials or documents should be seized. For this reason, it may be desirable for the court to permit a representative of the applicant, such as its counsel, to accompany the U.S. marshal to assist in making these determinations. On the other hand, the purpose of the ex parte seizure is to protect materials from destruction or concealment; it is not to permit the plaintiff to bypass the normal discovery process. If an applicant is permitted unlimited access to the defendant's documents during a seizure, later protective orders issued during the discovery process may be of little value.

The sponsors believe that the courts can reconcile these two goals by issuing appropriate orders, based on all the circumstances of the case, that will provide the law enforcement officials with sufficient information to carry out the seizure while not jeopardizing the operation of the normal discovery process or the confidentiality of the defendant's business records and other materials. The act leaves to the sound discretion of the court the determination of how best to achieve these goals. One preferred method would be for the court to ask the applicant's counsel, whether or not he or she accompanies the law enforcement officials who execute the seizure, to provide the officials with a "checklist" of matters to be seized, and with other needed information.

The compromise draft does not include the provision in proposed subsection (d)(10) of the House bill calling for application of certain procedures under the Federal Rules of Criminal Procedure. The sponsors determined that the application of these complex rules might needlessly complicate ex parte seizures under this act. However, the courts are free to employ appropriate procedures to accomplish the general purposes of the omitted House provision.

Proposed subsection (d)(10). This provision requires the court to hold a noticed hearing on the propriety of the seizure order. The defendant will have received notice of the hearing by service of the seizure order. The hearing may be waived, if all parties agree.

The hearing must be held no sooner than 10 days after issuance of the seizure order, unless the parties agree to hold it sooner, and no later than 15 days, after the issuance of the order. The flexibility of the hearing date is intended to accommodate the 7-day period after issuance of the order during which the seizure may be executed.

Of course, either party may request a delay in the hearing. The plaintiff must show good cause for a continuance, since at this point in the proceedings the hardship is upon the defendant whose goods have been seized. For the same reason, it is not necessary for the defendant to show cause for a continuance.

At the hearing, the plaintiff will have the burden of showing that the seizure order was justified and that it continues to be justifiable to hold the defendant's goods or other materials. In many instances, there may be no significant new evidence on this issue, and the plaintiff's proof may simply consist of the same evidence presented at the ex parte hearing, along with proof that those facts have not changed. If the plaintiff is unable to show that continuation of the seizure order is justified, however, the seizure order should be dissolved or modified appropriately.

Of course, the court has the power to retain goods that are proven to be counterfeit. If the defendant does not contest this issue, the court should deal with the goods pursuant to 15 U.S.C. 1118.

Paragraph (B) of this subsection permits the courts to modify normal discovery time limits, if necessary, to accommodate the expedited hearing schedule. This provision follows similar language in both the Senate and House bills.

Proposed subsection (d)(11). The sponsors recognize that ex parte seizure orders are an extraordinary remedy, and that a person who is subject to a wrongful ex parte seizure should be fully compensated by the party who obtained the seizure order. A court should award such a victim all appropriate damages, including compensation for lost goods or materials, damage to the defendant's good will, and all other elements of actual damage. For example, if a merchant were to obtain a seizure order in order to harass a legitimate competitor and to accrue additional business for itself, the court should award damages based on the applicant's unjust enrichment. Indeed, whenever a seizure order is obtained in bad faith, the applicant should be required to pay all appropriate damages, including such punitive damages as the trier of fact finds appropriate. In addition, unless the court finds extenuating circumstances, a victim of a wrongful seizure should be awarded a reasonable attorney's fee.

The term "wrongful seizure" was intentionally left undefined in both the Senate and House bills, in the belief that the courts will best be able to interpret this phrase under the circumstances of each individual case, and in light of precedents under rule 65 of the Federal rules of Civil Procedure, However, a few rules of thumb can be outlined. The first is that the mere fact that a few legitimate items may have been seized does not make the seizure as a whole wrongful; otherwise, a counterfeiter could ensure that any seizure of its counterfeit merchandise would be "wrongful" simply by mingling a few genuine items with his or her inventory of fakes. The second is that a seizure will be considered wrongful if the applicant acted in bad faith in seeking it. For example, it would obviously constitute bad faith for an applicant to seek a seizure order in an effort to prevent the sale of legitimate merchandise at discount prices. Similarly, it would constitute bad faith for an applicant deliberately to defy a court order limiting its access to confidential documents seized from the defendant.

Third, a seizure must be considered "wrongful" if the matter seized is legitimate, noninfringing merchandise. In such a case, even if the plaintiff acted in good faith, the defendant should be compensated for his or her losses caused by the plaintiff's use of an ex parte process. Beyond these principles, the act leaves the definition of "wrongful seizure" to case-by-case interpretation in light of rule 65 and other precedents.

The compromise bill adopts the provision of the Senate bill with respect to awards of prejudgment interest on damages for wrongful seizures. See proposed section 2320)d)(2) of S. 875. The purpose of this provision, and of the comparable provision in proposed 15 U.S.C. 1117(b), is to ensure that an injured party is made whole by the relief that he or she is granted, and to discourage dilatory tactics in litigation under this act.

TREBLE DAMAGES AND ATTORNEY'S FEES

The Senate bill called for an automatic award of treble damages and attorney's fees to plaintiffs upon a showing that the defendant had "intentionally trafficked in goods or services" knowing them to be counterfeit. The House provision spoke in terms of "use" of a mark or designation, and gave the court discretion to reduce the award against the defendant in the event of "extenuating circumstances." (In this statement, the phrase "treble damages" is used as shorthand for "treble damages or profits." See 15 U.S.C. 1117).

The Senate sponsors have agreed to the House language concerning "extenuating circumstances," on the understanding that it will be a rare case in which a defendant who has trafficked in goods or services using a mark that he or she knows to be counterfeit can show that he or she should not be assessed treble damages. Once the other requirements for an award of treble damages or profits under section 1117(b) are met that is, intentional use knowing that the mark is counterfeit), it is a very unlikely that there will be any "extenuating circumstances" that will warrant lessening the amount of the reward. In highly unusual instances, however, the court may be warranted in reducing the treble damages and attorney's fees to which the plaintiff would otherwise be entitled. For example, it may not be appropriate to impose treble damages and attorney's fees when the defendant is an unsophisticated individual, operating on a small scale, whose conduct posed no risk to the public's health or safety, and for whom the imposition of treble damages would mean that he or she would be unable to support his or her family.

The act amends 15 U.S.C. 1117, the Lanham Act provision that governs recoveries in trademark cases. For purposes of clarity, the act creates a new subsection 1117(b) relating exclusively to recovery in counterfeiting cases. The provisions of subsection (a) remain applicable in counterfeiting cases except insofar as they are inconsistent with subsection (b). Thus, the sentence of section 1117 that reads "Such sum * * * shall constitute compensation and not a penalty" is inapplicable in counterfeiting cases, since one of the purposes of treble damage awards for intentional dealing in known counterfeits is to provide an adequate penalty for such conduct. (See S. Rept. 98-526, supra, at 6.)

Both the Senate and the House bills provided for a two-part mental state requirement: that the defendant be shown to have acted "intentionally" in dealing in the goods or materials in question, and to have "known" that the items were counterfeit. The compromise bill retains that two-part test.

The comments above concerning the mental state provision of the criminal code amendment are equally applicable here, except that, of course, the standard of proof in a civil case will be "by a preponderance of the evidence" rather than "beyond a reasonable doubt."

The Senate bill called for a mandatory award of reasonable investigator's fees to successful plaintiffs in counterfeiting cases. This provision has been omitted from the compromise bill, because of the concern of the House sponsors that such a provision might set an undersirable precedent. To the extent that an investigator acts under the direction of an attorney, however, his or her fees may be recovered by a prevailing plaintiff as part of an award of attorney's fees.

Here too, the compromise bill adopts the comparable Senate provision concerning prejudgment interest on awards. (See subsection 2320(d)(2) of S. 875.)

The sponsors wish to discourage frivolous allegations of counterfeiting in trademark infringement suits, and to prevent a demand for "counterfeiting treble damages" from becoming a "boilerplate" request in ordinary trademark infringement suits. Should a plaintiff seek treble damages for "intentional use" of a "known counterfeit" in a case in which the mark in question is clearly not counterfeit, it would be appropriate to require the plaintiff to pay the defendant's attorney's fees with respect to that portion of the lawsuit. See 15 U.S.C. 1117 ("The court in exceptional cases may award reasonable attorney's fees to the prevailing party.") For purposes of this act, if the court determines that an allegation of counterfeiting was frivolous, the defendant shall be considered a "prevailing party" with respect to that allegation for purposes of section 1117.

Of course, this provision is not intended to reverse the usual principles of the Federal Rules of Civil Procedure with respect to "notice pleading." In particular, it may be difficult for a plaintiff to be certain, at the time of filing a complaint, whether the defendant knew that particular goods bore counterfeit marks. It may be easier to determine at the outset of a lawsuit whether, for example, a mark could plausibly be considered "substantially identical" to a registered mark. The court should take these and other relevant factors into account in determining whether to award attorney's fees to a prevailing defendant on the basis that an allegation of counterfeiting was frivolous.

Proposed 15 U.S.C. 1118. This provision amends 15 U.S.C. 1118 to require a party seeking the destruction of articles seized under the ex parte procedures of this act to give 10 days' notice to the U.S. attorney before doing so, unless the party can show good cause for giving lesser notice. The destruction of the offending articles will rarely be an emergency matter, and the sponsors therefore expect that the full 10-day notice should ordinarily be given.

● Mr. RODINO. Mr. Speaker, I want to address myself to a portion of the continuing resolution that for many years I have sponsored and worked for, the chapter that makes Federal money available to the States to aid them in helping the innocent victims of crime. Congress has come close to enacting such legislation in the past, but has never done so.

My interest—and the House Judiciary Committee's interest—in helping crime victims has not waned over the years, however. Last term, I authorized legislation that unanimously passed both Houses of Congress and was signed into law as the Victim and Witness Protection Act of 1982. That act strengthened Federal laws protecting victims and witnesses from intimidation and retaliation; required Federal courts to consider a victim impact statement when determining sentence; and made restitution a separate criminal punishment that could be imposed in addition to or in lieu of any other punishment.

Last year, together with some 50 colleagues, I introduced H.R. 3498, the Victims of Crime Act of 1983, which calls for Federal aid for State crime victim compensation programs and for programs that offer services and assistance to crime victims. The Judiciary Committee's Subcommittee on Criminal Justice, under the leadership of our colleague from Michigan [Mr. CONYERS] held extensive hearings on the bill and on an administration proposal sponsored by the gentleman from New York [Mr. FISH].

The other body early last August passed a modified version of the administration bill, and shortly after that I began negotiations with the administration and the leadership of the other body's Judiciary Committee. Those negotiations successfully resolved the differences among the three bills—H.R. 3498, the administration bill, and the bill passed by the other body. I introduced the compromise that we worked out—H.R. 6403—which was also included in the crime package amendments to H.R. 5690 that were approved by the House on Tuesday, October 2. The other body attached the compromise to the continuing resolution, and the House's conferees agreed to accept the language.

There are two features of the compromise that I particularly want to bring my colleague's attention. The first concerns the excise tax on handguns, the Pittman-Robertson tax H.R. 3498 utilizes the proceeds of this tax to help crime victims, as suggested by President Reagan's Task Force on Victims of Crime. As the President's task force stated in its final report:

> There is little if any relation between handguns and hunting or wildlife activity. There is a substantial relationship, however, between handguns and the commission of violent crime * * * The implementation of this suggestion [that the handgun excise tax be used to fund victim assistance programs] will not unduly impede the contribution made to hunters and wildlife protection by the Pittman-Robertson Fund, will substantially assist victims whose pressing needs are not now being met, and will direct the proceeds of this tax to a goal more closely related to the items that give rise to the revenue.

The administration, unfortunately, backed away from this recommendation, and the bill passed by the other body does not call for the use of the handgun excise tax to help crime victims. In order to fashion a compromise bill that could be enacted this term, I agreed not to push for the use of that tax, and the compromise does not derive any revenue from that source.

The second matter I want to bring to my colleague's attention is what is often called a Son of Sam provision. A number of States have enacted such provisions, which confiscate proceeds from the sale of literary and entertainment rights about a crime.

As noted by the conferees on a crime victim compensation bill in the 95th Congress:

> "Such provisions raise serious constitutional questions." H.R. Rep. No. 1762, 95th Cong., 2d Sess. 10 (1978) (citing a memorandum by the American Law Division of the Library of Congress' Congressional Research Service). See Note, "Criminals-Turned-Authors: Victims' Rights v. Freedom of Speech," 54 Indiana L.J. 443 (1979); Note, "Compensating the Victim from the Proceeds of the Criminal's Story—The Constitutionality of the New York Approach," 14 Columbia J. of L. & Soc. Prob's 93 (1978). These constitutional problems are particularly acute in the Administration bill and the bill passed by the other body. See 130 CONGRESSIONAL RECORD 23800 Aug. 10, 1984) (remarks of Senator MATHIAS).

The provision in the compromise seeks to avoid constitutional problems in a variety of ways. First, the provision applies only after there has been a conviction. It does not apply to persons simply charged with an offense. Second, it applies only to conviction of Federal offenses resulting in physical harm to an individual. One of the prime concerns underlying the first amendment is ensuring that political debate be open, robust, and complete. It is clear that accounts of violent criminal acts are not central to that first amendment concern. Finally, the compromise provision leaves the court with sufficient discretion for it to take into account any constitutional considerations.

In order that my colleagues will know how the crime victim compensation and assistance chapter will work,

I am including at this point in the RECORD a section-by-section analysis of that chapter:

SECTION-BY-SECTION ANALYSIS OF CHAPTER XIV OF TITLE II OF H.J. RES. 648

Section 1401 of the bill provides that the short title of the chapter is the "Victims of Crime Act of 1984."

Section 1402: Crime Victims Fund.—Section 1402(a) establishes a separate account in the Treasury of the United States to be known as the "Crime Victims Fund." Section 1402(b) sets forth four sources of money for the Fund.

Section 1402(b)(1) provides that, subject to the limitation in section 1402(c), all fines collected from persons convicted of "offenses against the United States" will be deposited in the Fund, except for certain fines that are currently earmarked for special uses. The fines that will not be deposited in the Fund are: fines available for use by the Secretary of the Treasury under section 11(d) of the Endangered Species Act (16 U.S.C. 1540(d)) and section 6(d) of the Lacey Act Amendments of 1981 (16 U.S.C. 3375(d)); fines paid into the railroad unemployment insurance account pursuant to the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.); fines paid into the Postal Service Fund pursuant to 39 U.S.C. 2601(a)(2) and 2003 and for the purposes set forth in 39 U.S.C. 404(a)(8); fines paid into the navigable waters revolving fund pursuant to section 311 of the Federal Water Pollution Control Act (33 U.S.C. 1321); and fines paid into the county public school funds pursuant to 18 U.S.C. 3613.

Section 1402(b)(2) provides that penalty assessments collected under 18 U.S.C. 3013 will (subject to the limitation in section 1402(c)) be deposited in the Fund. This penalty assessment is new to Federal law and is added by section 1405.

Section 1402(b)(3) provides that, subject to the limitation in section 1402(c), the proceeds from forfeited appearance and bail bonds and forfeited collateral will go into the Fund. Section 1402(b)(4) provides that, subject to the limitation in section 1402(c), forfeitures ordered under 18 U.S.C. chapter 232 will be deposited in the Fund. Chapter 232 of title 18 is new to Federal law and is added by section 1406.

Section 1402(c)(1) provides that no more than $100 million may be deposited in the Fund during any particular fiscal year. All revenue in excess of that amount is to be deposited in the general fund of the Treasury.[1] Section 1402(c)(2) sunsets the Fund by providing that no money shall be deposited in the Fund after September 30, 1988.

Section 1402(d)(1) provides that sums deposited in the Fund will remain in the Fund and be available for grants under the legislation without fiscal year limitation.[2] Section 1402(d)(2) provides that 50% of the money deposited in the Fund during the fiscal year will be available for victim compensation grants under section 1403 and 50% will be available for victim assistance grants under section 1404.

Section 1402(e) limits the time within which a grant under the legislation must be spent. It provides that any funds awarded as part of a grant that are unspent at the end of the fiscal year in which the grant is made, must be obligated during the next fiscal year or else returned to the general fund of the Treasury.

Footnotes at end of article.

Section 1402(f) defines the term "offenses against the United States" as used in section 1402 to exclude (1) criminal violations of the Uniform Code of Military Justice (10 U.S.C. 801 et seq.), (2) offenses against the laws of the District of Columbia, and (3) offenses triable by Indian tribal courts or Courts of Indian Offenses.

Section 1403: Crime Victim Compensation.—Section 1403(a) establishes a grant program to reimburse States for a portion of the compensation they pay to victims of crime. Section 1403(a)(1) provides that the Attorney General must make an annual grant to an eligible crime victim compensation program of 35% of the compensation paid to crime victims during the preceding year, other than compensation awarded for property damage. Section 1403(a)(1) also requires that the recipient of the grant use the grant only for the purpose of making further compensation awards.

Section 1403(a)(2) provides for the contingency that there may not be enough money in the Fund to permit a grant of 35% for each eligible crime victim compensation program. In such a contingency, the percentage will be reduced so that each State will receive the same percentage of the compensation paid to crime victims during the preceding fiscal year (other than compensation paid for property damage).[3]

Section 1403(b) sets forth six criteria that a crime victim compensation program must meet in order to be eligible for a grant under the legislation. Section 1403(b)(1) requires that the program be operated by a State and offer compensation to victims of crime and survivors of victims of crime for (A) medical expenses, including expenses for mental health counseling and care, that are attributable to a physical injury resulting from a "compensable crime" (which is defined in section 1403(d)(3)); (B) loss of wages attributable to a physical injury resulting from a compensable crime; and (C) funeral expenses attributable to a death resulting from a compensable crime.[4]

Section 1403(b)(2) requires that the program promote victim cooperation with the reasonable requests of law enforcement authorities. Section 1403(b)(3) requires that the State certify that crime victim compensation grants received under the legislation will not be used to supplant State funds otherwise available to provide crime victim compensation.[5]

Section 1403(b)(4) requires that the program not discriminate against nonresidents of the State. A number of State programs will compensate a victim only if that person is a resident of that State.[6] This provision will make the crime victim compensation programs of such States ineligible for grants under section 1403.

Section 1403(b)(5) requires that the program compensate a victim of a crime occurring within the boundaries of the State that falls within the exclusive Federal jurisdiction to prosecute, to the extent that such victim would have been compensated had the crime been a State crime. Section 1403(b)(6) requires that the program provide any other information and assurances related to the purposes of section 1403 that the Attorney General reasonably requires.

Section 1403(d) defines four terms used in section 1403. Section 1403(d)(1) defines "property damage" to exclude damage to prosthetic devices (such as artificial limbs) and dental devices (such as false teeth). Section 1403(d)(2) defines the term "medical expenses" to include, to the extent that the State crime victim compensation program so provides, expenses for dental services and devices and prosthetic devices, and for services rendered in accordance with a method of healing recognized by the law of the State.[7] Section 1403(d)(3) defines "compensable crime" to mean a crime whose victims are eligible for compensation under the eligible crime victim compensation program. Thus, each State is free to decide for itself those crimes to be covered by its crime victim compensation program. Section 1403(d)(4) defines "State" to include the District of Columbia, the Commonwealth of Puerto Rico, and any other possession or territory of the United States.

Section 1404: Crime Victim Assistance.—Section 1404(a)(1) requires the Attorney General to make an annual grant to the chief executive of each State for the financial support of eligible crime victim assistance programs.[8] These grants are subject to the availability of money in the Fund and are to be made from the total amounts available in the Fund after deducting the amounts needed for grants under section 1403 (which cannot exceed one-half of the Fund) and under section 1404(c) (which cannot exceed 5% of the total amount in the Fund). Under this formula, the States may well receive more than half of the total Fund as grants under section 1404(a).[9] Section 1404(a)(1) also requires that the grant be used only for the purpose of aiding programs that provide services to victims of crime.[10]

Section 1404(a)(2) sets forth conditions that a State's chief executive must comply with in order to receive a crime victim assistance grant under the legislation. Section 1404(a)(2)(A) requires that the chief executive certify that three types of crime victim assistance programs—those serving victims of sexual assault, spousal abuse, and child abuse—will receive priority in the distribution of grant money withing the State.[11]

Section 1404(a)(2)(B) requires that the chief executive certify that funds awarded to eligible crime victim assistance programs will not be used to supplant State and local funds otherwise available for crime victim assistance. This provision parallels section 1403(b)(3), which imposes a similar obligation upon eligible crime victim compensation programs.

Section 1404(a)(2)C) requires that the chief executive provide other information related to the purposes of section 1404 that the Attorney General reasonably requires.

Section 1404(a)(3) sets forth the formula for distributing crime victim assistance grants to the States. Section 1440(1)(3)(A) provides that each State, the District of Columbia, and the Commonwealth of Puerto Rico will receive $100,000. Section 1404(a)(3)(B) provides that the remainder of the Fund available for grants under section 1404(a) will be distributed to the States on the basis of population.[12]

Section 1404(a)(4) provides for the contingency that money in the Fund available for distribution under section 1404(a) might not be sufficient to provide each State with $100,000 under section 1404(a)(3)(A). In that contingency, the money available will be distributed equally among the States, the District of Columbia, and the Commonwealth of Puerto Rico.

Section 1404(b) set forth five criteria that a crime victim assistance program must meet in order to be eligible for financial assistance under section 1404(a). Section 1404(b)(1)(A) requires that the program provide services to victims of crime and be operated by a public agency (an agency of

State or local Government), by a private, nonprofit organization, or by a combination of such entities.

Section 1404(b)(1)(B) requires that the program demonstrate either (i) a record of providing effective services to victims of crime and financial support from sources other than the Fund,[13] or (ii) substantial financial support from sources other than the Fund.[14] Section 1404(b)(1)(C) requires that the program utilize volunteers in its operations, unless (and to the extent that) the chief executive determines that compelling reasons exist that justify waiving this requirement. This is compromise between a provision in H.R. 3498, which required that recipient crime victim assistance programs to utilize volunteers, and a provision in S. 2423, which merely required that the recipient promote, "to the extent practicable," the use of volunteers. The hearings of the Subcommittee on Criminal Justice underscored the importance of volunteers to victim assistance programs.[15] However, in rare instances there may be a compelling reason why volunteers cannot be utilized. Section 1404(b)(1)(C), therefore, carries forward the provision of H.R. 3498 with a narrow exception. This exception permits a chief executive to waive the requirement that volunteers be used if (and only to the extent that) the chief executive determines that there are compelling reasons for doing so.[16]

Section 1404(b)(1)(D) requires that the program promote, within the community served by that program, coordinated public and private efforts to aid crime victims, and section 1404(b)(1)(E) requires that the program assist potential recipients in seeking crime victim compensation benefits.

Section 1404(b)(2) requires that an eligible crime victim assistance program that receives money under the legislation spend the money only for providing services to crime victims. This parallels section 1403(a)(1).

Section 1404(c) permits the Attorney General to make a part of the Fund available for expenditure by Federal agencies for the purpose of assisting victims of Federal crimes. Section 1404(c)(1) authorizes the Attorney General to make up to 5% of the money deposited in the Fund in any particular fiscal year available for such use. The Attorney General can spend the money available for this purpose for services provided by the Department of Justice or for reimbursing other Federal agencies for their expenditures for this purpose, if those expenditures were for services that such agencies were otherwise authorized to provide.

Section 1404(c)(2) requires the Attorney General to appoint a Justice Department official to be the Federal Crime Victim Assistance Administrator and exercise the Attorney General's responsibilities under section 1404(c).

Section 1404(c)(3) sets forth duties of the Administrator. The Administrator is responsible for monitoring compliance with guidelines for the fair treatment of crime victims and witnesses issued under section 6 of the Victim and Witness Protection Act of 1982. The Administrator must consult with the heads of Federal law enforcement agencies that have responsibilities affecting crime victims, and coordinate services to crime victims provided by the Federal Government with such services offered by other public agencies and nonprofit organizations. In addition, the Administrator is to perform such other functions related to the purposes of the legislation as the Attorney General assigns.

Section 1404(c)(4) authorizes the Attorney General to reimburse Federal agencies for expenditures incurred as the result of the performance of functions authorized by section 1404, or to contract for the performance of such functions.

Section 1401(d) defines five terms used in section 1404. Section 1404(d)(1) defines "State" to include the District of Columbia, the Commonwealth of Puerto Rico, and (except for the purposes of section 1404(a)(3)(A) and 1404(a)(4)) any other territory or possession of the United States.

Section 1404(d)(2) defines "services to victims of crime" to include crisis intervention services; providing, in an emergency, transportation to court, short-term child care services, and temporary housing and security measures; assistance in participating in criminal justice proceedings; and payment of all reasonable costs for a forensic medical examination of a crime victim, to the extent that such costs are otherwise not reimbursed or paid. Section 1404(d)(3) defines the term "services to victims of Federal crime" to mean services to victims of crime (as defined in section 1404(d)(2)) that are provided to persons who are the victims of Federal crime, and to include: (A) training law enforcement personnel in the delivery of services to victims of Federal crimes; (B) preparing, publishing, and distributing informational materials setting forth services offered to victims of crime and concerning services to victims of Federal crime for use by law enforcement personnel; and salaries of personnel who provide services to victims of crime, but only to the extent that the personnel provide such services.

Section 1404(d)(4) defines the term "crisis intervention services" to mean counseling to provide emotional support in crises arising from the occurrence of crime, and section 1404(d)(5) defines the term "chief executive" to include a person designated by a chief executive to perform the functions of the chief executive under section 1404.

Section 1405: Penalty Assessment.—Section 1405(a) adds a new provision (section 3013) to title 18 of the United States Code that imposes a financial penalty upon persons convicted of an offense against the United States.[17] New section 3013(a)(1) of title 18 requires Federal courts to impose, for conviction of a misdemeanor, a penalty of $25 if the defendant is an individual and $100 if the defendant is an organization (such as a corporation or union). New section 3013(a)(2) requires Federal courts to impose, for conviction of a felony, a penalty of $50 if the defendant is an individual and $200 if the defendant is an organization.[18] New section 3013(b) provides that such penalties are to be collected in the same manner as Federal criminal fines are collected.

Section 1405(b) amends the table of sections for chapter 201 of title 18 of the United States Code to include an entry for new section 3013.

Section 1406: Special Forfeiture of Collateral Profits of Crime.—Section 1406(a) amends title 18 of the United States Code by adding a new chapter (232), entitled "Special Forfeiture of Collateral Profits of Crime." New chapter 232 contains two sections, 3630 ("Order of special forfeiture") and 3631 ("Notice to victims of order of special forfeiture").

New chapter 232 seeks to assure that convicted defendants do not unjustly enrich themselves by the sale of literary, movie, and entertainment rights about their crimes. Such provisions, especially when they apply to persons simply charged with a crime and thus entitled to be presumed innocent, present important Constitutional problems, including problems under the First Amendment and the due process clause.[19]

Moreover, as Senator Mathias noted during the debate on the bill passed by the other body, "Sometimes we overlook the fact that the writings of criminal defendants have played an important role in our society and culture. When college students delve into the dialog of Plato, such as the "Apology" or the "Crito," they glean the wisdom of a convicted defendant—Socrates. . . ."[20] The writings of someone convicted of a crime may be an important source of information about subjects of public concern, especially where the crime involved relates to public corruption.

New chapter 232 seeks to accommodate the Constitutional concerns. The new chapter applies only to persons convicted of a Federal crime, not to persons charged with a Federal crime. The offenses to which the new chapter applies—offenses that result in physical harm to an individual—are less likely to be central to political debate than are other crimes (such as those involving fraud or corruption). Moreover, the new chapter vests Federal courts with considerable discretion, not only in deciding whether to order a forefeiture, but also in deciding upon the disposition of the forfeited proceeds.[21]

New section 3630(a) authorizes the United States attorney to request, by motion and after notice to any interested party (as defined in section 3630(d)), that a Federal court order a defendant convicted of a Federal crime resulting in physical harm to an individual to forfeit all or any part of proceeds received or to be received by the defendant (or a transferee of the defendant) from a contract relating to a depiction of such crime in a movie, book, newspaper, magazine, radio or television production, or live entertainment of any kind, or an expression of that defendant's thoughts, opinions, or emotions regarding such crime. The court must order such a forfeiture if the court determines that the interest of justice or an order of restitution so requires.

New section 3630(b) provides that an order of special forfeiture must require that the person with whom the defendant contracts pay to the Attorney General any proceeds due the defendant under the contract.

New section 3630(c)(1) requires that these proceeds be retained in escrow in the Crime Victims Fund for five years after the date of the order. During that time, the proceeds in escrow may be paid out for four purposes. The proceeds may be levied upon to satisfy (i) a money judgment against the defendant issued by a Federal court in favor of a victim of an offense for which the defendant has been convicted (or a legal representative of such victim), or (ii) a fine imposed by a Federal court. In addition, the court ordering the forfeiture may, if it finds that the interest of justice so requires, order that the proceeds be used (i) to satisfy a money judgment against the defendant issued by any court in favor of a victim of an offense for which the defendant has been convicted (or a legal representative of such a victim), or (ii) to pay for legal representation of the defendant in matters arising from the offense for which the defendant has been convicted (but no more than 20 percent of the proceeds may be so used).[22]

New section 3630(c)(2) requires that, at the end of the five year escrow period, the

court issuing the order of special forfeiture determine the disposition of any proceeds remaining in escrow. The court can order that all such proceeds be paid into the Crime Victims Fund or be returned to the defendant, or that such proceeds be divided, as specified by the court, between the Fund and the defendant.

New section 3630(d) defines "interested party" to include the defendant, any transferee of proceeds due the defendant under the contract, the person with whom the defendant has contracted, and any person physically harmed as a result of the offense for which the defendant has been convicted.

New section 3631 requires the United States attorney, within 30 days after issuance of an order of special forfeiture under new section 3630, and at such other times as the Attorney General requires, to publish a notice about the order in a newspaper of general circulation in the district in which occurred the offense for which the defendant was convicted. The notice must include (1) the defendant's name and other identifying information about the defendant (such as the defendant's address at the time of the offense and at the time of trial); (2) the offense of conviction; and (3) a statement that the court has ordered a special forfeiture, the proceeds of which can be used to satisfy a money judgment against the defendant obtained by a victim of an offense for which the defendant has been convicted.

Section 1406(b) amends the table of sections for part II of title 18 of the United States Code to add an entry for new chapter 232.

Section 1407: Administrative Provisions.—Section 1407(a) authorizes the Attorney General to (1) issues such rules as are necessary to carry out the Attorney General's functions under the legislation, and (2) delegate to any Justice Department officer or employee any such function that the Attrorney general deems appropriate.

Section 1407(b) requires the recipients of money under the legislation to keep such records as the Attorney General prescribes, including records that fully disclose the amount of money received and the disposition of that money, the total cost of the undertaking for which the money used, and the amount of cost of that undertaking supplied by other sources of money; and other records that will facilitate an effective audit.

Section 1407(c) provides that the Attorney General (or a duly authorized representative) will have access (for audit and examination) to any book, document, paper, or record of the recipient of money under the legislation that may be related to the expenditure of such money.

Section 1407(d) restricts the disclosure of any research or information funished under the legislation and identifiable to any specific person. No Federal employee, or recipient of money under the legislation, can use or reveal information furnished under the legislation and identifiable to any specific person for any purpose other than the purpose for which such information was obtained in accordance with the legislation. Moreover, such information is immune from legal process and cannot, without the consent of the person providing the information, be admitted as evidence or used for any purpose in any legislative, judicial, or administrative proceeding.[23]

Section 1407(f) prohibits discrimination in (1) the participation in, (2) the benefits of, or (3) employment in connection with, any undertaking financed in whole or in part by money provided under the legislation.

Section 1407(g) permits the Attorney General, after notice and an opportunity for a hearing on the record,[24] to impose sanctions on a State [25] that has failed to comply substantially with any provision of the legislation, a rule issued under the legislation, or a provision of any other applicable law, or with an application submitted in accordance with the legislation. The sanctions that can be imposed are (1) termination of payments to the State; (2) suspension of such payments until the Attorney General is satisfied that the noncompliance has ended; or (3) any other action the Attorney General deems appropriate.[26]

Section 1407(h) requires the Attorney General to report to the President and the Congress, no later than December 31, 1987, on (1) the revenue derived from the sources set forth in section 1402(b) of the legislation, and (2) the effectiveness of the activities supported under the legislation. The Attorney General is also authorized to include in the report any recommendations for changes in the legislation.

Section 1408: Victims Participation in Parole Hearings.—Section 1408(a) amends 18 U.S.C. 4207 to require that the United States Parole Commission consider, inter alia, a statement of any victim of the offense for which the prisoner being considered for parole has been convicted. This statement, which may be oral or written, may address the financial, social, psychological, and emotional harm done to, or loss suffered by, such victims.

Section 1408(b) amends section 6 of the Victim and Witness Protection Act of 1982 to clarify that the guidelines for the fair treatment of victims and witnesses should require that the United States attorney solicit victims to submit statements at parole release hearings, if the victim provides the United States attorney with a current address.

Section 1408(c) amends 18 U.S.C. 4215 to eliminate a requirement that a prisoner request the regional commissioner to reconsider a decision adverse to the prisoner before the prisoner can appeal to the National Appeal Board.

Section 1409: Effective Dates.—Section 1409(a) provides that, except as provided in section 1409(b), the legislation takes effect 30 days after the date of enactment. Section 1409(b) provides that sections 1402, 1403, 1404, and 1407 of the legislation take effect on October 1, 1984.

Section 1410: Conforming Amendment.—Section 1410 amends 18 U.S.C. 3150, which provides that forfeited appearance and bail bonds and forfeited collateral be put in the general fund of the Treasury. Since section 1402(b) calls for such money to go into the Crime Victims Fund, section 1410 deletes the reference to "the general fund" in 18 U.S.C. 3150.

FOOTNOTES

[1] Section 1402(c) limits the amount that may be deposited in the Fund during a particular fiscal year. Thus, money deposited in the Fund during a previous fiscal year is not counted toward the $100 million cap. Since payments for the Fund will occur only after the end of a fiscal year, there may be more than $100 million in the Fund early in a fiscal year. If there is $100 million in million in the Fund at the end of a fiscal year, money from the four sources set forth in section 1402(b) deposited in the Fund early in the next fiscal year will raise the total in the Fund to more than $100 million.

[2] Section 1402(d)(1) is necessary because money deposited in the Fund will not be paid out of the Fund until the next fiscal year. A grant under section 1403 is based directly upon compensation paid by eligible crime victim compensation programs to crime victims during the preceding fiscal year, and section 1404 grants can be calculated only after section 1403 grants are made. Since the collection of information necessary to determine section 1403 grants will take some time, the Department of Justice will not be able to make grants until well into the next fiscal year.

Section 1402(d)(1) is not inconsistent with section 1402(c)(2), which only prohibits deposits in the Fund after September 30, 1988. Since payments are made from the Fund after the end of a fiscal year, there will be payments made from the Fund after September 30, 1988, in order to expand money deposited in the Fund by that date.

[3] The legislation does not entitle eligible crime victim compensation programs to receive grants of 35% of the compensation they paid to crime victims during the preceding fiscal year. Section 1403(a)(1) requires the Attorney General to make grants to such programs, but only from money in the Fund. Section 1403(a)(2) specifically provides for reducing the grants to eligible crime victim compensation programs if the money in the Fund available for victim compensation grants is insufficient to provide each eligible crime victim compensation program.

[4] Section 1403(b)(1) does not require that all medical expenses, all lost wages, and all funeral expenses be reimbursed by the program. Rather, it requires that the State offer compensation in each of those areas, subject to such limitation and conditions as the State deems appropriate. Thus, for example, a State may impose a minimum loss requirement as a condition for compensation.

[5] The nonsupplantation provision is not intended to require States to maintain or increase their yearly expenditures for crime victim compensation. It is intended to ensure that States do not decrease their financial commitment to crime victim compensation solely because they are now getting Federal money.

[6] See D. McGillis & P. Smith, Compensating Victims of Crime: An Analysis of American Programs 61, Table II (1983) (National Institute of Justice pub.)

[7] The phrase "services rendered in accordance with a method of healing recognized by the law of the State" is derived from earlier legislation. See H.R. Rep. No. 753, 96th Cong., 2d Sess. 9 n.14 (1980); H.R. Rep. No. 337, 95th Cong., 1st Sess. 10 n.19 (1977); H.R. Rep. No. 1762, 95th Cong., 2d Sess. 14 (1978).

[8] Sections 1404(a)(1) and 1403(a)(1) authorize the Attorney General to make annual grants from the Fund. The Attorney General is not precluded, however, form making periodic payments from the Fund during the year in order to enable the recipient, the chief executive under section 1404(a)(1) and an eligible crime victim compensation program under section 1403(a)(1), to receive Federal aid as soon as possible. Such a periodic payment need not reflect the distribution formula in the legislation, as long as the total disbursements for the year comply with that formula.

[9] For example, if there were $100 million in the Fund, and eligible crime victim compensation programs spent $50 million, the victim compensation grants would use up $17.5 million. If 5% ($5 million) of the total Fund were used for grants under section 1404(c), the maximum that can be so used, 77.5% of the Fund ($67.5 million) would be available for grants under section 1404(a).

[10] The Chief excecutive may administer the grant in the manner that the chief executive deems most appropriate. The chief executive may delegate administrative responsibility to one person or organization, or to more than one. Since section 1404(a)(2)(A) requires the chief executive to give priority to three types of programs, the chief executive may wish to delegate responsibility for administering the portion of the State's grant that is to be used for such programs to a person or organization experienced in dealing with such programs.

[11] This language, which is from S. 2423, was added to that bill during the debate on the Floor of the Senate. See 130 Cong. Record. 23803 (Aug. 10, 1984) (remarks of Sen. Specter). As Sen. Specter noted, "Victims of sexual assault and child abuse often have special needs that require treatment by a person with special training. Rape victims, for example, must face twisted social attitudes that shift blame to the victim. Counseling these victims requires sensitivity to the psychological and social problems that victims experience as a consequence of these attitudes." Id.

H.R. 3498 recognizes the importance of these services in a different way. H.R. 3498 requires that

a crime victim assistance program, to be eligible for victim assistance money, provide crisis intervention services on a 24 hour a day basis. This requirement is based upon two considerations.

The first consideration is that crisis intervention is probably the most important form of assistance that can be provided to victims of crime, particularly to victims of crimes of violence against the person. See Hearings on Legislation to Help Crime Victims before the Subcomm. on Crim. Justice of the House Comm. on the Judiciary, 98th Cong., 2d Sess. (publication forthcoming) (testimony of Mary Ann Largen, Lawrence J. Center, and Deborah Jones).

The second consideration is that, because crime can and does occur at any time of the day or night, crisis intervention must be available 24 hours per day. This is important from both the standpoint of the victim (who needs help when the crime occurs, not many hours later) and of the program (whose effectiveness in helping the victim often depends upon early involvement with the victim). See id. Rape crisis centers and child and spouse abuse counseling services, the programs that section 1402(a)(2)(A) requires be given priority, typically offer crisis intervention services 24 hours a day.

The requirement that the chief executive give "priority" to these programs thus will ensure that a substantial portion of the State's grant under section 1404(a) will be used to support the provision, on a 24 hour per day basis, of vitally important crisis intervention services by rape crisis centers and child and spouse abuse counseling services.

[12] Section 1404(d) of the bill defines "State" for the purposes of section 1404(a)(3)(B) to include the District of Columbia, the Commonwealth of Puerto Rico, and all territories and possessions of the United States. The term "State" in section 1404(a)(3)(B), therefore, has a broader meaning than the term "State" in section 1404(a)(3)(A).

[13] The term "effective services" does not require licensing or credentialing of crime victim assistance programs, which traditionally have not been licensed or credentialed. In determining whether a program is providing "effective services," at least two factors will be important. One factor is the program's longevity. A program that has been operational for a long time has evidenced strong community support for, and approval of, its work. A second factor is the program's financial history. A program must be judged on the basis of what it has done with the funds available to it.

[14] The term "financial support" in section 1404(a)(1)(B) is not limited to cash contributions, but includes donated property and services and other "in-kind" support.

The term "substantial" in section 1404(b)(1)(B)(i) generally would require that at least half of the program's support come from other sources. The term "financial support" as used in section 1404(b)(1)(B)(ii) would require that at least a quarter of the program's support come from other sources.

[15] See Hearings on Legislation to Help Crime Victims before the Subcomm. on Crim. Justice of the House Comm. on the Judiciary, 98th Cong., 2d Sess. (publication forthcoming) (testimony of Deborah Jones, Lawrence J. Center, and Mary Ann Largen).

[16] The term "compelling reasons" is intended to limit strictly the chief executive's discretion to waive the requirement that volunteers be utilized, and few such waivers are anticipated.

[17] The term "offense against the United States" is not defined but as used in title 18 of the United States Code refers to laws of the United States other than the Uniform Code of Military Justice and laws enacted by the District of Columbia under authority delegated to the District by Act of Congress. See, e.g., 18 U.S.C. 3041, 3052, 3237, 4082. See also H.R. Rep. No. 577, 98th Cong., 1st Sess. 10, n.1 (1983).

[18] The different penalties for individuals and organizations is consistent with the Judiciary Committee's approach to fines. See H.R. Rep. No. 1017, 98th Cong., 2d Sess. 61 (1984); H.R. Rep. No. 906, 98th Cong., 2d Sess. 15-16 (1984).

[19] See H.R. Rep. No. 1762, 95th Cong., 2d Sess. 10 (1978) ("The conferees note at the outset that such provisions raise serious constitutional questions."), citing a memorandum of the American Law Division of the Library of Congress' Congressional Research Service (memorandum captioned "Constitutional Analysis of a New York Statute Requiring Funds Received by Alleged Criminals for Certain Purposes to be Given to Their Victims," and dated Sept. 8, 1977); Note, *Criminals-Turned-Authors: Victims' Rights* v. *Freedom of Speech*, 54 Ind. L.J. 443 (1970); Note, *Compensating the Victim from the Proceeds of the Criminal's Story—The Constitutionality of the New York Approach*, 14 Colum. J. of L. & Soc. Prob. 93 (1978).

[20] 130 Cong. Record S-10539 (daily ed. Aug. 19, 1984).

[21] In exercising this broad discretion, the court will consider such factors as the victim's restitution needs as well as the extent to which the defendant will directly exploit the victim's suffering. While new chapter 232 seeks to resolve the constitutional issues, the court, when exercising its discretion under that chapter, will have to consider the constitutional issues raised by the interested parties and fashion an order that will accommodate legitimate constitutional objections.

[22] The term "matters arising from the offense for which such defendant has been convicted" is not limited to matters arising *after* the conviction (e.g., appeal of the conviction), but includes trial of the case that led to the conviction resulting in the order of forfeiture, as well as legal services occurring before trial related to the trial (e.g., preparation for trial.)

[23] The principal need for such protection involves crisis counseling, which, to be effective, requires a complete and candid disclosure of information by the victim. To the extent that an audit or examination under section 1407(c) involves records pertaining to crisis counseling, it is anticipated that disclosure of the name and address of, or other identifying information about, the victims who have been counseled will not be routinely required.

[24] The use of the term "hearing on the record" makes applicable the provisions of the Administrative Procedures Act. See 5 U.S.C. 554.

[25] The term "State" includes, as to grants under section 1403, an eligible crime victim compensation program, and, as to grants under section 1404, the chief executive of a State.

[26] The Attorney General might, for example, require payment to the Fund of money spent for purposes other than the purposes for which the recipient received the money.●

Mr. CONTE. Mr. Speaker, I yield the balance of my time to myself.

Mr. Speaker, I want to make one observation for my colleagues, and that is that there may be a vote on the conference itself. I urge the Members not to leave because we will have a fight on the Kennedy Center, and no doubt Mr. MOLINARI and Mr. SHAW will ask for a vote.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Texas.

LEGISLATIVE PROGRAM

Mr. WRIGHT. I thank the gentleman for yielding.

Mr. Speaker, I take this time simply to announce that following this vote and the vote on the one other item, the Kennedy Center, we will be finished for the day.

We come in at 10 o'clock tomorrow morning. We have two items to take care of, either by voice vote or, if demanded, otherwise, the Export Administration Act and the antitrust exemption for cities. There is the possibility that there may be required a vote regarding the debt limit extension. The other body, I am advised, has added to that bill a provision which would repeal the imputed interest provision in the tax bill that earlier was passed. It is just possible that something may come up on the highway bill.

Those are the only things I have any knowledge of. Again, we come in at 10 a.m. tomorrow.

□ 2330

Mr. CONTE. Mr. Speaker, I yield back the balance of my time.

Mr. WHITTEN. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. ROE].

Mr. ROE. I want to thank my chairman for yielding me the 2 minutes and if I could have the attention of the House, I know you are tired and weary like all the rest of us, but I want to answer a couple of questions for you.

Mr. Speaker, No. 1, I want to highly compliment the chairman of our Appropriations Committee [Mr. WHITTEN] for the extraordinary stand-up job he did for the House of Representatives as far as the natural resources of this country are concerned.

There are a lot of arguments and I only have 2 minutes, and we have worked day and night, and I want to give a second compliment to every Member of this House on both sides of the aisle. You may not realize one thing, but because you voted three times for that which was right, which was the water resources of this country, which is the second crisis needs of this Nation, you were able to send a message to the other body and you were able to say to that body that for once, the House of Representatives was not going to buckle under and be had again, and I compliment every person in this House that had the guts to stand up and do that.

All we are simply trying to do is to provide the water supply and the resources of the people of this Nation. The total outlay in the appropriations bill would have been about $105 million layout this year for water supply resources of this country, the entire program.

And if I may say this, and I am not opposed in the main to foreign aid, but $18 billion, as the chairman pointed out, going to foreign aid and three-quarters of that money being laid out this year alone.

My people have drowned this year. I lost five people in my district alone. For 30 years we have been waiting for some kind of consideration from the Congress of the United States to help those people to survive and each and every one of you that you wrote to me and I changed views with you.

We went over every one of your projects. We did it scientifically. They say it is important. What is important? Or do they come back and say that it is the water that people drink. The poisoning of the water supply; our ports are underdredged.

In Florida alone there is a big exposé in the paper now that the ground waters are dropping so fast they do not know whether they will be able to take care of the population that is there. And State after State, the breadbasket of this Nation, the food of

this Nation and the transportation of this Nation is involved.

I want to thank you for your support and just one second more. There is a poem that goes:

For of all sad words of tongue or pen, the saddest are these, it might have been. But of all sad words of tongue or pen more sad are these it is but it had not ought to be.

And we are going to pass that water bill next year if it is the last thing we do.

Thank you for your support.

Mr. WHITTEN. Mr. Speaker, I yield myself my remaining 2 minutes.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to my colleague, the gentleman from Massachusetts.

Mr. BOLAND. Mr. Speaker, I did not want this evening to pass without the House taking note of the fact that this is the last time that the name of J. KENNETH ROBINSON will appear in any kind of a continuing resolution or any conference report.

I want to pay my own respects to him and I know the House of Representatives does too. I want him to know how grateful I am for the service he has given not alone for some 8 years on the Appropriations Committee; 7 terms in the Congress; 14 long years of magnificent service to the Appropriations Committee; and to his service of 7 years on the Intelligence Committee. He has given outstanding service to his beloved State of Virginia, to the Nation and his district.

He certainly has been an outstanding member of this House and I wish for KEN and his gracious and very devoted wife Kit many, many years of happy retirement.

Mr. WHITTEN. Mr. Speaker, may I say that it is always a pleasure to work with the gentleman from Massachusetts, the ranking minority member of the committee [Mr. CONTE]. I appreciate the comments he has made, and I want him to know I am thankful for his cooperation and good humor in accomplishing the task which was placed before us. We may not always completely agree on every issue we have to deal with, but I believe we always work toward the same overall goals. For example, the gentleman from Massachusetts and I did not completely agree on the Senate proposal to eliminate all energy and water development projects from the resolution—which would have aided every section of the country—but we do agree that passage of this conference report today is essential. I thank the gentleman for his contributions and cooperation during the consideration of this continuing resolution.

Mr. Speaker, as we conclude consideration of this conference report, I would like to point out that as chairman of the Appropriations Committee I feel obligated to and have cooperated with the leadership and I'm glad to do so. I realize that the situation is such that this is required, but I do want to point out what we have done here this Congress.

We have dropped authorizations which were in the House passed resolution and if by chance we need them we do not have a thing on the shelf to which we could direct our efforts. The bill sponsored by Mr. ROE and included by reference in the House resolution is an authorization bill. We do not have to appropriate any funds which it would authorize. But for 14 years, we have not had an authorization for any new public works projects.

I want to take this opportunity to thank the gentleman from New Jersey [Mr. ROE] for his gracious statement and for the tremendous contribution he has made during the years to the support of needed public works projects in every section of the country. The gentleman and I, and many others in this body, know the true worth of these projects. We have worked closely together in the past and I am sure will continue to do so.

I am saying to you that if we do not wake up to the fact that somebody had better look after our country you can have all the money in the world and it will not matter. I want to say that if we listen to Mr. Stockman and his pronouncements on certain measures, I think we are just surrendering—not meeting—our obligations and our authority to a second man and not to the President. We have never heard directly what the President's position on this resolution was.

Mr. Speaker, I want to say now that I hope we will give thought in the next session to more 2-year and multiyear authorization bills. That is a battle beyond my control, but it is quite evident that we simply cannot do our work with the current methods and with the limited time available.

You understand we are glad to cooperate and we are glad to do the best we can, but this conference report is brought on us partly because we are unable as a Congress to finish our authorization bills. I hope, Mr. Speaker, you will give thought about the next Congress to give attention to the multiyear authorizations.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. MCHUGH].

Mr. MCHUGH. Mr. Speaker, I rise in support of the conference report. As with all compromises, this is not a perfect conference report. I would have much preferred, for example, that the conference report include the provision of the continuing resolution adopted by the House which would have precluded the President from introducing U.S. troops in Central America for purposes of combat without prior authorization by the Congress. Because the Senate firmly resisted this provision, and because of the press of time, the conferees adopted as a compromise language expressing the sense of Congress that the President should not introduce combat troops without congressional authorization. Although this is advisory language only, the message to the President should be clear on this point.

I also would like to address, Mr. Speaker, a number of issues relating to the conference agreement on the fiscal year 1985 agricultural appropriations bill, which is incorporated into this conference report.

FOOD STAMPS

The conference agreement on the agricultural appropriations bill appropriated $11,450 million to fund the Food Stamp Program for the full fiscal year. This is the first time in several years that we have funded food stamps for the full year in the regular agricultural appropriations bill, and I believe this will facilitate smoother operation of the program.

In the past, Congress often had to consider a supplemental appropriation for the final months of the year amidst threats from the Department that benefit reductions or terminations were imminent. This should not occur in fiscal year 1985.

Under the conference agreement, $652 million of the $11.45 billion food stamp appropriation is available only after submission of an official budget request. But once the budget request is made, the funds are immediately available. No further appropriation action by Congress will be necessary.

This puts the ball squarely where it should be—in the administration's court. The administration requested an inadequate food stamp appropriation once again this year. Now the administration will have to request the remaining amount.

This is of no small importance to needy food stamp families, because under section 18(b) of the Food Stamp Act, the Department is to reduce food stamp benefits if Congress has provided an insufficient appropriation. For fiscal year 1985, Congress is hereby appropriating the full $11.45 billion needed for the year. While release of $652 million of this amount is subject to submission of a budget request, this $652 million will have been duly appropriated. As a result, the administration cannot legally invoke section 18(b) and reduce benefits on the grounds that insufficient funds have been appropriated. Since the funds have been appropriated, the administration will be legally obligated to request however much of the $652 million is needed to prevent benefit reductions.

I am also grateful that the conference agreement, as incorporated into the continuing resolution, endorses the food stamp directives contained in

both the House and Senate committee reports. Of particular interest is a directive that the Department not institute benefit reductions by administrative fiat through issuance of regulations that would alter the food stamp economy-of-scale factors. Such an administrative action, which we are hereby barring, would have the effect of reducing benefits for the great majority of elderly households on food stamps and would harm many poor families with children as well. This type of action is appropriate for consideration in the legislative arena, but not for implementation through issuance of a regulation.

In addition, the conference agreement endorses several other important food stamp directives contained in the Senate committee report. These direct the Department to require States to develop a method for providing food stamps to eligible persons who are homeless, and also direct that the Department act to ensure that no areas are automatically terminating food stamp benefits when a household is dropped from AFDC. The Department is to report back on the actions it has taken to accomplish these tasks within 90 days of enactment.

The conference agreement also endorses the Senate report directive that the Department not issue a contemplated overhaul of food stamp regulations—the so-called Williams regulations—before food stamp reauthorization legislation is completed next year. This is designed to avoid the additional errors that would inevitably result from overhauling the food stamp regulations twice in a year's time. In addition, if and when any regulatory changes ultimately are made, these changes may not, under the directives endorsed by the conference agreement, include changes that make the program more complicated, add to administrative burdens, or effectively bar or delay benefits for eligible households unless, of course, such changes are required by law.

WIC

I am gratified that the agricultural appropriations conference agreement, which is incorporated into this continuing resolution, also includes $1.5 billion for the WIC programs in fiscal year 1985. The conference agreement appropriates $1.254 billion for the period from October 1, 1984, through August 1, 1985, and an additional $246 million for the period from August 2, 1985, through the end of the fiscal year. The $246 million is to be released upon submission of a budget request.

In the conference agreement, we have also taken strong action to ensure that these funds are properly managed by the Department in fiscal year 1985. We have written into the statutory language a requirement that funds shall be apportioned based on an annual appropriation of $1.5 billion. The Department is accordingly required to make $375 million, one-fourth of the $1.5 billion appropriation, available at the beginning of each of the first three fiscal quarters of the year. The final $375 million is to be made available on July 1, provides that the budget request has been transmitted by that time. If the budget request has not been submitted by that time, then the remaining funds for the period through August 1, $129 million, would be provided on July 1, with the final $246 million made available as soon as the budget request was transmitted.

As in past years, any unspent funds carried over from the prior year are to be allocated as expeditiously as possible, and are in addition to the $1.5 billion appropriation. This is specifically directed by Senate committee report language that is endorsed by the conference agreement.

We have also directed that the Department operate the program so as to maintain the maximum caseload that a full-year $1.5 billion appropriation, plus carryover funds, will allow. This should be sufficient to maintain current WIC participation levels of 3.1 million persons, and it is our hope, as expressed in the House committee report, that this funding level will also enable some modest increases in participation to occur. WIC still reaches less than half of those who are eligible for it.

I am particularly pleased with the very strong action the conferees took to ensure that OMB cannot manipulate the allocation of funds in a manner that would spread some of the $1.254 billion into the the period after August 2. The statutory language of the conference agreement effectively bars deferrals, or similar actions by OMB or the Department, of any part of the fiscal year 1985 WIC appropriation. It is true that following the Supreme Court decision on the legislative veto, it is not clear whether deferral authority still exists. However, even if OMB still has this authority, the deferral authority will not extend to the WIC funds appropriated in this act. The agricultural appropriations conference agreement included in the continuing resolution will, upon enactment, become legislation that is subsequent to the Budget Control and Impoundment Act and that supersedes the earlier act with regard to deferral authority relating to the fiscal year 1985 WIC appropriation. This is accomplished by virtue of the new provision that mandates, in the statute, the apportionment of the WIC appropriation.

The SPEAKER pro tempore. Mr. Speaker I yield such time as he may consume to the gentleman from California [Mr. MINETA].

Mr. MINETA. Mr. Speaker, I rise in support of this legislation. It is urgently needed for many reasons, but I wish to take this opportunity to discuss in particular some of its provisions affecting aviation.

The capacity of our airport and airway system to handle a growing number of flights, to handle them without undue delay or restrictions, and above all else, to handle them safely, has been a subject of widespread concern among the Members of this House. We have attempted to deal with those capacity issues by modernizing and expanding the Federal Government's air traffic control system and by increasing grant funds available for airport improvements.

This continuing resolution, I am pleased to say, largely concurs in those increased commitments to airport and airway improvement. It provides for a fiscal year 1985 appropriation for air traffic control system improvements, the facilities and equipment account, of $1.37 billion. This is not quite as high as the $1.407 billion Congress provided as new authorization for fiscal year 1985, but is substantially above the $750 million appropriated for the same purpose for fiscal year 1984. Furthermore, the continuing resolution sets an obligation ceiling on airport grants of $925 million. This is not as high as the $987 million Congress provided as new authorization for fiscal year 1985, but it is an improvement over the fiscal year 1984 level of $800 million.

These airport and airway improvement programs are, of course, funded entirely from the aviation trust fund, money exclusively raised by excise taxes on aviation users. Members of this House have expressed concern that aviation trust fund dollars might be used to support FAA operational expenses to a greater extent than permitted by law. As my colleagues are aware, in the Airport and Airway Improvement Act of 1982 we specifically limited the use of aviation trust fund dollars for FAA operational expenses, and we tied that limitation to the level of funding actually made available for airport and airway improvements. Given the level of airport and airway spending provided for by this continuing resolution, the maximum authorized level of trust fund support for FAA operations is $1.11 billion, and I am pleased to note that this continuing resolution is consistent with that limitation.

One aspect is this continuing resolution that I cannot be pleased about is the provision weakening existing regulations controlling jet noise. The House-passed continuing resolution contained no such provisions, but the other body chose to add language directing the Secretary of Transportation to grant exceptions primarily to certain foreign carriers which operate service to Miami, FL, and to Bangor,

ME, in aircraft which will no longer comply with Federal noise rules after the end of this year.

Many of us in this House consider the Senate provision to be highly objectionable. Federal rules setting January 1, 1985, as the date for compliance with jet noise standards have been on the books for over 7 years. Congress reaffirmed that deadline over 4 years ago. Most U.S. airlines have taken the steps necessary to achieve compliance with the noise standards by January 1, often at great expense. Now, primarily for the benefit of a few small foreign carriers which serve two U.S. airports, the other body would have us legislatively grant exemptions to these long-standing rules.

Mr. Speaker, this kind of provision is not fair to the vast majority of U.S. carriers who have taken us at our word and who have spent substantial funds to achieve compliance. Futhermore, in adopting this type of 11th hour, special exemption approach, we undermine our own credibility by sending a message to industries that if they ignore compliance deadlines we set we will waive the deadlines in the end anyway. We in effect create an incentive for industries to ignore our directives, since those who do not comply are forgiven and those who do comply have already had to pick up the costs of compliance.

If we are to regain credibility for the compliance deadlines we have set, we will have to steadfastly reject all future arguments for legislative exemptions, rollbacks, and other forms of special treatment. We are going to have to resist unsubstantiated arguments of widespread economic hardship if special treatment is not granted. I do not question that where carriers ignore long-standing regulations and statutes requiring compliance actions by a certain date, and then at the 11th hour claim that they would suffer economic harm if the compliance deadlines were not waived, that they would in fact be hurt by our refusal to grant last-minute waivers. But I would point out that such hurt is self-inflicted by their own tardiness, and is not the fault of our compliance schedules.

We are also going to have to learn to see through their arguments that not only they, but also the communities they serve, would be damaged by their inability to meet compliance deadlines. It was argued in this case, for example, that the Miami area would lose 6,000 jobs if these carriers were not exempted. That claim was made on the assumption that none of the cargo now moving through Miami on these particular aircraft would continue to move if these particular aircraft could not carry it. That assumption is clearly nonsense. Without exemptions, this cargo would have continued to move through Miami, either in complying aircraft leased or otherwise obtained by these carriers, or by other carriers, many of them U.S. carriers, already operating in these markets with complying aircraft. The idea that people are willing to pay to have this cargo shipped but that no carriers would be willing to move it is absurd. In my view, the estimate of 6,000 jobs at risk must have been a typographical error. I would estimate that there were only 6 jobs riding on this provision, all of them Washington lobbyists.

Mr. Speaker, the fact that the other body did adopt this particular provision put our conferees in the difficult position of having to deal with it in the hurried environment of the continuing resolution conference. Several of our conferees opposed the Senate provision, and I want to note that particularly Chairman JAMIE WHITTEN and our colleague from California, Congressman VIC FAZIO, distinguished themselves in arguments against this Senate provision. Due in large part to their efforts, it was possible in conference to improve the Senate provision somewhat, although certainly not to the point where striking it entirely would not have been preferable. I want to make it clear to my colleagues that it is not a question of the conference report language on this issue being acceptable to me. It is not acceptable to me. But it is the best language our conferees could get under these particular circumstances.

Because I played a part in the modifications agreed to in the conference, let me take a moment to explain the noise provisions as contained in this conference report. For those aircraft which do not now comply with stage 2 noise standards and which are required by FAA rules, part 91, to meet those standards by January 1, 1985, the Secretary of Transportation is directed to grant exemptions where all of the following conditions are met:

First, the operator of that aircraft must apply for the exemption before January 1, 1985.

Second, for aircraft for which hush kits are available or under development, such application must be accompanied by a firm contract which will allow the operator to achieve compliance at the earliest possible date. In order for an exemption to be granted pursuant to this provision, that contract must be found by the Secretary to be with a bona fide contractor, that execution of the contract will in fact achieve compliance at the earliest possible date, and that the contract requires nonrefundable deposits sufficient to ensure that the operator will proceed to compliance as provided in the contract. In other words, we expect the Secretary to not merely accept contracts at face value, but to look behind them and to determine independently that the above tests are satisfied. For aircraft for which hush kits are not available or under development, but which the operator obtained prior to January 1, 1980, the application must be accompanied by a sworn commitment that the operator will enter into a contract for a stage 2 compliant aircraft by June 1, 1985, and such contract must meet all of the above tests.

Third, exemptions may be granted under this section only for operations between Miami and a non-U.S. airport or between Bangor, ME, and a non-U.S. airport. No other operations by noncomplying aircraft are to be permitted under the terms of this section.

Fourth, operators are not permitted by this section to increase their operations with noncomplying aircraft at Miami or Bangor during the period for which they hold exemptions.

Fifth, exemptions granted pursuant to this section are to be for the shortest possible time necessary to achieve compliance. Furthermore, no exemptions granted pursuant to this section are to extend beyond January 1, 1986, except where certain narrow conditions apply and where the applicant has met all other requirements of this section.

The application of this section is, therefore, to be quite narrow. Aircraft for which hush kits are not available or under development and whose operators obtained them since January 1, 1980, and aircraft to be operated on any routes other than those between Miami and a non-U.S. airport or Bangor and a non-U.S. airport are not covered by this section. For all circumstances not covered by this section, the Secretary is to continue to be guided by preexisting Federal statute, regulations, and policy, including the conference report and other legislative history accompanying the Aviation Safety and Noise Abatement Act of 1979.

● Mr. HEFTEL of Hawaii. Mr. Speaker, I wish to express my mounting anger at the duplicity of our legislative process. Two weeks ago the Congress of the United States eliminated the military rent-plus housing program from the 1985 Department of Defense authorization bill.

The Congress acted wisely. During the 2 years the Rent-Plus Program has been in effect in Hawaii, it has caused rents to skyrocket. Frequently, $500 a month apartments became $800, $900, even $1,000 a month apartments.

The reason that this has happened is rather simple. Rent-plus provides fixed housing subsidies for off-base personnel, subsidies in excess of the rental rates set by normal market forces. And unlike the variable housing allowance which would replace it, the Rent-Plus Program fails to provide

an incentive for military personnel to seek lower cost housing.

Still, despite the wisdom demonstrated by Congress, an appropriations subcommittee of the other body is attempting to resurrect the Rent-Plus Program in Alaska and Hawaii as part of the continuing appropriations bill currently moving toward enactment.

I am outraged that such a maneuver could triumph at the last moment. We are looking at a program with proven abuses, a program the House Armed Services Committee studied and found in clear need of reform, a program that the House and the other body have agreed to replace through the authorization process, and a program which the House Appropriations Committee has also agreed should be changed.

Yet these actions may be overturned by Members of the other body at the end of a congressional session through a legislative maneuver which violates the rules and spirit of this House.

Mr. Speaker, no member of this body or of our companion body can claim to support reductions in Federal spending, balanced budgets, and curbs on waste and abuse while permitting the continuation of programs, like rent-plus, which so blatantly thwart all three objectives.

I fear that there is little hope for the integrity of the Federal budget if we are unable to change or eliminate programs that are fraught with waste and abuse, if not fraud.

I also fear that such 11th-hour machinations can only cause Congress' stock with the American people to plummet further. Neither we as individuals nor Congress as an institution can afford that.●

● Mr. DICKS. Mr. Speaker, I want to commend the conferees of the House for their hard work in reaching an agreement on this conference report on a number of very difficult subjects.

I particularly want to commend their efforts to work for the wishes of this House in relation to restrictions on antisatellite weapons and on reductions in funding for the strategic defense initiative. I know that on both these issues the other body had very strong views and it was only with the equally strong insistence of Defense Subcommittee Chairman ADDABBO and the other House conferees that the compromises on these issues were achieved.

I would have preferred to retain the House position prohibiting testing of antisatellite weapons against objects in space so long as the Soviets did the same, and limiting real spending growth on the Star Wars program to 5 percent. But I believe that this conference has preserved the essence of the House's desire to move with caution on these programs while the possibility of arms control solutions are explored.

As I understand the agreement, funding for SDI would be at $1.4 billion, roughly $400 million below the administration request. I feel this more moderate rate of spending will help avoid a headlong rush into areas that could threaten the abrogation of the ABM treaty. I would note that the administration will be required to submit to Congress a report more fully discussing the cost and policy implications, especially issues relating to arms control, of this program. This report will help the Congress make more informed judgments on future requests for SDI, which as currently proposed would rise very rapidly.

On the question of antisatellite tests against an object in space, the conference would prohibit such tests until after March 1, and allows no more than three total tests for the fiscal year. My own hope is that we will be at the bargaining table with the Soviets discussing limits on these systems along with the larger question of strategic defense by March 1. I also sincerely hope that the Soviets will come to their senses and renew discussions on reductions and limitations on strategic and intermediate range missiles. If we can make progress in the arms control arena, then we would be wise to choose not to go forward with any antisatellite testing against an object in space. The certification requirements included in the authorization conference concerning the impact of such tests on arms control prospects should be taken seriously by both the administration and the Congress before any commitments are made that we will come to regret later.●

● Mr. PANETTA. Mr. Speaker, I am pleased to point out that the conference report on House Joint Resolution 648 includes an amendment that I offered to restore the basis for food stamp benefits from 99 percent to 100 percent of the thrifty food plan, effective November 1, 1984. This is a small, but important, step toward making the Food Stamp Program more responsive to the serious problem of hunger in America today. It is a measure that has received bipartisan support in both the House and Senate and was specifically recommended by the President's Task Force on Food Assistance.

It is my hope that Congress will build on this effort next year, when the Food Stamp Program will be reauthorized. The thrifty food plan amendment we approved today was part of H.R. 5151, the Hunger Relief Act of 1984, which was passed by the House on August 1, 1984, by a 364-to-39 vote. I believe the remainder of H.R. 5151 should be a basis for antihunger efforts next year. I am pleased to note that Senator DOLE, chairman of the Senate Subcommittee on Nutrition, recently introduced a bipartisan bill (S. 3017) that is similar in approach to H.R. 5151.

Mr. Speaker, new evidence of the domestic hunger problem continues to appear and the problem is still growing in many areas. Just last week, the U.S. Conference of Mayors issued a report entitled "The Urban Poor and the Economic Recovery." This survey of 83 of the Nation's principal cities revealed that 73 percent of the cities experienced an increase in demand for emergency food assistance during 1984, with a major increase occurring in 19 percent. Only 7 percent of the cities experienced a decrease in emergency food aid demand. And over 50 percent of the cities project another increase in emergency food assistance demand in 1985.

I believe this indicates that the current economic recovery is leaving many people behind. We have a responsibility to these people to shore up the social safety net on which they depend. Today's action is a step in the right direction.

I would like to thank the many House Members whose work on the hunger issue over the past year has laid the groundwork for this amendment. In particular, I would like to thank BILL EMERSON, ranking minority member of the Nutrition Subcommittee of the Agriculture Committee. Mr. EMERSON and I have traveled throughout the country over the past 2 years to study the domestic hunger problem and I believe we have been successful in developing responsible, effective, bipartisan legislation to address difficult social problems. In addition, I would like to cite Agriculture Committee Chairman DE LA GARZA, ranking minority member MADIGAN, Representative JEFFORDS, Select Committee on Hunger Chairman LELAND, and ranking minority member ROUKEMA for their active assistance and cooperation on the hunger issue this year.

Before closing, I would like to comment on one additional matter that pertains to the administration of the Food Stamp Program. It has come to my attention that a provision of the Deficit Reduction Act of 1984 involving the Child Support Enforcement Program could have an adverse effect on food stamp error rates. It is my understanding that up to $50 a month in child support payments made to recipients of aid to families with dependent children [AFDC] will be disregarded in determining AFDC benefits. But, the law requires that any increase in benefits paid to these recipients is to be counted against their food stamps.

Without making any comment on the merits of this proposal, I would point out that this change in policy cannot be implemented easily overnight. It involves a constant monitoring of when and how much child support is received by many AFDC recipi-

ents. In New York State, for instance, an estimated 45,000 cases a month would be affected. States cannot be expected to implement this type of change without some errors occurring, especially in the early stages. While I believe States should be held accountable for errors in administration, I do believe they should be given a reasonable time period to phase in abrupt changes in Federal policies, especially when they involve significant new administrative burdens.

The Department of Health and Human Services [DHHS] has recognized the need to provide States with adequate leadtime for implementation before errors arising from the new policy are counted against States in assessing sanctions for high error rates. My understanding is that the DHHS will not count such errors in determining sanctions for a 1-year period. I believe this is a reasonable approach.

The DHHS approach does not mean that errors will not be measured or that they will be condoned. The quality control system will still identify these errors and effective steps can still be taken to assure competent performance by the States. For a limited time, however, any errors arising out of the $50 disregard policy will not be included in determining the appropriate sanction level.

I believe that the Department of Agriculture should take a similar approach. We cannot expect States to implement complex new policies overnight without error. I believe the Secretary of Agriculture should utilize his discretionary authority to waive sanctions on errors due to this new provision for a period consistent with that established by DHHS.●

● Mr. LOWRY of Washington. Mr. Speaker, I wish to express my very strong support for the prohibition on covert aid to the Nicaraguan Contra insurgents contained in House Joint Resolution 648 as it was originally passed by the House of Representatives.

The Reagan administration's Nicaraguan policy carries the greater danger of leading us into war. It violates our obligations under international law. It causes innocent men, women, and children to suffer. It undermines the principle of self-determination which is a vital component of the effort to establish stable democratic institutions in Latin America.

The United States is a great nation because it stands for justice and the rule of international law rather than anarchy and rule by terror. Our policy toward the Nicaraguan Government belies our commitment to these ideals. Would we stand for it if a foreign country mined our harbors, paid people to kill our fellow citizens, and ignored the World Court's jurisdiction when we complained about these actions? Absolutely not, yet that is what we have done to Nicaragua.

We have pledged to uphold the OAS Charter, which states:

> No state or group of states has the right to intervene directly or indirectly for any reason whatever in the internal or external affairs of any other state.

Support for the Contras is a mockery of this commitment.

We should pay more attention to the concerns of Latin American supporters of democracy. I was struck by these words from Daniel Oduber, the former President of Costa Rica, the only firmly established democracy in Central America:

> What worries me is that present U.S. policy is another step by which all the inter-American institutions are being destroyed. If all the doctrines we believed in such as nonintervention, self-determination, nonaggression and peaceful settlement of conflicts are destroyed, 100 years of inter-American relations are going to be in crisis.
>
> Unilateral intervention is unacceptable. I'm going to have to tell you frankly that for us to see the U.S. Congress, that we all respect and see as our example in democracy, discussing the appropriation of funds for a group of men to change the government of another country undermines completely what we Latin American democrats have worked so long to build.

The administration's policy is also deeply disillusioning to many in our own country. Quite a few of my friends and constituents have been to Nicaragua. Not one has returned to express support for covert aid. Instead, they tell me that, whatever our disagreements with the Sandinista government, the administration's policies serve only to cause great misery for innocent people who are not responsible for the policies of that government.

The sad fact is that President Reagan does not understand the causes of unrest in Nicaragua and elsewhere in Central America. In July 1983, the President said: "The trouble that is going on down there comes from outside the area, is revolution exported from the Soviet Union and from Cuba." He is simply wrong. His view ignores the causes of unrest—poverty, violence, and oppression—which cannot be solved by support for covert activities.

We can use our strengths—our democratic institutions and economic resources—to give constructive support to human rights, democracy, and economic progress that benefits all Central Americans. We must also demonstrate that we respect our neighbors' independence and right to self-determination.

To implement a positive policy of this sort, it is absolutely essential for us to begin by insisting on a strict prohibition on covert aid. I urge my colleagues to join in this effort.●

● Mr. McDADE. Mr. Speaker, I rise in support of amendment No. 4 which contains the provisions of the Interior appropriations bill for the fiscal year 1985.

Mr. Speaker, the amendment before you today does not make anyone of us completely happy. It is the result of literally weeks of careful negotiations both in preconference and conference and I believe we have finally reached a responsible middle ground on all aspects of the bill, including some very complex and controversial issues: several being oil and gas leasing on the Outer Continental Shelf; the Synthetic Fuels Corporation; and the overall dollar amounts that are both acceptable to the conferees and the White House.

Specifically, the bill provides roughly $8.1 billion in new budget authority making it approximately $95 million above the fiscal year 1984 enacted level and well below the House budget allocation of $8.5 billion.

The conference report regarding oil and gas leasing restates the House-passed version of the bill which prohibits use of funds for a portion of the steps leading up to the lease sales in the following planning areas: Georges Bank in the North Atlantic; central and northern California; and southern California. However, language will accompany this moratorium which strongly states that the managers will not continue such blanket moratoria in future years unless a case can be made that the prelease negotiation process is inadequate to ensure that all resource values are provided proper consideration and protection in specific areas, and then such moratoria will not exceed the geographic limit of such areas. The Department is further urged to continue to consult with the appropriate congressional, state and local officials in an effort to resolve the long-term status of these areas.

In an attempt to reduce the overall dollar amounts in the bill—the conferees found it necessary to cut the strategic petroleum reserve acquisition funds by $300 million. This will still enable the Government to maintain a daily fill rate of 159,000 barrels per day, a sizable increase over the administration's requested 145,000 barrel rate. Further, accounts containing new budget authority were reduced by 2 percent.

Perhaps the most delicate compromise of all was the resolution we propose for the projects of the Synthetic Fuels Corporation. The conferees took this action in order to continue a viable, broad-based National Synthetic Fuels Program and at the same time give the new Board, when appointed, the flexibility to reexamine existing letters of intent. Based on this compromise, we have been given assurances by the Office of Management and Budget as well as the White House that they will send nominees to

fill the current vacancies on the Board soon after passage of this bill.

The compromise package would rescind $5.375 billion from the Synthetic Fuels Corporation instead of the House-passed version of $5 billion; it sets aside production goals, establishes a $750,000,000 reserve for clean coal technology demonstration activities, provides $5.7 billion in the remaining account to meet letters of intent as of the April 1 meeting of the Synthetic Fuels Board, provides that if the total letters are less than $5.7 billion, 50 percent becomes available for obligation for other projects and 50 percent is withheld from obligation. Another provision makes the Synthetic Fuels Board subject to ethics in Government requirements.

This agreement contains many of the major programs that the Congress has strongly supported in past years. We have continued funding for high priority land acquisitions, for management of public lands, wildlife refuges and the national parks. We have funded the historic preservation and endangered species as well as important forest research.

The bill contains the funding necessary to address critical energy issues. Included is $458,610,900 for energy conservation activities including $47 million for the Schools and Hospitals Program and $191 million for low-income weatherization. A total of $274.9 million is also provided to continue high priority fossil and energy research and development activities.

This report recognizes the importance of continuing our support for the cultural resources of this Nation and includes $163.6 million for the National Endowment for the Arts, $139.5 million for the Humanities, $21.6 million for the Institute of Museum Services and $189.6 million for the programs of the Smithsonian Institution.

We have continued to strongly support programs that directly affect our country's native Americans as well as fulfill our Nation's commitments with the U.S. Trust Territories.

Mr. Speaker, I urge my colleagues to adopt this amendment which my chairman and I so strongly support.●

● Mr. FRENZEL. Mr. Speaker, this is a better bill than left the House. There are modest elements of restraint in it. The anticrime privilege is marvelous. We are told, but we have no figures to back it up, that the bill measures up to the Rose Garden agreement described by the President.

Yet, there are problems. First, the procedure is simply awful. Appropriating by grab bag violates every procedural rule we have. Second, we don't know what's in the bill. Only vaguely do we grasp its exterior dimensions.

Unfortunately, we do know that it is a large number, well above last year's spending, and well above a cost-of-living increase. The Defense appropriation for instance, calls for nearly a 10-percent nominal increase. We also know that it is not our last appropriation. Supplementals will continue to increase our deficit next year.

So, with great regret, and with a commendation to the conferees for producing a signable bill, I conclude that to be consistent with my strong feelings about deficits and overspending, I am obliged to vote against the bill.●

● Mr. MINETA. Mr. Speaker, I urge adoption of this provision. First, I feel it is important to read a letter to my colleagues in the House dated July 19, 1984, to the Chairman of the Board of Trustees of the Center, Mr. Roger L. Stevens, and signed by the Vice President of the United States, the Honorable GEORGE BUSH:

> I asked my staff to review the situation regarding the Kennedy Center revenue bonds as described in your letter of May 22. It appears that the administration has a quite specific policy developed by a working group that included representatives of Treasury, OMB and the Kennedy Center. I will certainly mention my support for the administration-sponsored legislation to Don Regan and encourage every effort to resolve this matter in a constructive and responsible fashion.

I believe this letter makes it clear that the administration supports the bill. Therefore, I would like to address one of the key issues concerning this legislation and that is the fact that in 1958 when the Congress created the National Cultural Center, the Board was mandated to present artistic programming of the highest quality, to serve as a national focus for the performing arts in America, and to reach the broadest audience through its activities. Since the Center opened in 1971, $27.5 million has been raised in the private sector thereby allowing the Center to carry out these responsibilities for which the Federal Government provides no support.

Unlike commercial theaters in New York City and elsewhere, in Washington, the Kennedy Center cannot and should not rely on 25-week runs of touring shows—such as "Cats"—shows that have long since returned millions to their investors. To the contrary, section 4 of the act clearly states that the Kennedy Center shall present music, opera, drama, and poetry from this and other countries. Further, it states the Kennedy Center shall present lectures, develop programs for the youth and the elderly, and provide facilities for other civic activities. Mr. Speaker, the programs presented at the Kennedy Center are not always the most popular or profitable.

In fact, it would be easier if the Kennedy Center were to schedule the most popular, the easiest to sell, cheapest to stage performances and devote itself to the business of making money. But this is not the purpose of the Kennedy Center—rather, the purpose of the Center is to enrich our lives and encourage the talent so abundant in our Nation.

Mr. Speaker, some of my worthy colleagues believe that the programs offered by the Kennedy Center are only accessible to a narrow group of local patrons. This is far from correct. The Center reaches far beyond Washington, DC, to enrich the lives of millions of Americans from all walks of life.

The Kennedy Center acting company brings live theater to communities large and small across the United Stated. This year the company visited more than 30 States.

The Terrace Theater further extends the Center's national outreach by providing a performance showcase for theater talent from all around the country. During its first 5 years of operation, the theater presented performances by 300 different groups from across the Nation.

The annual American College Theater Festival this year involved more that 13,500 students from more than 450 colleges and reached an audience of more than 2 million people.

For the past 11 years, 4-H members from all around the country spend a special day at the Kennedy Center, which consists of special tours and art demonstrations sponsored by the volunteer organization Friends of the Kennedy Center in cooperation with the National 4-H Leadership Congress.

In 1984, alone, more that 500,000 people have enjoyed free and low admission performances at the Center.

Some of my colleagues have stated that the Kennedy Center is only for the very rich and elite society of Washington and that the average price ticket is $55. That is not the case. A top ticket price of $55 represents the smallest proportion of tickets for Kennedy Center events and reflects only the extremely high cost of opera engagements and generally, the average price for performances in the Opera House is $30 per ticket. For the Kennedy Center's remaining three theaters, the average prices are $20, $15, and $13 for the Eisenhower Theater, Concert Hall, and Terrace Theater, respectively.

In most instances, patrons who will buy lower priced tickets are doing so on subscription for the very purpose of attending the most performances at an affordable price. The financial reality of the performing arts depends most heavily on a firm base of subscribers. Therefore, the financial reality of the garage revenues also depends upon subscribers.

Some of my colleagues have suggested an increase in the parking rate structure from $3 to $5. Certainly, a patron buying a $55 ticket to the Met would not be disadvantaged by a $5 parking fee. However, subscribers are attending multiple events during the

year and would be the most disadvantaged by an increase in the garage fees. In fact, the Kennedy Center garage would be at a competitive disadvantage in attracting business since it would be immediately priced above parking facilities located directly across the street. In this regard, last year the Kennedy Center garage was filled only 73 times and if the Center's fee were raised above the neighborhood standard, it is virtually certain that business would be lost to other area garages and that net garage revenues would actually decline.

Mr. Speaker, it has been pointed out that in 1987, the Center will annually receive approximately $746,000 in parking revenues, assuming that future net operating profits from parking remain at fiscal year 1983 levels. These revenues would be about $490,000 more than the amount available to the Center in 1983. However, of that amount, $200,000 would immediately be required for new annual payments into the Treasury sinking fund, leaving an immediate net of $300,000. Rising production, overhead, and theater maintenance costs that are the sole responsibility of Kennedy Center will absorb any additional available garage income. For instance, over the past 5 years, the cost of producing and underwriting Kennedy Center programming has increased 230 percent and the Kennedy Center payments to the Park Service have increased 63 percent. The cost of productions has accelerated sharply in the past 3 years. Fewer shows are being produced and the impact is causing new works of art to be developed on a routine basis by the Kennedy Center. This increase in costs is not only being felt by the Kennedy Center, but has also impacted theaters in New York according to various articles in the New York Times. Fortunately, the Kennedy Center has managed these increases with the influx of no Federal dollars by a fivefold increase in its private fundraising to a level of $5 million in fiscal year 1983, and by a streamlined administrative structure that operates with a minimum of overhead. The CPI inflation rate for fiscal year 1978–83 averaged 8.9 percent and for the same period the Kennedy Center's general and administrative expenses experienced an average growth of 4.7 percent. The General Accounting Office has pointed out in three different reports that the Kennedy Center is one of the most efficiently run performing arts centers in the country.

Mr. Speaker, to conclude, the $30 million in interest we are talking about is compound Federal interest on a Federal debt on a building already owned by the Federal Government. The General Accounting Office recently stated that if the amounts due are waived by the Congress, there would be no impact on budget deficits. These amounts were never included in estimates of the national debt. Mr. Speaker, it appears today what this Congress is being asked to do by the administration is to simply restructure the financial books of the Kennedy Center. Although other options which would provide for such restructuring may be valid, this is a consensus legislative proposal supported and endorsed by officials of the Office of Management and Budget, the Treasury, the Senate, and the Vice President of the United States.

Mr. Speaker, the Kennedy Center has lived up to the expectations of former President Eisenhower and President Kennedy by allowing the John F. Kennedy Center for the Performing Arts to reach and influence the lives of millions of people who otherwise would not be able to enjoy the high quality of artistic talent available in the world.

I urge enactment.●

● Mr. BERMAN. Mr. Speaker, I rise today in support of the amendments to the Juvenile Justice and Delinquency Prevention Act of 1974 in House Joint Resolution 648.

These amendments provide for the continuation and implementation of the coordinated, national law-related education program developed and evaluated by the National Institute for Juvenile Justice and Delinquency Prevention. The program has demonstrated that law-related education can reduce delinquency when properly implemented. This achievement has been the result of a coordinated effort of five national organizations—the Constitutional Rights Foundation, Law in a Free Society, the National Institute for Citizen Education in the Law, the American Bar Association, and Phi Alpha Delta Law Fraternity International. Support from the OJJDP has enabled these groups to obtain vast experience and expertise in the development and implementation of successful delinquency prevention programs used in a number of States including my own. This year's program, for example, includes intensive efforts in 11 States and the provision of resources, services, and assistance across the country. Our action today guarantees that the momentum of this program will not be lost and that this national coordinated effort will be enabled to expand throughout this Nation. It is vital that at bare minimum the funding levels provided be maintained.

In a field where failure has been more common than success, law-related education has proven to be a rare exception, an example of a delinquency prevention strategy that works.

I am aware of the strengths of law-related education from the experiences of programs in my State. It is important as a part of our Federal assistance efforts that we capitalize on success—that we not lose the momentum gained in this proven delinquency prevention program and not dissipate its strength.

The law-related program has not only demonstrated its capacity to reduce delinquency, but it has also demonstrated its capacity to foster civic competence and civic responsibility. It provides our youth an opportunity to gain an understanding of and a commitment to the fundamental principles and values essential to the preservation of improvement of our free society.

Our action provides for the continuation and expansion of this national effort, building upon the success of the past several years, coordinated by those with the experience and expertise required for proper training and implementation. This is an exemplary part of our efforts not only to reduce juvenile delinquency and crime but of our efforts to foster the development of civic competence and civic responsibility among our youth.

I am also aware of the virtues of law-related education from the experiences of several programs in my State. In the light of the forthcoming bicentennials of the Constitution and the Bill of Rights, this is a most appropriate time to provide support for the continuation of the proven coordinated national program which not only improves the law-abiding behavior of our youth, but which also focuses their attention on the virtues of the democratic processes of our free society. Law-related programs can improve citizenship skills. They also help students learn to avoid legal problems and to deal more responsibly and effectively with them when they do arise.

I join with my colleagues in supporting the bill/amendment to provide for the continuation and expansion of the coordinated law-related education program developed by the nonprofit organizations supported by the Office of Juvenile Justice and Delinquency Prevention.●

● Mr. TRAXLER. Mr. Speaker, I rise to call attention to certain items contained within the conference report on the continuing resolution for fiscal year 1985. I do so in order to be certain that our intent is clearly documented for the benefit of those who may have to administer these programs.

There are three research items contained within the budget for the Cooperative State Research Service of the U.S. Department of Agriculture which merit discussion. These projects were approved by House and Senate conferees on H.R. 5743, the Agricultural Appropriations Act for fiscal 1985. This conference agreement is incorporated into the matter currently before us today.

First, the conferees on the Agricultural Appropriations Act, including myself, agreed that we should provide $200,000 for Midwestern potato research. It is our intention, as documented by prior description given to the House when we originally voted on H.R. 5743, that this potato research money should be used for research work conducted in Michigan. Michigan is a major potato-producing State, and the processing of potatoes is an important component of Michigan's agribusiness. We expect that varietal research work will be conducted to improve production and utilization technology for potatoes, in accordance with a research proposal initiated by the Michigan Potato Industry Commission.

Second, we also agreed to provide $300,000 for stone fruit decline research in Michigan, involving primarily cherries and peaches. We want to be able to reduce the crop losses that have been experienced as a result of certain disease problems.

This will be the first year of funding for each of these two projects, and I anticipate that the amounts necessary to complete the research design will be considered in later appropriation bills.

Finally, our conference on the Agricultural Appropriations bill also concluded that we expect that the wood utilization research program center located at Purdue University will cooperate with Michigan State University on research conducted in the Midwest. There are substantial forested areas in Michigan, and a large number of wood utilization businesses, including furniture manufacturers and other processed wood manufacturers. Michigan State University has already begun an aggressive research program in this area, and we will only take advantage of this developed expertise when we expect that the midwestern center will include Michigan State University as a meaningful partner.

I also want to call attention to the fact that with respect to the funding provided for biotechnology under the competitive research grant program operated by the Cooperative State Research Service, it is our understanding and intention that this funding also be available for animal research. This is an important field which should not be ignored given the importance of animal agriculture in our Nation.

Mr. Speaker, I also want to point out that the conferees on the continuing resolution at my urging agreed to a provision included by the Senate under the sponsorship of Senator LEVIN of Michigan. This provision allows the Department of Agriculture to use remaining fiscal 1984 balances in the Commodity Supplemental Feeding Program to settle an outstanding administrative funding claims associated with the handling of regular and bonus commodities by CSFP operators during fiscal 1982, notwithstanding any other provision of law.

During our debate on the jobs bill last year, H.R. 1718, we directed that the Food and Nutrition Service utilize funds from the Commodity Credit Corporation equivalent to 15 percent of the value of CCC donated commodities given to CSFP operators for administrative expenses. These funds were to be used to cover the costs associated with the handling of so-called bonus commodities that were not part of the regular food package in this program and which were distributed during fiscal 1983. Later, we provided a transfer of $585,000 from CCC to FNS to cover the costs associated with the handling of bonus commodities distributed during fiscal 1982. Those funds were included in H.R. 3069.

Our intention in this transfer for fiscal 1982 was to again provide for a flat 15 percent administrative funding level. But the information that we received from USDA was later updated to reflect the fact that the value of these bonus commodities was higher than we were told prior to the debate on H.R. 3069.

The amendment in the Senate, now contained in the conference report, is intended to allow for our original intent of providing 15 percent of the value of these bonus and regular commodities for administrative costs to be met. Focus: HOPE, the CSFP operator in Detroit, has formally petitioned USDA for the additional administrative funds, but had been turned away based upon a statutory technicality which prevented the use of existing funds for settling the claims of a prior fiscal year. This provision eliminates this technical bar so that USDA can consider the merits of the claim. We expect that the Department will move promptly to resolve this issue.

Mr. Speaker, I appreciate the attention given to these four items.●

Mr. WHITTEN. Mr. Speaker, I conclude by asking the support of our colleagues for this conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

□ 2340

Mr. FRENZEL. Mr. Speaker, on that I demand a division.

On a division (demanded by Mr. FRENZEL) there were—ayes 252, noes 60.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDMENT IN DISAGREEMENT

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 14: Page 2, after line 3, insert:

The following may be cited as "The John F. Kennedy Center Act Amendment of 1984".

Section 9 of the Kennedy Center Act (20 U.S.C. 76o) is amended—

(1) by inserting "(a)" immediately after "SEC. 9.", and by striking out the third, fourth, and seventh sentences thereof; and

(2) by adding at the end thereof the following new subsections:

"(b) Effective as of the date of enactment of this subsection the obligations of the Board incurred under subsection (a) of this section shall bear no interest, and the requirement of the Board to pay the unpaid interest which has accrued on such obligations is terminated.

"(c) There is hereby established in the Treasury of the United States a sinking fund, the Kennedy Center Revenue Bond Sinking Fund (hereinafter referred to as the 'Fund'), which shall be used to retire the obligations of the Board incurred under subsection (a) of this section upon the respective maturities of such obligations. The Board shall pay into the Fund, beginning on January 1, 1987, and ending on January 1, 2016, the annual sum of $200,000 in amortization of the principal amount of the obligations. Such sums shall be invested by the Secretary of the Treasury in public debt securities with maturities suitable for the needs of the Fund and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities. The interest on such investments shall be credited to and form a part of the Fund. Moneys in the Fund shall be used exclusively to retire the obligations of the Board incurred under subsection (a) of this section. Adjustments of not greater than plus or minus 5 per centum may be made from time to time in the annual payments to the Fund in order to correct any gains or deficiencies as a result of fluctuations in interest rates over the life of the investments: *Provided, however,* That a final adjustment shall be made between the Board and the Secretary of the Treasury at the end of the amortization period to correct any overall gain or deficiency in the Fund. The terms of this adjustment shall be covered by a memorandum of understanding between the Board and the Secretary of the Treasury to be consummated on or before the time the initial payment into the Fund is made.".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YATES moves that the House recede from its disagreement to the amendment of the Senate numbered 14, and concur therein.

The SPEAKER. The gentleman from Illinois [Mr. YATES] will be recognized for 30 minutes and the gentleman from Massachusetts [Mr. CONTE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. CONTE].

PARLIAMENTARY INQUIRIES

Mr. MOLINARI. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MOLINARI. Mr. Speaker, just so I am sure that we are in agreement, we have had a discussion, I was asking for a division of the question and it is my understanding, and I would like to confirm that, that we are going to have a vote first on the motion to recede.

The SPEAKER. The question will be divided, and the gentleman's rights will be protected.

Mr. MOLINARI. I thank the Chair.

Mr. YATES. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. YATES. Mr. Speaker, I understand that the gentleman from New York [Mr. MOLINARI] has a preferential motion?

The SPEAKER. A preferential motion would be in order if the House votes to recede, but we have not come to that point yet.

Mr. YATES. Mr. Speaker, at what point is it in order to ask the House to recede?

The SPEAKER. The Chair can put the question now if the gentleman desires.

Mr. YATES. Mr. Speaker, I request that the Chair put the question on the recession of the House.

As I understand it, the Chair has already divided the issue?

The SPEAKER. The gentleman is correct, at the request of the gentleman from New York [Mr. MOLINARI].

The SPEAKER. The question is, Will the House recede from its disagreement to Senate amendment No. 14?

The House receded from its disagreement to Senate amendment No. 14.

PARLIAMENTARY INQUIRIES

Mr. YATES. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. YATES. Mr. Speaker, is it in order at this time for the gentleman from New York [Mr. MOLINARI] to offer his motion?

The SPEAKER. It is.

Mr. YATES. Mr. Speaker, I have another parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. YATES. Mr. Speaker, I do not yield to the gentleman from New York for that purpose. As I understand it, the Chair will now recognize the gentleman from New York to make his motion.

The SPEAKER. The gentleman may offer the motion, but you control one-half of the time on the pending motion to concur in Senate amendment 14.

Mr. YATES. Right. I thank the Speaker.

PREFERENTIAL MOTION OFFERED BY MR. MOLINARI

Mr. MOLINARI. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MOLINARI moves that the House concur in the amendment of the Senate numbered 14 with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following:

Section 9 of the John F. Kennedy Center Act (20 U.S.C. 760) is amended by inserting "(a)" after "SEC. 9." and by adding at the end thereof the following:

"(b) The Secretary of the Treasury (hereinafter in this section referred to as the 'Secretary') shall, on September 30, 1987, credit an amount equal to the total value in excess of $23,000,000 of all gifts, bequests, and devises of money, securities, and other properties received on or before September 30, 1987, by the Board for constructing, equipping, and operating the Center and discharging the Board's responsibilities under section 4 of this Act against the interest accrued as of such date on bonds issued under subsection (a). The obligation of the Board to pay the amount of any interest credited under this subsection is terminated, effective September 30, 1987.

"(c)(1) Notwithstanding subsection (a) of this section and the terms of the bonds issued under subsection (a), the Board and the Secretary may enter into an agreement before September 30, 1987, which takes effect on September 30, 1987, providing for the cancellation of the bonds issued under subsection (a) and providing for a new contractual obligation of the Board for payment to the Secretary of a principal amount of $20,400,000. Interest on such principal amount shall be determined in accordance with paragraph (3) of this subsection. If the Board and the Secretary enter into an agreement under this subsection, the obligation of the Board to pay any principal and interest on the bonds under subsection (a) is terminated, effective September 30, 1987.

"(2) An agreement entered into under this subsection shall require annual payments of principal and interest by the Board to the Secretary until such time as the principal amount of the new obligation entered into by the Board under this subsection is repaid, as determined under paragraph (3). Each such annual payment shall be in an amount equal to 50 percent of the net revenues received by the Board from the operation of the parking facilities in the John F. Kennedy Center for the Performing Arts. For purposes of this paragraph, the term 'net revenues' means gross revenues less amounts required to be paid under any contract, or reasonably necessary to be expanded by the Board in the absence of such a contract, for the operation of such parking facilities.

"(3) Fifty percent of each annual payment under paragraph (2) or $250,000, whichever is greater, shall be credited toward the repayment of the principal amount of the new obligation entered into by the Board under this subsection, except that if the amount of such payment is less than $250,000 the entire amount of such payment shall be credited toward the repayment of principal. The remaining portion of any annual payment shall be the interest on such obligation for the year.

"(4) The Board may, at any time after an agreement under this subsection takes effect, pay amounts in addition to those required to be paid under paragraph (2) and the entire amount of any such additional payment shall be credited toward the repayment of the principal amount of the new obligation entered into by the Board under this subsection.

"(5) Any amount paid to the Secretary under this subsection shall be deposited into the general fund of the Treasury.

"(d) There is hereby established in the Treasury of the United States a sinking fund to be known as the 'Kennedy Center Revenue Bond Sinking Fund' (hereinafter referred to as the 'Fund'), which shall be used to retire the obligations of the Board incurred under subsection (a) of this section upon the respective maturities of such obligations. The Board shall make an annual payment to the Secretary for deposit into the Fund to amortize the principal amount of such obligations, not later than January 1 of each of the 30 consecutive calendar years beginning after December 31, 1986. The amount of each such payment shall be $200,000, except that such amount may be increased or decreased by the Secretary for any such calendar year by not more than five percent in order to correct any gains or deficiencies in the Fund as a result of fluctuations in interest rates over the life of the investments made under this subsection. Amounts in the Fund shall be invested by the Secretary in public debt securities with maturities suitable for the needs of the Fund and bearing interest at rates determined by the Secretary, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities. The interest on such investments shall be credited to and form a part of the Fund. Amounts in the Fund shall be used exclusively to retire the obligations of the Board incurred under subsection (a) of this section. A final adjustment shall be made between the Board and the Secretary at the end of the period in which payments are required under this subsection to correct any overall gain or deficiency in the Fund. The terms of such adjustment shall be covered by a memorandum of understanding between the Board and the Secretary to be consummated on or before the date the initial payment into the Fund is made.

"(e) Any contract for the operation of the parking facilities in the John F. Kennedy Center for the Performing Arts which is entered into by the Board after the date of enactment of this subsection shall be negotiated in consultation with the Secretary.".

Mr. MOLINARI (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. YATES. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. YATES. Mr. Speaker, as I understand the parliamentary situation, I have been recognized for 30 minutes, and the gentleman from Massachu-

setts [Mr. CONTE] will be recognized for 30 minutes.

The SPEAKER. The gentleman is correct, if the gentleman from Massachusetts seeks the time.

Mr. YATES. I thank the Chair.

Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, first I want to commend the gentleman from New York [Mr. MOLINARI], the gentleman from Florida [Mr. SHAW], and the gentleman from New York [Mr. SOLOMON], for bringing this issue to the House. I think it is an important issue. It is one that has been pending almost ever since the Kennedy Center was created because of the agreement that the Kennedy Center underwent by creating a bond issue which the Treasury issued for a 20-year period under which the Kennedy Center was permitted to construct its garage.

It may surprise my good friends from New York and Florida to know that I share much of their reluctance with the way in which we are dealing with the financial problems of the Kennedy Center in the continuing resolution. I, too, have frequently been annoyed over the years with the constant assertions by the Chairman of the Center that no Federal funds have gone into its construction and programing, when we in the Congress have appropriated millions of dollars both directly, and indirectly through the programs of the Department of the Interior and the National Endowment for the Arts, to the Kennedy Center. And I, too, have been greatly concerned with the apparent absence of any sound, long-range financial planning by the Center, and its failure to set aside funds to repay a Federal bond issue which has now grown to such staggering dimensions.

Nevertheless, Mr. Chairman, I support the provision inserted by the other body, which would establish a Kennedy Center revenue bond sinking fund, which will be used to retire the principal sum of the bond issues. If this measure is not passed before the end of the year, the Treasury Department has announced that it will declare the Kennedy Center in default, sullying the name of the late President for whom this living memorial was named, and in all likelihood, ending all hope of continued public and corporate financial support of the Center.

I share my colleagues' concern over the negligent way the management has failed to make any provision over the years for the payment of the interest on this bond issue, let alone the principal. But the fault has not lain solely with the Center it hasn't been able to make the payments. As early as August 8, 1972, the General Accounting Office reported to the Congress that "We believe that parking operations cannot generate the required gross receipts during the 15 years of the parking-concession agreement." On April 11, 1975, the GAO reported that,

> The Center's net income has not been sufficient to cover the bond interest or provide for retirement of the bonds. Net income could be increased in future years by various means, but it is doubtful that sufficient revenue can be generated to enable the Center to pay the commulative bond interest due in 1978 without development of additional financing or sources of funds.

On December 20, 1977, the GAO, in a report aptly titled, "The John F. Kennedy Center for the Performing Arts is Financially Troubled," stated that,

> The Center has not made provision to pay $10.5 million in interest owed on bonds held by the U.S. Treasury; has not paid its full share of building maintenance costs; and has not been able to pay all of its operating expenses when due.

Where was the Congress in the wake of all of these clear warnings? Where were the Nixon administration, the Ford administration, the Carter administration in the face of these danger signals? There is plenty of blame to spread. The Treasury Department, in all the years that interest was due, deferred calling for payment. The current administration was so certain that the interest would never be paid that, in a statement in hearings held by the Committee on Public Works and Transportation in April of this year, Treasury indicated that estimates of the amount owed had never been included is estimates of the public debt and had never even been charged against the deficit.

Mr. Speaker, history is in order. The John F. Kennedy Center for the Performing Arts was authorized by an act of Congress in 1958 as the National Cultural Center. Following the assassination of President Kennedy, Congress by a unanimous joint resolution dedicated the Center as the sole memorial in the Nation's Capital to President John F. Kennedy, and renamed the Center as a living memorial to him in 1964.

At that time, Congress authorized and appropriated $23 million in matching funds and approved $20.4 million in Treasury loans to help construct the building. The Center's Board of Trustees—this was not only a Government grant; listen to this—the Center's Board of Trustees exceeded its match by raising $34 million in contributions from the private sector and subsequently it raised an additional $28 million to sustain the performing arts of the Center.

What is at issue here is a $20.4 million loan which is made up of 21 separate bonds whose principal is due between the years 2017 and 2019. Each bond has a simple interest rate ranging between 3½ and 6 percent.

□ 2350

Listen, this is where the trouble came in. There was a penalty clause in the agreement that compounded the interest that went into default and it is the compounding of the interest that led to the $30 million in interest that is currently owed by the Center, and it is interesting, as the gentleman from New York has pointed out, a ridiculous situation which will occur under this compounding. If nothing is done to take care of this matter, by the year 2019, the time that the principal matures, the principal is $20 million, the interest owed will be $800 million, 30 years away; so the numbers become meaningless at this point. It was just irrational to put a compounding clause in that.

Now, I do not know that there is a great deal of difference between the proposal that the gentleman from New York will present to the House or the one that has been approved by the other body and in which we ask your concurrence. As of the present time, the parking revenues, and the dispute relates almost entirely to the parking revenues, the parking revenues are divided between the parking concessionaire and the Kennedy Center. Half of them go to the concessionaire, half go to the Kennedy Center. The amount the Kennedy Center receives is $800,000 per year, approximately, that is on the average. That is what has taken place.

This is, we must remember, a national monument, on a par with the Lincoln, and Jefferson, and Washington Memorials which grace our Nation's Capital. Whom do we benefit by charging interest on a loan to create a national monument, interest which will soon exceed, by the gentleman's calculation, the principal 40 times over? Whom do we benefit by causing the Kennedy Center to default, losing all credibility among the corporate and philanthropic communities, who have been so generous in their contributions? Interest never should have been imposed at all. Indeed, there could be a strong argument made that we never even should have required a loan in the first place, but taken the responsibility to pay for the construction in its entirety, or at least conditioned it all on matching funds. What is involved here? There is not a great deal of difference. Both forgave past interest.

The Kennedy Center has fulfilled its congressional mandate. Since its opening in 1971, more than 16 million patrons have attended some 13,000 performances. More than 1.7 million people have purchased half-price tickets through a special ticket program for the elderly, the handicapped, enlisted military, and others with fixed low income. Hundreds of thousands of people every year enjoy free and low

admission performances and events sponsored by the Kennedy Center, both in Washington, and in cities throughout the country. Over 48 million people from all over the world have visited the Center, and the Center has entertained, educated, and served millions of other Americans around the Nation through radio and television programs, touring productions, and education programs.

I don't know why Treasury, after all these years, has decided to call for a default. And if there were more time left, I would be glad to go through the regular authorization process. But we are facing a year end deadline, the measure before us has been passed in the other body, and it has the support of not only the administration, but the leadership on both sides of the aisle in the House. And I will guarantee my colleagues that, as chairman of the Appropriations Subcommittee responsible for the Department of the Interior and the Smithsonian Institution, the Kennedy Center's two parents, I will keep the Center's feet to the fire, to ensure payment by the Center into the sinking fund, and to ensure that better management and planning practices surface than have in the past.

This is not a beautiful measure that we pass here today, but it is a necessary one. I urge its adoption.

Mr. MOLINARI. Mr. Speaker, will the gentleman yield for one short queston on that?

Mr. YATES. Sure, I yield to the gentleman.

Mr. MOLINARI. Mr. Speaker, I think the gentleman, if he checks the record, will find that the split is now 70 to 30, not 50 to 50.

Mr. YATES. Seventy to the Kennedy Center?

Mr. MOLINARI. Seventy to the Kennedy Center, yes.

Mr. YATES. And what is that amount, is it still $800,000, approximately?

Mr. MOLINARI. It is going to differ from year to year.

Mr. YATES. Yes.

Mr. MOLINARI. In 1987——

Mr. YATES. But I mean, on the average it has been $800,000 and in the testimony before our committee the amount that was given to us was roughly $800,000 a year.

Mr. MOLINARI. That is roughly correct.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. YATES. I will yield in just a minute.

Let me yield to my friend, the gentleman from Pennsylvania [Mr. McDADE] first.

Mr. McDADE. Mr. Speaker, I thank my colleague from Illinois for yielding. I regret that we are taking this issue up at this hour and detaining the House.

I want to say that I believe my colleague from Illinois has explained the matter very thoroughly. The GAO has indicated there is not any way that the Kennedy Center could possibly repay what was imposed upon them some 25 years ago when they set up this arrangement with a compounding bond interest.

Let me say to my colleagues that you have a choice here. You can demand payment, I suppose, and we would end up doing one thing. We would close the doors at the Kennedy Center.

Now, I do not think we want to close the doors at our national cultural center.

Let me say to my colleagues, you have got to ask yourselves, who owns the Kennedy Center? We own it.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. YATES. Mr. Speaker, I yield myself 5 additional minutes.

Mr. McDADE. Mr. Speaker, if the gentleman will yield further, I think it is important to realize that we own the Kennedy Center.

Now, the Senate has added this to the bill. It is true when my colleagues had a complaint that they did not have an opportunity to bring their authorization bill to the floor, but I do not think we want to send this back to the Senate at midnight and have them do something tomorrow, maybe tie up the conference report, maybe have the consequence of closing this Center, which my colleague has correctly pointed out has seen collected from the private side $60 some million to keep it running.

Now, I think we ought to commend the people at the Kennedy Center for having established here in our National Capital one of the great cultural centers of the world. We ought to vote this down quickly and send the continuing resolution over to the other body.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Speaker, I thank the distinguished chairman for yielding.

In a moment I am going to address the point that the gentleman has just made as to what is the Kennedy Center. It is an agency of the Government that owes another agency of the Government some money, and we will address that in a moment; but I want to suggest that the gentleman from Illinois is absolutely correct, because under the amendment that is being offered by the gentleman from New York there would be a 50-50 split of the parking garage revenues, which would take some 80 years to pay off the debt that is due, the principal of that debt; so consequently, the Government will in effect get its money back sooner under the provision adopted by the Senate, rather than that which will be offered by the gentleman from New York.

Mr. YATES. Now, the differences, as I understand the proposals, and I wish the gentleman from New York would listen to me, so that I explain what I think is his proposal as well as that which is under consideration.

It is proposed in the version that the other body has adopted that the Kennedy Center pay $200,000 a year from the parking revenues into a sinking fund and that plan, which has been approved by the Treasury Department and by OMB, I repeat, OMB has approved it and the Treasury Department has approved it, it is proposed that that will pay off the principal by the year 2017, which is the date of maturity of the bond issue. No interest will be charged on that principal. That is the key point of difference between the gentleman's amendment and mine.

It has been represented that this is a bailout of the Kennedy Center. There is no difference between the gentleman's proposal and the proposal we have with respect to past due interest. The gentleman's proposal waives that interest. Our proposal waives that interest. The Kennedy Center under both proposals will not pay that interest.

What our proposal does is to say the Kennedy Center has to pay $200,000 per year until year 2016 when it will be paid off.

The gentleman's proposal will require a split of the parking revenues and the application by the Kennedy Center to the payment of principal every year and whatever amount is left over beyond the payment of principal each year from those parking revenues will be considered interest on that principal.

Does that explain it?

Mr. SHAW. Mr. Speaker, will the gentleman yield to me, please?

Mr. YATES. I just want an answer to my question. Is that correct?

Mr. MOLINARI. Mr. Speaker, will the gentleman yield?

Mr. YATES. Yes, I yield to the gentleman from New York for a reply.

Mr. MOLINARI. One point the gentleman left out, and I am glad the gentleman yielded. The compromise provides that the first $250,000 that is paid by the Kennedy Center treasury is applied to principal, or 50 percent of the amount received, whichever is greater.

Mr. YATES. Right.

Mr. MOLINARI. So it is not 80 years, as the gentleman from Georgia said. It could be a lot less.

Just to complete the question, under the gentleman's proposal, it is $200,000 a year, a total of $6 million under the gentleman's proposal, $20.4 million under ours.

Mr. YATES. Now, the Treasury Department has approved the proposal that I am sponsoring. The Treasury Department is opposed to the proposal of the other side. It says that it could not possibly keep track of the bookkeeping that would be necessary under the proposal of the gentleman from New York. Ours is specific. It would permit the Kennedy Center to go forward.

Now, the pending amendment wants to charge interest. Who do we benefit if we charge interest here?

You know, there is an old legal expression beginning "de minimis," the law takes no notice of trifles. There is not a great deal of difference in the amounts that are available here. Ordinarily the difference that is represented would be made up of a subsidy. We want the Kennedy Center to remain open.

The SPEAKER. The time of the gentleman from Illinois has again expired.

Mr. YATES. Mr. Speaker, I yield myself 2 additional minutes.

The Kennedy Center has become one of the great cultural institutions of the world. If we do not settle this problem tonight, either with the gentleman's plan or ours, OMB has indicated that it will call a default later this year.

Now, what could be worse than requiring the Kennedy Center to default on its obligations? Who gains on something like that?

This is a living memorial to one of America's great Presidents and we ought to see that it is placed on a sound financial structure.

Mr. WILSON. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Texas.

Mr. WILSON. How much time does the gentleman from Illinois have?

Mr. YATES. I have 30 minutes in all and I have already used up about 12 minutes.

Mr. WILSON. Well, the gentleman does understand and does agree that the Kennedy Center has without any question probably more private funds than any national cultural center anywhere in the world.

Mr. YATES. I am not sure I understand the gentleman's point.

Mr. WILSON. There are more private funds in the Kennedy Center in relation to Government funds——

Mr. YATES. Does the gentleman mean made as contributions to the creation of the Center?

Mr. WILSON. Yes, from the private sector.

Mr. YATES. Yes, I agree.

Mr. WILSON. I know of no other that is even competitive, but the major point in considering the Kennedy Center's financial situation in relation to other cultural institutions, would the gentleman agree, that the Kennedy Center cannot sponsor a show like "Cats" for 3 or 4 months. The Kennedy Center is obligated to do the National Ballet, and the National Symphony, and all the rest.

Mr. YATES. That is right. The gentleman is exactly right, and the Kennedy Center is a unique institution in that respect.

Mr. Speaker, I urge the House to reject the gentleman's preferential motion and to vote to concur with this.

□ 2400

Mr. CONTE. Mr. Speaker, I yield 8 minutes to the gentleman who is the ranking minority member of the Public Buildings and Grounds Subcommittee of the Committee on Public Works and Transportation, the gentleman from Florida [Mr. SHAW].

Mr. SHAW. I thank the gentleman for yielding. It is now 12 o'clock.

I would like to first of all thank the gentleman from Mississippi, the gentleman from Massachusetts, the gentleman from Illinois, and the gentleman from Pennsylvania for making it possible to bring this particular item back to the House.

I am sorry that it is 12 o'clock. However, this is a most important item.

I do not want any Member here tonight to go home and have voted on this issue and not have understood exactly what you are saying. There is a big difference between what the other body has sent over to us and what we are proposing here tonight as an amendment to send back to them.

I can tell you, colleagues, that it is absolutely necessary that we look very carefully at this issue and the millions of dollars that it is going to be costing the folks at home if we cave in to the other body's position.

Now, it is certainly worthwhile to send this thing back. We have spent in my subcommittee hours, days, weeks, and months in going over this whole matter with the Kennedy Center people. We have come up with a workable solution. It is not the best solution for the taxpayers, I grant you that.

It is forgiving over $30 million in interest, which I am opposed to. But after examining their books and records, looking at their cash-flow statement, I am convinced, as is the gentleman from New York [Mr. MOLINARI] and as every member of our committee was, that they could not pay the original indebtedness under their original bonding agreement as they represented to the Congress back in 1964 that they could do.

So, accordingly, we looked at the facts and figures, and we tried to come up with what we thought was a workable compromise.

Under the position of the other body they will pay off an indebtedness, a principal indebtedness to the Federal Government which is now owed in the amount of $20 million, plus the $30 million in interest, they will only pay back to Uncle Sam $6 million.

Now, how are you going to go home and explain that? You forgave $30 million in interest, and then you are being asked, in addition, to forgive $14 million in principal that is owed.

Mr. Speaker, what was this money borrowed for? It was borrowed to build a garage under the Kennedy Center, a revenue-producing garage which throws off right now well in excess of $2 million a year. All we are asking under this compromise is that half of the Center share of that revenue go to pay back poor old Uncle Sam.

What else can you possibly do that your taxpayers would appreciate more than requiring that the Federal Government get something that is owed to them back?

And where is this Kennedy Center losing its money? It is losing it on Broadway shows. It is losing it on the big money things that you and I go to that cost $50 a ticket. How in the world they are doing that I do not know. But this is the way this place is being managed now.

Mr. LEVITAS. Will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman for yielding.

Would not the gentleman concede that none of the losses of the productions, whatever they may be, are in any way subsidized by the Federal Government and that the Federal Government to whom the money is owed is also the entity that owns the Kennedy Center, it is owned by everybody in America, and that the Kennedy Center for the Performing Arts is the U.S. Government itself?

Mr. SHAW. I would disagree with the gentleman from Georgia because the part of the money that is owed to the Federal Government is the revenue that is produced from that garage that is now going to subsidize Broadway shows. There are theaters here in town, the National Theater. It makes money out of the productions that come in there, I would certainly think. We do not subsidize them. We do not subsidize the New York theaters, and we do not subsidize the Fort Lauderdale theaters. In fact, we did not even build them. We did not even build them. They were built by the people paying local tax dollars building their own theaters.

Here in Washington we built that theater, and I do not disagree with that. I think the National Theater for the Performing Arts is one thing. But we have to demand good management and sound fiscal policies. We have not seen that. We have seen absolutely a disaster in management occurring

down here at the Kennedy Center, and now we are being asked to forgive, forgive the indebtedness owed to us.

All we are asking is not all of the revenue from the garage, just half, just half to come back and pay back poor old Uncle Sam. That is just revenue. We are taking no money away from the cultural aspects of the Kennedy Center. We are not taking anything away from the Kennedy Center. All we are asking is what is justly ours.

As a matter of fact, what we are asking is not even going to interfere with the cash flow, because we were so careful that we looked at the point in time when they were going to increase their revenue from the parking garage, and that was the first time that we were going to ask them to pay what we felt was at least the least that we could possibly ask them to pay in good conscience.

Mr. REGULA. Will the gentleman yield to me?

Mr. SHAW. I yield to the gentleman from Ohio.

Mr. REGULA. The gentleman used the word "they" as if this is another entity removed from the Federal Government. Who exactly is "they"? You say "they" owe to the Federal Government.

Mr. SHAW. Oh, yes; oh, yes.

Mr. REGULA. Who is "they"? Is it the board, or is there another entity there?

Mr. SHAW. There is a board of trustees that is a separate entity, that we do not even have the freedom of information as to the books and records. Their meetings are closed. This is a separate entity entirely.

I might say while I am talking about "they," they, at least their spokesman, who was in the Public Buildings and Grounds Subcommittee meeting when we worked out this compromise, agreed to the compromise. And then they went on a shopping expedition, and they went over to the other body and they got a better deal. Now they come back and say their trustees did not agree.

I would like to finish my sentence and then I will be glad to yield, if I have any time left.

They now come back and say, "Well, our board of trustees does not agree."

The individual they sent down here as their legal representative, they agreed.

Mr. LEVITAS. Will the gentleman yield?

Mr. SHAW. I will be glad to yield to the gentleman from Georgia.

Mr. LEVITAS. I asked the gentleman to yield to answer the question that was asked. The Kennedy Center for the Performing Arts is a statutorily created board of directors as a unit of the Smithsonian Institution. It is part of the Federal Government.

Mr. SHAW. I would like to say that it is completely independent of the Federal Government and it was put under the Smithsonian because the Federal Government really did not know what else to do with it. It acts independently, and I think to say it is really an arm of the Federal Government is somewhat stretching it.

As a matter of fact, if it is an arm of the Federal Government, then the parking concession that they entered into would be illegal because it was not put out for bids and it did not follow any of the requirements for the Federal Government in this particular situation.

I think that we ought to take a very close look at that agreement because it is so one sided.

Ms. OAKAR. Will the gentleman yield?

Mr. SHAW. I will be glad to yield.

Ms. OAKAR. I want to thank you for yielding because I do not agree with you. I just want to make one quick comment and I really thank you for yielding.

You mentioned that here we are subsidizing theater and so on. I think our country——

Mr. SHAW. I would correct the gentlewoman. We are subsidizing a parking garage under the Kennedy Center.

Ms. OAKAR. I think you said subsidizing broadway shows. I just want to say I think our Government is extraordinarily remiss in subsidizing the arts. The arts heal the soul.

England, Germany, all of the great Western cultures subsidize the arts. We ought to do more, not less.

Let us vote for this and get it over with.

Mr. McDADE. Mr. Speaker, I yield 13 minutes to my distinguished colleague from New York [Mr. MOLINARI].

Mr. MOLINARI. First, Mr. Speaker, I would like to apologize to my colleagues for taking this matter up so late, and we are going to try to move it as quickly as possible.

If we can just bide our patience a little bit we might be able to complete this very quickly.

I would like to ask the gentleman from Georgia a question before I start, if I may. There has been a great dispute in the last several weeks as to whether or not our subcommittee put forth a proposal to the Kennedy Center that they accepted.

Now, the gentleman from Georgia played a very integral role during those negotiations, and I would like to ask you to answer that question, if you would.

Mr. LEVITAS. Would the gentleman yield?

Mr. MOLINARI. I will be glad to yield.

Mr. LEVITAS. I will be happy to answer the question.

The gentleman from Georgia, along with staff of the Committee on Public Works and Transportation, acted as a go-between, a negotiator, a mediator on behalf of the proposals that were being put forth by the gentleman from Florida, the gentleman from New York, and others.

□ 2410

That proposal was acceptable, albeit reluctantly, to the representatives of the Kennedy Center and I made that representation to the subcommittee.

I think in fairness I should also point out that the Kennedy Center Board of Directors in this instance did not have the final say-so and made it clear that it would have to also be acceptable to the Department of the Treasury. As the gentleman from New York knows, the Treasury Department rejected the proposal which we in fact had agreed upon.

Mr. MOLINARI. I thank the gentleman.

Let me call to the attention of the Members of the body a missal that appeared underneath our doors tonight. I am sure some of you did not see it. It was sent out by the Department of the Treasury. I will read just one portion: "We want you particularly to know that the Kennedy Center and Treasury never accepted any alternative proposal nor was any formally presented." Now that is what we are dealing with. There is Treasury denying the statement that was made by the gentleman from Georgia. That is what we are up against. Let me tell you what we are doing here or trying to do. We are not trying to close Kennedy Center down; what we are trying to do is to preserve it and we have geared a bill that is geared to the ability of the Kennedy Center to pay.

They cannot pay $3.3 million compounded interest, they cannot pay simple interest of $1.2 million a year, but they can pay something.

Under our compromise, understand what we are talking about, we are gearing it to what they are receiving; 50 percent of what they are receiving come to the Treasury.

The first $250,000 or 50 percent, whichever is greater, goes to reduction, immediately, of principal indebtedness and the balance, whatever it is, is treated as interest.

Now think about what happens the first year that it is triggered, in 1987; $800,000 the GAO says is going to be paid to the Center. They would pay Treasury $400,000; $250,000 is credited to principal and we get the magnanimous sum of $150,000 in interest, not $3.3 million compound interest, not $1.2 million simple interest; $150,000.

Now it gets me sick when I hear people get up and talk about how Mr. Stevens of Kennedy Center is so upset at the compounding of interest that occurred here. What difference does it make, I ask you, whether the interest was compounded or not? They do not

want to pay any interest. Now let us talk about the real difference between the bailout passed by the other body and espoused by some people here. What we are offering is a reasonable compromise. Instead of $6 million being paid they will pay $20.4 million in principal and, yes, we do waive the $33 million in past-due interest. We have not fashioned a hard deal. In addition to that, we are going to be collecting some interest for the taxpayers and as the principal goes down that interest is going to go up.

Members should know that right now they have paid out almost $3 million in interest to APCOA, the concessionaire, the parking garage concessionaire, for the lease that they have, and they are paying $697,000 this year to American Security Bank, $500,000 in principal, $197,000 in interest, but they cannot pay a dime to the taxpayers.

Now we have asked this bill to be brought up for the last 6 months so that we can have a full airing of it. We do not want to close Kennedy Center. You talk about Kennedy Center and you invoke the name of a President we all love; it is like talking about the Statue of Liberty. It is sacrilegious to get up here and speak against it. But, damn it, somebody has to come up and talk some sense and say let us come up with a reasonable proposal. We do not want to close Kennedy Center.

Nobody has suggested that they cannot pay some interest to the taxpayers, and I am saying they can. They are charging $3 for parking. Now let me just conclude by saying this to you: They say they cannot raise their parking fees from $3 to $4. Why? Because they are going to lose customers who are paying $40 to $55 a ticket for some events. Now let me just bring to your attention that Lincoln Center, my friends, Lincoln Center in New York City charges $15 to park, five times what the Kennedy Center is charging, and the nearby lots charge $10 to $13. They netted last year $2 million.

That is what we are talking about.

Mr. McDADE. Mr. Speaker, will the gentleman yield to me?

Mr. MOLINARI. I will be glad to yield to the gentleman from Pennsylvania.

Mr. McDADE. I thank the gentleman for yielding.

The gentleman [Mr. MOLINARI] is an able man. The gentleman surely is not comparing the rate in New York City with the rate in metropolitan Washington?

Mr. MOLINARI. I would be glad to answer that question. Mr. Stevens says he has a more reliable market here in Washington to sell tickets than they do in New York.

Mr. McDADE. The gentleman did not answer my question. Is the gentleman trying to compare the charge at Lincoln Center with the charge in Metropolitan Washington for parking?

Mr. MOLINARI. Mr. Stevens has made that comparison.

Mr. McDADE. Obviously they are quite different, the gentleman knows that, the gentleman lives up there.

Mr. MOLINARI. Does the gentleman mean to tell me that we cannot afford to charge people more than $3, people who come to Kennedy Center in limousines?

Mr. McDADE. A limousine is going to park at Kennedy Center? Limousines are not going to park.

Mr. MOLINARI. Let us take a look at this.

Mr. McDADE. What does the neighboring parking garage charge?

Mr. SOLOMON. Mr. Speaker, will the gentleman yield to me?

Mr. MOLINARI. I yield to the gentleman from New York.

Mr. SOLOMON. I thank the gentleman for yielding.

Mr. Speaker, Members of the House, I rise to express my opposition on what I would call a forced taxpayer bailout of the Kennedy Center for the Performing Arts.

Much has been written and said about the so-called consensus that has been formed around this bailout among officials at the Treasury Department the Office of Management and Budget, various Senators and Members of Congress and the leading officers at the Center.

And I can well appreciate the urgency which faces the Kennedy Center, as well as the earnestness with which many are trying to solve this fiscal crisis.

But I can't help but feel that this proposal amounts to what has to be the first black-tie raid on the Public Treasury. And I do feel compelled to crash this private party on behalf of the uninvited guests who will be asked, as always, to pick up the tab—Mr. and Mrs. John Q. Taxpayer.

The taxpayers are being asked to forgive 10 years' worth of overdue interest payments accrued by the Kennedy Center on $20.4 million worth of Treasury revenue bonds.

Forgiving the Center's delinquent interest means we look the other way on a debt of roughly $30 million. The agreement also calls for the elimination of future interest payments on a principal to be repaid in annual installments of $200,000.

If the interest on this debt—past, present and future—were not forgiven and the Center was asked, like any other borrower, to pay the interest on a loan it requested—the interest payments could amount to an unbelievable $800 million—this on a $20 million principal.

Supporters of the bailout use this unpleasant reality as an argument in support of eliminating what they call an unfair and unplanned burden. This burden was partially caused by the increase in the prime interest rate, which contributed to the size of the interest payments.

Well, gentlemen, I can assure you that the bankrupt small businessman or the out-of-work factory worker whose plant closed did not plan on those 21-percent prime interest rates either.

Another point. The Congress recently passed a tax bill that contained provisions to severely restrict the issuance of industrial revenue bonds. Yet, now we are being asked to forgive a revenue bond that seems to have been issued without any guarantee at all that the revenue source; namely, garage receipts, would be adequate to repay the bonds at all.

The reason I say this is that I have no evidence that the Kennedy Center ever made a good faith effort to make one installment payment.

This raises another question that deserves answering before we bail out the Kennedy Center—why hasn't there been enough garage revenue to repay the revenue bonds?

According to a background statement issued by the Kennedy Center working group, "the Center's parking revenues have never been sufficient to meet the annual simple interest of $1.2 million."

One of the major reasons, according to the background statement is that "the Center borrowed $3.5 million from the parking concessionaire in order to complete building construction and pledged 50 percent of garage revenues to repayment of this loan between 1972 and 1987."

Ladies and gentlemen, this to me is evidence of blatant financial malfeasance. It sounds as if the Kennedy Center found itself a few million shy of putting the finishing touches on the facility. Unable to find a conventional lender, Mr. Stevens apparently borrowed the money from the concessionaire under terms that constitute nothing less than a sweetheart deal.

Not only is the Center paying APCOA, the concessionnaire, for operating and administrative costs, it is also making annual loan payments of several hundred thousand dollars. On top of this, APCOA receives 50 percent of remaining garage profits. The icing on the cake is a clause that provides 30 percent of garage profits to APCOA for another 10 years, even though the loan has been paid off.

In short, Roger Stevens and the board mortgaged the future of the Kennedy Center for opening night.

Everyone in the fabled consensus I mentioned earlier is convinced now that the Kennedy Center does not have an adequate revenue base to repay its debts.

But what I question is whether that certainty, or something near certainty,

dates back to the time the loan was taken.

I am not reassured by the fact that the Washington Post, in an April 4 article, refers to Kennedy Center Director Roger Stevens' "Dream, which had always been to have both the interest and the principal forgiven."

In other words, his dream all along was not a loan, but a give-away. And I wonder if that dream doesn't now play a role in inspiring this proposed bailout.

If so, then Mr. Stevens' dream is a taxpayer nightmare. It's time to wake up and try to make some headway toward paying this debt.

According to the Treasury Department, concessions now account for less than 4 percent of the Kennedy Center's income. In fiscal year 1984, garage receipts, the biggest part of the concession income, totaled $800,000.

I have said all along that the Kennedy Center should be put on a pay-as-you-go basis, and I believe that it's time to think about making parking prices high enough to meet the interest payments that were supposed to be paid for out of garage revenues.

Second, I am distressed to read that one of the major reasons for this bailout is that the fiscal crisis confronting the Kennedy Center impedes fundraising from private sources.

Thomas Kendrick, the Center's Director of Operations, told the Post on March 24 that "You can't expect people to donate large sums, if it may go to the Treasury."

I wonder if Mr. Kendrick feels the same way about paying back a debt to a bank. Well, Mr. Kendrick, this is no different—except that in this case the bank is the Treasury and the Treasury is owned by the taxpayer. The taxpayer deserves to be paid back, too.

Now, about his statement that you can't expect people to donate large sums if it may go to the Treasury. Let me say that millions of taxpayers each year do make large sum donations to the Federal Treasury. And before we ask those who will never even see the Kennedy Center to forget the money owed them, I think it behooves those who pay lipservice to the arts to dig a little deeper to help pay off the debt.

Most of those people who patronize the Kennedy Center, and particularly those who use the parking garage, are foreign diplomats, embassy employees, U.S. Government bureaucrats, Members of Congress, lobbyists, and Washington high society. They are not our constituents and our constituents should not be asked to pay for their culture.

By this, I mean that the Kennedy Center exists for the benefit of an elite of art lovers, and they do not need the support of the taxpayer. They can do it on their own.

That's the very essence of the fairness issue we hear so much about today.

We have been told that this debt was incurred to construct a living monument to a fallen President. While I agree that the Kennedy Center is indeed open for all to see, it is not financially accessible to the average American. Its primary function has been to display classical culture at contemporary prices—not to provide a memorial to the arts which all citizens can enjoy.

Today, I propose a better monument. I propose this Congress restore the Kennedy Center to a pay-as-you-go footing.

I propose a fiscally responsible performance that will bring the curtain down on this talk of bailouts for privileged special interests. I urge you to delete this bailout from the resolution.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield to me?

Mr. MOLINARI. I will be glad to yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman, my good friend, for yielding.

Mr. Speaker, I want to say this because I think in the lateness of the hour, in the passion that is raised, we sometimes lose our perspective.

Mr. Speaker, I want to commend the gentleman from Florida [Mr. SHAW], the gentleman from New York [Mr. MOLINARI], and the other gentleman from New York [Mr. SOLOMON]. They have been sincere, they have been up front, they have felt, and I understand that they felt, that they had made an understanding and a transaction which has now been circumvented. I understand that.

The gentleman knows that I had a proposal which I thought was preferable to the one from the Treasury but that has been rejected. I think we have to do something about it and essentially I am going to support the proposal that the Senate has passed.

Briefly, Mr. Speaker, my alternative would have recognized the approximately $60 million raised to date by the Board of Trustees of the Kennedy Center, necessary to carry out the performing arts functions of the John F. Kennedy Center which are mandated pursuant to section 4 of the act. Namely, section 4 mandates that the Kennedy Center present opera, dance, drama, and classical music, yet no funds are made available for such purposes. Thus, my proposal would recognize that the Kennedy Center has raised $60 million to date, and that $23 million of that amount was required to match Federal funds appropriated for the construction of the Center, and further recognize that the trustees have raised in excess of $37 million in excess funds to be credited against future interest accruing annually. In addition, my proposal would continue to recognize on an annual basis the private funds raised and allow for them to be credited against accruing interest. My proposal, like the administration's proposal, would require the Kennedy Center to pay $200,000 annually into a sinking fund to be set up in the Treasury which would allow for amortization of the bond principal when it comes due in 2017 and 2019. My proposal did not waive any interest, but instead recognized the achievements and the great fundraising efforts of the Kennedy Center, and their ability to allow the Center to be a truly national cultural center which reaches beyond the Washington environs.

But I want to respond to the gentleman from New York for just a moment. We do have a deficit in this country. In fact we just passed a bill of some several billion dollars by voice vote and now we are talking about $33 million which is a lot of money but in comparison it is not as great.

I want to read from the letter that came to us from the Department of Treasury and I quote: "The waiver will not impact the deficit according to the Treasury and to the General Accounting Office." So both the GAO and Treasury have accepted the fact that the $33 million that will be waived has not even been put on the books, it is not reflected as part of the deficit, there will be no deficit impact.

I think all of us who are concerned about the deficit ought to be cognizant of the fact that there is no deficit impact from the passage of the proposal here.

Mr. MYERS. Mr. Speaker, will the gentleman yield to me?

Mr. MOLINARI. I yield to the gentleman from Indiana.

Mr. MYERS. I thank the gentleman for yielding.

Mr. Speaker, I rise reluctantly at this hour to oppose my two good friends from Illinois and Pennsylvania here, but I think the gentleman [Mr. MOLINARI] is right. I rise here as a matter of equity.

Just about a half hour ago we removed $65 million from a project because we could not afford it. Now we are asking the taxpayers of the country to foot $30 million in interest forgiven. Is it more important to let a few people be able to use the facilities there, is it more important for a few people to be able to enjoy this, to see an opera, than it is for the people of Minnesota, the Dakotas, Iowa, to get their grain down through lock and dam 26 so it can be exported and it can help our balance of trade, help our farmers to export? Can you justify a few people being able to see the cultural activities? I am for the Kennedy Center, but who should pay it? Is it fair today to say we are going to help people go there to see the cultural activities, yet we are going to tell the

people along the Ohio River at the lock that is about to go out, almost 60 years old, needs to be replaced, and the people of Pennsylvania today, people of Pittsburgh cannot get their ore, their steel, their coal, their grain, the petroleum through that lock and dam without breaking the tows? We said that just about an hour ago that we could not afford that.

□ 2420

How can you justify saying now we are going to bail out to the tune of $30 million people that could afford it?

I think the gentleman is right. I do not know what it takes to pay for the extra parking, but I think the people who use that facility should pay a user fee. I support user fees and this is one of them.

Mr. MOLINARI. Mr. Speaker, let me conclude by saying to the Members, realize that if you do not adopt this proposal what you are doing is you are waiving not only $33 million in past interest, which we do not object to, but you are waiving interest for 33 years in the future without any knowledge whatsoever as to whether they have the ability 5 years from now, 10 years from now, or 15 years to pay something to the taxpayers.

We have come up with a very reasonable, fair proposal that permits the Kennedy Center to continue to operate and yet we are getting something back for the taxpayers. It is a very fair proposal, a reasonable proposal. I urge my colleagues to support it.

Mr. YATES. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. LEVITAS].

Mr. LEVITAS. Mr. Speaker, I will place in the RECORD material, a letter from the Vice President of the United States in support of the Treasury Department position. A letter from the Treasury Department in support of the position of the Senate, together with a letter signed by the Speaker, the chairman of the committee, the minority leader, the majority leader, the minority whip, and the majority whip.

THE VICE PRESIDENT,
Washington, July 19, 1984.

Mr. ROGER L. STEVENS,
Chairman, Board of Trustees, John F. Kennedy Center for the Performing Arts, Washington, DC.

DEAR ROGER: I asked my staff to review the situation regarding the Kennedy Center Revenue Bonds as described in your letter of May 22. It appears that the Administration has a quite specific policy developed by a working group that included representatives of Treasury, OMB and the Kennedy Center. I will certainly mention my support for the Administration-sponsored legislation to Don Regan and encourage every effort to resolve this matter in a constructive and responsible fashion.

Sincerely,

GEORGE BUSH.

DEPARTMENT OF THE TREASURY,
Washington, DC, October 10, 1984.

To MEMBERS OF CONGRESS: We at the Treasury Department have simple, cold facts, which we want to share with you regarding the Administration's honest effort to solve a nearly impossible problem—the Kennedy Center's $20.4 million debt to the Secretary of the Treasury. Our solution—not the best of all possible worlds, admittedly—is to allow a waiver of interest on the debt in exchange for prepayment of the principal into a sinking fund in the Treasury.

Here are the facts we want you to know:

1. The waiver will not impact the deficit, according to Treasury and GAO.

2. The Kennedy Center will prepay in yearly installments, of $200 thousand, the $20 million of principal into the Treasury, starting in 1987, rather than paying the principal when due in 2017-2019. (Of course, the prepayments will have a higher "current value" to the Treasury and the taxpayer than if the principal were not paid until due in 2017.) How can the opponents call this a "bailout" when the Kennedy Center is paying everything it possibly can.

3. The Continuing Resolution represents a consensus legislative proposal to restructure the Kennedy Center debt. This proposal which is the product of months of study and a thorough audit by the GAO has the support of the Treasury Department, Kennedy Center, GAO, OMB, Interior Department and by the leadership of both parties in the House (see the attached "Dear Colleague" letter). We want you particularly to know that the Kennedy Center and Treasury never accepted any alternative proposal nor was any formally presented—simply because we are sure that our proposal is the most feasible and direct way to solve the problem and the most protective of the taxpayer.

4. Deferring the matter to the next Congress would not lessen our difficulties. The practical considerations are that the Center can meet only its obligation of the principal indebtedness. That conclusion is supported by the GAO and independent, private-sector auditors.

I hope you agree that the matter should be resolved along the lines of the Administration proposal, and that you will provide your support when the matter comes before the House—and vote to recede and concur with the Senate version of the Continuing Resolution. The managers of the Continuing Resolution support this proposal.

Sincerely,

BRUCE E. THOMPSON, Jr.,
Assistant Secretary (Legislative Affairs).

Enclosure.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC.

DEAR COLLEAGUE: The Senate has passed S. 2562 which provides for waiver of interest payments and for repayment of principal of bonds of the John F. Kennedy Center for the Performing Arts purchased by the Secretary of the Treasury. The Senate version of the Continuing Resolution (H.J. Res. 648) contains the elements of this bill and is now pending before the House. We urge your support of this measure.

By way of background, the Center was constructed with three primary sources of funding: appropriated funds, totalling $23.0 million; $34.5 million in private contributions, and $20.4 million of bonds sold to the Secretary and due for repayment between 2017 and 2019. The 1968 Kennedy Center Act permitted the Secretary to defer annual interest payments on the bond amounts and every Secretary since 1972 has deferred those payments. The Treasury Department formally advised the Kennedy Center that the interest payment due in 1984 will not be deferred.

As a result, the Treasury chaired an interdepartmental working group created to resolve the Center's financial crisis caused by the Center's debts to the Secretary. The legislation proposed by the working group permanently waives interest on the Center's debt to the Secretary and requires the Center to begin early repayment of the principal, in 1987, into a sinking fund with the Treasury so as to eliminate the principal debt by the time the bonds come due. The proposed legislation has the support of the Treasury, OMB, the Interior Department and the Center. It is, for all intents and purposes, "consensus legislation."

Passage of this measure will not affect continuation of the Center's outstanding reputation as the National Cultural Center, operating without the subsidy of an annual federal appropriation for performing arts programming. The Center's Board of Trustees will continue to pay the Federal Government the Center's portion of the building's total upkeep, as well as expenses for theater maintenance, renovation and programming that have so sharply escalated in recent years. The Department of Interior will continue to seek annual appropriations for the non-performing arts maintenance and security of the building as a federal presidential memorial.

Passage of this measure will remove the major obstacle confronting the Kennedy Center general fundraising efforts and recognize the success of the Center by providing it with a more realistic and attainable debt service plan. Ever more to the point, enactment of the bill, according to the Center's Trustees, will permit an endowment campaign to go forward to provide financial stability for the future of the Center's performing arts operations.

The full Senate passed S. 2562 by unanimous consent, reflecting the non-partisan support for the measure now before you. The Administration has informed us that the President will sign the bill if enacted as proposed.

Sincerely,

Thomas P. O'Neill, Jr., Speaker; Jim Wright, Majority Leader; Thomas Foley, Majority Whip; James J. Howard, Chairman, Committee on Public Works and Transportation; Robert Michel, Minority Leader; Trent Lott, Minority Whip.

Mr. Speaker, the issue that should be treated now is solving the financial situation of the Kennedy Center, and how we got where we are today and the proper solution to the problem.

First, let me state—we are dealing with a history of two separate pieces of legislation when we deal with the creation of the National Cultural Center, now known as the John F. Kennedy Center for the Performing Arts, or the creation of a living memorial to the late President John F. Kennedy.

Mr. Speaker, in the second session of the 85th Congress back in 1958, the Congress passed and there was enacted into law, a law known as the National Cultural Center Act. This act

provided for a National Cultural Center which would be located on a site within the Nation's Capital. The act also provided for a Board of Trustees whose purpose was to construct the Center with funds raised by voluntary contributions. This Center was to be a bureau of the Smithsonian Institution and was to present various cultural events or programs such as classical and contemporary music, opera, drama, dance, and so forth. In addition the Board was directed to present and develop programs for children and youth and the elderly, and to provide facilities for other civic activities. Although the Board was directed to present these diversified programs, and expensive operas and ballets which do not generate money but instead always produce loses, no mechanism for funding was provided for in the legislation.

At the time, President Kennedy was very committed to this project and the arts and by 1963 funds in the amount of $12 million had been raised in the private sector for construction of the Cultural Center.

The tragic death of President John F. Kennedy in November 1963 led to the introduction of legislation to rename the National Cultural Center as the John F. Kennedy Center for the Performing Arts. In 1964, this Congress in its wisdom when it created the John F. Kennedy Center as the sole living memorial to the late President John F. Kennedy in Washington, DC, and specifically provided for Federal funding to be comingled with voluntary contributions to assist in the development of the Center. Ultimately, the Center's trustees raised $34.5 million from the private sector and foreign governments to exceed the Federal matching requirement of $23 million. In addition, the legislation authorized the Board of Trustees to issue revenue bonds to the Secretary of the Treasury in the amount of $20.4 million to finance construction of the Center's parking facility.

Thus, the distinction clearly exists here. The original National Cultural Center Act provided for no Federal funds and required voluntary contributions for its construction. The act, as amended, as a memorial to the late President from the onset has always provided for Federal assistance along with private contribution to the Center.

It must be remembered that it was not originally envisioned in 1958 that the Center would have a dual function as both a national memorial and performing arts center. The building, open from early morning to late at night, receives millions of visitors, rather than being limited in function to patron use of the building's theaters in a very restricted timeframe.

The Kennedy Center is a unique institution with a complex financial history that is frequently misunderstood by the general public. The Federal Government's involvement in the Center, through the National Park Service, reflects the fact that the building as a Presidential memorial, constructed in part by Federal matching funds, is owned by the Federal Government. Since 1972, the Park Service has been authorized to maintain and secure the Center as it does other Presidential memorials. The Kennedy Center must reimburse the Park Service for the allocated costs of the performing arts activities in the building. This latter direct cost to the Kennedy Center will exceed $1 million this year and must be borne from box office receipts, earned income, and private contributions. In addition, it must be emphasized, the Kennedy Center is responsible for 100 percent of the maintenance of its five theaters, as well as backstage areas and for fiscal year 1984 these additional maintenance costs totaled $2.7 million.

It is more than appropriate for the Government to pay for the cost of nonperforming arts functions at the Kennedy Center, similar to how the Government currently pays for those maintenance type functions at the Washington Monument, Lincoln Memorial, and Jefferson Memorial. The Kennedy Center is also a monument and must be maintained in the same manner as the other Presidential memorials.

Now, let me elaborate on how we got to where we are today whereby the Kennedy Center owes approximately $30 million in outstanding interest to the Treasury against an outstanding loan of $20.4 million. The $20.4 million in Treasury bonds authorized the Secretary of the Treasury to defer interest owned on the bonds, providing that all deferred interest amounts would themselves bear interest. Since 1968, the Board has annually requested and received from the Treasury a deferral of all interest due on the revenue bonds. Today, simple interest amounts to approximately $1.2 million annually. However, compounded interest amounts to another $2.8 million. Therefore, interest is mounting by at least $4 million annually. The GAO and the Treasury have stated the garage revenues have never been sufficient in any 1 year to even pay simple interest. Now some ask why? Let me explain that in February 1969, the building was almost complete, however, $3 million was desperately needed for completion. Therefore, the Kennedy Center entered into a contract with a parking concession for a period of 15 years whereby the Center was advanced $3.5 million against the Center's share of future revenue. Profits were split whereby the parking operator received 70 percent and the Kennedy Center received 30 percent. In July 1983, the Center obtained a $2 million loan secured by future parking revenues. This loan paid off the original loan and provided for the Center's increased cash needs. This loan will be paid off in July 1987, at which time, the Kennedy Center will receive 100 percent of profits. At that time, production and maintenance costs will have also risen and the increased revenues will be desperately needed. The General Accounting Office, as well as the Office of Management and Budget and acknowledged that the Kennedy Center cannot pay more than $200,000 annually in 1987 to retire the $20.4 million bond debt, and to require an increased payment would seriously hamper the programming available at the Kennedy Center.

Mr. Speaker, this has been the subject of public press briefings, public hearings in both Houses, and has received on the record support by OMB, Treasury and Interior. It must be remembered that the bill before you addresses only one portion of the Kennedy Center's construction funding. Some Members have focused only on the $20.4 million in loans authorized in 1964. They have chosen to ignore the $34 million raised by the Center's trustees to match the Federal appropriation of $23 million to construct the building. Likewise, they have ignored the $28 million raised by the trustees from the private sector to carry out the programming mandate for the Center formulated by the Congress of the United States but for which Congress has not been asked to appropriate funding. The bill pending before this Chamber asks that $30 million in accrued Federal interest—recorded only on the internal ledgers of the Treasury Department—be waived. In return, the bill will guarantee that Treasury and the U.S. taxpayer will secure repayment of the principal beginning 30 years before the bonds fall due in 2017.

Charges have been leveled against the trustees of the Center, charges that allege the Center negotiated in bad faith with this Chamber. The Center's Chairman came before the House Subcommittee on Public Buildings and Grounds to discuss fully over the course of 2 days every aspect of the Center's operations, the circumstances surrounding the Center's garage contract. Full financial disclosure of information was supplied both to the members of the subcommittee and to the GAO. The idea of a working group to address the matter of the Kennedy Center revenue bonds was first proposed by OMB's Director, David Stockman. When, in 1983, the Department of the Treasury informed the Kennedy Center that it would not authorize the further deferrals of interest payments beyond 1984, Treasury took the lead in convening an administration working group to develop

a feasible legislative solution for Congress' consideration.

The working group was headed by Treasury under the leadership of the Under Secretary for Monetary Affairs, Beryl Sprinkel, and included the OMB and Kennedy Center. The consensus legislation contained in S. 2592 was also cleared by the Department of the Interior and submitted by Treasury to the Center's authorizing committees in the House and Senate. In addition, an open press briefing was held on the proposal by Kennedy Center and Treasury officials to explain the bill's elements and its background.

The legislation proposed by the administration permanently waives interest on the Center's debt to the Secretary and requires the Center to begin early repayment of the principal, in 1987, into a sinking fund with the Treasury so as to eliminate the principal debt by the time the bonds come due in 2017 and 2019.

The administration bill was introduced in both Houses and public hearings were held in the House and Senate during April 1984. At every point this legislation has been publicly aired and has enjoyed bipartisan support in both Houses.

At alternative measure which was more favorable to the Center was considered in the Senate but the Center's trustees maintained their support for the administration's proposal because this proposal was endorsed by OMB and Treasury and was alone capable of securing bipartisan leadership support in both the House and Senate.

Some Members believe that the bill before you will somehow cost the taxpayer millions of dollars. GAO has testified that there will be no impact on the budget deficit. Moreover, the $30 million to be waived represents Federal compound interest on a Federal debt on a building already owned by the Federal Government. What does the taxpayer stand to lose? The Government already owns the building. What the taxpayer stands to lose is this Nation's cultural center, a symbol recognized around the world as the most successful arts institution of its kind, an institution acknowledged to have changed the face of Washington, an institution that has carried the performing arts through touring productions, arts education activities in the classroom, television and radio broadcasts to every State in the Union.

The Center's trustees have raised $60 million from the private sector to build the Center and to carry out the will of Congress to create a living memorial. These moneys were raised long before corporate support for the arts became fashionable, before the National Endowment for the Arts and 51 State arts agencies were created to assist arts institutions, theater companies, ballet companies, orchestras, and individual artists all over the country. The Kennedy Center has been visited by 45 million people from across the Nation and around the world. Last year, the Emmy-award winning Kennedy Center honors were seen and enjoyed by 36 million Americans. Some 500,000 young people and their families thrilled to live performances presented under the aegis of the Kennedy Center's education program not only in Washington, DC, but by participating in children's arts festival in 9 major U.S. cities. Still relying on its own carefully administered programs and private contributions, the Center has continued to offer the most extensive half-priced ticket program in the country. More than 1.7 million students, elderly people, handicapped individuals, and those on fixed, low incomes have enjoyed the full range of the Center's artistic programming with tickets purchased at half price.

GAO audits document that the John F. Kennedy Center for the Performing Arts is one of most carefully managed of any major performing arts center in this country. Without benefit of the massive direct subsidy enjoyed by every other national cultural center, Kennedy Center has operated narrowly in the black for more than a decade despite rapidly rising inflation. This has been true despite a 230 percent increase in production costs over the past 5 years alone, despite the fact that today there is no possibility that classical music events, opera, ballet, new theatrical works, and major classic revivals can be presented without substantial private subsidy beyond box office receipts. The Center has been able to continue to carry out its congressional mandate to present all these art forms with support from more than 300 of America's most important corporations. Their support of the Center should be proof enough that management of the Center follows sound business practices and is responsible to the Center's artistic mandate, and to the American public.

The GAO has underscored these facts in GAO's most recent audit of the Center's financial operations, and audit published in April of this year. GAO concluded that payments on the interest owed were clearly beyond the financial resources of the Center. The Center's independent auditor testified before the House that the Center's future expenses and revenues could be held tightly in balance only with continued major infusions of private sector support—more than $5 million this year alone. Kennedy Center has always intended to pay its principal debt to Treasury, a debt not due until 2017. Not one single party analyzing the Center's finances has believed that within the Center's resources lies the ability to pay $33 million in compound Federal interest due to Treasury on December 31st.

The administration submitted its proposal to Congress this year because Treasury had already informed the Center's Board of Trustees that interest payment due would no longer be deferred. If the measure pending before the House for inclusion in the continuing resolution, as already approved twice by the Senate, fails, the Center will be deemed in default, an action that would result in immediate adverse media publicity which would, with virtual certainty, wreck the very private sector support that has enabled the Kennedy Center to operate so successfully. Where will the burden to the taxpayer then fall? Our goal here today should be to ensure that this remarkable record of private sector involvement—a major goal of this administration—is encouraged, not destroyed. Action to resolve the Center's financial dilemma cannot be postponed once again, as it has time and again in the past. This bill has the support of every major executive agency involved and enjoys strong bipartisan leadership support.

Much has been made of an entity familiarly known as KCPI—Kennedy Center Productions, Inc. It has been mistakenly portrayed as a producing organization, a booking agency, somehow controlled by Roger L. Stevens. Nothing could be further from the truth. Here for once are the facts:

Kennedy Center Productions, Inc., despite its name, neither produces plays, nor books presentations for Kennedy Center. KCPI, as it is commonly known, simply and only provides a private source of financing for programing—theater, opera, and music at Kennedy Center. KCPI's contributions for programing are made possible by a bank line of credit, guaranteed by public-spirited private citizens, including Roger L. Stevens. These citizens can only lose their portion of the line of credit, thus making a tax-deductible contribution to Kennedy Center.

Kennedy Center Productions, Inc., was organized in 1972 as a non-profit, tax-exempt corporation in the District of Columbia to assist Kennedy Center by providing a source of private financing for its programing. It operates totally on a nonprofit basis; coordination with Kennedy Center is provided through some members of the board of directors of KCPI who are also trustees of the Kennedy Center. KCPI pays no salaries to any official or director; and its only expenses are fees paid for periodic audit services. Basic financing has been provided by a revolving bank loan—line of credit—guaranteed by a group of public-spirited citizens, without any obligations on the part of Kennedy Center. All net profits and revenues are committed by its charter to Kennedy Center exclusively for further productions.

Since 1972, KCPI has provided nearly $6 million to the Kennedy Center for the production and presentation of more than 80 dramatic, musical, and operatic presentations. KCPI has enabled Kennedy Center to operate its four major theaters virtually throughout the year without an excessive number of dark weeks. Productions assisted by KCPI include "Annie," Leonard Bernstein's "Mass," Carlisle Floyd's "Willie Stark," and Tom Stoppard's "Jumpers."

Thus, KCPI is only one of the financial means utilized by the Center to enable it to produce and present new works and major revivals of classics. Unlike commercial theaters in New York City and elsewhere in Washington, the National Cultural Center cannot and should not rely on 25-week runs of touring road shows—shows that have long since returned millions to their investors. The purpose of the National Cultural Center is not to offer a virtually open-ended run of a tired road company. Rather it is to present major chamber ensembles in the terrace concerts series in a 500-seat theater; to present world and American premieres by such important playwrights as Arthur Kopit, William Gibson, Tom Stoppard, Harold Pinter, Jean Kerr, and Arthur Miller. Its mission is to present the best from around the world. Virtually every major foreign artistic company of importance has been showcased in the Nation's Capital. What else but this did Congress intend when it created the Center as a catalyst for the arts in America in 1958?

The Kennedy Center is a complex and complicated institution with a straightforward, simple mission. It is a Presidential memorial—a Federal building—open free to more than 3.5 million visitors each year. Maintained in part by the National Park Service, which is responsible for slightly more than 75 percent of the building's housekeeping and maintenance costs as a memorial, visitors to this Park Service site are guided through the building 365 days a year by unpaid Kennedy Center volunteers, not by Park Service employees paid by the taxpayer. Literally hundreds of thousands of dollars are saved. Not only does the Center save the taxpayer money, the Center's trustees pay the U.S. Government for roughly 25 percent of the building total memorial costs, in addition to paying 100 percent of its programing responsibilities, theater operation and renovation expenses. The Center's trustees spent approximately $3.1 million last year on maintenance, of which $1.2 million was allocated to the Park Service and $2 million was spent to renovate the Opera House.

The bill before you is the result of months of honest effort by honest brokers—both in the executive branch, the Kennedy Center, and both Houses of this Congress. Their efforts have been to protect the investment the taxpayer has made in our National Cultural Center:

To see to it that the Center's national public service and education programs are maintained on a national basis through an overwhelming proportion of private support and volunteer effort.

To respond to Treasury's and GAO's hard assessments of the outer limits of the Center's private fundraising; and

To ensure the survival of the institution that has changed Washington, inspired the creation of performing arts centers in every region of this country.

To conclude, this legislation which was drafted by the administration, shares the support of the General Accounting Office. It is a viable option to insure the financial stability of the Kennedy Center and allowing the late President John F. Kennedy commitment to the arts continue to be realized. To conclude, I feel it appropriate to quote from the late President John F. Kennedy,

I am certain that after the dust of centuries has passed over our cities we, too, will be remembered not for our victories or defeats in battle or in politics, but for our contribution to the human spirit.

Mr. Chairman, I urge enactment of this measure.

Mr. MOLINARI. Mr. Speaker, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from New York.

Mr. MOLINARI. I thank the gentleman for yielding.

Would the gentleman tell me the date that he has on the letter that was sent by the majority leader, the Speaker, and all the other leaders in this House.

Mr. LEVITAS. The letter that I was quoting from is attached to a letter from the Department of the Treasury dated October 10, 1984.

Mr. MOLINARI. I would like the gentleman to know that we received a copy of that letter 2 weeks ago, without a date on it. We got one yesterday that was dated October 9. We got one today dated October 10. It is my understanding that this letter was actually signed 3 or 4 months ago.

Mr. LEVITAS. I appreciate the gentleman's contribution.

Frankly, I would rather be on the floor tonight debating the matter of Star Wars or Nicaraguan aid rather than this issue. But here we are talking about this issue.

I want to make a point. What we are talking about is a debt that is compounded Federal interest on a Federal agency, an arm of the Federal Government, on a building already owned by the Federal Government. If they default on this debt, what is going to be foreclosed? The Government already owns this building.

What we are talking about is a transaction that has not even been recorded on the deficits accounts of the Government. We are talking about dealing with a problem which will make it easier for the Kennedy Center, that has already raised $60 million in private contributions, for carrying on its own activities. And one other thing, the law that this Congress passed imposed upon the Kennedy Center unfunded responsibilities to provide services to the handicapped, performances for the poor and minorities, for senior citizens, and the only place that those funds come from are from funds raised by the Kennedy Center. It does not come from this Congress. They are not getting any credit for those services they are rendering which we have required of them.

I think that in this instance we have an opportunity to support the administration and to support the Kennedy Center. I urge a "no" vote on the motion of the gentleman from New York.

Mr. YATES. Mr. Speaker, I yield 1 minute to the gentleman from Washington [Mr. FOLEY].

Mr. FOLEY. Mr. Speaker, the gentleman from Florida [Mr. SHAW] requested the General Accounting Office report on this matter.

Mr. W.G. Anderson, the Director of the Government Division of the General Accounting Office, reported to Mr. SHAW that if the amounts due are waived by the Congress there will be no additions to the Federal deficits or debt since none of these projections has ever been included by the Government in any projections of the national debt.

It must be remembered, Mr. Anderson said, that this is compound interest on a Federal loan on a building the Federal Government already owns.

But in addition to that, this proposal would repay 30 years early the principal due on this building which would in fact reduce the deficit. That would be real money, not these speculative unlimited amounts of compound interest that cannot be paid by this institution or any other.

We are taking a realistic action if we reject the Molinari amendment and agree to the Senate. I urge Members to do that tonight by a strong bipartisan vote.

Mr. YATES. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana [Mr. HUCKABY].

Mr. HUCKABY. Mr. Speaker, a half hour ago we passed almost a half trillion dollar appropriation bill. We are going to be reading for weeks what was in it. We did not choose to disagree with the Senate on water projects, or on Star Wars, or some of the major issues facing this country today. Rather, on how much we will charge to park at the Kennedy Center.

I say it is time we get on with the business of the House.

Mr. McDADE. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. Mr. Speaker, I would like to comment on the comments of the gentleman from Washington.

This is a question of if it does not show up in the deficit, forget about it.

Well, both particular proposals waive the interest. So we are not talking about any difference with regard to the interest.

But what we are talking about is forgiveness of indebtedness. By trickery or by creative accounting or whatever you want to call it, the proposal that is before us will pay $6 million into a sinking fund that the Federal Government would get years down the road; $6 million into a sinking fund.

What we are talking about under compromise is for the Federal Government to receive $20 million right along.

So what money do you lose? You lose the interest that the Federal Government is paying out on the deficit. We are talking about a loss in revenue to the Federal Government. There is no other way to cut it.

To say that this is not a problem and that this is not a part of the deficit, I think, is simply symptomatic of the problem of this whole Congress and the whole way we run the Government. We walk away from dollars. We spill more in here than the taxpayers could possibly pay.

Mr. YATES. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. McDADE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the preferential motion offered by the gentleman from New York [Mr. MOLINARI].

The question was taken; and the Speaker announced that the noes appeared to have it.

RECORDED VOTE

Mr. SHAW. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 178, noes 185, not voting 69, as follows:

[Roll No. 458]

AYES—178

Anthony	Boehlert	Corcoran
Applegate	Brown (CO)	Coughlin
Archer	Broyhill	Courter
Badham	Burton (IN)	Craig
Bartlett	Byron	Crane, Daniel
Bateman	Carney	Crane, Philip
Bates	Chandler	D'Amours
Bedell	Chappie	Dannemeyer
Bereuter	Clinger	Daub
Bilirakis	Coats	Davis
Bliley	Conable	DeWine
Dickinson	Lent	Roth
Dingell	Lewis (CA)	Roukema
Dowdy	Lewis (FL)	Rudd
Dreier	Livingston	Sawyer
Duncan	Lloyd	Schaefer
Eckart	Loeffler	Schneider
Edwards (OK)	Lowery (CA)	Sensenbrenner
Emerson	Lujan	Sharp
English	Lungren	Shaw
Erdreich	Mack	Shelby
Evans (IA)	MacKay	Shumway
Feighan	Marlenee	Shuster
Fiedler	Martin (IL)	Sisisky
Fields	Martin (NY)	Skeen
Franklin	Mazzoli	Slattery
Frenzel	McCain	Smith (IA)
Gekas	McCandless	Smith (NE)
Gilman	McGrath	Smith (NJ)
Goodling	McKernan	Smith, Denny
Gradison	Mica	Smith, Robert
Gregg	Michel	Snowe
Gunderson	Miller (OH)	Snyder
Hall, Ralph	Minish	Solomon
Hall, Sam	Molinari	Spence
Hamilton	Mollohan	Stangeland
Hammerschmidt	Moore	Stump
Hansen (UT)	Moorhead	Sundquist
Hartnett	Morrison (WA)	Tallon
Hightower	Murphy	Tauke
Hiler	Myers	Tauzin
Hillis	Nelson	Taylor
Hopkins	Nichols	Thomas (CA)
Horton	Nielson	Valentine
Hubbard	Olin	Vandergriff
Hunter	Packard	Vento
Hutto	Pashayan	Vucanovich
Hyde	Patterson	Walker
Ireland	Penny	Watkins
Jacobs	Petri	Weaver
Johnson	Porter	Weber
Jones (OK)	Quillen	Whittaker
Kasich	Ray	Wise
Kazen	Ridge	Wortley
Kindness	Rinaldo	Wylie
Kleczka	Ritter	Young (AK)
Kramer	Roberts	Young (FL)
Lagomarsino	Robinson	Zschau
Latta	Roemer	
Leach	Rogers	

NOES—185

Ackerman	Dixon	Kildee
Addabbo	Donnelly	Kogovsek
Akaka	Dorgan	Kolter
Albosta	Downey	Kostmayer
Anderson	Durbin	LaFalce
Andrews (NC)	Dwyer	Lantos
Annunzio	Dymally	Lehman (CA)
AuCoin	Dyson	Lehman (FL)
Barnard	Early	Leland
Barnes	Edgar	Levin
Beilenson	Edwards (AL)	Levine
Bennett	Edwards (CA)	Levitas
Berman	Erlenborn	Long (LA)
Bevill	Evans (IL)	Long (MD)
Boggs	Fascell	Lowry (WA)
Boland	Fazio	Luken
Bonker	Flippo	Lundine
Borski	Foglietta	Markey
Boucher	Foley	Martinez
Boxer	Ford (MI)	Matsui
Britt	Ford (TN)	Mavroules
Brooks	Gaydos	McCloskey
Brown (CA)	Gejdenson	McCurdy
Bryant	Gibbons	McDade
Burton (CA)	Glickman	McHugh
Carper	Gonzalez	McKinney
Carr	Gore	McNulty
Chappell	Green	Mikulski
Clarke	Guarini	Miller (CA)
Clay	Hall (IN)	Mineta
Coelho	Harrison	Moakley
Coleman (MO)	Hatcher	Moody
Coleman (TX)	Hayes	Morrison (CT)
Collins	Heftel	Mrazek
Conte	Hertel	Murtha
Conyers	Holt	Natcher
Cooper	Hoyer	Neal
Coyne	Huckaby	Nowak
Daniel	Hughes	O'Brien
Daschle	Jeffords	Oakar
de la Garza	Jones (TN)	Oberstar
Dellums	Kaptur	Obey
Derrick	Kastenmeier	Ortiz
Dicks	Kennelly	Panetta
Patman	Savage	Torricelli
Pease	Scheuer	Towns
Pepper	Schroeder	Udall
Pickle	Seiberling	Volkmer
Price	Sikorski	Walgren
Rahall	Smith (FL)	Wheat
Rangel	Solarz	Whitley
Ratchford	Spratt	Whitten
Regula	St Germain	Wilson
Reid	Staggers	Wirth
Richardson	Stark	Wolf
Rodino	Stokes	Wolpe
Roe	Stratton	Wright
Rostenkowski	Studds	Wyden
Rowland	Swift	Yates
Roybal	Synar	Yatron
Russo	Thomas (GA)	Young (MO)
Sabo	Torres	

NOT VOTING—69

Alexander	Gingrich	Ottinger
Andrews (TX)	Gramm	Owens
Aspin	Gray	Oxley
Bethune	Hall (OH)	Parris
Biaggi	Hance	Paul
Boner	Hansen (ID)	Pritchard
Bonior	Harkin	Pursell
Bosco	Hawkins	Rose
Breaux	Hefner	Schulze
Broomfield	Howard	Schumer
Campbell	Jenkins	Shannon
Cheney	Jones (NC)	Siljander
Crockett	Kemp	Simon
Darden	Leath	Skelton
Ferraro	Lipinski	Stenholm
Fish	Lott	Traxler
Florio	Madigan	Vander Jagt
Fowler	Marriott	Waxman
Frank	Martin (NC)	Weiss
Frost	McCollum	Whitehurst
Fuqua	McEwen	Williams (MT)
Garcia	Mitchell	Williams (OH)
Gephardt	Montgomery	Winn

□ 0040

Messrs. TOWNS, HERTEL of Michigan, SABO, and GUARINI changed their votes from "aye" to "no."

Mr. GOODLING changed his vote from "no" to "aye."

So the preferential motion was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. Without objection, the motion to concur is agreed to.

Without objection, a motion to reconsider is laid on the table.

Mr. MOLINARI. Mr. Speaker, I demand a recorded vote.

The SPEAKER. On the motion to reconsider?

Mr. MOLINARI. Mr. Speaker, I am sorry.

PARLIAMENTARY INQUIRY

Mr. MOLINARI. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MOLINARI. Mr. Speaker, has the gentleman from Illinois made a motion yet? I have been waiting to hear his motion. I wanted to ask for a recorded vote on that motion. I have not heard it, and I think I may have got up prematurely.

The SPEAKER. The motion to concur was pending.

Mr. MOLINARI. The motion to concur, Mr. Speaker?

The SPEAKER. Yes; and the Chair put the question on the preferential motion and it did not prevail, by a vote of 178 to 185.

Mr. MOLINARI. Mr. Speaker, on the motion to concur, I was on my feet trying to seek recognition to get a recorded vote. I am still waiting to hear the gentleman make the motion, Mr. Speaker, and I have been standing here.

The SPEAKER. The gentleman does not have to make the motion; the motion was pending, and let me say to the gentleman that the Chair looked down there and the gentleman made no motion whatsoever.

Now, if the gentleman was on his feet, the Chair was ready to recognize him for that purpose. The Chair tries to be fair, and resents it when a Member says that the Chair is unfair.

Mr. MOLINARI. I did not say that, Mr. Speaker.

The SPEAKER. The gentleman said he was on his feet and ready.

Mr. MOLINARI. I was on my feet, Mr. Speaker.

The SPEAKER. The Chair at that particular time was going through the normal motions.

Mr. MOLINARI. Mr Speaker, if I may be heard. I have not cast any reference whatsoever on the Chair's actions.

The SPEAKER. The Chair is very sensitive about a thing like that. When the gentleman said he was standing on the floor, if the gentleman was standing on the floor, I would have recognized the gentleman for that purpose.

Mr. MOLINARI. Mr. Speaker, I guess there is no way I am going to make my point, so I will just keep quiet. Thank you.

The SPEAKER. The Chair has put the question because the question was pending. Without objection, the House concurs. That is what the Chair said. That is the normal procedure. Then the Chair put the normal question which is, "Without objection, the motion to reconsider prevails." The matter was laid on the table. The Chair will again put the question unless there is an objection. The Chair has to have unanimous consent to vacate the proceedings whereby the motion to concur in the Senate amendment was agreed to.

Mr. MOLINARI. I appreciate that, Mr. Speaker.

The SPEAKER. Does the Chair have unanimous consent to put the question again?

The Chair has been granted it.

The question is on the motion to concur.

Mr. MOLINARI. I ask for a vote on that, Mr. Speaker.

The SPEAKER. The gentleman did not rise at the proper time, but the Chair recognizes the gentleman for that purpose now

Mr. MOLINARI. I thank the Speaker, and I ask for the yeas and nays on that, Mr. Speaker.

The SPEAKER. The gentleman asks for the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 166, nays 163, not voting 103, as follows:

[Roll No. 459]

YEAS—166

Ackerman	Ford (MI)	Patman
Addabbo	Ford (TN)	Pease
Akaka	Gaydos	Pepper
Anderson	Glickman	Pickle
Andrews (NC)	Gonzalez	Price
Annunzio	Green	Rahall
AuCoin	Guarini	Rangel
Barnard	Harrison	Ratchford
Barnes	Hatcher	Regula
Bedell	Hayes	Reid
Bellenson	Holt	Richardson
Bennett	Hoyer	Rodino
Bevill	Huckaby	Roe
Boggs	Hughes	Rowland
Boland	Hutto	Roybal
Bonker	Jeffords	Russo
Borski	Jones (TN)	Sabo
Boxer	Kastenmeier	Savage
Britt	Kennelly	Sawyer
Brooks	Kildee	Scheuer
Brown (CA)	Kogovsek	Schroeder
Bryant	Kolter	Seiberling
Burton (CA)	Kostmayer	Sikorski
Carper	LaFalce	Smith (FL)
Carr	Lantos	Smith (IA)
Chappell	Leach	Solarz
Clarke	Leland	Spratt
Clay	Levin	St Germain
Coelho	Levitas	Staggers
Coleman (TX)	Long (MD)	Stark
Collins	Lowry (WA)	Stokes
Conte	Luken	Stratton
Cooper	Lundine	Studds
Coyne	Markey	Swift
Daschle	Mavroules	Synar
de la Garza	McCloskey	Thomas (GA)
Dellums	McCurdy	Torres
Derrick	McDade	Torricelli
Dicks	McHugh	Towns
Dixon	McKinney	Udall
Donnelly	McNulty	Volkmer
Dorgan	Miller (CA)	Walgren
Durbin	Mineta	Wheat
Dwyer	Moakley	Whitley
Dymally	Moody	Whitten
Dyson	Morrison (CT)	Wilson
Early	Mrazek	Wirth
Edgar	Murtha	Wolf
Edwards (AL)	Natcher	Wolpe
Edwards (CA)	Neal	Wright
Erlenborn	Nowak	Wyden
Evans (IL)	O'Brien	Yates
Fascell	Oberstar	Yatron
Fazio	Obey	Young (MO)
Foglietta	Ortiz	
Foley	Panetta	

NAYS—163

Anthony	Dannemeyer	Hansen (UT)
Applegate	Daub	Hartnett
Archer	Davis	Hertel
Badham	DeWine	Hightower
Bartlett	Dickinson	Hillis
Bateman	Dingell	Hopkins
Bates	Dowdy	Horton
Bereuter	Dreier	Hubbard
Bilirakis	Duncan	Hunter
Bliley	Edwards (OK)	Hyde
Brown (CO)	Emerson	Ireland
Broyhill	English	Jacobs
Burton (IN)	Evans (IA)	Johnson
Byron	Fiedler	Jones (OK)
Carney	Fields	Kasich
Chandler	Franklin	Kazen
Chappie	Frenzel	Kindness
Clinger	Gekas	Kleczka
Coats	Gilman	Lagomarsino
Corcoran	Goodling	Latta
Coughlin	Gradison	Lent
Courter	Gunderson	Lewis (CA)
Craig	Hall, Ralph	Lewis (FL)
Crane, Daniel	Hall, Sam	Livingston
Crane, Philip	Hamilton	Lloyd
Daniel	Hammerschmidt	Loeffler
Lowery (CA)	Pashayan	Smith, Denny
Lujan	Patterson	Snowe
Lungren	Penny	Snyder
Mack	Petri	Solomon
MacKay	Porter	Spence
Marlenee	Quillen	Stangeland
Martin (IL)	Ray	Stump
Martin (NY)	Ridge	Sundquist
Mazzoli	Rinaldo	Tallon
McCain	Ritter	Tauke
McCandless	Roberts	Tauzin
McGrath	Robinson	Taylor
McKernan	Roemer	Thomas (CA)
Mica	Rogers	Valentine
Michel	Roth	Vandergriff
Miller (OH)	Roukema	Vucanovich
Minish	Rudd	Walker
Molinari	Schneider	Watkins
Mollohan	Sensenbrenner	Weaver
Moore	Sharp	Weber
Moorhead	Shaw	Whittaker
Morrison (WA)	Shelby	Wise
Murphy	Shumway	Wortley
Myers	Shuster	Wylie
Nelson	Sisisky	Young (AK)
Nichols	Skeen	Young (FL)
Nielson	Slattery	Zschau
Olin	Smith (NE)	
Packard	Smith (NJ)	

NOT VOTING—103

Albosta	Gejdenson	McCollum
Alexander	Gephardt	McEwen
Andrews (TX)	Gibbons	Mikulski
Aspin	Gingrich	Mitchell
Berman	Gore	Montgomery
Bethune	Gramm	Oakar
Biaggi	Gray	Ottinger
Boehlert	Gregg	Owens
Boner	Hall (IN)	Oxley
Bonior	Hall (OH)	Parris
Bosco	Hance	Paul
Boucher	Hansen (ID)	Pritchard
Breaux	Harkin	Pursell
Broomfield	Hawkins	Rose
Campbell	Hefner	Rostenkowski
Cheney	Heftel	Schaefer
Coleman (MO)	Hiler	Schulze
Conable	Howard	Schumer
Conyers	Jenkins	Shannon
Crockett	Jones (NC)	Siljander
D'Amours	Kaptur	Simon
Darden	Kemp	Skelton
Downey	Kramer	Smith, Robert
Eckart	Leath	Stenholm
Erdreich	Lehman (CA)	Traxler
Feighan	Lehman (FL)	Vander Jagt
Ferraro	Levine	Vento
Fish	Lipinski	Waxman
Flippo	Long (LA)	Weiss
Florio	Lott	Whitehurst
Fowler	Madigan	Williams (MT)
Frank	Marriott	Williams (OH)
Frost	Martin (NC)	Winn
Fuqua	Martinez	
Garcia	Matsui	

□ 0100

So the motion to concur was agreed to.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR AGREEING TO THE SENATE AMENDMENT TO H.R. 4230, EXTENDING AUTHORITIES UNDER EXPORT ADMINISTRATION ACT OF 1979

Mr. DERRICK, from the Committee on Rules submitted a privileged report (Rept. No. 98-1160) on the resolution (H. Res. 615) providing for agreeing to the Senate amendment to H.R. 4230, to extend the authorities under the Export Administration Act of 1979, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 6027, CLARIFYING APPLICATION OF CLAYTON ACT

Mr. DERRICK, from the Committee on Rules submitted a privileged report (Rept. No. 98-1161) on the resolution (H. Res. 616) waiving certain points of order against the conference report on the bill (H.R. 6027) to clarify the application of the Clayton Act to the official conduct of local governments, and for other purposes, which was referred to the House Calendar and ordered to be printed.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SKELTON, for 15 minutes, today.
Mr. STRATTON, for 5 minutes, today.

(The following Members (at the request of Mr. BRYANT) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. WIRTH, for 5 minutes, today.
Mr. FASCELL, for 5 minutes, today.
Mr. SEIBERLING, for 5 minutes, today.
Mr. PEPPER, for 60 minutes, today.
Mr. SHARP, for 60 minutes, today.
Mr. GONZALEZ, for 60 minutes, today.
Mr. BRYANT, for 5 minutes, today.
Mr. WEISS, for 5 minutes, today.

(The following Members (at the request of Mr. DICKINSON) to revise and extend their remarks and include extraneous material:)

Mr. WALKER, for 60 minutes, today.
Mr. YOUNG of Florida, for 10 minutes, today.
Mr. GOODLING of Pennsylvania, for 10 minutes, today.

(The following Members (at the request of Mr. WEBER) to revise and extend their remarks and include extraneous material:)

Mr. FISH, for 60 minutes, today.
Mr. WEBER, for 60 minutes, today.
Mr. DIXON, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DICKINSON) and to include extraneous matter:)

Mr. ZSCHAU.
Mr. GILMAN in two instances.
Mr. MCCAIN.
Mr. KRAMER.
Mr. HUNTER.
Mr. SKEEN.
Mr. FRANKLIN.
Mr. BLILEY.
Mr. MICHEL.
Mr. SMITH of New Jersey.

(The following Members (at the request of Mr. BRYANT) and to include extraneous matter:)

Mr. WAXMAN.
Mr. FASCELL in two instances.
Mr. BOLAND.
Mr. MICA.
Mr. MARKEY.
Mr. DE LA GARZA in five instances.
Mr. FEIGHAN.
Mr. MRAZEK.
Mrs. SCHROEDER.
Mr. HAWKINS in three instances.
Mr. HERTEL of Michigan.
Mrs. LLOYD.
Mr. HAMILTON.
Mr. EDWARDS of California.
Mr. LELAND.
Mr. MAVROULES.
Mr. HARRISON.
Mr. WAXMAN.
Mr. MOLLOHAN.
Mr. HUBBARD.
Mr. SMITH of Florida.
Ms. OAKAR.
Mr. BRYANT.
Mr. KASTENMEIER.

SENATE JOINT RESOLUTION

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res 236. Joint resolution relating to cooperative East-West ventures in space; to the Committee on Foreign Affairs.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 437. An act for the relief of Patrick Starkie;

H.R. 932. An act for the relief of Harry Chen Tak Wong;

H.R. 1072. An act for the relief of Margot Hogan;

H.R. 1152. An act for the relief of Tomoko Jessica Kyan;

H.R. 1426. An act for the relief of Phillip Harper;

H.R. 1713. An act for the relief of Elizaveta Fankukhina;

H.R. 1865. An act for the relief of Nery De Maio;

H.R. 1932. An act for the relief of Mireille Laffite;

H.R. 2372. An act to recognize the organization known as the Navy Wives Clubs of America;

H.R. 2418. An act for the relief of Anis Ur Rahmaan;

H.R. 3382. An act for the relief of Dennis L. Dalton.

H.R. 3401. An act to designate the United States Post Office and Courthouse located at 245 East Capital Street in Jackson, Mississippi, as the "James O. Eastland United States Courthouse";

H.R. 3402. An act to designate that hereafter the Federal building at 100 West Capital Street in Jackson, Mississippi will be known as the Doctor A. H. McCoy Federal Building;

H.R. 4025. An act to authorize the Administrator of General Services to transfer to the Smithsonian Institution without reimbursement the General Post Office Building and the site thereof located in the District of Columbia, and for other purposes;

H.R. 4164. An act to amend the Vocational Education Act of 1963 to strengthen and expand the economic base of the Nation, develop human resources, reduce structural unemployment, increase productivity, and strengthen the Nation's defense capabilities by assisting the States to expand, improve, and update high-quality programs of vocational-technical education, and for other purposes;

H.R. 5167. An act to authorize appropriations for military functions of the Department of Defense and to prescribe military personnel levels for the Department of Defense for fiscal year 1985, to revise and improve defense procurement, compensation, and management programs, to establish new defense educational assistance programs, to authorize appropriations for national security programs of the Department of Energy, and for other purposes;

H.R. 5183. An act to direct the Secretary of Agriculture to convey certain National Forest System lands to Craig County, Virginia;

H.R. 5603. An act to revise and extend programs for persons with developmental disabilities;

H.R. 5618. An act to amend title 38, United States Code, to revise and improve Veterans' Administration health programs and to improve security and law enforcement at Veterans' Administration facilities; and for other purposes;

H.R. 5691. An act for the relief of Sutu Bungani William Beck;

H.R. 5787. An act to remove an impediment to oil and gas leasing of certain Federal lands in Corpus Christi, Texas, and Port Hueneme, California, and for other purposes;

H.R. 6206. An act relating to the water rights of the Ak-Chin Indian Community;

H.R. 6216. An act to amend the Bankruptcy Amendments and Federal Judgeship Act of 1984 to make technical corrections with respect to the retirement of certain bankruptcy judges, and for other purposes;

H.R. 6225. An act to prevent disruption of the structure and functioning of the Government by ratifying all reorganization plans as a matter of law;

H.R. 6228. An act providing for an extension until April 21, 1992, of five patents relating to oral hypo-glycemic drugs of the sulfonylurea class;

H.R. 6248. An act to amend title VII of the Omnibus Crime Control and Safe Streets Act of 1968 to provide enhanced penalties for certain persons possessing firearms after three previous convictions for burglaries or robberies, and for other purposes;

H.R. 6311. An act to combat international terrorism;

H.J. Res 482. Joint resolution authorizing the Law Enforcement Officers Memorial Fund to establish a memorial in the District of Columbia or its environs;

H.J. Res. 551. Joint resolution providing for the reappointment of Anne Legendre Armstrong as a citizen regent of the Smithsonian Institution;

H.J. Res. 552. Joint resolution providing for reappointment of A. Leon Higgin-

botham, as a citizen regent of the Smithsonian Institution;

H.J. Res. 580. Joint resolution authorizing the Kahil Gibran Centennial Foundation to establish a memorial in the District of Columbia or its environs;

H.J. Res. 638. Joint resolution designating October 1984 as "National Head Injury Awareness Month";

H.J. Res. 655. Joint resolution designating February 16, 1985, as "Lithuanian Independence Day"; and

H.J. Res. 663. Joint resoltuion making further continuing appropriations for fiscal year 1985.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1688. An act to amend the act of October 18, 1972, to authorize additional authorization of appropriations for Sitka National Historical Park, Alaska;

S. 1889. An act to amend the act authorizing the establishment of the Congaree Swamp National Monument to provide that at such time as the principal visitor center is established, such center shall be designated as the "Harry R.E. Hampton Visitor Center", and for other purposes; and

S. 2616. An act to revise and extend the program of assistance under titles X and XX of the Public Health Service Act.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 663. Joint resolution making further continuing appropriations for fiscal year 1985.

ADJOURNMENT

Mr. WRIGHT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed, to; accordingly (at 1 o'clock and 7 minutes a.m.), the House adjourned until today, October 11, 1984, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4153. A letter from the Secretary of Commerce, transmitting a report on the Ogallala aquifer water problem, pursuant to Public Law 94-587, section 193; to the Committee on Public Works and Transportation.

4154. A communication from the President of the United States, transmitting a report entitled "A Quarter Century of Soviet Compliance Practices Under Arms Control Commitments: 1958-1983", pursuant to the Department of Defense Authorization Act of 1985; jointly, to the Committees on Armed Services and Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operation. H.R. 5185. A bill to revise the procedures for soliciting and evaluating bids and proposals for Government contracts and awarding such contracts using full and open competition, and for other purposes; with an amendment (Rept. No. 98-1157). Referred to the Committee of the Whole House on the State of the Union.

Mr. RODINO: Committee of conference. Conference report on H.R. 6027 (Rept. No. 98-1158). Ordered to be printed.

Mr. WHITTEN: Committee of conference. Conference report on House Joint Resolution 648 (Rept. No. 98-1159). Ordered to be printed.

[Submitted October 11 (legislative day of October 10) 1984]

Mr. DERRICK: Committee on Rules. House Resolution 615. Resolution providing for agreeing to the Senate Amendment to H.R. 4230, a bill to extend the authorities under the Export Administration Act of 1979. (Rept. No. 98-1160). Referred to the House Calendar.

Mr. DERRICK: Committee on Rules. House Resolution 616. Resolution waiving certain points of order against the conference report on H.R. 6027, a bill to clarify the application of the Clayton Act to the official conduct of local governments, and for other purposes. (Rept. No. 98-1161). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BATEMAN:

H.R. 6430. A bill to amend the River and Harbor Act of 1946; to the Committee on Public Works and Transportation.

By Mr. BEILENSON:

H.R. 6431. A bill to amend chapter 29 of title 18, United States Code, to impose a criminal penalty for revealing prematurely the results obtained by polling voters on election day; to the Committee on the Judiciary.

By Mr. GONZALEZ:

H.R. 6432. A bill to improve and expand benefits for active duty military personnel and their dependents; to the Committee on Armed Services.

H.R. 6433. A bill to provide adequate mental health care and psychiatric care to all Americans; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. GUARINI (for himself, Mr. RANGEL, and Mr. MILLER of California):

H.R. 6434. A bill to establish a Special White House Conference on Protection of Children in Child Care; to the Committee on Education and Labor.

By Mr. PRITCHARD:

H.R. 6435. A bill to amend title 44, United States Code, to authorize the Secretary of Commerce to establish prices charged for charts, tide and tidal current tables, tidal current charts, coast pilots, water level products, and associated data bases published or produced by the National Oceanic and Atmospheric Administration, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. SHANNON:

H.R. 6436. A bill to amend the Internal Revenue Code of 1954 to provide for a first-year capital cost recovery system and to integrate corporate and individual income taxes; to the Committee on Ways and Means.

By Mr. VENTO (for himself, Mr. KILDEE, Mr. SHARP, Mr. SIKORSKI, Mr. ECKART, Mr. LUKEN, Mr. OXLEY, Mr. SEIBERLING, and Mr. MOODY):

H.R. 6437. A bill to grant the consent of the Congress to the Midwest Interstate Low-level Radioactive Waste Compact; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Ms. OAKAR (for herself, Mr. LEVIN of Michigan, and Mr. LEHMAN of Florida:

H. Res. 614. Resolution establishing the House of Representatives Family Liaison Office; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KINDNESS:

H.R. 6438. A bill for the relief of Joseph Karel Hasek; to the Committee on the Judiciary.

By Mr. MATSUI:

H.R. 6439. A bill for the relief of Helen Hudson; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 4805: Mr. ACKERMAN.

H.R. 4970: Mr. MITCHELL.

H.R. 5176: Mr. EVANS, Mr. TALLON, Mr. LOTT, Mr. GUNDERSON, Mr. HUBBARD, and Mr. STUMP.

H.R. 5307: Mr. BEILENSON and Mr. OBERSTAR.

H.R. 5975: Mr. BROOKS, Mrs. BOXER, Mr. FAZIO, Mr. PACKARD, Mr. SIKORSKI, and Mr. WEBER.

H.R. 6021: Mr. MCGRATH.

H.R. 6096: Mr. SILJANDER.

H.R. 6132: Mr. SILJANDER.

H.R. 6162: Mr. ACKERMAN.

H.R. 6182: Mr. GEPHARDT, Mr. LONG of Louisiana, Mr. MCNULTY, Mr. DIXON, Mr. HARRISON, and Mr. ACKERMAN.

H.R. 6203: Mr. KOSTMAYER and Mr. LOWRY of Washington.

H.R. 6207: Mr. ACKERMAN and Mr. LOWRY of Washington.

H.R. 6243: Mr. HUGHES.

H.R. 6244: Mr. WEISS, Mr. EDGAR, Mr. GORE, and Mr. ACKERMAN.

H.R. 6306: Mr. ROEMER, Mr. MORRISON of Washington, Mr. KINDNESS, Mrs. BURTON of California, Mr. HUTTO and Mr. FRANK.

H.R. 6315: Mr. HAWKINS and Mr. OTTINGER.

H.R. 6419: Mr. OTTINGER.
H.J. Res. 489: Mr. WILLIAMS of Montana.
H.J Res. 528: Mr. BEDELL and Mr. ERDREICH.
H.J. Res. 615: Mr. GORE.
H.J. Res. 647: Mr. GORE.
H. Con. Res. 363: Mr. RUDD, Mr. LUKEN, Mr. DE LA GARZA, Mr. FIELDS, Mr. PRITCHARD, Mr. UDALL, Mr. FRANK, Mr. DICKS, Mr. SHARP, and Mr. PICKLE.
H. Res. 537: Mr. FRENZEL.
H. Res. 605: Mr. FAUNTROY.

EXTENSIONS OF REMARKS

WALTER CAMP "FATHER OF AMERICAN FOOTBALL"

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. MORRISON of Connecticut. Mr. Speaker, last week, I was pleased to introduce a resolution that would issue a postage stamp on behalf of Walter Camp, the father of American football.

Walter Camp revolutionized the game of football. He created the game as we know it, making it the uniquely American game that millions of fans around the country have come to love. He introduced, among other things, the 11-man team, the idea of downs, the line of scrimmage, the T-formation, and, most importantly, the forward pass. These innovations have become so much a part of the game that sometimes we fail to appreciate that someone, namely, Walter Camp, had to introduce them. Who could imagine football without the influence of Walter Camp?

Walter Camp's interest in the game of football began when he was an undergraduate student at Yale University, which is in my congresssional district. At Yale, he was a member of every varsity team—track, swimming, tennis, and rowing—and was captain of the football and baseball teams. Twice he was selected to the all-American football team. Later, he was named Yale University's first football coach and led the university to national prominence. In addition, for over 40 years he edited the official Handbook of Football.

Each year at Yale University Walter Camp is honored by an organization that has taken his name, the Walter Camp Foundation. I would very much like to honor Walter Camp by having a commemorative stamp issued that recognizes the extraordinary achievements of this man and the great contribution he has made to one of America's most popular sports. I hope my colleagues will see fit to recognize Walter Camp by issuing this postage stamp on his behalf.

A copy of the resolution follows:

H.J. RES. 660

Whereas the innovations Walter Camp introduced into the game of football were responsible for its survival and its development into the sport that is played in the United States today;

Whereas Walter Camp was instrumental in the establishment of the Official Football Rules Committee, and chaired such committee from its creation in 1905 until 1911;

Whereas Walter Camp was a member of the American Intercollegiate Football Rules Committee when such committee adopted innovations, including the forward pass, that increased the popularity of the game of football in the United States and ensured its survival;

Whereas Walter Camp was a member of every football legislature, intercollegiate football convention, and football committee from 1878 until his death on March 14, 1925;

Whereas Walter Camp edited the Official Handbook of Football for 42 years;

Whereas Walter Camp was the first football coach at Yale University, and served in such position without pay;

Whereas Walter Camp, as a Yale undergraduate student, was a member of every varsity team, including the track, swimming, tennis, and rowing teams, and was captain of the football and baseball teams;

Whereas Walter Camp was selected for two all-America football teams, in 1910 and in 1915;

Whereas Walter Camp initiated the substitution of scrimmage for rugby style scrummage and the adoption of the system of downs, two innovations that revolutionized the basic structure of the game of football;

Whereas Walter Camp initiated many other innovations in the game of football, including the numerical scoring system, the tackle below the waist, the eleven-man team, and the T-formation;

Whereas Walter Camp initiated several innovations that decreased the violence of the game of football, including the use of a neutral zone between the lines of the opposing teams, and a ban on flying wedges and other dangerous tactical devices;

Whereas Walter Camp was responsible for introducing good sportsmanship into the game of football;

Whereas Walter Camp is honored annually at Yale University by the Walter Camp Foundation; and

Whereas Walter Camp after his death in 1925, was recognized by the American Intercollegiate Football Rules Committee as the father of American Football: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Postal Service shall provide and sell, as soon as practicable after the date of the enactment of this joint resolution, a postage stamp issue to honor Walter Camp, the organizer of the game of football in the United States. The United States Postal Service shall determine the denomination, design, and period of provision and sale of such postage stamp issue.●

TRIBUTE TO JACK J. JACOBS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to one of Long Beach, California's most distinguished citizens—Jack Jacobs. Mr. Jacobs, who has contributed to the commercial growth and humanitarian efforts of the city of Long Beach in innumerable ways, will celebrate his 84th birthday on October 24.

Mr. Jacobs moved to Long Beach in 1926 from Georgia and became a licensed real estate broker in 1931; 3 years before he retired from his enormously successful career in 1970, he built his first convalescent home in Long Beach. Today, many residents of Long Beach recognize Mr. Jacobs as the "King of Convalescents," as he presently holds financial interest in 90 convalescent homes, 5 of them in Long Beach.

As this suggests, his retirement has been anything but relaxed and restful. As president of Senior Opportunities and Services, Mr. Jacobs has gone the extra mile to support his fellow senior citizens and help them achieve security and dignity in retirement. This is only the beginning. He has served on the boards of the American Red Cross, the Volunteers of America, and the City of Hope Hospital Sponsors Club, and was a founding member of the Long Beach Community Services Development Corp.

Nor has Mr. Jacob's interest in business waned in his retirement. Besides developing his chain of convalescent homes, he has served on the Long Beach Chamber of Commerce, the National Advisory Board of the American Security Council, the Long Beach Redevelopment Project Area Committee, and the board of directors of the Harbor Bank. Long Beach's continued dependence on him was attested to recently when Mayor Ernie Kell appointed him to the Long Beach Planning Commission.

My wife, Lee, and I would like to take this opportunity to join his wife Rena, his two sons, Martin and Stanley, his seven grandchildren and four great-grandchildren, and his countless friends in wishing Mr. Jack Jacobs a happy 84th birthday. I also hope he has many more happy and productive years ahead of him because I am not

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

entirely sure that the city of Long Beach can get by without him.●

STRENGTHENING THE AMERICAN ISRAELI ECONOMIC RELATIONSHIP

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. ROTH. Mr. Speaker, Congress has worked to strengthen the economic relationship between the United States and Israel. Congress has given the authority for the President of the United States to negotiate a free trade area between the United States and Israel. The establishment of a free trade area would result in the elimination of a tariff and nontariff barriers to trade between these two countries. It is a logical and natural next step in the development of United States-Israeli economic relationships. The free trade area would also advance the progression toward an open fair international system of trade by demonstrating that the elimination of trade barriers, rather that their imposition, can lead to mutually rewarding economic benefits.

Mr. Speaker, strengthening American-Israeli trade relations by the establishment of a free trade area will benefit the United States. First, it will result in the creation of additional demand in Israel for U.S. manufactured products. Today, Israel and the European Community are implementing a free trade area. With the establishment of a similar relationship between the United States and Israel, the competitiveness of U.S. exports will be preserved in Israel's $8 billion import market. Second, many Israeli high technology exports incorporate American made products. Thus, a free trade area will stimulate the export of American high technology components to Israel. Third, a free trade area will promote opportunities for U.S. companies to invest in Israel and benefit from Israel success in exporting to developing countries which are the fastest growing export markets. Fourth, it would expand opportunities for U.S. banking, insurance, travel, and engineering services in Israel's domestic market.

There is, most importantly, a complementary relationship among United States and Israeli exports. Nevertheless, a free trade area does not preclude the application of U.S. import relief and escape clause procedures to insure that the elimination of barriers to trade will continue to benefit both economies. In fact, expedited safeguard procedures will provide protection for any U.S. industry that may have vulnerability to imports.

Mr. Speaker, recognition of mutual benefits is the driving force behind this effort to expand American-Israeli trade. Israel is America's second largest export market in the Middle East. U.S. exports in 1982 amounted to $2.3 billion. In comparison, during the same year Israeli exports to the United States accounted for five-tenths percent of U.S. imports.

In Israel's 3½ decades as a sovereign State, national economic development and exports have gone hand-in-hand. Those pioneers who built Israel constructed the economic foundation of Israel from the ground up—from kibbutz settlements, and their agricultural miracle, to a highly sophisticated aircraft industry. From independence in 1948, expanding exports became an absolute necessity. Israeli exports rose from $57 million in 1948 to $11.5 billion in 1982.

Yet, for all these economic accomplishments, Israel's economy is fragile and must rely on heavy inflows of official U.S. military and developmental assistance. Many Israelis, irrespective of political party, are searching for an economic solution—as well as a political settlement—which would decrease dependence on this assistance.

In a recent interview, Trade Minister Gidelon Patt, observed that if Israel could develop a $5 to $6 billion a year market in the United States for Israeli industrial goods—with an added value of $3 to $3½ billion—"then that happy day will arrive when Israel will no longer require any economic assistance from the United States." A significant increase in trade among the United States and Israel would clearly strengthen exporters in both countries.

A common phrase in the United States is "exports means jobs." That has been the theme of three successive "Great Lakes Exports Conferences," which I sponsored. In Israel, however, exports means survival and the United States is committed to the survival of Israel.

Free trade zones are not a new concept. In fact, the major international agreement governing world trade, the General Agreement on Tariff and Trade, specifically recognizes free trade zones. Congess has already approved legislation establishing a type of free trade zone for the Caribbean Basin. Both the executive branch and Congress have considered a comprehensive proposal for a North American Free Trade Area incorporating the United States, Canada, Mexico, and the Caribbean countries

Trade expansion would be especially suited to manufactured and high technology products, an area where the Israelis have a high percentage of highly skilled workers and have devoted considerable resources to research and development. Israeli exports succeed because they are innovative and adaptable to special industrial and agricultural applications. There are lessons to be learned here for many U.S. exporting companies. In fact, conferences on Israeli exports indicate that U.S. firms, especially small- and medium-sized companies, have much to gain by participating with smaller Israeli firms who have successfully penetrated tough foreign export markets.

America's relationships with our friends and allies are based on certain principles. Fidelity to democratic institutions and principles link Washington and Israel. The strategic dimension to this relationship to the security of the Eastern Mediterranean is also a major factor in our bilateral relations.

Already many U.S. defense-oriented companies cooperate with their counterparts in Israel and Israel innovations to military systems has saved the United States considerable R&D expenditures. However, the economic dimension of the American-Israeli relationship should be strengthened. A program to strengthen America-Israeli trade could also serve as an incentive for other parties, to the Arab-Israeli conflict, to place their own economic development ahead of regional strife.●

AGE RATING IN HEALTH INSURANCE IS UNFAIR

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Ms. OAKAR. Mr. Speaker, these are difficult times for a lot of senior citizens in Ohio. This summer saw the beginning of age rating for Blue Cross and Blue Shield group health insurance subscribers in northeastern Ohio.

Age rating means that health insurance premiums increase with age. For some older people in my district, premiums have jumped up to $150 per month. According to press accounts, premiums have increased as much as 50 to 100 percent for persons over age 50.

Traditionally, Blue Cross practiced community rating for health insurance. Everyone, regardless of age, was charged the same basic premium; and everyone could count on protection from the financial disaster of serious illness or injury. That's what insurance is for. And that's what spreading risk is all about.

Unfortunately, under this equitable policy, Blue Cross found it difficult to compete with commercial insurers—who, for years, have charged older Ohioans more for health insurance. So, Blue Cross decided to age rate health insurance in northeastern Ohio.

Now, Mr. Speaker, nobody should fail to appreciate the health insurance coverage Blue Cross has long provided

for older Ohioans. And nobody wants Blue Cross to be at a disadvantage with their competition. But two wrongs don't make a right. Age rating was wrong when the commercial insurers used it. And it is wrong today. Age rating is age discrimination. It is bad news for senior citizens.

Age rating is unfair. Every one of us has some older person to thank for providing our health insurance—not to mention room and board—during our first 18 years. Why shouldn't all of us be willing to help our elders shoulder some of the risk of ill health?

Age rating is unsporting. It changes the rules for seniors who have purchased health insurance all their lives under community rating. While they were young, they helped shoulder the risk for older members of society. Now that they are older, though, no such help is extended to them.

Age rating is discrimination. It isolates the elderly—all elderly, sick or healthy—and deprives them of the benefits from spreading risk over a large segment of society.

Finally, Mr. Speaker, age rating is perverse economics. Raising health insurance premiums won't discourage older people from getting sick. Nor will it discourage them from growing old. age rating will only make it harder for people to buy insurance as they age. This is hardly the kind of incentive we want to promote.

Mr. Speaker, I am informed by the Ohio Insurance Department that age rating is well within the limits of lawful insurance practices in Ohio. The director of the department writes:

Since age rating has been a permitted practice throughout the insurance industry in Ohio, even as gender is permitted in underwriting, perhaps the solution would be for the legislature to prohibit age rating for health care coverage.

Perhaps, indeed. The law most certainly should prohibit unfair insurance practices, such as age rating. For the average American, insurance is the fourth largest purchase, after food, housing, and taxes. We spend 12 percent of our disposable income for premiums. It is critical that we be assured of equitable rates and fair practices in insurance.

Perhaps it is time, Mr. Speaker, for Congress to take a hard look at the law that all but prohibits Federal regulation of the insurance industry. Perhaps it is time for us to take a hard look at these persistent, unfair practices and take action to change them.

Mr. Speaker, older Americans have suffered enough unfair treatment. They deserve better. I urge my colleagues to examine their own districts for the practice of age rating by health insurers, and to work for reform of this discriminatory practice.●

THE GOP PLATFORM—GROUNDS FOR WORRY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. OTTINGER. Mr. Speaker, my good friend, John B. Oakes, former senior editor at the New York Times, recently wrote an article detailing the differences between the preelection Ronald Reagan we see presented via the media and the real Ronald Reagan as laid out in the Republican platform of 1984.

As Mr. Oakes so aptly points out, "It—the GOP platform—has to be read to be believed." The platform clearly belies the President's campaign comments on the issues of war and peace—including any meaningful arms negotiations or reductions with the Soviets—the United States role in Central America, the administration's avowed support of tuition tax credits, capital punishment, ethics in Government, the environment and the administration's destabilizing economic policies which threaten our present economy and our children's future. The President's good guy image is destroyed by his platform, his smile hides his true agenda of a second, unaccountable term, and the moral overtones of the GOP platform have a chilling resemblance to the unhealthy zeal we have seen destroy other nations. Mr. Oakes rightly maintains they are not needed in our country. I commend his article to the attention of my colleagues:

THE G.O.P. PLATFORM—GROUNDS FOR WORRY

(By John B. Oakes)

CHILMARK, MASS.—Party platforms are traditionally meant neither to be read nor to be believed. The Reagan Republican platform of 1984 is different.

It has to be read to be believed, all 74 pages of it. This is one of those historic projections of policy that needs to be understood not as a flight of fancy but as a serious foreshadowing of coming events.

The right-wing radicals who are now in control of the Republican party have laid out the course for "four more years" Ronald Reagan, their wholly-owned subsidiary, will be guided by it. Their philosophy is his philosophy.

President Reagan's new-found "moderation" is an obvious pre-election pose without post-election substance. If it were otherwise, he could not honestly run on this platform. Neither could his satellite George Bush.

The foreign policy plank of the 1984 platform resounds with Mr. Reagan's fevered belligerency toward the Soviet Union, which his soft words toward Soveit Foreign Minister Andrei A. Gromyko last weekend did noting to dispel. How can one expect rational dialogue with Moscow when Mr. Reagan's platform declares that the Soveit Union's "globlist ideology and its leadership obsessed with military power make it a threat to freedom and peace on every continent"; or that "Soviet expansionism" and "imperialist aggression" are alone responsible for virtually every disturbance of the peace in Asia, Africa and the Americas.

The platform rings the death knell of arms control based on mutuality of interest. It insists on the prerequisite that "we shall keep . . . our country stronger than any potential adversary." Reeking with moral superiority, it rejects, as an "illusion," the idea that the Soviet leaders could "share our ideals and aspirations." The most significant arms-control agreement in recent years—SALT II (sabotaged in the Senate)—is dismissed out of hand. Mr. Reagan's "Star Wars" program—a fatal new dimension of the arms race—is "enthusiastically" applauded.

Making the laughable comment that "the danger of war has grown more remote under President Reagan" the platform at the same time shoves him nearer to war: "Marxist Nicaragua . . . cannot be allowed to remain a Communist sanctuary," while "continued assistance" to the Nicaraguan rebels is endorsed.

In tones reminiscent of the late 19th century, Mr. Reagan's platform declaims that the "God-given and inalienable right" of private property "is the cornerstone of our liberty and the free-enterprise system." The right of property "safeguards for citizens all things of value," including "their religious convictions, their safety and liberty." In a sequence of monumental illogic, the very next paragraph reaffirms "our support for a human life amendment to the Constitution." The platform then proposes an antiabortion test for "appointment of judges at all levels."

On other domestic issues, the platform spells it all out: tuition tax credits (designed to destroy the public schools); capital punishment (it must be "carried out humanely"); appointments ("we will continue to hold all public officials to the highest ethical standards," presumably no higher than those of Edwin Meese 3d, Mr. Reagan's Attorney General designate); environment ("conservation means development as much as it does protection").

On the economy, the platform opposes, as an article of faith, "any attempts to increase taxes" no matter how crippling the $200 billion deficits become. It goes further. It seeks to eliminate the graduated income tax in favor of a flat tax, which would benefit Mr. Reagan's fellow millionaires even more than the tax cuts he has already engineered. The platform criticizes the Federal Reserve Board, which has been the one domestic bulwark against inflation.

President Reagan's "good guy" image is cut to pieces by his platform. His carefully packaged TV appearances, in which he studiously avoids the issues, present him as a benign (if aging) father figure for all America. His platform reveals him as champion of a smiling authoritarianism that threatens to destroy individual liberty and freedom in the guise of protecting them. It is permeated by a moralistic fervor that has led to disaster in other countries and has no place in our own.●

SALUTE TO MART NIKLUS

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. MORRISON of Connecticut. Mr. Speaker, I would like to recognize

today Mart Niklus, one of Estonia's outstanding freedom fighters and defender of human rights. Mart Niklus, who is regarded as a national hero by the Estonians, has been instrumental in coordinating the efforts of the various human rights activists in Estonia, Latvia and Lithuania. He is currently serving 10 years in a hard labor camp and 5 years internal exile for anti-Soviet agitation and propaganda.

Mart Niklus was first imprisoned in 1958 and sentenced in 1959 to 10 years of hard labor, followed by 3 years of internal exile, for sending photographs depicting conditions in Soviet-occupied Estonia to a Western journalist. After spending 8 years in Soviet prisons and labor camps, he was released in 1966. During the years following this imprisonment, he was repeatedly imprisoned and his home searched, and in 1980 was refused permission to leave Estonia and join his family in Sweden.

Mart Niklus began his most recent prison term in 1981 in the infamous Chistopol Prison, where he recently spent his 50th birthday in solitary confinement. His health is rapidly weakening and he is in the midst of a hunger strike.

Mr. Speaker, for 40 years the Soviet Union has stripped the Estonian people of their national identity, culture and language. Mr. Niklus, the symbol of Estonian resistance to the Soviet occupation in Estonia, has shown a true sense of nationalism in his struggle to free himself from his harsh oppressors. I deeply salute Mart Niklus, and others like him, who have earned the admiration of the people of Estonia and also of the world.●

ADMINISTRATION'S ATTEMPT TO PRESS COSTA RICA INTO ITS CAMPAIGN AGAINST NICARAGUA

HON. EDWARD. J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. MARKEY. Mr. Speaker, in the bleak political landscape of Central America, one nation has long stood out as an example of democracy and stability. In contrast to its troubled neighbors, Costa Rica has seemed a virtual Jeffersonian democracy. Unfortunately, recent efforts by the Reagan administration to press Costa Rica into its campaign against Nicaragua have increased factionalism and polarization within that country, with disturbing implications for its political stability.

The administration's announcement that the Voice of America will be renting a transmitter in northern Costa Rica to broadcast propaganda to Nicaragua is a case in point. Debate over the VOA's intentions in that country already has exacerbated tensions within San Jose between those officials wishing to accommodate the Reagan administration and those who fear further damage to Costa Rica-Nicaraguan relations. Others are troubled by what they see as the United States' arm twisting of a small country in order to achieve its policy goals, further compromising Costa Rica's tradition of neutrality.

Monica Kennon, a Research Associate at the Council on Hemispheric Affairs, has written a memorandum that analyzes the controversy surrounding the introduction of USIA broadcast activities scheduled for next year. I would like to have this memorandum printed at this point in the RECORD.

THE VOICE OF AMERICA IN COSTA RICA: SENDING THE WRONG SIGNAL?

U.S. Ambassador to Costa Rica Curtin Winsor's Sept. 2 confirmation that Costa Rica will be a beneficiary of Charles Wick's United States Information Agency's (USIA) $1 billion modernization package for the Voice of America (VOA), intended to transmit the "U.S. public diplomacy message to the world," has spawned a new wave of strife in an already overheated San Jose on the issue of Washington's increasing role in Costa Rica's domestic and foreign policy. It also marks another highly controversial action by Wick, a Reagan confidant, whose tenure as USIA chief continuously has been characterized by public debate over his conduct in office and his politicization of the agency.

The new pact, signed August 31 at the residence of President Luis Alberto Monge by Winsor, the equally controversial U.S. envoy to the country, and Lilia Castelan de Lara, president of the privately-controlled Costa Rican Association for Information and Culture (ACIC), allows the VOA to use an ACIC radio station to broadcast messages that "support democratic values" to Nicaragua. The arrangement also is intended to counteract extensive propaganda by Nicaragua's Sandinista government on frequencies that reach northern Costa Rica, and punctuates another step by Washington into the public news manufacturing business while it moves to privatize other traditionally public sector activities.

PRIVATE OR PUBLIC ENTERPRISE?

The VOA, which traditionally enters broadcasting agreements with foreign governments, rather than with private groups, negotiated the pact with the ACIC only after an initial attempt to reach an accord with San Jose had been thwarted by Costa Rican law, which prohibits foreigners from owning broadcast facilities in that country. The current agreement still runs clearly contrary to Costa Rica's proclamation of neutrality, issued by President Monge last November—which, having fallen short of being incorporated into the constitution, is not legally binding but is nonetheless central to the increasingly strident debate over government policy. A provision of the neutrality proclamation states that "the maintenance or establishment of nonpublic wireless installations aimed at communicating with warring factions will not be tolerated."

The ACIC, an instant product of negotiations between the U.S. Embassy, the USIA and Costa Rican commercial broadcasters, was created last December with the express purpose of enabling the VOA to circumvent legal roadblocks to setting up the new transmission station.

The arrangement—of which many details remain secret—enables the VOA to circumvent the law, since it does not officially own the station, but is paying a rental fee of $3.2 million for use of transmission facilities, plus an additional $168,000 annually for the 20-year duration of the pact.

The station, which will begin transmitting next year, will be located in the northern city of Pital, Guanacaste, near the Nicaraguan border. According to a State Department official, the VOA will be entitled to broadcast to Nicaragua on the new frequency 5 to 6 hours a day, with the ACIC using the remaining 18 or 19 hours for its own programming. The 50-kilowatt station will operate on both AM and FM frequencies, which are easier to pick up in Nicaragua than the short wave transmissions which the USIA currently uses to broadcast to that country.

The broadcasters, in turn, will profit handsomely from the installation, since its signal will be the only non-Nicaragua-based channel easily accessible to northern Costa Ricans, granting the ACIC a virtual monopoly on domestic programming in the area. Mountainous terrain prevents signals from San Jose and other southern cities from easily being carried to the north.

The origins of the agreement remain unclear. USIA spokesmen cite a written request to President Reagan from President Monge last December for a transmitter, as well as a year-old review by the National Security Council that pronounced the USIA's present worldwide broadcast facilities badly in need of modernization and expansion. Members of the Costa Rican Legislative Assembly, however, privately have hinted that the intitiative, including Monge's letter, was the result of joint pressure tactics by the U.S. Embassy in San Jose and the USIA.

COOL RECEPTION

The disputed pact has become a considerable source of tension within and outside the Costa Rican government. Questions that were raised over the legality of the agreement within the Legislative Assembly postponed its signing on at least three occasions.

The installation also has provoked protests from a variety of Costa Rica's political groups and parties, including elements of the ruling National Liberation Party (PLN). Shortly after the agreement was ratified, a political committee of the left Liberationist Youth movement, in an implicit reference to the ACIC, condemned the attitude of "a few Costa Ricans" who "spare no efforts to endanger our peace and sovereignty." Independent deputy Ricardo Rodriguez called the VOA's arrival the "beginning of the surrender of national sovereignty to a foreign power." The centrist, Social Democratic Party, declared that the facility will give "the United States a platform on Costa Rican soil that will provoke unnecessary tension with the Nicaraguan Government and violate the principle of neutrality."

Indeed, the VOA has added fuel to the Radical Democratic Party's August 24 request that the Costa Rican government declare Ambassador Winsor persona non grata for what it termed his "incessant meddling" in Costa Rican affairs, which included a public statement by him that a former president of the country was a "man who should be declared insane."●

31-059 O-87-46 (Pt. 22)

THE IMPORTANCE OF THE LABOR MOVEMENT IN AMERICA

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Ms. KAPTUR. Mr. Speaker, the important place that the labor movement has served in the lives of America's working men and women is often ignored or misunderstood. It is good for us to remind ourselves of the roots of the labor movement and its implications for the future. I would like to commend to my colleagues a statement I made on Labor Day in which I discussed this topic:

Labor Day 1984 is the 90th anniversary of the first Labor Day celebration the people of the U.S. held in 1894. Labor Day is the national holiday which honors the dignity of working people. Only in free societies, do labor unions exist. Without freedom, there can be no free labor union movement.

Today, in our country, there is a reawakened interest in American heritage, particularly individual family histories, or "roots", or as the librarians call it geneology. Americans, family by family, are rediscovering not only who they are as Americans, but what their rich heritage implies for the future.

Labor Day 1984 is a good time for us to remind ourselves of the roots of the labor movement, and ask ourselves what that implies for the future. From its earliest days, the American labor movement has been a movement of dissent. As George Meany once said:

"Workers dissenting against economic exploitation. Workers dissenting against sweatshops and other substandard working conditions. Workers dissenting against employers' control of their lives, their homes, their schools, their opportunity to improve their lot and, most especially, that of their children.

Unions have never been very popular with "the establishment"—for dissent is never popular with those who have much and intend to keep it all. By its very nature, dissent is a questioning of authority.

Only in a democracy can workers control their individual destiny—economic and political. To be free, workers must live in a system where people are more important than wealth. And, in the final analysis, that is just what a democracy is all about."

History proves the case. In Mussolini's Italy, unions were the first targets of fascist terror. In Hitler's Germany, the Federation of Trade Unions was the first organized force to feel the deadly blows of the Nazi storm troopers.

In Czechoslovakia in 1948, the Communist used control of the unions and thus stifled effective, democratic opposition. Communist rulers in East Germany, Poland, Czechoslovakia and Hungary had to crush workers' rebellions to remain in power. The Russian worker today has no right to freely associate, speak his mind, bargain with his employer—and, certainly, he has no right to strike.

The labor movement, as its name implies, is always a *movement* . . . that is a cause with moral and ethical underpinnings. Though the labor assessment is intensely practical and seeks material ends, it is also guided by ideals that are deeply spiritual in that it draws to people's attention the value of each person's life and the limitless possibilities for each person's development as a human being.

With Solidarity Day III, we celebrate the struggle of a free people through their free trade unions to secure and maintain not only their economic rights but their simple human rights. Or as a famous poem says, "we struggle for bread, but also for roses."

This week, I had occasion to visit an old mining town in western Pennsylvania, an area like our own only in that it has lingering unemployment. I saw a glimpse of what life there used to be like—a company town where workers had no rights, lived in tarpaper shacks owned by the company, paid for food with script issued by the company, and where mine workers still have the highest on-the-job death rate of any occupation in the country. I was reminded again about the age-old struggle between shareholders' and managers' rights, and workers' rights, and how much we had progressed as a society since the 1930's.

I understood how labor unions had been absolutely essential in our 20th century American drive to build a middle class, to enact Social Security and pension laws, health benefits, safety and sanitation regulations, minimum wage, collective bargaining, and arbitration, the 8-hour day, abolition of child labor, unemployment insurance, civil rights, medicare and education.

But I also reflected on where the labor movement is going. It is a movement accustomed to meeting new challenges and adapting to new conditions. I know its role will be key as our society attempts to meet new challenges of the future:

Challenges of:

lingering unemployment in our basic industries.

the special problems of unemployed older workers affected by plant shutdowns, and the problems stemming from the growing pool of part-time workers with no benefits.

the enormous opportunity presented to workers in the steady growth of pension funds assets and their unlimited potential to create jobs in America.

for expanded education and training for younger workers who must adapt skills quickly to fast-changing technology.

for affordable health care for all Americans.

for a new fair trade policy that blunts unfair foreign competition.

for new labor-management cooperative efforts in the workplace, so our nation can regain the competitive edge in our key industries as well as maintain industrial peace for the common good.

I am here today to tell you without the labor movement, America would be a very different society in which to live. Rights are never won completely but must be rewon constantly. As Jefferson said, "The price of liberty is eternal vigilance".

I am also here today to express the concern that affluence for some in our society must not blind us to the unmet human needs of billions of Americans. Together, we must find new ways to help people help themselves as we move toward the 21st century.

And as we move toward that newer world, let us be guided by a quest for justice, human rights and for individual dignity for each human being. As John Kennedy said not so many years ago, "In so doing, we demonstrate to ourselves that our society is vital, our purpose steadfast, and our determination to fulfill the promise of American life for all Americans is unconquerable."●

TRIBUTE TO ROBERT MILLER

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. GEKAS. Mr. Speaker, On September 21 and 22, 1984, the 31st Annual World Plowing Matches were held in Lincolnshire, England; a contest that featured participants from 24 countries competing for the title of World Plowing Champion.

I am pleased to note today in the CONGRESSIONAL RECORD that a constituent of mine, Mr. Robert Miller, of Millersburg, PA, was one of two participants sent to England to represent the United States at the plowing contest.

As was noted recently during a nationally-televised nightly newscast, Mr. Miller won the right to represent the United States after winning the U.S. National Plowing Championship in August 1983, held in Pennsylvania. Prior to this achievement, Mr. Miller won the title of Pennsylvania State Plowing Champion.

It was these two honors that earned him the right to represent not only Pennsylvania in England, but the citizenry of the United States as well. I would like to take this opportunity, along with other fellow Pennsylvania, to congratulate Mr. Miller not only for winning the National Plowing Champtionship title, but on his performance and representation of our country before the world.

South Dakota will be the setting for the 1984 National Plowing Contest scheduled to take place this week. The winner of this contest will represent the United States in Denmark in 1985.●

AMERICAN RED CROSS "SUPER CPR SATURDAY"

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. ANDERSON. Mr. Speaker, before the House completes its business for the year, I would like to mention a fine program that is being put together by the American Red Cross. The goal of the Red Cross is to eliminate human suffering and needless loss of life through educational programs and disaster relief to the community.

The American Red Cross provides cardiopulmonary resuscitation [CPR] training to community groups, business and industry, and community residents on a regular basis. And last year, the American Red Cross con-

ducted 8,466 CPR classes, resulting in 97,466 persons receiving CPR training.

Statistics reveal that when CPR is administered within 4 minutes after the heart has stopped, it can save the lives of victims of heart attack, drowning, shock, and asphyxiation. Approximately 4,000 lives could be saved in Los Angeles County each year, if 25 percent of the population were CPR trained.

Annually, the American Red Cross and television station KNBC combine efforts as cosponsors of a major CPR training event in the southern California area. This event, known as "Super CPR Saturday," under the banner "Your Hands Can Save a Life," is part of a massive national American Red Cross and NBC campaign to increase the public's awareness of the need to learn CPR.

The fourth annual event will be held January 26, 1985, at 26 sites throughout southern California. It is expected to train 6,000 community residents during a single day, and 1,500 persons during the week preceding the event.

I join with my wife, Lee, in saluting the efforts of the American Red Cross and KNBC in promoting this lifesaving technique.●

TRIBUTE TO KENT HANCE

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. MONTGOMERY. Mr. Speaker, I want to join with my colleagues today in honoring the gentleman from Texas, Representative KENT HANCE, who will not be back when the 99th Congress convenes in January.

KENT HANCE has made an impact since coming to Washington in 1979. He was a very active member of our Conservative Democratic Forum and offered strong leadership when we were working on ways to reduce Federal spending. KENT has been a hard-working Member of Congress and I know the people of the Lubbock area appreciate his service to them.

KENT HANCE is one of this Nation's bright young leaders and I know we will be hearing from him again. He has too much to offer the State of Texas and this Nation. I am proud to call him a friend and enjoyed having the opportunity to serve with him in this Chamber.●

IN TRIBUTE TO TOM CORCORAN

HON. CLARENCE E. MILLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, October 1, 1984

● Mr. MILLER of Ohio. Mr. Speaker, I rise in tribute to my good friend and colleague from Illinois, TOM CORCORAN, who is retiring from the House with the close of business in the 98th Congress.

I have had the distinct pleasure to serve with TOM for many years in this body and I have always been impressed by his sense of integrity and fair play when considering the issues that are of importance to our Nation. His service on the House Energy and Commerce Committee was marked by attention to detail and commitment to the principles of the free enterprise system.

I know that I join with others here today to say that he will be greatly missed. Thank you, TOM, for a job well done.●

TRIBUTE TO LARRY WINN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 2, 1984

● Mr. LAGOMARSINO. Mr. Speaker, I rise to pay tribute to my dear friend and respected colleague on the House Foreign Affairs Committee LARRY WINN.

Since I first came to the Foreign Affairs Committee 10 years ago, I have looked to LARRY for leadership and guidance. It was his experience and sensitivity to the national security and foreign policy issues we considered that helped me formulate my own positions on these issues.

His insight on security and economic assistance, on relations with our allies in the Middle East and our commitments within NATO proved to be a valuable contribution to constructive consideration of legislation in our committee.

As he retires from this body, his ability and his friendship will be sadly missed. I join all his friends in thanking him and wishing him health, happiness, and the contentment of knowing he has performed an outstanding public service for his constituents and his country.

My wife, Norma, and I will miss LARRY and his wife, Joann. We wish them well and hope to see them often.●

HOUSE JOINT RESOLUTION 158

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. UDALL. Mr. Speaker, on October 4, 1984, the House concurred in the Senate amendments to House Joint Resolution 158.

On this subject, I want to take this opportunity to emphasize that the amendment requires that fractional interest representing 2 percent or less of the acreage of a tract of land are to escheat if they are incapable of earning $100 in at least 1 of the 5 years after the death of the current owner. However, the property is presumed to be incapable of generating the required $100 if it has not, in fact, done so in at least 1 of the 5 years preceding the death of the owner.

In essence, the amendment incorporates the administration's suggested amendment to allow a longer time period for determining if the minimum income has been earned. It also takes into account the concerns of individual Indian people that they should have an opportunity to demonstrate that an interest may have substantial but as yet unexploited value. It is my understanding that under this bill, if an interest in land has not generated the required income prior to the death of the current owner, it should be presumed that the interest escheats. Individuals may, however, attempt to rebut the presumption by presenting substantial evidence of the interests future earning capacity. For example, by presenting evidence of leasing requirements or other evidence that the property will, in fact, be capable of generating at least $100 in income in at least 1 of the 5 years after the death of the current owner. Mere speculation on future use or value will obviously be insufficient to overcome the statutory presumption favoring escheat.●

JOSEPH LANIER, JR.

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. RAY. Mr. Speaker, the influx of imports into the United States has caused tremendous damage to many formerly sound American industries such as steel, automobile manufacturing, agriculture, and the textile industry.

The textile industry has been particularly hard hit by imports in this last decade. By 1983, textiles accounted for 15 percent of our trade deficit, or $10.6 billion.

It was this decline in what was once one of our most prosperous industries which led me to join with others of my colleagues to seek ways to help the American textile industry withstand unfair foreign competition. H.R. 5823, the Textile Employment and Fair Trade Act of 1984, would provide some relief to our struggling textile industry. By temporarily freezing imports, imposing reasonable quotas, and monitoring imports more closely, we hope to provide a breathing space for our American textile industry.

The textile industry will also benefit from the passage of the Derrick amendment which requires that labels stating the country of origin be mandatory on all textiles. Since polls have shown that over a third of American consumers notice whether or not their fabrics are American made, this amendment should curtail import sales in our country.

Mr. Speaker, as I and others have worked here in the Congress to find solutions to the problem of textile imports, we have found that the men and women who work in the textile industry are also actively working to revive this industry.

I have been particularly privileged to have the advice and input of Joseph Lanier, Jr., chairman and chief executive officer of WestPoint Pepperell, during my research on the textile problems.

Mr. Lanier has the ability to look at the competition which U.S. textiles face and, using American ingenuity, he can map out a plan to meet that competition. It is his vision and foresight which have kept WestPoint Pepperell successful, even during recessions.

Imports are indeed a problem, but Joseph Lanier has been successful in an industry that was highly competitive before imports became a threat. For him, the world offers countless markets for WestPoint Pepperell, and he is a master at selling his product all over the globe.

I have long admired Mr. Lanier, not only for his knowledge and skill in the textile industry, but for his unfailing determination to keep American textiles a leader in this international competition.

In the October 1984 issue of Delta's Sky magazine, Jasper Dorsey offers an informative profile of Joseph Lanier. I hope my colleagues will read this profile, remembering as they do that a real solution to the textile trade deficit will not come from our efforts alone. Instead, it will be expert businessmen like Joseph Lanier who put the United States on top of the world textile market.

[From Sky Magazine, October 1984]

JOSEPH L. LANIER, JR., CHAIRMAN AND CEO, WESTPOINT PEPPERELL, INC.

(Profile by Jasper Dorsey)

There are a number of unusual things about the giant textile company, WestPoint Pepperell.

One is that its corporate headquarters is in the small, country town of West Point, Georgia, about 30 miles north of Columbus and Fort Benning.

Another is that its chairman and chief executive officer, Joseph Lamar Lanier, Jr., is the fourth generation of his family to head the enterprise since it began over 100 years ago.

Yet another is that WestPoint Pepperell is considered by industry analysts to be one of the very best-managed firms in a very tough, competitive industry.

There are a number of other aspects unique to this company and its CEO.

Joe Lanier was born on February 9, 1932, in Lanett, Alabama, a town named for his family, on the banks of the fabled Chattahoochee River. He went to the college his father and uncles attended, Washington and Lee University, earning a B.S. degree in 1954. He joined the S.A.E. fraternity, he said, because his father and uncles were Phi Delta Thetas. ("Each generation should improve on the previous one," says Lanier.) Then came the Harvard Business School. After graduation at W. & L., he married a physician's daughter from his hometown, the former Ann Morgan. Military obligation occupied 1955–57, as he became a company commander in the U.S. Army.

He'd chosen W. & L. because he wanted a small liberal arts school instead of one specializing in engineering. Later experience confirmed his judgment; he's met many highly skilled engineers who have difficulty in articulating their ideas and who cannot sell. Moreover, the liberal arts gave him a far broader education and sense of values. He prefers to place technology on top of the broader education, rather than the other way around.

He was baptized into selling at a subsidiary, Wellington Sears Co. of New York City, after the Army. It took. He's been selling ever since. He had started working in the mills as part-time summer help at age 15; he because assistant manager of one in 1959, then to corporate headquarters as a vice president in 1962. In 1964, he returned to New York as vice president for New Product Planning and Development, a key assignment. A manufacturing slot followed, and a presidency (of the Industrial Fabrics Division) arrived in 1968.

He went on to the board of directors, then became executive vice president in late 1969. Election as chief operating officer and president came in 1974, then as president and CEO in 1975, when he was 43. He was elected chairman in 1979.

Eighteen months later, on May 10, 1982, he was named the best chief executive officer in the textile industry by the *Wall Street Transcript*. The selection was made by the editorial staff of the newspaper, based upon 50–60 interviews with industry executives, leading financial analysts, money managers, the academic community, trade journalists, and various professional sources. The test, according to the newspaper, is to what extent the CEO has taken the proper steps to enchance the overall value of the enterprise for the benefit of the shareholders. Lanier received the honor again in July of this year, when he was chosen as one of the two best in the industry.

WestPoint Pepperell is the third-largest publicly held textile manufacturer in the nation, with an outstanding reputation for flexibility, excellent productivity, and cost control, as well as superior talent for marketing and anticipating customer needs. There are 22,000 employees with 40 manufacturing facilities located in Georgia, Alabama, South Carolina, North Carolina, Florida, Maine, Texas, and Virginia.

In an industry which is extemely competitive, and suffers from foreign competition, Lanier was one of the first textile CEOs to develop a global strategy. Moreover, he's open-minded about imports and exports. With all this, and during trying times, he has maintained an above-average return on capital. WestPoint Pepperell has a tradition of being a low-cost producer of quality goods, achieved by early placement in their mills of the most modern equipment. They've done it, especially during recessions, because the strength of the company encourages and permits it.

Lanier's management skill is very quick to identify new markets, and doesn't hesitate to pull equipment off one product to put it to work on a new one. He has done every job in the mills. This gives him a canny knowledge of what can be done, as well as how and when to do it.

Perhaps the key to Joe Lanier's strength is that he knows what business his company is in. Surprisingly, many CEOs do not. He puts it this way: "I see us as a *textile marketing company*, which also *manufactures* textiles. We're in business to earn money selling textiles, not just to manufacture cloth." It's no accident that he's an excellent salesman—of both ideas and textiles.

Constantly searching for innovation, and placing a heavy emphasis on marketing, he likes to stay out in front, but does not emphasize market share, for he believes you can have that today and lose it next season. Further, a sound second place is preferred to an expensive first place.

Company president Clarence J. Kjorlien believes that a major force in Joe Lanier's career has been his family heritage. This obligation and deep commitment give an extra thrust and dimension for shareholders and employees. They become apparent after short acquaintance.

Lanier's responses to questions about pressure imposed by his family are humorous. He's never been against nepotism, but recalls that early in his career he spent a long time doing things nobody else wanted to do. He confesses to being competitive, both on the playing field or in business, and has always tried to be the best at anything worth doing; but he smilingly adds, "We try to have fun doing business, but it always has a serious side."

His hobbies include expertise in golf, fishing and hunting. He is an excellent gunner on driven grouse in the Scottish Highlands, and enjoys all the traditions of this ancient sport, including wearing "plus two" knee britches, high-top shoes, long woolen stockings, and tweed hunting jacket and cap.

Kjorlien says Lanier's best contribution to the company's operation is being as sensitive to the market as he is, while still being conscious of the whole mosaic of a very complex business and what makes it go. There's fire and desire there, plus a better insight into the market than his competition. He never loses sight of how all the parts fit into the whole. Lanier knows everyone who's been with the company awhile, even their parents.

An outside director, attorney Yetta Samford, defines Lanier's assets as having a keen people sense, along with a willingness to listen to new ideas: "Joe has an excellent sense of humor and likes to have a good time, but is tough-minded and can be tough without being unfair or unreasonable. Foresight is his strong suit, especially on capital investments."

Another outside director, Bill Flowers, former CEO of Flowers Industries, describes Lanier this way: "Joe's one of the outstanding CEOs in the nation. He come up through the ranks, knows the machines and the plants; not many rise that way now, or have that background. He combines those talents with a sharp analytical ability, a worldwide scope of marketing, and a great capacity to control costs. This moves him to place the major emphasis on selling."

It was from a small cotton mill in the war-ravaged South of 1867 that West Point Pep-

perell grew into the third largest publicly held firm in the industry.

With capital secured by the sale of cotton to the eager British, the founders purchased used machinery from New England mills, then build a mill on the edge of a cotton field on the banks of that Chattahoochee River for water power, and commenced to make osnaburgs (a heavy, coarse cotton fabric). Willing labor was plentiful.

Again with foresight, the services of two experienced cotton mill men were secured from England, and new equipment was ordered to obtain best production at the lowest cost. Lafayette Lanier, son-in-law of the founder, decided to convert from osnaburgs to cotton duck, a fabric in great demand on the frontier for tents and wagon covers. Then he secured a contract with a shrewd Yankee trading firm in Boston to sell their products nationwide. N. Boynton & Co. sold millions of yards of canvas for the purpose of housing railroad workers who were building five transcontinental lines. Another benefit obtained from the Boynton arrangement was access to Boston capital. Demand for textiles skyrocketed as the nation grew.

By superior foresight and management skill, the company had created a manufacturing textile concern in a place with great natural advantages, where nothing like it existed before. They secured expert mill management, got a running start on competition by anticipating the market, then capped it all by securing a superior marketing and capital-raising source.

The original firm was incorporated as WestPoint Manufacturing Co. in 1880. The merger with Pepperell Manufacturing Co. in 1965 has been called a perfect marriage by analysts, as it brought together the expertise of WestPoint Pepperell in industrial fabrics, carpets and toweling, including Martex® towels and Cabin Craft® carpets—with the complementing lines of Pepperell's apparel fabrics and its Lady Pepperell® sheets.

The marriage of Deep-South strengths and traditions with the Yankee enterprise of Biddeford, Maine, is symbolized by the winged griffin trademark of WestPoint Pepperell. The body of a lion with the head and wings of an eagle symbolize the union of strength and ability with integrity. The wings suggest billowing fabrics, and the whole truly represents a sustantial firm, broad in scope and dedicated to quality textiles.

The company operates five almost-autonomous divisions, with the control overview to avoid duplication. Each has a president, manufacturing and marketing head, and a strong comptroller function. Legal and financial operations are based in the corporate headquarters. Corporate and division staffs are very lean.

Annual sales of $1.2 billion through August 1983 were up nine percent over 1982. Significantly, net income—$53 million vs. $43 million—was up 21.5 percent. Sales for the first nine months of fiscal year 1984 had risen to $1 billion from $881.2 million in 1983. Earnings for the same period were up 26 percent to $44.9 million and $4.30 per share, compared with earnings of $35.7 million and $3.42 per share from the same time in 1983. Another record year is predicted. Productivity per-man-hour has risen 50 percent over the last ten years. Quality is up substantially, too, providing a real bonus. Capital investment increased during this same period by $436 million in spending, helping make increased performance possible.

The staff describes Lanier best with one word—enthusiastic. He also has a good picture of where the company should go and a good grasp of when it should be there. He gives freedom to managers, expects innovation, delegates well, and is not a second-guessser—he never says, "I'd have done it this way."

Lanier approaches problems with a clean slate, and is very open to new ideas—they are never scorned or ridiculed. Called a free-thinker, Lanier doesn't want to keep doing things the old way because they've always been done that way, and doesn't mind changing his opinion. He seeks advice and weighs contrary opinions, searching for all the facts. If something isn't profitable, he changes or drops it. If he needs information, he goes straight to the individual who might have the answer. This not only gives him a response but also an insight into the capability of the person.

Divisions find the CEO often in the field, where he makes himself available to everyone; he's always had the great ability to say the right thing. Lanier draws an audience quickly, and has the asset of sincerity in speaking to groups.

The newest division is the international one. There are joint-venture operations in Holland, the United Kingdom, Belgium, Germany, and France. But the thread of innovation runs strongest in Costa Rica, where cloth that's woven and cut with top quality at home is airshipped to San José, and tailored into shirts for the likes of Arrow. Started a year ago, the Costa Rican operation is doubling in size.

Management style is highlighted by Lanier's personal participation in promotions, training, and assignments of middle management and upward. The company uses a number of methods to do a good screening job, looking for willingness and desire. They prefer to promote from within, and rewards are based upon performance.

The most critical decisions he has made, Lanier feels, are two: to realize they are marketers first and manufacturers second, thus enhancing profitability; then the development and selection of the managers who hold the firm's top position.

The most critical decisions he can make about the future, he says, will be how to anticipate needs and wants—what products, what markets—then how to best serve them, all the while developing and selecting the best managers. He prefers his top managers and officers to have a broad, instead of a narrow, specialized expertise in the enterprise; so, he moves the promotable candidates into a number of assignments to develop and broaden skills. Performers are supported and rewarded.

The company is enormously proud of having founded a "50 Year Club" in 1947 which now list over 400 members, who all have 50 or more years of service. Over time, the firm brought prosperity and work to its communities. They not only provided homes for employees, but helped establish schools, churches, utilities and other services normally provided by local governments.

In the early 1950's, the firm began to sell all its houses to employees, since the houses were good buys for those living in them. They gradually withdrew from the utility and school businesses but remained in recreation. In almost every community where WestPoint Pepperell has a plant, there is a company-owned and -operated recreational facility available free to the public, not just employees.

Active in community affairs, Joe Lanier serves in positions of leadership in the family tradition. He serves, too, in leadership roles in the textile industry associations. There's time also to serve on the boards of directors of the Trust Company of Georgia, Flowers Industries, Torchmark Corp., and numerous others.

This sandy-haired, enthusiastic man, who looks like a football player 10 to 15 years younger than he is, usually has a twinkle in his blue eyes, for he is doing exactly what he has always wanted to do—see his company continue to be successful, with top earnings, and watching his officers, managers, and employees grow and prosper.

He is fully aware of standinng upon the shoulders of all those who have built WestPoint Pepperell and the great traditions that have been created by devoted, dedicated leadership and creativity.

Lanier has followed faithfully in all those traditions and achievements and—in an intensely competitive industry—has substantially improved them. You can't do much better than that.●

TRIBUTE TO ABRAHAM "CHICK" KAZEN

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. MONTGOMERY. Mr. Speaker, I am honored to take part today in this special order paying tribute to our colleague from Texas and my close friend, ABRAHAM "CHICK" KAZEN.

I first met CHICK KAZEN when we were both freshmen in the 90th Congress. He and I served together on the Armed Services Committee for many years. We worked side by side on the Installations and Facilities Subcommittee and CHICK was also a ranking member of the Investigations Subcommittee. We will miss his knowledge and experience on matters of national defense.

He has been a faithful and hard-working servant of the people of the 23d District of Texas and I know he has earned the respect of Members on both side of the aisles for his dedication to getting the job done. CHICK has always been an eloquent speaker and a student of parliamentary procedure. It has been a great honor serving with CHICK KAZEN. We will miss him in this Chamber.●

CIVILIANS IN VIOLATION OF U.S. LAWS

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. MOODY. Mr. Speaker, on September 24, the Washington Post carried a letter to the editor by Representative JIM LEACH, the distinguished chairman of the arms control and foreign policy caucus, concerning the legal implications of the activities of

private groups aiding the Nicaraguan Contras and the Salvadoran Army. The gentleman from Iowa pointed out that civilian military assistance, two of whose members died during a combat operation inside Nicaragua, appeared to be in violation of two laws: the Arms Export Control Act and the Neutrality Act. He also noted that the Reagan administration's failure to restrain this group—and in some cases, the administration's assistance to its activities—placed the administration in possible violation of four laws: the two mentioned previously; the $24 million cap on direct or indirect aid to the Contras in the fiscal year 1984 Defense Appropriations Act; and section 515 of the Foreign Assistance Act, which limits the permissible functions of U.S. military personnel working at our Embassies.

Having had the opportunity to debate one of the leaders of this misguided group, civilian military assistance, I found the comments of the gentleman from Iowa and his concern for respect for the law particularly relevant. I applaud his comments and his letter, entitled "Those 'International Vigilantes' Were Wrong." Therefore, I am including a copy of it so that any of my colleagues, who may have missed it, will have the opportunity to read this informative letter.

THOSE INTERNATIONAL VIGILANTES WERE WRONG

"Ask just what is wrong with what they did," says The Post of the two Americans killed in Nicaragua Sept. 1 while flying a military helicopter in an operation by Nicaraguan insurgents [editorial, Sept. 11]. Legally, the Post implies, nothing. The facts as reported, though, suggest there is quite a bit "wrong with what they did" from a legal perspective. They took actions, and were part of an organization that took actions, that may have violated the Arms Export Control Act and the Neutrality Act. By turning a blind eye to some of their activities and assisting in others, U.S. officials may themselves have run afoul of these laws and two others, the Defense Appropriations Act and the Foreign Assistance Act.

Section 38 of the Arms Export Control Act requires export licenses for many of the "defense articles and services" that Civilian-Military Assistance, the Alabama-based group sponsoring the two Americans, provided to Nicaraguan contras and the Salvadoran army: ammunition clips, camouflage uniforms and training on military helicopters for instance. These licenses, by all reports, were not obtained; yet U.S. officials in Honduras and El Salvador who were aware of the transfers did nothing to stop them, and in some instances actually assisted in them.

Section 960 of the Neutrality Act prohibits its support or participation in "military enterprises" against other countries that are carried on from the United States. It would appear, based on press descriptions, that CMA's military enterprises against Nicaragua was based in the United States. It was from here that cash, military materiel and military training were sent to help overthrow the government of Nicaragua. CMA has made the filmsy argument that by making a pit stop in Honduras, its members exempted themselves from the letter of the Neutrality Act. This agrument is contrary to the act's original intention and subsequent interpretion as recently as this summer in a case involving a military enterprise against Haiti. By failing to halt CMA's activities in this country, although the FBI reportedly had been aware of them since last spring, U.S. officials may be complicitous with CMA in violating the Neutrality Act.

Section 775 of the Defense Appropriation Act for this year set a ceiling of $24 million in U.S. government expenditures that "directly or indirectly" have the effect of supporting the contras. The $24 million has been spent. According to press reports of CIA briefings of congressional committees, the $24 million does not include the cost of the construction of the air base where CMA-trained contra pilots on military helicopters. (The GAO has already suggested that the construction of that base and another used by the contras with DOD exercise funds—which do not require specific approval from Congress for construction—was illegal: these bases should have been built with Defense Department military construction funds, which do require specific approval from Congress.) Also not included are the salaries of U.S. personnel present at the air base in supervisory and maintenance roles, and of U.S. personnel at the embassy in Honduras, who acted as liaisons for transfers of military materiel from CMA to the contras. This is indirect aid, pure and simple, and it evades the clear intent of the law.

Section 515 of the Foreign Assistance Act limits the permissible functions of U.S. military personnel managing arms transfer programs for the U.S. government. These functions relate only to government-to-government transfers, yet a logistics officer in El Salvador has reportedly acted as a conduit and processor for military materiel being sent to the Salvadoran Army by CMA.

Respect for the law is at the heart of both our national traditional and the fluid contract between the executive and legislative branches on foreign policy. "What is wrong" in this case is the private citizens, frustrated with the struggle between their elected representatives over Central American policy, have decided to take foreign policy into their own hands, and the administration has chosen not to enforce the law against these international vigilanties.—JIM LEACH.

The writer, a Republican representative from Iowa, is chairman of the Arms Control and Foreign Policy Caucus.●

E. GRACE PAYNE: TIRELESS COMMUNITY LEADER

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. HAWKINS. Mr. Speaker, I wish to extend my greatest appreciation and respect for E. Grace Payne, executive director of the Westminster Neighborhood Association in Los Angeles. Under her leadership the Westminster Neighborhood Association has served as a tremendous source of community assistance for disadvantaged persons. She has helped senior citizens secure housing and helped clothe and feed the poor. I would like to submit for the RECORD an article by the Los Angeles Times which pays tribute to E. Grace Payne and her significant contribution to the residents of Watts.

The article follows:

ELLA PAYNE CHOSE WATTS—AND SHE STUCK IT OUT

(By Sandy Banks)

Ella Grace Payne knows first-hand of the conditions that spawned the Westminster Neighborhood Assn. in Watts—the poverty, the despair, the sense of isolation and neglect that pervaded the community.

"Twenty-five years ago, there were no social service agencies in Watts," recalls Payne, who moved to Watts in 1945. "No hospitals, no mental health programs . . . nothing.

"Services were poor and things were expensive. So many people were out of work and there were pressures on their families, and there was nowhere they could turn for help."

Today, from her office in the Westminster center near 103rd Street and Wilmington Avenue, Payne heads one of the most extensive social service programs in Watts.

A community activist who serves on many local boards, including the Coro Foundation and the Girl Scouts of America, Payne took the helm of Westminster in 1972. Under her leadership, the agency has almost doubled its 35-member staff and increased its annual budget from $300,000 to $1 million.

INITIAL TASK

Westminster had just lost its home in a donated former USO building when Payne was named director, so her first task was to find a new location.

Her role as an officer with the Presbyterian Church took her on visits to churches throughout Southern California and Hawaii, "and I never failed to tell them about the mission we were carrying out here in Watts at Westminster," she said.

Over the next few years, Payne helped raise $600,000 from individual Presbyterian churches to help build the spacious new quarters the center occupies today.

"We've been very lucky to have the steady support of the church over the years," she said. Today, she spends about half her time as Westminster's director soliciting contributions from local churches and foundations. Her efforts have paid off handsomely, with more than $250,000 in donations flowing into Westminster's coffers each year.

Westminster was started by the Presbyterian Church in 1959 as a mental health counseling service for troubled families. In those days, Payne belonged to the Bel-Vue Presbyterian Church in Watts, where she taught Sunday school, sang in the choir and headed church-based Girl Scout troops.

She remembers the Sunday morning Westminister's former director, Archie Hardwick, came to their church to appeal for volunteers.

"The next morning on my way to work, I showed up at Westminster's door to volunteer and I've been here ever since." Payne said.

Later that year, she joined the agency's board of directors and, in 1972, she left the job she'd had for 21 years as manager of a Los Angeles wholesale house to become its director.

And now, 12 years later, at 66, Payne is not yet ready to retire.

"There's still too much to be done," she says firmly.

Payne and her husband, Tom, and two children left Texas for Los Angeles in 1942 as part of the migration of job-seeking blacks from the South during World War II.

In Texas, Payne has been a schoolteacher, but here she went to work riveting P-38 fighter planes at Lockheed. Her husband earned a college degree in biology and found a job as a dining car steward for the Southern Pacific Railroad.

Like most black families, they settled in South-Central Los Angeles, first in an apartment near Washington Boulevard and Central Avenue, then later farther south in the "Blodgett Tract" of new homes near Central Avenue and Imperial Highway in Watts.

STILL IN SAME HOUSE

"In those days, that was one of the finest areas where black people could buy new homes," Payne recalled. "We paid $9,900, which was a lot of money, but we wanted our children to grow up in a nice neighborhood."

Forty years later, Payne and her husband still live in the home on a quiet street of small, neat bungalows just a stone's throw from Westminster and the public housing projects of Watts.

Many of her middle-class neighbors—the attorneys and postal workers and business people—have moved away, but Payne bristles at the suggestion that life in Watts is somehow beneath someone of her professional standing.

"People always say to me, 'You don't have to live there anymore. Why don't you move?" But they don't understand this is where I *choose* to live," she said. "Watts is my community, and it's a fine place to live."

At her many public speaking engagements, Payne zealously defends Watts against its popular image as a burned-out jungle of street crime because of the "Watts Revolt," as residents prefer to call the outbreak of violence there in 1965.

"Watts is the name of a community, not a riot," she is fond of saying. "The people in Watts are no different from the people anywhere else. All they need is a chance, and that's what we're here for."●

BONKER MEDICARE BILL WORTHY OF SUPPORT

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. BONKER. Mr. Speaker, I would like to insert in the RECORD the following editorial from the Daily Olympian of Olympia, WA, regarding my bill, H.R. 4487, the Supplemental Medical Insurance Improvements Act of 1983.

The editorial follows:

BONKER MEDICARE BILL WORTHY OF SUPPORT

Skyrocketing medical costs and the aging of our population are going to wipe out the Medicare trust fund by as early as 1987 unless Congress acts to control the program's costs, generate new revenue, or institutes a combination of both. Appropriate and timely action must be taken to preserve this program that helps provide medical care for our elderly.

Congressman Don Bonker, 3rd District Democrat, outlined his comprehensive Medicare reform bill earlier this month when the Health Subcommittee of the House Ways and Means Committee held its first hearing on this pressing matter.

The elderly face the same problems as the rest of society in that the cost of a serious illness can be catastrophic. But the elderly are at this point in life when major illnesses become more common and limited retirement income makes it particulary difficult to insure against them.

Bonker's bill addresses these problems. He told the House subcommittee his bill would provide more complete health care coverage for senior citizens and save the elderly up to $1 billion annually. It would accomplish this at no cost to the Treasury, since added coverage would be paid for by beneficiary premiums.

Bonker's bill is apt to come under attack from the insurance industry because it puts government even deeper into that field. Currently, Medicare covers less than half of the elderly recipient's medical costs. Most seniors now purchase "Medigap" insurance from private companies to pick up the shortage. This costs them an average of $300 to $400 a year and sometimes more.

Bonker's plan would cost the elderly less. For $17.75 per month, seniors could purchase greatly expanded hospital and physician coverage, including all co-payments for hospital care beyond the sixtieth day and all hospital care beyond the sixtieth lifetime day.

The extra coverage would cost seniors about $12 a month less than they pay on an average for Medigap insurance. For an additional $6 to $8 a month, seniors could expand coverage to include prescription drugs used to treat chronic illnesses, something that drains the budget of many of our elderly citizens and something very few private insurers now cover.

BONKER, who is chairman of the House Aging Subcommittee on Housing and Consumer Interests, told his colleagues that total health care costs not paid by Medicare have increased to the point the elderly face the same financial plight they did before Medicare was established. Twenty percent of their income once again is going to pay medical expenses.

The reason is both Medicare's Part A, which provides for hospital coverage, and Part B, which covers physicians and other services, require substantial co-payments from the beneficiaries and carry steep deductibles. At the same time, Medicare expenditures have grown from $3.2 billion in 1965 to more than $50 billion today.

BONKER said, "The elderly must not be made to pay for what is, in some instances, a political inability to control health care costs."

The Bonker bill will win support from both the elderly and the medical care industry. The advantage to the elderly would be superior coverage at less cost and considerably less confusion about what they actually are getting for the money they spend on insurance.

Hospitals and doctors would benefit because Medicare already collects premiums and pays bills. Hospitals would not have to collect deductibles as they now do.

BONKER's proposal makes sense and deserves support from Congress. It solves the serious problem of financing our elderly's medical needs, without additional drain on the treasury. But Congress also must give more attention to controlling the runaway costs of the Medicare program, which in essence means bringing medical costs in general back under control.●

TRIBUTE TO ABRAHAM "CHICK" KAZEN

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. RUDD. Mr. Speaker, I have the greatest respect and admiration for our colleague, CHICK KAZEN, and it has been an honor to serve beside him in this noble institution. It is thus with profound sadness that I bid farewell to CHICK as he looks to retirement.

CHICK and I served together on the Mexico-United States Interparliamentary Conference where we worked to strengthen and improve relations with our southern neighbor. We worked closely together on the Interior Committee when I first came to Congress back in 1977.

He has been an outstanding representative of his constituents in Texas' 23d District and indeed of all Americans. His presence in the House will be sorely missed.

Let me take this opportunity to wish CHICK and his family the best in all their future pursuits. I hope he will also keep in touch and benefit us all with his expertise in the days ahead.●

TRIBUTE TO BARBER CONABLE

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 1984

● Mr. WEISS. Mr. Speaker, I rise to express my heartfelt thoughts upon the pending retirement from the House of my friend and colleague from the State of New York, BARBER CONABLE.

It has been an honor to serve with a Member of Congress whose experience is as broad and whose intellect is as sharp, as that of BARBER CONABLE.

BARBER is a man who has had the utmost respect for the public trust, striving always to serve the best interests of his constituents of the 30th Congressional District of New York and the interests of our Nation. There can be no doubt that the people of New York and all the United States owe him a great debt of gratitude for his efforts here in the House of Representatives.

Among BARBER's best qualities is his singular gift for fairness. Always able to place principle ahead of partisanship, he continually fashioned the kind of legislative compromises which were respected by members from both sides of the aisle and served to improve the quality of life for American citizens.

As the ranking minority member on the House Ways and Means Commit-

tee, BARBER CONABLE distinguished himself as an intellectual giant on questions of taxation and the economy. His work on matters of concern to the elderly was conducted with insight and compassion. His even-handed and resourceful approach to all issues has not always earned him a place in the limelight, but it has repeatedly produced results.

The retirement of BARBER CONABLE will leave a certain emptiness in the House of Representatives, but those of us who have had the privilege of working alongside him will continue to cherish our memories of our good friend for years and years.

To BARBER and his family, I wish the best of everything and Godspeed in all their future endeavors.●

MINORITY ENTERPRISE DEVELOPMENT WEEK 1984

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. RICHARDSON. Mr. Speaker, next week the United States will honor a very important group of people—the minority business men and women of America.

There are more than 600,000 minority owned business in this country. These are the business of innovation, finding creative new ways to succeed in these economically difficult times. They work to meet the needs of their communities as well as the needs of our Nation. They provide training and employment for thousands of American workers each year, many of whom would be unemployed if these minority owned companies did not offer them the chance to learn, grow, and produce. In return, these companies receive a loyal and efficient work force.

Hopefully, the number of minority owned enterprises will continue to grow. Congress must work to create an economic environment in which this can happen. Working together, we will see more Hispanics, black, native Americans, and other minorities leaving the assembly line and entering the board room, more women serving as corporate directors. This can only serve to make the United States and American business stronger.●

WELCOME TO FRIENDS FROM NEW ZEALAND

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. BORSKI. Mr. Speaker, I want to take this opportunity to welcome the Morrison family of New Zealand to the United States. Jeannie and Terry Morrison, and their son, Terry Lee, will visit the United States later this month. The Morrisons plan to tour Philadelphia, New York, and Washington during their stay.

Mr. Speaker, our two nations—the United States and New Zealand have a long tradition of friendship and cooperation. It is indeed a pleasure to welcome these friends from far away to our country.●

THANK YOU, JOHN ERLENBORN

HON. CLARENCE E. MILLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, October 1, 1984

● Mr. MILLER of Ohio. Mr. Speaker, the House of Representatives will soon lose one of its most distinguished Members with the pending retirement of Illinois' JOHN ERLENBORN.

Twenty years ago, JOHN ERLENBORN began his service in the House. For two decades the citizens of his congressional district in Illinois have been honorably and ably represented by a man known for his leadership and responsibility. His role on the House Education and Labor Committee has made him a valuable legislator, with his interest in measures coming before that important committee clearly identifiable.

Many times I can recall seeking JOHN'S able input and views on bills coming to the House floor. He has distinguished himself by placing the highest priority on issues of importance to the people of America. His service here will be greatly missed and I hope that we can continue to seek his views and good counsel as Congress wrestles with issues yet ahead.

I appreciate your good work, JOHN, and I know that Congress as a whole will miss your good work as well.●

MARYLAND SHIPYARD WINS AWARD

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. DYSON. Mr. Speaker, I rise on this occasion to praise the efforts of the Chesapeake Shipbuilding Co. of Salisbury, MD, located in Maryland's First Congressional District. Established in Salisbury in 1981, the company has expanded and now employs 90 full-time workers. The shipyard not only has delivered several new ships since being started, but also does first-quality ship repair.

Recently, Chesapeake Shipbuilding was awarded the "Distinctive Inland Vessel Award" by Marine Engineering/Log magazine in recognition of its fine design and construction of the cruise vessel *Savannah*. This ship was constructed in the Salisbury shipyards between 1982 and 1984, when it was delivered for service to the American Cruise Lines of Haddam, CT. The *Savannah* is believed to be the largest coastal cruise ship in the United States.

In an industry going through very difficult times, it is heartening to see a young company rewarded for its outstanding construction work. I am proud, as a member of the House Merchant Marine and Fisheries Committee, and as a Marylander to represent this type of excellent entrepreneurship in Maryland's First Congressional District.

I am including in the RECORD two articles which describe the excellent work of Chesapeake Shipbuilding, Inc., one from the Journal of Commerce and the other from the Daily Times in Salisbury, MD.

[From the Journal of Commerce]

MARYLAND SHIPYARD WINS AWARD

BALTIMORE.—Chesapeake Ship Building Inc. of Salisbury, Md., has been presented with a "Distinctive Inland Vessel Award" for the design and construction of the cruise vessel *Savannah*. The award was made by Marine Engineering/Log magazine in recognition of the vessel's outstanding features.

The *Savannah* was constructed in Salisbury starting in December 1982 and was delivered to American Cruise Lines, of Haddam, Conn., in March 1984.

With overnight accommodations for 132 passengers and 25 crew members, the vessel sails on a variety of one- and two-week cruises along the Atlantic and Gulf coasts throughout the year.

The *Savannah* is believed to be the largest coastal cruise ship in the United States.

Chesapeake Ship Building established its Salisbury facility in the winter of 1980-81 and presently employees 60 to 90 year-round workers. The shipyard has delivered a number of new vessels since its opening and has undertaken some ship repair work.

In 1984, the yard not only has delivered the *Savannah* but also launched two 165-foot dinner boats.

[From the Daily Times]

SALISBURY SHIPYARD HONORED

SALISBURY.—Chesapeake Shipbuilding Inc. of Salisbury was recently presented with a "Distinctive Inland Vessel Award" for the design and construction of the M/V *Savannah*.

The award was made by Marine Engineering-Log magazine in recognition of the vessel's outstanding features as recorded in the August, 1984, issue of the publication.

The M/V *Savannah* was built in Salisbury, starting in December 1982, and was delivered to American Cruise Lines of Haddam, Conn., last March.

The vessel has overnight accommodations for 132 passengers and 25 crew members. The M/V *Savannah* sails on a variety of one and two-week cruises along the Atlantic and Gulf coasts throughout the year.

It is believed to be the largest coastal cruise ship in the United States.

Each year the magazine recognizes outstanding new vessels built in a number of

different categories. In 1984, nine vessels, including the M/V *Savannah* were presented "Distinctive Inland Vessel" awards.

Chesapeake Shipbuilding established its Salisbury yard in the winter of 1980-81 and employs 60 to 90 year-round workers. The shipyard has delivered a number of new vessels since 1981 and has been active in repairs to existing ships.

This year, the yard has delivered the M/V *Savannah* in March, and launched two 165-foot dinner boats. One of these, the M/V *Star* of Detroit, was delivered in July and is currently operating out of the Detroit, Mich., version of Harborplace, known as Rennaisance Place.

The shipyard is currently working on three new vessels and is remodeling one other.●

TRYING TO EXCUSE THE INEXCUSABLE

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. HUBBARD. Mr. Speaker, while in Kentucky during this past weekend, I read an excellent editorial published in the October 5 edition of the Paducah Sun, in Paducah, KY, the largest city in my congressional district.

The editorial, written by the newspaper's editorial writer Don Pepper, comments on the House Intelligence Committee's findings regarding the recent bombing of the American Embassy annex in Beirut and the rash of excuses offered for its occurrence by those in charge of securing the safety of the Americans in Beirut. I commend Mr. Pepper for his thought-provoking editorial observations, and I urge my colleagues in the House to read them closely. The editorial follows:

[From the Paducah Sun, Oct. 5, 1984]

TRYING TO EXCUSE THE INEXCUSABLE

A House Intelligence Committee which has looked into the bombing of the American Embassy annex in Beirut has concluded that it wasn't a lack of intelligence that resulted in the tragedy.

There was plenty of information, says the committee. But nobody paid attention to it.

By now it is clear that this conclusion goes beyond politics in this politically fevered time. Both the Republicans and the Democrats on the committee agree that there was no excuse for what happened in Beirut.

Even Tip O'Neill rises above demagoguery, as he does occasionally.

"The president must stop trying to sweep this tragic incident under the rug," he said. "He must hold those responsible for ignoring this intelligence accountable. Until he does so, embassy security will continue to be a low priority in his administration and the lives of Americans will continue to be in greater jeopardy than necessary."

There really is no alternative, although President Reagan has been looking for one.

He has said he wouldn't "deliver somebody's head up on a platter" and that "there was no evidence of any carelessness or anyone not performing their duty."

There never will be evidence if you don't look for it. The circumstances surrounding the tragedy as laid out by the House committee, however, suggest that the evidence must be there in plain sight for anyone willing to look.

Mr. Reagan has cited the near-destruction of our intelligence capabilities in the Seventies in defense of the failure to protect the embassy adequately. There is something to this, but the House committee found that whatever the limits on our intelligence capabilities, it did provide explicit warnings of precisely what happened.

Beirut is like a "war zone," especially for Americans, said the committee. There had been two special alerts because of warnings of violence.

Two previous attacks by suicidal fanatics in bomb-laden vehicles had killed 258 Americans already.

In July the Defense Intelligence Agency had warned embassy security people and later the State Department in Washington that the threat to embassy facilities in both east and west Beiruit was "exceedingly high."

The House committee comments, therefore, that "the probability of another vehicular bomb attack was so unambiguous that there is not logical explanation for the lack of effective security countermeasures."

The report is damning:

"This intelligence portrayed a situation where those responsible for security at U.S. installations in Beirut—both in Washington and on the scene—should have been taken every precaution possible to thwart just such an attack as occurred," the panel said.

"Use of the alert mechanism should have gained the direct attention of top State Department and embassy officials, including security officers to such likely threats."

Mr. Reagan's comment that the security arrangements were not complete and likening the delay to the difficulty in redoing a kitchen trivializes the tragedy.

Commentators have noted that when the White House itself was threatened, apparently by a similar vehicle-bomb attack, effective temporary measures were taken—cement-laden trucks were parked in the driveway.

Mr. Reagan has accepted responsibility, which is correct enough in a formal sense. But it wasn't Mr. Reagan's job to assess the security arrangements in Beirut and devise defenses. It was somebody's job, though. For Mr. Reagan to accept responsibility is not to deflect criticism. Responsibility means acknowledging that it's your job to take action, to fix blame and—yes—to punish.

The House committee makes it plain that there is no evading the fact that the bombing was inexcusable. So Mr. Reagan should stop trying to excuse it.●

ON THE PRESERVATION OF OUR TRADEMARK SYSTEM

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. MAVROULES. Mr. Speaker, I would like to commend my colleagues for approving a bill that was urgently needed to protect our consumers. Today, we passed H.R. 6163, a measure that will maintain, for both business and consumer, the trademark system in the Lanham Act that has served this Nation so well for more than 60 years.

Mr. Speaker, the reason we have had to legislate on this subject lies in a decision of the Ninth Circuit Court of Appeals in 1982 that stated a consumer of a trademarked product must know the name of the manufacturer, otherwise the trademark became generic.

Well, Mr. Speaker, the potential for danger, damage, and injury to consumers is obvious if corrective action had not been taken quickly. We could walk into a toy store to buy a toy for our children or grandchildren, buy a certain toy because of a trademark we trust and have come to rely upon, but end up with something that is of lower quality and possibly dangerous as well.

The same is true of almost everything we buy—the products in the grocery store, the items in the drug store. Mr. Speaker, the need for the action taken today is obvious—not only to companies with trademarked products, but to our consumers.

That is why the Consumer Federation of American and members of the business community, such as Parker Brothers in my district, have so strongly backed H.R. 6163.

The reasons for the ninth circuit decision still are not clear. For 60 years, the courts have used a uniform, clear cut and traditional test for determining when a trademark becomes a generic name. That test is whether most comsumers recognize the name as a trademark.

Now the ninth circuit has held that a trademark is invalid unless most consumers can identify the company that manufacturers the product in question.

Think about that for a moment.

How many of us can name the company that manufacturers Anacin, Pac-Man, or Tide? And because we cannot, does that justify denying these companies their trademark rights and the consumers who buy these products the protection these trademarks offer?

Of course not.

Today, we wisely voted to eradicate the problem and chaos created by the ninth circuit decision, and have restored to our people—businesses and consumers—the protections that have worked so well for more than six decades.●

REV. KAY GLAESNER MARKS 35 YEARS OF SERVICE TO GOD, COMMUNITY, AND COUNTRY

HON. MICHAEL DeWINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. DEWINE. Mr. Speaker, I wish to call the attention of the House to the work of the Rev. Kay Medick

Glaesner, Jr., of St. John's Evangelical Lutheran Church in Springfield, OH, as he celebrates 35 years of service in the ordained gospel ministry.

Reverend Glaesner has served St. John's untiringly. He has overseen great growth in the church, and has also made a a special effort to reach out to the poor, the alienated, and those suffering from mental problems.

As the recession affected more and more people in Springfield, he founded a food pantry, outreach store and walk-in center—not only for his own flock but for anyone in the communty who needed help.

One way he reached out to those alienated from church was to establish a drive-in church. I've spoken there.

He has been a leader in mental health related work. He founded a guidance center and mental hospital in Springfield, and has served as president of the Ohio Mental Health Association.

His many contributions have not been limited to the spiritual. While serving in the military, he designed a bearing which is still in use today in military aircraft.

Reverend Glaesner has been awarded the U.S. Congress' highest noncombat military honor, the Legion of Merit, and five George Washington Freedom Medals for the messages he has preached and for his work in promoting world peace. He has visited most of the Lutheran missions in the world.

Reverend Glaesner has changed many people's lives for the better during his 35 years of service in the ministry. He is an example for all of us.●

CELEBRATING THE 200TH ANNIVERSARY OF THE GERMAN SOCIETY OF THE CITY OF NEW YORK

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. ADDABBO. Mr. Speaker, today I am honored to call the attention of my colleagues to the 200th anniversary of the "German Society of the City of New York." Founded in 1784, this charitable organization has helped countless numbers of German-Americans lead better lives in our great country.

During periods of heavy immigration, this organization was the key support group for German-Americans. As the immigration of German-Americans has slowed, the energies and efforts of this society have continued to prevail. They have assumed new responsibilities in addition to their immigration and advisory service, they provide comprehensive social services. The German Society of the City of New York is concerned with student scholarships, medical aid, job placement services, and general financial assistance for young and old.

It is this great organization which can be credited with the founding of distinguished institutions in our city such as the Lenox Hill Hospital, the Legal Aid Society, the Central Savings Bank, and the Isabella Home. All these organizations have served New York City and made it a great home for all.

In these difficult times, support organizations such as the German Society of New York provide a mountain of strength. Not only are the old and infirmed assisted with housing services, the young and college-aged are enlightened with summer camps and educational scholarships. These outpourings enable the German Society of the city of New York to strengthen the ties between newer generations of Germans living in America and the proud generations of the past.

Mr. Speaker, I believe that America is a great country because our people are unselfish and reach out to each other. The German Society of the city of New York is proof that we are concerned for those individuals in need of social services. Their extensive support systems are a credit to the German heritage as well as to the American way of life.

On October 19, as members of the German Society of the city of New York gather at the New York Plaza Hotel to celebrate the 200th anniversary of this organization, I wish to pay tribute on behalf of the people of New York for the work they have done for our city. The German Society of the city of New York has its place not only in our city and State but in the United States and I am proud to join with them on this occasion.●

NEW CHALLENGES IN SOUTH FLORIDA TOURISM

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. LEHMAN of Florida. Mr. Speaker, in recent times, Miami has been going through a difficult transition in the tourist and convention industries which have been especially hard hit in south Florida.

While the expansion of tourism in central Florida—Disney World and Epcot—has been very competitive, other tourists have been in transit via Miami to vacation sports in the Caribbean. Nevertheless, Miami is most fortunate because we do have dynamic leadership that is meeting the new challenges in south Florida tourism.

One who has never lost faith in our community is my good friend, Donald E. Lefton, president of the Continental Co. His story and the story of his company was featured in the July 1984 issue of Hotel and Resort Industry, the national magazine for lodging buyers and management. The article by David M. Kleinman well illustrates Don's belief that our south Florida community can continue its expansion toward its long-held prominence in the tourism industry.

I would like to share with my colleagues the following excerpts from this article:

Recognition and respect are not easily won in the lodging industry. For many new companies, the bright promises of early success often fade over the years as competitors eat away at their early advantages.

However, it looks like The Continental Companies (TCC) are an exception to the fast start/slow growth marketing cycle in the lodging industry. This private, Miami-based hotel development company founded 14 years ago by two law partners, has put together a string of successes and now has $115 million in annual revenues and a portfolio of 29 diverse hotels with 5,500 rooms.

It has won recognition and respect for its demanding management style, thorough market research, attention to local market conditions, successful development of airport hotels and for building food and beverage operations into important profit centers.

Sherwood M. Weiser and Donald E. Lefton are the former law partners who founded Continental. Wieser became chairman of the board and Lefton became president and, from their description, they learned the hotel business by the "immersion method." Freely translated, that means "sink or swim."

However, hotel development was a natural outgrowth of their earlier interests. By 1967, Weiser and Lefton has already been practicing law in Cleveland for 12 years, and developing hotels in Eastern Ohio on a part-time basis. They had also played a key role in arranging the sales of several hotels to International Telephone & Telegraph. So, when the corporate giant was looking into the viability of acquiring the Sheraton hotel chain, it hired Weiser and Lefton to evaluate all of the 92 properties in the Sheraton system at the time.

Prior to the creation of Continental in 1970, its founders and chief executive officers had already been consultants to the hospitality industry, as well as investors in properties of their own. That was all the catalyst Weiser and Lefton needed to take the next step. As Lefton wryly puts it: "It's called 'instant expertise.'" Except that he's being modest because their expertise has been built up over the years to the point where TCC is not only one of the fastest growing and most diversified, but may also be one of the nation's most successful, hotel development and management firms.

Weiser and Lefton define luxury in five-star terms: original art works, not prints, to adorn rooms and public spaces; striking pieces of sculpture (a large, welded steel sculpture by Alexander Liberman, valued at almost $100,000 was commissioned for the entryway of the Grand Bay Hotel); genuine antiques, not limitations; greenery in the rooms; marble in the bathrooms; full recreational, entertainment, food and beverage amenities, and construction costs that, de-

pending on the area of the country, can exceed $150,000 per room.

NO DETAIL OVERLOOKED

The Grand Bay Hotel Coconut Grove, the first in the Cigahotel venture, belies any notion of skimping and further illustrates TCC's idea of luxury. At a cost of $30.5 million, its 200 guest rooms begin with 30 suites on the third floor of a 13 story, pyramid-shaped structure, decreasing in number by two with each successive floor as they ascend to the four penthouses that occupy the 12th and penultimate floor. Each of the guest rooms and spacious bi-level suites features terraces or balconies large enough for outdoor dining. The Grand Bay's terraces which front the suites are huge by hotel standards since the hotel's unique, pyramid-shape allows each terrace to sit atop the room below it. Amenities include a gourmet restaurant lounge, pool and health club, specialty shops, underground parking, concierge and chauffeur services, as well as the Grand Bay's rooftop nightclub which is attracting international attention as only the second Regine's in the U.S.

The design of the hotel is such that accommodations command striking views of Biscayne Bay and the Coconut Grove marina. Each of the penthouses affords a three-directional view. Utilizing the unusual angles of the site, Ramon Collado, project architect for Nichols & Associates, was able to provide dual entrances to the Grand Bay Hotel—one to the hotel proper and another for the convenience of those intending to dine at the Grand Cafe restaurant or dance at Regine's rooftop nightclub.

Since "quietness" is an indispensable part of hotel luxury, it is worth noting that soundproofing and the elimination of vibrations from the rooftop Regine's were achieved by building the 5,000 square-foot facility as a room within a room, containing it within the outer shell of the hotel's topmost floor. Even the windows work to this end: double panes of air-separated quarter-inch glass have been used.

As businessmen whose community involvement includes philanthropic and civic activities, both Weiser and Lefton understand the importance of precise, carefully tuned marketing within each local community as a means of promoting individual hotels. "But all the marketing in the world won't make a hotel successful if we can't produce with a quality product," Weiser states.

"We believe in doing a great deal in community relations," explain Weiser. "In most areas where we do business, we're heavily involved in community affairs. We spend a great deal on community charities, for example, partly because we believe that in most cases the best marketing tool is to market within our own geographical areas.

Continential's airport hotels have been distinguished performers. Each of these hotels is also noteworthy for its upscale dining offered to guests and local residents in the form of "Daphne's." Daphne's is also a success story that can be backed up by some impressive figures. According to a survey published by *Restaurant Hospitality* in 1982, Daphne's in Miami finished 18th among 500 of the nation's top grossing independent restaurants. The year earlier it finished seventeenth.

The Daphne's in Miami sports an upscale and lavish decor, superb cuisine, a price list that supports the fashionable ambience and decor, and a 14-piece band every evening.

In the lodging industry, the rewards for doing something well are as satisfying as ever. The Grand Bay Hotel has the room rates which reflect its style of luxury, but even so has run an occupancy rate in excess of 70 percent since opening late last year. The significance of that figure emerges in connection with the very competitive Florida markets where occupancies are generally lower and hoteliers engage in rate wars as a prime means of undermining the competition.

So it's no surprise that for Weiser the most exciting part of the hotel business is, as he puts it, "the creative end of it. To me, the most exciting part is starting with a good idea, committing the dollars and developing a product that's successful."

Weiser didn't have to add that this is precisely that sort of approach the Continental Companies has been taking for fourteen years. And as observers have been noting. ICC has the financial wherewithal, a proven track record both in development and operations and the ability to create new opportunities. It is from these areas of success that it has won the industry's respect.●

HOUSE CONCURRENT RESOLUTION 367

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. KOSTMAYER. Mr. Speaker, I rise to introduce House Concurrent Resolution 367, expressing the sense of Congress that the State legislatures should enact reforms which protect the legal rights of child victims of sexual abuse.

We have all been shocked and angered by recent reports of the tragic increases in child abuse in America. We are only beginning to understand how widespread the problem has become. The figures are staggering. National estimates indicate that at a minimum one out of eight girls is a victim of sexual abuse before her 18th birthday. The number of reported cases of abuse and neglect have increased by 123 percent since 1976. It is estimated that 1,500,000 children in this country are victims of abuse and neglect.

In 1983, the National Committee for Prevention of Child Abuse released a survey which showed that services to protect children failed to keep up with the rising numbers of victims of abuse. We have taken some constructive steps during the 98th Congress to bridge that gap, including the passage of the Child Abuse Amendments and of the DeConcini-Miller amendment to the continuing resolution. This amendment provides a timely response to recent allegations of child abuse in day care centers by appropriating $25 million to the States for child development and child abuse prevention contingent upon each State developing procedures for screening and conducting criminal history checks of child care providers.

One crucial area of the child abuse problem which we have yet to address is judcial reform. I believe that the Federal Government can and should do more to protect our children. But I also believe that the State legislatures have an important role to play in ensuring and protecting the legal rights of children. It is my hope that the passage of House Concurrent Resolution 367 would provide the basis for a cooperative effort between the Federal and State Governments.

In most States administrative and legal procedures are dictated by antiquated, insensitive statutes which only serve to compound the trauma experienced by the innocent victims. One would almost think that the purpose of these laws was to abet the child abuser in his efforts to blackmail the child into silence. Most child abusers will tell their victims that the child will be blamed if he or she reports the abuse. Once the child has overcome this fear and his or her family has made the difficult decision to take their case to the courts, all too often they find themselves publicly humiliated.

Of course, reforming court procedures in such delicate cases is a difficult undertaking. But it can be done, and it must be done. Several States have enacted innovative approaches to handling child sexual abuse cases, and others, including my own State of Pennsylvania, are considering such legislation.

Child abuse cases involving victims under the age of 4 are almost impossible to prosecute under current laws because the children are deemed too young to testify in court. In these cases, exceptions should be considered so that a parent, social worker, or child psychologist could testify about what the child victim told them.

Child victims who are old enough to testify should be granted the same protection provided for juvenile offenders. Children accused of crimes get special treatment from the courts such as courtrooms closed to the public while child victims are forced to relate the most degrading and embarrassing details of a frightening experience in a public courtroom under the eyes of the perpetrators. This humiliating experience could be avoided through the use of closed circuit television or videotaped depositions.

Justice and compassion demand that reforms like these be considered for courtrooms across the country. I believe that House Concurrent Resolution 367 is a good beginning. It will send a clear signal to the State legislatures that the Congress is committed to reform. The Senate has already passed Senate Concurrent Resolution 120, an identical bill introduced by Senator PAULA HAWKINS, a leader in the fight to protect our children. I

urge my colleagues in the House to join the Senate in this effort to protect the legal rights of child victims of sexual abuse.●

THREE AMERICANS RESCUE BOAT PEOPLE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. SOLARZ. Mr. Speaker, the plight of Vietnamese boat people is one of the greatest tragedies of the day. In search of freedom they take to the seas in small and fragile crafts and face the perils of ocean storms and the even worse threat of brutal and vicious attacks by pirates. In the first half of 1984 almost 50 percent of the refugee boats reaching Thailand were attacked, frequently more than once. And, countless other boats never even reach the shore. Clearly, the horrors inflicted upon these innocent refugees—murder, rape, abduction—are unacceptable to the civilized world.

The international community has a moral obligation to deter pirate attacks and assist the victims. One antipiracy program which has the potential to save hundreds of lives is for ships at sea to come to the aid of floundering refugee boats. The front page of today's New York Times carries the story of the humanitarian efforts of 3 Americans, whose boat came to the assistance of 86 refugees who may otherwise have perished at sea. The U.N. High Commissioner for Refugees presented the Nansen Medal, the highest honor for humanitarian efforts, on behalf of refugees to Capt. Lewis M. Hiller and two crewmembers, Jeffrey H. Kass and Gregg Turay. I commend these Americans and call upon my colleagues to join me in urging other ship captains to assist refugee boats in distrees.

The story follows:

DARING "BOAT PEOPLE" RESCUE BRINGS HONOR TO 3 AMERICANS

(By Henry Kamm)

GENEVA, Oct. 8.—Chua Quach was not present at an awards ceremony here today at which three American seaman were honored by Poul Hartling of Denmark, the United Nations High Commissioner for Refugees.

Yet no one knows better than Mr. Quach, a Vietnamese refugee who now works as a laborer in a furniture factory in Philadelphia, what happened on the night of Sept. 23, 1983, in the stormy sea off the north coast of Borneo.

That was when Capt. Lewis M. Hiller stopped his 94,000-ton tanker, the Rose City, and went to the aid of Mr. Quach and 85 other refugees who were adrift in a small boat. Neither Mr. Quach nor the other refugees were present at the award ceremony today.

Without the heroic assistance of the Americans, Mr. Quach says, he would have died that night, together with his son. So would the other Vietnamese "boat people" adrift with him in the South China sea—without food, with water only for the children and having burned most of their clothes in eight days and nights trying vainly to signal passing ships.

The award given to Captain Hiller and two crew members, Jeffrey H. Kass and Gregg Turay, was the Nansen Medal, the highest honor for humanitarian efforts on behalf of refugees. It was presented at the Palace of Nations here by Mr. Hartling on behalf of a special committee. The group, similar to the one that awards the Nobel Peace Prize, is made up of representatives of Norway and other governments and international organizations.

MANY BOATS ARE IGNORED

Since Vietnamese began fleeing their country in great numbers in 1975, accounts have multiplied of their small, often disabled, boats' ignored by merchant vessels whose masters are eager to avoid the often time consuming, and thus expensive, formalities of bringing the refugees to land.

Mr. Quach, said that "more than 10" ships had passed the refugee vessel, before the American tanker stopped. He recalled that crew members on one ship waved in greeting as the ship sailed out of sight of the refugee boat.

SWAM TO SAVE 2

Mr. Quach said in an interview from the United States that he was particularly grateful to Mr. Kass, 31 years old, a seaman from Seattle whose chief activity when he is not at sea is tending an organic garden on an island off Vancouver.

Mr. Kass swam through turbulent waters at night to rescue Mr. Quach, 43, and his 8-year-old son, who had clung to a lifesaver for two hours.

"He saved not only our lives but that of my wife, who remained behind in Vietnam," Mr. Quach said, his voice choking. "She would have committed suicide if our son had drowned."

Mr. Quach said that at the time of the rescue, there was no food and little water left on the rickety boat, heavily overloaded with 36 men, 20 women and 30 children. A 16-year-old drowned during the rescue operation.

"NEVER DONE MY DUTY"

When he decided to escape, Mr. Quach had just been released after seven and a half years in a "re-education" camp, to which he was confined for having been a lieutenant in the South Vietnamese Army. "I had never done my duty as a father to my son," he said, "so my wife and I decided we had to do this."

Mr. Quach and his son said they hoped Mrs. Quach would soon be able to leave Vietnam and join them.

When the lights of the Rose City beckoned in the distance, Mr. Quach said, he had abandoned hope for two days and was devoting all his time to consoling his son, "to spend my time on him before we die."

"I held my son to my bosom and waited for the time to die," said Mr. Quach, a graduate of Saigon University in linguistics who speaks fluent English.

He was chosen to be the first to try to climb aboard the Rose City, which had let down rope ladders. "I was supposed to lie," he said. "I was supposed to say we were 50, because we feared we would be refused if I said we were about 90."

He never told his lie, because his son slipped out of his embrace as he tried to climb the ladder and Mr. Quach jumped into the sea after him. "I didn't think," he said. "I knew I couldn't live without my son."

Fortunately, he had instructed the child before leaving Vietnam in how to to stay underwater. He had made his son immerse his head fully in a tub, successively lengthening the time the child held his breath. They reached one of the life rings Captain Hiller had ordered thrown toward the refugee boat.

From his reading, Mr. Quach recalled that lifesavers had signal lights attached. "When I found it and turned it on," he said, "I felt hope and told my son we would be rescued. But time passed and nobody came. The Rose City got smaller and smaller, and I came to lose hope.

"I told my son, 'I'm very sorry I haven't done my duty as a father.'

"He said 'Don't talk about this; say something cheerful.' But I made up my mind to throw away the lifesaver and to hold my son and die quickly together."

HELP ARRIVES

At about that time, Mr. Kass, who with others of the crew had descended into the refugee boat to use it to search for survivors and had been overcome by seasickness, spotted the father and son. He handed one end of a line to a shipmate and jumped into the choppy sea. Reaching father and son with great difficulty, he pulled the lifesaver and those holding onto it to the refugee boat.

Mr. Kass jumped into the sea a second time when Mr. Turay, 27 years old, carrying an unsecured line, swam out to rescue another survivor who was clinging to a lifesaver. All three men made it back through a heaving sea. Earlier, a human chain of seamen on the rope ladders had handed the young and old up to safety, timing their moves as the heavy waves raised the refugees boat partly up the 40-foot height difference between the vessels.

"FELT TOTALLY OBLIGED"

The principal message of the High Commissioner's speech was to plead with the maritime industry to obey the moral law of the sea that Captain Hiller said he followed without hesitation.

The moral law of the sea, which is not codified in any statute book, is to give help to those in need and has long been a tradition among seamen. But there is no stated policy per se that has been adopted toward the boat people.

"I am sad and disturbed about so many reports that ships are passing by refugees in trouble," said Captain Hiller, 55, of Lakehurst, N.J., in an interview. "I felt totally obliged to stop and offer any assistance I could."●

A CELEBRATION OF THE HUDSON VALLEY ENVIRONMENT

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. McHUGH. Mr. Speaker, in my own congressional district in upstate New York, we have long appreciated and valued our quality of life. Our community leaders, public and private, have worked together to preserve and strengthen the resources of our area

that contribute to a vital and growing economy and a rich and splendid environment.

Last October, a conference was held at Lake Mohonk in New Paltz, NY, and the Mohonk Consultations welcomed 35 cooperating organizations as participants in a celebration of the Hudson Valley environment. I would like to commend the Mohonk Consultations and its planning committee for their work in bringing together recognized experts in the fields of the environment and development to examine our past achievements and make recommendations to continue our joint efforts for the future to benefit nature and man.

I would like to call to my colleagues attention the following summary of the proceedings at the conference. It encompasses both the substantive concerns raised at the conference as well as the spirit of community that was reinforced at the celebration.

The summary follows:

PROCEEDINGS OF "A CELEBRATION OF THE HUDSON VALLEY ENVIRONMENT"

(For Mohonk Consultations and the Planning Committee; Keith Smiley, Chairman)

WHY A CELEBRATION OF THE ENVIRONMENT?

"Mohonk Consultations" and its Planning Committee concluded their debate on this question by agreeing that:

Unless we pause to recognize the progress which has been made during recent years, and thus create a positive image of the great potentials of the Hudson Valley, we will begin to be overwhelmed and dissipate the sort of faith in the future which stimulates further efforts,

The time was right to assess the advances that had been made in the decade since the United Nations Conference on the Human Environment in Stockholm, Sweden.

It was appropriate that our assessment encompass, first, the "little world" in which we live—the Hudson Valley; and

The public be given an opportunity to see the breadth of participation in the achievements that had been made—including those of private enterprise, citizen non-government organizations and governments.

It was important to make strong note of the problems yet remaining and likely to emerge in the future and the Conference Planners saw to it that this important matter was included in the "Celebration."

There was concern that a defeatist mood might cause us to overlook regional, state and national achievements as a result of exposure to the "new and catastrophic" environmental problems featured in the daily media.

An additional concern reflected a finding by the United States Advisory Commission on Intergovernmental Relations (ACIR). In a recent report, the ACIR stated: "The growing belief is that government is not performing well; that it is promising more than it can deliver. The failure to achieve overly ambitious goals obscures substantial progress being made." (The Federal Role in the Federal System: The Dynamics of Growth. A Crisis of Confidence and Competence. Advisory Commission on Intergovernmental Relations, A-77, July, 1980.)

With these thoughts in mind, the letter of invitation to the Conference said: Mohonk Consultations, Inc., a non-profit organization established in September, 1980 and headquartered at Mohonk, has been engaged in developing a program designed to assist in maintaining the Hudson Valley environment as a pleasant, livable and productive habitat for its citizens and to protect and enhance natural ecological communities. While the outlook and outreach of Mohonk Consultations is national and international, common sense dictated that an early task concurrent with other efforts address the "unique opportunity which exists for the people and institutions of this river basin." (From the Mohonk Consultations report on its Hudson River Program—October, 1980 to June, 1982—copies available from the Consultation office.)

This letter is an invitation to join together with us and with many neighboring organizations in a simple and uncomplicated one-day "Celebration of the Hudson Valley Environment" to be held on October 5, 1983 at the Mohonk Mountain House.

This conference is intended to convey a summary of the benefits that have been attained during roughly the past decade. While it is important that the public be alert to environmental problems needing solution, it is equally important to sustain public interest and support for needed action by establishing a sense of accomplishment—of motion toward solutions.

Therefore, the meeting has a twofold objective. First, it will provide an "uplift of spirit," so necessary to insure public confidence and support. Second, the program will note the needs of the future, attempt to identify the most important challenges calling for cooperative action in the region, and lay the groundwork for future consultations intended to coordinate more effectively the efforts of the many and varied groups which hae expressed interest in such a program of action.

Whatever successes have been achieved have resulted from the actions of the official public agencies, the non-governmental public interest organizations and the private sector, all driven by an awareness of the goals desired by the citizens of the nation, the state and the Hudson region. With this though in mind, the Celebration program has been designed to provide an unusual opportunity for many types of organizations concerned about the special qualities of the Hudson Valley area to "take a place up front" to present their interests and tell of their accomplishments.

Daily events involving problems and damaging happenings related to environmental concerns are well reported in the various media, as they should be. By way of contrast, we expect that our Celebration will build a confidence that, nonetheless, the Hudson Valley is on its way toward maintanining its reputation as a habitat beneficial to man and nature.

The Conference program focused upon five subjects. The first were concerned with assessments of progress of a regional nature:

Caring About the Land—Land/Air/Water. The record of significant actions taken and underway.

Toward Understanding the Ecosystem. Advances in the Hudson Valley in understanding and systematic integration of ecosystems.

Economic Forces in Support of the Environment. The identification of economic forces and actions in support of environmentsl gains.

Community in the Valley. Progress made toward developing a sense of community and the identification of the common values encouraging a unity of environmental goals.

The fifth subject was concerned with:

The Valley and the Nation. The relation of the Valley to the state and national scene; major challenges for the future.

WHY CELEBRATE TOGETHER?

Many of us need to be better informed about the positive programs of other organizations and individuals. We believe that each sharing will build a stronger basis for joint efforts and avoidance of duplication. This process must be helpful to those in the private sector, to non-governmental public interest organizations and to public agencies.

The Board of Managers of Mohonk Consultations and the Conference Planning Committee are confident that this process of sharing will help to creat a feeling of pride in the special values of the Hudson Basin on the part of its people. We look foreward to an era of less tension and conflict; and greater coordination and cooperation in our join concern to maintain the wilder community as a pleasant and livable "home". We hope that our Hudson Valley "Celebrations" will stimulate the orgainization of similar gatherings elsewhere in many regions of the nation.●

A RUNAWAY PENTAGON

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. VENTO. Mr. Speaker, this week agreement was reached on the fiscal year 1985 Department of Defense authorization and appropriation.

While several components of this bill can form the basis for a rational defense policy, I oppose the enactment of this legislation.

The DOD authorization conference report is inadequate in several respects. This report dilutes strong House action on several issues including the prohibition the introduction of U.S. troops in Central America and a ban on the deployment of nuclear-armed, sea-launched cruise missiles.

I also opposed this legislation because it, in effect, ratifies many aspects of Reagan's nuclear weapons buildup. This bill not does not create a policy from which we can reach a responsible arms control agreement. It is clear that we must put a stop to an arms race that is out of control and involves constructing weapons of questionable effectiveness.

Finally, this legislation does not control a Pentagon budget that is also out of control. It is clear that Congress must bring the Pentagon budget under control. The President and the Pentagon will not face the crucial decisions in developing a rational defense budget. This point was brought home today with the news reports of a Pentagon media blitz.

Mr. Speaker, there are basic flaws in the Pentagon decisionmaking process.

The Pentagon's priorities are out of kilter: Wish lists become requirements; untested sophisticated technology supersedes proven equipment and sound strategy; gold plating is the norm; and exhorbitant costs are condoned. The failure of the administration and the Pentagon to address these practices threaten our defense capabilities and encourage continued abuses in Pentagon spending.

This failure of sound public policy must be rectified by Congress. We cannot continue to pour unlimited, uncontrolled funds into inefficient programs. We have made progress in reforming defense spending, but even these modest reforms have been opposed by the Pentagon.

Mr. Speaker, the defense agenda for the 99th Congress is clear. We must develop a rational policy designed to eliminate excessive spending and to move for an end to the ever-growing nuclear arms race.

At this time, I would like to bring to my colleagues' attention a New York Times column on Pentagon spending. This column, by a staff officer in the Office of the Secretary of Defense, highlights the current problems in the determination of the runaway Pentagon budget.

[From the New York Times, Oct. 3, 1984]

A RUNAWAY PENTAGON

(By David Evans)

WASHINGTON.—At a recent internal Pentagon briefing concerning the fiscal year 1986 defense budget, the Air Force speaker raised irony to a new level. A tentative budget of "only" $109 billion, he said, placed "severe fiscal constraints" on the Air Force. This conviction, shared equally by the Army and Navy, is as unconvincing as the kid who laps down a three-scoop ice cream cone and says he's "still hungry." But the remark is revealing. Despite the biggest sustained budget growth since the World War II mobilization, the Pentagon still regards a shortage of money as the main obstacle to a full renaissance of American military power.

The perception of a cash shortage is driven, first, by an out-of-control requirements process. One immutable law of Pentagon force planning is that the Joint Chiefs of Staff will generate requirements greater than the existing force, irrespective of the strategy in vogue at the time. It is the inevitable result of a cycle that a former officer calls "incestuous amplification."

It begins with the services each going through an elaborate itemization of the number of ships, planes and divisions they want. These listings are stapled together to produce the whole. Real trade-offs—say, giving up a wing of Air Force F-15 fighters for an extra Army division—do not intrude on this stylized ritual. The process is additive, and the result is an inflated "requirements menu" with a five-year cost of about a trillion dollars more than the existing force. Naturally, any peacetime defense budget compared to this target appears woefully inadequate.

The perception of a cash shortage stems also from the seductive notion that we can fight a "sanitary" war using complex (and costly) weapons—sophisticated target-acquisition devices, computers, long-range missiles, etc.—that will whittle down a numerically superior foe before he can use his own arms. The unstated premise is that the side doing the whittling will suffer minimal losses.

From this optimistic vision of conventional conflict the "force multiplier" idea orginates: a single fighter equipped to shoot down five MIG's at long range is really the equivalent of more than one plane. There are two assumptions: first, the enemy will accommodate us by charging blindly into the teeth of this technology; second, he will continue to do so in the face of unacceptable losses. In short, a predictable foe destroyed by arms that always work perfectly.

This video-game vision would be fine where it not for a few real-world problems. Not only are these expensive and difficult-to-maintain systems vulnerable to saturation attacks, they can be thwarted in cheap and unpredictable ways, as Iran is doing by using simple radar reflectors to lure Iraqi Exocet missiles away from their intended targets, the oil tankers at Kharg Island.

It is also doubtful that our heavy investment in this "beyond visual range" technology will be used in a shooting war, where the rules of engagement dictate positive identification of the target before shooting. This means that the pilot must make sure the blip on his radar screen is an enemy plane, not a buddy. But combat at such close quarters does not require complex technology: short-range missiles and cannons are brutally effective. More importantly, aircraft stripped of all the electronic "black boxes" and heavy long-range missiles are much more agile. Greater effectiveness does not necessarily come at greater cost.

The net result is the creation of a selffulfilling prophecy. Long-range capability is touted as essential to prevail against a numerically superior foe; this drives up each weapon's cost, which reduces the number that can be bought. The inevitable numerical shortfall is then served up to justify spending additional sums. This is why, after an increased in the defense budget of more than $100 billion in the past four years, the claim is still made that Moscow is "outproducing" us.

The budgetary arguments are clouded still further by the "should cost" dilemma. Billion dollar warships and $50 million fighters may no longer raise eyebrows among inside budgeteers, but do these huge sums reflect what these weapons should cost? The unappreciated answer from A. Ernest Fitzgerald, a cost analyst for the Secretary of the Air Force, is that the Pentagon is generally getting taken to the cleaners by contractors charging anywhere from two to 10 times what would be expected in the private sector. The brouhaha over the $400 claw hammer is symptomatic of how major items like bomers and cruisers themselves are priced.

Closely related to the "should cost" phenomenon is the habit of underestimating initial production costs and assuming that they will decline as experience is gained on the production line. Actual experience dictates otherwise. Costs are generally underestimated and tend to increase over the life of the production cycle.

While these costing assumptions are at odds with reality, they are bureaucratically useful for getting programs started. The system in effect rewards underbid proposals for new weapon systems. The result? A vicious cycle of rising costs, declining production rates and fewer weapons, all of which combine to produce tremendous pressure for increase defense spending.

Speaking for myself, I think that exaggerated force requirements, inappropriate technology and high costs are symptomatic of a runaway system. A 45 percent real increase in defense spending over the past four years has been necessary just to keep the force from shrinking. The former Army Chief of Staff, Gen. Edward C. Meyer, was on target when he said: "Either we are going to spend ourselves into extinction, or we have to come up with alternative strategies and new ways to allocate resources."●

THE CHARLES B. "TEX" THORNTON FALCON FOUNDATION SCHOLARSHIP

HON. KEN KRAMER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. KRAMER. Mr. Speaker, that magnificent service school, the U.S. Air Force Academy, is a crown jewel of my Fifth District. It's where the carefully selected young people of our country are schooled in leadership, and acquire the dedication for an Air Force career in uniform—and where today's classes will not only have to deal with the world, but security upgrading in the edges of the universe itself. The classes now there will be calling the turn on aerospace military matters into the year A.D. 2000 and beyond.

On October 5, 1984, the Falcon Foundation, which gives prep school assistance to aspirants for appointment to the Air Force Academy, ceremonially inaugurated the 50th of such available awards. It was named for the late Charles B. "Tex" Thornton, who died in November 1981, and his portrait was placed in the Fairchild Hall of Great Airmen along with all the 49 other illustrious leaders, strategists, scientists, and aeronautical engineers. Thornton was the founder of giant Litton Industries, built it into a respected international concern, and placed its data systems plant in Colorado Springs. He also gave a 3,200-acre spread of land in the San Luis Valley for establishment of the Triple L Youth Ranch, a haven for court-awarded child abuse victims. And one of the people in the audience the night of the scholarship announcement was George Foreman, the ex-heavyweight champion, who was also a protege of the same Tex Thornton who pried him out of the ghetto and counseled him into a future.

The Falcon Foundation has helped more than 1,000 otherwise inadequately prepared young people in community schools through the educational requirements to pass entrance exams and to graduation and commissions to serve their country. More than 150 were in the audience that night. Thornton was the one who started the custom of naming the schloarships for

leaders, and he did two of the most coveted ones—for Gen. Carl A. Spaatz, the first USAF Chief of Staff, and Lt. Gen. Ira Eaker—as he wanted winners to be part of the heritages of such highly placed figures. The Falcon Foundation, established in 1958, was given an endowment grant from the foundation of the Litton Industries, to make sure this would go on every year forever.

I would like my colleagues to see how the current president of Litton, Dr. Orion Hoch, made the presentation, and following that the text in the folder that every winner will get to study the reaons why that Thornton name is on the award he or she gets.

The presentation and biography follow:

FALCON FOUNDATION PRESENTATION, U.S. AIR FORCE ACADEMY, OCTOBER 5, 1984

Secretary Orr, General Gabriel, General Scott, Distinguished Guests, ladies and gentleman: My first encounter with Tex Thornton, who is being honored here tonight, was in an environment somewhat like this—an educational one. He had always placed a great value on education especially after doing some of his university degree work in night school. The place was Hughes Aircraft, about 30 years ago, and his audience was composed of about 100 new college graduates. Hughes had recruited these graduates to accept a scholarship whereby we worked half-time and also studied for masters degrees in physics or engineering. Many of us were from eastern schools and to the horror of many of our professors, we had turned down fellowships to places like Harvard, Princeton or MIT for the chance to live on the frontiers of electronics. We bought the ptich, the pay was good and we never regretted it.

Tex, who was managing Hughes at the time, along with Si Ramo and Dean Woolridge (the R&W of TRW), took time out of their busy schedules to give these green engineers lectures and tutorials on business, government, leadership and their vision of the electronics revolution. Tex felt that the future was going to belong to those who understood these new technologies. He believed the electronics revolution at our doorstep would be as pervasive and important as the earlier industrial revolution had been. He was gambling on us just as America gambles on this institution and its leadership product.

I know we were all impressed that he thought we were up to the roles which he envisioned for us to perform. He was the focus of attention that day, and to me, as long as he lived, he was a significant presence. Tex always had the time and interest to teach and develop leadership. The group of illustrious "Whiz Kids" he took to Ford at the end of World War II. The long list of Hughes and Litton graduates who have created new businesses or now run major enterprises attest to the fact. I know that I learned more about business and leadership from Tex Thornton, than any other person I encountered in my academic or business career. We used to say that for every three years that you were associated with Tex Thornton, you gained six years of experience. This Col. Charles B. "Tex" Thornton Falcon Foundation Scholarship we inaugurate tonight, will carry with it to everyone who wins it, a responsibility, a responsibility to rise to all the implications bound up in that word—leadership.

Tex also had a lifelong, love affair with the U.S. Air Force. It started in his twenties when he was asked to come up with a method by which the Air Force could determine how much it was, where it was, and its state of readiness. He brought into being the Office of Statistical Control and ultimately it managed about one-sixth of the manpower, material, munitions, and the money expended by this country during World War II.

Indeed, his tracks are all over this military reservation.

He served on various commissions. He was on your board of visitors. When the Falcon Foundation was getting under way he was the one who named a scholarship for the very first Air Force Chief of Staff, General Carl A. "Tooey" Spaatz. He set up another one for another leader he respected greatly, Lt. Gen. Ira Eaker. This started the custom of putting names of significant contributors to air power on all the Falcon Foundation Scholarships and in turn led to your hall of great airmen. It was to keep leadership alive not just commit it to dull history books and statistics but to make perpetual examples, living influences. That's why it's such a special pleasure to all of us at Litton Industries, the company he founded that his name will go on the fiftieth Falcon Foundation Scholarship here tonight.

I'm going to ask Mrs. Thornton to join me as we unveil the portrait which will be hung in your Air Force Academy Hall of Great Airmen.

BIOGRAPHY OF CHARLES B. THORNTON

The life of Charles B. (Tex) Thornton is an unusual and unique story of many years of far-reaching contributions to both military and industrial activities of the United States. At age 28 he joined the pre-Pearl Harbor Army Air Corps as a Second Lieutenant. A series of rapid promotions elevated him to one of the youngest colonels. In industry, his record is one of rapid development of a large corporation, invention and development of new products and technical systems, and outstanding corporate management. For 28 years Tex Thornton served as Chairman of the Board and Chief Executive Officer of Litton Industries which he founded and guided into one of the country's largest, most innovative and productive corporations. Litton's annual sales reached $5 billion with earnings in excess of $300 million.

Tex was born in 1913 in Haskell, Texas. At age 14, with the help of his mother, he had acquired 40 acres of land and his checks were honored in every store in town. He entered Texas Tech University starting in engineering and switching to business administration. He finished his college education at George Washington University and received a Bachelor of Science degree.

The Honorable Robert Lovett, Assistant Secretary of War for Air, brought Tex into the Air Force as a lieutenant and gave him the job of putting the Army's Air arm on a businesslike basis. Tex organized the Air Force's first statistical control organization which, through the years, has contributed a great deal to the operation and management of the Air Force. A part of this organization was nine men who became expert in Thornton's concept of statistical control. After WWII, he persuaded them to team-up in a package with Thornton as leader with the objective of applying their knowledge in the business world. Knowing that the Ford Motor Company was losing money, Thornton wrote to Henry Ford II offering the services of his team to bring the company under better fiscal control. Mr. Ford agreed and employed Tex and the team. They did a remarkably good job for Ford. Among the ten were two future presidents of the Ford Motor Company—Robert S. McNamara and Arjay Miller—plus four divisional general managers.

In 1948, after two years with Ford, Thornton signed on with Howard Hughes as general manager of Hughes Aircraft Company in Culver City, California. In five years, he built Hughes Aircraft from annual sales of $1.5 million to $200 million and enabled it to become a leader in missile work.

In 1953 Tex left Hughes with a plan to form his own company. He went to Lehman Brothers of New York City, a Wall Street investment house, seeking financial assistance for his business plan. With Lehman's help, he started by buying a small microwave tube company bearing the name of its owner, Charles V. Litton. "I told Lehman," he said, "that I wanted to start a company that would be strong in future science and technology and well balanced with engineering, production and sales." In three years, under Thornton's management, Litton Industries reached annual sales in excess of $100 million with strong earnings. Tex was its Board Chairman and Chief Executive Officer for 28 years.

Litton Industries made numerous and valuable contributions to the Country's defense system. Two of these, the "Moon Suit" and the LN-3 inertial navigation system, are now on exhibition in the Air Force Museum. When President Johnson established the Job Corps to teach skills to high school dropouts, Litton Industries was first to respond with a Job Corps Center near Oakland, California. In four years, 14,000 young people from every state went through the training course.

Tex Thornton has many military and civilian awards, decorations and special honors including the Distinguished Service Medal. He held four Honorary Degrees from several universities.

In 1981, President Reagan, in presenting him the Presidential Medal of Freedom, stated: "Tex Thornton has earned the esteem of all Americans who value patriotism, enterprise and compassion as cornerstones of our nation's greatness."

This great American, a man with a distinguished history of achievement in both defense and industry passed away in 1981 at the age of 68. He is survived by his wife, Flora Laney Thornton, and two sons, Charles and William.

The Falcon Foundation is indeed pleased to participate in this annual scholarship which has been established in perpetuity. This scholarship in Mr. Thornton's honor is designed to help young people gain entrance to the Air Force Academy.●

CONFERENCE REPORT ON H.R. 2867, THE HAZARDOUS AND SOLID WASTE AMENDMENTS OF 1984

HON. W.J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. TAUZIN. Mr. Speaker, as one of the House conferees on H.R. 2867, the

Hazardous and Solid Waste Amendment of 1984, I feel constrained to correct an erroneous impression inadvertently created by section 102 of the conference report, which was hastily considered and approved by both the House and Senate late last week.

During the conference on this legislation, the conferees agreed to delete section 10(a) of H.R. 2867, as passed by the House last year under the heading "Reuse, Recycling and Reclamation." That provision vaguely instructed the Administrator of the Environmental Protection Agency to regulate the use, reuse, recycling, and reclamation of materials recovered from the solid waste stream.

Mr. DOWDY of Mississippi and I agreed with the Senate conferees that section 10(a) should be dropped. The conference report dealing with section 102 of the legislation now states that our agreement was reached because, allegedly, EPA already has authority to regulate activities involving the recycling and reclamation of materials recovered from solid waste and, thus, further legislation is unnecessary.

The conference report is plainly incorrect in this regard. To my knowledge, EPA has no authority under existing Federal solid waste legislation to regulate the recycling or reclamation of metals, paper, textiles, or rubber that have been recovered and removed from the solid waste stream for reuse as valuable raw materials. In fact, even the section deleted by the conferees from H.R. 2867—section 10(a)—recognized that fact by specifically providing:

> Regulation implementing this provision shall not contain a definition of solid waste that makes such regulations apply, directly or by implication, to nonhazardous wastes being recycled (such as nonhazardous metals, paper, textiles, or rubber used or reused for beneficial reclamation).

In truth and in fact, therefore, the reasons Mr. DOWDY and I joined the Senate conferees in the deletion of section 10(a) of the House bill were as follows:

First, no hearings were held on this particular proposal in either the House or Senate.

Second, there was no similar provision in the Senate version of the legislation.

Third, no evidence was presented by EPA or anyone else why regulation of actual recycling and reclamation activities is necessary at this time.

Fourth, metals recycled from solid waste must compete economically with virgin metals produced from mining, and since 1976, mining wastes have been exempt from EPA regulation by section 8002(f) of RCRA. Thus, regulation of metal recycling activities at this time would be discriminatory and economically damaging to solid waste recycling, which presently is one of the most economically sound and efficient means for dealing with solid waste and hazardous waste.

Fifth, finally, section 10(a) was at odds with sections 2 and 501 of H.R. 2867 which mandate that the Federal Government expend substantial appropriated funds and change its entire procurement system to maximize recyling of materials from solid waste.

In sum and substance, therefore, the conferees decided that regulation of solid waste recycling activities should be withheld, at least with regard to metals, paper, textiles, and rubber recovered or diverted from solid waste, until the facts are presented to Congress and steps are taken to equalize the regulatory impact on recyclers and those with whom they compete in day-to-day industrial operations.●

MISSING AND EXPLOITED CHILDREN

HON. JOHN McCAIN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. McCAIN. Mr. Speaker, only recently have Americans become aware of the tragic problem of missing and exploited children. Every year 50,000 children disappear and remain missing at the end of the year. Every year 1.8 million children are missing for some length of time.

Thanks to the exemplary efforts of many individuals such as Senator PAULA HAWKINS and John Walsh, the tide is beginning to turn in the fight to make our children safer. Today, I would like to take note of the outstanding achievements of Deborah Pyburn, an anchorwoman at KTSP-TV in Phoenix, AZ, whose crusade to focus attention on the tragedy of missing children has met with resounding success.

Deborah first became involved with this cause in April of this year. She traveled extensively, searching out organizations and police departments with proven records in locating missing children. Bringing this information back to Phoenix, Deborah began to enlighten her viewers to the extent of the problem and its often tragic consequences.

Her efforts have made Deborah's station, KTSP, a model for news stations throughout the country. Every evening Deborah focuses reports on two missing children and publicizes the toll-free number viewers may call if they have information on a missing child. Called Missing Child Watch, Deborah also uses this segment of the news to inform parents about upcoming child safety programs.

Largely as a result of KTSP's campaign there have not only been joyful reunions of parents and their missing children, but just as importantly the community has become united in its resolve to combat the problem of missing children. Few would disagree that Deborah Pyburn was the catalyst and is now the driving force behind the crusade to make Metropolitan Phoenix and beyond one of the safest areas for children.

As she carries out all her reports and interviews, Deborah quickly makes one aware that this is much more than just an assignment to her. The concern for others that characterizes her work makes it clear that she is a true and successful champion of the rights and safety of our children.

Very often those of us in public office criticize members of the media for their adversarial journalism and negative viewpoints. Deborah Pyburn has proven that it is possible to be not only an excellent journalist but also a loving and caring person. On behalf of all the children and parents in the Phoenix area, I would like to express our gratitude for her dedicated efforts.●

LEGISLATION TO PREVENT ELECTION PROJECTIONS BASED ON EXIT POLLS

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. BEILENSON. Mr. Speaker, I am introducing a bill today to restrict the use of exit polls to make projections of the outcome of elections before the polls have closed.

Congress has already made clear its belief that early projections of election results are a dangerous infringement on the fairness and legitimacy of the Democratic process: we have already formally recorded the sense of Congress that projections based on exit polls should be withheld until voting is complete. But the television industry is ignoring the public interest; it is intent instead on the race to be first to project the winners in elections. Congress, therefore, is going to have to prevent the premature use of exit poll results by law.

Mr. Speaker, last June 26, by a bipartisan vote of 352 to 65 we overwhelmingly passed House Concurrent Resolution 321, pointing out that early election projections undermine democracy, and asking the broadcasting industry to voluntarily refrain from projecting elections until the voting is complete. The Senate also passed the resolution by a wide margin. However, broadcasters have made it clear, by their actions during this spring's primary elections and by their testimony before congressional committees, that they intend to continue the practice.

This fall's elections will show us whether the television networks are

going to change their election-day practices in response to the urging of Congress and the overwhelming desire of the American public. Frankly, Mr. Speaker, I am not optimistic, so I have prepared legislation which I shall reintroduce next year if we see a rerun, this November, of early projections by the network broadcasters.

I understand that some may feel that any restraint on broadcasters is an infringement on the First Amendment right to freedom of the press. While I do not believe that requiring the press to withhold information for a few hours, where it directly affects the electoral process, would be unconstitutional, I have framed my proposal in a way that directly addresses the problem of harmful interference with the electoral process.

Under this proposal, exit polling within 1,000 feet of a voting place would be a criminal offense if done with the intent to reveal the results prematurely—that is, before the polls have closed for the office in question. In an election for the Senate, for example, all polls in the State would have to have closed before the results obtained by exit polling could be disclosed. And in a Presidential election, all polls nationwide would have to be closed before the result could be announced.

Mr. Speaker, I realize that this proposal only deals with one source of early election projections. A single national poll closing time would also be an important improvement to the electoral process if we wish to prevent the use of the officially tabulated results in key precincts for projecting the winner of a national election, and that issue will have to be addressed along with the problem of exist polling. Meanwhile I want to make it clear that this legislation will be reintroduced to deal specifically with the exit polling problem if it continues this November.

Mr. Speaker, a great deal of testimony has been taken on the problem of early projections and their effect on elections, and I am not going to recite it all again here. I do want to repeat the essential point, which is that early projections fundamentally undermine the electoral process by making people believe that their vote has no effect or importance to the election. This can cause people to refrain from voting entirely, which may have a vital, decisive impact on the outcome of other races, particularly close ones, at issue in the same election.

Of course Members of Congress from the west coast are particularly concerned about the problem, because election projections on the 6:30 p.m. news on the east coast will become known to voters on the west coast more than 4 hours before their polls close, discouraging many thousands of voters from taking the time to vote. There is clear and strong evidence that this has happened in the last two national elections, in 1980 and 1982.

But, Mr. Speaker, the problem also affects the east coast and everywhere else as well. In a State where the polls close at 8 p.m., a 6:30 p.m. projection based on exit polling can affect the remaining voting within that same State.

Mr. Speaker, I want to emphasize the fundamental point about early election projections—that they undermine the electoral process by making some voters feel that their votes do not count. We cannot permit this to continue, and I propose this legislation as part of our search for a reasonable solution.

The networks can easily avoid the need for this legislation by practicing some self-restraint, and I earnestly hope they will do so. If not, Mr. Speaker, I shall urge my colleagues to join me in support of this bill next year.●

DATA DISCLOSURE UNDER S. 1538, THE DRUG PRICE COMPETITION AND PATENT TERM RESTORATION ACT OF 1984

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. WAXMAN. Mr. Speaker, section 104 of the recently passed Drug Price Competition and Patent Term Restoration Act, S. 1538, requires the Food and Drug Administration to release safety and effectiveness data in several circumstances, such as when a drug is eligible for an ANDA, unless there are extraordinary circumstances which warrant its withholding. As discussed in the House committee reports (Rept. 98-857, parts I and II) and as I explained prior to passage of the bill in the House (CONGRESSIONAL RECORD, Sept. 6, 1984, 24425), this provision is intended to codify the Food and Drug Administration's current regulation pertaining to this type of data. (21 C.F.R. 314.14(f).) The term "extraordinary circumstances" is discussed in the preamble to the regulation. (39 Fed. Reg. 44602, 44633, 44637-8 (Dec. 24, 1974).)

When S. 1538 passed the Senate on September 12, 1984, Senator HATCH made a statement about section 104 and inserted in the CONGRESSIONAL RECORD (Sept. 12, 1984, 24977-78) a letter he received from the Food and Drug Administration (FDA) outlining its interpretation of the section. Because the Senator's statement and the FDA letter contradict the explicit language of section 104 and my understanding of FDA's current policy, I must clarify the intent of the section.

The text of S. 1538 initially passed the Senate as S. 2926. In its introduced version, S. 2926 provided that "extraordinary circumstances" exist when safety and effectiveness data are found to be "trade secret or confidential commercial or financial information." This description of extraordinary circumstances was deleted from S. 2926 when it passed the Senate and it is not contained in S. 1538.

In Senator HATCH's statement when the Senate passed S. 1538, he said that "extraordinary circumstances are present, for example, when the information is trade secret or confidential commercial or financial information." In other words, he claims that the bill as enacted should be read as if it contains the language which had been deleted from the original bill. He argues for this reading by asserting that the Congress intended for the term "extraordinary circumstances" to be coextensive with the exemption in the Freedom of Information Act (FOIA) (5 U.S.C. 552(b)(4)) for "trade secrets and commercial or financial information obtained from a person and privileged or confidential."

As the principal House sponsor of this legislation, I negotiated to have the deleted language struck from the bill. Section 104 was not intended to be a blanket reference to the FOIA. Section 104 creates a strong presumption that the data covered by the section will be available to the public. It recognizes that in some unusual cases, where there are extraordinary circumstances, the FDA should be able to withhold the data. For example, when a company can show FDA that the data qualifies as a trade secret, as defined in *Public Citizen Health Research Group* v. *FDA*, 704 F.2d 1280, 1288 (D.C. Cir. 1983), then FDA can withhold it. However, since FDA would have the authority to withhold data under exemption 4 of the FOIA in the absence of section 104, the term "extraordinary" cannot and should not be read as meaning exemption 4 of the FOIA. Therefore, a company could not prevent disclosure by a simple claim or demonstration that the data were confidential, commercial information or that the data have possible commercial competitive value.

In the Food and Drug Administration's letter to Senator HATCH, the agency said that its general counsel interpreted the term "extraordinary circumstances" to include confidential commercial information, and that this view is reflected in a pending proposal to revise FDA's new drug approval regulations. The agency also claims for the first time that its proposed practice is its current practice, but there is no support for this statement of which I am aware. Thus, section 104 was intended to codify the agency's current practice as we understood it and as I

described it in the above paragraph, not as the FDA described it in its letter.

Another issue which has arisen in connection with section 104 is whether information which would support the application of a competitor for approval before a foreign regulatory agency qualifies under the extraordinary circumstances exception. In commenting on the FDA's proposed regulation, several commenters addressed this same point and argued that such data were trade secrets and should be withheld. The FDA reviewed those arguments and in the preamble to the regulations said "none of the comments submitted demonstrated any likelihood that the full reports of such information, as contrasted with summaries, are required under foreign law in order to justify marketing abroad." The Commissioner concluded that "any such possibility of competitive advantage is too conjectural and remote to justify invoking the trade secrets exemption of the Freedom of Information Act." However, the FDA said that extraordinary circumstances might justify denying disclosure if a "specific instance arise[s] in which a competitive advantage can be demonstrated in concrete terms." Section 104 of the bill adopts this same approach.●

CLARIFYING THE RAKER ACT

HON. ED ZSCHAU

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. ZSCHAU. Mr. Speaker, on September 12 this body passed the historic California Wilderness Act, the culmination of 20 years of studies, negotiations and debates. The designation of the Tuolumne River as part of the National Wild and Scenic Rivers System will preserve the great scenic and recreational qualities of one of California's outstanding natural resources. I am proud to have been able to play a role in this achievement.

I would like to take this opportunity to reiterate the historic and continuing importance of the Tuolumne as an indispensable source of water supply for San Francisco and the surrounding bay area communities. Since the passage of the Raker Act authorizing construction of a water conveyance and supply system, the Tuolumne has evolved as the principal source of domestic water supply for over 2 million residents in the San Francisco Bay area. The purpose and long range vision of the Raker Act was to ensure that the water needs of these growing communities would be met by the Hetch Hetchy system throughout this century and beyond.

To that end, section 201 of H.R. 1437 contained a provision making clear that it is not intended to alter in any way the rights, privileges and obligations of the Raker Act's grantees. In this connection I am including in the RECORD a letter from the attorneys for the Bay Area Water Users Association, which is composed of the cities and water districts in the bay area which obtain water from San Francisco. The letter addresses the history of the Raker Act and concludes that further construction of the Hetch Hetchy water supply system, consistent with the scope and purpose of the Raker Act, does not require additional legislation. Instead, they conclude, such development will require the approval of the appropriate Federal official specified in the act itself—the Secretary of the Interior or the Secretary of Agriculture.

The Tuolumne River supplies the water that is vital to the lives of existing and future generations of bay area residents. As so wisely envisioned by Congress in passing the Raker Act, it is essential to safeguard the Tuolumne's water supply potential so that it may meet the water supply demands of these communities now and in the future. Used properly, the Tuolumne will meet the many needs—drinking water, electricity, and recreation—of the people of California. The passage of the California Wilderness Act is truly a victory for all the people of California.

HANSON, BRIDGETT, MARCUS,
VLAHOS & STROMBERG,
San Francisco, CA, October 3, 1984.

Re H.R. 1437.

Hon. ED ZSCHAU,
House of Representatives, House Office Building, Washington, DC.

DEAR CONGRESSMAN ZSCHAU: We are the attorneys for the Bay Area Water Users Association (BAWUA), whose membership includes the 28 cities and water districts in the San Francisco Bay Area which purchase water from the San Francisco Water Department. (A complete list of member agencies is attached).

Most of these communities obtain the majority of their water supply from San Francisco; many are entirely dependent on San Francisco for their domestic water supply. Since nearly 80 percent of the water furnished by San Francisco to its suburban purchasers originates in the Hetch Hetchy system on the Tuolumne River, BAWUA members were understandably concerned about the possible impact which designating the Tuolumne as a wild and scenic river might have.

During the course of the Senate's consideration of Wild and Scenic River status for the Tuolumne, BAWUA emphasized the importance of preserving the ability of the Bay Area communities to continue to rely on the Tuolumne as their municipal water supply. We were therefore pleased that, as amended in the Senate, H.R. 1437 incorporated language making clear that the designation of portions of the river as wild and scenic ". . . is not intended or shall be construed to affect any rights, obligations, privileges or benefits granted under any prior authority of law, including Chapter 4 of the Act of December 19, 1913, commonly referred to as the Raker Act (38 Stat. 242)."

This language, which was also adopted by the House, seemed to us to recognize the central role which the Tuolumne River plays in meeting the water needs of the Bay Area and to reflect a Congressional intent that rights derived from the 1913 Raker Act remain unaffected by the recent legislation.

Our clients have learned that material has been included in the CONGRESSIONAL RECORD which seems to interpret the Raker Act as requiring Congressional approval for additional construction of water delivery facilities on the lands originally granted by Congress in 1913. Because of the importance of the Raker Act to the Bay Area's water supply, we have been requested to submit to you further information clarifying the Raker Act on this point.

The material which appears in the September 12, 1984 CONGRESSIONAL RECORD consists of a memorandum dated December 13, 1983 from the American Law Division of the Congressional Research Service. The memorandum is specifically addressed to the question of whether further Congressional approval would be required in order to increase the height of O'Shaughnessy Dam. Our clients have taken no position on the necessity or desirability of that particular project. However, some of the analysis contained in the memorandum could be extended to other projects of direct and immediate benefit to suburdan communities and, if so applied, could disrupt the orderly operation and extension of the water supply system.

The basic premise of the memorandum is that "the 1913 Act appears to have intended the [Hetch Hetchy] project to be constructed and completed shortly after authorization." The conclusion drawn from that premise is that new construction undertaken now or in the future is beyond the "scope and purpose" of the Act simply by virtue of the passage of time.

We respectfully submit that the premise is incorrect and the conclusion, therefore, wrong.

First, there is no express provision in the Act itself which either requires Congressional approval for construction of facilities nor requires particular facilities to be completed by a specific date. Second, the premise of the memorandum conflicts with the basic purpose of the Act.

The fundamental purpose of the Raker Act was to provide a water supply for San Francisco and surrounding communities which would meet their needs for water into the 21th Century. The Ninth Circuit Court of Appeals summarized the background and purpose of the Act in *City of Palo Alto* v. *City and County of San Francisco* (9th Cir. 1977) 548 F.2d 1374.

"The Raker Act was passed in the aftermath of the great San Francisco earthquake and fire to grant access to the water and hydroelectric resources of the Hetch Hetchy Valley in Yosemite National Park. . . . Instrumental in the defeat of the environmental viewpoint was the demonstrated need for a cheap and abundant supply of water to accommodate the growing power and water demands of the Bay Area. The legislative debates are replete with discussion of the projected population growth of the Bay Cities as well as of San Francisco proper and the demand for water which such growth would entail."

Illustrative of the long-term and regional focus of the 63rd Congress, to which the Court refers, is the following excerpt from the House Report:

"In one important respect the situation in California requires special consideration. . . . In a relatively few years practically all available water will doubtless be appropriated for one or the other use, and it will then be possible to obtain it for municipal use only at great cost and damage to existing communities and industries. It is therefore necessary to-day for the cities of California to look further ahead than in most other parts of the Country and to take such steps that in the future when they may need the water they shall have the right to take it. For this reason, it is believed that in making provision for the future supply of San Francisco and other Bay cities, a source should be selected, if possible, that is capable of supplying the needs of the communities for the balance of this century."[1]

Similarly, the remarks of Congressman French, a member of the Committee, emphasized that the water supply system should be capable of supplying the combined needs of San Francisco and Bay cities through the end of the century.

"We can not look, however, to the immediate population of the city of San Francisco and to the population of the other bay cities and counties and upon the basis of their present population determine the question of reasonable water supply. Any water system that may be constructed . . . upon the basis of collecting the water in the Sierra Mountains, conveying it in enormous pipes to the several cities, must be constructed at immense cost; and ought to be constructed in such a manner as will permit the ultimate development of a system in the most economical way, adequate to meet the requirements of a greater future population. . . .

We can not know what the future population of San Francisco and the other bay cities will be in 25 or 100 years from now. I have no doubt that the population at the end of the present century will be not 773,000 people but nearly 4,000,000 people or, as has been estimated by those who have made a careful examination of the question and as is indicated in the report by the Board of Army Engineers, 3,633,000 people." [2]

There is no evidence that members of Congress thought that the Hetch Hetchy system, designed to meet the gradually increasing water needs of a growing metropolitan area, would be quickly built or necessarily completed in one stage. In fact, the evidence from the legislative history shows the contrary: that Congress was aware that the project would be gradually extended over a considerable period of time as demand for water increased.

The Report of the Army Board of Engineers, referred to at length in the House Committee Report, makes this very clear.

"The plan of development is a gradual one. The tunnels will be built full size to carry at least 400 M.G.D. Where there are several parallel pipe lines, they will be constructed as needs demand . . . *The dams will be built gradually and not to full height at once.* Other parts of the system will be constructed from, time to time, extending over about 50 years * * *." [3]

[1] H.R. Rep. No. 41, 63rd Cong. 1st Session (1913), p. 22, quoting from the Report of the Board of Army Engineers.

[2] 50 Cong. Rec. 3964-65.

[3] Advisory Board of Army Engineers "Investigations Related to Sources of Water Supply for San Francisco and Bay Counties," p. 30 (1913).

The Army Board Report, in estimating the cost of the Hetch Hetchy project for purposes of comparison to other alternatives, envisioned a phased construction schedule which would see 100 M.G.D. delivered to the Bay Area by 1920, 140 M.G.D. by 1940, 200 M.G.D. by 1960, 285 M.G.D. by 1980, and 400 M.G.D. by 2000.[4]

These cost estimates were adopted in the House Report which differentiated between the $37.4 million cost of the "first installation" necessary to bring 200 M.G.D. to the Bay Area and $77 million "ultimate cost" of the entire project.[5]

The actual construction of the Hetch Hetchy system has, in fact, followed the phased schedule of which the Army Board advised the Congress. It required over 20 years of continual construction activity before the basic 150 mile system of tunnels, pipes and dams was finished and water first delivered to the Bay Area in 1934. Since then, additions have been made in response to increased demand. Thus, for example, O'Shaughnessy Dam was raised an additional 85 feet in the mid 1930's; Cherry Valley Dam was built in the mid 1950's; additional powerhouses were built in the 1960's; and transmission pipelines across the San Joaquin Valley and in the Bay Area added in the 1950's, 1960's and 1970's. As recently as 1980, San Francisco requested and obtained permission from the Department of the Interior to construct a pumping station at Lake Lloyd to transfer water between that lake and Lake Eleanor.

These and other projects involved in the gradual completion of the system envisioned by Congress have gone on under the supervision of the Secretaries of the Interior, and Agriculture, as provided in the Raker Act itself. They have *not* been accomplished by a series of successive Congressional authorizations.

The courts have recognized the role of the executive branch in supervising the Hetch Hetchy project. In *City and County of San Francisco* v. *United Airlines* (9th Cir. 1979) 616 F.2d 1063, the court noted that the Raker Act "gave the Interior Secretary broad powers to oversee the project." And in *Starbuck* v. *City and County of San Francisco* (9th Cir. 1977), 556 F.2d 450, the Court of Appeals stated that the "Raker Act's administration depends on a finely tuned interplay of the Secretary's discretion and a balance of State and federal control over the use of Hetch Hetchy water and power."

The Congressional Research Office memorandum relies on two Sections of the Act (Sections 2 and 5) to support its premise that Congress intended the entire Hetch Hetchy project "to be completed within a few years after enactment." Neither section in fact does so, particularly when read in light of the overall Congressional purpose sketched above.

Moreover, the memorandum does not plausibly explain the language in Section 9(k) which requires O'Shaughnessy Dam to be completed to a height of at least 200 feet, with a foundation capable of supporting the dam "when built to its greatest economic and safe height." The memorandum suggests that this concluding phrase may merely have been meant to impose good workmanship requirements of the kind contained elsewhere in the Act. The suggestion is not persuasive since it would render the language redundant. In addition, building a foundation capable of supporting a higher dam than necessary is simply wasteful, unless the dam is expected to be subsequently raised. As we have seen, the Army Board of Engineers Report anticipated the initial construction of a "low dam" and its eventual extension many years later. (Army Board Report, p. 130-131).

To summarize (1) Congress, in granting the rights contained in the Raker Act, envisioned a project aimed at meeting water needs of the San Francisco Bay region for over a century; (2) it anticipated the phased construction of facilities to meet those needs as they presented themselves; and (3) it entrusted to the appropriate Departments the task of administering the Act and enforcing compliance with its terms.

It is in light of that "scope and purpose" that the reference to rights granted by the Raker Act in Section 301 of the California Wilderness Bill should be understood.

Respectfully submitted,

RAY E. MCDEVITT.

[4] Id., p. 130.

[5] H.R. Rep. No. 41, p. 18.

PUBLIC AGENCY [1] MEMBERS OF THE BAY AREA WATER USERS ASSOCIATION

SAN MATEO COUNTY

Belmont County Water District.
City of Brisbane.
City of Burlingame.
Coastside County Water District.
City of Daly City.
Diamond Public Utility District.
East Palo Alto Water District.
Estero Municipal Improvement District.
Guadalupe Valley Municipal Improvement District.
Town of Hillsborough.
Los Trancos County Water District.
City of Menlo Park.
City of Millbrae.
North Coast County Water District.
Palomar Park Water District.
City of Redwood City.
City of San Bruno.
Skyline County Water District.
Westborough County Water District.

SANTA CLARA COUNTY

City of Milpitas.
City of Mountain View.
City of Palo Alto.
Purissima Hills Water District.
City of San Jose (Alviso Area).
City of Sunnyvale.
City of Santa Clara.

ALAMEDA COUNTY

Alameda County Water District.
City of Hayward.●

[1] Stanford University and California Water Service Co. (which serves San Mateo, South San Francisco, San Carlos and other cities on the Peninsula) are also members of the Association.

REMEMBERING CARL PERKINS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. HAWKINS. Mr. Speaker, in the closing days of this session I want to again pay tribute to our late colleague Carl D. Perkins who will always be remembered as a legislative giant and a champion of the impoverished and the disadvantaged. He was continually seeking to make America a better

place for all Americans, and consistently sought alternatives to the social and economic deprivations experienced by those who at times were leaderless and friendless.

Carl Perkins' legacy lives on in the millions of Americans who benefited from his efforts to improve the quality of public education in our Nation's schools. His policies spoke for those who had little or no voice in government—the children, the handicapped, and the poor. He believed in a nation that was caring, humane, and charitable to its citizens. President Franklin Roosevelt once said that "the test of our progress is not whether we add more to the abundance of those who have much: it is whether we provide enough for those who have too little." Carl Perkins firmly believed in that same credo.

Some of Carl Perkins' legislative triumphs included the Vocational Education Act of 1963, the landmark Elementary and Secondary Education Act of 1965 and the provision for blacklung benefits in the Coal Mine Health and Safety Act of 1969. As chairman of the Education and Labor Committee he was committed to a number of my own legislative initiatives including the Full Employment and Balanced Growth Act; youth employment legislation; and programs to train and employ the jobless.

He believed that a civilized society simply could not turn its back on national problems such as child poverty, illiteracy, unemployment, and inadequate worker protections. He used his unique and crafty legislative style to guide and nurture through Congress major legislation that addressed the needs of our society, and attempted to remedy basic injustices such as starvation and ignorance.

Other major legislation sponsored by Carl Perkins included programs to help students secure financial aid. He was one of the prime sponsors and advocates of the Education Amendments of 1980 (Public Law 96-374), which extended and strengthened postsecondary education programs and student assistance. He was the primary author of the School Lunch Amendments of 1968, 1970, 1975, and 1978. These amendments improved the regular school lunch and breakfast programs and established additional programs for feeding poor children in the summer; for providing meals to day care centers and homes for the retarded; and for bringing nutritional and medical care to those whose health were at risk because of inadequate diets.

Mr. Speaker, this body will greatly miss Carl D. Perkins. He was a man of great moral courage and human conviction. He left us with a treasured legacy—one which we will continue to honor in his memory.●

THE SDI AND GRADUAL BUILDDOWN: A MODEST PROPOSAL FOR RATIONAL ARMS CONTROL

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mrs. LLOYD. Mr. Speaker, the President's suggested strategic defense initiative [SDI] has caused a significant amount of debate on the relative merits of embarking on a defensive nuclear strategy. Clearly such a choice implies a politically and programmatically difficult transition from today's unfortunate mutually assured destruction [MAD] arms race status to a very different situation where defensive capability provides a significant element of deterrence and resulting stability. Nevertheless, I believe that the SDI approach deserves careful consideration and the attention of the best minds in the country from Government, industry, and the universities. I cannot support the critics who contend that any such effort is inherently destabilizing from a strategic nuclear perspective.

In this regard, I was fascinated by the recent article in the Bulletin of the Atomic Scientists entitled "Defense-protected build-down" by Jack N. Barkenbus and Alvin M. Weinberg, both of whom work at the Institute for Energy Analysis of the Oak Ridge Associated Universities. I am particularly pleased that two of my constituents have provided such a thoughtful and innovative approach to "Breaking the Nuclear Deadlock." Dr. Weinberg is an old and valued friend who has provided refreshing perspectives over several decades on a spectrum of issues from that of civilian nuclear power through arms control. In terms of intellectual energy, he remains perennially youthful and an inspiration to all of us in Government who are interested in devoting our time and capabilities to making the best choices about future directions for this country.

The point of this Barkenbus/Weinberg article is to suggest the combination of a "build-down" strategy for offensive weapons coupled to an incrementally evolving strategic defense system. I, for one, believe that the stakes in the arms race and nuclear arms control are much too great to ignore this very interesting and innovative approach. Wouldn't it be rewarding if such a U.S. initiative, which should not diminish our deterrent capability, could serve as a strong signal to the U.S.S.R. that the "ratcheting down" of the arms race could begin in a rational and measured fashion? I believe that my colleagues in the House will find this article very provocative and at the same time an extremely constructive contribution to the SDI debate.

In his Star Wars speech, President Reagan held out the prospect of eliminating the nuclear Armageddon threatening the American people through development and deployment of advanced defensive weapon systems. Most observers will agree that a defense-oriented world is safer, and generally preferable, to an offense-oriented one and that assured survival is preferable to assured destruction. But many arms control experts regard defensive weapon systems as undesirable for three reasons:

There is concern that their deployment will touch off yet another expensive round of technological development, leading eventually to new offensive weapon systems that can overwhelm the defense.

Even if this renewed competition for offensive superiority does not occur, there are likely to be serious deficiencies in the defenses and many claim that any defense significantly less than 100 percent effective is hardly worth deploying.

No one has shown how to avoid the instability of the transition from an offense-oriented world to a defense-oriented one, created in part by a willful abrogation of the ABM treaty.

In a worst-case scenario, the deployment of defensive weapons by the United States, as espoused by Reagan, would lead the Soviet Union to regard itself as being at a great disadvantage. It might, therefore, feel compelled to escalate the arms race by deploying its own defensive weapons system and/or increasing its offense (both quantitatively and qualitatively); or, in extremis, to strike before its forces had been neutralized.

These concerns, we believe, can be overcome by adopting a strategy that combines deployment of defensive weapons with a concomitant and compensating reduction of offensive weapons by the party deploying the defense. In other words, an orderly transition to a defense-oriented world can be achieved if the country deploying the defense simultaneously reduces its offense to compensate for such deployment.

Before describing this "defense-protected build-down" we must clarify our basis assumptions:

The arms race has spiraled upward because neither the United States nor the Soviet Union will accept being at a strategic disadvantage vis-a-vis its adversary.

Stable deterrence is possible, and desirable, at much lower force levels than are now deployed, and with opposing forces roughly at parity.

Traditional arms-control efforts and bilateral negotiations show little promise of producing much lower force levels.

Unilateral American disarmament is politically impossible at present, even if the resulting lower force level is theoretically sufficient to prevent an attack by the Soviet Union.

Of these propositions, perhaps the last—the political infeasibility of unilateral disarmament—is the most controversial. If stable deterrence can operate at a lower force level, one might ask, why not simply reduce our offense in the expectation that such an act of U.S. statesmanship would lead to a corresponding reduction by the Soviets? Yet, given today's political realities, we cannot see how any U.S. president could order a serious reduction, even in superfluous elements of the strategic nuclear force, without an equivalent and verifiable reduction by the other side. The possibility of

anti-missile defense, even a relatively poor defense, would make such a unilateral build-down much more feasible.

President Reagan's optimism in his March 23, 1983 speech regarding the prospect of a U.S. citizenry free from the nuclear sword of Damocles is an illusion. Faith in the ability of science and technology to return the genie to its bottle is unjustified. Even were a leak-proof missile defense possible, other delivery systems for nuclear weapons could be used to keep millions of Americans in jeopardy.

The real issue being raised by Reagan, therefore, is not whether we can return to an era free of the possibility of a nuclear holocaust, but whether new defensive systems can be mounted to reduce significantly the level of terror or destruction that can be wreaked on the earth—that is, to reduce the level of terror at which deterrence operates. The president called upon the scientific community to devise a network of futuristic and exotic space- and land-based systems to intercept and destroy Soviet strategic ballistic missiles when launched. * * * Some remarks about the prospects for transition to defense systems are included.

The call for simultaneously deploying defensive systems and freezing offensive weapon levels—a "lightly-armed, heavily-defended" policy—is not new, since it has long been recognized that the unlimited use of offensive weapons can invariably overcome defensive systems.[2] What is new in our proposal is the insertion of symmetry (and hence stability) into the policy, based upon credible estimates of the defense's effectiveness. The basic calculus of our proposal is determined as follows.

We assume that initially, in the absence of a defensive system, the two sides are at parity in offensive weapons. Let us suppose the United States then deploys enough anti-missile devices to knock out the maximum Soviet attack with a certain kill probability. Then the maximum Soviet attack would equal the original number of Soviet warheads delivered, minus the probable number destroyed by U.S. defensive devices.

We propose that when the United States deploys a defensive system with the capabilities described above, it dismantle a number of its own warheads equivalent to the probable number of Soviet warheads which would be destroyed by the defensive system. The advantage of this simultaneous deployment of defense and destruction of a corresponding part of the offensive system is that at each stage of deployment the two sides are still evenly matched in actually delivered warheads; yet the total number of deployed warheads has been reduced.

It may be useful, for illustrative purposes only, to provide a simplified example of how defense-protected build-down might work. Let us assume for the moment that the United States and the Soviet Union are at parity, with each side having 1,000 reentry vehicles. Suppose further that Washington unilaterally deploys a ballistic-missile defense system with a kill probability of 0.1, and at the same time dismantles 100 of its warheads. The Soviets would then face a number of options: They could strengthen their offense or deploy a defense of their own without a concomitant defense-protected build-down; they could keep their offense at its current levels in exchange for the U.S. build-down; or they could deploy a defense and adopt such a policy.

The first option would appear relatively unattractive to the Soviets since such a response would lead the United States either to reduce its build-down, or even to restore all of its dismantled offensive weapons. The prospect of fewer U.S. weapons facing the Soviet Union would seem to us to be a powerful reason for Soviet policy-makers to think twice before deciding to increase their offense. Thus the second and third options, either of which reduces the force levels at which deterrence operates, clearly appear superior to the first. Of these two, the third would be preferred since only it leads to a continuing winding-down of offense * * *.

The various risks of the defense-protected build-down approach are discussed and the need for an incremental approach is outlined.

Initially, defense-protected build-down would be confined to our counterforce weapons, the very accurate, land-based ICBMs which, because they are counterforce, pose the threat of a first strike. Further, we would limit our initial deployment to 100 interceptors, since this can be done without violating the ABM treaty. How many reentry vehicles these 100 interceptors would destroy in a realistic attack scenario would be estimated.

Let us say that the number is 50 out of 100 incoming reentry vehicles. In the absence of a ballistic-missile defense, the Soviet attack would have destroyed 200 of our offensive warheads; with a ballistic-missile defense system, only 100 would be destroyed, assuming one U.S. ICBM carries two warheads. Thus were we to dismantle an additional 100 warheads on our counterforce missiles, we would still maintain the same delivered counterforce threat as before we deployed the defense system and dismantled our 100 reentry vehicles. Yet we have reduced the actual number of counterforce weapons, and have thereby given a powerful signal that we are not contemplating a first strike.

We do not advocate that the United States make deep cuts in its offensive forces without some form of Soviet response. We envision instead an incremental build-down structured around a limited number of unilateral initiatives and consistent with Charles Osgood's theory of graduated and reciprocated initiatives in tension reduction (GRIT).[3]

As developed by Osgood, GRIT is the application of interpersonal communication and learning principles to international relations. It posits that adversary nations can reverse the escalating cycle of tension, distrust and competition by taking steps that have proved useful to conflict resolution among individuals. Specifically, GRIT involves the unilateral initiation of conciliatory acts by one party, which challenges the other party to respond in kind.

GRIT relies upon unilateral action, the only to the extent required to set in motion a two-party process of reducing tension and conflict. The defense-protected build-down could be structured in a manner consistent with specific and cumulative steps in the GRIT theory that have been identified by Svenn Lindskold.[4] How the United States might proceed on this course is briefly illustrated. . . .

It is impossible to predict what the Soviet and other international reactions to such a U.S.-initiated build-down process would be. But a plausible case can be made that if we carry it out correctly, the Soviets could be persuaded to join in, producing a downward trend in the arms race. . . .

One manner in which the U.S. might proceed as to elicit a positive Soviet response is discussed.

If a downward spiral is the objective, why not simply agree to reduce the number of offensive weapons without going to the trouble of deploying a defense? This would be a welcome course, but is it realistic? After 30 years of arms control, the superpowers have many more nuclear warheads facing each other than when the talks began. Mutual suspicions and distrust continue to abound; as one of us said 16 years ago, true disarmament, from a position of no defense, does not happen.[5] And perhaps the additional element of uncertainty injected by the existence of defensive weapons might help stay the finger of frustrated leader who is eager to push the button. . . .

Some virtues of a defensive posture mentioned.

Continuing thought and discussion need to be directed toward a defense-protected build-down in order to determine its full potential and strategic implications. It may be useful here to recapitulate its major tenets and advantages as currently perceived.

It offers a means of reducing nuclear armaments, without the political and strategic risks associated with disarmament and with the retention of rough strategic parity.

It can be initiated unilaterally, thereby avoiding bilateral negotiations which tend to get bogged down in minutiae.

By deploying the defense sequentially and unilaterally, the process can begin even without both sides agreeing on the value of its kill probability.

It can be implemented on an incremental basis consistent with the development of the technology itself, thereby minimizing the risks of misestimation of the kill probability and staying within the ABM Treaty.

It is not inimical to the strategic interests of the Soviet Union: witness its continuing efforts to upgrade air and missile-defense capabilities. If these characteristics of defense-protected build-down are real, there can be justified confidence that a transition to a defense-oriented world can take place without destabilizing consequences.

The build-down concept is not novel; it has been tabled at Geneva by the United States in connection with the Strategic Arms Reduction Talks (START).[6] Nor is the idea of substituting defense for offense new. Why, then, has the idea of a defense-protected build-down not been brought forth to date? We suggest three major reasons:

In this nuclear world of suspicion and hostility, the build-up of defensive capabilities is seen as a provocative act that negates the "assurances" derived from mutual destructive capabilities. Deployment of defense in any form is frequently rejected out of hand by policy-makers because it threatens the very basis for prevailing strategic doctrine. We believe that this total allegiance to mutual assured destruction (MAD) has taken us far beyond the bounds of reasonable or necessary actions to protect the country.

Those who have espoused defensive systems have, by and large, done so because their distrust of Soviet intentions has been so complete. Fortress America, regardless of the Soviet response, seems to have been an aim in this camp—and it is this camp which has dominated much of the analysis of defensive strategies. Reducing offense is regarded as giving the Soviets an advantage which they will surely exploit.

Most important, there remain grave questions about the technical and economic feasibility of ballistic-missile defense. Obviously, a defense-protected build-down strategy makes sense only if defensive systems are

technologically feasible. Yet it has been shown that a defensive system need not be perfect, or even close to perfect, to achieve a most important goal—reduction in the level of confrontation and therefore a lessening of the risk of the catastrophe that would befall all of us if deterrence failed. It should also be obvious that expensive ballistic-missile defense research and development efforts can be justified only if the eventual deployment would serve to diminish and not exacerbate the tensions of the arms race.

The enormus human and global risks and deficiencies in the U.S. strategic policy of mutual assured destruction have been evident for decades. but until now, national leaders have perceived no practical alternatives. It is imperative not only for our generation, but for generations to come, that such alternatives be found.●

THE BLACK-WHITE HEALTH GAP—THE DISPARITY WIDENS

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. LELAND. Mr. Speaker, it is clear that Federal cutbacks in health, nutrition, and other programs have debilitated the general health of minority and impoverished Americans. I have seen the tragic results of these program cutbacks among my consitutents in Houston, as well as across the Nation. A health gap exists between black and white Americans, and it continues to widen. This situation is critical, and I call my colleague's attention to the following article which appeared in today's Washington Post—October 10, 1984.

Mr. Speaker, the usually insensitive Reagan administration was actually forced to recognize the problem when it issued its "Health USA" report on January 17, 1984. Their response? Secretary of Health and Human Services Margaret M. Heckler established a task force. I hope that the members of Secretary Heckler's task force will also read the following article; they stand to gain the most insight.

THE BLACK-WHITE HEALTH GAP

DISPARITY WIDENING, CONGRESSIONAL CAUCUS IS TOLD

(By Sandra R. Gregg)

While Americans, in general, are healthier today than they were 30 years ago, a large gap continues to exist between blacks and whites. The statistics are sobering:

A black baby is twice as likely as a white baby to die before its first birthday.

The life expectancy for a black person is 68 years, compared with 74 years for whites.

Black women are about 2½ times more likely to die from diabetes than white women.

Black men are seven times more likely to be murdered than white men and have a greater chance of dying of cancer and heart disease.

Some of the therapies used in treating patients are much less effective on blacks than whites.

Doctors and health activists grappled with the reasons behind these facts at a recent two-day meeting of the Congressional Black Caucus Health Braintrust. Speakers offered several explanations for why blacks are more susceptible than whites to certain unhealthy conditions: Blacks are more likely than whites to be poor, to have unhealthy diets and to live and work in undesirable conditions—which increases their stress level and limits their access to health care. Minorities are also more likely to live or work in places that expose them to carcinogens such as lead from car pollution or peeling paint.

Several speakers said the health gap between blacks and whites is widening and blamed it on funding cutbacks by the Reagan administration, including $2 billion from Aid to Families with Dependent Children (AFDC), and an 18 percent reduction in Maternal and Child Health funds. Others noted that many health resources have not reached those who needed help the most.

A major problem with current medical care, said psychiatrist Patricia A. Newton, of Baltimore's Provident Hospital, is that it focuses on "curing illness, not preventing it." For example, Newton said, funds have been poured into some communities to treat alcoholics and drug addicts, but not into studies and programs to address why certain miniority groups are more susceptible to these conditions or how the trend can be reversed.

Newton urged programs to address the full range of health, which she defined as "physical, emotional, social, political, cultural and economic well-being."

Stress, depression, anger and low self-esteem are particular problems in the black community where unemployment rates are double that for whites, said Lawrence Gary, director of the Institute of Urban Affairs and Research at Howard University. Studies demonstrate, he said, that these factors often result in higher rates of smoking, alcoholism, drug abuse, child abuse and homicide. In addition, mental health specialists report that while suicide has always been more common among whites, blacks—especially young men—have in recent years been taking their own lives more often. The suicide rate among black men increased from four per 100,000 in 1960 to 11 per 100,000 in 1981—a jump of 171 percent.

RACIAL COMPARISONS OF DEATH RATES FROM MAJOR CAUSES

[Number of deaths per 100,000 U.S. residents]

Cause of death	Black men	Black women	White men	White women
Heart disease	327	201	227	134
Cancer	229	129	160	107
Diabetes	17.7	22	9.5	8.7
Suicide	11.4	2.4	19	5.7
Homicide	71.9	13.7	10.9	3.2

Source: Department of Health and Human Services.

Some of the reported increase in disease rates among blacks "may be more apparent than real," as a result of better data collection in minority communities, said Dr. Alfred Haynes, dean of the Charles Drew Postgraduate Medical School in Los Angeles. He stressed, however, that "poor people are sicker than rich people regardless of race . . . Poor people are more likely to accept a certain level of illness as natural," he said, and may wait until they are seriously ill before seeking medical care.

But Dr. Jack White, director of the Howard University Cancer Center called the "late for treatment" argument a "cop out." In all stages of cancer, he noted, blacks tend to have lower survival rates because they are often battling other major diseases. Especially if they are poor, he said. "they just don't have the proper resistance."

Lung cancer is the most prevalent form of that disease among black men, he said, followed by prostate tumors. Breast and colon/rectal malignancies are increasing in the black population, although more research is needed to determine why. Studies implicate hectic life style, alcohol consumption and cigarette smoking. However, preliminary data from a Howard University study suggests an increase in prostate cancer among men with better nutrition and a more affluent life style.

In treating many diseases, therapy must be based on racial differences in response to medications, noted Dr. Mark S. Johnson, acting chairman of the Family Practice Department at Meharry Medical School in Tennessee. An example: beta blocker drugs that work well for white patients with high blood pressure are not nearly as successful in blacks. Just 10 years ago researchers discovered, he said, that hypertensive blacks respond better to diuretics—a group of drugs that work by reducing fluid retention, a condition particularly common among blacks.

Racial differences in response to treatment lead Johnson to advocate more studies geared specifically to blacks. "We cannot assume," he said, "that results from research using homogeneous samples can be generalized to the total population."

Several speakers addressed the most poignant example of programs and funds not reaching their target: the high infant morality rate—a statistic often used to measure the well-being of a particular group. Recent national figures show that 19 of every 1,000 black babies born in the U.S. die before their first birthday—nearly twice the rate for whites. In the District of Columbia in 1983, there were 20.1 deaths per 1,000 live birth among black babies, according to Alicia Fairley, an assistant to the city's health commissioner. The rate for whites: 8.6 per 1,000.

A large proportion of infant deaths among blacks, said Dr. Robert L. Johnson, a professor of pediatrics at the New Jersey School of Medicine, is a result of the high pregnancy rate among teen-agers who do not know how to care for themselves or their infants. Prenatal outreach programs for poor teenagers were working well in the late 1970s, he said, but cutbacks in the 1980s have meant more patients and fewer resources.

Consequently, Johnson said, "the pregnant 16-year-old needed (but could not get) more than a midwife visit. She needed someone to help her deal with the problems that led her to getting pregnant in the first place."●

A FINE PROLIFE STATEMENT

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Ms. OAKAR. Mr. Speaker, I am proud of the Bishop of Cleveland, Bishop Anthony Pilla. In his pastoral message to his flock, he speaks strongly about all prolife issues. It is an encompassing message, and I am proud to have him as our spiritual leader.

The following is an article concerning his message.

PILLA URGES FIGHT FOR ALL LIFE ISSUES

(By Darrell Holland)

Catholics should be fighting as strongly against capital punishment, nuclear war and social injustice as they are against abortion, Bishop Anthony M. Pilla said last week.

Pilla, spiritual leader of the Cleveland diocese's one million Catholics, said that a just society encompassing concern for the dignity of all human life can only be achieved by focusing on all the issues and regarding them as threatening to the sacredness of life.

The statement, issued to encourage Catholics here to participate in the activities of Respect Life Month during October, was sent to the 257 parishes in the eight-county diocese.

For many people, both Catholics and non-Catholics, the concept of respect for life has focused almost exclusively on the abortion issue. Pilla reiterated the church's official position prohibiting abortion under any circumstances.

He made no mention of the abortion controversy in the presidental election campaign, which has focused primarily on Geraldine Ferraro, Democratic vice presidential candidate and a Roman Catholic. She opposes abortion personally but has said she does not want to force her religious beliefs upon those who disagree. Her position has displeased the archbishop of New York, where she lives.

Pilla said that to fully express the Catholic ideal of respect for all life and to establish a just society, no threat to human dignity or life can be ignored.

These issues of abortion, capital punishment, nuclear war and social injustice are interrelated, Pilla said. He called abortion one of the most significant moral issues of this century but he warned Catholics not to ignore the other issues.

"Without inner consistency, our credibility and effectiveness will be seriously compromised," he said.

"Your personal desire or success in one area of interest will be fatally compromised unless the consistency toward all other issues is clearly indicated. This consistency is needed in the first place, to build the consensus within the Catholic community which can then have an impact on the wider civic community."

Avoiding single-issue crusades on respect-for-life issues, and instead including all of them in a single effort to achieve justice and protect life, would be a significant step for a viable and vigorous Christianity and is more likely to have a moral impact on the way society thinks and on how the major institutions establish moral priorities, Pilla said.●

THE 85TH ANNIVERSARY OF ST. JOSEPH'S HOSPITAL

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. LEHMAN of California. Mr. Speaker, I rise today in recognition of the 85th anniversary of St. Joseph's Hospital—an institution that I am very proud to represent. St. Joseph's Hospital has a memorable history. Founded in 1899, by Father William O'Connor with the invaluable assistance of the founder of Stockton, Capt. Charles M. Weber, it has served the Stockton community with enthusiasm and ardor.

St. Joseph's Hospital is owned by the Sisters of St. Dominic and is governed by a community Board of Trustees. There are numerous individuals who have contributed to the great success of St. Joseph's: Thomas Shepard, the chairman; Sister Mary Gabriel, president; and Edward G. Schroeder, executive vice president; just to name a few.

The two most prominent and positive aspects attributable to St. Joseph's Hospital over the years has been their community responsiveness and their pioneering approach in the health field. St. Joseph's is the largest medical-surgical hospital between Sacramento and Fresno, having 316 beds, employing 360 physicians on staff, and serving individuals within a 60-mile radius. St. Joseph's has reacted superbly to the growth and needs of Stockton and the surrounding areas, and has become a regional center for heart care, cancer care, respiratory care, and trauma care.

I would like to take a minute to mention some of St. Joseph's distinguished achievements in the health field. St. Joseph's hospital pioneered a short-stay surgery center in 1978. This center added considerably to patient convenience as well as to help bring down health costs. In addition, St. Joseph's was the first hospital in Northern San Joaquin Valley to pioneer corinary angioplasty in February of this year. This procedure has been a viable alternative to open heart surgery in selected cases, having a 95-percent success rate.

I am proud of the achievements of St. Joseph's Hospital. In light of the advanced and innovative technological trends in the health industry and the skyrocketing costs of health care, St. Joseph's Hospital has displayed their ability to come up with cost-effective approaches to delivering quality health care. I have had the fortunate opportunity to meet with Mr. Schroeder and other members of the St. Joseph staff, and was truly impressed with their dedication in advancing the cause of quality health care to all individuals.●

YOU WERE WRONG, MR. PRESIDENT

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. HAWKINS. Mr. Speaker, a recent editorial by the Charlotte Observer comments on the President Reagan's recent visit to Charlotte, and his unfortunate remarks relative to school integration. It is precisely these remarks that only serve to divide and alienate our citizens from each other and exacerbate tensions unnecessarily. The following editorial spells out why Mr. President, you were wrong.

The editorial follows:

YOU WERE WRONG, MR. PRESIDENT

Thank you, Mr. President, for honoring our city with your presence Monday. It was a very special day for Charlotte, and all of us were proud to have you here.

There is one thing, however, that you need to know about this community—something you obviously didn't know when you made your speech on Monday.

Charlotte-Mecklenburg's proudest achievement of the past 20 years is not the city's impressive new skyline or its strong, growing economy. Its proudest achievement is its fully integrated public school system.

That system was born out of a bitter controversy over court-ordered busing. It was shaped by caring citizens who refused to see their schools and their community torn apart by racial conflict. It was nourished by courageous elected officials, creative school administrators and dedicated teachers and parents. It has blossomed into one of the nation's finest, recognized throughout the United States for quality, innovation and, most of all, for overcoming the most difficult challenge American public education has ever faced.

It would have been quite appropriate and very much appreciated if you had noted that accomplishment, which any president might hold up as a model to the rest of the country.

Instead, you said something quite different, an unwelcome reminder of some ugly emotions and unfounded fears that this community confronted and conquered more than a decade ago. Busing, you said, "takes innocent children out of the neighborhood school and makes them pawns in a social experiment that nobody wants." And you added: "We've found out it failed."

Where did you find that out, Mr. President? From Jesse Helms? If you had talked to some of the good Republicans here you would have found that many of them are very proud of their public schools and would fight anyone—even you—who tried to destroy what this community has accomplished.

Maybe we shouldn't expect you to know a great deal about Charlotte-Mecklenburg and its public schools. But, with all due respect, Mr. President, you flaunted your ignorance, and if you had set out deliberately to upset the people of the community you couldn't have come up with a more disturbing statement.

Until that point in your speech, you had been interrupted by applause from a supportive, partisan crowd after almost every line you uttered. Maybe you noticed that your comment about busing was greeted with chilly silence.

In fact, the statement must have sent a chill through many of your supporters here, not just because of the possible political embarrassment to you, but also because, in a second term, through your influence and the appointment of several Supreme Court justices, you might force this community to dismantle its integrated school system. That would be a tragedy for those who have invested so much hard work, good will and

loving care in building it, and for future generations of our children.

You sometimes speak of a "shining city on a hill," Mr. President. You visited one briefly on Monday, but you didn't understand, or seem to care, what makes it shine.●

THE REAGAN ADMINISTRATION'S RECORD ON WOMEN'S ISSUES

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. MRAZEK. Mr. Speaker, I rise today to recognize the accomplishments attained in the 98th Congress on key initiatives of special concern to women.

Over the past 2 years, I have lobbied and supported important initiatives which endorse the notion that laws in this country should treat women equitably. I am pleased to acknowledge that a number of these bills, including the Child Support Enforcement Act, the Retirement Equity Act, and a bill granting tax-exempt status to dependent care facilities, passed both Houses and have been signed into law. However, while we have met with a number of important successes, we have been confronted with a great many failures.

It gives me no pleasure to point a finger of blame for these shortcomings. However, it is difficult to stand idly by when it is clear that the administration's positions on women's issues have worked against the goals of many of these initiatives. In particular, the administration's stance clearly contributed to a failure to move forward on the issues of child care and educational equity.

Over the past 4 years, the administration has consistently proposed drastic cuts in the title XX social services block grant. This block grant is vitally important to women and children, as title XX moneys are used to fund daycare services for the children of working mothers. With greater numbers of women entering the workforce out of necessity, this program has played a critical role in assisting women in getting adequate care for their small children. For the administration to adopt this position in our times is to avoid the reality, and to be negligent in its responsibility to all the people.

Another matter on which the administration has attempted to turn back the clock on equality between the sexes is on an issue that I'm sure is familiar to all of us. The Civil Rights Act of 1984 reaffirmed the intent of Congress in enacting title IX of the Education Amendments of 1972. These amendments held that an institution receiving Federal aid may not discriminate on the basis of sex. The bill was introduced in response to the Supreme Court ruling in Grove City against Bell which held that title IX need only apply to education programs that directly receive Federal dollars and not to the entire institution. The Justice Department, under direction of the administration, advocated the position of narrowing the interpretation.

Over the years enforcement of title IX has contributed to invaluable gains by women while, at the same time, negating basic injustices in our public education system. For example, since the enactment of title IX in 1972, the share of professional degrees earned by women has quadrupled. In addition, the large number of gold medals won by women athletes in the Summer Olympics can clearly be traced to the enforcement of equality in school athletic programs through title IX.

While debate raged on this matter, the Reagan administration sat on its hands. Subsequently, the bill died in Senate. The same administration which, with great fanfare, appointed one woman to the Supreme Court, could not bring itself to further the cause of equality to all women.

Mr. Speaker, these are but two examples that show the true colors of this administration in regard to matters of sexual discrimination and true equality in our society. It is one thing to say that you support equality for women. It is quite another to work toward that goal.●

THE FRENCH NUCLEAR EXPERIENCE

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. MICA. Mr. Speaker, it is always useful to shed facts on hotly debated issues. Two current issues involve the viability of nuclear power and the connection, if any, between reprocessing of commercial nuclear fuel and the potential proliferation of nuclear weapons.

Useful facts which I think bear on both issues appear in an interview in the July–August edition of the Electric Power Research Institute Journal with Bertrand Barré, nuclear attaché at the French Embassy in Washington. Barré recounts the French experience with nuclear power and the motivation for its development. The interview is neither argumentative nor is it a polemic for or against any aspects of nuclear issues. We in this country, where nuclear issues are too often debated with more vehemence than wisdom, can learn something from the French experience.

The material follows:

THE FRENCH NUCLEAR EXPERIENCE

Bertrand Barré, nuclear attaché at the French Embassy in Washington, DC, joined the French Atomic Energy Commission in 1967. With a background in nuclear engineering, Barré has worked extensively with materials and reactor design. He spent two years in Great Britain collaborating on the Dragon project and a year in San Diego working on high-temperature reactors. In 1976 Barré became technical adviser to Michael Pecqueur, deputy chairman of the French Atomic Energy Commission; when Pecqueur became chairman of the commission in 1978, Barré remained as his technical adviser. Barré joined the embassy in Washington in September 1980.

What role do you play at the embassy as nuclear attaché?

As nuclear attaché I wear four different hats. I am an adviser to the ambassador, and as such, I work mainly on nonproliferation as a liaison to the U.S. State Department. I am the representative of the French nuclear industry in this country; in this capacity, I serve as liaison to the Department of Energy and the Nuclear Regulatory Commission. I am also here as an observer, and I report back to France on the nuclear scene in this country. My fourth role is as spokesman for the French government and industry as far as nuclear energy is concerned. From time to time I speak at universities or attend meetings, and I supply all the information available on the French nuclear program to anyone who asks.

What is the current energy situation in France?

To answer that question I would have to go back and start with the situation as it was in 1973. At that time we were using oil for about 68% of our total energy balance, and 98% of this oil was imported. We also imported about half of our coal and two-thirds of our natural gas. We had a sizable hydroelectric program, but most of the sites were equipped or in the process of being equipped. There was little potential for increased energy from hydroelectric power.

The French nuclear program was still embryonic in 1973. France stated its atomic energy program rather early—the Atomic Energy Commission was established in 1945. In 1946 all the utilities of the country were united and nationalized to form one big utility, Electricité de France [EDF]. EDF covers the whole country and has a monopoly on distribution and transmission; it produces 80% of all electric generation in France. By 1973 EDF had achieved a very extensive program of engineering in hydroelectric projects, so there were teams of engineers in-house who were quite competent in managing big projects. This was an important factor in the development of nuclear energy.

Before the first OPEC meeting in 1971, oil was $1.70 a barrel; by 1975 it was $13 a barrel. It was suddenly obvious that our dependence on oil was simply unbearable. We had become much too vulnerable, particularly to cutoffs, and we couldn't afford the new price of oil without severe strain on the nation's economy.

WHAT OPTIONS DID THE FRENCH GOVERNMENT HAVE AT THAT TIME?

To reduce oil imports, we had three choices. First, we could boost domestic oil production, which is what you did in this country. However, this was not really an option for us. Our reserves are ridiculously low. We were producing all that we could, and that wasn't very much.

Our second choice was, of course, to conserve oil. Energy became much more expensive almost overnight, so there was a big in-

centive to conserve. We were, however, already quite thrifty as far as energy consumption was concerned because France has a historical record of high energy prices. At that time, we were consuming energy at a level of 3.5 tons of oil equivalent per capita a year. To give you an idea of what this means, Americans were consuming at a rate of 8.5 tons of oil equivalent per capita. So in France there was much less fat to be trimmed. There was a limit to what we could achieve without going from conservation to starvation.

Our third policy option was to switch fuel, but this brings us back to the original problem. Boosting domestic coal production was technologically possible, but economically very difficult. Coal from Australia, coming in through French ports, was still cheaper than French coal. We did, however, manage to diversify a bit by importing coal from countries other than those from which we were importing oil. We were importing two-thirds of our natural gas, and our main supplier, the Netherlands, indicated that it would be decreasing rather than increasing exports because its resources were dwindling. Our hydro program, as I said, offered little potential for increase, and renewables, though a long-term prospect, have long lead times before they can offer any significant input. On the other hand, we had the background and experience to launch a crash program in nuclear energy, and this is what we did. At the end of 1974 the government decided to increase roughly four times the pace of the nuclear construction program that was already under way.

How successful was this accelerated program in nuclear energy?

In 1973 nuclear energy accounted for less than 2% of France's primary energy consumption; it has now reached 17%. Oil, which was at 69% in 1973, has been reduced to 47% of total energy consumption—a decrease we hope to push to less than 30% by 1990. At that time use of nuclear energy will be on a par with oil. In terms of electricity production, nuclear was supplying only 8% in 1973, while oil was supplying 75%. To show you that our crash program didn't achieve results quickly, in 1977 nuclear still accounted for only 8.4% of electric generation. In 1983, however, nuclear accounted for 48% of electric generation, and this year it will produce more than 55%. There is a high likelihood that by 1990, we will have reached our goal to make the nation's electric grid invulnerable to cutoffs from any foreign supplier.

The rate of our increased use of nuclear power has been unique, even if you look at other countries with the same incentives for nuclear power that we had, such as Italy and Japan. In 1976 France ranked eighth in terms of nuclear energy production; in 1983 we ranked second behind the United States, although the United States is geographically much larger. We have outdistanced Japan and the Soviet Union; we produced twice as much nuclear energy as Germany and three times more than Great Britain. Frances' program is a unique phenomenon worldwide.

How do you explain this unique success?

There is no single reason, but rather a convergence of reasons. First, the incentive was there. We were heavily dependent on foreign oil, and there seemed a national will to do something about that dependence. France also experienced an oil embargo in 1956, after the Suez expedition, so maybe there were still nagging reminders that we were vulnerable, which added a psychological pressure to the situation.

Second, we had a single utility that was able to be its own architect-engineer and to manage projects of this large scope. At that time the nuclear industry was still rather limited; we had only eight reactors in operation, the largest only 550 MW, but we did have the experience. Also, in 1973 we had complete mastery of the fuel cycle—we even had a breeder reactor in operation. The Phénix plant had become critical in the spring of 1973. The AEC had considerable experience in all areas of nuclear energy. So there was a sound infrastructure ready to go.

The third important step was that instead of shopping around, we decided to focus on one kind of reactor—the pressurized water reactor (PWR)—built by one supplier, Framatome, which has a license from Westinghouse Electric Corp. We decided to order a number of identical 900-MW units and to increase the size to 1300 MW later on. Currently; there are twenty-seven 900-MW reactors in operation and 7 under construction. The first 1300-MW reactor should go critical very soon, and there are 19 others under construction. We are just now ordering the next batch of units, which will be slightly over 1400 MW. The policy of ordering by batch of identical units was probably the main reason for our success.

What are the benefits of such standardization?

The policy of ordering identical units has a number of attractive features; it also has some drawbacks that I will discuss as well. By its large orders, EDF enabled Framatome to build new facilities, knowing that it would have a reasonable numbers of orders for many years. This gave Framatome a total manufacturing capacity of eight 900-MW units a year of five 1300-MW units which was consistent with the rate of ordering six domestic units a year and two for export. Also, by being such a big customer, EDF could control prices quite strictly. In addition, there is only one French supplier of turbogenerators, Alsthom-Atlantique. The same factors apply here as well—Alsthom-Atlantique could modernize equipment, and EDF could control price.

As far as plant construction was concerned, EDF already had a special division in operation for all the engineering and management aspects of the program. Its staff applied the same competence and dynamism to the nuclear program as they had applied to the hydro program. The first 900-MW unit, Fessenheim I, took 80 months to build; the average time now for a unit of this size is only 60 months—just five years—which is not much time for a project of this size. Standardizing our nuclear program also made the licensing process much easier. Once the original plant had been licensed, the licensing process could focus attention on site characteristics and minor departures from the standard design at each subsequent plant. This made it much easier for the licensing commission to deliver on time. I hear many complaints about the U.S. Nuclear Regulatory Commission, but I tend to sympathize with the problem of having to license 78 different reactors. Up to now, there have not been two identical units anywhere in the United States, and this does create licensing problems.

By standardizing our program we also minimized training problems for nuclear personnel. In France, personnel can be switched from one plant to another, and they will find the same control room and the same procedures. In case of emergencies, this is very valuable. If one plant is in trouble, we can run simulations in a number of other plants, and we can send experienced engineers from one plant to another. Having only one supplier and a strong utility able to control prices has made nuclear energy in France by far the cheapest way to generate baseload electricity. It is 50% cheaper than coal and three times cheaper than oil.

There is, of course, a negative side to ordering a number of identical units. We make ourselves vulnerable to a common-mode failure. If one large failure occurs, 30 units would be affected. That was the initial gamble. By now we know for sure that these plants can operate at least six years without serious problems. So we are not as vulnerable as it initially appeared. We did, in fact, experience one of these common-mode problems. It followed the pattern of developing in our oldest plant and spreading to other plants. We were able, however, to take preventative action on those remaining plants at each of the refueling and maintenance outages that followed. If we experience any such problem in the future, we will have sufficient advance warning to take preventative measures in other plants and sufficient backup plants to ensure reliable service.

What about public sentiment on nuclear power?

There has always been majority support here for the nuclear option because it was consistently presented by the different governments over the years as the best option to reduce our dependence on foreign oil. This part of the message was always clear. There also has always been a strong minority opposing nuclear power. In October of 1983, however, a survey carried out in all 10 countries of the European community showed that support for nuclear power is strongest in those countries, like France, with the biggest nuclear programs. The fear of nuclear power is also lowest in the same countries. The evidence is somewhat hard to interpret—it's a chicken-and-egg situation. Has nuclear power developed in countries that fear it less or because people accustomed to seeing nuclear plants fear them less? I'm not sure which is true, but the results of the survey are still a fact. The same survey was taken two years before, and comparisons show that support has grown and fear decreased over those two years.

The current trend in France is growing support of nuclear energy. A related survey showed the French people still thought there might be an energy crisis looming in the future. There you have the main basis for support of nuclear power—not all people like it, but most think nuclear energy is better than an energy crisis.

As far as organized opposition is concerned there is a major difference between protests in France and in this country. In France the protest concerned additions to the nuclear program; the opposition has never asked for shutting down existing plants or even for stopping construction on plants already underway. There was protest over opening new sites, and even today the opening of new sites is always a hard process. However, putting a new plant in the same site is not a big problem. Once a site is opened and the plant in operation, there is very little protest. A striking example of this is the Superphénix breeder reactor, which was the focus of strong protest. Opposition went far beyond the French borders; it was really European opposition. Since 1977, however; there hasn't been one significant protest at the site. The plant should go critical in 1985, and there have

been no more problems with public acceptance. La Hague, our reprocessing plant, is still the stage for some protests. However, the massive protests involving local opposition have died down; what we have now I would call professional protesters.

What are the licensing and regulatory processes in France?

The licensing processes in France are very close to those in the States with one basic departure. Contrary to what you may have read from time to time, we do not have one-step licensing; this is a misconception. What we do have is only one step of public participation at the very early stage of site approval. Once the site has been authorized, there is no longer the possibility of public participation. There is always the possibility of going to court, but otherwise, the public is no longer part of the actual process.

The actual licensing process is carried out in exactly the same way as in the United States, but within the licensing body. The licensing body is part of the executive branch and reports directly to the Minister of Industry and Research. In the United States, utilities have to issue a preliminary safety report, apply for a construction permit, show a final safety report, and receive an operating license. The process is exactly the same in France. One of the differences, of course, is that it is easier to make the safety report if you are licensing a plant that is identical to all the other plants. This speeds up the licensing process, as well as any subsequent retrofit that might be required.

As far as the regulatory aspects are concerned, there is a much less antagonistic relationship between the utility and the regulators than exists in this country. For example, for those retrofits considered necessary but not urgent, the regulatory body has authorized the utility to wait until the next planned outage rather than ordering shutdowns.

What is the current status of your breeder program? France began breeder studies in 1953, and our first reactor, Rapsodie, was in operation in 1967. Originally a 24-MW (th) reactor and later boosted to 40 MW, Rapsodie was a test reactor; we used it to develop fuel for other reactors and for a number of other studies. It was shut down last year, having outlived its usefulness. The second step, and one of the most successful, was the Phénix plant, a 250-MW (e) plant that went critical in July 1973. Phénix was built in five years and within budget—quite an achievement. It incorporates all the basic features of French design: liquid sodium cooling, mixed oxide fuel, and a pool-type design. With the pool-type design, inside the pool you have not only the core but also the primary system, together with its components, pumps, and heat exchangers.

The Phénix rector was proof of the system. It has been operating very well since 1973 and has generated over 12.5 billion [10^9] kWh. For a reactor this size, it has a load factor comparable to most routine PWRs and BWRs. In addition, we have had some very interesting incidents concerning the Phénix, which were to be expected as part of its experimental nature. These incidents involved the primary heat exchanger and steam generators and at times provoked down periods of up to a year. These are significant periods, but we have gained a lot of confidence in the system because we found that we could master such incidents without lasting consequences.

One of the things that amazes most people is that sodium is so completely noncorrosive. You can remove equipment that has been operating near the core for five years, and it looks brand new. It is also easy to decontaminate. After washing away the sodium, you can put your hand on the primary heat exchanger, and the radiation level is only about 100 mr/h. This is quite an important statistic if you want to replace a generator. Radiation dosages to maintenance and operating crews are amazingly low, more than one order of magnitude below the doses of operating a standard water reactor. So, even from an operational point of view, it is a reactor that the nuclear personnel like. But it is expensive.

The Phénix was not of commercial size, so the next step is Superphénix, which has been built at Creys-Malville. Initial testing of this new facility is already under way, and because it is a one-of-a-kind operation, these tests will be rather extensive. Superphénix is a multinational venture: it is owned by a company called Nersa, 51% of which is owned by EDF, 33% by the national utility of Italy, and 16% by SKB, which is mostly German. Superphénix is 1200 MW (e), and we hope it will be the proof of complete technical feasibility for a commercial breeder. It will not be proof of commercial feasibility because it, too, will be expensive. Electricity generated by Superphénix will be about twice the cost of electricity generated by traditional PWRs. So it might be more expensive than coal, although it will certainly be less expensive than oil.

Just recently, you may have read, there have been a number of agreements among European countries concerning breeder reactors. In particular, there has been a special agreement between EDF and the Central Electricity Generating Board, so the British are now part of this European operation. It is anticipated that the British will have an ownership in Superphénix II, or whatever it is called at the time it is available for orders. This will not take place until after one year of successful Superphénix I operation to make sure that none of the options we took were problems.

Your breeder program is in keeping with your general philosophy of controlling the fuel cycle, correct?

Yes, controlling the fuel cycle is a very important part of the story. In the United States antinuclear forces sometimes have a very easy argument that although you are building reactors, the fuel cycle is not following at the same pace. This is not so true in France.

In France we switched to LWRs only when we were sure that we were mastering the enrichment because we didn't want to be dependent on anyone for a vital part of the fuel cycle. About half of our uranium is mined in France. Our resources amount to about 120,000 tons, and probable reserves amount to about 200,000 tons. This is not big compared with American reserves, but it is very big by European standards. These resources give us long-term security; we can always increase production in time of need. On a routine basis, we rely on imports for the other half of our uranium needs, mostly from Africa. However, our full mining capacity in France means that we could afford a cutoff of all uranium imports for 10 years with no adverse effect on power.

We started with a gas-cooled reactor, as did the British. With this type of reactor, the spent fuel cannot be stored in pools for very long. Reprocessing was not optional. We had to reprocess the fuel once it was unloaded from the reactor. So, before we even embarked on LWRs, we already had sizable experience with reprocessing. We are now expanding the reprocessing plant at La Hague to a capacity of 1600 tons per year by 1990. Some of this capacity which is far beyond our needs, will be contracted to provide reprocessing service to 33 utilities in seven countries. Ultimately, such a capacity will be able to accommodate the full French program for quite a time. This reflects the coherence of our policy; we have not let this part of the fuel cycle fall behind.

Also, we have been able to partly answer the most nagging question that nuclear developers ask, what do we do with the waste? We reprocess to recover what is useful, and we vitrify the actual waste. The optimal timeframe to reprocess is about four years after the shutdown of the reactor, and the optimal timeframe to vitrify is about seven years after shutdown. We have had a vitrification plant in operation at Marcoule since June 1978, and it has been very successful. We are building two similar units at La Hague; the first should be in operation by 1986 to begin vitrifying the backlog there. The capacity of these two new vitrifying units will be able to accommodate the output of the reprocessing plant with a sizable safety margin.

We have begun some preliminary geologic screening for permanent underground disposal areas, but we have not made any serious decisions in this area. So, what we do not have yet is the last stage, a disposal site for high-level nuclear waste. However, there is no big hurry to find a site. Once you vitrify, very little can happen to the waste.

What is the current focus of research and design in the French nuclear industry?

One thing that we have worked on is the Thermos reactor. Thermos was an attempt to use nuclear power in an area besides electric generation; it was specifically designed for district heating. At present, although we have made a completely detailed design, we have not found a customer. It is only marginally economical. In France there is only one district heating system; that is in Paris. However, the Paris system uses dry steam, while the Thermos reactor generates hot water. To make Thermos economical, we would have to finance the reactors and also find an appropriate district heating network. This hasn't been possible up to now, but the Thermos is on the shelf and we'll have it when we need it.

More active studies currently involve small- and medium-size PWRs with a view to possible export to less-developed countries. But it is fair to say that the main thrust of our research and development is in two main areas: the breeder program and improving the large PWRs.

Having observed the nuclear industry in this country, what advice would you offer to improve our nuclear options for the present and the future?

It is difficult to advise on such an issue. Some of the things that have been beneficial in France are really not relevant in the United States. For instance, you couldn't have only one utility; the United States is far too big for that. However, having 3000 utilities doesn't help the situation.

You do not need 80 different types of reactors. The trend is to standardize; and I can only add my support for this trend. Standardization makes it much easier for licensing plants and helps to cut costs. Maybe the United States is big enough to have more than one reactor design, but certainly not more than one per vendor. The tendency of utilities to shop around and bid for the least price is probably not the best way to

achieve reliability in the nuclear industry. I also think that the United States should have sites authorized in advance, before utilities start spending dollars on construction. The notion of a site bank is very good. That is what EDF does; we have sites ready today and until the end of 1987. The United States does need some licensing reform and I believe that we will see this reform take place in the near future.●

SCHOOLS THAT WORK

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. HAWKINS. Mr. Speaker, we hear so much criticism these days about the quality of education in our public schools. Unfortunately by being overly immersed in negativism, we overlook the fact that there are a large number of public schools that have been largely successful in raising student test scores and overall school morale. I have addressed these new and creative school improvement strategies in H.R. 4731, the Effective Schools Development in Education Act.

In a recent Los Angeles Times editorial, a number of successful public schools are identified. Two of these schools, Huntington Park High School and Washington Preparatory School (formerly Washington High), are among these highly rated schools. Their success is evidence that there are many things schools can do to improve student achievement and behavior. I would like to submit the editorial "Efforts Pay Off" for the RECORD.

EFFORTS PAY OFF

High schools that do best at putting their graduates in college generally are those whose students' families have a tradition of attending college and the ability to pay the tuition. That's obvious. But the records of other schools—often in less affluent neighborhoods—confirm another obvious point: that good principals, strong counseling programs and teachers who believe their students can do the work can in fact produce students who can do the work. That conclusion is borne out in statistics on enrollment at the University of California and California State University.

No one is surprised, for example, that the area schools that sent the most graduates to UC campuses in the fall of 1982 were Beverly Hills High School, University High School in West Los Angeles, Palisades High School in Pacific Palisades, Santa Monica High School, Rolling Hills High School, Taft in Woodland Hills, Palos Verdes High School and University High School in Irvine.

But there are others in inner-city areas, sections of the city heavily populated by recent immigrants, or blue-collar neighborhoods that defy expectations and produce UC and Cal State students as well. Consider these examples culled by Times reporters from state university statistics:

Carson High School sent four times as many of its students to the state's public universities one year as did Redondo Union High School. Belmont, Crenshaw, Dorsey, Garfield and Roosevelt—all inner-city schools—sent more students into the UC system than did some schools in the southeast area of the county. Carson, for example, has counselors like Vallory Wachter who stress the importance of college.

On the surface, few students at Huntington Park High School might be expected to go to college because their families are on welfare or speak little or no English. Yet that high school is about average compared to other schools in terms of how many students it sends to college and how they fare once they get to campus.

One reason is that Principal Marjorie O'Hanlon sees to it that her staff knows that its "biggest job is to help these young people believe in themselves." For example, Martha Valencia had no clear plans on what she wanted to do after high school graduation although she had a good grade-point average at Huntington High, was senior class secretary and recipient of a Rotary Club school service award. Her counselor steered her toward college, where she is now a sophomore majoring in computer science.

Two years ago, Washington High School in South-Central Los Angeles changed its name to Washington Preparatory School and emphasized academic preparation. College attendance by its graduates increased from 60% in 1982 to 81% this year.

Of course, there is no way to judge strictly from the statistics how well local high schools are doing in preparing their graduates for college. But the figures do help focus on schools where someone is doing something right—where there are enthusiastic counselors with high expectations for their students, no matter what their economic backgrounds, and where there are special programs that stress academic preparation and try to cut dropout rates. Increased cooperation between the public schools and the universities cannot fail to help improve the ability of both to produce better students.●

TAX EQUITY AND EFFICIENCY ACT

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. SHANNON. Mr. Speaker, if there is one thing that every Member of Congress can agree on, it is that our tax system is a mess. On all of the standards that we use to judge tax laws—equity, efficiency, and simplicity—it fails miserably. Our tax system is unfair. It is inefficient. And to mention simplicity and the Internal Revenue Code in the same breath is laughable. Of all the issues I have been involved in over the past 6 years, reforming the tax system is one of the most important, and one on which I have worked the hardest. The reason is simple: The way we structure our tax system affects in some way every person in this country.

It is not hard to discern the reasons why the system fails to meet these basic standards. Although the progressive rate structure was supposed to provide equity, the progressivity of the system has been seriously eroded by the ability of big corporations and those in the upper brackets to use loopholes in the tax laws to greatly lessen their tax liability. Efficiency has been sacrificed to a whole series of provisions that make some kinds of investment more attractive than others and lessen the revenue-raising power of the system. And every new tax bill we pass seems to make the system a little more complex.

These problems have greatly increased over the past few years. In 1981, at the administration's behest, we passed the Economic Recovery Tax Act. This bill made the tax system much less fair and much less efficient. It granted huge tax cuts that, while conferring some benefits on middle-income taxpayers, gave the biggest breaks to the wealthy. It created the accelerated cost recovery system [ACRS] which was practically a Government subsidy for business investment and reduced still further the already ridiculously low share of Federal revenue contributed by the corporate tax. We then went on to pass the Tax Equity and Fiscal Responsibility Act in 1982, and the Deficit Reduction Act this year. These bills did restore some of the fairness and efficiency to the system, but at a cost of still more complexity in the tax laws.

Many of the proposals that have been offered to deal with these problems have aimed at a total restructuring of the tax system—a flat tax, for example; or a tax with flattened rates; or a consumption tax. I have some problems with each of these proposals and am skeptical of their ability to win passage. However, I do think it is possible to make some major changes in the tax laws that would significantly increase both their equity and their efficiency. Today I am introducing legislation, the Tax Equity and Efficiency Act, that would make two such changes.

First of all, the TEEA would replace ACRS with a first-year capital cost recovery system. This is a system that I advocated back in 1981, along with several respected analysts, and that we came close to approving at that time. Under this system, every capital asset would be assigned to one of 35 classes. When a company invests in an asset, rather than spread out the cost over a certain number of years, it would deduct in the year the asset is purchased the present value of economic depreciation—that is, the cost of the asset discounted by the value of receiving the full cost recovery allowance in the first year, rather than spread out over its economic life. The present value of economic depreciation is determined for each class of assets through a formula based upon the average useful life of those assets. The system also replaces the current in-

vestment tax credits with a first-year investment tax credit that is tied in with the first-year recovery allowance to produce an effective tax rate of 40 percent for investment in each and every type of asset. Thus, the widely varying treatment of different types of investment and the ridiculously low tax rates produced by investment in certain assets that we have seen under ACRS would be eliminated, and the tax system would be more neutral in its treatment of investment. In a few years, once the system has been fully implemented, it should bring in substantially more revenue that the current ACRS system.

The second part of my proposal is the integration of the corporate tax with the personal income tax. Under my plan, both corporate income and corporate taxes would be allocated among the shareholders in proportion to their stock ownership. Each shareholder would have attributed to him as income both dividends actually received, as under current law, and his pro rata share of retained earnings; and the shareholder would be taxed at that income at his own tax rate. Individuals would receive a credit for their pro rata share of taxes paid by the corporation at the corporate rate; corporate shareholders could not receive this credit but would flow it through to their own shareholders. In order to deal with the logistical problems involved in computing and allocating corporate earnings, especially when corporate holders of stock are involved, the shareholder would not be deemed to have received his share of retained earnings until 9 months after the taxable year in which they were earned by the corporation. Thus, if a corporation were operating on a calendar year basis, its shareholders would not be deemed to have received their share of the corporation's undistributed 1985 earnings until September 1986.

In order to avoid double taxation when dividends are actually distributed any dividends would be deemed to have been made first out of current year, untaxed earnings and profits, and then out of previously taxed income, which would be recorded in a separate account. Amounts distributed out of previously taxed income would be excluded from the recipient's taxable income, and the previously taxed income account would be reduced accordingly.

Upon sale or transfer of corporate stock, the shareholder would pay capital gains tax, as under current law. However, the basis for the stock would be stepped up to include accumulated earnings on which tax had already been paid. Thus, the corporate income tax would become essentially a withholding device for taxes on dividends and accumulated earnings. In addition, this measure would help resolve the lock-in problem—for example, the ability of asset holders to accumulate substantial increases in wealth without paying tax on them until disposing of the asset—that has been a disturbing element in capital gains taxation. Over a period of several years, accumulated earnings provide a close approximation of capital gains, excluding inflation; and thus taxing these earnings is similar to taxing the appreciation of capital gains, adjusted for inflation.

In short, the proposals I am offering, while not completely restructuring the Tax Code, would make significant changes in two parts of it that have been at the heart of many complaints about unfairness and inefficiency in the current system. It will do away with the wasteful and inequitable ACRS system and replace it with one that will treat every corporation equally and not allow any corporation to reduce its tax liability through tax-motivated investments in equipment. It will reform the way that corporations and their shareholders are taxed on their income so that wealthy stockholders can no longer benefit from large accumulations of untaxed earnings. By doing these things, it will lead to a tax system that is more fair, more efficient, and, yes, even a little more simple to work with. I hope that it can be given serious consideration when Congress gets down to the nuts and bolts of tax reform.●

A TRIBUTE TO CONGRESS' FINEST SUBCOMMITTEE STAFF

HON. RICHARD L. OTTINGER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. OTTINGER. Mr. Speaker, for the past 4 years I have been extremely fortunate to hold the position of chairman of the Energy Conservation and Power Subcommittee of the Energy and Commerce Committee. Not only have I enjoyed working with a talented and able group of my colleagues, but I have had the good fortune to have had an outstanding staff. As my career in Congress and my associated responsibilities as chairman draw to a close I would like to take a moment to thank the staff of the subcommittee for their fine work. Their standards of excellence, diligence, and dedication helped keep those vitally important issues within the subcommittee's energy jurisdiction alive and as well as could be expected under the current administration. The consistently high level of subcommittee work ensured that the strides made in energy policy over the past decade were not rejected or repealed and established a policy framework for the inevitable resource challenges of the future. I can say without hesitation that it is one of the finest committee staffs ever assembled.

I must give most of the credit to my friend and staff director, Mike McCabe. Mike first worked for me when I pulled him away from his position as legislative assistant to Senator GARY HART to run the Environmental Study Conference. In short order he expanded the Study Conference to serve the Senate and attracted enough new members to make it the largest legislative service organization in Congress; 4 years ago I asked Mike to apply his exceptional administrative ability and keen political judgment to the new subcommittee where he crafted an aggressive agenda to preserve the balanced bipartisan energy policies of past Congresses and mold new approaches to address current conditions. Mike put together a staff and created an office environment which produced the most productive, resourceful, and effective subcommittee in Congress.

Chief counsel Dave Schooler has served as the subcommittee's parliamentary strategist with one of the best minds on how this institution works that I have ever seen. Dave's intimate knowledge of the issues and energy law, as well as his insight into parliamentary procedure, made him an indispensable collaborator on all subcommittee business. This was first fully demonstrated in his work on the Omnibus Budget Reconciliation Act of 1981 when the first Department of Energy authorization was passed. His exceptional ability was also a key factor in moving the highly complicated and contentious Nuclear Waste Policy Act of 1982 through committee and on to eventual passage.

Over the past 4 years Sarah Glazer has served as the subcommittee's principal expert on the many important energy conservation programs that have been under attack by this administration. This hostile environment was quite different from her work for me in the Science and Technology Committee during the last 2 years of the Carter administration when these issues still held executive branch favor. However, whether it was the low-income weatherization program, the automobile fuel-efficiency standards or the residential conservation service, Sarah was able to deftly resolve complicated problems and turn political opposition into support for the goals and objectives of these vital energy conservation policies.

Bruce Driver is the subcommittee's superb counsel on utility issues and I have yet to meet anyone who has a better understanding of the complex and arcane world of utility regulation. Out of his comprehensive, indeed encyclopedic knowledge of these matters he has been able to develop some of the most creative and innovative ap-

proaches to utility policy to be proposed. He laid the substantive groundwork for cost-effective, least-cost electric utility policy, when others were still grappling with the theoretical concepts of this new approach. This was best reflected in the work he did on construction work in progress legislation, hydroelectric relicensing, and the extremely creative regional power planning bill.

Jeanine Hull, counsel on nuclear issues, has made a major contribution in unravelling the mysteries of the Department of Energy's largest energy expenditure—the Uranium Enrichment Program. Her efforts may ultimately result in billions of dollars being saved rather than wasted by investment in unneeded and outdated enrichment technologies. This same thoroughness and preparation made an important mark on the subcommittee's consideration of the Nuclear Waste Policy Act. Jeanine's recent work with subcommittee minority staff on nuclear licensing reforms promises to provide valuable new direction on this difficult issue.

Jerry Brubaker has been the subcommittee's expert on international nuclear nonproliferation issues. His understanding of the intricacies of the nuclear fuel-cycle and its effects on our economy and national security is unparalleled. Jerry's hard work and analysis was the single most important staff contribution to the termination of the uneconomical Clinch River breeder reactor project. These skills were ably directed toward a complete rewrite of nuclear nonproliferation policy which won the support of Members of both the House and Senate and now forms the basis for a fundamental strengthening of efforts to stop the spread of nuclear weapons.

David Moulton is the newest member of the subcommittee staff and took over the energy conservation and low-income energy assistance programs handled by his talented predecessor Alison Freeman. David brought to the subcommittee his years of experience as Washington's top energy conservation lobbyist. In his post as conservation counsel he has established himself as effective in Congress as he was outside. His excellent work on the Low-Income Energy Assistance Program and the Solar and Conservation Bank have made a positive and lasting impact on the implementation of these programs. His innovative approach to extending the residential energy conservation tax credits lends momentum to consideration of this issue in the next Congress while increasing the program's effectiveness and lowering the credit's cost.

Despite all of the talent directed at the issues within the jurisdiction of the subcommittee, there must be a strong support organization to make it all run smoothly and to process the day-to-day work product. In this regard, the subcommittee has been very fortunate to have Liz Cingel as the administrative assistant. Liz's organizational genius has made the extensive recordkeeping and filing system work better than it ever has before. In addition, she has managed the office's finances and word processing tasks with accuracy and efficiency. Liz is a professional manager of the highest caliber.

Janice Warren is the kind of solid, dependable staff assistant who most Members would give their right arm for, but who few have the opportunity to employ. She is always ready to take the most confusing chinese puzzle of a draft speech or report and turn it into a document that will be referred to for decades as legislative history. The precision and skill with which she executes her duties are remarkable, but what is most impressive is her even temper and steady personality, even in the face of the most urgent rush jobs.

Over the past 4 years Marie Burns has advanced into being one of the most versatile and productive members of the support staff. She has shown an administrative ability beyond her limited years of experience and I fully expect her to be running a subcommittee office within a very short period of time.

Legislative assistant Marianne Bailey has developed an extraordinary aptitude for understanding the complexities of the legislative process and has used this ability to keep the subcommittee fully informed of the progress of issues within our jurisdiction. In addition, her recent handling of some of the renewable energy issues demonstrates that she can master a broad range of substantive issues with ease.●

OIL DRILLING ON GEORGES BANK IS A DISASTER

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. MARKEY. Mr. Speaker, I wish to express relief that the Department of Interior has called off its proposed sale of offshore oil exploration leases on Georges Bank, in the North Atlantic. The sale was to have taken place Wednesday, September 26, 1984.

Ironically not a single oil company bid was submitted for the Georges Bank lease sale. In fact, the Department of Interior's North Atlantic lease sales have proved to yield a history of unproductive dry holes. Interior is apparently promoting something not even the oil companies are interested in.

However, this lease sale proposal is a reminder to all of us that the Reagan administration continues to pursue the environmentally destructive and economically bankrupt policies of former Interior Secretary James Watt.

The Georges Bank is not only a Massachusetts treasure but a national treasure, and is the source of almost one-fifth of the fish consumed in the United States. The fishery generates nearly $1 billion in revenues each year. It is folly for the Department of Interior to have targeted the most productive fishery in the world for one of the most aggressive and least justified oil exploration projects. With 1 billion acres available elsewhere in the United States for offshore oil exploration, it astounds me that Interior planned to sacrifice a proven and renewable resource of revenue, the Georges Bank fishery, for a supply of oil so speculative that even the oil companies don't care to investigate it.

Interior estimated that, at best, lease sale 82 would yield less than an 8-day supply of oil for the United States. Yet the Department was willing to risk a small drilling accident or error which could trade ruin hundreds of years of productive seabed.

The first lease off the coast of Massachusetts led to an expenditure of $1.1 billion by the oil industry, and yielded eight dry holes. With years still left on the lease, drilling has stopped because no oil was found. If oil is ever found on Georges Bank, the price will be prohibitive. If all the oil projected to be at Georges Bank were discovered and refined into gasoline, and that gasoline were priced to take its actual cost of production into account, the people of Massachusetts would be paying anywhere from $3 to $9 per gallon at the pump for it.

Under the Outer Continental Shelf Lands Act Amendments of 1978, the Secretary of Interior is required to balance the economic benefits of oil exploration against environmental risks, and must refuse to lease where the risk to fisheries is unreasonable. Adequate balancing would have taken Georges Bank out of consideration for oil and gas leasing. Not only is the cost of drilling prohibitively expensive, but a billion-dollar-a-year fishery would have been severely jeopardized.

The order enjoining the sale was issued precisely because the Department of the Interior had failed to consider environmental interests adequately. Perhaps, the Department of the Interior will now be warned that in the future such interests must be taken into account exactly as the Coastal Zone Management Act and the National Environmental Policy Act direct.

The Commonwealth of Massachusetts repeatedly asked the Department of the Interior if it made sense to risk the most productive fishery in the world for an insignificant and costly

trickle of oil. The Commonwealth has been trying to balance two resources: energy and fisheries. Energy resource imports into the State have decreased by about 20 percent during the past decade, and conservation has increased substantially.

The Department of the Interior has a clear mandate from Congress to involve State and local governments in the policy planning for OCS development. However, let us look at what has happened when the people of Massachusetts have voiced their concerns. The Department has embraced a policy of confrontation rather than cooperation. Good-faith efforts by the Commonwealth to assist the Department of the Interior in designing a rational and safe leasing program have been thoughtlessly rebuffed. The Commonwealth has been treated with high-handed condescension by Interior, and had to resort to court adjudication to have its concerns taken into serious consideration.

The State asked that all canyons and all tracts shallower than 400 meters be deleted from the sale, but Interior had deleted only those tracts in which the oil companies showed little or no interest. It is ironic that this administration, which has claimed to encourage State and local autonomy, has bureaucrats from Washington telling fishermen from Massachusetts that the oil companies know best. The oil companies only know profits best.

The Department of the Interior should realize that its proposed lease sales, and the way it is doing business with the Commonwealth of Massachusetts, is wrong. If this administration truly wants to get the Federal Government off our backs, Georges Bank is the place to start.●

FEDERAL ANTICRIME ACT SAILS THROUGH THE HOUSE

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. PATTERSON. Mr. Speaker, on Tuesday, October 2, 1984, the House passed H.R. 5960, the Federal Anticrime Act by an overwhelming vote of 406 to 16. This bill contains significant and far-reaching reforms that will have a direct impact on the incidence of crime in this country. The Federal Anticrime Act continues the war against crime by substantially increasing sentences for violent offenders and drug pushers, providing aid for programs that help locate missing children, and assisting local anticrime and victim compensation programs. I commend my colleagues on Tuesday's vote and I am hopeful that with the cooperation of the other body we can put this bill on the President's desk before the end of this legislative session.

Recent statistics demonstrate that this legislation is urgently needed. The Bureau of Crime Statistics of the Department of Justice reports that the United States now has the highest crime rate among the world's industrialized democracies—20 times higher than Britain's, and 100 times higher than Japan's. Today, anyone living in a large American city is more likely to be murdered than an American soldier in World War II was to die in combat. Serious crime—murder, rape, arson, assault, robbery, and burglary—now touches 1 in 10 American households every year. We also know that a relatively small percentage of the criminal population—only 6 percent—is responsible for 50 percent of all the violent crime in this country. Each of these "career criminals" commits 40 to 400 serious offenses per year.

The Federal Anticrime Act meets the career criminal problem head on. The bill gives the Federal Government the power to prosecute a person with two prior convictions for robbery or burglary who uses a firearm in the commission of a third robbery or burglary. Convicted criminals would be subject to a minimum prison sentence of 15 years without the possibility of probation or parole. Just getting this segment of the criminal population off the street will have a major impact on crime.

The Anticrime Act also attacks another major national problem—drug abuse. Drug trade in this country has become big business with estimates at over $80 billion in illicit sales every year. Moreover, violent crime in this country has doubled since 1960, a time when experts say illegal drug use also began to escalate. Current figures indicate that 90 percent of all heroin users commit crimes in order to obtain money to support their habit, and that 50 percent of all inmates used drugs before committing their offenses.

The Anticrime Act clamps down on pushers by increasing the Federal fines for dealing drugs 10 times and proposing an alternative fine structure under which drug offenders can be fined twice their gross profits on illegal drug sales. The Federal fines collected from drug smugglers are then targeted back into the Nation's drug law enforcement programs.

Another key provision in the Anticrime Act provides for increased Federal assistance to State and local law enforcement. Police and sheriff departments shoulder over 95 percent of the criminal justice workload in this country. As a result, local law enforcement represents our most important line of defense against crime. Providing local officials with the manpower and tools they need is critical to our crime reduction efforts.

In addition to beefing-up local law enforcement, the bill encourages local officials to develop citizen awareness programs, like Neighborhood Watch. The Department of Justice reports that citizen awareness programs have had a great deal of success in reducing the crime rate in cities all around the country. For example, in 1974, the largest city in my district, Santa Ana, had the highest increase in crime of all the cities in California. In 1975, we began implementing a community-oriented crime prevention program. The next year, Santa Ana had the largest decrease in its crime rate of any city in the United States. I think that statistic speaks for itself about the effectiveness of these types of crime prevention programs.

Mr. Speaker, there are many other provisions in the Anticrime Act that I would like to discuss in detail. However, I know my time is short so I will simply mention each briefly. The bill increases funding for State compensation and witness protection programs and provides stiff penalties for jumping bail and for violating the terms of pretrial release. Additionally, it narrows the insanity defense and increases the defendant's burden of proving insanity. The bill also requires that prisoners serve at least 80 percent of their sentences and outlaws homosexual rape and other forms of sexual abuse not already covered by current law. Finally, it reauthorizes the Office of Juvenile Justice and Delinquency Prevention and provides more Federal support for projects that help locate missing children.

I firmly believe that the American people want the reforms proposed by the Federal Anticrime Act. These reforms will help reduce the incidence of violent crime and drug smuggling, improve witness protection and victim compensation programs, beef-up local law enforcement, and make our criminal justice system more just. I am hopeful that we will have this package on the President's desk in the next few days. Together, we can help make crime a thing of the past.●

USER FEES FOR MAPPING AND CHARTING ACTIVITIES OF THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. PRITCHARD. Mr. Speaker, today I am introducing a bill, at the request of the administration, to allow the Department of Commerce to recover some of the costs incurred in the production of National Oceanic and Atmospheric Administration [NOAA] maps, charts, and information prod-

ucts. The acquisition, maintenance, and provision of this information contained in these products is necessary to support national defense as well as safe and efficient public and commercial marine and air navigation.

As the Congress strives to develop a budget that includes the programs important to this country, the Congress should at least examine, where appropriate, the application of the beneficiary pays principle as a tool to help reduce the Federal deficit. It is of paramount importance, however, that we only proceed in this direction after careful study is given to all the ramifications of such an action. Therefore, in order to encourage such investigation and dialog in the next Congress, I am introducing this bill today.

As part of the necessary analyses, NOAA has made a preliminary estimation of the demand for nautical chart products. This is a good start. From here, however, a number of factors must be examined, such as the elasticity with respect to price, for both marine and aeronautical charts, before we decide if human safety and environmental protection are jeopardized. If it is shown that the application of the beneficiary pays principle would be effective in recovering some of NOAA's production costs for maps and charts while maintaining necessary safety standards, then and only then should Congress proceed with this change.

Mr. Speaker, it is important that Congress continue to examine the beneficiary pays principle with respect to a number of types of Government services. In many instances, this principle, if implemented gradually, could prove effective in defraying some of the costs to the Federal Treasury. Mr. Speaker, I would expect that the 99th Congress will examine this principle further, with respect to NOAA maps and charts, and I would encourage additional analysis and consultation by both the Congress and the administration in the interim.

Thank you, Mr. Speaker.●

TRIBUTE TO MY STAFF

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. OTTINGER. Mr. Speaker, at the end of this session I will be leaving Congress and 16 years of service to the people of Westchester County, NY. I have been proud of my service and am extremely grateful for the trust and respect showed to me by the voters of the 20th District.

What many of my constituents may not realize is that I could not have served them as effectively without the outstanding staff I have had over the years. I have always had the good fortune to have dedicated and able staff to help me fulfill my representative duties. In fact, my former administrative assistant, Oren Teicher, who joined me upon my reelection in 1974, is now seeking my seat in the House.

Before Congress adjourns I would like to express my deepest thanks to those staff members who have put in so much effort on my behalf over the past few years.

As every Member knows we have two staffs, equally important in the jobs they perform, but with different duties—the district office staff and the Washington staff.

My personal staff is directed by my administrative assistant Clarence "Bud" Grebey. Bud came to my office a little over 2½ years ago from the staff of former member Toby Moffett to serve as my press secretary. He soon proved his capabilities in this field by developing press contacts and creating strategies that I had never before known to exist. Bud also in a short period of time displayed exceptional administrative and organizational talents. It seemed only natural when John Dineen left my staff earlier this year that Bud should succeed him as my AA. In that capacity I have seen Bud's capabilities and potential grow even greater, ensuring that both my Washington and New York offices remain effective and productive during my last year in Congress.

The heart and soul of my Washington staff is my office manager, Jean Trader. Jean first came to work for me when I worked in the Peace Corps, in 1963. When I made the decision to run for Congress, Jean ran right along with me—and has been by my side ever since. No one can get things done like Jean gets things done. Her organizational skills are unparalleled and her ability to accomplish the impossible never ceases to amaze me. Her talents have, over the many years of our association, ensured that my Washington office has consistently been run effectively and efficiently.

As any Member of Congress knows, without a personal secretary to put together your schedule, life itself would seem to grind to a halt. Barbara Santos has for the past 3 years filled this position with skill, personality, and patience. She has been able to bring order to an often chaotic and conflicting schedule and is always there to make sure that I have been at the right place at the right time. Her hard work and long hours have had a remarkable impact on my last years in Congress.

William Trawick has served as my expert on Federal grants and housing programs. In his 3 years on my staff Bill has brought more than $150 million in Federal housing, community development, and transportation grants to the people of Westchester County, perhaps the most important of these being the Winbrook Housing Complex in White Plains, modernizing 450 much needed, low-income housing units. Bill also played a key role in the transition of Westchester's commuter rail lines from Conrail to the New York MTA.

Mary Clifford came to my personal staff after first working on my subcommittee staff. She soon mastered the intricacies of the legislative process and her efforts have been instrumental in developing a strong viable alternative to the economic policies of President Reagan. She has done much of the behind-the-scenes work on the National Economic Recovery Project, a Democratic economic plan that has been endorsed by 153 of my colleagues in the House. Mary is currently working to put together a conference for small businesses on the Federal procurement process.

Rebecca Stone is my legislative assistant for defense and foreign affairs issues. Becky's hard work and dedication to humanitarian and rational ideals have made an important mark on my consideration of many of the most difficult and important issues we have faced in the 98th Congress. Becky was instrumental in my efforts to abolish funding for the National Endowment for Democracy.

Fran McPoland first started working for me as a "Teens for Ottinger" campaigner in the late 1960's. She joined my Washington staff in 1983 as my LA for environmental and energy issues. Her expertise in these fields proved valuable in emphasizing my commitment to the environment and implementing programs to protect the resources of New York State and the Nation.

Pat Ryan is the newest member of my staff, taking over my health, education, and seniors issues. I feel very fortunate to have such a hard worker as Pat on my staff. Her exceptional talents have been paramount in my efforts to bring the inhumane cuts in education and vital social programs by the Reagan administration to the forefront of public thought in Westchester. I know her thoroughness, skill, and warm personality have made an important mark on the people of Westchester County.

Perhaps the greatest asset in a press secretary is a firsthand knowledge of the district he must cover. Terence Kelly has brought to my office just such a talent. He served for 2 years as one of my most capable caseworkers in Westchester and has proved himself equally as capable in Washington as my press secretary. Terry has proved to be an adroit conduit between myself and the media of New York and Washington.

In my office the individual who has ensured that the mail is answered

promptly and accurately and that correspondence is filed correctly is Emma Pyles. Emma recently took a leave of absence from my staff to deliver something other than correspondence, and Monday became the mother of a baby—Scott. I'd like to take this opportunity to offer the Pyles family my warmest congratulations on their new addition.

My district staff is headed by my long-time friend and and political confidant, Belle D'Onofrio. I doubt that there is anyone in Westchester County who has more political savvy and connections than Belle. She has, over the years, proved instrumental in developing many of my constituent services and casework policies. She began her career in politics as a volunteer during my 1970 bid for the Senate and has remained an invaluable asset, in and out of the political arena, ever since. Belle's outstanding organizational and administrative capabilities are reflected in the excellent reputation my district offices have received for prompt and effective constituent service.

In addition to Belle, my district staff is comprised of five of the hardest working and dedicated staffers any Member of Congress could ask for.

Rhoda Fidler is probably best known by the people of Westchester as the warm and efficient person they encounter when first entering my New Rochelle office. Most recently, she played a key role in organizing a meeting between local fire and police chiefs and town leaders with officials from the Brookhaven National Laboratories to discuss the proposed shipment of radioactive waste through Westchester. Her efforts have led to special training for emergency squads by the Brookhaven Labs.

Linda Luddy has done an outstanding job working with students and seniors in Westchester County. She is single-handedly responsible for organizing my highly praised annual conferences for senior citizens. In addition, Linda every year handles my nomination of students to the U.S. military academies and handles a large load of constituent casework.

Louise White has played two key roles in my district office. Foremost is her ability to organize a coherent schedule of appointments for me while home. Of equal importance is the excellent job she does of handling constituent requests and casework. Hundreds of constituents have been assisted by her talents.

Dorothy Crozier serves as my immigration expert. She began working with me in the mid-1960's and has been a dedicated and caring staffer ever since. Dottie is responsible for uniting hundreds of families torn apart by the bureaucratic madness of the INS and for obtaining citizenship for an equal number of immigrants whose life dream had been to come to our country.

Joan Patricia Horton is a woman who has led an exemplary life of dedication to equal opportunity for all Americans. As my chief community affairs adviser, Joan has acted as my eyes and ears among the people of southern Westchester. Her advocacy of fair employment and housing practices has ensured that our hard-fought civil rights laws are not neglected.

It cannot go without saying that one reason the current staff of the Washington office has performed as well is the groundwork laid by the manager of my last two campaigns and my former administrative assistant, Dave Gold. Dave did a spectacular job of raising the percentages by which I was reelected to astoundingly high levels. He has since moved his astute political skills to the private sector where he now helps other progressive political candidates. However, before Dave departed at the beginning of this Congress he turned over his duties as administrative assistant to his capable protege John Dineen.

John has since moved on to apply his considerable managerial skills to the Environmental and Energy Study Conference where I am confident he will guide that vital legislative research organization into a new phase of quality service to Members.

Mr. Speaker, without the talent, hard work, and long hours of these individuals my service in Congress would be meaningless. I wish all of them the best of luck in years to come, and know the friendships and associations we have made during my time in Congress will last well past the final days of the 98th Congress.●

TRIBUTE TO RON PAUL

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. DANIEL B. CRANE. Mr. Speaker, I know of no one in this Congress—indeed, in the history of our country—who has shown greater fidelity to his principles than our retiring colleague, the Honorable RON PAUL.

When others ask, "What is expedient?" RON PAUL asks, "What is right?" When others say, "It will cost me votes," RON PAUL says, "Truth cannot be bought.

For his passion for truth, he has found himself in the minority time after time. He has been condemned as unreasonable, someone who doesn't understand compromise, a man who doesn't know you have to "go along to get along."

But RON PAUL knows that "from the beginning of our history, the country has been afflicted with compromise. It is by compromise that human rights have been abandoned." Charles Sumner's observation rings tragically true today.

Had he been a contemporary, John Quincy Adams would surely have had RON PAUL in mind when he advised legislators, "Always vote for a principle, though you vote alone, and you may cherish the sweet reflection that your vote is never lost."

RON, cherish that reflection. Your votes and personal example will live to shepherd generations yet unborn.

Mr. Speaker, Jesus himself testified that a prophet hath no honor in his own country. There are precious few in this body who recognize that, for a fleeting moment, we had a giant in our midst.●

TRIBUTE TO HON. J. KENNETH ROBINSON

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. STOKES. Mr. Speaker, I would like to thank my distinguished colleague, the gentleman from Virginia [Mr. WHITEHURST] for reserving this special order so that Members can salute our colleague KENNETH ROBINSON. At the end of the 98th Congress, Mr. Speaker, Congressman ROBINSON will retire from the House of Representatives. For 14 years, he has served the people of the 7th Congressional District of Virginia in an exemplary manner. I know that his constituents will miss the fine service that he has rendered to them.

Mr. Speaker, I have had the pleasure of serving on two committees with Congressman ROBINSON. As a result of those associations, I have come to respect my good friend and colleague.

Both of us serve on the House Appropriations Committee. Although we are members of different subcommittees, I always knew that when an appropriations bill from one of my subcommittees came to the full committee for consideration, Congressman ROBINSON would focus his attention on that legislation. In those deliberations, Congressman ROBINSON would listen to every side of an argument before making a judgment and casting his vote.

Mr. Speaker, I also have had the honor of serving with Congressman ROBINSON on the House Select Committee on Intelligence. As many of my colleagues know, Congressman ROBINSON is the ranking minority member of that committee. He is one of the experts in the House on this Nation's intelligence activities.

Mr. Speaker, after 14 years in the House of Representatives and 4 years in the Virginia State Senate, Congress-

man ROBINSON is retiring. I know that his constituents will miss his service. Many of us, on both sides of the aisle, will miss his leadership and friendship.●

TRIBUTE TO KEN ROBINSON

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. ERLENBORN. Mr. Speaker, I join in extending my thanks and congratulations to the gentleman from Virginia [Mr. ROBINSON] as he retires from the House of Representatives at the end of the 98th Congress.

KEN has been not only an able spokesman for the people of the 7th District of Virginia, but a stalwart defender of our country and its basic freedoms. I thank him for his hard work here, which I know has been a labor of love for him.

As a fellow ranking Republican who also has decided to take his leave from these very hallowed halls at the end of this term, I feel a special kinship to the ranking Republican on the Select Committee on Intelligence. It was a tough decision to make, but KEN can retire with a feeling of much satisfaction for the valuable service he has given to the people of Virginia and all other Americans.

Congratulations, KEN, for a job well done. May you find the enjoyment in retirement you so richly deserve.●

TRIBUTE TO KENNETH ROBINSON

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. BROYHILL. Mr. Speaker, it was some months ago that I first learned that KENNETH ROBINSON would not seek reelection to the House seat that he has held for the past 14 years. My first thoughts were about the loss to this House and to the Nation of the services of a man who has fought a valiant fight these many years for sanity in Government. KEN is the kind of Representative who works tirelessly without thought of political reward. He is a student of the appropriations process and a thoughtful, perceptive leader on the Intelligence Committee to whom I have turned often for advice. KEN, we will miss your voice of reason here in the Congress, but fully understand your desire for a different lifestyle at this point in life. Louise and I want to wish you and Kit well. Stay in touch.●

THE BANNING OF COMMERCIAL WHALING

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. WAXMAN. Mr. Speaker, the International Whaling Convention [IWC] has voted for a cessation of commercial whaling by the end of 1985. I strongly endorse the IWC's ban and hope that all nations will abide by its terms. However, at this time it appears that at least three countries—Japan, Norway, and the Soviet Union—disagree with the ban and do not plan to comply with the 1985 deadline.

The Congress has already recognized the need for the U.S. Government to encourage other countries to comply with international treaties which protect marine resources. The President is currently required to restrict the amount of fish which can be taken from U.S. waters by the fishermen of countries which violate such a treaty.

I call upon the President to execute his authority to promote international cooperation in carrying out the IWC ban. If his efforts fail, I believe the Congress should consider taking additional steps to assure compliance.

One such additional step is encompassed in a bill before my Subcommittee on Health and the Environment, H.R. 5032. The bill would require that any retail product containing imported fish be labeled to show the country from which the fish was imported.

The legislation was introduced by our distinguished colleagues Mr. JEFFORDS, Mr. MAVROULES, and Mr. BOSCO, and is supported by a number of commercial fishing organizations as well as several distinguished members of the California Legislature.

The proponents of this bill argue that all products containing fish should be labeled as to the country of origin so that American consumers can select, if they so desire, the products of American fishermen. This labeling requirement would empower American consumers to reject the fish products of countries like Norway, Japan, and the Soviet Union, that do not cease commerical whaling.

Mr. Speaker, I recognize that H.R. 5032 has other purposes as well. I am considering the reasons set forth by the sponsors of the bill. At this time, I am prepared to say that legislation like H.R. 5032 may be necessary in order to promote international compliance with the IWC's ban on commercal whaling.●

RESTRAINTS ON PUBLICATION BY SEC

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. PAUL. Mr. Speaker, the Securities and Exchange Commission apparently thinks that it has the authority to approve or disapprove what is written and read about the stock market and other investment opportunities. The registration of investment newsletters comprises an "agreement" by the publishers to conform to a whole host of SEC rules and regulations in the production of their newsletters. This treatment has the effect of regulating not only what is written as investment advice, but what is contained in advertising material as well. The registration with the SEC constitutes a virtual occupational license, restricting entry into SEC-approved applicants with SEC-approved contents.

I certainly do not condone fraud in the securities market, but I do believe that the SEC's registration requirements, along with the myriad additional rules and regulations which apply to these publications, interfere with freedom of speech and of the press. In addition, the right of private citizens to read material of their choice is being denied. How citizens choose to use the information presented to them must ultimately be their own responsibility. Likewise, investment brokers and investment counselors who intentionally make false claims should be prosecuted, but neither of these situations justify the prior restraint of publication—on a variety of extraneous grounds—being practiced by the SEC.

I believe that the legitimate watchdog function of the SEC would better be performed by a nongovernmental agency, or agencies. These would not be empowered to pursue their own interests, but rather those of their clients in the investment community. In that way we would be more likely to maintain an evenhanded treatment of all of these publications on the criterion that counts—prevention of fraud in the investment counseling industry. Agencies organized in this way, through the market rather than by Government decree, could serve the legitimate function of alerting investors to fraud—which would be handled in the courts—without the ability to engage in discriminatory punitive actions of their own.●

TRIBUTE TO CHARLES FEUEREISEN, PAST NATIONAL COMMANDER OF THE JEWISH WAR VETERANS OF THE UNITED STATES

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. TORRICELLI. Mr. Speaker, I would like to take this occasion to honor Charles Feuereisen, past New Jersey State commander and national commander of the Jewish War Veterans of the United States.

A much decorated hero of World War II, Feuereisen served with the 511th Parachute Infantry of the 11th Airborne Division where he received the Bronze Star, the Silver Star, the Purple Heart, and the Distinguished Unit Citation.

Mr. Feuereisen, a resident of Oradell, NJ, will be honored at a testimonial breakfast to be held on November 11 at the New Milford Jewish Center in New Milford, NJ. Mr. Sol Abrams, commander of the Cpl. Charles M. Wallach Post of the JWV, announced that "many national, State, and local government leaders as well as leaders from veterans organizations, civic, religious, community and business groups are expected to attend the event."

It is especially fitting that Charles Feuereisen be honored on Veterans Day. He was the first president of the New Jersey Allied Veterans Council, a past president of the 11th Airborne Division, a past vice commander of the Advertising Men's Post of the American League, and is still a member of that organization and the Veterans of Foreign Wars. He was also a founder and charter member of the Cpl. Charles M. Wallach Post 773 of the Jewish War Veterans of the U.S.A. In addition to serving as State commander and national commander of the Jewish War Veterans, he was a charter member of the North Bronx-Asher Post 226, Americanism chairman of the New York State JMV, a past Bergen County council commander, past commander of the third region, past chairman of the tri-State action committee and chairman of the foreign affairs committee of the Jewish War Veterans.

Many honors and awards have been bestowed upon Charles Feuereisen in civilian life, including his being named as Man of the Year by his hometown of Oradell, NJ. Indeed, Charles Feuereisen makes everyone who served our Nation in any wars or conflict, proud to wear the title of veteran.●

IN HONOR OF EXCELLENCE, PHYLLIS BENEKE

HON. ALAN B. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. MOLLOHAN. Mr. Speaker, I would like to take this opportunity to offer my congratulations to Ms. Phyllis Beneke of Wheeling, WV, who has recently been named a winner of "In Honor of Excellence," a new national program recognizing outstanding principals and teachers.

This is the first year for the program, which is sponsored by the Burger King Corp. and the National Association of Secondary School Principals [NASSP]. The program chooses one principal and one teacher from each State as winners.

Ms. Beneke, the principal of Wheeling Park High School, was chosen by a board of her peers to receive the honor. Their choice was based on Ms. Beneke's outstanding capabilities as both a school administator and an upholder of high standards of curriculum. Her school's unique blend of cummunity participation in the development of the goals of the school and emphasis on student achievement within a supportive climate is an incentive to all people in both West Virginia and the Nation seeking to further the progress of education.

Phyllis Beneke's dedication to the development of education in West Virginia is a source of great pride and inspiration to me and my fellow West Virginians. Her exemplary work as a principal serves as a model for educational improvements throughout the Nation. Again, I congratulate Ms. Beneke and wish her the best of luck in the future.●

A TRIBUTE TO RAYMOND P. SCHULTZ

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. SMITH of Florida. Mr. Speaker, today I rise to give special recognition to Mr. Raymond P. Schultz of Hialeah, FL, for his role in helping to respond to disasters in Central America. Mr. Schultz is chairman of the Central American Emergency Committee of Sister Cities International and serves as a vice president of the organization's board of directors.

Sister Cities International has long been active in helping to provide disaster relief to Central America through its network of sister cities in the area. The Miami area has developed exceptional facilities to meet emergency and disaster situations locally and overseas.

Mr. Schultz was recently honored by the Department of State and the Agency for International Development for his efforts. The award, one of the highest commendations of the Agency, was signed by AID Administrator M. Peter McPherson and Secretary of State Georga Shultz.

In recognition of the honor Mr. Schultz has received and of his personal committment to this important program, I hope my colleagues will join with me in extending congratulations and our appreciation to Raymond Schultz.●

BLACK/WHITE HEALTH DIFFERENTIALS: 20 YEARS AND THE CRISIS CONTINUES

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. STOKES. Mr. Speaker, on September 27 and 28, 1984, the Congressional Black Caucus Health Braintrust, which I cochair, along with my distinguished colleague from Illinois, Mr. HAYES conducted a 2-day workshop on the health status of blacks and other minorities in the United States.

Mr. Speaker, the general public and many of my colleagues may not be aware of the critical health care situation confronting the black community or of the various obstacles they still face in accessing affordable and quality health care. However, as a result of the Congressional Black Caucus Health Braintrust hearings, we have brought this pernicious problem to the attention of many Americans. Now, I hope that the Congress and the President can begin to address this critical situation.

I would like to take this opportunity to share with my colleagues an article which appeared today in the Washington Post that reveals the shocking disparity between the health status of black and white Americans.

[From the Washington Post, Oct. 10, 1984]

THE BLACK-WHITE HEALTH GAP—DISPARITY WIDENING, CONGRESSIONAL CAUCUS IS TOLD

(By Sandra R. Gregg)

While Americans, in general, and healthier today than they were 30 years ago, a large gap continues to exist between blacks and whites. The statistics are sobering:

A black baby is twice as likely as a white baby to die before its first birthday.

The life expectancy for a black person is 68 years, compared with 74 years for whites.

Black women are about 2½ times more likely to die from diabetes than white women.

Black men are seven times more likely to be murdered than white men and have a greater chance of dying of cancer and heart disease.

Some of the therapies used in treating patients are much less effective on blacks than whites.

Doctors and health activists grappled with the reasons behind these facts at a recent two-day meeting of the Congressional Black Caucus Health Braintrust. Speakers offered several explanations for why blacks are more susceptible than whites to certain unhealthy conditions. Blacks are more likely than whites to be poor, to have unhealthy diets and to live and work in undesirable conditions—which increases their stress level and limits their access to health care. Minorities are also more likely to live or work in places that expose them to carcinogens such as lead from car pollution or peeling paint.

Several speakers said the health gap between blacks and whites is widening and blamed it on funding cutbacks by the Reagan administration, including $2 billion from Aid to Families with Dependent Children (AFDC), and an 18 percent reduction in Maternal and Child Health funds. Others noted that many health resources have not reached those who needed help the most.

A major problem with current medical care, said psychiatrist Patricia A. Newton of Baltimore's Provident Hospital, is that it focuses on "curing illness, not preventing it." For example, Newton said, funds have been poured into some communities to treat alcoholics and drug addicts, but not into studies and programs to address why certain minority groups are more susceptible to those conditions or how the trend can be reversed.

Newton urged programs to address the full range of health, which she defined as "physical, emotional, social, political, cultural and economic well-being."

Stress, depression, anger and low self-esteem are particular problems in the black community where unemployment rates are double that for whites said Lawrence Gray, director of the Institute of Urban Affairs and Research at Howard University. Studies demonstrate, he said, that these factors often result in higher rates of smoking, alcoholism, drug abuse, child abuse and homicide. In addition, mental health specialsits report that while suicide has always been more common among whites, black—especially young men—have in recent years been taking their own lives more often. The suicide rate among black men increased from four per 100,000 in 1960 to 11 per 100,000 in 1981—a jump of 171 percent.

RACIAL COMPARISONS OF DEATH RATES FROM MAJOR CAUSES

[Number of deaths per 100,000 U.S. residents]

	Black		White	
	Men	Women	Men	Women
Cause of death:				
Heart disease	327	201	277	134
Cancer	229	129	160	107
Diabetes	17.7	22	9.5	8.7
Suicide	11.4	2.4	19	5.7
Homicide	71.9	13.7	10.9	3.2

Source: Department of Health and Human Services.

Some of the reported increase in disease rates among blacks "may be more apparent than real," as a result of better data collection in minority communities, said Dr. M. Alfred Haynes, dean of the Charles Drew Postgraduate Medical School in Los Angeles. He stressed, however, that "poor people are sicker than rich people regardless of race . . . Poor people are more likely to accept a certain level of illness as natural," he said, and may wait until they are seriously ill before seeking medical care.

But Dr. Jack White, director of the Howard University Cancer Center called the "late for treatment" argument a "cop out." In all stages of cancer, he noted, blacks tend to have lower survival rates because they are often battling other major diseases. Especially if they are poor, he said, "they just don't have the proper resistance."

Lung cancer is the most prevalent form of that disease among black men, he said, followed by prostate tumors. Breast and colon/rectal malignancies are increasing in the black population, although more research is needed to determine why. Studies implicate hectic life style, alcohol consumption and cigarette smoking. However, preliminary data from a Howard University study suggests an increase in prostate cancer among men with better nutrition and a more affluent life style.

In treating many diseases, therapy must be based on racial differences in response to medications, noted Dr. Mark S. Johnson, acting chairman of the Family Practice Department at Meharry Medical School in Tennessee. An example: beta blocker drugs that work well for white patients with high blood pressure are not nearly as successful in blacks. Just 10 years ago researchers discovered, he said, that hypertensive blacks respond better to diuretics—a group of drugs that work by reducing fluid retention, a condition particularly common among blacks.

Racial differences in response to treatment lead Johnson to advocate more studies geared specifically to blacks. "We cannot assume," he said, "that results from research using homogeneous samples can be generalized to the total population."

Several speakers addressed the most poignant example of programs and funds not reaching their target: the high infant mortality rate—a statistic often used to measure the well-being of a particular group. Recent national figures show that 19 of every 1,000 black babies born in the U.S. die before their first birthday—nearly twice the rate for whites. In the District of Columbia in 1983, there were 20.1 deaths per 1,000 live births among black babies, according to Alicia Fairley, an assistant to the city's health commissioner. The rate for whites: 8.6 per 1,000.

A large proportion of infant deaths among blacks, said Dr. Robert L. Johnson, a professor of pediatrics at the New Jersey School of Medicine, is a result of the high pregnancy rate among teen-agers who do not know how to care for themselves or their infants. Prenatal outreach programs for poor teenagers were working well in the late 1970s, he said, but cutbacks in the 1980s have meant more patients and fewer resources.

Consequently, Johnson said, "the pregnant 16-year-old needed (but could not get) more than a midwife visit. She needed someone to help her deal with the problems that led her to getting pregnant in the first place."●

HEALTH PLANNING

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. WAXMAN. Mr. Speaker, on September 28, 1984, Senator HATCH inserted a statement in the CONGRESSIONAL RECORD regarding the "intent of Congress in language that appears in past continuing resolutions concerning health planning activities." In his comments, Senator HATCH asserts that the decision of the California Superior Court Judge who ruled in the recent case of Alameda-Contra Costa Health Systems Agency against Office of Statewide Health Planning was wrong because he ignored the language of the continuing resolution.

In my view, the interpretation of the law put forth by Senator HATCH is incorrect.

The Federal health planning law applies to States which choose to receive Federal funds. Participating States are required to have State certificate-of-need laws; and these laws must grant local planning agencies the right to request a hearing by the State planning agency on a certificate-of-need application before the State agency's decision is final. It is my understanding that every State certificate-of-need law, except for California's, grants local agencies this right.

The fiscal year 1983 continuing resolution provided appropriations for the health planning program. the language of the resolution is:

Such sums as may be necesssary to continue the Health Planning Program throughout fiscal year 1983 at the current rate of operations, provided that no penalties shall be applied nor any state or local agency agreement terminated pursuant to sections 1512, 1515 or 1521 of the Public Health Service Act.

The fiscal year 1984 continuing resolution and the House-passed continuing resolution for fiscal year 1985 refer to this language in the fiscal year 1983 resolution.

The Department of HHS interpreted the fiscal year 1983 language in an April 13, 1983, "program policy notice" entitled "Effect of the Continuing Resolution for FY 1983." The notice said:

It is important to note that the continuing resolution only prohibits termination of agencies or the imposition of any penalties; all statutory and regulatory requirements of Title XV continue in effect. We encourage all agencies to meet the requirements of Title XV, and we will continue to monitor the progress of each agency and point out areas that need to be improved or strengthened.

I believe the Department's position is correct. The continuing resolution is a directive to the Department of HHS not to impose the statutory penalty of loss of other public Health Service Act funds or to terminate an agency. All other requirements of the law are in effect, but the Department is prohibited from taking action to penalize noncompliance.

The Department's position is in stark contrast to the position stated by Senator HATCH. In my view, it was not

the intent of Congress to allow the statutory and regulatory requirements of the health planning law to lapse and for States to be free to receive Federal funds while operating their planning programs in any way they choose, whether consistent with the Federal law or not, and the Department has interpreted congressional intent correctly.

With regard to the Alameda-Contra Costa lawsuit, Senator HATCH asserts that the judge is "essentially ignoring the language in the continuing resolution prohibiting penalizing States for noncompliance." He further states that Congress intended for "States to follow their own State laws, and if out of compliance with Federal law, to be protected from public or private sanctions." I do not agree with his interpretation. As the Department of Health and Human Services has pointed out, the continuing resolution imposes no such restrictions on a State judge or limits on private parties.

The Senator's attempt to inject Congress into the judicial proceedings in California is not appropriate. The law suit is a dispute over California's State law and can still be appealed. The lawsuit does not have the "significant consequences in many States that are currently out of compliance" as the Senator suggests. In fact, every other State certificate-of-need law, including his own State of Utah, grants the hearing which was the subject of the California case.●

VINCE AND THE PRESIDENT

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. DORGAN. Mr. Speaker, a few weeks ago I was sitting in an airplane doing some thinking about a fellow that lived in a small town near where I grew up. I jotted down a few of my recollections and observations, and I decided to share them with my colleagues.

Vince was a short, thin man in his 50's when I knew him. He had black greased-back hair and a pencil-thin mustache. Vince owned a bar in a small town near where I grew up. His bar was downstairs, below one of the few Main Street businesses. It was always dark there. Vince had that sallow, indoor look, even when he ventured outside. He smoked a lot and he almost never smiled.

Nobody had much to do with him, especially women.

One day, suddenly, Vince went for it all. He went out and bought a pink Cadillac convertible with gold-plated hubcaps. It looked a mile long with those sleek 1950's style back fenders. It sat in front of Vince's bar all day, every day; you couldn't miss it in that little town.

That car changed Vince's life. He would drive it up and down Main Street. Things were different for Vince; now he had women friends riding with him. They liked the pink Cadillac. Vince didn't look any different to me; he still had that pale look like he just stepped out from his bar downstairs. The only difference was that now and then he smiled at the women in his car. He looked like he was on top of the world.

But it didn't last long. Vince had borrowed money to buy the car, and the payments kept Vince broke. He couldn't afford upkeep for the car; it began to look old, the pink began to fade. The women stopped riding with Vince. He still drove up and down Main Street, but now there was no one to return his smiles. The car began to look like Vince.

Then one day Vince died, and the car was sold for scrap.

I was a teenager when I knew Vince. We talked about him, my buddies and I, but we didn't expect Vince to teach us anything. Yet as I look back, I think I learned something important from Vince.

Almost anyone can look prosperous for awhile. False prosperity can look real, until the bills are due.

It's 30 years later, but I think I see another Vince. This one isn't sallow and thin, he is handsome and robust; he doesn't run a bar, he runs the country. But he thinks like Vince. He thinks if you borrow a lot now, the ride will be worth it, no matter what comes later.

Comparing Ronald Reagan to Vince might be a bit unseemly. The fact is, Reagan is doing to the country what Vince did to himself. Our $200 billion budget deficits are Reagan's pink Cadillac. They buy false prosperity, and they are steering this country toward trouble.

Nobody had the heart to tell Vince, and now no one has the courage to tell Mr. Reagan. We are still being asked to pay for his pink Cadillac, loaded with all the options.

Mr. Reagan's Cadillac will fade in time; they all do. The question is whether America will recognize the problem before it begins to gather rust. I'd ask Vince his thoughts, but he's done teaching.●

THE DISABILITY DISASTER

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. GARCIA. Mr. Speaker, I recently received a letter and an article from a constituent regarding the Reagan administration's Social Security policy. In light of the recent debate between Mr. Mondale and the President, I would like to submit this recent New York Times article. Hopefully, this article will enlighten President Reagan to the true effects of his policies regarding Social Security.

THE DISABILITY DISASTER

In October 1981, a Manhattan social agency found him living as a vagrant in Central Park. At that time he was delusional, filthy hostile. . . . His application for . . . benefits was rejected initially and on reconsideration despite a medical report stating that he hallucinated, had delusions of people being after him and spent most of his time wandering the streets. . . . In the denial of reconsideration of his application . . . it was stated that while his condition prevented him from returning to his "usual job," there were "many other jobs" that he could perform.

What usual job? Which many other jobs? Such examples of bureaucratic callousness run through lawsuits over the Social Security Disability program, which the Reagan Administration has turned into an administrative disaster area. Now an appeals court decision in New York makes clear that the disaster is moral as well as managerial.

Early in President Reagan's term, Administration budget-cutters considered the $18 billion program a sitting duck. Carter Administration officials, alarmed by astronomical increases in disability payments, had ordered reviews of all disability cases in order to identify cheaters. It would be a simple matter, their successors figured, to make deep cuts by speeding up the review schedule—and by quietly tightening the rules for eligibility. New interpretations of the rules ordered by internal memo meant that an ability to boil water or rake leaves immediately established one's "employability," thereby disqualifying hundreds of thousands of the obviously disabled.

But getting away with such interpretations wasn't so easy. Social Security workers found themselves telling pathetically crippled or schizophrenic people to go out and find work. Many state officials refused to carry out the harsh new policy. Soon, Federal courts and administrative law judges were swamped with pitiful appeals—and they handed down a steady stream of rulings in favor of the disabled claimants. By last spring, more than 200,000 of 491,300 people disqualified had won reinstatement on appeal.

Frederick A.O. Schwarz Jr., New York City's corporation counsel, led a legal battle against the change in the rules for the most vulnerable group, the mentally handicapped. A Federal appeals court this week affirmed a favorable ruling he had won from a lower court. What's remarkable about the decision is the need to appeal, and the attitude it reflects in the Administration. For the Federal Government did not contest the merits. It insisted on appealing only on technical grounds of jurisdiction. In effect, Washington admitted that its initial policy was wrong.

When Federal dollars support the helpless, to be wrong is to be painfully wrong. "On the day that he received the notice that he was cut off," a psychiatric nurse testified of one patient, "He became very upset. . . . That day he became more and more depressed, mute, unresponsive, crying. And finally, several hours later he was found in his apartment by his roommates in a mute

and unresponsive position; curled up on the couch, not responding to people trying to arouse him or call his name. . . ."

Despite such stories, the Administration even now persists in defending its policy with technicalities. It might yet appeal the New York case to the Supreme Court. In addition, the White House defends "nonacquiescence"—refusal to accept defeats in some disability case as precedents in others. And its objections to sensible measures to restore some decency to the system have stalled reform legislation for months.

One explanation for such stubbornness is that the Administration continues to let obsessive cost-cutting limit its vision. That's a charitable excuse for a policy that looks more like official cruelty.●

TRIBUTE TO MART NIKLUS

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. HUNTER. Mr. Speaker, I rise today to pay tribute to a great crusader for human rights, Mart Niklus. An Estonian, Mart Niklus, knows only too well the oppressive nature of life in the Soviet Union. He is now serving his second 10-year prison term—the last 2 years in solitary confinement—for anti-Soviet propaganda and agitation. On the occasion of Niklus' 50th birthday, President Reagan issued a special proclamation honoring this brave man. The nation of Estonia and Mart Niklus understand the Soviet regime and the meaning of the word repression. That is why I offer the President's proclamation as a reminder to all of us that our liberty must never be taken for granted.

The proclamation follows:

THE WHITE HOUSE

WASHINGTON

September 7, 1984

This special occasion provides me with a welcome opportunity to pay tribute to a leading Estonian human rights activist and Helsinki accords monitor, Mart Niklus.

Often praised by fellow dissident and scientist Andrei Sakharov, Mart Niklus will be spending his fiftieth birthday in solitary confinement under intolerable conditions in a Soviet prison. He is currently serving his second ten-year sentence for "anti-Soviet propaganda and agitation" and has been held in solitary confinement for nearly two years with visitation rights suspended until July 1986.

Mart Niklus is an ornithologist but he has never been permitted to work or to publish in his profession as a result of his continued opposition to Soviet repression. He has signed numerous statements of protest against Soviet violations of human rights and has played a crucial role in coordinating the efforts of human rights activists in Estonia, Latvia, and Lithuania. Harassed by Soviet authorities for twenty-two years, arrested numerous times, imprisoned and refused permission to emigrate to Sweden, Mart Niklus is in critical condition and is in need of immediate medical attention.

The Helsinki accords commit the signatory countries, of which the Soviet Union is one, to respect individual rights and fundamental freedoms and to "deal in a positive and humanitarian spirit" with the applications of persons wishing to emigrate to rejoin relatives. I call upon the Soviet Union to abide by the provisions of the Helsinki accords and, in particular, to allow Mart Niklus to emigrate to join his relatives in Sweden. In evaluating its relations with other countries, the United States will take into account the extent to which such countries honor their commitments under international law, especially commitments with respect to the protection of human rights.

RONALD REAGAN.●

FAREWELL TRIBUTE TO KENT HANCE

HON. BILL PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. PATMAN. Mr. Speaker, I would like to take this time to offer a tribute to one of our colleagues, Congressman KENT HANCE of Texas, who will be leaving this House at the end of this Congress. KENT has served his constituents and his State with distinction, and I am proud to consider him a friend of long standing.

It was my great privilege to serve with KENT during his 4 years in the Texas Senate, when on numerous occasions we joined in efforts to preserve the family farm and ranch and promote the well-being of the most productive members of our society, our agricultural producers, in the face of all manner of adversity. KENT was, and is, an outstanding authority on some of the most vital issues affecting Texas and Texans—water rights, illegal immigration, oil and gas production, and national defense—and he has spoken brilliantly and effectively across the State and here in Congress, on behalf of his district, his State and his Nation. I have no doubt that his exemplary record of service and accomplishment is merely entering a new phase as he leaves the Congress, and I look forward with enthusiastic anticipation to the future achievements of KENT HANCE.●

A TRIBUTE TO THE HONORABLE JACK EDWARDS

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 1984

● Mr. BOLAND. Mr. Speaker, I want to join my colleagues in paying tribute to one of the most extraordinary Members of the House of Representatives, JACK EDWARDS of Alabama.

I have had the pleasure and privilege of serving with JACK on the House Appropriations Committee for a number of years. He enjoys a reputation in that body as a man of uncommon ability and integrity. The respect with which he is regarded crosses both party lines and political philosophies. In the often heated debate which accompanies committee sessions, JACK's has been the voice of reason and common sense. He has shown us the path to compromise on many occasions when agreement seemed impossible, and in so doing he has greatly facilitated the work of the committee and the Congress.

JACK EDWARDS has made innumerable contributions to the security of our Nation through his work on the Defense Appropriations Subcommittee. He fought for the programs he believed were necessary to safeguard our freedom, but he never advocated the issuance of a blank check to the Pentagon. In spite of the complexity of the weapons systems with which the subcommittee must deal, JACK was dogged in his conviction that the taxpayers of America have a right to both a sound national defense and an economical one. He made his decisions on defense items like the money being considered was his own and, in my judgment, the people of America were well served in the process.

Mr. Speaker, JACK EDWARDS' service in this House has been in the best tradition of representative democracy. That service has reflected credit on both JACK and the people of Alabama whose wisdom kept him here for 20 years. He is a good and decent man whose counsel we will miss in the years ahead. I regret that he will not be with us in the next Congress, but I want to wish he, and his wife Jolane, continued success and happiness as they return to Mobile and the life they have chosen.●

FAREWELL TRIBUTE TO CHICK KAZEN

HON. BILL PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. PATMAN. Mr. Speaker, as we near the end of the 98th Congress, we must soon say goodbye to one of our wisest and most respected leaders, Chairman CHICK KAZEN of the Interior Water and Power Resources Subcommittee.

CHICK is nearing the end of his 38th year in elected office, beginning in the Texas House of Representatives in 1947. In 1952, he won election to the Texas Senate, where I was privileged to serve with him during the first 6 years of my tenure there. He was one of the most able Members of that body, and his untiring efforts on behalf of the people of south Texas served as a standard for us to emulate. His long and productive service in the

Texas Legislature earned him more plaudits than I can begin to list here.

Having distinguished himself in service to this Nation in World War II conflicts ranging from northern Africa to Burma, he has continued his service through a congressional career spanning the past 18 years. It has been my particular pleasure the past 2 years to serve with him on the Water and Power Resources Subcommittee, where he has skillfully and effectively guided legislation vital to our agriculture, commerce, and environment.

CHICK KAZEN will be sorely missed in this Congress, but I hope to continue to call upon him. His counsel and his friendship have been and will continue to be very valuable to me.●

JOHN ERLENBORN

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, October 1, 1984

● Mr. MAZZOLI. Mr. Speaker, my distinguished colleague, JOHN ERLENBORN of Illinois, has been a friend from my earliest days in the House when we served together on the Education and Labor Committee. We authored together an employment discrimination measure which is still on the books today: The Equal Employment Opportunity Act.

JOHN is an extremely knowledgeable and effective member, especially on pension and employee benefit matters. JOHN will be missed in the House as a voice of moderation and good sense. I wish him every success, and all health, and good fortune in the years ahead.●

WHY NOT A REAL DEBATE?

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. HUBBARD. Mr. Speaker, while in Kentucky this past weekend, I read an article published in the Sunday, October 7, edition of the Messenger-Inquirer, in Owensboro, KY.

The feature column, written by reporter Keith Lawrence, describes the first of two debates between President Ronald Reagan and former Vice President Walter Mondale. I commend Mr. Lawrence for his thought-provoking comments, and I ask my colleagues in the House to read them.

The Keith Lawrence column follows:

WHY NOT A REAL DEBATE?

They schedule it for the Kentucky Center for the Arts. Then they start rationing the tickets like they expected Michael Jackson to appear instead of Ronald Reagan and Walter Mondale.

Then they decide to block off the street in front of the place for security reasons and keep everybody who looks like a Kentuckian a block away. Why didn't they just stay in Washington and paint a backdrop to look like Louisville?

Why do these folks need to answer questions from a bunch of big-shot journalists with Barbara Walters to referee?

Put them in Freedom Hall or Rupp Arena—which seats 10 times as many people as the Kentucky Center for the Arts—and let real people ask them questions. The kind of questions they ask themselves when they're trying to make this week's paychecks stretch to cover next week's bills.

Let's see Reagan and Mondale sweat. Let's see them go at each other one-on-one. Let's see how quick they are on their feet. This namby-pamby debate in Louisville is just a glorified press conference with a handful of high-priced reporters asking the same questions you've already been bored with all summer.

We deserve better.●

LOBBYING DISCLOSURE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, October 10, 1984, into the CONGRESSIONAL RECORD:

LOBBYING DISCLOSURE

Lobbying is big business today. More than 15,000 Washington lobbyists employed by special interests spend in excess of $1 billion every year trying to reach Congress, the President, and government officials with the maximum impact and chance of success. That works out to more than $2 million for each member of the Senate and House of Representatives. What is more troublesome, lobbying is a growth industry whose practices become bolder with each passing year.

Like most Americans, Hoosiers view lobbyists with suspicion. They regard them as people with disproportionate access to government who "buy" their way into power. Hoosiers are worried that their own voices are all but lost in the babble raised by lobbyists. Congressmen and Senators believe that lobbyist are often useful, sometimes essential, advocates whose expertise aids the legislative process. However, legislators are also worried about the influence of lobbyists. Their concern is fed by the knowledge that the law regulating lobbyists is not working.

Enacted in 1946, the Federal Regulation of Lobbying Act was designed to open up lobbying to public scrutiny. There are three important reasons why the act focuses on disclosure. First, public confidence in government disappears if lobbying is shrouded in secrecy. Citizens have a right to know not only what government officials are up to, but also what special interest groups are working for or against government policies. Second, policy makers need to know who the lobbyists are, whom they represent, how much money they spend, and how they spend it. A federal official cannot make a sound decision unless he knows whether the lobbyist in his office really speaks for a million people, or only for himself. Third, disclosure is the only appropriate remedy in these situations because a ban or constraint on lobbying probably would be unconstitutional. The First Amendment guarantees the right "to petition the government for a redress of grievances."

Regrettably, the current lobbying disclosure law achieves very few of its objectives. Under the law, the lobbyist must register with Congress, report his expenditures, and reveal the names of people paying more than $500 for his services. Penalties for violations are imprisonment, stiff fines and limits on future lobbying. The Supreme Court upheld the act's constitutionality in 1954, but interpreted it narrowly. The court held that the act applies only to lobbyists who get contributions from others, not to those who use their own money to lobby. Moreover, it held that the act covers only those lobbyists who put face-to-face pressure on legislators. Indirect lobbying through staffs and many varieties of "grassroots" lobbying are not covered.

The result is a hodgepodge of unenforceable and generally ignored reporting requirements. For example, a campaign by a public interest group against a bill could be covered, but not an identical campaign by a major corporation using its own funds. A trade association's newspaper advertisements against a tax would not be covered unless readers were asked to write their legislators about it. A lobbyist's letter to a legislator asking for support of a bill could be covered, but not if the lobbyist addressed the letter to staff. Identical lobbying activities could have different reporting requirements.

Overall, several factors must be present before an activity is considered to be lobbying. If any one of the factors is missing, the activity is not covered. Because of this, the act is more loophole than law. Some call it a national disgrace. Far fewer than half of the lobbyists in Washington register, and the amount of money spent on all types of lobbying may be ten times greater than that appearing in the disclosure reports. The Justice Department has not even tried to enforce the law since 1954.

In part because of the failure of past reform efforts, there is, to my dismay, little movement in Congress toward workable lobbying disclosure. However, it is a mistake to sit back and wait for a scandal to erupt. Action is urgently needed because lobbying is becoming more sophisticated, and many state-of-the-art techniques hide the real source of the appeal. For example there is the "proxy mailing" where an individual gives a lobbying group the authority to use his name to contact Congress about whatever issues the group thinks important. Another is the use by lobbying groups of laser printers to make up "grassroots" letters for their members on what appears to be personalized stationery. Yet another is the use by lobbying groups of highly refined and targeted mailing lists to find people who can be convinced to write to Congress in support of a cause.

Members of Congress in particular must have more information about what the special interests are doing. The aim is not to try to catch lobbyists lying or making sinister deals, but rather to get a better understanding of the pressures that influence Congress. What the Supreme Court said in 1954 remains true: "Present day legislative complexities are such that individual Members of Congress cannot be expected to explore the myriad pressures to which they are regularly subjected. Yet the full realization of the American ideal of government by elected representatives depends to no small extent on their ability to properly evaluate such pressures. Otherwise, the voice of the

people may too easily be drowned out by the voice of special interests masquerading as proponents of the public weal."

We must make the current lobbying disclosure law more effective. Civil penalties would help overcome our hesitancy to change violators with crimes. We should require disclosure not just of the money spent on lobbying, but also of the kinds of lobbying being undertaken. We should broaden disclosure so that it covers more "grassroots" lobbying. I would prefer a thorough disclosure law with strong sanctions, but I do not think that such a measure can be enacted in the present climate. An option would be voluntary compliance with new reporting provisions. Lobbyists value their respectability; if Congress said that they ought to disclose general information about their activities, compliance probably would be high.●

NOVEMBER 7, A DAY OF MOURNING FOR RUSSIAN-AMERICANS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. GILMAN. Mr. Speaker, November 7, 1984, marks the 67th anniversary of the rise to power of the Soviet Government. We are all too familiar with the blight of repression and persecution throughout the Soviet Union and throughout the world that had its inception on November 7, 1917.

Accordingly, the Congress of Russian-Americans has launched a campaign to designate November 7, 1984, as "A Day of Sorrow and Irreconcilability." I support the organization's efforts and request that its prepared statement on this issue be included at this point in the RECORD.

The article follows:

A DAY OF SORROW AND IRRECONCILABILITY, 1984

As we approach November the 7th, the day when the Soviet Union annually celebrates international communism's arrogation of power in Russia, we—Russian-Americans—appeal to the U.S. Government and to freedom-loving citizens of this country to designate it as a Day of Sorrow and Irreconcilability.

Sadly, albeit fittingly, among all the ethnic groups making up the tapestry of these United States of America, only the Russian-Americans persist in annually asking their Government and their fellow Americans to observe this inglorious day. Russian-Americans feel it is their sacred duty to mark with mourning and defiance the day international communism claimed their former countrymen as its first victim. Thus, they honor their brothers living under the Soviet rule.

On this day we express our sorrow for all the victims of the Communist terror, and our irreconcilability with the theory and practice of Communist doctrine.

Moreover, let us not forget that November 7, 1917 marked not only the beginning of immeasurable sufferings for the Russian and other enslaved peoples of the Soviet Union, but also the beginning of a global human tragedy which today endangers the existence of the free world. Utilizing the threat of a nuclear war, the Soviets have gradually taken over key strategic positions in all parts of the world. Today there is hardly a nation on the face of the Earth that has not been victimized by Communist aggression.

Therefore, we ask the Government of the United States and all other free world governments to designate November the 7th as a Day of Sorrow and Irreconcilability.

Over the past 67 years the Soviet Government has spared no effort in trying to strip the Russian nation of its heritage. Despite the desecration and destruction of over 50,000 churches and monasteries, the persecution and extermination of millions of people in concentration camps and prisons, we witness today in the Soviet Union a revival of faith and awakening of national pride. The determination of the Russian people to live free blazes as never before. Perhaps the Russian soul, having nurtured its people through their long, barren winter of oppression, senses at last spring's hymn of freedom yearning to be sung. How more can we honor our brothers than by lending voices to this chorus? For by proclaiming this day of sorrow and irreconcilability, we intone "Let There Be Light" and indeed for all those who hear our voices in their darkness there is light.●

THE DOG ATE MY HOMEWORK AND THE LORD UNDERSTANDS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mrs. SCHROEDER. Mr. Speaker, I marvel at the President's ability to move around, visiting one function or another—Reagan/Bush rallies, Republican fundraisers, dinner with his penpal, a songfest at the Grand Old Opry, and photo opportunities galore. If I had a dollar for every photo opportunity Reagan's offered, I could settle the national debt with a personal check.

During the Presidential debate Sunday evening Mr. Reagan excused himself from attending church because he is afraid of a terrorist attack. "I think the Lord understands," he explained. Fundraisers and rallies yes, but church services no. I'm sure the Lord is still trying to figure that one out.

Of course, it would have been difficult to pin it on Carter. "I don't attend church because Jimmy Carter won't let me." Likewise, the Congress scapegoat wouldn't quite fit. "If it weren't for those Democrats in Congress, then I could go to church."

And comparing church attendance to remodeling a kitchen loses something in the translation.

So it is heartening to see that Reagan is expanding his repertory. He now has enough alibis, excuses, and absolutions for a full-scale Broadway musical.

We could call it, "The Dog Ate My Homework."

To paraphrase T.S. Eliot: He always has an alibi, and one or two to spare: At whatever time the deed took place—Reagan wasn't there.●

TRIBUTE TO CATHOLIC SOCIAL SERVICES

HON. FRANK HARRISON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. HARRISON. Mr. Speaker, it is with great pride that I rise to pay tribute to the outstanding accomplishments of Catholic social services of the Diocese of Scranton, who are celebrating their 60th anniversary on October 24, 1984.

For over half a century, Catholic social services has served the needs and addressed the problems of the people of northeastern Pennsylvania. Maximizing their budget of over $1 million, during the past year Catholic social services has provided services to 11,829 individuals, 3,488 families and provided over 42,000 hours of counseling to people in need. A recitation of all the accomplishments of Catholic social services during the past 60 years would far exceed the time and space allotted here today. But an examination of the Catholic social services record over the past 10 years from 1974–84, demonstrates, quite clearly, the nature and depth of their commitment to serving the needs of their community. 1974—Court Advocate Program; 1975—Luzerne County Prison Psychological Unit; 1976—Volunteers in Probation; Runaway Youth Component of the Bridge; 1977—Juvenile Court Component/Court Advocate Program; 1979—Receipient of the Benjamin Rush Award for Outstanding Service to the Community; 1980—Treatment Alternatives to Street Crime Program; Adoption Program licensed by State of Pennsylvania; 1983—St. Vincent de Paul Soup Kitchen served its first meal; Luzerne County Alcohol Highway Safety Program was initiated; 1984—Alcohol Education Program for underage drinkers; Gabriel House developed to provide safe, affordable housing for single women.

I would like to join with the people of northeastern Pennsylvania in expressing a most sincere appreciation to Msgr. Donald A. McAndrews, A.C.S.W., and the entire staff of Catholic social services for their devotion to community service and to wish them much success in all their future endeavors.●

IN HONOR OF AN OUTSTANDING PEACE CORPS VOLUNTEER AND FELLOW BAY STATER

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. MAVROULES. Mr. Speaker, I take pride in sharing with you and my colleagues the achievements of a fellow Bay Stater, Judy Cook. Judy, a resident of Salisbury, MA, is currently serving this country and the Third World as a Peace Corps forestry volunteer in Costa Rica.

Judy, a volunteer teacher at the Buenos Aires de Puntarenas High School, is working to establish a more successful agriculture program in Costa Rica.

Mr. Speaker, in the Costa Rican town where Judy is currently residing, she and her students had cleared the land, germinated beds, and sowed seeds without much success. Then, Judy asked for—and received—a private donation from America for a water pump.

Judy requested help from the Peace Corps Partnership Program on behalf of her school. The international sales division of the Jim Walter Corp., in Tampa, FL, quickly responded. It donated the entire $850 needed for a water pump and pump accessories.

Mr. Speaker, without a steady, accessible water supply, there had been little chance that the tiny forest and fruit tree seedlings that Judy and her students had so industriously planted would have ever matured.

The water pump, when put to use, will greatly increase the effectiveness of the school's irrigation project.

An additional benefit sparked by Judy's efforts has been the development of a lasting friendship between her Costa Rican community and the Jim Walter Corp. As a Peace Corps partner, this American company will share in an exchange of letters, music, photos, and other items that reflect Costa Rican culture and lifestyle.

Mr. Speaker, I congratulate Judy Cook and commend her for her fine achievements in Costa Rica. Thanks to Judy's work, and that of all Peace Corps volunteers, a better understanding will be fostered between Americans and the peoples of the Third World.●

THE GRAND OPENING OF PRUCARE OF RICHMOND

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. BLILEY. Mr. Speaker, it is my great privilege and pleasure as the Representative of Virginia's Third Congressional District to congratulate PruCare of Richmond on the grand opening of its new headquarters.

Begun in 1981 as a division of the Prudential Insurance Co., America's largest insurer, PruCare is now the largest health maintenance organization in the city of Richmond, counting some 25,000 Richmonders in its membership. PruCare has grown substantially since that time and should be very proud to move to these lovely new accommodations as its first permanent headquarters.

PruCare will share the 27,000 square feet of space with the McGuire Clinic, a long-established and well-respected Richmond medical group practice.

The dedication of these new premises is testament to PruCare's success in meeting today's goals of increased competition and reasonable cost in the vital area of public health care. PruCare's commitment in the Richmond metropolitan area will mean that innovation and competition will keep the costs of medical care down and make the Richmond health care marketplace more efficient.

I am confident that, as Richmond grows, PruCare will also grow in its ability to meet the needs of our community. Already PruCare is springing up in other major cities throughout America.

I send my best regards and warmest wishes to the ladies and gentlemen who make PruCare work. And I want to say a word of congratulations to Jim Brittain, vice president of PruCare of Richmond and to my old colleague Bill Leidinger, chief administrator of the McGuire Clinic.

I wish all of you continued success and good health. And I congratulate you for helping make these goals possible for the people of Richmond.●

H.R. 6420

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. HEFTEL of Hawaii. Mr. Speaker, I wish to submit the language of H.R. 6420, the Cash Flow Income Tax Act of 1985, which I introduced on October 5, 1984 into the RECORD.

Attached is the text of the bill:

H.R. 6420

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the "Cash Flow Income Tax Act of 1985".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—The Secretary of the Treasury or his delegate, not later than 90 days after date of the enactment of this Act, shall submit to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate a draft of any technical and conforming amendments to the Internal Revenue Code of 1954 which are necessary to reflect the substantive amendments made by this Act.

TITLE I—CASH FLOW INCOME TAX

Subtitle A—Cash Flow Income Tax

(a) GENERAL RULE.—Section 1 (relating to tax on individuals) is amended to read as follows:

"SECTION 1. TAX IMPOSED.

"(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—There is hereby imposed on the taxable income of every married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and every surviving spouse (as defined in section 2(a)), a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not greater than $15,000	10% of taxable income.
$15,000 or greater but not greater than the Social Security wage base.	$1,500 plus 23% of taxable income in excess of $15,000.
The Social Security wage base or greater.	30% of taxable income in excess of the Social Security wage base plus $1,500 plus 23% of taxable income between $15,000 and the Social Security wage base.

"(b) HEADS OF HOUSEHOLDS.—There is hereby imposed on the taxable income of every individual who is the head of a household (as defined in section 2(b)) a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not greater than $12,000	10% of taxable income.
$12,000 or greater but not greater than the Social Security wage base.	$1,200 plus 23% of taxable income in excess of $12,000.
The Social Security wage base or greater.	30% of taxable income in excess of the Social Security wage base plus $1,200 plus 23% of taxable income between $12,000 and the Social Security wage base.

"(c) UNMARRIED INDIVIDUALS (Other Than Surviving Spouses and Heads of Households).—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(3)) who is not a married individual (as defined in section 143), a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not greater than $12,000	10% of taxable income.
$12,000 or greater but not greater than the Social Security Wage base.	$1,200 plus 23% of taxable income in excess of $12,000.
The Social Security wage base or greater.	30% of taxable income in excess of the Social Security wage base plus $1,200 plus 23% of taxable income between $12,000 and the Social Security wage base.

"(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—There is hereby imposed on the

taxable income of every married individual (as defined in section 143) who does not file a return jointly with his spouse under section 6013 a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not greater than $7,500..	10% of taxable income.
$7,500 or greater but not greater than the Social Security Wage base.	$750 plus 23% of taxable income in excess of $7,500.
The Social Security wage base or greater.	30% of taxable income in excess of the Social Security wage base plus $750 plus 23% of taxable income between $7,500 and the Social Security wage base.

"(e) ESTATES AND TRUSTS.—There is hereby imposed on the taxable income in excess of $3,000 of every estate and trust taxable under this subsection a tax of 30%.

"(f) ADJUSTMENTS SO THAT INFLATION WILL NOT REDUCE THE VALUE OF STANDARD DEDUCTIONS AND CREDIT AMOUNTS.

"(1) IN GENERAL.—Not later than December 15 of 1985 and each subsequent calendar year, the Secretary shall prescribe the standard deduction, dependent credit and 'ten percent bracket' amounts which shall apply in lieu of the amounts defined in paragraph (1) with respect to taxable years beginning in succeeding calendar year.

"(2) METHOD OF ADJUSTING AMOUNTS.—The amounts which shall apply in lieu of the amounts described in paragraph (1) with respect to taxable years beginning in any calendar year shall be prescribed by increasing each amount contained in paragraph (1) by the 'cost-of-living adjustment' for such calendar year. If such increase is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5 but not a multiple of $10, such increase shall be increased to the next multiple of $10).

"(3) COST-OF-LIVING ADJUSTMENT DEFINED.—For purposes of paragraph (2), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(A) the CPI for the preceding calendar year, exceeds

"(B) the CPI for the calendar year 1985.

"(4) CPI FOR ANY CALENDAR YEAR.—For purposes of paragraph (3), the CPI for any preceding calendar year (or for 1985) is the average of the Consumer Price Index as of the close of the 12-month period ending on September 30 of such preceding calendar year (or 1985, as the case may be).

"(5) CONSUMER PRICE INDEX.—For purposes of paragraph (4), the term "Consumer Price Index" means the most recent Consumer Price Index for all-urban consumers published by the Department of Labor.

"(6) TEN PERCENT BRACKET DEFINED.—For purposes of paragraph (1), the term "ten percent bracket amount" means the highest taxable income subject to no more than 10% tax.".

(b) REPEALS RELATED TO REPEAL OF INCOME TAX.—The following provisions are hereby repealed:

(1) Part VI of subchapter A of chapter 1 (relating to minimum tax for tax preferences).

(2) Part I of subchapter G of chapter 1 (relating to corporations improperly accumulating surplus).

(3) Part II of subchapter G of chapter 1 (relating to personal holding companies).

(4) Part III subchapter G of chapter 1 (relating to foreign personal holding companies).

(5) Part IV of subchapter G of chapter 1 (relating to deductions for dividends paid).

SEC. 102. IMPOSITION OF TAX ON CORPORATIONS.

Section 11 (relating to tax on corporations) is amended to read as follows:

"SEC. 11. TAX IMPOSED.

"(a) GENERAL RULE.—There is hereby imposed on the taxable income of every corporation a tax of 30 percent.

"(b) MINIMUM TAX WHERE CORPORATION ACCUMULATES SURPLUS.—

"(1) IN GENERAL.—The amount of the tax imposed by this section on any corporation for any taxable year shall not be less than 30 percent of any 'accumulated surplus'.

"(2) ACCUMULATED SURPLUS.—For purposes of this section, 'accumulated surplus' means the 'adjusted net income' of the corporation less the dividends (including stock dividends) paid by the corporation during the taxable year.

"(3) ADJUSTED NET INCOME.—For purposes of this section—

"(A) IN GENERAL.—The term 'adjusted net income' means the net income of the corporation for the taxable year, less the aggregate adjusted bases of the depreciable property placed in service by the corporation during the taxable year.

"(B) TREATMENT OF SPECIAL DEDUCTIONS FOR CORPORATIONS.—For purposes of subparagraph (A), the deductions provided by part VIII of subchapter B of this chapter shall be treated as deductions allowable in computing net income.

"(C) DEPRECIABLE PROPERTY.—The term 'depreciable property' means any property which would be subject of the allowance for depreciation provided by section 167 (as in effect prior to its repeal by this Act).".

SEC. 103. DEFINITION OF TAXABLE INCOME

Part I of subchapter B of chapter 1 is amended to read as follows:

"PART I—DEFINITION OF TAXABLE INCOME

"Sec. 61. Taxable income defined.
"Sec. 62. Adjusted gross income defined.
"Sec. 63. Net income defined.
"Sec. 64. Gross income defined.
"Sec. 65. Unlimited carry forwards.

"SEC. 61. TAXABLE INCOME DEFINED.

"(a) IN GENERAL.—Except as provided in subsection (b), for purposes of this subtitle, the term 'taxable income' means adjusted gross income minus the deductions allowed by this chapter (other than the deductions allowable in computing net income).

"(b) INDIVIDUALS WHO DO NOT ITEMIZE THEIR DEDUCTIONS.—In the case of an individual who does not elect to itemize his deductions for the taxable year, for purposes of this subtitle, the term 'taxable income' means adjusted gross income minus the standard deduction.

"(c) STANDARD DEDUCTION.—For purposes of this subtitle—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'standard deduction' means—

"(A) $8,000 in the case of—

"(i) a joint return under section 6013, or

"(ii) a surviving spouse (as defined in section 2(a)),

"(B) $6,000 in the case of an individual who is the head of a household (as defined in section 2(b)),

"(C) $4,000 in the case of an individual who is not married and who is not a surviving spouse (as defined in section 2(a))),

"(D) $4,000 in the case of a married individual filing a separate return, or

"(E) zero in any other case.

"(2) LIMITATION ON STANDARD DEDUCTION IN THE CASE OF CERTAIN DEPENDENTS.—In the case of an individual with respect to whom a credit under section 151 is allowable to another taxpayer, the standard deduction applicable to such individual for such individual's taxable year shall not exceed such individual's earned income.

"(3) CERTAIN INDIVIDUALS NOT ELIGIBLE FOR STANDARD DEDUCTION.—In the case of—

"(A) a married individual filing a separate return where either spouse itemizes deductions,

"(B) a nonresident alien individual,

"(C) an individual making a return under section 443(a)(1) for a period of less than 12 months on account of a change in his annual accounting period,

"(D) an estate or trust, common trust fund, or partnership, or

"(E) a corporation,

the standard deduction shall be zero.

"(d) ITEMIZED DEDUCTIONS.—For purposes of this subtitle, the term 'itemized deductions' means the deductions allowable by this chapter other than the deductions allowable in arriving at net income.

"(e) ELECTION TO ITEMIZE.—

"(1) IN GENERAL.—Unless an individual makes an election under this subsection for the taxable year, no itemized deduction shall be allowed for the taxable year. For purposes of this subtitle, the determination of whether a deduction is allowable under this chapter shall be made without regard to the preceding sentence.

"(2) TIME AND MANNER OF ELECTION.—Any election under this subsection shall be made on the taxpayer's return, and the Secretary shall prescribe the manner of signifying such election on the return.

"(3) CHANGE OF TREATMENT.—Under regulations prescribed by the Secretary, a change of treatment with respect to the standard deduction and itemized deductions for any taxable year may be made after the filing of the return for such year. If the spouse of the taxpayer filed a separate return for any taxable year corresponding to the taxable year of the taxpayer, the change shall not be allowed unless, in accordance with such regulations—

"(A) the spouse, for the taxable year covered in such separate return, makes a change of treatment with respect to the standard deduction and itemized deductions consistent with the change of treatment sought by the taxpayer, and

"(B) the taxpayer and his spouse, within such period as may be agreed on with the Secretary, consent in writing to the assessment of any deficiency, to the extent attributable to such change of treatment, even though at the time of the filing of such consent the assessment of such deficiency would otherwise be prevented by the operation of any law or rule of law.

This paragraph shall not apply if the tax liability of the taxpayer's spouse, for the taxable year corresponding to the taxable year of the taxpayer, has been compromised under section 7122.

"(f) MARITAL STATUS.—For purposes of this section, marital status shall be determined under section 143.

"SEC. 62. ADJUSTED GROSS INCOME DEFINED.

"(a) GENERAL RULE.—For purposes of this subtitle, the term 'adjusted gross income' means the sum of:

"(1) the net income for the taxable year,

"(2) any increase in indebtedness for the taxable year, and

"(3) any decrease in savings for the taxable year, less,

"(1) any decrease in indebtedness for the taxable year, and

"(2) any increase in savings for the taxable year.

"(b) INCREASE OR DECREASE IN INDEBTEDNESS.—For purposes of this section—

"(1) INCREASE (OR DECREASE) IN INDEBTEDNESS.—The increase (or decrease) in indebtedness for any taxable year is the indebtedness of the taxpayer as of the close of the taxable year less the indebtedness of the taxpayer as of the close of the preceding taxable year.

"(2)(A) INDEBTEDNESS OF THE TAXPAYER.—The term 'indebtedness of the taxpayer' means any indebtedness—

"(i) for which the taxpayer is liable, or

"(ii) secured by property which the taxpayer beneficially owns.

"(B) EXCLUSION ELECTION.—Each taxpayermay elect to exclude from adjusted gross income, in a manner prescribed by the Secretary, up to $20,000 in indebtedness. If taxpayer so elects, then neither the interest nor principal payments arising from such loan or loans shall be deductible for purposes of this title.

"(3) TREATMENT OF PARTNERSIP DEBT.—If the taxpayer is a partner in a partnership, such term includes the taxpayer's proportionate share of the partnership's indebtedness.

"(4) TREATMENT OF JOINT INDEBTEDNESS.—In the event that more than one taxpayer is liable for a given debt, then the taxpayers may elect, in a manner prescribed by the Secretary, how the debt is to be apportioned between them for purposes of this section. However, in the absence of such an agreement, then the debt may be apportioned by the Secretary.

"(c) INCREASE OR DECREASE IN SAVINGS.—For purposes of this section—

"(1) INCREASE (OR DECREASE) IN INVESTMENT ASSETS.—The increase (or decrease) in savings for any taxable year is the aggregate adjusted bases of investment assets held by the taxpayer as of the close of the taxable year, less the aggregate adjusted bases of the investment assets held by the taxpayer as of the close of the preceding taxable year.

"(2) INVESTMENT ASSETS.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'investment asset' means any property which is held by the taxpayer—

"(i) as an investment, or

"(ii) for use in the active conduct of a trade or business.

"(B) RESIDENCES INCLUDED.—Real property used by the taxpayer as a primary residence shall be treated as an investment asset.

"(C) INTEREST IN QUALIFIED PLANS.—The term 'investment asset' includes any interest in—

"(i) a trust described in section 401(a) which is exempt from tax under section 501(a),

"(ii) an annuity contract described in section 403, or

"(iii) an individual retirement plan.

"(D) DEPOSITS OR ACCOUNTS IN FINANCIAL INSTITUTIONS.—The term 'investment asset' includes any deposit or account in a financial institution.

"(E) NONINVESTMENT ASSETS.—Any property purchased by the taxpayer primarily for his personal use, consumption or enjoyment shall not be treated as an investment asset."

"(3) TREATMENT OF BEQUESTS.—

"(A) GENERAL RULE.—Any reductions (or increases) in aggregate adjusted bases of investment assets or indebtedness because of liquidation and distribution to the taxpayer's heirs of estate of deceased taxpayer shall be included in the adjusted gross income of the taxpayer.

"(B) CREDIT AGAINST TAX.—

"(i) GENERAL RULE.—A credit of 30% of the total distribution to the taxpayer's heirs shall be allowed against the tax imposed by this title.

"(ii) The credit allowed by subparagraph (i) shall not exceed $90,000.

"(C) FAILURE TO DISTRIBUTE PROPERTY.—Property of deceased taxpayer not distributed to heirs within two years of date of death shall be treated by the Secretary as if distributed.

"SEC. 63. NET INCOME DEFINED.

"For purposes of this subtitle, the term 'net income' means gross income minus the following deductions:

"(1) TRADE AND BUSINESS DEDUCTIONS.—

"(A) IN GENERAL.—The deductions allowed by this chapter (other than by part VII of this subchapter) which are attributable to a trade or business carried on by the taxpayer if such trade or business does not consist of the performance of services by the taxpayer as an employee.

"(B) FOREIGN TAXES DEDUCTIBLE.—The amount of taxes imposed by foreign countries and possessions of The United States shall be allowed as a deduction from gross income. The deduction allowed by this paragraph shall be in lieu of the credit allowed by section 33 prior to its repeal by this act.

"(2) TRADE AND BUSINESS DEDUCTIONS OF EMPLOYEES.—

"(A) REIMBURSED EXPENSES.—The deductions allowed by part VI (section 161 and following) which consist of expenses paid or incurred by the taxpayer, in connection with the performance by him of services as an employee, under a reimbursement or other expense allowance arrangement with his employer.

"(B) EXPENSES FOR TRAVEL AWAY FROM HOME.—The deductions allowable by part VI (section 161 and following) which consist of expenses of travel, meals, and lodging while away from home, paid or incurred by the taxpayer in connection with the performance by him of services as an employee.

"(C) TRANSPORTATION EXPENSES.—The deductions allowed by part VI (section 161 and following) which consist of expenses of transportation paid or incurred by the taxpayer in connection with the performance by him of services as an employee.

"(D) OUTSIDE SALESMEN.—The deductions allowed by part VI (section 161 and following) which are attributable to a trade or business carried on by the taxpayer, if such trade or business consists of the performance of services by the taxpayer as an employee and if such trade or business is to solicit, away from the employer's place of business, business for the employer.

"(3) LOSSES FROM SALE OR EXCHANGE OF PROPERTY.—The deductions allowed by part VI (section 161 and following) as losses from the sale or exchange of property.

"(4) DEDUCTIONS ATTRIBUTABLE TO RENTS AND ROYALTIES.—The deductions allowed by part VI (section 161 and following) and by section 212 (relating to expenses for production of income) which are attributable to property held for the production of rents or royalties.

"(6) ALIMONY.—The deduction allowed by section 215.

"Nothing in this section shall permit the same item to be deducted more than once.

"SEC. 64. GROSS INCOME DEFINED.

"(a) GENERAL DEFINITION.—Except as otherwise provided in this subtitle, gross income means all income from whatever source derived, including (but not limited to) the following items:

"(1) Compensation for services, including fees, commissions, employer contributions to employee benefit plans (as defined in subsection (b)(1)) and similar items.

"(2) Gross income derived from business.

"(3) Gains derived from dealings in property.

"(4) Interest.

"(5) Rents.

"(6) Royalties.

"(7) Dividends (including stock dividends).

"(8) Alimony and separate maintenance payments.

"(9) Annuities.

"(10) Income from life insurance and endowment contracts.

"(11) Pensions (including social security benefits).

"(12) Unemployment compensation.

"(13) Income from the discharge of indebtedness.

"(14) Distributive share of partnership gross income.

"(15) Income in respect of a decedent.

"(16) Income from an interest in an estate or trust.

"(17) Gifts, inheritances and bequests (as defined in section 88).

"(18) Prizes and awards.

"(b) Except as otherwise provided in this subtitle, the term 'employer contributions to employee benefit plans.' means—

"(1) the cost of group-term life insurance on an employee's life (as defined in section 137), and

"(2) the cost of accident and health insurance plans

"(c) CROSS REFERENCES.—For items specifically included in gross income, see part II (section 71 and following). For items specifically excluded from gross income, see part III (Section 101 and following).

"SECTION 65. UNLIMITED CARRY FORWARDS.

"(a) CORPORATE TAXPAYERS.—Any provision to the contrary notwithstanding, when corporate adjusted net income flow is negative, the negative amount may be carried forward to offset positive taxes in future years. There is no limitation on the amount or duration of the carry-forward.

"(b) OTHER TAXPAYERS.—Any provision to the contrary notwithstanding, when a taxpayer's taxable income is negative, the negative amount may be carried forward to offset positive taxes in future years provided that the taxpayer is not an individual with respect to whom a credit under section 151 is allowable to another person.

"SEC. 105. CREDIT IN LIEU OF DEDUCTION FOR DEPENDENTS.

"SEC. 21. DEPENDENT CREDIT.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to $200 for each dependent exemption of the taxpayer.

"(b) CREDIT IN LIEU OF DEDUCTION—

"The credit provided by subsection (a) shall be in lieu of any deduction allowed by section 151.

"(c) DEPENDENT EXEMPTION.—The term 'dependent exemption' means any exemption for which a deduction would be allowed under section 151 to the taxpayer but for subsection (b) of this section.

"(d) CREDIT NOT TO EXCEED TAX.—The credit allowed by subsection as for taxable

year shall not exceed the tax imposed by this chapter for such taxable year.".

Subtitle B—Base Broadening

PART I—CREDITS

SEC. 121. REPEALS.

The following provisions are hereby repealed:

(1) Section 21 (relating to expenses for household and dependent care services necessary for gainful employment).

(2) Section 22 (relating to credit for the elderly and the permanently and totally disabled).

(3) Section 23 (relating to residential energy credits).

(4) Section 24 (relating to contributions to candidates for public office).

(5) Section 25 (relating to interest on certain home mortgages).

(6) Section 26 (relating to tax credits generally).

(7) Sections 27, 901, and 936 (relating to taxes of foreign countries and possessions of the United States; possession tax credit).

(8) Section 28 (relating to clinical testing expenses for certain drugs for rare diseases and conditions).

(9) Section 29 (relating to credit for producing fuel from a nonconventional source).

(10) Section 30 (relating to credit for increasing research activities).

(11) Section 32 (relating to earned income).

(12) Section 38 and subparts B and E of part IV of subchapter A of chapter 1 (relating to credit for investment in certain depreciable property).

(13) Section 40 and 87 (relating to alcohol used as fuel).

(14) Section 41 and 409A (relating to employee stock-ownership credit).

PART II— EXCLUSIONS

Subpart A—Repeals

SEC. 131. REPEALS.

The following provisions are hereby repealed:

(1) Section 101 (relating to certain death benefits).

(2) Section 102 (relating to gifts and inheritances).

(3) Section 103 (relating to interest on certain governmental obligations.

(4) Section 103A (relating to mortgage subsidy bonds).

(5) Section 105 (relating to amounts received under accident and health plans).

(6) Section 106 (relating to contributions by employer to accident and health plans).

(7) Section 108 (relating to income from discharge of indebtedness).

(8) Sections 109 and 110 (relating to improvements and taxes by lessees).

(9) Section 112 (relating to certain combat pay of members of the Armed Forces).

(10) Section 113 (relating to mustering-out payments for members of the Armed Forces).

(11) Section 116 (relating to partial exclusions of dividends received by individuals).

(12) Section 117 (relating to scholarships and fellowship grants).

(13) Section 120 (relating to amounts received under qualified group legal services plans).

(14) Section 121 (relating to one-time exclusion of gain from sale of principal residence by individual who has attained age 55).

(15) Section 125 (relating to cafeteria plans).

(16) Section 126 (relating to certain employer commuting expenses).

(17) Section 126 (relating to certain cost-sharing payments).

(18) Section 127 (relating to educational assistance programs).

(19) Section 129 (relating to dependent care assistance programs).

(20) Section 133 (relating to certain loan interest expense).

(21) Section 305(e) (relating to dividend reinvestment in public utilities).

(22) Section 621 (relating to payments to encourage exploration, development, and mining for defense purposes).

(23) Section 911 (relating to to earned income of citizens or residents living abroad).

(24) Section 912 (relating to exemption for certain allowances).

(25) Section 931 (relating to income from sources within possessions of the United States).

(26) Section 933 (relating to income from sources within Puerto Rico).

Subpart B—Other Changes

SEC. 136. PRIZES AND AWARDS.

Section 74 is amended to read as follows:

"SEC. 74. PRIZES AND AWARDS.

"Gross income includes amounts received as prizes and awards.".

SEC. 137. GROUP-TERM LIFE INSURANCE PURCHASED FOR EMPLOYEES.

(a) IN GENERAL.—Subsection (a) of section 79 (relating to group-term life insurance purchased for employees) is amended to read as follows:

"(a) IN GENERAL.—There shall be included in the gross income of an employee for the taxable year an amount equal to the cost of group-term life insurance on his life provided for part or all of such year under a policy (or policies) carried directly or indirectly by his employer (or employers); but only to the extent that such cost exceeds the amount, if any, paid by the employee toward the purchase of such insurance.".

(b) EXCEPTIONS.—Subsection (b) of section 79 (relating to exceptions) is amended by striking out paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(c) CONFORMING AMENDMENT.—Subsection (d) of section 79 is hereby repealed.

SEC. 138. TAXATION OF UNEMPLOYMENT COMPENSATION.

(a) IN GENERAL.—Subsection (a) of section 85 (relating to unemployment compensation) is amended to read as follows:

"(a) IN GENERAL.—Gross income includes any unemployment compensation received by the taxpayer during the taxable year.".

(b) CONFORMING AMENDMENT.—Section 85 is amended by striking out subsection (b) and redesignating subsection (c) as subsection (b).

SEC. 139. SOCIAL SECURITY AND TIER 1 RAILROAD RETIREMENT BENEFITS.

Section 86 (relating to social security and tier 1 railroad retirement benefits) is amended by striking out subsections (a), (b), and (c) and inserting in lieu thereof the following:

"(a) IN GENERAL.—Gross income for the taxable year includes the social security benefits received during the taxable year.".

SEC. 140. GIFTS, BEQUESTS, ETC., INCLUDED IN GROSS INCOME.

Part II of subchapter B of chapter 1 is amended by adding at the end thereof the following new section:

"SEC. 88. GIFTS, BEQUESTS, ETC.

"(a) IN GENERAL.—Gross income includes the value of property acquired by a gift, bequest, devise, or inheritance.

"(b) DEMINIMUS EXCLUSION.—A taxpayer may exclude up to $5,000 per year of property acquired by gift, bequest, devise or inheritance from gross income."

PART III—DEDUCTIONS

Subpart A—Repeals

SEC. 151. REPEALS.

The following provisions are hereby repealed:

(1) Section 167 (relating to depreciation).

(2) Section 168 (relating to accelerated cost recovery system).

(3) Section 169 (relating to amortization of pollution control facilities).

(4) Section 171 (relating to amortizable bond premiums).

(5) Section 172 (relating to Net Operating Loss Deductions).

(6) Section 173 (relating to circulation expenditures).

(7) Section 174 (relating to research and experimental expenditures).

(8) Section 175 (relating to soil and water conservation expenditures).

(9) Section 177 (relating to trademark and trade name expenditures).

(10) Section 178 (relating to improvements by lessees).

(11) Section 179 (relating to election to expense certain depreciable business assets).

(12) Section 180 (relating to expenditures by farmers for fertilizer, etc.)

(13) Section 182 (relating to expenditures by farmers for clearing land).

(14) Section 184 (relating to amortization of certain railroad rolling stock).

(15) Section 185 (relating to amortization of railroad grading and tunnel bores).

(16) Section 188 (relating to amortization of certain expenditures for child care facilities).

(17) Section 189 (relating to amortization of real property construction period interest and taxes).

(18) Section 190 (relating to expenditures to remove architectural and transportation barriers to the handicapped and elderly).

(19) Section 192 (relating to contributions to black lung benefit trust).

(20) Section 193 (relating to tertiary injectants).

(21) Section 194 (relating to amortization of reforestation expenditures).

(22) Section 194A (relating to contributions to employer liability trusts).

(23) Section 195 (relating to startup expenditures).

(24) Section 196 (relating to deduction for certain unused investment credits).

(25) Section 216 (relating to cooperative housing corporations).

(26) Section 217 (relating to moving expenses).

(27) Section 218 (relating to political contributions).

(28) Section 219 (relating to retirement savings).

(29) Section 221 (relating to deduction for two-earner married couples).

(30) Section 222 (relating to adoption expenses).

(31) Section 263 (relating to certain capital expenditures).

(32) Section 265 (relating to certain interest expenses).

(33) Section 266 (relating to certain carrying charges).

(34) Section 268 (relating to sale of land with unharvested crops).

(35) Section 272 (relating to disposal of coal).

(36) Section 278 (relating to certain capital expenditures).

(37) Section 279 (relating to interest on certain indebtedness).

(38) Section 280 (relating to certain expenditures incurred in the production of films, books, records, etc.).

(39) Section 280B (relating to the demolition of structures).

(40) Section 280C (relating to certain expenses for which credits are available).

(41) Section 280F (relating limitation on the investment credit, etc.).

(42) Section 281 (relating to terminal railroad corporations).

(43) Part XI of subchapter B of Chapter 1 (relating to corporation preference items).

(44) Part I of subchapter I of chapter 1 (relating to depletion deduction, etc.).

Subpart B—Other Changes

SEC. 156 LIMITATION ON DEDUCTION FOR INTEREST EXPENSE.

Subsection (a) of section 163 is amended to read as follows:

"(A) GENERAL RULE.—There shall be allowed as a deduction all interest paid or accrued within the taxable year on indebtedness. Interest deductible shall include interest incurred to purchase, carry or improve an investment asset (as defined in section 62(c)(2) including subparagraph B (relating to primary residences)). Consumer interest expense shall not be deductible.".

SEC. 157. REPEAL OF DEDUCTION FOR REAL AND PERSONAL PROPERTY TAXES.

Subsection (a) of section 164 (relating to deduction for taxes) is amended by striking out paragraphs (1) and (2) and by redesignating paragraphs (3), (4), and (5) as paragraphs (1), (2), and (3), respectively.

SEC. 158 DEDUCTION FOR CHARITABLE CONTRIBUTIONS LIMITED TO 5 PERCENT OF ADJUSTED GROSS INCOME.

Subsection (b) of section 170 (relating to percentage limitation) is amended to read as follows:

"(b) PERCENTAGE LIMITATION.—The amount allowable as a deduction under subsection (a) for any taxable year shall not exceed 5 percent of the taxpayer's adjusted gross income for such taxable year.".

"Subsection (e) of section 170 is repealed and subsection (j) is redesignated as subsection (f).

SEC. 159 DEDUCTION FOR MEDICAL, DENTAL, ETC., EXPENSES.

Subsection (a) of section 213 (relating to deduction for medical, dental, etc., expenses) is amended by striking out "5 percent" and inserting in lieu thereof "10 percent".

SEC. 160 DEDUCTION FOR CASUALTY LOSSES.

Subsection (h) of section 165 (relating to casualty and theft losses) is amended to read as follows:

"(h) CASUALTY AND THEFT LOSSES.—

"(1) IN GENERAL.—Any loss of an individual described in subsection (c)(3) shall be allowed for any taxable year only to the extent that the aggregate amount of such losses sustained by such individual during the taxable year exceed $500.

"(2) SPECIAL RULE.—

"(A) JOINT RETURNS.—For purposes of the $500 limitation of paragraph (1), a husband and wife making a joint return for the taxable year shall be treated as one individual.".

SEC. 161 REPEAL OF LIMITATIONS ON ALLOWANCE OF CAPITAL LOSSES.

Section 165(f) and part II of subchapter P of chapter 1 (relating to limitation on capital losses) are hereby repealed.

Subpart C—Other repeals

The following are hereby repealed:

Part IV of subchapter N of Chapter 1 (relating to Domestic International sales Corporations).

Subpart C of Part III of subchapter N of Chapter 1 (relating to Foreign Sales Corporations).

Subpart A of Part III of subchapter N of Chapter 1 (relating to the foreign tax credit).

Subpart G of Part III of subchapter N of Chapter 1 (relating to export trade corporations).

Subchapter P of Chapter 1 (relating to the taxation of capital gains).

Subchapter S of Chapter 1 (relating to S corporations).

Subchapter T of Chapter 1 (relating to cooperatives).

SUBTITLE C—EFFECTIVE DATE

SEC. 171. EFFECTIVE DATE.

The amendments made by this title shall apply to taxable years beginning after December 31, 1985.

TITLE II—REPEAL OF ESTATE AND GIFT TAXES

SEC. 201. REPEAL OF ESTATE AND GIFT TAX.

(a) GENERAL RULE.—Subtitle B (relating to estate and gift tax) is hereby repealed.

(b) Subchapter J. of Subtitle A (relating to estates, etc.) is hereby repealed.

(c) CROSS REFERENCE.—For provision treating inheritances and gifts as includible in gross income, see section 88 of the Internal Revenue Code of 1954 (as added by section 140 of this Act) and section 64 (as added by section 103 of this Act).

SEC. 203. EFFECTIVE DATE.

The amendments made by this title shall apply with respect to estates of decedents dying after, and gifts made after, December 31, 1985.●

TRIBUTE TO HON. ABRAHAM "CHICK" KAZEN, JR.

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. PRICE. Mr. Speaker, as the gavel sounds for the adjournment of the 98th Congress, it will mean the loss of the experience and talents of one of our most able colleagues, ABRAHAM "CHICK" KAZEN, JR. I am privileged to join others in honoring this outstanding public servant who has served his Texas constituents and our Nation in a superior manner.

As chairman of the Armed Services Committee, it has been my privilege to work very closely with CHICK during his 18 years of exemplary service in the House of Representatives. Although he was active in matters pertaining to defense, education, agriculture, housing, land planning, and veterans' affairs, it was as a member of the Armed Services Subcommittee on Military Installations and Facilities that he probably made his most lasting contribution. He had a significant hand in providing necessary facilities modernization and improvements for our Armed Forces worldwide.

CHICK believed strongly that Congress had a responsibility to provide adequate living and working conditions for our men and women in uniform and their dependents. One of his major concerns was to assure that adequate medical care was available for active duty members as well as military retirees and their families. In this regard, he worked tirelessly to initiate legislation that will eventually provide a replacement facility for the outmoded and dilapidated Brooke Army Medical Center in San Antonio, TX. Because of his efforts, this new hospital will become a reality after years of frustration.

As a member of the Armed Services Committee, CHICK KAZEN has been unfailingly attentive to the interests of his own constituency and conscientious in the discharge of his duty to maintain the strength and readiness of the Nation's defenses. It has been a high privilege and a great pleasure to serve with him.

CHICK will be sorely missed by his colleagues in the Congress and by the Nation as well. I wish him and his lovely wife, Connie, happiness and success in all their future endeavors.●

CELEBRATING THE WORK OF MRS. JOSEPHINE GRAY

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. MICA. Mr. Speaker, let me take a moment at the end of this legislative year to note the humane and selfless contributions of a women from my district in Palm Beach County, Mrs. Josephine Gray. After serving with the Peace Corps in St. John's, Antigua, for 2 years, Mrs. Gray has extended her commitment to the corps for an additional term.

Mrs. Gray graduated from Columbia University and taught art at Palm Beach Junior College for 15 years. She left the United States in June 1982 as a member of Peace Corps to teach cottage industries to the local population of St. John's. Through her efforts these people learn a craft which enables them to produce a sellable product and benefit their economic situation.

It is just such personal and meaningful interaction that is the true measure of American passion and concern. I commend Mrs. Gray for her work. I expect that the tradition of personal service and commitment that she reflects will live longer after some of the more formal diplomatic initiatives we undertake.●

FOOD CRISIS IN CHAD

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. LELAND. Mr. Speaker, I call your attention to an article that appeared in the New York Times, October 10, 1984, on hunger caused by drought conditions in Chad where thousands have left their homes in search of food. The situation in Chad is presented in the context of suffering throughout Africa. Because new reports of hunger arrive daily from Africa, 56 Members of the House joined Representative HOWARD WOLPE and me in a letter directing M. Peter McPherson, Administrator of the Agency for International Development, to report monthly on the needs of African nations and urged the use of emergency reserves promptly during the times when Congress is adjourned.

[From the New York Times, Oct. 10, 1984]

CHAD GRIPPED BY FOOD CRISIS AS DROUGHT EMPTIES VILLAGES

(By Clifford D. May)

NDJAMENA, CHAD, October 3.—Abandoning his home, the Chadian village chief said, was the last thing he thought he would ever do.

But when the months dragged by without rain, causing the millet and maize to turn brown and shriveled and the animals to die, the chief said, he came to see that he and his people had no other choice.

"Most of us had never before in our lives left the village," said the chief, Adouna Makai, whose village is near Ati, 250 miles from Ndjamena, the Chadian capital. "But there is nothing there now. Not even a dog is left."

The villagers, he said, traveled by truck when they could find one and on foot when they could not. In a little less than a month they had completed the trek to Ndjamena.

They were not the first to arrive; there are thought to be 50,000 displaced people in Ndjamena, previously a city of 300,000. In Chad as a whole, which has a population of not much under five million, roughly 150,000 people are believed to have fled their homes in order to survive.

MILLIONS OF DISPLACED PEOPLE

But the effect of the long dry spell on Chad is only part of a larger problem: In Africa south of the Sahara, 150 million people are suffering as a result of drought. Up to five million are said to have become refugees. Uncounted millions more are believed to have become displaced, a category that differs from that of refugee only in that the displaced people have crossed international boundaries.

The drought has hit particularly hard in the Sahelian-Sudanese belt, an ecologically fragile swath of territory stretching from Mauritania on the Atlantic to Somalia on the Indian Ocean 3,500 miles away.

In Chad, relief officials believe 1,000 people have died as a result of starvation or malnutrition since July. The situation, they said is almost certain to deteriorate further when what is normally referred to as the dry season begins in the next few weeks.

"For Chad, this current drought is worse than the great drought of the 1970's," said Jamie Wickens, the representative in Ndjamena of the Food and Agriculture Organization. "The food needs will certainly be greater."

TREND SEEN BY EXPERTS

No one really knows what is causing the drought or how long it will last. Many scientists fear, however, that a long-term climatic change may be under way, aggravated to some degree by man-made ecological damage such as over-grazing and extensive cutting of forests.

The drought of the early 1970's and the current drought, a growing number of experts have come to suspect, may be not separate events but rather symptoms of the same trend or of a single phase in the climatic cycle.

Adapting to such changes may have been simpler in the past. Some anthropologists point out that about 100 years ago there were virtually no nations as such in Africa south of the Sahara, so severe changes in the weather would have merely caused people to pick up and move on to greener areas that were sparsely inhabited or poorly defended.

Now, however, such migrations can no longer occur without causing political and social turmoil.

Relief officials say they believe it will be more difficult to help Chad than most of the other drought-stricken countries of Africa. The country is landlocked and the best port in the region is at Lagos, Nigeria. But Nigeria has closed its borders with its neighbors, saying it has economic problems of its own.

Even if adequate supplies of food do arrive, distribution is likely to be a logistical nightmare, the relief officials said. The north of Chad has been under the control of Libyan-backed rebels for more than a year, and insurgent activity has been flaring sporadically in the south as well.

NO RAILROADS OR HIGHWAYS

The country, which is as large as Texas, Oklahoma and California combined, has no railroads or highways, although there are dirt tracks that are passable at certain times of the year.

In the past special camps have been set up where displaced people could be housed and fed. Relief officials said, however, that they would prefer another approach if possible.

"Conditions in the camps often become terrible, squalid, a breeding ground for disease," said Mr. Wickens. "That's a lesson we learned from the last drought."

But the other option, the absorption of displaced people into existing population centers, could lead to additional pressures on Chad's poorly developed urban areas. "It could be staggering," Mr. Wickens said.

For now, at least, Mr. Makai and those who came with him are living among relatives in the city. The chief explained that the relatives shared what little food they had and the villagers slept on straw mats in the courtyards of the adobe compounds.

"There is little for them to do during the long, hot days," he said. "We're looking for work, but so far there is nothing."

Someday, he said, he would like to lead his people back to the village, to regather the families and clans there. But he said he was not hopeful.

"We're looking at at least nine months of severe hardship," said Mr. Wickens. "If we can get through that, then maybe people can begin to hope again."●

TRIBUTE TO CHICK KAZEN

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. RAHALL. Mr. Speaker, I would like to take this opportunity to add my voice to those of my colleagues in saying that we are going to miss our friend from Texas, CHICK KAZEN. It has been my pleasure to serve with CHICK on the Interior and Insular Affairs Committee, where I have been able to observe firsthand the dedication with which he served the people of the 23d District in the great State of Texas. He always made sure that the views of his constituency were well represented in any debate.

He has been a true public servant, using his position in this institution to meet the needs of those he has served so faithfully. CHICK and I have also joined forces on issues of interest to us with regard to our ethnic heritage which we both proudly share. Just recently, largely through the efforts of CHICK KAZEN, legislation was passed which will authorize land in the District of Columbia to memorialize the great Lebanese American post-philosopher-artist, Kahlil Gibran. CHICK was also instrumental to helping me secure passage of a resolution I sponsored awarding a gold medal to Danny Thomas in recognition of his outstanding humanitarian work with St. Jude Children's Research Hospital.

When I first came to Congress in 1977, I was helped a great deal by CHICK and I thank him for helping me make my niche here in the House. This institution and the country will miss his leadership and it has been an honor to serve in the House of Representatives for the last 8 years with CHICK KAZEN.●

BARBER CONABLE

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. UDALL. Mr. Speaker, one of our colleagues and one of my good friends BARBER CONABLE, is leaving this House at the end of this Congress. He brings to mind UDALL'S Fourth Law of Congressional Retirement, which says that "them that should, don't, and them that ought to, won't."

BARBER CONABLE is one who shouldn't, and we shall miss him.

Mr. Speaker, those of us who have been here for a time have seen dozens and dozens of Members come and go. Some stayed only a short while, others for several terms, and still others, longer than they should have. And of

that total number, only a couple of handfuls have left a real imprint, a contribution that is remembered, respected, and admired.

BARBER CONABLE is one of those who will be remembered. BARBER and I have been on opposite sides of a lot of votes and together on a lot. I know BARBER as a contemplative man. He has a streak of decency, fairness, and soundness that tells us a lot about the kind of folks that inhabit his congressional district in upstate New York.

There is no meanness or expediency in this man, and if there were a single word above all others to describe the way BARBER thinks and operates, it would have to be, "independent." He is an independent man, his own man, and it shows.

One biography says of BARBER that he always understands and sympathizes with the motivations of others even when he differs with them, but he fights hard when he has to—as one might expect of a man who served in the Marine Corps in two of our wars.

BARBER CONABLE is the kind of caring, conscientious, and concerned citizen that this Chamber was made for. He has honored it with his work, his spirit, and now and then, with his well-known wit.

I will miss BARBER and his civilized brand of public service. I will miss his contributions here, and I will miss a friend. I wish him and his wife, Charlotte, and their children, all of the best that they seek in the years ahead.●

THE OUTER SPACE TREATY OF 1967

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. FASCELL. Mr. Speaker, on this day 17 days ago, October 10, 1976, the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, Including the Moon and Other Celestial Bodies was entered into force.

As both the United States and the Soviet Union are parties to this treaty, this agreement marked an important step in promoting cooperation between the superpowers in the arena of space. Preserving space for peaceful purposes must be the driving force in our space arms control policy.

Under this treaty, the signatories agreed:

Not to place in orbit around the Earth any objects carrying nuclear weapons or any other kinds of weapons of mass destruction, install such weapons on celestial bodies, or station such weapons in outer space in any other manner;

The Moon and other celestial bodies shall be used by all States parties to the treaty exclusively for peaceful purposes;

The establishment of military bases, installations, and fortifications, the testing of any type of weapons and the conduct of military manuevers on celestial bodies shall be forbidden;

The use of military personnel for scientific research or for any other peaceful purposes shall not be prohibited; and

The use of any equipment or facility necessary for peaceful exploration of the Moon and other celestial bodies shall also not be prohibited.

The extension of the arms race into space must be averted at every stage. Programs that would result in edging us toward the weaponization of space must be closely monitored by this committee and the Congress.

It is with this in mind and in a spirit of preserving cooperation in space that the Subcommittee on International Security and Scientific Affairs, which I chair, conducted a series of hearings on arms control in outer space. We examined the current administration's space arms control and defense policy, that is, the Strategic Defense Initiative and the antisatellite [ASAT] weapons program.

During these hearings, the subcommittee discussed a number of treaties agreed to over the years relevant to space arms control. In particular, the potential abrogation of the ABM Treaty arose as a major concern.

Moreover, the Outer Space Treaty of 1967 was highlighted as an agreement which contributed to cooperation, not competition in space.

From these hearings, it became clear that a change in current policy is required. It has been my recommendation, which I will reiterate here, that this country can take five steps which will form a more constructive space arms control policy. They are:

First, mutual suspension of the United States and Soviet ASAT Testing Program;

Second, resumption of bilateral negotiations with the Soviet Union to ban antisatellite weapons;

Third, initiation of bilateral negotiations with the Soviet Union to ban all space weapons;

Fourth, upgrading U.S. satellite survivability; and

Fifth, maintaining ballistic missile defense research consistent with existing arms control agreements.

In this way, we can hopefully avert a terrible and costly arms race in space.

The subject of space arms control and how past treaties and perhaps future treaties can contribute to keeping the heavens free from militarization is a major priority of the Committee on Foreign Affairs and will continue to be a priority in the upcoming Congress.●

METHANE FUELING MORE AND MORE AMERICAN VEHICLES

HON. DAN GLICKMAN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. GLICKMAN. Mr. Speaker, back in 1980, the Congress approved legislation to conduct research, development, and demonstration work on the use of a plentiful alternative transportation fuel: methane or natural gas. That legislation was prompted by the recognition that mobility is a basic American quality that we should strive to preserve and protect. If that legislation had been fully implemented, I feel confident we would be well on the way to making methane-fueled vehicles a significant part of our transportation mix. We haven't come as far as we could have, but, as last Friday's Wall Street Journal pointed out, our confidence in this alternative transportation fuel was well founded. Natural gas vehicles are starting to make inroads into the U.S. transportation system as they have already done in a number of foreign countries. I urge my colleagues to take a moment and read the article which I ask unanimous consent to be printed in the RECORD at this point.

[From the Wall Street Journal, Oct. 5, 1984]

NATURAL GAS GAINS AS FUEL FOR VEHICLES

(By Linda M. Watkins)

Natural gas, despite some drawbacks, is gaining popularity as an alternative fuel for cars and trucks.

More than 25,000 vehicles in the U.S. cruise on a compressed form of the gas commonly used to heat homes. World-wide, an estimated 400,000 cars, trucks and vans have switched to natural gas in recent years, says the American Gas Association, a trade group.

The numbers are escalating as the domestic gas industry, with huge gas reserves, seeks new markets to replace scores of industrial customers who sharply reduced their gas use during the recession. In addition, operators of fleets of cars and trucks say they're discovering the fuel is the cheapest, safest and cleanest way to run their vehicles.

"It saves money and it's reliable," says James Uhrmacher, controller at Coca-Cola Bottling Co. in Erie, Pa. The company converted 14 delivery trucks and six service vans to natural gas, cutting its fuel bill by $11,000 a year. The gas association says it costs $1,500 to $2,000 to convert a vehicle to run on compressed gas.

BIGGEST DRAWBACK

Despite the fuel's apparent advantages, natural gas-powered vehicles aren't likely to take over the highways anytime soon. The biggest drawback is that there are only three public natural gas fueling stations in the U.S., far fewer than the 20 in Canada and 240 in Italy, says George H. Lawrence, president of the gas trade group.

Still, the fuel is winning converts, especially among companies, schools and government agencies that have large numbers of

vehicles that can be fueled at private stations.

The concept of a natural gas-powered vehicle dates back to 19th century experiments. The idea was shelved in the U.S. for many years and almost completely discarded in 1954 when Congress regulated natural gas like other utilities.

Before Congress removed price controls from gas drilling in 1978, companies had little incentive to dig for the gas and seek new marketing outlets. Today, however, with reserves estimated to last more than 100 years and traditional large customers reducing their demand, the huge vehicle market seems a natural. The development of a lightweight aluminum cylinder for storing the compressed gas has also helped.

HIGH OIL-IMPORT COSTS

Other countries, plagued by high oil-import costs, recognized the value of compressed-gas vehicles long before the U.S. Italy, for instance, started converting some of its cars 40 years ago and has more than 250,000 such vehicles today. New Zealand began converting four years ago and now has 65,000 vehicles powered by compressed gas.

Uncertainties about the world oil situation prompted Coca-Cola Bottling's switch to natural gas, says Mr. Uhrmacher. "This is a fuel that won't cramp our style when we have to deliver to our customers," he says.

Although direct fuel cost comparisons are difficult, tests by a group of 27 natural gas utilities have shown that a Ford Ranger pickup truck traveling 225 miles spends $7.80 on natural gas fuel for a trip that would cost $14.52 in gasoline.

East Ohio Gas Co. of Cleveland operates the largest compressed gas-fleet in the U.S. The utility's 900 vans, trucks and sedans, all powered by natural gas, use $500,000 less in fuel a year than if they were operated on gasoline or diesel fuel, the company estimates.

SAFER TO OPERATE

Besides financial savings, compressed gas-vehicles are safer than gasoline-fueled cars and buses, says John Langer, transportation director for the Harbor Creek School District in northwestern Pennsylvania. Unlike gasoline, compressed gas doesn't explode upon heavy impact, he says. "It starts smoother and there's no problem when starting in the winter," he adds. The school district's 30 buses use the fuel.

Natural gas is also less of a pollutant than gasoline and other alternative fuels such as methanol and propane, says Adele Bolet, an energy researcher for Georgetown University's Energy and Strategic Resources Program.

Still, few in the energy industry believe that natural gas will pose a serious threat to gasoline or diesel fuel. Oil company executives don't see the fuel as an economical alternative to gasoline even though the American Petroleum Institute reports that Americans spend more than $254 million a day on imported gasoline. Says Jerry Martin, a Chevron U.S.A. official: "There are so many more priority uses of natural gas that we don't expect this type of vehicle to be over a tiny, tiny part of the transportation market." Gasoline industry officials note that there are about 160 million motor vehicles in the U.S., almost all of which run on gasoline or diesel fuel.

The scarcity of natural gas refueling stations is the biggest problem. Most compressed-gas fleet vehicles that travel long distances must have dual fuel systems, so they can run on gasoline after exhausting the gas stored in cylinders.

Still, fuel analysts think that with further research they can reduce costs and convert many other vehicles to natural gas. On the horizon, they claim, are natural gas-powered forklifts, go-carts and lawn mowers.●

FOR THE RELIEF OF HELEN J. HUDSON

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. MATSUI. Mr. Speaker, I rise today to introduce legislation for the relief of Mrs. Helen J. Hudson, an employee of the Sacramento Appeals Office of the Internal Revenue Service, which will deem her as an employee with 5 years of civilian service. I believe this extraordinary relief is necessary in order to permit Mrs. Hudson, a terminally ill cancer patient, to apply for and have approved a disability pension which would sustain her as she continues to fight for life.

Mrs. Hudson has been employed with the Internal Revenue Service since March 23, 1980. She has been a loyal and dependable employee whose performance has been exemplary. In January 1984, Mrs. Hudson was diagnosed as a terminally ill cancer patient; yet, she has continued to work as much as possible even while undergoing chemotherapy treatments. As a single parent and sole supporter of her 13-year-old son, Mrs. Hudson is dependent upon the income and medical benefits from her position with the Internal Revenue Service.

Unfortunately, Mrs. Hudson's health has continued to deteriorate and she may no longer be capable of maintaining her level of performance with the Internal Revenue Service. The Internal Revenue Service and Mrs. Hudson's coworkers have pursued all administrative measures at the county, State, and Federal level to remedy this tragic situation without success and I commend their valiant efforts. Consequently, as Mrs. Hudson has exhausted her sick and annual leave in September of this year, she will soon be faced without any means of financial support as she attempts to combat this evil disease for her life.

I have no doubt that Mrs. Hudson is a dedicated civil servant, deserving of this life-supporting compensation as has been demonstrated by her exemplary service to the IRS and the U.S. Navy. Mrs. Hudson meets all of the requirements for a disability retirement; yet she is being denied this compensation on the basis that she lacks 5 months and 13 days of civilian service—the length of time that would fulfill the 5 years of civil service as required by the Federal personnel regulations. Unfortunately, the medical prognosis remains that Helen may not live to complete this 5-year requirement.

It is indeed a tragedy to deny a dying woman disability retirement on the basis that she lacks less than 6 months of civil service especially in light of the fact that she served her government in the military for nearly 2 years. By making Helen Hudson eligible for disability retirement, we will be providing her the opportunity to enjoy the remaining months of her life at home with her son. I urge my colleagues to join me in this humanitarian effort and seek the expeditious consideration of this matter.●

IMPUTED INTEREST COMPROMISE

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. LEVINE of California. Mr. Speaker, I am deeply disappointed that Congress has not acted to repeal the imputed interest regulations contained in the Deficit Reduction Act of 1984, H.R. 4170.

I strongly support repeal of these new regulations because they will effectively eliminate the ability of tens of thousands of homeowners in my district and others throughout America to finance the sale of their homes. I know from personal experience that this option can be a vital tool in facilitating the sale of homes in these days of high interest rates.

That is why I cosponsored H.R. 6021, which would repeal the changes made in the imputed interest laws. Unfortunately, it is now clear that H.R. 6021 is dead. With it, died any chance of repealing the new imputed interest regulations before Congress recesses.

While I supported the Deficit Reduction Act, this provision of it will work an unfair hardship on individual homeowners, despite the clear intent of Congress that this not be the case.

The $250,000 exemption included in H.R. 4170 was clearly designed to exclude primary residences of moderate income homeowners. However, as a result of rapidly increasing real estate values in Los Angeles County, many individuals who paid very modest prices for their homes now find themselves living in extremely expensive homes. For example, it is not unusual for a home which cost as little as $30,000 a few years ago to cost 10 times that much today.

As a result of the passage of H.R. 4170, homeowners will no longer have the ability to finance the sale of their home at an interest rate below the market rate.

At a time of unprecedented budget deficits, there is every reason to

expect interest rates to continue to increase—despite the President's rather novel view that the two are unrelated. As this occurs, the impact on the residents of my district, and the real estate industry as a whole, will be calamitous.

I had hoped that Congress would act swiftly to repeal these imputed interest regulations. That has now become impossible.

This issue will not die with the 98th Congress, however. When Congress reconvenes in 1985, I will renew my efforts to repeal this damaging and ill-considered new law, and I urge my colleagues to do the same.●

ARKANSAS FLYING HALL-OF-FAMERS

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. HAMMERSCHMIDT. Mr. Speaker, on November 9, three Arkansas pilots will be inducted into the Hall of Fame of the Arkansas Aviation Historical Society. These flying "Hall of Famers" are Edward W. "Eddie" Holland of Little Rock, Maj. Gen. Winston P. "Wimpy" Wilson of Forrest City, and the late Brig. Gen. John D. Howe of Hot Springs.

These men have served their country with distinction as pilots in the Army Air Force, Air National Guard, and Air Force; however, their contributions to aviation history go beyond military service. As citizens, they have not only shared their military experiences, but they have also shared the knowledge that came with being involved in aviation at a time of rapid progress—thereby providing a vision for what is possible in the future.

As ranking minority member of the House Subcommittee on Aviation and especially as an Arkansan, I am pleased and proud to see these men recognized for their contributions to aviation history. Mr. Speaker, I'm inserting for the CONGRESSIONAL RECORD an article recently published in the Arkansas Democrat, which outlines the many and varied accomplishments of these three fine men.

The article follows:

FLIERS' HALL OF FAME TO INDUCT THREE VETERAN ARKANSAS PILOTS

(By Guinda Reeves)

Three Arkansans will be inducted into the Hall of Fame of the Arkansas Aviation Historical Society at its fifth annual banquet on Nov. 9 at the Riverfront Hilton in North Little Rock.

The inductees are Edward W. "Eddie" Holland, 64, of Little Rock, serving his 16th year as director of the state Department of Aeronautics; Maj. Gen. Winston P. "Wimpy" Wilson, 72, of Forrest City, now retired from the Arkansas Air National Guard; and the late Brig. Gen. John D. Howe, a former commander of Wright-Patterson Air Force Base in Ohio.

Holland is often called "Mr. Aviation" for his efforts to develop aviation and airports in Arkansas.

Enlisting in the U.S. Army Air Force during World War II, Holland flew 37 combat missions during his tour of duty and received four air medals, two battle stars and a presidential citation.

Holland helped organize the Arkansas Aviation Historical Society with Richard N. Holbert, president of Central Flying Service in Little Rock, and now serves on the society's board of directors.

He's considered "the keeper of the files" by the society because of his extensive collection of aviation-related information, which is said to be a major source for Arkansas aviation history.

Wilson, born in Arkadelphia and reared in Little Rock, saw his career in National Guard aviation span the transition "from Jennies to jets."

He enlisted in the Arkansas National Guard in 1929 as an airplane mechanic with the 154th Observation Squadron and, after graduating from Hendrix College at Conway in 1934, rejoined the squardron as a pilot in 1940.

In 1950, Wilson became a special assistant to the Chief Air Force Division of the National Guard Bureau during the Korean War. He had accompanied, and later succeeded, the late Maj. Gen. Earl T. Ricks to Washington, DC, as commanding officer of the Air National Guard.

Howe, a native Arkansan born in 1906, left college to join a group of pilots flying in exhibitions at county fairs in the Midwest and soon became a licensed pilot.

He left in 1929 to become chief pilot for the then fledgling Delta Airlines but, in 1930, he joined the same Arkansas National Guard squadron as Wilson. On active duty from 1930 to 1940, Howe advanced from 2nd Lieutenant to captain, becoming base and detachment commander at Adams Field by 1940. That same year, his squadron was called to active federal duty.

In 1941, he was assigned to form the 4th Air Depot Group at Wright-Patterson Field and subsequently put together the Southwest Pacific Air Depot for wartime operation in Australia. He eventually returned to Wright-Patterson Air Force Base as base commander.

Receiving several decorations for his service in Korea, Howe became the Air Force's director of maintenance engineering after going to the Pentagon in 1951. He received his general's star in 1953.

In 1960, Howe retired to Hot Springs, where he died at age 70 in 1977.

The master of ceremonies at the banquet to honor Holland, Wilson and Howe, will be Richard Collins, the editor of Flying magazine.●

IS OUR NAVAL POWER AT RISK?

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. PORTER. Mr. Speaker, I would like to call the attention of my colleagues to an article which appears in today's Wall Street Journal on the very important question of naval power. This article was written by Mark Kirk, a very talented young man who I am pleased to say has recently joined my staff. Mr. Kirk points out in his article that there is only one predictable element if the next war comes—that people, planes, and ships will be lost. It is important to remember that we must not only provide the best equipment for our forces, but that the equipment must be provided in sufficient quantity so that we can sustain losses and continue fighting. This is not the situation, as Mr. Kirk points out, with only 13 aircraft carriers.

I commend this article to my colleagues as important reading:

CAN WE PROTECT OUR PRECIOUS FEW CARRIERS?

Our nation's military strategy is based on a simple premise: the defense of our country as far from home shores as possible. This can be accomplished only with a strong Navy that can defend itself far from home. Recent events show that, despite the $81.8 billion we shall spend on our Navy this year, it will not be able to protect itself, let alone us.

The U.S. Navy is based, for better or for worse, around 13 large aircraft carriers. Without these carriers, our Navy would lack the offensive strength it needs to win far from our shores. To defend these carriers, the U.S. has developed one of the most expensive planes and air-to-air missiles ever made: the F-14 Tomcat and the AIM-54A Phoenix missile. Packed with expensive electronics, these two systems were designed to shoot down six times their number of hostile aircraft hundreds of miles from their carriers. These systems did not come cheaply, $28 million for the plane and nearly $1 million for each missile.

Unlike a bullet, which cannot be fooled by any sort of electronic countermeasures, highly sophisticated systems like the Phoenix depend on secrecy to maintain their effectiveness. A detailed knowledge of their inner workings would quickly reveal a way to defeat them. Unfortunately, this happened to the Phoenix, our first-string and most expensive air-to-air missile. Both the F-14 and Phoenix were sold to Iran, which was later engulfed in revolution. The "A" version of the missile, common to both the U.S. Navy and the Iranian air force, is now thought to be thoroughly "compromised" (i.e., sold to the Russians), rendering the large numbers of Phoenixes in the Navy's magazines of questionable value.

Hughes, Aircraft Corp., maker of the Phoenix, fought to save the missile by producing a new "C" version. This missile promised to be more advanced and would not be sold abroad. Unfortunately, the missile is so complicated and the workmanship so poor that the Navy temporarily suspended all deliveries of the missile until the problems were solved.

This suspension was a result of the Navy's new tough policy on weapons quality. In the long run, this policy will have enormous benefits. In the short run, it could unearth some embarrassing items for both the Navy and its major suppliers. The recent news of faults in the Navy's F/A-18 jet fighter is a case in point.

These inspections are good in themselves but are only a first step. They ignore the more basic problems with these planes and missiles. The Phoenix is a radar-guided mis-

sile, emitting a radar signal and homing in on whatever that signal bounces off of. This works well in theory, but in practice, many problems exist. The radars aboard these planes and missiles are too small to separate two targets closely spaced. When faced with two planes flying about 400 to 500 yards apart, the missile will see the two as one and aim in between. There are other problems related to seeing low-level targets or through water vapor. In all, the Secretary of Defense has given the Phoenix a 10% chance of actually hitting its target. The record of the other radar-guided missiles used by the Navy and Air Force is similar.

The F-14, pride of the U.S. Navy, also has many problems, the first of which is cost—more than $28 million each. The Navy was forced to buy a cheaper plane, the F/A-18, to fill out the carrier wings. Ironically, due to cost overruns, the F/A-18 is now more expensive than the "expensive" plane it replaces. The F-14 is also very large, giving it a distinct disadvantage in air combat. During the Vietnam and Arab-Israeli wars, targets were rarely engaged beyond visual range. Most actions were quick surprise attacks, with victory won by the side that saw the other first.

The F-14's engine is also a worry. In recent testimony, Navy Secretary John Lehman stated that "the [engine] in the F-14 is probably the worst engine-airplane mismatch we have had in many years. The . . . engine is just a terrible engine and has accounted for 28.2% of all F-14 crashes."

Last, although an aircraft carrier is a floating airfield, it is also a ship, and a ship, so says naval wisdom, can always be sunk. In recent reports, the Navy's antisubmarine-warfare experts stated that Soviet submarines of all types were getting quieter. They noted that relatively small decreases in the noise levels of Russian submarines result in significant cuts in the detection range of U.S. sensors. They stated that 50% of Soviet submarines would be able to get within close range of an aircraft carrier by 1990. Many Soviet submarines need not get too close since they are armed with anti-shipping cruise missiles that have ranges of 30 to 300 miles. In order to survive, a carrier battle group would have to clear an area at least 60 miles wide of submarines. Such a volume is currently beyond the capabilities of a task force.

The Navy's efforts to ensure the delivery of equipment in proper working order are on the right track. It must, however, go a step further and respond to the tremendous implications of quieter Soviet submarines and the limitations of radar-guided systems. As it stands, our naval strength will depend on the survival of a relatively small number of ships in any future war. Instead, we ought not only to provide the best equipment for our forces, but in sufficient numbers to withstand losses that are sure to occur.●

DEPARTMENT OF EDUCATION HONORS MISSION JUNIOR HIGH SCHOOL

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. BROWN of California. Mr. Chairman, I would like to draw the attention of my colleagues to the exemplary performance exhibited by a middle school in my home district, the Mission Junior High School of the Jurupa Unified School District, in Riverside, CA. I am proud to announce that Mission Junior High School is one of 88 middle schools in the country to be counted among the outstanding public secondary schools recognized in the 1983-84 Secondary School Recognition Program of the Department of Education.

Most notably, Principal Don Manzo deserves congressional recognition for his critical role in bringing his school to the height of academic excellence. He has initiated innovative activities and programs which have enhanced the learning experience of his students, and sets an example for other schools to follow. According to the Secretary of Education, T.H. Bell:

This honor is bestowed on unusually successful schools in which the faculty, students, and community have demonstrated a commitment to excellence and are dedicated to maintaining that commitment at all times.

In my opinion, Mission Junior High more than aptly fits that description.

Mission Junior High School went through an intense screening process before it was selected as one of the Nation's top secondary schools. It had to be first nominated by the Riverside County superintendent of schools. After satisfying numerous criteria, it was then submitted to the State Board of Education. The application was reviewed at the State level and selected as one of nine middle schools in California. Further screening by the State paired that number down to five and those schools were sent to the Federal Government for competition in the national program. Mission Junior High School was visited by Government representatives before being selected as a National Exemplary School—one of only 88 middle schools in the Nation.

Mission Junior High School was scrutinized for 14 attributes such as: clear academic goals, rewards and incentives for students, and opportunity for meaningful student responsibility, and participation. Selection committee members also tallied numbers from seven indicators of success, ranging from student performance on standard achievement tests to student/teacher attendance rates. Mission Junior High scored exceptionally well in every category, pushing ahead of it's scholastic competitors.

The Mission Junior High School is a shining example of the revitalization of education going on in this country. With schools such as Mission Junior High as a role model for other schools, national pride and commitment to education excellence will once again be the hallmark of our society. The success of Mission Junior High School is accented by its ethnic and cultural mix—dashing the misconception that students from ethnic and minority communities cannot achieve high levels of excellence.

I feel that the Secondary School Recognition Program has helped to reverse the crisis in confidence in American education. In commending the achievements of schools such as Mission Junior High School, much positive public attention has been drawn to education and has helped to rekindle pride in our community, and pride in our educational system.●

SCOTTISH RITE MASONIC FAMILY LIFE WEEK

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. GILMAN. Mr. Speaker, the Supreme Council of the Scottish Rite of Freemasonry has designated the week of November 18 to November 24, 1984, as "Family Life Week."

This designation is most appropriate. A great deal of talk has been generated in our society lately indicating the death of the family. It may be that many Americans are taking this negative publicity to heart.

Although rapid changes in our society may be causing many to question the role of the family in today's world, now more than ever it is incumbent upon all of us to stress the importance of the family unit.

The social historian Peter Farb tells us:

The family is woven into the social fabric and it could hardly become extinct without unraveling nearly everything of which it is a part.

It is from the family unit that the individual learns the basic morals upon which our society is based. It is from the family unit that the individual learns pride in personal achievement, sense of duty, and devotion to ideals. The morality of our civilization—love, respect, and self-discipline—can be learned only through the family unit.

Accordingly, the Scottish Rite Masons are to be commended for sponsoring "Family Life Week," to remind us all of the importance of the family in our Nation. Nearly 500,000 members of the Scottish Rite in the Northern Masonic Jurisdiction, which includes a 15-State area, are participating in this Family Life Week Program.

The theme of 1984 Family Life Week will be "The Family—America's Strength."

Mr. Speaker, I ask all of our colleagues to join with us in saluting the Scottish Rite Masonic Order for sponsoring "Family Life Week," and in urging all of our constituents to reflect on the importance of the family

as the source of America's strength during the week of November 18 to 24.●

CLARENCE NEFF

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. MICHEL. Mr. Speaker, every now and then we come across an extraordinary human being who reminds us of what it really means to be an American. Such a man is Clarence Neff of Stronghurst, IL. Clarence retired from the Illinois State General Assembly after 22 years of service and his friends and neighbors held a testimonial dinner in his honor on October 6, 1984, at the Western Illinois University grand ballroom. Perhaps we can learn something by examining what it is about Clarence Neff that led those who know him best to pay him this high tribute.

Mr. Neff has had so many successes in his life that it is difficult to choose the major ones.

From 1941 until the present he has been in the farm implement business. He has been engaged in the automobile dealership business, been founder, president, and chairman of the board of the Bank of Stronghurst, and owns and operates a grain and livestock farm.

He has served his community for 16 years as mayor of Stronghurst and his party by serving as chairman of the Republican Party Central Committee of Henderson County. As I said, he served 22 years as a member of the Illinois General Assembly and, as legislator, served as chairman of the Bank and Savings Committee, vice chairman of the Illinois Transportation Study Commission, and cochairman of the Illinois Motor Vehicles Law Commission.

In 1976 and 1980, Clarence Neff coordinated the Illinois 19th Congressional District for Presidential candidate Ronald Reagan and was delegate in 1976, 1980, and 1984 to the Republican National Convention.

He has received many awards, including the distinguished service award from Tri State University in Indiana, his alma mater, and an honorary degree, doctor of law, from the same distinguished institution.

As you can see from this partial list of his many activities, Clarence Neff knows the meaning of the word "community." He knows that our American system works best when we are willing to work for it. As a businessman, a political leader, a legislator, a citizen, a husband and father, Clarence Neff has shown us all what it means to be proud of your community, your State, and our Nation. I'm glad to have this opportunity to introduce our colleagues to this fine Illinois gentleman.●

A TRIBUTE TO FRANK A. BOGDAN

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. SMITH of New Jersey. Mr. Speaker, I rise today to pay tribute to a very special person, Frank. A. Bogdan. On Sunday, October 28, 1984, Frank will be the special guest at a testimonial dinner given in his honor by the Trenton chapter of the Polish American Congress. I would like to take this opportunity to call the attention of my colleagues in the House to his outstanding career of community service.

Frank is being honored for his many years of dedication and work on behalf of Poland, his community, and his parish.

Mr. Speaker, Frank Bogdan has dedicated himself to his family, his church, his community, and Poland. He is a devoted member of the Polish American Congress and has served as president of the Trenton, NJ, chapter for 9 years.

He also currently serves as vice president of the New Jersey (State) Polish American Congress and is on the national board of directors of the organization. He has served this organization diligently and faithfully and is a great resource to the Polish American community. Frank's membership in the Polish Falcons No. 59, the Kosciuszko Foundation, and the Orchard Lake Alumni Association also serve as testimony of his dedication to the Polish American community.

Active in community affairs, Frank is a member of the board of directors of the Pride in Trenton Corp. He also serves as a member of the Mercer County Community College Advisory Commission and the North Trenton Lions Club.

A communicant of St. Hedwig's Catholic Church in Trenton, Frank served as president of the Parish Club and as coach of the school's basketball and track teams. He is a member of St. Hedwig's choir and Council No. 7244 Knights of Columbus. He is also a recipient of St. Hedwig's Man of the Year Award.

Frank was born in Trenton, NJ, on October 3, 1914, and is 1 of 11 children of Joseph and Victoria Bogdan who immigrated to America from Poland in the early 1900's.

Mr. Speaker, Frank answered the call of service to his country in 1942 and entered the Army Air Corps. He served as a flight radioman and saw duty in the Ferrying Command and Air Transport Command in many areas of the Pacific including Okinawa, New Guinea, and Japan. Frank is a charter member of American Legion Post No. 458 and a member of the Catholic War Veterans Post No. 417 and the Veterans of Foreign Wars Post No. 3022.

In 1947 he married Josephine Odorczyk and they have two sons, who are both married. Frank attended Girard School, St. Hedwig's School, Rider College, and Rutgers University.

In 1964, Frank became secretary to the War Memorial Commission and served as director of the Trenton War Memorial Building until his retirement.

Mr. Speaker, I indeed feel privileged and proud to make this body aware of Frank Bogdan's commitment to his community, country, and parish. He is certainly a shining example of dedication and compassion for his fellow man. I would like to join his family and friends in wishing him all the best in his endeavors and to thank him for enriching our lives.●

IN CELEBRATION OF ANNA ELEANOR ROOSEVELT

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. FEIGHAN. Mr. Speaker, on October 11, we will observe the 100th anniversary of the birth of Anna Eleanor Roosevelt.

Eleanor Roosevelt—through the life she led, the kind of dedication and compassion she brought to her work, her commitment to changing the world into a better place—has enriched all of our lives.

Her deep conviction and persistence are the reasons the nations of the world joined together in ratifying the U.N. Declaration on Human Rights. She knew, as we are painfully reminded each day, that not all nations honor that statement. But that does not diminish the greatness of her accomplishment. Through her work, her vision and energy, we have established a standard for the behavior of nations.

For Eleanor Roosevelt, the rights of human beings to live peacefully, productively, and in dignity were paramount. From her fight for antilynching laws, to her personal involvement in education, to her role as an international stateswoman, she devoted her life to building a better future.

On the day of her death, Eleanor Roosevelt was carrying a scribbled note in her wallet. That note came from the sermon of a black minister she had heard preach. He said:

We ain't what we ought to be. We ain't what we're going to be. We ain't what we

want to be. But, thank God, we ain't what we was.

Through the quality of her life, Eleanor Roosevelt has transformed us all. Because of her, "we ain't what we was." We are better.●

SMOKEY BEAR WEEK

HON. JOE SKEEN

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. SKEEN. Mr. Speaker, for the past 40 years the people of the United States have had a unique symbol to remind them of the tremendous damage that can occur to our forests when a fire starts due to carelessness. That symbol, of course, is "Smokey Bear" whose constant reminder that "Only You Can Prevent Forest Fires" has undoubtedly saved millions of acres of our forests and woodlands from the ravages of fire.

This week, October 7 to 13, has been officially declared by Congress to be "Smokey Bear" Week.

Since Smokey was a native of New Mexico and was found in the Lincoln National Forest in the district I represent, I would like for Americans everywhere to be aware of the remarkable achievements of this program. Earlier this year, we honored Smokey Bear through the issuance of a special commemorative postage stamp.

But we can honor him daily this week, this year and for the years to come if we continue to remind everyone that "Only You Can Prevent Forest Fires."●

NEW YORK CITY EXPERIENCES SUDDEN RISE IN ANTI-SEMITIC INCIDENTS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. BIAGGI. Mr. Speaker, earlier this year the anti-defamation League of B'nai B'rith reported a significant decline in anti-Semitic incidents nationwide between 1982 and 1983. Although the number of anti-Semitic incidents in 1983 was still far from unacceptable—more than 1,000 incidents reported nationwide—the decline did provide a sense of hope that this serious problem was somehow coming under control.

Yet, while there may be reason for optimism in other parts of the country, the anti-Semitic problem in New York continues at a very alarming rate. Consider, for example, that New York City police statistics show that anti-Semitic incidents in the city increased by more than 90 percent during the first 7 months of 1984, when compared to the same period last year. These statistics reveal that during the 7 months ended July 31, there were 72 anti-Semitic acts of violence or vandalism, compared with 37 such incidents during the same period in 1983.

Largely responsible for this dramatic increase in anti-Semitic activity was a spree by vandals at Co-op City, a 50,000-resident complex in my home district in the Bronx. A majority of these anti-Semitic incidents involved the spraying of swastikas on dozens of apartment doors and hallways in Co-op City.

It should be noted that New York led all States in the number of anti-Semitic incidents reported during each of the last 4 years. In fact, last year there were 215 anti-Semitic incidents reported in New York, or almost one-third of the total number of incidents reported nationwide.

Simply put, the tragedy of anti-Semitic violence and vandalism will not go away without a strong and effective response to this serious problem. That is why earlier this year thousands of dollars in reward money, some of which came out of my own pocket, was collected to help capture the Co-op City vandals. But, much more can and must be done, and we here in the Congress can certainly make an important contribution to the crackdown on anti-Semitic violence.

In fact, I have authored a bill (H.R. 473) this Congress to slap stiff new Federal penalties on those who seek to injure, intimidate, or interfere with the free exercise of religious beliefs as secured by the Constitution. I first introduced this legislation in 1981 after extensive consultations with legal officials and representatives of major Jewish organizations.

My bill imposes a graduated series of penalties against those convicted of antireligious acts dependent on whether the action results in property or bodily injury. The minimum penalty would be a fine of not more than $10,000 and/or imprisonment for not more than 5 years. Life imprisonment could result in the most severe of cases that result in death.

Specific offenses to be covered under my bill include: Painting swastikas or other offensive emblems on religious buildings; stealing religious articles such as Torahs, which would interfere with the ability to conduct religious services; vandalizing in any fashion religious buildings, grounds, or cemeteries; acts of arson against religious facilities or property, including cross burnings; and bodily assaults and harassment.

Mr. Speaker, we must not be deceived by the numbers. Anti-Semitic violence may be on the decline nationwide, for now, but the problem still rages in many parts of the country, and an effective response has been slow in coming. It is true that 16 States have laws imposing stiff penalties for crimes of religious violence and vandalism, but 34 States do not. Further, it would be wrong for us to place the entire burden of this problem on the States. We, at the Federal level, also have an important role to play in the fight against anti-Semitism. We can begin by establishing tough new Federal penalties for crimes of religious violence and vandalism. My bill would accomplish that and I plan to reintroduce it when the 99th Congress convenes. I am hopeful it will receive the prompt and favorable consideration it deserves.

Mr. Speaker, at this time, I wish to insert the New York Daily News article which discussed the recent and dramatic rise in anti-Semitism in New York.

The article follows:

[From the New York Daily News, Aug. 26, 1984]

BIAS INCIDENTS UP HERE

(By Ruben Rosario)

Anti-Semitic incidents in the city during the first seven months of this year increased by more than 90% compared to a similar period last year, according to police statistics.

Police officials and Jewish leaders partly blame the dramatic rise on a four-month spree by vandals at Co-op City in the Bronx.

New York City and Long Island continue to lead other cities and regions in reporting such cases.

During the seven months ended July 31, police statistics on bias-related assaults, break-ins and property damage reveal that 72 of 132 incidents were anti-Semitic in nature, compared with 37 such incidents—out of a total of 84—during the same period in 1983.

There were 34 anti-black incidents reported, a 20% increase from the 27 recorded during the first seven months last year.

"When you compare the number to the 7 or 8 million people living here it doesn't seem like much," said Lt. Joseph Leake of the bias investigation unit.

Investigators said a majority of incidents involved anti-Semitic and anti-black slogans sprayed on walls and other property damage caused by vandals.

The spraying of swastikas on scores of apartment doors and hallways and a break-in at an NAACP daycare center in May that caused $10,000 in damage were among 21 incidents reported since April at Co-op City, a 50,000-resident complex near City Island. All but four incidents were directed against Jews, with the rest aimed at blacks.

Despite the recent increase, figures kept by the unit disclose that the number of incidents reported annually has dropped by 10 in each of two years, from 192 in 1981 to 172 in 1983.

Anti-Semitic incidents compiled by the Anti-Defamation League of B'nai B'rith show a steady decline nationwide.

The 670 incidents recorded in 1983 represented a 25% drop from 892 in 1982 and a 31% drop from 1981.

New York State, which led all states in incidents reported during the last four years, accounted for 215 incidents last year, or almost one third of the total number nationwide. California, with 111 incidents, and

New Jersey, with 57, were second and third. All three states showed declines.

Long Island, where 115 incidents were reported last year, has a decline in such cases over five years.

League officials said they were pleased with the downward trend and agreed with police that the increase in the city this year was linked to events at Co-op City.●

A DAY OF SORROW AND IRRECONCILABILITY 1984

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. DYMALLY. Mr. Speaker, I recently received a letter from the Congress of Russian-Americans. I was reminded in the letter that November 7 is the day that the rulers of Russia celebrate their rise to power. For Russian-Americans this is not a day of celebration; rather it is a reminder of a radical change in Russian life and culture—a change that has had profound effects for them. I would like to share that letter with my colleagues:

CONGRESS OF
RUSSIAN-AMERICANS, INC.,
Nyack, NY, October 1984.

A DAY OF SORROW AND IRRECONCILABILITY 1984

As we approach November the 7th, the day when the Soviet Union annually celebrates international communism's arrogation of power in Russia, we—Russian-Americans—appeal to the U.S. Government and to freedom-loving citizens of this country to designate it as a day of sorrow and irreconcilability.

Sadly, albeit fittingly, among all the ethnic groups making up the tapestry of these United States of America, only the Russian-Americans persist in annually asking their Government and their fellow Americans to observe this inglorious day. Russian-Americans feel it is their sacred duty to mark with mourning and defiance the day international communism claimed their former countrymen as its first victim. Thus, they honor their brothers living under the Soviet rule.

On this day we express our sorrow for all the victims of the communist terror, and our irreconcilability with the theory and practice of communist doctrine.

Moreover, let us not forget that November 7, 1917 marked not only the beginning of immeasurable sufferings for the Russian and other enslaved peoples of the Soviet Union, but also the beginning of a global human tragedy which today endangers the existence of the Free World. Utilizing the threat of a nuclear war, the Soviets have gradually taken over key strategic positions in all parts of the world. Today there is hardly a nation on the face of the earth that has not been victimized by communist aggression.

Therefore, we ask the Government of the United States and all other Free World governments to designate November the 7th as a day of sorrow and irreconcilability.

Over the past 67 years the Soviet government has spared no effort in trying to strip the Russian nation of its heritage. Despite the desecration and destruction of over 50,000 churches and monasteries, the persecution and extermination of millions of people in concentration camps and prisons, we witness today in the Soviet Union a revival of faith and awakening of national pride. The determination of the Russian people to live free blazes as never before. Perhaps the Russian soul, having nurtured its people through their long, barren winter of oppression, senses at last spring's hymn of freedom yearning to be sung. How more can we honor our brothers than by lending voices to this chorus? for by proclaiming this day of sorrow and irreconcilability, we intone "let there be light" and indeed for all those who hear our voices in their darkness there is light!

BOARD OF DIRECTORS.●

HEAD START PROGRAM IS WORKING

HON. WEBB FRANKLIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. FRANKLIN. Mr. Speaker, because of official business on October 9, 1984, I was detained in my district and was unable to be present when the House of Representatives voted to approve S. 2565 reauthorizing the Head Start Program for 2 years. S. 2565 is the Senate companion bill to H.R. 5885 which passed the House on June 28, 1984. Had I been here, I would have voted yes on S. 2565. The Head Start Program has proven invaluable in providing services designed to bridge the gap in early development for economically disadvantaged children and enable them to more fairly compete once they reach school age. Recent studies have shown that children who participate in Head Start do significantly better in school than similar children who do not participate. They also experience lower dropout and delinquency rates. This is firm evidence that the Head Start Program is working and is well-deserving of the broad, bipartisan support it has traditionally enjoyed. This is a "hand-up" rather than a "hand-out." This is a way out—an attempt to break the poverty cycle, not accelerate it. I strongly support this program and its aim for self-sufficiency.●

YOU WERE WRONG, MR. PRESIDENT

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. EDWARDS of California. Mr. Speaker, for the last 4 years, this administration has tried to make us believe that transporting students to achieve racial integration is a failure. Through its gloom and doom predictions it has sought, in the courts and elsewhere, to undo the results of 30 years of work to achieve racial equality.

Although the debate has centered around the term "busing," the real message the administration has tried to send is that school desegregation has failed. Yet, the Judiciary Committee's extensive review of school desegregation has shown that leadership, particularly from public officials, has been the key factor in successful school desegregation plans.

That is the fact. But with respect to civil rights, this administration has demonstrated time and again its willingness to disregard the facts as it pursues its political agenda.

The following editorial from the Charlotte Observer is proof that school desegregation can work—and has worked well in communities around the country where civic leaders, school officials, parents, and students have been committed to the successful and peaceful integration of their schools. We commend the people of Charlotte, NC, Seattle, WA, and throughout the country who have exhibited the kind of leadership necessary to achieve school desegregation.

[From the Washington Post, Oct. 10, 1984]

YOU WERE WRONG, MR. PRESIDENT

(By Tom Brina)

The following editorial appeared in The Charlotte Observer on Tuesday, the day after President Reagan visited the city.)

Thank you, Mr. President, for honoring our city with your presence Monday. It was a very special day for Charlotte, and all of us were proud to have you here.

There is one thing, however, that you need to know about this community—something you obviously didn't know when you made your speech on Monday.

Charlotte-Mechlenburg's proudest achievement of the past 20 years is not the city's impressive new skyline or its strong, growing economy. Its proudest achievement is its fully integrated public school system.

That system was born out of a bitter controversy over court-ordered busing. It was shaped by caring citizens who refused to see their schools and their community torn apart by racial conflict. It was nourished by courageous elected officials, creative school administrators and dedicated teachers and parents. It has blossomed into one of the nation's finest, recognized throughout the United States for quality, innovation and, most of all, for overcoming the most difficult challenge American public education has ever faced.

It would have been quite appropriate and very much appreciated if you had noted that accomplishment, which any president might hold up as a model to the rest of the country.

Instead, you said something quite different, an unwelcome reminder of some ugly emotions and unfounded fears that this community confronted and conquered more than a decade ago. Busing, you said, "takes innocent children out of the neighborhood school and makes them pawns in a social experiment that nobody wants." And you added: "We've found out it failed."

Where did you find that out, Mr. President? From Jesse Helms? If you had talked

to some of the good Republicans here you would have found that many of them are very proud of their public schools and would fight anyone—even you—who tried to destroy what this community has accomplished.

Maybe we shouldn't expect you to know a great deal about Charlotte-Mecklenburg and its public schools. But, with all due respect, Mr. President, you flaunted your ignorance, and if you had set out deliberately to upset the people of the community you couldn't have come up with a more disturbing statement.

Until that point in your speech, you had been interrupted by applause from a supportive, partisan crowd after almost every line you uttered. Maybe you noticed that your comment about busing was greeted with chilly silence.

In fact, the statement must have sent a chill through many of your supporters here, not just because of the possible political embarrassment to you, but also because, in a second term, through your influence and the appointment of several Supreme Court justices, you might force this community to dismantle its integrated school system. That would be a tragedy for those who have invested so much hard work, good will and loving care in building it, and for future generations of our children.

You sometimes speak of a "shining city on a hill," Mr. President. You visited one briefly on Monday, but you didn't understand, or seem to care, what makes it shine.●

WOMEN IN COMMUNICATIONS

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. LOWRY of Washington. Mr. Speaker, I would like to congratulate Women in Communications on the celebration of its 75th anniversary this year. In 1909, the organization was founded at the University of Washington in Seattle in what is now Washington State's Seventh Congressional District. The organization was then known as Theta Sigma Phi. It began as an inspiration of seven women journalism students who were determined to build a national organization that would defend first amendment freedoms and help women journalists advance in their careers. These pioneering women were successful.

In a 1926 article on the founding of the organization, Helen Ross Lantz wrote that cofounder Georgina MacDougall Davis came to her "fairly bursting with a plan * * *" The aim was "to start an honorary journalism fraternity to which none but the best might hope for admittance and from which would come all the great women writers of the future." Within a few days, Georgina MacDougall and Helen Ross enlisted five other enthusiastic women journalism students—Blanche Brace, Helen Graves, Olive Mauerman, Rachel Marshall, and Irene Somerville. After several weeks of delightful agonizing and solemn meetings, Mrs. Lantz wrote, "at last there came a day * * * when we were all set to burst forth upon an unsuspecting world."

The fruits of the seven women's cooperative plan were readily apparent. Mrs. Lantz wrote, "For the next 2 years, [the] founders walked off the campus with every literary prize and promotion rewarding literary effort."

Women at other campuses also recognized the value of a cooperative women's literary organization. By October 1910, women at the University of Wisconsin had joined in this budding national organization; within the next 6 years, eight more universities had formed chapters. They were: University of Missouri (1911); University of Indiana (1913); University of Kansas (1913); University of Oklahoma (1915); University of Oregon (1915); Stanford University (1916); and University of Montana (1916). The chapters remain active.

The precursor of Women in Communication was founded at a time when journalism was struggling to call itself a profession and to establish an identity on college campuses. There were few journalism classes being held at the University of Washington or at any institution of higher learning in the Nation. There were a few classes here, some instruction there. In 1908, the University of Missouri established the first separate department; the University of Washington followed the same year, turning its fledgling classes into a department. By 1910, there were four journalism departments in the United States, with Wisconsin and New York joining the two already operating.

The visionary founders of Theta Sigma Phi saw the true possibilities of this new academic field. They campaigned for women's rights. They set up a job register. They worked for recognition of women in the profession, and for a fair shake at jobs and promotions. The issues that they addressed in the early years of the century remain important in 1984.

And what became of Georgina MacDougall Davis? As a student, she started a women's column at the Daily Wave and she debated for women's suffrage.

She combined a busy life raising a family, and she was a stringer for the Christian Science Monitor. She headed numerous civic groups, and she was instrumental in starting chapters of the organization in Spokane and Portland.

Today, there are more than 170 campus and professional chapters of Women in Communications, with another two dozen petitioning to be chartered. In addition, several thousand independent members live in areas where there are no chapters. The 12,000 members work in many fields of journalism and communications—newspapers, broadcasting, public relations, advertising, magazines, publishing, freelance writing and editing, communications education, photo journalism, and communications law.

The past two decades have been a period of unprecedented growth and change for the organization, sparked, in part, by the influx of women into the work force and by women's changing expectations about their career and family roles. Twenty years ago, a national headquarters was set up in Austin, TX, where it remains today. A few years later, a regional structure was organized to encourage expansion. In 1972, after the great social and political upheavals of the 1960's, the name of the organization was changed from Theta Sigma Phi to Women in Communications, Inc., and men were admitted for the first time. When a delegation of members went, somewhat apprehensively, to inform founder Georgina MacDougall Davis of these massive changes, she is reported to have said, "Well, it's about time!"

In 1979, a public affairs office was established in Washington, DC, to keep members informed about the policy issues affecting women and the ever-expanding communications profession. In 1982, the membership took a leap upward; 11 new chapters came into existence. The organization's Clarion Awards, now in their 11th year, are well respected and sought after.

But with the growth and change, Women in Communications, Inc., is still dedicated to these purposes which have remained essentially the same since its founding:

To unite members to promote the advancement of women in all fields of communications.

To work for the first amendment rights and responsibilities of communicators.

To recognize distinguished professional achievements.

To promote high professional standards throughout the communications industry.

Delegates and members of Women in Communications, Inc., will meet in Seattle October 10–14, 1984 to celebrate the 75th anniversary and to pay tribute to the founders and the many other dedicated women who have contributed to the organization's achievements, and they also will look forward to meeting the increasingly complex challenges facing women and the communications profession.

Again, I congratulate Women in Communications on its 75th anniversary. I am sure they will have a fine conference in Seattle and experience continuing success as an organization.●

HIGH TECHNOLOGY WEEK CELEBRATED NATIONWIDE

HON. MERVYN M. DYMALLY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. DYMALLY. Mr. Speaker, I am elated with the success of the first National High Technology Week activities, especially the manner in which individual States highlighted the week which was established by more than 200 Members of the Congress in a joint resolution.

During the planning stage for the week, the Congressional Caucus on Science and Technology sent packets of information to every State with suggestions as to how each might observe the week which extended from September 30 to October 6, 1984. Some outstanding activities around the country resulted. I would like to cite some of these activities for the benefit of my colleagues.

Letters have been received from several Governors in support of "National High Tech Week" and these letters enumerate plans within the various States to recognize the week. Gov. Harry Hughes of Maryland announced plans to highlight cooperative science employment programs, high technology educational events, tours, career workshops, and donations of computer equipment.

Gov. James B. Hunt of North Carolina asked each of the State's 142 school superintendents to organize a series of special events during the first week of October to highlight the importance of science and technology. Other activities planned for the week were: Announcement of the North Carolina recipients of Federal Small Business Innovation Research grants for 1984; announcement by the North Carolina Board of Science and Technology of a $150,000 research grants program available to college and university researchers; organization and announcement of a series of workshops designed to alert small business persons to opportunities for funding of research activities.

Gov. Mario Cuomo of New York said his State had launched efforts to bolster educational programs in scientific, mathematical, and technical training. He noted also that New York has created a foundation to grant scholarships to high school students who demonstrate exceptional talent in mathematics and science. The foundation also sponsors summer computer camps.

Govs. Charles Robb of Virginia, Richard D. Lamm of Colorado, D. Robert Graham of Florida, Ed Herschler of Wyoming, Richard Bryan of Nevada, Dick Thornburg of Pennsylvania, George Deukmejian of California, and Bill Sheffield of Alaska all sent proclamations honoring September 30 to October 6 as "National High Tech Week."

In Georgia, a national high technology steering committee member, who is a curriculum specialist at Georgia State University, organized observance activities. Dr. Lucretia Payton enlisted the aid of educators, media people, PTA's, vocational educators, and industry officials from high technology companies including Rockwell International and Lockheed, as well as city and State officials, the State university system and other organizations involved in science and technology. Consequently, there were numerous exhibits, displays, computer clinics, a symposium titled "Collaborating and Networking in High Tech," and presentations to a chapter of Alpha Kappa Alpha sorority and to the Georgia teacher finalist in science and mathematics.

In North Dakota, the State supervisor of industrial arts, Jerry Balistreri used the statewide newsletter to inform instructors of high technology week and to alert them to high technology resources available to them. The North Dakota State Board for Vocational Education developed a mobile laboratory containing printed information and technological exhibits. The lab, about which several articles are pending in various national journals, can travel to communities statewide. The State also published a booklet, available to all secondary and postsecondary teachers, which lists the high technology resource materials currently available in the State. The materials include texts, video tapes, and curriculum materials. The North Dakota State School of Science devoted a day to open house activities. The activities at the school included computer-aided architectural drawing, computer-generated music, and use of robotics in welding.

In California, the first national computer show for children, sponsored by the information processing group will extend high technology week a bit since their activity will take place from November 30-December 2, 1984 at the Disneyland Convention Center in Anaheim. The purpose of the show entitled "Bits and Bytes" is to create a forum for information exchange and interactive dialog among young people, parents, educators, and industry professionals. It includes hands-on sessions for training as well as application. It also includes conferences and discussion groups.

In Ohio, Gov. Richard Celeste helped his State celebrate by dedicating a $5.5 million advanced technologies center on October 5. Activities sponsored by the Lorain County Community College included tours of the center, a poster competition, high technology film showing, a visit by Neil Armstrong, and industrial exhibits by approximately 50 companies.

The Washington, DC, production group, Thea Marshall Communications, sponsored four radio programs, three 90-second TV spots, several full length television programs, and a number of public service announcements titled "People to People." Two titles from this series of productions are "Winners and Losers in the Information Age" and "The Impact of Technology on the Political Process." Most of these programs have been widely distributed for use on commercial, public, and cable stations.

In Alaska, the University of Alaska at Fairbanks conducted a seminar which was sent via satellite from Palo Alto, CA, to 72 stations including those in Juno and Fairbanks. The University of Alaska also hosted research days for the grade and high school students at the Fairbanks campus.

The Technical Research Center of Finland [VTT] signed a cooperative agreement with the University of Alaska as an indication of the importance of high technology in the Arctic and sub-Arctic regions. The University of Alaska is the only American University so honored.

And on Thursday, October 4, the amusements industry, under the auspices of the Amusement Game Manufacturers Association, celebrated high technology week by donating to the National Museum of American History, Smithsonian Institution, a collection of electronic amusement machines which trace the influences and advances that technology has rendered to this uniquely American entertainment medium over the last decade.

The machines, selected on the basis of technological design and because they meet the Smithsonian Institution's mandate that any item accepted into the Institution's collections reflect the "American experience," include Pong (1972), the first electronic video game, which was donated by Mr. Nolan K. Bushnell, Sunnyvale, CA; Pac-Man (1980), the most popular video game to date, presented by the Bally Manufacturing Corp., Chicago, IL; Sharpshooter II (1983), one of the first pinball games to incorporate solid state electronic technology. It was given by Game Plan, Inc., Addison, IL; Dragon's Lair (1983), the first laser disc game, presented by Cinematronics, Inc., El Cajon, CA; and Startime, the first video jukebox, given by Video Music International, Los Angeles, CA.

I would like to personally commend several people who were responsible for making this donation occur: Mr. Glenn E. Braswell, executive director, Amusement Game Manufacturers Association, who initiated and coordinated the industry's participation; Mr. Carl Scheele and Mrs. Ellen Highes, National Museum of American Histo-

ry, who coordinated the Smithsonian Institution's reception of the industry gift; Mr. Glenn K. Seidenfeld, Jr., general counsel and secretary, Bally Manufacturing Corp.; Mr. Wendell McAdams, executive vice president, Game Plan, Inc.; and Mr. Jack Millman, president, Video Music International.

Responses from many ethusiastic scientists, corporate leaders, educators, and policymakers indicate that National High Technology Week 1984 was a resounding success.

I believe nationwide observance of high technology week has increased public awareness of the place of technology in our lives. Activities during the week involved every age group, and involved many people who had not previously been availed of the opportunity to consider the role of technology in their daily lives.

I want to thank my distinguished colleagues in both Houses of the Congress for their bipartisan support of this most important effort. Your continued support is necessary if this country is to retain its leadership in world scientific and technological endeavors. I hope to see each of you at the next Science and Technology Awards Banquet on Monday, September 30, 1985.●

NATIONAL EXEMPLARY SCHOOLS AWARD OF 1984

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. HERTEL of Michigan. Mr. Speaker, it is with great pride that I draw attention to two outstanding schools located in Madison Heights, MI: Bishop Foley High School and John Page Middle School. Both schools were among the 60 private and 202 public schools nationwide to receive the coveted "National Exemplary Schools Award of 1984" for promoting and sustaining excellence in education.

In addition to furthering education, Bishop Foley High School was selected by the Exemplary Private School Recognition Program for its commitment to instilling Catholic values and fostering a sense of social responsibility in its students. At Bishop Foley, education reaches beyond the classroom through its many community outreach programs. The "Foley Family," as Principal Turk refers to those affiliated with his school, extends its warmth and concern to the elderly, handicapped, needy, and learning disabled.

John Page Middle School also boasts a challenging, positive academic atmosphere coupled with broad-based community support and involvement. For John Page to be selected by the Secondary School Recognition Program as a model of excellence in education, it had to display not only these qualities, but provide a reward and incentive program for its faculty and set clear expectations and goals for the entire institution, as well. Under the able leadership of Principal Klein, John Page sets a standard intellectual and moral achievement for public schools around the Nation.

On November 8, 1984, representatives from the Department of Education will honor the faculty, students, parents, and administrators of Bishop Foley High School and John Page Middle School by presenting them with plaques. These plaques represent more than excellence in education; they signify a pledge to the integrity of American society and to the welfare of future generations.●

MR. PRESIDENT, HERE'S THE REAL STATE OF OUR NATIONAL PARKS

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. SEIBERLING. Mr. Speaker, during the debate on October 7, President Reagan claimed that the reason his administration attempted to halt the acquistion of national parkland was that the parks were "dirty" and needed fixing up, but that now the parks have been repaired and the administration is again buying parkland.

As chairman of the Subcommittee on Public Lands and National Parks, which has held extensive hearings on these matters over the past 3½ years, I can only note that it's clear that the shade of former Secretary of the Interior James Watt is still around. Certainly the President's words are the same ones we heard when Secretary Watt was still in office, which only means, as the old saying goes, the more things change the more they stay the same.

I feel like a broken record myself on this subject, but perhaps I can help set the record straight for the other Members.

CONGRESS REJECTED PARKLAND CUTS

When President Reagan came into office, it is true that the administration, through Secretary Watt's efforts, sought to impose a moratorium on the purchase of new parkland. It is also true that Congress firmly rejected this attempt and, instead, added more funds for new park purchases. Thus thwarted, Secretary Watt tried other maneuvers, including attempts to devise ways to deauthorize existing parks, an attempt which also failed. The public's outcry against the Secretary's efforts was enormous, and repeatedly Congress made it clear that we would refuse to entertain any such proposals.

Meanwhile, Congress did appropriate funding for an administration-backed park restoration and improvement program, as these included ongoing park maintenance activities and construction projects that should be funded. However, we did not take an either/or approach; park maintenance and construction are not incompatible with the acquisition of land already authorized within existing parks. The delays in land acquisition if Congress had adopted Secretary Watt's proposal would simply have driven up the future cost of acquisition, since, the lands would ultimately have to be acquired at higher prices.

KEEP OUR NATIONAL PARKS CLEAN?

The President's comments about his concern for "dirty" parks, became even more astonishing when you consider that the administration has consistently opposed legislation that would keep our parks clean; namely, the Park Protection Act, H.R. 2379, which passed the House on October 4, 1983, by the overwhelming margin of 321 to 82 but which died in the Senate, due largely to the administrations' objections to it. This bill was a response to a 1980 report by the National Park Service that identified over 4,000 threats to the land and wildlife in the national parks.

What that bill would do is simply the following:

Require Federal agencies, as part of their normal decisionmaking process, to: First, notify the Secretary of the Interior if a proposed Federal action in or adjacent to a national park unit could degrade the park; second, give the Secretary time to reply; and, third, notify the affected congressional committees of action taken.

Require a biennial state of the parks report to Congress identifying resource threats in all park units.

Direct the National Academy of Sciences to develop a research and monitoring system to help the National Park Service.

I would further point out that the bill would not have changed any existing Federal authority. It would simply require one Federal agency to talk to another before they took any action that might harm the resources of a unit of the National Park System. The bill would allow the Park Service to comment on other Federal agency actions if it believed that the proposed action would be detrimental to the resources of the park unit. The action could not be slowed down or stopped, even if it were found to be detrimental, but the agency head would have to submit a written statement explaining why he was proceeding.

Such a requirement would not only help protect our park resources but would help reduce foolish Federal ex-

penditures or decisions that could later require more Federal expenditures to correct the problems created by the first action. I am, therefore, doubly surprised that the President does not support the bill.

I would also suggest that the President look a little closer at what the Interior Department is doing before he makes claims such as saying that they are now acquiring parkland. Yes, they are, but only because Congress has continued to push them. Under Secretary Watt, the Interior Department set up a series of procedural roadblocks to slow down acquisition, roadblocks that remain unchanged today. As a result, the National Park Service has closed its books on the 1984 fiscal year with nearly $79 million of its available appropriations unspent. The National Park Service's obligation rate—the percentage of available funds it spent—is only about 58 percent in 1984 compared to a 75-percent average during the years before the Reagan administration.

Worse yet, the Interior Department has again taken away $30 million of the Park Service's acquisition money to be used for firefighting by the Bureau of Land Management. The Department did this last year, but promised that the money would be subsequently replenished. It was, but only for a few days. Claims by the administration that the Park Service wouldn't be able to spend the money now sound rather hollow to those of us who have seen what the Interior Department has done to curtail the program. Obviously, diverting the money would make the Department's obligation rate seem higher than it was. If the Department had an efficient land acquisition program, as it once did, the National Park Service would have no trouble whatsoever doing the work that is needed to obligate the funds.

I would also note in passing that the Interior Department is trying to blame the Congress for the delays, based on requirements for congressional reviews of certain purchases. While that may be partly true because of requirements put in place by the Senate Appropriations Committee, it was not caused by the House. Furthermore, at hearings I chaired, the agencies themselves admitted that the delays were primarily internal within the administration, and are focused on the National Park Service. Officials from the Forest Service testified that it took them only 3 weeks to get clearance from the Department of Agriculture for the same type of purchase that it took 3 months to clear through the Department of the Interior. This remains true today, despite the fact that it has been over 1 year since the departure of Secretary Watt.

COMMITTEE REPORT

Mr. Speaker, I would again commend to the Members a report on land acquisition program prepared by subcommittee staff for use by the Committee on Interior and Insular Affairs: "Land Acquisition Policy and Program of the National Park Service," Committee Print No. 7, 98th Congress, 2d session, dated June 1984. It documents these issues and concerns.

Following my remarks I will insert for printing in the RECORD an article on the report which appeared in the PLI Newsletter of the Public Lands Institute and which provides a summary of the report and a commentary by syndicated columnist Edward Flattau that appeared in the St. Louis Post-Dispatch and other newspapers.

In conclusion, I would simply note that I believe that the national parks have managed to survive the last 4 years not because of, but in spite of, President Reagan's administration. It is also clear that the 99th Congress will have much work remaining to do, regardless of the outcome of the election, to assure that the national parks are properly managed and protected.

The PLI Newsletter article follows:

NATIONAL PARK SYSTEM DAMAGED BY ANTI-ACQUISITION POLICY

Determined resistance to the acquisition of lands for the National Park System, a policy initiated and stubbornly adhered to by former Secretary of the Interior James G. Watt, did real damage to the System, according to an oversight report published this summer by the House Committee on Interior and Insular Affairs.

And the policy still hasn't changed much, the Report said, even though new Secretary William P. Clark said he would buy some park lands and asked Congress to appropriate $100 million for that purpose in fiscal 1985. Most of the procedural roadblocks set up under Watt remain in place, making it difficult for the Park Service even to pick up problem inholdings from willing sellers.

The Report (Committee Print No. 7, 98th Congress, 2nd Session, dated June 1984) was prepared by the staff of the Subcommittee on Public Lands and National Parks. The Subcommittee, a panel chaired by Representative John F. Seiberling of Ohio, held five days of oversight hearings on the land acquisition issue, extracted many relevant documents from the Department of the Interior, and its staff conducted interviews with numerous Interior and Park Service officials. The inquiry was prompted by the fact that Congress, clearly rejecting the Watt policy, kept appropriating substantial funds to buy lands for newly-authorized parks and to address the inholding problem. Congress provided the money but Watt wouldn't spend it.

For fiscal year 1982, 1983 and 1984, the Administration asked for a total of only $130 million from the Land and Water Conservation Fund for parkland acquisition. Congress, however, appropriated a total of $332 million over the same three years. Nevertheless, actual acquisition came to a "near standstill."

"During the two combined years of 1981 and 1982, the National Park Service purchased fewer acres of land (36,246) than during any single year since 1966, the first year after the Land and Water Conservation Fund was established. During fiscal year 1983, despite the Department's claims of improvement, [even] less acreage was purchased . . . only 13,285 acres."

The Report described threats and damages to twenty different National Parks, Seashores and Recreation Areas that resulted from the no-acquisition policy. The threats ranged from strip-mining and clear-cut logging in areas where Congress had authorized acquisition to commercial and housing developments on inholdings (privately held tracts within park boundaries).

Commenting on the Report, syndicated columnist Edward Flattau wrote in the St. Louis Post-Dispatch and other newspapers:

"Under William Clark, the Interior Department continues to display a reluctance to pursue park land acquisition in aggressive fashion. Observers attribute this lethargy in part to Clark's failure to oust Watt's lieutenants. Assistant Interior Secretary Ray Arnett, an individual dedicated to keeping federal purchases of additional park land to a minimum, remains in charge of the acquisition program. He and his aides continue to use the same delaying tactics that Watt employed to frustrate Congress' demand for park expansion."

Following, verbatim, is the Committee's own summary of its report:

Since establishment of Yellowstone National Park in 1872 and the National Park Service in 1916, the world has viewed the National Park System as the model for resource conservation.

The early national parks were carved from the public lands in the West, transferred from other agencies, or created through donations. Although many contained private inholdings, it was not until the early 1960's that new parks were established that required purchase of large amounts of private lands. Parkland acquisition is governed by the Land and Water Conservation Fund Act, the Uniform Relocation Act, and specific acts establishing park units.

"Starting in 1981, the Interior Department attempted to curtail park acquisition. Former Secretary James G. Watt proposed a moratorium on park purchases and diversion of acquisition funds for other purposes. Congress rejected the moratorium restored the funding, and did not approve the diversion of funds.

"Interior Department officials also suggested deauthorizing certain urban parks, but this too was dropped after it caused a great public outcry.

"The Department also withdrew the National Park Service's authority to approve land purchases, initiated new policies and requirements for land protection plans that would deemphasize fee acquisition, and greatly increased the number of procedural reviews for acquiring parkland.

"The effect of these new requirements was the Park Service's land acquisition program came to a virtual standstill. Funds appropriated for individual units were not being spent. Fewer acres were acquired than during any comparable previous time. The Park Service's obligation rate, which had previously averaged 75 percent a year, dropped to about 51 percent in fiscal year 1982.

"The delays in acquiring parkland may have constituted an illegal impoundment of funds. They create substantial hardships on many property owners and caused numerous threats to the resources of affected parks. Specific examples of these problems are cited in the report.

"The report concludes with a number of recommendations concerning issues that remain to be addressed. It is noted that, al-

though the administration's fiscal year 1985 budget request contains, for the first time in 3 years, a request for funds for new parkland acquisiton, many of the problems described in the report remain unresolved.

"Recommendations are included for these and other related issues meriting further attention."●

NUCLEAR ARMS CONTROL

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. MARKEY. Mr. Speaker, there is no more important issue before this Congress and the Nation than the nuclear arms race. There is no more important initiative than the nuclear freeze. One of the most eloquent and effective advocates of a mutual, verifiable freeze on the nuclear arms race and nuclear arms control has been the gentleman from Oregon, LES AUCOIN.

Mr. AUCOIN has written a cogent article that examines the military benefits that a nuclear freeze would bring this Nation. I commend this piece to my colleagues, and request that it be printed in the CONGRESSIONAL RECORD:

[From the Arms Control Today, September 1984]

WHAT GOOD IS A FREEZE?

(By Congressman Les AuCoin)

It is astonishing that, as nuclear weapons budgets continue to grow and the security created by these weapons continues to shrink, the nuclear freeze is widely regarded as more of a political movement than as serious arms control.

Because its proponents have not sufficiently emphasized the national security advantages of the freeze, the debate has focused on the secondary issue of verifiability. While the verifiability of the key elements of the freeze is clear, this does not in itself make the freeze any good. After all, a treaty could be at the same time verifiable and disastrous.

In fact, a bilateral freeze is both verifiable and immensely beneficial. It is the most promising deterrence-augmenting device available to the United States today—far better than any proposed weapon. In particular, the freeze will do more for intercontinental ballistic missile (ICBM) survivability than any currently proposed weapon or arms control initiative.

ICBM'S AS HAS-BEENS

Since the early 1970s, there has been considerable debate over how well U.S. ICBMs could survive a massive surprise Soviet attack. Could such an attack be coordinated? Would their missiles, under wartime conditions, keep their theoretical accuracy? Some experts, including Kosta Tsipis of MIT, argue that over half of U.S. ICBMs could survive such an attack. Others, primarily weapons advocates and opponents of arms control, argue that as few as one-fifth would survive.

In this discussion, let us assume the predictions of the pessimists are right, and U.S. ICBMs are highly vulnerable. As we will see, even under its opponents' assumptions, the case for the freeze is overwhelming.

To whatever extent ICBM vulnerability exists, it is largely due to the monumental increase in Soviet ICBM accuracy over the past decade and a half. In 1968, a typical soviet ICBM warhead would miss its target by more than a mile. Today, that miss distance is down to about one-eight of a mile, rendering destruction of a U.S. silo by a single Soviet ICBM warhead more probable than not. The problem has been made more severe by the advent of Soviet MIRV (multiple independently-targetable reentry vehicle) technology, which permits them to target two warheads against each U.S. silo, compounding the attack's effect.

Deterrence can, of course, continue without ICBM survivability. U.S. bombers and submarine-launched balistic missiles are highly effective. But the more varied a deterrent can be made, the more secure it will be against unexpected countermeasures. ICBM survivability is worth keeping.

This desire for a multi-armed deterrent has been uppermost in the minds of U.S. strategic planners; various new weapons and arms control solutions have been offered to prevent the loss of the ICBM deterrent.

The ostensible rationale behind the MX and "Midgetman" ICBM programs is to increase the survivability of U.S. ICBM warheads after a Soviet first strike. More than thirty basing modes, including the Carter Administration's "racetrack" and the Reagan Administrations' "Densepack," have been studied by the U.S. Air Force and by various Presidential commissions. None of these had reached full-scale development; all have been found, in one way or another, to be unworkable. The MX, thus, is slated for deployment in old—and presumably vulnerable—Minuteman silos. If Midgetman somehow avoids cancellation, it too will probably use silo basing for lack of an alternative.

President Reagan's Strategic Arms Reduction Talks (START) plan was aimed, in rhetoric although not in substance, at reducing ICBM vulnerability. The arms control package developed in 1982 by my colleague Albert Gore (D-TN) sought the same goal. And SALT II, if combined with a multiple-point ICBM basing system, would also have increased ICBM survivability. But START has progressed little beyond the propaganda stage, the Gore plan has been watered down into a nearly meaningless adjunct to START, and SALT II is in limbo.

As a result of this failure to find either a military or an arms control solution, the ability of Soviet ICBMs to carry out a first-strike attack against our ICBMs has been advancing rapidly, while the ability of our ICBMs to survive has not.

HARDENING AND THE FREEZE

Four major factors determine the probability that an ICBM silo will survive an incoming ballistic warhead: Increasing the hardness (strength) of the silo increases the probability that the silo will survive; conversely, increasing the explosive power, reliability, or accuracy of the attacking warhead decreases survivability.

Over the past fifteen years, U.S. silo hardness has more than tripled, from approximately 600 pounds per square inch (psi) blast overpressure resistance to the present 2,000 psi. The U.S. has also doubled its number of ICBM warheads from 1,054 to about 2,140 by replacing single-warhead Minuteman I missiles with triple-warhead MIRV Minuteman IIIs. At the same time, the explosive power of the typical Soviet ICBM warhead has dropped from one megaton to about one-half megaton.

Nevertheless, advances in Soviet missile accuracy have more than made up for U.S. silo hardening. Far fewer U.S. ICBMs would survive an attack today than in 1968. Hardening our silos has not been entirely wasted—even more would succumb had we not done it. Still, hardening and MIRVing obviously have not saved as many of our ICBM warheads as would be desirable. And the worst is yet to come. If Soviet accuracy continues to improve, U.S. ICBM survivability will continue to decline, reaching near-zero even as silos are further hardened.

The limits of silo hardening are not clear. Reports in the trade press suggest that present Soviet silos are hardened to approximately 6,000 pse. Small-scale Defense Nuclear Agency tests suggest that superhardness in the tens of thousands of psi may be possible, although applicability of these studies to full-size structures is controversial.

There has been speculation on the possibility of what might be called "ultrahard" silos: nearly indestructible devices hundreds of thousands of psi hard. Administration spokesmen have suggested that these would render Soviet accuracy irrelevant.

In theory, this is correct. But in practice, it is like building a barrel that can survive a plunge over Niagara Falls. What matters is not the barrel but the man inside. A missile sufficiently powerful and accurate to create such overpressure will also place the silo in the explosion's crater. If a silo is itself bounced into the air and left lying on the bottom of the crater, it will not matter if the silo structure is intact. The missile will not fire. Even if the silo is only under the rim of the crater, the missile will be unable to fire up through the many feet of dirt piled up at the rim. Recent press reports indicate that such accuracy is clearly achievable; and if this hypothetical indestructible object meets the attacker's irresistible force, the attacker will win.

We've been losing the hardness/accuracy race and will continue to lose unless we redefine the rules. But the nuclear freeze is an amazingly effective way to change the rules of the race, loading them in favor of survivability and deterrence.

Hardness can be useful, provided it is combined with a weapons freeze. The freeze affects nuclear warheads and delivery vehicles, but not basing systems or launch platforms. In particular, it places no restrictions on silo hardening.

Had Soviet accuracy been frozen fifteen years ago, the U.S. would not even face the appearance of vulnerability today. We cannot, of course, turn back the clock. But if we can hold Soviet accuracy close to today's level, ICBM vulnerability can be contained and even reversed. The nuclear freeze does that, and more. By limiting accuracy but at the same time allowing hardening to proceed, the freeze enables hardness to win the race.

FREEZE DYNAMICS

Conventional wisdom holds that research and development cannot be closely monitored, and that technological advances are therefore difficult to control by negotiated agreement. Perhaps. But because flight testing of ballistic missiles can be verified with very high confidence, the application of accuracy-related technology can thereby be controlled.

The key to the freeze is its complete ban on ballistic missile flight testing. This will confine to military insignificance any future increases in Soviet accuracy.

Missiles are complex devices. Without flight tests it is impossible to know exactly

how one component will interact with another. Computer analysis and captive testing are useful, but they cannot stimulate the acceleration, vibration, temperature changes, and other phenomena of real flight. Anyone inclined to believe that a new missile technology can be reliably deployed without flight testing should consider that five new ballistic missiles—the Soviet SS-X-24, SS-X-25, and SS-NX-20, and the U.S. MX and Pershing II—saw their first test in this decade, and four of the five first tests failed.

If flight testing were prohibited, national leaders on both sides would know the first rehearsal would count as the final performance. Soviet planners fully understand that installing a new guidance upgrade and having it fail in the midst of a first strike would, as the saying goes, spoil their whole day.

Under the freeze, a Soviet missile designer would have this choice: He could stick with his present force, which is adequate for deterrence and retaliation but not good enough for a comprehensive counter-silo first strike. Alternatively, he could install new, theoretically better but untested guidance systems, software, reentry materials—and risk catastrophic failure. Neither course leads to a high-confidence first strike. This is precisely the predicament in which we should seek to place the Soviets. The freeze would do it.

IMPROVING ACCURACY

That a zero-test environment will mean absolutely unvarying missile performance forever is unlikely. A completely static freeze is not realistic, but neither is it necessary.

Small incremental accuracy improvements can be made without testing. The gravitational and geodesic irregularity of the Earth, for example, is a moderate contributor to ballistic missile inaccuracy; its further measurement by satellite would continue in the absence of ballistic missile flight tests.

Some missile components could also be clandestinely tested in military or civilian space vehicles. But this would be of limited utility, because the trajectory and reentry characteristics of ballistic missiles are distinct from that of orbiting space flights. These distinctions could and should be further widened by treaty provisions prohibiting space flights which appear to overlap key ballistic missile characteristics.

The cost and inconvenience thereby imposed on the space programs of both sides could be substantial. But we can pay the cost from the savings generated by the freeze itself, and we can live the inconvenience. Prevention of a nuclear first strike must have higher priority than any space program

"RUSTING"

Running contrary to the possibility of improved accuracy under zero-test is another, more powerful consequence of the freeze that will, in time, lower both Soviet accuracy and reliability.

Because tests of existing ballistic missiles as well as new types would be prohibited under a freeze, problems in component aging and design would inevitably arise. Some component aging problems can be detected and the components replaced. But high confidence fixes, especially of design problems, will be impossible without flight testing. Other defects will be undetectable and unknown in the no-test freeze environment.

Loss of confidence in untested weapons will affect both sides. But unlike the relatively undemanding deterrence mission, a disabling counterforce first strike requires very high accuracy and reliability. The best way to shift the nuclear balance away from first strike and toward deterrence is to force both sides to let the weapons sit untested. A possibly "rusty" missile is not an attractive first-strike weapon.

THE FREEZE ADVANTAGE

An example of the protection the freeze gives to ICBM survivability is shown in Tables I and II, and in Chart I.

Table I shows the number of reliable warheads surviving in the mid-1990s if the U.S. follows the current administration's modernization program, including START and Build-Down which allow 2,500 ICBM warheads for each side. While President Reagan has requested only 100 MX missiles, it is no secret that the U.S. Air Force desires many more. Let us assume a fully modernized deployment of 175 MX missiles with ten warheads each, plus 750 single-warhead Midgetmen. The Soviet Union is assumed to build an identical force to comform to START and Build-Down. The table considers two conditions, both well within the reach of Soviet technology by the mid-1990s: Under the first condition Soviet ICBMs are assumed to be qualitatively similar to the U.S. MX, which the Administration plans to deploy in 1987. Under the second condition, ICBMs on both sides are assumed to add precision satellite guidance.

Table I demonstrates that, even with full ICBM modernization and substantial silo hardening, very few U.S. ICBM warheads would survive a Soviet first strike. The benefit of silo hardenig quickly melts away in the face of advancing Soviet accuracy. In the absence of a freeze, the U.S. ICBM deterrent will be gone.

TABLE I.—U.S. RELIABLE ICBM WARHEADS SURVIVING WITH MODERNIZATION

[Mid-1990's]

U.S. silo hardness	MX-quality attack	Satellite-guided attack
2,000 psi (present United States)	10	<10
6,000 psi (present Soviet)	40	<10
10,000 psi	100	<10
20,000 psi	260	<10

Table II shows how U.S. ICBMs would survive a Soviet first strike under a nuclear freeze. It considers three different conditions: The first condition is a worst case where, even though Soviet missile testing is frozen, the Soviets manage to forestall any weapon degradation and instead increase their accuracy by ten percent. The second condition is one of no change from present Soviet missile capability. The third condition assumes that, as a result of "rusting" under zero-test, missile accuracy and reliability drop one percent per year for 20 years on both sides.

TABLE II.—U.S. RELIABLE ICBM WARHEADS SURVIVING WITH A FREEZE

[Mid-1990's]

U.S. silo hardness	Worst case [1]	Static freeze [2]	Rusting missiles [3]
2,000 (present United States)	330	440	660
6,000 psi (present Soviet)	780	910	1,020
10,000 psi	940	1,130	1,160
20,000 psi	1,210	1,370	1,310

[1] 10 percent Soviet accuracy gain.
[2] No change from 1984.
[3] 1 percent annual accuracy and reliability loss for 20 years.

Since some modernization and some "rusting" are probably inevitable, the net effect of the freeze presumably would lie somewhere between the two examples. But even the worst freeze case in Table II is better than the best non-freeze case in Table I. Moreover, if U.S. silos were hardened to match Soviet hardness levels of 6,000 psi, the worst freeze case would give the U.S. at least three times as many surviving ICBM warheads as the best non-freeze case.

ZERO-TEST ESSENTIAL

While some commentators have suggested that a freeze should permit a limited number of ballistic missile tests, this would be a serious mistake. Even if superhardness is achievable, the strategic success of the freeze requires that flight tests of existing as well as new-type ballistic missiles be prohibited. If the U.S. permits the Soviets to flight-test their SS-18s and SS-19s, there will be no verifiable way to prevent progressively better accuracy from putting U.S. ICBMs into the disastrous, non-survivable, non-freeze condition shown in Table I. Although the present Soviet SS-18s and SS-19s carry a reliability handicap because of their liquid fuel, if their accuracy is unconstrained they can become nearly as effective first-strike devices as any new-type ICBM.

Moreover, the psychological significance of zero-test may even exceed its technological significance. The longer the time since the last flight, the more reluctant any national leader will be to roll the dice and risk his nation's survival on the proposition that his disabling first strike will be successful.

The freeze is a high-confidence plan for ICBM survivability without incurring the cost of a single new missile. It will be effective not only against attack by ICBMs but against the even more dangerous eventuality of attack by accurate submarine-launched ballistic missiles (SLBMs), which could strike with significantly less warning.

In addition, the freeze will prevent testing and deployment of Soviet depressed-trajectory ballistic missiles, which could reach even inland airbases too quickly for U.S. strategic bombers to escape. It will prevent testing and deployment of new weapons systems that are difficult to monitor. Deep cuts in the world's nuclear arsenals will thus be much easier to make. Finally, because the freeze will reduce first-strike potential and increase survivability on both sides, it is as much in the interest of the Soviet Union as of the U.S. It will enhance stability and reduce the chance of nuclear annihilation for all concerned.

It is incumbent upon freeze opponents to show an alternative that offers equal or greater security at equal or lower cost.●

IN TRIBUTE TO CHARLES NAGANO

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. MATSUI. Mr. Speaker, a close and dear friend of mine and the city of Sacramento passed away recently, and I would like a few minutes to recognize this exceptional individual.

Mr. Speaker, Charles Nagano touched many lives during his 62

years. He touched us because he was a kind and exceptionally generous person who cared dearly for his fellowman. With Charles Nagano, a mere acquaintance was made to feel special. His warmth was real, and it was felt by many.

A wholesale produce merchant and a cofounder of the Lucky Fruit & Produce Co., Charles Nagano also fought for his country and the principles for which he stands. Despite being sent to Tule Lake Internment Center in May 1942, he enlisted in the U.S. Army 6 months later as a language specialist. He served in the Pacific and the Philippines and participated in the occupation of Japan. He also served in the Korean war before leaving the Army as a military intelligence officer.

Mr. Speaker, Charles Nagano was indeed a special individual, and I would like his dear wife Betty; his son, Dennis; his daughters, Diane Ogata and Dale Shijo; his brother, George; and his sisters, Violet Nekoishi and Jane Uejio, to know that my thoughts and prayers are with them.●

LETTER CARRIERS COLLECTIVE BARGAINING RIGHTS

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. DYSON. Mr. Speaker, seldom do our actions bring the swift results that followed from the recent passage of H.R. 6040, the supplemental appropriations bill. Included in that bill was an amendment, put forward by my colleague from Massachusetts, Representative SILVIO CONTE, to protect the integrity of the collective bargaining process as it applies to U.S. postal employees. As you may recall, negotiations on a new postal workers contract reached an impasse last July. The existing contract expired in August, and rather than submit to binding arbitration, as the Postal Reorganization Act of 1970 directs, Postmaster General Bolger unilaterally imposed a final offer that would go into effect immediatley, that is, last September.

Congress was compelled to enter the scene in September and enact legislation to prohibit Postmaster General Bolger from imposing his will on contract negotiations in violation of the collective bargaining agreement. I rise today because I was a strong supporter of this amendment and I am pleased to report that it has brought the relief for which it was intended.

Renegotiating collective bargaining agreements is always a difficult matter requiring the utmost flexibility and good faith on the part of both labor and management. These qualities are even more important in Postal Service negotiations. Under the provisions of the 1970 Postal Reorganization Act, workers are prohibited from striking their workplace in the event of a bargaining impasse, and management is prohibited from unilaterally imposing a "final offer." If an impasse is reached, both parties are supposed to submit to a 45-day factfinding period followed by another 45 days of binding arbitration. There are, in other words, no alternatives to straightforward negotiation.

Unfortunately, Postmaster General Bolger saw the expiration of the existing contract as an opportunity for cutting the pay of all future postal employees by 23 percent. This would create an unfair and burdensome "two tier" pay system within the Postal Service and was opposed by postal workers. The July impasse was a result of postal workers' opposition to this scheme, and rather than submit to arbitration, Postmaster Bolger simply set about putting his proposal into effect, directly contradicting the spirit and letter of the 1970 Postal Reorganization Act.

The amendment Congress included into the supplemental appropriation bill reconfirms the prohibition against unilaterally imposing a management compensation proposal. It thus prevented Postmaster General Bolger from going ahead with his "two tier" pay schedule and has protected the integrity of the existing collective-bargaining procedure.

The contract dispute remains unresolved. I personally do not understand Postmaster Bolger's belief that the system suffers from excessive wage costs, since it has consistently operated in the black for the past several years. And I am hopeful that the arbitration process will disallow any such drastic reduction. This remains to be seen, but for the time being, I am gratified that we have taken action to guarantee that arbitration will be given its chance, and pleased to have been a strong supporter of the Conte amendment.●

RURAL AMERICA NEEDS REA SYSTEM

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. DASCHLE. Mr. Speaker, passage of legislation to meet rural electric cooperative needs must be placed at the very top of the emergency action list for 1985.

It is absolutely indefensible that this Congress has failed to adopt the most critical REA legislation to come before it in 50 years. The House did its job, but an administration unable to see the immense benefits of a strong rural economy support by affordable rural electrification convinced the other body to shelve the REA bill.

Rural America has enjoyed no recovery. Rural America remains in the depths of a recession the equal of any in this country. Yet when farm families are struggling to make ends meet, one of the few pillars of strength remaining in their communities is threatened. That pillar, rural electrification, was built on the understanding that provision of electric power in Mud Butte, SD, is not, and can never be, the profitmaking proposition that selling electricity in Manhattan will always be. Rural communities, particularly the most sparsely populated such communities, will either receive their power from an REA system which enjoys some preference in meeting its credit needs or they will see their power costs soar and their economies decline.

Economics of rural power may not be understood at OMB. But for 50 years, this Congress and every administration has understood. I urge this body to prepare to act on that understanding, to rescue rural electrification as a first order of business next year.●

TRIBUTE TO J. KENNETH ROBINSON

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1984

● Mr. BENNETT. Mr. Speaker, all of us in Congress, whether Republican or Democratic, will greatly miss our beloved colleague J. KENNETH ROBINSON when he leaves us at the end of this session. He is a man of ability and character, and moreover a real friend to everyone who knows him. We will miss his steady hand and composed judgment in the Halls of Congress, because he has been here a man who could achieve by bringing people together, rather than by disunity. We wish him and his beloved family every happiness in his retirement from this House and hope sincerely that he will often journey to be with us, even though it will cause him temporarily to leave his beloved Shenandoah Valley.●

TRIBUTE TO RICHARD OTTINGER

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. ACKERMAN. Mr. Speaker, I rise today to pay tribute to our distinguished colleague, Congressman RICHARD OTTINGER of Mamaroneck, NY.

It has been an honor to serve in this body with a man of Congressman OTTINGER's stature and vision. As a freshman Member, I have looked to seasoned legislators for guidance and leadership. RICHARD OTTINGER's commitment to his beliefs, uncompromised through the many years of his service, taught me a valuable lesson—that deeply held ideals need not be diminished by time or cynicism.

His tireless efforts to preserve the environment, protect America's workers, and ensure the rights of those who cannot fight for themselves have been an example of how one man's ideals can be turned into reality.

Congressman OTTINGER has devoted many years of his long and exemplary career to serving the people of New York and the citizens of this great Nation, and we have all benefited from his commitment and compassion.

Mr. Speaker, the many contributions our colleague has made to improving the quality of life in this country are lasting ones that will be passed on to future generations. Our water is clearer, our air is cleaner, and our natural resources are protected and preserved for our children to enjoy. RICHARD OTTINGER's efforts have reaped these rewards for all of us.

Mr. Speaker, the list of his noble accomplishments and efforts is long. I regret that this rare and distinguished man is leaving this body. But I know that he will continue to enrich the lives of many, and I would like every Member of the U.S. House of Representatives to join with me now in honoring our colleague, RICHARD OTTINGER.●

A TRIBUTE TO U.S. SENATOR PAUL TSONGAS

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1984

● Mr. EARLY. Mr. Speaker, I am very pleased to include this well merited tribute to my dear friend and colleague, PAUL TSONGAS, our junior Senator from Massachusetts.

Just the other night I overheard an unusual comment about him. While having dinner in a Boston restaurant a woman at the next table said: "I like Senator TSONGAS very much because every time he speaks at a public event he is brief and he is believable." Maybe that is the magic formula PAUL has used to confound the political prophets and win every election contest he has ever entered.

In any case I think that woman's remark tells us a good bit about the political wisdom and personal sincerity of PAUL TSONGAS. But it is not the whole story by any means.

Over the past 10 years of his service here, 4 in the House and 6 in the Senate, he has gained increasing recognition as a national legislator of exceptional intellect, inspiring vision, and unusual effectiveness. In committee hearings and Chamber debates his scholarly knowledge and moving appeal is very convincing and persuasive in his consistent promotion of the common good. Since he entered Congress his principal objective has been to encourage all Members to unite to provide our confused and frightened world with a leadership example of an America in which "the strong are just and the weak secure" and the preservation of global peace is the paramount desire.

He is internationally admired for his persevering efforts to achieve these vitally important goals.

He is deeply respected by the great majority of Senate Members for his intellectual capacity, his tolerance of opposition, his cooperative disposition, and his genuine good nature.

The people of our Commonwealth know him as an individual of quiet but exceptional efficiency, immense courage, unwavering principle, and compassionate understanding. They have repeatedly selected him to serve them in Congress because he has earned their confidence and trust. The people of our Commonwealth and all his colleagues and associates know that PAUL TSONGAS has never sought a political title or position just for the inflation of his own ego, or for his own selfish interest. They know, and everyone knows, that he has his own deep convictions about the real values of this life and the order of priority in which they should be considered.

Therefore, very few, if any, were surprised when he voluntarily chose the responsibility of family leadership over the prospective influence of a leadership position of the U.S. Senate.

He will be greatly missed when he leaves the Senate at the end of this session. The Nation and our Commonwealth will suffer a great loss. However, the example of his high character, courage and competence in the public service of his country will always provide a moving inspiration to those of us who remain here and all those who will come after us.

That is why I am honored to join with all his friends in wishing Senator PAUL TSONGAS, his gracious wife Nicola, and his three lovely daughters continued family happiness and increasing success through many many satisfying years ahead.●

TRIBUTE TO ABRAHAM "CHICK" KAZEN

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. DE LA GARZA. Mr. Speaker, the Congress has been a living force in the American system of government for nearly 200 years, a dynamic embodiment of our citizens. The will of our people emerges through the agreements and disagreements that develop and each of us as Congressmen attempt to reflect the views and desires of our own constituencies.

Yet some Members go beyond the mere confines of their own districts, representing and striving to achieve the goals of a broader constituency—a majority of the body politic. And when such Members retire, not only we, their colleagues, or their individual constituents feel the loss, but the whole system suffers.

As the 98th Congress winds to a close, we are beginning to realize our true losses as our colleagues and friends retire. One such individual whom we will all miss and I in particular is my good friend and distinguished colleague ABRAHAM "CHICK" KAZEN.

In the Texas Legislature from 1953 to 1964 when I left—he served in the senate and I in the house—we worked together for south Texas and again since 1966 when CHICK came to the House of Representatives I have had the great privilege of working with him for 18 more years. One can hardly condense these years of service into a few brief moments of respect and admiration. Yet that is what I must do today—taking note of the passing of an era with the departure of our good friend and colleague.

He has, by the virtue of hard work and dedicated application to the problems of his constituents in Texas 23d District risen to a place where very few men in the history of this Nation have been—at the very top, among the most experienced and dedicated leaders this Congress has ever known.

As a legislator, CHICK KAZEN has been among the most effective and exceptionally gifted leaders to have served in Congress. It is a tribute to the good judgment of the people of his district that year after year they chose him as their Representative. His concern for them and their problems has always been first and foremost, and he has never forgotten from where he came and why he was here.

His has been the ability to understand the influence of the past upon the present and combine that knowledge with the insight to understand the needs of the future. That is the true gift of leadership.

It will be hard for me to think of Congress without CHICK KAZEN for he is one who has surely given far beyond what he has received and has done so without question. As he concludes his service I would like to salute him and wish him all the good things life has to offer. No one is more deserving.●

CONGRATULATIONS TO JACK EDWARDS ON HIS RETIREMENT

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 1984

● Mr. WYLIE. Mr. Speaker, I feel, JACK EDWARDS is one of the most highly respected men who ever served in Congress.

JACK EDWARDS' retirement from the Congress is a real loss to the Congress as well as for his constituents. People in his congressional district at least have the consolation of knowing that he will be in downtown Mobile with the fine law firm of Hand, Arendall, Bedsole, Greaves & Johnston. Few Members of Congress accomplish as much for their constituents as JACK EDWARDS has.

It has been a real pleasure for me to have JACK join the House Banking, Finance and Urban Affairs Committee where he has provided solid knowledgeable support. I regret that he was not on our committee earlier because he was so very effective in the short time he was on the committee. He was on the Appropriations Committee for 16 years including almost 10 years as the ranking Republican on the very important Defense Subcommittee where he rendered necessary valuable service to our country.

JACK'S respect and popularity among his peers led to his election as secretary of the House Republican Conference in 1972. He was reelected continuously until 1979 when he was unanimously elevated to vice chairman of the conference. The last 6 years as vice chairman have been particularly significant since that office is one of eight elected positions of leadership for House Republicans. This has meant regular trips to the White House to provide valuable counsel to the President in high matters of state.

In service to one's country few Members have the distinction of having served his district and Nation so extremely well.

JACK'S counsel and wonderful personal presence will be missed in the Halls of Congress.

My wife, Marjorie, and I wish JACK and Jolane every happiness and success as they begin a new journey for the years ahead.●

TRIBUTE TO ABRAHAM KAZEN

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 4, 1984

● Mr. BENNETT. Mr. Speaker, as this Congress comes to a close, I regretfully note that Congressman ABRAHAM KAZEN will not be with us next January. And that is our loss and the loss of our country, because he has been an outstanding Member of this House; and has served his district, and State, and our Nation with excellence. He is a bright and personable man whom we all love as a friend. In World War II he had a distinguished record in combat in the Air Force. Before he came to Congress he had a distinguished career in his State legislature and he capped a long and effective career in Congress with the passage of major legislation, particularly in the field of defense. We will miss him and his lovely wife Consuelo, and hope they come often to be among us in the years ahead.●

CONGRATULATIONS TO BARBER B. CONABLE, JR., ON HIS RETIREMENT

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 3, 1984

● Mr. WYLIE. Mr. Speaker, I want to take this opportunity to express my sincere admiration and respect for BARBER CONABLE, certainly one of the ablest men who ever served in Congress. BARBER CONABLE'S retirement from the Congress after 20 years of distinguished service is a profound loss to the cause of good government in Washington. He has served on some of the most important legislative and Republican committees, Presidential task forces, and private sector commissions of recent Congresses. His experience and leadership will be sorely missed from comparable work in future Congresses. BARBER has certainly been one of the outstanding Members of Congress since I have served.

He has been the ranking Republican on the House Ways and Means Committee since 1977, and he is currently an important member of both the prestigious Joint Committee on Taxation and the thankless but important Committee on Standards of Official Conduct. In previous Congresses he has served as a distinguished member of both the Joint Economic Committee and the House Budget Committee. He has also been a part of two crucial Presidential task forces in recent years, namely, the National Commission on Social Security Reform—the so-called Greenspan Commission—and the Task Force on Private Sector Initiatives—the so-called Grace Commission. Given the various limitations on service imposed by the Rules of the House of Representatives it is difficult to imagine what else BARBER CONABLE could have done in his official capacity. In Republican Party matters he has also served as chairman of both the House Republican Policy Committee and the Republican Research Committee.

He and his lovely wife Charlotte are the parents of a wonderful son and three beautiful daughters, and all three daughters announced their intentions to marry earlier this year. With so many family and legislative responsibilities soon to be history I am sure we will see much distinguished service in the private sector from the Conables. My wife, Marjorie, joins me in wishing the Conables many years of happiness in their new career.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, October 11, 1984, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

NOVEMBER 29

9:30 a.m.

Temporary Select Committee to Study the Committee System

Business meeting, to further consider recommendations to reform the Senate committee system.

SR-301